

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

45

1. GENERAL

The Company is an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Stock Exchange of Hong Kong Limited. Its ultimate holding company is Honeylink Agents Limited, a company incorporated in the British Virgin Islands.

The address of the registered office of the Company is disclosed in the corporate information of the annual report.

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

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 43.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1st January, 2005. 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. 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 and prior accounting years are prepared and presented:

1. 一般事項

本公司根據開曼群島公司法第22章(一九六一年法例三, 經綜合及修訂)為受豁免有限公司, 其股份於香港聯合交易所有限公司上市, 而其最終控股公司為英屬處女群島註冊成立之公司 Honeylink Agents Limited。

本公司註冊辦事處之地址已於本年報「公司資料」中披露。

財務報表以本公司之功能貨幣港元呈列。

本公司為投資控股公司, 其主要附屬公司之主要業務載於附註43。

2. 應用香港財務報告準則

於本年度, 本集團首次採用多項由香港會計師公會頒佈之新訂香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋(下文統稱「新香港財務報告準則」), 此等準則均於二零零五年一月一日或之後開始之會計期間生效。應用此等新香港財務報告準則致使綜合收益表、綜合資產負債表及綜合權益變動表之呈報方式改變。採納新香港財務報告準則導致本集團之會計政策在所述範圍有所變動, 並影響本會計年度及過往會計年度業績之編製及呈報方式:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

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

Business combinations

The Group has applied HKFRS 3 “Business combination” in previous year for business combination with the agreement date on or after 1st January, 2005. The Group has applied the relevant transitional provision in HKFRS 3. On 1st April, 2005, the Group eliminated the carrying amount of the related accumulated amortisation of approximately HK\$328,000 with a corresponding decrease in the cost of goodwill (see note 21). The Group has discontinued amortising such goodwill from 1st April, 2005 onwards and such goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1st January, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for 2005 have not been restated (see Note 3 for the financial impact).

Share-based payments

In the current year, the Group has applied HKFRS 2 Share-based Payments 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”), or in exchange for other assets equivalent in value to a given number of shares or rights over shares (“cash-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 Company, 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. The Group has applied HKFRS 2 retrospectively to share options granted on or after 1st April, 2004. No share options were granted before 1st April, 2004. Comparative figures have been restated (see Note 3 for the financial impact).

2. 應用香港財務報告準則(續)

業務合併

於上年度，本集團已對協議日期為二零零五年一月一日或之後的業務合併應用香港財務報告準則第3號「業務合併」。本集團已應用香港財務報告準則第3號之有關過渡規定。於二零零五年四月一日，本集團將相關累計攤銷約328,000港元之賬面值予以攤銷，而商譽之成本亦相應減少(見附註21)。本集團由二零零五年四月一日起不再將有關商譽攤銷，而商譽將最少於每年進行減值檢測。於二零零五年一月一日後因收購所產生之商譽於初步確認後按成本減累計減值虧損(如有)列賬。此項會計政策之變動致使本年度內再無扣除商譽之攤銷費用。二零零五年之比較數字並無重列。有關財務影響請參閱附註3。

以股支付

於本年度，本集團已採用香港財務報告準則第2號「以股支付」，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」)或交換價值相當於指定數目之股份或享有股份之權利之其他資產(「現金結算交易」)時，須就此確認支出。香港財務報告準則第2號對本集團之主要影響乃關乎本公司董事及僱員獲授之購股權於授出購股權日期釐定之公平值，須於歸屬期內支銷。於採用香港財務報告準則第2號之前，本集團乃於購股權獲行使時始確認其財務影響。本集團已就二零零四年四月一日或之後授出之購股權採用香港財務報告準則第2號。並無於二零零四年四月一日前授出之購股權。比較數字已予重列。有關財務影響請參閱附註3。

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” and HKAS 39 “Financial Instruments: Recognition and Measurement”. HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1st April, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

Convertible notes

The principal impact of HKAS 32 on the Group is in relation to convertible notes issued by the Company that contain both liability and equity components. Previously, convertible notes were classified as liabilities and recorded at the proceeds received on the balance sheet. HKAS 32 requires an issuer of a compound financial instrument that contains both financial liability and equity components to separate the compound financial instrument into the liability and equity components on initial recognition and to account for these components separately. In subsequent periods, the liability component is carried at amortised cost using the effective interest method. Because HKAS 32 requires retrospective application, comparative figures for 2005 have been restated. Comparative profit for 2005 has been restated in order to reflect the increase in effective interest on the liability component (see Note 3 for the financial impact).

2. 應用香港財務報告準則(續)

金融工具

於本年度，本集團採納香港會計準則第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號規定追溯應用。至於對二零零五年四月一日或以後開始之會計期間生效之香港會計準則第39號，一般不允許按追溯基準確認、終止確認或計量金融資產及負債。採用香港會計準則第32號及香港會計準則第39號引致之主要影響概述如下：

可換股票據

香港會計準則第32號對本集團之主要影響乃關於由本公司發行而包含負債部份及股權部份之可換股票據。可換股票據於往日乃在資產負債表列為負債並按所得收益記錄。香港會計準則第32號要求包含金融負債及股權部份之複合金融工具之發行人於首次確認複合金融工具時將之分為負債部份及股權部份，並將有關部份分開入賬。於往後期間，負債部份以實際利率法按攤銷成本列賬。由於香港會計準則第32號規定追溯應用，二零零五年之比較數字已予重列。二零零五年之比較溢利已經重列，以反映負債部份之實際利息之增加。有關財務影響請參閱附註3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

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

Financial instruments (continued)

Convertible notes (continued)

The convertible loan note of the Group also contains an early redemption option which is considered an embedded derivative. Under HKAS 39, derivative embedded in a financial instrument is treated as a separate derivative when its economic risk and characteristic are not closely related to those of the host contract (the liability component) and the host contract is not carried at fair value through profit or loss. The Group has applied the relevant transitional provisions in HKAS 39. However, there has been no material effect on how the results for the current accounting period are prepared and presented.

Issue costs are apportioned between the components of the convertible loan note based on their relative fair value at the date of issue.

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. 應用香港財務報告準則(續)

金融工具(續)

可換股票據(續)

本集團之可換股貸款票據亦包含被視為嵌入式衍生工具之提早贖回選擇權。根據香港會計準則第39號，倘金融工具附設之衍生工具的經濟風險和特點與主合約(負債部份)的經濟風險和特點並無密切關係，而主合約並非按公平值於損益確認時，則金融工具附設之衍生工具乃視作獨立之衍生工具。本集團已應用香港會計準則第39號之有關過渡規定，惟對本會計期間業績之編製及呈列並無重大影響。

發行成本根據可換股貸款票據各部份於發行日期的相對公平值分配至各部份。

金融資產及金融負債之分類及計量

本集團已對屬於香港會計準則第39號範圍之金融資產及金融負債之分類及計量，應用香港會計準則第39號之有關過渡條文。

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

Financial instruments (continued)

Classification and measurement of financial assets and financial liabilities (continued)

By 31st March, 2005, the Group classified and measured its investments in debt and equity securities in accordance with the alternative treatment of Statement of Standard Accounting Practice 24 (SSAP 24). Under SSAP 24, investments in debt or equity securities are classified as “trading securities”, “non-trading securities” or “held-to-maturity investments” as appropriate. Both “trading securities” and “non-trading securities” are measured at fair value. Unrealised gains or losses of “trading securities” are reported in profit or loss for the period in which gains or losses arise. Unrealised gains or losses of “non-trading securities” are reported in equity until the securities are sold or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for that period. From 1st April, 2005 onwards, the Group has classified and measured its debt and 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 1st April, 2005, the Group classified and measured its investments in debt and equity securities in accordance with the transitional provisions of HKAS 39. As a result, investments in securities classified under “non-trading securities” and amounted to approximately HK\$3,916,000 have been classified as “available-for-sale investments” on 1st April, 2005 (see Note 3 for the financial impact).

2. 應用香港財務報告準則(續)

金融工具(續)

金融資產及金融負債之分類及計量 (續)

於二零零五年三月三十一日及之前，本集團根據會計實務準則第24號(會計實務準則第24號)之備選處理方式將債務及股本證券投資進行分類及計量。根據會計實務準則第24號，於債務及股本證券之投資乃適當地分類為「交易證券」、「非交易證券」或「持至到期之投資」。「交易證券」與「非交易證券」均按公平值計量。「交易證券」之未實現盈虧於產生盈虧之期內的損益呈報。「非交易證券」之未實現盈虧於權益呈報，直至證券出售或被釐定為減值為止，其時先前於權益確認之累計盈虧乃計入期內純利或虧損淨額。由二零零五年四月一日起，本集團按照香港會計準則第39號對債務及股本證券進行分類及計量。根據香港會計準則第39號，金融資產乃分類為「按公平值於損益確認之金融資產」、「可供出售金融資產」、「貸款及應收款項」或「持至到期之金融資產」。「按公平值於損益確認之金融資產」及「可供出售金融資產」乃按公平值列賬，而有關公平值之變動則分別在損益及權益確認。在任何活躍市場並無市場報價及無法可靠地計量公平值之可供出售股本投資，及與該等無報價股本工具掛鈎及必須透過交付該等工具進行結算之衍生工具，於初步確認後按成本減去減值計量。「貸款及應收款項」及「持至到期之金融資產」乃於初步確認後以實際利率法按攤銷成本計量。

於二零零五年四月一日，本集團根據香港會計準則第39號之過渡條文將債務及股本證券投資進行分類及計量。因此，約3,916,000港元列入「非交易證券」之證券投資已於二零零五年四月一日分類為「可供出售投資」。有關財務影響請參閱附註3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

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

Financial instruments (continued)

Financial assets and financial liabilities other than investments in debt and equity securities

From 1st April, 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than investments in debt and 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. The Group has applied the relevant transitional provisions in HKAS 39. However, there has been no material effect on how the results for the current accounting period are prepared and presented.

Owner-occupied Leasehold Interest in Land

In previous years, owner-occupied leasehold land and buildings were included in property and equipment and measured using the revaluation model. In the current year, the Group has applied HKAS 17 Leases. Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively (see Note 3 for the financial impact). Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property and equipment.

2. 應用香港財務報告準則(續)

金融工具(續)

債務及股本證券投資以外之金融資產及金融負債

自二零零五年四月一日起，本集團已按香港會計準則第39號之規定將債務及股本證券投資以外之金融資產及金融負債(有關資產及負債之前會計實務準則第24號範圍以外)分類及計量。如上文所述，香港會計準則第39號項下之金融資產分類為「按公平值於損益確認之金融資產」、「可供出售金融資產」、「貸款及應收款項」或「持至到期之金融資產」。金融負債一般分類為「按公平值於損益確認之金融負債」或「其他金融負債」。按公平值於損益確認之金融負債乃按公平值計量，而公平值變動則直接於損益中確認。其他金融負債於首次確認後採用實際利率法按攤銷成本入賬。本集團已應用香港會計準則第39號之有關過渡規定。然而，此項變動並無對於本會計期間業績之編製及呈報方式構成重大影響。

業主自用土地之租賃權益

於過往年度，業主自用之租賃土地及樓宇乃列入物業及設備並按重估模式計算。於本年度，本集團採用香港會計準則第17號「租賃」。根據香港會計準則第17號，就租賃分類而言，土地及樓宇租賃中之土地及樓宇部份乃分開考慮，除非不能在土地及樓宇部份之間可靠地分配租賃付款則除外，而在此情況下，整項租賃一般被視為融資租約。倘能在土地及樓宇部份之間可靠地分配租賃付款，則於土地之租賃權益乃重新分類為經營租約項下之預付租賃款項，並以成本列賬及於租賃期內按直線基準攤銷。此項會計政策之變動已予追溯應用。有關財務影響請參閱附註3。另一方面，倘未能在土地及樓宇部份之間作出可靠分配，則土地之租賃權益繼續計入物業及設備。

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

Investment Properties

In the current year, the Group has, for the first time, applied HKAS 40 Investment Property. The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in income statement for the year in which they arise. In previous years, investment properties under the predecessor Standard were measured at open market values, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and a revaluation surplus subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from 1st April, 2005 onwards. The amount held in the investment property revaluation reserve at 1st April, 2005 has been transferred to the Group's retained earnings (see Note 3 for the financial impact).

Deferred Taxes related to Investment Properties

In previous years, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor Interpretation. In the current year, the Group has applied HK(SIC) Interpretation 21 Income Taxes – Recovery of Revalued Non-Depreciable Assets which removes the presumption that the carrying amount of investment properties is to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflect the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. As the result, the Group recognised the deferred tax asset related to the corresponding tax loss. In the absence of any specific transitional provisions in HK(SIC) Interpretation 21, this change in accounting policy has been applied retrospectively. Comparative figures for 2005 have been restated (see Note 3 for the financial impact).

2. 應用香港財務報告準則(續)

物業投資

於本年度，本集團首次採用了香港會計準則第40號「投資物業」。本集團採用公平值模式為物業投資計價，即將物業投資公平值變動產生之盈虧於產生盈虧之年度直接在收益表確認。於過往年度，過往準則項下之物業投資按公開市值計算，而重估盈餘或虧絀則計入物業投資重估儲備或從該儲備中扣除，惟此儲備之結餘不足以彌補重估虧絀則作別論。在此情況下，重估虧絀超出物業投資重估儲備結餘之數額已於收益表扣除。倘在此前已於收益表扣除虧絀，而其後產生重估盈餘，則有關盈餘已計入收益表，惟以此前扣除之虧絀為限。本集團已採用香港會計準則第40號之有關過渡條文，並選擇由二零零五年四月一日起應用香港會計準則第40號。於二零零五年四月一日保留在物業投資重估儲備之數額已轉入本集團之保留盈利。有關財務影響請參閱附註3。

物業投資之遞延稅項

在以往年度，根據以往會計準則詮釋，重估物業投資所產生之遞延稅項影響乃根據有關物業是持作待售物業而可收回之賬面值作出評估。於本年度，本集團應用香港財務報告準則詮釋第21號「所得稅－收回經重估之不可折舊資產」，不再假設物業投資賬面值可透過出售而收回。因此，物業投資之遞延稅項影響評估現按反映本集團預期於各結算日收回有關物業之方式所產生之稅項影響計算。因此，本集團已確認有關稅項虧損之遞延稅項資產。於香港財務報告準則詮釋第21號未附任何具體過渡條文下，本集團已就此項會計政策之改變追溯應用。二零零五年比較數字已予重列。有關財務影響請參閱附註3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

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

Intangible assets

By 31st March, 2005, intangible assets were amortised over their estimated useful lives. HKAS 38 Intangible Assets requires intangible assets to be assessed at the individual asset level as having either finite or indefinite life. A finite-life intangible asset is amortised over its estimated useful life whereas an intangible asset with an indefinite useful life is carried at cost less accumulated impairment losses (if any). Intangible assets with indefinite lives are not subject to amortisation but are tested for impairment annually or more frequently when there are indications of impairment. In accordance with the transitional provisions in HKAS 38, the Group reassessed the useful lives of its trading rights in the exchanges in Hong Kong on 1st April, 2005 and concluded that the trading rights have indefinite useful lives. The Group has applied the revised useful lives prospectively and discontinued amortising the trading rights from 1st April, 2005 onwards. No amortisation has been charged in relation to the trading rights for the year ended 31st March, 2006 (see Note 3 for the financial impact).

