

禹銘投資



06

Annual Report



YU MING INVESTMENTS LIMITED

Stock code 股份代號 : 666



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公司資料

Corporate Information

主席

馮永祥*

董事總經理

馮耀輝*

董事

李華倫*
李成輝*
李業華*
葉維義*
蘇樹輝†
周宇俊†
何振林†

* 執行委員會成員

非執行董事

† 獨立非執行董事

律師

齊伯禮律師行
胡關李羅律師行

核數師

均富會計師行

銀行

荷蘭銀行
中國工商銀行(亞洲)有限公司
永亨銀行有限公司

秘書

李業華

註冊辦事處

香港
皇后大道中29號
怡安華人行
10樓1001室

股份過戶登記處

秘書商業服務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

股份代號

香港聯合交易所有限公司：666

CHAIRMAN

Fung Wing Cheung, Tony*

MANAGING DIRECTOR

Fung Yiu Fai, Peter*

DIRECTORS

Lee Wa Lun, Warren*
Lee Seng Hui#
Lee Yip Wah, Peter#
V-Nee Yeh#
So Shu Fai, Ambrose†
Chow Yu Chun, Alexander†
Albert Ho†

* members of the Executive Committee

non-executive directors

† independent non-executive directors

SOLICITORS

Richards Butler
Woo, Kwan, Lee & Lo

AUDITORS

Grant Thornton

BANKERS

ABN AMRO Bank N.V.
Industrial and Commercial Bank of China (Asia) Limited
Wing Hang Bank Limited

SECRETARY

Lee Yip Wah, Peter

REGISTERED OFFICE

1001, 10th Floor
AON China Building
29 Queen's Road Central
Hong Kong

REGISTRARS AND TRANSFER OFFICE

Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East, Wanchai
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 666



主席報告

Chairman's Statement

管理層論述及分析 業務回顧

本集團於二零零六年的主要收入來自其於亞洲國際博覽館的投資，以及來自物業投資、債券及證券的投資。本集團的投資組合包括高至低風險的投資項目。多元化的投資選擇旨在降低投資組合的整體風險。

於二零零六年底，本集團的主要投資項目如下：

| 投資項目 | 詳情 |
|------------------------|---------------------------|
| 亞洲國際博覽館 | 香港最大的展覽設施 |
| 零售物業 | 分別位於九龍及香港黃金地段的旺角及銅鑼灣的零售商舖 |
| 新華航空控股有限公司 (「新華航空」) | 香港與中國的航空控股有限公司 |
| 債務及股本 | 債務及股本組合 |

於二零零六年內，亞洲國際博覽館經過其首個完整營運年度，而本集團透過優先股方式投資於該公司已確認理想收入。零售物業市場維持平穩，連同於二零零六年十一月在銅鑼灣開設timeplus商場，本集團的租金收入錄得溫和增長。本集團於高息債務及股本兩方面的投資項目均錄得理想盈利。於二零零六年就中富航空有限公司(「中富航空」)的投資與新華航空的投資進行股票交換一事出現尚未解決的登記問題。鑒於於新華航空的股票擁有權存在不明朗因素及該公司的不合作態度，因此本集團未能確認新華航空股份及已決定取消確認其於中富航空的股票投資及原先持有的應收款項。此外，於本年度內亦已就中富航空可換股債權證作出全數撥備。東方羊絨(「東方羊絨」)經歷表現欠佳的二零零五年後已錄得溢利輕微回升。然而，有關連人士之大量應收款項仍然備受關注，即使東方羊絨扭虧為盈，但董事會決定仍然就該等應收款項作出撥備，導致分佔本年度之虧損。因此，於二零零六年十二月三十一日在東方羊絨之投資已為零。

MANAGEMENT DISCUSSION AND ANALYSIS OPERATION REVIEW

The Group's major income in 2006 came from its investment in AsiaWorld-Expo, properties investments, bonds and securities. The Group's portfolio comprises high to low risk investments. The diversity aims to smoothen out the overall risk of the portfolio.

As at the end of 2006, the Group's major investments were as follows:

| Investments | Description |
|--|---|
| AsiaWorld-Expo | The largest exhibition facility in Hong Kong |
| Retail Properties | Retail shops in Mongkok and Causeway Bay, the prime retail location in Kowloon and Hong Kong respectively |
| Grand China Air Company Limited (「Grand China」) | A holding company of airlines in Hong Kong and China |
| Debts and Equities | A portfolio of debts and equities |

During 2006, AsiaWorld-Expo had its first full year of operation, and the Group recognised a good income from its preference share investment in it. The retail property market remained steady, together with the opening of the shopping mall "timeplus" in Causeway Bay in November 2006, the Group's rental income had a modest growth. Our investments in high-yield bonds and equities reported a mediocre profit. The swap of our investment in CR Airways Limited ("CR Airways") in 2006 for investment in Grand China ran into registration difficulties, which remains unresolved. In view of the title uncertainty and the lack of cooperation from Grand China, the Group failed to recognise the Grand China shares and made a decision to derecognise its investment in CR Airways and receivables originally held. Further, a full provision of the CR Airways convertible debenture was also made during the year. Oriental Cashmere Limited ("OCL") experienced a mild recovery in profits from a bad 2005. However, a huge receivable with related parties was a cause for concerns, and the board decided to make provision of such receivable despite of the turnaround and resulted in a share of loss for the year. Accordingly, the investment in OCL has been become zero as at 31st December, 2006.



主席報告

Chairman's Statement

亞洲國際博覽館

本集團擁有一個私人財團（「合營企業」）的60%股本權益，而合營企業與香港政府及機場管理局共同投資於亞洲國際博覽館。亞洲國際博覽館位於香港國際機場，提供面積達66,000平方米的永久展覽場地。合營企業擁有亞洲國際博覽館的13.5%權益。

亞洲國際博覽館乃一座無柱位建築物，並擁有專用的地下鐵路車站－「博覽館站」。該設施於二零零五年十二月已正式開幕。訂場租約及收益更遠遠超過於初步投資時原先規劃的預算金額。該設施的世界級設備吸引多個國際大型展覽會移師香港舉行：

1. 全球最大的電訊展覽會－國際電信聯盟(ITU)的世界電信展年會已於二零零六年十二月舉行。ITU傳統上過去一直於日內瓦舉行。
2. 亞太區最頂尖的航空展覽－亞洲航空展已選定亞洲國際博覽館作為其二零零七年九月的舉辦場地。亞洲航空展傳統上過去一直於新加坡舉行。
3. 先前於上海舉行的China Sourcing Fairs已於二零零六年四月移師亞洲國際博覽館舉行。該展覽會展出來自中國、香港及亞洲其他地區的優質供應商推出的最新產品。China Sourcing Fairs包括三個獨立展覽會：電子及零件、時尚配飾及禮品與家居產品。

除了舉辦展覽，一個世界級娛樂場館（已命名為Arena）專門用作舉行演唱會及文娛活動，並可容納多達14,500名觀眾。本地及國際知名藝人已曾於二零零六年在Arena獻技。

AsiaWorld-Expo

The Group has a 60% equity interest in a private sector consortium ("JVP"), which jointly invests with the Hong Kong Government and the Airport Authority in AsiaWorld-Expo, a 66,000 sqm permanent exhibition center located at the Hong Kong International Airport. JVP owns 13.5% interests in AsiaWorld-Expo.

AsiaWorld-Expo is a column-free structure under one roof, with a dedicated Mass Transit Railway station - the "AsiaWorld-Expo Station". The facility was officially opened in December 2005. Bookings and revenue exceed the budget originally planned at the time of our initial investment. Its world-class specifications attracted a number of major international exhibitions to relocate to Hong Kong:

1. International Telecommunication Union's (ITU) Telecom World annual convention, the world's biggest telecom show, was held in December 2006. ITU has been traditionally held in Geneva before.
2. Asian Aerospace, Asia Pacific's foremost aerospace exhibition, has selected AsiaWorld-Expo as its venue for September 2007. Asian Aerospace has been traditionally held in Singapore before.
3. China Sourcing Fairs, held previously in Shanghai and relocated to AsiaWorld-Expo in April 2006. The fairs showcase the latest products from quality suppliers from China, Hong Kong and the rest of Asia. The China Sourcing Fairs comprise three separate shows: Electronics & Components, Fashion Accessories and Gifts & Home Products.

In addition to exhibition, a world-class entertainment hall (named Arena) is purpose-built for concert and entertainment events and can house up to 14,500 spectators. Acclaimed local and international artists already performed in the Arena in 2006.



主席報告

Chairman's Statement

零售物業

本集團的物業投資項目只會專注於黃金地段的零售商舖。新建成的商場timeplus已於二零零六年十一月開業，並將成為二零零七年的目標發展項目。

| 物業 | 情況 |
|-----------------|---|
| 旺角 旺角中心 | 本集團擁有旺角中心內的159個舖位(面積逾34,000平方呎)，出租率實際接近100%，租金收入穩定增長。 |
| 旺角 銀城廣場 | 本集團擁有銀城廣場逾14,000平方呎零售舖位，租金上升幅度預期介乎20%至25%。 |
| 銅鑼灣 timeplus | 本集團擁有整個商場達30,000平方呎。開業後出租率達100%。經過不斷宣傳，市民大眾對該商場的認識迅速增加。 |

高息債券

本集團於二零零六年已出售其接近所有於高息債券的投資。債券的收入、出售及升值(扣除減值)為本集團帶來理想盈利。

新華航空

於二零零六年六月，中富航空(本集團擁有重大權益的公司)急需營運資金。本集團與新華航空訂立股份互換協議，將其於中富航空的權益與於新華航空的97,850,000股新股份的投資進行互換。新華航空為中國的航空控股公司。中富航空其後於二零零六年九月更改其名稱為香港航空有限公司(「香港航空」)。

截至財務報表日期，由於出現監管事宜，新華航空尚未登記本集團為其股東。由於新華航空(依本公司的意見)在登記過程中及向本公司提供資料的事宜上未能充份合作，因此董事認為有必要取消確認於中富航空的投資及原先持有的應收款項。本集團現正就本集團於新華航空的聲稱權益積極追討損失及繼續讓股東得悉事態進展。

Retail Properties

The Group's focuses property investment in retail space on prime location only. Newly developed shopping arcade - timeplus was opened in November 2006, which will be the focus development in 2007.

| Properties | Status |
|--------------------------|---|
| Argyle Centre Mongkok | The Group owns 159 shops in Argyle Centre (over 34,000 sqft), with a virtually full occupancy rate and a steady growth in rental income. |
| Ginza Plaza Mongkok | The Group owns over 14,000 sqft of retail space in Ginza Plaza with an expected increment of rental from 20% to 25%. |
| timeplus Causeway Bay | The Group owns the whole shopping arcade with 30,000 sqft. The opening was a success with 100% occupancy. With continuous promotion, the awareness of the public increased significantly. |

High-Yield Bonds

The Group divested almost all of its investment in high yield bonds in 2006. The income, sale and appreciation of the bonds (net of impairment) yielded a mediocre profit for the Group.

Grand China

In June 2006, CR Airways, a company in which the Group had substantial interests, was in need of working capital. The Group entered into a share swap agreement with Grand China to swap its interests in CR Airways with investment in 97,850,000 new shares in Grand China. Grand China is an airline holding company in China. CR Airways subsequently changed its name to Hong Kong Airlines Limited ("Hong Kong Airlines") in September 2006.

As at to the date of the financial statements, Grand China has not registered the Group as its shareholder, due to regulatory difficulties. As Grand China is in our opinion rather uncooperative in the registration process, as well as in providing information to us, the directors consider it is necessary to derecognise the investment in CR Airways and receivable originally held. The Group is actively seeking for recovery of our purported interests in Grand China, and will keep shareholders informed of the progress.



主席報告

Chairman's Statement

東方羊絨

受到二零零五年初撤銷紡織品配額制度所產生影響，令到東方羊絨產生龐大行政費用（包括空運費用），東方羊絨的業務於令人失望的二零零五年後已出現輕微改善。於二零零六年，在業務整合後（惟行政費用遠低於以往水平），純利得以輕微改善。然而，有關連人士之大量應收款項仍然備受關注，即使東方羊絨扭虧為盈，但董事會決定仍然就該等應收款項作出撥備，導致分佔本年度之虧損。因此，於二零零六年十二月三十一日在東方羊絨之投資已為零。

前景

隨著於黃金地段的零售舖位增加，本集團預期二零零七年的租金收入將會增加。

亞洲國際博覽館於二零零六年表現理想，原因為多個國際主辦機構均將其國際展覽會移師至該館舉行。本集團對該館的前景感到樂觀。

財政狀況

本集團已透過借貸增加於零售投資物業的投資。於二零零六年底，銀行及其他借貸總額為926,000,000港元（於二零零五年十二月三十一日：485,000,000港元）。

資本與負債比率

於二零零六年十二月三十一日，本集團的資本與負債比率（指帶息銀行及其他借款與本公司股權持有人應佔權益的比率）約為126%（於二零零五年十二月三十一日：約為54%）。

外匯風險

於二零零六年十二月三十一日，本集團的大部份投資均以港元及美元定值，因而毋須面對重大外匯風險。

OCL

OCL recovered mildly from an appalling 2005 which was attributable to the after effect of the lifting of the textile quota system in the beginning of 2005, which caused OCL to incur significant administration expenses including shipment by air. In 2006, business consolidated, but with a much lower administration expense, net profit mildly improved. However, a huge receivable of OCL with its related parties was a cause for concerns, and the board decided to make full provision of such receivable despite of the turnaround and resulted in a share of loss for the year. Accordingly, the investment in OCL has been zero as at 31st December, 2006.

PROSPECTS

With the increase in retail space in prime locations, the Group expects to increase rental income in 2007.

AsiaWorld-Expo had a good 2006 as a number of international organisers hosted their major international exhibitions there. We are optimistic about its prospects.

FINANCIAL POSITION

The Group uses leverage in its investments. As at the end of 2006, aggregate bank and other borrowings amounted to HK\$926 million (at 31st December, 2005: HK\$485 million).

GEARING RATIO

As at 31st December, 2006, the gearing ratio of the Group, which represents the ratio of interest-bearing bank and other borrowings to equity attributable to the equity holders of the Company, was approximately 126% (at 31st December, 2005: approximately 54%).

FOREIGN EXCHANGE EXPOSURE

As at 31st December, 2006, most of the Group's investments were based in Hong Kong dollar and United States dollar and were therefore not exposed to significant foreign currency risks.



主席報告

Chairman's Statement

擔保

本公司就一間持有物業的附屬公司所欠未償還債項向一間銀行提供相當於本集團股本權益應佔數額的擔保。該間持有物業的公司於二零零六年十二月三十一日欠該銀行的未償還債項約為714,000,000港元(於二零零五年十二月三十一日:約為445,000,000港元)。

本公司就一間全資附屬公司所獲一間財務機構提供不超過15,000,000美元的信貸額提供擔保。於二零零六年十二月三十一日的未償還債項約為800,000歐羅(於二零零五年十二月三十一日:約為1,100,000歐羅)。

員工成本

本集團於本年度的員工成本(不包括董事酬金)總額合共約為533,830港元(二零零五年:約為332,000港元)。

秘書
李業華

香港, 二零零七年三月二十八日

GUARANTEE

The Company has given a guarantee to a bank to secure the outstanding indebtedness due by its properties holding subsidiary, for an amount attributable to the Group's equity interests in that subsidiary. The amount of outstanding indebtedness due by the property holding company to this bank as at 31st December, 2006 was approximately HK\$714 million (at 31st December, 2005: approximately HK\$445 million).

The Company has given a guarantee to a financial institution to secure borrowing facilities available to a wholly-owned subsidiary in the amount not exceeding equivalent US\$15 million. The outstanding indebtedness at 31st December, 2006 was approximately Euro 0.8 million (at 31st December, 2005: approximately Euro 1.1 million).

STAFF COSTS

The Group's total staff costs (excluding directors' emoluments) for the year under review amounted to approximately HK\$533,830 (2005: approximately HK\$332,000).

Peter Lee Yip Wah
Secretary

Hong Kong, 28th March, 2007



董事會報告

Report of the Directors

董事會謹此提呈彼等之報告及截至二零零六年十二月三十一日止年度之經審核財務報表。

主要業務

本集團之主要業務包括投資於上市及非上市證券及物業項目。

業績及分配

本集團截至二零零六年十二月三十一日止年度之業績載於財務報表第33頁至34頁之綜合損益賬。

本公司董事會(「董事會」)已議決不派發截至二零零六年十二月三十一日止年度之股息(二零零五年：每股普通股港幣2仙)。

儲備

有關本集團及本公司之儲備於本年度之變動情況載於財務報表附註31。

可供分派儲備

根據香港公司條例第79B條計算，本公司於二零零六年十二月三十一日之可供分派儲備為零港元(二零零五年：101,341,230港元)。

股本

有關本公司股本之變動情況載於財務報表附註30。

五年財政概要

有關本集團過去五個財政年度之業績及資產與負債概要載於第123頁。

董事

年內及截至本報告日期之董事如下：

馮永祥
馮耀輝
李華倫
李成輝
李業華
蘇樹輝
周宇俊
何振林
葉維義 (於二零零七年三月一日委任)
李世亮 (於二零零六年七月五日逝世)

The directors submit their report together with the audited financial statements for the year ended 31st December, 2006.

PRINCIPAL ACTIVITY

The principal activities of the Group include the investments in listed and unlisted securities and properties.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2006 are set out in the consolidated income statement on pages 33 to 34 of the financial statements.

The board of directors of the Company (the "Board") have resolved not to declare a dividend for the year ended 31st December, 2006 (2005: HK2 cents per ordinary share).

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 31 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st December, 2006, calculated under Section 79B of the Hong Kong Companies Ordinance, amounted to HK\$Nil (2005: HK\$101,341,230).

SHARE CAPITAL

Details of the movements in share capital of the Company are shown in note 30 to the financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 123.

DIRECTORS

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

Fung Wing Cheung, Tony
Fung Yiu Fai, Peter
Lee Wa Lun, Warren
Lee Seng Hui
Lee Yip Wah, Peter
So Shu Fai, Ambrose
Chow Yu Chun, Alexander
Albert Ho
V-Nee Yeh (appointed on 1st March, 2007)
Li Shi Liang (deceased on 5th July, 2006)



董事會報告

Report of the Directors

董事(續)

馮耀輝、周宇俊及何振林諸位先生將遵照本公司之公司組織章程細則第101條規定在即將舉行之股東週年大會上輪值退任，惟願膺選連任。

葉維義先生將遵照本公司組織章程細則第92條規定在即將舉行之股東週年大會上退任，惟願膺選連任。

本公司已取得全體獨立非執行董事之獨立確認書，並認為彼等乃獨立。

董事服務合約

有意於應屆股東週年大會上連任之董事均無與本公司訂有本公司不可於一年內免付補償(法例賠償除外)而終止之服務合約。

董事個人簡歷

各董事之簡歷載列如下：

執行董事

馮永祥，55歲，自一九九〇年本集團成立時加入，為本公司之主席。馮先生亦為禹銘投資管理有限公司(「禹銘投資管理」)之主席兼股東。彼於證券業務、物業發展及中國投資方面具備超過三十年之經驗，並於國際性金融、商品、直接投資及基金管理方面具有豐富專業知識。馮先生亦為香港總商會之常務委員。彼亦為本公司主要股東Megaland Development Limited之董事，彼於本公司股份之權益於「董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉」一節披露。

馮耀輝，60歲，自一九九〇年本集團成立時加入，為本公司之董事總經理。馮先生亦為禹銘投資管理之董事總經理兼股東。彼於投資銀行業務具備約三十年之經驗，並於香港及東南亞之策略性投資具備豐富專業知識。馮先生於一九六九年獲McGill University頒發理學士學位，並分別於一九七一年及一九七三年獲Northwestern University 頒發理科碩士及工商管理碩士學位。

DIRECTORS (continued)

In accordance with Article 101 of the Company's Articles of Association, Messrs. Fung Yiu Fai, Peter, Chow Yu Chun, Alexander and Albert Ho will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with Article 92 of the Company's Articles of Association, Mr. V-Nee Yeh will retire and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

The Company has received confirmations of independence from all independent non-executive directors, and considers them to be independent.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical details of the directors are set out below:

Executive Directors

Fung Wing Cheung, Tony, aged 55, joined the Group since its inception in 1990 and is chairman of the Company. Mr. Fung is also chairman and shareholder of Yu Ming Investment Management Limited ("YMIM"). He has over 30 years of experience in the securities business, property development and investment in China and has extensive exposure in international finance, commodities, direct investment and fund management. Mr. Fung is a General Committee Member of the Hong Kong General Chamber of Commerce. He is also a director of Megaland Development Limited, the substantial shareholder of the Company, whose interest in shares of the Company is disclosed in the section of "Directors' interests and short positions in shares, underlying shares and debentures of the Company and associated corporations".

Fung Yiu Fai, Peter, aged 60, joined the Group since its inception in 1990 and is managing director of the Company. Mr. Fung is also managing director and shareholder of YMIM. He has almost 30 years of experience in investment banking and has extensive exposure in strategic investments in Hong Kong and South East Asia. Mr. Fung received a BS degree from McGill University in 1969, and a MS and MBA degree from Northwestern University in 1971 and 1973 respectively.



董事會報告

Report of the Directors

董事個人簡歷 (續)

執行董事 (續)

李華倫，43歲，於二零零四年出任本集團董事及禹銘投資管理之董事。李先生亦為Nam Tai Electronics, Inc. (紐約證券交易所上市公司) 之行政總裁、Nam Tai Electronic and Electrical Products Limited及J.I.C. Technology Company Limited (兩間公司均為香港聯合交易所有限公司 (「聯交所」) 主板上市公司) 之非執行董事。李先生於一九八六年畢業於英國The University of East Anglia並取得理學學士學位，以及於一九八八年取得倫敦The City University Business School之理學碩士學位。

非執行董事

李成輝，38歲，於一九九六年加入本集團。李先生畢業於悉尼大學法律學院，並持有榮譽學位。彼為聯合集團有限公司之行政總裁。在此之前，彼曾於麥堅時律師行及羅富齊父子 (香港) 有限公司工作。

李業華，65歲，於一九九八年加入本集團。彼為香港執業律師，李先生亦為數間上市公司之非執行董事包括招商局國際有限公司及深圳控股有限公司。李先生亦為本公司之秘書。

葉維義，48歲，於二零零七年加入本集團。彼為本公司之非執行董事。葉先生為美國律師。葉先生畢業於美國哥倫比亞大學法律學院後，於一九八四年成為加州律師公會會員。葉先生是Value Partners Limited的聯合創辦人，亦是多個重要委員會的成員，其中包括證券及期貨事務監察委員會的收購及合併委員會和收購上訴委員會。葉先生是新昌營造集團有限公司的主席。葉先生亦為Argyle Street Management Limited (「ASM」) 之非執行主席及Argyle Street Management Holdings Limited (「ASMH」) 之非執行董事。ASM及ASMH均擁有須根據證券及期貨條例 (「證券及期貨條例」) 第XV部第2及第3分部預予披露之本公司權益。

BIOGRAPHICAL DETAILS OF DIRECTORS (continued)

Executive Directors (continued)

Lee Wa Lun, Warren, aged 43, became a director of the Group in 2004 and is director of YMIM. Mr. Lee is also the Chief Executive Officer of Nam Tai Electronics, Inc. (a company listed on the New York Stock Exchange), a non-executive director of Nam Tai Electronic and Electrical Products Limited and J.I.C. Technology Company Limited (both listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Lee graduated with a Bachelor of Science Degree from The University of East Anglia in England in 1986 and obtained a Master of Science Degree from The City University Business School in London in 1988.

Non-Executive Directors

Lee Seng Hui, aged 38, joined the Group in 1996. Mr. Lee graduated from the Law School of the University of Sydney with Honours. He is chief executive of Allied Group Limited. Previously he worked with Baker & McKenzie and N.M. Rothschild & Sons (Hong Kong) Limited.

Lee Yip Wah, Peter, aged 65, joined the Group in 1998. Mr. Lee is a practising solicitor in Hong Kong. He is also a non-executive director of a number of listed companies including China Merchants Holdings (International) Company Limited and Shenzhen Investment Limited. He is also the Secretary of the Company.

V-Nee Yeh, aged 48, join the Group in 2007. He is a non-executive director of the Company. He is a qualified US attorney-at-law. Following his graduation from Columbia University's School of Law in the USA, Mr. Yeh was admitted as a member of the California Bar Association in 1984. He is a co-founder of Value Partners Limited and sits on a number of prominent committees. These include the Takeovers and Mergers Panel and the Takeovers Appeal Committee of the Securities and Futures Commission. Mr. Yeh is the Chairman of Hsin Chong Construction Group Ltd. Mr. Yeh is also the non-executive chairman of Argyle Street Management Limited ("ASM") and non-executive director of Argyle Street Management Holdings Limited ("ASMH"). Both ASM and ASMH have interests in the shares of the Company which fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO").



董事會報告

Report of the Directors

董事個人簡歷(續)

獨立非執行董事

蘇樹輝，56歲，自一九九〇年本集團成立時加入，彼為香港上市公司信德集團有限公司之執行董事。蘇博士為中國人民政治協商會議第十屆全國委員會委員，香港大學校董會成員及教育發展研究基金會董事。

周宇俊，60歲，於一九九九年獲委任為本公司之董事。周先生為英國特許公認會計師公會資深會員及香港會計師公會會計師。彼於香港與中國之商業、金融及投資管理方面擁有三十年以上經驗。周先生亦為新世界中國地產有限公司、黛麗斯國際有限公司及彩星集團有限公司之董事。

何振林，49歲，於一九九九年加入本集團，為替任董事，並於二零零四年獲委任為獨立非執行董事，何先生畢業於澳洲悉尼麥克里大學，持有經濟學學士學位，並獲得香港大學工商管理學碩士學位。彼為香港會計師公會會計師及英國特許公認會計師公會資深會員。

董事之合約權益

本年度內，禹銘投資管理(馮永祥及馮耀輝均為該公司董事兼股東及李華倫為該公司董事)就本集團與禹銘投資管理簽訂之管理協議向本集團收取13,306,316港元之管理費用。

於截至二零零六年十二月三十一日止年度內，應收被投資之公司Hong Kong IEC Limited(「HKIEC」)(其中馮永祥先生乃HKIEC及本公司之董事)之股息及利息收入分別為86,462,629港元及2,268,949港元。

於截至二零零六年十二月三十一日止年度內，本集團擁有代表禹銘投資管理應收HKIEC之股息及利息分別為7,781,183港元及525,140港元。

除上文所披露者外，本年度內或年結時，本公司或其附屬公司概無簽訂任何涉及本集團之業務而本公司董事直接或間接在其中擁有重大權益之重要合約。

BIOGRAPHICAL DETAILS OF DIRECTORS (continued)

Independent Non-Executive Directors

So Shu Fai, Ambrose, aged 56, joined the Group since its inception in 1990, is an executive director of Shun Tak Holdings Limited, a listed company in Hong Kong. Dr. So is a committee member of the 10th National Committee of the Chinese People's Political Consultative Conference, a member of the Court at the University of Hong Kong and a director of the University of Hong Kong Foundation for Education Development and Research.

Chow Yu Chun, Alexander, aged 60, was appointed a director of the Company in 1999. He is a fellow of the Association of Chartered Certified Accountants and a CPA of the Hong Kong Institute of Certified Public Accountants ("HKICPA"). He has over 30 years of experience in commercial, financial and investment management in Hong Kong and China. Mr. Chow is also a director of New World China Land Limited, Top Form International Limited and Playmates Holdings Limited.

Albert Ho, aged 49, joined the Group as an alternate director in 1999 and became an independent non-executive director in 2004. Mr. Ho graduated from the Macquarie University, Sydney Australia with a Bachelor of Economics and MBA from the University of Hong Kong. He is a CPA of HKICPA and fellow member of the Association of Chartered Certified Accountants.

DIRECTORS' INTEREST IN CONTRACTS

During the year, YMIM, of which Fung Wing Cheung, Tony and Fung Yiu Fai, Peter are directors and shareholders and Lee Wa Lun, Warren is director, received from the Group management fee of HK\$13,306,316 in connection with a management agreement signed between the Group and YMIM.

During the year ended 31st December, 2006, dividend and interest income HK\$86,462,629 and HK\$2,268,949 respectively were receivable from an investee, Hong Kong IEC Limited ("HKIEC"), of which Mr. Fung Wing Cheung, Tony is the director of HKIEC and the Company.

During the year ended 31st December, 2006, the Group had dividend and interest receivable on behalf of YMIM from HKIEC amounted to HK\$7,781,183 and HK\$525,140 respectively.

