



**Silver Grant Internati
Industries Limited**

Stock Code 上市編號 : 171



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Financial Highlights

財務摘要

		2005 二零零五年	2004 二零零四年 (Restated) (經重列)	Change 變動
		HK\$'m 百萬港元	HK\$'m 百萬港元	%
Turnover	營業額	552	685	(19%)
Profit Attributable to Equity Holders of the Company	本公司股本持有人應佔溢利	724	404	79%
Total Assets	資產總值	6,448	5,872	10%
Equity Attributable to Equity Holders of the Company	本公司股本持有人應佔股本	3,843	3,484	10%
Cash & Bank Balances	現金及銀行結餘	611	1,558	(61%)
Net Borrowings	借貸淨額	914	N/A 不適用	—

Key Performance and Liquidity Indicators:	主要營運表現及財務狀況指標	HK\$ 港元	HK\$ 港元	%
Earnings Per Share	每股盈利	0.415	0.260	60%
Net Asset Per Share (note 1)	每股資產淨值(附註1)	2.280	1.98	15%
P/E Ratio (note 1)	市盈率(附註1)	5.5 x	15.1 x	(64%)
Return on Capital Employed (note 2)	股本回報率(附註2)	19%	12%	58%
Return on Total Assets (note 3)	總資產回報率(附註3)	11%	7%	57%
Gearing Ratio (note 4)	借貸比率(附註4)	40%	40%	—
Adjusted Gearing Ratio (note 5)	經調整借貸比率(附註5)	24%	N/A 不適用	—
Current Ratio (note 6)	流動比率(附註6)	1.0 x	1.6 x	(38%)
Interest Coverage (note 7)	利息償付比率(附註7)	18 x	15 x	20%

附註：

Notes:

- Based on 1,688,709,611 shares issued and fully paid as at 31 December 2005 (2004: 1,758,671,611 shares) and the market closing price of HK\$2.30 (2004: HK\$3.90) per share.
- Calculated as profit attributable to equity holders of the Company over equity attributable to equity holders of the Company.
- Calculated as profit attributable to equity holders of the Company over total assets.
- Calculated as total borrowings over equity attributable to equity holders of the Company.
- Calculated as net borrowings over equity attributable to equity holders of the Company.
- Calculated as current assets over current liabilities.
- Calculated as profit before finance costs and taxation over finance costs (excluding the notional interest portion in respect of convertible notes).

- 基於二零零五年十二月三十一日已發行及已繳足股份1,688,709,611股(二零零四年: 1,758,671,611股)及收市價每股2.30港元(二零零四年: 3.90港元)計算所得。
- 以本公司股本持有人應佔溢利除以本公司股本持有人應佔股本計算所得。
- 以本公司股本持有人應佔溢利除以總資產計算所得。
- 以借貸總額除以本公司股本持有人應佔股本計算所得。
- 以借貸淨額除以本公司股本持有人應佔股本計算所得。
- 以流動資產除以流動負債計算所得。
- 以扣除財務費用及稅項前溢利除以財務費用(經扣除可換股票據之市場利息部份後)計算所得。

Corporate Information

公司資料

Board of Directors

Chen Xiaozhou (*Chairman*)
Hui Xiao Bing (*Vice Chairman*)
Gao Jian Min (*Managing Director*)
Liu Tianni (*Deputy Managing Director*)
Gu Jianguo
Chen Yongcun
Cheung Chung Kiu
Yuen Wing Shing
Chow Kwok Wai
Kang Dian*
Zhang Lu*
Hung Muk Ming*

Audit Committee

Kang Dian* (*Chairman*)
Zhang Lu*
Hung Muk Ming*

Remuneration Committee

Corporate Information

公司資料

Registered Office

Suite 4901, 49th Floor, Office Tower,
Convention Plaza, 1 Harbour Road,
Wanchai, Hong Kong.
(Tel: 28770030 Fax: 28029506)

註冊辦事處

香港灣仔港灣道一號
會展廣場辦公大樓
49樓4901室
(電話：28770030 傳真：28029506)

Share Registrars & Transfer Office

Secretaries Limited
26th Floor, Tesbury Centre,
28 Queen's Road East,
Wanchai, Hong Kong.
(Tel: 2980 1888 Fax: 2861 0285)

股份登記及過戶處

Company Website

<http://www.silvergrant.com.hk>

Stock Code

171

Managing Director's Statement

董事總經理報告

REVIEW OF RESULTS

Basically, the principal business activities of the Group remain the same for both years 2005 and 2004. Turnover of the Group decreased by 19.5% from HK\$685.2 million in 2004 to HK\$551.8 million in 2005. In 2005, an insignificant amount of turnover was recorded in respect of sales of development properties comparing to a turnover of HK\$152.2 million in 2004. The decrease in turnover of sales of development properties was the major reason leading to the decrease in the Group's turnover.

In 2005, turnover of dealings in distressed assets decreased by HK\$15.7 million and turnover of investment increased by HK\$25.4 million. The magnitudes of the former approximated to that of the later and thus did not have a material net effect to the movement of the Group's turnover.

Other income recorded an increase of HK\$78.3 million. The reasons for the increase were firstly attributable to the increase in interest income in the amount of HK\$41.4 million. The Group accumulated a cash balance in excess of HK\$1.0 billion in the fourth quarter of 2004. Throughout the year 2005, the Group maintained a relatively high amount of average cash balances, which enabled the Group to earn extra interest income during a period of rising deposit interest rates. Secondly, there was an unrealized holding gain in the amount of HK\$44.9 million in respect of investment in held-for-trading investments recorded only in the year.

Increase in administrative expenses of HK\$7.2 million was mainly due to the increase in staffing cost of HK\$10.9 million and payment of additional direct costs such as professional fees, legal fees and

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董事總經理報告

Increase in finance costs amounted to HK\$27.6 million. The increase in finance costs were due to the issuance of convertible notes with principal amount of HK\$817.1 million in aggregate by the Group in November 2004. The convertible notes have interest charges for less than two months in 2004 but a whole year for 2005. Despite of the coupon interest rates of the convertible notes were 1.5% p.a., interest for one of the convertible notes was charged at 4.48% p.a. in accordance with the requirements of the new accounting policy.

In 2005, the Group increased its investment in Beijing East Gate Development Co., Ltd. ("East Gate") by acquiring an additional 7.99% equity interest of East Gate from a minority shareholder. The acquisition resulted in a discount on acquisition (previously known as negative goodwill) in the amount of HK\$73.5 million and was recognized as income for the current year. There was no such income in last year.

In 2004, the Group disposed of a 20% participating rights in a portfolio of distressed assets and realized a gain of HK\$53.8 million. The Group also disposed of a subsidiary and an associated company in 2004 and realized gains in the amount of HK\$46.7 million and HK\$0.2 million respectively. There were no such gains on disposal in 2005.

As a whole, the above-mentioned factors have a net effect leading to a 79.4% increase in net profit for the year to a historically high amount of HK\$724.1 million in 2005.

FINAL DIVIDEND

The Board of Directors of the Company ("Directors") resolved to recommend the payment of a final dividend of HK\$0.06 per share for the year ended 31 December 2005 (2004: HK\$0.05 per share). The final dividend will be payable on 6 June 2006 to shareholders on the register of member of the Company on 25 May 2006.

BUSINESS REVIEW & PROSPECTS

Property Investments, Development and Management

For the year ended 31 December 2005, profit contribution from property leasing amounted to HK\$63.5 million (2004: HK\$59.3 million). The Group's major source of rental income is derived from East Gate Plaza. The gross rental income of East Gate Plaza for 2005 was HK\$68.3 million (2004: HK\$66.7 million). The rental income of East Gate Plaza started to recover gradually following the completion of the phase-by-phase renovation works to refurbish the flats in East Gate Plaza.

財務費用增加的金額為27,600,000港元。財務費用增加是由於本集團在二零零四年十一月發行本金總額達817,100,000港元可換股票據。該等可換股票據於二零零四年只有少於兩個月的利息負擔，但於二零零五年則為一整年。雖然該等可換股票據的票面利息為年利率1.5%，然而其中一項可換股票據之利息，為符合新會計政策的規定，則按年利率4.48%計算。

於二零零五年，本集團透過向北京東環置業有限公司（「東環置業」）的一名少數股東收購額外的7.99%股本權益，增加其於東環置業之投資。是項收購產生73,500,000港元收購折讓（以前稱為負商譽），並且於本年內確認為收入。上年度並無該等收入。

於二零零四年，本集團出售一項不良資產組合的20%分紅權利，並實現53,800,000港元收益。本集團同時亦於二零零四年出售一家附屬公司及一家聯營公司並分別實現金額為46,700,000港元及200,000港元之收益。於二零零五年並無該等出售項目之收益。

總的而言，上文所述各項原因之淨影響為二零零五年之年度盈利淨額帶來了79.4%增長至創出歷史新高金額724,100,000港元。

末期股息

本公司董事會（「董事會」）議決建議派付截至二零零五年十二月三十一日止年度之末期股息為每股6港仙（二零零四年：每股5港仙）。末期股息於二零零六年六月六日支付於二零零六年五月二十五日在本公司股東登記名冊之股東。

業務回顧及展望

物業投資、發展及管理

於截至二零零五年十二月三十一日止年度，物業租賃之溢利貢獻為63,500,000港元（二零零四年：59,300,000港元）。本集團之主要租金收入來源自東環廣場。東環廣場二零零五年的租金收入毛額為68,300,000港元（二零零四年：66,700,000港元）。在完成對東環廣場單位施行之階段性的更新改造工程後，東環廣場的租金收入已漸漸開始恢復。

Managing Director's Statement

董事總經理報告

During the year, the Group has increased its investment in East Gate by acquiring an additional equity interest of 7.99% from a minority shareholder of East Gate at a total consideration of HK\$13.4 million. The acquisition resulted in a negative goodwill of HK\$73.5 million and was recognized as income during the year. In the third quarter of 2005, agreements were entered between the Group and the remaining minority shareholders of East Gate to acquire the remaining equity interests in East Gate. The total consideration payable by the Group was HK\$25.3 million. When the acquisition was completed, East Gate will become a wholly owned subsidiary of the Group. In addition, a negative goodwill in the amount of approximately HK\$25.1 million (estimated amount and before expenses) will be recognized as income in 2006.

During the year, sales of development properties were insignificant which had resulted in an operating loss of approximately HK\$6.0 million in 2005. The Group has commenced selling of the second phase of the development project in the Tiexi District of Shenyang known as the East Gate Metro Garden. Contracted sales in the amount of approximately HK\$169.2 million in aggregate have been secured. The Directors expect that total sales amount for East Gate Metro Garden will be approximately HK\$423.1 million. The Group intends to complete the selling of the units of East Gate Metro Garden in 2006. At the same time, the Group has started planning the third phase, which is also the last phase of the Tiexi District development project.

The operations of Beijing Yinda Property Management Limited ("Yinda") were stable for both the year under review and the last year. As at 31 December 2005, there were 23 projects (2004: 24 projects) under the management of Yinda. The total floor area under the management of Yinda exceeds 3.0 million square meters.

The turnover of Yinda for the year was HK\$89.0 (2004: HK\$82.1 million). Yinda maintains its growth strategy to achieve economy of scale through expansion.

In 2005, the Group made investment in a new development project located at the Tong Zhou District of Beijing. The development project is known as "Zi You Xiao Zhen". The development project has a site area of approximately 320,000 square meters and gross floor area of approximately 830,000 square meters. The Group intends to develop the Zi You Xiao Zhen project by four phases in four years' time. The project is now in the process of demolishing and re-dwelling the existing tenants.

The Group is also considering making investment in new development projects in Beijing including "Si He Yuan" properties.

年內，本集團透過向北京東環置業的一名少數股東收購額外7.99%股本權益，增加其於東環置業之投資，總代價為13,400,000港元。是項收購結果產生一項負商譽，金額73,500,000港元並已於年內確認為收入。於二零零五年第三季度，本集團與東環置業的其餘少數股東達成協議收購東環置業餘下之股本權益。本集團就交易應付的總代價為25,300,000港元。待收購完成後，東環置業將會成為本集團全資擁有的附屬公司。此外，一項金額約為25,100,000港元(估計金額並且為除費用前)的負商譽將會於二零零六年確認為收入。

年內，因發展物業的銷售金額僅為有限，因此此項業務於二零零五年錄得經營虧損約6,000,000港元。本集團已開始銷售位於瀋陽市鐵西區之第二期發展項目、項目名為東環時代花園。已落實合同銷售金額總額約為169,200,000港元。董事會預期東環時代花園的全部銷售金額約可達423,100,000港元。本集團計劃於二零零六年內完成銷售東環時代花園的全部單位。與此同時，本集團已經展開第三期亦即是鐵西區發展項目最後一期的策劃工作。

北京銀達物業管理有限則任公司(「銀達」)於回顧年內及上年度之經營維持穩定。於二零零五年十二月三十一日，經由銀達管理的物業組合共23項(二零零四年：24項)，銀達所管理的總樓面面積逾3,000,000平方米。

銀達於年內的營業額為89,000,000港元(二零零四年：82,100,000港元)。銀達維持通過擴張達致經濟規模效益的成長策略。

於二零零五年，本集團投資一項新的發展項目，地點位於北京市通州區。是項發展項目已定名為「自由小鎮」。該發展項目之地盤面積約為320,000平方米，建築面積約為830,000平方米。本集團計劃在四年期間內分四期發展自由小鎮項目。該項目目前正展開拆遷及安置現有居民的工程。

本集團現時正考慮於北京市投資興建包括「四合院」在內的物業開發項目。

Managing Director's Statement

董事總經理報告

Infrastructure Investments

For the year ended 31 December 2005, profit contribution from CII was HK\$80.6 million (2004: HK\$87.8 million). The relative stable profit contribution from CII to the Group is maintained through disposals of the road and bridge projects, which are capable of generating one-off gains. CII disposed of its entire interest in the Wuhan Baishazhou Bridge at a total consideration of approximately HK\$460.3 million and realized extra fund for working capital. However, a loss of approximately HK\$12.9 million in respect of the disposal was recognized in 2005 and that was the main reason for the decrease in the contribution from CII.

Strategically CII will dispose of all the road and bridge projects when opportunities arise. As at 31 December 2005, CII was still holding four road and bridge projects with a total carrying value of approximately HK\$407.7 million in aggregate. For the time being, CII is considering to increase its investment in energy supply, value-added processing in petrol refining and other financial investments.

The Taian Natural Gas Pipeline project

CII invested in the Taian Natural Gas Pipeline project in late 2002. It is a co-operative joint venture project with an investment term of 25 years. The effective interest of CII in Taian Natural Gas Pipeline project is 80% and the cost of investment is approximately HK\$91.9 million. The project commenced its first year of operations in 2005 and started to generate profit. For the year ended 31 December 2005, profit after taxation of the project attributable to CII was approximately HK\$9.8 million (2004: nil). It is a National policy to encourage the use of natural gas, which is a relatively clean source of fuel comparing to other means of energy supply, for fuel to reduce air pollution. In addition, the fast development of the Taian City has provided a stable yet favorable investment environment for the project.

The UE Petrochemical project

CII has a 25% effective interest in United East Petrochemical Company Ltd. ("UE Petrochemical"). CII's investment cost in UE Petrochemical is approximately HK\$53.6 million. The principal business of UE Petrochemical are storage of crude oil and oil products, a special purpose terminal for the loading and unloading of crude oil and oil products and crude oil refinery. For the year ended 31 December 2005, profit contribution to CII from UE Petrochemical was limited and amounted to HK\$3.6 million (2004: nil). UE Petrochemical has successfully completed its test-production for oil-refinery during the year but did not engage in large-scale production in light of the recent high crude oil prices, which has significant effect on reducing profit margin. However, CII is currently negotiating with the local partners for long term and secured supplies of crude oil for the oil refinery business. CII has confidence to solve the problem of crude oil supplies. CII believes that the investment in UE Petrochemical will bring good returns to CII.

基礎建設投資

截至二零零五年十二月三十一日止年度，中基之溢利貢獻為80,600,000港元（二零零四年：87,800,000港元）。中基能為本集團提供相對穩定的溢利貢獻，是通過出售道路及橋樑項目所產生的一次性收益達至。中基以約460,300,000港元總代價出售其於武漢白沙洲大橋之全部權益並回籠額外營運資金。然而該項出售產生虧損約12,900,000港元並於二零零五年確認。此為中基營利貢獻減少的主要原因。

策略上，中基將會在遇到合適機會時出售全部道路及橋樑項目。於二零零五年十二月三十一日，中基仍然持有四個道路及橋樑項目，項目之總帳面值約為407,700,000港元。目前，中基正考慮增加投資於能源供應、煉油加工及其他財務投資。

泰安天然氣管道項目

中基於二零零二年末投資泰安天然氣管道項目；項目為一25年期的合作合營項目。中基佔泰安天然氣管道項目80%權益，投資成本約為91,900,000港元。該項目於二零零五年開始首年經營並開始產生營利。於截止二零零五年十二月三十一日止年度，中基應佔該項目的除稅後盈利約為9,800,000港元（二零零四年：無）。國家政策鼓勵使用比對其他方式的能源供應較為清潔的天然氣作為燃料以減少空氣污染。此外，泰安市的快速發展亦為該項目提供了一個穩定且有利的投資環境。

東聯化工項目

中基擁有東聯化工有限責任公司（「東聯化工」）25%權益。中基於東聯化工的投資成本約為53,600,000港元。東聯化工的主要經營業務為原油及油產品儲存、原油及油產品裝卸專用碼頭及原油提煉。於截止二零零五年十二月三十一日止年度，東聯化工僅為中基提供有限的溢利貢獻，金額為3,600,000港元（二零零四年：無）。東聯化工已於年內成功完成煉油生產測試，但鑑於近期原油價格高企並將嚴重影響及收窄邊際溢利，故沒有展開大規模的煉油作業。然而，中基目前正與中方合作夥伴就煉油業務磋商落實穩定且長期的原油供應。中基有信心能解決原油供應問題。中基相信投資東聯化工將可為中基帶來良好的回報。

Managing Director's Statement

董事總經理報告

Financial Investment

Distressed Assets Business

The Macau Assets

Basically, the disposal of the Macau Assets has substantially been completed during the year. The Group received a further performance return in the amount of HK\$100.0 million from the disposal of the Macau Assets. There is only a small amount of Macau Assets remained and are pending for further disposal. The Directors expect that there will only be nominal income generated from the disposal of the remaining Macau Assets.

The Cinda Portfolio

For the current year, the Cinda Portfolio has contributed HK\$130.9 million interest income to the Group. Up to 31 December 2005, the principal amount of distressed assets in the Cinda Portfolio that has been disposed of was approximately HK\$18.6 billion in aggregate, representing approximately 34.4% of total principal amount of the Cinda Portfolio. The amount of cash recovered was approximately HK\$664.8 million in aggregate. The effective cash recovery rate was approximately 3.6%. The Group has set a target to complete the disposal of the Cinda Portfolio in the second quarter of 2007. To speed up the disposal of the Cinda Portfolio, the Directors of the Company and China Cinda have decided to break the Cinda Portfolio into smaller packages of distressed assets and to dispose of these packages of distressed assets by auctions or other possible means. However, if opportunity arises, the Directors and China Cinda will keep disposing of the Cinda Portfolio on an individual basis, which will have a higher cash recovery rate.

Strategic Partner

By the end of 2005, Citigroup Financial Products Inc. ("CFPI") and the Company strengthened their corporation in the aspects of investing in distressed assets through setting up a joint venture known as Platinum One Limited ("Platinum One"). CFPI and the Company owned Platinum One equally. Both CFPI and the Company have intention to utilize Platinum One as the investment vehicle for all the distressed assets deals identified in the future.

金融投資

不良資產業務

澳門資產

澳門資產之處置工作基本上已於年內完成。本集團從處置澳門資產額外收取100,000,000港元超收分成。現時只剩餘少量澳門資產仍待處置。董事預期處置餘下之澳門資產僅能產生有限收益。

信達資產包

於本年內，信達資產包為本集團貢獻130,900,000港元收益。截至二零零五年十二月三十一日，已處置之信達資產包不良資產本金金額累計總額約18,600,000,000港元，約相當於信達資產包本金總額之34.4%。累計處置回收現金約為664,800,000港元。折算所得之現金回收率約為3.6%；本集團已訂立目標在二零零七年二季度完成處置信達資產包。為加速處置信達資產包，董事會及中國信達已決定把信達資產包分割成為數額較少的債權資產小包並通過拍賣方式或其他可行方法處置該等小包。然而，若遇到合適機會，董事會及中國信達將會維持以單一債權方式處置信達資產包以求取的較高的現金回收率。

策略夥伴

於二零零五年年底，Citigroup Financial Products Inc.「CFPI」與本公司透過成立合營公司Platinum One Limited(Platinum One)加強雙方於不良資產投資領域的合作。CFPI與本公司共同擁有Platinum One。CFPI與本公司有意利用Platinum One作為投資於未來落實的不良資產項目的投資主體。

Managing Director's Statement

董事總經理報告

The Huarong Portfolio

On 22 November 2005, Platinum One entered into conditional agreements with China Huarong Asset Management Corporation ("China Huarong") to acquire from Huarong a portfolio of distressed assets in the principal amount of RMB36.4 billion (equivalent to HK\$35.0 billion) including booked interests (the "Huarong Portfolio"). The Huarong Portfolio was acquired at a total consideration of RMB546.6 million (equivalent to approximately HK\$525.6 million). The consideration represented 1.5% of the principal amount, including booked interests, of the Huarong Portfolio. At the same time, China Huarong was also appointed to assist Platinum One in servicing the collection of the Huarong Portfolio. Huarong in return is entitled to receive a management fee calculated as 10% of the cash recovered. Huarong is also entitled to share the profits generated from the disposal of the Huarong Portfolio according to a defined profit sharing scheme.

The Huarong Portfolio comprises a total of 11,126 borrowers located in a total of 27 provinces, directly administrated municipalities and autonomies in the PRC. The Group has set a target to complete the disposal of the Huarong Portfolio in two years' time.

Apart from the Huarong Portfolio, CFPI, the Company and Platinum One are actively searching for and are currently considering making investments in one or several distressed assets. Platinum One expects to conclude at least one of them in the near future.

Other Investments

The Group will utilize an appropriate portion of the temporarily idled funds to invest, on a medium term basis, in listed securities. The Directors will make judgment and will invest very selectively in listed securities with good capital appreciation potentials.

In 2005, the Group has conditionally agreed to invest in a 12% equity interest in a Chinese medicine manufacturer known as Tong Ji Tang at a total consideration of RMB100.0 million (equivalent to approximately HK\$96,100 million). The Group has paid a deposit of RMB43.0 million (equivalent to approximately HK\$41.3 million) during the year. The balance will be paid upon the fulfillment of certain condition precedents. The principal business of Tong Ji Tang is the manufacturing of a drug to cure osteoporosis. Tong Ji Tang has planned to seek listing on the Nasdaq and has commenced the pre-listing formalities. Tong Ji Tang expects to get listed in the third or fourth quarter of 2006. The Directors believe that investment in Tong Ji Tang will make good profit to the Group.

華融資產包

於二零零五年十一月二十二日，Platinum One與中國華融資產管理公司(「中國華融」)達成有條件協議，向中國華融收購一項本金額為364億人民幣(相等於350億港元)包括表內利息之不良資產組合(「華融資產包」)。華融資產包之收購總代價為546,600,000人民幣(相等於約525,600,000港元)。代價等於華融資產包本金額(包括表內利息)的1.5%。與此同時，中國華融亦受委託協助Platinum One處置回收華融資產包。中國華融有權收取按收回現金的10%計算之管理費作為報酬。中國華融同時亦有權根據一項事先協定的利潤分成機制，分享處置華融資產包產生的利潤。

華融資產包由分散於全國各地、共27個省、直轄市及自治區、總數11,126個債務人所組成。本集團已定立目標，於兩年之內完成處置華融資產包。

除了華融資產包外，CFPI、本公司及Platinum One正積極尋找並且目前正考慮投資於一個或多個不良資產。Platinum One期望於短期內最少落實一個投資決定。

其他投資

本集團將適當地利用部份臨時閒置之資金透過以中期持有方式投資於上市證券。董事會將作出判斷並會非常選擇性地投資於具有資本增值潛力的上市證券。

於二零零五年本集團有條件地同意以總代價人民幣100,000,000元(相等於96,100,000港元)投資持有一間以同濟堂名義從事中藥生產的企業的12%股份權益。本集團已於年內支付定金人民幣43,000,000元(相等於41,300,000港元)；餘款將於若干先決條件獲達成後支付。同濟堂的主要業務為生產一種專門醫治骨質疏鬆的藥物。同濟堂已計劃於美國納斯達克交易所尋求上市，並已展開了上市前的相關工作。同濟堂預期將可於二零零六年第三或第四季度取得上市地位。董事相信投資於同濟堂將可為本集團帶來良好回報。

Managing Director's Statement

董事總經理報告

GROWTH STRATEGIES

The Group will continue to invest in the core business of properties, infrastructure investments and financial investments at a balanced pace. The business emphasis will be adjusted according to the prevailing economic environment and market growth trend. Regarding to financial investments, the current target is still to participate mainly in the distressed assets business. In light of favorable conditions brought about by the vigorously growing PRC economy, the Group will keep increasing its investment in distressed assets business, which is expected to bring significant returns to the shareholders. Since the eleventh Five-Years Plan of China is principally to encourage internal demand and expenditure, increased demand and expenditure will inevitably lead to price rises in properties. Therefore, the Group will also increase its investment in the business of property development with an emphasis on developing middle class and medium scale projects and/or "Si He Yuan" projects in principal.

FINANCIAL REVIEW

Exchange Exposure & Hedging

As at 31 December 2005, the Group had a USD denominated convertible notes in the principal amount of USD52.5 million (equivalent to HK\$409.5 million).

Except for the above, the Group's principal assets, liabilities, revenue and payments are denominated in HKD and RMB. Recently the RMB exchange rate is appreciating gradually. The Directors believe that the RMB exchange rate will continue to appreciate gradually in the medium term but there is unlikely to have a sudden surge in the RMB exchange rate. In addition, HKD is pledged to the USD and such currency peg is unlikely to break in the foreseeable future. In this regard, the Directors believe that exposure to exchange rate fluctuations will not have material adverse effect on the Group.

The Group's policy is not to engage in any speculative activity other than making appropriate arrangements for hedging purposes where the business requires. There was no hedging transaction contracted for by the Group during the year.

發展策略

集團將以均衡發展步伐繼續投資於房地產、基礎建設及金融投資三大主營業務。業務比重將會並按照當前的經濟環境及市場成長趨勢，適當地加以調整。有關金融投資方面，目前的目標仍然是以不良資產處置業務為主，在中國經濟正蓬勃發展的有利條件下，本集團將繼續增加投資於不良資產處置業務，並預期有關投資可為股東帶來巨大回報。鑑於國家的第十一個五年計劃是以鼓勵內部需求及消費為主，內部需求及消費的增加必定能帶動房地產價格上升，所以本集團亦會增加投資於房地產開發業務；重點以開發中檔次和中型項目及/或四合院項目為主。

財務回顧

匯兌風險及對沖

於二零零五年十二月三十一日，本集團有以美元為計價單位的可換股票據金額52,500,000美元(相當於409,500,000港元)。

除上文所述外，本集團的主要資產、負債、收入及支出都是以港元及人民幣為主。即使人民幣匯率近期曾作出輕微升值，董事會相信人民幣匯率於可預見的未來只會再升值若干百分點。此外，港元是與美元掛澉而此項貨幣掛澉政策於可預見的未來都不會解除。因此董事局相信因匯率變動所引致的匯兌風險將不會對本集團產生重大負面影響。

本集團的政策一向不鼓勵進行任何投機活動，唯因應業務需要而作出適當的對沖安排除外。本集團於年內並無簽訂任何合同形式的對沖交易。

Managing Director's Statement

董事總經理報告

Working Capital & Borrowings

The Group's total borrowings excluding convertible notes as at 31 December 2005 amounted to approximately HK\$658.7 million of which approximately HK\$651.8 million was short-term bank loan and bank overdraft and the remaining was long-term mortgage loan. Over 80% of the short-term bank loan was represented by the working capital loan to East Gate and the remaining was the current portion of a long-term mortgage loan and bank overdraft. Interest rate for the short-term bank loan was charged at floating rate and the prevailing applicable interest rate was between 4.13% and 5.58 % per annum. The interest rate for the long-term mortgage loan was charged at floating rate and the prevailing applicable interest rate was 5.375% per annum. The Group also has convertible notes with a total outstanding amount of approximately HK\$866.1 million. Approximately 50% of the convertible notes were due within one year and the remaining were due after one year. The convertible notes have a coupon rate of 1.5% per annum but interest for one of the convertible note was charged to income at notional market rate of 4.48% per annum effective from 1 January 2005 in accordance with the new accounting policy.

The Company is negotiating with a local bank for a long-term loan facility in the amount of HK\$600.0 million to HK\$800.0 million for the purpose of replacing the existing RMB denominated working capital loan of East Gate. If concluded, the Group will have a better working capital structure on one hand and can also minimize a possible exchange loss caused by the appreciation of RMB on the other hand.

As at 31 December 2005, the cash and bank balances (net of bank overdraft) was HK\$531.9 million and the net current assets amounted to HK\$238.3 million. In December 2005, the Group paid approximately HK\$527.4 million to acquire the Huarong Portfolio. In January 2006, the disposal of 50% equity interest in Platinum One, which holds the Huarong Portfolio, to CFPI was completed. The Group received approximately HK\$263.7 million payment from CFPI. The Group also made short-term investments in listed securities for the purpose of earning extra returns in the second half year of 2005. Most of those listed securities were subsequently realized in the first quarter of 2006 and recorded very good returns.