2. 應用香港財務報告準則(續)

無形資產

於二零零五年三月三十一日及之前，無形資產乃按估計可用年期攤銷。根據香港會計準則第38號「無形資產」之規定，無形資產須按個別資產之有限或無限年期予以評估。有限年期之無形資產乃按估計可用年期攤銷，而無限可用年期之無形資產則按成本減累計減值虧損(如有)列賬。無限年期之無形資產毋須攤銷，惟會每年進行減值檢測，或於出現減值跡象時更頻密地進行減值檢測。根據香港會計準則第38號之過渡規定，本集團已於二零零五年四月一日重新評估於香港之交易所之交易權之可用年期，其結論為有關交易權享有無限年期。本集團已預先應用經修訂之可用年期，並由二零零五年四月一日起不再將交易權攤銷。截至二零零六年三月三十一日止年度內並無有關交易權之攤銷支出。有關財務影響請參閱附註3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

53

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described above on the results for the current and prior years are as follows:

3. 會計政策變動之影響摘要

上文所述之會計政策變動對本年度及過往年度業績之影響如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-amortisation of goodwill	商譽之不作攤銷	328	-
Non-amortisation of intangible assets	無形資產之不作攤銷	201	-
Recognition of share-based payments as expenses	確認以股支付為 開支	(1,428)	(3,900)
Increase in effective interest expense on the liability component of convertible notes	可換股票據負債部份 之實際利息開支 增加	(621)	(1)
Gains arising from changes in fair value of investment properties	物業投資公平值變動 產生之收益	1,000	-
Increase in deferred taxes expense relating to investment properties	有關物業投資之遞延 稅項開支之增加	(232)	(2)
Loss arising from changes in fair value of property and equipment	物業及設備公平值變動 產生之虧損	-	(58)
Decrease in profit for the year	本年溢利之減少	(752)	(3,961)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (continued)

The cumulative effects of the application of the new HKFRSs on 31st March, 2005 and 1st April, 2005 are summarised below:

3. 會計政策變動之影響摘要 (續)

應用新香港財務報告準則於二零零五年三月三十一日及二零零五年四月一日之累計影響概列如下：

	Retrospective adjustments 追溯調整					Prospective adjustments 預先調整				
	As at 31st March, 2005 (original stated)	HKAS 17 Adjustments	HKAS 32 Adjustments	HKFRS 2 Adjustments	HK(SIC) - INT 21 Adjustments	As at 31st March, 2005 (restated)	HKAS 40 Adjustments	HKAS 39 Adjustments	As at 1st April, 2005 (restated)	
	於 二零零五年 三月三十一日 (原列)	香港會計 準則第17號 調整	香港會計 準則第32號 調整	香港財務 報告準則 第2號調整	香港財務 報告準則 詮釋第21號 調整	香港財務 二零零五年 三月三十一日 (重列)	香港會計 準則第40號 調整	香港會計 準則第39號 調整	於 二零零五年 四月一日 (重列)	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Balance sheet items	資產負債表項目									
Property, plant and equipment	物業、廠房及設備	132,757	(103,643)	-	-	-	29,114	-	-	29,114
Leasehold interests in land	土地之租賃權益	-	101,131	-	-	-	101,131	-	-	101,131
Prepayments and deposits	預付款項及按金	4,840	2,450	-	-	-	7,290	-	-	7,290
Convertible loan notes	可換股貸款票據	(41,000)	-	215	-	-	(40,785)	-	-	(40,785)
Deferred tax liabilities	遞延稅項負債	(4,407)	-	-	-	(1,279)	(5,686)	-	-	(5,686)
Non-trading securities	非交易證券	3,916	-	-	-	-	3,916	-	(3,916)	-
Available-for-sale investments	可供出售 投資	-	-	-	-	-	-	-	3,916	3,916
Other net assets	其他資產淨值	392,209	-	-	-	-	392,209	-	-	392,209
Total effects on assets and liabilities	對資產及負債 之總影響	488,315	(62)	215	-	(1,279)	487,189	-	-	487,189
Share capital	股本	42,000	-	-	-	-	42,000	-	-	42,000
Other reserves	其他儲備	123,381	-	-	-	-	123,381	-	-	123,381
Share premium	股份溢價	210,433	-	1	3,900	-	214,334	-	-	214,334
Retained profits	保留溢利	104,975	(62)	(1)	(3,900)	191	101,203	6,056	-	107,259
Capital reserve - equity component of convertible notes	資本儲備 - 可換股票據 之權益部份	-	-	215	-	-	215	-	-	215
Investment properties revaluation reserve	物業投資 重估儲備	7,526	-	-	-	(1,470)	6,056	(6,056)	-	-
Total effects on equity	對權益之總影響	488,315	(62)	215	-	(1,279)	487,189	-	-	487,189

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

55

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (continued)

The financial effects of the application of the new HKFRSs to the Group's equity on 1st April, 2004 are summarised below:

3. 會計政策變動之影響摘要 (續)

應用新香港財務報告準則對本集團於二零零四年四月一日之權益之財務影響概列如下：

		As originally stated	HKAS 17 Adjustments	HK(SIC) INT 21 Adjustments	As restated
		按原列 HK\$'000 千港元	香港會計 準則第17號 調整 HK\$'000 千港元	香港財務 報告準則 詮釋第21號 調整 HK\$'000 千港元	按重列 HK\$'000 千港元
Retained earnings	保留盈利	94,069	(4)	193	94,258
Investment properties reevaluation reserve	物業投資重估 儲備	576	—	(223)	353
Total effects on equity	對權益之總影響	94,645	(4)	(30)	94,611

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (continued)

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

HKAS 1 (Amendment)
香港會計準則第1號(經修訂)
HKAS 19 (Amendment)
香港會計準則第19號(經修訂)
HKAS 21 (Amendment)
香港會計準則第21號(經修訂)
HKAS 39 (Amendment)
香港會計準則第39號(經修訂)
HKAS 39 (Amendment)
香港會計準則第39號(經修訂)
HKAS 39 and HKFRS 4
(Amendments)
香港會計準則第39號及
香港財務報告準則第4號
(經修訂)
HKFRS 6
香港財務報告準則第6號
HKFRS 7
香港財務報告準則第7號
HK(IFRIC) – INT 4
香港財務報告準則詮釋第4號
HK(IFRIC) – INT 5
香港財務報告準則詮釋第5號
HK(IFRIC) – INT 6
香港財務報告準則詮釋第6號
HK(IFRIC) – INT 7
香港財務報告準則詮釋第7號
HK(IFRIC) – INT 8
香港財務報告準則詮釋第8號
HK(IFRIC) – INT 9
香港財務報告準則詮釋第9號

Capital disclosures¹
資本披露¹
Actuarial gains and losses, group plans and disclosures²
精算盈虧、集團規劃及披露²
Net investment in foreign operation²
於外國業務之淨投資²
Cash flow hedge accounting of forecast intragroup transactions²
預測系內交易之現金流量對沖之會計處理²
The fair value option²
公平值之選擇²
Financial guarantee contracts²
財務擔保合約²
Exploration for and evaluation of mineral resources²
勘探及評估礦物資源²
Financial instruments: Disclosures¹
金融工具：披露¹
Determining whether an arrangement contains a lease²
釐定安排是否包括租賃²
Rights to interests arising from decommissioning, restoration and
environmental rehabilitation funds²
解除、復原及環境修復基金產生權益之權利²
Liabilities arising from participating in a specific market,
waste electrical and electronic equipment³
因參與特定市場產生之負債－廢棄電力及電子設備³
Applying the restatement approach under HKAS 29
Financial Reporting in Hyperinflationary Economies⁴
根據香港會計準則第29號於高通脹經濟體系之財務報告
採用重列法⁴
Scope of HKFRS 2⁵
香港財務報告準則第2號之範疇⁵
Reassessment of embedded derivatives⁶
重新評估嵌入式衍生工具⁶

3. 會計政策變動之影響摘要 (續)

本集團並未提早採納以下已頒佈但未生效之新訂準則、修訂及詮釋。本公司董事預期應用此等新訂準則、修訂及詮釋不會對本集團之財務報表構成重要影響。

¹ Effective for annual periods beginning on or after 1st January, 2007.
² Effective for annual periods beginning on or after 1st January, 2006.
³ Effective for annual periods beginning on or after 1st December, 2005.
⁴ Effective for annual periods beginning on or after 1st March, 2006.
⁵ Effective for annual periods beginning on or after 1st May, 2006.
⁶ Effective for annual periods beginning on or after 1st June, 2006.

¹ 對二零零七年一月一日或之後開始之年度期間有效。
² 對二零零六年一月一日或之後開始之年度期間有效。
³ 對二零零五年十二月一日或之後開始之年度期間有效。
⁴ 對二零零六年三月一日或之後開始之年度期間有效。
⁵ 對二零零六年五月一日或之後開始之年度期間有效。
⁶ 對二零零六年六月一日或之後開始之年度期間有效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

57

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and properties which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and by the Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries acquired or disposed of during the year 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 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.

4. 主要會計政策

綜合財務報表乃按歷史成本法編製，惟若干金融工具及物業則按公平值計量，詳見下文所載之會計政策。

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所主板證券上市規則及公司條例規定之適用披露規定。

綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。

年內所收購或出售之附屬公司之業績乃分別由收購生效日期起計算或計算直至出售生效日期止（選適用者），列入綜合收益表。

本集團於需要時會對附屬公司之財務報表作出調整，使其會計政策與本集團所用者相符。

所有本集團公司間之交易、結存及收支項目已於綜合賬目時撇銷。

綜合附屬公司資產淨值內之少數股東權益與本集團應佔之權益分開呈列。資產淨值內之少數股東權益包括於原業務合併日期之有關權益數額及自合併日期起計之少數股東應佔之權益變動。少數股東應佔虧損超出附屬公司股權中少數股東權益之數額，將以本集團之權益作出分配，惟少數股東須具約束力責任及可以增加投資補足虧損者除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1st 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.

For previously capitalised goodwill, the Group has discontinued amortisation from 1st April, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below). Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition 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 income statement. An impairment loss for goodwill is not reversed in subsequent periods.

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

4. 主要會計政策(續)

商譽

在協議日期為二零零五年一月一日前的情況下，收購附屬公司所產生的商譽指收購成本超出本集團於收購日期在有關附屬公司的可識別資產負債的公平值的權益的數額。

對於先前資本化的商譽，本集團已從二零零五年四月一日開始終止攤銷，而有關商譽會每年和每當有跡象顯示商譽相關的創現單位可能出現減值時進行減值檢測(見下文之會計政策)。在協議日期為二零零五年一月一日或其後的情況下，收購附屬公司所產生的商譽指收購成本超出本集團於收購日期在有關附屬公司的可識別資產、負債及或然負債的公平值的權益的數額。有關商譽按成本減任何累計減值虧損列賬。

收購附屬公司產生並資本化的商譽乃在資產負債表分開呈列。

就減值檢測而言，收購所產生的商譽會分配予預期可從收購的協同效應得益的各有關創現單位，或創現單位組別。獲分配商譽的創現單位會每年和每當有跡象顯示有關單位可能出現減值時進行減值檢測。對於在財政年度內收購所產生的商譽，獲分配商譽的創現單位會在財政年度完結前進行減值檢測。當創現單位的可收回金額少於單位的賬面值，減值虧損會首先分配予減少所分配予單位的任何商譽賬面值，其後再根據單位內各資產的賬面值按比例分配予單位內的其他資產。商譽的任何減值虧損會直接在收益表中確認。商譽的減值虧損不會在後續期間轉回。

在其後出售附屬公司時，所資本化的商譽的應佔金額會在釐定出售損益的數額時包括在內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

59

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates

The results and assets and liabilities of associates are incorporated in these 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.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Revenue recognition

Revenue arising from financial services are recognised on the following basis:

- Commission income for broking business is recorded as income on a trade date basis.
- Underwriting commission income, sub-underwriting income, placing commission and sub-placing commission are recognised as income in accordance with the terms of the underlying agreement or deal mandate when relevant significant act has been completed.
- Advisory and other fee income are recognised when the relevant transactions have been arranged or the relevant services have been rendered.
- Interest income from clients are recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.

4. 主要會計政策(續)

於聯營公司之投資

聯營公司之業績、資產及負債乃以權益會計法綜合入財務報表。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該聯營公司之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某聯營公司之虧損相等於或超出其於該聯營公司之權益（其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部份），則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損之撥備及負債之確認僅以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限。

倘某集團公司與本集團之一間聯營公司進行交易，則損益以本集團於有關聯營公司中之權益為限撇銷。

收益確認

金融服務收益按以下基準確認：

- 經紀業務之佣金收入於交易日記作收入。
- 包銷佣金收入、分包銷收入、配售佣金及配售分銷佣金，乃於有關重要行動完成時按照相關協議或交易授權之條款確認為收入。
- 顧問及其他收費的收入於安排有關交易或提供有關服務時確認。
- 來自客戶之利息收入乃計及尚欠本金並以適用實際利率按時間比例基準確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Other interest income from a financial asset 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 estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Property and equipment

Property and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

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

Leasehold improvements	The shorter of the lease terms and 5 years
Furniture and fixtures	5 to 6.67 years
Office equipment	3 to 5 years
Motor Vehicles	4 years
Buildings	The shorter of the lease terms and 50 years

An item of property and equipment 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 income statement in the year in which the item is derecognised.

4. 主要會計政策(續)

收益確認(續)

金融資產之其他利息收入依照尚餘本金額以適用實際利率計算，並按時間基準累計，該實際利率確切地將估計金融資產日後於預計有效期間內之現金收入貼現為該資產之淨賬面值。

物業及設備

物業及設備乃按成本值減其後累計折舊及累計減值虧損後列賬。

物業及設備項目在其估計可使用年期限內，經計及其估計餘值後，以直線法按下列年率註銷成本計算折舊：

租賃物業裝修	按租賃期及5年 (以較短時期為準)
傢具及裝置	5至6.67年
辦公室設備	3至5年
汽車	4年
樓宇	按租賃期或50年 (以較短時期為準)

物業及設備項目會在出售或預期繼續使用資產不會帶來未來經濟利益時終止確認。終止確認資產的任何損益(按出售所得款項淨額與該項目的賬面值之間的差額計算)在項目終止確認的年度計入收益表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

61

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in the income statement on or after 1st January, 2005.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. 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 asset) is included in the income statement in the year in which the item is derecognised.

Properties under development

Properties under development for sale are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated cost necessary to make the sale.

The cost of properties under development for sale includes land cost, construction cost, borrowing costs capitalised and other direct development expenditure.

Retirement benefit costs

Payments to the Group's retirement benefits scheme which are defined contribution plans are charged as an expense as they fall due.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the income statement in the period in which they are incurred.

4. 主要會計政策(續)

物業投資

於初步確認時，物業投資按成本計量，包括任何直接應佔支出。於初步確認後，物業投資採用公平值模式計算。物業投資公平值變動所產生之損益計入二零零五年一月一日或之後的收益表。

物業投資乃自出售起或物業投資永不再使用或當預期持續使用物業投資將不會產生未來經濟利益時終止確認。終止確認該資產時產生之任何收益或虧損(以出售所得款項淨額與資產之賬面值之差額計算)乃計入於該項目終止確認年度之收益表內。

發展中物業

發展中的待售物業乃按成本與可變現淨值中之較低者入賬。可變現淨值相當於在日常業務過程中之估計售價減估計完工成本及估計完成銷售所需之成本。

發展中的待售物業之成本值包括土地成本、建築成本、資本化借貸成本及其他直接發展開支。

退休福利成本

本集團退休福利計劃屬定額供款計劃，其供款於到期繳付時列作支出扣除。

借貸成本

借貸成本一概於產生期間確認並列入收益表之融資成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base 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 period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

4. 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。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與收益表中所報溢利不同，乃由於前者不包括在其他年度應課稅或可扣稅的收支項目，並且不包括永不課稅或扣稅之收支項目。本集團的當期稅項負債，按已執行的或到結算日實質上已執行的稅率計算。

遞延稅項為就綜合財務報表資產及負債賬面值及計算應課稅溢利相應稅基之差額而確認，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提撥。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務溢利，亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司之投資而引致之應課稅臨時差異而確認，惟若本集團可令臨時差額對沖及臨時差額未必於可見將來對沖之情況除外。

遞延稅項資產之賬面值於每個結算日作檢討，並於沒可能會有足夠應課稅溢利收回全部或部分資產價值時作調減。

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率計算。遞延稅項於損益中扣除或計入損益，惟倘遞延稅項直接在權益中扣除或計入權益，則遞延稅項亦會於權益中處理。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

On initial recognition, intangible assets acquired 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. Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses below).

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 income statement when the asset is derecognised.

Intangible assets with indefinite useful lives are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. 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. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so 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.

4. 主要會計政策(續)

無形資產

收購得來之無形資產於首次確認時按成本確認。於首次確認後，使用年期有限之無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。使用年期有限之無形資產乃於估計可用年期內以直線法攤銷。並無可用年期限期之無形資產乃按成本減其後任何累計減值虧損列賬(見下文有關減值虧損之會計政策)。

終止確認無形資產所產生損益按出售所得款項淨額與資產賬面值之差額計算，於終止確認資產時在收益表確認。

不論是否出現任何無形資產之減值跡象，並無可用年期限期之無形資產每年進行減值檢測，方法為將其賬面值與可收回金額作比較。倘資產可收回金額估計低於其賬面值，則資產賬面值下調至其可收回金額。減值虧損即時確認為開支。

倘其後撥回減值虧損，則資產賬面值上調至其經修訂估計可收回金額，惟上調後之賬面值不得超過倘於過往年度資產並無確認減值虧損時原應釐定之賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 income statements.

