

# REPORT OF THE DIRECTORS

## 董事會報告

The Directors would like to present to shareholders their annual report and the audited consolidated financial statements for the year ended 31 December 2006.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are the provision of financial services, including stockbroking, futures and options broking, mutual funds and insurance-linked investment plans and products broking, securities margin financing and corporate finance advisory services. Particulars of the principal subsidiaries of the Company are set out in note 32 to the consolidated financial statements.

### RESULTS

The results of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 38 of the Annual Report.

### FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past two financial years ended 31 March 2004, the financial period from 1 April 2004 to 31 December 2004 and the past two financial years ended 31 December 2005 and 2006 is set out on page 87 of the Annual Report.

### FIXED ASSETS

Movements in the fixed assets of the Group during the year are set out in note 14 to the consolidated financial statements.

### SHARE CAPITAL

Details of the movements during the year in share capital of the Company are set out in note 25 to the consolidated financial statements.

### DISTRIBUTABLE RESERVES

At 31 December 2006, the Company had no reserves available for distribution to the shareholders.

董事欣然向各股東提呈截至二零零六年十二月三十一日止年度之年報及經審核綜合財務報表。

### 主要業務

本公司為投資控股公司。本集團之主要業務為提供金融服務，包括證券買賣、期貨與期權買賣、互惠基金、保險掛鈎投資計劃及產品買賣、證券保證金融資及企業融資顧問服務。本公司主要附屬公司之詳情詳列於綜合財務報表附註第32項內。

### 業績

本集團截至二零零六年十二月三十一日止年度之業績，詳列於本年報第38頁之綜合損益計數表。

### 財務概要

本集團截至二零零四年三月三十一日止過去二個財務年度，由二零零四年四月一日至二零零四年十二月三十一日止財務期間以及截至二零零五年及二零零六年十二月三十一日止過去二個財務年度之業績與資產及負債概要詳列於本年報第87頁。

### 固定資產

本集團於本年度內固定資產之變動，詳列於綜合財務報表附註第14項內。

### 股本

本年度內，本公司股本變動之詳情，詳列於綜合財務報表附註第25項內。

### 可供分派儲備

於二零零六年十二月三十一日，本公司並無可供分派予各股東之儲備。

# REPORT OF THE DIRECTORS

## 董事會報告

### DIRECTORS

The Directors of the Company during the year and up to the date of this annual report were as follows:

#### Executive Directors:

Mr. Lam Kwok Hing (*Chairman*)

Mr. Nam Kwok Lun (*Deputy Chairman and Managing Director*)

#### Independent Non-Executive Directors:

Mr. Chen Wei-Ming Eric

Mr. Kwan Wang Wai Alan

Mr. Ng Chi Kin David

In accordance with Bye-laws 99 and 102 of the Company's Bye-laws, Mr. Chen Wei-Ming Eric retires from office and, being eligible, offers himself for re-election at the forthcoming annual general meeting.

The term of office for each Non-Executive Director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

### DIRECTORS AND SENIOR MANAGEMENT BIOGRAPHIES

Biographical information of the Directors of the Company and the senior management of the Group are set out on pages 13 to 16 of the Annual Report.

### DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a "three-year" term commencing from 1 September 2000 which is not determinable within one year without payment of compensation. These service contracts shall continue thereafter unless and until terminated by either party with not less than three months' prior written notice.

Each of the Independent Non-Executive Directors has revised the appointment term so that the period of appointment shall be for a term of three years commencing from 28 September 2005 and subject to retirement by rotation at the end of the said three years period, subject to re-election and Bye-Laws of the Company whereby at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation.

