

禹銘投資



06

Interim Report



YU MING INVESTMENTS LIMITED

Stock Code 股份代號: 666



CORPORATE INFORMATION 公司資料

CHAIRMAN

Fung Wing Cheung, Tony*

主席

馮永祥*

MANAGING DIRECTOR

Fung Yiu Fai, Peter*

董事總經理

馮耀輝*

DIRECTORS

Lee Wa Lun, Warren*

Lee Seng Hui#

Lee Yip Wah, Peter#

So Shu Fai, Ambrose†

Chow Yu Chun, Alexander†

Albert Ho†

董事

李華倫*

李成輝#

李業華#

蘇樹輝†

周宇俊†

何振林†

* members of the Executive Committee

non-executive directors

† independent non-executive directors

* 執行委員會成員

非執行董事

† 獨立非執行董事

SECRETARY

Lee Yip Wah, Peter

秘書

李業華

AUDITORS

Grant Thornton

核數師

均富會計師行

SOLICITORS

Richards Butler

Woo, Kwan, Lee & Lo

律師

齊伯禮律師行

胡關李羅律師行

BANKERS

ABN AMRO Bank N.V.

Bank of Tokyo-Mitsubishi UFJ

CITIC Ka Wah Bank Limited

Industrial and Commercial Bank of China (Asia) Limited

The Bank of East Asia Limited

Wing Hang Bank Limited

銀行

荷蘭銀行

三菱東京UFJ銀行

中信嘉華銀行有限公司

中國工商銀行(亞洲)有限公司

東亞銀行有限公司

永亨銀行有限公司

REGISTERED OFFICE

1001, 10th Floor

AON China Building

29 Queen's Road Central

Hong Kong

註冊辦事處

香港

皇后大道中29號

怡安華人行

10樓1001室

REGISTRARS AND TRANSFER OFFICE

Secretaries Limited

26th Floor, Tesbury Centre

28 Queen's Road East, Wanchai

Hong Kong

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

金鐘滙中心26樓

STOCK CODE

The Stock Exchange of Hong Kong Limited: 666

股份代號

香港聯合交易所有限公司：666



RESULTS 業績

The Board of Directors of Yu Ming Investments Limited (the “Company”) is pleased to present the Interim Report and unaudited condensed financial statements of the Company and its subsidiaries (the “Group”) for the six-months ended 30th June, 2006. The consolidated results, consolidated cash flow statement and consolidated statement of changes in equity for the Group for the six-months ended 30th June, 2006, and the consolidated balance sheet as at 30th June, 2006 of the Group, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 3 to 24 of this report.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed financial statements for the six months ended 30th June, 2006 with the directors. In addition, the Group’s external auditors have reviewed the unaudited condensed financial statements set out on pages 3 to 24 in accordance with Statements of Auditing Standards 700 “Engagements to review interim financial reports” issued by the Hong Kong Institute of Certified Public Accountants.

禹銘投資有限公司(「本公司」)董事會欣然提呈本公司及其附屬公司(「本集團」)截至二零零六年六月三十日止六個月之中期報告及未經審核簡明財務報表。本集團截至二零零六年六月三十日止六個月之綜合業績、綜合現金流量表及綜合權益變動表，以及本集團於二零零六年六月三十日結算之綜合資產負債表，全部均為未經審核及以簡明賬目編製，連同選定之說明附註均載於本報告第3至24頁。

審核委員會已經與管理層審閱本集團所採納之會計原則及方法，並與董事討論有關內部監控及財務報告事宜，包括審閱截至二零零六年六月三十日止六個月之未經審核簡明財務報表。再者，本集團之外聘用核數師已按香港會計師公會頒佈之核數準則第700號「聘任審閱中期財務報告」審閱載於第3至24頁之未經審核簡明財務報表。



CONDENSED CONSOLIDATED INCOME STATEMENT 簡明綜合損益表

For the six months ended 30th June, 2006 截至二零零六年六月三十日止六個月

| | | Unaudited 未經審核 | |
|---|-------------------------------|---|----------------------|
| | | Six months ended 30th June, 截至六月三十日止六個月 | |
| | | 2006 二零零六年 | 2005 二零零五年 |
| | | HK\$ 港元 | HK\$ 港元 |
| | Notes 附註 | | |
| Revenue | 收入 | 5 53,978,550 | 9,248,818 |
| Other income | 其他收入 | | |
| Sundry income | 雜項收入 | 3,260,554 | 566,168 |
| | | <u>57,239,104</u> | <u>9,814,986</u> |
| Expenses | 費用 | | |
| Management fee expenses | 管理費用 | 6,832,130 | 5,247,830 |
| Other operating expenses | 其他經營費用 | 15,878,012 | 2,033,804 |
| Net exchange (gain)/loss | 滙兌(收益)/虧損淨額 | (12,271) | 1,269,659 |
| | | <u>22,697,871</u> | <u>8,551,293</u> |
| | | 34,541,233 | 1,263,693 |
| 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 | 6,687,266 | 12,319,533 |
| Fair value gain/(loss) 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/(虧損) | 5,703,750 | (1,638,000) |
| Fair value gain on investment properties | 投資物業之公平值收益 | 3,254,111 | - |
| | | <u>50,186,360</u> | 11,945,226 |
| Operating profit | 經營溢利 | 50,186,360 | 11,945,226 |
| Finance costs | 財務成本 | 7 (17,326,051) | (501,485) |
| Share of results of associates | 分佔業績： 聯營公司 | (1,688,011) | 176,904,411 |
| jointly controlled entities | 共同控制權合資公司 | 945,542 | - |
| | | <u>32,117,840</u> | 188,348,152 |
| Profit before income tax | 所得稅前溢利 | 8 32,117,840 | 188,348,152 |
| Income tax expense | 所得稅開支 | 9 (1,303,811) | (65,000) |
| | | <u>30,814,029</u> | <u>188,283,152</u> |
| Profit for the period | 本期間溢利 | 30,814,029 | 188,283,152 |
| Attributable to: | 歸屬： | | |
| - Equity holders of the Company | - 本公司股權持有人 | 21,518,252 | 188,283,152 |
| - Minority interests | - 少數股東權益 | 9,295,777 | - |
| | | <u>30,814,029</u> | <u>188,283,152</u> |
| Profit for the period | 本期間溢利 | 30,814,029 | 188,283,152 |
| Earnings per share | 每股盈利 | 10 | |
| - Basic (in cents) | - 基本(仙) | 1.27 | 11.13 |
| - Diluted | - 攤薄 | N/A 不適用 | N/A 不適用 |
| Dividends | 股息 | 11 - | - |

CONDENSED CONSOLIDATED BALANCE SHEET 簡明綜合資產負債表

As at 30th June, 2006 二零零六年六月三十日結算

| | | | Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 |
|--|--------------------|-------------|---|--|
| | | Notes 附註 | HK\$ 港元 | HK\$ 港元 |
| Non-current assets | 非流動資產 | | | |
| Investment properties | 投資物業 | 12 | 1,325,000,000 | 1,020,113,993 |
| Long term deposit | 長期訂金 | | - | 31,478,562 |
| Interests in associates | 於聯營公司權益 | | 10,238,258 | 11,926,269 |
| Interests in jointly-controlled entities | 於共同控制權合資公司權益 | | 799,460 | 40,000 |
| Available-for-sale financial assets | 可供出售財務資產 | 13 | 644,574,333 | 688,332,547 |
| | | | <u>1,980,612,051</u> | <u>1,751,891,371</u> |
| 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 | 14 | 23,698,679 | 20,223,755 |
| Available-for-sale financial assets | 可供出售財務資產 | 13 | 6,000,000 | 4,412,500 |
| 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 | | 13,572,000 | 7,868,250 |
| Pledged bank fixed deposits | 作抵押銀行定期存款 | 15 | 9,387,035 | 16,813,031 |
| Cash and cash equivalents | 現金及現金等價物 | 15 | 67,169,950 | 5,511,805 |
| | | | 119,827,664 | 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 | 16 | 14,064,053 | 11,551,275 |
| Amount due to a related company | 欠一間有關連公司款項 | | 300,000 | 308,891 |
| Borrowings | 借貸 | 17 | 41,219,609 | 10,496,176 |
| Taxation payable | 應繳稅項 | | 25,834,380 | 26,832,724 |
| | | | 81,418,042 | 49,189,066 |
| Net current assets | 流動資產淨值 | | <u>38,409,622</u> | <u>5,640,275</u> |
| Total assets less current liabilities | 資產總值減流動負債 | | 2,019,021,673 | 1,757,531,646 |



CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED) 簡明綜合資產負債表 (續)