Financial assets

The Group's financial assets are classified into one of the two categories, including loans and receivables and available-for-sale financial assets. 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 each category of financial assets are set out below.

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 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.

4. 主要會計政策(續)

金融工具

當集團實體成為工具合約條款的一方時，會在資產負債表上確認金融資產及金融負債。金融資產和金融負債在初始確認時會以公平值進行計量。直接歸屬於購置或發行金融資產和金融負債(按公平值於損益確認之金融資產及金融負債除外)的交易費用在初始確認時計入或扣自各金融資產或金融負債(視何者適用而定)的公平值。直接歸屬於購置按公平值於損益確認之金融資產或金融負債的交易費用即時在收益表確認。

金融資產

本集團的金融資產分為貸款及應收款項以及可供出售金融資產兩類。以常規方式買賣的金融資產，於交易日確認或終止確認。以常規方式買賣是指要求在相關市場中的規則或慣例通常約定的時間內交付資產的金融資產買賣。就各類金融資產採納的會計政策載於下文。

貸款及應收款項

貸款及應收款項指按固定付款或可釐定付款而未於活躍市場報價的非衍生工具金融資產。在初始確認後的每個結算日，貸款及應收款項以運用實際利率法攤銷之成本減任何已識別減值虧損計量。當存在客觀證據表明資產已發生減值，減值虧損會在損益中確認，金額按資產的賬面值與以最初的實際利率對預期未來現金流量進行折現後的現值兩者之間的差額計量。在後續期間，如果資產可收回金額的增加客觀上與確認減值之後發生的事項有聯繫，則減值虧損會轉回，但該轉回不應導致該資產在減值轉回日期的賬面值超過不確認減值情況下的已攤銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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 Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

綜合財務報表附註

65

截至二零零六年三月三十一日止年度
(金額以港元計算)

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

可供出售金融資產

可供出售金融資產包括劃分為或不會分類為任何其他類別之非衍生工具(如上文所載)。於首次確認後之各結算日,可供出售金融資產按公平值計量。公平值變動於權益內確認,直至金融資產被出售或釐定為減值時,屆時,先前於權益內確認之累計收益或虧損從權益剔除及於損益確認。可供出售金融資產之任何減值虧損於損益確認。可供出售股本投資之減值虧損將不會於其後期間撥回。就可供出售債務投資而言,倘該投資之公平值上升可透過客觀方式連繫至於確認減值虧損後發生之事件,則減值虧損可於其後撥回。

金融負債及權益

集團實體發行的金融負債和股本工具根據所訂立的合約安排的實質內容以及金融負債和股本工具的定義而歸類。

股本工具指能證明擁有集團在減除其所有負債後的資產中的餘剩權益的任何合約。本集團的金融負債一般列作按公平值於損益確認之金融負債及其他金融負債。就金融負債和股本工具採納的會計政策載於下文。

按公平值於損益確認之金融負債

按公平值於損益確認之金融負債分為持作買賣之金融負債及於首次確認時指定按公平值於損益確認兩類。於首次確認後之各結算日,按公平值於損益確認之金融負債乃按公平值計量,其公平值變動於產生期內直接於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Other financial liabilities

Other financial liabilities including accounts payables accrued charges and other accounts payable, amount due to a related company and bank borrowings 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.

Convertible note

Convertible notes issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the embedded call option for the holder to convert the notes into equity, is included in equity (convertible notes equity reserve). In subsequent periods, the liability component of the convertible note is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible notes equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes equity reserve will be released to the retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible note using the effective interest method.

4. 主要會計政策(續)

金融工具(續)

金融負債及權益(續)

其他金融負債

其他金融負債包括應付賬項、應計負債及其他應付款項、欠關連公司款項，以及銀行借貸，乃於其後以運用實際利率法攤銷的成本計量。

股本工具

本公司發行的股本工具按收取的所得款項減直接發行成本記錄。

可換股票據

由本公司發行而包含金融負債部份及股權部份之可換股票據乃在首次確認時分別歸入負債及股權部份。於首次確認時，負債部份之公平值以同類不可換股債項之通行市場利率釐定。發行可換股票據之所得款項與負債部份獲分配之公平值的差額，代表持有人可將票據轉換為權益之嵌入式認購期權，乃計入權益(可換股票據權益儲備)。於往後期間，可換股票據之負債部份以實際利率法按攤銷成本計量。股權部份指可將負債部份兌換為本公司普通股之選擇權，將保留在可換股票據權益儲備，直至嵌入式購股權獲行使(其時在可換股票據權益儲備之結餘將轉入股份溢價)。倘購股權於屆滿日期仍未行使，在可換股票據權益儲備所列結餘將轉撥至保留盈利。購股權獲轉換或屆滿時不會在損益確認盈虧。

發行可換股貸款票據之交易成本按所得款項之分配而劃分給負債部份與股權部份。有關股權部份之交易成本直接於權益扣除。有關負債部份之交易成本計入負債部份之賬面值並以實際利率法於可換股票據的年內攤銷。

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Convertible note at fair value through profit or loss
Convertible notes that will or may not be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments are accounted as financial liabilities with embedded derivatives. Derivatives embedded in a financial instrument are treated as separate derivatives when their economic risks and characteristics are not closely related to those of the host contract (the liability component) and the host contract is not carried at fair value through profit or loss.

The convertible note with embedded derivatives as a whole is designated as financial liabilities at fair value through profit or loss. At each balance sheet date subsequent to initial recognition, the entire convertible note is measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. Transaction costs that are directly attributable to the issued of the convertible notes designated as financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are separated from the relevant host contracts and deemed as held-for-trading when the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contracts, and the combined contracts are not measured at fair value through profit or loss. In all other circumstances, derivatives embedded are not separated and are accounted for together with the host contracts in accordance with appropriate standards. Where the Group needs to separate an embedded derivative but is unable to measure the embedded derivative, the entire combined contracts are treated as held-for-trading.

4. 主要會計政策(續)

金融工具(續)

金融負債及權益(續)

按公平值於損益確認之可換股票據若可換股票據不會或不可能透過以固定金額之現金換取固定數目之本公司的股本工具而結算，有關可換股票據將以附帶嵌入式衍生工具之金融負債入賬。倘金融工具附設之衍生工具的經濟風險和特點與主合約(負債部份)的經濟風險和特點並無密切關係，而主合約並非按公平值於損益確認時，則金融工具附設之衍生工具乃視作獨立之衍生工具。

附設衍生工具之可換股票據整項被指定為按公平值於損益確認之金融負債。於首次確認後之各結算日，整項可換股票據按公平值計量，其公平值變動於產生期內的損益確認。被指定為按公平值於損益確認之金融負債的發行可換股票據之直接應佔交易成本乃直接於損益確認。

嵌入式衍生工具

倘附設之衍生工具的經濟風險和特點與主合約的經濟風險和特點並無密切關係，則於非衍生主合約中的嵌入式衍生工具乃與有關主合約分開，並視為持作買賣，而合併後之合約並非按公平值於損益確認。在任何其他情況，嵌入式衍生工具不予分開，而是根據合適之準則與主合約整項入賬。倘本集團需要將嵌入式衍生工具分開但未能計量嵌入式衍生工具，整項合併合約將視為持作買賣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in income statement.

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration received or receivable is recognised in income statement.

Equity-settled share-based payment transactions (Share options granted to employees of the Company)

For share options granted after 1st April, 2005, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period or recognised as an expense in full at the grant date when share options granted vested immediately, with a corresponding increase in equity (share-based payment reserve).

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited subsequent to vesting or are not exercised at the expiry date, the amount previously recognised in share option reserve will continue to be held in other reserve.

4. 主要會計政策(續)

金融工具(續)

金融負債及權益(續)

終止確認

當應收資產現金流量之權利屆滿，或金融資產被轉讓而本集團已轉讓該項金融資產擁有權之絕大部分風險及回報時，有關資產會終止確認。於終止確認金融資產時，該項資產賬面值與已收代價及於權益直接確認之累計盈虧總數間之差額會於收益表確認。

當有關合約所訂明責任獲解除、註銷或屆滿時，金融負債會自本集團資產負債表剔除。獲終止確認之金融負債的賬面值與已收或應收代價之差額於收益表確認。

以股本結算股份付款的交易(授予本公司僱員的購股權)

就二零零五年四月一日後授出之購股權而言，已接獲服務之公平值參考於授出日期所授出購股權之公平值釐定，以直線法於歸屬期間內支銷(倘授出之購股權乃即時歸屬，則於授出日期全數支銷)，並相應增加股本(以股支付儲備)。

於行使購股權時，以往於購股權儲備確認之款項，將撥入股份溢價。當購股權於歸屬後被沒收或於屆滿時仍未行使，則先前於購股權儲備確認的金額將繼續於其他儲備持有。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

69

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses (other than goodwill and intangible assets with indefinite useful lives)

At each balance sheet date, the Group reviews the carrying amounts of its 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. An 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, but so 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.

The Group as lessor

Rental income from operating leases is recognised in the income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

4. 主要會計政策(續)

減值虧損(不包括商譽及無限定可用年期之無形資產)

於每個結算日,本集團會評估其資產之賬面值,以決定是否有任何跡象顯示該等資產出現減值虧損。倘估計資產之可收回金額低於其賬面值,資產之賬面值將減低至其可收回金額。減值虧損即時確認為開支。倘減值虧損其後逆轉,資產之賬面值將增加至其經修訂之估計可收回金額,惟增加後之賬面值不得超出倘若該資產於過往年度並無確認減值虧損時原應確認之賬面值。減值虧損之逆轉乃即時確認為收入。

本集團作為出租人

經營租約之租金收入乃按相關租賃年期以直線法於收益表確認。於協商及安排經營租約時引致之初步直接成本乃加至租約資產之賬面值,並按租賃年期以直線法確認為一項支出。

本集團作為承租人

經營租約之應付租金於有關租賃年期內以直線法在損益扣除。作為訂立經營租約獎勵之已收及應收利益於有關租賃年期內以直線法確認為租賃開支之扣減。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses (other than goodwill and intangible assets with indefinite useful lives) (continued)

Foreign currencies

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 carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. 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 period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

4. 主要會計政策(續)

減值虧損(不包括商譽及無限定可用年期之無形資產)(續)

外幣

在每個結算日，以外幣為單位之貨幣項目均按結算日之匯率再換算。以公平值列值並以外幣計價的非貨幣項目會按確定公平值日期的通行匯率再換算。以歷史成本計量並以外幣計價的非貨幣項目不會再換算。

由於結算貨幣項目及換算貨幣項目而產生的匯兌差額，會在其形成的期間在損益中確認。再換算按公平值列值的非貨幣項目所形成的匯兌差額包括於期間損益，但再換算損益直接在權益中確認損益的非貨幣項目所形成的匯兌差額除外，在該情況下，匯兌差額亦直接在權益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

71

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, management is required to exercise significant judgments in the selection and application of accounting principles, including making estimates and assumptions. The following is a review of the more significant accounting policies that are impacted by judgments and uncertainties and for which different amounts may be reported under a different set of conditions or using different assumptions.

(a) Impairment allowances on loans and receivables

The Group periodically reviews its loan and receivables to assess whether impairment allowances exist. In determining whether impairment allowances should be recorded in the income statement, the Group has individually evaluated its loans and receivables for impairment after taking into account the value of each client account's underlying collateral, and the latest financial position of those borrowers in default of settlement to determine the net present value of expected futures cash inflow. If the financial conditions of the loans and receivables of the Group were to deteriorate, resulting in an impairment of their ability to make repayments, additional allowances may be required.

(b) Estimated impairment of goodwill

The Group conducts tests for impairment of goodwill annually in accordance with the relevant accounting standards. Determining whether the goodwill is impaired requires an estimation of the value in use on basis of data available to the Group and the assumption of the management. Where the future cash flows are less than expected, an impairment loss may arise. Details of the recoverable amount calculation are disclosed in note 21.

5. 估計不確定因素之主要來源

於編製財務報表時，管理層需就會計政策之選用作出重大判斷，包括作出估計及假設。下列為受判斷及不確定因素影響之重大會計政策及就該等判斷及估計而可能導致呈報金額在不同之條件或採用之不同假設可能出現不同之概覽。

(a) 貸款及應收賬款之減值撥備

本集團定期審核其貸款及應收款項組合，以評估是否存在減值撥備。於決定是否於收益表記錄減值撥備時，本集團在考慮各客戶之相關抵押的價值及未有如期還款之貸款人最近期之財務狀況後，就個別貸款及應收款項賬項進行減值評估，從而釐定預期未來現金流量之淨現值。倘若本集團之貸款及應收款項之財政狀況轉差，導致客戶還款能力受損，則可能需要作出額外撥備。

(b) 商譽之估計減值

本集團根據相關會計準則，每年進行商譽減值檢測。在釐定商譽是否減值時，要求根據本集團可得到之資料及管理層之假設對使用價值作出估計。倘未來現金流量低於預期，則可能產生減值虧損。可收回金額之計算詳情於附註21披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include accounts receivable, loans and advances, bank balances and deposits, accounts payable, bank borrowings, and convertible notes. 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 takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment allowances are made for losses that have been incurred at the balance sheet date. Significant changes in the economy, or in the health of a particular industry segment, could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to a quarterly or more frequent review.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

The credit risk on bank balances and deposits is limited as the counterparties are banks with high credit rating assigned by international credit-rating agencies.

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

6. 財務風險管理目標及政策

本集團之主要金融工具包括應收賬款、貸款及墊款、銀行結餘及存款、應付賬款、銀行借貸及可換股票據。此等金融工具之詳情已於相關附註中披露。此等金融工具所附帶之風險以及減低有關風險之政策載列如下。管理層致力管控此等風險，確保適時並有效地推行適當措施。

信貸風險

本集團面對信貸風險，該風險指交易對方於到期時未能支付全數。倘於結算日錄得虧損，本集團則會就此作減值撥備。經濟或某一行業之健康發展如有重大變動，可使產生之虧損與結算日已作撥備者不同。因此，管理層審慎管控信貸風險。

通過設定每位借款人或每個借款人組別以及地域及行業分部所能承受的風險金額上限，本集團把自身承擔的信貸風險分成若干等級。該等風險受到不斷監控並且每季甚至乎更頻密的進行審閱。

本集團透過定期分析借款人與準借款人償還利息及本金的能力，以及在適當時候改變該等放款限制來管控所承擔的信貸風險。本集團亦藉抵押品及公司及個人擔保來控制部分信貸風險。

銀行結餘及存款之信貸風險有限，蓋對方為獲國際信貸評級機構給予高信貸評級之銀行。

本集團之信貸風險源自多個對手方及客戶，故並無信貸集中之風險。

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

As part of ordinary broking activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing house or brokers and clients. To address the risk, treasury team works closely with the settlement division on monitoring the liquidity gap. In addition, for contingency purposes, clean loan facilities are put in place.

7. TURNOVER

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Commission and brokerage	佣金及經紀佣金	68,706	40,318
Underwriting and placing commission	包銷及配售佣金	16,074	6,358
Other commission	其他佣金	1,350	—
Interest income from:	利息收入來源：		
– clients	– 客戶	52,401	29,828
– financial institutions	– 財務機構	3,157	53
– clearing house	– 結算所	113	1
– loans and advances	– 貸款及墊款	5,528	—
– others	– 其他	4	—
Clearing and handling fees income	結算及手續費收入	2,380	1,752
Advisory fee income	顧問費收入	1,031	375
Property rental income	物業租金收入	424	360
		151,168	79,045

6. 財務風險管理目標及政策 (續)

流動資金風險

由於經紀業務為本集團日常業務之一環，故本集團因為與結算所或經紀及客戶之間結算出現時差而面對流動資金風險。為應付此項風險，庫務隊伍與結算部門緊密合作，一同監控資金差距額。此外，本集團亦已準備未動用之貸款額度以備不時之需。

7. 營業額

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into five operating divisions, namely, broking, securities margin financing, money lending, corporate finance and investments. These divisions are the basis on which the Group reports its primary segment information. Money lending is a new operation and segment of the Group. The principal activities of these divisions are as follows:

Broking 經紀	–	provision of stockbroking, futures and options broking, and mutual funds and insurance-linked investment plans and products broking 提供股票經紀、期貨及期權經紀，及互惠基金及保險相關投資計劃及產品經紀服務
Securities margin financing 證券保證金融資	–	provision of securities margin financing 提供證券保證金融資
Money lending 放債	–	provision of mortgage and consumer loans 提供按揭及消費者貸款
Corporate finance 企業融資	–	provision of corporate advisory services 提供企業顧問服務
Investments 投資	–	holding of investment properties and investments in an associate 持有物業投資及於聯營公司之投資

8. 業務及地域分類

業務分類

就管理目的，本集團現時分成五個經營部門，即經紀、證券保證金融資、放債、企業融資及投資。該等部門是本集團匯報其基本分類資料之基準。放債是本集團之新業務及分類。該等部門之主要業務如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

75

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment information about these businesses is presented below.

