

ALLIED PROPERTIES (H.K.) LIMITED
聯合地產（香港）有限公司

(Stock Code 股份代號：56)

Annual Report 年報
2006

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BOARD OF DIRECTORS

Arthur George Dew

Chairman and Non-Executive Director

Patrick Lee Seng Wei

Chief Executive and Executive Director

Li Chi Kong

Executive Director

Henry Lai Hin Wing

Non-Executive Director

Steven Lee Siu Chung

Non-Executive Director

John Douglas Mackie

Independent Non-Executive Director

Steven Samuel Zoellner

Independent Non-Executive Director

Alan Stephen Jones

*Independent Non-Executive Director***EXECUTIVE COMMITTEE**Patrick Lee Seng Wei *Chairman*

Li Chi Kong

REMUNERATION COMMITTEEAlan Stephen Jones *Chairman*

Arthur George Dew

Henry Lai Hin Wing

John Douglas Mackie

Steven Samuel Zoellner

AUDIT COMMITTEEAlan Stephen Jones *Chairman*

Arthur George Dew

Henry Lai Hin Wing

John Douglas Mackie

Steven Samuel Zoellner

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

CITIC Ka Wah Bank Limited

Fubon Bank (Hong Kong) Limited

Standard Chartered Bank (Hong Kong) Limited

Wing Hang Bank, Limited

董事會

狄亞法

主席兼非執行董事

李成偉

行政總裁兼執行董事

李志剛

執行董事

賴顯榮

非執行董事

李兆忠

非執行董事

麥尊德

獨立非執行董事

Steven Samuel Zoellner

獨立非執行董事

Alan Stephen Jones

*獨立非執行董事***執行委員會**李成偉 *主席*

李志剛

薪酬委員會Alan Stephen Jones *主席*

狄亞法

賴顯榮

麥尊德

Steven Samuel Zoellner

審核委員會Alan Stephen Jones *主席*

狄亞法

賴顯榮

麥尊德

Steven Samuel Zoellner

主要往來銀行

中國銀行(香港)有限公司

中信嘉華銀行有限公司

富邦銀行(香港)有限公司

渣打銀行(香港)有限公司

永亨銀行有限公司



REGISTERED OFFICE

22nd Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

COMPANY SECRETARY

Phoebe Lau Mei Yi

AUDITORS

Deloitte Touche Tohmatsu

SOLICITORS

Fred Kan & Co.
Haldanes
Mallesons Stephen Jaques
P. C. Woo & Co.

STOCK CODE

56

WEBSITE

<http://www.alliedproperties.com.hk>

註冊辦事處

香港
灣仔
告士打道138號
聯合鹿島大廈
22樓

股份過戶登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓
1712-1716室

公司秘書

劉美儀

核數師

德勤 • 關黃陳方會計師行

律師

簡家聰律師行
何敦、麥至理、鮑富律師行
萬盛國際律師事務所
胡百全律師事務所

股份代號

56

網站

<http://www.alliedproperties.com.hk>



I am pleased to present to shareholders of Allied Properties (H.K.) Limited ("Company") the annual results of the Company and its subsidiaries (collectively the "Group") for the year 2006. The Group expanded in terms of operations and its shareholders' equity as a result of the acquisition of Quality HealthCare Asia Limited ("QHA") and United Asia Finance Limited ("UAF") during the year. The healthcare division and consumer finance division have brought additional profit streams into the Group while the broking and finance division and the property rental business continued to deliver increased profits in 2006.

FINANCIAL RESULTS

For the year ended 31st December, 2006, the Group's revenue increased to HK\$2,166.4 million, an increase of 125% compared with the year 2005. Profit attributable to equity holders of the Company increased from HK\$935.3 million in 2005 to HK\$1,070.2 million, representing an increase of 14.4%. Earnings per share amounted to HK\$1.99 compared to HK\$1.74 in 2005.

DIVIDEND

The board of directors of the Company ("Board") has proposed a final dividend of HK15 cents per share (2005: HK10 cents) payable to shareholders whose names appear on the register of members of the Company on Wednesday, 13th June, 2007.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Thursday, 7th June, 2007 to Wednesday, 13th June, 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 6th June, 2007. Subject to approval by the shareholders at the forthcoming annual general meeting ("AGM") of the Company, dividend warrants are expected to be despatched on Monday, 9th July, 2007. The AGM will be held on Wednesday, 13th June, 2007.

FUTURE PROSPECTS

The "Review of Operations" by the Chief Executive, which immediately follows this statement incorporates the Group's outlook for the future.

APPRECIATION

We have enjoyed a successful year. This success has been a collective result secured through the dedication, loyalty, professionalism of our staff. I would like to express the Group's appreciation for their efforts in 2006. I look forward to their continued support.

I would also like to thank my fellow Directors, our professional advisors and finally our shareholders for their support during the year.



Arthur George Dew
Chairman
Hong Kong, 16th April, 2007

本人向聯合地產(香港)有限公司(「本公司」)之股東欣然提呈本公司及其附屬公司(統稱「本集團」)二零零六年度業績。隨著收購卓健亞洲有限公司(「卓健」)及亞洲聯合財務有限公司(「亞洲聯合財務」)，本集團的業務及股東權益於年內得以擴大。於二零零六年，保健分部及私人財務分部為本集團帶來額外的溢利流，同時經紀和金融分部以及物業租賃業務之溢利持續增長。

財務業績

截至二零零六年十二月三十一日止年度，本集團之收益額較二零零五年相比增加125%至2,166,400,000港元。本公司之股東應佔溢利由二零零五年的935,300,000港元增加至1,070,200,000港元，增長14.4%。每股盈利為1.99港元，而二零零五年則為1.74港元。

股息

本公司之董事會(「董事會」)已建議派發末期股息每股15港仙(二零零五年：10港仙)予於二零零七年六月十三日(星期三)名列本公司股東名冊內之股東。

暫停辦理股份過戶登記

本公司將於二零零七年六月七日(星期四)至二零零七年六月十三日(星期三)(包括首尾兩天)暫停辦理股份過戶登記手續，在此期間股份不能過戶。為符合獲享末期股息資格，所有轉讓文件連同相關股票須於二零零七年六月六日(星期三)下午四時正前送交本公司之股份過戶登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室)辦理股份過戶登記手續。待股東於本公司即將舉行之股東週年大會上批准後，股息單預期將於二零零七年七月九日(星期一)寄發。股東週年大會將於二零零七年六月十三日(星期三)舉行。

