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FINANCIAL HIGHLIGHTS 財務摘要

		2007	2006	Changes
		二零零七年	二零零六年	變動
		HK\$'m	HK\$'m	變動
		百萬港元	百萬港元	%
Profit Attributable to Equity Holders of the Company	本公司股本持有人應佔溢利	323	495	(35%)
Total Assets	資產總值	6,381	6,869	(7%)
Equity Attributable to Equity Holders of the Company	本公司股本持有人應佔股本	5,006	4,591	9%
Cash & Bank Balances	現金及銀行結餘	1,335	1,258	6%

				Changes
Key Performance and Liquidity Indicators:	主要營運表現及財務狀況指標:	HK\$	HK\$	變動
		港元	港元	%
Earnings Per Share	每股盈利	0.177	0.278	(36%)
Net Assets Per Share (Note 1)	每股資產淨值(附註1)	2.749	2.521	9%
P/E Ratio (Note 1)	市盈率(附註1)	9.6 x	7.4 x	30%
Return on Capital Employed (Note 2)	股本回報率(附註2)	6.4%	10.8%	(41%)
Return on Total Assets (Note 3)	總資產回報率(附註3)	5.1%	7.2%	(29%)
Gearing Ratio (Note 4)	借貸比率(附註4)	12%	27%	(56%)
Current Ratio (Note 5)	流動比率(附註5)	3.1x	1.8 x	72%
Interest Coverage (Note 6)	利息償付比率(附註6)	8.4 x	13.5 x	(38%)

FINANCIAL HIGHLIGHTS 財務摘要

Notes:

1. Based on 1,820,709,611 shares issued and fully paid as at 31 December 2007 (2006: 1,820,709,611 shares) and the market closing price of HK\$1.70 (2006:HK\$2.05) per share.
2. Calculated as profit attributable to equity holders of the Company over equity attributable to equity holders of the Company.
3. Calculated as profit attributable to equity holders of the Company over total assets.
4. Calculated as total borrowings over equity attributable to equity holders of the Company.
5. Calculated as current assets over current liabilities.
6. Calculated as profit before finance costs and taxation over finance costs (excluding the notional interest portion in respect of convertible notes).

附註：

1. 基於二零零七年十二月三十一日已發行及已繳足股份1,820,709,611股(二零零六年：1,820,709,611股)及收市價每股1.70港元(二零零六年：2.05港元)計算所得。
2. 以本公司股本持有人應佔溢利除以本公司股本持有人應佔股本計算所得。
3. 以本公司股本持有人應佔溢利除以總資產計算所得。
4. 以借貸總額除以本公司股本持有人應佔股本計算所得。
5. 以流動資產除以流動負債計算所得。
6. 以扣除財務費用及稅項前溢利除以財務費用(經扣除可換股票據之市場利息部份後)計算所得。

CORPORATE INFORMATION 公司資料

Board of Directors

Executive directors

Gao Jian Min (*Managing Director*)

Liu Tianni (*Deputy Managing Director*)

Gu Jianguo

Tang Baoqi

Chow Kwok Wai

Non-executive directors

Chen Xiaozhou (*Chairman*)

Hui Xiao Bing (*Vice Chairman*)

Yuen Wing Shing

Independent non-executive directors

Kang Dian

Zhang Lu

CORPORATE INFORMATION 公司資料

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants

Principal Bankers

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
The Citic Ka Wah Bank Limited

Share Registrars and Transfer Office

Tricor Secretaries Limited
26th Floor, Tesbury Centre,
28 Queen's Road East,
Wanchai, Hong Kong
(Tel: 29801888 Fax: 28610285)

Registered Office

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

Company Website

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

Stock Code

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核數師

德勤•關黃陳方會計師行
執業會計師

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
中信嘉華銀行有限公司

股份登記及過戶處

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皇后大道東28號
金鐘匯中心26樓
(電話：29801888 傳真：28610285)

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公司網址

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

股份代號

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MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Review of Results

The Group's profit after tax for the year ended 31 December 2007 has decreased by HK\$181,666,000 to HK\$323,831,000 (2006: HK\$505,497,000), representing a decrease of approximately 36%. Earnings per share has decreased by HK\$0.101 to HK\$0.177 (2006: HK\$0.278), also representing a decrease of 36%.

The reasons for the decrease in profit after tax was due to the changes in the major sources of income which combined effect is to decrease the year's profit after tax. The changes are discussed in the following paragraphs:

During the year, realised gain from securities trading has decreased by HK\$201,357,000 to HK\$11,341,000 (2006: HK\$212,698,000). The performance of the stock market in 2005 and 2006 was good in the sense that there was a prolonged continuous growth in term of both market trading volume and stock trading prices. In addition, there were relatively more quality new IPOs of large state-owned corporations. The Group was able to take benefit of those IPO investment opportunities and managed to earn considerable profits in a few number of the IPOs. However, the stock market was highly volatile and was unpredictable in 2007. Therefore, the Group significantly reduced its investment in IPOs shares which has resulted in a significant decrease in the profit contribution from securities trading.

During the year, the fair value of the Group's investment properties has decreased by HK\$44,254,000 which was recognised as a loss whereas in the last year, the fair value of the Group's investment properties had increased by HK\$89,927,000 which was recognised as a gain. The net impact of these changes in fair values of investment properties has the effect of reducing the current year's profit after tax by HK\$134,181,000.

業績回顧

本集團截至二零零七年十二月三十一日止年度之稅後盈利減少181,666,000港元至323,831,000港元(二零零六年: 505,497,000港元), 減幅約為36%。每股盈利減少0.101港元至0.177港元(二零零六年: 0.278港元), 減幅同為36%。

稅後盈利減少的原因, 是由於主要收入來源的變動引致, 其合併影響減少年內盈利。該等變動於下述各段討論:

年內, 來自證券買賣之已變現盈利貢獻減少201,357,000港元至11,341,000港元(二零零六年: 212,698,000港元)。在大市成交額及股份成交價均長期保持增長的前提而言, 二零零五年及二零零六年股票市場表現良好; 加上於該段期間內有較多高質素的大型國有企業發行新股上市, 本集團成功把握該等新股上市的投資機會, 並成功在若干新股上市方面賺取可觀利潤。然而, 股票市場於二零零七年表現反覆及難以預測, 故此, 本集團大幅度減少其於新股上市活動的投資, 致使年內證券買賣業務之盈利貢獻大幅度減少。

年內, 本集團投資物業之公平值減少44,254,000港元並且被確認為虧損, 然而於上年度, 本集團投資物業之公平值上升89,927,000港元並且被確認為收益。該等投資物業公平值變動的淨影響為減少本年度稅後盈利134,181,000港元。

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Review of Results (Continued)

The disposal of the Cinda Portfolio was completed in the year. Due to the reason that the total amount of actual cash recovered differs from that was projected and the adoption of the amortised cost method in accounting for the interest income from the interest in distressed assets has the effect of accelerating the recognition of more interest income in the early stages. Therefore, at the completion of the disposal, the carrying balance of unamortized interest in the Cinda Portfolio was written off and an impairment loss amounting to HK\$80,248,000 was thus recognised. During the year, the newly acquired Orient Portfolio has contributed HK\$100,220,000 profit to the Group which amount exceeded and compensated the decrease in the amount of HK\$70,534,000 in interest from the Cinda Portfolio.

Other one-off income such as the disposal of the Tongjitang ADSs upon its initial listing and the disposal of the subsidiaries engaged in property development has generated gain amounting to HK\$38,643,000 and HK\$48,499,000 respectively in the current year. After deducting the impairment loss on goodwill amounting to HK\$26,524,000 in aggregate which was made as a result of the impairment testing based on the subsidiary's future operations and the discount, which was recognised as income, of HK\$24,742,000 in the last year in respect of the acquisition of the remaining 4.11% equity interest in Beijing East Gate, the net effect of the aforesaid was to increase profit after tax by HK\$35,876,000.

Due to the reason that the cumulative appreciation of Renminbi ("RMB") in the recent years is significant and the Group has strategically maintained a lot of RMB monetary assets, as a result, the Group has recognised a significant net exchange gain in the year. Net exchange gain for the year ended 31 December 2007 has increased significantly by HK\$142,530,000 to HK\$147,380,000 (2006: HK\$4,850,000).

業績回顧(續)

信達資產包已於年內全部處置完畢，由於處置回收所得的實際現金總額少於原先預測的數額；加上計量不良資產權益利息收入所採用的攤銷成本法具有加速於投資初期確認較多利息收入的作用，故於處置完畢時，未攤銷的信達資產包權益之結餘需予註銷並且確認為減值虧損，虧損金額為80,248,000港元。年內新投資的東方資產包為本集團貢獻盈利100,220,000港元，該盈利數額超過並彌補了來自信達資產包減少的70,534,000港元利息收入。

其他一次性收入，例如年內於同濟堂首次上市時出售其部份預托證券及出售從事物業開發的附屬公司分別產生收益38,643,000港元及48,499,000港元。經扣除年內就若干附屬公司以未來業務基準進行減值檢測後提撥之商譽減值虧損26,524,000港元以及上年度收購北京東環餘下的4.11%股份權益所確認為收益的收購折讓24,742,000港元後，前述各項的淨影響為增加稅後盈利35,876,000港元。

由於人民幣於近幾年累計錄得可觀的升值幅度，加上本集團策略性持有大量貨幣性質的人民幣資產，故此，本集團於年內確認大額的淨匯兌收益。截至二零零七年十二月三十一日止年度之淨匯兌收益大幅增加142,530,000港元至147,380,000港元(二零零六年：4,850,000港元)。

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Review of Results 8

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Business Review & Prospects

Property Investments, Development and Management

For the year ended 31 December 2007, rental income from leasing of investment properties decreased by 27% to HK\$30.7 million (2006: HK\$42.2 million). The main reason for the decrease in rental income was due to the disposal of all the investment properties located in Hong Kong at the beginning of 2007 and an investment property located in the PRC in the second half year of 2007. The Group's main

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Business Review & Prospects (Continued)

Property Investments, Development and Management (Continued)

The Group invested in the re-development of the Tong Zhou District in Beijing through its 22.62% owned associate 北京君合百年房地產開發有限公司.

The re-development project was named "Zi You Xiao Zhen", which has a site area and gross development area of 320,000 square metres and 830,000 square metres respectively. The construction works of the "Zi You Xiao Zhen" project has commenced during the year. According to the current development plan, the "Zi You Xiao Zhen" project will be developed by four phases in four years' time.

As at 31 December 2007, The Group has invested approximately HK\$484.0 million in aggregate in the "Zi You Xiao Zhen" project.

During the year, due to the holding of the coming Olympic Games in Beijing in August 2008, the municipal government discourages the commencement of construction works of new and large scale property development. In this regard, the Group suspended the "Si He Yuan" project and wait until the completion of the Olympic Games. The Group will resume the construction works soonest possible.

Cinda Jianrun

On 17 December 2007, the Group entered into a conditional agreement with three wholly owned subsidiaries of China Cinda Assets Management Corporation for the establishment of Cinda Jianrun Property Company Limited ("Cinda Jianrun") for the purpose of investing in the PRC property market. The registered capital of Cinda Jianrun is RMB1.0 billion (equivalent to HK\$1.1 billion) of which RMB300.0 million (equivalent to HK\$333.3 million) registered capital will be contributed by the Group, representing 30% of the equity interest.

業務回顧及展望(續)

物業投資、發展及管理(續)

本集團透過其持股22.62%之聯營公司北京君合百年房地產開發有限公司，投資參與北京市通州區的小區重建工作。

重建項目已定名為《自由小鎮》，其地盤面積及發展面積分別為320,000平方米及830,000平方米。《自由小鎮》項目的建造工作已於年內展開。依照目前的發展規劃，《自由小鎮》項目將會在四年時間內分開四期發展。

於二零零七年十二月三十一日，本集團於《自由小鎮》項目已累計投資約484,000,000港元。

年內，北京市因為需要配合即將於二零零八年八月份舉行的奧林匹克運動會，不鼓勵新的、大型的房地產項目展開建造工程。有鑑於此，本集團將《四合院》項目暫停並等待奧林匹克運動會舉辦完畢後，本集團將會儘快恢復及開始建設工作。

信達建潤

於二零零七年十二月十七日，本集團與三間由中國信達資產管理公司全資擁有的公司訂立有條件協議，透過成立信達建潤房地產有限公司(「信達建潤」)共同進軍中國房地產市場。信達建潤之註冊資本為人民幣10億元(約相當於11億港元)，其中人民幣300,000,000元(相當於333,300,000港元)註冊資本由本集團認繳，佔資本權益30%。

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Business Review & Prospects (Continued)

Property Investments, Development and Management (Continued)

Cinda Jianrun (Continued)

Cinda Jianrun engages in the business of property development and operation, property management and property consultation in the PRC.

The investment in Cinda Jianrun constituted a connected transaction of the Group. And the Group has obtained approval from the Company's independent shareholders for the transaction on 25 January 2008.

Infrastructure Investments

During the year, profit contribution from CII decreased by 28% to HK\$54.8 million (2006: HK\$76.2 million). The reason for the decrease in profit contribution was mainly due to lack of toll fee income from road and bridge project as a result of disposal of those projects in the previous years, particularly in the last year, the disposal of the entire interest in the Jiangxi #320 State-road project had generated a one-off profit of HK\$40.2 million. In addition, due to fierce competition, CII expects that the road project in the Zhoukou City of the Henan Province will incur operating loss in the coming few years. In this regard, an impairment loss of approximately HK\$46.1 million in respect of the project was recognised in the year. During the year, CII utilized its working capital efficiently to invest in short and medium term financial investments and succeeded in raising its interest and investment income, which has partially compensated the decrease in profit due to the aforesaid reasons.

CII is currently holding only two small road and bridge projects, with a total carrying value of approximately HK\$85.5 million.

業務回顧及展望(續)

物業投資、發展及管理(續)

信達建潤(續)

信達建潤之業務為從事房地產開發及經營、物業管理及房地產諮詢業務。

投資信達建潤構成本公司之關連交易，而本公司已於二零零八年一月二十五日取得本公司獨立股東批准是項交易。

基礎建設投資

年內來自中基的盈利貢獻減少約28%至54,800,000港元(二零零六年: 76,200,000港元)。盈利貢獻減少的原因主要是由於持續出售道路及橋樑項目後導致路費收入減少，尤其是於上年度，中基因出售江西320國道項目全部權益已而錄得一次性收益40,200,000港元所致。此外，由於競爭激烈原因，中基預期位於河南省周口市道路項目，於未來幾年將會錄得經營虧損，因此中基於年內就該項目提撥減虧損約46,100,000港元。年內，中基靈活運用其流動資金，作出中短期金融投資並成功提高其利息及投資收入，部份彌補因前述於原因而減少的盈利。

中基目前僅持有兩個小型道路及橋樑項目，其於結算日之賬面總值約為85,500,000港元。



MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Business Review & Prospects (Continued)

Property Investments, Development and Management (Continued)

Petrochemical projects(Continued)

In order to seize the business opportunities brought about by the ever increasing demand for petrochemical products in the PRC, CII has planned to change its business scope to concentrate its investment in the development of its petrochemical product business. In this regard, the Natural Gas Projects will be disposed of in addition to the two road and bridge projects.

CII has already entered into a conditional agreement with a potential buyer to dispose of the entire interest in the Natural Gas Projects at a total consideration of RMB300,000,000. The relevant documents in respect of the disposal has been submitted to the relevant government department for its approval. The disposal will be completed upon obtaining the approval.

Financial Investments

Distressed Assets Business

The Cinda Portfolio

The disposal of the Cinda Portfolio has been completed in the year. Due to the fact that the actual amount of cash recovered from the Cinda Portfolio was less than the expected one and the amortised cost method adopted for the accounting of the distressed assets has the effect of accelerating the recognition of larger amount of interest income in the early stages of investment. Upon completion, the unamortized interest in distressed assets was written off as an impairment loss amounting to HK\$80,248,000 for the year.

業務回顧及展望(續)

物業投資、發展及管理(續)

石油化工項目(續)

為能抓住中國對石油化工產品不斷上漲之需求帶來的業務機遇，中基已計劃進行業務轉型，集中投資發展其石油化工產品業務。因此，除會出售兩個道路及橋樑項目外，天然氣項目亦將被出售。

中基已與一名潛在買家簽署有條件協議，以人民幣300,000,000元代價出售天然氣項目的全部權益，有關出售的相關文件現正送交相關的政府部門審批。交易將會於取得該審批後獲完成。

金融投資

不良資產業務

信達資產包

信達資產包於年內已全部處置完畢，由於實際處置回收的現金總額較預期少；加上計量不良資產權益所採用的攤銷成本法具有加速於投資初期確認較多收益的作用，故於處置完畢時，註銷未予攤銷不良資產權益被確認為本年度減值虧損，虧損金額為80,248,000港元。

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Business Review & Prospects (Continued)

Financial Investments (Continued)

Distressed Assets Business (Continued)

The Cinda Portfolio (Continued)

To summarise the disposal result, the disposal of the entire RMB56.9 billion principal amount of the Cinda Portfolio has recovered cash amounting to approximately RMB1,539,749,000 in aggregate. The effective cash recovery rate was approximately 2.7% which is lower than the originally expected cash recovery rate of 3.0%.

The Group has received RMB1,272.0 million (equivalent to HK\$1,413.3 million) cash from the disposal of the Cinda Portfolio of which an amount of RMB120.3 million (equivalent to HK\$128.7 million) represent the accrued PRC enterprise tax payable. After deducting the Group's acquisition cost of RMB853.3 million (equivalent to HK\$948.1 million), the net cash return is RMB298.4 million (equivalent to HK\$336.5 million). In term of absolute cash flow, the profit rate is 35% as a whole.

業務回顧及展望(續)

金融投資(續)

不良資產業務(續)

信達資產包(續)

總結處置結果，處置信達資產包之全部不良資產本金額人民幣569億元，累計回收現金總額約為人民幣1,539,749,000元。折算所得之現金回收率約為2.7%，低於原先預期的現金回收率3.0%。

本集團從處置信達資產包累計收回的現金總額為人民幣1,272,000,000元(相當於1,413,300,000港元)，其中約人民幣120,300,000元(約相當於128,700,000港元)為應計的中國所得稅稅務支出。扣除本集團支付的收購代價人民幣853,300,000元(相當於948,100,000港元)後，現金收益淨額約為人民幣298,400,000元(相當於336,500,000港元)，以絕對現金流計算，整體收益率約為35%。

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Business Review & Prospects (Continued)

Financial Investments (Continued)

Distressed Assets Business (Continued)

The Huarong Portfolio

The Group acquired a portfolio of distressed assets with a total principal amount of RMB36.4 billion (equivalent to approximately HK\$35.0 billion) including booked interest ("The Huarong Portfolio") from China Huarong Asset Management Corporation at a total consideration of RMB546.6 million (equivalent to approximately HK\$526.6 million at that time) in January 2006. The Huarong Portfolio comprises a total of 11,126 borrowers located in a total of 27 provinces, directly administrated municipalities and autonomies in the PRC. Originally, the Group has set a target to complete the disposal of the Huarong Portfolio in two years' time and accordingly appointed China Huarong to manage and to dispose of the Huarong Portfolio at its absolute discretion. Due to various reasons, the disposal of the Huarong Portfolio was not completed within the budgeted time. Therefore, the Group has revised the agreement with China Huarong and extended the deadline to 30 June 2008.

The progress of the disposal of the Huarong Portfolio was unsatisfactory during the year. Up to 31 December 2007, the cumulative principal amount of distressed assets in the Huarong Portfolio that has been disposed was approximately HK\$23.4 billion, representing approximately 63% of the total principal amount of the Huarong Portfolio. The cumulative cash recovered was approximately HK\$473.0 million. The effective cash recovery rate was approximately 2.0%.

業務回顧及展望(續)

金融投資(續)

不良資產業務(續)

華融資產包

於二零零六年一月，本集團完成從中國華融資產管理公司(「中國華融」)收購本金額為人民幣364億元(相當於350億港元)含表內利息的不良資產組合(「華融資產包」)，總代價為人民幣546,600,000元(相當於當時的約526,600,000港元)。華融資產包由分散於全國各地共27個省、直轄市及自治區、總數11,126個借款戶所組成。本集團原計劃可於兩年之內完成處置華融資產包並就此委託中國華融全權管理並處置華融資產包。由於各種原因，華融資產包未能在計劃期間內處置完畢，因此，本集團與中國華融已修訂協議把處置期限延期至二零零八年六月三十日。

華融資產包於年內之處置進度並不理想。截至二零零七年十二月三十一日，華融資產包累計已處置的不良資產之本金總額約為23,400,000,000港元，約相等於華融資產包本金總額的63%。累計已收回的現金總額約為473,000,000港元。折算所得的現金回收率約為2.0%。

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Business Review & Prospects *(Continued)*

Financial Investments *(Continued)*

Distressed Assets Business *(Continued)*

The Huarong Portfolio (Continued)

The principal amount of distressed assets disposed of during the year was approximately HK\$16.7 billion. The cash

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Business Review & Prospects (Continued)

Financial Investments (Continued)

Distressed Assets Business (Continued)

The Orient Portfolio

During the year, the Group acquired from China Orient Asset Management Corporation ("China Orient") a 46.17% interest in a portfolio of distressed assets with an outstanding principal amount of RMB21.3 billion at a consideration of RMB319,700,000 (equivalent to HK\$321,700,000 at that time). The interest was simultaneously injected to Dongxin Union Asset Management Corporation Limited ("Dongxin Union"). Dongxin Union was a newly incorporated equity joint venture set up for the sole purpose of holding and disposing of the Orient Portfolio. Its term of business license was three years up to 21 January 2010. The remaining 53.83% equity interest in Dongxin Union was held by China Orient. The Group expects that disposal of the Orient Portfolio will be completed in two to three years' time.

For the year ended 31 December 2007, the Orient Portfolio has contributed approximately HK\$100,220,000 profit to the Group. In addition, the Group received approximately RMB211.8 million (equivalent to approximately HK\$216.9 million) in cash from the Orient Portfolio recoveries. The cumulative cash recoveries of the Orient Portfolio was RMB377,500,000 (equivalent to HK\$419,400,000), representing a recovery rate of 1.8%.

業務回顧及展望(續)

金融投資(續)

不良資產業務(續)

東方資產包

年內，本集團從中國東方資產管理公司(「中國東方」)以人民幣319,700,000元代價(當時相當於約321,700,000港元)，購入一項債權本金總額為人民幣21,300,000,000元之不良資產組合(「東方資產包」)的46.17%權益。本集團隨即把有關權益注入東信聯合資產管理有限公司(「東信聯合」)。東信聯合為一間新成立、以持有及處置東方資產包為唯一目的的合資合營公司，其經營期限為三年至二零一零年一月二十一日。東信聯合其餘53.83%權益由中國東方持有。本集團預期東方資產包可於二至三年期間內處置完畢。

於截止二零零七年十二月三十一日止年度，東方資產包為本集團貢獻盈利金額約為100,220,000港元。此外，本集團從處置東方資產包已收回現金約人民幣211,800,000元(約相當於216,900,000港元)。東方資產包處置回收現金累計總額約為人民幣377,500,000元(約相當於419,400,000港元)，處置回收率約為1.8%。

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Business Review & Prospects (Continued)

Financial Investments (Continued)

Distressed Assets Business (Continued)

Tongjitang

The Group has invested RMB100.0 million (equivalent to approximately HK\$96.1 million at that time) to acquire a Chinese medicine manufacturer, which has subsequently restructured into Tongjitang China Medicines Company ("Tongjitang"). Tongjitang succeeded in getting a listing on the New York Stock Exchange on 16 March 2007 through the issuance of American Depository Shares ("ADS"). The initial offer price of each ADS is USD10.0. At initial offer, the Group sold 625,000 ADSs and recognized a profit of approximately HK\$26.5 million. After the disposal, the Group is still holding 2,086,000 ADSs, which market value as at 31 December 2007 is approximately USD20.5 million (equivalent to approximately HK\$160.3 million) with an unrealised holding gain of approximately HK\$86.1 million.

Subsequent to the balance sheet date, two senior executives of Tongjitang have made offer to acquire all the outstanding ADSs of Tongjitang at a consideration of USD10.25 each for the purpose of privatizing Tongjitang. If the privatization of Tongjitang was concluded, the Group will realize approximately HK\$166.8 million funds and recognize a profit of approximately HK\$92.6 million upon the privatization of Tongjitang.

業務回顧及展望(續)

金融投資(續)

不良資產業務(續)

同濟堂

本集團於二零零五年投資人民幣100,000,000元(相當於當時約96,100,000港元)於一家中藥生產企業,該企業其後重組成為同濟堂中國藥業有限公司(「同濟堂」)。同濟堂成功於二零零七年三月十六日於紐約證券交易所,以發行美國預託證券(「預託證券」)方式上市,每份預託證券的首次發售價為10美元。於同濟堂首次上市時,本集團售出625,000份預託證券,並確認26,500,000港元收益。經是項出售後,本集團仍然持有2,086,000份預託證券,其於二零零七年十二月三十一日之市值約為20,500,000美元(約相當於160,300,000港元),並且有未變現收益約為86,100,000港元。

在結算日後,同濟堂的兩名主要行政人員提出以每份預託證券按10.25美元代價收購同濟堂所有發行股份並私有化同濟堂。倘若私有化同濟堂獲達成,本集團將可因同濟堂私有化而套現資金約166,800,000港元並可同時確認92,600,000港元收益。

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Growth Strategies

The Group will allocate its investments on a reasonable and balanced basis in three core-businesses: properties investment and development, infrastructure investments and financial investments.

As for infrastructure investment, the Directors will direct CII to change its business scope and gradually commits more resources to invest in and develop the petrochemical projects.

As for property investment and development, the Group will develop its business through Cinda Jianrun and to create more returns for the shareholders of the Company.

The Directors are of the view that the recent macro economic measures imposed by the PRC Government will have a long-term effect of creating a stable and healthy market economy for the PRC. In the opinion of the Directors, those measures will not have significant adverse effect on the Group's business for the time being. However, the Directors will closely monitor the issue and will take appropriate actions should these measures be further extended and raised.