### 董事

於本年度內及截至本年報刊發日期，本公司之董事如下：

#### 執行董事：

藍國慶先生 (主席)

藍國倫先生 (副主席兼董事總經理)

#### 獨立非執行董事：

陳偉明先生

關宏偉先生

伍志堅先生

根據本公司之公司細則細則99及102，陳偉明先生須於即將召開之股東週年大會上退任，惟符合資格於大會上膺選連任。

根據本公司細則，各非執行董事之任期為直至須輪值告退為止。

### 董事及高級管理層簡歷

本公司董事及本集團高級管理層之簡歷詳列於本年報第13至16頁。

### 董事之服務合約

各執行董事均與本公司訂立一份不得於一年內終止而毋須作出補償之服務合約，合約期由二零零零年九月一日起計，為期三年。該等服務合約將於其後繼續生效，直至及除非任何一方發出不少於三個月之書面通知予以終止。

各獨立非執行董事已調整其委任條款，其委任期將自二零零五年九月二十八日起開始，為期三年，並須於上述三年期間完結時輪值告退，而根據本公司之公司細則，於每屆股東週年大會上，當時之三分之一董事須予輪值告退。

# REPORT OF THE DIRECTORS

## 董事會報告

### DIRECTORS' SERVICE CONTRACTS (Continued)

None of the Directors proposed for re-election at the forthcoming annual general meeting has entered into any service agreements with any member of the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

### DIRECTORS' INTERESTS IN SHARES

At 31 December 2006, the interests of the Directors and their associates in the shares and the underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

#### 1. Long positions in the ordinary shares of HK\$0.10 each of the Company

Name of Directors 董事姓名	Capacity 身份	Number of ordinary shares held 所持普通股數目	Percentage of the share capital of the Company 佔本公司 股本 百分比
Mr. Lam Kwok Hing (Note) 藍國慶先生 (附註)	Interest of controlled corporation 受控制法團之權益	311,718,000	63.10%
Mr. Nam Kwok Lun (Note) 藍國倫先生 (附註)	Interest of controlled corporation 受控制法團之權益	311,718,000	63.10%

Note: The shares are registered in the name of and beneficially owned by J&A Investment Limited ("J&A"), a company incorporated in the British Virgin Islands. The entire issued share capital of J&A is beneficially owned as to 80% and 20% by Mr. Lam Kwok Hing and Mr. Nam Kwok Lun respectively.

### 董事之服務合約 (續)

將於應屆股東週年大會上膺選連任之董事，概無與本集團任何成員公司訂立不可於一年內終止而毋須作出補償 (法定補償除外) 之服務合約。

### 董事於股份之權益

於二零零六年十二月三十一日，按本公司根據證券及期貨條例 (「證券及期貨條例」) 第352條存置的登記冊所記錄，董事及彼等之聯繫人於本公司及其聯營公司之股份及相關股份之權益，或根據聯交所證券上市規則 (「上市規則」) 附錄10所載上市公司董事進行證券交易之標準守則 (「標準守則」) 須知會本公司及聯交所之權益如下：

#### 1. 於本公司每股面值0.10港元普通股之長倉

附註：上述股份由J&A Investment Limited (「J&A」)，一間於英屬處女群島註冊成立之公司實益擁有，並以其名義登記。J&A之全部已發行股本則由藍國慶先生及藍國倫先生分別實益擁有80%及20%之權益。

# REPORT OF THE DIRECTORS

## 董事會報告

### DIRECTORS' INTERESTS IN SHARES (Continued)

### 董事於股份之權益 (續)

#### 2. Long positions in the ordinary shares of HK\$0.01 each of ATNT

#### 2. 於亞洲聯網每股面值0.01港元普通股之長倉

Name of Director 董事姓名	Personal interests 個人權益	Number of issued ordinary shares held 所持已發行普通股數目		Total 總額	Percentage of the issued share capital of ATNT 佔亞洲聯網 已發行股本 百分比
		Corporate interests 公司權益 (Note) (附註)			
Mr. Lam Kwok Hing 藍國慶先生	3,474,667	48,520,666		51,995,333	12.19%

*Note:* The shares are registered in the name of and beneficially owned by Medusa Group Limited ("Medusa"). The entire issued share capital of Medusa is wholly owned by Mr. Lam Kwok Hing. Also, Karfun Investment Limited ("Karfun"), a wholly-owned subsidiary of the Company, in which Mr. Lam Kowk Hing owns interests through J&A, interested in 201,995,834 ATNT shares.

