

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 1. GENERAL

The Company is an exempted company incorporated in Bermuda with limited liability. Its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

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

The Company is an investment holding company. Its principal subsidiaries are engaged in the business of providing package tours, travel and other related services and hotel operation.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations ("INTs") ("new HKFRSs"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

### 1. 一般資料

本公司乃於百慕達註冊成立之獲豁免有限公司，其股份乃於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處之地址及主要營業地點於本年報公司資料中披露。

綜合財務報表乃以港元即本公司之功能貨幣呈列。

本公司乃一投資控股公司。其主要附屬公司從事提供旅行團、旅遊及其他相關服務，以及經營酒店業務。

### 2. 應用新訂及經修訂的香港財務報告準則

於本年度，本集團首次應用多項由香港會計師公會頒佈之新準則、修訂及詮釋（「詮釋」）（「新香港財務報告準則」），並於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效。採納新香港財務報告準則並無對本會計期間或過往會計期間業績及財務狀況的編製及呈報方式造成任何重大影響，因此概無須對過往期間作出調整。

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(CONTINUED)

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

HKAS 1 (Amendment)	Capital Disclosures <sup>1</sup>
HKFRS 7	Financial Instruments: Disclosures <sup>1</sup>
HKFRS 8	Operating Segments <sup>2</sup>
HK(IFRIC) – INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies <sup>3</sup>
HK(IFRIC) – INT 8	Scope of HKFRS 2 <sup>4</sup>
HK(IFRIC) – INT 9	Reassessment of Embedded Derivatives <sup>5</sup>
HK(IFRIC) – INT 10	Interim Financial Reporting and Impairment <sup>6</sup>
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions <sup>7</sup>
HK(IFRIC) – INT 12	Service Concession Arrangements <sup>8</sup>

### 2. 應用新訂及經修訂的香港財務報告準則 (續)

本集團並無提早應用以下已頒佈但尚未生效之新準則、修訂或詮釋。本公司董事預期，應用該等新準則、修訂或詮釋將不會對本集團之業績及財務狀況造成任何重大影響。

香港會計準則 第1號(修訂)	股本披露 <sup>1</sup>
香港財務報告 準則第7號	金融工具：披露 <sup>1</sup>
香港財務報告 準則第8號	經營分類 <sup>2</sup>
香港(國際財務 報告詮釋委員會) — 詮釋第7號	基於香港會計準則 第29號「高通脹經 濟下之財務報告」 運用重述方法 <sup>3</sup>
香港(國際財務 報告詮釋委員會) — 詮釋第8號	香港財務報告準則 第2號之範圍 <sup>4</sup>
香港(國際財務 報告詮釋委員會) — 詮釋第9號	重估附帶衍生工具 <sup>5</sup>
香港(國際財務 報告詮釋委員會) — 詮釋第10號	中期財務報告及 減值 <sup>6</sup>
香港(國際財務 報告詮釋委員會) — 詮釋第11號	香港財務報告準則 第2號—集團及 庫存股份交易 <sup>7</sup>
香港(國際財務 報告詮釋委員會) — 詮釋第12號	服務優惠安排 <sup>8</sup>

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### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(CONTINUED)

- <sup>1</sup> *Effective for annual periods beginning on or after 1 January 2007*
- <sup>2</sup> *Effective for annual periods beginning on or after 1 January 2009*
- <sup>3</sup> *Effective for annual periods beginning on or after 1 March 2006*
- <sup>4</sup> *Effective for annual periods beginning on or after 1 May 2006*
- <sup>5</sup> *Effective for annual periods beginning on or after 1 June 2006*
- <sup>6</sup> *Effective for annual periods beginning on or after 1 November 2006*
- <sup>7</sup> *Effective for annual periods beginning on or after 1 March 2007*
- <sup>8</sup> *Effective for annual periods beginning on or after 1 January 2008*

### 2. 應用新訂及經修訂的香港財務報告準則 (續)

- <sup>1</sup> 於二零零七年一月一日或之後開始之年度生效。
- <sup>2</sup> 於二零零九年一月一日或之後開始之年度生效。
- <sup>3</sup> 於二零零六年三月一日或之後開始之年度生效。
- <sup>4</sup> 於二零零六年五月一日或之後開始之年度生效。
- <sup>5</sup> 於二零零六年六月一日或之後開始之年度生效。
- <sup>6</sup> 於二零零六年十一月一日或之後開始之年度生效。
- <sup>7</sup> 於二零零七年三月一日或之後開始之年度生效。
- <sup>8</sup> 於二零零八年一月一日或之後開始之年度生效。

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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTS POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, 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 HKFRSs issued by HKICPA. In addition, the consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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.

All inter-company transactions and balances within the Group are eliminated on consolidation.

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

### 3. 主要會計政策

如下文之會計政策所載，除若干金融工具以公平價值計算外，本綜合財務報表乃根據歷史成本基準編製。

本綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則而編製。此外，本綜合財務報表包括根據香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例規定之適用披露。

#### 綜合賬目基準

綜合財務報表包括本公司及本公司控制的公司（其附屬公司）的財務報表。倘本公司有權規管公司的財務及營運政策，以致從該實體的業務中獲得利益，即被視為對該實體擁有控制權。

於年內購入或出售之附屬公司之業績，由收購生效之日起計或截至出售生效之日止（按適用者）計入綜合收益表內。

集團內公司間所有交易及結餘已於綜合賬目時對銷。

綜合附屬公司資產淨值中之少數股東權益與本集團之股本乃分開呈列。資產淨值中之少數股東權益包括於原來業務合併日期該等權益數額及自合併日期起少數股東應佔權益變動。適用於少數股東之虧損如多於少數股東於附屬公司股本之權益，則按本集團之權益分配，惟少數股東具約束性責任及有能力作額外投資以填補該等虧損除外。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

### 3. 主要會計政策 (續)

#### 業務合併

收購附屬公司時採用購買處理法入賬。收購成本按交換當日所給予之資產、所產生和承擔之負債，以及本集團為控制被收購公司而已發行股本工具之公平價值，另加業務合併直接應佔之任何成本計量。被收購公司之可識別資產、負債及或然負債若符合香港財務報告準則第3號業務合併之確認條件，則以收購日之公平值確認。

收購所產生之商譽確認為資產，並最初以成本計量，即業務合併之成本高於本集團應佔被收購公司之已確認可識別資產、負債及或然負債之公平淨值之金額。倘重估後，本集團應佔被收購公司之已確認可識別資產、負債及或然負債之公平淨值高於業務合併成本，則多出之金額即時於損益內確認。

被收購公司之少數股東權益初步按已確認之少數股東於資產、負債及或然負債之公平淨值之比例計算。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Goodwill

##### *Goodwill arising on acquisition prior to 1 January 2005*

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisition after 1 January 2001, the Group has discontinued amortisation from 1 January 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 acquisition on or after 1 January 2005*

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1 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 consolidated balance sheet.

### 3. 主要會計政策 (續)

#### 商譽

於二零零五年一月一日前收購所產生之商譽

因收購一間附屬公司(協議日期為二零零五年一月一日之前)所產生之商譽指於收購日期收購成本高於本集團所佔相關附屬公司之可識別資產及負債之公平價值權益之數額。

本集團於二零零五年一月一日起停止攤銷於二零零一年一月一日以後因收購產生之過往已資本化商譽,有關商譽將每年進行減值測試,或於有跡象顯示與商譽相關之現金產生單位可能出現減值時進行減值測試(見以下會計政策)。

於二零零五年一月一日或以後就收購所產生之商譽

因收購一間附屬公司(協議日期為二零零五年一月一日或以後)所產生之商譽指於收購日期收購成本高於本集團所佔相關附屬公司之可識別資產、負債及或然負債之公平價值權益之數額。有關商譽以成本減任何累計減值虧損列賬。

因收購一間附屬公司產生之已資本化商譽於綜合資產負債表中獨立呈列。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Goodwill (Continued)

##### *Impairment testing on capitalised goodwill*

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 consolidated 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.

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

A discount on acquisition arising on an acquisition of a subsidiary for which an agreement date is on or after 1 January 2005 represents the excess of the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination. Discount on acquisition is recognised immediately in profit or loss.

### 3. 主要會計政策 (續)

#### 商譽 (續)

##### 已資本化商譽之減值測試

就減值測試而言，因收購產生之商譽會分配至預期可從收購之協同效益得益之有關現金產生單位或多個現金產生單位。獲分配商譽之現金產生單位會每年進行減值測試，或於有跡象顯示該單位可能出現減值時進行減值測試。就於財政年度因收購產生之商譽而言，獲分配商譽之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回數額少於其賬面值，則減值虧損會先用作減低任何分配至該單位之商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。任何商譽減值虧損乃直接於綜合收益表內確認。商譽減值虧損不會於往後期間撥回。

於往後出售一間附屬公司時，已資本化之商譽應佔金額會用作釐定出售損益。

#### 收購方所佔被收購公司之可識別資產、負債及或然負債公平淨值之權益高於成本之金額 (「收購折讓」)

因收購一間附屬公司 (協議日期為二零零五年一月一日或之後) 所產生之收購折讓指被收購公司之可識別資產、負債及或然負債之公平淨值高出業務合併成本之金額。收購折讓即時於損益確認。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of net assets 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.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

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.

### 3. 主要會計政策 (續)

#### 於聯營公司之投資

聯營公司指投資者對其擁有重大影響力的實體，且不屬於附屬公司或於合營公司的權益。

聯營公司之業績及資產與負債以權益會計法計入此等綜合財務報表內。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列賬，並就本集團於收購後分佔該聯營公司之資產淨值作出調整，及減去任何已識別減值虧損。當本集團所佔聯營公司虧損等於或超出於該聯營公司權益時（包括任何長期權益實際組成本集團於該聯營公司之投資淨值之一部份），本集團終止確認其所佔之進一步虧損。惟倘本集團須承擔法律或推定義務，或須代表該聯營公司支付款項，則須就額外分佔之虧損撥備或確認負債。

收購成本超逾本集團於收購日期應佔聯營公司之已確認可識別資產、負債及或然負債之公平淨值之任何金額，均確認為商譽。商譽包括投資之賬面金額，並就評估減值，作為投資之一部分。

當集團實體與本集團聯營公司進行交易時，損益會按本集團於有關聯營公司之權益予以撇銷。



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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Income from tour and travel services is recognised upon the departure date of each tour. Income from other travel related services is recognised when the services are rendered.

Hotel revenue from rooms and other ancillary services are recognised when the services are rendered.

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.

Income from disposal of investments is recognised when the risks and rewards of the ownership of the investments have been transferred.

Sales of goods are recognised when goods are delivered and title has been passed.

Rental income from operating leases is recognised in the consolidated income statement on a straight line basis over the term of the relevant lease.

### 3. 主要會計政策 (續)

#### 收益確認

收益按已收或應收代價之公平價值計量，即於日常業務過程中就出售貨品及提供服務扣除折扣及銷售之相關稅項後之應收金額。

組團及旅遊服務收入於各團出發當日確認。其他旅遊相關服務之收入於提供該等服務時確認。

來自房間及其他輔助服務之酒店收益乃於提供服務時確認。

金融資產之利息收入乃參考未到期本金，按時間比例基準及實際利率計算，實際利率乃按金融資產之預計年期將估計日後現金收入折讓至該資產賬面淨值之比率。

出售投資之收入乃於投資權益之擁有權之風險及利益已轉移時確認。

銷售貨品之收益於交付貨品及移交所有權後確認。

經營租賃的租金收入於有關租約期內按直線法於綜合收益表確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Property, plant and equipment

Property, plant and equipment other than properties under construction are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment other than properties under construction over their estimated useful lives, using the straight line method.

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Properties under construction are stated at cost less accumulated impairment losses. Cost includes all development expenditure and other direct costs attributable to such projects. Properties under construction are not depreciated until completion of construction. Cost on completed properties is transferred to other categories of property, plant and equipment.

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.

An item of property, plant 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 consolidated income statement in the year in which the item is derecognised.

### 3. 主要會計政策 (續)

#### 物業、機器及設備

在建中物業以外之物業、機器及設備，乃按該項資產之成本減其後之累計折舊及累計減值虧損列賬。

除在建物業以外之物業、機器及設備之折舊，乃根據其估計可使用年期，按直線法攤銷其成本。

根據融資租約持有之資產以與自置資產相同之基準，按其估計可使用年期或相關租約之較短年期折舊。

在建物業按成本值扣除累計減值虧損列賬。成本包括該等項目之所有發展開支及其他應佔直接成本。在建物業於落成前不予折舊。已落成物業之成本則歸入物業、機器及設備內之其他類別。

就租賃分類而言，租賃土地及樓宇之土地及樓宇部份被視為獨立項目，惟租金不能於土地及樓宇部份間可靠分配則除外，於此情況下，整項租約一般被當作融資租約。

物業、機器及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時不再確認。於不再確認該資產時所產生之任何收益或虧損（以出售所得款項淨額與該項目之賬面值之差額計算）將計入不再確認年度之綜合收益表內。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. 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 profit or loss for the period in which they arise.

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 disposal. 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 consolidated income statement in the year in which the item is derecognised.

#### Financial instruments

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

### 3. 主要會計政策 (續)

#### 投資物業

於初步確認時，投資物業按成本計算，包括任何直接應佔開支。於初步確認後，投資物業採用公平價值模式計算。投資物業之公平價值變動所產生之收益或虧損將計入產生期間之損益內。

投資物業於出售後，在投資物業永久不再使用或預期出售該等物業不會產生未來經濟利益時取消確認。取消確認資產所產生之任何收益或虧損（按出售所得款項淨額與資產之賬面值之差額計算）將計入取消確認年度之綜合收益表內。

#### 金融工具

倘集團實體成為工具合約條文之訂約方，則於綜合資產負債表中確認金融資產及金融負債。金融資產及金融負債初次按公平價值計算。因收購或發行金融資產及金融負債（透過損益按公平價值計算之金融資產及金融負債除外）而直接產生之交易成本於初次確認時加入金融資產或金融負債之公平價值或自金融資產或金融負債之公平價值扣除（按適用者）。因收購透過損益按公平價值計算之金融資產或金融負債而直接產生之交易成本即時於損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, 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.

##### *Financial assets at fair value through profit or loss*

The Group's financial assets at fair value through profit or loss represent financial assets held for trading. At each balance sheet date subsequent to initial recognition, financial assets 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.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產

本集團之金融資產分為以下三個類別之一：包括透過損益按公平價值計算之金融資產、貸款及應收賬款及可供出售金融資產。所有金融資產之日常買賣於交易日確認及取消確認。日常買賣指須根據市場規則或慣例訂立之時間內付運資產之金融資產買賣。就各類別之金融資產所採納之會計政策載列如下。

##### *透過損益按公平價值計算之金融資產*

透過損益按公平價值計算本集團之金融資產即持作買賣之金融資產。於初步確認後之各結算日，透過損益按公平價值計算之金融資產乃按公平價值計算，而公平價值之變動乃於產生期間直接於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including amounts due from related companies, amounts due from associates, trade and other receivables, loan receivables, pledged bank deposits and bank balances) 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.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產 (續)

##### 貸款及應收賬款

貸款及應收賬款為附帶固定或可釐定付款之非衍生性質金融資產，而其在活躍市場並無報價。於初次確認後每一個結算日，貸款及應收賬款（包括應收關連公司款項、應收聯營公司款項、貿易及其他應收賬款、應收貸款、已抵押銀行存款及銀行結存）採用實際利率法按攤銷成本減任何已識別減值虧損列賬。倘有客觀證據顯示資產出現減值，則減值虧損會於損益確認，並按資產賬面值與按原實際利率折讓之估計未來現金流量之現值之差額計算。倘資產可收回金額之增幅能客觀地指出涉及確認減值後所發生之事件，則減值虧損會於其後期間撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時之原來應攤銷成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. 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 financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

##### Financial liabilities and equity

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

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

### 3. 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

可供出售金融資產為非衍生項目，並指定為可供出售財務資產或未有劃分為按公平價值計入損益賬之財務資產、貸款及應收款項及持有至到期日之投資。

就可供出售之股權投資而言，倘並無活躍市場之市價報價，而其公平價值未能可靠計算，則可供出售之股權投資於首次確認後之各個結算日按成本減任何已識別減值虧損計算。倘具備客觀證據顯示資產出現減值，則減值虧損於損益確認。減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折現之估計未來現金流量之現值間之差額計算。有關減值虧損將不會於往後期間撥回。

##### 金融負債及股權

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

股權工具為證明本集團資產剩餘權益（經扣除其所有負債）之任何合約。就金融負債及股權工具而採納之會計政策載列如下。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

##### Convertible notes

Convertible notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate 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 conversion 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 notes 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 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 profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融負債及股權 (續)

##### 可換股票據

本集團所發行之可換股票據包括負債及可換股期權部份於首次確認時須分別歸類為其各自之項目部份。倘可換股期權將透過以固定金額之現金或其他金融資產換取固定數目之本集團的股本工具而結算，則分類為股本工具。

於初步確認時，負債部份之公平價值乃按類似不可轉換債務之現行市場利率釐定。發行可換股票據之所得款項與轉往負債部份之公平價值之差額，可讓持有人將票據兌換為股權之可換股期權，應列入股本（可換股票據儲備）。

於往後期間，可換股票據之負債部份，乃採用實際利率法按攤銷成本列賬。股權部份，即可將負債部份兌換為本公司普通股之期權，將保留於可換股票據儲備，直至附設之期權獲行使為止，在此情況下，可換股票據儲備之結餘將轉移至股權溢價。倘期權於到期日尚未獲行使，可換股票據儲備之結餘將撥至保留溢利。期權兌換或到期時將不會於損益中確認任何收益或虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

##### *Convertible notes (Continued)*

Transaction costs that relate to the issue of the convertible 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 notes using the effective interest method.

##### *Other financial liabilities*

Other financial liabilities including trade and other payables, loans from related companies, amounts due to associates, amounts due to related companies, borrowings, and promissory note are subsequently measured at amortised cost, using the effective interest method.

##### *Equity instruments*

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

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融負債及股權 (續)

##### 可換股票據 (續)

交易成本乃按與發行可換股票據相關之所得款項之劃分比例分配至負債及股權部份。交易成本與股權部份相關乃直接計入股權內。交易成本與負債部份相關乃計入股權部份之賬面值，並按可換股票據之期限採用實際利率法攤銷。

##### 其他金融負債

其他金融負債包括貿易及其他應付賬款、關連公司貸款、應付聯營公司款項、應付關連公司款項、借貸及承兌票據採用實際利率法按攤銷成本計量。

##### 股本工具

由本公司發行之股本工具按收取之所得款項記錄，扣除直接發行成本。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (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 receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised 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 paid and payable is recognised in profit or loss.

##### Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 取消確認

若從資產收取現金流量之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部份風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收及應收之代價及已直接於股權確認之累計損益之總和之差額，將於損益中確認。

倘於有關合約之特定責任獲解除、取消或到期，金融負債將被取消確認。取消確認之金融負債賬面值與已付及應付之代價之差額乃於損益中確認。

##### 持作出售之非流動資產

倘非流動資產及出售業務之賬面值將主要透過銷售交易而非持續使用而收回，則分類為持作出售。在銷售極可能進行及資產（或出售業務）按現有狀況可即時出售之情況下，方始視作符合此項條件。

分類為持作出售之非流動資產（及出售業務）乃按資產（出售業務）以往賬面值及公平價值（以較低者為準）減出售成本計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is calculated at the actual or estimated selling price less related costs of marketing and selling.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

#### Impairment (other than goodwill)

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.

### 3. 主要會計政策 (續)

#### 持作出售物業

持作出售物業乃按成本及可變現淨值中之較低者列賬。可變現淨值乃按實際或估計售價減有關推廣及銷售成本計算。

#### 存貨

存貨以成本或可變現淨值兩者中之較低者列賬。成本乃按加權平均成本法計算。

#### 減值 (商譽除外)

本集團於各結算日審閱其資產之賬面值以確定是否有任何跡象表明該等資產存在減值虧損。倘預計一項資產之可收回金額低於其賬面值，則該項資產之賬面值應扣減至其可收回金額。減值虧損應立即確認為支出。

倘減值虧損於日後撥回，則該項資產之賬面值應增至其可收回金額已修訂後估值，惟所增加之賬面值不得超過假設該項資產於過往年度未出現減值虧損所釐定之賬面值。撥回之減值虧損可即時被確認為收入。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items 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 amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit 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 and associates, 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.

### 3. 主要會計政策 (續)

#### 稅項

所得稅支出指應付稅項及遞延稅項之總額。

本年度應付稅項乃按本年度之應課稅溢利計算。應課稅溢利與綜合收益表所載之溢利有別，此乃由於其不包括其他年度之應課稅及可扣減之收入或支出，亦不包括永不課稅或不可扣減之項目。本集團之即期稅項負債乃按結算日已制定或大致上制定之稅率計算。

遞延稅項指按資產負債表負債法，就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用之相關稅基產生之一切差異計算預期應付或可予撥回之稅項。遞延稅項負債一般就一切應課稅暫時差異而予以確認，而遞延稅項資產則按可抵銷可動用之可扣減暫時差異之未來應課稅溢利而予以確認。倘於交易時產生之商譽或初步確認資產及負債所產生之暫時差異（業務合併除外），概不影響應課稅溢利或會計溢利之情況下，遞延資產及負債則不會予以確認。

遞延稅項負債就於附屬公司及聯營公司之投資所產生之應課稅暫時差異而予以確認，惟本集團在可控制暫時差異之撥回以及暫時差異於可預見將來不可能撥回時之情況下除外。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation (Continued)

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 profit 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.

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### *The Group as lessor*

Rental income from operating leases is recognised in the consolidated income statement on a straight line basis over the term of the relevant lease.

### 3. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項資產之賬面值於各結算日均予以檢討，並減少至不可能再有充足應課稅溢利可容許撥回所有或部份有關資產。

遞延稅項按預期於償還負債或資產變現之期間適用之稅率計算。遞延稅項於收益表扣除或入賬，惟當與直接於股本扣除或入賬之項目有關之情況下，遞延稅項則同樣於股本中處理。

#### 租約

凡租約條款將租賃資產擁有權之絕大部分風險及利益撥歸於承租人之租約，均歸類為融資租約。所有其他租約均歸類為經營租約。

#### 本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法於綜合收益表內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Leasing (Continued)

##### *The Group as lessee*

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

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.

#### Borrowing costs

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

### 3. 主要會計政策 (續)

#### 租約 (續)

##### 本集團作為承租人

按融資租約持有之資產按租約開始時之公平價值或(倘為較低者)按最低租約付款之現值確認為本集團資產。出租人之相應負債於綜合資產負債表列作融資租約承擔。租約付款按比例於融資費用及減少租約承擔之間作出分配，從而使該等負債之應付餘額之息率固定。融資費用於損益中扣除。

經營租約之應付租金於有關租約期間按直線法於損益中扣除。作為促使訂立經營租約之已收及應收利益亦按租約期限以直線法分攤租金開支。

#### 借貸成本

所有借貸成本均於產生期間確認，且計入綜合收益表之融資成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated 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 re-translated.

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 re-translation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the re-translation 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.

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

### 3. 主要會計政策 (續)

#### 外幣

於編製每間個別集團實體的財務報表時，倘交易的貨幣（外幣）與實體的功能貨幣不同，則以其功能貨幣（實體經營業務的主要經濟環境）按交易日期適用的匯率換算入賬。於每個結算日，以外幣為面值的貨幣項目按結算日適用的匯率換算。外幣列值以公平價值入賬的非貨幣項目，按釐定公平價值日期適用匯率換算。惟外幣列值以歷史成本入賬的非貨幣項目則不予換算。

於結算及換算貨幣項目所產生的匯兌差異，於其產生期間在損益賬內確認。於再換算以公平價值入賬的非貨幣項目產生的匯兌差異則計入損益賬，惟因再換算有關收益及虧損直接於股本中確認的非貨幣項目時產生的差異則除外。於該情況下，其匯兌差異亦直接於股本中確認。

為呈列綜合財務報表的目的，本集團香港境外業務的資產及負債均以結算日適用匯率換算為本公司的呈列貨幣（即港元），而其收入及開支則以本年度平均匯率予以換算，除非期內外匯大幅波動，於此情況下，則按交易日期適用之匯率換算。產生的匯兌差異（如有）確認為一個股本的獨立構成部份（匯兌儲備）。該匯兌差異於該境外業務被出售期間於損益賬內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Retirement benefit costs

Payments to the Group's defined contribution retirement benefit plans, state-managed retirement benefit schemes and/or the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

#### Equity settled share-based payment transactions

*Share options granted to directors, employees and other eligible participants of the Group*

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 with a corresponding increase in equity (share options reserve).

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

Other eligible participants represent individuals who render services to the entity and the services rendered are similar to those rendered by employees.

### 3. 主要會計政策 (續)

#### 退休福利成本

本集團之定額供款退休福利計劃、國家管理退休福利計劃及/或強制性公積金計劃，該等計劃所作之供款於僱員提供服務而有權獲得有關供款時支銷。

#### 以股本結算的以股代款交易

向本集團董事、僱員及其他合資格參與者授出購股權

所獲取服務的公平價值乃參照所授出購股權於授出日期的公平價值而釐定，按歸屬期以直線法支銷，權益（購股權儲備）亦相應增加。

當購股權獲行使時，原先於購股權儲備內確認的款項將轉撥至股份溢價。當購股權於歸屬日期後失效或於屆滿日期仍未行使時，原先於購股權儲備內確認的款項將繼續於購股權儲備內持有。

其他合資格人士乃指向該實體提供服務之人士，所提供之服務與僱員所提供者相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

#### Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2006, the carrying amount of goodwill is HK\$44,213,000 (net of accumulated impairment loss of HK\$5,808,000). Details of the recoverable amount calculation are disclosed in note 20.

### 4. 估計不明朗因素之主要來源

在應用附註3所述之本集團會計政策的過程中，管理層曾作出以下對綜合財務報表內確認數額有重大影響的估計。有關未來之主要假設，以及於結算日估計不確定性的其他主要來源等重大風險，可能導致對下一財政年度資產負債賬面值作出重大調整，亦於下文討論。

#### 估計商譽減值

要釐定商譽是否出現減值須估計獲分配商譽之現金產生單位之使用價值。使用價值計算要求本集團估計預期產生自現金產生單位之日後現金流量及合適之折讓率以計算現值。倘若實際之日後現金流量較預期為少，則可能會出現重大減值虧損。於二零零六年十二月三十一日，商譽之賬面值為44,213,000港元（已扣除累計減值虧損5,808,000港元）。有關可收回金額計算之詳情，於附註20披露。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

(CONTINUED)

#### Depreciation of hotel properties

The Group's carrying amount of hotel properties as at 31 December 2006 was approximately HK\$1,569,933,000. The Group depreciates the hotel properties on a straight-line basis over their estimated useful lives. It reflects the directors' estimate of the periods that the Group intends to derive economic benefits from the use of the Group's hotel properties. During the year, the useful lives of the hotel properties have been reviewed, and these estimates are considered to be appropriate. Included in the above amount is a hotel property with a carrying amount of approximately HK\$219,720,000 of which a subsidiary of the Company has been granted the right to operate and manage the hotel in Guangzhou, the PRC for a period from January 1987 to January 2017, and subject to certain conditions to be fulfilled at the Company's discretion, the operating period may be extended for a further period of 20 years. Should the conditions not be fulfilled, the depreciation period of the hotel properties would be adjusted and up to January 2017 only. During the year, the estimated useful life of 40 years of this hotel property have been reviewed, and these estimates are considered to be appropriate.

#### Estimated impairment of trade and other receivables and loan receivables

In determining whether there is an objective evidence of impairment loss, the Group takes into consideration the estimation of its future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

### 4. 估計不明朗因素之主要來源 (續)

#### 酒店物業折舊

於二零零六年十二月三十一日本集團酒店物業之賬面值約為1,569,933,000港元。本集團以直線法按酒店物業之估計可使用年期折舊，乃反映董事於該期間內之估計，即本集團計劃從酒店物業之使用中可獲取之經濟利益。年內，已審核酒店物業之可使用年期，而該估計被認為恰當。上述總額包括一項帳面值約為219,720,000港元之酒店物業，而當中該所位於中國廣州的酒店由一九八七年一月至二零一七年一月期間之營運及管理權已授予本公司一附屬公司。惟按本公司酌情達到若干條件，該營運期間可額外延長二十年。倘未能達到條件，該酒店物業之折舊期會被調整至二零一七年一月止。於年內，本公司已審閱該酒店四十年之估計可使用年期，並認為該估計合適。

#### 估計貿易及其他應收賬款及應收貸款之減值

在釐定是否有客觀證據證明出現減值虧損時，本集團會考慮其估計之未來現金流。減值虧損金額以資產賬面值與估計未來現金流之現值兩者之差額計量（不包括未來並無產生之信貸虧損），並按金融資產之原定實際利率（即於初始確認時之實際利率）折現。倘實際未來現金流低於預期，則可能會產生重大減值虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 5. FINANCIAL INSTRUMENTS

#### a. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loan receivables, amounts due from associates, amounts due from related companies, trade and other payables, loans from related companies, obligations under finance leases, borrowings, convertible notes and promissory note. 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.

##### *Currency risk*

Several subsidiaries of the Company have sales and trade receivables denominated in foreign currencies, which expose the Group to foreign currency risk. The Group's exposure to foreign currency risk is minimal and currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

##### *Fair value interest rate risk*

The Group's fair value interest rate risks relate primarily to fixed-rate convertible notes. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

### 5. 金融工具

#### a. 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貿易賬項及其他應收賬項、應收貸款、應收聯營公司款項、應收關連公司款項、貿易賬項及其他應付賬項、關連公司之貸款、融資租約承擔、借款、可換股票據及承兌票據。此等金融工具詳情分別於各有關附註披露。此等金融工具之相關風險及減低風險之政策載述如下。管理層負責管理及監察此等風險，以確保能適時及有效地採取適當措施。

##### *貨幣風險*

本公司多間附屬公司均有以外幣計值之銷售及貿易應收賬款，本集團因此而承受外匯風險。本集團承受外匯風險極少，而現時並沒有對沖外匯之政策。然而，管理層有對外匯風險進行監管，並會考慮在有需要時對沖重大外匯風險。

##### *公平價值利率風險*

本集團之公平價值利率風險主要涉及定息可換股票據。本集團現時並沒有任何利率對沖政策。然而，管理層有對利率風險進行監管，並會考慮在有需要時對沖重大利率風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (CONTINUED)

#### a. Financial risk management objectives and policies (Continued)

##### *Cash flow interest rate risk*

The Group's cash flow interest rate risk relates primarily to variable-rate bank borrowings, that exposed the Group to cash flow interest rate risk. It is the Group's policy to arrange borrowings at floating rate to minimize fair value risk.

The Group's bank balances are carried at prevailing market rate, that exposed the Group to cash flow interest rate risk. However, such exposure is minimal to the Group as the bank balances are all short-term in nature.

##### *Credit risk*

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk for bank deposits and bank balances exposed is considered minimal as such amounts are placed with banks with good credit ratings.

### 5. 金融工具 (續)

#### a. 財務風險管理目標及政策 (續)

##### 現金流量利率風險

本集團之現金流量利率風險主要與浮息銀行借貸有關，集團因此面對現金流量利率風險。本集團以浮動利率借貸的政策減低公平價值風險。

本集團之銀行結餘按市場利率結算，令本集團須承受現金流量利率風險。惟本集團之銀行結餘均屬短期，所面對之風險已減至最小。

##### 信貸風險

倘對方未能履行於二零零六年十二月三十一日有關各類已確認金融資產之責任，則本集團所承擔之最高信貸風險為綜合資產負債表所列之該等資產之賬面值。為減低信貸風險，本集團之管理層已委派一小組，負責釐定信貸限額、信貸批核及進行其他監察程序，以確保已採取跟進措施，收回逾期債項。此外，本集團亦審核各個貿易債項於各結算日之可收回金額，以確保已就不能收回金額提撥充足減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅減低。

由於銀行存款及銀行結餘存放於擁有良好信貸評級之銀行，因此該等款額之信貸風險被視為極低。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 5. FINANCIAL INSTRUMENTS (CONTINUED)

#### a. Financial risk management objectives and policies (Continued)

##### *Price risk*

The Group is exposed to equity security price risk through its available-for-sale investments and held-for-trading investments. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group currently does not have a hedging policy and will consider hedging significant equity security price change should the need arise.

#### b. Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices;
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

The Group's available-for-sale investments and held-for-trading investments are measured at fair value. The directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

### 5. 金融工具 (續)

#### a. 財務風險管理目標及政策 (續)

##### 價格風險

本集團可供出售投資及持作買賣之投資承受證券權益價格的風險。管理層透過持有一個不同風險之投資組合，以管理此風險。本集團現時並無任何對沖政策，並將於有需要時考慮對沖重大證券權益價格變動風險。

#### b. 公平價值

金融資產及金融負債之公平價值釐定如下：

- 受標準條款及條件規管及於活躍流動市場交易之金融資產之公平價值乃參考市價報價釐定。
- 其他金融資產及金融負債之公平價值按公認定價模型，以可知當前市場交易價格進行折算現金流量分析釐定；及

本集團之可供出售投資及持作買賣投資乃以公平值計算。董事認為於綜合財務報表以攤銷成本記錄之所有其他金融資產及金融負債之賬面值與其公平值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 6. TURNOVER

Turnover represents the amounts received and receivable from outside customers, less trade discounts and returns during the year. An analysis of the Group's turnover is as follows:

### 6. 營業額

營業額指於年內已收及應收外間客戶之賬款減貿易折扣及退款。本集團營業額之分析如下：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Travel and related services	旅遊及相關服務	1,740,656	1,591,962
Hotel and leisure services	酒店及休閒服務	251,698	223,756
		<u>1,992,354</u>	<u>1,815,718</u>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 7. BUSINESS AND GEOGRAPHICAL SEGMENTS

#### Business segments

During the year, for management purposes, the Group was organised into two operating divisions – travel and related services, and hotel and leisure services. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented as follows:

### 7. 業務及地域分類

#### 業務分類

於年內，為方便管理起見，本集團已分為兩個業務部門，分別為旅遊及相關服務與酒店及休閒服務。該等部門乃本集團報告其主要分類資料之基準。

該等業務之分類資料呈列如下：

		Travel and related services HK\$'000 旅遊及相關服務 千港元	Hotel and leisure services HK\$'000 酒店及休閒服務 千港元	Elimination HK\$'000 對銷 千港元	Consolidated HK\$'000 綜合 千港元
<b>For the year ended 31 December 2006</b>	<b>截至二零零六年十二月三十一日止年度</b>				
<b>Turnover</b>	<b>營業額</b>				
External sales	對外銷售	1,740,656	251,698	–	1,992,354
Inter-segment sales	類別間銷售	–	168	(168)	–
Total	合計	1,740,656	251,866	(168)	1,992,354
Inter-segment sales are charged at prevailing market price.	類別間銷售按適用市價扣除。				
<b>Results</b>	<b>業績</b>				
Segment results	分類業績	16,956	40,923	–	57,879
Interest income	利息收入				31,789
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之已確認減值虧損				(19,902)
Impairment loss recognised in respect of goodwill arising from acquisition of subsidiaries	收購附屬公司產生之商譽之已確認減值虧損	(5,808)	–	–	(5,808)
Decrease in fair value of investments held for trading	持作買賣投資之公平價值減少				(7,172)
Unallocated corporate expenses	未分配企業開支				(39,412)
Finance costs	融資成本				(98,650)
Share of results of associates	應佔聯營公司之業績	(4,771)	4,752	–	(19)
Loss before taxation	除稅前虧損				(81,295)
Taxation credit	稅項撥回				1,891
Loss for the year	本年度虧損				(79,404)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

#### Business segments (Continued)

### 7. 業務及地域分類 (續)

#### 業務分類 (續)

		Travel and related services HK\$'000 旅遊及相關服務 千港元	Hotel and leisure services HK\$'000 酒店及休閒服務 千港元	Consolidated HK\$'000 綜合 千港元
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>			
<b>ASSETS</b>	<b>資產</b>			
Segment assets	分類資產	587,780	1,981,913	2,569,693
Interest in associates	於聯營公司之權益	74,034	–	74,034
Unallocated corporate assets	未分配企業資產			1,191,155
Consolidated total assets	綜合資產總值			3,834,882
<b>LIABILITIES</b>	<b>負債</b>			
Segment liabilities	分類負債	252,814	58,947	311,761
Unallocated corporate liabilities	未分配企業負債			1,836,334
Consolidated total liabilities	綜合負債總額			2,148,095
<b>OTHER INFORMATION</b>	<b>其他資料</b>			
Allowance for irrecoverable trade debts	不可收回貿易債項之撥備	737	–	737
Capital additions	資本性增加	6,651	11,033	17,684
Depreciation of property, plant and equipment	物業、機器及設備之折舊	6,843	46,069	52,912
(Gain) loss on disposal of property, plant and equipment	出售物業、機器及設備之(收益)虧損	(18)	2,962	2,944
Impairment loss in respect of properties under construction	在建物業之減值虧損	–	3,800	3,800
Impairment loss recognised in respect of goodwill arising from acquisition of subsidiaries	收購附屬公司產生之商譽之已確認減值虧損	5,808	–	5,808

