

財務報表附註

截至二零零五年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2005

18. 於聯營公司權益

本集團

18. INTERESTS IN ASSOCIATES

Group

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Investment in unlisted associates, at cost 於非上市聯營公司之投資，按成本	47,190,008	11,127
Share of post-acquisition results 分佔收購後業績	327,107	38,087,150
Share of items directly recognised in an associate's equity 分佔於聯營公司股本直接確認之項目	366,772	-
	47,883,887	38,098,277
Loans to associates 向聯營公司提供貸款	25,636,188	133,428,135
Loans from associates 聯營公司提供之貸款	-	(220,305)
	73,520,075	171,306,107
Less: Impairment loss 減：耗蝕虧損	(61,593,806)	(38,418,041)
	11,926,269	132,888,066

向／由聯營公司提供之貸款乃無抵押、不計利息及並無固定還款期。

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



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18. 於聯營公司權益 (續)

本集團

於聯營公司之投資成本包括因於本年度內收購一間聯營公司所產生之商譽35,963,702港元(二零零四年：無)。商譽變動載列如下：

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Carrying amount at 1st January 於一月一日之賬面值	-	-
Arising from acquisition of an associate 因收購一間聯營公司所產生	35,963,702	-
Impairment loss 耗蝕虧損	(35,963,702)	-
Carrying amount at 31st December 於十二月三十一日之賬面值	-	-
At 31st December 於十二月三十一日		
Gross amount 總值	35,963,702	-
Accumulated impairment 累計耗蝕	(35,963,702)	-
Carrying amount 賬面值	-	-

於確認耗蝕虧損前，商譽賬面值35,963,702港元已全數分配至羊絨產品貿易及生產之現金產生單位(「該單位」)。

於應用香港財務報告準則第3號後，本集團就耗蝕每年進行測試，或倘有跡象顯示商譽可能出現耗蝕時進行更頻密測試。由於撤銷入口配額及美國與歐洲國家實施反傾銷政策所引致市場情況之影響及不明朗因素，因此，本集團認為無法可靠地釐定現金流量預測。本公司董事認為，該單位已透過就截至二零零五年十二月三十一日止年度之商譽35,963,702港元確認耗蝕虧損而撇減至其可收回金額。

18. INTERESTS IN ASSOCIATES (continued)

Group

Included in the cost of investment in associates is goodwill of HK\$35,963,702 (2004: Nil) arising on acquisition of an associate in current year. The movement of goodwill is set out below:

Before recognition of impairment loss, the carrying amount of goodwill of HK\$35,963,702 was wholly allocated to cash-generating unit in trading and manufacturing of cashmere products (the "Unit").

Upon the application of HKFRS 3, the Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Due to the effects and uncertainty about the market conditions caused by the cancellation of import quota and implementation of anti-dumping policy by the US and European countries, the Group considers that cash flow projection cannot be reliably determined. In the opinion of the directors of the Company, the Unit has therefore been reduced to its recoverable amount through recognition of an impairment loss against goodwill of HK\$35,963,702 for the year ended 31st December, 2005.

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18. 於聯營公司之權益 (續)

本集團

就商譽確認之耗蝕虧損按性質而言對本集團之現金流量並無影響。

於二零零五年十二月三十一日，聯營公司之詳情如下：

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

有關本集團聯營公司之概要財務資料載列如下：

18. INTERESTS IN ASSOCIATES (continued)

Group

The impairment loss recognised in respect of goodwill by nature does not have any effect on the Group's cash flow.

Particulars of the associates at 31st December, 2005 are as follows :

The summarised financial information in respect of the Group's associates is set out below:

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Total assets 資產總值	305,014,809	563,405,453
Total liabilities 負債總值	300,602,988	545,324,654
Revenue 收入	261,496,650	61,092,991
Profit for the year 本年度溢利	3,220,303	100,163,233



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19. 於共同控權合資公司權益

19. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	Group 本集團		Company 本公司	
	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Unlisted shares, at cost 非上市股份，按成本	-	-	40,000	77,850
Share of net assets 攤佔資產淨值	40,000	77,850	-	-
Loans to jointly controlled entities 借予共同控權合資公司貸款	-	60,903,031	-	60,903,031
	40,000	60,980,881	40,000	60,980,881

共同控權合資公司於二零零五年十二月三十一日之詳情如下：

Particulars of the jointly controlled entity at 31st December, 2005 are as follows:

Name 名稱	Place of incorporation 註冊成立地點	Percentage of ownership interest 擁有權權益百分比	Principal activities 主要業務
AsiaWorld-Expo Management Limited 亞洲國際博覽館管理有限公司	Hong Kong 香港	40%	Management and operation of exhibition facilities 管理及營運展覽設施

於二零零五年十二月三十一日，本集團擁有共同控權合資公司亞洲國際博覽館管理有限公司之權益，該公司管理及營運香港國際機場之亞洲國際博覽館，並由Hong Kong IEC Limited持有（附註20.2）。

As at 31st December, 2005, the Group had interest in a jointly controlled entity, AsiaWorld-Expo Management Limited, which manages and operates AsiaWorld-Expo at the Hong Kong International Airport owned by Hong Kong IEC Limited (note 20.2).



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20. 可供出售財務資產

本集團

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Group

2005
二零零五年
HK\$
港元

Non-current 非流動	
Listed equity securities (note 20.1) 上市股本證券(附註20.1)	69,662,368
Unlisted equity and debt securities (note 20.2) 非上市股本及債務證券(附註20.2)	618,670,179
	688,332,547
Current 流動	
Unlisted debt securities 非上市債務證券	4,412,500
Total 合計	692,745,047

20.1 上市股本證券

20.1 Listed equity securities

2005
二零零五年
HK\$
港元

Listed equity securities 上市股本證券	
– Listed in Hong Kong – 於香港上市	15,294,312
– Listed outside Hong Kong – 於海外上市	54,368,056
	69,662,368
Market value of listed equity securities 上市股本證券之市值	69,662,368

就上市股本證券呈列之款額已參考於活躍市場之已刊載報價直接釐定。

此等財務資產須承受涉及價格風險之財務風險。

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

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



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20. 可供出售財務資產 (續)

20.2 非上市股本及債務證券

非上市股本及債務證券之公平值109,606,221港元及513,476,458港元乃根據櫃檯交易市場報價計算及根據貼現現金流量預測計算，而有關預測指在參考市場情況或近期之第三者報價後，按最佳貸款利率7.75%或多項方法及假設就已收取接受投資公司之股息而預期產生之估計未來現金流量之現值。本公司董事相信，從估值技術及上述方法計算並於綜合資產負債表入賬之估計公平值乃屬合理，並於結算日屬最適當估值。

