



中策集團有限公司  
China Strategic Holdings Limited

(於香港註冊成立之有限公司) 上市編號: 0235  
(Incorporated in Hong Kong with limited liability) Stock code: 0235

FORWARD  
同心協力



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

Gao Yang	(Chairman)
Kwok Ka Lap, Alva	(Chief Executive Officer)
Chan Ling, Eva	(Executive Director)
Wong King Lam, Joseph	(Independent non-executive Director)
Sin Chi Fai	(Independent non-executive Director)
Ching Yuen Man, Angela	(Independent non-executive Director)

### SECRETARY

Chan Yan Yan, Jenny

### QUALIFIED ACCOUNTANT

Lo Wing Yan, Emmy

### AUDITORS

Deloitte Touche Tohmatsu  
Certified Public Accountants

### REGISTERED OFFICE

8th Floor, Paul Y. Centre  
51 Hung To Road, Kwun Tong  
Kowloon, Hong Kong

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
DBS Bank (Hong Kong) Limited

### SOLICITORS

Richards Butler  
Sidley Austin

### SHARE REGISTRARS AND TRANSFER OFFICE

Standard Registrars Limited  
26/F, Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

### STOCK CODE

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### 董事會

Gao Yang	(主席)
郭嘉立	(行政總裁)
陳玲	(執行董事)
黃景霖	(獨立非執行董事)
冼志輝	(獨立非執行董事)
程婉雯	(獨立非執行董事)

### 秘書

陳欣欣

### 合資格會計師

盧詠欣

### 核數師

德勤•關黃陳方會計師行  
執業會計師

### 註冊辦事處

香港九龍  
觀塘鴻圖道51號  
保華企業中心8樓

### 主要往來銀行

中國銀行(香港)有限公司  
星展銀行(香港)有限公司

### 法律顧問

齊伯禮律師行  
盛德律師事務所

### 股份過戶登記處

標準證券登記有限公司  
香港灣仔  
皇后大道東28號  
金鐘匯中心26樓

### 股份代號

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## Chairman's Statement

### 主席報告書

This is the first time for me to present to you the final results of China Strategic Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"). Year 2006 marked an important milestone in the development of the Company as a number of experienced entrepreneurs has joined its top management. New visions and aspirations would surely bring about new energy and dynamics to the future development of the Company and the Group as a whole.

Through years of reorganization, the Company is now operating with a remarkably cost effective corporate structure. In the mean time, it has retained its concrete foundation our excel management team which possesses extensive experience to the markets in China. Being the Chairman, I am confident that the Company is capable to explore all the best investment opportunities in the prosperous China in the time to come.

#### AGE OF THE BRIC CONTINUES

The economic success of China and the other three BRIC countries (namely, Brazil, Russia and India) continues to be the major driving force for the economic development of the world. Huge amount of investments pouring into various business sectors of the BRIC countries from both their domestic investors and also those sizable investors from various developed countries, financing the rapid growth of the economies and infrastructure developments of the BRIC.

Given its notable economic achievements in the past decade, the gross domestic product of China recorded RMB20,940.70 billion for the year 2006, up by 10.7 percent over the previous year while the annual per capita disposable income of urban households in the country recorded RMB11,759 for the year 2006, a real increase of 10.4% (Sourced from: The Statistical Communique of the People's Republic of China on the 2006 National Economic and Development).

Besides offering the Company significant numbers of investment opportunities, all the above positive factors have provided us a very encouraging environment for evaluating and comparing each of these possible investment targets. However, the management would continue its on-going conservative approach in assessing investment projects.

這是本人首次向各位股東提呈中策集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之末期業績。二零零六年標誌著本公司向前邁進之一大里程碑，多位具備豐富商界經驗之企業家加盟本公司出任高級管理層，由他們引入嶄新視野和抱負，勢將為本公司乃至本集團整體長遠發展增添能量和動力。

經歷多年重組，本公司目前正以符合成本效益之企業架構運作。同時，於中國市場饒富經驗之公司管理層繼續是支持我們之穩固根基。作為主席，本人深信本公司定能發掘並抓緊未來於中國湧現之投資良機。

#### 金磚四國時代延續

中國與金磚四國其他三員(巴西、俄羅斯及印度)經濟表現欣欣向榮，仍然是推動全球經濟加速增長之火車頭，來自本國投資者及發達國家大型投資者之龐大資金紛紛投向各行業，有力帶動四國經濟高速增長及國內基建蓬勃發展之勢頭。

過去十載，中國之經濟成就粲然可觀，二零零六年國內生產總值達人民幣209,407億元，較前一年增長10.7%，而二零零六年國內城市家庭之全年人均可動用收入為人民幣11,759元，實質增長達10.4% (資料來源：《中華人民共和國統計局二零零六年國民經濟和社會發展統計公報》)。

上述利好因素不僅為本公司帶來數目可觀之投資良機，更為我們提供評估及比較各投資目標之合適平台。然而，管理層仍會抱持一貫審慎作風，對投資項目作出評估。

# Chairman's Statement

## 主席報告書

### PROSPECTS

Following the issuance of the National Eleventh Five-Year Plan of the People's Republic of China in March 2006, the long-term stability and prosperity of Hong Kong was once again being brought to the headline of the Chinese Government.

To cope with such favorable regional economic atmosphere, the Group would once again strive to be the vanguard among the other investors and to explore best investment opportunities for the long term benefit of our shareholders.

China remains to be the centerpoint of the Group's target investments. According to the National Development and Reform Commission of China, it is expected that the gross domestic product per capita of the country would reach 2,400 U.S. dollars in year 2010 (upon the completion of the National Eleventh Five-Year Plan) and China would then be even more powerful in its overall strength.

In addition, the country's average urban per capita disposable income would then be increased from the current level to RMB13,390 by year 2010, while rural per capita net income will rise from RMB3,587 to RMB4,110 (Sourced from: [http://english.gov.cn/2006-03/08/content\\_246945.htm](http://english.gov.cn/2006-03/08/content_246945.htm)). Strong growth in personal consumption and other form of domestic consumption will bring forth the overall growth in its service industry including retailing and the logistics industry.

Moreover, upto 45 million jobs will be created in urban areas and the same number of farmers will be trained to take up industrial jobs in such five years. It is not only a good news for the existing battery manufacturing and trading business of the Group but it also denotes a wide spectrum of investment opportunities for the future development of the Group.

### ACKNOWLEDGEMENT

Finally, on behalf of the board of directors of the Company, I would like to take this opportunity to thank all our employees for making all this possible through their dedication, hard work and loyalty. I am also grateful to my fellow directors for their support and advice.

**Gao Yang**  
Chairman

### 前景

繼二零零六年三月中國發佈國家第十一個五年規劃後，香港之長期穩定及繁榮再次成為中國政府之關注重點。

為配合區內有利之經濟氣氛，本集團將再度力求取得其他投資者間之領導地位，積極為自身重新定位及尋求最佳之投資機會，以符合本集團股東之長期利益。

中國將繼續為本集團目標投資之中心點。根據中國國家發展及改革委員會之預測，預期中國之人均本地生產總值將於二零一零年（國家第十一個五年計劃完成後）達至2,400美元，屆時中國整體之優勢將更為強大。

此外，中國之平均城鎮人均可支配收入將由當前水平上升至二零一零年之人民幣13,390元，而農村人均可支配收入則將由人民幣3,587元上升至人民幣4,110元（資料來源：[http://english.gov.cn/2006-03/08/content\\_246945.htm](http://english.gov.cn/2006-03/08/content_246945.htm)）。個人消費及其他本地消費形式之強勁增長，將帶動其服務業（包括零售及物流業）之整體增長。

城鎮地區於該五年將創造最多45,000,000個職位，相同數目之農民將接受培訓以從事工業之工作。這不僅是對本集團現有電池生產及買賣業務之一項好消息，更預示本集團未來發展之投資機會。

### 致謝

最後，本人謹此代表本公司董事會感謝各竭誠盡責、盡忠職守之員工，並向各董事所給予之支持及建議，致以衷心謝意。

主席  
**Gao Yang**

# Management Discussion & Analysis

## 管理層之討論及分析

### ANALYSIS OF THE GROUP'S PERFORMANCE

During the year, the Group has adopted the newly effective Hong Kong Financial Reporting Standards. As a result, certain comparative figures for the year ended 31st December, 2005 have been restated.

For the year ended 31st December, 2006, the Group had consolidated the results of the subsidiaries carrying on manufacturing and trading of batteries products and related accessories, investment in securities holding and advance as well as sand mining activities in the People's Republic of China. The operation of sand mining was discontinued during the year following the Group Reorganisation.

The revenue of the Group for the year ended 31st December 2006 totaled HK\$32.8 million, a slight decrease of 1.2% from HK\$33.2 million as compared to the financial year ended in 2005. The revenue for the year was mainly generated from the manufacturing and trading of batteries products and related accessories. The production and sales in China's battery industry remained fairly stable in 2006 but the international competition in battery market remained keen and pricing was still under competitive pressure which had negatively impacted the revenue of the Group. The Group nevertheless continued to embark on new efficiency and cost cutting measures to minimise the effects of such negative external influences.

The consolidated net loss attributable to equity holders of the parent for the year ended 31st December 2006 decreased from approximately HK\$81.8 million for the same year ended in 2005 to approximately HK\$38.4 million in the current year of 2006. There was notable decrease in the areas of administrative expenses as well as other expenses which resulted from lower allowance for loans and interest receivables being recognised during the year. The net loss incurred for the current year was mainly attributable to the loss on dilution of interest in an associate.

### 本集團業績分析

年內，本集團已採納新生效之香港財務報告準則。因此，截至二零零五年十二月三十一日止年度之若干比較數字經已重列。

截至二零零六年十二月三十一日止年度，本集團已綜合於中華人民共和國從事電池產品及相關配件之製造及買賣業務、證券投資、墊款及採砂活動之附屬公司業績。採砂業務於本年度集團重組後終止。

本集團截至二零零六年十二月三十一日止年度之收入共32,800,000港元，較二零零五年財政年度33,200,000港元輕微下跌1.2%。年內收入主要來自電池產品及相關配件之製造及買賣業務。中國電池業於二零零六年維持穩定生產及銷售，但由於國際間競爭維持激烈，以及在定價上備受競爭壓力，因此為本集團收入帶來負面影響。然而，本集團持續從事新之效率及成本控制措施以減少該等負面因素之影響。

截至二零零六年十二月三十一日止年度，母公司股權持有人應佔之綜合虧損淨額由二零零五年度約81,800,000港元減少至二零零六年度約38,400,000港元。於年內行政費用及其他支出範圍之明顯減少乃由於確認之應收貸款及利息撥備減少。本年度虧損淨額主要由於攤薄一間聯營公司虧損所致。

# Management Discussion & Analysis

## 管理層之討論及分析

### LIQUIDITY AND FINANCIAL RESOURCES

During the financial year of 2006, the Group financed its operations mainly through cash generated from its business activities, banking facilities provided by its principal bankers and external borrowings. As at 31st December, 2006, the Group had working capital calculated by current assets less current liabilities of approximately HK\$0.2 million and the current ratio decreased to 1.00, compared with working capital of approximately HK\$755.7 million and current ratio of 3.68 as at 31st December 2005.

In the fiscal year of 2006, the net cash used in operating activities was approximately HK\$27.7 million compared with HK\$11.8 million used in operating activities in the same period of 2005. The net cash used in investing activities and used in financing activities in the fiscal year of 2006 was approximately HK\$58.3 million and HK\$15.7 million, respectively; compared with the net cash from investing activities approximately HK\$56.9 million and net cash used in financing activities HK\$45.4 million, respectively, in the same period of 2005.

The Group's short-term bank overdraft and bank borrowings increased from approximately HK\$8.6 million as at 31st December 2005 to approximately HK\$12.9 million as at 31st December 2006, representing an increase of 50%. There were no long-term bank loans and other borrowings as at 31st December 2006 and 31st December 2005. The gearing ratio, calculated to the total long-term borrowing bank loans and other borrowing divided by total shareholders' funds, remains nil as at 31st December 2006 and 31st December 2005. As at 31st December 2006, the Group's total borrowings of approximately HK\$12.9 million were mainly denominated in Hong Kong dollar, the maturity profile were all within one year, and bear interest at floating rates.

Capital expenditure aggregated to approximately HK\$34.2 million for the year ended 31st December 2006 and was used primarily for purchasing of property, plant and equipment. The Group's capital expenditures will continue to be funded primarily by internal resources or external borrowings or a combination of both as required.

Cash and bank balances and pledged bank deposits amounted to approximately HK\$10.1 million as at 31st December, 2006, and is mainly denominated in Hong Kong dollars. During the year ended 31st December 2006, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. As a result, the Group did not enter into any material foreign exchange contracts, currency swaps or other financial derivatives.

### 流動資金及財務資源

於二零零六年財政年度，本集團主要以業務活動所得現金及主要往來銀行與對外借款提供之銀行信貸作為營運資金。於二零零六年十二月三十一日，本集團按流動資產減流動負債計算之營運資金約為200,000港元，而流動比率減少至1.00，相較於二零零五年十二月三十一日之營運資金則約為755,700,000港元及流動比率約為3.68。

於二零零六年財政年度，經營業務所用現金淨額約為27,700,000港元，相較二零零五年度經營業務所用現金淨額為11,800,000港元。於二零零六年財政年度，投資業務及融資活動所用現金淨額分別約為58,300,000港元及15,700,000港元；相較二零零五年度投資業務提供之現金淨額約56,900,000港元及融資活動所用之現金淨額約45,400,000港元。

本集團之短期銀行透支及銀行借貸由二零零五年十二月三十一日約8,600,000港元，增加至二零零六年十二月三十一日約12,900,000港元，增幅為50%。於二零零六年十二月三十一日及二零零五年十二月三十一日，概無長期銀行貸款及其他借貸。資本負債比率（即長期銀行貸款與其他借貸之總額除以股東資金總額），於二零零六年十二月三十一日及二零零五年十二月三十一日維持於零港元。於二零零六年十二月三十一日，本集團之總借貸約12,900,000港元，主要以港元計值，還款期全部均於一年內，以浮動息率計算。

於截至二零零六年十二月三十一日止年度，資本開支合計約34,200,000港元，並主要用於購置物業、廠房及設備。本集團之資本開支將主要繼續以內部資源或向外借款或於需要時結合兩者而撥付。

於二零零六年十二月三十一日，現金及銀行結餘及已抵押銀行存款約達10,100,000港元，主要以港元計值。於截至二零零六年十二月三十一日止年度，本集團概無遇到重大匯率及利率波動風險。因此，本集團並無訂立任何重大外匯合約、貨幣掉期或其他金融衍生工具。

# Management Discussion & Analysis

## 管理層之討論及分析

### SIGNIFICANT INVESTMENT

#### Super Energy Group Limited

Super Energy Group Limited ("Super Energy") is principally engaged in the manufacturing and trading of batteries products and related accessories. Its major products are the primary battery and the re-chargeable battery. Super Energy is also actively engaged in new product development by introducing the latest technology into its products.

Since 2004, all Super Energy batteries are manufactured in compliance with the standards of ISO 9001 and Super Energy provides full range of batteries free mercury and cadmium and proud to present its invention of "No Mercury Button Cell Battery" and "Lithium-Ion Battery" are representing high quality, high capacity and advance technology.

Over the years, Super Energy insists on quality production as the crucial path to gain reputation. In order to produce high quality and reliable batteries, high-level vertical integration is employed in our manufacturing process. Starting from electro-plating of metal case, plastic injection, all processes are manufactured and controlled by experienced teams.

A new factory is scheduled to set up in the coming year and occupy over 110,000 square meters. The new set up of the factory are fully equipped with advanced machinery based on the best combination of Japanese and European technologies and facilities. Direct and onsite supervision from our technical experts will ensure that highest quality and efficiency are achieved.

With the recovery of the world economy, the import and export of the battery products in China has increased. For the coming future, Super Energy aspires to achieving further growth in revenue by introducing more high margin products.

### NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 31st December, 2006, the Group employed approximately 165 staff, remuneration packages comprised of salary and year-end bonuses based on individual merits.

No options were granted or exercised during the year ended 31st December, 2006.

### 重要投資

#### 超量集團有限公司

超量集團有限公司(「超量」)主要從事電池產品和相關配件之製造產銷。其主要產品為原電池及可充電電池。同時,超量亦為產品引入最新技術,積極從事新產品開發。

自二零零四年起,所有超量電池之生產均已符合國際標準化組織9001之標準,超量電池並推出整個不含水銀及鎘之電池系列,且榮譽推出其開發集高質素、高容量及先進技術於一身之「環保鈕扣電池」及「鋰離子電池」。

多年來,本公司堅信高質素之生產是建立良好信譽之重要途徑。為確保電池為優質可靠,本公司之生產過程高度縱向整合。由金屬外殼之電鍍到塑膠物料注入,所有工序均由本公司富有經驗之團隊進行和控制。

新廠房計劃在明年興建,佔地超過110,000平方米。新建廠房全面設有先進機器,結合日本及歐洲之卓越技術及設施。在本集團技術專家直接及實地監督下,將確保達至最高品質及效率。

隨著全球經濟復甦,中國電池進出口量均有所增加。展望將來,本公司將致力引入更多高邊際產品,以增加收入。

### 僱員數目、薪酬政策及購股權計劃

於二零零六年十二月三十一日,本集團約有165名僱員。薪酬組合包括薪金及按個別表現計算之年終花紅。

於截至二零零六年十二月三十一日止年度內,並無購股權獲授出及於其後行使。



# Management Discussion & Analysis

## 管理層之討論及分析

### CORPORATE DEVELOPMENTS

As stated in the joint announcement of the Company dated 19th April, 2005, the Company announced the following proposals, if approved and implemented, resulted in below.

#### Group Reorganisation

- (i) the Company continuing to be a public listed company with its subsidiaries concentrating on its business of manufacturing and trading of battery products and investments in securities;
- (ii) all other subsidiaries of the Company carrying on property development, investment holding business and vessels for sand mining business, and all other associates of the Company carrying on manufacturing and marketing of tires and business of providing package tour, travel and other related services were grouped under Group Dragon Investments Limited ("GDI", a former wholly-owned subsidiary of the Company) and its subsidiaries and operated by the former management of the Company; and
- (iii) shares in GDI were distributed as dividend in specie to the then shareholders of the Company on the effective date of the Group Reorganisation, on the basis of one GDI share for every share in the Company after the shares consolidation pursuant to the capital reorganisation.

#### Capital Reorganisation

The Company has carried out the Capital Reorganisation during the year which involves, inter alia, the following:

- (i) subdivision of the Company's shares into two shares of HK\$0.05 each;
- (ii) cancellation of the paid-up capital of 881,595,087 issued shares of HK\$0.05 each ("Capital Reduction") and the cancellation of the entire share premium account of the Company;
- (iii) consolidation of two shares of HK\$0.05 each into one ordinary share of HK\$0.10 each;
- (iv) the credits of approximately HK\$44,080,000 and HK\$1,900,916,000 resulting from the Capital Reduction and the cancellation of the share premium account, respectively transferred to the special capital reserve account of the Company; and

### 公司發展

誠如本公司於二零零五年四月十九日發表之聯合公佈所載，本公司宣佈下列各項建議，若該等建議獲批准及進行，導致下文各項。

#### 集團重組

- (i) 本公司繼續保持上市地位，其附屬公司專注於電池產品製造及銷售及證券投資；
- (ii) 本公司旗下經營物業發展、投資控股業務及採砂船隻之所有其他附屬公司，以及本公司旗下經營輪胎製造及銷售、提供旅行團、旅遊及其他相關服務之業務之所有其他聯營公司已收歸群龍投資有限公司（「群龍」，本公司前全資附屬公司）及其附屬公司旗下，並由本公司前管理層營運；及
- (iii) 於集團重組生效日期，於群龍之股份以實物方式發派予本公司股東，基準為根據股本重組進行股份合併後，每持有一股本公司股份獲發一股群龍股份。

#### 股本重組

本公司於年內已進行以下股本重組，當中包括下列：

- (i) 將本公司股份拆細為兩股每股面值0.05港元之股份；
- (ii) 註銷881,595,087股每股面值0.05港元之已發行股份之繳足股本「削減股本」，及註銷本公司之全部股份溢價賬；
- (iii) 把每兩股每股面值0.05港元之股份合併成為一股面值0.10港元之普通股；
- (iv) 將分別因削減股本及註銷股份溢價賬所產生之進賬款項約44,080,000港元及1,900,916,000港元，轉撥至本公司之特別資本儲備中；及

## Management Discussion & Analysis

### 管理層之討論及分析

- (v) such special capital reserve set off against the accumulated deficit of the Company as the date of the completion of the Group Reorganisation.

Details of the Group Reorganisation and the Capital Reorganisation are set out in the Company's circular dated 10th September, 2005.

The abovementioned proposals relating to the Capital Reorganisation; and the Group Reorganisation have been completed on 18th May, 2006 and 19th May, 2006 respectively.

The Company had been informed by Hanny Holdings Limited ("Hanny") and PYI Corporation Limited ("PYI") that they have entered into the share sale agreement with Nation Field Limited ("Nation Field") on 10th March, 2005 pursuant to which and subject to, inter alia, the implementation of the Group Reorganisation in full, Nation Field agreed to acquire 135,000,000 shares (equivalent to 67,500,000 consolidated shares of the Company upon the Capital Reorganisation having become effective) from each of Hanny and PYI, which shares represent approximately an aggregate of 30.6% of the issued share capital of the Company, for an aggregate consideration of HK\$52,110,000, equivalent to about HK\$0.193 per share (or HK\$0.386 per consolidated share). The share sale agreement has been completed on 24th May, 2006.

On 23rd March, 2006, China Enterprises Limited, a former non-wholly owned subsidiary of the Company, entered into an agreement with Wing On Travel (Holdings) Limited ("Wing On") for the subscription of the 2% convertible exchangeable note issued by Wing On to the Group for the consideration of HK\$300,000,000 (the "Subscription"). The Subscription under an agreement constituted a major transaction for the Company under the Listing Rules. Accordingly, the Subscription and the transactions contemplated under the agreement were subject to the approval of the shareholders of the Company at general meeting. This transaction has been completed in June, 2006.

The composite offer document containing terms and details of the offer made by Kingston Securities Limited ("Kingston Securities") on behalf of Nation Field to acquire all the issued shares in the Company other than those already owned by Nation Field and parties acting in concert with it, together with the acceptance form have been despatched to the shareholders of the Company on 26th May, 2006. The offer has been closed on 16th June, 2006.

- (v) 該項特別資本儲備於集團重組完成日期與本公司之累計虧損對銷。

集團重組及股本重組之詳情載於本公司於二零零五年九月十日刊發之通函內。

上述有關股本重組及集團重組之建議已分別於二零零六年五月十八日及二零零六年五月十九日完成。

本公司獲錦興集團有限公司(「錦興」)及保華集團有限公司(「保華」)知會,彼等於二零零五年三月十日與Nation Field Limited(「Nation Field」)訂立股份出售協議,據此並待(其中包括)集團重組全面付諸實行後, Nation Field同意向錦興及保華收購135,000,000股股份(相當於股本重組生效後67,500,000股本公司合併股份),該等股份共佔本公司已發行股本約30.6%。收購之總代價為52,110,000港元,約相當於每股股份0.193港元(或每股合併股份0.386港元)。股份出售協議已於二零零六年五月二十四日完成。

於二零零六年三月二十三日,本公司之前非全資附屬公司China Enterprises Limited與永安旅遊(控股)有限公司(「永安」)訂立協議,以認購永安向本集團發行之2厘可換股可交換票據,代價為300,000,000港元(「認購事項」)。根據上市規則,協議項下之認購事項構成本公司之一項主要交易。因此,認購事項及協議項下擬進行之交易須經本公司股東於股東大會上批准後,方可作實。該項交易已於二零零六年六月完成。

載有金利豐證券有限公司(「金利豐證券」)代表Nation Field提出收購建議以收購本公司之全部已發行股份(不包括Nation Field及與其一致行動人士經已擁有之股份)之條款及詳情之收購建議綜合文件,連同接納表格已於二零零六年五月二十六日寄發予本公司之股東。收購建議已於二零零六年六月十六日截止。

## Management Discussion & Analysis

### 管理層之討論及分析

Immediately following the close of the offer, the valid acceptance of 135,782,321 shares of the Company received under the offer, Nation Field and parties acting in concert with it, (including Hanny and PYI), owned or controlled an aggregate of 394,602,115 shares of the Company, representing approximately 89.52% of the issued share capital of the Company as at the date of close of offer (out of which 270,782,321 shares of the Company, representing approximately 61.43% of the issued share capital of the Company, are held by Nation Field) and there were 46,195,428 shares of the Company in the hands of the public, representing approximately 10.48% of the voting rights of the Company.

Given that the public of shares of the Company was less than 25% of the issued share capital of Company after the close of offer, the Company is required to suspend trading in the shares of the Company until the public float was restored as required under the Listing Rules.

On 29th January, 2007, Nation Field, a controlling shareholder of the Company, entered into the placing agreement (the "Placing Agreement") with Kingston Securities. Pursuant to the Placing Agreement, Nation Field agreed to place, through Kingston Securities, an aggregate of 65,000,000 existing shares of the Company, on a fully underwritten basis, at a price of HK\$0.32 per placing share (the "Placing").

Immediately after completion of the Placing, there were 111,195,428 shares of the Company in the hands of the public, representing approximately 25.23% of the issued shares of the Company. The Company confirmed that the public float of the shares of the Company had been restored. The trading of shares of the Company had resumed on 1st February, 2007.

緊隨收購建議截止後，根據收購建議有效接納之135,782,321股股份，Nation Field及與其一致行動之人士（包括錦興及保華）擁有或控制本公司合共394,602,115股股份，佔本公司於收購建議截止日期已發行之股本約89.52%（其中Nation Field持有270,782,321股股份，佔本公司已發行之股本約61.43%），而本公司46,195,428股股份則由公眾人士所持有，佔本公司之表決權約10.48%。

由於本公司股份之公眾持股量於收購建議截止後少於本公司已發行股本之25%，本公司須暫停股份買賣直至恢復上市規則規定之公眾持股量。

於二零零七年一月二十九日，本公司控股股東Nation Field與金利豐證券訂立配售協議（「配售協議」）。根據配售協議，Nation Field同意經金利豐證券按全數包銷基準及每股配售股份0.32港元之價格配售合共65,000,000股現有股份（「配售」）。

緊隨配售完成後，公眾人士持有本公司111,195,428股股份，相當於本公司已發行股份約25.23%。本公司確認，公眾人士持股量已恢復。本公司股份已於二零零七年二月一日恢復買賣。

## Biographical Details of Directors 董事之簡歷

### EXECUTIVE DIRECTOR

**Mr. Gao Yang**, aged 40, is the chairman of the Company. He, currently residing in Shanghai, the PRC, has been engaged in trading business between the PRC and the Republic of Austria, which mainly focused on acting as trading agents for Euro-American machine manufacturing and engineering companies in the PRC since 1990s. Currently, Mr. Gao was also a director of a company with registered capital of RMB100,000,000 and with an unaudited net asset value of approximately RMB700,000,000 in 2003. Mr. Gao did not have any shareholding in such company. Such company was engaged in property development (including the development of commercial residential buildings and complex in Beijing, the PRC), investment in high technology (including hydro-electric technology) and industrial enterprises (including investment in a joint venture with a renowned Korean car manufacturer) as well as investment management in the PRC. Mr. Gao remains a director of the aforesaid joint venture with the renowned Korean car manufacturer. He joined the Company in 2006 and is responsible for the overall management of the Company.

**Mr. Kwok Ka Lap, Alva**, aged 58, is the chief executive officer and an executive director of the Company. He was a marketing manager in a company engaging in the design of business administration system. Mr. Kwok has been in the insurance and investments business for over 25 years, principally in the senior managerial position. Mr. Kwok joined the Company in 2006. He is also an independent non-executive director of Wing On Travel (Holdings) Limited, Hanny Holdings Limited and Macau Prime Properties Holdings Limited (formerly known as Cheung Tai Hong Holdings Limited).

**Ms. Chan Ling, Eva**, aged 41, is an executive director of the Company. Ms. Chan has over 19 years' experience in auditing, accounting and finance in both international accounting firms and listed companies. She is a member of the Institute of Chartered Accountants in Australia, a fellow member of the Association of Chartered Certified Accountants and also a practicing member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan joined the Company in 1996. She is the deputy chairman of China Enterprises Limited and a director of MRI Holdings Limited. Ms. Chan is also an independent non-executive director of Wonson International Holdings Limited.

### 執行董事

**Gao Yang 先生**，現年40歲，為本公司之主席。彼現居於中國上海市，從事中國及奧地利共和國之間之貿易業務，有關業務主要是由90年代起擔任歐美機械製造及工程公司之中國貿易代理。目前，Gao先生亦於一間註冊資本達人民幣100,000,000元及二零零三年之未經審核資產淨值約為人民幣700,000,000元之公司出任董事，Gao先生並無持有該公司之任何股權。該公司於中國從事物業發展（已包括於中國北京發展商住及綜合樓宇）高科技投資（包括水力發電技術）及工業企業（包括於投資於一所與著名韓國汽車製造商開設之合資公司）以及投資管理。Gao先生仍為上述與著名韓國汽車製造商開設之合資公司之董事。彼於二零零六年加入本公司，負責本公司之整體管理。

**郭嘉立先生**，現年58歲，為本公司之行政總裁及執行董事。彼曾為一家從事設計業務管理系統之公司之市場經理。郭先生於保護及投資業務方面積逾25年經驗，且主要擔任高級管理人員。郭先生於二零零六年加入本公司。彼亦為永安旅遊（控股）有限公司，錦興集團有限公司及澳門祥泰地產集團有限公司（前稱祥泰行集團有限公司）之獨立非執行董事。

**陳玲女士**，現年41歲，為本公司執行董事。陳女士於國際會計師行及上市公司具19年核數、會計及財務之經驗。彼為澳洲特許會計師公會會員、特許公認會計師公會資深會員及香港會計師公會執業會員。陳女士於一九九六年加入本公司。彼為China Enterprises Limited之副主席及MRI Holdings Limited之董事。陳女士亦為和成國際集團有限公司之獨立非執行董事。



## Biographical Details of Directors

### 董事之簡歷

#### INDEPENDENT NON-EXECUTIVE DIRECTOR

**Mr. Wong King Lam, Joseph**, aged 54, is an independent non-executive director of the Company since September 2004. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has more than 26 years' extensive experience in auditing, corporate and financial management with a number of companies in different business sectors which include an international accounting firm and a local listed company. Mr. Wong is also an executive director of Grand Field Group Holdings Limited and an independent non-executive director of Tungtex (Holdings) Company Limited, Hanny Holdings Limited, Wing On Travel (Holdings) Limited and Honesty Treasure International Holdings Limited (formerly known as Pearl Oriental Enterprises Limited).