Income statement for the year ended 31st March, 2006

		Securities margin financing 證券 保證金融資	Money lending 放債	Corporate finance 企業融資	Investments 投資	Consolidated 綜合	
	Broking 經紀	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
REVENUE	收益						
Turnover	營業額	91,130	51,481	5,532	2,601	424	151,168
RESULTS	業績						
Segment profit	分類溢利	35,443	43,874	5,103	1,954	1,324	87,698
Unallocated income and expenses	未分配收入 及費用						(15,163)
Profit before taxation	稅前溢利						72,535
Taxation	稅項						(12,453)
Profit for the year	本年度溢利						60,082

8. 業務及地域分類(續)

業務分類(續)

此等業務之分類資料謹呈列如下。

截至二零零六年三月三十一日止年
度之收益表

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Balance sheet as at 31st March, 2006

		Broking 經紀	Securities margin financing 證券 保證金融資	Money lending 放債	Corporate finance 企業融資	Investments 投資	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
ASSETS	資產						
Segment assets	分類資產	595,033	548,896	69,393	3,865	19,631	1,236,818
Unallocated corporate assets	未分配企業 資產						44,303
Consolidated total assets	綜合資產總值						1,281,121
LIABILITIES	負債						
Segment liabilities	分類負債	115,457	226,625	1,781	15	-	343,878
Unallocated corporate liabilities	未分配企業 負債						13,937
Consolidated total liabilities	綜合負債 總額						357,815

8. 業務及地域分類(續)

業務分類(續)

於二零零六年三月三十一日之資產
負債表

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

77

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Other information for the year ended 31st March, 2006

		Securities margin financing 證券 保證金融資	Money lending 放債	Corporate finance 企業融資	Investments 投資	Consolidated 綜合
		Broking 經紀 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Additions of property and equipment	增購物業及設備	6,767	-	177	-	6,944
Depreciation and impairment on property and equipment recognised in the income statement	於收益表確認之物業及設備之折舊及減值	4,434	-	44	6	4,484
Impairment losses on loans receivables recognised in the income statement	於收益表確認之應收貸款減值虧損	-	-	68	-	68
Gain on disposal of property and equipment	出售物業及設備之收益	1	-	-	-	1
Amortisation of prepaid lease payments	預付租賃款項之攤銷	2,450	-	-	-	2,450
Allowance for loans to securities margin clients	證券保證金客戶貸款之撥備	1,442	-	-	-	1,442
Impairment loss on trading rights	交易權之減值虧損	3,125	-	-	-	3,125

8. 業務及地域分類(續)

業務分類(續)

截至二零零六年三月三十一日止年度之其他資料

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Income statement for the year ended 31st March, 2005

8. 業務及地域分類(續)

業務分類(續)

截至二零零五年三月三十一日止年
度之收益表

		Broking	Securities margin financing	Corporate finance	Investments	Consolidated
		經紀	證券保證金 融資	企業融資	投資	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
REVENUE	收益					
Turnover	營業額	46,204	29,446	3,035	360	79,045
RESULTS	業績					
Segment profit	分類溢利	11,449	21,522	2,309	1,624	36,904
Unallocated income and expenses	未分配收入 及費用					(1,444)
Share of result of associate	攤佔聯營公司 業績					(4)
Profit before taxation	稅前溢利					35,456
Taxation	稅項					(6,011)
Profit for the year	本年溢利					29,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

79

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Balance sheet as at 31st March, 2005

8. 業務及地域分類(續)

業務分類(續)

於二零零五年三月三十一日之資產
負債表

		Broking	Securities margin financing	Corporate finance	Investments	Consolidated
		經紀	證券保證金 融資	企業融資	投資	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS	資產					
Segment assets	分類資產	185,151	481,613	8,984	22,277	698,025
Unallocated corporate assets	未分配企業 資產					135,799
Consolidated total assets	綜合資產總值					833,824
LIABILITIES	負債					
Segment liabilities	分類負債	266,824	31,287	144	-	298,255
Unallocated corporate liabilities	未分配企業 負債					48,380
Consolidated total liabilities	綜合負債 總額					346,635

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Other information for the year ended 31st March, 2005

	Broking	Securities margin financing	Corporate finance	Investments	Consolidated
	經紀	證券保證金 融資	企業融資	投資	綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Additions of property and equipment	66	-	4	-	70
Amortisation of intangible assets	201	-	-	-	201
Amortisation of goodwill	328	-	-	-	328
Depreciation of property and equipment	1,578	-	19	-	1,597
Loss on disposal of property and equipment	776	-	-	-	776
Amortisation of prepaid lease payments	181	-	-	-	181

Geographical segments

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

8. 業務及地域分類(續)

業務分類(續)

截至二零零五年三月三十一日止年度之其他資料

地域分類

本集團全部業務以香港為根據地，而本集團全部營業額及稅前溢利來自香港。此外，本集團之資產均位於香港。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

81

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

9. OTHER OPERATING INCOME

9. 其他營運收入

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Surplus on revaluation of property and equipment	重估物業及設備盈餘	-	647
Net realised gain on non-trading securities	非交易證券之已變現收益淨額	-	1,263
Net realised gains on error trades	錯誤執行交易之已變現收益淨額	285	-
Sundry income	其他收入	407	362
Gain on disposal on property and equipment	出售物業及設備之收益	1	-
		693	2,272

10. FINANCE COSTS

10. 融資成本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Interest on bank loans and overdrafts wholly repayable within five years	須於五年內悉數償還之銀行貸款及透支之利息	3,265	5,173
Effective interest on convertible notes	可換股票據之實際利息	4,566	93
Bank charges	銀行手續費	543	746
		8,374	6,012

All interest expenses for the year are derived from financial liabilities that are not carried at fair value through profit and loss.

年內之利息開支全數源自並非按公平值於損益確認之金融負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

11. STAFF COSTS

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Salaries and other benefits	薪金及其他福利	14,583	9,707
Contributions to retirement benefits scheme	退休福利計劃供款	566	325
Share option expenses	購股權開支	1,428	3,900
		16,577	13,932

11. 員工成本

12. PROFIT BEFORE TAXATION

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	稅前溢利經已扣除(計入)下列各項：		
Allowance for loans to securities margin clients	證券保證金客戶貸款撥備	1,442	-
Allowance for loans and advances	貸款及墊款撥備	68	-
Auditors' remuneration	核數師酬金	1,033	780
(Gain) loss on disposal of property and equipment	出售物業及設備之(收益)虧損	(1)	776
Operating lease rentals in respect of rented premises	租賃物業之經營租約租金	1,066	1,961
Rental income from investment property net of outgoings of HK\$83,036 (2005: HK\$56,000)	來自物業投資之租金收入，扣除支出83,036港元(二零零五年：56,000港元)	(341)	(304)
Write back of allowance for loans to securities margin clients	撥回證券保證金客戶貸款之撥備	-	(249)
Deficit on revaluation of property and equipment	重估物業及設備之虧絀	(716)	-

12. 稅前溢利

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

83

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The remuneration paid or payable to each of the 10 (2005: 8) directors were as follows:

13. 董事及僱員酬金

已付或應付予10名(二零零五年: 8名)董事各人之薪酬如下:

	Hung Hon Man	Cham Wai Wo, Anthony	Shum Kin Wai, Frankie	Wong Sheung Kwong	Cheng Wai Ho	Liu Chun Ning, Wilfred	Chung Wai Keung	Man Kong Yui	Kwong Chi Kit, Victor	Lin Zhi Hang	Total 2006 總計
	洪漢文	湛威豪	岑建偉	王湘江	鄭偉浩	廖俊寧	鍾偉強	文剛銳	龔志傑	蘭之航	二零零六年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元

2006	二零零六年											
Fees	袍金	-	-	-	-	-	-	18	18	45	81	
Other emoluments:	其他酬金:											
Salaries and other benefits	薪金及其他福利	126	315	303	252	308	-	-	-	-	1,304	
Contributions to retirement benefits schemes	退休福利計劃供款	6	12	12	11	12	-	-	-	-	53	
Employee share option benefits	僱員購股權福利	-	212	212	-	-	-	-	-	-	424	
Commission	佣金	-	-	293	193	263	-	-	-	-	749	
Total remuneration	總酬金	132	539	820	456	583	-	-	18	18	45	2,611

	Hung Hon Man	Cham Wai Wo, Anthony	Shum Kin Wai, Frankie	Wong Sheung Kwong	Cheng Wai Ho	Liu Chun Ning, Wilfred	Lin Zhi Hang	Chung Wai Keung	Total 2005 總計
	洪漢文	湛威豪	岑建偉	王湘江	鄭偉浩	廖俊寧	蘭之航	鍾偉強	二零零五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元

2005	二零零五年									
Fees	袍金	-	-	-	-	-	-	60	-	60
Other emoluments:	其他酬金:									
Salaries and other benefits	薪金及其他福利	126	315	302	252	286	-	-	-	1,281
Contributions to retirement benefits schemes	退休福利計劃供款	6	12	12	11	12	-	-	-	53
Commission	佣金	-	-	728	545	161	-	-	-	1,434
Total remuneration	總酬金	132	327	1,042	808	459	-	60	-	2,828

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

Employees' emoluments

The five highest paid individuals of the Group included one (2005: two) Director of the Company, details of whose emoluments are set out above. The details of the emoluments of the remaining four (2005: three) individuals are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	4,569	2,119
Contributions to retirement benefits scheme	退休福利計劃供款	11	11
		4,580	2,130

Their emoluments were within the following bands:

		Number of employees 僱員人數	
		2006 二零零六年	2005 二零零五年
HK\$1,000,000 or less	1,000,000港元或以下	3	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2	2
		5	5

During the year, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 董事及僱員酬金(續)

僱員酬金

本集團五位最高薪個別人士包括一位(二零零五年:兩位)本公司董事,其薪金詳情載於上文。其餘四位(二零零五年:三位)最高薪個別人士之酬金如下:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	4,569	2,119
Contributions to retirement benefits scheme	退休福利計劃供款	11	11
		4,580	2,130

酬金介乎以下範圍:

		Number of employees 僱員人數	
		2006 二零零六年	2005 二零零五年
HK\$1,000,000 or less	1,000,000港元或以下	3	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2	2
		5	5

年內,本集團並無向五位最高薪酬個別人士(包括董事及僱員)支付任何酬金,作為彼等加盟本集團之誘金或入職獎金,或作為離職補償金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

85

14. TAXATION

14. 稅項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Hong Kong Profits Tax	香港利得稅		
Current year	本年度	13,268	6,467
(Over)underprovision in prior years	往年度(超額) 不足撥備	(267)	13
Deferred taxation (<i>note 31</i>)	遞延稅項 (附註31)	13,001 (548)	6,480 (469)
		12,453	6,011

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profit for both years.

香港利得稅乃按兩個年度之估計應課稅溢利以17.5%之稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

14. TAXATION (continued)

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

14. 稅項 (續)

本年度稅項支出與綜合收益表內稅前溢利之調節如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Profit before taxation	稅前溢利	72,535	35,456
Taxation at Hong Kong profits tax rate of 17.5%	按香港利得稅稅率 17.5%計算之稅項	12,694	6,205
(Over)underprovision in prior years	往年度(超額)不足撥備	(267)	13
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	1,101	322
Tax effect of income not taxable for tax purpose	不應課稅收入之稅務影響	(591)	(12)
Tax effect of estimated tax losses not recognised	未確認預計稅務虧損之稅務影響	138	88
Tax effect of utilisation of estimated tax losses previously not recognised	過往未確認之可使用預計稅務虧損之稅務影響	(145)	(52)
Utilisation of deferred tax assets previously not recognised	使用過往未確認之遞延稅項資產	-	(1,072)
Others	其他	(477)	519
Taxation charge for the year	本年度稅務支出	12,453	6,011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

87

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

15. DIVIDENDS

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Prior year final dividend, paid – HK2.5 cents (2005: HK5 cents) per share	已付，上年度末期股息 – 每股2.5港仙 (二零零五年：5港仙)	12,538	15,000
Interim, paid – HK2.5 cents (2005: HK2.5 cents) per share	已付，中期－每股 2.5港仙 (二零零五年： 2.5港仙)	17,686	7,500
Dividend paid during the year	已付本年度股息	30,224	22,500
Final, proposed – HK2 cents (2005: HK2.5 cents) per share	擬派，末期－每股 2港仙 (二零零五年： 2.5港仙)	19,854	12,538

The final dividend of HK\$2 cents per share has been proposed by the Directors and is subject to the approval by the equity holders in the forth coming annual several meeting.

董事建議派發末期股息每股2港仙，此事須於應屆股東週年大會上獲股權持有人批准作實。

16. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (restated) (重列)
Earnings	盈利		
Profit for the purposes of basic earnings per share	用於計算每股基本 盈利之溢利	60,082	29,445
Effect of dilutive potential ordinary shares:	普通股之潛在攤薄 影響：		
Interest on convertible notes	可換股票據之利息	4,566	93
Profit for the purposes of diluted earnings per share	用於計算每股攤薄 盈利之溢利	64,648	29,538

16. 每股盈利

本公司普通股股權持有人應佔每股基本及攤薄盈利乃按以下數字計算：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

16. EARNINGS PER SHARE (continued)

Number of shares

		2006 二零零六年 '000 千股	2005 二零零五年 '000 千股
Weighted average number of ordinary shares for the purposes of basic earnings per share	用於計算每股基本盈利之普通股加權平均數	526,398	317,205
Effect of dilutive potential ordinary shares:	普通股之潛在攤薄影響：		
Share Options	購股權	188	-
Convertible notes	可換股票據	120,784	2,362
Weighted average number of ordinary shares for the purposes of diluted earnings per share	用於計算每股攤薄盈利之普通股加權平均數	647,370	319,567

The following table summaries the impact on basic and diluted earnings per share as a result of adjustments arising from changes in accounting policies:

下表概括了因會計政策變動產生之調整對每股基本及攤薄盈利之影響：

		2006 二零零六年 cents 港仙	2005 二零零五年 cents 港仙 (restated) (重列)
Impact on basic earnings per share	對每股基本盈利之影響		
Reported figures before adjustments	未作調整之已呈報數字	11.56	10.53
Adjustments arising from changes in accounting policies	會計政策變動產生之調整	(0.15)	(1.25)
Restated	重列	11.41	9.28
Impact on diluted earnings per share	對每股攤薄盈利之影響		
Reported figures before adjustments	未作調整之已呈報數字	10.10	10.48
Adjustments arising from changes in accounting policies	會計政策變動產生之調整	(0.11)	(1.24)
Restated	重列	9.99	9.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