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



董事會報告

Report of the Directors

董事於競爭業務上之權益

在截至二零零六年十二月三十一日止年度內，本公司下列董事透過下述公司、其附屬公司、聯營公司或其他投資形式而持有下列業務(本公司之業務除外)之權益，而該等業務被視為於年度內與本公司之主要業務有競爭或可能有直接或間接競爭，根據聯交所證券上市規則(「上市規則」)第8.10條所須披露之權益如下：

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31st December, 2006, the following directors of the Company had interests in the following businesses (apart from the Company's businesses) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Company conducted during the year required to be disclosed pursuant to rule 8.10 of Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange:

| Name of Directors 董事姓名 | Name of company 公司名稱 | Nature of interest 權益性質 | Nature of competing business 競爭業務性質 |
|-------------------------------|----------------------------|-----------------------------------|--|
| Fung Wing Cheung, Tony 馮永祥 | Friendex Limited 友仁有限公司 | Shareholder 股東 | Property 地產 |
| Fung Yiu Fai, Peter 馮耀輝 | Friendex Limited 友仁有限公司 | Director and shareholder 董事及股東 | Property 地產 |

馮永祥先生及馮耀輝先生分別擁有 Mega Top Investment Limited 之 75% 及 25% 權益，該公司擁有友仁有限公司之 42.5% 權益，後者則擁有旺角銀城廣場一樓多間商舖。本集團擁有銀城廣場二樓及三樓。銀城廣場一樓乃向賣方購入並訂立售後租回安排，商舖面積較小。銀城廣場二樓及三樓以「全層」方式購入，單位面積較大。

Messrs. Fung Wing Cheung, Tony and Fung Yiu Fai, Peter own 75% and 25% interests respectively in Mega Top Investment Limited, which owns 42.5% interest in Friendex Limited, which owns various shops located on the first floor of Ginza Plaza in Mongkok. The Group owns the second and third floors of Ginza Plaza. First floor of Ginza Plaza was acquired with a leased-back arrangement from the vendor, and shops were of small size. The second and third floors of Ginza Plaza were acquired "whole floor", and units are of sizeable area.



董事會報告

Report of the Directors

董事於競爭業務上之權益(續)

董事會認為，本集團有能力獨立經營其物業投資業務。當對本集團的物業投資業務作出決策時，相關的董事已經並將繼續履行其作為本公司董事的職責，本著本集團的最佳利益行事。

關連交易

本集團於截至二零零六年十二月三十一日止年度進行之重大與有關連人士交易(即據上市規則而構成關連交易者)，乃載於財務報表附註37。

董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉

於二零零六年十二月三十一日，本公司董事於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例之該等條文本公司董事及最高行政人員被視為或被當作擁有之權益及淡倉)，或須列入而已列入按證券及期貨條例第352條存置之登記冊內，或根據上市規則之上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

DIRECTORS' INTERESTS IN COMPETING BUSINESS (continued)

The Board is of the view that the Group is capable of carrying on its properties investment businesses independently. When making decisions on the properties investment business of the Group, the relevant directors, in the performance of their duties as directors of the Company, have acted and will continue to act in the best interests of the Group.

CONNECTED TRANSACTIONS

Significant related party transactions entered by the Group during the year ended 31st December, 2006, which constitutes connected transactions under the Listing Rules, is disclosed in note 37 to the financial statements.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31st December, 2006, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors and the chief executives of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to 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 Issuers (the "Model Code") in the Listing Rules were as follows:



董事會報告

Report of the Directors

董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉(續)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS (continued)

(a) 於本公司股份權益

(a) Interests in shares of the Company

| Name of directors | Capacity | Personal interests | Family interests | Numbers of Shares | | | Total | % of total issued shares 佔已發行股份總數百分比 |
|-------------------------------|--|--------------------|------------------|----------------------------------|----------------------------------|-------------|--------|---|
| | | | | Corporate interests | Other interests | 股份數目 | | |
| 董事姓名 | 身份 | 個人權益 | 家屬權益 | 法團權益 | 其他權益 | 總額 | | |
| Fung Wing Cheung, Tony 馮永祥 | Interest of children under 18 18歲以下子女之權益 | 3,328,000 | - | - | 294,926,258 (Note 1) (附註1) | 298,254,258 | 17.63% | |
| Lee Seng Hui 李成輝 | Interest in controlled corporation 受控制公司的權益 | - | - | 379,291,800 (Note 2) (附註2) | - | 379,291,800 | 22.42% | |
| Fung Yiu Fai, Peter 馮耀輝 | Beneficial owner 實益擁有人 | 6,500,000 | - | - | - | 6,500,000 | 0.38% | |
| Lee Yip Wah, Peter 李業華 | Beneficial owner 實益擁有人 | 1,550,000 | - | - | - | 1,550,000 | 0.09% | |
| Albert Ho 何振林 | Beneficial owner 實益擁有人 | 572,000 | - | - | - | 572,000 | 0.03% | |

附註1：Megaland Development Limited(「Megaland」)持有294,926,258股股份。Megaland亦由Oyster Unit Trust之信託人Oyster Services Limited全資擁有，因此Oyster Services Limited被視為擁有294,926,258股股份之權益。

Oyster Unit Trust之信託財產包括Megaland之全部已發行股本。Oyster Unit Trust之受益人為HSBC International Trustee Limited，其以信託方式代表The Alyssa Js 1 Trust之受益人持有信託財產(包括Oyster Unit Trust之實益權益)。The Alyssa Js 1 Trust之受益人為(其中包括)馮永祥18歲以下之子女。

因此，馮永祥被視為擁有294,926,258股股份之權益，而其18歲以下之子女則根據上述安排擁有該等股份之最終實益權益。

附註2：李成輝為Lee and Lee Trust(「LLT」)之其中一位信託人，LLT擁有聯合集團有限公司(「聯合集團」)之41.25%權益，聯合集團則持有本公司之379,291,800股股份。因此，李成輝及LLT均被視作於聯合集團擁有權益之上述股份中擁有權益。

Note 1: Megaland Development Limited ("Megaland") hold 294,926,258 shares. Megaland is also wholly-owned by Oyster Services Limited, the trustee of the Oyster Unit Trust, which in turn Oyster Services Limited is deemed to be interested in 294,926,258 shares.

The trust property of the Oyster Unit Trust comprises the entire issued capital of Megaland. The beneficiary of Oyster Unit Trust is HSBC International Trustee Limited which holds the trust property (including the beneficial interest under the Oyster Unit Trust) on trust for the beneficiaries of The Alyssa Js 1 Trust. The beneficiaries of The Alyssa Js 1 Trust are, inter alia, Fung Wing Cheung, Tony's children under 18.

As such, Fung Wing Cheung, Tony is deemed to be interested in 294,926,258 shares in which his children under 18 have ultimate beneficial interest under the above arrangement.

Note 2: Lee Seng Hui is one of the trustees of Lee and Lee Trust ("LLT") which owns 41.25% interests in Allied Group Limited ("AGL") which holds 379,291,800 shares of the Company. Accordingly, Lee Seng Hui and LLT are deemed to have an interest in the said shares in which AGL is interested.



董事會報告

Report of the Directors

董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉(續)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS (continued)

(b) 於相聯法團股份權益

(b) Interests in shares of associated corporations

| Name of director 董事姓名 | Name of corporations 法團名稱 | Capacity 身份 | Number of shares 股份數目 | | | | Total 總額 |
|----------------------------------|---|------------------------------|----------------------------|--------------------------|-----------------------------|-------------------------|---------------------|
| | | | Personal interests 個人權益 | Family interests 家屬權益 | Corporate interests 法團權益 | Other interests 其他權益 | |
| Fung Wing Cheung, Tony 馮永祥 | Honnex Development Limited 康恩發展有限公司 | Beneficial owner 實益擁有人 | 100,000 (10.20%) | - | - | - | 100,000 (10.20%) |
| | Long Vocation Investments Limited | Beneficial owner 實益擁有人 | 5 (5.55%) | - | - | - | 5 (5.55%) |

除上述披露者外，於截至二零零六年十二月三十一日止年度內之任何時間，本公司、其附屬公司或其聯營公司概無訂立任何安排，令本公司之董事或主要行政人員可藉購入本公司或其他相聯法團之股份或債券而獲益。

Save as disclosed above, at no time during the year ended 31st December, 2006 was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the directors or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporations.

除上文所披露者外，本公司各董事或主要行政人員並無於本公司或其相聯法團(定義見證券及期貨條例第十五部份)之股份、相關股份或債券擁有權益或淡倉，而須登記於根據證券及期貨條例第352條規定須存置之登記冊內，或根據上市規則所載標準守則須知會本公司及聯交所之任何權益及淡倉。

Save as disclosed above, none of the directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.



董事會報告

Report of the Directors

主要股東

於二零零六年十二月三十一日，根據本公司按證券及期貨條例第XV部第336條規定而設置之主要股東權益及淡倉登記冊紀錄所顯示，以下人士或公司(除上述披露有關董事所持之權益外)持有本公司已發行股本及相關股份百分之五或以上之股份權益：

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2006, the following persons or corporations, other than the interest disclosed above in respect of the directors, interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

| Name of shareholders | Notes | Capacity | No. of shares | % of total issued shares |
|---|-------|---|---------------|--------------------------|
| 股東名稱 | 附註 | 身份 | 股份數目 | 佔已發行股份總數百分比 |
| Sun Hung Kai Venture Capital Limited ("SHK Venture") | 1 | Beneficial owner/ Interest of controlled corporation 實益擁有人／受控制公司的權益 | 272,856,000 | 16.13% |
| Shipshape Investments Limited ("Shipshape") | 1 | Interest of controlled corporation 受控制公司的權益 | 272,856,000 | 16.13% |
| Sun Hung Kai & Co. Limited ("SHK & Co.") | 1 | Beneficial owner/ Interest of controlled corporation 實益擁有人／受控制公司的權益 | 379,291,800 | 22.42% |
| 新鴻基有限公司(「新鴻基」) | | | | |
| AP Emerald Limited ("AP Emerald") | 2 | Interest of controlled corporation 受控制公司的權益 | 379,291,800 | 22.42% |
| AP Jade Limited ("AP Jade") | 2 | Interest of controlled corporation 受控制公司的權益 | 379,291,800 | 22.42% |
| Allied Properties (H.K.) Limited ("APL") 聯合地產(香港)有限公司(「聯地」) | 2 | Interest of controlled corporation 受控制公司的權益 | 379,291,800 | 22.42% |
| Allied Group Limited ("AGL") 聯合集團有限公司(「聯集」) | 2 | Interest of controlled corporation 受控制公司的權益 | 379,291,800 | 22.42% |
| Lee Su Hwei 李淑慧 | 3 | Interest of controlled corporation 受控制公司的權益 | 379,291,800 | 22.42% |
| Lee Seng Huang 李成煌 | 3 | Interest of controlled corporation 受控制公司的權益 | 379,291,800 | 22.42% |
| Poly (Hong Kong) Investments Limited ("Poly") 保利(香港)投資有限公司(「保利」) | 4 | Interest of controlled corporation 受控制公司的權益 | 119,380,000 | 7.05% |
| HSBC International Trustee Limited | 5 | Trustee 信託人 | 307,026,258 | 18.15% |
| ASM Asia Recovery (Master) Fund (the "Master Fund") | 6 | Beneficial Owner 實益擁有人 | 269,914,000 | 15.96% |
| Argyle Street Management Limited ("ASM") | 6 | Interest of controlled corporation 受控制公司的權益 | 314,900,000 | 18.62% |
| Argyle Street Management Holdings Limited ("ASMH") | 6 | Interest of controlled corporation 受控制公司的權益 | 314,900,000 | 18.62% |
| Chan Kin 陳健 | 6 | Interest of controlled corporation 受控制公司的權益 | 314,900,000 | 18.62% |



董事會報告

Report of the Directors

主要股東 (續)

附註：

1. SHK Venture乃Shipshape之全資附屬公司，而Shipshape則為新鴻基之全資附屬公司。因此，新鴻基及Shipshape均被視為擁有該等由SHK Venture擁有之股份權益。
2. 新鴻基乃AP Emerald擁有65.18%之附屬公司。AP Emerald乃AP Jade之全資附屬公司，而AP Jade則為聯地之全資附屬公司，而聯地為聯集擁有74.93%之附屬公司。因此，聯集、聯地、AP Jade及AP Emerald均被視為擁有該等由新鴻基所擁有之股份權益。
3. 李成輝先生(本公司董事)、李淑慧女士及李成煌先生均為全權信託Lee and Lee Trust(「LLT」)之信託人。彼等共同擁有聯集之41.25%權益及被視作於聯集擁有權益之上述股份中擁有權益。
4. 保利之權益乃透過多間全資附屬公司而持有。保利的前身為新海康航業投資有限公司。
5. 該等307,026,258股股份中，294,926,258股股份被視為Megaland擁有之權益。Megaland之全部已發行股本為Oyster Unit Trust之信託財產，其詳情載於「董事於本公司及相聯法團的股份、相關股份及債券之權益及淡倉」一節於本公司股份權益之附註1內。
6. ASM Hudson River Fund(「River Fund」)及Master Fund分別持有本公司之44,986,000股股份及269,914,000股股份，而彼等由ASM管理。ASM由ASMH全資擁有，而陳健擁有ASMH之44.45%權益。因此，陳健、ASMH及ASM均被視為擁有該等由River Fund及Master Fund擁有之股份權益。

除上文所披露者外，於二零零六年十二月三十一日，董事並不知悉有任何其他人士於本公司或任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份股本衍生工具或債券中擁有根據證券及期貨條例第XV部，須向本公司披露之權益或淡倉。

SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

1. SHK Venture is a wholly-owned subsidiary of Shipshape which in turn is wholly owned by SHK & Co.. Therefore SHK & Co. and Shipshape are deemed to have an interest in the shares in which SHK Venture is interested.
2. SHK & Co. is a 65.18% owned subsidiary of AP Emerald. AP Emerald is wholly owned by AP Jade which in turn is a wholly-owned subsidiary of APL. APL is a 74.93% owned subsidiary of AGL. Accordingly, AGL, APL, AP Jade and AP Emerald are deemed to have an interest in the shares in which SHK & Co. is interested.
3. Mr. Lee Seng Hui (Director of the Company), Ms. Lee Su Hwei and Mr. Lee Seng Huang are trustees of the Lee and Lee Trust, being a discretionary trust. They together owned 41.25% interest in AGL and are therefore deemed to have an interest in the said shares in which AGL is interested.
4. The interest of Poly was attributable on account through a number of wholly-owned subsidiaries. The Company was former known as Continental Mariner Investment Company Limited.
5. Out of these 307,026,258 shares, 294,926,258 shares are deemed to be interested by Megaland. The entire issued share capital of Megaland is the trust property of the Oyster Unit Trust. Details are set out in note 1 of interest in shares of the Company under the heading of "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS".
6. ASM Hudson River Fund (the "River Fund") and the Master Fund which hold 44,986,000 shares and 269,914,000 shares of the Company respectively, are managed by ASM. ASM is wholly owned by ASMH and Chan Kin owns 44.45% interests in ASMH. Therefore, Chan Kin, ASMH and ASM are deemed to have an interest in the shares in which the River Fund and the Master Fund are interested.

Save as disclosed above, as at 31st December, 2006, the directors are not aware of any other persons who have interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company pursuant to Part XV of the SFO.



董事會報告

Report of the Directors

管理協議

根據本集團與禹銘投資管理於一九九七年三月五日訂立並經股東於一九九七年三月二十七日批准之管理協議（「現行管理協議」），禹銘投資管理同意由一九九七年三月二十七日起計五年內協助董事會處理本集團之日常管理工作。禹銘投資管理有權收取投資管理費用，金額相等於每季最後一日之資產淨值之0.375%，以及獎金費用（如有），金額相等於各財政年度完結後之經審核之除稅前綜合溢利（未計獎金費用前）減去本集團於該年度之每月平均資產淨值6%後之超出數額之20%。而計算投資管理費用及獎金費用時，本公司之聯營公司將不會按權益會計法計算入每季及每月平均資產淨值及綜合除稅前溢利。

在二零零二年三月四日，獨立股東批准一份補充協議（「補充協議」）延長現行管理協議之到期日，直至二零零七年三月三十一日。補充協議中，管理費用維持不變。在補充協議中的有效期限內，如本集團錄得累計虧損時，禹銘投資管理將不收取獎金費用。因而，該項獎金費用金額為截至每年度十二月三十一日止經審核之除稅前綜合溢利（未計獎金費用前），扣除補充協議中的有效期限內之累計虧損後，如有溢利，再減本集團每月平均綜合資產淨值6%後超出數額之20%。而計算投資管理費用及獎金費用時，本公司之聯營公司將不會按權益會計法計算入每季及每月平均資產淨值及綜合除稅前溢利。

截至二零零六年十二月三十一日止年度，禹銘投資管理向本集團收取投資管理費用13,306,316港元。

根據上市規則第14A章，此項交易屬於關連交易，並須作出披露。

MANAGEMENT AGREEMENT

Under the management agreement (“Existing Investment Management Agreement”) approved by shareholders on 27th March, 1997 and dated 5th March, 1997 between the Group and YMIM, YMIM agreed to assist the board of directors with the day-to-day management of the Group for a period of five years commencing 27th March, 1997. YMIM will be entitled to a management fee equal to 0.375% of the net asset value on each quarter date and an incentive fee equal to 20% of such amount (if any) by which the audited consolidated profit before tax for each financial year completed (before adjusting for the incentive fee) exceeds such amount as is equal to 6% of average monthly net asset value of the Group for each such financial year. For the calculation of management fee and incentive fee, the associated companies of the Group will not be equity accounted for the purpose of calculating such quarterly and average monthly net asset value and consolidated profit before tax.

On 4th March, 2002, a supplemental agreement (“Supplemental Agreement”) was approved by independent shareholders to extend the expiry date of the Existing Investment Management Agreement to 31st March, 2007. Under the Supplemental Agreement, the management fee remains unchanged. Pursuant to the Supplemental Agreement, YMIM will not be entitled to the incentive fee if the Group reports an accumulated loss during the term of the Supplemental Agreement at the time of the incentive fee computation. Therefore, the incentive fee will be equivalent to 20% of the amount by which the audited consolidated profit before tax for each year ending 31st December (before adjusting for the incentive fee), and after offsetting the accumulated losses during the term of the Supplemental Agreement, if any, exceeds 6% of the average monthly net asset value of the Group for such financial year. For the calculation of management fee and incentive fee, the associated companies of the Group will not be equity accounted for the purpose of calculating such quarterly and average monthly net asset value and consolidated profit before tax.

For the year ended 31st December, 2006, YMIM received from the Group management fee of HK\$13,306,316.

This transaction constitutes a connected transaction and is required to be disclosed in accordance with Chapter 14A of Listing Rules.



董事會報告

Report of the Directors

管理協議(續)

除上文所披露者外，年內概無訂立或存在對本公司整體或任何重大部份業務之管理及行政有關之其他合約。

退休福利計劃

本集團根據強制性公積金計劃條例設立一項定額供款之強制性公積金退休福利計劃(「計劃」)。這計劃由二零零零年十二月一日起生效。供款乃按僱員之基本薪金以某個百分比計算，並根據這計劃之規則於損益賬中扣除須付之款項。這計劃之資產與本集團之資產分開處理，交由獨立管理基金持有。

審核委員會

本公司已遵照上市規則第3.21條成立審核委員會，現由二名獨立非執行董事周宇俊及何振林諸位先生及一名非執行董事李成輝先生組成。

審核委員會已與管理層檢討本集團所採用之會計政策及慣例，並商討內部監控及財務申報事宜。該審核委員會已經審閱截至二零零六年十二月三十一日止之年度業績。

薪酬委員會

本公司已成立薪酬委員會，以審議本集團董事及高級管理人員之薪酬。薪酬委員會由二名獨立非執行董事周宇俊先生及何振林先生以及一名非執行董事李成輝先生組成。

公眾持股量

根據本報告刊發日期本公司可供查閱之資料及就董事會所知悉，本公司於截至二零零六年十二月三十一日止年度一直遵守上市規則之公眾持股量規定。

MANAGEMENT AGREEMENT (continued)

Save as disclosed above, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

RETIREMENT BENEFITS SCHEME

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance. The Scheme has operated since 1st December, 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with rule 3.21 of the Listing Rules, and now comprising of two independent non-executive directors, namely Messrs. Chow Yu Chun, Alexander and Albert Ho and one non-executive director, namely Mr. Lee Seng Hui.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters. The audit committee has reviewed the annual results for the year ended 31st December, 2006.

REMUNERATION COMMITTEE

A Remuneration Committee has been established by the Company to consider the remuneration of the directors and senior management of the Group. The Remuneration Committee comprises of two independent non-executive directors, namely, Mr. Chow Yu Chun, Alexander and Mr. Albert Ho and one non-executive director, Mr. Lee Seng Hui.

PUBLIC FLOAT

On the basis of information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the Company has complied with the public float requirements of the Listing Rules for the year ended 31st December, 2006.



董事會報告

Report of the Directors

購買、出售或贖回上市股份

本公司並無在本年度內贖回本身之證券。本公司及其附屬公司在本年度內概無購買或出售本公司任何股份。

核數師

於二零零五年內，前核數師羅兵咸永道會計師事務所辭任，而均富會計師行獲委任為本公司核數師。在過去三年並無其他核數師改變。

截至二零零六年十二月三十一日止年度之財務報表經由均富會計師行審核。均富會計師行服務期滿，惟將合資格重選並願意獲重新委任。關於其繼任本公司核數師之決議案將於本公司應屆股東週年大會上提呈。

承董事會命
秘書
李業華

香港，二零零七年三月二十八日

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

AUDITORS

During 2005, the former auditors, Messrs. PricewaterhouseCoopers, Certified Public Accountants, resigned and Messrs Grant Thornton, Certified Public Accountants, appointed auditors of the Company. There have been no other changes of auditors in the past three years.

The accompanying financial statements for the year ended 31st December, 2006 was audited by Grant Thornton who retire and, being eligible, offer themselves for re-appointment. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

By order of the Board
Lee Yip Wah, Peter
Secretary

Hong Kong, 28th March, 2007



企業管治報告

Report of Corporate Governance

企業管治報告

本公司確認，本集團內維持有良好企業管治準則，讓本公司可以有效管理風險。本公司董事會（「董事會」）承諾憑著公司在業務策略方面以及按照高水平之企業管治標準而執行之營運策劃及程序之使命，帶領本集團以有效方式取得增長。

企業管治常規

董事會深信企業管治為本公司成功的關鍵，並已採取各項措施，以確保維持高標準的企業管治。自二零零五年一月一日起，本公司已採用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14所載之企業管治常規守則（「企業管治常規守則」）的原則及採納守則條文為其的企業管治常規。本公司將定期審閱及更新現行的常規，以追隨企業管治的最新發展。

董事會認為，本公司於本年內遵守企業管治常規守則之守則條文。

董事的證券交易活動

本公司已採納上市規則附錄10之標準守則為董事進行證券交易之行為（「標準守則」）。經向全體董事個別作出查詢後，本公司確認全體董事在本年內已遵守標準守則所載的規定。

CORPORATE GOVERNANCE REPORT

The Company recognises that good corporate governance standards maintained throughout the Group serve an effective risk management for the Company. The board of directors of the Company (the "Board") is committed to lead the Group growing in an efficient manner followed by corporate missions in terms of business strategies and improved operational planning and procedures which are enforced under high corporate governance standard.

CORPORATE GOVERNANCE PRACTICES

The Board believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained. With effect from 1st January, 2005, the Company has applied the principles and adopted code provisions set out in the Code on Corporate Governance Practices (the "Code on CGP") in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code on corporate governance practices. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

In the opinion of the Board, the Company has complied with the code provisions of the Code on CGP during the accounting year.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors (the "Model Code"). Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standards as set out in the Model Code during the year.



企業管治報告

Report of Corporate Governance

企業管理

i. 董事會

董事會負責審核及批准企業事務，如業務策略及投資，以及本集團一般行政與管理事宜。

董事會現由三名執行董事，三名非執行董事及三名獨立非執行董事組成：

執行董事

馮永祥先生 (主席)
馮耀輝先生 (董事總經理)
李華倫先生

非執行董事

李成輝先生
李業華先生
葉維義先生 (於二零零七年三月一日委任)

獨立非執行董事

蘇樹輝先生
周宇俊先生
何振林先生

獨立非執行董事之人數已相等於董事會成員之三分之一。兩名獨立非執行董事周宇俊及何振林諸位先生均具備適當之專業會計經驗及專業知識。董事會成員包括具有專業資格及豐富經驗的人士，藉以為本公司帶來寶貴之貢獻，以及就本公司之發展提供各類專業建議及意見。逾一半董事會成員擁有認可的專業法律、證券及會計資格。董事會成員間並無關係(包括財務、業務、家族或其他重大相關關係)。

CORPORATE MANAGEMENT

i. Board of Directors

The Board reviews and approves corporate matters such as business strategies and investments as well as the general administrative and management of the Group.

The Board currently consists of 3 executive directors, 3 non-executive directors and 3 independent non-executive directors:

Executive directors

Mr. Fung Wing Cheung, Tony (*Chairman*)
Mr. Fung Yiu Fai, Peter (*Managing Director*)
Mr. Lee Wa Lun, Warren

Non-executive directors

Mr. Lee Seng Hui
Mr. Lee Yip Wah, Peter
Mr. V-Nee Yeh (*appointed on 1st March, 2007*)

Independent non-executive directors

Mr. Ambrose So Shu Fai, Ambrose
Mr. Chow Yu Chun, Alexander
Mr. Albert Ho

The number of independent non-executive directors equals to one third of the Board membership. Two of the independent non-executive directors, namely Messrs. Chow Yu Chun, Alexander and Albert Ho, have the appropriate professional accounting experiences and expertises. The Board membership is covered by professionally qualified and widely experienced personnel so as to bringing in valuable contribution and different professional advices and consultancy for the development of the Company. More than one-half of the Board members have recognised professional legal, securities and accounting qualifications. There is no relationship (including financial, business, family or other material relevant relationship) among members of the Board.



企業管治報告

Report of Corporate Governance

企業管理 (續)

i. 董事會 (續)

公司秘書負責定期為董事會更新有關管治及監管事宜，全體董事均可獲取有關資料。本公司任何董事及審核委員會會員如欲獲取獨立專業建議，可由本公司負責有關費用，並透過公司秘書安排下進行。

除執行董事於本公司正常業務範圍內舉行之董事會會議外，董事會已依從企業管治常規守則之規定定期舉行董事會會議。於年度內，本公司共舉行四次定期董事會會議。

CORPORATE MANAGEMENT (continued)

i. Board of Directors (continued)

All directors have access to the services of the Company Secretary who regularly updates the Board on governance and regulatory matters. Any director and member of Audit Committee of the Company may take independent professional advice if they so wish at the expense of the Company, as arranged by the Company Secretary.

Save for the board meetings held between the executive directors during the normal course of business of the Company, the Board has had regular board meetings in accordance with the Code on CGP. During the year, the Company held four regular board meetings.



企業管治報告

Report of Corporate Governance

企業管理 (續)

i. 董事會 (續)

二零零六年定期董事會會議個別董事的出席率：

Number of meetings

會議次數

4

Executive directors

執行董事

Fung Wing Cheung, Tony (*Chairman*)

馮永祥 (主席)

2/4

50%

Fung Yiu Fai, Peter (*Managing Director*)

馮耀輝 (董事總經理)

4/4

100%

Lee Wa Lun, Warren

李華倫

3/4

75%

Non-executive directors

非執行董事

Lee Seng Hui

李成輝

3/4

75%

Lee Yip Wah, Peter

李業華

3/4

75%

Independent non-executive directors

獨立非執行董事

So Shu Fai, Ambrose

蘇樹輝

0/4

0%

Chow Yu Chun, Alexander

周宇俊

3/4

75%

Albert Ho

何振林

4/4

100%

Average attendance rate

平均出席率

69%

董事會例會前須向所有董事發出至少14日之通知，該彼等有機會出席會議，而所有董事均有機會在例會議程內加入事項。董事會文件須於會議前至少3天送交董事，以確保彼等擁有足夠時間審閱文件及為會議作出充份準備。

CORPORATE MANAGEMENT (continued)

i. Board of Directors (continued)

Attendance of individual directors at regular board meetings in 2006:

At least 14 days' notice of a regular board meeting is given to all directors to provide them with an opportunity to attend and all directors are given an opportunity to include matters in the agenda for a regular meeting. Board papers are despatched to the directors at least 3 days before the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting.



企業管治報告

Report of Corporate Governance

企業管理 (續)

i. 董事會 (續)

(a) 主席及董事總經理

主席及董事總經理之角色應分開，應由彼此間並無關係之兩名獨立人士擔任，以達到平衡權力及職權，致使工作職責不會集中於任何一人。

董事會主席負責領導及有效管理董事會。

董事總經理獲授予職權以有效方式管理本集團業務之所有方面、執行重要策略、作出日常決定及協調整體業務運作。

(b) 委任及重選董事

本公司之非執行董事 (包括獨立非執行董事) 獲委任為期一年之指定任期，惟須接受重選。於每屆股東週年大會上，當時三分之一人數之董事或 (倘其人數並非三或三之倍數) 最接近三分之一人數應輪值退任，惟每名董事須至少每三年退任一次。

董事會並無成立提名委員會。根據本公司之組織章程細則，董事會有權不時及隨時委任任何人士出任董事，以填補空缺或增加董事會成員。於評估提名新董事時，董事會已考慮被提名人之資歷、能力及對本公司之潛在貢獻。於本年度內，本公司董事並無變動。其後，葉維義先生於二零零七年三月一日獲委任為本公司之非執行董事。委任葉維義先生出任新非執行董事為本公司之投資管理人所推薦及於董事會會議 (馮耀輝、周宇俊、何振林及李業華諸位先生均有出席有關會議) 上考慮及批准。

ii. 執行委員會

由本公司執行董事馮永祥、馮耀輝及李華倫諸位先生組成之執行委員會由董事會成立，負責代表本集團作出投資決策及經營本集團之一般業務。

CORPORATE MANAGEMENT (continued)

i. Board of Directors (continued)

(a) Chairman and Managing Director

The roles of the Chairman and the Managing Director are segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual.

The Chairman of the Board is responsible for the leadership and effective running of the Board.

The Managing Director is delegated with the authorities to manage the Group's business in all aspects effectively, implement major strategies, make day-to-day decision and coordinate overall business operation.

(b) Appointment and re-election of directors

Non-executive directors (including independent non-executive directors) of the Company have a specific term of appointment for one year, subject to re-election. At each annual general meeting, one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office by rotation provided that every director shall be subject to retirement at least once every three years.

