

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

1. Basis of preparation and accounting policies

The unaudited condensed interim financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") No. 34: Interim Financial Reporting and other relevant HKASs and Interpretations, the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

The accounting policies and methods of computation used in the preparation of the interim financial statements are the same as those adopted in preparing the annual financial statements for the year ended 31st December, 2004 except for the new adoption of new HKFRSs and HKASs as disclosed in note 2 below.

2. Changes in accounting policies

(a) Impact of new/revised HKFRSs and HKASs

The HKICPA has issued a number of new HKFRSs and HKASs and Interpretations, which are effective for the accounting periods commencing on or after 1st January, 2005. The Group has adopted the following HKFRSs and HKASs issued up to 30th June, 2005 which are pertinent to its operations and relevant to these interim financial statements.

HKAS 1	Presentation of Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 3	Business Combination

The adoption of these new/revised HKFRSs and HKASs has resulted in the following changes to the Group's accounting policies that have affected the amount reported or disclosures for the current or prior year.

- (i) The adoption of HKAS 1 has affected the presentation of share of net after-tax results of associates and other disclosures.

1. 編製基準及會計政策

本未經審核簡明中期財務報表乃根據香港會計師公會頒佈之香港會計準則（「香港會計準則」）第34號：「中期財務報告」、其他相關香港會計準則及詮釋及香港財務報告準則，以及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16之披露規定而編製。

編製本中期財務報表所採用之會計政策及計算方法與編製截至二零零四年十二月三十一日止年度之全年財務報表所採用之政策及方法一致，惟下文附註2所披露採納之最新香港財務報告準則及香港會計準則除外。

2. 會計政策變動

(a) 新訂／修訂之香港財務報告準則及香港會計準則之影響

香港會計師公會已頒佈一系列新香港財務報告準則及香港會計準則及詮釋，並於二零零五年一月一日或其後開始之會計期間生效。本集團已採納於二零零五年六月三十日之前已頒佈而又與本集團業務及本中期財務報表有關之下列香港財務報告準則及香港會計準則。

香港會計準則 第1號	財務報表之呈列
香港會計準則 第32號	金融工具：披露及呈列
香港會計準則 第36號	資產減值
香港會計準則 第38號	無形資產
香港會計準則 第39號	金融工具：確認及計量
香港財務報告準則 第3號	業務合併

採納該等新訂／修訂之香港財務報告準則及香港會計準則導致本集團之會計政策發生如下變動，並對今年或去年之呈報金額或披露產生影響。

- (i) 採納香港會計準則第1號影響應佔聯營公司除稅後業績淨額之呈報及其他披露。

2. Changes in accounting policies (continued)

(a) Impact of new/revised HKFRSs and HKASs (continued)

- (ii) The adoption of HKFRS 3, HKAS 36 and HKAS 38 results in a change in the accounting policy for goodwill. From the year ending 31st December, 2005 onwards, goodwill is tested annually for impairment, as well as when there is indication of impairment.
- (iii) The adoption of HKAS 32 and HKAS 39 has resulted in a change in accounting policy for recognition, measurement, derecognition and disclosure of financial instruments. Following the adoption of HKAS 32 and HKAS 39, the financial assets have been classified into available-for-sale financial assets, financial assets at fair value through profit or loss, and loans and receivables.

The Group has redesignated “investment securities” and “non-trading debt securities” as “available-for-sale financial assets”, and “debt securities” as “available-for-sale financial assets” and “financial assets at fair value through profit or loss” at 1st January, 2005.

