SILVER GRANT INTERNATIONAL INDUSTRIES LIMITED

銀建國際實業有限公司

股份代號 Stock code: 171

INTERIM FINANCIAL REPORT | 中期財務報告 | 2007

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Financial Highlights
財務摘要

		2007 **二零零七年** ***HK$'m*** ***百萬港元***	2006 二零零六年 *HK$'m* *百萬港元*	Changes 變動 %
Turnover	營業額	**119**	528	(77%)
Profit Attributable to Equity Holders of the Company	本公司股本持有人應佔溢利	**164**	333	(51%)
Total Assets	資產總值	**6,078**	6,622	(8%)
Equity Attributable to Equity Holders of the Company	本公司股本持有人應佔股本	**4,750**	4,304	10%
Cash & Bank Balances	現金及銀行結餘	**482**	799	(40%)
Net Borrowings	借貸淨額	**N/A 不適用**	399	—

Key Performance and Liquidity Indicators:	**主要營運表現及財務狀況指標：**	***HK$*** ***港元***	*HK$* *港元*	Changes 變動 %
Earnings Per Share	每股盈利	**0.090**	0.190	(53%)
Net Assets Per Share *(note 1)*	每股資產淨值 *(附註1)*	**2.61**	2.38	10%
Projected P/E Ratio *(note 1)*	預期市盈率 *(附註1)*	**12 x**	5 x	140%
Return on Capital Employed *(note 2)*	股本回報率 *(附註2)*	**7%**	15%	(53%)
Return on Total Assets *(note 3)*	總資產回報率 *(附註3)*	**5%**	10%	(50%)
Gearing Ratio *(note 4)*	借貸比率 *(附註4)*	**8%**	28%	(71%)
Adjusted Gearing Ratio *(note 5)*	經調整借貸比率 *(附註5)*	**N/A**	9%	—
Current Ratio *(note 6)*	流動比率 *(附註6)*	**3.3 x**	1.4 x	136%
Interest Coverage *(note 7)*	利息償付比率 *(附註7)*	**8 x**	19 x	(58%)

Notes:

1. Based on 1,820,709,611 shares issued and fully paid as at 30 June 2007 (2006: 1,806,709,611 shares) and the market closing price of HK$2.180 (2006: HK$2.075) per share.

附註：

1. 基於二零零七年六月三十日已發行及已繳足股份1,820,709,611股（二零零六年：1,806,709,611股）及收市價每股2.180港元（二零零六年：2.075港元）計算所得。

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

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

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

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

6. Calculated as current assets over current liabilities.

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

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

3. 以本公司股本持有人應佔期內溢利乘以二除以總資產計算所得。

4. 以借貸總額除以本公司股本持有人應佔股本計算所得。

5. 以借貸淨額除以本公司股本持有人應佔股本計算所得。

6. 以流動資產除以流動負債計算所得。

7. 以扣除財務費用及稅項前溢利除以財務費用(經扣除可換股票據的市場利息部份後)計算所得。

Corporate Information
公司資料

BOARD OF DIRECTORS

The board of directors of the Company (the "Board") as at the date of this interim financial report are set out below:

Executive Directors

Gao Jian Min *(Managing Director)*
Liu Tianni *(Deputy Managing Director)*
Gu Jianguo
Chen Yongcun
Chow Kwok Wai

Non-executive Directors

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

Independent Non-Executive Directors

Kang Dian
Zhang Lu
Hung Muk Ming

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

Kang Dian *(Chairman)*
Zhang Lu

COMPANY SECRETARY

Tung Tat Chiu, Michael

董事會

於本中期財務報告日期的本公司董事會(「董事會」)呈列如下：

執行董事

高建民 *(董事總經理)*
劉天倪 *(董事副總經理)*
顧建國
陳永存
周國偉

非執行董事

陳孝周 *(主席)*
惠小兵 *(副主席)*
袁永誠

獨立非執行董事

康典
張璐
洪木明

審核委員會

康典 *(主席)*
張璐
洪木明

薪酬委員會

康典 *(主席)*
張璐

公司秘書

佟達釗

COMPANY LAWYER

Tung & Co. Solicitors

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKERS

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

SHARE REGISTRARS & TRANSFER OFFICE

Tricor Secretaries Limited
26th Floor, Tesbury Centre,
28 Queen's Road East,
Wanchai, Hong Kong
(Tel: 2980 1888 Fax: 2861 0285)

REGISTERED OFFICE

Suite 4901, 49th Floor, Office Tower,
Convention Plaza, 1 Harbour Road,
Wanchai, Hong Kong
(Tel: 2877 0030 Fax: 2802 9506)

COMPANY WEBSITE

http://www.silvergrant.com.hk

STOCK CODE

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公司律師

佟達釗律師行

核數師

德勤．關黃陳方會計師行
執業會計師

主要往來銀行

中國銀行(香港)有限公司
香港上海匯豐銀行有限公司
中信嘉華銀行有限公司

股份登記及過戶處

卓佳秘書商務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓
(電話：2980 1888 傳真：2861 0285)

註冊辦事處

香港灣仔港灣道一號
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(電話：2877 0030 傳真：2802 9506)

公司網址

http://www.silvergrant.com.hk

股份代號

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Managing Director's Statement
董事總經理報告

REVIEW OF RESULTS

Turnover decreased by 77% to HK$119.5 million (2006: HK$528.4 million). The decrease was mainly due to the HK$398.0 million decrease in turnover attributable to securities trading activities. In the previous period, the Group's realization of IPO investment shares had generated huge turnover and accounted for most of the turnover for securities trading. The turnover in the current period attributable to IPO investments was insignificant.

Profit for the period attributable to equity holders of the Company was HK$163.6 million. Compared to that of the previous period, the profit has decreased by HK$169.0 million, representing a decrease of 51%.

The decrease in profit was mainly due to the decreases in the following income components:

First of all, net profit from trading in securities dropped significantly by HK$130.3 million as a result of lack of realization of IPO investments.

Secondly, the decrease in profit contribution in the amount of HK$89.7 million from the revaluation of leasehold properties and investment properties. However, deferred tax charge in respect of revaluation of investment properties was also decreased by approximately HK$31.4 million. Leaving a net decrease in profit contribution of HK$58.3 million.

REVIEW OF RESULTS *(Continued)*

On the other hand, the new portfolio of distressed assets acquired in the current period contributed approximately HK$39.0 million profit to the Group.

BUSINESS REVIEW & PROSPECTS

Property Investments, Development and Management

The operations of the Group's property leasing, property development and property management were relatively stable during the current period.

The cumulative property sales and profit of East Gate Metro Garden up to 30 June 2007 was HK$223.8 million and HK$50.5 million respectively. The profit recognized during the current period was approximately HK$6.9 million. The Board expects that total amount of property sales for East Gate Metro Garden will approximate to HK$423.1 million. After the completing the selling of the East Gate Metro Garden, the development of the third phase, which is also the last phase of the Tiexi development project, will commence.

The progress of the re-development project "Zhi You Xiao Zhen" and the "Si He Yuan" project were on scheduled.

Infrastructure Investments

Profit contribution from CII was HK$23.2 million (2006: HK$39.8 million). The decrease in profit contribution was mainly due to reduction in toll fee income following the disposal of most of the road and bridge projects. CII now only have two small road and bridge projects, which operations are barely breakeven. The total carrying value of these two road and bridge projects is approximately HK$122.0 million.