As at 30th June, 2006 二零零六年六月三十日結算

| | | Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 |
|---|-----------------------|--|--|
| | | Notes 附註 HK\$ 港元 | HK\$ 港元 |
| Non-current liabilities | 非流動負債 | | |
| Borrowings | 借貸 | 17 742,241,132 | 475,054,574 |
| Loans from minority interests | 少數股東權益貸款 | 146,993,480 | 157,391,656 |
| Rental deposits received | 已收租務訂金 | 5,024,220 | 5,470,038 |
| Deferred tax liabilities | 遞延稅項負債 | 67,801,161 | 66,878,763 |
| | | 962,059,993 | 704,795,031 |
| Net assets | 資產淨值 | 1,056,961,680 | 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 | 18 169,117,199 | 169,117,199 |
| Reserves | 儲備 | 726,260,574 | 697,507,846 |
| Proposed dividend | 擬派股息 | - | 33,823,440 |
| | | 895,377,773 | 900,448,485 |
| Minority interests | 少數股東權益 | 161,583,907 | 152,288,130 |
| Total equity | 股本權益總值 | 1,056,961,680 | 1,052,736,615 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 簡明綜合權益變動表

For the six months ended 30th June, 2006 截至二零零六年六月三十日止六個月

| | | Unaudited 未經審核 | | | | | | | | |
|---|---------------------|--|---------------|----------------------------|------------------------------|--------------------------------|-------------------|-------------------|--------------------|---------------|
| | | Equity attributable to equity holders of the Company 本公司股權持有人應佔股本權益 | | | | | | | | |
| | | Share capital | Share premium | Capital redemption reserve | Capital contribution reserve | Investment revaluation reserve | Proposed dividend | Retained earnings | Minority Interests | Total |
| | | 股本 | 股份溢價 | 資本贖回儲備 | 資本撥入儲備 | 投資重估儲備 | 擬派股息 | 保留盈利 | 少數股東權益 | 總額 |
| | | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 |
| 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 | 152,288,130 | 1,052,736,615 |
| Realisation of revaluation deficit 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虧損 | - | - | - | - | (3,089,222) | - | - | - | (3,089,222) |
| Fair value gain on available-for-sale financial assets | 可供出售財務資產之公平值收益 | - | - | - | - | 10,323,698 | - | - | - | 10,323,698 |
| Net income recognised directly in equity | 於股本權益直接確認之收入淨額 | - | - | - | - | 7,234,476 | - | - | - | 7,234,476 |
| Profit for the period | 本期間溢利 | - | - | - | - | - | - | 21,518,252 | 9,295,777 | 30,814,029 |
| Total recognised income and expense for the period | 本期間已確認收入及開支總額 | - | - | - | - | 7,234,476 | - | 21,518,252 | 9,295,777 | 38,048,505 |
| 2005 Final dividend paid | 二零零五年已派股息 | - | - | - | - | - | (33,823,440) | - | - | (33,823,440) |
| | | - | - | - | - | 7,234,476 | (33,823,440) | 21,518,252 | 9,295,777 | 4,225,065 |
| At 30th June, 2006 | 二零零六年六月三十日結算 | 169,117,199 | 311,582,062 | 4,031,600 | 366,772 | 22,139,284 | - | 388,140,856 | 161,583,907 | 1,056,961,680 |

| | | Unaudited 未經審核 | | | | | | | | |
|--|----------------|--|---------------|----------------------------|------------------------------|--------------------------------|-------------------|-------------------|--------------------|--------------|
| | | Equity attributable to equity holders of the Company 本公司股權持有人應佔股本權益 | | | | | | | | |
| | | Share capital | Share premium | Capital redemption reserve | Capital contribution reserve | Investment revaluation reserve | Proposed dividend | Retained earnings | Minority Interests | Total |
| | | 股本 | 股份溢價 | 資本贖回儲備 | 資本撥入儲備 | 投資重估儲備 | 擬派股息 | 保留盈利 | 少數股東權益 | 總額 |
| | | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 | HKS 港元 |
| 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 |
| Fair value loss on available-for-sale financial assets | 可供出售財務資產之公平值虧損 | - | - | - | - | (25,670,408) | - | - | - | (25,670,408) |
| Net expense recognised directly in equity | 於股本權益直接確認之開支淨額 | - | - | - | - | (25,670,408) | - | - | - | (25,670,408) |
| Profit for the period | 本期間溢利 | - | - | - | - | - | - | 188,283,152 | - | 188,283,152 |
| Total recognised income and expense for the period | 本期間已確認收入及開支總額 | - | - | - | - | (25,670,408) | - | 188,283,152 | - | 162,612,744 |
| At 30th June, 2005 | 二零零五年六月三十日結算 | 169,117,199 | 311,582,062 | 4,031,600 | - | (4,660,730) | - | 444,067,451 | - | 924,137,582 |



CONDENSED CONSOLIDATED CASH FLOW STATEMENT 簡明綜合現金流量表

For the six months ended 30th June, 2006 截至二零零六年六月三十日止六個月

| | | Unaudited 未經審核 | |
|---|-----------------------|--|-----------------------------|
| | | Six months ended 30th June, 截至六月三十日止六個月 | |
| | | 2006 二零零六年 HK\$ 港元 | 2005 二零零五年 HK\$ 港元 |
| Net cash generated from operating activities | 經營業務產生之現金淨額 | 4,159,554 | 16,600,092 |
| Net cash (used in)/generated from investing activities | 投資業務(耗用)/產生之現金淨額 | (196,189,784) | 73,816,795 |
| Net cash generated from/(used in) financing activities | 融資活動產生/(耗用)之現金淨額 | 253,688,375 | (18,248,191) |
| Increase in cash and cash equivalents | 現金及現金等價物之增加 | 61,658,145 | 72,168,696 |
| Cash and cash equivalents as 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 as at 30th June | 於六月三十日之現金及現金等價物 | 67,169,950 | 80,165,325 |
| Analysis of balances of cash and cash equivalents | 現金及現金等價物結餘之分析 | | |
| Non-pledged fixed deposits at banks with original maturity less than three months | 原先到期日少於三個月之非作抵押銀行定期存款 | 65,847,573 | 79,881,049 |
| Bank balances and cash | 銀行結餘及現金 | 1,322,377 | 284,276 |
| | | 67,169,950 | 80,165,325 |



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

1. General information and basis of preparation

Yu Ming Investments Limited (the “Company”) is a limited liability company incorporated 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.

Principal activities of the Company and its subsidiaries (the “Group”) include the investments in listed and unlisted securities and properties.

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

The unaudited condensed consolidated financial statements for the six-months ended 30th June, 2006 were approved by the board of directors on 28th August, 2006.

2. Accounting policies

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis except for certain investment properties and financial instruments, which are measured at fair values, as appropriate.

The accounting policies adopted in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st December, 2005 except as described below.

In the current interim period, the Group has adopted, for the first time, a number of new standards, amendments and interpretations (hereafter collectively referred to as the “new HKFRSs”) issued by the HKICPA, which are effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006.

The adoption of these new HKFRSs has had no material effect on how the results of operations and financial position of the Group are prepared and presented.

1. 一般資料及編製基準

禹銘投資有限公司(「本公司」)乃於香港註冊成立之有限公司。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上市。

本公司及其附屬公司(「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。

本未經審核簡明綜合財務報表乃按照香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16之適用披露規定及香港會計師公會(「會計師公會」)頒布之香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。

截至二零零六年六月三十日止六個月之未經審核簡明綜合財務報表已經由董事會於二零零六年八月二十八日批准。

2. 會計政策

未經審核簡明綜合財務報表乃按歷史成本法編製，惟按公平值(如適用)計算之若干投資物業及金融工具除外。

簡明綜合財務報表採納之會計政策與編製本集團截至二零零五年十二月三十一日止年度之全年財務報表所用者一致，惟下述者除外。

於本中期期間，本集團首次應用由會計師公會頒佈之多項新準則、修訂及詮釋(以下統稱「新香港財務報告準則」)，該等準則均於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效。

應用該等新香港財務報告準則並無對本集團經營業績及財務狀況之編製及呈列方式構成任何重大影響。



2. Accounting policies (continued)

The Group has not early adopted the following new HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing the potential impact of these new HKFRSs but not yet in a position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

| | |
|--------------------|---|
| HKAS 1 (Amendment) | Presentation of financial statements: Capital disclosures ¹ |
| HKFRS 7 | Financial instruments: Disclosures ¹ |
| 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 derivatives ⁴ |

- 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.

Comparative figures have been reclassified to conform with the current period's presentation.

