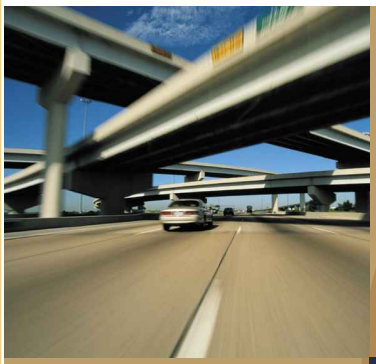
INDUSTRIES LIMIT



INTERIM REPORT | 中期報告 | 2005

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Financial Highlights
財務摘要

		2005 二零零五年 *HK$'m* *百萬港元*	2004 二零零四年 *HK$'m* *百萬港元* (Restated) (經重列)	Change 變動 %
Turnover	營業額	**299**	292	2%
Profit Attributable to Equity Holders of the Company	本公司股本持有人應佔溢利	**355**	123	189%
Total Assets	總資產	**6,234**	4,181	49%
Equity Attributable to Equity Holders of the Company	本公司股本持有人應佔股本	**3,878**	2,650	46%
Cash & Bank Balances	現金及銀行結餘	**1,173**	435	170%
Net Borrowings	借貸淨額	**249**	175	42%

Key Performance and Liquidity Indicators:	**主要營運表現及財務狀況指標**	***HK$*** ***港元***	*HK$* *港元*	Change 變動 %
Earnings Per Share	每股盈利	**0.202**	0.081	149%
Net Assets Per Share *(note 1)*	每股資產淨值*(附註1)*	**2.20**	1.72	28%
Projected P/E Ratio *(note 1)*	預期市盈率*(附註1)*	**6 x**	10 x	(40%)
Return on Capital Employed *(note 2)*	股本回報率*(附註2)*	**18%**	9%	100%
Return on Total Assets *(note 3)*	總資產回報率*(附註3)*	**11%**	6%	83%
Gearing Ratio *(note 4)*	借貸比率*(附註4)*	**37%**	23%	61%
Adjusted Gearing Ratio *(note 5)*	經調整借貸比率*(附註5)*	**6%**	7%	(14%)
Current Ratio *(note 6)*	流動比率*(附註6)*	**1.4 x**	0.5 x	180%
Interest Coverage *(note 7)*	利息償付比率*(附註7)*	**27 x**	10 x	170%

Notes:

1. Based on 1,758,671,611 shares issued and fully paid as at 30 June 2005 (2004: 1,542,221,611 shares) and the market closing price of HK$2.475 (2004: HK$1.680) per share.

2. Calculated as profit for the period attributable to equity holders of the Company times two over equity attributable to equity holders of the Company.

3. Calculated as profit for the period times two over total assets.

附註：

1. 基於二零零五年六月三十日已發行及已繳足股份1,758,671,611股（二零零四年：1,542,221,611股）及收市價每股2.475港元（二零零四年：1.680港元）計算所得。

2. 以本公司股本持有人應佔之期內溢利乘以二除以本公司股本持有人應佔股本計算所得。

3. 以期內溢利乘以二除以總資產計算所得。

Notes: (continued)

4. Calculated as total borrowings over equity attributable to equity holders of the Company.

5. Calculated as net borrowings over equity attributable to equity holders of the Company.

6. Calculated as current assets over current liabilities.

7. Calculated as profit before finance costs and taxation over finance costs (excluding the notional interest portion in respect of convertible notes).

附註：（續）

4. 以借貸總額除以本公司股本持有人應佔股本計算所得。

Corporate Information
公司資料

BOARD OF DIRECTORS

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

* *Independent non-executive directors*

董事會

朱登山 *(主席)*
惠小兵 *(副主席)*
高建民 *(董事總經理)*
劉天倪 *(董事副總經理)*
顧建國
陳永存
張松橋
袁永誠
周國偉
康　典*
張　璐*
洪木明*

* *獨立非執行董事*

AUDIT COMMITTEE

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

審核委員會

康　典 *(主席)*
張　璐
洪木明

REMUNERATION COMMITTEE

Kang Dian *(Chairman)*
Zhang Lu

薪酬委員會

康　典 *(主席)*
張　璐

COMPANY SECRETARY

Tung Tat Chiu, Michael

公司秘書

佟達釗

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

核數師

德勤・關黃陳方會計師行
執業會計師

Corporate Information
公司資料

COMPANY LAWYER

David Lo & Partners

公司律師

羅國貴律師事務所

PRINCIPAL BANKERS

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

主要往來銀行

中國銀行(香港)有限公司
香港上海匯豐銀行有限公司
中信嘉華銀行有限公司

REGISTERED OFFICE

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

註冊辦事處

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會展廣場辦公大樓49樓4901室
(電話：28770030 傳真：28029506)

SHARE REGISTRARS AND TRANSFER OFFICE

Secretaries Limited
Ground Floor, BEA Harbour View Centre,
56 Gloucester Road, Wanchai, Hong Kong
(Tel: 29801888 Fax: 28610285)

股份登記及過戶處

秘書商業服務有限公司
香港灣仔告士打道56號東亞銀行港灣中心地下
(電話：29801888 傳真：28610285)

WEBSITE

http://www.silvergrant.com.hk

網址

http://www.silvergrant.com.hk

STOCK CODE

171

股份代號

171

Managing Director's Statement
董事總經理報告

REVIEW OF RESULTS

Turnover of the current period was HK$298,903,000, which amount was approximate to the sum of HK$292,402,000 of the previous period. However, there were significant changes in the turnover of individual business. Turnover in respect of dealing in distressed assets increased by HK$120,197,000. During the current period, the increase in turnover of dealing in distressed assets was sufficient to set off against, and also exceeds the effects of the decrease in turnover of sales of properties in the sum of HK$71,028,000 and the decrease in turnover of investment in the sum of HK$32,396,000 caused by the decrease in securities trading activities.

The profit attributable to shareholders for the current period was HK$354,973,000, which has recorded an increase of HK$232,061,000, representing an increment of approximately 189% as compared with that of the previous period. Earnings per share also recorded an increase of 12.1 HK cents from 8.1 HK cents to 20.2 HK cents, representing an increment of approximately 149%. This significant increment in results performance was due to the consolidated effects of the following major factors:

For the current period, income from dealing in distressed assets increased by HK$120,185,000 to HK$189,946,000 (including HK$100,000,000 performance return from the Macau Assets and HK$89,946,000 from the Cinda Portfolio). In the previous period, there was only HK$69,761,000 commission income from the Macau Assets.

Profit contribution from properties leasing and sales of properties decreased by HK$23,966,000 and HK$10,945,000 respectively. The decreases have been compensated by the increase in contribution from investment amounted to HK$41,945,000.

Increase in other operating income of HK$21,485,000 was mainly due to increase in interest income of HK$15,808,000 and the unrealized holding gain of HK$9,265,000 in respect of other investments recorded only in the current period.

業績回顧

本期間之營業額為298,903,000港元，金額與去年同期之292,402,000港元相約。然而個別業務之營業額變化卻非常重大。於本期內，處置不良資產之營業額所增加的120,197,000港元足夠抵銷並超越了物業銷售之營業額因期內沒有物業銷售而減少71,028,000港元物業銷售營業額以及投資方面之營業額因投資活動減少而減少32,396,000港元的影響。

本期內股東應佔盈利為354,973,000港元，與去年同期比較，錄得232,061,000港元增長，即相當於189%增幅。每股盈利同時亦由去年同期的8.1港仙增加12.1港仙至20.2港仙，即相當於149%增幅。業績表現能取得顯著增長，全賴下述各主要因素之綜合影響所致：

於本期內，來自處置不良資產業務所產生的收益增加120,185,000港元至189,946,000港元（包括來自澳門資產的超收分成100,000,000港元及來自信達資產包之處置收益89,946,000港元）。於去年同期，只有來自澳門資產的69,761,000港元佣金收益。

物業租賃及物業銷售之溢利貢獻分別下降23,966,000港元及10,945,000港元。此等收益減少已被投資收益增加41,945,000港元所抵銷。

其他經營收入增加21,485,000港元是由於利息收入增加15,808,000港元以及只在本期間錄得9,265,000港元之其他投資未變現持有收益所致。

REVIEW OF RESULTS *(continued)*

There was no other operating expenses in the current period. In the previous period, there were unrealized holding loss on securities investment of HK$13,640,000 and amortization of goodwill of HK$2,794,000. The Group adopted new accounting policy in the current period and ceased to amortize goodwill from 1 January 2005.

Increase in administrative expenses of HK$19,910,000 was mainly due to the additional direct costs such as professional fees, legal fees and consultancy fees incurred in searching and evaluating on potential distressed assets deals.

Increase in finance costs of HK$16,349,000 was due to the issuance of convertible notes with principal amount of HK$780,279,000 in aggregate by the Group in the fourth quarter of 2004 which has interest charges for the current period only.

The Group recorded certain one-time gain for the current period. Firstly, the Group revalued its investment properties and leasehold land and buildings for the first time in the current period in accordance with the new accounting policies. A valuation gain of HK$55,630,000 in respect of investment properties was recognized as income in the current period. The increase in the valuation of leasehold land and buildings resulted in a reversal of deficit on revaluation of HK$8,255,000 previously charged to the income statement which was also recognized as income in the current period. Secondly, the Group increased its investment in Beijing East Gate Development Co., Ltd. by acquiring an additional 7.99% equity interest. The acquisition resulted in a discount on acquisition (previously known as negative goodwill) amounted to HK$73,476,000, which was recognized as income for the current period.