於非上市股本及債務證券於二零零五年十二月三十一日之主要投資詳情如下：

Hong Kong IEC Limited (「HKIEC」)

HKIEC為於香港註冊成立之公司。於二零零五年十二月三十一日，本集團投資於HKIEC所發行合計340,143,125港元之優先股。本集團透過HKIEC擁有亞洲國際博覽館(位於香港國際機場之展覽中心)之13.5%權益。

HKIEC之主要業務為發展及持有亞洲國際博覽館(位於香港國際機場之展覽中心)。亞洲國際博覽館為一座無柱式建築物，並設有專用地下鐵路車站－「博覽館站」。該設施已於二零零五年十二月正式啟用。

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

20.2 Unlisted equity and debt securities

The fair values of unlisted equity and debt securities of HK\$109,606,221 was based on the quoted prices from over-the-counter market and HK\$513,476,458 was based on discounted cash flow projections which represents the present value of estimated future cash flows expected to arise from dividends to be received from the investee at a discount rate based on best lending rate of 7.75% or a variety of methods and assumptions that were by reference to market conditions or recent third parties' price quotations. The directors of the Company believed that the estimated fair values resulting from the valuation technique and above methods, which were recorded in the consolidated balance sheet, were reasonable, and that they were the most appropriate values at the balance sheet date.

Particulars of the major investment in unlisted equity and debt securities at 31st December, 2005 are as follows:

Hong Kong IEC Limited ("HKIEC")

HKIEC was incorporated in Hong Kong. The Group invested totally HK\$340,143,125 preference shares issued by HKIEC as at 31st December, 2005. The Group through HKIEC has 13.5% interest in AsiaWorld-Expo, the exhibition center at the Hong Kong International Airport.

The principal activities of HKIEC are development and holding of AsiaWorld-Expo, the exhibition center at the Hong Kong International Airport. AsiaWorld-Expo is a column-free structure under one roof, with a dedicated Mass Transit Railway station – the "AsiaWorld-Expo Station". The facility was officially opened in December 2005.



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20. 可供出售財務資產 (續)

20.2 非上市股本及債務證券 (續)

中富航空有限公司 (「中富航空」)

中富航空經營飛往三亞、海口、南寧、濟南、昆明及桂林之定期航班。該公司亦獲得專門飛往溫州、梅縣及天津之定期航班權利。在中國以外，該公司亦經營飛往佬沃 (菲律賓) 的定期航班，及克拉克及蘇碧灣 (菲律賓) 的包機航班。

中富航空於香港註冊成立。本集團分別投資於中富航空所發行合計140,000,000港元、23,330,000港元及10,000,000港元之A類、C類及D類可換股債券。A類可換股債券將於二零零九年到期，而C類及D類可換股債券將於二零一零年到期，上述所有可換股債券均無票息。於二零零五年十二月三十一日，可換股債券之賬面值為173,330,000港元 (二零零四年：140,000,000港元列作債務證券)。A類可換股債券之初步換股價為每股普通股1港元 (可予調整)。C類及D類可換股債券之初步換股價為每股普通股3港元 (可予調整)。

Waterford Wedgwood Plc. (「Waterford」)

Waterford乃Waterford Crystal (創立於一七八三年) 及Wedgwood Group (創立於一七五九年) 之控股公司。Waterford Crystal之業務包括製造、分銷及零售優質水晶產品。Wedgwood Group製造、分銷及零售優質骨灰瓷餐具及禮品。Waterford擁有一系列著名品牌。

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

20.2 Unlisted equity and debt securities (continued)

CR Airways Limited (「CR Airways」)

CR Airways is flying scheduled flights to Sanya, Haikou, Nanning, Jinan, Kunming and Guilin. It has secured the rights to fly scheduled flights to Wenzhou, Meixian and Tianjin. Outside the PRC, it has also secured the flying rights to Laoag (Philippines) and chartered services to Clark and Subic Bay (Philippines).

CR Airways was incorporated in Hong Kong. The Group invested totally HK\$140 million, HK\$23.33 million and HK\$10 million in Class A, Class C and Class D convertible bonds respectively, issued by CR Airways. Class A convertible bonds will mature in 2009 and both Class C and Class D convertible bonds will mature in 2010. All of which carry no coupon interest. As at 31st December, 2005, the carrying amount of the convertible bonds is HK\$173.33 million (2004: HK\$140 million included under debt securities). The initial conversion price of Class A convertible bond is HK\$1 per ordinary share, subject to adjustment. The initial conversion price of Class C and Class D convertible bonds is HK\$3 per ordinary share, subject to adjustment.

Waterford Wedgwood Plc. (「Waterford」)

Waterford is the holding company for Waterford Crystal (founded in 1783) and the Wedgwood Group (founded in 1759). The Waterford Crystal business comprises the manufacturing, distribution, and retailing of high quality crystal products. The Wedgwood Group manufactures, distributes and retails high quality bone China tableware and giftware. Waterford owns a portfolio of prestige brand names.



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20. 可供出售財務資產 (續)

20.2 非上市股本及債務證券 (續)

Waterford Wedgwood Plc. (「Waterford」) (續)

本集團持有票面值為1,000,000歐羅之Waterford債券(「Waterford債券」)。Waterford債券於二零一零年到期，票息為年息9.875%，每半年付息一次。穆迪對Waterford債券之信貸評級為Caa2。投資成本約為880,000歐羅。票息約98,750歐羅已於本年度內收取(二零零四年：45,800歐羅)。於二零零五年十二月三十一日，Waterford債券之賬面值及市值約為8,016,443港元／872,500歐羅(二零零四年：8,954,325港元／850,000歐羅列入非買賣債務證券)。

Vertis Inc. (「Vertis」)

Vertis提供結合廣告、直接市場推廣、傳媒、影象及漸進式科技解決方案之綜合市場推廣服務。

本集團持有票面值為1,000,000美元之Vertis債券(「Vertis債券」)。Vertis債券於二零零九年到期，票息為年息13.5%，每半年付息一次。穆迪對Vertis債券之信貸評級為Caa2。投資成本約為1,040,000美元。票息約135,000美元已於本年度內收取(二零零四年：110,000美元)。於二零零五年十二月三十一日，Vertis債券之賬面值及市值約為6,396,000港元／820,000美元(二零零四年：8,268,000港元／1,060,000美元列入非買賣債務證券)。