The Board of Directors has not established a nomination committee. According to the articles of association of the Company, the Board has the power from time to time and at any time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. In assessing nomination of new directors, the Board has taken into consideration of the nominee's qualification, ability and potential contributions to the Company. There is no change in the directorship of the Company during the year. Subsequently, Mr. Yeh V-Nee was appointed as a non-executive director of the Company on 1st March, 2007. The appointment of Mr. Yeh V-Nee as a new non-executive director was recommended by the investment manager of the Company and considered and approved in a Board Meeting at which Messrs. Fung Yiu Fai, Peter, Chow Yu Chun, Alexander, Albert Ho and Lee Yip Wah, Peter were present.

ii. Executive Committee

The Executive Committee is established by the Board, comprising Messrs. Fung Wing Cheung, Tony, Fung Yiu Fai, Peter and Lee Wa Lun, Warren, being the executive directors of the Company which has been authorised to make investment decisions on behalf of the Group and operate normal course business of the Group.



企業管治報告

Report of Corporate Governance

企業管理 (續)

iii. 審核委員會

審核委員會由本公司一名非執行董事李成輝先生及兩名獨立非執行董事周宇俊先生及何振林先生組成，具有法律及會計方面之認可專業資格，並於財務、地產及會計方面擁有實際豐富經驗。周宇俊先生為審核委員會主席。

審核委員會之職能包括(但不限於)下列各項：

- 考慮及審閱外聘核數師之委任、辭任及免職，以及其酬金等事宜
- 審閱本集團中期及全年業績
- 在進行本集團之年度審核時，與外聘核數師討論重大問題及事項

審核委員會之職權範圍，乃依照香港會計師公會之指引而制定，並按不低於企業管治常規守則所列者之標準而予以更新。上述職權範圍可應要求於本公司之註冊辦事處索取。

審核委員會於回顧年內之工作包括：

- 審閱本集團之二零零五年全年業績及二零零六年中期業績
- 在編製二零零五年全年及二零零六年中期財務報表時，與本公司管理層討論本集團之會計準則及政策是否完整、公平及足夠
- 與外聘核數師審閱及討論本公司之財務報告事宜
- 檢討二零零六年審核範疇及費用並推薦予董事會作批准
- 向董事會推薦重新委任核數師，以待股東批准
- 審閱本年內本集團參與的有關連交易(如有)
- 檢討內部監控系統及風險管理之成效

CORPORATE MANAGEMENT (continued)

iii. Audit Committee

The Audit Committee comprises one non-executive director, namely, Mr. Lee Seng Hui and two independent non-executive directors, namely, Mr. Chow Yu Chun, Alexander and Mr. Albert Ho, who possess recognised professional qualifications in legal and accounting and have proven experience in finance, property and accounting. Mr. Chow Yu Chun, Alexander is the chairman of the Audit Committee.

The functions of the Audit Committee includes but not limited to the following:

- Considering and reviewing the appointment, resignation and removal of external auditors and their fees
- Reviewing the interim and annual results of the Group
- Discussing with the external auditors problems and issues of significance during the annual audit of the Group

The terms of reference of the Audit Committee follow the guidelines set out by the Hong Kong Institute of Certified Public Accountants, and have been updated on terms no less exacting those set out in the Code on CGP. The said terms of reference is available at the registered office of the Company on request.

The works of the Audit Committee during the year under review included:

- Reviewing the 2005 annual results and 2006 interim results of the Group
- Discussing with the management of the Company over the completeness, fairness and adequate accounting standards and policies of the Group in the preparation of the 2005 annual financial statements and 2006 interim financial statements
- Reviewing and discussing with the external auditors over the financial reporting of the Company
- Reviewing and recommending for approval by the Board the 2006 audit scope and fees
- Recommending to the Board, for the approval by shareholders, of the re-appointment of the auditors
- Reviewing the connected transactions entered into by the Group during the year (If any)
- Reviewing the effectiveness of internal control system and risk management

企業管治報告

Report of Corporate Governance

企業管理 (續)

iii. 審核委員會 (續)

審核委員會於二零零六年共召開二次會議。每次委員會會議均獲提供必須之本集團財務資料，供成員考慮、檢討及評審工作中涉及之重大事宜。

二零零六年審核委員會會議個別會員的出席率：

Number of meetings 會議次數

Chow Yu Chun, Alexander (*Chairman*)
周宇俊 (主席)
Lee Seng Hui
李成輝
Albert Ho
何振林

| | | |
|--|-----|------|
| | 2 | |
| | 2/2 | 100% |
| | 1/2 | 50% |
| | 2/2 | 100% |

Average attendance rate 平均出席率

83%

iv. 薪酬委員會

本公司已成立薪酬委員會，以審議本集團董事及高級管理人員之薪酬。薪酬委員會由二名獨立非執行董事周宇俊先生及何振林先生以及一名非執行董事李成輝先生組成。周宇俊先生出任薪酬委員會主席。

薪酬委員會之角色及職能包括制訂薪酬政策、檢討年度薪酬政策及向董事會作出建議，以及釐定董事薪酬。

薪酬委員會之職權範圍所依循條款不遜於企業管治常規守則所載條款。上述職權範圍可應要求於本公司之註冊辦事處查閱。

於回顧年度內，薪酬委員會之工作包括：

- 檢討二零零六／二零零七年度之薪酬政策
- 檢討執行董事、非執行董事及獨立非執行董事之薪酬；及
- 檢討本集團僱員之薪酬

CORPORATE MANAGEMENT (continued)

iii. Audit Committee (continued)

The Audit Committee met two times in 2006. Each committee meeting was supplied with the necessary financial information of the Group for the members to consider, review and assess matters of significance arising from the work conducted.

Attendance of individual members of Audit Committee at audit committee meetings in 2006:

iv. Remuneration Committee

A Remuneration Committee has been established by the Company to consider the remuneration of the directors and senior management of the Group. The Remuneration Committee comprises of two independent non-executive directors, namely, Mr. Chow Yu Chun, Alexander and Mr. Albert Ho and one non-executive director, Mr. Lee Seng Hui. Mr. Chow Yu Chun, Alexander is the chairman of the Remuneration Committee.

The role and function of the Remuneration Committee include formulation of the remuneration policy, review and recommending to the Board the annual remuneration policy and determination of the remuneration of the directors.

The terms of reference of the Remuneration Committee follow the terms no less exacting those set out in the Code on CGP. The said terms of reference is available at the registered office of the Company on request.

The works of the Remuneration Committee during the year under review included:

- Reviewing the remuneration policy for 2006/2007
- Reviewing the remuneration of executive directors, non-executive directors and independent non-executive directors; and
- Reviewing the remuneration of employee of the Group.



企業管治報告

Report of Corporate Governance

iv. 薪酬委員會(續)

薪酬委員會於二零零六年內舉行一次會議，周宇俊先生與何振林先生均出席會議。於上述委員會會議，委員會成員獲提供本集團董事及僱員薪酬之所需資料，以供彼等考慮、檢討及評估於所進行工作時產生之重大事宜。

v. 酬金政策

本公司之酬金政策為確保所有僱員(包括董事)獲充份補償彼等為本公司貢獻之能力及時間，而所提供之酬金乃與彼等之職責相符及與市場水平相若。概無董事或彼等之任何聯繫人士及行政人員參與決定其本身酬金。

核數師酬金

回顧年內，本公司已付／應付核數師均富會計師行；正和會計師行有限公司，畢馬威會計師事務所及羅兵咸永道會計師事務所(本公司附屬公司之核數師)的酬金如下：

Services rendered

提供的服務

Grant Thornton
– Audit services
均富會計師行
– 核數服務

M Square CPA Limited
– Audit services
正和會計師行有限公司
– 核數服務

KPMG
– Audit services
畢馬威會計師事務所
– 核數服務

PricewaterhouseCoopers
– Audit services
羅兵咸永道會計師事務所
– 核數服務

Fees paid/payable

已付／應付費用
HK\$
港幣

300,000

59,800

50,000

15,600

iv. Remuneration Committee (continued)

The Remuneration Committee held one meeting during 2006 with the present of Mr. Chow Yu Chun, Alexander and Mr. Albert Ho. The said committee meeting was supplied with the necessary information of remuneration of directors and employee of the Group for the members to consider, review and assess matters of significance arising from the work conducted.

v. Remuneration policy

The remuneration policy of the Company is to ensure that all employees, including directors, are sufficiently compensated for their efforts and time dedicated to the Company and remuneration offered is appropriate for their duties and in line with market practice. No director, or any of his associates, and executive is involved in deciding his own remuneration.

AUDITORS' REMUNERATION

During the year under review, the remunerations paid/payable to the Company's auditors, Messrs. Grant Thornton; M Square CPA Limited, KPMG and PricewaterhouseCoopers, auditors of subsidiaries of the Company, are set out as follows:



企業管治報告

Report of Corporate Governance

企業通訊

本公司依時及準確地向股東滙報本集團之企業資料。二零零五年年報及二零零六年中期報告之印刷本已寄發予所有股東。

本公司於二零零六年舉行一次股東週年大會。於二零零六年五月二十四日之股東週年大會上，就各事宜提呈獨立決議案。除處理本公司之日常業務外，股東週年大會上亦修訂公司組織章程細則，以反映上市規則近期所作之修訂。董事會主席已出席股東週年大會，而審核委員會一名成員亦出席股東週年大會以回答提問。主席於股東週年大會開始時已解釋本公司股東要求投票之程序。本公司已點算所有委任代表票數及向股東週年大會表明就各決議案已提交之委任代表票數，以及投票贊成及反對決議案之票數。於股東週年大會上點算之所有票數已適當點算及記錄。

企業監控

董事會有責任監察本集團整體企業滙報過程及控制系統。企業滙報標準已交予禹銘投資管理有限公司（「禹銘投資管理」）之會計部適當地定期檢討資源調配及財務滙報系統。企業管治常規，以及符合上市規則、證券及期貨條例及其他適用法規等事宜，已交予禹銘投資管理之企業融資部負責。本公司管理層每年與審核委員會檢討及簡述滙報系統。

CORPORATE COMMUNICATION

The Company channels corporate information of the Group to the shareholders in a timely and accurate manner. Printed copies of the Annual Report 2005 and Interim Report 2006 were sent to all shareholders.

The Company held an annual general meeting in 2006. At the annual general meeting convened on 24th May, 2006, separate resolutions were proposed for each issue. In addition to the ordinary business of the Company dealt with at the annual general meeting, the Articles of Association were amended to reflect the recent amendments to the Listing Rules. The Chairman of the Board had attended the annual general meeting and a member of Audit Committee was available to answer questions at the annual general meeting. The Chairman had explained at the commencement of the annual general meeting the procedures for demanding a poll by shareholders of the Company. The Company had counted all proxy votes and indicated to the annual general meeting the level of proxies lodged on each resolution, and the balance for and against the resolution. All the votes cast at the annual general meeting were properly counted and recorded.

CORPORATE CONTROL

The Board has overall responsibility in monitoring the process of corporate reporting and control system throughout the Group. The corporate reporting standards are delegated to the accounting department of Yu Ming Investment Management Limited ("YMIM") in terms of proper and regular reviews on the deployment of resources and financial reporting systems. The corporate governance practices and compliance with the Listing Rules, Securities and Futures Ordinance and other applicable regulations are delegated to the corporate finance department of YMIM. The management of the Company reviews and briefs the reporting systems with the Audit Committee annually.



企業管治報告

Report of Corporate Governance

內部監控

董事會負責本集團內部監控系統。然而，該系統的設計只為於可接受的風險範圍內管理本集團的風險，而並非消除不能達至本集團的業務目標的失敗風險。因此，它只能提供合理的保證而非絕對的保證，防止管理層及財務資料及紀錄的誤述，或財務損失或欺詐。

董事會已確立既定程序，以確定、評估及管理本集團所面對的重大風險，程序包括當營商環境或規例指引變更時，更新內部監控系統。

董事會認為回顧年內及截至本年報及財務報表刊發日期，現存的內部監控系統穩健，及足以保護股東及員工的利益，和本集團的資產。

禹銘投資管理協助董事會推行風險及控制的政策及措施，確定及評估所面對的風險，並參與設計、運作及監察合適的內部監控措施，以減少及控制此等風險。

本集團已確立主要程序以審閱內部監控及風險管理系統的充足性及完整性，該等程序包括：

- 董事會成立執行委員會，確保日常運作有效率，及是根據企業目標及策略。
- 本公司的審核委員會審閱外聘核數師、監管機構及管理層所確定的內部監控事項，並評估集團風險管理及內部監控系統的充足性及有效性。

董事編製財務報表之責任

董事會確認編製財務報表乃彼等之責任。核數師就財務報表作出報告之責任所發表聲明載於第31頁至第32頁之獨立核數師報告。

INTERNAL CONTROLS

The Board is responsible for overseeing the Group's system of internal controls. However, such a system is designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure, to achieve the business objectives of the Group. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating the system of internal controls when there are changes to business environment or regulatory guidelines.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the annual report and financial statements is sound and is sufficient to safeguard the interests of shareholders and employee, and the Group's assets.

YMIM assists the Board in the implementation of the board's policies and procedures on risk and control by identifying and assessing the risks faced, and involving in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls and risk management include the following:

- The Executive Committee is established by the Board to ensure the effectiveness of the daily operations and that the operations are in accordance with the corporate objectives and strategies.
- The Audit Committee of the Company reviews internal control issues identified by external auditors, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems.

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Board acknowledge that it is their responsibilities in preparing the financial statements. The statement of the auditors about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 31 to 32.



獨立核數師報告

Independent Auditors' Report

Grant Thornton 
均富會計師行

致禹銘投資有限公司全體股東

(在香港註冊成立之有限公司)

本核數師已審核列載於第33至122頁禹銘投資有限公司(「公司」)及其附屬公司(統稱為「集團」)的綜合財務報表，此綜合財務報表包括於二零零六年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益表、綜合現金流量表和綜合權益變動表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部監控，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見，並按照香港《公司條例》第141條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

To the members of
Yu Ming Investments Limited

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Yu Ming Investments Limited (the "Company") and its subsidiaries (together referred to as the "Group") set out on pages 33 to 122, which comprise the consolidated and company balance sheets as at 31st December, 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents for this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.



獨立核數師報告

Independent Auditors' Report

審核涉及執行情序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部監控，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映公司及集團於二零零六年十二月三十一日的事務狀況及集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》妥為編製。

均富會計師行
執業會計師

香港
中環皇后大道中15號
置地廣場
告羅士打大廈13樓

二零零七年三月二十八日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2006 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Grant Thornton
Certified Public Accountants

13th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

28th March, 2007



綜合損益賬

截至二零零六年十二月三十一日止年度

Consolidated Income Statement

For the year ended 31st December, 2006

| | Note 附註 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|------------|-----------------------------|-----------------------------|
| Revenue 收入 | 5 | 158,035,679 | 35,473,390 |
| Other net income 其他收入淨額 | 6 | 17,601,909 | 20,890,087 |
| Administrative and other operating expenses 行政及其他經營費用 | | (54,806,294) | (64,778,440) |
| Operating profit/(loss) 經營溢利／(虧損) | | 120,831,294 | (8,414,963) |
| Derecognition of available-for-sale financial assets and other receivable 可供出售財務資產及其他應收款之取消確認 | 8 | (190,190,000) | — |
| Valuation surplus on investment properties 投資物業之估值盈餘 | | 1,679,625 | — |
| Finance costs 財務成本 | 9 | (37,955,608) | (8,725,732) |
| Share of results of associates 分佔聯營公司業績 | | (11,920,177) | 167,115,652 |
| Share of results of jointly controlled entities 分佔共同控權合資公司業績 | | 4,458,157 | (45,986) |
| (Loss)/profit before income tax 所得稅前(虧損)／溢利 | 10 | (113,096,709) | 149,928,971 |
| Income tax expense 所得稅開支 | 11 | (2,499,009) | (3,223,883) |
| (Loss)/profit for the year 本年度(虧損)／溢利 | | (115,595,718) | 146,705,088 |



綜合損益賬

截至二零零六年十二月三十一日止年度

Consolidated Income Statement

For the year ended 31st December, 2006

| | Note 附註 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|------------|-----------------------------|-----------------------------|
| Attributable to: 歸屬： | | | |
| – Equity holders of the Company – 本公司股權持有人 | 12 | (155,693,187) | 144,661,745 |
| – Minority interests – 少數股東權益 | | 40,097,469 | 2,043,343 |
| (Loss)/profit for the year 本年度(虧損)/溢利 | | (115,595,718) | 146,705,088 |
| Dividends 股息 | 13 | – | 33,823,440 |
| (Loss)/earnings per share for (loss)/profit attributable to the equity holders of the Company during the year (HK cents) 本年度歸屬本公司股權持有人(虧損)/溢利之每股(虧損)/盈利(港仙) | | | |
| – Basis – 基本 | 14 | (9.21) | 8.55 |
| – Diluted – 攤薄 | | N/A | N/A |

綜合資產負債表

二零零六年十二月三十一日結算

Consolidated Balance Sheet

As at 31st December, 2006

| | Note 附註 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|------------|-----------------------------|-----------------------------|
| ASSETS AND LIABILITIES | | | |
| 資產及負債 | | | |
| Non-current assets | | | |
| 非流動資產 | | | |
| Investment properties 投資物業 | 17 | 1,340,000,000 | 1,020,113,993 |
| Long term deposits 長期訂金 | 18 | — | 31,478,562 |
| Interests in associates 於聯營公司權益 | 20 | — | 11,926,269 |
| Interests in jointly controlled entities 於共同控權合資公司權益 | 21 | 1,438,648 | 40,000 |
| Available-for-sale financial assets 可供出售財務資產 | 22 | 464,219,216 | 688,332,547 |
| Goodwill 商譽 | 23 | — | — |
| | | 1,805,657,864 | 1,751,891,371 |
| Current assets | | | |
| 流動資產 | | | |
| Trade and other receivables and deposits paid 經營及其他應收款及已付按金 | 24 | 101,133,077 | 20,223,755 |
| Available-for-sale financial assets 可供出售財務資產 | 22 | 663,000 | 4,412,500 |
| Loans to minority interests 借款予少數股東權益 | 25 | 25,600,000 | — |
| Financial assets at fair value through profit or loss 按公平值列賬及在損益賬處理之財務資產 | 26 | 17,082,000 | 7,868,250 |
| Pledged bank fixed deposits 作抵押銀行定期存款 | 27 | 10,537,895 | 16,813,031 |
| Cash and cash equivalents 現金及現金等價物 | 27 | 142,878,833 | 5,511,805 |
| | | 297,894,805 | 54,829,341 |
| Current liabilities | | | |
| 流動負債 | | | |
| Other payables, accrued expenses and deposits received 其他應繳款，應計費用及已收按金 | 28 | 26,081,851 | 11,860,166 |
| Borrowings 借貸 | 29 | 38,322,174 | 10,496,176 |
| Taxation payable 應繳稅項 | | 22,996,019 | 26,832,724 |
| | | 87,400,044 | 49,189,066 |
| Net current assets 流動資產淨值 | | 210,494,761 | 5,640,275 |
| Total assets less current liabilities 資產總值減流動負債 | | 2,016,152,625 | 1,757,531,646 |



綜合資產負債表

二零零六年十二月三十一日結算

Consolidated Balance Sheet

As at 31st December, 2006

| | Note 附註 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|------------|-----------------------------|-----------------------------|
| Non-current liabilities | | | |
| 非流動負債 | | | |
| Borrowings | | | |
| 借貸 | 29 | 887,971,818 | 475,054,574 |
| Loans from minority interests | | | |
| 少數股東權益貸款 | 25 | 120,172,611 | 157,391,656 |
| Rental deposits received | | | |
| 已收租務訂金 | | 14,791,198 | 5,470,038 |
| Deferred tax liabilities | | | |
| 遞延稅項負債 | 33 | 68,500,354 | 66,878,763 |
| | | 1,091,435,981 | 704,795,031 |
| Net Assets | | | |
| 資產淨值 | | | |
| | | 924,716,644 | 1,052,736,615 |
| Equity | | | |
| 股本權益 | | | |
| Equity attributable to the equity holders of the Company | | | |
| 本公司股權持有人應佔股本權益 | | | |
| Share capital | | | |
| 股本 | 30 | 169,117,199 | 169,117,199 |
| Reserves | | | |
| 儲備 | 31 | 563,213,846 | 697,507,846 |
| Proposed final dividend | | | |
| 擬派末期股息 | 13 | — | 33,823,440 |
| | | 732,331,045 | 900,448,485 |
| Minority interests | | | |
| 少數股東權益 | | 192,385,599 | 152,288,130 |
| Total equity | | | |
| 股本權益總值 | | | |
| | | 924,716,644 | 1,052,736,615 |
| Net asset value per share attributable to the equity holders of the Company | | | |
| 本公司股權持有人應佔每股資產淨值 | | | |
| | 32 | 0.43 | 0.53 |

Fung Wing Cheung, Tony

馮永祥

Chairman

主席

Fung Yiu Fai, Peter

馮耀輝

Managing Director

董事總經理

資產負債表

二零零六年十二月三十一日結算

Balance Sheet

As at 31st December, 2006

| | Note 附註 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|------------|-----------------------------|-----------------------------|
| ASSETS AND LIABILITIES 資產及負債 | | | |
| Non-current assets 非流動資產 | | | |
| Interests in subsidiaries 於附屬公司權益 | 19 | 2,470,906 | 2,470,909 |
| Interests in jointly controlled entities 於共同控權合資公司權益 | 21 | 40,000 | 40,000 |
| | | 2,510,906 | 2,510,909 |
| Current assets 流動資產 | | | |
| Amounts due from subsidiaries 應收附屬公司款項 | 19 | 317,240,634 | 624,515,240 |
| Other receivables 其他應收款 | | 1,887,856 | 224,694 |
| Cash and cash equivalents 現金及現金等價物 | 27 | 93,405,675 | 2,535,127 |
| | | 412,534,165 | 627,275,061 |
| Current liabilities 流動負債 | | | |
| Other payables, accrued expenses and deposits received 其他應繳款、應計費用及已收按金 | 28 | 963,085 | 850,251 |
| Amounts due to subsidiaries 欠附屬公司款項 | 19 | 9,808,031 | 9,040,188 |
| | | 10,771,116 | 9,890,439 |
| Net current assets 流動資產淨值 | | 401,763,049 | 617,384,622 |
| Total assets less current liabilities 資產總值減流動負債 | | 404,273,955 | 619,895,531 |
| Equity 股本權益 | | | |
| Share capital 股本 | 30 | 169,117,199 | 169,117,199 |
| Reserves 儲備 | 31 | 235,156,756 | 416,954,892 |
| Proposed final dividend 擬派末期股息 | 13 | - | 33,823,440 |
| Total equity 股本權益總值 | | 404,273,955 | 619,895,531 |

Fung Wing Cheung, Tony
馮永祥
Chairman
主席

Fung Yiu Fai, Peter
馮耀輝
Managing Director
董事總經理



綜合權益變動表

截至二零零六年十二月三十一日止年度

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2006

| | Equity attributable to equity holders of the Company 本公司股權持有人應佔股本權益 | | | | | | | Minority Interests 少數股東權益 | Total 總額 | |
|--|--|--|--|--|--|---|--|---------------------------------|--------------------|----------------------|
| | Share capital 股本 HK\$ 港元 | Share premium 股份溢價 HK\$ 港元 | Capital redemption reserve 資本 贖回儲備 HK\$ 港元 | Capital contribution reserve 資本 繳入儲備 HK\$ 港元 | Investment revaluation reserve 投資 重估儲備 HK\$ 港元 | Proposed final dividend 擬派 末期股息 HK\$ 港元 | Retained earnings 保留盈利 HK\$ 港元 | Total 總額 HK\$ 港元 | HK\$ 港元 | |
| At 1st January, 2005 二零零五年一月一日結算 | 169,117,199 | 311,582,062 | 4,031,600 | — | 21,009,678 | — | 255,784,299 | 761,524,838 | — | 761,524,838 |
| Realisation of revaluation surplus of available-for-sale financial assets on disposal 於出售時變現可供出售財務資產 之重估盈餘 | — | — | — | — | (8,565,897) | — | — | (8,565,897) | — | (8,565,897) |
| Fair value loss on available-for-sale financial assets 可供出售財務資產之公平值虧損 | — | — | — | — | (17,767,122) | — | — | (17,767,122) | — | (17,767,122) |
| Net expense recognised directly in equity 於股本權益直接確認之 支出淨額 | — | — | — | — | (26,333,019) | — | — | (26,333,019) | — | (26,333,019) |
| Profit for the year 本年度溢利 | — | — | — | — | — | — | 144,661,745 | 144,661,745 | 2,043,343 | 146,705,088 |
| Total recognised income and expense for the year | | | | | | | | | | |
| 本年度已確認收入及支出總額 | — | — | — | — | (26,333,019) | — | 144,661,745 | 118,328,726 | 2,043,343 | 120,372,069 |
| 2005 proposed final dividend (note 13) 二零零五年擬派末期股息(附註13) | — | — | — | — | — | 33,823,440 | (33,823,440) | — | — | — |
| Impairment loss written-off to the income statement 於損益賬撥銷之耗蝕虧損 | — | — | — | — | 20,228,149 | — | — | 20,228,149 | — | 20,228,149 |
| Statutory reserve – associates 法定儲備 – 聯營公司 | — | — | — | 366,772 | — | — | — | 366,772 | — | 366,772 |
| Amount arising from acquisition of subsidiaries 收購附屬公司產生之款額 | — | — | — | — | — | — | — | — | 150,244,787 | 150,244,787 |
| At 31st December, 2005 二零零五年十二月三十一日結算 | 169,117,199 | 311,582,062* | 4,031,600* | 366,772* | 14,904,808* | 33,823,440 | 366,622,604* | 900,448,485 | 152,288,130 | 1,052,736,615 |

綜合權益變動表

截至二零零六年十二月三十一日止年度

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2006

| | Equity attributable to equity holders of the Company 本公司股權持有人應佔股本權益 | | | | | | | Minority Interests 少數股東權益 | Total 總額 | |
|--|--|--|--|--|--|---|--|---------------------------------|-------------|---------------|
| | Share capital 股本 HK\$ 港元 | Share premium 股份溢價 HK\$ 港元 | Capital redemption reserve 資本 贖回儲備 HK\$ 港元 | Capital contribution reserve 資本 繳入儲備 HK\$ 港元 | Investment revaluation reserve 投資 重估儲備 HK\$ 港元 | Proposed final dividend 擬派 末期股息 HK\$ 港元 | Retained earnings 保留盈利 HK\$ 港元 | Total | | |
| At 1st January, 2006 二零零六年一月一日結算 | 169,117,199 | 311,582,062 | 4,031,600 | 366,772 | 14,904,808 | 33,823,440 | 366,622,604 | 900,448,485 | 152,288,130 | 1,052,736,615 |
| Realisation of revaluation surplus of available-for-sale financial assets on disposal 於出售時變現可供出售財務資產 之重估盈餘 | - | - | - | - | (2,329,542) | - | - | (2,329,542) | - | (2,329,542) |
| Fair value gain on available-for-sale financial assets 可供出售財務資產之公平值盈餘 | - | - | - | - | 7,326,927 | - | - | 7,326,927 | - | 7,326,927 |
| Net income recognised directly in equity 於股本權益直接確認之收入淨額 | - | - | - | - | 4,997,385 | - | - | 4,997,385 | - | 4,997,385 |
| Loss for the year 本年度虧損 | - | - | - | - | - | - | (155,693,187) | (155,693,187) | 40,097,469 | (115,595,718) |
| Total recognised income and expense for the year 本年度已確認收入及支出總額 | - | - | - | - | 4,997,385 | - | (155,693,187) | (150,695,802) | 40,097,469 | (110,598,333) |
| Impairment loss written-off to the income statement 於損益賬撥銷之耗蝕虧損 | - | - | - | - | 16,401,802 | - | - | 16,401,802 | - | 16,401,802 |
| 2005 final dividend paid (note 13) 二零零五年已派末期股息(附註13) | - | - | - | - | - | (33,823,440) | - | (33,823,440) | - | (33,823,440) |
| At 31st December, 2006 二零零六年十二月三十一日結算 | 169,117,199 | 311,582,062* | 4,031,600* | 366,772* | 36,303,995* | - | 210,929,417* | 732,331,045 | 192,385,599 | 924,716,644 |

* 此等結餘總額563,213,846港元(二零零五年: 697,507,846港元)指於綜合資產負債表之儲備。

* The aggregate amount of these balances of HK\$563,213,846 (2005: HK\$697,507,846) represents the reserves in the consolidated balance sheet.