業績回顧 *(續)*

其他經營支出減少至零是由於只在去年同期錄得13,640,000港元其他投資未變現持有虧損以及2,794,000港元商譽攤銷所致。本集團自二零零五年一月一日起採納新的會計政策並停止對商譽進行攤銷。

行政費用增加19,910,000港元，主要是由於期內積極尋找及考察潛在的不良資產項目所產生的、額外的直接費用如專業收費、律師費以及顧問費等所致。

財務費用增加16,349,000港元，是由於本集團在二零零四年第四季度發行本金總額780,279,000港元可換股票據，並只為本期間所產生利息支出所致。

本集團於本期間錄得若干一次性的收益。其一為本集團根據新採納的會計政策，首次於本期間重估其投資物業以及租賃土地及樓宇。重估投資物業所產生的55,630,000港元公平值增值已確認為本期間的收益。重估租賃土地及樓宇所產生的增值導致較早前已扣減收益的8,255,000重估虧絀須予回撥並確認為本期間的收益。其二為本集團於期內透過收購額外7.99%股份權益，增加其於北京東環置業有限公司之投資，該項收購產生73,476,000港元收購折讓(前稱負商譽)並確認為本期間的收益。

Managing Director's Statement
董事總經理報告

BUSINESS REVIEW & PROSPECTS

Property Investments, Development and Management

For the current period, profit contribution from property leasing amounted to HK$16,783,000 (2004: HK$40,749,000). The decrease in profit contribution was mainly due to the decrease in the gross rental of the East Gate Plaza, which is the Group's major source of rental income. The gross rental of the East Gate Plaza has decreased from HK$39,900,000 in the previous period to HK$26,500,000 in the current period. The decrease was mainly due to the renovation works, which started in the second half-year of 2004 and continued in the current period, carried in phases to refurnish the units in the East Gate Plaza for the purpose of raising future rental income. In addition, the disposal of several luxury flats in the second half-year of 2004 and at the beginning of the year 2005 also reduced the rental income.

In the current period, the Group had no income from sales of developed properties. The second phase of the Group's development project in the Tiexi District of Shenyang, which is known as the East Gate Metro Garden, is now in the stage of finished topping. The developed property is ready for sales/pre-sales in the second half year of 2005 and is capable of generating income in early 2006. At the same time, the Group has started planning the third phase of the Tiexi development project.

There was no significant change in respect of the Group's property management business during the current period. Yinda Property is still managing 24 property projects with a total floor area of approximately 2,900,000 square meters. Yinda Property maintains its development strategy to achieve economy of scale through expansion.

業務回顧及展望

物業投資、發展及管理

於本期間，物業租賃之溢利貢獻為16,783,000港元（二零零四年：40,749,000港元）。溢利貢獻減少主要是由於佔本集團主要租金收入來源的東環廣場之毛租金收入下跌所致。東環廣場之毛租金從去年同期的39,900,000港元下跌至本期內的26,500,000港元。下跌的主要原因是由於東環廣場從二零零四年下半年開始一直至本期間以分階段方式為東環廣場的出租單位進行更新改造工程，以便提高未來的租金收入。此外，經於二零零四年下半年以及於二零零五年年初出售若干豪宅物業後，租金亦因而有所減少。

於本期間，本集團沒有任何來自銷售發展物業的收入。本集團於瀋陽市鐵西區名為東環時代花園的第二期發展項目目前正進行平頂階段。該發展物業目前已準備就緒，可於二零零五年下半年開始發售／進行預售並可於二零零六年年初產生收益。與此同時，本集團已開始策劃瀋陽市鐵西發展項目的第三期建設。

本集團的物業管理業務於期內並無重大轉變。銀達物業仍然負責管理24項物業，總面積約達2,900,000平方米。銀達物業維持以「通過擴張達至經濟規模效益」為發展策略。

BUSINESS REVIEW & PROSPECTS *(continued)*

Property Investments, Development and Management *(continued)*

In the current period, the Group made new investment in a development project located at the Tong Zhou District of Beijing, which is known as the "Zi You Xiao Zhen". The development project has a site area of approximately 320,000 square meters and gross floor area of 802,000 square meters. The project is now in the process of demolishing and re-dwelling the existing tenants.

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

Infrastructure Investments

For the six months ended 30 June 2005, profit contribution from CII was HK$58,794,000 (2004: HK$45,303,000). The relative stable profit contribution from CII to the Group is maintained through the disposal of road and bridge projects, which are capable of generating one-off gains. In the current period, CII disposed of its entire interest in the Wuhan Baishazhou Bridge at a total consideration of approximately HK$460,271,000 and realized extra fund for working capital. Currently, CII's strategy is to dispose of all the road and bridge projects when opportunities arise.

業務回顧及展望 *(續)*

物業投資、發展及管理 *(續)*

於本期間，本集團投資一項新的發展項目，項目位於北京市通州區，並已命名為「自由小鎮」。該發展項目之地盤面積約320,000平方米，建築面積約802,000平方米。該項目目前正展開拆遷及安置現有居民的工作。

本集團現正考慮於北京市投資興建包括「四合院」在內的物業開發項目。

基礎建設投資

截至二零零五年六月三十日止六個月，中基之溢利貢獻為58,794,000港元（二零零四年：45,303,000港元）。中基為本集團提供相對穩定的溢利貢獻，主要是通過出售道路及橋樑項目所產生的一次性收益達至。於本期間，中基以總代價約460,271,000港元出售其於武漢白沙州大橋之全部權益並回籠額外營運資金。中基目前之策略是在遇到合適機會時出售其全部道路及橋樑項目。

BUSINESS REVIEW & PROSPECTS *(continued)*

業務回顧及展望 *(續)*

Infrastructure Investments *(continued)*

基礎建設投資 *(續)*

The project portfolio of CII as at 30 June 2005 is analyzed as follows:

中基於二零零五年六月三十日之基建項目組合分析如下：

		Effective interest of CII 中基所佔之實際權益 *Percentage 百分比*	Net Asset Value attributable to CII 中基應佔淨資產 *HK$'m 百萬港元*
Luohe Shahe Bridge and Wangdian Bridge	漯河沙河大橋及王店立交橋	70%	93.2
Jiangxi #320 State-road	江西320國道	80%	269.3
Henan Zhoukou #311 State-road	河南周口311國道	80%	149.6
Taian Nature Gas Pipeline	泰安天然氣管道	80%	85.0
United East Petrochemical	東聯化工	25%	53.6
			650.7
Bank balances and cash	銀行結餘及現金		606.7
Others	其他		540.8
			1,798.2
Net assets attributable to the Group	本集團應佔淨資產		899.1

For the current period, the Tainan Gas Pipeline project was operating at a roughly break-even level due to the problem of inadequate gas supply. CII will spend more efforts on sourcing gas supply and has confidence to provide adequate gas supply for the project in the future.

在本期間，由於氣源供應不足，泰安天然氣管道項目的營運只能達至收支平衡水平。中基將致力尋找氣源並且有信心為該項目落實足夠氣源。

Currently, the contribution of the newly invested United East Petrochemical to CII was limited and amounted to HK$3,617,000. Apart from its core production, United East Petrochemical has successfully completed its test-production for oil-refinery in the first half-year of 2005 but did not engage in large-scale production in light of the current high crude oil prices, which has the effect on reducing profit margin.

新投資的東聯化工目前僅為中基貢獻有限之溢利，金額為3,617,000港元。除其原有之生產外，東聯化工已於二零零五年上半年成功完成煉油生產測試，鑑於原油價格目前正處於高水平並嚴重收窄溢利空間，故沒有展開大規模生產。

BUSINESS REVIEW & PROSPECTS *(continued)*

Financial Investment

Distressed Assets Business

The Macau Assets

Basically, the disposal of the Macau Assets has substantially been completed during the current period. The Group received a further performance return in the amount of HK$100,000,000 from the disposal of the Macau Assets. There is only a small amount of Macau Asset remain and are pending for further disposal. The directors expect that there will only be nominal income generated from the disposal of the remaining Macau Assets.

The Cinda Portfolio

For the current period, the Cinda Portfolio has contributed HK$89,946,000 income to the Group. Up to 30 June 2005, the principal amount of distressed assets in the Cinda Portfolio that has been disposed of was approximately HK$6.4 billion in aggregate, representing approximately 12% of total principal amount of the Cinda Portfolio. The cash recovered was approximately HK$316,574,000 in aggregate. The effective cash recovery was approximately 5%. However, the progress of disposal is not satisfactory. To speed up the disposal of the Cinda Portfolio, the directors of the Company and China Cinda has decided to break the Cinda Portfolio into smaller packages of distressed assets and to dispose of these packages of distressed assets by auctions or other possible means, apart from the existing disposal on its own efforts.

業務回顧及展望 *(續)*

金融投資

不良資產業務

澳門資產

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

信達資產包

於本期間，信達資產包為本集團貢獻89,946,000港元收益。截至二零零五年六月三十日，已處置之信達資產包債權資產累計本金總額約達64億港元，約相當於信達資產包本金總額之12%。累計處置回收現金約為316,574,000港元。折算所得之現金回收率約為5%；然而處置之進度未算理想。為加速處置信達資產包，董事以及中國信達已決定除目前採取自行處置的方式外，同時把信達資產包分割成為數額較少的債權資產小包並通過拍賣方式或其他可行方法處置該等小包。

BUSINESS REVIEW & PROSPECTS *(continued)*

Financial Investment *(continued)*

Distressed Assets Business *(continued)*

Strategic Partner

Pursuant to the memorandum of understanding entered into between Citigroup Financial Products Inc. ("Citigroup") and the Company for the purpose of investing in, through a 50-50 joint venture basis, distressed assets to be identified in the future, Citigroup together with the Group have taken an active role in searching and evaluating investment opportunities. The Group is currently considering making investments in one or several distressed assets, which is expected to be concluded in the near future.

FINANCIAL REVIEW

Exchange Exposure & Hedging

The Group has a USD denominated convertible notes in the amount of USD52,500,000 (equivalent to HK$409,500,000) and USD time deposits in the amount of USD77,300,000 (equivalent to HK$602,900,000) with a net USD denominated asset of USD24,800,000 (equivalent to HK$193,400,000).

Except for the above, the Group's principal assets, liabilities, revenue and payments are denominated in HKD and RMB. Despite the recent mild appreciation of the RMB exchange rate, the directors believe that the RMB exchange rate will only appreciate by a small percentage in the foreseeable future. In addition, HKD is pledged to the USD and such currency peg is unlikely to break in the foreseeable future. In this regard, the directors believe that exposure to exchange rate fluctuations will not have material adverse effect to the Group.