United Refining Company (「United Refining」)

United Refining主要於美國紐約西部及賓夕法尼亞西北部提煉及推廣石油產品。United Refining生產汽油、油渣、火水、飛機燃料、熱油及瀝青。United Refining以Kwik Fill品牌透過公司營運之零售單位網絡出售汽油及油渣。該公司亦經營便利店。

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

20.2 Unlisted equity and debt securities (continued)

Waterford Wedgwood Plc. ("Waterford") (continued)

The Group holds a nominal value of EUR1,000,000 bond in Waterford (the "Waterford Bond"). The Waterford Bond maturing in 2010 carries a coupon rate of 9.875% per annum payable semi-annually. Moody's credit rating of the Waterford Bond is Caa2. The cost of investment is approximately EUR880,000. Coupon interest of approximately EUR98,750 was received during the year (2004: EUR45,800). As at 31st December, 2005, the carrying amount and market value of the Waterford Bond is approximately HK\$8,016,443/EUR872,500 (2004: HK\$8,954,325/EUR850,000 included under non-trading debt securities).

Vertis Inc. ("Vertis")

Vertis provides integrated marketing that combine advertising, direct marketing, media, imaging and progressive technology solutions.

The Group holds a nominal value of US\$1,000,000 bond in Vertis (the "Vertis Bond"). The Vertis Bond maturing in 2009 carries a coupon rate of 13.5% per annum payable semi-annually. Moody's credit rating of the Vertis Bond is Caa2. The cost of investment is approximately US\$1,040,000. Coupon interest of approximately US\$135,000 was received during the year (2004: US\$110,000). As at 31st December, 2005, the carrying amount and market value of the Vertis Bond is approximately HK\$6,396,000/US\$820,000 (2004: HK\$8,268,000/US\$1,060,000 included under non-trading debt securities).

United Refining Company ("United Refining")

United Refining refines and markets petroleum products primarily in western New York and north-western Pennsylvania in the United States. United Refining produces gasoline, diesel fuel, kerosene, jet fuel, heating oil and asphalt. United Refining sells gasoline and diesel fuel under the Kwik Fill brand name at a network of company-operated retail units. It also operates convenience stores.



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20. 可供出售財務資產 (續)

20.2 非上市股本及債務證券 (續)

United Refining Company (「United Refining」) (續)

本集團持有票面值為1,000,000美元之United Refining債券(「United Refining債券」)。United Refining債券於二零一二年到期，票息為年息10.5%，每半年付息一次。穆迪對債券之信貸評級為B3。投資成本約為965,000美元。票息約104,708美元已於本年度內收取(二零零四年：無)。於二零零五年十二月三十一日，United Refining債券之賬面值及市值約為8,326,500港元／1,067,500美元(二零零四年：8,190,000港元／1,050,000美元)列入非買賣債務證券。

Bally Total Fitness (「Bally」)

Bally經營保健會所及健身中心。

本集團持有票面值為1,000,000美元之Bally債券(「Bally債券」)。Bally債券於二零零七年到期，票息為年息9.875%，每半年付息一次。穆迪對Bally債券之信貸評級為Ca。投資成本約為865,000美元。票息約98,750美元已於本年度內收取(二零零四年：44,849美元)。於二零零五年十二月三十一日，Bally債券之賬面值及市值約為7,546,500港元／967,500美元(二零零四年：6,708,000港元／860,000美元)列入非買賣債務證券。

Calpine Corporation (「Calpine」)

Calpine收購、擁有及經營發電設施，以及於美國發售電力。該公司亦向工業客戶提供熱電能源。

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

20.2 Unlisted equity and debt securities (continued)

United Refining Company ("United Refining") (continued)

The Group holds a nominal value of US\$1,000,000 bond in United Refining (the "United Refining Bond"). The United Refining Bond maturing in 2012 carries a coupon rate of 10.5% per annum payable semi-annually. Moody's credit rating of the United Refining Bond is B3. The cost of investment is approximately US\$965,000. Coupon interest of approximately US\$104,708 was received during the year (2004: Nil). As at 31st December, 2005, the carrying amount and market value of the United Refining Bond is approximately HK\$8,326,500/US\$1,067,500 (2004: HK\$8,190,000/US\$1,050,000 included under non-trading debt securities).

Bally Total Fitness ("Bally")

Bally operates a health club and fitness centre.

The Group holds a nominal value of US\$1,000,000 bond in Bally (the "Bally Bond"). The Bally Bond maturing in 2007 carries a coupon rate of 9.875% per annum payable semi-annually. Moody's credit rating of Bally Bond is Ca. The cost of investment is approximately US\$865,000. Coupon interest of approximately US\$98,750 was received during the year (2004: US\$44,849). As at 31st December, 2005, the carrying amount and market value of the Bally Bond is approximately HK\$7,546,500/US\$967,500 (2004: HK\$6,708,000/US\$860,000 included under non-trading debt securities).

Calpine Corporation ("Calpine")

Calpine acquires, owns, and operates power generation facilities, as well as sells electricity in the United States. It also provides thermal energy for industrial customers.



財務報表附註

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Notes to the Financial Statements

For the year ended 31st December, 2005

20. 可供出售財務資產 (續)

20.2 非上市股本及債務證券 (續)

Calpine Corporation (「Calpine」) (續)

本集團持有票面值為1,000,000美元之Calpine債券(「Calpine債券」)。Calpine債券於二零零六年到期，票息為年息10.5%，每半年付息一次。穆迪沒有對Calpine債券進行信貸評級。投資成本約為995,000美元。票息約105,000美元已於本年度內收取(二零零四年：83,000美元)。於二零零五年十二月三十一日，Calpine債券之賬面值及市值約為3,412,500港元／437,500美元(二零零四年：7,722,000港元／990,000美元列入非買賣債務證券)。

Sbarro Inc. (「Sbarro」)

Sbarro經營及以專營權方式經營家族式意大利餐廳。該公司目前於世界各地以Sbarro及Sbarro The Italian Eatery之名稱經營餐廳。

本集團持有票面值為1,000,000美元之Sbarro債券(「Sbarro債券」)。Sbarro債券於二零零九年到期，票息為年息11%，每半年付息一次。穆迪對Sbarro債券之信貸評級為Caa2。投資成本約為860,000美元。票息約110,000美元已於本年度內收取(二零零四年：42,000美元)。於二零零五年十二月三十一日，Sbarro債券之賬面值及市值約為7,780,500港元／997,500美元(二零零四年：7,819,500港元／1,002,500美元列入非買賣債務證券)。

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

20.2 Unlisted equity and debt securities (continued)

Calpine Corporation ("Calpine") (continued)

The Group holds a nominal value of US\$1,000,000 bond in Calpine (the "Calpine Bond"). The Calpine Bond maturing in 2006 carries a coupon rate of 10.5% per annum payable semi-annually. Moody's credit rating of the Calpine Bond is WR. The cost of investment is approximately US\$995,000. Coupon interest of approximately US\$105,000 was received during the year (2004: US\$83,000). As at 31st December, 2005, the carrying amount and market value of the Calpine Bond is approximately HK\$3,412,500/US\$437,500 (2004: HK\$7,722,000/US\$990,000 included under non-trading debt securities).

