



**NAM FONG INTERNATIONAL HOLDINGS LIMITED**

**南方國際控股有限公司**

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份編號 : 1176



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# CORPORATE INFORMATION

## 公司資料

### EXECUTIVE DIRECTORS

Tong Shi Jun, *Chairman*  
Zhao Lishen  
Chiu Kong  
Huang Ling  
Zhu Jun

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Chen Song Sheng  
Zhou Mei Zhen  
Yuen Wai Ho

### AUDIT COMMITTEE

Yuen Wai Ho  
Chen Song Sheng  
Zhou Mei Zhen

### REMUNERATION COMMITTEE

Chiu Kong  
Zhou Mei Zhen  
Yuen Wai Ho

### NOMINATION COMMITTEE

Chiu Kong  
Zhou Mei Zhen  
Yuen Wai Ho

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### PRINCIPAL PLACE OF BUSINESS

Room 1901, 19th Floor, Office Tower,  
Convention Plaza, 1 Harbour Road  
Wanchai  
Hong Kong

### 執行董事

佟世均 (主席)  
趙立申  
趙鋼  
黃玲  
朱軍

### 獨立非執行董事

陳頌聲  
周美珍  
阮煒豪

### 審核委員會

阮煒豪  
陳頌聲  
周美珍

### 薪酬委員會

趙鋼  
周美珍  
阮煒豪

### 提名委員會

趙鋼  
周美珍  
阮煒豪

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### 主要辦事處

香港灣仔  
港灣道1號  
會展廣場辦公大樓19樓1901室

**QUALIFIED ACCOUNTANT AND COMPANY SECRETARY**

Tang Sze Lok

**合資格會計師及公司秘書**

鄧詩諾

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM08  
Bermuda

**股份過戶登記總處**

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM08  
Bermuda

**HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Abacus Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Hong Kong

**香港股份過戶登記分處**

卓佳雅柏勤有限公司  
香港皇后大道東28號  
金鐘匯中心26樓

**AUDITOR**

RSM Nelson Wheeler  
29th Floor, Caroline Centre, Lee Gardens Two,  
28 Yun Ping Road,  
Hong Kong

**核數師**

中瑞岳華(香港)會計師事務所  
香港恩平道28號  
利園二期嘉蘭中心29樓

**LEGAL ADVISORS ON BERMUDA LAW**

Conyers Dill & Pearman  
2901 One Exchange Square  
8 Connaught Place, Central  
Hong Kong

**百慕達法律顧問**

Conyers Dill & Pearman  
香港中環干諾道中8號  
交易廣場一期2901室

**PRINCIPAL BANKERS**

The Hongkong and Shanghai Banking Corporation Limited  
Nanyang Commercial Bank, Limited

**主要銀行**

香港上海滙豐銀行有限公司  
南洋商業銀行有限公司

**STOCK CODE**

1176

**股份編號**

1176



# CHAIRMAN'S STATEMENT

## 主席報告書

I present the results and operations of Nam Fong International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2007.

### RESULTS

The audited consolidated profit of the Group for the year ended 31 December 2007 was approximately HK\$7,661,000 and the basic earnings per share was HK0.55 cents, as compared to the consolidated profit of approximately HK\$60,068,000 and basic earnings per share of HK4.42 cents for 2006.

### DIVIDENDS

The directors do not recommend payment of dividend for the year (2006: Nil).

### NET ASSET VALUE

The consolidated net asset value per share of the Group as at 31 December 2007 was approximately HK\$0.29 based on 1,632,000,000 shares in issue, as compared to HK\$0.32 per share for 2006.

### BUSINESS REVIEW

#### Property Investment

The Group's major property investment is certain units in Liwan Plaza, with a total gross floor area of approximately 12,878 square meters, which is located at Shang Xia Jiu Road, Liwan District, Guangzhou, the People's Republic of China (the "PRC"). During the year ended 31 December 2007, the net proceeds from the sale of several investment properties in Liwan Plaza amounted to approximately HK\$69,965,000.

In December 2007, the Group acquired of certain floors in Royal Mediterranean Hotel, with a total gross floor area of approximately 6,098 square meters, which is located at southern side of Zhongshan Da Road, Shi Pai, Tianhe, Guangzhou, the PRC as the Group's another property investment.

本人謹提交南方國際控股有限公司（「本公司」）及其附屬公司（統稱為「本集團」）截至二零零七年十二月三十一日止年度之業務報告。

### 業績

本集團截至二零零七年十二月三十一日止年度之經審核綜合溢利約為7,661,000港元，每股基本盈利為0.55港仙，而二零零六年之綜合溢利約為60,068,000港元及每股基本盈利為4.42港仙。

### 股息

董事建議本年度不派發股息（二零零六年：無）。

### 資產淨值

於二零零七年十二月三十一日，以已發行1,632,000,000股股數計算，本集團之綜合資產淨值每股約為0.29港元，而二零零六年為0.32港元。

### 業務回顧

#### 物業投資

本集團主要的物業投資為位於中華人民共和國（「中國」）廣州市荔灣區上下九路荔灣廣場總樓面面積約12,878平方米之若干單位。截至二零零七年十二月三十一日止年度，出售荔灣廣場之數個投資物業淨收入約為69,965,000港元。

於二零零七年十二月，本集團收購位於中國廣州市天河石牌中山大道南側廣州地中海國際酒店總樓面面積合共約6,098平方米之若干樓層，作為本集團的另一物業投資。

# CHAIRMAN'S STATEMENT

## 主席報告書

### Property Development

As at 31 December 2007, the Group has interests in two property development projects, one is 50% interest in Jiangnan Nam Fong Garden Phase II ("Jiangnan Garden II") development project and the other is Holiday Bay Chaohu Phase I ("Chaohu I") development project.

Jiangnan Garden II is located at Chang Gang Zhong Road, Guangzhou, the PRC, which will comprise four 30-storey towers including a 3-storey commercial podium, 27-storey residential units and a 3-storey car park at basement level with an expected total gross floor area of approximately 105,766 square meters. As announced on 19 March 2008, the Group entered into an agreement with an independent purchaser to dispose of the remaining 50% interest in the holding company of Guangzhou Jiannan House Property Development Company Limited ("GZ Jiannan") which sole asset is the development projects.

Chaohu I, the Group's core development project, which is located at Zhongmiao Town, Chaohu City, Anhui Province, the PRC, with a site area of approximately 111,595 square meters, within which the planned gross floor area is approximately 150,000 square meters. Chaohu I will be phase one of the development project with a comprehensive mixed use community comprising office, hotel, retail and residential. It is estimated by the Group that the development of Chaohu I will commence in the second quarter of 2008, with the pre-sale commence in the third quarter of 2009 and the whole will complete by the second quarter of 2010.

### Prospect

The PRC economy is expected to grow in the coming years and the standards of living of its people in large cities will continue to improve. As a result, this would lead to higher levels of consumer spending and hence increases the demand for quality retail property in locations with good transportation links. Moreover, with more overseas investors investing in the PRC and the local PRC residents having higher income levels, the demand for quality residential housing in prime areas and at reasonable prices is expected to escalate further.

### 物業發展

於二零零七年十二月三十一日，本集團擁有二個物業發展項目之權益，其一為江南南方花園二期（「江南花園二期」）發展項目之50%權益及巢湖假日水鎮一期（「巢湖一期」）發展項目。

江南花園二期位於中國廣州市昌崗中路，將由四幢三十層高之大樓組成，包括三層商場、每幢二十七層住宅單位及三層地庫停車場，總建築面積約為105,766平方米。於二零零八年三月十九日之公佈，本集團與一獨立買方訂立了協議，同意出售廣州建南房產發展有限公司（「廣州建南」）（其唯一資產為該發展項目）之控股公司餘下50%之權益。

巢湖一期，本集團之主力物業發展項目，位於中國安徽省巢湖市中廟鎮，地盤面積約為111,595平方米，總建築面積約為150,000平方米。巢湖一期將被定位為一個多用途綜合社區第一期之發展項目，包括辦公室、酒店、商業及住宅。本集團預計巢湖一期將於二零零八年第二季度啟動，於二零零九年第三季度進行預售，整體將於二零一零年第二季度竣工。

### 展望

中國經濟在未來幾年內將預期持續增長，大城市之人民生活質素將不斷提高。受此影響，消費水平將會上升，從而令位於完備交通網絡之優質零售物業之需求增加。此外，隨著更多海外投資者於中國投資及當地中國居民收入水平提高，預期對位於黃金地段且價格合理之優質住房之需求將會進一步上升。

# CHAIRMAN'S STATEMENT

## 主席報告書

Besides the development project of Chaohu I and investment of certain floors in Royal Mediterranean Hotel, the Group has exerted great efforts in enhancing and expanding its property investment and development business.

As announced on 11 March 2008, the Group has acquired certain property units in Meizhou City, Guangdong Province, the PRC as the Group's investment properties with a view to enhancing the revenue stream of the Group.

Based on the Group's extensive experience in the property market in the PRC, the Group will continue to explore quality properties with a view to expanding its land bank should suitable opportunities arise.

Capitalizing on the prime opportunities arising from the ever-booming real estate market, the management team of the Group is now seeking every opportunity for more extensive cooperation. It is expected that the Group will soon stride into a stage of rapid development.

### APPRECIATION

On behalf of the Board, I would like to thank our shareholders for their continued support to the Group and the dedicated management and staff for their valuable contributions during the year.

**Tong Shi Jun**  
*Chairman*

Hong Kong, 16 May 2008

除了巢湖一期發展項目及廣州地中海國際酒店若干樓層之投資外，本集團將致力加強及拓展其物業投資及開發業務。

於二零零八年三月十一日之公佈，本集團收購了中國廣東省梅州市若干物業單位作為本集團之投資物業，以增強本集團之收入來源。

基於本集團在中國房地產市場之廣泛經驗，本集團將繼續物色優質物業，並在適合的機會出現時擴大其土地儲備。

不斷上升的房地產市場為本集團提供了良好的發展契機，本集團管理團隊正不斷尋求更廣泛的合作，預期本集團儘快進入高速發展軌道。

### 感謝

本人謹代表董事會對一直支持本集團之股東及於本年度盡心作出寶貴貢獻之管理人員與員工，衷心致謝。

*主席*  
**佟世均**

香港，二零零八年五月十六日



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in property development, property investment and property rental activities in the PRC.

During 2007, the Group's major investment property remained at Liwan Plaza and primary property under development was Jiangnan Nam Fong Garden Phase II, Guangzhou. During the year under review, the Group has disposed of the entire interest in Nam Fong Guangzhou Plaza Limited ("GZ Plaza") which sole asset is a development project, namely, the Yue Xiu Plaza and assign the loan due by GZ Plaza to the Group to the purchaser.

In June 2007, the Group entered into a share transfer agreement to dispose of 50% of the issued share capital of Trisum Investment Limited ("Trisum"), the holding company of GZ Jiannan (which sole asset is a development project, namely Jiangnan Garden II) to Access Achievement Limited (an independent purchaser). The disposal was completed in August 2007. In November 2007, Access Achievement Limited disposed of its 50% shareholding interest in Trisum to the new partner (Hopeson Holdings Limited, an independent purchaser). As at 31 December 2007, the Group and Hopeson Holdings Limited has a 50% beneficial interest through their respective investment in Trisum.

In August 2007, the Group entered into a disposal agreement to dispose of certain units in Liwan Plaza to independent purchaser. The disposal was completed in September 2007. As at 31 December 2007, the total units of Liwan Plaza owned by the Group amounted to approximately 12,878 square meters and generate a recurring rental income of approximately HK\$600,000 per month.

In December 2007, the Group entered into an agreement with an independent vendor to acquire of 100% shareholding interest in Boshing Investments Limited ("Boshing Investments"). Boshing Investments entered into the cooperation agreement with the Government of Chaohu City in the Anhui Province, the PRC in September 2007 for the progress in respect of the preliminary development of a land site at Chaohu City, Zhong Miao Street, Ming Feng Gang District with a gross area of approximately 334 mu (equivalent to approximately 222,667

### 業務回顧及展望

本集團主要於中國從事物業發展、物業投資及物業租賃等業務。

二零零七年，本集團主要的物業投資仍然為荔灣廣場，而主要發展中物業則為廣州市江南南方花園二期。回顧年內，本集團完成出售南方越秀廣場有限公司（「越秀廣場」）（其唯一資產為越秀廣場發展項目）之全部權益，以及轉讓越秀廣場結欠本集團之貸款予買方。

於二零零七年六月，本集團訂立一份股份轉讓協議，出售豐深投資有限公司（「豐深」）已發行股本之50%予 Access Achievement Limited（為獨立買方）（豐深為廣州建南之控股公司，其唯一資產為江南花園二期發展項目），該出售已於二零零七年八月完成。於二零零七年十一月，Access Achievement Limited 出售其於豐深的50%權益予新合作夥伴（合生集團有限公司，為獨立買方）。於二零零七年十二月三十一日，本集團及合生集團有限公司分別各自於豐深之投資而實益擁有其50%權益。

於二零零七年八月，本集團訂立出售協議，出售荔灣廣場若干物業予獨立買方，該出售已於二零零七年九月完成。於二零零七年十二月三十一日，本集團持有荔灣廣場物業共約12,878平方米及每月帶來經常性租金收入約600,000港元。

於二零零七年十二月，本集團與獨立賣方訂立協議，收購寶昇投資有限公司（「寶昇投資」）之100%股權，寶昇投資已於二零零七年九月與中國安徽省巢湖市政府訂立合作協議，以就一幅位於巢湖市中廟街道鳴鳳崗區域之地塊，總面積約334畝（相當於約222,667平方米）（「巢湖地塊」）進行一級開發，在巢湖地塊之一級開發完成後，巢湖市政府將根據有關規例及規定，將巢湖地塊作



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

sq.m.) ("Chaohu Land"). After the preliminary development of the Chaohu Land is completed, the Chaohu City Government will put the Chaohu Land to public auction according to the relevant rules and requirements. Boshing Investments shall be entitled to the return of its investment cost out of the proceeds by way of public auction. Through the acquisition of Boshing Investments, the Group is able to further strengthen its property development related business in the PRC. In January 2008, the Group has successful bid for the land use right of a part of the Chaohu Land with site area of 100,155 square meters. Moreover, the Group also plans to participate in the bidding of the remaining area of the Chaohu Land when it is put to public auction.

In addition to the Chaohu Land, the Group entered into the sale and purchase agreement in December 2007 with an independent vendor to acquire a plot of land located at Zhongmiao Town, Chaohu City and adjacent to the Chaohu Land with a site area of 11,440 square meters. The land, together with a part of the Chaohu Land with a site area of 100,155 square meters acquired in January 2008, covers a site area of approximately 111,595 square meters, within which the planned gross floor area is approximately 150,000 square meters. The Project will be phase one of the development project with a comprehensive mixed use community comprising office, hotel, retail and residential. Given that the Project is located by the Chaohu lake which is a scenic area and allows a great view over the lake, the Project is preliminarily named "Holiday Bay Chaohu Phase I".

In December 2007, the Group entered into an agreement with an independent vendor to acquire of 100% shareholding interest in Graceful Link Limited ("Graceful Link") which is a property holding company and is owner of the Properties, being the certain floor of Royal Mediterranean Hotel with a total gross floor area of 6,098 square meters. The Group intends the Properties as its investment property. The Properties will generate a stable and recurring cash inflow to the Group upon securing lease agreements and provide the Group with additional working capital for its operation.

公開拍賣。寶昇投資有權以公開拍賣所得款中取得其投資成本之回報。藉進行收購寶昇投資，本集團能進一步擴大其於中國之物業發展相關業務。於二零零八年一月，本集團已成功投得巢湖地塊之部份100,155平方米之土地使用權，此外，本集團亦計劃於巢湖地塊之餘下面積公開拍賣時參與競投。

除巢湖地塊外，於二零零七年十二月，本集團與獨立賣方訂立買賣協議，收購另一幅毗鄰巢湖地塊，位於巢湖市中廟鎮巢湖岸邊之一幅地盤面積11,440平方米之地塊。該地塊連同於二零零八年一月投得的100,155平方米之部份巢湖地塊，合共地盤面積約111,595平方米，其中計劃總建築面積約150,000平方米。該項目將被定位為一個多用途綜合社區第一期發展項目，包括辦公室、酒店、零售及住宅。鑒於該項目位於風景優美的巢湖畔，湖光水色盡收眼底，該項目初步命名為「巢湖假日水鎮一期」。

於二零零七年十二月，本集團與獨立賣方訂立協議，收購愉興有限公司（「愉興」）之100%股權，愉興為一間物業控股公司，並為廣州地中海國際酒店若干樓層總樓面面積為6,098平方米之物業持有人。本集團計劃將該物業作為其投資物業，該物業將於訂立租賃協議後為本集團帶來穩定及經常性之現金流入，並為本集團之業務提供額外之營運資金。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

In March 2008, the Group entered into two sales and purchase agreements with an independent vendor to acquire of twelve shop units at Jiang Bian Road, Meizhou City with a total gross floor area of approximately 3,327 square meters and the first floor to the eight floor of the accessional building, the tricorn region besides the River View Hotel at Jiang Bian Road, Meizhou City with a total gross floor area of approximately 13,281 square meters. The Group intends the Properties as its investment property.

### Future Plans

In the coming year, the Board intends to retain its certain floors of Royal Mediterranean Hotel and the properties at Jiang Bian Road, Meizhou City as its main investment properties and will focus on the development of Holiday Bay Chaohu Phase I development project.

Apart from Holiday Bay Chaohu Phase I development project, the Company will continue to explore quality properties with a view to expanding its land bank should suitable opportunities arise.