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

#### Business segments (Continued)

### 7. 業務及地域分類 (續)

#### 業務分類 (續)

		Travel and related services HK\$'000 旅遊及相關服務 千港元	Hotel and leisure services HK\$'000 酒店及休閒服務 千港元	Elimination HK\$'000 對銷 千港元	Consolidated HK\$'000 綜合 千港元
<b>For the year ended</b>	<b>截至二零零五年</b>				
<b>31 December 2005</b>	<b>十二月三十一日止年度</b>				
<b>Turnover</b>	<b>營業額</b>				
External sales	對外銷售	1,591,962	223,756	–	1,815,718
Inter-segment sales	類別間銷售	–	1,264	(1,264)	–
Total	合計	1,591,962	225,020	(1,264)	1,815,718
Inter-segment sales are charged at prevailing market price. 類別間銷售按適用市價扣除。					
<b>Results</b>	<b>業績</b>				
Segment results	分類業績	56,427	28,249	–	84,676
Interest income	利息收入				4,722
Discount on acquisition of subsidiaries	收購附屬公司之折讓	–	34,574	–	34,574
Gain on fair value change on derivative financial instruments	衍生金融工具之公平價值變動收益				5,650
Increase in fair value of investment property	投資物業之公平價值增加				619
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之已確認減值虧損				(1,167)
Decrease in fair value of investments held for trading	持作買賣投資之公平價值減少				(14,761)
Unallocated corporate expenses	未分配企業開支				(29,640)
Finance costs	融資成本				(59,376)
Share of results of associates	應佔聯營公司之業績	(396)	8,402	–	8,006
Loss on partial disposal of subsidiaries	出售附屬公司部份權益之虧損	–	(3,177)	–	(3,177)
Profit before taxation	除稅前溢利				30,126
Taxation credit	稅項撥回				2,108
Profit for the year	本年度溢利				32,234



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

#### Business segments (Continued)

### 7. 業務及地域分類 (續)

#### 業務分類 (續)

		Travel and related services HK\$'000 旅遊及相關服務 千港元	Hotel and leisure services HK\$'000 酒店及休閒服務 千港元	Consolidated HK\$'000 綜合 千港元
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>			
<b>ASSETS</b>	<b>資產</b>			
Segment assets	分類資產	444,016	1,792,339	2,236,355
Interest in associates	於聯營公司之權益	20,823	199,599	220,422
Unallocated corporate assets	未分配企業資產			574,846
Consolidated total assets	綜合資產總值			3,031,623
<b>LIABILITIES</b>	<b>負債</b>			
Segment liabilities	分類負債	279,116	57,546	336,662
Unallocated corporate liabilities	未分配企業負債			1,280,917
Consolidated total liabilities	綜合負債總額			1,617,579
<b>OTHER INFORMATION</b>	<b>其他資料</b>			
Capital additions	資本性增加	24,672	6,761	31,433
Goodwill arising from acquisition of subsidiaries	收購附屬公司產生之商譽	647	–	647
Depreciation of property, plant and equipment	物業、機器及設備之折舊	6,088	54,655	60,743
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	175	305	480
Allowance for irrecoverable trade debts	不可收回貿易債項撥備	476	–	476

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

#### Geographical segments

Over 90% of the Group's revenue were derived from Hong Kong. The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the services:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
The People's Republic of China (excluding Hong Kong) (the "PRC")	中華人民共和國 (不包括香港) (「中國」)	163,606	138,583
Hong Kong	香港	1,795,216	1,650,598
Others	其他	33,532	26,537
		1,992,354	1,815,718

The analysis of carrying amount of segment assets and additions to property, plant and equipment and goodwill by the geographical area in which the assets are located is as follows:

### 7. 業務及地域分類 (續)

#### 地域分類

本集團90%以上之收入源自香港，以下列表提供本集團按地區市場所得收入之分析，當中並無理會服務來源地。

分類資產賬面值及物業、機器及設備及商譽之添置按資產所處之地區分析如下：

		Carrying amount of segment assets		Additions to property, plant and equipment and goodwill	
		2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
		二零零六年 千港元	二零零五年 千港元	二零零六年 千港元	二零零五年 千港元
		分類資產之賬面值		物業、機器及設備及 商譽之添置	
The PRC (excluding Hong Kong)	中國(不包括香港)	1,009,589	1,338,420	8,656	2,262
Hong Kong	香港	1,181,256	731,624	8,997	28,855
South-east Asia	東南亞	354,160	141,224	10	925
Japan and Korea	日本及韓國	22,551	23,771	-	-
Others	其他	2,137	1,316	21	38
		2,569,693	2,236,355	17,684	32,080

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 8. OTHER INCOME

### 8. 其他收入

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
An analysis of the Group's other income is as follows:	本集團之其他收入分析如下:		
Exchange gain	匯兌收益	92	81
Interest income	利息收入	31,789	4,722
Sundry income	雜項收入	5,571	3,394
Income on sales of computer systems for online travel reservation and communication software	銷售用作網上旅遊預訂之電腦系統及通訊軟件之收入	-	12,218
		37,452	20,415

### 9. FINANCE COSTS

### 9. 融資成本

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Interest on obligations under finance leases	融資租約承擔之利息	16	18
Interest on borrowings wholly repayable within five years	須於五年內全數償還借貸之利息	40,949	41,386
Effective interest on convertible notes	可換股票據之實計利息	41,663	1,982
Interest on promissory note	承兌票據利息	16,022	15,990
Total finance costs	總融資成本	98,650	59,376

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 10. (LOSS) PROFIT BEFORE TAXATION

### 10. 除稅前(虧損)溢利

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
(Loss) profit before taxation has been arrived at after charging:	除稅前(虧損)溢利已扣除下列支出:		
Allowance for irrecoverable trade debts	不可收回貿易債項撥備	737	476
Auditors' remuneration	核數師酬金	4,175	4,644
Cost of inventories recognised as expenses	已確認為支出之存貨成本	26,794	21,768
Depreciation on:	折舊:		
Owned assets	自置資產	52,875	60,533
Assets held under finance leases	以融資租約持有之資產	37	210
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	2,944	480
Minimum lease payments paid in respect of rented premises and equipment	已付租賃物業及設備之最低租金付款	23,711	14,190
Share of tax of associates (included in share of results of associates)	應佔聯營公司稅項 (包括於應佔聯營公司業績內)	(1)	61
Staff costs *	僱員成本*	149,964	135,399
and after crediting:	並已計入:		
Rental income from investment property and premises within the hotel properties less outgoings of HK\$538,000 (2005: HK\$495,000)	扣除538,000港元支出 (二零零五年:495,000港元)後 之投資物業及酒店物業內 之物業之租金收入	14,180	15,218
Rental income from motor vehicles	汽車之租金收入	-	388

\* The amount includes retirement benefit scheme contributions (net of forfeiture) of HK\$7,334,000 (2005: HK\$6,908,000).

\* 該金額包括退休福利計劃供款(扣除被沒收之供款)7,334,000港元(二零零五年:6,908,000港元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 11. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES

Details of emoluments paid by the Group to each of the directors are as follows:

For the year ended 31 December 2006

### 11. 董事酬金及最高薪酬僱員

本集團支付予各董事之酬金詳情如下：

截至二零零六年十二月三十一日止年度

		Fees HK\$'000 袍金 千港元	Salaries and other benefits HK\$'000 薪金及 其他福利 千港元	Share- based payments HK\$'000 以股份 支付款項 千港元	Retirement benefit scheme contributions HK\$'000 退休福利 計劃供款 千港元	Total emoluments HK\$'000 總酬金 千港元
Executive directors:	執行董事：					
Mr. Yu Kam Kee, Lawrence <i>B.B.S., M.B.E., J.P.</i>	余錦基先生 <i>B.B.S., M.B.E., J.P.</i>	–	–	818	–	818
Mr. Cheung Hon Kit	張漢傑先生	–	–	818	–	818
Dr. Yap, Allan	Yap, Allan博士	–	–	818	–	818
Mr. Chan Pak Cheung, Natalis	陳百祥先生	–	–	307	–	307
Mr. Lui Siu Tsuen, Richard	呂兆泉先生	–	–	941	–	941
Ms. Luk Yee Lin, Ellen	陸綺蓮女士	–	251	–	4	255
Non-executive director:	非執行董事：					
Mr. Chan Yeuk Wai	陳若偉先生	–	600	–	4	604
Independent non-executive directors:	獨立非執行董事：					
Mr. Kwok Ka Lap, Alva	郭嘉立先生	–	31	102	–	133
Mr. Sin Chi Fai	冼志輝先生	51	–	102	–	153
Mr. Wong King Lam, Joseph	黃景霖先生	50	–	–	–	50
		101	882	3,906	8	4,897

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 11. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES (CONTINUED)

### 11. 董事酬金及最高薪酬僱員(續)

For the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

		Fees HK\$'000 袍金 千港元	Salaries and other benefits HK\$'000 薪金及 其他福利 千港元	Retirement benefit scheme contributions HK\$'000 退休福利 計劃供款 千港元	Total emoluments HK\$'000 總酬金 千港元
Executive directors:	執行董事:				
Mr. Yu Kam Kee, Lawrence <i>B.B.S., M.B.E., J.P.</i>	余錦基先生 <i>B.B.S., M.B.E., J.P.</i>	—	—	—	—
Mr. Cheung Hon Kit	張漢傑先生	—	1,265	5	1,270
Dr. Yap, Allan	Yap, Allan博士	—	—	—	—
Mr. Chan Pak Cheung, Natalis	陳百祥先生	—	—	—	—
Mr. Lui Siu Tsuen, Richard	呂兆泉先生	—	—	—	—
Ms. Luk Yee Lin, Ellen	陸綺蓮女士	—	664	12	676
Non-executive director:	非執行董事:				
Mr. Chan Yeuk Wai	陳若偉先生	—	1,800	12	1,812
Independent non-executive directors:	獨立非執行董事:				
Mr. Kwok Ka Lap, Alva	郭嘉立先生	—	39	—	39
Mr. Sin Chi Fai	冼志輝先生	47	—	—	47
Mr. Wong King Lam, Joseph	黃景霖先生	50	—	—	50
		97	3,768	29	3,894

No directors waived any emoluments in the years ended 31 December 2005 and 2006.

截至二零零五及二零零六年十二月三十一日止年度，概無任何董事放棄任何酬金。

Note: The directors' salaries and other benefits include the operating lease rentals amounting to nil (2005: HK\$500,000) in respect of rented premises provided to directors. The amounts were also included in the minimum lease payments paid in respect of rented premises under note 10 above.

附註：董事薪金及其他福利包括就向董事提供租賃物業之經營租約租金為無(二零零五年：500,000港元)，此筆款項亦已包括在上文附註10有關租賃物業之已付最低租金付款內。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 11. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES (CONTINUED)

Of the five highest paid employees in the Group, none (2005: two) were directors of the Company whose emoluments are set out above. Details of emoluments paid by the Group to the five highest paid individuals are as follows:

### 11. 董事酬金及最高薪酬僱員 (續)

本集團支付予五位最高薪的僱員中，並沒有(二零零五年：兩位)本公司董事(其酬金呈列於上表)。本集團支付予五位最高薪人士，其酬金詳情載於下文：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Salaries and other benefits	薪金及其他福利	6,672	7,127
Retirement benefit scheme contributions	退休福利計劃供款	158	141
Share-based payment	以股份支付	1,381	–
		<b>8,211</b>	<b>7,268</b>
		2006 二零零六年	2005 二零零五年
Emoluments of the five highest paid individuals were within the following bands:	以下為五位最高薪人士之酬金組別：		
Nil – HK\$1,000,000	零至1,000,000港元	–	–
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	3	3
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至2,000,000港元	1	2
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元	–	–
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至3,000,000港元	1	–
Number of directors	董事數目	–	2
Number of employees	僱員數目	5	3
		<b>5</b>	<b>5</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 12. TAXATION CREDIT

Underprovision for taxation in other jurisdictions in prior years	於過往年度其他司法權區稅項 之撥備不足
Deferred tax (note 37)	遞延稅項(附註37)
Taxation credit	稅項撥回

No provision for Hong Kong Profits Tax has been made as the Company or its subsidiaries either have no assessable profit for the year or the estimated assessable profits were wholly absorbed by tax losses brought forward.

Taxation for other jurisdictions represents underprovision for taxation in prior years. No provision for overseas taxation has been made as the Group has no taxable profit during the years ended 31 December 2005 and 2006 in other jurisdictions.

### 12. 稅項撥回

2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
(55)	(63)
<b>1,946</b>	2,171
<b>1,891</b>	2,108

由於本公司或其附屬公司於年內並無任何應課稅溢利或估計應課稅溢利已被全數計入稅項虧損結轉，故並無作出香港利得稅撥備。

其他司法權區之稅項指過往年度稅項之撥備不足。由於本集團於截至二零零五年及二零零六年十二月三十一日止年度內在其他司法權區並無應課稅溢利，故並無就海外稅項作出撥備。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 12. TAXATION CREDIT (CONTINUED)

Taxation credit for the year can be reconciled to the (loss) profit before taxation per the consolidated income statement as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
(Loss) profit before taxation	除稅前(虧損)溢利	<b>(81,295)</b>	30,126
Tax at the domestic income tax rate of 17.5% (2005: 17.5%)	按本地利得稅率17.5% (二零零五年:17.5%)計算之稅項	<b>14,227</b>	(5,272)
Tax effect of share of results of associates	應佔聯營公司業績之稅務影響	<b>(3)</b>	1,401
Tax effect of expenses that are not deductible in determining taxable profit	於釐定應課稅溢利時不可扣減 之開支之稅務影響	<b>(29,891)</b>	(13,706)
Tax effect of income that is not taxable in determining taxable profit	於釐定應課稅溢利時毋須課稅 之收入之稅務影響	<b>14,155</b>	12,688
Tax effect of tax losses not recognised	未確認之稅務虧損之稅務影響	<b>(14,859)</b>	(7,965)
Tax effect of tax losses utilised but not previously recognised	已動用但之前未確認之稅務虧損 之稅務影響	<b>10,489</b>	13,548
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司 不同稅率之影響	<b>7,828</b>	1,477
Underprovision in prior years	過往年度之撥備不足	<b>(55)</b>	(63)
Taxation credit for the year	本年度之稅項撥回	<b>1,891</b>	2,108

### 12. 稅項撥回(續)

本年度之稅項撥回可與綜合收益表之除稅前(虧損)溢利進行對賬如下:

### 13. DIVIDENDS

Dividend recognised as distribution during the year:

Interim – Nil cent per share  
(2005: HK2 cents)

Final – dividend for 2005 of HK1.5 cents per share (2005: Nil)

確認為年內分派之股息:

中期股息 – 每股零港仙  
(二零零五年:每股2港仙)

末期股息 – 二零零五年股息  
每股1.5港仙(二零零五年:無)

### 13. 股息

2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
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–	8,752
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<b>9,188</b>	–
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# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 13. DIVIDENDS (CONTINUED)

The final dividend of HK1.5 cents per share amounting to HK\$9,159,000 has been proposed by the directors and is subject to the approval of the shareholders in general meeting. The Company proposes that a scrip dividend option will be offered to all shareholders.

### 14. (LOSS) EARNINGS PER SHARE

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

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
(Loss) earnings for the purpose of basic (loss) earnings per share attributable to shareholders of the parent	用作計算母公司股東應佔 每股基本(虧損)盈利 之(虧損)盈利	<b>(71,748)</b>	31,109
		<b>Number of shares</b> 股份數目	
		2006 二零零六年	2005 二零零五年
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	用作計算 每股基本(虧損)盈利 之普通股加權平均數	<b>556,934,054</b>	418,541,133

Note: The calculation of diluted (loss) earnings per share for the year ended 31 December 2006 and 2005 has not assumed the conversion of the Company's convertible notes and the exercise of share options, which would decrease the loss per share and increase the earnings per share, respectively.

### 13. 股息(續)

董事建議派發末期股息每股1.5港仙，為數9,159,000港元，惟須經股東於股東大會上批准。本公司建議向全體股東提呈以股代息選擇權。

### 14. 每股(虧損)盈利

每股基本(虧損)盈利乃按下列數據計算：

附註：截至二零零六年及二零零五年十二月三十一日止年度每股攤薄(虧損)盈利之計算並無假設兌換本公司之可換股票據及行使購股權，上述兩項將會分別導致每股虧損減少及每股盈利增加。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、機器及設備

		Leasehold land and buildings	Hotel properties	Properties under con- struction	Furniture and fixtures	Leasehold improve- ments	Motor vehicles	Office equipment and machinery	Vessels	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		租賃 土地及樓宇	酒店物業	在建物業	傢俬 及裝置	租賃 物業裝修	汽車	辦公室 設備及機器	船隻	合計
		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
<b>COST</b>	<b>成本</b>									
At 1 January 2005	於二零零五年一月一日	38,025	1,604,752	46,728	55,000	31,480	2,979	23,306	6,467	1,808,737
Currency realignment	幣值調整	-	20,363	-	910	518	82	1,378	-	23,251
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	393	-	1,000	-	1,393
Additions	添置	-	-	-	4,674	5,470	5,921	2,593	11,382	30,040
Disposals	出售	-	-	-	(3,040)	(30)	(1,925)	(1,134)	(153)	(6,282)
At 31 December 2005	於二零零五年十二月三十一日	38,025	1,625,115	46,728	57,544	37,831	7,057	27,143	17,696	1,857,139
Currency realignment	幣值調整	-	42,471	-	1,880	1,253	211	3,001	-	48,816
Disposal of subsidiaries	出售附屬公司	-	-	-	-	(37)	-	(44)	-	(81)
Additions	添置	-	-	-	3,993	9,753	1,846	2,006	86	17,684
Disposals	出售	-	-	-	(7,110)	(3,055)	(1,280)	(1,743)	-	(13,188)
Reclassified to assets classified as held for sale	重新分類為持作出售的資產	(4,800)	-	-	(36)	-	-	-	-	(4,836)
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>33,225</b>	<b>1,667,586</b>	<b>46,728</b>	<b>56,271</b>	<b>45,745</b>	<b>7,834</b>	<b>30,363</b>	<b>17,782</b>	<b>1,905,534</b>
<b>DEPRECIATION AND IMPAIRMENT</b>	<b>折舊及減值</b>									
At 1 January 2005	於二零零五年一月一日	21,566	30,119	9,228	13,509	4,631	682	14,664	5,656	100,055
Currency realignment	幣值調整	-	1,502	-	711	86	60	1,027	-	3,386
Provided for the year	本年度撥備	364	30,119	-	15,718	7,565	1,200	5,343	434	60,743
Reversal of impairment loss in the income statement (note (c))	減值虧損撥回收益表 (附註(c))	(4,874)	-	(900)	-	-	-	-	-	(5,774)
Eliminated on disposals	出售時撇除	-	-	-	(2,734)	(19)	(230)	(1,053)	(95)	(4,131)
At 31 December 2005	於二零零五年十二月三十一日	17,056	61,740	8,328	27,204	12,263	1,712	19,981	5,995	154,279
Currency realignment	幣值調整	-	4,223	-	1,504	408	140	2,347	-	8,622
Provided for the year	本年度撥備	478	31,690	-	4,852	8,817	1,462	4,947	666	52,912
(Reversal of) impairment loss in the income statement (note (c))	(撥回) 減值虧損收益表 (附註(c))	(894)	-	3,800	-	-	-	-	-	2,906
Eliminated on disposals	出售時撇除	-	-	-	(4,278)	(2,887)	(404)	(1,676)	-	(9,245)
Eliminated on disposal of subsidiaries	出售附屬公司時撇除	-	-	-	-	(6)	-	(6)	-	(12)
Reclassified to assets classified as held for sale	重新分類為持作出售資產	(2,300)	-	-	(2)	-	-	-	-	(2,302)
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>14,340</b>	<b>97,653</b>	<b>12,128</b>	<b>29,280</b>	<b>18,595</b>	<b>2,910</b>	<b>25,593</b>	<b>6,661</b>	<b>207,160</b>
<b>CARRYING VALUES</b>	<b>賬面值</b>									
At 31 December 2006	於二零零六年十二月三十一日	18,885	1,569,933	34,600	26,991	27,150	4,924	4,770	11,121	1,698,374
At 31 December 2005	於二零零五年十二月三十一日	20,969	1,563,375	38,400	30,340	25,568	5,345	7,162	11,701	1,702,860