Up to the date of this report, the Group has cash balances amounted to approximately HK\$1.0 billion. In addition, the Group has unutilized banking facilities amounted to HK\$234.0 million. In this regard, the Directors are confident that working capital of the Group is adequate for daily operations and the Group has a healthy financial position.

營運資金及借貸

本集團於二零零五年十二月三十一日除可換股票據外之借貸總額約為658,700,000港元，其中約有651,800,000港元為短期之銀行貸款及銀行透支，餘數為長期之按揭貸款。短期銀行貸款中逾80%為本集團附屬公司一東環置業之流動資金貸款，其餘為一項長期之按揭貸款一年內到期部分及銀行透支。短期銀行貸款利息以浮動利率計算，當前適用之年利率介乎4.13%至5.58%之間。長期按揭貸款之利息以浮動利率計算，當前適用之年利率為5.375%。本集團同時亦有未償還總額約866,100,000港元之可換股票據。大約50%的可換股票據將於一年內到期，其餘則於一年後到期。可換股票據之票面利息為年利率1.5%，然而，為符合新的會計政策，其中一項可換股票據的相關的利息支出則從二零零五年一月一日起以推算的市場利率4.48%計算。

為了取代東環置業現時以人民幣為單位的流動資金貸款，本集團現正與一家本地銀行磋商落實一筆金額介乎600,000,000港元至800,000,000港元之長期貸款額度。如能落實，本集團一方面將可擁有更好的流動資金結構；而另一方面亦可減低因為人民幣升值可能產生的匯兌損失。

於二零零五年十二月三十一日之現金及銀行存款結餘(扣除銀行透支後)為531,900,000港元，而淨流動資產金額為238,300,000港元。於二零零五年十二月，本集團支付約527,400,000港元收購華融資產包。出售Platinum One(其持有華融資產包)50%股權予CFPI的交易於二零零六年一月完成。本集團從CFPI收回約263,700,000港元款項。本集團於二零零五年下半年購入上市證券作為短期投資以賺取額外回報。大部分該等上市證券已於二零零六年第一季度出售並錄得了非常理想的回報。

截至本報告日，本集團有約10億港元之現金結餘。此外，本集團亦有尚未動用之銀行授信額度234,000,000港元。因此，董事會有信心本集團之流動資金足夠應付日常營運所需，並且本集團擁有良好的財務狀況。

Managing Director's Statement

董事總經理報告

Capital Structure

No new share was issued during the year. During the year, the Company repurchased a total number of 69,962,000 shares at a total consideration of HK\$165.3 million in cash. The shares were repurchased on the Stock Exchange. Details of the repurchases are set out in note 39 to the financial statements.

As at 31 December 2005, the shareholders' fund of the Group was approximately HK\$3,843.0 million, representing an increase of HK\$359.3 million or 10.3% increment compared to that as at 31 December 2004. During the year, HK\$87.9 million was paid to shareholders of the Company as final dividend for the year ended 31 December 2004.

Human Resources

As at 31 December 2005, the Group employed approximately 1,430 employees in Hong Kong and in the PRC. Total staff costs for the year was approximately HK\$64.4 million (2004: HK\$53.5 million). The Group offers its staff competitive remuneration packages, which are consistent with the prevailing market practices. The Group remuneration policies are described in details in the Corporate Governance Report under the section headed Remuneration Committee.

Appreciation

On behalf of the Board, I would like to express my appreciation and gratitude to our shareholders for their supports and all the Group's employees for their hard working and dedication in carrying out their duties and in achieving the Group's business goal.

By order of the Board
Gao Jian Min
Managing Director

Hong Kong, 24 April 2006

股本結構

年內並無發行任何新股份。年內本公司以現金代價165,300,000港元回購總數69,962,000股股份。有關股份乃於聯交所購回。有關購回股份之詳情載於財務報表附註39。

於二零零五年十二月三十一日，本集團之股東資金約為3,843,000,000港元；較二零零四年十二月三十一日之數額增加359,300,000港元，增幅10.3%。年內，已向本公司股東派付截至二零零四年十二月三十一日之年度之末期股息87,900,000港元。

人力資源

於二零零五年十二月三十一日，本集團於香港及中國僱用約1,430名僱員。年內之總員工支出約為64,400,000港元(二零零四：53,500,000港元)。本集團為其僱員提供一套符合市場慣例且具競爭性的薪酬制度。本集團之薪酬政策於企業管治報告內之薪酬委員會部分詳加說明。

致謝

本集團有賴各股東的鼎力支持和全體員工努力不懈的竭誠服務以達至本集團的目標，本人謹代表董事會向彼等致以深切謝意。

承董事會命
董事總經理
高建民

香港，二零零六年四月二十四日

Profile of Directors

董事簡介

EXECUTIVE DIRECTORS

Mr. CHEN Xiaozhou *Chairman*

Mr. Chen, aged 44, was appointed director of the Company and was elected Chairman of the board on 13 February 2006. He has been the Vice President of China Cinda Asset Management Corporation, a substantial shareholder of the Company ("China Cinda") since February, 2003. Mr. Chen obtained his Master of Economics from the Research Institute of the People's Bank of China in 1988 and obtained his Master of Commerce from the University of New South Wales, Australia in 2003. From April 1997 to April, 1999, he was the Deputy General Manager of Sales Department of Head Office of China Construction Bank. From April, 1999 to September, 2000, Mr. Chen was the supervisor of Investment Banking Department of China Cinda. From September, 2000 to February, 2003, Mr. Chen was the Assistant to President of China Cinda. Mr. Chen has over 13 years experience in banking and finance sectors. During the period from 7 June 2004 to 27 March 2005, Mr. Chen was a non-executive director of Aluminum Corporation of China Limited (Stock Code: 2600), the H shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and New York Stock Exchange, Inc.

Mr. HUI Xiao Bing *Vice-chairman*

Mr. Hui, aged 53, is a director of the Company and was appointed Vice-chairman of the board since 22 June 1993. Mr. Hui was the ex-Deputy Managing Director of China Everbright Financial Holdings Limited. Mr. Hui was also the ex-president of China Construction

Profile of Directors

董事簡介

Mr. LIU Tianni, Deputy Managing Director

Mr. Liu, aged 42, is the Deputy General Manager of the Company. Mr. Liu joined the Company in November 1994 and was appointed director of the Company since 26 May 2001. Mr. Liu is also the director of several Group companies. He graduated from Beijing Normal University with a Master Degree in Science. He has over 10 years experience in administrative management and trade businesses.

Mr. GU Jianguo

Mr. Gu, aged 44, is a director of the Company since 25 May 1999. Mr. Gu previously worked with China Construction Bank and China Cinda Trust & Investment Corporation. He graduated from Zhejiang University with a bachelor degree in Engineering, a master degree and a Ph. D Degree in Economics. He has over 20 years' experiences in commercial and investment banking, business management, and financial accounting and management.

Mr. CHEN Yongcun

Mr. Chen, aged 41, is a director of the Company since 25 October 2000. Mr. Chen is the Assistant to General Manager of Well Kent International Limited. He previously worked with China Construction Bank and China Cinda. He graduated from Qing Hua University with a bachelor degree in engineering and a master degree in engineering. Mr. Chen has over 10 years experience in finance and investment.

Mr. CHEUNG Chung Kiu

Mr. Cheung, aged 41, is a director of the Company since 22 June 1993. Mr. Cheung set up Chongqing Industrial Limited in 1985, a company mainly engaged in the trading business in the PRC. He is the chairman and the founder of Yugang International Limited ("Yugang") (Stock Code: 613). He is also the chairman of Y. T. Realty Group Limited ("Y.T. Realty") (Stock Code: 75) and the chairman of Cross-Harbour (Holdings) Limited ("Cross-Harbour") (Stock Code: 32) and an executive director of Qualipak International Holdings Limited. (Stock Code: 1224). All of the aforesaid companies are public companies which shares are listed on the Stock Exchange.

Mr. YUEN Wing Shing

Mr. Yuen, aged 59, is a director of the Company since 22 June 1993. Mr. Yuen is also the Managing Director of Yugang. He is also an executive director of Y. T. Realty and Cross-Harbour. Mr. Yuen holds a diploma in management studies from the Hong Kong Polytechnic University. Prior to joining Yugang in 1992, he held a senior management position with a major bank in Hong Kong for over 20 years.

劉天倪先生 董事副總經理

劉先生現年42歲，為本公司副總經理。劉先生於1994年11月加入本公司並自2001年5月26日起獲委任為本公司之董事。劉先生同時兼任若干集團公司之董事。劉先生於北京師範大學畢業，持有理學碩士學位，彼於行政管理及貿易方面擁有逾十年經驗。

顧建國先生

顧先生現年44歲，自1999年5月25日起出任本公司董事職務。顧先生曾任職中國建設銀行及中國信達信託投資公司。彼於浙江大學畢業，持有工科學士、經濟學碩士、經濟學博士學位。彼於商業銀行、投資銀行、工商管理、金融財務會計管理方面積累逾二十年經驗。

陳永存先生

陳先生現年41歲，自2000年10月25日起出任本公司董事。陳先生為華建國際集團總經理助理，曾任職中國建設銀行及中國信達。彼於清華大學畢業，持有工學學士及工學碩士學位。陳先生擁有逾十年金融及投資經驗。

張松橋先生

張先生現年41歲，自1993年6月22日起出任本公司董事職務。張先生於1985年創立中渝實業有限公司，主要經營中國貿易業務。張先生為渝港國際有限公司「渝港」(股份代號：613)之主席及創辦人。彼亦為渝太地產集團有限公司「渝太地產」(股份代號：75)及港通控股有限公司「港通控股」(股份代號：32)之主席及確利達國際控股有限公司「確利達」(股份代號：1224)之執行董事。所有前述公司為其股份於聯交所上市之上市公司。

袁永誠先生

袁先生現年59歲，自1993年6月22日起出任本公司之董事職務。袁先生亦為渝港之董事總經理。彼亦為渝太地產及港通控股之執行董事。袁先生持有香港理工大學管理學文憑。在1992年加入渝港之前，彼於香港一間主要銀行任職高級管理職務逾二十年。

Profile of Directors

董事簡介

Mr. CHOW Kwok Wai

Mr. Chow, aged 39, is a Deputy General Manager and the Qualified Accountant of the Company. He is responsible for the finance and accounting matters of the Group. Mr. Chow joined the Company in October 1993 and was appointed executive director of the Company on 20 April 2004. Mr. Chow has worked in Price Waterhouse, which is now known as PriceWaterhouseCoopers and has accumulated valuable audit experience there. Mr. Chow received his Bachelor Degree in Social Sciences from the University of Hong Kong in 1990. Mr. Chow is a Fellow Member of the Association of Chartered Certified Accountants and a Fellow Member of the Hong Kong Institute of Certified Public Accountants. Mr. Chow has over 15 years experiences in accounting, financial management and corporate finance. Mr. Chow is also an independent non-executive director of Lijun International Pharmaceutical (Holding) Co., Ltd. (Stock Code: 2005) which H shares are listed on the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. KANG Dian

Mr. Kang, aged 57, is an independent non-executive director of the Company since 8 May 1998. Mr. Kang is the Chairman of China Venture Capital Asset Management Limited. Mr. Kang is also the Consultant to the Finance & Securities Commission of All China Lawyers Association since 1996. He graduated from Graduate School of Social Science of China(中國社會科學院) with a Master Degree in Economics.

Mr. ZHANG Lu

Mr. Zhang, aged 54, is an independent non-executive director of the Company since 4 May 2000. Mr. Zhang has worked in Citic Ka Wah Bank, Hong Kong, Bank of China and Citic Industrial Bank. He has engaged in the banking business for over 25 years.

Mr. HUNG Muk Ming

Mr. Hung, aged 41, is an independent non-executive director of the Company since 23 December 2004. Mr. Hung is a Certified Public Accountant (Practicing) and is a Fellow of the Hong Kong Institute of Certified Public Accountants. He is also fellow member of the Chartered Association of Certified Accountants and a member of the Hong Kong Institute of Directors. Mr. Hung received his Bachelor Degree in Social Sciences from the University of Hong Kong in 1990. During the period from 27 September 2004 to 16 February 2006, Mr. Hung was an independent non-executive director of Rontex International Holdings Limited (Stock Code: 1142), which shares are listed on the Stock Exchange. Mr. Hung has over 15 years experience in accounting and audit sector.

周國偉先生

周先生現年39歲，現為本公司副總經理及本公司之合資格會計師，負責本公司之財務及會計事宜。周先生於1993年10月加入本公司並於2004年4月20日獲委任為本公司之執行董事。周先生曾於羅兵咸會計師事務所(現稱羅兵咸永道會計師事務所)工作並累積寶貴的核數經驗。周先生於1990年取得由香港大學頒授的社會科學學士學位。周先生目前為英國特許公認會計師公會資深會員及香港會計師公會資深會計師。周先生在會計、財務管理及企業財務方面擁有逾十五年經驗。周先生亦為利君國際醫藥(控股)有限公司(股份代號：2005)之獨立非執行董事，該公司之H股股份於聯交所上市。

獨立非執行董事

康典先生

康先生現年57歲，自1998年5月8日起出任本公司之獨立非執行董事職務。康先生為中國風險投資管理有限公司總裁。康先生自1996年開始擔任中國全國律師協會轄下財務及證券委員會之顧問。彼於中國社會科學院畢業，持有經濟學碩士學位。

張璐先生

張先生現年54歲，自2000年5月4日起出任本公司之獨立非執行董事職務。張先生曾任職於香港中信嘉華銀行、中國銀行及中信實業銀行。彼從事銀行業已超逾二十五年。

洪木明先生

洪先生現年41歲，自2004年12月23日起出任本公司之獨立非執行董事職務。洪先生現為執業會計師並且為香港會計師公會資深會計師。洪先生同時亦為英國特許公認會計師公會之資深會員及香港董事學會會員。洪先生於1990年取得由香港大學頒授的社會科學學士學位。在2004年9月27日至2006年2月16日期間，洪先生曾出任朗迪國際有限公司(股份代號：1142)之獨立非執行董事，該公司股份於聯交所上市。洪先生於會計及審計方面擁有逾十五年經驗。

Corporate Governance Report

公司管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and ensuring a standard of corporate governance that is consistent to market practices. The Company has applied the principles and has complied with all the applicable mandatory code provisions of the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange of Hong Kong Limited ("Stock Exchange") for the year ended 31 December 2005 except for those deviations explained herein in this report.

The Board will continuously review and improve the corporate governance practices of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

The following paragraphs summarize the Company's key corporate governance practices and explain deviations, if any, from the CG Code.

BOARD OF DIRECTORS

The Board of Directors ("Board" or "Directors"), led by the Chairman, steers the Group's business direction. The management, led by the Managing Director, i.e. the Chief Executive Officer, is responsible for the Group's management and operations. The division of responsibilities between the Chairman and the Managing Director are clearly established and set out in writing. The role of the Chairman and the Managing Director are separated and are performed by different persons to avoid concentration of authorities to one single person.

The Company fulfilled, in the second half year, the requirement of CG Code A.2.1, which stipulates that the division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing and CG Code D.1.2 which stipulates that the company should formalize the functions reserved to the board and those delegated to management.

The Board is responsible for formulating the Group's long-term strategies, setting business development goals, assessing the results of management policies, monitoring management's performance and ensuring the existence of an effective internal control system. The independent non-executive directors serve an important function of ensuring and monitoring the basis for an effective corporate governance framework.

企業管治常規

本公司致力維持及確保一套符合市場慣例之企業管治標準。截至2005年12月31日止年度，除本報告所述的若干偏離事項外，本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(「常規守則」)的原則，及已遵從所有適用之強制性常規守則條文。

董事會將會不斷檢討及改善本公司的企業管治措施及準則，確保業務活動及決策過程受到適當及審慎之規管。

下文分段概括說明本公司之重要企業管治措施及就偏離事項(如有)的解說。

董事會

董事會(「董事會」或「董事」)由董事會主席領導，負責帶領本集團的業務發展方向；管理層由董事總經理(即本公司的行政總裁)領導，負責本集團的管理及經營運作。董事會主席和董事總經理有明確的分工並已在董事會的職責約章中作出明文規定；此外，董事會主席及董事總經理兩項功能已分離並分別由兩人擔任，以避免權力集中於單一人士。

本公司已於下半年內符合常規守則第A.2.1條要求主席與行政總裁的職務須予分開並須明確地以書面方式列名各自的責任及常規守則第D.1.2條要求本公司就保留於董事局的功能及下放管理層的功能正式劃分的規定。

董事會負責制定本集團的長期策略、訂立業務發展目標、評估管理措施之成效、監察管理層之表現及確保存在有效的內部監控系統。獨立非執行董事則對確保及監察企業管治架構是否行之有效起著重要作用。

Corporate Governance Report

公司管治報告

BOARD OF DIRECTORS (Continued)

The Board of the Company comprises:

Executive directors:

Mr. CHEN Xiaozhou (*Chairman*)
(appointed on 13 February 2006)
Mr. ZHU Dengshan (*Ex-chairman*)
(resigned on 13 February 2006)
Mr. HUI Xiao Bing (*Vice-chairman*)
Mr. GAO Jian Min (*Managing Director*)
Mr. LIU Tianni (*Deputy Managing Director*)
Mr. GU Jianguo
Mr. CHEN Yongcun
Mr. CHEUNG Chung Kiu
Mr. YUEN Wing Shing
Mr. CHOW Kwok Wai

Independent non-executive directors:

Mr. KANG Dian
Mr. ZHANG Lu
Mr. HUNG Muk Ming

The Board comprises of nine executive directors and three non-executive directors. All non-executive directors are also independent non-executive directors. The biographies of the Directors are given on page 14 to 17. Members of the Board possess the appropriate expertise and skills to discharge their duties. Save for the fact that Messrs. CHEN Xiaozhou, GU Jianguo, CHEN Yongcun and ZHU Dengshan are also directors and/or senior officers within the group of China Cinda Asset Management Corporation, which is a substantial shareholder of the Company, there is no relationship between members of the Board, in terms of financial, business, family or other significant relationship. All directors served the Company for the full year of 2005.

To assist the Board in discharging its duties and to fulfil the requirement of the CG Code, two standing board committees are set up under the Board: the Audit Committee and the Remuneration Committee. When it becomes necessary, the Board will set up ad hoc board committee to handle specific issues and report back to the Board.

The Board considers that each independent non-executive director is independent in character and judgment and they all meet the specific independent criteria as required by the Listing Rules. The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. In addition, the independent non-executive directors are explicitly identified in all corporate communications.

董事會(續)

本公司董事會包括：

執行董事：

陳孝周先生(主席)
(於2006年2月13日委任)
朱登山先生(前主席)
(於2006年2月13日辭任)
惠小兵先生(副主席)
高建民先生(董事總經理)
劉天倪先生(董事副總經理)
顧建國先生
陳永存先生
張松橋先生
袁永誠先生
周國偉先生

獨立非執行董事：

康典先生
張璐先生
洪木明先生

本公司董事會由九名執行董事及三名非執行董事組成。所有非執行董事同時亦是獨立非執行董事。各董事之履歷詳列於第14頁至17頁。董事會各成員均具備適當的知識及才能以履行其職責。除陳孝周先生、顧建國先生、陳永存先生及朱登山先生幾位同時亦是本公司之主要股東中國信達資產管理公司集團內的董事及/或高級職員外，董事會成員之間並不存在任何關係，包括財務、業務、家屬或其他重大的關係。所有董事均於2005年的全年內於本公司服務。

為協助董事會履行其職責，及為符合常規守則的規定，董事會下設兩個常設附屬委員會：審核委員會及薪酬委員會。在必要的時候，董事會還設立臨時附屬委員會負責專項工作，並向董事會匯報。

董事會認為每位獨立非執行董事均具有獨立的個性及判斷能力並且他們都符合上市規則所定明有關獨立性的特定標準。本公司已接獲每名獨立非執行董事根據上市規則第3.13條有關其獨立身分的年度確認函。此外，在所有公司通訊內，獨立非執行董事均被明確識別。

Corporate Governance Report

公司管治報告

BOARD OF DIRECTORS (Continued)

All directors are regularly updated on governance and regulatory matters. There is an established procedure for directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties.

The full board will meet at least four times throughout a year to review the overall strategy and to monitor the operation as well as the financial performance of the Group. Notice of at least 14 days have been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and the accompany board papers in respect of regular board meetings are sent out in full to all directors not less than three days before the meeting. Minutes of regular board meetings and meetings of board committee are properly kept and all directors have access to board papers and the related materials.

During 2005, four regular board meetings were held and the individual attendance of each director is set out below:

董事會(續)

全體董事均定期獲得有關管治及監管等事宜的更新資訊。董事可按照既定程序，尋求獨立專業意見以協助履行其責任，有關費用由本公司支付。

董事會於年內最少召開四次全體董事會議，檢討整體策略與監察本集團的經營與財務表現。就董事會所有定期會議，全體董事均獲發最少十四天的會議通知，如有需要，董事可於有關議程加入討論事項。董事會定期會議的議程及附連之董事會文件會於會議前最少三天派發予所有董事。董事會定期會議及董事會委員會會議之會議記錄均適當保存，全體董事均有權查閱董事會之文件及相關資料。

董事會於2005年年內共召開四次全體董事會會議，每名董事的出席率詳列如下：

Name of director 董事姓名	Number of meetings attended 出席董事會會議次數	Attendance rate 出席率
Mr. ZHU Dengshan 朱登山先生	2 out of 4 四次中出席二次	50%
Mr. HUI Xiao Bing 惠小兵先生	3 out of 4 四次中出席三次	75%
Mr. GAO Jian Min 高建民先生	4 out of 4 四次中出席四次	100%
Mr. LIU Tianni 劉天倪先生	4 out of 4 四次中出席四次	100%
Mr. GU Jianguo 顧建國先生	3 out of 4 四次中出席三次	75%
Mr. CHEN Yongcun 陳永存先生	4 out of 4 四次中出席四次	100%
Mr. CHEUNG Chung Kiu 張松橋先生	1 out of 4 四次中出席一次	25%
Mr. YUEN Wing Shing 袁永誠先生	4 out of 4 四次中出席四次	100%
Mr. CHOW Kwok Wai 周國偉先生	4 out of 4 四次中出席四次	100%
Mr. KANG Dian 康典先生	2 out of 4 四次中出席二次	50%
Mr. ZHANG Lu 張璐先生	2 out of 4 四次中出席二次	50%
Mr. HUNG Muk Ming 洪木明先生	4 out of 4 四次中出席四次	100%

Corporate Governance Report

公司管治報告

BOARD OF DIRECTORS (Continued)

According to Articles of Association of the Company, the Board has the power to appoint any person as a director either to fill a casual vacancy or as an addition to the Board.

Furthermore, in order to reinforce the accountability of directors, the Company will propose to pass a shareholders' resolution at the coming annual general meeting to be held on 25 May 2006 to amend the Company's Articles of Association. Pursuant to the amended Articles, all directors, including the Chairman, Vice Chairman and Managing Director, shall retire by rotation at least once every three years at annual general meetings and be eligible for re-election.

The independent non-executive directors have been appointed for a specific term of service. They are also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with Article 101 of the Company's Articles of Association.

CG Code E.1.2 stipulates that the Chairman of the board should attend the annual general meeting. The Chairman of the board did not attend the annual general meeting of the Company held on 26 May 2005. The Chairman will endeavor to attend all future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so.

Securities Dealing by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as the code of conducts for securities transactions by directors of the Company. All the members of the board have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2005. The Model Code also applies to other specified senior management of the Group.

The Company fulfilled, in the second half year, the requirements of CG Code A.5.4, which stipulates that the board should establish written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in securities of the issuer.

董事會(續)

根據本公司章程，董事會有權委任任何人士擔任董事職務以填補空缺或增加董事會席位。

此外，為提高董事會成員的問責性，本公司將於2006年5月25日召開的股東特別大會提呈一項決議案修改本公司的組織章程細則，規定所有董事(包括董事長、副董事長及董事總經理)須至少每三年一次輪流於股東週年大會上告退，但可膺選連任。

獨立非執行董事之委任設有固定任期。他們亦須根據本公司章程第101條規定於股東週年大會上輪值告退並重選連任。

常規守則第E.1.2條要求董事局主席應出席股東週年大會。董事會主席並無出席本公司於2005年5月26日召開的股東週年大會。主席將竭力出席本公司於未來召開的所有股東週年大會，除非出現不可預見或特殊情況導致其未克出席。

董事進行證券交易

本公司已就本公司董事進行證券交易採納上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》(「標準守則」)作為董事進行證券交易的守則。董事會全體成員回應本公司的特別查詢時已確認，彼等在截至2005年12月31日止年度內一直嚴格遵守標準守則所載之指定標準。標準守則亦適用於其他指定之集團高級管理人員。

本公司已於下半年內符合常規守則第A.5.4條要求董事局設立書面指引，其中條款不亞於標準守則，以規範相關僱員進行有關上市公司的股份買賣的規定。

Corporate Governance Report

公司管治報告

AUDIT COMMITTEE

The Audit Committee was established in 1999 and its current members include:

Mr. KANG Dian (*Committee Chairman*)
Mr. ZHANG Lu
Mr. HUNG Muk Ming

All the Audit Committee members are independent non-executive directors. The composition and professional qualifications of the members of the Audit Committee complies with the requirements under Rules 3.21 of the Listing Rules. Written terms of reference which describe the authority and duties of the Audit Committee were adopted in 2004 and subsequently updated and amended in 2005 to conform to the provision of the CG Code.

The Company fulfilled, in the second half year, the requirements of CG Code C.3.3, which stipulates that the terms of reference of the Audit Committee should include all duties as stated in such CG Code.

The Audit Committee meets at least two times each year to review the reporting of financial and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process. The Audit Committee also provides an important link between the board and the Company's external auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the external auditors.

The Audit Committee has reviewed with the management on the accounting principles and practices adopted by the Group and has discussed internal controls and financial reporting matters including a review of the financial statements for the year ended 31 December 2005.

During the year, three Audit Committee meetings were held and the individual attendance of each member is set out below:

Name of director 董事姓名	Number of meetings attended 出席會議次數	Attendance rate 出席率
Mr. KANG Dian 康典先生	3 out of 3 三次中出席三次	100%
Mr. ZHANG Lu 張璐先生	3 out of 3 三次中出席三次	100%
Mr. HUNG Muk Ming 洪木明先生	3 out of 3 三次中出席三次	100%

審核委員會

審核委員會於1999年成立，目前的成員包括：

康典先生(委員會主席)
張璐先生
洪木明先生

審核委員會全體成員均為獨立非執行董事。審核委員會的組成及成員的專業資格均符合上市規則第3.21條的要求。審核委員會的成文權責條款於2004年採納，其後於2005年更新及作出修訂以符合常規守則的條文。

本公司已於下半年內符合常規守則第C.3.3條要求審核委員會的職權應涵蓋該常規守則所列的全部職責的規定。

審核委員會每年最少召開兩次會議，檢討向股東匯報的財務及其他資料、內部監控系統、風險管理及核數程序的效力及客觀性。審核委員會亦就其職權範圍內所涉及事宜上擔當董事會與本公司外部核數師之間的重要聯繫，並對外部核數師的獨立性及客觀性作出檢討。

審核委員會已與管理層檢討過本集團所採納的會計原則及慣例，並討論內部監控及財務申報等事宜，包括審閱截至2005年12月31日止年度之財務報表。

審核委員會年內共召開三次會議，各成員之出席率詳列如下：

Corporate Governance Report

公司管治報告

AUDIT COMMITTEE (Continued)

Remuneration Committee

The Remuneration Committee was established in 2005 and the current members include:

Mr. KANG Dian (*Committee Chairman*)
Mr. ZHANG Lu

All Remuneration Committee members are independent non-executive directors. The written terms of reference of the Remuneration Committee were adopted in 2005 and conform to the provision of the CG Code.

The responsibilities of the Remuneration Committee are to ensure that there is no director or any of his associates is involved in deciding his own remuneration and that the Company has an equitable and competitive remuneration policy to attract and retain talent persons to serve the Company.

The remuneration package for each employee is structured according to his quality and qualification. The remuneration package will contain a combination or modification of some or all of the following four main components:

1. Basic salary

Basic salary ranges for each position are established with reference to the responsibilities and the duties attached to the position. The actual salary for the person filling the position is determined based on the experience and the ability of the individual selected for the position.

The basic salary ranges are reviewed periodically by reference to the general market and by comparison to comparable positions at competitors in the relevant industry. The actual salaries of employees are reviewed annually and may be adjusted from time to time based on the cost of living and financial performance of the Company.

Salaries are base compensation and are not intended to reward performance, either individually or corporately. Performance is rewarded through other components of the remuneration plan.

2. Incentive bonus

Incentive bonus is linked to individual and corporate performance. The incentive bonus for each employee is determined with reference to his position and his individual performance during the year.