Sbarro Inc. ("Sbarro")

Sbarro operates and franchises family-style Italian restaurants. It currently operates restaurants worldwide under the Sbarro and Sbarro The Italian Eatery names.

The Group holds a nominal value of US\$1,000,000 bond in Sbarro (the "Sbarro Bond"). The Sbarro Bond maturing in 2009 carries a coupon rate of 11% per annum payable semi-annually. Moody's credit rating of the Sbarro Bond is Caa2. The cost of investment is approximately US\$860,000. Coupon interest of approximately US\$110,000 was received during the year (2004: US\$42,000). As at 31st December, 2005, the carrying amount and market value of the Sbarro Bond is approximately HK\$7,780,500/US\$997,500 (2004: HK\$7,819,500/US\$1,002,500 included under non-trading debt securities).



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For the year ended 31st December, 2005

21. 投資證券

本集團

於二零零四年十二月三十一日之投資證券載列如下。於二零零五年一月一日採納香港會計準則第39號後，投資證券已根據香港會計準則第39號重新分類至適當類別(見附註2.6)。

Shares listed in Hong Kong, at market value

香港上市股份，按市值

2004
二零零四年
HK\$
港元

14,533,363

Shares listed outside Hong Kong, at market value

海外上市股份，按市值

23,250,947

Unlisted shares, at directors' valuation

非上市投資，按董事會估值

2

Listed investments, at market value

上市投資，按市值

51,023,620

88,807,932

22. 非買賣債務證券

本集團

於二零零四年十二月三十一日之非買賣債務證券載列如下。於二零零五年一月一日採納香港會計準則第39號後，非買賣債務證券已根據香港會計準則第39號重新分類至適當類別(見附註2.6)。

At market value

按市值

– listed outside Hong Kong

– 海外上市

62,667,999

– unlisted outside Hong Kong

– 海外非上市

124,039,498

186,707,497

於二零零四年十二月三十一日，本集團已抵押約46,000,000港元之銀行存款予一間財務機構，作為取得可供投資於非買賣債務證券所須資金之貸款抵押品。

21. INVESTMENT SECURITIES

Group

Investment securities as at 31st December, 2004 are set out below. Upon the adoption of HKAS 39 on 1st January, 2005, investment securities were reclassified to appropriate categories under HKAS 39 (see note 2.6).

22. NON-TRADING DEBT SECURITIES

Group

Non-trading debt securities as at 31st December, 2004 are set out below. Upon the adoption of HKAS 39 on 1st January, 2005, non-trading debt securities were reclassified to appropriate categories under HKAS 39 (see note 2.6).

2004
二零零四年
HK\$
港元

As at 31st December, 2004, the Group had pledged bank deposit of approximately HK\$46 million to a financial institution to secure borrowing facilities available for financing the investment of non-trading debt securities.



財務報表附註

截至二零零五年十二月三十一日止年度

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For the year ended 31st December, 2005

23. 債務證券

本集團

於二零零四年十二月三十一日之債務證券載列如下。於二零零五年一月一日採納香港會計準則第39號後，債務證券已根據香港會計準則第39號重新分類至適當類別(見附註2.6)。

23. DEBT SECURITIES

Group

Debt securities as at 31st December, 2004 are set out below. Upon the adoption of HKAS 39 on 1st January, 2005, debt securities were reclassified to appropriate categories under HKAS 39 (see note 2.6).

	2004 二零零四年 HK\$ 港元
Convertible notes 可換股票據	142,000,000
Bonds 債券	7,488,000
	149,488,000



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For the year ended 31st December, 2005

24. 商譽

本集團

商譽賬面值之重大變動乃因收購IEC Investments Limited而產生(附註41(b))。商譽之賬面淨值可分析如下：

24. GOODWILL

Group

The main changes in the carrying amounts of goodwill result from the acquisition of IEC Investments Limited (note 41(b)). The net carrying amount of goodwill can be analysed as follows:

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Carrying amount at 1st January 於一月一日之賬面值	-	-
Arising from acquisition of a subsidiary 因收購附屬公司產生	1,037,788	-
Impairment loss 耗蝕虧損	(1,037,788)	-
Carrying amount at 31st December 於十二月三十一日之賬面值	-	-
At 31st December 於十二月三十一日		
Gross amount 總值	1,037,788	-
Accumulated impairment 累計耗蝕	(1,037,788)	-
Carrying amount 賬面值	-	-



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截至二零零五年十二月三十一日止年度

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25. 經營及其他應收款及已付按金

本集團

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Trade receivables 經營應收款	512,501	-
Other receivables 其他應收款	19,249,502	4,468,981
Deposits paid 已付按金	461,752	-
	20,223,755	4,468,981

本集團維持既定之信貸政策。以下為於結算日之經營應收款賬齡分析：

25. TRADE AND OTHER RECEIVABLES AND DEPOSITS PAID

Group

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Trade receivables 經營應收款	512,501	-
Other receivables 其他應收款	19,249,502	4,468,981
Deposits paid 已付按金	461,752	-
	20,223,755	4,468,981

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

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
0 – 30 days 0 – 30日	471,324	-
31 – 60 days 31 – 60日	29,621	-
61 – 90 days 61 – 90日	-	-
Over 90 days 90日以上	11,556	-
	512,501	-



財務報表附註

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For the year ended 31st December, 2005

26. 按公平值列賬及在損益賬處理之財務資產

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

本集團

Group

2005
二零零五年
HK\$
港元

Debt securities listed outside Hong Kong 海外上市債務證券	7,868,250
Market value of debt securities 債務證券之市值	7,868,250

上述財務資產分類為持作買賣。

The above financial assets are classified as held for trading.

