



Burwill Holdings Limited

寶威控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 24)

FINAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2006

The Directors of Burwill Holdings Limited (the "Company") hereby announce the audited consolidated income statement of the Company and its subsidiaries (the "Group") for the year ended 31 December 2006 and the consolidated balance sheet of the Group as at 31 December 2006, together with the comparative figures for 2005, as follows:—

CONSOLIDATED INCOME STATEMENT

	Note	2006 HK\$'000	2005 HK\$'000
Sales	2	4,793,364	3,696,566
Cost of sales		(4,711,292)	(3,621,921)
Gross profit		82,072	74,645
Other gains, net	3	256,099	209,070
Selling and distribution expenses		(38,964)	(30,454)
General and administrative expenses		(75,527)	(94,995)
Operating profit	2	223,680	158,266
Finance costs	5	(61,017)	(51,685)
Share of losses of associates		(3,597)	(9,370)
Profit before taxation		159,066	97,211
Taxation	6	(7,391)	(18,426)
Profit for the year		151,675	78,785
Attributable to:			
Equity holders of the Company		149,380	72,745
Minority interests		2,295	6,040
		151,675	78,785

Earnings per share for profit attributable to the equity holders of the Company during the year – basic	7	HK 14.47 cents	HK 6.96 cents
– diluted		N/A	N/A
Dividends	8	–	30,964

CONSOLIDATED BALANCE SHEET

	Note	2006 HK\$'000	2005 HK\$'000
ASSETS			
Non-current assets			
Leasehold land and land use rights		82,568	92,526
Property, plant and equipment		105,746	155,268
Investment properties		237,857	209,480
Intangible assets		188	–
Investments in associates		356,624	118,929
Available-for-sale financial assets		7,772	9,310
Other receivables		181	407
Deferred tax assets		9,673	9,805
		800,609	595,725
Current assets			
Inventories		157,742	194,089
Properties held for sale		29,398	28,779
Held-to-maturity financial assets		–	23,423
Financial assets at fair value through profit or loss		10,076	31,027
Bills and accounts receivable	9	1,082,091	879,634
Deposits, prepayments and other receivables		97,097	175,031
Due from an associate		1,050	1,010
Taxation recoverable		–	21
Pledged bank deposits		839	1,431
Other cash and bank balances		275,156	203,878
		1,653,449	1,538,323
Total assets		2,454,058	2,134,048
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		103,213	103,213
Other reserves		503,297	487,006
Retained profits			
– proposed dividends		–	30,964
– others		353,930	204,550
		960,440	825,733
Minority interests		43,779	49,505
Total equity		1,004,219	875,238
LIABILITIES			
Non-current liabilities			
Borrowings		127,261	289,338
Deferred tax liabilities		42,899	34,860
		170,160	324,198
Current liabilities			
Borrowings		538,974	501,922
Due to associates		22,787	16,058
Bills and accounts payable	10	648,995	341,112
Other payables and accruals		68,661	75,110
Taxation payable		262	410
		1,279,679	934,612
Total liabilities		1,449,839	1,258,810
Total equity and liabilities		2,454,058	2,134,048
Net current assets		373,770	603,711
Total assets less current liabilities		1,174,379	1,199,436

Notes:—

(1) Basis of preparation and accounting policies

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investment properties, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Standards and amendments effective in 2006 relevant to the Group's operations
The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 and are relevant to the Group's operations:

HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 and HKFRS 4 (Amendments)	Financial Guarantee Contracts
HKFRS-Int 4	Determining whether an Arrangement contains a Lease

The adoption of such standards or amendments has no significant effect on these financial statements.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 May 2006 or later periods but that the Group has not early adopted:

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments – Disclosures
HK(IFRIC)–Int 8	Scope of HKFRS 2
HK(IFRIC)–Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)–Int 11	HKFRS 2 – Group and Treasury Share Transactions

(2) Segment information

(a) Primary reporting format – business segments

The Group is organised into three major operating units: (i) steel trading, warehousing and distribution; (ii) steel manufacturing and processing; and (iii) property development and investment.