發展策略

本集團將會以合理及均衡基準分配其投資於三大核心業務：物業投資及開發、基礎建設投資及金融投資。

基礎建設投資方面，董事會將促使中基進行業務轉型並逐步投放更多資源於投資及發展石油化工方面的項目。

房地產投資及開發方面，本集團將透過信達建潤開展業務，並為本公司股東創造更多回報。

董事會認為中國政府現正實施的宏觀經濟調控措施，長遠的影響是可以為中國締造穩定且健康的市場經濟。董事會認為該等調控措施目前並無對本集團的業務帶來重大負面影

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Financial Review

Exchange Exposure

At the balance sheet date, the Group had a USD denominated convertible note in the amount of USD52.5 million (equivalent to HK\$409.5 million). As HKD is pegged to USD and such currency peg is unlikely to be broken in the foreseeable future. In this regard, the Directors believe that exposure to exchange rate fluctuations in respect of USD will not have material adverse effect on the Group.

Except for the above, the Group's principal assets, liabilities, revenue and payments are denominated in HKD and RMB. The continuous appreciation of RMB exchange rate in the

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Financial Review (Continued)

Working Capital & Borrowings

The Group's total borrowings excluding the convertible note at the balance sheet date amounted to HK\$237.9 million of which HK\$233.3 million was short-term bank loan and a temporary overdraft which was repaid after the balance sheet date. The remaining was long-term mortgage loan. Over 90% of the short-term bank loan was represented by the working capital loan utilized by Beijing East Gate and the remaining was the current portion of a long-term mortgage loan and a temporary overdraft which was repaid after the balance sheet date.

Interest rate for the short-term bank loan was charged at floating rate and the prevailing applicable interest rate was 6.723% per annum. The interest rate for the long-term mortgage loan was charged at floating rate and the prevailing applicable interest rate was 4.375% per annum. The Group also has a long-term convertible note with a total outstanding amount of approximately HK\$382.7 million. If the convertible note is not converted, the Group is required to repay it in full in November 2009.

At the balance sheet date, the cash and bank balances including the restricted bank balance amounted to HK\$1,334.7 million in aggregate. In addition, the Group has net current assets in the amount of HK\$1,828.9 million at the balance sheet date. Moreover, the Group has unutilized banking facilities in the amount of HK\$806.2 million. In this regard, the directors are confident that working capital of the Group is adequate for daily operations and the Group has a sound and good financial position.

At the balance sheet date, the Gearing Ratio and Current Ratio of the Group were 12% (2006: 27%) and 3.1x (2006: 1.8x) respectively.

財務回顧(續)

營運資金及借貸

本集團於結算日除可換股票據外的借貸總額為237,900,000港元。其中有233,300,000港元為短期的銀行貸款及已於結算日後清還的臨時銀行透支。其餘為長期的按揭貸款。短期銀行貸款中逾90%為由北京東環使用的流動資金貸款，其餘為一項長期的按揭貸款於一年內到期的部分及已於結算日後清還的臨時銀行透支。

短期銀行貸款的利息以浮動利率計算，當前適用之年利率為6.723%。長期按揭貸款的利息以浮動利率計算，當前適用之年利率為4.375%。本集團同時亦有一項長期的可換股票據，其流通總額約為382,700,000港元。假若可換股票據未被轉換，本集團需於二零零九年十一月全額償還該可換股票據。

於結算日包括監管戶口結餘在內的現金及銀行存款結餘總額為1,334,700,000港元。加上本集團於結算日有流動資產淨額1,828,900,000港元。此外本集團有未提用之銀行授信額度總額806,200,000港元。據此，董事對本集團的流動資金足夠應付日常營運所需充滿信心，並且認為本集團擁有穩健且良好的財務狀況。

於結算日，本集團之借貸比率及流動比率分別為12%(二零零六年：27%)及3.1x(二零零六年：1.8x)。

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

Financial Review (Continued)

Capital Structure

As at 31 December 2007, the shareholders' fund of the Group was HK\$5,006,027,000, representing an increase of HK\$415,386,000 or 9.0% increment from that as at 31 December 2006.

During the year, the Company paid HK\$127,450,000 to shareholders of the Company as final dividend for the year ended 31 December 2006, which has an effect of reducing the overall capital.

Human Resources

As at 31 December 2007, the Group employed approximately 1,400 employees in Hong Kong and in the PRC. The Group offers its employees competitive remuneration packages, which are consistent with the prevailing market practice. The Group's remuneration policies remain unchanged during the current year. Total staff costs for the current year increased slightly by 2.1% to HK\$72.2 million (2006: HK\$70.7 million).

Appreciation

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

By order of the Board of

Silver Grant International Industries Limited

Gao Jian Min

Managing Director

Hong Kong, 22 April 2008

財務回顧(續)

股本結構

於二零零七年十二月三十一日，本集團之股東資金為5,006,027,000港元；較二零零六年十二月三十一日之數額增加415,386,000港元，增幅9.0%。

年內，本公司向本公司股東支付截至二零零六年十二月三十一日止年度末期股息，總金額127,450,000港元，派息影響減少整體股本。

人力資源

於二零零七年十二月三十一日，本集團於香港及中國僱用約1,400名僱員。本集團為其僱員提供一套符合市場慣例且具有競爭性的薪酬制度。本集團的薪酬政策於年內維持不變。年內之員工支出總額輕微增加2.1%至72,200,000港元(二零零六年：70,700,000港元)。

致謝

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

承董事會命

銀建國際實業有限公司

董事總經理

高建民

香港，二零零八年四月二十二日

PROFILE OF DIRECTORS 董事簡介

Executive Directors

Gao Jian Min *Managing Director*

Mr. Gao, aged 49, was appointed Director and Managing Director of the Company on 22 June 1993. Mr. Gao is also directors of various Group companies. Mr. Gao is also a director of Jiangxi Copper Co., Ltd (Stock Code: 358) and Qingling Motors. Co. Ltd. (Stock Code: 1122), the H shares of both companies are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He is also the managing director of Pacific Economies Development Corp. He graduated from Qing Hua University with a Bachelor Degree in engineering. He has over 15 years' experience in property investment and development.

Liu Tianni *Deputy Managing Director*

Mr. Liu, aged 44, was appointed executive director of the Company on 26 May 2001. Mr. Liu is also the director of several Group companies. He graduated from Beijing Normal University with a Master Degree in Science. He has over 10 years' experience in corporate administration and trade businesses.

Gu Jianguo

Mr. Gu, aged 46, was appointed director of the Company on 25 May 1999. Mr. Gu previously worked with China Construction Bank and China Cinda Trust & Investment Corporation. He graduated from Zhejiang University with a Bachelor Degree in Engineering, a Master Degree and a Ph. D Degree in Economics. He has over 20 years' experiences in commercial and investment banking, business management, and financial accounting and management.

執行董事

高建民 *董事總經理*

高先生現年49歲，於一九九三年六月二十二日獲委任為本公司之董事及董事總經理。高先生亦兼任若干集團公司之董事。高先生亦為江西銅業股份有限公司(股份代號：358)及慶鈴汽車有限公司(股份代號：1122)之董事，該兩間公司H股股份均於香港聯合交易所有限公司(「聯交所」)上市。彼亦為Pacific Economies Development Corp.之董事總經理。高先生於清華大學畢業，持有工科學士學位。彼於物業投資及發展方面擁有逾十五年經驗。

劉天倪 *董事副總經理*

劉先生現年44歲，於二零零一年五月二十六日獲委任為本公司之執行董事。劉先生同時兼任若干集團公司之董事職務。劉先生於北京師範大學畢業，持有理學碩士學位，彼於行政管理及貿易方面有逾十年經驗。

顧建國

顧先生現年46歲，於一九九九年五月二十五日獲委任為本公司之董事。顧先生曾任職中國建設銀行及中國信達信託投資公司。彼於浙江大學畢業，持有工科學士、經濟學碩士、經濟學博士學位。彼於商業銀行、投資銀行、工商管理、金融財務會計管理方面累積逾二十年經驗。

PROFILE OF DIRECTORS 董事簡介

Executive Directors (Continued)

Tang Baoqi

Mr. Tang, aged 49, was appointed executive director of the Company on 14 March 2008. Mr. Tang is a senior economist. He obtained his Bachelor Degree in Economics from the Hubei School of Finance and Economics 湖北財經學院 in 1983. From 1983 to 1999, he worked in the head quarter of China Construction Bank and was responsible for credit administration. From 1999 to 2000, he worked in China Cinda Asset Management Corporation (“China Cinda”), a substantial shareholder of the Company and was responsible for the management of debt assets. At present, Mr. Tang is the Financial Controller of Well Kent International Holdings Co Ltd (“Well Kent”) which is a wholly owned subsidiary of China Cinda and is in charge of the management of debt assets and financial management. Mr. Tang has over 15 years’ experience in banking and finance.

Chow Kwok Wai

Mr. Chow, aged 41, is one of the Deputy General Managers and is the Qualified Accountant of the Company. He is responsible for the finance and accounting matters of the Group. Mr. Chow joined the Company in October 1993 and was appointed executive director of the Company on 20 April 2004. Mr. Chow has worked in Price Waterhouse, which is now known as PriceWaterhouseCoopers and has accumulated valuable audit experience there. Mr. Chow received his Bachelor Degree in Social Sciences from the University of Hong Kong in 1990. Mr. Chow is a Fellow Member of the Association of Chartered Certified Accountants and a Fellow CPA of the Hong Kong Institute of Certified Public Accountants. Mr. Chow has over 15 years’ experience in accounting, financial management and corporate finance. Mr. Chow is also an independent non-executive director of Lijun International Pharmaceutical (Holding) Co., Ltd. (Stock Code: 2005) which H shares are listed on the Stock Exchange.

執行董事(續)

唐保祺

唐先生現年49歲，於二零零八年三月十四日獲委任為本公司執行董事。唐先生為高級經濟師。彼一九八三年畢業於湖北財經學院，獲經濟學學士學位。從一九八三年至一九九九年，彼在中國建設銀行總行工作，從事信貸管理工作。從一九九九年至二零零零年，彼在中國信達資產管理公司(「中國信達」)工作，從事債權資產管理工作。唐先生現時是華建國際集團有限公司(「華建集團」)(中國信達之全資附屬公司)的財務總監，負責債權資產管理及財務管理工作。唐先生於銀行及金融業擁有逾十五年經驗。

周國偉

周先生現年41歲，現為本公司的其中一名副總經理及本公司的合資格會計師，負責本公司之財務及會計事宜。周先生於一九九三年十月加入本公司並於二零零四年四月二十日獲委任為本公司之執行董事。周先生曾於羅兵咸會計師事務所(現稱羅兵咸永道會計師事務所)任職並於該所累積了寶貴的核數經驗。周先生於一九九零年取得由香港大學頒授的社會科學學士學位。周先生現時為英國特許公認會計師公會資深會員及香港會計師公會資深會計師。周先生在會計、財務管理及企業財務方面擁有逾十五年經驗。周先生亦為利君國際醫藥(控股)有限公司(股份代號：2005)的獨立非執行董事，該公司之H股份於聯交所上市。

PROFILE OF DIRECTORS 董事簡介

Non-executive Directors

Chen Xiaozhou *Chairman*

Mr. Chen, aged 46, was appointed executive director of the Company and was elected Chairman of the board on 13 February 2006. He was redesignated as non-executive director of the Company on 1 September, 2006. He has been the Vice President of China Cinda, a substantial shareholder of the Company since February, 2003. Mr. Chen obtained his Master Degree in Economics from the Research Institute of the People's Bank of China in 1988 and obtained his Master Degree in Commerce from the University of New South Wales, Australia in 2003. From April 1997 to April, 1999, he was the Deputy General Manager of Sales Department of Head Office of China Construction Bank. From April, 1999 to September, 2000, Mr. Chen was the supervisor of Investment Banking Department of China Cinda. From September, 2000 to February, 2003, Mr. Chen was the Assistant to President of China Cinda. Mr. Chen has over 18 years experience in banking and finance sectors. During the period from 7 June 2004 to 27 March 2005, Mr. Chen was a non-executive director of Aluminum Corporation of China Limited (Stock Code: 2600), the H shares of which are listed on the Stock Exchange and the New York Stock Exchange, Inc.

非執行董事

陳孝周 *主席*

陳先生現年46歲，於二零零六年二月十三日獲委任為本公司之執行董事並獲推選出任董事會主席一職。彼於二零零六年九月一日起調任為本公司的非執行董事。彼自二零零三年二月起出任本公司主要股東中國信達之副總裁。陳先生於一九九八年獲得中國人民銀行金融研究所經濟學碩士學位，並於二零零三年獲得澳洲新南威爾士大學商學碩士學位。於一九九七年四月至一九九九年四月期間，彼為中國建設銀行總行之營業部副總經理。於一九九九年四月至二零零零年九月期間，陳先生為中國信達之投資銀行部主任。於二零零零年九月至二零零三年二月期間，陳先生為中國信達之總裁助理。陳先生於銀行及金融業擁有逾十八年經驗。於二零零四年六月七日至二零零五年三月二十七日期間，陳先生為中國鋁業股份有限公司(股份代號：2600)之非執行董事，該公司之H股股份於聯交所及紐約股票交易所上市。

PROFILE OF DIRECTORS 董事簡介

Independent Non-executive Directors

Kang Dian

Mr. Kang, aged 59, was appointed independent non-executive director of the Company on 8 May 1998. He is presently a director of Springridge Investment Management Limited, which is principally engaged in the provision of consulting and management services and is the chairman of the supervisory committee of Shenzhen Development Bank. Mr. Kang graduated from Beijing Institute of Iron and Steel Engineering (now known as the University of Science & Technology of Beijing) in the PRC, with a Bachelor Degree majoring in Engineering in 1982. In 1984, he graduated from the Graduate School of Academy of Social Science of China in the PRC and obtained a Master Degree in Economics. Mr. Kang was the director and vice-president of Guangdong Enterprise (Holdings) Limited, a holding company of a conglomerate group, from 1994 to 2000. From 1990 to 1994, Mr. Kang was the vice-president of China National Packing Co.. From 1987 to 1990, Mr. Kang was the vice-president of China Agribusiness Trust & Investment Co.. Mr. Kang is also the Consultant to the Finance & Securities Commission of All China Lawyers Association since 1996. Mr. Kang is also an independent non-executive director of BYD Company Limited (Stock Code: 1211) which H shares are listed on the Stock Exchange.

Zhang Lu

Mr. Zhang, aged 56, is an independent non-executive director of the Company and was appointed since 4 May 2000. Mr. Zhang was the ex-executive vice president and treasurer of Citic Ka Wah Bank Limited, responsible for both the Treasury and International Business. He previously worked for Bank of China and Citic Industrial Bank. Mr. Zhang graduated from Szechuan Institute of Foreign Languages. He has engaged in the banking business for over 30 years.

獨立非執行董事

康典

康先生現年59歲，於一九九八年五月八日獲委任為本公司之獨立非執行董事，彼現為時瑞投資管理有限公司(主要從事提供顧問及管理服務)之董事，並為深圳發展銀行監事會主席。康先生於一九八二年在中國北京鋼鐵學院(現為中國北京科技大學)畢業，榮獲工學士學位。於一九八四年，康先生畢業於中國社會科學研究生院，並取得經濟學碩士學位。康先生由一九九四年至二零零零年期間出任粵海企業(集團)有限公司(一間綜合企業的控股公司)之董事及副總裁職務；由一九九零年至一九九四年期間，康先生為中國包裝公司的副總裁；而由一九八七年至一九九零年期間，出任中國農業信託投資公司的副總裁職務。康先生從一九九六年開始擔任中國全國律師協會轄下之財務及證券委員會之顧問。康先生亦為比亞迪股份有限公司(股份代號：1211)之獨立非執行董事，該公司H股股份於聯交所上市。

張璐

張先生現年56歲，自二零零零年五月四日起出任本公司之獨立非執行董事職務。張先生曾任職中信嘉華銀行執行副總裁兼司庫，主管資金及國際業務。彼曾任職於中國銀行及中信實業銀行。張先生畢業於四川外語學院，於銀行業擁有逾三十年經驗。

Independent Non-executive Directors *(Continued)*

Hung Muk Ming

Mr. Hung, aged 43, was appointed independent non-executive director of the Company on 23 December 2004. Mr. Hung is a Certified Public Accountant (Practicing) and is a Fellow CPA of the Hong Kong Institute of Certified Public Accountants. He is also a fellow member of the Chartered Association of Certified Accountants and a member of the

Kwok Chung Lun

Mr. Kwok, aged 53, joined the Company in July 1995. Mr. Kwok is the managing director of Beijing East Gate Development Co., Ltd. (“Beijing East Gate”), which is a

CORPORATE GOVERNANCE REPORT 公司管治報告

Corporate Governance Practices

The Company is committed to maintaining and ensuring a standard of corporate governance that is consistent with market practices. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (“Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange of Hong Kong Limited (“Stock Exchange”) for the year ended 31 December 2007 except for Code provision E.1.2. Code provision E.1.2 stipulates that the Chairman of the board should attend the annual general meeting. The Chairman of the board was out of town and did not attend the annual general meeting of the Company held on 29 May 2007. The Chairman will endeavor to attend all future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so.

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

The following summarizes the Company’s key corporate governance practices.

Board of Directors

The board of directors (the “Board”), led by the Chairman, steers the Group’s business direction. The management, led by the Managing Director, which is also the Chief Executive Officer of the Group, is responsible for the Group’s management and operations. The division of responsibilities between the Chairman and the Managing Director are clearly established and set out in writing. The role of the Chairman and the Managing Director are separated and are performed by different persons to avoid concentration of authorities to one single person.

公司管治常規

本公司致力維持及確保符合市場慣例之一套公司管治標準。截至二零零七年十二月三十一日止年度，除常規守則條文E.1.2外，本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之公司管治常規守則(「常規守則」)的原則，及已遵從所有適用之常規守則條文。常規守則條文第E.1.2條要求董事會主席應出席股東週年大會。董事會主席由於身處海外，故並無出席本公司於二零零七年五月二十九日召開之股東週年大會。主席將竭力出席本公司於未來召開的所有股東週年大會，除非出現不可預見或特殊情況導致其未克出席。

本公司將會不斷檢討及改善其公司管治措施及準則，確保業務活動及決策過程受到適當及審慎之規管。

下文概括說明本公司的重要公司管治措施。

董事會

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

CORPORATE GOVERNANCE REPORT 公司管治報告

Board of Directors *(Continued)*

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

The current Board of the Company comprises five executive directors, three non-executive directors and three independent non-executive directors which composition is set out in the section headed Corporation Information on

CORPORATE GOVERNANCE REPORT 公司管治報告

Board of Directors (Continued)

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

All directors are regularly updated on governance and regulatory matters. There is an established procedure for directors to obtain independent professional advice, which expenditure will be borne by the Company, in the furtherance of their duties.

The full board will meet regularly and at least four times throughout a year to review the overall strategy and to monitor the operation as well as the financial performance of the Group. Notice of at least 14 days will be given to all directors for all full board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and the accompanying board papers in respect of full board meetings are sent out in full to all directors no less than three days before the meeting. Minutes of full board meetings and meetings of board committee are properly kept and all directors have access to board papers and the related materials.

董事會(續)

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

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

董事會將定期並最少每年召開四次全體董事會會議，檢討整體策略與監察本集團的經營與財務表現。就所有全體董事會會議，所有董事均獲發最少十四天的會議通知，如有需要，董事可加入討論事項於有關議程。全體董事會會議的議程及附連之董事會文件會在會議前的最少三天派發予所有董事。全體董事會會議及董事會委員會會議之會議記錄均適當保存，全體董事均有權查閱董事會會議之文件及相關資料。

CORPORATE GOVERNANCE REPORT 公司管治報告

Board of Directors (Continued)

董事會(續)

During 2007, four full board meetings were held and the attendance of each director is set out below:

董事會於二零零七年年內共召開四次全體董事會會議，每名董事的出席率載列如下：

Name of director 董事姓名	Number of meetings attended 出席董事會會議次數	Attendance rate 出席率
Chen Xiaozhou 陳孝周	3 out of 4 四次中出席三次	75%
Hui Xiao Bing 惠小兵	3 out of 4 四次中出席三次	75%
Gao Jian Min 高建民	4 out of 4 四次中出席四次	100%
Liu Tianni 劉天倪	3 out of 4 四次中出席三次	75%
Gu Jianguo 顧建國	4 out of 4 四次中出席四次	100%
Chen Yongcun 陳永存	4 out of 4 四次中出席四次	100%
Yuen Wing Shing 袁永誠	4 out of 4 四次中出席四次	100%
Chow Kwok Wai 周國偉	4 out of 4 四次中出席四次	100%
Kang Dian 康典	4 out of 4 四次中出席四次	100%
Zhang Lu 張璐	4 out of 4 四次中出席四次	100%
Hung Muk Ming 洪木明	4 out of 4 四次中出席四次	100%

CORPORATE GOVERNANCE REPORT 公司管治報告

Board of Directors (Continued)

According to the Articles of Association of the Company, the Board has the power to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. All directors, including the Chairman, Vice Chairman and Managing Director, shall retire by rotation at least once every three years at annual general meetings and be eligible for re-election.

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

Securities Dealing by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as the code of conducts for securities transactions by directors of the Company. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2007.

The Company has also adopted codes of conduct regarding securities transactions by relevant employees (as defined in the Code) on terms no less exacting than the required standards set out in the Model Code.

Audit Committee

The Company established an audit committee (the "Audit Committee") in 1999. The composition and professional qualifications of the members of the Audit Committee complies with the requirements under Rules 3.21 of the Listing Rules. The Audit Committee has a written terms of reference that conform to the provision of the Code.

董事會(續)

根據本公司章程，董事會有權委任任何人士擔任董事職務以填補空缺或增加董事會席位。所有董事(包括主席、副主席及董事總經理)須至少每三年一次輪流於股東週年大會告退，但可膺選連任。

所有非執行董事及獨立非執行董事之委任設有固定任期。他們亦須根據本公司章程第101條規定於本公司週年大會輪值告退並重選連任。

董事進行證券交易

本公司已就本公司董事進行證券交易採納上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》(「標準守則」)作為董事進行證券交易的守則。董事會全體成員回應本公司的特別查詢時已確認，彼等在截至二零零七年十二月三十一日止年度內一直嚴格遵守標準守則所載之指定標準。

公司就有關僱員(定義見管治守則)進行的證券交易，已採納不遜於標準守則所訂標準的行為守則。

審核委員會

本公司經已於一九九九年成立審核委員會(「審核委員會」)。審核委員會之組成及各成員的專業資格均符合上市規則第3.21條之要求。審核委員會的成文權責條款符合常規守則之條文。

CORPORATE GOVERNANCE REPORT 公司管治報告

Audit Committee (Continued)

The current Audit Committee comprises three independent non-executive directors, namely Mr. Kang Dian (Committee Chairman), Mr. Zhang Lu and Mr. Hung Muk Ming. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditors and the Company.

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

The Group's annual results for the year ended 31 December, 2007 have been reviewed by the Audit Committee.

The Audit Committee together with the Directors has reviewed the internal control system of the Group and were satisfied that it is operating effectively and is appropriate for the Group for the time being.

審核委員會(續)

現任審核委員會由三位獨立非執行董事，康典先生(委員會主席)、張璐先生及洪木明先生組成。審核委員會的主要責任包括審閱及監察本集團的財務匯報程序及內部監控程序、審閱本集團的財務資料，以及檢討本公司與外聘核數師的關係。

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

本集團截至二零零七年十二月三十一日止之年度業績，經已由審核委員會審閱。

審核委員會聯同董事會已檢討了本集團的內部監控系統並且認為其運作有效並且就本集團而言，目前是合適的。

CORPORATE GOVERNANCE REPORT 公司管治報告

Audit Committee (Continued)

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

Name of director 董事姓名	Number of meetings attended 出席董事會會議次數	Attendance rate 出席率
Kang Dian 康典	2 out of 2 兩次中出席兩次	100%
Zhang Lu 張璐	2 out of 2 兩次中出席兩次	100%
Hung Muk Ming 洪木明	2 out of 2 兩次中出席兩次	100%

審核委員會(續)

審核委員會年內共召開兩次會議，各成員之出席率載列如下：

Remuneration Committee

The Company established a remuneration committee (the "Remuneration Committee") in 2005 and adopted a written terms of reference which conform to the provisions of the Code. The current Remuneration Committee comprises two independent non-executive directors namely, Mr. Kang Dian (*Committee Chairman*) and Mr. Zhang Lu.

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

The Remuneration Committee did not hold any meeting during the year.

薪酬委員會

本公司已於二零零五年成立薪酬委員會(「薪酬委員會」)。現任薪酬委員會由兩名獨立非執行董事康典先生(委員會主席)及張璐先生組成。

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

薪酬委員會年內並無召開任何委員會會議。



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Remuneration Committee (Continued)

3. Share option

Share options to purchase shares in the Company are granted to employees from time to time at the discretion of the Board, in order to retain valuable employees and to motivate future performance of the employees.

Share options granted to individual employees are determined with reference to their position, their performance and their ability to contribute to the overall success of the Group.

4. Other benefits

The Group offers other customary and/or mandatory benefits to employees, such as statutory retirement scheme, employee compensation and medical insurance, paid annual leaves and child education allowance, with reference to prevailing practices in relevant jurisdictions.

The committee meets regularly to review the Company's human resources matters and remuneration policy. The Remuneration Committee has reviewed and approved the annual salary adjustments for year 2008 and the payment of discretionary performance bonus and the director fees for the year ended 31 December 2007 after taking into consideration the results of the Group, the performance of the directors, the senior management and the individual employee and the prevailing market practices.

There was no change in the members of the Board of directors throughout the whole year of 2007. No director has ever forfeited any director fee during the year.

薪酬委員會(續)

三. 購股權

董事會可不時酌情向僱員授出購股權，供認購本公司股份，以挽留有貢獻的員工並激勵員工繼續努力工作。

個別員工獲授予的購股權數目會按其職位、表現及對公司整體成就所作的貢獻而釐定。

四. 其他福利

本集團亦會參考有關司法管轄權區的慣例向僱員提供慣常的及 / 或強制性的福利，如法定退休金計劃、勞工及醫療保險、有薪年假及子女教育津貼。

薪酬委員會定期召開會議審閱本公司的人力資源事宜及薪酬政策。薪酬委員會已審閱並在經考慮本集團的業績、董事、高級管理層及個別僱員的表現以及當前的市場狀況後，批准了二零零八年之年度薪金調整以及按表現酌情發放、截至二零零七年十二月三十一日止年度之花紅及董事酬金。

於二零零七年整個年度內，董事會成員並無出現任何變動。年內並無董事放棄收取其董事袍金。

CORPORATE GOVERNANCE REPORT 公司管治報告

Remuneration Committee (Continued)

Details of the emoluments paid to all directors are set out in note 10 to the consolidated financial statements.