2. 會計政策變動(續)

(a) 新訂／修訂之香港財務報告準則及香港會計準則之影響(續)

- (ii) 採納香港財務報告準則第3號、香港會計準則第36號及香港會計準則第38號導致商譽之會計政策發生變動。自截至二零零五年十二月三十一日止年度起，每年測試商譽有否減值，此外亦在有跡象顯示出現減值時進行評估。
- (iii) 採納香港會計準則第32號及香港會計準則第39號導致有關確認、計量、不確認及披露金融工具之會計政策發生變動。採納香港會計準則第32號及香港會計準則第39號後，財務資產已分類為可出售財務資產、按公平值列賬及在損益賬處理之財務資產、貸款及應收款項。

自二零零五年一月一日起，本集團將「投資證券」及「非買賣債務證券」重新歸類為「可出售財務資產」；及「債務證券」為「可出售財務資產」及「按公平值列賬及在損益賬處理之財務資產」。

2. Changes in accounting policies (continued)
 (a) Impact of new/revised HKFRSs and HKASs (continued)

The effects of changes in accounting policies on the consolidated balance sheet result in the reclassification of certain assets as follows:

At 1st January, 2005

於二零零五年一月一日

Increase in available-for-sale financial assets	可出售財務資產之增加
Increase in 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增加
Decrease in investment securities	投資證券之減少
Decrease in non-trading debt securities	非買賣債務證券之減少
Decrease in debt securities	債務證券之減少
Change in net assets	資產淨值之變更

The adoption of these standards did not have any significant financial impact to the Group's profit attributable to equity holders for the period ended 30th June, 2005.

(b) New accounting policies

The accounting policies used for the condensed consolidated financial statements for the six months ended 30th June, 2005 are the same as those set out in note 1 to the 2004 annual financial statements except for the following:

2. 會計政策變動(續)

(a) 新訂/修訂之香港財務報告準則及香港會計準則之影響(續)

會計政策變更對綜合資產負債表導致若干資產重新歸類之影響如下：

Effect on adopting
採納以下準則之影響

HKFRS 3, HKAS 36 & HKAS 38 香港財務報告 準則第3號、香 港會計準則第 36號及香港會 計準則第38號 HK\$ 港元	HKAS 32 & HKAS 39 香港會計 準則第32號 及香港 會計準則 第39號 HK\$ 港元	Total 總值 HK\$ 港元
-	417,515,429	417,515,429
-	7,488,000	7,488,000
-	(88,807,932)	(88,807,932)
-	(186,707,497)	(186,707,497)
-	(149,488,000)	(149,488,000)
-	-	-

採納此等新準則對本集團截至二零零五年六月三十日止期間股權持有人應佔溢利並無任何重大財務影響。

(b) 新會計政策

截至二零零五年六月三十日止六個月之簡明財務報表所應用之會計政策與載於截至二零零四年度之週年財務報表附註1所採納者完全一致，惟以下所述者除外：

2. Changes in accounting policies (continued)

2.1 Investments

From 1st January, 2004 to 31st December, 2004:

The Group classified its investments in securities, other than subsidiaries, associates and jointly controlled entities, as investment securities, non-trading debt securities and debt securities.

(a) *Investment securities and non-trading debt securities*

Investment securities and non-trading debt securities including those listed and unlisted securities which were held for non-trading purpose were stated at fair value at the balance sheet date. Changes in the fair value of individual securities were credited or debited to the investment revaluation reserve until the security was sold, or was determined to be impaired. Upon disposal, the cumulative gain or loss representing the difference between the net sales proceeds and the carrying amount of the relevant security, together with any surplus/deficit transferred from the investment revaluation reserve, was dealt with in the income statement.

Where there was objective evidence that individual investments were impaired the cumulative loss recorded in the investment revaluation reserve was taken to the income statement.

(b) *Debt securities*

Debt securities were carried at fair value. At each balance sheet date, the net unrealized gains or losses arising from the changes in fair value of debt securities were recognized in the income statement. Profits or losses on disposal of debt securities, representing the difference between the net sales proceeds and the carrying amounts, were recognized in the income statement as they arisen.

