

NH 新澤控股有限公司 New Heritage Holdings Ltd.

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)

香港聯交所上市編號 : 95 HKSE Stock Code : 95

新澤控股



二零零五年年報
Annual Report 2005

The background of the entire page is a sepia-toned photograph of a traditional Chinese garden. In the foreground, a low stone wall runs horizontally across the frame. Behind the wall, there are several traditional Chinese buildings with white walls and dark tiled roofs. Bare trees are scattered throughout the scene, and their reflections are visible in a body of water in the lower right. The overall atmosphere is serene and historical.

New Heritage

*“A quality and niche property
developer in Suzhou”*

新澤

“蘇州優質精品物業發展商”



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CORPORATE INFORMATION

公司資料

Directors

Executive Directors

Mr. TAOCHAIFU Choofuang (*also known as CF Tao*) (*Chairman*)
 Mr. TAO Richard (*Vice Chairman*)
 Mr. TAOCHAIFU Porn (*also known as Paul Tao*) (*Managing Director*)
 Mr. KONG Mui Sum Lawrence
 Mr. YIM Chun Leung

Non-Executive Director

The Hon. CHAN Bernard Charnwut

Independent Non-Executive Directors

Mr. WONG Gary Ka Wai
 Mr. SUN Leland Li Hsun
 Mr. CHAN Norman Enrique

Audit Committee

Mr. WONG Gary Ka Wai (*Chairman*)
 Mr. SUN Leland Li Hsun
 Mr. CHAN Norman Enrique

Nomination Committee

Mr. CHAN Norman Enrique (*Chairman*)
 Mr. SUN Leland Li Hsun
 Mr. TAOCHAIFU Porn

Remuneration Committee

Mr. SUN Leland Li Hsun (*Chairman*)
 Mr. CHAN Norman Enrique
 Mr. TAO Richard

Authorised Representatives

Mr. YIM Chun Leung
 Ms. CHAN Meily

Company Secretary

Ms. CHAN Meily *MBA, ACS, ACIS*

Qualified Accountant

Ms. MAN Miu Sheung *CPA, ACA*

Auditors

Grant Thornton

董事

執行董事

陶哲甫先生 (*別名CF Tao*) (*主席*)
 陶家祈先生 (*副主席*)
 陶錫祺先生 (*別名Paul Tao*) (*董事總經理*)
 江森森先生
 嚴振亮先生

非執行董事

陳智思先生

獨立非執行董事

王家偉先生
 孫立勳先生
 陳樂文先生

審核委員會

王家偉先生 (*主席*)
 孫立勳先生
 陳樂文先生

提名委員會

陳樂文先生 (*主席*)
 孫立勳先生
 陶錫祺先生

薪酬委員會

孫立勳先生 (*主席*)
 陳樂文先生
 陶家祈先生

授權代表

嚴振亮先生
 陳美莉女士

公司秘書

陳美莉女士 *MBA, ACS, ACIS*

合資格會計師

文妙嫦小姐 *CPA, ACA*

核數師

均富會計師行



CORPORATE INFORMATION

公司資料

Registered Office

Clifton House
75 Fort Street
P.O. Box 1350 GT
George Town
Grand Cayman
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Room 2301, 23/F
Fortis Bank Tower
77-79 Gloucester Road
Wanchai, Hong Kong

Legal Advisers

Appleby Spurling Hunter
Woo, Kwan, Lee & Lo

Principal Bankers

Asia Commercial Bank Limited
The Bank of East Asia Limited
Bank of China Limited (Suzhou Branch)
China Construction Bank Corporation (Suzhou Branch)

Principal Share Registrar and Transfer Office

Appleby Corporate Services (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350 GT
George Town
Grand Cayman
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

Compliance Adviser

Tanrich Capital Limited

Stock Code

95

Website

www.nh-holdings.com

註冊辦事處

Clifton House
75 Fort Street
P.O. Box 1350 GT
George Town
Grand Cayman
Cayman Islands

總辦事處及 香港主要營業地點

香港灣仔
告士打道77-79號
華比富通大廈
23樓2301室

法律顧問

Appleby Spurling Hunter
胡關李羅律師行

主要往來銀行

亞洲商業銀行有限公司
東亞銀行有限公司
中國銀行股份有限公司 (蘇州分行)
中國建設銀行股份有限公司 (蘇州分行)

主要股份過戶登記處

Appleby Corporate Services (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350 GT
George Town
Grand Cayman
Cayman Islands

香港股份過戶 登記分處

卓佳證券登記有限公司
香港
皇后大道東28號
金鐘匯中心26樓

合規顧問

敦沛融資有限公司

股份代號

95

公司網址

www.nh-holdings.com

MILESTONES

里程碑

Founded more than two decades ago, the Group is proud to celebrate its listing on the main board of the Stock Exchange of Hong Kong this financial year. Changes have come and gone over the ensuing years since the Group's inception, but one thing has remained unchanged: our passion for Suzhou, Jiangsu Province and Beijing.

Whilst Land is where we start, it is the People that we ultimately serve. We have made no compromises but stuck to our principle of delivering a "quality living" experience to our customers.

2005 marked a new chapter for New Heritage and we are poised to continue our advance and make the Group the Hong Kong niche property developer of choice on the Chinese Mainland.

集團成立迄今超過二十年，於本財政年度慶祝在香港聯合交易所主板上市，集團上下深感自豪。集團自成立後，多年來雖然面對種種轉變，但對蘇州、江蘇省及北京的熱情依然歷久彌新，絲毫未變。

「地」是集團之始，「人」則是我們的最終服務目標。集團堅守理念，從未鬆懈，銳意為客戶提供「優質生活」的體驗。

新澤在二零零五年翻開新的一章，我們已作好充份部署，昂首邁步向前，使集團成為中國內地市場的香港優質精品物業發展商。

1978	— CF Tao, Chairman of the Group, one of the earliest to set foot in the China property market, participated in the conception and development of Jinling Hotel, one of the first five-star hotels on the Chinese Mainland, in Nanjing, provincial capital of Jiangsu Province.
1984	— Developed Beijing Landmark Towers, a multi-purpose commercial complex in Beijing with the support of the Beijing Municipal Bureau of Tourism.
1990	— Beijing Landmark Towers commenced operations.
1991	— Among the first foreign developers to build high-rise residential apartments and villas in the western part of Suzhou, known as the Suzhou National New & Hi-tech Industrial Development Zone (also known as "New District").
1994	— Named among the top 30 enterprises for real estate development in Suzhou.
1995	— Awarded Certificates of Merit in Construction Quality for Suzhou Garden Villa Phase I — Villas and High-Rise Residential Buildings. — CF Tao made an Honorary Citizen by the municipal government of Suzhou.
1996	— Suzhou Garden Villa was named an Excellent Property Management Residential Complex in Jiangsu Province. — Sponsored the Suzhou International Planning Workshop for Suzhou's Pingjiang District Renovation and Redevelopment Plan, a joint effort between Suzhou Construction Committee and Suzhou City Planning Bureau.
1997	— Awarded Certificate of Merit in Construction Quality for Suzhou Garden Villa Phase II — High-Rise Apartments.

一九七八年	— 本集團的主席陶哲甫為進軍中國物業市場的先驅之一，曾參與構思及發展江蘇省南京市的金陵飯店，其為中國內地首批五星級酒店之一。
一九八四年	— 在北京市旅遊局的支持下，在北京發展多功能商業綜合大樓北京亮馬河大廈。
一九九零年	— 北京亮馬河大廈啟業。
一九九一年	— 成為首批在蘇州市西部，即蘇州國家高新技術產業開發區（又稱「新區」）興建高層住宅公寓及別墅的海外發展商。
一九九四年	— 獲選為蘇州市房地產開發企業三十強之一。
一九九五年	— 錦華苑一期花園別墅及高層住宅獲頒發建築質素優良證書。 — 陶哲甫獲蘇州市政府頒為榮譽市民。
一九九六年	— 錦華苑獲選為江蘇省城市物業管理優秀住宅綜合大樓。 — 贊助由蘇州市建設委員會及蘇州市城市管理局為蘇州平江街區保護更新規劃而合辦的蘇州國際規劃研劃班。
一九九七年	— 錦華苑二期高層公寓獲頒發建築質素優良證書。



MILESTONES 里程碑

	—	Sponsored a workshop on Redevelopment in Suzhou and the City's Master Plan which documented projects of a design studio taught at the Graduate School of Design, Harvard University.		—	贊助哈佛大學設計研究院教授重建蘇州及城市主規劃研習班。
1998	—	Awarded Certificate of Merit in Construction Quality for Suzhou Garden Villa Phase III.	一九九八年	—	錦華苑三期獲頒發建築質素優良證書。
	—	Beijing Landmark Towers second office tower completed.		—	北京亮馬河大廈二期辦公大樓竣工。
2000	—	Suzhou Garden Villa, is the subject of the Honour Award for Architecture (The American Institute of Architects Hong Kong Chapter) for its architectural design.	二零零零年	—	錦華苑獲美國建築師協會(香港分會)頒發建築設計榮譽獎。
2004	—	Named Key Enterprise Invested By Overseas Chinese, based in Hong Kong and Macau.	二零零四年	—	獲選為重點服務僑港資企業。
2 Dec 2005	—	Listed on the Main Board of the Stock Exchange of Hong Kong.	二零零五年 十二月二日	—	在香港聯合交易所主板上市。

CHAIRMAN'S STATEMENT

主席報告



Mr. TAOCHAIFU Choofuang 陶哲甫先生
Chairman 主席

TO OUR SHAREHOLDERS

We are pleased to present our first annual report to the shareholders.

2005 was a significant and meaningful year for New Heritage. The successful listing on the Main Board of the Hong Kong Stock Exchange and the HK\$97,440,000 proceeds raised from a public offering has advanced New Heritage into another era, establishing an exciting platform for the Group to not only focus on delivering returns but also to fuel consistent growth and maximise value for its shareholders. We are building a stronger capital base and financial structure to undertake further land bank expansion and develop quality real estate projects on the Chinese Mainland to meet the increasing demand from customers and in time benefit from the buoyant property market trends on the Chinese Mainland.

Backed by the Group's reputation, expert knowledge and rich experience in the China property market for more than two decades, we will spare no efforts to continue to actively develop and invest in high quality projects in niche markets with key focus in Suzhou, Jiangsu Province and Beijing whilst, at the same time, pursuing a pro-active financial strategy in the equity and debt markets.

Results and Dividends

For the year ended 31 December 2005, New Heritage's revenue and net profit attributable to shareholders was HK\$149.1 million and HK\$55.9 million respectively. Earnings per share was HK24.6 cents.

The Directors recommend the payment of a final dividend of HK1.8 cents per share for the year ended 31 December 2005, which will be satisfied by allotment of new shares of Company, by way of scrip dividend, with an alternative to shareholders to elect to receive such final dividend (or part thereof) in cash in lieu of such allotment.

致本公司股東

本集團欣然向股東提呈首份年報。

對新澤而言，二零零五年可謂意義重大。新澤成功於香港聯合交易所主板上市，並透過初次招股募集得97,440,000港元資金，使新澤邁向新紀元。上市為集團開創令人振奮的嶄新平台，讓我們不僅可著眼於創締回報，更帶來源源不絕的增長動力，為股東創造最佳價值。集團正逐步建立更強大的資本基礎及財務架構，以便於中國內地進一步擴大土地儲備及發展優質房地產計劃，滿足不斷提升的客戶需求，適時地從中國內地物業市場的強勁勢頭中獲益。

憑藉集團自身品牌的聲譽、對中國物業市場的專業知識及超過二十年的豐富經驗，我們將不遺餘力繼續積極發展及集中投資位於蘇州、江蘇省及北京的精品物業市場的優質項目，並同時於股票及債務市場中追求積極主動的財務策略。

業績及股息

截至二零零五年十二月三十一日止年度，新澤的收益及股東應佔純利分別為149,100,000港元及55,900,000港元。每股盈利為24.6港仙。

董事會建議派付截至二零零五年十二月三十一日止年度的末期股息每股1.8港仙，將透過以股代息方法配發本公司新股支付。股東亦可選擇以現金收取該等末期股息(或其部份)以代替有關配發。

Business Review

At New Heritage, our uncompromising insistence on delivering the best value possible has established our solid reputation in the property market on the Chinese Mainland and won over a steadily growing clientele of middle- to high-end customers. We strive to develop high quality properties in Suzhou, Jiangsu Province and Beijing and are keen to add more sites to our existing land bank by way of tendering, public auction, or cooperation with or acquisition of local property companies.

During the year under review, a new site in Wuzhong District, Suzhou, with a site area of approximately 41,579 square metres, was added to the Group's land bank through our successful bid at a public land auction.

It is worth noting that more sites are expected to be added to our land bank in the near future as letters of intent have been entered into with prospective joint venture partners on the Mainland. Our approach of steady and disciplined investment, assessment and analysis would always be the key to making timely land purchases in order to maintain a stable growth trend and an optimal cash flow balance for New Heritage.



Suzhou Garden Court apartments and villas
錦麗苑公寓樓及別墅

In 2005, the Suzhou property market continued to be buoyant, keeping in line with the strong economic growth of Jiangsu Province and the country as a whole. The implementation of austerity measures over the property market nationwide by the Chinese Central Government worked on the contrary to the advantage of New Heritage in Suzhou. These measures are conducive to rectifying rampant property speculation and excessive real estate lending to unsound property developers which in the long run would stabilise the housing market, allowing both bona fide homebuyers and investors to participate actively.

The Jiangsu provincial GDP was estimated to hit RMB1,340 billion during the year (up by an average annual rate of 9%-10%). GDP of Suzhou was also expected to exceed RMB400 billion, surpassing the Shenzhen Special Economic Zone to take up the fourth position nationwide. The strengthening of the purchasing power of Suzhou residents backed by a further surge in per capita disposable income expected to reach RMB16,276, coupled with a significant growth in foreign direct investment to hit US\$6.05 billion in 2005, created a more healthy and favourable environment for our business growth.

業務回顧

本著以人為本的宗旨，新澤一直堅持為客戶創造最佳價值，讓集團在中國內地物業市場建立有口皆碑的聲譽，並贏得中高檔客戶數目穩步增長的成績。我們致力在蘇州、江蘇省及北京發展優質物業，銳意透過招標、競投方式或與當地房地產公司合作或收購房地產公司的不同途徑，以增加土地儲備。

於回顧年度內，集團在一次公開土地拍賣中成功地以競投方式增添了一項位於蘇州市吳中區的新土地儲備，地盤面積約為41,579平方米。

值得注意的是我們更與內地有意合作的業務夥伴各自訂立了意向書，故預期本公司於短期內將會增添更多土地儲備。集團採用穩健而嚴謹的投資、評估及分析方法，作出適時的購地決定，令業務維持穩定的增長勢頭及把現金流量結餘保持於最佳水平。



Suzhou Garden Villa high-rise apartments
錦華苑多層公寓樓

二零零五年內，蘇州物業市場持續暢旺，與江蘇省及全國的強勁經濟增長步伐一致。中央政府對物業市場落實全國性的宏觀調控措施，反而對新澤在蘇州的發展帶來好處。該等措施有助控制物業炒賣及過量房地產貸款借予不良物業發展商，長遠而言可穩定住宅市場，促進住宅買家及投資者積極參與買賣。

本年度江蘇省本地生產總值估計可達人民幣1,340,000,000,000元（平均年增長率為9%至10%）。預期蘇州的本地生產總值超過人民幣400,000,000,000元，同時亦超越深圳經濟特區，居全國第四位。蘇州市居民的人均可動用收入預期進一步增至人民幣16,276元，購買力愈趨增強，加上外國直接投資顯著增長，於二零零五年更達到6,050,000,000美元，為本公司的業務擴展創造了更穩健有利的環境。

CHAIRMAN'S STATEMENT

主席報告

Homebuyers do have the urge to seek high quality new housing from a reputable and reliable property developer. This fact works to the benefit of New Heritage, as our "Suzhou Garden" brand is well-recognised as a symbol of niche and quality developments in the Suzhou property market. The Group's strong brand identity and favourable market conditions produced better margins and added to our profitability amid intensified market competition.

The continuous infrastructure development in Suzhou, has witnessed the expansion and completion of the Jiangsu Expressway from four lanes to eight lanes at the end of 2005, further fueling the market growth with the reduced travelling time between Suzhou and Shanghai.

During the year, a corporate reorganisation also took place for New Heritage to include the 30.05% stake in Beijing Landmark Towers Co., Ltd. in the financial statements of New Heritage. The joint venture owns Beijing Landmark Towers, a highly-rated commercial complex completed in 1990 and located in the Chaoyang district in Beijing. Beijing Landmark Towers Co., Ltd. began to contribute its profit to the Group's bottom line on 13 July 2005. On the back of the complex's proven record of encouraging cash dividend payouts over the past years, we look forward to the full year contribution of Beijing Landmark Towers Co., Ltd. in the financial year of 2006. Its profit contribution is expected to form a stable cash inflow to the Group to further support our ongoing operations.

Outlook

Looking ahead, New Heritage's strategy continues to be to focus on consolidating and further strengthening its property businesses in Suzhou, Jiangsu Province and Beijing, backed by a sound financial position following the initial public offering. Coupled with relevant extensive experience and exposure, our seasoned management team aims to stay ahead as one of the top quality and niche property developers in the China property market.

Our business portfolio is expected to do well in 2006, supported by continuous and optimistic growth of the Chinese economy and a further rise in per capita disposable income for urban households in Suzhou and Beijing, which stood at RMB16,276 and RMB17,653 respectively in 2005. This undoubtedly would serve as an impetus in potential buyer's quest for higher quality housing and property investment opportunities.

On the property development side, the outlook for Suzhou's mid- to high-end residential markets is particularly promising given today's homebuyers' preference for well-planned and well-built premium housing developments. This should translate into greater market demand for New Heritage's quality-branded residential projects, enabling the Group to achieve maximum turnover.

住宅買家對信譽昭著可靠的地產發展商所推出的優質新樓盤確實需求殷切。由於集團的「錦華苑」品牌獲公認為蘇州物業市場中獨特及優秀物業發展的象徵，這股殷切的需求對集團極為有利。我們的品牌形象鮮明，加上有利的市場條件，有助集團取得更佳邊際利潤，在競爭激烈的市場中仍可提升盈利能力。

蘇州持續的基建發展見證於二零零五年年底完成擴建江蘇寧滬高速公路。該高速公路由四車道擴展至八車道，大大縮減了來往蘇州至上海的行車時間，進一步刺激市場增長。

年內，新澤亦進行企業重組，將北京亮馬河大廈有限公司的30.05%權益列入新澤財務報表。該合營公司擁有位於北京市朝陽區於一九九零年啓業的高級商業綜合大樓北京亮馬河大廈。北京亮馬河大廈有限公司於二零零五年七月十三日開始向本集團提供盈利貢獻。北京亮馬河大廈有限公司過去數年的現金股息分派令人鼓舞，本公司期望北京亮馬河大廈有限公司在二零零六年財政年度提供全年貢獻。預期該大廈的盈利貢獻可為集團提供穩定的現金流量，進一步支持我們持續經營的業務。

展望

展望未來，由於招股上市後財務狀況更為健全，新澤的策略為繼續專注於鞏固及進一步加強其於蘇州、江蘇省及北京的物業業務。集團的管理團隊憑藉豐富的相關經驗，銳意成為中國物業市場上優質頂尖的物業發展商之一。

集團的業務組合預期於二零零六年會有出色的表現。中國經濟持續且樂觀地增長，而蘇州和北京的城市家庭的人均可動用收入進一步上升，於二零零五年分別達到人民幣16,276元及人民幣17,653元，毫無疑問令準買家對優質住宅及物業投資機會的需求提供動力。

在物業發展方面，由於現今住宅買家喜愛規劃及建築完善的優質住宅，因此蘇州的中高檔住宅市場前景尤其樂觀。據此，市場對於新澤品牌的優質住宅項目需求將會增加，有助集團增加營業額。



CHAIRMAN'S STATEMENT 主席報告

We are also standing fast by the Group's drive in pursuing its development plans for the Wuzhong site as well as new sites located in New District and other districts of Suzhou. With letters of intent having been signed, one site is planned as a residential complex in the New District of Suzhou. The other site will be a mixed use development in the old city district of Suzhou.

On the investment front, the outlook for Beijing Landmark Towers is particularly promising. The recently renovated hotel rooms, service apartments and the addition of a multi-function conference centre in the Beijing Landmark Towers, coupled with its renewal of leases with major tenants in the two office towers, would further add value to the property. These features serve as a magnet to attract quality business travelers and tenants with the propensity to spend more amid the buoyant Beijing market trend. This would result in better profit for New Heritage.

Additionally, an extension and refurbishment of the main shopping arcade of Suzhou Garden Villa, one of the Group's retail investment properties located on the prime main street of the New District in Suzhou in 2006, would enable us to realise the full potential of increasing rental income from the promising retail sector. The refurbishment is scheduled to commence in July 2006 and complete in the last quarter of 2006. Upon completion, it will provide a total gross floor area of approximately 10,000 square metres of quality retail space to create a new retail environment for this prime central business district area.



Beijing Landmark Towers
北京亮馬河大廈

Going public is a watershed in the history and development of New Heritage. In addition to concentrating on the existing businesses, we will forge ahead with business development activities to acquire sites or companies in different districts of Suzhou and other cities in Jiangsu Province in the immediate future. Plans are also afoot for medium and longer term projects in other cities in Jiangsu Province. Taking advantage of a well-established brandname in Suzhou and our network in Jiangsu Province, as well as leveraging on our management's extensive experience and expertise in property development and investment, we are confident that we will secure even more attractive sites and projects in other locations in a timely and capital efficient fashion. For this purpose, our dedicated working team will continue to conduct in-depth studies on the feasibility of property development and/or investment projects in target cities.

集團亦將繼續全力開拓，進行吳中區地盤發展計劃以及位於蘇州市新區及其他地區新地盤的發展計劃。我們已簽訂有關的意向書，蘇州市新區的地盤擬興建為住宅綜合大樓。其他地區的地盤將會為蘇州市舊城區的混合用途發展。

投資方面，北京亮馬河大廈的前景尤其令人樂觀。北京亮馬河大廈近期已完成翻新酒店房間及服務式公寓，並增建一間多功能會議中心。此外，兩座辦公大樓的主要租客的租約亦已續約，這當會為該物業進一步增值。這項優秀物業在欣欣向榮的北京市場趨勢中尤其吸引消費力較強的優質商務旅客及租客，令新澤的盈利有更佳表現。

此外，集團位於蘇州市新區黃金大道的零售投資物業之一的錦華苑商業廣場將會於二零零六年擴建及全面翻新，這將使我們在零售業氣氛暢旺的情況下，充份把握租金收入持續上升的潛力。翻新工程計劃於二零零六年七月展開，於二零零六年第四季完成。工程完成後，錦華苑商業廣場將獲提供總建築面積約10,000平方米的優質零售空間，於該黃金中央商業區創造一個嶄新的零售環境。

上市集資在新澤的歷史及發展中是一個分水嶺。集團除了專注現有業務外，更在不久將來於蘇州其他地區以至江蘇省內的其他城市收購不同房產項目或公司，全速推動業務發展。在江蘇省其他城市，集團亦有計劃開展中、長期項目。憑藉集團在蘇州信譽昭著的品牌、在江蘇省的網絡及管理層在物業發展及投資方面的豐富經驗及專業知識，集團深信將可適時以具資本效益的方式在其他地區獲得更多具吸引力的房產項目。據此，集團的專責工作小組將會繼續深入研究在目標城市進行物業發展及／或參與投資項目的可行性。

CHAIRMAN'S STATEMENT

主席報告

Opportunities abound in Beijing, in particular with China's accession to the World Trade Organization and the forthcoming 2008 Olympic Summer Games. The Beijing municipal government's drive to raise the profile of the capital city and its commitment to infrastructure development would provide much of the prerequisites for further growth in many sectors. The property market sector is destined to be one of the most positively affected.

With the country's capital city reporting a GDP growth of 11.1% to RMB681 billion and per capita disposable income for urban households of RMB17,653 in 2005, there is little doubt that the property sector would continue to boom and offer exciting opportunities for New Heritage to capitalise on. In this regard, we will be actively looking into viable project acquisitions in the Beijing market and capitalising on synergies with our past and present partners. A representative office set up in Beijing and headed by our seasoned executives will be the locus and generator for such deals.

Before closing, may I take this opportunity to express my gratitude to my fellow directors for their guidance, and all our staff for their dedication and hard work. With our concerted and conscientious efforts, the Group's plans of going public and embarking on bolder strategic moves would thus be realised.

TAOCHAIFU Choofuang
Chairman

Hong Kong, 3 April 2006

北京市商機處處，尤其是在中國加入世界貿易組織後及中國將於二零零八年舉辦北京奧運。北京市政府積極提高首都的形象並致力改善基礎設施的發展承諾，將刺激多個行業進一步增長。物業市場必定是得益最多的行業之一。

北京的本地生產總值增長11.1%至人民幣681,000,000,000元，城市家庭在二零零五年的人均可動用收入為人民幣17,653元。在此動力支持下，當地物業市場無疑將繼續暢旺，並為新澤提供吸引的投資機會。因此，集團將會在北京市場積極物色可行的收購項目，並憑藉我們與既有的及過往的夥伴合作，創造更具效果的協同效應。我們在北京的代表辦事處由經驗豐富的管理人員領導，將會成為促成有關交易的據點及原動力。

總結前，本人謹藉此向董事同寅的領導，以及全體員工的克盡職守和努力不懈，致以衷心致謝。我們上下團結一心，認真盡責，方可讓集團實現上市計劃及進行更強勢的業務發展策略。

主席
陶哲甫

香港，二零零六年四月三日



*“Seeing how New Heritage has evolved
into a listed corporation today, there is no let-up
in the management’s drive to take the business
we excel to a new level, delivering
our property development projects that fulfill
the expectations of our investors and customers.”*

~ Paul Tao, Managing Director, New Heritage Holdings Ltd.

**“今日新澤已蛻變為上市企業，
管理層帶領本公司的業務精益求精的熱誠絲毫未減，
務求本公司的業務發展項目
可滿足投資者及客戶的期望。”**

~ 新澤控股有限公司董事總經理陶錫祺

MANAGEMENT DISCUSSION AND ANALYSIS

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REVIEW OF OPERATIONS

The year under review underpinned our operating philosophy: we are clear in our strategy and focus, engaging principally in property development and investment businesses in the cities of Suzhou and Beijing to deliver the best value and quality to our customers. We generally lay our emphasis on projects with gross development floor areas of 30,000-80,000 square metres. This allows for a shorter turnaround cycle and quicker cash inflow and, in turn, gives a good boost to our internal rate of return in an effective way. This helps set New Heritage apart from its competitors and takes the Group onto the path of continuous growth.



Suzhou Garden Villa high rise apartments
錦華苑多層公寓樓

Strong underlying performance in the property market in China and customers' quest for quality and variety in design in new developments has enabled us to establish a solid foothold in Suzhou, backed by our well-known reputation for thoughtful design and architectural layout as well as superior property management services provided for our developed residential properties. Further, the Group is also on the lookout for expanding into the property development arena in addition to investment business in Beijing.

In 2005, New Heritage reported a revenue of HK\$149.1 million, which was down 24.6% owing to a reduction in the number of properties disposed. Yet the Group's gross profit margin continued to improve, moving up from 25.9% in 2004 to 47.4% in 2005. This was a result of prevailing market conditions and maintenance of a good cost structure.

Total gross floor area of development properties sold and delivered, which included 11,868 square metres at Suzhou Garden Court and 7,530 square metres at Suzhou Garden Place, lowered by 54.64% as compared to a total of 42,761 square metres of development properties sold a year earlier. Average selling price per square metre posted an increase of approximately 72%.

業務回顧

回顧年度彰顯集團的經營哲學：我們的發展策略和焦點清晰明確，專注在蘇州及北京從事物業發展及投資業務，為客戶提供最佳的價值及質素。集團著重發展總發展建築面積為30,000至80,000平方米的項目。這令樓宇建造及交付周期縮短，提供更快的現金流入，有效提高集團的內部回報率。這讓新澤在芸芸競爭對手中脫穎而出，令集團踏上持續增長之路。



Suzhou Garden Court apartments
錦麗苑公寓樓

中國物業市場基調強勁，加上客戶對新發展物業設計的質素及多樣化的追求，使集團能夠在蘇州市建立穩固的地位。集團名聞遐邇、匠心獨運的設計及建築規劃，以及為所發展住宅物業提供的卓越物業管理服務，使本集團贏得各方的讚譽。此外，我們正計劃在北京從事投資業務之餘，亦涉足物業發展市場。

二零零五年，由於出售物業數目減少，新澤的收益下跌24.6%至149,100,000港元。但集團毛利率持續改善，由二零零四年的25.9%上升至二零零五年的47.4%，這是當前市況及實施良好的成本控制及風險管理措施所致。

已出售及交付的發展物業總建築面積，包括錦麗苑11,868平方米及錦寧閣7,530平方米，較一年前出售的發展物業合共42,761平方米下跌54.64%。每平方米的平均售價則錄得約72%的升幅。

MANAGEMENT DISCUSSION AND ANALYSIS

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During the year under review, New Heritage acquired the entire issued share capital of New Heritage Investments Limited, with the latter becoming a subsidiary of the Group that holds a 30.05% interest in Beijing Landmark Towers Co., Ltd. ("BLTCL"). BLTCL owns Beijing Landmark Towers, a first class commercial complex located in a prime district of Beijing, BLTCL has a track record of delivering encouraging cash dividend payouts over the past years, and it starts to contribute to the Group subsequent to the acquisition.



Classical courtyard villas in the Group's award-winning project
集團獲獎項目內的四合院別墅

Land Bank at a Glance

New Heritage had an attributable gross floor area 102,428 square metres in its land bank in Suzhou on 31 December 2005. The figure included a site added to the Group's land bank upon a successful auction which culminates in a conclusion of an Assignment of the Right to Use State Land Contract with Suzhou Land Resources Bureau dated 10 October 2005 in relation to the acquisition of a piece of land for residential and commercial purposes in the Wuzhong District of Suzhou. This translates into a gross floor area of approximately 62,000 square metres.

Additionally, New Heritage signed two letters of intent with two prospective partners in 2005 respectively with regard to joint development of sites located in the New District and old city district of Suzhou. Respective gross floor areas involved in these two prospective development projects would be around 30,000 square metres and 11,600 square metres.

Property Development

Most of New Heritage's land reserves in Suzhou are destined to be residential properties, offering distinctive architectural designs and a variety of unit sizes to cater to the different preferences of prospective customers. It is our commitment to fulfilling the "quality living" experience of customers that has earned New Heritage a recognised brandname and an enviable reputation, giving us a competitive edge over other players in the market.