業務前景

緊隨本報告為由行政總裁發表之「業務回顧」，以說明本集團對日後前景之期望。

致謝

本年度我們獲得斐然成績，此乃全憑我們全體員工的專注、忠誠和專業精神。本人謹此代表本集團為他們於二零零六年作出的努力致謝。本人期望各員工對本集團繼續支持。

本人謹此衷心感謝各董事、各專業顧問以及各位股東對本集團一年以來的支持。



主席
狄亞法
香港，二零零七年四月十六日

INTRODUCTION

The core businesses of the Company and its subsidiaries and associates consist of property investment, property development, hospitality related activities and financial services. The Company is a subsidiary of Allied Group Limited ("Allied Group"). The Company's interests in property investment and development and hospitality related activities in Hong Kong are mainly held through its wholly owned subsidiaries or the 50% owned Allied Kajima Limited ("Allied Kajima"), and in respect of property investment and development and hospitality related activities in The People's Republic of China ("PRC"), through Tian An China Investments Company Limited ("Tian An"), being an associate held by Sun Hung Kai & Co. Limited ("Sun Hung Kai"). The Company's financial services business is mainly conducted through its 65.17% holding in Sun Hung Kai. During the year under review, Sun Hung Kai acquired the entire issued capital of UAF Holdings Limited ("UAF Holdings"), which holds 50.91% in UAF, and additional interests in QHA. Consequent to the acquisitions, UAF and QHA became 58.18% and 51.15% subsidiaries of Sun Hung Kai respectively. The Group's core businesses expanded into the consumer finance sector.

FINANCIAL REVIEW

Results

The revenue of the Group for 2006 was approximately HK\$2,166.4 million, which was an increase of 125% compared with 2005. The increase in revenue was due to:-

- stronger performance from Sun Hung Kai;
- higher rental income received from the Group's investment properties; and
- consolidation of the revenues of UAF and QHA, which became subsidiaries of the Group in August and October 2006 respectively.

The profit attributable to the equity holders of the Company for the year was approximately HK\$1,070.2 million (2005: HK\$935.3 million). Earnings per share amounted to HK\$1.99 (2005: HK\$1.74).

The increase in profit was due to:-

- increased contributions from Sun Hung Kai and the Group's investment properties; and
- a profit on the deemed disposal of a portion of the Group's interest in Sun Hung Kai amounting to HK\$303.9 million.

簡介

本公司及其附屬公司及聯營公司之核心業務為地產投資、地產發展、酒店相關業務及金融服務。本公司為聯合集團有限公司(「聯合集團」)之附屬公司。本公司在香港於地產投資及發展以及酒店相關業務之權益，主要透過其全資附屬公司或擁有50%權益之Allied Kajima Limited(「Allied Kajima」)持有；而有關於中華人民共和國(「中國」)之地產投資及發展以及酒店相關業務之權益，乃透過新鴻基有限公司(「新鴻基」)持有之聯營公司天安中國投資有限公司(「天安」)而持有。本公司之金融服務業務則主要透過目前擁有65.17%權益之新鴻基而持有。在回顧年度內，新鴻基收購UAF Holdings Limited(「UAF Holdings」)(擁有亞洲聯合財務50.91%股權)之全部已發行股本以及收購卓健額外權益。在該等收購之後，亞洲聯合財務以及卓健分別成為新鴻基之58.18%及51.15%之附屬公司。本集團之業務已擴大至私人財務方面。

財務回顧

業績

本集團二零零六年年度收益約為2,166,400,000港元，較二零零五年年度增加125%。收益增加乃由於：

- 新鴻基業務表現強勁；
- 本集團之投資物業獲得高租金收入；及
- 綜合亞洲聯合財務及卓健(分別自二零零六年八月及十月起成為本集團附屬公司)之收益。

本年度本公司股東應佔溢利約為1,070,200,000港元(二零零五年：935,300,000港元)。每股盈利為1.99港元(二零零五年：1.74港元)。

溢利增加乃由於：

- 來自新鴻基及本集團投資物業之貢獻增加；及
- 視作為出售本集團於新鴻基部份權益之溢利303,900,000港元。

FINANCIAL REVIEW (CONT'D)**Results (Cont'd)**

The increase in profit was partially offset by a number of issues including:-

- provisions by Tian An for past years Land Appreciation Tax ("LAT") in Mainland China amounting to approximately HK\$67.4 million attributable to the Company, a deemed loss of approximately HK\$44.3 million attributable to the Company arising from the conversion of 78,800,000 warrants of Tian An by Wachovia Investment Holdings, LLC, as well as a deemed loss of approximately HK\$8.7 million attributable to the Company arising from the placing of 175,000,000 Tian An shares to a number of institutional investors.

We believe, however, that the consequent cash injection into Tian An in respect of the conversion of Tian An warrants and placement of Tian An shares above has in fact strengthened its balance sheet and its capacity to pursue its development projects and has thus enhanced the long term value of the Group's investment in Tian An;

- an impairment provision of approximately HK\$37.9 million attributable to the Company in relation to the carrying value of the interest in the Kuala Lumpur hotel joint venture with New World Development Company Limited ("NWDC"); and
- a loss on the derecognition by Yu Ming Investments Limited ("Yu Ming") of its investment in CR Airways Limited (now known as Hong Kong Airlines Limited, "Hong Kong Airlines") and receivables in an aggregate amount of approximately HK\$27.8 million attributable to the Company.

Segmental Information

Detailed segmental information in respect of the Group's revenue and segmental results as well as other information is shown in note 8 to the consolidated financial statements.

Material Acquisitions and Disposal*(a) Acquisition of additional interests in QHA*

During the year, Sun Hung Kai concluded an option agreement with CLSA Capital Limited ("CLSA") in relation to the option shares and option warrants of QHA for a consideration of approximately HK\$11.1 million. The option entitled Sun Hung Kai to acquire from CLSA 34,156,666 shares in QHA at an aggregate exercise price of approximately HK\$99.9 million, and for warrants leading to the subscription of 7,056,232 shares in QHA.