From 1st January, 2005 onwards:

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

2. 會計政策變動(續)

2.1 投資

由二零零四年一月一日至二零零四年十二月三十一日：

本集團將其投資於證券(附屬公司、聯營公司及共同控權合資公司除外)分類為投資證券、非買賣債務證券及債務證券。

(a) 投資證券及非買賣債務證券

持有作非買賣用途之投資證券及非買賣債務證券(包括該等上市及非上市證券)按結算日期之公平值列賬。個別證券之公平值如有變動，則會記入投資重估儲備或從中扣除，直至證券被出售或被斷定減值為止。於出售後，累計收益或虧損(即出售所得款項淨額與有關證券賬面金額間之差額)連同自投資重估儲備轉撥之任何盈餘/虧絀一併在損益表中處理。

當有客觀證據顯示個別投資減值時，投資重估儲備所記錄之累計虧損會撥往損益表處理。

(b) 債務證券

債務證券按公平值列賬。於各結算日期，債務證券如因公平值變動而產生未變現收益或虧損淨額，一概撥入損益表處理。出售債務證券所得溢利或虧損(即出售所得款項淨額與賬面金額間之差額)於產生時撥入損益表。

由二零零五年一月一日起：

本集團按下列類別將其投資分類：按公平值列賬及在損益賬中處理之財務資產、貸款及應收款項、持至到期日之投資以及可出售財務資產。分類視收購投資之目的而言。管理層於初步確認時決定其投資分類及於各個申報日期重新評估此指定類別。

2. Changes in accounting policies (continued)

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

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

(b) *Loans and receivables*

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

(c) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the period, the Group did not hold any investments in this category.

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

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

2. 會計政策變動(續)

(a) 按公平值列賬及在損益賬中處理之財務資產

此類別共有兩個分類：持有作買賣用途及於開始時按公平值列賬及在損益賬處理之財務資產。倘若財務資產被收購之主要目的是在短期內出售或由管理層指定出售，則須分類為此類別。倘若此類別之資產乃持有作買賣用途或預期將會於結算日期起計十二個月內變現，則會被分類為流動資產。

(b) 貸款及應收款

貸款及應收款指於並非於活躍市場上市而具備固定或可釐定款項之非衍生財務資產。貸款及應收款乃於本集團在無意買賣應收款項之情況下直接向債務人提供金錢、貨品或服務時產生。貸款及應收款均會列入流動資產項下，惟到期日超過結算日期後十二個月者除外，有關貸款及應收款項則列入非流動資產。

(c) 持至到期日之投資

持至到期日之投資指具備固定或可釐定款項及固定到期日而本集團管理層有具體計劃及能力持至到期日之非衍生財務資產。於本期間內，本集團並無持有此類別之任何投資。

(d) 可出售財務資產

可出售財務資產乃被指定列為此類別或並無分類為任何其他類別之非衍生財務資產。除非管理層有意於結算日期起計十二個月內將投資出售，否則可出售財務資產會列入非流動資產項下。

2. Changes in accounting policies (continued)

Purchases and sales of investments are recognized on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realized and unrealized gains and losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are included in the income statement in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses from investment securities.

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

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

2. 會計政策變動(續)

投資之購買及出售乃於交易日期確認，即本集團承諾購買或出售資產之日期。就並非按公平值列賬及並無在損益賬處理之所有財務資產而言，投資會初步按公平值另加交易費用確認。當收取來自投資之現金流量之權利屆滿或已被轉讓，及本集團已將差不多所有擁有權風險及收益轉讓時，將不再確認有關投資。可出售財務資產及按公平值列賬及在損益賬中處理之財務資產其後會按公平值列賬。貸款及應收款項及持至到期日之投資乃以實際利息方法按攤銷成本列賬。因按公平值列賬及在損益賬處理之財務資產類別之公平值變動而產生之已變現及未變現收益及虧損，會於其產生期內列入收益賬。因被分類為可出售之非貨幣證券之公平值變動而產生之未變現收益及虧損，會於權益內確認。當被分類為可出售之證券於出售或減值時，累計公平值調整乃於收益賬內列作投資證券之收益或虧損。