Nomination Committee

The Company currently does not have a nomination committee. The Company will consider establishing a nomination committee at appropriate time.

The Board has established a formal and transparent process for the Company in the appointment of new directors and re-nomination and re-election of directors at regular intervals.

Mr. Chen Yongcun resigned as executive director of the Company on 27 February 2008 due to personal commitments. At a board meeting held on 14 March 2008, Mr. Tang Baoqi was appointed executive director of the Company with effect from the same date.

Auditor's Remuneration

The Group's consolidated financial statements for the year ended 31 December 2007, were audited by Deloitte Touche Tohmatsu ("Deloitte") at a total fees of HK\$2.1 million. The said audit fee was approved by the Audit Committee and endorsed by the Board. In addition, the Group also paid fees of not more than HK\$0.50 million in aggregate to Deloitte for the provision of taxation services during the year 2007.

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

薪酬委員會(續)

年內所有董事支取的報酬詳情載列於綜合財務報表附註10。

提名委員會

本公司目前並無設立提名委員會，本公司將考慮於適當時候設立提名委員會。

董事會已為本公司就委任新的董事及重新提名與定期重選董事事宜，制定一個正式且具透明度的程序。

陳永存先生於二零零八年二月二十七日因私人事務辭退本公司執行董事職務。於二零零八年三月十四日召開的董事會會議上，唐保祺先生獲委任為本公司執行董事，於同日起生效。

核數師酬金

本集團截至二零零七年十二月三十一日止年度綜合財務報表由德勤關黃陳方會計師行(「德勤」)審核，核數費用總額為2,100,000港元。該項核數費用已獲得審核委員會批准並得到董事會背書認可。此外，本集團於二零零七年年內亦有向德勤支付總額不多於500,000港元的稅務服務費用。

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

CORPORATE GOVERNANCE REPORT 公司管治報告

Directors' Responsibility Statement

The Directors are responsible for the preparation of financial statements for each financial period, which give a true and fair view of the state of the affairs of the Group and of the results and cash flow for that period. In preparing the financial statements for the year ended 31 December 2007, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the consolidated financial statements on the going concern basis. Up to the date of this report, the Directors are not aware of any material uncertainties that will seriously affect the going concern assumption of the Group.

The Directors are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company.

CORPORATE GOVERNANCE REPORT 公司管治報告

Communication with Shareholders

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

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

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

與股東的溝通

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

本公司設立了一個網站於 <http://www.silvergrant.com.hk>，以為股東、投資者及公眾人士提供一個公開渠道取得本公司之資料。本公司財務資料及所有與股東之間的公司通訊均已上載於本公司網站，並且會定期作出更新。

倘若股東需要向董事會提出查詢，可隨時致函本公司公司秘書，地址為：香港灣仔港灣道1

DIRECTORS' REPORT 董事會報告

The Directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2007.

Principal Activities

The Company is an investment holding company and

董事會謹提呈截至二零零七年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司並從事物業投資及證券買賣業務。本公司及其附屬公司的主要業務為從事物業投資、其他投資及不良資產業務。本公司各附屬公司及本集團各聯營公司、共同控制公司及特殊目的載體的主要業務詳情載列於綜合財務報表附註60。

業績及分配

截至二零零七年十二月三十一日止年度，本集團的業績及本公司的分配載於第56頁之綜合收益表。

董事會建議派發末期股息，每股0.08港元予二零零八年五月二十三日名列股東名冊之股東，合共約145,657,000港元。

固定資產

本集團的租賃土地及樓房於二零零七年十二月三十一日之價值經已作出重估。重估盈餘淨額約30,128,000港元，其中一筆約8,121,000港元之盈餘經已列作綜合收益表收益以回撥早前於綜合收益表列作支出之虧損，而餘下約22,007,000港元盈餘經已記賬於資產重估儲備。

DIRECTORS' REPORT 董事會報告

Fixed Assets (continued)

During the year, the Group and the Company revalued all of its investment properties at 31 December 2007. The net decrease in fair value of investment properties, which has been debited directly to the consolidated income statement, amounted to approximately HK\$44,254,000.

Details of the valuation of properties and other movements of the investment properties and property, plant and equipment of the Group and of the Company during the year are set out in notes 16 and 17 to the consolidated financial statements respectively.

Details of the major investment properties of the Group at 31 December 2007 are set out in the section under "Summary of Investment Properties" of this Annual Report.

Share Capital

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

Distributable Reserves of the Company

The Company's reserves available for distribution to shareholders as at 31 December 2007 comprised the retained profits of approximately HK\$417,368,000.

固定資產(續)

於年內，本集團及本公司經已重估其所有投資物業於二零零七年十二月三十一日之價值。投資物業公平值減少之淨額約為44,254,000港元，並經已直接於綜合收益報表扣除。

有關物業估值之詳情以及本集團及本公司的投資物業及物業、廠房及設備於年內之其他變動，經已分別載於綜合財務報表附註16及17。

有關本集團主要投資物業於二零零七年十二月三十一日之詳情，已載於本年報之「投資物業概要」部分。

股本

本公司股本於年內之變動詳情載於綜合財務報表附註39。

本公司的可供分派儲備

本公司於二零零七年十二月三十一日的可供分派予股東之儲備包括保留盈利約417,368,000港元。

DIRECTORS' REPORT 董事會報告

Directors

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

Executive directors

Gao Jian Min (*Managing Director*)
Liu Tianni (*Deputy Managing Director*)
Gu Jianguo
Chen Yongcun (resigned on 27 February 2008)
Tang Baoqi (appointed on 14 March 2008)
Chow Kwok Wai

Non-executive directors

Chen Xiaozhou (*Chairman*)
Hui Xiao Bing (*Vice Chairman*)
Yuen Wing Shing

Independent non-executive directors

Kang Dian
Zhang Lu
Hung Muk Ming

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

In accordance with the provisions of the Company's Articles of Association, Messrs. Hui Xiao Bing, Gu Jianguo, Yuen Wing Shing, Hung Muk Ming and Tang Baoqi retire at the forthcoming annual general meeting, and they, being eligible, offer themselves for re-election. The remaining directors shall remain in office.

董事

年內及截至本報告刊發日期當日之本公司董事如下：

執行董事

高建民(董事總經理)
劉天倪(副董事總經理)
顧建國
陳永存 (於二零零八年二月二十七日辭任)
唐保祺 (於二零零八年三月十四日委任)
周國偉

非執行董事

陳孝周(主席)
惠小兵(副主席)
袁永誠

獨立非執行董事

康典
張璐
洪木明

董事包括非執行董事及獨立非執行董事的任期為直至其根據本公司的組織章程細則輪值告退當日為止之期間。

按照本公司章程細則之條文，惠小兵先生、顧建國先生、袁永誠先生、洪木明先生及唐保祺先生均須於應屆股東週年大會告退，而彼等均符合資格並尋求膺選連任。其餘董事將會繼續留任。

DIRECTORS' REPORT 董事會報告

Arrangements to Purchase Shares or Debentures

At no time during the year was the Company or any of its 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 debenture of, the Company or any other body corporate, and neither the directors nor the chief executive nor any of their spouse or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

Directors' Interests in Contracts of Significance

Other than as disclosed in the section headed "Connected Transaction" below, no contracts of significance to which the Company or its 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.

購買股份或債權證的安排

本公司或其任何附屬公司概無於年內的任何時間以訂約一方身分訂立任何安排以促使本公司的董事可籍購入本公司或任何其他法人實體的股份或債權證以得益，及亦無董事或行政總裁或任何彼等配偶或十八歲以下子女，擁有任何權利可認購本公司證券或曾行使任何該等權利。

董事於重大合約的權益

除於下文「關連交易」部分所披露者外，本公司或其附屬公司於年結日或於年內任何時間，概無以訂約一方身分訂立任何本公司董事於其中擁有(不論是直接或間接的)重大利益的重大合約。

DIRECTORS' REPORT 董事會報告

Substantial Shareholders

As at 31 December 2007, persons other than a director or chief executive of the Company having interest in 5% or more of the issued share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Long positions in shares and underlying shares of the Company as at 31 December 2007 are set out below:

主要股東

於二零零七年十二月三十一日，於本公司根據證券及期貨條例第336條規定須予存置的登記冊記錄所顯示，除本公司董事或行政總裁以外，擁有佔本公司已發行股本5%或以上權益的人士如下：

於二零零七年十二月三十一日，於本公司股份及相關股份的好倉載列如下：

Name of substantial shareholder 主要股東名稱	Capacity 身份	Number of ordinary shares 普通股股份數目	Underlying shares 相關股份	Total interests 權益總額	Percentage of the issued share capital 佔全部已發行股本百分比
Silver Grant International Holdings Limited	Beneficial owner 實益擁有人	146,912,022	—	146,912,022 (Note 1) (附註一)	8.07%
China Cinda Asset Management Corporation 中國信達資產管理公司	Interest of controlled corporation 受控制法團權益	402,064,000	—	402,064,000 (Note 2) (附註二)	22.08%
Citigroup Inc.	23,230,000 shares as interest of controlled corporation, 19,941,000 shares as approved lending agent and 138,813,559 underlying shares as interest of controlled corporation 23,230,000股屬受控制法團權益， 19,941,000股屬核准借出代理人 及138,813,559相關股份屬受控 制法團權益	43,171,000	138,813,559 (Note 3) (附註三)	181,984,559	10.00%

DIRECTORS' REPORT 董事會報告

Substantial Shareholders (continued)

Notes:

1. Messrs. Gao Jian Min and Liu Tianni, both of whom are directors of the Company, each has a 30% interest in Silver Grant International Holdings Limited as at 31 December 2007.
2. The following is a breakdown of the interests in shares of the Company held by China Cinda Asset Management Corporation:

Name of controlled corporation 受控法團名稱	Name of controlling shareholder 控股股東名稱	Percentage of control 控制百分率	Total interest in shares 股份權益總數	
			Direct interest 直接權益	Indirect interest 間接權益
Well Kent International Investment Company Limited 華建國際投資有限公司	China Cinda Asset Management Corporation 中國信達資產管理公司	100%	—	402,064,000
Catic Limited	Well Kent International Investment Company Limited 華建國際投資有限公司	100%	2,064,000	—
Regent Star International Limited 星耀國際有限公司	Well Kent International Investment Company Limited 華建國際投資有限公司	100%	400,000,000	—

3. This represents the interest in convertible note in the principal amount of USD52,500,000 pursuant to which a total number of 138,813,559 new shares will be issued upon full exercise of the conversion rights attaching thereto at the initial conversion price of HK\$2.95 per share.

DIRECTORS' REPORT 董事會報告

Connected Transaction

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

Purchase, Sales or Redemption of the Company's Listed Securities

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

Emolument Policy

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

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

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 56 to the consolidated financial statements.

關連交易

於二零零四年十二月二十八日，高建民先生（「高先生」）與本公司簽訂一份服務協議。根據該協議所載之條款及條件，本公司同意聘請高先生，而高先生同意受聘出任本公司董事總經理職務，為本公司提供服務協議內所羅列之服務，任期三年，由二零零四年十二月二十八日至二零零七年十二月二十七日止。該任期將維持有效直至任何一方給予對方不少於三個月之書面事前通知終止為止。

購回、出售或贖回本公司之上市證券

年內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

酬金政策

本集團僱員的酬金政策乃由薪酬委員會按僱員的功績、資歷及能力制定。

本公司董事的酬金乃由薪酬委員會經考慮本公司的經營業績、個人表現及可資比較的市場慣例後釐定。

本公司經已採納一項購股權計劃，作為董事及合資格僱員的一項鼓勵，該計劃之詳情載列於綜合財務報表附註56。





DIRECTORS' REPORT 董事會報告

DIRECTORS' REPORT 董事會報告

Financial Assistance Given to Affiliated Companies Amounting to more than 8% of the Assets Ratio (continued)

The combined balance sheet of the affiliated companies as at 31 December 2007 which includes the assets and liabilities of 北京君合百年房地產開發有限公司, Beijing East Bay Investment Consultants Limited and 貴州同濟堂新天投資管理有限公司, is as follows:

		HK\$'000 千港元
Non-current assets	非流動資產	106,280
Current assets	流動資產	1,169,276
Current liabilities	流動負債	(1,029,748)
Shareholder's fund	股東資金	245,808
Equity attributable to equity holders of the associates	聯營公司股本持有人應佔股本	245,808

Details of the above affiliated companies are set out in note 60 to the consolidated financial statements.

Auditor

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

We have audited the consolidated financial statements of Steer Grant International Industries Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 56 to 189, which comprise the consolidated and the Company balance sheets as at 31 December 2007, 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 the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the Hong Kong Companies Ordinance. The 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.

致
銀建國際事業有限公司列位股東
(在香港註冊成立的有限責任公司)

本核數師(以下簡稱「我們」)已審核列載於第56頁至第189頁銀建國際實業有限公司(以下簡稱「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於2007年12月31日的 貴公司資產負債表及綜合資產負債表與截至該日止年度的綜合收益表、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的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表的相關內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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 Hong Kong 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 HKICPA. 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.

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 of the Company, 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.

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們的報告僅按照香港公司條例第141條，為股東(作為一個團體)而編製，並不為其他任何目的。我們並不就本報告的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的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，以合理確定此等綜合財務報表是否不存在重大錯誤陳述。

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，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的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對貴公司的內部控制的效能發表意見。審核亦包括評價貴公司董事所採用的會計政策的合適性及作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit 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 Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
22 April 2008

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2007年12月31日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例妥為編製。

德勤•關黃陳方會計師行
執業會計師

香港
二零零八年四月二十二日

CONSOLIDATED INCOME STATEMENT 綜合收益表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Sales of properties	物業銷售	6	148,600	208,052
Property management fee income	物業管理費收入	6	105,226	97,942
Rental income	租金收入	6	67,387	77,854
			321,213	383,848
Cost of sales	銷售成本		(220,251)	(228,777)
			100,962	155,071
Change in fair value of held-for-trading investments	持作買賣投資 公平值變動	6	(4,401)	215,233
Interest income from interest in distressed assets	不良資產權益利息收入	6	18,307	88,841
Income from investment in distressed assets through establishment of a special purpose vehicle	通過成立特殊目的載體投資 不良資產之收入	6	100,220	—
Dividend income from listed securities	上市證券股息收入	6	—	188
Other income	其他收入	7	249,502	90,502
Administrative expenses	行政費用		(119,729)	(125,935)
Gain on disposal of available-for-sale investments	出售可供出售投資收益		38,643	—
Reversal of impairment loss of leasehold properties	租賃物業減值虧損撥回		8,121	5,193
Change in fair value of investm,88,,8J/F4I(.02 60 f)21.2(f)26121				

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET 綜合資產負債表及資產負債表

As at 31 December 2007

於二零零七年十二月三十一日

	Notes 附註	The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
ASSETS					
Non-current assets					
Investment properties	16	2,126,216	2,195,909	16,745	15,656
Property, plant and equipment	17	156,346	132,612	69,483	57,190
Goodwill	18	7,001	33,525	—	—
Investments in subsidiaries	19	—	—	56,011	56,011
Interest in associates	20	1,110,780	1,330,123	20,000	339,202
Interest in a jointly controlled entity	21	13,587	32,088	13,587	26,318
Amounts due from associates	23	—	210,000	—	—
Structured finance securities	25	12,046	24,423	12,046	24,423
Available-for-sale investments	26	167,755	99,075	2,140	2,140
Investment in distressed assets through establishment of a special purpose vehicle	31	9,745	—	—	—
Deposit paid for establishment of an associate	27	64,171	—	—	—
Other asset	28	1,371	2,742	—	—
		3,669,018	4,060,497	190,012	520,940
Current assets					
Inventories, at cost		183	172	—	—
Stock of properties	29	—	257,449	—	—
Interest in distressed assets	30	—	199,931	—	—
Investment in distressed assets through establishment of a special purpose vehicle	31	97,446	—	—	—
Available-for-sale investments	26	—	141,718	—	—

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CONSOLIDATED BALANCE SHEET AND BALANCE SHEET 綜合資產負債表及資產負債表

As at 31 December 2007

於二零零七年十二月三十一日

		Notes 附註	The Group 本集團		The Company 本公司	
			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
EQUITY	股本					
Capital and reserves	資本及儲備					
Share capital	股本	39	364,142	364,142	364,142	364,142
Reserves	儲備		4,641,885	4,226,499	2,642,423	2,581,600
Equity attributable to equity holders of the Company	本公司股本持有人 應佔股本		5,006,027	4,590,641	3,006,565	2,945,742
Minority interests	少數股東權益		12,658	16,261	—	—
Total equity	股本總值		5,018,685	4,606,902	3,006,565	2,945,742
LIABILITIES	負債					
Non-current liabilities	非流動負債					
Borrowings	借貸	41	4,600	5,750	4,600	5,750
Convertible note	可換股票據	42	382,736	402,112	382,736	402,112
Deferred tax liabilities	遞延稅項負債	43	91,928	257,639	4,737	10,608
			479,264	665,501	392,073	418,470
Current liabilities	流動負債					
Trade payables	應付賬款	44	76,725	84,792	—	—
Accrued charges, rental deposits and other payables	應計費用、租務按金及 其它應付款項	45	177,850	241,154	19,399	18,584
Amounts due to associates	應付聯營公司款	46	162,002	352,146	—	326,841
Amounts due to subsidiaries	應付附屬公司款	49	—	—	524,719	7,289
Amount due to holding company of a shareholder	應付一名股東的控股 公司款項	47	96,676	58,072	—	—
Loan from a shareholder	股東貸款	48	—	220,000	—	220,000
Borrowings	借貸	41	233,278	601,150	1,150	1,150
Taxation payable	應付稅項		136,629	38,803	—	21,781
			883,160	1,596,117	545,268	595,645
Total liabilities	負債總值		1,362,424	2,261,618	937,341	1,014,115
TOTAL EQUITY AND LIABILITIES	股本及負債總值		6,381,109	6,868,520	3,943,906	3,959,857
Net current assets	淨流動資產		1,828,931	1,211,906	3,208,626	2,843,272
Total assets less current liabilities	資產總值減流動 負債		5,497,949	5,272,403	3,398,638	3,364,212

The consolidated financial statements on pages 56 to 189 were approved and authorised for issue by the board of directors on 22 April 2008 and are signed on its behalf by:

第56頁至第189頁之綜合財務報表已獲董事會於二零零八年四月二十二日認可及授權發行，並經下列授權代表簽署確認：

Chen Xiaozhou 陳孝周
Director 董事

Gao Jian Min 高建民
Director 董事

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量報表

For the year ended 31 December 2007

截至二零零七年十二月三十一日年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	Notes 附註		
Operating activities	經營業務		
Profit before taxation	除稅前溢利	288,772	611,421
Adjustments for:	調整：		
Share of results of associates	攤佔聯營公司業績	(48,786)	(73,492)
Share of result of a jointly controlled entity	攤佔一間共同控制公司業績	19,073	(8,359)
Repairs and maintenance fund expensed	維修及保養基金支出	1,371	1,371
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,809	7,462
Finance costs	財務費用	39,121	53,505
Dividend income from listed securities	上市證券股息收入	—	(188)
Interest income from interest in distressed assets	不良資產權益利息收入	(18,307)	(88,841)
Income from investment in dism1321-556(8)-s			

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量報表

For the year ended 31 December 2007

截至二零零七年十二月三十一日年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	Notes 附註		
Operating cash flows before movements in working capital	營運資金變動前的經營業務現金流	136,191	270,921
Decrease in interest in distressed assets	不良資產權益減少	95,209	440,892
Increase in inventories	存貨增加	(11)	(57)
Decrease in stock of properties	物業存貨減少	108,104	66,491
(Increase) decrease in held-for-trading investments	持作買賣投資(增加)減少	(47,948)	348,848
(Increase) decrease in trade receivables	應收賬款(增加)減少	(1,469)	1,195
(Increase) decrease in deposits, prepayments and other receivables	按金、預付款及其他應收款(增加)減少	(44,824)	49,349
Decrease (increase) in restricted bank balances	監管戶口結餘減少(增加)	369,194	(263,271)
(Decrease) increase in trade payables	應付賬款(減少)增加	(11,170)	65,617
Increase (decrease) in amount due to holding company of a shareholder	應付一名股東的控股公司款項增加(減少)	81,385	(7,809)
Decrease in accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款減少	(59,700)	(128,085)
Cash generated from operations	經營業務產生現金	624,961	844,091
Interest paid	已付利息	(39,121)	(47,920)
Tax paid	已付稅款	(22,449)	(1,157)
Net cash from operating activities	經營業務產生之淨現金	563,391	795,014

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量報表

For the year ended 31 December 2007

截至二零零七年十二月三十一日年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	<i>Notes</i> 附註		
Investing activities	投資業務		
Purchase of distressed assets through establishment of a special purpose vehicle	通過成立特殊目的載體購入不良資產	(321,701)	—
Receipt of income and principal repayment from recovery of distressed assets purchased through establishment of a special purpose vehicle	收取通過成立特殊目的載體購入不良資產回收產生的收入及本金還款	314,730	—
Proceeds on disposal of investment properties	出售投資物業所得款項	167,917	—
Purchase of property, plant and equipment	購入物業、廠房及設備	(4,773)	(3,006)
Purchase of investment properties	購入投資物業	(3,928)	—
Dividend received from associates	已收聯營公司股息	2,000	52,000
Dividend received from listed securities	上市證券股息收入	—	188
Interest received	已收利息	91,764	60,302
Deposit paid for establishment of an associate	已付成立一間聯營公司之按金	(64,171)	—
Advance to associates	墊支聯營公司款項	(159,788)	(516,187)
Repayment from a jointly controlled entity	收取共同控制公司款項	135,781	241,753
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	253	214
Proceeds on disposal of available-for-sale investments	出售可供出售投資所得款項	212,980	—
Purchase of available-for-sale investments	購入可供出售投資	(5,348)	(55,546)
Purchase of structured finance securities	購入結構性金融證券	—	(22,828)
Receipt of principal repayment of structured finance securities	收取結構性金融證券本金還款	2,083	—
Proceeds on disposal of associates	出售一間聯營公司所得款項	—	9,600
Acquisition of investment in an associate	收購一間聯營公司投資	(42,781)	(18,802)
Acquisition of additional equity interest in a subsidiary	收購一間附屬公司額外股本權益	—	(22,509)
Deemed acquisition of subsidiaries	視同收購附屬公司	50	—
Disposal of subsidiaries	出售附屬公司	(2,321)	26,279
Net cash from (used in) investing activities	投資業務所得(所用)淨現金	328,686	(248,542)

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量報表

For the year ended 31 December 2007

截至二零零七年十二月三十一日年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	Notes 附註		
Financing activities	融資業務		
Net proceeds from issue of new shares	發行新股所得款項淨額	—	25,930
Repayment of loan from a shareholder	償還一名股東之貸款	(220,000)	—
Repayment of bank loans	償還銀行貸款	(642,861)	(601,150)
Dividend paid	已付股息	(127,450)	(108,403)
Bank loans raised	銀行貸款融資	213,904	600,000
Advance from (repayment to) associates	收(還)聯營公司墊款	302,229	(15,544)
Net cash used in financing activities	融資業務所用淨現金	(474,178)	(99,167)
Net increase in cash and cash equivalents	現金及現金等值增加淨額	417,899	447,305
Cash and cash equivalents at the beginning of the year	現金及現金等值年初數額	724,995	262,299
Effect of foreign currency rate changes	匯率變動之影響	9,946	15,391
Cash and cash equivalents at the end of the year	現金及現金等值年末數額	1,152,840	724,995
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值結餘分析		
Bank balances and cash	銀行結餘及現金	1,171,064	724,995
Bank overdrafts	銀行透支	(18,224)	—
		1,152,840	724,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

1. General

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” in this annual report.

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 and is engaged in property investment and securities trading. The Company and its subsidiaries are principally engaged in property investment, other investments and distressed assets business. Details of the principal activities of the Company’s subsidiaries and the Group’s associates, a jointly controlled entity and special purpose vehicle are set out in note 60.

2. Application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations (“New HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are effective for the Group’s financial year beginning 1 January 2007.

1. 一般事項

本公司為一間於香港註冊成立的公眾有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處及主要營業地點的地址於本年報的「公司資料」部份披露。

本綜合財務報表以港元呈列，其與本公司的功能貨幣相同。

本公司為一間投資控股公司，並從事物業投資及證券買賣。本公司及其附屬公司主要從事物業投資、其他投資及不良資產業務。本公司各附屬公司，本集團各聯營公司、一間共同控制公司及特殊目的載體的主要業務詳情載列於附註60。

2. 採納新訂及經修訂的香港財務報告準則

於本年度，本集團已首次應用下列由香港會計師公會(「會計師公會」)頒佈而於本集團在二零零七年一月一日開始的財政年度生效的新訂準則、修訂及詮釋(「新香港財務報告準則」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

2. Application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC)-INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-INT 8	Scope of HKFRS 2
HK(IFRIC)-INT 9	Reassessment of embedded derivatives
HK(IFRIC)-INT 10	Interim financial reporting and impairment

The adoption of these New HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendment or interpretations that have been issued but are not yet effective.

2. 採納新訂及經修訂的香港財務報告準則(續)

香港會計準則第 1 號(修訂)	資本披露
香港財務報告準則第 7 號	金融工具：披露
香港(國際財務報告詮釋委員會) — 詮釋第 7 號	應用香港會計準則第 29 號惡性通貨膨脹經濟體系財務報告之重列方式
香港(國際財務報告詮釋委員會) — 詮釋第 8 號	香港財務報告準則第 2 號之範疇
香港(國際財務報告詮釋委員會) — 詮釋第 9 號	重估附帶衍生工具
香港(國際財務報告詮釋委員會) — 詮釋第 10 號	中期財務報告及減值

採納新香港財務報告準則，對本會計期間或過往會計期間之業績及財務狀況編製及呈列並無重大影響。因此，毋須就過往年度作出調整。

本集團已追溯應用香港會計準則第 1 號(修訂)及香港財務報告準則第 7 號的披露規定。以往年度根據香港會計準則第 32 號規定呈列的若干資料已被刪除，並於本年度首次根據香港會計準則第 1 號(修訂)及香港財務報告準則第 7 號的規定呈列相關比較資料。

本集團並無提早應用下列已頒佈但尚未生效的新訂及重訂準則、修訂或詮釋。

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2. Application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

HKAS 1 (Revised)	Presentation of financial statements ¹	香港會計準則第1號(重訂)	財務報表的呈列 ¹
HKAS 23 (Revised)	Borrowing costs ¹	香港會計準則第23號 (重訂)	借貸成本 ¹
HKAS 27 (Revised)	Consolidated and separate financial statements ²	香港會計準則第27號 (重訂)	綜合及分開財務報表 ²
HKFRS 2 (Amendment)	Vesting conditions and cancellations ¹	香港財務報告準則第2號 (修訂)	歸屬條件及取消 ¹
HKFRS 3 (Revised)	Business combinations ²	香港財務報告準則第3號 (重訂)	業務合併 ²
HKFRS 8	Operating segments ¹	香港財務報告準則第8號	經營分類 ¹

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2. Application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”)

(Continued)

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new standards or interpretations will have no material impact on the results and financial position of the Group.