Federal-Mogul Corporation (「Federal-Mogul」)

Federal-Mogul Corporation (“Federal-Mogul”)

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

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

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

The Group holds a nominal value of USD3,000,000 bond in Federal-Mogul (the “Federal-Mogul Bond”). The Federal-Mogul Bond maturing in 2004 carries a coupon rate of 7.5% per annum payable semi-annually.

Federal-Mogul已於二零零一年十月根據美國破產法令第11章申請自願重組呈請。截至結算日，該公司尚未敲定一項重組計劃，Federal-Mogul管理層聲稱Federal-Mogul將可於二零零六年年中脫離破產行列。

Federal Mogul filed for voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code in October, 2001. As at balance sheet date, it has not hammered out a restructure plan yet. However, the management of Federal-Mogul alleged that Federal-Mogul will be able to emerge from bankruptcy by the middle of 2006.

投資成本約為715,000美元。票息約15,000美元已於本年度內收取(二零零四年：15,000美元)。於二零零五年十二月三十一日，Federal-Mogul債券之賬面值及市值約為7,868,250港元／1,008,750美元(二零零四年：7,488,000港元／960,000美元列入債務證券)。

The cost of investment is approximately USD715,000. Coupon interest of approximately USD15,000 was received during the year (2004: USD15,000). As at 31st December, 2005, the carrying amount and market value of the Federal-Mogul Bond is approximately HK\$7,868,250/USD1,008,750 (2004: HK\$7,488,000/USD960,000 included under debt securities).



財務報表附註

截至二零零五年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2005

27. 現金及現金等價物及作抵押銀行定期存款

27. CASH AND CASH EQUIVALENTS AND PLEDGED BANK FIXED DEPOSITS

	Group 本集團		Company 本公司	
	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Cash and bank balances 現金及銀行結餘	3,137,210	3,090,532	192,821	1,723,246
Time deposits 定期存款	19,187,626	124,578,208	2,342,306	78,424,432
	22,324,836	127,668,740	2,535,127	80,147,678
Less: Pledged bank fixed deposits 減：作抵押銀行定期存款	(16,813,031)	(119,672,111)	-	(73,720,907)
Cash and cash equivalents 現金及現金等價物	5,511,805	7,996,629	2,535,127	6,426,771

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

於二零零五年十二月三十一日，銀行定期存款16,813,031港元（二零零四年：45,951,204港元）已抵押予一間財務機構，作為本集團獲授借貸融資之抵押，有關融資已列作附註30之「其他借貸」，以供本集團於非上市債務證券投資之融資需要。

於二零零四年十二月三十一日，本集團亦已抵押銀行定期存款73,720,907港元予多間銀行，以向一間共同控權合資公司發出備用信用證。

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

As at 31st December, 2005, the bank fixed deposits of HK\$16,813,031 (2004: HK\$45,951,204) were pledged to a financial institution to secure borrowing facilities granted to the Group, which were included as "other borrowings" in note 30, for financing the Group's investment in unlisted debt securities.

As at 31st December, 2004, the Group had also pledged bank fixed deposits of HK\$73,720,907 to banks for issuance of standby letters of credit to a jointly controlled entity.



財務報表附註

截至二零零五年十二月三十一日止年度

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28. 其他應繳款、應計費用及已收按金

本集團

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Other payables and accrued expenses 其他應繳款及應計費用	2,682,483	837,921
Rental deposits received 已收取租務按金	8,868,792	–
	11,551,275	837,921

28. OTHER PAYABLES, ACCRUED EXPENSES AND DEPOSITS RECEIVED

Group

29. 欠一間關連公司之款項

應付有關連公司款項乃無抵押、免息及於要求時償還。

29. AMOUNT DUE TO A RELATED COMPANY

Amount due to a related company is unsecured, interest free and repayable on demand.



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截至二零零五年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2005

30. 借貸

本集團

30. BORROWINGS

Group

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Secured 有抵押		
Bank borrowings – floating rate 銀行借貸 — 浮息	475,054,574	–
Other borrowings – fixed rate 其他借貸 — 定息	10,496,176	46,270,674
	485,550,750	46,270,674
Carrying amount repayable: 應償還賬面值：		
Within one year 一年內	10,496,176	46,270,674
More than one year, but not exceeding two years 一年以上但不超過兩年	458,171,016	–
More than two years, but not more than five years 兩年以上但不超過五年	16,883,558	–
	485,550,750	46,270,674
Less: Amounts due within one year shown under current liabilities 減：一年內到期列作流動負債之款項	(10,496,176)	(46,270,674)
	475,054,574	–

於二零零五年十二月三十一日，銀行借貸330,000,000港元（二零零四年：無）已分類為非流動負債，原因為本集團預期（及有酌情權）於結算日後將借貸滾存一年。

所有借貸分別以銀行定期存款（附註27）、投資物業（附註15）及應收本公司附屬公司之接受投資公司或接受投資公司任何股東之應收款項作為抵押。於二零零五年十二月三十一日，並無應收接受投資公司或接受投資公司任何股東之結餘。

As at 31st December, 2005, bank borrowings of HK\$330,000,000 (2004: Nil) had been classified as non-current liabilities because the Group expects, and has the discretion, to roll over the borrowings after one year from the balance sheet date.

All borrowings were secured by bank fixed deposits (note 27), investment properties (note 15) and a floating charge on receivables due from an investee or any shareholder of the investee to a subsidiary of the Company. As at 31st December, 2005, there was no balance due from the investee or any shareholder of the investee.

財務報表附註

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Notes to the Financial Statements

For the year ended 31st December, 2005

30. 借貸(續)

本集團

本集團借貸之實際利率(亦相等於合約利率)之範圍如下:

	2005 二零零五年	2004 二零零四年
Effective interest rate: 實際利率:		
Fixed rate borrowings 定息借貸	2.93% to 3.17%	2.6% to 3.17%
Floating rate borrowings 浮息借貸	HIBOR + 0.75% to HIBOR + 2.3%	—

借貸之賬面值以下列貨幣計值:

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Hong Kong dollars 港元	475,054,574	—
Euro 歐羅	10,496,176	46,270,674
	485,550,750	46,270,674

借貸之賬面值約相等於其公平值。

31. 少數股東權益貸款

來自少數股東權益之貸款乃無抵押、免息及並無固定還款期。董事會認為，並無被要求於結算日起計12個月內償還之款項。因此，該款項乃分類為非流動負債。

30. BORROWINGS (continued)

Group

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

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

31. LOANS FROM MINORITY INTERESTS

Loans from minority interests are unsecured, interest free and have no fixed term of repayments. In the opinion of the directors, no repayment will be demanded within 12 months from the balance sheet date. Accordingly, the amounts are classified as non-current liabilities.