業績回顧 *(續)*

另一方面，本期內新收購的不良資產包為本集團貢獻溢利約39,000,000港元。

業務回顧及展望

物業投資、發展及管理

本集團的物業租賃、物業發展及物業管理於本期內的經營維持相對穩定。

東環國際花園截至二零零七年六月三十日之累計物業銷售額及盈利分別為223,800,000港元及50,500,000港元。於本期內確認之盈利約為6,900,000港元。董事會預期東環國際花園的總物業銷售金額將可達約423,100,000港元。在完成銷售東環國際花園後，鐵西區發展項目的第三期發展亦即是最後一期的發展將會展開。

重建項目《自由小鎮》及《四合院》項目的發展進度均符合規劃。

基礎建設投資

中基的盈利貢獻為23,200,000港元(二零零六年：39,800,000港元)。盈利貢獻減少的主要原因是由於出售道路及橋樑項目後導致路費收入減少所致。中基目前僅持有兩個小型道路及橋樑項目，其經營運作亦僅能勉強達到收支平衡。該兩個道路及橋樑項目現時之賬面總值約為122,000,000港元。

BUSINESS REVIEW & PROSPECTS *(Continued)*

Infrastructure Investments *(Continued)*

The Taian Natural Gas Pipeline project

CII holds 80% and 74% effective interest in the Taian Natural Gas Pipeline project and Taian Gangxin Gas Co., Ltd respectively. The carrying value of the both projects as at 30 June 2007 was approximately HK$114.8 million in aggregate. Profit contribution to CII from both projects was approximately HK$1.4 million in aggregate.

Petrochemical projects

CII invested in, through a 50% owned associated company, CII Petrochemical Limited, three petrochemical projects. The projects are United East Petrochemical Company Limited (in which CII holds a 25% effective interest), Tai Zhou Dong Tai Petrochemical Company Ltd. (in which CII holds a 34% effective interest) and 江蘇中海華東燃油化工有限公司 (in which CII holds a 16.25% effective interest). As at 30 June 2007, the carrying value of these three projects was approximately HK$168.1 million in aggregate. For the current period, there was no profit contribution to CII from these projects (2006: HK$1.5 million).

In light of the high crude oil prices, operation results of these projects are barely breakeven. CII expects that operation results of these projects will be improved when a long term and stable supply of crude oil for the refinery business is secured. CII is still negotiating with the holding company of the local partner to secure such contract.

業務回顧及展望 *(續)*

基礎建設投資 *(續)*

泰安天然氣管道項目

中基分別持有泰安天然氣管道項目及泰安港新燃氣有限公司80%及74%有效權益。該兩個項目於二零零七年六月三十日之賬面值總額約為114,800,000港元。兩個項目為中基貢獻的溢利總額約1,400,000港元。

石油化工項目

中基透過一間50%控股之聯營公司中基石化有限公司投資於三個中外合資石化項目。該等項目包括東聯化工有限責任公司(中基持有25%有效權益)、泰洲東泰石化有限公司(中基持有34%有效權益)及江蘇中海華東燃油化工有限公司(中基持有16.25%有效權益)。該三個項目於二零零七年六月三十日之賬面總值約為168,100,000港元。期內，該等項目並無為中基貢獻任何溢利(二零零六年：1,500,000港元)。

鑑於原油價格高企，該等項目的經營運作僅能達到收支平衡。中基預期一旦能為煉油項目落實長期並穩定的原油供應，該等項目的經營業績將可獲得改善。中基現時仍然與當地合作方的控股公司磋商落實有關合同。

BUSINESS REVIEW & PROSPECTS *(Continued)*

業務回顧及展望 *(續)*

Financial Investments

金融投資

Distressed Assets Business

不良資產業務

The Cinda Portfolio

信達資產包

In the current period, interest income from the Cinda Portfolio decreased with the reduction in the principal amount of distressed assets to approximately HK$14.0 million (2006: HK$46.8 million). Up to 30 June 2007, the cumulative principal amount of distressed assets in the Cinda Portfolio that has been disposed was approximately HK$44.2 billion, representing 78% of the total principal amount of the Cinda Portfolio. The cumulative amount of cash recovered was approximately HK$1.4 billion. The effective cash recovery rate was approximately 3.2%.

於本期間，來自信達資產包之利息收入由於未處置之不良資產債權本金額減少而減少至14,000,000港元(二零零六年：46,800,000港元)。截至二零零七年六月三十日止，累計已處置的信達資產包不良資產債權本金總額約為44,200,000,000港元，約相當於信達資產包本金總額的78%。累計回收現金約為1,400,000,000港元。折算所得之現金回收率約為3.2%。

During the current period, the total principal amount of distressed assets in the Cinda Portfolio that has been disposed was approximately HK$2.0 billion. The total amount of cash recovered was approximately HK$115.8 million with a cash recovery rate of approximately 5.8%.

於本期間，已處置的信達資產包不良資產債權本金總額約為2,000,000,000港元。處置回收現金總額約為115,800,000港元，現金回收率約為5.8%。

The Group expects to complete the disposal of the Cinda Portfolio by the end of 2007.

董事會預期可於二零零七年年末完成處置信達資產包。

The Huarong Portfolio

華融資產包

The Group acquired a portfolio of distressed assets with a total principal amount of RMB36.4 billion (equivalent to approximately HK$35.0 billion) including booked interest ("The Huarong Portfolio") from China Huarong Asset Management Corporation at a total consideration of RMB546.6 million (equivalent to approximately HK$526.6 million) in January 2006. The Huarong Portfolio comprises a total of 11,126 borrowers located in a total of 27 provinces, directly administrated municipalities and autonomies in the PRC. The Group has set a target to complete the disposal of the Huarong Portfolio in two years' time.

於二零零六年一月，本集團完成從中國華融資產管理公司收購本金額為人民幣364億元(相當於350億港元)含表內利息的不良資產組合(「華融資產包」)，總代價為人民幣546,600,000元(相當於約526,600,000港元)。華融資產包由分散於全國各地共27個省、直轄市及自治區、總數11,126個借款戶所組成。本集團已定立目標於兩年之內完成處置華融資產包。

BUSINESS REVIEW & PROSPECTS *(Continued)*

業務回顧及展望 *(續)*

Financial Investments *(Continued)*

金融投資 *(續)*

Distressed Assets Business *(Continued)*

不良資產業務 *(續)*

The Huarong Portfolio (Continued)

華融資產包(續)

The progress of the disposal of the Huarong Portfolio was unsatisfactory during the period. Up to 30 June 2007, the cumulative principal amount of distressed assets in the Huarong Portfolio that has been disposed was approximately HK$10.5 billion, representing approximately 29% of the total principal amount of the Huarong Portfolio. The cumulative cash recovered was approximately HK$246.4 million. The effective cash recovery rate was approximately 2.3%.

華融資產包於期內之處置進度並不理想。截至二零零七年六月三十日，華融資產包已處置的不良資產之本金總額約為10,500,000,000港元，約相等於華融資產包本金總額的29%。已收回的現金總額約為246,400,000港元。折算所得的現金回收率約為2.3%。

The principal amount of distressed assets disposed of during the period was approximately HK$4.2 billion. The cash recovered was approximately HK$93.9 million. And the cash recovery rate was 2.2%.

期內處置之不良資產約為4,200,000,000港元。收回現金總額約93,900,000港元。折算所得的現金回收率約為2.2%。

Profit contribution from the Huarong Portfolio for the period was approximately HK$4.7 million and is included in share of results of jointly controlled entity.

期內來自華融資產包之溢利貢獻約為4,700,000港元，並已包括在攤佔共同控制公司業績之內。

The Orient Portfolio

東方資產包

During the period, the Group acquired from China Orient Asset Management Corporation a portfolio of distressed assets with principal amount of RMB21.3 billion in aggregate at a consideration of RMB319.7 million (equivalent to approximately HK$310.4 million at that time) (the "Orient Portfolio"). And a joint venture was set up for the purpose of disposing of the Orient Portfolio. The Group intends to complete the disposal of the Orient Portfolio in two to three years time.

期內，本集團從中國東方資產管理公司以人民幣319,700,000元代價(相當於當時的約310,400,000港元)購入一項債權本金總額為人民幣21,300,000,000元之不良資產組合(「東方資產包」)。同時成立一間合資企業，以處置東方資產包為目的。本集團欲於二至三年期間內完成處置東方資產包。

In the current period, total amount of cash recovered from the Orient Portfolio was approximately HK$110.9 million. Moreover, there was a cash recovery of approximately HK$93.0 million received on behalf by a local bank and is pending transfer back to the joint venture.