During the year under review, the Group sold an attributable HK\$141.7 million worth of properties in Suzhou. The encouraging response generated from the sales activities vindicated the upbeat market trend and a higher demand for quality housing on the back of a rise in per capita disposable income of Suzhou citizens. Suzhou Garden Towers, with aggregate gross floor area of approximately 30,000 square metres available for sale, will be introduced by the Group in 2006. The Group is confident in the sales of Suzhou Garden Towers.

於回顧年度，新澤收購新繼企業有限公司的全部已發行股本。持有北京亮馬河大廈有限公司（「北京亮馬河大廈有限公司」）30.05%權益的新繼企業有限公司，遂成為集團旗下附屬公司。北京亮馬河大廈有限公司擁有北京亮馬河大廈。該大廈是位處北京市黃金地段的高級商業綜合大樓，在過去數年有令人鼓舞的現金股息分派紀錄，其於收購後並會開始對本集團之盈利作出貢獻。



Suzhou Garden Court - Luxury villas
錦麗苑豪華別墅

土地儲備一覽

於二零零五年十二月三十一日，新澤在蘇州的土地儲備的應佔建築面積為102,428平方米。此數字包括集團於年內成功透過拍賣，在二零零五年十月十日與蘇州市國土資源局訂立國有土地使用權出讓合同，收購一幅位於蘇州市吳中區的商住用途土地，落成後的建築面積約62,000平方米。

此外，新澤於二零零五年內分別與兩家有意合作的業務夥伴就共同發展位於蘇州市新區及舊城區的項目而簽署兩份意向書。該兩個有意發展項目涉及的有關建築面積分別約為30,000平方米和11,600平方米。

物業發展

新澤在蘇州的大多數土地儲備都是住宅物業，為不同口味的準客戶提供別樹一幟的建築設計及不同面積的單位。我們致力為客戶帶來「優質生活」的體驗，使新澤的品牌贏得廣泛認同，在市場具有領先同儕的競爭優勢。

於回顧年度，集團在蘇州售出價值應佔141,700,000港元的物業。銷售業務的市場反應令人鼓舞，證明市場走勢樂觀，加上蘇州市民的人均可動用收入持續上升，對優質居住環境的需求與日俱增。集團將於二零零六年內推出總建築面積約30,000平方米之錦昌苑以供銷售。集團對錦昌苑之銷售充滿信心。

MANAGEMENT DISCUSSION AND ANALYSIS

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Status of Major Developments

Suzhou Garden Villa

The first development project undertaken by the Group in Suzhou. The total development comprised a residential area of 73,044 square metres, in the form of residential apartments, villas, classical courtyard houses, and a commercial area of 9,500 square metres. Most of the residential units have been sold and as at 31 December 2005, the Group still holds one villa & 2 residential apartments for sale purpose and 18 apartments and the commercial retail plaza are still held by the Group for investment purpose.

Suzhou Garden Court

Located in the New District of Suzhou city and completed in 2004, Suzhou Garden Court sold part of its apartments in the same year. During the year of 2005, an additional gross floor area of 11,868 square metres of developed residential properties were sold and handed over. As at 31 December 2005, the Group still holds a residential unit for sale purpose.

Suzhou Garden Place

Situated also in the New District of Suzhou city, and representing an aggregate gross floor area of 7,530 square metres, Suzhou Garden Place started its pre-sales in September 2005 after having commenced construction in May of the same year. The 11-storey building offers single level and duplex apartments to buyers having a taste for both relaxing and sophisticated lifestyles. As at 31 December 2005, all 60 residential units at the site were sold and delivery completed.

Suzhou Garden Towers

Suzhou Garden Towers, located in a prime site of the New District of Suzhou city, commenced construction in 2005. Designed as twin high-rise apartment towers erected over a retail commercial podium, the prestigious development is a metropolitan style residential and commercial complex with shops and car parks as added convenience for dynamic city dwellers. The development will go on pre-sale in the first half of 2006 and completion and delivery are expected in the same year. The Group intends to hold the retail commercial podium for investment purpose.

Wuzhong District project

Site acquisition occurred in October 2005 and site delivery is expected in April 2006. This site will be developed into residential properties with a gross floor area of approximately 45,000 square metres and a shopping arcade with a gross floor area of approximately 17,000 square metres. The Group expect construction of this project will be completed in 2007 and sales programme will also be launched in same year.

主要發展物業的情況

錦華苑

集團第一個於蘇州開發的項目。整個項目共包括73,044平方米的住宅面積，包括公寓、別墅、四合院以及9,500平方米的商業面積。絕大部份的住宅單位於二零零五年十二月三十一日已經出售，集團尚持有一幢待售別墅、兩個待售公寓單位及持有18個公寓及商業面積作投資用途。

錦麗苑

位於蘇州市新區的錦麗苑，於二零零四年落成，大部份單位於該年出售。於二零零五年年內，再出售了建築面積達11,868平方米的已發展住宅物業並已交付。於二零零五年十二月三十一日，本集團仍持有一個待售公寓單位。

錦寧閣

同樣位於蘇州市新區的錦寧閣，總建築面積達7,530平方米，於二零零五年五月開始施工，並於同年九月開始預售。錦寧閣樓高十一層，有單層及複式單位可供選購，為買家提供舒適及品味超凡的生活。截至二零零五年十二月三十一日，整個項目六十個住宅單位全部售罄，並已完成交付。

錦昌苑

位於蘇州市新區黃金地段的錦昌苑於二零零五年開始施工。該項目由兩幢矗立於零售商場平台上的高層公寓樓組成，為具有大都會格調的商住大樓。當中各類商舖與停車場使生活多姿多采的城市人倍感方便。錦昌苑將於二零零六年上半年預售，並預期於同年完成及交付。集團計劃將零售商場作投資用途。

吳中區項目

於二零零五年十月買地及預期土地交付於二零零六年四月完成。該地盤將發展為設有建築面積約45,000平方米的住宅物業及建築面積約17,000平方米的購物中心。集團預期此項目將於二零零七年完成建築並於同年發售。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

控股

Investment in an associate

During the year, Beijing Landmark Towers Co., Ltd., an associate of the Group contributed a profit of approximately HK\$8 million to the bottom line, which comprises rental and operational returns derived from its office towers, service apartments, business hotel and retail podium.

Beijing Landmark Towers is a remarkable asset: a multi-purpose business, accommodation and retail joint venture entity which has become an eye-catching landmark in the Chaoyang District of Beijing since its completion in 1990 and enjoys a high occupancy rate.

During the period under review, Beijing Landmark Towers has undergone a facelift by having a large number of its hotel rooms renovated and a fully equipped conference centre added to the existing premises. The new conference centre, with purpose-built facilities and a capacity for 1,000 people, would help satisfy the ever demanding needs for conferencing and banqueting from business travelers and tenants and capture the many business opportunities presented by the convention market. This forms a solid base for a steadier income flow in the years to come.

於聯營公司的投資

年內，集團之聯營公司北京亮馬河大廈有限公司提供約8,000,000港元盈利貢獻，包括來自辦公大樓、服務式公寓、商務酒店及零售商場的租金及經營收入。

北京亮馬河大廈是一座多用途商務、住宿及零售合營實體，深具投資價值。自一九九零年落成後，已成為北京朝陽區最矚目的地標，入住率高企。

於回顧年度，北京亮馬河大廈換上全新面貌，大部份酒店房間翻新工程順利完成，並增添了設備完善的會議中心。新會議中心設有專用設施並可容納1,000人，有助於滿足商務旅客及租客對會議及宴會服務不斷趨升的需求，讓集團捕捉會議市場上的眾多商機。這對來年穩健的收入建立了良好的基礎。



Beijing Landmark Towers service apartment block (left) and twin office towers (right)
北京亮馬河大廈服務式公寓樓（左）及2座辦公大樓（右）

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Overall Performance

In 2005, the Group's total gross floor area of development properties sold and delivered stood at 19,398 square metres. Gross profit margin continued to improve, moving up to 47.4% from 25.9% a year earlier, thanks to favourable market environment, prudent cost management and good risk management. EBDITA margin and net profit margin also maintained at relatively high levels. The Group sustained a sound financial structure and healthy cash flow. Basic earnings per share was HK24.6 cents.

Operating Results

During 2005, turnover of the Group was approximately HK\$149.1 million (2004: HK\$197.7 million). The decrease in turnover was mainly attributable to a decrease in revenues generated from the disposal of properties. In 2004, the Group sold 16 apartments in Phase I to Phase III of Suzhou Garden Villa and 277 apartments in Suzhou Garden Court which generated revenues of approximately HK\$188.7 million. In 2005, the Group sold 80 apartments and 7 villas in Suzhou Garden Court and 60 apartments in Suzhou Garden Place which aggregately generated approximately HK\$141.7 million of revenues.

Due to prevailing market conditions and effective cost control measures, the Group managed to achieve a gross profit margin of 47.4% (2004: 25.9%).

In 2005, the net profit attributable to the equity holders of the Group was approximately HK\$55.9 million (2004: HK\$31.4 million).

Liquidity, Financial Resources and Gearing

Cash and cash equivalents as at 31 December 2005 amounted to HK\$84.8 million (2004: HK\$21.9 million).

The Group had total borrowings of approximately HK\$103.4 million as at 31 December 2005 (2004: HK\$89.3 million). The borrowings to be repayable within one year were approximately HK\$78.5 million (2004: Nil), and the Group's gearing ratio as at 31 December 2005 was 31.1% (2004: N/A), which was calculated based on interest bearing borrowings to total shareholders' funds.

As at 31 December 2005, the Group had current assets of approximately HK\$243.2 million (2004: HK\$115.9 million) and current liabilities of approximately HK\$122.0 million (2004: HK\$115.5 million). The Group had total assets of approximately HK\$492.2 million and total liabilities of approximately HK\$152.1 million, representing a debt ratio (total liabilities over total assets) of 30.9% as at 31 December 2005 (2004: 99.1%).

財務回顧

整體表現

於二零零五年，本集團已出售及已交付發展物業的總建築面積為19,398平方米。毛利率持續改善，由去年的25.9%升至47.4%，這有賴於有利的市場環境、審慎的成本管理及良好的風險管理。未計折舊、利息、稅項、攤銷前盈利的利潤率及純利率亦保持在較高的水平。本集團保持健全的財務架構及健康的現金流量。每股基本盈利為24.6港仙。

經營業績

於二零零五年期間，本集團的營業額約為149,100,000港元（二零零四年：197,700,000港元）。營業額下跌主要是出售物業產生的收益下跌所致。於二零零四年，本集團售出錦華苑一至三期的16間公寓及錦麗苑的277間公寓，所產生的收益約為188,700,000港元。於二零零五年，本集團出售錦麗苑80間公寓和7幢別墅及錦寧閣的60間公寓，合共產生收益約141,700,000港元。

由於當前市況及有效的成本控制措施，本集團得以達到47.4%的毛利率（二零零四年：25.9%）。

於二零零五年，本集團權益持有人應佔純利約為55,900,000港元（二零零四年：31,400,000港元）。

流動資金、財務資源及資產負債比率

於二零零五年十二月三十一日，現金及現金等價物為84,800,000港元（二零零四年：21,900,000港元）。

於二零零五年十二月三十一日，本集團的借貸總額約為103,400,000港元（二零零四年：89,300,000港元）。須於一年內償還的借貸約為78,500,000港元（二零零四年：無），而本集團於二零零五年十二月三十一日的資本負債比率（按附息借貸除以股東資金總額計算）為31.1%（二零零四年：不適用）。

於二零零五年十二月三十一日，本集團有流動資產約243,200,000港元（二零零四年：115,900,000港元）及流動負債約122,000,000港元（二零零四年：115,500,000港元）。本集團的總資產及總負債分別約為492,200,000港元及152,100,000港元，即於二零零五年十二月三十一日的負債比率（總負債除以總資產）為30.9%（二零零四年：99.1%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



FINANCIAL REVIEW (Cont'd)

Management is comfortable that when opportunities of land bank acquisition arise in future and require additional funding, the Group is able to utilise its internal reserve and debt financing to satisfy necessary funding requirement. In view of the current gearing position, management also believes that the Group is in a good position to obtain debt financing on favourable terms.

Charge on Assets

As at 31 December 2005, bank loan of approximately HK\$103.4 million was secured by the Group's certain bank deposits, investment properties and leasehold interest in land included in properties held under development of approximately HK\$42.3 million, HK\$69.2 million and HK\$3.1 million respectively.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's monetary assets, loans and transactions are principally denominated in Hong Kong dollars, US dollars and Renminbi. During the year, there was no significant fluctuation in the exchange rates of the Hong Kong dollars and US dollars. The appreciation in the currency value of the Renminbi contributed positively to the Group's bottom line. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its balance sheet exposure in 2005.

Contingent Liabilities

As at 31 December 2005, the Group had no material contingent liabilities.

Treasury Policies and Capital Structure

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Employees

As at 31 December 2005, the Group had a staff force of approximately 172. Of this, 153 were stationed in the Chinese Mainland and 19 in Hong Kong. The remuneration of employees was in line with the market trend and commensurable to the level of pay in the industry. Remuneration of the Group's employees includes basic salaries, bonuses and long-term incentives. Total staff costs incurred in 2005 was up 55.9% to HK\$6.4 million, representing approximately 4.3% of the Group's revenue for the year.

財務回顧 (續)

管理層深信，如果日後有收購土地儲備的機會出現，而本集團需要額外資金，本集團能夠利用內部資源及債務融資滿足必要的資金需求。鑒於目前本集團的資本負債比率不高，管理層亦相信本集團不難按有利條件獲得債務融資。

對資產的抵押

於二零零五年十二月三十一日，銀行貸款約103,400,000港元分別由本集團約值42,300,000港元的若干銀行存款，約值69,200,000港元的投資物業及包括在發展中物業約值3,100,000港元之租賃土地權益作抵押。

匯率波動風險及有關對沖

本集團的貨幣資產、貸款和交易主要以港元、美元及人民幣計值。年內，港元與美元的匯率並沒有重大波動。人民幣的幣值升值對本集團的純利有正面貢獻。本集團並沒有參與任何衍生工具活動，於二零零五年亦沒有使用任何金融工具以對沖資產負債表的風險。

或然負債

於二零零五年十二月三十一日，本集團沒有重大的或然負債。

財資政策及資本結構

本集團就其財資政策及資本結構取態審慎，並專注於風險管理及與本集團之基本業務有直接關係之交易。

僱員

於二零零五年十二月三十一日，本集團擁有約172名員工。其中中國內地僱有153名員工，香港則僱有19名員工。僱員的薪酬與市場趨勢一致，可與業內的薪酬水平相比。本集團僱員的薪酬包括基本薪金、花紅及長期獎勵。於二零零五年，員工成本總額上升55.9%至6,400,000港元，佔本集團年內收益約4.3%。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷

Executive Directors

Mr. TAOCHAIFU Choofuang (also known as CF Tao), aged 83, is an Executive Director, Chairman of the Company and a founder of the Group. He is responsible for determining the overall business strategies of the Group. He graduated from Nanjing University 南京大學 with a Bachelor of Science degree in mechanical engineering. Mr. Taochaifu had played a significant role in property investment and property development activities in the PRC since 1978. One of the most important PRC projects that Mr. Taochaifu participated in was the development of Nanjing Jinling Hotel (南京金陵飯店) in Nanjing, one of the earliest 5 star hotels built in the PRC following the “opening up” of the PRC to the outside world in 1978. He was appointed as a director of New Heritage Investments Limited (“NH Investments”) in 1984. He was involved in establishing and supervising 北京亮馬河大廈有限公司 (Beijing Landmark Towers Co., Ltd.) (“BLTCL”), the joint venture with Beijing Tourism Administration to develop the Beijing Landmark Towers complex. Mr. Taochaifu is the deputy chairman and an executive director of BLTCL. He was appointed as a director of New Heritage Development Limited (“NH Development”) in 1991. From 1991 onwards, he was responsible for forming 蘇州錦華苑建設發展管理有限公司 (Suzhou Garden Villa Development and Management Co., Ltd.) (“SGVDM”) and supervising the overall development of Suzhou Garden Villa and Suzhou Garden Court. He is also the chairman of SGVDM. Mr. Taochaifu was accredited as an Honorary Citizen by the municipal government of Suzhou in 1995. He was also a former independent non-executive director of Jiangsu Expressway Company Limited, a company listed on the Main Board. Mr. Taochaifu was appointed as an executive director of the Company on 23 December 2004 and is the father of Mr. TAO Richard and Mr. TAOCHAIFU Porn.

Mr. TAO Richard, aged 44, is an Executive Director and Vice Chairman of the Company. He is responsible for the strategic planning and corporate development of the Group. Mr. Tao has a Bachelor of Science (First Class Honours) from the University of Newcastle Upon Tyne, and two Masters Degrees from the Massachusetts Institute of Technology. He was appointed as a director of NH Development, NH Investments and SGVDM in 2000, 2001 and 2004 respectively. He was appointed as an executive director of the Company on 23 December 2004. He is a son of Mr. TAOCHAIFU Choofuang and the brother of Mr. TAOCHAIFU Porn.

執行董事

陶哲甫先生 (別名CF Tao)，現年83歲，本公司執行董事兼主席，為本集團創辦人。彼負責釐定本集團的整體業務策略。彼畢業於南京大學，取得機械工程理學士學位。自一九七八年以來，陶先生一直在中國物業投資及物業發展業務上舉足輕重。南京市南京金陵飯店 (為於一九七八年中國對外「開放」後中國最早期的五星級酒店項目之一) 為陶先生曾參與的最重要中國項目之一。一九八四年，彼獲委任為新繼企業有限公司 (「新繼企業」) 董事。彼曾參與成立與北京市旅遊管理局合組的合營企業北京亮馬河大廈有限公司 (「北京亮馬河」)，並負責監督工作，以發展北京亮馬河綜合項目。陶先生現為北京亮馬河副主席兼執行董事。一九九一年，彼獲委任為新繼發展有限公司 (「新繼發展」) 董事。自一九九一年起，彼負責成立蘇州錦華苑建設發展管理有限公司 (「錦華苑建設」) 及監督錦華苑及錦麗苑的整體發展。此外，彼亦兼任錦華苑建設主席。一九九五年，陶先生獲蘇州市市政府加許為榮譽市民。彼亦為江蘇寧滬高速公路股份有限公司 (一間於聯交所主板上市的公司) 前獨立非執行董事。二零零四年十二月二十三日，陶先生獲委任為本公司執行董事。彼乃陶家祈先生及陶錫祺先生的父親。

陶家祈先生，現年44歲，本公司執行董事兼副主席。彼負責本集團的策略規劃及企業發展。陶先生於紐卡索大學取得 (一級榮譽) 理學士學位，以及於美國麻省理工學院取得兩個碩士學位。彼分別於二零零零年、二零零一年及二零零四年獲委任為新繼發展、新繼企業及錦華苑建設的董事。二零零四年十二月二十三日，彼獲委任為本公司執行董事。彼乃陶哲甫先生的兒子及陶錫祺先生的胞兄。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷



Executive Directors (Cont'd)

Mr. TAOCHAIFU Porn (also known as Paul Tao), aged 38, is the Managing Director of the Company. He graduated from the University of Cambridge, England with a Master of Arts degree. He also holds a Master of Science degree in Real Estate from the University of Greenwich, England and participated in the Program for Management Development at the Graduate School of Business Administration, Harvard University, USA. Mr. Taochaifu has been actively involved in property development and investment in the PRC for over 10 years since joining the Group. Mr. Taochaifu was initially responsible for the sales and marketing activities for the projects in Suzhou, and latterly in general management. He is a member of The 11th Committee of Suzhou City, Jiangsu Province Chinese People's Political Consultative Conference 中國人民政治協商會議江蘇省蘇州市第十一屆委員會委員. Mr. Taochaifu is also a qualified solicitor in Hong Kong. He was appointed as a director of NH Development, SGVDM and NH Investments in 1997, 1999 and 2001 respectively. He was appointed as an executive director of the Company on 23 December 2004. He is a son of Mr. TAOCHAIFU Choofuang and the brother of Mr. TAO Richard.

Mr. KONG Mui Sum Lawrence, aged 57, is an Executive Director of the Company. He graduated in 1970 from the University of Hong Kong with a Bachelor of Social Sciences degree with honours majoring in Economics and Accounting. He is a fellow of the Institute of Chartered Shipbrokers, being qualified in 1977. He joined Ocean Shipping & Enterprises Limited in 1970 and has over 20 years of senior management experience. He joined the Group's associated companies in November 1999 and has been actively involved in the business planning and development of the Group's business in PRC, including but not limited to contract negotiations with third party professionals and contractors as well as project management. He was appointed as an executive director of the Company on 23 December 2004.

Mr. YIM Chun Leung, aged 44, is an Executive Director of the Company. Mr. Yim is a fellow member of The Chartered Association of Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Yim has more than 20 years' experience in auditing, accounting and finance fields. Since 1994, Mr. Yim has worked for several companies listed on the Main Board, including Tysan Holdings Limited and Sinolink Worldwide Holdings Limited as finance director and chief financial officer respectively. Mr. Yim was appointed as an executive director of the Company on 23 December 2004 and is responsible for corporate finance matters of the Group. Currently, Mr. Yim is also an independent non-executive director of Era Information & Entertainment Limited, a company listed on the Growth Enterprise Market of the Stock Exchange.

執行董事 (續)

陶錫祺先生 (別名Paul Tao)，現年38歲，本公司董事總經理。彼畢業於英國劍橋大學，取得文學碩士學位。彼亦持有英國格林威治大學房地產科碩士學位，曾參加美國哈佛大學工商管理研究院開辦的管理發展課程。陶先生自十年前加盟本集團以來，一直積極於中國從事物業發展及投資業務。陶先生初期負責本集團蘇州市各項目所有營銷及市場推廣活動，其後負責整體管理。彼現為中國人民政治協商會議江蘇省蘇州市第十一屆委員會委員。陶先生亦為香港合資格律師。一九九七年、一九九九年及二零零一年，彼分別獲委任為新繼發展、錦華苑建設及新繼企業的董事。二零零四年十二月二十三日，彼獲委任為本公司執行董事。彼乃陶哲甫先生的兒子及陶家祈先生的胞弟。

江森森先生，現年57歲，本公司執行董事。彼於一九七零年畢業於香港大學，取得社會科學榮譽學士學位，主修經濟及會計學。彼現為船務經紀專業學會資深會員，於一九七七年已取得專業資格。彼於一九七零年加盟海德船務航運企業有限公司，已積逾二十年任職高級管理人員經驗。彼於一九九九年十一月加盟本集團多間聯營公司，並一直積極於中國從事本集團的業務策劃及業務發展，包括惟不限於與第三方專業人士及承建商就合約進行磋商，以及項目管理。二零零四年十二月二十三日，彼獲委任為本公司執行董事。

嚴振亮先生，現年44歲，本公司執行董事。嚴先生為特許公認會計師公會資深會員及香港會計師公會執業會計師。嚴先生在核數、會計及財務方面已積逾二十年經驗。自一九九四年以來，嚴先生曾任職多家在主板上市的公司，包括分別曾為泰昇集團控股有限公司及百仕達控股有限公司之財務董事及財務總監。二零零四年十二月二十三日，嚴先生被獲委任為本公司執行董事，負責本集團的企業融資事務。嚴先生現時亦為年代資訊影視有限公司 (一間於聯交所創業板上市的公司) 的獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷

Non-Executive Director

The Hon. CHAN Bernard Charnwut, aged 41, is a Non-Executive Director of the Company. Mr. Chan is a non-official member of the Executive Council and a member of the Legislative Council of Hong Kong. Mr. Chan is a graduate of Pomona College in California, USA. He holds the positions of President of Asia Financial Holdings Ltd., a company listed on the Main Board, and Asia Insurance Company Limited. Mr. Chan serves as the Chairman of the Standing Committee on Disciplined Services Salaries & Conditions of Service and the Deputy Chairman of the Lingnan University. He is also a member of the Insurance Advisory Committee and Greater Pearl River Delta Business Council. In addition, Mr. Chan also serves as the Advisor of Bangkok Bank Ltd., Hong Kong Branch, The Chairman of the Hong Kong-Thailand Business Council and the Chairperson of The Hong Kong Council of Social Service. He was appointed as a non-executive director of the Company on 14 November 2005.

Independent Non-Executive Directors

Mr. WONG Gary Ka Wai, aged 44, is an Independent Non-Executive Director of the Company. Mr. Wong graduated from The University of British Columbia with a Master Degree of Business Administration in Finance and Management Information Systems, and a Degree of Bachelor of Applied Science in Electrical Engineering. He is a member of the Association of Certified General Accountants' Association of Canada. Mr. Wong has been working for a number of international financial institutions and has numerous experiences in the banking industry. Currently, he is a manager in Standard Chartered Bank (Hong Kong) Limited in Hong Kong. He has internal controls and financial reporting experience. Mr. Wong was appointed as an independent non-executive director of the Company on 14 November 2005.

Mr. SUN Leland Li Hsun, aged 44, is an Independent Non-Executive Director of the Company. Mr. Sun graduated from the University of California, Los Angeles with a Master Degree of Business Administration in 1986. Mr. Sun is the Chief Executive Officer and a founder of Pan Asian Mortgage Company Limited, a mortgage securitization conduit. Mr. Sun has over 20 years of secondary mortgage market experience in Asia and the United States, directly involved in the structuring, trading and distribution of mortgage-backed securities globally. In 1997, Mr. Sun was appointed by the Financial Secretary of the Hong Kong SAR government as the first Chief Operating Officer of The Hong Kong Mortgage Corporation and was entrusted with managing this 100% government-owned company. Previously, Mr. Sun was an Executive Director in the Fixed Income International Sales Department of GS (Asia) Securities Limited and was employed by Goldman Sachs from July 1986 to October 1994. He was also a Senior Managing Director of the Emerging Markets Fixed Income Sales Department with Bear Stearns Asia Limited from October 1994 to February 1996. He was appointed as an independent non-executive director of the Company on 14 November 2005.

非執行董事

陳智思先生，現年41歲，本公司非執行董事。陳先生現為香港行政會議非官方委員及立法會成員。陳先生畢業於美國加州波莫納學院。彼現任亞洲金融集團(控股)有限公司(一間於主板上市的公司)及亞洲保險有限公司的總裁職位。陳先生擔任紀律人員薪俸服務條件常務委員會主席及嶺南大學副主席。彼亦為保險業諮詢委員會委員及大珠三角商務委員會委員。此外，陳先生亦擔任盤谷銀行有限公司(香港分公司)顧問、港泰商會主席，以及香港社會服務聯會主席。二零零五年十一月十四日，彼獲委任為本公司非執行董事。

獨立非執行董事

王家偉先生，現年44歲，本公司獨立非執行董事。王先生畢業於卑詩省大學，取得金融及管理資訊系統工商管理碩士以及電子工程系應用科學學士學位。彼為加拿大註冊會計師協會會員。王先生任職於多家國際金融機構，並在銀行業積累廣泛經驗。目前，彼於渣打銀行(香港)有限公司任職經理，彼具有內部監控及財務申報的經驗。二零零五年十一月十四日，王先生獲委任為本公司獨立非執行董事。

孫立勳先生，現年44歲，本公司獨立非執行董事。孫先生在一九八六年畢業於加州大學洛杉磯分校，取得工商管理系碩士學位。孫先生乃宏亞按揭證券有限公司(一間按揭證券化公司)的行政總裁兼創辦人。孫先生於亞洲及美國第二按揭市場已積逾二十年經驗，直接參與環球按揭證券的架構設計、交易及分銷工作。一九九七年，孫先生獲香港特區政府財政司司長委任為香港按揭證券有限公司首位行政總監，負責營運成立這間政府全資擁有的公司。過去，孫先生於一九八六年七月至一九九四年十月間，獲高盛僱用，並在GS (Asia) Securities Limited的Fixed Income International Sales Department出任執行董事。一九九四年十月至一九九六年二月期間，彼在貝爾斯登亞洲有限公司的Emerging Markets Fixed Income Sales Department出任高級董事總經理。二零零五年十一月十四日，彼獲委任為本公司獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷



Independent Non-Executive Directors (Cont'd)

Mr. CHAN Norman Enrique, aged 45, is an Independent Non-Executive Director of the Company. He was an Adjunct Assistant Professor of the Chinese University of Hong Kong from September 2001 to January 2002. He has experience in architectural design. Currently, he is a director of BTR Workshop Limited, an architectural and design company based in Hong Kong. He was appointed as an independent non-executive director of the Company on 14 November 2005.

獨立非執行董事 (續)

陳樂文先生，現年45歲，本公司獨立非執行董事。彼於二零零一年九月至二零零二年一月期間曾任香港中文大學兼任助理教授，擁有建築設計方面經驗。目前，彼為香港一間建築設計公司BTR Workshop Limited的董事。二零零五年十一月十四日，彼獲委任為本公司獨立非執行董事。

DIRECTORS' REPORT

董事會報告

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 31 December 2005.

Group Reorganisation and Listing

The Company was incorporated in the Cayman Islands with limited liability under the Companies Law (2004 Revision) of the Cayman Islands.

In preparation for the public listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company has undergone a series of reorganisations (the "Reorganisation"). Details of the Reorganisation are set out in Appendix VII to the Prospectus of the Company dated 22 November 2005 (the "Prospectus").

The Company's shares were listed on the Main Board of the Stock Exchange (the "Listing") on 2 December 2005.

Principal Activities

The Group is principally engaged in property development and property investment businesses in Suzhou, the PRC and through investment in an associated company, in property investment business in Beijing, the PRC.

Results and Appropriations

The results of the Group for the year ended 31 December 2005 and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 43 to 97.

The Directors recommend the payment of a final dividend of HK1.8 cents per share for the year ended 31 December 2005, which will be satisfied by allotment of new shares of the Company, by way of scrip dividend, with an alternative to shareholders to elect to receive such final dividend (or part thereof) in cash in lieu of such allotment.

Share Capital

Details of the movements in the share capital of the Company are set out in note 25 to the financial statements.

