



PREMIUM LAND LIMITED
(上海策略置地有限公司)*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)
(Stock Code 股份代號 : 164)

Annual Report 2006 年報



** For identification only*
僅供識別

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BOARD OF DIRECTORS

Executive Directors:

Dong Bo, Frederic (*Chairman*)

Gao Feng

Ma Kwok Hung, Warren

Independent Non-executive Directors:

Wong Hoi Kuen, Edmund

Pang Haiou

Zuo Guang

Chan Chi Yuen

Chow Siu Ngor

AUDIT COMMITTEE

Wong Hoi Kuen, Edmund (*Chairman*)

Pang Haiou

Zuo Guang

Chan Chi Yuen

Chow Siu Ngor

REUNERATION COMMITTEE

Chan Chi Yuen (*Chairman*)

Wong Hoi Kuen, Edmund

Chow Siu Ngor

QUALIFIED ACCOUNTANT

Cheung Yu Shum, Jenkin

COMPANY SECRETARY

Lo Kwok Hung, John

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited

Wing Hang Bank, Limited

SOLICITORS

Hong Kong:

Preston Gates & Ellis

35th Floor

Two International Finance Centre

8 Finance Street

Hong Kong

Bermuda:

Conyers Dill & Pearman

2901 One Exchange Square

8 Connaught Place

Central

Hong Kong

董事會

執行董事：

董波（主席）

高峰

馬國雄

獨立非執行董事：

黃海權

龐海歐

左廣

陳志遠

鄒小岳

審核委員會

黃海權（主席）

龐海歐

左廣

陳志遠

鄒小岳

薪酬委員會

陳志遠（主席）

黃海權

鄒小岳

合資格會計師

張如深

公司秘書

盧國雄

主要往來銀行

星展銀行（香港）有限公司

永亨銀行有限公司

律師

香港：

普蓋茨律師事務所

香港

金融街8號

國際金融中心二期

35樓

百慕達：

Conyers Dill & Pearman

香港

中環

康樂廣場8號

交易廣場1期2901室

AUDITORS

Ting Ho Kwan & Chan
Certified Public Accountants
9th Floor, Tung Ning Building
249-253 Dex Voeux Road Central
Hong Kong

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton
HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2203, 22/F., Sino Plaza
255-257 Gloucester Road
Causeway Bay
Hong Kong

PRINCIPAL REGISTRARS

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

BRANCH REGISTRARS IN HONG KONG

Secretaries Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

核數師

丁何關陳會計師行
執業會計師
香港
德輔道中249-253號
東寧大廈9字樓

註冊辦事處

Clarendon House
Church Street
Hamilton
HM11
Bermuda

香港主要營業地點

香港
銅鑼灣
告士打道255-257號
信和廣場22樓2203室

主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

香港股份過戶登記處分處

秘書商業服務有限公司
香港
皇后大道東28號
金鐘匯中心26樓

FINANCIAL REVIEW

For the year ended 31st March, 2006, the Group recorded a turnover of HK\$33,273,000 (2005: HK\$95,364,000), representing a decrease of 65.1% when compared to the previous year. The decrease in turnover was mainly due to less trading in securities and building materials as well as low property sales. Loss attributable to the shareholders amounted to HK\$26,438,000, representing a decrease in loss of approximately 78% as compared with HK\$121,158,000 for the last year. Loss per share was HK7.6 cents (2005: HK50.2 cents). The decrease in loss attributable to shareholders was mainly due to the net unrealised gain on other financial assets at fair value through profit or loss amounted to HK\$48,613,000. While the effect was partial offset by provision of impairment loss on available-for-sale financial assets, due from an associate and loss on disposal of subsidiaries of approximately total HK\$50,789,000. In last year, the Group made an impairment loss of approximately HK\$241,000,000 in respect of the operation of toll highway and investment securities.

As at 31st March, 2006, the total assets and net assets of the Group were HK\$391,979,000 (2005: HK\$423,184,000) and HK\$220,385,000 (2005: HK\$231,043,000) respectively.

BUSINESS REVIEW

The Group is principally engaged in securities trading and investments, property development and sales, trading of building materials and provision of renovation services and operation of toll highway.

During the year under review, rising interest rates and soaring oil prices have dampened sentiment in the property and stock market. The Board was conservative in investment strategies and it resulted in decrease in securities trading and investment. The business in trading of building materials and renovation services was adversely affected by fierce competition in the industry.

SEGMENT RESULTS

For securities trading and investment, segment turnover decreased by 63% to HK\$23,543,000 (2005: HK\$63,638,000) and segment result recorded profit of HK\$1,310,000 (2005: loss of HK\$38,025,000) that mainly contributed by the net unrealised gain on other financial assets at fair value through profit or loss.

For trading of building materials and renovation services, segment turnover decreased by 52.4% to HK\$9,667,000 (2005: HK\$20,306,000). Segment loss amounted to HK\$3,373,000 (2005: HK\$5,671,000) representing a decrease of 41%.

財務回顧

截至二零零六年三月三十一日止年度，本集團錄得營業額為33,273,000港元（二零零五年：95,364,000港元），較去年下降65.1%。營業額下降上要由於證券及建築材料買賣減少，加上物業銷售下降所致。股東應佔虧損為26,438,000港元，較去年121,158,000港元減少虧損約78%。每股虧損為7.6港仙（二零零五年：50.2港仙）。股東應佔虧損下降主要由於按公平值計入損益之金融資產之未變現收益淨額為48,613,000港元。儘管可出售金融資產減值虧損之撥備可抵銷部份影響，惟應收聯營公司款項及出售附屬公司虧損合共約達50,789,000港元。去年，本集團就收費公路營運及投資證券作出之減值虧損約為241,000,000港元。

於二零零六年三月三十一日，本集團之資產總值及資產淨值分別為391,979,000港元（二零零五年：423,184,000港元）及220,385,000港元（二零零五年：231,043,000港元）。

業務回顧

本集團主要從事證券買賣及投資、物業發展及銷售、建築材料貿易及提供裝修服務以及收費公路營運。

於回顧年度，利率攀升及原油價格高企令物業及股票市場氣氛受挫。董事會對投資策略持保守態度，導致證券買賣及投資減少。建築材料貿易及裝修服務之業務因行內競爭劇烈而受到不利影響。

分類業績

證券買賣及投資之分類營業額下降63%至23,543,000港元（二零零五年：63,638,000港元）而分類業績則錄得溢利1,310,000港元（二零零五年：虧損38,025,000港元），主要由按公平值計入損益之其他金融資產未變現收益淨額導致。

建築材料貿易及裝修服務之分類營業額為9,667,000港元，較去年下降52.4%（二零零五年：20,306,000港元）。分類虧損3,373,000港元（二零零五年：5,671,000港元），下降41%。

For property development and sales, segment turnover decreased by 91.1% to HK\$22,000 (2005: HK\$246,000) and segment loss amounted to HK\$1,853,000 (2005: profit of HK\$8,796,000). The profit for last year was mainly contributed by a bad debt written back.

For the operation of toll highway, as explained in note 2 to the financial statements, due to the lack of co-operation of the management of 杭州恆運交通開發有限公司 (the "HZHY"), the book and records of HZHY after February 2005 are not available. As a result, the consolidated income statement of the Company for the current year has not incorporated the results of HZHY for the year ended 31st March, 2006. In addition, the consolidated balance sheet of the Company as at 31st March, 2006 has only incorporated the balance sheet of HZHY up to 28th February, 2005.

PROSPECT

The austerity measures introduced by the PRC Government recently had "cool down" effect on the overheated property market in various cities such as Shanghai, Beijing and Shenzhen. However, it also represents great opportunities to further participate into the market. The economic growth and urbanization in the PRC are expected to sustain, in the light of upcoming Olympic Games in 2008 and the World Expo in 2010. The Group maintains an optimistic outlook for businesses in the PRC and continues its efforts to improve the business by actively looking for any potential investment opportunities that can benefit the Group's earning and assets base with focus on mid-to-long term property investment in Mainland China.

LITIGATION

In July 2005, the Company was notified by the Hong Kong Companies Registry that the annual return of Gold United International Industries Limited ("Gold United"), a non-wholly owned subsidiary of the Company, filed in May 2005 contained information, including members and directors of Gold United, which are incorrect and significantly different from the original annual return that are presented by the Group on 29th April, 2005.

On 13th July, 2005, the Company filed a writ against certain persons (the "Defendants") seeking, amongst others, declarations by the court to effect that Winsky Management Limited, a wholly owned subsidiary of the Company, is the beneficial owner of 51% of the issued share capital of Gold United. The Defendants were the people, which purportedly filed the false information to the Hong Kong Companies Registry and/or identified as members and directors in the May Annual Return. Gold United is an investments holding company, which has an 80% direct interest in 杭州恆運交通開發有限公司, which is engaged in the operation of a highway in the PRC.

物業發展及銷售之分類營業額為22,000港元(二零零五年:246,000港元),較去年下降91.1%,而分類虧損則達1,853,000港元(二零零五年:溢利8,796,000港元)。往年之溢利主要來自壞賬撥回。

收費公路營運方面,如財務報表附註2所解釋,基於杭州恆運交通開發有限公司(「杭州恆運」)管理層之間缺乏合作,故於二零零五年二月後無法取得杭州恆運之賬冊及記錄。故此,本公司於本年度之綜合收益表並無於記錄杭州恆運截至二零零六年三月三十一日止年度之業績。此外,本公司於二零零六年三月三十一日之綜合資產負債表只包括杭州恆運截至二零零五年二月二十八日之資產負債表。

前景

中國政府實施之宏觀經濟調控政策最近抑制了若干城市過熱之物業市場如上海、北京及深圳。然而,此亦代表進一步參與市場之機會。中國之經濟發展及城市化乃預期持續,歸因於即將來臨之二零零八年奧運會及二零一零年世界博覽會。本集團對於中國之業務持樂觀態度並會繼續集中於中國陸中至長期之物業投資,並透過主動尋找於本集團收益及資產基礎具利益之潛在投資機會以致力改善其業務。

訴訟

於二零零五年七月,香港公司註冊處通知本公司,本公司非全資附屬公司金聯國際實業有限公司(「金聯」)於二零零五年五月呈交存案之週年申報表(「五月週年申報表」)載有若干不正確資料,其中包括有關金聯股東及董事之資料,該等資料與本集團於二零零五年四月二十九日所呈交原先週年申報表有重大差異。

於二零零五年七月十三日,本公司向若干人士(「被告人」)發出令狀,要求(其中包括)法院宣佈本公司全資附屬公司Winsky Management Limited為金聯已發行股本51%權益之實益擁有人。被告人為據稱向香港公司註冊處呈交錯誤資料及/或於五月週年申報表聲稱為股東及董事之人士。金聯為投資控股公司,直接擁有杭州恆運交通開發有限公司80%權益,該公司在中國從事經營高速公路業務。

Details of the above are set out in the announcement of the Company dated 13th July, 2005. As at date of the annual report, the legal action is still proceeding, and there is no significant development.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2006, the Group had cash at bank and in hand totaled approximately HK\$8,517,000 (2005: HK\$48,617,000). Last year cash at bank and in hand balance include pledged bank deposit of HK\$5,041,000 (2006: nil). The decrease in cash at bank and in hand was mainly due to the repayment of loan during the year. The net asset value of approximately HK\$220,385,000 (2005: HK\$231,043,000 as restated). Interest-bearing bank loans and other bank borrowings at 31st March, 2006 amounted to HK\$86,231,000 (2005: HK\$106,828,000) which were repayable within one year (2005: HK\$104,491,000). The gearing ratio, being the ratio of total bank loans and other borrowings of approximately HK\$86,231,000 to shareholders' fund of approximately HK\$210,244,000 was about 0.41 (2005: 0.49). The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 172% (2005:142%).

Taking into account the financial resources available to the Group including internally generated funds and available facilities, the Group has sufficient working capital to meet its present requirements.

CONTINGENT LIABILITIES

As at 31st March, 2006, the Company had no significant contingent liabilities (2005: HK\$7,650,000).

CAPITAL STRUCTURE

On 6th April, 2005, the Company has undertaken a capital reorganization (the "Capital Reorganization"). Pursuant to the Capital Reorganization, (i) every 20 issued shares of HK\$0.01 each in the share capital of the Company were consolidated into 1 issued share of HK\$0.20 each (the "Consolidated Share"); (ii) the issued share capital of the Company was reduced by canceling paid-up capital to the extent of HK\$0.19 on each Consolidated Share in issue so that each Consolidated Share be treated as one fully-paid up share of HK\$0.01 each in the capital of the Company (the "Capital Reduction"); and (iii) the entire credit amount arising from the Capital Reduction be applied to the contributed surplus account of the Company. Details of the Capital Reorganization are set out in the circular of the Company dated 14th March, 2005. The Capital Reorganization became effective on 7th April, 2005.

上述事項之詳情載於本公司日期為二零零五年七月十三日之公佈。於本年報日期，此法律行動仍在處理中且並無重要發展。

流動資金及財務資源

於二零零六年三月三十一日，本集團有銀行及手頭現金合共約8,517,000港元（二零零五年：48,617,000港元）。去年銀行及手頭現金包括已抵押銀行存款5,041,000港元（二零零六年：無）。銀行及手頭現金下降主要由於年內償還貸款導致。資產價值淨額約為220,385,000港元（二零零五年：231,043,000港元，經重列）。於二零零六年三月三十一日，計息銀行貸款及其他銀行借貸為86,231,000港元（二零零五年：106,828,000港元），並須於一年內償還（二零零五年：104,491,000港元）。資產負債比率（即銀行貸款及其他借貸總額約86,231,000港元相對股東資金約210,244,000港元之比率）約為0.41（二零零五年：0.49）。本集團流動資金比率，以流動負債除以流動資產呈列，為172%（二零零五年：142%）。

經考慮本集團可供動用之財務資源（包括內部產生之資金及可動用之銀行融資）後，本集團具備充裕營運資本以應付其現時所需金額。

或然負債

於二零零六年三月三十一日，本公司並無重要或然負債。（二零零五年：7,650,000港元）。

資本結構

於二零零五年四月六日，本公司進行了一項股本重組（「股本重組」）。根據股本重組，(i)於本公司股本內每20股每股面值0.01港元之已發行股份，合併為1股每股面值0.20港元之已發行股份（「合併股份」）；(ii)本公司透過註銷每股已發行合併股份繳入股本每股0.19港元，致令每股合併股份被視作本公司股本內一股每股面值0.01港元之繳入股份（「削減股本」）；及(iii)削減股本產生之全部進賬金額撥至繳入盈餘賬。股本重組之詳情列載於本公司日期為二零零五年三月十四日之通函中。股本重組於二零零五年四月七日生效。

Details of movements in the share capital of the Company during the year are set out in Note 30 to the financial statements

STAFF

As at 31st March, 2006, the Group employed 145 employees (2005: 151). Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are reviewed annually based on performance appraisal and other relevant factors. Staff benefits plans maintained by the Group include medical insurance, hospitalization scheme, mandatory provident fund and share option scheme.

Employees in the PRC are remunerated according to the prevailing market conditions in the locations of their employments.

CHANGE OF AUDITORS

As announced by the Company on 8th June, 2006, the Company appointed Ting Ho Kwan & Chan as its auditors to fill the casual vacancy arising from the resignation of Messrs Deloitte Touche Tohmatsu effective 7th June, 2006. A resolution for the appointment of new auditors was passed at the special general meeting of the Company on 27th June, 2006.

CORPORATE GOVERNANCE

The Corporate Governance Report is included in the Group's annual report for the year ended 31st March, 2006.

The Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as promulgated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") came into effect for accounting periods commencing on 1st January, 2005 (save for the provisions on internal controls which came into effect for accounting periods commencing from 1st July, 2005 onwards).

Good corporate governance has always been recognized as vital to the Group's success and to sustain development of the Group. We commit ourselves to a high standard of corporate governance and have devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company's needs.

The Company has put in place corporate governance practices to meet the code provisions that are considered to be relevant to the Group and has complied with all most of the code provisions save for certain deviations from the code provisions, details of which will be explained in the relevant paragraphs in the Corporate Governance. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

年內本公司之股本變動詳情列載於財務報表附註30。

員工

於二零零六年三月三十一日，本集團聘用145名（二零零五年：151名）員工。薪酬待遇一般參考市場條款及個人表現釐定。薪金會每年根據表現評估及按其他有關因素審閱。本集團推行之員工福利計劃包括醫療保險、住院計劃、強制性公積金及購股權計劃。

中國員工之薪酬待遇參考聘用地區之現行市況釐定。

更換核數師

本公司於二零零六年六月八日公佈，本公司委任丁何關陳會計師行為其核數師以填補德勤•關黃陳方會計師行於二零零六年六月七日生效之辭任所產生之臨時空缺。委任新任核數師之議案於二零零六年六月二十七日本公司之股東特別大會中通過。

企業管治

企業管治報告已列載於本集團截至二零零六年三月三十一日止年度之年報。

由香港聯合交易所有限公司（「聯交所」）頒佈之香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14項下企業管治常規守則（「企管守則」）於二零零五年一月一日始之會計期間生效（不包括於二零零五年七月一日或之後始之會計期間生效之內部監控條文）。

本集團一直認為良好之企業管治乃本集團成功及持續發展之關鍵。我們致力維持高水平之企業管治並盡最大努力找出及制定適合本公司業務需要之企業管治守則。

本公司已實施企業管治常規，以符合與本集團相關之守則條文，除若干偏離守則條文，並將於企業管治相關段落解釋之詳情外，本公司已遵守大部份之守則條文。本公司定期檢討其企業管治守則以確保彼等能持續符合企管守則之規定。

AUDIT COMMITTEE

The audit committee, comprising of five independent non-executive directors, has reviewed with the management and the Company's external auditors the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting process including the review of the financial statements for the year ended 31st March, 2006.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to shareholders, customers, suppliers, bankers and professional advisors for their support of the Company over the past year and to sincerely thank the staff for their ongoing dedication and diligence.

On behalf of the Board

Dong Bo, Frederic
Chairman

Hong Kong, 27th July, 2006

審核委員會

由五名獨立非執行董事組成之審核委員會已聯同管理層及本公司外部核數師審閱本集團所採納之會計原則和慣例，以及討論核數、內部監控及財務申報程序，包括審閱截至二零零六年三月三十一日止年度之財務報表。

董事進行證券交易之標準守則

本公司已採納有關董事進行證券交易之守則，其條款不寬鬆於上市規則附錄10所載規定標準。經具體查詢全體董事後，全體董事確認彼等已遵守標準守則所載規定標準及本公司所採納有關董事進行證券交易之操守守則。

購買、出售及贖回本公司之上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

致謝

本人謹代表董事會，就各股東、客戶、供應商、往來銀行及專業顧問去年對本公司之鼎力支持衷心致謝，亦對各員工努力不懈及盡心盡力深表謝意。

代表董事會

主席
董波

香港，二零零六年七月二十七日

EXECUTIVE DIRECTORS:

Mr. Dong Bo, Frederic, aged 40, Mr. Dong studied in Ireland. He has more than 10 years of extensive management experience in The People's Republic of China. He joined the Company in 26th October, 2001.

Mr. Gao Feng, aged 36, has over 10 years of experience in property development, project management, construction project and investments, in particular in the Peoples Republic of China. He joined the Company in 14th February, 2006.

Mr. Ma Kwok Hung, Warren, aged 49, has over 20 years of accounting experience and 7 years as an executive director and company secretary of a Hong Kong listed company. He is an associate member of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He joined the Company in 24 July 2006.

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Wong Hoi Kuen, Edmund, aged 45, is a Practising Certified Public Accountants in Hong Kong and a Chartered Accountant in the United Kingdom. Mr. Wong holds senior member of the accountancy professions include: Fellow, The Hong Kong Institute of Certified Public Accountants; Fellow, Association of Certified Public Accountants; and Associate, the Institute of Certified Accountants in England and Wales in the United Kingdom. He was appointed as the Independent Non-executive Directors on 13th February, 2006.

Mr. Pang Haiou, aged 32, Mr. Pang graduated from Peking University in 1997 in laws. He joined the Company in 12th March, 2004 as an independent non-executive director.

Mr. Zuo Guang, aged 32, is an independent non-executive director of the Company. He acts as directors of an investment company in China. He joined the Company in 16th January, 2004.

執行董事:

董波先生，40歲，董先生曾於愛爾蘭求學。彼於中華人民共和國積逾10年之豐富管理經驗。彼於二零零一年十月二十六日加入本公司。

高峰先生，36歲，從事物業發展、項目管理、建築工程及投資逾10年，尤其熟悉中華人民共和國之情況。彼於二零零六年二月十四日加入本公司。

馬國雄先生，49歲，擁有超過20年會計經驗，並於一家香港上市公司擔任執行董事兼公司秘書7年。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。彼於二零零六年七月二十四日加入本公司。

獨立非執行董事:

黃海權先生，45歲，為香港執業會計師及英國特許會計師。黃先生為資深會計業人士，乃香港會計師公會及英國特許公認會計師公會資深會員以及英格蘭及威爾斯特許公認會計師公會會員。彼於二零零六年二月十三日獲委任為獨立非執行董事。

龐海歐先生，32歲。龐先生於一九九七年畢業於北京大學，專修法律。彼於二零零四年三月十二日獲委任為獨立非執行董事。

左廣先生，32歲，為本公司獨立非執行董事。左先生為中國一間投資公司之董事。彼於二零零四年一月十六日加入本公司。

Mr. Chan Chi Yuen, aged 40, holds a bachelor degree in Business Administration and is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Mr. Chan is certified public accountant. Mr. Chan has extensive experience in accounting, taxation, financial management, corporate finance and corporate governance. Mr. Chan was an independent non-executive director of Golden Resorts Group Limited from 17th September, 2004 to 28th October, 2005 and is currently an executive director of New Times Group Holdings Limited and A-Max Holdings Limited, an independent non-executive director of China Sciences Conservational Power Limited and Town Health Medical Technology Holdings Company Limited, companies whose shares are listed on the Stock Exchange. He joined the Company on 30th April, 2006.

Mr. Chow Siu Ngor, aged 51, is a practicing solicitor in Hong Kong. Mr. Chow graduated from the Chinese University of Hong Kong in 1981 with an honors degree in Social Science. He then obtained an honors degree in Laws from the University of Birmingham in 1987. Mr. Chow was admitted as a solicitor of the Supreme Court of Hong Kong in 1990 and has been in private practice since then. Currently, Mr. Chow is a Partner of Arculli Fong & Ng, Solicitors and Notaries of Hong Kong. Mr. Chow also serves as an independent non-executive director of four other listed companies in Hong Kong namely CCT Tech International Limited, eForce Holdings Limited, China Solar Energy Holdings Limited and REXCAPITAL Financial Holdings Limited respectively. Mr. Chow also served as an independent non-executive director of Kim Eng Holdings (Hong Kong) Limited, a listed company in Hong Kong from 2nd August, 2002 to 28th April, 2004. He joined the Company in 30th April, 2006.

SENIOR MANAGEMENT

Mr. Cheung Yu Shum, Jenkin, aged 46, Qualified Accountant, joined the Group in June 2005. Mr. Cheung is a member of the American Institute of Certified Public Accountants and has over 11 years experience in the financial and corporate management.

陳志遠先生，40歲，持有工商管理學士學位，並為香港會計師公會及英國特許公認會計師公會資深會員。陳先生為執業會計師，於會計、稅務、財務管理、企業融資及企業管治方面擁有豐富經驗。陳先生於二零零四年九月十七日至二零零五年十月二十八日期間為黃金集團有限公司之獨立非執行董事，現為聯交所上市公司新時代集團控股有限公司及奧瑪仕控股有限公司之執行董事、中科環保電力有限公司及康健醫科技控股有限公司之獨立非執行董事。彼於二零零六年四月三十日加入本公司。

鄧小岳先生，51歲，為香港執業律師。鄧先生於一九八一年在香港中文大學畢業，獲得社會科學榮譽學位。鄧先生其後於一九八七年取得伯明翰大學法律榮譽學位。彼於一九九零年獲錄取為香港最高法院律師，自此起已私人執業。目前，彼為夏佳理方和吳正和律師事務所之合夥人。鄧先生亦為另外四家香港上市公司中建科技國際有限公司、意科控股有限公司、華基光電能源控股有限公司及御泰金融控股有限公司之獨立非執行董事。鄧先生曾於二零零二年八月二日至二零零四年四月二十八日出任香港上市公司金英控股（香港）有限公司之獨立非執行董事。彼於二零零六年四月三十日加入本公司。

高級管理人員

張如深先生，46歲，為合資格會計師，於二零零五年六月加入本集團。張先生為美國執業會計師公會會員，在財務及企業管理方面擁有超過11年經驗。

The Board of Directors (“Board”) is pleased to present this Corporate Governance Report in the Group’s annual report for the year ended 31st March, 2006.

The Code on Corporate Governance Practices (“CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) as promulgated by The Stock Exchange of Hong Kong Limited (“Stock Exchange”) came into effect for accounting periods commencing on 1st January, 2005 (save for the provisions on internal controls which came into effect for accounting periods commencing from 1st July, 2005 onwards).

Good corporate governance has always been recognized as vital to the Group’s success and to sustain development of the Group. We commit ourselves to a high standard of corporate governance and have devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company’s needs.

The Company has put in place corporate governance practices to meet the Code Provisions that are considered to be relevant to the Group and has complied with all most of the Code Provisions save for certain deviations from the Code Provisions, details of which will be explained in the relevant paragraphs in this report. The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

董事會（「董事會」）欣然呈奉載於本集團截至二零零六年三月三十一日止年度年報之企業管治報告。

由香港聯合交易所有限公司（「聯交所」）頒佈之香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14項下企業管治常規守則（「企管守則」）於二零零五年一月一日始之會計期間生效（不包括於二零零五年七月一日或之後開始之會計期間生效之內部監控條文）。

本集團一直認為良好之企業管治乃本集團成功及持續發展之關鍵。我們致力維持高水平之企業管治並盡最大努力找出及制定適合本公司業務需要之企業管治守則。

本公司已實施企業管治常規，以符合與本集團相關之守則條文，除若干偏離守則條文，並將於此報告相關段落解釋之詳情外，本公司已遵守大部份之守則條文。本公司定期檢討其企業管治守則以確保彼等能持續符合企管守則之規定。

The key corporate governance principles and practices of the Company are summarised as follows:

THE BOARD

Responsibilities

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. In practice, the Board takes responsibility for decision making in all major matters of the Company including: the approval and monitoring of all policy matters, the setting of objectives and overall strategies, material transactions (in particular those may involve conflict of interests), appointment of directors and other significant financial and operational matters. The day-to-day management, administration and operation of the Company are delegated to the senior executives. Approval has to be obtained from the Board prior to any significant transactions entered into by these senior executives and the Board has the full support of them to discharge its responsibilities.

All directors have full and timely access to all relevant information as well as the advice and services of the professional advisers, as and when required, with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

Composition

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making.

The Company has met the recommended best practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive directors.

本公司之主要企業管治原則及常規概述如下：

董事會

職責

董事會負責領導及監控本公司以及監管本集團之業務、策略方針及表現，並透過指導及監督本公司事務，共同負責引領本公司邁向成功。實質上，董事會負責本公司所有主要事務之決策，包括：批准及監察所有政策事項、制定目標及整體策略、重大交易（尤其可能牽涉利益衝突之交易）、董事任命及其他重要財務及經營事項。本公司之日常管理、行政及經營事務乃委派予高級行政人員處理。此等高級行政人員於訂立任何重要交易前均須獲得董事會之批准，而董事會於履行其職責時亦獲彼等全力支持。

為確保董事會程序及所有適用規則及規例均獲得遵守，全體董事均有充足及適時之途徑取得一切有關資料及專業顧問之意見及服務。

每名董事一般可在適當情況下在向董事會提出要求尋求獨立專業意見，費用由本公司承擔。

組成

董事會之組成體現有效領導本公司及獨立決策具備各項適當所須技巧及經驗之平衡。

本公司已符合企管守則內有關董事會之建議最佳慣例，至少三分之一之董事會成員須為獨立非執行董事。

THE BOARD (Continued)**Composition** (Continued)

The Board of the Company as at the date of this report comprises the following directors:

Executive directors:

Mr. Dong Bo, Frederic (Chairman)
Mr. Gao Feng
Mr. Ma Kwok Hung, Warren

Independent non-executive directors:

Mr. Wong Hoi Kuen, Edmund (Chairman of Audit Committee & Member of Remuneration Committee)
Mr. Pang Haiou (Member of Audit Committee)
Mr. Zuo Guang (Member of Audit Committee)
Mr. Chan Chi Yuen (Member of Audit Committee & Chairman of Remuneration Committee)
Mr. Chow Siu Ngor (Member of Audit Committee & Member of Remuneration Committee)

All the independent non-executive directors are members of Audit Committee with Mr. Wong Hoi Kuen, Edmund acting as Chairman of the Audit Committee. There are three members in the Remuneration Committee who are all independent non-executive directors with Mr. Chan Chi Yuen acting as Chairman of Remuneration Committee. During the year ended 31st March, 2006, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

None of the members of the Board is related to one another.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

董事會 (續)**組成** (續)

本公司之董事會於本報告日期包括以下董事：

執行董事：

董波先生 (主席)
高峰先生
馬國雄先生

獨立非執行董事：

黃海權先生 (審核委員會主席及薪酬委員會成員)
龐海歐先生 (審核委員會成員)
左廣先生 (審核委員會成員)
陳志遠先生 (審核委員會成員及薪酬委員會主席)
鄒小岳先生 (審核委員會成員及薪酬委員會成員)

所有獨立非執行董事乃審核委員會成員，而黃海權先生為此委員會之主席。薪酬委員會之三名成員均為獨立非執行董事，並由陳志遠先生擔任主席一職。截至二零零六年三月三十一日止年度，董事會一直符合上市規則之要求，委任至少三名獨立非執行董事，而其中至少一名獨立非執行董事須具備適當專業資格，或會計或有關財務管理之專業知識。

董事名單 (按類別劃分) 亦會於本公司不時根據上市規則刊發之一切公司通訊中披露。

董事會成員彼此互相概無任何關連。

本公司已收到每名獨立非執行董事根據上市規則發出之年度獨立性確認書。根據上市規則所載之獨立指引，本公司認為所有獨立非執行董事均為獨立。

THE BOARD (Continued)**Appointment and Succession Planning of Directors**

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Bye-laws.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Save for Mr. Wong Hoi Kuen, Edmund, none of the independent non-executive directors is appointed for a specific term. Pursuant to the Company's Bye-laws, all directors of the Company, regardless of his/her term of appointment, if any, are subject to retirement by rotation at least once every three years. Whereas pursuant to the company's Private Act enacted in Bermuda, managing director of the company shall not be subject to retirement by rotation.