財務回顧(續)**業績(續)**

溢利增加部份被下列各項所抵銷：

- 天安就本公司應佔以往年度於中國之土地增值稅作出之撥備約67,400,000港元、本公司應佔Wachovia Investment Holdings, LLC轉換天安78,800,000份認股權證之被視作虧損約44,300,000港元，以及本公司應佔配售175,000,000股天安股份予數家機構投資者之被視作虧損約8,700,000港元。

吾等相信，就上述天安認股權證獲轉換及配售天安股份而向天安注入現金，有助加強其資產負債狀況及其進行發展項目之能力，因而提升本集團於天安之投資之長遠價值；

- 就本公司應佔與新世界發展有限公司(「新世界發展」)於吉隆坡酒店合營項目之權益有關之賬面值減值作出撥備約37,900,000港元；及
- 本公司應佔禹銘投資有限公司(「禹銘」)取消確認其於中富航空有限公司(現稱香港航空有限公司，「香港航空」)之投資及應收款項總金額約27,800,000港元之虧損。

分部資料

有關本集團收益及分部業績之分部資料以及其他資料，載於綜合財務報表附註第8項。

重要收購及出售事項*(a) 收購卓健額外權益*

於本年度，新鴻基與CLSA Capital Limited(「CLSA」)就卓健之認購權股份及認購權認股證達成代價約為11,100,000港元之認購權協議。認購權賦予新鴻基以總行使價約99,900,000港元向CLSA收購於卓健之34,156,666股股份，而認股權證則導致認購卓健之7,056,232股股份。

FINANCIAL REVIEW (CONT'D)

Material Acquisitions and Disposal (Cont'd)

(a) Acquisition of additional interests in QHA (Cont'd)

On 29th September, 2006, Sun Hung Kai exercised the option over the option shares of QHA and in October 2006 CLSA transferred all the option warrants of QHA to Sun Hung Kai. The exercise of the option over the option shares of QHA required Sun Hung Kai to make a general offer for all the issued shares of QHA not already owned by it. Sun Hung Kai increased its interests in QHA from approximately 34.40% as at 1st January, 2006 to 50.13% after the closing of the general offer in November 2006. On 27th November, 2006, Sun Hung Kai exercised warrants of QHA to subscribe for 5,000,000 QHA shares and increased Sun Hung Kai's interests in QHA to approximately 51.14%.

(b) Acquisition of interests in UAF Holdings

On 24th August, 2006, Sun Hung Kai completed an agreement with Allied Group and AG Capital Holding Limited ("AGCH"), a wholly-owned subsidiary of Allied Group, for the purchase of the entire issued share capital of UAF Holdings, a wholly-owned subsidiary of AGCH, together with the assignment of related shareholder's loan at an aggregate consideration of HK\$4,328.0 million. The consideration was settled by cash of HK\$628.0 million, a short-term loan of HK\$900.0 million and three year bonds with a principal amount of HK\$2,800.0 million.

UAF Holdings holds 50.91% interest in UAF. Consequent to the acquisition, Sun Hung Kai's interests in UAF increased from 7.27% to 58.18%. UAF and its subsidiaries are principally engaged in consumer finance loans throughout Hong Kong.

(c) Deemed disposal of interests in Sun Hung Kai arising from share placing and top-up subscription

The Company, through its wholly-owned subsidiary, had completed share placing of 169,000,000 shares ("1st Share Placing") and 79,000,000 shares ("2nd Share Placing") of Sun Hung Kai on 22nd May, 2006 and 10th August, 2006 respectively. The top-up subscription of 248,000,000 new shares of Sun Hung Kai was completed on 10th August, 2006. The net proceeds of the placing and top-up subscription was approximately HK\$1,685.5 million. The shareholdings in Sun Hung Kai held by the Company before the 1st Share Placing and after top-up subscription were 74.99% and 62.54% respectively.

(d) Deemed disposal of interests in Tian An arising from share placing and top-up subscription and exercise of unlisted warrants by a subscriber

In April 2006, Sun Hung Kai completed the placing and top-up subscription of 175,000,000 shares in Tian An. Subsequently, a third party exercised its rights under unlisted Tian An warrants for the conversion of 78,800,000 shares in Tian An. The shareholdings in Tian An held by Sun Hung Kai decreased from 48.6% as at 1st January, 2006 to 39.59%, as at 31st December, 2006.

財務回顧 (續)

重要收購及出售事項 (續)

(a) 收購卓健額外權益 (續)

於二零零六年九月二十九日，新鴻基就卓健之認購權股份行使認購權，及於二零零六年十月，CLSA轉讓卓健之所有認購權認股證予新鴻基。新鴻基就卓健之認購權股份行使認購權須就所有其尚未擁有之卓健已發行股份作出全面收購建議。新鴻基將其於卓健之權益自於二零零六年一月一日之約34.40%增至於二零零六年十一月全面收購建議結束後之50.13%。於二零零六年十一月二十七日，新鴻基行使卓健認股權證認購5,000,000股卓健股份，將其於卓健權益增至約51.14%。

(b) 收購UAF Holdings之權益

於二零零六年八月二十四日，新鴻基與聯合集團及AG Capital Holding Limited("AGCH")，聯合集團之一間全資附屬公司)訂立協議，以總代價4,328,000,000港元收購UAF Holdings (AGCH之全資附屬公司)全部已發行股本及轉讓相關股東貸款。該代價乃以628,000,000港元現金、900,000,000港元短期貸款及2,800,000,000港元本金額之三年期債券支付。

UAF Holdings持有亞洲聯合財務50.91%之權益。收購後，新鴻基於亞洲聯合財務之權益從7.27%增至58.18%。亞洲聯合財務及其附屬公司主要於全香港從事私人財務貸款。

(c) 因股份配售及以先舊後新方式認購而視作出售新鴻基之權益

本公司(透過其全資附屬公司)分別於二零零六年五月二十二日及二零零六年八月十日完成配售169,000,000股(「第一次股份配售」)和79,000,000股(「第二次股份配售」)新鴻基股份。於二零零六年八月十日，完成以先舊後新方式認購248,000,000股新鴻基新股份。配售及以先舊後新方式認購之所得款項淨額約為1,685,500,000港元。本公司於第一次股份配售之前及以先舊後新方式認購之後所持於新鴻基之股權分別為74.99%及62.54%。

(d) 因股份配售及以先舊後新方式認購以及一名認購者行使非上市認股權證而視作出售天安之權益

於二零零六年四月，新鴻基完成配售及以先舊後新方式認購175,000,000股天安股份。其後，一名第三方行使其於非上市天安認股權證下之權利以轉換78,800,000股天安股份。新鴻基持有天安股權自於二零零六年一月一日之48.6%降至二零零六年十二月三十一日之39.59%。

FINANCIAL REVIEW (CONT'D)**Material Acquisitions and Disposal (Cont'd)**

Other than the above acquisitions and deemed disposals, there were no material acquisitions or disposals of subsidiaries, associates and jointly controlled entities during the year.

Financial Resources, Liquidity and Capital Structure

A bonus issue of warrants on the basis of one warrant for every five shares held was proposed by the Board on 12th April, 2006. 107,430,380 warrants were issued on 5th June, 2006.

The warrant holders are entitled to subscribe in cash for one fully paid share at an initial subscription price of HK\$10 per share, subject to adjustments, at any time from 7th June, 2006 to 6th June, 2009 (both days inclusive). During the year ended 31st December, 2006, 147,625 warrants were converted into 147,625 ordinary shares at a subscription price of HK\$10 per share. Accordingly 107,282,755 warrants were outstanding at 31st December, 2006. Exercise in full of the outstanding warrants would result in the issue of 107,282,755 additional shares with an aggregate subscription value of approximately HK\$1,072.8 million.