2. 會計政策(續)

本集團並無提早應用下列已頒佈但尚未生效之新財務報告準則。本集團正評估該等新香港財務報告準則之潛在影響，惟尚未能確定該等新香港財務報告準則對經營業績及財務狀況之編製及呈列方式會否構成重大影響。該等新香港財務報告準則或會導致日後業績及財務狀況之編製及呈列方式出現變動。

| | |
|--------------------------------|---|
| 香港會計準則 第1號(修訂本) | 財務報表呈列方式： 股本披露 ¹ |
| 香港財務報告準則 第7號 | 金融工具：披露 ¹ |
| 香港(國際財務 報告詮釋委員會) — 詮釋第7號 | 根據香港會計準則第 29號惡性通貨膨脹 經濟體中之財務報告 採用重列法 ² |
| 香港(國際財務報告 詮釋委員會) — 詮釋第8號 | 香港財務報告準則第 2號之範圍 ³ |
| 香港(國際財務報告 詮釋委員會) — 詮釋第9號 | 重新評估內含衍生 工具 ⁴ |

- 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。

比較數字已重新分類以符合現期間之呈列方式。



3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market price risk, credit risk, liquidity risk, interest rate risk and currency risk. 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.

(a) *Market price risk*

The Group is exposed to equity securities and debt securities which are classified on the consolidated balance sheet either as available-for-sale financial assets or financial assets at fair value through profit or loss. These are susceptible to market price risk arising from uncertainties about the future prices of the instruments. The Group's market price risk is managed through diversification of the investment portfolio ratios by exposures.

(b) *Credit risk*

The Group takes on 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.

(c) *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.

3. 財務風險管理

3.1 財務風險因素

本集團業務面對多項不同形式之財務風險：市場風險、信貸風險、流動資金風險、利率風險及貨幣風險。本集團之整體風險管理計劃專注於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。

(a) *市場風險*

本集團持有之股本證券及債務證券，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有關之不確定因素而產生。本集團之市場價格風險乃透過按風險計算之投資組合比例進行多元化管理。

(b) *信貸風險*

本集團面對之信貸風險乃交易對手方將無法全數支付到期應付款項之風險。於結算日已產生之虧損(如有)乃提撥減值準備。本集團負責監察對任何金融機構承擔之信貸風險款額。

(c) *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，意味著維持足夠現金及有價證券、透過款額充裕之信貸融資以維持可供動用資金，及結算市場頭寸之能力。



3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(d) *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 rate.

(e) *Currency risk*

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

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:

(a) *Estimated impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy. The recoverable amounts of the relevant cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(d) *利率風險*

由於本集團擁有大量計息資產及按浮息發行之長期借貸，本集團面對因目前市場利率水平波動對其財務狀況及現金流量造成影響之有關風險。

(e) *貨幣風險*

本集團持有港元(功能貨幣)以外貨幣列值之資產。由於以其他貨幣列值之證券及外幣借貸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。

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：

(a) *估計商譽耗蝕*

本集團根據會計政策每年測試商譽是否蒙受任何耗蝕。有關現金產生單位之可收回款額已根據使用中價值算式釐定。此等算式需要運用估計。



4. Critical accounting estimates and judgements (continued)

4.1 Critical accounting estimates and assumptions (continued)

(b) *Estimated 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 properties. 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.

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(b) *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 (continued)

4.1 Critical accounting estimates and assumptions (continued)

(c) Fair value estimation of financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices, dealer quotes for similar instruments and other techniques, such as estimated discounted cash flows, are used to determine the fair value.

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:

(a) 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.

4. 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(c) 財務工具之公平值估計

於活躍市場買賣之財務工具之公平值乃根據於結算日期之市場報價計算。本集團持有之財務資產所採用之市場報價為現行之市場買入價。

並非於活躍市場買賣之財務工具之公平值乃採用估值技巧計算，本集團採用多種不同方法及根據於各結算日當時之市況作出假設。市場報價、同類金融工具之交易商報價及其他技巧(例如估計貼現現金流量)均用於釐定公平值。

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：

(a) 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。



5. Revenue

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

5. 收入

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。

| | | Unaudited 未經審核 | |
|--|-------------------------|--|-----------------------------|
| | | Six months ended 30th June, 截至六月三十日止六個月 | |
| | | 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 | 2,889,241 | 6,946,261 |
| 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 | 58,500 | 58,500 |
| Interest income from bank deposits | 銀行存款利息收入 | 1,263,319 | 1,791,782 |
| Dividend income | 股息收入 | | |
| – listed investments | – 上市投資 | – | 452,275 |
| – unlisted investments | – 非上市投資 | 22,587,337 | – |
| Rental Income | 租金收入 | 27,180,153 | – |
| | | 53,978,550 | 9,248,818 |



6. Segment information

6. 分類資料

Unaudited
未經審核
Six months ended 30th June,
截至六月三十日止六個月

| | | Property investment 物業投資 | | Other investment 其他投資 | | Consolidated 綜合 | |
|--|--------------|-----------------------------|------------------------|--------------------------|------------------------|--------------------|------------------------|
| | | 2006 二零零六年 | 2005 二零零五年 | 2006 二零零六年 | 2005 二零零五年 | 2006 二零零六年 | 2005 二零零五年 |
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Revenue | 營業額 | 27,180,153 | – | 26,798,397 | 9,248,818 | 53,978,550 | 9,248,818 |
| Segment result | 分類業績 | 26,305,268 | – | 23,881,092 | 11,945,226 | 50,186,360 | 11,945,226 |
| Finance costs | 財務成本 | (15,486,895) | – | (1,839,156) | (501,485) | (17,326,051) | (501,485) |
| Share of results of | 分佔業績 | | | | | | |
| – associates | – 聯營公司 | – | 176,904,411 | (1,688,011) | – | (1,688,011) | 176,904,411 |
| – jointly controlled entities | – 共同控權合資公司 | – | – | 945,542 | – | 945,542 | – |
| Profit before income tax | 所得稅前溢利 | 10,818,373 | 176,904,411 | 21,299,467 | 11,443,741 | 32,117,840 | 188,348,152 |
| Income tax expenses | 所得稅開支 | (1,303,811) | – | – | (65,000) | (1,303,811) | (65,000) |
| Profit for the period | 期間溢利 | 9,514,562 | 176,904,411 | 21,299,467 | 11,378,741 | 30,814,029 | 188,283,152 |
| | | Unaudited 未經審核 | Audited 經審核 | Unaudited 未經審核 | Audited 經審核 | Unaudited 未經審核 | Audited 經審核 |
| | | 30th June, 2006 | 31st December, 2005 | 30th June, 2006 | 31st December, 2005 | 30th June, 2006 | 31st December, 2005 |
| | | 二零零六年 六月三十日 | 二零零五年 十二月三十一日 | 二零零六年 六月三十日 | 二零零五年 十二月三十一日 | 二零零六年 六月三十日 | 二零零五年 十二月三十一日 |
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Assets and liabilities | 資產及負債 | | | | | | |
| Segment assets | 分類資產 | 1,327,071,000 | 1,062,755,207 | 762,330,997 | 731,999,236 | 2,089,401,997 | 1,794,754,443 |
| Interests in associates | 於聯營公司之權益 | – | – | 10,238,258 | 11,926,269 | 10,238,258 | 11,926,269 |
| Interests in jointly controlled entities | 於共同控權合資公司之權益 | – | – | 799,460 | 40,000 | 799,460 | 40,000 |
| Total assets | 資產總值 | 1,327,071,000 | 1,062,755,207 | 773,368,715 | 743,965,505 | 2,100,439,715 | 1,806,720,712 |
| Segment liabilities | 分類負債 | 817,184,206 | 587,226,792 | 226,293,829 | 166,757,305 | 1,043,478,035 | 753,984,097 |

7. Finance costs

7. 財務成本

| | | Unaudited 未經審核 | |
|--|------------------|--|----------------|
| | | Six months ended 30th June, 截至六月三十日止六個月 | |
| | | 2006 | 2005 |
| | | 二零零六年 | 二零零五年 |
| | | HK\$ | HK\$ |
| | | 港元 | 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 | 17,125,697 | - |
| Interest on other borrowings | 其他借貸利息 | <u>200,354</u> | <u>501,485</u> |
| | | <u>17,326,051</u> | <u>501,485</u> |

8. Profit before income tax

8. 所得稅前溢利

| | | Unaudited 未經審核 | |
|--|-----------------------------------|--|----------------|
| | | Six months ended 30th June, 截至六月三十日止六個月 | |
| | | 2006 | 2005 |
| | | 二零零六年 | 二零零五年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Profit before income tax is arrived at after charging: Staff cost (excluding directors' emoluments) | 經扣除下列各項後之所得稅前溢利： 員工成本(不包括董事酬金) | <u>114,000</u> | <u>114,000</u> |

9. 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 period.