Use of Proceeds from the Company's Initial Public Offering

The proceeds from the Company's issue of new shares at the time of its listing on the Stock Exchange on 2 December 2005, after deduction of related issuance expenses, amounted to approximately HK\$82.1 million. These proceeds were applied during the year ended 31 December 2005 in accordance with the proposed application set out in the Prospectus, as follows:

- approximately HK\$21.7 million was used for partial settlement of the purchase cost of a piece of land in Wuzhong District in Suzhou;

董事欣然提呈其年報連同截至二零零五年十二月三十一日止年度之經審核財務報表。

集團重組及上市

本公司根據開曼群島公司法(二零零四年修訂版)在開曼群島註冊成立為有限公司。

為籌備本公司股份於香港聯合交易所有限公司(「聯交所」)上市,本公司已進行了一系列的重組(「重組」)。有關重組詳情已載於本公司日期為二零零五年十一月二十二日之招股章程(「招股章程」)附錄七內。

本公司股份自二零零五年十二月二日起在聯交所主板上市(「上市」)。

主要業務

本集團主要在中國蘇州市從物業發展及物業投資業務,以及透過投資於一間聯營公司在中國北京市從事物業投資業務。

業績及分派

本集團截至二零零五年十二月三十一日止年度的業績及本公司於該日的業務狀況載於第43至97頁的綜合收益表。

董事會建議派付截至二零零五年十二月三十一日止年度的末期息每股1.8港仙,將透過以股代息方法配發本公司新股支付。股東亦可選擇以現金收取該等末期息(或其部份)以代替有關配發。

股本

本公司股本的變動詳情載於財務報表附註25。

本公司首次公開招股所得款項之用途

本公司在二零零五年十二月二日於聯交所上市發行新股份時所得之款項淨額經扣除相關發行費用後,約為82,100,000港元。於截至二零零五年十二月三十一日止年度期間,已把所得之款項根據招股章程內列明之建議應用如下:

- 約21,700,000港元用於支付購買蘇州市吳中區一幅土地的部份成本;



Use of Proceeds from the Company's Initial Public Offering (Cont'd)

- approximately HK\$27.4 million was keeping in interest-bearing bank accounts and reserved for settling the balance of the purchase cost of a piece of land in Wuzhong District and the preliminary construction cost in Suzhou;
- approximately HK\$29 million was used for repayment of bank loan; and
- approximately HK\$4.0 million was applied as additional working capital of the Group.

Reserves

Details of the movements in the reserves of the Group and the Company during the year are set out in note 27 to the financial statements.

Donations

During the year, the Group made charitable and other donations of HK\$1 million.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group are set out in note 12 to the financial statements.

Principal Properties

Details of the principal properties for investment purposes, held for sale and under development are set out on pages 99 to 102.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Group Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last four financial years is set out on page 98.

Purchase, Sale or Redemption of Securities

The Company has not redeemed any of its shares during the year. Other than the issue of 640,321,399 shares by the Company during the year (including 168,000,000 shares issued upon the listing of the shares of the Company on the Stock Exchange on 2 December 2005), neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

本公司首次公開招股所得款項之用途 (續)

- 約27,400,000港元存於帶息銀行戶口及保留作支付購買蘇州市吳中區一幅土地及其前期建築費用之成本餘額；
- 約29,000,000港元作償還銀行貸款；及
- 約4,000,000港元已撥作本集團的額外營運資金。

儲備

本集團及本公司之儲備於年內之變動情況乃載於財務報表附註27。

捐贈

本集團於本年度內作出的慈善捐贈及其他捐贈為1,000,000港元。

物業、廠房及設備

本集團之物業、廠房及設備的變動詳情載於財務報表附註12。

主要物業

作投資用途的主要物業，待售及發展中物業之詳情載於第99至102頁。

優先購股權

本公司的組織章程細則或開曼群島法例並無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

集團財務摘要

本集團過去四個財政年度之業績以及資產及負債摘要載於第98頁。

購回、出售或贖回上市證券

本公司於本年內並無贖回本公司任何股份，除本公司於本年內發行640,321,399股股份（包括於二零零五年十二月二日本公司在聯交所上市發行之168,000,000股股份）外，本公司及其附屬公司於本年內並無買入或出售本公司任何股份。

DIRECTORS' REPORT 董事會報告

Directors

The directors of the Company during the year were as follows:

Executive Directors

Mr. TAOCHAIFU Choofuang (*also known as CF Tao*) (*Chairman*)
Mr. TAO Richard (*Vice Chairman*)
Mr. TAOCHAIFU Porn (*also known as Paul Tao*) (*Managing Director*)
Mr. KONG Mui Sum Lawrence
Mr. YIM Chun Leung

Non-Executive Director

The Hon. CHAN Bernard Charnwut (appointed on 14 November 2005)

Independent Non-Executive Directors

Mr. WONG Gary Ka Wai (appointed on 14 November 2005)
Mr. SUN Leland Li Hsun (appointed on 14 November 2005)
Mr. CHAN Norman Enrique (appointed on 14 November 2005)

In accordance with the Company's articles of association, Mr. TAO Richard, Mr. KONG Mui Sum Lawrence and Mr. YIM Chun Leung will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

Biographical Details of Directors and Senior Management

Biographical details of the Directors and senior management are set out on pages 18 to 21.

Directors' Service Contracts

Each of the executive directors of the Company has entered into a service contract with the Company for an initial term of two years commencing on 1 December 2005 (the "Commencement Date"), which will continue thereafter provided that either the Company or the executive director may, after 6 months of the Commencement Date, terminate the appointment of the executive director by giving to the other party not less than 3 months' written notice of termination or by payment in lieu of such notice.

The non-executive director and each of the independent non-executive directors of the Company has entered into letters of appointment with the Company for a term of three years commencing on 14 November 2005 and may be terminated by either party by giving one month's written notice.

Save as disclosed above, none of the directors of the Company has a contract of service with the Company or any of its subsidiaries not determinable by the employing company within one year without payment of compensation (except for statutory compensation).

董事

年內任職的董事如下：

執行董事

陶哲甫先生 (別名CF Tao) (主席)
陶家祈先生 (副主席)
陶錫祺先生 (別名Paul Tao) (董事總經理)
江森森先生
嚴振亮先生

非執行董事

陳智思先生 (於二零零五年十一月十四日獲委任)

獨立非執行董事

王家偉先生 (於二零零五年十一月十四日獲委任)
孫立勳先生 (於二零零五年十一月十四日獲委任)
陳樂文先生 (於二零零五年十一月十四日獲委任)

根據本公司之組織章程細則，陶家祈先生、江森森先生及嚴振亮先生將於應屆股東週年大會告退，惟彼符合資格並願意膺選連任。

董事及高級管理層之履歷

董事及高級管理層之履歷詳情載於第18至21頁。

董事之服務合約

各執行董事已與本公司訂立服務合約，初步任期為二年，由二零零五年十二月一日開始（「開始日期」），於開始日期的六個月後，本公司或執行董事可終止其執行董事的任命，其中一方可向另外一方發出不少於三個月的書面通知或代通知金。

本公司之非執行董事及各獨立非執行董事已與本公司訂立服務合約，任期由二零零五年十一月十四日起計，任期為三年，若終止其服務合約，其中一方可向另外一方發出一個月的書面通知。

除上文披露者外，本公司之董事與本公司或其附屬公司之間並無訂立任何於毋須賠償（法定賠償除外）情況下可於一年內終止之服務合約。



Directors' Interests in Contracts

Details of Directors' interest in contracts of significance in relation to the Group's business are set out in the section headed "Connected Transactions and Continuing Connected Transactions" in this report.

Directors' and Chief Executives' Interests in the Shares and Underlying Shares of the Company

As at 31 December 2005, the Directors had the following interests in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of Securities of the Stock Exchange ("Listing Rules"):

Long position in ordinary shares of HK\$0.01 each in the Company

Name of Director	Personal Interest	Family Interest	Corporate Interest	Total	Approximate percentage of the Company's issued share capital 本公司已發行股本之概約百分比
董事姓名	個人權益	家族權益	公司權益	總計	
Mr. TAOCHAIFU Choofuang (Note) 陶哲甫先生 (附註)	Nil 無	Nil 無	257,373,900	257,373,900	40.19%
Mr. TAO Richard 陶家祈先生	6,577,300	Nil 無	Nil 無	6,577,300	1.03%
Mr. TAOCHAIFU Porn 陶錫祺先生	6,577,300	Nil 無	Nil 無	6,577,300	1.03%
Mr. KONG Mui Sum Lawrence 江森森先生	1,644,000	Nil 無	Nil 無	1,644,000	0.25%
Mr. YIM Chun Leung 嚴振亮先生	822,000	Nil 無	Nil 無	822,000	0.13%

Note:

Belbroughton Limited ("Belbroughton") is the legal and beneficial owner of 257,373,900 shares. Belbroughton is wholly-owned by Seal United Investments Limited, which in turn is owned by Mr. TAOCHAIFU Choofuang and his spouse, Mrs. TAO POON Lai Yew Nancy in equal proportion. Accordingly, Mr. TAOCHAIFU Choofuang is deemed to be interested in the 257,373,900 shares held by Belbroughton.

Save as disclosed above, none of the Company's Directors, chief executives and their associates, had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO at the date of this report.

董事的合約權益

董事的合約權益與本集團業務有關重大合約的詳情載於本年報內「關連交易及持續關連交易」一節中。

董事及主要行政人員於本公司的股份及相關股份中擁有的權益

於二零零五年十二月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352節所置存的登記冊所示，董事於本公司的股份及相關股份中擁有的權益，或根據聯交所證券上市規則（「上市規則」）所載董事進行證券交易的標準守則須以其他方式知會本公司及聯交所的權益如下：

本公司每股面值0.01港元的普通股之好倉

Name of Director	Personal Interest	Family Interest	Corporate Interest	Total	Approximate percentage of the Company's issued share capital 本公司已發行股本之概約百分比
董事姓名	個人權益	家族權益	公司權益	總計	
Mr. TAOCHAIFU Choofuang (Note) 陶哲甫先生 (附註)	Nil 無	Nil 無	257,373,900	257,373,900	40.19%
Mr. TAO Richard 陶家祈先生	6,577,300	Nil 無	Nil 無	6,577,300	1.03%
Mr. TAOCHAIFU Porn 陶錫祺先生	6,577,300	Nil 無	Nil 無	6,577,300	1.03%
Mr. KONG Mui Sum Lawrence 江森森先生	1,644,000	Nil 無	Nil 無	1,644,000	0.25%
Mr. YIM Chun Leung 嚴振亮先生	822,000	Nil 無	Nil 無	822,000	0.13%

附註：

Belbroughton Limited（「Belbroughton」）為257,373,900股股份的合法實益擁有人。Belbroughton乃由Seal United Investments Limited全資擁有，其為陶哲甫先生及陶潘麗瑤女士（為陶哲甫先生的配偶）按相等比例擁有。因此，陶哲甫先生被視為擁有Belbroughton所持257,373,900股股份的權益。

除上文披露者外，截至本年報日期為止，本公司之董事、主要行政人員及彼等之聯繫人士概無於本公司或其任何相聯法團之股份及相關股份擁有任何權益或淡倉，而需按證券及期貨條例第352節記錄。

DIRECTORS' REPORT

董事會報告

Substantial Shareholders' Interests in Shares and Underlying Shares of the Company

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2005, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital:

Long position in ordinary shares of HK\$0.01 each in the Company

Name	Personal interest	Corporate interest	Total	Approximate percentage of the Company's issued share capital 本公司已發行股本之概約百分比
名稱	個人權益	公司權益	總計	
Belbroughton Limited (Note 1)	Nil	257,373,900	257,373,900	40.19%
Belbroughton Limited (附註1)	無			
Seal United Investments Limited (Note 1)	Nil	257,373,900	257,373,900	40.19%
Seal United Investments Limited (附註1)	無			
Mr. TAOCHAI FU Choofuang (Note 1)	Nil	257,373,900	257,373,900	40.19%
陶哲甫先生 (附註1)	無			
Mrs. TAO POON Lai Yew Nancy (Note 1)	Nil	257,373,900	257,373,900	40.19%
陶潘麗瑤女士 (附註1)	無			
Mr. TAO Shing Pee (Note 2)	114,156,200	Nil	114,156,200	17.83%
陶欣伯先生 (附註2)		無		
Oriental Pearl International Inc. (Note 3)	Nil	41,003,200	41,003,200	6.4%
Oriental Pearl International Inc. (附註3)	無			
Mr. KINOSHITA James Hajime (Note 3)	Nil	41,003,200	41,003,200	6.4%
木下一先生 (附註3)	無			
Mrs. KINOSHITA CHEUNG Yuen Shiu Lana (Note 3)	Nil	41,003,200	41,003,200	6.4%
木下張婉笑女士 (附註3)	無			

Notes:

1. Belbroughton Limited ("Belbroughton") is the legal and beneficial owner of 257,373,900 shares. Belbroughton is wholly-owned by Seal United Investments Limited ("Seal United"), which in turn is owned by Mr. TAOCHAI FU Choofuang ("Mr. CF Tao") and his spouse, Mrs. TAO POON Lai Yew Nancy ("Mrs. Nancy Tao") in equal proportion. Accordingly, Seal United as well as Mr. CF Tao and Mrs. Nancy Tao are deemed to be interested in 257,373,900 shares.
2. Mr. TAO Shing Pee, the brother of Mr. CF Tao, is the legal and beneficial owner of 114,156,200 shares.
3. Oriental Pearl International Inc. is the legal and beneficial owner of 41,003,200 shares, which is owned by Mr. KINOSHITA James Hajime and Mrs. KINOSHITA CHEUNG Yuen Shiu Lana in equal proportion. Accordingly, Mr. KINOSHITA James Hajime and Mrs. KINOSHITA CHEUNG Yuen Shiu Lana are deemed to be interested in 41,003,200 shares.

主要股東於本公司的股份及相關股份中擁有的權益

根據證券及期貨條例第XV部第336條須予存置的登記冊所示，於二零零五年十二月三十一日，本公司之主要股東（為本公司之發行股本的5%或以上）已通知本公司有關之權益，詳情如下：

本公司每股面值0.01港元的普通股之好倉

Approximate percentage of the Company's issued share capital 本公司已發行股本之概約百分比
40.19%
40.19%
40.19%
40.19%
17.83%
6.4%
6.4%
6.4%

附註：

1. Belbroughton Limited (「Belbroughton」) 為257,373,900股股份的合法實益擁有人。Belbroughton乃由Seal United Investments Limited (「Seal United」) 全資擁有，其為陶哲甫先生及陶潘麗瑤女士（為陶哲甫先生的配偶）按相等比例擁有。因此，Seal United連同陶哲甫先生及陶潘麗瑤女士被視為於該等257,373,900股股份擁有權益。
2. 陶欣伯先生（陶哲甫先生的胞兄），為114,156,200股股份的合法實益擁有人。
3. Oriental Pearl International Inc. 為41,003,200股股份的合法實益擁有人，其由木下一先生及木下張婉笑女士按相等比例擁有。因此，木下一先生及木下張婉笑女士被視為於該等41,003,200股股份擁有權益。



Share Options

Details of the Company's share option scheme are set out in note 26 to the financial statements.

Major Suppliers and Customers

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	
— the largest supplier	70%
— five largest suppliers combined	85%
Sales	
— the largest customer	6%
— five largest customers combined	23%

Save as the four properties purchased by the connected persons of the Group (whom constitute four of the five largest customers) as disclosed under the section headed "Connected Transactions and Continuing Connected Transactions", none of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

Connected Transactions and Continuing Connected Transactions

During the year, the Group had the following connected and continuing connected transactions, certain details of which are disclosed in compliance with the requirements of the Listing Rules.

A. Connected Transactions

1. Four contracts to sell properties

Suzhou Garden Villa Development and Management Co., Ltd., ("SGVDM"), an indirect non-wholly owned subsidiary of the Company, has entered into four sale and purchase contracts in Chinese with four connected persons respectively for the purpose of selling to them four respective villas in the Suzhou Garden Court, with the sales were completed by the end of December 2005. Particulars of the four sale and purchase contracts are summarized as follows:

Date of the contract 合約日期	Purchaser 買方	Property 物業	Purchase Price 購買價
20 July 2005	Lakeside Consultants Limited (beneficially owned by Mr. TAO Richard, Vice Chairman)	Villa no. J505, Suzhou Garden Court	RMB6,090,000
二零零五年七月二十日	湖濱諮詢有限公司 (由副主席 陶家祈先生實益擁有)	錦麗苑第J505號別墅	人民幣6,090,000元

購股權

有關本公司之購股權計劃詳情載於財務報表附註26。

主要供應商及客戶

本集團主要供應商及客戶所佔採購及銷售百分率如下：

採購額	
— 最大供應商	70%
— 五大供應商合併計算	85%
銷售額	
— 最大客戶	6%
— 五大客戶合併計算	23%

除由本集團之關連人士(其構成五大客戶中之四位)購買四個物業外,其詳情已於「關連交易及持續關連交易」一節中披露,並無董事,其聯繫人士或任何股東(就董事所知擁有本公司股本5%以上)於本年度任何時間擁有上述供應商或客戶之權益。

關連交易及持續關連交易

年內,以下為本集團之關連交易及持續關連交易,其某些詳情已遵守上市規則的規定披露。

A. 關連交易

1. 銷售物業的四份合約

本公司間接非全資附屬公司蘇州錦華苑建設發展管理有限公司(「錦華苑建設」)與四名關連人士分別簽訂四份以中文訂立的買賣合約,以向彼等售出錦麗苑四幢別墅,有關銷售於二零零五年十二月底完成。有關四份買賣合約的詳情概述如下：

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Connected Transactions and Continuing Connected Transactions (Cont'd)

A. Connected Transactions (Cont'd)

1. Four contracts to sell properties (Cont'd)

Date of the contract 合約日期	Purchaser 買方
20 July 2005 二零零五年七月二十日	Lanick Group Limited (beneficially owned by Mr. TAOCHAIFU Porn, Managing Director) 朗利集團有限公司 (由董事總經理 陶錫祺先生實益擁有)
20 July 2005 二零零五年七月二十日	Eastside Properties Limited (beneficially owned by Ms. TAO Miriam in trust for the entire benefit of Mrs. Nancy Tao, a controlling shareholder) 東方物業有限公司 (由陶蘊怡女士完全就 控股股東陶潘麗瑤女士的 利益以信託方式合法擁有)
22 December 2005 二零零五年十二月二十二日	Ms. TAO Miriam, a daughter of Mr. CF Tao and a sister of Mr. TAO Richard and Mr. TAOCHAIFU Porn, and is therefore a connected person of the Company 陶蘊怡女士，為陶哲甫先生之 女兒及陶家祈先生及 陶錫祺先生之胞姊； 因此成為本公司的關連人士

關連交易及持續關連交易 (續)

A. 關連交易 (續)

1. 銷售物業的四份合約 (續)

Property 物業	Purchase Price 購買價
Villa no. J601, Suzhou Garden Court 錦麗苑第J601號別墅	RMB8,300,000 人民幣8,300,000元
Villa no. J602, Suzhou Garden Court 錦麗苑第J602號別墅	RMB9,520,000 人民幣9,520,000元
Villa no. J501, Suzhou Garden Court 錦麗苑第J501號別墅	RMB5,500,000 人民幣5,500,000元



Connected Transactions and Continuing Connected Transactions (Cont'd)

A. Connected Transactions (Cont'd)

2. Financial assistance from connected persons for the benefit of the Group

The Group has obtained banking facilities from certain banks prior to the Listing. Some of these banking facilities were secured by security provided by certain connected persons of the Company, who have not required the provision of any security from the Group for such financial assistance provided to the Group. Upon the listing of the Shares on the Main Board in December 2005 ("Listing"), the security provided by these connected persons of the Company for the aforesaid banking facilities (part of these banking facilities amounted to HK\$29 million were repaid using the listing proceeds upon Listing) were released and the remaining facilities were replaced by the Company's corporate guarantee, as the banks then have issued letters of consent for agreement in principle to release the relevant guarantees, mortgages, pledges and/or charges upon the Listing. Particulars of such financial assistance are summarized below.

a. Banking facilities from Asia Commercial Bank Limited

By a facility letter dated 1 November 2005, Asia Commercial Bank Limited has granted to World Margin Limited ("WML"), an indirect wholly-owned subsidiary of the Company, banking facilities to the total extent of approximately HK\$74.26 million.

To secure the aforesaid banking facilities:

- (i) Fontwell Holdings Limited, a company ultimately and beneficially owned by Mr. CF Tao and his family members, has mortgaged the 23rd Floor of and Car Parking Space Nos.28 and 51 on the 2nd Floor of Fortis Bank Tower at 77-79 Gloucester Road and Nos.117-119 Jaffe Road, Hong Kong, with all the rentals therefrom assigned, to Asia Commercial Bank Limited;
- (ii) Chong Lai Company Limited ("CLCL"), a company beneficially and ultimately owned by Mr. CF Tao and his family members, has mortgaged Units Nos.1 and 2 on the 19th Floor of Professional Building, Nos.19-23 Tung Lo Wan Road, Hong Kong, with all the rentals therefrom assigned, to Asia Commercial Bank Limited;
- (iii) pledge of fixed deposit in name of New Heritage Investments Limited in Hong Kong dollars for not less than HK\$17,000,000;
- (iv) pledge of fixed deposit in name of Mr. CF Tao in US dollars for not less than US\$3,600,000; and
- (v) the Company has given a corporate guarantee for HK\$30,000,000 in favour of Asia Commercial Bank Limited.

關連交易及持續關連交易 (續)

A. 關連交易 (續)

2. 關連人士就本集團利益提供的財務資助

本集團於上市前取得某幾間銀行的銀行信貸。部份此等銀行信貸乃由本公司若干關連人士提供的抵押品作為擔保，而彼等並無要求本集團就其對本集團提供的有關財務資助提供任何抵押。由於當時銀行已出具同意書原則上同意於上市後解除有關擔保、按揭、質押及／或抵押，故待股份於二零零五年十二月在主板上市（「上市」）後，此等本公司關連人士就上述銀行信貸（於上市時，部份信貸額為29,000,000港元已由上市集資所得的款項償還）所提供的抵押品已被解除，信貸餘額已由本公司的企業擔保取代。有關上述財務資助的詳情概述如下。

a. 來自亞洲商業銀行有限公司的銀行信貸

根據日期為二零零五年十一月一日的信貸函件，亞洲商業銀行有限公司已向本公司間接全資附屬公司世謙有限公司（「世謙」）批授銀行信貸，總額約74,260,000港元。

為擔保上述銀行融資：

- (i) 陶哲甫先生及其家庭成員最終實益擁有的公司Fontwell Holdings Limited已將香港告士打道77至79號及謝斐道117至119號華比富通大廈23樓以及2樓第28號及51號泊車位抵押，並連同全部有關租金轉讓予亞洲商業銀行有限公司；
- (ii) 陶哲甫先生及其家庭成員最終實益擁有的公司Chong Lai Company Limited（「CLCL」）已將香港銅鑼灣道19至23號建康大廈19樓1至2號單位抵押，並連同全部有關租金轉讓予亞洲商業銀行有限公司；
- (iii) 將新繼企業有限公司名下不少於17,000,000港元的港元定期存款抵押；
- (iv) 將陶哲甫先生名下不少於3,600,000美元的美金定期存款抵押；及
- (v) 本公司已向亞洲商業銀行有限公司作出30,000,000港元的企業擔保。

DIRECTORS' REPORT

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Connected Transactions and Continuing Connected Transactions (Cont'd)

A. Connected Transactions (Cont'd)

2. Financial assistance from connected persons for the benefit of the Group (Cont'd)

a. Banking facilities from Asia Commercial Bank Limited (Cont'd)

None of Fontwell Holdings Limited, CLCL, Mr. CF Tao or Mrs. Nancy Tao has required the provision of any security from the Group for the above financial assistance given for the benefit of WML.

b. Loan contract with The Bank of East Asia Limited, Shanghai branch

By a loan contract dated 8 October 2005, The Bank of East Asia Limited, Shanghai branch has granted to New Heritage Group Limited ("NH Group") an indirect wholly-owned subsidiary of the Company, a loan of US\$3,200,000.

To secure the loan, Mr. CF Tao has charged a deposit of US\$3,200,000 in favour of The Bank of East Asia Limited.

Mr. CF Tao has not required the provision of any security from the Group for the above financial assistance given for the benefit of NH Group.

The above pledged deposit was released upon WML provide a deposit of US\$3,200,000 as security to The Bank of East Asia Limited subsequent to Listing.

Each of the above financial assistance provided by the connected persons of the Company for the benefit of the Group was on terms favourable to the Group where no security over the assets of the Group was required. Therefore, each of the above financial assistance falls within the exemption under Rule 14A.65(4) of the Listing Rules and was therefore not subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

B. Continuing Connected Transactions

3. Motor vehicle lease agreement

On 1 February 2005, New Heritage Management Limited ("NH Management"), an indirect wholly-owned subsidiary of the Company, entered into a motor vehicle lease agreement with HY Automotive Holdings Limited (beneficially owned by Mr CF. Tao and his family members) for the lease of two private motor vehicles. Under the said lease agreement, NH Management has agreed to lease two private motor vehicles for a term of one year commencing from 1 February 2005 at an aggregate rental of HK\$16,000 per month, which shall be automatically renewed for each of the subsequent years thereafter on the same terms and conditions, except that the monthly rental thereof shall be mutually agreed by the parties.

The above motor vehicle lease agreement was terminated with effect from 1 February 2006.

關連交易及持續關連交易 (續)

A. 關連交易 (續)

2. 關連人士就本集團利益提供的財務資助 (續)

a. 來自亞洲商業銀行有限公司的銀行信貸 (續)

Fontwell Holdings Limited、CLCL、陶哲甫先生或陶潘麗瑤女士概無要求本集團就上述世謙利益所提供的財務資助提供任何擔保。

b. 與東亞銀行有限公司(上海分行)簽訂的貸款合約

根據日期為二零零五年十月八日的貸款合約，東亞銀行有限公司(上海分行)已向本公司之間接全資附屬公司新澤集團有限公司(「新澤集團」)授出貸款3,200,000美元。

為取得該項貸款，陶哲甫先生已向東亞銀行有限公司質押3,200,000美元的存款。

陶哲甫先生並無要求本集團就新澤集團利益所提供的上述財務資助而提供任何抵押。

當世謙於上市後向東亞銀行有限公司提供3,200,000美元存款作質押時，上述質押存款已被解除。

本公司關連人士就本集團利益提供的上述各項財務資助乃按對本集團有利的條款進行，而毋須以本集團資產作為抵押。因此，根據上市規則第14A.65(4)條，上述各項財務資助均屬於在豁免的範圍內，故毋須遵守上市規則有關申報、公佈及獲得獨立股東批准的規定。

B. 持續關連交易

3. 汽車租賃協議

二零零五年二月一日，本公司之間接全資附屬公司新澤管理有限公司(「新澤管理」)與HY Automotive Holdings Limited(陶哲甫先生及其家庭成員實益擁有，就租賃兩輛私家汽車簽訂一份汽車租賃協議。根據上述租賃協議，新澤管理已同意租用兩輛私家汽車，租期由二零零五年二月一日開始，為期一年，每月租金合共16,000港元。根據該汽車租賃協議，租期將於其後每年按相同條款及條件自動更新，惟有個月租須經由協議雙方共同協定除外。

上述汽車租賃協議已被終止，並由二零零六年二月一日正式生效。



Connected Transactions and Continuing Connected Transactions (Cont'd)

B. Continuing Connected Transactions (Cont'd)

4. Tenancy agreement of Hong Kong office

On 21 March 2005, NH Management as tenant entered into a tenancy agreement with Fontwell Holdings Limited (beneficially owned by Mr. CF Tao and his family members) as landlord for the lease of Room 2301, 23rd Floor, Fortis Bank Tower, Nos.77-79 Gloucester Road, Hong Kong and Nos.117-119 Jaffe Road, Hong Kong for the use by the Group at a monthly rental of HK\$49,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2005 and expiring on 31 January 2006.

On 25 January 2006, the above tenancy agreement was renewed at a monthly rental of HK\$72,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2006 and expiring on 31 January 2007.

5. Licence agreement

On 21 March 2005, NH Management as licensee entered into a licence agreement with Fontwell Holdings Limited as licensor for obtaining the licence to use by the Group of car parking spaces nos. 28 and 51 on the 2nd Floor of Fortis Bank Tower, Nos.77-79 Gloucester Road, Hong Kong and Nos.117-119 Jaffe Road, Hong Kong at a monthly licence fee of HK\$7,000, exclusive of government rates and management fees, for a term of one year commencing from 1 February 2005 to 31 January 2006.

On 25 January 2006, the above licence agreement was renewed at a monthly licence fee of HK\$7,000, exclusive of government rates and management fees, for a term of one year commencing on 1 February 2006 and expiring on 31 January 2007.

6. Two tenancy agreements of residential property developed by the Group

On 2 November 2004, through an agent, Mr. TAO Richard, one of the executive directors, as landlord entered into a tenancy agreement with SGVDM pursuant to which SGVDM has leased from Mr. TAO Richard the premises developed by SGVDM known as Unit 8B, Jin Shing Apartment, No. 38 Shi Shan Road, New District, Suzhou, the PRC at a monthly rental of RMB14,904, exclusive of all outgoings, for a term of 2 years commencing on or before 4 December 2004.

On the same day, through the same agent, Mr. TAO Richard as landlord entered into another tenancy agreement with SGVDM, pursuant to which SGVDM has leased from Mr. TAO Richard the premises developed by SGVDM known as Unit 8D, Jin Shing Apartment, No. 38 Shi Shan Road, New District, Suzhou, the PRC for a monthly rental of RMB12,420, exclusive of all outgoings, for a term of 2 years commencing on or before 4 December 2004.