3. Significant accounting policies

The consolidated financial statements have been prepared in accordance with HKFRSs 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 and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for properties and certain financial instruments, which are measured at revalued amounts or fair values. The principal accounting policies adopted are as follows:

2. 採納新訂及經修訂的香港財務報告準則(續)

採納香港財務報告準則第3號(重訂)可能影響收購日期定在二零零九年七月一日或以後開始的呈報期間的業務合併的會計處理。香港會計準則第27號(重訂)將會影響母公司於一間附屬公司的擁有權發生變化但並無失去控制權之會計處理方法，這會以權益交易作會計處理。本公司董事預料，應用該其他新準則或詮釋將不會對本集團業績及財務狀況產生重大影響。

3. 主要會計政策

本綜合財務報表是根據會計師公會頒佈的香港財務報告準則而編製。此外，本綜合財務報表亦按聯交所證券上市規則及香港公司條例規定的要求作出相關披露。

除物業及若干金融工具是以重估值或公平值計量外，本綜合財務報表是按歷史成本為基準編製。所採納之主要會計政策如下：

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3. Significant accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose 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.

3. 主要會計政策(續)

綜合賬目基準

本綜合財務報表包括本公司及本公司控制的各公司(其附屬公司)包括特殊目的公司的財務報表。倘若本公司有權力監制一間公司的財務及經營政策以致從其業務獲得利益,即表示取得控制權。

於本年度收購或出售的附屬公司之業績,已由收購生效日起或截至出售生效日止(視情況而定)計入綜合收益表內。

若有需要,附屬公司的財務報表須作出調整,以與本集團其他成員公司所採用的會計政策一致。

所有在本集團內各公司之間的交易、結餘、收入及支出,已於編製綜合賬目時抵銷。

少數股東於附屬公司應佔權益的淨資產與本集團的股本權益分開呈列。少數股東權益應佔淨資產包括原業務合併日期應佔權益的數額及自合併日以來少數股東應佔權益的變動。倘若少數股東所佔的虧損超越少數股東於附屬公司應佔的股本權益,除非該少數股東須受約束性責任及有能力支付額外資金以彌補附屬公司的虧損,否則該虧損餘額應由本集團承擔。

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3. Significant accounting policies (Continued)

Basis of consolidation (Continued)

For business combination that involves more than one exchange transaction through successive share purchases, each exchange transaction is treated separately, using the cost of the transaction and fair value information at the date of each exchange transaction, to determine the amount of any goodwill associated with that transaction. The acquiree's net assets are stated at fair value at the date of acquisition when control is achieved. Any adjustment to those fair values relating to previously held interests of the Group is a revaluation and is credited to other reserve.

Acquisition of additional interests in subsidiaries is recorded at the book value of the net assets attributable to the interests. The excess of the carrying amounts of net assets attributable to the interests over the cost of acquisition is recognised as discount on acquisition.

3. 主要會計政策(續)

綜合賬目基準(續)

對於涉及透過連續購入股份權益的多過一次交換交易的業務合併，每一次交換交易均分開處理，使用交易成本與交換交易當日的公平值資訊，釐定該項交易的可能產生的任何商譽。被購入者的淨資產乃按當取得控制權之收購當日的公平值列賬。任何與本集團於以往年度已經持有的權益相關的公平值調整視為重估並計入其他儲備。

收購附屬公司的額外權益是以歸屬該權益的淨資產之賬面值入賬。歸屬該權益的淨資產之市值超越收購成本部份，則確認為收購折讓。

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3. Significant accounting policies (Continued)

Goodwill

Goodwill arising on acquisitions prior to 1 January 2005

Goodwill arising on an acquisition of net assets and operations of another entity or a jointly controlled entity for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant acquiree at the date of acquisition.

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

Investments in subsidiaries/associates/a jointly controlled entity

Investments in subsidiaries/associates/a jointly controlled entity are stated in the Company's balance sheet at cost less any identified impairment loss. Income from investments in subsidiaries/associates/a jointly controlled entity is accounted for by the Company when the Company's right to receive the dividend payment has been established.

3. 主要會計政策(續)

商譽

二零零五年一月一日前因收購所產生之商譽

於收購其他公司或一間共同控制公司之淨資產及營運業務而有關協議日期為二零零五年一月一日以前的收購所產生之商譽是指收購成本超越本集團應佔該被收購方於收購當日之可識別資產及負債之公平值之數額。

就於二零零一年一月一日後因收購其他公司或一間共同控制公司的淨資產及業務所產生並且已資本化的商譽，本集團從二零零五年一月一日開始終止攤銷該商譽，而該商譽將每年及每當有跡象顯示該商譽相關的現金產生單位可能出現減值時，進行減值檢測(見下文之會計政策)。

附屬公司 / 聯營公司 / 一間共同控制公司投資

附屬公司 / 聯營公司 / 一間共同控制公司投資是按成本扣除已識別的減值虧損列賬於本公司的資產負債表中。本公司計算附屬公司 / 聯營公司 / 一間共同控制公司的投資收益是基於本公司收取派付股息的權利獲確認後。

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3. Significant accounting policies (Continued)

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

3. 主要會計政策(續)

聯營公司投資

聯營公司指投資方對其行使重大影響力而非附屬公司或合營公司權益的公司。

聯營公司之業績、資產及負債是採用權益法計入綜合財務報表內。根據權益法，於聯營公司的投資是按成本及於收購後本集團應佔該聯營公司淨資產值變動作出調整，並扣除任何已識別減值虧損列賬於綜合資產負債表內。倘本集團所佔聯營公司的虧損相等於或超越本集團於該聯營公司應佔的權益(包括實質上構成本集團對聯營公司淨投資的任何長期權益)，本集團將不再確認額外應佔虧損。僅於本集團具有法定或約束性責任或代表該聯營公司付款時，方會就額外應佔虧損撥備及確認負債。

經重估後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的任何差額，即使於損益表內確認。

當集團公司與本集團的聯營公司進行交易，損益會按本集團所佔有關聯營公司的權益進行抵銷。

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3. Significant accounting policies (Continued)

Joint ventures

Jointly controlled entity

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), 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 jointly controlled entity.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over

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3. Significant accounting policies (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

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

Property, plant and equipment

Property, plant and equipment including leasehold land and building held for use in production or supply of goods and services, or for administrative purposes are stated at cost or fair value less subsequent accumulated depreciation and accumulated impairment loss.

Leasehold land and building originally classified as investment properties carried at fair value is transferred to property, plant and equipment at a deemed cost equal to its fair value at the date of change in use as evidence by commencement of owner occupation.

3. 主要會計政策(續)

投資物業

投資物業是指持作賺取租金及/或資本增值的物業。

投資物業於首次確認時按成本(包括任何相關的直接支出)計量。於首次確認後,投資物業是採用公平值模式以其公平值計量。投資物業的公平值變動所產生的收益或虧損於產生期間直接確認為收益或虧損。

當投資物業被出售或該投資物業永久不再被使用,或預期出售該物業不會產生未來經濟利益時,該項投資物業不再被確認。因不再確認為資產而產生的任何收益或虧損(按出售所得款項淨額與資產的賬面值之差額計算)於不再確認年度的綜合收益表內入賬。

物業、廠房及設備

物業、廠房及設備包括持有作為生產、提供貨品或服務或行政管理用途的租賃土地及樓宇乃按成本或公平值減去其後累計折舊及累計減值虧損入賬。

原先以公平值列賬、分類為投資物業之租賃土地及樓宇乃按以開始自用作證明用途改變當日的公平值視同為成本劃轉物業、廠房及設備。

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3. Significant accounting policies (Continued)

Property, plant and equipment (Continued)

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

Leasehold land and buildings	50 years
Leasehold improvements	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Motor vehicles	6-10 years

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

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets (or disposal groups) is available for immediate sale in its present condition.

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

3. 主要會計政策(續)

物業、廠房及設備(續)

折舊乃按物業、廠房及設備預計可使用年限，以直線法撇銷其成本或公平值，基準如下：

租賃土地及樓宇	50年
租賃物業裝修	3年
傢俬及裝修	10年
辦公室設備	5年
汽車	6-10年

當物業、廠房及設備被出售或預期繼續使用該資產不會為將來帶來經濟利益時，該項物業、廠房及設備不再被確認。因不再確認為資產而產生的任何收益或虧損(按出售所得款項淨額與資產的賬面值之差額計算)於不再確認年度的綜合收益表內入賬。

持作銷售之非流動資產

倘非流動資產及出售集體之賬面值是主要通過出售交易而非通過持續使用而收回，則該非流動資產及出售集體將歸類為持作銷售用途。此條件僅在出售機會很大及該資產(或出售集體)予當前狀況下可即時出售時，方被視為符合。

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

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3. Significant accounting policies (Continued)

Stock of properties

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

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

Revenue recognition

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

The income from interest in distressed assets and investment in distressed assets through establishment of a special purpose vehicle are recognised on a time basis by reference to the estimated future cash flows and at effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash inflows arising from recoveries or collection, net of the estimated future cash outflows arising from directly attributable costs such as management fee and incentive bonus through the expected life of the distressed assets, to the assets' net carrying amounts. The excess of amounts recovered over the income calculated based on the effective interest rate is treated as recovery of principal amounts invested.

3. 主要會計政策(續)

物業存貨

物業存貨指在建物業及持作銷售物業。

在建物業之賬面值包括土地成本及發展開支(包括建築成本、資本化利息及附帶借貸費用)減減值虧損。物業存貨以成本及可變現淨值之較低者列賬。

收益的確認

收入按款項或應收款項之公平值計量，並代表貨物銷售、買賣證券及於正常經營過程中提供之服務的應收款項，惟須扣除折扣及與銷售相關的稅項。

不良資產權益及通過成立特殊目的載體投資不良資產之收入以時間基準並參照估計未來現金流量及按實際利率計算。實際利率乃透過不良資產之預期可使用年期完全貼現因回收或收集而產生之估計未來現金流入，扣除因直接應佔成本(如管理費及獎勵花紅)產生之估計未來現金流入淨額至資產帳面淨值之利率。超出以實際利率計算之回收金額視為投資本金的回收處理。

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3. Significant accounting policies (Continued)

Revenue recognition (Continued)

Other interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that

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3. Significant accounting policies (Continued)

Revenue recognition (Continued)

Revenue from sale of properties in the ordinary course of business (including revenue from pre-completion contracts for the sale of development properties) is recognised when all of the following criteria are met:

- the significant risks and rewards of ownership of the properties are transferred to buyers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The above criteria are met when the construction of relevant properties has been completed, the title of the properties has been transferred or the properties have been delivered to the purchasers pursuant to the sales

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3. Significant accounting policies (Continued)

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: 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.

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

金融資產

本集團之金融資產分類為以下三個類別之一：於損益表按公平值處理的金融資產、貸款及應收款項及可供出售的金融資產。所有日常買賣之金融資產於交易日確認及終止確認。日常買賣指須根據市場規則或慣例訂立之時限交收資產之金融資產買賣。所採納與各類金融資產有關之會計政策載於下文。

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3. Significant accounting policies (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

A financial asset other than a financial asset held-for-trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

3. 主要會計政策(續)

金融資產(續)

於損益表按公平值處理的金融資產(續)

除持有作買賣用途之金融資產外，其他金融資產於首次確認時在下屬情況下可能被指定為於損益表按公平值處理：

- 此分類能抵銷或大幅減少計量或減少引起確認的不一致性；或
- 此金融資產是屬於一組金融資產或一組金融負債或兩者之一部份，該組金融資產或金融負債是根據本集團成文的風險管理及投資策略來管理並按公平值衡量其表現，且內部使用作分類資料亦建基於此；或
- 此金融資產是包含一個或多個嵌入式衍生工具之合約的組成部份。並且香港會計準則第39號容許整個結合式合約(資產或負債)指定為於損益表按公平值處理。

於首次確認後的各結算日，於損益表按公平值處理的金融資產以公平值計量，相關的公平值變動直接於產生期間之損益表確認。於損益表確認的淨收益或支出並不包括來自該金融資產的股息或利息。

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3. Significant accounting policies (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including interest in distressed assets, trade receivables and other receivables, amounts due from associate/jointly controlled entity/subsidiaries, restricted bank balance and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses.

Loans and receivables – Interest in distressed assets

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

3. 主要會計政策(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為沒有活躍市場報價而附帶固定或可釐定付款之非衍生性質金融資產。於首次確認後之各結算日，貸款及應收款項(包括不良資產權益、應收賬款及其他應收款項、應收聯營公司、共同控制公司/附屬公司款項、監管戶口結餘及銀行及現金結餘)採用實際利率法攤銷成本，扣減任何已識別減值虧損列賬。

貸款及應收款項 — 不良資產權益

不良資產權益乃採用實際利率法以攤銷成本扣除減值撥備列賬。當有客觀佐證顯示因若干虧損事件的發生而將影響估計的未來現金流量時，則對不良資產權益計提減值撥備，並按不良資產之賬面值與採用原本的實際利率貼現估計未來現金流量之現值之差額計量。倘實際未來現金流入淨額超出預期，則經修訂之現金流量將採用原先的實際利率貼現。賬面值之間之差額將予以調整，以反映以採用原先實際利率貼現之估計經修訂現金流量。調整於綜合收益表確認為減值虧損。

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3. Significant accounting policies (Continued)

Financial assets (Continued)

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 (see accounting policy on impairment loss on financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. Such impairment losses will not reverse in subsequent periods.

3. 主要會計政策(續)

金融資產(續)

可供出售之金融資產

可供出售之金融資產為指定可供出售的非衍生項目，或未有分類為於損益表按公平值處理之金融資產、貸款及應收賬款或持有至到期日之投資。

於首次確認後各結算日，可供出售之金融資產按公平值計算。除了減值虧損直接確認於損益表，公平值之變動於股本權益中的資產重估儲備確認。倘若該金融資產被出售或決定有所減值，屆時過往於股本權益確認之累計收益或虧損會自股本權益剔除，並於損益表內確認(見以下金融資產之減值會計政策)。

就沒有活躍市場的市場報價且其公平值無法可靠地計量的可供出售之股本投資而言，該等投資於首次確認後的各結算日按成本扣減任何已識別減值虧損計量。有關減值虧損不會於繼後期間沖回。



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3. Significant accounting policies (Continued)

Impairment of financial assets (Continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, 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.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount 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 loss will not be reversed in subsequent periods.

3. 主要會計政策(續)

金融資產之減值(續)

就所有其他金融資產而言，減值之客觀佐證可以包括：

- 發行人或交易方出現重大財政困難；或
- 拖欠或逾期支付利息或本金；或
- 可能出現借貸人將陷入破產或財務重組。

若干類別的金融資產如應收賬款，不會就減值作單獨考核而是在其後以整體性基準進行減值考核。一組應收款項的減值之客觀性佐證可以包括本集團以往收款的經驗、組合內逾期付款次數的增加並超逾平均的信用期、能察覺的國家性或地區性經濟狀況引致應收款項無法收回。

就按攤銷成本列賬之金融資產而言，倘若客觀佐證指出資產出現減值，則減值虧損會於損益表內確認，並按資產賬面值與按原本實際利率折讓之估計未來現金流量之現值的差額計算。

就按成本列賬之金融資產而言，減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折讓估計未來現金流量之現值間之差額計算。有關減值虧損不會於繼後期間回撥。

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3. Significant accounting policies (Continued)

Impairment of financial assets (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, other receivables, amounts due from associates/jointly controlled entity/subsidiaries, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When other receivables, amounts due from associates/jointly controlled entity/subsidiaries are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity. 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.

3. 主要會計政策(續)

金融資產之減值(續)

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3. Significant accounting policies (Continued)

Financial liabilities and equity

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

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis other than those financial liabilities designated as at fair value through profit or loss, of which the interest expense is included in net gains or losses.

Convertible note at fair value through profit or loss

Financial liabilities at fair value through profit or loss represent convertible note designated at fair value through profit or loss on initial recognition.

3. 主要會計政策(續)

金融負債及股本

由集團公司發行之金融負債及股本權益工具，按所訂立之合約安排性質，及金融負債及股本權益工具之定義而分類。

股本權益工具為帶有集團資產剩餘權益(經扣除其所有負債後)之任何合約。本集團之金融負債一般分類為於損益表按公平值處理之金融負債及其他金融負債。

實際利率法

實際利率法是計算金融負債的攤銷成本及於相關期間攤分利息費用的方法。實際利率是指於金融負債預期有效期或較短期間(如適用)確實地折現估計未來支付現金之利率。

金融負債的利息費用以實際利率基準而確認，而於損益表按公平值處理之金融負債的利息費用乃包括於淨收益或虧損內。

於損益表按公平值處理的可換股票據

於損益表按公平值處理的金融負債有乃指於初步確認時指定為於損益表按公平值處理的金融負債。

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3. Significant accounting policies (Continued)

Financial liabilities and equity (Continued)

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

A financial liability may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

The convertible note with embedded derivatives whose economic risks and characteristics are not closely related to those of the host contract (the liability component) as a whole is designated as financial liabilities at fair value through profit or loss on initial recognition.

3. 主要會計政策(續)

金融負債及股本(續)

於損益表按公平值處理的可換股票據(續)

金融負債在初始入賬時就以下情況下可能被界定為按公平值於損益表處理：

- 此分類能抵銷或大幅減少計量或減少引起確認的不一致性；或
- 此金融負債是屬於一組金融資產或一組金融負債或兩者之一部份，該組金融資產或金融負債是根據本集團成文的風險管理及投資策略來管理並按公平值衡量其表現，且內部使用作分類資料亦建基於此；或
- 此金融負債是包含一個或多個嵌入性衍生工具之合約的組成部份。並且香港會計準則第39號容許整個結合式合約(資產或負債)指定為於損益表按公平值處理。

內含衍生工具之可換股票據其經濟風險及特色整體上與其從屬合約的(負債部份)整體上並無密切關連者，於初步確認時界定為於損益表按公平值處理的金融負債。

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3. Significant accounting policies (Continued)

Financial liabilities and equity (Continued)

Effective interest method (Continued)

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

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

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

Other financial liabilities

Other financial liabilities including borrowings, bank overdrafts, trade payables and other payables, amount due to holding company of a shareholder, loan from a shareholder, amounts due to subsidiaries and amounts due to associates are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

3. 主要會計政策(續)

金融負債及股本(續)

實際利率法(續)

於損益表按公平值處理的可換股票據(續)

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

於初步確認後每一結算日，於損益表按公平之處理的金融負債及全部內含衍生工具之可換股票據均以公平值計量，公平值變動直接於其產生期間之損益表內確認。

其他金融負債

其他金融負債(包括借款、應付賬款、應計費用、租務按金及其他應付款項、應付一名股東之控股公司的應計管理費、應付一名股東之貸款、應付附屬公司款項及銀行借貸)，於其後採用實際利率法按攤銷成本計量。

股本工具

由本公司發行之股本工具乃按已收取所得款項減直接發行費用記錄。

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3. Significant accounting policies (Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flow from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had recognised directly in equity is recognised in profit or loss.

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

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.

Impairment losses on tangible assets

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

3. 主要會計政策(續)

終止確認

若從資產收取現金流量之權利已屆滿，或金融資產已轉讓及本集團已轉讓其金融資產擁有權之絕大部分風險及回報，則金融資產將被終止確認。於終止確認金融資產時，資產賬面值與已收及應收代價及已直接於股本權益確認之累計損益的總差額，將於損益表內確認。

若於相關合約之特定責任獲解除、取消或屆滿時，金融負債將被終止確認。終止確認之金融負債賬面值與已付及應付代價的差額，乃於損益表內確認。

借貸費用

所有借貸成本於產生期間在綜合收益表內確認為財務費用。

有形資產減值虧損

本集團於各結算日均檢測其有型資產之賬面值以決定有否任何跡象顯示該等資產出現減值虧損。如估計資產的可收回金額將會低於其賬面值，該資產值的賬面值將調減至可收回金額。一項減值虧損被即時確認為支出，除非有關資產是根據另一項準則以重估值列賬，則有關減值虧損將根據該準則而被視為重估值減少。

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3. Significant accounting policies (Continued)

Impairment losses on tangible assets (Continued)

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

Taxation

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

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

3. 主要會計政策(續)

有形資產減值虧算(續)

當減值虧損於其後撥回，有關資產賬面值將予調升至經修正之估計可收回金額，惟僅限於經調升後之賬面值不會超過有關資產於先前年度未有減值虧損前之賬面值。減值虧損之撥回即時被確認為收入，除非有關資產是根據另一項準則以重估值列賬，則有關減值虧損之撥回將根據該準則被視為重估值增加。

稅項

利得稅支出指即期應付稅項與遞延稅項總額。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利不包括其他年度的應課稅收入或可扣減開支項目，亦不包括可作免稅或不可作稅項扣減之收入及開支，故與綜合收益表所呈報的溢利淨額不同。本集團即期稅項負債乃按於結算日已頒佈或實質已頒佈之稅率計算。

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3. Significant accounting policies (Continued)

Taxation (Continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts 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 assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. 主要會計政策(續)

稅項(續)

遞延稅項乃就綜合財務報表內資產及負債的賬面值與計算應課稅溢利所採用的相應稅基之差額，以資產負債表負債法計算，預期應付或可收回的稅項。遞延稅項負債一般就所有應課稅暫時差異確認，遞延稅項資產則於可扣減暫時差異有可能用以抵銷應課稅溢利時確認。如暫時差異由商譽或由初次確認一項不影響應課稅溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，相關資產及負債不予確認。

遞延稅項負債須就投資於附屬公司、聯營公司及共同控制公司所產生的應課稅暫時差異予以確認，除非本集團可控制暫時差異的回撥時間，而此暫時差異在可預見的將來很可能不會回撥。

遞延稅項資產的賬面值於各結算日進行檢討，並於沒可能會有足夠應課稅溢利恢復全部或部份資產價值時作出調減。

遞延稅項是按預期適用於負債獲清償或資產獲變現期間之稅率計算。遞延稅項於綜合收益表內扣除或計入，除非遞延稅項關乎直接從權益扣除或計入之項目，在該情況下遞延稅項亦於權益中處理。

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3. Significant accounting policies (Continued)

Foreign currencies

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

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

3. 主要會計政策(續)

外幣

於編製各個別集團公司的財務報表時，以該公司功能貨幣以外貨幣(外幣)進行之交易乃按其功能貨幣(即該公司主要經營的經濟環境之貨幣)於交易日起界能訥鈞

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3. Significant accounting policies (Continued)

Leasing (Continued)

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

The Group as lessee

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

Leasehold land and buildings

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 contract is classified as a finance lease.

Retirement benefit costs

Payments to the state-managed retirement benefit schemes for staff in the People's Republic of China, excluding Hong Kong and Macau (the "PRC") and to the Mandatory Provident Fund Scheme for staff in Hong Kong are charged as expense when the employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

租賃(續)

本集團作為出租人(續)

營運租賃之租金收入乃按有關租約年期以直線基準於綜合收益表內確認。

本集團作為承租人

根據營運租賃應繳付之租金乃於有關租約年期內以直線基準於損益表內扣除。作為促使訂立營運租賃的已收及應收獎勵之利益於租約年期內以直線基準確於租金開支中扣減。

租賃土地及樓宇

租賃土地及樓宇中的土地及樓宇部份就租賃分類而言，予以分開處理。預期不會於租期屆滿時轉移業權之承租人的租賃土地被歸類為經營租賃，除非租金支出無法可靠地分配至土地及樓宇部份，在此情況下，整份租賃合同被歸類為融資租賃。

退休福利成本

就中華人民共和國，不包括香港及澳門(「中國」)員工參與的由國家管理的退休福利計劃及香港員工參與的強制性公積金計劃所作出之供款，於僱員在提供其服務後有權享受該等供款時計入費用開支。

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4. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet dates, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. As at 31 December 2007, the carrying amount of goodwill is approximately HK\$7,001,000 (2006: HK\$33,525,000). Details of the recoverable amount calculated are disclosed in note 18.

4. 估計不確定之主要來源

以下是於結算日關於對未來的重要假設及其他估計不確定的主要來源，該等假設及估計存在可能導致下一個財政年度的資產及負債之賬面值有重大調整風險。

估計商譽減值

釐定商譽是否出現減值時須估計商譽所獲分配之現金產生單位使用價值。本集團計算使用價值時需就預期源自該現金產生單位之未來現金流量及合適之貼現率作出估計，以計算現值。倘若實際的現金流入少於預期，可能會引致減值虧損。於二零零七年十二月三十一日，商譽之賬面值約為7,001,000港元(二零零六年：33,525,000港元)。計算可予收回金額之詳情於附註18披露。

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4. Key sources of estimation uncertainty

(Continued)

Estimated cash flow of the distressed assets and investment in distressed assets through establishment of a special purpose vehicle

As at 31 December 2007, the carrying amounts of interest in distressed assets and investment in distressed assets through establishment of a special purpose vehicle were nil (2006: HK\$199,931,000) and HK\$107,191,000 (2006: nil) respectively. Determining the recoverability of interest in distressed assets and investment in distressed assets through establishment of a special purpose vehicle requires an estimation of the future cash flows, including cash inflows arising from recoveries, disposal or collection, and cash outflows arising from directly attributable transaction cost such as management fee and incentive bonus. Where the actual future net cash inflows are less than expected, an impairment loss may arise. Where the actual future net cash inflows are more than expected, a gain will be recognised. During the year ended 31 December 2007, an impairment loss of HK\$80,248,000 (2006: nil) was recognised in respect of interest in distressed assets. Details of the interests in distressed assets and investment in distressed assets through establishment of a special purpose vehicle are disclosed in notes 30 and 31 respectively.