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a straight line basis at the following rates per annum:

Leasehold land and buildings	Over the remaining unexpired terms of the leases
Hotel properties	Over the remaining unexpired terms of the leases
Furniture and fixtures	10% – 20%
Leasehold improvements	10% – 20% or the term of the lease or land use rights, if shorter
Motor vehicles	20%
Office equipment and machinery	20%
Vessels	5%

An analysis of the properties of the Group held at the balance sheet date is as follows:

### 15. 物業、機器及設備 (續)

以上物業、機器及設備項目乃按直線基準以下列年率折舊：

租賃土地及樓宇	按租約剩餘年期
酒店物業	按租約剩餘年期
傢俬及裝置	10%-20%
租賃物業裝修	10%-20% (或租賃或土地使用權之年期, 以較短者為準)
汽車	20%
辦公室設備及機器	20%
船隻	5%

本集團於結算日所持有之物業分析如下：

		Leasehold land and buildings		Hotel properties		Properties under construction	
		2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		租賃土地及樓宇	租賃土地及樓宇	酒店物業	酒店物業	在建物業	在建物業
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		千港元	千港元	千港元	千港元	千港元	千港元
Long leases in Hong Kong	於香港之長期租約	<b>13,865</b>	16,879	<b>609,202</b>	614,856	–	–
Medium term leases in Hong Kong	於香港之中期租約	<b>5,020</b>	4,090	–	–	–	–
Medium term leases in the PRC (note b)	於中國之中期租約 (附註 b)	–	–	<b>960,731</b>	948,519	<b>34,600</b>	38,400
		<b>18,885</b>	20,969	<b>1,569,933</b>	1,563,375	<b>34,600</b>	38,400

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

- (a) Included in the hotel properties at the balance sheet date is a hotel property with a carrying value of HK\$145,415,000 (2005: HK\$142,195,000) situated in Luoyang, the PRC and held under a medium term land use rights. The land use rights of the hotel property is currently held by Luoyang Power Supply Bureau, a minority shareholder of the subsidiary holding the hotel property. Pursuant to a land use rights agreement entered into between Luoyang Power Supply Bureau and the subsidiary on 15 April 1999 (before the Group acquired the said subsidiary in 2004), Luoyang Power Supply Bureau agreed to permit the said subsidiary to use the land use rights of the hotel property for a term commencing from April 1999 to April 2049 for hotel use.
- (b) Included in the hotel properties held under medium term leases in the PRC of HK\$960,731,000 (2005: HK\$948,519,000) is a hotel property with a carrying value of approximately HK\$219,720,000 (2005: HK\$210,860,000) of which a subsidiary of the Company has been granted the right to operate and manage the hotel in Guangzhou, the PRC for a period from January 1987 to January 2017, and subject to certain conditions to be fulfilled at Company's discretion, the operating period may be extended for a further period of 20 years.
- (c) The directors reviewed the carrying amounts of its property, plant and equipment as at 31 December 2006 and identified that the value of properties under construction was impaired and value of certain properties has increased (2005: the value of properties under construction and certain properties was increased). Accordingly, the carrying amounts of properties under construction and properties were stated to their recoverable amounts.

The carrying value of motor vehicles, and office equipment and machinery of the Group held under finance leases as at 31 December 2006 was HK\$99,000 (2005: HK\$137,000).

### 15. 物業、機器及設備 (續)

附註:

- (a) 於結算日之酒店物業包括於中國洛陽市賬面值達145,415,000港元(二零零五年:142,195,000港元)之酒店物業,該項物業乃按中期租約土地使用權持有。該酒店土地使用權現時由持有該酒店物業之附屬公司之少數股東洛陽市電業局持有。根據洛陽市電業局及該附屬公司於一九九九年四月十五日訂立之土地使用權協議(於本集團在二零零四年收購該附屬公司前),洛陽市電業局同意批准上述附屬公司使用該酒店物業之土地使用權,為期由一九九九年四月至二零四九年四月,以作酒店用途。
- (b) 於中國以中期租約持有之960,731,000港元(二零零五年:948,519,000港元)酒店物業包括一間賬面值約219,720,000港元(二零零五年:210,860,000港元)之酒店物業,而本公司之附屬公司獲授該間位於中國廣州市之酒店之經營及管理權,為期一九八七年一月至二零一七年一月,而在若干本公司須予達成之條件規限下,經營期可進一步延長二十年。
- (c) 董事已檢討於二零零六年十二月三十一日物業、機器及設備之賬面值,並確定在建物業價值已減值及若干物業之價值有所增加(二零零五年:在建物業及若干物業之價值有所增加)。因此,在建物業及物業之賬面值已按其可收回金額列賬。

於二零零六年十二月三十一日,本集團以融資租約持有之汽車、辦公室設備及機器之賬面值為99,000港元(二零零五年:137,000港元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation expenses on hotel properties of HK\$31,690,000 (2005: HK\$30,119,000) are included in administrative expenses during the year.

The Group did not lease motor vehicles to outsiders to earn rental income as at 31 December 2006. The carrying value of motor vehicles of the Group leased to outsiders to earn rental income as at 31 December 2005 was HK\$703,000.

### 16. INVESTMENT PROPERTY

Fair value of investment property:	投資物業之公平價值：
At beginning of the year	於年初
Increase in fair value	公平價值增加
Reclassified as held for sale	重新分類為持作出售
At end of the year	於年底

On 13 July 2005, the Group entered into a sale agreement to dispose of the investment property. The disposal was completed on 20 January 2006, and there was no material difference between the fair value of investment property at 31 December 2005 and its fair value at 20 January 2006 on which date the beneficial ownership was passed to the acquirer.

The investment property of the Group was held under freehold land outside Hong Kong.

### 15. 物業、機器及設備 (續)

酒店物業的折舊開支31,690,000港元(二零零五年:30,119,000港元)已包括於年內的行政開支。

於二零零六年十二月三十一日,本集團並沒有向外界人士出租汽車以賺取租金收入。於二零零五年十二月三十一日,本集團向外界人士出租汽車以賺取租金收入之汽車之賬面值為703,000港元。

### 16. 投資物業

2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
–	3,400
–	619
–	(4,019)
–	–

於二零零五年七月十三日,本集團訂立一份銷售協議,以出售投資物業。有關出售事項已於二零零六年一月二十日完成,當中於二零零五年十二月三十一日及二零零六年一月二十日投資物業之公平價值並沒有明顯分別。投資物業之實益擁有權亦於該日轉移至買家。

本集團擁有該投資物業之永久業權,並於香港以外持有。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 17. INTEREST IN ASSOCIATES

### 17. 於聯營公司之權益

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Cost of investments in associates	於聯營公司之投資成本		
Listed and traded on the Pink Sheet in the United States of America	於美國粉紅價單 上市及買賣	<b>57,982</b>	–
Unlisted	非上市	<b>14,786</b>	219,137
Share of post-acquisition reserves	應佔收購後儲備	<b>1,266</b>	1,285
		<b>74,034</b>	220,422

Particulars of the Group's associates as at 31 December 2006 are as follows:

本集團之聯營公司於二零零六年十二月三十一日之詳情如下：

Name of associate 聯營公司名稱	Form of business structure 業務架構形式	Place of incorporation and operation 註冊成立及營業地點	Issued and paid up share capital/registered capital '000 已發行及已繳足股本/註冊資本 千元	Proportion of issued/registered capital held by the Group 2006 2005 本集團持有已發行/註冊資本比率 二零零六年 二零零五年		Principal activities 主要業務
Ananda Travel Service (Aust.) Pty. Limited	Limited liability company	Australia	A\$400	40%	40%	Travel and related services
Ananda Travel Service (Aust.) Pty. Limited	有限責任公司	澳洲	400澳元	40%	40%	旅遊及相關服務
Travoo International Limited	Limited liability company	British Virgin Islands	US\$6,120	50%	50%	Investment holding
Travoo International Limited	有限責任公司	英屬維爾京群島	6,120美元	50%	50%	投資控股
Wing On International Travel Service Ltd. Guangdong	Sino-foreign equity joint venture	PRC	RMB5,000	49%	49%	Travel and related services
廣東永安國際旅行社有限公司	中外合資公司	中國	人民幣5,000元	49%	49%	旅遊及相關服務
Winner World Group Limited	Limited liability company	British Virgin Islands	US\$–	20%	–	Investment holding
Winner World Group Limited	有限責任公司	英屬維爾京群島	0美元	20%	–	投資控股
Sino Express Travel Limited	Limited liability company	Unites States of America	US\$84	41.9%	–	Travel systems provider services
Sino Express Travel Limited	有限責任公司	美國	84美元	41.9%	–	旅遊系統供應商

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 17. INTEREST IN ASSOCIATES (CONTINUED)

Included in the cost of investment in associates is goodwill of HK\$29,610,000 (2005: Nil) arising on acquisition of associates. The movement of goodwill is set out below.

		HK\$'000 千港元
COST	成本	
At 1 January 2005, 31 December 2005 and 1 January 2006	於二零零五年一月一日、二零零五年 十二月三十一日及二零零六年一月一日	—
Arising on acquisition of associates (Note)	收購聯營公司(附註)	<b>29,610</b>
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>29,610</b>

Note: On 31 August 2006, the Group disposed of its entire 100% interest in Guangzhou Travel Information Systems Network Limited ("GZTI"), a limited liability company and a wholly foreign owned enterprise established under the laws of the PRC, and its shareholder's loan amounting to HK\$51,419,000 to Sino Express Travel Limited ("Sino") at a consideration of US\$7,500,000. The consideration was settled by Sino Express Travel Limited ("Sino USA") issuing to the Group a total of 32,608,696 shares of common stock in Sino USA. Sino USA is a company incorporated in the United States of America with its shares traded on the Pink Sheets in the United States of America. The consideration shares represented approximately 38.99% of the issued share capital of Sino USA. Before the completion, the Group held 2,500,000 shares of Sino USA. After completion, the Group held a total of 35,108,696 shares of Sino USA and Sino USA became an associate of the Group. The Group is in the process of assessing the fair value of the identifiable intangible assets of Sino USA at date of acquisition; thus, the allocation of the goodwill disclosed herein is preliminary and subject to revision once the Company completes its valuation exercise.

### 17. 於聯營公司之權益(續)

因收購聯營公司而帶來之商譽包括投資聯營公司的成本商譽29,610,000港元(二零零五年:無)成本·商譽之撥入呈列如下:

附註: 於二零零六年八月三十一日, 本集團全數出售其於Guangzhou Travel Information Systems Network Limited (「GZTI」) 之100% 權益(GZTI為一間根據中國法律成立的外商獨資企業), 及該公司之股東貸款51,419,000港元予Sino Express Travel Limited (「Sino」), 代價為7,500,000美元, 有關之代價乃以Sino Express Travel Limited (「Sino USA」) 之32,608,696股普通股償付。Sino USA是一間於美國註冊成立之公司, 其股份於美國之粉紅價單上買賣。作為代價之股份約佔Sino USA已發行股本38.99%。完成前, 本集團持有Sino USA 2,500,000股股份。完成後, 本集團持有Sino USA 共35,108,696股股份, 而Sino USA成為本集團之聯營公司。本集團正評估收購之日Sino USA的可識別無形資產公平值, 因此, 本報告所披露商譽之分佈純粹屬初步性質, 當本公司完成評估後隨即予以修改。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 17. INTEREST IN ASSOCIATES (CONTINUED)

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

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Total assets	資產總值	273,268	562,873
Total liabilities	負債總額	168,037	161,554
Net assets	資產淨值	105,231	401,319
Share of net assets	應佔資產淨值	44,424	220,422
Turnover	營業額	408,129	111,531
Profit for the year	本年度溢利	4,590	13,381
Share of results of associates for the year	本年度應佔聯營公司業績	(19)	8,006

### 17. 於聯營公司之權益 (續)

本集團聯營公司之財務資料摘要載列如下：

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Total assets	273,268	562,873
Total liabilities	168,037	161,554
Net assets	105,231	401,319
Share of net assets	44,424	220,422
Turnover	408,129	111,531
Profit for the year	4,590	13,381
Share of results of associates for the year	(19)	8,006

### 18. AVAILABLE-FOR-SALE INVESTMENTS

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Equity securities	股本證券		
Unlisted shares, at cost	非上市股份·按成本值	99,460	126,425
Less: Impairment losses recognised	減：已確認之減值虧損	(26,728)	(33,800)
		72,732	92,625

### 18. 可供出售投資

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Equity securities		
Unlisted shares, at cost	99,460	126,425
Less: Impairment losses recognised	(26,728)	(33,800)
	72,732	92,625

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 18. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

Particulars of the Group's major available-for-sale investments as at 31 December 2006 are as follows:

Name of entity	Place of incorporation and operation	Issued & paid up capital/ registered capital '000	Proportion of paid up/registered capital held by the subsidiaries		Interest attributable to the Group		Principal activities
			2006	2005	2006	2005	
實體名稱	註冊成立及經營地點	已發行及繳足股本／註冊資本 千元	附屬公司持有 繳足股本 ／註冊資本 之比例 二零零六年	二零零五年	本集團 應佔權益 二零零六年	二零零五年	主要業務
Guangxi Guijia Property Management Company Limited ("Guangxi Guijia")	PRC	US\$8,021	26% (Note)	26%	18.2%	18.2%	Property holding and operation of leisure services
廣西桂嘉物業管理有限公司 (「廣西桂嘉」)	中國	8,021美元	26% (附註)	26%	18.2%	18.2%	持有物業及經營休閒服務

Note: Though a subsidiary of the Group holds a 26% interest in Guangxi Guijia, the directors considered that the Group cannot exercise significant influence on the financial and operating policies of Guangxi Guijia as it has no right to appoint directors in Guangxi Guijia, and accordingly, it is classified as an available-for-sale investment. At 31 December 2006, the directors reviewed its carrying amount and the present value of the estimated future cash flows expected to arise from the investment and considered that it is unlikely to recover the interest in Guangxi Guijia. Accordingly an impairment loss of HK\$19,902,000 was recognised in the consolidated financial statements to write down the carrying amount of the investment to its recoverable amount. At 31 December, 2005, an impairment loss of HK\$1,167,000 was recognised in the consolidated financial statements.

At 31 December 2005, the Group also held a 49.5% interest in Guilin Osmanthus Hotel, but the directors considered that the Group cannot exercise influence on the financial and operating policies of Guilin Osmanthus Hotel and accordingly, it was classified as an available-for-sale investment. The directors reviewed its carrying amount and considered that it was unlikely to recover the interest in Guilin Osmanthus Hotel and the present value of the estimated future cash flows expected to arise from the investment is minimal. Accordingly, at 31 December 2005, accumulated impairment loss amounted to HK\$26,974,000.

### 18. 可供出售投資 (續)

於二零零六年十二月三十一日本集團之主要可供出售投資之詳情如下:

附註: 雖然本集團一間附屬公司持有廣西桂嘉26%之權益,惟董事認為本集團並沒有權利委任廣西桂嘉之董事,故不能對廣西桂嘉的財務及經營決策行使重大影響力,因此,廣西桂嘉乃被分類為一項可供出售投資。於二零零六年十二月三十一日,董事已審閱投資之賬面值及預期從有關投資產生之估計未來現金流量現值,認為收回廣西桂嘉全數權益之機會不大,因此在綜合財務報表中確認一筆為數19,902,000港元之減值虧損,以撇減投資之賬面值至其可收回金額。於二零零五年十二月三十一日,於綜合財務報表中確認一筆1,167,000港元之減值虧損。

於二零零五年十二月三十一日,本集團亦持有Guilin Osmanthus Hotel 49.5%權益,惟董事認為本集團未能就該酒店之財務及營運決策行使影響力,因此,該酒店分類為可供出售投資。董事已審閱其賬面值並認為難以收回該酒店之權益,而預期由該投資產生之估計未來現金流量現值極小。因此,於二零零五年十二月三十一日,累計減值虧損達26,974,000港元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 18. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

In November 2006, all interest in Guilin Osmanthus Hotel was being disposed of and a gain of HK\$100,000 was recognised in the consolidated income statements.

### 19. GOODWILL

#### COST

At beginning of the year  
Acquired on acquisition of a subsidiary (note 42)  
Eliminated on disposal of a subsidiary (note 41)

At end of the year

#### IMPAIRMENT

At beginning of the year  
Impairment loss recognised

At end of the year

#### CARRYING VALUES

At end of the year

#### 成本

於年初  
收購一間附屬公司而產生(附註42)  
出售一間附屬公司時對銷(附註41)

於年底

#### 減值

於年初  
減值虧損確認

於年底

#### 賬面值

於年底

### 18. 可供出售投資(續)

於二零零六年十一月，所有 Guilin Osmanthus Hotel 之權益已被出售，所得收益 100,000 港元已於綜合收益表中確認。

### 19. 商譽

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
<b>COST</b>		
At beginning of the year	<b>50,862</b>	50,215
Acquired on acquisition of a subsidiary (note 42)	-	647
Eliminated on disposal of a subsidiary (note 41)	<b>(841)</b>	-
At end of the year	<b>50,021</b>	50,862
<b>IMPAIRMENT</b>		
At beginning of the year	-	-
Impairment loss recognised	<b>(5,808)</b>	-
At end of the year	<b>(5,808)</b>	-
<b>CARRYING VALUES</b>		
At end of the year	<b>44,213</b>	50,862

Particulars regarding impairment testing on goodwill are disclosed in note 20.

有關商譽減值測試之詳情於附註20中披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 20. IMPAIRMENT TESTING ON GOODWILL

As explained in note 7, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing, goodwill as set out in note 19 has been allocated to the cash generating unit ("CGU") of International Travel Systems Inc. ("ITS") which engaged in travel and related services segment.