**Mr. Sin Chi Fai**, aged 47, is an independent non-executive director of the Company since January 2005. Mr. Sin obtained a diploma in Banking from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). He has over 10 years' experience in banking field and has 12 years' sales and marketing experience in information technology industries. Mr. Sin is a director and shareholder of a Singapore company engaged in the distribution of data storage media and computer related products in Asian countries. Mr. Sin is also an independent non-executive director of Wonson International Holdings Limited.

**Ms. Ching Yuen Man, Angela**, aged 40, is an independent non-executive director of the Company since May, 2006. She is a solicitor in Hong Kong. Ms. Ching completed her high school education in England and obtained her LLB degree at the University of Hong Kong in 1989. She is now a Partner of Messrs. Alvan Liu & Partners ("ALP"). ALP practice focuses in areas of corporate finance, commercial litigation, commercial and company law. Ms. Ching, a legal practitioner for over 13 years of experience, advises a number of UK and Hong Kong listed companies and their subsidiaries.

#### 獨立非執行董事

**黃景霖先生**，現年54歲，自二零零四年九月為本公司獨立非執行董事。彼為英國特許公認會計師公會及香港會計師公會之資深會員。彼於多間不同業務範疇之公司，其中包括一間國際會計師行及一間本港上市公司，積逾26年審計、企業及財務管理之豐富經驗。黃先生亦為鈞濠集團有限公司之執行董事及同得仕（集團）有限公司、錦興集團有限公司、永安旅遊（控股）有限公司及信寶國際控股有限公司（前稱東方明珠實業有限公司）之獨立非執行董事。

**冼志輝先生**，現年47歲，自二零零五年一月為本公司獨立非執行董事。彼於香港理工學院（現稱為香港理工大學）獲取銀行系之文憑。彼於銀行業積逾10年經驗及於資訊科技業擁有12年銷售及市場推廣之經驗。冼先生現為一間於亞洲國家從事分銷數據儲存媒體及與電腦相關產品之新加坡公司之董事及股東。冼先生亦為和成國際集團有限公司之獨立非執行董事。

**程婉雯女士**，現年40歲，自二零零六年五月為本公司獨立非執行董事。彼為一名香港律師，程女士於英格蘭完成高中教育，並於一九八九年取獲香港大學法律學學士學位。彼現為廖國輝律師事務所（「廖國輝律師事務所」）之合夥人。廖國輝律師事務所主要處理企業融資、商業糾紛、商業及公司法等。程女士於執業律師，積逾13年經驗，為多家英國及香港上市公司及彼等之附屬公司之法律顧問。

# Corporate Governance Report

## 企業管治報告

The board of directors (the “Board”) of the Company places importance on corporate governance and reviews its corporate governance practices from time to time to protect the interests of the Group and the shareholders.

In light of the Code of Corporate Governance Practice (the “Code”) set out in Appendix 14 of the Listing Rules which came in effect on 1st January, 2005, the Board has reviewed the corporate governance practices of the Group with the adoption and improvement of various relevant procedures. The Company has applied the principles of the complied with the applicable code provisions in the Code during the year ended 31 December, 2006.

### DIRECTORS’ SECURITIES TRANSACTIONS

During the year, 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 its own code of conduct regarding directors’ securities transactions. Based on specific enquiry of all the directors of the Company, the directors complied throughout the year in review with the required standards as set out in the Model Code.

### THE BOARD OF DIRECTORS

The Board formulates overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management. The Board members are fully committed to their roles and have acted in good faith to maximize the shareholders’ value in the long run, and have aligned the Group’s goal and directions with the prevailing economic and market conditions. Daily operations and administration are delegated to the management.

本公司董事會（「董事會」）十分重視企業管治，並不時檢討其企業管治常規，以保障本集團及股東之利益。

鑑於上市規則附錄十四所載之企業管治常規守則（「守則」）於二零零五年一月一日生效，董事會已採納及提升多項相關程序以檢討本集團之企業管治常規。於截至二零零六年十二月三十一日止年度，本公司已應用遵守守則條文之原則。

### 董事之證券交易

於年內，本公司已採納上市規則附錄十所載上市公司董事進行證券交易之標準守則（「標準守則」），作為本公司本身有關董事進行證券交易之行為守則。根據向本公司全體董事所作之明確查詢，於整年內，董事一直遵守標準守則所載之規定準則。

### 董事會

董事會制定本集團之整體策略、監察其財務表現及保持對管理層之有效監督。董事會成員均盡忠職守及真誠行事，以增加股東長遠最大價值，以及將本集團之目標及方向與現行經濟及市場環境配合。日常運作及管理則委託管理層負責。

# Corporate Governance Report

## 企業管治報告

The Board met regularly throughout the year to discuss the overall strategy as well as the operation and financial performance of the Group. All directors are kept informed on timely basis of major changes that may affect the Group's business, including relevant rules and regulations. The directors enable, upon the reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the directors to assist the relevant directors to discharge their duties.

During the year, four full board meetings were held and the attendance of each director is set out as follows:

董事會於整年內定期舉行會議，以討論本集團之整體策略以及業務及財務表現。全體董事均及時獲悉可能影響本集團業務之重大變動，包括有關規則及規例。董事可按合理要求，在適當之情況下尋求獨立專業意見，費用由本公司承擔。董事會須議決另外為董事提供適當獨立專業意見，以協助有關董事履行其職責。

年內已舉行四次全體董事會會議，各董事之出席率載列如下：

Name of director	董事姓名	Number of attendance 出席次數
Gao Yang (appointed on 26th May, 2006)	Gao Yang (於二零零六年五月二十六日獲委任)	0/4
Kwok Ka Lap, Alva (appointed on 26th May, 2006)	郭嘉立 (於二零零六年五月二十六日獲委任)	2/4
Chan Ling, Eva	陳玲	4/4
Wong King Lam, Joseph	黃景霖	4/4
Sin Chi Fai	冼志輝	4/4
Ching Yuen Man, Angela (appointed on 26th May, 2006)	程婉雯 (於二零零六年五月二十六日獲委任)	1/4
Chan Kwok Keung, Charles (resigned on 16th June, 2006)	陳國強 (於二零零六年六月十六日辭任)	0/4
Yap, Allan (resigned on 16th June, 2006)	Yap, Allan (於二零零六年六月十六日辭任)	2/4
Chau Mei Wah, Rosanna (resigned on 16th June, 2006)	周美華 (於二零零六年六月十六日辭任)	0/4
Li Bo (resigned on 16th June, 2006)	李波 (於二零零六年六月十六日辭任)	0/4
David Edwin Bussmann (resigned on 16th June, 2006)	卜思問 (於二零零六年六月十六日)	1/4

Board minutes are kept by the Company Secretary of the Company and are sent to the directors for records and are open for inspection by the directors.

董事會會議紀錄由本公司之公司秘書備存，並會發送全體董事以作紀錄，亦可供董事查閱。

# Corporate Governance Report

## 企業管治報告

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board is Mr. Gao Yang while the Chief Executive Officer ("CEO") is Mr. Kwok Ka Lap, Alva. There is a clear division of responsibilities between the Chairman and the CEO, in that the Chairman bears primary responsibility for the workings of the Board, by ensuring its effective function, while the CEO bears executive responsibility for the Company's business, the management of the day-to-day operations of the Company.

### BOARD COMPOSITION

The Board comprises three executive directors, being Mr. Gao Yang, Mr. Kwok Ka Lap, Alva and Ms. Chan Ling, Eva, and three independent non-executive directors, being Mr. Wong King Lam, Joseph, Mr. Sin Chi Fai and Ms. Ching Yuen Man, Angela. The directors are considered to have a balance of skill and experience appropriate for the requirements of the business of the Company, details of the directors are shown on page 11 to 12 under the section of Biographical Details of Directors.

### APPOINTMENTS, RE-ELECTION AND REMOVAL

The Company has not fixed the term of appointment for non-executive directors. However, they are appointed subject to retirement by rotation and re-election at the annual general meeting of the Company in A.4.1. of the Code which requires that non-executive directors be appointed for a specific term. The Board has discussed and concluded that the current practice of appointing non-executive directors without specific terms but otherwise subject to rotation and re-election by shareholders was fair and reasonable, and does not intend to change the current practice at the moment.

The Company had not established a nomination committee and retained the functions to the Board. The directors from time to time identify individual suitable to be a Board member and make recommendation to the Board. The main criteria in selecting a candidate is whether if he can add value to the management through his contributions in the relevant strategic business areas and if the appointment results a strong and diverse Board.

### 主席及行政總裁

董事會主席為Gao Yang先生，而行政總裁（「行政總裁」）為郭嘉立先生。主席與行政總裁之責任有明確分工，主席肩負董事會工作之主要責任，確保其有效運作，而行政總裁則肩負本公司業務之執行責任及本公司日常營運之管理。

### 董事會組成

董事會由三名執行董事Gao Yang先生、郭嘉立先生及陳玲女士以及三名獨立非執行董事黃景霖先生、冼志輝先生及程婉雯女士組成。董事被視為根據本公司業務而具備適當所需技巧和經驗，董事詳情載於第11至12頁董事之簡歷一節。

### 委任、重選及罷免

本公司並無固定非執行董事之任期。然而，彼等須於本公司之股東週年大會上輪席告退及膺選連任。企業管治守則之條文A.4.1規定非執行董事應獲委任固定年期。董事會已討論並作結論，認為現時委任非執行董事並無訂明特定任期而須輪席告退及由股東重選之慣例屬公平合理，故目前無意改變現行之慣例。

本公司並無成立提名委員會，其職能保留予董事會負責。董事將不時物色適合人選出任董事會成員並向董事會作出建議。甄選人選之主要準則為其能否透過對有關策略業務範疇之貢獻為管理層增值及委任會否令董事會更加強大及多元化。



# Corporate Governance Report

## 企業管治報告

### RESPONSIBILITIES OF DIRECTORS

Every newly appointed director received an information package from the Company on the first occasion of his appointment. This information package is a comprehensive, formal and tailored induction on the responsibilities and ongoing obligations to be observed by a director. In addition, the package includes materials on the operations and business of the Company. The management of the Company conducted briefing on their responsibilities and obligations under the laws and applicable regulations such as Listing Rules and Company Ordinance as was necessary.

### SUPPLY OF AND ACCESS TO INFORMATION

In respect of regular board and committee meetings, agendas and accompanying board papers were sent in full to all directors at least 3 days before the intended date of meetings. Board papers are circulated to the directors to ensure they have adequate information before the meeting for the ad hoc projects.

The management has the obligation to supply the Board and its committees with adequate information in a timely manner to enable it to make informed decisions. Where any director requires more information than is volunteered by the management, each director has separate and independent access to the issuer's senior management to make further enquires if necessary.

Minutes of the Board/committee meetings are kept by the Company Secretary and are open for inspection by directors.

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration committee, which was set up in April, 2005, comprises two independent non-executive directors and one executive director. The principal responsibilities of remuneration committee include formulation of the remuneration policy, review and recommending to the Board the annual remuneration policy, and determination of the remuneration of the executive director and members of senior management. The overriding object of the remuneration policy is to ensure that the Group is able to attract, retain, and motivate a high-calibre team which is essential to the success of the Group.

### 董事之責任

每名新獲委任之董事均已於其首次獲委任時接獲本公司之一份資料。該份資料已全面包括有關董事應履行責任及持續義務之正式兼特為其而設之就任須知。此外，該份資料包括本公司營運及業務之資料。本公司管理層已舉行簡介會，以簡介彼等於上市規則及公司條例等法例及適用規例下之責任及義務(如必要)。

### 資料提供及使用

董事會及委員會定期會議之議程連同董事會文件應至少在擬舉行會議日期3日前送交全體董事。董事會文件供董事傳閱，以確保彼等於召開特別事項會議前獲得充足資料。

管理層有責任向董事會及其委員會提供充足之適時資料，以便董事能夠作出適宜決定。倘任何董事需要管理層提供其他額外(管理層主動提供以外)之資料，每名董事應有自行接觸發行人高級管理人員之獨立途徑，以再作進一步必要查詢。

董事會／委員會會議紀錄由公司秘書備存，並可供董事查閱。

### 董事及高級管理層酬金

於二零零五年四月設立之薪酬委員會由兩名獨立非執行董事及一名執行董事組成。薪酬委員會之主要責任包括制定薪酬政策、檢討全年薪酬政策並向董事會作出建議，及釐定執行董事及高級管理人員之薪酬。薪酬政策之首要目的為確保本集團有能力吸引、挽留及推動高質素隊伍，而此乃促使本集團成功之關鍵。

# Corporate Governance Report

## 企業管治報告

The remuneration committee held one meeting during the year 2006. The members and attendance of the meeting are as follows:

薪酬委員會於二零零六年內已舉行一次會議。成員及會議出席率如下：

Name of member	成員姓名	Number of attendance 出席次數
Chan Ling, Eva	陳 玲	1/1
Wong King Lam, Joseph	黃景霖	1/1
Sin Chi Fai	冼志輝	1/1
Yap, Allan	Yap, Allan	0/1
(resigned on 16th June, 2006)	(於二零零六年六月十六日辭任)	

In order to attract, retain, and motivate executives and key employees serving for the Group, the Company has adopted a share option scheme in 2002. Such incentive scheme enables the eligible persons to obtain an ownership interest in the Company and thus to reward to the participants who contribute to the success of the Group's operation.

為吸引、挽留及推動行政人員及主要僱員為本集團服務，本公司已於二零零二年採納購股權計劃。該獎勵計劃讓合資格人士可取得本公司之擁有權權益，因而獎勵對本集團業務成功作出貢獻之參與者。

Details of the remuneration of Directors are set out in note 15 to the accounts and details of 2002 share option scheme are set out in the report of director and note 39 to the account.

董事薪酬詳情載於賬目附註15，而二零零二年購股權計劃詳情則載於董事會報告及賬目附註39。

### ACCOUNTABILITY AND AUDIT

### 問責及審核

The Board presents a balanced, clear, and comprehensible assessment of the Company's performance, position, and prospects.

董事會應平衡、清晰及全面地評核本公司之表現、狀況及前景。

The management provides such explanation and information to the Board as will enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

管理層向董事會提供有關解釋及資料，以便董事會就提呈董事會批准之財務及其他資料，作出知情之評核。

The directors are responsible for overseeing the preparation of accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st December, 2006, the directors have:

董事負責監督各財政期間賬目之編製，以就本集團之財務狀況及該期間之業績與現金流量提供真實及公平之觀點。於編製截至二零零六年十二月三十一日止年度之賬目時，董事已：

1. selected suitable accounting policies and applied them consistently;
2. approved adoption of all HKFRSs;
3. made judgments and estimated that are prudent and reasonable; and
4. have prepared the accounts on the going concern basis.

1. 選擇並貫徹應用合適之會計政策；
2. 批准採納所有香港財務報告準則；
3. 作出審慎合理之判斷及估計；及
4. 按持續經營基準編製賬目。

# Corporate Governance Report

## 企業管治報告

### INTERNAL CONTROLS

The Board has overall responsibility for the Group's internal control systems and through the Audit Committee, conducts reviews on the effectiveness of these systems at least annually, covering all material controls, financial, operational and compliance controls and risk management functions. The process used in reviewing the effectiveness of these internal control systems includes discussion with management on risk areas identified by management of the Company and principal divisions and review of significant issues arising from internal and external audits. The Company's internal control systems comprise a well established organizational structure and comprehensive policies and standards. Procedures have been designed to safeguard assets against unauthorised use or disposition, and to ensure compliance with applicable laws and regulations. The purpose of the Company's internal control is to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Company's objective.

### AUDIT COMMITTEE

The audit committee currently comprises all three independent non-executive directors of the Company, Mr. Wong King Lam, Joseph, Mr. Sin Chi Fai and Ms. Ching Yuen Man, Angela as the members, who among themselves possess a wealth of management experience in the accounting profession, commercial and industrial. The audit committee is provided with sufficient resources to discharge its duties. The principal duties of the audit committee include the review of the Group's financial reporting, the nature and scope of audit review as well as the effectiveness of the system of internal control and compliance. It will also discuss matter raised by the external auditors to ensure that appropriate recommendations are implemented.

### 內部監控

董事會須整體負責本集團之內部監控系統，並透過審核委員會至少每年檢討一次該等系統之有效性，有關檢討應涵蓋所有重要之監控，包括財務監控、運作監控及合規監控以及風險管理功能。檢討該等內部監控系統之有效性所採用之程序包括與管理層就本公司管理層識別之風險範疇進行討論，以及內部及外部審核所產生重大問題之主要區分及檢討。本公司之內部監控系統之組織架構完善，並設有全面之政策及標準。程序乃為保障資產不會受未經授權之使用或處置及確保遵守適用法例及規例而設。本公司內部監控旨在提供合理（而非絕對）之保證，以防出現嚴重誤報或損失之情況，並管理（而非杜絕）運作系統故障及未能達致本公司目標之風險。

### 審核委員會

審核委員會現由本公司全體三名獨立非執行董事黃景霖先生、冼志輝先生及程婉雯女士組成，各成員於會計專業、商業及工業擁有豐富管理經驗。審核委員會已獲提供充足資源以履行其職責。審核委員會之主要職責包括審閱本集團之財務申報、審核與審閱之性質及範圍以及內部監控系統之有效性及遵行情況。其亦會討論外聘核數師提出之事宜，以確保適當之建議得以實行。

# Corporate Governance Report

## 企業管治報告

The audit committee held two meetings during the year 2006. The members and attendance of the meeting are as follows:

審核委員會於二零零六年內已舉行兩次會議。成員及會議出席率如下：

Name of member	成員姓名	Number of attendance 出席次數
Wong King Lam, Joseph	黃景霖	2/2
Sin Chi Fai	冼志輝	2/2
Ching Yuen Man, Angela (appointed on 26th May, 2006)	程婉雯 (於二零零六年五月二十六日獲委任)	1/2
David Edwin Bussmann (resigned on 16th June, 2006)	卜思問 (於二零零六年六月十六日辭任)	1/2

Full minutes of audit committee meetings will be kept by the secretary of the meeting. Draft and final versions of minutes of the audit committee meetings are sent to all members of the committee for their comment and records respectively, in both cases with a reasonable time after the meeting.

審核委員會之完整會議紀錄將由會議秘書備存。審核委員會會議紀錄之初稿及最後定稿會在會議後一段合理時間內先後發送予委員會全體成員，初稿供成員表達意見，最後定稿作其紀錄之用。

### AUDITORS' REMUNERATION

Deloitte Touche Tohmatsu has been reappointed as the external auditors of the Company at the 2006 annual general meeting until the conclusion of the next annual general meeting.

### 核數師酬金

德勤•關黃陳方會計師行已於二零零六年股東週年大會上獲續聘為本公司之外聘核數師，直至下屆股東週年大會結束為止。

During the year, the Company paid approximately HK\$3,927,000 to Deloitte Touche Tohmatsu in which approximately HK\$2,600,000 is related to statutory audit. The remaining was paid for the provision of non-statutory audit service for the Group as follow.

年內，本公司向德勤•關黃陳會計師行支付約3,927,000港元，當中約2,600,000港元用作支付法定核數。餘下款項為就其向本集團提供非法定核數服務之酬金，如下所列。

		Fee paid/payable 已付／應付費用 HK\$'000 千港元
Taxation Consultancy	稅務顧問	145
Group Reorganisation	集團重組	1,080
Others	其他	102
Total	總計	1,327



# Corporate Governance Report

## 企業管治報告

### DELEGATION BY THE BOARD

The Company has a formal schedule of matters specifically reserved to the Board and those delegated to management. There should be a clear division of responsibilities amongst committees and each of them should have a specific terms of reference.

The Board is responsible for determining the overall strategy and approving the annual business plan of the Group, ensuring the business operations are properly planned, authorised, undertaken and monitored. All policy matters of the Group, material transactions or transactions where there is conflict of interests are reserved for the Board's decision.

The Board has delegated the day-to-day responsibility to the executive management.

### BOARD COMMITTEES

The Board has prescribed sufficiently clear terms of reference for the audit committee and the remuneration committee.

The terms of reference of the audit committee and remuneration committee require the committees to report back to the board on their decisions or recommendations.

### COMMUNICATION WITH SHAREHOLDERS

In respect of each substantially issue at a general meeting, a separate resolution has been proposed by the chairman of that meeting.

The chairman of the Board should attend the annual general meeting. This deviates from the provision E.1.2. of the Code because the chairman of the Company had another engagement that was important to the business of the Company, he was unable to attend the annual general meeting held on 29th June, 2006.

### 董事會授權

本公司現有一個正規之計劃表，列載特別要保留予董事會及授權予管理層之事宜。各委員會之責任應有清晰分工，而彼等各自應具備特定職權範圍。

董事會負責釐定本集團整體策略及批准年度業務計劃，並確保業務運作已獲妥善策劃、批准、進行及監察。本集團所有政策事宜、重大交易或有利益衝突之交易，均保留予董事會作決定。

董事會已向行政管理層授權日常運作之責任。

### 董事委員會

董事會已充分清楚訂明審核委員會及薪酬委員會之職權範圍。

審核委員會及薪酬委員會之職權範圍應規定該等委員會要向董事會匯報其決定或建議。

### 與股東之溝通

在股東大會上，大會主席已就每項重要事宜個別提呈決議案。

董事會主席應出席股東週年大會。此偏離企業管治守則之條文E.1.2.，由於本公司主席須處理對本公司業務甚為重要之事務，故未能親身出席二零零六年六月二十九日舉行之股東週年大會。

# Corporate Governance Report

## 企業管治報告

### VOTING BY POLL

The chairman of a meeting will ensure disclosure in the Company's circulars to shareholders of procedures for the rights of shareholders to demand a poll in compliance with the requirements about voting by poll contained in the Listing Rules. In accordance to Article 80 of the Articles of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded by:

1. the chairman of the meeting;
2. at least three members present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting;
3. any member or members present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
4. a member or members present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares in the company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

The Company should count all proxy votes, and except where a poll is required, the chairman of a meeting should indicate to the meeting the level of proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands. The issuer should ensure that votes cast are properly counted and recorded.

The chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of:

1. the procedure for demanding a poll by shareholders before putting a resolution to the vote on a show of hands; and
2. the detailed procedures for conducting a poll and then answer any questions from shareholders whenever voting by way of a poll is required.

### 以點票方式表決

大會主席應確保在本公司致股東通函內，已披露股東可要求以點票方式表決之權利之程序乃符合上市規則所載有關以點票方式表決之規定。根據本公司之細則第80條，於任何股東大會上提呈之決議案須以舉手投票方式表決，惟下列人士於（宣佈舉手投票之結果時或之前或撤回任何其他點票表決之要求時）要求以點票方式表決則除外：

1. 大會主席；
2. 至少三名親身出席或委派代表出席而於當時有權於大會上投票之股東（或倘股東為公司，則為其正式授權之代表）；
3. 任何親身出席或委派代表出席而佔不少於全體有權於大會上投票之股東之總投票權十分之一之股東（或倘股東為公司，則為其正式授權之代表）；或
4. 任何親身出席或委派代表出席，並持有本公司股份之股東（或倘股東為公司，則為其正式授權之代表），而有關股份賦予持有人在大会上之投票權，總數佔不少於全部具備此權利股份之繳足總額之十分之一。

本公司應點算所有委任代表之票數，除非要求點票表決，否則大會主席應在會上表明每項決議案之委任代表投票比例，以及贊成和反對票數（倘以舉手方式表決）。發行人應確保所有票數均適當點算及記錄在案。

大會主席應確保在會議開始時已解釋下列事宜：

1. 股東在決議案以舉手方式表決之前要求以點票方式表決之程序；及
2. 在要求以點票方式表決之情況下，以點票方式進行表決之詳細程序，然後回答股東提出任何問題。

## Directors' Report 董事會報告書

The directors present their annual report and the audited consolidated financial statements of the Company for the year ended 31st December, 2006.

### GROUP REORGANISATION AND CAPITAL REORGANISATION

In April, 2005, the Company announced the following Group Reorganisation:

- (i) the Company continues to be a public listed company with its subsidiaries concentrating on its business of manufacturing and trading of battery products and investments in securities;
- (ii) all other subsidiaries of the Company carrying on property development, investment holding business and vessels for sand mining, and all other associates of the Company carrying on manufacturing and marketing of tires and business of providing package tour, travel and other related services were grouped under Group Dragon Investments Limited ("GDI", a former wholly-owned subsidiary of the Company) and its subsidiaries and operated by the former management of the Company; and
- (iii) shares in GDI were distributed as dividend in specie to the then shareholders of the Company on the effective date of the Group Reorganisation, on the basis of one GDI share for every share in the Company after the shares consolidation pursuant to the capital reorganisation ("Capital Reorganisation") as described in note 38.

Details of the Group Reorganisation and the Capital Reorganisation are set out in the Company's circular dated 10th September, 2005.

The Capital Reorganisation and the Group Reorganisation were effective on 18th May, 2006 and 19th May, 2006 respectively.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 50 and 24 respectively to the consolidated financial statements.

董事會提呈本公司截至二零零六年十二月三十一日止年度之週年報告及經審核財務報表。

### 集團重組及股本重組

二零零五年四月，本公司宣佈下列集團重組：

- (i) 本公司將繼續保持上市公司之地位，及其附屬公司專注於電池產品製造及銷售及證券投資；
- (ii) 本公司旗下經營物業發展、投資控股之所有其他附屬公司及採砂船隻，以及本公司旗下經營輪胎製造及銷售、提供旅行團、旅遊及其他相關服務之所有其他聯營公司已收歸群龍投資有限公司（「群龍」，本公司之前全資附屬公司）及其子公司，並由本公司當時之管理層管理；
- (iii) 於集團重組生效日期，於群龍之股份以實物方式發派予本公司股東，基準為根據股本重組進行股份合併後，每持有一股本公司股份獲發一股群龍股份。詳情載於附註38。

集團重組及股本重組之詳情載於本公司於二零零五年九月十日刊發之通函內。

股本重組及集團重組分別於二零零六年五月十八日及二零零六年五月十九日生效。

### 主要業務

本公司為一間投資控股公司，各主要附屬公司及聯營公司之業務分別載於綜合財務報表附註50及24。

# Directors' Report

## 董事會報告書

### RESULTS

The results of the Group for the year ended 31st December, 2006 are set out in the consolidated income statement on page 33.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers were approximately 40% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 12% of the Group's total sales.

The aggregate purchases attributable to the Group's five largest suppliers were approximately 63% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 16% of the Group's total purchases.

### SHARE CAPITAL

Details of movements of share capital of the Company and the Capital Reorganisation during the year are set out in note 38 to the consolidated financial statements.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### DISTRIBUTABLE RESERVE OF THE COMPANY

As at 31st December, 2006, the Company had no reserve available for distribution to shareholders.

### 業績

本集團截至二零零六年十二月三十一日止年度之業績詳情載於第33頁綜合收益表。

### 主要客戶及供應商

本年度，本集團五大客戶之銷售總額佔本集團總銷售額約40%，而本集團最大客戶之銷售總額佔本集團總銷售額約12%。

本集團五大供應商之購買總額佔本集團總購買額約63%，而本集團五大供應商之購買總額亦佔本集團總購買額約16%。

### 股本

年內本公司股本之變動及股本重組之相關資料載於綜合財務報表附註38。

### 購買、出售或贖回上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

### 本公司之可供分派儲備

於二零零六年十二月三十一日，本公司並無可供分派予股東之儲備。



# Directors' Report

## 董事會報告書

### DIRECTORS

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

#### Executive directors:

Mr. Gao Yang	(appointed on 26th May, 2006 and re-designated as Chairman on 26th September, 2006)
Mr. Kwok Ka Lap, Alva	(appointed on 26th May, 2006 and re-designated as Chief Executive Officer on 26th September, 2006)
Ms. Chan Ling, Eva	
Dr. Chan Kwok Keung, Charles	(resigned on 16th June, 2006)
Dr. Yap, Allan	(resigned on 16th June, 2006)
Ms. Chau Mei Wah, Rosanna	(resigned on 16th June, 2006)
Mr. Li Bo	(resigned on 16th June, 2006)

Alternate director to Dr. Chan Kwok Keung, Charles:

Mr. Chan Kwok Chuen, Augustine (formerly known as Mr. Chan Kwok Hung)	(resigned on 16th June, 2006)
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Alternate director to Dr. Yap, Allan:

Mr. Lui Siu Tsuen, Richard	(resigned on 16th June, 2006)
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#### Independent non-executive directors:

Mr. Wong King Lam, Joseph	
Mr. Sin Chi Fai	
Ms. Ching Yuen Man, Angela	(appointed on 26th May, 2006)
Mr. David Edwin Bussmann	(resigned on 16th June, 2006)

In accordance with Article 116 of the Company's Articles of Association, Mr. Wong King Lam, Joseph, Mr. Sin Chi Fai and Ms. Ching Yuen Man, Angela retired at the forthcoming Annual General Meeting by rotation.

It was further reported that in accordance with the Listing Rules, a resolution for re-election of directors should be proposed and voted by shareholders for each re-elected directors separately.