綜合現金流量表

截至二零零六年十二月三十一日止年度

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

| | Note 附註 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|------------|-----------------------------|-----------------------------|
| Cash flows from operating activities | | | |
| 經營業務之現金流量 | | | |
| (Loss)/profit before income tax | | | |
| 所得稅前(虧損)/溢利 | | (113,096,709) | 149,928,971 |
| Adjustments for: | | | |
| 就下列項目作出調整： | | | |
| Interest income from available-for-sale financial assets | | | |
| 可供出售財務資產之利息收入 | 5 | (3,267,645) | (14,120,649) |
| Interest income on accrued dividend income | | | |
| 應收股息之利息收入 | 5 | (2,268,949) | — |
| Interest income from bank deposits | | | |
| 銀行存款之利息收入 | 5 | (3,214,463) | (3,148,755) |
| Dividend income | | | |
| 股息收入 | 5 | (86,462,629) | (452,275) |
| Derecognition of available-for-sale financial assets and other receivable | | | |
| 可供出售財務資產及其他應收款之取消確認 | 8 | 190,190,000 | — |
| Gain on disposal/redemption of available-for-sale financial assets | | | |
| 出售/贖回可供出售財務資產之收益 | 6 | (7,122,477) | (18,389,333) |
| Valuation surplus on investment properties | | | |
| 投資物業之估值盈餘 | | (1,679,625) | — |
| Impairment loss of goodwill arising from acquisition of associates | | | |
| 因收購聯營公司產生之商譽耗蝕虧損 | 10 | — | 35,963,702 |
| Impairment loss of goodwill arising from acquisition of subsidiaries | | | |
| 因收購附屬公司產生之商譽耗蝕虧損 | 10 | — | 1,037,788 |
| Excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of business combination | | | |
| 收購人於被收購人之可識別資產、負債及或然負債淨公平值 之權益超過業務合併成本之數額 | 10 | — | (11,900,206) |
| Impairment of available-for-sale financial assets | | | |
| 可供出售財務資產之耗蝕 | | 16,401,802 | 20,228,149 |
| Fair value gain on financial assets at fair value through profit or loss | | | |
| 按公平值列賬及在損益賬處理之財務資產之公平值收益 | 6 | (9,213,750) | (380,250) |
| Impairment of interests in associates | | | |
| 於聯營公司權益之耗蝕 | 10 | 6,092 | — |
| Interest on bank and other borrowings paid | | | |
| 已付銀行及其他借貸之利息 | 9 | 37,108,152 | 8,725,732 |
| Fair value loss on financial instruments of interest rate swap contracts | | | |
| 財務工具於利率調期合約之公平值虧損 | 9 | 847,456 | — |
| Share of results of associates | | | |
| 分佔聯營公司業績 | | 11,920,177 | (167,115,652) |
| Share of results of jointly controlled entities | | | |
| 分佔共同控權合資公司業績 | | (4,458,157) | 45,986 |



綜合現金流量表

截至二零零六年十二月三十一日止年度

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

| Note 附註 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
| Operating profit before working capital changes 未計營運資金變動前經營溢利 | 25,689,275 | 423,208 |
| Increase in trade and other receivables and deposits paid 經營及其他應收款及已付按金之增加 | (706,812) | (14,062,445) |
| Decrease in deposit on investment 投資訂金之減少 | — | 10,902,974 |
| Decrease in deposits received 已收按金之減少 | — | 5,470,038 |
| Increase/(decrease) in other payables, accrued expenses and deposits received 其他應繳款、應計費用及已收按金之增加/(減少) | 13,931,631 | (3,096,867) |
| Cash generated from/(used in) in operations 經營業務產生/(耗用)之現金 | 38,914,094 | (363,092) |
| Interest received from available-for-sale financial assets 可供出售財務資產之已收利息 | 5,428,045 | 14,494,468 |
| Bank interest received 已收銀行利息 | 3,001,733 | 3,148,091 |
| Dividend received 已收股息 | 1,280,563 | 452,275 |
| Interest on bank and other borrowings paid 已付銀行及其他借貸之利息 | (36,650,717) | (8,724,484) |
| Income taxes paid 已付所得稅 | (4,714,123) | (4,323,043) |
| <i>Net cash generated from operating activities</i> 經營業務產生之現金淨額 | 7,259,595 | 4,684,215 |



綜合現金流量表

截至二零零六年十二月三十一日止年度

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

| Note 附註 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Cash flows from investing activities | | |
| 投資業務之現金流量 | | |
| Purchase of available-for-sale financial assets 購入可供出售財務資產 | (26,158,068) | (76,596,885) |
| Proceeds from disposal of available-for-sale financial assets 出售可供出售財務資產之所得款項 | 92,617,428 | 108,065,873 |
| Purchase of investment properties 購入投資物業 | (286,727,820) | (216,592,315) |
| Acquisition of subsidiaries 收購附屬公司 | — | (141,916,230) |
| Advances to jointly controlled entities 向共同控權合資公司提供墊款 | — | (57,577,771) |
| Repayment of amounts due from associates 聯營公司償還欠款 | — | 1,800,000 |
| Decrease in pledged bank fixed deposits 已抵押銀行定期存款之減少 | 6,275,136 | 102,859,080 |
| <i>Net cash used in investing activities</i> 投資業務耗用之現金淨額 | (213,993,324) | (279,958,248) |
| Cash flows from financing activities | | |
| 融資業務之現金流量 | | |
| Dividends paid to the Company's equity holders 支付本公司股權持有人之股息 | (33,823,440) | — |
| Loan from bank and other borrowings 銀行及其他借貸之所得款項 | 440,743,242 | 294,565,076 |
| (Advances to)/repayment from minority interests (提供墊款給少數股東)/少數股東償還墊款 | (25,600,000) | 28,500 |
| Repayment of loans from minority interests 償還少數股東所提供貸款 | (37,219,045) | (21,804,367) |
| <i>Net cash generated from financing activities</i> 融資業務產生之現金淨額 | 344,100,757 | 272,789,209 |
| Net increase/(decrease) in cash and cash equivalents 現金及現金等價物之淨額增加/(減少) | 137,367,028 | (2,484,824) |
| Cash and cash equivalents at 1st January 於一月一日之現金及現金等價物 | 5,511,805 | 7,996,629 |
| Cash and cash equivalents at 31st December 於十二月三十一日之現金及現金等價物 | 142,878,833 | 5,511,805 |



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

1. 一般資料

禹銘投資有限公司(「本公司」)乃於香港註冊成立及位於之有限公司。本公司註冊辦事處之地址為香港皇后大道中29號怡安華人行10樓1001室，而其主要營業地點為香港。本公司股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司及其附屬公司(統稱為「本集團」)之主要業務包括投資於上市及非上市證券及物業項目。

第33至第122頁之財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(其為包括所有適用之個別香港財務報告準則、香港會計準則及詮釋之統稱)及香港公司條例之規定編製。財務報表亦包括香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。

截至二零零六年十二月三十一日止年度之財務報表已經由董事會於二零零七年三月二十八日批准。

2. 採用新訂或經修訂之香港財務報告準則

於二零零六年一月一日起，本集團已採用所有於二零零六年一月一日首次生效及與本集團有關之新訂及經修訂香港財務報告準則。

採納該等新訂及經修訂香港財務報告準則並無導致本公司及本集團之會計政策出現重大變動，惟須作出額外披露。

已頒佈但尚未生效之新增或經修訂準則

本集團並無提早採用以下已頒佈但尚未生效之香港財務報告準則。本公司董事預期，採用該等香港財務報告準則對本集團之財務報表並無構成重大財務影響。

1. GENERAL INFORMATION

Yu Ming Investments Limited (the "Company") is a limited liability company incorporated and domiciled in Hong Kong. The address of the Company's registered office is 1001, 10th Floor, AON China Building, 29 Queen's Road Central, Hong Kong and, its principal place of business is in Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Company and its subsidiaries (together referred to as the "Group") include the investments in listed and unlisted securities and properties.

The financial statements on pages 33 to 122 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules").

The financial statements for the year ended 31st December, 2006 were approved by the board of directors on 28th March, 2007.

2. ADOPTION OF NEW OR AMENDED HKFRSs

From 1st January, 2006, the Group has adopted all the new and amended HKFRSs which are first effective on 1st January, 2006 and relevant to the Group.

The adoption of these new and amended HKFRSs did not result in significant changes in the Company's and the Group's accounting policies but gave rise to additional disclosures.

New or amended HKFRSs that have been issued but are not yet effective

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective. The directors of the Company anticipate that the adoption of such HKFRSs will not result in material financial impact on the Group's financial statements.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

2. 採納新增或經修訂香港財務報告準則 (續)

| | |
|-------------------------------|--|
| 香港會計準則第1號(修訂本) | 財務報表之呈列：資本披露 ¹ |
| 香港財務報告準則第7號 | 金融票據：披露 ¹ |
| 香港財務報告準則第8號 | 經營分類 ¹ |
| 香港(國際財務報告準則詮釋委員會) — 詮釋第7號 | 根據香港會計準則第29號「惡性通貨膨脹經濟中之財務報告」採用重列法 ² |
| 香港(國際財務報告準則詮釋委員會) — 詮釋第8號 | 香港財務報告準則第2號之範疇 ³ |
| 香港(國際財務報告準則詮釋委員會) — 詮釋第9號 | 內含衍生工具之重新評估 ⁴ |
| 香港(國際財務報告準則詮釋委員會) — 詮釋第10號 | 中期財務報告及減值 ⁵ |
| 香港(國際財務報告準則詮釋委員會) — 詮釋第11號 | 集團及財資股份交易 ⁶ |
| 香港(國際財務報告準則詮釋委員會) — 詮釋第12號 | 服務委託安排 ⁸ |

¹ 於二零零七年一月一日或之後開始之年度期間生效

² 於二零零六年三月一日或之後開始之年度期間生效

³ 於二零零六年五月一日或之後開始之年度期間生效

⁴ 於二零零六年六月一日或之後開始之年度期間生效

⁵ 於二零零六年十一月一日或之後開始之年度期間生效

⁶ 於二零零七年三月一日或之後開始之年度期間生效

⁷ 於二零零九年一月一日或之後開始之年度期間生效

⁸ 於二零零八年一月一日或之後開始之年度期間生效

2. ADOPTION OF NEW OR AMENDED HKFRSs (continued)

| | |
|---------------------|---|
| HKAS 1 (Amendment) | Presentation of Financial Statements – Capital Disclosures ¹ |
| HKFRS 7 | Financial Instruments: Disclosures ¹ |
| HKFRS 8 | Operating Segments ⁷ |
| HK (IFRIC) – Int 7 | Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ² |
| HK (IFRIC) – Int 8 | Scope of HKFRS 2 ³ |
| HK (IFRIC) – Int 9 | Reassessment of Embedded Derivates ⁴ |
| HK (IFRIC) – Int 10 | Interim Financial Reporting and Impairment ⁵ |
| HK (IFRIC) – Int 11 | Group and Treasury Share Transactions ⁶ |
| HK (IFRIC) – Int 12 | Service Concession Arrangements ⁸ |

¹ Effective for annual periods beginning on or after 1st January, 2007

² Effective for annual periods beginning on or after 1st March, 2006

³ Effective for annual periods beginning on or after 1st May, 2006

⁴ Effective for annual periods beginning on or after 1st June, 2006

⁵ Effective for annual periods beginning on or after 1st November, 2006

⁶ Effective for annual periods beginning on or after 1st March, 2007

⁷ Effective for annual periods beginning on or after 1st January, 2009

⁸ Effective for annual periods beginning on or after 1st January, 2008



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

3. 重大會計政策概要

3.1 編製基準

編製此等財務報表時採用之重大會計政策概述如下。除另有說明外，該等政策已於所有呈列年度貫徹應用。

財務報表乃按照歷史成本法編製，惟投資物業及若干財務資產及負債除外。計量基準於以下會計政策內詳述。

務請注意，編製財務報表時須採用會計估計及假設。儘管此等估計乃按管理層對現行事件及行動所深知及判斷而作出，惟實際結果最終或會有別於該等估計。涉及較高程度判斷或複雜性之範圍或於財務報表作出重大假設及估計之範圍均於附註4詳述。

若干比較數字已重新分類，以符合本年度之呈列方式。

3.2 綜合賬目之基準

綜合財務報表載有本公司及其附屬公司截至每年十二月三十一日止之財務報表。

3.3 附屬公司

附屬公司乃本集團對其財務及營運決策有控制權藉以從其業務中獲益的實體。當判斷本集團是否控制另一實體時，現時可行使或可轉換的潛在表決權的存在及影響均會考慮在內。附屬公司自控制權轉讓予本集團當日起全面綜合計算，並自終止控制權當日起不再綜合計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements have been prepared on the historical cost basis except for the investment properties and certain financial assets and liabilities. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are described on Note 4.

Certain comparative figures have been reclassified to conform with the current year's presentation.

3.2 Basis of consolidation

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

3.3 Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

3. 重大會計政策概要 (續)

3.3 附屬公司 (續)

業務合併(不包括合併受共同控制的實體)採用收購法入賬。此情況涉及按公平值重估於收購日期所有可識別資產及負債,包括該附屬公司之或然負債,而不論該等資產及負債於收購前是否記錄於該附屬公司之財務報表。於初步確認時,該附屬公司之資產、負債及或然負債會按公平值計入綜合資產負債表,並將按照本集團之會計政策用作其後計量之基準。

集團公司之間的交易,其結餘及未變現收益,已於編製綜合財務報表時對銷。未變現虧損亦會撇銷,惟交易證明所轉讓資產出現減值則除外。

於本公司之資產負債表中,附屬公司按成本值減去任何耗蝕虧損列賬。附屬公司之業績由本公司按於結算日已收及應收股息之基準列賬。

少數股東權益為附屬公司損益及資產淨值的一部份,該部份為非本集團擁有的股本權益,並非本集團的財務負債。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Subsidiaries (continued)

Business combinations (other than for combining entities under common control) are accounted for by applying the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets, liabilities and contingent liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

Minority interest represents the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are not the Group's financial liabilities.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

3. 重大會計政策概要 (續)

3.3 附屬公司 (續)

少數股東權益在綜合資產負債表中列為股本權益，與本公司股權持有人應佔股本權益分開呈列。少數股東權益應佔溢利或虧損於綜合損益賬分開呈列為本集團之業績分配。倘屬於少數股東的虧損超過其所佔附屬公司的股本權益，超額部分和任何屬於少數股東的進一步虧損則分配予少數股東權益，惟以少數股東須承擔具有約束力的義務並有能力增加投資以彌補虧損為限。否則，該等虧損均會從本集團之權益扣除。倘該附屬公司其後錄得溢利，該等溢利則待收回本集團過往承擔之少數股東應佔虧損後，方始分配予少數股東。

3.4 聯營公司及合營企業

聯營公司為本集團能對其行使重大影響力，一般擁有附帶20%至50%投票權之股權，惟並非附屬公司或合營企業投資之實體。

合營企業乃一項合約安排，據此兩名或以上人士進行受到共同控制之經濟活動。共同控制乃按合約同意分享經濟活動之控制權，並只會於與該活動有關之策略財務及營運決定必須獲得合營各方一致同意時方會存在。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Subsidiaries (continued)

Minority interests are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Company. Profit or loss attributable to the minority interests are presented separately in the consolidated income statement as an allocation of the Group's results. Where losses applicable to the minority exceeds the minority interests in the subsidiary's equity, the excess and further losses applicable to the minority are allocated against the minority interest to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against the Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to the minority interest only after the minority's share of losses previously absorbed by the Group has been recovered.

3.4 Associates and joint ventures

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% and 50% of voting rights but which are neither subsidiaries nor investments in a joint venture.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the venturers.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

3. 重大會計政策概要 (續)

3.4 聯營公司及合營企業 (續)

在綜合財務報表中，於聯營公司及共同控權合資公司的投資初步按成本確認，其後採用權益法入賬。按照權益法，本集團於聯營公司及共同控權合資公司的權益按成本列賬，並就本集團應佔聯營公司或共同控權合資公司的資產淨值減任何已識別耗蝕虧損於收購後的變動作出調整。綜合損益賬包括本集團年內應佔聯營公司或共同控權合資公司的收購後及稅後業績，包括有關年內已確認於聯營公司或共同控權合資公司的投資的任何商譽耗蝕虧損。

當本集團所佔聯營公司或共同控權合資公司之虧損等同或超過其所佔聯營公司或共同控權合資公司之權益時，本集團不會進一步確認虧損，除非其擁有法定或推定責任或代表聯營公司或共同控權合資公司付款。就此而言，本集團於聯營公司或共同控權合資公司的權益為按照權益法計算的投資賬面值，連同實質上構成本集團於該聯營公司或共同控權合資公司的投資淨額一部份的本集團長期權益。

任何收購成本超過本集團於收購日期確認聯營公司或共同控權合資公司之已識別資產、負債及或然負債中分佔之公平值淨額，均確認為商譽。收購成本乃按本集團於交換日期給予之資產、產生或承擔之負債及發行之股本工具之公平值總額計量，另加投資應佔之任何直接應佔成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Associates and joint ventures (continued)

In consolidated financial statements, investments in associates and jointly controlled entities are initially recognised at cost and subsequently accounted for using the equity method. Under the equity method, the Group's interests in the associate and jointly controlled entities are carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's or the jointly controlled entity's net assets less any identified impairment loss. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associate or the jointly controlled entity for the year, including any impairment loss on goodwill relating to the investment in associate or jointly controlled entity recognised for the year.

When the Group's share of losses in an associate or a jointly controlled entity equals or exceeds its interest in the associate or the jointly controlled entity, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or the jointly controlled entity. For this purpose, the Group's interest in the associate or the jointly controlled entity is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or the jointly controlled entity recognised at the date of acquisition is recognised as goodwill. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment.



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3. 重大會計政策概要 (續)

3.4 聯營公司及合營企業 (續)

商譽包括投資之賬面款額，並就評估耗蝕，作為投資之一部分。於應用權益法後，本集團決定是否必須就本集團於聯營公司或共同控權合資公司之投資確認額外耗蝕虧損。於各結算日，本集團決定是否有任何客觀憑證顯示於聯營公司或共同控權合資公司之投資出現耗蝕。倘已識別該等跡象，則本集團所計算之耗蝕款額為於聯營公司或共同控權合資公司之可收回款額 (見附註3.10) 與其賬面值之差額。

於重估後，任何本集團分佔之已識別資產、負債及或然負債之公平淨額超逾收購成本，均即時確認損益，用作決定本集團於收購投資時分佔之聯營公司或共同控權合資公司之損益。

本集團與其聯營公司或共同控權合資公司間交易之未變現收益將會撤銷，惟以本集團所擁有聯營公司或共同控權合資公司之權益為限。除非交易提供憑證顯示所轉讓資產出現耗蝕，否則未變現虧損亦會撤銷。倘聯營公司或共同控權合資公司所採用會計政策並非本集團於類似情況下就同類交易及事件所採用者，則於本集團為應用權益法而使用聯營公司或共同控權合資公司之財務報表時作出必要調整，以使該聯營公司或共同控權合資公司之會計政策與本集團所採用者一致。

在本公司之資產負債表中，於聯營公司或共同控權合資公司之投資按成本減任何耗蝕虧損列賬。本公司按已收及應收股息之基準將聯營公司及共同控權合資公司之業績入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Associates and joint ventures (continued)

The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or jointly controlled entities. At each balance sheet date, the Group determines whether there is any objective evidence that the investment in associate or jointly controlled entity is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (see Note 3.10) of the associate or the jointly controlled entity and its carrying amount.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate's or the jointly controlled entity's profit or loss in which the investment is acquired.

Unrealised gains on transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the associates and the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where the associate or jointly controlled entity uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's or the jointly controlled entity's accounting policies to those of the Group when the associate's or the jointly controlled entity's financial statements are used by the Group in applying the equity method.

In the Company's balance sheet, investments in associates and jointly controlled entities are stated at cost less any impairment losses. The results of associates and jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.



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3. 重大會計政策概要 (續)

3.5 外幣換算

財務報表以香港元(「港元」)呈列，港元亦為本公司之功能貨幣。

於綜合實體之個別財務報表內，外幣交易按交易當日之主要匯率換算為個別實體之功能貨幣。於結算日，以外幣為單位之貨幣資產及負債均按結算日適用之匯率換算。因結算該等交易及結算日重新換算貨幣資產及負債所產生外匯收益及虧損，乃於損益賬內確認。

按公平值列賬並以外幣為單位之非貨幣項目乃按釐定公平值日期之匯率重新換算，並報告為公平值收益或虧損之一部份。以歷史成本並以外幣為單位計量之非貨幣項目不會重新換算。

於綜合財務報表內，海外業務原先以有別於本集團呈報貨幣之貨幣呈列之所有個別財務報表，已折算為港元。資產及負債已按結算日之收市匯率換算為港元。收入及支出已按交易日期之適用匯率或於申報期間之平均匯率折算為港元，惟匯率不得出現大幅波動。自此步驟產生之任何差額已經於權益內之貨幣換算儲備另行處理。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Foreign currency translation

The financial statements are presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and loss resulting from the settlement of such transactions and from the balance sheet date retranslation of monetary assets and liabilities are recognised in the income statement.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rate at the balance sheet date. Income and expenses have been converted into Hong Kong dollars at the exchange rates ruling at the transaction dates, or at average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with separately in the currency translation reserve in equity.



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3. 重大會計政策概要 (續)

3.6 收入確認

在經濟利益將流入本集團及收入能夠可靠計量之情況下，收入乃確認如下：

利息收入採用實際利率法按時間比例基準確認。

股息收入在收取股息之權利確定時確認。

根據營運租賃應收之租金收入於租期涵蓋之期間以直線法於損益確認，惟若有另一種更能反映租賃資產衍生之利益模式之基準除外。所獲租賃減免在損益賬確認為已收淨租金總額一部份。或然租金將於所賺取之會計期間確認為收入。

3.7 借貸成本

所有借貸成本於產生時列作支出。

3.8 商譽

下文載列於收購附屬公司時所產生商譽之會計政策。於收購聯營公司或共同控權合資公司之投資所產生商譽之會計處理載於附註3.4。

商譽即業務合併成本或投資超過本集團分佔被收購方之可識別資產、負債及或然負債之公平值淨額。業務合併成本按本集團於交換日期給予之資產、產生或承擔之負債以及發行之股本工具之公平值總額計量，另加有關業務合併之任何直接應佔成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably, revenue is recognised as follows:

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Rental income receivable from operating leases is recognised in profit or loss on a straight-line basis over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

3.7 Borrowing costs

All borrowing costs are expensed as incurred.

3.8 Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary. Accounting for goodwill arising on acquisition of investment in an associate or a jointly controlled entity is set out in Note 3.4.

Goodwill represents the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The cost of the business combination is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the business combination.



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3. 重大會計政策概要 (續)

3.8 商譽 (續)

商譽按成本減累計耗蝕虧損列賬。商譽分配予現金產生單位，並每年作耗蝕測試(附註3.10)。

任何本集團於被收購方之可識別資產、負債及或然負債之公平淨值權益超過於業務合併之成本，即時於損益確認。

於其後出售附屬公司時，已資本化商譽之應佔數額於釐定出售損益款額時包括在內。

3.9 投資物業

投資物業為根據租賃權益擁有或持有之土地及／或樓宇，以賺取租金收入及／或資本增值，其中包括現時持有但並未擬定未來用途之土地。

當本集團根據經營租賃持有物業權益以賺取租金收入及／或資本增值，該權益將按個別物業之情況分類為投資物業。任何該等列作投資物業之物業權益乃按融資租賃之方法處理。

於初次確認時，投資物業乃按成本(包括任何直接應佔支出)計量。於初次確認後，投資物業乃按公平值列賬。公平值乃由對投資物業之地點及性質兩方面具有豐富經驗之外聘專業估值師決定。於資產負債表確認之賬面值反映於結算日當時之市場情況。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Goodwill (continued)

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see Note 3.10).

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in profit or loss.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

3.9 Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at fair value. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised in the balance sheet reflect the prevailing market conditions at the balance sheet date.



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3. 重大會計政策概要 (續)

3.9 投資物業 (續)

興建或發展作未來投資物業之物業分類為物業、機器及設備，並按成本列賬，直至完工或發展完成為止，屆時將重新分類為投資物業。於該日之物業公平值與其先前賬面值之任何變動將於損益確認。

因公平值變動或出售投資物業產生之盈虧於產生之期間計入損益。

3.10 資產減值

因收購附屬公司、附屬公司權益、聯營公司及共同控權合資公司而產生之商譽須進行耗蝕測試。

具備無限使用期或尚未可供使用之商譽須至少每年進行耗蝕測試，而不論是否有任何跡象顯示出現耗蝕。所有其他資產則在出現未必能收回有關資產賬面值之跡象時進行耗蝕測試。

耗蝕虧損按資產賬面值超過其可收回款額之差額即時確認為支出，惟有關資產根據本集團之會計政策按重估值列賬則除外，於該情況下，耗蝕虧損則根據該政策而被視為重估減值。可收回款額為反映市況之公平值減銷售成本與使用價值兩者之較高者。於評估使用價值時，估計未來現金流量乃採用稅前貼現率貼現至其現值，以反映現時市場對金錢時間值及有關資產特有風險之評估。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Investment property (continued)

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 as investment property. Any changes between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

Gains or losses arising from either changes in the fair value or the sale of an investment property is included in the profit or loss for the period in which they arise.

3.10 Impairment of assets

Goodwill arising on an acquisition of subsidiary, interests in subsidiaries, associates and jointly controlled entities are subject to impairment testing.

Goodwill with an indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease according to that policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.



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3. 重大會計政策概要 (續)

3.10 資產減值 (續)

就評估耗蝕而言，倘資產產生之現金流入大致上不獨立於其他資產，則可收回款額乃按可獨立產生現金流入之最小組別資產(即現金產生單位)釐定。因此，部分資產按個別方式進行耗蝕測試，另有部分資產則按現金產生單位水平進行測試。商譽尤其分配至預期可受惠於相關業務合併協同效應之現金產生單位，即就內部管理而言監察商譽之本集團內最低水平單位。

就已獲分配商譽之現金產生單位確認之耗蝕虧損，初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公平值減銷售成本或使用價值(如可釐定)外，任何剩餘耗蝕虧損乃按比例自該現金產生單位之其他資產中扣除。

商譽耗蝕虧損不會於其後期間撥回。就其他資產而言，倘用於釐定資產可收回款額之估計出現有利改變，則撥回耗蝕虧損，惟以資產之賬面值不得超出於並無確認耗蝕虧損之情況下原應釐定之賬面值。

3.11 租賃

倘本集團確定一項安排具有在商定期限內通過支付一筆或一系列款項而使用一項特定資產或多項資產之權利，則該安排(由一宗交易或一系列交易組成)為一項租賃或包括租賃。該釐定乃根據安排之內容評估而作出，而不論安排是否具備租賃之法律形式。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of assets (continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

3.11 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.



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3. 重大會計政策概要 (續)

3.11 租賃 (續)

(i) 出租予本集團資產之分類

對於本集團以租賃持有之資產，如有關租賃將擁有資產之絕大部份風險及回報轉移至本集團，則有關資產便會分類為根據融資租賃持有。如租賃並未將擁有資產之絕大部份風險及回報轉移至本集團則分類為經營租賃，以下除外：

- 根據經營租賃持有之物業若符合投資物業之定義，則按個別物業之情況分類為投資物業，及若然被分類為投資物業，則入賬列作融資租賃下持有(見附註3.9)；及
- 根據經營租賃持有作自用之土地，其公平值於訂立租約時若不能和在土地上之建築物之公平值分開計算，則入賬列作根據融資租賃持有，惟該樓宇明確地根據經營租賃持有則除外。就此而言，訂立租賃之時間為本集團首次訂立租約或從先前承租人接管之時間。

(ii) 經營租賃費用

當本集團擁有根據經營租賃所持有資產之使用權，則根據租賃支付之款項乃於租賃期內以直線法在損益賬扣除，惟另有基準而更能代表自有關租賃資產所產生利益之模式則除外。已收取之租賃優惠於損益賬確認為總租賃款項淨額之構成部份。或然租金於其產生之會計期間內在損益賬扣除。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Leases (continued)

(i) *Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see Note 3.9); and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon, at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) *Operating lease charges as the lessee*

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement on a straight line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rental are charged to the income statement in the accounting period in which they are incurred.



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3. 重大會計政策概要 (續)

3.12 財務資產

本集團就附屬公司、聯營公司及共同控權合資公司投資以外之財務資產之會計政策載列如下。

本集團將其財務資產按以下類別分類：按公平值計入損益之財務資產；貸款及應收款項及可供出售財務資產。管理層將視乎收購財務資產之目的，於初步確認時決定其財務資產之分類，並於許可及適當情況下，於每個報告日期重新評估該劃分。

所有財務資產只會在本集團成為有關工具的合約條文之訂約方時，方予確認。以慣常方式收購之財務資產於交易日期確認。當財務資產於初步確認時，乃按公平值計量，另外，倘投資並非按公平值計入損益，則按直接應佔交易成本計量。

當收取投資現金流量之權利屆滿或擁有權之絕大部分風險與回報已轉讓時，財務資產則取消確認。於各結算日，將對財務資產進行審閱，以評估是否有任何客觀耗蝕憑證。倘存在任何該等憑證，則根據財務資產之分類而釐定及確認耗蝕虧損。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries, associates and jointly controlled entities are set out below.

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

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. At each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial assets.



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3. 重大會計政策概要(續)

3.12 財務資產(續)

(i) 按公平值計入損益之財務資產

按公平值計入損益之財務資產包括持作買賣之財務資產及於初步確認時指定為按公平值計入損益之財務資產。

倘收購財務資產之目的為於短期內出售，則財務資產列為持作買賣。衍生工具(包括個別之嵌入式衍生工具)亦列為持作買賣，惟衍生工具指定作為有效對沖工具或財務擔保合約則除外。

倘一份合約含有一份或以上之嵌入式衍生工具，則整份混合式合約可被指定為按公平值計入損益之財務資產，惟嵌入式衍生工具並無導致現金流出現重大變動，或有明文規定禁止將嵌入式衍生工具另行呈列則除外。

倘若符合以下準則，則財務資產可於初步確認時指定為按公平值計入損益：

- 有關指定能消除或顯著減少因按照不同基準計量有關資產或確認其損益所產生之不一致處理情況；或
- 根據既定之風險管理策略，該等資產為一組受管理而其表現乃按公平值基準評估之財務資產其中一部份，而有關該組財務資產之資料均按該基準而在內部提供予主要管理人員；或
- 該等財務資產包含需要另行入賬之嵌入式衍生工具。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or
- the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or
- the financial asset contains an embedded derivative that would need to be separately recorded.