The recoverable amount of this CGU has been determined on the basis of value in use calculation. The key assumptions for the value in use calculation are those regarding the discount rates, growth rates and expected changes to revenue and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in revenue and direct costs are based on past practices and expectations of future changes in the market.

During the year, the Group performed impairment review for goodwill based on cash flow forecasts derived from the most recent financial budgets for the next five years approved by management using a discount rate of 15.7% (2005: 15.5%). The cash flows beyond the five year period have been extrapolated using a steady 5% per annum growth rate.

The directors reviewed the business valuation, the anticipated profitability and the anticipated future operating cash flows of ITS. With reference to the financial results and business operated by ITS, the Directors of the Company identified an impairment loss in respect of goodwill of approximately HK\$5,808,000 (2005: Nil), such an amount was dealt with in the consolidated income statement for the year ended 31 December 2006.

### 20. 商譽減值測試

誠如附註7所解釋，本集團利用業務分類作為其呈報分類資料之主要分類。就減值測試而言，載於附註19之商譽已獲分配至負責旅遊及相關服務分類的International Travel Systems Inc. (「ITS」)之現金產生單位(「現金產生單位」)。

現金產生單位的可收回金額乃按使用價值釐定。計算使用價值所作出主要假設關於貼現率、增長率以及年內收入和直接成本之預計變動。管理層採用除稅前比率估計貼現率，該比率反映市場現時對貨幣時間值以及現金產生單位特有風險的評估。增長率以業內增長預測為基準。收入及直接成本之變動根據慣例及對市場未來變動的期望作出估計。

年內，本集團按15.7%（二零零五年：15.5%）之折讓率計算管理層最近批准未來五個年度之財政預算所得出之現金流量預測，為商譽進行減值審核，而隨後五年之現金流量則以每年5%之穩定增長率推斷。

董事審閱業務估值，預料ITS盈利能力及將來營運現金流量。根據ITS的財務業績及業務運作，本公司董事確認商譽之減值虧損約為5,808,000港元（二零零五年：無），此金額已於截至二零零六年十二月三十一日止年度的綜合收益表內處理。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 21. INVESTMENT DEPOSITS

### 21. 投資訂金

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Deposits for the acquisition of 100% interests in companies holding land use rights in the PRC (note a)	收購於國內持有土地使用權之公司之100%權益之訂金(附註a)	150,000	150,000
Deposits for the acquisition of a subsidiary (note b)	收購一家附屬公司之訂金(附註b)	15,500	-
Deposits for the acquisition of a hotel booking business (note c)	收購一家酒店訂房業務之訂金(附註c)	-	51,419
		<b>165,500</b>	<b>201,419</b>

Notes:

- (a) The amount represents deposits paid for the acquisition of 100% equity interests in certain companies holding land use rights in the PRC for various development projects, with the objective of developing hotels, shopping malls, recreational and other tourists related amenities respectively. The aggregate consideration for the purchase amounted to HK\$180,000,000. The transactions have not been completed as at the date of this report.
- (b) The amount represented the deposits paid for the acquisition of a 51% interest in Sichuan Henxin Travel Co. Ltd. The transaction has not been completed as at the date of this report.
- (c) The amount represents the deposits paid for the acquisition of 51% interest in an enterprise established in the PRC engaging in full scale on-line and off-line hotel booking services for a consideration of approximately HK\$51,500,000. The transaction has not been completed and the subsidiary holding such deposits has been disposed of in 2006.

附註:

- (a) 該筆款項指為收購持有國內土地使用權之若干公司之100%權益而支付之訂金，以分別發展酒店、商場、消閒及其他娛樂場所之各項發展項目。該購買代價總額為180,000,000港元。於本報告刊發當日，該等交易尚未完成。
- (b) 該筆款項指為收購Sichuan Henxin Travel Co. Ltd. 51%權益之已付訂金。於本報告刊發當日，該項交易尚未完成。
- (c) 該筆款項指為收購於國內成立並從事全面網上及電話酒店訂房服務之企業51%權益而支付之訂金。該收購之代價約為51,500,000港元。於二零零六年，該項交易尚未完成及持有該訂金之附屬公司經已出售。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 22. INVENTORIES

The inventories were carried at cost and represent principally food, beverages, general stores and carnival tickets which are to be utilised in the ordinary course of operations.

### 23. AMOUNTS DUE FROM RELATED COMPANIES

The balances represent the aggregate amounts due from related parties. Certain directors of the Company are also directors of and/or have beneficial interests in these companies. The amounts are unsecured and interest free. Included in the amounts due from related companies as at 31 December 2006 were advances of HK\$53,684,000 (2005: HK\$60,090,000) which are repayable on demand, and the remaining balances were principally trading balances.

The aged analysis of the trading balances at the reporting dates is as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
0 – 30 days	0至30日	254	3,019
31 – 60 days	31至60日	375	183
61 – 90 days	61至90日	368	144
Over 90 days	超過90日	4,784	1,741
		<b>5,781</b>	5,087

### 24. AMOUNTS DUE FROM (TO) ASSOCIATES

The amounts due from (to) associates are unsecured, interest free and repayable on demand.

### 22. 存貨

存貨以成本列賬，主要為日常業務過程中使用之食品、飲品、一般用品及嘉年華門票。

### 23. 應收關連公司款項

結餘代表應收關連人士款項。本公司若干位董事亦身兼該等公司之董事及／或於該等公司擁有實益權益。該等款項乃無抵押及免息。於二零零六年十二月三十一日，應收關連公司款項包括53,684,000港元（二零零五年：60,090,000港元）之墊款，該款項須按通知償還，餘額主要為貿易賬款結餘。

貿易賬款結餘於呈報日之賬齡分析如下：

### 24. 應收（應付）聯營公司款項

應收（應付）聯營公司款項乃無抵押、免息及須按通知償還。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 25. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of approximately HK\$26,627,000 (2005: HK\$20,596,000) and the aged analysis of the trade receivables at the reporting dates is as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
0 – 30 days	0至30日	<b>11,076</b>	12,241
31 – 60 days	31至60日	<b>3,861</b>	3,051
61 – 90 days	61至90日	<b>2,168</b>	1,453
Over 90 days	90日以上	<b>9,522</b>	3,851
		<b>26,627</b>	20,596

The Group allows an average credit period of 60 days to local customers and 90 days to overseas customers.

Included in other receivables was a balance of HK\$19,194,000 (2005: HK\$17,456,000) which is secured by a 16.26% equity interest in Triumph Up Investments Limited.

### 25. 貿易及其他應收賬款

列入貿易及其他應收賬款包括為數約26,627,000港元之貿易應收賬款(二零零五年: 20,596,000港元)·而該等貿易應收賬款於呈報日之賬齡分析如下:

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
0 – 30 days	<b>11,076</b>	12,241
31 – 60 days	<b>3,861</b>	3,051
61 – 90 days	<b>2,168</b>	1,453
Over 90 days	<b>9,522</b>	3,851
	<b>26,627</b>	20,596

本集團給予本地客戶及海外客戶之平均除賬期分別為60日及90日。

其他應收賬款包括以Triumph Up Investments Limited之16.26%股本權益作抵押之結餘19,194,000港元(二零零五年: 17,456,000港元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 26. LOAN RECEIVABLES

### 26. 應收貸款

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Loan to certain companies and individuals (notes a and b)	給予若干公司及人士之貸款(附註a及b)	372,480	167,926
Loan to a land operator (note c)	給予一家地接經營商之貸款(附註c)	-	13,000
		<b>372,480</b>	<b>180,926</b>
Fixed-rate loan receivables	定息應收貸款	-	15,427
Variable-rate loan receivables	浮息應收貸款	372,480	165,499
		<b>372,480</b>	<b>180,926</b>

Notes:

附註:

- (a) (i) Included in the balances were loans of HK\$22,590,000 (2005: HK\$40,000,000) which are secured by equity interests in an enterprise established in the PRC.
- (a) (i) 結餘包括22,590,000港元(二零零五年:40,000,000港元)之貸款,貸款乃以一間於中國成立企業之股本權益作為抵押。
- (ii) Included in the balances was a loan of HK\$22,887,000 (2005: HK\$21,120,000) which is secured by a 50% equity interest in Feng Ze Investment Limited which holds 5.75% attributable interest in the Kingsway Hotel.
- (ii) 結餘包括22,887,000港元(二零零五年:21,120,000港元)之貸款,貸款乃以豐澤投資有限公司(其持有5.75%金城酒店之應佔權益)之50%股本權益作為抵押。
- (iii) Included in the balances were loans of HK\$45,318,000 (2005: HK\$21,236,000) which are secured by the right in a property project in Macau of a consideration of HK\$40,000,000.
- (iii) 結餘包括45,318,000港元(二零零五年:21,236,000港元)之貸款,貸款乃以一項為數40,000,000港元之代價之澳門物業項目權利作為抵押。
- (iv) Included in the balances was a loan of HK\$22,689,000 (2005: HK\$10,327,000) which is secured by certain equity securities listed in Hong Kong.
- (iv) 結餘包括22,689,000港元(二零零五年:10,327,000港元)之貸款,貸款乃以於香港上市之若干股本證券作為抵押。
- (v) Included in the balances as at 31 December 2005 was approximately HK\$5,074,000 due from a related company. A director of the Company has beneficial interests in and is also director of the related company.
- (v) 於二零零五年十二月三十一日之結餘包括約5,074,000港元之應收一間關連公司款項。本公司一位董事於該關連公司擁有實益權益,並身兼該關連公司之董事。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 26. LOAN RECEIVABLES (CONTINUED)

- (b) Save for the loans mentioned in note 26(a)(i) to (iv), the amounts are unsecured. The loan receivables are recoverable within one year and carried interest ranged from prime rate to prime rate plus 3% per annum for both years. Effective interest rate is 8.94% (2005: 8%).
- (c) The loan to a land operator represented an advance made to one of the Group's land operators for the designated purpose of purchase of coaches. The amount was secured, bore interest at 10% per annum and was fully repaid during 2006.

### 26. 應收貸款 (續)

- (b) 除附註26(a)(i)至(iv)所述貸款外，該等款項為無抵押，應收貸款可於一年內收回，過往兩年之年息均按介乎最優惠利率至最優惠利率加3厘計算，實計利率為8.94%（二零零五年：8%）。
- (c) 給予一家地接經營商之貸款為本集團向其中一間地接經營商墊付作為購買旅遊巴士之特定用途貸款。該筆貸款為有抵押，年息率為10厘及於二零零六年悉數償還。

### 27. INVESTMENTS HELD FOR TRADING

### 27. 持作買賣之投資

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Listed securities	上市證券		
Equity securities listed in Hong Kong	於香港上市之股本證券	7,126	5,576
Equity securities listed elsewhere	於其他地方上市之股本證券	–	3,510
		<b>7,126</b>	<b>9,086</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 28. PLEDGED BANK DEPOSITS/TRADING CASH BALANCES/BANK BALANCES

#### Pledged bank deposits/bank balances

Bank balances carry interest at market rates which range from 2.35% to 2.63%. The pledged bank deposits carry fixed interest rate of 2.85%. The pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group and will be released upon the settlement of relevant bank borrowings.

#### Trading cash balances

The amounts represent foreign currencies held for money exchange purposes.

### 29. ASSETS CLASSIFIED AS HELD FOR SALE/ LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale

分類為持作出售資產

On 13 June 2006, the Group entered into an agreement with China Star Entertainment Limited, a company incorporated in Bermuda with its shares listed on the Stock Exchange, in relation to the disposal of approximately 56.91% interest in a subsidiary, Triumph Up Investments Limited ("Triumph Up") at a consideration of approximately HK\$252,789,000. Triumph Up indirectly holds approximately 55.75% interest in Kingsway Hotel Limited ("Kingsway") which is classified as an associate as the directors consider that the Group cannot exercise control to govern its financial and operating policies. Accordingly, the Group's approximately 31.73% effective interest in Kingsway will be entirely disposed of. The transaction has not been completed as at the date of report.

### 28. 已抵押銀行存款/貿易現金結餘/銀行結餘

#### 已抵押銀行存款/銀行結餘

銀行結餘之利息按市場利率為介乎2.35%至2.63%，已抵押銀行存款之固定利率為2.85%，待清償有關銀行借貸後，已抵押銀行存款（指本集團就獲授貸款融資而抵押予銀行之存款）將予解除。

#### 貿易現金結餘

有關金額乃指持作現金找換用途之外幣。

### 29. 分類為持作出售資產/分類為持作出售資產之相關負債

2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
----------------------------------	----------------------------------

**305,339**

4,019

於二零零六年六月十三日，本集團與中國星集團有限公司（一間於百慕達註冊成立之公司，其股份於聯交所上市）就以約252,789,000港元之代價出售一間附屬公司 Triumph Up Investments Limited（「Triumph Up」）約56.91%股權事項訂立一項協議。Triumph Up於金域酒店有限公司（「金域」）間接持有約55.75%權益。由於董事認為本集團不能對其財務及營運決策行使控制權，故金域被分類為一間聯營公司。據此，本集團於金域所持約31.73%實際權益將被悉數出售。於報告日期該項交易尚未完成。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 29. ASSETS CLASSIFIED AS HELD FOR SALE/ LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The considerations are expected to exceed the Group's share of net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been required.

The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

### 29. 分類為持作出售資產／分類為 持作出售資產之相關負債(續)

預期出售所得代價將超過本集團應佔相關資產及負債之賬面淨值，因此，無需作出減值虧損。

分類為持作出售之有關出售集團之主要資產及負債類別如下：

		HK\$'000 千港元
Property, plant and equipment	物業、機器及設備	2,534
Interest in associates	於聯營公司之權益	204,351
Trade and other receivables	貿易及其他應收賬款	97
Amounts due from associates	應收聯營公司款項	98,357
Total assets classified as held for sale	分類為持作出售之資產總值	305,339
Amounts due to associates	應付聯營公司款項	170
Total liabilities associated with assets classified as held for sale	分類為持作出售資產之相關總負債	170

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 30. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK\$162,111,000 (2005: HK\$130,741,000) and the aged analysis of the trade payables at the reporting dates is as follows:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	90日以上

### 30. 貿易及其他應付賬款

列入貿易及其他應付賬款之款項包括為數約162,111,000港元之貿易應付賬款(二零零五年:130,741,000港元),而該等貿易應付賬款於呈報日之賬齡分析如下:

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
0 – 30 days	97,177	71,157
31 – 60 days	32,351	26,706
61 – 90 days	17,144	19,022
Over 90 days	15,439	13,856
	<b>162,111</b>	<b>130,741</b>

### 31. LOANS FROM RELATED COMPANIES

Certain directors of the Company are also directors of and/or have beneficial interests in those companies. The loans are variable-rate loans which are unsecured, bear interest at market rates and repayable within one year. The Group's variable-rate loans from related companies carried interest at prime rate to prime rate plus 2% per annum for both years. Effective interest rate is 7.4% (2005: 6.6%).

### 31. 關連公司貸款

本公司若干位董事亦身兼該等公司之董事及/或於該等公司擁有實益權益。該等貸款為浮息貸款,無抵押,按市場利率計息及須於一年內償還。本集團關連公司浮息貸款之年息於過往兩年均按介乎最優惠利率至最優惠利率加2厘計算,實計利率為7.4%(二零零五年:6.6%)。

### 32. AMOUNTS DUE TO RELATED COMPANIES

The balances represent principally trading balances including trade payables and loan interest payable, which are unsecured, interest free and repayable on demand.

### 32. 應付關連公司款項

有關結餘主要為貿易結餘,包括貿易應付賬款及應付貸款利息,該等款項乃無抵押、免息及須按通知償還。

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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 33. OBLIGATIONS UNDER FINANCE LEASES

### 33. 融資租約之承擔

		Minimum lease payments 最低租金付款		Present value of minimum lease payments 最低租金付款之現值	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Amounts payable under finance leases:	根據融資租約應付之款項:				
Within one year	一年內	35	86	31	62
Between one to two years	一年至兩年內	-	19	-	31
		<b>35</b>	105	<b>31</b>	93
Less: Future finance charges	減:未來融資支出	(4)	(12)	-	-
Present value of lease obligations	租約承擔之現值	<b>31</b>	93	<b>31</b>	93
Less: Amount due within one year shown under current liabilities	減:列為流動負債之一年內到期款項			<b>(31)</b>	(62)
Amount due after one year	一年後到期款項			-	31

The Group entered into finance leases to acquire certain of its property, plant and equipment. The terms of the finance leases ranged from 2 to 4 years and the average effective borrowing rate was 6.8% (2005: 6.8%) per annum. Interest rate was fixed at the contract date. The leases were on a fixed repayment basis and no arrangement was entered into for contingent rental payments. The Group's obligations under the finance leases were secured by the lessors' charge over the leased assets.

本集團簽訂融資租約以收購其若干物業、機器及設備。該等融資租約為期2至4年，平均實計借貸年利率為6.8%（二零零五年：6.8%）。利率乃於訂約之日釐定。該等租約乃以固定還款為基準，且概無就或然租金付款訂立任何協議。本集團之融資租約承擔以出租人抵押之租賃資產作為擔保。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 34. BORROWINGS

### 34. 借貸

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Bank loans	銀行貸款	451,309	300,209
Other loans	其他貸款	14,440	9,424
		<b>465,749</b>	309,633
Less: Amount due within one year shown under current liabilities	減：列為流動負債之 一年內到期款項	<b>(59,269)</b>	(38,325)
Amount due after one year	一年後到期款項	<b>406,480</b>	271,308
Secured	有抵押	455,749	306,633
Unsecured	無抵押	10,000	3,000
		<b>465,749</b>	309,633
Borrowings are repayable as follows:	借貸須於下列期限償還：		
Within one year or on demand	一年內或按通知	59,269	38,325
Between one to two years	一年至兩年內	44,640	28,828
Between two to five years	兩年至五年內	361,840	242,480
		<b>465,749</b>	309,633

The Group's borrowings are variable-rate borrowings which are denominated in Hong Kong dollars. Included in the borrowings is a bank loans of HK\$451,120,000 (2005: HK\$299,760,000) which bears an annual interest rate of 0.8% over the Hong Kong Inter-bank Offered Rate ("HIBOR") and is repayable in full on 17 April 2009.

The Group's borrowings carried interest at HIBOR plus 0.8% to prime rate plus 3% for both years. Effective interest rate is 5.1% (2005: 3.9%).

本集團之借貸為浮息借貸，以港元為貨幣單位。列入借貸之款項包括為數451,120,000港元（二零零五年：299,760,000港元）之銀行貸款，年息率為香港銀行同業拆息加0.8厘，並須於二零零九年四月十七日全數償還。

過往兩年，本集團借貸之利率為介乎香港銀行同業拆息加0.8厘至最優惠利率加3厘。實計利率為5.1厘（2005：3.9厘）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 35. CONVERTIBLE NOTES

Convertible notes	可換股票據
Less: Conversion into shares	減：兌換股份

- (a) During the year ended 31 December 2006, the Company issued new convertible exchangeable notes of nominal value amounting to HK\$1,000,000,000 (the "Notes"). The Notes carry interest at 2% per annum and should be repayable on 7 June 2011 (the "Maturity Date"). China Enterprises Limited, a substantial shareholder of the Company, subscribed for the notes of nominal value amounting to HK\$300,000,000 by cash.