審核委員會(續)

薪酬委員會

本公司已於2005年成立薪酬委員會，目前的成員包括：

康典(委員會主席)
張璐

薪酬委員會所有成員均為獨立非執行董事。薪酬委員會已於2005年採納符合常規守則相關條文的書面職權範圍書。

薪酬委員會的職責為確保沒有董事或其聯繫人士參與制定該董事自己的酬金以及本公司存在一套公平且具競爭性的薪酬政策以便吸引及挽留卓越的人才為本公司服務。

每位員工的薪酬待遇按個別的質素與專業資格釐定。薪酬待遇由以下四大項目中其中一部分或全部組成，亦可能有所增減：

一. 基本薪金

基本薪金是按個別職位及責任而釐定。而擔任該職務的人士實際可得的基本薪金，則按個別受聘人士的經驗及能力而定。

基本薪金會定期參考一般市場及有關行業的競爭機構中同類職位的薪酬作出檢討。僱員的實際基本薪金則每年檢討，並可按生活指數及本公司的財務表現不時作出調整。

基本薪金屬基本薪酬，並非按個別僱員或公司表現而作出的獎賞。薪酬政策中另有其他獎勵項目。

二. 獎勵性花紅

獎勵性花紅與個別僱員及公司表現掛鉤。每名僱員所得的獎勵性花紅會按其職位及年內表現而訂定。

Corporate Governance Report

公司管治報告

AUDIT COMMITTEE *(Continued)*

Remuneration Committee *(Continued)*

3. Share option

Share options to purchase shares in the Company are granted to employees from time to time at the discretion of the Board,

Corporate Governance Report

公司管治報告

AUDITORS' REMUNERATION (Continued)

The Audit Committee considers that the taxation services did not (in terms of the nature of the services and the amount of fees paid relative to the audit fees) affect the independence of Deloitte Touche Tohmatsu.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements for each financial period, which give a true and fair view of the state of the affairs of the Group and of the results and cash flow for that period. In preparing the financial statements for the year ended 31 December 2005, the Directors adopted suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and prepared the financial statements on the going concern basis. Up to the date of this report, the Directors are not aware of any material uncertainties that will seriously affect the going concern assumption of the Group.

The Directors are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company. The Directors also have general responsibilities for setting up an appropriate internal control system, which is mainly to safeguard the assets of the Group and to prevent and to detect fraud and other irregularities. The Directors have reviewed the internal control system of the Company and are satisfied that the internal control system is functioning properly.

COMMUNICATION WITH SHAREHOLDERS

The Company endeavours to maintain a high level of transparency in communicating with shareholders and investors at large. In order to enhance the transparency of shareholders' voting in general meeting, separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors and those resolutions were voted by poll. The Company will engage external scrutineer to count the vote. The poll voting results will be published in the press, on the Stock Exchange's website and on the Company's website on the next following business day. In addition, procedures for demanding a voting by poll are laid down in the circular or annual report to be despatched to shareholders. Moreover, at the general meeting but before voting, the Directors will explain to shareholders their right to demand a voting by poll and how to exercise such right.

核數師酬金(續)

審核委員會認為該等稅務服務費用(就服務性質及相對於核數費用的總額而言)並沒有對德勤的獨立性構成影響。

董事關於賬目的責任聲明

董事負責編制各會計期間的財務報表, 該等財務報表真確地反映本集團於該期間的事務、業績及現金流量。編制截至2005年12月31日之財務報表時, 董事已採納適用的會計政策, 並貫徹應用; 採用適當的香港財務報告準則及香港會計準則; 作出審慎及合理的調整估計; 及按持續經營基準編制財務報表。截至本報告日止, 董事並不獲悉任何將會嚴重影響持續經營基準的重大不確定因素。

董事亦負責保存適當的會計紀錄, 使於任何時間合理準確地反映本集團的財務狀況。董事亦有一般責任設立適當的內部監控系統, 其主要目的為保障本集團資產及防止及揭發舞弊以及其他不當行為。董事已檢討過本公司的內部監控系統並認為本公司的內部監控系統行之有效。

與股東的溝通

本公司在與股東及大眾投資者溝通時, 一直保持最大透明度。此外, 為了加強股東大會上股東投票的透明度, 本公司於股東大會上採取按點算股數的方式對所有涉及具體事項的決議案包括選舉個別董事等均分進行議案表決。為此, 本公司會委任外部監票員進行點算股數工作, 投票結果亦會於有關大會結束後的第二個工作日於報章刊登及上載於聯交所網頁及本公司的網頁。此外, 有關要求按點算股數方式進行投票的程序也會詳列於寄給股東的通函或年報內。同時於股東大會舉行時但投票進行之前, 董事會首先向股東解釋股東有權要求以點算股數方式投票的權利及如何行使該權利。

Corporate Governance Report

公司管治報告

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

The Company has also maintained a website at <http://www.silvergrant.com.hk> which enable shareholders, investors and the general public to have an open access to the information of the Company. Financial information and all corporate communications of the Company are made available on the Company's website and are updated regularly.

Shareholders who wish to raise any queries with the Board may write to the Company Secretary at Suite 4901, 49th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

與股東的溝通(續)

本公司亦設有網址 <http://www.silvergrant.com.hk>，提供公開渠道以供股東、投資者及公眾人士取得本公司之資料。本公司財務資料及所有與股東之間的公司通訊已上載於本公司網站，並會定期更新。

若股東需要向董事會提出查詢，可隨時致函本公司的公司秘書，地址為：香港灣仔港灣道1號會展廣場辦公大樓49樓4901室。

Directors' Report

董事會報告

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The Company and its subsidiaries are principally engaged in property investment, other investment and distressed assets business. Details of the principal activities of the Company's subsidiaries and the Group's associates are set out in note 53 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company for the year ended 31 December 2005 are set out in the consolidated income statement on page 37.

The directors recommend the payment of a final dividend of HK\$0.06 per share to the shareholders on the register of members on 25 May 2006, amounting to approximately HK\$101,323,000.

FIXED ASSETS

The Group's leasehold properties were revalued at 31 December 2005. The net surplus on revaluation amounting to HK\$14.6 million, of which a surplus of HK\$8.9 million was credited to the income statement to reverse the deficit previously charged to the income statement and the remaining surplus of HK\$5.7 million was credited to the asset revaluation reserve. During the year, the Group revalued all of its investment properties at 31 December 2005. The net increase in fair value of investment properties, which has been credited directly to profit or loss, amounted to HK\$148.7 million.

Details of the valuation of properties and other movements of the investment properties and property, plant and equipment of the Group during the year are set out in notes 19 and 20 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 39 to the financial statements.

During the year, the Company repurchased certain of its own shares through The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), details of which are set out in note 39 to the financial statements.

董事會謹提呈截至二零零五年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司及其附屬公司之主要業務為從事物業投資、其他投資及不良資產業務。本公司各附屬公司及本集團各聯營公司之主要業務詳情載於綜合財務報表附註53。

業績及分配

截至二零零五年十二月三十一日止年度，本集團業績及本公司之分配載於第37頁之綜合收入報表。

董事會建議派發末期股息每股6港仙予二零零六年五月二十五日名列股東名冊之股東，合共約101,323,000港元。

固定資產

本集團租賃物業於二零零五年十二月三十一日之價值已作出重估，重估盈餘淨額達14,600,000港元，其中一筆8,900,000港元之盈餘已列作收入報表收益以回撥早前於收入報表列作支出的虧絀而餘下5,700,000港元之盈餘已賬記資產重估儲備。年內，本集團已重估其所有投資物業於二零零五年十二月三十一日之價值。投資物業公平值之增加淨額148,700,000港元已直接記入損益。

有關物業估值之詳情與本集團之投資物業及物業、廠房及設備於年內之其他變動詳情分別載於綜合財務報表附註19及20。

股本

本公司之股本於年內之變動詳情載於財務報表附註39。

年內，本公司透過香港聯合交易所有限公司（「聯交所」）回購其本身之若干股份，其詳情載於財務報表附註39。

Directors' Report

董事會報告

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2005 comprised the retained profits of approximately HK\$268,759,000.

DIRECTORS

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

Executive directors

Hui Xiao Bing
Gao Jian Min
Liu Tianni
Gu Jianguo
Chen Yongcun
Cheung Chung Kiu
Yuen Wing Shing
Chow Kwok Wai
Chen Xiaozhou (appointed on 13 February 2006)
Zhu Dengshan (resigned on 13 February 2006)

Independent non-executive directors

Kang Dian
Zhang Lu
Hung Muk Ming

The term of office of each director, including the independent non-executive directors, is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

In accordance with the provisions of the Company's Articles of Association, Messrs. Liu Tianni, Gu Jianguo, Cheung Chung Kiu and Zhang Lu retire by rotation and Mr. Chen Xiaozhou retire at the forthcoming annual general meeting, Messrs. Liu Tianni, Gu Jianguo, Cheung Chung Kiu, Zhang Lu and Chen Xiaozhou being eligible, offer themselves for re-election. The remaining directors shall remain in office.

DIRECTORS' SERVICE CONTRACTS

Other than as disclosed in the section headed "Connected Transaction" below, no director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

本公司之可供分派儲備

於二零零五年十二月三十一日，本公司可供分派予股東之儲備包括保留溢利約268,759,000港元。

董事

年內及截至本報告刊發日期當日之本公司董事如下：

執行董事

惠小兵
高建民
劉天倪
顧建國
陳永存
張松橋
袁永誠
周國偉
陳孝周 (於二零零六年二月十三日委任)
朱登山 (於二零零六年二月十三日辭職)

獨立非執行董事

康典
張璐
洪木明

董事(包括獨立非執行董事)之任期為直至其根據本公司之組織章程細則輪值告退為止之期間。

按照本公司的組織章程細則的條文，於即將舉行的股東週年大會上劉天倪先生、顧建國先生、張松橋先生及張璐先生須輪值告退而陳孝周先生須於即將舉行之股東週年大會上告退。劉天倪先生、顧建國先生、張松橋先生、張璐先生及陳孝周先生均符合資格並願意膺選連任。其餘董事繼續留任。

董事之服務合約

除下文「關連交易」部分所披露者外，各於即將舉行之股東週年大會上膺選連任之董事概無與本集團訂立於一年內不作出賠償(法定賠償除外)則不可終止之服務合約。

Directors' Report

董事會報告

DIRECTORS' INTERESTS IN SHARES

董事之股份權益

At 31 December 2005, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 to The Rules Governing the Listing of Securities on the Stock Exchange were as follows:

Long position in underlying shares of HK\$0.20 each of the Company:



Directors' Report

董事會報告

MAJOR SHAREHOLDERS (Continued)

Notes: (Continued)

- This represents the interest in convertible note in the principal amount of HK\$440,000,000 pursuant to which a total number of 200,000,000 new shares will be issued upon full exercise of the conversion rights attaching thereto at the initial conversion price of HK\$2.20 per share.
- The following is a breakdown of the interests in shares of the Company held by China Cinda Asset Management Corporation:

Name of controlled corporation 受控法團名稱	Name of controlling shareholder 控權股東名稱	Percentage of control 控制百分比	Total interest in shares 股份權益總數	
			Direct interest 直接權益	Indirect interest 間接權益
Well Kent International Investment Company Limited 華建國際投資有限公司	China Cinda Asset Management Corporation 中國信達資產管理公司	100%	—	541,448,000
Catic Limited	Well Kent International Investment Company Limited 華建國際投資有限公司	100%	541,448,000	—

- This represents the interest in convertible note in the principal amount of US\$52,500,000 pursuant to which a total of 138,813,559 new shares will be issued upon full exercise of the conversion rights attaching thereto at the initial conversion price of HK\$2.95 per share.

Other than as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2005.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on the Stock Exchange. The Company considers all of the independent non-executive directors are independent.

主要股東(續)

附註：(續)

- 此等為本金總額440,000,000港元之可換股票據項下之權益，據此按每股2.20港元之初步換股價全面行使可換股票據所附帶之換股權後，將會發行合共200,000,000股新股份。
- 以下為中國信達資產管理公司所持有本公司之股份權益細節：

	Percentage of control 控制百分比	Total interest in shares 股份權益總數	
		Direct interest 直接權益	Indirect interest 間接權益
Well Kent International Investment Company Limited 華建國際投資有限公司	100%	—	541,448,000
Catic Limited	100%	541,448,000	—

- 此等為本金總額為52,500,000美元之可換股票據項下之權益，據此按每股2.95港元之初步換股價全面行使可換股票據所附帶之換股權後，將會發行合共138,813,559股新股份。

除上文所披露者外，根據證券及期貨條例第336條規定須予備存的登記冊所示，本公司並無接獲任何有關於二零零五年十二月三十一日在本公司股份及相關股份中擁有權益或淡倉的申報。

委任獨立非執行董事

本公司已取得各獨立非執行董事根據聯交所證券上市規則第3.13條規定每年確認其獨立地位之確認函。本公司認為全體獨立非執行董事之地位是獨立的。

Directors' Report

董事會報告

CONNECTED TRANSACTION

A service agreement dated 28 December 2004 was entered into between Mr. Gao Jian Min ("Mr. Gao") and the Company. Pursuant to the terms and conditions set out therein, the Company agreed to employ Mr. Gao and Mr. Gao agreed to serve the Company as a Managing Director by providing the Company with the services as described in the service agreement for a term of three years from 28 December 2004 to 27 December 2007, which term shall continue thereafter until determined by either party giving to the other not less than 3-months prior written notice.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company has repurchased HK\$14.0 million ordinary shares at a consideration of approximately HK\$165.3 million. The above shares were cancelled upon repurchase. Details of such repurchases are set out in note 39 to the financial statements.

Other than as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee and is based on their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 40 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, as at the date of this report, there is sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

關連交易

於二零零四年十二月二十八日高建民先生(「高先生」)與本公司簽訂一份服務協議。根據該協議所載之條款及條件,本公司同意聘請高先生而高先生同意受聘出任本公司董事總經理職務,任期由二零零四年十二月二十八日至二零零七年十二月二十七日止,為期三年,為本公司提供服務協議內所列之服務,其任期將有效直至任何一方決定在給予對方不少於三個月之事先書面通知為止。

購回、出售或贖回本公司之上市證券

年內,本公司以約165,300,000港元之代價回購14,000,000港元之普通股。上述股份於回購後註銷。有關回購詳情載於財務報表附註39。

除上文所披露者外,年內,本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

酬金政策

本集團僱員之酬金政策由薪酬委員會按其功績、資歷及能力制定。

本公司董事之酬金由薪酬委員會經考慮本公司之經營業績、個人表現及可資比較市場統計數字後決定。

本公司採納一項購股權計劃,作為董事及合資格僱員之獎勵,計劃詳情載於財務報表附註40。

公眾持股量之足夠性

根據本公司取得的公開資料及就董事所知悉,於本報告日,本公司已發行股份有足夠並超上市規則規定25%之公眾持股量。

Directors' Report

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The Group's turnover comprises rental income from leasing of properties, dividend income from investments in securities, income from property management, the gross proceeds received and receivable from trading of securities, income from sales of properties, income from recoveries of interest in distressed assets, commission income and performance return of dealing in distressed assets.

The aggregate amount of purchases and turnover attributable to the Group's five largest suppliers and customers were less than 30% of the Group's total purchases and turnover for the year.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 22 May 2006 to Thursday, 25 May 2006, both days inclusive, during which period no transfers of shares will be effected.

In order to qualify for proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 19 May 2006.

POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 54 to the consolidated financial statements.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

By order of the Board
Chen Xiaozhou
Chairman

Hong Kong, 24 April 2006

主要顧客及供應商

本集團之營業額包含出租物業之租金收入、證券投資之股息收入、物業管理收入、買賣證券之已收及應收款項總額、物業銷售收入、回收不良資產權益的收入、處置不良資產佣金及超收分成收入。

年內，本集團於五大供應商及顧客之累積採購額及銷售額分別佔本集團之總採購額及總銷售額不足30%。

暫停辦理股份過戶登記

本公司將於二零零六年五月二十二日(星期一)起至二零零六年五月二十五日(星期四)止(包括首尾兩天)期間，暫停辦理股份過戶登記。

為符合獲派建議股息的資格，所有股份過戶文件連同有關股票須最遲於二零零六年五月十九日(星期五)下午四時三十分交回本公司之股份過戶登記處秘書商業服務有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

結算日後事項

有關結算日後發生之重大事項之詳情載於綜合財務報表附註54。

核數師

有關續聘德勤 關黃陳方會計師行為本公司核數師之決議案將於本公司之股東週年大會上提呈。

承董事會命
主席
陳孝周

香港，二零零六年四月二十四日

Auditors' Report

核數師報告

Deloitte.

德勤

To the shareholders of
Silver Grant International Industries Limited
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Silver Grant International Industries Limited (the "Company") and its subsidiaries (the "Group") on pages 37 to 122 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Companies Ordinance requires the directors to prepare consolidated financial statements which give a true and fair view. In preparing consolidated financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those consolidated financial statements and to report our opinion solely to you, as a body, in accordance with Section 141 of the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the circumstances of the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the consolidated financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

致
銀建國際實業有限公司列位股東
(在香港註冊成立之有限公司)

本核數師行已完成審核載於第37頁至第122頁銀建國際實業有限公司(「貴公司」)及其附屬公司(「貴集團」)按照香港普遍採納之會計原則編製之綜合財務報表。

董事及核數師之個別責任

公司條例規定董事須編製真實與公平之綜合財務報表。在編製該等綜合財務報表時，董事必須貫徹採用合適之會計政策。

本行之責任是根據本行審核工作之結果，對該等綜合財務報表表達獨立之意見，並根據香港公司條例第141條僅向全體股東作出報告，且不作其他用途。本行概不會就本報告的內容向任何其他人士負責或承擔任何責任或義務。

意見之基礎

本行是按照香港會計師公會頒布之香港核數準則進行審核工作。審核範圍包括以抽查方式查核與綜合財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製該等綜合財務報表時所作之重大估計和判斷、所釐定之會計政策是否適合貴集團之具體情況、及是否貫徹應用並足夠披露該等會計政策。

本行在策劃及進行審核工作時，均以取得一切本行認為必需之資料及解釋為目標，使本行能獲得充分之憑證，就該等綜合財務報表是否有重要錯誤陳述，作出合理之確定。在表達意見時，本行亦已衡量該等綜合財務報表所載之資料在整體上是否足夠。本行相信，本行之審核工作已為下列意見建立合理之基礎。

Auditors' Report

核數師報告

OPINION

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2005 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

24 April 2006

意見

本行認為上述之綜合財務報表均真實及公平地反映貴集團於二零零五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溢利及現金流量，並已按照香港公司條例妥善編製。

德勤 關黃陳方會計師行
執業會計師
香港

二零零六年四月二十四日

Consolidated Income Statement

綜合收入報表

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

		Notes 附註	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Turnover	營業額	7	551,778	685,223
Direct operating expenses	直接經營費用		(198,130)	(338,506)
Other income	其他收入	8	353,648	346,717
Administrative expenses	行政費用		(106,192)	27,897
Other operating expenses	其他經營費用	9	(94,659)	(87,441)
Surplus on revaluation of leasehold properties	租賃物業之重估盈餘		—	(7,132)
Increase in fair value of investment properties	投資物業之公平值增加		8,949	13,675
Gain on convertible note at fair value through profit or loss	於損益表按公平值處理的可換股票據之收益	19	148,687	—
Finance costs	財務費用	10	(59,841)	(32,246)
Discount on acquisition of additional equity interest in a subsidiary	收購一間附屬公司額外股本權益之折讓	11	73,476	—
Share of results of associates	攤佔聯營公司業績		82,237	88,996
Gain on partial disposal of interest in distressed assets	出售部分不良資產權益產生之收益	12	—	53,777
Gain on disposal of a subsidiary	出售一間附屬公司產生之收益	48	—	46,696
Gain on disposal of an associate	出售一間聯營公司產生之收益		—	182
Profit before taxation	除稅前溢利		818,445	451,121
Taxation	稅項	15	(89,279)	(34,837)
Profit for the year	年內溢利	16	729,166	416,284
Attributable to:	應佔：			
Equity holders of the Company	本公司股本持有人		724,054	403,660
Minority interests	少數股東權益		5,112	12,624
			729,166	416,284
Earnings per share	每股盈利	17		
— Basic	— 基本		41.5 cents	26.0 cents
— Diluted	— 攤薄		26.0 cents	24.8 cents

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2005

於二零零五年十二月三十一日

			2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
	Notes 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Investment properties	19	投資物業	2,105,385	1,935,559
Property, plant and equipment	20	物業、廠房及設備	122,340	109,540
Goodwill	21	商譽	33,525	33,525
Negative goodwill	22	負商譽	—	(59,376)
Interests in associates	23	聯營公司權益	1,304,277	1,236,401
Amounts due from associates	24	應收聯營公司款	206,478	20,200
Investments in securities	25	證券投資	—	1,467
Available-for-sale investments	26	可出售投資	2,206	—
Interest in distressed assets	27	不良資產權益	204,681	456,027
Deposit paid for acquisition of investments	28	已付收購投資之按金	44,499	—
Deposit paid for acquisition of distressed assets	29	已付收購不良資產之按金	263,723	—
Deferred tax assets	43	遞延稅項資產	1,336	18,500
Other asset	30	其他資產	4,113	5,484
			4,292,563	3,757,327
Current assets		流動資產		
Inventories, at cost		存貨 — 成本	115	8
Stock of properties	31	物業存貨	323,940	132,303
Loan receivables	32	應收貸款	144,216	112,150
Interest in distressed assets	27	不良資產權益	347,301	128,335
Investments in securities	25	證券投資	—	56,127
Held-for-trading investments	33	持作買賣投資	364,030	—
Trade receivables	34	應收賬款	4,400	16,366
Deposits, prepayments and other receivables	35	按金、預付款項及其他應收款	72,925	57,300
Amounts due from associates	24	應收聯營公司款	24,025	53,818
Restricted bank balance	36	監管戶口結餘	269,600	185,369
Pledged bank deposit	37	抵押銀行存款	—	1,700
Bank balances and cash	38	銀行結餘及現金	341,540	1,370,730
			1,892,092	2,114,206
Assets classified as held for sale	29	列作持作銷售之資產	263,723	—
			2,155,815	2,114,206
TOTAL ASSETS		資產總值	6,448,378	5,871,533

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2005

於二零零五年十二月三十一日

			2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
EQUITY	股本			
Capital and reserves	資本及儲備			
Share capital	股本	39	337,742	351,734
Reserves	儲備		3,505,280	3,131,988
Equity attributable to equity holders of the Company	本公司股本持有人應佔股本		3,843,022	3,483,722
Minority interests	少數股東權益		55,669	136,180
Total equity	股本總值		3,898,691	3,619,902
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	41	6,900	8,050
Convertible notes	可換股票據	42	437,280	817,124
Deferred tax liabilities	遞延稅項負債	43	187,979	101,676
			632,159	926,850
Current liabilities	流動負債			
Bank overdraft	銀行透支	41	79,241	—
Trade payables	應付賬款	44	19,175	55,036
Accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款	45	369,587	208,020

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股本持有人應佔股本												
		Share capital	Share premium	Convertible notes equity reserve	Investment properties revaluation reserve	Asset revaluation reserve	Capital redemption reserve	Negative goodwill	Other reserve	Translation reserve	Accumulated profits	Total	Minority interests	Total equity
		股本	股份溢價	可換股票據股本儲備	投資物業重估儲備	資產重估儲備	資本贖回儲備	負商譽	其他儲備	匯兌儲備	累積溢利	合計	少數股東權益	股本總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2004, as original stated	於二零零四年一月一日 結餘，原本呈列	262,444	1,210,737	—	13,562	16,170	—	12,233	605	1,994	721,273	2,239,018	124,213	2,363,231
Effects of changes in accounting policies	會計政策變動之影響	—	—	—	(10,073)	—	—	—	—	—	—	(10,073)	—	(10,073)
As restated	經重列	262,444	1,210,737	—	3,489	16,170	—	12,233	605	1,994	721,273	2,228,945	124,213	2,353,158
Gain on revaluation of buildings	重估樓宇產生之收益	—	—	—	61,971	10,460	—	—	—	—	—	72,431	6,563	78,994
Deferred tax liability arising on revaluation of buildings	重估樓宇產生之遞延稅項負債	—	—	—	(15,733)	(448)	—	—	—	—	—	(16,181)	(2,166)	(18,347)
Transfer to accumulated profits upon disposal of leasehold properties	於出售租賃物業時轉撥至累積溢利	—	—	—	—	(12,419)	—	—	—	—	12,419	—	—	—
Net income recognised directly in equity	直接於股本確認之收入淨額	—	—	—	46,238	(2,407)	—	—	—	—	12,419	56,250	4,397	60,647
Realised upon disposal of investment properties	於出售投資物業時變現	—	—	—	96	—	—	—	—	—	—	96	—	96
Profit for the year	年內溢利	—	—	—	—	—	—	—	—	—	403,660	403,660	12,624	416,284
Total recognised income and expense for the year	年內確認之總收入及支出	—	—	—	46,334	(2,407)	—	—	—	—	416,079	460,006	17,021	477,027
Recognition of equity component of convertible notes	確認可換股票據之股本部分	—	—	24,424	—	—	—	—	—	—	—	24,424	—	24,424
Deferred tax liability on recognition of equity component of convertible notes	確認可換股票據之股本部分產生之遞延稅項負債	—	—	(4,274)	—	—	—	—	—	—	—	(4,274)	—	(4,274)
Issue of share capital	發行股本	89,290	768,503	—	—	—	—	—	—	—	—	857,793	—	857,793
Share issue expenses	股份發行費用	—	(21,483)	—	—	—	—	—	—	—	—	(21,483)	—	(21,483)
Dividends	股息	—	—	—	—	—	—	—	—	—	(61,689)	(61,689)	—	(61,689)
Acquisition of a subsidiary	收購一間附屬公司	—	—	—	—	—	—	—	—	—	—	—	6,730	6,730
Disposal of a subsidiary	出售一間附屬公司	—	—	—	—	—	—	—	—	—	—	—	(11,784)	(11,784)
At 31 December 2004	於二零零四年十二月三十一日	351,734	1,957,757	20,150	49,823	13,763	—	12,233	605	1,994	1,075,663	3,483,722	136,180	3,619,902
At 1 January 2005	於二零零五年一月一日	351,734	1,957,757	20,150	49,823	13,763	—	12,233	605	1,994	1,075,663	3,483,722	136,180	3,619,902
Effects of changes in accounting policies	會計政策變動之影響	—	—	—	(49,823)	—	—	(12,233)	—	—	(81,531)	(143,587)	—	(143,587)
As restated	經重列	351,734	1,957,757	20,150	—	13,763	—	—	605	1,994	994,132	3,340,135	136,180	3,476,315
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	—	—	—	—	22,143	—	22,143	1,291	23,434
Gain on revaluation of buildings	重估樓宇產生之收益	—	—	—	—	5,663	—	—	—	—	—	5,663	—	5,663
Deferred tax liability arising on revaluation of buildings	重估樓宇產生之遞延稅項負債	—	—	—	—	(539)	—	—	—	—	—	(539)	—	(539)
Share of reserve of associates	攤佔聯營公司儲備	—	—	—	—	—	—	—	—	4,801	—	4,801	—	4,801
Net income recognised directly in equity	直接於股本確認之收入淨額	—	—	—	—	5,124	—	—	—	26,944	—	32,068	1,291	33,359
Profit for the year	年內溢利	—	—	—	—	—	—	—	—	—	724,054	724,054	5,112	729,166
Total recognised income and expense for the year	年內確認之總收入及支出	—	—	—	—	5,124	—	—	—	26,944	724,054	756,122	6,403	762,525
Share repurchase	股份回購	—	—	—	—	—	—	—	—	—	—	—	—	—
— repurchase of ordinary shares	— 回購普通股	(13,992)	—	—	—	—	—	—	—	—	—	(13,992)	—	(13,992)
— premium on repurchase of shares	— 回購股份之溢價	—	—	—	—	—	—	—	—	—	(151,309)	(151,309)	—	(151,309)
— transfer	— 轉讓	—	—	—	—	—	13,992	—	—	—	(13,992)	—	—	—
Dividend	股息	—	—	—	—	—	—	—	—	—	(87,934)	(87,934)	—	(87,934)
Acquisition of additional equity interest in a subsidiary	收購一間附屬公司之額外股本權益	—	—	—	—	—	—	—	—	—	—	—	(86,914)	(86,914)
At 31 December 2005	於二零零五年十二月三十一日	337,742	1,957,757	20,150	—	18,887	13,992	—	605	28,938	1,464,951	3,843,022	55,669	3,898,691

Consolidated Cash Flow Statement

綜合現金流量報表

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

	Note 附註	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Operating activities	經營業務		
Profit before taxation	除稅前溢利	818,445	451,121
Adjustments for:	調整：		
Share of results of associates	攤佔聯營公司業績	(82,237)	(88,996)
Amortisation of goodwill	商譽攤銷	—	5,587
Release of negative goodwill	負商譽回撥	—	(3,711)
Repairs and maintenance fund expensed	維修及保養基金支出	1,371	1,371
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,159	5,668
Finance costs	財務費用	59,841	32,246
Interest income	利息收入	(53,395)	(11,948)
Gain on partial disposal of interest in distressed assets	出售部分不良資產權益產生之收益	—	(53,777)
Discount on acquisition of additional equity interest in a subsidiary	收購一間附屬公司額外股本權益之折讓	(73,476)	—
Gain on disposal of a subsidiary	出售一間附屬公司產生之收益	—	(46,696)
Gain on disposal of an associate	出售一間聯營公司產生之收益	—	(182)
Unrealised holding loss on investments in securities	證券投資未變現持有虧損	—	1,545
Change of fair value of held-for-trading investments	持作買賣投資之公平值變動	(44,880)	—
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備產生之虧損(收益)	100	(629)
Surplus on revaluation of leasehold properties	租賃物業之重估盈餘	(8,949)	(13,675)
Gain on disposal of investment properties	出售投資物業產生之收益	(209)	(3,785)
Increase in fair value of investment properties	投資物業之公平值增加	(148,687)	—
Gain on convertible note at fair value through profit or loss	於損益表按公平值處理的可換股票據之收益	(199,756)	—
Loss on redemption of convertible bonds	贖回可換股債券產生之虧損	—	632

Consolidated Cash Flow Statement

綜合現金流量報表

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

	Note 附註	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Operating cash flows before movements in working capital	營運資金變動前之經營業務現金流量	275,327	274,771
Deposit paid for acquisition of distressed assets	已付收購不良資產之按金	(527,446)	—
Net decrease (increase) in distressed assets	不良資產減少(增加)淨額	80,643	(530,585)
(Increase) decrease in inventories	存貨(增加)減少	(107)	809
Cost incurred in stock of properties	物業存貨產生之成本	(191,637)	(147,794)
Decrease (increase) in trade receivables	應收賬款減少(增加)	11,966	(8,269)
(Increase) decrease in deposits, prepayments and other receivables	按金、預付款及其他應收款(增加)減少	(15,221)	122,485
Increase in held-for-trading investments/investments in securities	持作買賣投資 / 證券投資增加	(263,023)	(48,167)
(Decrease) increase in trade payables	應付賬款(減少)增加	(35,861)	39,927
Increase in accruals for management fee to holding company of a shareholder	應付一名股東之控股公司應計管理費增加	47,344	18,537
Increase in restricted bank balance	監管戶口結餘增加	(84,231)	(185,369)
Increase (decrease) in accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款增加(減少)	161,567	(25,656)
Cash used in operations	經營業務所用現金	(540,679)	(489,311)
Interest paid	已付利息	(47,840)	(36,100)
PRC Enterprise income tax paid	已付中國企業所得稅	(772)	(6,913)
Net cash used in operating activities	經營業務所用現金淨額	(589,291)	(532,324)
Investing activities	投資業務		
Proceeds on disposal of investment properties	出售投資物業所得款項	10,700	34,376
Purchase of property, plant and equipments	購入物業、廠房及設備	(5,722)	(5,695)
Dividend received from associates	已收聯營公司股息	50,000	—
Interest received	已收利息	53,395	11,948
Deposit paid for acquisition of investments	已付收購投資之按金	(44,499)	—
Advance to an associate	墊支予聯營公司款	(206,478)	—
Advance of loan receivable	墊支應收貸款	(29,930)	—
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	456	3,409

Consolidated Cash Flow Statement

綜合現金流量報表

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

	Notes 附註	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Decrease in pledged bank deposits	抵押銀行存款減少	1,700	1,100
Purchase of club/other debentures	購入會所 / 其他債券	(730)	—
Proceeds on disposal of an associate	出售一間聯營公司 所得款項	5,000	421
Acquisition of investments in associate	收購聯營公司投資	(36,190)	(25,282)
Acquisition of additional equity interest in a subsidiary	收購一間附屬公司 額外股本權益	(13,438)	—
Proceeds on disposal of a subsidiary	出售一間附屬公司 所得款項	—	84,247
Net cash (used in) generated from investing activities	投資業務(所用)所得 現金淨額	(215,736)	104,524
Financing activities	融資業務		
Net proceeds on issue of convertible notes	發行可換股票據 所得款項淨額	—	840,093
(Repurchase of ordinary shares) net proceeds from issue of new shares	(回購普通股) 發行新股所得 款項淨額	(165,301)	836,310
Repayment of bank loans	償還銀行貸款	(753,531)	(615,169)
Consideration paid on redemption of convertible bonds	已付贖回可換股債券 之代價	—	(2,192)
Repayment of other loans	償還其他貸款	—	(5,140)
Dividend paid	已付股息	(87,934)	(61,689)
Bank loans raised	銀行貸款融資	733,333	593,458
Repayment of advance from associates	償還聯營公司墊款	(30,500)	(52,370)
Capital contribution made by minority interest of a subsidiary	一間附屬公司少數股東 之資本注資	—	6,729
Net cash (used in) generated from financing activities	融資業務(所用)所得現金淨額	(303,933)	1,540,030
Net cash and cash equivalent movement	現金及現金等值變動淨額	(1,108,960)	1,112,230
Cash and cash equivalent at the beginning of the year	年初之現金及現金等值	1,370,730	258,500
Effect of foreign currency rate changes	匯率變動之影響	529	—
Cash and cash equivalent at the end of the year	年末之現金及現金等值	262,299	1,370,730
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值結餘分析		
Bank balances and cash	銀行結餘及現金	341,540	1,370,730
Bank overdraft	銀行透支	(79,241)	—
		262,299	1,370,730

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

The consolidated financial statements are presented in Hong Kong dollars while the functional currency is Renminbi. The reason for selecting Hong Kong dollars as its presentation currency because the Company is a public company incorporated in Hong Kong with the shares listed in the Stock Exchange.