9. 所得稅開支

香港利得稅乃按本期間之估計應課稅溢利以稅率17.5%(二零零五年: 17.5%) 撥提準備。

The amount of income tax expense charged to the unaudited condensed consolidated income statement represents:

於未經審核的簡明綜合損益表扣除之所得稅開支款額乃指：

| | | Unaudited 未經審核 | |
|---------------------------------|----------|--|---------------|
| | | Six months ended 30th June, 截至六月三十日止六個月 | |
| | | 2006 | 2005 |
| | | 二零零六年 | 二零零五年 |
| | | HK\$ | HK\$ |
| | | 港元 | 港元 |
| Current tax | 當期稅項 | | |
| Tax for the period | 期間稅項 | 381,413 | - |
| Under provisions in prior years | 過往年度撥備不足 | <u>-</u> | <u>65,000</u> |
| | | 381,413 | 65,000 |
| Deferred tax | 遞延稅項 | | |
| Current period | 本期間 | <u>922,398</u> | <u>-</u> |
| | | <u>1,303,811</u> | <u>65,000</u> |



10. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK\$21,518,252 (2005: HK\$188,283,152) and on 1,691,171,989 (2005: 1,691,171,989) ordinary shares in issue during the period.

No diluted earnings per share is presented as the Group had no dilutive potential ordinary shares.

11. Dividends

- (a) At a meeting held on 24th March, 2006 the directors proposed a final dividend of HK2 cents per ordinary share for the year ended 31st December, 2005, which was paid on 6th June, 2006 and has been reflected as an appropriation of retained earnings for the six months ended 30th June, 2006.
- (b) At a meeting held on 28th August, 2006 the directors resolved not to declare an interim dividend for the period, but will reconsider dividend payment again after the financial year end.

10. 每股盈利

每股基本盈利乃根據本公司權益持有人應佔溢利 21,518,252 港元（二零零五年：188,283,152 港元）及本期間已發行普通股 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，故並無呈列每股攤薄盈利。

11. 股息

- (a) 於二零零六年三月二十四日舉行之會議，董事建議派發截至二零零五年十二月三十一日止年度之末期股息每股普通股 2 港仙。有關股息已於二零零三年六月六日派付，並已於截至二零零六年六月三十日止六個月列作保留溢利分派。
- (b) 於二零零六年八月二十八日舉行之會議，董事會已議決不派發本期間之中期股息，但將會於財政年度完結後重新考慮派發股息。



12. Investment properties

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

| | | Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 HK\$ 港元 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 HK\$ 港元 |
|--|------------|---|--|
| Fair value | 公平值 | | |
| 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 | 301,631,896 | 220,113,993 |
| Fair value gain on investment properties | 投資物業之公平值收益 | <u>3,254,111</u> | <u>-</u> |
| Carrying amount | 賬面值 | <u>1,325,000,000</u> | <u>1,020,113,993</u> |

The fair value gain on investment properties of HK\$3,254,111 was valued at 30th June, 2006 by RHL Appraisal Ltd., an independent firm of professional valuers, on market value basis.

投資物業之公平值收益為3,254,111港元於二零零六年六月三十日由獨立專業估值師永利行評值顧問有限公司根據市場價值基準估值。

Bank borrowings of HK\$705,229,353 (at 31st December, 2005: HK\$445,171,016) are secured by the above investment properties (note 17).

銀行借款705,229,353港元(於二零零五年十二月三十一日: 445,171,016港元)乃以上述投資物業作為抵押(附註17)。

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

本集團之投資物業位於香港及根據下列租賃年期持有:

| | | Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 HK\$ 港元 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 HK\$ 港元 |
|--------------------|------|---|--|
| Long term leases | 長期租賃 | 1,165,000,000 | 852,437,737 |
| Medium term leases | 中期租賃 | <u>160,000,000</u> | <u>167,676,256</u> |
| | | <u>1,325,000,000</u> | <u>1,020,113,993</u> |

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

根據營運租賃持有以賺取租金或資本增值之本集團所有物業權益乃採用公平值模式計量,並分類及入賬列作投資物業。



13. Available-for-sale financial assets

Available-for-sale financial assets include the following:

Non-current

Listed securities

– Equity securities

– listed in Hong Kong

– listed outside Hong Kong

非流動

上市證券

– 股本權益證券

– 香港上市

– 海外上市

Unlisted equity and debt securities
(note)

非上市股本及債券證券
(附註)

Current

Unlisted debt securities

流動

非上市債券證券

Note:

As at 30th June, 2006, there was an investment in Grand China Air Co., Ltd (“Grand China”), with a carrying amount of HK\$190,190,000, included in the unlisted equity and debt securities. The official registration procedures of the issuance of the shares of Grand China to the Group are still in progress as of the date of this report.

13. 可供出售財務資產

可供出售財務資產包括下列各項：

| Unaudited 未經審核 | Audited 經審核 |
|--------------------|------------------------|
| 30th June, 2006 | 31st December, 2005 |
| 二零零六年 六月三十日 | 二零零五年 十二月三十一日 |
| HK\$ | HK\$ |
| 港元 | 港元 |

| | |
|-------------|-------------|
| 23,233,461 | 15,294,312 |
| 66,393,889 | 54,368,056 |
| 89,627,350 | 69,662,368 |
| 554,946,983 | 618,670,179 |
| 644,574,333 | 688,332,547 |
| 6,000,000 | 4,412,500 |
| 650,574,333 | 692,745,047 |

附註：

於二零零六年六月三十日，非上市股本及債券證券包括於新華航空控股有限公司（「新華航空」）賬面值為190,190,000港元之投資。新華航空發行股份予本集團之正式登記手續於本報告日期仍在進行中。

14. Trade and other receivables and deposits paid

14. 經營及其他應收款及已付按金

| Unaudited 未經審核 | Audited 經審核 |
|--------------------|------------------------|
| 30th June, 2006 | 31st December, 2005 |
| 二零零六年 六月三十日 | 二零零五年 十二月三十一日 |
| HK\$ | HK\$ |
| 港元 | 港元 |

Trade receivables 經營應收款 506,158 512,501
 Other receivables and deposits paid 其他應收款及已付按金 23,192,521 19,711,254

23,698,679 20,223,755



14. Trade and other receivables and deposits paid (continued)

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

| | | Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 HK\$ 港元 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 HK\$ 港元 |
|--------------|----------|---|--|
| 0 – 30 days | 0 – 30日 | 317,770 | 471,324 |
| 31 – 60 days | 31 – 60日 | 83,837 | 29,621 |
| Over 60 days | 60日以上 | 104,551 | 11,556 |
| | | 506,158 | 512,501 |

14. 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：

15. Pledged bank fixed deposits and cash and cash equivalents

| | | Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 HK\$ 港元 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 HK\$ 港元 |
|-----------------------------------|-------------|---|--|
| Cash and bank balances | 現金及銀行結餘 | 1,322,377 | 3,137,210 |
| Time deposits | 定期存款 | 75,234,608 | 19,187,626 |
| | | 76,556,985 | 22,324,836 |
| Less: Pledged bank fixed deposits | 減：作抵押銀行定期存款 | (9,387,035) | (16,813,031) |
| Cash and cash equivalents | 現金及現金等價物 | 67,169,950 | 5,511,805 |

15. 作抵押銀行定期存款及現金及現金等價物

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 2.230% to 5.215%. The carrying amounts of the cash and cash equivalents and the pledged deposits approximate to their fair values.

As at 30th June, 2006, the bank fixed deposits of HK\$9,387,035 (at 31st December, 2005: HK\$16,813,031) were pledged to a financial institution to secure borrowing facilities granted to the Group.

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利率2.230%至5.215%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。

於二零零六年六月三十日，銀行定期存款9,387,035港元(於二零零五年十二月三十一日：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。



16. Other payables, accrued expenses and deposits received

16. 其他應繳款、應計費用及已收按金

| | | Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 HK\$ 港元 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 HK\$ 港元 |
|-------------------------------------|------------|---|--|
| Other payables and accrued expenses | 其他應繳款及應計費用 | 3,775,877 | 2,682,483 |
| Rental deposits received | 已收取租務按金 | <u>10,288,176</u> | <u>8,868,792</u> |
| | | <u>14,064,053</u> | <u>11,551,275</u> |

17. Borrowings

17. 借款

| | | Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 HK\$ 港元 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 HK\$ 港元 |
|---|------------------|---|--|
| Secured | 有抵押 | | |
| Bank borrowings – floating rate | 銀行借款 — 浮息 | 775,470,485 | 475,054,574 |
| Other borrowings – fixed rate | 其他借款 — 定息 | <u>7,990,256</u> | <u>10,496,176</u> |
| | | <u>783,460,741</u> | <u>485,550,750</u> |
| Carrying amount repayable: | 應償還賬面值： | | |
| Within one year | 一年內 | 41,219,609 | 10,496,176 |
| More than one year, but not exceeding two years | 一年以上但不超過兩年 | 53,000,000 | 458,171,016 |
| More than two years, but not more than five years | 兩年以上但不超過五年 | <u>689,241,132</u> | <u>16,883,558</u> |
| | | <u>783,460,741</u> | <u>485,550,750</u> |
| 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 | <u>(41,219,609)</u> | <u>(10,496,176)</u> |
| | | <u>742,241,132</u> | <u>475,054,574</u> |

17. Borrowings (continued)

All borrowings were secured by bank fixed deposits (note 15), investment properties (note 12) and a floating charge on receivables due from an investee or any shareholder of the investee to a subsidiary of the Company. As at 30th June, 2006, there was no balance due from the investee or any shareholder of the investee (at 31st December, 2005: Nil).