The convertible notes were split between the liability and equity elements. The equity element is presented in equity heading "convertible notes reserve". The effective interest rate of the liability component is 9.35%.

The initial conversion price of the Notes is HK\$0.79 per share and subject to anti-dilutive adjustments. The notes are issued on the date after share subdivision as mentioned in note 38. Unless converted or lapsed or redeemed by the Company, the Company will redeem the Notes on the Maturity Date at the redemption amount which is 110% of the principal amount of the Notes outstanding.

Each of the noteholders shall have the right to convert, on any business day commencing from the 7th day after the date of issue of the Notes up to and including the date which is 7 days prior to the Maturity Date, the whole or any part (in an amount or integral multiple of HK\$1,000,000) of the principal amount of the Notes into the shares of the Company at the then prevailing conversion price.

### 35. 可換股票據

	2006 HK\$'000 note (a) 二零零六年 千港元 附註(a)	2005 HK\$'000 note (b) 二零零五年 千港元 附註(b)
	<b>810,026</b>	41,350
	-	(41,350)
	<b>810,026</b>	-

- (a) 截至二零零六年十二月三十一日止年度，本公司發行面值達1,000,000,000港元之新可換股可交換票據（「該等票據」）。該等票據按年利率2厘計息並須於二零一一年六月七日（「期滿日」）償還。本公司之主要股東China Enterprises Limited以現金認購面值達300,000,000港元之該等票據。

可換股票據分為負債及權益兩部份。權益部份乃呈列於「可換股票據儲備」一項之權益。而負債部份之實計利率為9.35%。

該等票據之初步兌換價為每股股份0.79港元及可作出反攤薄調整。該等票據於完成附註38所述之股份分拆後當日發行，本公司將於期滿日按贖回金額（即該等票據未償還本金金額之110%）贖回該等票據，惟已獲兌換、失效或由本公司贖回者則除外。

各票據持有人將有權於該等票據發行日期起計第七日後至期滿日前七日（包括該日）期間之任何營業日期間，按當時之現行兌換價，將全部或任何部分（以1,000,000港元或其完整倍數為單位）之該等票據本金金額，兌換為本公司之股份。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 35. CONVERTIBLE NOTES (CONTINUED)

Subject to certain restrictions which are intended to facilitate compliance of relevant rules and regulations, each noteholder shall have the right to exchange from time to time all or part (in the amount of HK\$10,000,000 or integral multiples thereof) of 50% of the initial principal amount of its Notes for shares in the share capital of any company which is an affiliated company as defined in Rule 13.11(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") or subsidiary of the Company that is to be listed on a stock exchange through an initial public offering at the price (the "Spin-off Shares"), subject to anti-dilutive adjustments, at which the Spin-off Shares are actually issued to the public at the time of the listing on that stock exchange. The decision on whether to list any of its affiliated company or subsidiary in the future is at the sole discretion of the directors of the Company.

- (b) During the year ended 31 December 2004, the Company issued convertible notes of nominal value amounting to HK\$260,000,000 to finance the redemption of the convertible notes issued in 2002 and due in 2004. The convertible notes carried interest at 2% per annum and should be repayable on 14 June 2007. The holders of the convertible notes were entitled to convert on any business day the convertible notes into new shares of the Company at any time from the date of issue of the convertible notes, at an initial conversion price of HK\$0.02 per share.

Following the issue of shares in the Company pursuant to the placing and subscription agreement dated 4 February 2005, the conversion price of the convertible notes was adjusted to HK\$0.0197 per share in accordance with its terms and conditions. On 14 March 2005, the day immediately preceding the effective date of the share consolidation as mentioned under note 38, the conversion price was adjusted to HK\$1.97 per new consolidated share.

### 35. 可換股票據 (續)

根據擬促使符合有關規則及規定之若干限制，每位票據持有人均有權不時將其所持有該等票據初步本金金額50%之全部或部分（以10,000,000港元或其完整倍數為單位），兌換為任何公司（本公司聯屬公司（定義見聯交所證券上市規則（「上市規則」）第13.11(2)(a)條）或附屬公司）股本中之股份，其股份乃為透過首次公開發售在聯交所上市之股份（「該等分拆上市股份」），而價格乃為該等分拆上市股份於聯交所上市時實際向公眾發行之價格（可作出反攤薄調整）。關於其任何聯屬公司或附屬公司日後是否上市由本公司董事全權作出決定。

- (b) 於截至二零零四年十二月三十一日止年度，本公司發行面值260,000,000港元之可換股票據，作為資金贖回於二零零二年發行並於二零零四年到期之可換股票據。該等可換股票據按年利率2厘計息並須於二零零七年六月十四日償還。可換股票據持有人有權於可換股票據發行當日起，隨時於任何營業日按初步兌換價每股0.02港元，將可換股票據兌換成本公司之新股份。

於本公司根據日期為二零零五年二月四日之配售及認購協議發行股份後，可換股票據之兌換價已根據其條款及條件調整至每股0.0197港元。於二零零五年三月十四日，緊接附註38所述之股份合併之生效日期前，兌換價獲調整至每股新合併股份1.97港元。



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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 35. CONVERTIBLE NOTES (CONTINUED)

The convertible notes were split between the liability and equity elements. The equity element is presented in equity heading "convertible notes reserve". The effective interest rate of the liability component is 14.7%.

During the year ended 31 December 2005, all the convertible notes were converted into 27,918,781 new consolidated shares in the Company of HK\$1 each at a conversion price of HK\$1.97 per share after adjusting for the share consolidation as mentioned under note 38.

### 36. PROMISSORY NOTE

The promissory note was issued during the year ended 31 December 2002 to Hutchison Hotels Holdings (International) Limited as partial consideration for the acquisition of the entire issued share capital of and shareholder's loan to Makerston Limited ("Makerston"), which holds indirectly a 95% interest in Rosedale Hotel Beijing Co., Ltd. ("Rosedale Beijing"). The promissory note was interest bearing at HIBOR plus 2% per annum and secured by the entire issued share capital of, and shareholder's loan to Makerston and its subsidiaries which holds the 95% equity interest in Rosedale Beijing. The promissory note was fully repaid on 15 December 2006.

### 35. 可換股票據 (續)

可換股票據分為負債及權益兩部份。權益部份乃呈列於「可換股票據儲備」一項之權益。而負債部份之實計利率為14.7%。

截至二零零五年十二月三十一日止年度，所有可換股票據乃根據附註38所述，經股份合併調整後按每股面值1.97港元之兌換價，兌換27,918,781股每股面值1港元之本公司新合併股份。

### 36. 承兌票據

承兌票據於截至二零零二年十二月三十一日止年度發行予Hutchison Hotels Holdings (International) Limited，作為收購Makerston Limited (「Makerston」)之全部已發行股本及股東貸款之部份代價。Makerston間接持有北京珀麗酒店有限責任公司(「北京珀麗」)95%權益。承兌票據以香港銀行同業拆息加2厘計息，並以Makerston之全部已發行股本及股東貸款及其持有北京珀麗95%權益之附屬公司抵押。承兌票據已於二零零六年十二月十五日悉數償付。

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## 綜合財務報表附註

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### 37. DEFERRED TAXATION

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

### 37. 遞延稅項

以下為於本年度及過往年度已確認之主要遞延稅項負債，以及有關之變動：

		<b>Accelerated tax depreciation on hotel properties</b> HK\$'000 酒店物業之 加速稅項折舊 千港元
At 1 January 2005	於二零零五年一月一日	243,354
Currency realignment	貨幣調整	3,497
Credit to the income statement (note 12)	計入收益表(附註12)	(2,171)
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日	244,680
Currency realignment	貨幣調整	7,445
Credit to the income statement (note 12)	計入收益表(附註12)	(1,946)
<b>At 31 December 2006</b>	<b>於二零零六年十二月三十一日</b>	<b>250,179</b>

As at 31 December 2006, the Group has unused tax losses of approximately HK\$896,381,000 (2005: HK\$912,324,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unutilised tax losses of approximately HK\$72,003,000 (2005: HK\$39,000,000) can be carried for a period of five years. The losses arising from overseas subsidiaries are insignificant, which will expire after a specific period of time, other unrecognised tax losses may be carried forward indefinitely.

於二零零六年十二月三十一日，本集團之未動用稅務虧損約為896,381,000港元（二零零五年：912,324,000港元），可用作抵銷未來溢利。由於未能預計日後之溢利來源，故並無就稅務虧損確認遞延稅項資產。根據中國有關法律及規例，未動用稅務虧損約72,003,000港元（二零零五年：39,000,000港元）可結轉為期五年。海外附屬公司產生且將於特定期間後到期之稅務虧損並不重要，而其他未確認之稅務虧損或會無限期結轉。

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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 38. SHARE CAPITAL

### 38. 股本

		Number of shares 股份數目	Amount HK\$'000 金額 千港元
<b>Authorised</b>	<b>法定</b>		
Shares of HK\$0.01 each at 1 January 2005	於二零零五年一月一日 每股面值0.01港元之股份	50,000,000,000	500,000
Consolidation of shares	合併股份	(49,500,000,000)	-
Increase in authorised share capital	增加法定股本	1,000,000,000	1,000,000
Shares of HK\$1 each at 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日 每股面值1港元之股份	1,500,000,000	1,500,000
Subdivision of shares	股份分拆	13,500,000,000	-
Shares of HK\$0.1 each at 31 December, 2006	於二零零六年十二月三十一日 每股面值0.1港元之股份	15,000,000,000	1,500,000
<b>Issued and fully paid</b>	<b>已發行及繳足</b>		
Shares of HK\$0.01 each at 1 January 2005	於二零零五年一月一日 每股面值0.01港元之股份	32,226,732,770	322,267
Issue of shares	發行股份	8,740,000,000	87,400
		40,966,732,770	409,667
Consolidation of shares	合併股份	(40,557,065,443)	-
Conversion into shares from convertible notes	可換股票據兌換為股份	27,918,781	27,919
Shares of HK\$1 each at 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日 每股面值1港元之股份	437,586,108	437,586
Reduction in share capital	削減股本	-	(393,827)
		437,586,108	43,759
Issue of shares	發行股份	175,000,000	17,500
Share repurchase	購回股份	(2,000,000)	(200)
Shares of HK\$0.1 each at 31 December 2006	於二零零六年十二月三十一日 每股面值0.1港元之股份	610,586,108	61,059

On 31 January 2005, 2,340 million shares were issued and allotted at the price of HK\$0.028 per share in accordance with the second placing and subscription agreement and the proceeds, net of expense, amounted to approximately HK\$63.1 million. The new shares issued rank pari passu in all respects with the then existing shares.

於二零零五年一月三十一日，本公司按照第二份配售及認購協議以每股0.028港元之價格發行及配發2,340,000,000股股份。收益扣除開支後約為63,100,000港元。新股份在各方面均與當時現有股份享有同等權益。

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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 38. SHARE CAPITAL (CONTINUED)

On 4 February 2005, the Company entered into a placing and subscription agreement with CEL and Tai Fook Securities Company Limited ("Tai Fook") pursuant to which Tai Fook agreed to place up to 6,400 million shares in the Company then held by CEL at the price of HK\$0.022 per share to independent investors and CEL would subscribe for up to 6,400 million new shares of the Company at the same price of HK\$0.022 per share. The net proceeds from the placement amounted to approximately HK\$136.8 million, net of expense. HK\$50 million of the net proceeds will be used for financing the refurbishment, renovation and upgrading of Kingsway Hotel and the balance of approximately HK\$86.8 million will be used for future investment opportunities relating to existing businesses. The subscription was completed on 18 February 2005. The new shares issued rank pari passu in all respects with the then existing shares.

On 4 February 2005, the directors proposed to the shareholders of the Company for approval of the consolidation of every one hundred shares of HK\$0.01 each in the issued and unissued ordinary share capital of the Company into one share of HK\$1 each. The consolidation of shares of the Company was approved by the shareholders of the Company in the special general meeting on 14 March 2005.

On 17 May 2005, the directors proposed to the shareholders of the Company to increase the authorised share capital of the Company from HK\$500,000,000 divided into 500,000,000 shares of HK\$1 each to HK\$1,500,000,000 divided into 1,500,000,000 shares of HK\$1 each by the creation of an additional 1,000,000,000 shares of HK\$1 each. The increase in the authorised share capital of the Company was approved by the shareholders of the Company in the special general meeting on 5 July 2005.

### 38. 股本 (續)

於二零零五年二月四日，本公司與CEL及大福證券有限公司（「大福」）訂立配售及認購協議。據此，大福同意按每股股份0.022港元之價格向獨立投資者配售最多6,400,000,000股CEL當時持有之本公司股份，而CEL則會按每股股份0.022港元之相同價格認購最多6,400,000,000股本公司新股份。是次配售之所得收益淨額，在扣除開支後約為136,800,000港元。所得款項淨額中之50,000,000港元將用作作為裝修、翻新及提升金域酒店，而餘下約86,800,000港元之款項將用作與現有業務有關之未來投資機遇。該認購事項已於二零零五年二月十八日完成。已發行之新股份在各方面均與當時現有股份享有同等權益。

二零零五年二月四日，董事向本公司股東提出建議，敦請批准將本公司已發行及未發行普通股股本中每100股每股面值0.01港元之股份合併為1股每股面值1港元之股份。本公司股東已於二零零五年三月十四日召開之股東特別大會上批准合併本公司股份。

二零零五年五月十七日，董事向本公司股東提出建議，敦請以增設額外1,000,000,000股每股面值1港元之股份之方式，將本公司之法定股本，由為數500,000,000港元分為500,000,000股每股面值1港元之股份，增加至為數1,500,000,000港元分為1,500,000,000股每股面值1港元之股份。本公司股東已於二零零五年七月五日召開之股東特別大會上批准增加本公司之法定股本。

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### 38. SHARE CAPITAL (CONTINUED)

On 1 March 2006, the Company entered into a placing agreement with Success Securities Limited ("Success Securities") pursuant to which Success Securities conditionally agreed to place up to 175 million shares (the "Placing Shares") in the Company at a price of HK\$0.69 per share to independent investors (the "Placing"). In order to facilitate the issue of the Placing Shares, the Company conducted the capital reorganisation which involved (i) the reduction of the issued share capital of the Company by HK\$0.90 per existing share by cancelling an equivalent amount of paid-up capital per existing share so that the nominal value of each existing share in issue will be reduced from HK\$1 to HK\$0.10; and (ii) the subdivision of every unissued existing share into 10 adjusted shares.

The Placing was completed on 25 April 2006. The new shares issued rank pari passu in all respects with the then existing shares. The net proceeds of approximately HK\$120 million from the Placing have been used as general working capital of the Group.

On 27 September 2006, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	No. of ordinary shares at HK\$0.10 each '000 每股面值0.10港元 之普通股數目 千股	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$ 最高價 港元	Lowest HK\$ 最低價 港元	
September 2006 二零零六年九月	2,000	0.55	0.55	1,100

The above shares were cancelled upon repurchase and accordingly, the issued capital of the Company was reduced by the nominal value thereof. The premium payable on repurchase was charged against the share premium account of the Company as set out in the consolidated statement of changes in equity. None of the Company's subsidiaries repurchased, sold or redeemed any of the Company's listed shares during the year.

### 38. 股本 (續)

於二零零六年三月一日，本公司與實德證券有限公司（「實德證券」）訂立一份配售協議，據此，實德證券有條件同意，按每股股份0.69港元之價格，向獨立投資者配售最多175,000,000股本公司股份（「配售股份」）（「配售」）。為方便發行配售股份，本公司已進行一項股本重組，該項股本重組包括(i)將本公司已發行股本每股現有股份削減0.90港元，方法是在每股現有股份已繳足股本中註銷相等金額，使每股已發行現有股份之面值由1港元減至0.10港元；及(ii)將每股未發行現有股份分拆為10股經調整股份。

配售已於二零零六年四月二十五日完成。已發行之新股份在各方面均與當時現有股份享有同等權益。來自配售之所得款項淨額約120,000,000港元已用作本集團之一般營運資金。

於二零零六年九月二十七日，本公司透過聯交所購回其本身之股份如下：

以上股份於購回時已被註銷，因而，本公司之已發行股本亦按其面值予以減少。回購時應付的溢價於本公司的股份溢價賬中扣除，詳情載於綜合股東權益變動表。年內，本公司之附屬公司概無購回、出售或贖回本公司之任何上市股份。

### 39. SHARE OPTION SCHEME

The Company has a share option scheme (the "Scheme"), which was approved and adopted by shareholders of the Company on 3 May 2002, enabling the directors to grant options to employees, executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors of the Company or any of its subsidiaries) and any suppliers, consultants, agents or advisers who will contribute or have contributed to the Company or any of its subsidiaries as incentives and rewards for their contribution to the Company or such subsidiaries. The maximum number of shares in respect of which options may be granted under the Scheme, when aggregated with any shares subject to any other schemes, shall not exceed 10% of the issued share capital of the Company on the date of approval and adoption of the Scheme (the "General Limit"). The Company proposed to refresh the General Limit so that the number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company would be increased to 10% of the shares in issue as at the date of approval of the General Limit as "refreshed". The refreshment of the General Limit was approved by the shareholders of the Company in the annual general meeting held on 27 May 2005. The Scheme is valid and effective for a period of 10 years after the date of adoption.

In the general meeting held on 19 May 2006, the shareholders of the Company has approved that the existing scheme General Limit in respect of the granting of options to subscribe for shares in the Company ("Shares") under the Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Scheme) must not exceed 10% of the ordinary shares in issue as at the date of approval of such refreshment of the General Limit (subject to adjustment for consolidation and sub-division of share subsequent to that date) and that any Director be authorised to do all such acts and execute such document to effect the refreshed General Limit.