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3. 重大會計政策概要 (續)

3.12 財務資產 (續)

(i) 按公平值計入損益之財務資產 (續)

於初步確認後，計入此類別之財務資產乃按公平值計量，而公平值變動在損益賬確認。

(ii) 貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生財務資產，且於活躍市場並無報價。貸款及應收款項其後採用實際利息法按攤銷成本減任何耗蝕虧損計量。攤銷成本經計及收購之任何折讓或溢價後計算，並包括屬於實際利率及交易成本組成部分之費用。

(iii) 可供出售財務資產

可供出售財務資產包括非衍生財務資產被指定為此類別之財務資產或不合格列於任何其他類別之財務資產。此類別內所有財務資產其後按公平值計量。因公平值變動產生之盈虧於權益中直接確認（惟耗蝕虧損（見下文之政策）及外匯收益及虧損除外），直至財務資產取消確認為止，屆時先前已於權益中確認之累計收益或虧損將於損益中確認。採用實際利率法計算之利息於損益中確認。於出售時，先前已於權益中確認之累計收益或虧損則轉撥至損益賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

(i) *Financial assets at fair value through profit or loss (continued)*

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in income statement.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value is recognised directly in equity, except for impairment losses (see the policy below) and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to the income statement.



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3. 重大會計政策概要 (續)

3.12 財務資產 (續)

(iii) 可供出售財務資產 (續)

就於活躍市場並無報價及其公平值無法可靠計量，以及所掛鈎之衍生工具須透過交付該等無報價股本工具之方式結算之可供出售財務資產而言，於初步確認後之各結算日，均按成本扣除任何已識別耗蝕虧損計量。

財務資產耗蝕

於各結算日，將會對按公平值計入損益以外之財務資產進行審閱，以決定是否有任何客觀耗蝕憑證出現。倘存在任何該等憑證，則按以下方式計量及確認減值虧損：

(a) 按攤銷成本列賬之財務資產

倘有客觀憑證顯示按攤銷成本列賬之貸款及應收款項出現耗蝕虧損，則虧損款額以資產賬面值與按財務資產之原定實際利率（即於初步確認時計算之實際利率）折現之估計未來現金流量（不包括尚未產生之未來信貸虧損）現值之差額計量。虧損款額於耗蝕產生之期間於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

(iii) Available-for-sale financial assets (continued)

For available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

Impairment of financial assets

At each balance sheet date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment. If any such evidence exists, the impairment loss is measured and recognised as follows:

(a) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.



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3. 重大會計政策概要 (續)

3.12 財務資產 (續)

(a) 按攤銷成本列賬之財務資產 (續)

倘耗蝕虧損款額於隨後期間減少，而有關減少可客觀地與確認耗蝕後發生之事件聯繫，則撥回先前已確認之耗蝕虧損，惟於撥回減值當日不得導致財務資產之賬面值超過如無確認減值之原有攤銷成本。撥回款額於撥回發生之期間於損益中確認。

(b) 可供出售財務資產

當可供出售財務資產之公平值減少已直接於權益確認，亦有客觀憑證顯示資產出現耗蝕，則該款額於權益剔除及於損益確認為耗蝕虧損。該款額乃以資產收購成本(扣除任何本金還款及攤銷)與現行公平值之差額，並扣除先前於損益所確認該資產之任何耗蝕虧損。

分類為可供出售股本工具投資之撥回不會於損益賬確認。公平值之其後增加乃於權益直接確認。倘其後之公平值增加可客觀地與確認耗蝕後發生之事件聯繫，則債務證券之耗蝕虧損將撥回。於該等情況下之耗蝕虧損撥回乃於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

(a) Financial assets carried at amortised cost (continued)

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

(b) Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Reversals in respect of investment in equity instruments classified as available-for-sale are not recognised in the income statement. The subsequent increase in fair value is recognised directly in equity. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversal of impairment losses in such circumstances are recognised in profit or loss.



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3. 重大會計政策概要 (續)

3.12 財務資產 (續)

(c) 按成本列賬之財務資產

耗蝕虧損款額以財務資產賬面值與按類似財務資產之現行市場回報率折現之估計未來現金流量現值之差額計量。該等耗蝕虧損不會於隨後期間撥回。

3.13 對沖活動之會計處理

衍生財務工具初步按訂立衍生工具合約日期之公平值確認，其後則以公平值重新計量。公平值對沖保障本集團免受源於某特定風險及可能影響損益之一項已確認資產或負債或一項確定承擔，或該項資產、負債或確定承擔已識別部份之公平值變動之風險。

衍生工具如劃分及合資格作為公平值對沖之對沖工具，則其公平值變動乃於損益賬入賬，連同源於對沖風險之對沖資產或負債之公平值任何變動。對沖項目之賬面值乃作出相應調整。

倘財務工具之對沖項目按攤銷成本列賬，則對賬面值之調整乃於損益攤銷。有關調整乃於財務工具到期時全數攤銷。

倘一項未確認之確定承擔劃分為對沖項目，則源於對沖風險之該項確定承擔公平值之其後累計變動乃於損益確認為資產或負債連同相應盈虧。對沖工具公平值變動亦於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

(c) *Financial assets carried at cost*

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3.13 Accounting for hedging activities

Derivatives financial instruments are initially recognised at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value. Fair value hedges secure the Group against the exposure to changes in the fair value of a recognised asset or liability or a firm commitment or an identifiable portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.

Changes in the fair value of derivatives that are designated and qualify as the hedging instruments of fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The corresponding adjustments are to the carrying amounts of the hedged items.

Where the hedged item is a financial instrument carried at amortised cost, the adjustment to carrying value is amortised to profit or loss. The adjustment is amortised fully by maturity of the financial instrument.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.



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3. 重大會計政策概要 (續)

3.13 對沖活動之會計處理 (續)

倘對沖工具屆滿或被出售、終止或行使而並無替補或續期，或對沖不再符合對沖會計處理之條件，或本集團撤銷該項劃分，則本集團將終止使用公平值對沖會計處理。

3.14 所得稅之會計方法

所得稅包括本期稅項及遞延稅項。

本期所得稅資產及／或負債包括於結算日尚未繳付並與本期或先前申報期有關應向稅收機關履行之稅務責任或稅收機關發出之申索。該等稅務責任乃根據其相關課稅期間之適用稅率及稅法，按年度應課稅溢利計算。本期稅務資產或負債所有變動於損益賬內確認為稅項開支之一部份。

遞延稅項乃採用負債法就財務報表之資產及負債賬面值與彼等各自之課稅基準於結算日之暫時差額計算。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產乃就所有可扣減暫時差額、可用作結轉之稅項虧損及其他未用稅項抵免而確認，惟以有關可扣減暫時差額、未用稅項虧損及未用稅項抵免有可能用作抵銷日後應課稅收入為限方予確認。

倘暫時差額因商譽或初步確認(業務合併除外)一項不影響應課稅或會計損益交易之資產及負債而產生，則遞延稅項資產及負債不予確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Accounting for hedging activities (continued)

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or when the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

3.14 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the tax periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.



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3. 重大會計政策概要 (續)

3.14 所得稅之會計方法 (續)

遞延稅項負債乃就投資於附屬公司、聯營公司及合營企業所產生應課稅暫時差額而予以確認，惟本集團能夠控制暫時差額之撥回及暫時差額有可能不會於可見將來撥回則除外。

遞延稅項乃按照預期於償還債務或變現資產期間適用之稅率計算(不予折現)，惟有關稅率須於結算日已訂立或大致上已訂立。

遞延稅項資產或負債之變動於損益賬確認，或如有關變動涉及於權益直接扣除或計入之項目，則於權益確認。

3.15 現金及現金等價物

現金及現金等價物包括銀行及手頭現金，以及原定到期日為三個月或以下之銀行存款。

3.16 股本

普通股乃分類為權益。股本乃採用已發行股份之面值釐定。

與發行股份有關之任何交易成本乃於權益扣除(不計任何相關所得稅收益)，惟以股本交易直接應佔之遞延成本為限。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Accounting for income taxes (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

3.15 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as bank deposits with original maturities of three months or less.

3.16 Share Capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from equity (net of any related income tax benefits) to the extent they are incremental costs directly attributable to the equity transaction.



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3. 重大會計政策概要 (續)

3.17 退休金責任及短期僱員福利

向僱員提供之退休福利乃透過定額供款計劃提供。

定額供款計劃

本集團根據強制性公積金計劃條例設有定額供款之強制性公積金退休福利計劃(「強積金計劃」)，以供其全體僱員及合資格參與強積金計劃之該等僱員參加。供款乃按僱員基本薪金之某一百分比作出，並根據強積金計劃之規則於應付時自損益賬扣除。強積金計劃之資產與本集團資產分開持有，並由獨立管理之基金管理。本集團之僱主供款於向強積金計劃作出供款時即悉數歸屬僱員。

短期僱員福利

僱員享有之年假權利於應計入僱員權利時確認。本公司已就截至結算日由僱員所提供服務而產生之年假估計責任作出撥備。

非累計補償如病假及產假於提出休假時方予確認。

3.18 財務負債

本集團之財務負債包括借貸、少數股東權益貸款、其他應繳款、應計費用及已收按金及欠一間關連公司之款項。

財務負債乃於本集團參與訂立工具之合約協議時確認。所有利息相關開支乃於損益賬之財務成本確認為開支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Pension obligations and short term employee benefits

Retirement benefits to employees are provided through a defined contribution plan.

Defined contribution plan

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees and those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

3.18 Financial liabilities

The Group's financial liabilities include borrowings, loans from minority interests, other payables, accrued expenses and deposits received and amount due to a related company.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the income statement.



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3. 重大會計政策概要 (續)

3.18 財務負債 (續)

當負債項下之責任獲解除或註銷或屆滿時，則取消確認財務負債。

倘現有財務負債由同一貸款人按大致不同之條款以另一項財務負債取代，或現有負債條款經大幅修改，則有關互換或修改視作取消確認原有負債及確認新負債，而各賬面值間之差額則於損益賬確認。

借貸

借貸初步按公平值(扣除已產生之交易成本)確認。借貸其後按已銷成本列賬；所得款項(扣除交易成本)與贖回值之任何差額乃採用實際利息法於借貸期間在損益賬確認。

借貸分類為流動負債，惟本集團擁有無條件權利以遞延償還負債之期限至結算日後至少十二個月則除外。

其他財務負債

其他財務負債初步按其公平值確認，其後採用實際利率法按攤銷成本計量。

3.19 所發出的財務擔保

財務擔保乃要求發行人(或擔保人)就持有人因特定債務人未能根據債務工具之條款於到期時付款而蒙受之損失而向持有人支付特定款項之合約。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Financial liabilities (continued)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the income statement.

Borrowings

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

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

Other financial liabilities

Other financial liabilities are recognized initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

3.19 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instruments.



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3. 重大會計政策概要 (續)

3.19 所發出的財務擔保 (續)

倘本集團發出財務擔保，則該擔保之公平值初步確認為經營及其他應付款內之遞延收入。倘在發行該擔保時已收取或可收取代價，該代價則根據適用於該類資產之本集團政策而予以確認。倘並無收取或應收取該代價，則於初步確認任何遞延收入時於損益確認即時支出。

初步確認為遞延收入之擔保款額，按擔保年期內於損益攤銷為所發出財務擔保之收入。此外，倘擔保持有人有可能根據本集團已作出之財務擔保向本集團提出索償及對本集團提出之索償款額預期超過現時之賬面值(即初步確認之款額減累計攤銷(如適用))，則確認撥備。

3.20 關連人士

與本集團關連之人士乃指：

- (i) 該人士直接或間接透過一個或多個中介人：
 - 控制本集團、被本集團控制或與本集團受到共同控制；
 - 擁有本集團之權益使其能對本集團行使重大影響力；或
 - 於本集團有共同控制權；
- (ii) 該人士乃聯營公司；
- (iii) 該人士乃共同控權合資公司；
- (iv) 該人士乃本集團或其母公司之主要管理人員；

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Financial guarantees issued (continued)

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

3.20 Related Parties

Parties are considered to be related to the Group if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Group;
 - has an interest in the Group that gives it significant influence over the Group; or
 - has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a jointly controlled entity;
- (iv) the party is a member of the key management personnel of the Group or its parent;



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3. 重大會計政策概要 (續)

3.20 關連人士 (續)

- (v) 該人士乃第(i)或第(iv)項所指之任何個別人士之近親；
- (vi) 該人士乃第(iv)或第(v)項之任何個別人士直接或間接地能控制、共同控制或有重大影響力或重大投票權之實體；或
- (vii) 該人士乃本集團或屬於本集團有關連人士之實體為其僱員而設之離職後福利計劃。

3.21 分類申報

按照本集團之內部財務申報形式，本集團決定以業務分類作主要申報形式及以地區分類作次要申報形式。

分類資本開支為期內就收購預期將使用超過一段期間之分類資產(有形及無形兩者)而產生之總成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Related Parties (continued)

- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

3.21 Segment Reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.



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4. 關鍵會計估計及判斷

估計及判斷會不斷進行評估，並根據過往經驗及其他因素（包括於具體情況下相信將屬於合理之未來事件預期）達致。

4.1 關鍵會計估計及假設

本集團就日後作出估計及假設。因此而作出之會計估計按定義大多有別於相關實際結果。下文詳述有重大風險或會導致下一個財政年度內資產及負債賬面值作出重大調整之有關估計及假設：

投資物業之估計公平值

本集團投資物業公平值之最佳憑證為類似租賃及其他合約之活躍市場及其他合約之現行價格。在缺乏該項資料之情況下，本集團將有關款額釐定為一個合理公平值估計之範圍內。本集團於作出其判斷時，所考慮來自多個來源之資料，包括：

- (i) 重就不同性質、狀況或地點（或附帶不同租賃或其他合約）物業之活躍市場現行價格，予以調整以反映該等差異；
- (ii) 於稍欠活躍市場之類似物業近期價格，進行調整以反映自從按該等價格訂立交易之日期以來經濟狀況之任何變化；及
- (iii) 根據未來現金流量之可靠估計（從任何現有租賃及其他合約條款推算）及（倘有可能）從外界憑證（例如於相同地點及狀況之類似物業現行市場租金）而計算之貼現現金流量預測，及採用之利率可反映對現金流量款額及時間不確定情況之現行市場評估。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimate fair value of investment properties

The best evidence of fair value of the Group's investment properties 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 judgment, 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; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.



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4. 關鍵會計估計及判斷(續)

4.2 應用實體會計政策之關鍵判斷

於應用本集團會計政策之過程中，管理層已作出下列判斷(涉及估計之該等判斷除外)而對在財務報表確認之款額造成最重大影響：

可供出售財務資產之耗蝕

就可供出售財務資產而言，公平值顯著或持續低於成本被視為耗蝕之客觀憑證。於釐定公平值下跌是否顯著及／或持續須運用判斷。於作出此判斷時，市場波動情況之過往數據及特定投資之價格均屬考慮之列。本集團亦考慮其他因素，例如行業及環節表現及有關發行人／接受投資公司之財務資料。

經營租賃承擔－本集團作為出租人

本集團已於其投資物業組合內訂立商用物業租賃。本集團已確定其保留按經營租賃出租之此等物業擁有權之所有重大風險及回報。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.2 Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statement:

Impairment of available-for-sale financial assets

For available-for-sale financial assets, a significant or prolonged decline in fair value below cost is considered to be objective evidence of impairment. Judgement is required when determining whether a decline in fair value has been significant and/or prolonged. In making this judgement, the historical data on market volatility as well as the price of the specific investment are taken into account. The Group also takes into account other factors, such as industry and sector performance and financial information regarding the issuer/investee.

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.



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5. 收入

5. REVENUE

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Interest income from available-for-sale financial assets 可供出售財務資產之利息收入 | 3,267,645 | 14,120,649 |
| Interest income from bank deposits 銀行存款之利息收入 | 3,214,463 | 3,148,755 |
| Interest income from financial assets at fair value through profit or loss 按公平值列賬及在損益賬處理之財務資產之利息收入 | 117,000 | 117,000 |
| Dividend income 股息收入 | | |
| – listed investments – 上市投資 | – | 452,275 |
| – unlisted investments – 非上市投資 | 86,462,629 | – |
| Interest income on accrued dividend income 應收股息之利息收入 | 2,268,949 | – |
| Rental Income 租金收入 | 62,704,993 | 17,634,711 |
| | 158,035,679 | 35,473,390 |

6. 其他收入淨額

6. OTHER NET INCOME

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
| Gain on disposal/redemption of other available-for-sale financial assets 出售／贖回可供出售財務資產之收益 | 7,122,477 | 18,389,333 |
| Fair value gain on financial assets at fair value through profit or loss 按公平值列賬及損益賬處理之財務資產之公平值收益 | 9,213,750 | 380,250 |
| Sundry income 雜項收入 | 1,265,682 | 2,120,504 |
| | 17,601,909 | 20,890,087 |



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7. 分類資料

分類資料乃透過本集團之業務分類呈列。

本集團之營運業務乃按照其營運及所提供服務分別建立及管理。本集團之每項業務分類乃指一項策略業務單位，其所提供服務之風險及回報與其他業務分類之風險及回報有所分別。

由於本集團源自香港以外業務的經營業績及資產總額少於10%的綜合收入，因此並無提供地區分析。

7. SEGMENT INFORMATION

Segment information is presented by way of the Group's business segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's business segment represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments.

No geographical analysis is presented as the Group's revenue, operating results and assets in geographical segments other than Hong Kong are less than 10% of the aggregate amount of all segments.



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7. 分類資料 (續)

7. SEGMENT INFORMATION (continued)

| | Property investment 物業投資 | | Other Investment 其他投資 | | Consolidated 綜合 | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
| Revenue 收入 | 62,793,385 | 17,634,711 | 95,242,294 | 17,838,679 | 158,035,679 | 35,473,390 |
| Segment result 分類業績 | 42,172,411 | 35,020,570 | 78,658,883 | (43,435,533) | 120,831,294 | (8,414,963) |
| Derecognition of available-for-sale financial assets and other receivable 可供出售財務資產之取消確認 | - | - | (190,190,000) | - | (190,190,000) | - |
| Valuation surplus on investment properties 投資物業之估值盈餘 | 1,679,625 | - | - | - | 1,679,625 | - |
| Finance costs 財務成本 | (32,539,020) | (5,158,634) | (5,416,588) | (3,567,098) | (37,955,608) | (8,725,732) |
| Share of results of 分佔業績 | | | | | | |
| - associates - 聯營公司 | - | 166,788,545 | (11,920,177) | 327,107 | (11,920,177) | 167,115,652 |
| - jointly controlled entities - 共同控權合資公司 | - | - | 4,458,157 | (45,986) | 4,458,157 | (45,986) |
| (Loss)/profit before income tax 所得稅前(虧損)/溢利 | 11,313,016 | 196,650,481 | (124,409,725) | (46,721,510) | (113,096,709) | 149,928,971 |
| Income tax expense 所得稅開支 | (2,694,009) | (3,158,883) | 195,000 | (65,000) | (2,499,009) | (3,223,883) |
| (Loss)/profit for the year 本年度(虧損)/溢利 | 8,619,007 | 193,491,598 | (124,214,725) | (46,786,510) | (115,595,718) | 146,705,088 |
| Segment assets 分類資產 | 1,345,007,269 | 1,062,755,207 | 757,106,752 | 731,999,236 | 2,102,114,021 | 1,794,754,443 |
| Interests in associates 於聯營公司之權益 | - | - | - | 11,926,269 | - | 11,926,269 |
| Interests in jointly controlled entities 於共同控權合資公司之權益 | - | - | 1,438,648 | 40,000 | 1,438,648 | 40,000 |
| Total assets 資產總值 | 1,345,007,269 | 1,062,755,207 | 758,545,400 | 743,965,505 | 2,103,552,669 | 1,806,720,712 |
| Segment liabilities 分類負債 | 868,168,298 | 587,226,792 | 310,667,727 | 166,757,305 | 1,178,836,025 | 753,984,097 |
| Other information 其他資料 | | | | | | |
| Capital expenditure 資本開支 | 318,206,382 | 220,113,993 | - | - | 318,206,382 | 220,113,993 |
| Impairment of available-for-sale financial assets 可供出售財務資產之耗蝕 | - | - | 16,401,802 | 20,228,149 | 16,401,802 | 20,228,149 |
| Impairment loss of goodwill 商譽之耗蝕 | - | - | - | 37,001,490 | - | 37,001,490 |
| Excess arising from acquisition of subsidiaries 因收購附屬公司產生之剩餘款額 | - | (11,900,206) | - | - | - | (11,900,206) |



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8. 可供出售財務資產及其他應收款之取消確認

於本年度內，本集團與新華航空控股有限公司（「新華航空」）訂立協議（「新華航空協議」），據此（其中包括）本集團同意出售由本集團持有的中富航空有限公司（現稱為香港航空有限公司）（「中富航空」）的34.2%股本權益，代價為190,000,000港元，按每股作價人民幣2元以換取97,850,000股每股面值人民幣1元的新華航空股份（「新華航空股份」）。

就根據執行新華航空協議而言，本集團同意(i)轉換其中一部分本金額62,181,818港元的中富航空A類可換股債權證為每股面值1港元的62,181,818股中富航空普通股（「轉換股份」），即中富航空的34.22%股權，並出售轉換股份予新華航空以換取每股面值人民幣1元的97,850,000股新華航空股份；(ii)撤銷餘下總值111,151,515港元的中富航空A類、C類及D類可換股債權證（「餘下債權證」）的投資；(iii)撤銷其應收中富航空股東葉光先生（「葉先生」）的16,666,667港元承付票據（「承付票據」）全部本金額及應計利息的所有權利；及(iv)撤銷葉先生全資擁有的公司授出的購股權，據此可收購其於中富航空之權益（「購股權股份」）。

8. DERECOGNITION OF AVAILABLE-FOR-SALE FINANCIAL ASSETS AND OTHER RECEIVABLE

During the year, the Group entered into an agreement with Grand China Air Company Limited ("Grand China") (the "Grand China Agreement") and pursuant to which, among other things, the Group agreed to dispose of the 34.2% equity interest in CR Airways Limited (now known as Hong Kong Airlines Limited) (the "CR Airways") held by the Group at the consideration of HK\$190,000,000 in return for the 97,850,000 shares of Grand China of RMB1 each at RMB2 each (the "Grand China Shares").

In connection with the execution of the Grand China Agreement, the Group agreed to (i) convert a partial principal amount of HK\$62,181,818 of the CR Airways' Class A convertible debentures into 62,181,818 ordinary shares of HK\$1 each of CR Airways (the "Converted Shares"), which represented 34.22% of the equity holdings in CR Airways, and to dispose of the Converted Shares to Grand China in return for 97,850,000 shares of RMB1 each of Grand China; (ii) waive its remaining investments in CR Airways' Class A, Class C and Class D convertible debentures in the aggregate amount of HK\$111,151,515 (the "Remaining Debentures"); (iii) waive all its rights in relation to the entire principal amount and accrued interest of promissory note of HK\$16,666,667 (the "Promissory Note") due from Mr Yip Kwong ("Mr Yip"), shareholder of CR Airways and (iv) waive the option granted by a company wholly owned by Mr Yip to purchase its interests in CR Airways (the "Option Shares").



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8. 可供出售財務資產及其他應收款之取消確認 (續)

於二零零六年六月，本集團完成向新華航空轉讓轉換股份及撤銷餘下債權證、承付票據及購股權股份（該已轉讓已換股股份及已撤銷資產統稱「中富航空財務資產」）。然而，新華航空股份轉移至本集團的法定登記程序仍在處理中。本集團得到新華航空告知，新華航空在新華航空股份登記事宜上遭遇困難。此外，登記過程需要得到海南省當局批准，惟海南省當局並無明確支持新華航空股份的登記事宜。因此，目前尚未取得登記新華航空股份的法定批准，而本集團於本財務報告日期並未登記為新華航空的權益股東。於執行新華航空協議前，按新華航空協議規定，新華航空承諾出示中國法律意見，以實際確認在中國法例下，新華航空協議訂約方的意向及履約的合法性（「訂立前法律意見」）。訂立前法律意見已經出示及（其中包括）表明毋須就新華航空增加其註冊資本或取得轉換股份而得到新華航空股東或政府機關或機構的批准。經尋求本集團法律顧問的進一步專業意見後，本集團與新華航空現正磋商登記新華航空股份或採取其他補救措施，以及考慮對新華航空採取任何可能之法律行動（如有需要）。然而，本集團難以與新華航空進行磋商。

鑒於所有權存在不明朗因素及新華航空拒絕合作，本集團未能確認新華航空股份，因此決定取消確認中富航空財務資產。由於取消確認中富航空財務資產及未能確認新華航空股份，因此賬面值合計190,190,000港元的中富航空財務資產已於本年度內在收益表扣除。

8. DERECOGNITION OF AVAILABLE-FOR-SALE FINANCIAL ASSETS AND OTHER RECEIVABLE (continued)

In June 2006, the Group completed the transfer of the Converted Shares to Grand China and waived the Remaining Debentures, Promissory Note and Option Shares (the transferred Converted Shares and waived assets collectively referred to as the "CR Airways Financial Assets"). However, the statutory registration procedures of the Grand China Shares to the Group are still in progress. The Group was informed by Grand China that Grand China encountered difficulty in registration of the Grand China Shares. In addition, the registration process is required to have the approval of the local authority of Hainan Province, which did not expressly support the registration of the Grand China Shares. As a result, the statutory approval of the registration of the Grand China Shares has not been obtained and the Group is not registered as an equity shareholder of Grand China as of the date of financial statements. Prior to the execution of the Grand China Agreement, as stipulated under the Grand China Agreement, Grand China undertook to produce a PRC legal opinion confirming essentially, the legality of parties' intention and performance of the Grand China Agreement under the PRC laws (the "Pre-execution Legal Opinion"). The Pre-execution Legal Opinion was produced and among other things, stated that no approval was required from shareholders of Grand China or government authority or organisation for Grand China to increase its registered capital or obtain the Converted Shares. After seeking for further professional advices from the Group's legal advisers, the Group is in the process of negotiating with Grand China in respect of the registration of the Grand China Shares or other remedies and considering any possible legal action against Grand China, if necessary. However, the Group experienced difficulties in negotiating with Grand China.

In view of the title uncertainty and the lack of cooperation from Grand China, the Group did not recognise the Grand China Shares and made a decision to derecognise the CR Airways Financial Assets. As a result of the derecognition of the CR Airways Financial Assets and the failure to recognise the Grand China Shares, the carrying value of the CR Airways Financial Assets in the aggregate amount of HK\$190.19 million was charged to the income statements during the year.



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9. 財務成本

9. FINANCE COSTS

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Interest on bank borrowings wholly repayable within five years 須於五年內悉數償還之銀行借貸利息 | 36,753,441 | 7,917,251 |
| Interest on other borrowings 其他借貸利息 | 354,711 | 808,481 |
| | 37,108,152 | 8,725,732 |
| Fair value loss on financial instruments of interest rate swap contracts 財務工具於利率調期合約之公平值虧損 | 847,456 | – |
| | 37,955,608 | 8,725,732 |



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10. 所得稅前(虧損)/溢利

10. (LOSS)/PROFIT BEFORE INCOME TAX

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| (Loss)/profit before income tax is arrived at after charging/(crediting): | | |
| 所得稅前(虧損)/溢利已扣除/(計入)下列各項: | | |
| Impairment loss of goodwill | | |
| 商譽耗蝕虧損 | | |
| – arising on acquisition of associates | – | 35,963,702 |
| – 因收購聯營公司產生 | | |
| – arising on acquisition of subsidiaries | – | 1,037,788 |
| – 因收購附屬公司產生 | | |
| Excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of business combination | | |
| 收購人於被收購人可分辨資產、負債及或然負債公平值之權益 | | |
| 超過業務合併成本之數額 | – | (11,900,206) |
| Impairment of interest in associates | | |
| 於聯營公司權益之耗蝕 | 6,092 | – |
| Impairment of available-for-sale financial assets | | |
| 可供出售財務資產之耗蝕 | 16,401,802 | 20,228,149 |
| Auditors' remuneration | | |
| 核數師酬金 | | |
| – charge for the year | | |
| – 本年度 | 425,400 | 353,800 |
| – under provision in prior year | | |
| – 過往年度撥備不足 | – | 200,000 |
| Rentals receivable from investment properties less direct outgoings of HK\$6,905,476 (2005: HK\$1,320,705) | | |
| 自投資物業應收之租金減直接支銷6,905,476 港元(二零零五年: 1,320,705 港元) | 55,799,517 | 16,314,006 |
| Employee benefit expense (including directors' emoluments (note 16)) (note 15) | | |
| 僱員福利開支(包括董事酬金(附註16))(附註15) | 913,830 | 632,492 |
| Management fee (note 37) | | |
| 管理費用(附註37) | 13,306,316 | 11,288,498 |
| Exchange (gain)/loss | | |
| 滙兌(溢利)/虧損 | (30,250) | 1,691,290 |



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For the year ended 31st December, 2006

11. 所得稅開支

香港利得稅乃以本年度之估計應課稅溢利按稅率17.5% (二零零五年：17.5%) 計算撥備。

11. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits for the year.