Turnover recognised during the year is as follows:

	2006 HK\$'000			2005 HK\$'000		
Sale of goods	4,761,904			3,670,368		
Sale of properties held for sale	3,753			1,924		
Rental income	11,877			11,978		
Service income	15,830			12,296		
	4,793,364			3,696,566		
	2005					
	Steel trading, warehousing and distribution	Steel manufacturing and processing	Property development and investment	Others	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total segment sales	3,246,327	494,936	14,130	26,546	–	3,781,939
Inter-segment sales	(84,113)	–	(474)	(786)	–	(85,373)
Sales	3,162,214	494,936	13,656	25,760	–	3,696,566
Operating profit/(loss)	18,048	(16,580)	29,189	475	127,134	158,266
Finance costs	–	–	–	–	–	(51,685)
Share of losses of associates	–	–	–	–	–	(9,370)
Profit before taxation	–	–	–	–	–	97,211
Taxation	–	–	–	–	–	(18,426)
Profit for the year	–	–	–	–	–	78,785
	2006					
	Steel trading, warehousing and distribution	Steel manufacturing and processing	Property development and investment	Others	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total segment sales	4,329,521	450,558	15,864	20,010	–	4,815,953
Inter-segment sales	(14,180)	(6,002)	(234)	(2,173)	–	(22,589)
Sales	4,315,341	444,556	15,630	17,837	–	4,793,364
Operating profit/(loss)	5,208	(7,093)	22,780	47	202,738	223,680
Finance costs	–	–	–	–	–	(61,017)
Share of losses of associates	–	–	–	–	–	(3,597)
Profit before taxation	–	–	–	–	–	159,066
Taxation	–	–	–	–	–	(7,391)
Profit for the year	–	–	–	–	–	151,675

	2005			2006		
Assets	Steel trading, warehousing and distribution	Steel manufacturing and processing	Property development and investment	Others	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets	1,017,155	469,373	296,844	14,734	335,942	2,134,048
Liabilities	501,096	309,413	63,616	20,170	364,515	1,258,810
Depreciation	636	7,314	1,097	1,153	627	10,827
Amortisation	–	368	31	–	1,242	1,641
Capital expenditure	230	59,275	143	348	214	60,210
	2006					
Assets	Steel trading, warehousing and distribution	Steel manufacturing and processing	Property development and investment	Others	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets	1,259,736	313,398	319,756	14,326	546,842	2,454,058
Liabilities	761,109	250,562	73,375	30,166	334,627	1,449,839
Depreciation	686	8,816	1,122	1,193	848	12,665
Amortisation	–	525	32	–	1,248	1,805
Capital expenditure	96	9,085	828	672	236	10,917

(b) Secondary reporting format – geographical segments

	2006 HK\$'000	2005 HK\$'000
Sales (by location of customers)		
– Mainland China	2,156,189	2,532,970
– Hong Kong	870	261,100
– Asia (other than Mainland China and Hong Kong)	1,937,669	751,064
– Europe	585,182	113,895
– Others	113,454	37,537
	4,793,364	3,696,566
Assets located in		
– Mainland China	621,223	758,204
– Hong Kong	1,438,768	1,224,616
– Others	37,443	32,299
	2,097,434	2,015,119
Associates	356,624	118,929
	2,454,058	2,134,048
Capital expenditure in		
– Mainland China	9,434	59,724
– Hong Kong	1,483	469
– Others	–	17
	10,917	60,210

(3) Other gains, net

	2006 HK\$'000	2005 HK\$'000
Net fair value gain/(loss) on financial assets at fair value through profit or loss	9,877	(1,818)
Gain on disposal of available-for-sale financial assets	650	–
Provision for impairment of available-for-sale financial assets	(7,800)	–
Interest income:		
– on bank deposits	2,755	1,979
– on financial assets	694	823
– on other receivables	1,577	1,161
Dividend income	806	272
Investment income	8,559	2,417
Fair value gains on investment properties	20,155	34,172
Net gain on disposals of investment properties	–	2
Gain on disposal of interest in a subsidiary	4,832	–
Gain on disposal of shares in an associate (Note (a))	–	91,986
Dilution gain in an associate (Notes (b) & (c))	212,842	69,819
Claims	–	2,887
Others	9,711	7,787
	256,099	209,070

Notes:

(a) In August 2005, the Group disposed of certain equity interests in China LotSynergy Holdings Limited, reducing its shareholding from 38.65% to 31.98%, and recognised a disposal gain of approximately HK\$91,986,000.

(b) In August 2005, the Group's equity interest in China LotSynergy Holdings Limited was diluted from 31.98% to 26.84% as a result of the issuance of new shares of China LotSynergy Holdings Limited. In this connection, the Group recognised a dilution gain of approximately HK\$69,819,000.

(c) During the year ended 31 December 2006, the Group's equity interest in China LotSynergy Holdings Limited was diluted from 26.84% to 21.75% as a result of the issuance of new shares of China LotSynergy Holdings Limited. In this connection, the Group recognised a dilution gain of approximately HK\$212,842,000.