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

### 董事會

年內及直至本報告編製日期為止之本公司董事會成員為：

#### 執行董事：

Gao Yang先生	(於二零零六年五月二十六日獲委任，並於二零零六年九月二十六日獲委任為主席)
郭嘉立先生	(於二零零六年五月二十六日獲委任，並於二零零六年九月二十六日獲委任為行政總裁)
陳玲女士	
陳國強博士	(於二零零六年六月十六日辭任)
Yap, Allan博士	(於二零零六年六月十六日辭任)
周美華女士	(於二零零六年六月十六日辭任)
李波先生	(於二零零六年六月十六日辭任)

陳國強博士之替任董事：

陳國銓先生	(於二零零六年六月十六日辭任) (原名陳國鴻)
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Yap, Allan博士之替任董事：

呂兆泉先生	(於二零零六年六月十六日辭任)
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#### 獨立非執行董事：

黃景霖先生	
冼志輝先生	
程婉雯女士	(於二零零六年五月二十六日獲委任)
卜思問先生	(於二零零六年六月十六日辭任)

根據本公司之組織章程細則第116條，黃景霖先生、冼志輝先生及程婉雯女士須於應屆股東週年大會輪席告退。

進一步報告，根據上市規則，各膺選連任之選董事均須提交膺選連任董事決議案，並由股東投票。

各非執行董事之任期為截至根據本公司之組織章程細則須輪席退任止期間。

# Directors' Report

## 董事會報告書

### DIRECTORS' SERVICE CONTRACTS

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).

### BRIEF DETAILS IN RESPECT OF DIRECTORS

The biographical details of Directors are set out on pages 11 to 12.

### DIRECTOR'S INTERESTS IN SHARES

At 31st December, 2006, the interests of the directors of the Company and their associates in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to the Model Code ("Model Code") for Securities Transactions by Directors of Listed Companies, were as follows:

#### Long positions

##### The Company

Name of director 董事姓名	Capacity 性質	Number of ordinary shares held 所持普通股數目	Approximate shareholding percentage 概約持股百分比
Mr. Gao Yang (Note 2)	Interest held by controlled corporation	270,782,321	61.43%
Gao Yang先生 (附註2)	持有控股公司權益	(Note 1) (附註1)	

Notes:

- Share(s) of HK\$0.10 each in the capital of the Company.
- Mr. Gao Yang is deemed to be interested in 270,782,321 shares of the Company through the interest in Nation Field Limited which is a company beneficially owned by Mr. Gao Yang.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as at 31st December, 2006.

### 董事服務合約

擬於應屆股東週年大會上膺選任之董事概無與本集團訂立本集團不可於一年內免付賠償（法定賠償除外）而終止之服務合約。

### 董事資料簡介

董事之簡歷載於第11至12頁。

### 董事於股份之權益

於二零零六十二月三十一日，按本公司根據證券及期貨條例第352條存置之登記冊所示或根據上市公司董事進行證券交易之標準守則（「標準守則」）本公司及香港聯合交易所有限公司（「香港聯交所」）所獲知會，本公司董事及彼等之聯繫人士於本公司及其相關法團之股份、相關股份及債券中擁有之權益如下：

#### 好倉

##### 本公司

Number of ordinary shares held 所持普通股數目	Approximate shareholding percentage 概約持股百分比
270,782,321	61.43%
(Note 1) (附註1)	

附註：

- 本公司股本中每股面值0.10港元之股份。
- Gao Yang先生被視為透過其實益擁有公司Nation Field Limited持有本公司270,782,321股股份。

除上文披露者外，於二零零六年十二月三十一日，董事或彼等之聯繫人士於本公司或其任何相關法團之股份及相關股份中，概無擁有任何權益或短倉。

# Directors' Report

## 董事會報告書

### SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 39 to the consolidated financial statements.

No options were outstanding at 31st December, 2006 under the share option scheme. No options were granted, exercised, cancelled or lapsed during the year.

### ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt debentures (including debentures), of the Company or any other body corporate.

### DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### 購股權計劃

本公司之購股權計劃詳情載於綜合財務報表附註39。

於二零零六年十二月三十一日，購股權計劃下並無未行使購股權。年內並無購股權獲授出、行使、註銷或失效。

### 購買股份或債券之安排

本公司、其控股公司或其任何附屬公司或同系附屬公司概無於年內任何時間內訂立任何安排致使本公司之董事透過購買本公司或任何其他法人團體之股份或債券（包括債權證）而獲取利益。

### 董事之重大合約權益

本公司、其控股公司、附屬公司或同系附屬公司並無訂立與本公司董事於當中直接或間接擁有重大利益且於年結日或年內任何時間仍然生效之重大合約。

# Directors' Report

## 董事會報告書

### SUBSTANTIAL SHAREHOLDERS

According to the list of substantial shareholders extracted from the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)), the following companies or persons had as at 31st December, 2006, an interest or short position in the shares and the underlying shares of the Company as recorded in the register required to be kept under Section 336 of the Securities and Future Ordinance (the "SFO") and which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

#### Long positions

### 主要股東

根據節錄自聯交所網站之主要股東名單 ([www.hkex.com.hk](http://www.hkex.com.hk))，以下公司或人士於二零零六年十二月三十一日在根據證券及期貨條例第336條規定須予披露之股東登記冊所載，持有本公司股份及相關股份之權益或淡倉，以及根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露。

#### 好倉

Name 姓名	Capacity 身份	Notes 附註	Number of shares 股份數目	Approximate shareholding percentage 概約持股百分比
Nation Field Limited	Beneficial owner 實益持有人	1	270,782,321	61.43%
Mr. Gao Yang Gao Yang先生	Interest held by controlled corporation 受控制法團持有之權益	1	270,782,321	61.43%
Calisan Developments Limited ("Calisan")	Beneficial owner 實益持有人	2	61,909,897	14.04%
Great Decision Limited	Interests held by controlled corporation 受控制法團持有之權益	2	61,909,897	14.04%
PYI Treasury Group Limited	Interests held by controlled corporation 受控制法團持有之權益	2	61,909,897	14.04%
PYI Corporation Limited 保華集團有限公司	Interests held by controlled corporation 受控制法團持有之權益	2	61,909,897	14.04%
	Security interests 質押權益		20,250,000	4.59%
Well Orient Limited 威倫有限公司	Beneficial owner 實益持有人	3	61,909,897	14.04%
Powervote Technology Limited	Interests held by controlled corporation 受控制法團持有之權益	3	61,909,897	14.04%
Hanny Magnetics (B.V.I.) Limited	Interests held by controlled corporation 受控制法團持有之權益	3	61,909,897	14.04%
Hanny Holdings Limited 錦興集團有限公司	Interests held by controlled corporation 受控制法團持有之權益	3	61,909,897	14.04%
	Security interests 質押權益	5	20,250,000	4.59%
Famex Investment Limited 其威投資有限公司	Interests held by controlled corporation 受控制法團持有之權益	3	61,909,897	14.04%
	Security interests through interests held by controlled corporation 透過受控制法團持有之權益之質押權益	5	20,250,000	4.59%

# Directors' Report

## 董事會報告書

Name 姓名	Capacity 身份	Notes 附註	Number of shares 股份數目	Approximate shareholding percentage 概約持股百分比
Mankar Assets Limited	Interests held by controlled corporation 受控制法團持有之權益	3	61,909,897	14.04%
	Security interests through interests held by controlled corporation 透過受控制法團持有之權益之質押權益	5	20,250,000	4.59%
ITC Investment Holdings Limited	Interests held by controlled corporation 受控制法團持有之權益	3	61,909,897	14.04%
	Security interests through interests held by controlled corporation 透過受控制法團持有之權益之質押權益	5	20,250,000	4.59%
ITC Corporation Limited 德祥企業集團有限公司	Interests held by controlled corporation 受控制法團持有之權益	3	61,909,897	14.04%
	Security interests through interests held by controlled corporation 透過受控制法團持有之權益之質押權益	5	20,250,000	4.59%
Galaxyway Investments Limited	Interests held by controlled corporation 受控制法團持有之權益	3	61,909,897	14.04%
	Security interests through interests held by controlled corporation 透過受控制法團持有之權益之質押權益	5	20,250,000	4.59%
Chinaview International Limited	Interests held by controlled corporation 受控制法團持有之權益	3	61,909,897	14.04%
	Security interests through interests held by controlled corporation 透過受控制法團持有之權益之質押權益	5	20,250,000	4.59%
Ms. Ng Yuen Lan, Macy 伍婉蘭女士	Family interests 家族權益	4	61,909,897	14.04%
	Security interests through family interests 透過家族權益持有之質押權益	6	20,250,000	4.59%
Dr. Chan Kwok Keung, Charles 陳國強博士	Interests held by controlled corporation 受控制法團持有之權益	3	61,909,897	14.04%
	Security interests through interests held by controlled corporation 透過受控制法團持有之權益之質押權益	5	20,250,000	4.59%
Christian Emil Toggenburger	Beneficial owner 實益持有人		63,693,500	7.25%

Notes:

附註:

- Mr. Gao Yang is beneficially interested in the entire issued share capital of Nation Field Limited and accordingly Mr. Gao Yang deemed to be interested in the 270,782,321 shares in the Company.
- PYI Corporation Limited ("PYI") owns the entire interest of PYI Treasury Group Limited ("PYITG"). PYITG owns the entire interest in Great Decision Limited ("GDL") which in turn owns the entire interest in Calisan. Accordingly, GDL, PYITG and PYI were deemed to be interested in 61,909,897 shares in the Company which are held by Calisan.

- Gao Yang先生實益擁有 Nation Field Limited之全部已分行股本，因此被視為擁有本公司270,782,321股股份之權益。
- 保華集團有限公司（「保華」）擁有 PYI Treasury Group Limited（「PYITG」）之全部權益。PYITG擁有 Great Decision Limited（「GDL」），而 GDL 擁有 Calisan 之全部權益。因此，GDL、PYITG 及保華被視為擁有 Calisan 於本公司持有之 61,909,897 股股份之權益。



# Directors' Report

## 董事會報告書

3. Dr. Chan Kwok Keung, Charles ("Dr. Chan") owns the entire interest of Chinaview International Limited ("Chinaview") which in turn owns the entire interest in Galaxyway Investments Limited ("Galaxyway"). Galaxyway owns more than one-third of the entire issued ordinary share capital of ITC Corporation Limited ("ITC"). ITC owns the entire interest in ITC Investment Holdings Limited ("ITC Investment"). ITC Investment owns the entire interest in Mankar Assets Limited ("Mankar") which in turn owns the entire interests in Famax Investment Limited ("Famax"). Famax owns approximately 63.98% of the issued share capital of Hanny Holdings Limited ("Hanny"). Hanny owns entire interest in Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics"). Hanny Magnetics owns the entire interest in Powervote Technology Limited ("Powervote") which in turn owns the entire interest in Well Orient Limited ("WOL"). Accordingly, Powervote, Hanny Magnetics, Hanny, Famax, Mankar, ITC Investment, ITC, Galaxyway, Chinaview and Dr. Chan are deemed to be interested in 61,909,897 shares of the Company which are held by WOL.
4. Ms. Ng Yuen Lan, Macy is a spouse of Dr. Chan and deemed to be interested in 619,909,897 shares of the Company held by WOL.
5. Dr. Chan owns the entire interest of Chinaview which in turn owns the entire interest in Galaxyway. Galaxyway owns more than one-third of the entire issued ordinary share capital of ITC. ITC owns the entire interest in ITC Investment. ITC Investment owns the entire interest in Mankar which in turn owns the entire interests in Famax. Famax owns approximately 63.98% of the issued share capital of Hanny. Accordingly, Hanny, Famax, Mankar, ITC Investment, ITC, Galaxyway, Chinaview and Dr. Chan are deemed to be interested in the security interest which are held by Hanny.
6. Ms. Ng Yuen Lan, Macy is a spouse of Dr. Chan and deemed to be interested in the security interest held by Hanny.

Other than disclosed above, the Company had not been notified of any other interests or short position in the issued shares of the Company as at 31st December, 2006.

### 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 Rules 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

### CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance so as to ensure better transparency and protection of shareholders' interest. The Company has complied with the code provision of the Code on Corporate Governance Practices (the "Code") in Appendix 14 of the Listing Rules throughout the year ended 31st December, 2006, except for the following deviations:

1. Code Provision A.4.1. stipulates that non-executive directors should be appointed for a specific term and subject to re-election. Independent non-executive directors of the Company do not have a specific term of appointment as subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company.

3. 陳國強博士(「陳博士」)擁有Chinaview International Limited(「Chinaview」)全部權益,而Chinaview擁有Galaxyway Investments Limited(「Galaxyway」)全部權益。Galaxyway擁有德祥企業集團有限公司(「德祥企業」)超過三分之一全部已發行普通股本。德祥企業擁有ITC Investment Holdings Limited(「ITC Investment」)之全部權益。ITC Investment擁有Mankar Assets Limited(「Mankar」)全部權益,而Mankar擁有其威投資有限公司(「其威」)所有權益。其威擁有錦興集團有限公司(「錦興」)之已發行股本約63.98%。錦興擁有Hanny Magnetics (B.V.I.) Limited(「Hanny Magnetics」)全部權益。Hanny Magnetics擁有Powervote Technology Limited(「Powervote」)全部權益,而Powervote擁有威倫有限公司(「威倫」)所有權益。因此, Powervote、Hanny Magnetics、錦興、其威、Mankar、ITC Investment、德祥企業、Galaxyway、Chinaview及陳博士被視為於由威倫持有61,909,897股本公司股份中擁有權益。
4. 伍婉蘭女士為陳博士之配偶,因此被視為於威倫所持有619,909,897股本公司股份中擁有權益。
5. 陳博士擁有Chinaview全部權益,而Chinaview擁有Galaxyway全部權益。Galaxyway擁有德祥企業超過三分之一全部已發行普通股本。德祥企業擁有ITC Investment之全部權益。ITC Investment擁有Mankar全部權益,而Mankar擁有其威所有權益。其威擁有錦興集團有限公司(「錦興」)之已發行股本約63.98%。因此,錦興、其威、Mankar、ITC Investment、德祥企業、Galaxyway、Chinaview及陳博士被視為於由錦興持有之質押權益。
6. 伍婉蘭女士為陳博士之配偶,因此被視為於錦興所持有之質押權益。

除上文披露者外,於二零零六年十二月三十一日,本公司並不知悉於本公司之已發行股份中有任何其他權益或短倉。

### 委任獨立非執行董事

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認書。本公司認為所有獨立非執行董事均屬獨立。

### 企業管治

本公司致力維持高水平之企業管治,以提高透明度及更好地保障股東權益,本公司於截至二零零六年十二月三十一日止年度一直遵守上市規則附錄十四所載企業管治常規守則(「守則」)之守則條文,惟以下各項除外:

1. 守則條文A.4.1.規定非執行董事應獲委任固定年期並須予重選。本公司之獨立非執行董事並無固定任期,彼等乃根據本公司之章程細則於股東週年大會上輪席退任及膺選連任。

## Directors' Report

### 董事會報告書

2. Code Provision E.1.2. stipulates that the chairman of the board should attend the annual general meeting. The Chairman was unable to attend the annual general meeting held on 29th June, 2006 as he had another engagement that was important to the business of the Company.

#### EMOLUMENT POLICY

A Remuneration Committee is set up for reviewing the Group's emolument policy structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market statistic.

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 39 to the consolidated financial statements.

#### SUFFICIENCY OF PUBLIC FLOAT

On 19th June, 2006, at the request of the Company, trading in its shares has been suspended with effect from 19th June, 2006 due to the public float of the shares of the Company is less than 25% of the issued share capital of the Company. On 29th January, 2007, Nation Field Limited, one of the Company's substantial shareholder, entered into placing agreement to place its 65,000,000 shares, representing 14.75% of the existing issued share capital of the Company, the public float were restored and the trading of the Company's shares were resumed.

#### AUDITORS

A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

**Mr. Gao Yang**

CHAIRMAN

23rd April, 2007

2. 守則條文E.1.2.規定董事會之主席須親身出席股東週年大會。由於主席須處理對本公司業務甚為重要之事務，故未能親身出席二零零六年六月二十九日舉行之股東週年大會。

#### 薪酬政策

薪酬委員會已設立，以經考慮本集團之經營業績、個人表現及可比較市場統計資料後，就本公司董事及高級管理層之所有酬金檢討本集團之薪酬政策架構。

本公司已採納一項購股權計劃以鼓勵董事及合資格僱員，計劃詳情載於財務報表附註39。

#### 足夠公眾持股量

於二零零六年六月十九日，由於本公司股份之公眾持股量低於本公司已發行股本之25%，在本公司要求下，股份自二零零六年月十九日起暫定買賣。於二零零七年一月二十九日，本公司其中一位主要股東Nation Field Limited訂立配售協議，以配售其65,000,000股股份，相當於本公司現有已發行股本之14.75%。公眾持股量獲得恢復，而本公司股份之買賣亦得以恢復。

#### 核數師

有關重新委聘德勤•關黃陳方會計師行連任本公司核數師之決議案將在本公司之股東週年大會上呈呈。

代表董事會

**Gao Yang先生**

主席

二零零七年四月二十三日

# Deloitte.

## 德勤

### TO THE MEMBERS OF CHINA STRATEGIC HOLDINGS LIMITED (incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of China Strategic Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 33 to 126, which comprise the consolidated and Company's balance sheets as at 31st December, 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit 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. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

### 致中策集團有限公司股東 (於香港註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第33至126頁中策集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下合稱「貴集團」)之綜合財務報表,此綜合財務報表包括於2006年12月31日之綜合資產負債表和本公司之資產負債表與截至該日止年度之綜合收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

### 董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》編制及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編制及真實而公平地列報綜合財務報表相關之內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述;選擇和應用適當之會計政策;及按情況下作出合理之會計估計。

### 核數師之責任

我們之責任是根據我們之審核對該等綜合財務報表作出意見。我們之報告僅按照香港《公司條例》第141條,為股東(作為一個團體)而編制,並不為其他任何目的。我們並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。我們已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

## Independent Auditor's Report

### 獨立核數師報告書

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

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

#### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2006 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Companies Ordinance.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
23rd April, 2007

審核涉及執执行程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編制及真實而公平地列報綜合財務報表相關之內部控制，以設計適當之審核程序，但並非為對公司之內部控制之效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得之審核憑證是充足和適當地為我們之審核意見提供基礎。

#### 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於2006年12月31日之事務狀況及 貴集團截至該日止年度之虧損及現金流量，並已按照香港《公司條例》妥為編制。

**德勤•關黃陳方會計師行**  
執業會計師  
香港  
二零零七年四月二十三日

# Consolidated Income Statement

## 綜合收益表

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

		NOTES 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
<b>Continuing operations</b>	<b>持續經營業務</b>			
Revenue	收入	8	32,846	33,161
Cost of sales	銷售成本		(24,199)	(28,479)
Gross profit	毛利		8,647	4,682
Other income	其他收入	10	31,551	91,797
Distribution costs	分銷成本		(2,968)	(1,609)
Administrative expenses	行政支出		(27,695)	(52,926)
Other expenses	其他支出	11	(11,909)	(97,642)
Finance costs	融資成本	12	(9,940)	(17,630)
Gain (loss) in fair value changes of investments held for trading	持作買賣投資公平值變動 之收益(虧損)		564	(4,283)
Change in fair value of conversion option of unlisted convertible note	非上市可換股票據之換股選擇權 公平值之變動		–	(39,743)
Gain on disposal of interest in an associate	出售一間聯營公司權益之收益	24	17,180	–
Loss on dilution of interest in an associate	攤薄一間聯營公司權益之虧損	24	(65,762)	(2,814)
Share of results of associates	所佔聯營公司之業績		16,681	42,864
Loss before taxation	稅前虧損		(43,651)	(77,304)
Taxation	稅項	13	(5,782)	(4,247)
Loss for the year from continuing operations	沿自持續經營業務之年度虧損		(49,433)	(81,551)
<b>Discontinued operation</b>	<b>已終止經營業務</b>			
Loss for the year from discontinued operation	沿自己終止經營業務之 年度虧損	16	(9,818)	(5,487)
Loss for the year	年度虧損	14	(59,251)	(87,038)
Attributable to:	應佔:			
Equity holders of the parent	母公司股權持有人		(38,417)	(81,829)
Minority interests	少數股東權益		(20,834)	(5,209)
			(59,251)	(87,038)
Loss per share	每股虧損	18		
From continuing and discontinued operations	沿自持續及已終止 經營業務			
– Basic	– 基本		HK\$(0.09)港元	HK\$(0.19)港元
– Diluted	– 攤薄		N/A不適用	N/A不適用
From continuing operations	沿自持續經營業務			
– Basic	– 基本		HK\$(0.07)港元	HK\$(0.17)港元
– Diluted	– 攤薄		N/A不適用	N/A不適用



# Consolidated Balance Sheet

## 綜合資產負債表

At 31st December, 2006 於二零零六年十二月三十一日

		NOTES 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
<b>Non-Current Assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	19	46,982	125,957
Prepaid lease payments	預支租約付款	20	27,425	27,763
Deposit paid for acquisition of interest in properties	收購物業權益支付之按金	21	–	55,716
Goodwill	商譽	22	25,807	34,930
Interests in associates	於聯營公司之權益	24	–	558,738
Club debentures	會所債券	25	825	825
Available-for-sale investments	可供出售投資	26	60,127	117,094
			<b>161,166</b>	<b>921,023</b>
<b>Current Assets</b>	<b>流動資產</b>			
Other asset	其他資產	27	–	229,288
Inventories	存貨	28	18,954	12,409
Trade receivables	應收貿易賬款	29	7,825	4,773
Prepaid lease payments	預支租約付款	20	626	620
Amounts due from associates	應收聯營公司款項	24	6,514	159,214
Loans and interest receivables	應收貸款及利息	30	25,761	464,232
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	31	4,888	42,909
Tax reserve certificates paid	已付儲稅券		5,916	–
Investments held for trading	持作買賣之投資	32	8,115	7,552
Pledged bank deposits	已抵押銀行存款	33	1,078	1,036
Bank balances and cash	銀行結餘及現金	33	8,992	115,813
			<b>88,669</b>	<b>1,037,846</b>
Available-for-sale investments – current	可供出售投資 – 流動部份	26	17,770	–
			<b>106,439</b>	<b>1,037,846</b>
<b>Current Liabilities</b>	<b>流動負債</b>			
Trade payables, other payables and accrued charges	應付貿易賬款、其他應付款項及應計費用	34	23,685	56,159
Amounts due to related companies	應付關連公司款項	35	4,128	200,287
Loan payables	應付貸款	36	58,568	3,379
Amount due to an associate	應付一間聯營公司款項	24	–	286
Income tax payable	應付所得稅		6,916	13,387
Bank overdrafts	銀行透支	33	23	7,212
Bank borrowings	銀行借貸	37	12,889	1,415
			<b>106,209</b>	<b>282,125</b>
<b>Net Current Assets</b>	<b>流動資產淨值</b>		<b>230</b>	<b>755,721</b>
			<b>161,396</b>	<b>1,676,744</b>

# Consolidated Balance Sheet

## 綜合資產負債表

At 31st December, 2006 於二零零六年十二月三十一日

			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
	Notes 附註			
<b>Capital and Reserves</b>		<b>資本及儲備</b>		
Share capital		股本		88,160
Reserves	38	儲備	44,080 106,751	1,237,154
Equity attributable to equity holders of the parent		母公司股權持有人應佔權益	150,831	1,325,314
Minority interests		少數股東權益	262	330,255
<b>Total equity</b>		<b>總權益</b>	<b>151,093</b>	<b>1,655,569</b>
<b>Non-Current Liabilities</b>		<b>非流動負債</b>		
Amount due to an associate	24	應付一間聯營公司款項	4,993	–
Amounts due to related companies	35	應付關連公司款項	5,310	–
Deferred tax liabilities	42	遞延稅項負債	–	21,175
			10,303	21,175
			<b>161,396</b>	<b>1,676,744</b>

The financial statements on pages 33 to 126 were approved and authorised for issue by the Board of Directors on 23rd April, 2007 and are signed on its behalf by:

刊於第33頁至第126頁之財務報表已於二零零七年四月二十三日獲董事會批准及授權刊行，並由下列董事代表簽署：

**Kwok Ka Lap, Alva**  
郭嘉立  
董事  
DIRECTOR

**Chan Ling, Eva**  
陳玲  
董事  
DIRECTOR

# Balance Sheet

## 資產負債表

At 31st December, 2006 於二零零六年十二月三十一日

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>Non-Current Assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	19	1,803	2,426
Prepaid lease payments	預支租約付款	20	3,745	3,862
Amounts due from subsidiaries	應收附屬公司款項	23	–	1,937,683
Investments in subsidiaries	於附屬公司之投資	23	–	145,034
Interests in associates	於聯營公司之權益	24	2	2
Club debentures	會所債券	25	825	825
			<b>6,375</b>	<b>2,089,832</b>
<b>Current Assets</b>	<b>流動資產</b>			
Prepaid lease payments	預支租約付款	20	117	117
Amounts due from associates	應收聯營公司款項	24	8	2,989
Amounts due from subsidiaries	應收附屬公司款項	23	178,618	–
Loans and interest receivables	應收貸款及利息	30	–	9,292
Other receivables, deposits and prepayments	其他應收款項、按金及 預付款項		2,311	3,008
Tax reserve certificate paid	已付儲稅券		5,916	–
Bank balances and cash	銀行結餘及現金	33	4,062	8,745
			<b>191,032</b>	<b>24,151</b>
<b>Current Liabilities</b>	<b>流動負債</b>			
Other payables and accrued charges	其他應付款項及應計費用		2,190	3,453
Amounts due to related companies	應付關連公司款項	35	4,128	199,731
Loan payables	應付貸款	36	3,166	–
Amounts due to subsidiaries	應付附屬公司款項	23	144,310	737,054
Income tax payable	應付所得稅		6,916	–
Bank and other borrowings	銀行及其他借款	37	–	3
			<b>160,710</b>	<b>940,241</b>
<b>Net Current Assets (Liabilities)</b>	<b>流動資產(負債)淨值</b>		<b>30,322</b>	<b>(916,090)</b>
			<b>36,697</b>	<b>1,173,742</b>
<b>Capital and Reserves</b>	<b>資本及儲備</b>			
Share capital	股本	38	44,080	88,160
Reserves	儲備	40	(12,693)	1,085,582
<b>Total equity</b>	<b>總權益</b>		<b>31,387</b>	<b>1,173,742</b>
<b>Non-current Liability</b>	<b>非流動負債</b>			
Amounts due to related companies	應付關連公司款項	35	5,310	–
			<b>36,697</b>	<b>1,173,742</b>

# Consolidated Statement of Changes in Equity

## 綜合權益變動報表

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

		Attributable to equity holders of the parent 母公司股權持有人應佔											
		Share capital	Share premium	Special capital reserve	Capital redemption reserve	Investment revaluation reserve	Exchange reserve	Other non-distributable reserves	(Deficit) retained profit	Total	Minority interests	Total	
		股本	股份溢價	特別資本儲備	購回儲備	重估儲備	匯兌儲備	其他不可分派儲備	保留溢利(虧損)	總額	股東權益少數	總額	
		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	
		(附註a)										(附註b)	
At 1st January, 2005 as originally stated	於二零零五年一月一日 原先呈列	88,160	1,900,916	414,881	233	-	(9,967)	18,598	(1,011,072)	1,401,749	317,551	1,719,300	
Effect of changes in accounting policies (note 3)	會計政策變動之影響 (附註3)	-	-	-	-	10,818	-	-	(10,818)	-	-	-	
At 1st January, 2005 as restated	於二零零五年一月一日 重列	88,160	1,900,916	414,881	233	10,818	(9,967)	18,598	(1,021,890)	1,401,749	317,551	1,719,300	
Exchange adjustment	匯兌調整	-	-	-	-	-	(763)	-	-	(763)	(1,027)	(1,790)	
Share of net reserves movement of associates	應佔聯營公司儲備變動淨額	-	-	-	-	-	-	35,365	-	35,365	-	35,365	
Share of other non-distributable reserves by minority shareholders	少數股東分佔其他不可分派儲備	-	-	-	-	-	-	(15,837)	-	(15,837)	15,837	-	
Losses (gains) on fair value changes of available-for-sale investments (as restated)	可供出售投資公平值變動之虧損(收益) (重列)	-	-	-	-	(3,138)	-	-	-	(3,138)	529	(2,609)	
Net (expenses) income recognised directly in equity	直接於權益確認 (開支)收入淨額	-	-	-	-	(3,138)	(763)	19,528	-	15,627	15,339	30,966	
Realised upon disposal of available-for-sale investments	出售可供出售投資時變現	-	-	-	-	(10,233)	-	-	-	(10,233)	-	(10,233)	
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(81,829)	(81,829)	(5,209)	(87,038)	
Total recognised (expense) income for the year	本年度已確認(開支)收入總額	-	-	-	-	(13,371)	(763)	19,528	(81,829)	(76,435)	10,130	(66,305)	
Arising on acquisition of subsidiaries	因收購附屬公司而產生	-	-	-	-	-	-	-	-	-	2,574	2,574	
At 31st December, 2005 (as restated)	於二零零五年十二月三十一日 (重列)	88,160	1,900,916	414,881	233	(2,553)	(10,730)	38,126	(1,103,719)	1,325,314	330,255	1,655,569	
Exchange adjustment	匯兌調整	-	-	-	-	-	3,851	-	-	3,851	2,705	6,556	
Share of reserves movement of associates	應佔聯營公司儲備變動	-	-	-	-	-	-	1,495	-	1,495	128	1,623	
Gains on fair value changes of available-for-sale investments	可供出售投資公平值變動之收益	-	-	-	-	37,925	-	-	-	37,925	-	37,925	
Share of other non-distributable reserves by minority shareholders	少數股東分佔其他不可分派儲備	-	-	-	-	-	-	(669)	-	(669)	669	-	
Income recognised directly in equity	直接於權益確認收入	-	-	-	-	37,925	3,851	826	-	42,602	3,502	46,104	
Reserves realised upon disposal of an associate	出售一間聯營公司時變現之儲備	-	-	-	-	-	(405)	1,044	-	639	-	639	
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(38,417)	(38,417)	(20,834)	(59,251)	
Total recognised (expense) income for the year	本年度已確認(開支)收入總額	-	-	-	-	37,925	3,446	1,870	(38,417)	4,824	(17,332)	(12,508)	
Capital reorganisation (note 38)	股本重組 (附註38)	(44,080)	(1,900,916)	1,944,996	-	-	-	-	-	-	-	-	
Transfer of accumulated deficit of the Company (note 38)	轉撥本公司總計虧損 (附註38)	-	-	(1,212,806)	-	-	-	-	1,212,806	-	-	-	
Dividend in specie (note 17)	以實物股息 (附註17)	-	-	(1,145,804)	-	(2,380)	6,930	(38,053)	-	(1,179,307)	(312,661)	(1,491,968)	
At 31st December, 2006	於二零零六年十二月三十一日	44,080	-	1,267	233	32,992	(354)	1,943	70,670	150,831	262	151,093	

Notes:

- (a) The special capital reserve of the Group at 31st December, 2005 represented the amount arising from the capital reduction carried out by the Company during the year ended 31st December, 2001. During the year, the amount was reduced as a result of the group reorganisation and capital reorganisation as explained in note 2 and note 38 respectively.
- (b) The other non-distributable reserves of the Group include (i) the share premium of associates; (ii) the convertible bond reserve of associate regarding the convertible bond issued by the associate and (iii) investment properties reserve of associates.