業務回顧及展望 *(續)*

金融投資 *(續)*

不良資產業務 *(續)*

策略夥伴

根據Citigroup Financial Products Inc.(「花旗銀行」)與本公司為共同(透過成立50-50合營公司模式)投資於未來落實的不良資產項目而簽訂之備忘錄，花旗銀行與本集團正以積極態度尋找及考察投資機會。本集團目前正考慮投資一個或多個不良資產項目並期望於短期內落實投資決定。

財務回顧

匯兌風險及對沖

本集團有以美元為單位的可換股票據52,500,000美元(相當於409,000,000港元)以及美元定期存款77,300,000美元(相當於602,900,000港元)，美元資產淨額24,800,000美元(相當於193,400,000港元)。

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

Managing Director's Statement
董事總經理報告

FINANCIAL REVIEW *(continued)*

Capital Structure

As at 30 June 2005, the shareholders' fund of the Group was HK$3,878,306,000, representing an increase of HK$331,505,000 or 9% compared to that as at 31 December 2004. During the current period, HK$87,934,000 was paid to shareholders of the Company as final dividend for the year 2004.

Human Resources

As at 30 June 2005, the Group employed approximately 1,600 employees in Hong Kong and in the PRC. The Group offers its employees competitive remuneration packages, which are consistent with the prevailing market practice. In addition, the Group will pay discretionary bonus and/or grant share options to the eligible employees according to their individual performance and depending on the Group's overall results. During the current period, the Company also followed market practice in setting up a remuneration committee to monitor remuneration issues of the directors and senior management. Total staff costs for the current period was HK$20,142,000 (2004: HK$16,062,000).

Capital Commitments and Contingent Liabilities

The Group did not have any material capital commitment as at 30 June 2005 and the Group did not incur any new contingent liability, which is material during the current period.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of its directors, as at the date of this report, there is sufficient public float, as not less than 25% of the Company's issued shares are held by the public.

財務回顧 *(續)*

股本結構

於二零零五年六月三十日，本集團之股東資金為3,878,306,000港元；較二零零四年十二月三十一日之數額增加331,505,000港元，升幅為9%。本期內，本公司已向其股東派付二零零四年末期股息87,934,000港元。

人力資源

於二零零五年六月三十日，本集團於香港及中國僱用約1,600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。此外，本集團會根據個別員工的表現及本集團的整體業績，向合資格僱員酌情發放花紅及／或授出購股權。於本期內，本公司亦依據市場慣例成立薪酬委員會以監察董事及高級僱員之薪酬事宜。本期間的總員工支出為20,142,000港元（二零零四年：16,062,000港元）。

資本承擔及或然負債

本集團於二零零五年六月三十日並無任何重大之資本承擔，同時本集團於本期內並無新做任何重大之或然負債。

公眾持股量

根據本公司取得的公開資料及就董事所知悉，在本報告刊發之日，本公司之公眾持股量是足夠的，此乃因為公眾持股量並不少於本公司已發行股份之百分之二十五。

Managing Director's Statement
董事總經理報告

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities during the period ended 30 June 2005.

購回、出售或贖回本公司之上市證券

截至二零零五年六月三十日止期間，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。

By order of the Board of
Silver Grant International Industries Limited
Gao Jian Min
Managing Director

Hong Kong, 20 September 2005

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，二零零五年九月二十日

The Company is committed to ensure high standards of corporate governance in the interests of shareholders.

The directors acknowledge their responsibilities for preparing the financial statements, which give a true and fair view of the state of affairs of the Company and of the Group on a going concern basis. In preparing the financial statements for the six months ended 30 June 2005, the Directors have selected suitable accounting policies and applied them consistently and made judgments and estimates that are prudence and reasonable.

CODE ON CORPORATE GOVERNANCE PRACTICE

Securities Dealing by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") as the code of conduct for securities transactions by directors. The Company, having made specific enquiry, confirms that all directors have complied with the required standards set out in Model Code throughout the six months period ended 30 June 2005.

Audit Committee

The Audit Committee meets at least two times each year with the purpose of monitoring the integrity of the Group's financial statements and to consider the nature and scope of internal and external audit reviews. It also assesses the effectiveness of the systems of internal control. All the members of the Audit Committee are independent non-executive directors, namely Mr. Kang Dian (Chairman), Mr. Zhang Lu and Mr. Hung Muk Ming.

为符合股東利益，本公司致力實行高水平的企業管治。

董事確認按持續經營標準編制能真實及公平地反映本公司及本集團財務狀況的財務報表乃屬其責任。在編制截至二零零五年六月三十日止六個月之財務報表時，董事採用了合適的會計政策並持續應用該等會計政策，同時亦以保守及合理的態度作出判斷及估計。

企業管治常規守則

董事進行證券交易

本公司已採納並實施了香港聯合交易所有限公司頒佈之證券上市規則(「上市規則」)附錄10所載之《上市公司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。經就此事專門徵詢所有董事，所有董事均已確認其於截至二零零五年六月三十日止六個月期間內嚴格遵守該標準守則所規定的標準。

審核委員會

審核委員會每年最少舉行兩次會議，監察本集團財務報表的完整性，並審議內部及外部審計的性質及範圍，以及評估內部控制系統的成效。審核委員會的成員全部為獨立非執行董事，包括康典先生(主席)、張璐先生及洪木明先生。

CODE ON CORPORATE GOVERNANCE PRACTICE *(continued)*

Audit Committee *(continued)*

The Audit Committee has reviewed and approved the financial statements for the six months ended 30 June 2005.

Remuneration Committee

The Remuneration Committee meets regularly to consider human resources issues, including the terms and conditions of employment, remuneration and retirement benefits of the chairman, the chief executive officer and the directors. All the members of the Remuneration Committee are independent non-executive directors, namely Mr. Kang Dian (Chairman) and Mr. Zhang Lu.

DEVIATIONS FROM THE MODEL CODE

To the knowledge of the directors, the Company has complied with the Code Provisions of the Code on Corporate Governance Practice as set out in Appendix 14 of the Listing Rules other than the deviations as described below:

Code Provision A.2.1 stipulates that the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Zhu Dengshan and Mr. Gao Jian Min are the Chairman and Managing Director of the Company (i.e. Chief Executive Officer) respectively. Although the Company did not establish the division of responsibilities during the current period, the Company has now adopted a memorandum setting out the division of responsibilities between the Chairman and Managing Director.

企業管治常規守則 *(續)*

審核委員會 *(續)*

審核委員會已經審閱並批准了截止二零零五年六月三十日止六個月之財務報表。

薪酬委員會

薪酬委員會定期舉行會議，檢討人力資源事項，包括主席、行政總裁及董事的聘用條件及條款、薪酬和退休福利等。薪酬委員會的成員全部為獨立非執行董事，包括康典先生(主席)及張璐先生。

偏離標準守則

據董事所知，除下文所述的偏離之外，本公司已遵守企業管治常規守則內的守則條文：

守則條文第A.2.1條要求主席與行政總裁的職務須予分開並須明確地以書面方式列名各自的責任。

朱登山先生及高建民先生分別為本公司的主席及董事總經理(亦即行政總裁)。雖然本公司於本期內並無定明責任的分工，然而本公司目前已經採納一項備忘錄明確列出主席及董事總經理的分工及責任。

DEVIATIONS FROM THE MODEL CODE

(continued)

Code Provision A.5.4 stipulates that the board should

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

董事購買股份或債權證之權利

Details of outstanding share options granted to the directors and other employees of the Company under the share option scheme adopted by the Company on 26 June 1995 (the "Old Scheme") and share option scheme adopted by the Company on 27 May 2002 (the "New Scheme") are set out below:

根據本公司於一九九五年六月二十六日採納之購股權計劃(「舊計劃」)及本公司於二零零二年五月二十七日採納之購股權計劃(「新計劃」)授予董事及本公司其它僱員之尚未行使購股權詳情呈列如下：

		Exercisable period 可予行使期間	Subscription price per share 每股認購價	Outstanding as at 31 December 2004 and 30 June 2005 於二零零四年十二月三十一日及於二零零五年六月三十日之尚餘數目
Directors	**董事**			
Chen Yongcun	陳永存	25/07/2001-24/07/2011	0.535	2,000,000
		07/06/2002-06/06/2012	0.700	5,000,000
Gao Jian Min	高建民	09/01/1997-08/01/2007	0.967	15,000,000
		07/06/2002-06/06/2012	0.700	5,000,000
Gu Jianguo	顧建國	27/07/1999-26/07/2009	0.900	2,000,000
				29,000,000
Other employees	**其他僱員**	25/07/2001-24/07/2011	0.535	3,000,000
				3,000,000
				32,000,000

During the current period, no share option was granted to the directors and other employees under the New Scheme. There was also no share option being exercised or lapsed during the current period.

於期內並無向董事及其他僱員授出任何新計劃項下之購股權。同時期內並無任何購股權被行使或失效。

Other than as disclosed above, at no time during the current period was the Company or its subsidiaries a party to any arrangement 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.

除上文所披露者外，本公司或其附屬公司概無於年內任何時間訂立任何安排，致使本公司之董事可藉購入本公司或任何其他法人團體之股份或債權證而得益。

DIRECTORS' INTEREST IN SHARES

As at 30 June 2005, the interests and short positions of the directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provision of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the shares and underlying shares of the Company:

董事之股份權益

於二零零五年六月三十日，董事及本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須記入該條所指登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉如下：

本公司股份及相關股份的好倉情況：

Name of director 董事姓名	Capacity 身份	Underlying shares pursuant to share options 購股權相關股份	Percentage to total issued share capital 佔全部已發行股本百分比
Chen Yongcun 陳永存	Beneficial owner 實益擁有人	7,000,000 *(Note 1)* *(附註1)*	0.40%
Gao Jian Min 高建民	Beneficial owner 實益擁有人	20,000,000 *(Note 1)* *(附註1)*	1.14%
Gu Jianguo 顧建國	Beneficial owner 實益擁有人	2,000,000 *(Note 1)* *(附註1)*	0.11%

DIRECTORS' INTEREST IN SHARES *(continued)*

Note:

1. These represent interests of options granted to the directors under the Old Scheme and New Scheme to acquire shares of the Company, further details of which are set out in the section headed "Directors' Right to Acquire Shares or Debenture".