### Financial Review

#### Turnover and segmental information

##### Rental income

The Group's turnover represents rental income generated. Rental income decreased by 47.4% to approximately HK\$12.3 million in 2007 from approximately HK\$23.4 million in 2006. The decrease in rental income was mainly due to the disposal of certain investment properties in Liwan Plaza in 2007.

##### Gross profit

Gross profit decreased by 54.7% to approximately HK\$7.3 million in 2007 from approximately HK\$16.1 million in 2006, mainly due to the decrease in rental income received.

##### Other income

Other income decreased by 80.7% to approximately HK\$11.4 million in 2007 from approximately HK\$58.9 million in 2006, mainly due to there was a reversal of impairment losses on properties under development in 2006.

於二零零八年三月，本集團與獨立賣方訂立兩份買賣合同，收購梅州市江邊路12間商舖總樓面面積約3,327平方米及梅州市江邊路望江樓大酒店三角地帶附樓1層至8層總樓面面積約13,281平方米之物業。本集團計劃將該物業作為其投資物業。

### 未來計劃

來年，董事會計劃保留其於廣州地中海國際酒店若干樓層及梅州市江邊路之物業作為主要投資物業，並將重點開發巢湖假日水鎮一期發展項目。

除巢湖假日水鎮一期發展項目外，本公司將繼續物色優質物業，並在適當的機會出現時擴大其土地儲備量。

### 財務回顧

#### 營業額及分類資料

##### 租金收入

本集團之主要收益為租金收入。租金收入由二零零六年之約23,400,000港元下跌47.4%至二零零七年之約12,300,000港元，租金收入減少主要是由於二零零七年出售荔灣廣場之若干投資物業所致。

##### 毛利

毛利由二零零六年之約16,100,000港元下跌54.7%至二零零七年之約7,300,000港元，這主要是由於年內租金收入減少所致。

##### 其他收入

其他收入由二零零六年之約58,900,000港元下跌80.7%至二零零七年之約11,400,000港元，這主要是由於二零零六年發展中物業減值回撥所致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### *Other operating expenses*

Other operating expenses decreased by 62.4% to approximately HK\$4.1 million in 2007 from approximately HK\$10.9 million in 2006, primarily attributable to the decrease in other tax expenses and other expenses during the year.

### *Profit before tax*

Profit before tax decreased by 86.8% to approximately HK\$8.8 million in 2007 from approximately HK\$66.7 million in 2006 mainly due to a drop in revenue from rental income generated, decrease in the gain on disposal of subsidiaries and cumulative effect of the foregoing.

### *Income tax*

Income tax decreased by 83.3% to approximately HK\$1.1 million in 2007 from approximately HK\$6.6 million in 2006, primarily attributable to the charge-back of deferred tax assets in 2006.

### **Liquidity and capital resources**

#### *Cash position*

As at 31 December 2007, the Group's bank and cash balances amounted to approximately HK\$2.2 million.

#### *Borrowings, charges on group assets and gearing ratio*

As at 31 December 2006, the Group had short-term borrowings together with accrued interest of approximately HK\$10 million which were secured by the investment properties of the Group with carrying amount of approximately HK\$15.5 million and were interest bearing at 5% per annum. Such secured loans were fully repaid in January 2007. Accordingly, the Group had no borrowings as at 31 December 2007 and the gearing ratio as at 31 December 2007, expressed as total borrowing over the total equity was NIL (2006: 2.31%).

### *其他經營開支*

其他經營開支由二零零六年之約10,900,000港元下跌62.4%至二零零七年之約4,100,000港元，這主要是由於年內其他稅項以及其他費用減少所致。

### *除稅前溢利*

除稅前溢利由二零零六年之約66,700,000港元下跌86.8%至二零零七年之約8,800,000港元，這主要是由於租金收入減少、出售附屬公司收益下跌及上述因素之綜合影響。

### *所得稅*

所得稅由二零零六年之約6,600,000港元下跌83.3%至二零零七年之約1,100,000港元，這主要是由於二零零六年之遞延稅項資產轉回所致。

### **流動資金及資本資源**

#### *現金水平*

於二零零七年十二月三十一日，本集團之現金及現金等值項目約為2,200,000港元。

#### *借貸、集團資產抵押及資本負債比率*

於二零零六年十二月三十一日，本集團之短期貸款及利息約為10,000,000港元乃以本集團賬面值15,500,000港元之投資物業作為抵押，年息為5%。於二零零七年一月，該抵押貸款已全數償還。因此，本集團於二零零七年十二月三十一日之借貸為零。於二零零七年十二月三十一日，資本負債比率（以總借貸除以總權益表示）亦為零（二零零六年：2.31%）。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### CONTINGENT LIABILITIES

The Group were no any significant contingent liabilities for the year ended 31 December 2007.

### FOREIGN EXCHANGE RATE

The Group conducts its business almost exclusively in RMB except that certain receipts of sales proceeds and the borrowings are in HKD. The conversion of RMB into HKD or other foreign currencies has been based on the rates set by the People's Bank of China. The value of RMB against the HKD dollar and other foreign currencies may fluctuate and is affected by factors such as changes in China's political and economic conditions. However, the Board considers that the effect of the exposure of the Group to the foreign exchange risk is minimal.

### STAFF AND REMUNERATION POLICIES

The Group had approximately 40 employees in Hong Kong and the PRC for the year. They are remunerated according to the job nature, market conditions, individual performance and qualifications. Other staff benefits include year end bonus.

### PROFESSIONAL TAX ADVICE RECOMMENDED

If the shareholders of the Company are unsure about the tax implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to, the shares of the Company, they are advised to consult an expert.

### 或然負債

截至二零零七年十二月三十一日止年度，本集團內概無任何重大或然負債。

### 匯率

除部份銷售款項及借貸以港元計算外，本集團絕大部分業務均以人民幣計算。人民幣兌換港元或其他外幣乃按中國人民銀行所定之匯率進行。人民幣兌港元或其他外幣之價值或會波動，並受中國政治及經濟條件改變等因素之影響。然而，董事會認為本集團受匯兌風險影響之程度並不大。

### 僱員及薪酬政策

本年度本集團共僱用約40名員工於香港及中國工作。僱員之薪酬按照其工作性質、市場指標、個人表現及資歷而釐定。其他員工福利包括年終花紅。

### 諮詢專業稅務意見

本公司股東如對有關購買、持有或出售或買賣本公司股份或行使任何相關權利之稅務影響有任何疑問，應諮詢專家意見。

# BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員資料

The Board currently comprises eight directors, five of whom are executive directors and three of whom are independent non-executive directors.

### Executive Directors

Tong Shi Jun, aged 51, is the Chairman of the Company. Mr. Tong has long been engaging in construction investments and project management in the PRC, and with extensive management experience. He has excellent performance in export and import trading business in the recent ten years. Mr. Tong joined the Group in March 2002.

Zhao Lishen, aged 37, is responsible for the whole management of Greater China, PRC of the Group. Mr. Zhao graduated from ZhongNan University at Economics and Law. He has long been engaging in the banking investment and the enterprise management of major corporation for a number of years. He has extensive understanding and cumulate experience in group management. Mr. Zhao joined the Group in February 2003.

Chiu Kong, aged 49, is mainly responsible for the administration of the Hong Kong office. He has long been engaging in export and import trading business as well as telecommunication investments in mainland. He joined the Group in June 2002.

Huang Ling, aged 33, is mainly responsible for capital financing. She graduated from Guangdong Foreign Trade University with a Bachelor of Economics degree. She has engaged in international accounting of bank with certain experience in financing. Ms. Huang joined the Group in February 2003.

Zhu Jun, aged 37, is mainly responsible for personnel management. She had worked in group logistics property administration of South China University of Technology. Ms. Zhu joined the Group in February 2003.

董事會現由八名董事組成，五名執行董事及三名獨立非執行董事。

### 執行董事

佟世均，51歲，本公司主席。佟先生長期從事中國建設投資和建設項目管理工作，具豐富管理經驗。彼近十年從事之進出口貿易工作成績卓著。佟先生於二零零二年三月加入本集團。

趙立申，37歲，主要負責集團中國大中華區域的整體管理。趙先生畢業於中南財經政法大學，長期以來從事投資銀行以及大型企業管理工作，對集團企業的營運管理有著較為深入的理解及豐富的經驗積累。趙先生於二零零三年二月加入本集團。

趙鋼，49歲，主要負責本集團香港辦事處行政管理。趙先生長期從事進出口貿易生意及國內電子通信投資工作。彼於二零零二年六月加入本集團。

黃玲，33歲，主要負責財務資金運作。黃小姐畢業於廣東外貿大學，持有經濟學士學位，曾從事銀行國際業務會計工作，有一定的財務工作經驗。黃小姐於二零零三年二月加入本集團。

朱軍，37歲，主要負責人事管理。朱小姐曾任職華南理工大學後勤產業集團行政管理。朱小姐於二零零三年二月加入本集團。

# BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員資料

### Independent Non-Executive Directors

Chen Song Sheng, aged 72, has been an independent non-executive director since February 2001. Mr. Chen graduated from the University of Zhongshan in the PRC and he stayed to work after. He had been the Deputy Head of the Department of Chinese in the University of Zhongshan and held his professorship in the University of Macau since 1991. Mr. Chen is also director and chairman of several Chinese cultural organizations.

Zhou Mei Zhen, aged 29, has been an independent non-executive director of the Company since September 2004. Ms. Zhou graduated from Guangzhou Finance & Trade Management Institute majoring in professional management of enterprises. She had engaged in Guangzhou Guangjian Group and was mainly responsible for the finance and administration of the Group.

Yuen Wai Ho, aged 48, has been an independent non-executive director of the company since September 2007. Mr. Yuen holds two Master's degrees, one in business administration from the University of Bath in England and the other in electronic commerce from the Open University of Hong Kong. Mr. Yuen is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong and is also an associate member of the Institute of Chartered Accountants in England and Wales, the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators. Mr. Yuen has more than 24 years' experience in auditing, accounting, taxation and financial management, of which 17 years was served as senior financial executives in various multinational companies and listed companies in Hong Kong. He is currently a partner of a firm of certified public accountants and an independent non-executive director of Rexcapital Financial Holdings Limited, a company listed in Hong Kong.

### 獨立非執行董事

陳頌聲，72歲，於二零零一年二月出任本公司獨立非執行董事。陳先生畢業於中國中山大學，畢業後留校任教。彼曾出任中山大學中文系副主任，並自一九九一年出任澳門大學教授。陳先生亦為多個推廣中國文化組織之會長及主席。

周美珍，29歲，於二零零四年九月出任本公司獨立非執行董事。周小姐於廣州市財貿管理幹部學院畢業，主修企業管理專業。曾任職廣州廣建集團，主要負責集團財務及行政管理管理工作。

阮煒豪，48歲，於二零零七年九月出任本公司獨立非執行董事。阮先生持有兩個碩士學位，分別為英國University of Bath工商管理及香港公開大學電子商貿之碩士學位。阮先生為香港會計師公會、英國特許公認會計師公會及香港稅務學會資深會員，並為英格蘭及威爾士特許會計師協會、英國特許管理會計師公會及英國特許秘書及行政人員公會會員。阮先生具逾二十四年的賬目審計、會計、稅務及財務管理等經驗，其中十七年於多間跨國企業及香港上市公司擔任高級財務行政人員。阮先生現時為一間執業會計師行合夥人，亦為香港上市公司禦泰金融控股有限公司之獨立非執行董事。

# BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理人員資料

### Senior Management

In addition to the executive directors listed above, the Company has the following members on its management team:

Chen Wei Wen, aged 41, is a site engineer of the Group. Mr. Chen graduated from Guangzhou University and has been working as a civil engineer for over 16 years. He joined the Group in 1993 and is responsible for site and construction works of the property projects. Before joining the Group, he was responsible for supervision of the construction progress in a construction company in Guangzhou.

Wang Jian Yong, aged 45, structural audit engineer of the Group. Mr. Wang graduated from Guangzhou Jinan University and has over 20 years' experience in construction industry. He joined the Group in 1994.

### Qualified Accountant and Company Secretary

Tang Sze Lok, aged 38, is the qualified accountant and company secretary of the Company with effect from April, 2007. Mr. Tang obtained his Honours Bachelor Degree in Accounting from Hong Kong Baptist University. Currently, he is a certified public accountant of Hong Kong Institute of Certified Public Accountants ("HKICPA") and a fellow member of the Association of Chartered Certified Accountants ("ACCA"). Mr. Tang has over 14 years of experience in auditing, financial accounting and implementation of internal, financial, operational and compliance control and financial reporting system. He also has experience in mergers and acquisitions and financial due diligence review.

### 高級管理人員

除以上所列的執行董事外，本公司的高級管理人員如下：

陳偉文，41歲，本集團之地盤工程師。陳先生於廣州大學畢業，具逾十六年土木工程師經驗。彼於一九九三年加入本集團，負責物業項目之地盤及建築工程。於加入本集團前，彼在廣州一建築公司負責監管建築工序。

王健勇，45歲，本集團之結構核算工程師。王先生於廣州暨南大學畢業，在建築業工作逾二十年。彼於一九九四年加入本集團。

### 合資格會計師及公司秘書

鄧詩諾，38歲，於二零零七年四月出任本公司合資格會計師及公司秘書。鄧先生持有香港浸會大學工商管理榮譽學士學位，目前；彼為香港會計師公會會員及英國特許公認會計師公會資深會員。鄧先生擁有逾十四年的核數、財務會計、建立財務、內部及營運控制系統及財務匯報系統等的經驗，彼亦擁有企業併購及財務盡職審查的經驗。

We are committed to maintaining a high standard of corporate governance. We firmly believe that a good, solid and sensible framework of corporate governance will enhance the Company to run its business in the best interest of its shareholders as a whole.

In the opinion of the directors, save as disclosed below, the Company has complied with the Code on Corporate Governance Practices, as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2007.

Deviations from the Code on Corporate Governance Practices and remedies:

The Company does not fully comply with code provisions A.2.1 and A.4.2 in Appendix 14.

Under code provision A.2.1, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board has chairman to provide leadership to the Board in terms of establishing policies and business directions and monitor the daily operation of the Group. The Company is currently looking for a suitable person to be responsible for the daily management of the Company's business as a whole as a remedy for such deviation.

Under code provision A.4.2, every director should be subject to retirement by rotation at least once every three years. Since the articles of association of the Company provide that all directors (except chairman) shall be subject to retirement by rotation, the Company did not comply with this provision, the Company is considering to amend the articles of association of the Company to remedy the situation.

本公司致力維持高質素之企業管治水平。本公司確信維持一個良好、穩固及合理之企業管治架構，能確保本公司以其整體股東之最佳利益經營業務。

董事認為，除下文所述外，本公司於二零零七年十二月三十一日止年度已遵守聯交所上市規則附錄十四所載之公司管治常規守則。

公司管治常規守則的偏離及矯正：

本公司未完全遵守附錄十四所載之第A.2.1及A.4.2條文之規定。

根據守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。本公司董事會設主席就制定政策及業務方向領導董事會，及監控本集團之日常運作。本公司目前正物色適合人選整體負責本公司業務之日常管理，與矯正某些偏離。

根據守則條文第A.4.2條，每位董事應最少每三年輪值退任一次。本公司所有董事(除主席外)均需根據本公司章程細則輪值告退，惟本公司並未遵循此條款，本公司現考慮更改本公司之章程細則作為補救。



# CORPORATE GOVERNANCE REPORT

## 公司管治報告書

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Group adopted the Model Code for Securities Transactions by directors (the "Code"), contained in Appendix 10 of the Listing Rules. Special enquiry has been made of all directors, and directors have confirmed that they have complied with the required standards set out in the Code for the year ended 31 December 2007.

### BOARD OF DIRECTORS

The Board currently comprises five executive directors, namely, Mr. Tong Shi Jun, Mr. Zhao Lishen, Mr. Chiu Kong, Ms. Huang Ling and Ms. Zhu Jun; and three independent non-executive directors, namely Mr. Chen Song Sheng, Ms. Zhou Mei Zhen and Mr. Yuen Wai Ho.

For details of the directors' biographical information, please refer to the section headed "Biography of Directors and Senior Management".

The Company has received, from each of the independent non-executive directors, an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors to be independent.

The principal functions of the Board are to consider and approve the strategies, financial objectives, annual budget, investment proposals, and assume the responsibilities of corporate governance of the Company. The day-to-day operations of the Group are delegated to the management of the Group.

### 進行證券交易的標準守則

本集團採納上市規則附錄十所載之「上市公司董事進行證券交易之標準守則（「守則」）」。本公司已對全體董事作出具體查詢，而董事確定於截至二零零七年十二月三十一日止年度均遵守守則所規定之準則。

### 董事會

董事會現由五名執行董事，即佟世均先生、趙立申先生、趙鋼先生、黃玲小姐及朱軍小姐，及三名獨立非執行董事，即陳頌聲先生、周美珍小姐及阮煒豪先生組成。

詳細之董事資料，請參閱題為「董事及高級管理人員資料」部份。

本公司已收到獨立非執行董事根據上市規則第3.13條就其身份之獨立性發出之週年確認書。本公司認為獨立非執行董事確屬獨立人士。

董事會之主要職能為考慮及批准本公司之策略、財務目標、年度預算、投資建議及履行公司管治責任。本集團之管理層負責管理本集團之日常運作。

# CORPORATE GOVERNANCE REPORT

## 公司管治報告書

The Board met five times in 2007 and the individual attendance of each Board member in these meetings is as follows:

董事會在二零零七年共舉行五次董事會會議。每名董事之出席會議記錄如下：

	Note	Attendance		附註	出席率
<b>Executive Directors</b>			<b>執行董事</b>		
Mr. Tong Shi Jun		4/5	佟世均先生		4/5
Mr. Zhao Lishen		4/5	趙立申先生		4/5
Mr. Chiu Kong		5/5	趙鋼先生		5/5
Ms. Huang Ling		5/5	黃玲小姐		5/5
Ms. Zhu Jun		5/5	朱軍小姐		5/5
<b>Independent Non-Executive Directors</b>			<b>獨立非執行董事</b>		
Mr. Chen Song Sheng		4/5	陳頌聲先生		4/5
Ms. Zhou Mei Zhen		5/5	周美珍小姐		5/5
Ms. Wang Li Yun	(i)	4/5	王凌雲小姐	(i)	4/5
Mr. Yuen Wai Ho	(ii)	1/5	阮煒豪先生	(ii)	1/5

Notes:

附註：

- (i) Resigned as independent non-executive director on 14 September 2007.
- (ii) Appointed as independent non-executive director on 14 September 2007

- (i) 於二零零七年九月十四日辭去獨立非執行董事。
- (ii) 於二零零七年九月十四日委任為獨立非執行董事。

The Company has Audit Committee, Remuneration Committee and Nomination Committee with details presented below.