於本期內，從東方資產包回收之現金總額約為110,900,000港元。此外，尚有一筆約93,000,000港元之現金回收，已經由一家當地銀行代收完畢，並即將劃轉退回合資企業。

BUSINESS REVIEW & PROSPECTS *(Continued)*

Financial Investments *(Continued)*

Distressed Assets Business *(Continued)*

The Orient Portfolio (Continued)

Profit contribution from the Orient Portfolio for the period was approximately HK$39.0 million and is included in share of result of associates.

Other Financial Investments

The Group made a RMB100.0 million (equivalent to HK$96.1 million at that time) strategic investment in a Chinese medicine manufacturer now known as Tongjitang China Medicines Company ("Tongjitang") in 2005. Tongjitang succeeded in getting a listing on the New York Stock Exchange on 16 March 2007 through the issuance of American Depository Shares ("ADS") at an initial offer price of US$10.0 each. At the time of Tongjitang initial listing, the Group sold 625,000 ADSs and recognized a profit of approximately HK$26.5 million. After the disposal, the Group is still holding 2,086,000 ADSs, which has a market value of approximately US$23.5 million (equivalent to approximately HK$183.0 million) and a unrealized holding gains of approximately HK$108.8 million as at 30 June 2007.

GROWTH STRATEGIES

The Group continues to invest in its three core-business: property investment, infrastructure investments and financial investments.

In the coming few years, the Board has intention to commit more resources in the property investment segment.

業務回顧及展望 *(續)*

金融投資 *(續)*

不良資產業務 *(續)*

東方資產包(續)

期內來自東方資產包之溢利貢獻約為39,000,000港元，並已包括在攤佔聯營公司業績之內。

其他金融投資

本集團於二零零五年策略性投資人民幣100,000,000元(相當於當時的96,100,000港元)於一家中藥生產企業，現名為同濟堂中國藥業有限公司(「同濟堂」)。同濟堂成功於二零零七年三月十六日於紐約證券交易所，以發行美國預託證券(「預託證券」)方式上市，每份預托證券的首次發售價為10美元。於同濟堂首次上市時，本集團出售625,000份預託證券，並確認26,500,000港元收益。於出售後，本集團仍然持有2,086,000份預託證券，其於二零零六年六月三十日之市值約為23,500,000美元(相當於183,000,000港元)並且有未變現收益約為108,800,000港元。

發展策略

本集團維持以既定的策略均衡投資於本集團的三大核心業務：物業投資、基礎建設投資及金融投資。

於未來幾年，董事會有意投入更多資源於物業投資業務板塊。

FINANCIAL REVIEW

Exchange Exposure & Hedging

At 30 June 2007, the principal foreign currency denominated liability of the Group was a USD52.5 million (equivalent to HK$409.5 million) outstanding convertible note. In light of the currency peg between the USD and HKD, the Board does not consider that this exchange exposure will have material adverse effect on the financial position of the Group.

Except for the above, the Group's principal assets, liabilities, revenue and payments are denominated in HKD and RMB. Despite the recent mild appreciation of the RMB exchange rate, the Board believes that the RMB exchange rate will only appreciate by a small percentage in the foreseeable future. In this regard, the Board believes that exposure to exchange rate fluctuations in respect of RMB will not have material adverse effect on the financial position of the Group.

There was no hedging transaction contracted for by the Group during the current period.

Working Capital & Borrowings

The Group's total borrowings excluding convertible notes as at 30 June 2007 amounted to approximately HK$6.3 million which was wholly represented by a long-term mortgage loan of which HK$1.2 million will be repayable within one year and is regarded as short term loan. The interest of the mortgage loan was charged at floating rate and the prevailing applicable interest rate was 5.375% per annum. The Group also has a convertible note with an outstanding amount of approximately HK$385.7 million. Interest of the convertible note is charged at 1.5% per annum. Unless converted, the convertible note is due repayable in 2009.

During the period, the Group early repaid a short-term bank loan in the amount of HK$600.0 million granted to a wholly owned subsidiary. As a result, bank balances and secured short-term bank borrowings were reduced significantly.

財務回顧

匯兌風險及對沖

於二零零七年六月三十日，本集團的主要外幣負債為一項金額52,500,000美元（相當於409,500,000港元）的未償還之可換股票據。鑒於港元與美元的貨幣掛鈎政策，董事會並不認為此項匯兌風險將會對本集團之財務狀況構成重大的負面影響。

除上文所述外，本集團的主要資產、負債、收入及支出都是以港元及人民幣為主。即使人民幣匯率近期曾作出輕微升值，董事會相信人民幣匯率於可預見的未來只會再升值若干百分點。因此董事會相信由於人民幣匯率變動所引致的匯兌風險將不會對本集團之財務狀況產生重大負面影響。

本集團於本期內並無簽訂任何合同形式的對沖交易。

營運資金及借貸

本集團於二零零七年六月三十日，不包括可換股票據的借貸總額約為6,300,000港元，並且全部均屬於長期按揭貸款，其中有1,200,000港元因須於一年之內歸還而歸類為短期貸款。按揭貸款的利息以浮動利率計收，當前適用之年利率為5.375%。本集團同時亦有一項未償還總額約385,700,000港元的可換股票據。可換股票據的利息以年利率1.5%計收。除非已獲行使轉換，可換股票據將須於二零零九年到期歸還。

於期內，本集團提早償還一項金額為600,000,000港元的短期銀行貸款。因此，銀行存款及抵押短期銀行借貸均顯著減少。

FINANCIAL REVIEW *(Continued)*

Working Capital & Borrowings *(Continued)*

At the balance sheet date, the cash and bank balances including the restricted bank balances was HK$482.2 million. In addition, the Group has net current assets in the amount of HK$1,547.0 million. In light of the foregoing, the Board is confident that the working capital of the Group is adequate for daily operations and the Group has a healthy financial position.

Capital Structure

At 30 June 2007, the shareholders' fund of the Group was HK$4,750.3 million and has increased by HK$159.7 million or 3.5% compared to that as at 31 December 2006.

During the current period, the Company paid HK$127.5 million to shareholders of the Company as final dividend for the year ended 31 December 2006, which has an effect of reducing the overall capital.

Human Resources

At 30 June 2007, the Group employed approximately 1,400 employees in Hong Kong and in the PRC. The Group offers its employees competitive remuneration packages, which are consistent with the prevailing market practice. The Group's remuneration policies remain unchanged during the current period. Total staff costs for the current period was HK$29.2 million (2006: HK$26.3 million).

Capital Commitments & Contingent Liabilities

The Group did not have any material capital commitment as at 30 June 2007. Moreover, the Group did not incur any new contingent liability, which is material during the current period.

財務回顧 *(續)*

營運資金及借貸 *(續)*

於資產負債表日期，包括監管戶口結餘在內的現金及銀行存款結餘為482,200,000港元。同時本集團有流動資產淨額1,547,000,000港元。鑑於前述事宜，董事會有信心本集團的流動資金足夠應付日常營運所需並且本集團擁有一個良好的財務狀況。

股本結構

於二零零七年六月三十日，本集團之股東資金為4,750,300,000港元；較二零零六年十二月三十一日的數額增加159,700,000港元，升幅為3.5%。

於本期間內，本公司已向本公司股東支付127,500,000港元作為二零零六年末期股息，此舉有減少整體股本的影響。

人力資源

於二零零七年六月三十日，本集團於香港及中國僱用約1,400名僱員。本集團為其僱員提供一套符合市場慣例且具有競爭性的薪酬制度。本集團的薪酬政策於本期間內維持不變。本期間的總員工支出為29,200,000港元(二零零六年：26,300,000港元)。

資本承擔及或然負債

本集團於二零零七年六月三十日並無任何重大的資本承擔，同時本集團於本期內並無新做任何重大的或然負債。

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

During the six months ended 30 June 2007, neither the Company nor any of its subsidiaries purchased or sold any of its listed securities.