關連交易及持續關連交易 (續)

B. 持續關連交易 (續)

4. 香港辦事處之租賃協議

二零零五年三月二十一日，新澤管理 (作為承租人) 與Fontwell Holdings Limited (陶哲甫先生及其家庭成員最終實益擁有) (作為業主) 就租賃香港告士打道77-79號及香港謝斐道117-119號華比富通大廈23樓2301室以供本集團使用而簽訂一份租賃協議，月租49,000港元，不包括政府差餉及管理費，租期由二零零五年二月一日開始，至二零零六年一月三十一日屆滿，為期一年。

二零零六年一月二十五日，上述租賃協議已被續期，月租72,000港元，不包括政府差餉及管理費，租期由二零零六年二月一日開始，至二零零七年一月三十一日屆滿，為期一年。

5. 特許協議

二零零五年三月二十一日，新澤管理 (作為特許使用人) 與Fontwell Holdings Limited (作為特許人) 就領取香港告士打道77-79號及香港謝斐道117-119號華比富通大廈2樓第28及51號泊車位的許可證以供本集團使用而簽訂一份特許協議，許可證月費為7,000港元，不包括政府差餉及管理費，租期由二零零五年二月一日開始，至二零零六年一月三十一日屆滿，為期一年。

二零零六年一月二十五日，上述特許協議已被續期，許可證月費為7,000港元，不包括差餉及管理費，年期由二零零六年二月一日開始，至二零零七年一月三十一日屆滿，為期一年。

6. 由本集團發展之住宅物業之兩份租賃協議

二零零四年十一月二日，其中一位執行董事陶家祈先生 (作為業主) 透過一名代理與錦華苑建設簽訂一份租賃協議；據此，錦華苑建設已向陶家祈先生租入位於中國蘇州市新區獅山路38號錦興樓8B室的物業，月租人民幣14,904元，不包括所有開支，租期於二零零四年十二月四日或之前開始，為期兩年。

同日，陶家祈先生 (作為業主) 透過同一名代理與錦華苑建設簽訂另一份租賃協議；據此，錦華苑建設已向陶家祈先生租入位於中國蘇州市新區獅山路38號錦興樓8D室的物業，月租人民幣12,420元，不包括所有開支，租期於二零零四年十二月四日或之前開始，為期兩年。

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董事會報告

Connected Transactions and Continuing Connected Transactions (Cont'd)

B. Continuing Connected Transactions (Cont'd)

7. Landscaping and maintenance contract

On 17 February 2005, SGVDM entered into a landscaping and maintenance contract with 蘇州新繼園林綠化有限公司 (Suzhou New Heritage Trees & Landscaping Co., Ltd.) ("SNHTL") (Mr. CF Tao and Mr. TAOCHAIFU Porn, two of the executive directors, indirectly owns 95% equity interest) pursuant to which SNHTL provides landscaping and maintenance services to SGVDM in respect of phases 2 and 3 and commercial centre of Suzhou Garden Villa for an annual fee of RMB44,000 for a period of one year commencing on 1 January 2005 to 31 December 2005.

8. Fitness club agreement

In November 2004, SGVDM entered into an agreement with 上海克拉克海奇健身有限公司 (Clark Hatch Fitness Centers (Shanghai) Ltd.) ("Clark Hatch Shanghai") (which was subsequently supplemented by a supplemental agreement dated 18 September 2005 made between the same parties) (collectively, the "Fitness Club Agreement"), pursuant to which SGVDM provides Clark Hatch Shanghai with the sports and fitness club house with facilities located on the 3rd Floor, Block 11, Suzhou Garden Court (the "Club House"), and Clark Hatch Shanghai provides cleaning, maintenance, repair, operation and janitorial services for the Club House, for a term of 3 years commencing on 1 January 2005. During the term, Clark Hatch Shanghai is required to pay SGVDM a monthly rental in a sum (i) of RMB60,000 or (ii) equal to 30% of the monthly gross revenues (before taxes) received by Clark Hatch Shanghai from the operation of Club House, whichever is higher.

As Clark Hatch Shanghai is a Sino-foreign equity joint venture enterprise of the PRC, owned as to 90% by Clark Hatch (China) Limited, which in turn is beneficially owned as to 50% by an independent third party and as to 50% by Mr. TAOCHAIFU Porn, the transactions contemplated under the Fitness Club Agreement constituted continuing connected transactions for the Company under the Listing Rules.

As disclosed in the Prospectus, based on the consideration and analysis of the budget provided by Clark Hatch Shanghai for the revenues of the Club House for each of the 3 years ending 31 December 2007, the Directors then anticipated that the annual caps for the annual rental to be received by the Group from Clark Hatch Shanghai under the Fitness Club Agreement for the 3 years ending 2007 will be RMB864,000, RMB1,369,500 and RMB1,503,900 respectively. The transactions contemplated under the Fitness Club Agreement for the year ending 31 December 2005 was exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. However, in respect of the maximum annual rental to be received from Clark Hatch Shanghai for each of the 2 years ending 31 December 2007, the transactions contemplated under the Fitness Club Agreement for each of the 2 years ending 31 December 2007 are subject to the reporting and announcement requirements under the Listing Rules.

關連交易及持續關連交易 (續)

B. 持續關連交易 (續)

7. 美化及保養合約

二零零五年二月十七日，錦華苑建設與蘇州新繼園林綠化有限公司（「新繼園林綠化」）（兩位執行董事陶哲甫先生及陶錫祺先生間接全資擁有95%股本權益）簽訂一份美化及保養合約；據此，新繼園林綠化向錦華苑建設提供錦華苑二期及三期以及商業中心的美化及保養服務，年費人民幣44,000元，於二零零五年一月一日開始，至二零零五年十二月三十一日屆滿，為期一年。

8. 健身會協議

二零零四年十一月，錦華苑建設與上海克拉克海奇健身有限公司（「上海克拉克」）簽訂一份協議（該協議其後由上述協議雙方所訂立日期為二零零五年九月十八日的補充協議補充）（統稱「健身會所協議」）；據此，錦華苑建設向上海克拉克提供位於錦麗苑11座3樓的體育及健身會所連設施（「會所」）；而上海克拉克則為會所提供清潔、保養、維修、營運及庶務服務，由二零零五年一月一日開始，為期三年。於年內，上海克拉克須向錦華苑建設支付月租合共(i)人民幣60,000元或(ii)相等於上海克拉克於經營會所得每月總收益（除稅前）30%（以較高者為準）。

由於上海克拉克乃一間由克拉克海奇（中國）有限公司擁有90%股權的中國中外合資企業，而克拉克海奇（中國）有限公司則由一名獨立第三方及陶錫祺先生分別各佔一半股權，根據上市規則，健身會所協議項下進行的交易構成本公司的持續關連交易。

誠如招股章程所披露，根據該代價及上海克拉克就會所截至二零零七年十二月三十一日止三個年度各年收益所提供的預算分析，董事當時預期，本集團根據健身會所協議向上海克拉克收取截至二零零七年止三個年度的每年租金的上限將分別為人民幣864,000元、人民幣1,369,500元及人民幣1,503,900元。根據上市規則，截至二零零五年十二月三十一日止年度健身會所協議項下進行的交易獲豁免遵守上市規則有關申報、公佈及獲得獨立股東批准的規定。然而，就截至二零零七年十二月三十一日止兩個年度各年向上海克拉克收取每年租金的最高額而言，截至二零零七年十二月三十一日止兩個年度各年健身會所協議項下進行的交易須遵守上市規則有關申報及公佈的規定。



Connected Transactions and Continuing Connected Transactions (Cont'd)

B. Continuing Connected Transactions (Cont'd)

8. Fitness club agreement (Cont'd)

The Stock Exchange has granted a waiver from strict compliance with the announcement requirement under Rule 14A.47 of the Listing Rules in respect of the transactions contemplated under the Fitness Club Agreement for the 2 years ending 31 December 2007.

The independent non-executive directors have confirmed that the above continuing connected transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the above relevant agreements on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. The auditors of the Company have also confirmed that (i) the above continuing connected transactions have been approved by the Board of Directors of the Company; (ii) the transactions pertaining to the above continuing connected transactions were entered into at amounts consistent with the pricing policies as stated in the Prospectus; (iii) on terms no less favourable than those available to or from independent third parties; and (iv) the above continuing connected transactions did not exceed the relevant caps in the financial year ended 31 December 2005.

During the year, the Group had the following connected transactions which have been completed prior to the Listing and therefore, which are not subject to any disclosure requirements of the Listing Rules and the details of which have not been disclosed in the Prospectus.

1. Transfer of interest in Clark Hatch Shanghai

In January 2005, SGVDM agreed to transfer 10% equity interest in Clark Hatch Shanghai to SNHTL at the total consideration of US\$20,000, equivalent to 10% of the registered capital of Clark Hatch Shanghai. The transfer of equity interest was completed upon a certificate of approval was issued by the relevant PRC Government on 8 July 2005.

2. Assignment of Chattels

On 22 March 2005, B.T. Shipping & Enterprises Limited, a company which is beneficially owned by Mr. CF Tao and his family members, as assignor has entered into an assignment of chattels with NH Management as assignee whereby the assignor agreed to dispose to the assignee all the office equipment and fixtures as set out in the assignment at the total consideration of HK\$106,649.20.

3. Financial assistance from connected persons for the benefit of the Group

- a. By a facility letter dated 14 April 2005, The Hong Kong and Shanghai Banking Corporation Limited has granted to WML the banking facilities to the total extent of US\$1,000,000.

關連交易及持續關連交易 (續)

B. 持續關連交易 (續)

8. 健身會協議 (續)

聯交所已授出豁免就截至二零零七年十二月三十一日止兩個年度健身會所協議項下進行的交易嚴格遵守上市規則第14A.47條有關公佈規定。

獨立非執行董事已確認上述持續關連交易乃(i)於本集團之日常及一般業務過程中；(ii)按一般商業條款，或向本集團提供之條款不遜於向獨立第三者或由獨立第三者提供之條款；及(iii)根據上述有關協議按公平合理，且符合本公司股東整體利益之條款訂立。本公司之核數師亦已確認(i)上述持續關連交易已獲本公司董事會批准；(ii)上述持續關連交易項下之交易乃根據招股章程內之定價政策；(iii)不遜於向獨立第三者或由獨立第三者提供之條款；以及(iv)於截至二零零五年十二月三十一日財務年度，上述持續關連交易並無超過相關上限。

年內，以下為已在上市前完成之本集團之關連交易；因此，無須遵守上市規則之任何的披露規定及其詳情並無於招股章程內披露。

1. 上海克拉克之權益轉讓

於二零零五年一月，錦華苑建設同意轉讓其於上海克拉克中擁有10%股本權益予新繼園林綠化，代價為20,000美元，相等於上海克拉克之10%註冊資本。當有關中國政府於二零零五年七月八日發出批准證書時，股本權益轉讓已完成。

2. 動產轉讓

二零零五年三月二十二日，海祥船務企業有限公司(一間由陶哲甫先生及其家庭成員最終實益擁有之公司)(作為委託者)與新澤管理(作為受託人)就委託者同意出售契約訂明之所有辦公室設備及裝置簽訂一份動產轉讓契約，總代價為106,649.20港元。

3. 關連人士就本集團利益提供的財務資助

- a. 根據日期為二零零五年四月十四日的信貸函件，香港上海滙豐銀行有限公司向世謙批授銀行信貸，總額1,000,000美元。

DIRECTORS' REPORT

董事會報告

Connected Transactions and Continuing Connected Transactions (Cont'd)

3. Financial assistance from connected persons for the benefit of the Group (Cont'd)

To secure the aforesaid banking facilities:

- (i) Miripa (BVI) Ltd., a company which is beneficially owned by Mr. CF Tao and his family members, has given a corporate guarantee for US\$1,000,000; and
- (ii) Pledge of fixed deposit in the name of Miripa (BVI) Ltd. in the amount of US\$1,000,000.

The above facilities was fully repaid on 10 October 2005.

- b. On 20 August 2005, Mr. CF Tao has entered into a loan contract with WML whereby Mr. CF Tao agreed to grant to WML a loan facility of US\$3,200,000 (the "Loan"). The Loan was fully repaid by WML to Mr. CF Tao on 12 September 2005. Waiver of the obligations to pay any interest under the loan contract was granted by Mr. CF Tao to WML.

Directors' Interest in Competing Business

Mr. CF Tao, Chairman of the Company, and his family members (including Mr. TAO Richard, Vice Chairman and Mr. TAOCHAIFU Porn, Managing Director) are interested in certain properties in PRC which may constitute a competing business to the Group including, 48 apartments in Suzhou Garden Villa and a villa no. J505 in Suzhou Garden Court developed by SGVDM.

Pursuant to the non-competition deed dated 16 November, 2005 signed by Mr. CF Tao and his spouse ("Mr. and Mrs. Tao") in favour of the Company (the "Deed"), Mr. and Mrs. Tao have undertaken to the Company to make necessary arrangements as stated in the Deed to avoid competing the business of the Group. Details of such arrangements have already been disclosed in the Prospectus.

Corporate Governance

A report on the principal corporate governance practices adopted by the Company is set out on pages 36 to 41 of this report.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

關連交易及持續關連交易 (續)

3. 關連人士就本集團利益提供的財務資助 (續)

為擔保上述銀行融資：

- (i) 陶哲甫先生及其家庭成員實益擁有的公司Miripa (BVI) Ltd.已作出1,000,000美元的企業擔保；及
- (ii) 將Miripa (BVI) Ltd.名下的1,000,000美元定期存款抵押。

上述信貸已於二零零五年十月十日全數被償還。

- b. 二零零五年八月二十日，陶哲甫先生與世謙簽訂貸款合同，據此，陶哲甫先生同意向世謙批授3,200,000美元貸款額度（「貸款」）。世謙已於二零零五年九月十二日把貸款全數償還予陶哲甫先生。陶哲甫先生向世謙豁免根據貸款合同下支付任何利息之責任。

董事於競爭業務之權益

陶哲甫先生（本公司主席）及其家庭成員（包括副主席陶家祈先生及董事總經理陶錫祺先生）乃於中國某些物業持有權益，其可能構成與本集團競爭業務，其中包括由錦華苑建設發展的錦華苑48間公寓及錦麗苑第J505號別墅。

根據日期為二零零五年十一月十六日由陶哲甫先生及其配偶（「陶先生及陶太太」）簽訂之不競爭契約（「契約」）。陶先生及陶太太已向本公司承諾採取契約內訂明之必要安排以避免與本集團業務競爭。該項安排之詳情已於招股章程內披露。

企業管治

本公司所採納的主要企業管治常規的報告，載於本年報第36至41頁。

足夠的公眾持股量

根據本公司可從公開途徑取得的資料及就本公司董事所知，於本年報日期，本公司已發行股份之公眾持股量為不少於25%。



DIRECTORS' REPORT 董事會報告

Subsequent Events

Details of the subsequent events of the Group are set out in note 36 to the financial statements.

Auditors

The Company's auditors, Grant Thornton retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

TAOCHAIFU Choofuang
Chairman

Hong Kong, 3 April 2006

結算日後事項

本集團之結算日後事項之詳情載於財務報表附註36。

核數師

本公司核數師均富會計師行將任滿告退，有關續聘均富會計師行為本公司核數師之決議案將於應屆股東週年大會提呈。

代表董事會

主席
陶哲甫

香港，二零零六年四月三日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to the establishment of good corporate practices and procedures. The corporate governance principles of the Company emphasise a quality board, transparency and accountability to all shareholders of the Company.

The Group has complied with the code provisions set out in Appendix 14, Code on Corporate Governance Practices, of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the year ended 31 December 2005 except that no meeting of the Audit Committee, Nomination Committee and Remuneration Committee was held for the period from the listing (the "Listing") of the shares of the Company on the Stock Exchange on 2 December 2005 to 31 December 2005. Only one meeting for each of the Audit Committee, Nomination Committee and Remuneration Committee was held subsequent to the year ended 31 December 2005 and prior to the publishing of this report with the presence of all members of the respective committees.

BOARD COMPOSITION

The Board comprises five executive directors, one non-executive director and three independent non-executive directors. All five executive directors are members of the executive committee of the Company responsible for dealing with the business of the Company in accordance with all applicable rules and regulations, including, but not limited to, the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules"). All Directors (including independent non-executive directors) have been consulted on all major and material matters of the Company.

The Board members for the year ended 31 December 2005 were:

Executive Directors

Mr. TAOCHAIFU Choofuang (*also known as CF Tao*) (*Chairman*)
Mr. TAO Richard (*Vice Chairman*)
Mr. TAOCHAIFU Porn (*also known as Paul Tao*) (*Managing Director*)
Mr. KONG Mui Sum Lawrence
Mr. YIM Chun Leung

Non-executive Director

The Hon. CHAN Charnwut Bernard

Independent Non-executive Directors

Mr. WONG Gary Ka Wai
Mr. SUN Leland Li Hsun
Mr. CHAN Norman Enrique

The number of independent non-executive directors have met the requirements under the Listing Rules and Mr. WONG Gary Ka Wai has appropriate accounting professional qualification. The Company has appointed a Managing Director instead of a chief executive officer.

The positions of the Chairman and the Managing Director are held separately by two executive directors to ensure their respective independence, accountability and responsibility. The Chairman is responsible for determining overall business strategies of the Group. The Managing Director is responsible for general management of the Group.

本公司致力建立良好之企業管治慣例及程序，本公司之企業管治原則著重優秀之董事局、透明度及向本公司所有股東問責。

截至二零零五年十二月三十一日止年度，本集團已遵守香港聯合交易所有限公司（「聯交所」）之證券上市規則所載的附錄十四之企業管治常規守則。除於二零零五年十二月二日至二零零五年十二月三十一日，本公司股份於聯交所上市（「上市」）期間，並無召開審核委員會、提名委員會及薪酬委員會會議外，於二零零五年十二月三十一日止年度之後至本年報出版前，只召開審核委員會、提名委員會及薪酬委員會各一次會議及各委員會的成員均全部出席是次會議。

董事局之組成

董事局由五名執行董事、一名非執行董事及三名獨立非執行董事組成，所有五名執行董事均為執行委員會成員，負責按照所有適用的規則及條例，其中包括，但不限於聯交所之證券上市規則（「上市規則」）處理本公司之業務。所有董事（包括獨立非執行董事）在本公司所有主要及重大事項上均被諮詢。

二零零五年十二月三十一日年度止之董事局成員為：

執行董事

陶哲甫先生（別名CF Tao）（主席）
陶家祈先生（副主席）
陶錫祺先生（別名Paul Tao）（董事總經理）
江森森先生
嚴振亮先生

非執行董事

陳智思先生

獨立非執行董事

王家偉先生
孫立勳先生
陳樂文先生

獨立非執行董事之數目已符合上市規則規定及王家偉先生亦具備適當之會計專業資格。本公司已委任一位董事總經理，代替委任一位行政總裁。

主席及董事總經理之職位分別由兩位執行董事出任，以確保其各自之獨立性、問責性及責任承擔。主席負責決定本集團之整體業務策略，而董事總經理負責本集團之一般管理。



BOARD COMPOSITION (Cont'd)

The Board is responsible for corporate strategy, annual and interim results, succession planning, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specially delegated by the Board to the management include the preparation of annual and interim accounts for Board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

Mr. TAOCHAIFU Choofuang, the Chairman of the Company, is the father of Mr. TAO Richard, the Vice Chairman of the Company, and Mr. TAOCHAIFU Porn, Managing Director of the Company. Further details of the Directors are set out on pages 18 to 21 under the section headed "Biographical Details of Directors and Senior Management" of this report.

Each of the independent non-executive directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The non-executive director and all the independent non-executive directors have contracts with the Company for a period of three years commencing from 14 November 2005 which may be terminated by either party by giving one month's written notice and subject to retirement by rotation at the annual general meeting of the Company in accordance with the articles of association of the Company.

For the period from 14 November 2005 (the day of appointment of the non-executive director and the three independent non-executive directors) to 31 December 2005, six Board meetings were held. Minutes of the Board meetings are kept by the company secretary and are available for inspection by the Directors and auditors of the Company.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions. The obligation to follow the Listing Rules are set out in the terms of the service contracts of each executive director and the letters of appointment of the non-executive director and each independent non-executive director. Having made specific enquiry of all the Directors, the Directors confirmed that they have complied with the required standard as set out in the Model Code for the period from Listing to 31 December 2005.

董事局之組成 (續)

董事會負責企業策略、年度及中期業績、繼承計劃、風險管理、重大收購、出售及資本交易，及其他主要營運及財務事宜。董事會特別委託管理層執行之主要企業事宜包括籌備年度及中期賬目，以供董事會於對外公佈前批核、執行董事會所採納之業務策略及措施、推行妥善內部監控制度及風險管理程序以及遵守有關法定規定、規則與規例。

陶哲甫先生(本公司主席)，為陶家祈先生(本公司副主席)及陶錫祺先生(本公司董事總經理)之父親。有關董事之詳情載於本年報內第18至21頁「董事及高級管理層之履歷」一節中。

各獨立非執行董事已根據上市規則第3.13條之規定提交年度獨立性確認書。本公司認為，所有獨立非執行董事均符合上市規則第3.13條所載之獨立性指引，並根據指引之條款屬獨立人士。本公司之非執行董事及各獨立非執行董事已與本公司訂立合約，任期由二零零五年十一月十四日起計，任期為三年，若終止其服務合約，其中一方可向另外一方發出一個月的書面通知及根據本公司之組織章程細則，其均須於股東週年大會上輪值告退。

於二零零五年十一月十四日(非執行董事及三位獨立非執董事之委任日期)至二零零五年十二月三十一日期間，共舉行六次董事會會議。董事會會議之會議記錄由公司秘書保存及可供本公司之董事及核數師審閱。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)，作為其董事進行證券交易之操守守則。各執行董事之服務合約條文及非執行董事及各獨立非執行董事之委任信件中已載有遵守上市規則之責任。經本公司向全體董事作出特定查詢後，全體董事確認，彼等於上市至二零零五年十二月三十一日一直遵守標準守則所規定標準。

CORPORATE GOVERNANCE REPORT

企業管治報告



AUDIT COMMITTEE

The Company established an Audit Committee on 14 November 2005 with terms of references in compliance with the code on corporate governance practices set out in Appendix 14 of the Listing Rules. The Audit Committee consists of independent non-executive directors only.

The members of the Audit Committee are as follows:

Mr. WONG Gary Ka Wai (*Chairman*)
Mr. SUN Leland Li Hsun
Mr. CHAN Norman Enrique

Mr. WONG Gary Ka Wai, who possesses a professional accounting qualification and relevant accounting experience, is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to review and approve the financial reporting process and internal control systems of the Group. The Group's final results for the year ended 31 December 2005 have been reviewed by the members of the Audit Committee before submission to the Board for approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

NOMINATION COMMITTEE

The Company established a Nomination Committee on 14 November 2005 with terms of reference in compliance with the code on corporate governance practices set out in Appendix 14 of the Listing Rules. The members of the Nomination Committee consist of one executive director and two independent non-executive directors.

The members of the Nomination Committee are as follows:

Mr. CHAN Norman Enrique (*Chairman*)
Mr. SUN Leland Li Hsun
Mr. TAOCHAIFU Porn

The primary duty of the Nomination Committee is making recommendations to the Board on appointment and removal of directors and management of Board succession.

The Nomination Committee has considered the past performance, qualification, general market conditions and the Company's articles of association in selecting and recommending directors for retirement rotation.

The Nomination Committee resolved that all the existing directors should be recommended to be retained by the Company. Further, in accordance with the Company's articles of association, Mr. TAO Richard, Mr. KONG Mui Sum Lawrence and Mr. YIM Chun Leung would retire, and being eligible, would offer themselves for re-election at the forthcoming annual general meeting of the Company.

審核委員會

本公司於二零零五年十一月十四日成立審核委員會，並根據上市規則附錄十四所載的企業管治常規守則制訂職權範圍。審核委員會成員只包括獨立非執行董事。

審核委員會成員如下：

王家偉先生 (*主席*)
孫立勳先生
陳樂文先生

王家偉先生，彼具有專業會計資格及相關會計經驗，乃審核委員會主席。

審核委員會的主要職務為檢討及批准本集團的財務申報程序及內部監控制度。本集團截至二零零五年十二月三十一日止年度之業績於提呈董事會批准前已獲審核委員會審閱。審核委員會認為是次業績之籌備乃遵守適用之會計準則及已作出適當的披露。

提名委員會

本公司於二零零五年十一月十四日成立提名委員會，並根據上市規則附錄十四所載的企業管治常規守則制訂職權範圍。提名委員會成員包括一名執行董事及兩名獨立非執行董事。

提名委員會成員如下：

陳樂文先生 (*主席*)
孫立勳先生
陶錫祺先生

提名委員會的主要職務為就委任董事及罷免董事以及管理董事會繼承事宜向董事會提出建議。

提名委員會已考慮以往的表現、資格、一般市場環境及本公司之組織章程細則以甄選及推薦董事輪值告退。

提名委員會決議推薦所有現任董事在本公司留任。再者，根據本公司之組織章程細則，陶家祈先生、江森森先生及嚴振亮先生將於應屆股東週年大會上輪值告退，惟彼符合資格並願意膺選連任。



REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 14 November 2005 with terms of references in compliance with the code on corporate governance practices set out in Appendix 14 of the Listing Rules. The members of the Remuneration Committee consist of one executive director and two independent non-executive directors.

The members of the Remuneration Committee are as follows:

Mr. SUN Leland Li Hsun (*Chairman*)
Mr. CHAN Norman Enrique
Mr. TAO Richard

The primary duties of the Remuneration Committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management including the recommendation to the Board on the granting of share options to Directors pursuant to the share option scheme adopted by the Company.

The Remuneration Committee has considered and reviewed the existing terms of remunerations of all the directors. The Remuneration Committee has considered factors including salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the group and desirability of performance-based remuneration. The Remuneration Committee considered that the existing terms of remunerations of the directors were fair and reasonable.

薪酬委員會

本公司於二零零五年十一月十四日成立薪酬委員會，並根據上市規則附錄十四所載的企業管治常規守則制訂職權範圍。薪酬委員會成員包括一名執行董事及兩名獨立非執行董事。

薪酬委員會成員如下：

孫立勳先生 (主席)
陳樂文先生
陶家祈先生

薪酬委員會的主要職務為檢討及釐定應付予董事及高級管理人員的薪酬福利條款、花紅及其他報酬，包括向董事會建議按照公司採納的購股權計劃而向董事授出購股權。

薪酬委員會考慮及檢討所有董事現時的薪酬條款。薪酬委員會考慮之因素包括可比較公司之薪金水平、各董事所投入之時間及職責、集團其他的聘用條件及以表現為準則的薪酬條件。薪酬委員會認為現時董事的薪酬條款乃公平合理。

CORPORATE GOVERNANCE REPORT

企業管治報告

ATTENDANCE RECORD AT BOARD MEETINGS

The attendance of individual members at the meetings of the Board, during the period from 14 November 2005 (the day of appointment of non-executive director and independent non-executive directors) to 31 December 2005:—

Executive Director

執行董事

Mr. TAOCHAIFU Choofuang (*Chairman*)

陶哲甫先生 (主席)

Mr. TAO Richard (*Vice Chairman*)

陶家祈先生 (副主席)

Mr. TAOCHAIFU Porn (*Managing Director*)

陶錫祺先生 (董事總經理)

Mr. KONG Mui Sum Lawrence

江森森先生

Mr. YIM Chun Leung

嚴振亮先生

Non-Executive Director

非執行董事

The Hon. CHAN Charnwut Bernard

陳智思先生

Independent Non-Executive Director

獨立非執行董事

Mr. WONG Gary Ka Wai

王家偉先生

Mr. SUN Leland Li Hsun

孫立勳先生

Mr. CHAN Norman Enrique

陳樂文先生

董事會會議出席記錄

下表載列二零零五年十一月十四日 (非執行董事及獨立非執行董事之委任日期) 至二零零五年十二月三十一日之間董事會之會議出席情況：—

Meetings attended/Number of Meetings held 出席會議次數／舉行會議次數

Mr. TAOCHAIFU Choofuang (<i>Chairman</i>) 陶哲甫先生 (主席)	4/6
Mr. TAO Richard (<i>Vice Chairman</i>) 陶家祈先生 (副主席)	6/6
Mr. TAOCHAIFU Porn (<i>Managing Director</i>) 陶錫祺先生 (董事總經理)	6/6
Mr. KONG Mui Sum Lawrence 江森森先生	5/6
Mr. YIM Chun Leung 嚴振亮先生	5/6
The Hon. CHAN Charnwut Bernard 陳智思先生	1/6
Mr. WONG Gary Ka Wai 王家偉先生	0/6
Mr. SUN Leland Li Hsun 孫立勳先生	2/6
Mr. CHAN Norman Enrique 陳樂文先生	2/6

INTERNAL CONTROL

The Board has overall responsibility for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal controls system to safeguard the interest of shareholders and the Group's assets. The Board has delegated to the management the implementation of the system of internal controls and the management of all relevant financial, operational, compliance controls and risk management function within an established framework.

The Group has appointed an independent professional to perform the review of the effectiveness of its system of internal control. Relevant recommendations to be made by such consultant would be implemented by the Group in stages to further enhance its internal control policies, procedures and practices.

內部監控

董事會對本公司內部監控系統及對檢討其效率承擔整體責任。董事會致力落實有效及良好的內部監控系統，以保障股東利益及本集團資產。董事已委派管理層落實內部監控系統，並檢討已建立的架構內的所有相關財務、營運、遵守規例監控及風險管理效能。

本集團已委任獨立專家檢討本集團內部監控系統之效率。該顧問將提出的相關推薦意見將獲本集團分階段實行以進一步改進其內部監控政策、程序和慣例。



INVESTOR RELATIONSHIP AND COMMUNICATION

The Company endeavors to maintain a high level of transparency in communicating with shareholders and the investment community at large. Briefings and meetings with institutional investors and analysts are conducted regularly. The Company is committed to continue to maintain an open and effective investor communication policy and to update investors on relevant information on its business in a timely manner, subject to relevant regulatory requirements. In order to ensure effective, clear and accurate communications with the investors and analysts, all corporate communications are arranged and handled by the executive directors and designated senior executives according to established practices and procedures of the Company. The Company has announced its annual results of the year under review in a timely manner, which is well before the time limits set out in the Listing Rules.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently.

It is the responsibility of the auditors to form an independent opinion, based on their audit, on those financial statements and to report their opinion to the members of the Company, as a body, and for no other purpose. The auditors do not assume responsibility towards or accept liability to any other person for the contents of this report.

The Directors acknowledge their responsibilities for the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of results and cash flow for that period. In preparing the accounts for the year ended 31 December 2005, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standard and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The Directors also ensure the timely publication of the financial statements of the Group.

AUDITORS' REMUNERATION

For the period from the Listing to 31 December 2005, the auditors of the Company only provided audit services to the Group. During that period, the auditors did not perform any non-audit services to the Group. The amount paid to the auditors in respect of the audit of the financial statements for the year ended 31 December 2005 was HK\$680,000.