本公司設審核委員會、薪酬委員會及提名委員會，詳情見下文。

### AUDIT COMMITTEE

### 審核委員會

The Company established an audit committee in 1999 with written terms of reference in compliance with the Listing Rules. Its current members include three independent non-executive directors, who are Mr. Yuen Wai Ho, Mr. Chen Song Sheng and Ms. Zhou Mei Zhen.

本公司於一九九九年成立一個審核委員會，委員會之條款乃符合上市規則。其現有成員包括三名獨立非執行董事為阮煒豪先生、陳頌聲先生及周美珍小姐。

# CORPORATE GOVERNANCE REPORT

## 公司管治報告書

The audit committee is to make recommendation to the Board on the appointment, re-appointment and removal of the external auditor and any questions of resignation or dismissal, their audit fees, matters relating to the independence of the external auditor; to meet with the external auditor to discuss the nature and scope of the audit, and matters of concern when requested to do so by the external auditor; to review the interim financial report and annual financial statements before they are submitted to the Board; to discuss problems and reservations arising from the interim review and final audit; any other matters the external auditor may wish to discuss, to review the external auditor's management letter and management's response; and to consider any findings of major investigations of internal control matters as delegated by the Board on its own initiative and management's response.

The audit committee met two times in 2007. Individual attendance of each committee member is set out as below:

	Attendance
Mr. Chen Song Sheng	2/2
Ms. Zhou Mei Zhen	2/2
Ms. Wang Li Yun (i)	1/2
Mr. Yuen Wai Ho (ii)	1/2

Notes:

- (i) Resigned as independent non-executive director on 14 September 2007.
- (ii) Appointed as independent non-executive director on 14 September 2007

To fulfil its responsibilities, the audit committee has met with the external auditor to discuss the general scope of their audit work and has reviewed the Group's unaudited interim results for the period ended 30 June 2007 and annual audited results for the year ended 31 December 2007 and was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

審核委員會會就外聘核數師之委任、重新委任及罷免、或處理任何有關該核數師辭職或辭退該核數師，核數師酬金、外聘核數師之獨立性等事宜向董事會提供意見；與外聘核數師開會討論審核工作之性質及範圍及應外聘核數師要求處理相關事宜；審閱中期財務報告及全年財務報告以便上呈董事會；討論源於中期審閱及年結審核過程發現之問題及保留意見，及任何外聘核數師欲討論之其他事宜；審核外聘核數師致管理層之函件及管理層之回應；及審議董事會指派由其自發進行之內部調查結果及管理層之回應。

審核委員會在二零零七年共舉行二次審核委員會會議。每名成員之出席會議記錄如下：

	出席率
陳頌聲先生	2/2
周美珍小姐	2/2
王凌雲小姐 (i)	1/2
阮煒豪先生 (ii)	1/2

附註：

- (i) 於二零零七年九月十四日辭去獨立非執行董事。
- (ii) 於二零零七年九月十四日委任為獨立非執行董事。

為履行其職務，審核委員會已會見外聘核數師以商討其審核工作之一般範圍，並已審閱本集團截至二零零七年六月三十日止期內之未經審核中期業績及截至二零零七年十二月三十一日止年度經審核業績，其認為有關業績乃符合適用之會計政策標準及規定編製，並已作足夠披露。

**REMUNERATION COMMITTEE**

The Company established a remuneration committee in September 2005 with written terms of reference in compliance with the Listing Rules. It comprises an executive director, Mr. Chiu Kong and two independent non-executive directors, Ms. Zhou Mei Zhen and Mr. Yuen Wai Ho.

The remuneration committee is responsible for formulating and recommending remuneration policy to the Board and determining the remuneration of directors and members of senior management in accordance with their duties and market conditions, as well as reviewing and making recommendations on the Group's bonus structure, provident fund and other compensation-related issues.

The remuneration committee met once in 2007. Individual attendance of each committee member is set out as below:

	Attendance
<b>Executive Director</b>	
Mr. Chiu Kong	1/1
<b>Independent Non-Executive Director</b>	
Ms. Zhou Mei Zhen	1/1
Mr. Yuen Wai Ho	1/1

**NOMINATION COMMITTEE**

The Company established a nomination committee in September 2005 with written terms of reference in compliance with the Listing Rules. It comprises an executive director, Mr. Chiu Kong and two independent non-executive directors, Ms. Zhou Mei Zhen and Mr. Yuen Wai Ho.

The nomination committee is responsible for formulating policy and making recommendations to the Board on nomination, appointment of directors and Board succession, develops selection procedures for candidates, reviews the size, structure and composition of the Board and assesses the independence of independent non-executive director.

**薪酬委員會**

本公司於二零零五年九月成立一個薪酬委員會，薪酬委員會之條款乃符合上市規則。其現有成員包括執行董事趙鋼先生及兩名獨立非執行董事周美珍小姐及阮煒豪先生。

薪酬委員會負責制訂薪酬政策及向董事提出建議，根據董事及本集團高級管理人員之職責及市況而釐訂其薪酬，以及檢討公司之分紅機制、公積金與其他關於薪酬之事宜及提出建議。

薪酬委員會在二零零七年共舉行一次委員會會議。其現有成員及每名成員之出席會議記錄如下：

	出席率
<b>執行董事</b>	
趙鋼先生	1/1
<b>獨立非執行董事</b>	
周美珍小姐	1/1
阮煒豪先生	1/1

**提名委員會**

本公司於二零零五年九月成立一個提名委員會，提名委員會之條款乃符合上市規則。其現有成員包括執行董事趙鋼先生及兩名獨立非執行董事周美珍小姐及阮煒豪先生。

提名委員會負責制訂提名政策，以及就董事之提名及委任與董事接任之安排向董事局提出建議，建立物色人選之程序，檢討董事局之架構、人數及組成，與評核獨立非執行董事的獨立性。

# CORPORATE GOVERNANCE REPORT

## 公司管治報告書

The nomination committee adopts certain criteria and procedures in the nomination of new directors. The major criteria include the candidates' professional background especially their experience in the industry of the Group's business; their financial and past track record with other similar companies; and the recommendations from the management team and other knowledgeable individuals. The nomination committee will shortlist the candidates and then submit to the Board for final approval.

The nomination committee met once in 2007. Individual attendance of each committee member is shown below:

	Attendance
<b>Executive Director</b>	
Mr. Chiu Kong	1/1
<b>Independent Non-Executive Director</b>	
Ms. Zhou Mei Zhen	1/1
Mr. Yuen Wai Ho	1/1

During the meeting, the nomination committee had reviewed the structure, size and composition of the Board, considered the suitability of the appointment of a non-executive director, assessed whether the independence of independent non-executive directors comply with the relevant requirements under the Listing Rules, and the suitability of the re-election of the directors who are subject to retirement and re-election at the annual general meeting.

提名委員會採用若干準則及程序以挑選及推薦董事會候選人，有關標準主要包括董事人選的專業背景，尤其是在本集團所在行業的經驗；該名人士於其他類似公司工作之財務及往績記錄期之記錄，並參考管理及其他有識之士的推薦。提名委員會將選出最後人選名單，再由董事會作出最終批准。

提名委員會在二零零七年共舉行一次委員會會議。其現有成員及每名成員之出席會議記錄如下：

	出席率
<b>執行董事</b>	
趙鋼先生	1/1
<b>獨立非執行董事</b>	
周美珍小姐	1/1
阮煒豪先生	1/1

於會議期間，提名委員會已檢討董事會的架構、人數及組成，考慮合適的非執行董事之委任，評估獨立非執行董事的獨立性是否遵守上市規則的有關要求，及確定是否適當地在股東週年大會上告退及重選的董事。

# CORPORATE GOVERNANCE REPORT

## 公司管治報告書

### INTERNAL CONTROL

The Board has overall responsibility for maintaining sound and effective internal controls to safeguard the Group's assets and shareholders' interest. The Board conducts regular review of the Group's internal control system.

The system includes a well-established organizational structure with clearly defined lines of responsibility and authority, which is designed to safeguard assets from inappropriate use, maintain proper accounts and ensure compliance with regulations. Executive management is directly responsible for implementing the strategy and policies adopted by the Board, and for all the Group's activities.

The Board monitored the Group's progress on corporate governance practices throughout the year under review. Periodic meetings were held, and circulars or guidance notes were issued to directors and senior management where appropriate, to ensure awareness of best corporate governance practice.

The Board assessed the effectiveness of internal controls by considering reviews performed by the audit committee, executive management and external auditor. The Board believes that the present internal control system is adequate and effective.

### AUDITOR'S REMUNERATION

During the year, the remuneration paid to the Company's auditor, RSM Nelson Wheeler, is set out as follows:—

	Fee paid/payable HK\$'000
Audit services	950
Other services	380
	1,330

### 內部監控

董事局有責任維持穩健及有效之內部監控，以保障集團之資產及股東之利益，並定期檢討該等系統之效率。

監控系統包括一個成熟的組織架構，清楚界定各部門之權力責任，用以保障資產免受不當使用，維持妥善賬目及確保規則獲得遵守。行政管理人員直接負責董事局釐訂之策略及政策，並負責集團之所有運作。

於回顧年度內，董事局對公司管治實踐之進展進行監控並定期舉行會議，於合適情況下向董事及高級管理人員發出通告及指引，以確保其對最佳企業管治實踐之警覺性。

董事局通過參考由審核委員會、行政管理人員及外聘核數師之審閱而對內部監控之效用作出評估。董事局相信現時之內部監控系統充分及有效。

### 核數師酬金

年內，支付予本公司核數師中瑞岳華（香港）會計師事務所之酬金載列如下：

	已付／應付費用 千港元
審核服務	950
其他服務	380
	1,330

# CORPORATE GOVERNANCE REPORT

## 公司管治報告書

### DIRECTORS' RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The directors of the Company acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2007, which were prepared in accordance with statutory requirements and applicable accounting standards.

The reporting responsibilities of the external auditor on the financial statements are set out in the "Independent Auditor's Report" on pages 32 to 36.

### 董事對財務報表的責任

本公司董事確認彼等負責編製截至二零零七年十二月三十一日止年度的財務報表，該等財務報表乃根據法定要求及適用會計準則編製。

外聘核數師有關財務報表的匯報責任載於第32至36頁的「獨立核數師報告」。



# DIRECTORS' REPORT

## 董事會報告書

The directors herein submit their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2007.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 34 to the financial statements.

### SEGMENT INFORMATION

An analysis of the performance of the Group by principal activities is set out in note 8 to the financial statements.

### FIVE-YEAR FINANCIAL SUMMARY

A five year financial summary of the Group is set out on page 100.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2007 and the state of affairs of the Group are set out in the financial statements on pages 37 to 99 respectively.

No dividend was recommended for the year (2006: Nil).

### RESERVES

Movements in reserves of the Group during the year is set out in the financial statements on pages 40 to 41.

### DISTRIBUTABLE RESERVES OF THE COMPANY

At 31 December 2007, the Company had no reserves (2006: Nil) available for distribution to shareholders.

董事會謹提呈本集團截至二零零七年十二月三十一日止年度之董事會報告書及經審核綜合財務報表。

### 主要業務

本公司為一間投資控股公司，其主要附屬公司之業務載列於財務報表附註34。

### 分類資料

本集團以主要業務分類之業務分析載列於財務報表附註8。

### 五年財務概要

本集團之五年財務概要載於第100頁。

### 業績及分配

本集團截至二零零七年十二月三十一日止年度之業績及本集團之財務狀況分別載列於財務報表第37至99頁。

本年度不建議派發股息(二零零六年：無)。

### 儲備

本集團於年內之儲備變動載列於財務報表第40至41頁。

### 本公司可分派儲備

於二零零七年十二月三十一日，本公司並無可供分派予股東之儲備(二零零六年：無)。



# DIRECTORS' REPORT

## 董事會報告書

### DONATIONS

No donations were made to charities by the Group during the year (2006: Nil).

### PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group during the year is set out in note 15 to the financial statements.

### INVESTMENT PROPERTIES

Movements in investment properties of the Group including pledge of assets during the year are set out in note 16 to the financial statements. Particulars of investment properties of the Group are set out on page 31.

### PROPERTIES HELD FOR/UNDER DEVELOPMENT

Movements in properties held for/under development of the Group during the year are set out in note 17 to the financial statements. Particulars of properties held for/under development of the Group are set out on page 31.

### SHARE CAPITAL

Details of share capital of the Company are set out in note 27 to the financial statements.

### BORROWINGS AND INTEREST CAPITALISED

Details of borrowings of the Group are set out in note 25 to the financial statements.

No borrowing cost was capitalized in respect of property development projects during the year (2006: Nil).

### RETIREMENT BENEFITS SCHEME

The Group contributes to defined contribution retirement schemes which are available to all employees.

### 慈善捐款

本年度本集團並無作出任何慈善捐款(二零零六年：無)。

### 物業、廠房及設備

本集團於年內之物業、廠房及設備變動載列於財務報表附註15。

### 投資物業

本集團於年內之投資物業(包括資產抵押)變動，載列於財務報表附註16。本集團之投資物業資料載列於第31頁。

### 持有作發展／發展中物業

本集團於年內之持有作發展／發展中物業變動載列於財務報表附註17。本集團之持有作發展／發展中物業資料載列於第31頁。

### 股本

本公司之股本詳情載列於財務報表附註27。

### 借貸及撥作資本之利息

本集團之借貸詳情載列於財務報表附註25。

本年內並無物業發展項目之借貸成本撥作資本(二零零六年：無)。

### 退休金計劃

本集團為所有僱員提供定額供款退休計劃。

### ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Details of the acquisition and disposal of subsidiaries are set out in notes 28 and 29 to the financial statements.

Details of the assets of a disposal group classified as held for sale/liabilities associated with assets of a disposal group classified as held for sale are set out in note 23 to the financial statements.

### EVENTS AFTER THE BALANCE SHEET DATE

Details of the events after the balance sheet date are set out in note 33 to the financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

The information of turnover and purchases attributable to the major customers and suppliers of the Group for the year is as follows:

		2007 二零零七年 %	2006 二零零六年 %
Turnover	銷售		
The largest customer	最大客戶	37	27
Five largest customers in aggregate	五大客戶總額	98	67
Purchases	採購		
The largest supplier	最大供應商	62	51
Five largest suppliers in aggregate	五大供應商總額	100	90

None of the directors and their associates or any shareholder (who to the best knowledge of the directors, own more than 5% of the Company's share capital) had interest in the above customers and suppliers at any time during the year.

### 收購及出售附屬公司

收購及出售附屬公司之詳情載於財務報表附註28及29。

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之詳情載於財務報表附註23。

### 結算日後事項

結算日後事項之詳情載於財務報表附註33。

### 主要客戶及供應商

本集團主要客戶及供應商於本年度佔本集團銷售及採購之詳情如下：

概無本公司董事及其聯繫人士，或任何股東（據董事所知擁有本公司5%以上之股本）於本年度任何時間擁有上述客戶及供應商之權益。

# DIRECTORS' REPORT

## 董事會報告書

### DIRECTORS

The directors during the year and up to the date of this report were:

Tong Shi Jun, *Chairman*

Zhao Lishen

Chiu Kong

Huang Ling

Zhu Jun

Chen Song Sheng\*

Zhou Mei Zhen\*

Wang Li Yun\* (Resigned on 14 September 2007)

Yuen Wai Ho\* (Appointed on 14 September 2007)

\* *Independent non-executive director*

Ms. Zhu Jun and Ms. Zhou Mei Zhen retire from office by rotation at the forthcoming annual general meeting in accordance with bye-laws No. 87 of the Company, being eligible, offer themselves for re-election.

Mr. Yuen Wai Ho retires from office at the forthcoming Annual General Meeting in accordance with Bye-Laws No. 86 of the Company, being eligible, offer himself for re-election.

### DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

### 董事

本年度及截至本報告日期止，本公司之董事為：

佟世均 (主席)

趙立申

趙鋼

黃玲

朱軍

陳頌聲\*

周美珍\*

王凌雲\* (於二零零七年九月十四日請辭)

阮煒豪\* (於二零零七年九月十四日獲委任)

\* *獨立非執行董事*

根據本公司之章程細則第87條，朱軍小姐及周美珍小姐於即將召開之股東週年大會上輪值告退，惟願意膺選連任。

根據本公司之章程細則第86條，阮煒豪先生於即將召開之股東週年大會上告退，惟願意膺選連任。

### 董事之服務合約

於即將召開之股東週年大會膺選連任之董事並無與本公司或其任何附屬公司訂立任何服務合約規定一年內終止合約時須作出賠償 (法定賠償除外)。

### DIRECTORS' INTERESTS IN SHARES

As at 31 December 2007, none of the directors and chief executive of the Company had, under Part XV of the Securities and Futures Ordinance, nor were they taken to or deemed to have under such provisions of the Securities and Futures Ordinance, any interests in the shares of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) or any interests which are required to be entered into the register kept by the Company pursuant to section 352 of the Securities and Futures Ordinance or any interests which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

### DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director had a material interest subsisted, either directly or indirectly at any time during the year.