上市投資之公平值乃按現行買入價列賬。倘一項財務資產之市場並不活躍(及就非上市證券而言)，則本集團會使用估值技巧計算公平值。估值技巧包括使用最近期按公平原則磋商之交易、參考其他大致上相同之工具、貼現現金流量分析，以及經精確計算以反映發行人具體情況之購股權定價模式。

本集團會於各結算日期評估是否有客觀證據證明一項財務資產或一組財務資產出現減值。就分類為可供銷售之股本證券而言，倘若證券之公平值顯著或持續下跌至低於其成本，則將會考慮決定證券是否減值。倘若可出售財務資產存在任何該類證據，累計虧損，相等於收購成本與現行公平值間之差額(減除先前該財務資產於損益表內已確認減值虧損)計算，將由權益移除及於損益表內確認。於損益表內確認之股本工具減值虧損不會經損益表撥回。

2. Changes in accounting policies (continued)

2.2 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

2.3 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized 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 12 months after the balance sheet date.

2.4 Interest income

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

2. 會計政策變動(續)

2.2 經營及其他應收款

經營及其他應收款初期按公平值確認，其後以實際利息方法按攤銷成本(減除任何減值撥備)計算。經營及其他應收款之減值撥備於出現客觀證據，即證明本集團無法按應收款之原有條款收回所有金額時確認。撥備金額為資產之賬面款額與估計未來現金流量現值(按實際利率貼現計算)間之差額。撥備金額於損益表內確認。

2.3 借款

借款初期以公平值扣除所產生交易成本後確認。交易成本為收購、發行或出售財務資產或財務負債時直接產生之遞增成本，包括向代理商、顧問、經紀及交易商支付之費用及佣金、監管機構及證券交易所徵收之費用及過戶登記稅項及稅款。借款其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之任何差額則於借款期內使用實際利息法於損益表內確認。

除非本集團擁有無條件權利，可將負債之償還日期遞延至結算日期後至少十二個月，否則借款被分類為流動負債。

2.4 利息收入

利息收入採用實際利息法按時間比例基準進行確認。倘應收款出現減值，本集團會將賬面值減至其按有關金融工具原有實際利率之估計貼現現金流量而設定之可收回款額，並繼續解除貼現作為利息收入。減值貸款之利息收入乃於收取現金或收回成本基準情況可行時確認。

2. Changes in accounting policies (continued)

2.5 Foreign currency translation

(a) *Functional and presentation currency*
 Items included in the financial statements of each of the Group's entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK dollars, which is the Group's functional and presentation currency.

(b) *Transactions and balances*
 Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Translation differences on non-monetary items, such as financial instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) *Group Companies*
 The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognized as a separate component of equity.

2. 會計政策變動(續)

2.5 外幣換算

(a) *功能貨幣和列賬貨幣*
 本集團旗下每一公司之財務報表所列項目均採用有關公司營業所在之主要經濟環境之通用貨幣(「功能貨幣」)為計算單位。綜合財務報表以港元列賬。港元為本集團之功能貨幣及列賬貨幣。

(b) *交易及結餘*
 外幣交易按交易當日之匯率兌換為功能貨幣。因結算該等交易及按年終之匯率換算以外幣列值之貨幣資產及負債所產生之外匯收益及虧損均列入損益表。

非貨幣項目之換算差額(例如按公平值列賬及在損益賬中處理之財務工具)列作部份公平值之收益或虧損。非貨幣項目(例如列為可出售財務資產之權益)之換算差額列入權益公平值儲備。

(c) *集團公司*
 集團旗下所有公司(全部均非採用高通脹經濟體系之貨幣)之功能貨幣倘有別於列賬貨幣,其業績及財務狀況須按如下方式兌換為列賬貨幣:

- (i) 各資產負債表所列資產及負債按其結算日之收市匯率換算;
- (ii) 各損益表所列收入及開支按平均匯率換算,除非此平均匯率不足以合理地概括反映於交易日期適用匯率之累計影響,則在此情況下,收入及開支則按交易日期之匯率換算;及
- (iii) 一切因此而產生之匯兌差額均確認為權益之一個獨立組成部份入賬。

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.