附註:

- (a) 本集團於二零零五年十二月三十一日之特別資本儲備代表本公司於截至二零零一年十二月三十一日止年度削減股本產生之金額。年內，該金額分別由於附註2及附註38所解釋之集團重組及股本重組而削減。
- (b) 本集團其他非供分派之儲備包括(i)聯營公司股份溢價；(ii)就聯營公司所發行之可換股債券之聯營公司可換股債券儲備及(iii)聯營公司投資物業儲備。

# Consolidated Cash Flow Statement

## 綜合現金流量報表

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

	Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
OPERATING ACTIVITIES	經營業務		
Loss before taxation	稅前虧損	(43,651)	(77,304)
Loss for the year from discontinued operation	已終止經營業務之年度虧損	16 (9,818)	(5,487)
		(53,469)	(82,791)
Adjustments for:	就以下項目作出調整：		
Finance costs	融資成本	9,940	17,630
Change in fair value of conversion option of unlisted convertible note	非上市可換股票據之換股選擇權公平值之變動	—	39,743
Loss on dilution of interest in an associate	攤薄聯營公司權益之虧損	65,762	2,814
Share of results of associates	所佔聯營公司之業績	(16,681)	(42,864)
Gain on disposal of interest in an associate	出售一間聯營公司權益之收益	(17,180)	—
Dividend income	股息收入	(4,676)	(8,402)
Interest income	利息收入	(24,237)	(58,084)
Amortisation of prepaid lease payments	攤銷預支租約付款	622	519
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,438	8,102
Gain on disposal of available-for-sale investments	出售可供出售投資收益	—	(20,808)
Impairment loss on available-for-sale investments	可供出售投資減值虧損	—	37,189
Allowances for other receivables	其他應收款項撥備	5,626	18,575
Allowances for loan and interest receivables	應收貸款及利息撥備	6,283	37,445
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)虧損	(102)	128
Impairment loss recognised in respect of goodwill	就商譽之已確認減值虧損	4,561	—
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(17,113)	(50,804)
(Increase) decrease in inventories	存貨(增加)減少	(6,101)	1,305
(Increase) decrease in trade receivables	應收貿易賬款(增加)減少	(2,930)	2,282
Decrease in other receivables, deposits and prepayments	其他應收款項、按金及預付款項減少	10,964	23,437
(Increase) decrease in investments held for trading	持作買賣投資(增加)減少	(564)	4,283
(Decrease) increase in trade payables, other payables and accrued charges	應付貿易賬款、其他應付款項及應計費用(減少)增加	(5,391)	9,840
Increase in other asset	其他資產增加	—	(2,121)
Net cash outflow from operations	經營現金流出淨額	(21,135)	(11,778)
Purchase of tax reserve certificates	購買儲備券	(5,916)	—
Tax paid	已繳付稅款	(637)	(45)
NET CASH USED IN OPERATING ACTIVITIES	經營業務所用現金淨額	(27,688)	(11,823)



# Consolidated Cash Flow Statement

## 綜合現金流量報表

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

	Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
<b>INVESTING ACTIVITIES</b>	<b>投資業務</b>		
Amount advanced to loans and interest receivables	墊付予應收貸款及利息之款項	(244,230)	(293,922)
Purchase of property, plant and equipment	購置物業、廠房及設備	(34,204)	(3,765)
Purchase of available-for-sale investments	購入可供出售投資	(25,742)	(78,377)
Increase in pledged bank deposits	已抵押銀行存款增加	(42)	(24)
Repayment of loans and interest receivables	償還應收貸款及利息	191,107	384,736
Proceed from disposal of an associate	出售一間聯營公司所得款項	30,000	–
Interest received	已收利息	6,853	5,661
Decrease (increase) in amounts due from associates	應收聯營公司款項減少(增加)	7,362	(12,858)
Dividend income received from available-for-sale investments	可供出售投資之股息收入	4,221	7,951
Dividend income received from investments held for trading	持作買賣投資之股息收入	455	451
Proceed from disposal of available-for-sales investments	出售可供出售投資所得款項	4,155	134,734
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1,776	–
Payment of prepaid lease payments	支付預支租約付款	–	(8,635)
Deposit paid for acquisition of property in interests	就收購物業權益之已付按金	–	(8,704)
Investment in associates	於聯營公司之投資	–	(63,152)
Purchase of subsidiaries (net of cash and cash equivalents acquired)	購入附屬公司(已扣除購入之現金及現金等額)	–	(9,651)
Dividend income received from associates	聯營公司之股息收入	–	2,427
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>	<b>投資業務所得(所用)現金淨額</b>	<b>(58,289)</b>	<b>56,872</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Increase (decrease) in loan payables	應償還貸款增加(減少)	55,189	(4,142)
New bank borrowings raised	新籌集之銀行借貸	11,477	–
Increase in amounts due to related companies	應付關連公司款項增加	16,112	–
Net cash outflow arising from dividend in specie	實物股息產生之現金流出淨額	(94,092)	–
Interest paid	已付利息	(9,940)	(3,402)
Repayment of obligations under finance leases	融資租約債項之償還款項	(7)	(10)
Repayment of bank borrowings	償還銀行借貸	–	(34,400)
Increase (decrease) in amount due to an associate	應付聯營公司款項增加(減少)	5,577	(3,451)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>融資活動所用現金淨額</b>	<b>(15,684)</b>	<b>(45,405)</b>

# Consolidated Cash Flow Statement

## 綜合現金流量報表

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等額減少淨額	(101,661)	(356)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初之現金及現金等額	108,601	111,588
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	2,029	(2,631)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	年終之現金及現金等額	8,969	108,601
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等額結餘分析		
Bank balances and cash	銀行結餘及現金	8,992	115,813
Bank overdrafts	銀行透支	(23)	(7,212)
		8,969	108,601

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 1. GENERAL

The Company is a public limited company incorporated in Hong Kong with its shares listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). Its holding company is Nation Field Limited, a company incorporated in the British Virgin Islands with limited liability. The address of the registered office and principal place of business of the Company is 8/F., Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company is an investment holding company. The principal activities of its principal subsidiaries and associates are set out in notes 50 and 24 respectively.

The Company and its subsidiaries (the "Group") are mainly engaged in (i) manufacturing and trading of batteries products and related accessories ; (ii) investment in securities holding and (iii) sand mining activities in the People's Republic of China ("PRC"). The operation of sand mining was discontinued during the year ended 31st December, 2006 (see Note 16) as a result of group reorganisation as described in note 2 below.

### 1. 一般事項

本公司為於香港註冊成立之公眾有限公司，其股份於香港聯合交易所有限公司（「香港聯交所」）上市。其控股公司為 Nation Field Limited，一間於英屬處女群島註冊成立之有限公司。本公司之註冊辦事處及主要營業地點位於香港九龍觀塘鴻圖道51號保華企業中心8樓。

本綜合財務報表乃以港元（即本公司之功能貨幣）呈列。

本公司為一間投資控股公司，其主要附屬公司及聯營公司之主要業務分別載於附註50及24。

本公司及其附屬公司（「本集團」）主要從事(i)製造及銷售電池產品及相關配件；(ii)證券投資及(iii)於中華人民共和國（「中國」）之採砂業務。由於下文附註2所述之集團重組，採砂業務於截至二零零六年十二月三十一日止年度期間終止（見附註16）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 2. GROUP REORGANISATION

In April, 2005, the Company announced that the following group reorganisation ("Group Reorganisation") which was completed on 19th May, 2006:

- (i) the Company continues to be a public listed company with its subsidiaries engaged in its business of manufacturing and trading of battery products and investments in securities;
- (ii) all other subsidiaries of the Company carrying on property development, investment holding business and sand mining business, and all other associates of the Company carrying on manufacturing and marketing of tires and business of providing package tour, travel and other related services were grouped under Group Dragon Investments Limited ("GDI", a former wholly-owned subsidiary of the Company) and its subsidiaries and operated by the former management of the Company; and
- (iii) shares in GDI were distributed as dividend in specie to the then shareholders of the Company on the effective date of the Group Reorganisation, on the basis of one GDI share for every share in the Company after the shares consolidation pursuant to the capital reorganisation ("Capital Reorganisation") as described in note 38.

Details of the Group Reorganisation and the Capital Reorganisation are set out in the Company's circular dated 10th September, 2005.

### 2. 集團重組

二零零五年四月，本公司宣佈以下集團重組（「集團重組」），已於二零零六年五月十九日完成：

- (i) 本公司繼續為公眾上市公司，其附屬公司從事電池產品製造及銷售以及證券投資；
- (ii) 本公司經營物業發展、投資控股業務及採砂業務之所有其他附屬公司，以及本公司經營輪胎製造及銷售、提供旅行團、旅遊及其他相關服務之業務之所有其他聯營公司收歸群龍投資有限公司（「群龍」，本公司之前全資附屬公司）及其附屬公司旗下，並由本公司過往之有管理層經營；及
- (iii) 於集團重組生效日期之本公司當時股東獲分派群龍股份作為以實物代息，基準為每持有一股本公司根據股本重組（「股本重組」），詳見附註38）而合併之股份收取一股群龍股份。

本集團重組及股本重組之詳情載於本公司在二零零五年九月十日刊發之通函。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 3. APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are either effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006. 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 and financial positions for the current or prior accounting periods have been prepared and presented:

#### Fair value option

In the current year, the Group has applied HKAS 39 (Amendment) *The fair value option* which is effective for annual periods beginning on or after 1st January, 2006.

Prior to 1st January, 2006, the Group designated certain financial instruments as at fair value through profit or loss.

#### Financial assets previously designated as at fair value through profit or loss reclassified as available-for-sale investments

The amendment permits designating a financial asset or financial liability as at fair value through profit or loss when certain conditions are met. Upon the application of this amendment, the Group has reclassified certain equity instruments as available-for-sale financial assets which do not meet the conditions to be classified as at fair value through profit or loss. An adjustment of HK\$10,818,000 has been transferred from the Group's deficit to investment revaluation reserve as at 1st January, 2005 (see note 4 for the financial impact).

### 3. 採用新香港財務報告準則

於本年度，本集團首次採納多項由香港會計師公會（「香港會計師公會」）所頒佈並於二零零五年十二月一日或二零零六年一月一日或上述日期後開始之會計期間生效之新準則、修訂及詮釋（「新香港財務報告準則」）。採納新香港財務報告準則導致本集團之會計政策於以下方面出現變動，並對本期或前會計期間之業績及財務狀況之編製及呈列產生影響：

#### 公平值選擇權

於本年度內，本集團已應用於二零零六年一月一日或以後開始之年度期間生效之香港會計準則第39號（修訂本）「公平值選擇權」。

於二零零六年一月一日前，本集團將若干金融資產列為按公平值計入損益。

#### 以往指定列為按公平值計入損益之金融資產重新分類為可供出售投資

有關修訂准許在符合若干條件下將一項金融資產或金融負債列為按公平值計入損益。應用該項修訂後，本集團已將若干股本工具（並不符合條件分類為按公平值計入損益）重新分類為可供出售金融資產。於二零零五年一月一日，為數10,818,000港元之調整已從本集團之虧絀中轉入投資重估儲備（財務影響參見附註4）。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 3. APPLICATION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

#### Financial assets previously designated as at fair value through profit or loss reclassified as available-for-sale investments (cont'd)

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

HKAS 1 (Amendment)	Capital Disclosures <sup>1</sup>
HKFRS 7	Financial Instruments: Disclosures <sup>1</sup>
HKFRS 8	Operating Segment <sup>7</sup>
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies <sup>2</sup>
HK(IFRIC)-Int 8	Scope of HKFRS 2 <sup>3</sup>
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives <sup>4</sup>
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment <sup>5</sup>
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions <sup>6</sup>
HK(IFRIC)-Int 12	Service Concession Arrangement <sup>8</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2007

<sup>2</sup> Effective for annual periods beginning on or after 1st March, 2006

<sup>3</sup> Effective for annual periods beginning on or after 1st May, 2006

<sup>4</sup> Effective for annual periods beginning on or after 1st June, 2006

<sup>5</sup> Effective for annual periods beginning on or after 1st November, 2006

<sup>6</sup> Effective for annual periods beginning on or after 1st March, 2007

<sup>7</sup> Effective for annual periods beginning on or after 1st January, 2009

<sup>8</sup> Effective for annual periods beginning on or after 1st January, 2008

### 3. 採用新香港財務報告準則 (續)

#### 以往指定為按公平值計入損益之金融資產重新分類為可供出售投資 (續)

本集團並未提前應用以下已頒佈但尚未生效之新準則、修訂或詮釋。本公司董事預期應用該等準則、修訂或詮釋對本集團之財務狀況並無重大影響。

香港會計準則第1號 (修訂本)	資本披露 <sup>1</sup>
香港財務報告準則第7號	金融工具：披露 <sup>1</sup>
香港財務報告準則第8號	經營分部 <sup>7</sup>
香港(IFRIC)－詮釋第7號	應用香港會計準則 第29號「嚴重通 脹經濟中之財務 報告」之重列法 <sup>2</sup>
香港(IFRIC)－詮釋第8號	香港財務報告準則 第2號之範圍 <sup>3</sup>
香港(IFRIC)－詮釋第9號	重估內嵌式衍生工 具 <sup>4</sup>
香港(IFRIC)－詮釋第10號	中期財務報告及減 值 <sup>5</sup>
香港(IFRIC)－詮釋第11號	香港財務報告準則 第2號－集團及 庫存股份交易 <sup>6</sup>
香港(IFRIC)－詮釋第12號	服務特許經營安排 <sup>8</sup>

<sup>1</sup> 於二零零七年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零零六年三月一日或之後開始之年度期間生效

<sup>3</sup> 於二零零六年五月一日或之後開始之年度期間生效

<sup>4</sup> 於二零零六年六月一日或之後開始之年度期間生效

<sup>5</sup> 於二零零六年十一月一日或之後開始之年度期間生效

<sup>6</sup> 於二零零七年三月一日或之後開始之年度期間生效

<sup>7</sup> 於二零零九年一月一日或之後開始之年度期間生效

<sup>8</sup> 於二零零八年一月一日或之後開始之年度期間生效

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 4. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in accounting policies described in note 3 on the results for the current and prior years are as follows:

#### (i) On results

### 4. 會計政策變動之影響摘要

附註3詳述之會計政策變動對本年度或過往年度業績之影響如下：

#### (i) 業績

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(Increase) decrease in loss for the year:	年內(增加)減少虧損：		
Investment valuation reserves realised upon disposal of available-for-sale investments	出售可供出售投資後變現之投資評估儲備	—	10,233
(Gain) loss on fair value changes on investments in securities at fair value through profit or loss	按公平值計入損益之證券投資公平值變動(收益)虧損	(37,925)	3,138
		<b>(37,925)</b>	<b>13,371</b>
Attributable to:	應佔：		
Equity holders of the parent	母公司股權持有人	(37,925)	13,900
Minority interests	少數股東權益	—	(529)
		<b>(37,925)</b>	<b>13,371</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 4. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (cont'd)

### 4. 會計政策變動之影響摘要 (續)

#### (ii) On income statement line items

#### (ii) 收益表項目

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Gain on disposal of investments in securities at fair value through profit or loss	出售按公平值計入損益之 證券投資收益	—	10,233
(Gain) loss on fair value changes on investments in securities at fair value through profit or loss	按公平值計入損益之證券投資 公平值變動(收益)虧損	(37,925)	3,138
		<u>(37,925)</u>	<u>13,371</u>
Attributable to:	應佔:		
Equity holders of the parent	母公司股權持有人	(37,925)	13,900
Minority interests	少數股東權益	—	(529)
		<u>(37,925)</u>	<u>13,371</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 4. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (cont'd)

#### (iii) On balance sheet items

The cumulative effect of the application of the new HKFRSs as at 1st January, 2005 is summarised as below:

### 4. 會計政策變動之影響摘要 (續)

#### (iii) 資產負債表項目

採用新香港財務報告準則對於二零零五年一月一日之累積影響概述如下：

		As at 1st January, 2005 (as originally stated) HK\$'000 於二零零五年 一月一日 (原先呈列) 千港元	Effect of HKAS 39 (Amendment) HK\$'000 香港會計 準則第39號 (修訂本) 之影響 千港元	As at 1st January, 2005 (as restated) HK\$'000 於二零零五年 一月一日 (重列) 千港元
Available-for-sale investments	可供出售投資	–	194,050	194,050
Investments in securities	按公平值計入損益			
at fair value through	之證券投資	194,050	(194,050)	–
profit or loss				
Total effects on assets	對資產之總影響	194,050	–	194,050
Investment revaluation reserve	投資重估儲備	–	10,818	10,818
Deficit	虧損	(1,011,072)	(10,818)	(1,021,890)
Total effects on equity	對權益之總影響	(1,011,072)	–	(1,011,072)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

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

#### Basis of consolidation

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

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

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.

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.

### 5. 主要會計政策

綜合財務報表乃根據歷史成本慣例法編製，惟誠如下述會計政策所闡釋，若干金融工具乃按公平值計量。

綜合財務報表已遵照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報告表已包括香港聯合交易所有限公司證券上市規則及公司條例所規定之適用披露。

#### 綜合賬目基準

綜合財務報表包括本公司及本公司所控制之實體（其附屬公司）財務報表。本公司有權力監督一間實體之財務及經營政策以從其業務中取得利益，則對其具有控制權。

於年內收購或出售之附屬公司業績分別由收購生效日期起或截至出售生效日期止（如適用）計入綜合收益表內。

如有需要，將對附屬公司財務報表進行調整，以使其會計政策與本集團旗下其他成員公司所使用者一致。

所有集團內公司間之交易、結餘、收入及開支已於綜合賬內對銷。

於綜合附屬公司資產淨值之少數股東權益與本集團於其之權益分別呈列。於資產淨值之少數股東權益包括於原有業務合併日期之該等權益金額，以及自合併日期以來之少數股東所佔之權益變動。少數股東適用之虧損超出於附屬公司權益之少數股東權益之金額乃分配至本集團之權益，惟須以少數股東有約束力之責任並可作出額外投資以填補虧損之情況為限。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Business combination

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

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

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

#### Goodwill

##### Goodwill arising on acquisition prior 1st January, 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1st 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.

Previously capitalised goodwill arising on acquisitions of subsidiaries after 1st January, 2001 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).

### 5. 主要會計政策 (續)

#### 業務合併

收購附屬公司乃以購買法入賬。收購成本乃以交換當日所獲得之資產、所產生或承擔之負債之公平值加上直接歸屬於業務合併之任何成本總額計量。被收購公司之可識別資產、負債及或然負債符合香港財務報告準則第3號「業務合併」之確認條件者，按其於收購日期之公平值確認。

收購產生之商譽仍確認為資產，初步按成本計量，即業務合併成本超出本集團於已確認之可識別資產、負債及或然負債公平淨值之權益之數額。重估後，倘本集團於被收購公司之可識別資產、負債及或然負債公平淨值之權益超出業務合併成本，超出之差額即時確認為損益。

少數股東於被收購公司之權益初步按已確認之資產、負債及或然負債公平淨值之少數股東權益比例計量。

#### 商譽

##### 於二零零五年一月一日前收購產生之商譽

於二零零五年一月一日前訂立協議而收購附屬公司產生之商譽，指收購成本高於本集團於收購附屬公司當日應佔有關公司之可識別資產與負債之公平值之數。

二零零一年一月一日後收購附屬公司所產生之過往已撥充資本商譽每年或於有迹象顯示商譽有關之現金產生單位可能出現減值時進行減值測試（見下文會計政策）。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Goodwill (cont'd)

##### Goodwill arising on acquisitions on or after 1st January, 2005

Goodwill arising on acquisition of a subsidiary for which the agreement date is after 1st 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. Such goodwill is carried at cost less any accumulated impairment losses.

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

For the purposes of impairment testing, goodwill arising from an acquisition 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.

### 5. 主要會計政策 (續)

#### 商譽 (續)

##### 於二零零五年一月一日或以後收購產生之商譽

就收購附屬公司而訂立日期為二零零五年一月一日以後之協議產生之商譽指收購成本超逾本集團於收購當日應佔有關附屬公司可識別資產及負債公平值權益之數額。有關商譽按成本減任何累計減值虧損列賬。

收購附屬公司產生之撥充資本商譽於綜合資產負債表獨立呈列。

就減值測試而言，收購產生之商譽會分配至預期可自收購之協同效益獲益之各相關現金產生單位或各組現金產生單位。經分配商譽之現金產生單位會每年或於有跡象顯示該單位可能出現減值時進行減值測試。就於一個財政年度進行收購所產生商譽而言，經分配商譽之現金產生單位會於該財政年度年結前進行減值測試。倘現金產生單位之可收回金額低於其單位賬面值，則減值虧損會先用作減低任何分配至該單位之商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽之任何減值虧損將直接於收益表確認。就商譽確認之減值虧損不會於往後期間撥回。

於其後出售附屬公司時，釐定出售損益時會計入撥充資本之商譽應佔金額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

#### Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated 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 net assets 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.

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

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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

### 5. 主要會計政策 (續)

#### 於附屬公司之投資

於附屬公司之投資乃按成本減任何已辨識之減值虧損在本公司之資產負債表列賬。

#### 於聯營公司之投資

聯營公司指投資者對其有重大影響力之實體，且不屬於附屬公司或擁有合資公司之權益。

聯營公司之業績及資產與負債以權益會計法計入綜合財務報表。根據權益法，於聯營公司之投資乃按成本（就本集團所佔聯營公司資產淨值之收購後變動作出調整）減任何已識別減值虧損計入綜合資產負債表。倘本集團應佔聯營公司之虧損相等於或超出其於該聯營公司之權益（包括實質組成本集團於該聯營公司投資淨額之任何長期權益），本集團將終止確認其應佔之進一步虧損。僅於本集團產生法定或推定責任或代表該聯營公司支付款項時，始會作出額外應佔虧損撥備及確認負債。

於收購日期確認之本集團所佔聯營公司可識別資產、負債公平淨值超出收購成本之差額乃確認為商譽，計入投資賬面值之商譽，並作為投資之一部份進行減值評估。

本集團所佔可識別資產、負債及或然負債公平淨值超出收購成本之差額於重估後即時確認損益。

當集團實體與本集團聯營公司進行交易時，溢利及虧損會以本集團佔有關聯營公司之權益為限予以撇銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

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

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective 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.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

#### Property, plant and equipment

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

Depreciation is provided to write off the cost of items of property, plant and equipment (other than construction in progress) over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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.

### 5. 主要會計政策 (續)

#### 收入之確認

收入乃按已收代價及應收款項之公平值計量，指於正常業務過程提供貨品及服務之應收款項減折扣及相關銷售稅項。

銷售貨品乃在貨品交付客戶及貨品擁有權已轉移時予以確認。

金融資產之利息收入乃根據未償還之本金按時間比例及適用實際息率累計。有關息率指將金融資產之估計未來所收現金在估計可使用期內折現至資產賬面淨值之息率。

投資所得股息收入乃在股東收取股息之權利確定後予以確認。

#### 物業、廠房及設備

物業、廠房及設備（在建工程除外）乃按成本減累計折舊及累計減值虧損列賬。

各項物業、廠房及設備（在建工程除外）之折舊以撇銷成本，經考慮其估計剩餘價值後，於其估計可使用年期按直線法計算。

根據融資租約持有之資產按其估計可用限期以自有資產相同基準或有關租約之年期（以較短者為準）計算折舊。

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時解除確認。解除確認資產產生之任何收益或虧損（按出售所得款項淨額與該項目賬面值之差額計算）會計入於該項目解除確認年度之損益表。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Property, plant and equipment (cont'd)

##### *Leasehold land and buildings under development for future owner-occupied purpose*

When the leasehold land and buildings are in the course of development for production, rental or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

#### 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 lessee*

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

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.

### 5. 主要會計政策 (續)

#### 物業、廠房及設備 (續)

##### *未來業主自用之發展中租賃土地及樓宇*

當租賃土地及樓宇正在發展以作生產、租賃或管理用途時，租賃土地部份乃分類為預支租約付款及於租期內以直線法攤銷。於建築期間，就租賃土地之攤銷費用乃計入在建樓宇成本之部份。在建樓宇乃按成本減任何可識別減值虧損列賬。樓宇於可供使用時（即其已位於所須地點及狀況可以管理層擬定之方式進行營運時）開始進行折舊。

#### 租賃

凡根據租約條款，擁有權之絕大部份風險與回報轉歸承租人所有之租約，均列作融資租約。所有其他租約列為經營租約。

##### *本集團作為承租人*

根據融資租約持有之資產乃按訂立租約當日之公平值或最低租金現值兩者之較低者，確認為本集團之資產。出租人之相應債務乃計入資產負債表作融資租約債務。租金乃分作財務費用及租約債務之減少，以就債務餘額以固定利率計算利息。財務費用乃直接計入損益表。

經營租約之應付租金以直線法按有關租期計入損益表。作為訂立經營租約之優惠之已收利益及應收款項以直線法按有關租期確認為租金開支之減少。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Leasing (cont'd)

##### Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, leasehold land which title is not expected to pass to the lessee by the end of the lease term is classified as an operating lease unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is classified as a finance lease.

#### Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the 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.

### 5. 主要會計政策 (續)

#### 租賃 (續)

##### 租賃土地及樓宇

就租賃分類而言，租賃土地及樓宇中之土地及樓宇部份均被視為獨立部份，於租賃期屆滿時預期業權不會轉移予承租人之租賃土地分類為經營租賃，除非不能在土地及樓宇部份之間可靠地分配租約付款，在此情況下，整項租賃被視為融資租約。

#### 外幣

編製個別集團實體之財務報表時，以該實體功能貨幣以外貨幣（外幣）進行之交易乃按其功能貨幣（即實體主要經營之經濟環境之貨幣）於交易日期當時之匯率記錄。於各結算日，以外幣列值之貨幣項目以結算日之匯率重新換算。按公平值列賬且按外幣列值之非貨幣項目乃按釐定公平值當日匯率重新換算。以過往成本計算之外幣非貨幣項目不予重新換算。

清付貨幣項目及換算貨幣項目所產生之匯兌差額會於產生期間在損益表確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額乃計入期內損益表，惟收益及虧損直接於股本權益確認之非貨幣項目之重新換算所產生之差額除外，在此情況下，有關匯兌差額會直接於股本權益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Foreign currencies (cont'd)

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 Company (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 exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

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

#### Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

### 5. 主要會計政策 (續)

#### 外幣 (續)

就呈列綜合財務報表目的而言，本集團海外業務之資產及負債均按結算日之匯率換算為本公司之呈列貨幣（即港元），而其收入及開支項目乃按年內平均匯率換算，除非期內匯率出現重大波幅，於此情況下，將採用交易日期之匯率。所產生匯兌差額（如有）確認為股本權益之獨立部份（匯兌儲備）。有關匯兌差額於該項海外業務出售期間之損益確認。

收購海外業務產生之所收購可識別資產之商譽及公平值調整，乃列作海外業務資產及負債，並按結算日當時之匯率換算。所產生之匯兌差額於匯兌儲備確認。

#### 借貸成本

所有借貸成本均於產生之期間內於綜合收益表確認為並列入融資成本。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Impairment (other than goodwill)

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

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

#### Other asset

Other asset represents cost incurred for the exclusive development right to a land development project in The PRC and also the right to obtain the land for the development. The amount 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 cost method.

#### Retirement benefit costs

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

### 5. 主要會計政策 (續)

#### 減值虧損 (商譽除外)

本集團於每個結算日審閱其資產之賬面值，以確認該等資產有否出現減值虧損跡象。倘估計資產之可收回金額低於其賬面值，則將該項資產之賬面值調減至其可收回金額。減值虧損即時確認為開支。

倘減值虧損其後出現逆轉，資產之賬面值將增加至經修訂之估計可收回金額，惟增加之賬面值不超過假設有關資產未有於過往年度確認減值虧損之賬面值。減值虧損之撥回即時確認為收益。

#### 其他資產

其他資產指於中國一個土地發展項目之獨家發展權以及取得土地發展之權利所產生之成本。該筆款項乃按成本及可變現淨值兩者中之較低者列值。

#### 存貨

存貨乃按成本及可變現淨值兩者中之較低值列值。成本乃按加權平均法計算。

#### 退休福利成本

向中央公積金計劃及強制性公積金計劃所作供款於僱員已提供服務使其有權獲得供款時列作開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Taxation

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

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

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the consolidated 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 goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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 in profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

### 5. 主要會計政策 (續)

#### 稅項

所得稅開支指現時應付稅項及遞延稅項。

現時應付稅項乃按本年度應課稅盈利計算。應課稅盈利與綜合收益表中所報盈利不同，乃由於前者不包括在其他年度應課稅或可扣稅收入或開支，並且不包括收入表內從未課稅或扣稅之項目。本集團本期稅項負債乃按現行稅率或結算日實際確立之稅率計算。

遞延稅項為就綜合財務報表資產及負債賬面值及計算應課稅盈利相應稅基差額而確認，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產乃按可能出現可利用臨時差額扣稅之應課稅盈利時提撥。若於一項交易中，因商譽或因業務合併以外原因開始確認其他資產及負債而引致之臨時差額既不影響應課稅溢利，亦不影響會計盈利，則不會確認該等資產及負債。

遞延稅項資產之賬面值於每個結算日作檢討，並於沒可能會有足夠應課稅盈利恢復全部或部份資產價值時作調減。

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率計算。遞延稅項於損益扣除或計入損益。惟倘遞延稅項直接在股本權益中扣除或計入股本權益之情況（在此情況下遞延稅項亦會於股本權益中處理）除外。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 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.