*附註：*上述股份由Medusa Group Limited (「Medusa」) 實益擁有，並以其名義登記，而Medusa之全部已發行股本由藍國慶先生全資擁有。除此以外，藍國慶先生亦透過J&A擁有本公司之全資附屬公司佳帆投資有限公司(「佳帆」)之權益。佳帆則擁有201,995,834股亞洲聯網股份之權益。

#### 3. Ordinary shares in subsidiaries which are wholly-owned

One of the Directors has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements in accordance with the Memorandum and Articles of Association of certain subsidiaries.

Save as disclosed above, at 31 December 2006, none of the Directors of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

#### 3. 全資附屬公司之普通股

其中一名董事為本公司利益而於若干附屬公司中持有非實益個人股權，而此舉純粹為了根據若干附屬公司之組織大綱暨章程細則符合公司股東數目最低規定。

除上文披露者外，於二零零六年十二月三十一日，概無本公司董事或其聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之任何股份、相關股份或債券中，擁有記入根據證券及期貨條例第352條須存置之登記冊之任何權益或淡倉，或根據標準守則須以其他方式知會本公司及聯交所之任何權益或淡倉。

### SHARE OPTION

Particulars of the Company's share option scheme in the Company are set out in note 29 to the consolidated financial statements.

### 認股權

本公司之認股權計劃載於綜合財務報表附註第29項內。

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### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its ultimate holding company or any subsidiaries of its ultimate holding company a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

- (1) During the year, the Group received commission income and other securities dealing income from securities, futures and options dealing of approximately HK\$87,000 from the associates of the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- (2) During the year, the Group received interest income from securities margin financing of approximately HK\$31,000 from the associates of the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- (3) During the year, the Group paid administrative expense of approximately HK\$869,000 to AC Consulting Limited in which Mr. Chow Ka Wo has a beneficial interest and is the director of KTFA, a subsidiary of the Company.
- (4) During the year, the Group received commission income and other securities dealing income of approximately HK\$70,000 from an associate company, ATNT in which Messrs. Lam Kwok Hing and Nam Kwok Lun have beneficial interests and Messrs. Lam Kwok Hing, Nam Kwok Lun, Ng Chi Kin David and Kwan Wang Wai Alan are Directors.

Other than as disclosed above, there was no other transaction which need to be disclosed as a connected transaction in accordance with the requirements of the Listing Rules and no contract of significance to which the Company, its ultimate holding company or any subsidiaries of its ultimate holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### 購買股份或債券安排

本年度內任何時候，本公司及其最終控股公司或其最終控股公司之任何附屬公司、概無任何收購本公司或任何其他法人團體的股份或債券的安排而致使本公司董事獲得利益。

### 關連交易及董事之重要合約權益

- (1) 於本年度內，本集團就證券、期貨及期權買賣而向董事藍國慶先生與藍國倫先生彼等之聯繫人收取佣金收入及其他證券買賣收入約87,000港元。
- (2) 於本年度內，本集團就證券保證金融資而向董事藍國慶先生與藍國倫先生彼等之聯繫人收取利息收入約31,000港元。
- (3) 於本年度內，本集團向AC Consulting Limited支付行政費約869,000港元（周家和先生實益擁有其權益及為本公司之一間附屬公司，高信融資之董事）。
- (4) 於本年度內，本集團向聯營公司亞洲聯網（藍國慶先生及藍國倫先生實益擁有其權益，而藍國慶先生、藍國倫先生、伍志堅先生及關宏偉先生均為其董事）收取佣金收入及其他證券買賣收入約70,000港元。