The net proceeds received from conversion of warrants was used to finance the general working capital of the Group.

On 10th November, 2006, the Company issued convertible bonds amounting to HK\$537.3 million. The convertible bonds bear interests at 7% p.a. for the period from 10th November, 2006 to 30th June, 2009 and 4% p.a. for the period from 1st July, 2009 to 9th November, 2011, the maturity date. Bondholders have rights to convert the bonds into new shares of the Company at an initial conversion price of HK\$10 (subject to adjustments) during the conversion period commencing from 1st July, 2009. Subsequent to the balance sheet date, the Company had partially redeemed the convertible bonds. Details are set out in the section "Events After The Balance Sheet Date" below.

Sun Hung Kai completed share placings and top-up subscription of total 248,000,000 shares in August 2006, bringing total net proceeds of approximately HK\$1,685.5 million to the Group. Part of the proceeds raised by Sun Hung Kai was used to finance the HK\$4,328.0 million acquisition of UAF Holdings. While the transaction has affected the Group's overall gearing ratio, the Group's balance sheet continues to be strong.

The Group is principally financed by banking facilities granted by the banks and proceeds from issue of shares by the Company and subsidiary, and bonds and convertible bonds issued. The banking facilities of the Group are reviewed from time to time and new banking facilities will be obtained or renewed to meet the funding requirements for capital commitments, investments and operations of the Group.

At 31st December, 2006, the current ratio (current assets/current liabilities) of the Group was 1.90 times, which increased from the 1.76 times applicable at the end of the preceding year.

業務回顧 (續)**財務回顧 (續)****重要收購及出售事項 (續)**

除上述收購及視作出售以外，年內概無就附屬公司、聯營公司及共同控制企業作出重大收購或出售。

財務資源、流動資金及股本結構

董事會於二零零六年四月十二日建議按每持有五股股份獲發1份認股權證之基準進行認股權證紅利發行。於二零零六年六月五日已發行107,430,380份認股權證。

認股權證持有人有權於二零零六年六月七日至二零零九年六月六日(包括首尾兩天)期間任何時間，以初步認購價每股10港元(可予調整)之價格以現金認購一股繳足股份。截至二零零六年十二月三十一日止年度，147,625份認股權證按每股10港元之認購價轉換為147,625股普通股。因此，於二零零六年十二月三十一日流通之認股權證為107,282,755份尚未行使。全面行使尚未行使之認股權證將導致額外發行107,282,755股股份，總認購價值約為1,072,800,000港元。

轉換認股權證之所得款項淨額乃用作本集團之一般營運資金。

於二零零六年十一月十日，本公司發行537,300,000港元之可換股債券。可換股債券之年息率於二零零六年十一月十日至二零零九年六月三十日期間為7%，於二零零九年七月一日至二零一一年十一月九日(到期日)期間為4%。債券持有人有權於自二零零九年七月一日起的轉換期間按初步轉換價10港元(可予調整)將債券轉換為聯合地產的新股份。於結算日後，本公司已贖回部份可換股債券。有關詳情載於下文「結算日以後之事項」一節。

於二零零六年八月，新鴻基完成股份配售及以先舊後新方式認購合共248,000,000股股份，為本集團帶來合共約1,685,500,000港元之所得款項淨額。新鴻基所籌集之部份所得款項已用於為收購UAF Holdings支付4,328,000,000港元。儘管該等交易影響到本集團之整體資產負債比率，但本集團之資產負債情況仍舊穩健。

本集團之資金主要來自銀行授出之銀行信貸額以及本公司及附屬公司發行股份及已發行債券及可換股債券之所得款項。本集團不時檢討本集團之銀行信貸額，新銀行信貸額將獲批授或續期以應付本集團資本承擔、投資及營運之資金需求。

於二零零六年十二月三十一日，本集團之流動比率(流動資產/流動負債)由前一年年底之1.76倍增加至1.90倍。

FINANCIAL REVIEW (CONT'D)

Financial Resources, Liquidity and Capital Structure (Cont'd)

At 31st December, 2006, the Group's net borrowings amounted to HK\$5,043.5 million (2005: HK\$1,408.0 million), representing bank and other borrowings, loan notes, short-term loan due to a fellow subsidiary, bonds due to a fellow subsidiary and convertible bonds totalling HK\$6,500.1 million (2005: HK\$1,890.2 million) less bank deposits, bank balances, treasury bills and cash of HK\$1,456.6 million (2005: HK\$482.2 million) and the Group had equity attributable to equity holders of the Company of HK\$8,368.4 million (2005: HK\$7,070.5 million). Accordingly, the Group's gearing ratio of net borrowings to equity attributable to equity holders of the Company was 60.3% (2005: 19.9%). The increase in borrowings was mainly due to the finance raised for the acquisition of UAF Holdings.

財務回顧(續)

財務資源、流動資金及股本結構(續)

於二零零六年十二月三十一日，本集團之借貸淨額達5,043,500,000港元(二零零五年：1,408,000,000港元)，相當於銀行及其他借貸、貸款票據、欠一間同系附屬公司之短期貸款、欠一間同系附屬公司之債券及可換股債券共6,500,100,000港元(二零零五年：1,890,200,000港元)減銀行存款、銀行結存、國庫券及現金1,456,600,000港元(二零零五年：482,200,000港元)，本集團之本公司股東應佔權益為8,368,400,000港元(二零零五年：7,070,500,000港元)。因此，本集團借貸淨額相對本公司股東應佔權益之資本負債比率為60.3%(二零零五年：19.9%)。借貸增加主要是由於就收購UAF Holdings所需籌集資金所致。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank borrowings of the Group are repayable as follows:	本集團之銀行借貸償還期限如下：		
Within one year or on demand	不足一年或即期	1,526,570	950,233
More than one year but not exceeding two years	一年以上但不超過兩年	645,712	606,939
More than two years but not exceeding five years	兩年以上但不超過五年	273,439	211,214
More than five years	五年以上	—	57,610
		2,445,721	1,825,996
Other borrowings due within one year	於一年內到期之其他貸款	8,000	—
Short-term loan due to a fellow subsidiary	欠一間同系附屬公司之短期貸款	700,000	—
Loan notes repayable within five years	須於五年內償還之貸款票據	66,639	64,252
Convertible bonds repayable within five years	須於五年內償還之可換股債券	479,783	—
Bonds held by a fellow subsidiary repayable within five years	一間同系附屬公司持有之須於五年內償還之債券	2,800,000	—
		6,500,143	1,890,248

The short-term loan and bonds due to a fellow subsidiary and most of the bank borrowings of the Group are charged at floating interest rates. The convertible bonds and the loan notes are charged at fixed interest rates. There are no known seasonal factors in the Group's borrowing profiles.