Save as disclosed above headed "Director's Right to Acquire Shares or Debentures" and in the section below headed "Substantial Shareholders", as at 30 June 2005, none of the directors or chief executive of the Company or any of their associates had any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register as required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code. None of the directors or their spouses or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such right during the period.

董事之股份權益 *(續)*

附註：

1. 此等為根據舊購股權計劃及新購股權計劃授予董事的購股權權益以認購本公司股份，有關詳情載於「董事購買股份及債券之權利」部分。

除上述「董事購買股份或債券之權利」及下述「主要股東」部分所披露者外，於二零零五年六月三十日，本公司根據證券及期貨條例第352條置存的登記冊記錄顯示本公司董事或行政總裁概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)持有任何股份、相關股份或債權證的權益或淡倉或根據標準守則須知會本公司及聯交所的權益及淡倉。於本期間董事或彼等的配偶或十八歲以下的子女，概無獲授予任何權利可認購本公司或其任何相聯法團的股本或債權證或曾行使任何該等權利。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2005, 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 of the Company as at 30 June 2005:

主要股東

於二零零五年六月三十日，於本公司根據證券及期貨條例第336條規定須予備存的登記冊所記錄所顯示，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：

本公司股份的好倉於二零零五年六月三十日的情況：

Name of substantial shareholder 股東名稱	Capacity 身份	Number of ordinary shares 股份數目	Underlying shares 相關股份	Total interests 權益總額	Percentage to total 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	127,170,022	—	127,170,022 *(Note 1)* *(附註一)*	7.23%
China Cinda Asset Management Corporation 中國信達資產管理公司	Interest of controlled corporation 受控制法團的權益	341,448,000	200,000,000 *(Note 2)* *(附註二)*	541,448,000 *(Note 3)* *(附註三)*	30.79%
Citigroup Inc.	169,450,000 shares as beneficial owner, 2,525,000 shares as approved lending agent, 138,813,559 underlying shares as beneficial owner and 9,900,000 shares as person having a security interest in shares 169,450,000股屬實益擁有人，2,525,000股屬核准借出代理人，138,813,559相關股份屬實益擁有人及9,900,000股屬對股份持有保證權益的人	181,875,000	138,813,559 *(Note 4)* *(附註四)*	320,688,559	18.23%
Lam Ching Kui 林清渠	Beneficial owner 實益擁有人	91,068,000	—	125,254,000 *(Note 5)* *(附註五)*	7.12%
	Interest of controlled corporation 受控制法團的權益	33,632,000	—		
	Interest of spouse 配偶權益	554,000	—		
Chan Oi Mo 陳愛武	Beneficial owner 實益擁有人	554,000	—	125,254,000 *(Note 6)* *(附註六)*	7.12%
	Interest of spouse 配偶權益	124,700,000	—		

SUBSTANTIAL SHAREHOLDERS *(continued)*

主要股東 *(續)*

Notes:

附註：

1. Messrs. Hui Xiao Bing and Gao Jian Min, both of whom are directors of the Company, each has a 30% interest in Silver Grant International Holdings Limited as at 30 June 2005.

一. 惠小兵先生及高建民先生彼等均為本公司董事，於二零零五年六月三十日各自擁有Silver Grant International Holdings Limited 30%權益。

2. These represent the interest in convertible note in the principal amount of HK$440,000,000 pursuant to which a total number of 200,000,000 new shares will be issued upon full exercise of the conversion rights attaching thereto at the initial conversion price of HK$2.20 per share.

二. 此等為本金總額440,000,000港元之可換股票據項下的權益，據此按每股2.20港元之初步換股價全面行使可換股票據所附帶之換股權後，將會發行合共200,000,000股新股份。

3. The following is a breakdown of the interests in shares of the Company held by China Cinda Asset Management Corporation:

三. 以下為中國信達資產管理公司所持有本公司之股份權益細節：

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

4. These represent 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.

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

5. These interests in aggregate are in fact the same block of shares disclosed of by Chan Oi Mo, the wife of Lam Ching Kui.

五. 該等權益之總數與林清渠之太太陳愛武披露所持有之權益實為同一批股份。

SUBSTANTIAL SHAREHOLDERS *(continued)*

Notes: (continued)

6. These interests in aggregate are in fact the same block of shares disclosed of by Lam Ching Kui, the husband of Chan Oi Mo.

Save as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2005.

主要股東 *(續)*

附註：(續)

六. 該等權益之總數與陳愛武之夫婿林清渠披露所持有之權益實為同一批股份。

除上文所披露外，根據證券及期貨條例第336條規定須予備存的登記冊所示，本公司並無接獲任何有關於二零零五年六月三十日在本公司股份及相關股份中擁有權益或淡倉的申報。

SHARE OPTION SCHEMES

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

購股權計劃

根據舊計劃及新計劃授出之購股權於本期內之變動載列如下：

Subscription price per share 每股股份認購價	**Exercisable period 可予行使期間**	**Number of share options outstanding as at 1 January 2005 and 30 June 2005 於二零零五年一月一日及二零零五年六月三十日尚餘之購股權數目**
HK$ 港元		
Old Scheme 舊計劃		
0.967	09/01/1997-08/01/2007	15,000,000
0.900	27/07/1999-26/07/2009	2,000,000
0.535	25/07/2001-24/07/2011	5,000,000
		22,000,000
New Scheme 新計劃		
0.700	07/06/2002-06/06/2012	10,000,000
		32,000,000

SHARE OPTION SCHEMES *(continued)*

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

購股權計劃 *(續)*

包括在上述列表之董事所持有之購股權於本期內之變動如下：

Subscription price per share 每股股份認購價	Exercisable period 可予行使期間	Number of share options outstanding as at 1 January 2005 and 30 June 2005 於二零零五年一月一日及二零零五年六月三十日尚餘之購股權數目
HK$ *港元*		
Old Scheme **舊計劃**		
0.967	09/01/1997-08/01/2007	15,000,000
0.900	27/07/1999-26/07/2009	2,000,000
0.535	25/07/2001-24/07/2011	2,000,000
		19,000,000
New Scheme **新計劃**		
0.700	07/06/2002-06/06/2012	10,000,000
		29,000,000

As at 30 June 2005, the total number of share options available for granting pursuant to the New Scheme are 63,222,000 shares representing approximately 3.6% of the total issued share capital of the Company.

於二零零五年六月三十日，根據新購股權計劃項下尚餘可予授出之購股權總數目為63,222,000股，約佔本公司全部已發行股本的3.6%。

Consolidated Income Statement
綜合收入報表

For the six months ended 30 June 2005
截止二零零五年六月三十日止六個月

		Notes *附註*	(Unaudited) (未經審核) Six months ended 30 June 截至六月三十日止六個月 **2005** **二零零五年** ***HK$'000*** ***千港元***	 2004 二零零四年 *HK$'000* *千港元* (Restated) (經重列)
Turnover	營業額	*4*	**298,903**	292,402
Direct operating expenses	直接經營費用		**(51,797)**	(161,409)
			247,106	130,993
Other operating income	其他經營收入	*5*	**33,423**	11,938
Administrative expenses	行政費用		**(49,632)**	(29,722)
Other operating expenses	其他經營費用	*6*	**—**	(16,434)
Reversal of deficit on revaluation of leasehold properties previously charged to the income statement	以前已確認為支出之租賃物業重估虧絀撥回		**8,255**	—
Valuation gain on investment properties	投資物業之重估收益		**55,630**	—
Profit from operations	經營溢利	*7*	**294,782**	96,775
Finance costs	財務費用	*8*	**(29,834)**	(13,485)
Gain on acquisition of additional equity interest in a subsidiary	購入附屬公司額外權益產生之收益		**73,476**	—
Share of results of associates	攤佔聯營公司業績		**59,885**	45,737
Profit before taxation	除稅前溢利		**398,309**	129,027
Taxation	稅項	*9*	**(40,301)**	(1,047)
Profit for the period	期內溢利		**358,008**	127,980
Attributable to:	應佔：			
Equity holders of the Company	本公司股本持有人		**354,973**	122,912
Minority interests	少數股東權益		**3,035**	5,068
			358,008	127,980
Dividend	股息	*10*	**87,934**	61,689
Earnings per share	每股盈利	*11*		
Basic	基本		**20.2 cents 仙**	8.1 cents 仙
Diluted	攤薄		**17.3 cents 仙**	7.9 cents 仙

Consolidated Balance Sheet
綜合資產負債表

As at 30 June 2005

Consolidated Balance Sheet
綜合資產負債表

As at 30 June 2005
於二零零五年六月三十日

		Notes 附註	(Unaudited) (未經審核) As at 30 June 2005 於二零零五年 六月三十日 HK$'000 千港元	(Audited) (經審核) As at 31 December 2004 於二零零四年 十二月三十一日 HK$'000 千港元 (Restated) (經重列)
EQUITY AND LIABILITIES	**股本及負債**			
Capital and reserves	**資本及儲備**			
Share capital	股本	*15*	**351,734**	351,734
Reserves	儲備		**3,526,572**	3,195,067
Equity attributable to equity holders of the Company	本公司股本持有人應佔股本		**3,878,306**	3,546,801
Minority interests	**少數股東權益**		**52,280**	136,180
Total Equity	**股本總值**		**3,930,586**	3,682,981
Current liabilities	**流動負債**			
Trade payables	應付帳款	*14*	**38,214**	55,036
Accrued charges, rental deposits and other payables	應計費用、租務按金及其它應付款		**175,554**	208,020
Amounts due to associates	應付聯營公司款		**478,153**	457,639
Amount due to holding company of a shareholder	應付一名股東之控股公司款項		**18,537**	18,537
Secured bank loans — amount due within one year	有抵押銀行貸款 — 一年內到期	*16*	**627,318**	580,589
Taxation payable	應付稅項		**4,534**	4,960
			1,342,310	1,324,781
Non-current liabilities	**非流動負債**			
Secured bank loans — amount due after one year	銀行抵押貸款 — 一年後到期	*16*	**7,475**	8,050
Convertible notes	可換股票據		**787,705**	780,279
Deferred tax liabilities	遞延稅項負債	*18*	**165,826**	123,705
			961,006	912,034
Total Liabilities	**負債總值**		**2,303,316**	2,236,815
Total Equity and Liabilities	**股本及負債總值**		**6,233,902**	5,919,796

