

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2005

1. GENERAL

The Company is an exempted company incorporated under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Main Board of the Stock Exchange. Its ultimate holding company is J&A, which is incorporated in the British Virgin Islands. The address of the registered office and principal place of business of the Company are disclosed on pages 2 to 3 of the Annual Report.

The consolidated financial statements for the current year cover the year ended 31 December 2005. The corresponding amounts shown for the consolidated income statement, consolidated statement of changes in equity, consolidated cash flows statement and related notes cover a nine month period from 1 April 2004 to 31 December 2004 due to a change of balance sheet date in 2004 and therefore may not be comparable with amounts shown for the current year.

The Company is an investment holding company. The principal activities of the Group are the provision of financial services, including stockbroking, futures and options broking, mutual funds and insurance-linked investment plans and products broking, securities margin financing services and corporate finance advisory services.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

綜合財務報表附註

截至二零零五年十二月三十一日止年度

1. 一般事項

本公司乃根據百慕達1981年公司法(修訂本)註冊成立為受豁免公司及其股份於聯交所主版上市。本公司之最終控股公司為於英屬處女群島註冊成立之J&A。本公司的註冊辦事處及主要營業地點已詳列本年報之第2頁至第3頁。

本年度之綜合財務報表涵蓋截至二零零五年十二月三十一日止年度。由於二零零四年結算日期作出更改，於綜合損益計數表、綜合權益變動表、綜合現金流量表及有關附註所示之相關金額，涵蓋由二零零四年四月一日至二零零四年十二月三十一日止九個月。因此，未必能與本年度所示金額作比較。

本公司為投資控股公司。本集團之主要業務為提供金融服務，包括證券買賣、期貨與期權買賣、互惠基金、保險掛鈎投資計劃及產品買賣、證券保證金融資服務及企業融資顧問服務。

本綜合財務報表以港元呈列，與本公司的營運貨幣相同。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new HKFRSs, HKASs and Interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are effective for accounting years beginning on or after 1 January 2005, other than HKFRS 3 “Business Combination”, HKAS 36 “Impairment of assets” and HKAS 38 “Intangible Assets” that had been early adopted for the business combinations for which the agreement date is on or after 1 April 2004 and for the year ended 31 December 2004. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group’s accounting policies in the following areas that have an effect on how the results for the current or prior accounting years are prepared and presented:

Share-based payments

In the current year, the Group has applied HKFRS 2 “Share-based payment” which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares (“equity-settled transactions”). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to Directors and employees of the Group, determined at the date of grant of the share options, over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. No share options were granted on or after 1 January 2005 and the Group’s share options granted before 7 November 2002 were vested immediately and were expired during the period ended 31 December 2004. The Group had applied the transitional provision of HKFRS 2. Hence, no prior period adjustment has been required and there is no effect on the consolidated financial statements in both years.

2. 香港財務報告準則之採用

於本年度，除就協議日期二零零四年四月一日或之後及截至二零零四年十二月三十一日止年度的業務合併而提早採納香港財務報告準則第3號「業務合併」、香港會計準則第36號「資產減值」及香港會計準則第38號「無形資產」外，本集團首次採納若干由香港會計師公會頒佈之新香港財務報告準則、香港會計準則及詮釋（以下統稱「新香港財務報告準則」）。該等新準則於二零零五年一月一日或之後開始之會計期間生效。採用新香港財務報告準則導致綜合損益計算表、綜合資產負債表及綜合權益變動報表之呈列方式有所改變，尤以少數股東權益之呈列為然。本集團已追溯採用該等呈列方法之變動。採納新香港財務報告準則導致本集團以下之會計政策有所改變，並影響本集團本年度或過往年度的業績及呈列方式：

股權支付

於本年度，本集團已採用香港財務報告準則第2號「股權支付」，該項準則要求本集團以股份或享有股份之權利交換購買之貨品或獲取之服務（「權益結算交易」）須確認為支出入賬。香港財務報告準則第2號對本集團之主要影響乃關乎授予本集團董事及僱員之認股權於授出日期釐定之公平值，須於歸屬期內支銷。於採用香港財務報告準則第2號之前，本集團乃於認股權獲行使時始確認其財務影響。於二零零五年一月一日或以後並無任何認股權授出。本集團於二零零二年十一月七日前授出之認股權即時授予並於截止二零零四年十二月三十一日至期間到期。本集團亦已採用香港財務報告準則第二號之相關過渡性條文。因此無須對以往年度賬目作出調整並且對於本年度及上年度之綜合財務報表並無影響。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

Financial instruments

In the current year, the Group has applied HKAS 32 “Financial Instruments: Disclosure and Presentation” (“HKAS 32”) and HKAS 39 “Financial Instruments: Recognition and Measurement” (“HKAS 39”). HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 has had no material impact on how financial instruments of the Group are presented for current and prior accounting period. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

2. 香港財務報告準則之採用 (續)

金融工具

本集團已於本年度應用香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號規定作追溯應用。於二零零五年一月一日或以後開始的年度生效之香港會計準則第39號，基本上不容許對金融資產及負債進行追溯性的確認、不再確認或計量。採納香港會計準則第32號對本集團本年度或過往年度之金融工具之呈列並沒有重大影響。因實行香港會計準則第39號而產生的主要影響摘要如下：

金融資產及金融負債的分類及計量

本集團已就香港會計準則第39號所界定之金融資產及金融負債範圍內，應用有關分類及計量的過渡條文。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

Equity securities previously accounted for under the benchmark treatment of SSAP 24

Prior to 1 January 2005, the Group classified and measured its investments in equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice 24 (“SSAP 24”). Under SSAP 24, investments in debt or equity securities are classified as “investment securities”, “other investments” or “held-to-maturity investments” as appropriate. “Investment securities” are carried at cost less impairment losses (if any) while “other investments” are measured at fair value, with unrealised gains or losses included in profit or loss. “Held-to-maturity investments” are carried at amortised cost less impairment losses (if any). From 1 January 2005 onwards, the Group has classified and measured its investments in equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables”, or “held-to-maturity financial assets”. “Financial assets at fair value through profit or loss” and “available-for-sale financial assets” are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. Available-for-sale equity investments that do not have quoted market prices in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less impairment after initial recognition. “Loans and receivables” and “held-to-maturity financial assets” are measured at amortised cost using the effective interest method after initial recognition. On 1 January 2005, the Group classified and measured its investments in equity securities in accordance with the transitional provisions of HKAS 39. As a result, “investments in securities” amounted to HK\$12,000 has been classified as “investments held for trading” on 1 January 2005. However, there has been no material effect on how the results for the current accounting period as prepared and presented.

2. 香港財務報告準則之採用 (續)

過往根據會計實務準則第24號基準處理入賬之權益證券

於二零零五年一月一日前，本集團已根據會計實務準則第24號之基準處理將其權益證券投資分類及計量。根據會計實務準則第24號，債務投資或權益證券投資乃歸類為「投資證券」、「其他投資」或「持至屆滿日之投資」（如適用）。「投資證券」以成本扣除減值虧損（如有）計賬，而「其他投資」則與歸入損益之未實現收益或虧損一併以公平值計量。「持至屆滿日之投資」以攤銷成本扣除減值虧損（如有）計賬。由二零零五年一月一日起，本集團按照香港會計準則第39號將其權益證券投資分類及計量。根據香港會計準則第39號，金融資產可分類為「按公平值列賬及在損益賬處理之金融資產」、「可出售金融資產」、「貸款及應收款項」或「持至屆滿日之金融資產」。「按公平值列賬及在損益賬處理之金融資產」及「可出售金融資產」乃分別於損益賬及權益變動表中確認公平值之變動並以公平值計賬。在活躍市場上並無已報市價之可供出售股本投資及其公平值無法可靠地計算，與該等非上市股本工具有關並須以交付該等工具結算之衍生工具，則須於初步確認後按成本減減值計量。「貸款及應收款項」及「持至屆滿日之金融資產」於初步確認後採用實際利息法以攤銷成本計量。於二零零五年一月一日，本集團根據香港會計準則第39號之相關過渡性條文已將其權益證券投資分類。因此，約12,000港元之「證券投資」已於二零零五年一月一日分類為「持作買賣之投資」。但是對於本年度的業績並沒有重大影響。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

Financial assets and financial liabilities other than equity securities

From 1 January 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than investment in equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables” or “held-to-maturity financial assets”. Financial liabilities are generally classified as “financial liabilities at fair value through profit or loss” or “other financial liabilities”. Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition.

2. 香港財務報告準則之採用 (續)

債務證券與股本證券以外之金融資產及金融負債

自二零零五年一月一日開始，本集團就股本證券投資以外的金融資產及金融負債（以往不屬於會計實務準則第24號範圍）按照香港會計準則第39號的規定進行分類及計量。如前所述，香港會計準則第39號將金融資產分類為「於損益賬按公平值處理的金融資產」、「可供出售金融資產」、「貸款及應收款項」及「持有至到期日金融資產」。金融負債基本上分類為「於損益賬按公平值處理的金融負債」或「其他金融負債」。於損益賬按公平值處理的金融負債按公平值列賬，公平值的變動直接確認為損益。其他金融負債於首次確認後以實際利率法按攤銷成本持有。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The Group has not early applied the following new standards, amendments and interpretations (“INTS”) that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these new standards, amendments or INTS will have no material impact on the consolidated financial statements of the Group.

HKAS 1 (Amendment)	Capital disclosures ¹
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures ²
HKAS 21 (Amendment)	Net investment in a foreign operation ²
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions ²
HKAS 39 (Amendment)	The fair value option ²
HKAS 39 & HKFRS 4 (Amendments)	Financial guarantee contracts ²
HKFRS 6	Exploration for and evaluation of mineral resources ²
HKFRS 7	Financial instruments: Disclosures ¹

2. 香港財務報告準則之採用 (續)

本集團並無提早採納以下已頒佈但仍未生效之新準則，修訂及註釋。本公司董事估計採納此等新準則，修訂及註釋對本集團之綜合財務報表將不會構成重大影響。

香港會計 準則第1號 (修訂)	資本披露 ¹
香港會計 準則第19號 (修訂)	精算損益、集團計劃及 披露 ²
香港會計準則 第21號 (修訂)	於外地經營投資淨額 ²
香港會計 準則第39號 (修訂)	預測集團內公司間 交易之現金流量對沖 會計處理 ²
香港會計 準則第39號 (修訂)	選擇以公平值入賬 ²
香港會計 準則第39號及 香港財務 報告準則 第4號 (修訂)	財務擔保合約 ²
香港財務報告 準則第6號	礦產資源開採及評估 ²
香港財務報告 準則第7號	金融工具：披露 ¹

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

HK(IFRIC) - INT 4	Determining whether an arrangement contains a lease ²
HK(IFRIC) - INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ²
HK(IFRIC) - INT 6	Liabilities arising from participating in a specific market - waste electrical and electronic equipment ³
HK(IFRIC) - INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ⁴

- ¹ Effective for annual periods beginning on or after 1 January 2007.
- ² Effective for annual periods beginning on or after 1 January 2006.
- ³ Effective for annual periods beginning on or after 1 December 2005.
- ⁴ Effective for annual periods beginning on or after 1 March 2006.

