



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

1. 一般資料

禹銘投資有限公司(「本公司」)乃於香港註冊成立及位於之有限公司。本公司註冊辦事處之地址為香港皇后大道中29號怡安華人行10樓1001室，而其主要營業地點為香港。本公司股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司及其附屬公司(統稱為「本集團」)之主要業務包括投資於上市及非上市證券及物業項目。

第33至第122頁之財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(其為包括所有適用之個別香港財務報告準則、香港會計準則及詮釋之統稱)及香港公司條例之規定編製。財務報表亦包括香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。

截至二零零六年十二月三十一日止年度之財務報表已經由董事會於二零零七年三月二十八日批准。

2. 採用新訂或經修訂之香港財務報告準則

於二零零六年一月一日起，本集團已採用所有於二零零六年一月一日首次生效及與本集團有關之新訂及經修訂香港財務報告準則。

採納該等新訂及經修訂香港財務報告準則並無導致本公司及本集團之會計政策出現重大變動，惟須作出額外披露。

已頒佈但尚未生效之新增或經修訂準則

本集團並無提早採用以下已頒佈但尚未生效之香港財務報告準則。本公司董事預期，採用該等香港財務報告準則對本集團之財務報表並無構成重大財務影響。

1. GENERAL INFORMATION

Yu Ming Investments Limited (the "Company") is a limited liability company incorporated and domiciled in Hong Kong. The address of the Company's registered office is 1001, 10th Floor, AON China Building, 29 Queen's Road Central, Hong Kong and, its principal place of business is in Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Company and its subsidiaries (together referred to as the "Group") include the investments in listed and unlisted securities and properties.

The financial statements on pages 33 to 122 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules").

The financial statements for the year ended 31st December, 2006 were approved by the board of directors on 28th March, 2007.

2. ADOPTION OF NEW OR AMENDED HKFRSs

From 1st January, 2006, the Group has adopted all the new and amended HKFRSs which are first effective on 1st January, 2006 and relevant to the Group.

The adoption of these new and amended HKFRSs did not result in significant changes in the Company's and the Group's accounting policies but gave rise to additional disclosures.

New or amended HKFRSs that have been issued but are not yet effective

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective. The directors of the Company anticipate that the adoption of such HKFRSs will not result in material financial impact on the Group's financial statements.



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2. 採納新增或經修訂香港財務報告準則(續)

香港會計準則第1號(修訂本)	財務報表之呈列：資本披露 ¹
香港財務報告準則第7號	金融票據：披露 ¹
香港財務報告準則第8號	經營分類 ¹
香港(國際財務報告準則詮釋委員會) — 詮釋第7號	根據香港會計準則第29號「惡性通貨膨脹經濟中之財務報告」採用重列法 ²
香港(國際財務報告準則詮釋委員會) — 詮釋第8號	香港財務報告準則第2號之範疇 ³
香港(國際財務報告準則詮釋委員會) — 詮釋第9號	內含衍生工具之重新評估 ⁴
香港(國際財務報告準則詮釋委員會) — 詮釋第10號	中期財務報告及減值 ⁵
香港(國際財務報告準則詮釋委員會) — 詮釋第11號	集團及財資股份交易 ⁶
香港(國際財務報告準則詮釋委員會) — 詮釋第12號	服務委託安排 ⁸

¹ 於二零零七年一月一日或之後開始之年度期間生效

² 於二零零六年三月一日或之後開始之年度期間生效

³ 於二零零六年五月一日或之後開始之年度期間生效

⁴ 於二零零六年六月一日或之後開始之年度期間生效

⁵ 於二零零六年十一月一日或之後開始之年度期間生效

⁶ 於二零零七年三月一日或之後開始之年度期間生效

⁷ 於二零零九年一月一日或之後開始之年度期間生效

⁸ 於二零零八年一月一日或之後開始之年度期間生效

2. ADOPTION OF NEW OR AMENDED HKFRSs (continued)

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

¹ Effective for annual periods beginning on or after 1st January, 2007

² Effective for annual periods beginning on or after 1st March, 2006

³ Effective for annual periods beginning on or after 1st May, 2006

⁴ Effective for annual periods beginning on or after 1st June, 2006

⁵ Effective for annual periods beginning on or after 1st November, 2006

⁶ Effective for annual periods beginning on or after 1st March, 2007

⁷ Effective for annual periods beginning on or after 1st January, 2009

⁸ Effective for annual periods beginning on or after 1st January, 2008



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3. 重大會計政策概要

3.1 編製基準

編製此等財務報表時採用之重大會計政策概述如下。除另有說明外，該等政策已於所有呈列年度貫徹應用。

財務報表乃按照歷史成本法編製，惟投資物業及若干財務資產及負債除外。計量基準於以下會計政策內詳述。

務請注意，編製財務報表時須採用會計估計及假設。儘管此等估計乃按管理層對現行事件及行動所深知及判斷而作出，惟實際結果最終或會有別於該等估計。涉及較高程度判斷或複雜性之範圍或於財務報表作出重大假設及估計之範圍均於附註4詳述。

若干比較數字已重新分類，以符合本年度之呈列方式。

3.2 綜合賬目之基準

綜合財務報表載有本公司及其附屬公司截至每年十二月三十一日止之財務報表。

3.3 附屬公司

附屬公司乃本集團對其財務及營運決策有控制權藉以從其業務中獲益的實體。當判斷本集團是否控制另一實體時，現時可行使或可轉換的潛在表決權的存在及影響均會考慮在內。附屬公司自控制權轉讓予本集團當日起全面綜合計算，並自終止控制權當日起不再綜合計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements have been prepared on the historical cost basis except for the investment properties and certain financial assets and liabilities. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are described on Note 4.

Certain comparative figures have been reclassified to conform with the current year's presentation.

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st December each year.

3.3 Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.



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3. 重大會計政策概要 (續)

3.3 附屬公司 (續)

業務合併(不包括合併受共同控制的實體)採用收購法入賬。此情況涉及按公平值重估於收購日期所有可識別資產及負債,包括該附屬公司之或然負債,而不論該等資產及負債於收購前是否記錄於該附屬公司之財務報表。於初步確認時,該附屬公司之資產、負債及或然負債會按公平值計入綜合資產負債表,並將按照本集團之會計政策用作其後計量之基準。

集團公司之間的交易,其結餘及未變現收益,已於編製綜合財務報表時對銷。未變現虧損亦會撇銷,惟交易證明所轉讓資產出現減值則除外。

於本公司之資產負債表中,附屬公司按成本值減去任何耗蝕虧損列賬。附屬公司之業績由本公司按於結算日已收及應收股息之基準列賬。

少數股東權益為附屬公司損益及資產淨值的一部份,該部份為非本集團擁有的股本權益,並非本集團的財務負債。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Subsidiaries (continued)

Business combinations (other than for combining entities under common control) are accounted for by applying the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets, liabilities and contingent liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the Company's balance sheet, subsidiaries are carried at cost less any impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

Minority interest represents the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are not the Group's financial liabilities.



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3. 重大會計政策概要 (續)

3.3 附屬公司 (續)

少數股東權益在綜合資產負債表中列為股本權益，與本公司股權持有人應佔股本權益分開呈列。少數股東權益應佔溢利或虧損於綜合損益賬分開呈列為本集團之業績分配。倘屬於少數股東的虧損超過其所佔附屬公司的股本權益，超額部分和任何屬於少數股東的進一步虧損則分配予少數股東權益，惟以少數股東須承擔具有約束力的義務並有能力增加投資以彌補虧損為限。否則，該等虧損均會從本集團之權益扣除。倘該附屬公司其後錄得溢利，該等溢利則待收回本集團過往承擔之少數股東應佔虧損後，方始分配予少數股東。

3.4 聯營公司及合營企業

聯營公司為本集團能對其行使重大影響力，一般擁有附帶20%至50%投票權之股權，惟並非附屬公司或合營企業投資之實體。

合營企業乃一項合約安排，據此兩名或以上人士進行受到共同控制之經濟活動。共同控制乃按合約同意分享經濟活動之控制權，並只會於與該活動有關之策略財務及營運決定必須獲得合營各方一致同意時方會存在。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Subsidiaries (continued)

Minority interests are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Company. Profit or loss attributable to the minority interests are presented separately in the consolidated income statement as an allocation of the Group's results. Where losses applicable to the minority exceeds the minority interests in the subsidiary's equity, the excess and further losses applicable to the minority are allocated against the minority interest to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against the Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to the minority interest only after the minority's share of losses previously absorbed by the Group has been recovered.

3.4 Associates and joint ventures

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% and 50% of voting rights but which are neither subsidiaries nor investments in a joint venture.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the venturers.



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3. 重大會計政策概要 (續)

3.4 聯營公司及合營企業 (續)

在綜合財務報表中，於聯營公司及共同控權合資公司的投資初步按成本確認，其後採用權益法入賬。按照權益法，本集團於聯營公司及共同控權合資公司的權益按成本列賬，並就本集團應佔聯營公司或共同控權合資公司的資產淨值減任何已識別耗蝕虧損於收購後的變動作出調整。綜合損益賬包括本集團年內應佔聯營公司或共同控權合資公司的收購後及稅後業績，包括有關年內已確認於聯營公司或共同控權合資公司的投資的任何商譽耗蝕虧損。

當本集團所佔聯營公司或共同控權合資公司之虧損等同或超過其所佔聯營公司或共同控權合資公司之權益時，本集團不會進一步確認虧損，除非其擁有法定或推定責任或代表聯營公司或共同控權合資公司付款。就此而言，本集團於聯營公司或共同控權合資公司的權益為按照權益法計算的投資賬面值，連同實質上構成本集團於該聯營公司或共同控權合資公司的投資淨額一部份的本集團長期權益。

任何收購成本超過本集團於收購日期確認聯營公司或共同控權合資公司之已識別資產、負債及或然負債中分佔之公平值淨額，均確認為商譽。收購成本乃按本集團於交換日期給予之資產、產生或承擔之負債及發行之股本工具之公平值總額計量，另加投資應佔之任何直接應佔成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Associates and joint ventures (continued)

In consolidated financial statements, investments in associates and jointly controlled entities are initially recognised at cost and subsequently accounted for using the equity method. Under the equity method, the Group's interests in the associate and jointly controlled entities are carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's or the jointly controlled entity's net assets less any identified impairment loss. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associate or the jointly controlled entity for the year, including any impairment loss on goodwill relating to the investment in associate or jointly controlled entity recognised for the year.

When the Group's share of losses in an associate or a jointly controlled entity equals or exceeds its interest in the associate or the jointly controlled entity, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or the jointly controlled entity. For this purpose, the Group's interest in the associate or the jointly controlled entity is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

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 or the jointly controlled entity recognised at the date of acquisition is recognised as goodwill. The cost of 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, plus any costs directly attributable to the investment.



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3. 重大會計政策概要 (續)

3.4 聯營公司及合營企業 (續)

商譽包括投資之賬面款額，並就評估耗蝕，作為投資之一部分。於應用權益法後，本集團決定是否必須就本集團於聯營公司或共同控權合資公司之投資確認額外耗蝕虧損。於各結算日，本集團決定是否有任何客觀憑證顯示於聯營公司或共同控權合資公司之投資出現耗蝕。倘已識別該等跡象，則本集團所計算之耗蝕款額為於聯營公司或共同控權合資公司之可收回款額 (見附註3.10) 與其賬面值之差額。

於重估後，任何本集團分佔之已識別資產、負債及或然負債之公平淨額超逾收購成本，均即時確認損益，用作決定本集團於收購投資時分佔之聯營公司或共同控權合資公司之損益。

本集團與其聯營公司或共同控權合資公司間交易之未變現收益將會撤銷，惟以本集團所擁有聯營公司或共同控權合資公司之權益為限。除非交易提供憑證顯示所轉讓資產出現耗蝕，否則未變現虧損亦會撤銷。倘聯營公司或共同控權合資公司所採用會計政策並非本集團於類似情況下就同類交易及事件所採用者，則於本集團為應用權益法而使用聯營公司或共同控權合資公司之財務報表時作出必要調整，以使該聯營公司或共同控權合資公司之會計政策與本集團所採用者一致。

在本公司之資產負債表中，於聯營公司或共同控權合資公司之投資按成本減任何耗蝕虧損列賬。本公司按已收及應收股息之基準將聯營公司及共同控權合資公司之業績入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Associates and joint ventures (continued)

The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or jointly controlled entities. At each balance sheet date, the Group determines whether there is any objective evidence that the investment in associate or jointly controlled entity is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (see Note 3.10) of the associate or the jointly controlled entity and its carrying amount.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate's or the jointly controlled entity's profit or loss in which the investment is acquired.

Unrealised gains on transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the associates and the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where the associate or jointly controlled entity uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's or the jointly controlled entity's accounting policies to those of the Group when the associate's or the jointly controlled entity's financial statements are used by the Group in applying the equity method.

In the Company's balance sheet, investments in associates and jointly controlled entities are stated at cost less any impairment losses. The results of associates and jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.



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3. 重大會計政策概要 (續)

3.5 外幣換算

財務報表以香港元(「港元」)呈列，港元亦為本公司之功能貨幣。

於綜合實體之個別財務報表內，外幣交易按交易當日之主要匯率換算為個別實體之功能貨幣。於結算日，以外幣為單位之貨幣資產及負債均按結算日適用之匯率換算。因結算該等交易及結算日重新換算貨幣資產及負債所產生外匯收益及虧損，乃於損益賬內確認。

按公平值列賬並以外幣為單位之非貨幣項目乃按釐定公平值日期之匯率重新換算，並報告為公平值收益或虧損之一部份。以歷史成本並以外幣為單位計量之非貨幣項目不會重新換算。

於綜合財務報表內，海外業務原先以有別於本集團呈報貨幣之貨幣呈列之所有個別財務報表，已折算為港元。資產及負債已按結算日之收市匯率換算為港元。收入及支出已按交易日期之適用匯率或於申報期間之平均匯率折算為港元，惟匯率不得出現大幅波動。自此步驟產生之任何差額已經於權益內之貨幣換算儲備另行處理。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Foreign currency translation

The financial statements are presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and loss resulting from the settlement of such transactions and from the balance sheet date retranslation of monetary assets and liabilities are recognised in the income statement.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rate at the balance sheet date. Income and expenses have been converted into Hong Kong dollars at the exchange rates ruling at the transaction dates, or at average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with separately in the currency translation reserve in equity.



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3. 重大會計政策概要 (續)

3.6 收入確認

在經濟利益將流入本集團及收入能夠可靠計量之情況下，收入乃確認如下：

利息收入採用實際利率法按時間比例基準確認。

股息收入在收取股息之權利確定時確認。

根據營運租賃應收之租金收入於租期涵蓋之期間以直線法於損益確認，惟若有另一種更能反映租賃資產衍生之利益模式之基準除外。所獲租賃減免在損益賬確認為已收淨租金總額一部份。或然租金將於所賺取之會計期間確認為收入。

3.7 借貸成本

所有借貸成本於產生時列作支出。

3.8 商譽

下文載列於收購附屬公司時所產生商譽之會計政策。於收購聯營公司或共同控權合資公司之投資所產生商譽之會計處理載於附註3.4。

商譽即業務合併成本或投資超過本集團分佔被收購方之可識別資產、負債及或然負債之公平值淨額。業務合併成本按本集團於交換日期給予之資產、產生或承擔之負債以及發行之股本工具之公平值總額計量，另加有關業務合併之任何直接應佔成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably, revenue is recognised as follows:

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Rental income receivable from operating leases is recognised in profit or loss on a straight-line basis over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

3.7 Borrowing costs

All borrowing costs are expensed as incurred.