3.2 Fair value estimation

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.

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。

3.2 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. Income and segment information

The principal activity of the Company and its subsidiaries is the holding of listed and unlisted financial investments.

The Group considers that it operates in a single business segment of investments holding. No geographical analysis is provided as less than 10% of the consolidated income and less than 10% of the consolidated operating results of the Group are attributable to operations outside Hong Kong.

5. Finance costs**4. 收入及分部資料**

本公司及其附屬公司之主要業務為持有上市及非上市金融投資。

本集團認為其所經營為投資控股一項單一業務分類。由於本集團綜合收入及綜合經營業績少於10%源自海外業務，故無按地域分析本集團之綜合收入及綜合經營業績。

5. 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

2005 2004

二零零五年 二零零四年

HK\$ **HK\$**

港元 港元

Interest on bank and other borrowings	銀行及其他借款之利息	501,485	1,055,137
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6. Taxation

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profits for the period.

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

6. 稅項

香港利得稅乃按本期間之估計應課稅溢利以稅率17.5% (二零零四年：17.5%) 提撥準備。

於未經審核的簡明綜合損益表扣除之稅項款額乃指：

Unaudited

未經審核

Six months ended 30th June,

截至六月三十日止六個月

2005 2004

二零零五年 二零零四年

HK\$ **HK\$**

港元 港元

Current taxation	本年度稅項		
– Under provision in prior years	– 過往年度撥備不足	65,000	23,018

Taxation charge	稅項支出	65,000	23,018
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The Group's share of associate's taxation for the six months ended 30th June, 2005 of HK\$30,331,240 (2004: HK\$1,896,552) are included in the unaudited condensed consolidated income statement as share of profits less losses of associated companies.

截至二零零五年六月三十日止六個月，本集團攤佔聯營公司之稅項為30,331,240港元(二零零四年：1,896,552港元)，已包括於未經審核的簡明綜合損益表內所佔聯營公司溢利減虧損。

7. Earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of HK\$188,283,152 (2004: HK\$22,827,785) and the number of ordinary shares in issue during the period amounting to 1,691,171,989 (2004: 1,691,171,989) shares.

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

8. Interim dividend

The directors have resolved not to declare an interim dividend for the period (2004: Nil)

董事會已議決不派發本期間之中期股息 (二零零四年：無)

Notes:

- (a) At a meeting held on 22nd March, 2005 the directors resolved not to declare a final dividend for the year ended 31st December, 2004.
- (b) At a meeting held on 26th August, 2005 the directors resolved not to declare an interim dividend for the period, but will reconsider dividend payment again after the financial year end.

7. 每股盈利

每股基本盈利是按照本期間本集團股權持有人應佔溢利188,283,152港元(二零零四年：22,827,785港元)及已發行之普通股數目合共1,691,171,989(二零零四年：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。

8. 中期股息

Unaudited	
未經審核	
Six months ended	
30th June,	
截至六月三十日止六個月	
2005	2004
二零零五年	二零零四年
HK\$	HK\$
港元	港元
-	-

附註：

- (a) 於二零零五年三月二十二日舉行之會議，董事會已議決不派發截至二零零四年十二月三十一日止年度之末期股息。
- (b) 於二零零五年八月二十六日舉行之會議，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。

9. Available-for-sale financial assets

Available-for-sale financial assets include the following:

Listed securities	上市證券
- Equity securities	- 股本權益證券
- listed in Hong Kong	- 香港上市
- listed outside Hong Kong	- 海外上市
- Unit Trust	- 單位信託
- listed outside Hong Kong	- 海外上市
- Debt securities	- 債務證券
- listed outside Hong Kong	- 海外上市