89

17. PROPERTY AND EQUIPMENT

17. 物業及設備

		Buildings	Leasehold improvements	Motor vehicles	Office equipment	Furniture and fixtures	Total
		樓宇	租賃物業 裝修	汽車	辦公室設備	傢具及裝置	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
		(restated)					
		(重列)					
COST OR VALUATION	成本或估值						
At 1st April, 2004	於二零零四年 四月一日	490	7,554	2,110	8,887	1,161	20,202
Acquired on acquisition of subsidiaries	收購附屬公司時 所收購	24,630	346	-	941	131	26,048
Additions	添置	-	-	-	60	10	70
Surplus on revaluation	重估盈餘	615	-	-	-	-	615
Disposals	出售	-	(6,659)	-	-	(465)	(7,124)
At 31st March, 2005	於二零零五年 三月三十一日	25,735	1,241	2,110	9,888	837	39,811
Additions	添置	-	5,021	750	835	338	6,944
(Deficit) surplus on revaluation	重估(虧絀) 盈餘	(1,365)	-	-	-	-	(1,365)
Disposals	出售	-	-	-	(21)	-	(21)
At 31st March, 2006	於二零零六年 三月三十一日	24,370	6,262	2,860	10,702	1,175	45,369
Comprising:	包括：						
At cost	按成本	-	6,262	2,860	10,702	1,175	20,999
At valuation – 2006	按重估值 — 二零零六年	24,370	-	-	-	-	24,370
		24,370	6,262	2,860	10,702	1,175	45,369
DEPRECIATION AND IMPAIRMENT	折舊及 減值						
At 1st April, 2004	於二零零四年 四月一日	21	6,478	2,110	5,770	1,101	15,480
Provided for the year	年度撥備	52	331	-	1,189	25	1,597
Eliminated on revaluation	重估時撇銷	(32)	-	-	-	-	(32)
Eliminated on disposals	出售時撇銷	-	(5,883)	-	-	(465)	(6,348)
At 31st March, 2005	於二零零五年 三月三十一日	41	926	2,110	6,959	661	10,697
Provided for the year	年度撥備	608	1,317	187	1,474	182	3,768
Eliminated on revaluation	重估時撇銷	(649)	-	-	-	-	(649)
Eliminated on disposals	出售時撇銷	-	-	-	(20)	-	(20)
At 31st March, 2006	於二零零六年 三月三十一日	-	2,243	2,297	8,413	843	13,796
NET BOOK VALUES	賬面淨值						
At 31st March, 2006	於二零零六年 三月三十一日	24,370	4,019	563	2,289	332	31,573
At 31st March, 2005	於二零零五年 三月三十一日	25,694	315	-	2,929	176	29,114

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

18. PREPAID LEASE PAYMENTS

18. 預付租賃款項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost	成本		
At beginning of the year	於年初	103,780	410
Acquired on an acquisition of a subsidiary	收購附屬公司時所收購	-	103,370
At end of the year	於年結	103,780	103,780
Accumulated amortisation	累計攤銷		
At beginning of the year	於年初	199	18
Amortisation charged for the year	本年度之攤銷支出	2,450	181
At end of the year	於年結	2,649	199
Carrying value at end of the year	於年結之賬面值	101,131	103,581
Less: Current portion under prepayments and deposits	減：預付款項及按金之即期部份	(2,450)	(2,450)
		98,681	101,131
Carrying value of leasehold interests in land comprise:	土地之租賃權益之賬面值包括：		
Leasehold land in Hong Kong	香港之租賃土地		
Medium lease	中期租約	101,131	103,581

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

91

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

19. INVESTMENT PROPERTY

19. 物業投資

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
At beginning of the year	於年初	14,000	7,050
Surplus on revaluation recognised in income statement	於收益表確認之重估盈餘	1,000	-
Surplus on revaluation recognised in investment property revaluation reserve	於物業投資重估儲備確認之重估盈餘	-	6,950
At end of the year	於年結	15,000	14,000

Investment property was valued at their open market value at 31st March, 2006 by CB Richard Ellis, an independent firm of professional valuers with appropriate qualification and recent experience in the valuation of similar properties in the relevant location. The valuation conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

物業投資乃由獨立專業估值師行世邦魏理仕有限公司於二零零六年三月三十一日按公開市值進行估值。世邦魏理仕有限公司具備合適之資格及最近對有關地點同類物業之估值經驗。有關估值符合國際估值準則之規定，乃參考同類物業之交易價格的市場憑證而得出。

The investment property is held under a long lease in Hong Kong and is rented out under an operating lease. Particulars of the investment properties at 31st March, 2006 were:

香港之物業投資以長期租約持有及以經營租約租出。物業投資於二零零六年三月三十一日之詳情如下：

Location 地點	Classification 類別	Term of lease 租賃年期	Interest 權益
Shop 1, L/G, 1 Lyndhurst Tower, 1 Lyndhurst Terrace, Central, Hong Kong	Commercial	2080	100%
香港 中環擺花街1號 一號廣場地下低層1號舖	商業	2080年	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

20. INTANGIBLE ASSETS

20. 無形資產

		HK\$'000 千港元
COST		
At 1st April, 2004	成本 於二零零四年四月一日	1,258
Acquired on acquisition of subsidiaries	於收購附屬公司時所收購	5,296
At 31st March, 2005	於二零零五年三月三十一日	6,554
Reclassified from other assets	從其他資產中重新分類	5,100
Elimination of accumulated amortisation upon the application of HKAS 38	應用香港會計準則第38號時 抵銷累計攤銷	(704)
At 31st March, 2006	於二零零六年三月三十一日	10,950
AMORTISATION AND IMPAIRMENT		
At 1st April, 2004	攤銷及減值 於二零零四年四月一日	503
Charged for the year	年內扣除	201
At 31st March, 2005	於二零零五年三月三十一日	704
Elimination of accumulated amortisation upon the application of HKAS 38	應用香港會計準則第38號時 抵銷累計攤銷	(704)
Impairment loss recognised for the year on trading rights	年內就交易權確認之 減值虧損	3,125
At 31st March, 2006	於二零零六年三月三十一日	3,125
CARRYING VALUES		
At 31st March, 2006	賬面值 於二零零六年三月三十一日	7,825
At 31st March, 2005	於二零零五年三月三十一日	5,850

Intangible assets amounting to HK\$5,850,000 represent trading rights in the exchanges in Hong Kong. Until 31st March, 2005, the trading rights had been amortised on a straight-line basis over 10 years. In accordance with the transitional provisions in HKAS 38, the Group reassessed the useful lives of the trading rights on 1st April, 2005 and concluded that the trading rights have indefinite useful lives and discontinued amortising the trading rights from 1st April, 2005 onwards.

為數5,850,000港元之無形資產指於香港之交易所之交易權。於二零零五年三月三十一日前，交易權以直線法分10年攤銷。根據香港會計準則第38號之過渡條文，本集團已於二零零五年四月一日重新評估有關交易權之可用年期，其結論為有關交易權享有無限年期，並由二零零五年四月一日起不再將交易權攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

93

截至二零零六年三月三十一日止年度
(金額以港元計算)

20. INTANGIBLE ASSETS (continued)

During the year, all customers of Pacific Challenge Securities Limited ("PCSL") a subsidiary of the Group were transferred to Get Nice Investments Limited another subsidiary of the Group, while both are licensed corporation registered with Securities and Futures Commission to carry out regulated activities which included dealing in securities, advising on securities, advising on corporate finance and asset management. Management of the Group determined that the trading rights held by PCSL amounted to approximately HK\$3,678,000 are no longer able to generate profits for the Group and the Group has intention to dispose of PCSL in the near future. For the purpose of impairment testing on the trading rights held by PCSL, the recoverable amount has been determined based on fair value less costs to sell. The fair value less costs to sell is the second-hand market price less cost of disposal. The carrying values was reduced to approximately HK\$553,000. The recoverable amounts of other trading rights of carrying value of approximately HK\$2,172,000 held by the Group have been determined with reference to the recoverable amounts of the Cash-Generated Unit ("CGU") of broking business based on a value in used calculation which was similar to the impairment testing on goodwill. Particulars regarding impairment testing on the other trading rights are disclosed in note 23.

Intangible assets amounting to HK\$5,100,000 represent club memberships. Until 31st March, 2005, the club memberships were classified as other assets. On 1st April, 2005, in the opinion of the Directors, club memberships were reclassified to intangible assets with indefinite useful life.

For the purpose of impairment testing on club memberships, the recoverable amount has been determined based on fair value less costs to sell. The fair value less costs to sell is the second-hand market price less costs of disposal. During the year ended 31st March, 2006, management of the Group determines that there is no impairment of the club membership since the recoverable amount of the club memberships exceeds its carrying amount.

20. 無形資產 (續)

年內，本集團附屬公司太平洋興業證券有限公司（「太平洋興業證券」）所有客戶已轉予本集團另一間附屬公司結好投資有限公司。該兩間公司皆已向證券及期貨事務監察委員會註冊為持牌法團以經營受規管業務，包括證券買賣、就證券提供意見、就企業融資提供意見及資產管理。本集團之管理層認為太平洋興業證券持有為數約3,678,000港元之交易權再不能為本集團產生溢利，而本集團有意於不久將來出售太平洋興業證券。就對太平洋興業證券持有之交易權進行減值檢測而言，其可收回金額已根據公平值減出售成本而釐定。公平值減出售成本之數即二手市場價格減出售成本。有關賬面值已減至約553,000港元。本集團持有賬面值約為2,172,000港元之其他交易權的可收回金額已參考經紀業務之創現單位的可收回金額，根據使用價值計算法（與商譽減值檢測相似）而釐定。其他交易權之減值檢測詳情於附註23中披露。

為數5,100,000港元之無形資產指會所會籍。於二零零五年三月三十一日前，會所會籍列作其他資產。於二零零五年四月一日，會所會籍已按董事之意見重新分類作具備無限使用年期之無形資產。

就會所會籍之減值檢測而言，其可收回金額乃根據公平值減出售成本而釐定。公平值減出售成本為二手市場價格減出售成本。於截至二零零六年三月三十一日止年度，本集團之管理層認為，由於會所會籍之可收回金額超過其賬面值，故會所會籍並無減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

21. GOODWILL

21. 商譽

		HK\$'000 千港元
<hr/>		
COST	成本	
At 1st April, 2004 and 1st April, 2005	於二零零四年四月一日及 二零零五年四月一日	15,769
Elimination of accumulated amortisation upon the application of HKFRS 3 (see Note 3)	應用香港財務報告準則第3號時 抵銷累計攤銷 (見附註3)	(328)
<hr/>		
At 31st March, 2006	於二零零六年三月三十一日	15,441
<hr/>		
AMORTISATION AND IMPAIRMENT	攤銷及減值	
At 1st April, 2004	於二零零四年四月一日	-
Charge for the year	年內扣除	328
<hr/>		
At 1st April, 2005	於二零零五年四月一日	328
Elimination of accumulation amortisation upon the application of HKFRS 3	應用香港財務報告準則第3號時 抵銷累計攤銷	(328)
<hr/>		
At 31st March, 2006	於二零零六年三月三十一日	-
<hr/>		
CARRYING VALUES	賬面值	
At 31st March, 2006	於二零零六年三月三十一日	15,441
<hr/>		
At 31st March, 2005	於二零零五年三月三十一日	15,441
<hr/>		

Particulars regarding impairment testing on goodwill are disclosed in Note 23.

有關商譽減值檢測之詳情於附註23披露。

Until 31st March, 2005, goodwill had been amortised on a straight-line basis over its estimated useful life of 4 years.

於二零零五年三月三十一日前，商譽以直線法於估計可用年期(4年)內攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

95

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

22. INTEREST IN AN ASSOCIATE

22. 聯營公司之權益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of unlisted investment in an associate	於聯營公司之非上市投資的成本	4	4
Share of post-acquisition loss	攤佔收購後虧損	(4)	(4)
		-	-

The Group has no obligation to contribute further capital into the associate or make any advance to the associate. Thus, the loss from results of the associate attributable to the Group was limited to the capital contributed by the Group.

本集團並無責任向聯營公司進一步出資或向聯營公司提供任何墊款。因此，本集團應佔聯營公司業績之虧損僅限於本集團之出資額。

As at 31st March, 2006, the Group had indirect interest in the following associate:

於二零零六年三月三十一日，本集團擁有下列聯營公司之間接權益：

Name of entity	Form of business structure	Place of incorporation	Principal place of operation	Class of shares held	Proportion of nominal value of issued capital	Nature of business
公司名稱	業務架構形式	註冊成立地點	主要營業地點	所持股份類別	佔已發行股本面值之比例	業務性質
Reality Profile Limited	Incorporated	British Virgin Islands	Hong Kong	Ordinary	45%	Development of Indigenous Small Houses
	註冊成立	英屬處女群島	香港	普通股	45%	發展原居民丁屋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

22. INTEREST IN AN ASSOCIATE (continued)

Summarised financial information in respect of the Group's associate is set out below:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Total assets	總資產	10,255	9,662
Total liabilities	總負債	(10,311)	(9,714)
Net assets	淨資產	(56)	(52)
Group's share of associate's net assets	本集團應佔聯營公司 之淨資產	-	-
Revenue	收益	-	-
Loss for the year	本年度虧損	(4)	(60)
Group's share of associate's profit for the year	本集團應佔聯營公司 之本年溢利	-	-

The amount of unrecognised share of associate's loss is insignificant.

22. 聯營公司之權益 (續)

有關本集團聯營公司之財務資料摘要載列如下：

未確認之應佔聯營公司虧損的金額並非重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

97

23. IMPAIRMENT TESTING ON GOODWILL AND OTHER TRADING RIGHTS

As explained in note 8, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing on goodwill and certain trading rights set out in notes 21 and 20 have been allocated to the broking cash generating unit CGU, including four subsidiaries engaged in broking operations. The carrying amounts of goodwill (net of accumulated impairment losses) and other trading rights as at 31st March, 2006 allocated to the Broking unit as follows:

	經紀	Goodwill 商譽 HK\$'000 千港元	Other trading rights 其他交易權 HK\$'000 千港元
Broking		15,441	2,171

The recoverable amounts of the above CGU containing goodwill and other trading rights have been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period and at a discount rate of 7%. A key assumption for the value in use calculation is the budgeted growth rate, which is determined based on past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of the assumptions would not cause the aggregate carrying amount of the above CGU to exceed the aggregate recoverable amount of the above CGU.

23. 商譽及其他交易權之減值檢測

誠如附註8所述，本集團以業務分類作為匯報基本分類資料之基準。就減值檢測而言，分別載於附註21及20之商譽及若干交易權已分配至經紀分部之創現單位，包括四間從事經紀業務之附屬公司。分配至經紀業務單位之商譽(扣除累計減值虧損)及其他交易權於二零零六年三月三十一日的賬面值如下：

	Goodwill 商譽 HK\$'000 千港元	Other trading rights 其他交易權 HK\$'000 千港元
Broking	15,441	2,171

上述包含商譽及其他交易權之創現單位之可收回金額已根據在用價值計算法而釐定。該計算法根據管理層通過之五年財政預算及7%之貼現率進行現金流量預測。預算之增長率為在用價值計算法之主要假設。預算之增長率乃根據以往之表現及管理層對市場發展之期望而釐定。管理層相信，任何假設之任何合理可能之轉變不會導致上述創現單位之合計賬面值超出上述創現單位之合計可收回金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

24. OTHER ASSETS

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Statutory and other deposits	法定及其他按金	5,068	4,745
Club membership	會所會籍	-	5,100
		5,068	9,845

On 1st April, 2005, club memberships amounting to HK\$5,100,000 were reclassified as intangible assets with indefinite useful life.

Statutory and other deposits represent deposits with various exchanges and clearing houses. They are non-interest bearing.

The fair values of these assets at the balance sheet date was approximate to their corresponding carrying amounts.

24. 其他資產

於二零零五年四月一日，為數5,100,000港元之會所會籍已重新分類為具備無限使用期之無形資產。

法定及其他按金代表付予不同交易所及結算所之按金。有關按金並不計息。

該等資產於結算日之公平值與其賬面值相若。

25. INVESTMENTS IN SECURITIES

		2005 二零零五年 HK\$'000 千港元
Non-trading securities	非交易證券	
Quoted mutual funds	上市互惠基金	
Current assets	流動資產	3,916
Market value		
Quoted mutual funds	上市互惠基金	3,916

25. 證券投資

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

99

26. ACCOUNTS RECEIVABLE

26. 應收賬項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Accounts receivable arising from the business of dealing in securities:	證券買賣業務運作中產生之應收賬項：		
– Cash clients	– 現金客戶	69,093	37,211
– Margin clients:	– 保證金客戶：		
– Directors and their associates	– 董事及其聯繫人士	511	–
– Other margin clients	– 其他保證金客戶	330,429	432,861
– Clearing house	– 結算所	29,630	–
Accounts receivable from futures clearing houses arising from the business of dealing in futures contracts	期貨買賣合約業務中產生來自期貨結算所之應收賬項	7,562	13,212
Commission receivable from brokerage of mutual funds and insurance-linked investment plans and products	來自互惠基金及保險相關投資計劃及產品之經紀服務之應收佣金	58	457
		437,283	483,741

Accounts receivables are netted off by allowance for bad and doubtful debts of HK\$7,591,769 (HK\$6,149,709).