3.8 Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary. Accounting for goodwill arising on acquisition of investment in an associate or a jointly controlled entity is set out in Note 3.4.

Goodwill represents the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The cost of the business combination 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, plus any costs directly attributable to the business combination.



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3. 重大會計政策概要 (續)

3.8 商譽 (續)

商譽按成本減累計耗蝕虧損列賬。商譽分配予現金產生單位，並每年作耗蝕測試(附註3.10)。

任何本集團於被收購方之可識別資產、負債及或然負債之公平淨值權益超過於業務合併之成本，即時於損益確認。

於其後出售附屬公司時，已資本化商譽之應佔數額於釐定出售損益款額時包括在內。

3.9 投資物業

投資物業為根據租賃權益擁有或持有之土地及／或樓宇，以賺取租金收入及／或資本增值，其中包括現時持有但並未擬定未來用途之土地。

當本集團根據經營租賃持有物業權益以賺取租金收入及／或資本增值，該權益將按個別物業之情況分類為投資物業。任何該等列作投資物業之物業權益乃按融資租賃之方法處理。

於初次確認時，投資物業乃按成本(包括任何直接應佔支出)計量。於初次確認後，投資物業乃按公平值列賬。公平值乃由對投資物業之地點及性質兩方面具有豐富經驗之外聘專業估值師決定。於資產負債表確認之賬面值反映於結算日當時之市場情況。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Goodwill (continued)

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see Note 3.10).

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in profit or loss.

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

3.9 Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at fair value. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised in the balance sheet reflect the prevailing market conditions at the balance sheet date.



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3. 重大會計政策概要 (續)

3.9 投資物業 (續)

興建或發展作未來投資物業之物業分類為物業、機器及設備，並按成本列賬，直至完工或發展完成為止，屆時將重新分類為投資物業。於該日之物業公平值與其先前賬面值之任何變動將於損益確認。

因公平值變動或出售投資物業產生之盈虧於產生之期間計入損益。

3.10 資產減值

因收購附屬公司、附屬公司權益、聯營公司及共同控權合資公司而產生之商譽須進行耗蝕測試。

具備無限使用期或尚未可供使用之商譽須至少每年進行耗蝕測試，而不論是否有任何跡象顯示出現耗蝕。所有其他資產則在出現未必能收回有關資產賬面值之跡象時進行耗蝕測試。

耗蝕虧損按資產賬面值超過其可收回款額之差額即時確認為支出，惟有關資產根據本集團之會計政策按重估值列賬則除外，於該情況下，耗蝕虧損則根據該政策而被視為重估減值。可收回款額為反映市況之公平值減銷售成本與使用價值兩者之較高者。於評估使用價值時，估計未來現金流量乃採用稅前貼現率貼現至其現值，以反映現時市場對金錢時間值及有關資產特有風險之評估。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Investment property (continued)

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified as investment property. Any changes between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

Gains or losses arising from either changes in the fair value or the sale of an investment property is included in the profit or loss for the period in which they arise.

3.10 Impairment of assets

Goodwill arising on an acquisition of subsidiary, interests in subsidiaries, associates and jointly controlled entities are subject to impairment testing.

Goodwill with an indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease according to that policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.



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3. 重大會計政策概要 (續)

3.10 資產減值 (續)

就評估耗蝕而言，倘資產產生之現金流入大致上不獨立於其他資產，則可收回款額乃按可獨立產生現金流入之最小組別資產(即現金產生單位)釐定。因此，部分資產按個別方式進行耗蝕測試，另有部分資產則按現金產生單位水平進行測試。商譽尤其分配至預期可受惠於相關業務合併協同效應之現金產生單位，即就內部管理而言監察商譽之本集團內最低水平單位。

就已獲分配商譽之現金產生單位確認之耗蝕虧損，初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公平值減銷售成本或使用價值(如可釐定)外，任何剩餘耗蝕虧損乃按比例自該現金產生單位之其他資產中扣除。

商譽耗蝕虧損不會於其後期間撥回。就其他資產而言，倘用於釐定資產可收回款額之估計出現有利改變，則撥回耗蝕虧損，惟以資產之賬面值不得超出於並無確認耗蝕虧損之情況下原應釐定之賬面值。

3.11 租賃

倘本集團確定一項安排具有在商定期限內通過支付一筆或一系列款項而使用一項特定資產或多項資產之權利，則該安排(由一宗交易或一系列交易組成)為一項租賃或包括租賃。該釐定乃根據安排之內容評估而作出，而不論安排是否具備租賃之法律形式。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of assets (continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

3.11 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.



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3. 重大會計政策概要 (續)

3.11 租賃 (續)

(i) 出租予本集團資產之分類

對於本集團以租賃持有之資產，如有關租賃將擁有資產之絕大部份風險及回報轉移至本集團，則有關資產便會分類為根據融資租賃持有。如租賃並未將擁有資產之絕大部份風險及回報轉移至本集團則分類為經營租賃，以下除外：

- 根據經營租賃持有之物業若符合投資物業之定義，則按個別物業之情況分類為投資物業，及若然被分類為投資物業，則入賬列作融資租賃下持有（見附註3.9）；及
- 根據經營租賃持有作自用之土地，其公平值於訂立租約時若不能和在土地上之建築物之公平值分開計算，則入賬列作根據融資租賃持有，惟該樓宇明確地根據經營租賃持有則除外。就此而言，訂立租賃之時間為本集團首次訂立租約或從先前承租人接管之時間。

(ii) 經營租賃費用

當本集團擁有根據經營租賃所持有資產之使用權，則根據租賃支付之款項乃於租賃期內以直線法在損益賬扣除，惟另有基準而更能代表自有關租賃資產所產生利益之模式則除外。已收取之租賃優惠於損益賬確認為總租賃款項淨額之構成部份。或然租金於其產生之會計期間內在損益賬扣除。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Leases (continued)

(i) *Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see Note 3.9); and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon, at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) *Operating lease charges as the lessee*

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement on a straight line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rental are charged to the income statement in the accounting period in which they are incurred.



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3. 重大會計政策概要 (續)

3.12 財務資產

本集團就附屬公司、聯營公司及共同控權合資公司投資以外之財務資產之會計政策載列如下。

本集團將其財務資產按以下類別分類：按公平值計入損益之財務資產；貸款及應收款項及可供出售財務資產。管理層將視乎收購財務資產之目的，於初步確認時決定其財務資產之分類，並於許可及適當情況下，於每個報告日期重新評估該劃分。

所有財務資產只會在本集團成為有關工具的合約條文之訂約方時，方予確認。以慣常方式收購之財務資產於交易日期確認。當財務資產於初步確認時，乃按公平值計量，另外，倘投資並非按公平值計入損益，則按直接應佔交易成本計量。

當收取投資現金流量之權利屆滿或擁有權之絕大部分風險與回報已轉讓時，財務資產則取消確認。於各結算日，將對財務資產進行審閱，以評估是否有任何客觀耗蝕憑證。倘存在任何該等憑證，則根據財務資產之分類而釐定及確認耗蝕虧損。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries, associates and jointly controlled entities are set out below.

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss; loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. At each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial assets.



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3. 重大會計政策概要(續)

3.12 財務資產(續)

(i) 按公平值計入損益之財務資產

按公平值計入損益之財務資產包括持作買賣之財務資產及於初步確認時指定為按公平值計入損益之財務資產。

倘收購財務資產之目的為於短期內出售，則財務資產列為持作買賣。衍生工具(包括個別之嵌入式衍生工具)亦列為持作買賣，惟衍生工具指定作為有效對沖工具或財務擔保合約則除外。

倘一份合約含有一份或以上之嵌入式衍生工具，則整份混合式合約可被指定為按公平值計入損益之財務資產，惟嵌入式衍生工具並無導致現金流出現重大變動，或有明文規定禁止將嵌入式衍生工具另行呈列則除外。

倘若符合以下準則，則財務資產可於初步確認時指定為按公平值計入損益：

- 有關指定能消除或顯著減少因按照不同基準計量有關資產或確認其損益所產生之不一致處理情況；或
- 根據既定之風險管理策略，該等資產為一組受管理而其表現乃按公平值基準評估之財務資產其中一部份，而有關該組財務資產之資料均按該基準而在內部提供予主要管理人員；或
- 該等財務資產包含需要另行入賬之嵌入式衍生工具。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or
- the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or
- the financial asset contains an embedded derivative that would need to be separately recorded.



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3. 重大會計政策概要 (續)

3.12 財務資產 (續)

(i) 按公平值計入損益之財務資產 (續)

於初步確認後，計入此類別之財務資產乃按公平值計量，而公平值變動在損益賬確認。

(ii) 貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生財務資產，且於活躍市場並無報價。貸款及應收款項其後採用實際利息法按攤銷成本減任何耗蝕虧損計量。攤銷成本經計及收購之任何折讓或溢價後計算，並包括屬於實際利率及交易成本組成部分之費用。

(iii) 可供出售財務資產

可供出售財務資產包括非衍生財務資產被指定為此類別之財務資產或不合格列入任何其他類別之財務資產。此類別內所有財務資產其後按公平值計量。因公平值變動產生之盈虧於權益中直接確認（惟耗蝕虧損（見下文之政策）及外匯收益及虧損除外），直至財務資產取消確認為止，屆時先前已於權益中確認之累計收益或虧損將於損益中確認。採用實際利率法計算之利息於損益中確認。於出售時，先前已於權益中確認之累計收益或虧損則轉撥至損益賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

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

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in income statement.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

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

Available-for-sale financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value is recognised directly in equity, except for impairment losses (see the policy below) and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to the income statement.



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3. 重大會計政策概要 (續)

3.12 財務資產 (續)

(iii) 可供出售財務資產 (續)

就於活躍市場並無報價及其公平值無法可靠計量，以及所掛鈎之衍生工具須透過交付該等無報價股本工具之方式結算之可供出售財務資產而言，於初步確認後之各結算日，均按成本扣除任何已識別耗蝕虧損計量。

財務資產耗蝕

於各結算日，將會對按公平值計入損益以外之財務資產進行審閱，以決定是否有任何客觀耗蝕憑證出現。倘存在任何該等憑證，則按以下方式計量及確認減值虧損：

(a) 按攤銷成本列賬之財務資產

倘有客觀憑證顯示按攤銷成本列賬之貸款及應收款項出現耗蝕虧損，則虧損款額以資產賬面值與按財務資產之原定實際利率（即於初步確認時計算之實際利率）折現之估計未來現金流量（不包括尚未產生之未來信貸虧損）現值之差額計量。虧損款額於耗蝕產生之期間於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

(iii) Available-for-sale financial assets (continued)

For available-for-sale investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

Impairment of financial assets

At each balance sheet date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment. If any such evidence exists, the impairment loss is measured and recognised as follows:

(a) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the 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). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.



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3. 重大會計政策概要 (續)

3.12 財務資產 (續)

(a) 按攤銷成本列賬之財務資產 (續)

倘耗蝕虧損款額於隨後期間減少，而有關減少可客觀地與確認耗蝕後發生之事件聯繫，則撥回先前已確認之耗蝕虧損，惟於撥回減值當日不得導致財務資產之賬面值超過如無確認減值之原有攤銷成本。撥回款額於撥回發生之期間於損益中確認。

(b) 可供出售財務資產

當可供出售財務資產之公平值減少已直接於權益確認，亦有客觀憑證顯示資產出現耗蝕，則該款額於權益剔除及於損益確認為耗蝕虧損。該款額乃以資產收購成本(扣除任何本金還款及攤銷)與現行公平值之差額，並扣除先前於損益所確認該資產之任何耗蝕虧損。

分類為可供出售股本工具投資之撥回不會於損益賬確認。公平值之其後增加乃於權益直接確認。倘其後之公平值增加可客觀地與確認耗蝕後發生之事件聯繫，則債務證券之耗蝕虧損將撥回。於該等情況下之耗蝕虧損撥回乃於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

(a) Financial assets carried at amortised cost (continued)

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

(b) Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Reversals in respect of investment in equity instruments classified as available-for-sale are not recognised in the income statement. The subsequent increase in fair value is recognised directly in equity. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversal of impairment losses in such circumstances are recognised in profit or loss.



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3. 重大會計政策概要 (續)

3.12 財務資產 (續)

(c) 按成本列賬之財務資產

耗蝕虧損款額以財務資產賬面值與按類似財務資產之現行市場回報率折現之估計未來現金流量現值之差額計量。該等耗蝕虧損不會於隨後期間撥回。

3.13 對沖活動之會計處理

衍生財務工具初步按訂立衍生工具合約日期之公平值確認，其後則以公平值重新計量。公平值對沖保障本集團免受源於某特定風險及可能影響損益之一項已確認資產或負債或一項確定承擔，或該項資產、負債或確定承擔已識別部份之公平值變動之風險。

衍生工具如劃分及合資格作為公平值對沖之對沖工具，則其公平值變動乃於損益賬入賬，連同源於對沖風險之對沖資產或負債之公平值任何變動。對沖項目之賬面值乃作出相應調整。

倘財務工具之對沖項目按攤銷成本列賬，則對賬面值之調整乃於損益攤銷。有關調整乃於財務工具到期時全數攤銷。

倘一項未確認之確定承擔劃分為對沖項目，則源於對沖風險之該項確定承擔公平值之其後累計變動乃於損益確認為資產或負債連同相應盈虧。對沖工具公平值變動亦於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Financial assets (continued)

(c) *Financial assets carried at cost*

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3.13 Accounting for hedging activities

Derivatives financial instruments are initially recognised at fair value on the date the derivative contract is entered into and subsequently remeasured at fair value. Fair value hedges secure the Group against the exposure to changes in the fair value of a recognised asset or liability or a firm commitment or an identifiable portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.

Changes in the fair value of derivatives that are designated and qualify as the hedging instruments of fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The corresponding adjustments are to the carrying amounts of the hedged items.

Where the hedged item is a financial instrument carried at amortised cost, the adjustment to carrying value is amortised to profit or loss. The adjustment is amortised fully by maturity of the financial instrument.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.



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3. 重大會計政策概要 (續)

3.13 對沖活動之會計處理 (續)

倘對沖工具屆滿或被出售、終止或行使而並無替補或續期，或對沖不再符合對沖會計處理之條件，或本集團撤銷該項劃分，則本集團將終止使用公平值對沖會計處理。

3.14 所得稅之會計方法

所得稅包括本期稅項及遞延稅項。

本期所得稅資產及／或負債包括於結算日尚未繳付並與本期或先前申報期有關應向稅收機關履行之稅務責任或稅收機關發出之申索。該等稅務責任乃根據其相關課稅期間之適用稅率及稅法，按年度應課稅溢利計算。本期稅務資產或負債所有變動於損益賬內確認為稅項開支之一部份。

遞延稅項乃採用負債法就財務報表之資產及負債賬面值與彼等各自之課稅基準於結算日之暫時差額計算。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產乃就所有可扣減暫時差額、可用作結轉之稅項虧損及其他未用稅項抵免而確認，惟以有關可扣減暫時差額、未用稅項虧損及未用稅項抵免有可能用作抵銷日後應課稅收入為限方予確認。

倘暫時差額因商譽或初步確認(業務合併除外)一項不影響應課稅或會計損益交易之資產及負債而產生，則遞延稅項資產及負債不予確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Accounting for hedging activities (continued)

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or when the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

3.14 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the tax periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.