The Company is an investment holding company and engaged in property investment, securities trading and provision of agency service of dealing in distressed assets in Macau. The Company and its subsidiaries are principally engaged in property investment, other investments and distressed assets business. Details of the principal activities of the Company's subsidiaries and the Group's associates are set out in note 53.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests and share of tax of associates have been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting years are prepared and presented:

1. 一般事項

本公司乃在香港註冊成立之公眾有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點之地址於年報之引言內披露。

本綜合財務報表乃以港元呈列，而功能貨幣則為人民幣。選用港元為本公司之呈列貨幣乃由於本公司為一間於香港註冊成立之公眾公司，而其股份於聯交所上市。

本公司為投資控股公司，從事物業投資、證券買賣及於澳門提供處置不良資產之顧問服務。本公司及其附屬公司之主要業務為物業投資、其他投資及不良資產業務。本公司各附屬公司及本集團各聯營公司之主要業務詳情載於附註53。

2. 應用香港財務報告準則

在本年度，本集團首次應用香港會計師公會新頒佈之若干香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（在下文統稱「新香港財務報告準則」）。該等準則適用於二零零五年一月一日或之後開始之會計期間。應用新香港財務報告準則導致綜合收入報表、綜合資產負債表以及綜合權益變動報表的呈列方式有所改變，尤其是有關少數股東權益及應佔聯營公司稅項的呈列方式，該等呈列方式的改變已追溯應用。採納新香港財務報告準則導致本集團在以下範疇之會計政策有所改變，並對本會計年度及過往會計年度之編製及呈列方式構成影響：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

Business combinations

In the current year, the Group has applied HKFRS 3 Business Combinations. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

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

Business combinations (Continued)

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous periods, negative goodwill arising on acquisitions prior to 1 January 2001 was held in reserves, and negative goodwill arising on acquisitions after 1 January 2001 was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. In accordance with the relevant transitional provisions in HKFRS 3, the Group derecognised all negative goodwill on 1 January 2005 (of which negative goodwill of HK\$12,233,000 was previously recorded in reserves and of HK\$59,376,000 was previously presented as a deduction from assets). A corresponding adjustment to the Group's accumulated profits of HK\$71,609,000 has been made. During the year ended 31 December 2005, the Group recognised approximately HK\$73,476,000 of discount on acquisition of additional equity interest in a subsidiary (see Note 3 for the financial impact).

Financial instruments

In the current year, the Group has applied HKAS 32 "Financial instruments: Disclosure and Presentation" and HKAS 39 "Financial instruments: Recognition and Measurement". HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects of the application of HKAS 32 and HKAS 39 to the Group are summarised below:

2. 應用香港財務報告準則(續)

業務合併(續)

本集團應佔所收購公司可識別資產、負債及或然負債之公平值淨額高於成本的差額(前稱「負商譽」)

根據香港財務報告準則第3號，本集團應佔所收購公司的可識別資產、負債及或然負債之公平值淨額高於收購成本的差額(「收購折讓」)，應於進行收購的期間即時確認為溢利或虧損。在以往期間，於二零零一年一月一日以前收購所產生的負商譽作儲備入賬，於二零零一年一月一日後因收購所產生的負商譽，則作資產扣減列賬並視乎構成差額的因素調撥至收入。根據香港財務報告準則第3號的相關過渡條文，本集團已於二零零五年一月一日不再確認所有負商譽(其中負商譽12,233,000港元以往作儲備入賬，59,376,000港元以往作資產扣減)，並相應調整增加本集團之累積溢利71,609,000港元。於截至二零零五年十二月三十一日止年度內，本集團確認收購一間附屬公司額外股本權益之折讓約73,476,000港元(其財務影響見附註3)。

金融工具

本集團於本年度應用香港會計準則第32號《金融工具：披露及呈報》及香港會計準則第39號《金融工具：確認及計量》。香港會計準則第32號規定需追溯應用。於二零零五年一月一日或以後生效的香港會計準則第39號，基本上不容許對金融資產及負債進行追溯性的確認、不再確認或計量。應用香港會計準則第32號及香港會計準則第39號而對本集團構成之主要影響概述如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

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

Financial instruments (Continued)

Derecognition

HKAS 39 provides more rigorous criteria for the derecognition of financial assets than the criteria applied in previous periods. Under HKAS 39, a financial asset is derecognised, when and only when, either the contractual rights to the asset's cash flows expire, or the asset is transferred and the transfer qualifies for derecognition in accordance with HKAS 39. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks and rewards and control tests. The Group has applied the relevant transitional provisions and applied the revised accounting policy prospectively to transfers of financial assets from 1 January 2005 onwards. As a result, the Group's distressed assets of HK\$219,238,000 which were derecognised prior to 1 January 2005 due to partial disposal and recoveries have not been restated.

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

2. 應用香港財務報告準則(續)

金融工具(續)

不再確認

香港會計準則第39號規定，有關不再確認金融資產採納之準則較以往期間所採用者更為嚴格。根據香港會計準則第39號，金融資產僅會於資產現金流量之合約權利到期時，或資產已轉讓及有關轉讓根據香港會計準則第39號符合資格不再確認時，方會不再確認。混合風險及回報及控制測試之方式乃用以決定有關轉讓是否符合不再確認之資格。本集團已由二零零五年一月一日起就轉讓金融資產應用相關過渡條文及應用經修訂之會計政策。因此，本集團因部分出售及收回而於二零零五年一月一日前不再確認之不良資產219,238,000港元並無重列。

金融資產及金融負債的分類及計量

本集團已就香港會計準則第39號所界定之金融資產及金融負債範圍內，應用有關分類及計量的過渡條文。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

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

Financial instruments (Continued)

Debt and equity securities previously accounted for under benchmark treatment of SSAP 24

By 31 December 2004, the Group classified and measured its

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

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

Financial instruments (Continued)

Financial assets and financial liabilities other than debt and equity securities

From 1 January 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "other financial liabilities". Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition. The change in this accounting policy has had no material effect on results and financial position of the Group except for the interest in distressed assets as described below.

Interest in distressed assets

Prior to 1 January 2005, the Group measured the interest in distressed assets at cost less any subsequent identified impairment loss. The gain or loss arising on the disposal of all or part of the interest in distressed assets was determined as the difference between the sales proceeds and the allocated cost of the assets disposed of and is recognised in the income statement. The income from recoveries of the interest in distressed assets was determined as amount recovered from the individual debtors in excess of the allocated costs and were recognised in the income statement.

From 1 January 2005 onwards, interest in distressed assets which is reclassified as loans and receivables under HKAS 39, is stated at amortised cost using effective interest rate method less impairment allowance. The interest income from interest in distressed assets is accrued on a time basis by reference to the estimated future cashflows and at original effective interest rate. The original effective interest rate is the rate that exactly discounts the estimated future cash inflows arising from recoveries or collection, net of estimated future cash outflows arising from directly attributable costs such as management fee and incentive bonus through the expected life of the distressed assets, to the consideration paid. The impairment allowances are made on loans and receivables when there is objective evidence of impairment as a result of the occurrence of certain loss events that will impact on the estimated future cash flows discounting using the original effective interest rate.

2. 應用香港財務報告準則(續)

金融工具(續)

債務及股本證券以外之金融資產及金融負債

自二零零五年一月一日起,本集團根據香港會計準則第39號之規定將其債務及股本證券以外之金融資產及金融負債(過往不屬會計實務準則第24號之範圍)分類及計量。誠如上文所述,金融資產根據香港會計準則第39號分類為「於損益表按公平值處理的金融資產」、「可出售金融資產」、「貸款及應收款項」或「持有至到期日金融資產」。金融負債一般分類為「於損益表按公平值處理的金融負債」或「其他金融負債」。於損益表按公平值處理的金融負債按公平值計量,公平值變動直接於損益表確認。其他金融負債於初步確認後採用實際利率法按攤銷成本列賬。除下述不良資產權益外,此會計政策變動對本集團之業績及財務狀況並無重大影響。

不良資產權益

於二零零五年一月一日前,本集團按成本減任何其後已識別之減值虧損計量不良資產權益。出售全部或部分不良資產權益產生之盈虧乃按出售所得款項與所出售資產獲分配成本之差額釐定,並於收入報表內確認。回收不良資產權益的收入按個別應收債項回收之金額超出獲分配成本之差額釐定,並於收入報表內確認。

自二零零五年一月一日起,根據財務報告準則第39號規定重新分類為貸款及應收款項之不良資產權益採用實際利率法以攤銷成本扣減減值撥備列賬。不良資產權益利息收入經參照未償還本金及估計之未來現金流量及原實際利率以時間基準計算,原實際利率為透過不良資產之預計年期,準確貼現從回收或收集產生之估計未來現金流入並扣除管理費及獎金等直接應佔成本後產生之現金流出至等於已收代價之利率。倘有客觀證據證明因發生若干會對採用原實際利率貼現之估計未來現金流量構成影響之損失事件而出現減值,則會對貸款及應收款項作出減值撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

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

Financial instruments (Continued)

Interest in distressed assets (Continued)

This change has resulted in increase in interest in distressed assets of HK\$48,263,000 calculated by using effective interest rate method, deferred tax liability of HK\$14,479,000, and the accumulated profits of HK\$33,784,000 as at 1 January 2005 (see Note 3 for the financial impact).

Convertible note

The principal impact of HKAS 32 on the Group is in relation to convertible notes issued by the Company that contain both liability and equity components. Previously, convertible notes were classified as liabilities and recorded at the proceeds received on the balance sheet. HKAS 32 requires an issuer of a compound financial instrument that contains both financial liability and equity components to separate the compound financial instrument into the liability and equity components on initial recognition and to account for these components separately. In subsequent periods, the liability component is carried at amortised cost using the effective interest method. Because HKAS 32 requires retrospective application, comparative figures for 2004 have been restated. Comparative profit for 2004 has been restated in order to reflect the increase in effective interest on the liability component (see Note 3 for the financial impact).

2. 應用香港財務報告準則(續)

金融工具(續)

不良資產權益(續)

此變動導致採用實際利率法計算之不良資產權益收入增加48,263,000港元、遞延稅項負債14,479,000港元及於二零零五年一月一日之累積溢利33,784,000港元(其對財務狀況之影響見附註3)。

可換股票據

香港會計準則第32號對本集團的主要影響乃本公司所發行之可換股票據含有負債及股本兩部分。以往，可換股票據分類為負債，並按已收所得款項於資產負債表記錄。香港會計準則第32號規定複合金融工具(含有金融負債及股本兩部分)發行人須於初次確認時將該複合金融工具分拆開負債及股本兩部分並分開列賬處理該兩部分。在繼後期間，負債部分以實際利率法按攤銷成本列賬。由於香港會計準則第32號規定追溯應用，二零零四年的比較數字已經重列。本集團二零零四年之比較溢利已經重列，並反映可換股票據負債部分實際利息之增加(其對財務狀況之影響見附註3)。

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

Financial instruments (Continued)

Convertible note at fair value through profit or loss

Under HKAS 32, a convertible option should only be classified as equity instruments if the conversion option embedded in the convertible notes will be settled by exchange of a fixed amount of cash for a fixed number of the equity instruments. For other embedded options that will be settled other than by the exchange of a fixed amount of cash for a fixed number of the equity instruments, the embedded options would be classified as financial liability. In accordance with HKAS 39, such embedded options are treated as separate derivatives when their economic risks and characteristics are not closely related to those of the host contract (the liability component) and the host contract is not carried at fair value through profit or loss.

On 1 January 2005, the Group has elected to designate its convertible note denominated in US Dollar as financial liabilities at fair value through profit or loss upon application of HKAS 39. At each balance sheet date subsequent to initial recognition, the entire convertible note is measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. Previously, the convertible notes are classified as liabilities and recorded at the proceeds received on the balance sheet. In accordance with relevant provisions of HKAS 39, the carrying amount of the convertible note as at 1 January 2005 was increased by HK\$236,747,000 with a corresponding decrease in accumulated profits, being the fair value adjustment on 1 January 2005 (see Note 3 for the financial impact).

Transaction costs that are directly attributable to the issue of the convertible note designated as financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. 應用香港財務報告準則(續)

金融工具(續)

於損益表按公平值處理的可換股票據

根據香港會計準則第32號，倘可換股票據內含之兌換選擇權將會以固定金額交換固定數目之股本工具，則兌換期權僅應分類為股本工具。就其他將以固定金額交換固定數目之股本工具以外方式結算之內含選擇權而言，則內含選擇權將分類為金融負債。根據香港會計準則第39號，倘該等內含選擇權之經濟風險和特徵與主合約(負債部分)並非密切相連，而主合約並非於損益表按公平值處理，則將視作獨立衍生工具處理。

於二零零五年一月一日，本集團於應用香港會計準則第39號後選擇指定其以美元為單位之可換股票據為於損益表按公平值處理的金融負債。於初步確認後之各結算日，全部可換股票據均按公平值計量，公平值變動直接於產生期間之損益表內確認。以往，可換股票據分類為負債，並於資產負債表內按已收所得款項記錄。根據香港會計準則第39號之相關條文，於二零零五年一月一日之可換股票據賬面值已經增加236,747,000港元，並相應減少累積溢利，即於二零零五年一月一日作出之公平值調整(其對財務狀況之影響見附註3)。

就發行指定為於損益表按公平值處理的金融負債直接應佔之交易成本，乃即時於損益表內確認。

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

Owner-occupied leasehold interest in land

In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the revaluation model. In the current year, the Group has applied HKAS 17 Leases. Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment. The adoption of this standard has had no material effect on how the results for the current or prior accounting years are prepared and presented.

Investment properties

In the current year, the Group has, for the first time, applied HKAS 40 Investment Property. The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in profit or loss for the year in which they arise. In previous years, investment properties under the predecessor Standard were measured at open market values, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and a revaluation surplus subsequently

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截至二零零五年十二月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

Investment properties *(Continued)*

Deferred taxes related to investment properties

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綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described above on the results for the current and prior years are as follows:

3. 會計政策變動影響概要

上述會計政策變動對本年度及先
前年度業績之影響如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Turnover	營業額		
Increase in interest income from interest in distressed assets	不良資產權益 利息收入增加	130,912	—
Decrease in income from recoveries of interest in distressed assets	回收不良資產 權益的收入減少	(183,165)	—
Direct operating expenses	直接經營費用		
Decrease in management fee expenses for interest in distressed assets	不良資產權益 管理費減少	34,168	—
Other income	其他收入回撥		
Decrease in negative goodwill released to income statement	至收入報表之 負商譽減少	(3,711)	—
Other operating expenses	其他經營費用		
Non-amortisation of goodwill	不攤銷商譽	5,587	—
Increase in fair value of investment properties	投資物業之公平值增加		
Increase in fair value of investment properties recognised in income statement	於收入報表確認之 投資物業公平值 增加	148,687	—
Gain on convertible note at fair value through profit or loss	於損益表按公平值處理的 可換股票據之收益	199,756	—
Finance costs	財務費用		
Increase in effective interest expense on the liability component of convertible note	可換股票據負債 部分之實際利息 增加	(12,001)	(1,259)
Discount on acquisition of additional equity interest in a subsidiary	收購一間附屬公司額外股本 權益之折讓		
Recognition of discount on acquisition of additional equity interest in a subsidiary in income statement	於收入報表確認 收購一間附屬公司額外 股本權益之折讓	73,476	—
Share of results of associates	攤佔聯營公司業績		
Share of taxation attributable to associates	攤佔聯營公司應佔稅項	(4,745)	(257)
Taxation	稅項		
Increase in deferred tax on interest income of interest in distressed assets	不良資產權益利息 收入之遞延稅項增加	5,426	—
Increase in deferred tax relating to convertible note	可換股票據相關遞延 稅項增加	2,100	220
Share of taxation attributable to associates	攤佔聯營公司應佔稅項	4,745	257
Increase in deferred tax relating to investment properties	投資物業相關 遞延稅項增加	(45,698)	—
Increase (decrease) in profit for the year	年內溢利增加(減少)	355,537	(1,039)

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綜合財務報表附註

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截至二零零五年十二月三十一日止年度

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

The cumulative effects of the application of the new HKFRSs at 31 December 2004 and 1 January 2005 are summarised below:

3. 會計政策變動影響概要(續)

應用新香港財務報告準則對二零零四年十二月三十一日及二零零五年一月一日之累計影響概述如下：

		As at 31 December 2004 (originally stated) 於二零零四年 十二月 三十一日 (原本呈列) HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	As at 31 December 2004 (restated) 於二零零四年 十二月 三十一日 (經重列) HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	As at 1 January 2005 (restated) 於二零零五年 一月一日 (經重列) HK\$'000 千港元
Negative goodwill	負商譽	(59,376)	—	(59,376)	59,376	—
Convertible notes	可換股票據	(840,289)	23,165	(817,124)	(236,747)	(1,053,871)
Deferred tax liabilities	遞延稅項負債	(87,273)	(14,403)	(101,676)	(14,479)	(116,155)
Interest in distressed assets	不良資產權益	584,362	—	584,362	48,263	632,625
Investments in securities	證券投資	57,594	—	57,594	(57,594)	—
Available-for-sale investments	可出售投資	—	—	—	1,467	1,467
Held-for-trading investments	持作買賣投資	—	—	—	56,127	56,127
Total effects on assets and liabilities	對資產及負債之 影響總額	(344,982)	8,762	(336,220)	(143,587)	(479,807)
Accumulated profits	累積盈利	(1,076,978)	1,315	(1,075,663)	81,531	(994,132)
Convertible notes equity reserve	可換股票據 之股本儲備	—	(20,150)	(20,150)	—	(20,150)
Negative goodwill	負商譽	(12,233)	—	(12,233)	12,233	—
Investment properties revaluation reserve	投資物業重估 儲備	(49,823)	—	(49,823)	49,823	—
Minority interests	少數股東權益	—	(136,180)	(136,180)	—	(136,180)
Total effects on equity	對股本之影響總額	(1,139,034)	(155,015)	(1,294,049)	143,587	(1,150,462)
Minority interests	少數股東權益	(136,180)	136,180	—	—	—

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3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

The financial effects of the application of the new HKFRSs to the Group's equity as at 1 January 2004 are summarised below:

		As originally stated 原本呈列 HK\$'000 千港元	Adjustment 調整 HK\$'000 千港元	As restated 經重列 HK\$'000 千港元
Investment properties revaluation reserve	投資物業重估儲備	13,562	(10,073)	3,489
Total effects on equity	對股本之影響總額	13,562	(10,073)	3,489

The Group has not early applied the following new standards interpretations and amendments that have been issued but are not yet effective as at 31 December 2005. The directors of the Company anticipate that the application of these standards, interpretations and amendments will have no material impact on the financial statements of the Group except for HKAS 39 and HKFRS 4 (Amendments) Financial guarantee contracts which requires financial guarantee contracts within the scope of HKAS 39 to be initially measured at fair value. The Group has already commenced an assessment of the impact of these new standards but is not yet in a position to state the impact.

HKAS 1 (Amendment)	Capital disclosure ¹	香港會計準則 第1號(修訂本)	《資本披露》 ¹
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures ²	香港會計準則 第19號 (修訂本)	《精算盈虧、 集團計劃及 披露》 ²
HKAS 21 (Amendment)	Net investment in a foreign operation ²	香港會計準則 第21號 (修訂本)	《海外業務之 投資淨額》 ²
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions ²	香港會計準則 第39號 (修訂本)	《預測集團內部 交易之現金流 量對沖會計 法》 ²
HKAS 39 (Amendment)	The fair value option ²	香港會計準則 第39號 (修訂本)	《公平值選擇》 ²
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts ²	香港會計準則 第39號及香港 財務報告準則 第4號(修訂本)	《財務擔保合約》 ²
HKFRS 6	Exploration for and evaluation of mineral resources ²	香港財務報告 準則第6號	《開採及評估礦 物資源》 ²
HKFRS 7	Financial instruments: Disclosures ¹	香港財務報告 準則第7號	《金融工具： 披露》 ¹
HK(IFRIC) — INT 4	Determining whether an arrangement contains a lease ²	香港(IFRIC) — 詮釋第4號	《釐定一項安排 是否包含租賃》 ²

3. 會計政策變動影響概要(續)

應用新香港財務報告準則對二零零四年一月一日本集團股本之財務影響概述如下：

本集團並未提早採納以下已頒佈但尚未於二零零五年十二月三十一日生效之準則、詮釋及修訂本。本公司董事預期，應用該等準則、詮釋及修訂本將不會對本集團之財務報表構成重大影響，惟香港會計準則第39號及香港財務報告準則(修訂本)第4號《財務擔保合約》除外，有關準則規定屬香港會計準則39號範疇內之財務擔保合約初步按公平值計量。本集團已開始評估該等新準則之影響，惟尚未能達致可列出有關影響之地步。

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3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

HK(IFRIC) — INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ²
HK(IFRIC) — INT 6	Liabilities arising from participating in a specific market-waste electrical and electronic equipment ³
HK(IFRIC) — INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ⁴

- ¹ Effective for annual periods beginning on or after 1 January 2007.
- ² Effective for annual periods beginning on or after 1 January 2006.
- ³ Effective for annual periods beginning on or after 1 December 2005.
- ⁴ Effective for annual periods beginning on or after 1 March 2006.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention, except for properties and certain financial instruments which are measured at fair values. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

3. 會計政策變動影響概要(續)

香港(IFRIC) — 詮釋第5號	《清拆、復修及環境重建基金產生之權益中之權利》 ²
香港(IFRIC) — 詮釋第6號	《因參與特定市場 — 廢料、電力及電子設備產生之負債》 ³
香港(IFRIC) — 詮釋第7號	《應用香港會計準則第29號《嚴重通脹經濟之財務報告》之重列法》 ⁴

- ¹ 於二零零七年一月一日或之後開始之年度期間生效。
- ² 於二零零六年一月一日或之後開始之年度期間生效。
- ³ 於二零零五年十二月一日或之後開始之年度期間生效。
- ⁴ 於二零零六年三月一日或之後開始之年度期間生效。

4. 主要會計政策

財務報表是根據香港會計師公會頒佈之香港財務報告準則而編製。此外，本綜合財務報表包括聯交所證券上市規則及香港公司條例規定之適用披露。

本財務報表乃按照歷史成本慣例編製，惟物業及若干金融工具以公平值計量。所採納之主要會計政策如下：

綜合基準

本綜合財務報表載入本公司及其附屬公司之財務報表。

年內所收購或出售之附屬公司之業績，已分別由實際收購日期起或直至實際出售日期(如適用)止載入綜合收入報表內。

附屬公司之財務報表於有需要時作出調整，以使其會計政策與本集團其他成員公司所採納者一致。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

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

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisition after 1 January 2001, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Goodwill arising on acquisitions on or after 1 January 2005

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

4. 主要會計政策(續)

綜合基準(續)

所有本集團之內部交易、結餘、收入及支出於進行綜合賬目時消除。

少數股東權益應佔之綜合附屬公司資產淨值於賬目內與本集團之股本分開呈列。少數股東權益所佔資產淨值包括原來業務合併日期之該等權益金額，以及自合併日期起少數股東應佔之股本變動。少數股東應佔虧損超出少數股東應佔附屬公司股本之金額與本集團權益對銷，惟於少數股東具有約束力責任及其有能力作出額外投資以彌補該等虧損者除外。

商譽

二零零五年一月一日前因收購所產生之商譽

因收購附屬公司(其協議日期為二零零五年一月一日前)所產生之商譽乃指收購成本高於本集團應佔有關附屬公司於收購當日之可識別資產及負債之公平值之差額。

就於二零零一年一月一日後因收購所產生早前已資本化之商譽而言，本集團已自二零零五年一月一日開始終止攤銷，而該商譽將每年及每當有跡象顯示該商譽有關之現金產生單位可能出現減值時進行減值檢測(見下文之會計政策)。

二零零五年一月一日或之後因收購所產生之商譽

因收購附屬公司(其協議日期為二零零五年一月一日或之後)所產生之商譽乃指收購成本高於本集團應佔有關附屬公司於收購當日之可識別資產、負債及或然負債之公平值之差額。該商譽以成本扣減任何累積減值虧損列賬。因收購附屬公司所產生之資本化商譽於資產負債表分開呈列。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill arising on acquisitions on or after 1 January 2005 (Continued)

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

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

Excess of an acquirer's interest in the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over cost ("discount on acquisitions")

A discount on acquisition arising on an acquisition of a subsidiary or acquisition of additional interest in a subsidiary for which an agreement date is on or after 1 January 2005 represents the excess of the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination or consideration. Discount on acquisition is recognised immediately in profit or loss.

As explained in Note 3 above, all negative goodwill as at 1 January 2005 has been derecognised with a corresponding adjustment to the Group's accumulated profits.

4. 主要會計政策(續)

二零零五年一月一日或之後因收購所產生之商譽(續)

就減值檢測而言，因收購所產生之商譽分配至各有關現金產生單位，或現金產生單位之組別，預期彼等將從收購之協同效應中受惠。已獲分配商譽之現金產生單位每年及每當有跡象顯示單位可能出現減值時進行減值檢測。就於某一財政年度因收購所產生之商譽而言，已獲分配商譽之現金產生單位於該財政年度完結前進行減值檢測。當現金產生單位之可收回金額低於該單位之賬面值，則會分配減值虧損，以削減首先分配至該單位，及其後以單位各資產之賬面值為基準按比例分配至該單位之其他資產之任何商譽之賬面值。商譽之任何減值虧損乃直接於收入報表內確認。商譽之減值虧損於繼後期間不予撥回。

於其後出售附屬公司時，資本化之商譽之應佔金額會用以釐定出售損益之金額。

收購公司應佔所收購公司之可識別資產、負債及或然負債之公平值淨額高於成本之差額(「收購折讓」)

因收購附屬公司或收購附屬公司之額外權益(其協議日期為二零零五年一月一日或以後)所產生之收購折讓乃指所收購公司之可識別資產、負債及或然負債之公平值淨額高於業務合併成本或代價之差額。收購折讓即時確認為溢利或虧損。

誠如上文附註3所闡釋，本集團已於二零零五年一月一日不再確認所有負商譽，並相應調整累積溢利。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year in which the item is derecognised.