### 5. 主要會計政策 (續)

#### 金融工具

金融資產及金融負債於集團實體成為工具合約條文之訂約方時於資產負債表確認。金融資產及金融負債初步按公平值計量。購入或發行金融資產及金融負債（按公平值計入損益之金融資產及金融負債除外）直接歸於應佔之交易成本於初步確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值扣除（按適用情況而定）。購入按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於溢利或虧損反映。

#### 金融資產

本集團之金融資產分類為下列三個類別，包括按公平值計入損益之金融資產、貸款及應收款項及可供出售之金融資產。所有定期購買或出售之金融資產乃按交易日基準確認及解除確認。定期購買或出售須按市場規則或慣例設定之時限內交付資產之金融資產購買或出售。就金融資產各個類別所採納之會計政策載於下文。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

#### Financial assets (cont'd)

#### 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 loans and interest receivables, trade receivables, other receivables, amounts due from related companies, bank deposits, bank balances, amounts due from associates and amounts due from subsidiaries for the Company) 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.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets held for trading. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss (including investments held for trading and conversion option of the unlisted convertible note) are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

### 5. 主要會計政策 (續)

#### 金融工具 (續)

#### 金融資產 (續)

#### 貸款及應收款項

貸款及應收款項乃並無活躍市場報價之定額或待定付款之非衍生金融工具。於初步確認後每個結算日，貸款及應收款項（包括貸款及應收利息、應收貿易賬款、其他應收款項、關連公司欠款、銀行存款、銀行結餘、聯營公司欠款以及本公司及附屬公司欠款）以實際利率法按攤銷成本減任何已識別減值虧損入賬。減值虧損當有客觀證據顯示資產減值時於損益確認，並按資產賬面值與按原訂實際利率折算之估計未來現金流量之現值間之差額計量。倘資產之可收回金額增加客觀地與於確認減值後發生之事件有關，則減值虧損會於隨後會計期間撥回，惟該資產於減值撥回當日之賬面值不得超過並無確認減值之攤銷成本。

#### 按公平值計入損益之金融資產

按公平值計入損益之金融資產包括持作買賣之金融資產。於初步確認後各個結算日，按公平值計入損益之金融資產（包括持作買賣投資及非上市可換股票據之換股選擇權）乃按公平值計量，而公平值變動在其產生期間即時直接在損益反映。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

#### Financial assets (cont'd)

#### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. 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 profit or loss 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.

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 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.

### 5. 主要會計政策 (續)

#### 金融工具 (續)

#### 金融資產 (續)

#### 可供出售金融資產

可供出售金融資產乃非衍生工具，指定或並無分類為按公平值計入損益之金融資產、貸款及應收款項或持至到期之投資。於初步確認後每個結算日，可供出售金融資產按公平值計量。公平值變動於股本權益確認，直至金融資產出售或決定出現減值，屆時過往於股本權益確認之累計損益將從股本權益中移除，並於損益確認。可供出售金融資產之減值虧損於損益確認。可供出售股本投資之減值虧損將不會於其後期間撥回損益。就可供出售債券投資而言，倘投資公平值增加客觀地與確認減值虧損後發生之事件有關，則減值虧損於其後撥回。

並無活躍市場報價且其公平值無法可靠地計量之可供出售股本投資於初步確認後每個結算日按成本減任何已識別減值虧損計量。減值虧損當有客觀證據顯示資產減值時於損益確認。減值虧損金額按資產賬面值與類似金融資產現行市場回報率折算之估計未來現金流量之現值之間差額計量。該等減值虧損將不會於其後期間撥回。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

#### Financial liabilities and equity

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

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

#### Financial liabilities

Financial liabilities (including trade payables, other payables, loan payables, amount due to an associate, amounts due to related companies, bank borrowings and amounts due to subsidiaries for the Company) are subsequently measured at amortised cost, using the effective interest rate method.

#### Equity instrument

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

### 5. 主要會計政策 (續)

#### 金融工具 (續)

#### 金融負債及股本

集團實體發行之金融負債及股本工具乃按所訂立合約安排之性質與金融負債及股本工具之定義分類。

股本工具為有證據顯示本集團於資產中扣減所有負債後有剩餘資產權益之任何合約。就其他金融負債及股本投資所採納之會計政策載於下文。

#### 金融負債

金融負債 (包括應付貿易賬款、其他應付款項、應付貸款、應付一間聯營公司款項、應付關連公司款項、銀行借貸及本公司應付附屬公司款項，乃其後以實際利率法按攤銷成本計量。

#### 股本工具

本公司發行之股本工具記錄為已付所得款項減直接發行成本。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial instruments (cont'd)

##### Derivatives financial instruments

Unlisted convertible loan notes acquired by the Group that contain both debt and conversion option components are classified separately into respective items on initial recognition. Conversion option will be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of the issuer's own equity instrument is a conversion option derivative. The Group has designated the debt component as available-for-sale investments. At the date of issue, both the debt and conversion option components are recognised at fair value.

In subsequent periods, the debt component of the convertible loan notes is carried at fair value with changes recognised in the investment revaluation reserve after adjusted for effective interest rate. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

### 5. 主要會計政策 (續)

#### 金融工具 (續)

##### 衍生金融工具

本集團收購之非上市可換股貸款票據包括債務及換股權部份，於初步確認時獨立分類為各自之項目。換股權將以固定金額之現金或金融資產換取固定數目之發行人本身之股本工具以外之方式償還為換股權衍生工具。本集團指定債務部份為可供出售投資。於發行日期，債券及換股權部份均按公平值確認。

於其後期間，可換股貸款票據之債務部份以公平值列賬，變動就實際利率進行調整後於投資重估儲備確認。換股權衍生工具按公平值計量，公平值變動乃於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 6. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 5, management makes various estimates based on past experiences, expectations of the future and other information. The key sources of estimation uncertainty that may significantly affect the amounts recognised in the financial statements are in the next financial year disclosed below:

#### Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year ended 31st December, 2006, management of the Group determined impairment losses of approximately HK\$4,561,000 were recognised and charged to the consolidated income statement. Details of the impairment testing on goodwill are disclosed in note 22.

#### Estimated impairment on loans and interest receivables and other receivables

Management regularly reviews the recoverability of loans and interest receivables and other receivables. Appropriate impairment for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the amounts are not recoverable.

In determining whether allowances for bad and doubtful debts is required, the Group takes into consideration the aged status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised based on the estimation of the future cash flow expected to receive and a suitable discounted rate in order to calculate the present value. During the year, allowance for loans and interest receivables of HK\$6,283,000 and for other receivables of HK\$5,626,000 have been made respectively.

### 6. 主要不確定估計來源

於應用本集團之會計政策（見附註5）時，管理層根據過往經驗、未來預期及其他資料作出若干估計。可能對已於財務報表確認之金額構成重大影響之主要不確定估計來源於下一個財政年度披露如下：

#### 商譽減值估算

就釐定商譽有否出現減值而言，須估計經分配商譽之現金產生單位之使用價值。計算使用價值時，本集團須估計預期來自該現金產生單位之日後現金流量，並訂出適用折現率以計算現值。倘實際未來現金流量少於預期，則可能產生重大減值虧損。於截至二零零六年十二月三十一日止年度內，本集團管理層釐定已確認之商譽減值虧損約4,561,000港元，並計入綜合收益表內。商譽減值測試詳情載於附註22。

#### 貸款及應收利息及其他應收款項之減值估算

管理層定期檢討貸款及應收利息及其他應收款項之可追回性。估計不可追回金額於出現客觀證據顯示金額不可追回時於損益確認。

在釐定呆壞賬是否需作出撥備時，本集團會考慮賬齡狀況及收回之可能性。特別撥備僅會於應收款項不大可能收回時作出，並根據預期將收取之未來現金流量及適當折讓率予以確認，以計算現值。於年內，已作出貸款及應收利息，以及其他應收款項之撥備分別為6,283,000港元及5,626,000港元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 7. FINANCIAL INSTRUMENTS

#### 7a. Financial risk management objectives and policies

The Group's major financial instruments include loans and interest receivables, amounts due from associates, trade receivables, other receivables, available-for-sale investments, investments held for trading, trade payables, loan payables, amount due to an associate, amounts due to related companies and bank borrowings. 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

As at 31st December, 2006, the Company's and Group's maximum exposure to credit risk which will cause a financial loss to the Company and the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Company and the Group arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet; and
- the amount of contingent liabilities disclosed in note 46.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt 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.

### 7. 金融工具

#### 7a. 財務風險管理目標及政策

本集團之主要金融工具包括應收貸款及利息、應收聯營公司款項、應收貿易賬款、其他應收款項、可供出售投資、持作買賣投資、應付貿易賬款、應付貸款、應付一間聯營公司款項、應付關連公司款項，以及銀行借款。該等金融工具之詳情分別載於附註。該等金融工具之相關風險及減低該等風險之政策載於下文。管理層管理及監控有關風險，以確保能適時有效地採取適當措施。

##### 信貸風險

於二零零六年十二月三十一日，由於交易對手尚未履行之契約及本公司及本集團就下列資產所作之財務擔保，本公司及本集團之最高信貸風險將對本公司及本集團構成財務虧損：

- 載列於綜合資產負債表各項已確認金融資產之賬面值；及
- 載於附註46之或然負債款項。

為減低信貸風險，本集團之管理層已委派隊伍負責釐定信貸限額、信貸批核及其他監管程序，以確保能採取善後工作收回逾期債務。此外，本集團於每個結算日審閱各項個別貿易債務之可收回金額，以確保就無法收回之款項作出足夠減值虧損。就此，本公司之董事認為，本集團之信貸風險已大大減少。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 7. FINANCIAL INSTRUMENTS (cont'd)

#### 7a. Financial risk management objectives and policies (cont'd)

##### Credit risk

The credit risk on liquid funds is limited because the counterparties are banks and other financial institutions with high-credit-ratings.

At 31st December, 2006, the Group's approximately 52% of the Group's trade receivables were due from five largest customers. The management currently is seeking new customers base to explore the market in order to reduce the reliance on the several major customers, and also mitigate concentration of credit risk.

In addition, the credit risk on corporate guarantee given to an associate is limited because the management will regularly review the financial performance of the associate and reconsider the continuance of the given guarantee.

##### Other price risk

The Group is exposed to price risk through the available-for-sale investments and investments held for trading. Management manages this exposure by maintaining a portfolio of investments with different risk profiles.

### 7. 金融工具 (續)

#### 7a. 財務風險管理目標及政策 (續)

##### 信貸風險

流動資金之信貸風險有限，因其交易對方皆為高信貸評級之銀行及其他財務機構。

於二零零六年十二月三十一日，本集團應收五名最大客戶之貿易款項佔本集團應收貿易賬款約52%。管理層目前正開拓市場尋求新客戶基礎，藉以減低對多個主要客戶之倚賴性以及信貸風險之集中性。

此外，作為聯營公司擔保所承受之信貸風險有限，因管理層定期審閱聯營公司之財務表現，並重新考慮繼續為聯營公司作出擔保。

##### 其他價格風險

本集團承受可供出售投資及持作買賣投資之價格風險。管理層透過持有具有不同風險狀況之投資組合管理有關風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 7. FINANCIAL INSTRUMENTS (cont'd)

#### 7b. Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid and ask prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

### 8. REVENUE

An analysis of the Group's revenue for the year, for both continuing and discontinued operations, is as follows:

### 7. 金融工具 (續)

#### 7b. 公平值

金融資產及金融負債之公平值按以下方式釐定：

- 具標準條款及條件且於活躍流動市場買賣之金融資產及金融負債之公平值乃分別經參考市場之買賣盤報價釐定；及
- 其他金融資產及金融負債之公平值（除衍生工具外）乃根據普遍採納之定價模式並按使用現時可得市場交易價格之折現現金流量分析釐定。

### 8. 收入

本集團年內持續經營及已終止經營業務之收入分析如下：

		Revenue 收入	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Continuing operations:	持續經營業務：		
Sales of batteries products and related accessories	電池產品及相關配件之銷售	<u>32,846</u>	<u>33,161</u>
Discontinued operation (Note 16):	已終止經營業務（附註16）：		
Sand mining activities	採砂業務	<u>2,726</u>	<u>5,298</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 9. SEGMENT INFORMATION

#### Business segments

For management purposes, the Group is currently organised into the following two major operating divisions. These divisions are the basis on which the Group reports its primary segment information.

Principal operating divisions are as follows:

Battery products – Manufacturing and trading of batteries products and related accessories

Investments in securities and advance – Investments in securities holding and advance of receivables

In previous year, the Group also engaged in the sand mining activities in PRC. This segment of sand mining were discontinued on 19th May, 2006 as a result of Group Reorganisation as described in note 2.

### 9. 分部資料

#### 業務分部

就管理而言，本集團現時之部門架構為下列兩個主要分部。該等部門乃本集團呈報其首要分部資料之基準。

主要營運分部如下：

電池產品 – 製造及銷售電池產品及相關配件

證券投資與墊款 – 證券投資及墊付應收款項

於往年，本集團於中國亦有從事採砂業務。誠如附註2所載之集團重組，採砂分部已於二零零六年五月十九日終止經營。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 9. SEGMENT INFORMATION (cont'd)

#### Business segments (cont'd)

An analysis of the Group's revenue and segment results and segment assets and liabilities by business segments is as follows:

### 9. 分部資料 (續)

#### 業務分部 (續)

本集團按業務分部劃分之收入及分部業績及分部資產及負債分析如下：

		Continuing operations					Discontinued operation	Consolidated
		持續經營業務					已終止經營業務	
		Investments in securities and advance HK\$'000 證券投資及墊款 千港元	Battery products HK\$'000 電池產品 千港元	Unallocated HK\$'000 未分攤 千港元	Elimination HK\$'000 對銷 千港元	Sub-total HK\$'000 小計 千港元	Sand mining HK\$'000 採砂 千港元	綜合 千港元
<b>For the year ended</b>	<b>截至二零零六年</b>							
<b>31st December, 2006</b>	<b>十二月三十一日止年度</b>							
REVENUE	收入							
(i) Revenue	(i) 收入							
- External	- 對外	-	32,846	-	-	32,846	2,726	35,572
- Inter-segment	- 分部間	182	-	-	(182)	-	-	-
		<u>182</u>	<u>32,846</u>	<u>-</u>	<u>(182)</u>	<u>32,846</u>	<u>2,726</u>	<u>35,572</u>
(ii) Other income	(ii) 其他收入							
- Interest income	- 利息收入	22,068	-	2,169	-	24,237	-	24,237
- Dividend income from available-for-sale investments	- 可供出售投資之股息收入	4,321	-	-	-	4,321	-	4,321
- Dividend income from investments held for trading	- 持作買賣投資之股息收入	355	-	-	-	355	-	355
- Others	- 其他	149	1,303	1,186	-	2,638	97	2,735
		<u>26,893</u>	<u>1,303</u>	<u>3,355</u>	<u>-</u>	<u>31,551</u>	<u>97</u>	<u>31,648</u>
RESULT	業績							
Segment result	分部業績	<u>21,538</u>	<u>(771)</u>	<u>2,961</u>	<u>(182)</u>	<u>23,546</u>	<u>(9,818)</u>	<u>13,728</u>
Unallocated corporate expenses	未分攤企業開支					(25,356)	-	(25,356)
Finance costs	融資成本					(9,940)	-	(9,940)
Gain on disposal of interest in an associate	出售一間聯營公司權益之收益					17,180	-	17,180
Loss on dilution of interest in an associate	攤薄一間聯營公司權益之虧損					(65,762)	-	(65,762)
Share of results of associates	所佔聯營公司之業績					16,681	-	16,681
Loss before taxation	稅前虧損					(43,651)	(9,818)	(53,469)
Taxation	稅項					(5,782)	-	(5,782)
Loss for the year	年度虧損					<u>(49,433)</u>	<u>(9,818)</u>	<u>(59,251)</u>

Inter-segment sales are charged at terms determined and agreed between the group companies.

分部間之銷售根據集團公司所決定及協定之條款收取。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 9. SEGMENT INFORMATION (cont'd)

#### Business segments (cont'd)

### 9. 分部資料 (續)

#### 業務分部 (續)

		Investments in securities and advance 證券投資 與墊款 HK\$'000 千港元	Battery products 電池產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>Assets and liabilities at 31st December, 2006</b>	<b>於二零零六年十二月 三十一日之資產與負債</b>			
ASSETS	資產			
Segment assets	分部資產	106,818	129,486	236,304
Unallocated assets	未分攤資產			31,301
Consolidated total assets	綜合總資產			267,605
LIABILITIES	負債			
Segment liabilities	分部負債	(2,304)	(26,374)	(28,678)
Unallocated liabilities	未分攤負債			(87,834)
Consolidated total liabilities	綜合總負債			(116,512)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 9. SEGMENT INFORMATION (cont'd)

#### Business segments (cont'd)

### 9. 分部資料 (續)

#### 業務分部 (續)

		Continuing operations		Discontinued operation	Consolidated
		持續經營業務		已終止經營業務	
		Investments in securities and advance 證券投資及墊款 HK\$'000 千港元	Battery products 電池產品 HK\$'000 千港元	Sand mining 採砂 HK\$'000 千港元	
<b>Other information for the year ended 31st December, 2006</b>	<b>截至二零零六年十二月三十一日止年度之其他資料</b>				
Capital additions	資本添置				
– Property, plant and equipment	– 物業、廠房及設備	10	34,123	71	34,204
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	164	1,822	4,452	6,438
Amortisation of prepaid lease payments	預支租約付款之攤銷	117	505	–	622
Allowances for loan and interest receivables	應收貸款及利息撥備	6,283	–	–	6,283
Impairment loss in respect of goodwill	有關商譽之減值虧損	–	–	4,561	4,561
Allowance for other receivables	其他應收款項撥備	5,626	–	–	5,626

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 9. SEGMENT INFORMATION (cont'd)

#### Business segments (cont'd)

### 9. 分部資料 (續)

#### 業務分部 (續)

		Continuing operations					Discontinued operation	Consolidated
		持續經營業務					已終止經營業務	
		Investments in securities and advance HK\$'000	Battery products HK\$'000	Unallocated HK\$'000	Elimination HK\$'000	Sub-total HK\$'000 (restated)	Sand mining HK\$'000	HK\$'000 (restated)
		證券投資及墊款 千港元	電池產品 千港元	未分攤 千港元	對銷 千港元	小計 千港元 (重列)	採砂 千港元	綜合 千港元 (重列)
For the year ended	截至二零零五年							
31st December, 2005	十二月三十一日止年度							
REVENUE	收入							
(i) Revenue	(i) 收入							
- External	- 對外	-	33,161	-	-	33,161	5,298	38,459
- Inter-segment	- 分部間	473	-	1,200	(1,673)	-	-	-
		473	33,161	1,200	(1,673)	33,161	5,298	38,459
(ii) Other income	(ii) 其他收入							
- Interest income	- 利息收入	52,423	-	5,661	-	58,084	-	58,084
- Gain on disposal of available-for-sale investments	- 出售可供出售投資之收益	20,808	-	-	-	20,808	-	20,808
- Dividend income from available-for-sale investments	- 可供出售投資之股息收入	7,951	-	-	-	7,951	-	7,951
- Dividend income from investments held for trading	- 持作買賣投資之股息收入	451	-	-	-	451	-	451
- Others	- 其他	2,888	179	1,436	-	4,503	2,059	6,562
		84,521	179	7,097	-	91,797	2,059	93,856
RESULT	業績							
Segment result	分部業績	25,596	(5,907)	(64,497)	(1,673)	(46,481)	1,576	(44,905)
Unallocated corporate expenses	未分攤企業支出						(13,500)	(20,563)
Change in fair value of conversion option of unlisted convertible notes	非上市可換股票據轉換選擇權之公平值變動						(39,743)	(39,743)
Finance costs	融資成本						(17,630)	(17,630)
Loss on dilution of interest in an associate	攤薄一間聯營公司權益之虧損						(2,814)	(2,814)
Share of results of associates	所佔聯營公司之業績						42,864	42,864
Loss before taxation	稅前虧損						(77,304)	(82,791)
Taxation	稅項						(4,247)	(4,247)
Loss for the year	年度虧損						(81,551)	(87,038)

Inter-segment sales are charged at terms determined and agreed between the group companies.

分部間之銷售根據集團公司所決定及協定之條款收取。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 9. SEGMENT INFORMATION (cont'd)

#### Business segments (cont'd)

### 9. 分部資料 (續)

#### 業務分部 (續)

		Continuing operations		Discontinued operation	
		持續經營業務		已終止經營業務	
		Investments in securities and advance 證券投資 及墊款 HK\$'000 千港元	Battery products 電池產品 HK\$'000 千港元	Sand mining 採砂 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets and liabilities at 31st December, 2005 (restated)	於二零零五年十二月 三十一日之資產 與負債 (經重列)				
ASSETS	資產				
Segment assets	分部資產	616,244	93,847	118,735	828,826
Interests in associates	於聯營公司之權益	—	—	—	558,738
Unallocated assets	未分攤資產				571,305
Consolidated total assets	綜合總資產				1,958,869
LIABILITIES	負債				
Segment liabilities	分部負債	(49,115)	(27,769)	(736)	(77,620)
Unallocated liabilities	未分攤負債				(225,680)
Consolidated total liabilities	綜合總負債				(303,300)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 9. SEGMENT INFORMATION (cont'd)

#### Business segments (cont'd)

		Continuing operations			Discontinued operation	
		持續經營業務			已終止經營業務	
		Investments in securities and advance	Battery products	Unallocated	Sand mining	Consolidated
		證券投資及墊款	電池產品	未分攤	採砂	綜合
		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
Other information for the year ended 31st December, 2005	截至二零零五年十二月三十一日止年度之其他資料					
Capital additions	資本添置					
– Property, plant and equipment	– 物業、廠房及設備	332	2,835	598	113,184	116,949
– Deposit paid for acquisition of interest in properties	– 收購物業權益支付之按金	–	–	8,704	–	8,704
– Goodwill arising from acquisition of subsidiaries	– 收購附屬公司產生之商譽	–	–	–	9,123	9,123
– Goodwill arising from acquisition of associates	– 收購聯營公司產生之商譽	–	–	10,181	–	10,181
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	610	1,820	–	5,672	8,102
Amortisation of prepaid lease payments	預支租約付款之攤銷	117	402	–	–	519
Allowances for loan and interest receivables	應收貸款及利息撥備	36,933	–	512	–	37,445
Allowance for other receivables	其他應收款項撥備	7,823	–	10,752	–	18,575

### 9. 分部資料 (續)

#### 業務分部 (續)



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 9. SEGMENT INFORMATION (cont'd)

#### Geographical segments

The following provides an analysis of the Group's revenue by geographic market, irrespective of the origin of the goods and services:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Continuing operations:	持續經營業務:		
PRC	中國	17,097	21,791
Hong Kong	香港	15,749	11,370
		<u>32,846</u>	<u>33,161</u>
Discontinued operation:	已終止經營業務:		
PRC	中國	<u>2,726</u>	<u>5,298</u>

### 9. 分部資料 (續)

#### 地區分部

本集團按地區市場劃分之收益分析如下  
(當中並無計及貨品及服務之來源地):

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 9. SEGMENT INFORMATION (cont'd)

#### Geographical segments (cont'd)

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

		Carrying amount of segment assets 分部資產之賬面值		Additions of property, plant and equipment 物業、廠房及設備添置	
		At 31st December, 於十二月三十一日		For the year ended 31st December, 截至十二月三十一日	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
PRC	中國	129,486	212,582	34,194	107,315
Hong Kong	香港	106,818	535,314	10	9,634
Overseas	海外	—	80,930	—	—
		<b>236,304</b>	<b>828,826</b>	<b>34,204</b>	<b>116,949</b>

本集團分部資產之賬面值與物業、廠房及設備添置按資產所在地區分析如下：

### 10. OTHER INCOME

### 10. 其他收入

		Continuing operations 持續經營業務		Discontinued operation 已終止經營業務		Consolidated 綜合	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Interest income from loans and interest receivables	貸款及應收利息之利息收入	21,295	52,423	—	—	21,295	52,423
Interest income from banks	銀行利息收入	2,169	640	—	—	2,169	640
Interest income from available-for-sale investments	可供出售投資之利息收入	773	5,021	—	—	773	5,021
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	—	20,808	—	—	—	20,808
Dividend income from available-for-sale investments	可供出售投資之股息收入	4,321	7,951	—	—	4,321	7,951
Dividend income from investments held for trading	持作買賣投資之股息收入	355	451	—	—	355	451
Others	其他	2,638	4,503	97	2,059	2,735	6,562
		31,551	91,797	97	2,059	31,648	93,856

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 11. OTHER EXPENSES

### 11. 其他支出

	Continuing operations 持續經營業務		Discontinued operation 已終止經營業務		Consolidated 綜合	
	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Allowances for loans and interest receivables 貸款及應收利息之撥備	6,283	37,445	-	-	6,283	37,445
Allowances for other receivables 其他應收款項撥備	5,626	18,575	-	-	5,626	18,575
Impairment loss on available-for-sale investments 可供出售投資之減值虧損	-	37,189	-	-	-	37,189
Net exchange loss 匯兌虧損淨額	-	3,709	-	-	-	3,709
Others 其他	-	724	-	-	-	724
	<b>11,909</b>	<b>97,642</b>	<b>-</b>	<b>-</b>	<b>11,909</b>	<b>97,642</b>

### 12. FINANCE COSTS

### 12. 融資成本

	Continuing operations 持續經營業務		Discontinued operation 已終止經營業務		Consolidated 綜合	
	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on borrowings wholly repayable within five years: 須於五年內悉數償還之借貸利息:						
Bank borrowings 銀行借貸	933	613	-	-	933	613
Loan payables 應付貸款	9,006	17,014	-	-	9,006	17,014
Obligations under finance leases 融資租約債項	1	3	-	-	1	3
	<b>9,940</b>	<b>17,630</b>	<b>-</b>	<b>-</b>	<b>9,940</b>	<b>17,630</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 13. TAXATION

### 13. 稅項

	Continuing operations		Discontinued operation		Consolidated	
	持續經營業務		已終止經營業務		綜合	
	2006	2005	2006	2005	2006	2005
	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
The (credit) charge comprises:	稅項(抵免)支出包括:					
Taxation in other jurisdictions	其他司法權區之稅項					
– Current year	(3)	1,010	–	–	(3)	1,010
– Overprovision in prior years	–	(663)	–	–	–	(663)
Hong Kong Profits Tax	香港利得稅					
– Current year	–	1,300	–	–	–	1,300
– Underprovision in prior years	5,785	2,600	–	–	5,785	2,600
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司應佔稅項					
	5,782	4,247	–	–	5,782	4,247

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

香港利得稅乃按年內估計應課稅溢利17.5% (二零零五年: 17.5%) 計算。

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

其他司法權區之稅項乃按個別司法權區之適用稅率計算。

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Company are exempted from PRC income tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years.

根據有關中國法律及法規, 若干本公司中國附屬公司由首個獲利年度起獲豁免中國所得稅兩年, 其後三年則獲稅項減半。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 13. TAXATION (cont'd)

The tax (credit) charge for the year can be reconciled to the loss before taxation as per the consolidated income statement as follows:

### 13. 稅項 (續)

本年度稅項(抵免)支出可與綜合收益表內所列之稅前虧損反映如下:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Loss before taxation	稅前虧損		
– Continuing operations	– 持續經營業務	(43,651)	(77,304)
– Discontinued operation (Note 16)	– 已終止經營業務 (附註16)	(9,818)	(5,487)
Loss before taxation	稅前虧損	(53,469)	(82,791)
Tax at the applicable rates to profit of the country concerned of 18.31% (2005: 18.80%)	按有關國家適用利得稅率 18.31%計算之稅款 (二零零五年: 18.80%)	(9,790)	(15,565)
Tax effect of share of results of associates	分佔聯營公司業績之稅務影響	(3,054)	(8,058)
Tax effect of income not taxable in determining taxable profit	釐定應課稅溢利時不可課稅收入之 稅務影響	(5,894)	(16,411)
Tax effect of expenses not deductible for tax purpose	計稅用不可扣減開支之 稅務影響	16,715	23,610
Tax effect of deductible temporary differences not recognised	未確認可扣減臨時差額之 稅務影響	2,181	18,350
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	–	4
Effect of different tax rates of subsidiaries operating in other jurisdictions	在不同司法權區經營之 附屬公司稅率各異之影響	(161)	380
Underprovision in respect of prior year	去年撥備不足	5,785	1,937
Tax charge for the year	本年度稅項支出	5,782	4,247

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 13. TAXATION (cont'd)

In October, 2006, the Inland Revenue Department ("IRD") issued protective profits tax assessments, in aggregate, of approximately HK\$5,916,000 relating to the years of assessment 2001/2002 and 2002/2003, that is, for the financial years ended 31st December, 2001 and 31st December, 2002, against the Company. The Company lodged objections with the IRD against the protective assessments. The IRD agreed to hold over the tax claimed completely, subject to the Company in question purchasing tax reserve certificates (the "TRC") of HK\$5,916,000 for those two years of assessment. These TRC have been purchased by the Company.