2. 香港財務報告準則之採用 (續)

香港(國際 財務報告 詮釋委員會) — 詮釋4	釐定安排是否包括租賃 ²
香港(國際 財務報告 詮釋委員會) — 詮釋5	終止運作、復原及環境 修復基金產生權益之 權利 ²
香港(國際 財務報告 詮釋委員會) — 詮釋6	參與特定市場、 廢棄電力及 電子設備產生之 負債 ³
香港(國際 財務報告 詮釋委員會) — 詮釋7	根據香港會計準則 第29號「惡性通貨 膨脹經濟中的財務 報告」採用重列法 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 於二零零六年一月一日或之後開始之年度期間生效。
- ³ 於二零零五年十二月一日或之後開始之年度期間生效。
- ⁴ 於二零零六年三月一日或之後開始之年度期間生效。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to each of the balance sheet date.

The results of subsidiaries acquired or disposed of during the year/period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

3. 主要會計政策

除了若干金融工具是以公平值列賬外，本綜合財務報告是按歷史成本為基礎編製。

本綜合財務報告是根據香港會計師公會頒佈之香港財務報告準則編製。此外，本綜合財務報告也包括上市規則和香港公司法的要求作出相關披露。

綜合基準

本綜合財務報表包括本公司及其附屬公司截至各結算日之財務報表。

年度／期間內所購入或售出之附屬公司之業績，乃由購入生效日期起或截至售出生效日期止（如適用）計入綜合損益計數表。

如附屬公司的會計政策不同於本集團內其他成員公司所採用的，應將附屬公司的財務報告調整至與本集團所採用的一樣。

所有在本集團內各公司之間的交易、結餘、收入及費用於編製綜合財務報告賬目時抵銷。

少數股東權益於附屬公司的淨資產與本集團的權益分開呈列。於該資產淨額內的少數股東權益包括由業務合併日應佔數額及在合併期間少數股東應佔的權益變動。倘少數股東權益所佔的虧損超越少數股東權益於附屬公司應佔的股本權益，除非該少數股東須受約束性責任及有能力支付額外資金以彌補附屬公司的虧損，否則該虧損餘額應由集團承擔。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Goodwill

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition. Goodwill arising on acquisitions prior to 1 January 2005 continues to be held in reserve, and will be charged to the retained earnings at the time when the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates become impaired.

3. 主要會計政策 (續)

聯營公司投資

聯營公司的業績、資產及負債按權益法計入本綜合財務報表內。按照權益法，聯營公司的投資是按成本及於收購後本集團應佔損益和權益的變動扣除任何經確認減值虧損列於綜合資產負債表內。倘本集團所佔聯營公司的虧損等於或超越本集團於聯營公司應佔的權益（包括會構成本集團對聯營公司淨投資的任何長期權益），本集團應停止確認應佔的虧損。確認額外的應佔虧損及負債只限於本集團須受法律性或約束性責任或代聯營公司支付額外款項。

商譽

於二零零五年一月一日前簽訂合同收購附屬公司時產生的商譽指付出的收購成本高於本集團佔收購當日該附屬公司之可確定之資產及負債公平值的數額。於二零零五年一月一日前因收購以產生之商譽繼續保留於儲備內。將於出售有關商譽之業務時或於有關商譽之現金產生單位出現減值時在保留盈利扣除。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

For the purposes of impairment testing, goodwill arising from an acquisition of the subsidiary is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

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

Excess of an acquirer's interest in the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over cost ("discount on acquisitions")

A discount on acquisition arising on an acquisition of a subsidiary or an associate for which an agreement date is on or after 1 April 2004 represents the excess of the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination. Discount on acquisition is recognised immediately in profit or loss. A discount on acquisition arising on an acquisition of an associate (which is accounted for using the equity method) is included as income in the determination of the investor's share of results of the associate in the period in which the investment is acquired.

3. 主要會計政策 (續)

商譽 (續)

就減值測試而言，收購附屬公司所產生之商譽乃被分配到每一個有關賺取現金單位，或賺取現金單位之組別，預期彼等從收購之協同效應中受益。已獲配商譽之賺取現金單位每年及當單位有可能出現減值之跡象時進行減值測試。就於某個財政年度之收購所產生之商譽而言，已獲配商譽之現金賺取單位於該財政年度完結前進行減值測試。當賺取現金單位之可收回金額少於該單位之賬面值，則減值虧損被分配，以削減首先分配到該單位，及其後以單位各資產之賬面值為基準按比例分配到該單位之其他資產之任何商譽之賬面值。商譽之任何減值虧損乃直接於綜合收益表內確認。商譽之減值虧損於其後期間不予撥回。

其後出售一間附屬公司或聯營公司，則被資本化之商譽之應佔金額於出售時計入釐定損益之金額。

購買方在被購買方辨認資產、負債及或有負債的公允價值中所佔份額超出購買成本的部分 (「收購折讓」)

於二零零四年四月一日或之後訂立的購買一間附屬公司或一間聯營公司協議所產生的收購折讓指購買方在聯營公司的可辨認資產，負債及或有負債在購買當日的公允價值中所佔份額超過業務購併成本的部分。收購折讓會立即確認於損益內。購買聯營公司(而該聯營公司以權益法入賬)產生的收購折讓會包括在收購當期投資者分佔聯營公司所確定的溢利中。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discount.

All transactions in securities trading are recorded on a trade date basis.

Commission and brokerage income are recognised when the services are rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimate future cash receipts through the expected life of the financial assets to that asset's net carrying amount.

Advisory fee income is recognised when the service is provided.

Fixed assets

Fixed assets are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, at the following rates per annum:

Leasehold improvements	20% - 33 $\frac{1}{3}$ %
Computer equipment	20% - 50%
Furniture and fixtures	20% - 40%
Motor vehicles	20% - 30%

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

3. 主要會計政策 (續)

收入確認

收入以已收或應收報酬之公平值計量。收入代表除淨折扣後，由日常業務中提供之服務所產生之應收賬。

證券買賣之所有交易乃按有關買賣日期予以記錄。

佣金及經紀收入在提供服務時確認入賬。

利息收入乃參考未償還本金及適用實際利率按時間基準累計。實際利率即將於財務資產預計可用年期估計所收取未來現金流量折算至該資產賬面淨值的利率。

顧問費收入在提供服務時確認入賬。

固定資產

固定資產乃按成本值減其後累計折舊及累計減值虧損(如有)入賬。

固定資產乃按其估計可使用年期及計入估計剩餘價值，以直線法按以下年率撇除成本計算折舊：

租賃物業裝修	20% - 33 $\frac{1}{3}$ %
電腦設備	20% - 50%
傢俬及裝置	20% - 40%
汽車	20% - 30%

固定資產項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值間之差額計算)於該項目取消確認之年度計入綜合損益計數表。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

On initial recognition, intangible assets acquired separately are recognised at cost. After initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified as loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of loans and receivables are set out below.

3. 主要會計政策 (續)

無形資產

於初步確認時，獨立收購之無形資產乃按成本確認。於初步確認後，有限可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損入賬。有限可使用年期之無形資產攤銷乃按直線基準於其估計可使用年期撥備。

不再確認無形資產產生之損益以資產處置所得款項淨額與賬面值之間之差額計算，並於不再確認資產時在綜合損益計數表內確認。

金融工具

倘集團實體成為金融工具合約條文之訂約方，則於資產負債表中確認金融資產及金融負債。金融資產及金融負債首先按公平值計量。因收購或發行金融資產及金融負債（於損益賬按公平值處理的金融資產及負債除外）而直接產生之交易成本於首次確認時計入金融資產及金融負債（如適用）之公平值或自金融資產及金融負債（如適用）之公平值扣除。就「於損益賬按公平值處理的金融資產及負債」而言，直接產生之交易成本即時於損益表確認。

金融資產

本集團之金融資產分類為貸款及應收款項。所有日常買賣之金融資產於交易日確認及不再確認。日常買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。就貸款及應收款項所採納之會計政策載列於下文。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables including bank balances, deposits, accounts receivable, loans receivable and other receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities include accounts payable and other payables are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. 主要會計政策 (續)

貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款之非衍生性質金融資產，於首次確認後每一個結算日，貸款及應收款項（包括銀行結存、存款、應收賬款、應收貸款及其他應收款項）採用實際利率法攤銷成本，減任何已識別減值虧損列賬。倘客觀證明資產出現減值，則減值虧損會於損益表確認，並按資產賬面值與按原實際利率折讓之估計未來現金流量之現值的差額計算。倘資產可收回金額之增幅能客觀地指出涉及確認減值後所發生之事件，則減值虧損會於以後期間撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時之原來應攤銷成本。

金融負債及股本權益

由集團實體發行之金融負債及股本權益工具按所訂立之合約安排性質，以及金融負債及股本權益工具之定義而分類。

股本權益工具為帶有本集團資產剩餘權益（經扣除其所有負債）之任何合約。就金融負債及股本權益工具而採納之會計政策載列如下。

金融負債

金融負債包括應付賬款及其他應付賬款，乃採用實際利率法按攤銷成本計算。

股本權益工具

本公司所發行之股本權益工具乃按已收取之所得款項減直接發行成本記賬。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

3. 主要會計政策 (續)

減值 (商譽以外)

本集團於各結算日審閱其有形資產及無形資產之賬面值，以決定該等資產是否有減值虧損之跡象。倘資產之可收回金額估計低於其賬面值，則資產之賬面值乃扣減至其可收回數額。減值虧損須即時確認為開支。

倘減值虧損於其後撥回，則資產之賬面值會增加其至估計可收回金額，以致經增加之賬面值不會超過以往年度並未就該資產確認任何減值虧損而已釐定之賬面值。回撥之減值虧損均即時確認為收入。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items of income or expense that are never taxable and deductible. The Group's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year/period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity in which case the deferred tax is also dealt with in equity.