Unlisted securities	非上市證券
- Equity securities	- 股本權益證券
- Debt securities	- 債務證券

9. 可出售財務資產

可出售財務資產包括下列各項：

Unaudited
未經審核
30th June, 2005
二零零五年
六月三十日
HK\$
港元

15,107,533
228,704

50,648,258

33,299,931

99,284,426

2

238,462,094

238,462,096

337,746,522

10. Financial assets at fair value through profit or loss

Unlisted securities	非上市證券
- Debt securities	- 債務證券

10. 按公平值列賬及在損益賬處理之財務資產

Unaudited
未經審核
30th June, 2005
二零零五年
六月三十日
HK\$
港元

5,850,000

10. Financial assets at fair value through profit or loss (continued)

The carrying amounts of the above financial assets are classified as follows:

Designated as at fair value through profit or loss on initial recognition 於初始期已指定為通過損益賬反映公平價值

Unaudited
未經審核
30th June, 2005
二零零五年
六月三十日
HK\$
港元

5,850,000

11. Pledged bank fixed deposits and loan from a financial institution

Fixed deposits of approximately HK\$35 million (at 31st December, 2004: approximately HK\$46 million) were pledged against the loan from a financial institution obtained for financing the Group's investments in available-for-sale financial assets.

Fixed deposits of approximately HK\$31 million (at 31st December, 2004: approximately HK\$74 million) were pledged against letters of credit issued by licensed banks for the Group's investments in jointly controlled entities.

12. Trade and other receivables

Receivables from related parties 與有關連人士之應收款
Other receivables 其他應收款

10. 按公平值列賬及在損益賬處理之財務資產 (續)

以上財務資產賬面值分類如下：

11. 作抵押銀行定期存款及財務機構貸款
本集團已將定期存款約35,000,000港元(於二零零四年十二月三十一日：約46,000,000港元)抵押予一間財務機構，以取得該機構貸款為於可出售財務資產之投資作融資。

本集團已將定期存款約31,000,000港元(於二零零四年十二月三十一日：約74,000,000港元)抵押予持牌銀行，以供該等銀行為本集團於共同控權合資公司之投資開具信用證。

12. 經營及其他應收款

Unaudited 未經審核 30th June, 2005 二零零五年 六月三十日 HK\$ 港元	Audited 經審核 31st December, 2004 二零零四年 十二月三十一日 HK\$ 港元
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900,000	—
2,819,193	4,468,981
3,719,193	4,468,981

13. Share capital

13. 股本

		Unaudited 未經審核			
		Number of shares 股份數目	Ordinary shares 普通股 HK\$ 港元	Share premium 股份溢價 HK\$ 港元	Total 總值 HK\$ 港元
At 1st January, 2004	二零零四年一月一日結算	1,691,171,989	169,117,199	311,582,062	480,699,261
At 30th June, 2004	二零零四年六月三十日結算	1,691,171,989	169,117,199	311,582,062	480,699,261
At 31st December, 2004	二零零四年十二月三十一日結算	1,691,171,989	169,117,199	311,582,062	480,699,261
At 30th June, 2005	二零零五年六月三十日結算	1,691,171,989	169,117,199	311,582,062	480,699,261

The total authorised number of ordinary shares is 2,100 million shares (31st December, 2004: 2,100 million shares) with a par value of HK\$0.1 per share (31st December, 2004: HK\$0.1 per share). All issued shares are fully paid.

每股面值港幣0.1元(二零零四年十二月三十一日：每股港幣0.1元)之法定普通股總數目為2,100,000,000股(二零零四年十二月三十一日：2,100,000,000股)。所有已發行股份已繳足股款。

14. Borrowings

14. 借款

		Unaudited 未經審核 30th June, 2005 二零零五年 六月三十日 HK\$ 港元	Audited 經審核 31st December, 2004 二零零四年 十二月三十一日 HK\$ 港元
Non-current	非流動		
Collateralised borrowings	抵押借款	28,022,483	-
Current	流動		
Collateralised borrowings	抵押借款	-	46,270,674
Total borrowings	借款總值	28,022,483	46,270,674

Collateralised borrowings are secured by fixed deposits and certain available-for-sale financial assets.