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

| | |
|--------------------------|-------|
| Effective interest rate: | 實際利率： |
| Fixed rate borrowings | 定息借款 |
| Floating rate borrowings | 浮息借款 |

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

| | |
|-------------------|----|
| Hong Kong dollars | 港元 |
| Euro | 歐羅 |

17. 借款(續)

所有借款分別以銀行定期存款(附註15)、投資物業(附註12)及應收本公司附屬公司之接受投資公司或接受投資公司任何股東之應收款項作為抵押。於二零零六年六月三十日，並無應收接受投資公司或接受投資公司任何股東之結餘(於二零零五年十二月三十一日：無)。

本集團借貸之實際利率(亦相等於合約利率)之範圍如下：

| Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 |
|---|--|
| 3.39% | 2.93% to 3.17% |
| HIBOR + 0.69% to | HIBOR + 0.75% to |
| HIBOR + 2.3% | HIBOR + 2.3% |

借款之賬面值以下列貨幣計算：

| Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 HK\$ 港元 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 HK\$ 港元 |
|---|--|
| 775,470,485 | 475,054,574 |
| 7,990,256 | 10,496,176 |
| 783,460,741 | 485,550,750 |

The carrying amounts of the borrowings approximate their fair value.

借款之賬面值約相等於其公平值。



18. Share capital

18. 股本

| | | Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 HK\$ 港元 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 HK\$ 港元 |
|---------------------------------|----------------------|---|--|
| Authorised: | 法定： | | |
| 2,100,000,000 | 2,100,000,000股 | | |
| (At 31st December, 2005: | (於二零零五年十二月三十一日： | | |
| 2,100,000,000) | 2,100,000,000股) | | |
| ordinary shares of HK\$0.1 each | 每股面值0.1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 | 1,691,171,989股 | | |
| (At 31st December, 2005: | (於二零零五年十二月三十一日： | | |
| 1,691,171,989) ordinary shares | 1,691,171,989股) 每股面值 | | |
| of HK\$0.1 each | 0.1港元之普通股 | 169,117,199 | 169,117,199 |

19. Commitments

Capital commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

19. 承擔

資本承擔

於結算日尚未產生資本開支如下：

| | | Unaudited 未經審核 30th June, 2006 二零零六年 六月三十日 HK\$ 港元 | Audited 經審核 31st December, 2005 二零零五年 十二月三十一日 HK\$ 港元 |
|-------------------------------------|----------|---|--|
| Contracted but not provided for | 已訂約，但未撥備 | | |
| Investment properties | 投資物業 | 12,441,000 | 253,790,000 |
| Available-for-sale financial assets | 可供出售財務資產 | - | 59,000,000 |
| | | 12,441,000 | 312,790,000 |

20. Related party transactions

Significant related party transactions entered by the Group for the six months ended 30th June, 2006, which constitute connected transactions under the Listing Rules were:

Management fee expenses to a related company 給予一間有關連公司之投資管理費用

Under the investment management agreement (“Investment Management Agreement”) approved by shareholders on 27th March, 1997 and dated 5th March, 1997 between the Group and Yu Ming Investment Management Limited (“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 Mr. Fung Wing Cheung, Tony and Mr. Fung Yiu Fai, Peter are the shareholders of 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 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.

In addition, the Group occupies office space of YMIM and reimburses to YMIM 40% of its office and equipment expenses in accordance with the Investment Management Agreement. Such expenses reimbursed to YMIM amounted to HK\$366,944 (2005: HK\$427,173). The Group utilise certain staff employed by YMIM and reimbursed staff costs of HK\$316,116 and HK\$218,873 to YMIM for the six months ended 30th June, 2006 and 2005 respectively.

20. 與有關連人士之交易

本集團於截至二零零六年六月三十日止六個月進行之重大與有關連人士交易(即據上市規則)而構成關連交易如下:

| Unaudited 未經審核 | |
|--|---------------|
| Six months ended 30th June, 截至六月三十日止六個月 | |
| 2006 二零零六年 | 2005 二零零五年 |
| HK\$ 港元 | HK\$ 港元 |
| 6,832,130 | 5,247,830 |

根據本集團與禹銘投資管理有限公司(「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,馮永祥先生及馮耀輝先生乃禹銘投資管理之股東)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(「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。

此外,本集團佔用禹銘投資管理之辦公室空間,並按照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366,944港元(二零零五年:427,173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及二零零五年六月三十日止六個月之職員成本為316,116港元及218,873港元。



MANAGEMENT DISCUSSION AND ANALYSIS 管理層之討論及分析

RESULTS OF OPERATION

The Group's business is investment in properties, listed and unlisted equity and securities. The Group's portfolio comprises high to low risk investments. The diversification aims to smoothen out the overall risk of the portfolio.

As at the end of the first half of 2006, the Group's major investments are as follows:

| Investments | Description |
|---|--|
| AsiaWorld-Expo | An 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 Co., Ltd. ("Grand China") | The single largest shareholder of Hainan Airlines, the No. 4 aviation group in the People's Republic of China (the "PRC"), and a strategic shareholder holding 45% interest in CR Airways Limited ("CR Airways"), the third passenger airline in Hong Kong flying to cities in the PRC and Southern Asia |
| Debts and Equities | A portfolio of debts and equities |
| Oriental Cashmere Limited ("OCL") | A cashmere knitwear manufacturer |

營運概覽

本集團業務為於物業、上市及非上市證券的投資。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。

於二零零六年上半年末，本集團主要投資項目如下：

| 投資項目 | 詳情 |
|---------------------------------------|--|
| 亞洲國際博覽館 | 位於香港之展覽設施 |
| 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」） | 中華人民共和國（「中國」）第四大航空公司海南航空之最大單一股東，亦為擁有中富航空有限公司（「中富航空」）45%股權之策略股東，香港第三家客運航空公司，飛往中國與南亞城市 |
| 債務及股本 | 債務及股本組合 |
| Oriental Cashmere Limited （「東方羊絨」） | 羊絨毛衣製造商 |



During the first half of 2006, the Group completed the acquisition of the retail properties in Causeway Bay, and made advanced progress to convert it into a shopping mall. Retail shops at Argyle Centre had a moderate growth in rental rate. Both our investments in tradable equity and high-yield bonds reported profits. As AsiaWorld-Expo officially commenced operation in January 2006, the Group started amortizing its investment over the remaining project period, and accruing its entitlement to the preference share dividend during the first half of 2006. CR Airways introduced a major airline in the PRC as a strategic shareholder, who helped accelerate the fleet expansion into bigger aircraft - Boeing 737-800. OCL reported a small loss in the first half in a typically low season for cashmere.

The net profit of the Group for the first half of 2006 was lower than that of 2005, due mainly to the absence of significant profit from property revaluation.

INVESTMENT REVIEW

As at 30th June, 2006, the Group's major investments were in AsiaWorld-Expo, Argyle Centre (retail shops in Mongkok), Timeplus (the new shopping mall in Causeway Bay), Ginza Plaza (retail shops in Mongkok), Grand China, OCL (a cashmere manufacturer in the PRC), high-yield bonds and equity securities.