與投資者的關係及溝通

本公司與股東及投資界溝通時，一直盡量保持高透明度。本公司定期為機構投資者及分析家舉行簡報會及會議。本公司致力按照有關監管規定，繼續維持公開及有效的投資者溝通政策，並及時向投資者提供最新的業務資料。為確保與投資者及分析家維持有效、清晰而準確的溝通渠道，所有企業通訊事宜均按照本公司的既定慣例及程序，由執行董事及專責高級行政人員處理。本公司已於回顧年度內按時宣佈其年度業績及中期業績，宣佈時間遠早於上市規則規定的時間。

董事及核數師就財務報表承擔之責任

董事須負責編製真實而公正之財務報表。在編製該等財務報表時，董事必須貫徹選擇及採用合適之會計政策。

核數師之責任是根據審核工作之結果，對該等財務報表作出獨立意見，將此意見僅向本公司成員報告，不作其他用途。核數師並不就本報告之內容向任何其他人士負上責任或承擔法律責任。

董事確認，其職責為就每個財政期間編製可真實公平地反映本集團業務狀況及該期間之業績及現金流量之財務報表。編製截至二零零五年十二月三十一日止年度之賬目時，對已挑選及貫徹應用合適之會計政策，採納適當的香港財務報告準則及香港會計準則、審慎及合理地作出調整及估計，並以持續營運基準準備會計賬目。董事亦確保準時刊發本集團之財務報表。

核數師酬金

由上市至二零零五年十二月三十一日期間，本公司之核數師只提供審計服務予本集團。在這期間，核數師並無提供任何非審計服務予本集團。就審核截至二零零五年十二月三十一日止年度之財務報表而支付予核數師的款項為680,000港元。

AUDITORS' REPORT

核數師報告

Certified Public Accountants
Member of Grant Thornton International

Grant Thornton 
均富會計師行

To the members of New Heritage Holdings Ltd.
(incorporated in Cayman Islands with limited liability)

We have audited the financial statements on pages 43 to 97 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

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

Basis of opinion

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

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

Opinion

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

Grant Thornton
Certified Public Accountants
Hong Kong

3 April 2006

致新澤控股有限公司各股東
(於開曼群島註冊成立的有限公司)

吾等已完成審核載於第43至97頁按照香港公認會計原則編製的財務報表。

董事及核數師各自的責任

貴公司董事負責編製真實及公平的財務報表。在編製該等真實及公平的財務報表時，董事必須貫徹採用合適的會計政策。

吾等的責任為根據吾等審核工作的結果，對該等財務報表作出獨立意見，並向全體股東報告。除此之外概無其他用途。吾等概不就本報告的內容對任何其他人士負責或承擔責任。

意見的基礎

吾等乃按照香港會計師公會頒佈的香港核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評審董事於編製該等財務報表時所作出的重大估計及判斷，所採用的會計政策是否切合 貴公司及 貴集團的具體狀況，以及有否貫徹運用並充份披露該等會計政策。

吾等在策劃和進行審核工作時，均以取得一切吾等認為必須的資料及解釋為目標，使吾等能獲得充份的憑證，就該等財務報表是否存在重大錯誤陳述，作出合理的確定。在作出意見時，吾等亦已衡量該等財務報表所載資料在整體上是否足夠。吾等相信，吾等的審核工作已為下列意見建立合理的基礎。

意見

吾等認為，財務報表均真實與公平地反映 貴公司及 貴集團於二零零五年十二月三十一日的財務狀況及 貴集團截至該日止年度的盈利和現金流量，並已按照香港公司條例的披露規定適當編製。

均富會計師行
執業會計師
香港

二零零六年四月三日



CONSOLIDATED INCOME STATEMENT

綜合收益表

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Revenue	收益	4	149,089	197,710
Cost of sales	銷售成本		(78,416)	(146,481)
Gross profit	毛利		70,673	51,229
Other income	其他收入	4	6,702	1,172
Selling expenses	銷售開支		(1,582)	(3,852)
Administrative expenses	行政開支		(12,925)	(7,004)
Other operating expenses	其他營運開支			
Fair value adjustments on investment properties	投資物業的公允值調整	13	21,105	7,725
Write off of an investment property upon re-development	於重新發展時撇銷一項投資物業	13	(3,774)	—
Finance costs	融資成本	7	(3,219)	—
Share of profits of an associate	應佔一家聯營公司盈利		8,018	—
Profit before taxation	除稅前盈利	6	84,998	49,270
Taxation	稅項	8	(26,086)	(16,195)
Profit for the year	本年度盈利		58,912	33,075
Attributable to:	以下人士應佔：			
Equity holders of the Company	本公司權益持有人		55,934	31,389
Minority interests	少數股東權益		2,978	1,686
			58,912	33,075
Dividends	股息	9	11,526	—
Earnings per share for profit attributable to the equity holders of the Company during the year	本年度本公司權益持有人應佔盈利的每股盈利			
— Basic	— 基本	10	HK24.6 cents 港仙	HK\$62,778 港元
— Diluted	— 攤薄		N/A 不適用	N/A 不適用

CONSOLIDATED BALANCE SHEET

綜合資產負債表

as at 31 December 2005

於二零零五年十二月三十一日

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Goodwill	商譽	11	37,048	—
Property, plant and equipment	物業、廠房及設備	12	14,106	11,848
Investment properties	投資物業	13	110,073	78,722
Investment in securities	證券投資	14(a)	—	156
Interest in an associate	於一家聯營公司的權益	15	87,760	—
			248,987	90,726
Current assets	流動資產			
Properties held under development	發展中物業	16	51,694	60,943
Properties held for sale	待售物業	17	1,838	14,321
Inventories	存貨	18	282	402
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	19	37,787	12,799
Amounts due from related parties	關連人士欠款	20	2,725	3,250
Pledged bank deposits	已抵押銀行存款	28	44,371	2,272
Cash at banks and in hand	銀行結存及現金	29	104,551	21,909
			243,248	115,896
Current liabilities	流動負債			
Accounts payable	應付賬款	21	6,747	44,720
Accruals, deposits received and other payables	應計費用、已收按金及其他應付賬款	22	21,658	57,056
Amounts due to related parties	結欠關連人士款項	20	—	8,350
Provision for tax	稅項撥備		15,175	5,346
Borrowings	貸款	23	78,458	—
			122,038	115,472
Net current assets	流動資產淨值		121,210	424
Total assets less current liabilities	總資產減流動負債		370,197	91,150
Non-current liabilities	非流動負債			
Borrowings	貸款	23	24,960	89,251
Deferred taxation	遞延稅項	24	5,052	—
			30,012	89,251
Net assets	淨資產		340,185	1,899



CONSOLIDATED BALANCE SHEET

綜合資產負債表

as at 31 December 2005

於二零零五年十二月三十一日

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	25	6,403	—
Reserves	27(a)	314,280	(3,099)
Proposed final dividend	27(a)	11,526	—
		332,209	(3,099)
Minority interests		7,976	4,998
Total equity		340,185	1,899

TAO Richard
陶家祈
Director
董事

TAOCHAIFU Porn
陶錫祺
Director
董事

BALANCE SHEET

資產負債表

as at 31 December 2005

於二零零五年十二月三十一日

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
ASSETS AND LIABILITIES			
Non-current assets			
Investment in subsidiaries	14(b)	109,767	—
Current assets			
Prepayments		281	—
Amount due from a subsidiary	14(b)	60,617	—
Cash at bank and in hand		16,371	—
		77,269	—
Current liabilities			
Accruals and other payables		6,248	—
Amount due to a subsidiary	14(b)	2	—
		6,250	—
Net current assets		71,019	—
Total assets less current liabilities		180,786	—
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	25	6,403	—
Reserves	27(b)	162,857	—
Proposed final dividend	27(b)	11,526	—
		180,786	—

TAO Richard
陶家祈
Director
董事

TAOCHAIFU Porn
陶錫祺
Director
董事



CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Cash flows from operating activities	經營活動的現金流量		
Profit before taxation	除稅前盈利	84,998	49,270
Adjustments for:	調整項目：		
Depreciation	折舊	611	885
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	116	654
Gain on disposal of investment properties	出售投資物業的收益	—	(2,270)
Gain on fair value adjustments	調整公允值的收益	(21,105)	(7,725)
Share of profit of an associate	應佔一家聯營公司盈利	(8,018)	—
Write off of an investment property upon re-development	於重新發展時撇銷一項投資物業	3,774	—
Write back of accounts payable	撥回應付賬款	(5,147)	—
Interest income	利息收入	(704)	(224)
Interest expenses	利息開支	3,219	—
Operating profit before working capital changes	未計營運資金變動前經營盈利	57,744	40,590
Increase in properties held under development	發展中物業增加	(58,700)	(83,217)
Decrease in properties held for sale	待售物業減少	68,985	115,913
Decrease in inventories	存貨減少	120	488
(Increase)/Decrease in deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項(增加)/減少	(20,784)	2,316
Decrease/(Increase) in amounts due from related parties	關連人士欠款減少/(增加)	24,149	(572)
Decrease in accounts payable, accruals, deposits received and other payables	應付賬款、應計費用、已收按金及其他應付賬款減少	(84,620)	(97,558)
Increase/(Decrease) in amounts due to related parties	結欠關連人士款項增加/(減少)	(8,469)	2,871
Increase in amount due to an associate	結欠一家聯營公司款項增加	3	—
(Increase)/Decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(24,706)	7,280
Cash used in operations	經營活動所用現金	(46,278)	(11,889)
Interest paid	已付利息	(3,219)	—
Income taxes paid	已付所得稅	(11,205)	(10,895)
Net cash used in operating activities	經營活動所用現金淨額	(60,702)	(22,784)

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,455)	(375)
Proceeds from sale of investment properties		—	18,471
Proceeds from sale of property, plant and equipment		244	37
Proceeds from disposal of investment in securities		156	—
Acquisition of subsidiaries, net of cash acquired	31(b)	(6,982)	—
Interest received		704	224
Net cash (used in)/generated from investing activities		(8,333)	18,357
Cash flows from financing activities			
Proceeds from issuance of share capital		97,446	—
Share issue expenses		(15,536)	—
Bank borrowings raised		50,741	—
Net cash generated from financing activities		132,651	—
Net increase/(decrease) in cash and cash equivalents		63,616	(4,427)
Effect of foreign exchange difference		(693)	(301)
Cash and cash equivalents at 1 January		21,909	26,637
Cash and cash equivalents at 31 December	29	84,832	21,909

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

綜合權益變動表

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司權益持有人應佔		
Share capital	股本		
Balance at 1 January	於一月一日結餘	—	—
Shares issued during the year	年內發行股份	6,403	—
Balance at 31 December	於十二月三十一日結餘	6,403	—
Retained profits/(accumulated losses)	保留盈利/(累計虧損)		
Balance at 1 January	於一月一日結餘	18,451	(12,938)
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	55,934	31,389
Proposed final dividend	擬派末期股息	(11,526)	—
Balance at 31 December	於十二月三十一日結餘	62,859	18,451
Proposed final dividend	擬派末期股息	9	—
Share premium	股份溢價		
Balance at 1 January	於一月一日結餘	—	—
Arising from acquisition of subsidiaries	因收購附屬公司而產生	106,158	—
Arising from capitalisation issue	因資本化發行而產生	(4,676)	—
Arising from issue of shares by initial public offering	因透過首次公開招股發行股份而產生	95,760	—
Share issue expenses	股份發行開支	(15,536)	—
Balance at 31 December	於十二月三十一日結餘	181,706	—
Exchange reserve	匯兌儲備		
Balance at 1 January	於一月一日結餘	(21,550)	(21,263)
Translation attributable to equity holders of the Company	本公司權益持有人應佔折算	1,749	(287)
Share of associate's translation reserve	應佔聯營公司匯兌儲備	1,838	—
Balance at 31 December	於十二月三十一日結餘	(17,963)	(21,550)
Hotel property revaluation reserve	酒店物業重估儲備		
Balance at 1 January	於一月一日結餘	—	—
Share of associate's revaluation deficit	應佔聯營公司重估虧絀	(2,326)	—
Balance at 31 December	於十二月三十一日結餘	(2,326)	—
Merger reserve	合併儲備		
Balance at 1 January	於一月一日結餘	—	—
Arising from Reorganisation	因重組而產生	89,936	—
Balance at 31 December	於十二月三十一日結餘	89,936	—
Statutory reserve	法定儲備		
Balance at 1 January	於一月一日結餘	—	—
Share of associate's statutory reserve	應佔聯營公司法定儲備	68	—
Balance at 31 December	於十二月三十一日結餘	68	—
MINORITY INTERESTS	少數股東權益		
Balance at 1 January	於一月一日結餘	4,998	3,326
Profit attributable to the minority interests	少數股東權益應佔盈利	2,978	1,686
Translation attributable to the minority interests	少數股東權益應佔折算	—	(14)
Balance at 31 December	於十二月三十一日結餘	7,976	4,998
TOTAL EQUITY AT 31 DECEMBER	於十二月三十一日總權益	340,185	1,899

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

1. Reorganisation and General Information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 December 2004. Pursuant to the reorganisation (the “Reorganisation”) to rationalise the structure of the Group in preparation for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company became the holding company of the Group on 23 June 2005. Details of the Reorganisation were disclosed in Note 4 of Appendix VII “Statutory and General Information” in the Company’s prospectus dated 22 November 2005. The Company’s shares were listed on the Stock Exchange on 2 December 2005.

The address of the Company’s registered office and principal place of business are Clifton House, 75 Fort Street, P. O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands and Room 2301, 23rd Floor, Fortis Bank Tower, 77-79 Gloucester Road, Wanchai, Hong Kong respectively.

The principal activity of the Company is investment holding and the principal activities of the subsidiaries are as set out in note 14(b).

2. Principal Accounting Policies

Statement of compliance

The financial statements have been prepared in accordance with the Standards and Interpretations of the Hong Kong Financial Reporting Standards (herein collectively referred to as “HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements also complies with all applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance.

Basis of preparation

The Group resulting from the Reorganisation is regarded as a continuing entity since all of the entities which took part in the Reorganisation were owned by the same ultimate shareholders before and immediately after the Reorganisation such that immediately after the Reorganisation there was a continuation of the risks and benefits to the ultimate shareholders that existed prior to the Reorganisation. Accordingly the Reorganisation has been accounted for as a reorganisation of entities under common control in a manner similar to pooling of interests and the financial statements have been prepared on the basis of merger accounting, under which the Company was the holding company of the Group since 1 January 2004 or since their respective dates of incorporation whichever is shorter, rather than from 23 June 2005. Certain subsidiaries as set out in note 14(b) (“Subsequent Subsidiaries”) were acquired by the Group subsequent to the Reorganisation on 23 June 2005. These Subsequent Subsidiaries have been accounted for using the purchase method from the respective dates of acquisition. The results of the Group for the year include the results of the Company and its subsidiaries with effect from the beginning of the year as if the current group structure had been in existence throughout the year except for the results of the Subsequent Subsidiaries which are included from the respective dates of acquisition.

1. 重組及一般資料

本公司於二零零四年十二月二十三日在開曼群島註冊成立為一間獲豁免有限公司。為精簡本集團架構以籌備本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市重組（「重組」），據此本公司於二零零五年六月二十三日成為本集團的控股公司。重組之詳情披露於本公司於二零零五年十一月二十二日刊發的招股章程附錄七「法定及一般資料」附註4。本公司之股份於二零零五年十二月二日在聯交所上市。

本公司註冊辦事處及主要營業地點分別為 Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands 及香港灣仔告士打道77-79號華比富通大廈23樓2301室。

本公司的主要業務為投資控股，附屬公司的主要業務載於附註14(b)。

2. 主要會計政策

遵規聲明

財務報表乃根據香港會計師公會頒佈的香港財務報告準則的準則及詮釋（以下統稱「香港財務報告準則」）編製。財務報表亦符合一切適用的聯交所證券上市規則披露條文及香港公司條例的披露規定。

編製基準

由於參與重組的所有實體於緊接重組前及緊隨重組後均由相同之若干最終股東擁有，故本集團於重組後被視為一個持續實體。因此，緊隨重組後，最終股東於重組前承受的風險及獲得的利益存續。重組乃以與股權集合相若的方式按共同控制下的實體重組入賬，而財務報表乃按合併會計法編製，據此，本公司自二零零四年一月一日起或自彼等各自的註冊成立日期起計（以較短者為準）為本集團的控股公司，而非由二零零五年六月二十三日起計。載於附註14(b)之若干附屬公司（「繼後附屬公司」）於二零零五年六月二十三日重組後由本集團收購。該等繼後附屬公司乃按各自的收購日期以購買法入賬。本年度本集團的業績包括本公司及其附屬公司由年初起的業績，猶如現行集團架構於本年度已一直存在，惟繼後附屬公司的業績乃自彼等各自的收購日期起計除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

2. Principal Accounting Policies (Cont'd)

Basis of preparation (Cont'd)

The financial statements have been prepared in accordance with the accounting policies set out below. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and investment in securities.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

(a) Subsidiaries

Subsidiaries are all enterprises over which the Group has power to control the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

In addition, acquired subsidiaries are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

2. 主要會計政策 (續)

編製基準 (續)

財務報表乃根據下文所載的會計政策編製。財務報表乃按歷史成本慣例編製，並就投資物業重估及證券投資作出修訂。

編製符合香港財務報告準則的財務報表須運用若干重要會計估計，亦需管理人員於應用本集團的會計政策過程中作出判斷。涉及較多判斷或較為複雜的範疇，或財務報表主要的假設及估計的範疇於附註3披露。本集團採納的主要會計政策如下：

綜合基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止的財務報表。

(a) 附屬公司

附屬公司指本集團有權控制其財務及經營政策的所有企業，一般擁有一半以上投票權的股權。附屬公司乃於控制權轉移予本集團當日起計全數綜合於賬目內，並於終止控制日期起計不再綜合有關賬目。

此外，所收購附屬公司均須採用收購法。採用該方法涉及按公允值重估於收購日期的所有可辨認資產及負債，包括附屬公司的或然負債，而不論是否於收購前已記入附屬公司的財務報表內。於初次確認時，附屬公司的資產及負債乃按其重估金額計入綜合資產負債表，有關金額亦會用作為其後根據本集團的會計政策的計量依據。商譽指收購成本超出本集團應佔所收購附屬公司於收購日期的可辨認淨資產的公允值的差額。因收購附屬公司產生的商譽計入無形資產，倘收購成本低於購入附屬公司淨資產的公允值，則差額會直接在綜合收益表內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

2. Principal Accounting Policies (Cont'd)

(a) Subsidiaries (Cont'd)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, subsidiaries are carried at cost less impairment losses. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. 主要會計政策 (續)

(a) 附屬公司 (續)

集團各成員公司間的交易、交易結餘及未變現收益均予對銷。除非有關交易可證明所轉讓資產出現減值，否則未變現虧損亦作對銷。附屬公司的會計政策於有必要時已作出更改，以確保與本集團所採納的政策一致。

於本公司的資產負債表內，附屬公司乃按成本值扣除減值虧損入賬。本公司根據於結算日的已收及應收股息將附屬公司的業績列賬。

(b) 聯營公司

聯營公司指本集團對其有重大影響力但並無控制權的所有實體，一般附帶擁有20%至50%投票權的股權。於聯營公司的投資以權益會計法入賬，初始按成本值確認。

本集團應佔聯營公司收購後盈利或虧損於收益表內確認，而應佔收購後儲備變動則於儲備中確認。收購後累積變動於投資的眼面值作出調整。當本集團應佔一間聯營公司虧損相等於或超過其於該聯營公司的權益(包括其他任何無抵押應收款項)時，本集團不再確認進一步的虧損，惟其代表該聯營公司產生責任或支付款項則除外。

本集團與其聯營公司進行交易的未變現收益，以本集團於聯營公司的權益為限進行對銷。除非該項交易有證據證明所轉讓的資產出現減值，否則未變現虧損亦予以對銷。聯營公司的會計政策於有需要時已作出更改，以確保與本集團所採納的政策一致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

2. Principal Accounting Policies (Cont'd)

(c) Property, plant and equipment

(i) Depreciation

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the straight line method, at the following rates per annum:

Buildings	2%
Leasehold improvements	10% - 20%
Motor vehicles	20%
Operating and office equipment	5% - 20%
Furniture and fixtures	20%

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date.

(ii) Measurement bases

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the consolidated income statement during the period in which they are incurred.

When assets are sold or retired, any gain or loss resulting from their disposal, being the difference between the net disposal proceeds and the carrying amount of the assets, is included in the consolidated income statement.

2. 主要會計政策 (續)

(c) 物業、廠房及設備

(i) 折舊

物業、廠房及設備乃按其估計可使用年期以直線法按下列年率撇銷成本計提折舊：

樓宇	2%
租賃物業裝修	10% - 20%
汽車	20%
營業及辦公室設備	5% - 20%
傢俬及裝置	20%

資產的尚餘價值及可使用年期於每個結算日檢討，並於適當時作出調整。

(ii) 計算基準

物業、廠房及設備乃按成本減累計折舊及減值虧損列賬。資產成本包括其購買價及將該資產達致其營運狀況及運送至某地點作其擬定用途的任何直接相關成本。其後的成本僅會於與該項目有關的未來經濟利益可能流入本集團，而該項成本能可靠計算的情況下計入資產的賬面值，或確認為一項獨立資產（倘適用）。其他所有維修及保養乃於產生期間內在綜合收益表支銷。

於資產被出售或廢棄時，出售的任何損益（即出售所得款項淨額與資產賬面值的差額）計入綜合收益表。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

2. Principal Accounting Policies (Cont'd)

(d) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment properties comprise land held under operating lease and building held under finance lease. Land held under operating lease is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

Investment properties are measured initially at its cost, including related transaction cost. After initial recognition, investment properties are carried at fair value. Fair value is determined annually by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment properties. The carrying amounts recognised in the consolidated balance sheet reflect the prevailing market conditions at the balance sheet date.

Any gain or loss resulting from either a change in fair value or the sale of investment properties is immediately recognised in the consolidated income statement.

(e) Properties held under development

Properties held under development are included in current assets and comprise land held under operating lease (note (2)(g)(ii)) and aggregate cost of development, materials and supplies, wages and other expenses ("Development cost"). Development cost are stated at the lower of cost and net realisable value. Other expenses included (a) those costs that are incurred in bringing the properties held under development to their present location and condition and (b) a systematic allocation of fixed overheads that had incurred on development of properties. Fixed overheads are indirect costs which remain relatively constant regardless of the size or volume of the development.

Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

No depreciation is provided on properties held under development.

On completion, the properties are transferred to completed properties held for sale or investment properties.

2. 主要會計政策 (續)

(d) 投資物業

持作長期租金收益或資本增值或上述兩者的物業分類為投資物業。投資物業包括根據經營租約持有的土地及根據融資租約持有的樓宇。根據經營租約持有的土地於符合投資物業其餘的釋義後分類為投資物業並按其入賬；經營租約則按猶如融資租約的方法入賬。

投資物業最初按其成本(包括相關交易成本)計算。初步確認後，投資物業按公允值列賬。公允值乃由具足夠經驗的外聘專業估值師每年就投資物業的所在地及類別釐定。於綜合資產負債表確認的眼面值反映結算日的當時市況。

公允值變動或出售投資物業產生的任何損益隨即於綜合收益表內確認。

(e) 發展中物業

發展中物業列為流動資產，包括根據經營租約持有的土地(附註(2)(g)(ii))及發展成本總額、物料及供應、工資及其他費用(「發展成本」)。發展成本按成本或可變現淨值(以較低者為準)列賬。其他開支包括：(a)將發展中物業達致其現時所在地及狀況所產生的成本；及(b)就發展物業產生並有系統地分配的固定間接開支。固定間接開支為持續較為穩定的間接成本，不論發展項目的規模或數量。

可變現淨值為日常業務過程中的估計售價減任何估計銷售開支。

發展中物業並無計提折舊。

落成後，物業轉為落成的待售物業或投資物業。

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2. Principal Accounting Policies (Cont'd)

(f) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

(g) Leases

Operating leases

- (i) Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Annual rentals applicable to such operating leases are charged to the consolidated income statement on a straight line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the consolidated income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the consolidated income statements in the accounting period in which they are incurred.

- (ii) Leasehold interest in land are up-front payments to acquire the land use right. The payments are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis to write off the up-front payments over the lease terms.

Leasehold interest in land is included in properties held under development and properties held for sale, of which the amortisation of prepaid land lease is capitalised as part of the building costs during the development period but charged to the consolidated income statement for completed properties.

- (iii) Properties leased out under operating leases are included in investment properties in the consolidated balance sheet. The recognition of rental income is set out in note 2(t).

2. 主要會計政策 (續)

(f) 待售物業

待售物業乃按成本或可變現淨值(以較低者為準)列賬。可變現淨值為日常業務過程中的估計售價減任何估計銷售開支。

(g) 租賃

經營租約

- (i) 凡資產擁有權的所有風險及回報大部份由出租人承擔的租約均屬於經營租約。適用於該等經營租約的每年租金按租期以直線法於綜合收益表內扣除，惟如有其他基準更能準確地反映租賃資產所產生的收益模式除外。經營租約涉及的獎勵金於綜合收益表內確認，作為支付總租金費用淨額的組成部份。或然租金在產生的會計期間內於綜合收益表內扣除。

- (ii) 土地租賃權益指購入土地使用權的首筆支付款項。該等款項乃按成本減累計攤銷及任何減值虧損列賬。首筆支付款項按租期以直線法計算攤銷予以撇銷。

發展中物業及待售物業包括土地租賃權益，當中的預繳土地租賃費攤銷會撥充發展期間的部份樓宇成本，但落成物業會在綜合收益表內扣除。

- (iii) 經營租約項下租出的物業於綜合資產負債表列為投資物業。租金收入的確認方法載於附註2(t)。

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2. Principal Accounting Policies (Cont'd)

(h) Inventories

Inventories comprise consumable stores for own consumption which are stated at the weighted average method.

(i) Investment in securities

Investment in securities are classified as available-for-sale financial assets and are non-derivative financial instruments. Investment in securities is included in non-current assets unless management intends to dispose the investment within twelve months from the balance sheet date.

Purchase and sales of investments are recognised on trade-date which is the date on which the Group commits to purchase or sell the asset. Investment is initially recognised at fair value plus transaction costs. Investment is derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains or losses arising from changes in fair value are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the consolidated income statement as gains and losses from investment.

(j) Other receivables and amounts due from related parties

Other receivables and amounts due from related companies are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established when there is an objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the write down is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective rate of interest rate.

2. 主要會計政策 (續)

(h) 存貨

存貨包括供本身消耗的消耗品庫存材料，按加權平均法列賬。

(i) 證券投資

分類為可供出售金融資產的投資，並為非衍生金融工具。證券投資列為非流動資產，除非管理人員擬於結算日起計十二個月內出售該投資則另作別論。

購入或出售投資於交易日(本集團承諾購買或出售該項資產當日)確認。投資最初按公允值加交易成本確認。當從投資取得現金流量的權利經已屆滿或被轉讓，而本集團已將擁有權的所有風險及回報大部份轉移時，投資不再予以確認。可供出售金融資產其後按公允值入賬。因公允值變動產生的未變現收益或虧損於權益中確認。當可供銷售金融資產售出或出現減值時，累計公允值調整會計入綜合收益表，作為投資的損益。

(j) 其他應收款項及關連人士欠款

其他應收款項及關連公司欠款最初按公允值予以確認，其後以實際利息法按撇銷成本扣除減值撥備計算。應收款項在具有客觀證據，證明本集團將無法收回根據應收款項的原定期限到期的全部款項的情況下，計提減值撥備。撇減的金額為賬面值與預期現金流量按折現實際息率計算後的現值之間的差額。

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2. Principal Accounting Policies (Cont'd)

(k) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

(iii) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have functional currencies different from the presentation currency are translated into the presentation currency as follows:

- (1) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (2) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (3) goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets or liabilities of the foreign entity and translated into Hong Kong dollar, at the closing date. All resulting exchange differences are recognised as a separate component of equity.

2. 主要會計政策 (續)

(k) 外幣

(i) 功能及呈列貨幣

本集團每個實體各自之財務報表中所列的項目均按該實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計算；綜合財務報表則以港元(本公司的功能及呈列貨幣)呈列。

(ii) 交易及結餘

外幣交易均按交易日期當時的匯率折算為功能貨幣。結算有關交易及以外幣為單位的貨幣資產及負債按年終匯率折算而產生的匯兌損益，於綜合收益表內確認。

(iii) 集團公司

功能貨幣與呈列貨幣存在差異的所有集團實體(各實體均無持有極高通脹率經濟地區的貨幣)的業績及財務狀況，乃按下列方式折算為呈列貨幣：

- (1) 每份資產負債表呈列的資產及負債均按結算日的收市匯率折算；
- (2) 每份收益表的收入及開支均按平均匯率折算(除非該平均值並不合理地接近於交易日當時匯率的累積影響；在此情況下，收入及開支於交易日折算)；及
- (3) 收購一家外國實體所產生之商譽及公允值調整已作為外國實體之資產或負債處理，並於截止日期換算為港元。所有產生的匯兌差額確認為權益的獨立成份。

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2. Principal Accounting Policies (Cont'd)

(l) Income tax

Income tax for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

Deferred tax assets and liabilities are not discounted. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Most changes in deferred tax is charged or credited to the consolidated income statement. Only changes in deferred tax assets and liabilities that relate to a change in value of assets and liabilities that is charged directly to equity are charged or credited directly to equity.

(m) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities of consolidated balance sheet.

2. 主要會計政策 (續)

(l) 所得稅

本年度所得稅包括即期及遞延稅項。

即期稅項為按結算日施行的稅率計算本年度應課稅收入的預期應繳稅項，以及過往年度應繳稅項的任何調整。

遞延稅項乃財務報表中資產及負債的賬面值與計算應課稅盈利的相應稅基的差額而預期應繳或可收回的稅項，並以資產負債表負債法入賬。所有應課稅暫時差額一般確認為遞延稅項負債；遞延稅項資產則於有可能取得應課稅盈利及利用暫時差額時確認。倘暫時差額乃基於資產及負債在首次確認時於不影響應課稅盈利及會計盈利的交易而產生，則不會確認有關資產及負債。

遞延稅項資產的賬面值均於每個結算日作審閱，並調減至不再可能有足夠應課稅盈利讓全部或部份資產得以收回。倘有可能獲足夠應課稅盈利，則任何調減均予以撥回。

遞延稅項資產及負債均不會折減至現值。遞延稅項乃按於負債清償或資產變現期間預期適用的稅率計算。遞延稅項的變動多自綜合收益表中扣除或抵免，僅於涉及資產及負債價值變化之有關遞延稅項資產及負債的變動，才直接自權益中扣除或計入。

(m) 現金及現金等價物

現金及現金等價物包括銀行結存及手頭現金、原定期限為三個月或以下的短期高流通量投資，以及銀行透支。銀行透支在綜合資產負債表列於流動負債的借貸部份。

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2. Principal Accounting Policies (Cont'd)

(n) Impairment testing of assets

The Group's property, plant and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life of those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine, the asset's recoverable amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Provisions

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2. 主要會計政策 (續)

(n) 資產的減值測試

本集團的物業、廠房及設備須進行減值測試。

就評估減值而言，資產按可獨立辨認的現金流量的最低水平（現金產生單位）歸類。因此，部份資產個別進行減值測試；部份則以現金產生單位的水平進行測試。商譽特別分配至預期可從相關業務合併的協同效益中帶來獲得利益的現金產生單位，為本集團管理層控制相關現金流量的最低水平。

包括並無限定可使用年期而尚未可供使用商譽及其他無形資產的個別資產或現金產生單位，至少每年進行減值測試一次。其他所有個別資產或現金產生單位，於出現任何事件或情況變動有跡象顯示賬面值可能不可收回時進行減值測試。

資產或現金產生單位的賬面值較其可收回金額超出數額部份須確認減值虧損。可收回金額為反映市況的公允值減出售成本與根據內部折現現金流量評估計算的使用值兩者的較高者。就獲分配商譽的現金產生單位所確認的減值虧損初步計入商譽的賬面值。任何剩餘減值虧損按比例自現金產生單位的其他資產中扣除。商譽減值虧損於其後期間並未撥回。就其他資產而言，若果並無減值虧損曾被確認，減值虧損於用作釐定之資產可收回價值估計（扣除任何折舊或攤銷）出現變動時撥回。

(o) 撥備

倘本集團因過往事件而現時承擔法律或推定責任，且有可能就履行該責任而須撥出經濟利益，且涉及金額可作可靠估計，則於綜合資產負債表內確認撥備。倘影響屬於嚴重，則按反映市場現時對貨幣時間值及（倘適用）負債特定風險的評估的稅前折現率折現預期未來現金流量釐定撥備。倘本集團預期撥備將予退還，則退還僅於相當肯定的情況下確認為一項獨立資產。

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2. Principal Accounting Policies (Cont'd)

(p) Account and other payables and amounts due to related parties

Liabilities for accounts and other payables and amounts due to related parties are initially carried at fair value, whether or not billed to the Group, and subsequently measured at amortised cost using the effective interest method less settlement payments.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(r) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Non-accumulating compensated absences are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to a defined contribution retirement benefit scheme ("MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance which are available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are calculated as percentages of employees' basic salaries. The retirement benefit scheme cost charged to the consolidated income statement represents contributions payable by the Group to the MPF Scheme.