To conform with Code Provision A.4.2 of the CG Code and the Private Act which overrides the Bye-laws and Code Provision A.4.1, a special resolution will be proposed at the 2006 annual general meeting of the Company to amend the Company's Bye-laws so that any new director appointed to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting after his/her appointment and all directors including Chairman (save for Managing Director) shall be subject to retirement by rotation once every three years .

Though the Company has not set up a nomination committee, the Board reviewed its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

Where vacancies on the Board exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary.

董事會 (續)**董事之委任及連任計劃**

董事之委任、重選及罷免程序及過程乃列載於本公司之公司細則內。

守則條文第A.4.1條規定非執行董事須按指定任期委任，並須膺選連任。

守則條文第A.4.2條規定所有獲委任填補臨時空缺之董事須於獲委任後首次股東大會由股東選舉，而每名董事（包括按指定任期委任者）須至少每三年輪值退任一次。

除黃海權先生外，概無獨立非執行董事以指定任期委任。根據本公司之公司細則，本公司所有董事（不論彼之委任任期（如有））須至少每三年輪值退任一次。然而根據於百慕達頒佈之公司法例，公司之董事總經理毋須輪值退任。

為符合凌駕公司細則及守則條文A.4.1之企管守則條文A.4.2條及本公司法例，本公司二零零六年之股東週年大會將提呈特別決議案，以修訂本公司之公司細則，致使所有獲委任填補臨時空缺之董事須於委任後首次股東大會供股東選舉，而全體董事包括主席（不包括董事總經理）須至少每三年輪值退任一次。

縱使本公司並無成立提名委員會，然而董事會會定期檢討其架構、人數及組成，以確保適合本公司業務所須之專業知識、技能及經驗之間取得平衡。

倘董事會出現空缺，董事會將參照建議候選人之技能、經驗、專業知識、個人操守及時間承諾、本公司之需要及其他相關法定規定及法規執行甄選程序。必要時可委任外部招聘代理機構執行招聘及甄選程序。

THE BOARD *(Continued)***Appointment and Succession Planning of Directors** *(Continued)*

In accordance with the Company's Bye-laws, Mr. Gao Feng, executive director, and Mr. Wong Hoi Kuen, Edmund, independent non-executive director, having been appointed to the respective posts of director of the Company during the year, shall retire and being eligible, offer themselves for re-election at the 2006 annual general meeting. Mr. Dong Bo, Frederic, Chairman, shall retire by rotation and being eligible, offer himself for re-election at the 2006 annual general meeting. In addition, Mr. Ma Kwok Hung, Warren, executive director, and Messrs. Chan Chi Yuen and Chow Siu Ngor, independent non-executive directors, who were appointed to the respective posts of director of the Company after the financial year ended 31st March, 2006, shall also retire and being eligible, offer themselves for re-election at the 2006 annual general meeting. The Company's circular dated 31st July, 2006 contains detailed information of the directors standing for re-election.

The Board recommends the re-appointment of the directors standing for re-election at the 2006 annual general meeting of the Company.

Training for Directors

Each newly appointed director received comprehensive induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The directors have access to seek professional advice on legal and regulatory developments at the Company's expenses whenever feel necessary.

董事會 *(續)***董事之委任及連任計劃** *(續)*

根據本公司之公司細則，高峰先生（執行董事）及黃海權先生（獨立非執行董事）於本年度分別獲委任出任本公司董事，並須於二零零六年股東週年大會上退任，並符合資格且願膺選連任。董波先生（主席）須於二零零六年股東週年大會上輪值退任，並符合資格且願膺選連任。此外，馬國雄先生（執行董事）、陳志遠先生及鄧小岳先生（獨立非執行董事）於截至二零零六年三月三十一日止財政年度之後分別獲委任出任董事，均須於二零零六年股東週年大會上退任，並符合資格且願膺選連任。本公司於二零零六年七月三十一日之通函載有膺選連任之董事之資料。

董事會建議本公司於二零零六年股東週年大會上重新委任膺選連任之董事。

董事培訓

每名新任董事於其首次獲委任時收到全面之入職介紹，以確保彼能適當掌握本公司之業務及經營，並完全了解其根據上市規則及相關法規之職務與責任。

當董事認為必要，可在向董事會提出要求尋求法律及監管發展之專業意見，費用由本公司承擔。

THE BOARD *(Continued)***Remuneration of Directors**

Prior to the setting up of the remuneration committee on 20th July, 2006, the Board was responsible for reviewing the remuneration policy and packages of the directors and senior executives and made recommendations about their proposals to the Chairman which were determined by reference to the performance of the individuals and the Group and market practices and conditions on the basis of retaining and motivating executives to pursue the growth and development of the Group.

Board and Board Committee Meetings***Number of Meetings and Directors' Attendance***

Regular Board meetings should be held at least four times a year at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the year ended 31st March, 2006, 25 Board meetings (two of which are regular Board meetings) and two Audit Committee meetings were held.

董事會 *(續)***董事之薪酬**

於二零零六年七月二十日成立薪酬委員會前，董事會負責檢討董事及高級行政人員之薪酬政策及待遇，並向主席提交建議，按照個別員工之表現、本集團業績、市場慣例及市況釐定，務求挽留及獎勵行政人員繼續為本集團之增長及發展效力。

董事會及董事委員會會議**會議舉行次數及董事出席率**

常規董事會會議須最少每年舉行四次，約為每季舉行一次，以檢討及批准財務及業務表現，並考慮及批准本公司整體策略及政策。

截至二零零六年三月三十一日止年度，本公司曾舉行二十五次董事會會議（其中兩次為常規董事會會議）及兩次審核委員會會議。

THE BOARD (Continued)**Board and Board Committees Meetings** (Continued)**Number of Meetings and Directors' Attendance** (Continued)

The individual attendance record of each director at the meetings of the Board and Audit Committee during the year ended 31st March, 2006 is set out below:

董事會 (續)**董事會及董事委員會會議** (續)**會議舉行次數及董事出席率** (續)

截至二零零六年三月三十一日止年度，每名董事出席董事委員會及審核委員會會議之個別紀錄列載如下：

Name of Directors	董事姓名	Attendance/Number of Meetings held during the tenure of directorship	
		出席率／於董事任期內會議舉行次數	Audit Committee 審核委員會
	Board 董事會		
<i>Executive Directors</i>	<i>執行董事</i>		
– Mr. Dong Bo, Frederic (Chairman)	– 董波先生 (主席)	25/25	N/A不適用
– Mr. Gao Feng (appointed on 14th February, 2006)	– 高峰先生 (於二零零六年二月十四日獲委任)	6/6	N/A不適用
– Mr. Lau Man Tak (resigned on 5th August, 2005)	– 劉文德先生 (於二零零五年八月五日辭任)	9/9	N/A不適用
– Mr. Wong Cho Fai, Nicholas (appointed on 23rd May, 2005 & resigned on 5th October, 2005)	– 黃祖輝先生 (於二零零五年五月二十三日獲委任 並於二零零五年十月五日辭任)	–/12	N/A不適用
– Mr. Cheung Yu Shum, Jenkin (appointed on 24th June, 2005 & resigned on 14th February, 2006)	– 張如深先生 (於二零零五年六月二十四日獲委任 並於二零零六年二月十四日辭任)	12/12	N/A不適用

THE BOARD (Continued)

董事會 (續)

Board and Board Committees Meetings (Continued)

董事會及董事委員會會議 (續)

Number of Meetings and Directors' Attendance (Continued)

會議舉行次數及董事出席率 (續)

Name of Directors	董事姓名	Attendance/Number of Meetings held during the tenure of directorship	
		Board 董事會	Audit Committee 審核委員會
<i>Independent Non-Executive Directors</i>			
<i>獨立非執行董事</i>			
– Mr. Wong Hoi Kuen, Edmund (appointed on 13th February, 2006, Chairman of Audit Committee)	– 黃海權先生 (於二零零六年二月十三日獲委任， 審核委員會主席)	3/6	N/A不適用
– Mr. Pang Haiou (member of Audit Committee)	– 龐海歐先生 (審核委員會成員)	4/25	2/2
– Mr. Zuo Guang (member of Audit Committee)	– 左廣先生 (審核委員會成員)	1/25	1/2
– Mr. Kan Kwok Shu (resigned on 1st September, 2005, Chairman of Audit Committee)	– 簡國樞先生 (於二零零五年九月一日辭任， 審核委員會主席)	1/10	1/1
– Mr. Shum Ka Hei (resigned on 13th February, 2006, Chairman of Audit Committee)	– 沈家禧先生 (於二零零六年二月十三日辭任， 審核委員會主席)	3/19	2/2
– Mr. Henry Tooze (appointed on 17th March, 2006 & resigned on 30th April, 2006, member of Audit Committee)	– Henry Tooze先生 (於二零零六年三月十七日獲委任 並於二零零六年四月三十日辭任， 審核委員會成員)	N/A不適用	N/A不適用
– Mr. Fung Po Chuen (appointed on 17th March, 2006 & resigned on 30th April, 2006, member of Audit Committee)	– 馮報全先生 (於二零零六年三月十七日獲委任 並於二零零六年四月三十日辭任， 審核委員會成員)	N/A不適用	N/A不適用

THE BOARD *(Continued)***Board and Board Committees Meetings** *(Continued)***Practices and Conduct of Meetings**

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notices are generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All directors are given an opportunity to include matters in the agenda for regular Board meetings. The Board and each director also have separate and independent access to the senior executives whenever necessary. With the support of the senior executives, the Chairman is responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

Minutes of all Board meetings recording sufficient details of matters considered and decisions reached are kept by secretary of the meetings and open for inspection by the directors.

The Company's Bye-laws contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

董事會 *(續)***董事會及董事委員會會議** *(續)***會議常規及守則**

週年大會之安排及每次會議之草擬議程一般會預先向董事提供。

召開常規董事會會議應在會議前至少十四天向所有董事發出通知。至於其他董事會會議及轄下委員會會議，一般會發出合理通知。

董事會文件及所有適當、完整及可靠之資料應於各董事會會議或委員會會議前至少三天送予全體董事，使董事知悉本公司最近期發展及財務狀況，令其作出知情決定。全體董事均有機會提供常規董事會會議議程上之討論事項。於任何必要之情況下，董事會及每名董事均擁有個別及獨立接觸高級行政人員之途徑。主席在高級行政人員協助下，負責確保董事適時收到足夠、完整及可靠之資料以及就於董事會會議上討論之事項得到適當之簡介。

所有董事會之會議紀錄詳細記錄考慮及所達到之決定並由會議之秘書保管並可供董事查閱。

本公司之公司細則規定，於批准董事或其任何聯繫人士牽涉重大利益之交易之會議上，有關董事須放棄表決，且得計入該會議之法定人數內。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. Dong Bo, Frederic is the Chairman. He undertakes the responsibilities and duties of Chief Executive Officer. In view of the scale of operations of the Company and the fact that daily operations of the Group's business is delegated to the senior executives and department heads, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. It is in the best interest of the Group to maintain the current practice for continuous efficient operations and development of the Group.

The Company will continue to review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the separation of roles of the Chairman and Chief Executive Officer, are necessary.

BOARD COMMITTEES

The Board has established two committees, namely, the Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. Both Board committees are established with defined written terms of reference. The terms of reference of the Board committees are available to shareholders upon request.

All the members of each Board committee are independent non-executive directors and the list of the chairman and members of each Board committee is set out under "Composition" of this report.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

主席及行政總裁

企管守則內之守則條文第A.2.1條規定，主席及行政總裁之角色應有區分及不應由一人同時兼任。

董波先生為主席。彼擔任行政總裁之職責與職能。基於本公司之經營規模及本集團業務之日常運作乃委派予高級行政人員及部門主管執行，董事會相信由同一人士擔任主席及行政總裁能為本公司提供強勢及一致之領導，能實際有效地計劃及執行業務決定及策略。維持本集團現有之持續有效經營及發展乃符合本集團之最佳利益。

本公司會持續檢討本集團之企業管治架構，並考慮應否進行任何必要之轉變，包括改變主席及行政總裁之角色區分。

董事委員會

董事會成立了兩個委員會，即薪酬委員會及審核委員會，以監督本公司事務之特定範疇。兩個董事委員會均有界定之書面職權範圍。董事委員會之書面職權範圍乃應股東要求提供。

每個董事委員會之全體成員乃獨立非執行董事，每個董事委員會之主席及成員名單列載於本報告「組成」一節內。

董事委員會具備充足資源履行職務，並可於合理要求在適當情況下尋求獨立專業之意見，費用由本公司承擔。

BOARD COMMITTEES (Continued)**Remuneration Committee**

The Remuneration Committee was established on 20th July, 2006 and no meeting has been held up to the date of this report.

The primary objectives of the Remuneration Committee include reviewing, making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior executives. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Group as well as market practice and conditions. The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult the Chairman of the Company about these recommendations on remuneration policy and structure and remuneration packages.

Audit Committee

The Audit Committee comprises five independent non-executive directors (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

董事委員會 (續)**薪酬委員會**

薪酬委員會於二零零六年七月二十日成立，截至本報告日期並無舉行會議。

薪酬委員會之主要目標包括就執行董事及高級行政人員之薪酬政策及待遇作出檢討、提出建議及批准。薪酬委員會亦負責建立發展該等薪酬政策及架構之透明程序以確保無任何董事會參與決定彼之個人薪酬，薪酬乃按照個別員工及本集團之表現，以及市場慣例及市況釐定。人力資源管理部負責收集及管理人力資源資料，並向薪酬委員會提出建議以作考慮。薪酬委員會須就其對此等薪酬政策及架構及薪酬待遇徵詢本公司主席之意見。

審核委員會

審核委員會包括五名獨立非執行董事（包括一名具適當專業資格或會計或相關財務管理專業知識之獨立非執行董事）。審核委員會概無任何成員為本公司現時外聘核數師之前任合夥人。

BOARD COMMITTEES (Continued)**Audit Committee** (Continued)

The main duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, internal auditor or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.
- (c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee held two meetings during the year ended 31st March, 2006 to review the financial results and reports, financial reporting and compliance procedures, report on the Company's internal control and risk management review and processes and the re-appointment of the external auditors.

There is no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of external auditors.

The Company's annual results for the year ended 31st March, 2006 has been reviewed by the Audit Committee.

董事委員會 (續)**審核委員會** (續)

審核委員會之主要職責包括下列各項：

- (a) 審閱財務報表及報告並於提交董事會前考慮任何由合資格會計師、內部核數師或外聘核數師提出之主要或不尋常項目。
- (b) 參考核數師進行之工作、酬金及委聘條款審閱與外聘核數師之關係，並就委任、重新委任及撤換核數師向董事會提出建議。
- (c) 審閱本公司財務報告系統、內部監控系統及風險管理系統及相關程序之準確及有效性。

截至二零零六年三月三十一日止年度，審核委員會共舉行了兩次會議，以審閱財務業績及報告、財務報告及遵例程序、內部核數師於本公司之內部監控及風險管理審閱及過程及重新委任外聘核數師。

並無重大不明朗之事件或狀況，可引起對本公司是否有能力作持續經營實體之重大疑問。

董事會及審核委員會於甄選、委任、辭退或罷免外聘核數師上並無任何異議。

本公司截至二零零六年三月三十一日止年度之年度業績已由審核委員會審閱。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied the Model Code throughout the year ended 31st March, 2006.

The Company has not established written guidelines for securities transactions by employees (the “Employees Written Guidelines”) who are likely to be in possession of unpublished price-sensitive information of the Company. Steps are being taken to adopt the Employees Written Guidelines on no less exacting terms than the Model Code.

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31st March, 2006.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the “Report of the Auditors” on page 35 of the annual report.

AUDITORS’ REMUNERATION

The remuneration paid to the external auditors of the Company in respect of audit services for the year ended 31st March, 2006 amounted to HK\$775,000.

證券交易標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易之標準守則（「標準守則」）。

本公司已向所有董事作出特別查詢，董事確認彼等於截至二零零六年三月三十一日止年度全年已遵守標準守則。

本公司並未就可能擁有本公司未刊登之價格敏感資料之僱員制定有關僱員進行證券交易之書面指引「僱員書面指引」。本公司現正採取步驟以採納不遜於標準守則之僱員書面指引。

董事有關財務報表之責任

董事會須負責就年度及中期報告、股價敏感公佈及根據上市規則及其他監管規定而須發表之其他披露呈報作出平衡、清晰及可理解之評估。

董事確認彼等有責任編製本公司截至二零零六年三月三十一日止年度之財務報表。

關於本公司外聘核數師就彼等於財務報表之申報責任聲明列載於年報第35頁之「核數師報告書」內。

核數師薪酬

截至二零零六年三月三十一日止年度已付本公司外聘核數師有關核數服務之酬金為775,000港元。

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Bye-laws. Details of such rights to demand a poll were included in the circular to shareholders in relation to the holding of general meetings of the Company and explained during the proceedings of such meetings.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board attended the 2005 annual general meeting to answer questions at the meeting.

Separate resolutions were proposed at 2005 annual general meeting on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior executives maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner. Investors may write directly to the Company at the principal place of business in Hong Kong for any inquiries.

股東權利及投資者關係

於股東大會上股東之權利及要求就決議案進行投票表決之程序載於本公司細則。該等要求進行投票表決之權利詳情載於致股東之通函(內容關於舉行本公司之股東大會),並將於會議程序上解釋。

本公司之股東大會為股東與董事會之間提供溝通機會。董事會主席出席二零零五年股東週年大會並於會上回答提問。

對每項重大事宜,於二零零五年股東週年大會上另行提呈獨立決議案,包括選舉個別董事。

本公司會繼續加強與投資者之溝通及關係。專責之高級行政人員會定期與機構投資者及分析員交流,讓他們掌握本公司之發展情況。此外並會及時提供資訊回應投資者之查詢。投資者可以書面直接向本公司之香港主要營業地點提出任何查詢。

The directors present their annual report and the audited financial statements for the year ended 31st March, 2006.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 44 to the financial statements.

RESULTS

The results of the Group for the year ended 31st March, 2006 are set out in the consolidated income statement on page 40.

PRINCIPAL SUBSIDIARIES AND ASSOCIATES

On 4th July, 2005 the Company was notified by the Hong Kong Companies Registry that the annual return of Gold United International Industries Limited ("Gold United"), a non wholly owned subsidiary of the Company, filed in May 2005 ("May Annual Return") contained information, including members and directors of Gold United, which are incorrect and significantly different from the original annual return that are presented by the Group on 29th April, 2005.

On 13th July, 2005, the Company filed a writ against Mr. Li Jin Fang, Cheng Qing Bo, Huang Jun Tao and Wong Wai Dai (hereinafter collectively referred to as the "Defendants") seeking, amongst others, declarations by the court to effect that Winsky Management Limited, a wholly owned subsidiary of the Company, is the beneficial owner of 51% of the issued share capital of Gold United. The Defendants were the people which purportedly filed the false information to the Hong Kong Companies Registry and/or identified as members and directors in the May Annual Return. Gold United is an investment holding company, which has an 80% direct interest in 杭州恆運交通開發有限公司, which is engaged in the operation of a highway in the People's Republic of China. After taking into consideration the advice of the Group's legal counsel, the directors consider the Group has a 51% effective interest in Gold United and consider that the outcome of the proceedings will not have material adverse financial effect to the Group. Details of the above are set out in the announcement to the shareholders of the Company dated 13th July, 2005. Details of the principal subsidiaries and associates of the Company at 31st March, 2006 are set out in notes 18 and 44, respectively, to the financial statements.

董事會謹此提呈其截至二零零六年三月三十一日止年度之年報及經審核財務報表。

主要業務

本公司為投資控股公司，其主要附屬公司之業務列載於財務報表附註44。

業績

本集團截至二零零六年三月三十一日止年度之業績列載於第40頁之綜合收益表。

主要附屬公司及聯營公司

於二零零五年七月四日，香港公司註冊處通知本公司，本公司非全資附屬公司金聯國際實業有限公司（「金聯」）於二零零五年五月呈交存案之週年申報表（「五月週年申報表」）所載若干資料不正確，其中包括有關金聯股東及董事之資料，該等資料與本集團於二零零五年四月二十九日呈交之原先週年申報表有重大差異。

於二零零五年七月十三日，本公司向Li Jin Fang先生、Cheng Qing Bo先生、Huang Jun Tao先生及Wong Wai Dai先生（以下統稱「被告人」）發出令狀，要求（其中包括）法院宣佈本公司全資附屬公司Winsky Management Limited為金聯已發行股本51%權益之實益擁有人。被告人為據稱向香港公司註冊處呈交錯誤資料存案及／或於五月週年申報表列為股東及董事之人士。金聯為投資控股公司，直接擁有杭州恆運交通開發有限公司80%權益，該公司在中華人民共和國經營高速公路業務。經考慮本集團法律顧問之意見後，董事認為，本集團於金聯擁有51%有效權益，故聆訊結果將不會對本集團帶來嚴重不利財務影響。上述事項詳情載於日期為二零零五年七月十三日致本公司股東之公佈。本公司於二零零六年三月三十一日之主要附屬公司及聯營公司詳情分別載於財務報表附註18及44。

INVESTMENT PROPERTIES

The Group's investment properties at 31st March, 2006 were revalued by independent firms of professional property valuers on an open market value basis. The revaluation increase of approximately HK\$1,666,000 has been credited to the income statement as a revaluation decrease has previously been charged to income statement. Details of the investment properties of the Group during the year are set out in note 16 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the financial statements.

SHARE CAPITAL

Share Subscription Agreement, CB Placing Agreement and CB Subscription Agreements

On 6th January, 2005, the Company entered into (i) a share subscription agreement with an independent third party for the subscription of 530,000,000 new shares in the Company at HK\$0.03 per share ("Share Subscription Agreement"); and (ii) placing and subscription agreements with independent third parties for the placing and subscription of the convertible notes with principal amounts of HK\$31.2 million ("CB Placing Agreement") and HK\$78.0 million ("CB Subscription Agreements"), respectively, convertible into shares of the Company at an initial conversion price of HK\$0.03 each.

The Share Subscription Agreement, CB Placing Agreement and CB Subscription Agreements were approved by the shareholders of the Company on 9th March, 2005, details of which were set out in the circular to the shareholders of the Company dated 21st February, 2005.

The Share Subscription Agreement and CB Placing Agreement were completed on 18th May, 2005.

投資物業

本集團於二零零六年三月三十一日之投資物業已經由獨立專業物業估值師行按公開市值基準重估。由於早前已於收益表扣除重估減值，故重估增值約1,666,000港元已計入收益表。本集團於年內之投資物業詳情，列載於財務報表附註16。

物業、廠房及設備

本集團物業、廠房及設備於本年度內變動詳情，列載於財務報表附註15。

股本

股份認購協議、票據配售協議及可換股票據認購協議

於二零零五年一月六日，本公司(i)與獨立第三方就以每股0.03港元認購本公司530,000,000股新股份訂立股份認購協議（「股份認購協議」）；及(ii)與多名獨立第三方就配售及認購本金額分別為31,200,000港元（「票據配售協議」）及78,000,000港元（「票據認購協議」）之可換股票據訂立配售及認購協議。該等可換股票據可按初步轉換價每股0.03港元轉換為本公司股份。

股份認購協議、票據配售協議及票據認購協議已於二零零五年三月九日獲本公司股東批准，有關詳情載於本公司日期為二零零五年二月二十一日致股東之通函。

股份認購協議及票據配售協議已於二零零五年五月十八日完成。

SHARE CAPITAL (Continued)

On 14th July, 2005, the Company entered into cancellation agreements with the subscribers of the CB Subscription Agreements, details of which were set out in the announcement to the shareholders of the Company on the same date.

Capital Reorganization

By a special resolution passed by the shareholders of the Company on 6th April, 2005, the Company has undertaken a capital reorganization (the "Capital Reorganization"). Pursuant to the Capital Reorganization, (i) every 20 issued shares of HK\$0.01 each in the share capital of the Company were consolidated into 1 issued share of HK\$0.20 each (the "Consolidated Share"); (ii) the issued share capital of the Company was reduced by canceling paid-up capital to the extent of HK\$0.19 on each Consolidated Share in issue so that each Consolidated Share be treated as one fully-paid up share of HK\$0.01 each in the capital of the Company (the "Capital Reduction"); and (iii) the entire credit amount arising from the Capital Reduction be applied to the contributed surplus account of the Company. Details of the Capital Reorganization are set out in the circular of the Company dated 14th March, 2005. The Capital Reorganization became effective on 7th April, 2005.

Details of movements in the share capital of the Company during the year are set out in note 30 to the financial statements

DIRECTORS

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

Executive directors:

Mr. Dong Bo, Frederic (*Chairman*)
 Mr. Gao Feng (appointed on 14th February, 2006)
 Mr. Ma Kwok Hung, Warren (appointed on 24th July, 2006)

Mr. Lau Man Tak (resigned on 5th August, 2005)
 Mr. Wong Cho Fai, Nicholas (resigned on 5th October, 2005)
 Mr. Cheung Yu Shum, Jenkin (resigned on 14th February, 2006)

股本 (續)

於二零零五年七月十四日，本公司與票據認購協議各認購人訂立註銷協議，詳情載於本公司在同日所刊發致股東之公佈。

股本重組

於二零零五年四月六日，本公司進行了一項股本重組（「股本重組」）。根據股本重組，(i)於本公司股本內每20股每股面值0.01港元之已發行股份，合併為1股每股面值0.20港元之已發行股份（「合併股份」）；(ii)本公司透過註銷每股已發行合併股份繳入股本每股0.19港元，致令每股合併股份被視作本公司股本內一股每股面值0.01港元之繳入股份（「削減股本」）；及(iii)削減股本產生之全部進賬金額撥至繳入盈餘賬。股本重組之詳情列載於本公司日期為二零零五年三月十四日之通函中。股本重組於二零零五年四月七日生效。

年內本公司之股本變動詳情列載於財務報表附註30。

董事

於本年度內及直至本報告書日期止，本公司之在任董事如下：

執行董事：

董波先生（主席）
 高峰先生（於二零零六年二月十四日獲委任）
 馬國雄先生（於二零零六年七月二十四日獲委任）
 劉文德先生（於二零零五年八月五日辭任）
 黃祖輝先生（於二零零五年十月五日辭任）
 張如深先生（於二零零六年二月十四日辭任）

DIRECTORS (Continued)

Non-executive directors:

Mr. Ting Leung Huel, Stephen
(appointed on 30th April, 2006 and resigned on 29th May, 2006)

Independent non-executive directors:

Mr. Zuo Guang
Mr. Pang Haiou
Mr. Wong Hoi Kuen, Edmund (appointed on 13th February, 2006)
Mr. Chan Chi Yuen (appointed on 30th April, 2006)
Mr. Chow Siu Ngor (appointed on 30th April, 2006)
Mr. Fung Bo Chuen (appointed on 17th March, 2006 and resigned on 30th April, 2006)
Mr. Henry Tooze (appointed on 17th March, 2006 and resigned on 30th April, 2006)
Mr. Kan Kwok Shu (resigned on 1st September, 2005)
Mr. Shum Ka Hei (resigned on 13th February, 2006)

In accordance with Clause 86.(2) of the Company's bye-laws, Mr. Gao Feng, Mr. Ma Kwok Hung, Warren, Mr. Wong Hoi Kuen, Edmund, Mr. Chan Chi Yuen and Mr. Chow Siu Ngor will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with the Company's Bye-law 87.(2), Mr. Dong Bo, Frederic will retire by rotation at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

董事 (續)

非執行董事:

丁良輝先生
(於二零零六年四月三十日獲委任
並於二零零六年五月二十九日辭任)

獨立非執行董事:

左廣先生
龐海歐先生
黃海權先生 (於二零零六年二月十三日獲委任)
陳志遠先生 (於二零零六年四月三十日獲委任)
鄒小岳先生 (於二零零六年四月三十日獲委任)
馮報全先生 (於二零零六年三月十七日獲委任
並於二零零六年四月三十日辭任)
Henry Tooze先生 (於二零零六年三月十七日
獲委任並於二零零六年四月三十日辭任)
簡國樞先生 (於二零零五年九月一日辭任)
沈家禧先生 (於二零零六年二月十三日辭任)

根據本公司之公司細則第86.(2)條，高峰先生、馬國雄先生、黃海權先生、陳志遠先生及鄒小岳先生將於應屆股東週年大會退任，惟彼等合資格並願意膺選連任。

根據本公司之公司細則第87.(2)條，董波先生將於應屆股東週年大會告退，惟彼合資格並願意膺選連任。

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

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

Name of director	Type of interest	Number of issued ordinary shares held (Note)	Percentage of the issued share capital of the Company
董事姓名	權益類別	所持已發行普通股數目 (附註)	佔本公司已發行股本百分比
Long position			
好倉			
Dong Bo, Frederic 董波	Held by controlled corporation 由受控法團持有	51,523,417	14.67%

Note: United Jumbo Limited ("United Jumbo"), which directly own 51,523,417 shares in the Company, is beneficially wholly-owned by Mr. Dong Bo, Frederic.