Property, plant and equipment

Property, plant and equipment are stated at cost or fair value less accumulated depreciation and identified impairment loss.

4. 主要會計政策(續)

聯營公司投資

聯營公司之業績、資產及負債乃採用權益會計法載入該等財務報表。根據權益法，聯營公司投資乃以成本就本集團於收購後應佔溢利或虧損變動以及聯營公司股本變動作出調整，並扣減任何已識別減值虧損，在綜合資產負債表中列賬。倘本集團應佔聯營公司虧損相等於或高於其於該聯營公司之權益(包括任何實際屬於本集團對聯營公司淨投資之長期權益)，本集團將不再確認其額外應佔虧損。本集團只會在本身產生法律或推定責任或代表該聯營公司付款時，方會就額外應佔虧損計提撥備並確認負債。

集團實體與本集團之聯營公司進行交易時，損益僅在本集團應佔相關聯營公司之權益範圍內對銷。

投資物業

於初步確認時，投資物業乃按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業乃按公平值模式計量。投資物業公平值變動產生之收益或虧損於產生期間計入損益表。

投資物業乃於出售時或投資物業永久不再使用或預期不會因出售該物業而產生未來經濟利益時不再確認。不再確認資產所產生之任何收益或虧損(按資產之出售所得款項淨額與其賬面值之差額計算)於不再確認項目之年度計入收入報表。

物業、廠房及設備

物業、廠房及設備按成本或公平值減累積折舊及已識別減值虧損入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated in the balance sheet at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated impairment losses and subsequent accumulated depreciation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any surplus arising on revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation deficit of the same asset previously recognised as an expense, in which case this surplus is credited to the income statement to the extent of the deficit previously charged. A decrease in net carrying amount arising on revaluation of an asset is charged to the income statement to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

Depreciation is provided to write off the cost or fair value of property, plant and equipment over their estimated useful lives, using the straight line method on the following basis:

Leasehold land and buildings	Over the unexpired lease term
Leasehold improvements	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Motor vehicles	6 — 10 years

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

Non-current assets held for sales

Non-current assets and 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) is available for immediate sale in its present condition.

Non-current assets and 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.

4. 主要會計政策(續)

物業、廠房及設備

持作生產或提供貨品或服務用途，或作行政用途之土地及樓宇乃按其重估金額於資產負債表列賬，重估金額乃指於重估日期之公平值減任何其後之累積減值虧損及其後之累積折舊。重估乃按照足夠符合規定之方式進行，令賬面值不會與於結算日使用公平值釐定之價值有重大差別。

重估土地及樓宇所產生之任何盈餘均計入資產重估儲備，但若該同一資產先前保留一項重估減值而被確認為一項支出，則在此情況下此盈餘中相當於先前被扣除之虧損會列入收入報表內。因重估資產而產生之賬面值淨額之減少超逾以往重估該資產有關之資產重估儲備結餘(如有)，則須於收入報表內扣減。其後出售或報廢重估資產時，應佔重估盈餘將撥為累積溢利。

折舊乃採用直線法按照根據其估計可使用年期提撥，以撇銷物業、廠房及設備之成本或公平值，基準如下：

租賃土地及樓宇	按剩餘租約年期
租賃物業裝修	3年
傢俬及裝修	10年
辦公室設備	5年
汽車	6-10年

物業、廠房及設備項目於出售時或當預期持續使用資產不會產生未來經濟利益時不再確認。任何不再確認資產所產生之損益(以出售所得款項淨額與項目賬面值之差額計算)於不再確認項目年度計入收入報表。

持作銷售非流動資產

倘非流動資產及出售組合之賬面值主要通過銷售交易而非通過持續使用收回，則該項非流動資產及出售組合將列作持作銷售。僅於銷售機會相當及資產(或出售組合)可於現況下可即時出售時，方被視為符合本條件。

列作持作銷售非流動資產及出售組合按資產(出售組合)過往賬面值與公平值扣減銷售成本之較低者計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stock of properties

Stock of properties represents properties under development for sale and properties held for sale.

The carrying value of properties under development comprises the interest in leasehold land together with development expenditure, which includes construction costs, capitalised interest and ancillary borrowing costs, less foreseeable losses. The stock of properties are stated at the lower of cost and net realisable value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Revenue recognition

The interest income from interest in distressed assets is accrued on a time basis by reference to the estimated future cashflows and at effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash inflows arising from recoveries or collection, net of the estimated future cash outflows arising from directly attributable costs such as management fee and incentive bonus through the expected life of the distressed assets, to the assets' net carrying amounts.

In prior period, the income from recoveries of interest in distressed assets was recognised in the income statement, on individual distressed asset basis, which was determined as amount recovered from the individual debtors in excess of the allocated costs. The gain or loss arising on the disposal of all or part of the interest in distressed assets was determined as the difference between the sales proceeds and allocated the cost of the assets disposed of and is recognised in the income statement.

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

Income from the trading of securities is recognised on a trade date basis.

Commission income and compensation income are recognised when services are provided.

Performance return is recognised when the right to receive the performance return have been established.

Property management fee income is recognised when management service is rendered.

4. 主要會計政策(續)

物業存貨

物業存貨指在建物業及持作銷售物業。

在建物業之賬面值包括租賃土地權益及發展開支(包括建築成本、

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Rental income under operating leases is recognised on a straight line basis over the term of the leases.

Dividends from investments are recognised when the rights to receive the dividend payment have been established.

When a development property is sold in advance of completion, income is recognized only when the property is completed and has passed the inspection process. Deposits received from the purchasers prior to this stage are recorded as customers' deposits and included in current liabilities.

Income from properties developed for sales, which have not been pre-sold prior to completion of development is recognised on the execution of legally binding, unconditional and irrevocable sales contracts.

Financial instruments

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

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

4. 主要會計政策(續)

收益之確認(續)

營運租約之租金收入於租約期限內以直線基準確認。

投資所得股息於收取股息款項之權利獲確立時確認。

倘在建物業於落成前售出，則僅於物業落成並已通過檢測程序，方會確認收入。在此階段前已收買方之按金乃記錄為客戶按金，並計入流動負債。

銷售發展物業之收入倘並無於發展完成前預售，乃於簽立具法律約束力、無條件及不可撤回合同時確認。

金融工具

金融資產及金融負債於集團實體成為該工具合約條文之訂約方後，於資產負債表中確認。金融資產及金融負債初步按公平值計量。因收購或發行金融資產及金融負債(於損益表按公平值處理的金融資產及金融負債除外)而直接產生之交易費用於初次確認時加入金融資產及金融負債(如適用)之公平值或自金融資產及金融負債(如適用)之公平值扣除。因收購於損益表按公平值處理的金融資產或金融負債而直接產生之交易費用即時於損益表確認。

金融資產

本集團之金融資產分類為下列三個類別其中一個：包括於損益表按公平值處理的金融資產、貸款及應收款項及可出售金融資產。所有金融資產之日常買賣於交易日確認及不再確認。日常買賣指須根據市場規則或慣例訂立之期限內付運資產之金融資產買賣。所採納與各類金融資產有關之會計政策載於下文。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Loans and receivables

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

Loans and receivables — Interest in distressed assets

Prior to 1 January 2005, the interest in distressed assets was stated at cost less any subsequent identified impairment loss. The impairment loss was made when the recoverable amount of the interest in distressed assets was estimated to be less than its carry amount, and is measured as the difference between the carrying amount and the recoverable amount of the interest in the distressed assets on an individual basis.

From 1 January 2005 onwards, interest in distressed assets which is reclassified as loans and receivables under HKAS 39 is stated at amortised cost using effective interest rate method less impairment allowance. The impairment allowances are made on the interest in distressed assets when there is objective evidence of impairment as a result of the occurrence of certain loss events that will impact on the estimated future cash flows, and are measured as the difference between the carrying amount of the distressed assets and the present value of the estimated future cash flows discounted at the original effective interest rate. Where the actual future net cash inflows are more than expected, the revised cashflow will be discounted using the effective interest rate. The difference between the carrying amounts will be adjusted to reflect the revised estimated cash flows discounted using the original effective rate. The adjustment is recognized in the income statement.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

於損益表按公平值處理的金融資產

於損益表按公平值處理的金融資產有兩個次分類，包括持作買賣金融資產及於初步確認時指定為於損益表按公平值處理的金融資產。於初步確認後每一結算日，於損益表按公平值處理的金融資產以公平值計量，公平值變動直接確認於產生期間之損益。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生金融資產，而其並無在活躍市場報價。於初步確認後每一結算日，貸款及應收款項(包括不良資產權益、應收賬款、按金及其他應收款項、應收聯營公司款及銀行監管賬戶結餘及銀行存款)採用實際利率法以攤銷成本扣減任何已識別減值虧損列賬。倘有客觀證據證明資產出現減值，則減值虧損會於損益表確認，並按資產賬面值與按原定實際利率貼現之估計未來現金流量之現值兩者之差額計量。倘資產可收回金額之增幅客觀地與確認減值後所發生之事件有關，則減值虧損會於繼後期間撥回，惟減值撥回當日之資產賬面值不得高於如無確認減值時之原來應攤銷成本。

貸款及應收款項 — 不良資產權益

於二零零五年一月一日前，不良資產權益以成本減任何其後已識別減值虧損列賬。當估計不良資產權益之回收金額低於其賬面值時，則仍計提減值虧損，並按個別不良資產權益之賬面值與可收回金額之差異計量。

自二零零五年一月一日起，不良資產權益按香港會計準則第39號重新分類為貸款及應收款項，並採用實際利率法以攤銷成本減減值撥備列賬。倘有客觀證據顯示因發生若干虧損事件而將影響估計未來現金流量時，則對不良資產權益計提減值撥備，並按不良資產之賬面值與採用原實際利率貼現估計未來現金流量之現值之差額計量。倘實際未來現金流入淨額超出預期，則經修訂之現金流量將採用實際利率貼現。賬面值間之差額將予以調整，以反映以採用原實際利率貼現之估計經修訂現金流量。調整於收入報表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables — Interest in distressed assets (Continued)

Where the actual future net cash inflows are more than expected, the revised cashflow will be discounted using the effective interest rate. The difference between the carrying amounts will be adjusted to reflect the revised estimated cash flows discounted using the original effective rate. The adjustment is recognized in the income statement.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories under HKAS 39. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short term deposits with an original maturity of not more than three months, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank balances and short term deposits are subsequently measured at amortized cost using the effective interest rate method.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項 — 不良資產權益(續)

倘實際未來現金流入淨額超出預期，則經修訂之現金流量將採用實際利率貼現。賬面值間之差額將予以調整，以反映以採用原實際利率貼現之估計經修訂現金流量。調整於收入報表確認。

可出售金融資產

可出售金融資產為非衍生工具，被指定為此類別或並無分類為根據香港會計準則第39號之任何其他類別(載於上文)。於初步確認後每一結算日，可出售金融資產以公平值計量。公平值變動於股本確認，直至該項金融資產出售或釐定出現減值為止，屆時，先前於股本確認之累計盈虧將自股本剔除，並於損益確認。可出售金融資產之任何減值虧損均於損益確認。可出售股本投資之減值虧損將不會於繼後期間撥回。就可出售債務投資而言，倘投資公平值之增幅客觀地與確認減值虧損後所發生之事件有關，減值虧損其後方會撥回。

就沒有活躍市場報價及其公平值不能可靠地計量之可出售股本投資，及與該等無報價股本投資掛澗並須以交付該等股本投資結算之衍生工具而言，乃於初步確認後每一結算日按成本扣除任何已識別減值虧損計量。倘有客觀證據證明資產出現減值，則減值虧損會於損益表確認。減值虧損金額乃按資產賬面值與按類似金融資產之現行市場回報率貼現之估計未來現金流量之現值兩者之差額計量。減值虧損於繼後期間不予撥回。

現金及現金等值

現金及現金等值包括手頭現金、原到期日為不多於三個月之短期存款及其他可兌換為已知數額現金且價值變動風險不大之短期高流動性投資。銀行結餘及短期存款其後採用實際利率法以攤銷成本計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Other financial liabilities

Other financial liabilities including trade payables, deposits, other payables, accruals for management fee to holding company of a shareholder, amounts due to associates and bank borrowings are subsequently measured at amortised cost, using the effective interest rate method.

The transaction costs that are directly attributable to borrowings are included in the carrying amount on the initial recognition. The difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized using effective interest rate method.

Equity instruments

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

4. 主要會計政策(續)

金融工具(續)

金融負債及股本

由集團實體發行之金融負債及股本工具根據所訂立合約安排之內容，以及金融負債及股本工具之定義分類。

股本工具乃證明本集團於扣減其所有負債後之資產剩餘權益之任何合約。本集團之金融負債一般分類為於損益表按公平值處理的金融負債及其他金融負債。所採納與金融負債及股本工具有關之會計政策載於下文。

於損益表按公平值處理的金融負債

於損益表按公平值處理的金融負債有兩個次分類，包括持作買賣金融負債及於初步確認時指定為於損益表按公平值處理的金融負債。於初步確認後每一結算日，於損益表按公平值處理的金融負債以公平值計量，公平值變動直接確認於產生期間之損益。

其他金融負債

其他金融負債(包括應付賬款、按金、其他付款、應付一名股東之控股公司應計管理費、應付聯營公司款及銀行借貸)其後採用實際利率法以攤銷成本計量。

借貸直接應佔之交易成本於初步確認時計入賬面值。所得款項(扣除交易成本)與清償或贖回借貸之差異採用實際利率法確認。

股本工具

由本公司發行之股本工具乃按已收取所得款項減直接發行費用記錄。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Convertible note

Convertible notes issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the embedded call option for the holder to convert the notes into equity, is included in equity (convertible notes equity reserve).

In subsequent periods, the liability component of the convertible note is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible notes equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes equity reserve will be released to the retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible note using the effective interest method.

Convertible note at fair value through profit or loss

Convertible notes that will or may not be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments are accounted as financial liabilities with embedded derivatives. Derivatives embedded in a financial instrument are treated as separate derivatives when their economic risks and characteristics are not closely related to those of the host contract (the liability component) and the host contract is not carried at fair value through profit or loss.

4. 主要會計政策(續)

金融工具(續)

金融負債及股本(續)

可換股票據

由本公司發行含有金融負債及股本兩部分之可換股票據分別於初步確認時分類為有關金融負債及股本部分。於初步確認時，負債部分之公平值乃採用類似非可換股債務之現行市場利率釐定。發行可換股票據所得款項與負債部分獲分配公平值兩者之差額計入股本(可換股票據股本儲備)，代表即隱含認購期權讓持有人兌換股票據為股本。

於繼後期間，可換股票據之負債部分乃採用實際利率法以攤銷成本計量。負債部分兌換為本公司普通股期權之股本部分將會保留於可換股票據股本儲備，直至隱含期權獲行使為止，在該情況下，可換股票據股本儲備之結餘將會轉撥至股份溢價。倘期權於到期日尚未行使，則可換股票據股本儲備所述之結餘將會撥往保留盈利。於期權獲兌換或到期時，概不會於損益表確認任何盈虧。

與發行可換股貸款票據有關之交易費用乃按所得款項之分配分配予負債及股本部分。與股本部分有關之交易費用直接自股本扣除。與負債部分有關之交易費用計入負債部分之賬面值，並採用實際利率法在可換股票據年內攤銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity (Continued)

Convertible note at fair value through profit or loss (Continued)

The convertible note with embedded derivatives as a whole is designated as financial liabilities at fair value through profit or loss. At each balance sheet date subsequent to initial recognition, the entire convertible note is measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Transaction costs that are directly attributable to the issued of the convertible notes designated as financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expenses immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

4. 主要會計政策(續)

金融負債及股本(續)

於損益表按公平值處理的可換股票據(續)

內含衍生工具之可換股票據整體指定為於損益表按公平值處理的金融負債。於初步確認後之各結算日，全部可換股票據均按公平值計量，公平值變動直接於產生期間之損益表內確認。

發行可換股票據直接應佔之交易成本指定為於損益表按公平值處理的金融負債，乃即時於損益表內確認。

借貸費用

購入、建造或製造合資格資產而產生的直接借貸費用，被資本化為該等資產的部分成本。當資產大致可依既定用途使用或出售

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net 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 income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable 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 can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of 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 investment in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit 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. 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.

4. 主要會計政策(續)

稅項

所得稅指即期應付稅項與遞延稅項的總和。

即期應付稅項按年內應課稅溢利計算。應課稅溢利不包括其他年度的應課稅或可扣減收支項目，亦不包括不應課稅或不可扣減收入報表項目，因而與收入報表所呈報的溢利淨額有所不同。本集團之即期稅項負債乃按於結算日已頒佈或實質頒佈之稅率計算。

遞延稅項乃就財務報表內資產負債賬面值與計算應課稅溢利時採用的相應稅基兩者間的差異預期應付或可收回的稅項，此為採用資產負債表負債法確認入賬。遞延稅項負債一般就所有應課稅暫時差異確認入賬，遞延稅項資產則於可能有應課稅溢利可用於對銷應扣減暫時差異時確認入賬。如暫時差異乃因在一項不會對應課稅溢利及會計溢利造成影響的交易中初步確認(業務合併除外)資產及負債而產生，此類資產及負債將不會確認入賬。

遞延稅項負債乃就附屬公司投資所產生的應課稅暫時差異確認入賬，惟倘本集團能夠控制暫時差異的轉回及暫時差異於可見將來可能不會轉回則除外。

遞延稅項資產的賬面值於各結算日均會進行檢討，如不再可能有足夠應課稅溢利可用於抵免全部或部分相關資產，則會予以撇減。

遞延稅項乃按預期將於負債獲償付或資產獲變現期間適用的稅率計算。遞延稅項均計入收入報表或自收入報表內扣除，惟倘遞延稅項與直接計入股本或自股本中扣除的項目有關，則亦將在股本中處理。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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

Leasing

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

The Group as lessor

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

4. 主要會計政策(續)

外幣

於編製各個別集團實體之財務報表時，該實體以功能貨幣以外貨幣(外幣)進行之交易，按交易當日適用之匯率以其功能貨幣(即該實體經營業務所在主要經濟環境之貨幣)記錄。於每一結算日，以外幣為單位之貨幣項目按結算日適用之匯率再次換算。按公平值列賬而以外幣為單位之非貨幣項目按釐定公平值當日適用之匯率再次換算。按歷史成本以外幣計量之非貨幣項目則不會再次換算。

因貨幣項目結算及於換算貨幣項目時產生之匯兌差額於確認於產生期間之損益內。因再次換算按公平值列賬之非貨幣項目所產生之匯兌差額計入期內損益，惟因再次換算其盈虧直接於股本確認之非貨幣項目所產生之匯兌差額除外，在該情況下，匯兌差額亦直接於股本確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按結算日適用之匯率換算為本集團之呈列貨幣(即港元)，而其收支則按年內平均匯率換算，除非期內匯率波幅巨大，則在此情況下，會採用交易當日之適用匯率換算。所產生之匯兌差額(如有)乃確認為股本之獨立部分(匯兌儲備)。該等匯兌差額於出售海外業務之期間之損益確認。

租賃

凡租賃條款將絕大部分擁有權之風險及回報轉移予承租人之租賃，均分類為融資租賃。所有其他租賃均分類為營運租賃。

本集團作為出租人

營運租賃之租金收入乃於有關租約年期內按直線基準於收入報表內確認。磋商及安排營運租賃時產生之初步直接費用計入租賃資產之賬面值，並於租約年期內按直線基準確認為支出。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group as lessee

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

Retirement benefit costs

Payments to the state-managed retirement benefit schemes for staff in the People's Republic of China, excluding Hong Kong and Macau (the "PRC") and to the Mandatory Provident Fund Scheme for staff in Hong Kong are charged as expense as they fall due.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. As at 31 December 2005, the carrying amount of goodwill is approximately HK\$33,525,000. Details of the recoverable amount calculated are disclosed in note 21.

Impairment allowances of loans and receivables

The policy for impairment of loans and receivables of the Group is based on the evaluation of expected future cash flows on management's judgment. A considerable amount of judgment is required in estimating the expected future cash flows. If the future estimated cash flows are less than expected, additional allowances may be required.

4. 主要會計政策(續)

本集團作為承租人

根據營運租賃應繳付之租金乃於有關租約年內按直線基準賬記損益表支出。已收及應收作為訂立營運租賃之獎勵之利益於租約年內按直線基準確認為租賃支出減少。

退休福利成本

為中華人民共和國，不包括香港及澳門(「中國」)員工之國家管理退休福利計劃及香港員工之強制性公積金計劃作出之供款，乃於到期時以支出入賬。

5. 重要會計判斷及主要不確定估計來源

估計商譽減值

釐定商譽是否出現減值時須估計商譽所獲分配之現金產生單位使用價值。本集團計算使用價值時需就預期源自該現金產生單位之未來現金流量及合適之貼現率作出估計，以計算現值。於二零零五年十二月三十一日，商譽之賬面值約為33,525,000港元。可收回金額之計算詳情於附註21披露。

貸款及應收款項減值撥備

本集團之貸款及應收款項減值政策乃根據評估預期未來現金流量之管理層判斷而制定。於評估預期未來現金流量時，需要作大量判斷。倘估計未來現金流量低於預期，則可能需作出額外撥備。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include available-for-sale investments, interest in distressed assets, loans receivables, held-for-trading investments, trade receivables, deposits and other receivables, amounts due from associates, restricted bank balance, pledged bank deposit, bank balances and cash, assets classified as held for sale, trade payables, rental deposits and other payables, amount due to associates, accruals for management fee to holding company of a shareholder, borrowings, convertible note and convertible note at fair value through profit or loss. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the directors continuously monitor the level of exposure to ensure that follow-up action and/or corrective actions are taken promptly to lower exposure or even to recover overdue debts. In addition, the Group reviews the recoverable amount of each significant individual loan and interest in distressed asset at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because majority of the counter parties are banks with high credit ratings assigned by international credit-rating agencies and state owned banks with good reputation. The Group has no significant concentration of credit risk, with exposure spread over a large number of counter parties and customers.

6. 財務風險管理目的及政策

本集團之主要金融工具包括可出售投資、不良資產權益、應收貸款、持作買賣投資、應收賬款、按金及其他應收款、應收聯營公司款、銀行監管賬戶結餘、抵押銀行存款、銀行結餘及現金、列作持作出售之資產、應付賬款、租務按金及其他應付款、應付聯營公司款、應付一名股東之控股公司應計管理費、借貸、可換股票據及於損益表按公平值處理的可換股票據。該等金融工具之詳情於相關附註中披露。與該等金融工具相關之風險及如何減低該等風險之政策載於下文。管理層會管理及監察該等風險，以確保及時與有效地採取適當措施。

信貸風險

於二零零五年十二月三十一日，本集團就交易對手未能履行其責任而按各類已確認金融資產面對之最高信貸風險，為綜合資產負債表所述該等資產之賬面值。為盡量減低信貸風險，董事持續監察風險水平，確保能即時採取跟進行動及/或更正行動，以減低風險，或甚至收回逾期債項。此外，本集團會於每一結算日檢討各重大個別貸款及不良資產權益之可收回金額，以確保就不可收回金額計提足夠減值虧損。就此而言，本公司董事認為，本集團之信貸風險已大幅減少。

在流動資金方面之信貸風險有限，原因是交易對手大部分為獲國際評級機構指定為高信貸評級之銀行及信譽良好之國有銀行。由於多個交易對手及客戶分散風險，故本集團並無重大信貸風險集中情況。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group has exposed to both fair value interest rate risk and cash flows interest rate risk through the impact of the rate changes on fixed interest rate bank borrowings and floating interest rate bank borrowings respectively.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider repaying bank borrowings when significant interest rate exposure is anticipated.

Price risk

The Group's available-for-sale investments and investments held for trading are measured at fair value, except for those unlisted equity investments of which fair values cannot be measured reliable, at the balance sheet date. Therefore, the Group is exposed to equity and debt security price risk. The management manages the exposure by maintaining a portfolio of investments with different risk profiles.

Currency risk

Certain borrowings of the Group are denominated in US Dollar. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

7. TURNOVER AND SEGMENT INFORMATION

6. 財務風險管理目的及政策

利率風險

由於銀行借貸固定利率及銀行借貸浮動利率之利率變動影響，本集團分別須面對公平值利率風險及現金流量利率風險。

本集團目前並無現金流量對沖風險。然而，管理層會監察利率風險，並將考慮在面對重大利率風險時償還銀行借貸。

價格風險

本集團之可出售投資及持作買賣投資於結算日以公平值計量，惟該等無法可靠計量公平值之非上市股本投資則除外。因此，本集團承受股本及債務證券價格風險。管理層透過維持具備不同風險情況之投資組合處理風險。

貨幣風險

本集團之若干借貸以美元為單位。本集團目前並無外匯對沖政策。然而，管理層會監察外匯風險，並將考慮在需要時對沖重大外匯風險。

7. 營業額及分類資料

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Turnover is analysed as follows:	營業額分析如下：		
Proceeds from held-for-trading investments/trading of securities	持作買賣投資 / 買賣證券所得款項	152,699	125,670
Interest income from interest in distressed assets	不良資產權益利息收入	130,912	—
Income from recoveries of interest in distressed assets	回收不良資產權益的收入	—	126,851
Commission income and performance return of dealing in distressed assets	處置不良資產佣金及超收分成收入	100,000	119,761
Property management fee income	物業管理費收入	89,037	82,149
Rental income	租金收入	76,346	75,004
Dividend income from listed securities	上市證券股息收入	1,889	3,539
Sales of properties	物業銷售	895	152,249
		551,778	685,223

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7. TURNOVER AND SEGMENT INFORMATION (Continued)

(A) Business segments

The Group is organised into five operating divisions: distressed assets business, investments, sales of properties, property leasing and property management. These operating divisions are the basis on which the Group reports its primary segment information.