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截至二零零五年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2005

32. 股本

32. SHARE CAPITAL

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Authorised: 法定：		
2,100,000,000 (2004: 2,100,000,000) ordinary shares of HK\$0.1 each		
2,100,000,000股(二零零四年：2,100,000,000股) 每股面值0.10港元之普通股	210,000,000	210,000,000
Issued and fully paid: 已發行及繳足：		
1,691,171,989 (2004: 1,691,171,989) ordinary shares of HK\$0.1 each		
1,691,171,989股(二零零四年：1,691,171,989股) 每股面值0.10港元之普通股	169,117,199	169,117,199

33. 儲備

33. RESERVES

本集團

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

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

於二零零五年十二月三十一日，投資重估儲備指可供出售財務資產之公平值變動。上一年度之結餘指投資證券及非買賣債務證券之公平值變動。

Group

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

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

As at 31st December, 2005, investment revaluation reserve represents changes in fair value of available-for-sale financial assets. Last year balance represented changes in fair value of investment securities and non-trading debt securities.



財務報表附註

截至二零零五年十二月三十一日止年度

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33. 儲備 (續)

本公司

33. RESERVES (continued)

Company

	Share premium	Capital redemption reserve	Retained earnings	Total
	股份溢價	資本贖回 儲備	保留盈利	總額
	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元
At 1st January, 2004 二零零四年一月一日結算	311,582,062	4,031,600	182,850,059	498,463,721
Profit for the year 本年度溢利	–	–	38,313,737	38,313,737
At 31st December, 2004 and 1st January, 2005 二零零四年十二月三十一日及 二零零五年一月一日結算	311,582,062	4,031,600	221,163,796	536,777,458
Loss for the year 本年度虧損	–	–	(85,999,126)	(85,999,126)
2005 proposed final dividend (note 11) 二零零五年度擬派末期股息 (附註11)	–	–	(33,823,440)	(33,823,440)
At 31st December, 2005 二零零五年十二月三十一日結算	311,582,062	4,031,600	101,341,230	416,954,892

34. 每股資產淨值

每股資產淨值乃根據本公司股權持有人應佔資產淨值 900,448,485 港元 (二零零四年: 761,524,838 港元) 及於二零零五年十二月三十一日之已發行普通股 1,691,171,989 股 (二零零四年: 1,691,171,989 股) 計算。

34. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets attributable to the equity holders of the Company of HK\$900,448,485 (2004: HK\$761,524,838) and 1,691,171,989 (2004: 1,691,171,989) ordinary shares in issue as at 31st December, 2005.



財務報表附註

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For the year ended 31st December, 2005

35. 遞延稅項負債

本集團

遞延稅項乃採用主要稅率17.5%(二零零四年: 17.5%)根據負債法就所有暫時差距計算。

本年度內之遞延稅項(資產)/負債變動如下:

	Accelerated tax depreciation		Fair value gain		Tax loss		Total	
	2005	2004	2005	2004	2005	2004	2005	2004
	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元	港元	港元	港元
At 1st January 於一月一日	-	-	-	-	-	-	-	-
Arising from acquisition of a subsidiary 因收購附屬公司產生	1,812,829	-	64,580,192	-	(2,452,019)	-	63,941,002	-
Charged to income statement 於損益賬扣除	829,256	-	-	-	2,108,505	-	2,937,761	-
At 31st December 於十二月三十一日	2,642,085	-	64,580,192	-	(343,514)	-	66,878,763	-

於結算日並無重要未確認遞延稅項資產及負債。

35. DEFERRED TAX LIABILITIES

Group

Deferred taxation is calculated on temporary differences under the liability method using a principal taxation rate of 17.5% (2004: 17.5%).

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

There were no material unrecognised deferred tax assets and liabilities at the balance date.



財務報表附註

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For the year ended 31st December, 2005

36. 來營運租賃安排

於二零零五年十二月三十一日，本集團根據不可撤銷營運租賃之未來最低租賃收入總額如下：

本集團

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
<u>Investment properties</u> 投資物業		
Amount receivable 應收款額		
Within one year 一年內	42,935,283	-
In the second to fifth years 第二至第五年	10,743,739	-
After five years 五年後	-	-
	53,679,022	-

本集團根據初步為期一至兩年之營運租賃安排出租其投資物業(附註15)。租賃條款一般亦要求租戶支付保證按金。此等租賃概無包括或然租金。

本公司

本公司並無根據不可撤銷營運租賃收取之任何最低租賃收入。

36. FUTURE OPERATING LEASE ARRANGEMENTS

As at 31st December, 2005, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

Group

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
<u>Investment properties</u> 投資物業		
Amount receivable 應收款額		
Within one year 一年內	42,935,283	-
In the second to fifth years 第二至第五年	10,743,739	-
After five years 五年後	-	-
	53,679,022	-

The Group leases its investment properties (note 15) under operating lease arrangements which run for an initial period of one to two years. The terms of the leases generally also require the tenants to pay security deposits. None of the leases includes contingent rentals.

Company

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



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For the year ended 31st December, 2005

37. 資本承擔

本集團

本集團於結算日擁有下列資本承擔：

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Contracted but not provided for 已訂約，但未撥備		
Investment properties 投資物業	253,790,000	–
Available-for-sale financial assets 可供出售財務資產	59,000,000	–
Investment in jointly controlled entities 於共同控權合資公司投資	–	72,870,744
	312,790,000	72,870,744

本公司

本公司於二零零五年及二零零四年十二月三十一日並無任何重大承擔。

38. 或然負債

本公司

- (a) 本公司就持有旺角中心之附屬公司所欠之未償還債項向一間銀行提供相當於本集團股本權益應佔數額之擔保。該附屬公司於二零零五年十二月三十一日欠該銀行之未償還債項約為455,000,000港元(二零零四年：約為230,000,000港元)。
- (b) 本公司就一間全資附屬公司所獲一間財務機構提供不超過15,000,000美元之信貸額提供擔保。於二零零五年十二月三十一日之未償還債項約為1,100,000歐羅(二零零四年：約為4,400,000歐羅)。管理層預計於日常業務過程中向銀行及財務機構提供上述擔保不會產生重大負債。

37. CAPITAL COMMITMENTS

Group

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

	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元
Contracted but not provided for 已訂約，但未撥備		
Investment properties 投資物業	253,790,000	–
Available-for-sale financial assets 可供出售財務資產	59,000,000	–
Investment in jointly controlled entities 於共同控權合資公司投資	–	72,870,744
	312,790,000	72,870,744

Company

The Company does not have any significant commitments as at 31st December, 2005 and 2004.