定期存款及若干可出售財務資產已用作為抵押借款之抵押品。

14. Borrowings (continued)

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

Euro 歐羅

The Group has the following undrawn borrowing facilities (subject to the amount of the pledged fixed deposits and available-for-sale financial assets):

Floating rate 浮動利率
 – expiring beyond one year – 遲於一年到期

14. 借款 (續)

借款賬面值以下列外匯計值：

Unaudited 未經審核 30th June, 2005 二零零五年 六月三十日	Audited 經審核 31st December, 2004 二零零四年 十二月三十一日
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2,978,707

4,392,299

本集團未動用借款信貸額如下(取決於有抵押定期存款及可出售財務資產的總額)：

Unaudited 未經審核 30th June, 2005 二零零五年 六月三十日 HK\$ 港元	Audited 經審核 31st December, 2004 二零零四年 十二月三十一日 HK\$ 港元
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88,977,517

70,729,326

15. Trade and other payables

		Unaudited 未經審核 30th June, 2005 二零零五年 六月三十日 HK\$ 港元	Audited 經審核 31st December, 2004 二零零四年 十二月三十一日 HK\$ 港元
Accrued expenses	應計費用	485,239	318,149
Other payables	其他應付款	181,330	519,772
		<u>666,569</u>	<u>837,921</u>

16. Commitments

Capital commitments

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

		Unaudited 未經審核 30th June, 2005 二零零五年 六月三十日 HK\$ 港元	Audited 經審核 31st December, 2004 二零零四年 十二月三十一日 HK\$ 港元
Jointly controlled entities	共同控權合資公司		
Contracted but not provided for	已簽約但未撥備	<u>29,782,809</u>	<u>72,870,744</u>

17. Related party transactions

Significant related party transactions entered by the Group for the six months ended 30th June, 2005, which constitute connected transactions under the Listing Rules were:

		Unaudited 未經審核 Six months ended 30th June, 截至六月三十日止六個月 2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Management fee expenses to a related company	給予一間有關連公司之投資管理費用	<u>5,247,830</u>	<u>5,107,952</u>

15. 經營及其他應付款

16. 承擔

資本承擔

於結算日尚未產生資本開支如下：

17. 與有關連人士之交易

本集團於截至二零零五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：

17. Related party transactions (continued)

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.

In addition, 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 amounted to HK\$427,173 (2004: HK\$455,988). The Group utilise certain staff employed by YMIM and reimbursed staff costs of HK\$218,873 and HK\$389,066 to YMIM for 2005 and 2004 respectively.

17. 與有關連人士之交易(續)

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。

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427,173港元(二零零四年：455,988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二零零五年及二零零四年之職員成本為218,873港元及389,066港元。

18. Events after the balance sheet date

On 12th August, 2005, shareholders approved the acquisition of an additional 22.15% interest in IEC Investments Limited ("IEC") from YMIM.

Details of acquisition are as follows:

		HK\$ 港元
Purchase consideration	購買金額	
– Share capital	– 股本	22,150
– Shareholder's loan and loan interest advanced by YMIM to IEC	– 禹銘投資管理預付給IEC之股東貸款及利息	69,335,529
– Estimated expense reimbursement to YMIM in relation to letter of credits	– 補償禹銘投資管理有關信用證之估計費用	<u>850,000</u>
Total purchase consideration	購買金額總值	<u>70,207,679</u>

18. 結算日後事項

於二零零五年八月十二日，股東批准向禹銘投資管理收購IEC Investments Limited (「IEC」)之額外22.15%權益。

收購詳情如下：