(i) An analysis of the Group's turnover and results by business segments is as follows:

	Distressed assets business 不良資產業務 HK\$'000 千港元	Investments 投資 HK\$'000 千港元	Sales of properties 物業銷售 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元	
Year ended 31 December 2005	截至二零零五年十二月三十一日止年度						
Turnover	營業額	230,912	154,588	895	76,346	89,037	551,778
Result	業績						
Segment result	分部業績	231,569	67,685	(6,022)	63,506	(315)	356,423
Interest income	利息收入						53,395
Surplus on revaluation of leasehold properties	租賃物業之重估盈餘						8,949
Increase in fair value of investment properties	投資物業之公平值增加				148,687		148,687
Gain on convertible note at fair value through profit or loss	於損益表按公平值處理的可換股票據之收益						199,756
Unallocated corporate expenses	未予分配公司費用						(44,637)
Finance costs	財務費用						(59,841)
Share of results of associates	攤佔聯營公司業績						82,237
Discount on acquisition of additional equity interest in a subsidiary	收購一間附屬公司額外股本權益之折讓						73,476
Profit before taxation	除稅前溢利						818,445
Taxation	稅項						(89,279)
Profit for the year	年內溢利						729,166
Year ended 31 December 2004 (restated)	截至二零零四年十二月三十一日止年度(經重列)						
Turnover	營業額	246,612	129,209	152,249	75,004	82,149	685,223
Result	業績						
Segment result	分部業績	228,056	(6,209)	22,871	59,331	2,313	306,362
Interest income	利息收入						11,948
Surplus on revaluation of leasehold properties	租賃物業之重估盈餘						13,675
Unallocated corporate expenses	未予分配公司費用						(38,269)
Finance costs	財務費用						(32,246)
Share of results of associates	攤佔聯營公司業績						88,996
Gain on partial disposal of interest in distressed assets	出售部分不良資產權益產生之收益	53,777					53,777
Gain on disposal of a subsidiary	出售一間附屬公司產生之收益						46,696
Gain on disposal of an associate	出售一間聯營公司產生之收益						182
Profit before taxation	除稅前溢利						451,121
Taxation	稅項						(34,837)
Profit for the year	年內溢利						416,284

7. 營業額及分類資料(續)

(A) 業務分類

本集團由五個營運部門組成：不良資產業務、投資、物業銷售、物業租賃及物業管理。此等營運部門是本集團呈報其基本分類資料之基礎。

(i) 本集團營業額按業務分類的分析如下：

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7. TURNOVER AND SEGMENT INFORMATION (Continued)

(A) Business segments (Continued)

(ii) Other information

	Distressed assets business 不良資產業務 HK\$'000 千港元	Investments 投資 HK\$'000 千港元	Sales of properties 物業銷售 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	Corporate 企業 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Year ended 31 December 2005	截至二零零五年十二月三十一日止年度						
Capital additions	資本添置						
— property, plant and equipment	— 物業、廠房及設備						
	—	—	264	2,230	1,982	1,246	5,722
Depreciation	折舊						
	—	—	199	2,865	1,633	2,462	7,159
Gain on disposal of investment properties	出售投資物業產生之收益						
	—	—	—	—	—	209	209
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生之虧損						
	—	—	—	98	2	—	100
Year ended 31 December 2004 (restated)	截至二零零四年十二月三十一日止年度(經重列)						
Capital additions	資本添置						
— property, plant and equipment	— 物業、廠房及設備						
	—	—	892	3,571	1,100	132	5,695
Depreciation	折舊						
	—	—	328	1,828	1,287	2,225	5,668
Amortisation of goodwill	商譽攤銷						
	—	—	—	—	5,587	—	5,587
Release of negative goodwill	負商譽回撥						
	—	—	—	3,711	—	—	3,711
Unrealised holding loss on other investments	其他投資未變現持有虧損						
	—	1,545	—	—	—	—	1,545
Gain on disposal of investment properties	出售投資物業產生之收益						
	—	—	—	3,785	—	—	3,785
Gain on disposal of property, plant and equipment	出售物業、廠房及設備產生之收益						
	—	—	—	—	—	629	629

7. 營業額及分類資料(續)

(A) 業務分類(續)

(ii) 其他資料

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7. TURNOVER AND SEGMENT INFORMATION (Continued)

(A) Business segments (Continued)

(iii) An analysis of the Group's consolidated balance sheet by principal activities is as follows:

	Distressed assets business 不良資產業務 HK\$'000 千港元	Investments 投資 HK\$'000 千港元	Sales of properties 物業銷售 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
As at 31 December 2005	於二零零五年十二月三十一日					
Assets	資產					
Segment assets	1,349,033	388,111	335,435	2,268,637	13,947	4,355,163
Goodwill	—	—	—	—	33,525	33,525
Interests in associates						1,304,277
Amounts due from associates						206,478
Deferred tax assets						1,336
Unallocated corporate assets						547,599
Consolidated total assets						6,448,378
Liabilities	負債					
Segment liabilities	—	(26,757)	(178,694)	(113,400)	(68,070)	(386,921)
Amounts due to associates						(377,146)
Accruals for management fee to holding company of a shareholder						(65,881)
Taxation payable						(5,084)
Deferred tax liabilities						(187,979)
Unallocated corporate liabilities						(1,526,676)
Consolidated total liabilities						(2,549,687)
As at 31 December 2004 (restated)	於二零零四年十二月三十一日					
Assets	資產					
Segment assets	769,731	60,000	161,711	2,132,312	20,853	3,144,607
Goodwill	—	—	—	—	33,525	33,525
Negative goodwill	—	—	—	(59,376)	—	(59,376)
Interests in associates						1,236,401
Amounts due from associates						20,200
Deferred tax assets						18,500
Unallocated corporate assets						1,477,676
Consolidated total assets						5,871,533
Liabilities	負債					
Segment liabilities	—	(22,445)	(34,033)	(142,530)	(63,879)	(262,887)
Amounts due to associates						(457,639)
Accruals for management fee to holding company of a shareholder						(18,537)
Taxation payable						(4,960)
Deferred tax liabilities						(101,676)
Unallocated corporate liabilities						(1,405,932)
Consolidated total liabilities						(2,251,631)

7. 營業額及分類資料(續)

(A) 業務分類(續)

(iii) 本集團綜合資產負債表按照主要經營活動劃分的分析如下：

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7. TURNOVER AND SEGMENT INFORMATION (Continued)

(B) Geographical segments

(i) An analysis of the Group's turnover by geographical location of customers is as follows:

		Turnover 營業額	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The PRC	中國	293,763	432,465
Hong Kong	香港	158,015	132,997
Macau	澳門	100,000	119,761
		551,778	685,223

(ii) An analysis of the carrying amount of segment assets analysed by geographical location in which the assets are located is as follows:

		Segment assets 分類資產		Capital additions 資本添置	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 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
Hong Kong	香港	1,647,163	2,211,353	1,655	2,555
The PRC	中國	4,801,215	3,660,180	4,067	3,140
		6,448,378	5,871,533	5,722	5,695

7. 營業額及分類資料(續)

(B) 地域分類

(i) 本集團營業額按照客戶的地域位置劃分的分析如下：

(ii) 按資產所在的地域位置劃分的分類資產賬面值分析如下：

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8. OTHER INCOME

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Other income includes the following income:	其他收入包括下述收入：		
Interest income	利息收入	53,395	11,948
Change of fair value of held-for-trading			

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10. FINANCE COSTS

10. 財務費用

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Interest on bank borrowings	銀行借款利息		
— wholly repayable within five years	— 須於五年內悉數償還	(32,605)	(32,294)
— not wholly repayable within five years	— 無須於五年內悉數償還	(296)	(261)
Interest on other loans wholly repayable within five years	須於五年內悉數償還之其他貸款利息	(2,111)	(2,199)
Interest on convertible note at fair value through profit or loss	於損益表按公平值處理的可換股票據之收益	(6,228)	—
Amortisation of direct issue cost of convertible note	可換股票據之直接發行成本攤銷	—	(196)
Effective interest expense on convertible notes	可換股票據實際利息支出	(18,601)	(2,605)
Total borrowing costs	借貸費用總額	(59,841)	(37,555)
Less: Amount capitalised in properties under development	減：已於在建物業資本化之金額	—	5,309
		(59,841)	(32,246)

Borrowing costs capitalised during last year arose on the general borrowing pool and was calculated by applying a capitalisation rate of 5% per annum to expenditure on qualifying assets.

於去年已資本化之借貸費用源自一般合併借貸資金，有關金額乃根據合資格資產開支採用每年5%之資本化利率計算。

11. DISCOUNT ON ACQUISITION OF ADDITIONAL EQUITY INTEREST IN A SUBSIDIARY

The amount represents discount on acquisition of additional 7.99% equity interest in Beijing East Gate Development Co. Ltd., ("Beijing East Gate") a subsidiary of the Company, from a minority shareholder of this subsidiary at a consideration of approximately RMB14,378,000 (equivalent to approximately HK\$13,437,000).

11. 收購一間附屬公司額外股本權益之折讓

有關金額為向北京東環置業有限公司(「北京東環」)(本公司之附屬公司)之少數股東收購該附屬公司之額外7.99%股本權益之折讓，代價約為人民幣14,378,000元(相等於約13,437,000港元)。

12. GAIN ON PARTIAL DISPOSAL OF INTEREST IN DISTRESSED ASSETS

The amount in 2004 represented a gain on disposal of 20% interest in distressed assets to Citigroup Financial Products Inc. ("CFPI"), pursuant to an agreement dated 10 December 2004 entered into by CFPI and the Company, at a consideration of an amount in US dollars which was equivalent to approximately RMB227,600,000 (equivalent to approximately HK\$214,497,000) (see note 27).

12. 出售部分不良資產權益產生之收益

二零零四年之金額為根據Citigroup Financial Products Inc. (「CFPI」)與本公司於二零零四年十二月十日簽訂的協議協定出售20%的不良資產權益予CFPI以美元支付的等值代價金額約人民幣227,600,000元(相當於214,497,000港元)(見附註27)。

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13. DIRECTORS' REMUNERATION

The emoluments paid or payable to each of the directors were as follows:

13. 董事酬金

已付或須付予各董事之酬金如下：

Name of director	董事姓名	2005 二零零五年					Total 合計 HK\$'000 千港元
		Fees 袍金 HK\$'000 千港元 (Note 1) (附註1)	Salary 薪酬 HK\$'000 千港元	MPF 強積金供款 HK\$'000 千港元	Other Performance benefits 其他福利 HK\$'000 千港元	bonus 表現獎金 HK\$'000 千港元 (Note 4) (附註4)	
Zhu Dengshan	朱登山	400	—	—	—	—	400
Hui Xiao Bing	惠小兵	400	—	—	—	—	400
Gao Jian Min	高建民	500	1,404	12	1,392	1,200	4,508
Liu Tianni	劉天倪	300	858	12	700	1,200	3,070
Gu Jianguo	顧建國	200	—	—	—	—	200
Chen Yongcun	陳永存	200	—	—	—	—	200
Cheung Chung Kiu	張松橋	200	—	—	—	—	200
Yuen Wing Shing	袁永誠	200	—	—	—	—	200
Chow Kwok Wai	周國偉	200	858	12	—	1,200	2,270
Kang Dian	康典	300	—	—	—	—	300
Zhang Lu	張璐	300	—	—	—	—	300
Hung Muk Ming	洪木明	200	—	—	—	—	200
Total	合計	3,400	3,120	36	2,092	3,600	12,248

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13. DIRECTORS' REMUNERATION (Continued)

13. 董事酬金(續)

Name of director	董事姓名	2004 二零零四年					Performance bonus 表現獎金 千港元 (Note 4) (附註4)	Total 合計 千港元
		Fees 袍金 HK\$'000 千港元	Salary 薪酬 HK\$'000 千港元	MPF contribution 強積金供款 HK\$'000 千港元	Other benefits 其他福利 HK\$'000 千港元			
Zhu Dengshan	朱登山	300	—	—	—	—	300	
Hui Xiao Bing	惠小兵	300	—	—	—	—	300	
Gao Jian Min	高建民	500	1,272	12	630	600	3,014	
					(Note 2) (附註2)			
Liu Tianni	劉天倪	300	780	12	—	600	1,692	
Gu Jianguo	顧建國	200	—	—	—	—	200	
Chen Yongcun	陳永存	200	—	—	—	—	200	
Cheung Chung Kiu	張松橋	200	—	—	—	—	200	
Yuen Wing Shing	袁永誠	200	—	—	—	—	200	
Chow Kwok Wai	周國偉	200	780	12	—	600	1,592	
Kang Dian	康典	300	—	—	—	—	300	
Zhang Lu	張璐	300	—	—	—	—	300	
Hung Muk Ming	洪木明	—	—	—	—	—	—	
Total	合計	3,000	2,832	36	630	1,800	8,298	

Notes:

- The amount represents directors' fee for the year ended 31 December 2005 proposed which is subject to shareholders' approval in the annual general meeting to be convened on 25 May 2006.
- The amount represents the estimated value of quarter provided for the year ended 31 December 2005 amounting to HK\$692,000 plus child education allowance of HK\$700,000. The amount in 2004 represented the estimated value of quarter provided.
- The amount represents child education allowance of HK\$700,000.
- The performance related incentive payments are determined having regard to the performance of individuals and market trends.

附註：

- 有關金額為建議截至二零零五年十二月三十一日止年度之董事袍金，須待股東在將於二零零六年五月二十五日舉行之股東週年大會上批准。
- 有關金額為截至二零零五年十二月三十一日止年度提供宿舍之估計價值692,000港元及子女教育津貼700,000港元。二零零四年之金額為提供宿舍之估計價值。
- 有關金額為子女教育津貼700,000港元。
- 按表現發放之獎金乃參考個人表現及市場趨勢釐定。

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14. EMPLOYEES' REMUNERATION

The five highest paid individuals of the Group included three directors, details of whose emoluments are set out in note 13 above. The emoluments of the remaining two individuals are as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,664	3,906
Performance related incentive payments	按表現發放之獎金	2,000	6,600
Retirement benefit costs	退休福利成本	24	24
		3,688	10,530

Their emoluments are within the following bands:

		Number of employees 僱員人數	
		2005 二零零五年	2004 二零零四年
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	—
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
HK\$8,000,001 to HK\$8,500,000	8,000,001港元至8,500,000港元	—	1
		2	2

彼等之酬金介乎下列款額：

15. TAXATION

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
The charge comprises:	稅項支出包括：		
Company and subsidiaries	本公司及附屬公司		
Hong Kong Profits Tax	香港利得稅		
— overprovision in prior year	— 前年度超額提撥	—	53
PRC Enterprises Income Tax	中國企業所得稅	(830)	(8,315)
		(830)	(8,262)
Deferred taxation (note 43)	遞延稅項(附註43)	(88,449)	(26,575)
Taxation attributable to the Company and its subsidiaries	本公司及附屬公司所屬稅項	(89,279)	(34,837)

15. 稅項

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15. TAXATION (Continued)

No tax is payable on the profit for the year arising in Hong Kong since the assessable profit is wholly absorbed by tax losses brought forward. The tax losses carried forward amounts to approximately HK\$83,394,000 (2004: HK\$106,030,000).

The taxation charge of the PRC Enterprise Income Tax for the year has been made based on the Group's estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the subsidiaries in the PRC.

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

15. 稅項(續)

由於應課稅溢利已由承前稅項虧損全數抵銷，故毋須就香港產生之年內溢利繳付稅項。承前稅項虧損約為83,394,000港元(二零零四年：106,030,000港元)。

本年度之中國企業所得稅乃本集團於中國之附屬公司及聯營公司以本集團估計的應課稅溢利按適用的所得稅法例計算所得之稅項支出。

年內稅項支出可與綜合收入報表中除稅前溢利對賬如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Profit before taxation	除稅前溢利	818,445	451,121
Tax at the Hong Kong Profits Tax of 17.5%	按香港利得稅稅率 17.5%計算的稅項	(143,228)	(78,946)
Tax effect of expense not deductible for tax purpose	就稅務用途不得扣減 開支的稅務影響	(5,605)	(2,534)
Tax effect of income not taxable for tax purpose	就稅務用途毋須應課稅 收入的稅務影響	75,872	40,777
Tax effect on share of results of associates	攤佔聯營公司業績 的稅務影響	14,391	15,574
Tax effect of deferred tax losses not recognised	未確認遞延稅項虧損 的稅務影響	(1,411)	(910)
Tax effect on different tax rates of subsidiaries operating in other jurisdiction	其他司法權區經營 的附屬公司 不同稅率的稅務影響	(34,385)	(16,524)
Utilisation of tax loss previously not recognised	扣除過往並未確認 的稅務虧損	5,311	7,886
Others	其他	(224)	(160)
Tax charge for the year	年內稅項支出	(89,279)	(34,837)

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16. PROFIT FOR THE YEAR

16. 年內溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit for the year has been arrived at after charging:	年內溢利已扣除：		
Auditors' remuneration	核數師酬金	1,542	1,000
Depreciation	折舊	7,159	5,668
Repairs and maintenance fund expensed relating to the Group's investment properties in the PRC (note 30)	本集團於中國之投資物業維修保養支出(附註30)	1,371	1,371
Loss on redemption of convertible bonds	贖回可換股債券產生之虧損	—	632
Operating lease rentals in respect of land and buildings	土地及樓宇之營運租約租金	3,641	3,336
Staff cost including directors' remuneration set out in note 13 and the retirement benefit costs of HK\$2,906,000 (2004: HK\$1,669,000)	員工費用包括附註13所示董事酬金及退休福利成本2,906,000港元(二零零四年：1,669,000港元)	64,400	53,492
Realised losses on disposal of other investments	出售其他投資產生之已變現虧損	—	8,204
Share of tax of associates (included in share of results of associates)	攤佔聯營公司稅項(包括攤佔聯營公司業績)	4,745	257
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生之虧損	100	—
and after crediting:	並已計入：		
Rental income under operating leases, less outgoings of HK\$3,816,000 (2004: HK\$2,549,000)	營運租約之租金收入，扣除開支3,816,000港元(二零零四年：2,549,000港元)	72,530	72,455
Realised gains on disposal of held-for-trading investments	出售持作買賣投資產生之已變現收益	20,916	—

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17. EARNINGS PER SHARE

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

17. 每股盈利

母公司普通股股本持有人應佔的每股基本及攤薄盈利乃根據下列數據計算所得：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Earnings	盈利		
Earnings for the purpose of basic earnings per share (profit for the year attributable to equity holders of the Company)	用以計算每股基本盈利之盈利(本公司股本持有人應佔年內溢利)	724,054	403,660
Effect of dilutive potential shares in respect of convertible notes:	有關可換股票據之潛在攤薄股份之影響		
— gain on convertible note at fair value through profit or loss	— 於損益表按公平值處理的可換股票據之收益	(199,756)	—
— finance costs	— 財務費用	24,829	2,801
— deferred tax	— 遞延稅項	(2,100)	(220)
Earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利之盈利	547,027	406,241

		Number of shares 股份數目 2005 二零零五年 (in thousand) (千股)	2004 二零零四年 (in thousand) (千股)
Number of shares	股份數目		
Weighted average number of shares for the purpose of basic earnings per share	用以計算每股基本盈利之加權平均股份數目	1,743,817	1,553,591
Effect of dilutive potential ordinary shares from:	潛在攤薄普通股之影響：		
— convertible notes	— 可換股票據	338,814	35,808
— share options	— 購股權	23,338	47,761
Weighted average number of shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利之加權平均股份數目	2,105,969	1,637,160

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17. EARNINGS PER SHARE (Continued)

Impact of changes in accounting policies:

		Impact on basic earnings per share		Impact on diluted earnings per share	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		HK cents	HK cents	HK cents	HK cents
		港仙	港仙	港仙	港仙
Figures before adjustments	調整前數字	21.1	26.1	18.1	24.8
Adjustments arising from changes in accounting policies	會計政策變動產生之調整	20.4	(0.1)	7.9	—
As reported/restated	經呈報 / 重列	41.5	26.0	26.0	24.8

17. 每股盈利(續)

會計政策變動影響：

18. DIVIDEND

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Final dividend of HK 6 cents (2004: HK 5 cents) per share, proposed	建議派付末期股息每股6港仙 (二零零四年：5港仙)	101,323	87,934

The final dividend of HK 6 cents (2004: HK5 cents) per share has been proposed by the directors and is subject to approval by the shareholders in general meeting.

董事建議派付每股6港仙末期股息(二零零四年：5港仙)，須待股東在股東大會上批准。

19. INVESTMENT PROPERTIES

		THE GROUP	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
VALUATION	估值		
At the beginning of the year	於年初	1,935,559	1,897,520
Exchange adjustment	匯兌調整	31,630	—
Disposals	出售	(10,491)	(30,495)
Increase in fair value during the year	年內之公平值增加	148,687	68,534
At the end of the year	於年末	2,105,385	1,935,559

19. 投資物業

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19. INVESTMENT PROPERTIES (Continued)

At 31 December 2005, the legal titles of Group's investment properties at carrying value of HK\$15,147,000 (2004: HK\$14,516,000) situated in the PRC have not been passed to the Group.

At the balance sheet date, the carrying value of the investment properties comprises:

19. 投資物業(續)

於二零零五年十二月三十一日，本集團位於中國賬面值為15,147,000港元(二零零四年：14,516,000港元)之投資物業之產權尚未過戶予本集團。

於結算日，投資物業之賬面值包括：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Held under long term leases/land used rights:	以長期租約 / 土地使用權形式持有：		
— situated in Hong Kong	— 位於香港	48,000	54,800
— situated in the PRC	— 位於中國	51,252	169,213
		99,252	224,013
Held under medium term leases/land use rights:	以中期租約 / 土地使用權形式持有：		
— situated in Hong Kong	— 位於香港	52,890	48,610
— situated in the PRC	— 位於中國	1,953,243	1,662,936
		2,006,133	1,711,546
		2,105,385	1,935,559

All the investment properties are held for rental income under operating leases.

The professional valuations of the investment properties of the Group at 31 December 2005 were carried out by Vigers Appraisal & Consulting Limited, an independent property valuer, on an open market value basis. The valuation which conforms to International Valuation Standards, was carried at by reference to market evidence of transaction prices for similar properties.

All the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. As at 31 December 2005, the carrying amount of such property interests amounted to HK\$2,105,385,000 (2004: HK\$1,935,559,000).

所有投資物業均以營運租約持有作收租用途。

本集團之投資物業於二零零五年十二月三十一日之專業估值是由獨立物業估值師行威格斯資產評估顧問有限公司按公開市值基準進行評估所得。估值符合國際估值準則，並經參考類似物業之交易價之市場憑證後進行。

所有本集團以營運租約持有作收租或資本增值用途的物業權益均以公平值模式計量，並入賬列作投資物業。於二零零五年十二月三十一日，該等物業權益的賬面值為2,105,385,000港元(二零零四年：1,935,559,000港元)。

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20. PROPERTY, PLANT AND EQUIPMENT

Leasehold land and buildings 租賃土地	Leasehold improvements 租賃	Furniture and fixtures 傢俬	Office equipment 辦公室	Motor
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20. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31 December 2005, the legal titles of the Group's properties at carrying value of HK\$21,424,000 (2004: HK\$20,531,000) situated in the PRC have not been passed to the Group.

The carrying value of the leasehold properties comprises:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Long term leasehold properties situated in Hong Kong	位於香港的長期租賃物業	82,350	72,200
Properties under long term land use rights situated in the PRC	位於中國的長期土地使用權物業	229	224
Properties under medium term land use rights situated in the PRC	位於中國的中期土地使用權物業	25,900	24,737
		108,479	97,161

The professional valuations of the leasehold properties of the Group at 31 December 2005 were carried out by Vigers Appraisal & Consulting Limited and A-Plus Surveyors Limited, independent property valuers, on an open market value basis. The valuation which conforms to International Valuation Standards, was carried out by reference to market evidence of transaction prices for similar properties.

Certain leasehold interest cannot be allocated reliably between the land and buildings elements, the leasehold interest in land continue to be accounted for as property, plant and equipment.

If leasehold properties had not been revalued, they would have been included on a historical cost basis at the following amounts:

		HK\$'000 千港元
Cost	成本	106,721
Accumulated depreciation and impairment losses	累積折舊及減值虧損	(43,429)
Net book value at 31 December 2005	於二零零五年十二月三十一日之賬面淨值	63,292
Net book value at 31 December 2004	於二零零四年十二月三十一日之賬面淨值	66,574

20. 物業、廠房及設備(續)

於二零零五年十二月三十一日，本集團位於中國賬面值為21,424,000港元(二零零四年：20,531,000港元)之物業之產權尚未過戶予本集團。

租賃物業之賬面值包括：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Long term leasehold properties situated in Hong Kong	82,350	72,200
Properties under long term land use rights situated in the PRC	229	224
Properties under medium term land use rights situated in the PRC	25,900	24,737
	108,479	97,161

本集團之租賃物業於二零零五年十二月三十一日之專業估值是由獨立物業估值師行威格斯資產評估顧問有限公司及恆信測量師行有限公司按公開市值基準進行評估所得。估值符合國際估值準則，並經參考類似物業之交易價之市場憑證後進行。

若干租賃權益無法可靠分配至土地及樓宇部分，則土地之租賃權益將繼續入賬列作物業、廠房及設備。

倘租賃物業未予重估，則該等物業會以歷史成本法按下列款額入賬：

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21. GOODWILL

21. 商譽

		HK\$'000 千港元
COST	成本	
At 1 January 2004 and 31 December 2004	於二零零四年一月一日及 二零零四年十二月三十一日	55,874
Elimination of accumulated amortisation upon the adoption of HKFRS 3 (see note 2)	於採納香港財務報告準則第3號時 撇銷累積攤銷(見附註2)	(22,349)
At 1 January 2005 and 31 December 2005	於二零零五年一月一日及 二零零五年十二月三十一日	33,525
AMORTISATION	攤銷	
At 1 January 2004	於二零零四年一月一日	16,762
Amortisation for the year	年度攤銷	5,587
At 31 December 2004	於二零零四年十二月三十一日	22,349
Elimination of accumulated amortisation upon the adoption of HKFRS 3 (see note 2)	於採納香港財務報告準則第3號 時撇銷累積攤銷(見附註2)	(22,349)
At 1 January 2005 and 31 December 2005	於二零零五年一月一日及 二零零五年十二月三十一日	—
NET BOOK VALUE	賬面淨值	
At 31 December 2004 and 31 December 2005	於二零零四年十二月三十一日及 二零零五年十二月三十一日	33,525

Until 31 December 2004, goodwill arising on acquisition of subsidiaries had been amortised over the estimated useful life of 10 years.

As explained in Note 7, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing, goodwill set out above has been allocated to an individual cash generating unit (CGU) which is in property management segment.

During the year ended 31 December 2005, management of the Group determines that there is no impairment of its CGU containing goodwill with intangible useful lives.

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period based on estimated growth rate of 10% and the further five years with zero growth rate, with the discount rate of 8.25%. Another key assumption for the value in use calculations is the budgeted revenue and gross margin, which is determined based on the unit's past performance and management's expectations for the market development.

直至二零零四年十二月三十一日為止，收購附屬公司產生之商譽按可使用年期10年攤銷。

誠如附註7所闡釋，本集團採用業務分類作為呈報分類資料之基本分類。就減值檢測而言，上文所載之商譽已獲分配至物業管理分類之個別現金產生單位(現金產生單位)。

於截至二零零五年十二月三十一日止年度內，本集團管理層確定其任何含有具不確定可使用年期商譽之現金產生單位均無出現減值。

此單位之可收回金額已按使用價值計算釐定。該計算採用現金流量預測，依據管理層批核之五年期財政預算(以按估計增長率10%及繼後五年度按零增長率之推斷現金流量為基礎)及貼現率8.25%。計算中概無對增長率作出假設。使用價值計算之另一主要假設為預算收益及毛利率，乃按單位過往表現及管理層對市場發展之預期釐定。

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22. NEGATIVE GOODWILL

22. 負商譽

		HK\$'000 千港元
GROSS AMOUNT	毛額	
At 1 January 2004 and 31 December 2004	於二零零四年一月一日及 二零零四年十二月三十一日	74,220
RELEASED TO INCOME	回撥至收入	
At 1 January 2005	於二零零五年一月一日	11,133
Released in the year	年度回撥	3,711
		14,844
At 31 December 2004	於二零零四年十二月三十一日	59,376
Derecognised and adjusted to retained profits upon the application of HKFRS 3 (see note 3)	於應用香港財務報告準則第3號 時不再確認及對保留溢利作出調整 (見附註3)	(59,376)
At 1 January 2005	於二零零五年一月一日	—

As explained in note 3, all negative goodwill arising on acquisitions prior to 1 January 2005 was derecognised as a result of the application of HKFRS 3.

誠如附註3所闡釋，所有於二零零五年一月一日前因收購所產生之商譽已因應用香港財務報告準則第3號而不再確認。

23. INTERESTS IN ASSOCIATES

23. 聯營公司權益

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Cost of investment in associates — unlisted	聯營公司投資成本 — 非上市	923,196	892,006
Share of post acquisition profits, reserves and net of dividend received	攤佔收購溢利、儲備 及已收股息淨額	381,081	344,395
		1,304,277	1,236,401

Particulars of the associates of the Group as at 31 December 2005 are set out in note 53.

有關本集團各聯營公司於二零零五年十二月三十一日之詳情載於附註53。

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23. INTERESTS IN ASSOCIATES *(Continued)*

The summarised financial information in respect of the Group's significant associates is set out below:

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24. AMOUNTS DUE FROM ASSOCIATES (Continued)

The directors consider the carrying amount approximates their fair value.

25. INVESTMENTS IN SECURITIES

Investment securities and other investments as at 31 December 2004 are set out below. Upon the application of HKAS 39 on 1 January 2005, investment securities and other investments were reclassified to appropriate categories under HKAS 39:

		Investment securities 證券投資 HK\$'000 千港元	Other investments 其他投資 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Equity securities listed in Hong Kong	於香港上市之權益證券	—	56,127	56,127
Unlisted debt securities	非上市債務證券	1,467	—	1,467
Market value of listed securities	上市證券市值	—	56,127	56,127
Carrying amount analysed for reporting purposes as:	賬面值就呈報用途的分析為：			
Non-current	非流動	1,467	—	1,467
Current	流動	—	56,127	56,127
		1,467	56,127	57,594

24. 應收聯營公司款(續)

董事認為，賬面值與其公平值相若。

25. 證券投資

於二零零四年十二月三十一日之證券投資及其他投資載列如下。於二零零五年一月一日應用香港會計準則第39號後，證券投資及其他投資重新分類為香港會計準則第39號項下之適當類別：

26. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments as at 31 December 2005 comprise:

26. 可出售投資

於二零零五年十二月三十一日之可出售投資包括：

		2005 二零零五年 HK\$'000 千港元
Unlisted investments:	非上市投資：	
Unlisted shares, at cost	非上市股份，按成本	2,070
Club debentures, at cost	會所債券，按成本	1,730
Other debentures, at cost	其他債券，按成本	476
		4,276
Less: Impairment loss recognised	減：已確認減值虧損	(2,070)
Total	合計	2,206

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26. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

The above unlisted investments represent investments in unlisted equity securities and debentures issued by private entities. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

The directors reviewed the carrying amounts of available-for-sale investments and identified that they were impaired. Accordingly, an impairment loss of HK\$2,070,000 was recognised in the financial statements to write down the carrying amount of the investments due to substantial loss incurred by the investee company, the directors are in the opinion that the invested amount are not recoverable.

27. INTEREST IN DISTRESSED ASSETS

At the beginning of the year	於年初	584,362	—
Effect on adoption of HKAS 39	採納香港會計準則第39號之影響	48,263	—
As restated	經重列	632,625	—
Acquired during the year	年內購入	—	803,600
Partial disposal (note 12)	部分出售(附註12)	—	(160,720)
Interest income recognised	已確認利息收入	130,912	—
Realised upon recoveries	回收時變現	—	(58,518)
Cash collected or received from the distressed assets	已收集或收取不良資產現金	(211,555)	—
At the end of the year	於年末	551,982	584,362
Carrying amount analysed for reporting purposes:	賬面值就呈報用途的分析為:		
Current assets (receivable within 12 months from the balance sheet date)	流動資產(於結算日起12個月內應收)	347,301	128,335
Non-current assets (receivable after 12 months from the balance sheet date)	非流動資產(於結算日起12個月後應收)	204,681	456,027
		551,982	584,362

Distressed assets represent non-performing loans (the "NPL") purchased by Silver Grant International Assets Management Limited ("SGIAM"), a wholly-owned subsidiary of the Company, from China Cinda Asset Management Corporation ("China Cinda"), a holding company of a shareholder of the Company, pursuant to an agreement dated 17 September 2004 entered by both parties at consideration of approximately RMB853,500,000 (equivalent to approximately HK\$803,600,000) (the "NPL Agreement"). The aggregate outstanding principal amount (the "gross amount") of the NPL is RMB56,900,000,000 (equivalent to approximately HK\$53,600,000,000).