2. 主要會計政策 (續)

(p) 應付賬款、其他應付款項及結欠關連人士款項

應付賬款、其他應付款項及結欠關連人士款項的負債最初按公允值入賬(不論是否向本集團收取)，其後以實際利息法按攤銷成本減去結算款項計算。

(q) 貸款

借貸最初按公允值扣除有關交易成本確認。貸款其後按已攤銷成本列賬；所得款項(扣除交易成本)與贖回價值間的任何差額按借貸年期以實際利息法於收益表內確認。

貸款分類為流動負債，除非本集團有權無條件押後清償負債的期限至結算日後最少十二個月則另作別論。

(r) 僱員福利

(i) 僱員休假應享權利

僱員應享的年假權利於應計予僱員時確認。因僱員於截至結算日止提供服務而產生的年假的估計負債計提撥備。

非累計補假於支取時確認。

(ii) 退休金責任

本集團遵照強制性公積金計劃條例的規定，對可供其香港僱員參與的定額供款退休福利計劃(「強積金計劃」)供款。本集團及各僱員對強積金計劃的供款乃按各僱員底薪百分比計算。自綜合收益表內扣除的退休福利計劃金即本集團對強積金計劃的應繳供款。

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2. Principal Accounting Policies (Cont'd)

(r) Employee benefits (Cont'd)

(ii) Pension obligations (Cont'd)

Pursuant to the relevant regulations in the People's Republic of China ("PRC"), the Group has participated in a local municipal government retirement benefit scheme (the "Scheme"), whereby the Group is required to contribute a certain percentage of basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of a subsidiary in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

The Group's contributions to the retirement benefit schemes are expensed as incurred.

The assets of the MPF Scheme and the Scheme are held separately from those of the Group in independently administered funds.

(s) Equity

Share capital is determined using the nominal value shares that have been issued. Any transaction costs associated with the issue of shares are deducted from equity (net of any related income tax benefits) to the extent that they are incidental costs directly attributable to the equity transaction.

Accumulated losses or retained profits include all current and prior period results as determined in the consolidated income statement.

(t) Revenue recognition

Revenue arising from sale of properties held for sale are recognised when the significant risks and rewards of ownership of these properties held for sale have been transferred to the purchasers and the Group retains neither continuing involvement to the degree usually associated with ownership nor effective control over properties held for sale. The transfer of risks and rewards of ownership is evidenced by the passing of possession of properties to the buyer when the property hand-over confirmation is executed by the Group and the buyer. Deposits and instalments received from purchasers prior to this stage and pre-sale are included in current liabilities and are not recognised as revenue.

2. 主要會計政策 (續)

(r) 僱員福利 (續)

(ii) 退休金責任 (續)

根據中華人民共和國(「中國」)相關規例，本集團已參與一項地方市政府退休福利計劃(「該計劃」)；據此，本集團須對該計劃就其僱員底薪作出若干百分比的供款，以作為彼等的退休福利基金。該地方市政府承諾對中國一間附屬公司旗下全部現有及未來退休僱員承擔退休福利責任。本集團對該計劃的唯一責任，為按上述該計劃規定持續供款。

本集團對退休福利計劃的供款於產生時支銷。

強積金計劃及該計劃的資產與本集團獨立管理基金中的資產分開持有。

(s) 權益

股本按已發行股份面值釐定。與發行股份有關之任何交易成本自股本(扣除任何有關之所得稅利益)中扣除，直至達致股權交易直接應佔之雜項成本為止。

累計虧損或保留盈利包括於綜合收益表釐定的全部本期及上期業績。

(t) 收益確認

銷售待售物業產生的收益，於該等待售物業擁有權的風險及回報經已大部份轉移至買家，而本集團不再繼續涉及一般與待售物業有關的擁有權，亦不再對待售物業具有實際控制權時確認。當本集團與買家簽立物業轉手確認書時將物業的管有權轉交買家，即屬轉移擁有權的風險及回報的憑證。於此階段及預售前向買家收取的訂金及分期款項列為流動負債，且不會確認為收益。

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2. Principal Accounting Policies (Cont'd)

(t) Revenue recognition (Cont'd)

Rental income receivable under operating leases is recognised in the consolidated income statement in equal instalments over the accounting periods covered by the lease terms, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the consolidated income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

Management fee income and handling fee income are recognised as revenue when the agreed services are provided.

Dividend income is recognised when a subsidiary's right as a shareholder to receive payment is established.

Interest income is recognised on a time proportion basis.

(u) Borrowing costs

All borrowing costs are expensed as incurred.

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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:

(i) Investment properties

The investment properties of the Group were stated at fair value in accordance with the accounting policy stated in note 2(d). The fair value of the investment properties are determined by a firm of independently qualified professional surveyors and the fair value of investment properties as at respective year end are set out in note 13. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

2. 主要會計政策 (續)

(t) 收益確認 (續)

經營租約項下的應收租金收入，按租期涵蓋的會計期間以平均分期款項於綜合收益表內確認，惟如有其他基準更能準確地反映租賃資產所產生的收益模式則除外。經營租約涉及的獎勵金於綜合收益表內確認，作為支付總租金費用淨額的組成部份。或然租金在會計期間賺取時確認為收入。

管理費收入及手續費收入於提供協定服務時確認為收益。

股息收入於一間附屬公司作為股東收取派付款項的權利獲確立時確認。

利息收入按時間比例確認。

(u) 貸款成本

所有貸款成本均於產生時支銷。

3. 重要會計估計及判斷

估計及判斷須持續進行評估，並根據過往經驗因應現行市況及其他因素作出調整。

(a) 重要會計估計及假設

本集團就未來作出估計及假設。從推算所得的會計估計通常有別於相關實際結果。以下論述有關導致資產及負債的賬面值於下個財政年度出現重大調整的重大風險估計及假設：

(i) 投資物業

本集團的投資物業乃根據附註2(d)所列的會計政策按公允值列賬。投資物業的公允值經由一間獨立合資格專業測量師行釐定，有關投資物業於各年度結算日的公允值載於附註13。有關估值乃根據若干假設釐定，惟受不確定因素所限，並可能與實際結果出現重大差異。

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3. Critical Accounting Estimates and Judgements (Cont'd)

(a) Critical accounting estimates and assumptions (Cont'd)

(i) Investment properties (Cont'd)

In making the judgement, consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet dates and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

(b) Critical judgements in applying the entity's accounting policies

Revenue recognition

The Group has recognised revenue from sale of properties held for sale and investment properties during the year as disclosed in note 4. The assessment of when an entity has transferred the significant risks and rewards of ownership to a buyer requires examination of the circumstances of the transaction. In most cases, the transfer of risks and rewards of ownership coincides with the transfer of the legal title or the passing of possession to the buyer. The Group believes that its recognition basis of sales as set out in note 2(t) is appropriate and is in line with the current practice adopted in the PRC.

3. 重要會計估計及判斷 (續)

(a) 重要會計估計及假設 (續)

(i) 投資物業 (續)

於作出判斷時，已考慮到主要根據於結算日當時市況及合適的資本化比率釐定的假設。有關估計會定期與實際市場數據及本集團訂立的實際交易比較。

(ii) 所得稅

本集團須於多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重大判斷。於日常業務過程中涉及許多未能確定的最終稅項交易及計算。本集團按會否有到期額外稅項的估計確認預期稅務負債。倘該等事項的最終稅務結果與最初記錄的金額有別，則有關差別將影響作出釐定的期間內的所得稅及遞延稅項撥備。

(b) 應用實體會計政策的重要判斷

收益確認

本集團已確認來自本年度銷售待售物業及投資物業的收益，並於附註4披露。在實體已將擁有權的風險及回報大部份轉移予買家的情況下，評估時須對交易情況進行審查。在許多情況下，轉移擁有權的風險及回報的同時亦向買家轉交法定所有權或移交管有權。本集團相信，其銷售確認基準（見附註2(t)）乃屬適當，並符合中國現時採納的常規。

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4. Revenue and Other Income

Revenue, which is also the Group's turnover, other revenue and other income recognised during the year are as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Revenue	收益		
<u>Turnover</u>	<u>營業額</u>		
Proceeds from sale of	出售所得款項		
— properties held for sale	— 待售物業	141,749	170,211
— investment properties	— 投資物業	—	18,471
Rental income	租金收入	1,724	2,241
Management fee income	管理費收入	5,319	5,483
		148,792	196,406
<u>Other revenue</u>	<u>其他收益</u>		
Club house income	會所收入	101	1,150
Laundry service income	洗衣服務收入	196	154
		297	1,304
		149,089	197,710
Other income	其他收入		
Handling fee income	手續費收入	—	318
Interest income	利息收入	704	224
Write back of accounts payable	撥回應付賬款	5,147	—
Exchange gain	匯兌收益	592	270
Others	其他	259	360
		6,702	1,172

4. 收益及其他收入

收益亦為本集團於本年度確認的營業額、其他收益及其他收入如下：

5. Segment Information

Property development and investment is the only business segment of the Group throughout the year. No geographical segment analysis is presented as less than 10% of the Group's revenue and contribution to operating profit is attributable to customers located outside the PRC for the year. Accordingly, no separate business and geographical segment information is prepared.

5. 分類資料

物業發展及投資乃本集團於本年度的唯一業務分類。由於本集團本年度少於10%的收益及經營盈利貢獻來自中國以外客戶，故並無呈列地域分類分析。因此，並無編製任何獨立業務及地域分類資料。

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6. Profit Before Taxation

6. 除稅前盈利

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Profit before taxation is arrived at after charging:	除稅前盈利乃經扣除下列各項：		
Cost of properties held for sale recognised as expense	確認為開支的待售物業成本	65,578	115,909
Depreciation of property, plant and equipment	物業、廠房及設備折舊	971	1,139
Less: amount capitalised in properties held under development	減：撥充發展中物業資本的數額	(360)	(254)
		611	885
Outgoings in respect of investment properties	有關投資物業的開支	505	387
Operating lease charges in respect of land and buildings	有關土地及樓宇的經營租約費用	920	309
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	116	654
Auditors' remuneration	核數師酬金	719	65
Staff costs, including directors' emoluments (note 30(a)) and retirement benefits cost	員工成本 (包括董事酬金 (附註30(a)) 及退休福利金)	6,435	4,128
Less: amount capitalised in properties held under development	減：撥充發展中物業資本的數額	(1,049)	(430)
		5,386	3,698
Amount recognised as expense for retirement benefits cost	就退休福利金確認為開支的數額	573	554
and crediting:	並經計入：		
Rental income less outgoings	租金收入減開支	1,219	1,854
Exchange gain	匯兌收益	592	270
Gain on disposal of investment properties included in gross profit	出售投資物業並計入毛利的收益	—	2,270

7. Finance Costs

7. 融資成本

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Interest charges on:	利息費用：		
Bank loans wholly repayable within five years	須於五年內悉數償還的銀行貸款	1,933	—
Bank overdraft	銀行透支	1,084	—
Loan from a related company	一家關連公司貸款	202	—
		3,219	—

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8. Taxation

8. 稅項

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Income tax	所得稅		
— PRC, current	— 中國，即期稅項	21,034	16,195
Deferred tax (note 24)	遞延稅項 (附註24)		
— PRC	— 中國	5,052	—
Total tax expenses	稅項開支總額	26,086	16,195

No Hong Kong profits tax has been provided as the Group had no estimated assessable profit for the year (2004: Nil).

由於本集團於本年度並無任何估計應課稅盈利，故此並無就任何香港利得稅提撥準備 (二零零四年：無)。

The PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate was 33% for the year (2004: 33%). Hong Kong profits tax is computed at the rate of 17.5% (2004: 17.5%) on the profit for the year. Reconciliation between tax expense and accounting profit at applicable tax rates:

中國所得稅乃根據中國相關法規計算。本年度的適用所得稅稅率為33% (二零零四年：33%)。香港利得稅乃按稅率17.5% (二零零四年：17.5%) 就年度盈利計算。按適用稅率計算的稅項開支與會計盈利的對賬如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Profit before taxation	除稅前盈利	84,998	49,270
Tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	按有關稅收管轄區內對盈利適用的稅率計算除稅前盈利的稅項	28,000	16,360
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	1,177	66
Tax effect of non-taxable revenue	毋須課稅收益的稅務影響	(2,449)	(14)
Tax effect of temporary differences not recognised	未確認暫時差額的稅務影響	(642)	(299)
Under provision in prior years	過往年度撥備不足	—	82
Total taxation	稅項總額	26,086	16,195

No deferred tax has been provided as there was no material temporary difference for the year (2004: Nil). The amounts of the deferred tax charge not recognised during the year are as follows:

由於年內並無重大暫時差額 (二零零四年：無)，故並無計提遞延稅項。本年度未確認遞延稅項支出的數額如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Tax effect of temporary differences attributable to fair value adjustments net of tax losses not recognised	因公允值調整產生的暫時差額的稅務影響 (扣除未確認稅項虧損)	642	400

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9. Dividends

Dividends attributable to the year:

Proposed final dividend of HK1.8 cents
per share (2004: Nil)

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date, but reflected as an appropriation of retained profits for the year ended 31 December 2005.

10. Earnings per Share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of approximately HK\$55,934,000 (2004: HK\$31,389,000) and on 227,828,791 (2004: 500) ordinary shares in issue during the year, as adjusted to reflect the shares issued for the Reorganisation and capitalisation issue as described in note 25.

Diluted earnings per share for the year was not presented as there were no dilutive potential shares.

11. Goodwill

Gross amount

Balance at the 1 January
Goodwill arise on acquisition of certain
subsidiaries (note 31(a))

Balance at 31 December

總額

於一月一日結餘
因收購若干附屬公司而產生的商譽
(附註31(a))

於十二月三十一日結餘

The goodwill at 31 December 2005 comprises mainly goodwill arising from the acquisition of New Heritage Investments Limited ("NH Investments") of approximately HK\$33,672,000. Based on the directors' assessment of the recoverable amount of the goodwill using the value-in-use calculations, covering cash-flow projections discounted at bank deposit rate, which assume that there are no material adverse changes in the underlying hotel and property operations of the associate held by NH Investments, no impairment provision is considered necessary.

9. 股息

本年度應佔股息：

2005 HK\$'000 千港元	2004 HK\$'000 千港元
11,526	—

結算日後的擬派末期股息並未於結算日確認為負債，但已列作截至二零零五年十二月三十一日止年度的保留盈利分派。

10. 每股盈利

每股盈利乃按本公司權益持有人應佔盈利約55,934,000港元(二零零四年：31,389,000港元)及年內已發行普通股227,828,791股(二零零四年：500股)(如附註25所述，經調整以反映為重組及資本化發行而發行的股份)計算。

由於並無潛在攤薄股份，本年度並無呈列每股攤薄盈利。

11. 商譽

2005 HK\$'000 千港元	2004 HK\$'000 千港元
—	—
37,048	—
37,048	—

於二零零五年十二月三十一日的商譽主要包括收購新繼企業有限公司(「新繼企業」)產生的商譽約33,672,000港元。根據董事以(包含以銀行存款利率折現的現金流預測法)使用價值計算評估商譽的可收回價值，假設新繼企業持有的聯營公司之相關酒店及物業業務並無重大不利轉變，認為毋需計提減值撥備。

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12. Property, Plant and Equipment

12. 物業、廠房及設備

		Buildings	Leasehold improvements	Motor vehicles	Operating and office equipment	Furniture and fixtures	Total
		樓宇	租賃物業裝修	汽車	營業及辦公室設備	傢俬及裝置	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2004	於二零零四年一月一日						
Cost	成本	12,116	579	1,486	23,850	1,164	39,195
Accumulated depreciation	累計折舊	(1,997)	(387)	(1,486)	(21,385)	(637)	(25,892)
Net book amount	賬面淨額	10,119	192	—	2,465	527	13,303
Net book value	賬面淨值						
At 1 January 2004	於二零零四年一月一日	10,119	192	—	2,465	527	13,303
Additions	添置	—	—	166	203	6	375
Disposals	出售	—	—	—	(372)	(319)	(691)
Depreciation	折舊	(242)	(48)	—	(780)	(69)	(1,139)
At 31 December 2004	於二零零四年十二月三十一日	9,877	144	166	1,516	145	11,848
At 31 December 2004	於二零零四年十二月三十一日						
Cost	成本	12,116	579	1,517	20,740	463	35,415
Accumulated depreciation	累計折舊	(2,239)	(435)	(1,351)	(19,224)	(318)	(23,567)
Net book amount	賬面淨額	9,877	144	166	1,516	145	11,848
Net book value	賬面淨值						
At 1 January 2005	於二零零五年一月一日	9,877	144	166	1,516	145	11,848
Acquisition of subsidiaries (note 31(a))	收購附屬公司 (附註31(a))	—	—	513	22	370	905
Additions	添置	—	878	15	1,434	128	2,455
Disposals	出售	—	—	—	(235)	(125)	(360)
Depreciation	折舊	(247)	(224)	(107)	(271)	(122)	(971)
Exchange differences	匯兌差額	190	2	4	30	3	229
At 31 December 2005	於二零零五年十二月三十一日	9,820	800	591	2,496	399	14,106
At 31 December 2005	於二零零五年十二月三十一日						
Cost	成本	12,349	1,462	2,084	20,344	665	36,904
Accumulated depreciation	累計折舊	(2,529)	(662)	(1,493)	(17,848)	(266)	(22,798)
Net book amount	賬面淨額	9,820	800	591	2,496	399	14,106

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12. Property, Plant and Equipment (Cont'd)

Depreciation expenses have been included in:

12. 物業、廠房及設備 (續)

折舊開支包括在下列各項：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Consolidated balance sheet	綜合資產負債表		
— capitalised in properties under development	— 撥充發展中物業資本	360	254
Consolidated income statement	綜合收益表		
— cost of sales	— 銷售成本	49	113
— administrative expense	— 行政開支	474	471
— selling expense	— 銷售開支	88	301
		971	1,139

13. Investment Properties

13. 投資物業

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Carrying amount at 1 January	於一月一日賬面值	78,722	87,198
Additions (note 16)	添置 (附註16)	17,384	—
Fair value adjustments	公允值調整	21,105	7,725
Disposals	出售	—	(16,201)
Written off	撇銷	(3,774)	—
Transfer to properties held under development	轉撥至發展中物業	(4,717)	—
Exchange differences	匯兌差額	1,353	—
Carrying amount at 31 December	於十二月三十一日賬面值	110,073	78,722

At 31 December 2005, certain investment properties of approximately HK\$69,231,000 (2004: Nil) was pledged to secure certain bank loans granted to the Group (note 23(b)).

於二零零五年十二月三十一日，為數約69,231,000港元(二零零四年：無)的若干投資物業已予抵押，以擔保本集團獲授的若干銀行貸款(附註23(b))。

Investment properties included leasehold interest in land located in the PRC with lease terms expiring from 2061 to 2065.

投資物業包括位於中國的土地租賃權益，租賃期由二零六一年起至二零六五年屆滿。

The fair value of the investment properties 31 December 2005 were based on the valuation performed by DTZ Debenham Tie Leung Limited, a firm of independent qualified professional surveyors. Valuations were based on the properties' open market value on 31 December 2005. The properties have been valued by direct comparison method by making reference to comparable sales evidence as available in the relevant market and where appropriate, by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary potential of the respective properties as at the reporting date.

該等投資物業於二零零五年十二月三十一日的公允值仍依據獨立合資格專業測量師戴德梁行有限公司所進行的評估。估值乃根據物業於二零零五年十二月三十一日的公開市值釐定。該等物業乃經參照於報告日期在相關市場上可資比較的銷售案例以直接比較法進行估值，並於適當時資本化源自現有租約的租金收入淨額及就有關物業的潛在逆轉作充份撥備。

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13. Investment Properties (Cont'd)

During the year, an investment property located in the PRC was re-developed by the Group for sale. The underlying buildings of approximately HK\$3,774,000 was written off to the consolidated income statement at the commencement of re-development. The leasehold interest in land of approximately HK\$4,717,000 was reclassified to properties held under development as prepaid operating leases payment under current assets during the development period and charged to income statement as cost of sale upon sale.

13. 投資物業 (續)

年內，本集團重新發展中國一項投資物業以供出售。為數約3,774,000港元的相關樓宇已於重新發展開始施工時在綜合收益表中撇銷。於發展期間，土地租賃權益約4,717,000港元已重新分類為發展中物業，作為流動資產項下的預付經營租金費用，並在收益表列為銷售時的銷售成本。

14. Investment

(a) Investment in securities

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Unlisted, in the PRC, at fair value	非上市，於中國，按公允值	—	156

(b) Investment in subsidiaries

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Unlisted, at cost	非上市，按成本值	109,767	—

The balances with subsidiaries are unsecured, interest-free and are repayable on demand.

(a) 證券投資

(b) 於附屬公司的投資

附屬公司的結餘乃無抵押、免息及即時償還。

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14. Investment (Cont'd)

(b) Investment in subsidiaries (Cont'd)

As at 31 December 2005, the Company had direct and indirect interests in the following subsidiaries, each of which is a limited liability company:

14. 投資 (續)

(b) 於附屬公司的投資 (續)

於二零零五年十二月三十一日，本公司於下列附屬公司(均為有限公司)中直接及間接擁有權益：

Company name 公司名稱	Place of incorporation 註冊成立地點	Issued and fully paid ordinary share capital/registered capital 已發行及繳足普通股／註冊資本	Attributable equity interest		Principal activities (Place of operations) 主要業務(營業地點)
			Directly 直接	Indirectly 間接	
New Heritage Corporation Limited (“NH Corporation”) 新澤企業有限公司 (「新澤企業」)	British Virgin Islands (“BVI”) 英屬維爾京群島	347 shares of US\$1 each 347股每股面值1美元	100%	—	Investment holding 投資控股
Accordcity Limited (“Accordcity”) Accordcity Limited (「Accordcity」)	BVI 英屬維爾京群島	102 shares of US\$1 each 102股每股面值1美元	—	100%	Investment holding 投資控股
New Heritage Development Limited (“NH Development”) 新繼發展有限公司 (「新繼發展」)	Hong Kong 香港	156 shares of HK\$1 each 156股每股面值1港元	—	100%	Investment holding 投資控股
NH Investments* 新繼企業*	Hong Kong 香港	6,260,000 shares of HK\$10 each 6,260,000股每股面值10港元	—	100%	Investment holding 投資控股
New Heritage Group Limited* 新澤集團有限公司*	BVI 英屬維爾京群島	2 shares of US\$1 each 2股每股面值1美元	—	100%	Investment holding 投資控股
New Heritage (IP) Limited* 新澤(產業)有限公司*	BVI 英屬維爾京群島	1 share of US\$1 each 1股每股面值1美元	—	100%	Holding of trademark of the Group 持有本集團商標
New Heritage Land Limited* 新澤地產有限公司*	Hong Kong 香港	1 share of HK\$1 each 1股每股面值1港元	—	100%	Investment holding 投資控股

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14. Investment (Cont'd)

14. 投資 (續)

(b) Investment in subsidiaries (Cont'd)

(b) 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation 註冊成立地點	Issued and fully paid ordinary share capital/registered capital 已發行及繳足普通股股本／註冊資本	Attributable equity interest		Principal activities (Place of operations) 主要業務(營業地點)
			Directly 直接	Indirectly 間接	
New Heritage Management Limited*	Hong Kong	1 share of HK\$1 each	—	100%	Administration vehicle of the Group (Hong Kong)
新澤管理有限公司*	香港	1股每股面值1港元	—	100%	處理本集團行政工作(香港)
New Heritage Properties Limited*	Hong Kong	1 share of HK\$1 each	—	100%	Investment holding
新澤物業有限公司*	香港	1股每股面值1港元	—	100%	投資控股
Suzhou Garden Villa Development & Management Co., Ltd.	PRC	US\$12,150,000	—	100%	Properties development and investment (PRC)
蘇州錦華苑建設發展管理有限公司	中國	12,150,000美元	—	100%	物業發展及投資(中國)
蘇州新繼規劃設計諮詢顧問有限公司*	PRC	US\$100,000	—	100%	Property development and consultative service (PRC)
蘇州新繼規劃設計諮詢顧問有限公司*	中國	100,000美元	—	100%	物業發展及諮詢服務(中國)
World Margin Limited ("WML")*	Hong Kong	800,000 shares of HK\$1 each	—	100%	Treasury vehicle of the Group (Hong Kong)
世謙有限公司(「世謙」)*	香港	800,000股每股面值1港元	—	100%	處理本集團的財資工作(香港)

* These subsidiaries were acquired by the Group on 28 June 2005.

* 該等附屬公司於二零零五年六月二十八日由本集團收購。

* These subsidiaries were acquired by the Group on 13 July 2005 (note 25(d) and (e)).

* 該等附屬公司於二零零五年七月十三日由本集團收購(附註25(d)及(e))。

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15. Interest in an Associate

15. 於一家聯營公司的權益

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Share of net assets	(a)	87,768	—
Amount due to an associate	(b)	(8)	—
		<u>87,760</u>	<u>—</u>

(a) Movement of share of net assets for the year is as follows:

(a) 年內應佔淨資產變動如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
At 1 January	於一月一日	—	—
Acquisition of associate during the year	年內收購聯營公司	80,170	—
Share of associate results for the year	應佔聯營公司年度業績	8,018	—
Other equity movements	其他股本變動	(420)	—
		<u>87,768</u>	<u>—</u>

Particulars of the associate as at 31 December 2005 are as follows:

於二零零五年十二月三十一日聯營公司的詳情如下：

Name 名稱	Place of incorporation and operation 註冊及營業地點	Percentage of interest held 所持權益 (%)	Principal activity 主要業務
Beijing Landmark Towers Co., Ltd.	PRC	30.05%	Hotel ownership and property investment
北京亮馬河大廈有限公司	中國	30.05%	擁有酒店及物業投資

(b) The amount due is unsecured, interest free and not repayable within twelve months from the balance sheet date.

(b) 結欠款項為無擔保、免息，自結算日起計十二個月內毋須償還。

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15. Interest in an Associate (Cont'd)

(c) Information on the associate

Summary of the financial information of Beijing Landmark Towers Co., Ltd. for the year ended 31 December 2005 are as follows:

		2005 HK\$'000 千港元
Revenue	收入	216,044
Profit after taxation	稅後盈利	51,854
Non-current assets	非流動資產	495,330
Current assets	流動資產	18,716
Current liabilities	流動負債	181,901
Non-current liabilities	非流動負債	40,070

16. Properties Held under Development

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Carrying amount at 1 January	於一月一日賬面值	60,943	107,141
Additions	添置	63,777	83,471
Transfer to properties held for sale	轉撥至待售物業	(56,502)	(129,669)
Transfer to investment properties	轉撥至投資物業	(17,384)	—
Exchange differences	匯兌差額	860	—
Carrying amount at 31 December	於十二月三十一日賬面值	51,694	60,943

The Group made up-front payments for operating leases to a minority shareholder, 蘇州新區經濟發展集團總公司 (Suzhou New District Development Company), to acquire the right to use certain leasehold interests in land located in the PRC with lease terms expiring from 2061 to 2075. The payment made by the Group for the year amounted to approximately HK\$5,016,000.

As at 31 December 2005, the carrying value of the operating lease up-front payment amounted to HK\$3,131,000 (2004: HK\$5,807,000).

At 31 December 2005, certain leasehold interests in land of HK\$3,131,000 was pledged against certain bank loans granted to the Group (note 23 (b)).

15. 於聯營公司的權益 (續)

(c) 聯營公司資料

北京亮馬河大廈有限公司於截至二零零五年十二月三十一日止年度的財務資料概述如下：

16. 發展中物業

本集團已向少數股東蘇州新區經濟發展集團總公司支付經營租約的首筆付款項，以取得中國若干土地租賃權益的使用權，租期由二零六一年開始至二零七五年屆滿。本集團於該年度作出之付款約為5,016,000港元。

於二零零五年十二月三十一日，經營租約的首筆付款項的賬面值為3,131,000港元(二零零四年：5,807,000港元)。

於二零零五年十二月三十一日，為數3,131,000港元的若干土地租賃權益已就本集團獲授的若干銀行貸款予以抵押(附註23(b))。

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17. Properties Held for Sale

Properties held for sale included leasehold interest in land located in the PRC with lease terms expiring from 2061 to 2065.

As at 31 December 2005, the carrying values of the operating lease up-front payment amounted to HK\$322,000 (2004: HK\$1,186,000).

18. Inventories

Inventories represented low value consumables carried at cost.

19. Deposits Paid, Prepayments and Other Receivables

17. 待售物業

待售物業包括位於中國的土地租賃權益，租賃期由二零六一年起至二零六五年屆滿。

於二零零五年十二月三十一日，經營租約首筆支付款項的賬面值為322,000港元（二零零四年：1,186,000港元）。

18. 存貨

存貨指按成本值入賬的低值易耗品。

19. 已付按金、預付款項及其他應收款項

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Deposits and prepayments	按金及預付款項	33,448	9,708
Other receivables	其他應收款項	4,339	3,091
		37,787	12,799

20. Amounts due from/to Related Parties

20. 關連人士欠款／結欠關連人士款項

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Amount due from a director	一名董事欠款	(a)	2,725	2,782
Amounts due from related companies	關連公司欠款	(b)	—	368
Amount due from a close family member of the directors	董事一名近親欠款	(c)	—	100
			2,725	3,250
Amount due to a director	結欠一名董事款項		—	232
Amounts due to related companies	結欠關連公司款項	(d)	—	7,516
Amount due to a close family member of the directors	結欠董事一名近親款項	(e)	—	602
			—	8,350

The amounts due were unsecured, interest free and were repayable on demand.