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
| Current tax 本年度稅項 | | |
| Current year 本年度 | 1,072,418 | 221,122 |
| (Over)/under provision in prior years 過往年度撥備(過剩)/不足 | (195,000) | 65,000 |
| Deferred tax 遞延稅項 | 877,418 | 286,122 |
| | 1,621,591 | 2,937,761 |
| Total income tax expense 所得稅開支合計 | 2,499,009 | 3,223,883 |



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11. 所得稅開支(續)

所得稅開支與按適用稅率計算之所得稅前(虧損)
／溢利之對賬如下：

11. INCOME TAX EXPENSE (continued)

Reconciliation between income tax expense and (loss)/profit
before income tax at applicable tax rates is as follows:

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| (Loss)/profit before income tax 所得稅前(虧損)／溢利 | (113,096,709) | 149,928,971 |
| Tax calculated at the applicable rate of 17.5% (2005: 17.5%) 按適用稅率17.5%(二零零五年: 17.5%)計算之稅項 | (19,791,924) | 26,237,570 |
| Tax effect of non-deductible expenses 不可扣減開支之稅務影響 | 42,495,892 | 12,820,863 |
| Tax effect of non-taxable revenue 毋須課稅收入之稅務影響 | (23,804,940) | (35,899,550) |
| Tax effect of unused tax losses not recognised 未確認之未使用稅務虧損之稅務影響 | 3,794,981 | - |
| (Over)/under provision in respect of prior years 過往年度撥備(過剩)／不足 | (195,000) | 65,000 |
| Income tax expense 所得稅開支 | 2,499,009 | 3,223,883 |

12. 本公司股權持有人應佔(虧損)／溢利

本公司股權持有人應佔本年度綜合虧損
155,693,187港元(二零零五年: 溢利
144,661,745港元)·虧損181,798,136港元(二
零零五年: 虧損85,999,126港元)已於本公司之財務
報表內處理。

12. (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the consolidated loss for the year attributable to equity
holders of the Company of HK\$155,693,187 (2005: profit
of HK\$144,661,745), a loss of HK\$181,798,136 (2005: loss
of HK\$85,999,126) has been dealt with in the financial
statements of the Company.



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13. 股息

本集團已決議不派發截至二零零六年十二月三十一日止年度之股息。前一財政年度應佔、於本年度內批准及支付之股息為33,823,440港元，相等於每股普通股2港仙。

14. 每股(虧損)/盈利

每股基本(虧損)/盈利乃根據本公司股權持有人應佔虧損155,693,187港元(二零零五年：溢利144,661,745港元)及已發行普通股1,691,171,989股(二零零五年：1,691,171,989股)計算。

由於本集團並無具攤薄性潛在普通股，故並無呈列截至二零零六年及二零零五年十二月三十一日止年度之每股攤薄(虧損)/盈利。

15. 僱員福利開支(包括董事酬金)

13. DIVIDENDS

The Group had not declared any dividends during the year ended 31st December, 2006. The dividends attributable to the previous financial year, approved and paid during the year amounted to HK\$33,823,440 of HK2 cents per ordinary share.

14. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity holders of the Company of HK\$155,693,187 (2005: profit of HK\$144,661,745) and 1,691,171,989 (2005: 1,691,171,989) ordinary shares in issue.

Diluted (loss)/earnings per share for the years ended 31st December, 2006 and 2005 were not presented as there were no dilutive potential ordinary shares.

15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Basic salaries 基本薪金 | 809,000 | 590,492 |
| Discretionary bonuses 酌情花紅 | 85,830 | 80,000 |
| Contributions to defined contribution plans 定額供款計劃供款 | 19,000 | 12,000 |
| | 913,830 | 682,492 |



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16. 董事薪酬及高級管理人員酬金

16.1 董事酬金 – 執行董事及非執行董事

已付或應付董事之酬金如下：

16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

16.1 Directors' emoluments – Executive directors and non-executive directors

The emoluments paid or payable to the directors were as follows:

| | Fees 袍金 HK\$ 港元 | Other emoluments 其他酬金 HK\$ 港元 | Total 合計 HK\$ 港元 |
|---|--------------------------|---|---------------------------|
| Year ended 31st December, 2006 | | | |
| 截至二零零六年十二月三十一日止年度 | | | |
| <i>Executive directors</i> | | | |
| <i>執行董事</i> | | | |
| Fung Wing Cheung, Tony 馮永祥 | 20,000 | – | 20,000 |
| Fung Yiu Fai, Peter 馮耀輝 | 20,000 | – | 20,000 |
| Lee Wa Lun, Warren 李華倫 | 20,000 | – | 20,000 |
| Li Shi Liang (Deceased on 5th July, 2006) 李世亮 (於二零零六年七月五日逝世) | 20,000 | – | 20,000 |
| <i>Non-executive directors</i> | | | |
| <i>非執行董事</i> | | | |
| Lee Seng Hui 李成輝 | 70,000 | – | 70,000 |
| Lee Yip Wah, Peter 李業華 | 20,000 | – | 20,000 |
| <i>Independent non-executive directors</i> | | | |
| <i>獨立非執行董事</i> | | | |
| So Shu Fai, Ambrose 蘇樹輝 | 20,000 | – | 20,000 |
| Chow Yu Chun, Alexander 周宇俊 | 120,000 | – | 120,000 |
| Albert Ho 何振林 | 70,000 | – | 70,000 |
| | 380,000 | – | 380,000 |



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16. 董事薪酬及高級管理人員酬金(續)

16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

16.1 董事酬金 – 執行董事及非執行董事(續)

16.1 Directors' emoluments – Executive directors and non-executive directors (continued)

已付或應付董事之酬金如下：

The emoluments paid or payable to the directors were as follows:

| | Fees 袍金 HK\$ 港元 | Other emoluments 其他酬金 HK\$ 港元 | Total 合計 HK\$ 港元 |
|--|--------------------------|---|---------------------------|
| Year ended 31st December, 2005 截至二零零五年十二月三十一日止年度 | | | |
| <i>Executive directors</i> 執行董事 | | | |
| Fung Wing Cheung, Tony 馮永祥 | 20,000 | – | 20,000 |
| Fung Yiu Fai, Peter 馮耀輝 | 20,000 | – | 20,000 |
| Lee Wa Lun, Warren 李華倫 | 5,246 | – | 5,246 |
| Li Shi Liang (Deceased on 5th July, 2006) 李世亮(於二零零六年七月五日逝世) | 20,000 | – | 20,000 |
| <i>Non-executive directors</i> 非執行董事 | | | |
| Lee Seng Hui 李成輝 | 70,000 | – | 70,000 |
| Lee Yip Wah, Peter 李業華 | 20,000 | – | 20,000 |
| <i>Independent non-executive directors</i> 獨立非執行董事 | | | |
| So Shu Fai, Ambrose 蘇樹輝 | 20,000 | – | 20,000 |
| Chow Yu Chun, Alexander 周宇俊 | 120,000 | – | 120,000 |
| Albert Ho 何振林 | 55,246 | – | 55,246 |
| | 350,492 | – | 350,492 |



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

16. 董事薪酬及高級管理人員酬金(續)

16.1 董事酬金 – 執行董事及非執行董事(續)

於本年度內並無訂立安排致使董事放棄或同意放棄任何酬金。

16.2 五位最高薪酬人士

本年度本集團五位最高薪酬人士包括三名董事(二零零五年：四名)，其酬金已反映在上述分析內。其餘兩位(二零零五年：一位)僱員本年度的薪酬如下：

16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

16.1 Directors' emoluments – Executive directors and non-executive directors (continued)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

16.2 Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included three (2005: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2005: one) individuals during the year are as follows:

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Basic salaries 基本薪金 | 429,000 | 240,000 |
| Discretionary bonuses 酌情花紅 | 85,830 | 80,000 |
| Contributions to defined contribution plans 定額供款計劃供款 | 19,000 | 12,000 |
| | 533,830 | 332,000 |

餘下兩名(二零零五年：一名)人士之酬金介乎「零至1,000,000港元」之酬金組別內。

於截至二零零六年十二月三十一日止年度內，本集團並無向董事或餘下兩名(二零零五年：一名)最高薪人士支付酬金，作為加入或於加入本集團後之獎勵或離職補償。

The emoluments of the remaining two (2005: one) individual fell within the emolument band of "Nil – HK\$1,000,000".

During the year ended 31st December, 2006, no emoluments were paid by the Group to the directors or the remaining two (2005: one) highest paid individual as an inducement to join or upon joining the Group or as compensation for loss of office.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

17. 投資物業

本集團

根據經營租賃持有以賺取租金或旨在達到資本增值之本集團所有物業權益均採用公平值模式計量，並分類及入賬列作投資物業。

於綜合資產負債表呈列之賬面值變動概述如下：

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
| Carrying amount at 1st January 於一月一日之賬面值 | 1,020,113,993 | - |
| Arising on acquisition of a subsidiary 於收購附屬公司時產生 | - | 800,000,000 |
| Additions 添置 | 318,206,382 | 220,113,993 |
| Net gain from fair value adjustments 公平值調整所產生之收益淨額 | 1,679,625 | - |
| Carrying amount at 31st December 於十二月三十一日之賬面值 | 1,340,000,000 | 1,020,113,993 |

公平值為1,340,000,000港元(二零零五年十二月三十一日：800,000,000港元)之投資物業於二零零六年十二月三十一日由獨立專業估值師資產評值顧問有限公司根據市場價值基準估值。

銀行借貸713,909,140港元(二零零五年：445,171,016港元)乃以上述投資物業作為抵押(附註29)。

17. INVESTMENT PROPERTIES

Group

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model.

Changes to the carrying amounts presented in the consolidated balance sheet can be summarised as follows:

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
| Carrying amount at 1st January 於一月一日之賬面值 | 1,020,113,993 | - |
| Arising on acquisition of a subsidiary 於收購附屬公司時產生 | - | 800,000,000 |
| Additions 添置 | 318,206,382 | 220,113,993 |
| Net gain from fair value adjustments 公平值調整所產生之收益淨額 | 1,679,625 | - |
| Carrying amount at 31st December 於十二月三十一日之賬面值 | 1,340,000,000 | 1,020,113,993 |

The investment properties at fair values of HK\$1,340,000,000 (31st December, 2005: HK\$800,000,000) were valued at 31st December, 2006 by Asset Appraisal Limited, an independent firm of professional valuers, based on current prices in an active market.

Bank borrowings of HK\$713,909,140 (2005: HK\$445,171,016) are secured by the above investment properties (note 29).



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

17. 投資物業(續)

本集團

本集團之投資物業位於香港及根據下列租賃年期持有：

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|----------------------------|-----------------------------|-----------------------------|
| Long term leases 長期租賃 | 1,180,000,000 | 852,437,737 |
| Medium term leases 中期租賃 | 160,000,000 | 167,676,256 |
| | 1,340,000,000 | 1,020,113,993 |

18. 長期訂金

於二零零五年十二月三十一日，本集團之長期訂金指本集團就添置投資物業而支付之訂金。有關交易已於二零零六年十二月三十一日結算日前完成。

17. INVESTMENT PROPERTIES (continued)

Group

The Group's investment properties are situated in Hong Kong and are held under the following lease terms:

18. LONG TERM DEPOSITS

As at 31st December, 2005, the Group's long term deposit represents the deposit paid by the Group for the acquisition of investment properties. The transaction was completed during the year ended 31st December, 2006.

財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

19. 於附屬公司權益／應收(欠)附屬公司款項

19. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE FROM (TO) SUBSIDIARIES

| 本公司 | Company | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|---------|-----------------------------|-----------------------------|
| Unlisted shares, at cost 非上市股份，按成本 | | 2,574,031 | 2,574,034 |
| Less: Impairment loss recognised 減：已確認耗蝕虧損 | | (103,125) | (103,125) |
| | | 2,470,906 | 2,470,909 |
| Amounts due from subsidiaries 應收附屬公司款項 | | 729,027,894 | 864,345,788 |
| Less: Impairment loss recognised 減：已確認耗蝕虧損 | | (411,787,260) | (239,830,548) |
| Portion due within one year included under current assets 列作流動資產之一年內到期部份 | | 317,240,634 | 624,515,240 |
| Amounts due to subsidiaries, due within one year included under current liabilities 列作流動負債之一年內到期之欠附屬公司款項 | | (9,808,031) | (9,040,188) |

應收／(欠)附屬公司款項為無抵押、免息及須於要求時償還。因此，有關款額分類為流動資產／(負債)。

The amounts due from/(to) subsidiaries are unsecured, interest free and repayable on demand. Accordingly, the amounts are classified as current assets/(liabilities).



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截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

19. 於附屬公司權益／應收(欠)附屬公司款項(續)

本公司

以下為主要附屬公司於二零零六年十二月三十一日之詳情：

19. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE FROM (TO) SUBSIDIARIES (continued)

Company

Particulars of the principal subsidiaries at 31st December, 2006 are as follows:

| Name 公司名稱 | Place/Country of incorporation and kind of legal entity 註冊成立地點/ 國家及法律實體種類 | Particulars of issued share capital 已發行股本詳情 | Percentage of issued capital held by the Company 本公司持有之 已發行股本百分比 | | Principal activities and place of operations 主要業務及營業地點 |
|--|--|--|---|------------------|--|
| | | | Directly 直接 | Indirectly 間接 | |
| Asia Vision Holdings Limited 亞洲創見控股有限公司 | Hong Kong, limited liability company 香港， 有限責任公司 | 2 ordinary shares of HK\$0.01 each 2股普通股， 每股面值0.01港元 | 100% | – | Investment holding, Hong Kong 投資控股， 香港 |
| Capital Sharp Investment Limited 昌鍵投資有限公司 | Hong Kong, limited liability company 香港， 有限責任公司 | 2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元 | 100% | – | Investment holding, Hong Kong 投資控股， 香港 |
| Contana Investment Limited 家利投資有限公司 | Hong Kong, limited liability company 香港， 有限責任公司 | 2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元 | 100% | – | Investment holding, Hong Kong 投資控股， 香港 |
| IEC Investments Limited* | Hong Kong, limited liability company 香港， 有限責任公司 | 100,000 ordinary shares of HK\$1 each 100,000股普通股 每股面值1港元 | 60% | – | Investment holding, Hong Kong 投資控股， 香港 |
| Honnex Development Limited* 康恩發展有限公司* | Hong Kong, limited liability company 香港， 有限責任公司 | 980,000 ordinary shares of HK\$1 each 980,000股普通股 每股面值1港元 | – | 61.22% | Investment holding, property investment and letting, Hong Kong 投資控股， 物業投資及租賃，香港 |
| The Hong Kong Equity Guarantee Corporation Limited | Hong Kong, limited liability company 香港， 有限責任公司 | 2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元 | 100% | – | Investment holding, Hong Kong 投資控股， 香港 |

財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

19. 於附屬公司權益／應收(欠)附屬公司款項
(續)19. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE
FROM (TO) SUBSIDIARIES (continued)

| 本公司 Name 公司名稱 | Place/Country of incorporation and kind of legal entity 註冊成立地點/ 國家及法律實體種類 | Particulars of issued share capital 已發行股本詳情 | Percentage of issued capital held by the Company 本公司持有之 已發行股本百分比 | | Principal activities and place of operations 主要業務及營業地點 |
|--|--|---|---|------------------|--|
| | | | Directly 直接 | Indirectly 間接 | |
| Long Rainbow Limited 大利標有限公司 | Hong Kong, limited liability company 香港， 有限責任公司 | 2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元 | 100% | – | Investment holding, Hong Kong 投資控股， 香港 |
| Long Scene Limited 朗倩有限公司 | Hong Kong, limited liability company 香港， 有限責任公司 | 2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元 | 100% | – | Investment holding, Hong Kong 投資控股， 香港 |
| Long Set Investments Limited 朗式投資有限公司 | Hong Kong, limited liability company 香港， 有限責任公司 | 2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元 | 100% | – | Investment holding, Hong Kong 投資控股， 香港 |
| Longfine Investment Limited 朗利投資有限公司 | Hong Kong, limited liability company 香港， 有限責任公司 | 2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元 | 100% | – | Investment holding, Hong Kong 投資控股， 香港 |
| Longson Limited 朗星有限公司 | Hong Kong, limited liability company 香港， 有限責任公司 | 2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元 | 100% | – | Investment holding, Hong Kong 投資控股， 香港 |
| Mix Limited | Hong Kong, limited liability company 香港， 有限責任公司 | 1,400,000 ordinary shares of HK\$1 each 1,400,000股普通股， 每股面值1港元 | 100% | – | Investment holding, Hong Kong 投資控股， 香港 |



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For the year ended 31st December, 2006

19. 於附屬公司權益／應收(欠)附屬公司款項(續)

本公司

Place/Country of incorporation and kind of legal entity
註冊成立地點／國家及法律實體種類

Name
公司名稱

Particulars of issued share capital
已發行股本詳情

Percentage of issued capital held by the Company
本公司持有之已發行股本百分比

Directly
直接

Indirectly
間接

Principal activities and place of operations
主要業務及營業地點

| | | | | | |
|----------------|--------------------------------------|---------------------------------|------|---|-------------------------------|
| Odelon Limited | Hong Kong, limited liability company | 2 ordinary shares of HK\$1 each | 100% | – | Investment holding, Hong Kong |
| 協成利有限公司 | 香港, 有限責任公司 | 2股普通股, 每股面值1港元 | | | 投資控股, 香港 |

* 並非由均富會計師行作核數的附屬公司。

* Subsidiaries not audited by Grant Thornton.

董事會認為，上表列出之本公司附屬公司對本集團之本年度業績有重要影響或構成淨資產之主要部份。董事會認為，列出其他附屬公司詳情將導致資料過於冗長。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for 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.

20. 於聯營公司權益

本集團

Share of net assets
分估資產淨值

Goodwill
商譽

Loans to associates
向聯營公司提供之貸款

Less: Impairment loss
減：耗蝕虧損

20. INTERESTS IN ASSOCIATES

Group

2006
二零零六年
HK\$
港元

2005
二零零五年
HK\$
港元

| | | |
|--|---------------------|--------------|
| | 8 | 11,920,185 |
| | 35,963,702 | 35,963,702 |
| | 35,963,710 | 47,883,887 |
| | 25,636,188 | 25,636,188 |
| | 61,599,898 | 73,520,075 |
| | (61,599,898) | (61,593,806) |
| | – | 11,926,269 |

向聯營公司提供之貸款乃無抵押、不計利息及並無固定還款期。

The loans to associates are unsecured, interest free and no fixed terms of repayment.



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截至二零零六年十二月三十一日止年度

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For the year ended 31st December, 2006

20. 於聯營公司權益 (續)

本集團

於聯營公司之投資成本包括因於二零零五年十二月三十一日止年度收購一間聯營公司所產生之商譽35,963,702港元(二零零五年: 35,963,702港元)。商譽變動載列如下:

20. INTERESTS IN ASSOCIATES (continued)

Group

Included in the cost of investment in associates was goodwill of HK\$35,963,702 (2005: HK\$35,963,702) arising on acquisition of an associate during the year ended 31st December, 2005. The movement of goodwill is set out below:

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
| Carrying amount at 1st January 於一月一日之賬面值 | - | - |
| Arising from acquisition of an associate 因收購一間聯營公司所產生 | - | 35,963,702 |
| Impairment loss 耗蝕虧損 | - | (35,963,702) |
| Carrying amount at 31st December 於十二月三十一日之賬面值 | - | - |
| At 31st December 於十二月三十一日 | | |
| Gross amount 總值 | 35,963,702 | 35,963,702 |
| Accumulated impairment 累計耗蝕 | (35,963,702) | (35,963,702) |
| Carrying amount 賬面值 | - | - |



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截至二零零六年十二月三十一日止年度

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For the year ended 31st December, 2006

20. 於聯營公司之權益 (續)

本集團

於二零零六年十二月三十一日，聯營公司之詳情如下：

| Name 名稱 | Particulars of issued shares held 持有已發行股份之詳情 | Country of incorporation 註冊成立國家 | Principal activities 主要業務 | Group's equity interest 本集團之股本權益 |
|-----------------------------------|--|------------------------------------|---|-------------------------------------|
| China Power Investment Limited | 1 ordinary share of US\$ 1 each 1股普通股，每股面值1美元 | British Virgin Islands 英屬處女群島 | Dormant 暫無營業 | 50% |
| Long Vocation Investments Limited | 30 ordinary shares of US\$ 1 each 30股普通股，每股面值1美元 | British Virgin Islands 英屬處女群島 | Dormant 暫無營業 | 33.33% |
| Oriental Cashmere Limited | 2,000 ordinary shares of US\$1 each 2,000股普通股，每股面值1美元 | British Virgin Islands 英屬處女群島 | Manufacturing and trading of cashmere products 羊絨產品生產及貿易 | 25% |

有關於聯營公司權益之分佔本集團概要財務資料，現載列如下：

20. INTERESTS IN ASSOCIATES (continued)

Group

Particulars of the associates at 31st December, 2006 are as follows :

The summarised financial information in respect of the interests in associates attributable to the Group is set out below:

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
| Total assets 資產總值 | 33,523,468 | 76,253,702 |
| Total liabilities 負債總值 | (87,555,482) | (85,967,991) |
| Revenue 收入 | 61,186,765 | 65,374,163 |
| (Loss)/profit for the year 本年度(虧損)/溢利 | (44,591,525) | 805,076 |

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Notes to the Financial Statements

For the year ended 31st December, 2006

21. 於共同控權合資公司權益

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES

| | Group 本集團 | | Company 本公司 | |
|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
| Unlisted shares, at cost 非上市股份，按成本 | - | - | 40,000 | 40,000 |
| Share of net assets 攤佔資產淨值 | 1,438,648 | 40,000 | - | - |
| | 1,438,648 | 40,000 | 40,000 | 40,000 |

共同控權合資公司於二零零六年十二月三十一日之詳情如下：

Particulars of the jointly controlled entity at 31st December, 2006 are as follows:

| Name 名稱 | Particulars of issued shares held 所持已發行股份詳情 | Country of incorporation 註冊成立國家 | Group's equity interest 本集團股本 權益百分比 | Principal activities 主要業務 |
|---|--|---------------------------------------|---|--|
| AsiaWorld-Expo Management Limited (formerly known as IEC Operations Limited) 亞洲國際博覽館管理有限公司 (前稱IEC Operations Limited) | 80,000 Class A ordinary shares of HK\$1 each 20,000 Class B ordinary shares of HK\$1 each 80,000股每股面值1港元之A類普通股 20,000股每股面值1港元之B類普通股 | Hong Kong 香港 | 40% | Management and operation of exhibition facilities 管理及營運展覽設施 |



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Notes to the Financial Statements

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21. 於共同控權合資公司權益 (續)

有關於共同控權合資公司權益之分佔本集團概要財務資料，現載列如下：

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES (continued)

The summarised financial information in respect of the interests in jointly controlled entity attributable to the Group is set out below:

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|------------------------------|-----------------------------|-----------------------------|
| Total assets 資產總值 | 4,160,972 | 25,875,750 |
| Total liabilities 負債總值 | (2,722,324) | (25,875,750) |
| Revenue 收入 | 5,390,798 | - |
| Profit for the year 本年度溢利 | 4,458,157 | - |

22. 可供出售財務資產

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

| 本集團 | Group | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-------|-----------------------------|-----------------------------|
| Non-current 非流動 | | | |
| Listed equity securities (note 22.1) 上市股本證券(附註22.1) | | 105,687,326 | 69,662,368 |
| Unlisted equity and debt securities (note 22.2) 非上市股本及債務證券(附註22.2) | | 358,531,890 | 618,670,179 |
| | | 464,219,216 | 688,332,547 |
| Current 流動 | | | |
| Unlisted debt securities (note 22.2) 非上市債務證券(附註22.2) | | 663,000 | 4,412,500 |
| Total 合計 | | 464,882,216 | 692,745,047 |



財務報表附註

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22. 可供出售財務資產(續)

22.1 上市股本證券

就上市股本證券呈列之款額已參考於活躍市場之已刊載報價直接釐定。

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Listed equity securities 上市股本證券 | | |
| – Listed in Hong Kong – 於香港上市 | 28,573,377 | 15,294,312 |
| – Listed outside Hong Kong – 於海外上市 | 77,113,949 | 54,368,056 |
| | 105,687,326 | 69,662,368 |
| Market value of listed equity securities 上市股本證券之市值 | 105,687,326 | 69,622,368 |

此等財務資產須承受涉及價格風險之財務風險。

於二零零六年十二月三十一日於上市股本之重大投資詳情如下：

MYM High Yield Bond Trust (「MYMBT」)

MYMBT為一個於開曼群島註冊成立之槓桿式開放基金。基金之目標為透過主要投資於可在次級市場買賣之多元化高收益債券工具投資組合而達致中期資本增長，而有關債券工具均由在擁有完善及周全破產法例之國家登記及經營之公司發行。

於二零零六年十二月三十一日，本集團持有MYMBT之101.4612個單位(二零零五年：101.4612個單位)。投資成本約為2,921,000美元。年內並無收取股息(二零零五年：無)。根據於二零零六年十二月三十一日之每週報告，本集團應佔MYMBT之資產淨值約為3,668,000美元(二零零五年：3,181,000美元)。

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

22.1 Listed equity securities

The amounts presented for the listed equity securities have been determined directly by reference to published price quotations in active markets.

These financial assets are subject to financial risk exposure in terms of price risk.

Particulars of the major investment in listed equities at 31st December, 2006 are as follows:

MYM High Yield Bond Trust ("MYMBT")

MYMBT is a leveraged open-ended fund incorporated in the Cayman Islands. The Fund's objective is to achieve medium term capital growth through investments primarily in a diversified portfolio of high yield debt instruments available on the secondary market, issued by companies registered and operating in countries with well-developed and enforced bankruptcy laws;

As at 31st December, 2006, the Group held 101.4612 units (2005: 101.4612 units) in MYMBT. The cost of investment is approximately US\$2.921 million. No dividend was received during the year (2005: Nil). Based on the weekly report as at 31st December, 2006, our share of net asset value of MYMBT was approximately US\$3.668 million (2005: approximately US\$3.181 million).



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22. 可供出售財務資產 (續)

本集團 (續)

22.1 上市股本證券 (續)

MYMBT由MYM Management Limited (「MYMML」)管理。MYMML之一名董事亦為本公司之董事。

MYM China Trust (「MYMCT」)

MYMCT為一個於開曼群島註冊成立之開放信託基金。基金之目標為於表現較少波動之情況下達致絕對回報。基金投資於受到中國經濟直接影響之公司所發行之股本及股本相關工具，並透過衍生工具及積極之現金管理而進行對沖。

於二零零六年十二月三十一日，本集團持有MYMCT之136.097個單位(二零零五年：136.097個單位)。投資成本約為3,000,000美元。年內並無收取股息(二零零五年：無)。根據於二零零六年十二月三十一日之每週報告，本集團應佔MYMCT之資產淨值約為5,823,000美元(二零零五年：約為3,731,000美元)。

MYMCT由MYMML管理。MYMML之一名董事亦為本公司之董事。

Wagon Plc (「Wagon」)

Wagon為一間工程公司。該公司設計、建造及製造供主要汽車製造商使用之汽車產品及結構。產品包括捲簾、窗戶、車頂架、座位軸、行人控制系統、能源吸收裝置及供車床使用之油壓夾頭。

於二零零六年十二月三十一日，本集團持有Wagon之118,114(二零零五年：無)股股份，佔Wagon已發行股本之0.22%。投資成本約3,700,000港元。年內並無收取股息。根據Wagon於二零零六年十二月三十一日之年報，Wagon之淨資產約為87,900,000英鎊。於二零零六年十二月三十一日，投資於Wagon之市值約為180,000英鎊。

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

Group (continued)

22.1 Listed equity securities (continued)

MYMBT is managed by MYM Management Limited (「MYMML」). A director of MYMML is also a director of the Company.

MYM China Trust (「MYMCT」)

MYMCT is an open-ended trust incorporated in the Cayman Islands. The Fund's objective is to achieve absolute returns with low volatility. The Fund invests in equity and equity-related instruments of companies directly exposed to the China economy, and hedges through derivative instruments and active cash management.

As at 31st December, 2006, the Group held 136.097 units (2005: 136.097) in MYMCT. The cost of investment is approximately US\$3 million. No dividend was received during the year (2005: Nil). Based on the weekly report at 31st December, 2006, our share of net asset value of MYMCT was approximately US\$5.823 million (2005: approximately US\$3.731 million).

MYMCT is managed by MYMML. A director of MYMML is also a director of the Company.

Wagon Plc (「Wagon」)

Wagon is an engineering company. The Company designs, builds and manufactures automotive products and structures for major automobile manufactures. Products include roller sunblinds, windows, roof racks, seat rails, pedestrian control systems, energy absorption devices, and power chucks for machine tools.

As at 31st December, 2006, the Group currently held 118,114 shares (2005: Nil) in Wagon, representing 0.22% interest in the issued share capital of Wagon. The cost of investment is approximately HK\$3.7 million. No dividend was received during the year. Based on the annual report of Wagon at 31st March, 2006, the net assets of Wagon were approximately GBP87.9 million. As at 31st December, 2006, the market value of the investment in Wagon was approximately GBP0.18 million.