AsiaWorld-Expo

The Group owns 60% interests in a private sector consortium ("JVP") that owns 13.5% interests in AsiaWorld-Expo, a 66,000 sqm permanent exhibition center located at the Hong Kong International Airport, with a capacity of expanding into a 100,000 sqm exhibition facility. The other shareholders of JVP are the Hong Kong Government and the Airport Authority. The Group also owns 40% interests in the operator of 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 are well into 2009, with revenue exceeding the budget originally planned at the time of our initial investment. There were more than 50 events up to the financial year ending 31st March, 2007. Its world-class specifications attracted a number of major international exhibitions to relocate to Hong Kong :

於二零零六年上半年期間，本集團完成收購位於銅鑼灣的零售物業，並在將其轉化為大型購物中心方面取得進展。位於旺角中心的零售商舖租金率已有溫和增長。本集團於可買賣股票及高息債券之投資均雙雙告捷，錄得盈利。由於亞洲國際博覽館已於二零零六年一月正式開始運作，本集團已開始按餘下項目期間攤銷其投資，並於二零零六年上半年期間取得收取優先股股息之權利。中富航空引入一間中國大型航空公司作為策略股東，有助於加速機隊擴展至大型飛機—波音737-800。東方羊絨於上半年羊絨典型的淡季錄得輕微虧損。

本集團二零零六年上半年溢利淨額較二零零五年低，主要由於缺乏重大的物業重估溢利。

投資回顧

於二零零六年六月三十日，本集團的主要投資項目為亞洲國際博覽館、旺角中心（位於旺角的零售商舖）、Timeplus（位於銅鑼灣的新購物中心）、銀城廣場（位於旺角的零售商舖）、新華航空、東方羊絨（位於中國的羊絨製造商）、高息債券及股票。

亞洲國際博覽館

本集團擁有一個私人財團（「合營企業」）60%的權益，而該合營企業擁有亞洲國際博覽館13.5%的權益。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，更可擴展成為面積達100,000平方米的展覽設施。合營企業的其他股東為香港政府及機場管理局，本集團亦擁有亞洲國際博覽館經營者40%的權益。

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。訂場租約已遠至二零零九年，收益更遠遠超過本集團於初步投資時原先規劃的預算金額。截至二零零七年三月三十一日止財政年度展覽會項目逾五十個。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. International Telecommunication Union's (ITU) Telecom World annual convention, the world's biggest telecom show, will be 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, a full house exhibition held previously in Shanghai, moved to our centre in April, attracting:
 - Electronics and components: over 1,700 exhibitors and 26,000 buyers;
 - Fashion accessories: over 500 exhibitors and 11,000 buyers; and
 - Gifts and home products and international hardware: over 3,600 booths and 30,000 buyers.

The fairs showcase the latest products from quality suppliers from China, Hong Kong and the rest of Asia.

In addition to exhibition, a world-class entertainment hall (named AsiaWorld-Arena) is purpose-built for concert and entertainment events which can house up to 13,500 spectators. A number of acclaimed local and international artists, such as Chan Po Chu, Oasis, Jamie Cullum, Coldplay and The Black Eyed Peas, already performed in the Arena.

The Group's investment in AsiaWorld-Expo is in the form of preference shares, which entitle the Group to a preferred dividend on a cumulative basis, the payment of which depends on the cashflow of the project. The Group recorded in the accounts the preference share dividend accrued for the six months ended 30th June, 2006. The preference share dividend is a contractual obligation of Hong Kong IEC Limited, the holding company of AsiaWorld-Expo.

1. 全球最大的電訊展覽會－國際電信聯盟 (ITU) 的世界電信展年會將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 於四月移師亞洲國際博覽館舉行，吸引了：
 - 電子及零件：超過 1,700 個參展商及 26,000 位買家；
 - 時尚配飾：超過 500 個參展商及 11,000 位買家；及
 - 禮品與家居產品及國際五金器具：超過 3,600 個參展商及 30,000 位買家。

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所推出的最新產品。

除了舉辦展覽會，一個世界級娛樂場館（已命名為 AsiaWorld-Arena）專門用作舉行演唱會及文娛活動亦已建築完成，可容納多達 13,500 名觀眾。一批本地及國際知名藝人如陳寶珠、Oasis、Jamie Cullum、Coldplay 及 The Black Eyed Peas 均曾於 Arena 獻技。

本集團於亞洲國際博覽館之投資乃以優先股之方式進行，本集團有權以累計基準收取優先股息，而有關股息之支付須視有關項目之現金流量而定。本集團已於截至二零零六年六月三十日止六個月之賬目內記錄應收取之優先股股息。亞洲國際博覽館的控股公司 Hong Kong IEC Limited 對此優先股股息有合約上的責任。



Retail Properties

The Group focuses its property investment on retail space on prime locations only. In 2005 the Group added two properties to its portfolio, with completion in November 2005 and February 2006.

| Properties | Status |
|--|--|
| Argyle Centre, Mongkok | The Group owns 153 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 acquired over 14,000 sqft of retail space in Ginza Plaza in November 2005, with a full occupancy rate. |
| Timeplus, 108 Percival Street Causeway Bay | The Group completed acquisition of the property in February 2006. The property, previously occupied by a famous restaurant, is being converted into a shopping mall, scheduled for opening in mid-November 2006. Leasing is in progress. |

High-Yield Bonds

Having returned to an environment with relatively high interest rate, with The Federal Rate of the United States having spiraled from 3.5% per annum in August 2005 to 5.25% per annum in August 2006, the high-yield bond market becomes less attractive to us than it was in the past. The Group has been winding down its position in high-yield bonds in the first half of 2006. We sold 15 bonds and are cautiously reviewing the remaining few in our portfolio.

Grand China

The Company has swapped its entire interest in CR Airways for new shares in Grand China. The largest shareholders of Grand China are based in the Hainan Province and a fund managed by George Soros. Grand China is the single largest shareholder of Hainan Airlines, the fourth largest aviation group in the PRC listed on the Shanghai Stock Exchange.

零售物業

本集團的物業投資項目專注於黃金地段的零售商舖。於二零零五年，本集團於其投資組合內新增兩項物業，並已於二零零五年十一月及二零零六年二月完成收購。

| 物業 | 情況 |
|-------------------------|---|
| 旺角旺角中心 | 本集團擁有旺角中心內的153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 | 本集團於二零零五年十一月收購銀城廣場逾14,000平方呎零售舖位，並已被全數佔用。 |
| 銅鑼灣波斯富街 108號Timeplus | 本集團於二零零六年二月完成收購該物業。該物業先前由一家著名飯店佔用，正在改造為一個購物中心，計劃於二零零六年十一月中旬開業，現正招租。 |

高息債券

美國聯邦儲備利率由二零零五年八月的每年3.5厘調高至二零零六年八月的每年5.25厘，回到相對較高利率環境後，高息債券市場吸引力較以前遜色。本集團已於二零零六年上半年起逐步減持高息債券，已賣出15份債券並慎重檢討投資組合中的少量剩餘債券。

新華航空

本公司已將其於中富航空之全部權益轉換到新華航空。新華航空最大的股東位於海南省及一家由喬治·索羅斯管理之基金。新華航空乃海南航空之單一最大股東，而海南航空為中國第四大航空集團，並於上海股票交易所上市。



The official registration procedures of the issuance of the shares of Grand China to the Group are still in progress as of the date of this report.

After the asset swap, Grand China has become a 45% shareholder of CR Airways. The introduction of Grand China as a strategic shareholder of CR Airways enables CR Airways to employ the resources and expertise of Hainan Airlines to expand its network and business and to build up cooperation with Hainan Airlines. It is now flying Sanya and Haikou under a code-share arrangement with Hainan Airlines.

With a view to lower average operating costs and to serve longer haul routes, CR Airways is decommissioning the Bombardier CRJ series aircrafts, and is now dry leasing two Boeing 737-800 aircrafts from Hainan Airlines.

To ride on the potential captured by the synergy with Hainan Airlines, the Group has subscribed a new HK\$5 million convertible debentures of CR Airways with an option to subscribe a further of HK\$45 million convertible debentures. The management is still assessing the performance of CR Airways and is yet to decide whether to exercise the option.

CR Airways continues to run at an operating loss. Its scheduled destinations include Sanya, Haikou, Guilin, Kunming and Changsha. It is also designated the right to fly scheduled flights to Wenzhou, Meixian and Tianjin.

It is also licensed to fly to 30 PRC cities and 8 Southeast Asian cities. Once the licensed routes are designated, the potential PRC market will increase to cover a population of more than 250 million within the catchment area.

Oriental Cashmere Limited

Since the chaos resulting from the lifting of the textile quota system in 2005, profit of OCL fell significantly. The first half of 2006 remains competitive for OCL, which in any event was the low season for cashmere business. A loss of HK\$6.8 million was reported, compared to the gain of HK\$2.7 million in the first half of 2005.