### 39. 購股權計劃

本集團採納一項購股權計劃（「該計劃」），該計劃於二零零二年五月三日獲本公司股東批准及採納。董事藉此可向本公司或其任何附屬公司僱員、主要行政人員或高級職員（包括本公司或其任何附屬公司之執行及非執行董事），以及將會或曾經對本公司或其任何附屬公司作出貢獻之供應商、專業顧問、代理或諮詢人授出購股權，以獎勵及回饋彼等對本公司或該等附屬公司所作之貢獻。根據該計劃可能授出之購股權所涉及之股份，與任何其他計劃所涉及之股份一併計算，數目合共不得超過本公司於批准及採納該計劃日期之已發行股本10%（「一般限額」）。本公司建議更新一般限額，致使根據該計劃及本公司任何其他購股權計劃將授出之所有購股權獲行使時可能發行之股份數目，增加至一般限額獲批准「更新」當日已發行股份之10%。本公司股東已於二零零五年五月二十七日舉行之股東週年大會上批准更新一般限額。於採納該計劃當日後十年期間內有效及生效。

於二零零六年五月十九日舉行之股東大會上，本公司股東已批准有關授出購股權認購本公司之股份（「股份」）之現有計劃「一般限額」授權限額予以更新及重續，惟根據該計劃或本公司其他購股權計劃授出或行使購股權而可能配發及發行之股份總數（不包括根據該計劃之前授出、尚未行使、註銷、失效或行使之購股權），不得超過於批准更新一般授權日期已發行之普通股份之10%（惟該日後將予調整以綜合及分拆股份），以及授權任何董事作此所有行動及簽署有關文件以使更新一般限額生效。

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### 39. SHARE OPTION SCHEME (CONTINUED)

At 31 December 2006, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 58,680,000 (2005: Nil), representing 9.6% (2005: Nil) of the Shares in issue at that date. Option granted must be taken up within 30 days of the date of offer. The consideration payable for the option is HK\$1. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the board of directors but in any event not exceeding 10 years. The exercise price is determined by the directors of the Company and will not be less than the higher of (i) the average closing price of the shares for the five business days immediately preceding the date of grant, (ii) the closing price of the shares on the date of grant or (iii) the nominal value of the shares of the Company.

### 39. 購股權計劃 (續)

於二零零六年十二月三十一日，根據該計劃授出購股權及尚未行使之股份數目為58,680,000股(二零零五年:零)，佔股份發行當日9.6%(二零零五年:零)。購股權須在授出日期起計30日內獲得接納。購股權應付之代價為1港元，購股權可於接納購股權之日後至董事會所釐訂之日期之間任何時間(惟在任何情況下不超過十年)予以行使。行使價將由本公司董事所釐訂，並不得低於本公司股份於(i)緊接授出日期前五個營業日的平均收市價；(ii)授出當日的收市價；及(iii)本公司股份面值之較高者。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 39. SHARE OPTION SCHEME (CONTINUED)

Details of options granted and a summary of the movements of the outstanding options under the Scheme during the current and prior years are as follows:

### 39. 購股權計劃 (續)

該計劃於本年及往年授出之購股權及尚未行使購股權之變動概要之詳情如下:

Eligible participants	Number of share options 購股權數目				Outstanding as at 31 December 2006	Exercise price per share HK\$	Date of grant (Note 1)	Exercisable period (Note 2)
	Outstanding as at 1 January 2006	Granted during the year	Exercised during the year	Lapsed during the year				
	於二零零六年 一月一日 尚未行使	於年內 授出	於年內 行使	於年內 失效	於二零零六年 十二月三十一日 尚未行使	每股 行使價 港元	授出日期 (附註1)	行使期 (附註2)
<b>Director</b> <b>董事</b>								
Mr. Yu Kam Kee, Lawrence 余錦基先生	-	4,000,000	-	-	4,000,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Mr. Cheung Hon Kit 張漢傑先生	-	4,000,000	-	-	4,000,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Dr. Yap, Allan Yap, Allan博士	-	4,000,000	-	-	4,000,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Mr. Chan Pak Cheung, Natalis 陳百祥先生	-	1,500,000	-	-	1,500,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Mr. Lui Siu Tsuen, Richard 呂兆泉先生	-	4,600,000	-	-	4,600,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Mr. Kwok Ka Lap, Alva 郭嘉立先生	-	500,000	-	-	500,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Mr. Sin Chi Fai 冼志輝先生	-	500,000	-	-	500,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
<b>Employees</b> <b>員工</b>	-	30,680,000	-	(200,000)	30,480,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
<b>Other eligible participants</b> (Note 4) 其他合資格人士 (附註4)	-	9,100,000	-	-	9,100,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
	-	58,880,000	-	(200,000)	58,680,000			



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 39. SHARE OPTION SCHEME (CONTINUED)

Notes:

1. On 22 June 2006, a total of 58,880,000 share options were granted. The closing price of the shares of the Company immediately before the date of grant (as of 21 June 2006) was HK\$0.72.

2. The options are to vest as follows:

Up to a maximum of 50% of the options are exercisable during the first calendar year period of the option period commencing from 22 June 2006 to 21 June 2007. The balance of the 50% of the option not yet exercised in the first calendar year period and that 50% could be exercised in the second calendar year period commencing from 22 June 2007 to 21 June 2008.

3. The estimated fair value of the 58,880,000 share options granted during the year is HK\$15,706,696, which was calculated using the Black-Scholes option pricing model (the "Model") as at the date of the grant of the share options. The following are the inputs to the Model:

Share price:	HK\$0.71
Exercise price:	HK\$0.728
Expected volatility:	65.28%
Expected dividend yield:	0%
Risk free interest rate:	4.599%
Expected life of the share options:	2 years

Expected volatility was determined by using the annualised historical volatility of the closing price of the shares of the Company as at 22 June 2006.

The Group recognised a total expense of approximately HK\$12,006,000 for the year ended 31 December 2006 (2005: Nil) in relation to share options granted by the Company.

The Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimation. The value of an option varies with different variables of certain subjective assumptions.

### 39. 購股權計劃 (續)

附註:

1. 於二零零六年六月二十二日，總共 58,880,000 股購股權獲授出，緊接授出購股權日期前（即二零零六年六月二十一日）本公司股份收市價為 0.72 港元。

2. 歸屬購股權如下:

二零零六年六月二十二日開始至二零零七年六月二十一日止為購股權期間的首個曆年，期間可行使最多 50% 之購股權。於首個曆年餘下 50% 尚未行使之購股權，可於二零零七年六月二十二日開始至二零零八年六月二十一日止第二個曆年行使。

3. 年內授出之 58,880,000 股購股權之估計公平值為 15,706,696 港元，其乃以柏力克-舒爾斯期權定價模式（「該模式」）於授出購股權當日計算，代入該模式之數字如下:

股價:	0.71 港元
行使價:	0.728 港元
預期波幅:	65.28%
預期股息率:	0%
無風險利率:	4.599%
預期購股權有效年期:	兩年

預期波幅以本公司股份於二零零六年六月二十二日收市價之年度歷史波幅釐定。

於截至二零零六年十二月三十一日止年度，本集團確認有關本公司授出購股權之總開支約 12,006,000 港元（二零零五年：零）。

該模式乃用作估計購股權之公平值，在計算購股權之公平價值時，董事根據最佳估計而決定變數及假設。購股權之價值會視乎若干主觀假設而計算出不同之估值。

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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 39. SHARE OPTION SCHEME (CONTINUED)

4. Other eligible participants represent individuals who render services to the entity and the services rendered are similar to those rendered by employees.

### 40. RESERVES

- (a) On 17 May 2005, the directors proposed to the shareholders of the Company for approval of the cancellation of share premium account (the "Cancellation") pursuant to which the entire amount standing to the credit of the share premium account of the Company would be cancelled and the credit arising from the Cancellation would be transferred to the contributed surplus account of the Company and such credit would be partially used to set off against the accumulated losses of the Company (the "Set off"). The Cancellation and the Set Off were approved by the shareholders of the Company in the special general meeting held on 5 July 2005.
- (b) The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the shares of the Company issued for the acquisition under the group reorganisation in September 1997.
- (c) The accumulated losses, translation reserve and statutory reserves of the Group include of HK\$1,081,000 (2005: HK\$1,062,000), HK\$73,000 (2005: HK\$73,000) and HK\$150,000 (2005: HK\$150,000) respectively attributable to the associates of the Group.

### 39. 購股權計劃 (續)

4. 其他合資格參予人士指提供個人服務予實體之人士及提供之服務與員工所提供的相似。

### 40. 儲備

- (a) 於二零零五年五月十七日，董事向本公司股東提出建議，敦請批准註銷股份溢價賬（「註銷」）。據此，本公司股份溢價賬之全部進賬將會被註銷，因註銷而產生之進賬則將會轉撥至本公司之繳入盈餘賬，而有關之進賬將部分用作抵銷本公司之累計虧損（「抵銷」）。本公司股東已於二零零五年七月五日召開之股東特別大會上批准進行註銷及抵銷。
- (b) 特別儲備指按一九九七年九月之集團重組時所收購附屬公司股份面值與為收購而發行本公司股份面值之間之差額。
- (c) 本集團之累計虧損、匯兌儲備及法定儲備分別為包括本集團聯營公司應佔1,081,000港元（二零零五年：1,062,000港元）、73,000港元（二零零五年：73,000港元）及150,000港元（二零零五年：150,000港元）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 41. DISPOSAL OF A SUBSIDIARY

As described in note 17, the Group disposed of its entire 100% interest in GZTI and its shareholder's loan of HK\$51,419,000 to Sino at a consideration of US\$7,500,000 in August 2006. The consideration was settled by Sino USA issuing to the Group a total of 32,608,696 common stock in Sino USA. After completion, Sino USA became an associate of the Group. The net assets of GZTI at the date of disposal were as follows:

### 41. 出售一家附屬公司

如附註 17 所載，本集團於二零零六年八月以代價 7,500,000 美元出售於 GZTI 之全部權益及其股東貸款 51,419,000 港元予 Sino，代價由 Sino USA 向本集團發行總共 32,608,696 股的 Sino USA 普通股予以支付。完成後，Sino USA 將成為本集團之聯營公司。以下為 GZTI 於出售日之資產淨值：

		30.8.2006 HK\$'000 二零零六年 八月三十日 千港元
Net assets disposal of:	出售資產淨值：	
Property, plant and equipment	物業、機器及設備	69
Investment deposits	投資存款	51,419
Loan receivables	應收貸款	1,484
Bank balances and cash	銀行結餘及現金	466
Shareholder's loan	股東貸款	(51,419)
		2,019
Attributable goodwill	應佔商譽	841
Total consideration	總代價	2,860
Satisfied by:	達成：	
Interest in an associate	於聯營公司之權益	54,279
Assumption of shareholder's loan to GZTI	股東貸款予 GZTI 之假設	(51,419)
		2,860
Net cash outflow arising on disposal:	因出售產生之現金流出淨額：	
Bank balances and cash disposed of	出售之銀行結餘及現金	(466)

The impact of GZTI on the Group's results and cash flow in the current and prior period was insignificant.

GZTI 對本集團於本期間及前期間之業績及現金流入之影響並不重大。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 42. ACQUISITION OF SUBSIDIARIES

The Group acquired a 65.04% interest in Triumph Up on 17 February 2005 and 100% interest in Cyber Business Network (Hong Kong) Limited on 28 February 2005.

The net assets acquired in the transactions, and the discount and goodwill arising on acquisition, are as follows:

### 42. 收購附屬公司

於二零零五年二月十七日，本集團收購 Triumph Up 65.04% 之權益，並於二零零五年二月二十八日收購數碼網絡（香港）有限公司之全部權益。

該等交易所收購之淨資產，以及因收購而產生之折讓及商譽如下：

		Acquiree's carrying amount before combination HK\$'000 合併前被收購 公司之賬面值 千港元	Fair value adjustments HK\$'000 公平價值調整 千港元	Fair value HK\$'000 公平價值 千港元
Property, plant and equipment	物業、機器及設備	1,393	–	1,393
Interest in associates	聯營公司權益	15,887	175,309	191,196
Trade and other receivables	貿易及其他應收賬款	114	–	114
Amount due from the Group	應收本集團款項	960	–	960
Amounts due from related companies	應收關連公司款項	4	–	4
Amounts due from associates	應收聯營公司款項	126,231	–	126,231
Bank balances and cash	銀行結餘及現金	24	–	24
Trade and other payables	貿易及其他應付賬款	(16)	–	(16)
Amount due to the Group	應付本集團款項	(2,214)	–	(2,214)
Amounts due to associates	應付聯營公司款項	(170)	–	(170)
Amounts due to related companies	應付關連公司款項	(578)	–	(578)
<b>Net assets acquired</b>	<b>購入淨資產</b>	<b>141,635</b>	<b>175,309</b>	<b>316,944</b>
Minority interests	少數股東權益			(110,945)
Discount on acquisition	收購折讓			(34,574)
Goodwill arising on acquisition	收購產生之商譽			647
Cash consideration	現金代價			172,072
Satisfied by:	以下列方式償付：			
Cash paid	已付現金			151,322
Investment deposits	投資按金			20,750
				172,072
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：			
Cash consideration	現金代價			151,322
Bank balances and cash acquired	收購之銀行結餘及現金			(24)
				151,298

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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 42. ACQUISITION OF SUBSIDIARIES (CONTINUED)

The discount on acquisition is attributable to the increase in fair value of a hotel property which was held by an associate of the subsidiaries acquired.

The subsidiaries acquired during the year contributed HK\$125,000 to the Group's turnover and HK\$43,673,000, including discount on acquisition of HK\$34,574,000, to the Group's profit before taxation.

If the acquisition had been completed on 1 January 2005, the Group's turnover for the year would have been HK\$1,815,784,000 and profit for the year would have been HK\$33,004,000. The proforma information is for illustrative purposes only and is not necessarily an indicative revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2005, nor is it intended to be a projection of future results.

### 43. MAJOR NON-CASH TRANSACTIONS

(a) During the year ended 31 December 2006, the Group disposed of a subsidiary and related shareholder's loan to Sino at a consideration of US\$7,500,000. The consideration was satisfied by Sino USA issuing to the Group a total of 32,608,696 common stock of Sino USA. The Group originally held 2,500,000 common stock of Sino USA, and was recorded as investments held for trading at 31 December 2005. After the above transaction, such investments have been transferred to investment in associates.

(b) During the year ended 31 December 2005, the Group disposed of a computer system for online travel reservation to Sino, a Hong Kong and Macau travel products supplier and wholesale distributor, at a consideration of US\$500,000, which was settled by 2,500,000 common stock (valued at US\$0.2 per share) of Sino USA, the holding company of Sino.

### 42. 收購附屬公司 (續)

收購之折讓，是因所收購附屬公司之聯營公司持有酒店物業之公平值增加所致。

於年內所收購之附屬公司為本集團之營業額貢獻125,000港元，以及為本集團之除稅前溢利貢獻43,673,000港元（包括34,574,000港元之收購折讓）。

倘收購已於二零零五年一月一日完成，則本集團年內之營業額將會為1,815,784,000港元，而年內之溢利則將會為33,004,000港元。有關之備考資料僅供作說明用途，並不一定指倘收購已於二零零五年一月一日完成時成本集團將可能實際賺取之本集團指示性收益及經營業績，亦並非為所擬定之未來業績預測。

### 43. 重大非現金交易

(a) 截至二零零六年十二月三十一日止年度，本集團以代價7,500,000美元出售一家附屬公司及相關股東貸款予Sino。該代價由Sino USA向本集團發行總共32,608,696股Sino USA的普通股予以支付。本集團原本持有Sino USA之2,500,000股普通股及於二零零五年十二月三十一日列為持作買賣投資，完成以上交易後，該投資已撥至於聯營公司之投資。

(b) 截至二零零五年十二月三十一日止年度，本集團向一間香港及澳門旅遊產品供應商及批發分銷商Sino出售一個網上旅遊訂位電腦系統，代價為500,000美元，有關之代價乃以Sino之控股公司Sino USA之2,500,000股普通股（每股股份價值0.2美元）償付。

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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 44. PLEDGE OF ASSETS

Save as otherwise disclosed, at 31 December 2006, the Group's credit facilities were secured by the Group's assets as follows:

Hotel property	酒店物業
Property interests	物業權益
Bank balances	銀行結餘

In addition, the Group has also effected a pledge of fixed charge over all the revenue and a floating charge over all the assets of Rosedale Park Limited for bank borrowings. Rosedale Park Limited is a subsidiary of the Group, engaging in hotel operation in Hong Kong which has revenue of approximately HK\$87,420,000 for 2006 and total assets of approximately HK\$11,863,000 at 31 December 2006.

### 44. 資產抵押

除另行披露外，於二零零六年十二月三十一日，本集團之信貸融資以本集團下列資產作抵押：

2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
609,202	614,856
17,849	18,290
11,436	6,925
<b>638,487</b>	<b>640,071</b>

另外，本集團亦以Rosedale Park Limited之所有收入作為固定抵押，及其所有資產作為浮動抵押向銀行借貸。Rosedale Park Limited於香港從事酒店業務，為本集團之附屬公司，其於二零零六年之收入約87,420,000港元及截至二零零六年十二月三十一日之總資產約11,863,000港元。

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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 45. OPERATING LEASE COMMITMENTS

#### As lessee

At 31 December 2006, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
<b>Land and buildings</b>	<b>土地及樓宇</b>		
Within one year	一年內	19,029	14,660
In the second to fifth years inclusive	第二年至第五年（包括首尾兩年）	15,501	4,866
		<b>34,530</b>	<b>19,526</b>
<b>Equipment</b>	<b>設備</b>		
Within one year	一年內	358	358
In the second to fifth years inclusive	第二年至第五年（包括首尾兩年）	538	896
		<b>896</b>	<b>1,254</b>

Operating lease payments represent rentals payable by the Group for certain of its office properties, shops and employees' quarters as well as equipment. Leases are negotiated for an average term of two years.

### 45. 經營租約承擔

#### 作為承租人

於二零零六年十二月三十一日，本集團根據各項不可撤銷經營租約之未來最低租金付款作出承擔。此等承擔之到期日如下：

經營租約付款指本集團為其若干辦公室物業、商舖、僱員宿舍及設備所應付之租金。租約議定平均為期兩年。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 45. OPERATING LEASE COMMITMENTS (CONTINUED)

#### As lessor

Property rental income earned during the year was HK\$15,202,000 (2005: HK\$15,713,000).

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments for its investment property and premises within the hotel properties:

### 45. 經營租約承擔 (續)

#### 作為出租人

年內收取之物業租金收入為15,202,000港元(二零零五年:15,713,000港元)。

於結算日,本集團與租戶訂立合約,內容有關下列投資物業及酒店物業內之樓宇之未來最低租金付款:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Within one year	一年內	15,108	13,289
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	50,671	41,570
After five years	五年之後	8,476	12,622
		<b>74,255</b>	<b>67,481</b>

### 46. CAPITAL COMMITMENTS

Contracted for but not provided in the financial statements in respect of acquisition of prepaid lease payment

Contracted for but not provided in the financial statements in respect of investments

Contracted for but not provided in the financial statements in respect of acquisition of property, plant and equipment

就購買預付租賃款項  
已訂約惟未於財務  
報表內撥備

就投資已訂約惟未於  
財務報表內撥備

就購買物業、機器及設備  
已訂約惟未於財務  
報表內撥備

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
	30,000	30,000
	-	5,462
	7,741	-
	<b>37,741</b>	<b>35,462</b>

### 46. 資本承擔



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 47. PROVIDENT FUND SCHEMES

The Group has retirement schemes covering a substantial portion of its employees in Hong Kong. The principal schemes are defined contribution schemes. The assets of these schemes are held separately from those of the Group in funds under the control of independent trustees.