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3. 重大會計政策概要 (續)

3.14 所得稅之會計方法 (續)

遞延稅項負債乃就投資於附屬公司、聯營公司及合營企業所產生應課稅暫時差額而予以確認，惟本集團能夠控制暫時差額之撥回及暫時差額有可能不會於可見將來撥回則除外。

遞延稅項乃按照預期於償還債務或變現資產期間適用之稅率計算(不予折現)，惟有關稅率須於結算日已訂立或大致上已訂立。

遞延稅項資產或負債之變動於損益賬確認，或如有關變動涉及於權益直接扣除或計入之項目，則於權益確認。

3.15 現金及現金等價物

現金及現金等價物包括銀行及手頭現金，以及原定到期日為三個月或以下之銀行存款。

3.16 股本

普通股乃分類為權益。股本乃採用已發行股份之面值釐定。

與發行股份有關之任何交易成本乃於權益扣除(不計任何相關所得稅收益)，惟以股本交易直接應佔之遞延成本為限。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Accounting for income taxes (continued)

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

3.15 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as bank deposits with original maturities of three months or less.

3.16 Share Capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from equity (net of any related income tax benefits) to the extent they are incremental costs directly attributable to the equity transaction.



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For the year ended 31st December, 2006

3. 重大會計政策概要 (續)

3.17 退休金責任及短期僱員福利

向僱員提供之退休福利乃透過定額供款計劃提供。

定額供款計劃

本集團根據強制性公積金計劃條例設有定額供款之強制性公積金退休福利計劃(「強積金計劃」)，以供其全體僱員及合資格參與強積金計劃之該等僱員參加。供款乃按僱員基本薪金之某一百分比作出，並根據強積金計劃之規則於應付時自損益賬扣除。強積金計劃之資產與本集團資產分開持有，並由獨立管理之基金管理。本集團之僱主供款於向強積金計劃作出供款時即悉數歸屬僱員。

短期僱員福利

僱員享有之年假權利於應計入僱員權利時確認。本公司已就截至結算日由僱員所提供服務而產生之年假估計責任作出撥備。

非累計補償如病假及產假於提出休假時方予確認。

3.18 財務負債

本集團之財務負債包括借貸、少數股東權益貸款、其他應繳款、應計費用及已收按金及欠一間關連公司之款項。

財務負債乃於本集團參與訂立工具之合約協議時確認。所有利息相關開支乃於損益賬之財務成本確認為開支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Pension obligations and short term employee benefits

Retirement benefits to employees are provided through a defined contribution plan.

Defined contribution plan

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees and those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

3.18 Financial liabilities

The Group's financial liabilities include borrowings, loans from minority interests, other payables, accrued expenses and deposits received and amount due to a related company.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the income statement.



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3. 重大會計政策概要 (續)

3.18 財務負債 (續)

當負債項下之責任獲解除或註銷或屆滿時，則取消確認財務負債。

倘現有財務負債由同一貸款人按大致不同之條款以另一項財務負債取代，或現有負債條款經大幅修改，則有關互換或修改視作取消確認原有負債及確認新負債，而各賬面值間之差額則於損益賬確認。

借貸

借貸初步按公平值(扣除已產生之交易成本)確認。借貸其後按已銷成本列賬；所得款項(扣除交易成本)與贖回值之任何差額乃採用實際利息法於借貸期間在損益賬確認。

借貸分類為流動負債，惟本集團擁有無條件權利以遞延償還負債之期限至結算日後至少十二個月則除外。

其他財務負債

其他財務負債初步按其公平值確認，其後採用實際利率法按攤銷成本計量。

3.19 所發出的財務擔保

財務擔保乃要求發行人(或擔保人)就持有人因特定債務人未能根據債務工具之條款於到期時付款而蒙受之損失而向持有人支付特定款項之合約。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Financial liabilities (continued)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the income statement.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Other financial liabilities

Other financial liabilities are recognized initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

3.19 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instruments.



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3. 重大會計政策概要 (續)

3.19 所發出的財務擔保 (續)

倘本集團發出財務擔保，則該擔保之公平值初步確認為經營及其他應付款內之遞延收入。倘在發行該擔保時已收取或可收取代價，該代價則根據適用於該類資產之本集團政策而予以確認。倘並無收取或應收取該代價，則於初步確認任何遞延收入時於損益確認即時支出。

初步確認為遞延收入之擔保款額，按擔保年期內於損益攤銷為所發出財務擔保之收入。此外，倘擔保持有人有可能根據本集團已作出之財務擔保向本集團提出索償及對本集團提出之索償款額預期超過現時之賬面值(即初步確認之款額減累計攤銷(如適用))，則確認撥備。

3.20 關連人士

與本集團關連之人士乃指：

- (i) 該人士直接或間接透過一個或多個中介人：
 - 控制本集團、被本集團控制或與本集團受到共同控制；
 - 擁有本集團之權益使其能對本集團行使重大影響力；或
 - 於本集團有共同控制權；
- (ii) 該人士乃聯營公司；
- (iii) 該人士乃共同控權合資公司；
- (iv) 該人士乃本集團或其母公司之主要管理人員；

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Financial guarantees issued (continued)

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

3.20 Related Parties

Parties are considered to be related to the Group if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Group;
 - has an interest in the Group that gives it significant influence over the Group; or
 - has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a jointly controlled entity;
- (iv) the party is a member of the key management personnel of the Group or its parent;



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3. 重大會計政策概要 (續)

3.20 關連人士 (續)

- (v) 該人士乃第(i)或第(iv)項所指之任何個別人士之近親；
- (vi) 該人士乃第(iv)或第(v)項之任何個別人士直接或間接地能控制、共同控制或有重大影響力或重大投票權之實體；或
- (vii) 該人士乃本集團或屬於本集團有關連人士之實體為其僱員而設之離職後福利計劃。

3.21 分類申報

按照本集團之內部財務申報形式，本集團決定以業務分類作主要申報形式及以地區分類作次要申報形式。

分類資本開支為期內就收購預期將使用超過一段期間之分類資產(有形及無形兩者)而產生之總成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Related Parties (continued)

- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

3.21 Segment Reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.



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4. 關鍵會計估計及判斷

估計及判斷會不斷進行評估，並根據過往經驗及其他因素（包括於具體情況下相信將屬於合理之未來事件預期）達致。

4.1 關鍵會計估計及假設

本集團就日後作出估計及假設。因此而作出之會計估計按定義大多有別於相關實際結果。下文詳述有重大風險或會導致下一個財政年度內資產及負債賬面值作出重大調整之有關估計及假設：

投資物業之估計公平值

本集團投資物業公平值之最佳憑證為類似租賃及其他合約之活躍市場及其他合約之現行價格。在缺乏該項資料之情況下，本集團將有關款額釐定為一個合理公平值估計之範圍內。本集團於作出其判斷時，所考慮來自多個來源之資料，包括：

- (i) 重就不同性質、狀況或地點（或附帶不同租賃或其他合約）物業之活躍市場現行價格，予以調整以反映該等差異；
- (ii) 於稍欠活躍市場之類似物業近期價格，進行調整以反映自從按該等價格訂立交易之日期以來經濟狀況之任何變化；及
- (iii) 根據未來現金流量之可靠估計（從任何現有租賃及其他合約條款推算）及（倘有可能）從外界憑證（例如於相同地點及狀況之類似物業現行市場租金）而計算之貼現現金流量預測，及採用之利率可反映對現金流量款額及時間不確定情況之現行市場評估。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimate fair value of investment properties

The best evidence of fair value of the Group's investment properties is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgment, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.



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4. 關鍵會計估計及判斷(續)

4.2 應用實體會計政策之關鍵判斷

於應用本集團會計政策之過程中，管理層已作出下列判斷(涉及估計之該等判斷除外)而對在財務報表確認之款額造成最重大影響：

可供出售財務資產之耗蝕

就可供出售財務資產而言，公平值顯著或持續低於成本被視為耗蝕之客觀憑證。於釐定公平值下跌是否顯著及／或持續須運用判斷。於作出此判斷時，市場波動情況之過往數據及特定投資之價格均屬考慮之列。本集團亦考慮其他因素，例如行業及環節表現及有關發行人／接受投資公司之財務資料。

經營租賃承擔－本集團作為出租人

本集團已於其投資物業組合內訂立商用物業租賃。本集團已確定其保留按經營租賃出租之此等物業擁有權之所有重大風險及回報。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.2 Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statement:

Impairment of available-for-sale financial assets

For available-for-sale financial assets, a significant or prolonged decline in fair value below cost is considered to be objective evidence of impairment. Judgement is required when determining whether a decline in fair value has been significant and/or prolonged. In making this judgement, the historical data on market volatility as well as the price of the specific investment are taken into account. The Group also takes into account other factors, such as industry and sector performance and financial information regarding the issuer/investee.

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.



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5. 收入

5. REVENUE

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Interest income from available-for-sale financial assets 可供出售財務資產之利息收入	3,267,645	14,120,649
Interest income from bank deposits 銀行存款之利息收入	3,214,463	3,148,755
Interest income from financial assets at fair value through profit or loss 按公平值列賬及在損益賬處理之財務資產之利息收入	117,000	117,000
Dividend income 股息收入		
– listed investments – 上市投資	–	452,275
– unlisted investments – 非上市投資	86,462,629	–
Interest income on accrued dividend income 應收股息之利息收入	2,268,949	–
Rental Income 租金收入	62,704,993	17,634,711
	158,035,679	35,473,390

6. 其他收入淨額

6. OTHER NET INCOME

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Gain on disposal/redemption of other available-for-sale financial assets 出售／贖回可供出售財務資產之收益	7,122,477	18,389,333
Fair value gain on financial assets at fair value through profit or loss 按公平值列賬及損益賬處理之財務資產之公平值收益	9,213,750	380,250
Sundry income 雜項收入	1,265,682	2,120,504
	17,601,909	20,890,087



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7. 分類資料

分類資料乃透過本集團之業務分類呈列。

本集團之營運業務乃按照其營運及所提供服務分別建立及管理。本集團之每項業務分類乃指一項策略業務單位，其所提供服務之風險及回報與其他業務分類之風險及回報有所分別。

由於本集團源自香港以外業務的經營業績及資產總額少於10%的綜合收入，因此並無提供地區分析。

7. SEGMENT INFORMATION

Segment information is presented by way of the Group's business segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's business segment represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments.

No geographical analysis is presented as the Group's revenue, operating results and assets in geographical segments other than Hong Kong are less than 10% of the aggregate amount of all segments.



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7. 分類資料 (續)

7. SEGMENT INFORMATION (continued)

	Property investment 物業投資		Other Investment 其他投資		Consolidated 綜合	
	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Revenue 收入	62,793,385	17,634,711	95,242,294	17,838,679	158,035,679	35,473,390
Segment result 分類業績	42,172,411	35,020,570	78,658,883	(43,435,533)	120,831,294	(8,414,963)
Derecognition of available-for-sale financial assets and other receivable 可供出售財務資產之取消確認	-	-	(190,190,000)	-	(190,190,000)	-
Valuation surplus on investment properties 投資物業之估值盈餘	1,679,625	-	-	-	1,679,625	-
Finance costs 財務成本	(32,539,020)	(5,158,634)	(5,416,588)	(3,567,098)	(37,955,608)	(8,725,732)
Share of results of 分佔業績						
- associates - 聯營公司	-	166,788,545	(11,920,177)	327,107	(11,920,177)	167,115,652
- jointly controlled entities - 共同控權合資公司	-	-	4,458,157	(45,986)	4,458,157	(45,986)
(Loss)/profit before income tax 所得稅前(虧損)/溢利	11,313,016	196,650,481	(124,409,725)	(46,721,510)	(113,096,709)	149,928,971
Income tax expense 所得稅開支	(2,694,009)	(3,158,883)	195,000	(65,000)	(2,499,009)	(3,223,883)
(Loss)/profit for the year 本年度(虧損)/溢利	8,619,007	193,491,598	(124,214,725)	(46,786,510)	(115,595,718)	146,705,088
Segment assets 分類資產	1,345,007,269	1,062,755,207	757,106,752	731,999,236	2,102,114,021	1,794,754,443
Interests in associates 於聯營公司之權益	-	-	-	11,926,269	-	11,926,269
Interests in jointly controlled entities 於共同控權合資公司之權益	-	-	1,438,648	40,000	1,438,648	40,000
Total assets 資產總值	1,345,007,269	1,062,755,207	758,545,400	743,965,505	2,103,552,669	1,806,720,712
Segment liabilities 分類負債	868,168,298	587,226,792	310,667,727	166,757,305	1,178,836,025	753,984,097
Other information 其他資料						
Capital expenditure 資本開支	318,206,382	220,113,993	-	-	318,206,382	220,113,993
Impairment of available-for-sale financial assets 可供出售財務資產之耗蝕	-	-	16,401,802	20,228,149	16,401,802	20,228,149
Impairment loss of goodwill 商譽之耗蝕	-	-	-	37,001,490	-	37,001,490
Excess arising from acquisition of subsidiaries 因收購附屬公司產生之剩餘款額	-	(11,900,206)	-	-	-	(11,900,206)



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8. 可供出售財務資產及其他應收款之取消確認

於本年度內，本集團與新華航空控股有限公司（「新華航空」）訂立協議（「新華航空協議」），據此（其中包括）本集團同意出售由本集團持有的中富航空有限公司（現稱為香港航空有限公司）（「中富航空」）的34.2%股本權益，代價為190,000,000港元，按每股作價人民幣2元以換取97,850,000股每股面值人民幣1元的新華航空股份（「新華航空股份」）。

就根據執行新華航空協議而言，本集團同意(i)轉換其中一部分本金額62,181,818港元的中富航空A類可換股債權證為每股面值1港元的62,181,818股中富航空普通股（「轉換股份」），即中富航空的34.22%股權，並出售轉換股份予新華航空以換取每股面值人民幣1元的97,850,000股新華航空股份；(ii)撤銷餘下總值111,151,515港元的中富航空A類、C類及D類可換股債權證（「餘下債權證」）的投資；(iii)撤銷其應收中富航空股東葉光先生（「葉先生」）的16,666,667港元承付票據（「承付票據」）全部本金額及應計利息的所有權利；及(iv)撤銷葉先生全資擁有的公司授出的購股權，據此可收購其於中富航空之權益（「購股權股份」）。

8. DERECOGNITION OF AVAILABLE-FOR-SALE FINANCIAL ASSETS AND OTHER RECEIVABLE

During the year, the Group entered into an agreement with Grand China Air Company Limited ("Grand China") (the "Grand China Agreement") and pursuant to which, among other things, the Group agreed to dispose of the 34.2% equity interest in CR Airways Limited (now known as Hong Kong Airlines Limited) (the "CR Airways") held by the Group at the consideration of HK\$190,000,000 in return for the 97,850,000 shares of Grand China of RMB1 each at RMB2 each (the "Grand China Shares").