4. 估計不確定之主要來源(續)

估計不良資產及通過成立特殊目的載體投資不良資產現金流量

於二零零七年十二月三十一日，不良資產權益及通過成立特殊目的載體投資不良資產之賬面值分別為零(二零零六年：199,931,000 港元)及 107,191,000 港元(二零零六年：零)。釐定不良資產權益及通過成立特殊目的載體投資不良資產之可回收性需要對未來現金流量(包括回收、出售或收集所產生之現金流入及管理費用與獎勵花紅等直接相關的交易成本所產生之現金流出)作出估計。倘實際未來現金流入淨額較預期數額少，則可能導致減值虧損。倘實際未來現金流入淨額較預期數額多，則會收益可予確認。於截至2007年12月31日止年度，已就不良資產權益確認一項減值虧損80,248,000 港元(二零零六年：零)。不良資產權益及通過成立特殊目的載體投資不良資產之詳情分別載於附註30及31。

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5. Financial instruments and capital disclosures

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained profits.

The management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through new share issues and the issue of new debt or the redemption of the existing debt.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.

5. 金融工具及資本披露

資本風險管理

本集團透過使用最理想的債務與資本節餘管理其資本以保障集團內的公司能夠以持續經營方式存續並同時達至股東回報最大化。本集團的整體策略與以往年度維持一致。

本集團之資本結構由包括借貸的債務、現金及現金等值及本公司股本持有人應佔股本其中包括股本、儲備及保留盈利組成。

本集團管理層以持續性方式檢測集團的資本結構並同時考慮資金成本以及資金附帶的風險。本集團將透過發行新股份及發行新債務或贖回現有債務等方式致力平衡整體的資本結構。

主要會計政策

就各類別財務資產、財務負債及資本工具所採納的主要會計政策及方法(包括確認的條件、計量的基準及收益與開支的確認基準)之詳情載於附註3。

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5. Financial instruments and capital disclosures (Continued)

5. 金融工具及資本披露(續)

Categories of financial instruments

金融工具之類別

		The Group		The Company	
		本集團		本公司	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Financial assets	金融資產				
Fair value through profit or loss	於損益表以公平值處理				
— Held-for-trading	— 持有作買賣	63,130	15,182	61,918	15,036
— Designated as fair value through profit or loss	— 指定為於損益表以公平處理	12,046	24,423	12,046	24,423
Loans and receivables	貸款及應收款項	2,545,185	2,514,666	3,691,613	3,353,131
Available-for-sale financial assets	可供出售金融資產	274,946	240,793	2,140	2,140
Financial liabilities	金融負債				
Fair value through profit or loss	於損益表以公平值處理				
— Designated as fair value through profit or loss	— 指定為於損益表以公平值處理	382,736	402,112	382,736	402,112
Amortised cost	攤銷成本	701,909	1,520,050	531,626	562,428

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5. Financial instruments and capital disclosures (Continued)

Financial risk management objectives and policies

The Group's major financial instruments include structured finance securities, available-for-sale investments, interest in distressed assets, investment in distressed assets through establishment of a special purpose vehicle, held-for-trading investments, amounts due from associates/a jointly controlled entity, trade receivables and other receivables, restricted bank balance, bank balances and cash, trade and other payables, amount due to associates, amount due to holding company of a shareholder, loan from a shareholder, borrowings, convertible note at fair value through profit or loss. 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.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from prior year.

Market risks

Interest rate risk management

The Group's and the Company's fair value interest rate risk relates primarily to its fixed-rate amounts due from subsidiaries/associates/a jointly controlled entity, fixed rate borrowings, convertible note and loan from a shareholder. The Group has not used any derivative contracts to hedge its exposure to interest rate risk, however, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

5. 金融工具及資本披露(續)

金融風險管理目標及政策

本集團之主要金融工具包括結構性金融證券、可出售投資、不良資產權益、通過成立特殊目的載體投資不良資產、持有作買賣投資、應收聯營公司一間共同控制公司款、應收賬款及其他應收款項、銀行監管賬戶結餘、銀行結餘及現金、應付賬款及其他應付款項、租務按金及其他應付款、應付聯營公司款、應付一名股東之控股公司款項、股東貸款、借貸、可換股票據及於損益表按公平值處理的可換股票據。該等金融工具之詳情於相關附註中披露。與該等金融工具相關之風險及如何減低該等風險之政策載於下文。管理層會管理及監察該等風險，以確保及時與有效地採取適當措施。

本集團所面對的市場風險或管理及計量市場風險的方法與以往年度維持一致。

市場風險

利率風險管理

本集團及本公司之公平值利率風險基本上是與其按固定利率計息的應收附屬公司/聯營公司/一間共同控制公司款項、按固定利率計息的借貸、可換股票據及股東貸款有關。本集團並無運用任何衍生工具合同對沖其利率風險。然而，管理層對利率風險進行監察並在預期面臨重大利率風險時考慮是否需採取其他必要的對應行動。

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5. Financial instruments and capital disclosures (Continued)

Market risks (Continued)

Interest rate risk management (Continued)

The Group's cash flow interest rate risk primarily relates to its floating-rate amounts due from subsidiaries/ associates, bank balances and restricted bank balance carried at prevailing market rate and floating interest rate borrowings and other payable. The Group has not used any interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The impact on the Group's cash flow is due in part to its sensitivity to interest rates which has been determined based on the exposure to the floating-rate bank loans, floating-rate amount due from subsidiaries/ associates, structured finance securities and variable-rate bank balances at the balance sheet date and the reasonably possible change taking place at the beginning of each year and held constant throughout the year. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the potential effect on profit for the year is as follows:

5. 金融工具及資本披露(續)

市場風險(續)

利率風險管理(續)

本集團之現金流利率風險基本上與其按浮動利率計息的應收附屬公司/聯營公司款項；按當前的市場利率計息的銀行結餘及監管戶口結餘及按浮動利率計息的借貸及其他應付款有關。本集團並無使用任何利率調期合約對沖其源自與利息現金流相關的風險。然而，管理層對利率風險進行監察並在預期面臨重大利率風險時考慮是否需採取其他必要的對應行動。

對本集團現金流的影響，部份是由於其對利率的敏感性。其乃基於按浮動利率計息的銀行貸款、按浮動利率計息的應收附屬公司/聯營公司款項、結構性金融證券及按變動利率計息的銀行結餘於結算日的風險以及於每年年初發生的合理可能變化並且其於整個年度內維持不變的假設計算所得。倘若利率出現50基點的上升/下降並且假設其他一切不變，對年內溢利的潛在影響如下：

	The Group 本集團		The Company 本公司	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Increase/decrease in profit for the year 增加/減少年度盈利	8,162	721	3,008	2,261

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5. Financial instruments and capital disclosures (Continued)

Market risks (Continued)

Foreign currency risk management

The directors considered that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity.

As at the balance sheet date, the major financial assets and liabilities of the Group denominated in currencies other than the functional currency of the respective group entities are amount due from a jointly controlled entity, bank balances and cash and convertible note. The equivalent amount of Hong Kong dollars are set out below:

5. 金融工具及資本披露(續)

市場風險(續)

外幣風險管理

董事認為本集團所面臨的外幣匯率風險並不顯著，因本集團的主要交易是以各獨立集團公司的功能貨幣為交易單位。

於結算日，以集團公司功能貨幣以外貨幣為計價單位的本集團主要金融資產及金融負債為應收一間共同控制公司款項、銀行結餘及現金以及可換股票據。其等值之港元數額列載如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Amount due from a jointly controlled entity — United States dollars	應收一間共同控制公司款項 — 美元	120,206	249,199	120,206	249,199
Bank balances and cash — Hong Kong dollars — United States dollars — Renminbi ("RMB")	銀行結餘及現金 — 港元 — 美元 — 人民幣	1,640 6,770 346,478	— 22,667 6,582	— 6,770 346,478	— 22,334 6,582
		354,888	29,249	353,248	28,916
Convertible note — United States dollars	可換股票據 — 美元	382,736	402,112	382,736	402,112

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5. Financial instruments and capital disclosures *(Continued)*

Market risks *(Continued)*

Foreign currency risk management *(Continued)*

The directors considered that, as Hong Kong dollars is pegged to United States dollars, the Group is not subject to significant foreign currency risk from change

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截至二零零七年十二月三十一日止年度

5. Financial instruments and capital disclosures (Continued)

Market risks (Continued)

Price risk management

Equity securities

The Group is exposed to equity securities price risk through its available-for-sale investment (other than investment in distressed assets through establishment of a special purpose vehicle) and held-for-trading investments. For convertible note at fair value through profit or loss, in addition to fair value interest rate risk, the Group is also exposed to security price risk in respect of the conversion option embedded in the convertible note which allows the note holder to convert to the Company's ordinary shares. However, in the opinion of the directors, the impact on fair value of the embedded option due to change in Company's share price and share price volatility is not considered as significant, hence the price risk exposure in this regard is limited and has not been included in the sensitivity analysis below.

5. 金融工具及資本披露(續)

市場風險(續)

價格風險管理

股本證券

本集團於其可供出售投資(通過成立特殊目的載體投資不良資產除外)及持有作買賣投資的權益面臨股本證券價格風險。就於損益表按公平值處理之可換股票據而言,除公平值利率風險外,本集團亦面臨債券價格風險,此乃源於嵌入可換股票據的換股權利容許票據持有人轉換本公司普通股股份。然而,董事意見認為,因本公司股份價格變動及股份的波動性而對嵌入的換股權之公平值的影響並不顯著,故此價格風險就此而言僅屬有限並且不包括在下述之敏感度分析。

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5. Financial instruments and capital disclosures (Continued)

Market risks (Continued)

Price risk management (Continued)

Equity securities (Continued)

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date. If the prices of the respective equity instruments had been 10% higher/lower, assuming all other variables were held constant, the impact to the Group and the Company would be:.

5. 金融工具及資本披露(續)

市場風險(續)

價格風險管理(續)

股本證券(續)

下述的敏感度分析乃就於結算日之證券價格風險而釐定。倘若相關的證券工具之價格增加或減少10%，假設其他所有可變因素維持不變，對本集團及本公司的影響將會是：

	The Group 本集團		The Company 本公司	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Increase/decrease in profit for the year 增加/減少年度盈利	6,313	1,518	6,191	1,503
Increase/decrease in profit for the year 增加/減少年度盈利	16,027	N/A	N/A	N/A

10% change in equity price represents the directors' assessment of the reasonably possible change in equity price.

As at 31 December 2007 and 2006, the Group is exposed to concentration risk on the available-for-sale investment and held-for-trading investments as they comprise equity shares of several companies listed on the New York Stock Exchange and The Stock Exchange of Hong Kong Limited.

10% 敏感度率為董事判斷為股份價格可能出現的合理變動。

於二零零七年及二零零六年十二月三十一日，本集團就可供出售投資及持有作買賣投資而言，存在過度集中的風險。因該等投資乃為於紐約交易所及香港聯合交易所有限公司上市的若干公司之股份權益。

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5. Financial instruments and capital disclosures (Continued)

Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalent to fulfill the normal liquidity needs and to keep banking facilities available to the Group to prevent temporary liquidity shortfall. The directors monitor the utilisation of borrowings and ensures compliance with loan covenants.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

5. 金融工具及資本披露(續)

流動資金風險

為管理流動資金風險，本集團監察並維持一定水平的現金及現金等值結餘以滿足正常的資金需求及維持授予本集團的銀行授信額度以防止臨時性的資金短缺。董事監察貸款的使用情況並保障遵守貸款條款。

流動資金列表

下述列表詳列本集團金融負債之剩餘合同到期日。該列表是基於金融負債之折現現金流及基於本集團可被要求於最早日期還款的日期製作。列表包括利息及本金的現金流。

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5. Financial instruments and capital disclosures (Continued)

5. 金融工具及資本披露(續)

Liquidity risks (Continued)

流動資金風險(續)

Liquidity tables (Continued)

流動資金列表(續)

The Group

本集團

		Less than 6 months 少於 六個月 HK\$'000 千港元	6 months to 1 year 六個月 至一年 HK\$'000 千港元	1-2 years 一至兩年 HK\$'000 千港元	More than 2 years 超過兩年 HK\$'000 千港元	Total contractual un-discounted cash flow 未折現 之約定 現金流總額 HK\$'000 千港元	Carrying value 賬面值 HK\$'000 千港元
As at 31 December 2007	於二零零七年 十二月三十一日						
Trade payables	應付賬款	76,725	—	—	—	76,725	76,725
Other payables	其他應付款	89,493	41,506	—	—	130,999	128,628
Amounts due to associates	應付聯營公司款	162,002	—	—	—	162,002	162,002
Amount due to holding company of a shareholder	應付一名股東之 控股公司款項	96,676	—	—	—	96,676	96,676
Borrowings	借貸	26,144	217,031	1,397	4,006	248,578	237,878
Convertible note	可換股票據	3,071	3,071	415,643	—	421,785	382,736
		454,111	261,608	417,040	4,006	1,136,765	1,084,645
As at 31 December 2006	於二零零六年 十二月三十一日						
Trade payables	應付賬款	84,792	—	—	—	84,792	84,792
Other payables	其他應付款	161,548	38,808	—	—	200,356	198,140
Amounts due to associates	應付聯營公司款	352,146	—	—	—	352,146	352,146
Amount due to holding company of a shareholder	應付一名股東之 控股公司款項	58,072	—	—	—	58,072	58,072
Loan from a shareholder	股東借款	225,500	—	—	—	225,500	220,000
Borrowings	借貸	616,555	760	1,459	5,589	624,363	606,900
Convertible note	可換股票據	3,071	3,071	6,143	415,643	427,928	402,112
		1,501,684	42,639	7,602	421,232	1,973,157	1,922,162

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5. Financial instruments and capital disclosures (Continued)

5. 金融工具及資本披露(續)

Liquidity risk (Continued)

流動資金風險(續)

Liquidity tables (Continued)

流動資金列表(續)

The Company

本公司

		Less than 6 months 少於 六個月 HK\$'000 千港元	6 months to 1 year 六個月 至一年 HK\$'000 千港元	1-2 years 一至兩年 HK\$'000 千港元	More than 2 years 超過兩年 HK\$'000 千港元	Total contractual un-discounted cash flow 未折現 之約定 現金流總額 HK\$'000 千港元	Carrying value 賬面值 HK\$'000 千港元
As at 31 December 2007	於二零零七年 十二月三十一日						
Other payables	其他應付款	1,157	—	—	—	1,157	1,157
Amounts due to subsidiaries	應付附屬公司款	524,719	—	—	—	524,719	524,719
Borrowings	借貸	730	730	1,397	4,006	6,863	5,750
Convertible note	可換股票據	3,071	3,071	415,643	—	421,785	382,736
		529,677	3,801	417,040	4,006	954,524	914,362
As at 31 December 2006	於二零零六年 十二月三十一日						
Other payables	其他應付款	1,398	—	—	—	1,398	1,398
Amounts due to associates	應付聯營公司款	326,841	—	—	—	326,841	326,841
Amounts due to subsidiaries	應付附屬公司款	7,289	—	—	—	7,289	7,289
Loan from a shareholder	一名股東借款	225,500	—	—	—	225,500	220,000
Borrowings	借貸	760	760	1,459	5,589	8,568	6,900
Convertible note	可換股票據	3,071	3,071	6,143	415,643	427,928	402,112
		564,859	3,831	7,602	421,232	997,524	964,540

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5. Financial instruments and capital disclosures (Continued)

Credit risks

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at the balance sheet date in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group has significant concentration of credit risk in respect of the other receivables, especially for the amount due from buyer of the disposed subsidiaries of HK\$165,620,000; and consideration receivable from disposal of investment properties of HK\$89,519,000, amounts due from associates of HK\$781,802,000 and from jointly controlled entity of HK\$122,630,000. In order to minimise the credit risk, the directors of the Group reviews the recoverable amount of each individual trade debt and each major counterparties noted in other receivables, associates and jointly controlled entity balance throughout the year to ensure that adequate impairment losses are made for irrecoverable amounts as at the balance sheet date. In this regard, the directors of the Group considers that the Group's credit risk is significantly reduced.

The Group has a concentration of credit risk on liquid funds deposited with a few major banks, the credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

5. 金融工具及資本披露(續)

信貸風險

於結算日，就交易對手未能履行其責任而導致本集團已確認的各種金融資產需要面對之最大信貸風險，為該等資產於綜合資產負債表列載之賬面值。就其他應收款項而言，本集團面臨重大的信貸過度集中風險，尤其是應收該售出附屬公司買家的款項165,620,000港元；出售投資物業應收代價89,519,000港元；應收聯營公司款781,802,000港元及共同控制公司款122,630,000港元。為達至減低信貸風險，本集團之董事檢測各獨立的應收賬項、各聯營公司及共同控制公司於結算日之結餘的可回收金額以確保已就不可回收金額提撥足夠的減值虧損。故此，本集團董事認為，本集團之信貸風險已大幅減少。

本集團因資金存放於幾間主要銀行而存在信貸風險過度集中的風險，然而流動資金之信貸風險僅為有限，因為交易對手均為擁有由國際評級機構評定的高信貸評級的銀行。

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5. Financial instruments and capital disclosures (Continued)

Fair value

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

- The fair value of financial assets and financial liabilities (including derivative instruments) with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- the fair value of other financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. For an option-based derivative, the fair value is estimated using an appropriate option pricing model (for example, the binomial model).

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

5. 金融工具及資本披露(續)

公平價值

金融資產及金融負債之公平值的計量如下：

- 擁有標準條款及條件並且於一活躍及流動性強的市場買賣之金融資產及金融負債(包括衍生工具)之公平值是分別參考市場賣出及買入報價而釐定；及
- 其他金融資產及金融負債(包括衍生工具)是根據通行的計價模型以當時公開的市場交易之價格基於折現現金流分析之而釐定。至於以期權為基準的衍生工具，其公平值採用合適的期權計價模型(例如二項製模型)估算所得。

董事認為以攤銷成本法紀錄於財務報表的金融資產及金融負債之賬面值與它們之公平值相符。

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6. Revenue and segment information

6. 收入及分類資料

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Revenue is analysed as follows:	收入分析如下:		
Change in fair value of held-for-trading investments	持作買賣投資 公平值變動	(4,401)	215,233
Sales of properties	物業銷售	148,600	208,052
Property management fee income	物業管理費收入	105,226	97,942
Interest income from interest in distressed assets	不良資產權益利息收入	18,307	88,841
Income from investment in distressed assets through establishment of a special purpose vehicle	通過成立特殊目的載體投資 不良資產之收入	100,220	—
Rental income	租金收入	67,387	77,854
Dividend income from listed securities	上市證券股息收入	—	188
		435,339	688,110

(A) Business segments

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

(A) 業務分類

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

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6. Revenue and segment information (Continued)

6. 收入及分類資料(續)

(A) Business segments (Continued)

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

(A) 業務分類(續)

- (i) 本集團收入及業績按業務分類之分析如下：

		Year ended 31 December 2007					
		截至二零零七年十二月三十一日止					
		Distressed assets business	Investments	Sales of properties	Property leasing	Property management	Consolidated
		不良資產業務	投資	物業銷售	物業租賃	物業管理	綜合
		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
Revenue	收入	118,527	(4,401)	148,600	67,387	105,226	435,339
Results	業績						
Segment results	分類業績	69,942	131,147	4,654	(13,599)	(29,019)	163,125
Interest income	利息收入						99,253
Reversal of impairment loss of leasehold properties	租賃物業減值虧損撥回						8,121
Gain on convertible note classified as liabilities at fair value through profit or loss	於損益表按公平值處理歸類為負債之可換股票據收益						19,376
Unallocated corporate expenses	未予分配公司費用						(40,194)
Finance costs	財務費用						(39,121)
Gain on disposal of subsidiaries	出售附屬公司收益						48,499
Share of results of associates	攤佔聯營公司業績						48,786
Share of result of a jointly controlled entity	攤佔一間共同控制公司業績	(19,073)	-	-	-	-	(19,073)
Profit before taxation	除稅前溢利						288,772
Taxation	稅項						35,059
Profit for the year	年內溢利						323,831

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6. Revenue and segment information (Continued)

6. 收入及分類資料(續)

(A) Business segments (Continued)

(A) 業務分類(續)

(i) (Continued)

(i) (續)

		Year ended 31 December 2006 截至二零零六年十二月三十一日止					
		Distressed assets business 不良資產業務 HK\$'000 千港元	Investments 投資 HK\$'000 千港元	Sales of properties 物業銷售 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	收入	88,841	215,421	208,052	77,854	97,942	688,110
Results	業績						
Segment results	分類業績	93,688	225,784	43,671	132,098	2,858	498,099
Interest income	利息收入						72,989
Reversal of impairment loss of leasehold properties	租賃物業減值虧 損撥回						5,193
Gain on convertible note classified as liabilities at fair value through profit or loss	於損益表按公平值處 理歸類為負債之可 換股票據的收益						35,168
Unallocated corporate expenses	未予分配公司費用						(55,666)
Finance costs	財務費用						(53,505)
Gain on disposal of a subsidiary	出售一間附屬公司收益						2,550
Share of results of associates	攤佔聯營公司業績						73,492
Share of result of a jointly controlled entity	攤佔一間共同 控制公司業績	8,359	—	—	—	—	8,359
Discount on acquisition of additional equity interest in a subsidiary	收購一間附屬公司額外 股本權益的折讓						24,742
Profit before taxation	除稅前溢利						611,421
Taxation	稅項						(105,924)
Profit for the year	年內溢利						505,497

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6. Revenue and segment information (Continued)

6. 收入及分類資料(續)

(A) Business segments (Continued)

(A) 業務分類(續)

(ii) Other information

(ii) 其他資料

		Distressed assets business 不良資產業務 HK\$'000 千港元	Investments 投資 HK\$'000 千港元	Sales of properties 物業銷售 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	Corporate 企業 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Year ended 31 December 2007	截至二零零七年十二月 三十一日止年度							
Capital additions	資本添置							
– property, plant and equipment	– 物業、廠房及 設備	–	–	–	1,579	2,512	682	4,773
– investment properties	– 投資物業	–	–	–	3,928	–	–	3,928
Depreciation	折舊	–	–	147	3,502	1,543	2,617	7,809
Impairment loss on interest in distressed assets	不良資產權益減值 虧損	80,248	–	–	–	–	–	80,248
Impairment loss on goodwill	商譽減值虧損	–	–	–	–	26,524	–	26,524
Change in fair value of structured finance securities	結構性金融證券之公 平值變動	–	10,294	–	–	–	–	10,294
Gain on disposal of available-for-sale investments	出售可供銷售投資之 收益	–	(38,643)	–	–	–	–	(38,643)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備 產生之收益	–	–	–	(70)	–	–	(70)
Year ended 31 December 2006	截至二零零六年十二月 三十一日止年度							
Capital additions	資本添置							
– property, plant and equipment	– 物業、廠房及 設備	–	–	4	1,259	1,691	52	3,006
Depreciation	折舊	–	–	239	3,166	1,522	2,535	7,462
Change in fair value of structured finance securities	結構性金融證券之 公平值變動	–	(1,595)	–	–	–	–	(1,595)
Loss of disposal of property, plant and equipment	出售物業、廠房及設備 產生之虧損	–	–	–	70	8	122	200

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6. Revenue and segment information (Continued)

6. 收入及分類資料(續)

(A) Business segments (Continued)

(A) 業務分類(續)

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

(iii) 本集團綜合資產負債表按照主要經營活動劃分的分析如下：

		Distressed assets business	Investments	Sales of properties	Property leasing	Property management	Consolidated
		不良資產業務	投資	物業銷售	物業租賃	物業管理	綜合
		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
As at 31 December 2007	於二零零七年十二月三十一日						
Assets	資產						
Segment assets	分類資產	270,868	242,977	21,971	2,242,841	25,007	2,803,664
Interest in associates	聯營公司權益						1,110,780
Interest in a jointly controlled entity	共同控制公司權益						
Amount due from associates	應收聯營公司款項	13,587	—	—	—	—	13,587
Amount due from a jointly controlled entity	應收共同控制公司款						781,802
Unallocated corporate assets	未予分配公司資產	122,630	—	—	—	—	122,630
							1,548,646
Consolidated total assets	綜合總資產						6,381,109
Liabilities	負債						
Segment liabilities	分類負債	(96,676)	(19,403)	(863)	(89,997)	(145,557)	(352,496)
Amount due to associates	應付聯營公司款項						(162,002)
Taxation payable	應付稅項						(136,629)
Deferred tax liabilities	遞延稅項負債						(91,928)
Unallocated corporate liabilities	未予分配公司負債						(619,369)
Consolidated total liabilities	綜合總負債						(1,362,424)

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6. Revenue and segment information (Continued)

(A) Business segments (Continued)

(iii) (Continued)

		Distressed assets business	Investments	Sales of properties	Property leasing	Property management	Consolidated
		不良資產業務	投資	物業銷售	物業租賃	物業管理	綜合
		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
As at 31 December 2006	於二零零六年十二月三十一日						
Assets	資產						
Segment assets	分類資產	732,802	280,454	262,310	2,305,970	46,627	3,628,163
Interest in associates	聯營公司權益						1,330,123
Interest in a jointly controlled entity	共同控制公司權益	32,088	—	—	—	—	32,088
Amount due from associates	應收聯營公司款項						779,822
Amount due from a jointly controlled entity	應收一間共同控制公 司款	250,922	—	—	—	—	250,922
Unallocated corporate assets	未予分配公司 資產						847,402
							<u>847,402</u>

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6. Revenue and segment information (Continued)

6. 收入及分類資料(續)

(B) Geographical segments

(B) 地域分類

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

- (i) 本集團收入按照客戶的地域位置劃分的分析如下：

		Revenue 收入	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Hong Kong	香港	(9,050)	219,052
The PRC	中國	444,389	469,058
		435,339	688,110

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

- (ii) 按資產所在的地域位置劃分的分類資產賬面值分析如下：

		Segment assets 分類資產		Capital additions 資本添置	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Hong Kong	香港	242,977	765,413	681	80
The PRC	中國	2,560,687	2,862,750	8,020	2,926
		2,803,664	3,628,163	8,701	3,006

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7. Other income

7. 其他收入

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest income	利息收入		
— bank deposits	— 銀行存款	10,788	14,733
— structured finance securities	— 結構性金融證券	2,158	634
— others	— 其他	86,307	57,622
Commission income	佣金收入	2,467	12,059
Net foreign exchange gain	匯兌收益淨額	147,380	4,850
Gain on disposal of property, plant and equipment	出售物業、廠房及設備 之收益	70	—
Others	其他	332	604
		249,502	90,502

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8. Finance costs

8. 財務費用

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest on bank borrowings	銀行借款利息		
— wholly repayable within five years	— 須於五年內悉數償還	18,968	34,680
— not wholly repayable within five years	— 無須於五年內悉數償還	—	430
Interest on other loans wholly repayable within five years	須於五年內悉數償還的其他貸款利息	10,008	2,217
Interest on loan from a shareholder wholly repayable within five years	須於五年內悉數償還一名股東的貸款利息	3,906	1,410
Interest on convertible note classified as liabilities at fair value through profit or loss	於損益表按公平值處理歸類為負債之可換股票據利息	6,239	6,228
Effective interest expense on convertible note converted/ redeemed in 2006	於二零零六年轉換/贖回之可換股票據實際利息支出	—	8,540
		39,121	53,505

9. Discount on acquisition of additional equity interest in a subsidiary

9. 收購一間附屬公司額外股本權益的折讓

The amount represented discount on acquisition of 4.11% equity interest in Beijing East Gate Development Co., Ltd. ("Beijing East Gate"), a subsidiary of the Company, from the minority shareholders of this subsidiary at a consideration of approximately RMB26,559,000 equivalent to approximately HK\$25,709,000 during the year ended 31 December 2006. Since then, Beijing East Gate became a wholly-owned subsidiary of the Company.