除上文披露者外，於本年度結束時或年度內任何時間，並無其他交易需要根據上市規則之規定，如關連交易般予以披露，且本公司、其最終控股公司或其最終控股公司之任何附屬公司，並無與本公司直接或間接擁有其重大權益之董事訂立任何重大合約。

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### SUBSTANTIAL SHAREHOLDERS

At 31 December, 2006, the following persons (other than the Directors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

#### Long positions in the ordinary shares of HK\$0.10 each of the Company

Name of shareholder 股東名稱	Capacity 身份	Number of ordinary shares held 所持已發行普通股數目	Percentage of the share capital of the Company 佔本公司股本百分比
J&A (Note 附註)	Interest of controlled corporation 受控制法團之權益	311,718,000	63.10%

Note: The entire issued share capital of J&A is beneficially owned as to 80% by Mr. Lam Kwok Hing and 20% by Mr. Nam Kwok Lun respectively.

### 主要股東

根據本公司按證券及期貨條例第336條而存置之登記冊所記錄，於二零零六年十二月三十一日，下列人士（除本公司董事及主要行政人員外）於本公司擁有股份及相關股份之權益或淡倉：

於本公司每股面值0.10港元普通股之長倉

附註：J&A之全部已發行股份由藍國慶先生及藍國倫先生分別實益擁有80%及20%之權益。

Save as disclosed above, no person (other than the Directors and chief executives of the Company whose interests are set out under the heading "Directors' Interests in Shares" above) had an interest or a short position in the shares and underlying shares of the Company that was required to be recorded under Section 336 of the SFO.

除上文披露者外，根據本公司按證券及期貨條例第336條而存置之登記冊所記錄，除本公司董事及主要行政人員（彼等之權益已詳列於「董事於股份之權益」內）外，概無其他人士於本公司擁有股份及相關股份之權益或淡倉。

### APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

### 獨立非執行董事之委任

本公司已接獲各位獨立非執行董事根據上市規則第3.13條規定之獨立性確認函，而本公司對彼等之獨立性表示認同。

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### EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in note 29 to the consolidated financial statements.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2006.

### RETIREMENT BENEFITS SCHEME

Details of the Group's retirement benefits scheme are set out in note 30 to the consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2006, less than 30% of the Group's sales were attributable to the Group's five largest customers.

The Group had no major suppliers due to the nature of principal activities of the Group.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 December 2006, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

### 酬金政策

本集團僱員之酬金政策乃由薪酬委員會根據僱員之貢獻、資歷及能力而釐定。

本公司董事之酬金乃由薪酬委員會經考慮本公司之經營業績、各董事之表現及可供比較之市場數據而釐定。

本公司已採納認股權計劃，藉以表揚董事及合資格僱員，該計劃之詳情載於綜合財務報表附註第29項內。

### 優先購買權

根據本公司之公司細則或百慕達法例，概無載列任何有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

### 足夠之公眾持股量

本公司於截至二零零六年十二月三十一日止年度內，均維持足夠之公眾持股量。

### 退休福利計劃

本集團之退休福利計劃詳情，載於綜合財務報表附註第30項內。

### 主要客戶及供應商

截至二零零六年十二月三十一日止年度內，本集團之五大客戶共佔本集團銷售額不足30%。

基於本集團之主要業務性質，本集團並無主要供應商。

### 購入、贖回或售出上市證券

截至二零零六年十二月三十一日止年度內，本公司或其任何附屬公司概無購入、贖回或售出任何本公司上市證券。

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### AUDITOR

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

By Order of the Board

**LAM KWOK HING**

*Chairman*

Hong Kong, 25 April 2007

### 核數師

本公司將於應屆股東週年大會上提呈決議案，以續聘德勤•關黃陳方會計師行為本公司核數師。

承董事會命

**藍國慶**

*主席*

香港，二零零七年四月二十五日