The settlement terms of accounts receivable from cash clients is two days after trade date, and from futures clearing house is one day after trade date.

Except for the loans to securities margin clients and commission receivables from brokerage of mutual funds and insurance-linked investment plans and products as mentioned below, all the above balances aged within 30 days.

Loans to securities margin clients are secured by clients' pledged securities, repayable on demand and bear variable interest at commercial rates. No aged analysis is disclosed as in the opinion of Directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

應收賬項已扣除7,591,769港元(二零零五年：6,149,709港元)之呆壞賬撥備。

應收現金客戶之賬項結算期為交易日後兩日，而期貨結算所方面則為交易日後一日。

除下文所述借予證券保證金客戶之貸款及有關互惠基金及保險相關投資計劃及產品之經紀服務之應收佣金外，以上結存之賬齡均不超過30日。

借予證券保證金客戶之貸款均以客戶之抵押證券作抵押，按通知還款，以商業利率計息。鑑於證券保證金融資之業務性質，董事認為賬齡分析並無額外作用，因此並無披露任何賬齡分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

26. ACCOUNTS RECEIVABLE (continued)

Commission receivable from brokerage of mutual funds and insurance-linked investment plans and products is settled within 60 days after the Group has submitted the subscription application/policies to the fund managers/policy issuers. The age of this balance is within 60 days.

The fair values of the accounts receivable at the balance sheet date approximate the corresponding carrying amounts.

26. 應收賬項(續)

有關互惠基金及保險相關投資計劃及產品經紀服務之應收佣金乃於本集團向基金經理/保單發行人提交認購申請/保單後60天內清償。此等結餘額之賬齡為60天以內。

應收賬項於結算日之公平值與其賬面值相若。

27. LOANS AND ADVANCES

27. 貸款及墊款

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loans principle	貸款本金	67,789	-
Less: Impairment allowances	減：減值撥備		
- Individual assessed	- 個別評核	20	-
- Collective assessed	- 共同評核	48	-
		68	-
		67,721	-
Fixed-rate loan receivable	定息貸款應收款項	37,721	-
Variable-rate loan receivables	浮息貸款應收款項	30,000	-
		67,721	-
Carrying amount analysed for reporting purposes:	就呈報而言之賬面值分析：		
Current assets (receivables within 12 months from the balance sheet date)	流動資產(由結算日起計12個月內之應收款項)	54,426	-
Non-current assets (receivables after 12 months from the balance sheet date)	非流動資產(由結算日起計12個月後之應收款項)	13,295	-
		67,721	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

101

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

27. LOANS AND ADVANCES (continued)

Variable-rate loan receivable amounted to HK\$476,670 is secured by mortgage loan properties, bearing interest at effective market interest rates.

The other fixed rate loan receivables and variable-rate loan receivables are unsecured, bearing interest at effective market interest rate.

All loans were granted in Hong Kong dollars.

The fair value of the Group's loans, and advances determined based on the present value of the estimated future cash flows discounted using the commercial variable interest rate at 31st March, 2006 approximates to the carrying amount.

Movement of impairment allowances on loans and advances:

		Individual assessment	Collective assessment	Total
		個別評核	共同評核	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Balance at 1st April, 2004 and 1st April, 2005	於二零零四年四月一日及二零零五年四月一日之結餘	-	-	-
New provisions and charged to income statement	新撥備並於收益表扣除	20	48	68
Balance at 31st March, 2006	於二零零六年三月三十一日之結餘	20	48	68

The individual impairment allowances were made after taking into account the value of collateral in respect of the corresponding advance.

27. 貸款及墊款(續)

為數476,670港元之浮息貸款應收款項以按揭貸款物業作抵押，並按實際市場利率計息。

其他定息貸款應收款項及浮息貸款應收款項為無抵押，並按實際市場利率計息。

批出之貸款均屬港元貸款。

本集團之貸款及墊款之公平值，乃以二零零六年三月三十一日之商業浮動利率貼現之估計未來現金流量之現值而釐定，有關公平值與其賬面值相若。

貸款及墊款之減值撥備變動：

個別減值撥備乃在考慮有關墊款之抵押品的價值後計提。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

28. ACCOUNTS PAYABLE

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Accounts payable arising from the business of dealing in securities:	證券買賣業務運作中產生之應付賬項：		
– Cash clients	– 現金客戶	88,577	33,924
– Clearing house	– 結算所	–	12,131
– Margin clients	– 保證金客戶	227,135	97,619
Accounts payable to clients arising from the business of dealing in futures contracts	期貨合約買賣業務運作中產生之應付客戶賬項	11,585	16,580
Commission payable for brokerage of mutual funds and insurance-linked investment plans and products	有關互惠基金及保險相關投資計劃及產品經紀服務之應付佣金	37	307
		327,334	160,561

The settlement terms of accounts payable to cash clients and clearing house are two days after trade date. The age of these balances is within 30 days.

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Hong Kong Futures Exchange Limited (“HKFE”). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the HKFE are repayable to clients on demand. No aged analysis is disclosed as in the opinion of directors, the aged analysis does not give additional value in view of the nature of business of futures contract dealing.

Amounts due to securities margin clients are repayable on demand. No aged analysis is disclosed as in the opinion of directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

Commission payable for brokerage of mutual funds and insurance-linked investment plans and products is settled immediately once the Group has received payments from fund managers/policy issuers. The age of this balance is within 60 days.

The fair value of the Group’s accounts payable was approximate to the corresponding amount.

應付現金客戶及結算所之賬項結算期為交易日後兩日。該等結餘之賬齡均不超過30日。

期貨合約買賣業務運作中產生之應付客戶賬項指向客戶收取以在香港期貨交易所有限公司（「期交所」）買賣期貨合約之保證金按金。超於期交所規定所需之初步保證金按金之尚未退還款額須於客戶要求時償還。鑑於期貨合約買賣業務性質，董事認為賬齡分析並無額外作用，因此並無披露賬齡分析。

欠證券保證金客戶款項須於要求時償還。鑑於證券保證金融資業務性質，董事認為賬齡分析並無額外作用，因此並無披露賬齡分析。

有關互惠基金及保險相關投資計劃及產品經紀服務之應付佣金乃於本集團從基金經理／保單發行人收取款項後隨即清繳。此等結餘額之賬齡為60天以內。

本集團應付賬項的公平值與其賬面值相若。

28. 應付賬項

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

103

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

29. AMOUNT DUE TO A RELATED COMPANY

THE GROUP

The amount due to a related company in which Messrs. Hung Hon Man and Cham Wai Ho, Anthony have beneficial interests. Details of the amount due to the related company are as follows:

Name of company	公司名稱	Balance	Balance	Maximum
		at 31st March, 2006	at 1st April, 2005	amount outstanding during the year
		於二零零六年 三月三十一日 之結餘 HK\$'000 千港元	於二零零五年 四月一日 之結餘 HK\$'000 千港元	年內未償還 最高款額 HK\$'000 千港元
Fullink Developments Limited	富協發展有限 公司	–	450	1,397

The above balance is unsecured, interest free and repayable on demand.

上述結餘為無抵押、免息及須於要求時償還。

30. BANK BORROWINGS

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	
Bank overdrafts – secured	銀行透支 – 有抵押	–	48,642
Mortgage loan – secured	按揭貸款 – 有抵押	–	69,300
Bank loans – secured	銀行貸款 – 有抵押	–	11,000
		–	128,942

30. 銀行借貸

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

30. BANK BORROWINGS (continued)

The maturity of the borrowings is on demand or within one year.

No bank overdrafts, bank loans and mortgage loan was outstanding as at 31st March, 2006. Bank overdrafts and bank loans amounted to HK\$48,642,000 and HK\$11,000,000 respectively as at 31st March, 2005 were secured by clients' pledged securities and corporate guarantees provided by the Company. Mortgage loan amounted to HK\$69,300,000 as at 31st March, 2005 was secured by one of the leasehold land and building amounting to HK\$127,787,000 of the Group and corporate guarantees provided by the Company. Bank overdrafts, bank loans and mortgage loans bore effective commercial variable interest rate.

30. 銀行借貸(續)

該等借貸乃按通知時或於一年內到期。

於二零零六年三月三十一日，並無銀行透支、銀行貸款及按揭貸款為尚未償還。於二零零五年三月三十一日，48,642,000港元之銀行透支及11,000,000港元之銀行貸款乃以客戶之抵押證券及本公司之企業擔保作抵押。於二零零五年三月三十一日，69,300,000港元之按揭貸款乃以本集團一項為數127,787,000港元之租賃土地及樓宇及本公司提供之公司擔保作抵押。銀行透支、銀行貸款及按揭貸款按實際商業浮動利率計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

105

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

31. DEFERRED TAXATION

The followings are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

		Accelerated tax depreciation 加速稅項 折舊 HK\$'000 千港元	Revaluation of investment properties 重估物業 投資 HK\$'000 千港元	Loans and advances 貸款及墊款 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1st April, 2004 as originally stated	於二零零四年 四月一日 (按原先呈列)	800	-	-	-	800
Effects of changes in accounting policies (see Note 3)	會計政策變動 之影響 (見附註3)	-	223	-	(193)	30
At 1st April, 2004, as restated	於二零零四年 四月一日(重列)	800	223	-	(193)	830
(Credit) charge to income for the year (restated)	(計入)扣除本年度 收入(重列)	(471)	-	-	2	(469)
Charge to equity for the year	於本年度權益 扣除	-	1,247	-	-	1,247
Acquisitions of a subsidiary	收購附屬公司	363	3,715	-	-	4,078
As restated on 1st April, 2005	於二零零五年 四月一日(重列)	692	5,185	-	(191)	5,686
Charge (credit) to income for the year	扣除(計入)本年度 收入	(465)	(101)	(8)	26	(548)
At 31st March, 2006	於二零零六年 三月三十一日	227	5,084	(8)	(165)	5,138

At the balance sheet date, the Group had unrecognised deductible temporary difference of approximately HK\$374,000 (2005: HK\$339,000) and unrecognised tax losses of HK\$15,876,000 (2005: HK\$15,916,000) available to offset against future profits. The deductible temporary difference and tax losses have not been recognised as it is uncertain that there will be sufficient future taxable profit available against the utilisation of these temporary differences. The unrecognised tax losses may be carried forward indefinitely.

31. 遞延稅項

以下為於本年度及先前年度已確認之主要遞延稅項負債及資產以及其變動：

於結算日，本集團有約374,000港元(二零零五年：339,000港元)之未確認可扣稅暫時差額及15,876,000港元(二零零五年：15,916,000港元)之未確認稅項虧損可用以抵銷未來溢利。可扣稅暫時差額與稅項虧損未予確認，蓋未能肯定日後會否錄得足夠之應課稅溢利以動用此等暫時差額。未確認稅項虧損可無限期結轉。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

32. CONVERTIBLE NOTES

(a) Convertible notes

The Company issued convertible notes amounting to HK\$200,000,000, HK\$31,000,000, HK\$34,000,000 and HK\$35,000,000 on 25th November, 2005, 20th December, 2005, 13th January, 2006 and 13th March, 2006 respectively. These convertible notes bear interest at a rate of 2% per annum and are matured in three years or any other date mutually agreed between the Company and the counterparties. The holders of the notes are not entitled to vote at general meetings of the Company. The Company has the right to early repay part or all of the amount and the accrued interest of the notes at any time prior to the maturity date. The notes are transferable.

The convertible notes contains three components, embedded derivative for early redemption right of the Company, liability and equity elements. Upon the application of HKAS 32 Financial Instruments: Disclosure and Presentation (see Notes 2 and 3 for details), the convertible notes were split between the liability (including embedded derivative for early redemption) and equity elements, on a retrospective basis. The equity element is presented in equity heading "convertible note equity reserve". The effective interest rate of the liability component is HIBOR plus a spread. The Directors had assessed the fair value of the early redemption right and considered the fair value is insignificant.

32. 可換股票據

(a) 可換股票據

於二零零五年十一月二十五日、二零零五年十二月二十日、二零零六年一月十三日及二零零六年三月十三日，本公司分別發行200,000,000港元、31,000,000港元、34,000,000港元及35,000,000港元之可換股票據。有關可換股票據按2厘之年利率計息，並於三年內或本公司與對方互相同意之任何其他日期到期。票據持有人無權於本公司之股東大會上投票。本公司有權於到期日前任何時間提早償還票據之任何或全部款額及應計利息。有關票據可予轉讓。

可換股票據包含本公司有權提早贖回之嵌入式衍生工具、負債及股權三部份。應用香港會計準則第32號「金融工具：披露及呈列」（詳見附註2及3），可換股票據已追溯地劃分為負債（包括提早贖回之嵌入式衍生工具）及股權部份。股權部份乃列作權益中的「可換股票據權益儲備」。負債部份之實際利率為香港銀行同業拆息加息差。董事已評估提早贖回權之公平值並認為其公平值並不重要。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

107

32. CONVERTIBLE NOTES (continued)

(a) Convertible notes (continued)

The movement of the liability component of the convertible notes for the year is set out below:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
At the beginning of the year	於年初	40,785	-
New issue	新發行	273,771	79,580
Effective interest	實際利息	4,566	93
Interest payment	支付利息	(3,945)	(92)
Partial conversion	部份換股	(315,177)	(38,796)
At the end of the year	於年結	-	40,785

During the year, HK\$341,000,000 convertible notes, including HK\$41,000,000 convertible notes brought forward from last year, were converted into 472,714,924 shares at the conversion price of HK\$1.30 per share (HK\$41,000,000) and HK\$0.68 per share (HK\$300,000,000) respectively. No convertible note was outstanding as at 31st March, 2006.

The fair value of the liability component of the convertible notes at the balance sheet date, determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan at the balance sheet date, approximates its carrying amount.

32. 可換股票據 (續)

(a) 可換股票據 (續)

可換股票據負債部份於年內之變動載列如下：

年內，341,000,000港元之可換股票據（包括來自去年之41,000,000港元承前可換股票據）已分別按換股價每股1.30港元（41,000,000港元）及每股0.68港元（300,000,000港元）轉換為472,714,924股股份。於二零零六年三月三十一日並無未償還之可換股票據。

可換股票據負債部份於結算日之公平值，乃根據以同等不可換股貸款於結算日之通行市場利率貼現之估計未來現金流量之現值而釐定，其公平值與賬面值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

32. CONVERTIBLE NOTES (continued)

(b) Convertible note at fair value through profit or loss

The Company issued convertible notes amounting to HK\$200,000,000 at the conversion prices of HK\$1.80 – HK\$2.80 per share varying among three years from the date of the grant of the convertible notes on 6th April, 2005. The convertible notes bear interest at a rate of 3% per annum and are matured in three years or any other date mutually agreed between the Company and the counterparties. The holders of the notes have the right to demand for repayment of any principal amounts of the notes prior to its maturity and the accrued interest of the notes prior to the interest payment date, and is not entitled to vote at general meetings of the Company. The Company has the right to early repay part or all of the amount and the accrued interest of the notes at any time prior to the maturity date. The notes are transferable. During the year, the Company had made HK\$200,000,000 full repayment of the convertible notes. No convertible note was outstanding as at 31st March, 2006. No realised gain or loss arising from the issue and redemption of the convertible notes recognised in the income statement, interest paid for the convertible notes is recognised in the income statement and include in note 10.

33. PROPERTIES UNDER DEVELOPMENT

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost:	成本：		
At beginning of year	年初	–	–
Additions	添置	20,917	–
At end of year	年結	20,917	–

The management of the Group expected the whole amount of properties under development to be released between 2 to 3 years.