Condensed Consolidated Statement of Changes in Equity
簡明綜合權益變動報表

For the six months ended 30 June 2005 — unaudited
截止二零零五年六月三十日止六個月 — 未經審核

		Attributable to equity holders of the Company 本公司股本持有人應佔股本											
		Share capital 股本	Share premium 股份溢價	Capital reserve 股本儲備	Investment property revaluation reserve 投資物業重估儲備	Asset revaluation reserve 資產重估儲備	Negative goodwill 負商譽	Other reserve 其他儲備	Exchange reserve 匯兌儲備	Retained profits 保留盈利	Total 合計	Minority interest 少數股東權益	Total equity 股本總額
		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	*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
As at 1 January 2004, as previously reported	於二零零四年一月一日結餘，原先呈報	262,444	1,210,737	–	13,562	16,170	12,233	605	1,994	721,273	2,239,018	124,213	2,363,231
Effects of changes in accounting policies:	會計政策變動之影響：												
Reversal of revaluation reserve for investment properties	投資物業重估儲備撥回	–	–	–	(13,562)	–	–	–	–	13,562	–	–	–
Increase in deferred tax relating to properties	物業相關遞延稅項增加	–	–	–	–	(245)	–	–	–	(10,073)	(10,318)	–	(10,318)
As at 1 January 2004, as restated	於二零零四年一月一日結餘，經重列	262,444	1,210,737	–	–	15,925	12,233	605	1,994	724,762	2,228,700	124,213	2,352,913
Transfer to income upon disposal of leasehold property	於出售租賃物業時劃轉儲備	–	–	–	–	(12,419)	–	–	–	12,419	–	–	–
Net income recognized directly in equity	直接於股本確認之收入淨額	262,444	1,210,737	–	–	3,506	12,233	605	1,994	737,181	2,228,700	124,213	2,352,913
Profit for the period	期內溢利	–	–	–	–	–	–	–	–	122,912	122,912	5,068	127,980
Total recognized income for the period	期內確認之總收入	262,444	1,210,737	–	–	3,506	12,233	605	1,994	860,093	2,351,612	129,281	2,480,893
New shares issued at premium	溢價發行新股份	46,000	329,310	–	–	–	–	–	–	–	375,310	–	375,310
Share issue expenses	股份發行費用	–	(15,754)	–	–	–	–	–	–	–	(15,754)	–	(15,754)
2003 final dividend paid	已付二零零三年末期股息	–	–	–	–	–	–	–	–	(61,689)	(61,689)	–	(61,689)
Acquisition of subsidiary	收購附屬公司	–	–	–	–	–	–	–	–	–	–	6,719	6,719
As at 30 June 2004	於二零零四年六月三十日	308,444	1,524,293	–	–	3,506	12,233	605	1,994	798,404	2,649,479	136,000	2,785,479

Condensed Consolidated Statement of Changes in Equity
簡明綜合權益變動報表

For the six months ended 30 June 2005 — unaudited
截止二零零五年六月三十日止六個月 — 未經審核

		Attributable to equity holders of the Company 本公司股本持有人應佔股本											
		Share capital 股本 HK$'000 千港元	Share premium 股份溢價 HK$'000 千港元	Capital reserve 資本儲備 HK$'000 千港元	Investment property revaluation reserve 投資物業重估儲備 HK$'000 千港元	Asset revaluation reserve 資產重估儲備 HK$'000 千港元	Negative goodwill 負商譽 HK$'000 千港元	Other reserve 其他儲備 HK$'000 千港元	Exchange reserve 匯兌儲備 HK$'000 千港元	Retained profits 保留盈利 HK$'000 千港元	Total 合計 HK$'000 千港元	Minority interest 少數股東權益 HK$'000 千港元	Total equity 股本總額 HK$'000 千港元
As at 1 January 2005, as previously reported	於二零零五年一月一日結餘，原先呈報	351,734	1,957,757	–	59,896	13,763	12,233	605	1,994	1,076,978	3,474,960	136,180	3,611,140
Effects of changes in accounting policies:	會計政策變動之影響：												
Reversal of revaluation reserve for investment properties	投資物業重估儲備撥回	–	–	–	(59,896)	–	–	–	–	59,896	–	–	–
Discount on acquisition of a subsidiary	收購一間附屬公司之折讓	–	–	–	–	–	–	–	–	59,376	59,376	–	59,376
Discount on acquisition of an associate	收購一間聯營公司之折讓	–	–	–	–	–	(12,233)	–	–	12,233	–	–	–
Increase in deferred tax relating to properties	物業相關遞延稅項增加	–	–	–	–	(1,102)	–	–	–	(10,349)	(11,451)	–	(11,451)
Increase in interest on the liability portion of convertible notes	可換股票據債務部份增加之利息	–	–	–	–	–	–	–	–	(1,544)	(1,544)	–	(1,544)
Increase in deferred tax relating to convertible notes	可換股票據相關遞延稅項增加	–	–	(10,772)	–	–	–	–	–	270	(10,502)	–	(10,502)
Prior years adjustment in respect of revenue recognition of distressed assets	不良資產之收益確認相關之前期調整	–	–	–	–	–	–	–	–	33,784	33,784	–	33,784
Equity component of convertible notes	可換股票據股本部份	–	–	61,554	–	–	–	–	–	–	61,554	–	61,554
As at 1 January 2005, as restated	於二零零五年一月一日結餘，經重列	351,734	1,957,757	50,782	–	12,661	–	605	1,994	1,230,644	3,606,177	136,180	3,742,357
Gain on revaluation of properties	物業重估產生之收益	–	–	–	–	4,965	–	–	–	–	4,965	–	4,965
Deferred tax liability arising on revaluation of properties	物業重估引致之遞延稅項負債	–	–	–	–	(575)	–	–	–	–	(575)	–	(575)
Share of reserve of an associate	攤佔聯營公司儲備	–	–	–	–	–	–	–	714	–	714	–	714
Net income recognized directly in equity	直接於股本確認之收入淨額	–	–	–	–	4,390	–	–	714	–	5,104	–	5,104
Profit for the period	期內溢利	–	–	–	–	–	–	–	–	354,973	354,973	3,035	358,008
Total recognized income for the period	期內確認之總收入	–	–	–	–	4,390	–	–	714	354,973	360,077	3,035	363,112
Share issue expenses	股份發行費用	–	(14)	–	–	–	–	–	–	–	(14)	–	(14)
2004 final dividend paid	已付二零零四年末期股息	–	–	–	–	–	–	–	–	(87,934)	(87,934)	–	(87,934)
Acquisition of subsidiary	收購附屬公司	–	–	–	–	–	–	–	–	–	–	(86,935)	(86,935)
As at 30 June 2005	於二零零五年六月三十日	351,734	1,957,743	50,782	–	17,051	–	605	2,708	1,497,683	3,878,306	52,280	3,930,586

Condensed Consolidated Cash Flow Statement
簡明綜合現金流量報表

For the six months ended 30 June 2005
截止二零零五年六月三十日止六個月

		(Unaudited) (未經審核) Six months ended 30 June 截至6月30日止六個月	
		2005 **二零零五年** ***HK$'000*** ***千港元***	2004 二零零四年 *HK$'000* *千港元*
Net cash used in operating activities	**經營業務所用現金淨額**	**(67,485)**	(54,958)
Net cash used in investing activities	**投資業務所用現金淨額**	**(177,648)**	(66,742)
Net cash (used in) from financing activities	**融資(所用)所得現金淨額**	**(21,279)**	296,667
Net (decrease) increase in cash and cash equivalents	**現金及現金等值(減少)增加淨額**	**(266,412)**	174,967
Cash and cash equivalents at the beginning of the period	**期初之現金及現金等值**	**1,370,730**	258,500
Cash and cash equivalents at the end of the period	**期末之現金及現金等值**	**1,104,318**	433,467

1. INDEPENDENT REVIEW

The condensed financial statements for the six months ended 30 June 2005 are unaudited and have been reviewed by the Group's Audit Committee.

1. 獨立審閱

截至二零零五年六月三十日止六個月之簡明財務報表並未經審核，惟已經由本集團之審核委員會審閱。

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

The condensed financial statements have been prepared under the historical cost basis except for certain properties and financial assets and liabilities, which are measured at fair values or revalued amounts, as appropriate.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2004 except as described below.

2. 編制基準及主要會計政策

本簡明財務報表乃根據香港會計師公會所頒佈之香港會計準則第34號《中期財務報告》以及香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16的適用披露規定而編制。

除若干物業及金融及負債按適用情況以公平值或重估值計量外，本簡明財務報表是按歷史成本為編制基準，並就公平價值計算的若干財務資產及負債作出修訂。

除下文所述外，本簡明財務報表所採用的會計政策與編制本集團截至二零零四年十二月三十一日止年度的財務報表一致。

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

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

Business combinations

In the current period, the Group has applied HKFRS 3 "Business Combinations", which is effective for business combinations for which the agreement date is on or after 1 January 2005. The principal effects of the application of HKFRS 3 to the Group are summarized below:

2. 編制基準及主要會計政策 *(續)*

在本會計期間，本集團首次應用香港會計師公會新頒佈之若干香港財務報告準則、香港會計準則及詮釋(在下文統稱「新香港財務報告準則」)。該等準則適用於二零零五年一月一日或之後開始之會計期間。應用新香港財務報告準則導致收益表、資產負債表以及股本權益變動表的呈列方式有所改變，尤其是有關少數股東權益及應佔聯營公司稅項的呈列方式，該等呈列方式的改變已追溯應用。採用新香港財務報告準則導致本集團在以下範疇之會計政策有所改變，對本會計期間及以往會計期間之業績編制及呈列方式構成影響：

業務合併

於本期間，本集團應用香港財務報告準則第3號《業務合併》，該準則適用於協議日期為二零零五年一月一日或之後的業務合併。應用香港財務報告準則第3號對本集團的主要影響概述如下：

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

Business combinations *(continued)*

Goodwill

In previous periods, goodwill arising on acquisitions prior to 1 January 2001 was held in reserves, and goodwill arising on acquisitions after 1 January 2001 was capitalized and amortized over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3 from 1 January 2005. The Group has discontinued amortizing the goodwill previously capitalized on the balance sheet from 1 January 2005 onwards and such goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1 January 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortization of goodwill has been charged in the current period. Comparative figures for 2004 have not been restated.