董事於股份、相關股份及債權證之權益

於二零零六年三月三十一日，本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊所記錄，或根據上市公司董事進行證券交易的標準守則（「標準守則」）已知會本公司及香港聯合交易所有限公司（「聯交所」）者，董事及彼等之聯繫人士於本公司及其相聯法團之股份、相關股份及債權證之權益如下：

Name of director	Type of interest	Number of issued ordinary shares held (Note)	Percentage of the issued share capital of the Company
董事姓名	權益類別	所持已發行普通股數目 (附註)	佔本公司已發行股本百分比
Long position			
好倉			
Dong Bo, Frederic 董波	Held by controlled corporation 由受控法團持有	51,523,417	14.67%

附註：United Jumbo Limited（「United Jumbo」）直接持有51,523,417股本公司股份，其由董波先生實益全資擁有。

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

除上文披露者外，於二零零六年三月三十一日，董事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、相關股份及債權證中擁有任何權益或淡倉。

SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 31 to the financial statements.

No share options were granted, lapsed or cancelled during the year ended 31st March, 2006. There were no outstanding share options at 31st March, 2006.

On 5th June, 2006, the Company granted 14,040,000 share options to consultants of the Group at the exercise price of HK\$0.27 per share.

購股權計劃

本公司之購股權計劃詳情，載於財務報表附註31。

截至二零零六年三月三十一日止年度，並無授出、失效或撤銷購股權。於二零零六年三月三十一日並無未獲行使購股權。

於二零零六年六月五日，本公司按行使價每股0.27港元向本集團之顧問授出14,040,000份購股權。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

At 31st March, 2006, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests in the share capital of the Company:

董事購買股份或債務證券之權利

除上文披露者外，本公司或其任何附屬公司於本年度內均無參與任何安排，致令本公司董事可藉收購本公司或任何其他法人團體之股份或債權證而獲益。

主要股東

於二零零六年三月三十一日，按本公司根據證券及期貨條例336條存置之主要股東登記冊所示，下列股東已知會本公司彼等於本公司股本中之相關利益：

Name of shareholder	Type of interest	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
股東名稱／姓名	權益類別		
Long position Ordinary shares at HK\$0.01 each	好倉 每股面值0.01港元之普通股		
Lam Kwan Sing	Held by controlled corporation 由受控法團持有	54,000,000 (Note 1) (附註1)	15.38%
Peakhill Investment Limited	Beneficial owner 實益擁有人	54,000,000 (Note 1) (附註1)	15.38%
United Jumbo Limited	Beneficial owner 實益擁有人	51,523,417	14.67%
Dong Bo, Frederic 董波	Held by controlled corporation 由受控法團持有	51,523,417	14.67%
Ma Siu Fong 馬少芳	Held by controlled corporation 由受控法團持有	50,684,517 (Note 2) (附註2)	14.43%
Chu Yuet Wah 朱月華	Held by controlled corporation 由受控法團持有	50,684,517 (Note 2) (附註2)	14.43%
Kingston Finance Limited 金利豐財務有限公司	Beneficial owner 實益擁有人	50,684,517 (Note 2) (附註2)	14.43%
Hu Die Fei	Beneficial owner 實益擁有人	22,276,500	6.11%
Willplus Assets Limited	Beneficial owner 實益擁有人	26,500,000 (Note 3) (附註3)	7.55%
Wong Cho Fai, Nicholas 黃祖輝	Held by controlled corporation 由受控法團持有	26,500,000 (Note 3) (附註3)	7.55%

SUBSTANTIAL SHAREHOLDERS (Continued)

主要股東 (續)

Name of shareholder	Type of interest	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
股東名稱／姓名	權益類別	所持已發行普通股數目	佔本公司已發行股本百分比
Interpool Holdings Limited	Beneficial owner 實益擁有人	21,450,000 (Note 4) (附註4)	6.11%
Cheung Yu Shum, Jenkin 張如深	Held by controlled corporation 由受控法團持有	21,450,000 (Note 4) (附註4)	6.11%

Notes:

附註:

1. Peakhill Investments Limited, which directly own 54,000,000 shares in the Company, is beneficially wholly owned by Mr. Lam Kwan Sing and, accordingly, Mr. Lam Kwan Sing is deemed to be interested in 54,000,000 shares in the Company.
2. Kingston Finance Limited ("Kingston"), which directly own 50,684,517 shares in the Company, is beneficially owned as to 51% and 49% by Ms. Chu Yuet Wah and Ms. Ma Siu Fong, respectively. Accordingly, Ms. Chu Yuet Wah and Ms. Ma Siu Fong are deemed to be interest in the shares held by Kingston.
3. Willplus Assets Limited, which directly own 26,500,000 shares in the Company, is beneficially wholly owned by Mr. Wong Cho Fai, Nicholas and, accordingly, Mr. Wong Cho Fai, Nicholas is deemed to be interested in 26,500,000 shares in the Company.
4. Interpool Holdings Limited, which directly own 21,450,000 shares in the Company, is beneficially wholly owned by Mr. Cheung Yu Shum, Jenkin and, accordingly, Mr. Cheung Yu Shum, Jenkin is deemed to be interested in 21,450,000 shares in the Company.

1. Peakhill Investments Limited直接擁有本公司54,000,000股股份，而其由Lam Kwan Sing先生實益全資擁有。因此，Lam Kwan Sing先生被視為於本公司54,000,000股股份中擁有權益。
2. 金利豐財務有限公司（「金利豐」）直接擁有本公司50,684,517股股份，而其分別由朱月華女士及馬少芳女士實益擁有51%及49%權益。因此，朱月華女士及馬少芳女士被視為於金利豐所持股份擁有權益。
3. Willplus Assets Limited，直接擁有本公司26,500,000股股份，而其由黃祖輝先生實益全資擁有。因此，黃祖輝先生被視為本公司26,500,000股股份中擁有權益。
4. Interpool Holdings Limited直接擁有本公司21,450,000股股份，而其由張如深先生實益全資擁有。因此，張如深先生被視為於本公司21,450,000股股份中擁有權益。

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st March, 2006.

除上文披露者外，截至二零零六年三月三十一日，本公司並無獲悉任何其他於本公司已發行股本之相關權益或淡倉。

CONNECTED TRANSACTIONS AND DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

During the year, Prosper City International Limited ("Prosper City"), a non-wholly owned subsidiary of the Company, paid approximately HK\$220,000 to Kohner Limited ("Kohner") in respect of rental for premises. Kohner is the minority shareholder of Prosper City. The transaction constituted a continuing connected transaction pursuant to Chapter 14 of the Listing Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

The independent non-executive directors confirm that the transactions have been entered into by the Group in the ordinary course of its business, on terms no less favourable than terms available with independent third parties, and in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Other than as disclosed above, no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate turnover attributable to the Group's five largest customers were less than 30% of the Group's turnover for the year. The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's purchases for the year.

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

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

關連交易及董事之重大合約權益

本年度內，本公司非全資附屬公司盛港國際有限公司（「盛港」）就物業租金，向Kohner Limited（「Kohner」）支付約220,000港元。Kohner為盛港之少數股東。根據聯交所證券上市規則（「上市規則」）第14章，是項交易構成持續關連交易。

獨立非執行董事確認，該等交易乃本集團於其日常業務過程中，按不遜於獨立第三方提供之條款，且按照監管該等交易而屬公平合理之協議條款訂立，並符合本公司股東整體利益。

除上文披露者外，於本年度結束時或本年度內任何時間，本公司各董事概無於本公司或其任何附屬公司當時生效之其他重要合約中直接或間接擁有重大權益。

主要客戶及供應商

於本年度內，本集團首五大客戶所佔營業額合共少於本集團本年度營業額30%。於本年度內，本集團首五大供應商所佔採購額合共少於本集團採購總額30%。

購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the board of directors on the basis of their merit, qualifications and competence. The emoluments of the directors of the Company are decided by the board of directors, as authorised by the shareholders at the annual general meeting, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of which are set out in note 31 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 11 to 24.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2006.

POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in note 42 to the financial statements.

薪酬政策

本集團僱員之薪酬政策乃由董事會按彼等之功績、資歷及才能制定。本公司董事之薪酬，乃由董事會按股東於股東週年大會所授權，經計及本集團營運業績、個人表現及可資比較市場數據後決定。

本公司已採納購股權計劃，作為對董事及合資格僱員之獎勵，詳情載於財務報表附註31。

優先購買權

本公司之公司細則或百慕達法例均無優先購買權之條文，規定本公司須向現有股東按比例提呈發售新股份。

企業管治

本公司致力維持高水平之企業管治常規。關於本公司採納之企業管治常規列載於第11至24頁之企業管治報告書中。

充足公眾持股量

本公司於截至二零零六年三月三十一日止年度一直維持充足公眾持股量。

結算日後事項

於結算日後發生之重大事項詳情，載於財務報表附註42。

AUDITORS

Deloitte Touche Tohmatsu resigned as auditors of the Company on 7th June, 2006. Messrs. Ting Ho Kwan & Chan were appointed subsequently on 27th June, 2006. Messrs. Ting Ho Kwan & Chan retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted to the annual general meeting to re-appoint Messrs. Ting Ho Kwan & Chan as auditors of the Company.

On behalf of the Board

Dong Bo, Frederic

Chairman

Hong Kong, 27th July, 2006

核數師

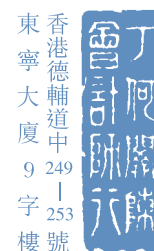
德勤•關黃陳方會計師行自二零零六年六月七日起辭任本公司之核數師，其後丁何關陳會計師行於二零零六年六月二十七日獲委任為本公司核數師。丁何關陳會計師行將予告退，並合資格且願意膺選連任。股東週年大會上將提呈一項決議案續聘丁何關陳會計師行為本公司核數師。

代表董事會

主席

董波

香港，二零零六年七月二十七日



香港德輔道中
249-253
字樓
東寧大廈
9字樓

TO THE MEMBERS OF PREMIUM LAND LIMITED

(incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 40 to 126 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, that judgement and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

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, in accordance with Section 90 of the Bermuda Companies Act, 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, except that the scope of work was limited as explained below.

An audit includes examination on a test basis, of evidence 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 financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and of the Group, consistently applied and adequately disclosed.

致上海策略置地有限公司股東

(於百慕達註冊成立之有限公司)

本核數師已完成審核載於第40頁至第126頁按照香港普遍採納之會計原則編製的財務報告。

董事及核數師的個別責任

貴公司之董事須負責編製真實與公平的財務報告。在編製真實與公平的財務報表時，董事必須貫徹採用合適的會計政策，作出審慎及合理的判斷和估計，並說明任何重大背離適用會計準則的原因。

我們的責任是根據我們審核工作的結果，對該等財務報表表達獨立的意見，並按照百慕達公司法第90條僅向股東全體報告，除此之外不作其他用途。本核數師不會就本報告之內容向任何其他人士負上或承擔任何責任。

意見的基礎

除我們的工作範圍如下文所闡述受到限制外，我們是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的有關憑證，亦包括評估董事於編製該等財務報表時所作的重大估計和判斷、所釐定的會計政策是否適合貴公司及貴集團的具體情況及是否貫徹應用並足夠披露該等會計政策。

Basis of opinion (Continued)

We planned our audit so as to obtain all the information and explanation 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.

However, the evidence available to us was limited as set out below.

1. Scope limitation – prior year's audit scope limitation affecting opening balances

We were appointed as auditors during the current year and did not report on the financial statements for the year ended 31st March, 2005. Furthermore, the auditors appointed in respect of the year ended 31st March, 2005 were unable to form an opinion as to whether the financial statements gave a true and fair view of the state of affairs of the Company and of the Group as at 31st March, 2005 and of the loss and cash flows of the Group for the year then ended because of the possible effect of the limitations in evidence available to them. Therefore, we are unable to express an opinion on the figures brought forward as at 1st April, 2005 and the comparative figures included in these financial statements.

As explained in notes 2 and 43 to the financial statements and for reasons relating to current legal proceedings in respect of 杭州恆運交通開發有限公司 (the "HZHY"), the subsidiary of the Company, the directors were unable to satisfy themselves as to whether the following amounts included in the consolidated balance sheets as at 31st March, 2005 and 31st March, 2006 were free from material misstatement.

- Property, plant and equipment of HK\$64,460,000;
- Bank balances and cash of HK\$7,217,000;
- Trade and other receivables of HK\$4,303,000;
- Trade and other payables of HK\$58,545,000;
- Deferred tax liability with nil amount;
- Minority interests of HK\$10,241,000.

意見的基礎 (續)

我們在策劃審核工作時，均以取得一切我們認為必需的資料及解釋為目標，以能獲得充分的憑證，就該等財務報表是否並無重大錯誤陳述，作出合理的確定。

然而，我們所得的憑證有限，現載列如下。

1. 審核範圍受限制 – 上年度的審核範圍受限制影響期初結餘

我們獲委任為年內核數師，並無就截至二零零五年三月三十一日止年度的財務報表作出報告。此外，基於截至二零零五年三月三十一日止年度內獲委任的核數師所得的憑證受到限制可能造成影響，其未能就財務報表能否真實與公平地反映 貴公司及 貴集團於二零零五年三月三十一日的財政狀況以及 貴集團截至該日止年度的虧損及現金流量。因此，我們未能就二零零五年四月一日結轉的數字以及財務報表內載列的比較數額發表意見。

誠如財務報表附註2及43所闡釋，由於有關 貴公司附屬公司杭州恆運交通開發有限公司（「杭州恆運」）目前牽涉法律訴訟之原因，董事無法信納於二零零五年三月三十一日及二零零六年三月三十一日之綜合資產負債表所載以下數額並無重大錯誤陳述：

- 物業、廠房及設備64,460,000港元；
- 銀行結餘及現金7,217,000港元；
- 應收貿易及其他賬項4,303,000港元；
- 應付貿易及其他賬項58,545,000港元；
- 遞延稅項負債零港元；
- 少數股東權益10,241,000港元。

Basis of opinion (Continued)**1. Scope limitation – prior year's audit scope limitation affecting opening balances (Continued)**

The property, plant and equipment of the HZHY included a toll highway with the net book value of HK\$63,899,000 which had been written down by an impairment loss of HK\$200,000,000 during the year ended 31st March, 2005. The auditors appointed in respect of the year ended 31st March, 2005 were unable to obtain sufficient information and explanations to satisfy themselves as to whether the impairment loss recognised in respect of the toll highway as determined by the directors and the carrying value of the toll highway and the associated deferred tax liability were free from material misstatement. As with previous auditors, the directors were not able to provide us with sufficient information about HZHY's toll highway for us to determine whether the carrying value of the toll highway shown in note 15 to the financial statements was fairly stated.

Accordingly, we were unable to form an opinion as to whether the net assets of the Group as at 31st March, 2005, and the results and cash flows of the Group for the year then ended were free from material misstatement. Any adjustments to the opening net assets of the Group would affect the net loss and cash flows of the Group for the year ended 31st March, 2006.

意見的基礎 (續)**1. 審核範圍受限制 – 上年度的審核範圍受限制影響期初結餘 (續)**

杭州恆運之物業、廠房及設備包括收費公路賬面淨值63,899,000港元，該筆款項已於截至二零零五年三月三十一日止年度以一筆減值虧損200,000,000港元撇銷。截至二零零五年三月三十一日止年度獲委任之核數師未能取得充足資料及解釋使彼等信納董事所釐定之已確認收費公路減值虧損及收費公路之賬面值及相關遞延稅項負債是否並無重大錯誤陳述。與前任核數師所遇情況相同，董事未能向我們提供有關杭州恆運收費公路之充足資料，以讓我們釐定財務報表附註15所示收費公路之賬面值是否公平列賬。

因此，我們未能就 貴集團於二零零五年三月三十一日之資產淨值以及 貴集團截至該日止年度之業績及現金流量是否並無重大錯誤陳述提供意見。就 貴集團之期初資產淨值作出調整，將會影響 貴集團截至二零零六年三月三十一日止年度之虧損淨額及現金流量。

Basis of opinion (Continued)**2. Scope limitation – absence of the financial statements of HZHY for the year ended 31st March, 2006**

As explained in note 2 to the financial statements, the management has been unable to gain access to the books and records HZHY since July 2005 due to the lack of co-operation from management of HZHY. As a result, the consolidated income statement of the Company for the current year has not incorporated the results of HZHY for the year ended 31st March, 2006 and the consolidated balance sheet of the Company as at 31st March, 2006 has only incorporated the balance sheet of HZHY up to 28th February, 2005. The directors are unable to satisfy themselves that the amounts referred to in paragraph 1 above included in the consolidated balance sheet as at 31st March, 2006 were free from material misstatement. The directors were also unable to satisfy themselves as to the validity and completeness of the amounts attributable to HZHY included in the notes to the financial statements, including but not limited to the disclosure of commitments, pledge of assets and contingent liabilities.

Therefore, adequate audit evidence to satisfy ourselves as to the nature, completeness, appropriateness, classification and disclosure in respect of the transactions undertaken by HZHY as included in the Group's financial statements is not available. For the same reasons, we have been unable to satisfy ourselves that (i) whether those disclosures which had incorporated the amounts referred to in paragraph 1 above and the corresponding cash flows and operating results arising from the operations of HZHY which are omitted from the consolidated cash flow statements and consolidated income statement respectively, are fairly stated; and (ii) whether those segmental information disclosures as shown in note 7 to the financial statements are reliable and adequate.

意見的基礎 (續)**2. 審核範圍受限制 – 並無杭州恆運截至二零零六年三月三十一日止年度之財務報表**

誠如財務報表附註2所闡釋，由於杭州恆運之管理層未能合作，故此管理層從二零零五年七月起無法取得杭州恆運之賬冊及記錄。因此，貴公司本年度之綜合收益表並無載列杭州恆運截至二零零六年三月三十一日止年度之業績，而貴公司於二零零六年三月三十一日之綜合資產負債表僅載列杭州恆運直至二零零五年二月二十八日之資產負債表。董事無法使彼等信納於二零零六年三月三十一日之綜合資產負債表所載列上文第1段所述金額並無重大錯誤陳述。董事亦未能信納財務報表附註中包括但不限於有關承擔、資產抵押及或然負債之披露所載杭州恆運應佔金額之有效性及完備性。

因此，我們並無獲得足以令我們信納貴集團財務報表所載杭州恆運進行交易之性質、完備性、適合性、類別及披露事項所需之充份審核憑證。基於相同理由，我們無法使我們信納(i)已載列上文第1段所述金額的披露事項，以及綜合現金流量表及綜合收益表並無載列杭州恆運業務所產生之相應現金流量及經營業績，是否公平地列賬；以及(ii)財務報表附註7所示該等分類資料之披露是否可靠及足夠。

Basis of opinion (Continued)**2. Scope limitation – absence of the financial statements of HZHY for the year ended 31st March, 2006**

(Continued)

There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to the matters above. Any adjustments to the figures would have a consequential effect on the Group's net assets as at 31st March, 2006 and the loss and cash flows for the year then ended and the related disclosures thereof in these financial statements.

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 reasonable basis for our opinion.

Disclaimer of opinion

Because of the significance of the possible effect of the limitations in evidence available to us referred to in the basis of opinion section of this report, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st March, 2006 or of the loss and cash flows of the Group for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance. In respect alone of the limitations on our work as set out in the basis of opinion section of this report:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper books of accounts had been kept.

Ting Ho Kwan & Chan

Certified Public Accountants (practising)

Hong Kong, 27th July, 2006

意見的基礎 (續)**2. 審核範圍受限制 – 並無杭州恆運截至二零零六年三月三十一日止年度之財務報表** (續)

我們並無其他可供採納以使我們信納上述事宜之審核程序。就上述數字作出任何調整，將會對貴集團於二零零六年三月三十一日之資產淨值及貴集團截至該日止年度之虧損及現金流量，以及財務報表中之相關披露造成重大影響。

在表達意見時，我們亦已衡量該等財務報表所載資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立了合理的基礎。

意見之免責聲明

由於本報告書「意見的基礎」一節所述我們所獲得之憑證受限制可能有重大影響，我們無法就財務報表能否真實與公平地反映貴公司及貴集團於二零零六年三月三十一日的財政狀況或貴集團截至該日止年度的虧損和現金流量發表意見。就所有其他方面而言，我們認為財務報表已按照香港公司條例之披露要求而妥善編製。僅就本報告書「意見的基礎」部分所載我們之工作受限制而言：

- 我們並未獲得我們認為就審核工作所需之一切資料及解釋；及
- 我們無法確定是否已存置適當之賬冊。

執業會計師

丁何關陳會計師行

香港，二零零六年七月二十七日

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2006

綜合收益表

截至二零零六年三月三十一日止年度

		Notes 附註	2006 HK\$'000 二零零六年 千港元	(As restated) 2005 HK\$'000 (經重列) 二零零五年 千港元
Turnover	營業額	8	33,273	95,364
Cost of sales	銷售成本		(34,243)	(93,823)
Gross (loss) profit	(毛損) 毛利		(970)	1,541
Other income and gains, net	其他收入及收益淨額	8	51,269	10,424
Administrative expenses	行政費用		(15,063)	(29,455)
Loss on disposal of available-for-sale financial assets	出售可出售金融 資產虧損		(70)	–
Impairment losses on trade and other receivables	應收貿易及其他賬項之 減值虧損		(1,521)	–
Net impairment losses on trade and other receivables written back	應收貿易及其他賬項之 減值虧損淨額撥回		–	12,110
Impairment losses on investment securities	投資證券之減值虧損		–	(41,000)
Impairment losses on available-for-sale financial assets	可出售金融資產之 減值虧損		(44,205)	–
Impairment loss on property, plant and equipment	物業、廠房及設備之 減值虧損		–	(200,000)
Loss from operations	營運虧損		(10,560)	(246,380)
Finance costs	融資成本	9	(9,561)	(9,602)
Loss on disposal of subsidiaries	出售附屬公司虧損	34	(2,913)	–
Impairment losses on amount due from an associate	應收聯營公司款項 之減值虧損		(3,671)	–
Share of profits less losses of associates	應佔聯營公司溢利減虧損		(447)	–
Loss before taxation	除稅前虧損	10	(27,152)	(255,982)
Taxation	稅項	12	–	42,000
Loss for the year	本年度虧損		(27,152)	(213,982)
Attributable to:	以下人士應佔：			
Equity holders of the Company	本公司權益持有人	13	(26,438)	(121,158)
Minority interests	少數股東權益		(714)	(92,824)
			(27,152)	(213,982)
Basic loss per share attributable to the equity holders of the Company during the year	年內本公司權益 持有人應佔每股 基本虧損	14	(7.6) cents 仙	(50.2) cents 仙

The notes on pages 47 to 126 are an integral part of these consolidated financial statements.

載於第47至第126頁之附註為此等財務報表之一部份。

CONSOLIDATED BALANCE SHEET

At 31st March, 2006

綜合資產負債表

於二零零六年三月三十一日

			2006 HK\$'000	(As restated) 2005 HK\$'000 (經重列)
	Notes 附註	二零零六年 千港元	二零零五年 千港元	
Non-current Assets				
Property, plant and equipment	物業·廠房及設備	15	66,472	67,459
Investment properties	投資物業	16	15,324	23,118
Interests in associates	於聯營公司之權益	18	2,040	6,151
Available-for-sale financial assets	可供出售金融資產	19	12,153	–
Investment securities	投資證券	20	–	57,860
			95,989	154,588
Current Assets				
Inventories	存貨	21	4,761	4,516
Trade and other receivables	應收貿易及其他賬項	22	171,725	134,328
Other financial assets at fair value through profit or loss	按公平值計入損益之其他金融資產	23	110,987	–
Other investments	其他投資	24	–	76,094
Pledged bank deposit	已抵押銀行存款		–	5,041
Bank balances and cash	銀行結餘及現金	25	8,517	48,617
			295,990	268,596
Current Liabilities				
Trade and other payables	應付貿易及其他賬項	26	82,921	84,708
Amount due to a minority shareholder of a subsidiary	應付附屬公司少數股東款項		2,442	605
Bank and other borrowings	銀行及其他借貸	27	86,231	104,491
			171,594	189,804
Net Current Assets			124,396	78,792
Total Assets less Current Liabilities			220,385	233,380
Non-current Liabilities				
Bank and other borrowings	銀行及其他借貸	27	–	2,337
Total Non-current Liabilities			–	2,337
Net Assets			220,385	231,043

CONSOLIDATED BALANCE SHEET

At 31st March, 2006

綜合資產負債表

於二零零六年三月三十一日

			2006 HK\$'000	(As restated) 2005 HK\$'000 (經重列)
	Notes 附註		二零零六年 千港元	二零零五年 千港元
Equity		權益		
Capital and reserves attributable to the Company's equity holders:		本公司權益持有人應佔資本及儲備:		
Share capital	30	股本	3,512	64,937
Share premium		股份溢價	481,286	465,651
Other reserves	32	其他儲備	777,020	777,020
Accumulated losses		累計虧損	(1,051,674)	(1,087,520)
			210,144	220,088
Minority interests		少數股東權益	10,241	10,955
Total Equity		權益總額	220,385	231,043

The financial statements on pages 40 to 126 were approved and authorised for issue by the Board of Directors on 27th July, 2006 and are signed on its behalf by:

董事會已於二零零六年七月二十七日批准及授權刊發第40至第126頁之財務報表，並由以下人士代表董事會簽核：

Dong Bo, Frederic

DIRECTOR

董事

董波

Ma Kwok Hung, Warren

DIRECTOR

董事

馬國雄

The notes on pages 47 to 126 are an integral part of these consolidated financial statements.

載於第47至第126頁之附註為此等財務報表之一部份。

BALANCE SHEET

At 31st March, 2006

資產負債表

於二零零六年三月三十一日

	Notes 附註	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Non-current Assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	15	129
Interests in subsidiaries	於附屬公司之權益	17	60,729
			122,884
			60,858
			123,063
Current Assets	流動資產		
Other receivables	其他應收賬項		138,639
Pledged bank deposit	已抵押銀行存款		–
Bank balances and cash	銀行結餘及現金	25	334
			138,973
			85,351
			5,041
			32,358
			122,750
Current Liabilities	流動負債		
Other payables	其他應付賬項		9,553
Amount due to an associate	應付聯營公司款項		225
Other borrowing	其他借貸	27	23,643
			33,421
			6,650
			212
			23,643
			30,505
Net Current Assets	流動資產淨值		105,552
			92,245
Net Assets	資產淨值		166,410
			215,308
Capital and Reserves	資本及儲備		
Share capital	股本	30	3,512
Reserves	儲備	32	162,898
			64,937
			150,371
Total Equity	權益總額		166,410
			215,308

Dong Bo, Frederic

DIRECTOR

董事

董波

Ma Kwok Hung, Warren

DIRECTOR

董事

馬國雄

The notes on pages 47 to 126 are an integral part of these financial statements.