In connection with the execution of the Grand China Agreement, the Group agreed to (i) convert a partial principal amount of HK\$62,181,818 of the CR Airways' Class A convertible debentures into 62,181,818 ordinary shares of HK\$1 each of CR Airways (the "Converted Shares"), which represented 34.22% of the equity holdings in CR Airways, and to dispose of the Converted Shares to Grand China in return for 97,850,000 shares of RMB1 each of Grand China; (ii) waive its remaining investments in CR Airways' Class A, Class C and Class D convertible debentures in the aggregate amount of HK\$111,151,515 (the "Remaining Debentures"); (iii) waive all its rights in relation to the entire principal amount and accrued interest of promissory note of HK\$16,666,667 (the "Promissory Note") due from Mr Yip Kwong ("Mr Yip"), shareholder of CR Airways and (iv) waive the option granted by a company wholly owned by Mr Yip to purchase its interests in CR Airways (the "Option Shares").



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8. 可供出售財務資產及其他應收款之取消確認 (續)

於二零零六年六月，本集團完成向新華航空轉讓轉換股份及撤銷餘下債權證、承付票據及購股權股份（該已轉讓已換股股份及已撤銷資產統稱「中富航空財務資產」）。然而，新華航空股份轉移至本集團的法定登記程序仍在處理中。本集團得到新華航空告知，新華航空在新華航空股份登記事宜上遭遇困難。此外，登記過程需要得到海南省當局批准，惟海南省當局並無明確支持新華航空股份的登記事宜。因此，目前尚未取得登記新華航空股份的法定批准，而本集團於本財務報告日期並未登記為新華航空的權益股東。於執行新華航空協議前，按新華航空協議規定，新華航空承諾出示中國法律意見，以實際確認在中國法例下，新華航空協議訂約方的意向及履約的合法性（「訂立前法律意見」）。訂立前法律意見已經出示及（其中包括）表明毋須就新華航空增加其註冊資本或取得轉換股份而得到新華航空股東或政府機關或機構的批准。經尋求本集團法律顧問的進一步專業意見後，本集團與新華航空現正磋商登記新華航空股份或採取其他補救措施，以及考慮對新華航空採取任何可能之法律行動（如有需要）。然而，本集團難以與新華航空進行磋商。

鑒於所有權存在不明朗因素及新華航空拒絕合作，本集團未能確認新華航空股份，因此決定取消確認中富航空財務資產。由於取消確認中富航空財務資產及未能確認新華航空股份，因此賬面值合計190,190,000港元的中富航空財務資產已於本年度內在收益表扣除。

8. DERECOGNITION OF AVAILABLE-FOR-SALE FINANCIAL ASSETS AND OTHER RECEIVABLE (continued)

In June 2006, the Group completed the transfer of the Converted Shares to Grand China and waived the Remaining Debentures, Promissory Note and Option Shares (the transferred Converted Shares and waived assets collectively referred to as the "CR Airways Financial Assets"). However, the statutory registration procedures of the Grand China Shares to the Group are still in progress. The Group was informed by Grand China that Grand China encountered difficulty in registration of the Grand China Shares. In addition, the registration process is required to have the approval of the local authority of Hainan Province, which did not expressly support the registration of the Grand China Shares. As a result, the statutory approval of the registration of the Grand China Shares has not been obtained and the Group is not registered as an equity shareholder of Grand China as of the date of financial statements. Prior to the execution of the Grand China Agreement, as stipulated under the Grand China Agreement, Grand China undertook to produce a PRC legal opinion confirming essentially, the legality of parties' intention and performance of the Grand China Agreement under the PRC laws (the "Pre-execution Legal Opinion"). The Pre-execution Legal Opinion was produced and among other things, stated that no approval was required from shareholders of Grand China or government authority or organisation for Grand China to increase its registered capital or obtain the Converted Shares. After seeking for further professional advices from the Group's legal advisers, the Group is in the process of negotiating with Grand China in respect of the registration of the Grand China Shares or other remedies and considering any possible legal action against Grand China, if necessary. However, the Group experienced difficulties in negotiating with Grand China.

In view of the title uncertainty and the lack of cooperation from Grand China, the Group did not recognise the Grand China Shares and made a decision to derecognise the CR Airways Financial Assets. As a result of the derecognition of the CR Airways Financial Assets and the failure to recognise the Grand China Shares, the carrying value of the CR Airways Financial Assets in the aggregate amount of HK\$190.19 million was charged to the income statements during the year.



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9. 財務成本

9. FINANCE COSTS

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Interest on bank borrowings wholly repayable within five years 須於五年內悉數償還之銀行借貸利息	36,753,441	7,917,251
Interest on other borrowings 其他借貸利息	354,711	808,481
	37,108,152	8,725,732
Fair value loss on financial instruments of interest rate swap contracts 財務工具於利率調期合約之公平值虧損	847,456	–
	37,955,608	8,725,732



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For the year ended 31st December, 2006

10. 所得稅前(虧損)/溢利

10. (LOSS)/PROFIT BEFORE INCOME TAX

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
(Loss)/profit before income tax is arrived at after charging/(crediting):		
所得稅前(虧損)/溢利已扣除/(計入)下列各項:		
Impairment loss of goodwill		
商譽耗蝕虧損		
– arising on acquisition of associates	–	35,963,702
– 因收購聯營公司產生		
– arising on acquisition of subsidiaries	–	1,037,788
– 因收購附屬公司產生		
Excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of business combination		
收購人於被收購人可分辨資產、負債及或然負債公平值之權益		
超過業務合併成本之數額	–	(11,900,206)
Impairment of interest in associates		
於聯營公司權益之耗蝕	6,092	–
Impairment of available-for-sale financial assets		
可供出售財務資產之耗蝕	16,401,802	20,228,149
Auditors' remuneration		
核數師酬金		
– charge for the year		
– 本年度	425,400	353,800
– under provision in prior year		
– 過往年度撥備不足	–	200,000
Rentals receivable from investment properties less direct outgoings of HK\$6,905,476 (2005: HK\$1,320,705)		
自投資物業應收之租金減直接支銷6,905,476 港元(二零零五年: 1,320,705 港元)	55,799,517	16,314,006
Employee benefit expense (including directors' emoluments (note 16)) (note 15)		
僱員福利開支(包括董事酬金(附註16))(附註15)	913,830	632,492
Management fee (note 37)		
管理費用(附註37)	13,306,316	11,288,498
Exchange (gain)/loss		
滙兌(溢利)/虧損	(30,250)	1,691,290



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For the year ended 31st December, 2006

11. 所得稅開支

香港利得稅乃以本年度之估計應課稅溢利按稅率17.5% (二零零五年：17.5%) 計算撥備。

11. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits for the year.

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Current tax 本年度稅項		
Current year 本年度	1,072,418	221,122
(Over)/under provision in prior years 過往年度撥備(過剩)/不足	(195,000)	65,000
Deferred tax 遞延稅項	877,418	286,122
	1,621,591	2,937,761
Total income tax expense 所得稅開支合計	2,499,009	3,223,883



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For the year ended 31st December, 2006

11. 所得稅開支(續)

所得稅開支與按適用稅率計算之所得稅前(虧損)
／溢利之對賬如下：

11. INCOME TAX EXPENSE (continued)

Reconciliation between income tax expense and (loss)/profit
before income tax at applicable tax rates is as follows:

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
(Loss)/profit before income tax 所得稅前(虧損)／溢利	(113,096,709)	149,928,971
Tax calculated at the applicable rate of 17.5% (2005: 17.5%) 按適用稅率17.5%(二零零五年: 17.5%)計算之稅項	(19,791,924)	26,237,570
Tax effect of non-deductible expenses 不可扣減開支之稅務影響	42,495,892	12,820,863
Tax effect of non-taxable revenue 毋須課稅收入之稅務影響	(23,804,940)	(35,899,550)
Tax effect of unused tax losses not recognised 未確認之未使用稅務虧損之稅務影響	3,794,981	-
(Over)/under provision in respect of prior years 過往年度撥備(過剩)／不足	(195,000)	65,000
Income tax expense 所得稅開支	2,499,009	3,223,883

12. 本公司股權持有人應佔(虧損)／溢利

本公司股權持有人應佔本年度綜合虧損
155,693,187港元(二零零五年: 溢利
144,661,745港元)·虧損181,798,136港元(二
零零五年: 虧損85,999,126港元)已於本公司之財務
報表內處理。

12. (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the consolidated loss for the year attributable to equity
holders of the Company of HK\$155,693,187 (2005: profit
of HK\$144,661,745), a loss of HK\$181,798,136 (2005: loss
of HK\$85,999,126) has been dealt with in the financial
statements of the Company.



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13. 股息

本集團已決議不派發截至二零零六年十二月三十一日止年度之股息。前一財政年度應佔、於本年度內批准及支付之股息為33,823,440港元，相等於每股普通股2港仙。

14. 每股(虧損)/盈利

每股基本(虧損)/盈利乃根據本公司股權持有人應佔虧損155,693,187港元(二零零五年：溢利144,661,745港元)及已發行普通股1,691,171,989股(二零零五年：1,691,171,989股)計算。

由於本集團並無具攤薄性潛在普通股，故並無呈列截至二零零六年及二零零五年十二月三十一日止年度之每股攤薄(虧損)/盈利。

15. 僱員福利開支(包括董事酬金)

13. DIVIDENDS

The Group had not declared any dividends during the year ended 31st December, 2006. The dividends attributable to the previous financial year, approved and paid during the year amounted to HK\$33,823,440 of HK2 cents per ordinary share.

14. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity holders of the Company of HK\$155,693,187 (2005: profit of HK\$144,661,745) and 1,691,171,989 (2005: 1,691,171,989) ordinary shares in issue.

Diluted (loss)/earnings per share for the years ended 31st December, 2006 and 2005 were not presented as there were no dilutive potential ordinary shares.

15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Basic salaries 基本薪金	809,000	590,492
Discretionary bonuses 酌情花紅	85,830	80,000
Contributions to defined contribution plans 定額供款計劃供款	19,000	12,000
	913,830	682,492



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16. 董事薪酬及高級管理人員酬金

16.1 董事酬金 – 執行董事及非執行董事

已付或應付董事之酬金如下：

16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

16.1 Directors' emoluments – Executive directors and non-executive directors

The emoluments paid or payable to the directors were as follows:

	Fees 袍金 HK\$ 港元	Other emoluments 其他酬金 HK\$ 港元	Total 合計 HK\$ 港元
Year ended 31st December, 2006			
截至二零零六年十二月三十一日止年度			
<i>Executive directors</i>			
<i>執行董事</i>			
Fung Wing Cheung, Tony 馮永祥	20,000	–	20,000
Fung Yiu Fai, Peter 馮耀輝	20,000	–	20,000
Lee Wa Lun, Warren 李華倫	20,000	–	20,000
Li Shi Liang (Deceased on 5th July, 2006) 李世亮 (於二零零六年七月五日逝世)	20,000	–	20,000
<i>Non-executive directors</i>			
<i>非執行董事</i>			
Lee Seng Hui 李成輝	70,000	–	70,000
Lee Yip Wah, Peter 李業華	20,000	–	20,000
<i>Independent non-executive directors</i>			
<i>獨立非執行董事</i>			
So Shu Fai, Ambrose 蘇樹輝	20,000	–	20,000
Chow Yu Chun, Alexander 周宇俊	120,000	–	120,000
Albert Ho 何振林	70,000	–	70,000
	380,000	–	380,000



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For the year ended 31st December, 2006

16. 董事薪酬及高級管理人員酬金(續)

16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

16.1 董事酬金 – 執行董事及非執行董事(續)

16.1 Directors' emoluments – Executive directors and non-executive directors (continued)

已付或應付董事之酬金如下：

The emoluments paid or payable to the directors were as follows:

	Fees 袍金 HK\$ 港元	Other emoluments 其他酬金 HK\$ 港元	Total 合計 HK\$ 港元
Year ended 31st December, 2005 截至二零零五年十二月三十一日止年度			
<i>Executive directors</i> 執行董事			
Fung Wing Cheung, Tony 馮永祥	20,000	–	20,000
Fung Yiu Fai, Peter 馮耀輝	20,000	–	20,000
Lee Wa Lun, Warren 李華倫	5,246	–	5,246
Li Shi Liang (Deceased on 5th July, 2006) 李世亮(於二零零六年七月五日逝世)	20,000	–	20,000
<i>Non-executive directors</i> 非執行董事			
Lee Seng Hui 李成輝	70,000	–	70,000
Lee Yip Wah, Peter 李業華	20,000	–	20,000
<i>Independent non-executive directors</i> 獨立非執行董事			
So Shu Fai, Ambrose 蘇樹輝	20,000	–	20,000
Chow Yu Chun, Alexander 周宇俊	120,000	–	120,000
Albert Ho 何振林	55,246	–	55,246
	350,492	–	350,492



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16. 董事薪酬及高級管理人員酬金(續)

16.1 董事酬金 – 執行董事及非執行董事(續)

於本年度內並無訂立安排致使董事放棄或同意放棄任何酬金。

16.2 五位最高薪酬人士

本年度本集團五位最高薪酬人士包括三名董事(二零零五年：四名)，其酬金已反映在上述分析內。其餘兩位(二零零五年：一位)僱員本年度的薪酬如下：

16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

16.1 Directors' emoluments – Executive directors and non-executive directors (continued)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

16.2 Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included three (2005: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2005: one) individuals during the year are as follows:

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Basic salaries 基本薪金	429,000	240,000
Discretionary bonuses 酌情花紅	85,830	80,000
Contributions to defined contribution plans 定額供款計劃供款	19,000	12,000
	533,830	332,000

餘下兩名(二零零五年：一名)人士之酬金介乎「零至1,000,000港元」之酬金組別內。

於截至二零零六年十二月三十一日止年度內，本集團並無向董事或餘下兩名(二零零五年：一名)最高薪人士支付酬金，作為加入或於加入本集團後之獎勵或離職補償。

The emoluments of the remaining two (2005: one) individual fell within the emolument band of "Nil – HK\$1,000,000".

During the year ended 31st December, 2006, no emoluments were paid by the Group to the directors or the remaining two (2005: one) highest paid individual as an inducement to join or upon joining the Group or as compensation for loss of office.



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17. 投資物業

本集團

根據經營租賃持有以賺取租金或旨在達到資本增值之本集團所有物業權益均採用公平值模式計量，並分類及入賬列作投資物業。

於綜合資產負債表呈列之賬面值變動概述如下：

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Carrying amount at 1st January 於一月一日之賬面值	1,020,113,993	–
Arising on acquisition of a subsidiary 於收購附屬公司時產生	–	800,000,000
Additions 添置	318,206,382	220,113,993
Net gain from fair value adjustments 公平值調整所產生之收益淨額	1,679,625	–
Carrying amount at 31st December 於十二月三十一日之賬面值	1,340,000,000	1,020,113,993

公平值為1,340,000,000港元(二零零五年十二月三十一日：800,000,000港元)之投資物業於二零零六年十二月三十一日由獨立專業估值師資產評值顧問有限公司根據市場價值基準估值。

銀行借貸713,909,140港元(二零零五年：445,171,016港元)乃以上述投資物業作為抵押(附註29)。

17. INVESTMENT PROPERTIES

Group

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model.