購回、出售或贖回本公司的上市證券

於截至二零零七年六月三十日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回任何其上市證券。

APPRECIATION

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

致謝

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

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

Hong Kong, 25 September 2007

承董事會命
銀建國際實業有限公司
董事總經理
高建民

香港，二零零七年九月二十五日

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the accounting period covered by the interim financial report except for CG Code provision E.1.2. CG Code provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. Due to the fact that the Chairman of the Board was out of town, he did not attend the annual general meeting of the Company held on 29 May 2007. The Chairman of the Board will endeavor to attend all future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so.

The Company has adopted codes of conduct regarding securities transactions by directors and by relevant employees (as defined in the CG Code) on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("the Model Code") contained in Appendix 10 of the Listing Rules.

On specific enquiries made, all directors have confirmed that, in respect of the accounting period covered by the interim financial report, they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding directors' securities transactions.

The consolidated financial statements for the six months ended 30 June 2007 were unaudited. The Audit Committee has reviewed, accepted and approved the consolidated financial statements for the six months ended 30 June 2007.

公司管治

在本中期財務報告所涵蓋的會計期間內，本公司有遵守上市規則附錄十四所載《企業管治常規守則》(「管治常規守則」)內的所有守則條文，管治常規守則條文E.1.2除外。管治常規守則條文第 E.1.2條要求董事會主席應出席股東週年大會。由於董事會主席身處海外緣故，他並無出席本公司於二零零七年五月二十九日召開之股東週年大會。董事會主席將竭力出席本公司於未來召開的所有股東週年大會，除非出現不可預見或特殊情況導致其未克出席。

公司就董事及有關僱員(定義見管治常規守則)進行的證券交易，已採納不遜於上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》(「標準守則」)所訂的標準。

在回覆特定查詢時，所有董事均確認就本中期財務報告所涵蓋的會計期間內有遵守標準守則及公司有關董事證券交易行為守則所訂的標準。

截至二零零七年六月三十日止六個月的綜合財務報表並未經審核。審核委員會經已審閱、接納並批准了截至二零零七年六月三十日止六個月的綜合財務報表。

DIRECTORS' INTEREST IN SHARES

As at 30 June 2007, none of the directors and the chief executive of the Company nor any of its associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register as required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Company. None of the directors or their spouses or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporation, or had exercised any such right during the period.

董事之股份權益

於二零零七年六月三十日，董事及本公司的行政總裁及其任何關聯人士概無於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須存置於本公司的登記冊或根據上市發行人董事進行證券交易的標準守則須以其他方式知會本公司及聯交所的權益或淡倉。概無董事或彼等的配偶或十八歲以下的子女獲授任何權利以認購本公司或其任何相聯法團的股本或債券，或於期內已行使任何上述權利。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate, and either the directors nor the chief executive nor any of their spouse or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

購買股份或債權證的安排

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

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2007, persons other than a director or chief executive of the Company, having interest in 5% or more of the issued share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Long positions in shares and underlying shares of the Company as at 30 June 2007:

主要股東

於二零零七年六月三十日，於本公司根據證券及期貨條例第336條規定須予置存的登記冊的記錄所顯示，本公司董事或最高行政人員以外擁有佔本公司已發行股本5%或以上權益的人士如下：

本公司股份及相關股份好倉於二零零七年六月三十日的持倉情況：

Name of substantial shareholder 主要股東名稱	Capacity 身份	Number of ordinary shares 股份數目	Underlying shares 相關股份	Total interests 權益總額	Percentage of the issued share capital 佔全部已發行股本百分比
Silver Grant International Holdings Limited	Beneficial owner 實益擁有人	144,770,022	—	144,770,022 *(Note 1)* *(附註一)*	7.95%
China Cinda Asset Management Corporation 中國信達資產管理公司	Interest of controlled corporation 受控制法團的權益	416,924,000	—	416,924,000 *(Note 2)* *(附註二)*	22.90%
Citigroup Inc.	23,230,000 shares as interest of controlled corporation, 19,941,000 shares as approved lending agent and 138,813,559 underlying shares as interest of controlled corporation 23,230,000股屬受控制法團的權益，19,941,000股屬核准借出代理人及138,813,559相關股份屬受控制法團的權益	43,171,000	138,813,559 *(Note 3)* *(附註三)*	181,984,559	10.00%

SUBSTANTIAL SHAREHOLDERS *(Continued)*

Notes:

1. Messrs. Gao Jian Min and Liu Tianni, both of whom are directors of the Company, each has a 30% interest in Silver Grant International Holdings Limited as at 30 June 2007.

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

Name of controlled corporation 受控制法團名稱	Name of controlling shareholder 控權股東名稱	Percentage of control 控制百分率	Total interest in shares 股份權益總數	
			Direct interest 直接權益	Indirect interest 間接權益
Well Kent International Investment Company Limited 華建國際投資有限公司	China Cinda Asset Management Corporation 中國信達資產管理公司	100%	—	416,924,000
Catic Limited	Well Kent International Investment Company Limited 華建國際投資有限公司	100%	416,924,000	—

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

Other than as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company as at 30 June 2007.

SHARE OPTION SCHEMES

There was no share option outstanding during the six months period ended 30 June 2007.

As at 30 June 2007, the total numbers of shares available for issue under the New Scheme are 63,222,000 shares, representing approximately 3.5% of the total issued share capital of the Company.

主要股東 *(續)*

附註：

一. 高建民先生及劉天倪先生，彼等均為本公司董事，於二零零七年六月三十日各自擁有 Silver Grant International Holdings Limited 30%權益。

二. 以下為中國信達資產管理公司所持有本公司之股份權益細節：

受控制法團名稱	控權股東名稱	控制百分率	股份權益總數	
			直接權益	間接權益
Well Kent International Investment Company Limited 華建國際投資有限公司	China Cinda Asset Management Corporation 中國信達資產管理公司	100%	—	416,924,000
Catic Limited	Well Kent International Investment Company Limited 華建國際投資有限公司	100%	416,924,000	—

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

除上文所披露者外，根據證券及期貨條例第336條規定須予存置的登記冊所顯示，本公司並無接獲有關於二零零七年六月三十日在本公司股份及相關股份中擁有任何其他權益或短倉的申報。

購股權計劃

於截至二零零七年六月三十日六個月期間內，並無任何未予行使之購股權。

於二零零七年六月三十日，根據新計劃項下尚餘可予發行的總股份數目為63,222,000股，約佔本公司全部已發行股本的3.5%。

FINANCIAL ASSISTANCE GIVEN TO AFFILIATED COMPANIES AMOUNTING TO MORE THAN 8% OF THE ASSETS RATIO

As at 30 June 2007, the aggregate amount of advances made by the Group to its associates was approximately HK$696,930,000.

As at 30 June 2007, the advances made by the Group to its associates are as follows:

授予關聯公司的財務援助總額超逾資產比率8%

於二零零七年六月三十日，本集團向其聯營公司作出的墊款總額約為696,930,000港元。

於二零零七年六月三十日，本集團向其關聯公司作出的墊款之詳情如下：

	Advances *HK$'000* 墊款 *千港元*
北京君合百年房地產開發有限公司	392,248
Ju Fu San Yan Jing Investment Company Limited（巨福三眼井投資有限公司）	137,083
Beijing East Bay Investment Consultants Limited（北京東灣投資顧問有限公司）	145,000
Beijing Ju Fu Real Estate Development Company Limited（北京巨福房地產開發有限公司）	22,599
	696,930

The combined balance sheet of the associates as at 30 June 2007 which includes the assets and liabilities of 北京君合百年房地產開發有限公司, Ju Fu San Yan Jing Investment Company Limited, Beijing East Bay Investment Consultants Limited and Beijing Ju Fu Real Estate Development Company Limited, is as follows:

該等聯營公司於二零零七年六月三十日的合併資產負債表，包括北京君合百年房地產開發有限公司、巨福三眼井投資有限公司、北京東灣投資顧問有限公司及北京巨福房地產開發有限公司的資產及負債的詳情如下：