26. 可出售投資(續)

上述非上市投資指私人實體發行之非上市股本證券及債券投資。由於合理公平值估計之範圍太大，本公司董事認為其公平值無法可靠地計量，故該等投資乃於各結算日以成本減值計量。

董事檢討可出售投資之賬面值，並認為該等投資出現減值。因此，由於所投資公司產生重大虧損，董事認為投資額無法收回，故已於財務報表內確認減值虧損2,070,000港元，以撇減投資之賬面值。

27. 不良資產權益

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
At the beginning of the year	584,362	—
Effect on adoption of HKAS 39	48,263	—
As restated	632,625	—
Acquired during the year	—	803,600
Partial disposal (note 12)	—	(160,720)
Interest income recognised	130,912	—
Realised upon recoveries	—	(58,518)
Cash collected or received from the distressed assets	(211,555)	—
At the end of the year	551,982	584,362
Carrying amount analysed for reporting purposes:		
Current assets (receivable within 12 months from the balance sheet date)	347,301	128,335
Non-current assets (receivable after 12 months from the balance sheet date)	204,681	456,027
	551,982	584,362

不良資產指銀建國際資產管理有限公司(「銀建資產管理」)從中國信達資產管理公司(「中國信達」)根據雙方於二零零四年九月十七日簽訂的一項協議之條款以約人民幣853,500,000元(相當於約803,600,000港元)代價購入的不履約貸款(「不履約貸款」)(「不履約貸款收購協議」)。不履約貸款之未償還本金總額(「總額」)為人民幣56,900,000,000元(相等於約53,600,000,000港元)。

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27. INTEREST IN DISTRESSED ASSETS (Continued)

On 10 December 2004, SGIAM entered into an agreement (the "NPL Disposal Agreement") to dispose of 20% interest in the NPL of carrying amount of RMB170,700,000 (equivalent to approximately HK\$160,720,000) to CFPI at a consideration of RMB227,600,000 (equivalent to approximately HK\$214,497,000).

SGIAM appointed China Cinda to manage the NPL. China Cinda is entitled to a management fee equal to 10% of the gross amount recovered from the NPLs. In the event that more than 2% of the gross amount is recovered from the NPL, China Cinda, in addition to the management fee, will be entitled to an incentive bonus which equals to certain percentage (from 20% to 70%) of the recovered amount in excess of the 2% of the gross amount.

The Company provided guarantee to China Cinda in respect of the performance by SGIAM under the NPL Agreement.

The distressed assets are denominated in Renminbi and the effective interest rate is approximately 20.9% per annum.

At balance sheet date, the fair value of the interest in distressed assets approximates to the carrying amount.

28. DEPOSIT PAID FOR ACQUISITION OF INVESTMENTS

Included in the total deposits is an amount of RMB43,000,000 (equivalent to HK\$41,299,000) paid to acquire 12% of equity interest in Unisources Enterprises Limited, an independent third party, for a consideration of RMB100,000,000 (equivalent to HK\$96,043,000). The acquisition is subject to the fulfillment of certain condition precedents.

The remaining balance of HK\$3,200,000 represents the deposit paid to acquire additional 4.11% equity interest in Beijing East Gate, a subsidiary of the Company, at a consideration of approximately RMB26,559,000 (equivalent to approximately HKD25,295,000).

27. 不良資產權益(續)

於二零零四年十二月十日，銀建資產管理簽訂一項協議(「不履約貸款出售協議」)以人民幣約227,600,000元(相當於約214,497,000港元)代價向CFPI出售賬面值人民幣170,700,000元(相等於約160,720,000港元)之20%不履約貸款權益。

銀建資產管理已委任中國信達管理不履約貸款。中國信達可獲取相等於從不履約貸款收回之10%總額之管理費。倘從不履約貸款收回超過2%總額，則中國信達除獲取管理費外，將可獲取獎勵花紅(相等於超出之總額)已收回款額若干百分比(20%至70%)。

於二零零四年十二月三十一日，本公司就銀建資產管理根據不履約貸款收購協議項下銀建資產管理收購不履約貸款的責任向中國信達發出履約擔保。

不良資產以人民幣為單位，並按實際利率約20.9%計息。

於結算日，不良資產權益之公平值與7其賬面值相若。

28. 已付收購投資之按金

按金總額包括一項為以代價人民幣100,000,000元(相等於96,043,000港元)收購Unisources Enterprises Limited(一名獨立第三方)之12%股本權益而已付之按金人民幣43,000,000(相等於41,299,000港元)。收購須待達成若干先決條件後，方可作實。

餘額3,200,000港元為以代價約人民幣26,559,000元(相等於25,295,000港元)收購本公司之附屬公司北京東環之額外4.11%股本權益而已付之按金。

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29. DEPOSIT PAID FOR ACQUISITION OF DISTRESSED ASSETS

On 22 November 2005, Platinum One Limited, a wholly owned subsidiary of the Company, entered into an agreement with the Huarong Asset Management Corporation to purchase a non-performing loans ("NPL") portfolio (the "NPL Portfolio") at a consideration of approximately, RMB546,000,000 (equivalent to approximately HK\$527,446,000). The aggregate outstanding principal (including the booked interest of approximately RMB3,430,000,000) of the NPL amounted to approximately RMB36,440,000,000 (equivalent to approximately HK\$35,040,000,000).

As at the balance sheet date, the Group had paid approximately RMB546,000,000 (equivalent to approximately HK\$527,446,000) to Huarong Asset Management Corporation for the acquisition of the NPL Portfolio. Pursuant to the conditional sale and purchase agreement dated 23 November 2005, entered into between the Company and CFPI, the Company conditionally agreed to sell and CFPI conditionally agreed to purchase 50% of interest in the Platinum One Limited. Subsequent to the balance sheet date, pursuant to the extraordinary general meeting of the Company held on 5 January 2006, the Company has disposed of 50% of its interest in Platinum One Limited to CFPI at cost. As a result, 50% of the deposits amounting to approximately HKD263,723,000 was classified as assets held for sale. The directors consider that the carrying values of assets held for sale at the balance sheet date approximate their fair values.

30. OTHER ASSET

The other asset is a lump sum payment for repairs and maintenance fund made for the future repair and maintenance of the general areas of one of the Group's investment properties in the PRC. The amount is amortised over its estimated useful life of 10 years.

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31. STOCK OF PROPERTIES

The amount comprises the cost incurred for the development of certain property projects in the PRC, including the payment in respect of compensation for resettlement and use of land in relation to the property development project. For the year ended 31 December 2004, the interest capitalised in the properties under development amounted to approximately HK\$5,309,000. In the opinion of the directors, the properties under development as at 31 December 2005 will be completed, ready for sales and can be recovered within one year from the balance sheet date.

32. LOAN RECEIVABLES

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Fixed-rate loan receivables	定息應收貸款	144,216	112,150
Carrying amount analysed for reporting purposes:	賬面值就呈報用途的分析為：		
Current assets (receivable within 12 months from the balance sheet date)	流動資產(於結算日起12個月內應收)	144,216	112,150

The loan receivables as at 31 December 2005 represented two loan receivables of RMB130,492,000 (equivalent to approximately HK\$124,278,000) and RMB20,935,000 (equivalent to approximately HK\$19,938,000) respectively of which the effective interest rates are 8% and 15.58% per annum respectively.

The loan receivables as at 31 December 2004 represented advance of a loan of RMB120,000,000 (equivalent to approximately HK\$112,150,000) of which the effective interest rate is 8% per annum.

As at 31 December 2005 and 31 December 2004, the fair values of the loan receivables were approximately the same as the respective carrying amounts.

31. 物業存貨

該筆款項乃若干於中國之物業發展項目所產生之成本，當中包括就該物業發展項目支付之拆遷賠償金及土地使用款項。截至二零零四年十二月三十一日止年度，在建物業已資本化利息為數約5,309,000港元。董事認為，於二零零五年十二月三十一日的在建物業將可於結算日起計的一年內完成並準備好發售及可收回。

32. 應收貸款

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Fixed-rate loan receivables	144,216	112,150
Carrying amount analysed for reporting purposes:		
Current assets (receivable within 12 months from the balance sheet date)	144,216	112,150

於二零零五年十二月三十一日之應收貸款指兩筆分別為人民幣130,492,000元(相等於約124,278,000港元)及人民幣20,935,000元(相等於約19,938,000港元)，該等應收貸款之實際年利率分別為8%及15.58%。

於二零零四年十二月三十一日之應收貸款指一筆為數人民幣120,000,000元(相等於約112,150,000港元)之貸款，該筆貸款之實際年利率為8%。

於二零零五年十二月三十一日及二零零四年十二月三十一日，應收貸款之公平值與各自之賬面值相若。

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33. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments as at 31 December 2005 include:

Listed securities:
— Equity securities listed in Hong Kong

上市證券：
— 於香港上市之權益證券

HK\$'000
千港元

364,030

The fair values of the above held-for-trading investments are determined based on the quoted market bid prices available on the Stock Exchange.

33. 持作買賣投資

於二零零五年十二月三十一日之持作買賣投資包括：

上述持作買賣投資之公平值乃聯交所所報之市場出價釐定。

34. TRADE RECEIVABLES

The Group allows an average credit period of 30 days to its trade customers.

The following is an aged analysis of trade receivables at the balance sheet date:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 to 30 days	零至三十日	933	9,061
31 to 90 days	三十一日至九十日	1,021	818
Over 90 days	超過九十日	2,446	6,487
		4,400	16,366

The directors consider that the carrying amount of trade receivables approximates their fair value.

34. 應收賬款

本集團給予貿易客戶平均三十天信用期。

下述是應收賬款於結算日之賬齡分析：

董事認為，應收賬款之賬面值與其公平值相若。

35. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

The directors consider that the carrying amount of deposits, and other receivables approximates their fair value.

35. 按金、預付款項及其他應收款

董事認為，按金及其他應收款之賬面值與其公平值相若。

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36. RESTRICTED BANK BALANCE

The amount represents the bank balance kept in a bank account under the name of China Cinda in the PRC for the purpose of dealing with the funds recovered from the distressed assets. The bank account is jointly controlled by SGIAM and China Cinda that a mutual consent has to be obtained from SGIAM and China Cinda for the withdrawal of fund in the bank account. The restricted bank balance carries interest at prevailing market rate and with original maturity of three months or less. The directors consider the carrying amount of restricted balance approximates its fair value.

37. PLEDGE OF ASSETS

At 31 December 2005, the Group has pledged certain investment properties and leasehold properties which have an aggregate carrying value at the balance sheet date of approximately HK\$1,855,100,000 (2004: HK\$1,674,300,000) and HK\$78,900,000 (2004: HK\$68,900,000) respectively to secure general banking facilities granted to the Group.

At 31 December 2004, the Group pledged a fixed deposit of HK\$1,700,000 carried interest at prevailing market rate to a bank in respect of the credit facilities granted by this bank to the Company.

38. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less at prevailing market rate. The directors consider that the carrying amount of these assets approximate their fair value.

36. 監管戶口結餘

金額為一個以中國信達名義於中國開設的銀行賬戶的銀行結餘，目的旨在存入處置不良資產回收所得資金。該銀行賬戶的資金提取由銀建資產管理及中國信達共同監管並需要得到雙方同意。監管戶口結餘以現行市場利率計息，而原到期日為三個月或以下。董事認為，監管戶口結餘之賬面值與其公平值相若。

37. 資產抵押

於二零零五年十二月三十一日，本集團已將若干於結算日賬面總額分別1,855,100,000港元(二零零四年：1,674,300,000港元)及78,900,000港元(二零零四年：68,900,000港元)之投資物業及租賃物業抵押作為本集團所獲取一般性銀行融資之條件。

於二零零五年十二月三十一日，本集團已將1,700,000港元定期存款(按現行市場利率計息)抵押作為該銀行向本公司授出相關信貸額度。

38. 銀行結餘及現金

銀行結餘及現金包括本集團所持現金及原到期日為三個月或以下按現行市場利率計息之短期銀行存款。董事認為，該等資產之賬面值與其公平值相若。

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39. SHARE CAPITAL

39. 股本

		Number of shares 股份數目		Nominal value 票面值	
		2005 二零零五年 In thousand 千股	2004 二零零四年 In thousand 千股	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Ordinary shares of HK\$0.20 each	每股面值0.20港元 之普通股				
<i>Authorised</i>	法定股本				
At the beginning of the year	於年初	4,000,000	2,000,000	800,000	400,000
Increase on 2 November 2004	於二零零四年 十一月二日 增加	—	2,000,000	—	400,000
At the end of the year	於年末	4,000,000	4,000,000	800,000	800,000
<i>Issued and fully paid</i>	已發行及繳足股本				
At the beginning of the year	於年初	1,758,672	1,312,222	351,734	262,444
Issue of new shares on 27 January 2004 (note a)	於二零零四年 一月二十七日 發行的新股份 (附註a)	—	165,000	—	33,000
Issue of new shares on 24 November 2004 (note b)	於二零零四年 十一月二十四日 發行的新股份 (附註b)	—	169,450	—	33,890
Exercise of share options Shares repurchased (note c)	行使購股權 回購股份 (附註c)	(69,962)	—	(13,992)	—
At the end of the year	於年末	1,688,710	1,758,672	337,742	351,734

Notes:

- (a) On 14 January 2004, the Company entered into a subscription agreement with Catic Limited, a shareholder of the Company, pursuant to which Catic Limited has conditionally agreed to subscribe for 165,000,000 new shares of the Company of HK\$0.20 each at subscription price of HK\$2.00 per share, representing a discount of 7.0% to the closing market price of the Company's shares on 13 January 2004. The proceeds have been used for the acquisition of non-performing loans by

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39. SHARE CAPITAL (Continued)

Notes: (Continued)

- (b) On 5 November 2004, the Company entered into a subscription agreement with CGML, pursuant to which CGML has conditionally agreed to subscribe for 169,450,000 new shares of the Company of HK\$0.20 each at a subscription price of HK\$2.63 per share, representing a discount of 19.7% to the closing market price of the Company's shares on 3 November 2004. The proceeds have been used for investment in non-performing loans and general working capital purpose.
- (c) During the year, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchase 回購月份	Number of ordinary shares HK\$0.20 each 每股面值0.20港元 之普通股數目 in thousand 千股	Price per share 每股價格		Aggregate consideration paid 已付代價總額 HK\$'000 千港元	
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
June 2005 (note 1)	二零零五年六月 (附註1)	27,006	2,785	2,082	66,240
December 2005 (note 2)	二零零五年十二月 (附註2)	42,956	2,350	2,220	99,061
		69,962			165,301

Notes:

- The above shares were repurchased and cancelled during the year.
- The above shares were repurchased in December 2005 and cancelled in January 2006.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

39. 股本(續)

附註:(續)

- (b) 於二零零四年十一月五日,本公司與花旗集團簽訂一項認購協議,據此花旗集團有條件同意認購169,450,000股本公司面值0.20港元的新股份,認購價為每股2.63港元,較二零零四年十一月三日本公司股份的收市價折讓19.7%。所得款項將投資於不履約貸款及為一般營運資金用途。
- (c) 年內,本公司於聯交所回購其本身股份如下:

附註:

- 上述股份已於年內被回購及註銷。
- 上述股份已於二零零五年十二月被回購,並於二零零六年一月被註銷。

本公司附屬公司概無於年內購買、出售或贖回本公司任何上市證券。

40. SHARE OPTIONS

On 27 May 2002, the shareholders of the Company approved the termination (to the effect that no further options shall be offered) of the share option scheme adopted by the Company on 26 June 1995 (the "Old Scheme") and the adoption of a new share option scheme (the "New Scheme") with effect from 27 May 2002. The Old Scheme and the New Scheme were adopted for the primary purpose of giving incentives to the directors and eligible employees of the Group.

40. 購股權

二零零二年五月二十七日,本公司股東批准終止(其作用為不得再授出其他購股權)本公司於一九九五年六月二十六日採納之購股權計劃(「舊計劃」),並自二零零二年五月二十七日起採納新購股權計劃(「新計劃」)。採納舊計劃及新計劃之主要目的為獎勵本集團董事及合資格僱員。

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40. SHARE OPTIONS (Continued)

According to the Old Scheme, the board of directors of the Company were authorised, at any time within ten years after the adoption date, to grant options to any directors or employees of the Company or any of its subsidiaries to subscribe for shares in the Company at a price not less than 80 per cent. of the average of closing prices of the Company's shares on the five trading days immediately preceding the offer date of the options or the nominal value of the Company's shares, whichever is higher. The maximum number of shares in respect of which options may be granted under the Old Scheme cannot exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company from time to time.

According to the New Scheme, the board of directors of the Company are authorised, at any time within ten years after the adoption date, to grant options to any directors or employees of the Company or any of its subsidiaries to subscribe for shares in the Company at a price not less than the closing price of the Company's shares on the date of grant, the average closing prices of the Company's shares on the five trading days immediately preceding the offer date of the options or the nominal value of the Company's shares, whichever is higher. The maximum number of shares in respect of which options may be granted under the New Scheme cannot exceed 30 per cent. of the aggregate nominal amount of the issued share capital of the Company from time to time.

At 31 December 2005, the number of shares in respect of which options had been granted and remained outstanding under the Old Scheme and the New Scheme, representing 1.3% and 0.6% (2004: 1.3% and 0.6%), respectively, of the shares of the Company in issue at that date.

No consideration was paid for the share options granted. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded in the share premium account.

There is no financial impact on the results of the Group in current and prior years upon application of HKFRS 2 as all the option were granted and vested before 7 November 2002.

40. 購股權(續)

根據舊計劃，本公司董事會獲授權於採納日期後十年內任何時間，授予本公司或其任何附屬公司董事或僱員購股權以認購本公司股份，價格不得少於緊接購股權授出日期前五個交易日本公司股份平均收市價之80%或本公司股份之面值(以較高者為準)。有關根據舊計劃授出之購股權可認購之最高股份數目，乃以不超過本公司不時已發行股本總面值之10%為限。

按照新計劃，本公司董事會獲授權於採納日期後十年內任何時間，授予本公司或其任何附屬公司董事或僱員購股權以認購本公司股份，價格不得少於授出日期日本公司股份之收市價、緊接購股權授出日期前五個交易日本公司股份平均收市價或本公司股份之面值(以較高者為準)。有關根據新計劃授出之購股權可認購之最高股份數目，乃以不超過本公司不時已發行股本總面值之30%為限。

於二零零五年十二月三十一日，根據舊計劃及新計劃已授出但尚未行使之購股權可認購之股份數目，分別佔當日本公司已發行股份之1.3%及0.6%(二零零四年：1.3%及0.6%)。

授出購股權不會收取任何代價。行使購股權後，本公司會將因此而發行之股份按股份面值記錄為額外股本，而每股行使價高出股份面值之差額則會記錄於股份溢價賬內。

因所有購股權是於二零零二年十一月七日前授出及歸屬，故應用香港財務報告準則第2號對本集團本年度及上年年度之業績概無構成財務影響。

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40. SHARE OPTIONS (Continued)

Movements during the year of share options under the Old Scheme and the New Scheme are set out below:

40. 購股權(續)

年內根據舊計劃及新計劃授出之購股權之變動載列如下：

Subscription price per share 每股認購價	Exercisable period 可予行使期間	Number of share options 購股權數目				Outstanding at 31.12.2004 and 31.12.2005 於二零零四年十二月三十一日及二零零五年十二月三十一日之尚餘數目
		Outstanding at 1.1.2004 於二零零四年一月一日之尚餘數目	Granted during 2004 於二零零四年授出之數目	Exercised during 2004 於二零零四年行使之數目	Lapsed during 2004 於二零零四年失效之數目	
HK\$						
港元						
Old Scheme						
舊計劃						
0.967	9.1.1997 — 8.1.2007	30,000,000	—	(15,000,000)	—	15,000,000
0.900	27.7.1999 — 26.7.2009	20,000,000	—	(16,000,000)	(2,000,000)	2,000,000
0.535	25.7.2001 — 24.7.2011	26,000,000	—	(21,000,000)	—	5,000,000
		76,000,000	—	(52,000,000)	(2,000,000)	22,000,000
New Scheme						
新計劃						
0.700	7.6.2002 — 6.6.2012	70,000,000	—	(60,000,000)	—	10,000,000
		146,000,000	—	(112,000,000)	(2,000,000)	32,000,000

The market price of the Company's shares at date of exercise of share options during the year ended 31 December 2004 ranged between HK\$2.45 and HK\$3.95.

於截至二零零四年十二月三十一日止年度，購股權獲行使當日的本公司股份收市價介乎2.45港元至3.95港元。

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40. SHARE OPTIONS (Continued)

Movements during the year of share options held by the directors included in the above tables are as follows:

Subscription price per share 每股認購價	Exercisable period 可予行使期間	Outstanding as at 1.1.2005 於二零零五年 一月一日之 尚餘數目	Granted during the year 年內授出 之數目	Number of share options 購股權數目			Outstanding as at 31.12.2005 於二零零五年 十二月三十一日 之尚餘數目
				Exercised during the year 年內行使 之數目	Lapsed during the year 年內失效 之數目		
HK\$							
港元							
Old Scheme 舊計劃							
0.967	9.1.1997 — 8.1.2007	15,000,000	—	—	—	15,000,000	
0.900	27.7.1999 — 26.7.2009	2,000,000	—	—	—	2,000,000	
0.535	25.7.2001 — 24.7.2011	2,000,000	—	—	—	2,000,000	
		19,000,000	—	—	—	19,000,000	
New Scheme 新計劃							
0.700	7.6.2002 — 6.6.2012	10,000,000	—	—	—	10,000,000	
		29,000,000	—	—	—	29,000,000	

Subscription price per share 每股認購價	Exercisable period 可予行使期間	Outstanding as at 1.1.2004 於二零零四年 一月一日之 尚餘數目	Granted during the year 年內授出 之數目	Number of share options 購股權數目			Outstanding as at 31.12.2004 於2004年 十二月三十一日 之尚餘數目
				Exercised during the year 年內行使 之數目	Lapsed during the year 年內失效 之數目		
HK\$							
港元							
Old Scheme 舊計劃							
0.967	9.1.1997 — 8.1.2007	15,000,000	—	—	—	15,000,000	
0.900	27.7.1999 —						

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40. SHARE OPTIONS (Continued)

The market price of the Company's shares at the date of exercise of share options during the year ended 31 December 2004 was HK\$2.73.

40. 購股權(續)

於截至二零零四年十二月三十一日止年度，購股權獲行使當日的本公司股份收市價為2.73港元。

41. BANK OVERDRAFT/BORROWINGS

41. 銀行透支 / 借貸

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Bank overdraft — secured	銀行透支 — 有抵押	79,241	—
Bank loans — secured	銀行貸款 — 有抵押	579,478	588,639
		658,719	588,639
Carrying amount repayable:	應償還之賬面值：		
On demand or within one year	應要求或一年內	651,819	580,589
More than one year, but not exceeding two years	一年以上但不超過二年	1,150	1,150
More than two years but not more than five years	二年以上但不超過五年	3,450	3,450
More than five years	五年以上	2,300	3,450
		658,719	588,639
Less: Amounts due within one year shown under current liabilities	減：一年內到期並列為流動負債之金額		
— Borrowings	— 借貸	(572,578)	(580,589)
— Bank overdraft	— 銀行透支	(79,241)	—
		6,900	8,050

The bank loans are secured by certain investment properties, leasehold properties and pledged bank deposits (see note 37).

銀行貸款以若干投資物業及已抵押銀行存款(見附註37)作抵押。

Bank loans of HK\$87,291,000 (2004: HK\$9,200,000) are denominated in Hong Kong dollars and arranged at floating rate of prime rate minus 1.5% (2004: prime rate minus 1.0%) per annum.

銀行貸款87,291,000港元(二零零四年：9,200,000港元)以港元列值，並按最優惠年利率減1.5%(二零零四年：最優惠年利率減1.0%)之浮動利率安排。

Other bank loans was denominated in RMB and carried at fixed interest rate at 5.58% (2004: at 5.31%) per annum.

其他銀行貸款以人民幣列值，並以5.58%(二零零四年：5.31%)之固定利率計息。

The directors consider the carrying amounts of the Group's bank loans within one year approximate their fair values and estimate the difference between carrying amount and fair value of bank loans due after one year is insignificant.

董事認為，本集團於一年內之銀行貸款之賬面值與其公平值相若，並估計於一年後到期之銀行貸款之賬面值與其公平值分別不大。

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42. CONVERTIBLE NOTE

(a) Convertible note at fair value through profit or loss

		notes 附註	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Convertible note at fair value through profit or loss	於損益表按公平值處理的可換股票據	(a)	437,280	400,289
Convertible note	可換股票據	(b)	428,836	416,835
Less: Amount due within one year shown under current liabilities	減：一年內到期並列為流動負債之金額		866,116 (428,836)	817,124 —
			437,280	817,124

On 24 November 2004, the Company issued a convertible note to Citigroup Global Markets Limited ("CGML") in the principal amount of US\$52,500,000 in accordance with a subscription agreement dated 5 November 2004 entered into between the Company and CGML. The interest rate is 1.5% per annum and payable semi-annually in arrears. The Company shall repay the principal amount outstanding under the convertible note to the noteholder together with all interest accrued on the fifth anniversary of the date of the issue of the convertible note. The conversion price is HK\$2.95 per share which is subject to adjustment for, among other matters, subdivision or consolidation of shares, bonus issues, capital reduction, rights issues and other events which have diluting effects on the issued share capital of the Company. The noteholder will have the right to convert the whole or part of the principal amount of the convertible note into shares at any time and from time to time, from the date of issue of the convertible note up to the fifth anniversary of the date of issue of the convertible note in an amount not less than US\$100,000 on each conversion, save that if at any time, the principal outstanding amount of the convertible note is less than US\$100,000, the whole (but not part only) of the principal amount of the convertible note may be converted. The number of shares to be issued on conversion of the convertible note will be determined by dividing the principal amount of the convertible note to be converted (translated into Hong Kong dollars at a fixed rate of HK\$7.80 = US\$1.00 (rounded upwards to the nearest cent)) by the conversion price in effect at the date of conversion of the convertible note. The conversion shares to be issued upon conversion shall rank pari passu in all respects with all other existing shares outstanding at the date of the conversion.

42. 可換股票據

(a) 於損益表按公平值處理的可換股票據

於二零零四年十一月二十四日，本公司根據本公司與Citigroup Global Markets Limited(「花旗集團」)於二零零四年十一月五日簽訂的一項認購協議向花旗集團發出一份本金額52,500,000美元的可換股票據。票據利息以年利率1.5%計算並須每半年以下期形式支付。本公司須於可換股票據發出日期起計的第五個週年日向票據持有人償還可換股票據項下未有贖回的本金額和所有的應計利息。換股價為每股2.95港元，並須受到(其中包括)股份拆細或合併、發行紅股、縮減股本、供股和其他對本公司已發行股本具有攤薄效應的事件的影響作出調整。票據持有人有權於可換股票據發出日期起至可換股票據發出日期後的第五個週年日止期間內的任何時間和隨時將可換股票據之本金額全部或部分轉換股份，惟每次轉換的金額不可少於100,000美元，除此以外，如於任何時間可換股票據的未有贖回本金額少於100,000美元，則可換股票據的全部(而非部分)本金額可予轉換股份。可換股票據轉換股份時需要發行的股份數量乃按照可換股票據需要轉換股份的本金額(以7.80港元兌1.00美元固定匯率折成港元(向上計算至最接近的仙))除以於可換股票據轉換股份當日適用的換股價得出。因轉換股份而發行的股份在各方面均與轉換股份當日所有現有股份享有相同權利。

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42. CONVERTIBLE NOTE (*Continued*)

(a) Convertible note at fair value through profit or loss (*Continued*)

As the functional currency of the Company is Hong

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42. CONVERTIBLE NOTE (Continued)

(b) Convertible note

The stock price was the closing price at the respective balance sheet dates while the expected volatility was determined by calculating the historical volatility of the Company's share price over the previous year.

Because the Binomial model requires the input of highly subjective assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate.

On 23 November 2004, the Company issued a convertible note in the principal amount of HK\$440 million to Catic Limited, a shareholder of the Company, in accordance with a convertible note subscription agreement dated 20 September 2004 entered into between the Company and Catic Limited. The interest rate is 1.5% per annum and payable semi-annually in arrears. The Company shall repay principal amount outstanding under the convertible note to the noteholder together with all interest accrued on the second anniversary of the date of the issue of the convertible note. The conversion price is HK\$2.20 per share, subject to adjustment for, among other matters, subdivision or consolidation of shares, bonus issues, capital reduction, rights issues and other events which have diluting effects on the issued share capital of the Company. The noteholder will have the right to convert the whole or part of the principal amount of the convertible note into shares at any time and from time to time, from the date of issue of the convertible note up to the second anniversary of the issue of the convertible note in amount not less than HK\$30,000,000 on each conversion, save that if at any time, the principal outstanding amount of the convertible note is less than HK\$30,000,000, the whole (but not part only) of the principal amount of the convertible note may be converted. Shares to be issued upon conversion shall rank pari passu in all respects with all other existing shares outstanding at the date of the conversion.