Changes to the carrying amounts presented in the consolidated balance sheet can be summarised as follows:

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Carrying amount at 1st January 於一月一日之賬面值	1,020,113,993	–
Arising on acquisition of a subsidiary 於收購附屬公司時產生	–	800,000,000
Additions 添置	318,206,382	220,113,993
Net gain from fair value adjustments 公平值調整所產生之收益淨額	1,679,625	–
Carrying amount at 31st December 於十二月三十一日之賬面值	1,340,000,000	1,020,113,993

The investment properties at fair values of HK\$1,340,000,000 (31st December, 2005: HK\$800,000,000) were valued at 31st December, 2006 by Asset Appraisal Limited, an independent firm of professional valuers, based on current prices in an active market.

Bank borrowings of HK\$713,909,140 (2005: HK\$445,171,016) are secured by the above investment properties (note 29).



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For the year ended 31st December, 2006

17. 投資物業(續)

本集團

本集團之投資物業位於香港及根據下列租賃年期持有：

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Long term leases 長期租賃	1,180,000,000	852,437,737
Medium term leases 中期租賃	160,000,000	167,676,256
	1,340,000,000	1,020,113,993

18. 長期訂金

於二零零五年十二月三十一日，本集團之長期訂金指本集團就添置投資物業而支付之訂金。有關交易已於二零零六年十二月三十一日結算日前完成。

17. INVESTMENT PROPERTIES (continued)

Group

The Group's investment properties are situated in Hong Kong and are held under the following lease terms:

18. LONG TERM DEPOSITS

As at 31st December, 2005, the Group's long term deposit represents the deposit paid by the Group for the acquisition of investment properties. The transaction was completed during the year ended 31st December, 2006.

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19. 於附屬公司權益／應收(欠)附屬公司款項

19. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE FROM (TO) SUBSIDIARIES

本公司	Company	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Unlisted shares, at cost 非上市股份，按成本		2,574,031	2,574,034
Less: Impairment loss recognised 減：已確認耗蝕虧損		(103,125)	(103,125)
		2,470,906	2,470,909
Amounts due from subsidiaries 應收附屬公司款項		729,027,894	864,345,788
Less: Impairment loss recognised 減：已確認耗蝕虧損		(411,787,260)	(239,830,548)
Portion due within one year included under current assets 列作流動資產之一年內到期部份		317,240,634	624,515,240
Amounts due to subsidiaries, due within one year included under current liabilities 列作流動負債之一年內到期之欠附屬公司款項		(9,808,031)	(9,040,188)

應收／(欠)附屬公司款項為無抵押、免息及須於要求時償還。因此，有關款額分類為流動資產／(負債)。

The amounts due from/(to) subsidiaries are unsecured, interest free and repayable on demand. Accordingly, the amounts are classified as current assets/(liabilities).



財務報表附註

截至二零零六年十二月三十一日止年度

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For the year ended 31st December, 2006

19. 於附屬公司權益／應收(欠)附屬公司款項 (續)

本公司

以下為主要附屬公司於二零零六年十二月三十一日之詳情：

19. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE FROM (TO) SUBSIDIARIES (continued)

Company

Particulars of the principal subsidiaries at 31st December, 2006 are as follows:

Name 公司名稱	Place/Country of incorporation and kind of legal entity 註冊成立地點/ 國家及法律實體種類	Particulars of issued share capital 已發行股本詳情	Percentage of issued capital held by the Company 本公司持有之 已發行股本百分比		Principal activities and place of operations 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Asia Vision Holdings Limited 亞洲創見控股有限公司	Hong Kong, limited liability company 香港， 有限責任公司	2 ordinary shares of HK\$0.01 each 2股普通股， 每股面值0.01港元	100%	–	Investment holding, Hong Kong 投資控股， 香港
Capital Sharp Investment Limited 昌鍵投資有限公司	Hong Kong, limited liability company 香港， 有限責任公司	2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元	100%	–	Investment holding, Hong Kong 投資控股， 香港
Contana Investment Limited 家利投資有限公司	Hong Kong, limited liability company 香港， 有限責任公司	2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元	100%	–	Investment holding, Hong Kong 投資控股， 香港
IEC Investments Limited*	Hong Kong, limited liability company 香港， 有限責任公司	100,000 ordinary shares of HK\$1 each 100,000股普通股 每股面值1港元	60%	–	Investment holding, Hong Kong 投資控股， 香港
Honnex Development Limited* 康恩發展有限公司*	Hong Kong, limited liability company 香港， 有限責任公司	980,000 ordinary shares of HK\$1 each 980,000股普通股 每股面值1港元	–	61.22%	Investment holding, property investment and letting, Hong Kong 投資控股， 物業投資及租賃，香港
The Hong Kong Equity Guarantee Corporation Limited	Hong Kong, limited liability company 香港， 有限責任公司	2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元	100%	–	Investment holding, Hong Kong 投資控股， 香港

財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

19. 於附屬公司權益／應收(欠)附屬公司款項
(續)19. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE
FROM (TO) SUBSIDIARIES (continued)

本公司 Name 公司名稱	Place/Country of incorporation and kind of legal entity 註冊成立地點/ 國家及法律實體種類	Particulars of issued share capital 已發行股本詳情	Percentage of issued capital held by the Company 本公司持有之 已發行股本百分比		Principal activities and place of operations 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Long Rainbow Limited 大利標有限公司	Hong Kong, limited liability company 香港， 有限責任公司	2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元	100%	–	Investment holding, Hong Kong 投資控股， 香港
Long Scene Limited 朗倩有限公司	Hong Kong, limited liability company 香港， 有限責任公司	2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元	100%	–	Investment holding, Hong Kong 投資控股， 香港
Long Set Investments Limited 朗式投資有限公司	Hong Kong, limited liability company 香港， 有限責任公司	2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元	100%	–	Investment holding, Hong Kong 投資控股， 香港
Longfine Investment Limited 朗利投資有限公司	Hong Kong, limited liability company 香港， 有限責任公司	2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元	100%	–	Investment holding, Hong Kong 投資控股， 香港
Longson Limited 朗星有限公司	Hong Kong, limited liability company 香港， 有限責任公司	2 ordinary shares of HK\$1 each 2股普通股， 每股面值1港元	100%	–	Investment holding, Hong Kong 投資控股， 香港
Mix Limited	Hong Kong, limited liability company 香港， 有限責任公司	1,400,000 ordinary shares of HK\$1 each 1,400,000股普通股， 每股面值1港元	100%	–	Investment holding, Hong Kong 投資控股， 香港



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For the year ended 31st December, 2006

19. 於附屬公司權益／應收(欠)附屬公司款項(續)

本公司

Place/Country of incorporation and kind of legal entity
註冊成立地點／國家及法律實體種類

Name

公司名稱

Particulars of issued share capital

已發行股本詳情

Company

Percentage of issued capital held by the Company

本公司持有之
已發行股本百分比
Directly **Indirectly**
直接 間接

Principal activities and place of operations

主要業務及營業地點

Odelon Limited	Hong Kong, limited liability company	2 ordinary shares of HK\$1 each	100%	–	Investment holding, Hong Kong
協成利有限公司	香港, 有限責任公司	2股普通股, 每股面值1港元			投資控股, 香港

* 並非由均富會計師行作核數的附屬公司。

* Subsidiaries not audited by Grant Thornton.

董事會認為，上表列出之本公司附屬公司對本集團之本年度業績有重要影響或構成淨資產之主要部份。董事會認為，列出其他附屬公司詳情將導致資料過於冗長。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

20. 於聯營公司權益

本集團

Share of net assets
分估資產淨值
Goodwill
商譽

Loans to associates
向聯營公司提供之貸款

Less: Impairment loss
減：耗蝕虧損

20. INTERESTS IN ASSOCIATES

Group

2006
二零零六年
HK\$
港元

2005
二零零五年
HK\$
港元

	8	11,920,185
	35,963,702	35,963,702
	35,963,710	47,883,887
	25,636,188	25,636,188
	61,599,898	73,520,075
	(61,599,898)	(61,593,806)
	–	11,926,269

向聯營公司提供之貸款乃無抵押、不計利息及並無固定還款期。

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



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

20. 於聯營公司權益(續)

本集團

於聯營公司之投資成本包括因於二零零五年十二月三十一日止年度收購一間聯營公司所產生之商譽35,963,702港元(二零零五年: 35,963,702港元)。商譽變動載列如下:

20. INTERESTS IN ASSOCIATES (continued)

Group

Included in the cost of investment in associates was goodwill of HK\$35,963,702 (2005: HK\$35,963,702) arising on acquisition of an associate during the year ended 31st December, 2005. The movement of goodwill is set out below:

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Carrying amount at 1st January 於一月一日之賬面值	-	-
Arising from acquisition of an associate 因收購一間聯營公司所產生	-	35,963,702
Impairment loss 耗蝕虧損	-	(35,963,702)
Carrying amount at 31st December 於十二月三十一日之賬面值	-	-
At 31st December 於十二月三十一日		
Gross amount 總值	35,963,702	35,963,702
Accumulated impairment 累計耗蝕	(35,963,702)	(35,963,702)
Carrying amount 賬面值	-	-



財務報表附註

截至二零零六年十二月三十一日止年度

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For the year ended 31st December, 2006

20. 於聯營公司之權益 (續)

本集團

於二零零六年十二月三十一日，聯營公司之詳情如下：

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

有關於聯營公司權益之分佔本集團概要財務資料，現載列如下：

20. INTERESTS IN ASSOCIATES (continued)

Group

Particulars of the associates at 31st December, 2006 are as follows :

The summarised financial information in respect of the interests in associates attributable to the Group is set out below:

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Total assets 資產總值	33,523,468	76,253,702
Total liabilities 負債總值	(87,555,482)	(85,967,991)
Revenue 收入	61,186,765	65,374,163
(Loss)/profit for the year 本年度(虧損)/溢利	(44,591,525)	805,076

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截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

21. 於共同控權合資公司權益

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	Group 本集團		Company 本公司	
	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Unlisted shares, at cost 非上市股份·按成本	-	-	40,000	40,000
Share of net assets 攤佔資產淨值	1,438,648	40,000	-	-
	1,438,648	40,000	40,000	40,000

共同控權合資公司於二零零六年十二月三十一日之詳情如下：

Particulars of the jointly controlled entity at 31st December, 2006 are as follows:

Name 名稱	Particulars of issued shares held 所持已發行股份詳情	Country of incorporation 註冊成立國家	Group's equity interest 本集團股本 權益百分比	Principal activities 主要業務
AsiaWorld-Expo Management Limited (formerly known as IEC Operations Limited) 亞洲國際博覽館管理有限公司 (前稱IEC Operations Limited)	80,000 Class A ordinary shares of HK\$1 each 20,000 Class B ordinary shares of HK\$1 each 80,000股每股面值1港元之A類普通股 20,000股每股面值1港元之B類普通股	Hong Kong 香港	40%	Management and operation of exhibition facilities 管理及營運展覽設施



財務報表附註

截至二零零六年十二月三十一日止年度

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For the year ended 31st December, 2006

21. 於共同控權合資公司權益 (續)

有關於共同控權合資公司權益之分佔本集團概要財務資料，現載列如下：

21. INTERESTS IN JOINTLY CONTROLLED ENTITIES (continued)

The summarised financial information in respect of the interests in jointly controlled entity attributable to the Group is set out below:

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Total assets 資產總值	4,160,972	25,875,750
Total liabilities 負債總值	(2,722,324)	(25,875,750)
Revenue 收入	5,390,798	-
Profit for the year 本年度溢利	4,458,157	-

22. 可供出售財務資產

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

本集團	Group	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Non-current 非流動			
Listed equity securities (note 22.1) 上市股本證券(附註22.1)		105,687,326	69,662,368
Unlisted equity and debt securities (note 22.2) 非上市股本及債務證券(附註22.2)		358,531,890	618,670,179
		464,219,216	688,332,547
Current 流動			
Unlisted debt securities (note 22.2) 非上市債務證券(附註22.2)		663,000	4,412,500
Total 合計		464,882,216	692,745,047



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For the year ended 31st December, 2006

22. 可供出售財務資產(續)

22.1 上市股本證券

就上市股本證券呈列之款額已參考於活躍市場之已刊載報價直接釐定。

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Listed equity securities 上市股本證券		
– Listed in Hong Kong – 於香港上市	28,573,377	15,294,312
– Listed outside Hong Kong – 於海外上市	77,113,949	54,368,056
	105,687,326	69,662,368
Market value of listed equity securities 上市股本證券之市值	105,687,326	69,622,368

此等財務資產須承受涉及價格風險之財務風險。

於二零零六年十二月三十一日於上市股本之重大投資詳情如下：

MYM High Yield Bond Trust (「MYMBT」)

MYMBT為一個於開曼群島註冊成立之槓桿式開放基金。基金之目標為透過主要投資於可在次級市場買賣之多元化高收益債券工具投資組合而達致中期資本增長，而有關債券工具均由在擁有完善及周全破產法例之國家登記及經營之公司發行。

於二零零六年十二月三十一日，本集團持有MYMBT之101.4612個單位(二零零五年：101.4612個單位)。投資成本約為2,921,000美元。年內並無收取股息(二零零五年：無)。根據於二零零六年十二月三十一日之每週報告，本集團應佔MYMBT之資產淨值約為3,668,000美元(二零零五年：3,181,000美元)。

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

22.1 Listed equity securities

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

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

Particulars of the major investment in listed equities at 31st December, 2006 are as follows:

MYM High Yield Bond Trust ("MYMBT")

MYMBT is a leveraged open-ended fund incorporated in the Cayman Islands. The Fund's objective is to achieve medium term capital growth through investments primarily in a diversified portfolio of high yield debt instruments available on the secondary market, issued by companies registered and operating in countries with well-developed and enforced bankruptcy laws;

As at 31st December, 2006, the Group held 101.4612 units (2005: 101.4612 units) in MYMBT. The cost of investment is approximately US\$2.921 million. No dividend was received during the year (2005: Nil). Based on the weekly report as at 31st December, 2006, our share of net asset value of MYMBT was approximately US\$3.668 million (2005: approximately US\$3.181 million).