### COMPETING INTERESTS

As at 31 December 2007, none of the directors or the managing shareholders or any of their respective associates of the Company had an interest in a business that competed or might compete with the business of the Group directly or indirectly.

### 董事於股份之權益

於二零零七年十二月三十一日，本公司之董事及主要行政人員概無根據證券及期貨條例第XV部於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份中擁有（或根據證券及期貨條例的有關規定被認為或被視作擁有）任何權益，或任何必須列入本公司根據證券及期貨條例第352條予以存置的登記冊內的權益，或任何根據上市規則所載上市公司董事進行證券交易的標準守則必須向本公司及香港聯合交易所有限公司申報的權益。

### 董事於合約之權益

於本年內任何時間，概無任何董事於本公司或其任何附屬公司所訂立之重大合約中直接或間接擁有重大權益。

### 競爭權益

於二零零七年十二月三十一日，本公司董事及主要股東或彼等各自的聯繫人士概無在與本集團業務上直接或間接構成競爭或可能構成競爭的業務中擁有任何權益。

# DIRECTORS' REPORT

## 董事會報告書

### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2007, according to the register of interests kept by the Company under section 336 of Securities and Futures Ordinance, and so far as was known to the directors or chief executive of the Company, the following persons had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance:

### 主要股東

於二零零七年十二月三十一日，根據本公司按證券及期貨條例第336條存置之權益登記冊所示及據董事或本公司行政總裁所知，下列人士於股份或相關股份擁有須根據證券及期貨條例第XV部第2及3分部條文向本公司披露之權益或淡倉：

Name of shareholder 股東名稱	Note 附註	Nature of interest 權益性質	Total 總額	Approximate percentage or attributable percentage of shareholdings 持股 概約百分比 或應佔百分比 (%) (Note 3) (附註3)
Great Capital Holdings Limited ("GCH")	1	Beneficial owner 實益擁有人	429,162,000 (L)	26.30%
Mr. Hung Ka Faat 熊嘉發先生	2	Interest of a controlled corporation 受控制法團之權益	405,280,000 (L)	24.83%
Sinowin Enterprises Limited ("SEL")	2	Beneficial owner 實益擁有人	405,280,000 (L)	24.83%
Access Achievement Limited	2	Person having security interest in Shares 持有抵押股份權益之人士	405,280,000 (L)	24.83%
Hong Long Holdings Limited 鴻隆控股有限公司	2	Person having security interest in Shares 持有抵押股份權益之人士	405,280,000 (L)	24.83%
Zhang Suqian 張素芊		Beneficial owner 實益擁有人	272,000,000 (L)	16.67%

(L) Long position

(L) 好倉

### Notes:

- (1) 264,162,000 Shares out of 429,162,000 Shares have been pledged by GCH to secure banking facilities for the group companies of GCH.
- (2) Mr. Hung Ka Faat beneficially owns and controls SEL. All of the Shares have been pledged by SEL to Access Achievement Limited, a wholly-owned subsidiary of Hong Long Holdings Limited, both of them are deemed to have interest in the capacity of person having security interest in the 405,280,000 Shares by virtue of the SFO.
- (3) For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 1,632,000,000 Shares in issue.

Save as disclosed above, so far as are known to the directors, the Company has not been notified of any interest in the issued share capital of the Company required to be recorded under section 336 of the Securities and Futures Ordinance as at 31 December 2007.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the law in Bermuda.

### PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year.

### MANAGEMENT DISCUSSION AND ANALYSIS

A management discussion and analysis of the Group's annual results is shown on pages 7 to 11.

### CORPORATE GOVERNANCE REPORT

A corporate governance report is shown on pages 15 to 22.

### 附註：

- (1) 在429,162,000股股份中，GCH已抵押其中之264,162,000股股份，以取得其集團公司之銀行信貸。
- (2) 熊嘉發先生實益擁有及控制SEL。SEL已抵押全部股份予鴻隆控股有限公司之全資附屬公司Access Achievement Limited，根據證券及期貨條例，鴻隆控股有限公司及Access Achievement Limited均視作以持有抵押股份權益之人士之身份擁有405,280,000股股份之權益。
- (3) 就本節而言，於本公司之持股百分比乃以1,632,000,000股已發行股份為基準計算。

除上文所披露外，就董事所知，於二零零七年十二月三十一日，本公司並無獲知會任何須按證券及期貨條例第336條予以登記之本公司已發行股本權益。

### 優先購買權

本公司之章程細則或百慕達法例概無優先購買權之條款。

### 購買、出售或贖回股份

本年內本公司或其任何附屬公司概無購買、出售或贖回本公司之任何股份。

### 管理層討論及分析

有關本集團年度業績之管理層討論及分析列於第7至11頁。

### 公司管治報告書

公司管治報告書列於第15至22頁。

# DIRECTORS' REPORT

## 董事會報告書

### AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive directors. The committee has reviewed the accounting principles and practice adopted by the Group and discussed with the management regarding auditing, internal control and financial reporting matters including the review of the Company's audited results for the year ended 31 December 2007.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, the directors confirmed that the Company has maintained the amount of public float as required under the Listing Rules during the year and up to the date of this report.

### AUDITOR

A resolution for re-appointment of RSM Nelson Wheeler as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

**Tong Shi Jun**

*Chairman*

Hong Kong, 16 May 2008

### 審核委員會

本公司之審核委員會由三名獨立非執行董事組成。委員會已審閱本集團採用之會計原則和政策並與管理層討論有關稽核、內部監控及財務報告事項，包括審閱本公司截至二零零七年十二月三十一日止之已審核業績。

### 足夠公眾持股量

基於公開所得之資料及據董事所知，董事確認於本年度內及截至本年度報告日期為止，本公司有足夠公眾持股量。

### 核數師

即將召開之股東週年大會，將提呈一項決議案續聘中瑞岳華(香港)會計師事務所為本公司核數師。

承董事會命

主席

**佟世均**

香港，二零零八年五月十六日



# PARTICULARS OF PROPERTIES

## 主要物業概要

Investment properties 投資物業	Attributable beneficial interest to the Group 本集團應佔 實際權益	Floor area m <sup>2</sup> 樓面面積 平方米	Type 類別	Lease term 租賃年期
1. Shops 4A, 4B and 4E on level 4, Liwán Plaza At the border between Shang Xia Jiu Road, Chang Shou Road with De Xing Road and Kang Huang Road, Guangzhou 荔灣廣場 第4層4A、4B及4E商舖 廣州橫跨上下九路及長壽路， 縱貫德星路及康皇路	100%	12,878	C 商	Medium lease 中期租賃
2. The 40/F to 43/F and 45/F of Royal Mediterranean Hotel Southern side of Zhongshan Da Road, Shi Pai, Tianhe, Guangzhou, Guangdong Province, the PRC 廣州地中海國際酒店 第40-43層及第45層 中國廣東省 廣州市天河石牌中山大道南側	100%	6,098	H 酒店	Medium lease 中期租賃

Properties held for/under development 持有作發展/發展中物業	Attributable beneficial interest to the Group 本集團應佔 實際權益	Floor area m <sup>2</sup> 樓面面積 平方米	Type 類別	Estimated date of completion 估計落成 日期
3. Holiday Bay Chaohu Phase I Zhongmiao Town, Chaohu City, Anhui Province, the PRC 巢湖假日水鎮一期 中國安徽省 巢湖市中廟鎮  (including a site area of 100,155 M <sup>2</sup> acquired in January 2008 包括2008年1月投得之地盤面積100,155平方米)	100%	111,595	C/CP/O/R/H 商/停/辦/ 住/酒	Mid of 2010 2010年年中
4. Jiangnan Nam Fong Garden Phase II, Guangzhou No. 168-170 Chang Gang Zhong Road Guangzhou 廣州江南南方花園第二期 廣州昌崗中路168-170號  (This project is held by the Group's jointly controlled entities. On 5 March 2008, a conditional sale and purchase agreement was entered to dispose of the Group's investments in jointly controlled entities. 此項目由本集團之共同控制實體持有。於二零零八年三月五日，本集團已簽署一份有條件買賣協議，出售其於共同控制實體之投資。)	50%	105,766	C/CP/R 商/停/住	End of 2009 2009年年底

C-Commercial  
商—商業

CP-Car park  
停—停車場

O-Office  
辦—辦公室

R-Residential  
住—住宅

H-Hotel  
酒—酒店



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# RSM! Nelson Wheeler

中瑞岳華(香港)會計師事務所

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
NAM FONG INTERNATIONAL HOLDINGS LIMITED**  
*(Incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Nam Fong International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 37 to 99, which comprise the consolidated balance sheet as at 31 December 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**獨立核數師報告**  
**致南方國際控股有限公司**  
*(於百慕達註冊成立之有限公司)*  
**全體股東**

吾等已審核載於第37至99頁之南方國際控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表，此綜合財務報表包括於二零零七年十二月三十一日之綜合資產負債表，及截至該日止年度的綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

### 董事就財務報表承擔的責任

貴公司董事須遵照香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則及香港公司條例披露規定，編製及真實公平地列報該等財務報表，此責任包括設計、實施及維護與編製及真實公平地列報財務報表有關的內部監控，以確保財務報表不存在因欺詐或錯誤而導致之重大錯誤陳述；選擇並應用適當的會計政策；及按不同情況下作出合理之會計估算。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the limitation in the scope of our work as described in the "Basis for qualified opinion" paragraphs, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 核數師的責任

吾等之責任乃根據審核工作的結果，對該等財務報表表達意見。並根據百慕達公司法1981第90條僅向全體股東報告，除此以外本報告概不可用作其他用途。吾等概不就本報告的內容向任何其他人士承擔或負上任何責任。除「保留意見」部份所述之審核工作範圍之限制外，吾等已根據香港會計師公會頒佈之香港核數準則進行審核工作。該等準則規定吾等須遵守道德規定以計劃及進行審核，以合理確定此等財務報表是否不存有重大錯誤陳述。

審核涉及執行程序以獲得與財務報表所載金額及披露事項有關的審核憑證。所選取的該等程序視乎核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表出現重大錯誤陳述的風險。在作出該等風險評估時，核數師考慮與該公司編製及真實公平地呈列財務報表有關的內部監控，以設計適當之審核程序，但並非為對該公司的內部監控是否有效表達意見。審核亦包括評價董事所採用的會計政策是否恰當及所作的會計估算是否合理，以及評價財務報表的整體呈列方式。

吾等相信，吾等已取得充分恰當的審核憑證，為吾等的審核意見建立合理之基礎。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Basis for qualified opinion

#### (1) *Scope limitation — Prior year audit scope limitation affecting corresponding figures*

As previously explained in our report dated 30 May 2007 on the Group's financial statements for the year ended 31 December 2006, due to lack of certain books and records of an ex-subsiary, Guangzhou Suinan Property Development Company Limited ("GZ Suinan"), which was disposed of during the year ended 31 December 2006, we were unable to assess as to whether GZ Suinan's turnover, the loss on disposal of investment properties held by GZ Suinan and GZ Suinan's loss for the year of approximately HK\$9,839,000, HK\$55,188,000 and HK\$60,595,000 respectively, and the gain on disposal of GZ Suinan of approximately HK\$123,323,000 included in the consolidated income statement of the Group for the year ended 31 December 2006, were free from material misstatements; and as to whether the related amounts recorded in the consolidated cash flow statement and the related amounts disclosed in the notes to the financial statements in respect of GZ Suinan for the year ended 31 December 2006 were free from material misstatements. In addition, we were unable to satisfy ourselves that the analysis of net liabilities of approximately HK\$150,257,000 of GZ Suinan as at the date of disposal was free from material misstatement. We qualified our opinion on the financial statements for the year ended 31 December 2006 in respect of this scope limitation accordingly.

Any adjustments that might have been found necessary in respect of the above would have had a consequential impact on the related amounts recorded in the consolidated income statement and in the consolidated cash flow statement; and the related disclosures thereof for the year ended 31 December 2006.

### 保留意見之基礎

#### (1) *範圍限制 — 過往年度審核範圍限制影響同期數據*

誠如吾等就貴集團於截至二零零六年十二月三十一日止年度財務報表於二零零七年五月三十日發出之報告所述，由於缺少前附屬公司廣州穗南房產發展有限公司（「廣州穗南」，已於截至二零零六年十二月三十一日止年度內出售）之若干簿冊及記錄，吾等無法判斷廣州穗南之營業額、出售廣州穗南所持投資物業虧損及廣州穗南之年度虧損分別約9,839,000港元、55,188,000港元及60,595,000港元，以及計入貴集團截至二零零六年十二月三十一日止年度之綜合收益表之出售廣州穗南收益約123,323,000港元是否不存有重大錯誤陳述；以及截至二零零六年十二月三十一日止年度綜合現金流量表記錄之相關數額及有關廣州穗南之財務報表附註所披露之相關數額是否不存有重大錯誤陳述。此外，吾等無法確定廣州穗南於出售日期之淨負債約150,257,000港元之分析是否不存有重大錯誤陳述。因此，吾等就此範圍限制對截至二零零六年十二月三十一日止年度之財務報表作出保留意見。

此等數據之任何調整均可能對截至二零零六年十二月三十一日止年度綜合收益表及綜合現金流量表記錄之相關數額、以及財務報表之相關披露產生連帶影響。

**(2) Scope limitation — Prior year audit scope limitation affecting opening balances**

As previously explained in our report dated 30 May 2007 on the Group's financial statements for the year ended 31 December 2006, we were not provided with sufficient evidence regarding the recoverability of certain investment properties, the legal title of which were held by GZ Suinan, with total carrying value of approximately HK\$122,400,000 as at 31 December 2006. The abovementioned properties were 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. Accordingly, we were unable to satisfy ourselves as to whether the abovementioned properties were fairly stated in the consolidated balance sheet as at 31 December 2006. We qualified our opinion on the financial statements for the year ended 31 December 2006 in respect of this scope limitation accordingly. As further detailed in note 16(d) to the financial statements, during the current year, the Group disposed of the abovementioned properties (after recording a fair value loss of approximately HK\$20,400,000) for a total consideration, net of selling expenses, of approximately HK\$69,965,000. Accordingly, a loss on disposal of investment properties of approximately HK\$32,035,000 was charged to the consolidated income statement in the current year.

Any adjustments that might have been found necessary in respect of the above would have had a consequential impact on the opening balances of net assets of the Group as at 1 January 2007, the Group's results for the years ended 31 December 2007 and 2006 and the related disclosures thereof in the financial statements.

**(2) 範圍限制—過往年度審核範圍限制影響年初結餘**

誠如吾等就貴集團於截至二零零六年十二月三十一日止年度財務報表於二零零七年五月三十日發出之報告所述，吾等未獲提供有關若干投資物業（法定業權由廣州穗南持有，於二零零六年十二月三十一日之總賬面值約122,400,000港元）之可收回性之足夠證據。上述物業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。因此，吾等無法信納上述物業於二零零六年十二月三十一日之綜合資產負債表中是否公平呈列。因此，吾等就此範圍限制對截至二零零六年十二月三十一日止年度之財務報表作出保留意見。如財務報表附註16(d)之進一步詳述，貴集團於本年度內出售上述物業（於錄得公平值虧損約20,400,000港元後），總代價（扣除出售費用）為約69,965,000港元。因此，本年度內綜合收益表已扣除出售投資物業虧損約32,035,000港元。

此等數據之任何調整均可能對貴集團於二零零七年一月一日之資產淨值年初結餘、貴集團於截至二零零七年及二零零六年十二月三十一日止年度之業績以及財務報表之相關披露產生連帶影響。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Qualified opinion arising from limitation of audit scope

In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to obtain sufficient evidence concerning the corresponding figures mentioned in point 1 of the "Basis for qualified opinion" paragraphs; and the opening balances mentioned in point 2 of the "Basis for qualified opinion" paragraphs, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2007 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**RSM Nelson Wheeler**  
*Certified Public Accountants*  
Hong Kong

16 May 2008

### 因審核範圍限制而產生之保留意見

除吾等能夠取得「保留意見之基礎」第1點所述之同期數據；及「保留意見之基礎」第2點所述之年初結餘之充分憑證而可能發現須作出任何調整外，吾等認為，該綜合財務報表已按照香港財務報告準則真實及公平地反映貴集團於二零零七年十二月三十一日之財務狀況，及貴集團截至該日止年度之業績及現金流量，並已按香港公司條例之披露要求妥為編製。

中瑞岳華(香港)會計師事務所  
執業會計師  
香港

二零零八年五月十六日

# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

		Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Turnover</b>	<b>營業額</b>	6	<b>12,254</b>	23,406
Rental outgoings	租務支出		<b>(4,912)</b>	(7,317)
<b>Gross profit</b>	<b>毛利</b>		<b>7,342</b>	16,089
Other income	其他收入	7	<b>11,355</b>	58,855
Loss on disposal of investment properties	出售投資物業虧損		<b>(32,035)</b>	(69,322)
Fair value losses on investment properties	投資物業之公平值虧損		<b>(16,941)</b>	(36,912)
Administrative expenses	行政費用		<b>(13,156)</b>	(13,965)
Other operating expenses	其他經營開支		<b>(4,115)</b>	(10,885)
<b>Loss from operations</b>	<b>經營虧損</b>		<b>(47,550)</b>	(56,140)
Finance costs	融資成本	9	—	(519)
Share of profits of jointly controlled entities	應佔共同控制實體之溢利		<b>6,533</b>	—
Gain on disposal of subsidiaries	出售附屬公司收益	29	<b>49,795</b>	123,323
<b>Profit before tax</b>	<b>除稅前溢利</b>		<b>8,778</b>	66,664
Income tax	所得稅	10	<b>(1,117)</b>	(6,596)
<b>Profit for the year</b>	<b>本年度溢利</b>	11	<b>7,661</b>	60,068
<b>Basic earnings per share</b>	<b>每股基本盈利</b>	14	<b>0.55 cents 仙</b>	4.42 cents 仙

# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

At 31 December 2007

於二零零七年十二月三十一日

			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	Note 附註			
<b>Non-current assets</b>		<b>非流動資產</b>		
Property, plant and equipment	15	物業、廠房及設備	41	18
Investment properties	16	投資物業	181,622	198,000
Properties held for/under development	17	持有作發展／發展中物業	7,696	242,000
Goodwill	18	商譽	4,520	—
Investments in jointly controlled entities	19	於共同控制實體之投資	73,630	—
Deposit for acquisition of land use rights		收購土地使用權之按金	10,684	—
Prepayments for removal and relocation costs		拆遷安置補償費用預付款項	21,000	—
Prepayments for construction contract		建築合約預付款項	—	9,600
			<b>299,193</b>	<b>449,618</b>
<b>Current assets</b>		<b>流動資產</b>		
Accounts receivable	20	應收賬款	1,080	—
Consideration receivable	21	應收代價款	66,073	—
Amount due from a jointly controlled entity	19	應收一間共同控制實體款項	125,815	—
Prepayments, deposits and other receivables		預付款項、訂金及其他應收款項	781	3,805
Bank and cash balances	22	銀行及現金結餘	2,186	8,218
Assets of a disposal group classified as held for sale	23	列為持有作出售之出售組合資產	—	184,012
			<b>195,935</b>	<b>196,035</b>
<b>Current liabilities</b>		<b>流動負債</b>		
Accounts payable	24	應付賬款	—	36,595
Accruals and other payables		應計費用及其他應付款項	12,893	72,312
Short-term borrowings	25	短期借貸	—	9,000
Current tax liabilities		即期稅項負債	1,117	305
Liabilities associated with assets of a disposal group classified as held for sale	23	列為持有作出售之出售組合資產之相關負債	—	95,344
			<b>14,010</b>	<b>213,556</b>

# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

At 31 December 2007  
於二零零七年十二月三十一日

			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		Note 附註		
<b>Net current assets/(liabilities)</b>	<b>流動資產／(負債)淨值</b>		<b>181,925</b>	(17,521)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>481,118</b>	432,097
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	26	<b>3,791</b>	—
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>477,327</b>	432,097
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	27	<b>163,200</b>	136,000
Reserves	儲備		<b>314,127</b>	296,097
<b>TOTAL EQUITY</b>	<b>總權益</b>		<b>477,327</b>	432,097

Approved by the Board of Directors on 16 May 2008.

於二零零八年五月十六日經由董事會批准。

**Tong Shi Jun**  
佟世均  
Director  
董事

**Chiu Kong**  
趙鋼  
Director  
董事





# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Reserve on merger accounting 合併賬目儲備 HK\$'000 千港元 Note (a) 附註(a)	Exchange fluctuation reserve 外匯波動儲備 HK\$'000 千港元 Note (b) 附註(b)	Exchange fluctuation reserve relating to a disposal group classified as held for sale 有關列為 持有作出售之 出售組合之 外匯波動儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日	136,000	906,000	(101,922)	(47,633)	—	(564,087)	328,358
Translation differences	匯兌差額	—	—	—	6,737	—	—	6,737
Net income recognised directly in equity	直接於權益中確認之淨收入	—	—	—	6,737	—	—	6,737
Profit for the year	本年度溢利	—	—	—	—	—	60,068	60,068
Total recognised income and expense for the year	本年度已確認收入及費用總額	—	—	—	6,737	—	60,068	66,805
Released on disposal of a subsidiary	出售一間附屬公司而變現	—	—	—	36,934	—	—	36,934
Transfer	轉撥	—	—	—	332	(332)	—	—
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日及二零零七年一月一日	136,000	906,000	(101,922)	(3,630)	(332)	(504,019)	432,097
Translation differences	匯兌差額	—	—	—	7,408	—	—	7,408
Share of reserve movement of jointly controlled entities	應佔共同控制實體儲備變動	—	—	—	4,460	—	—	4,460
Net income recognised directly in equity	直接於權益中確認之淨收入	—	—	—	11,868	—	—	11,868
Profit for the year	本年度溢利	—	—	—	—	—	7,661	7,661
Total recognised income and expense for the year	本年度已確認收入及費用總額	—	—	—	11,868	—	7,661	19,529
Issue of shares (note 27)	股份發行(附註27)	27,200	—	—	—	—	—	27,200
Released on disposal of subsidiaries	出售附屬公司而變現	—	—	—	(1,831)	332	—	(1,499)
<b>At 31 December 2007</b>	<b>於二零零七年十二月三十一日</b>	<b>163,200</b>	<b>906,000</b>	<b>(101,922)</b>	<b>6,407</b>	<b>—</b>	<b>(496,358)</b>	<b>477,327</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

Note:

**(a) Reserve on merger accounting**

The reserve on merger accounting was set up upon the share swap for the Company to acquire its subsidiaries.

**(b) Exchange fluctuation reserve**

The exchange fluctuation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(d) to the financial statements.

附註：

**(a) 合併賬目儲備**

合併賬目儲備於本公司通過股份交換收購其附屬公司時建立。

**(b) 外匯波動儲備**

外匯波動儲備由換算國外業務財務報表所產生之匯兌差額組成。該儲備根據財務報表附註3(d)載列之會計政策作處理。



# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

	Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>來自經營活動之現金流量</b>		
Profit before tax	除稅前溢利	<b>8,778</b>	66,664
Adjustments for:	已調整下列各項：		
Finance costs	融資成本	—	519
Interest income	利息收入	<b>(156)</b>	—
Written back of accruals and other payables	應計費用及 其他應付款項回撥	<b>(143)</b>	(1,105)
Written back of allowance for receivables	應收款項撥備 回撥	—	(613)
Depreciation	折舊	<b>11</b>	29
Gain on disposal of subsidiaries	出售附屬公司收益	<b>(49,795)</b>	(123,323)
Loss on disposal of investment properties	出售投資物業 虧損	<b>32,035</b>	69,322
Reversal of impairment losses on properties held for/under development	持有作發展／發展中 物業減值虧損 回撥	—	(56,886)
Fair value losses on investment properties	投資物業之公平值 虧損	<b>16,941</b>	36,912
Excess of fair value of net assets acquired over cost of acquisition of a subsidiary	所收購資產淨值之 公平值超出收購 附屬公司成本之差額	<b>(8,772)</b>	—
Share of profits of jointly controlled entities	應佔共同控制實體之 溢利	<b>(6,533)</b>	—
Operating loss before working capital changes	未計營運資金變動前之 經營虧損	<b>(7,634)</b>	(8,481)
Increase in prepayments for construction contract	建築合約預付 款項增加	—	(9,600)
Increase in deposit for acquisition of land use rights	收購土地使用權之 按金增加	<b>(10,684)</b>	—
Increase in properties held for/under development	持有作發展／ 發展中物業增加	<b>(20,607)</b>	(647)
Increase in accounts receivable, prepayments, deposits and other receivables	應收賬款、預付款項、 訂金及其他應收 款項增加	<b>(7,497)</b>	(1,861)
Decrease in accounts payable, accruals and other payables #	應付賬款、應計費用及 其他應付款項減少 #	<b>(12,232)</b>	(53,586)
Net cash used in operating activities	經營活動所耗現金淨額	<b>(58,654)</b>	(74,175)

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

	Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>來自投資活動之現金流量</b>		
Interest received	已收利息	156	—
Purchase of property, plant and equipment	購買物業、廠房及設備	(36)	—
Net proceeds from disposal of investment properties	出售投資物業所得款項淨額	—	30,000
Consideration received	已收代價	3,892	—
Acquisition of subsidiaries	收購附屬公司	(114,992)	—
Deposit received for disposal of a subsidiary #	出售一間附屬公司之已收按金#	—	20,000
Disposal of subsidiaries	出售附屬公司	173,959	9,449
Net cash generated from investing activities	投資活動所得現金淨額	62,979	59,449
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>來自融資活動之現金流量</b>		
Deposit received from subscription *	認購股份之已收按金*	—	27,200
Repayment of short-term borrowings	償還短期借貸	(9,000)	(2,451)
Interest paid	利息開支	—	(519)
Net cash (used in)/generated from financing activities	融資活動(所耗)/所得現金淨額	(9,000)	24,230
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值項目淨額(減少)/增加</b>	<b>(4,675)</b>	9,504
Effect of foreign exchange rate changes	匯率變動影響	(1,367)	(1,806)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>於一月一日之現金及現金等值項目</b>	<b>8,228</b>	530
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>於十二月三十一日之現金及現金等值項目</b>	<b>2,186</b>	8,228
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值項目之分析</b>		
Bank and cash balances	銀行及現金結餘	2,186	8,218
Bank and cash balances included in assets of a disposal group classified as held for sale	列為持有作出售之出售組合資產所包括之銀行及現金結餘	—	10
		<b>2,186</b>	8,228

# In 2006, a cash deposit of HK\$20,000,000 for disposal of a subsidiary received by the Group was included in accruals and other payables. The amount was included in cash flows from operating activities in the prior year. Reclassification is made in order to provide a more appropriate presentation in the current year.

\* In 2006, a cash deposit of HK\$27,200,000 for subscription of shares received by the Group was included in accruals and other payables.

# 於二零零六年，本集團因出售一間附屬公司收取之一筆20,000,000港元現金按金乃包括於應計費用及其他應付款項中。該款項已計入上年度來自經營活動之現金流量。為了於本年度提供一個更合適的呈報，故進行重新分類。

\* 於二零零六年，本集團因認購股份收取之一筆27,200,000港元現金按金乃包括於應計費用及其他應付款項中。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七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 34 to the financial statements.

### 2. 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 (the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2007. 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 applied the disclosure requirements under Hong Kong Accounting Standard 1 (Amendment) "Capital Disclosures" and Hong Kong Financial Reporting Standard 7 "Financial Instruments: Disclosures" retrospectively.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has commenced considering the potential impact of those new HKFRSs but is not yet in a position to determine whether they will have a significant impact on how the results of operations and financial position are prepared and presented.

### 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34。

### 2. 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二零零七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之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。

本集團已追溯應用香港會計準則第1號(修訂版)「資本披露」及香港財務報告準則第7號「金融工具：披露」。

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。本集團已開始評估採用該等新香港財務報告準則對本集團之財務報表產生之影響，但未能確定會否對本集團之營運業績及財務報告之編製及披露產生重大影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs, 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 the directors 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 4 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.

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.

### 3. 主要會計政策

此等財務報表乃根據香港財務報告準則、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，亦需要董事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4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。

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (a) Consolidation (Continued)

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.

#### (b) Business combination and goodwill

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities of the subsidiary in an acquisition are measured at their fair values at the acquisition date.

The excess of the cost of acquisition over the Group's share of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

### 3. 主要會計政策 (續)

#### (a) 綜合賬目 (續)

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外匯波動儲備之間的差額。

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。

#### (b) 業務合併及商譽

本集團採用收購會計法為本集團所收購的附屬公司列賬。收購成本按所付出資產、所發行的股本工具及所產生或須承擔的負債於交換日期的公平值，加上直接因收購產生的成本而計量。被收購附屬公司的可予識別資產、負債及或然負債按其於收購日期的公平值計量。

收購成本高於本集團應佔附屬公司的可予識別資產、負債及或然負債的淨公平值之差額會確認為商譽。本集團應佔可予識別資產、負債及或然負債的淨公平值高於收購成本之差額會在綜合收益表中確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (b) Business combination and goodwill (Continued)

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses of goodwill are recognised in the consolidated income statement and are not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

#### (c) Joint venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over the economic activity when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the “venturers”).

A jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investment in a jointly controlled entity is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the jointly controlled entity in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group’s share of the net fair value of the jointly controlled entity’s identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

### 3. 主要會計政策 (續)

#### (b) 業務合併及商譽 (續)

商譽每年作減值測試，按成本減累計減值虧損列賬。商譽之減值虧損於綜合收益表確認，其後不得撥回。商譽乃分配予現金產生單位以作減值測試。

#### (c) 合營公司

合營公司是指本集團與其他團體在共同控制下進行經濟活動之合約安排。共同控制乃按合約同意分享經濟活動之控制權，與該活動有關之策略財務及營運決定必須獲得共享控制權之各方（「合營伙伴」）之一致同意。

共同控制實體為各合營伙伴另行成立並擁有權益之合營公司。

於共同控制實體之投資乃按權益法記入綜合財務報表，並初步以成本值入賬。共同控制實體收購之可識別資產、負債及或然負債按其於收購日期之公平值計量。收購成本高於本集團應佔共同控制實體之可識別資產、負債及或然負債之公平淨值之差額列為商譽。商譽乃計入投資之賬面值，並作為投資之部份就減值進行評估。本集團應佔可識別資產、負債及或然負債之公平淨值高於收購成本之任何差額於綜合收益表確認。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (c) Joint venture (Continued)

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

The gain or loss on the disposal of a jointly controlled entity 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 jointly controlled entity which was not previously charged or recognised in the consolidated income statement and also any related accumulated exchange fluctuation reserve.

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

### 3. 主要會計政策 (續)

#### (c) 合營公司 (續)

本集團應佔收購後共同控制實體之損益於綜合收益表中確認，而應佔收購後之儲備變動於綜合儲備中確認。收購後之累積變動於投資之賬面值作調整。倘本集團應佔共同控制實體之虧損等於或超過其於共同控制實體之權益(包括任何其他無抵押應收款項)，則本集團不確認進一步之虧損，除非本集團代共同控制實體承擔責任或支付款項。

出售共同控制實體所產生之收益或虧損指出售所得收入與本集團應佔其資產淨值之差額，連同之前並未在綜合收益表中支銷或確認之任何有關共同控制實體之商譽，以及任何有關累計外匯波動儲備。

本集團與共同控制實體之間之交易產生之未變現收益，按本集團在共同控制實體之權益註銷。除非交易提供證據證明所轉移之資產出現減值，否則未變現虧損亦應被抵銷。共同控制實體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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (d) Foreign currency translation

##### (i) Functional and presentation currency

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.

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

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.

##### (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;

### 3. 主要會計政策 (續)

#### (d) 外幣換算

##### (i) 功能及呈報貨幣

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) 於各實體財務報表之交易及結餘

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。

##### (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；

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (d) Foreign currency translation (Continued)

##### (iii) Translation on consolidation (Continued)

- 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.

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

### 3. 主要會計政策 (續)

#### (d) 外幣換算 (續)

##### (iii) 綜合賬目之換算 (續)

- 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。

因收購國外實體而產生的商譽及公平值調整,均作為有關國外實體的資產與負債,並按收市匯率換算。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (e) 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 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.

#### (f) 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.

### 3. 主要會計政策 (續)

#### (e) 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：

辦公室設備、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。

#### (f) 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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (f) Investment properties (Continued)

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.

#### (g) 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.

#### (h) 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. The Group 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.

### 3. 主要會計政策 (續)

#### (f) 投資物業 (續)

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。

#### (g) 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。租賃之款項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。

#### (h) 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或出售組合。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。本集團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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (i) Properties held for/under development

Properties held for/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 held for/under development which are expected to be completed within one year from the balance sheet date, are classified as current assets.

#### (j) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income statement.

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

### 3. 主要會計政策 (續)

#### (i) 持有作發展／發展中物業

持有作發展／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持有作發展／發展中物業分類為流動資產。

#### (j) 確認及撇除確認財務工具

當本集團成為財務工具合約條文之一方時，財務資產及財務負債於資產負債表內予以確認。

當自資產收取現金流量之合約權利屆滿時；本集團轉移資產之絕大部分風險及所有權回報時；或本集團並無轉移或保留資產之絕大部分風險及所有權回報，但並無維持控制該資產時，財務資產予以撇除確認。於撇除確認一項財務資產時，該資產之賬面值與所收取及應收取之代價總額及已直接於權益內確認之累積盈利或虧損之總和之間之差額乃於收益表內予以確認。

當有關合約所訂明之責任獲解除、註銷或屆滿時，財務負債予以撇除確認。所撇除確認之財務負債之賬面值與已付代價間之差額於收益表內予以確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (k) Accounts and other receivables

Accounts and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and 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 accounts 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.

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.

#### (l) 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.

### 3. 主要會計政策 (續)

#### (k) 應收及其他應收款項

應收及其他應收款項為具有固定或可釐定付款之於活躍市場上並無報價之非衍生財務資產，並初步按公平值確認，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，則會作出應收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。

減值虧損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。

#### (l) 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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (m) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

#### (n) 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.

#### (o) Accounts and other payables

Accounts 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.

#### (p) Equity instruments

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

### 3. 主要會計政策 (續)

#### (m) 財務負債及權益性工具

財務負債及權益性工具按所訂立合同安排的內容及香港財務報告準則中財務負債及權益性工具的定义分類。權益性工具指能證明擁有本集團在減除所有負債後的資產中的餘剩權益的合同。就特定財務負債及權益性工具所採納的會計政策列載如下。

#### (n) 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。

#### (o) 應付及其他應付款項

應付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。

#### (p) 權益性工具

本公司發行的權益性工具按收取的所得款項減直接發行成本入賬。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (q) 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.

#### (r) 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.

##### (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.

### 3. 主要會計政策 (續)

#### (q) 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。

#### (r) 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。

##### (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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (r) Employee benefits (Continued)

##### (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.

#### (s) 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.

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.