3. 主要會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按年度／期間應課稅溢利計算。應課稅溢利與綜合損益計數表中所報溢利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅之收入或開支項目，並且不包括未曾課稅及扣稅之收入或開支項目。本集團之本期稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項為就財務報表資產及負債賬面值與計算應課稅溢利時所用之相應稅基兩者間之差額而須支付或收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產乃按可能出現可利用臨時時差扣稅之應課稅溢利時予以確認。若於一項交易中，因商譽或因業務合併以外原因開始確認其他資產及負債而引致之臨時時差既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃就於附屬公司之投資而引致之應課稅臨時差額而確認，惟若本集團可令臨時差額對沖及臨時差額可能不會於可見將來對沖之情況除外。

遞延稅項資產之賬面值於各結算日作檢討，並在沒可能會有足夠應課稅溢利以收回全部或部份資產時予以遞減。

遞延稅項乃按預期於負債清償或資產變現年度／期間適用之稅率計算。遞延稅項於綜合損益計數表中扣除或計入，惟倘遞延稅項與於股本中直接扣除或計入之項目有關之情況除外。在這情況下，亦於股本權益中處理遞延稅項。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the year/period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year/period, unless exchange rates fluctuate significantly during the year/period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the currency translation reserve). Such exchange differences are recognised in profit or loss in the year/period in which the foreign operation is disposed of.

Retirement benefits costs

Payments to the defined contribution retirement benefits scheme are charged as an expense as they fall due.

3. 主要會計政策 (續)

外幣

編製個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易乃按其功能貨幣(即實體主要經營之經濟環境之貨幣)於交易日期當時之匯率記錄。於各結算日，以外幣列值之貨幣項目以結算當日之匯率重新換算。以外幣歷史成本計算之非貨幣項目不予重新換算。

結算貨幣項目及換算貨幣項目所產生之匯兌差額於產生年度／期間內計入損益，惟組成本集團海外業務之投資淨額部份之貨幣項目所產生之匯兌差額除外，在此情況下，有關匯兌差額乃於綜合財務報表中確認為股本權益。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按結算日匯率換算為本公司之呈列貨幣(即港元)，而有關之收入及開支項目乃按年度／期間內平均匯率換算，除非期間內匯率出現重大波幅，則於此情況下，將採用交易日期之匯率。所產生匯兌差額(如有)均確認為股本權益之獨立部份(匯兌儲備)。有關換算差額於該項海外業務出售年度／期間內在損益表中確認。

退休福利成本

定額供款退休福利計劃之款項，乃於到期時作為開支予以扣除。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 3, the management has made the following estimates that have significant effect on the amounts recognised in the consolidated financial statements. The key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Income taxes

No deferred tax asset was recognised in the Group's consolidated balance sheet in relation to the unused tax losses of approximately HK\$33,872,000. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future profits generated are more than expected, further recognition of deferred tax asset in relation to unutilised tax losses may arise, which would be recognised in the income statement for the period in which such a recognition takes place.

Written back for bad and doubtful debts

The policy for written back or allowance for bad and doubtful debts of the Group is based on the evaluation of collectability and aged analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each client and the estimation of the future cash flow discounted at the original effective rate to calculate the present value. If the financial conditions of client of the Group were not as good as expected by the Group, additional impairment may be required.

4. 估計不確定性之主要來源

於採用上文附註3所述之本集團會計政策時，管理層曾作出綜合財務報表中確認之金額構成重大影響之估計。有關在結算日因對不確定性作出判斷，而對下個財政年度之資產及負債面值帶來重大調整之主要來源，於下文討論。

所得稅

概無有關未動用稅項虧損約33,872,000港元之遞延稅項資產乃於本集團之綜合資產負債表內確認。變現遞延稅項資產主要有賴於是否有足夠未來溢利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際溢利多於預期溢利，則有關未動用稅項虧損之遞延稅項資產可能會作進一步確認，而該未來溢利會於有關確認發生期間之損益計算表內確認。

呆壞賬回撥

本集團之呆壞賬回撥或撥備政策乃根據賬目之可收回性之評估及賬齡分析，以及管理層判斷而制訂。在評估該等應收賬款之最終變現額時須作出大量判斷，其中包括各客戶目前之信譽及過往還款記錄及按原定實際利率估計折現現金流量以計算現值。倘本集團之客戶之財務狀況未如本集團預期理想，則可能須作額外撥備。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include bank balances and cash, pledged fixed deposits, accounts receivable, loans receivable, accounts payable and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group has no significant concentration of credit risk with exposure spread over a number of customers. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual accounts receivables and loans receivable at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

5. 財務風險管理目標及政策

本集團之主要金融工具包括銀行結存及現金、已抵押定期存款、應收賬款、應收貸款、應付賬款及其他應付賬款。該等金融工具之詳情已於相關附註中作出披露。與此等金融工具有關之風險，以及減低此等風險之政策載於下文。管理層管理及監察此等風險，以確保能及時及有效地採取適當措施。

信貸風險

倘交易對手於二零零五年十二月三十一日未能履行有關各類已確認金融資產之責任，則本公司所面對之最大信貸風險以綜合資產負債表所列之該等資產賬面值為限。本集團並無重大集中信貸風險，有關風險分散於數名客戶上。為將信貸風險減至最低，本集團管理層已委派一組人員負責釐定信貸額、信貸之審批及其他監管程序，以確保就回收逾期債務作出跟進行動。此外，本集團會於各結算日審閱各個別應收賬款及應收貸款之可收回金額，以確保為不可收回之款額作出適當之減值撥備。因此，本公司董事認為，本集團之信貸風險正大幅降低。

由於交易對手主要為獲國際信貸評級機構評定為高信貸評級之銀行，故流動資金之信貸風險有限。

6. REVENUE

		1.1.2005	1.4.2004
		to	to
		31.12.2005	31.12.2004
		二零零五年	二零零四年
		一月一日至	四月一日至
		二零零五年	二零零四年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Commission and brokerage	經紀佣金	28,768	24,805
Interest income from:	來自以下項目之利息收入：		
Clients	客戶	3,452	3,227
Authorised institutions	認可機構	1,294	96
Others	其他	15	13
Advisory fee income	顧問費收入	1,640	1,612
		35,169	29,753

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two operating divisions, namely, broking and securities margin financing. These divisions are the basis on which the Group reports its primary segment information. The principal activities of these divisions are as follows:

Broking — provision of stockbroking, futures and options broking and mutual funds as well as insurance-linked investment plans and products broking

Securities margin financing — provision of securities margin financing

6. 收益

		1.1.2005	1.4.2004
		to	to
		31.12.2005	31.12.2004
		二零零五年	二零零四年
		一月一日至	四月一日至
		二零零五年	二零零四年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Commission and brokerage	經紀佣金	28,768	24,805
Interest income from:	來自以下項目之利息收入：		
Clients	客戶	3,452	3,227
Authorised institutions	認可機構	1,294	96
Others	其他	15	13
Advisory fee income	顧問費收入	1,640	1,612
		35,169	29,753

7. 業務及地區分類

業務分類

因管理目的，本集團目前由兩個經營類別組成，即分別為經紀業務及證券保證金融資。本集團以該等類別作為呈報主要分類資料之基準，該等類別之主要業務如下：

經紀業務 — 提供證券買賣、期貨與期權買賣、互惠基金、保險掛鉤投資計劃及產品買賣

證券保證金融資 — 提供證券保證金融資

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Segment information about these businesses is presented below:

Consolidated income statement for the year ended 31 December 2005

7. 業務及地區分類 (續)

業務分類 (續)

該等業務之分類資料載於下文：

截至二零零五年十二月三十一日止年度之綜合損益計數表

		Securities margin financing		Consolidated
		Broking	Others	
		經紀業務	證券 保證金融資	其他
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
REVENUE	收益			
Segment revenue	分類收益	31,168	2,246	1,755
		<u>31,168</u>	<u>2,246</u>	<u>1,755</u>
				<u>35,169</u>
RESULTS	業績			
Segment profit	分類溢利	1,200	3,685	333
		<u>1,200</u>	<u>3,685</u>	<u>333</u>
Unallocated expenses	未劃撥開支			(847)
Share of results of an associate	應佔聯營公司之業績			9,669
				<u>9,669</u>
Profit before taxation	除稅前溢利			14,040
Taxation	稅項			(35)
				<u>(35)</u>
Profit for the year	年度溢利淨額			14,005
				<u>14,005</u>

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Consolidated balance sheet as at 31 December 2005

7. 業務及地區分類 (續)

業務分類 (續)

於二零零五年十二月三十一日之綜合資產負債表

		Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產				
Segment assets	分類資產	81,034	29,950	4,148	115,132
Interest in an associate	聯營公司之權益				111,851
Unallocated corporate assets	未劃撥公司資產				319
Consolidated total assets	綜合資產總額				227,302
LIABILITIES	負債				
Segment liabilities	分類負債	48,019	1,107	193	49,319
Unallocated corporate liabilities	未劃撥公司負債				166
Consolidated total liabilities	綜合負債總額				49,485

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Other information for the year ended 31 December 2005

7. 業務及地區分類 (續)

業務分類 (續)

截至二零零五年十二月三十一日止年度之
其他資料

		Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Additions of fixed assets	固定資產增添	168	—	—	168
Written back for bad and doubtful debts	呆壞賬回撥	(1,458)	(3,313)	—	(4,771)
Amortisation of intangible assets	無形資產攤銷	6	—	—	6
Depreciation	折舊	1,148	—	105	1,253
		<u>1,148</u>	<u>—</u>	<u>105</u>	<u>1,253</u>

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Consolidated income statement for the period from 1 April 2004 to 31 December 2004

7. 業務及地區分類 (續)

業務分類 (續)

於二零零四年四月一日至二零零四年十二月三十一日止期間之綜合損益計數表

		Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益				
Segment revenue	分類收益	26,245	1,702	1,806	29,753
RESULTS	業績				
Segment loss	分類虧損	(803)	(175)	(54)	(1,032)
Unallocated expenses	未劃撥開支				(580)
Discount on acquisition of an associate	收購聯營公司之 折讓				41,728
Share of results of an associate	應佔聯營公司之 業績				5,321
Profit before taxation	除稅前溢利				45,437
Taxation	稅項				(58)
Profit for the period	期間溢利淨額				45,379

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Consolidated balance sheet as at 31 December 2004

7. 業務及地區分類 (續)

業務分類 (續)

於二零零四年十二月三十一日之綜合資產
負債表

		Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產				
Segment assets	分類資產	89,660	31,821	4,433	125,914
Interest in an associate	聯營公司之權益				77,333
Unallocated corporate assets	未劃撥公司資產				18,180
Consolidated total assets	綜合資產總額				221,427
LIABILITIES	負債				
Segment liabilities	分類負債	55,864	2,875	203	58,942
Unallocated corporate liabilities	未劃撥公司負債				123
Consolidated total liabilities	綜合負債總額				59,065

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Other information for the period from 1 April 2004 to 31 December 2004

		Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Additions of fixed assets	固定資產增添	82	—	23	105
Allowance for bad and doubtful debts	呆壞賬撥備	2,183	—	828	3,011
Amortisation of intangible assets	無形資產攤銷	4	—	—	4
Depreciation	折舊	1,444	—	112	1,556
		<u>1,444</u>	<u>—</u>	<u>112</u>	<u>1,556</u>

Geographical segments

All of the activities of the Group are based in Hong Kong and all of the Group's revenue and profit before taxation are derived from Hong Kong. In addition, the Group's assets are located in Hong Kong.