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22. 可供出售財務資產 (續)

本集團 (續)

22.1 上市股本證券 (續)

丹楓控股有限公司 (「丹楓」)

丹楓透過其附屬公司投資及發展物業，亦提供物業管理、融資服務及證券買賣。

於二零零六年十二月三十一日，本集團持有丹楓之51,431,000股(二零零五年：34,623,000股)股份，佔丹楓已發行股本之4.53%(二零零五年：3.05%)。年內並無收取股息。根據丹楓於二零零六年六月三十日之中期報告，丹楓之淨資產約為1,901,000,000港元。於二零零六年十二月三十一日，投資於丹楓之市值約為26,000,000港元(二零零五年：約為13,000,000港元)。

滙盈控股有限公司 (「滙盈」)

滙盈透過傳統方式及互聯網，以VC、CN及CEF品牌經營證券經紀、商品買賣及企業融資業務。

本集團持有滙盈之2,037,884股(二零零五年：3,637,884股)股份，佔滙盈已發行股本之0.8%(二零零五年：1.46%)。年內並無收取股息。根據滙盈於二零零六年十二月三十一日之年報，滙盈之淨資產約為193,000,000港元。於二零零六年十二月三十一日，投資於滙盈之市值約為2,340,000港元(二零零五年：約為1,960,000港元)。

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

Group (continued)

22.1 Listed equity securities (continued)

Dan Form Holdings Co Ltd (「Dan Form」)

Dan Form, through its subsidiaries, invests in and develops properties and also provides estate management, financing services, and trades securities.

As at 31st December, 2006, the Group held 51,431,000 shares (2005: 34,623,000) in Dan Form, representing 4.53% (2005: 3.05%) interest in the issued share capital of Dan Form. No dividend was received during the year. Based on the interim report of Dan Form at 30th June, 2006, the net assets of Dan Form were approximately HK\$1,901 million. As at 31st December, 2006, the market value of the investment in Dan Form was approximately HK\$26 million (2005: approximately HK\$13 million).

Value Convergence Holding Ltd (「Value」)

Value operates securities brokerage, commodities trading and corporate finance businesses under the VC CN and CEF brand names via traditional means and the Internet.

As at 31st December, 2006, the Group held 2,037,884 shares (2005: 3,637,884 shares) in Value, representing 0.8% (2005: 1.46%) interest in the issued share capital of Value. No dividend was received during the year. Based on the annual report of Value at 31st December, 2006, the net assets of Value were approximately HK\$193 million. As at 31st December, 2006, the market value of the investment in Value was approximately HK\$2.34 million (2005: approximately HK\$1.96 million).



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22. 可供出售財務資產 (續)

本集團 (續)

22.2 非上市股本及債務證券

於二零零六年十二月三十一日於非上市股本及債務證券之重大投資詳情如下：

Hong Kong IEC Limited (「HKIEC」)

本集團於HKIEC (其於香港註冊成立) 之投資超過本集團總資產之10%。於二零零六年十二月三十一日，本集團投資於HKIEC所發行合計352,941,176港元 (二零零五年：340,143,125港元) 之優先股。本集團透過HKIEC擁有亞洲國際博覽館 (位於香港國際機場之展覽中心) 之13.5%權益。

HKIEC之主要業務為發展及持有亞洲國際博覽館。

Werner Holdings Co Inc (「Werner」)

Werner透過其附屬公司製造及出售攀爬產品及鋁型材產品。該公司之產品包括鋁、玻璃纖維及木梯，以及棚架、工作台、厚木板、線型材產品及高精確度焊接零件。

本集團持有面值1,000,000美元之Werner債券 (「Werner債券」)。Werner債券於二零零七年到期，按票息率年息10%計息，並須每半年付息一次。穆迪給予Werner債券之信貸評級為WR。投資成本約為756,250美元。年內並無收取票息 (二零零五年：100,000美元)。於二零零六年十二月三十一日，投資於Werner債券之市值約為85,000美元 (二零零五年：約為290,000美元)。

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

Group (continued)

22.2 Unlisted equity and debt securities

Particulars of the major investment in unlisted equity and debt securities at 31st December, 2006 are as follows:

Hong Kong IEC Limited (「HKIEC」)

The Group's investment in HKIEC, which was incorporated in Hong Kong, excess 10% of the Group's total assets. The Group invested totally HK\$352,941,176 (2005: HK\$340,143,125) preference shares issued by HKIEC as at 31st December, 2006. The Group has 13.5% interest in HKIEC, which owns the AsiaWorld-Expo, the exhibition center at the Hong Kong International Airport.

The principal activities of HKIEC are development and holding of AsiaWorld-Expo.

Werner Holdings Co Inc (「Werner」)

Werner, through its subsidiary, manufactures and sells climbing products and aluminium extruded products. The company's products include aluminium, fibreglass, and wood ladders, as well as scaffolding, stages, planks, lineal extruded products, and highly-engineered fabricated parts.

The Group holds a nominal value of US\$1 million bond in Werner (the "Werner Bond"). The Werner Bond maturing in 2007 carries a coupon rate of 10% per annum payable semi-annually. Moody's credit rating of the Werner Bond is WR. The cost of investment is approximately US\$756,250. No coupon interest was received during the year (2005: US\$100,000). As at 31st December, 2006, the market value of the investment in the Werner Bond was approximately US\$0.085 million (2005: approximately US\$0.29 million).



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22. 可供出售財務資產 (續)

本集團 (續)

22.2 非上市股本及債務證券 (續)

Metaldyne Corporation (「Metaldyne」)

Metaldyne製造供全球汽車及運輸市場使用之金屬零件、配件及模組。該公司之零件、配件及模組用於汽車、卡車、小型客車、多用途汽車、商用卡車及城市汽車。

本集團持有面值500,000美元之Metaldyne債券(「Metaldyne債券」)。Metaldyne債券於二零一二年到期，按票息率年息11%計息，並須每半年付息一次。穆迪給予Metaldyne債券之信貸評級為Caa2。投資成本約為392,000美元。年內收取之票息約為550,000美元(二零零五年：550,000美元)。於二零零六年十二月三十一日，投資於Metaldyne債券之市值約為510,000美元(二零零五年：約為384,000美元)。

Tower Automotive Inc (「Tower」)

Tower設計及製造供汽車製造商使用之零件。該公司製造車架、底盤、懸掛零件及模組。

於二零零六年十二月三十一日，本集團持有面值1,000,000歐羅(二零零五年：1,000,000歐羅)之Tower債券(「Tower債券」)。Tower債券於二零一零年到期，按票息率年息9.25%計息，並須每半年付息一次。穆迪給予Tower債券之信貸評級為WR。投資成本約為900,000歐羅。年內並無收取票息(二零零五年：無)。於二零零六年十二月三十一日，投資於Tower債券之市值約為140,000歐羅(二零零五年：約為850,000歐羅)。

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

Group (continued)

22.2 Unlisted equity and debt securities (continued)

Metaldyne Corporation (「Metaldyne」)

Metaldyne manufactures metal-formed components, assembly, and modules for the global automotive and transportation markets. The company's components, assemblies, and modules are used in cars, trucks, minivans, sport utility vehicles, commercial trucks, and off-highway vehicles.

The Group holds a nominal value of US\$0.5 million bond in Metaldyne (the "Metaldyne Bond"). The Metaldyne Bond maturing in 2012 carries a coupon rate of 11% per annum payable semi-annually. Moody's credit rating of the Metaldyne Bond is Caa2. The cost of investment is approximately US\$0.392 million. Coupon interest of approximately US\$0.55 million was received during the year (2005: US\$0.55 million). As at 31st December, 2006, the market value of the investment in the Metaldyne Bond was approximately US\$0.51 million (2005: approximately US\$0.384 million).

Tower Automotive Inc (「Tower」)

Tower designs and produces parts for automobile manufacturers. The company produces body structures, lower vehicle structures, suspension components, and modules.

As at 31st December, 2006, the Group held a nominal value of EUR1 million (2005: EUR1 million) bond in Tower (the "Tower Bond"). The Tower Bond maturing in 2010 carries a coupon rate of 9.25% per annum payable semi-annually. Moody's credit rating of the Tower Bond is WR. The cost of investment is approximately EUR900,000. No coupon interest was received during the year (2005: Nil). As at 31st December, 2006, the market value of the investment in the Tower Bond was approximately EUR0.14 million (2005: approximately EUR0.85 million).



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23. 商譽

本集團

商譽賬面值之重大變動乃因收購IEC Investments Limited而產生。商譽之賬面淨值可分析如下：

23. GOODWILL

Group

The main changes in the carrying amounts of goodwill result from the acquisition of IEC Investments Limited. The net carrying amount of goodwill can be analysed as follows:

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| At 1st January 於一月一日 | | |
| Gross carrying amount 總賬面值 | 1,037,788 | - |
| Accumulated impairment 累計耗蝕 | (1,037,788) | - |
| Net carrying amount 賬面淨值 | - | - |
| Net carrying amount at 1st January 於一月一日之賬面淨值 | - | - |
| Arising from acquisition of a subsidiary 因收購附屬公司產生 | - | 1,037,788 |
| Impairment loss 耗蝕虧損 | - | (1,037,788) |
| Net carrying amount at 31st December 於十二月三十一日之賬面淨值 | - | - |
| At 31st December 於十二月三十一日 | | |
| Gross amount 總值 | 1,037,788 | 1,037,788 |
| Accumulated impairment 累計耗蝕 | (1,037,788) | (1,037,788) |
| Net carrying amount 賬面淨值 | - | - |

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24. 經營及其他應收款及已付按金

本集團

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|----------------------------|-----------------------------|-----------------------------|
| Trade receivables 經營應收款 | 1,481,108 | 512,501 |
| Other receivables 其他應收款 | 99,073,016 | 19,249,502 |
| Deposits paid 已付按金 | 578,953 | 461,752 |
| | 101,133,077 | 20,223,755 |

於二零零六年十二月三十一日，其他應收款包括一間關連公司之欠款97,037,901港元（二零零五年：無），即應收HKIEC之股息及利息（「應收HKIEC款項」）。馮永祥先生乃本公司及HKIEC之共同董事。該未償還金額乃無抵押，按香港發鈔銀行提供之港元最優惠平均貸款利率減2%計算利息，並以HKIEC於提供營運資金、轉撥至儲備及根據其預算作出其他準備後擁有之現金餘額償還。年內未償還之最高金額為97,037,901港元（二零零五年：無）。

於二零零六年十二月三十一日，應收HKIEC款項其中8,306,323港元指代表一間關連公司（其中馮永祥先生、馮耀輝先生及李華倫先生乃本公司及該關連公司之共同董事）之應收股息及利息。於二零零六年十二月三十一日，欠一間關連公司之款項計入其他應繳款（附註28）。

24. TRADE AND OTHER RECEIVABLES AND DEPOSITS PAID

Group

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|----------------------------|-----------------------------|-----------------------------|
| Trade receivables 經營應收款 | 1,481,108 | 512,501 |
| Other receivables 其他應收款 | 99,073,016 | 19,249,502 |
| Deposits paid 已付按金 | 578,953 | 461,752 |
| | 101,133,077 | 20,223,755 |

As at 31st December, 2006, included in other receivables was an amount due from a related company amounted to HK\$97,037,901 (2005: Nil), which represented dividend and interest receivables from HKIEC (the "Receivables from HKIEC"). Mr. Fung Wing Cheung, Tony is a common director of the Company and HKIEC. The amount due is unsecured, bearing interest at the average best lending rates offered to Hong Kong Dollars by note-issuing banks in Hong Kong less 2% and repayable when HKIEC has surplus cash after the provision of working capital, transfers to reserves and other provisions based on its budget. The maximum amount outstanding during the year was HK\$97,037,901 (2005: Nil).

As at 31st December, 2006, HK\$8,306,323 out of the Receivables from HKIEC related to the dividend and interest receivable on behalf of a related company in which Mr. Fung Wing Cheung, Tony, Mr. Fung Yiu Fai, Peter and Mr. Lee Wa Lun, Warren are common directors of the Company and the related company. As at 31st December, 2006, that amount due to a related company was included in other payables (note 28).



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24. 經營及其他應收款及已付按金(續)

本集團維持既定之信貸政策。以下為於結算日之經營應收款賬齡分析：

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--------------------------|-----------------------------|-----------------------------|
| 0 – 30 days 0 – 30日 | 1,401,982 | 471,324 |
| 31 – 60 days 31 – 60日 | 58,881 | 29,621 |
| 61 – 90 days 61 – 90日 | 15,184 | – |
| Over 90 days 90日以上 | 5,061 | 11,556 |
| | 1,481,108 | 512,501 |

25. 少數股東權益借款／貸款

少數股東權益之借款乃無抵押、免息及並無固定還款期。因此，該款項乃分類為流動資產。

來自少數股東權益之貸款乃無抵押、免息及毋須於結算日起計12個月內償還。因此，該款項乃分類為非流動負債。

24. TRADE AND OTHER RECEIVABLES AND DEPOSITS PAID (continued)

The Group maintains defined credit policies. The following is an ageing analysis of trade receivables at the balance sheet date:

25. LOANS TO/FROM MINORITY INTERESTS

Loans to minority interests are unsecured, interest free and repayable on demand. Accordingly, the loans are classified as current assets.

Loans from minority interests are unsecured, interest free and are not repayable in the next twelve months after the balance sheet date. Accordingly, the loans are classified as non-current liabilities.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

26. 按公平值列賬及在損益賬處理之財務資產

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

本集團

Group

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
| Debt securities listed outside Hong Kong 海外上市債務證券 | 17,082,000 | 7,868,250 |
| Market value of debt securities 債務證券之市值 | 17,082,000 | 7,868,250 |

上述財務資產分類為持作買賣。

The above financial assets are classified as held for trading.

Federal-Mogul Corporation (「Federal-Mogul」)

Federal-Mogul Corporation (「Federal-Mogul」)

Federal-Mogul製造及分銷輕型貨車、汽車、重型貨車、農場及建築工程車輛之零件及工業產品。Federal-Mogul向世界各地之原設備製造商推廣其產品。Federal-Mogul亦向修配用零部件市場製造及供應其產品。

Federal-Mogul manufactures and distributes components for light trucks, automobiles, heavy duty trucks, farm and construction vehicles, and industrial products. Federal-Mogul markets its products to original equipment manufacturers located worldwide. Federal-Mogul also manufactures and supplies its products to the aftermarket.

本集團持有票面值為3,000,000美元之Federal-Mogul債券(「Federal-Mogul債券」)。Federal-Mogul債券於二零零四年到期，票息為年息7.5%，每半年付息一次，於二零零四年到期及按新年票息0.5%續期。

The Group holds a nominal value of USD3,000,000 bond in Federal-Mogul (the "Federal-Mogul Bond"). The Federal-Mogul Bond maturing in 2004 carries a coupon rate of 7.5% per annum payable semi-annually matured in 2004 and renewed with a new coupon rate of 0.5% per annum.



財務報表附註

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Notes to the Financial Statements

For the year ended 31st December, 2006

26. 按公平值列賬及在損益賬處理之財務資產 (續)

投資成本約為715,000美元。票息約15,000美元已於本年度內收取(二零零五年: 15,000美元)。於二零零六年十二月三十一日, 投資於Federal-Mogul債券之市值約為2,190,000美元(二零零五年: 約為1,009,000美元)。

於結算日後, 該等債務證券以18,837,000港元出售。

27. 現金及現金等價物及作抵押銀行定期存款

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The cost of investment is approximately USD715,000. Coupon interest of approximately USD15,000 was received during the year (2005: USD15,000). As at 31st December, 2006, the market value of the investment in the Federal-Mogul Bond was approximately USD2,190,000 (2005: approximately USD1,009,000).

Subsequent to the balance sheet date, the debt securities have been disposed of amounting to HK\$18,837,000.

27. CASH AND CASH EQUIVALENTS AND PLEDGED BANK FIXED DEPOSITS

| | Group 本集團 | | Company 本公司 | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
| Cash and bank balances 現金及銀行結餘 | 3,193,738 | 3,137,210 | 197,704 | 192,821 |
| Time deposits 定期存款 | 150,222,990 | 19,187,626 | 93,207,971 | 2,342,306 |
| | 153,416,728 | 22,324,836 | 93,405,675 | 2,535,127 |
| Less: Pledged bank fixed deposits 減: 作抵押銀行定期存款 | (10,537,895) | (16,813,031) | - | - |
| Cash and cash equivalents 現金及現金等價物 | 142,878,833 | 5,511,805 | 93,405,675 | 2,535,127 |

銀行存款乃根據每日銀行存款利率按浮動利率賺取利息。短期定期存款之期間由一日至三個月不等, 視乎本集團之即時現金需要而定, 並按各自之短期定期存款年利率3.7%至5.225%(二零零五年: 2.45%至4.275%)賺取利息。現金及現金等價物及已抵押定期存款之賬面值大概相等於其公平值。

於二零零六年十二月三十一日, 銀行定期存款10,537,895港元(二零零五年: 16,813,031港元)已抵押予一間財務機構, 作為本集團獲授借貸融資之抵押, 有關融資已列作附註29之「借貸」。

Cash at banks earns interest at floating rates based on daily bank deposits rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposits rates of 3.7% to 5.225% (2005: 2.45% to 4.275%) per annum. The carrying amounts of the cash and cash equivalents and the pledged deposits approximates to their fair values.

As at 31st December, 2006, the bank fixed deposits of HK\$10,537,895 (2005: HK\$16,813,031) were pledged to a financial institution to secure borrowing facilities granted to the Group, which were included as "Borrowings" in note 29.

財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

28. 其他應繳款、應計費用及已收按金

28. OTHER PAYABLES, ACCRUED EXPENSES AND DEPOSITS RECEIVED

本集團

| | Group 本集團 | | Company 本公司 | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
| Other payables and accrued expenses 其他應繳款及應計費用 | 20,469,316 | 2,991,374 | 963,085 | 850,251 |
| Rental deposits received 已收取租務按金 | 5,612,535 | 8,868,792 | - | - |
| | 26,081,851 | 11,860,166 | 963,085 | 850,251 |

於二零零六年十二月三十一日，本集團之其他應繳款及應計費用包括欠一間關連公司之款項8,711,415港元(二零零五年：308,891港元)，其中8,306,323港元(二零零五年：無)指本集團代表一間關連公司應收之股息及利息。

於二零零六年十二月三十一日，本公司之其他應繳款及應計費用包括欠一間關連公司之款項405,092港元(二零零五年：308,891港元)。

馮永祥先生、馮耀輝先生及李華倫先生乃本公司及該關連公司之共同董事。欠該關連公司之款項為無抵押、免息及須於要求時償還。

As at 31st December, 2006, included in other payables and accrued expenses of the Group were amount due to a related company amounted to HK\$8,711,415 (2005: HK\$308,891) of which HK\$8,306,323 (2005: Nil) represented dividend and interest receivables by the Group on behalf of the related company.

As at 31st December, 2006, included in other payables and accrued expenses of the Company were amount due to a related company amounted to HK\$405,092 (2005: HK\$308,891).

Mr. Fung Wing Cheung, Tony, Mr. Fung Yiu Fai, Peter and Mr. Lee Wa Lun, Warren are common directors of the Company and the related company. The amount due to the related company is unsecured, interest-free and repayable on demand.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

29. 借貸

29. BORROWINGS

| 本集團 | Group | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-------|-----------------------------|-----------------------------|
| Secured 有抵押 | | | |
| Bank borrowings – floating rate 銀行借貸 — 浮息 | | 917,880,958 | 475,054,574 |
| Other borrowings – fixed rate 其他借貸 — 定息 | | 8,413,034 | 10,496,176 |
| | | 926,293,992 | 485,550,750 |
| Carrying amount repayable: 應償還賬面值： | | | |
| Within one year 一年內 | | 38,322,174 | 10,496,176 |
| More than one year, but not exceeding two years 一年以上但不超過兩年 | | 24,500,000 | 458,171,016 |
| More than two years, but not more than five years 兩年以上但不超過五年 | | 769,500,000 | 16,883,558 |
| More than five years 五年以上 | | 93,971,818 | – |
| | | 926,293,992 | 485,550,750 |
| Less: Amounts due within one year shown under current liabilities 減：一年內到期列作流動負債之款項 | | (38,322,174) | (10,496,176) |
| Amount due more than one year shown under non-current liabilities 一年以上到期列作非流動負債之款項 | | 887,971,818 | 475,054,574 |

於二零零六年十二月三十一日，銀行借貸以投資物業（附註17）、投資物業之應收租金及HKIEC應收款或HKIEC任何股東應付本公司附屬公司之款項作抵押，並由本公司、本公司之董事馮耀輝先生及本公司物業持有附屬公司之董事余國銓先生提供擔保。須於一年內償還之其他借貸8,413,034港元（二零零五年：10,496,176港元）以銀行定期存款（附註27）作抵押，並由本公司提供擔保。

As at 31st December, 2006, bank borrowings were secured by investment properties (note 17), rental receivables from those investment properties and receivables due from HKIEC or any shareholder of HKIEC to a subsidiary of the Company; and supported by guarantees provided by the Company, Mr. Fung Yiu Fai, Peter, a director of the Company. Mr. Yu Kwok Chuen, Eddie, a director of the properties holding subsidiary of the Company. Other borrowings of HK\$8,413,034 (2005: HK\$10,496,176) repayable within one year were secured by bank fixed deposits (note 27) and supported by guarantee provided by the Company.

財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

29. 借貸 (續)

於二零零五年十二月三十一日，銀行借貸330,000,000港元已分類為非流動負債，原因為本集團預期(及有酌情權)於結算日後將借貸滾存一年。

本集團

本集團於結算日借貸之實際利率(亦相等於合約利率)之範圍如下：

| | 2006 二零零六年 | 2005 二零零五年 |
|--|--|----------------------------------|
| Effective interest rate per annum: 實際年利率： | | |
| Fixed rate borrowings 定息借貸 | 2.86% to 4.18% | 2.93% to 3.17% |
| Floating rate borrowings 浮息借貸 | HIBOR + 0.62% to HIBOR + 2.3% | HIBOR + 0.75% to HIBOR + 2.3% |

借貸之賬面值約相等於其公平值。

The carrying amounts of the borrowings approximate their fair value.

借貸之賬面值以下列貨幣計值：

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

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|-------------------------|-----------------------------|-----------------------------|
| Hong Kong dollars 港元 | 917,880,958 | 475,054,574 |
| Euro 歐羅 | 8,413,034 | 10,496,176 |
| | 926,293,992 | 485,550,750 |

於本年度內，本集團訂立到期日分別為於二零零八年九月三十日及二零一零年九月三十日之兩份利率掉期合約，面值總額為100,000,000港元，按固定利率介乎每年4.3%至4.4%計算利息。訂立利率掉期合約乃用作重新調整因浮息借貸產生之風險波動。

During the year, the Group entered into two interest rate swap contracts of total notional amount of HK\$100 million at fixed interest rates ranged from 4.3% to 4.4% per annum with maturity date on 30th September, 2008 and 30th September, 2010, respectively. The interest rate swap contracts were entered into for the purpose of re-adjusting the exposure of the fluctuations arising from the floating interest rate of the borrowings.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

30. 股本

30. SHARE CAPITAL

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|--|-----------------------------|-----------------------------|
| Authorised: 法定： 2,100,000,000 (2005: 2,100,000,000) ordinary shares of HK\$0.1 each 2,100,000,000股 (二零零五年：2,100,000,000股) 每股面值0.10港元之普通股 | 210,000,000 | 210,000,000 |
| Issued and fully paid: 已發行及繳足： 1,691,171,989 (2005: 1,691,171,989) ordinary shares of HK\$0.1 each 1,691,171,989股 (二零零五年：1,691,171,989股) 每股面值0.10港元之普通股 | 169,117,199 | 169,117,199 |

31. 儲備

31. RESERVES

本集團

本集團之儲備款額及其於本年度與過往年度之變動情況於財務報表第38頁至第39頁之綜合權益變動表呈列。

根據中華人民共和國(「中國」)之有關法例及法規，本集團聯營公司所控制一間中國實體之部份盈利已轉撥至設定用途限制之儲備基金。

於二零零六年十二月三十一日，投資重估儲備指可供出售財務資產之公平值變動。

Group

The amount of the Group's reserves and the movements therein for the current and prior year are presented in the consolidated statement of changes in equity on pages 38 to 39 of the financial statements.

Pursuant to the relevant laws and regulations in the People's Republic of China ("PRC"), a portion of the profits of a PRC entity controlled by the Group's associate has been transferred to reserve funds which are restricted to use.

As at 31st December, 2006, investment revaluation reserve represents changes in fair value of available-for-sale financial assets.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

31. 儲備 (續)

本公司

31. RESERVES (continued)

Company

| | Share premium 股份溢價 HK\$ 港元 | Capital redemption reserve 資本贖回儲備 HK\$ 港元 | Retained earnings 保留盈利 HK\$ 港元 | Total 總額 HK\$ 港元 |
|--|-------------------------------------|--|---|---------------------------|
| At 1st January, 2005 二零零五年一月一日結算 | 311,582,062 | 4,031,600 | 221,163,796 | 536,777,458 |
| Loss for the year 本年度虧損 | - | - | (85,999,126) | (85,999,126) |
| 2005 proposed final dividend (note 13) 二零零五年度擬派末期股息(附註13) | - | - | (33,823,440) | (33,823,440) |
| At 31st December, 2005 and 1st January, 2006 二零零五年十二月三十一日及 二零零六年一月一日結算 | 311,582,062 | 4,031,600 | 101,341,230 | 416,954,892 |
| Loss for the year 本年度虧損 | - | - | (181,798,136) | (181,798,136) |
| At 31st December, 2006 二零零六年十二月三十一日結算 | 311,582,062 | 4,031,600 | (80,456,906) | 235,156,756 |

32. 每股資產淨值

每股資產淨值乃根據本公司股權持有人應佔資產淨值 732,331,045 港元 (二零零五年: 900,448,485 港元) 及於二零零六年十二月三十一日之已發行普通股 1,691,171,989 股 (二零零五年: 1,691,171,989 股) 計算。

32. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets attributable to the equity holders of the Company of HK\$732,331,045 (2005: HK\$900,448,485) and 1,691,171,989 (2005: 1,691,171,989) ordinary shares in issue as at 31st December, 2006.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

33. 遞延稅項負債

本集團

遞延稅項乃採用主要稅率17.5%(二零零五年: 17.5%)根據負債法就所有暫時差距計算。

本年度內之遞延稅項(資產)/負債變動如下:

| | Accelerated tax depreciation 加速稅項折舊 | | Fair value gain 公平值增加 | | Tax losses 稅務虧損 | | Total 合計 | |
|---|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
| At 1st January 於一月一日 | 2,642,085 | - | 64,580,192 | - | (343,514) | - | 66,878,763 | - |
| Arising from acquisition of a subsidiary 因收購附屬公司產生 | - | 1,812,829 | - | 64,580,192 | - | (2,452,019) | - | 63,941,002 |
| Charged/(credited) to income statement 於損益賬扣除/(計入) | 2,490,610 | 829,256 | - | - | (869,019) | 2,108,505 | 1,621,591 | 2,937,761 |
| At 31st December 於十二月三十一日 | 5,132,695 | 2,642,085 | 64,580,192 | 64,580,192 | (1,212,533) | (343,514) | 68,500,354 | 66,878,763 |

於二零零六年十二月三十一日，本集團已估計之未動用稅項虧損達21,685,606港元(二零零五年: 無)，可用作與產生該等虧損之公司之未來應課稅溢利互相抵銷。由於無法預測未來溢利來源，因此並無就該等稅項虧損確認遞延稅項資產。根據現行稅務法例，該等稅項虧損不會屆滿。於該日亦無重大未確認遞延稅項負債。

本公司

於二零零六年十二月三十一日，本公司無重大未確認遞延稅項資產及負債(二零零五年: 無)。

33. DEFERRED TAX LIABILITIES

Group

Deferred taxation is calculated on temporary differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%).

The movement in deferred tax (assets)/liabilities during the year is as follows:

As at 31st December, 2006, the Group has unused tax losses of HK\$21,685,606 (2005: Nil) available to offsetting against future taxable profits of the companies which incurred these losses. Deferred tax assets are not recognised in respect of these tax losses due to the unpredictability of future profit stream. These tax losses do not expire under current tax legislation. There were no material unrecognised deferred tax liabilities.

Company

The Company had no material unrecognised deferred tax assets and liabilities as at 31st December, 2006 (2005: Nil).



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

34. 未來營運租賃安排

於二零零六年十二月三十一日，本集團根據不可撤銷營運租賃之未來最低租賃收入總額如下：

本集團

| | 2006 | 2005 |
|--|----------------------------|----------------------------|
| | 二零零六年 <i>HK\$</i> 港元 | 二零零五年 <i>HK\$</i> 港元 |
| <u>Investment properties</u> 投資物業 | | |
| Amount receivable 應收款額 | | |
| Within one year 一年內 | 65,554,831 | 42,935,283 |
| In the second to fifth years 第二至第五年 | 39,864,243 | 10,743,739 |
| | 105,419,074 | 53,679,022 |

本集團根據初步為期一至兩年之營運租賃安排出租其投資物業(附註17)。租賃條款一般亦要求租戶支付保證按金。此等租賃概無包括或然租金。

本公司

本公司並無根據不可撤銷營運租賃收取之任何最低租賃收入。

34. FUTURE OPERATING LEASE ARRANGEMENTS

As at 31st December, 2006, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

Group

| | 2006 | 2005 |
|--|----------------------------|----------------------------|
| | 二零零六年 <i>HK\$</i> 港元 | 二零零五年 <i>HK\$</i> 港元 |
| <u>Investment properties</u> 投資物業 | | |
| Amount receivable 應收款額 | | |
| Within one year 一年內 | 65,554,831 | 42,935,283 |
| In the second to fifth years 第二至第五年 | 39,864,243 | 10,743,739 |
| | 105,419,074 | 53,679,022 |

The Group leases its investment properties (note 17) under operating lease arrangements which run for an initial period of one to two years. The terms of the leases generally also require the tenants to pay security deposits. None of the leases includes contingent rentals.