有關金額為於截至二零零六年十二月三十一日年度向北京東環置業有限公司(「北京東環」), 本公司的附屬公司的少數股東收購該附屬公司4.11%股本權益之折讓, 代價約為人民幣26,559,000元, 相等於約25,709,000港元。自此, 北京東環成為本公司的全資附屬公司。

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10. Directors' remuneration

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

10. 董事酬金

已付或須賦予各董事的酬金如下：

Name of director	董事姓名	2007 二零零七年				Total 總額	2006 二零零六年 Total 總額
		Fees 袍金	Salaries and other benefits 薪金及 其他福利	MPF contribution 強積金 供款	Performance bonus (Note 2) 表現花紅 (附註2)		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Chen Xiaozhou	陳孝周	500	—	—	—	500	400
Hui Xiao Bing	惠小兵	500	—	—	—	500	400
Gao Jian Min	高建民	500	2,466	12	1,000	3,978	5,469
			(Note 1) (附註1)				
Liu Tianni	劉天倪	400	—	—	—	400	3,678
Gu Jianguo	顧建國	400	—	—	—	400	300
Chen Yongcun	陳永存	400	—	—	—	400	300
Yuen Wing Shing	袁永誠	300	—	—	—	300	200
Chow Kwok Wai	周國偉	400	1,030	12	1,000	2,442	2,748
Kang Dian	康典	400	—	—	—	400	300
Zhang Lu	張璐	400	—	—	—	400	300
Hung Muk Ming	洪木明	300	—	—	—	300	200
Total	總額	4,500	3,496	24	2,000	10,020	14,259

Notes:

- The amount includes the estimated value of quarter provided amounting to HK\$779,000 (2006: HK\$723,000).
- The performance related incentive payments are determined having regard to the performance of individuals and market trends.

附註：

- 金額包括提供宿舍的估計價值779,000港元(二零零六年：723,000港元)。
- 按表現發放之花紅乃經參考個人表現及市場趨勢後釐定。

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11. Employees' remuneration

The five highest paid individuals of the Group included two (2006: three) directors, details of whose emoluments are set out in note 10 above. The emoluments of the remaining three (2006: two) individuals are as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	4,004	1,820
Performance related incentive payments	按表現發放之獎金	2,340	2,700
Retirement benefits costs	退休福利成本	33	24
		6,377	4,544

Their emoluments are within the following bands:

彼等的酬金介乎下列區間：

		Number of employees 僱員人數	
		2007 二零零七年	2006 二零零六年
HK\$500,001 to HK\$1,000,000	500,001港元至1,000,000港元	1	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	—
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	—	2
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	—
		3	2

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12. Taxation

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Tax (credit) charge comprises:		
Hong Kong Profits Tax:		
— current year		

稅項(收入)支出包括:
香港利得稅:
— 本年度

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12. Taxation (Continued)

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

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% for certain subsidiaries from 1 January 2008. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

12. 稅項(續)

年內之中國企業所得稅乃本集團於中國之附屬公司以估計的應課稅溢利按適用的所得稅法例計算所得之稅項支出。

於二零零七年三月十六日，中國政府推行中華人民共和國企業所得稅稅法(「新稅法」)第63號。於二零零七年十二月六日，中國國務院發出新稅法的執行法規。新稅法及執行法規改變了若干附屬公司適用的稅率，由33%減少至25%，二零零八年一月一日起生效。遞延稅結餘因此作出調整以反映預期於相關期間變現資產或支付負債適用的稅率。

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12. Taxation (Continued)

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

12. 稅項(續)

年內稅項(回撥)支出可與綜合收益表中

除稅前溢利對賬如下： 主 藁蛋彌趨鳩譚譚鞫稷蓮殞祛慶

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit before taxation	除稅前溢利	288,772	611,421
Taxation at the Hong Kong Profits Tax rate of 17.5%	按香港利得稅稅率 17.5%計算之稅項	50,535	106,999
Tax effect of expense not deductible for tax purpose	就稅務用途不得扣減開 支的稅務影響	14,324	5,295
Tax effect of income not taxable for tax purpose	就稅務用途無須課稅的 稅務影響	(62,295)	(18,205)
Tax effect of share of results of associates	攤佔聯營公司業績的稅 務影響	(8,537)	(12,861)
Tax effect of share of result of a jointly controlled entity	攤佔一間共同控制公司 業績的稅務影響	3,338	(1,463)
Tax effect of tax losses not recognised	未確認稅項虧損的 稅務影響	6,032	1,837
Tax effect of tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營的 附屬公司不同稅率的 稅務影響	13,978	40,042
Tax effect of utilisation of tax loss previously not recognised	扣除以往未確認的稅務 虧損的稅務影響	(18)	(16,207)
Decrease in opening deferred tax liability resulting from decrease in applicable tax rate	適用稅率減少引致的承 前遞延稅項負債減少	(31,628)	—
Income tax exemption (Note)	所得稅豁免(附註)	(20,768)	—
Overprovision in prior years	以往年度超額提撥	(20)	—
Others	其他	—	487
Tax (credit) charge for the year	年內稅項(收益)支出	(35,059)	105,924

Note: Pursuant to the relevant laws and regulations in the PRC, profit from investments in distressed assets through establishment of a special purpose vehicle is not subject to PRC Enterprise Income Tax.

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13. Profit for the year

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	2,119	2,800
Depreciation	7,809	7,462
Repairs and maintenance fund expensed relating to the Group's investment properties in the PRC (Note 28)		

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14. Earnings per share

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

14. 每股盈利

本公司普通股股本持有人應佔的每股基本及攤薄盈利乃根據下列數據計算所得：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Earnings:	盈利：		
Earnings for the purpose of basic earnings per share (profit for the year attributable to equity holders of the Company)	用以計算每股基本盈利之盈利(本公司股本持有人應佔年內溢利)	322,869	494,757
Effect of dilutive potential shares in respect of convertible notes:	有關可換股票據的潛在攤薄股份之影響：		
— gain on convertible note classified as liabilities at fair value through profit or loss	— 於損益表按公平值處理歸類為負債之可換股票據之收益	(19,376)	(35,168)
— finance costs	— 財務費用	6,239	14,768
— deferred tax	— 遞延稅項	—	(977)
Earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利之盈利	309,732	473,380

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14. Earnings per share (Continued)

14. 每股盈利(續)

		Number of shares 股份數目	
		2007 二零零七年 In thousand 千股	2006 二零零六年 In thousand 千股
Number of shares:	股份數目:		
Weighted average number of shares for the purpose of basic earnings per share	用以計算每股基本盈利之加權平均股份數目	1,820,710	1,781,003
Effect of dilutive potential ordinary shares from	潛在攤薄普通股之影響:		
— convertible notes	— 可換股票據	138,814	249,772
— share options	— 購股權	—	11,856
Weighted average number of shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利之加權平均股份數目	1,959,524	2,042,631

15. Dividend

15. 股息

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Dividend recognised as distribution during the year:	年內確認分派的股息:		
2006 final dividend of HK\$0.07 (2006: 2005 final dividend of HK\$0.06) per share	二零零六年末期股息, 每股0.07港元(二零零六年: 二零零五年末期股息每股0.06港元)	127,450	108,403

The final dividend of HK\$0.08 (2006: HK\$0.07) per share and amounting to HK\$145,657,000 (2006: HK\$127,450,000) has been proposed by the directors and is subject to approval by the shareholders in general meeting.

董事已建議派付末期股息每股0.08港元(二零零六年: 0.07港元), 股息總額為145,657,000港元(二零零六年: 127,450,000港元), 惟須經股東於股東大會上批准。

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16. Investment properties

16. 投資物業

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Fair Value	公平值				
At the beginning of the year	於年初	2,284,089	2,105,385	86,236	93,047
Exchange adjustment	匯兌調整	139,889	91,467	—	—
Additions	增加	3,928	—	—	—
Transfer to property, plant and equipment	劃轉至物業、廠房及設備	—	(2,690)	—	—
Disposals	出售	(257,436)	—	(69,196)	—
(Decrease) increase in fair value recognised in the consolidated income statement	已於綜合收益表確認之公平值(減少)增加	(44,254)	89,927	(295)	(6,811)
At the end of the year	於年末	2,126,216	2,284,089	16,745	86,236
Analysed for reporting purpose as:	就呈報目的分析為：				
Non-current assets	非流動資產	2,126,216	2,195,909	16,745	15,656
Current assets	流動資產				
Assets classified as held-for-sale (Note 37)	列作持作銷售資產(附註37)	—	88,180	—	70,580
		2,126,216	2,284,089	16,745	86,236

At 31 December 2007, the legal titles of the Group's and the Company's investment properties at carrying value of approximately HK\$16,745,000 (2006: HK\$183,656,000; Company: HK\$15,656,000) situated in the PRC have not been passed to the Group.

於二零零七年十二月三十一日，本集團及本公司位於中國賬面值約為16,745,000港元(二零零六年：183,656,000港元；公司：15,656,000港元)的投資物業之業權仍未過戶至本集團。

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16. Investment properties (Continued)

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

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16. Investment properties (Continued)

The fair value of the investment properties of the Group and the Company at 31 December 2007 have been arrived at on the basis of a valuation carried out on that date by Vigers Appraisal & Consulting Limited ("Vigers"), independent qualified professional valuers not connected with the Group. Vigers are members of the Institute of Valuers and have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation of investment properties with carrying value of HK\$89,852,000 (2006: HK\$255,909,000) was arrived at using direct comparison method by reference to sales evidence as available on the market where appropriate and the valuation of investment properties with carrying value of HK\$2,036,364,000 (2006: HK\$1,940,000,000) was carried out on the basis of capitalisation of rental income derived from the tenancies and made allowance for reversionary income potential of the properties.

As at 31 December 2006, certain investment properties of the Group and the Company with fair values of approximately HK\$88,180,000 and HK\$70,580,000 respectively where the fair values were determined by reference to the selling price as stated in the provisional sales and purchase agreement entered into with a third party in November 2006. Accordingly, they were classified as assets classified as held-for-sale as at 31 December 2006. These properties were disposed of in January 2007.

All the Group's and the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

16. 投資物業(續)

本集團及本公司投資物業於二零零七年十二月三十一日之公平值乃基於威格斯資產評估顧問有限公司(「威格斯」)為與本集團並無關連的獨立合資格專業估值師就該日的價值進行評估所得。威格斯是估值師學會成員，並擁有適當資格及於近期對相關地點之類似物業進行估值的經驗。投資物業賬面值為89,852,000港元(二零零六年：255,909,000港元)之評估乃使用直接比較法經參照合適的市場可取得的買賣證據以及投資物業賬面值為2,036,364,000港元(二零零六年：1,940,000,000港元)之評估乃基於資本化從租務合同收取的租金以及計入該物業的潛在可繼承收入後而釐定。

於二零零六年十二月三十一日，若干公平值分別約為88,180,000港元及70,580,000港元之本集團及本公司投資物業，其公平值是參照於二零零六年十一月與第三方達成的臨時買賣協議所訂的賣出價而釐訂除外。因此，該等物業於二零零六年十二月三十一日被分類成歸類為持有作出售資產。該物業已於二零零七年一月售出。

所有本集團及本公司以營運租約方式持有作收租或資本增值用途的物業權益均以公平值模式計量，並分類及列賬為投資物業。

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17. Property, plant and equipment

17. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓房 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture and fixtures 傢俬及設備 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
The Group	本集團						
COST OR VALUATION	成本值或估值						
At 1 January 2006	於二零零六年一月一日	108,479	4,769	4,956	8,807	14,306	141,317
Exchange adjustments	匯兌調整	—	—	143	400	531	1,074
Additions	添置	—	—	442	922	1,642	3,006
Transfer from investment properties	由投資物業劃轉	2,690	—	—	—	—	2,690
Disposals	出售	—	—	(156)	(399)	(1,972)	(2,527)
Revaluation	重估	8,315	—	—	—	—	8,315
At 31 December 2006	於二零零六年十二月三十一日	119,484	4,769	5,385	9,730	14,507	153,875
Exchange adjustments	匯兌調整	198	—	224	609	795	1,826
Additions	添置	—	—	2,046	1,760	967	4,773
Acquisition on deemed acquisition of subsidiaries (Note 50)	收購自視同收購附屬公司 (附註50)	—	—	22	85	1,512	1,619
Reclassified as asset held-for-sale (Note 37)	重列為列作持作出售之資產 (附註37)	(5,000)	—	—	—	—	(5,000)
Disposals	出售	—	—	(11)	(722)	(800)	(1,533)
Disposal of subsidiaries	出售附屬公司	—	—	—	(214)	(1,228)	(1,442)
Revaluation	重估	26,118	—	—	—	—	26,118
At 31 December 2007	於二零零七年十二月三十一日	140,800	4,769	7,666	11,248	15,753	180,236
Comprising:	包括:						
At cost	按成本值	—	4,769	7,666	11,248	15,753	39,436
At professional valuation – 2007	按二零零七年之專業估值	140,800	—	—	—	—	140,800
		140,800	4,769	7,666	11,248	15,753	180,236
DEPRECIATION	折舊						
At 1 January 2006	於二零零六年一月一日	—	3,345	3,854	5,577	6,201	18,977
Exchange adjustments	匯兌調整	—	—	90	246	212	548
Provided for the year	年度準備	3,611	575	409	1,274	1,593	7,462
Eliminated on disposals	出售時撤銷	—	—	(111)	(300)	(1,702)	(2,113)
Eliminated on revaluation	重估時撤銷	(3,611)	—	—	—	—	(3,611)
At 31 December 2006	於二零零六年十二月三十一日	—	3,920	4,242	6,797	6,304	21,263
Exchange adjustments	匯兌調整	—	—	147	417	344	908
Provided for the year	年度準備	4,010	532	339	1,069	1,859	7,809
Eliminated on disposals	出售時撤銷	—	—	(7)	(636)	(707)	(1,350)
Eliminated on disposals of subsidiaries	出售附屬公司時撤銷	—	—	—	(190)	(540)	(730)
Eliminated on revaluation	重估時撤銷	(4,010)	—	—	—	—	(4,010)
At 31 December 2007	於二零零七年十二月三十一日	—	4,452	4,721	7,457	7,260	23,890
CARRYING VALUES	賬面淨值						
At 31 December 2007	於二零零七年十二月三十一日	140,800	317	2,945	3,791	8,493	156,346
At 31 December 2006	於二零零六年十二月三十一日	119,484	849	1,143	2,933	8,203	132,612

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17. Property, plant and equipment (Continued)

17. 物業、廠房及設備(續)

		Leasehold land and buildings 租賃土地 及樓房 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture and fixtures 傢俬及設備 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
The Company	本集團						
COST OR VALUATION	成本值或估值						
At 1 January 2006	於二零零六年一月一日	50,024	3,988	2,121	699	3,681	60,513
Additions	添置	—	—	—	52	—	52
Disposals	出售	—	—	—	—	(1,179)	(1,179)
Revaluation	重估	4,920	—	—	—	—	4,920
At 31 December 2006	於二零零六年十二月三十一日	54,944	3,988	2,121	751	2,502	64,306
Additions	添置	—	—	—	160	521	681
Revaluation	重估	12,339	—	—	—	—	12,339
At 31 December 2007	於二零零七年十二月三十一日	67,283	3,988	2,121	911	3,023	77,326
Comprising:	包括:						
At cost	按成本值	—	3,988	2,121	911	3,023	10,043
At professional valuation – 2007	按二零零七年之專業估值	67,283	—	—	—	—	67,283
		67,283	3,988	2,121	911	3,023	77,326
DEPRECIATION	折舊						
At 1 January 2006	於二零零六年一月一日	—	2,777	2,049	553	1,966	7,345
Provided for the year	年度準備	1,722	454	72	47	239	2,534
Eliminated on disposal	出售時撇銷	—	—	—	—	(1,041)	(1,041)
Eliminated on revaluation	重估時撇銷	(1,722)	—	—	—	—	(1,722)
At 31 December 2006	於二零零六年十二月三十一日	—	3,231	2,121	600	1,164	7,116
Provided for the year	年度準備	1,890	454	—	64	209	2,617
Eliminated on revaluation	重估時撇銷	(1,890)	—	—	—	—	(1,890)
At 31 December 2007	於二零零七年十二月三十一日	—	3,685	2,121	664	1,373	7,843
CARRYING VALUES	賬面淨值						
At 31 December 2007	於二零零七年十二月三十一日	67,283	303	—	247	1,650	69,483
At 31 December 2006	於二零零六年十二月三十一日	54,944	757	—	151	1,338	57,190

At 31 December 2007, the legal titles of the Group's and the Company's properties with carrying value of approximately HK\$23,683,000 (2006: HK\$22,144,000) situated in the PRC have not been passed to the Group and the Company.

於二零零七年十二月三十一日，本集團及本公司位於中國賬面值約為23,683,000港元(二零零六年：22,144,000港元)的物業之業權仍未過戶至本集團及本公司。

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17. Property, plant and equipment (Continued)

17. 物業、廠房及設備(續)

The carrying value of the leasehold properties comprises:

租賃物業之賬面值包括：

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Long term leasehold properties situated in Hong Kong	在香港的長期租賃物業	106,400	88,050	43,600	32,800
Properties under long term land use rights situated in the PRC	在中國以長期土地使用權持有的物業	—	240	—	—
Properties under medium term land use rights situated in the PRC	在中國以中期土地使用權持有的物業	34,400	31,194	23,683	22,144
		140,800	119,484	67,283	54,944

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17. Property, plant and equipment (Continued)

The directors determined the fair value of certain leasehold land and buildings of the Group amounting

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17. Property, plant and equipment (Continued)

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

17. 物業、廠房及設備(續)

倘租賃物業未予重估，則該等物業會以歷史成本基準列賬如下：

		The Group	The Company
		本集團	本公司
		HK\$'000	HK\$'000
		千港元	千港元
COST	成本	109,646	38,848
Accumulated depreciation and impairment losses	累計折舊及減值虧損	(49,861)	(8,081)
Carrying value at 31 December 2007	於二零零七年十二月三十一日賬面值	59,785	30,767
Carrying value at 31 December 2006	於二零零六年十二月三十一日賬面值	62,961	31,933

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18. Goodwill

18. 商譽

		The Group 本集團 HK\$'000 千港元
COST	成本	
At 1 January 2006, 31 December 2006 and 2007	於二零零六年一月一日, 二零零六年及 二零零七年十二月三十一日	33,525
IMPAIRMENT	減值	
At 1 January 2006 and 31 December 2006	於二零零六年一月一日及二零零六年十二 月三十一日	—
Impairment loss recognised in the year	年內確認減值虧損	26,524
At 31 December 2007	於二零零七年十二月三十一日	26,524
CARRYING VALUE	賬面值	
At 31 December 2007	於二零零七年十二月三十一日	7,001
At 31 December 2006	於二零零六年十二月三十一日	33,525

The directors of the Company considered that the subsidiary acquired represents a separate cash generating unit ("CGU") for the purpose of goodwill impairment testing. The carrying values of goodwill as at 31 December 2007 allocated to the below CGU:

就商譽減值檢測目的而言, 本公司董事認為該收購所得的附屬公司代表一個獨立的現金產生單位(「現金產生單位」)。於二零零七年十二月三十一日分配至該現金產生單位之賬面值為:

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Property management ("Unit A")	物業管理(「單位A」)	7,001	33,525

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18. Goodwill (Continued)

The basis of the recoverable amounts of Unit A and the major underlying assumptions are summarised below:

Unit A

The recoverable amount of Unit A has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period based on estimated growth rate of 3% (2006: 5%) with a discount rate of 5.75% (2006: 7.75%). Cash flows for further five years are extrapolates at zero growth rate. Another key assumption for the value in use calculations is the budgeted revenue and gross margin, which is determined based on the unit's past performance and management's expectations for the market development. During the year, the management expected that the property market would be less prosperous in the following periods, and the

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19. Investment in subsidiaries

19. 附屬公司投資

		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份, 按成本值	56,011	56,011

Particulars of the Company's subsidiaries at 31 December 2007 are set out in note 60.

本公司附屬公司於二零零七年十二月三十一日之詳情載列於附註60。

20. Interest in associates

20. 聯營公司權益

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cost of investments in associates – unlisted	聯營公司權益成本值 — 非上市	606,654	899,323	20,000	339,202
Share of post acquisition profits, reserves and net of dividend received	攤佔收購後盈利、儲備及扣除已收股息	504,126	430,800	—	—
		1,110,780	1,330,123	20,000	339,202

Particulars of the associates of the Group and the Company as at 31 December 2007 are set out in note 60.

本公司聯營公司於二零零七年十二月三十一日之詳情載列於附註60。

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20. Interest in associates (Continued)

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

Nonferrous Metals

CII Limited
中基投資有限公司

Item	Value
1	[Redacted]
2	[Redacted]
3	[Redacted]
4	[Redacted]

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21. Interest in a jointly controlled entity

21. 於一間共同控制公司權益

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cost of unlisted investment in a jointly controlled entity	於共同控制公司 非上市投資成本	23,729	23,729	26,318	26,318
Share of post-acquisition (loss) profit and reserves	攤佔收購後(虧損) 盈利及儲備	(10,142)	8,359	—	—
Impairment loss recognised	已確認減值虧損	—	—	(12,731)	—
		13,587	32,088	13,587	26,318

Particulars of the jointly controlled entity as at 31 December 2007 are set out in note 60.

共同控制公司於二零零七年十二月三十一日之詳情載列於附註60。

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21. Interest in a jointly controlled entity

(Continued)

The summarised financial information in respect of the jointly controlled entity which is accounted for using the equity method in the Company's consolidated financial statements is set out below:

21. 共同控制公司權益(續)

有關於本公司綜合財務報表以權益法合併的該共同控制公司之財務摘要載列如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Balance sheet	資產負債表		
Non-current assets	非流動資產	—	438,469
Current assets	流動資產	286,322	152,569
Current liabilities	流動負債	(258,692)	(521,930)
Non-current liabilities	非流動資產	(456)	(4,932)
Equity attributable to equity holders of a jointly controlled entity	共同控制公司股本持有人應佔股本	27,174	64,176
Group's share of net assets of a jointly controlled entity	本集團攤佔一家共同控制公司淨資產	13,587	32,088
Income statement	收益表		
Revenue	收入	37,338	50,240
Expenses	費用	(79,492)	(28,590)
Tax credit (charge)	稅項回撥(支出)	4,009	(4,932)
(Loss) profit for the year attributable to equity holders of a jointly controlled entity	共同控制公司股本持有人應佔年內(虧損)溢利	(38,145)	16,718
(Loss) profit for the year attributable to the Group	本集團應佔年內(虧損)溢利	(19,073)	8,359

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22. Amounts due from subsidiaries

22. 應收附屬公司款

		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-interest bearing amount	毋須計息金額	2,786,246	2,217,834
Amount bearing interest at prevailing Hong Kong prime lending rate minus 1.5%	按香港當前最優惠利率 減 1.5% 計息金額	128,374	—
Amount bearing interest at prevailing Hong Kong prime lending rate	按香港當前最優惠利率 計息金額	43,927	43,927
		2,958,547	2,261,761

The amounts are unsecured and have no fixed term of repayment.

金額為無抵押及不設概定還款期。

23. Amounts due from associates

23. 應收聯營公司款

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current (Note a)	即期(附註a)	694,802	298,018	—	—
Current (Note b)	即期(附註b)	87,000	143,430	87,000	142,591
Current (Note c)	即期(附註c)	—	128,374	—	128,374
		781,802	569,822	87,000	270,965
Non-current (Note d)	非即期(附註d)	—	210,000	—	—
		781,802	779,822	87,000	270,965

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23. Amounts due from associates (Continued)

Notes:

- (a) The amount is unsecured, bears interest ranging from 7.2% to 15.58% (2006: 12.5% to 15.58%) per annum and have no fixed term of repayment.
- (b) The amount is unsecured, interest-free and have no fixed term of repayment.
- (c) The amount is unsecured, bears interest at prime rate minus 1.5% (average rate of 6.25%) per annum and have no fixed term of repayment.
- (d) The non-current loans to an associate are unsecured, bear interest ranging from 9.79% to 12.5% per annum and are repayable in 2008, therefore, the balance was reclassified as current asset as at 31 December 2007.

24. Amount due from a jointly controlled entity

The Group and the Company

The amount is unsecured, bears interest at 4% (2006: 4%) per annum and have no fixed term of repayment.