In the current period, the Group has also applied HKAS 21 "The Effects of Changes in Foreign Exchange Rates", which requires goodwill to be treated as assets and liabilities of the foreign operation and translated at closing rate at each balance sheet date. Previously, goodwill arising on acquisitions of foreign operations was reported at historical rate at each balance sheet date. In accordance with the relevant transitional provisions in HKAS 21, goodwill arising on acquisitions prior to 1 January 2005 is treated as a non-monetary foreign currency item of Group. Therefore, no prior period adjustment has been made.

2. 編制基準及主要會計政策 *(續)*

業務合併 *(續)*

商譽

在以往期間，二零零一年一月一日前因收購所產生的商譽會列入儲備，而於二零零一年一月一日或之後因收購所產生的商譽則予以資本化並按其估計可使用年期攤銷。本集團已由二零零五年一月一日起應用香港財務報告準則第3號的有關過渡條文。就早前已於資產負債表資本化的商譽而言，本集團已從二零零五年一月一日起終止攤銷商譽，有關商譽將最少每年檢測有否出現減值。二零零五年一月一日後因收購所產生的商譽在經初步確認後是按成本減累積減值虧損（如有）計算。因為是項會計政策的變動，本期間並無扣除任何商譽攤銷。二零零四年的比較數字亦無予以重列。

於本期間，本集團亦應用香港會計準則第21號《匯率變動的影響》，該準則規定商譽須列作海外業務的資產及負債處理，並按各結算日的收市匯率換算。在此之前，收購海外業務產生的商譽是於各結算日按歷史匯率換算呈報。按照香港會計準則第21號的有關過渡條文，二零零五年一月一日前之因收購所產生的商譽被視作本集團非貨幣性外幣項目處理。因此，無須作出任何前期調整。

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

Business combinations *(continued)*

Excess of the Group's interest in the net fair value of acquiree'

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

Financial instruments

In the current period, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit to recognize, derecognize or measure financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarized below:

Convertible notes/bonds

HKAS 32 requires an issuer of a compound financial instrument (that contains both financial liability and equity components) to separate the compound financial instrument into its liability and equity components on its initial recognition and to account for these components separately. In subsequent periods, the liability component is carried at amortized cost using the effective interest method. The principal impact of HKAS 32 on the Group is in relation to the convertible notes/loans issued by the Company that contain both liability and equity components. Previously, convertible notes/bond were classified as liabilities on the balance sheet. Because HKAS 32 requires retrospective application, comparative figures have been restated. The Group's retained earnings 2005 has been restated in order to reflect the increase in effective interest on the liability component of convertible notes.

2. 編制基準及主要會計政策 *(續)*

金融工具

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

可換股票據／債券

香港會計準則第32號規定複合金融工具（含有金融負債及股本權益兩部分）發行人須予初次確認是將該複合金融工具分拆開負債及股本兩部分並分開列帳處理該兩部分。在繼後期間，負債部分以實際利率法按攤銷成本列帳。會計準則第32號對本集團的主要影響乃其所發行之可換股票據／債券含有負債及股本兩部分。以往，可換股票據／債券於資產負債表內分類為負債。由於香港會計準則第32號規定追溯應用，比較數字已經重列。本集團二零零五年之保留盈利已追溯應用，並反映可換股票據負債部份利息之增加。

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Classification and measurement of financial assets and financial liabilities

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

By 31 December 2004, the Group classified and measured its debt and equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice 24 (SSAP

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets and financial liabilities other than debt and equity securities

From 1 January 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)". "Other financial liabilities" are carried at amortized cost using the effective interest method.

2. 編制基準及主要會計政策 *(續)*

金融工具 *(續)*

債務證券及股本證券以外之金融資產及金融負債

自二零零五年一月一日開始，本集團就債務證券及股本證券以外的金融資產及金融負債(以往不屬於會計事務準則第24號範圍)按照香港會計準則第39號的規定進行分類及計量。如上文所述，香港會計準則第39號將金融資產分類為「於損益表按公平值處理的金融資產」、「可出售金融資產」、「貸款及應收款項」或「持有至到期日金融資產」。金融負債基本上分類為「於損益表按公平值處理的金融負債」或「於損益表按公平值處理的金融負債以外的其他金融負債(其他金融負債)」。「其他金融負債」以實際利率法按攤銷成本持有。

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

Owner-occupied leasehold interest in land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the revaluation model. In the current period, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

Investment properties

In the current period, the Group has, for the first time, applied HKAS 40 "Investment Property". The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the profit or loss for the period in which they arise. In previous periods, investment properties under SSAP 13 were measured at open market values, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

Deferred taxes related to investment properties

In previous periods, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor Interpretation (SSAP-Interpretation 20). In the current period, the Group has applied HKAS Interpretation 21 "Income Taxes — Recovery of Revalued Non-Depreciable Assets", which removes the presumption that the carrying amounts of investment properties are to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflect the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. In the absence of any specific transitional provisions in HKAS Interpretation 21, this change in accounting policy has been applied retrospectively. Comparative figures have been restated (see Note 3 for the financial impact).

2. 編制基準及主要會計政策 *(續)*

與投資物業有關之遞延稅項

於以往期間，根據以往的詮釋(會計事務準則 — 詮釋第20號)重估投資物業所產生的遞延稅項乃根據有關物業是持有作待售之物業可收回的帳面值作出評估。在本期間，本集團應用香港會計準則 — 詮釋第21號《所得稅 — 收回經重估的不可折舊資產》，不再假設投資物業帳面可透過出售而收回。因此，投資物業之遞延稅項影響評估按本集團預期於每一結算日有關物業可收回之數額計算。由於香港會計準則 — 詮釋第21號未附任何具體過渡條文，本集團就此會計政策的改變追溯應用。二零零四年的比較數字因而重列(其對財務狀況的影響見附註3)。

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

Pre-completion contracts for the sale of development properties

Previously, the Group recognise income from pre-completion contracts for the sale of development property only when the property is completed and has passed the inspection process. In the current period, the Group has, for the first time, applied Hong Kong Interpretation 3 "Pre-completion Contracts for the Sale of Development Properties". Under Hong Kong Interpretation 3, revenue arising from pre-completion contracts for the sale of development properties are recognised only when all of the criteria specified in paragraph 14 of HKAS 18 Revenue are met. The Group has elected to apply the requirements of Hong Kong Interpretation 3 to pre-completion contracts for the sale of development properties entered into on or after 1 January 2005. Accordingly, no prior period figures have been restated.

The Group has not early applied the following new Interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of the Interpretation will have no material impact on the financial statements of the Group.

HKFRS-Int 4	"Determining whether an Arrangement Contains a Lease"

2. 編制基準及主要會計政策 *(續)*

出售發展物業之預售合同

以往，通過預售合同售出之發展物業，本集團將於該物業建設完畢並通過驗收之後才確認收益。於本期間，本集團首次應用香港詮釋第3號《出售發展物業之預售合同》。根據香港詮釋第3號，與出售發展物業之預售合同相關的收入只能在香港會計準則第18號收入內第14段所列明所有條件獲達至後才會確認。本集團選擇從二零零五年一月一日開始應用香港詮釋第3號出售發展物業之預售合同所載之規定。因此，並無以往期間的數字需要重列。

本集團並未提早應用下列已頒佈但尚未生效的新詮釋。本公司董事預期應用該等詮釋對本集團的財務報表並無重大影響。

香港財務報告準則詮釋第4號	— 《釐定安排有否租賃成分》

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

The effects of the changes in the accounting policies described in note 2 above on the results for the current period and the previous period are as follows:

3. 會計政策變動影響概要

上文附註2所述會計政策變動對本期間及去年同期業績之影響如下：

		Six months ended 30 June 截至6月30日止六個月	
		2005	2004
		二零零五年	二零零四年
		HK$'000	*HK$'000*
		千港元	*千港元*
Decrease in amortisation of goodwill	商譽攤銷減少	**2,794**	—
Recognition of discount on acquisition directly in the income statement at the time of acquisition	於收購時直接於收入報表確認之收購折讓	**73,476**	—
Valuation gain from investment properties	投資物業之重估增值收益	**55,630**	—
Increase in deferred tax relating to investment properties	投資物業相關遞延稅項增加	**(14,952)**	—
Increase in interest on the liability component of convertible notes	可換股票據負債部分之利息增加	**(8,724)**	—
Increase in deferred tax relating to convertible notes	可換股票據相關遞延稅項增加	**1,299**	—
Increase in interest income from distressed assets	不良資產利息收入增加	**42,546**	—
Increase in deferred tax on interest income from distressed assets	不良資產利息收入相關遞延稅項增加	**(12,763)**	—
Net increase in profit	溢利增加淨額	**139,306**	—

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

3. 會計政策變動影響概要 *(續)*

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

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

		As at 31 December 2004 於二零零四年十二月三十一日 (As originally stated) (原本呈列)	Adjustment 調整	As at 31 December 2004 於二零零四年十二月三十一日 (As restated) (經重列)	Adjustment 調整	As at 1 January 2005 於二零零五年一月一日 (As restated) (經調整)
		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*
Negative goodwill	負商譽	(59,376)	—	(59,376)	59,376	—
Interest in distressed assets	不良資產權益	584,362	48,263	632,625	—	632,625
Deferred tax liabilities	遞延稅項負債	(87,273)	(36,432)	(123,705)	—	(123,705)
Convertible notes	可換股票據	(840,289)	60,010	(780,279)	—	(780,279)
Total effects on assets and liabilities	對資產及負債之影響總額	(402,576)	71,841	(330,735)	59,376	(271,359)
Retained earnings	保留盈利	(1,076,978)	(82,057)	(1,159,035)	(71,609)	(1,230,644)
Capital reserve — equity component of convertible notes	資本儲備 — 可換股票據之股本部份	—	(50,782)	(50,782)	—	(50,782)
Negative goodwill	負商譽	(12,233)	—	(12,233)	12,233	—
Assets revaluation reserve	資產重估儲備	(13,763)	1,102	(12,661)	—	(12,661)
Investment properties revaluation reserve	投資物業重估儲備	(59,896)	59,896	—	—	—
Total effects on equity	對股本之影響總額	(1,162,870)	(71,841)	(1,234,711)	(59,376)	(1,294,087)