With effect from 1 December 2000, the Group joined a Mandatory Provident Fund Scheme ("MPF Scheme") for all its new employees in Hong Kong employed therefrom or existing employees wishing to join the MPF Scheme. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group in respect of MPF Scheme is to make the required contributions under the MPF Scheme.

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute certain percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The amounts charged to the income statement represent contributions payable to schemes and the MPF Scheme by the Group at rates specified in the rules of the schemes less forfeiture of HK\$127,040 (2005: HK\$125,032) arising from employees leaving the Group prior to completion of the qualifying service period, if any.

At the balance sheet date, the total amount of forfeited contributions, which arose upon employees leaving the retirement benefit schemes and which are available to reduce the contributions payable in future years was HK\$542,825 (2005: HK\$548,759).

### 47. 退休金計劃

本集團為大部分香港僱員設有退休金計劃。主要計劃為定額供款計劃。該等計劃之資產與本集團之資產分開，以基金方式持有，並由獨立信托人控制。

自二零零零年十二月一日起，本集團已為其所有於該日起受僱之新香港僱員或欲參與強制性公積金計劃（「強積金計劃」）之現有僱員參與一個強積金計劃。強積金計劃乃根據強制性公積金計劃條例於強制性公積金計劃管理局註冊。強積金計劃之資產與本集團之資產分開，以基金方式持有，並由一位獨立信托人控制。根據強積金計劃規則，僱主及其僱員須按規則指定比例向強積金計劃作出供款。本集團在強積金計劃方面僅須負責就該計劃作出所需供款。

本集團中國附屬公司之僱員均為中國政府管理之國營退休福利計劃成員，該等附屬公司須按僱員薪酬若干百分比向退休福利計劃供款。本集團就該退休福利計劃唯一應盡之責任乃根據計劃作出規定之供款。

於收益表中列支之款項，為本集團按各計劃規則指定比例應付予計劃及強積金計劃之供款，減去本集團僱員在未完成合資格服務年期前離職（如有）而被沒收之供款127,040港元（二零零五年：125,032港元）。

於結算日，因僱員退出退休福利計劃而被沒收，並可供扣減未來年度應付供款之供款總額為542,825港元（二零零五年：548,759港元）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 48. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group had transactions with related parties as follows:

Nature of transactions	Name of company	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
交易性質	公司名稱		
Property rental expenses paid and payable by the Group 本集團已付及應付之物業租金	Cycle Company Limited and Gunnell Properties Limited 旋高有限公司及Gunnell Properties Limited	2,404	3,734
	Mass Success International Limited	190	258
	Paul Y. Building Management Limited 保華物業管理有限公司	10	259
		<b>2,604</b>	<b>4,251</b>
Air ticketing and travel service income received and receivable by the Group 本集團已收及應收之機票及旅遊服務收入	Hanny Holdings Limited and its subsidiaries 錦興集團有限公司及其附屬公司	1,210	1,582
	Paul Y. – ITC Management Limited	667	1,415
	PYI Corporation Limited and its subsidiaries 保華集團有限公司及其附屬公司	767	1,147
	See Corporation Limited 漢傳媒集團有限公司	827	492
	China Strategic Holdings Limited and its subsidiaries 中策集團有限公司及其附屬公司	–	236
	ITC Corporation Limited and its subsidiaries 德祥企業集團有限公司及其附屬公司	438	56
	Paul Y. Management Limited	1,029	21
		<b>4,938</b>	<b>4,949</b>
Interest paid and payable on convertible notes 可換股票據之已付及應付利息	Million Good Limited	–	359
	China Enterprises Limited	3,403	–
		<b>3,403</b>	<b>359</b>

### 48. 關連人士交易

- (a) 以下為年內本集團與關連人士進行之交易：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 48. RELATED PARTY TRANSACTIONS (CONTINUED)

### 48. 關連人士交易 (續)

Nature of transactions 交易性質	Name of company 公司名稱	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Loan interest paid and payable by the Group 本集團已付及應付之貸款利息	Nation Cheer Investment Limited 志恒投資有限公司	2,040	5,138
	Million Good Limited	3,056	4,323
	Hanny Holdings Limited and its subsidiaries 錦興集團有限公司及其附屬公司	2,451	2,799
	Paul Y. – ITC Management Limited	1,320	1,269
	Macau Prime Properties (Holdings) Limited (Formerly known as Cheung Tai Hong Holdings Limited) and its subsidiaries 澳門祥泰地產集團有限公司 (前稱 Cheung Tai Hong Holdings Limited) 及其附屬公司	2,996	769
	China Strategic Holdings Limited and its subsidiaries 中策集團有限公司及其附屬公司	–	6,103
		<b>11,863</b>	<b>20,401</b>
Secondment fee paid and payable 已付及應付借調費用	Mass Success International Limited	2,458	2,492
Secondment fee received 已收借調費用	Manwide Holdings Limited	–	1,154

Certain directors of the Company are also directors of and/or have beneficial interests in those companies.

本公司若干位董事亦身兼該等公司之董事及／或於該等公司擁有實益權益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 48. RELATED PARTY TRANSACTIONS (CONTINUED)

- (b) During the year, the Group received loans from related companies. Details of their relationships and the terms of the loans are set out in note 31.
- (c) The Group maintained current accounts with related companies and associates. Their balances as at 31 December 2006 are set out in notes 23, 24 and 32.

Certain directors of the Company are also directors of and/or have beneficial interests in those companies.

- (d) During the year ended 31 December 2006, the Company issued convertible notes of nominal value amounting to HK\$300,000,000 (2005: HK\$155,000,000) to China Enterprises Limited, a substantial shareholder of the Company who can exercise significant influence on the Company. Details of the convertible notes are set out in note 35.
- (e) During the year ended 31 December 2005, the Group made a loan to a related company. Details of its relationship and the terms of the loan are set out in note 26(a)(v).
- (f) Compensation of key management personnel

The Group's key management personnel represented directors and their remuneration during the year was as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Short-term benefits	短期福利	983	3,865
Share-based payments	以股份支付款項	3,906	-
Post-employment benefits	退休福利	8	29
		<b>4,897</b>	<b>3,894</b>

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

### 48. 關連人士交易 (續)

- (b) 年內，本集團收到關連公司之貸款。關連公司之關係及貸款條款之詳情載於附註31。
- (c) 本集團與關連公司及聯營公司有來往賬戶，其於二零零六年十二月三十一日之結餘載於附註23、24及32。

本公司若干位董事亦身兼該等公司之董事及／或於該等公司擁有實益權益。

- (d) 於截至二零零六年十二月三十一日止年度，本公司發行面值300,000,000港元(二零零五年:155,000,000港元)之可換股票據予可於本公司行使重大影響力之本公司主要股東China Enterprises Limited。有關可換股票據之詳情載於附註35。
- (e) 於截至二零零五年十二月三十一日止年度，本集團提供貸款予一家關連公司，其關係及貸款條款之詳情載於附註26(a)(v)。
- (f) 主要管理人員之薪酬

本集團主要管理人員指董事及於年內之薪酬如下：

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Short-term benefits	983	3,865
Share-based payments	3,906	-
Post-employment benefits	8	29
	<b>4,897</b>	<b>3,894</b>

董事及主要行政人員的的酬金由薪酬委員會參考個別人士的表現及市場薪酬趨勢而釐定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 49. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2006 are as follows:

### 49. 主要附屬公司

以下為於二零零六年十二月三十一日本公司之主要附屬公司詳情：

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company 本公司持有 已發行股本 ／註冊資本 面值之比例		Principal activities and place of operation 主要業務 及營業地點
			Directly % 直接 %	Indirectly % 間接 %	
Allied Glory Investment Limited ("Allied Glory") 合榮投資有限公司 (「合榮」)	Hong Kong 香港	HK\$2 2港元	-	55.7	Investment holding in the PRC 中國投資控股
Apex Quality Group Limited Apex Quality Group Limited	British Virgin Islands 英屬維爾京群島	US\$5,548,172 5,548,172美元	-	67.9	Investment holding 投資控股
Benchmark Pacific Limited Benchmark Pacific Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Investment holding in Hong Kong 香港投資控股
Clever Basin Holdings Limited Clever Basin Holdings Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	67.9	Investment holding in Hong Kong 香港投資控股
Cyber Business Network (Hong Kong) Limited 數碼網絡(香港)有限公司	Hong Kong 香港	HK\$14,000,000 14,000,000港元	-	100	Provision of internet services in Hong Kong 於香港提供互聯網服務
DS Eastin Limited 日陽東方投資有限公司	Hong Kong 香港	HK\$20 20港元	-	67.9	Investment holding in the PRC 中國投資控股

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 49. PRINCIPAL SUBSIDIARIES (CONTINUED)

### 49. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 /註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company 本公司持有 已發行股本 /註冊資本 面值之比例		Principal activities and place of operation 主要業務 及營業地點
			Directly % 直接 %	Indirectly % 間接 %	
Hey Wealth Limited	Hong Kong	HK\$2	-	67.9	Property holding in Hong Kong
Hey Wealth Limited	香港	2港元	-	67.9	持有香港物業
HKWOT (BVI) Limited	British Virgin Islands	US\$1	100	-	Investment holding in Hong Kong
HKWOT (BVI) Limited	英屬維爾京群島	1美元	100	-	香港投資控股
HMH China Investments Limited	Bermuda	CAD\$1,152,913	-	55.7	Investment holding
HMH China Investments Limited	百慕達	1,152,913加幣	-	55.7	投資控股
Hong Kong Wing On Travel Service Limited	Hong Kong	Ordinary – HK\$180,000,100 Deferred – HK\$20,000,000*	-	100	Outbound travel and related services
香港永安旅遊有限公司	香港	普通股份 – 180,000,100港元 遞延股份 – 20,000,000港元*	-	100	外遊及相關服務
International Travel Systems Inc.	British Virgin Islands	US\$1	-	100	Investment holding
International Travel Systems Inc.	英屬維爾京群島	1美元	-	100	投資控股
Kingsgrove International Limited	Hong Kong	HK\$2	-	100	Property investment in Hong Kong
Kingsgrove International Limited	香港	2港元	-	100	香港物業投資

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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 49. PRINCIPAL SUBSIDIARIES (CONTINUED)

### 49. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company 本公司持有 已發行股本 ／註冊資本 面值之比例		Principal activities and place of operation 主要業務 及營業地點
			Directly % 直接 %	Indirectly % 間接 %	
Lucky Million Investments Limited	British Virgin Islands	US\$1	–	67.9	Investment holding in Hong Kong
Lucky Million Investments Limited	英屬維爾京群島	1美元	–	67.9	香港投資控股
Luoyang Golden Gulf Hotel Co., Ltd.	PRC #	RMB145,000,000	–	40.8	Hotel ownership and operation in the PRC
洛陽金水灣大酒店有限公司	中國 #	145,000,000人民幣	–	40.8	於中國擁有及經營酒店
Makerston Limited	British Virgin Islands	US\$1	–	67.9	Investment holding in Hong Kong
Makerston Limited	英屬維爾京群島	1美元	–	67.9	香港投資控股
Many Good Money Exchange Limited	Hong Kong	HK\$100,000	–	100	Money exchange services in Hong Kong
萬利冠找換店有限公司	香港	100,000港元	–	100	香港貨幣找換服務
Millennium Target Holdings Limited	British Virgin Islands	US\$1	–	100	Investment holding
Millennium Target Holdings Limited	英屬維爾京群島	1美元	–	100	投資控股
Rosedale Group Management Limited	Hong Kong	HK\$2	–	67.9	Provision of management services in Hong Kong
珀麗集團管理有限公司	香港	2港元	–	67.9	於香港提供管理服務
Rosedale Hotel Beijing Co., Ltd.	PRC #	US\$17,200,000	–	64.5	Hotel ownership and operation in the PRC
北京珀麗酒店有限責任公司	中國#	17,200,000美元	–	64.5	於中國擁有及經營酒店

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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 49. PRINCIPAL SUBSIDIARIES (CONTINUED)

### 49. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 /註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company 本公司持有 已發行股本 /註冊資本 面值之比例		Principal activities and place of operation 主要業務 及營業地點
			Directly % 直接 %	Indirectly % 間接 %	
Rosedale Hotel Group Limited	British Virgin Islands	US\$1	-	67.9	Investment holding in Hong Kong
Rosedale Hotel Group Limited	英屬維爾京群島	1美元	-	67.9	香港投資控股
Rosedale Hotel Guangzhou Co., Ltd. ("Rosedale Guangzhou")	PRC ##	US\$11,500,000	-	55	Hotel ownership and operation in the PRC
廣州珀麗酒店有限公司 (「廣州珀麗」)	中國##	11,500,000美元	-	55	於中國擁有及經營酒店
Rosedale Park Limited	Hong Kong	HK\$2	-	67.9	Hotel operation in Hong Kong
Rosedale Park Limited	香港	2港元	-	67.9	於香港經營酒店
Shropshire Property Limited	British Virgin Islands	Ordinary – US\$10 Preference – US\$1,000	-	67.9	Investment holding in Hong Kong
索普物業有限公司	英屬維爾京群島	普通股 – 10美元 優先股 – 1,000美元	-	67.9	香港投資控股



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## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 49. PRINCIPAL SUBSIDIARIES (CONTINUED)

### 49. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 / 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company 本公司持有 已發行股本 / 註冊資本 面值之比例		Principal activities and place of operation 主要業務 及營業地點
			Directly % 直接 %	Indirectly % 間接 %	
Success Fund Industrial Limited 萬昌實業有限公司	Hong Kong 香港	HK\$100 100港元	-	100	Property investment in the PRC 中國物業投資
Super Grade Investment Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Property investment in Hong Kong 香港物業投資
Triumph Up Investments Limited	British Virgin Islands 英屬維爾京群島	US\$615 615美元	-	56.9	Investment holding in Macau 澳門投資控股
Watertours of Hong Kong Limited 海上遊覽社香港有限公司	Hong Kong 香港	Ordinary – HK\$1,500,000 “B” – HK\$100* 普通股股份 – 1,500,000港元 B股 – 100港元*	-	100	Watertour services in Hong Kong 香港海上旅遊服務
Wing On Holidays (Macau) Limited 永安假期(澳門)有限公司	Macau 澳門	MOP1,300,000 1,300,000葡幣	-	100	Travel and related services in Macau 澳門旅遊及相關服務

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 49. PRINCIPAL SUBSIDIARIES (CONTINUED)

### 49. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 /註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company 本公司持有 已發行股本 /註冊資本 面值之比例		Principal activities and place of operation 主要業務 及營業地點
			Directly % 直接 %	Indirectly % 間接 %	
Wing on Travel Finance Limited 永安旅遊財務有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Money lending in Hong Kong 於香港從事借貸業務
Wing On Travel International Limited	British Virgin Islands	US\$1	100	-	Investment holding
Wing On Travel International Limited	英屬維爾京群島	1美元	100	-	投資控股
Wing On Travel (BVI) Limited	British Virgin Islands	US\$10,000	-	100	Investment holding
Wing On Travel (BVI) Limited	英屬維爾京群島	10,000美元	-	100	投資控股
Wing On Travel (U.K.) Limited	United Kingdom	£2	-	100	Travel and related services in U.K.
Wing On Travel (U.K.) Limited	英國	2英鎊	-	100	英國旅遊及相關服務
WOT Holidays (Canada) Limited	Canada	C\$15,000	-	100	Travel and related services in Canada
WOT Holidays (Canada) Limited	加拿大	15,000加幣	-	100	加拿大旅遊及相關服務

\* The deferred shares and "B" shares are owned by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the respective companies or to participate in any distribution in winding up.

\* 遞延股份及「B」股份由本集團擁有，實際上無權收取有關公司之股息或接收該公司任何股東大會通告或出席股東大會或於會上投票，於該公司清盤時亦無權取得任何分派。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

### 49. PRINCIPAL SUBSIDIARIES (CONTINUED)

- # The subsidiaries are PRC Sino-foreign equity joint ventures.
- ## This subsidiary is a PRC Sino-foreign co-operative joint venture. Allied Glory is entitled to recoup its total investment (including capital and interest) from the after-tax earnings of Rosedale Guangzhou before any amounts are distributed. Thereafter, the after-tax earnings of Rosedale Guangzhou are to be distributed at 80% and 20% to Allied Glory and other joint venture partner respectively.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

No debt securities have been issued by any of the subsidiaries during the year.

### 50. COMPARATIVE FIGURES

Certain comparative figures of the consolidated cash flow statements have been reclassified to conform with the current year's presentation. In particular, interest paid of HK\$57,735,000, and finance lease charges paid of HK\$18,000 previously classified as cash flow from operating activities were reclassified as cash flows from financing activities.

### 51. POST BALANCE SHEET EVENTS

On 4 April 2007, ITS and an independent third party (the "Vendor") entered into an agreement under which the parties agreed that, subject to the fulfillment of certain conditions precedent, ITS will purchase 100 shares of US\$1 each in the capital of Asia Times Limited ("Asia Times") held by the Vendor, representing 100% equity interest in Asia Times for a consideration of HK\$70,000,000. The details of the acquisition were disclosed in the announcement of the Company dated 16 April 2007.

Under HKFRS 3 "Business Combinations", the acquirer shall measure the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree; plus any costs directly attributable to the business combination. The Group is in the process of assessing the fair values of the identifiable assets and liabilities of the acquiree, therefore the financial effects of the acquisition are not presented.

### 49. 主要附屬公司 (續)

- # 該等附屬公司乃中國中外股本合營公司。
- ## 該附屬公司為一家中國中外合作合營公司。廣州珀麗之除稅後盈利用作分派任何款項前，合榮有權從中收回其全部投資（包括資金及利息）。之後，廣州珀麗之除稅後盈利須以80%及20%之比例分別分派予合榮及其他合營夥伴。

董事認為上表所列本集團之附屬公司對本集團之業績或資產及負債有重大影響。董事認為細列其他附屬公司之詳情會令篇幅過於冗長，故無詳列。

年內，概無任何附屬公司發行債務證券。

### 50. 比較數字

綜合現金流量表之若干比較數字已重新分類，以符合本年度之呈報。具體而言，已付利息57,735,000港元及已付融資租賃費用18,000港元，由過往分類為經營業務之現金流量重新分類為融資活動之現金流量。

### 51. 結算日後事項

於二零零七年四月四日，ITS與一獨立第三方（「賣方」）訂立協議，據此，訂約方同意於完成若干先決條件後，ITS將以代價70,000,000港元購買由賣方所持有Asia Times Limited（「Asia Times」）之每股面值1美元之100股股份，相當於Asia Times之100%股本權益。有關收購事項之詳情已於二零零七年四月十六日本公司發出之通告中披露。

根據香港財務報告準則第3號「業務合併」，收購者計算業務合併成本時該按交換當日所給予之資產、所產生和承擔之負債之公平值總額，及由收購者為控制被收購公司而已發行之股權工具，另加業務合併直接應佔之任何成本計量業務合併之成本。本集團正評估收購公司之可識別資產及負債之公平值，故此收購之財務影響未予呈列。