該等款項為無抵押及免息，須即時償還。

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20. Amounts due from/to Related Parties (Cont'd)

(a) Amount due from a director

Further details of amount due from a director, Mr. Taochaifu Choofuang ("Mr. CF Tao"), disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Balance at 1 January	於一月一日結餘	2,782	2,282
Maximum amount outstanding during the year	年內尚未償還最高額	2,782	2,782
Provision	撥備	—	—

(b) Amounts due from related companies

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Clark Hatch Fitness Centres (Shanghai) Limited ("Clark Hatch")	上海克拉克海奇健身有限公司 ("克拉克海奇") (i)	—	359
Eastside Properties Limited ("Eastside")	東方物業有限公司 ("東方物業") (ii)	—	9
		—	368

(i) Mr. Taochaifu Porn ("Mr. Paul Tao") and Mr. CF Tao have beneficial interests in this company.

(ii) Mr. CF Tao's wife is a director of this company.

(c) Amount due from a close family member of the directors

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Hon Hing Tong, Patricia	韓慶棠	—	100

Ms. Hon Hing Tong, Patricia is the wife of Mr. Paul Tao.

20. 關連人士欠款／結欠關連人士款項 (續)

(a) 一名董事欠款

根據香港公司條例第161B條所披露，董事陶哲甫先生（「陶哲甫先生」）欠款的進一步詳情如下：

(b) 關連公司欠款

(i) 陶錫祺先生（「陶錫祺先生」）及陶哲甫先生於該公司中擁有實益權益。

(ii) 陶哲甫先生的妻子為該公司的董事

(c) 董事一名近親欠款

韓慶棠女士乃陶錫祺先生的妻子。

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20. Amounts due from/to Related Parties (Cont'd)

(d) Amounts due to related companies

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
WML	世謙	(i)	—	7,445
Cosmopolitan Group Limited	Cosmopolitan Group Limited	(ii)	—	20
Lakeside Consultants Limited ("Lakeside")	湖濱諮詢有限公司 ("湖濱")	(iii)	—	18
Lanick Group Limited ("Lanick")	朗利集團有限公司 ("朗利")	(iv)	—	33
			<u>—</u>	<u>7,516</u>

(i) Mr. CF Tao has beneficial interest in this company prior to the acquisition of 100% equity interest by the Group on 13 July 2005.

(ii) Ms. Miriam Tao, the daughter of Mr. CF Tao, is a director of this company.

(iii) Mr. Tao Richard ("Mr. Richard Tao") is a director of this company.

(iv) Mr. Paul Tao is a director of this company.

(e) Amount due to a close family member of the directors

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Ms. Miriam Tao	陶蘊怡女士	20(d)(ii)	<u>—</u>	<u>602</u>

20. 關連人士欠款／結欠關連人士款項 (續)

(d) 結欠關連公司款項

(i) 陶哲甫先生在本集團於二零零五年七月十三日收購該公司100%權益之前，於該公司擁有實益權益。

(ii) 陶哲甫先生的女兒陶蘊怡女士為該公司董事。

(iii) 陶家祈先生 ("陶家祈先生") 為該公司董事。

(iv) 陶錫祺先生為該公司董事。

(e) 結欠董事一名近親款項

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21. Accounts Payable

The aging analysis of the accounts payable are as follows:

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Below 30 days	30天以內		964	8,124
30 -60 days	30-60天		220	221
61-90 days	61-90天		139	81
91-365 days	91-365天		375	235
Over 365 days	365天以上		170	4,639
Construction payables	應付建築款項	(a)	1,868	13,300
Accrued construction cost and other project-related expenses	應計建築成本及 其他項目相關開支	(b)	4,879	31,420
			6,747	44,720

- (a) Construction payables comprise constructions and other project-related expenses payable which are billed by the constructors according to the terms of the relevant agreements and project progress.
- (b) Included in the above amounts are construction cost and other project-related expense payable amounted to approximately HK\$4,879,000 at 31 December 2005 which was accrued based on the terms of the relevant agreements and project progress and were not due for payment at 31 December 2005 (2004: HK\$31,420,000).

21. 應付賬款

應付賬款的賬齡分析如下：

- (a) 應付建築款項包括建築商根據相關協議的條款及項目進度要求付賬的應付建築及其他項目相關開支。
- (b) 上述款項包括於二零零五年十二月三十一日應付建築成本及其他項目相關開支約4,879,000港元，為根據相關協議的條款及項目進度累算，於二零零五年十二月三十一日尚未到期支付(二零零四年：31,420,000港元)。

22. Accruals, Deposits Received and Other Payables

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Receipt in advance	預收款項	(a)	194	43,803
Accruals and other payables	應計費用及其他應付款項		21,464	13,253
			21,658	57,056

- (a) Included in the receipt in advance as at 31 December 2004, amounts of HK\$4,773,000, HK\$2,894,000 and HK\$4,003,000 were paid by related companies, Eastside, Lakeside and Lanick on 17 November 2004 respectively, for acquisitions of certain properties held for sale. The sales were completed during the year and the receipt in advance were credited to the income statement during the year (note 32(a)).

22. 應計費用、已收按金及其他應付款項

- (a) 於二零零四年十二月三十一日的預收款項包括關連公司東方、湖濱及朗利於二零零四年十一月十七日就購買若干待售物業分別支付為數4,773,000港元、2,894,000港元及4,003,000港元的款項。此等出售於年內完成，預收款項於年內計入收益表(附註32(a))。



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23. Borrowings

Borrowings wholly repayable within five years:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Bank overdrafts, secured	銀行透支，有抵押	37,112	—
Bank loans, secured	銀行貸款，有抵押	66,306	—
Loan from shareholders	股東貸款	—	2,496
Loan from related companies	關連公司貸款	—	26,314
Other loans	其他貸款	—	60,441
		103,418	89,251
Less: Current portion due within one year included under current liabilities	減：列為流動負債於一年內到期的即期部份	(78,458)	—
Non-current portion included under non-current liabilities	列為非流動負債的非即期部份	24,960	89,251

Borrowings were repayable as follows:

須償還貸款如下：

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Within one year	一年內			
Bank overdrafts, secured	銀行透支，有抵押	(a)	37,112	—
Bank loans, secured	銀行貸款，有抵押	(b)	41,346	—
In the second year	兩年內			
Bank loan, secured	銀行貸款，有抵押	(b)	24,960	—
In the third to fifth year	三至五年			
Loans from shareholders	股東貸款	(c)	—	2,496
Loan from a related company	一間關連公司貸款	(c)	—	26,314
Other loans	其他貸款	(c)	—	60,441
			103,418	89,251

(a) The bank overdrafts of HK\$20,152,000 and HK\$16,960,000 were (i) secured by corporate guarantee of HK\$30,000,000 executed by the Company and pledge of fixed deposit (note 28) respectively and (ii) denominated in United States Dollar and Hong Kong Dollar respectively. Bank overdrafts, bear interest at variable rate ranging from 4.15% to 8.0% per annum.

(b) The bank loans were secured by pledge of certain investment properties (note 13) and leasehold interest in land held for development (note 16) held by a subsidiary of the Company and pledge of fixed deposits (note 28). Bank loans with maturity within one year were denominated in Renminbi which bear interest on fixed rate ranging from 5.184% to 5.580% per annum, whereas the bank loan due in the second year was denominated in United States Dollar which bear interest on variable rates of 5.25% per annum.

(a) 20,152,000港元及16,960,000 港元的銀行透支乃(i)分別由本公司訂立的公司擔保為數30,000,000港元及定期存款抵押(附註28)作擔保。及(ii)分別以美元和港元列值。銀行透支按浮動利率每年4.15%至8.0%計息。

(b) 銀行貸款乃由本公司一間附屬公司所持的若干投資物業(附註13)及待發展土地租賃權益(附註16)抵押、以及定期存款抵押(附註28)作擔保。一年內到期之銀行貸款以人民幣列值，固定利率為每年5.184%至5.580%，而於第二年期之銀行貸款則以美元列值，按浮動利率每年5.25%計息。

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23. Borrowings (Cont'd)

- (c) These loans were unsecured, interest free and had no fixed terms of repayment. On 24 June 2005, a deed of assignment was entered into by Mr. CF Tao, Mrs. Tao Poon Lai Yew, Nancy ("Mrs. Nancy Tao"), Mr. Tao Shing Pee ("Mr. SP Tao"), Le Chateau Inc. ("LCI"), Peanma Investments (Singapore) Pte Ltd ("Peanma"), Ocean Shipping & Enterprises Private Limited ("OSE"), Stockwatch Holdings Ltd. ("Stockwatch"), Hallam Investment Limited ("Hallam"), NH Development and NH Corporation and Choice Win International Corporation ("Choice Win") pursuant to which 240 shares of US\$1.00 each of NH Corporation were allotted and issued to Mr. CF Tao, Mrs. Nancy Tao, Mr. SP Tao, LCI, Peanma, OSE, Stockwatch and Hallam or to the party(ies) as directed by them, credited as fully paid, in consideration of the assignment to NH Corporation of the respective rights and interests in those outstanding moneys and/or loans due from NH Development.

23. 借貸 (續)

- (c) 該等貸款為無抵押、免息且無固定還款期。於二零零五年六月二十四日，陶哲甫先生、陶潘麗瑤女士（「陶潘麗瑤女士」）、陶欣伯先生（「陶欣伯先生」）、Le Chateau Inc.（「LCI」）、Peanma Investments (Singapore) Pte Ltd（「Peanma」）、Ocean Shipping & Enterprises Private Limited（「OSE」）、Stockwatch Holdings Ltd.（「Stockwatch」）、Hallam Investment Limited（「Hallam」）、新繼發展及新澤企業與Choice Win International Corporation（「Choice Win」）簽訂一份轉讓契據；據此，陶哲甫先生、陶潘麗瑤女士、陶欣伯先生、LCI、Peanma、OSE、Stockwatch及Hallam或彼等指定的（該等）人士獲配發及發行新澤企業240股每股面值1.00美元的入賬列作繳足股份，以作為向新澤企業轉讓各自於該等新繼發展結欠的尚未償還款項及／或貸款中的權利及權益的代價。

24. Deferred Taxation

Deferred taxation are calculated under the balance sheet liability method using the applicable tax rates at balance sheet date.

The movement in deferred tax liabilities account is as follows:

24. 遞延稅項

遞延稅項乃於結算日以資產負債表負債法按適用稅率計算：

遞延稅項負債賬目的變動如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
At 1 January	於一月一日	—	—
Deferred taxation charged to income statement (note 8)	自收益表中扣除的遞延稅項 (附註8)	5,052	—
At 31 December	於十二月三十一日	5,052	—
Provided in respect of:	撥備項目：		
Temporary differences on fair value adjustments	公允值調整的暫時差額	5,052	—

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25. Share Capital

Movement of share capital of the Company since the date of incorporation is summarised below:

25. 股本

本公司自註冊成立以來的股本變動概述如下：

	Notes 附註	2005 二零零五年		From 23 December 2004 (date of incorporation) to 31 December 2004 由二零零四年十二月二十三日 (註冊成立日期)起至二零零四年 十二月三十一日	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
Authorised:	法定股本：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股				
At the beginning of the year/period	於年／期初	30,000,000,000	300,000	—	—
Increase in authorised share capital on incorporation	註冊成立時增加法定股本	(a) —	—	30,000,000,000	300,000
At 31 December	於十二月三十一日	30,000,000,000	300,000	30,000,000,000	300,000
Issued and fully paid	已發行及繳足股本				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股				
At the beginning of the year/period	於年／期初	1	—	—	—
Allotted and issued at the date of incorporation	於註冊成立日期配發及 發行股份	(a) —	—	1	—
Issue of shares on Reorganisation	於重組時發行股份	(b) 4	—	—	—
Issue of shares on loan capitalisation	於貸款資本化時發行股份	(c) 2,410,010	24	—	—
Issue of shares on acquisition of NH Investments	於收購新繼企業時發行股份	(d) 1,675,714	17	—	—
Issue of shares on acquisition of WML	於收購世謙時發行股份	(e) 21,414	—	—	—
Subscription for shares	股份認購	(f) 616,071	6	—	—
Issue of shares on capitalisation issue	資本化發行時發行股份	(g) 467,598,186	4,676	—	—
Issue of shares by initial public offering	首次公開招股時發行股份	(h) 168,000,000	1,680	—	—
At 31 December	於十二月三十一日	640,321,400	6,403	1	—

(a) The Company was incorporated in the Cayman Islands on 23 December 2004 as an exempted company with limited liability under the Companies Law of the Cayman Islands. At the date of incorporation, the authorised share capital of the Company was HK\$300,000,000 divided into 30,000,000,000 shares of HK\$0.01 each. One subscriber's share of HK\$0.01 in the Company was allotted and issued in cash to the initial subscriber.

(a) 本公司於二零零四年十二月二十三日根據開曼群島公司法在開曼群島註冊成立為一間獲豁免有限公司。於註冊成立日期，本公司的法定股本為300,000,000港元，分為30,000,000,000股每股面值0.01港元的股份。最初認購人以現金獲配發及發行本公司一股面值0.01港元的認購人股份。

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25. Share Capital (Cont'd)

- (b) On 23 June 2005, the Company entered into a share swap agreement with Mr. CF Tao and Mrs. Nancy Tao to acquire the entire interest of NH Corporation. The consideration was satisfied by the allotment and issue of 4 shares of the Company of HK\$0.01 each, credited as fully paid, to Mr. CF Tao and Mrs. Nancy Tao on the same day.
- (c) On 24 June 2005, the Company issued and allotted, credited as fully paid, 2,410,010 shares of HK\$0.01 each as consideration for the acquisition of 240 shares of NH Corporation from the parties as set out in note 23(c).
- (d) The Group undertook the following steps to acquire 100% equity interest of NH Investments during the year:

On 6 July 2005, a sale and purchase agreement was entered into between Belbroughton Limited ("Belbroughton"), Mr. SP Tao and Oriental Pearl International Inc. ("OPII") as vendors, Accordcity as purchaser and Mr. CF Tao as warrantor, pursuant to which the respective 2,354,012 shares, 2,603,992 shares and 1,301,996 shares of HK\$10 each in, which in aggregate represent the entire issued share capital of, NH Investments were transferred from Belbroughton, Mr. SP Tao and OPII respectively to Accordcity. The considerations were satisfied by the allotment and issue of 38 shares, 42 shares and 21 shares of US\$1.00 each in the capital of Accordcity to Belbroughton, Mr. SP Tao and OPII respectively, credited as fully paid, on the same day.

On 12 July 2005, a sale and purchase agreement was entered into between Belbroughton, Mr. SP Tao and OPII as vendors and NH Corporation as purchaser and Mr. CF Tao as warrantor, pursuant to which 38 shares, 42 shares and 21 shares of US\$1.00 each in Accordcity were transferred from Belbroughton, Mr. SP Tao and OPII respectively to NH Corporation. The considerations were satisfied by the allotment and issue of 38 shares, 42 shares and 21 shares of US\$1.00 each in the capital of NH Corporation to Belbroughton, Mr. SP Tao and OPII respectively, credited as fully paid, on the same day.

On 13 July 2005, the Company acquired 38 shares, 42 shares and 21 shares of US\$1.00 each in the capital of NH Corporation from Belbroughton, Mr. SP Tao and OPII. The considerations were satisfied by the allotment and issue of 630,136 shares, 697,052 shares and 348,526 shares in the Company of HK\$0.01 each, credited as fully paid, to Belbroughton, Mr. SP Tao and OPII respectively, on the same day.

25. 股本 (續)

- (b) 於二零零五年六月二十三日，本公司與陶哲甫先生及陶潘麗瑤女士簽訂一份換股協議，以購入新澤企業全部權益。有關代價透過於同日向陶哲甫先生及陶潘麗瑤女士配發及發行本公司4股每股面值0.01港元的入賬列作繳足股份支付。
- (c) 於二零零五年六月二十四日，本公司發行及配發2,410,010股每股面值0.01港元的入賬列作繳足股份作為代價，以支付向附註23(c)所載各方收購新澤企業240股股份。
- (d) 本集團年內採取以下步驟收購新繼企業100%股本權益：

於二零零五年七月六日，Belbroughton Limited ("Belbroughton")、陶欣伯先生及Oriental Pearl International Inc ("OPII") (作為賣方) 與Accordcity (作為買方) 及陶哲甫先生 (作為擔保人) 簽訂一份買賣協議，據此，Belbroughton、陶欣伯先生及OPII分別將新繼企業股本中2,354,012股、2,603,992股及1,301,996股每股面值10港元的股份 (合共即全部已發行股本) 轉讓予Accordcity。該等代價透過於同日向Belbroughton、陶欣伯先生及OPII分別配發及發行於Accordcity股本中的38股、42股及21股每股面值1.00美元的入賬列作繳足股份支付。

於二零零五年七月十二日，Belbroughton、陶欣伯先生及OPII (作為賣方) 與新澤企業 (作為買方) 及陶哲甫先生 (作為擔保人) 簽訂一份買賣協議；據此，Belbroughton、陶欣伯先生及OPII分別將Accordcity股本中38股、42股及21股每股面值1.00美元的股份轉讓予新澤企業，該等代價透過於同日向Belbroughton、陶欣伯先生及OPII分別配發及發行於新澤企業股本中的38股、42股及21股每股面值1.00美元的入賬列作繳足股份支付。

於二零零五年七月十三日，本公司向Belbroughton、陶欣伯先生及OPII收購新澤企業股本中38股、42股及21股每股面值1.00美元的股份，該等代價透過於同日向Belbroughton、陶欣伯先生及OPII分別配發及發行本公司630,136股、697,052股及348,526股入賬列作繳足股份支付。

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25. Share Capital (Cont'd)

- (e) The Group undertook the following steps to acquire 100% equity interest of WML during the year:

On 31 March 2005, WML capitalised the reserve in the amount of HK\$679,998 by having the said amount applied in paying up in full for 679,998 shares of HK\$1.00 each in its capital, of which 339,999 shares were issued and allotted, credited as fully paid up, at par to each of Mr. CF Tao and Mr. SP Tao. On the same day, WML issued and allotted a further 60,000 shares of HK\$1.00 each in the capital of WML for cash at par to each of Mr. CF Tao and Mr. SP Tao.

On 28 June 2005, Mr. CF Tao and Mr. SP Tao as vendors and NH Corporation as purchaser entered into a sale and purchase agreement, pursuant to which the respective 400,000 shares and 400,000 shares of HK\$1.00 each in, which in aggregate represent the entire issued share capital of, WML were transferred from Mr. CF Tao and Mr. SP Tao respectively to NH Corporation. The considerations were satisfied by the allotment and issue of 1 share of US\$1.00 in the capital of NH Corporation to each of Mr. CF Tao and Mr. SP Tao, credited as fully paid, on the same day.

On 13 July 2005, a sale and purchase agreement was entered into between Mr. CF Tao and Mr. SP Tao as vendors and the Company as purchaser, pursuant to which the respective 1 share and 1 share of US\$1.00 each in the capital of NH Corporation were transferred from Mr. CF Tao and Mr. SP Tao respectively to the Company. The considerations were satisfied by the allotment and issue of 10,707 shares to Belbroughton, as directed by Mr. CF Tao, and of 10,707 shares to Mr. SP Tao, credited as fully paid, on the same day.

- (f) On 14 November 2005, the following agreements for subscription of shares were entered:
- (i) A subscription agreement was entered into between the Company and Belbroughton, pursuant to which the Company issued and allotted 431,809 shares of HK\$0.01 each to Belbroughton at par in cash on 15 November 2005.
 - (ii) A subscription agreement was entered into between the Company and OPII, pursuant to which the Company issued and allotted 20,536 shares of HK\$0.01 each to OPII at par for cash on 15 November 2005.

25. 股本 (續)

- (e) 本集團年內採取以下步驟收購世謙100%股本權益：

二零零五年三月三十一日，世謙藉將679,998港元繳足其股本中679,998股每股面值1.00港元的股份，將儲備資本化，其中339,999股入賬列作繳足股份按面值發行及配發予陶哲甫先生及陶欣伯先生。同日，世謙另向陶哲甫先生及陶欣伯先生按面值發行及配發於世謙股本中60,000股每股面值1.00港元的股份，以換取現金。

於二零零五年六月二十八日，陶哲甫先生及陶欣伯先生(作為賣方)與新澤企業(作為買方)簽訂一份買賣協議；據此，陶哲甫先生及陶欣伯先生分別將世謙股本中400,000股及400,000股每股面值1.00港元的股份(合共即為其全部已發行股本)轉讓予新澤企業，該等代價透過於同日向陶哲甫先生及陶欣伯先生各自配發及發行新澤企業股本中一股每股面值1.00美元的入賬列作繳足股份支付。

於二零零五年七月十三日，陶哲甫先生及陶欣伯先生(作為賣方)與本公司(作為買方)簽訂一份買賣協議；據此，陶哲甫先生及陶欣伯先生分別將新澤企業股本中一股及一股每股面值1.00美元的股份轉讓予本公司，該等代價透過於同日向Belbroughton(按陶哲甫先生指示)及陶欣伯先生分別配發及發行10,707股及10,707股入賬列作繳足股份支付。

- (f) 於二零零五年十一月十四日訂立以下股份認購協議：
- (i) 本公司與Belbroughton簽訂一份認購協議；據此，本公司於二零零五年十一月十五日向Belbroughton按面值每股0.01港元以現金發行及配發431,809股股份。
 - (ii) 本公司與OPII簽訂一份認購協議；據此，本公司於二零零五年十一月十五日向OPII按面值每股0.01港元以現金發行及配發20,536股股份。

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25. Share Capital (Cont'd)

- (iii) A subscription agreement was entered into between the Company and the four executive directors comprising Mr. Richard Tao, Mr. Paul Tao, Mr. Kong Mui Sum Lawrence and Mr. Yim Chun Leung, pursuant to which the Company issued and allotted 65,773 shares, 65,773 shares, 16,440 shares and 8,220 shares of HK\$0.01 each to Mr. Richard Tao, Mr. Paul Tao, Mr. Kong Mui Sum Lawrence and Mr. Yim Chun Leung respectively, all at par for cash, on 15 November 2005.
- (iv) A subscription agreement was entered into between the Company and each of the staff shareholders comprising Mr. Fung Sik Kuen, Mr. Li Chun Fai, Ms. Chan Sik Kum, Ms. Lau Yuk Ling Kathy, Ms. Fung Yuk Ling Elaine, Ms. Lee Shuk Chan and Ms. Tsang Yuen Hing Janet, pursuant to which the Company issued and allotted 620 shares, 1,320 shares, 980 shares, 980 shares, 1,320 shares, 980 shares and 1,320 shares of HK\$0.01 each to Mr. Fung Sik Kuen, Mr. Li Chun Fai, Ms. Chan Sik Kum, Ms. Lau Yuk Ling Kathy, Ms. Fung Yuk Ling Elaine, Ms. Lee Shuk Chan and Ms. Tsang Yuen Hing Janet respectively, all at par for cash, on 15 November 2005.
- (g) On 14 November 2005, written resolution of all the shareholders were passed pursuant to conditional upon the share premium account of the Company being credited as a result of initial public offering, the directors were authorised to capitalise the amount of HK\$4,675,982 from the amount standing to the credit of the share premium account of the Company to pay up in fully at par for allotment and issue to the person(s) whose name(s) appears on the register of members of the Company at the close of business on 15 November 2005, pro-rata to its/their then existing shareholdings in the Company.
- (h) On 1 December 2005, the Company allotted and issued 168,000,000 shares of HK\$0.01 each upon listing of the shares on the Main Board of the Stock Exchange on 2 December 2005 at a price of HK\$0.58 each.

25. 股本 (續)

- (iii) 本公司與四位執行董事 (包括陶家祈先生、陶錫祺先生、江森森先生及嚴振亮先生) 簽訂一份認購協議；據此，本公司於二零零五年十一月十五日向陶家祈先生、陶錫祺先生、江森森先生及嚴振亮先生按每股0.01港元分別發行及配發65,773股、65,773股、16,440股及8,220股股份。
- (iv) 本公司與各員工股東 (包括馮錫權先生、李振輝先生、陳惜琴女士、劉玉玲女士、馮玉玲女士、李淑珍女士及曾婉卿女士) 簽訂一份認購協議；據此，本公司於二零零五年十一月十五日向馮錫權先生、李振輝先生、陳惜琴女士、劉玉玲女士、馮玉玲女士、李淑珍女士及曾婉卿女士分別按面值每股0.01港元以現金發行及配發620股、1,320股、980股、980股、1,320股、980股及1,320股股份。
- (g) 於二零零五年十一月十四日，全體股東通過書面決議案，待本公司的股份溢價賬因首次公開招股而進賬後，董事獲授權將本公司股份溢價賬的進賬款額4,675,982港元資本化，以按面值全數繳足股款，以按名列本公司於二零零五年十一月十五日營業時間結束時的股東名冊的人士於本公司當時的持股比例，配發及發行予彼等。
- (h) 於二零零五年十二月一日，本公司配發及發行168,000,000股每股面值0.01港元的股份，以供於二零零五年十二月二日按每股0.58港元在聯交所主板上市。

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26. Share Option Scheme

Pursuant to the written resolutions of all the then shareholders passed on 14 November 2005, the Company has conditionally adopted the Share Option Scheme ("Scheme").

The purpose of the Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants for their contributions to the Group and for such other purposes as the board of directors (the "Board") may approve from time to time.

Pursuant to the Scheme, the Board may, at its discretion, invite any executive or non-executive directors including independent non-executive directors or any employees (whether full-time or part-time) of the Company, its subsidiaries and associated companies; any discretionary objects of a discretionary trust established by any employees, executive or non-executive directors of each member of the Group or its associated companies; any consultants, professional and other advisers to each member of the Group or its associated companies (or persons, firms or companies proposed to be appointed for providing such services); any chief executives or substantial shareholders of the Company; any associates of any director, chief executive or substantial shareholder of the Company; and any employees (whether full-time or part-time) of substantial shareholders of the Company, provided that the Board may have absolute discretion to determine whether or not one falls within the above categories, (together, the "Participants" and each a "Participant"), to take up options ("Option(s)") to subscribe for shares at a price determined in accordance with the paragraph below.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

The Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Scheme is adopted, after which period no further Options will be granted but in all other respects the provisions of the Scheme shall remain in full force and effect, and Options which are granted during the life of the Scheme may continue to be exercisable in accordance with their terms of grant.

The subscription price in respect of each share issued pursuant to the exercise of Options granted hereunder shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the business day on which an offer is accepted by the grantee or if such date of acceptance by the grantee is not a business day, the immediately preceding business day;

26. 購股權計劃

根據當時全體股東於二零零五年十一月十四日通過的書面決議案，本公司已有條件採納購股權計劃（「該計劃」）。

該計劃旨在讓本公司以靈活的方法，就參與者對本集團的貢獻及董事會（「董事會」）可能不時批准的其他目的，給予參與者激勵、獎勵、酬金、報酬及／或利益。

根據該計劃，董事會可酌情邀請本公司、其附屬公司及聯營公司的任何執行或非執行董事，包括獨立非執行董事或任何僱員（不論全職或兼職）；本集團各成員公司或其聯營公司的任何僱員、執行或非執行董事所設立的全權信託的任何全權受益人；本集團各成員公司或其聯營公司的諮詢人、專業人士及其他顧問（或擬委任以提供該等服務的人士、商行或公司）；本公司任何主要行政人員或主要股東；本公司任何董事、主要行政人員或主要股東的任何聯繫人；及本公司主要股東的任何僱員（不論全職或兼職），惟董事會可全權酌情釐定有關人士是否屬於上述類別（上述人士均稱為及合稱「參與者」），以接納購股權（「購股權」），並根據下文確定的價格認購股份。

於釐定各參與者的資格標準時，董事會將考慮其可能酌情認為恰當的因素。

該計劃自獲採納日期起計有效期為十年，在限期後不會再授出購股權，惟在所有其他方面，該計劃的條文仍具有十足效力及作用，於該計劃期限內授出的購股權可按其授出條款繼續行使。

根據本文授出的購股權獲行使而發行的每股股份的認購價，將由董事會獨自釐定及知會參與者，而認購價最低為（以最高者為準）：

- (a) 於要約獲承授人接納的營業日（或如要約獲承授人接納當日並非營業日，則為緊接該日前的營業日）聯交所日報表所報的股份收市價；

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26. Share Option Scheme (Cont'd)

- (b) a price being the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date on which an offer is accepted by the grantee (provided that the new issue price shall be used as the closing price for any business day falling within the period before listing of the shares where the Company has been listed for less than 5 business days as at the date on which an offer is accepted by the grantee); and

- (c) the nominal value of a share.

The total number of shares, which may be issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Company shall not in aggregate exceed 64,032,140 being 10% of the total number of shares in issue on the date of commencement of dealings in the shares on the Stock Exchange, unless the Company obtains an approval from its shareholders. Options lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating such 10% limit.

Notwithstanding any other provisions of the Scheme, the maximum number of the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of the Options granted to each participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

Offer of an option ("Offer") shall be deemed to have been accepted by any Participant (the "Grantee") who accepts an Offer in accordance with the terms of the Scheme and the option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within 14 days from the date upon which the Offer is made.

No share option was granted during the year.

