FINANCIAL HIGHLIGHTS 財務摘要

		2007 二零零七年 **HK$'m** *百萬港元*	2006 二零零六年 *HK$'m* *百萬港元*	Changes 變動 *%*
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%

Key Performance and Liquidity Indicators:	主要營運表現及財務狀況指標:	**HK$** *港元*	*HK$* *港元*	Changes 變動 *%*
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**	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)*	**3.1**	1.8 x	72%
Interest Coverage *(Note 6)*	利息償付比率 *(附註6)*	**8.4**	13.5 x	(38%)

Notes:

1. Based on 1,820,709,611 shares issued and fully paid as at 31

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 BingeVe-1-8.9toring)

CORPORATE INFORMATION 公司資料

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

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

Share Registrar and Transfer Office

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

股份登記及過戶處

卓佳秘書商務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓
(電話：29801888 傳真：28610285)

Registered Office

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Office Tower, Convention Plaza,
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(Tel: 28770030 Fax: 28029506)

註冊辦事處

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

Company Website

http://www.silvergrant.com.hk

公司網址

http://www.silvergrant.com.hk

Stock Code

171

股份代號

171

Re ie Of Re l

The Group's profit after tax for the year ended 31 December

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)。

Re ie f Re l

B ine Re ie & P B ec

P B e In e men , De el B men and Managemen

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

B ine Re ie & P B ec *(Continued)*

業務回顧及展望*(續)*

P B e In e men , De el B men and Managemen *(Continued)*

物業投資、發展及管理*(續)*

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.

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。

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.

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。

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

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。

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.

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。

Cinda Jianrun

信達建潤

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.

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%。

Business Review & Prospect *(Continued)*

Property Investment, 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 Investment

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的道路項

B ine Re ie & P B ec *(Continued)*

業務回顧及展望*(續)*

P B e In e men , De el B men and Managemen *(Continued)*

物業投資、發展及管理*(續)*

Petrochemical projects*(Continued)*

石油化工項目(續)

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.

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。

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.

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。

Financial In e men

金融投資

Distressed Assets Business

不良資產業務

The Cinda Portfolio

信達資產包

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.

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。

B ine Re ie & P B ec *(Continued)*

Financial In e men *(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 fromt .9(u)-1u(6)-24.1(i)372A%u(d)l13 6(m)7((u)-10.f.8(a)13.1(o)-26.9(m)--8C(e)-28.i.3(i)-2n)-13(d-24.

B ine Re ie & P B ec *(Continued)*

業務回顧及展望*(續)*

Financial In e men *(Continued)*

金融投資*(續)*

Distressed Assets Business *(Continued)*

不良資產業務(續)

The Huarong Portfolio

華融資產包

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.

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。

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%.

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%。

B ine Re ie & P B ec *(Continued)*

Financial In e men *(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

B ine Re ie & P B ec *(Continued)*

業務回顧及展望*(續)*

Financial In e men *(Continued)*

金融投資*(續)*

Distressed Assets Business *(Continued)*

不良資產業務(續)

The Orient Portfolio

東方資產包

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.

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。

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%.

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%。

B ine Re ie & P B ec *(Continued)*

Financial In e men *(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

G B h S a egie

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

Financial Re ie

E change E e

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 recent years has a cumulative effect of causing the RMB to appreciate by approximately 20%. The Group was benefited from this RMB appreciation and recognised a net exchange gain of approximately HK$147.4 million in 2007. The Directors expect that RMB exchange rate will appreciate gradually in the next few years and the Group will be benefited from RMB appreciation. The Directors do not anticipate that there is any material exchange exposure in respect of other currencies.

財務回顧

匯兌風險

於結算日，本集團有一項以美元為計價單位的可換股票據，金額為52,500,000美元(相當於409,500,000港元)。由於港元是與美元掛鈎，而此項貨幣掛鈎政策於可預見的未來都不會解除。因此，董事會相信就美元而言，因匯率變動所引致的匯兌風險將不會對本集團構成重大負面影響。

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。近年人民幣匯率持續上升並累計促使人民幣升值約20%。本集團因為人民幣的升值而得益並於二零零七年確認淨匯兌收益約147,400,000港元。董事預期人民幣匯率於未來幾年將繼續緩慢地升值，本集團並將會因為人民幣升值而得益。就其他外幣而言，董事並無預期會出現重大的匯兌風險。