新華航空發行股份予本集團之正式登記手續於本報告日期仍在進行中。

資產轉換後，新華航空持有中富航空45%之股份。引入新華航空作為中富航空之策略股東，使中富航空得以使用海南航空之資源及專業技術以擴展其網絡及業務，並與海南航空建立合作關係。中富航空目前通過與海南航空的代碼共享安排經營飛往三亞及海口的航班。

為降低平均經營成本及供應長途機航班，中富航空正在讓龐巴迪CRJ系列支線飛機退役，並從海南航空乾租兩架波音737-800飛機。

趁着與海南航空產生協同作用從而捕捉發展有關業務潛能，本集團已認購中富航空5,000,000港元可換股債券，附有選擇權可據此額外認購45,000,000港元可換股債券。管理層仍在評估中富航空的表現，故此尚未決定是否行使有關選擇權。

中富航空持續錄得經營虧損。其經營飛往三亞、海口、桂林、昆明及長沙的定期航班。該公司亦獲得專門飛往溫州、梅縣及天津的定期航班權利。

該公司亦獲發出執照飛往30個中國城市及8個東南亞城市。當獲發執照的路線指定之後，該公司所服務的潛在中國市場將增加至覆蓋超過2.5億人口。

東方羊絨

自從二零零五年撤銷紡織品配額制度引起混亂以來，東方羊絨之溢利顯著下降。二零零六年上半年對東方羊絨依然具有挑戰，無論如何，此期間乃羊絨業務之淡季，錄得虧損6,800,000港元，而二零零五年上半年則盈利2,700,000港元。



PROSPECTS

With the increase in retail space in prime locations, the Group expects to increase both rental income and value of its properties.

AsiaWorld-Expo is particularly suited to large-scale events. We are confident that the forthcoming International Telecommunication Union's (ITU) Telecom World annual convention and Asian Aerospace will be successful.

SOURCE OF FUNDING AND INDEBTEDNESS

As at 30th June, 2006, the Group had an aggregate bank and other borrowings of HK\$783 million (at 31st December, 2005: HK\$486 million), representing an increase of HK\$297 million from the beginning of the year. Borrowings repayable within one year and after one year were HK\$41 million (at 31st December, 2005: HK\$11 million) and HK\$742 million (at 31st December, 2005: HK\$475 million) respectively.

As at 30th June, 2006, all bank and other borrowings of the Group were interest-bearing at floating rates and fixed rates.

PLEDGES OF ASSETS

As at 30th June 2006, bank deposits of HK\$9 million (at 31st December, 2005: HK\$17 million) of the Group were pledged to a financial institution to secure borrowing facilities provided. In addition, certain bank loans of the Group were secured by the Group's investment properties, which had a fair value of HK\$1,325 million as at 30 June 2006 (at 31st December, 2005: HK\$1,020 million).

FINANCE COSTS

Finance costs for the first half of 2006 were HK\$17 million (2005: 0.5 million), representing 33 times that of the corresponding period last year. The increase of finance costs was primarily due to the increase of bank borrowings to finance the acquisition of the Group's investment properties.

前景

隨著於黃金地段的零售舖位面積增加，本集團預期租金收入及其物業價值將會增加。

亞洲國際博覽館特別適合大型活動。我們相信即將舉行的國際電信聯盟(ITU)的世界電信展年會及亞洲航空展將會獲得成功。

資金來源及借款情況

於二零零六年六月三十日，本集團的銀行及其他借款總額為783,000,000港元(於二零零五年十二月三十一日：486,000,000港元)，比年初上升了297,000,000港元。一年內與一年外應償還債務分別為41,000,000港元(於二零零五年十二月三十一日：11,000,000港元)及742,000,000港元(於二零零五年十二月三十一日：475,000,000港元)。

於二零零六年六月三十日，集團所有銀行及其他借款都為浮息及定息借款。

資產抵押

於二零零六年六月三十日，本集團銀行存款中的9,000,000港元(於二零零五年十二月三十一日：17,000,000港元)抵押予一間財務機構提供的信貸額。此外，本集團部份銀行借款以本集團投資物業作為抵押，於二零零六年六月三十日該投資物業的帳面淨值為1,325,000,000港元(於二零零五年十二月三十一日：1,020,000,000港元)。

財務費用

截至二零零六年六月三十日止六個月，財務費用為17,000,000港元(二零零五年：500,000港元)，是去年同期的33倍。財務費用的增加主要是由於增加銀行借款為本集團投資物業的收購作出融資。



SHARE CAPITAL STRUCTURE

The number of ordinary shares in issue as at 30th June, 2006 and 31st December, 2005 was 1,691,171,989.

GEARING RATIO

As at 30th June, 2006, the gearing ratio of the Group, which represents the ratio of interest-bearing bank and other borrowings to total shareholders' equity, was 88% (at 31st December, 2005: 54%).

FOREIGN EXCHANGE EXPOSURE

As at 30th June, 2006, most of the Group's investments are based in Hong Kong dollar and United States dollar and are therefore not exposed to significant foreign currency risks. The Group's investments in Euro denominated debt securities are closely hedged against currency exposure.

GUARANTEE

The Company has given a guarantee to a bank to secure the outstanding indebtedness due by a subsidiary, for an amount attributable to the Group's equity interests. The amount of outstanding indebtedness due by a subsidiary to this bank as at 30th June, 2006 was approximately HK\$705 million (at 30th June, 2005: approximately HK\$145 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 US\$15 million. The outstanding indebtedness as at 30th June, 2006 was approximately Euro 0.8 million (at 30th June, 2005: approximately Euro 3 million).

STAFF COSTS

The Group's total staff costs for the period under review amounted to HK\$114,000 (First half of 2005 : HK\$114,000).

股本結構

於二零零六年六月三十日及二零零五年十二月三十一日，已發行普通股數目為1,691,171,989股。

資本與負債比率

於二零零六年六月三十日，集團的資本與負債比率(指帶息銀行及其他借款與全體股東資產淨值的比率)為88%(於二零零五年十二月三十一日：54%)。

外匯風險

於二零零六年六月三十日，本集團之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。本集團投資於以歐羅計值之債務證券已作出貼價的對沖，以減低貨幣風險。

擔保

本公司就一間附屬公司所欠之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之擔保。該附屬公司於二零零六年六月三十日欠該銀行之未償還債項約為705,000,000港元(於二零零五年六月三十日：約為145,000,000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逾15,000,000美元之信貸額提供擔保。於二零零六年六月三十日之未償還債項約為800,000歐羅(於二零零五年六月三十日：約為3,000,000歐羅)。

員工成本

本集團於回顧期間之員工成本總額為114,000港元(二零零五年上半年：114,000港元)。



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

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

As at 30th June, 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 Securities and Futures Ordinance (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") 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 SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Rules Governing the Listing of Securities on SEHK ("Listing Rules") as follows:

於二零零六年六月三十日，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(「證券及期貨條例」))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香港聯合交易所有限公司(「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，或根據聯交所證券上市規則(「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：

(a) INTERESTS IN SHARES OF THE COMPANY

(a) 於本公司股份權益

| Name of directors | Capacity | Personal interests | Family interests | Corporate interests | Other interests | Total | % of total issued shares |
|-------------------------------|--|--------------------|------------------|----------------------------------|----------------------------------|-------------|--------------------------|
| 董事姓名 | 身份 | 個人權益 | 家屬權益 | 法團權益 | 其他權益 | 總額 | 百分比 |
| Fung Wing Cheung, Tony 馮永祥 | Interest of children under 18 18歲以下子女之權益 | 3,328,000 | - | - | 724,926,258 (Note 1) (附註1) | 728,254,258 | 43.06% |
| 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% |



(a) INTERESTS IN SHARES OF THE COMPANY (continued)

Note 1: Goldfield Venture Limited ("Goldfield") and Megaland Development Limited ("Megaland") hold 245,000,000 and 479,926,258 shares respectively. Since Goldfield is wholly owned by Megaland, Megaland is deemed to be interested in 724,926,258 shares in total. 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 724,926,258 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 724,926,258 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 40.72% 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.

(a) 於本公司股份權益(續)

附註1: Goldfield Venture Limited (「Goldfield」)及Megaland Development Limited (「Megaland」)分別持有245,000,000股及479,926,258股股份。由於Goldfield由Megaland全資擁有，Megaland被視為擁有合共724,926,258股股份之權益。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724,926,258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724,926,258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40.72%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。

(b) INTERESTS IN SHARES OF ASSOCIATED CORPORATIONS

| Name of director | Name of corporations | Capacity | Personal interests | Number of shares | | | Total |
|-------------------------------|--|---------------------------|---------------------|------------------|---------------------|-----------------|---------------------|
| | | | | Family interests | Corporate interests | Other interests | |
| 董事姓名 | 法團名稱 | 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 | 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%) |

Save as disclosed above, at no time during the six months ended 30th June, 2006 was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the directors or the chief executives of the Company, or their spouses or children under the age of 18, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

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 SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

(b) 於相聯法團股份權益

| Name of director | Name of corporations | Capacity | Personal interests | Number of shares | | | Total |
|-------------------------------|--|---------------------------|---------------------|------------------|---------------------|-----------------|---------------------|
| | | | | Family interests | Corporate interests | Other interests | |
| 董事姓名 | 法團名稱 | 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 | 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，於截至二零零六年六月三十日止六個月內之任何時間，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或其配偶或其未滿十八歲之子女可藉購入本公司或其他相聯法團之股份或債券而獲益。