欠一間同系附屬公司之短期貸款及債券及本集團之大部份銀行貸款均以浮動利率計息。可換股債券及貸款票據以固定利率計息。本集團並無季節性借款需要。

Risk of Foreign Exchange Fluctuation

The fluctuation in exchange rates and market prices does not impose a significant risk to the Group as its level of foreign currency exposure is relatively immaterial.

外匯波動風險

由於本集團之外匯波動風險程度相對十分低微，故外匯匯率及市價波動並無對本集團構成重大風險。

Contingent Liabilities

Details of contingent liabilities are set out in note 53 to the consolidated financial statements.

或然負債

或然負債之詳情載於綜合財務報表附註第53項。



FINANCIAL REVIEW (CONT'D)

Material Litigation Update

- (a) By the Judgment of High Court on 1st April, 2004 ("Judgment") in HCA 3191/1999 between NWDC and Stapleton Developments Limited ("SDL") against SHKS, the Court held that SHKS had a 12.5% interest in a 50/50 joint venture entered into between NWDC and IGB Corporation Berhad to purchase land and build 2 international hotels plus a 200-unit service apartment in Kuala Lumpur, Malaysia ("Joint Venture"). In particular the Court found that: (i) as to SHKS's interest in Great Union Properties Sdn. Bhd. ("GUP") that SDL, a corporation ultimately owned 100% by NWDC, holds 12.5% of the issued shares of GUP ("GUP Shares") on trust for SHKS, and that SHKS is entitled to the transfer to it of the legal title to the GUP Shares, upon payment of certain amounts to NWDC; (ii) as to the Joint Venture, that SHKS beneficially owns 25% of NWDC's entire interest in the Joint Venture; (iii) as to the shareholder's loans, that SHKS beneficially owns 25% of the loans advanced to GUP by SDL in a principal amount equivalent to HK\$114,904,023.60. SHKS was ordered to pay NWDC the sum of HK\$105,534,018.22 together with interest on the principal sum of HK\$80,117,652.72 at judgment rate from 16th December, 1998 until payment, pursuant to the terms of an oral agreement which the Court found. As at 17th June, 2004, the date when the Judgment sum was paid, the Judgment amounted to HK\$150,115,681.54 (being HK\$105,534,018.22 plus interest of HK\$44,581,663.32). SHKS has paid the Judgment amounts. SHKS filed an appeal against the Judgment both as to liability and quantum to the Court of Appeal. That Court of Appeal handed down the judgment ("Court of Appeal Judgment") in which the Court of Appeal ordered a repayment to SHKS of part of the interest element for the period from 16th December, 1998 to 31st March, 2004 previously ordered against SHKS in the Court of First Instance but otherwise broadly confirmed the Judgment. The sum repayable amounted to HK\$14,783,090.86 and has been repaid. SHKS obtained leave to appeal the Court of Appeal Judgment to the Court of Final Appeal ("Final Appeal"). The Final Appeal was heard on 19th, 20th and 21st June, 2006. On 10th July, 2006, the Court of Final Appeal delivered its decision ("Final Appeal Judgment"), dismissing the Final Appeal except to the extent that the principal sum awarded in favour of NWDC should be reduced by HK\$629,448.15. This amount together with interest thereon of HK\$647,991.43 totalling HK\$1,277,439.58 has now been paid to SHKS by NWDC. Pursuant to the Final Appeal Judgment, SHKS was ordered to pay costs of the appeal.

財務回顧(續)

重大訴訟資料更新

- (a) 根據高等法院於二零零四年四月一日就新世界發展與Stapleton Developments Limited(「SDL」)向新鴻基證券提出之法律訴訟(高等法院民事訴訟一九九九年第3191宗)作出之裁決(「裁決」)，法院裁定新鴻基證券在新世界發展與IGB Corporation Berhad成立各佔一半權益以購買馬來西亞吉隆坡一幅地皮及興建兩幢國際級酒店另加一幢有200個單位的服務式住宅樓房的合營企業(「合營企業」)中擁有12.5%權益。具體而言，法院認定：(i)就新鴻基證券於Great Union Properties Sdn. Bhd.(「GUP」)的權益而言，SDL(一家由新世界發展最終全資擁有的公司)持有GUP已發行股份(「GUP股份」)的12.5%以信託形式代新鴻基證券持有，而新鴻基證券在向新世界發展支付若干款項後，有權將GUP股份的法定所有權轉讓至其名下；(ii)就合營企業而言，新鴻基證券實益擁有新世界發展於合營企業的全部權益的25%；(iii)就股東貸款而言，新鴻基證券實益擁有由SDL墊付予GUP本金額相等於114,904,023.60港元的貸款的25%權益。根據法官認定的口頭協議內訂明之條款，新鴻基證券被判令向新世界發展支付總額105,534,018.22港元，連同本金金額80,117,652.72港元由一九九八年十二月十六日起至付款期間按判定利率計算之利息。於二零零四年六月十七日(即支付判定金額當日)，新鴻基證券已支付判定金額，總額為150,115,681.54港元(即105,534,018.22港元連同利息44,581,663.32港元)。新鴻基證券已向上訴法院申請就該項裁決之法律責任及索償金額提出上訴。上訴法院已宣判裁決(「上訴法院裁決」)，判令退還部份新鴻基證券按原訟法院判決所支付由一九九八年十二月十六日起計至二零零四年三月三十一日之利息，惟確定大部份其他裁決。應退還金額合共14,783,090.86港元，並經已退還。新鴻基證券獲批准向終審法院就上訴法院裁決提出上訴(「最終上訴」)。最終上訴已於二零零六年六月十九日、二十日及二十一日作出聆訊。於二零零六年七月十日，終審法院頒佈裁決(「最終上訴裁決」)，判令駁回最終上訴(判令向新世界發展支付之本金額減少629,448.15港元的部份除外)。新世界發展現已向新鴻基證券支付此筆金額連同利息647,991.43港元，總額為1,277,439.58港元。根據最終上訴裁決，新鴻基證券被判須支付上訴訟費。

FINANCIAL REVIEW (CONT'D)

Material Litigation Update (Cont'd)

(a) (Cont'd)