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

3. 會計政策變動影響概要 *(續)*

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

應用新香港財務報告準則對二零零四年一月一日累計影響概述如下：

		As originally stated 原本呈列 *HK$'000 千港元*	Adjustment 調整 *HK$'000 千港元*	As restated 經重列 *HK$'000 千港元*
Retained earnings	保留盈利	721,273	3,489	724,762
Investment properties revaluation reserve	投資物業重估儲備	13,562	(13,562)	—
Asset revaluation reserve	資產重估儲備	16,170	(245)	15,925
Total effects on equity	對股本之影響總額	751,005	(10,318)	740,687

4. TURNOVER AND SEGMENT INFORMATION

4. 營業額及分類資料

Turnover is analyzed as follows:

營業額之分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2005 二零零五年 *HK$'000 千港元*	2004 二零零四年 *HK$'000 千港元*
Income from dealing in distressed assets	不良資產處置收入	**189,958**	69,761
Management fee income	管理費收入	**41,661**	37,984
Proceeds from trading of securities	買賣證券所得款項	**34,750**	65,497
Rental income	租金收入	**30,644**	44,593
Dividend income from listed securities	上市證券股息收入	**1,890**	3,539
Sales of properties	物業銷售	**—**	71,028
		298,903	292,402

4. TURNOVER AND SEGMENT INFORMATION *(continued)*

4. 營業額及分類資料 *(續)*

(i) Business segments

(i) 業務分類

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

本集團營業額按業務分類之分析如下：

		For the six months ended 30 June 2005 截至二零零五年六月三十日止六個月					
		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*
Turnover	營業額	189,958	36,640	—	30,644	41,661	298,903
Results	業績						
Segment result	分類業績	189,946	21,277	(1,685)	16,783	1,861	228,182
Interest income	利息收入						20,587
Reversal of deficit on revaluation of leasehold properties previously charged to the income statement	以前已確認為支出之租賃物業重估虧絀撥回						8,255
Valuation gain on investment properties	投資物業重估收益						55,630
Unallocated corporate expenses	未予分配公司費用						(17,872)
Profit from operations	經營溢利						294,782
Finance costs	財務費用						(29,834)
Gain on acquisition of additional equity interest in a subsidiary	購入附屬公司額外權益產生之收益						73,476
Share of results of associates	攤佔聯營公司業績						59,885
Profit before taxation	除稅前溢利						398,309
Taxation	稅項						(40,301)
Profit for the period	期內溢利						358,008
Attributable to:	應佔：						
Equity holders of the Company	本公司股本持有人						354,973
Minority interests	少數股東權益						3,035
							358,008

4. TURNOVER AND SEGMENT INFORMATION *(continued)*

4. 營業額及分類資料 *(續)*

(i) Business segments *(continued)*

(i) 業務分類 *(續)*

		For the six months ended 30 June 2004 截至二零零四年六月三十日止六個月					
		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*
Turnover	營業額	69,761	69,036	71,028	44,593	37,984	292,402
Results	業績						
Segment result	分類業績	69,761	(20,668)	9,260	40,749	3,248	102,350
Interest income	利息收入						4,779
Unallocated corporate expenses	未予分配公司費用						(10,354)
Profit from operations	經營溢利						96,775
Finance costs	財務費用						(13,485)
Share of results of associates	攤佔聯營公司業績						45,737
Profit before taxation	除稅前溢利						129,027
Taxation	稅項						(1,047)
Profit for the period	期內溢利						127,980
Attributable to:	應佔：						
Equity holders of the Company	本公司股本持有人						122,912
Minority interests	少數股東權益						5,068
							127,980

4. TURNOVER AND SEGMENT INFORMATION *(continued)*

4. 營業額及分類資料*(續)*

(ii) Geographical segments

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

(ii) 地域分類

本集團營業額按照客戶的地域位置劃分的分析如下：

		Turnover 營業額	
		2005 二零零五年 *HK$'000 千港元*	2004 二零零四年 *HK$'000 千港元*
The PRC	中國	**160,659**	81,955
Macau	澳門	**100,000**	69,761
Hong Kong	香港	**38,244**	140,686
		298,903	292,402

5. OTHER OPERATING INCOME

5. 其他經營收入

		2005 二零零五年 *HK$'000 千港元*	2004 二零零四年 *HK$'000 千港元*
Interest income	利息收入	**20,587**	4,779
Unrealized holding gains on other investments	其他投資之未變現持有收益	**9,265**	—
Commission income	佣金收入	**520**	—
Gain on disposal of investment properties	出售投資物業收益	**209**	3,785
Bad debt recovered	壞帳收回	**82**	—
Exchange gain	匯兌收益	**15**	—
Release of negative goodwill	負商譽回撥	**—**	1,856
Others	其他	**2,745**	1,518
		33,423	11,938

6. OTHER OPERATING EXPENSES 6. 其他經營費用

		2005 二零零五年 *HK$'000* *千港元*	2004 二零零四年 *HK$'000* *千港元* (Restated) (經重列)
Unrealized holding loss on other investment	證券投資未變現持有虧損	—	13,640
Amortization of goodwill	商譽攤銷	—	2,794
		—	16,434

7. PROFIT FROM OPERATIONS 7. 經營溢利

		2005 二零零五年 *HK$'000* *千港元*	2004 二零零四年 *HK$'000* *千港元*
Profit from operations has been arrived at after charging:	**經營溢利已扣除：**		
Auditors' remuneration	核數師酬金	**1,042**	—
Depreciation	折舊	**3,266**	2,497
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生之虧損	**34**	—
Repairs and maintenance fund expensed relating to the Group's investment properties in the PRC	本集團於中國之投資物業之維修保養支出	**686**	686
Operating lease rental in respect of land and buildings	土地及樓宇之營業租約租金	**626**	814
Staff costs including directors' remuneration and the retirement benefit costs of HK$1,032,000 (2004: HK$288,000)	員工費用包括董事酬金及退休福利成本1,032,000港元（二零零四年：288,000港元）	**20,142**	16,062
Amortization of goodwill	商譽攤銷	**—**	2,794
And after crediting:	**並已計入：**		
Rental income under operating leases less outgoings of HK$654,000 (2004: HK$779,000)	營業租約之租金收入，扣除開支654,000港元（二零零四年：779,000港元）	**29,990**	43,814

8. FINANCE COSTS

8. 財務費用

		2005 二零零五年 *HK$'000* *千港元*	2004 二零零四年 *HK$'000* *千港元*
Interest on bank borrowings	銀行借款利息		
— wholly repayable within five years	— 須於五年之內悉數償還	**15,927**	16,349
— not wholly repayable within five years	— 無須於五年之內悉數償還	**110**	—
Interest on convertible notes/ bonds wholly repayable within five year	須於五年之內悉數償還之可換股票據／債券利息	**13,797**	4
Interest on other loans wholly repayable within five years	須於五年之內悉數償還之其他借款利息	**—**	128
Total finance costs	**財務費用總額**	**29,834**	16,481
Less: Amount capitalized in properties under development	*減：*已於在建物業資本化之金額	**—**	(2,996)
		29,834	13,485

Borrowing costs capitalised during the previous period arose on the general borrowing pool and are calculated by applying a capitalisation rate of 5% to expenditure on qualifying assets.

去年同期已資本化之借貸成本源自一般合併借貸資金，有關金額乃根據合資格資產開支採用每年5%之資本化利率計算。

9. TAXATION 9. 稅項

		2005 二零零五年 *HK$'000* *千港元*	2004 二零零四年 *HK$'000* *千港元*
Current Tax:	**即期稅項：**		
Company and subsidiaries PRC Enterprises Income Tax	本公司及附屬公司 中國之企業所得稅	**233**	112
Deferred Taxation:	**遞延稅項：**		
Company and subsidiaries	本公司及附屬公司	**40,068**	—
Taxation attributable to the Company and subsidiaries	本公司及附屬公司所屬稅項	**40,301**	112
Share of taxation attributable to associates	攤佔聯營公司稅項	**—**	935
		40,301	1,047

No provision for Hong Kong profits tax has been provided in the current and previous periods, as the Group did not have any assessable profit in Hong Kong for both periods.

由於本集團於本期間及去年同期並無任何應課稅收入，本期間及去年同期並無提撥任何香港所得稅支出。

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

本期間及去年同期之中國企業所得稅乃本集團於中國之附屬公司及聯營公司以估計的課稅收入按適用的稅例計算所得之稅項支出。

10. DIVIDEND

On 3 June 2005, the Company paid a dividend of HK$0.05 per share, totaling HK$87,934,000, to the shareholders as final dividend for the year ended 31 December 2004.

On 27 May 2004, a dividend of HK$0.04 per share, totaling HK$61,689,000, was paid to the shareholders as final dividend for the year ended 31 December 2003.

The directors have resolved not to recommend payment of any interim dividend for the six months ended 30 June 2005 (2004: Nil).