The Company has been advised that it is the interest of the Group to resolve the dispute with the IRD without legal proceedings. Subsequent to the balance sheet date, the Company proposed to IRD for resolve of the dispute by using the TRC as settlement for the protective profit tax assessment relating to the years of assessment 2001/2002 and 2002/2003. In prior year, a provision of HK\$1,131,000 was recognised and accordingly, an additional provision for taxation of HK\$5,785,000 was provided in the consolidated income statement.

### 13. 稅項 (續)

於二零零六年十月，稅務局就2001/2002及2002/2003課稅年度（即截至二零零一年十二月三十一日及二零零二年十二月三十一日止財政年度）向本公司發出保障性利得稅評稅合共約5,916,000港元。本公司已就保障性評稅向稅局提出反對。稅局同意緩繳所徵收之全數稅款，惟本公司須就該兩個課稅年度購買5,916,000港元之儲稅券。本公司已購買有關儲稅券。

本公司取得之意見認為，透過法律訴訟程序以外途徑與稅務局解決爭議，符合本集團之利益。於結算日後，本公司向稅務局建議，以儲稅券作為了結2001/2002及2002/2003課稅年度之保障性利得稅評稅，藉以解決以上爭議。1,131,000港元之撥備已於之前年度被確認，因此，稅項撥備不足之數額5,785,000港元已計入綜合收益表。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 14. LOSS FOR THE YEAR

### 14. 年度虧損

		Continuing operations		Discontinued operation		Consolidated	
		持續經營業務		已終止經營業務		綜合	
		2006	2005	2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Loss for the year has been arrived at after charging:							
年度虧損已扣除下列各項：							
Staff costs	員工成本						
– directors remuneration (note 15(a))	– 董事酬金 (附註15(a))	1,707	2,092	–	–	1,707	2,092
– other staff costs	– 其他員工成本	13,364	14,176	356	548	13,720	14,724
– retirement benefits scheme contributions, excluding directors	– 退休福利計劃供款 (不包括董事)	353	393	4	12	357	405
Total staff costs	總員工成本	15,424	16,661	360	560	15,784	17,221
Auditors' remuneration	核數師酬金	1,000	6,600	–	22	1,000	6,622
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	1,986	2,340	4,452	5,762	6,438	8,102
Amortisation of prepaid lease payments	預支租約付款之攤銷	622	519	–	–	622	519
Cost of inventories recognised as expense	確認為開支之存貨成本	17,258	22,438	2,411	4,342	19,669	26,780
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	–	–	4,561	–	4,561	–
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)虧損	(102)	4	–	124	(102)	128

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 15. DIRECTORS' AND EMPLOYEE REMUNERATION

#### (a) Directors' Remuneration

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Fees	袍金		
Executive directors	執行董事	—	—
Independent non-executive directors	獨立非執行董事		
– Mr. David Edwin Bussmann	– 卜思問先生	50	257
– Mr. Wong King Lam, Joseph	– 黃景霖先生	—	50
– Mr. Sin Chi Fai	– 冼志輝先生	51	47
– Ms. Ching Yuen Man, Angela	– 程婉雯女士	67	—
		168	354
Other emoluments	其他酬金		
Executive directors	執行董事		
(i) Salaries and other benefits	(i) 薪酬及其他福利		
– Mr. Gao Yang	– Gao Yang先生	—	—
– Mr. Kwok Ka Lap, Alva	– 郭嘉立先生	67	—
– Dr. Chan Kwok Keung, Charles	– 陳國強博士	—	—
– Dr. Yap, Allan	– Yap, Allan博士	60	229
– Ms. Chau Mei Wah, Rosanna	– 周美華女士	—	—
– Ms. Chan Ling, Eva	– 陳玲女士	1,400	1,497
– Mr. Li Bo	– 李波先生	—	—
– Mr. Chan Kwok Chuen, Augustine (formerly known as Mr. Chan Kwok Hung)	– 陳國銓先生 (原名陳國鴻)	—	—
– Mr. Lui Siu Tsuen, Richard	– 呂兆泉先生	—	—
		1,527	1,726
(ii) Retirement benefits scheme contributions	(ii) 退休福利計劃供款		
– Mr. Gao Yang	– Gao Yang先生	—	—
– Mr. Kwok Ka Lap, Alva	– 郭嘉立先生	—	—
– Dr. Chan Kwok Keung, Charles	– 陳國強博士	—	—
– Dr. Yap, Allan	– Yap, Allan博士	—	—
– Ms. Chau Mei Wah, Rosanna	– 周美華女士	—	—
– Ms. Chan Ling, Eva	– 陳玲女士	12	12
– Mr. Li Bo	– 李波先生	—	—
– Mr. Chan Kwok Chuen, Augustine (formerly known as Mr. Chan Kwok Hung)	– 陳國銓先生 (原名陳國鴻)	—	—
– Mr. Lui Siu Tsuen, Richard	– 呂兆泉先生	—	—
		12	12
Independent non-executive directors	獨立非執行董事	—	—
		1,539	1,738
Total director's emoluments	董事酬金總額	1,707	2,092

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

本年度內，本集團並無向任何董事支付酬金作為鼓勵加入本集團或加入本集團後之獎勵或作為離職補償。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 15. DIRECTORS' AND EMPLOYEE REMUNERATION (cont'd)

#### (b) Employees' Remuneration

The five highest paid individuals in the Group included one (2005: one) director of the Company, details of whose salaries and other benefits are set out above. The aggregate remuneration of the remaining highest paid individuals, who are employees of the Group, is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪酬及其他福利	1,978	1,950
Retirement benefit scheme contributions	退休福利計劃供款	48	48
		<b>2,026</b>	<b>1,998</b>
		2006 二零零六年 Number of employees 僱員人數	2005 二零零五年 Number of employees 僱員人數
Nil to HK\$1,000,000	零至1,000,000港元	4	4

### 15. 董事及僱員酬金 (續)

#### (b) 僱員酬金

本集團五名最高薪人士包括一名 (二零零五年: 一名) 本公司董事, 其薪酬及其他福利詳情載述如上文。餘下最高薪人士 (為本集團之僱員) 之酬金總額如下:

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 16. DISCONTINUED OPERATION

On 19th May, 2006, the Group distributed its entire interests in 東莞市江海貿易有限公司(“東莞江海”) and 廣州耀陽實業有限公司(“廣州耀陽”)(being the subsidiaries of GDI) as dividend in specie as a result of the Group Reorganisation. 東莞江海 and 廣州耀陽 are engaged in the business of sand mining and the segment of sand mining was regarded as discontinued operation during the year ended 31st December, 2006. Accordingly, the consolidated income statement was re-presented.

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

### 16. 已終止經營業務

於二零零六年五月十九日，因本集團進行集團重組而導致本集團以實物方式分派東莞市江海貿易有限公司(「東莞江海」)及廣州耀陽實業有限公司(「廣州耀陽」)(均為群龍之附屬公司)全部權益作為股息。東莞江海及廣州耀陽乃從事採砂業務，而相關業務分部於截至二零零六年十二月三十一日止年度被視為已終止經營業務。因此，再次重新呈報綜合收益表。

來自已終止經營業務之虧損分析如下：

		1.1.2006 to 18.5.2006 二零零六年 一月一日至 二零零六年 五月十八日 HK\$'000 千港元	1.1.2005 to 31.12.2005 二零零五年 一月一日至 二零零五年 十二月三十一日 HK\$'000 千港元
Loss of segment of sand mining	採砂業務分部之虧損	(5,257)	(5,487)
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	(4,561)	—
		<u>(9,818)</u>	<u>(5,487)</u>
Attributable to:	應佔：		
Equity holder of the Company	本公司股權持有人	(9,480)	(5,269)
Minority interests	少數股東權益	(338)	(218)
		<u>(9,818)</u>	<u>(5,487)</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 16. DISCONTINUED OPERATION (cont'd)

The result of the sand mining segment for the period from 1st January, 2006 to 18th May, 2006 is as follows:

### 16. 已終止經營業務 (續)

採砂分部於二零零六年一月一日至二零零六年五月十八日之業績如下:

		1.1.2006 to 18.5.2006 二零零六年 一月一日至 二零零六年 五月十八日 HK\$'000 千港元	1.1.2005 to 31.12.2005 二零零五年 一月一日至 二零零五年 十二月三十一日 HK\$'000 千港元
Turnover	營業額	2,726	5,298
Cost of sales	銷售成本	(2,519)	(4,457)
Gross profit	毛利	207	841
Other income	其他收入	97	2,059
Distribution costs	分派成本	(575)	(1,324)
Administrative expenses	行政支出	(4,986)	(7,063)
Loss for the year	年度虧損	(5,257)	(5,487)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 16. DISCONTINUED OPERATION (cont'd)

The net assets value of 東莞江海 and 廣州耀陽 and the goodwill attributable to its 東莞江海 and 廣州耀陽 on 19th May, 2006 is as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	105,292
Inventories	存貨	123
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	95
Bank balances and cash	銀行結餘及現金	748
Trade payables, other payables and accrued charges	應付貿易賬款、 其他應付款項及應計費用	(1,141)
Deferred tax liabilities	遞延稅項負債	(21,175)
		<hr/>
		83,942
Carrying amount of attributable goodwill	應佔商譽賬面值	4,562
		<hr/>
		88,504

The net asset values of 東莞江海 and 廣州耀陽 and the carrying amount of goodwill attributable to 東莞江海 and 廣州耀陽 were distributed as dividend in specie upon the completion of the Group Reorganisation.

東莞江海 and 廣州耀陽 did not make any significant contribution to the cash flows of the Group during the years ended 31st December, 2006 and 2005.

### 16. 已終止經營業務 (續)

東莞江海及廣州耀陽之資產淨值及東莞江海及廣州耀陽應佔之商譽於二零零六年五月十九日為：

東莞江海及廣州耀陽之資產淨值及東莞江海及廣州耀陽應佔之商譽賬面值於集團重組完成後透過實物方式作為股息分派。

東莞江海及廣州耀陽並無對本集團截至二零零五年及二零零六年十二月三十一日止之現金流量作出重大貢獻。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 17. DIVIDEND IN SPECIE

Pursuant to the Group Reorganisation as set out in note 2, shares in GDI were distributed as dividend in specie to the shareholders of the Company on the basis of one GDI share for every share in the Company after the Capital Reorganisation as set out in note 38. The amount of dividend in specie, approximately HK\$1,179,307,000, representing the net assets value of GDI, were distributed on 19th May, 2006, which is the completion date of the Group Reorganisation.

The aggregate carrying amount of assets and liabilities at 19th May, 2006 distributed as dividend in specie as a result of the Group Reorganisation are as follows:

### 17. 以實物代息

根據附註2所載之集團重組，本公司股東透過以實物代息之方式獲派群龍之股份，基準為每持有一股本公司於股本重組後之股份收取一股群龍股份（如附註38所載）。以實物代息之金額約為1,179,307,000港元（即群龍之資產淨值），已於二零零六年五月十九日（集團重組完成日期）分派。

於二零零六年五月十九日因集團重組而產生並以實物方式作為股息派發之資產及負債賬面值總額如下：

		HK\$'000 千港元
Net assets value distributed:	已分派資產淨值：	
Property, plant and equipment	物業、廠房及設備	105,835
Goodwill	商譽	4,562
Interests in associates	於聯營公司之權益	498,973
Available-for-sale investments	可供出售投資	100,106
Deposit paid for acquisition of interest in properties	收購物業權益支付之按金	56,131
Other asset	其他資產	229,288
Inventories	存貨	123
Amounts due from associates	應收聯營公司款項	145,338
Loans and interest receivables	貸款及應收利息	502,738
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	21,445
Bank balances and cash	銀行結餘及現金	94,092
Trade payables, other payables and accrued charges	應付貿易賬款、其他應付款項及應計費用	(26,787)
Amounts due to related companies	應付關連公司款項	(206,961)
Income tax payables	應付所得稅	(11,616)
Obligation under a finance lease	融資租約負債	(124)
Deferred tax liabilities	遞延稅項負債	(21,175)
		1,491,968
Minority interests	少數股東權益	(312,661)
		<u>1,179,307</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 18. LOSS PER SHARE

#### From continuing and discontinued operations

The calculation of the basic loss per share attributable to the equity holders of the parent for the year is based on the following data:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
<b>Loss</b>	<b>虧損</b>		
Loss for the purpose of basic loss per share (loss for the year attributable to the equity holders of the parent)	就計算每股基本虧損之年度母公司權益持有人應佔虧損	<u>38,417</u>	<u>81,829</u>
<b>Number of shares</b>	<b>股份數目</b>		
		2006 二零零六年	2005 二零零五年
Number of ordinary shares for the purposes of basic loss per share	就計算每股基本虧損之普通股數目	<u>440,797,543</u>	<u>440,797,543</u>

### 18. 每股虧損

#### 來自持續經營及已終止經營業務

年度母公司股權持有人應佔每股基本虧損乃根據以下數據計算：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
<b>Loss</b>		
Loss for the purpose of basic loss per share (loss for the year attributable to the equity holders of the parent)	<u>38,417</u>	<u>81,829</u>
<b>Number of shares</b>		
	2006 二零零六年	2005 二零零五年
Number of ordinary shares for the purposes of basic loss per share	<u>440,797,543</u>	<u>440,797,543</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 18. LOSS PER SHARE (cont'd)

#### From continuing operations

The calculation of the basic loss per share from continuing operations attributable to equity holders of the parent for the year is based on the following data:

Loss for the year attributable to equity holders of the parent	年度母公司權益持有人應佔虧損
Less: Loss for the year from discontinued operation attributable to equity holders of the parent (note 16)	減：母公司股權持有人應佔之已終止經營業務之年度虧損（附註16）

Loss for the year for the purpose of basic loss per share from continuing operations 就計算持續經營業務之年度每股基本虧損

The number of ordinary shares for the purposes of calculation of basic loss per share from continuing operations used as denominators is same as those detailed above.

The number of ordinary shares for the purposes of basic loss per share for the year ended 31st December, 2005 was adjusted for the effect of the shares consolidation as set out in note 38.

### 18. 每股虧損（續）

#### 來自持續經營業務

年內，來自持續經營業務之母公司股權持有人應佔每股基本虧損乃根據以下數據計算：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
38,417	81,829
(9,480)	(5,269)
28,937	76,560

就計算持續經營業務每股基本虧損之普通股數目所用之分母與上文詳述者相同。

截至二零零五年十二月三十一日止年度，就計算每股基本虧損之普通股數目因應股份合併之影響而作出調整，詳見附註38。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 18. LOSS PER SHARE (cont'd)

#### From continuing operations (cont'd)

The calculation of the basic loss per share for the year ended 31st December, 2006 and 2005 have been adjusted as a result of the application of new HKFRSs and details are shown below:

		2006 二零零六年 Basic earnings per share 每股 基本盈利	2005 二零零五年 Basic earnings per share 每股 基本盈利
Figures before adjustments	調整前數字	—	(0.22)
Adjustment arising from application of new HKFRS (see note 4)	因應用新香港財務報告準則而作出調整 (參見附註4)	(0.09)	0.03
Adjusted	經調整	(0.09)	(0.19)

No diluted earnings per share has been presented as there were no dilutive potential ordinary shares in issue during both years.

#### From discontinued operation

Basic loss per share for discontinued operation is HK\$0.02 per share (2005: HK\$0.01 per share), based on the loss for the year from the discontinued operation attributable to the equity holders of the parent of HK\$9,480,000 (2005: HK\$5,269,000) and the denominators detailed above for basic earnings per share.

### 18. 每股虧損 (續)

#### 來自持續經營業務 (續)

截至二零零六年及二零零五年十二月三十一日止年度每股基本虧損之計算因應用新香港財務報告準則而作出調整，詳情如下：

	2006 二零零六年 Basic earnings per share 每股 基本盈利	2005 二零零五年 Basic earnings per share 每股 基本盈利
於上述兩個年度，由於概無已發行攤薄潛在普通股，故此並無呈列每股攤薄盈利。	—	(0.22)
	(0.09)	0.03
	(0.09)	(0.19)

於上述兩個年度，由於概無已發行攤薄潛在普通股，故此並無呈列每股攤薄盈利。

#### 來自已終止經營業務

已終止經營業務之每股基本虧損為每股0.02港元（二零零五年：每股0.01港元），乃根據母公司股權持有人應佔已終止經營業務年度虧損9,480,000港元（二零零五年：5,269,000港元）及上文詳述每股基本盈利之分母計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 19. PROPERTY, PLANT AND EQUIPMENT

### 19. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Machinery and equipment 機器及設備 HK\$'000 千港元	Sand vessels 採砂船 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>THE GROUP</b>	<b>本集團</b>							
<b>COST</b>	<b>成本值</b>							
At 1st January, 2005	於二零零五年一月一日	2,125	2,282	169,221	–	1,561	330	175,519
Exchange adjustments	匯兌調整	–	19	217	2,062	7	–	2,305
Arising from acquisition of subsidiaries	收購附屬公司產生	–	–	165	113,019	–	–	113,184
Additions	添置	–	3	827	–	942	1,993	3,765
Disposals	出售	–	–	(171)	–	(13)	–	(184)
At 1st January, 2006	於二零零六年一月一日	2,125	2,304	170,259	115,081	2,497	2,323	294,589
Exchange adjustments	匯兌調整	–	40	453	380	15	36	924
Reclassification	重新分類	–	366	–	–	–	(366)	–
Additions	添置	–	345	1,679	–	–	32,180	34,204
Dividend in specie	以實物代息	–	(150)	(40)	(115,461)	(573)	–	(116,224)
Disposals	出售	–	(192)	(1,634)	–	(599)	–	(2,425)
<b>At 31st December, 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>2,125</b>	<b>2,713</b>	<b>170,717</b>	<b>–</b>	<b>1,340</b>	<b>34,173</b>	<b>211,068</b>
<b>DEPRECIATION AND IMPAIRMENT LOSS</b>	<b>折舊及減值虧損</b>							
At 1st January, 2005	於二零零五年一月一日	272	1,079	158,145	–	1,052	–	160,548
Exchange adjustments	匯兌調整	–	6	31	–	1	–	38
Provided for the year	年內撥備	53	506	1,483	5,754	306	–	8,102
Eliminated on disposals	出售後撇除	–	–	(47)	–	(9)	–	(56)
At 1st January, 2006	於二零零六年一月一日	325	1,591	159,612	5,754	1,350	–	168,632
Exchange adjustments	匯兌調整	–	24	126	–	6	–	156
Provided for the year	年內撥備	53	297	1,438	4,446	204	–	6,438
Dividend in specie	以實物代息	–	(8)	–	(10,200)	(181)	–	(10,389)
Eliminated on disposals	出售後撇除	–	(187)	(489)	–	(75)	–	(751)
<b>At 31st December, 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>378</b>	<b>1,717</b>	<b>160,687</b>	<b>–</b>	<b>1,304</b>	<b>–</b>	<b>164,086</b>
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>							
<b>At 31st December, 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>1,747</b>	<b>996</b>	<b>10,030</b>	<b>–</b>	<b>36</b>	<b>34,173</b>	<b>46,982</b>
At 31st December, 2005	於二零零五年十二月三十一日	1,800	713	10,647	109,327	1,147	2,323	125,957

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 19. PROPERTY, PLANT AND EQUIPMENT (cont'd)

### 19. 物業、廠房及設備 (續)

		Buildings 樓宇 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Machinery and equipment 機器及設備 HK\$'000 千港元	Sand vessels 採砂船 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>THE COMPANY</b>	<b>本公司</b>							
<b>COST</b>	<b>成本值</b>							
At 1st January, 2005 and 31st 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	2,125	1,488	1,338	–	1,140	–	6,091
Additions	添置	–	–	10	–	–	–	10
Disposals	出售	–	–	(122)	–	(599)	–	(721)
<b>At 31st December, 2006</b>	<b>於二零零六年 十二月三十一日</b>	<b>2,125</b>	<b>1,488</b>	<b>1,226</b>	<b>–</b>	<b>541</b>	<b>–</b>	<b>5,380</b>
<b>DEPRECIATION AND IMPAIRMENT LOSS</b>	<b>折舊及減值虧損</b>							
At 1st January, 2005	於二零零五年一月一日	272	1,173	1,290	–	472	–	3,207
Provided for the year	年內撥備	53	262	37	–	106	–	458
At 1st January, 2006	於二零零六年一月一日	325	1,435	1,327	–	578	–	3,665
Provided for the year	年內撥備	53	8	10	–	37	–	108
Eliminated on disposals	出售後撇除	–	–	(122)	–	(74)	–	(196)
<b>At 31st December, 2006</b>	<b>於二零零六年 十二月三十一日</b>	<b>378</b>	<b>1,443</b>	<b>1,215</b>	<b>–</b>	<b>541</b>	<b>–</b>	<b>3,577</b>
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>							
<b>At 31st December, 2006</b>	<b>於二零零六年 十二月三十一日</b>	<b>1,747</b>	<b>45</b>	<b>11</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,803</b>
At 31st December, 2005	於二零零五年 十二月三十一日	1,800	53	11	–	562	–	2,426



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 19. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The above items of property, plant and equipment were depreciated on a straight line basis at the following rates per annum:

Buildings	2% or the term of the lease or land use rights, if shorter.
Furniture and fixtures	10% – 25%
Machinery and equipment	10% – 20%
Sand vessels	10%
Motor vehicles	12.5% – 25%

At the balance sheet dates, the buildings of the Group are located as medium-term land use rights in the PRC.

As at 31st December, 2006, no property, plant and equipment were held under finance leases. The net book value of furniture and fixtures as at 31st December, 2005 included an amount of approximately HK\$3,000 in respect of assets held under finance leases.

### 20. PREPAID LEASE PAYMENTS

#### The Group

The Group's prepaid lease payments represent payments for land use rights under medium-term lease located in the PRC. While the subsidiaries have paid substantially the full consideration of the purchase consideration, the relevant government authorities have not yet granted formal titles to certain of these land use rights to that subsidiaries. The net book value of the land use rights for which the Group had not yet been granted formal title as at 31st December, 2006 was approximately HK\$15,510,000 (2005: HK\$15,840,000).

At 31st December, 2006, the Group has pledged a land use right with a net book value of approximately HK\$8,678,000 to a bank to secure short-term bank loan granted to the Group.

### 19. 物業、廠房及設備 (續)

上述物業、廠房及設備項目乃用直線基準法按以下每年折舊率計算：

樓宇	2%或按租約或土地使用權之年期(以較短者為準)
傢俬及裝置	10% – 25%
機器及設備	10% – 20%
採砂船	10%
汽車	12.5% – 25%

於結算日，本集團之樓宇乃以中期土地使用權在中國佔用。

於二零零六年十二月三十一日，概無物業、廠房及設備以融資租約持有。於二零零五年十二月三十一日，傢俬及裝置之賬面淨值包括有關根據融資租約持有之資產約3,000港元之款項。

### 20. 預支租約款項

#### 本集團

本集團之預支租約為取得位於中國之中期租約土地使用權所支付之款項。附屬公司已為收購代價作大部分之全額支付，惟有關政府部門尚未頒授正式土地使用權之批文予該等附屬公司。於二零零六年十二月三十一日，本集團尚未取得正式批文之土地使用權之賬面淨值約為15,510,000港元。(二零零五年：15,840,000港元)。

於二零零六年十二月三十一日，本集團以一個賬面值約為8,678,000港元之土地使用權，作為向一家銀行授予於本集團短期銀行貸款之抵押。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 20. PREPAID LEASE PAYMENTS (cont'd)

#### The Group and the Company

The prepaid lease payments are leasehold lands under medium-term lease located in PRC.

### 20. 預支租約款項 (續)

#### 本集團及本公司

預支租約款項為位於中國之中期租約租賃土地。

THE GROUP 本集團		THE COMPANY 本公司	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Analysed for reporting purpose as: 就呈報而言:			
Current assets 流動資產	626	620	117
Non-current asset 非流動資產	27,425	27,763	3,745
	<b>28,051</b>	<b>28,383</b>	<b>3,862</b>
			3,979

### 21. DEPOSIT PAID FOR ACQUISITION OF INTEREST IN PROPERTIES

In previous year, the Group entered into a conditional agreement with a third party ("Vendor") to acquire the properties interest in a parcel of land situated in Shanghai, the PRC (the "Land") and the 24-storey building being erected upon the land together with 2 levels of underground car parks (the "Building") (collectively referred to as to the "Properties") for a consideration of RMB450,000,000 (approximately HK\$424,528,000). A deposit of RMB50,000,000 (HK\$48,619,000) was paid upon the entering into the conditional agreement.

### 21. 就收購物業權益支付之按金

往年，本集團與第三方（「賣方」）訂立一項有條件協議，以收購一塊位於中國上海市之土地（「土地」）及一幢建於土地上樓高24層之樓宇，連同兩層地庫停車場（「樓宇」）（統稱「該等物業」）之物業權益，代價為人民幣450,000,000元（約424,528,000港元）。於訂立有條件協議時已支付人民幣50,000,000元（約48,619,000港元）之按金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 21. DEPOSIT PAID FOR ACQUISITION OF INTEREST IN PROPERTIES (cont'd)

According to the conditional agreement, prior to the completion of acquisition, the Vendor should (i) obtain the certificate in respect of the land use rights of the Land and the ownership of the Building; (ii) obtain an approval from 上海市計劃委員會 that the use of the Properties be changed from office to both commercial and residential and that all relevant fee and charges arising from the sale of the Land payable to the relevant authorities including 上海市國土局 having been settled in full; (iii) agree with the Group on the specification of installation, fixtures and furniture and other internal decoration of the Properties; (iv) procure all the contractors engaged in the development/construction of the Properties to enter into agreements with the Group to bind these contractors with obligations to the Group to rectify all defects of the Properties which may arise after the completion of the development/construction; and (v) procure the granting of a loan ("Loan") to be granted by PRC banks to the Group to finance the remaining consideration.

The remaining consideration will be settled upon the grant of the Loan and the transfer of the ownership of the Land and Buildings to the Group.

It is one of the conditions for completion of the acquisition that the Vendor should obtain approval for the change of use of the Properties from office to both commercial and residential. Should the Vendor fail to obtain such approval within 150 days from the date of the agreement, the Group is entitled to either (i) to proceed with the agreement in accordance with the existing terms and conditions; or (ii) to acquire the 1st to 7th floors and the 23rd floor of the Properties together with the two levels underground car parks for a consideration of RMB70,000,000 (HK\$65,817,000).

Provided that if the conditions are not fulfilled on or before 1st June, 2005, the Group shall agree to a further extension of not less than 60 days without imposing any fine on the Vendor. If the conditions are not fulfilled within the extended period, the Group shall be entitled to terminate the agreement and the Vendor shall refund the deposit to the Group together with interests accrued during the period from the date of the agreement to the date the deposit is refunded and calculated on the relevant prevailing market interest rate.

### 21. 就收購物業權益支付之按金 (續)

根據有條件協議，於收購事項完成前，賣方須(i)取得土地之土地使用權及樓宇之擁有權證明；(ii)取得上海市計劃委員會之批文，當中訂明該等物業之用途由辦公室改為商住用途，及一切就出售土地所產生而應付有關機構（包括上海市國土局）之有關費用已悉數繳付；(iii)與本集團議定該等物業之安裝、裝置及傢俬之規格及其他內部裝修事宜；(iv)促使所有於有關發展／工程中受聘之承建商與本集團訂立協議，約束各承建商有責任為本集團補救該等物業於完成有關發展／工程後可能出現之一切缺陷；及(v)促使國內銀行向本集團授出貸款（「貸款」），以支付餘下之代價。

餘下之代價將於貸款授出及土地及樓宇之擁有權轉讓至本集團後支付。

完成收購事項之其中一項條件為賣方應取得將該等物業之用途由辦公室更改為商住用途之批文。倘賣方未能於協議訂立日期後150日內取得有關批文，本集團有權(i)按照現有之條款及條件履行協議；或(ii)以代價人民幣70,000,000元（約65,817,000港元）收購該等物業之第1至第7層、第23層，以及兩層地下停車場。

倘上述條件未能於二零零五年六月一日或之前達成，本集團須同意給予不少於六十日之順延期而不得向賣方加收罰款。若上述條件於順延期內仍未達成，本集團有權終止協議，而賣方須向本集團退還按金，連同由訂立協議日期起至退還按金當日止期間之應計利息。利息乃按有關之當前市場息率計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 21. DEPOSIT PAID FOR ACQUISITION OF INTEREST IN PROPERTIES (cont'd)

However, the conditions stated above for the change of the use of the Properties has not yet been fulfilled within the said period and accordingly the Vendor and the Group had entered into another agreement dated 3rd February, 2005 pursuant to which, among other things, (i) the Group will pay, on behalf of the Vendor, RMB22,000,000 (approximately HK\$20,663,000) to the main contractor of the Properties (the "Main Contractor"); and (ii) the amount paid by the Group in (i) will be deducted from the sales consideration.

Further, the Group had made an additional RMB8,000,000 deposit (approximately HK\$7,512,000) to the Vendor pursuant to this additional agreement and the aggregate sum paid by the Group to the Vendor amounted to RMB58,000,000 (approximately HK\$56,131,000) as of 31st December, 2005.

In June 2005, the Group had commenced legal proceedings against the Vendor, among other things, to demand the Vendor to fulfill its obligations under the above two agreements and applied to a PRC court an injunction order on the Properties to stop the Properties from being transferred (the "Injunction Orders"). It had also come to the attention of the Group that one of the three secured creditors of the Vendor and the Main Contractor had already applied to and being granted the Injunction Orders and they, together with the other two secured creditors, had priority over the Group on the Properties.

However, the conditions stated in the agreement cannot be fulfilled by the Vendor and the Group commenced legal proceeding's against the Vendor. On 22nd June, 2006, the people's High Court of Shanghai City ruled the case in favour of the Group and demanded the vendor to continue fulfilling its obligations under the agreement.