Financial Re ie *(Continued)*

W G king Ca i al & B G G ing

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 restric Hddgbankebalanc(e)25(amoun)85(c H)2.(ddg)58(t).6(o856.9e)]TJT*.0274 Tc12876 T
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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 Resource

As at 31 December 2007, the Group employed approximately

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

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 Dep 1ie94.8(ve2-11.4(at)11.1(e9)-1.5(-.6(a7)-9M9.5(i)-10.1(a)-14.7(h)-10.7-10.6(r)272.9(e)-r9

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

Independent Non-executive Directors' *(Continued)*

Hung Mak 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

K Sk Ch ng L n

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

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 Informorr

Board of Directors (Continued)

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

董事會(續)

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 meeting 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%

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

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。

Audit Committee *(Continued)*

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

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：

Name of director 董事姓名	Number of meeting 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%

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。

Remuneration Committee *(Continued)*

3. Share Option Scheme

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 discretional 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 thoughout 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。

Remuneration Committee *(Continued)*

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

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。

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.

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。

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.

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。

Di ec S ' Re Sn ibili S a emen

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. ThT Twþ.3(fe)-1pany

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 corpr1923.8(a)-15.6(t)-2.2(l c)-26.4(o)-25.9(m)-2m(b)-24.5(u)516.2(n2-13.9(i2-13.c(a)-29.8(a)-15.6(t)-16.9(i2-13.4(o)-

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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

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.

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。

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.

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。

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.

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。

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叉歎俜 { 灘叶 $ 冉 # 眇巧獄泓斛柞

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.

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。

Director's Interest in Contract 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.

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。

Substantial Shareholders' Interests

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 interest 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%

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 控權股東名稱	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

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.

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。

Purchase, Sale 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.

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。

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 compentence.

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.

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。

A di B/ Re Bn ibili

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 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 presenv7d ttion of the consolidated.7(e 1)]TJT*

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

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

As at 31 December 200
於二零零七年十二月三十一日

			The G[illegible]		The C[illegible]mpan	
			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
		Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		附註	*千港元*	*千港元*	*千港元*	*千港元*
ASSETS	資產					
N[illegible]n-c[illegible]en a e	非流動資產					
Investment properties	投資物業	*16*	**2,126,216**	2,195,909	**16,745**	15,656
Property, plant and equipment	物業、廠房及設備	*1[illegible]*	**156,346**	132,612	**69,483**	57,190
Goodwill	商譽	*18*	**7,001**	33,525		—
Investments in subsidiaries	附屬公司投資	*19*		—	**56,011**	56,011
Interest in associates	聯營公司權益	*20*	**1,110,780**	1,330,123	**20,000**	339,202
Interest in a jointly controlled entity	共同控制公司權益	*21*	**13,587**	32,088	**13,587**	26,318
Amounts due from associates	應收聯營公司款	*23*		210,000		—
Structured finance securities	結構性金融證券	*25*	**12,046**	24,423	**12,046**	24,423
Available-for-sale investments	可供出售投資	*26*	**167,755**	99,075	**2,140**	2,140
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	*31*	**9,745**	—		—
Deposit paid for establishment of an associate	已付成立聯營公司之按金	*2[illegible]*	**64,171**	—		—
Other asset	其他資產	*28*	**1,371**	2,742		—
			3,669,018	4,060,497	**190,012**	520,940
C[illegible]en a e	流動資產					
Inventories, at cost	存貨 — 成本		**183**	172		—
Stock of properties	物業存貨	*29*		257,449		—
Interest in distressed assets	不良資產權益	*30*		199,931		—
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	*31*	**97,446**	—		—
Available-for-sale investments	可供出售投資	*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

			The Group 本集團		The Company 本公司	
		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	**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					

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

	Notes 附註	2007 二零零七年 HK$'000 千港元	2006 二零零六年 HK$'000

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

		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
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				

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

		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
In e ing ac i i ie	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	**5,989**	—
Disposal of subsidiaries	出售附屬公司	51	**(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

		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
Financing ac i i ie	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

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.

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. Application of new and revised Hong Kong Financial Reporting Standard ("HKFRS")

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.