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上市公司董事進行證券交易的標準守則須知會本公司及聯交所之任何權益及淡倉。



SUBSTANTIAL SHAREHOLDERS 主要股東

As at 30th June, 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:

於二零零六年六月三十日，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：

| 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") | 2 | Interest of controlled corporation 受控制公司的權益 | 379,291,800 | 22.42% |
| 聯合地產(香港)有限公司(「聯地」) | | | | |
| Allied Group Limited ("AGL") | 2 | Interest of controlled corporation 受控制公司的權益 | 379,291,800 | 22.42% |
| 聯合集團有限公司(「聯集」) | | | | |
| 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 ("PIL") | 4 | Interest of controlled corporation 受控制公司的權益 | 119,380,000 | 7.05% |
| 保利(香港)投資有限公司(「保利」) | | | | |
| HSBC International Trustee Limited | 5 | Trustee 信託人 | 735,455,058 | 43.49% |



SUBSTANTIAL SHAREHOLDERS (CONTINUED) 主要股東 (續)

Notes:

附註：

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 61.42% 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. Lee Su Hwei and Lee Seng Huang are trustees of Lee and Lee Trust ("LLT") which owns 40.72% interests in AGL, which has interest in 379,291,800 shares of the Company. Accordingly, Lee Su Hwei, Lee Seng Huang and LLT are deemed to have an interest in the said shares in which AGL is interested.
 4. The interest of PIL was attributable on account through a number of wholly-owned subsidiaries.
 5. Out of these 735,455,058 shares, 724,926,258 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".
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61.42%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. 李淑慧及李成煌均為Lee and Lee Trust ("LLT")之信託人，LLT擁有聯集之40.72%權益，聯集則擁有本公司之379,291,800股股份。因此，李淑慧、李成煌及LLT均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。
 5. 該等735,455,058股股份中，724,926,258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。

Save as disclosed above, as at 30th June, 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.

除上文所披露者外，於二零零六年六月三十日，董事並不知悉有任何其他人士於本公司或任何聯營公司（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。



INTERIM DIVIDEND 中期股息

The directors have resolved not to declare an interim dividend for the period (2005: Nil), but will reconsider dividend payment again after the financial year end.

董事會已議決不派發本期間之中期股息(二零零五年：無)，但將會於財政年度完結後重新考慮派發股息。

AUDIT COMMITTEE 審核委員會

The Company has established an audit committee in accordance with rule 3.21 of the Listing Rules.

本公司已遵照上市規則第3.21條成立審核委員會。

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the interim report (including unaudited interim financial results for the six months ended 30th June, 2006). In carrying out this review, the audit committee has obtained explanations from management. At the request of the directors, the Group's external auditors have carried out a review of the unaudited interim financial review in accordance with the Statement of Auditing Standards 700 issued by the HKICPA.

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，其中包括一般審閱中期報告(包括截至二零零六年六月三十日止六個月之未經審核中期業績)。於進行有關審閱時，審核委員會由管理層取得有關解釋。應董事會要求，本集團向外聘用之核數師曾根據香港會計師公會發出之核數準則第700號審閱未經審核中期財務回顧。



COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

遵守企業管治常規守則

The Company has met with the code provisions of the Code on Corporate Governance Practices, as set out in Appendix 14 of the Listing Rules, during the accounting period covered by the interim report.

本公司於本中期報告所涵蓋之期間內均一直符合上市規則附錄14所載之企業管治常規守則之守則條文。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

董事進行證券交易的標準守則

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. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code during the period.

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期間內已遵守標準守則規定之準則。

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES 購買、出售或贖回上市證券

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

本公司並無在本期間內贖回本身之股份。本公司及其附屬公司在本期間內概無購買或出售本公司任何股份。

By order of the Board
Lee Yip Wah, Peter
Secretary

承董事會命
秘書
李業華

Hong Kong, 28th August, 2006

香港，二零零六年八月二十八日



AUDITORS' INDEPENDENT REVIEW REPORT 核數師獨立審閱報告

Independent review report to the board of directors of Yu Ming Investments Limited

(incorporated in Hong Kong with limited liability)

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 3 to 24.

Directors' responsibilities

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liabilities to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with SAS 700 "Engagement to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants, except that the scope of our review was limited as explained below.

A review consists principally of making enquiries of Group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

致禹銘投資有限公司董事會
(於香港註冊成立的有限公司)

引言

本所已按 貴公司指示，審閱第3至24頁所載的中期財務報告。

董事及核數師各自之責任

香港聯合交易所有限公司證券上市規則規定，上市公司之中期財務報告的編製須符合香港會計師公會頒佈的香港會計準則第34號「中期財務報告」及其相關條文規定。董事須對中期財務報告負責，而該報告亦已經董事會批准。

本所之責任是根據審閱的結果，對中期財務報告出具獨立結論，並按照雙方所協定的應聘書條款僅向整體董事會報告，除此之外，本報告別無其他目的。本所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。

已執行的審閱工作

本所已按照香港會計師公會所頒佈的核數準則第700號「審閱中期財務報告的委聘」進行審閱工作，除下文說明本所其審閱工作範疇所限。

審閱工作主要包括向集團管理層作出查詢，及對中期財務報告進行分析程序，然後根據結果評估 貴公司之會計政策及呈報方式是否貫徹應用（惟已另作披露則者除外）。審閱工作並不包括監控測試及核證資產、負債及交易等審計程序。由於審閱的範圍遠較審計為小，故所提供的保證程度較審計為低。因此，本所不會對中期財務報告發表審計意見。



The scope of our review was limited in respect of the acquisition cost of the equity interests in Grand China Air Company Limited (“Grand China Air”) recorded as available-for-sale financial asset at a carrying value of HK\$190,190,000 as at 30th June, 2006, which was considered by the directors as its fair value at date of initial recognition and its carrying value as at 30th June, 2006. As detailed in the interim financial report, the official registration procedures of the issuance of the shares of Grand China Air to the Group are still in progress as of the date of this report. However, we are unable to obtain sufficient financial information nor any sufficient evidence relating to the acquisition cost of equity interests in Grand China Air to satisfy ourselves that this amount is properly classified as available-for-sale financial assets and properly recognised under the measurement and recognition principles in accordance with Hong Kong Accounting Standard No. 39 “Financial Instruments: Recognition and Measurement”. In addition, we are unable to obtain sufficient evidence in order to determine whether its carrying value is fairly stated as at 30th June, 2006.

The scope of our review was also limited in respect of a preference share dividend income of HK\$22,587,377 for the six months ended 30th June, 2006 and a corresponding dividend receivable of HK\$22,587,377 as at 30th June, 2006 recorded by the Group. No sufficient evidence has been made available to us for the assessment of the timing and amount of distribution of the dividend. As a result, we are unable to determine whether the dividend income for the six months ended 30th June, 2006 and the dividend receivable as at 30th June, 2006 are fairly stated.

Inability to reach a review conclusion

Because of the significance of the possible effect of the limitation in evidence available to us, we are unable to reach a review conclusion as to whether material modifications should be made to the interim financial report for the six months ended 30th June, 2006.

Grant Thornton

Certified Public Accountants

Hong Kong, 28th August, 2006

我們對於有關收購新華航空控股有限公司（「新華航空」）股本權益之成本的審閱工作範疇受到限制，有關收購成本以其於二零零六年六月三十日的賬面值190,190,000港元入賬列作可供出售財務資產，董事認為該等金為初次確認日之公平價值及於二零零六年六月三十日之賬面價值。誠如中期財務報告所詳述，新華航空發行股份予貴集團之正式登記手續於本報告日期仍在進行中。然而，我們未能獲得足夠財務資料或任何有關新華航空股本權益收購成本的充分證據，以使我们信納該等金額可適當歸類為可供出售財務資產及根據香港會計準則第39號「金融工具：確認及計量」之計量及確認原則妥為確認。此外，我們亦未獲提供充分證據以確定該等金額於二零零六年六月三十日之賬面值是否已公平呈列。

我們對於有關審閱貴集團截至二零零六年六月三十日止六個月之優先股股息收入22,587,377港元及於二零零六年六月三十日應收相關股息22,587,377港元的工作範疇亦受到限制。我們未獲提供充分證據以評估分派股息之時間及數額。因此，我們不能確定截至二零零六年六月三十日止六個月之股息收入及於二零零六年六月三十日之應收股息是否公平呈列。

無法達致審閱結論

由於我們獲提供之證據有限，以致可能產生之重大影響，故我們無法達致審閱結論，以確定是否須於截至二零零六年六月三十日止六個月之中期財務報告中作出重大修訂。

均富會計師行

執業會計師

香港，二零零六年八月二十八日



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