載於第47至第126頁之附註為此等財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2006

綜合權益變動表

截至二零零六年三月三十一日止年度

		Share capital HK\$'000 股本 千港元	Share premium account HK\$'000 股份溢價賬 千港元	Other reserves HK\$'000 其他儲備 千港元	Accumulated losses HK\$'000 累計虧損 千港元	Minority interests HK\$'000 少數股東權益 千港元	Total HK\$'000 總額 千港元
THE GROUP	本集團						
Balance at 31st March, 2004, as previously reported as equity	於二零零四年 三月三十一日之 結餘·如前呈報股本	45,114	435,004	778,405	(967,747)	-	290,776
Balance at 31st March, 2004, as previously separately reported as minority interests	於二零零四年 三月三十一日之 結餘·如前獨立呈報 為少數股東權益	-	-	-	-	103,779	103,779
Balance at 31st March, 2004, as restated	於二零零四年 三月三十一日之 結餘·經重列	45,114	435,004	778,405	(967,747)	103,779	394,555
Initial recognition of convertible notes (note 28)	初次確認可換股票據 (附註28)	-	-	317	-	-	317
Conversion of convertible notes	兌換可換股票據	10,800	21,917	(317)	-	-	32,400
Loss for the year, as restated	本年度虧損·經重列	-	-	-	(121,158)	(92,824)	(213,982)
Issue of shares	發行股份	9,023	9,023	-	-	-	18,046
Share issue expenses	發行股份開支	-	(293)	-	-	-	(293)
Balance at 31st March, 2005, as restated	於二零零五年 三月三十一日之 結餘·經重列	64,937	465,651	778,405	(1,088,905)	10,955	231,043
Balance at 1st April, 2005, as per above	於二零零五年 四月一日之結餘· 如以上所列	64,937	465,651	778,405	(1,088,905)	10,955	231,043
Opening adjustment for the adoption of HKAS 40	採納香港會計準則 第40號之期初調整	-	-	(1,385)	1,385	-	-
Balance at 1st April, 2005 as restated	於二零零五年 四月一日之結餘· 經重列	64,937	465,651	777,020	(1,087,520)	10,955	231,043
Initial recognition of convertible notes (note 28)	初次確認可換股票據 (附註28)	-	-	594	-	-	594
Redemption of convertible notes	贖回可換股票據	-	-	(594)	594	-	-
Capital reduction (note 30 (b))	資本削減 (附註30(b))	(61,690)	-	-	61,690	-	-
Loss for the year	本年度虧損	-	-	-	(26,438)	(714)	(27,152)
Issue of shares (note 30 (c))	發行股份(附註30(c))	265	15,635	-	-	-	15,900
Balance at 31st March, 2006	於二零零六年 三月三十一日 之結餘	3,512	481,286	777,020	(1,051,674)	10,241	220,385

The notes on pages 47 to 126 are an integral part of these consolidated financial statements.

載於第47至第126頁之附註為此等財務報表之一部份。

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2006

綜合現金流量表

截至二零零六年三月三十一日止年度

			2006 HK\$'000	(As restated) 2005 HK\$'000 (經重列) 二零零五年 千港元
	Notes 附註	二零零六年 千港元		
OPERATING ACTIVITIES	經營業務			
Loss from operations	營運虧損	(10,560)		(246,380)
Adjustments for:	經下列項目調整:			
Interest income	利息收入	8	(515)	(106)
Depreciation and amortisation of property, plant and equipment	物業、廠房及設備折舊及攤銷	15	575	6,045
Impairment losses on investment securities	投資證券之減值虧損		-	41,000
Impairment losses on available-for-sale financial assets	可出售金融資產之減值虧損		44,205	-
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損		-	200,000
Loss on disposal of available-for-sale financial assets	出售可出售金融資產虧損		70	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	10	-	113
Net realised losses on other investments	其他投資已變現虧損淨額	10	-	4,270
Net realised losses on other financial assets at fair value through profit or loss	按公平值計入損益之其他金融資產已變現虧損淨額	10	3,181	-
Net unrealised gain on other investments	其他投資未變現收益淨額	8	-	(7,313)
Net unrealised gain on other financial assets at fair value through profit or loss	按公平值計入損益之其他金融資產之未變現收益淨額	8	(48,613)	-
Net impairment losses on trade and other receivables written back	應收貿易及其他賬項之減值虧損淨額撥回		-	(12,110)
Write-back of provision on properties held for sale	持作出售之物業之撥備撥回	8	(160)	-
Impairment losses on trade and other receivables	應收貿易及其他賬項之減值虧損		1,521	-
Fair value gains on investment properties	投資物業之公平值收益	8	(1,666)	(2,482)
Operating cash outflow before movements in working capital	營運資金變動前之經營現金流量		(11,962)	(16,963)
(Increase) decrease in inventories	存貨(增加)減少		(85)	4,319
(Increase) decrease in trade and other receivables	應收貿易及其他賬項(增加)減少		(38,923)	19,907
Decrease in other investments	其他投資減少		-	3,109
Decrease in other financial assets through profit or loss	計入損益之其他金融資產減少		10,539	-
Decrease in trade and other payables	應付貿易及其他賬項減少		(3,630)	(256)
Cash (used in) generated from operations	經營(所用)所得現金		(44,061)	10,116
Overseas tax paid	已繳海外稅項		-	(14)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	經營業務(所用)所得現金淨額		(44,061)	10,102

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2006

綜合現金流量表

截至二零零六年三月三十一日止年度

			2006 HK\$'000	(As restated) 2005 HK\$'000 (經重列)
	Notes 附註	二零零六年 千港元	二零零五年 千港元	
INVESTING ACTIVITIES	投資活動			
Refund of deposit for acquisition of subsidiaries	收購附屬公司退還按金		-	36,874
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		-	3,507
Interest received	已收利息	8	515	106
Acquisition of subsidiaries	收購附屬公司	33	-	(40,000)
Purchase of property, plant and equipment	購買物業、廠房及設備	15	(115)	(1,539)
Advances to associates	聯營公司獲予之墊款		(7)	(9)
Decrease (increase) in pledged bank deposits	已抵押銀行存款減少 (增加)		5,041	(7)
Disposal of subsidiaries	出售附屬公司	34	4,568	-
Proceeds from disposal of available-for-sale financial assets	出售可出售金融資產所得款項		1,432	-
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	投資活動所得 (所用) 現金淨額		11,434	(1,068)
FINANCING ACTIVITIES	融資活動			
Proceeds from issue of convertible notes	發行可換股票據所得款項		31,200	32,400
Redemption of convertible notes	贖回可換股票據		(31,200)	-
New bank and other borrowings raised	新增銀行及其他借貸		12,925	26,311
Net proceeds from issue of shares	發行股份所得款項淨額		15,900	17,753
Advance from minority shareholder	墊款來自一名少數股東		1,837	100
Repayment of bank and other borrowings	償還銀行及其他借貸		(24,849)	(90,510)
Interest paid	已付利息		(7,124)	(7,861)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額		(1,311)	(21,807)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等額項目減少淨額		(33,938)	(12,773)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等額項目		35,517	48,290
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終之現金及現金等額項目	25	1,579	35,517

The notes on pages 47 to 126 are an integral part of these consolidated financial statements.

載於第47至第126頁之附註為此等財務報表之一部份。

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The registered office of the Company is located at Clarendon House, Church Street, Hamilton HM11, Bermuda. The principal place of business of the Group is located at Unit 2203, 22/F., Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong. The principal activities of its principal subsidiaries and associates are set out in notes 44 and 18 respectively.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Management of the Company has been unable to gain access to the books and records of its subsidiary, 杭州恆運交通開發有限公司 ("HZHY") since July 2005 due to the lack of co-operation from management of HZHY. Previously, the Company received management accounts of HZHY on a monthly basis, the last set of which was for the eleven months ended 28th February, 2005. Details of the above were set out in the announcement to the shareholders of the Company dated 13th July, 2005.

Accordingly, the consolidated income statement of the Company for the current year has not incorporated the results of HZHY for the year ended 31st March, 2006 and the consolidated balance sheet of the Company as at 31st March, 2006 has only incorporated the balance sheet of HZHY up to 28th February, 2005.

1. 一般資料

本公司乃於百慕達註冊成立之獲豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。

本公司為投資控股公司，註冊辦事處及主要營業地點分別位於Clarendon House, Church Street, Hamilton HM11, Bermuda及香港銅鑼灣告士打道255-257號信和廣場22樓2203室。其主要附屬公司及聯營公司之主要業務分別列載於附註44及18。

2. 財務報表編製基準

本公司管理層自二零零五年七月以來一直無法取得其附屬公司杭州恆運交通開發有限公司（「杭州恆運」）之賬冊及記錄，原因為未能獲得杭州恆運管理層之合作。以往，本公司每月接獲杭州恆運之管理賬目，最後一份賬目為截至二零零五年二月二十八日止十一個月。有關上述之詳情載於本公司日期為二零零五年七月十三日致股東之公佈。

因此，本公司本年度之綜合收益表並無計入杭州恆運截至二零零六年三月三十一日止年度之業績，而本公司截至二零零六年三月三十一日之綜合資產負債表則僅計入杭州恆運截至二零零五年二月二十八日之資產負債表。

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

The directors are unable to satisfy themselves that the following amounts included in the consolidated balance sheet as at 31st March, 2005 and 31st March, 2006 of the Group were free from material misstatement.

- Property, plant and equipment of HK\$64,460,000;
- Bank balances and cash of HK\$7,217,000;
- Trade and other receivables of HK\$4,303,000;
- Trade and other payables of HK\$58,545,000;
- Deferred tax liability with nil amount;
- Minority interests of HK\$10,241,000.

The directors were also unable to satisfy themselves as to the validity and completeness of the amounts attributable to HZHY included in the notes to the financial statements, including but not limited to the disclosure of commitments, pledge of assets and contingent liabilities.

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and certain financial assets and financial liabilities, which are carried at fair value.

The preparation of financial statements in conformity with Hong Kong Financial Reporting Standards ("HKFRS"), which also include Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") 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 a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 6.

2. 財務報表編製基準 (續)

董事無法信納根據本集團於二零零五年三月三十一日及二零零六年三月三十一日之綜合資產負債表所載列數額並無重大錯誤陳述。

- 物業、廠房及設備64,460,000港元；
- 銀行結餘及現金7,217,000港元；
- 應收貿易及其他賬項4,303,000港元；
- 應付貿易及其他賬項58,545,000港元；
- 遞延稅項負債零港元；
- 少數股東權益10,241,000港元。

董事亦無法信納於財務報表附註中包括但不限於有關承擔、資產抵押及或然負債之披露所載杭州恆運應佔金額之有效性及完整性。

本集團之綜合財務報表乃遵照香港公認會計原則及香港公司條例之披露規定而編製。本綜合財務報表乃按歷史成本慣例編製，並就投資物業、若干金融資產及金融負債（三者均按公平值列賬）之重估值作出修訂。

於編製符合香港財務報告準則之財務報表時需要使用若干關鍵會計估算，同時管理層亦需要於應用本集團會計政策之過程中運用其判斷力。香港財務報告準則包括香港會計師公會所頒佈之香港會計準則及詮釋。涉及判斷成份高或極為複雜之範疇，或涉及對綜合財務報表屬重大假設及估算之範疇披露於附註6。

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

The adoption of new or revised HKFRS

From 1st April, 2005, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2005 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings Per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HK(SIC) – Int 12	Scope of HK(SIC) – Int 12 Consolidation – Special Purpose Entities
HK(SIC) – Int 15	Operating Leases – Incentives
HK(SIC) – Int 21	Income Taxes – Recovery of Revalued Non-Depreciated Assets
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations

2. 財務報表編製基準 (續)

採納新訂或經修訂之香港財務報告準則

由二零零五年四月一日起，本集團已採納下列與其業務相關之新訂／經修訂香港財務報告準則及詮釋。二零零五年之比較數字已按有關規定作出修訂。

香港會計準則第1號	財務報表之呈列方式
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計變動及誤差
香港會計準則第10號	結算日後事項
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第18號	收益
香港會計準則第19號	僱員福利
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	關連人士披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第28號	於聯營公司之投資
香港會計準則第32號	金融工具：披露與呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認與計量
香港會計準則第39號 (修訂)	金融資產及金融負債之過渡及初次確認
香港會計準則第40號	投資物業
香港詮釋委員會 – 詮釋第12號	香港詮釋委員會詮釋範疇第12號綜合 – 特殊目的實體
香港詮釋委員會 – 詮釋第15號	經營租賃 – 獎勵
香港詮釋委員會 – 詮釋第21號	所得稅 – 收回經重估之非折舊資產
香港財務報告準則第2號	以股份之支付
香港財務報告準則第3號	業務合併
香港財務報告準則第5號	待售非流動資產及已終止業務

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

The impact of adopting the HKFRS is summarised as follows:

(a) HKAS 1

HKAS 1 affects certain presentation in these financial statements, including the following:

- minority interests are now presented in the consolidated income statement and within the equity in the consolidated balance sheet separately from results/equity attributable to equity holders of the Company;
- taxes of associates attributable to the Group, which were previously included in tax charge in the consolidated income statement, are now included in the Group's share of profits less losses of associates; and
- the Group is no longer permitted to not disclose comparative information for movements in property, plant and equipment.

(b) HKAS 17

In prior years, the leasehold land and land use rights were accounted for at cost less accumulated depreciation and any accumulated impairment. The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. In accordance with the provisions of HKAS 17, a lease of land and building should be split into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the income statement. In case, the two elements cannot be allocated reliably, the entire lease is classified as a finance lease and carried at cost less accumulated depreciation and any accumulated impairment losses. This change in accounting policy does not have effect to prior periods because the amount of land and buildings cannot be allocated reliably between the land and buildings elements at the inception date.

2. 財務報表編製基準 (續)

採納香港財務報告準則之影響概述如下：

(a) 香港會計準則第1號

香港會計準則第1號對財務報表內若干呈列有所影響，概括如下：

- 少數股東權益現於綜合收益表呈報，另亦包括於綜合資產負債表的權益中及與母公司權益持有人應佔業績／權益分別呈列；
- 本集團應佔聯營公司之稅項過往於綜合收益表計入為稅項開支，現時則計入本集團應佔聯營公司溢利減虧損；及
- 本集團不再容許物業、廠房及設備之變動的比較資料不作披露。

(b) 香港會計準則第17號

於過往年度，租賃土地及土地使用權乃按成本減累積折舊及任何累計減值入賬。採納經修訂香港會計準則第17號，導致有關將租賃土地及土地使用權由物業、廠房及設備重新分類為經營租約之會計政策有所變動。根據香港會計準則第17號，一項土地及樓宇租賃應分為租賃土地及租賃樓宇，基準為按於租約開始時租賃土地部份及租賃樓宇部份之租賃權益之相對公平值之比例分類。就租賃土地及土地使用權支付之一次性預付款項，乃於租約期內以直線法在收益表內列作支出，或倘出現減值，則減值會於收益表內列作支出。如未能可靠地分配上述兩者，則整個租賃會列作融資租賃處理，並按成本減累積折舊及累計減值虧損入賬。由於土地及樓宇之金額無法可靠劃分為於購入日期之土地及樓宇成份，該變動對過往之會計期間並無構成影響。

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *(Continued)*

(c) HKAS 24

HKAS 24 has affected the identification of related parties and some other related party disclosures.

(d) HKAS 28

In prior years, when the Group's share of losses exceeded its interest in the associates, the Group's interest was reported at nil and recognition of further losses was discontinued.

With effect from 1st April, 2005, in order to comply with HKAS 28, recognition of the share of associate's losses under equity method is broadened by including other long-term non-equity interests, which in substance form part of the net investment of an associate.

The adoption of HKAS 28 has no effect on the opening balance of accumulated losses as of 1st April, 2005 and 1st April, 2004. Details of the accounting policy on associates are set out in note 4 to the financial statements.

(e) HKAS 32 and HKAS 39

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy for recognition, measurement, derecognition and disclosure of financial instruments.

Until 31st March 2005 investments of the Group were classified into investment securities and/or other investments, which were stated in the balance sheet at cost less any accumulated impairment losses and at fair value, respectively, and any impairment losses on investment securities and changes in fair value of other investments were recognised in the income statement in the period in which they arise.

2. 財務報表編製基準 (續)

(c) 香港會計準則第24號

香港會計準則第24號影響對識別關連人士及若干其他關連人士披露有所影響。

(d) 香港會計準則第28號

於過往年度，當本集團所佔虧損超過其於聯營公司之權益，本集團之權益呈列為零並終止確認進一步虧損。

由二零零五年四月一日起，為符合香港會計準則第28號，根據權益法應佔聯營公司之虧損伸延至包括其他長期非股本權益，非股本權益實質上乃聯營公司投資淨額之一部份。

採納香港會計準則第28號對二零零五年四月一日及二零零四年四月一日之期初累計虧損結餘並無構成影響。應用於聯營公司之會計政策詳情載於財務報表附註4。

(e) 香港會計準則第32號及香港會計準則第39號

採納香港會計準則第32及39號導致金融工具之確認、計量、取消確認及披露之會計政策出現變動。

直至二零零五年三月三十一日，本集團之投資分為投資證券及／或其他投資，分別以成本值減任何減值虧損及以公平值列賬於資產負債表，而任何證券投資之減值虧損及其他投資公平值變動均於產生期間之收益表內確認。

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

(e) HKAS 32 and HKAS 39 (Continued)

In accordance with the provisions of HKAS 39, the investments have been classified into available-for-sale financial assets and financial assets at fair value through profit or loss. The classification depends on the purpose for which the investments were held. As a result of the adoption of HKAS 39, all the investments are now stated at fair value in the balance sheet, except for certain available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, when they are measured at cost less any accumulated impairment losses. In addition, all the investments as at 31st March, 2005 that should be measured at fair value on adoption of HKAS 39 should be remeasured at 1st April, 2005 and any adjustment of the previous carrying amount should be recognised as an adjustment of the balance of accumulated losses at 1st April, 2005.

The effect of the changes in accounting policies on these financial statements as a result of the adoption of HKAS 32 and HKAS 39 is summarised as follows:

All investments of the Group and the Company as at 31st March, 2005 were redesignated into available-for-sale financial assets or financial assets at fair value through profit or loss on 1st April, 2005. The aggregate differences between the respective carrying value of each investment as at 31st March, 2005 and the respective fair value at 1st April, 2005 is insignificant and hence, no adjustment has been made against the accumulated losses at 1st April, 2005.

2. 財務報表編製基準 (續)

(e) 香港會計準則第32號及香港會計準則第39號 (續)

根據香港會計準則第39號之條文，已將投資分類為可出售金融資產及以公平值計入損益之金融資產，分類視乎持有該項投資之目的而定。由於採納香港會計準則第39號，所有投資現時均以公平值於資產負債表列賬，惟若干於活躍市場並無市場報價，且其公平值無法可靠量度之可出售金融資產除外，該等金融資產均以成本值減任何減值虧損列賬。此外，所有於二零零五年三月三十一日之投資（須於採納香港會計準則第39號時按公平價值量度者）均須於二零零五年四月一日重新量度，而任何對過往賬面值作出之調整均須確認為對二零零五年四月一日累計虧損結餘作出之調整。

因採納香港會計準則第32號及香港會計準則第39號而導致該等財務報表所採用會計政策變動之影響概述如下：

本集團及本公司於二零零五年三月三十一日之所有投資於二零零五年四月一日重新界定為可出售金融資產或按公平值計入損益之金融資產，各項投資於二零零五年三月三十一日之各自賬面值與於二零零五年四月一日之各自公平值的差額並不重大，因此並無對於二零零五年四月一日之累計虧損作出任何調整。

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

(e) HKAS 32 and HKAS 39 (Continued)

In accordance with the provisions of HKAS 32, convertible notes issued, that are convertible into a fixed number of shares of the Company, are split into their liability and equity components at initial recognition. The liability component is subsequently carried at amortised cost (including transaction costs) using the effective interest rate method. The equity component is recognised in the convertible note reserve until the note is either converted (in which case it is transferred to share premium) or the note or bond is redeemed (in which case it is released directly to accumulated losses). Details of the new accounting policies are set out in note 4.

The adoption of HKAS 32 resulted in:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Increase in accumulated losses	累計虧損增加	317	317
Increase in share premium	股份溢價增加	317	317
Increase in interest expenses	利息開支增加	594	317
Increase in basic loss per share	每股基本虧損增加	0.17 cents 仙	0.13 cents 仙

There was no impact on opening accumulated losses at 1st April, 2005 for the adoption of HKAS 32.

2. 財務報表編製基準 (續)

(e) 香港會計準則第32號及香港會計準則第39號 (續)

根據香港會計準則第32號之條文，已發行可換股票據及債券（可轉換為特定數目的本公司股份）於首次確認時分為負債及股本兩個部分。負債部分其後採用實際利率方法按攤銷成本（包括交易成本）列賬。股本部分須在可換股票據及債券儲備內確認，直至票據或債券獲兌換（在此情況下轉撥至股份溢價）或獲贖回（在此情況下直接計入累計虧損內）為止。有關新會計政策之詳情載於附註4。

採納香港會計準則第32號導致：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Increase in accumulated losses	累計虧損增加	317	317
Increase in share premium	股份溢價增加	317	317
Increase in interest expenses	利息開支增加	594	317
Increase in basic loss per share	每股基本虧損增加	0.17 cents 仙	0.13 cents 仙

採納香港會計準則第32號對二零零五年四月一日之期初累計虧損並無構成影響。

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)**(f) HKAS 40**

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of which the changes in fair values are recorded in the income statement as part of other income. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement. However, since the Group has continued to adopt the fair value model, there is no requirement for the Group to restate the comparative information, any adjustment should be made to the accumulated losses as at 1st April, 2005, including the reclassification of any amount held in revaluation surplus for investment properties.

Upon adoption of HKAS 40 as from 1st April, 2005:

All changes in the fair value of investment properties are recognised directly in the income statement in accordance with the fair value model in HKAS 40.

These changes in accounting policy have been adopted prospectively by decreasing the opening balance of accumulated losses as of 1st April, 2005 by HK\$1,385,000 to include all the Group's previous investment properties revaluation reserve.

This new policy has no significant effect on the Group's losses before taxation for the years ended 31st March, 2006 and 2005.

2. 財務報表編製基準 (續)**(f) 香港會計準則第40號**

採納經修訂香港會計準則第40號導致會計政策出現變動，投資物業之公平值變動會記錄於收益表，作為其他收入之一部份。於往年，公平值增加會貸記於投資物業重估儲備。公平價值減少首先會按組合基準與先前估值增加互相抵銷，餘額於收益內支銷。唯自從本集團持續採用公平值模式，因此本集團不需要重列比較數據。任何修改列入二零零五年四月一日之累計虧損，包括存於投資物業重估儲備重新分類之任何金額。

於二零零五年四月一日採納香港會計準則第40號後：

投資物業公平值的一切變動乃根據香港會計準則第40號的公平值法直接於收益表中確認。

本集團採用此會計政策變動，僅將所有過往本集團之投資物業重估儲備為1,385,000港元均於二零零五年四月一日之累計虧損期初餘額扣減。

該項新政策對本集團截至二零零六年及二零零五年三月三十一日止年度之除稅前虧損並無構成重大影響。

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

(g) HK(SIC) – Int 21

The adoption of revised HK(SIC) – Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale. However, the adoption of revised HK(SIC) – Int 21 has no material financial impact on the Group's results and net assets for the current or prior years.

(h) HKFRS 2

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. In prior years, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

With effect from 1st April, 2005, in order to comply with HKFRS 2, the Group recognises the fair value of such share options as an expense in the income statement, or as an asset, if the cost qualifies for recognition as an asset under the Group's accounting policies. A corresponding increase is recognised in a capital reserve within equity.

Where the employees are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting period. Otherwise, the Group recognises the fair value in the period in which the options are granted.

2. 財務報表編製基準 (續)

(g) 香港詮釋委員會 – 詮釋第21號

採納經修訂香港詮釋委員會 – 詮釋第21號導致有關計量重估投資物業所產生遞延稅項負債之會計政策有變。有關遞延稅項負債按使用資產所收回賬面值產生之稅項影響為基準計算。於過往年度，有關資產之賬面值乃預期透過出售收回。然而，採納經修訂香港詮釋委員會 – 詮釋第21號對本集團當年或過往年度之業績及資產淨值並無構成重大財務影響。

(h) 香港財務報告準則第2號

採納香港財務報告準則第2號導致以股份支付之會計政策有變。於過往年度，當僱員（該詞包括董事）獲授本公司股份之購股權時，其金額確認。倘僱員選擇行使購股權，股本及股份溢價之面值以應收取之購股權行使價為上限入賬。

自二零零五年四月一日起，為著遵守香港財務報告準則第2號，本集團於收益表內將有關購股權之公平值確認為一項開支，或倘成本根據本集團之會計政策合資格確認為一項資產，則確認為一項資產。對應之增加於權益內之資本儲備確認。

倘僱員於彼等擁有購股權之前須切合歸屬條件，則本集團按歸屬期確認已授出購股權之公平值，否則，本集團於購股權授出期間內確認公平值。

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)**(h) HKFRS 2** (Continued)

If an employee chooses to exercise options, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised the related capital reserve is transferred directly to accumulated losses.

The Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2. In relation to share options granted on or before 7th November, 2002 and share options granted after 7th November, 2002 but which had vested before 1st April, 2005, the Group does not recognise and expense those share options.

No adjustments to the opening balances as at 1st April 2004 and 1st April 2005 are required as all the share options granted were vested before 1st April, 2005.

(i) Other Standards

The adoption of HKASs 2, 7, 8, 10, 16, 18, 19, 21, 23, 27, 33, 36, 37, 38 and HK(SIC) – Ints 12 and 15 and HKFRS 3 and 5 had no material impact on the Group's accounting policies and did not result in any changes to the amounts or disclosures in these financial statements.

2. 財務報表編製基準 (續)**(h) 香港財務報告準則第 2 號** (續)

倘某位僱員選擇行使購股權，有關資本儲備連同行使價轉撥至股本及股份溢價。倘購股權未行使而失效，則有關資本儲備直接轉撥至累計虧損。

本集團得益於香港財務報告準則第 2 號五十三段中之過渡性條文。關於在二零零二年十一月七日或之前授出之購股權，以及於二零零二年十一月七日後授出惟在二零零五年四月一日前歸屬之購股權，本集團並不予確認及支銷。

由於本公司之所有已授出購股權在二零零五年四月一日前歸屬，故無須調整對二零零四年四月一日及二零零五年四月一日之期初結餘。

(i) 其他準則

採納香港會計準則第 2、7、8、10、16、18、19、21、23、27、33、36、37、38 及香港詮釋委員會 – 詮釋第 12 及 15 號，以及香港財務報告準則第 3 及第 5 號對本集團之會計政策並無構成重大影響，亦無對該等財務報表之金額或披露事項造成任何變動。

3. HONG KONG FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR

The HKICPA has issued the following amendments, new standards and interpretations which are not yet effective as of the date of these financial statements:

3. 年內已頒佈但未生效之香港財務報告準則

香港會計師公會已頒佈以下於刊發本財務報表日期尚未生效之修訂、新準則及詮釋：

Effective for accounting periods beginning on or after
於下列日期
或之後之會計期間
開始生效

Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to:

- HKAS 1 "Presentation of Financial Statements" 1st January 2006
- HKAS 27 "Consolidated and Separate Financial Statements" 1st January 2006
- HKFRS 3 "Business Combinations" 1st January 2006

基於二零零五年香港公司(修訂)條例對下列各項作出修訂：

- 香港會計準則第1號「財務報告之呈列方式」 二零零六年一月一日
- 香港會計準則第27號「綜合及獨立財務報表」 二零零六年一月一日
- 香港財務報告準則第3號「業務合併」 二零零六年一月一日

Amendments to HKAS 39 "Financial Instruments: Recognition and Measurement":

- The fair value option 1st January 2006
- Financial guarantee contracts 1st January 2006
- Cash Flow Hedge Accounting of Forecast Intragroup Transactions 1st January 2006

修訂香港會計準則第39號「金融工具：確認與計量」：

- 公平值期權 二零零六年一月一日
- 財務擔保合約 二零零六年一月一日
- 預測集團內公司間交易之現金流量對沖會計處理 二零零六年一月一日

Amendments to HKAS 19 "Actuarial gains and losses, group plans and disclosures" 1st January 2006

修訂香港會計準則第19號「精算損益、集團計劃及披露」 二零零六年一月一日

Amendments to HKAS 21 "Net investment in a foreign operation" 1st January 2006

修訂香港會計準則第21號(修訂)「於外國業務之投資淨額」 二零零六年一月一日

HKFRS-Int 4 "Determining whether an Arrangement contains a Lease" 1st January 2006

香港財務報告準則－詮釋第4號「釐定一項協議是否包含租賃」 二零零六年一月一日

HKFRS 7 "Financial Instruments: Disclosures" 1st January 2007

香港財務報告準則第7號「金融工具：披露」 二零零七年一月一日

Amendments to HKAS 1 "Presentation of Financial Statements: Capital Disclosures" 1st January 2007

修訂香港會計準則第1號「財務報表之呈列方式：資本披露」 二零零七年一月一日

3. HONG KONG FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR *(Continued)*

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January, 2007. The revised standard will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 will replace HKAS 32 and has modified the disclosure requirements of HKAS 32 relating to financial instruments. This HKFRS shall be applied for annual periods beginning on or after 1 January, 2007.