SHKS received new claims contained in (i) a writ containing an endorsement of claim issued by NWDC in April 2004 ("HCA 813/2004") for the sums of HK\$27,237,489.51 and HK\$7,697,418.42 together with interest on such sums from 1st March, 2000 and 2nd January, 2001 respectively at such rate as the Court considers appropriate, although as at the date of this report, the writ in HCA 813/2004 had not been served on SHKS; and (ii) a writ including a statement of claim issued by NWDC and SDL in February, 2006 ("HCA 376/2006") for what are asserted to be amounts advanced by NWDC on behalf of SHKS as pro-rata contributions to shareholders' loans. The sum of HK\$37,498,011.41, being the aggregate of the contributions claimed from SHKS, together with interest thereon at such rate and for such period as the Court considers appropriate is claimed in HCA 376/2006, although as at the date of this report, that writ had not been served on SHKS. In October 2006, SHKS made payment to NWDC of HK\$37,498,011 in settlement of the principal amount of the new claims, and in December 2006, it made payment to NWDC of HK\$10,081,950 in settlement of interest on the new claims. SHKS has now paid all amounts of principal and interest due to be paid to NWDC. The final amount of NWDC's costs and disbursements, that SHKS is liable to pay has yet to be determined. SHKS has given notice to NWDC and SDL, among other things, of its demand that the legal interest in the GUP Shares be transferred to it and that its portion of the shareholder's loans be assigned to it.

(b) On 4th February, 2004, Sun Tai Cheung Credits Limited ("STCC") and Sun Hung Kai Investment Services Limited ("SHKIS"), both indirect wholly-owned subsidiaries of Sun Hung Kai, were served with a writ including a statement of claim ("200/2004") by Shanghai Finance Holdings Limited ("SFHL"), claiming, inter alia, an order that the sale of the shares in Shun Loong Holdings Limited ("SLHL") ("Shun Loong Shares") by STCC as assignee to SHKIS (at a consideration of HK\$36,500,000 subject to additional amounts in a total sum not exceeding HK\$15,700,000 which might have been payable one year from the date of completion under certain conditions) pursuant to a sale and purchase agreement dated 25th June, 2003 be set aside, or alternatively, as against STCC for damages and an account as to the money obtained by STCC in respect of the Shun Loong Shares. The action was dismissed by consent on 27th October, 2006.

(c) Shun Loong Finance Limited and SLHL (together the "Petitioners"), both indirect wholly-owned subsidiaries of Sun Hung Kai, filed a winding-up petition on 19th February, 2004 in the British Virgin Islands ("B.V.I.") seeking an order that SFHL be wound up by reason of its failure to pay debts owing to the Petitioners. The B.V.I. proceedings were discontinued by consent on 10th November, 2006.

財務回顧 (續)

重大訴訟資料更新 (續)

(a) (續)

新鴻基証券收到下列各項所載之新索償：(i) 由新世界發展於二零零四年四月發出載有申索註明之令狀（「高等法院民事訴訟二零零四年第813宗」），索償金額為27,237,489.51港元及7,697,418.42港元，連同該等金額分別由二零零零年三月一日及二零零一年一月二日起按法院認為合適之利率而釐定之利息。然而，於本報告日期，高等法院民事訴訟二零零四年第813宗之令狀尚未送達新鴻基証券；及(ii) 由新世界發展及SDL於二零零六年二月就新世界發展宣稱代表新鴻基証券按比例墊付股東貸款之金額所發出載有申索陳述書之令狀（「高等法院民事訴訟2006年第376宗」），高等法院民事訴訟二零零六年第376宗中索償之金額為37,498,011.41港元（即向新鴻基証券索償之出資總額）以及按法院認為合適之利率及期間所計算的利息。然而，於本報告日期，該令狀尚未送達新鴻基証券。於二零零六年十月，新鴻基証券向新世界發展支付37,498,011港元以償付新索償的本金額，並於二零零六年十二月，新鴻基証券向新世界發展支付10,081,950港元以償付新索償的利息。新鴻基証券現已支付到期應付予新世界發展的本金額及利息。新鴻基証券就新世界發展的訟費及償付費用的最終金額迄今尚未確定。新鴻基証券已向新世界發展及SDL發出通知，（其中包括）註明其要求將GUP股份的法定權益轉讓至其名下，同時將新鴻基証券所屬股東貸款部份轉至其名下。

(b) 於二零零四年二月四日，Shanghai Finance Holdings Limited（「SFHL」）向同為新鴻基之間接全資附屬公司新泰昌授信有限公司（「新泰昌授信」）及新鴻基投資服務有限公司（「新鴻基投資」）發出附有申索陳述書之令狀（「200/2004」），要求（其中包括）撤銷新泰昌授信（作為受讓人）根據日期為二零零三年六月二十五日之買賣協議就順隆集團有限公司（「順隆集團」）之股份（「順隆股份」）向新鴻基投資所作之出售（作價36,500,000港元，在若干條件下，將會於交易完成日期一年後額外支付不超過15,700,000港元之款項），或要求新泰昌授信給予損害賠償以及申索新泰昌授信就順隆股份所獲取之金額。於二零零六年十月二十七日此訴訟按同意被駁回。

(c) 順隆財務有限公司及順隆集團（統稱為「呈請人」）（同為新鴻基之間接全資附屬公司）在二零零四年二月十九日於英屬處女群島提交一項清盤呈請，基於SFHL未能償還欠負呈請人之債務，故要求判令SFHL清盤。此英屬處女群島之司法程序於二零零六年十一月十日按同意被中止。



FINANCIAL REVIEW (CONT'D)

Material Litigation Update (Cont'd)

- (d) Sun Hung Kai, STCC and SHKIS filed a writ on 7th February, 2004 ("230/2004") naming as defendants Shanghai Land Holdings Limited, Stephen Liu Yiu Keung, Yeo Boon Ann, The Standard Newspapers Publishing Limited and Hong Kong Economic Times Limited and claiming damages for libel, injunctive relief, interest and costs. The action was dismissed by consent on 27th October, 2006.
- (e) Details on the case regarding Chang Zhou Power are set out in paragraph (b) of note 53 to the consolidated financial statements on "Contingent Liabilities".

Pledge of Assets

Details regarding pledge of assets are set out in note 57 to the consolidated financial statements.

Events After the Balance Sheet Date

- (a) In January 2007, Sun Hung Kai sold 43,950,000 shares in Lippo Limited, an available-for-sale investment, through a number of on-market transactions on The Stock Exchange of Hong Kong Limited ("Stock Exchange") at an aggregate consideration of approximately HK\$131.9 million which gave rise to a profit of approximately HK\$48.0 million. Sun Hung Kai ceased to have any interest in Lippo Limited after the disposal.
- (b) On 22nd February, 2007, the Company announced a partial redemption of the convertible bonds, being HK\$5 out of the principal amount of HK\$10 per convertible bond. The redemption monies, together with accrued interest amounting to approximately HK\$274.8 million were payable on 22nd March, 2007. The effect to consolidated income statement arising on the transaction was immaterial.