		HK$'000 *千港元*
Non-current assets	非流動資產	**277,058**
Current assets	流動資產	**1,420,994**
Current liabilities	流動負債	**(1,474,441)**
Total assets less current liabilities	總資產減流動負債	**223,611**
Non-current liabilities	非流動負債	**—**
Net assets	資產淨值	**223,611**

Consolidated Balance Sheet
綜合資產負債表
As at 30 June 2007
於二零零七年六月三十日

		Notes 附註	Unaudited 未經審核 At 30 June 2007 於二零零七年六月三十日 HK$'000 千港元	Audited 經審核 At 31 December 2006 於二零零六年十二月三十一日 HK$'000 千港元
ASSETS	**資產**			
Non-current assets	**非流動資產**			
Investment properties	投資物業	11	**2,192,279**	2,195,909
Property, plant and equipment	物業、廠房及設備	12	**135,368**	132,612
Goodwill	商譽		**33,525**	33,525
Interests in associates	聯營公司權益		**1,258,969**	1,330,123
Interests in a jointly controlled entity	共同控制公司權益		**36,758**	32,088
Amounts due from associates	應收聯營公司款		**—**	210,000
Structured finance securities	結構行金融證券		**14,844**	24,423
Available-for-sale investments	可供出售投資		**190,187**	99,075
Other asset	其他資產		**2,056**	2,742
			3,863,986	4,060,497
Current assets	**流動資產**			
Inventories, at cost	存貨 — 成本		**176**	172
Stock of properties	物業存貨		**236,570**	257,449
Interest in distressed assets	不良資產權益		**116,082**	199,931
Available-for-sale investments	可供出售投資		**141,718**	141,718
Held-for-trading investments	持作買賣投資		**61,477**	15,182
Trade receivables	應收賬款	13	**12,444**	3,205
Deposits, prepayments and other receivables	按金、預付款項及其他應收款		**159,853**	23,576
Amounts due from associates	應收聯營公司款		**817,149**	569,822
Amount due from a jointly controlled entity	應收一間共同控制公司款項		**186,863**	250,922
Restricted bank balances	監管戶口結餘		**26,882**	532,871
Bank balances and cash	銀行結餘及現金		**455,274**	724,995
			2,214,488	2,719,843
Assets classified as held for sale	列作持作銷售之資產		**—**	88,180
			2,214,488	2,808,023
TOTAL ASSETS	**資產總值**		**6,078,474**	6,868,520

Consolidated Balance Sheet
綜合資產負債表
As at 30 June 2007
於二零零七年六月三十日

		Notes 附註	**Unaudited** **未經審核** **At 30 June 2007** **於二零零七年六月三十日** ***HK$'000*** ***千港元***	Audited 經審核 At 31 December 2006 於二零零六年十二月三十一日 *HK$'000* *千港元*
EQUITY	**股本**			
Capital and reserves	**資本及儲備**			
Share capital	股本	*14*	**364,142**	364,142
Reserves	儲備		**4,386,179**	4,226,499
Equity attributable to equity holders of the Company	本公司股本持有人應佔股本		**4,750,321**	4,590,641
Minority interests	少數股東權益		**18,435**	16,261
Total equity	**股本總值**		**4,768,756**	4,606,902
LIABILITIES	**負債**			
Non-current liabilities	**非流動負債**			
Borrowings	借貸	*16*	**5,175**	5,750
Convertible notes	可換股票據		**385,686**	402,112
Deferred tax liabilities	遞延稅項負債	*18*	**251,391**	257,639
			642,252	665,501
Current liabilities	**流動負債**			
Trade payables	應付賬款	*15*	**57,106**	84,792
Accrued charges, rental deposits and other payables	應計費用、租務按金及其它應付款		**262,059**	241,154
Amounts due to associates	應付聯營公司款		**301,661**	352,146
Accruals for management fee to holding company of a shareholder	應付一名股東的控股公司的應計管理費		**4,270**	58,072
Loan from a shareholder	股東貸款		**—**	220,000
Borrowings	借貸	*16*	**1,150**	601,150
Taxation payable	應付稅項		**41,220**	38,803
			667,466	1,596,117
Total liabilities	**負債總值**		**1,309,718**	2,261,618
TOTAL EQUITY AND LIABILITIES	**股本及負債總值**		**6,078,474**	6,868,520
Net current assets	**淨流動資產**		**1,547,022**	1,211,906
Total assets less current liabilities	**資產總值減流動負債**		**5,411,008**	5,272,403

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

For the six months ended 30 June 2007 (Unaudited)
截至二零零七年六月三十日止六個月(未經審核)

		Attributable to equity holders of the Company 本公司股本持有人應佔股本										
		Share capital 股本 HK$'000 千港元	Share premium 股份溢價 HK$'000 千港元	Convertible notes equity reserve 可換股票據股本儲備 HK$'000 千港元	Asset revaluation reserve 資產重估儲備 HK$'000 千港元	Capital redemption reserve 資本贖回儲備 HK$'000 千港元	Other reserves 其他儲備 HK$'000 千港元	Translation reserve 匯兌儲備 HK$'000 千港元	Accumulated profits 累積盈利 HK$'000 千港元	Total 合計 HK$'000 千港元	Minority interests 少數股東權益 HK$'000 千港元	Total equity 股本總額 HK$'000 千港元
At 1 January 2007	於2007年1月1日	364,142	2,177,287	–	24,854	13,992	605	142,560	1,867,201	4,590,641	16,261	4,606,902
Gain on revaluation of leasehold properties	重估租賃物業產生之收益	–	–	–	1,843	–	–	–	–	1,843	–	1,843
Share of reserve of associates	攤佔聯營公司儲備	–	–	–	–	–	–	12,803	–	12,803	–	12,803
Surplus on revaluation of available-for-sale investment	可供出售投資重估盈餘	–	–	–	–	–	108,844	–	–	108,844	–	108,844
Net income recognised directly in equity	直接於股本確認的收入淨額	–	–	–	1,843	–	108,844	12,803	–	123,490	–	123,490
Profit for the period	期內溢利	–	–	–	–	–	–	–	163,640	163,640	2,174	165,814
Total recognised income and expenses for the period	期內確認的收入及支出總額	–	–	–	1,843	–	108,844	12,803	163,640	287,130	2,174	289,304
Paid 2006 final dividend	付2006年末期股息	–	–	–	–	–	–	–	(127,450)	(127,450)	–	(127,450)
At 30 June 2007	於2007年6月30日	364,142	2,177,287	–	26,697	13,992	109,449	155,363	1,903,391	4,750,321	18,435	4,768,756

Consolidated Statement of Changes in Equity
綜合權益變動報表
For the six months ended 30 June 2007 (Unaudited)
截至二零零七年六月三十日止六個月(未經審核)