### 3. 主要會計政策 (續)

#### (r) 僱員福利 (續)

##### (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。

#### (s) 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。

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (t) 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.

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 and jointly controlled entities, 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.

### 3. 主要會計政策 (續)

#### (t) 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。

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及共同控制實體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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (t) Taxation (Continued)

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

Deferred tax is calculated at the tax rates that are expected to apply in the 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.

#### (u) 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;

### 3. 主要會計政策 (續)

#### (t) 稅項 (續)

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。

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。

#### (u) 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；

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (u) Related parties (Continued)

- (iii) the party is a joint venture;
- (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.

#### (v) 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.

### 3. 主要會計政策 (續)

#### (u) 關連人士 (續)

- (iii) 該人士為合營公司；
- (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，或該等人士對其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。

#### (v) 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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (v) 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 held for/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.

#### (w) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets except goodwill, investment properties 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.

### 3. 主要會計政策 (續)

#### (v) 分類報告 (續)

分類收入、開支、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、持有作發展／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。

#### (w) 資產減值

於各結算日，本集團審閱其資產（商譽、投資物業及應收款項除外）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之程度。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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (w) Impairment of assets (Continued)

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.

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.

### 3. 主要會計政策 (續)

#### (w) 資產減值 (續)

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稅前折現率折算成現值。

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。

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值，惟已增加賬面值並不超過如過往年度並無確認資產(或現金產生單位)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，減值虧損沖回則按重估價值增加處理。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### (x) 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.

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.

#### (y) 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. CRITICAL JUDGEMENTS AND KEY ESTIMATES

#### Critical judgements in applying accounting policies

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

### 3. 主要會計政策 (續)

#### (x) 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，則撥備之金額按預期用於解除該責任之支出之現值列賬。

倘不大可能導致經濟利益流出，或責任金額無法可靠估計，則責任披露為或然負債，除非經濟利益流出之可能性極低。可能出現之責任，其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。

#### (y) 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。

### 4. 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，董事已作出以下對於財務報表確認之金額有極大影響之判斷。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
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#### 4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

##### Critical judgements in applying accounting policies (Continued)

###### Legal titles of certain investment properties

As stated in note 16(b) to the financial statements, the title documents of certain investment properties with carrying value of approximately HK\$102,563,000, acquired through acquisition of 100% equity interests in Graceful Link Limited ("Graceful Link") during the year, have not been obtained by the Group as at 31 December 2007. Graceful Link is in the process of applying for the title documents of these properties. Nevertheless, based on the legal opinion obtained, the directors are of the opinion that Graceful Link is the beneficial owner of these properties. In addition, Graceful Link is entitled to lawfully and validly occupy or use these properties and should be able to obtain the title documents 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.

##### (a) Estimated income tax (including land appreciation tax in the People's Republic of China (the "PRC"))

The Group is subject to taxation mainly in the PRC. Significant estimates are 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.

#### 4. 重大判斷及主要估計 (續)

##### 於應用會計政策時之重大判斷 (續)

###### 若干投資物業之法定業權

如財務報表附註16(b)所述，於二零零七年十二月三十一日，本集團尚未取得年內透過收購愉興有限公司（「愉興」）100%股權所獲得賬面值約102,563,000港元之若干投資物業之業權文件。愉興正在申請該等物業之有關業權文件。然而，基於所取得之法律意見，董事認為愉興乃該等物業之實益擁有人。此外，愉興既可合法且有效地佔有或使用該等物業，亦應可如期取得有關業權文件。

###### 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。

##### (a) 估計所得稅(包括在中華人民共和國(「中國」)的土地增值稅)

本集團主要須繳納中國之稅項，於釐定相關稅項之稅項撥備金額及支付時間時，需要作出重大估計。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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
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#### 4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

##### Key sources of estimation uncertainty (Continued)

##### (b) Properties held for/under development

The directors review the recoverable amount of properties held for/under development at each balance sheet date and make estimates in determining the recoverable amount with reference to open market value basis of the development project.

##### (c) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the balance sheet date was approximately HK\$4,520,000.

##### (d) Fair values of investment properties

The Group appointed an independent professional valuer to assess the fair values of the investment properties. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

#### 4. 重大判斷及主要估計 (續)

##### 估計不明朗因素之主要來源 (續)

##### (b) 持有作發展／發展中物業

董事於各結算日檢討持有作發展／發展中物業之可收回金額，並參考發展項目之公開市值基準，於釐定可收回金額時作出預測。

##### (c) 商譽減值

釐定商譽是否出現減值須估計商譽所分配至現金產生單位之使用價值。計算使用價值時，本集團須估計現金產生單位之未來現金流量，以及選擇合適之貼現率以計算現值。於結算日，商譽之賬面值約為4,520,000港元。

##### (d) 投資物業之公平值

本集團已委任獨立專業估值師以評估投資物業之公平值。於釐定公平值時，估值師採用包括若干估計之估值方法。董事已作出其判斷並認為該估值方法充分反映當前市況。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
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### 5. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

<b>Financial assets</b>	<b>金融資產</b>
Loans and receivables (including bank and cash balances)	貸款及應收款項 (包括銀行及現金結餘)
<b>Financial liabilities</b>	<b>金融負債</b>
Amortised cost	攤銷成本

#### (b) Financial risk management

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit 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.

##### (i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. As a result of the Group's significant operations in the PRC, other than Hong Kong, the Group's balance sheet can be affected significantly by movements in the RMB/HK\$ exchange rate. Since the effect of a reasonable possible change in RMB/HK\$ exchange rate on profit for the year is not significant, no sensitivity analysis has been presented.

The Group currently does not have a foreign currency hedging policy. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

### 5. 財務工具

#### (a) 財務工具分類

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Financial assets</b>		
Loans and receivables (including bank and cash balances)	195,510	10,901
<b>Financial liabilities</b>		
Amortised cost	12,893	117,907

#### (b) 財務風險管理

本集團之業務承受各種財務風險，包括外幣風險、信貸風險、流動資金風險及利率風險。本集團整體風險管理項目重點針對金融市場之難以預測性，並尋求將本集團財務表現之潛在不利影響減至最低。

##### (i) 外幣風險

外幣風險指財務工具價值跟隨外幣匯率變動而出現波動之風險。由於除香港外，本集團大部份業務均位於中國，本集團資產負債表會因人民幣兌港幣匯率變動而受到重大影響。由於年內人民幣兌港幣之匯率變動處於合理水平，對溢利之影響並不重大，因此並無呈列敏感度分析。

本集團目前並無外幣對沖政策。本集團將密切監察其外幣風險，並於需要時考慮對沖重大外幣風險。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
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### 5. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management (Continued)

##### (ii) Credit risk

The carrying amount of accounts receivable, consideration receivable, amount due from a jointly controlled entity, other receivables and bank and cash balances included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The credit risk on accounts receivable, consideration receivable and other receivables is minimal since all these receivables have been fully recovered subsequent to the balance sheet date.

In the opinion of the directors, the Group is not exposed to significant credit risk in relation to the amount due from a jointly controlled entity as subsequent to the balance sheet date, the Group entered into a conditional sale and purchase agreement to dispose of the above debt (note 33(b)).

The credit risk on bank and cash balances is limited because the counterparties are banks with high credit-ratings.

### 5. 財務工具 (續)

#### (b) 財務風險管理 (續)

##### (ii) 信貸風險

本集團財務資產之信貸風險上限為綜合資產負債表內所載應收賬款、應收代價款、應收一間共同控制實體款項、其他應收款項、銀行及現金結餘之賬面值。

應收賬款、應收代價款及其他應收款項之信貸風險極低，因為所有該等應收款項已於結算日後全數收回。

董事認為本集團並無就應收一間共同控制實體款項而承擔重大信貸風險，因為本集團已於結算日後訂立一份有條件買賣協議以出售上述債務(附註33(b))。

銀行及現金結餘之信貸風險有限，因對方為擁有極高信貸評級之銀行。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
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### 5. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management (Continued)

##### (iii) 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.

The following tables set out the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables are drawn up based on the undiscounted cash flows of financial liabilities and the earliest dates on which the Group can be required to pay. The tables include both interest and principal cash flows.

### 5. 財務工具 (續)

#### (b) 財務風險管理 (續)

##### (iii) 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之流動資金需求。

下表載列本集團非衍生財務負債之剩餘合約期限。該表乃基於財務負債之未折現現金流及本集團應還款之最早日期編製。該表包括利息及主要現金流。

		<b>Less than 1 year 少於一年 HK\$'000 千港元</b>
<b>At 31 December 2007</b>	<b>於二零零七年十二月三十一日</b>	
Accruals and other payables	應計費用及其他應付款項	12,893
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	
Accounts payable, accruals and other payables	應付賬款、應計費用及其他應付款項	108,907
Short-term borrowings	短期借貸	9,000
		<b>117,907</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
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### 5. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management (Continued)

##### (iv) Interest rate risk

The Group's interest rate risk arises from bank balances. All the Group's balances with banks are short terms in nature. Any future variations in interest rates will not have a significant impact on the results of the Group and therefore no sensitivity analysis has been presented.

##### (v) Fair values

The directors consider that the carrying amounts of the financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values.

### 6. TURNOVER

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

### 5. 財務工具 (續)

#### (b) 財務風險管理 (續)

##### (iv) 利率風險

本集團之利率風險乃來自銀行結餘。本集團之銀行結餘均為短期性質。未來任何利率變動將不會對本集團之業績構成重大影響，故並無呈列敏感度分析。

##### (v) 公平值

董事認為，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。

### 6. 營業額

本集團之營業額指年內產生之租金收入。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
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### 7. OTHER INCOME

### 7. 其他收入

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest income	利息收入	156	—
Exchange gain	匯兌收益	2,052	—
Excess of fair value of net assets acquired over cost of acquisition of a subsidiary (note 28)	所收購資產淨值之公平值超出收購附屬公司成本之差額(附註28)	8,772	—
Reversal of impairment losses on properties held for/under development	持有作發展/發展中物業減值虧損回撥	—	56,886
Written back of accruals and other payables	應計費用及其他應付款項回撥	143	1,105
Written back of allowance for receivables	應收款項撥備回撥	—	613
Sundry income	雜項收入	232	251
		11,355	58,855

### 8. SEGMENT INFORMATION

### 8. 分類資料

#### (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.

#### (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 — 物業發展及銷售

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
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### 8. SEGMENT INFORMATION (Continued)

### 8. 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	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Turnover</b>	<b>營業額</b>								
External revenue	對外收益	—	—	12,254	23,406	—	—	12,254	23,406
<b>Results</b>	<b>業績</b>								
Segment results	分類業績	—	—	7,342	16,089	—	—	7,342	16,089
Other income	其他收入	—	56,889	8,772	240	2,583	1,726	11,355	58,855
Loss on disposal of investment properties	出售投資物業虧損	—	—	(32,035)	(69,322)	—	—	(32,035)	(69,322)
Fair value losses on investment properties	投資物業之公平值虧損	—	—	(16,941)	(36,912)	—	—	(16,941)	(36,912)
Other expenses	其他開支	(2,099)	(4,834)	(2,537)	(10,995)	(12,635)	(9,021)	(17,271)	(24,850)
Loss from operations	經營虧損							(47,550)	(56,140)
Finance costs	融資成本							—	(519)
Share of profits of jointly controlled entities	應佔共同控制實體之溢利	6,533	—	—	—	—	—	6,533	—
Gain on disposal of subsidiaries	出售附屬公司收益	49,795	—	—	123,323	—	—	49,795	123,323
Profit before tax	除稅前溢利							8,778	66,664
Income tax	所得稅							(1,117)	(6,596)
Profit for the year	本年度溢利							7,661	60,068
<b>Assets</b>	<b>資產</b>								
Segment assets	分類資產	170,110	260,937	249,146	198,875	2,242	1,829	421,498	461,641
Investments in jointly controlled entities	於共同控制實體之投資	73,630	—	—	—	—	—	73,630	—
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							495,128	645,653
<b>Liabilities</b>	<b>負債</b>								
Segment liabilities	分類負債	218	37,841	9,196	7,489	8,387	72,882	17,801	118,212
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							17,801	213,556
<b>Other information</b>	<b>其他資料</b>								
Capital expenditure	資本開支	32	—	—	—	4	—	36	—
Depreciation	折舊	—	—	—	5	11	24	11	29
Reversal of impairment losses on properties held for/under development	持有作發展/發展中物業減值虧損回撥	—	56,886	—	—	—	—	—	56,886



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### 9. FINANCE COSTS

### 9. 融資成本

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest on bank overdraft	銀行透支利息	—	2
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
		—	519

### 10. INCOME TAX

### 10. 所得稅

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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	1,117	—
Deferred tax (note 26)	遞延稅項(附註26)		
PRC enterprise income tax	中國企業所得稅	—	3,455
PRC land appreciation tax	中國土地增值稅	—	3,141
		—	6,596
		1,117	6,596

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.

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。

Subsidiaries with operations in the PRC are subject to PRC Enterprise Income Tax ("EIT") at 10% to 33% (2006: 33%). No provision for EIT has been made for the year ended 31 December 2006 as these subsidiaries did not generate any assessable profits or had sufficient tax losses brought forward to set off against that year's assessable profits.

於中國有業務之附屬公司須繳納10%至33%之中國企業所得稅(「企業所得稅」)(二零零六年：33%)。由於該等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該年度之應課稅溢利，故截至二零零六年十二月三十一日止年度並無就企業所得稅作出撥備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 10. INCOME TAX (Continued)

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

### 10. 所得稅 (續)

所得稅與除稅前溢利乘以適用稅率乘積之對賬如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit before tax	除稅前溢利	8,778	66,664
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	4,641	3,990
Tax effect of income that is not taxable	毋須課稅收入之稅務影響	(12,082)	(19,306)
Tax effect of expenses that are not deductible	不可扣稅開支之稅務影響	7,868	15,336
Tax losses not recognised	未確認之稅務虧損	690	—
Deferred tax effect	遞延稅項之影響	—	6,596
Tax effect of temporary differences not recognised	未確認之暫時差額之稅務影響	—	(20)
Income tax	所得稅	1,117	6,596

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 11. PROFIT FOR THE YEAR

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

### 11. 本年度溢利

本集團之年度溢利已扣除以下各項：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Auditor's remuneration	核數師酬金		
— Statutory audit	— 法定審計	950	750
— Others	— 其他	380	780
		<b>1,330</b>	1,530
Claims and surcharge	賠償及罰款	1,959	1,386
Depreciation	折舊	11	29
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	2,957	4,822
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	1,955	2,495
Operating lease rentals in respect of land and buildings	土地及樓宇之營運租賃租金	2,360	1,695
Staff costs (including directors' emoluments)	員工成本 (包括董事酬金)		
— Salaries and allowances	— 薪金及津貼	3,096	2,519
— Retirement benefit scheme contributions	— 退休福利計劃供款	48	117
		<b>3,144</b>	2,636

# NOTES TO THE FINANCIAL STATEMENTS

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### 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments of each director are as follows:

Year ended 31 December 2007

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 contributions 退休福利 計劃供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Tong Shi Jun	佟世均	—	240	—	240
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 (Note (a))	王凌雲 (附註(a))	—	—	—	—
Yuen Wai Ho (Note (b))	阮煒豪 (附註(b))	24	—	—	24
<b>Total</b>	<b>總額</b>	<b>74</b>	<b>920</b>	<b>12</b>	<b>1,006</b>

### 12. 董事及僱員之酬金

各董事酬金如下：

截至二零零七年十二月三十一日止年度

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS 12. 董事及僱員之酬金 (續)

(Continued)

Year ended 31 December 2006

截至二零零六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 contributions 退休福利 計劃供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Tong Shi Jun	佟世均	—	240	—	240
Zhang Jian (Note (c))	張健 (附註(c))	—	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	—	—	—	—
<b>Total</b>	<b>總額</b>	<b>50</b>	<b>989</b>	<b>12</b>	<b>1,051</b>

Notes: (a) Resigned on 14 September 2007  
(b) Appointed on 14 September 2007  
(c) Resigned on 1 October 2006

附註：(a) 於二零零七年九月十四日請辭  
(b) 於二零零七年九月十四日獲委任  
(c) 於二零零六年十月一日請辭

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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

The five highest paid individuals in the Group during the year included 3 (2006: 3) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 2 (2006: 2) individuals are set out below:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	630	745
Retirement benefit scheme contributions	退休福利計劃供款	20	12
		<b>650</b>	<b>757</b>

The emoluments fell within the following band:

		Number of individuals 人數	
		2007 二零零七年	2006 二零零六年
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.

### 12. 董事及僱員之酬金 (續)

年內，本集團之五位最高薪人士中有3位(二零零六年：3位)為董事，其酬金已於以上分析中列載。其餘2位(二零零六年：2位)最高薪人士之酬金如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	630	745
Retirement benefit scheme contributions	退休福利計劃供款	20	12
		<b>650</b>	<b>757</b>

酬金為以下組別人士之人數如下：

		Number of individuals 人數	
		2007 二零零七年	2006 二零零六年
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，作為加入本集團或加入本公司後之獎金，或作為離職補償。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 13. DIVIDENDS

The directors do not recommend the payment of any dividend (2006: HK\$nil) in respect of the year.

### 14. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year of approximately HK\$7,661,000 (2006: HK\$60,068,000) divided by the weighted average number of ordinary shares of 1,384,592,000 (2006: 1,360,000,000) in issue during the year.

There were no dilutive potential shares during the years ended 31 December 2007 and 2006. Therefore, no diluted earnings per share has been presented.