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

22. 可供出售財務資產 (續)

本集團 (續)

22.1 上市股本證券 (續)

MYMBT由MYM Management Limited (「MYMML」)管理。MYMML之一名董事亦為本公司之董事。

MYM China Trust (「MYMCT」)

MYMCT為一個於開曼群島註冊成立之開放信託基金。基金之目標為於表現較少波動之情況下達致絕對回報。基金投資於受到中國經濟直接影響之公司所發行之股本及股本相關工具，並透過衍生工具及積極之現金管理而進行對沖。

於二零零六年十二月三十一日，本集團持有MYMCT之136.097個單位(二零零五年：136.097個單位)。投資成本約為3,000,000美元。年內並無收取股息(二零零五年：無)。根據於二零零六年十二月三十一日之每週報告，本集團應佔MYMCT之資產淨值約為5,823,000美元(二零零五年：約為3,731,000美元)。

MYMCT由MYMML管理。MYMML之一名董事亦為本公司之董事。

Wagon Plc (「Wagon」)

Wagon為一間工程公司。該公司設計、建造及製造供主要汽車製造商使用之汽車產品及結構。產品包括捲簾、窗戶、車頂架、座位軸、行人控制系統、能源吸收裝置及供車床使用之油壓夾頭。

於二零零六年十二月三十一日，本集團持有Wagon之118,114(二零零五年：無)股股份，佔Wagon已發行股本之0.22%。投資成本約3,700,000港元。年內並無收取股息。根據Wagon於二零零六年十二月三十一日之年報，Wagon之淨資產約為87,900,000英鎊。於二零零六年十二月三十一日，投資於Wagon之市值約為180,000英鎊。

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

Group (continued)

22.1 Listed equity securities (continued)

MYMBT is managed by MYM Management Limited (「MYMML」). A director of MYMML is also a director of the Company.

MYM China Trust (「MYMCT」)

MYMCT is an open-ended trust incorporated in the Cayman Islands. The Fund's objective is to achieve absolute returns with low volatility. The Fund invests in equity and equity-related instruments of companies directly exposed to the China economy, and hedges through derivative instruments and active cash management.

As at 31st December, 2006, the Group held 136.097 units (2005: 136.097) in MYMCT. The cost of investment is approximately US\$3 million. No dividend was received during the year (2005: Nil). Based on the weekly report at 31st December, 2006, our share of net asset value of MYMCT was approximately US\$5.823 million (2005: approximately US\$3.731 million).

MYMCT is managed by MYMML. A director of MYMML is also a director of the Company.

Wagon Plc (「Wagon」)

Wagon is an engineering company. The Company designs, builds and manufactures automotive products and structures for major automobile manufactures. Products include roller sunblinds, windows, roof racks, seat rails, pedestrian control systems, energy absorption devices, and power chucks for machine tools.

As at 31st December, 2006, the Group currently held 118,114 shares (2005: Nil) in Wagon, representing 0.22% interest in the issued share capital of Wagon. The cost of investment is approximately HK\$3.7 million. No dividend was received during the year. Based on the annual report of Wagon at 31st March, 2006, the net assets of Wagon were approximately GBP87.9 million. As at 31st December, 2006, the market value of the investment in Wagon was approximately GBP0.18 million.



財務報表附註

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22. 可供出售財務資產 (續)

本集團 (續)

22.1 上市股本證券 (續)

丹楓控股有限公司 (「丹楓」)

丹楓透過其附屬公司投資及發展物業，亦提供物業管理、融資服務及證券買賣。

於二零零六年十二月三十一日，本集團持有丹楓之51,431,000股（二零零五年：34,623,000股）股份，佔丹楓已發行股本之4.53%（二零零五年：3.05%）。年內並無收取股息。根據丹楓於二零零六年六月三十日之中期報告，丹楓之淨資產約為1,901,000,000港元。於二零零六年十二月三十一日，投資於丹楓之市值約為26,000,000港元（二零零五年：約為13,000,000港元）。

滙盈控股有限公司 (「滙盈」)

滙盈透過傳統方式及互聯網，以VC、CN及CEF品牌經營證券經紀、商品買賣及企業融資業務。

本集團持有滙盈之2,037,884股（二零零五年：3,637,884股）股份，佔滙盈已發行股本之0.8%（二零零五年：1.46%）。年內並無收取股息。根據滙盈於二零零六年十二月三十一日之年報，滙盈之淨資產約為193,000,000港元。於二零零六年十二月三十一日，投資於滙盈之市值約為2,340,000港元（二零零五年：約為1,960,000港元）。

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

Group (continued)

22.1 Listed equity securities (continued)

Dan Form Holdings Co Ltd (「Dan Form」)

Dan Form, through its subsidiaries, invests in and develops properties and also provides estate management, financing services, and trades securities.

As at 31st December, 2006, the Group held 51,431,000 shares (2005: 34,623,000) in Dan Form, representing 4.53% (2005: 3.05%) interest in the issued share capital of Dan Form. No dividend was received during the year. Based on the interim report of Dan Form at 30th June, 2006, the net assets of Dan Form were approximately HK\$1,901 million. As at 31st December, 2006, the market value of the investment in Dan Form was approximately HK\$26 million (2005: approximately HK\$13 million).

Value Convergence Holding Ltd (「Value」)

Value operates securities brokerage, commodities trading and corporate finance businesses under the VC CN and CEF brand names via traditional means and the Internet.

As at 31st December, 2006, the Group held 2,037,884 shares (2005: 3,637,884 shares) in Value, representing 0.8% (2005: 1.46%) interest in the issued share capital of Value. No dividend was received during the year. Based on the annual report of Value at 31st December, 2006, the net assets of Value were approximately HK\$193 million. As at 31st December, 2006, the market value of the investment in Value was approximately HK\$2.34 million (2005: approximately HK\$1.96 million).



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For the year ended 31st December, 2006

22. 可供出售財務資產 (續)

本集團 (續)

22.2 非上市股本及債務證券

於二零零六年十二月三十一日於非上市股本及債務證券之重大投資詳情如下：

Hong Kong IEC Limited (「HKIEC」)

本集團於HKIEC (其於香港註冊成立) 之投資超過本集團總資產之10%。於二零零六年十二月三十一日，本集團投資於HKIEC所發行合計352,941,176港元 (二零零五年：340,143,125港元) 之優先股。本集團透過HKIEC擁有亞洲國際博覽館 (位於香港國際機場之展覽中心) 之13.5%權益。

HKIEC之主要業務為發展及持有亞洲國際博覽館。

Werner Holdings Co Inc (「Werner」)

Werner透過其附屬公司製造及出售攀爬產品及鋁型材產品。該公司之產品包括鋁、玻璃纖維及木梯，以及棚架、工作台、厚木板、線型材產品及高精確度焊接零件。

本集團持有面值1,000,000美元之Werner債券 (「Werner債券」)。Werner債券於二零零七年到期，按票息率年息10%計息，並須每半年付息一次。穆迪給予Werner債券之信貸評級為WR。投資成本約為756,250美元。年內並無收取票息 (二零零五年：100,000美元)。於二零零六年十二月三十一日，投資於Werner債券之市值約為85,000美元 (二零零五年：約為290,000美元)。

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

Group (continued)

22.2 Unlisted equity and debt securities

Particulars of the major investment in unlisted equity and debt securities at 31st December, 2006 are as follows:

Hong Kong IEC Limited (「HKIEC」)

The Group's investment in HKIEC, which was incorporated in Hong Kong, excess 10% of the Group's total assets. The Group invested totally HK\$352,941,176 (2005: HK\$340,143,125) preference shares issued by HKIEC as at 31st December, 2006. The Group has 13.5% interest in HKIEC, which owns the AsiaWorld-Expo, the exhibition center at the Hong Kong International Airport.

The principal activities of HKIEC are development and holding of AsiaWorld-Expo.

Werner Holdings Co Inc (「Werner」)

Werner, through its subsidiary, manufactures and sells climbing products and aluminium extruded products. The company's products include aluminium, fibreglass, and wood ladders, as well as scaffolding, stages, planks, lineal extruded products, and highly-engineered fabricated parts.

The Group holds a nominal value of US\$1 million bond in Werner (the "Werner Bond"). The Werner Bond maturing in 2007 carries a coupon rate of 10% per annum payable semi-annually. Moody's credit rating of the Werner Bond is WR. The cost of investment is approximately US\$756,250. No coupon interest was received during the year (2005: US\$100,000). As at 31st December, 2006, the market value of the investment in the Werner Bond was approximately US\$0.085 million (2005: approximately US\$0.29 million).



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22. 可供出售財務資產 (續)

本集團 (續)

22.2 非上市股本及債務證券 (續)

Metaldyne Corporation (「Metaldyne」)

Metaldyne製造供全球汽車及運輸市場使用之金屬零件、配件及模組。該公司之零件、配件及模組用於汽車、卡車、小型客車、多用途汽車、商用卡車及城市汽車。

本集團持有面值500,000美元之Metaldyne債券(「Metaldyne債券」)。Metaldyne債券於二零一二年到期，按票息率年息11%計息，並須每半年付息一次。穆迪給予Metaldyne債券之信貸評級為Caa2。投資成本約為392,000美元。年內收取之票息約為550,000美元(二零零五年：550,000美元)。於二零零六年十二月三十一日，投資於Metaldyne債券之市值約為510,000美元(二零零五年：約為384,000美元)。

Tower Automotive Inc (「Tower」)

Tower設計及製造供汽車製造商使用之零件。該公司製造車架、底盤、懸掛零件及模組。

於二零零六年十二月三十一日，本集團持有面值1,000,000歐羅(二零零五年：1,000,000歐羅)之Tower債券(「Tower債券」)。Tower債券於二零一零年到期，按票息率年息9.25%計息，並須每半年付息一次。穆迪給予Tower債券之信貸評級為WR。投資成本約為900,000歐羅。年內並無收取票息(二零零五年：無)。於二零零六年十二月三十一日，投資於Tower債券之市值約為140,000歐羅(二零零五年：約為850,000歐羅)。

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

Group (continued)

22.2 Unlisted equity and debt securities (continued)

Metaldyne Corporation (「Metaldyne」)

Metaldyne manufactures metal-formed components, assembly, and modules for the global automotive and transportation markets. The company's components, assemblies, and modules are used in cars, trucks, minivans, sport utility vehicles, commercial trucks, and off-highway vehicles.

The Group holds a nominal value of US\$0.5 million bond in Metaldyne (the "Metaldyne Bond"). The Metaldyne Bond maturing in 2012 carries a coupon rate of 11% per annum payable semi-annually. Moody's credit rating of the Metaldyne Bond is Caa2. The cost of investment is approximately US\$0.392 million. Coupon interest of approximately US\$0.55 million was received during the year (2005: US\$0.55 million). As at 31st December, 2006, the market value of the investment in the Metaldyne Bond was approximately US\$0.51 million (2005: approximately US\$0.384 million).

Tower Automotive Inc (「Tower」)

Tower designs and produces parts for automobile manufacturers. The company produces body structures, lower vehicle structures, suspension components, and modules.

As at 31st December, 2006, the Group held a nominal value of EUR1 million (2005: EUR1 million) bond in Tower (the "Tower Bond"). The Tower Bond maturing in 2010 carries a coupon rate of 9.25% per annum payable semi-annually. Moody's credit rating of the Tower Bond is WR. The cost of investment is approximately EUR900,000. No coupon interest was received during the year (2005: Nil). As at 31st December, 2006, the market value of the investment in the Tower Bond was approximately EUR0.14 million (2005: approximately EUR0.85 million).



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23. 商譽

本集團

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

23. GOODWILL

Group

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

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
At 1st January 於一月一日		
Gross carrying amount 總賬面值	1,037,788	-
Accumulated impairment 累計耗蝕	(1,037,788)	-
Net carrying amount 賬面淨值	-	-
Net carrying amount at 1st January 於一月一日之賬面淨值	-	-
Arising from acquisition of a subsidiary 因收購附屬公司產生	-	1,037,788
Impairment loss 耗蝕虧損	-	(1,037,788)
Net carrying amount at 31st December 於十二月三十一日之賬面淨值	-	-
At 31st December 於十二月三十一日		
Gross amount 總值	1,037,788	1,037,788
Accumulated impairment 累計耗蝕	(1,037,788)	(1,037,788)
Net carrying amount 賬面淨值	-	-

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For the year ended 31st December, 2006

24. 經營及其他應收款及已付按金

本集團

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Trade receivables 經營應收款	1,481,108	512,501
Other receivables 其他應收款	99,073,016	19,249,502
Deposits paid 已付按金	578,953	461,752
	101,133,077	20,223,755

於二零零六年十二月三十一日，其他應收款包括一間關連公司之欠款97,037,901港元（二零零五年：無），即應收HKIEC之股息及利息（「應收HKIEC款項」）。馮永祥先生乃本公司及HKIEC之共同董事。該未償還金額乃無抵押，按香港發鈔銀行提供之港元最優惠平均貸款利率減2%計算利息，並以HKIEC於提供營運資金、轉撥至儲備及根據其預算作出其他準備後擁有之現金餘額償還。年內未償還之最高金額為97,037,901港元（二零零五年：無）。

於二零零六年十二月三十一日，應收HKIEC款項其中8,306,323港元指代表一間關連公司（其中馮永祥先生、馮耀輝先生及李華倫先生乃本公司及該關連公司之共同董事）之應收股息及利息。於二零零六年十二月三十一日，欠一間關連公司之款項計入其他應繳款（附註28）。

24. TRADE AND OTHER RECEIVABLES AND DEPOSITS PAID

Group

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Trade receivables 經營應收款	1,481,108	512,501
Other receivables 其他應收款	99,073,016	19,249,502
Deposits paid 已付按金	578,953	461,752
	101,133,077	20,223,755

As at 31st December, 2006, included in other receivables was an amount due from a related company amounted to HK\$97,037,901 (2005: Nil), which represented dividend and interest receivables from HKIEC (the "Receivables from HKIEC"). Mr. Fung Wing Cheung, Tony is a common director of the Company and HKIEC. The amount due is unsecured, bearing interest at the average best lending rates offered to Hong Kong Dollars by note-issuing banks in Hong Kong less 2% and repayable when HKIEC has surplus cash after the provision of working capital, transfers to reserves and other provisions based on its budget. The maximum amount outstanding during the year was HK\$97,037,901 (2005: Nil).

As at 31st December, 2006, HK\$8,306,323 out of the Receivables from HKIEC related to the dividend and interest receivable on behalf of a related company in which Mr. Fung Wing Cheung, Tony, Mr. Fung Yiu Fai, Peter and Mr. Lee Wa Lun, Warren are common directors of the Company and the related company. As at 31st December, 2006, that amount due to a related company was included in other payables (note 28).



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

24. 經營及其他應收款及已付按金(續)

本集團維持既定之信貸政策。以下為於結算日之經營應收款賬齡分析：

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
0 – 30 days 0 – 30日	1,401,982	471,324
31 – 60 days 31 – 60日	58,881	29,621
61 – 90 days 61 – 90日	15,184	–
Over 90 days 90日以上	5,061	11,556
	1,481,108	512,501

25. 少數股東權益借款／貸款

少數股東權益之借款乃無抵押、免息及並無固定還款期。因此，該款項乃分類為流動資產。

來自少數股東權益之貸款乃無抵押、免息及毋須於結算日起計12個月內償還。因此，該款項乃分類為非流動負債。

24. TRADE AND OTHER RECEIVABLES AND DEPOSITS PAID (continued)

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

25. LOANS TO/FROM MINORITY INTERESTS

Loans to minority interests are unsecured, interest free and repayable on demand. Accordingly, the loans are classified as current assets.

Loans from minority interests are unsecured, interest free and are not repayable in the next twelve months after the balance sheet date. Accordingly, the loans are classified as non-current liabilities.