7. 業務及地區分類 (續)

業務分類 (續)

於二零零四年四月一日至二零零四年十二月三十一日止期間之其他資料

		Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Additions of fixed assets	固定資產增添	82	—	23	105
Allowance for bad and doubtful debts	呆壞賬撥備	2,183	—	828	3,011
Amortisation of intangible assets	無形資產攤銷	4	—	—	4
Depreciation	折舊	1,444	—	112	1,556
		<u>1,444</u>	<u>—</u>	<u>112</u>	<u>1,556</u>

地區分類

本集團之所有業務均在香港經營，而本集團之所有收益及除稅前溢利均來自香港。此外，本集團之資產均位於香港。

8. FINANCE COSTS

8. 財務費用

		1.1.2005 to 31.12.2005 二零零五年 一月一日至 二零零五年 十二月三十一日 HK\$'000 千港元	1.4.2004 to 31.12.2004 二零零四年 四月一日至 二零零四年 十二月三十一日 HK\$'000 千港元
Interest on borrowings wholly repayable within five years:	於五年內償清之 貸款利息：		
Bank overdrafts	銀行透支	1	8
Finance leases	融資租約	—	1
Other bank borrowings	其他銀行貸款	19	—
		<u>20</u>	<u>9</u>

9. PROFIT BEFORE TAXATION

9. 除稅前溢利

		1.1.2005 to 31.12.2005 二零零五年 一月一日至 二零零五年 十二月三十一日 HK\$'000 千港元	1.4.2004 to 31.12.2004 二零零四年 四月一日至 二零零四年 十二月三十一日 HK\$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除 (計入) 下列各項：		
Auditors' remuneration	核數師酬金	1,107	558
Contributions to retirement benefits scheme (included in staff costs)	退休福利計劃供款 (包括僱員成本)	383	292
Loss from error trades	錯誤交易虧損	13	39
Operating lease rentals in respect of rented premises	有關租賃物業之 經營租約租金	4,364	3,153
Net realised and unrealised (gain) loss on investment held for trading/trading securities	變現及未變現之持作投資買賣/ 證券買賣 淨虧損 (盈利)	(1)	12
Share of tax of an associate (included in share of results of an associate)	應佔聯營公司之稅項 (於應佔聯營公司之業績內)	<u>(1,262)</u>	<u>(28)</u>

10. DIRECTORS' REMUNERATION

The remuneration paid or payable to each of the five (1.4.2004 to 31.12.2004: five) Directors were as follows:

		Lam Kwok Hing 藍國慶 HK\$'000 千港元	Nam Kwok Lun 藍國倫 HK\$'000 千港元	Ng Chi Kin David 伍志堅 HK\$'000 千港元	Chen Wei-Ming Eric 陳偉明 HK\$'000 千港元	Kwan Wang Wai Alan 關宏偉 HK\$'000 千港元	1.1.2005 to 31.12.2005 二零零五年 一月一日至 二零零五年 十二月三十一日 HK\$'000 千港元
Fees:	袍金：						
Executive Directors	執行董事	—	—	—	—	—	—
Independent Non-Executive Directors	獨立非執行董事	—	—	50	50	50	150
Other emoluments to Executive Directors:	執行董事之 其他酬金：						
Salaries and other benefits	薪金及其他福利	644	644	—	—	—	1,288
Contributions to retirement benefits scheme	退休福利計劃供款	12	12	—	—	—	24
Total remuneration	總酬金	656	656	50	50	50	1,462

		Lam Kwok Hing 藍國慶 HK\$'000 千港元	Nam Kwok Lun 藍國倫 HK\$'000 千港元	Ng Chi Kin David 伍志堅 HK\$'000 千港元	Chen Wei-Ming Eric 陳偉明 HK\$'000 千港元	Kwan Wang Wai Alan 關宏偉 HK\$'000 千港元	1.4.2004 to 31.12.2004 二零零四年 四月一日至 二零零四年 十二月三十一日 HK\$'000 千港元
Fees:	袍金：						
Executive Directors	執行董事	—	—	—	—	—	—
Independent Non-Executive Directors	獨立非執行董事	—	—	38	38	12	88
Other emoluments to Executive Directors:	執行董事之 其他酬金：						
Salaries and other benefits	薪金及其他福利	483	483	—	—	—	966
Contributions to retirement benefits scheme	退休福利計劃供款	9	9	—	—	—	18
Total remuneration	總酬金	492	492	38	38	12	1,072

10. DIRECTORS' REMUNERATION (Continued)

During the year, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group. None of the Directors has waived any emoluments during the year.

11. EMPLOYEES' EMOLUMENTS

The five individuals with the highest emoluments in the Group included two (1.4.2004 to 31.12.2004: two) Directors of the Company for the year/period, details of whose emoluments are included in note 10. The emoluments of the remaining three (1.4.2004 to 31.12.2004: three) individuals were as follows:

Salaries and other benefits	薪金及其他福利	1,899	1,305
Discretionary bonus	酌定花紅	—	24
Contributions to retirement benefits scheme	退休福利計劃供款	36	27
		1,935	1,356

The aggregate emoluments of each of these remaining three (1.4.2004 to 31.12.2004: three) highest paid individuals were less than HK\$1,000,000.

During the year/period, no emoluments were paid by the Group to the above-mentioned individuals as an inducement to join the Group or as compensation for loss of office.

12. TAXATION

The taxation charge represents the underprovision of Hong Kong Profit Tax for the year/period.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as there are no assessable profits arising in Hong Kong or the assessable profits were wholly absorbed by estimated tax losses brought forward.

10. 董事酬金 (續)

於年度內，本集團概無向任何董事支付任何酬金，以吸引其加入本集團。於年度內，董事並無放棄任何酬金。

11. 僱員酬金

於年度／期間內，本集團之五名最高薪酬人士包括兩名(二零零四年四月一日至二零零四年十二月三十一日；兩名)本公司董事，其薪酬詳情載於附註第10項。其餘三名(二零零四年四月一日至二零零四年十二月三十一日；三名)人士之酬金如下：

1.1.2005 to 31.12.2005 二零零五年 一月一日至 二零零五年 十二月三十一日 HK\$'000 千港元	1.4.2004 to 31.12.2004 二零零四年 四月一日至 二零零四年 十二月三十一日 HK\$'000 千港元
1,899	1,305
—	24
36	27
1,935	1,356

其餘三名(二零零四年四月一日至二零零四年十二月三十一日；三名)每名最高薪酬人士之酬金總額均少於1,000,000港元。

於年度內，本集團概無向上述人士支付任何酬金，以吸引其加入本集團或作為離職賠償。

12. 稅項

稅項扣除指年度／期間內撥備不足之香港利得稅。

由於沒有於香港產生應課稅溢利，或該等應課稅溢利已全數計入承前估計稅項虧損，故並無於綜合財務報表內就香港利得稅提取撥備。

12. TAXATION (Continued)

The taxation for the year/period can be reconciled to the profit before taxation per the consolidated income statement as follows:

		1.1.2005 to 31.12.2005 二零零五年 一月一日至 二零零五年 十二月三十一日 HK\$'000 千港元	1.4.2004 to 31.12.2004 二零零四年 四月一日至 二零零四年 十二月三十一日 HK\$'000 千港元
Profit before taxation	除稅前溢利	<u>14,040</u>	<u>45,437</u>
Taxation charge at domestic income tax rate of 17.5%	以當地所得稅率 17.5% 計算之稅款	(2,457)	(7,951)
Tax effect of share of results of an associate	應佔聯營公司業績之稅務影響	1,464	931
Tax effect of income not taxable for tax purpose	毋須就稅項而課稅之收入之稅務影響	736	7,310
Tax effect of estimated tax losses not recognised	未確認估計稅務虧損之稅務影響	(517)	(986)
Underprovision in prior years	過往年度撥備不足	(35)	(58)
Tax effect of expenses not deductible for tax purpose	不能就稅項作扣減開支之稅務影響	(10)	(146)
Tax effect of utilisation of estimated tax loss previously not recognised	未有就以往估計稅務虧損作 確認之稅務影響	929	917
Others	其他	<u>(145)</u>	<u>(75)</u>
Taxation for the year/period	年度／期間之稅項	<u>(35)</u>	<u>(58)</u>

At 31 December 2005, the Group had unused estimated tax losses of approximately HK\$33,872,000 (2004: HK\$36,228,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

12. 稅項 (續)

年度／期間之稅項，與綜合損益計數表之除稅前溢利之對賬如下：

		1.1.2005 to 31.12.2005 二零零五年 一月一日至 二零零五年 十二月三十一日 HK\$'000 千港元	1.4.2004 to 31.12.2004 二零零四年 四月一日至 二零零四年 十二月三十一日 HK\$'000 千港元
Profit before taxation	除稅前溢利	<u>14,040</u>	<u>45,437</u>
Taxation charge at domestic income tax rate of 17.5%	以當地所得稅率 17.5% 計算之稅款	(2,457)	(7,951)
Tax effect of share of results of an associate	應佔聯營公司業績之稅務影響	1,464	931
Tax effect of income not taxable for tax purpose	毋須就稅項而課稅之收入之稅務影響	736	7,310
Tax effect of estimated tax losses not recognised	未確認估計稅務虧損之稅務影響	(517)	(986)
Underprovision in prior years	過往年度撥備不足	(35)	(58)
Tax effect of expenses not deductible for tax purpose	不能就稅項作扣減開支之稅務影響	(10)	(146)
Tax effect of utilisation of estimated tax loss previously not recognised	未有就以往估計稅務虧損作 確認之稅務影響	929	917
Others	其他	<u>(145)</u>	<u>(75)</u>
Taxation for the year/period	年度／期間之稅項	<u>(35)</u>	<u>(58)</u>

於二零零五年十二月三十一日，本集團有未動用估計稅務虧損約33,872,000港元（二零零四年：36,228,000港元）可供抵銷未來溢利。由於難以預測未來溢利流量，故未有確認遞延稅項資產。稅務虧損或會無限結轉。

13. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

13. 每股盈利

每股基本盈利乃按下列數據計算：

		1.1.2005 to 31.12.2005 二零零五年 一月一日至 二零零五年 十二月三十一日 HK\$'000 千港元	1.4.2004 to 31.12.2004 二零零四年 四月一日至 二零零四年 十二月三十一日 HK\$'000 千港元
Profit attributable to the equity holders of the Company for the purposes of basic earnings per share	用以計算每股基本盈利之本公司之權益持有人應佔溢利淨額	13,845	45,684
		Number of shares 股份數目	
		'000 千股	'000 千股
Number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股數目	460,000	460,000

14. FIXED ASSETS

14. 固定資產

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合共 HK\$'000 千港元
COST	成本值					
At 1 April 2004	於二零零四年 四月一日	700	5,312	4,061	2,132	12,205
Additions	增添	—	32	73	—	105
At 1 January 2005	於二零零五年 一月一日	700	5,344	4,134	2,132	12,310
Additions	增添	—	152	16	—	168
At 31 December 2005	於二零零五年 十二月三十一日	700	5,496	4,150	2,132	12,478
DEPRECIATION	折舊					
At 1 April 2004	於二零零四年 四月一日	462	3,169	3,276	1,698	8,605
Provided for the period	期間撥備	238	788	306	224	1,556
At 1 January 2005	於二零零五年 一月一日	700	3,957	3,582	1,922	10,161
Provided for the year	本年度撥備	—	708	432	113	1,253
At 31 December 2005	於二零零五年 十二月三十一日	700	4,665	4,014	2,035	11,414
CARRYING VALUES	賬面值					
At 31 December 2005	於二零零五年 十二月三十一日	—	831	136	97	1,064
At 31 December 2004	於二零零四年 十二月三十一日	—	1,387	552	210	2,149

15. INTANGIBLE ASSETS

15. 無形資產

		Trading rights 交易權 HK\$'000 千港元	License and rights to use a website and trademark 使用網站和 商標之許可權 及權利 HK\$'000 千港元	License to use technical knowhow and Webtrade products 使用專業 技術及網上 交易產品 之許可權 HK\$'000 千港元	Total 合共 HK\$'000 千港元
COST	成本值				
At 1 April 2004, 1 January 2005 and 31 December 2005	於二零零四年 四月一日， 二零零五年 一月一日及 二零零五年 十二月三十一日	50	120,978	7,420	128,448
DEPRECIATION	折舊				
At 1 April 2004	於二零零四年 四月一日	17	120,978	7,420	128,415
Provided for the period	期間撥備	4	—	—	4
At 1 January 2005	於二零零五年 一月一日	21	120,978	7,420	128,419
Provided for the year	本年度撥備	6	—	—	6
At 31 December 2005	於二零零五年 十二月三十一日	27	120,978	7,420	128,425
CARRYING VALUES	賬面值				
At 31 December 2005	於二零零五年 十二月三十一日	23	—	—	23
At 31 December 2004	於二零零四年 十二月三十一日	29	—	—	29

Trading rights represent two trading rights in the Stock Exchange and one trading right in the Hong Kong Futures Exchange Limited (the "Futures Exchange").

交易權指於聯交所之兩個交易權及香港期貨交易所有限公司(「期交所」)之一個交易權。

Trading rights are amortised over nine years.

交易權乃按九年攤銷。

16. INTEREST IN AN ASSOCIATE

Cost of investment in an associate listed in Hong Kong	香港上市聯營公司投資 成本值
Share of post-acquisition profits	收購後應佔溢利

Fair value of listed shares 上市股份公平值

The amount represents the Group's 47.37% equity interest in ATNT, a company incorporated in Bermuda with its shares being listed on the Stock Exchange. At 31 December 2005, the issued and fully paid share capital of ATNT was 426,463,400 ordinary shares of HK\$0.01 each. ATNT and its subsidiaries are mainly engaged in design, manufacturing and sale of electroplating equipment, custom-built horizontal wet processing and automation machinery, trading of logged timber, as well as provision of stage construction and arts production. The principal places of operation of ATNT and its subsidiaries are in the People's Republic of China, including Hong Kong and Taiwan.

Note: The share of post-acquisition profits includes an amount of HK\$43,033,000 (2004: 41,728,000) being discount on acquisition of the associate. The discount on acquisition for the year ended 31 December 2005 of HK\$1,305,000 had been included in the share of results of the associate in the consolidated income statement.

During the period ended 31 December 2004, the Group subscribed the convertible note of HK\$30,000,000 issued by ATNT and exercised the rights to convert in full the convertible note of HK\$30,000,000 into 150,000,000 new shares of ATNT at a conversion price of HK\$0.20 per share of ATNT. After the transaction, the Group holds 35.17% equity interest in ATNT and ATNT then becomes the associate of the Group. The discount on acquisition of ATNT of approximately HK\$41,728,000 was released to the consolidated income statement for the period ended 31 December 2004.

16. 聯營公司權益

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
	53,399	30,000
	58,452	47,333
	<u>111,851</u>	<u>77,333</u>
	<u>48,883</u>	<u>56,250</u>

該數額乃指本集團於亞洲聯網持有之47.37%股權。亞洲聯網為一間於百慕達註冊成立之公司，其股份於聯交所上市。於二零零五年十二月三十一日，亞洲聯網之已發行及繳足股本為426,463,400股普通股，每股面值0.01港元。亞洲聯網及其附屬公司主要從事設計、生產及銷售因應電鍍設備、客戶需求之水平式濕式處理設備及自動化機械、木材貿易與及提供舞台建築及藝術製作。亞洲聯網及其附屬公司之主要營業地點為中華人民共和國，包括香港及台灣。

註：收購後應佔溢利包括收購聯營公司折讓43,033,000港元。收購之折讓1,305,000港元已於截至二零零五年十二月三十一日止年度綜合計數表內收購聯營公司之業績入賬。

於截止二零零四年十二月三十一日期間內，本集團認購30,000,000港元由亞洲聯網發行之可換股票據，並行使權利以悉數轉換30,000,000港元之可換股票據為150,000,000股新亞洲聯網股份，換股價為每股亞洲聯網股份0.20港元。交易後，本集團持有亞洲聯網權益35.17%及亞洲聯網成為本集團之聯營公司。收購亞洲聯網之折讓約41,728,000港元，並於截至二零零四年十二月三十一日止期間撥入綜合損益計數表。

16. INTEREST IN AN ASSOCIATE (Continued)

On 20 April 2005, Karfun further purchase 48,520,667 shares of ATNT from Optimist and 3,475,167 shares of ATNT from Mr. Lam Kwok Yan for an aggregate consideration of HK\$23,398,125 at a price of HK\$0.45 per share of ATNT. The Group's equity interest in ATNT was increased from 35.17% to 47.37% accordingly. The discount on acquisition of ATNT of approximately HK\$1,305,000 was released to the consolidated income statement for the year ended 31 December 2005.

The following details have been extracted from the audited consolidated financial statements of ATNT:

16. 聯營公司權益 (續)

於二零零五年四月二十日，佳帆分別向 Optimist 與藍國恩先生以每股 0.45 港元之價格進一步購入 48,520,667 股亞洲聯網股份及 3,475,167 股亞洲聯網股份。本集團於亞洲聯網之股本權益由 35.17% 增至 47.37%。收購亞洲聯網之折讓約 1,305,000 港元，並於截至二零零五年十二月三十一日止年度撥入綜合損益計數表。

以下之詳情乃節錄自亞洲聯網之經審核綜合財務報表：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restate) (重列)
Total assets	非流動資產總額	462,716	433,278
Total liabilities	流動負債總額	212,099	197,191
Net assets	資產淨額	<u>250,617</u>	<u>236,087</u>
Group's share of the net assets of the associate	本集團應佔聯營公司淨資產	<u>111,851</u>	<u>77,333</u>
Revenue	收益	<u>430,930</u>	<u>606,826</u>
Profit for the year	年度溢利	<u>13,136</u>	<u>60,489</u>
Group's share of result of associate for the year/period since acquisition	本集團應佔年度／期間自收購聯營公司後之業績	<u>8,364</u>	<u>5,321</u>

17. OTHER ASSETS

Deposits with:	存放於下列公司之款項：
The Stock Exchange	聯交所
The SFC	證監會
Hong Kong Securities Clearing Company Limited ("HKSCC")	香港中央結算有限公司 (「中央結算」)
Reserve Fund Contribution to HKFE Clearing Corporation Limited ("HKFECC")	期貨交易結算有限公司 (「期交結算」) 之 儲備金供款

The Directors consider that the fair value of other assets approximate to the corresponding carrying amount.

18. LOANS RECEIVABLE

Fixed-rate loan receivables denominated in Hong Kong dollar	定息應收貸款，以港元列算
---	--------------

Carrying amount analysed for reporting purposes:	用作報告用途之賬面分析：
Current assets (receivable within 12 months from the balance sheet date)	流動資產（由結算日起計算十二個月內之應收款項）
Non-current assets (receivable after 12 months from the balance sheet date)	非流動資產（由結算日起計算十二個月後之應收款項）

17. 其他資產

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
230	278
2,100	2,100
200	200
1,500	1,500
4,030	4,078

董事認為其他資產之公平值與其賬面值相若。

18. 應收貸款

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
1,479	2,747
464	1,686
1,015	1,061
1,479	2,747

18. LOANS RECEIVABLE (Continued)

The fixed-rate loan receivables have contractual maturity dates as follows:

Matured within 1 year	一年內到期
Matured within 1 year and 2 years	一年至兩年內到期
Matured within 2 years and 3 years	兩年至三年內到期
Matured within 3 years and 4 years	三年至四年內到期
Matured within 4 years and 5 years	四年至五年內到期
Matured over 5 years	五年後到期

Loans receivable with an aggregate carrying value of approximately HK\$1,038,000 (2004: HK\$1,089,000) are secured by pledged assets.

The effective interest rates (which are equal to contractual interest rate) on the Group's loan receivables ranging from 2% to 14% (2004: 2% to 14%). Interest rate term is fixed at time when entering into loan agreement.

The Directors consider that the fair value of the loans receivable approximate to the corresponding carrying amounts.