Company

The Company does not have any minimum lease receipts under non-cancellable operating leases.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

35. 資本承擔

本集團

本集團於結算日擁有下列資本承擔：

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Contracted but not provided for 已訂約，但未撥備 | | |
| Investment properties 投資物業 | - | 253,790,000 |
| Available-for-sale financial assets 可供出售財務資產 | - | 59,000,000 |
| | - | 312,790,000 |

本公司

本公司於二零零五年及二零零六年十二月三十一日並無任何重大承擔。

36. 財務擔保合約

本公司已簽訂金額約714,000,000港元(二零零五年：約為445,000,000港元)之擔保，作為就附屬公司到期償還之尚未償還債務而向銀行提供之抵押。

本公司向財務機構作出擔保，以供一間全資附屬公司獲提供金額不超過15,000,000美元(二零零五年：15,000,000美元)之借款融資。於二零零六年十二月三十一日之尚未償還債務約819,000歐羅(二零零五年：約1,100,000歐羅)。

根據有關擔保，倘擔保持有人未能收回貸款，則本公司有責任向彼等支付有關貸款。於結算日，本公司並無就擔保合約項下之責任作出撥備，皆因董事認為無法償還貸款之可能性不大，而有關貸款以於二零零六年十二月三十一日之價值分別為1,340,000,000港元及11,000,000港元之物業及定期存款作為抵押。

35. CAPITAL COMMITMENTS

Group

The Group had the following capital commitments at the balance sheet date:

| | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|
| Contracted but not provided for 已訂約，但未撥備 | | |
| Investment properties 投資物業 | - | 253,790,000 |
| Available-for-sale financial assets 可供出售財務資產 | - | 59,000,000 |
| | - | 312,790,000 |

Company

The Company does not have any significant commitments as at 31st December, 2005 and 2006.

36. FINANCIAL GUARANTEE CONTRACTS

The Company has executed a guarantee to a bank to secure the outstanding indebtedness due by a subsidiary amounting to approximating HK\$714 million (2005: approximately HK\$445 million).

The Company has executed a guarantee to a financial institution to secure the borrowing facilities available to a wholly-owned subsidiary in the amount not exceeding US\$15 million (2005: US\$15 million). The outstanding indebtedness at 31st December, 2006 was approximating Euro 819,000 (2005: approximating Euro 1.1 million).

Under the guarantees, the Company would be liable to pay the holders of these guarantees if they are unable to recover the loan. At the balance sheet date, no provision for the Company's obligation under the guarantee contract has been made as the directors considered that it was not probable that the loan would be in default and they were secured by the properties and fixed deposits with value of HK\$1,340 million and HK\$11 million, respectively at 31st December, 2006.



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37. 關連人士交易

- (a) 除於財務報表其他部份所披露者外，本集團於本年度內已進行下列重大關連人士交易：

37. RELATED PARTY TRANSACTIONS

- (a) Saved as these disclosed elsewhere in the financial statements, the Group had the following significant related party transactions during the year:

| | Group 本集團 | |
|--|-------------------|---------------|
| | 2006 二零零六年 | 2005 二零零五年 |
| | HK\$ 港元 | HK\$ 港元 |
| Management fee expenses to Yu Ming Investment Management Limited ("YMIM") 向禹銘投資管理有限公司(「禹銘投資管理」)支付之管理費開支 | 13,306,316 | 11,288,498 |

根據本集團與禹銘投資管理(其中馮永祥先生、馮耀輝先生及李華倫先生乃禹銘投資管理之董事及本公司之董事)於一九九七年三月五日訂立並經股東於一九九七年三月二十七日批准之管理協議(「現行投資管理協議」)，禹銘投資管理同意由一九九七年三月二十七日起計五年內協助董事會處理本集團之日常管理工作。禹銘投資管理有權收取投資管理費用，金額相等於每季最後一日之資產淨值之0.375%，以及獎金費用(如有)，金額相等於各財政年度完結後之經審核之除稅前綜合溢利(未計獎金費用前)減去本集團於該年度之每月平均資產淨值6%後之超出數額之20%。而計算投資管理費用及獎金費用時，本公司之聯營公司將不會按權益會計法計算入每季及每月平均資產淨值及綜合除稅前溢利。

Under the investment management agreement ("Existing Investment Management Agreement") approved by shareholders on 27th March, 1997 and dated 5th March, 1997 between the Group and YMIM, of which Mr. Fung Wing Cheung, Tony, Mr. Fung Yiu Fai, Peter and Mr. Lee Wa Lun, Warren are the directors of YMIM and the directors of the Company, YMIM agreed to assist the board of directors with the day-to-day management of the Group for a period of five years commencing 27th March, 1997. YMIM will be entitled to a management fee equal to 0.375% of the net asset value on each quarter date and an incentive fee equal to 20% of such amount (if any) by which the audited consolidated profit before tax for each financial year completed (before adjusting for the incentive fee) exceeds such amount as is equal to 6% of average monthly net asset value of the Group for each such financial year. For the calculation of management fee and incentive fee, the associated companies of the Group will not be equity accounted for the purpose of calculating such quarterly and average monthly net asset value and consolidated profit before tax.



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37. 關連人士交易 (續)

(a) (續)

在二零零二年三月四日，獨立股東批准一份補充協議（「補充協議」）延長現行管理協議之到期日，直至二零零七年三月三十一日。補充協議中，管理費用維持不變。在補充協議中的有效期限內，如本集團錄得累計虧損時，禹銘投資管理將不收取獎金費用。因而，該項獎金費用金額為截至每年度十二月三十一日止經審核之除稅前綜合溢利（未計獎金費用前），扣除補充協議中的有效期限內之累計虧損後，如有溢利，再減本集團每月平均綜合資產淨值6%後超出數額之20%。而計算投資管理費用及獎金費用時，本公司之聯營公司及共同控權合資公司將不會按權益會計法計算入每季及每月平均資產淨值及綜合除稅前溢利。於二零零五年及二零零六年十二月三十一日，禹銘投資管理並無收取獎金費用。

現行投資管理協議及補充協議所奉行之原則為獎金費用應按「已變現溢利」支付。協議並無預計須按照於二零零五年一月一日生效之新香港會計準則第40號「投資物業」之規定，將投資物業重估值於損益賬記錄入賬。

37. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

On 4th March, 2002, a supplemental agreement ("Supplemental Agreement") was approved by independent shareholders to extend the expiry date of the Existing Investment Management Agreement to 31st March, 2007. Under the Supplemental Agreement, the management fee remains unchanged. Pursuant to the Supplemental Agreement, YMIM will not be entitled to the incentive fee if the Group reports an accumulated loss during the term of the Supplemental Agreement at the time of the incentive fee computation. Therefore, the incentive fee will be equivalent to 20% of the amount by which the audited consolidated profit before tax for each year ending 31st December (before adjusting for the incentive fee), and after offsetting the accumulated loss during the term of the Supplemental Agreement, if any, exceeds 6% of the average monthly net asset value of the Group for such financial year. For the calculation of management fee and incentive fee, the associated companies and jointly controlled entity of the Group will not be equity accounted for the purpose of calculating such quarterly and average monthly net asset value and consolidated profit before tax. For the years ended 31st December, 2005 and 2006, no incentive fee was charged by YMIM.

The Existing Investment Management Agreement and the Supplemental Agreement were premised on the principle that incentive fee should be paid on "realised profit". The agreement had not anticipated the recording of investment properties revaluation through the income statement, as required by the new HKAS 40 "Investment Property" with effect from 1st January, 2005.



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37. 關連人士交易 (續)

(a) (續)

純粹就計算獎金費用而言，禹銘投資管理同意維持採納舊香港會計實務準則第13號「投資物業會計」，其中於重估投資物業產生之未變現收益（「未變現收益」）並不會於損益賬處理，但列作投資物業重估儲備變動。就最終出售有關投資物業而言，就先前估值之已變現投資物業重估儲備有關部份將撥回損益賬。因此，於計算獎金費用時不應計入於損益賬確認之任何未變現收益，反而應根據銷售價超過於實際出售有關投資物業時之收購成本之餘額計算。

然而，由於本集團在二零零五年已就應佔聯營公司業績物業重估盈餘記錄會計溢利，因此即使有關物業於隨後年度以遠高於其收購成本之價格出售，亦可能不會在該年度錄得會計溢利。於該情況下，獎金費用乃按照（其中包括）該項「已變現」溢利仍然將於出售年度支付予禹銘投資管理之基準計算，而毋須理會本集團於該年度之申報溢利。

- (b) 此外，本集團佔用禹銘投資管理之辦公室空間，並按照現行管理協議補償禹銘投資管理之辦公室及設備開支之40%。該等補償禹銘投資管理開支之金額為896,144港元（二零零五年：780,752港元）。本集團徵用由禹銘投資管理僱用之若干名職員，並分別補償禹銘投資管理於二零零六年之職員成本為466,966港元（二零零五年：453,354港元）。該等補償費用乃計入綜合損益賬之「行政及其他經營開支」。

37. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

For the computation of incentive fee, YMIM proposes to maintain the adoption of the old Hong Kong Statement of Standard Accounting Practice 13 "Accounting for Investment properties" in which the unrealised gain arising from the revaluation of investment properties (the "Unrealised Gain") is not dealt with in the income statement, but as movements in the investment property revaluation reserve. On the disposal of the relevant investment properties, the relevant portion of the investment property revaluation reserve realised in respect of the previous valuations will be released to the income statement. As a result, the computation of the incentive fee should not take into account any unrealised gain recognised in the income statement but should be based on the surplus of the sale price over the acquisition costs at the time the relevant investment properties are actually disposed of.

However, as the Group already recorded an accounting profit for property revaluation surplus in share of results of associates in 2005, it is possible that no accounting profit would be reported when the relevant properties are disposed of in a subsequent year at a price well above its acquisition cost. In that case, an incentive fee computed on, inter alia, the basis of such "realised" disposal profit would still be payable to YMIM in the year of the disposal, irrespective of the Group's reported profit in that year.

- (b) The Group occupies office space of YMIM and reimburses to YMIM 40% of its office and equipment expenses in accordance with the Existing Investment Management Agreement. Such expenses reimbursed to YMIM during the year ended 31st December, 2006 amounted to HK\$896,144 (2005: HK\$780,752). The Group utilised certain staff employed by YMIM and reimbursed staff costs of HK\$466,966 to YMIM for 2006 (2005: HK\$453,354). Such reimbursed costs are included in "Administrative and other Operating Expenses" on the face of the consolidated income statement.



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37. 關連人士交易 (續)

- (c) 於二零零六年十二月三十一日，本集團擁有下列信託單位權益：

| | 2006 二零零六年 | | 2005 二零零五年 | |
|---------------------------|---------------|------------|---------------|------------|
| | Units 股數 | HK\$ 港元 | Units 股數 | HK\$ 港元 |
| MYM China Trust | 136.0970 | 45,424,856 | 136.0970 | 29,101,937 |
| MYM High Yield Bond Trust | 101.4612 | 28,615,821 | 101.4612 | 24,813,948 |

兩項信託均由 MYM Management Limited (「MYMML」) 管理，其中馮永祥先生為 MYMML 之董事，及為本公司之董事及股東。

- (d) 本集團已向禹銘投資管理支付行政費用 180,000 港元 (二零零五年：180,100 港元) 及無需支付顧問費用 (二零零五年：250,000 港元)。
- (e) 作為授予本集團之銀行貸款之部份抵押品，馮耀輝先生，本公司之董事已向銀行提供個人擔保。
- (f) 截至二零零六年十二月三十一日，馮永祥先生已向本公司附屬公司康恩發展有限公司 (「康恩」) 提供墊款 8,460,163 港元 (二零零五年：8,443,401 港元)，其中馮永祥先生為康恩及本公司之董事及股東。給康恩之貸款為無抵押、免息及無固定還款期。
- (g) 截至二零零六年十二月三十一日止年度內，本集團之少數股東 Marking Limited 收取顧問費用 480,000 港元 (二零零五年：480,000 港元) 及佣金零港元 (二零零五年：900,000 港元)。余國銓先生為 Marking Limited 之股東。
- (h) 於二零零五年七月四日，本公司與禹銘投資管理訂立買賣協議，內容有關 YMIM 向本公司轉讓 IEC Investments Limited 之 22.15% 股本權益。交易已獲得本公司股東於二零零五年八月十二日批准。

37. RELATED PARTY TRANSACTIONS (continued)

- (c) As at 31st December, 2006, the Group had the following interests in units of the following trusts:

| | 2006 二零零六年 | | 2005 二零零五年 | |
|---------------------------|---------------|------------|---------------|------------|
| | Units 股數 | HK\$ 港元 | Units 股數 | HK\$ 港元 |
| MYM China Trust | 136.0970 | 45,424,856 | 136.0970 | 29,101,937 |
| MYM High Yield Bond Trust | 101.4612 | 28,615,821 | 101.4612 | 24,813,948 |

Both trusts are managed by MYM Management Limited (「MYMML」) of which Mr. Fung Wing Cheung, Tony is the director of MYMML, and the director and shareholder of the Company.

- (d) The Group has been charged an administrative fee of HK\$180,000 (2005: HK\$180,100) and advisory fee of HK\$Nil (2005: HK\$250,000) by YMIM.
- (e) As part of security for the bank borrowings granted to the Group, a personal guarantee from Mr. Fung Yiu Fai, Peter, a director of the Company is provided to the bank.
- (f) As at 31st December, 2006, HK\$8,460,163 (2005: HK\$8,443,401) advanced by Mr. Fung Wing Cheung, Tony to Honnex Development Limited (「Honnex」), a subsidiary of the Company, of which Mr. Fung Wing Cheung, Tony is a director and shareholder of both Honnex and the Company. The loan to Honnex is unsecured, interest free and has no fixed repayment terms.
- (g) During the year ended 31st December, 2006, consultancy fee of HK\$480,000 (2005: HK\$480,000) and commission of HK\$Nil (2005: HK\$900,000) were charged by Marking Limited, a minority shareholder of the Group. Mr. Yu Kwok Chuen, Eddie is a shareholder of Marking Limited.
- (h) On 4th July, 2005, the Company entered into a sale and purchase agreement with YMIM in relation to the transfer of the 22.15% equity interest in IEC Investments Limited from YMIM to the Company. The transaction had been approved by shareholders of the Company on 12th August, 2005.



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38. 風險管理目的及政策

本集團面對多項來自其經營及投資業務之不同形式之財務風險。本集團之整體風險管理計劃針對金融市場無法預測之特性，以及尋求盡量減少對本集團財務表現可能造成之不利影響。

38.1 市場風險

本集團面對來自股本證券及債務證券之風險，乃於綜合資產負債表內分類為可供出售財務資產或按公平值列賬及在損益賬中處理之財務資產。該等證券較易受到市場價格風險所影響，而該等風險則由於與該等工具之未來價格存在着不確定因素而產生。

38.2 信貸風險

本集團面對信貸風險，即交易對手未能於款項到期時支付之風險。於結算日產生之虧損(如有)乃作出耗蝕撥備。本集團負責監察任何財務機構面對之信貸風險款額。

本集團因對手方未能履行其於二零零六年十二月三十一日之責任而承擔有關各級別已確認財務資產之最高信貸風險為綜合資產負債表所述該等資產之賬面值。為盡量減低信貸風險，本集團管理層於各結算日審閱個別債務之可收回金額，以確保就無法收回金額作出足夠之耗蝕虧損。就此而言，董事會認為本集團之信貸風險已顯著減少。

38. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

38.1 Market price risk

The Group is exposed to equity securities and debt securities which are classified in the consolidated balance sheet either as available-for-sale financial assets or financial assets at fair value through profit or loss. They are susceptible to market price risk arising from uncertainties about the future prices of the instruments.

38.2 Credit risk

The Group takes an exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any. The Group is responsible for monitoring the amount of credit exposure to any financial institution.

The Group's maximum exposure to credit risk in the event of the counter parties failure to perform their obligations as at 31st December, 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group review the recoverable amount of each individual debt at each balance sheet date to ensure that adequate impairment loss are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.



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38. 風險管理目的及政策 (續)

38.2 信貸風險 (續)

本集團並無顯著集中之信貸風險，而有關風險已分散至多名對手方及客戶。

38.3 流動資金風險

本集團投資於上市及非上市兩類證券。由於該等上市證券在受規管之證券交易所上市，故被視為易於變現。該等非上市證券可能並非於架構完善之公開市場買賣，故流通量可能不足。因此，本集團可能無法以接近此等工具公平值之款額迅速變賣於此等工具之投資，以應付本集團之流動資金需要或回應特定事件（例如任何特定發行人之信貸水平惡化）。審慎之流動資金風險管理即維持充裕之現金及可銷售之證券、透過足夠之信貸融資以提供資金及結算市場頭寸之頭力。

38.4 現金流量及公平值利率風險

由於本集團擁有大量付息資產及按浮息發行之長期借貸，因此本集團於其財務狀況及現金流量方面承受與目前市場利率水平波動影響有關之風險。

38. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

38.2 Credit risk (continued)

The Group has no significant concentration of credit risk, with exposure spread over a number of counter parties and customers.

38.3 Liquidity risk

The Group invests in both listed and unlisted securities. Those listed securities are considered readily realisable as they are listed in regulated stock exchanges. Those unlisted securities may not be traded in an organized public market and may be illiquid. As a result, the Group may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions.

38.4 Cash flow and fair value interest rate risk

The Group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows since the Group has significant interest-bearing assets and long-term borrowings issued at variable rates.



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38. 風險管理目的及政策 (續)

38.4 現金流量及公平值利率風險 (續)

現金流量利率風險乃透過衍生財務工具管理。本集團訂立利率掉期以對沖其於部份借貸公平值變動之風險。以港元計值之利率掉期已訂立以達致一個定息與浮息利率風險之概約組合。掉期於未來二至四年到期，配合相關貸款之到期日及擁有定期掉期利率介乎4.3%至4.4%（二零零五年：4.3%至4.4%）。於二零零六年十二月三十一日，本集團擁有一名義合約款額100,000,000港元（二零零五年：100,000,000港元）之利率掉期。

38.5 貨幣風險

本集團持有港元以外貨幣列值之可供出售財務資產。由於以其他貨幣列值之證券及外幣之價值將因匯率變動而出現波動，本集團因此面對貨幣風險。

38.6 公平值

本集團財務資產及負債之公平值與其賬面值並無重大差異，皆因此等財務工具均為即時到期或短期內到期。非流動負債之公平值並無披露，原因為賬面值與公平值並無重大差異。

38. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

38.4 Cash flow and fair value interest rate risk(continued)

The cash flow interest rate risks are managed by means of derivative financial instruments. The Group entered into interest rate swaps to hedge against its exposures to changes in fair values for some of the borrowings. Interest rate swaps, denominated in Hong Kong dollars, have been entered into to achieve an approximate mix of fixed and floating rate exposure. The swaps mature over the next 2 to 4 years matching the maturity of the related loans and have fixed swap rates ranging from 4.3% to 4.4% (2005: 4.3% to 4.4%). As at 31st December, 2006, the Group had interest rate swaps with a notional contract amount of HK\$100 million (2005: HK\$100 million).

38.5 Currency risk

The Group holds available-for-sale financial assets denominated in currencies other than HK dollars. The Group is therefore exposed to currency risk, as the value of the securities and foreign currencies will fluctuate due to the changes in exchange rates.

38.6 Fair values

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



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

39. 業務合併

(a) 康恩發展有限公司

於二零零五年九月五日，本集團將其於康恩發展有限公司（「康恩」）之股權由30%增加至61.22%，該公司先前為本集團之聯營公司。康恩於二零零五年九月五日至二零零五年十二月三十一日期間為本集團貢獻收入17,634,711港元及淨利潤8,198,531港元。倘收購於二零零五年一月一日發生，則本集團於本年度之收入及溢利將分別為67,867,408港元及352,548,538港元。備考資料僅供參考，並非必然顯示倘收購事項已於二零零五年一月一日完成而將可達致之本集團收入及營運業績，亦無意用作預測未來業績。

39. BUSINESS COMBINATION

(a) Honnex Development Limited

On 5th September, 2005, the Group's shareholdings in Honnex Development Limited ("Honnex") increased from 30% to 61.22%, which was formerly an associate of the Group. Honnex contributed revenue of HK\$17,634,711 and net profit of HK\$8,198,531 to the Group for the period from 5th September, 2005 to 31st December, 2005. If the acquisition had occurred on 1st January, 2005, the Group's revenue and profit for the year would have been HK\$67,867,408 and HK\$352,548,538 respectively. The proforma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had acquisition been completed on 1st January, 2005, nor is it intended to be a projection of future results.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

39. 業務合併(續)

(a) 康恩發展有限公司(續)

所收購資產及負債如下：

39. BUSINESS COMBINATION (continued)

(a) Honnex Development Limited (continued)

The assets and liabilities acquired are as follows:

| | Fair value 公平值 HK\$ 港元 | Acquiree's carrying amount 被收購人之賬面值 HK\$ 港元 |
|---|---------------------------------|---|
| Investment properties 投資物業 | 800,000,000 | 800,000,000 |
| Long term deposit 長期訂金 | 35,000,240 | 35,000,240 |
| Trade and other receivables and deposits paid 經營及其他應收款及已付按金 | 3,673,642 | 3,673,642 |
| Cash and cash equivalents 現金及現金等價物 | 462,971 | 462,971 |
| Borrowings 借貸 | (144,715,000) | (144,715,000) |
| Other payables, accrued expenses and deposits received 其他應繳款、應計費用及已收按金 | (13,763,139) | (13,763,139) |
| Taxation payable 應繳稅項 | (30,739,645) | (30,739,645) |
| Loans from shareholders 股東提供之貸款 | (176,993,428) | (176,993,428) |
| Deferred tax liabilities 遞延稅項負債 | (63,941,002) | (63,941,002) |
| | <u>408,984,639</u> | <u>408,984,639</u> |
| Minority interests 少數股東權益 | (150,253,386) | |
| Interests in the associate at the date it became a subsidiary 於聯營公司成為附屬公司日期之權益 | (226,037,136) | |
| Net assets acquired 已收購資產淨值 | <u>32,694,117</u> | |
| Excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of business combination 收購人於被收購人可分辨資產、負債及或然負債公平值 之權益超過業務合併成本之數額 | <u>(11,900,206)</u> | |
| Consideration 代價 | <u>20,793,911</u> | |



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

39. 業務合併 (續)

(a) 康恩發展有限公司 (續)

Satisfied by:

支付方式：

Total cash paid

已付全部現金

72,000,000

Less: Repayment of loans due to minority interests
on behalf of the subsidiary acquired

減：代表所收購附屬公司償還欠少數股東權益貸款

(51,206,089)

Cash paid for acquisition of additional equity interests

收購額外股本權益已付之現金

20,793,911

Net cash outflow arising on acquisition:

因收購產生之現金流出淨額：

Cash consideration paid

已付現金代價

72,000,000

Cash and cash equivalents in a subsidiary acquired

於所收購附屬公司之現金及現金等價物

(462,971)

71,537,029

收購人於被收購人可分辨資產、負債及或然負債公平值之權益超過業務合併成本之數額乃源自收購康恩少數股東權益之折讓。

The excess of acquirer's interest in the net fair value of acquiree's identified assets, liabilities and contingent liabilities over cost of business combination is attributable to the discount on the acquisition of the minority stake in Honnex.

(b) IEC Investments Limited

於二零零五年九月九日，本集團將其於IEC Investments Limited之股權由37.85%增加至60%，該公司先前為本集團之共同控權合資公司。IEC Investments Limited於二零零五年九月九日至二零零五年十二月三十一日期間為本集團貢獻收入2,783港元及淨損失2,839,199港元。倘收購均於二零零五年一月一日發生，則本集團於本年度之收入及溢利將分別為35,473,390港元及146,668,373港元。備考資料僅供參考，並非必然顯示倘收購事項已於二零零五年一月一日完成而將可達致之本集團收入及營運業績，亦無意用作預測未來業績。

(b) IEC Investments Limited

On 9th September, 2005, the Group increased its shareholdings in IEC Investments Limited from 37.85% to 60%, which was formerly a jointly controlled entity of the Group. IEC Investments Limited contributed revenue of HK\$2,783 and net loss of HK\$2,839,199 to the Group for the period from 9th September, 2005 to 31st December, 2005. If the acquisition had occurred on 1st January, 2005, the Group's revenue and profit for the year would have been HK\$35,473,390 and HK\$146,668,373 respectively. The proforma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had acquisition been completed on 1st January, 2005, nor is it intended to be a projection of future results.



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

39. 業務合併(續)

(b) IEC Investments Limited (續)

所收購之資產及負債如下：

39. BUSINESS COMBINATION (continued)

(b) IEC Investments Limited (continued)

The assets and liabilities acquired are as follows:

| | Fair value 公平值 HK\$ 港元 | Acquiree's carrying amount 被收購人之賬面值 HK\$ 港元 |
|--|---------------------------------|---|
| Available-for-sale financial assets 可供出售財務資產 | 313,028,719 | 313,028,719 |
| Trade and other receivables and deposits paid 經營及其他應收款及已付按金 | 2,736 | 2,736 |
| Cash and cash equivalents 現金及現金等價物 | 16,266 | 16,266 |
| Other payables, accrued expenses and deposits received 其他應繳款、應計費用及已收按金 | (15,087) | (15,087) |
| Loans from shareholders 股東貸款 | (313,027,219) | (313,027,219) |
| | 5,415 | 5,415 |
| Minority interests 少數股東權益 | 8,599 | |
| Interests in the jointly controlled entity at the date its became a subsidiary 於共同控權合資公司成為附屬公司當日之權益 | 8,136 | |
| Net assets acquired 所收購資產淨值 | 22,150 | |
| Goodwill on acquisition 收購之商譽 | 1,037,788 | |
| Consideration 代價 | 1,059,938 | |



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

39. 業務合併 (續)

(b) IEC Investments Limited (續)

39. BUSINESS COMBINATION (continued)

(b) IEC Investments Limited (continued)

HK\$
港元

Satisfied by:

支付方式：

Total cash paid

已付全部現金

70,395,467

Less: Repayment of loans due to minority interests
on behalf of the subsidiary acquired

減：代表所收購附屬公司償還欠少數股東權益貸款

(69,335,529)

Cash paid for acquisition of additional equity interests

收購額外股本權益已付之現金

1,059,938

Net cash outflow arising on acquisition :

因收購產生之現金流出淨額：

Cash consideration paid

已付現金代價

70,395,467

Cash and cash equivalents in a subsidiary acquired

於所收購附屬公司之現金及現金等價物

(16,266)

70,379,201

於截至二零零六年十二月三十一日止年
度並無收購事項。

There were no acquisitions in the year ended 31st
December, 2006.



五年財政概要

Five Year Financial Summary

| | Year ended 31st December, 截至十二月三十一日止年度 | | | | |
|---|---|-------------|-------------|---------------|---------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| | 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 |
| | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Results: | | | | | |
| 業績： | | | | | |
| Profit/(loss) attributable to equity holders of the Company | | | | | |
| 本公司股權持有人 應佔溢利／（虧損） | 18,379,605 | 143,401,200 | 39,377,902 | 144,661,745 | (155,693,187) |
| | | | | | |
| | As at 31st December, 於十二月三十一日 | | | | |
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| | 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 |
| | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Assets and liabilities: | | | | | |
| 資產及負債： | | | | | |
| Current assets | 350,524,442 | 536,628,076 | 190,230,695 | 54,829,341 | 297,894,805 |
| 流動資產 | | | | | |
| Total assets | 643,113,833 | 808,951,310 | 809,103,071 | 1,806,720,712 | 2,103,552,669 |
| 資產總值 | | | | | |
| Current liabilities | 19,641,279 | 107,724,723 | 47,578,233 | 49,189,066 | 87,400,044 |
| 流動負債 | | | | | |
| Total liabilities | 19,641,279 | 107,724,723 | 47,578,233 | 753,984,097 | 1,178,836,025 |
| 負債總額 | | | | | |
| Equity | | | | | |
| 權益 | 623,471,023 | 701,226,587 | 761,524,838 | 1,052,736,615 | 924,716,644 |



本集團持有之物業

Properties held by the Group

| Name/location 名稱／地點 | Type 種類 | Attributable interest of the Group 本集團 應佔權益 | Tenure 租期 |
|--|------------------------------------|--|-----------------------|
| Various shop units on Ground, 1 st , 2 nd and 3 rd floors of portion B, Argyle Centre, Phase I, No. 688 Nathan Road, No. 65 Argyle Street, Mongkok, Kowloon. 九龍旺角 彌敦道688號 亞皆老街65號 旺角中心一期B座地下、一樓、 二樓及三樓多個商舖單位 | Commercial premises 商用物業 | 61.22% 61.22% | Long-term 長期 |
| Shops A and B on Ground Floor of Po Wing Building Nos. 61, 63, 65, 67, 71 & 73 Lee Garden Road and Nos. 108, 110, 112, 116, 118 & 120 Percival Street, 1st and 2nd Floor of Po Wing Building No. 69 Lee Garden Road and No. 114 Percival Street and Flat No. S on 12th Floor & Flat Roof of Po Wing Building No. 69 Lee Garden Road, Hong Kong. 香港利園山道 61、63、65、67、71及73號 及波斯富街108、110、112、116、 118及120樓寶榮大樓地下 A及B商舖單位； 利園山道69號及波斯富街114號寶榮大樓 1樓及2樓；及利園山道69號12樓S單位連天台 | Commercial premises 商用物業 | 61.22% 61.22% | Long-term 長期 |
| Shops 1, 2, 3 and 4 on 2 nd Floor, and Shops on 3 rd Floor of Ginza Plaza, No. 2A Sai Yeung Choi Street South, Kowloon. 九龍 西洋菜南街2A號 銀城廣場2樓1、2、3及4號商舖 及3樓商舖 | Commercial premises 商用物業 | 61.22% 61.22% | Medium-term 中期 |



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