In accordance with the amendments to HKAS 39 regarding financial guarantee contracts, financial guarantee contracts are initially recognised at fair value and are subsequently measured at the higher of (i) the amount determined in accordance with HKAS 37 and (ii) the amount initially recognised, less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18.

The HKAS 19 Amendment and HKAS 39 Amendment regarding cash flow hedge accounting of forecast intragroup transactions do not apply to the activities of the Group.

Except as stated above, the Group expects that the adoption of the other pronouncements listed above will not have any significant impact on the Group's financial statements in the period of initial application.

3. 年內已頒佈但未生效之香港財務報告準則 (續)

香港會計準則第1號(修訂)適用於二零零七年一月一日或以後開始的年度期間。修訂後的準則將影響以下事項的披露：本集團管理資本控制的目標、政策及程序等非量化資料、本公司視為資本的量化資料、對任何資本要求的遵行情形，以及任何不合規情況的後果。

香港財務報告準則第7號將取代香港會計準則第32號，並已修訂香港會計準則第32號中與金融工具有關的披露規定。此項香港財務報告準則適用於二零零七年一月一日或其後開始的年度會計期間。

根據香港會計準則第39號有關財務擔保合約之修訂，財務擔保合約初步按公允價值確認，其後按以下兩者之較高者計量：(i)根據香港會計準則第37號釐定之金額及(ii)初步確認之金額減(如適合)根據香港會計準則第18號確認之累計攤銷。

香港會計準則第19號(修訂)及香港會計準則第39號(修訂)有關預測集團內公司間交易之現金流量對沖會計處理並不適用於本集團之活動。

除上文所述者外，本集團預期採納上文所列之其他準則將不會對本集團初次應用期間之財務報表構成任何重大影響。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below:

Basis of consolidation

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

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

Subsidiaries

Subsidiaries are those entities in which the Company, directly or indirectly, controls the composition of the board of directors, controls more than half the voting power or holds more than half of the issued share capital.

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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. 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 income statement.

4. 主要會計政策概要

所採用之主要會計政策列載於下文：

綜合基準

綜合財務報表包括本公司及其附屬公司每年截至三月三十一日止之財務報表。

於本年度內所收購或出售附屬公司之業績，在列入綜合收益表時乃分別由收購之生效日期起計或計算至出售之生效日期（視乎適用情況而定）。

附屬公司

附屬公司為本公司直接或間接控制其董事會的組成控制其一半以上投票權或持有一半以上已發行股本的公司。

自控制權轉移予本集團當日起，附屬公司即完全綜合賬目於本集團內。而由控制權終止當日起即不再確認。

本公司收購附屬公司時採用購買會計法。收購成本乃按交換日期所給予資產、所發行股本工具及所引致或承擔負債的公平值，加收購事項直接引致之成本計算。業務合併時所收購之可識別資產及所承擔之負債及或然負債初步以於收購日之公平值計算，而不考慮任何程度之少數股東權益。收購成本超出本集團應佔所收購可識別資產淨值之公平值部份乃記錄為商譽。倘收購成本低於所收購附屬公司資產淨值之公平值部份，該差異則直接於收益表中確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Subsidiaries** (Continued)

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.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

In the Company's balance sheet the investments in subsidiaries are stated at cost less any accumulated impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividends received and receivable.

Associates

Associates are all entities, not being a subsidiary or a jointly controlled entity, 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 investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition results 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.

4. 主要會計政策概要 (續)**附屬公司 (續)**

集團公司之間的交易、結餘及交易之未變現盈餘乃予對銷。除非該交易提供證據證明所轉移資產出現減值，否則未變現虧損亦予對銷。附屬公司之會計政策已在適當情況下作修訂，以確保與本集團所採納之政策一致。

少數股東權益指外部股東擁有的應佔附屬公司的業績及資產淨值。

在本公司資產負債表內，對附屬公司的投資以成本值扣除任何累計減值虧損撥備入賬。本公司的附屬公司業績，按已收及應收股息入賬。

聯營公司

聯營公司指本集團對其有重大影響而非擁有控制權但不包括附屬公司或共同控制實體，且一般附帶20%至50%投票權之持股量之所有實體。於聯營公司之投資乃以權益會計法入賬並初步按成本值確認。本集團於聯營公司之投資包括收購時確認之商譽（扣除任何累計減值虧損）。

本集團分佔其聯營公司收購後業績乃於收益表中確認，而其分佔聯營公司收購後之儲備變動乃於儲備中確認。收購後之累積變動就投資之賬面值作調整。當本集團分佔聯營公司虧損等於或超過其佔聯營公司之權益（包括任何其他無抵押應收款項）時，本集團不再確認進一步之虧損，除非本集團代聯營公司承擔負債或支付款項。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Income from properties developed for sale is recognised when the sale agreement is unconditional or when the relevant occupation permit is issued by the relevant authority, whichever is later.

Toll revenue is recognised on a receipt basis.

Sales of other financial assets at fair value through profit or loss are recognised on a trade-date basis.

Rental income is recognised on a straight line basis over the term of the relevant lease.

When the renovation services are provided and the outcome of the renovation project can be estimated reliably, renovation service income is recognised on the percentage of completion method measured by reference to the value of work carried out during the year. When the outcome of a renovation project cannot be measured reliably, revenue is recognised only to the extent of the project costs incurred that it is probable will be recoverable.

Sales of building materials are recognised when they are delivered and title has passed.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

Dividend income from investments is recognised when the Group's rights to receive payment have been established prior to the balance sheet date.

4. 主要會計政策概要 (續)

收入之確認

待售發展物業收入乃於銷售協議成為無條件或有關當局發出有關佔用許可之較後日期確認。

路費收入乃於收取時確認。

出售按公平值計入損益之其他金融資產乃按交易日期基準確認。

租金收入乃於有關租約期內以直線法確認。

倘裝修服務已提供，且裝修項目之結果能夠可靠估計，則按完成百分比法，參考年內所進行工程價值，確認裝修服務之收入。倘裝修項目之結果不能可靠地量度，則僅按可能收回之項目成本確認。

出售建築材料所得收入乃於其付運及所有權轉移時確認。

利息收入採用實際利息法按時間比例基準確認。倘一項應收款項出現減值，本集團會將賬面值減至其按工具之原定實際利率之估計未來折現現金流量而設定之可收回金額，並繼續解除貼現作為利息收入。減值貸款之利息收入於收取現金或收回成本基準情況時予以確認。

投資之股息收入乃於本集團收取款項之權利已於結算日前確立時確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are 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 were a finance lease.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed in accordance with the guidance issued by the international Valuation Standards Committee. These valuations are reviewed annually by external valuers. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

4. 主要會計政策概要 (續)**投資物業**

持有長期租賃或資本增值或上述兩種目的及並非由本集團旗下公司佔用的物業，則入賬列作投資物業。

投資物業包括根據經營租賃的土地及根據融資租賃持有的樓宇。

倘根據經營租賃持有的土地符合投資物業的其他定義，則分類及入賬列作投資物業。有關經營租賃亦作為融資租賃處理。

投資物業最初按成本入賬，包括相關交易成本。經初步確認後，投資物業按公平值入賬。公平值乃以活躍市價為基礎，於必要時就特定資產之性質、地點或狀況之任何差異作出調整。若未能獲得此等資料，本集團便採用如較不活躍市場之近期價格或折現現金流量預測等其他估值方法。該等估值乃根據國際估值準則委員會頒佈之指引而進行。該等估值每年由外部估值師進行審核。正重新發展並擬繼續作為投資物業持有或其所處市場不再活躍之投資物業，仍按公平值計量。

投資物業之公平值反映（其中包括）現時租賃之租金收入及鑑於現時市況假設可自日後租賃取得之租金收入。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property, others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount 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 costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

4. 主要會計政策概要 (續)

投資物業 (續)

按類似基準，公平值同時反映有關物業之任何預期現金流出。此等現金流出部份確認為一項負債，包括列為投資物業之土地相關之融資租賃負債；其餘現金流出則（包括或有租賃付款）不在財務報表內確認。

後續支出僅於該項目之未來經濟利益可能流入本集團且該項目之成本能可靠地計量時，才可於該項資產之賬面價值中扣除。所有其他維修及保養成本於其產生之財政期間之收益表內支銷。

公平值之變動於收益表內確認。

倘投資物業轉作自用，該物業將重新分類為物業、機器及設備，以重新分類日之公平值為成本列賬。建設中或發展中以供未來用作投資物業之物業，列作物業、廠房及設備，並以成本列賬，直至建設或發展工作完成，將重新分類為投資物業，其後按此入賬。

若物業、廠房及設備下之某個項目因用途有所更改而變為投資物業，於轉撥日期此項目之賬面值與公平值兩者之任何差額將根據香港會計準則第16號在權益內確認為物業、廠房及設備重估。然而，若公平值收益轉回過往之減值虧損，有關收益將在收益表內確認。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss arising from the retirement or disposal of investment property, calculated as the difference between the net disposal proceeds and the carrying amount of the investment property, is recognised in the income statement in the period of the retirement or disposal.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and amortisation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 income statement during the financial period in which they are incurred.

Depreciation of toll highway is calculated to write off their costs, commencing from the date of commencement of commercial operation of the toll highway, based on the ratio of actual traffic volume compared to the total expected traffic volume over the remaining period estimated by management or by reference to traffic projection reports prepared by independent traffic consultants.

4. 主要會計政策概要 (續)

投資物業 (續)

投資物業於出售，或當投資物業永久地撤銷用途以及預期有關出售將不會產生經濟利益時，方會不予以確認。投資物業之報廢或出售產生之盈虧，以出售所得款項淨額與投資物業兩者的差額計算，於報廢或出售之期間於收益表中確認。

物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及攤銷及任何累計減值虧損列賬。歷史成本包括收購該等項目直接應佔的開支。成本可包括自股本權益中轉撥有關以外幣購買物業、機器及設備的合資格現金流量對沖所產生的任何收益／虧損。

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為獨立資產（按適用）。所有其他維修及保養在產生的財政期間內於收益表支銷。

收費高速公路自其開始商業運作日期起計算折舊以撇銷其成本，折舊基準為按實際交通流量相比管理層所估計於尚餘年期預期交通總流量之比率或參考由獨立交通顧問編製之交通預測報告。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Depreciation and amortisation are provided to write off the cost of other property, plant and equipment to their residual values (if there are any) over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold land	Over the term of the lease
Leasehold buildings	2% to 4% or over the term of the lease, if shorter
Leasehold improvements	10% to 15% or over the term of the lease, if shorter
Others	10% to 30%

The assets' residual values (if any) and useful lives are reviewed, and adjusted if appropriate at each balance sheet date. An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement in the period the item is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4. 主要會計政策概要 (續)

物業、廠房及設備 (續)

其他物業、廠房及設備之折舊及攤銷乃按其估計可用年期計算，以直線法撇銷其成本至其殘值（如有），所採用之年率如下：

租賃土地	按租約期
租賃樓宇	2%至4%或按租約年期（倘為較短）
租賃物業裝修	10%至15%或按租約年期（倘為較短）
其他	10%至30%

資產的剩餘價值及（如有）可使用年期在每個結算日進行檢討，及在適當時調整。物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時不再確認。於不再確認該資產時產生之任何收益或虧損（以出售所得款項淨額與該項目之賬面值之差額計算）乃計入於該項目不再確認年度之收益表內。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

From 1st April, 2004 to 31st March, 2005:

The Group classified its investments in securities, other than subsidiaries, associates, as investment securities and other investments.

(a) Investment securities

Investment securities are stated at cost less any impairment losses.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amounts of such investments will be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to profit and loss when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

(b) Other investments

Other investments were carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of other investments were recognised in the income statement. Profits or losses on disposal of other investments, representing the difference between the net sales proceeds and the carrying amounts, were recognised in the income statement as they arose.

From 1st April, 2005 onwards:

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

4. 主要會計政策概要 (續)

投資

由二零零四年四月一日至二零零五年三月三十一日：

本集團將其證券投資(附屬公司及聯營公司除外)歸類為投資證券及其他投資。

(a) 投資證券

投資證券按成本值扣除任何減值虧損列賬。

個別投資之賬面值會於每一結算日加以檢討，以評估公平值是否已下跌至低於賬面值。倘出現非屬短暫性質價值之下跌，則該等投資之賬面值須削減至其公平值。減值虧損在損益賬中列作開支。倘若導致撇減或撇銷之情況及事件不再存在，而有可信證據證明新出現之情況及事件將於可見之將來持續，則將該項減值虧損撥回至損益賬。

(b) 其他投資

其他投資乃按公平值列賬。在每個結算日，其他投資之公平值變動而產生之未變現盈虧淨額均在收益表確認。出售其他投資之盈利或虧損指出售所得款淨額與賬面值之差額，並於產生時記入收益表。

由二零零五年四月一日起：

本集團將其投資分為以下類別：按公平值計入損益之金融資產、貸款及應收賬項及可出售金融資產。分類視乎購入投資之目的而定。管理層於初步確認時決定其投資分類，並於每個報告日期重新評估該分類。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(e) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

4. 主要會計政策概要 (續)

投資 (續)

(c) 按公平值計入損益之金融資產

此類別可細分為兩個類別：分別是持作買賣及最初已指定按公平值計入損益之金融資產。如所收購的金融資產主要是為了在短期內出售，或須按管理層指定，則劃分為此類別。衍生工具亦會被劃分為持作買賣，被指定為對沖項目者則屬例外。若此類別的資產為持作買賣用途，或預期於結算日起計的十二個月內變現，則劃分為流動資產。

(d) 貸款及應收賬項

貸款及應收賬項設有固定或可確定付款金額，以及不會在活躍市場上市的非衍生金融資產。此等資產在本集團直接向欠債人提供金錢、貨品或服務，而無計劃買賣該等應收款的情況下產生。此等項目已計入流動資產之內，但由資產負債表結算日起計十二個月後方到期的項目則劃分為非流動資產。貸款及應收賬項計入資產負債表之應收貿易及其他賬項。

(e) 可出售金融資產

可出售金融資產為非衍生項目，被指定為此類別或並無分類為任何其他類別。除非管理層計劃於結算日起計十二個月內出售有關投資，否則可出售金融資產將計入非流動資產內。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are 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 and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

4. 主要會計政策概要 (續)

投資 (續)

投資項目的收購及出售，均於交易日（即本集團承諾收購或出售該資產當日）確認。投資項目初步按公平值確認，並列出所有非按公平值計入損益之金融資產之交易成本。當本集團從該等投資項目收取現金流量的權利已到期或已被轉讓，或本集團已大致上將擁有權的所有風險和回報轉移，則會註銷該等投資項目。可出售金融資產和按公平值計入損益之金融資產其後按公平值列賬。貸款及應收款項和持有至期末的投資均以實際利率法按經攤銷成本列賬。「按公平值計入損益之金融資產」之公平值變動所產生的已變現及未變現收益及虧損均於產生期內列入收益表。歸類為可出售之非貨幣性證券之公平值有變而產生之未變現盈虧在權益中確認。倘歸類為可出售之證券遭售出或減值，累計公平值調整則於收益表中作為投資證券盈虧入賬。

報價投資項目的公平值乃根據當期的買賣計算。當個別金融資產的交易市場並不活躍（以及非上市證券），本集團採用評估技巧建立公平值，包括參考最新的市場交易，其他實質上相同之工具，現金流現值分析，以及按發行者個別情況而調整之期權定價模型。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Impairment

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

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

4. 主要會計政策概要 (續)

投資 (續)

本集團將於每年結算日評估金融資產或一組金融資產有無出現減值的客觀證據。就分類為可出售金融資產的股本證券而言，在決定有關證券有否減值時，會考慮該證券之公平值有否大幅或長期下跌至低於其成本；倘有任何此等證據，累計之虧損（按購作成本與當前公平值之間之差異，減過往曾於收入報表中確認的任何減值虧損計量）會從權益中的投資重估儲備扣除並計入收益表。收益表中有關權益性工具之減值虧損不可在收益表中撥回。

減值

於每個結算日，本集團皆會審閱其資產之賬面值，以確定是否有跡象顯示該等資產出現減值虧損。倘資產之估計可收回款額少於其賬面值，則該資產之賬面值會撇減至其可收回款額。減值虧損即時確認為開支。

倘減值虧損於其後撥回，則資產之賬面值增加至其重新估計之可收回款額，惟該增加之賬面值不得超過該資產過往年度如無確認減值虧損而釐定之賬面值。減值虧損之撥回則即時確認為收入。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***Inventories*****Properties held for sale***

Properties held for sale is stated at the lower of cost and net realisable value. Cost includes the acquisition cost, architect's fees and other direct costs attributable to such properties.

Other inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Convertible notes

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the notes. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity.

Convertible notes are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Convertible notes which are due before balance sheet date are reclassified as current liabilities included in other payables.

4. 主要會計政策概要 (續)**存貨****待售物業**

待售物業乃按成本及可變現淨值之較低者列賬。成本包括收購成本、建築設計費及其他涉及有關物業之直接成本。

其他存貨

存貨乃以成本及可變現淨值兩者中較低者列賬。成本以先入先出法計算。

可換股票據

可換股票據負債部分之公平值是利用不可換股票據等值項目之市場利率釐定。該金額按已攤銷成本基準入賬列為負債，直至兌換票據或票據到期時註銷為止。所得款項餘額會分配至購股權，於股東權益內確認入賬。

除非本集團可無條件將償還負債日期延遲至結算日後最少十二個月，否則可換股票據歸類為流動負債。

於結算日前到期之可換股票據重新分類為流動負債，計入其他應付賬項。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Operating lease (both as the lessee or the lessor)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Where the Group is the lessee, payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease. Where the Group is the lessor, assets leased by the Group under operating leases are included in non current assets and rentals receivable under the operating leases are credited to the income statement in a straight line basis over the lease period.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the period.

On consolidation, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

4. 主要會計政策概要 (續)

租約

經營租約 (本集團為承租人及出租人)

經營租賃是指擁有資產之風險及回報實質上由出租公司保留之租賃。本集團為承租人，(扣除自出租人收取之任何獎勵金後)，於租賃期內以直線法在收入報表中支銷。本集團為出租人，當本集團按經營租賃資產時，該等資產會列入非流動資產及應收租金內，並按經營租賃出租資產產生的收入於租賃期內以直線法予以確認。

外幣

其他貨幣進行之交易，最初按交易日期之匯率記錄。以外幣為單位之貨幣資產及負債均按結算日之匯率重新換算。因匯兌產生之溢利及虧損均計入期內溢利或虧損淨額。

在綜合賬目時，本集團之海外業務之資產及負債按結算日之匯率換算，收入及支出項目則按期內平均匯率換算。所產生之匯兌差額(如有)則列為權益，轉撥至本集團匯兌儲備。該等換算差額於出售業務之期間內確認為收入或支出。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***Income tax**

Income tax comprises current and deferred tax. Income tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

4. 主要會計政策概要 (續)**所得稅**

所得稅包括現時應付稅項及遞延稅項。所得稅計入在收入報表或股本權益內，惟於遞延稅項在相同或不同期間內直接在股本權益中計入。

遞延稅項乃採用負債法，就資產及負債的評稅基準與其在賬目中的賬面值引起的暫時差異作出全數準備。然而，倘遞延所得稅乃因初始確認一項非業務合併的交易中的資產或負債而產生，而在進行交易時並無影響會計或應課稅溢利或虧損，則不予計算。遞延稅項應用的稅率釐定乃採用在資產負債表結算日前已頒佈或實質頒佈，且預期於相關遞延所得稅資產變現或遞延所得稅負債清還。

遞延稅項資產乃於可能出現暫時性差額以抵銷未來應課稅溢利時確認。

遞延稅項負債乃按於附屬公司、聯營公司共同控制實體之投資所產生暫時差額計提撥備，惟若本集團可控制撥回暫時差額之時間及暫時差額有可能於可見將來不會撥回之情況除外。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract costs are charged to the income statement by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that costs incurred to date bear to estimated total costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as an amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as an amount due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade and other receivables.

Retirement benefits scheme

Payments to the defined contribution retirement benefits schemes are charged as an expenses as they fall due.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within bank and other borrowings in current liabilities on the balance sheet.

4. 主要會計政策概要 (續)

工程合約

當工程合約之結果可以可靠估計時，合約成本乃參考於結算日之合約活動完成階段在收益表扣除，而有關成本乃按至今所產生成本佔該合約之估計總成本之比例計算。

倘工程合約之結果不能可靠估計時，合約成本乃於產生期間確認為支出。

倘合約總成本可能會超過合約總收益，則預期虧損會即時確認為支出。

倘至今產生之合約成本加已確認溢利減已確認虧損乃超過按進度付款，則超額部分會列為應收工程客戶款項。就按進度付款超出至今所產生合約成本加已確認溢利減已確認虧損之合約而言，超出部分乃列作應付工程客戶款項。於有關工程進行前已收款項會計入資產負債表以已收墊款呈列為負債。已進行工程之已發票但未由客戶支付款項，乃計入資產負債表列為應收貿易及其他賬項。

退休福利計劃

向定額供款退休福利計劃支付之供款於到期支付時列為開支。

現金及現金等額項目

現金及現金等額項目包括手頭現金、銀行通知存款、原訂期限三個月或以下的易於變現的短期投資，及銀行透支。銀行透支於資產負債表的流動負債下列作銀行及其他借款。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk, liquidity risk and cash flow interest-rate risk. The Group's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the Group by closely monitoring the individual exposure as follows:

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk of loss due to adverse movements in foreign exchange rates relating to investments denominated in foreign currencies. The Group's assets and liabilities are primarily denominated in Hong Kong dollars. When seeking to optimise the returns on its funds available for investment, the Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

4. 主要會計政策概要 (續)

關連人士

如果本集團能夠直接或間接控制另一方或可以對另一方的財務和經營決策有重大影響，或另一方能夠直接或間接控制本集團或對本集團的財務和經營決策有重大影響，或本集團與另一方同時受到第三方的控制或有重大影響，有關的另一方即視為本集團的連繫人士。連繫人士可以是個人（即關鍵管理人員、重要股東及／或與他們關係密切的家族成員）或其他實體，並且包括受到本集團屬於個人身份的連繫人士重大影響的實體，以及為本集團或作為本集團連繫人士的任何實體的僱員福利而設的離職後福利計劃。

5. 財務風險管理目標及政策

財務風險因素

本集團之業務面對多種財務風險：市場風險（包括貨幣風險及價格風險）、信貸風險、流動資金風險及現金流量利率風險。本集團之整體風險管理計劃集中於密切監控以下個別之風險以減低對本集團財政表現之潛在不利影響：

(a) 市場風險

(i) 外匯風險

外匯風險指因以外幣為貨幣單位之投資之相關匯率出現不利變動而須承受之虧損風險。本集團之資產與負債主要以港元為貨幣單位。倘若欲使其可投資資金之回報達致最高，本集團會於外國業務作出若干投資，外國業務之資產淨值須承受外幣換算風險。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Price risk

The Group is exposed to equity securities price risk because investments held by the Group are classified on the consolidated balance sheet either as available-for-sale financial assets or as financial assets at fair value through profit or loss. As the Group's policy is only to invest on such investments by its surplus funds, the exposure may not have significant impact on the Group's financial position. The Group is not exposed to commodity price risk.

(b) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made and services are provided to customers with an appropriate credit history. The customer with sound payment history would accumulate a higher credit limit.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available and sufficient bank deposits to meet short term cash requirements.

5. 財務風險管理目標及政策 (續)

財務風險因素 (續)

(a) 市場風險 (續)

(ii) 價格風險

由於本集團持有之投資於綜合資產負債表內被分類為可供銷售金融資產或按公平值列賬及於損益賬中處理之金融資產，故本集團須面對股本證券價格風險。由於集團政策只會以盈餘資金作投資，其價格風險對集團之財務情況並未構成重大影響。本集團無涉及商品價格風險。

(b) 信貸風險

本集團並無高度集中之信貸風險。本集團制訂本身之政策，以確保向擁有恰當信貸記錄之客戶銷售產品及提供服務。擁有良好還款記錄之客戶可累積更高之信貸額度。

(c) 流動性風險

審慎之流動資金風險管理意味著維持充裕現金及有價證券、透過充足之已承諾信貸融資金額提供資金及有能力平市場倉盤。本集團旨在透過維持可供動用之已承諾信貸額，以保持資金之靈活性，並具備充裕之銀行存款，以應付短期現金需要。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Financial risk factors *(Continued)*

(d) Cash flow interest rate risk

The Group's interest-rate risk arises from bank and other borrowings and convertible notes. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. The Group's borrowings are based on Prime interest rates. Details of the Group's borrowings are set out in note 27. Bank deposits are primarily short term in nature. In order to manage the cash flow interest rate risk, the Group will repay the corresponding borrowing when it has surplus funds.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to 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) Estimate of fair value of unlisted securities

Certain unlisted securities included in available-for-sale financial assets are stated at cost at the balance sheet date as the Group determines the fair value of such assets closely approximates to the cost. For the unlisted securities valued at fair value, the Group uses the discounted cashflows valuation method and makes assumptions that are based on market conditions existing at each balance sheet date for the determination of the fair value.

5. 財務風險管理目標及政策 *(續)*

財務風險因素 *(續)*

(d) 現金流量利率風險

本集團之利率風險由銀行及其他借款及可換股票據產生。按可變利率獲得之借款使本集團須面對現金量利率風險。本集團借款以優惠利率計息。本集團之借款詳情載於附註27。銀行存款主要屬短期性質。為控制現金流量利率風險，本集團將在有盈餘資金的情況下償還相應借款。

6. 關鍵會計估計及判斷

本集團經常評估所作之估計及判斷，並以過往經驗及其他因素（包括相信日後在若干情況下發生事件之合理預期）為依據。

(a) 關鍵會計估計及假設

本集團就未來發展作出估計及假設。該等會計估計，很少與有關實際結果相同。有關附帶風險足以導致須於下一財政年度就資產及負債賬面值作出重大調整之估計及假設在下文論述。

(i) 非上市證券公平值之估計

因本集團釐定該等資產之公平值接近成本，因此若干非上市證券計入可供銷售金融資產及按公平值列賬項目下，並於結算日按成本列賬。就以公平值計算之未上市證券而言，本集團採用折現現金流量估值法及基於各結算日市場狀況之假設而釐定公平價值。

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(a) Critical accounting estimates and assumptions *(Continued)*

(ii) Impairment losses on trade and other receivables

The Group assesses impairment losses on trade and other receivables based upon evaluation of the recoverability of the trade and other receivables at each balance sheet date. The estimates are based on the ageing of the trade and other receivables and the historical write-off experience, net of recoveries. If the financial condition of the debtors were to deteriorate, additional impairment may be required.

(iii) Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value.

6. 關鍵會計估計及判斷 (續)

(a) 關鍵會計估計及假設 (續)

(ii) 應收貿易及其他賬項

本集團於各結算日根據應收貿易及其他賬項之可收回金額評估應收貿易及其他賬項之減值虧損。該等估計乃根據應收貿易及其他賬項之賬齡及過往撇銷之經驗經扣除可收回金額後所得。倘債務人之財務狀況惡化，則可能需要額外計提減值。

(iii) 物業、廠房及設備之減值

倘有任何跡象顯示該等資產之賬面價值可能無法收回及該等資產出現減值虧損，則須對物業、廠房及設備進行減值測試。可收回金額為資產之公平值減銷售成本與使用價值兩者之較高者。計算使用價值要求本集團估計有關現金產生單位預期產生之日後現金流量及用於計算現值之適當折現率。

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(a) Critical accounting estimates and assumptions
(Continued)

(iv) Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences.
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

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

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

6. 關鍵會計估計及判斷 (續)

(a) 關鍵會計估計及假設 (續)

(iv) 投資物業公平值之估算

公平值之最佳憑證為同類租約及其他合約於活躍市場之最新價格。倘缺乏此方面資料，本集團按合理公平值估計範圍釐定有關金額。在作出判斷時，本集團考慮多方面資料，其中包括：

- (i) 不同性質、狀況或地點（或受不同租約或其他合約規限）物業當時在活躍市場之最新價格（須就各項差異作出調整）。
- (ii) 活躍程度稍遜之市場所提供同類物業最近期價格（須按自有關價格成交當日以來經濟狀況出現之任何變化作出調整）。

(b) 應用實體政策之關鍵判斷

投資物業與自用物業之區別

本集團自行釐定物業是否符合列作投資物業的資格。在作出有關判斷時，本集團須考慮該物業是否在不受企業所持其他資產影響下提供現金流量。業主自用物業所提供之現金流量不僅來自物業本身，亦同時來自生產或供應過程所使用之其他資產。

7. SEGMENTAL INFORMATION

Business segments

For management purpose, the Group is currently organised into five major operating divisions – securities trading and investment, trading of building materials and renovation services, property development and sales, operations of toll highway and property rental.