26. 購股權計劃 (續)

- (b) 緊接要約獲承授人接納前五個營業日聯交所日報表所報的股份平均收市價 (惟倘本公司於要約獲承授人接納當日前已上市的日子少於五個營業日，則新發行價應用作股份上市期間任何營業日的收市價)；及

- (c) 一股股份面值。

因行使根據該計劃及本公司任何其他購股權計劃授出的所有購股權可發行的股份總數，合共不得超過64,032,140股 (即股份於聯交所開始買賣當日已發行股份總數的10%)，惟本公司取得股東的批准則除外。計算該10%限額並不計及根據該計劃條款已失效的購股權。

儘管該計劃另有任何規定，於行使該計劃及本公司任何其他購股權計劃的已授出但尚未行使的所有未行使購股權時，最多可發行的股份數目不得超過不時已發行股份總數的30%。

除非獲股東批准，於任何十二個月期間因行使授予每名參與者的購股權 (包括已行使及尚未行使的購股權) 而已發行及將予發行的股份總數，不得超過已發行股份總數的1%。

任何參與者 (「承授人」) 凡按照該計劃的條款接納購股權要約 (「要約」)，即被視為接納要約，而當載有接納要約的要約書副本由承授人妥為簽署，並在本公司作出要約當日起14日內，接獲承授人在接納購股權時須向本公司支付1.00港元作為授出購股權的代價後，與要約有關的購股權即被視為已授出並生效。

年內並無授出任何購股權。

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27. Reserves

(a) Group

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Retained profits	保留盈利		62,859	18,451
Share premium	股份溢價	(i)	181,706	—
Exchange reserve	匯兌儲備		(17,963)	(21,550)
Hotel property revaluation reserve	酒店物業重估儲備		(2,326)	—
Statutory reserve	法定儲備	(ii)	68	—
Merger reserve	合併儲備	(iii)	89,936	—
			314,280	(3,099)
Proposed final dividend	擬派末期股息		11,526	—
			325,806	(3,099)

(i) Under the Companies Law, Cap.22 Law 3 of 1962, as consolidated and revised, of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

(ii) According to the relevant PRC Laws, the associate is required to transfer at least 10% of its net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the associate's registered capital. The transfer of this reserve must be made before the distribution of dividend to the associate's equity owners. The statutory reserve is non-distributable other than upon the liquidation of the associate.

(iii) The merger reserve of the Group arose as a result of the Reorganisation completed on 23 June 2005 and represents the difference between the nominal value of the Company's shares issued under the Reorganisation and the nominal value of the aggregate share capital of the subsidiaries then acquired.

(iv) Of the consolidated profit attributable to equity holders of the Company of HK\$55,934,000 for the year (2004: HK\$31,389,000), loss of HK\$7,301,000 (2004: Nil) has been dealt with in the financial statements of the Company for the year.

27. 儲備

(a) 本集團

(i) 根據開曼群島法例第22章公司法（一九六二年第三號法例，經綜合及修訂），股份溢價賬可分派予本公司股東，惟緊隨擬分派股利日期後，本公司有能力償還於日常業務中到期的債務。

(ii) 根據相關中國法例，聯營公司須按中國會計規則釐定的除稅後純利最少10%轉撥至法定儲備，直至該儲備結餘達至聯營公司註冊資本50%，並必須於向聯營公司股東分派股息前轉撥至此儲備。法定儲備為不可分派，如聯營公司清盤則除外。

(iii) 本集團的合併儲備乃因在二零零五年六月二十三日完成的重組而產生，為本公司根據重組發行股份的面值與當時購入附屬公司的股本總額面值的差額。

(iv) 年內本公司股東應佔綜合盈利為55,934,000港元（二零零四年：31,389,000港元），當中虧損7,301,000港元（二零零四年：無）已於本公司年度財務報表中處理。

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27. Reserves (Cont'd)

27. 儲備 (續)

(b) Company

(b) 本公司

		Accumulated losses 累計虧損 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Proposed final Dividend 擬派末期股息 HK\$'000 千港元	Total 總計 HK\$'000 千港元
			(note 27(a)(i)) (附註27(a)(i))			
At 23 December 2004 (date of incorporation)	於二零零四年十二月 二十三日 (註冊成立日期)	—	—	—	—	—
Loss for the period	本期間虧損	—	—	—	—	—
At 31 December 2004 and 1 January 2005	於二零零四年十二月三十一日 及二零零五年一月一日	—	—	—	—	—
Loss for the year	本年度虧損	(7,301)	—	—	—	(7,301)
Arise from Reorganisation	因重組產生	—	—	(22)	—	(22)
Arise from acquisition of NH Investments (note 25(d))	因收購新繼企業產生 (附註25(d))	—	106,158	—	—	106,158
Arise from capitalisation issue (note 25(g))	因資本化發行產生 (附註25(g))	—	(4,676)	—	—	(4,676)
Arise from initial public offering (note 25(h))	因首次公開招股產生 (附註25(h))	—	95,760	—	—	95,760
Share issue expenses	股份發行開支	—	(15,536)	—	—	(15,536)
Proposed final dividend	擬派末期股息	(11,526)	—	—	11,526	—
At 31 December 2005	於二零零五年 十二月三十一日	(18,827)	181,706	(22)	11,526	174,383

The contributed surplus of the Company arose as a result of the Reorganisation referred to in note 27(a) and represents the excess of the nominal value of the Company's shares issued in exchange therefore over the nominal value of the shares of the subsidiaries then acquired.

本公司的實繳盈餘乃因附註27(a)所提述的重組而產生，為本公司以發行作交換的股份的面值超出當時購入附屬公司的股份面值的部份。

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28. Pledged Bank Deposits

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Analysis of pledged bank deposits:			
Deposit pledged against banking facilities granted to the mortgagee	(a)	2,063	2,272
Deposit pledged against banking facilities granted to the Group (note 23(a) and (b))		42,308	—
		44,371	2,272

(a) The bank deposits were pledged as security in favour of banks and financial institutions in the PRC who provided mortgage loan to purchasers of properties for the period from the date of draw-down of mortgage loans to the date when the certificates for housing ownership and certificates of others interest for housing ownership (collectively know as "Certificates") are granted to the property purchasers. Such charges would be released upon the Certificates are granted to the property purchasers.

28. 已抵押銀行存款

(a) 由提取按揭貸款當日起，直至置業者獲批授房屋所有權證或房屋所有權其他權證(統稱為「該等證明」)止，銀行存款已抵押予多家向置業者提供按揭貸款的國內銀行及金融機構，作為抵押品。該等抵押將於置業者獲授該等證明時解除。

29. Cash and Cash Equivalents

Analysis of cash and cash equivalents is as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Cash at banks and in hand	銀行結存及現金	104,551	21,909
Deposit pledged against bank overdrafts	就銀行透支而抵押的存款	17,393	—
Bank overdrafts (note 23)	銀行透支 (附註23)	(37,112)	—
		84,832	21,909

As at 31 December 2005, cash and cash equivalents of HK\$2,063,000 (2004: HK\$2,272,000) were originally denominated in Renminbi and deposited with banks in the PRC, the conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The effective interest rate of the deposits is 3.55% and it has a maturity of 7 days.

29. 現金及現金等價物

現金及現金等價物分析如下：

於二零零五年十二月三十一日，為數2,063,000港元(二零零四年：2,272,000港元)現金及現金等價物原以人民幣為單位，並存於中國多家銀行，將該等以人民幣為單位的結存兌換為外幣乃受中國政府頒佈的外匯法規所限制。存款的有效利率為3.55%，其到期日為7日。

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30. Directors' and Senior Management's Emoluments

30. 董事及高級管理人員酬金

(a) Directors' emoluments

(a) 董事酬金

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Directors' remuneration	董事酬金		
Salaries and allowances	薪金及津貼		
Mr. CF Tao	陶哲甫先生	115	57
Mr. Richard Tao	陶家祈先生	656	—
Mr. Paul Tao	陶錫祺先生	647	57
Mr. Kong Mui Sum, Lawrence	江森森先生	900	—
Mr. Yim Chun Leung	嚴振亮先生	1,251	—
		3,569	114
Fees	袍金	71	—
		3,640	114

There were no emoluments paid or payable to the independent non-executive directors during the year (2004: Nil).

年內，概無任何酬金已付予或應付予獨立非執行董事（二零零四年：無）。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2004: Nil).

年內，概無任何有關董事放棄或同意放棄任何酬金的安排（二零零四年：無）。

No share options were granted to the directors of the Company during the year (2004: Nil).

年內，本公司董事概無獲授任何購股權（二零零四年：無）。

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30. Directors' and Senior Management's Emoluments (Cont'd)

(b) Senior management's emoluments

The five individuals whose emoluments were the highest in the Group for the year included four (2004: Nil) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2004: five) individuals during the year are as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Salaries and allowances	薪金及津貼	949	1,860
Discretionary bonuses	酌情花紅	166	385
Retirement benefits costs	退休福利金	40	44
		1,155	2,289

The emoluments fell within the following bands:

		2005	2004
Emolument bands	酬金範圍		
Nil - HK\$1,000,000	零至1,000,000港元	—	5
HK\$1,000,001 - HK\$1,500,000	1,000,001港元至1,500,000港元	1	—

No share options were granted to the above highest paid individuals in respect of their services to the Group during the year (2004: Nil).

During the year, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2004: Nil).

30. 董事及高級管理人員酬金 (續)

(b) 高級管理人員酬金

本年度本集團五名最高薪酬人士包括四名(二零零四年：無)董事之酬金已如上分析。年內應付予其餘一名(二零零四年：五名)最高薪酬人士之酬金如下：

有關酬金介乎下列範圍：

年內，上述五名最高薪酬人士概無就其對本集團提供的服務而獲授任何購股權(二零零四年：無)。

年內，本集團概無向董事或任何五名最高薪酬人士支付任何酬金，以吸引其加盟本集團或作為加盟本集團的入職獎勵或離職補償(二零零四年：無)。

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31. Business Combination

(a) Acquisition of subsidiaries

The Group acquired 100% interest of certain subsidiaries as set out in note 14(b) to these financial statements. The acquired business contributed revenues and net profit of approximately HK\$Nil and HK\$4,284,000 respectively to the Group since their respective dates of acquisitions. If the acquisitions had occurred on 1 January 2005, the Group's revenue would have been approximately HK\$149,089,000 and profit for the year would have been approximately HK\$67,939,000.

The assets and liabilities arising from the acquisition are as follows:

		Fair value 公允值 HK\$'000 千港元
Property, plant and equipment (note 12)	物業、廠房及設備 (附註12)	905
Interest in an associate	於一家聯營公司的權益	80,165
Amount due from related companies	關連公司欠款	23,624
Trade and other receivables	貿易及其他應收款項	8,501
Pledged deposit	已抵押存款	17,126
Cash at banks and in hand	銀行結存及現金	6,404
Bank overdrafts	銀行透支	(26,921)
Amount due to related companies	結欠關連公司款項	(119)
Accruals and other payables	應計費用及其他應付款項	(558)
Dividend payable	應付股息	(20,124)
Bank loans	銀行貸款	(15,565)
Net assets acquired	購入淨資產	73,438

Details of the net assets acquired and goodwill are as follows:

		2005 HK\$'000 千港元
Purchase consideration	收購代價	
— cash paid	— 已付現金	—
— fair value of shares issued	— 已發行股份的公允值	106,895
— other direct cost to the acquisition	— 收購的其他直接成本	3,591
Total purchase consideration	總購買代價	110,486
Fair value of net assets acquired	購入淨資產的公允值	(73,438)
Goodwill (note 11)	商譽 (附註11)	37,048

Goodwill is attributable to the management expertise expected to arise after the Group's acquisition of these subsidiaries.

There was no acquisition of subsidiary in the year ended 31 December 2004.

31. 企業合併

(a) 收購附屬公司

本集團收購若干附屬公司的全部權益，詳情載於財務報表附註14(b)。自各項收購發生之日起，所收購業務為本集團貢獻的收入及純利分別約為零港元及4,284,000港元。倘收購發生於二零零五年一月一日，本集團收入將約為149,089,000港元及年度純利約為67,939,000港元。

因收購產生的資產及負債如下：

購入淨資產及商譽的詳情如下：

該項商譽乃因本集團收購該等附屬公司後而預期有利於管理專業技能。

截至二零零四年十二月三十一日止年度並無收購附屬公司。

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31. Business Combination (Cont'd)

(b) Analysis of net cash outflow in respect of acquisitions of subsidiaries

31. 企業合併 (續)

(b) 有關收購附屬公司的現金流出淨額分析

		2005 HK\$'000 千港元
Cash consideration	現金代價	—
Pledged deposit acquired	收購的已抵押存款	17,126
Cash at banks and in hand acquired	購入銀行結存及現金	6,404
Bank overdrafts acquired	購入銀行透支	(26,921)
Other direct cost to the acquisition	收購的其他直接成本	(3,591)
Net cash outflow in respect of acquisition of subsidiaries	有關收購附屬公司的現金流出淨額	(6,982)

32. Related Party Transactions

Apart from those disclosed in notes 20, 22(a) and 23, the following transactions are carried out with related parties:

32. 關連人士交易

除附註20、22(a)及23所披露者外，本集團與關連人士進行以下交易：

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Proceeds from sale of properties held for sale to:	向下列人士出售待售物業所得款項：		
— Lakeside (note 22(a))	(a)	5,876	—
— Lanick (note 22(a))		7,981	—
— Eastside (note 22(a))		9,154	—
— Ms. Miriam Tao (note 20(e))		5,288	—
Handling fee charge from a director and close family members of the directors (note 20(c) and (e))	(b)	—	318
Proceeds from sale of an investment to 蘇州新繼園林綠化有限公司 (“SNHTL”)	(c)	156	—
Landscaping and maintenance expenses to SNHTL	(c)	(42)	—
Interest expenses charges from WML		(202)	—
Assignment of chattels from B.T. Shipping & Enterprises Limited (“B.T. Shipping”)	(d)	(107)	—
Management fee charges to B.T. Shipping	(d)	—	(2,318)
Occupation charges to B.T. Shipping	(d)	—	(577)
Motor vehicle expenses to HY Automotive Holdings Limited	(d)	(96)	—
Rental expenses to Fontwell Holdings Limited	(d)	(336)	—
Rental expense to Mr. Richard Tao	(e)	(315)	(309)
Rental income from Clark Hatch (note 20(b)(i))	(e)	692	—

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32. Related Party Transactions (Cont'd)

- (a) The sales of properties were based on the term mutually agreed by both parties.
- (b) The handling fee were charged at a rate of 10% of the gross rental income. The charges by the director and close family members of the directors were in accordance with the terms of the underlying agreements.
- (c) Mr. CF Tao and Mr. Paul Tao have beneficial interest in SNHTL. The sale of the investment was based on the terms mutually agreed between both parties in the ordinary course of the business. The consideration was determined at the original capital injection made by the Group. The charge on expenses by this related company was in accordance with the terms of the underlying agreements.
- (d) Mr. CF Tao, Mr. Richard Tao and Mr. Paul Tao have beneficial interests in B.T. Shipping, HY Automotive Holdings Limited and Fontwell Holdings Limited. The assignment of chattels from B.T. Shipping was based on the terms mutually agreed between both parties in the ordinary course of business. The charges by these related companies were in accordance with the terms of the underlying agreements.
- (e) The rental expense to Mr. Richard Tao, and rental income from a related company, in which Mr. Richard Tao and Mr. Paul Tao are common directors, were in accordance with the terms of the underlying agreements.

33. Commitments and Operating Lease Arrangements

(a) Capital commitments

- (i) Capital commitments in respect of properties held under development of the Group
- (ii) Attributable share of associate capital commitments in respect of acquisition of properties, plant and equipment

	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Contracted but not provided for 已簽約惟未撥備	84,908	887
Authorised but not contracted for 已授權惟未簽約	—	64,906
	84,908	65,793

	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Contracted but not provided for 已簽約惟未撥備	6,355	—

32. 關連人士交易 (續)

- (a) 出售物業乃根據訂約雙方共同協定的條款中售出。
- (b) 手續費乃按租金總收入10%比率收取。董事及董事近親乃根據相關協議的條款收取費用。
- (c) 陶哲甫先生及陶錫祺先生於新繼園林綠化中擁有實益權益。該項投資乃根據訂約雙方共同協定的條款於慣常商業過程中售出。該代價乃按本集團原定注入的股款資本釐定。該等關連公司乃根據相關協議的條款收取費用。
- (d) 陶哲甫先生、陶家祈先生及陶錫祺先生分別於海祥船務、HY Automotive Holdings Limited及Fontwell Holdings Limited中擁有實益權益。海洋船務轉讓動產乃根據訂約雙方於日常業務過程中共同協定的條款進行。該等關連公司乃根據相關協議的條款收取費用。
- (e) 支付予陶家祈先生所收取的租金開支及向該關連公司(陶家祈先生及陶錫祺先生為共同董事)收取的租金收入均按相關協議的條款作出。

33. 承擔及經營租賃安排

(a) 資本承擔

- (i) 本集團有關持有發展中物業的資本承擔
- (ii) 應佔聯營公司就收購物業、廠房及設備之資本承擔之部份

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33. Commitments and Operating Lease Arrangements (Cont'd)

(b) Future operating lease arrangements

- (i) The Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Not later than one year	不超過一年	1,442	922
Later than one year and not later than five years	一年後及不超過五年	1,385	2,057
Later than five years	五年後	—	11
		2,827	2,990

The Group leases out its investment properties (note 13) under operating lease arrangements which run for initial periods of less than one year to five years or expire at dates are mutually agreed between the Group and the respective tenants, without an option to renew the lease terms at the expiry date. The terms of the leases generally also require the tenants to pay security deposits.

- (ii) The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Not later than one year	不超過一年	1,240	309
Later than one year and not later than five years	一年後及不超過五年	79	284
		1,319	593

- (iii) The Group leases a number of properties under operating lease arrangements which run for initial periods of two years or expire at dates as mutually agreed between the Group and the respective landlords, without an option to renew the lease terms at the expiry date. At 31 December 2005, the Group leased a number of properties from related parties, the future aggregate minimum lease payments not later than one year is amounted to HK\$315,000.

During the year, no contingent rentals receivable and payable was available to be recognised by the Group.

33. 承擔及經營租賃安排 (續)

(b) 未來經營租賃安排

- (i) 本集團根據不可撤銷經營租約應收取的未來最低租金總額如下：

	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Not later than one year	1,442	922
Later than one year and not later than five years	1,385	2,057
Later than five years	—	11
	2,827	2,990

本集團根據經營租賃安排租出其投資物業(附註13)，初步為期少於一年至五年或按本集團與相關租客共同協定日期屆滿，並無於屆滿日更新租期的選擇權。租約條款一般亦規定租客支付保證按金。

- (ii) 本集團根據不可撤銷經營租約應支付的未來最低租金費用總額如下：

	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Not later than one year	1,240	309
Later than one year and not later than five years	79	284
	1,319	593

- (iii) 本集團根據經營租賃安排租賃多項物業，初步為期兩年或按本集團與相關業主共同協定日期屆滿，並無於屆滿日更新租期的選擇權。於二零零五年十二月三十一日，由於本集團向關連人士租賃多項物業，故不超過一年的未來最低租金費用總額合共315,000港元。

年內，可供本集團確認並無任何應收及應付或然租金。

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34. Contingent Liabilities

Corporate guarantee was granted by the Company to banker for bank overdraft facility amounted to HK\$30,000,000 granted to a subsidiary of the Company (note 23(a)). This bank overdraft facility is subject to the bank's annual review and, in the opinion of the directors, the probability that the guarantee being called upon is not probable. As at 31 December 2005, approximately HK\$20,152,000 of the bank overdraft facility was drawn down by the Group.

35. Financial Risk Management Policies And Objectives

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to market risk, including principally changes in interest rates and currency exchange rates. Generally, the Group employs a conservative strategy regarding its risk management. As the directors of the Company consider that the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

The financial assets of the Group comprise primarily other receivables, amounts due from related parties and cash and bank balances (including pledged bank deposits). The financial liabilities of the Group comprise account and other payables, accruals, deposits received, amounts due to related parties and borrowings.

(a) Interest rate risk

The Group has no significant interest-bearing assets. The Group's interest rate risk arises from long term borrowings. The interest rates and terms of repayment of the borrowings are disclosed in note 23.

(b) Foreign currency risk

The Group's exposure to risk resulting from changes in foreign currency exchange rates is minimal.

(c) Credit risk

The carrying amounts of other receivables and amounts due from related parties represent the Group's maximum exposure to credit risk in relation to its financial assets. The Group has no other significant concentration of credit risk. No other financial assets carry a significant exposure to credit risk.

(d) Fair value

The fair value of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity. The fair value of long-term borrowings is not disclosed because the carrying value is not materially different from the fair value.

34. 或然負債

本公司就一家銀行向本公司一家附屬公司授出 30,000,000 港元銀行透支而授出公司擔保 (附註 23(a))。該銀行透支須接受銀行的年度覆核。董事認為該擔保不可能被催收。於二零零五年十二月三十一日，本集團提取約 20,152,000 港元銀行透支。

35. 財務風險管理之政策及目的

本集團並無明文的風險管理政策及指引。然而，董事會會定期召開會議，分析及制訂措施以管理本集團承受的市場風險，主要包括利率及匯率變動。一般而言，本集團就其風險管理採納一套穩健策略。由於本公司董事認為，本集團所承受的市場風險持續處於最低水平，故本集團並無使用任何衍生工具或其他工具作對沖用途。本集團並無持有或發行任何衍生金融工具作買賣用途。

本集團的金融資產主要包括其他應收款項、關連人士欠款以及現金及銀行結存 (包括已抵押銀行存款)。本集團的金融負債包括應付款項及其他應付款項、應計費用、已收按金、結欠關連人士款項及借貸。

(a) 利率風險

本集團並無任何重大附息資產。本集團的利率風險由長期借貸產生。有關借貸的利率及還款期見附註 23 披露。

(b) 外匯風險

本集團因外幣匯率變動而承受的風險十分輕微。

(c) 信貸風險

其他應收款項及關連人士欠款的賬面值指本集團的金融資產所面臨的最高信貸風險。本集團並無其他過份集中的信貸風險，其他金融資產亦無任何重大信貸風險。

(d) 公允值

基於即時或短期內到期，本集團的流動金融資產及負債的公允值與其賬面值並無重大差異。由於長期借貸的賬面值與公允值並無重大差異，故並無披露有關公允值。

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36. Subsequent Events

On 10 January 2006, a subsidiary of the Company incorporated a wholly owned foreign enterprises in the PRC named Suzhou New Heritage Wuzhong Limited “蘇州新澤地產有限公司” with a registered capital of US\$6,500,000. Up to date of this report, the total capital injected to this subsidiary was US\$3,740,000. This subsidiary plans to engage in property and hotel development in Suzhou, PRC.

37. Approval of the Financial Statements

The financial statement were approved and authorised for issued by the directors on 3 April 2006.

36. 結算日後事項

於二零零六年一月十日，本公司的附屬公司在中國註冊成立一間全資外資企業蘇州新澤地產有限公司，註冊資本為6,500,000美元。截至本報告日期，注入該附屬公司的資本總額為3,740,000美元。該附屬公司擬於中國蘇州從事物業及酒店發展業務。

37. 批准財務報表

財務報表已於二零零六年四月三日獲董事批准並授權刊發。

GROUP FINANCIAL SUMMARY

集團財務概要

Consolidated Income Statement

綜合收益表

		For the year ended 31 December 截至十二月三十一日止年度			
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Revenue	收入	149,089	197,710	68,121	144,638
Profit from operations	經營盈利	80,199	49,270	21,968	26,155
Finance costs	融資成本	(3,219)	—	(2,565)	(8,278)
Share of profits of an associate	分佔一家聯營公司盈利	8,018	—	—	—
Profit before taxation	除稅前盈利	84,998	49,270	19,403	17,877
Taxation	稅項	(26,086)	(16,195)	(46)	—
Net profit attributable to the shareholders	股東應佔純利	58,912	33,075	19,357	17,877
Net profit attributable to equity holders of the Company	本公司權益持有人應佔純利	55,934	31,389	18,470	16,811

Consolidated Balance Sheet

綜合資產負債表

		As at 31 December 於十二月三十一日			
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Non-current assets	非流動資產	248,987	90,726	100,657	136,597
Current assets	流動資產	243,248	115,896	162,578	61,230
Current liabilities	流動負債	(122,038)	(115,472)	(204,859)	(158,538)
Non-current liabilities	非流動負債	(30,012)	(89,251)	(89,251)	(89,251)
Minority interests	少數股東權益	(7,976)	(4,998)	(3,326)	(2,453)
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔股本及儲備	332,209	(3,099)	(34,201)	(52,415)



LIST OF PRINCIPAL PROPERTIES

主要物業

1. Investment Properties 投資物業

Properties 物業	Interest attributable to the Group 集團所佔權益	Approximate Total Gross Floor Area (sq.m) 總建築面積約 (平方米)	Type 類別	Lease Term 租期
The whole shopping arcade of Suzhou Garden Villa Phase I, 98 Shi Shan Road, New District, Suzhou, Jiangsu Province, the PRC 中國江蘇省蘇州市新區獅山路98號錦華苑一期整幢購物商場	95%	9,500	Commercial 商業	70 years from 19 October 1992 to 18 October 2062 由一九九二年十月十九日至二零六二年十月十八日，為期七十年
Flats 1A and 1B on Level 1 of Jin Xiu Tower and Flat 1B on Level 1 of Jin Hua Tower, Suzhou Garden Villa Phase I, 98 Shi Shan Road, New District, Suzhou, Jiangsu Province, the PRC 中國江蘇省蘇州市新區獅山路98號錦華苑一期、錦綉樓一樓1A及1B及錦華樓一樓1B室	95%	330	Residential 住宅	70 years from 19 October 1992 to 18 October 2062 由一九九二年十月十九日至二零六二年十月十八日，為期七十年
Flat 1A on Level 1 of Jin Xing Tower and Flat 1A on Level 1 of Jin Guo Tower, Suzhou Garden Villa Phase 2, 98 Shi Shan Road, New District, Suzhou Province, the PRC 中國江蘇省蘇州市新區獅山路98號錦華苑二期錦興樓一樓1A室及錦國樓一樓1A室	95%	256	Residential 住宅	70 years from 19 October 1992 to 18 October 2062 由一九九二年十月十九日至二零六二年十月十八日，為期七十年

LIST OF PRINCIPAL PROPERTIES

主要物業

1. Investment Properties (Cont'd)

投資物業 (續)

Properties 物業	Interest attributable to the Group 集團所佔權益	Approximate Total Gross Floor Area (sq.m) 總建築面積約 (平方米)	Type 類別	Lease Term 租期
Flats 1B, 1D, 1E and 1F on Level 1 and Flats 2A and 2B on Level 2 of Jin An Tower, Flats 1B, 1D, 1E and 1F on Level 1, Flats 2A and 2B on Level 2 and Flat 4A on Level 4 of Jin Bon Tower, Suzhou Garden Villa Phase 3, 98 Shi Shan Road, New District, Suzhou, Jinagsu Province, the PRC 中國江蘇省蘇州市新區獅山路98號錦華苑三期錦安樓一樓1B、1D、1E及1F室、二樓2A及2B室錦邦樓一樓1B、1D、1E及1F室、二樓2A及2B室及四樓4A室	95%	2,120.27	Residential 住宅	70 years to expire on 18 October 2061 二零六一年十月十八日期滿，為期七十年
Shops on Level 1, 2, 3 of Block 11, Suzhou Garden Court, 1333 Bin He Road, New District, Suzhou, Jiangsu Province, the PRC 中國江蘇省蘇州市新區濱河路1333號錦麗苑11座一樓，二樓及三樓多間商舖	95%	4440.12 (plus basement of approximately 438.22 sq.m) 4440.12 (另加地庫約438.22 平方米)	Commercial 商業	70 years from 16 January 1995 to 15 January 2065 由一九九五年一月十六日至二零六五年一月十五日為期七十年
Beijing Landmark Towers, 8 East 3rd Ring North Road, Chaoyang District, Beijing, the PRC 中國北京市朝陽區東三環北路8號北京亮馬河大廈	30.05%	Hotel (15,504sq.m) Office (50,768 sq.m) Shops (22,663 sq.m) Service Apartment (15,504 sq.m) Basements (25,705 sq.m) 酒店 (15,504 平方米) 辦公室 (50,768 平方米) 商舖 (22,663 平方米) 服務式公寓 (15,504 平方米) 地庫 (25,705 平方米)	Hotel/Office 酒店／辦公室	The land use rights of the property have been vested to Beijing Landmark Beijing Towers Co., Ltd. by allocation for a term from 30 January 1986 to 7 October 2020 該物業的土地使用權已按劃撥方式授予北京亮馬河大廈有限公司，年期由一九八六年一月三十日起至二零二零年十月七日屆滿



LIST OF PRINCIPAL PROPERTIES 主要物業

2. Properties held for sale 待售物業

Properties 物業	Interest attributable to the Group 集團所佔權益	Approximate Total Gross Floor Area (sq.m) 總建築面積約 (平方米)	Type 類別	Lease Term 租期
Villa J101 and Flat 1A on Level 1 of Jin Hua Tower, Suzhou Garden Villa Phase 1, 98 Shi Shan Road, New District, Suzhou, Jiangsu Province, the PRC 中國江蘇省蘇州市新區獅山路 98號錦華苑一期第J101號別墅及 錦華樓一樓1A室	95%	380	Residential 住宅	70 years from 19 October 1992 to 18 October 2062 由一九九二年十月十九日 至二零六二年十月十八日 為期七十年
Flat 16C on Level 16, Jin Guo Tower, Suzhou Garden Villa Phase 2, 98 Shi Shan Road, New District, Suzhou, Jiangsu Province, the PRC 中國江蘇省蘇州市新區獅山路 98號錦華苑二期 錦國樓16樓16C室	95%	157	Residential 住宅	70 years from 19 October 1992 to 18 October 2062 由一九九二年十月十九日 至二零六二年十月十八日 為期七十年
Flat 302 on Level 3 of Block 6 Suzhou Garden Court, 1333 Bin He Road, New District, Suzhou, Jiangsu Province, the PRC 中國江蘇省蘇州市新區濱河路1333號 錦麗苑第六座三樓302室	95%	144.33	Residential 住宅	70 years to expire on 15 January 2065 二零六五年一月十五日 期滿，為期七十年

LIST OF PRINCIPAL PROPERTIES

主要物業

3. Properties held under development 發展中物業

Properties	Interest attributable to the Group	Approximate Total Site Area (sq.m)	Approximate Total Gross Floor Area (sq.m)	Type	Estimated Date of Completion	State of Completion
物業	集團所佔權益	總地盤面積約 (平方米)	總建築面積約 (平方米)	類別	估計建成日期	進展狀況
Suzhou Garden Towers, 100 Shi Shan Road, New District, Suzhou, Jiangsu Province, the PRC 中國 江蘇省 蘇州市新區 獅山路100號 錦昌苑	95%	7,584.83	40,355	Residential/ Commercial 住宅／商業	September 2006 二零零六年九月	Construction in Progress 施工中
A residential/commercial land situated at south side of Nanxijiang Road and east side of Mingxi Road, Wuzhong District, Suzhou, Jiangsu Province, the PRC 中國江蘇省蘇州市 吳中區南溪江路南側及明溪路東側的一幅商住用地	100%	41,579	62,073.3	Residential/ Commercial 住宅／商業	November 2007 二零零七年十一月	Planning in Progress 計劃中



新澤控股有限公司 New Heritage Holdings Ltd.

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

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