38. CONTINGENT LIABILITIES

Company

- (a) The Company has given a guarantee to a bank to secure the outstanding indebtedness due by a subsidiary holding the Argyle Centre, for an amount attributable to the Group's equity interests. The amount of outstanding indebtedness due by the subsidiary company to this bank at 31st December, 2005 was approximately HK\$455 million (2004: approximately HK\$230 million).
- (b) The Company has given a guarantee to a financial institution to secure the borrowing facilities available to a wholly-owned subsidiary in the amount not exceeding US\$15 million. The outstanding indebtedness at 31st December, 2005 was approximately Euro 1.1 million (2004: approximately Euro 4.4 million). Management anticipates that no material liabilities will arise from the above guarantees given to the bank and the financial institution which arose in the ordinary course of business.



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截至二零零五年十二月三十一日止年度

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For the year ended 31st December, 2005

39. 關連人士交易

本集團與其關連公司於本年度內已進行下列重大交易：

(a)

Management fee expenses to Yu Ming Investment Management Limited ("YMIM")
向禹銘投資管理有限公司(「禹銘投資管理」)支付之管理費開支

根據本集團與禹銘投資管理(其中馮永祥先生、馮耀輝先生及李華倫先生乃禹銘投資管理之董事，馮永祥先生及馮耀輝先生乃禹銘投資管理之股東)於一九九七年三月五日訂立並經股東於一九九七年三月二十七日批准之管理協議(「現行投資管理協議」)，禹銘投資管理同意由一九九七年三月二十七日起計五年內協助董事會處理本集團之日常管理工作的。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。

39. RELATED PARTY TRANSACTIONS

The Group had the following materials transactions with its related companies during the year:

(a)

	Group 本集團	
	2005 二零零五年	2004 二零零四年
	HK\$ 港元	HK\$ 港元

	11,288,498	10,214,078
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Under the investment management agreement ("Existing Investment Management Agreement") approved by shareholders on 27th March, 1997 and dated 5th March, 1997 between the Group and YMIM, of which Mr. Fung Wing Cheung, Tony, Mr. Fung Yiu Fai, Peter and Mr. Lee Wa Lun, Warren are the directors of YMIM and Mr. Fung Wing Cheung, Tony and Mr. Fung Yiu Fai, Peter are the shareholders of YMIM, YMIM agreed to assist the board of directors with the day-to-day management of the Group for a period of five years commencing 27th March, 1997. YMIM will be entitled to a management fee equal to 0.375% of the net asset value on each quarter date and an incentive fee equal to 20% of such amount (if any) by which the audited consolidated profit before tax for each financial year completed (before adjusting for the incentive fee) exceeds such amount as is equal to 6% of average monthly net asset value of the Group for each such financial year. For the calculation of management fee and incentive fee, the associated companies of the Group will not be equity accounted for the purpose of calculating such quarterly and average monthly net asset value and consolidated profit before tax.



財務報表附註

截至二零零五年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2005

39. 關連人士交易 (續)

(a) (續)

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

於二零零五年及二零零四年十二月三十一日，禹銘投資管理並無收取獎金費用。

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

39. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

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

For the years ended 31st December, 2005 and 2004, no incentive fee was charged by YMIM.

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



財務報表附註

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39. 關連人士交易 (續)

(a) (續)

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

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

- (b) 此外，本集團佔用禹銘投資管理之辦公室空間，並按照現行管理協議補償禹銘投資管理之辦公室及設備開支之40%。該等補償禹銘投資管理開支之金額為780,752港元（二零零四年：1,155,984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之職員成本為453,354港元（二零零四年：559,217港元）。該等補償費用乃計入綜合損益賬之「其他經營開支」。

39. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

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

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

- (b) The Group occupies office space of YMIM and reimburses to YMIM 40% of its office and equipment expenses in accordance with the Existing Investment Management Agreement. Such expenses reimbursed to YMIM amounted to HK\$780,752 (2004: HK\$1,155,984). The Group utilise certain staff employed by YMIM and reimbursed staff costs of HK\$453,354 to YMIM for 2005 (2004: HK\$559,217). Such reimbursed costs are included in "Other Operating Expenses" on the face of the consolidated income statement.



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39. 關連人士交易 (續)

- (c) 於二零零五年十二月三十一日，本集團擁有下列信託單位權益：

	2005 二零零五年		2004 二零零四年	
	Units 股數	HK\$ 港元	Units 股數	HK\$ 港元
MYM China Trust	136.0970	29,101,937	136.0970	25,326,140
MYM High Yield Bond Trust	101.4612	24,813,948	101.4612	25,697,480

兩項信託均由MYM Management Limited (「MYMML」) 管理，其中馮永祥先生為MYMML之董事。

- (d) 本集團已向禹銘投資管理支付行政費用180,100港元(二零零四年：180,100港元)及顧問費用250,000港元(二零零四年：50,000港元)。
- (e) 作為授予本集團之銀行貸款之部份抵押品，馮耀輝先生已向銀行提供個人擔保。
- (f) 馮永祥先生已向本公司附屬公司康恩發展有限公司(「康恩」)提供墊款8,443,401港元，其中馮永祥先生為康恩之董事及股東。貸款為無抵押、免息及無固定還款期。
- (g) 於二零零五年七月四日，本公司與禹銘投資管理訂立買賣協議，內容有關YMIM向本公司轉讓IEC Investments Limited之22.15%股本權益。交易已獲得本公司股東於二零零五年八月十二日批准。

39. RELATED PARTY TRANSACTIONS (continued)

- (c) As at 31st December, 2005, the Group had interests in the following trusts:

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

- (d) The Group has been charged an administrative fee of HK\$180,100 (2004: HK\$180,100) and advisory fee of HK\$250,000 (2004: HK\$50,000) by YMIM.
- (e) As part of security for the bank loan granted to the Group, a personal guarantee from Mr. Fung Yiu Fai, Peter is provided to the bank.
- (f) Included in loans from minority interests in consolidated balance sheet is HK\$8,443,401 advanced by Mr. Fung Wing Cheung, Tony to Honnex Development Limited (「Honnex」), a subsidiary of the Company, of which Mr. Fung Wing Cheung, Tony is a director and shareholder of Honnex. The loan is unsecured, interest free and has no fixed repayment terms.
- (g) On 4th July, 2005, the Company entered into a sale and purchase agreement with YMIM in relation to the transfer of the 22.15% equity interest in IEC Investments Limited from YMIM to the Company. The transaction had been approved by shareholders of the Company on 12th August, 2005.