32. 可換股票據 (續)

(b) 按公平值於損益確認之可換股票據

本公司發行200,000,000港元之可換股票據，其換股價為1.80港元至2.80港元，換股價可於可換股票據在二零零五年四月六日授出當日起計三年內變動。有關可換股票據按3厘之年利率計息，並於三年內或本公司與對方互相同意之任何其他日期到期。票據持有人有權於票據到期前要求償還票據之任何本金額及於利息支付日期前要求償還票據之應計利息，但無權於本公司之股東大會上投票。本公司有權於到期日前任何時間提早償還票據之任何或全部款額及應計利息。有關票據可予轉讓。年內，本公司已悉數償還200,000,000港元之可換股票據。於二零零六年三月三十一日並無可換股票據為尚未償還。並無發行及贖回可換股票據之已實現收益或虧損乃於收益表確認，而可換股票據之已付利息乃於收益表確認並包括在附註10之內。

33. 發展中物業

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost:	成本：		
At beginning of year	年初	–	–
Additions	添置	20,917	–
At end of year	年結	20,917	–

本集團管理層預期發展中物業之全部金額將於2至3年內轉出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

109

34. OTHER FINANCIAL ASSETS AND LIABILITIES

Deposits, and amount due from an associate

The fair values of the deposits and amount due from an associate included in the accounts at the balance sheet date approximate the corresponding carrying amounts.

Amount due from an associate is unsecured, non-interest bearing and repayable on demand.

Bank balances – trust and segregated accounts

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

Accrued charges and other accounts payable

The fair values of the accrued charges and other accounts payable at the balance sheet date approximate the corresponding carrying amounts.

34. 其他金融資產及負債

按金以及聯營公司欠款

計入賬目內的按金以及聯營公司欠款於結算日之公平值與其賬面值相若。

聯營公司欠款為無抵押、免息及須於要求時償還。

銀行結餘－信託及分立賬立

於日常業務中，本集團會為進行受監管業務而收取並持有客戶及其他機構提供之按金。此等客戶款項乃存於一個或多個分立銀行賬戶。本集團已確認應向有關客戶及其他機構支付之款項。然而，本集團目前並無將此等應付款項與獲存入之按金相抵銷之強制執行權。此等資產於結算日之公平值與其賬面值相若。

銀行結餘（一般賬戶）及現金

有關款項包括本集團持有之現金，以及按市場利率計息，原到期日為三個月或以內之短期銀行存款。此等資產於結算日之公平值與其賬面值相若。

應計費用及其他應付賬項

應計費用及其他應付賬項於結算日之公平值與其賬面值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

35. SHARE CAPITAL

35. 股本

		Number of shares 股份數目 '000 千股	HK\$'000 千港元
Ordinary shares of HK\$0.10 each	普通股每股面值10港仙		
Authorised:	法定：		
At 1st April, 2005	於二零零五年		
and 31st March, 2006	四月一日 及二零零六年 三月三十一日	2,000,000	200,000
Issued and fully paid:	已發行及繳足：		
At 1st April, 2004	於二零零四年		
Issue of shares by top up placement	四月一日 以先舊後新方式 發行股份	300,000	30,000
Issue of shares by conversion of convertible notes	以兌換可換股票據 方式發行股份	60,000	6,000
Exercise of share options	行使購股權	30,000	3,000
At 31st March, 2005	於二零零五年		
and 1st April, 2005	三月三十一日 及二零零五年 四月一日	420,000	42,000
Issue of shares by conversion of convertible notes	以兌換可換股票據 方式發行股份	472,714	47,271
Exercise of share options	行使購股權	35,000	3,500
Issue of shares by placements	以配售發行股份	50,000	5,000
At 31st March, 2006	於二零零六年		
	三月三十一日	977,714	97,771

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

111

36. SHARE OPTION SCHEME

The share option scheme (the "Option Scheme") of the Company was adopted by the Company pursuant to a resolution passed on 16th May, 2002. The major terms of the Option Scheme are summarised as follows:

- (i) The purpose of the Option Scheme is to provide incentives or rewards to the participants for their contribution to the Group.
- (ii) The participants of the Option Scheme include:
 - (a) any employee or director (including executive director, non-executive director and independent non-executive director) of any member of the Group;
 - (b) supplier or potential supplier of goods and services;
 - (c) customer or potential customer;
 - (d) person or entity that provides research, development or other technological support;
 - (e) shareholder of any member of the Group; and
 - (f) adviser or consultant to or any joint venture partner or business alliance of any member of the Group or any counterparty to any transaction of any member of the Group.
- (iii) The maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the relevant class of securities of the issued share capital of the Company from time to time.
- (iv) The total number of shares which may be issued upon exercise of all share options to be granted under the Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares of the Company in issue.
- (v) The total number of shares issued and which may fall to be issued upon exercise of the share options granted under the Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any twelve-month period shall not exceed 1% of the issued share capital of the Company for the time being.

36. 購股權計劃

本公司根據一項於二零零二年五月十六日通過之決議案採納之本公司購股權計劃(「購股權計劃」)。購股權計劃之主要條款概述如下：

- (i) 購股權計劃旨在獎勵或酬謝參與者，以表揚彼等對本集團之貢獻。
- (ii) 購股權計劃之參與者包括：
 - (a) 本集團任何成員公司之任何僱員或董事(包括執行董事、非執行董事及獨立非執行董事)；
 - (b) 本集團之商品及服務供應商或潛在供應商；
 - (c) 客戶或潛在客戶；
 - (d) 提供研發或其他科技支援之人士或企業；
 - (e) 本集團任何成員公司之股東；及
 - (f) 本集團任何成員公司之顧問或專家顧問，或任何合營夥伴或業務聯盟或本集團任何成員公司之任何交易對手。
- (iii) 因可能行使根據購股權計劃及本集團之任何其他購股權計劃所授出及尚未行使之所有購股權須予發行之股份數目上限合計不得超過本公司不時已發行股本中任何有關證券類別之30%。
- (iv) 因行使根據購股權計劃及本集團之任何其他購股權計劃所授出之所有購股權須予發行之股份總數合計不得超過本公司已發行股份之10%。
- (v) 於任何12個月期間因行使根據購股權計劃及本集團任何其他購股權計劃所授出之購股權而已向各參與者發行及須向各參與者發行之股份總數(同時包括已行使或尚未行使購股權兩者)不得超過本公司當時已發行股本之1%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

36. SHARE OPTION SCHEME (continued)

- (vi) There is no minimum period required for the holding of a share option before it can be exercised.
- (vii) A share option may be exercised at any time during a period to be determined by the directors, the period may commence on a day after the date upon which the offer for the grant of share options is made but shall not be later than ten years from the date of grant of the share option.
- (viii) The acceptance of a share option, if accepted, must be made within 21 days from the date of the offer of grant of the share option.
- (ix) The exercise price of a share option must be the higher of:
 - (a) the closing price of the share of the Company as stated in the Stock Exchange's daily quotations on the date of the offer of the grant;
 - (b) the average closing price of the share of the Company as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of the grant; and
 - (c) the nominal value of the share of the Company.
- (x) The Option Scheme will expire on 5th June, 2012.

36. 購股權計劃(續)

- (vi) 購股權計劃並無規定在行使前所需持有購股權之最短期限。
- (vii) 購股權可於董事會釐定之期間內隨時行使，該期間須由授出購股權建議日期後之日起計，至授出購股權日期後10年內屆滿。
- (viii) 參與者如接納購股權，則須於授出購股權建議日期起計21日內接納購股權。
- (ix) 購股權之行使價須為下列三者中之最高者：
 - (a) 授出購股權建議日期在聯交所之每日報價表所示之本公司股份收市價；
 - (b) 緊接授出購股權建議日期前五個交易日在聯交所之每日報價表所示之本公司股份平均收市價；及
 - (c) 本公司股份面值。
- (x) 購股權計劃將於二零一二年六月五日期滿。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

113

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

36. SHARE OPTION SCHEME (continued)

The following table discloses details of the Company's share options held by directors and movements in such holdings:

Option grant date	Exercise price per share	Number of share option 購股權數目				
		Outstanding as at 1st April, 2005	Granted during the year	Exercised during the year	Outstanding as at 31st March, 2006	
購股權授出日期	每股行使價	於二零零五年四月一日尚未行使	年內授出	年內行使	於二零零六年三月三十一日尚未行使	
	HK\$ 港元	(Note) (附註)	(Note) (附註)			
Directors	董事					
28th February, 2006	二零零六年 二月二十八日	0.642	-	15,000,000	-	15,000,000

Note: The closing price of the Company's share immediately before the date of grant of share options was HK\$0.64 per share.

附註：緊接授出購股權日期前之本公司股份收市價為每股0.64港元。

36. 購股權計劃(續)

下表披露董事持有之本公司購股權的詳情及其變動：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

36. SHARE OPTION SCHEME (continued)

The following table discloses details of the Company's share options held by employees and movements in such holdings:

Option grant date	Exercise price per share	Outstanding		Granted during the year	Exercised during the year	Number of share option 購股權數目		Exercised during the year	Outstanding as at 31st March, 2006
		as at 1st April, 2004	at 1st April, 2005			as at 1st April, 2005	Granted during the year		
授出購股權日期	每股行使價 HK\$ 港元	於 二零零四年 四月一日 尚未行使	於 二零零五年 四月一日 尚未行使	年內授出	年內行使	年內授出	年內行使	年內行使	於 二零零六年 三月 三十一日 尚未行使
						(Note) (附註)	(Note) (附註)		
Employees 僱員									
7th February, 2005 二零零五年二月七日	1.48	-	-	30,000,00	(30,000,000)	-	-	-	-
28th February, 2006 二零零六年 二月二十八日	0.642	-	-	-	-	10,000,000	(10,000,000)	-	-
2nd March, 2006 二零零六年 三月二日	0.642	-	-	-	-	25,000,000	(25,000,000)	-	-

Note: The closing price of the Company's share immediately before the date of grant of share options and the date on which the share options were exercised during the year was HK\$0.64 per share and HK\$0.67 per share respectively.

The exercise in full of the granted 35,000,000 share options has resulted in the issue of 35,000,000 shares of HK10 cents each for a total consideration (before expenses) of HK\$22,470,000.

Total consideration received during the year from employees for taking up the options granted amounted to HK\$8 (2005: HK\$10).

36. 購股權計劃(續)

下表披露僱員持有之本公司購股權的詳情及其變動：

*附註：*緊接授出購股權日期前及購股權於年內行使日期前之本公司股份收市價分別為每股0.64港元及每股0.67港元。

悉數行使所授出之35,000,000份購股權已導致發行35,000,000股每股面值10港仙之股份，總代價(未計開支)為22,470,000港元。

就接納所授購股權而於年內自僱員收到之總代價為8港元(二零零五年：10港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

115

36. SHARE OPTION SCHEME (continued)

During the year ended 31st March, 2006, options granted on 28th February, 2006 and 2nd March, 2006 were fully vested at the same date. The estimated fair values of the options granted were HK\$707,500 and HK\$720,000 respectively. During the year ended 31st March, 2005, options were granted on 7th February, 2005 and vested on the same day. The estimated fair values of the options granted on that dates are HK\$3,900,000. The Group recognised the total expenses of HK\$1,427,500 for the year ended 31st March, 2006 (2005: HK\$3,900,000) in relation to share options granted by the Company.

No share option was granted before 7th February, 2005.

These fair values are calculated by using the Black-Scholes Option Pricing Model. The inputs into the model were as follows:

		Share option grant date 購股權授出日期	
		2006 二零零六年	2005 二零零五年
Weighted average share price	加權平均股價	HK\$0.64 港元	HK\$1.48 港元
Exercise price	行使價	HK\$0.642 港元	HK\$1.48 港元
Expected volatility	預期波幅	41.29%	78.73%
Expected life	預期有效期	1 month 個月	1 month 個月
Risk-free rate	無風險利率	3.68 – 3.69	0.85
Dividend yield	股息率	7.81%	3.38%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 360 days. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural consideration.

36. 購股權計劃(續)

於截至二零零六年三月三十一日止年度，於二零零六年二月二十八日及二零零六年三月二日授出之購股權已於同日全數歸屬。所授出購股權之估計公平值分別為707,500港元及720,000港元。於截至二零零五年三月三十一日止年度，於二零零五年二月七日授出之購股權已於同日全數歸屬。所授出購股權於有關日期之估計公平值為3,900,000港元。本集團就本公司授出之購股權於截至二零零六年三月三十一日止年度確認之總開支為1,427,500港元(二零零五年：3,900,000港元)。

於二零零五年二月七日前並無授出購股權。

上述公平值乃以畢蘇期權定價模式計算。對模式輸入之資料如下：

預期波幅乃以本公司股價於先前360日之歷史波幅釐定。在模式使用之預期有效期已根據管理層對不可轉讓之特點、行使限制及行為考慮因素之影響作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

37. ACQUISITION OF SUBSIDIARIES

On 23rd December, 2004, the Group has entered into a Sale and Purchase Agreement whereby the Group agreed to acquire 100% of the issued share capital of Steppington Holdings Limited and its subsidiaries ("Steppington Group") for consideration of HK\$246,090,000. The acquisition was completed on 11th March, 2005. This acquisition has been accounted for by the acquisition method of accounting. The amount of goodwill arising as a result of the acquisition was HK\$15,769,000.

37. 收購附屬公司

於二零零四年十二月二十三日，本集團已訂立買賣協議，據此本集團同意收購 Steppington Holdings Limited 及其附屬公司（「Steppington 集團」）之 100% 已發行股本，代價為 246,090,000 港元。收購已於二零零五年三月十一日完成。該收購已根據收購會計法入賬。因收購產生之商譽款額為 15,769,000 港元。

		2005 二零零五年 HK\$'000 千港元 (restated) (重列)
NET ASSETS ACQUIRED	已收購淨資產	
Property and equipment	物業及設備	129,418
Intangible assets	無形資產	5,296
Other assets	其他資產	2,435
Trade debtors	應收貿易賬款	70,716
Prepayments and deposits	預付款項及按金	3,548
Amount due from a group company	集團公司欠款	30,180
Bank balances	銀行結餘	
– trust and segregated accounts	– 信託賬戶及分立賬戶	25,039
– general accounts and cash	– 一般賬戶及現金	34,227
Trade creditors	應付貿易賬款	(51,046)
Accrued charges and other accounts payable	應計費用及其他應付賬項	(2,418)
Taxation payable	應付稅項	(506)
Deferred taxation	遞延稅項	(4,078)
Bank borrowings	銀行借貸	(12,490)
		230,321
Goodwill	商譽	15,769
Total consideration	總代價	246,090
Satisfied by:	支付方式：	
Convertible note	可換股票據	80,000
Novated debts	更替債務	30,180
Cash	現金	135,910
		246,090
Net cash outflow arising on acquisition:	因收購產生之現金流出淨額：	
Cash consideration	現金代價	(135,910)
Bank balances acquired	已購入之銀行結餘	34,227
Net outflow of cash and cash equivalents in respect of the purchase of Steppington Group	購入 Steppington 集團之現金及 現金等值項目 流出淨額	(101,683)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

117

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

38. RETIREMENT BENEFITS SCHEME

The Group has operated a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance (“MPF Scheme”) for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately in an independently managed fund. The Group has followed the minimum statutory contribution requirements of 5% of eligible employees’ relevant aggregate income. The contributions are charged to the income statement as incurred.

39. LEASE COMMITMENTS

The Group as lessee

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	711	362
In the second to fifth years inclusive	第二年至第五年內	385	-
		1,096	362

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.

38. 退休福利計劃

本集團已根據強制性公積金計劃條例之規則及規例為香港所有合資格僱員制定退休福利計劃（「強積金計劃」）。強積金計劃之資產由一個獨立管理基金所持有。本集團已根據最低法定供款規定，即合資格僱員每月有關收入之5%供款。供款時於收益表扣除。

39. 租約承擔

本集團為承租人

於結算日，本集團就不可撤銷之租賃土地及樓宇經營租約的將來最少租賃付款之到期日如下：

經營租約付款指本集團就其辦公室物業須支付之租金。租約大多以平均兩年之租期商定，而租金亦平均維持兩年不變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

39. LEASE COMMITMENTS (continued)

The Group as lessor

At the balance sheet date, the Group had contracted with tenants for the following minimum lease payments:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	456	120
In the second to fifth years inclusive	第二年至第五年內	114	-
		570	120

Lease is negotiated for a term of two years.

租約以兩年租期商定。

40. COMMITMENTS

(a) Capital commitment

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of leasehold improvements authorised but not contracted for	就收購租賃物業裝修之已授權但未訂約之資本支出	-	2,000

(b) Underwriting commitments

At 31st March, 2006, the Group had the following underwriting commitments under the requirement of a corporate finance business:

- (i) HK\$115,141,994 in respect of the subscription of 1,279,355,000 shares of Asia Standard Hotel Group Limited. The deal was completed on 10th May, 2006 and the commitment was then fully discharged.
- (ii) HK\$50,240,000 in respect of the subscription of 418,674,000 shares of Easyknit International Holdings Limited. The deal was completed on 24th April, 2006. The underwriting commitment of the Group was then fully discharged.