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」)。

2. Application of new and revised Hong Kong Financial Reporting Standard (HKFRS) *(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(FRIC)-INT 8	Scope of HKFRS 2
HK(IFRC)-NT 9	Reassesment of embedded derivatives
HK(IFRC)-NT 10	nterim financial reporting and impairment

The adoption of thesew HKFRSs had no material effe ct on how the results and financial position for the curent or prior accounting periods have been prepared and presented. Accordingly, no prior peiod adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectivey. Certain information presented in prior year under the requirements of HKAS 32 haeen removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 haeen presented for the first time in the cur rent ye ar.

Throup has not er ly rpplied thllowing nw nd revised standrds, amendment or interpretations th have been issued but are not yet effe ctive.

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號惡性通貨膨漲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。

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

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 subisdiaries). 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 wits to Tc0 dse1(ng)10us2.7(e)-7.8(s)1(.1(6t)93.40s)18.51-11.o Tc2.3(e)-r.40s d aepts of thrppT.6353upe e7e4(h).n.1(T7-8.85d)- Minorit(e e)-1y.85d7t9(2.7(e)-6.3(4(h).3(e-1.t) u)-1s.85d)- i5.85d7ora

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

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

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-11.8(o)g.3(s)1(a)-11.5-10.5(r)-ysr p s as rs458ir stbl -2(ti)-9l s h meorc2.6(t)1.4(e)-16. a

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

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

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

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 agreement whichever is earlier and the collectibility of related receivables is reasonably assumed. Deposits received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheets under current liabilities.

3. 主要會計政策*(續)*

收益的確認*(續)*

日常業務過程中銷售物業之收益(包括銷售發展物業之完成前合約之收益)與達成以下所有條件時確認入賬：

- 物業所有權上之重要風險及報酬已轉移予買方；
- 不再保留對物業施加如同擁有權之管理參與程度及實際控制權；
- 收益金額可以可靠地計量；
- 與交易相關的經濟利益將會流入本集團；及
- 有關交易所產生或將予產生的成本可以可靠地計量。

當相關物業的建築工程已完成、根據銷售協議轉讓物業所有權或將無業權交付予買家(以較早發生者為準)，且收取有關應收款項的可能性乃基於合理假設，則上述標準即告達成。銷售物業時收取的按金於收入確認當日前列入綜合資產負債表中流動負債項下。

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

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

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。

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。

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 tdividf7.3(g9(u.6(c)-1tuo)-11.8e c).12.510.4(058.3(f)1)ieows2dia9(l).tn inea6.7(e12.51d2).8(e b)-10(o)1e12.5(l).tl p4f.4(t)11.c(n)68.1(e)-

3. Significan acc S n ing Slicie *(Continued)*

Im ai men Sf financial a e *(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)*

除了應收賬款、其他應收款及

3. Significant accounting policies *(Continued)*

Financial liabilities and equity instruments

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

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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。

3. Significant accounting policies *(Continued)*

Financial liabilities and equity *(Continued)*

Effective interest method *(Continued)*

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

3. Significant accounting policies *(Continued)*

Taxation *(Continued)*

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

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。

4. Key sources of estimation uncertainty *(Continued)*

Estimated cash flows of the disposed assets and investment in disposed 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 arsing 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 resepctively.

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。

5. Financial instruments and capital disclosure

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會報最大化。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。

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

Categories of financial instruments

		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*
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**			

5. Financial instruments and capital disclosure *(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 risk

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,

5. Financial instruments and capital risk management *(Continued)*

Market risk *(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/

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

5. 金融工具及資本披露*(續)*

Market risk *(Continued)*

市場風險*(續)*

Foreign currency risk management

外幣風險管理

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.

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。

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:

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	銀行結餘及現金				
— Hong Kong dollars	— 港元	**1,640**	—		—
— United States dollars	— 美元	**6,770**	22,667	**6,770**	22,334
— Renminbi ("RMB")	— 人民幣	**346,478**	6,582	**346,478**	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

5. Financial instruments and capital risk management *(Continued)*

Market risk *(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

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

Market risk *(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。

5. Financial instruments and capital risk management *(Continued)*

Market risk *(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:.