10. 中期股息

於二零零五年六月三日，本公司向股東支付每股0.05港元股息，總額為87,934,000港元，作為截至二零零四年十二月三十一日之末期股息。

於二零零四年五月二十七日，本公司向股東支付每股0.04港元股息，總額為61,689,000港元，作為截至二零零三年十二月三十一日之末期股息。

董事議決不擬建議派付截至二零零五年六月三十日止六個月止之中期股息(二零零四年：無)。

11. 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:

11. 每股盈利

本公司普通股股本持有應佔的每股基本及攤薄盈利乃根據下列數據計算所得：

		Six months ended 30 June 截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		HK$'000	*HK$'000*
		千港元	*千港元*
Earnings:	**盈利：**		
Earnings for the purpose of basic earnings per share	用以計算每股基本盈利之盈利	**354,973**	122,912
Effect of dilutive potential ordinary shares:	潛在攤薄股份之影響：		
Interest on convertible notes (net of tax)	可換股票據利息（除稅後）	**11,383**	—
Earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利之盈利	**366,356**	122,912
		In thousand shares *千股*	
Number of shares:	**股份數目：**		
Weight 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	**1,758,672**	1,516,006
Effect of dilutive potential ordinary shares:	潛在攤薄影響發行之普通股份：		
Convertible notes	— 可換股票據	**338,814**	—
Share options	— 購股權	**24,982**	47,736
Weight average number of shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利之加權平均股份數目	**2,122,468**	1,563,742

The convertible notes issued in the second half year of 2004 had no dilutive effect on both the earnings and the number of shares in the previous period.

於二零零四年下半年發行可換股票據之對去年同期之盈利以及股份數目並無構成任何潛在攤薄之影響。

12. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment at a cost of approximately HK$2,011,000.

During the current period, the Group disposed of certain plant and machinery with a carrying amount of approximately HK$90,000 for proceeds of approximately HK$56,000, resulting in a loss on disposal of approximately HK$34,000.

During the current period, the Group disposed of an investment property with a carrying amount of approximately HK$10,491,000 for proceeds of approximately HK$10,700,000, resulting in a gain on disposal of approximately HK$209,000.

The Group's investment properties and leasehold land and buildings classified as property, plant and equipment were fair-valued by Vigers Appraisal & Consulting Limited and A-Plus Surveyors Limited, firms of independent property valuers on an open market basis at 30 June 2005. The resulting increase in fair value of investment properties of approximately HK$55,630,000 has been recognised directly in the income statement. The net surplus on revaluation of leasehold properties amounting to approximately HK$13,220,000, of which the surplus of approximately HK$8,255,000 was credited to the income statement to reverse the deficit previously charged to the income statement and the remaining surplus of approximately HK$4,965,000 was credited to the asset revaluation reserve.

12. 投資物業及物業、廠房及設備之變動

於本期內，本集團購置之物業、廠房及設備成本約為2,011,000港元。

於本期內，本集團以約56,000港元代價出售若干帳面值約90,000港元之機器及設備，出售產生虧損約34,000港元。

於本期內，本集團以約10,700,000港元代價出售若干帳面值約10,491,000港元之投資物業，出售產生收益約209,000港元。

本集團之投資物業以及分類為物業、廠房及設備之租賃土地及樓宇於二零零五年六月三十日之公平值乃經由獨立物業評估師威格斯資產評估顧問有限公司及恆信測計師行有限公司按照公開市值基準評估所得。投資物業評估所得之公平值增加數額約55,630,000港元已直接於收入報表確認。租賃物業評估所得之盈餘淨額約13,220,000港元，其中盈餘數額約8,255,000港元計入收入報表以撥回以前已於收入報表扣除之虧絀；其餘盈餘數額約4,965,000港元則計入資產重估儲備。

13. TRADE RECEIVABLES

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

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

13. 應收帳款

本集團給予貿易客戶平均三十天信用期。

下述是應收帳款於結算日之帳齡分析：

		30 June 2005 **二零零五年六月三十日** ***HK$'000*** ***千港元***	31 December 2004 二零零四年十二月三十一日 *HK$'000* *千港元*
0 — 30 days	零至三十日	**15,968**	9,061
31 — 90 days	三十一日至九十日	**—**	818
Over 90 days	超過九十日	**—**	6,487
		15,968	16,366

14. TRADE PAYABLES

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

14. 應付帳款

下述為應付帳款於結算日之帳齡分析：

		30 June 2005 **二零零五年六月三十日** ***HK$'000*** ***千港元***	31 December 2004 二零零四年十二月三十一日 *HK$'000* *千港元*
0 — 30 days	零至三十日	**22,437**	48,792
31 — 90 days	三十一日至九十日	**4,571**	3,985
Over 90 days	超過九十日	**11,206**	2,259
		38,214	55,036

15. SHARE CAPITAL

15. 股本

		Number of shares 股份數目 2005 二零零五年	Nominal value 票面值 2005 二零零五年 HK$'000 千港元
Ordinary share of HK$0.20 each	每股面值0.20港元之普通股股份		
Authorized:	***法定股本：***		
Balance as at 1 January and 30 June	於一月一日及六月三十日之結餘	4,000,000,000	800,000
Issued and fully paid:	***已發行及已繳足股本：***		
Balance as at 1 January and 30 June	於一月一日及六月三十日之結餘	1,758,671,611	351,734

16. SECURED BANK LOANS

16. 銀行抵押貸款

The bank loans bear interest at commercial rates and are secured by certain investment properties and leasehold properties of the Group. The related obligation is repayable as follows:

銀行貸款按商業利率計算利息，並以本集團若干投資物業及租賃物業作抵押。其相關的還款責任之歸屬期間如下：

		30 June 2005 二零零五年 六月三十日 *HK$'000 千港元*	31 December 2004 二零零四年 十二月三十一日 *HK$'000 千港元*
Within one year	一年之內	**627,318**	580,589
More than one year, but not exceeding two years	一年以上但不超過兩年	**1,150**	1,150
More than two years but not exceeding five years	兩年以上但不超過五年	**3,450**	3,450
More than five years	五年以上	**2,875**	3,450
		634,793	588,639
Less: Amount due within one year shown under current liabilities	*減：*一年之內到期並列為流動負債之金額	**(627,318)**	(580,589)
Amount due after one year	一年後到期之金額	**7,475**	8,050

17. PLEDGE OF ASSETS

As at 30 June 2005, the Group has pledged certain investment properties and leasehold properties which have an aggregate carrying value at the balance sheet date of approximately HK$1,732,766,000 and HK$79,950,000 respectively to secure general banking facilities granted to the Group.

As at 30 June 2005, the Company has pledged a fixed deposit of HK$850,000 and provided all monies floating charge on the Company's assets to a bank in respect of the credit facilities granted by this bank to the Company.

17. 資產抵押

於二零零五年六月三十日，本集團已將若干於結算日累計帳面總額分別為1,732,766,000港元及79,950,000港元之投資物業及租賃物業抵押作為本集團所獲取一般性銀行融資之條件。

於二零零五年六月三十日，本公司已將850,000港元定期存款抵押及以本公司資產提供全額浮動質押予一家銀行作為該銀行向本公司授出相關信貸額度。

18. DEFERRED TAXATION

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior reporting periods:

18. 遞延稅項

以下已確認主要的遞延稅項資產與負債及其於本期間及去年同期的變動：

		Accelerated tax depreciation 加速稅務折舊 *HK$'000 千港元*	Revaluation of properties 物業重估 *HK$'000 千港元*	Distressed assets 不良資產 *HK$'000 千港元*	Tax losses 稅務虧損 *HK$'000 千港元*	Convertible notes 可換股票據 *HK$'000 千港元*	Total 總額 *HK$'000 千港元*
As at 1 January 2004 and 30 June 2004	於二零零四年一月一日及二零零四年六月三十日	(555)	(35,203)	–	11,851	–	(23,907)
Credit (charged) to income for the year	於本年收益計入(扣除)	500	(1,229)	(32,494)	6,704	–	(26,519)
Charge to asset revaluation reserve	計入資產重估儲備	–	(448)	–	–	–	(448)
Charge to investment properties revaluation reserve	計入投資物業重估儲備	–	(17,899)	–	–	–	(17,899)
As at 1 January 2005	於二零零五年一月一日	(55)	(54,779)	(32,494)	18,555	–	(68,773)
Change in accounting policy	會計政策變動之影響	–	(11,451)	(14,479)	–	(10,502)	(36,432)
As at 1 January 2005, restated	於二零零五年一月一日，經重列	(55)	(66,230)	(46,973)	18,555	(10,502)	(105,205)
(Charged)/credit to income for the year	於本年收益(扣除)／計入	–	(15,858)	(26,987)	1,478	1,299	(40,068)
Charge to asset revaluation reserve	於資產重估儲備扣除	–	(575)	–	–	–	(575)
As at 30 June 2005	於二零零五年六月三十日	(55)	(82,663)	(73,960)	20,033	(9,203)	(145,848)

18. DEFERRED TAXATION *(continued)*

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

18. 遞延稅項 *(續)*

就資產負債表呈報用途，若干遞延稅項資產及遞延稅項負債已互相抵銷。以下為就財務申報用途所編制之遞延稅項結餘分析：

		30 June 2005 二零零五年六月三十日 *HK$'000 千港元*	31 December 2004 二零零四年十二月三十一日 *HK$'000 千港元* (Restated) (經重列)
Deferred tax assets	遞延稅項資產	**19,978**	18,500
Deferred tax liabilities	遞延稅項負債	**(165,826)**	(123,705)
		(145,848)	(105,205)

19. RELATED PARTY TRANSACTIONS

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

19. 關聯人士交易

於本期內，本集團與關聯人士進行下述交易：

		2005 二零零五年 *HK$'000 千港元*	2004 二零零四年 *HK$'000 千港元*
Management fee income from an associate *(note a)*	收取一間聯營公司之管理費收入 *(附註a)*	**42**	32
Rental income from an associate *(note a)*	收取一間聯營公司之租金收入 *(附註a)*	**97**	88
Consultancy fee paid to an associate *(note b)*	支付一間聯營公司之諮詢費 *(附註b)*	**467**	1,496
Performance return/commission fee income received from a fellow subsidiary of a shareholder *(note b)*	收取一名股東的集團附屬公司之超收分成及佣金收入 *(附註b)*	**100,000**	69,761
Interest on convertible notes issued to shareholders *(note c)*	支付發行予股東之可換股票據利息 *(附註c)*	**13,797**	—

19. RELATED PARTY TRANSACTIONS
(continued)

Notes:

(a) The transaction price was determined and agreed between the Group and the related parties on the basis of estimated costs incurred.

(b) The transactions were carried out in accordance with the terms of relevant agreements.