39. 租約承擔(續)

本集團為出租人

於結算日，以下為本集團就租戶所簽訂之合約的租約最低款項：

40. 承擔

(a) 資本承擔

(b) 包銷承擔

於二零零六年三月三十一日，本集團根據企業融資業務之規定而擁有以下包銷承擔：

- (i) 115,141,994港元乃有關認購泛海酒店集團有限公司之1,279,355,000股股份。該項交易於二零零六年五月十日完成，而該項承擔於當時已獲全面解除。
- (ii) 50,240,000港元乃有關認購永義國際集團有限公司之418,674,000股股份。該項交易於二零零六年四月二十四日完成，而本集團之該項包銷承擔於當時已獲全面解除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

119

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

41. RELATED PARTY TRANSACTIONS

During the year, the Group had the following related party transactions:

Name of related party 有關連人士名稱	Nature of transaction 交易性質	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Fullink Developments Limited 富協發展有限公司	Rental expense (Note i) 租金支出 (附註i)	137	821
Liu Chong Hing Bank Limited 廖創興銀行有限公司	Interest expense (Note iv & vi) 利息支出 (附註iv及vi)	2,999	4,993
	Bank charges (Note v & vi) 銀行費用 (附註v及vi)	503	746
Honeylink Agents Limited	Interest expense (Note iv) 利息支出 (附註iv)	2,245	—
Chambray Resources Limited	Interest expense (Note iv) 利息支出 (附註iv)	193	—
Messrs. Shum Kin Wai, Frankie, Cham Wai Ho, Anthony, Cheng Wai Ho and their associates 岑建偉先生、湛威豪先生、 鄭偉浩先生以 及彼等之聯繫人士	Commission income (Note ii) 佣金收入 (附註ii)	114	159
	Interest income (Note iii) 利息收入 (附註iii)	—	1

Notes:

- (i) This transaction was transacted at a price agreed between the parties and in accordance with the agreement governing the transaction.
- (ii) Commission was charged at 0.125% (2005: 0.125%) on the total value of transactions. The rate was similar to rates offered to other clients of the Group.
- (iii) Interest was charged at 8% to 14.5% (2005: 8% to 14.5%) per annum.
- (iv) Interest was charged at 2%-3% per annum in accordance with the relevant subscription agreements which were approved by independent shareholders at the EGM.
- (v) Bank charges was paid at commercial rates which were similar to the rates paid to other banks.
- (vi) Mr. Liu Chung Ning, Wilfred, an independent non-executive director of the Company, is also an executive director of Liu Chong Hing Bank Limited.

41. 關連人士交易

年內，本集團與有關連人士曾進行以下交易：

附註：

- (i) 此交易按雙方議定之價格進行，並按規限有關交易之協議進行。
- (ii) 佣金按交易總值之0.125% (二零零五年：0.125%) 收取，此佣金率與收取本集團其他客戶之佣金率相若。
- (iii) 利息按年利率8%至14.5% (二零零五年：8%至14.5%) 收取。
- (iv) 利息根據獨立股東於股東特別大會批准之有關認購協議按年利率2%至3%收取。
- (v) 銀行費用乃按商業水平支付，與支付予其他銀行之水平相若。
- (vi) 本公司獨立非執行董事廖俊寧先生亦為廖創興銀行有限公司之執行董事。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

41. RELATED PARTY TRANSACTIONS (continued)

Mr. Hung Hon Man, a director of the Company has beneficial interest in Honeylink Agents Limited and Mr. Cham Wai Ho, Anthony, a director of the Company, has beneficial interest in Chambray Resources Limited.

On 6th April, 2005 and 25th November, 2005, the Group issued convertible notes with an aggregated principal amount of HK\$200,000,000 at an initial conversion price of HK\$1.80 – HK\$2.80 (HK\$100,000,000) per share and HK\$0.68 (HK\$100,000,000) per share to Honeylink Agents Limited. The convertible notes bears an interest rate of 2% to 3%. During the year, the Company had made early partial repayment of the convertible notes in the total amount of HK\$100,000,000. The remaining HK\$100,000,000 convertible notes were converted into a total number of 147,058,824 shares at the initial conversion price of HK\$0.68 per share. No convertible notes held by Honeylink Agent Limited was outstanding as at 31st March, 2006.

On 6th April, 2005, the Group issued convertible note with a principal amount of HK\$10,000,000 at an initial conversion price of HK\$1.80 – HK\$2.80 per share to Chambray Resources Limited. The convertible notes bear an interest rate of 3%. During the year, the Company had made early partial repayment of the convertible note in the total amount of HK\$10,000,000. No convertible note held by Chambray Resources Limited was outstanding as at 31st March, 2006.

41. 關連人士交易(續)

本公司董事洪漢文先生擁有 Honeylink Agents Limited 之實益權益，而本公司董事湛威豪先生擁有 Chambray Resources Limited 之實益權益。

於二零零五年四月六日及二零零五年十一月二十五日，本集團發行本金總額為200,000,000港元之可換股票據(初步換股價為每股1.80港元至2.80港元(100,000,000港元)及每股0.68港元(100,000,000港元))予 Honeylink Agents Limited。可換股票據按二至三厘之年息率計息。於本年度，本公司已提早贖回總額為100,000,000港元之部份可換股票據，其餘100,000,000港元可換股票據已按每股0.68港元之初步換股價轉換為合共147,058,824股股份。於二零零六年三月三十一日，並無由 Honeylink Agents Limited 持有之可換股票據為尚未行使。

於二零零五年四月六日，本集團發行本金額為10,000,000港元之可換股票據(初步換股價為每股1.80港元至2.80港元)予 Chambray Resources Limited。可換股票據按三厘之年息率計息。於本年度，本公司已提早贖回總額為10,000,000港元之部份可換股票據。於二零零六年三月三十一日，並無由 Chambray Resources Limited 持有之可換股票據為尚未行使。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

121

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

41. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short-term benefits	短期福利	3,093	4,435
Post-employment benefits	離職後福利	109	110
		3,202	4,545

41. 關連人士交易(續)

管理層要員之薪酬

董事及其他管理層要員於年內之薪酬如下：

42. POST BALANCE SHEET EVENTS

(a) On 19th April, 2006, the Company has entered into a conditional placing agreement with the agent, pursuant to which the placing agent has to procure subscribers for HK\$200,000,000 convertible notes due 2009, which bears interest at a rate of 4% per annum. The transaction was approved at the EGM held on 1st June, 2006.

(b) On 19th April, 2006, the Company entered into a conditional option agreement with Honeylink Agents Limited pursuant to which the Company has agreed to grant the option to Honeylink Agents Limited to subscribe for up to 400,000,000 options shares at the subscription price of HK\$0.68 within the first 12 months from the date of option granted and HK\$0.70 within the next 12 months from the first anniversary of the date of option granted. The Option consideration is amounting to HK\$2,000,000.

The option agreement was approved by the independent shareholders in the EGM held on 1st June, 2006.

42. 結算日後事項

(a) 於二零零六年四月十九日，本公司與代理訂立有條件配售協議，據此，配售代理須促使認購人認購200,000,000港元之可換股票據，有關可換股票據於二零零九年到期，按4厘之年利率計息。此項交易已於二零零六年六月一日舉行之股東特別大會上獲通過。

(b) 於二零零六年四月十九日，本公司與 Honeylink Agents Limited 訂立有條件期權協議，據此，本公司同意向 Honeylink Agents Limited 授出期權。期權持有人可據此於授出期權日期起計首12個月內按0.68港元之認購價及於授出期權日期起計滿一週年之其後12個月內按0.70港元之認購價認購最多400,000,000股期權股份。期權之代價為2,000,000港元。

期權協議已於二零零六年六月一日舉行之股東特別大會上獲獨立股東批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

42. POST BALANCE SHEET EVENTS (continued)

- (c) On 3rd April, 2006, the Group entered into a provisional agreement to purchase a land situated at 20-22 Lomond Road, Kowloon Inland Lot No. 4164 section F & Remaining Portion with a site area of about 847 sq. metres. for a consideration of HK\$107,000,000. It is intended that the existing 3-storey residential buildings erected on the land will be demolished and a 32-storey residential building of a total gross floor area of about 4,200 sq. metres will be constructed. The completion of the provisional agreement is expected on or before 24th September, 2006. On 3rd April, 2006, the Group has entered an agreement with Capitol International Holdings Limited, an independent third party and Win Glory Properties Limited, an associate of a substantial shareholder of a non-wholly owned subsidiary of the Group for formation of a company to develop the properties to be erected on the aforesaid land for resale purpose. The issued share capital of the company of US\$10 is divided into 10 shares of US\$1.00 each, 8 shares will be held by the Group, 1 share each will be held by Capitol International Holdings Limited and Win Glory Properties Limited.

42. 結算日後事項(續)

- (c) 於二零零六年四月三日，本集團訂立臨時協議以107,000,000港元之代價收購一幅土地。該土地位於九龍內地段4164號F分段及餘段露明道20-22號，地盤面積約為847平方米。現計劃將拆卸豎立於該土地上之現有三層高住宅大廈，並興建一幢32層高，總建築樓面面積約為4,200平方米之住宅大廈。預期臨時協議將於二零零六年九月二十四日或之前完成。於二零零六年四月三日，本集團與Capitol International Holdings Limited (其為獨立第三方) 及Win Glory Properties Limited (其為本集團非全資附屬公司之主要股東的聯繫人士) 訂立協議成立一間公司，發展將於該土地上豎立以供轉售之物業。該公司之已發行股本為10美元，分為10股每股面值1.00美元之股份，其中8股將由本集團持有，而Capitol International Holdings Limited 與Win Glory Properties Limited 將各持有1股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

123

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

43. PARTICULARS OF SUBSIDIARIES

43. 附屬公司詳情

Name of company	Place of incorporation	Class of shares held	Issued and fully paid share capital 已發行及繳足股本	Principal activities 主要業務
Get Nice Incorporated	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$10,000 Ordinary shares 10,000美元 普通股	Investment holding 投資控股
Get Nice Investment Limited ("GNI")	Hong Kong	Ordinary	HK\$40,000,003 3 ordinary shares and 40,000,000 non-voting deferred shares (Note ii)	Securities dealing and broking and securities margin financing
結好投資有限公司 ("結好投資")	香港	普通股	40,000,003港元 3股普通股及 40,000,000股 無投票權 遞延股(附註ii)	證券買賣及 經紀業務及 證券保證金 融資
Get Nice Futures Company Limited 結好期貨有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000,000 Ordinary shares 10,000,000港元 普通股	Futures and options broking 期貨及期權 經紀業務
Get Nice Capital Limited 結好融資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000,000 Ordinary shares 10,000,000港元 普通股	Corporate finance services 企業融資服務
Get Nice Asset Management Limited 結好資產管理有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2,000,000 Ordinary shares 2,000,000港元 普通股	Brokerage of mutual funds and insurance – linked investment plans and products 互惠基金及 保險相關投資 計劃及產品之 經紀業務
Quality Champion Limited 可權有限公司	Hong Kong 香港	Ordinary 普通股	HK\$9,000 Ordinary shares 9,000港元 普通股	Property holding 物業持有

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

43. PARTICULARS OF SUBSIDIARIES (continued)

43. 附屬公司詳情(續)

Name of company 公司名稱	Place of incorporation 註冊成立地點	Class of shares held 股份類別	Issued and fully paid share capital 已發行及 繳足股本	Principal activities 主要業務
Get Nice Finance Company Limited 結好財務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 Ordinary shares 2港元 普通股	Money lending 放貸
Allex International Limited 藝業國際有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 Ordinary shares 10,000港元 普通股	Holding of a motor vehicle 持有汽車
Steppington Holdings Limited 英屬處女群島	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$78,000 Ordinary shares 78,000港元 普通股	Investment holding 投資控股
Pacific Challenge Securities Limited 太平洋興業證券有限公司	Hong Kong 香港	Ordinary 普通股	HK\$60,000,000 Ordinary shares 60,000,000港元 普通股	Securities dealing, broking and securities margin financing 證券買賣、 經紀業務及 證券保證金融資
Fortune On Engineering Limited 福來工程有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10 Ordinary shares 10港元 普通股	Property development 物業發展
Pacific Challenge Futures Hong Kong Limited 太平洋興業期貨有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000,000 Ordinary shares 10,000,000港元 普通股	Futures and options broking 期貨及期權 經紀業務
Pacific Challenge Corporate Finance Limited 太平洋興業財務顧問有限公司	Hong Kong 香港	Ordinary 普通股	HK\$5,000,000 Ordinary shares 5,000,000港元 普通股	Corporate advisory services 企業顧問服務
Pacific Challenge Management Services Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 Ordinary shares 2港元 普通股	Provision of management services 提供管理服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

125

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

截至二零零六年三月三十一日止年度
(金額以港元計算)

43. PARTICULARS OF SUBSIDIARIES (continued)

43. 附屬公司詳情(續)

Name of company	Place of incorporation	Class of shares held	Issued and fully paid share capital 已發行及繳足股本	Principal activities 主要業務
Grace Field Limited 捷田有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 Ordinary shares 2港元普通股	Property holding 物業持有
Pacific Challenge Secretarial Services Limited 太平洋興業秘書服務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 Ordinary shares 10,000港元 普通股	Provision of company secretarial services 提供公司秘書服務
NobleNet Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$7.8 Ordinary shares 7.8港元普通股	Dormant 暫無營業
Superior Capital Assets Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$7.8 Ordinary shares 7.8港元普通股	Dormant 暫無營業
Pacific Challenge On-Line Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$0.3 Ordinary shares 0.3港元普通股	Dormant 暫無營業
Pacific Challenge Nominees Limited 太平洋興業代理人有限公司	Hong Kong 香港	Ordinary 普通股	HK\$20 Ordinary shares 20港元普通股	Dormant 暫無營業
eCapitalist.com (Asia) Limited 富財投資(亞洲)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$19,500,000 Ordinary shares 19,500,000港元 普通股	Dormant 暫無營業
Capital Mind Securities Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 Ordinary shares 2港元普通股	Dormant 暫無營業

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2006
(Amounts expressed in Hong Kong dollars)

綜合財務報表附註

截至二零零六年三月三十一日止年度
(金額以港元計算)

43. PARTICULARS OF SUBSIDIARIES (continued)

Notes:

- (i) Get Nice Incorporated and Steppington Holdings Limited are directly wholly-owned subsidiaries of the Company. Except for Fortune On Engineering Limited ("FOEL") all other interests shown above are indirectly wholly-owned by the Company. The Company indirectly held 60% of FOEL. The principal place of operation of the companies within the Group is Hong Kong.
- (ii) The non-voting deferred shares, which are held by two directors of the Company, carry practically no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of GNI and on liquidation, the assets of GNI available for distribution among the holders of ordinary shares and the holders of non-voting deferred shares shall be applied first in paying to the holders of ordinary shares the sum of HK\$1,000,000,000,000 per ordinary share and secondly in repaying to the holders of non-voting deferred shares the nominal amount paid up or credited as paid up on such shares, and the balances of the GNI's assets shall belong to and be distributed among the holders of ordinary shares in proportion to the amount paid up or credited as paid up on such ordinary shares respectively.

43. 附屬公司詳情(續)

附註：

- (i) Get Nice Incorporated及Steppington Holdings Limited乃本公司之直接全資附屬公司。除福來工程有限公司(「福來工程」)外，上述所示之所有其他權益均由本公司間接全資擁有。本公司間接持有福來工程之60%權益。本集團內之公司的主要營業地點均為香港。
- (ii) 由本公司兩名董事持有之無投票權遞延股於實際上無權收取股息，亦無權收取結好投資任何股東大會通告或出席大會或於會上投票。於清盤時，結好投資可供分派予普通股持有人及無投票權遞延股持有人之資產應先用以支付每股普通股1,000,000,000,000港元之款項予普通股持有人，繼而用以償還有關股份之已繳足或入賬列為繳足面值予無投票權遞延股持有人，而結好投資之資產餘額應屬於普通股持有人，並分別按彼等就有關普通股之繳足或入賬列為繳足股款之比例分派。