These divisions are the basis on which the Group reports its primary segment information.

An analysis of the Group's turnover, contribution to operating results and segment assets and liabilities by business segments is presented as follows:

2006

	Securities trading and investment HK\$'000 證券買賣及投資 千港元	Trading of building materials and renovation services HK\$'000 建築材料貿易及裝修服務 千港元	Property development and sales HK\$'000 物業發展及銷售 千港元	Operation of toll highway HK\$'000 收費公路營運 千港元	Property rental HK\$'000 物業租賃 千港元	Unallocated HK\$'000 未分配 千港元	Consolidated HK\$'000 綜合 千港元
INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006	收益表 截至二零零六年三月三十一日止年度						
REVENUE	收益						
External sales	23,543	9,667	22	–	41	–	33,273
Segment results	1,310	(3,373)	(1,853)	–	(43)	–	(3,959)
Unallocated other operating income							2,023
Unallocated corporate expenses							(8,624)
Loss from operations							(10,560)
Finance costs							(9,561)
Loss on disposal of subsidiaries							(2,913)
Impairment losses on amount due from an associate							(3,671)
Share of profits less losses of associates							(447)
Loss before taxation							(27,152)
Taxation							–
Loss before minority interests							(27,152)
Minority interests							714
Loss for the year							(26,438)

7. 分類資料

業務分類

就管理而言，本集團現時分為五個主要營運部門－證券買賣及投資、建築材料貿易及裝修服務、物業發展及銷售、收費公路營運及物業租賃。

本集團按該等部門申報主要分類資料。

以下呈列按業務分類分析之本集團營業額、經營業績貢獻、分類資產及負債：

二零零六年

7. SEGMENTAL INFORMATION (Continued)

7. 分類資料 (續)

Business segments (Continued)

業務分類 (續)

2006

二零零六年

		Securities trading and investment HK\$'000 證券買賣及投資 千港元	Trading of building materials and renovation services HK\$'000 建築材料貿易及裝修服務 千港元	Property development and sales HK\$'000 物業發展及銷售 千港元	Operation of toll highway HK\$'000 收費公路營運 千港元	Property rental HK\$'000 物業租賃 千港元	Unallocated HK\$'000 未分配 千港元	Consolidated HK\$'000 綜合 千港元
BALANCE SHEET	資產負債表							
AT 31ST MARCH, 2006	於二零零六年三月三十一日							
ASSETS	資產							
Segment assets	分類資產	115,228	4,872	39,118	75,979	15,488	-	250,685
Interests in associates	於聯營公司之權益	-	-	-	-	2,040	-	2,040
Unallocated corporate assets	未分配公司資產							139,254
Consolidated total assets	綜合資產總值							<u>391,979</u>
LIABILITIES	負債							
Segment liabilities	分類負債	15	2,696	11,986	58,545	6	-	73,248
Unallocated corporate liabilities	未分配公司負債							98,346
Consolidated total liabilities	綜合負債總額							<u>171,594</u>
OTHER INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2006	其他資料截至二零零六年三月三十一日止年度							
Capital additions	資本增加	-	53	-	-	-	62	115
Depreciation and amortisation	折舊及攤銷	-	53	352	-	13	157	575
Impairment losses on available-for-sale financial assets	可出售金融資產之減值虧損	44,205	-	-	-	-	-	44,205
Net unrealised gain on other financial assets at fair value through profit or loss	按公平值計入損益之其他金融資產之未變現收益淨額	48,613	-	-	-	-	-	48,613
Write-back of provision on properties held for sale	持作出售之物業之撥備撥回	-	-	160	-	-	-	160
Fair value gains on investment properties	投資物業之公平值收益	-	-	-	-	1,666	-	1,666

7. SEGMENTAL INFORMATION (Continued)

7. 分類資料 (續)

Business segments (Continued)

業務分類 (續)

2005

二零零五年

		Securities trading and investment HK\$'000 證券買賣 及投資 千港元	Trading of building materials and renovation services HK\$'000 建築材料貿易 及裝修服務 千港元	Property development and sales HK\$'000 物業發展 及銷售 千港元	Operation of toll highway HK\$'000 收費公路 營運 千港元	Property rental HK\$'000 物業租賃 千港元	Unallocated HK\$'000 未分配 千港元	(As restated) Consolidated HK\$'000 (經重列) 綜合 千港元
INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005	收益表 截至二零零五年 三月三十一日止年度							
REVENUE	收益							
External sales	對外銷售	63,638	20,306	246	11,153	21	-	95,364
Segment results	分類業績	(38,025)	(5,671)	8,796	(200,214)	(323)	-	(235,437)
Unallocated other operating income	未分配其他營運 收入							2,879
Unallocated corporate expenses	未分配公司 開支							(13,822)
Loss from operations	營運虧損							(246,380)
Finance costs	融資成本							(9,602)
Loss before taxation	除稅前虧損							(255,982)
Taxation	稅項							42,000
Loss before minority interests	未計少數股東權益前虧損							(213,982)
Minority interests	少數股東權益							92,824
Loss for the year	本年度虧損							(121,158)

7. SEGMENTAL INFORMATION (Continued)

7. 分類資料 (續)

Business segments (Continued)

業務分類 (續)

2005

二零零五年

		Securities trading and investment HK\$'000 證券買賣 及投資 千港元	Trading of building materials and renovation services HK\$'000 建築材料貿易 及裝修服務 千港元	Property development and sales HK\$'000 物業發展 及銷售 千港元	Operation of toll highway HK\$'000 收費公路 營運 千港元	Property rental HK\$'000 物業租賃 千港元	(As restated) Unallocated HK\$'000 未分配 千港元	Consolidated HK\$'000 綜合 千港元
BALANCE SHEET	資產負債表							
AT 31ST MARCH,	於二零零五年							
2005	三月三十一日							
ASSETS	資產							
Segment assets	分類資產	135,342	4,609	54,057	75,980	23,832	-	293,820
Interests in associates	於聯營公司之權益	4,427	-	-	-	1,724	-	6,151
Unallocated corporate assets	未分配公司資產							123,213
Consolidated total assets	綜合資產總值							423,184
LIABILITIES	負債							
Segment liabilities	分類負債	15	2,836	14,421	58,545	6	-	75,823
Unallocated corporate liabilities	未分配公司負債							116,318
Consolidated total liabilities	綜合負債總額							192,141
OTHER INFORMATION	其他資料							
FOR THE YEAR ENDED	截至二零零五年							
31ST MARCH, 2005	三月三十一日止年度							
Capital additions	資本增加	-	70	-	-	-	1,469	1,539
Depreciation and amortisation	折舊及攤銷	26	50	528	4,562	-	879	6,045
Impairment losses on investment securities	投資證券之減值虧損	41,000	-	-	-	-	-	41,000
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	-	-	-	200,000	-	-	200,000
Net unrealised gain on other investments	其他投資之未變現收益淨額	7,313	-	-	-	-	-	7,313
Net impairment losses on trade and other receivables written back	應收貿易及其他賬項之減值虧損淨額撥回	-	(4,146)	16,707	-	-	(451)	12,110

7. SEGMENTAL INFORMATION (Continued)

Geographical segments

All of the Group's operations are principally located in Hong Kong and the People's Republic of China (the "PRC"). The Group's administration is carried out in Hong Kong.

An analysis of the Group's turnover by geographical market, irrespective of the origin of the goods and services, is presented below:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Hong Kong	香港	33,250	83,965
The PRC	中國	23	11,399
		33,273	95,364

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

		Carrying amount of assets		Capital additions to property, plant and equipment	
		資產賬面值		物業、廠房及設備之資本增加	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Hong Kong	香港	270,216	265,453	115	1,539
The PRC	中國	121,763	157,731	-	-
		391,979	423,184	115	1,539

7. 分類資料 (續)

地區分類

本集團所有業務主要位於香港及中華人民共和國(「中國」)。本集團之行政工作於香港進行。

以下呈列本集團按地區市場劃分之銷售(不論產品及服務來源地)分析:

以下為按資產所在地劃分之資產賬面值以及投資物業及物業、廠房及設備資本增加之分析:

8. TURNOVER, OTHER INCOME AND GAINS, NET

Turnover represents the aggregate of the net amounts received and receivable from third parties, during the year. An analysis of the Group's turnover, other income and gains, net is as follows:

8. 營業額、其他收入及收益淨額

營業額指年內從第三方已收及應收款項淨額總數。本集團營業額、其他收入及收益淨額分析如下：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Turnover	營業額		
Securities trading and investment	證券買賣及投資	23,543	63,638
Renovation services	裝修服務	5,993	17,088
Operation of toll highway	收費公路營運	-	11,153
Trading of building materials	建築材料貿易	3,674	3,218
Property development and sales	物業發展及銷售	-	246
Property rental	物業租賃	63	21
		33,273	95,364
Other income	其他收入		
Interest income	利息收入	515	106
Sundry income	雜項收入	315	523
		830	629
Gains, net	收益淨額		
Net unrealised gain on other investments	其他投資之未變現收益淨額	-	7,313
Net unrealised gain on other financial assets at fair value through profit or loss	按公平值計入損益之其他 金融資產之未變現收益淨額	48,613	-
Fair value gains on investment properties	投資物業之公平值收益	1,666	2,482
Write-back of provision on properties held for sale	持作出售之物業之 撥備撥回	160	-
		50,439	9,795
		84,542	105,788

9. FINANCE COSTS

9. 融資成本

		2006 HK\$'000 二零零六年 千港元	(As restated) 2005 HK\$'000 (經重列) 二零零五年 千港元
Interest on:	利息：		
Borrowings wholly repayable within five years	須於五年內全數償還之借貸		
– bank borrowings	– 銀行借貸	6,144	7,781
– other borrowings	– 其他借貸	1,843	1,424
Convertible notes	可換股票據	1,574	397
		9,561	9,602

10. LOSS BEFORE TAXATION

10. 除稅前虧損

Loss before taxation has been arrived at after charging and crediting the following:

除稅前虧損乃於扣除及計入下列項目後得出：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Charging:	已扣除下列項目：		
Staff costs	員工成本		
– directors' remuneration (note 11)	– 董事酬金(附註11)	725	1,168
– basic salaries and other benefits	– 基本薪金及其他福利	4,041	6,596
– retirement benefits scheme contributions	– 退休福利計劃供款	281	275
		5,047	8,039
Auditors' remuneration	核數師酬金	775	1,300
Depreciation and amortisation of property, plant and equipment	物業、廠房及設備折舊及攤銷	575	6,045
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	–	113
Net realised losses on other financial assets at fair value through profit or loss	按公平值計入損益之其他金融資產已變現虧損淨額	3,181	–
Net realised losses on other investments	其他投資已變現虧損淨額	–	4,270
Operating lease payments (note 38)	經營租約付款(附註38)	1,818	3,030
Cost of inventories sold	已售存貨成本	7,517	11,510
and crediting:	並已計入下列項目：		
Net rental income from investment properties under operating leases, after deduction of outgoings of approximately HK\$2,000 (2005: HK\$1,000)	經營租約項下投資物業之租金收入淨額，經扣除約2,000港元支出(二零零五年：1,000港元)	61	20
Share of associate's taxation	應佔聯營公司稅項	7	–
		7	–

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

11. 董事及最高薪酬人士之酬金

(a) Directors' emoluments

Directors' remuneration for the year, disclosed pursuant to The Rules Governing the Listing of Securities on the Stock Exchange and Section 161 of the Hong Kong Companies Ordinance, is as follows:

(a) 董事酬金

根據香港聯合交易所有限公司證券上市規則香港公司條例第161條披露之本年度董事酬金如下：

Name of directors	Directors' Fees HK\$'000	Salaries and allowances HK\$'000	Retirement benefits	2006 Total HK\$'000	2005 Total HK\$'000
			contributions HK\$'000		
董事名稱	董事袍金 千港元	薪金及津貼 千港元	退休福利計劃供款 千港元	二零零六年 總計 千港元	二零零五年 總計 千港元
<i>Executive directors</i> 執行董事					
Mr. Dong Bo, Frederic	–	320	12	332	524
Mr. Gao Feng	38	–	–	38	–
Mr. Lau Man Tak (note a)	–	20	1	21	164
Mr. Wong Cho Fai, Nicholas (note b)	–	–	–	–	–
Mr. Cheung Yu Shum, Jenkin (note c)	–	–	–	–	–
<i>Independent non-executive directors</i> 獨立非執行董事					
Mr. Wong Hoi Kuen	15	–	–	15	–
Mr. Pang Haiou	–	–	–	–	–
Mr. Zuo Guang	–	–	–	–	–
Mr. Kan Kwok Shu (note d)	100	–	–	100	240
Mr. Shum Ka Hei (note e)	209	–	–	209	240
Mr. Fung Po Chuen (note f)	5	–	–	5	–
Mr. Henry Tooze (note f)	5	–	–	5	–
Total 2006	372	340	13	725	1,168
Total 2005	480	676	12		

Note:

- (a) Resigned on 5th August, 2005
- (b) Appointed on 23rd May, 2005 and resigned on 5th October, 2005

附註：

- (a) 於二零零五年八月五日辭任
- (b) 於二零零五年五月二十三日獲委任並於二零零五年十月五日辭任

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(Continued)

(a) Directors' emoluments (Continued)

- (c) Appointed on 24th June, 2005 and resigned on 14th February, 2006
- (d) Resigned on 1st September, 2005
- (e) Resigned on 13th February, 2006
- (f) Appointed on 17th March, 2006 and resigned on 30th April, 2006

(b) Highest paid individuals

Of the five individuals with the highest emoluments in the Group, one (2005: one) was director of the Company whose emoluments are set out above. The emoluments of the remaining individuals were as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Salaries and other benefits	薪金及其他福利	1,085	1,728
Retirement benefits scheme contributions	退休福利計劃供款	57	40
		1,142	1,768

The emoluments of the remaining highest paid individuals were within the following bands:

		2006 Number of employees 二零零六年 僱員人數	2005 Number of employees 二零零五年 僱員人數
Up to HK\$1,000,000	1,000,000港元以內	4	4

During the year, no emoluments were paid by the Group to the five highest paid individuals, including directors and employees, as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

11. 董事及最高薪酬人士之酬金 (續)

(a) 董事酬金 (續)

- (c) 於二零零五年六月二十四日獲委任並於二零零六年二月十四日辭任
- (d) 於二零零五年九月一日辭任
- (e) 於二零零六年二月十三日辭任
- (f) 於二零零六年三月十七日獲委任並於二零零六年四月三十日辭任

(b) 最高薪酬人士

本集團五名最高薪酬人士包括一名 (二零零五年: 一名) 本公司董事, 其酬金詳情載於上文。其餘人士之酬金如下:

以下最高薪酬人士酬金介乎以下範圍:

年內, 本集團並無向五名最高薪酬人士 (包括董事及僱員) 支付酬金, 以作為加入本集團或於加入本集團時之獎勵或離職之補償。年內並無董事放棄任何酬金。

12. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as either the Company and its subsidiaries either have no assessable profits for both years or have their profits wholly absorbed by tax losses brought forward.

12. 稅項

由於本公司及其附屬公司於兩個年度均無應課稅溢利，或其溢利已由結轉之稅務虧損悉數吸納，故並無於財務報表作出香港利得稅撥備。

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Deferred taxation relating to the origination and reversal of temporary differences (note 29)	有關產生及轉回暫時差異之遞延稅項 (附註29)	-	(42,000)
Taxation credit	稅項抵免	-	(42,000)

The taxation on the Group's loss before taxation differs from the theoretical amount that would arise using the domestic taxation rates applicable to losses of the consolidated companies as follows:

本集團除稅前虧損之稅項與以適用於綜合公司虧損之本地稅率所產生之理論性金額差異如下：

		2006 HK\$'000 二零零六年 千港元	(As restated) 2005 HK\$'000 (經重列) 二零零五年 千港元
Loss before taxation	除稅前虧損	(27,152)	(255,982)
Tax at the domestic income tax rate of 17.5% (2005: 17.5%)	按本地所得稅稅率17.5%計算之稅項 (二零零五年: 17.5%)	(4,752)	(44,797)
Tax effect of expenses that are not deductible for tax purpose	不可扣稅開支之稅務影響	10,312	8,923
Tax effect of income that are not taxable for tax purpose	毋須課稅收入之稅務影響	(737)	(7,583)
Tax effect of temporary differences not recognised	未確認暫時差異之稅務影響	(312)	31,826
Tax effect of utilisation of tax losses not previously recognised	動用先前未確認稅務虧損之稅務影響	(5,587)	(349)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區營業之附屬公司不同稅率之影響	1,076	(30,020)
Taxation credit	稅項抵免	-	(42,000)

13. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of loss of HK\$65,392,000 (2005: Loss of HK\$123,502,000, as restated)

14. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the year of HK\$26,438,000 (2005: HK\$121,158,000, as restated) and on the weighted average number of 347,773,969 (2005: 241,436,167) ordinary shares in issue during the year.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31st March, 2005 have been retrospectively adjusted for the effect of the capital reorganisation (note 30(a) and (b)) approved by the shareholders of the Company on 6th April, 2005.

The adjustment to the comparative basic loss per share, arising from the adoption of HKAS 32 is as follows:

13. 本公司股權持有人應佔虧損

本公司股權持有人應佔虧損乃於在虧損65,392,000港元(二零零五年:虧損123,502,000港元·經重列)之情況下計入本公司財務報表。

14. 每股虧損

每股基本虧損乃根據本年度虧損淨額26,438,000港元(二零零五年:121,158,000港元·經重列)及年內已發行普通股加權平均數347,773,969股(二零零五年:241,436,167股)計算。

計算截至二零零五年三月三十一日止年度每股基本虧損所用之普通股加權平均數·已就本公司股東於二零零五年四月六日所批准股本重組之影響作出追溯調整·詳情載於附註30(a)及(b)。

採納香港會計準則第32號所產生之比較每股基本虧損調整如下:

		HK cents 港仙
Reconciliation of 2005 loss per share:	二零零五年每股虧損之調整:	
Reported figure before adjustments	調整前報告數字	50.1
Adjustments arising from adoption of HKAS 32	採納香港會計準則第32號所產生之調整	0.1
As restated	經重列	50.2

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Toll highway HK\$'000 收費公路 千港元	Leasehold land and buildings HK\$'000 租賃土地 及樓宇 千港元	Leasehold improve- ments HK\$'000 租賃物業 裝修 千港元	Plant and machinery HK\$'000 廠房 及機器 千港元	Motor vehicles and yachts HK\$'000 汽車 及遊艇 千港元	Furniture and fixtures HK\$'000 傢俬 及裝置 千港元	Total HK\$'000 總計 千港元
THE GROUP	本集團							
Cost	成本							
At 1st April, 2004	於二零零四年四月一日	288,266	3,245	2,067	2,935	3,978	693	301,184
Reclassification	重新分類	-	-	-	(1,916)	1,916	-	-
Additions	添置	-	-	-	-	1,469	70	1,539
Disposals	出售	-	-	-	(288)	(5,222)	-	(5,510)
At 31st March, 2005, as restated	於二零零五年 三月三十一日， 經重列	288,266	3,245	2,067	731	2,141	763	297,213
At 1st April, 2005, as per above	於二零零五年 四月一日，如上	288,266	3,245	2,067	731	2,141	763	297,213
Additions	添置	-	-	62	-	-	53	115
Disposals	出售	-	-	(1,302)	-	-	-	(1,302)
Disposal of subsidiaries	出售附屬公司	-	-	(665)	-	-	(18)	(683)
At 31st March, 2006	於二零零六年 三月三十一日	288,266	3,245	162	731	2,141	798	295,343
Depreciation, amortisation and impairment	折舊、攤銷 及減值							
At 1st April, 2004	於二零零四年四月一日	19,882	2,842	1,085	100	1,375	315	25,599
Reclassification	重新分類	-	-	-	(76)	76	-	-
Depreciation provided for the year	本年度折舊 撥備	4,485	174	449	431	358	148	6,045
Impairment loss recognised for the year	本年度確認之 減值虧損	200,000	-	-	-	-	-	200,000
Disposals	出售	-	-	-	(288)	(1,602)	-	(1,890)
At 31st March, 2005, as restated	於二零零五年 三月三十一日， 經重列	224,367	3,016	1,534	167	207	463	229,754
At 1st April, 2005, as per above	於二零零五年 四月一日，如上	224,367	3,016	1,534	167	207	463	229,754
Depreciation provided for the year	本年度折舊 撥備	-	13	31	1	382	148	575
Disposals	出售	-	-	(1,302)	-	-	-	(1,302)
Disposal of subsidiaries	出售附屬公司	-	-	(145)	-	-	(11)	(156)
At 31st March, 2006	於二零零六年 三月三十一日	224,367	3,029	118	168	589	600	228,871
Net book values	賬面淨值							
At 31st March, 2006	於二零零六年 三月三十一日	63,899	216	44	563	1,552	198	66,472
At 31st March, 2005	於二零零五年 三月三十一日	63,899	229	533	564	1,934	300	67,459

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group's leasehold land and buildings are situated in the PRC held under long term land use rights. As the prepaid land lease payment cannot be allocated reliably between the land and building elements, the entire lease payment is included in the cost of land and buildings as a finance lease in property, plant and equipment in accordance with HKAS 17.

THE GROUP

As at 31st March, 2005, the directors, after considering the economic condition, had reviewed the carrying value of the Group's toll highway with reference to director's valuation made under a discounted cash flow analysis of the projected cash flow to be generated from the toll highway operation at a discount rate of 7% per annum and determined that the recoverable amounts of this asset had declined below its carrying value. Accordingly, the carrying value of this asset as at 31st March, 2005 was reduced by HK\$200,000,000.

15. 物業、廠房及設備 (續)

本集團之租賃土地及樓宇位於中國及據長期土地使用權持有。由於預付租賃土地款項不能於土地及樓宇間可靠地分配，因此全部租賃款項乃根據香港會計準則第17條按物業、廠房及設備之金融租賃包括於土地及樓宇成本之內。

本集團

於二零零五年三月三十一日，董事考慮經濟情況後，已參考董事按一項以7%的年折現率就收費公路業務產生之預計日後現金流量作出之貼現現金流量分析進行之評估，檢討本集團收費公路之賬面值，並釐定此等資產之可收回金額已降至低於其賬面值。因此，此等資產於二零零五年三月三十一日之賬面值已減少200,000,000港元。

		Leasehold improvements HK\$'000 租賃物業 裝修 千港元	Furniture and fixtures HK\$'000 傢俬 及裝置 千港元	Total HK\$'000 總計 千港元
THE COMPANY	本公司			
Cost	成本			
At 1st April, 2004 and at 31st March, 2005	於二零零四年四月一日及 二零零五年三月三十一日	1,402	467	1,869
At 1st April, 2005	於二零零五年四月一日	1,402	467	1,869
Additions	添置	62	-	62
Disposals	出售	(1,302)	-	(1,302)
At 31st March, 2006	於二零零六年三月三十一日	162	467	629
Depreciation and amortisation	折舊及攤銷			
At 1st April, 2004	於二零零四年四月一日	1,018	195	1,213
Depreciation provided for the year	本年度折舊撥備	384	93	477
At 31st March, 2005	於二零零五年三月三十一日	1,402	288	1,690
At 1st April, 2005	於二零零五年四月一日	1,402	288	1,690
Depreciation provided for the year	本年度折舊撥備	18	94	112
Disposals	出售	(1,302)	-	(1,302)
At 31st March, 2006	於二零零六年三月三十一日	118	382	500
Net book values	賬面淨值			
At 31st March, 2006	於二零零六年三月三十一日	44	85	129
At 31st March, 2005	於二零零五年三月三十一日	-	179	179

16. INVESTMENT PROPERTIES

16. 投資物業

		THE GROUP 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
At beginning of the year	年初	23,118	20,636
Fair value gains	公平值收益	1,666	2,482
Disposal of subsidiaries	出售附屬公司	(9,460)	–
At end of the year	年終	15,324	23,118

The investment properties were revalued at 31st March, 2006 on market value basis by RHL Appraisal Ltd. as to approximately HK\$5,520,000 and LCH (Asia-Pacific) Surveyor's Limited as to approximately HK\$9,804,000, both of which were independent firms of professional property valuers. The revaluation increase of approximately HK\$1,666,000 has been credited to the income statement.

投資物業分別經由獨立專業物業估值師行永利行評值顧問有限公司及利駿行測量師有限公司，按市值基準重估有關物業於二零零六年三月三十一日之價值約為5,520,000 港元及約9,804,000港元。由於過往曾在收益表扣除重估虧絀，故重估盈餘約1,666,000 港元已計入收益表。

The Group's investment properties comprise:

本集團所持投資物業包括：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Properties situated in Hong Kong held under: 在香港根據下列租約持有之物業：			
– long leases	– 長期租約	5,420	10,950
– medium-term leases	– 中期租約	100	100
Properties situated in the PRC held under: 在中國根據下列租約持有之物業：			
– long-term land use rights	– 長期土地使用權	–	1,320
– medium-term land use rights	– 中期土地使用權	9,804	10,748
		15,324	23,118

17. INTERESTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份·按成本值	-	-
Amounts due from subsidiaries less impairment losses	應收附屬公司款項減 減值虧損	67,004	126,253
Amounts due to subsidiaries	應付附屬公司款項	(6,275)	(3,369)

		THE COMPANY 本公司	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
		-	-
		67,004	126,253
		(6,275)	(3,369)
		60,729	122,884

The Company's cost of investments in the unlisted shares of its directly held subsidiaries is in aggregate less than HK\$1,000.

Amounts due from (to) subsidiaries are unsecured, interest free and have no fixed terms of repayment. In the opinion of the directors, the amounts will not be repayable within twelve months of the balance sheet date and are accordingly classified as non-current.

Details of the Company's principal subsidiaries at 31st March, 2006 are set out in note 44.

本公司投資於其直接持有附屬公司之非上市股份成本總額少於1,000港元。

應收(付)附屬公司之款項為無抵押、不計利息及無固定還款期。董事認為，有關款項不會於結算日起計一年內償還。因此，該等款項已分類為於該日之非流動資產。

本公司各主要附屬公司於二零零六年三月三十一日之詳情列載於附註44。

18. INTERESTS IN ASSOCIATES

Share of net assets	應佔資產淨值	1,879	1,872
Amounts due from associates less impairment losses	應收聯營公司款項 減撥備	161	4,279

		THE GROUP 本集團	
		2006 HK\$'000 二零零六年 千港元	(As restated) 2005 HK\$'000 (經重列) 二零零五年 千港元
		1,879	1,872
		161	4,279
		2,040	6,151

The amounts due from associates are unsecured and non-interest bearing. In the opinion of the directors, the amounts due from associates will not be repayable within one year of the balance sheet date and are accordingly classified as non-current.

應收聯營公司款項為無抵押及不計利息。董事認為，應收聯營公司款項將不會於結算日起計一年內償還。因此，該等款項已分類為非流動資產。

18. INTERESTS IN ASSOCIATES (Continued)

As at 31st March, 2006, the Group had interests in the following significant associates:

Name of associate	Form of business structure	Place of incorporation/ establishment	Paid up share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by subsidiaries	Principal activity/ place of operation
	聯營公司名稱	組織形式	註冊成立/ 成立地點	已繳股本/ 註冊資本 %	附屬公司所持 已發行股本/ 註冊資本主要業務/ 面值比例經營地點
Asia Standard Development Company Limited	Incorporated	Hong Kong	HK\$2	50	Investment holding/ Hong Kong
	註冊成立	香港	2港元	50	投資控股/香港
Era Winner Limited	Incorporated	Hong Kong	HK\$2	50	Property holding/ Hong Kong
勝建有限公司	註冊成立	香港	2港元	50	投資控股/香港

The above table lists the associates of the Group which, in the opinion of the directors, principally affect the results of the Group for the year or form a substantial portion of the net assets of the Group at the end of the year. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

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

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Total assets	資產總值	32,658	32,609
Total liabilities	負債總額	(85,112)	(84,864)
Net liabilities	負債淨額	(52,454)	(52,255)
Revenue	收益	186	217
Loss for the year	本年度虧損	(893)	(899)

The Group has no unrecognised losses in respect of the associates during both years and cumulatively.