		Attributable to equity holders of the Company 本公司股本持有人應佔股本										
		Share capital 股本 HK$'000 千港元	Share premium 股份溢價 HK$'000 千港元	Convertible notes equity reserve 可換股票據股本儲備 HK$'000 千港元	Asset revaluation reserve 資產重估儲備 HK$'000 千港元	Capital redemption reserve 資本贖回儲備 HK$'000 千港元	Other reserves 其他儲備 HK$'000 千港元	Translation reserve 匯兌儲備 HK$'000 千港元	Accumulated profits 累積盈利 HK$'000 千港元	Total 合計 HK$'000 千港元	Minority interests 少數股東權益 HK$'000 千港元	Total equity 股本總額 HK$'000 千港元
At 1 January 2006	於2006年1月1日	337,742	1,957,757	20,150	18,887	13,992	605	28,938	1,464,951	3,843,022	55,669	3,898,691
Gain on revaluation of leasehold properties	重估租賃物業產生之收益	–	–	–	1,659	–	–	–	–	1,659	–	1.659
Deferred tax liability arising on revaluation of leasehold buildings	重估租賃物業產生之遞延稅項負債	–	–	–	(504)	–	–	–	–	(504)	–	(504)
Share of reserve of associates	攤佔聯營公司儲備	–	–	–	–	–	–	3,551	–	3,551	–	3,551
Net income recognised directly in equity	直接於股本確認的收入淨額	–	–	–	1,155	–	–	3,551	–	4,706	–	4,706
Profit for the period	期內溢利	–	–	–	–	–	–	–	332,600	332,600	468	333,068
Total recognised income and expenses for the period	期內確認的收入及支出總額	–	–	–	1,155	–	–	3,551	332,600	337,306	468	337,774
Issue of shares upon exercise of share options	行使購股權發行的股份	3,600	12,510	–	–	–	–	–	–	16,110	–	16,110
Share issue expenses	股份發行費用	–	(13)	–	–	–	–	–	–	(13)	–	(13)
Issue of shares upon exercise of convertible note	行使可換股票據發行的股份	20,000	205,791	(10,075)	–	–	–	–	–	215,716	–	215,716
Paid 2005 final dividend	付2005年末期股息	–	–	–	–	–	–	–	(108,403)	(108,403)	–	(108,403)
Acquisition of additional equity interest in a subsidiary	收購一間附屬公司之額外股本權益	–	–	–	–	–	–	–	–	–	(50,451)	(50,451)
At 30 June 2006	於2006年6月30日	361,342	2,176,045	10,075	20,042	13,992	605	32,489	1,689,148	4,303,738	5,686	4,309,424

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

For the six months ended 30 June 2007 (Unaudited)
截至二零零七年六月三十日止六個月(未經審核)

		Six months ended 30 June 截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		HK$'000	*HK$'000*
		千港元	*千港元*
Net cash generated from operating activities	經營業務所得現金淨額	**374,492**	106,923
Net cash generated from investing activities	投資業務所得現金淨額	**303,812**	95,087
Net cash (used in) generated from financing activities	融資業務(所用)所得現金淨額	**(948,025)**	465
Net cash and cash equivalent movement	現金及現金等值變動淨額	**(269,721)**	202,475
Cash and cash equivalent at the beginning of the period	期初之現金及現金等值	**724,995**	262,299
Cash and cash equivalent at the end of the period	期末之現金及現金等值	**455,274**	464,774

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretation (hereinafter referred to as the "New HKFRSs") issued by the HKICPA, which are applicable to accounting period beginning on or after 1 January 2007. The adoption of these New HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

1. 編制基準

本綜合財務報表乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄16的適用披露規定以及由

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

The Group has not early applied the following New HKFRSs that have been issued but are not yet effective.

HKAS 23 (Revised)	Borrowing Cost[1]
HKFRS 8	Operating Segments[1]
HK(IFIRC)-INT 11	HKFRS 2 — Group and Treasury Share Transactions[2]
HK(IFIRC)-INT 12	Service Concession Arrangements[3]

[1] Effective for annual period beginning on or after 1 January 2009.

[2] Effective for annual period beginning on or after 1 March 2007.

[3] Effective for annual period beginning on or after 1 January 2008.

The Board anticipated that the application of these New HKFRSs will have no material impact on the results and financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

Turnover is analysed as follows:

2. 主要會計政策 *(續)*

本集團並無提早應用下列已經頒布但尚未生效的新香港財務報告準則。

會計準則第23號（修訂本）	借貸成本[1]
香港財務報告準則第8號	營運分類[1]
香港(國際財務報告詮釋委員會) — 詮釋第11號	香港財務報告準則第2號的範圍[2]
香港(國際財務報告詮釋委員會) — 詮釋第12號	服務經營權安排[3]

[1] 從二零零九年一月一日或之後開始的會計期間生效

[2] 從二零零七年三月一日或之後開始的會計期間生效

[3] 從二零零八年一月一日或之後開始的會計期間生效

董事會預料，應用該等新香港財務報告準則將不會對本集團業績及財務狀況構成重大影響。

3. 營業額及分類資料

營業額之分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年	2006 二零零六年
		HK$'000 千港元	*HK$'000 千港元*
Proceeds from held-for-trading investments	持作買賣投資所得款項	**5,842**	403,818
Interest income from interest in distressed assets	不良資產權益之利息收入	**13,964**	46,807
Property management fee income	物業管理費收入	**52,219**	43,562
Rental income	租金收入	**31,671**	34,197
Sales of properties	物業銷售	**15,777**	—
		119,473	528,384

3. TURNOVER AND SEGMENT INFORMATION *(continued)*

(i) Business segments

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

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

3. 營業額及分類資料 *(續)*

(i) 業務分類

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

本集團營業額及業績按業務分類之分析如下：

		Six months ended 30 June 2007 截至二零零七年六月三十日止六個月					
		Distressed assets business 不良資產業務 *HK$'000 千港元*	Investments 投資 *HK$'000 千港元*	Sales of properties 物業銷售 *HK$'000 千港元*	Property leasing 物業租賃 *HK$'000 千港元*	Property management 物業管理 *HK$'000 千港元*	Consolidated 綜合 *HK$'000 千港元*
Turnover	營業額	13,964	5,842	15,777	31,671	52,219	119,473
Results	業績						
Segment results	分類業績	13,924	(2,173)	6,875	17,389	7,658	43,673
Interest income	利息收入						50,614
Surplus on revaluation of leasehold properties	租賃物業的重估盈餘						3,437
Decrease in fair value of investment properties	投資物業的公平值減少	–	–	–	(3,630)	–	(3,630)
Loss on disposal of investment properties	出售投資物業虧損	–	–	–	(1,728)	–	(1,728)
Gain on convertible note at fair value through profit or loss	於損益表按公平值處理的可換股票據的收益						16,427
Fair value change of structured finance securities	結構性金融證券公平值變動						(8,331)
Unallocated corporate expenses	未予分配公司費用						(9,193)
Finance costs	財務費用						(23,395)
Gain on disposal of available-for-sale investments	出售可供出售投資收益						26,518
Share of results of associates	攤佔聯營公司業績						63,237
Share of result of a jointly controlled entity	攤佔一間共同控制公司業績						4,670
Profit before taxation	除稅前溢利						162,299
Taxation	稅項						3,515
Profit for the period	期內溢利						165,814

3. TURNOVER AND SEGMENT INFORMATION *(continued)* 3. 營業額及分類資料 *(續)*

(i) Business segments *(continued)* (i) 業務分類 *(續)*

		Six months ended 30 June 2006 截至二零零六年六月三十日止六個月					
		Distressed assets business 不良資產業務 *HK$'000 千港元*	Investments 投資 *HK$'000 千港元*	Sales of properties 物業銷售 *HK$'000 千港元*	Property leasing 物業租賃 *HK$'000 千港元*	Property management 物業管理 *HK$'000 千港元*	Consolidated 綜合 *HK$'000 千港元*
Turnover	營業額	46,807	403,818	—	34,197	43,562	528,384
Results	業績						
Segment results	分類業績	46,807	128,126	(1,614)	15,160	994	189,473
Interest income	利息收入						31,636
Surplus on revaluation of leasehold properties	租賃物業的重估盈餘						1,102
Increase in fair value of investment properties	投資物業的公平值增加	—	—	—	88,418	—	88,418
Gain on convertible note at fair value through profit or loss	於損益表按公平值處理的可換股票據的收益						35,412
Unallocated corporate expenses	未予分配公司費用						(19,231)
Finance costs	財務費用						(24,445)
Discount on acquisition of additional equity interest in a subsidiary	收購一間附屬公司額外股本權益的折讓						24,742
Share of results of associates	攤佔聯營公司業績						39,532
Share of result of a jointly controlled entity	攤佔一間共同控制公司業績						6,912
Gain on disposal of a subsidiary	出售一間附屬公司產生之收益						2,550
Profit before taxation	除稅前溢利						376,101
Taxation	稅項						(43,033)
Profit for the period	期內溢利						333,068