23. 應收聯營公司款項(續)

附註：

- (a) 該金額為無抵押、以介乎7.2%至15.58%(二零零六年：12.5%至15.58%)年利率計息及不設概定還款期。
- (b) 該金額為無抵押、免息及不設概定還款期。
- (c) 該金額為無抵押、以優惠利率減1.5%的浮動年利率計息(平均利率6.25%)及不設概定還款期。
- (d) 聯營公司非即期貸款為無抵押、以介乎9.79%至12.5%年利率計息及需於二零零八年償還。因此於二零零七年十二月三十一日被重新界定為流動資產。

24. 應收一間共同控制公司款

本集團及本公司

該金額為無抵押、以4%(二零零六年：4%)年利率計息及不設概定還款期。

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25. Structured finance securities

The Group and the Company

The structured finance securities represent a security with interest payments based on United States Treasury bond and distribution from preference shares in a private company which invests in a portfolio of asset-backed securities. The structured finance securities contain an embedded early redemption option and the distribution from the private company is dependent on the annual default rate of its underlying asset-backed securities. The structured finance securities contain embedded derivatives which are not closely related to the host contracts, as such, the Group designated the entire structured finance securities as financial assets at fair value through profit or loss.

At the balance sheet date, the fair value of the structured finance securities are determined by the directors with reference to a quoted price from the counterparty. This quoted price was determined by estimating the value of a comparable new issue of the similar structured finance securities under the market situation as at 31 December 2007. The major assumptions adopted for the valuation of the structured finance securities are as follows:

- (1) The estimation of risk free rate by reference to the yield of United States Treasury Bond with same duration as the structured finance securities; and
- (2) The estimation of the default rate of the underlying asset-backed securities by reference to the historical default rate of asset-backed securities with similar characteristics.

25. 結構性金融證券

本集團及本公司

結構性金融證券指證券，其利息款項乃根據美國國庫債券及來自一家私人公司優先股份之分派計算，該私人公司投資於一組資產擔保證券。由於結構性金融證券嵌入提早贖回權並且來自該私人公司之分派取決於其相關資產擔保證券之年違約率。該結構性金融證券含有與主體合同並無密切關係的嵌入衍生工具，本集團將整份結構性金融證券指定為於損益表按公平值處理的金融資產。

於結算日，結構性金融證券的公平值乃由董事參照一名交易對手的報價而釐定。該報價乃通過估計於二零零七年十二月三十一日的市場狀況下可供比較的類似的結構性金融證券之價值得出。並對結構性金融證券的估值採用以下主要假設而釐定：

- (1) 參照與結構性金融證券相同年期之美國國庫債券之收益率估算無風險年利率；及
- (2) 有關資產擔保證券之年違約率乃參照具有類似特性之資產擔保證券之過往年違約率作出估算。

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26. Available-for-sale investments

Available-for-sale investments as at the balance sheet date comprise:

26. 可供出售投資

可供出售投資於資產負債表日之組合為：

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Listed equity securities, at fair value (Note a)	上市股本證券，按公平值(附註a)	160,267	—	—	—
PRC government bonds, at quoted price	中國政府債券，按報價	5,348	500	—	—
Unlisted investments (Note b):	非上市投資(附註b):				
Unlisted equity securities, at cost	非上市股份，按成本	2,070	240,223	2,070	2,070
Club debentures, at cost	會所債券，按成本	2,140	2,140	2,140	2,140
		169,825	242,863	4,210	4,210
Less: impairment loss recognised	減：已確認減值虧損	(2,070)	(2,070)	(2,070)	(2,070)
Total	合計	167,755	240,793	2,140	2,140
Analysed for reporting purposes as:	就呈報目的分析為：				
Current assets	流動資產	—	141,718	—	—
Non-current assets	非流動資產	167,755	99,075	2,140	2,140
		167,755	240,793	2,140	2,140

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26. Available-for-sale investments (Continued)

Notes:

- (a) At 31 December 2006, the Group's investment in 10,844,000 ordinary shares of Tongjitang Chinese Medicines Company ("Tongjitang") with carrying value of HK\$96,435,000 was included in unlisted equity securities, which was measured at cost less impairment as the directors were of the opinion that the fair value could not be measured reliably. On 16

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27. Deposit paid for establishment of an associate

On 17 December 2007, the Group entered into an agreement with three indirect wholly owned subsidiaries of China Cinda Asset Management Corporation (all together namely "Cinda Companies"). Pursuant to this agreement, the Group and Cinda Companies will establish a company in the PRC for the purpose of engaging in the business of property development and operation, property management and consultation in the PRC. The formation of this associate is subject to independent shareholders' approval subsequent to the balance sheet date.

The registered capital is RMB1,000 million (equivalent to HK\$1,060 million) and total expected investment amount of this new Company is RMB3,050 million (equivalent to HK\$3,233 million) respectively. Other than the registered capital, the remaining amount would be satisfied by further contribution from investors as well as funding raised from financial institutions. The Group will own 30% equity interest in this new company. As at 31 December 2007, the Group contributed approximately HK\$64,171,000 to this associate for capital verification purpose. The commitment of the transaction was disclosed in note 53.

28. Other asset

The Group

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

27. 已付成立聯營公司之按金

於二零零七年十二月十七日，本集團與中國信達資產管理公司之三間間接全資附屬公司(全部統稱「信達公司」)訂立一項協議。根據該協議，本集團與信達公司於中國組成一間公司，其目的為於中國從事物業發展及經營、物業管理及諮詢業務。成立該聯營公司須於結算日後取得獨立股東批准。

新公司之註冊資本為人民幣1,000,000,000元(相當於1,060,000,000港元)及其預算總投資額為人民幣3,050,000,000元(相當於3,233,000,000港元)。除註冊資本外，餘下金額將會由投資方及向金融機構融資借入。本集團將佔該新公司30%股份權益。於二零零七年十二月三十一日，本集團已向該聯營公司投入64,171,000港元投作為驗資用途。此交易的承擔載列於附註53。

28. 其他資產

本集團

其他資產是維修及保養基金之一次整筆付款，為本集團於中國其中一項投資物業作公用地方之將來維修及保養用途。有關款項依據估計可用年限分十年攤銷。

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29. Stock of properties

The Group

The cost of properties recognised as an expense during the year was HK\$108,104,000 (2006: HK\$155,468,000).

29. 物業存貨

本集團

年內確認為支出的物業成本為108,104,000港元(二零零六年: 155,468,000港元)。

30. Interest in distressed assets

30. 不良資產權益

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At the beginning of the year	於年初	199,931	551,982
Interest income recognised	已確認的利息收入	18,307	88,841
Management fee accrued (defined below)	預提管理費(定義見下文)	24,126	56,041
Incentive bonus accrued (defined below)	預提超收分成(定義見下文)	92,487	—
Impairment loss	減值虧損	(80,248)	—
Cash collected or received from the distressed assets	從不良資產收回或收到的現金	(254,603)	(496,933)
At the end of the year	於年末	—	199,931

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30. Interest in distressed assets (Continued)

Distressed assets represented non-performing loans (the "NPL") purchased by Silver Grant International Assets Management Limited ("SGIAM"), a wholly-owned subsidiary of the Company, from China Cinda, a holding company of a shareholder of the Company, pursuant to an agreement dated 17 September 2004 entered into by both parties at consideration of approximately RMB853,500,000 (equivalent to approximately HK\$803,600,000). The aggregate outstanding principal amount (the "gross amount") of the NPL is RMB56,900,000,000 (equivalent to approximately HK\$53,600,000,000). On 10 December 2004, SGIAM entered into an agreement to dispose of 20% interest in the NPL to Citigroup Financial Products Inc..

SGIAM entered into an agreement (the "NPL Management Agreement") to appoint China Cinda to manage the NPL. China Cinda was entitled to a management fee equal to 10% of the gross amount recovered from the NPL. In the event that more than 2% of the gross amount was recovered from the NPL, China Cinda, in addition to the management fee, would be entitled to an incentive bonus which equalised to a certain percentage from 20% to 70% of the recovered amount in excess of the 2% of the gross amount.

China Cinda remitted the gross amount of cash collected or received from the distressed assets to SGIAM before the deduction of its management fee. During the year, management fee of approximately HK\$24,126,000 (2006: HK\$56,041,000) and incentive bonus of HK\$92,487,000 (2006: nil) respectively were accrued. The unpaid management fee and incentive bonus are included in amount due to holding company of a shareholder as set out in note 47.

30. 不良資產權益(續)

不良資產指銀建國際資產管理有限公司(「銀建資產管理」)從中國信達根據雙方於二零零四年九月十七日簽訂的一項協議之條款以約人民幣853,500,000元(相當於約803,600,000港元)代價購入的不履約貸款(「不履約貸款」)(「不履約貸款收購協議」)。不履約貸款之未償還本金總額(「總額」)為人民幣56,900,000,000元(相等於約53,600,000,000港元)。於二零零四年十二月十日,銀建資產管理簽訂一項協議出售不履約貸款之20%權益予 Citigroup Financial Products Inc.。

銀建資產管理簽訂一項協議(「不履行貸款管理協議」)委任中國信達管理不履約貸款。中國信達可獲取相等於從不履約貸款收回之10%總額之管理費。倘從不履約貸款收回超過2%總額,則中國信達除獲取管理費外,將可獲取獎勵花紅(相等於超出之總額)已收回款額若干百分比(20%至70%)。

中國信達把未扣除其管理費的不良資產回收現金毛額劃付銀建資產管理。年內數額分別為約24,126,000港元(二零零六年:56,041,000港元)之管理費及超收分成92,487,000港元(二零零六年:無)已予預提。未予支付之管理費及超收分成之詳情載列附註47。

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30. Interest in distressed assets (Continued)

The distressed assets were denominated in RMB, the functional currency of the group entity which held the investment, and the effective interest rate was approximately 20.9% per annum.

During the year, the Group did not renew the NPL Management Agreement with China Cinda. Upon the expiry of the NPL Management Agreement, the aggregate unrecovered principal amount of the NPL Management Agreement was approximately RMB6,100 million (equivalent to HK\$6,524 million). Included in this unrecovered amount, RMB2,000 million (equivalent to HK\$2,139 million) referred to restricted transfer debts in accordance with the regulations in the PRC. These restricted transfer debts were transferred back to China Cinda at original purchase cost and the remaining unrecovered amount was transferred back to China Cinda at a nominal amount. Total consideration for the aforesaid transfer was approximately RMB40 million (equivalent to HK\$42.8 million). The difference of approximately HK\$80,248,000 between the carrying value of the interest in the distressed assets and the amount recovered from the distressed assets (net of relevant costs) was charged to the consolidated income statement as impairment loss.

30. 不良資產權益(續)

該不良資產的計價採用持有該投資的相關集團公司之功能貨幣人民幣為計價單位，並且其實際年利率約為20.9%。

年內，本集團並無與中國信達重訂不良資產管理協議。於不良資產管理協議終止時不良資產管理協議項下未能回收本金額約為人民幣6,100,000,000元(相當於6,524,000,000港元)。在該未能回收金額中，為數人民幣2,000,000,000元(相當於2,139,000,000港元)為按照中國有關規定不許轉讓之債權。次等不許轉讓債權按原收購成本退回中國信達，另外剩餘無法回收數額以象徵式數額退回中國信達。前述退回涉及數額為人民幣40,000,000元(相當於42,800,000港元)。不良資產權益之賬面值與處置不良資產收回數額(經扣除相應的費用後)之差額約為人民幣80,248,000元以減值虧損計入綜合收益表。

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31. Investment in distressed assets through establishment of a special purpose vehicle

The Group

On 25 October 2006, Silver Grant International Assets Investment Limited (“SGIAIL”), a wholly owned subsidiary of the Company entered into a cooperation memorandum (the “NPL Memorandum”) with China Orient Asset Management Corporation (“China Orient”) to establish a company in the PRC, Dongxin Union Asset Management Corporation Limited

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31. Investment in distressed assets through establishment of a special purpose vehicle (Continued)

The Group (Continued)

Pursuant to the Memorandum and Article of Dongxin Union, China Orient is responsible to manage the Orient Portfolio. China Orient is entitled to a management fee equal to 10% of the gross amount recovered from the Orient Portfolio. For the amount recovered net of management fee, ranging from RMB1 to RMB287,713,320, SGIAIL shares 100% of this net recoverable amount. For the amount recovered net of management fee ranging from RMB287,713,321 to RMB454,800,167, SGIAIL shares 90% of this net recoverable amount. For the amount recovered net of management fee ranging from RMB454,800,168 to RMB931,338,674, SGIAIL share 10% of this net recoverable amount. For the amount recovered net of management fee ranging from RMB931,338,675 to RMB1,664,474,839, SGIAIL shares 5% of this net recoverable amount. For the amount recovered net of management fee over RMB1,664,474,840, SGIAIL already shares 50% of this net a recoverable amount. China Orient has the right to purchase the remaining uncollected distressed assets at RMB1 if the amount recovered net of management fee shared by SGIAIL already exceeds RMB454,800,167 at the expiry date of Dongxin Union's operation license. If the amount recovered, net of management fee shared by SGIAIL is less than RMB454,800,167, SGIAIL and China Orient can seek approval from Ministry of Commerce of the PRC for the extension of the operation licence until the amount recovered, net of management fee shared by SGIAIL reach RMB454,800,167, but the Ministry of Commerce has the right to reject the application.

31. 通過成立特殊目的載體投資不良資產(續)

本集團(續)

根據東信聯合的公司章程，中國東方負責管理東方資產包。中國東方有權收取按自動方資產包回收毛額10%計算的管理費。經扣除管理費後的回收淨額如在人民幣1元至人民幣287,713,320元之間，銀建資產投資攤佔該回收淨額的100%；經扣除管理費後的回收淨額如在人民幣287,713,321元至人民幣454,800,167元之間，銀建資產投資攤佔該回收淨額的90%；經扣除管理費後的回收淨額如在人民幣454,800,168元至人民幣931,338,674元之間，銀建資產投資攤佔該回收淨額的10%；經扣除管理費後的回收淨額如在人民幣931,338,675元至人民幣1,664,474,839元之間，銀建資產投資攤佔該回收淨額的5%；經扣除管理費後的回收淨額如超過人民幣1,664,474,840元，銀建資產投資攤佔該回收淨額的50%。如於東信聯合的營業執照終止日，銀建資產投資攤佔經扣除管理費後的回收淨額累計已超過人民幣454,800,167元，則中國東方有權以人民幣1元購入剩餘未處置的不良資產。如銀建資產攤佔經扣除管理費後的回收淨額少於人民幣454,800,167元，銀建資產及中國東方可以向中國商務部申請將營業執照延期直至淨回收金額經扣除管理費後達人民幣454,800,167元，唯商務部有權拒絕有關申請。

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31. Investment in distressed assets through establishment of a special purpose vehicle

(Continued)

The Group *(Continued)*

In the opinion of the directors, Dongxin Union is a special purpose vehicle set up for the purpose of holding Orient Portfolio, and thus, the Group's 46.17%

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33. Trade receivables

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

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

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
0 to 30 days	零至三十日	1,440	1,062
31 to 90 days	三十一日至九十日	1,937	1,281
Over 90 days	超過九十日	1,520	862
		4,897	3,205

The Group did not provide impairment loss for the trade receivables. In the opinion of the directors, there is no impairment loss for the trade receivables past due (over 30 days) at the balance sheet date.

33. 應收賬款

本集團給予貿易客戶平均三十天信用期。

下述是應收賬款於結算日之賬齡分析：

本集團並無就應收賬款提撥減值虧損。董事意見認為已逾期未還(超過三十天)的應收賬款於結算日並無任何減值虧損。

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34. Deposits, prepayments and other receivables

34. 按金、預付款及其他應收款項

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Amount due from the buyer of the disposed subsidiaries (Note 51)	應收已出售附屬公司買家款項(附註51)	165,620	—	165,620	—
Consideration receivable from disposal of investment properties	出售投資物業應收代價	89,519	—	—	—
Others	其他	47,123	23,576	1,446	1,625
		302,262	23,576	167,066	1,625

The Group did not provide impairment loss for deposits, prepayments and other receivables. In the opinion of the directors, no impairment loss is considered necessary in respect of these balances.

本集團並無就按金、預付款及其他應收款項提撥減值虧損。董事意見認為無須就該等結餘作出無任何減值虧損。

35. Restricted bank balance

35. 監管戶口結餘

The Group

The amount represents the bank balance kept in a bank account under the name of China Cinda as custodian of the Group in the PRC for the purpose of dealing with the funds recovered from the distressed assets. The bank account is jointly controlled by SGIAM and China Cinda and a mutual consent has to be obtained from both parties for the withdrawal of fund from the bank account. The restricted bank balance carries effective interest at 0.72% (2006: 1%) per annum and with original maturity of three months or less.

本集團

金額代表一個以中國信達名義，及作為本集團之保管人，於中國內地開設的銀行賬戶的銀行結餘，目的旨在存入處置不良資產回收所得資金。該銀行賬戶的資金提取由雙方共同監管並需要得到雙方同意。監管戶口結餘以實際年利率0.72%(二零零六年：1%)計息，而原到期日為三個月或以下。

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36. Bank balances and cash

The Group and the Company

The Group's and the Company's bank balances and cash comprise cash and short-term bank deposits carrying effective interest at an average of 2% (2006: 2%) with an original maturity of three months or less. Included in the Group's bank balances and cash at 31 December 2007 was an aggregate amount of approximately HK\$1,150,519,000 (2006: HK\$157,632,000) which was denominated in RMB and is not freely convertible into other currencies.

36. 銀行結餘及現金

本集團及本公司

本集團銀行結餘及現金包括現金及開首到期日為三個月或以內、以現行市場利率平均2%(二零零六年:2%)之短期銀行存款。於二零零七年十二月三十一日銀行結餘及現金包括總額約1,150,519,000港元(二零零六年:157,632,000港元)為以人民幣為計價單位,並且不能自由兌換為其他貨幣。

37. Assets classified as held-for-sale

37. 列作持作出售之資產

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Leasehold land and buildings held for sale (Note a)	列作持有作出售之租賃土地及樓宇(附註a)	5,000	—	—	—
Investment properties held-for-sale (Note b)	列作持作出售之投資物業(附註b)	—	88,180	—	70,580
		5,000	88,180	—	70,580

Notes:

- (a) As at 31 December 2007, the Group entered into a provisional sales and purchase agreement to sell the leasehold land and buildings at a consideration of HK\$5,000,000. The transaction was completed in February 2008.
- (b) As at 31 December 2006, the Group entered into a provisional sales and purchase agreement to sell certain investment properties at a consideration of HK\$88,180,000. The transaction was completed in January 2007.

附註:

- (a) 本集團於二零零七年十二月三十一日訂立臨時買賣協議以5,000,000港元代價出售一項租賃土地及樓宇。該項交易已於二零零八年二月份完成。
- (b) 本集團於二零零六年十二月三十一日訂立臨時買賣協議以88,180,000港元代價出售若干投資物業。該項交易已於二零零七年一月份完成。

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38. Pledge of assets

At 31 December 2007, the Group pledged certain investment properties and leasehold land and buildings which have an aggregate carrying value of approximately HK\$2,036,364,000 (2006: HK\$2,008,180,000) and HK\$98,600,000 (2006: HK\$84,700,000) respectively to secure general banking facilities granted to the Group.

At 31 December 2007, the Company pledged certain leasehold land and buildings which have an aggregate carrying value of approximately HK\$43,600,000 (2006: HK\$32,800,000) and at 31 December 2006, the Company pledged certain investment properties of HK\$50,580,000 to secure general banking facilities granted to the Company.

39. Share capital

		Number of shares 股份數目		Nominal value 票面值	
		2007 二零零七年 In thousand 千股	2006 二零零六年 In thousand 千股	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Ordinary share of HK\$0.20 each Authorised:	每股面值0.20港元之普通股 法定股本：				
At the beginning and the end of the year	於年初及於年末	4,000,000	4,000,000	800,000	800,000
Issued and fully paid:	已發行及繳足股份：				
At the beginning of the year	於年初	1,820,710	1,688,710	364,142	337,742
Conversion of convertible notes (Note a)	行使可換股票據 (附註a)	—	100,000	—	20,000
Exercise of share options (Note b)	行使購股權(附註b)	—	32,000	—	6,400
At the end of the year	於年末	1,820,710	1,820,710	364,142	364,142

38. 資產抵押

於二零零七年十二月三十一日，本集團已將其累計賬面總額分別為2,036,364,000港元(二零零六年：2,008,180,000港元)及98,600,000港元(二零零六年：84,700,000港元)之若干投資物業及租賃土地及樓宇抵押作為本集團獲授予一般性銀行融資的條件。

於二零零七年十二月三十一日，本公司已將其累計賬面總額為43,600,000港元(二零零六年：32,800,000港元)之若干租賃土地及樓宇及於二零零六年十二月三十一日，本公司已將50,580,000港元之若干投資物業抵押作為公司獲授予一般性銀行融資的條件。

39. 股本

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39. Share capital (Continued)

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40. Reserves of the company

The distributable reserves of the Company as at 31 December 2007 amounted to approximately HK\$417,368,000 (2006: HK\$367,418,000), being its retained profits at that date.

		Share premium 股份溢價 HK\$'000 千港元	Convertible notes equity reserve 可換股票據 股本儲備 HK\$'000 千港元	Asset revaluation reserve 資產重估 儲備 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Retained profits 保留盈利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
The Company	本公司						
At 1 January 2006	於二零零六年一月一日	1,957,757	20,150	17,027	13,992	268,759	2,277,685
Gain on revaluation of leasehold properties	重估租賃物業產生之收益	—	—	6,642	—	—	6,642
Deferred tax liability arising on revaluation of leasehold properties	重估租賃物業產生之遞延稅項負債	—	—	(766)	—	—	(766)



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41. Borrowings (Continued)

Bank overdrafts of the Group are denominated in Hong Kong dollars and carry floating interest at prevailing market rate. Bank loans of the Group and the Company of HK\$5,750,000 (2006: HK\$6,900,000) are denominated in Hong Kong dollars, functional currency of the Company and carry a floating rate of prime rate minus 2.375% (2006: prime rate minus 2.375%) per annum. The remaining bank loans of the Group are denominated in RMB, functional currency of the relevant group entities and carry floating interest rate at The People's Bank of China interest rate minus 2% (2006: fixed interest rate at 5.265%) per annum.

42. Convertible note

The Group and the Company

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Convertible note classified as liabilities at fair value through profit or loss	於損益表按公平值處理歸類為負債的可換股票據	382,736	402,112

41. 借貸(續)

本集團之銀行透支以港元為單位並且按當前的市場浮動利率計息。本集團及本公司為數5,750,000(二零零六年：6,900,000港元)之銀行貸款以本公司之功能貨幣港元為單位並且按最優惠利率減2.375%(二零零六年：最優惠年率減2.375%)的浮動年利率計息。本集團的其餘銀行貸款以相關的集團公司的功能貨幣人民幣為單位並且按中國人民銀行利率減2%的浮動(二零零六年：按5.265%固定)年利率計息。

42. 可換股票據

本集團及本公司

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42. Convertible note (Continued)

On 24 November 2004, the Company issued a convertible note to Citigroup Global Markets Limited (“CGML”) in the principal amount of US\$52,500,000 in accordance with a subscription agreement dated 5 November 2004 entered into between the Company and CGML. The interest rate is 1.5% per annum and payable semi-annually in arrears. The Company shall repay the principal amount outstanding under the convertible note to the noteholder together with all interest accrued on the fifth anniversary of the date of the issue of the convertible note. The conversion price is HK\$2.95 per share which is subject to adjustment for, among other matters, subdivision or consolidation

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42. Convertible note (Continued)

The Group designated the entire convertible note as financial liability at fair value through profit or loss and is carried at fair value at the balance sheet date. During the year, a gain on decrease in its fair value of HK\$19,376,000 (2006: HK\$35,168,000) is recognised in the consolidated income statement.

The fair value of the liability component of the convertible note at fair value through profit or loss at 31 December 2007 and 2006 was determined based on the present value of the estimated future cash flows discounted at the prevailing market rate for an equivalent non-convertible loan at the balance sheet date. The discount rate is 6.38% (2006: 6.79%).

The fair value of the conversion option embedded was calculated using the Binomial model. The inputs into the model were as follows:

		31 December 2007 二零零七年 十二月三十一日	31 December 2006 二零零六年 十二月三十一日
Stock price per share	每股股價	HK\$1.70	HK\$2.05
Exercise price per share	每股行使價	HK\$2.95	HK\$2.95
Expected volatility	預期波幅	33%	42%
Expected life	預期年期	1.9 years	2.9 years
Risk-free rate	無風險利率	2.58%	3.59%
Expected dividend yield	預期股息收益率	2.00%	2.00%

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

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43. Deferred taxation

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

43. 遞延稅項

以下為本年度及以前呈報年度的主要已確認遞延稅項資產與負債及其於本期間及以往年度的變動：

		The Group 本集團					
		Accelerated tax depreciation	Revaluation of properties	Tax losses	Convertible note	Distressed assets	Total
		加速稅務折舊	物業重估	稅務虧損	可換股票據	不良資產	總額
		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
At 1 January 2006	於二零零六年一月一日	(55)	(112,981)	14,594	(1,954)	(86,247)	(186,643)
(Charge) credit to income for the year	於本年度收益(扣除)計入	—	(32,446)	(13,086)	977	(26,652)	(71,207)
(Charge) credit to equity for the year	於本年度權益(扣除)計入	—	(766)	—	977	—	211
At 31 December 2006	於二零零六年十二月三十一日	(55)	(146,193)	1,508	—	(112,899)	(257,639)
Credit to income for the year	於本年度收益計入	—	24,540	—	—	112,899	137,439
Charge to equity for the year	於本年度權益扣除	—	(3,356)	—	—	—	(3,356)
Effect of change in tax rate	稅率變動之影響	—	31,628	—	—	—	31,628
At 31 December 2007	於二零零七年十二月三十一日	(55)	(93,381)	1,508	—	—	(91,928)

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截至二零零七年十二月三十一日止年度

43. Deferred taxation (Continued)

		The Company				Total
		Accelerated tax depreciation	Revaluation of properties	Tax losses	Convertible note	
		加 速 稅 務 折 舊	物 業 重 估	稅 務 虧 損	可 換 股 票 據	總 額
		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
At 1 January 2006	於二零零六年一月一日	(55)	(11,383)	12,138	(1,954)	(1,254)
Credit (charge) to income for the year	於本年度收益計入(扣除)	—	1,596	(12,138)	977	(9,565)
(Charge) credit to equity for the year	於本年度權益					

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44. Trade payables

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

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
0 to 30 days	零至三十日	37,603	53,437
31 to 90 days	三十一日至九十日	16,219	11,784
Over 90 days	超過九十日	22,903	19,571
		76,725	84,792

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45. Accrued charges, rental deposits and other payables (Continued)

The Group (Continued)

As at 31 December 2006, the balance includes an amount of HK\$21,349,000 payable to a minority shareholder of a subsidiary in relation to construction works rendered for properties. The amount is unsecured, non-interest bearing and is repayable on demand.