	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

5. Financial instruments and capital disclosure *(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不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。

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

Liquidity risk *(Continued)*

***Liquidity tables** (Continued)*

The Group

		Less than 6 months 少於六個月	6 months to 1 year 六個月至一年	1-2 years 一至兩年	More than 2 years 超過兩年	Total contractual undiscounted cash flows 未折現之約定現金流總額	Carrying amount 賬面值
		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 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						

5. Financial instruments and capital disclosure *(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	6 months to 1 year 六個月至一年	1-2 years 一至兩年	More than 2 years 超過兩年	Total contractual undiscounted cash flows 未折現之約定現金流總額	Carrying value 賬面值
		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 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

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

Credit risk

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;

5. Financial instruments and capital disclosure *(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。

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 segment

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。

6. Revenue and segment information *(Continued)*

(A) Business segments *(Continued)*

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

		Year ended 31 December 2007 截至二零零七年十二月三十一日止					
		Distressed asset business 不良資產業務	Investment 投資	Sales of properties 物業銷售	Property leasing 物業租賃	Property management 物業管理	Consolidated 綜合
		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*
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 .0486 fTD.06057 .06057 .xSlpr14.6(fper)-248t4i,e

6. Revenue and segment information (Continued)

(A) Business segments (Continued)

(i) *(Continued)*

		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							

6. Revenue and segment information (Continued)

(A) Business segment (Continued)

(ii) Other information

6. 收入及分類資料(續)

(A) 業務分類(續)

(ii) 其他資料

		Distressed asset business 不良資產業務 HK$'000 千港元	Investment 投資 HK$'000 千港元	Sale 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	結構性金融資證券之公平值變動	—	(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

6. Revenue and segment information *(Continued)*

(A) Business segments *(Continued)*

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

		Distressed assets business 不良資產業務 HK$'000 千港元	Investment 投資 HK$'000 千港元	Sale of properties 物業銷售 HK$'000 千港元	Property leasing 物業租賃 HK$'000 千港元	Property management 物業管理 HK$'000 千港元	Consolidated 綜合 HK$'000 千港元
As at 31 December 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	13,587	—	—	—	—	13,587
Amount due from associates	應收聯營公司款項						781,802
Amount due from a jointly controlled entity	應收共同控制公司款	122,630	—	—	—	—	122,630
Unallocated corporate assets	未予分配公司資產						1,548,646
Consolidated total assets	綜合總資產						6,381,109
Liabilities	負債						
Segment liabilities	分類負債						

6. Revenue and segment information *(Continued)*

(A) Business segment *(Continued)*

(iii) *(Continued)*

		Discontinued value business 不良資產業務 HK$'000 千港元	Investment 投資 HK$'000 千港元	Sales of properties 物業銷售 HK$'000 千港元	Property leasing 物業租賃 HK$'000 千港元	Property management 物業管理 HK$'000 千港元	Consolidated 綜合 HK$'000 千港元
As at 31 December 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
Consolidated t02aA0l8d 991.331r9(0t8 f)a126702lAmou5.9(,)8.8(0)-19.838.5748 -1.3333 TD.039T2,$,Xfjd#iXeÀWH3X%h=,"0p'—1q@É3=4ÃÃ9RD˜o7,7Ò&3=]3„—a5XR•^							

6. Revenue and segment information (Continued)

(B) Geographical segments

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

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

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

8. Finance costs

		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

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

10. Directors' emoluments

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

11. Emoluments of employees

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:

11. 僱員酬金

本集團五名最高薪人士包括兩(二零零六年：三)名董事，彼等的酬金詳情載於上文附註10。其餘三(二零零六年：兩)名人士的酬金如下：

		2007 二零零七年 HK$'000 千港元	2006 二零零六年 HK$'000 千港元
Salaries and 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 employee 僱員人數	
		2007 二零零七年	2006 二零零六年
	港元至		
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		
	3,000,001港元至3,500,000港元	1	—
		3	2

12. Taxation

	2007 二零零七年 *HK$'000*	2006 二零零六年

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

12. Taxation (Continued) 12. 稅項(續)

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

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：

		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.

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):		

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:

		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)

14. Earnings per share *(Continued)*

		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窻耳滇玑份數		

16. Investment properties

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	**2007** 二零零七年	2006 二零零六年
		HK$'000 *千港元*	*HK$'000* *千港元*	***HK$'000*** *千港元*	*HK$'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		69u99411.0499 -1..724 TD .0275 Tc .028 Tw [(A)63((t)-.		