3. TURNOVER AND SEGMENT INFORMATION *(continued)*

(ii) Geographical segments

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

3. 營業額及分類資料 *(續)*

(ii) 地域分類

本集團營業額按照客戶的地域位置劃分的分析如下：

		Turnover 營業額	
		2007	2006
		二零零七年	二零零六年
		HK$'000	*HK$'000*
		千港元	*千港元*
Hong Kong	香港	**5,907**	405,641
The PRC	中國	**113,566**	122,743
		119,473	528,384

4. OTHER INCOME

Other income includes the following income:

4. 其他收入

其他收入包括下述收入：

		2007	2006
		二零零七年	二零零六年
		HK$'000	*HK$'000*
		千港元	*千港元*
Change of fair value of held-for-trading investments	持作買賣投資之公平值變動	**1,200**	57,313
Interest income	利息收入	**50,614**	31,636
Commission income	佣金收入	**832**	916
Consultancy fee income	諮詢費收入	**720**	—
Gain on disposal of property, plant and equipment	出售物業、廠房及設備產生之收益	**55**	—
Exchange gain	匯兌收益	**5,084**	—
Others	其他	**312**	158
		58,817	90,023

5. FINANCE COSTS

5. 財務費用

		2007 二零零七年 *HK$'000* *千港元*	2006 二零零六年 *HK$'000* *千港元*
Interest on bank borrowings	銀行借款利息		
— wholly repayable within five years	— 須於五年內悉數償還	**15,084**	15,356
— not wholly repayable within five years	— 無須於五年內悉數償還	**181**	222
Interest on other loans wholly repayable within five years	須於五年內悉數償還的其他貸款利息	**1,108**	1,055
Interest on convertible notes wholly repayable within five years	須於五年內悉數償還的可換股票據利息	**3,116**	7,812
Interest on loan from a shareholder wholly repayable within five years	須於五年內悉數償還的一名股東貸款利息	**3,906**	—
		23,395	24,445

6. DISPOSAL OF A SUBSIDIARY

6. 出售附屬公司

		2007 二零零七年 *HK$'000* *千港元*	2006 二零零六年 *HK$'000* *千港元*
Net assets of a subsidiary at the date of disposal were as follows:	**於出售日附屬公司的資產淨值如下：**		
Interest in distressed assets	不良資產權益	—	525,581
Amounts due to holding companies	應付控股公司款項	—	(478,123)
		—	47,458
Gain on disposal of a subsidiary	出售一間附屬公司之收益	—	2,550
Total consideration	總代價	—	50,008
Satisfied by:	**支付方式：**		
Cash	現金	—	26,279
Transferred to interest in a jointly controlled entity	轉讓至一間共同控制公司之權益	—	23,729
		—	50,008
Net cash inflow arising on disposal:	**出售產生之現金流入淨額：**		
Cash consideration	現金代價	—	26,279
		—	26,279

The subsidiary disposed of in 2006 did not contribute significantly to the Group's operating results for the previous period.

於二零零六年出售的附屬公司對本集團於前期內的經營業績並無重大貢獻。

7. TAXATION

		2007 **二零零七年** ***HK$'000*** ***千港元***	2006 二零零六年 *HK$'000* *千港元*
The charge comprises:	稅項支出包括：		
PRC Enterprises Income Tax	中國企業所得稅	**2,733**	500
Deferred Taxation *(Note 18)*	遞延稅項*(附註18)*	**(6,248)**	42,533
Taxation attributable to the Company and subsidiaries	本公司及附屬公司所屬稅項	**(3,515)**	43,033

No provision for Hong Kong profits tax has been provided in the current period and the previous period as there is no assessable

8. PROFIT FOR THE PERIOD

8. 期內溢利

		2007 二零零七年 *HK$'000* *千港元*	2006 二零零六年 *HK$'000* *千港元*
Profit for the period has been arrived at after charging:	**期內溢利已扣除：**		
Auditors' remuneration	核數師酬金	**900**	1,200
Depreciation	折舊	**3,800**	3,653
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生之虧損	**2**	2
Repairs and maintenance fund expensed relating to the Group's investment properties in the PRC	本集團於中國之投資物業的相關維修保養支出	**686**	686
Operating lease rentals in respect of land and buildings	土地及樓宇之營運租約租金	**1,657**	1,791
Staff cost including directors' remuneration and the retirement benefit costs of HK$1,944,000 (2006:HK$1,427,000)	員工費用包括董事酬金及退休福利成本1,944,000港元（二零零六年：1,427,000港元）	**29,213**	26,260
Share of tax of associate (included in share of results of associates)	攤佔聯營公司稅項(已包括於攤佔聯營公司業績)	**3,727**	2,293
Share of tax of a jointly controlled entity (included in share of results of jointly controlled entity)	攤佔一間共同控制公司稅項(已包括於攤佔共同控制公司業績)	**989**	1,570
And after crediting:	**並已計入：**		
Rental income under operating leases less outgoings of HK$920,000 (2006:HK$1,501,000)	營運租約之租金收入，扣除開支920,000港元(二零零六年：1,501,000港元)	**30,751**	32,300

9. EARNINGS PER SHARE

9. 每股盈利

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

本公司普通股股本持有人應佔的每股基本及攤薄盈利乃根據下列數據計算所得：

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年	2006 二零零六年
		HK$'000 千港元	*HK$'000 千港元*
Earnings:	**盈利：**		
Earnings for the purpose of basic earnings per share (profit for the period attributable to equity holders of the Company)	用以計算每股基本盈利之盈利(本公司股本持有人應佔期內溢利)	**163,640**	332,600
Effect of dilutive potential shares in respect of convertible notes:	有關可換股票據的潛在攤薄股份之影響：		
— gain on convertible note at fair value through profit or loss	— 於損益表按公平值處理的可換股票據之收益	**(16,427)**	(35,412)
— finance costs	— 財務費用	**3,116**	7,812
— deferred tax	— 遞延稅項	**—**	(537)
Earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利之盈利	**150,329**	304,463

		Number of shares 股份數目	
		2007 二零零七年	2006 二零零六年
		In thousand 千	
Number of shares:	**股份數目：**		
Weighted average number of shares for the purpose of basic earnings per share	用以計算每股基本盈利之加權平均股份數目	**1,820,710**	1,752,240
Effect of dilutive potential ordinary shares from	潛在攤薄普通股之影響：		
— convertible notes	— 可換股票據	**138,813**	282,460
— share options	— 購股權	**—**	16,351
Weighted average number of shares for the purpose of diluted earnings per shares	用以計算每股攤薄盈利之加權平均股份數目	**1,959,523**	2,051,051

10. DIVIDENDS

On 12 June 2007, the Company paid a dividend of HK$0.07 per share, approximately HK$127,450,000 in aggregate, to the shareholders as final dividend for the year ended 31 December 2006.

On 6 June 2006, the Company paid a dividend of HK$0.06 per share, approximately HK$108,403,000 in aggregate, to the shareholders as final dividend for the year ended 31 December 2005.

The Board has resolved not to recommend payment of any interim dividend for the six months ended 30 June 2007 (2006: Nil).

10. 股息

於二零零七年六月十二日，本公司向股東支付每股0.07港元股息，總額約為127,450,000港元，作為截至二零零六年十二月三十一日之末期股息。

於二零零六年六月六日，本公司向股東支付每股0.06港元股息，總額約為108,403,000港元，作為截至二零零五年十二月三十一日之末期股息。

董事會議決不擬建議派付截至二零零七年六月三十日止六個月中期股息(二零零六年：無)。

11. INVESTMENT PROPERTIES

During the current period, the Group disposed of a portfolio of investment properties with a carrying value of HK$88,180,000 at a net consideration of HK$86,452,000. The disposal has recognized a loss of approximately HK$1,728,000.

The Group's investment properties were fair-valued by Vigers Appraisal & Consulting Limited, a firm of independent property valuers on an open market basis at 30 June 2007. The decrease in fair value of investment properties of approximately HK$3,630,000 has been recognized directly in the consolidated income statement.