46. Amounts due to associates

The Group and the Company

The amounts are unsecured, non-interest bearing and repayable on demand.

47. Amount due to holding company of a shareholder

The Group

As at 31 December 2007, the balance represents unpaid management fee and incentive bonus payable to China Cinda pursuant to the NPL Management Agreement, setoff by cash collected from the distressed asset but not remitted to the Group and the consideration receivable for the transfers of the restricted transfer debts and the remaining unrecovered NPL from China Cinda (as described in note 30).

As at 31 December 2006, the balance represents accruals for management fee payable to China Cinda.

The amount is unsecured, non-interest bearing and repayable on demand.

45. 應計費用、租務按金及其他應付款項(續)

本集團(續)

於二零零六年十二月三十一日，結餘包括就於物業建築工程而應付予一名附屬公司前少數股東的款項，金額為21,349,000港元。該金額為無抵押，免息及應要求隨時需予償還。

46. 應付聯營公司款

本集團及本公司

金額為無抵押、免息及應要求隨時需予償還。

47. 應付一名股東的控股公司款

本集團

於二零零七年十二月三十一日，該結餘為根據不良資產管理協議(見附註30之描述)項下中國信達有權收取但未予支付的管理費及超收分成，已沖減自不良資產回收之現金及退回限制轉讓債權及剩餘不能處置的不良資產予中國信達應收之代價。

於二零零六年十二月三十一日，該結餘代表應付中國信達之管理費。

該金額為無抵押，免息及應要求隨時需予償還。

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48. Loan from a shareholder

The Group and the Company

The amount was unsecured, bears interest at 6% per annum and was repayable within one year. The Group and the Company fully settled the loan during the year ended 31 December 2007.

49. Amounts due to subsidiaries

The Company

The amounts are unsecured, non-interest bearing and repayable on demand.

50. Deemed acquisition of subsidiaries

During the year ended 31 December 2007, an associate of the Group, SYJ Holding Limited ("SYJ Holding") repurchased all its shares held by its shareholders other than the Group. The effective equity interest owned by the Group changed from 42.75% to 100%. Thereafter, SYJ Holding became a wholly owned subsidiary of the Group.

48. 股東貸款

本集團及本公司

金額為無抵押、按6%年利率計息及需於一年之內償還。於截至二零零七年十二月三十一日止年度，本集團及本公司已全數清還該貸款。

49. 應付附屬公司款項

本公司

金額為無抵押、免息及應要求隨時需予償還。

50. 視同收購附屬公司

於截至二零零七年十二月三十一日止年度，本集團一間聯營公司SYJ Holding Limited(「SYJ Holding」)向其除本集團外的股東回購其所有股份。本集團持有之實際股份權益由42.75%改變增加至100%。自始，SYJ Holding成為本集團全資附屬公司。

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50. Deemed acquisition of subsidiaries (Continued)

50. 視同收購附屬公司(續)

The net assets acquired in the transaction are as follows:

藉該交易購入的淨資產列載如下：

		Carrying amount and fair value at the date of share repurchase 於回購股份當日 之賬面值及公平值 HK\$'000 千港元
NET ASSETS ACQUIRED:	收購淨資產：	
Property, plant and equipment	物業、機器及設備	1,619
Deposits, prepayments and other receivables	按金、預付款及其他應收款項	20,324
Amount due from a subsidiary of the Company	應收本公司一間附屬公司款項	285,745
Bank balances and cash	銀行結餘及現金	5,989
Accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款項	(926)
Amount due to the Company	應付本公司款項	(140,908)
Amount due to associate of the Group	應付本集團聯營公司款項	(145,846)
		25,997
Minority interests	少數股東權益	(10,328)
The Group's share of net assets of SYJ Holding as at date of share repurchase	本集團攤佔於回購股份當日 SYJ Holding 之淨資產	15,669
Net cash inflow arising on acquisition:	收購產生之淨現金流入：	
Bank balances and cash acquired	購入的銀行結餘及現金	5,989

SYJ Holding and its subsidiaries had no significant contribution to the Group's revenue and profit between the date of acquisition and the balance sheet date. If the acquisition had been completed on 1 January 2007, the Group's revenue and profit for the year would have no significant difference as well.

在收購日與結算日之期間，SYJ Holding 及其附屬公司對本集團之收入及盈利並無顯著貢獻。倘若收購於二零零七年一月一日完成，本集團年內之收入及盈利亦將不會有顯著分別。

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51. Disposal of subsidiaries

During the year ended 31 December 2007, the Group disposed of East Gate Development (H.K.) Company Limited to an independent third party for a consideration of HK\$83,020,000.

During the year ended 31 December 2006, the Group disposed of 50% of the interest in Platinum One Limited ("POL") to Citigroup Financial Products Inc. for a consideration of HK\$26,279,000. Thereafter, POL became a jointly controlled entity of the Group as set out in note 21.

The net assets of the disposed subsidiaries at the date of disposal were as follows:

51. 出售附屬公司

於截止二零零七年十二月三十一日止年度內，本集團出售東環置業(香港)有限公司予一名獨立第三者，代價為83,020,000港元。

於截止二零零六年十二月三十一日止年度，本集團以代價26,279,000港元出售Platinum One Limited ("POL")50%權益予Citigroup Financial Products Inc。此後，POL成為本集團載列於附註21的一間共同控制公司。

該售出附屬公司於出售交易日之淨資產如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	712	—
Interests in associates	聯營公司權益	72	—
Stock of properties	物業存貨	149,345	—
Deposits, prepayments and other receivables	按金、預付款及其他營收款項	11,675	—
Amount due from a fellow subsidiary	應收一同級附屬公司款項	6,814	—
Bank balances and cash	銀行存款及現金	2,321	—
Accrued charges, rental deposits and other payables	應計費用、租務按金及其他應付款項	(14,738)	—
Taxation payable	應付稅項	(14,332)	—
Interest in distressed assets	不良資產權益	—	525,581
Amounts due to holding companies	應付控股公司款項	—	(478,123)
		141,869	47,458
Minority interests	少數股東權益	(15,045)	—
Release of translation reserve	換算儲備撥回	(9,703)	—
		117,121	47,458
Gain on disposal of subsidiaries	出售附屬公司收益	48,499	2,550
		165,620	50,008

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51. Disposal of subsidiaries (Continued)

51. 出售附屬公司(續)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Satisfied by:	以下列方式支付：		
Consideration receivable (note i)	應收代價(附註i)	83,020	26,279
Amount due from the buyer of the disposed subsidiaries (note ii)	應收已出售附屬公司買家款項(附註ii)	82,600	—
		165,620	26,279
Transferred to interest in a jointly controlled entity	劃轉至一間共同控制公司權益	—	23,729
Net cash (outflow) inflow arising on disposal:	出售引起的淨現金(流出)流入：		
Cash consideration	現金代價	—	—
Bank balances and cash disposed of	售出之銀行結餘及現金	(2,321)	26,279
		(2,321)	26,279

Notes:

- (i) Consideration receivable of HK\$83,020,000 is included in deposits, prepayments and other receivables of the Group and the Company and will be settled by cash in June 2008.
- (ii) Pursuant to the sales and purchase agreement, an amount due to the Company of HK\$82,600,000 was undertaken by the buyer of the disposed subsidiaries. This amount is included in deposits, prepayments and other receivables in the Group's and the Company's balance sheets.

附註：

- (i) 應收代價83,020,000港元包括在本集團及本公司之按金、預付款及其他應收款項並將於二零零八年六月以現金支付。
- (ii) 根據買賣協議，一項金額為82,600,000港元的應付本公司款項由已出售附屬公司的買家承諾支付。該金額已包括在本公司資產負債表按金、預付款及其他應收款項內。

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52. Operating lease arrangements

The Group and the Company 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 land and buildings which fall due as follows:

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內屆滿	2,289	2,798	—	—
In the second to fifth year inclusive	第二至第五年(包括首 尾兩年在內)	4,834	7,435	—	—
		7,123	10,233	—	—

The operating lease payments represent rental payable for certain of its office premises and staff quarters. Leases are generally negotiated for lease terms ranged from 1 year to 5 years and rentals are fixed.

The Group and the Company as lessor

Property rental income earned by the Group and the Company during the year was approximately HK\$67,387,000 (2006: HK\$77,854,000) and HK\$37,000 (2006: HK\$25,180,000) respectively. The properties held have committed tenants for lease terms ranged from 1 year to 18 years.

52. 營運租約安排

本集團及本公司以承租人身份

於結算日，根據不可撤銷的營運租約項下，本集團及本公司就土地及樓宇需承擔之未來最低租賃付款及到期期間如下：

營運租約支出代表就若干辦公地點及員工宿舍應付之租金。租約一般商訂為一年至五年租期及固定租金。

本集團及本公司以出租人身份

本集團及本公司於年內賺取的租金收入分別約為67,387,000港元(二零零六年：77,854,000港元)及37,000港元(二零零六年：25,180,000港元)。持有的物業有已簽約的租客，租期範圍由1年至18年不等。

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52. Operating lease arrangements (Continued)

The Group and the Company as lessor (Continued)

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

	The Group 本集團		The Company 本公司	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year				

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54. Contingent liabilities

The Company has provided a guarantee in respect of the disposal of Beijing East Gate Wangjing Real Estate Co., Ltd. (“Wangjing”) in the year 2004, a former subsidiary of the Group, under a share transfer agreement, pursuant to which the Company is required to provide guarantee to the buyers of Wangjing (the “Buyers”) in respect of any contingent liabilities arising from any guarantees and securities provided by Wangjing and any contracts entered into by Wangjing not disclosed to the Buyers as at the date of transfer of shares of Wangjing to Buyers. Such guarantee provided by the Company is effective up to 9 November 2007.

55. Retirement benefits plans

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55. Retirement benefits plans (Continued)

The total cost charged to consolidated income statement of HK\$3,727,000 (2006: HK\$2,980,000) represents contributions payable to these schemes by the Group in respect of the current accounting period. As at 31 December 2007 and 2006, no contributions due in respect of the reporting period had not been paid over to the scheme.

56. Share options

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

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

55. 退休福利計劃(續)

計入綜合收益表之成本總額為3,727,000(二零零六年:2,980,000),代表本集團就該等計劃項下應支付的供款。於二零零七年及二零零六年十二月三十一日,就相關呈報期間,並無該等計劃項下到期之供款未予支付。

56. 購股權

於二零零二年五月二十七日,本公司股東批准終止(其作用為不得再授出額外購股權)本公司於一九九五年六月二十六日採納之購股權計劃(「舊購股權計劃」),並自二零零二年五月二十七日起採納新購股權計劃(「新購股權計劃」)。採納舊購股權計劃及新購股權計劃之主要目的為獎勵本集團董事及合資格僱員。

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

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56. Share options (Continued)

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

No option was granted for both years and no share option was outstanding as at 31 December 2006 and 2007.

56. 購股權(續)

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

兩個年度均無授出任何購股權，同時於二零零六年及二零零七年十二月三十一日均無任何未予行使的購股權。

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56. Share options (Continued)

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

		Number of share options 購股權數目
		Outstanding at
Subscription price per share 每股認購價	Exercisable period 可予行使期間	
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56. Share options (Continued)

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

56. 購股權(續)

包括在上述列表內董事持有的購股權於年內之變動如下：

Subscription price per share 每股認購價	Exercisable period 可予行使期間	Number of share options 購股權數目		Outstanding at 31 December 2006 and 2007 於二零零六年及 二零零七年 十二月三十一日 之未予行使
		Outstanding at 1 January 2006 於二零零六年 一月一日 之未予行使	Exercised during 2006 於二零零六年 年內行使	
HK\$ 港元				
0.967	09/01/1997-08/01/2007	15,000,000	(15,000,000)	—
0.900	27/07/1999-26/07/2009	2,000,000	(2,000,000)	—
0.535	25/07/2001-24/07/2011	2,000,000	(2,000,000)	—
		19,000,000	(19,000,000)	—
New Share Option Scheme				
新購股權計劃				
0.700	07/06/2002-06/06/2012	10,000,000	(10,000,000)	—
		29,000,000	(29,000,000)	—

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57. Related party transactions

The Group

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

57. 關聯方交易

本集團

年內，本集團與關聯方進行下述交易：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest income from a jointly controlled entity	收取一間共同控制公司的利息收入	7,489	8,943
Interest income from associates	收取聯營公司的利息收入	76,732	38,155
Interest expense on loan from a shareholder	支付一名股東借款利息	—	1,410
Interest expense to an associate	支付一間聯營公司利息支出	6,973	—
Property management fee income from an associate	收取一間聯營公司的物業管理費收入	73	68
Rental income from an associate	收取一間聯營公司租金收入	200	187
Consultancy fee paid to an associate	支付一間聯營公司的諮詢費	—	1,900
Management fee accrued to a holding company of a shareholder	應付一名股東的控股公司的管理費	24,126	56,041
Incentive bonus accrued to a holding company of a shareholder	應付一名股東的控股公司的超收分成	92,487	—
Interest on convertible notes issued to shareholders	支付發行予股東之可換股票據利息	6,239	14,768



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58. Major non-cash transactions

- (a) During the year ended 31 December 2007, the total consideration for the disposal of subsidiaries and investment properties of HK\$165,620,000 and HK\$89,519,000 respectively were not settled and were included in deposits, prepayments and other receivables in the balance sheets as at 31 December 2007.
- (b) During the year ended 31 December 2006, the Group entered into a settlement agreement with a borrower, pursuant to which the loan receivables of HK\$141,718,000 was settled by assigning 48,284,610 equity shares of an unlisted financial institution in the PRC held by the borrower to the Group.
- (c) On 23 November 2006, the second anniversary of the issue of the convertible note to Catic Limited, the Company repaid convertible note in the principal of HK\$220,000,000 by issuing a loan note of HK\$220,000,000 to Catic Limited.

59. Post balance sheet events

- (a) On 25 January 2008, the ordinary resolution relating to the establishment of an associate as set out in note 27 was duly passed by the independent shareholders by way of poll at the Extraordinary General Meeting held on the same day.
- (b) On 18 March 2008, Tongjitang, the available-for-sale investment of the Group, announced that

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60. Particulars of subsidiaries, associates, jointly controlled entity and special purpose vehicle

60. 附屬公司、聯營公司、共同控制公司及特殊目的載體摘要

(a) Particulars of the Company's subsidiaries at 31 December 2007 are as follows:

(a) 本公司附屬公司於二零零七年十二月三十一日的詳情如下：

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立 地點 所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有已發行普通股股本 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Beijing East Gate Development Co., Ltd. ("Beijing East Gate") 北京東環置業有限公司 (「北京東環」)	PRC 中國	US\$100,413,500 100,413,500 美元	—	100% (Note 附註 i)	Property development and investment 物業發展及投資
Beijing Yinda Property Management Limited ("Yinda") 北京銀達物業管理有限責任公司 (「銀達」)	PRC 中國	RMB10,000,000 人民幣 10,000,000 元	—	90% (Note 附註 ii)	Property management 物業管理
Beijing Ju Fu Real Estate Development Company Limited ("Beijing Ju Fu") 北京巨福房地產開發有限公司 (「北京巨福」)	PRC 中國	RMB105,000,000 人民幣 105,000,000 元	—	90%	Property development and investment 物業發展及投資
Silver Grant International Asset Management Limited 銀建國際資產管理有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	100%	—	Distressed assets business 不良資產業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

60. Particulars of subsidiaries, associates, jointly controlled entity and special purpose vehicle (Continued)

(a) (Continued)

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立 地點 所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有已 發行普通股股本 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Silver Grant International Assets Investment Limited 銀建國際資產投資有限公司	Hong Kong 香港	HK\$100 100港元	100%	—	Distressed assets business 不良資產業務
Greenhill Property Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Ju Fu San Yan Jing Investment Company Limited 巨福三眼井投資有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Investment holding 投資控股
Likesway Limited 利時威有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Property holding and investment 持有物業及投資
Real China Development Limited 泰景發展有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Property holding and investment 持有物業及投資
Silver Grant Department Store (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股

60. 附屬公司、聯營公司、共同控制公司及特殊目的載體摘要(續)

(a) (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

60. Particulars of subsidiaries, associates, jointly controlled entity and special purpose vehicle (Continued)

60. 附屬公司、聯營公司、共同控制公司及特殊目的載體摘要(續)

(a) (Continued)

(a) (續)

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立 地點 所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有已 發行普通股股本 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Silver Grant Hainan Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100%	—	Inactive 暫無業務
Silver Grant Infra-Structure Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100%	—	Investment holding 投資控股
Samtung Investment Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100%	—	Investment holding 投資控股
Platinum Two Limited	Mauritius 毛里裘斯	US\$1 1 美元	100%	—	Inactive 暫無業務
Silver Grant International Department Store Limited 銀建國際百貨有限公司	Hong Kong 香港	HK\$10 10 港元	—	100%	Property investment 物業投資
Silver Grant International Infra-Structure Investment Limited 銀建國際基建投資有限公司	Hong Kong 香港	HK\$2 2 港元	—	100%	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立 地點 所在地	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有已 發行普通股股本 註冊資本面值比例	Principal activities 主要業務
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

60. Particulars of subsidiaries, associates, jointly controlled entity and special purpose vehicle (Continued)

(a) (Continued)

Notes:

- (i) Beijing East Gate is a wholly foreign-owned enterprise.
- (ii) Yinda is a sino-foreign equity joint venture company established in the PRC. Under the joint venture agreement, the Group is responsible to contribute RMB9,000,000 to the registered capital of Yinda and share 90% of the profits and losses of Yinda.

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

Other than the convertible notes issued by the Company as explained in note 42, no loan capital has been issued by the Company and any of its subsidiaries.

60. 附屬公司、聯營公司、共同控制公司及特殊目的載體摘要(續)

(a) (續)

附註：

- (i) 北京東環是一家全外資擁有之企業。
- (ii) 銀達是一家於中國成立之中外合資企業。根據合作合同，本集團負責出資人民幣9,000,000元作為銀達之註冊資本，並且有權分享銀達90%損益。

除於英屬處女群島註冊成立之投資控股公司並無主要營業地點以及北京東環、銀達及北京巨福主要是於中國營運外，所有附屬公司均主要在香港經營。

除本公司發行的可換股票據(詳見附註42)外，本公司及其任何附屬公司概無發行任何資本債務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

60. Particulars of subsidiaries, associates, jointly controlled entity and special purpose vehicle (Continued)

- (b) Particulars of the Group's significant associates at 31 December 2007 are as follows:

Name of company 公司名稱	Form of business structure 業務型態	Place of incorporation/ establishment 註冊成立地點 所在地	Principal place of business 主要營運地點	Class of shares held 所持股份類別	Proportion of nominal value of issued ordinary share capital/ Registered capital held by the Group		Principal activities 主要業務
					本集團所持有已發行 普通股股本	註冊資本面值比例	
					The Group	The Company	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

60. Particulars of subsidiaries, associates, jointly controlled entity and special purpose vehicle (Continued)

60. 附屬公司、聯營公司、共同控制公司及特殊目的載體摘要(續)

(c) Particulars of the Company's jointly controlled entity at 31 December 2007 are as follows:

(c) 本公司之共同控制公司於二零零七年十二月三十一日的詳情如下：

Name of company 公司名稱	Form of business structure 業務型態	Place of incorporation 註冊成立地點	Principal place of operation 主要營運地點	Class of shares held 所持股份類別	Proportion of nominal value of registered capital held by the Group/ Company 本集團 公司所持有的註冊資本面值比例		Principal activities 主要業務
Platinum One Limited	Incorporated company	Mauritius 毛里裘斯	PRC 中國	Ordinary 普通股	50%		Distressed assets business 不良資產業務

(d) Particulars of the Group's special purpose vehicle at 31 December 2007 are as follows:

(d) 本集團特殊目的載體於二零零七年十二月三十一日的詳情如下：

Name of company 公司名稱	Form of business structure 業務型態	Place of establishment 註冊成立地點 所在地	Principal place of operation 主要營運地點	Class of shares held 所持股份類別	Proportion of nominal value of issued ordinary share capital/registered capital held by the Group 本集團所持有已發行普通股股本註冊資本面值比例		Principal activities 主要業務
					The Group 本集團	The Company 本公司	
Dongxin Union	Sino-foreign equity joint venture 中外合資合營企業	PRC 中國	PRC 中國	Registered capital 註冊資本	46.17%	—	Distressed assets business 不良資產業務

FINANCIAL SUMMARY 財務概要表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度				2007
		2003 二零零三年 HK\$ Million 百萬港元 (Note) (附註)	2004 二零零四年 HK\$ Million 百萬港元 (Note) (附註)	2005 二零零五年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	二零零七年 HK\$ Million 百萬港元
Results	業績					
Revenue	收入	512.3	685.2	551.8	688.1	435.3
Profit for the year attributable to equity holders of the Company	本公司股本持有人應佔年內溢利	182.8	403.7	724.1	494.8	322.9

		At 31 December 於十二月三十一日				2007
		2003 二零零三年 HK\$ Million 百萬港元 (Note) (附註)	2004 二零零四年 HK\$ Million 百萬港元 (Note) (附註)	2005 二零零五年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	二零零七年 HK\$ Million 百萬港元
Assets and liabilities	資產及負債					
Investment properties and property, plant and equipment	投資物業及物業、廠房及設備	1,985.7	2,045.2	2,227.8	2,328.5	2,282.6
Properties under development	在建物業	151.3	—	—	—	—
Loan receivables	應收貸款	112.1	—	—	—	—
Goodwill	商譽	39.1	33.5	33.5	33.5	7.0
Negative goodwill	負商譽	(63.1)	(59.4)	—	—	—
Structured finance securities	結構性金融證券	—	—	—	24.4	12.0
Other asset	其他資產	6.9	5.5	4.1	2.8	1.4
Interest in a jointly controlled entity	一間共同控制公司權益	—	—	—	32.1	13.6
Interests in associates and amounts due from associates	聯營公司權益及應收聯營公司款	1,192.5	1,256.6	1,510.8	1,540.1	1,110.8
Investments in securities	證券投資	1.5	1.5	—	—	—
Available-for-sale investments	可供出售投資	—	—	2.2	99.1	167.7
Interest in distressed assets	不良資產權益	—	456.0	204.7	—	—
Investment in distressed assets through establishment of a special purpose vehicle	通過成立特殊目的載體投資不良資產	—	—	—	—	9.7
Deposit paid for acquisition of investments	已付收購投資按金	—	—	44.5	—	64.2
Deposit paid for acquisition of distressed assets	已付收購不良資產按金	—	—	263.7	—	—
Deferred tax assets	遞延稅項資產	11.3	18.5	1.3	—	—
Net current (liabilities) assets	流動(負債)資產淨值	(1,029.7)	789.4	238.3	1,211.9	1,828.9
		2,407.6	4,546.8	4,530.9	5,272.4	5,497.9

FINANCIAL SUMMARY 財務概要表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		At 31 December 於十二月三十一日				
		2003 二零零三年 HK\$ Million 百萬港元 (Note) (附註)	2004 二零零四年 HK\$ Million 百萬港元 (Note) (附註)	2005 二零零五年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2007 二零零七年 HK\$ Million 百萬港元
Share capital	股本	262.4	351.7	337.7	364.1	364.1
Reserves						

SUMMARY OF INVESTMENT PROPERTIES 投資物業概要

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

The following is a list of the Group's investment properties at 31 December, 2007:

Investment Properties in the PRC

Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 Sq. ft. 平方呎
1. Basement 1, Basement 2, Level 0 and Level 1 to 3 of East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC. 中國北京市東城區東中街19號東環廣場地庫一層、地庫二層、夾層及一層至三層。	Medium term lease 中期	Commercial 商業	700,427
2. Level 4 to 31, South Apartment Tower, East Gate Plaza, 39 Dongzhong Street, Dongcheng District, Beijing, the PRC. 中國北京市東城區東中街39號東環廣場南座公寓大樓第四至三十一層。	Long lease 長期	Residential 住宅	339,993
3. Level 4 to 31, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC. 中國北京市東城區東中街19號東環廣場北座公寓大樓第四至三十一層。	Long lease 長期	Residential 住宅	339,739
4. Portion of Level 2-5, 6 and 8 of Hua Bo Lau, No. 28 Dong Zhong Jie Jia, Dongcheng District, Beijing, the PRC.	Medium term lease (note)	Commercial 商業	755F1 1 T5District, BeijE

SUMMARY OF INVESTMENT PROPERTIES 投資物業概要

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

Investment Properties in the PRC (Continued)

位於中國之投資物業(續)

Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 Sq. ft. 平方呎
8. Carparking space No. 6 & 8 on Level 1 of Block 3, Yinhe Garden, Diahua Road, Haidian Island East, Development District the 3rd Southern Zone, Haikou, Hainan Province, the PRC. 中國海南省海口市海甸島東部開發區南三區甸花路頤和花園小區3棟第一層6及8號車庫。	Long lease 長期	Car parking 車位	464
9. Unit 502 on Level 5 of Block 16, No. 2 Longkum Road North, Haikou, Hainan Province, the PRC. 中國海南省海口市龍昆北路2號16棟第五層502號。	Long lease 長期	Residential 住宅	1,162
10. Unit 401 & 501 on Level 4 & 5 of Block 10, No. 2 Longkum Road North, Haikou, Hainan Province, the PRC. 中國海南省海口市龍昆北路2號10棟第四及五層401及502號。	Long lease 長期	Residential 住宅	2,015
11. An office unit located on the Eastern Portion of Level 15, CMEC Building, Guomao Main Road, Haikou, Hainan Province, the PRC. 位於中國海南省海口市國貿大道CMEC大廈十五層東區辦公室單元部分。	Long lease 長期	Commercial 商業	6,079
12. Villa No. 8 of Block D, Shanhei Garden, No. 258 Wenming Road East, Haikou, Hainan Province, the PRC. 中國海南省海口市文明東路258號山內花園D型別墅8號。	Long lease 長期	Residential 住宅	3,118

Note: The legal title of the properties have not been passed to the Group at 31 December, 2007.

附註：此等物業之產權於二零零七年十二月三十一日尚未過戶予本集團。

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