As stated in the prospectus dated 12th October, 2006 issued by the Company, one of the major reasons for the issue of the convertible bonds was to enable the Company to restore, to the extent possible, its shareholding percentage in Sun Hung Kai, which was diluted in the top-up placing arrangement of SHK in August 2006. Following completion of such top-up placing arrangement, one of the placees has become a substantial shareholder of Sun Hung Kai, whose shares in Sun Hung Kai are, by such reason, not regarded as being held in public hands for the purposes of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). Public disclosures reveal that since then, such placee has not disposed of any of its shares in Sun Hung Kai. Any increase in the Company's shareholding percentage in Sun Hung Kai may therefore have further impact on the public float of Sun Hung Kai and give rise to the risk of the public float of Sun Hung Kai not being maintained in accordance with the requirements under the Listing Rules. Accordingly, the Directors do not foresee any opportunity, in the short or medium run, for the Company to apply any significant part of the proceeds of the issue of the convertible bonds to restore its shareholding percentage in Sun Hung Kai.

The Directors consider that the partial redemption of the convertible bonds provides a good opportunity for the Group to reduce its liabilities and interest payment obligations and to improve its financial position.

財務回顧(續)

重大訴訟資料更新(續)

- (d) 新鴻基、新泰昌授信及新鴻基投資於二零零四年二月七日向上海地產控股有限公司、廖耀強、楊文安、英文虎報出版有限公司及香港經濟日報有限公司(同為被告)發出傳訊令狀(「230/2004」),申索誹謗賠償、要求頒佈禁制令,以及索償涉及之利息及訟費。此訴訟於二零零六年十月二十七日按同意被駁回。
- (e) 有關長州電力之案件詳情,已載列於綜合財務報表附註第53項「或然負債」(b)段內。

資產抵押

有關資產抵押之詳情載於綜合財務報表附註第57項。

結算日以後之事項

- (a) 於二零零七年一月,新鴻基於香港聯合交易所有限公司(「聯交所」)藉約數項場內交易出售43,950,000股力寶有限公司股份(可供出售投資),總代價為約131,900,000港元,由此產生約48,000,000港元之溢利。新鴻基於該出售後已不再擁有任何力寶有限公司之權益。
- (b) 於二零零七年二月二十二日,本公司宣佈部份贖回可換股債券,即由每份可換股債券10港元本金中贖回5港元。贖回款項連同應計利息約為274,800,000港元,已於二零零七年三月二十二日支付。交易對綜合收益賬所產生之影響並不重大。

誠如本公司於二零零六年十月十二日刊發之章程所述,發行可換股債券其中之主要原因是使本公司在可能之程度下回復其於新鴻基之股權百分比(經新鴻基於二零零六年八月進行先舊後新配售安排而被攤薄)。該先舊後新配售安排完成後,其中一位承配人成為新鴻基之主要股東,因此,根據香港聯合交易所有限公司上市規則(「上市規則」),其於新鴻基之股份不被視為由公眾持有。其後公開披露之資料顯示,該承配人並未出售其任何新鴻基之股份。本公司於新鴻基之股權百分比有任何上升或會因而進一步影響新鴻基之公眾持股量,並可能引致新鴻基未能維持上市規則所規定之公眾持股量之風險。因此,董事預期本公司在短期或中期而言,並沒有任何機會動用發行可換股債券之所得款項之任何重大部份,以回復其於新鴻基之股權百分比。

董事相信贖回部份可換股債券為本集團提供減少債務及債務所附利息及改善財務狀況之良好機會。

OPERATIONAL REVIEW

Properties

Hong Kong

The local property market continued to benefit from the stable economy and the buoyant stock market. Capital values of properties rose moderately and positive rental trends continued during the year. China Online Centre, Allied Cargo Centre, Park Place as well as Century Court all achieved higher rental income. Contribution from Ibis North Point continued to strengthen resulting from both higher occupancy and average room rates.

Property valuation has been carried out by independent qualified professional surveyors in respect of the Group's investment properties held as at 31st December, 2006. The Group's investment properties were valued at HK\$2,959.3 million, the net increase in fair value of approximately HK\$261.3 million being reported in the consolidated income statement for the year.

Allied Kajima, 50% indirectly owned by the Group and holding properties including Allied Kajima Building, Novotel Century Hong Kong hotel and the Philippine Plaza Hotel, contributed a profit increase of 50.7% in 2006 as compared to 2005. The increase was mainly due to a revaluation of its investment property and a strong performance by Novotel Century Hong Kong hotel which recorded significantly higher average room rates.

Mainland PRC

The profit attributable to equity holders of Tian An, a listed associate of Sun Hung Kai and the Group's PRC property unit, was approximately HK\$51.5 million (2005: HK\$202.5 million), representing a 75% decrease over the previous year. The decrease was attributable to the recognition in the current year by Tian An, in the interest of prudence, of a provision for both past years and year 2006 LAT previously noted as a contingent liability. These provisions amounted to approximately HK\$261.6 million and HK\$35.8 million respectively. Had these provisions not been made, the profit attributable to equity holders of Tian An would have increased to HK\$334.6 million (2005: HK\$202.5 million). This increase, before the provision for additional LAT, would have resulted from an increase in the fair value of its investment properties, a gain on its disposal of a jointly controlled entity, and a substantial increase in rental income.

業務回顧

地產

香港

本地之物業市場繼續得益於穩定之經濟及興旺之股市。物業之資本值於年內略有增長，租金亦呈上升趨勢。中國網絡中心、聯合貨運中心、雅柏苑及世紀閣均錄得租金收入上升。來自世紀軒之貢獻因佔用率及平均入住率提高而繼續增強。

本集團於二零零六年十二月三十一日持有之物業已由獨立合資格專業測量師進行物業評估。本集團之投資物業價值為2,959,300,000港元，約261,300,000港元之公平值增長淨額於本年度之綜合收益表內列賬。

由本集團間接擁有50%並持有包括聯合鹿島大廈、世紀香港酒店及Philippine Plaza Hotel在內之物業之Allied Kajima與二零零五年相比為二零零六年之溢利貢獻上升50.7%。溢利增長主要由重估其投資物業及世紀香港酒店平均入住率顯著增長之優異表現而達致。

中國內地

新鴻基之上市聯營公司及本集團之中國物業分部天安之股東應佔溢利約為51,500,000港元(二零零五年：202,500,000港元)，較上年下降75%。溢利下降主要歸因於天安於本年度確認就先前標示為或然負債之過往年度及二零零六年度之土地增值稅撥備之審慎權益。該等撥備分別約為261,600,000港元及35,800,000港元。倘未作出該等撥備，天安之股東應佔溢利原應增至334,600,000港元(二零零五年：202,500,000港元)。就額外土地增值稅作出撥備前，乃由其投資物業公平值提高、出售一間共同控制企業之收益及租金收入顯著增長所致。