16. Investment Properties *(Continued)*

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

16. In e men [illegible] ie *(Continued)*

The fair value of the investment properties of the Group

17. Property, plant and equipment

		Leasehold land and building 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	—	r(N(76(r)-28.9()-12.634)92(2)987(89)16				

17. Property, plant and equipment *(Continued)*

		Leasehold land and building 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 vehicle 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

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

17. Property, plant and equipment *(Continued)*

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

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

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 growth319(a)-26sump8317.1(sn18..3(a)-14((r).2(d tht)11.4(e) k5.4)11.w)-y 10.8(a)-11.3(e)-s2.4(l)-9.5 755lnod th a vauu9

19. Investments 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. Interests 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。

20. Interests in associates (Continued) 20. 聯營公司權益(續)

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

本集團主要聯營公司之財務摘要載列如下：

		CITIC Limited 中基投資有限公司		Nonferrous Metals International (BVI) Limited *(note)* *(附註)*		北京君合百年房地產開發有限公司		貴州同濟堂新天投資管理有限公司	
		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*	**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*
Consolidated balance sheet	綜合資產負債表								
Non-current assets	非流動資產	794,681	986,537	—	670,062	1,073	1,462	104,278	—
Current assets	流動資產	1,342,420	1,105,817	—	3	928,433	754,479	53,980	—
Current liabilities	流動負債	(105,441)	(243,255)	—	—	(794,398)	(402,279)	(51,395)	—
Non-current liabilities	非流動資產	(17,000)	(20,200)	—	—	—	(210,000)	—	—
Shareholders' funds	股東資金	2,014,660	1,828,899	—	670,065	135,108	143,662	106,863	—
Minority interests	少數股東權益	(97)	(258)	—	—	—	—	—	—
Equity attributable to equity holders of the associate	聯營公司股本持有人應佔股本	2,014,563	1,828,641	—	670,065	135,108	143,662	106,863	—
Group's share of net assets of associates	集團攤佔聯營公司資產淨值	1,007,281	914,321	—	335,587	30,561	33,316	42,745	—
Consolidated income statement	綜合收益表								
Revenue	收入	134,019	131,642	—	—	1,951	—	—	—
Profit (loss) for the year attributable to equity holders of the associate	聯營公司股本持有人應佔年內溢利(虧損)	109,540	152,406	—	(12)	(18,541)	(17,689)	—	—
Profit (loss) for the year attributable to the Group	本集團應佔年內溢利(虧損)	54,770	76,203	—	(6)	(4,194)	(4,034)	—	—

Note:

Nonferrous Metals International (BVI) Limited was deregistered during the year ended 31 December 2007.

附註：

Nonferrous Metals International(BVI)Limited 於截止二零零七年十二月三十一日止年度內已註銷公司登記。

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23. Amounts due from/(to) an associate *(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 currea% (a (t()-4curDifem, 81(,3a).7.8(3e b). gsBT8 0 1 Tf10 0 0 10 65.1968 666.076 Tm9 4Silver Grant20 e

26. Available-for-sale investments 26. 可供出售投資

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

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

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

27. Deposits 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.

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. 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.

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。

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).

30. Investment property

	The Group 本集團	
	2007 二零零七年	2006 二零零六年
	HK$'000 *千港元*	*HK$'000*

30. Interest in distressed asset (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。

31. Investment indirectly held 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

31. In e men in di e ed a e h gh e abli hmen f a ecial e ehicle *(Continued)*

The G *(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1,000,000元

淨額如在人民幣讀埠奘鑀霺藜

31. Investments in associates 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%

33. Trade receivable

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:

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：

		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.

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。

34. De i , el a men and he ecei able

	The G.		The C m an	
	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*

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.

37. Assets classified as held-for-sale

		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

38. Pledge Of Assets

At 31 December 2007, the Group pledged certain investment properties and leasehold land and buildings which have an aggregate carrying

39. Share capital *(Continued)*

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$'000 千港元*	Convertible note equity reserve 可換股票據股本儲備 *HK$'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)

Net income recognised dir(1)-31 311.5(i)78TD.0526 Tc[re)4.2(ser)-24.3(v)17.8(e)]TJ/c3Tj/F4 1 T1.]TJ-4312.281.5(i)]TJ/G1E1m931(l)-r0081(v2(i)1.,)-111-/F4 1 -19.00l r29.75 2tE-7(y a)-15a,b9i2deu6lscn.0/G18

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.