財務報表附註

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26. 按公平值列賬及在損益賬處理之財務資產

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

本集團

Group

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Debt securities listed outside Hong Kong 海外上市債務證券	17,082,000	7,868,250
Market value of debt securities 債務證券之市值	17,082,000	7,868,250

上述財務資產分類為持作買賣。

The above financial assets are classified as held for trading.

Federal-Mogul Corporation (「Federal-Mogul」)

Federal-Mogul Corporation (「Federal-Mogul」)

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

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

本集團持有票面值為3,000,000美元之Federal-Mogul債券(「Federal-Mogul債券」)。Federal-Mogul債券於二零零四年到期，票息為年息7.5%，每半年付息一次，於二零零四年到期及按新年票息0.5%續期。

The Group holds a nominal value of USD3,000,000 bond in Federal-Mogul (the "Federal-Mogul Bond"). The Federal-Mogul Bond maturing in 2004 carries a coupon rate of 7.5% per annum payable semi-annually matured in 2004 and renewed with a new coupon rate of 0.5% per annum.



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26. 按公平值列賬及在損益賬處理之財務資產 (續)

投資成本約為715,000美元。票息約15,000美元已於本年度內收取(二零零五年: 15,000美元)。於二零零六年十二月三十一日, 投資於Federal-Mogul債券之市值約為2,190,000美元(二零零五年: 約為1,009,000美元)。

於結算日後, 該等債務證券以18,837,000港元出售。

27. 現金及現金等價物及作抵押銀行定期存款

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The cost of investment is approximately USD715,000. Coupon interest of approximately USD15,000 was received during the year (2005: USD15,000). As at 31st December, 2006, the market value of the investment in the Federal-Mogul Bond was approximately USD2,190,000 (2005: approximately USD1,009,000).

Subsequent to the balance sheet date, the debt securities have been disposed of amounting to HK\$18,837,000.

27. CASH AND CASH EQUIVALENTS AND PLEDGED BANK FIXED DEPOSITS

	Group 本集團		Company 本公司	
	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Cash and bank balances 現金及銀行結餘	3,193,738	3,137,210	197,704	192,821
Time deposits 定期存款	150,222,990	19,187,626	93,207,971	2,342,306
	153,416,728	22,324,836	93,405,675	2,535,127
Less: Pledged bank fixed deposits 減: 作抵押銀行定期存款	(10,537,895)	(16,813,031)	-	-
Cash and cash equivalents 現金及現金等價物	142,878,833	5,511,805	93,405,675	2,535,127

銀行存款乃根據每日銀行存款利率按浮動利率賺取利息。短期定期存款之期間由一日至三個月不等, 視乎本集團之即時現金需要而定, 並按各自之短期定期存款年利率3.7%至5.225%(二零零五年: 2.45%至4.275%)賺取利息。現金及現金等價物及已抵押定期存款之賬面值大概相等於其公平值。

於二零零六年十二月三十一日, 銀行定期存款10,537,895港元(二零零五年: 16,813,031港元)已抵押予一間財務機構, 作為本集團獲授借貸融資之抵押, 有關融資已列作附註29之「借貸」。

Cash at banks earns interest at floating rates based on daily bank deposits rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposits rates of 3.7% to 5.225% (2005: 2.45% to 4.275%) per annum. The carrying amounts of the cash and cash equivalents and the pledged deposits approximates to their fair values.

As at 31st December, 2006, the bank fixed deposits of HK\$10,537,895 (2005: HK\$16,813,031) were pledged to a financial institution to secure borrowing facilities granted to the Group, which were included as "Borrowings" in note 29.

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28. 其他應繳款、應計費用及已收按金

28. OTHER PAYABLES, ACCRUED EXPENSES AND DEPOSITS RECEIVED

本集團

	Group 本集團		Company 本公司	
	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Other payables and accrued expenses 其他應繳款及應計費用	20,469,316	2,991,374	963,085	850,251
Rental deposits received 已收取租務按金	5,612,535	8,868,792	-	-
	26,081,851	11,860,166	963,085	850,251

於二零零六年十二月三十一日，本集團之其他應繳款及應計費用包括欠一間關連公司之款項 8,711,415 港元（二零零五年：308,891 港元），其中 8,306,323 港元（二零零五年：無）指本集團代表一間關連公司應收之股息及利息。

於二零零六年十二月三十一日，本公司之其他應繳款及應計費用包括欠一間關連公司之款項 405,092 港元（二零零五年：308,891 港元）。

馮永祥先生、馮耀輝先生及李華倫先生乃本公司及該關連公司之共同董事。欠該關連公司之款項為無抵押、免息及須於要求時償還。

As at 31st December, 2006, included in other payables and accrued expenses of the Group were amount due to a related company amounted to HK\$8,711,415 (2005: HK\$308,891) of which HK\$8,306,323 (2005: Nil) represented dividend and interest receivables by the Group on behalf of the related company.

As at 31st December, 2006, included in other payables and accrued expenses of the Company were amount due to a related company amounted to HK\$405,092 (2005: HK\$308,891).

Mr. Fung Wing Cheung, Tony, Mr. Fung Yiu Fai, Peter and Mr. Lee Wa Lun, Warren are common directors of the Company and the related company. The amount due to the related company is unsecured, interest-free and repayable on demand.



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29. 借貸

29. BORROWINGS

本集團	Group	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Secured 有抵押			
Bank borrowings – floating rate 銀行借貸 — 浮息		917,880,958	475,054,574
Other borrowings – fixed rate 其他借貸 — 定息		8,413,034	10,496,176
		926,293,992	485,550,750
Carrying amount repayable: 應償還賬面值：			
Within one year 一年內		38,322,174	10,496,176
More than one year, but not exceeding two years 一年以上但不超過兩年		24,500,000	458,171,016
More than two years, but not more than five years 兩年以上但不超過五年		769,500,000	16,883,558
More than five years 五年以上		93,971,818	–
		926,293,992	485,550,750
Less: Amounts due within one year shown under current liabilities 減：一年內到期列作流動負債之款項		(38,322,174)	(10,496,176)
Amount due more than one year shown under non-current liabilities 一年以上到期列作非流動負債之款項		887,971,818	475,054,574

於二零零六年十二月三十一日，銀行借貸以投資物業（附註17）、投資物業之應收租金及HKIEC應收款或HKIEC任何股東應付本公司附屬公司之款項作抵押，並由本公司、本公司之董事馮耀輝先生及本公司物業持有附屬公司之董事余國銓先生提供擔保。須於一年內償還之其他借貸8,413,034港元（二零零五年：10,496,176港元）以銀行定期存款（附註27）作抵押，並由本公司提供擔保。

As at 31st December, 2006, bank borrowings were secured by investment properties (note 17), rental receivables from those investment properties and receivables due from HKIEC or any shareholder of HKIEC to a subsidiary of the Company; and supported by guarantees provided by the Company, Mr. Fung Yiu Fai, Peter, a director of the Company. Mr. Yu Kwok Chuen, Eddie, a director of the properties holding subsidiary of the Company. Other borrowings of HK\$8,413,034 (2005: HK\$10,496,176) repayable within one year were secured by bank fixed deposits (note 27) and supported by guarantee provided by the Company.

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截至二零零六年十二月三十一日止年度

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For the year ended 31st December, 2006

29. 借貸 (續)

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

本集團

本集團於結算日借貸之實際利率(亦相等於合約利率)之範圍如下：

	2006 二零零六年	2005 二零零五年
Effective interest rate per annum: 實際年利率：		
Fixed rate borrowings 定息借貸	2.86% to 4.18%	2.93% to 3.17%
Floating rate borrowings 浮息借貸	HIBOR + 0.62% to HIBOR + 2.3%	HIBOR + 0.75% to HIBOR + 2.3%

借貸之賬面值約相等於其公平值。

The carrying amounts of the borrowings approximate their fair value.

借貸之賬面值以下列貨幣計值：

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

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Hong Kong dollars 港元	917,880,958	475,054,574
Euro 歐羅	8,413,034	10,496,176
	926,293,992	485,550,750

於本年度內，本集團訂立到期日分別為於二零零八年九月三十日及二零一零年九月三十日之兩份利率掉期合約，面值總額為100,000,000港元，按固定利率介乎每年4.3%至4.4%計算利息。訂立利率掉期合約乃用作重新調整因浮息借貸產生之風險波動。

During the year, the Group entered into two interest rate swap contracts of total notional amount of HK\$100 million at fixed interest rates ranged from 4.3% to 4.4% per annum with maturity date on 30th September, 2008 and 30th September, 2010, respectively. The interest rate swap contracts were entered into for the purpose of re-adjusting the exposure of the fluctuations arising from the floating interest rate of the borrowings.



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30. 股本

30. SHARE CAPITAL

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Authorised: 法定： 2,100,000,000 (2005: 2,100,000,000) ordinary shares of HK\$0.1 each 2,100,000,000股 (二零零五年：2,100,000,000股) 每股面值0.10港元之普通股	210,000,000	210,000,000
Issued and fully paid: 已發行及繳足： 1,691,171,989 (2005: 1,691,171,989) ordinary shares of HK\$0.1 each 1,691,171,989股 (二零零五年：1,691,171,989股) 每股面值0.10港元之普通股	169,117,199	169,117,199

31. 儲備

31. RESERVES

本集團

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

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

於二零零六年十二月三十一日，投資重估儲備指可供出售財務資產之公平值變動。

Group

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

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

As at 31st December, 2006, investment revaluation reserve represents changes in fair value of available-for-sale financial assets.



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For the year ended 31st December, 2006

31. 儲備 (續)

本公司

31. RESERVES (continued)

Company

	Share premium 股份溢價 HK\$ 港元	Capital redemption reserve 資本贖回儲備 HK\$ 港元	Retained earnings 保留盈利 HK\$ 港元	Total 總額 HK\$ 港元
At 1st January, 2005 二零零五年一月一日結算	311,582,062	4,031,600	221,163,796	536,777,458
Loss for the year 本年度虧損	-	-	(85,999,126)	(85,999,126)
2005 proposed final dividend (note 13) 二零零五年度擬派末期股息(附註13)	-	-	(33,823,440)	(33,823,440)
At 31st December, 2005 and 1st January, 2006 二零零五年十二月三十一日及 二零零六年一月一日結算	311,582,062	4,031,600	101,341,230	416,954,892
Loss for the year 本年度虧損	-	-	(181,798,136)	(181,798,136)
At 31st December, 2006 二零零六年十二月三十一日結算	311,582,062	4,031,600	(80,456,906)	235,156,756

32. 每股資產淨值

每股資產淨值乃根據本公司股權持有人應佔資產淨值 732,331,045 港元 (二零零五年: 900,448,485 港元) 及於二零零六年十二月三十一日之已發行普通股 1,691,171,989 股 (二零零五年: 1,691,171,989 股) 計算。

32. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets attributable to the equity holders of the Company of HK\$732,331,045 (2005: HK\$900,448,485) and 1,691,171,989 (2005: 1,691,171,989) ordinary shares in issue as at 31st December, 2006.



財務報表附註

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33. 遞延稅項負債

本集團

遞延稅項乃採用主要稅率17.5%(二零零五年：17.5%)根據負債法就所有暫時差距計算。

本年度內之遞延稅項(資產)/負債變動如下：

	Accelerated tax depreciation 加速稅項折舊		Fair value gain 公平值增加		Tax losses 稅務虧損		Total 合計	
	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
At 1st January 於一月一日	2,642,085	-	64,580,192	-	(343,514)	-	66,878,763	-
Arising from acquisition of a subsidiary 因收購附屬公司產生	-	1,812,829	-	64,580,192	-	(2,452,019)	-	63,941,002
Charged/(credited) to income statement 於損益賬扣除/(計入)	2,490,610	829,256	-	-	(869,019)	2,108,505	1,621,591	2,937,761
At 31st December 於十二月三十一日	5,132,695	2,642,085	64,580,192	64,580,192	(1,212,533)	(343,514)	68,500,354	66,878,763

於二零零六年十二月三十一日，本集團已估計之未動用稅項虧損達21,685,606港元(二零零五年：無)，可用作與產生該等虧損之公司之未來應課稅溢利互相抵銷。由於無法預測未來溢利來源，因此並無就該等稅項虧損確認遞延稅項資產。根據現行稅務法例，該等稅項虧損不會屆滿。於該日亦無重大未確認遞延稅項負債。

本公司

於二零零六年十二月三十一日，本公司無重大未確認遞延稅項資產及負債(二零零五年：無)。

33. DEFERRED TAX LIABILITIES

Group

Deferred taxation is calculated on temporary differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%).

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

As at 31st December, 2006, the Group has unused tax losses of HK\$21,685,606 (2005: Nil) available to offsetting against future taxable profits of the companies which incurred these losses. Deferred tax assets are not recognised in respect of these tax losses due to the unpredictability of future profit stream. These tax losses do not expire under current tax legislation. There were no material unrecognised deferred tax liabilities.

Company

The Company had no material unrecognised deferred tax assets and liabilities as at 31st December, 2006 (2005: Nil).



財務報表附註

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For the year ended 31st December, 2006

34. 未來營運租賃安排

於二零零六年十二月三十一日，本集團根據不可撤銷營運租賃之未來最低租賃收入總額如下：

本集團

	2006	2005
	二零零六年 HK\$ 港元	二零零五年 HK\$ 港元
<u>Investment properties</u> 投資物業		
Amount receivable 應收款額		
Within one year 一年內	65,554,831	42,935,283
In the second to fifth years 第二至第五年	39,864,243	10,743,739
	105,419,074	53,679,022

本集團根據初步為期一至兩年之營運租賃安排出租其投資物業(附註17)。租賃條款一般亦要求租戶支付保證按金。此等租賃概無包括或然租金。

本公司

本公司並無根據不可撤銷營運租賃收取之任何最低租賃收入。

34. FUTURE OPERATING LEASE ARRANGEMENTS

As at 31st December, 2006, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

Group

	2006	2005
	二零零六年 HK\$ 港元	二零零五年 HK\$ 港元
<u>Investment properties</u> 投資物業		
Amount receivable 應收款額		
Within one year 一年內	65,554,831	42,935,283
In the second to fifth years 第二至第五年	39,864,243	10,743,739
	105,419,074	53,679,022

The Group leases its investment properties (note 17) under operating lease arrangements which run for an initial period of one to two years. The terms of the leases generally also require the tenants to pay security deposits. None of the leases includes contingent rentals.

Company

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



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截至二零零六年十二月三十一日止年度

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For the year ended 31st December, 2006

35. 資本承擔

本集團

本集團於結算日擁有下列資本承擔：

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Contracted but not provided for 已訂約，但未撥備		
Investment properties 投資物業	-	253,790,000
Available-for-sale financial assets 可供出售財務資產	-	59,000,000
	-	312,790,000

本公司

本公司於二零零五年及二零零六年十二月三十一日並無任何重大承擔。

36. 財務擔保合約

本公司已簽訂金額約714,000,000港元(二零零五年：約為445,000,000港元)之擔保，作為就附屬公司到期償還之尚未償還債務而向銀行提供之抵押。

本公司向財務機構作出擔保，以供一間全資附屬公司獲提供金額不超過15,000,000美元(二零零五年：15,000,000美元)之借款融資。於二零零六年十二月三十一日之尚未償還債務約819,000歐羅(二零零五年：約1,100,000歐羅)。

根據有關擔保，倘擔保持有人未能收回貸款，則本公司有責任向彼等支付有關貸款。於結算日，本公司並無就擔保合約項下之責任作出撥備，皆因董事認為無法償還貸款之可能性不大，而有關貸款以於二零零六年十二月三十一日之價值分別為1,340,000,000港元及11,000,000港元之物業及定期存款作為抵押。

35. CAPITAL COMMITMENTS

Group

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

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Contracted but not provided for 已訂約，但未撥備		
Investment properties 投資物業	-	253,790,000
Available-for-sale financial assets 可供出售財務資產	-	59,000,000
	-	312,790,000

Company

The Company does not have any significant commitments as at 31st December, 2005 and 2006.