### 13. 股息

董事建議本年度不派發任何股息(二零零六年：零港元)。

### 14. 每股基本盈利

每股基本盈利乃按本年度溢利約7,661,000港元(二零零六年：60,068,000港元)除以年內已發行普通股之加權平均數1,384,592,000股(二零零六年：1,360,000,000股)計算。

截至二零零七年及二零零六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。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Office equipment, furniture and fixtures	Motor vehicles	Total 總額
		辦公室設備、 傢俬及裝置 HK\$'000 千港元	汽車 HK\$'000 千港元	HK\$'000 千港元
<b>Cost</b>	<b>原值</b>			
At 1 January 2006	於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 subsidiaries (note 29)	出售附屬公司(附註29)	(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)
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日及 二零零七年一月一日	316	2,663	2,979
Exchange differences	匯兌差額	1	—	1
Additions	添置	36	—	36
Disposal of subsidiaries (note 29)	出售附屬公司(附註29)	(14)	—	(14)
At 31 December 2007	於二零零七年十二月三十一日	339	2,663	3,002
<b>Accumulated depreciation</b>	<b>累計折舊</b>			
At 1 January 2006	於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 subsidiaries (note 29)	出售附屬公司(附註29)	(1,224)	(1,410)	(2,634)
At 31 December 2006 and 1 January 2007	於二零零六年十二月三十一日及 二零零七年一月一日	298	2,663	2,961
Exchange differences	匯兌差額	1	—	1
Charge for the year	本年度折舊	11	—	11
Disposal of subsidiaries (note 29)	出售附屬公司(附註29)	(12)	—	(12)
At 31 December 2007	於二零零七年十二月三十一日	298	2,663	2,961
<b>Carrying amount</b>	<b>賬面值</b>			
<b>At 31 December 2007</b>	<b>於二零零七年十二月三十一日</b>	<b>41</b>	<b>—</b>	<b>41</b>
At 31 December 2006	於二零零六年十二月三十一日	18	—	18



# NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 16. INVESTMENT PROPERTIES

### 16. 投資物業

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日	198,000	448,100
Acquisition of subsidiaries (note 28)	收購附屬公司(附註28)	102,563	—
Disposal	出售	(102,000)	(98,188)
Disposal of a subsidiary	出售一間附屬公司	—	(115,000)
Fair value losses	公平值虧損	(16,941)	(36,912)
At 31 December	於十二月三十一日	181,622	198,000

- (a) At 31 December 2007, all the Group's investment properties, situated in Guangzhou, the PRC, are held under medium-term leases.

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 2007 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.

- (a) 於二零零七年十二月三十一日，本集團所有投資物業均位於中國廣州，並按中期租約持有。

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。本集團投資物業於二零零七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。

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### 16. INVESTMENT PROPERTIES (Continued)

- (b) Included in the investment properties are certain properties with total carrying value of approximately HK\$102,563,000 which were acquired through the acquisition of 100% equity interests in Graceful Link during the year. Pursuant to certain properties presale agreements duly registered and notarised at the Properties Exchange of the Guangzhou City, these properties were acquired by Graceful Link. Graceful Link is in the process of applying for the title documents of these properties. Based on the legal opinion obtained, the directors are of the opinion that Graceful Link is the beneficial owner of these properties and should be able to obtain the title documents in due course.

At 31 December 2007, the aforesaid properties were pledged as securities for bank loans granted for the previous shareholder of Graceful Link. The bank loans were fully repaid before 31 December 2007. The discharges of titles in respect of the aforesaid properties were issued by the bank in April 2008 and were duly registered with the relevant PRC authority in May 2008.

- (c) Included in the investment properties are certain properties with total carrying value of approximately HK\$79,059,000 which were pledged to certain finance companies and a bank for facilities granted to the Group. The facilities were fully settled before 31 December 2007 and the discharges in respect of the aforesaid properties were also issued by the finance companies and the bank. Nevertheless, the discharges of titles are yet to be processed by the Group. Based on the legal opinion obtained, the Group can obtain the discharges of titles, if necessary. The directors are of the opinion that the aforesaid properties are free of charge as at 31 December 2007. The aforesaid properties belonged to a subsidiary named Nam Fong Liwan Plaza Limited ("NF Liwan") and will be disposed of following the completion of the disposal of NF Liwan (note 33(d)).

### 16. 投資物業 (續)

- (b) 投資物業包括年內透過收購愉興100%股權權益而獲得之總賬面值約102,563,000港元之若干物業。根據已於廣州市房地產交易所正式登記並經公證之若干房地產預售契約，該等物業已由愉興收購。愉興正就該等物業申請業權文件。根據所獲得之法律意見，董事認為愉興為該等物業之實益擁有人並能夠如期取得相關業權文件。

於二零零七年十二月三十一日，上述物業已被抵押，作為授予愉興前股東銀行貸款之擔保。該銀行貸款已於二零零七年十二月三十一日之前全數償還。有關銀行已於二零零八年四月發出上述物業之業權擔保解除文件，該等文件已於二零零八年五月在中國有關部門正式登記。

- (c) 投資物業中已計入總賬面值約79,059,000港元之若干物業，該等物業已抵押予若干財務公司及一間銀行，作為本集團獲授融資額度之擔保。該等融資額度已於二零零七年十二月三十一日之前全數結清，而有關財務公司及銀行亦已發出有關上述物業之擔保解除文件。惟本集團尚未處理該等業權擔保解除文件。根據所獲得之法律意見，如有必要，本集團可獲得該等業權擔保解除。董事認為，上述物業於二零零七年十二月三十一日沒有任何產權負擔。上述物業屬於一間附屬公司南方荔灣廣場有限公司（「南方荔灣」）所有，並將於南方荔灣之出售完成後出售（附註33(d)）。

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### 16. INVESTMENT PROPERTIES (Continued)

- (d) At 31 December 2006, the legal title of certain investment properties with total carrying value of approximately HK\$122,400,000 were held by an ex-subsidiary, Guangzhou Suinan Property Development Company Limited ("GZ Suinan"). The transfer of legal title of these properties from GZ Suinan to the Group was not completed at 31 December 2006. However, the new owner of GZ Suinan, had 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 properties. Subsequent to 31 December 2006, the title of these 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. Although the outcome of the disputes with the Taxation Bureau of Guangzhou City and the creditor could not be determined at that moment, the directors remained confident that the Group possessed beneficial ownership of the aforesaid properties and would be able to obtain legal title of these properties.

On 8 August 2007, the Group entered into a disposal agreement with GZ Suinan to dispose of the abovementioned properties at a total consideration of HK\$70 million. In the opinion of the directors, the disposal would remove the uncertainties inherited from the abovementioned properties with legal title defects and bring in additional working capital for the Group. Accordingly, a loss on disposal of investment properties of approximately HK\$32,035,000 which representing the difference between the total consideration, net of selling expenses, of approximately HK\$69,965,000 and the total carrying value of the abovementioned properties (after recording a fair value loss of approximately HK\$20,400,000) of approximately HK\$102,000,000 was charged to the income statement in the current year.

### 16. 投資物業 (續)

- (d) 於二零零六年十二月三十一日，總賬面值約122,400,000港元之若干投資物業之法定業權乃由一間前附屬公司廣州穗南房產發展有限公司(「廣州穗南」)持有。從廣州穗南至本集團之該等物業之法定業權轉讓於二零零六年十二月三十一日尚未完成。然而，廣州穗南之新所有者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。於二零零六年十二月三十一日後，該等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。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，董事仍有信心本集團擁有上述物業之實益擁有權並可取得上述物業之法定業權。

於二零零七年八月八日，本集團與廣州穗南訂立一份出售協議，以70,000,000港元之總代價出售上述物業。董事認為，該出售將除去由於上述物業缺乏法定業權而產生之不明朗因素及為本集團帶來額外營運資金。因此，出售投資物業所產生之虧損約32,035,000港元，即總代價(扣除出售費用)約69,965,000港元與上述物業之總賬面值(於錄得公平值虧損約20,400,000港元後)約102,000,000港元之差額已於本年度計入收益表。

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### 16. INVESTMENT PROPERTIES (Continued)

At 31 December 2007, the Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	6,494	7,589
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	22,924	22,008
After five years	五年以上	4,469	9,607
		<b>33,887</b>	39,204

The above operating leases at 31 December 2007 will be released following the completion of the disposal of NF Liwan (note 33 (d)).

### 16. 投資物業(續)

於二零零七年十二月三十一日，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：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	6,494	7,589
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	22,924	22,008
After five years	五年以上	4,469	9,607
		<b>33,887</b>	39,204

上述於二零零七年十二月三十一日之經營租約將於出售南方荔灣完成後解除(附註33(d))。

### 17. PROPERTIES HELD FOR/UNDER DEVELOPMENT

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日	242,000	353,498
Exchange differences	匯兌差額	8,462	14,806
Additions	添置	28,086	647
Reversal of impairment losses	減值虧損回撥	—	56,886
Assets of a disposal group classified as held for sale	列為持作出售之出售組合資產	—	(183,837)
Disposal of subsidiaries (note 29)	出售附屬公司(附註29)	(270,852)	—
At 31 December	於十二月三十一日	<b>7,696</b>	242,000

The properties held for development at 31 December 2007 represent lease prepayment for land use rights of a piece of land at Water Product Market of Zhongmiao Town, Chaohu City, Anhui Province, the PRC together with the buildings constructed thereon. The Group is in the process of applying for the land use rights certificate subject to the approval from the PRC Government. In the opinion of the directors, the Group will be able to obtain the land use rights certificate.

### 17. 持有作發展/發展中物業

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	於一月一日	242,000	353,498
Exchange differences	匯兌差額	8,462	14,806
Additions	添置	28,086	647
Reversal of impairment losses	減值虧損回撥	—	56,886
Assets of a disposal group classified as held for sale	列為持作出售之出售組合資產	—	(183,837)
Disposal of subsidiaries (note 29)	出售附屬公司(附註29)	(270,852)	—
At 31 December	於十二月三十一日	<b>7,696</b>	242,000

於二零零七年十二月三十一日持有作發展之物業指位於中國安徽省巢湖市中廟鎮水特產品綜合大市場之一幅地塊使用權連同其上建設之樓宇之租賃預付款項。本集團正在申請土地使用權證，仍有待中國政府的批准。董事認為，本集團將會取得該等土地使用權證。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
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### 18. GOODWILL

### 18. 商譽

HK\$'000  
千港元

Cost	成本	
At 1 January 2007	於二零零七年一月一日	—
Acquisition of a subsidiary (note 28)	收購一間附屬公司(附註28)	4,520
At 31 December 2007	於二零零七年十二月三十一日	4,520

Goodwill arising on acquisition of Boshing Investments Limited (“Boshing Investments”) was allocated to the property development and sales cash-generating unit — Boshing, one of the business segments of the Group, for impairment testing. The recoverable amount of this cash-generating unit was determined based on value in use calculation using cash flow projections of the financial budgets approved by the management for the next five years. The discount rate applied to the cash flow projections is 15%. The key assumptions for the value in use calculation are those regarding the discount rate, growth rate, budgeted turnover and gross margin. The management estimated discount rate using pre-tax rate that reflected current market assessment of the time value of money and the risks specific to the cash-generating unit. Growth rate, budgeted turnover and gross margin were based on expectations on market development. Based on the results of the impairment testing, the management are of the opinion that there is no impairment of the cash-generating unit attributed to the goodwill.

收購寶昇投資有限公司(「寶昇投資」)所產生之商譽乃分配予物業發展及出售現金產生單位——寶昇(本集團業務分部之一)作減值測試。該現金產生單位之可收回款項乃根據使用價值計算按管理層批准之未來五年財務預算之現金流量預測釐定。現金流量預測所採用之貼現率為15%。使用價值計算之主要假設為貼現率、增長率、預算營業額及毛利。管理層乃使用反映當時市場對該現金產生單位之貨幣時值及風險之評估的除稅前比率估算貼現率。增長率、預算營業額及毛利乃根據對市場發展之預測釐定。基於減值測試結果，管理層認為該現金產生單位並無產生有關商譽之減值。

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### 19. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES/AMOUNT DUE FROM A JOINTLY CONTROLLED ENTITY

### 19. 於共同控制實體之投資／應收一間共同控制實體款項

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted investments: Share of net assets	非上市投資： 應佔資產淨值	73,630	—
Amount due from a jointly controlled entity	應收一間共同 控制實體款項	125,815	—

The amount due from a jointly controlled entity is unsecured, interest-free and has no fixed terms of repayment.

應收一間共同控制實體款項為無抵押、免息及無固定還款期。

Details of the jointly controlled entities at 31 December 2007 are as follows:

共同控制實體於二零零七年十二月三十一日之詳情如下：

Name 名稱	Business structure 商業結構	Place of incorporation or registration/ operations 註冊成立或 註冊／營業地點	Percentage of ownership interest/ voting power/ profit sharing 所有權權益／ 投票權／ 盈利分配百分比	Principal activities 主要業務
Trisum Investment Limited ("Trisum") 豐深投資有限公司 (「豐深」)	Limited liability company 有限責任公司	Hong Kong 香港	50%	Investment holding 投資控股
Guangzhou Jiannan House Property Development Company Limited ("GZ Jiannan") 廣州建南房產發展有限公司 (「廣州建南」)	Limited liability company 有限責任公司	PRC 中國	50%	Property development 物業發展

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### 19. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES/AMOUNT DUE FROM A JOINTLY CONTROLLED ENTITY (Continued)

Trisum and its wholly owned subsidiary, GZ Jiannan were previously 100% owned by the Group. Pursuant to a share transfer agreement dated 26 June 2007, the Group disposed of its 50% equity interests in Trisum at a consideration of RMB100,000,000. Thereafter the Group's remaining 50% equity interests in Trisum were accounted for as investments in jointly controlled entities accordingly.

The summarised financial information in respect of the Group's share of the assets, liabilities, income and expenses of its jointly controlled entities which are accounted for using the equity method is as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current assets	流動資產	1,007	—
Non-current assets	非流動資產	152,028	—
Current liabilities	流動負債	79,405	—
Income	收入	6,651	—
Expenses	支出	118	—

Subsequent to the balance sheet date, the Group entered into a disposal agreement to dispose of its remaining 50% equity interests in Trisum together with the debts due by Trisum to the Group. Details of which are disclosed in note 33(b).

### 19. 於共同控制實體之投資／應收一間共同控制實體款項 (續)

豐深及其全資附屬公司廣州建南曾為本集團100%擁有。根據於二零零七年六月二十六日訂立之股份轉讓協議，本集團以人民幣100,000,000元之代價出售其於豐深之50%權益。此後，本集團於豐深之餘下50%權益被列為於共同控制實體之投資。

本集團應佔其共同控制實體之資產、負債、收入及支出之財務資料概要乃採用權益法列賬如下：

於結算日後，本集團訂立一份出售協議，出售其於豐深餘下之50%權益及豐深欠付本集團之債務。詳情披露於附註33(b)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 20. ACCOUNTS RECEIVABLE

The Group's accounts receivable, representing rental receivable from tenants, are due on presentation of invoices.

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

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 3 months	三個月以內	540	—
4 - 6 months	四至六個月	540	—
		<b>1,080</b>	—

The above accounts receivable are past due at the balance sheet date for which the Group has not provided for impairment loss since they have been fully settled subsequent to the balance sheet date. The Group does not hold any collateral over these balances.

### 21. CONSIDERATION RECEIVABLE

The consideration receivable is in connection with the disposal of certain investment properties during the year, details of which are set out in note 16(d) to the financial statements. The amount is unsecured, interest free and due on 16 December 2007. The amount was received subsequent to the balance sheet date.

### 22. BANK AND CASH BALANCES

At 31 December 2007, the bank and cash balances of the Group denominated in RMB amounted to approximately HK\$354,000 (2006: HK\$7,513,000). 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.

### 20. 應收賬款

本集團之應收賬款(指來自租戶之應收租金)於出示發票時到期。

應收賬款按發票日期所作之賬齡分析如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 3 months	540	—
4 - 6 months	540	—
	<b>1,080</b>	—

上述應收賬款於結算日已逾期，由於該等賬款已於結算日後全數償還，因此本集團並無就該等賬款作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

### 21. 應收代價款

應收代價款乃與年內出售若干投資物業有關，詳情載於財務報表附註16(d)。該款項為無抵押、免息及於二零零七年十二月十六日到期。該款項已於結算日後收回。

### 22. 銀行及現金結餘

於二零零七年十二月三十一日，本集團以人民幣呈列之銀行及現金結餘約為354,000港元(二零零六年：7,513,000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》。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

In January 2007, the Group completed the disposal of its entire 100% equity interests in a subsidiary, Nam Fong Guangzhou Plaza Limited ("GZ Plaza"), and the amount due from GZ Plaza to the Group 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 had not been completed at 31 December 2006 and in accordance with Hong Kong Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities attributable to GZ Plaza and Xiunan, had been classified as a disposal group held for sale and were presented separately in the consolidated balance sheet.

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

		2006 二零零六年 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
<b>Total assets of a disposal group classified as held for sale</b>	<b>列為持有作出售之出售組合資產總額</b>	<b>184,012</b>
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
<b>Total liabilities associated with assets of a disposal group classified as held for sale</b>	<b>列為持有作出售之出售組合資產之相關負債總額</b>	<b>95,344</b>

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

\* For identification purposes only

### 23. 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

於二零零七年一月，本集團完成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%權益以及越秀廣場應付本集團之款項，總代價為96,600,000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」）乃從事物業開發及銷售業務。

該出售於二零零六年十二月三十一日並未完成，根據香港財務報告準則第5號「持有作出售之非流動資產及終止經營業務」之規定，屬於越秀廣場及秀南之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。

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：

	2006 二零零六年 HK\$'000 千港元
Property, plant and equipment	5
Properties under development	183,837
Prepayments, deposits and other receivables	160
Bank and cash balances	10
<b>Total assets of a disposal group classified as held for sale</b>	<b>184,012</b>
Accounts payable	84,510
Accruals and other payables	10,834
<b>Total liabilities associated with assets of a disposal group classified as held for sale</b>	<b>95,344</b>

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。

\* 僅供識別

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### 24. ACCOUNTS PAYABLE

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

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Over 1 year	超過一年	—	36,595

### 25. SHORT-TERM BORROWINGS

Secured loans

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

### 24. 應付賬款

應付賬款按發票日期所作之賬齡分析如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		—	36,595

### 25. 短期借貸

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港元之投資物業作為抵押，年息為5%。於二零零七年一月，有關抵押貸款已全數償還。

		—	9,000
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# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 26. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised by the Group, and the movements thereon, during the current and prior years.