18. 於聯營公司之權益 (續)

於二零零六年三月三十一日，本集團於下列主要聯營公司之權益如下：

董事會認為上表所載之本公司聯營公司對本集團本年度業績有重大影響或佔本集團於本年度年結日資產淨值之重大部份。董事會認為倘列出所有聯營公司資料，將使篇幅過於冗長。

本集團聯營公司之財務資料概要列載如下：

本集團於並無年度或累計之未確認虧損。

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

19. 可出售金融資產

THE GROUP
本集團
2006
HK\$'000
二零零六年
千港元

Unlisted equity securities in overseas, at cost less impairment losses	海外非上市權益證券， 按成本減減值虧損	12,153
---	------------------------	---------------

Impairment losses of approximately HK\$44,205,000 (2005: HK\$41,000,000) in respect of investments in unlisted equity securities have been identified and charged to the income statement, which were determined with reference to the investees' financial results and operations.

經參考接受投資公司之財務業績及運作後，本集團就證券投資確認減值虧損約44,205,000港元（二零零五年：41,000,000港元），並自收益表扣除。

Details of the Group's investments in unlisted equity securities included above and note 20 below disclosed pursuant to section 129(1) of the Hong Kong Companies Ordinance are as follows:

上表及下表附註20包括根據公司條例第129(1)條披露之本集團之非上市證券投資，有關詳情如下：

Name of investee	Place of incorporation/ operations	Proportion of nominal value of issued share capital/ registered capital held by the subsidiaries 附屬公司所持已發行股本/ 註冊資本面值比例	Effective proportion of issued share capital/registered capital held by the Group 本集團所持已發行股本/ 註冊資本實際比例
接受投資公司名稱	註冊成立/ 經營地點		
上海南曉消防工程 設備有限公司	PRC/PRC 中國/中國	45%	22.95%

The above company is not regarded as an associate of the Group because the Group has no significant influence over its affairs.

由於本集團對上述公司事務並無重大影響力，故該等公司不被視作本集團聯營公司。

20. INVESTMENT SECURITIES

20. 投資證券

THE GROUP
本集團
2005
HK\$'000
二零零五年
千港元

Unlisted equity securities in overseas, at cost less impairment losses	海外非上市權益證券， 按成本減減值虧損	56,360
Unlisted debt securities in Hong Kong, at cost	香港非上市債務證券，按成本	1,500
		57,860

21. INVENTORIES

Building materials	建築材料
Properties held for sale	待售物業

THE GROUP 本集團	
2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元

1,509	1,336
3,252	3,180
4,761	4,516

Included in properties held for sale amounting to HK\$3,252,000 (2005: HK\$3,180,000) were properties carried at net realisable value. The remaining inventories were carried at cost.

待售物業包括3,252,000港元(二零零五年:3,180,000港元)按可變現淨值列賬之物業,而其他存貨則按成本值列賬。

22. TRADE AND OTHER RECEIVABLES

The carrying amounts of trade and other receivables are as follows:

Trade receivables	應收貿易賬項
Amounts due from customers for renovation works (note a)	應收裝修工程客戶款項 (附註a)
Retentions receivable	應收保留賬項
Other receivables and prepayments (note b)	其他應收賬項及預付款項 (附註b)

THE GROUP 本集團	
2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元

2,965	4,993
-	2
122	628
168,638	128,705
171,725	134,328

The directors consider that the carrying amounts of trade and other receivables approximate to their fair values.

董事認為應收貿易及其他賬項之賬面值與其公平值相若。

22. TRADE AND OTHER RECEIVABLES (Continued)

The Group allows an average credit period of 60 days to 90 days to its trade customers. As at 31st March, 2006 and 31st March, 2005, the ageing analysis of the Group's trade receivables is as follows:

Up to 30 days	零至30日
31 to 90 days	31至90日
91 day to 365 days	91至365日
Over 365 days	超過365日

Included in trade and other receivables is the following amount denominated in a currency other than the functional currency of the Company to which they relate:

Renminbi	人民幣
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22. 應收貿易及其他賬項 (續)

本集團給予其貿易客戶平均介乎60日至90日之信貸期。於二零零六年三月三十一日及二零零五年三月三十一日，本集團應收貿易賬項之賬齡分析如下：

		THE GROUP 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Up to 30 days	零至30日	821	241
31 to 90 days	31至90日	459	354
91 day to 365 days	91至365日	1,635	3,447
Over 365 days	超過365日	50	951
		2,965	4,993

貿易及其他應收賬項中包括下述與其相關之實體，以本公司功能貨幣以外為單位之數額：

		THE GROUP 本集團	
		2006 '000 二零零六年 千元	2005 '000 二零零五年 千元
Renminbi	人民幣	26,958	34,623

22. TRADE AND OTHER RECEIVABLES (Continued)

Note:

(a) Amounts due from (to) customers for renovation works

Contract costs incurred plus recognised profits	已產生合約成本加已確認		
less recognised losses	溢利減已確認虧損	-	5
Less: Progress billings	減: 進度付款	-	(39)
		-	(34)
Represented by:	代表:		
Due from customers included in current assets	列入流動資產之應收客戶款項	-	2
Due to customers included in current liabilities (note 26)	列入流動負債之應付客戶款項 (附註26)	-	(36)
		-	(34)

(b) Included in other receivables and prepayments is an amount of approximately HK\$123,437,000 (2005: HK\$69,688,000) placed with a company which is an independent third party, for securities trading and other investment purposes.

The amount is secured, interest free and repayable on demand.

23. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed securities held for trading:	
- Equity securities - Hong Kong	
- Equity securities - Overseas	

Market value of listed securities

持作買賣之上市證券:	
- 權益證券 - 香港	
- 權益證券 - 海外	

上市證券市值

THE GROUP
本集團
2006
HK\$'000
二零零六年
千港元

103,237
7,750

110,987

At 31st March, 2006, the carrying amount of interest in the following company exceeded 10% of total assets of the Group.

22. 應收貿易及其他賬項 (續)

附註:

(a) 應收(應付)裝修工程客戶款項

		THE GROUP 本集團
	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Contract costs incurred plus recognised profits		
less recognised losses	-	5
Less: Progress billings	-	(39)
	-	(34)
Represented by:		
Due from customers included in current assets	-	2
Due to customers included in current liabilities (note 26)	-	(36)
	-	(34)

(b) 其他應收賬項及預付款項包括存放於一間獨立第三方公司、用作證券買賣及其他投資用途之款項約123,437,000港元(二零零五年: 69,688,000港元)。

該筆款項屬有抵押、免息及須應要求償還。

23. 按公平值計入損益之其他金融資產

於二零零六年三月三十一日, 於以下公司之權益賬面值超過本集團10%之資產總額。

23. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

23. 按公平值計入損益之其他金融資產 (續)

Name 名稱	Place of incorporation 註冊成立地點	Principal activities 主要業務	Particulars of issued shares held 已發行股份詳情	Interest held 所持權益
China Solar Energy Holdings Limited (formerly known as RexCapital International Holdings Limited)	Bermuda	Provision of investment advisory services, participation in securities market and money lending	Ordinary share	2.78%
華基光電能源控股有限公司 (前稱御泰國際控股有限公司)	百慕達	投資顧問服務 參與證券市場及 借貸業務	普通股	2.78%

24. OTHER INVESTMENTS

24. 其他投資

		THE GROUP 本集團 2005 HK\$'000 二零零五年 千港元
Equity securities listed in Hong Kong	於香港上市之權益證券	67,344
Equity securities listed in Overseas	於海外上市之權益證券	8,750
Market value of listed equity securities	上市權益證券之市值	<u>76,094</u>

25. CASH AND CASH EQUIVALENTS

25. 現金及現金等額項目

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Bank balances and cash	銀行結餘及現金	<u>8,517</u>	48,617	<u>334</u>	32,358

25. CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents include the following for the purposes of the consolidated cash flow statement.

		THE GROUP 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Bank balances and cash as per above	銀行結餘及現金，如上述	8,517	48,617
Bank overdrafts (note 27)	銀行透支（附註27）	(6,938)	(13,100)
		1,579	35,517

Included in cash and cash equivalents in the balance sheet are the following amounts denominated in currencies other than the functional currency of the Company to which they relate:

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 '000 二零零六年 千元	2005 '000 二零零五年 千元	2006 '000 二零零六年 千元	2005 '000 二零零五年 千元
United States Dollar	美元	2	2	-	-
Renminbi	人民幣	8,252	16,832	-	-

26. TRADE AND OTHER PAYABLES

		THE GROUP 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Trade payables	應付貿易賬項	1,834	1,920
Amounts due to customers for contract work (note 22(a))	應付合約工程客戶款項 （附註22(a)）	-	36
Retention payables	應付保留賬項	179	548
Other payables and accruals	其他應付賬項及應計款項	80,908	82,204
		82,921	84,708

25. 現金及現金等額項目（續）

就綜合現金流量報表而言，現金及現金等額項目包括以下各項：

		THE GROUP 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Bank balances and cash as per above	銀行結餘及現金，如上述	8,517	48,617
Bank overdrafts (note 27)	銀行透支（附註27）	(6,938)	(13,100)
		1,579	35,517

資產負債表上之現金及現金等額項目包括下述與本公司相關之實體之功能貨幣以外為單位之數額：

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 '000 二零零六年 千元	2005 '000 二零零五年 千元	2006 '000 二零零六年 千元	2005 '000 二零零五年 千元
United States Dollar	美元	2	2	-	-
Renminbi	人民幣	8,252	16,832	-	-

26. 應付貿易及其他賬項

26. TRADE AND OTHER PAYABLES (Continued)

As at 31st March, 2006 and 31st March, 2005, the ageing analysis of the Group's trade payables is as follows:

Up to 30 days	零至30日
31 to 90 days	31至90日
Over 90 days	超過90日

The directors consider that the carrying amount of trade payables approximates to their fair value.

Included in trade and other payables is the following amount denominated in a currency other than the functional currency of the Company to which they relate:

Renminbi	人民幣
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26. 應付貿易及其他賬項 (續)

於二零零六年三月三十一日及二零零五年三月三十一日，本集團應付貿易賬項之賬齡分析如下：

		THE GROUP 本集團	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Up to 30 days	零至30日	420	78
31 to 90 days	31至90日	239	203
Over 90 days	超過90日	1,175	1,639
		1,834	1,920

董事認為應付貿易賬項之賬面值與其公平值相若。

應付貿易及其他賬項包括下述與本公司相關之實體之功能貨幣以外為單位之數額：

		THE GROUP 本集團	
		2006 '000 二零零六年 千元	2005 '000 二零零五年 千元
Renminbi	人民幣	74,762	78,807

27. BANK AND OTHER BORROWINGS

27. 銀行及其他借貸

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Non-current	非流動				
Bank borrowings	銀行借貸				
– secured	– 有抵押	–	2,337	–	–
Current	流動				
Bank borrowings	銀行借貸				
– secured	– 有抵押	1,354	5,570	–	–
– unsecured	– 無抵押	41,226	44,056	–	–
Bank overdrafts	銀行透支				
– secured (note 25)	– 有抵押 (附註25)	6,938	13,100	–	–
		49,518	62,726	–	–
Other borrowings	其他借貸				
– secured	– 有抵押	36,713	41,765	23,643	23,643
		86,231	104,491	23,643	23,643
Total borrowings	借貸總額	86,231	106,828	23,643	23,643

The maturity of borrowings is as follows:

借貸到期日如下：

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Within one year or on demand	一年內或應要求	86,231	104,491	23,643	23,643
Between one and two years	一年至兩年	–	304	–	–
Between two and five years	兩年至五年	–	961	–	–
Wholly repayable with five years	須於五年內全數償還	86,231	105,756	23,643	23,643
Over five years	超過五年	–	1,072	–	–

As at 31st March, 2006 the average effective interest rate of the bank borrowings repayable within one year is approximately 6.7% p.a. (2005: 6.12% p.a.). As at 31st March, 2005, the effective interest rate of the non-current bank borrowings was approximately 3.9% p.a..

於二零零六年三月三十一日，須於一年內償還之銀行借貸之平均實際利率約為年利率6.7厘（二零零五年：每年6.12%）。於二零零五年三月三十一日，非流動銀行借貸之實際利率約為年利率3.9厘。

27. BANK AND OTHER BORROWINGS (Continued)

Other borrowings are interest bearing at the rate of approximately 9.02% p.a. (2005: 8.29% p.a.).

The carrying amounts of non-current borrowings and short-term borrowings approximate to their fair values.

The carrying amounts of borrowings are denominated in the following currencies:

27. 銀行及其他借貸 (續)

其他借貸以大約年利率9.02厘(二零零五:年利率8.29厘)計算利息。

非流動借貸及短期借貸之賬面值相約於彼等之公平值。

借貸之賬面值乃以下述貨幣為計算單位:

		THE GROUP 本集團		THE COMPANY 本公司	
		2006 '000 二零零六年 千元	2005 '000 二零零五年 千元	2006 '000 二零零六年 千元	2005 '000 二零零五年 千元
Hong Kong dollar	港元	44,869	58,526	23,643	23,643
Renminbi	人民幣	41,226	48,302	-	-
United States Dollar	美元	136	-	-	-
		86,231	106,828	23,643	23,643

Included in the other borrowings as at 31st March, 2006 is an amount of HK\$23,643,000 (2005: HK\$23,643,000) advanced by Asean Resources Limited ("Asean"). It bore interest at Hong Kong prime rate plus 1% and was originally unsecured and due for repayment in full in November 2002. In May 2002, Asean agreed to reschedule the repayment date until May 2004 and the amount is secured by the entire issued share capital of a wholly-owned subsidiary of the Company.

In May 2005 and June 2006, the Company entered into supplemental agreements with Asean that the latter agreed to further extend the repayment date of the loan in the amount of HK\$23,643,000 and the respective accrued interest to November 2006. Accordingly, it is classified as a current liability.

於二零零六年三月三十一日之其他借貸計入Asean Resources Limited(「Asean」)墊支之23,643,000港元(二零零五年:23,643,000港元)。該筆款項按香港最優惠利率加1厘計息,原屬無抵押及於二零零二年十一月到期悉數償還。於二零零二年五月,Asean同意重訂還款期至二零零四年五月,並就該筆款項以本公司一間全資附屬公司全部已發行股本作抵押。

於二零零五年五月及二零零六年六月,本公司與Asean訂立補充協議,Asean同意進一步延長23,643,000港元貸款及其有關應計利息之還款日期至二零零六年十一月。因此,該筆款項因而列作流動負債。

28. CONVERTIBLE NOTES

The movement of the liability component of the convertible notes for both years is set out below:

Nominal value of convertible notes issued	已發行可換股票據之面值
Equity component (note 32)	權益部分 (附註32)
Liability component on initial recognition	首次確認之負債部分
Interest charged	已計利息
Interest paid	已付利息
Conversion of convertible notes	兌換可換股票據
Redemption of convertible notes	贖回可換股票據

THE GROUP AND THE COMPANY 本集團及本公司	
(As restated)	
2006 HK\$'000	2005 HK\$'000 (經重列)
二零零六年 千港元	二零零五年 千港元
31,200	32,400
(594)	(317)
30,606	32,083
1,574	397
(980)	(80)
-	(32,400)
(31,200)	-
-	-

On 7th February, 2005, the Company issued convertible notes of HK\$32.4 million with a conversion price of HK\$0.03 per share. The convertible notes carried interest at 1% per annum and are redeemable on 6th February, 2006 unless they were previously converted or redeemed. The HK\$32.4 million convertible notes were fully converted into 1,080,000,000 ordinary shares of HK\$0.01 each in the Company during the year ended 31st March, 2005.

On 6th January, 2005, the Company entered into placing and subscription agreements with independent third parties for the placing and subscription of convertible notes with an aggregate principal amount of HK\$31.2 million ("CB Placing Agreement") and HK\$78.0 million ("CB Subscription Agreements"), respectively, convertible into shares of the Company at an initial conversion price of HK\$0.03 each. These convertible notes carried interest at 3% per annum and are redeemable six months from the date of issue. The CB Placing Agreement was completed on 18th May, 2005. The HK\$31.2 million convertible notes were fully redeemed during the year ended 31st March, 2006.

28. 可換股票據

過往兩年之可換股票據負債部份之變動列載如下：

本公司於二零零五年二月七日發行32,400,000港元兌換價為每股0.03港元之可換股票據。可換股票據按每年1厘計息，除非已於之前兌換或贖回，否則可於二零零六年二月六日贖回。於截至二零零五年三月三十一日止年度內，32,400,000港元可換股票據已悉數兌換為1,080,000,000股本公司每股面值0.01港元之普通股。

於二零零五年一月六日，本公司與獨立第三方訂立配售及認購協議，分別配售及認購可按初步兌換價每股0.03港元兌換本公司股份而本金額合共31,200,000港元可換股票據（「票據配售協議」）及78,000,000港元可換股票據（「票據認購協議」）。該等可換股票據按每年3厘計息，並可於發行日期起計六個月贖回。票據配售協議已於二零零五年五月十八日完成。31,200,000港元之可換股票據已於截至二零零六年三月三十一日年度贖回。

28. CONVERTIBLE NOTES (Continued)

On 14th July, 2005, the Company entered into cancellation agreements with the subscribers of the CB Subscription Agreements. Details of the CB Subscription Agreements were set out in the circular and announcements to the shareholders of the Company dated 21st February, 2005 and 14th July, 2005, respectively.

Interest expense on the convertible notes is calculated using the effective interest method by applying the effective interest rate of 5% p.a. to the liability component.

29. DEFERRED TAXATION

The following is the only component of deferred tax liability recognised by the Group and movements thereon during the current and prior years:

		Temporary difference attributable to toll highway 收費公路應佔 暫時差額 HK\$'000 千港元
At 1st April, 2004	於二零零四年四月一日	42,000
Credit to income statement	計入收益表	(42,000)
At 31st March, 2005 and at 31st March, 2006	於二零零五年三月三十一日及 二零零六年三月三十一日	-

At 31st March, 2006, the Group has unutilised tax losses of approximately HK\$426,559,000 (2005: HK\$458,589,000), part of which has not yet been agreed with the Hong Kong Inland Revenue Department, available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Included in unutilised tax losses as at 31st March, 2006 and 31st March, 2005 are losses of approximately HK\$27,757,000 that will be expired in five years and the remaining balance does not expire under the current tax legislation.

28. 可換股票據 (續)

於二零零五年七月十四日，本公司與票據認購協議之認購人訂立註銷協議。票據認購協議之詳情載於本公司日期分別為二零零五年二月二十一日及二零零五年七月十四日致股東之通函及公告中。

可換股票據之利息開支以實際利率法計算，負債部分所採用之實際年利率為5%。

29. 遞延稅項

本集團惟一確認之遞延稅項負債部分及其於目前及過往年度之變動如下：

於二零零六年三月三十一日，本集團可供抵扣未來溢利之未動用稅務虧損約為426,559,000港元（二零零五年：458,589,000港元），部分金額仍未能與香港稅務局達成協議。由於不能預計未來溢利來源，故並無就稅務虧損確認遞延稅項資產。於二零零六年三月三十一日及二零零五年三月三十一日之未動用稅務虧損包括將於五年內到期約為27,757,000港元之虧損，餘額則根據現行稅務法例尚未到期。

29. DEFERRED TAXATION (Continued)

At 31st March, 2006, the Group has other deductible temporary differences of approximately HK\$113,393,000 (2005: HK\$115,058,000) in respect of allowance and impairment losses recognised. No deferred tax assets has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised. These deductible temporary differences do not expire under the current tax legislation.

30. SHARE CAPITAL

Ordinary shares of HK\$0.01 each:
 Authorised:
 At 1st April, 2004 and
 31st March, 2005 and
 31st March, 2006
 Issued and fully paid:
 At 31st March, 2004
 (Ordinary shares of HK\$0.01 each)
 Issue of shares on private placement
 Conversion of convertible notes
 At 31st March, 2005
 (Ordinary shares of HK\$0.01 each)
 Share consolidation
 Ordinary shares of HK\$0.20 each
 Capital reduction
 Ordinary shares of HK\$0.01 each
 Issue of shares on private placement
 At 31st March, 2006
 (Ordinary shares of HK\$0.01 each)

每股面值0.01港元之普通股：
 法定：
 於二零零四年四月一日、
 二零零五年三月三十一日及
 二零零六年三月三十一日
 已發行及繳足：
 於二零零四年三月三十一日
 (每股面值0.01港元之普通股)
 以私人配售方式發行股份
 兌換可換股票據
 於二零零五年三月三十一日
 (每股面值0.01港元之普通股)
 股份合併 (a)
 每股面值0.20港元之普通股
 股本削減 (b)
 每股面值0.01港元之普通股
 以私人配售方式發行股份 (c)
 於二零零六年三月三十一日
 (每股面值0.01港元之普通股)

Notes 附註	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
-------------	--------------------------	---------------------------------

	15,000,000,000	150,000
	4,511,445,970	45,114
	902,280,000	9,023
	1,080,000,000	10,800
	6,493,725,970	64,937
	(6,169,039,672)	-
	324,686,298	64,937
	-	(61,690)
	324,686,298	3,247
	26,500,000	265
	351,186,298	3,512

Notes:

(a) Pursuant to the special resolution passed on 6th April, 2005, effective on 7th April, 2005, every 20 issued shares of HK\$0.01 each in the share capital of the Company be consolidated into 1 issued share of HK\$0.20 each (the "Consolidated Share") in the share capital of the Company (the "Share Consolidation").

附註：

(a) 根據於二零零五年四月六日通過並於二零零五年四月七日生效之特別決議案，本公司股本中每20股面值0.01港元之已發行股份合併（「股份合併」）為1股面值0.20港元之已發行股份（「合併股份」）。

30. SHARE CAPITAL (Continued)

- (b) On 7th April, 2005, the issued share capital of the Company be reduced by canceling paid-up capital to the extent of HK\$0.19 on each Consolidated Share (the "Capital Reduction") in issue so that each Consolidated Share shall be treated as one fully-paid up share of HK\$0.01 each in the capital of the Company. Accordingly, the issued share capital of the Company was reduced from an amount of approximately HK\$64,937,000 to approximately HK\$3,247,000 represented by 324,686,298 consolidated shares. The entire credit amount arising from the Capital Reduction was applied to set off the accumulated losses of the Company.
- (c) On 6th January, 2005, a share subscription agreement (as amended by 3 supplemental agreements dated 18th February, 4th March and 15th March, 2005 respectively) was entered into between the Company and an independent investor under which the investor subscribed for 530,000,000 new shares of HK\$0.01 each of the Company at a price of HK\$0.03 per share. The issued price of HK\$0.03 represented a discount of approximately 9.09% to the average closing price of HK\$0.033 per share as quoted on the Stock Exchange from 19th November, 2004 to 14th December, 2004, both dates inclusive. The subscription was completed on 18th May, 2005 and 26,500,000 new shares of HK\$0.01 each of the Company at a price of HK\$0.60 per share were issued since share consolidation was carried out on 7th April, 2005. The net proceeds of approximately HK\$15.9 million were used for the working capital of the Group.

All the ordinary shares issued during the year rank pari passu with the then existing ordinary shares in all respects.

31. SHARE OPTION SCHEME

On 24th April, 2002, the Company adopted a share option scheme (the "2002 Scheme") which will expire on 23rd April, 2012 for the primary purpose of providing incentives to directors, eligible employees and consultants. Under the 2002 Scheme, the board of directors of the Company may at its discretion offer to any employee, including executive directors, or consultants of the Company and/or its subsidiaries options to subscribe for shares in the Company at a consideration of HK\$1 for each lot of share options granted. Options granted should be accepted within 30 days from the date of grant.

30. 股本 (續)

- (b) 於二零零五年四月七日削減本公司已發行股本，方式為將本公司各已發行合併股份註銷0.19港元繳足股本（「股本削減」），致使本公司各合併股份須視為本公司股本中每股面值0.01港元之一股繳足股份。據此，本公司之已發行股本由約64,937,000港元下降至約3,247,000港元之324,686,298股合併股份。因削減股本產生之進項結餘須用作抵銷本公司累計虧損。
- (c) 於二零零五年一月六日，本公司與一名獨立投資者訂立股份認購協議（經日期分別為二零零五年二月十八日、三月四日及三月十五日之三項補充協議修訂），據此，該投資者以每股0.03港元之認購價，認購本公司530,000,000股面值0.01港元之新股。0.03港元之發行價，較於二零零四年十一月十九日至二零零四年十二月十四日（包括該兩天）聯交所所報每股0.033港元之平均收市價折讓約9.09%。該認購於二零零五年五月十八日完成，而自於二零零五年四月七日進行股份合併後已以每股0.60港元之發行價，發行本公司26,500,000股每股面值0.01港元之新股。所得約15,900,000港元之淨額款項撥入本集團之營運資金。

年內發行之所有普通股於各方面與當時既有普通股享有同等權益。

31. 購股權計劃

本公司於二零零二年四月二十四日採納將於二零一二年四月二十三日屆滿之購股權計劃（「二零零二年計劃」），主要目的在於提供獎勵予各董事、合資格僱員及顧問。根據二零零二年計劃，本公司董事會可酌情向任何僱員（包括本公司及／或其附屬公司之執行董事或顧問）授出可認購本公司股份之購股權。授出購股權之每批代價為1港元。授出之購股權須於授出日期起計三十日內接納。

31. SHARE OPTION SCHEME (Continued)

The exercise price is determined by the directors of the Company and will not be less than the highest of (i) the closing price of the shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant, or (iii) the nominal value of the Company's shares.

The total number of shares in respect of which options may be granted under the 2002 Scheme is not permitted to exceed 10% of the shares of the Company in issue as at the date of shareholders' approval of the 2002 Scheme, without a prior approval from the Company's shareholders.

The maximum aggregate number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2002 Scheme and any other schemes, must not, in aggregate, exceed 30% of the total number of shares of the Company in issue from time to time.

An option may be exercised in accordance with the terms of the 2002 Scheme at any time after the date upon which the option is granted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the board of directors in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the 2002 Scheme. Subject to earlier termination by the Company in general meeting or by the board of directors' resolution at a general meeting, the 2002 Scheme shall be valid and effective for a period of 10 years after the date of adoption of the 2002 Scheme.

31. 購股權計劃 (續)

行使價由本公司董事釐定，將不低於以下各項之最高者：(i)授出日期股份收市價；(ii)緊接授出日期前五個營業日股份平均收市價；或(iii)本公司股份面值。

除非獲得本公司股東事先批准，根據二零零二年計劃可予授出之購股權涉及之股份總數，不得超過本公司於股東批准二零零二年計劃當日之已發行股份10%。

根據二零零二年計劃及任何其他計劃已授出而尚未行使之發行在外購股權獲悉數行使時可予發行之股份總數，最多不得超過本公司不時已發行股份總數30%。

根據二零零二年計劃之條款，購股權可於購股權授出當日起至由該日起十年屆滿前隨時行使。購股權之可予行使期將由董事會全權酌情釐定，惟購股權不得於其授出十年後行使。於二零零二年計劃批准日期起計十年後，概不得授出購股權。除非本公司於股東大會或按董事會於股東大會之決議案提早終止計劃，否則，二零零二年計劃將於採納二零零二年計劃當日起十年期內有效及生效。

31. SHARE OPTION SCHEME (Continued)

The maximum number of shares (issued and to be issued) in respect of which options may be granted to any eligible person in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue, unless a shareholders' approval has been obtained.

The following table discloses details of the Company's share options held by employees and movements in the 2002 Scheme during the two years ended 31st March, 2006.

		Date of grant	Exercise price per share HK\$	Number of share options 購股權數目		Outstanding at 31.3.2005 and 31.3.2006 於二零零五年三月三十一日及二零零六年三月三十一日尚未行使
				Outstanding at 31.3.2004 於二零零四年三月三十一日尚未行使	Lapsed during the year 年內失效	
Employees	僱員	9.12.2002	0.202	12,956,000	(12,956,000)	—

31. 購股權計劃 (續)

除已獲得股東批准外，於任何十二個月期間內向任何合資格人士可予授出之購股權所涉及之已經及將予發行股份數目，最多不得超過本公司已發行股份總數1%。

下表披露截至二零零六年三月三十一日止兩個年度於二零零二年計劃中僱員所持有之購股權及其變動詳情。

32. OTHER RESERVES

32. 其他儲備

THE GROUP

本集團

		Capital redemption reserve HK\$'000 資本贖回儲備 千港元	Convertible notes reserve HK\$'000 可換股票據儲備 千港元	Investment properties revaluation HK\$'000 投資物業重估儲備 千港元	Special reserve HK\$'000 特別儲備 千港元	Contributed surplus HK\$'000 繳入盈餘 千港元	Total HK\$'000 總計 千港元
Balance at 31st March, 2004, as previously reported	於二零零四年三月三十一日之結餘·如前呈報	13,878	-	1,385	78,176	684,966	778,405
Initial recognition of convertible notes – equity component and interest expenses (note 28)	初步確認可換股票據 – 權益部分及利息開支 (附註28)	-	317	-	-	-	317
Conversion of convertible notes	兌換可換股票據	-	(317)	-	-	-	(317)
Balance at 31st March, 2005, as restated	於二零零五年三月三十一日·經重列	13,878	-	1,385	78,176	684,966	778,405
Balance at 1st April, 2005, as per above	於二零零五年四月一日·如上	13,878	-	1,385	78,176	684,966	778,405
Opening adjustment for the adoption of HKAS 40	採納香港會計準則第40號之期初調整	-	-	(1,385)	-	-	(1,385)
Balance at 1st April, 2005, as restated	於二零零五年四月一日之結餘·經重列	13,878	-	-	78,176	684,966	777,020
Initial recognition of convertible notes – equity component and interest expenses (note 28)	初步確認可換股票據 – 權益部分及利息開支 (附註28)	-	594	-	-	-	594
Redemption of convertible notes	贖回可換股票據	-	(594)	-	-	-	(594)
Balance at 31st March, 2006	於二零零六年三月三十一日之結餘	13,878	-	-	78,176	684,966	777,020

32. OTHER RESERVES (Continued)

As at 31st March, 2005, the investment property revaluation reserve of the Group of approximately HK\$1,385,000 was wholly attributable to the associates of the group.