18. 應收貸款 (續)

定息應收貸款之定約到期日如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
	464	1,686
	91	78
	63	59
	68	63
	73	68
	720	793
	<u>1,479</u>	<u>2,747</u>

總面值約1,038,000港元(二零零四年：1,089,000港元)之應收貸款乃以已抵押的資產作為擔保。

本集團應收貸款之實際利率(此等同合約利率)由2%至14%不等(二零零四年：2%至14%)。利率之條款於訂立貸款協議時釐定。

董事認為應收貸款之公平值與其賬面值相若。

19. OTHER FINANCIAL ASSETS

Accounts receivable comprise of:

Accounts receivable arising from the business of dealing in securities:

- Cash clients
- HKSCC

Accounts receivable from HKFECC arising from the business of dealing in futures contracts

Loans to securities margin clients

Accounts receivable arising from the business of providing corporate advisory services

應收賬款包括下列項目：

買賣證券業務所產生之應收賬款：

- －現金客戶
- －中央結算

買賣期貨合約業務所產生之應收期交結算賬款

證券保證金融資客戶貸款

提供企業顧問服務業務所產生之應收賬款

19. 其他財務資產

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
	10,225	10,332
	1,152	409
	4,558	4,263
	13,466	21,745
	497	189
	29,898	36,938

The settlement term of accounts receivable from cash clients, HKSCC and HKFECC are one to two days after the trade date. Except for the account receivable from cash clients as mentioned below, the accounts receivable from HKSCC and HKFECC aged within 30 days.

Loans to securities margin clients are secured by clients' pledged securities, repayable on demand and bear interest at prevailing market rates. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

應收現金客戶、中央結算及期交結算賬款之結算期限為交易日期後一至二日。除下文所示之現金客戶應收賬款外，中央結算及期交結算之應收賬款的賬齡均為30天內。

證券保證金融資客戶貸款，乃以客戶之有抵押證券作抵押，須按通知償還及按現行市場利率計算利息。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

19. OTHER FINANCIAL ASSETS (Continued)

The Group does not provide any credit term to its corporate advisory clients. The age of accounts receivable arising from the business of providing corporate advisory services is as follows:

0 to 90 days	零至九十日
91 to 180 days	九十一至一百八十日

The aged analysis of accounts receivable from cash clients is as follows:

0 to 90 days	零至九十日
91 to 180 days	九十一至一百八十日

The fair values of account receivables, other receivables and deposits at the balance sheet date approximate to the corresponding carrying amounts.

19. 其他財務資產 (續)

本集團並無為企業顧問客戶提供信貸期。提供企業顧問服務業務產生之應收款賬齡如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
	260	189
	<u>237</u>	<u>—</u>
	<u>497</u>	<u>189</u>

現金客戶之應收賬款的賬齡分析如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
	9,857	9,767
	<u>368</u>	<u>565</u>
	<u>10,225</u>	<u>10,332</u>

應收賬款、其他賬款及按金於結算日之公平值與其賬面值相若。

20. INVESTMENTS IN SECURITIES

Trading securities:	買賣證券：
Equity shares listed in Hong Kong, at market value	香港上市普通股票， 按市值

Upon the application of HKAS39 on 1 January 2005, the Group's trading securities were reclassified to investment held-for-trading.

21. PLEDGED FIXED DEPOSITS, BANK BALANCES AND CASH

Pledged fixed deposits

The Group had pledged fixed deposits of HK\$7,823,000 (2004: HK\$7,647,000) to banks to secure general banking facilities granted to the Group, and therefore classified as current assets. The pledged fixed deposits carry floating interest rate ranging from 3% to 4% (2004: 0.1% to 2.0%) and will be released upon the expiry of relevant banking facilities.

Bank balances (trust and segregated accounts)

From the Group's ordinary business, it receives and holds money deposited by clients in the course of the conduct of the regulated activities. These clients' monies are maintained in one or more segregate bank accounts and bear interest at market rate. The Group has recognised the corresponding account payables to respective clients. However, the Group does not have a currently enforceable rights to offset those payables with the deposits placed. The fair values of these assets at the balance sheet date approximate to their carrying amounts.

Bank balances (general accounts) and cash

The amounts comprise cash held by the Group and short-term bank deposits at market interest rates with an original maturity of three months or less. The fair values of these assets at the balance sheet date approximate to their carrying amounts.

20. 證券投資

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
—	12

自二零零五年一月一日採納香港會計準則第39號，本集團之證券買賣重列為持作投資買賣。

21. 已抵押定期存款、銀行結存及現金

已抵押定期存款

本集團就取得授予本集團之一般銀行融資而向銀行作出之已抵押定期存款為7,823,000港元(二零零四年：7,647,000港元)，故將其分類為流動資產。已抵押定期存款之浮動利率介乎3%至4%(2004：0.1%至2.0%)並將於有關銀行融資到期後解除。

銀行結存(信託及獨立賬戶)

來自本集團之一般業務，本集團進行受監管活動而收取並持有客戶之存款。該等客戶之款項儲存在一個或多個獨立銀行賬戶並承擔按市場利率計算之利息。本集團已確認相對之應付有關客戶之賬款。但本集團現時並無行使權將存款抵銷該等應付賬款。該等資產於結算日之公平值與其賬面值相約。

銀行結存(一般賬戶)及現金

此金額包括本集團持有之現金及按市場利率計算並少於三個月到期之短期銀行存款。該等資產於結算日之公平值與其賬面值相約。

22. OTHER FINANCIAL LIABILITIES

Accounts payable to clients arising from the business of dealing in securities	買賣證券業務所產生應付客戶之賬款
Accounts payable to clients arising from the business of dealing in futures contracts	買賣期貨合約業務所產生應付客戶之賬款
Amounts due to securities margin clients	應付證券保證金融資客戶之款項

The settlement term of accounts payable to cash clients is two days after the trade date and with aged within 30 days.

Amounts due to securities margin clients are repayable on demand. In the opinion of Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their tradings of futures contracts on the Futures Exchange. The excesses of the outstanding amounts over the required margin deposits stipulated by the Futures Exchange are repayable to clients on demand. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

The account payables amounting to HK\$39,375,000 (2004: HK\$48,402,000) was payable to clients in respect of the trust and segregated bank balances received and held for clients in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

The fair values of account payable and other payables at balance sheet date approximate to the corresponding carrying amount.

22. 其他財務負債

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
38,836	45,690
5,656	6,790
1,107	2,875
45,599	55,355

應付現金客戶之結算期限為交易日期後二日，其賬齡為30天內。

應付證券保證金融資客戶之款項，須按通知償還。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

買賣期貨合約業務所產生應付客戶之賬款，乃已收客戶買賣期交所期貨合約之保證金。未償還款項較期交所規定之保證金按金超出之數額，須按通知向客戶償還。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

因進行受監管活動而收取及持有客戶款項，並儲存在信託及獨立銀行賬戶的應付賬款為39,375,000港元（二零零四年：48,402,000港元）。但本集團現時並無行使權將存款抵銷該等應付賬款。

應付賬款及其他應付賬款於結算日之公平值與其賬面值相若。

23. SHARE CAPITAL

Ordinary shares of HK\$0.10 each	每股面值 0.10 港元之普通股	Number of shares 股份數目	HK\$'000 千港元
<i>Authorised:</i>	<i>法定股本：</i>		
At 31 December 2004 and 31 December 2005	二零零四年十二月三十一日及 二零零五年十二月三十一日	1,000,000	100,000
<i>Issued and fully paid:</i>	<i>已發行及繳足股本：</i>		
At 31 December 2004 and 31 December 2005	於二零零四年十二月三十一日及 二零零五年十二月三十一日	460,000	46,000

There was no movement in the share capital of the Company during the year/period.

24. OPERATING LEASE COMMITMENTS

At the balance sheet, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	2,540	2,247
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	1,855	441
		<u>4,395</u>	<u>2,688</u>

Operating lease payments represent rentals payable by the Group for its office premises. Leases are mainly negotiated for an average term of two years and rentals are fixed for an average of two years.

23. 股本

Ordinary shares of HK\$0.10 each	每股面值 0.10 港元之普通股	Number of shares 股份數目	HK\$'000 千港元
<i>Authorised:</i>	<i>法定股本：</i>		
At 31 December 2004 and 31 December 2005	二零零四年十二月三十一日及 二零零五年十二月三十一日	1,000,000	100,000
<i>Issued and fully paid:</i>	<i>已發行及繳足股本：</i>		
At 31 December 2004 and 31 December 2005	於二零零四年十二月三十一日及 二零零五年十二月三十一日	460,000	46,000

於年度／期間內，本公司之股本並無任何變動。

24. 經營租約承擔

於結算日，本集團須根據租賃物業之不可註銷經營租約，在下列期間支付未來最低租金：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	2,540	2,247
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	1,855	441
		<u>4,395</u>	<u>2,688</u>

經營租約款項指本集團就辦公室物業應付之租金。租約主要按平均兩年期磋商，而於平均兩年內之租金乃固定。

25. COMMITMENTS

(a) Capital Commitment

Capital expenditure in respect of the acquisition of fixed assets contracted for but not provided in the consolidated financial statements

有關購買固定資產之已定約項目但未計於綜合財務報表撥備之資本開支

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
----------------------------------	----------------------------------

<u>100</u>	<u>—</u>
------------	----------

(b) Other Commitment

On 25 November 2004, Karfun conditionally agreed to acquire 48,520,667 shares of ATNT from Optimist and 3,475,167 shares of ATNT from Mr. Lam Kwok Yan for an aggregate consideration of HK\$23,398,125 at a price of HK\$0.45 per share of ATNT. These acquisitions were approved by the independent shareholders of the Company at a special general meeting on 30 March 2005 and completed on 20 April 2005. The Group's equity interest in ATNT was increased from 35.17% to 47.37% accordingly.

(b) 其他承擔

於二零零四年十一月二十五日，佳帆有條件同意，按每股亞洲聯網股份0.45港元之價格，分別向Optimist及藍國恩先生收購48,520,667股亞洲聯網股份及3,475,167股亞洲聯網股份，總代價為23,398,125港元。此項收購已於二零零五年三月三十日舉行之股東特別大會上由本公司獨立股東批准，並於二零零五年四月二十日完成。本集團持有亞洲聯網之股權由35.17%上升至47.37%。

26. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at both balance sheet dates.

26. 或然負債

於結算日，本集團並無任何重大或然負債。

27. SHARE BASED PAYMENT TRANSACTIONS

At the annual general meeting held on 7 September 2004, an ordinary resolution was passed to terminate the share option scheme of the Company approved by the written resolution of the sole shareholder of the Company on 16 August 2000 (the "Old Share Option Scheme") and to adopt a new share option scheme (the "New Share Option Scheme").