42. 可換股票據(續)

(b) 可換股票據

股價為於各結算日之收市價，而預期波幅乃透過計算本公司股價於過去一年之歷史波幅而釐定。

由於二項模式須投入相當主觀之假設(包括股價波幅)，故所投入之主觀假設如有所改變，則對公平值估計構成重大影響。

於二零零四年十一月二十三日，本公司根據一項由本公司與Catic Limited(為本公司之股東)於二零零四年九月二十日簽訂的可換股票據認購協議授出一份本金額440,000,000港元的可換股票據予Catic Limited。票據利息以年利率1.5%計算並須每半年以下期形式支付。本公司須於可換股票據發出日期起計的第二個週年日向票據持有人償還可換股票據項下未有贖回的本金額和所有的應計利息。換股價為每股2.20港元，並須受到(其中包括)股份拆細或合併、發行紅股、縮減股本、供股和其他對本公司已發行股本具有攤薄效應的事件的影響作出調整。票據持有人有權於可換股票據發出日期起至可換股票據發出後的第二個週年日止期間內的任何時間和隨時將可換股票據之本金額全部或部分轉換股份，惟每次轉換的金額不可少於30,000,000港元，除此以外，如於任何時間可換股票據的未有贖回本金額少於30,000,000港元，則票據的全部(而非部分)本金額可予轉換股份。因轉換股份而發行的股份在各方面均與轉換股份當日所有其他現有股份享有相同權利。

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42. CONVERTIBLE NOTES (Continued)

(b) Convertible note (Continued)

The convertible note contains two components, liability and equity elements. Upon the application of HKAS 32 Financial Instruments: Disclosure and Presentation (see Note 3 for details), the convertible notes were separated into the liability and equity components, on a retrospective basis. The equity component is presented in equity heading "convertible notes equity reserve". The effective interest rate of the liability component is 4.48% per annum.

The movement of the liability component of the convertible notes for the year is set out below:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Liability component at the beginning of the year/on issuance of convertible notes	負債部分年初 / 發行可換股票據時	416,835	415,576
Interest charge	利息支出	18,601	1,968
Interest paid	已付利息	(6,600)	(709)
Liability at the end of the year	於年終之負債	428,836	416,835
Less: Amount due within in one year shown under current liabilities	減：一年內到期並列為流動負債之金額	428,836	—
		—	416,835

The interest charged for the year was calculated at an effective interest rate of 4.48% per annum to liability component which was determined when the notes were issued.

The directors consider that the carrying amount of convertible note approximates to their fair value.

42. 可換股票據(續)

(b) 可換股票據(續)

可換股票據含有負債與股本兩部分。於應用香港會計準則第32號《金融工具：披露及呈列》(詳情見附註3)後，可換股票據按追溯基準分拆為負債與股本兩個獨立部分。股本部分於股本之「可換股票據股本儲備」呈列。負債部分之實際利率為4.48%。

本年度可換股票據負債部分之變動載列如下：

本年度之利率支出乃按負債部分之實際年利率4.48%計算，該利率乃於發行票據時釐定。

董事認為，可換股票據賬面值與其公平值相若。

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43. DEFERRED TAXATION

The followings are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

		Accelerated tax depreciation 加速稅務折舊 HK\$'000 千港元	Revaluation of properties 物業重估 HK\$'000 千港元	Convertible notes 可換股 票據 HK\$'000 千港元	Distressed assets 不良資產 HK\$'000 千港元	Tax losses 稅務虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2004, as originally stated	二零零四年一月一日，按原先呈列	(555)	(35,203)	—	—	11,851	(23,907)
Effects of changes in accounting policies (see Note 3)	會計政策變動之影響 (見附註3)	—	(10,073)	—	—	—	(10,073)
At 1 January 2004, as restated	二零零四年一月一日，經重列	(555)	(45,276)	—	—	11,851	(33,980)
Credit (charge) to income for the year	於本年度收入計入(扣除)	500	(1,505)	220	(32,494)	6,704	(26,575)
Charge to equity for the year	於本年度權益扣除	—	(18,347)	(4,274)	—	—	(22,621)
At 31 December 2004	於二零零四年十二月三十一日	(55)	(65,128)	(4,054)	(32,494)	18,555	(83,176)
Effect of changes in accounting policies (see Note 3)	會計政策變動之影響 (見附註3)	—	—	—	(14,479)	—	(14,479)
At 1 January 2005, as restated	於二零零五年一月一日，經重列	(55)	(65,128)	(4,054)	(46,973)	18,555	(97,655)
Credit (charge) to income for the year	於本年度收入計入(扣除)	—	(47,314)	2,100	(39,274)	(3,961)	(88,449)
Charge to equity for the year	於本年度權益扣除	—	(539)	—	—	—	(539)
At 31 December 2005	於二零零五年十二月三十一日	(55)	(112,981)	(1,954)	(86,247)	14,594	(186,643)

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

就資產負債表呈報用途，若干遞延稅項資產及負債已互相抵銷。以下為就財務呈報用途之遞延稅項結餘分析：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Deferred tax assets	遞延稅項資產	1,336	18,500
Deferred tax liabilities	遞延稅項負債	(187,979)	(101,676)
		(186,643)	(83,176)

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43. DEFERRED TAXATION *(Continued)*

At the balance sheet date, the Group has unused tax losses of approximately HK\$218,486,000 (2004: HK\$271,725,000)

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46. AMOUNTS DUE TO ASSOCIATES

The amounts are unsecured, non-interest bearing and repayable on demand. The directors consider the carrying amount of the amounts due to associates approximates their fair values.

46. 應付聯營公司款

有關金額為無抵押、免息及須於要求時償還。董事認為，應付聯營公司款之賬面值與其公平值相若。

47. ACCRUALS FOR MANAGEMENT FEE TO HOLDING COMPANY OF A SHAREHOLDER

The balance represents accruals for management fee payable to China Cinda pursuant to the NPL Agreement (Note 27). The amounts are unsecured, non-interest bearing and repayable on demand. The directors consider the carrying amount of the accruals for management fee to holding company of a shareholder approximates their fair value.

47. 應付一名股東之控股公司應計管理費

有關結餘為根據不履約貸款收購協議應向中國信達支付之應計管理費(附註27)。有關金額為無抵押、免息及須於要求時償還。董事認為，應付一名股東之控股公司應計管理費之賬面值與其公平值相若。

48. DISPOSAL OF A SUBSIDIARY

48. 出售一間附屬公司

2004
二零零四年
HK\$'000
千港元

Net assets of a subsidiary disposed of comprise:	出售一間附屬公司的資產淨值包括：	
Properties under development	在建物業	172,059
Bank balances and cash	銀行結餘及現金	3,088
Accrued charges and other payables	應計費用及其他應付款	(12,430)
Amount due to immediate holding company	應付直接控股公司款項	(110,295)
Minority interests	少數股東權益	(11,783)
Group's share of net assets disposed	本集團攤佔出售資產淨值	40,639
Gain on disposal of a subsidiary	出售一間附屬公司產生之收益	46,696
Total consideration	總代價	87,335
Satisfied by:	支付方式：	
Cash	現金	87,335
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	87,335
Bank balances and cash disposed of	出售之銀行結餘及現金	(3,088)
		84,247

The subsidiary disposed of in 2004 contributed no turnover to the Group, and a loss of HK\$5,200,000 to the Group's net profit for the year ended 31 December 2004.

於截至二零零四年十二月三十一日止年度，二零零四年已出售的附屬公司為本集團貢獻零營業額及5,200,000港元虧損至本集團的溢利淨額。

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48. DISPOSAL OF A SUBSIDIARY (Continued)

After the disposal of the subsidiary, the amount due from the subsidiary disposed of, amounting to HK\$110,295,000, was reclassified to deposits, prepayments and other receivables.

49. OPERATING LEASE ARRANGEMENTS

The Group as lessee

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

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內屆滿	2,735	2,061
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年在內)	9,034	7,454
After five years	五年之後	738	1,775
		12,507	11,290

The operating lease payments represent rental payable by the Group for certain of its office premises and staff quarters. Leases are generally negotiated for a term of one year and rentals are fixed.

The Group as lessor

Property rental income earned during the year was approximately HK\$76,346,000 (2004: HK\$75,004,000). The properties held have committed tenants for lease terms ranged from 1 year to 18 years.

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

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內屆滿	53,618	48,935
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年在內)	68,328	51,717
After five years	五年以後	16,669	31,712
		138,615	132,364

48. 出售一間附屬公司(續)

於出售該附屬公司後，應收該已出售附屬公司、數額為110,295,000港元的款項已重新分類為按金、預付款及其他應收款科目。

49. 營運租約安排

本集團以承租人身份

於結算日，根據下述期限屆滿之土地及樓宇不可撤銷營運租約，本集團須支付之未來最低租賃款項如下：

營運租約款項指本集團就其若干辦公室物業及員工宿舍應付之租金。該等租約之租期一般為一年，租金亦為固定金額。

本集團以出租人身份

年內賺取之物業租金收入約為76,346,000港元(二零零四年：75,004,000港元)。持有之物業於已簽約之租客之租期由一年至十八年不等。

於結算日，本集團與租客已訂約而須支付之未來最低租賃款額如下：

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50. CAPITAL COMMITMENTS

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Capital expenditure in respect of the property development project:	有關物業發展項目之資本開支：		
— Authorised but not contracted for	— 已批准但未訂約	—	201,147
— Contracted for but not provided in the financial statements	— 已訂約但未於財務報表撥備	—	54,750
		—	255,897
Capital expenditure in respect of the acquisition of additional equity interest in a subsidiary and investment in an investee company	有關收購附屬公司之額外股本權益及於所投資公司之投資之資本開支	76,873	—
		76,873	255,897

50. 資本承擔

51. CONTINGENT LIABILITIES

The Company provided a guarantee in respect of a bank loan granted to a wholly-owned subsidiary of an associate amounting to approximately HK\$233,645,000, to the extent of 52% of the loan balance. There was no outstanding bank loan as at 31 December 2005 (2004: approximately HK\$85,047,000).

The Company has provided a guarantee in respect of the disposal of Beijing East Gate Wangjing Real Estate Co., Ltd. ("Wangjing"), a former subsidiary of the Group, when Wangjing was sold to some buyers under a share transfer agreement, pursuant to which the Company is required to provide guarantee to the buyers of Wangjing (the "Buyers") in respect of any contingent liabilities arising from any guarantees and securities provided by the Wangjing and any contracts entered into by Wangjing not disclosed to the Buyers as at the date of transfer of shares of Wangjing to Buyers. Such guarantee provided by the Company is effective up to 9 November 2007.

51. 或然負債

本公司就一間聯營公司之一間全資附屬公司所獲得約233,645,000港元之銀行貸款提供該貸款額最多52%之擔保。於二零零五年十二月三十一日並無未償還銀行貸款(二零零四年：約85,047,000港元)。

本公司就根據一項股權轉讓協議項下向若干買方出售北京東環望京房地產有限公司(「望京」)(為本集團一間前附屬公司)的交易提供擔保，據此本公司向買入望京的買家(「買方」)就於望京向買方轉讓股份當天望京未有向買方作出披露而由望京提供之任何擔保及抵押與由望京訂立之任何合約引起的任何或然負債向買方提供擔保。此項本公司提供之擔保持續有效至二零零七年十一月九日。

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52. RELATED PARTY TRANSACTIONS

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

52. 關聯人士交易

年內，本集團與關聯人士進行下述交易：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Interest income from an associate (note a)	收取一間聯營公司之利息收入(附註b)	16,002	—
Property management fee income from an associate (note b)	收取一間聯營公司之物業管理費收入(附註a)	65	64
Rental income from an associate (note b)	收取一間聯營公司之租金收入(附註b)	178	175
Consultancy fee paid to an associate (note c)	支付一間聯營公司之諮詢費(附註c)	1,483	2,991
Commission income and performance return received from a fellow subsidiary of a shareholder (note c)	收取一名股東之集團附屬公司之佣金收入及超收分成(附註c)	100,000	119,761
Management fee payable to a holding company of a shareholder (note c)	應付一名股東之控股公司之管理費(附註c)	54,454	18,537
Interests on convertible notes issued to shareholders (note d)	支付發行予一名股東之可換股票據利息(附註d)	24,829	2,801

Notes:

- (a) Interest is charged based on the interest rate agreed by both parties.
- (b) The transaction price was determined and agreed between the Group and the related parties on the basis of estimated costs incurred.
- (c) The transaction was carried out in accordance with the terms of relevant agreement.
- (d) Interest is charged at 1.5% and 4.48% per annum.

附註：

- (a) 利息以根據雙方同意之利率計算。
- (b) 交易之價格乃經本集團與關聯人士根據估計的成本基礎釐定及認可。
- (c) 交易乃根據相關的協議書條款進行。
- (d) 利息以年利率1.5%及4.48%計算。

Details of balances with related companies and other transactions with related parties are set out in the balance sheets and in notes 23, 24, 36, 42, 46 and 47.

與關聯公司之結餘及與關聯人士之其他交易詳情已載於資產負債表及附註23、24、36、42、46及47。

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53. PARTICULARS OF SUBSIDIARIES AND ASSOCIATES

(a) Particulars of the Company's subsidiaries at 31 December 2005 are as follows:

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立 / 成立地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本 / 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有 已發行普通股本 / 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Beijing East Gate Development Co., Ltd. ("Beijing East Gate") 北京東環置業有限公司 (「東環置業」)	PRC 中國	US\$100,413,500 100,413,500美元	—	95.89% (Note i) (附註i)	Property development and investment 物業發展及投資
Beijing Yinda Property Management Limited ("Yinda") 北京銀達物業管理 有限責任公司(「銀達」)	PRC 中國	RMB10,000,000 人民幣10,000,000元	—	90% (Note ii) (附註ii)	Property management 物業管理
Shenyang East Gate Development Co., Ltd. ("Shenyang East Gate") 沈陽東環置業有限公司 (「沈陽東環」)	PRC 中國	US\$10,150,000 10,150,000美元	—	98.5% (Note iii) (附註iii)	Property development and investment 物業發展及投資
East Gate Development (H.K.) Limited 東環置業(香港) 有限公司	Hong Kong 香港	HK\$100 100港元	100%	—	Investment holding 投資控股
Silver Grant International Assets Management Limited ("SGIAM") 銀建國際資產管理 有限公司 (「銀建資產管理」)	Hong Kong 香港	HK\$10,000 10,000港元	100%	—	Distressed assets business 不良資產業務

53. 附屬公司及聯營公司摘要

(a) 本公司各附屬公司於二零零五年十二月三十一日之詳情如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

53. PARTICULARS OF SUBSIDIARIES AND ASSOCIATES

(Continued)

(a) Particulars of the Company's subsidiaries at 31 December 2005 are as follows: (Continued)

53. 附屬公司及聯營公司摘要(續)

(a) 本公司各附屬公司於二零零五年十二月三十一日之詳情如下：(續)

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本/ 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有 已發行普通股本/ 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Greenhill Property Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Likesway Limited 利時威有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Property holding and and investment 持有物業及投資
Platinum One Limited	Mauritius 毛里裘斯	US\$10,000 10,000美元	100%	—	Distressed assets business 不良資產業務
Real China Development Limited 泰景發展有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Property holding and investment 持有物業及投資
Silver Grant Department Store (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Silver Grant Hainan Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Inactive 暫無業務
Silver Grant Infra-Structure Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Silver Grant International Department Store Limited 銀建國際百貨有限公司	Hong Kong 香港	HK\$10 10港元	—	100%	Property investment 物業投資

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

53. PARTICULARS OF SUBSIDIARIES AND ASSOCIATES

(Continued)

(a) Particulars of the Company's subsidiaries at 31 December 2005 are as follows: (Continued)

53. 附屬公司及聯營公司摘要(續)

(a) 本公司各附屬公司於二零零五年十二月三十一日之詳情如下：(續)

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立 / 成立地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股本 / 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有 已發行普通股本 / 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Silver Grant International Infra-Structure Investment Limited 銀建國際基建投資 有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Investment holding 投資控股
Silver Grant International Securities Investment Limited 銀建國際證券投資 有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Securities trading 證券買賣
Silver Grant Securities Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Straight View Investment Limited 藝景投資有限公司	Hong Kong 香港	HK\$100 100港元	100%	—	Investment holding 投資控股
Twin Sparkle Limited 康而富有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Property holding and investment 持有物業及投資
Winner Property Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100%	Investment holding 投資控股

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

53. PARTICULARS OF SUBSIDIARIES AND ASSOCIATES

(Continued)

(a) (Continued)

Notes:

- (i) Beijing East Gate is a sino-foreign co-operative joint venture company established in the PRC. Under the joint venture agreement, the Group is responsible for contributing US\$96,598,000 to the registered capital of Beijing East Gate and share 95.89% of the profits and losses of Beijing East Gate.
- (ii) Yinda is a sino-foreign equity joint venture company established in the PRC. Under the joint venture agreement, the Group is responsible for contributing RMB9,000,000 to the registered capital of Yinda and share 90% of the profits and losses of Yinda.
- (iii) Shenyang East Gate is a sino-foreign co-operative joint venture company established in the PRC. Under the joint venture agreement, the Group is responsible for contributing US\$10,000,000 to the registered capital of Shenyang East Gate and share 70% of the profits and losses of Shenyang East Gate.

Other than the investment holding companies incorporated in the British Virgin Islands which have no principal place of operation, and SGIAM, Beijing East Gate, Yinda and Shenyang East Gate which operate principally in the PRC, all subsidiaries principally operate in Hong Kong.

Other than the convertible notes issued by the Company as explained in note 39, no loan capital has been issued by the Company and any of its subsidiaries.

53. 附屬公司及聯營公司摘要(續)

(a) (續)

附註：

- (i) 北京東環是一家於中國成立之中外合作合營企業。根據合作合同，本集團負責出資96,598,000美元作為北京東環之註冊資本，並且有權分享北京東環95.89%損益。
- (ii) 銀達是一家於中國成立之中外合資企業。根據合作合同，本集團負責出資人民幣9,000,000元作為銀達之註冊資本，並且有權分享銀達90%損益。
- (iii) 沈陽東環是一家於中國成立之中外合作合營企業。根據合作合同，本集團負責出資10,000,000美元註冊資本予沈陽東環並有權分享沈陽東環70%損益。

除於英屬處女群島註冊成立之投資控股公司外(其並無主要營業地點)，以及銀建資產管理、東環置業、銀達及沈陽東環是主要於中國營運外，所有附屬公司均在香港經營為主。

除本公司發行之可換股票據(見附註39)外，本公司及其任何附屬公司概無發行任何資本債務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

54. POST BALANCE SHEET EVENTS

54. 結算日後事項

- (a) 於二零零五年九月二十日，本集團與獨立第三方訂立協議（「收購協議」），以收購北京東環全部餘下4.11%之股本權益，代價約為人民幣26,559,000元（相等於約25,295,000港元）。北京東環為本集團之附屬公司，其主要從事物業發展及投資業務。於結算日，根據收購協議，本集團以現金支付按金3,200,000港元，並承諾支付代價餘額約22,095,000港元，以收購北京東環。收購程序已於二零零六年二月六日完成。
- (b) 於二零零六年三月二十一日，本公司接獲Catic之兌換通知，行使權利按換股價每股2.20港元兌換本金金額為220,000,000港元之部份可換股票據，兌換為100,000,000股股份，分別佔本公司於發行兌換股份前之已發行股本約5.91%及本公司經發行兌換股份後擴大之已發行股本約5.58%。
- (c) 於二零零五年十一月二十二日，本公司之全資附屬公司Platinum One Limited與中國華融資產管理公司（「中國華融」）訂立協議，以代價人民幣約546,000,000元（相等於約525,600,000港元）購買不履約貸款（「不履約貸款」）組合。不履約貸款之尚未償還本金總額（包括表內利息約人民幣3,430,000,000元）約為人民幣36,440,000,000元（相等於約35,040,000,000港元）。於結算日，本集團已向中國華融支付人民幣546,000,000元（相等於約527,446,000港元）作為收購不履約貸款之按金。根據本公司與CFPI於二零零五年十一月二十三日訂立之有條件買賣協議，本公司有條件同意出售而CFPI有條件同意購買本公司向Platinum One Limited提供之貸款之50%權益。
- 於結算日後，根據本公司於二零零六年一月五日舉行之股東特別大會，本公司向CFPI出售其於Platinum One Limited之50%權益。

Financial Summary

財務概要表

For the year ended 31 December 2005

HK\$ Million HK\$ Million HK\$ Million HK\$ Million 二零零五年
HK\$ Million

		百萬港元	百萬港元	百萬港元	百萬港元 (restated) (經重列)	百萬港元
Results	業績					
Turnover	營業額	135.4	181.9	512.3	685.2	551.8
Profit for the year attributable to equity holders of the Company	本公司股本持有人應佔年內溢利	62.4	91.9	182.8	403.7	724.1
				At 31 December 於十二月三十一日		
		2001 二零零一年 HK\$ Million 百萬港元	2002 二零零二年 HK\$ Million 百萬港元	2003 二零零三年 HK\$ Million 百萬港元	2004 二零零四年 HK\$ Million 百萬港元 (restated) (經重列)	2005 二零零五年 HK\$ Million 百萬港元
Assets and liabilities	資產及負債					
Investment properties and property, plant and equipment	投資物業及物業、 廠房及設備	1,757.5	1,966.1	1,985.7	2,045.2	2,227.8

Summary of Investment Properties and Stocks of Properties

投資物業及物業存貨概覽

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

The following is a list of the Group's investment properties and stocks of properties at 31 December 2005:

下列為本集團於二零零五年十二月三十一日之投資物業及物業存貨名單：

INVESTMENT PROPERTIES IN HONG KONG

位於香港之投資物業

Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 Sq. ft. 平方呎
1. Certain properties at Tung Shun Hing Building, No. 22 Chi Kiang Street, To Kwa Wan, Kowloon. 九龍土瓜灣浙江街22號同順興大廈若干物業。	Medium term lease 中期	Commercial 商業	19,934
2. Certain properties at Admiralty Centre, No. 18 Harcourt Road, Hong Kong. 香港夏慤道18號海富中心若干物業。	Long lease 長期	Commercial 商業	2,076
3. Certain properties at Winfield Building, Nos. 1-5 Ventriss Road, Happy Valley, Hong Kong. 香港跑馬地雲地利道1-5號雲暉大廈若干物業。	Long lease 長期	Residential 住宅	4,791
4. Certain properties at Beverly Hill, No.6 Broadwood Road, Hong Kong. 香港樂活道6號比華利山若干物業。	Long lease 長期	Residential 住宅	1,738
5. Certain properties at Yee King Court, Nos. 513-521 Shun Ning Road, Cheung Sha Wan, Kowloon. 九龍長沙灣順寧道513-521號怡景閣若干物業。	Medium term lease 中期	Residential/ commercial 住宅 / 商業	2,316
6. Certain properties at Yee Wah Court, No. 182 Fuk Wa Street, Sham Shui Po, Kowloon. 九龍深水埗福華街182號怡華閣若干物業。	Medium term lease 中期	Residential/ commercial 住宅 / 商業	6,677

Summary of Investment Properties and Stocks of Properties

投資物業及物業存貨概覽

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

INVESTMENT PROPERTIES IN THE PRC (Continued)

位於中國之投資物業(續)

Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 Sq. ft. 平方呎
7. Portions of Level 1-6 (on the retail podium), Jiali Plaza, Zhongshan Avenue, Jiangan District, Wuhan, Hubei Province, the PRC. 中國湖北省武漢市江岸區中山大道 佳麗廣場第一至六層(零售商場)部分。	Medium term lease 中期	Commercial 商業	188,531
8. Basement 1, Basement 2, Level 0 and Level 1 to 3 of East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC. 中國北京市東城區東中街19號東環廣場 地庫1層、地庫2層、夾層及1層至3層。	Medium term lease 中期	Commercial 商業	700,427
9. Level 4 to 31, South Apartment Tower, East Gate Plaza, 39 Dongzhong Street, Dongcheng District, Beijing, the PRC. 中國北京市東城區東中街39號東環廣場南座 公寓樓第四至三十一層。	Long lease 長期	Residential 住宅	339,993
10. Level 4 to 31, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC. 中國北京市東城區東中街19號東環廣場北座 公寓樓第四至三十一層。	Long lease 長期	Residential 住宅	339,739
11. Portions of Level 2-5, 6 and 8, Hua Bo Lau, No. 28 Dong Zhong Jie Jia, Dongcheng District, Beijing, the PRC. 中國北京市東城區東中街甲28號 華波樓第二至五、六及八層部分。	Medium term lease (note) 中期 (附註)	Commercial 商業	10,540

Summary of Investment Properties and Stocks of Properties

投資物業及物業存貨概覽

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

INVESTMENT PROPERTIES IN THE PRC (Continued)

位於中國之投資物業(續)

Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 Sq. ft. 平方呎
12. Certain properties at Yin Tong International Centre, C5 World Trade Avenue, Haikou City, Hainan Province, the PRC. 中國海南省海口市世貿大道C5銀通國際中心若干物業。	Long lease 長期	Commercial 商業	153,882
13. Certain properties on various level of Block 4 at Yinhe Garden, Diahua Road, Haidian Island East, Development District the 3rd Southern Zone, Haikou, Hainan Province, the PRC. 中國海南省海口市海甸島東部開發區南三區甸花路頤和花園小區4幢多層若干物業。	Long lease 長期	Residential 住宅	9,052
14. A unit located on Block 6, Yinhe Garden, Diahua Road, Haidian Island East, Development District the 3rd Southern Zone, Haikou, Hainan Province, the PRC. 中國海南省海口市海甸島東部開發區南三區甸花路頤和花園小區6棟一單元。	Long lease 長期	Residential 住宅	6,637
15. Carparking space No. 6 & 8 on Level 1 of Block 3, Yinhe Garden, Diahua Road, Haidian Island East, Development District the 3rd Southern Zone, Haikou, Hainan Province, the PRC 中國海南省海口市海甸島東部開發區南三區甸花路頤和花園小區3棟第一層6及8號車庫	Long lease 長期	Car parking 車位	464

Summary of Investment Properties and Stocks of Properties

投資物業及物業存貨概覽

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

INVESTMENT PROPERTIES IN THE PRC (Continued)

位於中國之投資物業(續)

Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 Sq. ft. 平方呎
16. Unit 502 on Level 5 of Block 16, No. 2 Longkum Road North, Haikou, Hainan Province, the PRC 中國海南省海口市龍昆北路2號16棟第五層502號	Long lease 長期	Residential 住宅	1,162
17. Units 401 & 501 on Level 4 & 5 of Block 10, No. 2 Longkun Road North, Haikou, Hainan Province, the PRC 中國海南省海口市龍昆北路2號10棟第四及五層401及501號	Long lease 長期	Residential 住宅	2,015
18. An office unit located on the Eastern Portion of Level 15, CMEC Building, Guomao Main Road, Haikou, Hainan Province, the PRC 位於中國海南省海口市國貿大道CMEC大廈十五層 東區辦公室單元部分	Long lease 商業	Commercial	6,079
19. Villa No. 8 of Block D, Shannei Garden, No. 258 Wenming Road East, Haikou, Hainan Province the PRC. 中國海南省海口市文明東路258號山內花園D型別墅8號	Long lease 長期	Residential 住宅	3,118

Note: The legal title of the properties have not been passed to the Group at 31 December 2005.

附註：此等物業之產權於二零零五年十二月三十一日尚未過戶予本集團。

Summary of Investment Properties and Stocks of Properties

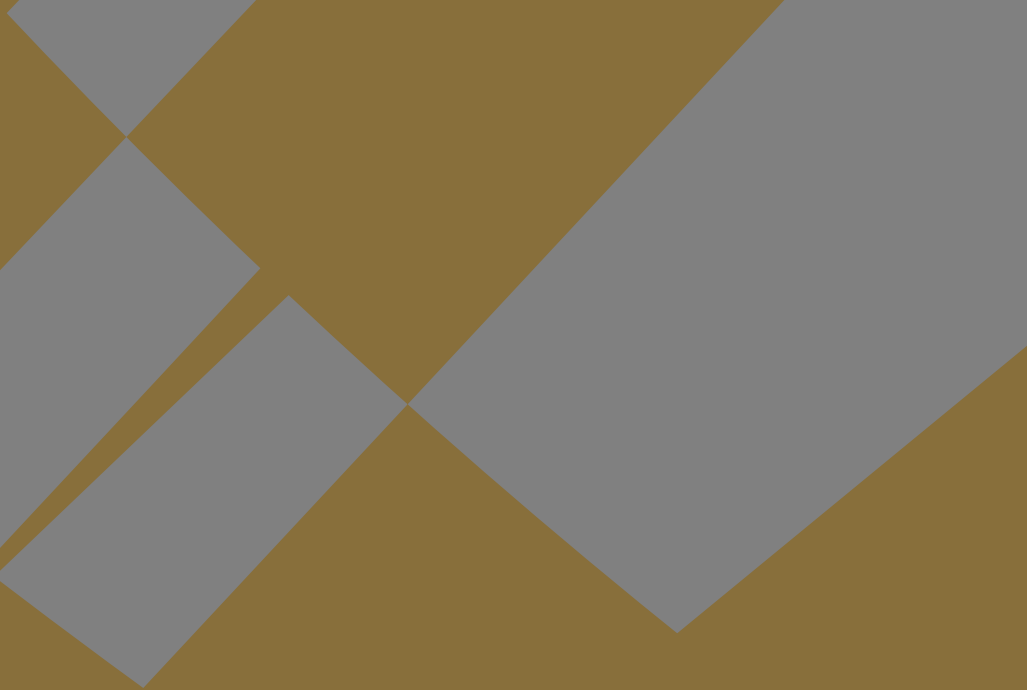
投資物業及物業存貨概覽

For the year ended 31 December 2005
截至二零零五年十二月三十一日止年度

STOCKS OF PROPERTIES

物業存貨

Location 地點	Attributable interest to the Group 本集團應佔權益	Site area 地盤面積 (sq. ft.) (平方呎)	Estimated gross floor area 估計樓面面積 (sq. ft.) (平方呎)	Purpose 用途	Estimated date of completion 預期完工日期	State of completion 建築進度
1. No. 58, North Yun Feng Street, Tiexi District, Shenyang, the PRC. 中國沈陽市鐵西區 雲風街北58號。	98.5%	Approximately 273,000 約273,000	Approximately 1,118,000 約1,118,000	Residential 住宅	2006 二零零六年	Construction in progress 在建中



Water Code 工水編

Water Code 工水編

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