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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
Exchange differences	匯兌差額	—	201
Acquisition of a subsidiary (note 28)	收購一間附屬公司(附註28)	(3,791)	—
Disposal of a subsidiary	出售一間附屬公司	—	(5,232)
Charge to the income statement (note 10)	於收益表扣除(附註10)	—	(6,596)
At 31 December	於十二月三十一日	(3,791)	—

At the balance sheet date, the Group has unused tax losses of approximately HK\$3,563,000 (2006: 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\$588,000 (2006: 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.

The balance at 31 December 2006 included an amount of approximately HK\$32,219,000 representing the tax losses of a subsidiary which had been disposed of during the year ended 31 December 2007.

### 26. 遞延稅項負債

於本年度及過往年度，本集團所確認之主要遞延稅項負債及其變動如下。

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1 January	—	11,627
Exchange differences	—	201
Acquisition of a subsidiary (note 28)	(3,791)	—
Disposal of a subsidiary	—	(5,232)
Charge to the income statement (note 10)	—	(6,596)
At 31 December	(3,791)	—

於結算日，本集團有未動用稅項虧損約3,563,000港元(二零零六年：35,194,000港元)可用於抵銷未來溢利。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588,000港元(二零零六年：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。

於二零零六年十二月三十一日之結餘包括一筆約為32,219,000港元之款項，該款項乃一間附屬公司(已於截至二零零七年十二月三十一日止年度內出售)之稅務虧損。

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## 財務報表附註

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### 27. SHARE CAPITAL

### 27. 股本

		Number of shares 股數	HK\$'000 千港元
<b>Authorised:</b>	<b>法定股本：</b>		
At 31 December 2006 and 31 December 2007	於二零零六年十二月三十一日及 二零零七年十二月三十一日		
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股	2,000,000,000	200,000
<b>Issued and fully paid:</b>	<b>已發行及繳足股本：</b>		
At 1 January 2006 and 31 December 2006	於二零零六年一月一日及 二零零六年十二月三十一日		
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股	1,360,000,000	136,000
Issue of shares	股票發行	272,000,000	27,200
<b>At 31 December 2007</b>	<b>於二零零七年十二月三十一日</b>	<b>1,632,000,000</b>	<b>163,200</b>

(a) On 7 April 2006, the Company and Zhang Suqian, an independent investor, entered into a subscription agreement in respect of the subscription of 272,000,000 ordinary shares of HK\$0.10 each. Pursuant to an ordinary resolution passed on 26 November 2007, the Company allotted and issued 272,000,000 ordinary shares at HK\$0.10 each to Zhang Suqian on 29 November 2007.

All these new ordinary shares rank pari passu in all respects with the then existing ordinary shares of the Company.

(b) The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group, prevailing, projected profitability and projected operating cash flows. The directors regard total equity as capital, for capital management purposes.

(a) 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。根據二零零七年十一月二十六日通過之普通決議案，本公司於二零零七年十一月二十九日以每股0.10港元之價格向張素芊配發及發行272,000,000股普通股。

所有該等新發行普通股與本公司當時已發行普通股在所有方面均享有同等權益。

(b) 本集團積極及定期檢討並管理其資本結構，以確保達致最佳資本結構並向股東提供最高回報，所考慮因素包括本集團日後資本需求、目前及預期之盈利能力及預期營運現金流量。就資本管理而言，董事將總權益視作資本。

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### 28. ACQUISITION OF SUBSIDIARIES

During the year, the Group acquired certain subsidiaries, details of which are as follows:

- (a) On 17 December 2007, the Group acquired 100% of the issued share capital of Boshing Investments for a consideration of HK\$25,000,000. Boshing Investments and its subsidiary, Chaohu Boshing Tourism Development Co., Ltd. (collectively referred to as "Boshing group") are principally engaged in property development. The goodwill arising as a result of the acquisition of approximately HK\$4,520,000 is attributable to the benefit of expected revenue growth and future market development of Boshing group.
- (b) On 31 December 2007, the Group acquired 100% of the issued share capital of Graceful Link and the shareholder's loan due by Graceful Link for a total consideration of HK\$90,000,000. Graceful Link is principally engaged in property investment. The excess of fair value of net assets acquired over cost of acquisition arising as a result of the acquisition of approximately HK\$8,772,000 was recognised in the income statement during the year.

### 28. 收購附屬公司

本集團於年內收購若干附屬公司，詳情如下：

- (a) 於二零零七年十二月十七日，本集團以25,000,000港元之代價收購寶昇投資之100%已發行股本。寶昇投資及其附屬公司巢湖寶昇旅遊開發有限公司(統稱「寶昇集團」)主要從事物業發展業務。收購所產生之商譽約為4,520,000港元，乃來自寶昇集團預期收入增長及日後市場開發的收益。
- (b) 於二零零七年十二月三十一日，本集團以90,000,000港元之總代價，收購愉興之100%已發行股本及愉興欠付之股東貸款。愉興主要從事物業投資業務。因收購而產生之所得資產淨值之公平值超出收購成本之金額約為8,772,000港元，已於年內計入收益表。

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### 28. ACQUISITION OF SUBSIDIARIES (Continued)

The fair value of the identifiable assets and liabilities of these subsidiaries acquired as at their respective dates of acquisition, which have no significant differences from their respective carrying amounts, are as follows:

### 28. 收購附屬公司 (續)

該等收購附屬公司可識別資產及負債於其各自收購日期之公平值(與其各自之賬面值並無重大差異)如下:

		Boshing group 寶昇集團 HK\$'000 千港元	Graceful Link 愉興 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Net assets acquired:	所得資產淨值:			
Investment properties	投資物業	—	102,563	<b>102,563</b>
Prepayments for removal and relocation costs	拆遷安置補償費用 預付款項	21,000	—	<b>21,000</b>
Bank balance	銀行結餘	8	—	<b>8</b>
Accruals and other payables	應計費用及其他應付款項	(528)	—	<b>(528)</b>
Amount due to the immediate holding company	應付直接控股公司 款項	—	(62,704)	<b>(62,704)</b>
Deferred tax liabilities	遞延稅項負債	—	(3,791)	<b>(3,791)</b>
		20,480	36,068	<b>56,548</b>
Assignment of amount due from a subsidiary	轉讓應收一間附屬 公司之款項	—	62,704	<b>62,704</b>
Goodwill (note 18)	商譽(附註18)	4,520	—	<b>4,520</b>
Excess of fair value of net assets acquired over cost of acquisition of a subsidiary (note 7)	所收購資產淨值之公平值 超出收購附屬公司成本之 差額(附註7)	—	(8,772)	<b>(8,772)</b>
Total consideration satisfied by cash	總代價(以現金支付)	25,000	90,000	<b>115,000</b>
Net cash outflow arising on acquisition:	收購產生之現金流出淨額:			
Cash consideration paid	已支付現金代價	25,000	90,000	<b>115,000</b>
Bank balance acquired	所得銀行結餘	(8)	—	<b>(8)</b>
		24,992	90,000	<b>114,992</b>

Since the respective dates of acquisition, Boshing group and Graceful Link contributed a loss of approximately HK\$79,000 and HK\$nil respectively to the Group's profit for the year.

自各收購日期起，寶昇集團及愉興分別為本集團年內溢利帶來約79,000港元及零港元之虧損。

If the acquisition of these subsidiaries had been completed on 1 January 2007, Boshing group and Graceful Link would contribute HK\$nil and approximately HK\$6,432,000 to the Group's turnover and profit for the year respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of turnover and results of the Group that actually would have been achieved had the acquisition been completed on 1 January 2007, nor is intended to be a projection of future results.

倘對該等附屬公司之收購於二零零七年一月一日已完成，寶昇集團及愉興將分別為本集團年內營業額及溢利帶來零港元及約6,432,000港元之貢獻。該備考資料僅用作說明用途，未必能反映倘收購於二零零七年一月一日完成本集團之實際營業額及業績，亦非用於反映未來之業績。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
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### 29. DISPOSAL OF SUBSIDIARIES

On 10 January 2007 and 21 August 2007, the Group disposed of its entire equity interests in GZ Plaza and 50% equity interests in Trisum respectively.

### 29. 出售附屬公司

於二零零七年一月十日及二零零七年八月二十一日，本集團分別出售其於越秀廣場之全部權益及於豐深之50%權益。

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Net assets/(liabilities) disposed of:	出售資產／(負債)淨值：		
Property, plant and equipment	物業、廠房及設備	2	295
Investment properties	投資物業	—	115,000
Properties held for/under development	持有作發展／發展中物業	270,852	—
Deferred tax assets	遞延稅項資產	—	5,232
Prepayments for construction contract	建築合約預付款項	9,924	—
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	1,962	2,554
Bank and cash balances	銀行及現金結餘	83	551
Assets of a disposal group classified as held for sale (note 23)	列為持有作出售之出售組合資產(附註23)	184,012	—
Accounts payable	應付賬款	(28,486)	(67,283)
Accruals and other payables	應計費用及其他應付款項	(2,931)	(197,327)
Amounts due to the Group	應付本集團款項	(210,415)	—
Current tax liabilities	即期稅項負債	(316)	(15,118)
Liabilities associated with assets of a disposal group classified as held for sale (note 23)	列為持有作出售之出售組合資產之相關負債(附註23)	(95,344)	—
Net assets/(liabilities) disposed of	出售資產／(負債)淨值	129,343	(150,257)
Release of exchange fluctuation reserve	外匯波動儲備變現	(1,499)	36,934
		127,844	(113,323)
Assignment of debts	債務轉讓	84,600	—
Direct costs of disposal	出售之直接成本	415	—
Gain on disposal of subsidiaries	出售附屬公司收益	49,795	123,323
		262,654	10,000
Satisfied by:	以下列方式支付：		
Cash consideration	現金代價	200,017	10,000
Transfer to investments in jointly controlled entities	轉撥至於共同控制實體之投資	62,637	—
		262,654	10,000
Net cash inflow arising on disposal:	出售產生之現金流入淨額：		
Cash consideration received net of direct costs	已收現金代價減直接成本	199,602	10,000
Deposit received in the prior year	過往年度已收取之訂金	(20,000)	—
Settlement of accounts payable by the purchaser (note 30(a))	買方應付賬款結算(附註30(a))	(5,550)	—
Bank and cash balances disposed of	出售銀行及現金結餘	(93)	(551)
		173,959	9,449

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 30. MAJOR NON-CASH TRANSACTION

- (a) During the year, repayment of accounts payable of approximately HK\$5,550,000 was satisfied by part of the sales proceeds from disposal of subsidiaries (note 29).
- (b) During the year, addition to properties held for/ under development of approximately HK\$7,479,000 was satisfied by setting off against the Group's other receivables.

### 31. LEASE COMMITMENTS

At 31 December 2007, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年以內	2,596	1,298
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	854	1,026
		<b>3,450</b>	2,324

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

### 30. 主要非現金交易

- (a) 年內，約有5,550,000港元應付賬款以出售附屬公司之部份出售所得款項償還(附注29)。
- (b) 年內，持有作發展/發展中物業之添置約7,479,000港元以抵銷本集團之其他應收款項之方式支付。

### 31. 租約承擔

於二零零七年十二月三十一日，根據不可撤銷經營租約，日後應付之最低租約款項總額如下：

經營租約款項指本集團就其若干辦公室應付之租金。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 32. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, 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 12 to the financial statements.

#### (b) Balances with related parties

Included in accruals and other payables are amounts in total of approximately HK\$150,000 (2006: HK\$203,000) representing accrued directors' emoluments due to the Company's directors. The accrued directors' emoluments are unsecured, interest-free and will be settled in cash.

### 32. 關連人士交易

除本財務報表其他部份所披露之關連人士交易及結餘外，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財務報表附註12披露。

#### (b) 與關連人士結餘

應計費用及其他應付款項中共有約150,000港元(二零零六年：203,000港元)之款項為應付予本公司董事之應計董事薪酬。應計董事薪酬無抵押、免息及須以現金支付。

# NOTES TO THE FINANCIAL STATEMENTS

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### 33. EVENTS AFTER THE BALANCE SHEET DATE

- (a) On 31 January 2008, the Group entered into an agreement to acquire the land use rights of a land situated in Chaohu City, Anhui Province, the PRC at a total consideration of RMB24,050,000. This land together with the piece of land acquired in December 2007 (note 17) will be developed for a project with a comprehensive mixed use community comprising office, hotel, retail, residential and pier terminal. The acquisition of the land use rights was completed in March 2008. The Group is in the process of applying for the land use rights certificate subject to the approval from the PRC Government.
- (b) On 5 March 2008, the Group entered into a conditional sale and purchase agreement to dispose of its remaining 50% equity interests in Trisum and the debts due by Trisum to the Group of approximately HK\$125,815,000 at a total consideration of approximately RMB257,432,000. Trisum together with its wholly owned subsidiary, GZ Jiannan are principally engaged in property development. The disposal is still in progress up to the date of this report.
- (c) On 11 March 2008, the Group entered into two conditional sale and purchase agreements to acquire certain properties situated in Meizhou City, Guangdong Province, the PRC at a total consideration of approximately RMB61,457,000. The acquisition is still in progress up to the date of this report.
- (d) On 24 April 2008, the Group entered into a disposal agreement to dispose of its entire equity interests in NF Liwan and the debts due by NF Liwan to the Group of not more than HK\$112,740,000 at a total consideration of HK\$60,000,000. The disposal is still in progress up to the date of this report.

### 33. 結算日後事項

- (a) 於二零零八年一月三十一日，本集團訂立協議收購中國安徽省巢湖市一幅土地之土地使用權，總代價為人民幣24,050,000元。該地塊連同另一幅於二零零七年十二月收購的土地(附註17)將用於發展一個多用途綜合社區項目，包括辦公室、酒店、零售、住宅及碼頭客運大樓。有關土地使用權之收購已於二零零八年三月完成。本集團正在申請土地使用權證，仍有待中國政府的批准。
- (b) 於二零零八年三月五日，本集團訂立有條件買賣協議，出售其於豐深之餘下50%權益以及豐深欠付本集團之債項約125,815,000港元，總代價約為人民幣257,432,000元。豐深連同其全資附屬公司廣州建南主要從事物業開發業務。截至本報告日期，該出售仍在進行中。
- (c) 於二零零八年三月十一日，本集團訂立兩份有條件買賣協議，收購位於中國廣東省梅州市的若干物業，總代價約為人民幣61,457,000元。截至本報告日期，該收購仍在進行中。
- (d) 於二零零八年四月二十四日，本集團訂立出售協議，出售其持有之南方荔灣全部權益以及南方荔灣欠付本集團之債項不多於112,740,000港元，總代價為60,000,000港元。截至本報告日期，該出售仍在進行中。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2007  
截至二零零七年十二月三十一日止年度

### 34. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at 31 December 2007 are as follows:

### 34. 主要附屬公司

於二零零七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 直接	Indirect 間接	
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
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
Boshing Investments Limited 寶昇投資有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Ordinary US\$1,000 普通股1,000美元	—	100%	Investment holding and property development 投資控股及 物業發展

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### 34. PRINCIPAL SUBSIDIARIES (Continued)

### 34. 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 直接	Indirect 間接	
Chaohu Boshing Tourism Development Co., Ltd. # * 巢湖寶昇旅遊開發有限公司# *	PRC 中國	US\$1,410,500 1,410,500美元	—	100%	Property development 物業發展
Graceful Link Limited 愉興有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	—	100%	Property investment 物業投資

# Registered as a wholly-owned foreign enterprise under the PRC law.

# 根據中國法律註冊成立之全外資公司。

\* For identification purposes only.

\* 僅供識別

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

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。董事認為，提供其他附屬公司詳情會導致資料過於冗長。

### 35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 16 May 2008.

### 35. 財務報表之批准

財務報表已於二零零八年五月十六日由董事會批准及授權刊發。

## FIVE-YEAR FINANCIAL SUMMARY

### 五年財務概要

The summary of the results, assets and liabilities of the Group for the last five years is as follows:

下表概述本集團於過去五個年度之業績、資產及負債：

		Year ended 31 December 截至十二月三十一日止年度				
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
RESULTS	業績					
Turnover	營業額	12,254	23,406	45,551	19,064	12,059
Profit/(Loss) before tax	除稅前溢利／(虧損)	8,778	66,664	(164,923)	(54,892)	(14,807)
Income tax	所得稅	(1,117)	(6,596)	493,450	22,934	9,105
Net profit/(loss) attributable to shareholders	股東應佔溢利／(虧損)淨額	7,661	60,068	328,527	(31,958)	(5,702)
		As at 31 December 於十二月三十一日				
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	495,128	645,653	823,745	1,162,408	1,246,856
Total liabilities	負債總額	(17,801)	(213,556)	(495,387)	(1,208,879)	(1,089,907)
Net assets/(liabilities)	資產／(負債)淨值	477,327	432,097	328,358	(46,471)	156,949



**NAM FONG INTERNATIONAL HOLDINGS LIMITED**  
南方國際控股有限公司