27. 股權支付交易

於二零零四年九月七日舉行之股東週年大會上，通過一項普通決議案，以終止本公司經本公司唯一股東於二零零零年八月十六日以書面決議案批准之認股權計劃（「舊認股權計劃」），以及採納新認股權計劃（「新認股權計劃」）。

27. SHARE BASED PAYMENT TRANSACTIONS (Continued)

Pursuant to the New Share Option Scheme, the Board of Directors of the Company may at its discretion, invite any employees (whether full-time or part-time), executives or officers of the Company and any of its subsidiaries (including Executive and Non-Executive Directors) and any business consultants, agents, financial or legal advisers who the Board of Directors of the Company considers will contribute or have contributed to the Company or any of its subsidiaries (the "Eligible Participants"), to take up share options to subscribe for shares in the Company. The purpose of the New Share Option Scheme is to provide incentives to the Eligible Participants. The New Share Option Scheme will be expired on 6 September 2014.

The subscription price for shares under the New Share Option Scheme will be a price determined by the Board of Directors of the Company but will not be less than the highest of: (i) the official closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange on the date of the Company on which the share option is offered to an Eligible Participant (the "Offer Date"); (ii) the average of the official closing prices of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately proceeding the Offer Date; and (iii) the nominal value of a share of the Company.

There is no minimum year for which a share option must be held before it became exercisable. Share options granted are exercisable at any time during the exercisable period determined by the Board of Directors of the Company.

The maximum number of shares in respect of which share options may be granted under the New Share Option Scheme is 46,000,000 shares of the Company, being 10 per cent. of the issued share capital of the Company on the date on which the New Share Option Scheme was approved. The maximum number of shares in respect of which share options may be granted to any Eligible Participants, shall not, when aggregated with: (i) any share of the Company issued upon exercise of share options or share options under other schemes which have been granted to that Eligible Participant; (ii) any share of the Company which would be issued upon the exercise of outstanding share options or share options under other schemes granted to that Eligible Participant; and (iii) any cancelled shares of the Company which were the subject of share options or share options under other schemes which had been granted to and accepted by that Eligible Participant, in any twelve-month period up to the Offer Date, exceed one per cent. of the number of shares of the Company in issue on the Offer Date.

27. 股權支付交易 (續)

根據新認股權計劃，本公司董事會可酌情邀請本公司及其任何附屬公司任何僱員（不論是全職或兼職）、行政人員或高級職員（包括執行及非執行董事），以及本公司董事會認為將會或已經對本公司或其任何附屬公司帶來貢獻之任何業務顧問、代理、財務或法律顧問（「合資格參與者」），接受認股權以認購本公司股份。新認股權計劃旨在獎勵合資格參與者。新認股權計劃將於二零一四年九月六日屆滿。

新認股權計劃項下之股份認購價，將為本公司董事會釐定之價格，但該價格將不少於以下三者之最高者：(i)於本公司向合資格參與者授出認股權當日（「授出日期」），聯交所每日報價表所示本公司股份之正式收市價；(ii)於緊接授出日期前五個營業日，聯交所每日報價表所示本公司股份之平均正式收市價；以及(iii)本公司股份之面值。

現時並無規定認股權於可獲行使前必須持有之最短年期。已授出之認股權，於本公司董事會釐定之可行使期間內可隨時予以行使。

根據新認股權計劃而可能授出之認股權所涉及之最高股份數目為46,000,000股本公司股份，即本公司於批准新認股權計劃當日之已發行股本10%。直至授出日期止任何十二個月期間，任何合資格參與者可能獲授認股權所涉及之最高股份數目，當與以下三者彙集起來時，將不超過本公司於授出日期之已發行股份數目之1%：(i)因行使認股權，或因行使該合資格參與者已獲授其他計劃項下之認股權而己發行之本公司任何股份；(ii)因行使未行使認股權，或因行使該合資格參與者已獲授其他計劃項下之認股權而將予發行之本公司任何股份；以及(iii)認股權或該合資格參與者已獲授及接納之其他計劃項下之認股權所涉及之本公司任何已註銷股份。

27. SHARE BASED PAYMENT TRANSACTIONS (Continued)

The acceptance of a share option, if accepted, must be made within 30 days after the Offer Date with a non-refundable payment of HK\$1 from the grantee to the Company.

All the share options granted under the Old Share Option Scheme were expired before 31 December 2004. No share option has been granted under the New Share Option Scheme since its adoption on 7 September 2004.

The following table discloses movements in the number of the Company's share options granted under the Old Share Option Scheme:

Name of directors 董事姓名	Exercise price per share 每股行使價 HK\$ 港元 (Note i) (附註 i)	Date of grant 授出日期	Exercisable period 行使期限	Number of share options 認股權數目		
				Outstanding at 1.4.2004 於二零零四年 四月一日 尚未行使	Lapsed during the period 於期間內失效 (Note ii) (附註 ii)	Outstanding at 31.12.2004 二零零四年 十二月三十一日 尚未行使
Mr. Lam Kwok Hing 藍國慶先生	1.675	4 June 2001 二零零一年六月四日	7 June 2001-6 June 2004 二零零一年六月七日至 二零零四年六月六日	10,500,000	(10,500,000)	—
Mr. Nam Kwok Lun 藍國倫先生	1.675	4 June 2001 二零零一年六月四日	7 June 2001-6 June 2004 二零零一年六月七日至 二零零四年六月六日	10,500,000	(10,500,000)	—
				<u>21,000,000</u>	<u>(21,000,000)</u>	<u>—</u>

Notes:

- (i) The initial exercise price was HK\$3.35. On 14 September 2001, the exercise price was adjusted to HK\$1.675 due to the bonus issue.
- (ii) The share options were lapsed during the period ended 31 December 2004.

27. 股權支付交易 (續)

於授出日期後三十日內必須作出是否接納認股權之決定。倘若接納認股權，則承授人須向本公司支付不可退還之款項1港元。

根據舊認股權計劃授出之所有認股權均已於二零零四年十二月三十一日前屆滿。自於二零零四年九月七日採納新認股權計劃以來，並未據此而授出任何認股權。

下表披露根據舊認股權計劃授出本公司認股權之數目之變動：

Number of share options 認股權數目		
Outstanding at 1.4.2004 於二零零四年 四月一日 尚未行使	Lapsed during the period 於期間內失效 (Note ii) (附註 ii)	Outstanding at 31.12.2004 二零零四年 十二月三十一日 尚未行使
10,500,000	(10,500,000)	—
10,500,000	(10,500,000)	—
<u>21,000,000</u>	<u>(21,000,000)</u>	<u>—</u>

附註：

- (i) 初步行使價為3.35港元。於二零零一年九月十四日，行使價乃基於紅股發行而調整為1.675港元。
- (ii) 截至二零零四年十二月三十一日期間內，認股權已告失效。

28. RETIREMENT BENEFITS SCHEME

The Group has operated a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") after the implementation of the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately in an independently managed fund. The Group has followed the minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income. The contributions are charged to the income statement as incurred.

29. RELATED PARTY TRANSACTIONS

The Group had the following related party transactions:

- (a) During the year, the Group received commission income from securities, futures and options dealings of nil (1.4.2004 to 31.12.2004: HK\$1,000) and HK\$54,000 (1.4.2004 to 31.12.2004: HK\$31,000) from the Director, Mr. Lam Kwok Hing and the associates of Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun respectively. The commissions were charged at rates similar to those rates offered to other clients.
- (b) During the year, the Group received interest income from securities margin financing of HK\$356 (1.4.2004 to 31.12.2004: HK\$18,000) from the associates of the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- (c) During the year, the Group did not receive any advisory fee income (1.4.2004 to 31.12.2004: HK\$50,000) from ATNT.

28. 退休福利計劃

於強制性公積金計劃條例實行後，本集團已根據強制性公積金計劃條例之規則及規例設立退休金計劃（「強積金計劃」）。強積金計劃之資產，乃分開於獨立管理基金內持有。本集團已遵守最低法定供款規定，就合資格僱員之有關總收入5%作出供款。供款於產生時於損益計數表內扣除。

29. 關連人士交易

本集團有以下關連人士交易：

- (a) 於本年度內，本集團就證券、期貨及期權買賣向董事藍國慶先生及藍國慶先生與藍國倫先生彼等之聯繫人收取佣金收入分別為無（二零零四年四月一日至二零零四年十二月三十一日：1,000港元）及54,000港元（二零零四年四月一日至二零零四年十二月三十一日：31,000港元）。佣金乃按向其他客戶收取之相若收費率計算。
- (b) 於本年度內，本集團就證券保證金融資而向董事藍國慶先生與藍國倫先生彼等之聯繫人收取利息收入356港元（二零零四年四月一日至二零零四年十二月三十一日：18,000港元）。
- (c) 於本年度內，本集團沒有向亞洲聯網收取任何顧問費（二零零四年四月一日至二零零四年十二月三十一日：50,000港元）。

29. RELATED PARTY TRANSACTIONS (Continued)

- (d) During the period from 1 April 2004 to 31 December 2004, Karfun subscribed the convertible note of HK\$30,000,000 issued by ATNT and exercised the rights to convert in full the convertible note of HK\$30,000,000 into 150,000,000 shares of ATNT at a conversion price of HK\$0.20 per share of ATNT. Details of the subscription of the convertible note of HK\$30,000,000 issued by ATNT have been disclosed in the circular issued by the Company dated 27 February 2004 and details of the subscription of 150,000,000 shares in ATNT have been disclosed in the joint announcement issued by the Company and ATNT dated 29 July 2004.
- (e) During the year, the Group paid administrative expense of approximately HK\$409,000 (1.4.2004 to 31.12. 2004: nil) to AC Consulting Limited in which Mr. Chow Ka Wo Alex has a beneficial interest and is the director.
- (f) During the year, the Group received commission income, clearing fee income and other securities dealing income approximately HK\$46,000 (1.4.2004 to 31.12. 2004: nil) from our associate company. ATNT in which Mr. Lam Kwok Hing has a beneficial interest and Messrs. Lam Kwok Hing, Nam Kwok Lun, Ng Chi King David and Kwan Wang Wai Alan are Directors.
- (g) On 25 November 2004, Karfun conditionally agreed to acquire 48,520,667 shares of ATNT from Optimist and 3,475,167 shares of ATNT from Mr. Lam Kwok Yan for an aggregate consideration of HK\$23,398,125 at a price of HK\$0.45 per share of ATNT. Optimist is a wholly-owned subsidiary of Medusa in which Mr. Lam Kwok Hing had a 50% equity interest as at 25 November 2004. Details of this acquisition were disclosed in the circular issued by the Company dated 28 February 2005. This acquisition was approved by the independent shareholders of the Company at a special general meeting on 30 March 2005. The acquisition was completed on 20 April 2005 and the Group has 47.37% equity interest in ATNT as at 31 December 2005.