### 21. 就收購物業權益支付之按金 (續)

然而，上述更改該等物業用途之條件並無於上述期間達成，因此，賣方及本集團已另行於二零零五年二月三日訂立另一份協議，據此，(其中包括)(i)本集團將代表賣方向物業之主要承辦商(「主要承辦商」)支付人民幣22,000,000元(約20,663,000港元)；及(ii)本集團根據(i)支付之款項將自該等物業之銷售代價中減免。

此外，本集團根據此額外協議已提供多人民幣8,000,000元(約7,512,000港元)予賣方，而截至二零零五年十二月三十一日，本集團支付賣方之總額達人民幣58,000,000元(約56,131,000港元)。

於二零零五年六月，本集團開始對賣方展開法律行動，其中包括要求賣方履行其根據上述兩項協議之責任及向中國法院申請就物業頒佈禁制令以禁止該等物業之轉讓(「禁制令」)。本集團亦注意到賣方三名有抵押債權人之其中一名及主要承辦商已申請及獲批禁制令，而彼等連同其他兩名有抵押債權人就該等物業較本集團有優先權。

然而，賣方未能達成協議所列之條件，而本集團已向賣方採取法律行動。於二零零六年六月二十二日，上海市高級人民法院裁定本集團於該案件中勝訴，並要求賣方繼續根據協議履行其責任。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 21. DEPOSIT PAID FOR ACQUISITION OF INTEREST IN PROPERTIES (cont'd)

During the year, the directors of the Company were also in discussion with the Vendor for settlement of the matters; however, there was no assurance that such matters could be resolved and settled with the Vendor eventually. The directors of the Company consulted its legal counsel and decided to proceed with the acquisition of the properties and were of the view that the carrying amount of deposit was not less than its recoverable amount.

The amount was distributed as dividend in specie upon the completion of the Group Reorganisation on 19th May, 2006.

### 21. 就收購物業權益支付之按金 (續)

年度內，本公司董事亦與賣方商討解決該事宜，惟概不保證有關事宜最終可得到解決並與賣方達成和解。本公司董事已徵詢律師之意見，並決定繼續收購該等物業，並認為按金之賬面值不少於其可收回金額。

集團重組於二零零六年五月十九日完成後，該金額乃以實物方式作為股息分派。

### 22. GOODWILL

### 22. 商譽

		HK\$'000 千港元
<b>COST</b>	<b>成本值</b>	
At 1st January, 2005	於二零零五年一月一日	25,807
Arising from acquisition of subsidiaries (note 41)	收購附屬公司所產生 (附註41)	9,123
		<hr/>
At 31st December, 2005	於二零零五年十二月三十一日	34,930
Eliminated on disposal of subsidiaries by way of dividend in specie	出售附屬公司時以實物代息對銷	(9,123)
		<hr/>
<b>At 31st December, 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>25,807</b>
<b>AMORTISATION AND IMPAIRMENT</b>	<b>攤銷及減值</b>	
At 1st January, 2005 and 31st 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	-
Impairment loss recognised	已確認減值虧損	4,561
Eliminated on disposal of subsidiaries by way of dividend in specie	出售附屬公司時以實物代息對銷	(4,561)
		<hr/>
<b>At 31st December, 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>-</b>
<b>CARRYING VALUE</b>	<b>賬面值</b>	
<b>At 31st December, 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>25,807</b>
		<hr/>
At 31st December, 2005	於二零零五年十二月三十一日	34,930
		<hr/>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 22. GOODWILL (cont'd)

Particulars regarding impairment testing on goodwill are disclosed below:

As explained in note 9, the Group uses business segments as its primary segment for reporting segment information. For the purpose of impairment testing, the carrying amount of goodwill has been allocated to the following cash generating units which represent the two business segments of the Group:

Segment of battery products	電池產品分部
Segment of sand mining	採砂業務分部

During the year ended 31st December, 2006, the Group recognised an impairment loss of approximately HK\$4,561,000 in relation to goodwill arising on acquisition of the segment of sand mining.

The carrying value of goodwill attributable to the segment of sand mining of HK\$4,562,000 (after the impairment loss of HK\$4,561,000) was distributed as dividend in specie upon the completion of the Group Reorganisation on 19th May, 2006.

### 22. 商譽 (續)

有關商譽進行減值測試之詳情披露如下：

如附註九所述，本集團按各業務分部為呈報分部資料之首要基準。為配合商譽減值測試，商譽之賬面值按下列現金產生單位（代表本集團兩個業務分部）而分配：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Segment of battery products	25,807	25,807
Segment of sand mining	—	9,123
	<u>25,807</u>	<u>34,930</u>

於截至二零零六年十二月三十一日止年度，本集團釐定就收購採砂業務分部而確認之商譽減值約為4,561,000港元。

就採砂業務分部應佔之商譽之賬面值為4,562,000港元（扣除4,561,000港元之減值虧損後）。該款項已於二零零六年五月十九日（集團完成重組後）按以實物代息方式分發。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 22. GOODWILL (cont'd)

The basis of the recoverable amounts of these cash generating units and their major underlying assumptions are summarised below:

#### Cash generating unit of battery products

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 20-year period with a 5% growth rate for the first five year and remained constant for the remaining years, and a discount rate of 7%. Another key assumption for the value in use calculations is the budgeted gross margin, which is determined based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of this cash generating unit to exceed the aggregate recoverable amount of this cash generating unit.

#### Cash generating unit for segment of sand mining

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 10-year period with a 5% growth rate for the first five year and remained constant for the remaining years and, a discount rate of 10%. Another key assumption for the value in use calculations is the budgeted gross margin, which is determined based on the unit's past performance and management's expectations for the market development.

### 22. 商譽 (續)

該等現金產生單位之可追回金額之基準及有關主要相關假設概述如下：

#### 電池之現金產生單位

該單位之可追回金額乃根據使用值計算而釐定。有關計算乃利用基於涵蓋20年、並由管理層批准之財務預算之現金流量預測以及7%之折讓率計算。該現金產生單位於首5年期間之現金流量乃使用固定增長率5%推斷，而其餘年度之現金流量則維持不變。計算使用值之另一重大假設為預算毛利率，此乃基於單位之過往業績及管理層對市場發展之預期而釐定。管理層相信該等假設之任何合理可能變動將不會導致此現金產生單位之賬面總值高出此現金產生單位之可追回總額。

#### 採砂業務分部之現金產生單位

該單位之可追回金額乃根據使用值計算而釐定。有關計算乃利用基於涵蓋10年、並由管理層批准之財務預算之現金流量預測以及10%之折讓率計算。該現金產生單位於首5年期間之現金流量乃使用固定增長率5%推斷，而其餘年度之現金流量則維持不變。計算使用值之另一重大假設為預算毛利率，此乃基於單位之過往業績及管理層對市場發展之預期而釐定。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 23. INVESTMENTS IN SUBSIDIARIES/AMOUNTS DUE FROM SUBSIDIARIES/AMOUNTS DUE TO SUBSIDIARIES

### 23. 於附屬公司之投資／應收附屬公司款項／應付附屬公司款項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<b>Investments in subsidiaries</b>	<b>於附屬公司之投資</b>		
Shares listed overseas, at cost	海外上市股份·按成本值	—	139,703
Unlisted shares, at cost	非上市股份·按成本值	33,261	85,037
Deemed capital contribution	視作資本出資	—	1,858,032
Accumulated impairment	累計減值	(33,261)	(1,937,738)
		<u>—</u>	<u>145,034</u>
Market value of listed shares	上市股份之市值	<u>—</u>	<u>15,122</u>
<b>Amounts due from subsidiaries</b>	<b>應收附屬公司款項</b>		
Amounts due from subsidiaries	應收附屬公司款項	1,123,615	2,008,674
Less: Allowances	減：撥備	(944,997)	(70,991)
		<u>178,618</u>	<u>1,937,683</u>
Less: Amounts due within one year	減：一年內到期之款項	<u>(178,618)</u>	<u>—</u>
Amounts due after one year	一年後到期之款項	<u>—</u>	<u>1,937,683</u>
<b>Amounts due to subsidiaries</b>	<b>應付附屬公司款項</b>		
Amounts due to subsidiaries	應付附屬公司款項		
— shown under current liabilities	— 於流動負債下列示	144,310	737,054

The amounts due from subsidiaries and amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand. The carrying value of the amounts due from subsidiaries and amounts due to subsidiaries at the balance sheet date approximated its fair value.

The principal activities of the subsidiaries are set out in note 50.

應收附屬公司款項及應付附屬公司款項為無抵押、免息及須於要求時償還。於結算日，應收附屬公司款項及應付附屬公司款項之賬面值與其公平值相若。

附屬公司之主要業務載於附註50。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 24. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES/AMOUNT DUE TO AN ASSOCIATE

#### (a) Cost of investment in associates

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Listed in Hong Kong	於香港上市	—	577,612	—	—
Unlisted	非上市	386	172,682	2	2
		386	750,294	2	2
Share of post-acquisition losses	收購後應佔之虧損	(386)	(191,556)		
		—	558,738		
Fair value of listed shares in associates	聯營公司之上市股份之公平值	—	317,752	N/A不適用	N/A不適用

In May 2006, the Group disposed of its entire 22.65% equity interests in China Velocity Group Limited (a company whose shares were listed on the Hong Kong Stock Exchange) at a consideration of HK\$30,000,000 and resulted in a gain on disposal of interests in associates of approximately HK\$17,180,000.

In March 2006, the interests in Wing On Travel (Holdings) Limited ("Wing On") were diluted from 27.74% to 19.82% upon the placement of shares by Wing On and resulted in a loss on dilution of interests in associates of approximately HK\$65,762,000.

All the interests of associates except Wing Fung Metal and Equipment Company Limited ("Wing Fung") were distributed as dividend in specie upon the completion of the Group Reorganisation on 19th May, 2006.

### 24. 於聯營公司之權益／應收聯營公司款項／應付一間聯營公司款項

#### (a) 於聯營公司之投資成本

於二零零六年五月，本集團出售其於中國高速（集團）有限公司（一間於香港聯交所上市之公司）之全部22.65%股本權益，代價為30,000,000港元，並出售一間聯營公司之收益約17,180,000港元。

於二零零六年三月，永安旅遊（控股）有限公司（「永安」）之權益於永安配售股份時由27.74%攤薄至19.82%，並導致攤薄於聯營公司權益之虧損約65,762,000港元。

除榮豐五金設備有限公司（「榮豐」）外，所有聯營公司之權益於二零零六年五月十九日集團重組後，按以實物代息方式分發。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 24. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES/AMOUNT DUE TO AN ASSOCIATE (cont'd)

#### (a) Cost of investment in associates (cont'd)

Particulars of the associate at 31st December, 2006 are as follows:

Name of associate	Place of the incorporation	Place of operation	Class of share held	Proportion of nominal value of issued share capital/ registered capital held indirectly by the Company 本公司間接持有已發行股本／註冊資本面值之比例 %	Principal activities
聯營公司名稱	註冊成立地點	經營業務之地點	持有股份之等級		主要業務
Wing Fung 榮豐	Hong Kong 香港	Hong Kong 香港	Ordinary 普通股	16 (Note) (附註)	Manufacturing of battery products 電池產品生產

Note: A 20% interest of Wing Fung were held by a 80% subsidiary of the Company.

### 24. 於聯營公司之權益／應收聯營公司款項／應付一間聯營公司款項 (續)

#### (a) 於聯營公司之投資成本 (續)

於二零零六年十二月三十一日，聯營公司之詳情如下：

附註：榮豐之20%權益由本公司一間佔80%股份之附屬公司持有。

The Group has discontinued recognition of its share of losses of an associate. The amounts of unrecognised share of that associate, extracted from the relevant management accounts of associate, both for the year and cumulatively, are as follows:

本集團終止確認其應佔聯營公司之虧損。該聯營公司未確認之應佔虧損（摘錄自其相關管理賬目）於本年度及累計金額如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unrecognised share of losses of an associate for the year	年內未確認應佔一間聯營公司虧損	88	87
Accumulated unrecognised share of losses of an associate	累計未確認應佔一間聯營公司虧損	87	-

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 24. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES/AMOUNT DUE TO AN ASSOCIATE (cont'd)

#### (a) Cost of investment in associates (cont'd)

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

Turnover	營業額
Profit for the year	本年度溢利
Profit for the year attributable to the Group	本集團應佔本年度溢利
Total assets	總資產
Total liabilities	總負債
Net (liabilities) assets	(負債) 資產淨值
Share of net assets by the Group:	本集團所佔資產淨值
As at 31st December	於十二月三十一日
Market value of interest held by the Group	本集團所持權益市值

### 24. 於聯營公司之權益／應收聯營公司款項／應付一間聯營公司款項 (續)

#### (a) 於聯營公司之投資成本 (續)

本集團之聯營公司之財務資料概述如下:

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
3,360,502	8,382,622
53,323	133,498
16,681	42,864
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
9,304	7,431,386
(9,320)	(5,037,199)
(16)	2,394,187
—	558,738
N/A	317,752

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 24. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES/AMOUNT DUE TO AN ASSOCIATE (cont'd)

#### (a) Cost of investment in associates (cont'd)

Included in the cost of investment in associates is goodwill arising on acquisitions of associates in prior years. The movement of goodwill is set out below.

		HK\$'000 千港元
COST	成本值	
At 1st January, 2005	於二零零五年一月一日	2,006
Arising on acquisitions of associates	收購聯營公司所產生	10,181
		<hr/>
At 31st December, 2005	於二零零五年十二月三十一日	12,187
Eliminated upon dividend in specie	以實物代息後撇銷	(12,187)
		<hr/>
<b>At 31st December, 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>—</b>
		<hr/>
CARRYING VALUES	賬面值	
<b>At 31st December, 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>—</b>
		<hr/>
At 31st December, 2005	於二零零五年十二月三十一日	12,187
		<hr/>

#### (b) Amounts due from associates

### 24. 於聯營公司之權益／應收聯營公司款項／應付一間聯營公司款項 (續)

#### (a) 於聯營公司之投資成本 (續)

於聯營公司之投資成本包括過往年度收購聯營公司所產生商譽。商譽之變動載列如下：

#### (b) 應收聯營公司款項

	THE GROUP 本集團		THE COMPANY 本公司	
	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amounts due from associates 應收聯營公司款項	<b>6,514</b>	159,214	<b>8</b>	2,989

The amounts due from associates are unsecured, repayable on demand and non-interest bearing. An amount of HK\$145,338,000 were distributed as dividend in specie as part of Group Reorganisation on 19th May, 2006. In 2005, except for amount due from Wing On of approximately HK\$151,648,000 were interest bearing at prevailing market rate, all remaining amounts due from associates were non-interest bearing. The fair value of the Group's amount due from associates at balance sheet date approximates the corresponding carrying value.

應收聯營公司款項為無抵押、須於要求時償還及免息。145,338,000港元之金額已於二零零六年五月十九日按以實物代息之方式分發，以作為集團重組之部份。於二零零五年，除應收永安之款項約151,648,000港元為按現行市場利率計息外，其餘所有應收聯營公司款項均為免息。於結算日，本集團應收聯營公司款項之公平值與相關賬面值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 24. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES/AMOUNT DUE TO AN ASSOCIATE (cont'd)

#### (c) Amount due to an associate

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amount due to an associate	應付一間聯營公司款項	4,993	286	—	—
Less: Amount shown under current liabilities	減：於流動負債下列示款項	—	(286)		
Amounts shown under non-current liabilities	於非流動負債下列示款項	4,993	—		

The amount due to an associate is unsecured and non-interest bearing. The directors of the Company have reached agreement with an associate that the Company will not be demanded repayment of HK\$4,993,000 within 12 months from 31st December, 2006, therefore, the amount of HK\$4,993,000 is disclosed under non-current liabilities. The fair value of the Group's amount due to an associate at balance sheet date approximate the corresponding carrying amount.

### 24. 於聯營公司之權益／應收聯營公司款項／應付一間聯營公司款項 (續)

#### (c) 應付一間聯營公司款項

應付一間聯營公司款項為無抵押及免息。本公司董事與該聯營公司協定不會於二零零六年十二月三十一日起計十二個月內要求本公司償還4,993,000港元之款項，故該款項4,993,000港元於非流動負債項下披露。於結算日，本集團應付一間聯營公司款項之公平值與相關賬面值相若。

### 25. CLUB DEBENTURES

#### The Group and the Company

The club debentures represents the club membership of Macau Golf & Country Club and Aberdeen Marine Club. The directors are of opinion that there is no impairment of the club debentures since the market price are higher than its carrying value.

### 25. 會所債券

#### 本集團及本公司

會所債券指澳門高爾夫球鄉村俱樂部及深灣遊艇俱樂部之會籍。鑑於會所債券之市值高於其賬面值，董事認為會所債券並無減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 26. AVAILABLE-FOR-SALE INVESTMENTS

### 26. 可供出售投資

		THE GROUP 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Listed investments:	上市投資：		
– Equity securities listed in Hong Kong	– 於香港上市之股本證券	64,614	26,857
– Equity securities listed elsewhere	– 於其他地方上市之股本證券	1,575	4,057
		<u>66,189</u>	<u>30,914</u>
Unlisted investments:	非上市投資：		
– debt securities	– 債務證券	–	24,432
– equity securities	– 股本證券	11,708	61,748
		<u>11,708</u>	<u>86,180</u>
Total	總計	<u>77,897</u>	<u>117,094</u>
Analysed for reporting purposes as:	就呈報而言分析如下：		
Classified as held for sale	分類為持作出售	17,770	–
Non-current assets	非流動資產	60,127	117,094
		<u>77,897</u>	<u>117,094</u>

The carrying value of unlisted equity interest at 31st December, 2006 represented 16.4% interest in Beijing Technology Development Fund LDC, a company incorporated in Cayman Island and engaged in investment venture business.

於二零零六年十二月三十一日，非上市股本權益之賬面值佔 Beijing Technology Development Fund LDC 之 16.4%，該公司於開曼群島註冊成立，從事投資業務。

The carrying value of unlisted equity securities in Hong Kong at 31st December, 2005 included an amount of HK\$43,498,000, which represented 9.76% interest in Apex Quality Group Limited ("Apex"). Apex is incorporated in the British Virgin Islands and engaged in hotel and leisure related business.

於二零零五年十二月三十一日，香港非上市股本證券之賬面值包括 43,498,000 港元之金額，佔 Apex Quality Group Limited (「Apex」) 9.76% 之權益。Apex 於英屬處女群島註冊成立，從事酒店及消閒相關業務。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 26. AVAILABLE-FOR-SALE INVESTMENTS (cont'd)

The above unlisted investments 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 amounts of investment of Apex were distributed as dividend in specie upon the completion of the Group Reorganisation on 19th May, 2006.

The carrying value of unlisted debt securities at 31st December, 2005 represented the debt component of a convertible note issued by a company incorporated in Australia which was engaged in the business of fruit business. The convertible note borne interest at 8% per annum and will mature on 29th March, 2008. The fair value of the unlisted debt securities were determined based on the present value of the estimated future cash flow discounted using the effective interest rate at the balance sheet date, which approximated the corresponding carrying amount. The amounts were distributed as dividend in specie upon the completion of the Group Reorganisation on 19th May, 2006.

### 27. OTHER ASSET

The amount represents cost incurred in connection with a land development project in the PRC. The project is a land development of 珠海市龍山智業產業園 located in Long Shan Development Area, Doumen District, Zhuhai City and is to be jointly developed with 珠海市龍山工業區管理委員會. The Group is entitled to the exclusive development right to the project and also the right to obtain the land for the development ("Other Asset"). The Group is also entitled to sell the Other Asset to investors at consideration to be agreed among themselves.

The directors has assessed the carrying value of the Other Asset with reference to the valuation performed by Norton Appraisal Limited, an independent valuer, on open market value basis and no impairment loss is identified. The amount was distributed as dividend in specie upon the completion of the Group Reorganisation on 19th May, 2006.

### 26. 可供出售投資 (續)

上述非上市投資於各結算日按成本減減值計算，此乃由於估計之合理公平值範圍十分大，本公司董事認為其公平值無法可靠地計量。Apex之投資金額以實物代息之方式於二零零六年五月十九日集團重組完成後作出分派。

於二零零五年十二月三十一日之非上市債務證券賬面值指一間於澳洲註冊成立並從事水果業務之公司所發行可換股票據之債務部份。該可換股票據按年率8%計息，並將於二零零八年三月二十九日到期。非上市債務證券之公平值乃根據按結算日之實際利率折讓之估計未來現金流量現值釐定，與相關賬面值相若。金額以實物代息之方式於二零零六年五月十九日集團重組完成後作出分派。

### 27. 其他資產

此數額指國內土地發展項目產生之成本。該項目為珠海市龍山智業產業園之土地發展項目，位於珠海市斗門區龍山發展區，將由本集團與珠海市龍山工業區管理委員會共同發展。本集團享有項目之獨家發展權及享有權利取得土地以再發展（「其他資產」）。本集團亦有權按協定代價將其他資產售予投資者。

董事已參考獨立估值師普頓國際評估有限公司按公開市值基準所作估值評估其他資產之賬面值，並無發覺有減值虧損。金額以實物代息之方式於二零零六年五月十九日集團重組完成後作出分派。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 28. INVENTORIES

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Raw materials	原料	9,168	5,358
Finished goods	製成品	9,786	7,051
		<b>18,954</b>	<b>12,409</b>

### 29. TRADE RECEIVABLES

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade receivables	應收貿易賬款	8,806	5,737
Less: accumulated impairment	減：累計減值	(981)	(964)
		<b>7,825</b>	<b>4,773</b>

The Group allows its trade customers with credit period normally ranging from 90 days to 180 days. The aged analysis of the trade debtors at the balance sheet date is as follows:

本集團一般給予貿易客戶為期90至180日之除賬期。於結算日之應收貿易賬款之賬齡分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 – 90 days	0至90日	7,067	4,408
91 – 180 days	91至180日	620	365
Over 180 days	180日以上	138	–
		<b>7,825</b>	<b>4,773</b>

The carrying amount of the Group's trade receivables at the balance sheet date approximates the corresponding fair value.

於結算日，本集團之應收貿易賬款之賬面值與相關公平值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 30. LOANS AND INTEREST RECEIVABLES

### 30. 應收貸款及應收利息

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Loans and interest receivables	應收貸款及應收利息				
– secured (note a)	– 有抵押 (附註a)	99,616	302,061	–	–
– unsecured (note b)	– 無抵押 (附註b)	134,169	492,967	–	35,223
Promissory note and its interest receivables (note b)	承付票及其應收利息 (附註b)	–	9,292	–	9,292
		233,785	804,320	–	44,515
Less: Allowances	減：撥備	(208,024)	(340,088)	–	(35,223)
		25,761	464,232	–	9,292
Less: Amounts due within one year and repayable on demand	減：一年內到期並須於要求時償還之款項	(25,761)	(464,232)	–	(9,292)
Amounts due after one year	一年後到期之款項	–	–	–	–

Notes:

- (a) As at 31st December, 2006, the secured loans and interest receivables were due from Danwei Limited ("Danwei"). Shares in certain property holding companies held by Danwei were pledged to the Group as securities to the loan receivables. However, in view of default repayment by Danwei, full allowances of HK\$99,616,000 was made in the consolidated income statement in previous years.

As at 31st December, 2005, included in secured loans and interests receivables were amounts of approximately HK\$99,616,000 and approximately HK\$165,422,000 due from Danwei and Lucklong Venture Limited ("Lucklong") respectively. Allowances of HK\$180,838,000 were made in the loans receivables due from Danwei and Lucklong as at 31st December, 2005 with reference to the market value of the collateral secured to the Group. Shares in certain property holding companies held by Danwei and Lucklong were pledged to the Group as securities to the loans receivables.

The loan receivables carry interest at the prevailing market rate ranging from 8% to 12% per annum and repayable on demand.

The loans and interest receivables due from Lucklong was then distributed as dividend in specie upon completion of the Group Reorganisation.

- (b) The amount are unsecured, carries interest at prevailing market rate ranging from 8% to 12% per annum and repayable on demand.

The fair value of the Group's loan and interest receivables as at balance sheet date approximate the carrying amount.

附註：

- (a) 於二零零六年十二月三十一日，抵押貸款及應收利息為應收Danwei Limited (「Danwei」)。Danwei持有之若干物業控股公司之股份已抵押予本集團作為應收貸款之抵押品。然而，由於Danwei拖欠還款，因此在往年綜合收益表作出99,616,000港元之全面撥備。

於二零零五年十二月三十一日，有抵押貸款及應收利息中包括分別應收Danwei及Lucklong Venture Ltd. (「Lucklong」) 約99,616,000港元及約165,422,000港元之款項。於二零零五年十二月三十一日，就應收Danwei及Lucklong之貸款作出之撥備約為180,838,000港元，此乃參考提供予本集團之抵押品之市值而釐訂。Danwei及Lucklong持有之若干物業控股公司之股份已抵押予本公司，作為應收貸款之抵押品。

此應收貸款均按8%至12%不等之現行市場年利率計息，並於要求時償還。

應收Lucklong之貸款及利息當時以實物代息之方式於集團重組完成後作出分派。

- (b) 該款項為無抵押並按8%至12%不等之現行市場年利率計息，並於要求時償還。

於結算日，本集團之應收貸款及利息之公平值與賬面值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 31. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The fair value of the Group's other receivables, at balance sheet date approximate the carrying amount of the receivables.

### 32. INVESTMENTS HELD FOR TRADING

Equity securities listed in Hong Kong

於香港上市之股本證券

#### THE GROUP

本集團

2006

2005

二零零六年

二零零五年

HK\$'000

HK\$'000

千港元

千港元

8,115

7,552

### 33. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH/BANK OVERDRAFTS

The pledged bank deposits represents bank deposits pledged to banks to secure bank overdrafts and short-term bank borrowings facilities granted to the Group and therefore classified as current assets. The amount bears interest at 3.25% to 3.95% per annum (2005: 2.90% to 3.40% per annum). The fair value of the Group's pledged bank deposits approximate its carrying value.

The bank balances and cash comprises cash and short-term bank deposits with an original maturity of three months or less held by the Group. The amount carries interest at 2% to 3% per annum (2005: 2% to 3.5% per annum). The carrying amount of the Group's bank balances approximate their fair value.

Bank overdrafts are repayable on demand and carries interest at prevailing market rate ranging from 6% to 7% per annum (2005: 6% to 7% per annum).

### 31. 其他應收款項、按金及預付款項

本集團之其他應收款項之公平值於結算日與應收款項之賬面值相若。

### 32. 持作買賣投資

### 33. 已抵押銀行存款／銀行結餘及現金／銀行透支

已抵押銀行存款指抵押予銀行之銀行存款，作為本集團獲授之銀行透支及短期銀行貸款融資之抵押，因此分類為流動資產。該款項按年利率3.25%至3.95%計息（二零零五年：年利率2.90%至3.40%）。本集團已抵押銀行存款餘之公平值與其賬面值相若。

本集團持有之銀行結餘及現金包括原還款期為三個月或較短時期之現金及短期銀行存款。該款項按年利率2%至3%計息（二零零五年：年利率2%至3.5%）。本集團銀行結餘之賬面值與其公平值相若。

銀行透支須於要求時償還，按6%至7%不等之現行市場年利率計息（二零零五年：年利率6%至7%）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 34. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

Included in trade payables, other payables and accrued charges are trade payables of approximately HK\$5,501,000 (2005: HK\$5,336,000) with the following aged analysis:

		THE GROUP 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
0 – 90 days	0至90日	3,836	2,980
91 – 180 days	91至180日	1,025	929
Over 180 days	180日以上	640	1,427
		<b>5,501</b>	<b>5,336</b>

The carrying amount of the Group's trade payables at the balance sheet date approximates the corresponding fair value.

### 34. 應付貿易賬款、其他應付款項及應計費用

應付貿易賬款、其他應付款項及應計費用包括應付貿易賬款約5,501,000 港元（二零零五年：5,336,000 港元），其賬齡分析如下：

於結算日，本集團之貿易應付賬款之賬面值與相關公平值相若。

### 35. AMOUNTS DUE TO RELATED COMPANIES

Details of the amounts due to related companies are as follows:

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Total amounts	總金額	9,438	200,287	9,438	199,731
Less: Amounts shown under current liabilities	減：於流動負債列示之款項	(4,128)	(200,287)	(4,128)	(199,731)
Amounts shown under non-current liabilities	於非流動負債列示之款項	5,310	—	5,310	—

### 35. 應付關連公司款項

應付關連公司款項之詳情如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 35. AMOUNTS DUE TO RELATED COMPANIES (cont'd)

The amounts are due to subsidiaries or associates of a substantial shareholder of the Company. All amounts are unsecured and non-interest bearing. The directors of the Company has reached agreement with the related company, namely Wing On that the Company will not be demanded repayment of HK\$5,310,000 within 12 months from 31st December, 2006 and therefore, the amount is shown under non-current liabilities. Except for an amount due to Wing On of HK\$5,310,000, all remaining balances are repayable on demand. The fair value of the Group's amounts due to related companies at balance sheet date approximates the corresponding carrying amount.

### 36. LOAN PAYABLES

#### The Group and the Company

The amounts are unsecured, carry interest at prevailing market rate ranging from 8% to 10% per annum and are repayable on demand. The fair value of the loan payables at balance sheet date approximates the corresponding carrying amount.

### 37. BANK BORROWINGS

### 35. 應付關連公司款項 (續)

應付本公司一名主要股東之附屬公司或聯營公司之款項。所有款項均為無抵押及不計息。本公司董事已就關連公司，即永安達成協議，本公司於二零零六年十二月三十一日起十二個月內不會要求償還款項5,310,000港元，該款項於非流動負債中列示。除應付永安5,310,000港元之款項外，所有餘下結餘須於要求時償還。本集團於結算日應付關連公司款項之公平值與其相關賬面值相若。

### 36. 應付貸款

#### 本集團及本公司

所有款項均為無抵押並按8%至10%不等之現行市場年利率計息。於結算日，本集團應付貸款之公平值與相關賬面相若。

### 37. 銀行借貸

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Bank borrowings	銀行借貸	12,889	1,412	—	—
Obligations under finance leases	融資租約債項	—	3	—	3
		<b>12,889</b>	<b>1,415</b>	<b>—</b>	<b>3</b>
Secured	有抵押	<b>12,889</b>	<b>1,415</b>	<b>—</b>	<b>3</b>
Carrying amount repayable:	須於以下年期償還 賬面值：				
On demand or within one year	於要求時或一年內	<b>12,889</b>	<b>1,415</b>	<b>—</b>	<b>3</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 37. BANK BORROWINGS (cont'd)

The fair value of the Group's bank borrowings at balance sheet date approximates the corresponding carrying amount.