11. 投資物業

本集團於本期內出售帳面值88,180,000港元的一籃子投資物業，出售總代價淨額86,452,000港元。該項出售錄得虧損約1,728,000港元。

本集團之投資物業於二零零七年六月三十日之公平值乃經由獨立物業評估師威格斯資產評估顧問有限公司按照公開市值基準評估所得。投資物業之公平值減少數額約3,630,000港元已直接於綜合收入報表確認。

12. PROPERTY, PLANT AND EQUIPMENT

The Group did not make any significant acquisition or disposal of property, plant and equipment during the period.

The Group's leasehold land and buildings classified as property, plant and equipment were fair-valued by Vigers Appraisal & Consulting Limited and A-Plus Surveyors Limited, firms of independent property valuers on an open market basis at 30 June 2007. The net surplus on revaluation of leasehold properties amounting to approximately HK$5,280,000, of which the surplus of approximately HK$3,437,000 was credited to the consolidated income statement to reverse the deficit previously charged to the consolidated income statement and the remaining surplus of approximately HK$1,843,000 was credited to the asset revaluation reserve.

12. 物業、廠房及設備

本集團於本期內並無進行重大的物業、廠房及設備購置或出售。

本集團分類為物業、廠房及設備之租賃土地及樓宇於二零零七年六月三十日之公平值乃經由獨立物業評估師威格斯資產評估顧問有限公司及恆信測量師行有限公司按照公開市值基準評估所得。租賃物業評估所得之盈餘淨額約5,280,000港元，其中盈餘數額約3,437,000港元計入綜合收入報表以撥回以前已於綜合收入報表扣除之虧絀；其餘盈餘數額約1,843,000港元則計入資產重估儲備。

13. TRADE RECEIVABLES

The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables at the balance sheet date:

13. 應收賬款

本集團給予貿易客戶平均三十天信用期。下述是應收賬款於結算日的賬齡分析：

		30 June 2007	31 December 2006
		二零零七年六月三十日	二零零六年十二月三十一日
		HK$'000	*HK$'000*
		千港元	*千港元*
0 to 30 days	零至三十日	**3,130**	1,062
31 to 90 days	三十一日至九十日	**1,109**	1,281
Over 90 days	超過九十日	**8,205**	862
		12,444	3,205

14. SHARE CAPITAL 14. 股本

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

(a) On 21 March 2006, the Company received a notice of conversion from Catic Limited exercising the right to convert the convertible note in the principal amount of HK$220,000,000 into 100,000,000 shares, representing approximately 5.92% of the issued share capital of the Company before the issue of the conversion shares and approximately 5.59% of the issued share capital of the Company as enlarged by the issue of the conversion shares at the conversion price of HK$2.20 per share. These shares rank pari passu in all respect with other shares in issue.

(a) 於二零零六年三月二十一日，本公司接獲Catic Limited的換股通知，行使換股權利，將本金額220,000,000港元的可換股票據兌換為100,000,000股股份，佔本公司在發行兌換股份前已發行股本約5.92%，及佔本公司經已每股2.20港元的兌換價發行兌換股份後擴大已發行股本約5.59%。該等股份與其他已發行股份在所有方面均享有相同權利。

(b) During the previous period, the share option holders exercised the right attached on the share options to subscribe for a total of 32,000,000 shares at the exercise prices ranging from HK$0.535 to HK$0.967 per share. These shares rank pari passu in all respect with other shares in issue.

(b) 年去年期間，購股權持有人行使購股權附帶權利，以每股介乎0.535港元至0.967港元的行使價價格，認購總計32,000,000股股份。該等股份與其他已發行股份在所有方面均享有相同權利。

15. TRADE PAYABLES

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

15. 應付賬款

下述是應付賬款於結算日之賬齡分析：

		30 June 2007 二零零七年六月三十日 *HK$'000 千港元*	31 December 2006 二零零六年十二月三十一日 *HK$'000 千港元*
0 to 30 days	零至三十日	**12,214**	53,437
31 to 90 days	三十一日至九十日	**11,198**	11,784
Over 90 days	超過九十日	**33,694**	19,571
		57,106	84,792

16. BORROWINGS

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

16. 借貸

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

		30 June 2007 二零零七年六月三十日 *HK$'000 千港元*	31 December 2006 二零零六年十二月三十一日 *HK$'000 千港元*
Bank loans — secured	銀行貸款 – 有抵押	**6,325**	606,900
Carrying amount repayable:	需於特定期間償還之賬面金額：		
On demand or within one year	應要求或一年之內	**1,150**	601,150
More than one year, but not exceeding two years	一年以上但不超過兩年	**1,150**	1,150
More than two years, but not exceeding five years	兩年以上但不超過五年	**3,450**	3,450
More than five years	五年以上	**575**	1,150
		6,325	606,900
Less: Amounts due within one year shown under current liabilities — Borrowings	*減：*於一年之內到期並列為流動負債之金額 — 借貸	**(1,150)**	(601,150)
		5,175	5,750

17. PLEDGE OF ASSETS

As at 30 June 2007, the Group has pledged certain leasehold properties which have an aggregate carrying value at the balance sheet date of approximately HK$89,950,000 to secure general banking facilities granted to the Group.

17. 資產抵押

於二零零七年六月三十日，本集團已將於結算日其累計賬面總額為89,950,000港元之租賃物業抵押，作為本集團所獲取一般性銀行融資之條件。

18. DEFERRED TAXATION

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

18. 遞延稅項

以下為已確認之主要遞延稅項資產(負債)及其於本期間及以前呈報期間之變動：

		Accelerated tax depreciation 加速稅務折舊 HK$'000 千港元	Revaluation of properties 物業重估 HK$'000 千港元	Distressed assets 不良資產 HK$'000 千港元	Tax losses 稅務虧損 HK$'000 千港元	Convertible notes 可換股票據 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January 2006	於二零零六年一月一日	(55)	(112,981)	(86,247)	14,594	(1,954)	(186,643)
(Charge) credit to income for the period	於本期間收益(扣除)計入	—	(32,446)	(26,652)	(13,086)	977	(71,207)
(Charge) credit to equity for the period	於本期間權益(扣除)計入	—	(766)	—	—	977	211
At 31 December 2006	於二零零六年十二月三十一日	(55)	(146,193)	(112,899)	1,508	—	(257,639)
Credit (Charge) to income for the period	於本期間收益(計入)扣除	—	10,437	(4,189)	—	—	6,248
At 30 June 2007	於二零零七年六月三十日	(55)	(135,756)	(117,088)	1,508	—	(251,391)

19. INTEREST IN COMPETITORS

During the six months period ended 30 June 2007, none of the directors or the management shareholders of the Company or their respective associates had an interest in a business, which competes or may compete with the business of the Group.

19. 於競爭對手之權益

在截至二零零七年六月三十日之六個月期間內，並無任何本公司之董事或管理層股東或各自之聯繫人士與本集團之業務構成競爭或可能構成競爭的其他業務擁有權益。

20. RELATED PARTY TRANSACTIONS

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

20. 關聯人士交易

於本期內，本集團與關聯人士進行下述交易：

		2007 **二零零七年** ***HK$'000*** ***千港元***	2006 二零零六年 *HK$'000* *千港元*
Property management fee income from an associate	收取一間聯營公司之物業管理費收入	**65**	62
Interest on convertible notes issued to shareholders	支付發行予股東之可換股票據利息	**3,116**	7,812
Interest on a loan from a shareholder	支付一項股東借款之利息	**3,906**	—
Interest income from associates	收取聯營公司之利息	**35,807**	11,393
Interest income from a jointly controlled entity	收取一間共同控制公司之利息	**4,362**	—
Rental income from an associate	收取一間聯營公司之租金收入	**122**	117

Details of balances with related companies and other transactions with related parties are set out in the consolidated balance sheet.

與關聯人士的結餘及其他交易的詳情已載於綜合資產負債表。

SILVER GRANT INTERNATIONAL
INDUSTRIES LIMITED
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