29. 關連人士交易 (續)

- (d) 於二零零四年四月一日至二零零四年十二月三十一日期間內，佳帆認購亞洲聯網發行之可換股票據30,000,000港元，並行使權利以悉數轉換30,000,000港元之可換股票據為150,000,000股亞洲聯網股份，換股價為每股亞洲聯網股份0.20港元。關於認購亞洲聯網發行之可換股票據30,000,000港元之詳情已於二零零四年二月二十七日本公司發行之通函內披露。關於認購亞洲聯網發行之150,000,000股亞洲聯網股份之詳情已於二零零四年七月二十九日本公司及亞洲聯網一起發行之聯合公佈內披露。
- (e) 於本年度內，本集團向AC Consulting Limited支付行政費約409,000港元(二零零四年四月一日至二零零四年十二月三十一日：無)(周家和先生實益擁有其權益及其董事)。
- (f) 於本年度內，本集團向聯營公司亞洲聯網(藍國慶先生實益擁有其權益，而藍國慶先生、藍國倫先生、伍志堅先生及關宏偉先生均為其董事)收取佣金收入、結算費收入及其他證券買賣收入約46,000港元(二零零四年四月一日至二零零四年十二月三十一日：無)。
- (g) 於二零零四年十一月二十五日，佳帆有條件同意按每股亞洲聯網股份0.45港元之價格，向Optimist及藍國恩先生分別收購48,520,667股及3,475,167股亞洲聯網股份，總代價為23,398,125港元。Optimist為Medusa之全資附屬公司，藍國慶先生於二零零四年十一月二十五日擁有其50%股權。是項收購之詳情已載於本公司於二零零五年二月二十八日發出之通函內。此收購已於二零零五年三月三十日舉行之股東特別大會上由本公司獨立股東批准。此收購於二零零五年四月二十日完成，本集團並於二零零五年十二月三十一日持有亞洲聯網47.37%股權。

29. RELATED PARTY TRANSACTIONS (Continued)

Compensation of key management personnel

The remuneration of Executive Directors and other members of key management during the year/period was as follows:

Short-term benefits	短期福利
Post-employment benefits	退休福利

The remuneration of Executive Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

29. 關連人士交易 (續)

主要管理人員之薪酬

於年度／期間內執行董事及其他主要管理層成員之酬金如下：

1.1.2005 to 31.12.2005 二零零五年 一月一日至 二零零五年 十二月三十一日 HK\$'000 千港元	1.4.2004 to 31.12.2004 二零零四年 四月一日至 二零零四年 十二月三十一日 HK\$'000 千港元
1,288	966
24	18
<u>1,312</u>	<u>984</u>

執行董事及主要行政人員之酬金乃由酬金委員會按照個別人士之表現及市場趨勢而釐定。

30. PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

30. 主要附屬公司

下表載列董事認為對本集團業績或資產有主要影響之本公司各附屬公司。董事認為，提供其他附屬公司之詳情會令篇幅過於冗長。

Name 名稱	Country/ place of incorporation 註冊成立 國家/地點	Class of shares held 所持股份類別	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued share capital held by the Company 本公司持有 已發行股本 面值比例 % 百分比	Principal activities 主要業務
Karl Thomson (B.V.I.) Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$10 10 港元	100	Investment holding 投資控股
Karl-Thomson Securities Company Limited 高信證券有限公司	Hong Kong 香港	Ordinary 普通股	HK\$5,000,000 5,000,000 港元	100	Securities dealing and broking 證券交易及買賣
Karl-Thomson Commodities Company Limited 高信商品期貨有限公司	Hong Kong 香港	Ordinary 普通股	HK\$5,000,000 5,000,000 港元	100	Futures and options broking 期貨及期權買賣
Karl Thomson Finance Limited 高信財務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$20,000,000 20,000,000 港元	100	Securities margin financing 證券保證金融資
Karl Thomson Credit Limited 高信理財有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000 港元	100	Money lending 借貸

30. PRINCIPAL SUBSIDIARIES (Continued)

30. 主要附屬公司 (續)

Name 名稱	Country/ place of incorporation 註冊成立 國家/地點	Class of shares held 所持股份類別	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued share capital held by the Company 本公司持有 已發行股本 面值比例 % 百分比	Principal activities 主要業務
Karl Thomson Investment Consultants Limited 高信投資顧問有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000,000 1,000,000 港元	100	Broking of mutual funds and insurance-linked investment plans and products 互惠基金、保險掛鈎 投資計劃及產品買賣
Karl Thomson Financial Advisory Limited 高信融資服務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$600,000 600,000 港元	51	Corporate finance advisory 企業融資顧問
Access Way Investments Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$1 1 美元	100	Holding of computer equipment 持有電腦設備
Karfun Investments Limited 佳帆投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$100,000 100,000 港元	100	Investment holding 投資控股

The principal place of operation of the subsidiaries is Hong Kong.

各附屬公司主要在香港經營。

The Company directly holds the interest in Karl Thomson (B.V.I.) Limited. All other subsidiaries shown above are indirectly held by the Company.

本公司直接持有 Karl Thomson (B.V.I.) Limited 之權益，而上述所有其他附屬公司之權益則由本公司間接持有。

None of the subsidiaries had any debt securities outstanding at end of the year or at any time during the year.

於本年度結束時或本年度內任何時間，附屬公司概無任何尚未清償之債務證券。

31. POST BALANCE SHEET EVENTS

- (i) On 12 January 2006, Surewin Management Limited (“Surewin”), the Company’s wholly-owned subsidiary, entered into an agreement (“Purchase Agreement”) with Ms. Ho Chun Yi (“Ms. Ho”), being the sole registered owner of Swiss-Invest Petroleum Group Limited (“Swiss-Invest”) and is independent to the Group. Pursuant to the Purchase Agreement, Surewin has conditionally agreed to acquire 50% of the issued share capital of Swiss-Invest at a cash consideration of HK\$500. A formal agreement will be signed by the parties upon Surewin being satisfied with the due diligence review of an oil field situated in Egypt (the “Oil Field”) and the entitlement of the exploration and production rights of Swiss-Invest. After the completion of the acquisition, Surewin is required to contribute approximately US\$7,250,000 million (approximately HK\$56,600,000) by way of shareholder’s loan to Swiss-Invest. The Purchase Agreement was subsequently terminated on 7 April 2006 and replaced by a joint venture agreement (the “JV agreement”) as disclosed in note(iii) below.
- (ii) On 9 February 2006, the Company entered into a subscription agreement (“Subscription Agreement”) with Dragon Holdings Limited (“Dragon”), who is a third party independent to the Group. Pursuant to the Subscription Agreement, Dragon has conditionally agreed to subscribe and the Company has conditionally agreed to issue 65,000,000 new shares of the Company at a subscription price of HK\$0.90 per share. Pursuant to the Subscription Agreement, the Company has also conditionally agreed to grant Dragon an option to subscribe up to an aggregate of 65,000,000 ordinary shares of the Company at an exercise price of HK\$1.20 per share. On 7 April 2006, the Company entered into a termination agreement with Dragon, to terminate the transactions contemplated under the Subscription Agreement.

31. 結算日後事項

- (i) 於二零零六年一月十二日，本公司之全資附屬公司Surewin Management Limited（「Surewin」）已與何春怡女士（「何女士」）訂立一項協議（「收購協議」），而何女士為瑞麗石油集團有限公司（「瑞麗」）之唯一註冊擁有人並獨立於本集團。根據收購協議，Surewin已有條件同意收購瑞麗已發行股本50%，現金代價為500港元。各方待Surewin滿意對位於埃及之油田（「油田」）之盡職審查，以及瑞麗享有有關油田之開採及生產權利後將簽署正式協議。收購完成後，Surewin須以股東貸款之方式，向瑞麗出資約7,250,000美元（約56,600,000港元）。收購協議於二零零六年四月七日終止，並由合營協議取代（披露於以下之附註(iii)）。
- (ii) 於二零零六年二月九日，本公司與本集團獨立第三方Dragon Holdings Limited（「Dragon」）訂立一項認購協議（「認購協議」）。根據認購協議，Dragon已有條件同意認購而本公司亦已有條件同意發行65,000,000股本公司新股份，其認購價為每股0.90港元。根據認購協議，本公司已有條件同意向Dragon授出一項購股權認購總數達65,000,000股本公司普通股，而行使價為每股1.20港元。於二零零六年四月七日，本公司與Dragon訂立一項終止協議，終止認購協議所訂立之交易。

31. POST BALANCE SHEET EVENTS (Continued)

- (iii) On 7 April 2006, Surewin entered into the JV agreement with an independent third party, Holley International (Hong Kong) Limited (“Holley”). Pursuant to the JV agreement, Surewin and Holley agreed that each will contribute 50% interest in the share capital of Oriental Victor Limited (“Oriental Victor”) at a cash consideration of HK\$5,000 each.

On the same date, Oriental Victor entered into an accession agreement (“Accession Agreement”) with Swiss-Invest. Pursuant to the Accession Agreement, Swiss-Invest will assign, transfer and novate all its rights and obligations in the Oil Field to Oriental Victor at a consideration of HK\$1. Further, as a result of the Accession Agreement, Surewin and Holley are required to each contribute approximately a total of US\$7 million by way of shareholders’ loan to Oriental Victor to enable it to participate in the exploration and production of the Oil Field.

- (iv) On 13 April 2006, the Company entered into a placing agreement (“Placing Agreement”) with its wholly owned subsidiary, Karl-Thomson Securities Company Limited (“the Placing Agent”), to subscribe for 17,000,000 placing shares at the placing price of HK\$1.73 each on a best effort basis. Pursuant to the terms of the Placing Agreement, the Company has also agreed to grant an option to each of the subscribers to subscribe for the shares of the Company up to an aggregate of 17,000,000 shares at an option exercise price of HK\$1.85 each during the option period of one year.

31. 結算日後事項 (續)

- (iii) 於二零零六年四月七日，Surewin與一名獨立第三者華立國際(香港)有限公司(「華立」)訂立一項合營協議入股華興泰的50%權益。根據合營協議，Surewin及華立同意各自以現金於華興泰的股本注資5,000港元。

於同日，華興泰華興泰與瑞麗石油集團有限公司(「瑞麗」)訂立取用協議。根據取用協議，瑞麗以代價1港元將其於油田的所有權利及義務轉讓、轉移及代替予華興泰。再者，由於訂立取用協議之緣故，Surewin與華立須各自出資共約7,000,000美元(約54,600,000港元)，以股東貸款的方式予華興泰，作為參與油田開發及生產。

- (iv) 於二零零六年四月十三日，本公司與高信證券有限公司(「配售代理」)訂立一項配售協議，按竭誠盡力的基準以每股1.73港元的配售價認購17,000,000股配售新股份。根據配售協議條款，本公司亦同意授出購股權，於為期一年的購股權期間內以每股1.85港元的購股權行使價認購總數達17,000,000股購股權股份。