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40. 風險管理目的及政策

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。

40.1 市場風險

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

40.2 信貸風險

本集團因對手方未能履行其於二零零五年十二月三十一日之責任而承擔有關各級別已確認財務資產之最高信貸風險為綜合資產負債表所述該等資產之賬面值。為盡量減低信貸風險，本集團管理層於各結算日審閱個別債務之可收回金額，以確保就無法收回金額作出足夠之耗蝕虧損。就此而言，董事會認為本集團之信貸風險已顯著減少。

本集團並無顯著集中之信貸風險，而有關風險已分散至多名對手方及客戶。

40. RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

40.1 Market price risk

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

40.2 Credit risk

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

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



財務報表附註

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40. 風險管理目的及政策(續)

40.3 流動資金風險

本集團投資於上市及非上市兩類證券。由於該等上市證券在受規管之證券交易所上市，故被視為易於變現。該等非上市證券可能並非於架構完善之公開市場買賣，故流通量可能不足。因此，本集團可能無法以接近此等工具公平值之款額迅速變賣於此等工具之投資，以應付本集團之流動資金需要或回應特定事件(例如任何特定發行人之信貸水平惡化)。本集團之流動資金風險管理包括安排提供備用銀行融資及分散資金來源。本集團定期審閱其主要資金狀況，以確保擁有足夠財務資源以應付其財務承擔。

40.4 現金流量及公平值利率風險

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

現金流量利率風險乃透過衍生財務工具管理。本集團訂立利率掉期以對沖其於部份借貸公平值變動之風險。以港元計值之利率掉期已訂立以達致一個定息與浮息利率風險之概約組合。掉期於未來三至五年到期，配合相關貸款之到期日及擁有定期掉期利率介乎4.3%至4.4%(二零零四年：無)。於二零零五年十二月三十一日，本集團擁有名義合約款額100,000,000港元(二零零四年：無)之利率掉期。

本集團於二零零五年十二月三十一日所訂立掉期之公平值淨額為264,413港元(二零零四年：無)。由於對本集團之財務業績並無重大影響，因此該款額並無於此等財務報表確認為衍生財務工具。

40. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

40.3 Liquidity risk

The Group invests in both listed and unlisted securities. Those listed securities are considered readily realisable as they are listed in regulated stock exchanges. Those unlisted securities may not be traded in an organized public market and may be illiquid. As a result, the Group may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. The Group's liquidity risk management includes making available standby banking facilities and diversifying the funding sources. The Group regularly reviews its major funding positions to ensure it has adequate financial resources in meeting its financial obligations.

40.4 Cash flow and fair value interest rate risk

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

The cash flow interest rate risks are managed by means of derivative financial instruments. The Group entered into interest rate swaps to hedge against its exposures to changes in fair values for some of the borrowings. Interest rate swaps, denominated in Hong Kong dollars, have been entered into to achieve an approximate mix of fixed and floating rate exposure. The swaps mature over the next 3 to 5 years matching the maturity of the related loans and have fixed swap rates ranging from 4.3% to 4.4% (2004: Nil). As at 31st December, 2005, the Group had interest rate swaps with a notional contract amount of HK\$100 million (2004: Nil).

The net fair value of swaps entered into by the Group at 31st December, 2005 was HK\$264,413 (2004: Nil). The amount has not been recognised as derivative financial instrument in these financial statements as there is no significant impact to the Group's financial results.



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40. 風險管理目的及政策(續)

40.5 貨幣風險

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

40.6 公平值

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

41. 業務合併

(a) 康恩發展有限公司

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

40. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

40.5 Currency risk

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

40.6 Fair values

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

41. BUSINESS COMBINATION

(a) Honnex Development Limited

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



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For the year ended 31st December, 2005

41. 業務合併 (續)

(a) 康恩發展有限公司 (續)

所收購資產及負債如下：

41. BUSINESS COMBINATION (continued)

(a) Honnex Development Limited (continued)

The assets and liabilities acquired are as follows:

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



財務報表附註

截至二零零五年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2005

41. 業務合併 (續)

(a) 康恩發展有限公司 (續)

Satisfied by:

支付方式:

Total cash paid

已付全部現金

72,000,000

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

減: 代表所收購附屬公司償還欠少數股東權益貸款

(51,206,089)

Cash paid for acquisition of additional equity interests

收購額外股本權益已付之現金

20,793,911

Net cash outflow arising on acquisition:

因收購產生之現金流出淨額:

Cash consideration paid

已付現金代價

72,000,000

Cash and cash equivalents in a subsidiary acquired

於所收購附屬公司之現金及現金等價物

(462,971)

71,537,029

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

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



財務報表附註

截至二零零五年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2005

41. 業務合併 (續)

(b) IEC Investments Limited

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

41. BUSINESS COMBINATION (continued)

(b) IEC Investments Limited

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



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截至二零零五年十二月三十一日止年度

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41. 業務合併(續)

(b) IEC Investments Limited(續)

所收購資產及負債如下：

41. BUSINESS COMBINATION (continued)

(b) IEC Investments Limited (continued)

The assets and liabilities acquired are as follows:

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



財務報表附註

截至二零零五年十二月三十一日止年度

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41. 業務合併 (續)

(b) IEC Investments Limited (續)

41. BUSINESS COMBINATION (continued)

(b) IEC Investments Limited (continued)

HK\$
港元

Satisfied by:

支付方式：

Total cash paid

已付全部現金

70,395,467

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

減：代表所收購附屬公司償還欠少數股東權益貸款

(69,335,529)

Cash paid for acquisition of additional equity interests
收購額外股本權益已付之現金

1,059,938

Net cash outflow arising on acquisition :

因收購產生之現金流出淨額：

Cash consideration paid

已付現金代價

70,395,467

Cash and cash equivalents in a subsidiary acquired

於所收購附屬公司之現金及現金等價物

(16,266)

70,379,201

(c) 於截至二零零五年十二月三十一日止年度內，就收購上述附屬公司之現金流出量淨額總計為141,916,230港元。於截至二零零四年十二月三十一日止年度並無收購事項。

(c) During the year ended 31st December, 2005, the total net cash outflow in respect of the above acquisitions of subsidiaries amounted to HK\$141,916,230. There were no acquisitions in the year ended 31st December, 2004.