The contributed surplus of the Group represents the cancellation of an amount of approximately HK\$48,000,000 from the share premium account of the Company and the credit of an amount of approximately HK\$610,247,000 of the Company's share capital cancelled in 2002 and the contribution of approximately HK\$26,719,000 from the placing of warrants in 2002 that were expired in 2003.

The special reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal amount of share capital of its subsidiaries acquired at the date of a previous group reorganisation.

32. 其他儲備 (續)

於二零零五年三月三十一日，本集團約1,385,000港元之投資物業重估儲備全部歸本集團聯營公司所有。

本公司之繳入盈餘指註銷本公司股份溢價賬當中約48,000,000港元，以及於二零零二年註銷本公司股本之約610,247,000港元進賬及於二零零二年配售於二零零三年屆滿之認股權證之所得款項約26,719,000港元。

本集團特殊儲備指本公司於早前之集團重組日期就交換所收購附屬公司股本所發行股本面值與該等附屬公司股本面值之差額。

32. OTHER RESERVES (Continued)

32. 其他儲備 (續)

THE COMPANY

本公司

		Share premium account HK\$'000 股份溢價賬 千港元	Capital redemption reserve HK\$'000 資本贖回 儲備 千港元	Contributed surplus HK\$'000 繳入盈餘 千港元	Convertible notes reserve HK\$'000 可換股票據 儲備 千港元	Accumulated losses HK\$'000 累計虧損 千港元	Total HK\$'000 總計 千港元
Balance at 31st March, 2004	於二零零四年 三月三十一日之結餘	435,004	13,878	907,760	-	(1,113,416)	243,226
Initial recognition of convertible notes (note 28)	初步確認可換股票據 (附註28)	-	-	-	317	-	317
Conversion of convertible notes	兌換可換股票據	21,917	-	-	(317)	-	21,600
Issue of shares	發行股份	9,023	-	-	-	-	9,023
Shares issue expenses	發行股份開支	(293)	-	-	-	-	(293)
Loss for the year, as restated	年內虧損·經重列	-	-	-	-	(123,502)	(123,502)
Balance at 31st March, 2005, as restated	於二零零五年 三月三十一日 之結餘·經重列	465,651	13,878	907,760	-	(1,236,918)	150,371
Initial recognition of convertible notes	初步確認可換股票據	-	-	-	594	-	594
Redemption of convertible notes	贖回可換股票據	-	-	-	(594)	594	-
Capital reduction	股本削減	-	-	-	-	61,690	61,690
Issue of shares	發行股份	15,635	-	-	-	-	15,635
Loss for the year	年內虧損	-	-	-	-	(65,392)	(65,392)
Balance at 31st March, 2006	二零零六年 三月三十一日之結餘	481,286	13,878	907,760	-	(1,240,026)	162,898

32. OTHER RESERVES (Continued)

The contributed surplus of the Company represents:

- (i) the difference between the consolidated shareholders' funds of the subsidiaries at the date on which they were acquired by the Company, and the nominal value of the Company's shares issued for the acquisition at the time of a previous group reorganisation; and
- (ii) the cancellation of an amount of approximately HK\$48,000,000 from the share premium account of the Company and the credit of an amount of approximately HK\$610,247,000 of the Company's share capital cancelled in 2002.
- (iii) the contribution of approximately HK\$26,719,000 from the placing of warrants in 2002 that were expired in 2003.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

In the opinion of the directors, the Company had no reserves available for distribution to shareholders at 31st March, 2005 and 31st March, 2006.

32. 其他儲備 (續)

本公司之繳入盈餘指：

- (i) 本公司所收購附屬公司於收購日期之綜合股東資金與早前集團重組時就收購而發行之本公司股份面值之差額；
- (ii) 註銷本公司股份溢價賬當中約48,000,000港元，以及於二零零二年註銷本公司股本之約610,247,000港元進賬；及
- (iii) 於二零零二年配售於二零零三年屆滿之認股權證之所得款項約26,719,000港元。

根據百慕達一九八一年公司法(經修訂)，本公司之繳入盈餘賬可供分派。然而，倘出現下列情況，本公司不得自繳入盈餘宣派或派付股息或作出分派：

- (a) 本公司無法或將於派發股息後無法償還到期負債；或
- (b) 本公司資產之可變現價值將因而少於其負債、其已發行股本及股份溢價賬三者之總和。

董事會認為，於二零零五年三月三十一日及二零零六年三月三十一日，本公司並無可供分派予股東之儲備。

33. ACQUISITION OF SUBSIDIARIES

During the year ended 31st March, 2005, the Group acquired the entire issued share capital of Sun Concord Limited and Deluxe Ray Inc., which held a 16% direct equity interest in Elite King Consultants Limited and a 15.25% direct equity interest Nice Achieve Development Limited, respectively, for a total consideration of approximately HK\$40,000,000. The acquisition has been accounted for by the acquisition method of accounting.

33. 收購附屬公司

於二零零五年三月三十一日止年度，本集團以總代價約40,000,000港元收購Sun Concord Limited及Deluxe Ray Inc.全部已發行股本，即分別持有Elite King Consultants Limited 16%直接股本權益及Nice Achieve Development Limited 15.25%直接股本權益。該等收購已按會計收購法入賬。

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Net asset acquired:	所收購資產淨值：		
Investment securities	證券投資	—	40,000
Satisfied by:	支付方式：		
Cash	現金	—	40,000

Net cash outflow arising on acquisition:

收購產生現金流出淨額：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Cash consideration paid and net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	收購附屬公司所付現金代價及現金及現金等額項目流出淨額	—	(40,000)

The subsidiaries acquired during the year ended 31st March, 2005 did not have significant contribution to the turnover and loss from operations of the Group for the year of acquisition.

於二零零五年三月三十一日止年度所收購附屬公司並無於該收購年度為本集團帶來重大營業額及營運虧損。

The fair values of the assets and liabilities acquired were equal to their carrying amounts immediately before the combination.

所收購資產及負債之公平值相當於緊接合併前彼等之賬面值。

34. DISPOSAL OF SUBSIDIARIES

During the year ended 31st March, 2006, the Group disposed of its subsidiaries, Kingdom Wealthy Limited, New Plaza International Limited and Sharpower Limited. The net assets at the date of disposals were as follows:

34. 出售附屬公司

截至二零零六年三月三十一日止年度，本集團出售其附屬公司Kingdom Wealthy Limited, New Plaza International Limited 及Sharpower Limited。於出售日期之資產淨值載列如下：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Net assets disposed of:	售出淨資產：		
Property, plant and equipment	物業、廠房及設備	527	—
Investment properties	投資物業	9,460	—
Other receivable	應收其他賬項	5	—
Bank balances and cash	銀行結餘及現金	46	—
Bank borrowings	銀行借貸	(2,511)	—
		<u>7,527</u>	—
Loss on disposal of subsidiaries	出售附屬公司虧損	(2,913)	—
Consideration	代價	4,614	—
Satisfied by:	支付方式：		
Cash	現金	4,614	—
Net cash inflow arising on disposal:	出售產生現金流入淨額：		
		HK\$'000 千港元	HK\$'000 千港元
Cash consideration	現金代價	4,614	—
Bank balances and cash disposed of	售出銀行結餘及現金	(46)	—
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	出售附屬公司產生現金及 現金等額項目流入淨額	<u>4,568</u>	—

The subsidiaries disposed of during the year ended 31st March, 2006 contributed loss of approximately HK\$81,000 to the Group's loss from operations for the year.

截至二零零六年三月三十一日止年度內售出之附屬公司為本集團營運虧損帶來虧損約為81,000港元。

35. MAJOR NON-CASH TRANSACTIONS

There was no major non-cash transaction entered into by the Group during the year ended 31st March, 2006.

The major non-cash transaction entered into by the Group during the year ended 31st March, 2005 is as follows:

- (a) The Company issued and allotted 1,080,000 ordinary shares of HK\$0.01 each upon the exercise of the conversion rights by the holders of the convertible notes.

36. CONTINGENT LIABILITIES

At 31st March, 2006, the Company had no material contingent liability. At 31st March, 2005, the Company had given corporate guarantees to banks and a securities broker in respect of credit facilities utilised by the subsidiaries to an extent of approximately HK\$7,650,000.

The Company has contingent liabilities in respect of financial support given to subsidiaries which have capital deficiency to allow them to continue as a going concern and to meet their liabilities as and when they fall due.

37. CAPITAL COMMITMENTS

The Group and the Company had no significant capital commitment at the balance sheet dates.

35. 主要非現金交易

截至二零零六年三月三十一日止年度，本集團並無進行主要非現金交易。

本集團截至二零零五年三月三十一日止年度進行之主要非現金交易如下：

- (a) 本公司於可換股票據持有人行使兌換權後，發行及配發1,080,000股每股面值0.01港元之普通股。

36. 或然負債

於二零零六年三月三十一日，本公司並無重大或然負債。於二零零五年三月三十一日，本公司就附屬公司所用信貸融資向銀行及一間證券經紀行作出公司擔保約為7,650,000港元。

本公司有關於向出現資金短缺之附屬公司提供財務資助上之或然負債；財務資助能使該等附屬公司持續經營，並能於負債到期時償還有關款項。

37. 資本承擔

本集團及本公司於結算日均無重大資本承擔。

38. OPERATING LEASE ARRANGEMENTS

The Group as lessee

The Group made minimum lease payments of approximately HK1,818,000 (2005: HK\$3,030,000) under operating leases in respect of office premises during the year.

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year
In the second to fifth year inclusive

一年內
兩年至五年(包括首尾兩年)

THE GROUP 本集團	
2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
752	1,610
1,407	173
2,159	1,783

Operating lease payments represent rentals payable by the Group for certain of its office premises and staff quarters. Leases are negotiated and fixed for an average term of two to three years.

The Company had no outstanding commitments under non-cancellable operating leases at the balance sheet date.

38. 經營租約安排

本集團作為承租人

本集團年內根據就寫字樓物業訂立之經營租約作出最低租約付款約為1,818,000港元(二零零五年:3,030,000港元)。

於結算日,本集團須按不可撤銷經營租約承擔未來最低租約付款,租約屆滿年期如下:

經營租約付款指本集團就其若干寫字樓物業及職員宿舍之應付租金。租約平均協定為兩至三年。

於結算日,本公司並無未履行之不可撤銷經營租約承擔。

39. BANK AND OTHER FACILITIES

THE GROUP

At the balance sheet date, the Group's bank and other facilities were secured by:

- (a) The net book value of the Group's pledged assets are as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Investment properties	物業投資	-	13,750
Other financial assets at fair value through profit or loss	按公平值計入損益之其他金融資產	82,576	-
Investment securities	證券投資	-	35,955
Bank deposit	銀行存款	-	5,041
		82,576	54,746

- (b) The entire issued share capital of a wholly-owned subsidiary was also pledged to Asean to secure the Company's borrowings of HK\$23,643,000 (2005: HK\$23,643,000).
- (c) The minority shareholder of Shanghai Hualong Construction Stock Co., Ltd ("Shanghai Hualong Construction"), a non-wholly owned subsidiary of the Company, and its affiliates had pledged certain properties and given corporate guarantee to certain banks in respect of credit facilities granted to Shanghai Hualong Construction.
- (d) The minority shareholder (also a director) and his spouse of Prosper City International Limited ("Prosper City"), a non-wholly owned subsidiary of the Company, pledged certain bank deposits of approximately of HK\$7 million (2005: HK\$5 million) and issued personal guarantee to an extent of HK\$8 million (2005: HK\$5 million) in respect of other facilities granted to Prosper City.

39. 銀行及其他融資

本集團

於結算日，本集團之銀行及其他融資以下列各項作抵押：

- (a) 本集團有抵押資產之賬面淨值如下：

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Investment properties	-	13,750
Other financial assets at fair value through profit or loss	82,576	-
Investment securities	-	35,955
Bank deposit	-	5,041
	82,576	54,746

- (b) 一間全資附屬公司全部已發行股本已就取得本公司借貸23,643,000港元(二零零五年: 23,643,000港元)抵押予Asean。
- (c) 本公司非全資附屬公司上海華龍建設股份有限公司(「上海華龍」)及其聯屬公司之少數股東已就上海華龍獲授信貸融資向若干銀行抵押若干物業及作出公司擔保。
- (d) 盛港國際有限公司(「盛港」)少數股東(亦為董事)及其配偶就盛港獲授若干信貸融資抵押若干銀行存款約為7,000,000港元(二零零五年: 5,000,000港元)，並作出8,000,000港元(二零零五年: 5,000,000港元)之個人擔保。

39. BANK AND OTHER FACILITIES (Continued)**THE COMPANY**

At 31st March, 2005 the Company pledged HK\$5,041,000 to bank to secure banking facilities granted to Prosper City. During the year ended 31st March, 2006, the entire amount of pledged bank deposit was utilised to settle the bank overdraft of Prosper City.

40. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee.

Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions at 5% of relevant payroll costs to the scheme, which contribution is matched by employees. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the scheme. The contributions arising from the MPF Scheme charged to the income statement represent contributions payable to the fund by the Group at rates specified in the rules of the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The employees in the subsidiaries in the PRC are members of state-managed retirement benefits schemes operated by the PRC government. The subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

39. 銀行及其他融資 (續)**本公司**

於二零零五年三月三十一日，本公司已就盛港獲授之銀行融資向銀行抵押5,041,000港元。截至二零零六年三月三十一日止年度，銀行抵押存款之整體金額乃被運用作盛港償還銀行透支之用。

40. 退休福利計劃

本集團為其全部香港僱員推行強制性公積金計劃（「強積金計劃」）。強積金計劃已按強制性公積金計劃條例，於強制性公積金計劃管理局登記。強積金計劃之資產由獨立受託人控制之基金與本集團之資產分開持有。

根據強積金計劃規則，僱主及其僱員均須按有關薪金之5%向計劃供款。本集團就強積金計劃唯一責任為根據計劃作出指定供款。於收益表扣除之強積金計劃供款，指本集團根據計劃規則指定比率向基金應付之供款。並無可用以削減未來數年應付供款之沒收供款。

中國附屬公司之僱員為中國政府推行之國家管理退休福利計劃成員。該等附屬公司必須按僱員工資之若干百分比，向退休福利計劃作出供款，以就福利提供資金。本集團就該退休福利計劃唯一責任為根據計劃作出指定供款。

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

During the year, the Group had significant transactions with the following related parties, together with balances with them as at the balance sheet date, details of which are as follows:

		2006 HK\$ 二零零六年 港元	2005 HK\$ 二零零五年 港元
Associates:	聯營公司:		
Balances due to the Group as at the balance sheet date	於結算日應付本集團之結算	161	4,279
Key management compensation of the Group:	本集團主要管理人員補償:		
Salaries and other short-term employee benefits	薪酬及其他短期僱員福利	725	1,168

The balances are unsecured, interest free and have no fixed repayment terms.

年內，本集團與以下有關連人士進行重大交易，以及於結算日與彼等產生了結餘，詳情如下：

結算為無抵押、不計利息及無固定還款期。

Save as disclosed above, there were no other significant transactions with related parties during the year or significant balances with them at the end of the year.

除上述披露者外，年內並無其他與有關連人士之重大交易或於本年度年結日並無與彼等產生重大結餘。

42. EVENTS AFTER THE BALANCE SHEET DATE

- (a) On 6th June, 2006, the Company entered into an agreement with Asean to extend the repayment date of a loan amounting to approximately HK\$23,643,000 to 6th November, 2006.

42. 結算日後事項

- (a) 於二零零六年六月六日，本公司與Asean訂立協議，延長一筆約為23,643,000港元貸款之還款日期至二零零六年十一月六日。

42. EVENTS AFTER THE BALANCE SHEET DATE*(Continued)*

- (b) On 7th March, 2006, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with Fit Time Management Limited (“Vendor”) in relation to the acquisition of a company, Jet Winner International Investments Limited (“Target Company”), which has an indirect 25% interest in a joint venture company established in the People’s Republic of China, which in turn owns a piece of land in the PRC at an aggregate consideration of HK\$120,000,000. However, after the Group completed its due diligence review on the Target Company, the Group was not satisfied with the completeness of the documents and information provided in relation to the acquisition. Accordingly, the wholly-owned subsidiary and the Vendor terminated the acquisition and executed a Deed of Termination on 4th April, 2006. Details of the above were set out in the announcement to the shareholders of the Company dated 3rd March, 2006 and 10th April, 2006 respectively.
- (c) On 5th June, 2006, the Company granted 14,040,000 share options to consultants of the Group at the exercise price of HK0.27 per share.

43. LITIGATION

On 4th July, 2005, the Company was notified by the Hong Kong Companies Registry that the annual return of Gold United International industries Limited (“Gold United”), a non-wholly owned subsidiary of the Company, filed in May 2005 (“May Annual Return”) contained information, including members and directors of Gold United, which are incorrect and significantly different from the original annual return that was presented by the Group on 29th April, 2005.

On 13th July, 2005, the Company filed a Writ of Summons against four persons (the “Defendants”) seeking, amongst others, declarations by the court to effect what Winsky Management Limited, a wholly owned subsidiary of the Company, is the beneficial owner of 51% of the issued share capital of Gold United. The Defendants were the people, which purportedly filed the false information to the Hong Kong Companies Registry and/or identified as members and directors in the May Annual Return. Gold United is an investments holding company, which has an 80% direct interest in 杭州恆運交通開發有限公司, which is engaged in the operation of a highway in the PRC.

42. 結算日後事項 (續)

- (b) 於二零零六年三月七日，本公司一間全資附屬公司與 Fit Time Management Limited (「買方」) 訂立有關收購一間公司，總計代價為 120,000,000 港元之買賣協議，Jet Winner International Investments Limited (「目標公司」) 持有成立於中華人民共和國之一間合營公司 25% 之間接權益，彼於中國擁有一塊土地。然而，本集團完成其對目標公司之詳細審查後，有關完成該項收購所提供之文件及資料未能令本集團滿意。因此，該全資附屬公司及買方於二零零六年四月四日訂立終止契據以終止該項收購。以上事項之詳情分別列載於二零零六年三月三日及二零零六年四月十日，本公司向股東發出之公佈中。
- (c) 於二零零六年六月五日，本公司按行使價每股 0.27 港元向本集團顧問授出 14,040,000 份購股權。

43. 訴訟

於二零零五年七月四日，香港公司註冊處通知本公司，本公司非全資附屬公司金聯國際實業有限公司(「金聯」)於二零零五年五月呈交存案之週年申報表(「五月週年申報表」)載有若干不正確資料，其中包括有關金聯股東及董事之資料，該等資料與本集團於二零零五年四月二十九日所呈交原先週年申報表有重大差異。

於二零零五年七月十三日，本公司向四名人士(「被告人」)發出傳訊令狀，要求(其中包括)法院宣佈本公司全資附屬公司 Winsky Management Limited 為金聯已發行股本 51% 權益之實益擁有人。被告人為據稱向香港公司註冊處呈交錯誤資料及／或於五月週年申報表聲稱為股東及董事之人士。金聯為投資控股公司，直接擁有杭州恆運交通開發有限公司 80% 權益，該公司在中國從事經營高速公路業務。

43. LITIGATION (Continued)

As at 31st March, 2006, the legal action is still proceeding and there is no significant development.

On 1st February, 2006, the Writ of Summons was amended and was served on three of the Defendants in Hong Kong during May 2006 and June 2006. Since the original Writ of Summons had been expired on 12th July, 2006, an application was made to the court on 7th July, 2006 for a renewal for a period of 12 months. The application is being processed by the court.

After taking into consideration the advice of the Group's legal counsel, the directors consider the Group has a 51% effective interest in Gold United and consider that the outcome of the proceedings will not have material adverse financial effect to the Group.

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March, 2006 are as follows:

Name of subsidiary	Place of incorporation/ registration	Paid up share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company#/ subsidiaries 本公司#/ 附屬公司 所持已發行 股本/註冊/ 資本面值比例 %	Effective proportion of issued capital held by the Group	Principal activities
附屬公司名稱	註冊成立/ 註冊地點	繳足股本/ 註冊資本		本集團 所持已 發行股本 實際比例 %	主要業務
Active Ocean Investments Limited	B.V.I. 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
All Grand Limited 全昌有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Property investment 物業投資
Admomentum Limited 傳智互動廣告網絡 有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	100	Investment holding 投資控股
Capital Shore Limited	B.V.I. 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股

43. 訴訟 (續)

於二零零六年三月三十一日，有關法律程序仍在進行中，並無重大進展。

於二零零六年二月一日，該傳訊令狀已被修訂並已於二零零六年五月至六月期間於香港送呈其中三名被告人。由於原傳訊令狀已於二零零六年七月十二日屆滿，本集團於二零零六年七月七日向法院提出申請再續期十二個月，法院現正處理有關申請。

經考慮本集團法律顧問之意見後，董事認為本集團於金聯持有51%實益權益，並認為法律程序之結果將不會對本集團財務構成重大不利影響。

44. 主要附屬公司詳情

於二零零六年三月三十一日，本公司之主要附屬公司詳情如下：

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

44. 主要附屬公司詳情 (續)

Name of subsidiary	Place of incorporation/ registration	Paid up share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company [#] / subsidiaries 本公司 [#] / 附屬公司 所持已發行 股本/註冊/ 資本面值比例 %	Effective proportion of issued capital held by the Group 本集團 所持已 發行股本 實際比例 %	Principal activities
附屬公司名稱	註冊成立/ 註冊地點	繳足股本/ 註冊資本			主要業務
Deluxe Ray Inc.	B.V.I. 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Fairtop Limited	B.V.I. 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Flow Success Company Limited 科裕有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Property holding 物業持有
Full Champion Financial Limited	B.V.I. 英屬處女群島	US\$3 3美元	100 [#]	100	Investment holding 投資控股
Goldachieve Profits Limited	B.V.I. 英屬處女群島	US\$1 1美元	100 [#]	100	Investment holding 投資控股
Gold Method Consultants Limited	B.V.I. 英屬處女群島	US\$1 1美元	100 [#]	100	Investment holding 投資控股
Gold United International Industries Limited 金聯國際實業有限公司	Hong Kong 香港	HK\$10,000 10,000港元	51	51	Investment holding 投資控股
Greenham Development Limited 歲恒發展有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Property holding 物業持有

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2006

財務報表附註

截至二零零六年三月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

44. 主要附屬公司詳情 (續)

Name of subsidiary	Place of incorporation/ registration	Paid up share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company#/ subsidiaries	Effective proportion of issued capital held by the Group	Principal activities
附屬公司名稱	註冊成立/ 註冊地點	繳足股本/ 註冊資本	本公司*/ 附屬公司 所持已發行 股本/註冊/ 資本面值比例 %	本集團 所持已 發行股本 實際比例 %	主要業務
Honalary Company Limited	B.V.I. 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Huey Tai Holdings Limited 惠泰控股有限公司	Hong Kong 香港	HK\$2 2港元	100#	100	Investment holding 投資控股
New Team Limited	B.V.I. 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Prosper City International Limited 盛港國際有限公司	Hong Kong 香港	HK\$100 100港元	51	51	Trading of building materials and provision of renovation service 建築材料貿易及 裝修服務提供
Proud Star Enterprises Limited	B.V.I. 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Shanghai Hualong Construction 上海華龍	PRC 中國	US\$11,080,000 11,080,000美元	51	51	Property development and sales 物業發展及銷售
South Gater Limited	Hong Kong 香港	HK\$2 2港元	100	100	Property holding 物業持有

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

44. 主要附屬公司詳情 (續)

Name of subsidiary	Place of incorporation/ registration	Paid up share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company#/ subsidiaries 本公司* / 附屬公司所持已發行股本 / 註冊 / 資本面值比例 %	Effective proportion of issued capital held by the Group 本集團所持已發行股本實際比例 %	Principal activities
附屬公司名稱	註冊成立 / 註冊地點	繳足股本 / 註冊資本			主要業務
Sun Concord Limited	B.V.I. 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Super Target Limited	B.V.I. 英屬處女群島	US\$1 1美元	100#	100	Investment holding 投資控股
View Century Limited	B.V.I. 英屬處女群島	US\$1 1美元	100#	100	Investment holding 投資控股
Weth Development Limited 威孚發展有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Investment holding 投資控股
Winsky Management Ltd	B.V.I. 英屬處女群島	US\$1 1美元	100#	100	Investment holding 投資控股
杭州恆運交通發展 有限公司	PRC 中國	RMB3,745,000 3,745,000人民幣	80	40.8	Operating of highway 公路營運

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

於本年度年結日或年內任何時間，附屬公司概無任何債務證券。

The above table includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表包括董事認為對本集團本年度業績構成重大影響或於本集團之資產淨值中佔有重要比重之本公司附屬公司。董事認為詳列其他附屬公司之資料會令篇幅過長。

45. COMPARATIVE AMOUNTS

As further explained in note 2 to the financial statements, due to the adoption of HKFRS during the current year, the accounting treatment and the presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made and certain comparative amounts have been restated. In addition, certain comparative amounts have been reclassified to conform to the current year's presentation.

45. 比較數字

誠如於財務報表附註2已作進一步解釋，由於當年採納財務報告準則，若干財務報表中會計處理及項目結餘呈報已作出修改，以符合新要求。因此，若干前年調整亦作出整理，若干比較數字亦已重列。此外，若干比較數字已重新歸類以符合本年度之呈報方式。

RESULTS

業績

For the year ended 31st March,
截至三月三十一日止年度

		(As restated)				2006
		2002	2003	2004	2005	HK\$'000
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		千港元	千港元	千港元	千港元	千港元
Turnover	營業額	80,028	261,304	183,650	95,364	33,273
Loss attributable to equity holders of the Company	本公司股權持有人應佔虧損	(151,169)	(220,464)	(67,205)	(121,158)	(26,438)

ASSETS AND LIABILITIES

資產及負債

As at 31st March,
於三月三十一日

		2002	2003	2004	2005	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		千港元	千港元	千港元	千港元	千港元
Total assets	資產總額	415,572	845,226	691,171	423,184	391,979
Total liabilities	負債總額	190,901	401,518	296,616	192,141	171,594
Net assets	資產淨值	224,671	443,708	394,555	231,043	220,385
Minority interests	少數股東權益	823	122,511	103,779	10,955	10,241

Certain comparative figures for the year ended 31st March, 2005 have been restated to reflect the adoption of new/revised Hong Kong Financial Reporting Standards. The comparative figures for the three years ended 31st March, 2002, 2003 and 2004 have not been restated as the directors consider that this would involve undue delay and expense.

截至二零零五年三月三十一日止年度之若干比較數字已重列以反映採納新／經修訂香港財務報告準則。由於董事認為重列會過於費時及開支過高，因此於二零零二年、二零零三年及二零零四年三月三十一日止三個年度之比較數字並無經重列。

Particulars of major investment properties held by the Group at 31st March, 2006 are as follows:

於二零零六年三月三十一日，本集團持有之主要投資物業詳情如下：

Location 地點	Lease term 租期	Use 用途	The Group's effective interest 本集團 實際權益
3rd Floor 65 Macdonnell Road Mid-level Hong Kong 香港 半山 麥當勞道65號 3樓	Long lease 長期租約	Residential 住宅	100%
3rd Floor 22 Gilman's Bazaar Central, Hong Kong 香港中環 機利文新街22號 3樓	Long lease 長期租約	Commercial 商業	100%
Reserved shares Prat Commercial Building 17 – 19 Prat Avenue Tsimshatsui Kowloon, Hong Kong 香港九龍 尖沙咀 寶勒巷17-19號 寶勒商業大廈 預留部分	Medium-term lease 中期租約	Commercial 商業	100%
Block 21 of Shanghai Long Yang Industrial Zone No.888 of No.4 Highway, Fengxian District, Shanghai, the PRC 中國上海 奉賢縣 四號快速公路888號 上海龍洋工業園 21座	Medium-term lease 中期租約	Industrial 工業	51%