The bank borrowings carried interest at prevailing market rate ranging from 8% to 10% per annum and were secured by the Group's bank deposits and investment in securities. There were no undrawn facilities as at 31st December, 2006 and 31st December, 2005.

### 37. 銀行借貸 (續)

於結算日，本集團之銀行借貸之公平值與相關賬面值相若。

銀行借貸按8%至10%不等之現行市場年利率計息，並以本集團之銀行存款及證券投資作擔保。於二零零六年十二月三十一日及二零零五年十二月三十一日，並無未動用信貸。

### 38. SHARE CAPITAL

### 38. 股本

		Number of shares 股份數目	Value 價值 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.10 each at 1st January 2005 and 31st December, 2005	每股面值0.10港元之普通股 於二零零五年一月一日及 二零零五年十二月三十一日	8,000,000,000	800,000
Subdivision of shares (note i)	股份拆細 (附註i)	8,000,000,000	—
Ordinary shares of HK\$0.05 each Consolidation of shares (note iii)	每股面值0.05港元之普通股 股份合併 (附註iii)	16,000,000,000 (8,000,000,000)	800,000 —
Ordinary shares of HK\$0.10 each at 31st December, 2006	每股面值0.01港元之普通股 於二零零六年十二月三十一日	8,000,000,000	800,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.10 each at 1st January, 2005 and 31st December, 2005	每股面值0.10港元之普通股 於二零零五年一月一日及 二零零五年十二月三十一日	881,595,087	88,160
Subdivision of shares (note i)	股份拆細 (附註i)	881,595,087	—
Ordinary shares of HK\$0.05 each Capital reduction (note ii)	每股面值0.05港元之普通股 股份削減 (附註ii)	1,763,190,174 (881,595,087)	88,160 (44,080)
Ordinary shares of HK\$0.05 each Consolidation of shares (note iii)	每股面值0.05港元之普通股 股份合併 (附註iii)	881,595,087 (440,797,544)	44,080 —
Ordinary shares of HK\$0.10 each at 31st December, 2006	每股面值0.10港元之普通股 於二零零六年十二月三十一日	440,797,543	44,080



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## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 38. SHARE CAPITAL (cont'd)

As mentioned in note 2, the Company has carried out the Capital Reorganisation during the year which involves, inter alia, the following:

- (i) subdivision of the Company's shares into two shares of HK\$0.05 each ("Subdivision");
- (ii) cancellation of the paid-up capital of 881,595,087 issued shares of HK\$0.05 each ("Capital Reduction") and the cancellation of the entire share premium account of the Company;
- (iii) consolidation of two shares of HK\$0.05 each into one ordinary share of HK\$0.10 each;
- (iv) the credits of approximately HK\$44,080,000 and HK\$1,900,916,000 resulting from the Capital Reduction and the cancellation of the share premium account, respectively transferred to the special capital reserve account of the Company; and
- (v) such special capital reserve set off against the accumulated deficit of the Company as at the date of completion of the Group Reorganisation.

Details of the Capital Reorganisation are set out in the Company's circular dated 10th September, 2005.

### 38. 股本 (續)

誠如附註2所述，本公司已於年內進行股本重組，當中涉及（其中包括）下列各項：

- (i) 將每股本公司股份拆細成為兩股每股面值0.05港元之股份（「拆細」）；
- (ii) 註銷881,595,087股每股面值0.05港元之已發行股份之繳足股本（「削減股本」），以及註銷本公司之全部股份溢價賬；
- (iii) 把每兩股每股面值0.05港元之股份合併為一股每股面值0.10港元之普通股；
- (iv) 將分別因削減股本及註銷股份溢價賬所產生之進賬款項約44,080,000港元及1,900,916,000港元，轉撥至本公司之特別資本儲備中；及
- (v) 該項特別資本儲備於集團重組完成當日與本公司之累計虧絀對銷。

資本重組之詳情載於本公司於二零零五年九月十日刊發之通函。

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## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 39. SHARE OPTIONS

On 4th June, 2002, the Company adopted a share option scheme ("2002 Scheme") which is effective for a period of ten years for the primary purpose of providing incentives to directors and eligible employees. Under the 2002 Scheme, the Board of Directors of the Company may grant options to eligible employees, including executive directors of the Company and its subsidiaries, to subscribe for shares in the Company for a consideration of HK\$1. Options granted must be taken up within 30 days of the date of grant, upon payment of HK\$1 per grant. Options granted are exercisable not later than ten years after the date the options are granted. The exercise price, subject to adjustment, is determined by the board of directors of the Company and will not be less than the highest of (i) the closing price of the Company's share on the date of options granted; (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

The total number of shares in respect of which options may be granted under the 2002 Scheme is not permitted to exceed 46,097,894 shares, representing 10% of the issued share capital of the Company as at the date of adoption of 2002 Scheme. Subject to the issue of a circular and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules") from time to time, the Board may refresh the limit at any time to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meeting. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 1% of the aggregate number of shares of the Company in issue and issuable under 2002 Scheme at any point in time, without prior approval from the Company's shareholders.

There were no options granted during both years or outstanding at balance sheet date under the 2002 Scheme.

### 39. 購股權

於二零零二年六月四日，本公司採納一項購股權計劃（「二零零二年計劃」），該計劃有效期為十年，主要為董事及合資格僱員提供原動力。根據二零零二年計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司之執行董事）授予購股權以認購本公司股份，並就此收取1港元之代價。已授出之購股權須於授出日期起計三十日內接納，並於接納之時支付每份1港元之費用。已授出之購股權可於購股權授出日期起計十年內行使。行使價（可予調整）由本公司董事會釐定，且不會少於以下三者之最高者：(i)本公司股份於授予購股權當日之收市價；(ii)本公司股份在緊接購股權授出日期前五個營業日之平均收市價；及(iii)本公司股份之面值。

根據二零零二年計劃可授出之購股權涉及之股份總數不得超逾46,097,894股股份，即本公司於採納二零零二年計劃日期時本公司已發行股本之10%。在刊發一份通函及獲本公司股東於股東大會批准之前提下，及／或遵守香港聯交所證券上市規則（「上市規則」）不時訂出之其他規定下，董事會可隨時更新該限額至本公司股東於股東大會批准當日之已發行股份總數之10%。向任何人士授予之購股權所涉及之股份數目不得超逾二零零二年計劃項下不時已發行及可予發行之本公司股份總數之1%，惟取得本公司股東事先批准者則不在此限。

於該兩年內並無根據二零零二年計劃授出任何購股權，及於各結算日並無尚未行使之購股權。

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## 綜合財務報表附註

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### 40. RESERVES

### 40. 儲備

		Share premium 股份溢價 HK\$'000 千港元	Special capital reserve 特別資本 儲備 HK\$'000 千港元	Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元	Deficit 虧絀 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>THE COMPANY</b>	<b>本公司</b>					
At 1st January, 2005	於二零零五年一月一日	1,900,916	414,881	233	(1,333,628)	982,402
Profit for the year	本年度溢利	–	–	–	103,180	103,180
At 1st January, 2006	於二零零六年一月一日	1,900,916	414,881	233	(1,230,448)	1,085,582
Capital Reorganisation	資本重組	(1,900,916)	1,944,996	–	–	44,080
Transfer of accumulated deficit of the Company	轉撥本公司累計虧絀	–	(1,212,806)	–	1,212,806	–
Dividend in specie (Note 17)	以實物代息(附註17)	–	(1,145,804)	–	–	(1,145,804)
Profit for the year	本年度溢利	–	–	–	3,449	3,449
At 31st December, 2006	於二零零六年十二月三十一日	<b>–</b>	<b>1,267</b>	<b>233</b>	<b>(14,193)</b>	<b>(12,693)</b>

The special capital reserve of the Company at 31st December, 2005 represents the amount arising from the capital reduction carried out by the Company during the year ended 31st December, 2001. The amount were reduced as a result of Group Reorganisation and Capital Reorganisation carried out by the Company during the year ended 31st December, 2006.

本公司於二零零五年十二月三十一日之特別資本儲備代表本公司於截至二零零一年十二月三十一日止年度進行削減股本所產生之金額。於截至二零零六年十二月三十一日止年度該金額因本公司進行集團重組及股本重組而減少。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 41. ACQUISITION OF SUBSIDIARIES

On 30th June, 2005, the Group acquired 88% and 100% of the issued share capital of 東莞江海 and 廣州耀陽, respectively, for an aggregate cash consideration of HK\$50,000,000. The two newly acquired subsidiaries are incorporated in the PRC and engaged in the business of sand mining. These transactions have been accounted for using the purchase method of accounting. The directors are of the view that it is impracticable to disclose the revenue and the results for the six months ended 30th June, 2005 as if the acquisition had been effected on 1st January, 2005 since such information was not provided by the vendor.

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

### 41. 收購附屬公司

於二零零五年六月三十日，本集團分別收購東莞江海及廣州耀陽已發行股本之88%及100%，總現金代價為50,000,000港元。此兩家新收購附屬公司乃於中國註冊成立，從事採砂業務。該等交易以會計購買方法入賬。董事認為，假設收購於二零零五年一月一日已經生效而披露截至二零零五年六月三十日止六個月之收入及業績並不可行，蓋因賣方並無提供有關資料。

透過交易所收購之資產以及由此產生之商譽如下：

		2005 二零零五年		
		Acquiree's carrying amount before combination 被收購公司於合併 前之賬面值 HK\$'000 千港元	Fair value adjustments 公平值調整 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Net assets acquired:	所收購資產淨值：			
Property, plant and equipment	物業、廠房及設備	50,165	63,019	113,184
Inventories	存貨	6	—	6
Trade receivables	應收貿易賬款	75	—	75
Other receivables, deposits and prepayments	其他應收款項、 按金及預付款項	647	—	647
Bank balances and cash	銀行結餘及現金	349	—	349
Creditors, other payables and accrued charges	應付賬款、其他應付 款項及應計費用	(244)	—	(244)
Amounts due to former shareholders	應付前股東款項	(49,770)	—	(49,770)
Deferred tax liabilities	遞延稅項負債	—	(20,796)	(20,796)
		1,228	42,223	43,451
Minority interests	少數股東權益	(48)	(2,526)	(2,574)
		1,180	39,697	40,877
Goodwill on acquisition	收購產生之商譽			9,123
				50,000
Satisfied by:	支付方式：			
— Cash	— 現金			10,000
— Deposit paid for acquisition of subsidiaries	— 收購附屬公司之 已付按金			40,000
				50,000
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：			
Cash consideration paid	已付現金代價			(10,000)
Cash and cash equivalents acquired	所收購現金及現金等額			349
				(9,651)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 41. ACQUISITION OF SUBSIDIARIES (cont'd)

The goodwill arising on the acquisition is attributable to the anticipated profitability of the distribution of the Group's products in the new markets and the anticipated future operating synergies from the combination.

東莞江海 and 廣州耀陽 contributed HK\$5,298,000 to the Group's turnover and loss of HK\$3,735,000 to the Group's loss before taxation for the period between the date of acquisition and 31st December, 2005.

### 42. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities provided by the Group and movements thereon during the current and prior reporting periods:

		Revaluation of property, plant and equipment 物業、廠房及設備重估 HK\$'000 千港元
At 1st January, 2005	於二零零五年一月一日	-
Arising from acquisition of subsidiaries	收購附屬公司所產生	21,175
At 31st December, 2005	於二零零五年十二月三十一日	21,175
Eliminated upon dividend in specie (note 17)	派付實物代股息後對銷 (附註17)	(21,175)
<b>At 31st December, 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>-</b>

As at 31st December, 2006, the Group had unused tax loss of approximately HK\$20,365,000 (2005: HK\$29,704,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profits streams.

As at 31st December, 2006, the Group had deductible temporary differences in respect of allowances on doubtful debts of approximately HK\$236,446,000 (2005: HK\$364,786,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

### 41. 收購附屬公司 (續)

收購產生之商譽指在新市場分銷本集團產品之預期盈利能力以及預期合併可創造之未來營運協同效益。

東莞江海及廣州耀陽於收購日期至二零零五年十二月三十一日期間，為本集團之營業額帶來5,298,000港元之貢獻，並為本集團之稅前虧損帶來3,735,000港元之虧損。

### 42. 遞延稅項負債

本集團於本報告期間及過往報告期間作出之主要遞延稅項負債撥備及有關變動如下：

於二零零六年十二月三十一日，本集團用擁有可用以抵銷未來溢利之未動用稅項虧損約為20,365,000港元（二零零五年：29,704,000港元）。由於未能預計未來溢利來源，故並未就未動用稅項虧損確認任何遞延稅項資產。

於二零零六年十二月三十一日，本集團就呆賬撥備之可扣減臨時差額約為236,446,000港元（二零零五年：364,786,000港元）。由於可能不會有應課稅溢利可供該等臨時差額抵銷，故並無就該等可扣減臨時差額確認遞延稅項資產。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 43. MAJOR NON-CASH TRANSACTIONS

During the year ended 31st December, 2005, the major non-cash transactions were as follows:

- (a) Amount due to former shareholders of HK\$50,000,000 were settled by the assignment of loan and interest receivable from outsiders.
- (b) Additions to investments held for trading of approximately HK\$3,256,000 were settled by repayment of loans and interests receivables.

### 44. COMMITMENTS

At the balance sheet date, the Group had the following commitments:

### 43. 主要非現金交易

於截至二零零五年十二月三十一日止年度，主要非現金交易如下：

- (a) 應付前股東之款項50,000,000港元已透過出讓應收外部人士之貸款及利息而償還。
- (b) 增加持作買賣投資約3,256,000港元已透過償還貸款及應收利息而支付。

### 44. 承擔

於結算日，本集團之資本承擔如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Contracted for but not provided in the financial statements in respect of	已訂約惟未在財務報表中就下列事項作出撥備：		
(i) Acquisition of property, plant and equipment	(i) 收購物業、廠房及設備	14,562	—
(ii) Other assets	(ii) 其他資產	—	93,301
Authorised but not contracted for in respect of acquisition of property, plant and equipment	就收購物業、廠房及設備已授權惟未訂約之承擔	20,000	—
		<b>34,562</b>	<b>93,301</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 45. OPERATING LEASE COMMITMENTS

The Group has made approximately HK\$523,000 (2005: HK\$1,133,000) minimum lease payments under operating leases during the year in respect of office premises.

#### The Group as lessee

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

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	150	1,086	—	581
In the second to third years inclusive	第二至第三年 (包括首尾兩年)	96	1,661	—	—
		<b>246</b>	<b>2,747</b>	<b>—</b>	<b>581</b>

Leases are negotiated for an average term of two years and rentals are fixed for an average of one year.

### 45. 經營租約承擔

本集團於年內根據有關辦公室物業之經營租約須支付之最低租約付款約為523,000港元(二零零五年: 1,133,000港元)。

#### 本集團作為承租人

於結算日, 本集團及本公司根據有關辦公室物業之不可撤銷經營租約而負有未來最低租約付款之承擔, 以及有關承擔之到期日如下:

租約平均以兩年為期進行磋商, 租金平均以一年為期予以釐定。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 46. CONTINGENT LIABILITIES

### 46. 或然負債

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(a)	Corporate guarantee given by the Company for banking facilities granted to:				
	(i) subsidiaries	—	—	13,500	28,500
	(ii) associates	8,000	8,000	8,000	8,000
	Other guarantees issued to former associates	—	30,780	—	30,780
		<b>8,000</b>	<b>38,780</b>	<b>21,500</b>	<b>67,280</b>

(b) As at 31st December, 2005, the Company had granted a guarantee in favour of MTR Corporation Limited ("MTR") in respect of outstanding rent and obligations under the tenancy agreement entered into between Tung Fong Hung Medicine (Retail) Limited, a former wholly-owned subsidiary of the Company and MTR for the leased properties. As at 31st December, 2006, such guarantee has been released.

(c) During the year ended 31st December, 2005 and 31st December, 2006, the Company issued "all monies" guarantees and indemnity to a bank for the banking facilities granted to a non-wholly owned subsidiary and an associate of the Group and the amount of approximately HK\$3,046,000 (2005: HK\$1,987,000) was utilised by that non-wholly subsidiary and no amount were utilised by an associate as at 31st December, 2006 and 31st December, 2005.

(b) 於二零零五年十二月三十一日，本公司就本公司之前全資附屬公司Tung Fong Hung Medicine (Retail) Limited 與地鐵有限公司（「地鐵」）就租賃物業而簽訂之租賃協議項下之未付租金及未清償債項向地鐵提供擔保。於二零零六年十二月三十一日，有關擔保已解除。

(c) 截至二零零五年十二月三十一日及二零零六年十二月三十一日止年度，本公司就本集團一間非全資附屬公司及一間聯營公司所獲授之銀行信貸向銀行提供「一切款項」擔保及彌償保證，於二零零六年十二月三十一日及二零零五年十二月三十一日，該非全資附屬公司已動用約3,046,000港元（二零零五年：1,987,000港元）之金額，而該聯營公司則並無動用任何金額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 47. PLEDGE OF ASSETS

- (a) As at 31st December, 2006, bank deposits of approximately HK\$1,078,000 (2005: HK\$1,036,000) was pledged to banks to secure credit facilities granted to the Group.
- (b) At 31st December, 2006, available-for-sale investments and investments held for trading with a carrying value of approximately HK\$64,476,000 (2005: HK\$30,787,000) and HK\$309,000 (2005: HK\$74,000) respectively were pledged to secure margin account credit facilities and banking facilities granted to the Group. As at 31st December, 2006 and 31st December, 2005, no margin loan facility were utilised by the Group.
- (c) At 31st December, 2006, prepaid lease payment with a carrying value of approximately HK\$8,678,000 (2005: Nil) was pledged to secure short-term bank loan granted to the Group.

### 47. 資產抵押

- (a) 於二零零六年十二月三十一日，已將約1,078,000港元（二零零五年：1,036,000港元）之銀行存款抵押，作為本集團所獲之備用信貸額之擔保。
- (b) 於二零零六年十二月三十一日，已分別將賬面值約為64,476,000港元（二零零五年：30,787,000港元）及309,000港元（二零零五年：74,000港元）之可供出售投資及持作買賣投資抵押，作為本集團所獲之備用信貸額及銀行信貸額之擔保。於二零零六年十二月三十一日及二零零五年十二月三十一日，本集團並無動用保證金備用貸款。
- (c) 於二零零六年十二月三十一日，以賬面值約為8,678,000港元（二零零五年：無）之預支租約款項抵押，作為本集團所獲之短期銀行貸款之擔保。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 48. RELATED PARTY TRANSACTIONS

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

### 48. 關連人士交易

年內，本集團與下列關連公司訂立以下交易：

Name of company 公司名稱	Nature of transactions 交易性質	Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sing Pao Newspaper Company Limited 成報報刊有限公司	Loan interest income received and receivable by the Group 本集團已收及應收之貸款利息收入	(a)	303	474
Hanny Magnetics Limited 錦興磁訊有限公司	Rent expenses paid and payable by the Group 本集團已付及應付之租金支出	(b)	6	16
ITC Management Limited 德祥企業管理有限公司	Secondment fee paid and payable by the Group 本集團已付及應付暫調費用	(c)	127	330
Cycle Company Limited and Gunnell Properties Limited 旋高有限公司及 Gunnell Properties Limited	Rental expenses paid and payable by the Group 本集團已付及應付之租金支出	(d)	—	138
Nation Cheer Investment Limited 志恒投資有限公司	Interest expense paid and payable by the Group 本集團已付及應付之利息開支	(b)	6,547	14,183
Wing On 永安	Loan interest income received and receivable by the Group 本集團已收及應收之貸款利息收入	(e)	1,151	3,175
Hong Kong Wing On Travel Service Limited 香港永安旅遊有限公司	Air ticketing and travel service expenses paid and payable by the Group 本集團已付及應付之所有機票及 差旅服務	(f)	33	185

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 48. RELATED PARTY TRANSACTIONS (cont'd)

### 48. 關連人士交易 (續)

Name of company 公司名稱	Nature of transactions 交易性質	Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Mass Success International Limited	Rental expenses paid and payable by the Group 本集團已付及應付之租金支出	(g)	223	581
Apex	Loan interest income received and receivable by the Group 本集團已收及應收之貸款利息收入	(h)	1,329	2,931
Micro-Tech Ltd	Rental expense of motor vehicles paid and payable by the Group 本集團已付及應付汽車租金開支	(b)	83	216
China Pharmaceutical Industrial Limited ("CPIL") 中國製藥工業集團有限公司 (「中國製藥」)	Management fee income received 已收取管理費收入	(i)	28	—
China Enterprises Limited ("CEL")	Management fee income received 已收取管理費收入	(i)	27	—

Notes:

附註:

- (a) Sing Pao Newspaper Company Limited is wholly-owned subsidiary of an investee of the Group.
- (b) Hanny Magnetics Limited, Nation Cheer Investment Limited and Micro-Tech Ltd are wholly-owned subsidiaries of a substantial shareholder of the Company.
- (c) ITC Management Limited is the subsidiary of a substantial shareholder of the Company.
- (d) Cycle Company Limited and Gunnell Properties Limited ceased to be subsidiaries of a substantial shareholder of the Company during the year ended 31st December, 2006.

- (a) 成報報刊有限公司為本集團之一間投資公司之全資附屬公司。
- (b) 錦興磁訊有限公司、志恒投資有限公司與Micro-Tech Ltd.為本公司主要股東之全資附屬公司。
- (c) 德祥企業管理有限公司為本公司一名主要股東之附屬公司。
- (d) 旋高有限公司及Gunnell Properties Limited於截至二零零六年十二月三十一日止年度不再為本公司主要股東之附屬公司。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 48. RELATED PARTY TRANSACTIONS (cont'd)

Notes: (cont'd)

- (e) Wing On, is an associate of a substantial shareholder of the Company.
- (f) Hong Kong Wing On Travel Service Limited is wholly-owned subsidiaries of Wing On.
- (g) Mass Success International Limited is an associate of a substantial shareholder of the Company and ceased to be related company upon the completion of Group Reorganisation on 19th May, 2006.
- (h) Apex ceased to be an associate of the Group upon the completion of Group Reorganisation on 19th May, 2006.
- (i) CEL and CPIL are subsidiaries of a substantial shareholder of the Company.

Details of balances with related parties as at the balance sheet date are set out in the consolidated balance sheet.

### 49. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group and employees each contribute 5% of the relevant payroll costs to the Scheme.

The retirement benefit scheme contributions relating to the MPF Scheme charged to the income statement represent contributions payable to the scheme by the Group at rates specified in the rules of the schemes.

### 48. 關連人士交易 (續)

附註: (續)

- (e) 永安為本公司一名重要股東之聯營公司。
- (f) 香港永安旅遊有限公司為永安之全資附屬公司。
- (g) Mass Success International Limited為本公司主要股東之聯營公司，並於二零零六年五月十九日集團重組完成後不再為關連公司。
- (h) 於二零零六年五月十九日集團重組完成後，Apex不用本集團之聯營公司。
- (i) CEL及中國製藥為本公司一名重要股東之聯營公司。

於結算日與關連人士之結餘詳情載於綜合資產負債表。

### 49. 退休福利計劃

本集團為全體香港合資格僱員設有強制性公積金計劃（「強積金計劃」）。強積金計劃之資產與本集團之資產分開持有，存放於獨立受託人控制之基金。本集團及其僱員各向計劃供款相關薪金成本之5%。

在收益表扣除有關強積金計劃之退休福利計劃供款乃本集團按計劃規則指定之比率應向計劃作出之供款。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 49. RETIREMENT BENEFIT SCHEME (cont'd)

The employees in the joint venture subsidiaries in the PRC are members of the state-sponsored pension scheme operated by the government in the PRC. The joint venture companies are required to contribute a certain percentage of their payroll to the pension scheme to fund the benefits. The only obligation of the Group with respect to the pension scheme is to make the required contributions under the scheme. The amount of contributions payable to the pension schemes are charged to the income statement.

At the balance sheet date, there were no significant forfeited contributions which arose upon employees leaving the scheme prior to their interests in the Group's contributions becoming fully vested and which are available to reduce the contributions payable by the Group in future years.

The total cost charged to income statements of approximately HK\$365,000 (2005: HK\$417,000) represents contribution payable to these schemes by the Group in respect of the current year.

### 49. 退休福利計劃 (續)

在中國合資附屬公司之僱員均參加由中國政府管理之國家主辦退休金計劃。合資公司須以僱員工資總額之若干百分比向退休金計劃供款，作為有關福利之資金。本集團須就退休金計劃承擔之唯一責任為根據該計劃進作出供款。應向退休金計劃作出之供款額乃在收益表扣除。

於結算日，並無重大被放棄供款因僱員在未可全數獲得本集團之供款前退出該等計劃而產生，及可用以減低本集團於未來數年應付之供款。

於收益表扣除之總成本約為365,000港元（二零零五年：417,000港元），代表本集團於本年度應就該等計劃支付之供款。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

### 50. PRINCIPAL SUBSIDIARIES

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

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 成立／註冊 及經營業務 之地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足之 普通股股本／ 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司持有已發行 股本／註冊資本 面值之比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Talent Cosmos Limited (note a) 才宇有限公司 (附註a)	British Virgin Islands 英屬處女群島	US\$13,000 13,000美元	—	80	Investment holding 投資控股
Super Energy Group Limited (note a) 超量集團有限公司 (附註a)	Hong Kong 香港	HK\$13,000,000 13,000,000港元	—	80	Investment holding and trading of batteries products 投資控股及銷售電池產品
Super Energy Battery Industries Limited (note a) 超量電池實業有限公司 (附註a)	Hong Kong 香港	HK\$2,500,000 2,500,000港元	—	80	Investment holding and trading of batteries products 投資控股及銷售電池產品
台山市超量電池有限公司 ("台山市超量") (note a) 台山市超量電池有限公司 ("台山市超量") (附註a)	PRC 中國	RMB9,183,763 人民幣9,183,763元	—	76 (note b) (附註b)	Manufacturing of batteries products 製造電池產品

Notes:

- a. These companies are limited liability company incorporated in the respective jurisdiction.
- b. 台山市超量 is a 95% subsidiary of Super Energy Battery Industries Limited and the Group hold effective 76% interest in 台山市超量.

附註:

- a. 此乃於各自之司法權區註冊成立之有限責任公司。
- b. 台山市超量為超量電池實業有限公司擁有95%權益之附屬公司，而本集團則擁有台山市超量76%實際權益。

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

各附屬公司於年終或年內任何時間概無任何仍然有效之債務證券。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表所列乃董事認為主要影響本年度之業績或佔本集團資產及負債之重大部份之本集團附屬公司。董事認為詳列其他附屬公司之資料將令篇幅過份冗長。



# Financial Summary

## 財務摘要

A summary of the consolidated results and of the assets and liabilities of the Group for each of the five years ended 31st December, 2006 is set out below:

本集團截至二零零六年十二月三十一日止五個年度各年之綜合業績以及資產與負債概述如下：

### (A) RESULTS

### (A) 業績

		Year ended 31st December, 截至十二月三十一日止年度				
		2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Note) (附註)	2005 二零零五年 HK\$'000 千港元 (Note) (附註)	2006 二零零六年 HK\$'000 千港元
<b>Continuing operation</b>	持續經營業務					
Turnover	營業額	3,601,735	2,884,493	27,141	33,161	32,846
Loss before taxation	稅前虧損	(695,566)	(169,184)	(129,267)	(77,304)	(43,651)
Taxation	稅項	(12,250)	(10,935)	(6,464)	(4,247)	(5,782)
Loss for the year from continuing operations	持續經營業務 所得年度虧損	(707,816)	(180,119)	(135,731)	(81,551)	(49,433)
<b>Discontinued operation</b>	已終止經營業務					
(Loss) profit for the year from discontinued operations	已終止經營業務 所得年度 (虧損)溢利	—	—	1,511	(5,487)	(9,818)
Loss for the year	年度虧損	(707,816)	(180,119)	(134,220)	(87,038)	(59,251)
Attributable to:	應佔：					
Equity holders of the parent	母公司股權 持有人	(474,134)	(189,528)	(179,244)	(81,829)	(38,417)
Minority interests	少數股東權益	(233,682)	9,409	45,024	(5,209)	(20,834)
		(707,816)	(180,119)	(134,220)	(87,038)	(59,251)

# Financial Summary

## 財務摘要

### (B) ASSETS AND LIABILITIES

### (B) 資產與負債

		At 31st December, 於十二月三十一日				
		2002 二零零二年 HK\$'000 千港元	2003 二零零三年 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 (Note) (附註)	2006 二零零六年 HK\$'000 千港元
Total assets	總資產	4,764,036	2,189,244	1,899,356	1,958,869	267,605
Total liabilities	總負債	(2,301,041)	(405,704)	(295,202)	(303,300)	(116,512)
		<u>2,462,995</u>	<u>1,783,540</u>	<u>1,604,154</u>	<u>1,655,569</u>	<u>151,093</u>
Equity attributable to equity holders of the parent	母公司股權持有人應佔權益	1,734,053	1,533,380	1,308,545	1,325,314	150,831
Minority interests	少數股東權益	728,942	250,160	295,609	330,255	262
		<u>2,462,995</u>	<u>1,783,540</u>	<u>1,604,154</u>	<u>1,655,569</u>	<u>151,093</u>

Note: Certain amounts were re-presented under the "loss for the year from discontinued operations" in accordance with HKFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" issued by the HKICPA.

附註：於「已終止經營業務所得年度虧損」一項下之若干金額已根據香港會計師公會頒佈之香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」作出重列。