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. Convertible note

42. 可換股票據

The Group and the Company

本集團及本公司

		2007 二零零七年 ***HK$'000*** *千港元*	2006 二零零六年 *HK$'000* *千港元*
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

42. Convertible notes *(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

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

43. Deferred taxation

44. Trade payable

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

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.

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. Amounts due to associates

The Group and the Company

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

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. Amounts 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.

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。

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.

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. Amounts due to subsidiaries

The Company

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

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. 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.

50. Deemed acquisition of subsidiaries *(Continued)*

The net assets acquired in the transaction are as follows:

		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	

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:

		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	**(15,040ie5(,)7.9(Pf2(,)7.9/F1 1-30.4(4)757**	

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。

52. Operating lease arrangements

The Group as lessee

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

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:

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 benefit plan

55. Retirement benefit plan *(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.

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. Share option scheme

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.

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。

56. Share option scheme *(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采嗰何時間，授予本公司或兒嗰何附屬公司董事或僱員購股權以認購本公司股桑，價格不得少於授出日期本公司股桑之收市價、緊接購股權授出日期前五個交易日本公司股桑平均收市價或本公司股桑之面值(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桑數倢，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采購股權。

56. Sha/e B[illegible] iSn *(Continued)*

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

	N mbe/ Sf ha/e B[illegible] iSn 購股權數目	
	O anding a	
S b c/l[illegible] iSn l/ice l e/ ha/e 每股認購價	E e/ci able l e/iSd 可予行使期間	

58. Major non-cash transaction

(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

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

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

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) 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
			Direct 直接	Indirect 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	—	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

60. Pa ic la f b idia ie , a cia e , jin l cn lled en i and ecial e e ehicle *(Continued)*

(a) *(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) *(續)*

Name f cm an 公司名稱	Place f i inc a n/ e abli hmen 註冊成立地點／所在地	Nminal al e f ed dina ha e ca i al/ egi e ed ca i al 已發行普通股股本／註冊資本面值	P i n f nminal al e f i ed dina ha e ca i al/ egi e ed ca i al held b he Cm an 本公司所持有已發行普通股股本／註冊資本面值比例 Di ec l 直接	 Indi ec l 間接	P inci al ac i i ie 主要業務
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. Particulars of subsidiaries, associates, jointly controlled entities 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
			Direct 直接	Indirect 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

60. Particulars of subsidiaries, associates, jointly controlled entities 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 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 本集團所持有已發行普通股股本／註冊資本面值比例 The Group 本集團	 The Company 標新	Principal activities 主要業務

60. Particulars of subsidiaries, associates, jointly controlled entities 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/registration 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 公司	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/operation 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				
		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**
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**

		As 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**
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**

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

		As 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	儲備	1,976.6	3,132.0	3,505.3	4,226.5	**4,641.9**
Equity attributable to equity holders of the Company	本公司股本持有人應佔股本	2,239.0	3,483.7	3,843.0	4,590.6	**5,006.0**
Minority interests	少數股東權益	124.2	136.2	55.7	16.3	**12.7**
Non-current liabilities	非流動負債	44.4	926.9	632.2	665.5	**479.2**
		2,407.6	4,546.8	4,530.9	5,272.4	**5,497.9**

Note: The financial information for the year ended 31 December 2004 has been restated to reflect the effect of changes in accounting policies which results from the adoption of the Hong Kong Financial Reporting Standards with effect from the accounting periods beginning on or after 1 January 2005. The financial information for the years ended 31 December 2003 has not been adjusted, and therefore are not strictly comparable.

附註： 截至二零零四年十二月三十一日止年度之財務資料已經重列，以反映採納適用於二零零五年一月一日或以後開始的會計及期間之香港財務報告準則導致的會計真正變動之影響。截至二零零三年十二月三十一日止年度之財務資料並無作出調整，因此嚴格地說，不具備可比性。

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	

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)*

	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 1of 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, Shannei Garden, No. 258 Wenming Road East, Haikou, Hainan Province, the PRC. 中國海南省海口市文明東路258號山內花園D型別墅8號。	Long lease 長期	Residential 住宅	3,118

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