36. FINANCIAL GUARANTEE CONTRACTS

The Company has executed a guarantee to a bank to secure the outstanding indebtedness due by a subsidiary amounting to approximating HK\$714 million (2005: approximately HK\$445 million).

The Company has executed a guarantee to a financial institution to secure the borrowing facilities available to a wholly-owned subsidiary in the amount not exceeding US\$15 million (2005: US\$15 million). The outstanding indebtedness at 31st December, 2006 was approximating Euro 819,000 (2005: approximating Euro 1.1 million).

Under the guarantees, the Company would be liable to pay the holders of these guarantees if they are unable to recover the loan. At the balance sheet date, no provision for the Company's obligation under the guarantee contract has been made as the directors considered that it was not probable that the loan would be in default and they were secured by the properties and fixed deposits with value of HK\$1,340 million and HK\$11 million, respectively at 31st December, 2006.



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截至二零零六年十二月三十一日止年度

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For the year ended 31st December, 2006

37. 關連人士交易

- (a) 除於財務報表其他部份所披露者外，本集團於本年度內已進行下列重大關連人士交易：

37. RELATED PARTY TRANSACTIONS

- (a) Saved as these disclosed elsewhere in the financial statements, the Group had the following significant related party transactions during the year:

	Group 本集團	
	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Management fee expenses to Yu Ming Investment Management Limited ("YMIM") 向禹銘投資管理有限公司(「禹銘投資管理」)支付之管理費開支	13,306,316	11,288,498

根據本集團與禹銘投資管理(其中馮永祥先生、馮耀輝先生及李華倫先生乃禹銘投資管理之董事及本公司之董事)於一九九七年三月五日訂立並經股東於一九九七年三月二十七日批准之管理協議(「現行投資管理協議」)，禹銘投資管理同意由一九九七年三月二十七日起計五年內協助董事會處理本集團之日常管理工作。禹銘投資管理有權收取投資管理費用，金額相等於每季最後一日之資產淨值之0.375%，以及獎金費用(如有)，金額相等於各財政年度完結後之經審核之除稅前綜合溢利(未計獎金費用前)減去本集團於該年度之每月平均資產淨值6%後之超出數額之20%。而計算投資管理費用及獎金費用時，本公司之聯營公司將不會按權益會計法計算入每季及每月平均資產淨值及綜合除稅前溢利。

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



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37. 關連人士交易 (續)

(a) (續)

在二零零二年三月四日，獨立股東批准一份補充協議（「補充協議」）延長現行管理協議之到期日，直至二零零七年三月三十一日。補充協議中，管理費用維持不變。在補充協議中的有效期限內，如本集團錄得累計虧損時，禹銘投資管理將不收取獎金費用。因而，該項獎金費用金額為截至每年度十二月三十一日止經審核之除稅前綜合溢利（未計獎金費用前），扣除補充協議中的有效期限內之累計虧損後，如有溢利，再減本集團每月平均綜合資產淨值6%後超出數額之20%。而計算投資管理費用及獎金費用時，本公司之聯營公司及共同控權合資公司將不會按權益會計法計算入每季及每月平均資產淨值及綜合除稅前溢利。於二零零五年及二零零六年十二月三十一日，禹銘投資管理並無收取獎金費用。

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

37. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

On 4th March, 2002, a supplemental agreement ("Supplemental Agreement") was approved by independent shareholders to extend the expiry date of the Existing Investment Management Agreement to 31st March, 2007. Under the Supplemental Agreement, the management fee remains unchanged. Pursuant to the Supplemental Agreement, YMIM will not be entitled to the incentive fee if the Group reports an accumulated loss during the term of the Supplemental Agreement at the time of the incentive fee computation. Therefore, the incentive fee will be equivalent to 20% of the amount by which the audited consolidated profit before tax for each year ending 31st December (before adjusting for the incentive fee), and after offsetting the accumulated loss during the term of the Supplemental Agreement, if any, exceeds 6% of the average monthly net asset value of the Group for such financial year. For the calculation of management fee and incentive fee, the associated companies and jointly controlled entity of the Group will not be equity accounted for the purpose of calculating such quarterly and average monthly net asset value and consolidated profit before tax. For the years ended 31st December, 2005 and 2006, no incentive fee was charged by YMIM.

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



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37. 關連人士交易 (續)

(a) (續)

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

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

- (b) 此外，本集團佔用禹銘投資管理之辦公室空間，並按照現行管理協議補償禹銘投資管理之辦公室及設備開支之40%。該等補償禹銘投資管理開支之金額為896,144港元（二零零五年：780,752港元）。本集團徵用由禹銘投資管理僱用之若干名職員，並分別補償禹銘投資管理於二零零六年之職員成本為466,966港元（二零零五年：453,354港元）。該等補償費用乃計入綜合損益賬之「行政及其他經營開支」。

37. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

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

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

- (b) The Group occupies office space of YMIM and reimburses to YMIM 40% of its office and equipment expenses in accordance with the Existing Investment Management Agreement. Such expenses reimbursed to YMIM during the year ended 31st December, 2006 amounted to HK\$896,144 (2005: HK\$780,752). The Group utilised certain staff employed by YMIM and reimbursed staff costs of HK\$466,966 to YMIM for 2006 (2005: HK\$453,354). Such reimbursed costs are included in "Administrative and other Operating Expenses" on the face of the consolidated income statement.



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37. 關連人士交易 (續)

- (c) 於二零零六年十二月三十一日，本集團擁有下列信託單位權益：

	2006 二零零六年		2005 二零零五年	
	Units 股數	HK\$ 港元	Units 股數	HK\$ 港元
MYM China Trust	136.0970	45,424,856	136.0970	29,101,937
MYM High Yield Bond Trust	101.4612	28,615,821	101.4612	24,813,948

兩項信託均由 MYM Management Limited (「MYMML」) 管理，其中馮永祥先生為 MYMML 之董事，及為本公司之董事及股東。

- (d) 本集團已向禹銘投資管理支付行政費用 180,000 港元 (二零零五年：180,100 港元) 及無需支付顧問費用 (二零零五年：250,000 港元)。
- (e) 作為授予本集團之銀行貸款之部份抵押品，馮耀輝先生，本公司之董事已向銀行提供個人擔保。
- (f) 截至二零零六年十二月三十一日，馮永祥先生已向本公司附屬公司康恩發展有限公司 (「康恩」) 提供墊款 8,460,163 港元 (二零零五年：8,443,401 港元)，其中馮永祥先生為康恩及本公司之董事及股東。給康恩之貸款為無抵押、免息及無固定還款期。
- (g) 截至二零零六年十二月三十一日止年度內，本集團之少數股東 Marking Limited 收取顧問費用 480,000 港元 (二零零五年：480,000 港元) 及佣金零港元 (二零零五年：900,000 港元)。余國銓先生為 Marking Limited 之股東。
- (h) 於二零零五年七月四日，本公司與禹銘投資管理訂立買賣協議，內容有關 YMIM 向本公司轉讓 IEC Investments Limited 之 22.15% 股本權益。交易已獲得本公司股東於二零零五年八月十二日批准。

37. RELATED PARTY TRANSACTIONS (continued)

- (c) As at 31st December, 2006, the Group had the following interests in units of the following trusts:

	2006 二零零六年		2005 二零零五年	
	Units 股數	HK\$ 港元	Units 股數	HK\$ 港元
MYM China Trust	136.0970	45,424,856	136.0970	29,101,937
MYM High Yield Bond Trust	101.4612	28,615,821	101.4612	24,813,948

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

- (d) The Group has been charged an administrative fee of HK\$180,000 (2005: HK\$180,100) and advisory fee of HK\$Nil (2005: HK\$250,000) by YMIM.
- (e) As part of security for the bank borrowings granted to the Group, a personal guarantee from Mr. Fung Yiu Fai, Peter, a director of the Company is provided to the bank.
- (f) As at 31st December, 2006, HK\$8,460,163 (2005: HK\$8,443,401) advanced by Mr. Fung Wing Cheung, Tony to Honnex Development Limited (「Honnex」), a subsidiary of the Company, of which Mr. Fung Wing Cheung, Tony is a director and shareholder of both Honnex and the Company. The loan to Honnex is unsecured, interest free and has no fixed repayment terms.
- (g) During the year ended 31st December, 2006, consultancy fee of HK\$480,000 (2005: HK\$480,000) and commission of HK\$Nil (2005: HK\$900,000) were charged by Marking Limited, a minority shareholder of the Group. Mr. Yu Kwok Chuen, Eddie is a shareholder of Marking Limited.
- (h) On 4th July, 2005, the Company entered into a sale and purchase agreement with YMIM in relation to the transfer of the 22.15% equity interest in IEC Investments Limited from YMIM to the Company. The transaction had been approved by shareholders of the Company on 12th August, 2005.



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38. 風險管理目的及政策

本集團面對多項來自其經營及投資業務之不同形式之財務風險。本集團之整體風險管理計劃針對金融市場無法預測之特性，以及尋求盡量減少對本集團財務表現可能造成之不利影響。

38.1 市場風險

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

38.2 信貸風險

本集團面對信貸風險，即交易對手未能於款項到期時支付之風險。於結算日產生之虧損(如有)乃作出耗蝕撥備。本集團負責監察任何財務機構面對之信貸風險款額。

本集團因對手方未能履行其於二零零六年十二月三十一日之責任而承擔有關各級別已確認財務資產之最高信貸風險為綜合資產負債表所述該等資產之賬面值。為盡量減低信貸風險，本集團管理層於各結算日審閱個別債務之可收回金額，以確保就無法收回金額作出足夠之耗蝕虧損。就此而言，董事會認為本集團之信貸風險已顯著減少。

38. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

38.1 Market price risk

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

38.2 Credit risk

The Group takes an exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any. The Group is responsible for monitoring the amount of credit exposure to any financial institution.

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



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38. 風險管理目的及政策 (續)

38.2 信貸風險 (續)

本集團並無顯著集中之信貸風險，而有關風險已分散至多名對手方及客戶。

38.3 流動資金風險

本集團投資於上市及非上市兩類證券。由於該等上市證券在受規管之證券交易所上市，故被視為易於變現。該等非上市證券可能並非於架構完善之公開市場買賣，故流通量可能不足。因此，本集團可能無法以接近此等工具公平值之款額迅速變賣於此等工具之投資，以應付本集團之流動資金需要或回應特定事件（例如任何特定發行人之信貸水平惡化）。審慎之流動資金風險管理即維持充裕之現金及可銷售之證券、透過足夠之信貸融資以提供資金及結算市場頭寸之頭力。

38.4 現金流量及公平值利率風險

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

38. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

38.2 Credit risk (continued)

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

38.3 Liquidity risk

The Group invests in both listed and unlisted securities. Those listed securities are considered readily realisable as they are listed in regulated stock exchanges. Those unlisted securities may not be traded in an organized public market and may be illiquid. As a result, the Group may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions.

38.4 Cash flow and fair value interest rate risk

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



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38. 風險管理目的及政策 (續)

38.4 現金流量及公平值利率風險 (續)

現金流量利率風險乃透過衍生財務工具管理。本集團訂立利率掉期以對沖其於部份借貸公平值變動之風險。以港元計值之利率掉期已訂立以達致一個定息與浮息利率風險之概約組合。掉期於未來二至四年到期，配合相關貸款之到期日及擁有定期掉期利率介乎4.3%至4.4% (二零零五年：4.3%至4.4%)。於二零零六年十二月三十一日，本集團擁有一名義合約款額100,000,000港元 (二零零五年：100,000,000港元) 之利率掉期。

38.5 貨幣風險

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

38.6 公平值

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

38. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

38.4 Cash flow and fair value interest rate risk (continued)

The cash flow interest rate risks are managed by means of derivative financial instruments. The Group entered into interest rate swaps to hedge against its exposures to changes in fair values for some of the borrowings. Interest rate swaps, denominated in Hong Kong dollars, have been entered into to achieve an approximate mix of fixed and floating rate exposure. The swaps mature over the next 2 to 4 years matching the maturity of the related loans and have fixed swap rates ranging from 4.3% to 4.4% (2005: 4.3% to 4.4%). As at 31st December, 2006, the Group had interest rate swaps with a notional contract amount of HK\$100 million (2005: HK\$100 million).

38.5 Currency risk

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

38.6 Fair values

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



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39. 業務合併

(a) 康恩發展有限公司

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

39. BUSINESS COMBINATION

(a) Honnex Development Limited

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



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39. 業務合併(續)

(a) 康恩發展有限公司(續)

所收購資產及負債如下：

39. BUSINESS COMBINATION (continued)

(a) Honnex Development Limited (continued)

The assets and liabilities acquired are as follows:

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



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39. 業務合併 (續)

(a) 康恩發展有限公司 (續)

Satisfied by:

支付方式：

Total cash paid

已付全部現金

72,000,000

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

減：代表所收購附屬公司償還欠少數股東權益貸款

(51,206,089)

Cash paid for acquisition of additional equity interests

收購額外股本權益已付之現金

20,793,911

Net cash outflow arising on acquisition:

因收購產生之現金流出淨額：

Cash consideration paid

已付現金代價

72,000,000

Cash and cash equivalents in a subsidiary acquired

於所收購附屬公司之現金及現金等價物

(462,971)

71,537,029

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

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

(b) IEC Investments Limited

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

(b) IEC Investments Limited

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



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39. 業務合併(續)

(b) IEC Investments Limited (續)

所收購之資產及負債如下：

39. BUSINESS COMBINATION (continued)

(b) IEC Investments Limited (continued)

The assets and liabilities acquired are as follows:

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



財務報表附註

截至二零零六年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2006

39. 業務合併 (續)

(b) IEC Investments Limited (續)

39. BUSINESS COMBINATION (continued)

(b) IEC Investments Limited (continued)

HK\$
港元

Satisfied by:

支付方式：

Total cash paid

已付全部現金

70,395,467

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

減：代表所收購附屬公司償還欠少數股東權益貸款

(69,335,529)

Cash paid for acquisition of additional equity interests

收購額外股本權益已付之現金

1,059,938

Net cash outflow arising on acquisition :

因收購產生之現金流出淨額：

Cash consideration paid

已付現金代價

70,395,467

Cash and cash equivalents in a subsidiary acquired

於所收購附屬公司之現金及現金等價物

(16,266)

70,379,201

於截至二零零六年十二月三十一日止年
度並無收購事項。

There were no acquisitions in the year ended 31st
December, 2006.