OPERATIONAL REVIEW (CONT'D)**Properties (Cont'd)***Mainland PRC (Cont'd)*

Pursuant to its strategy of increasing rental income and maximizing development profit, Tian An managed its portfolio so as to retain more real estate for the generation of rental income. Tian An recorded sales of approximately 79,100 m² total GFA in 2006, compared to 138,000 m² in 2005. The benefits of this strategy should be realized in 2008 and 2009 when substantial developments held for sale will be available for marketing. These developments include Shanghai Tian An Place in Cao Bao Lu, Shanghai Tian An Villa in Sheshan, The Manhattan in Wuxi and Shenzhen Tian An Golf Garden (Phase 3). These properties have significantly increased in value in recent years and Tian An expects to record substantial profit on any disposals. The rental income increased by 70% in 2006 and is expected to continue to increase in the next few years as a larger portion of Tian An's investment properties are completed, including the "Flour Mill" project in Shanghai.

Tian An has a current landbank of total GFA of approximately 6,322,000 m² (total GFA attributable to Tian An is approximately 4,615,000 m², consisting of 222,000 m² of completed investment properties and 4,393,000 m² of properties for development), located mainly in Shanghai and Shenzhen, as well as other cities.

Financial Services*Broking and finance*

Sun Hung Kai, the Group's broking arm, recorded a profit attributable to its equity holders of HK\$486.8 million (2005: HK\$401.5 million), representing earning per share of HK36.2 cents (2005: HK32.2 cents). Revenue for the year was HK\$1,984.4 million, compared to HK\$793.6 million for the previous year. The increases in the revenue and profit reported were due to the combined effect of the consolidation of the results of UAF and QHA, which became subsidiaries of the Group in August and October 2006 respectively, and the strong performance of Sun Hung Kai itself. Sun Hung Kai enjoyed a strong year with all operating divisions showing marked increases in both revenue and profit reported. The principal reason for Sun Hung Kai reporting a modest increase of 21.2% in the profit attributable to its equity holders was due to the inclusion of several significant non-recurring items, which included some non-cash charges, as detailed in the Results section above. Sun Hung Kai's 2006 results, excluding the above non-recurring items, showed solid operational improvements and growth with earnings per share of HK58.5 cents for the year.

Securities broking continued to be a significant contributor to the revenue in Sun Hung Kai. Third party execution provided to non-exchange participants also produced ongoing revenue. Institutional and investment bank clients remained a source of stable income.

The buoyant stock market conditions were reflected in a substantial increase in Sun Hung Kai's margin book. The term lending book remained stable despite keen competition in alternate financing through the capital markets using IPOs and placements.

業務回顧 (續)**業務回顧 (續)****地產 (續)***中國內地 (續)*

根據提高租金收入及盡量提升發展溢利之策略，天安按保留更多物業作產生租金收入之宗旨管理其組合。天安於二零零六年錄得銷售總建築樓面面積約為79,100平方米，二零零五年則為138,000平方米。該策略之裨益將於二零零八年及二零零九年當持作出售的大量發展項目將可供推出市場時實現。該等發展包括位於漕寶路之上海天安豪園、位於佘山之上海天安別墅、位於無錫之The Manhattan以及深圳天安高爾夫花園(三期)之物業。該等物業之價值於近年已顯著增長，天安預期任何出售將錄得重大溢利。二零零六年租金收入增加70%，而隨著天安之投資物業相繼落成之部份(包括上海之「麵粉廠」項目)增加，預期未來數年租金收入將繼續上升。

天安現擁有總建築樓面面積約6,322,000平方米之土地儲備(天安應佔之總建築樓面面積約4,615,000平方米，包括222,000平方米之已落成投資物業及4,393,000平方米之待發展物業)，主要位於上海及深圳以及其他城市。

金融服務*經紀及金融*

本集團之經紀分部新鴻基錄得股東應佔溢利486,800,000港元(二零零五年：401,500,000港元)，相當於每股盈利36.2港仙(二零零五年：32.2港仙)。年內收益為1,984,400,000港元，而上年則為793,600,000港元。所呈報之收益及溢利增長乃由綜合亞洲聯合財務及卓健(分別於二零零六年八月及十月成為本集團之附屬公司)之業績以及新鴻基本身表現優異之共同影響而達致。新鴻基年內表現出色，所有業務分部在收入及溢利方面均有顯著增長。然而，新鴻基之股東應佔溢利只錄得相對輕微增長21.2%，此乃主要由於列入若干重大非經常性項目，包括一些非現金支出(如上文業績一節所詳述)所致。倘撇除上述非經常性項目，新鴻基二零零六年之業績錄得強勁之營運改善和增長，每股盈利為58.5港仙。

證券經紀繼續為新鴻基之收入帶來非常重大之貢獻。提供予非交易參與者之第三方執行交易更產生持續收益，而機構及投資銀行客戶仍是穩定之收入來源。

股市市況活躍反映於保證金借貸額顯著增加。儘管面臨來自其他透過首次公開發售機股份配售等資本市場進行融資之方式之激烈競爭，有期借貸額仍維持穩定。

OPERATIONAL REVIEW (CONT'D)

Financial Services (Cont'd)

Broking and finance (Cont'd)

The fund management business experienced pleasing growth in 2006. Assets under management grew by 150% from approximately US\$260 million at the end of 2005 to US\$650 million at the end of 2006. Sun Hung Kai grew its platform from three to six funds and continued to recruit experienced investment professionals to join its platform as well as launching additional Asian hedge funds.

The corporate finance division successfully launched and sponsored four IPOs on the main board and one IPO on the GEM board of the Stock Exchange. It was also actively involved in a number of underwriting exercises for IPOs. Sun Hung Kai participated in 37 issues of sub-underwriting, placements and IPOs generating substantial income from IPO placement and trading commissions as a result of the upsurge of IPO launches especially from H-shares. The division was also appointed as the independent financial advisor in respect of several major transactions and connected transactions of various listed companies.

Sun Hung Kai continued to strengthen its existing relationships with Mainland Chinese financial institutions and is exploring potential avenues to expand its China business.

The Shun Loong group of companies which was acquired in 2003 was fully integrated with the operations of Sun Hung Kai to maximise operational efficiencies and cost savings.

Sun Hung Kai, during the year, raised approximately HK\$1,685.5 million through two placements and a top-up subscription with its majority shareholder to strengthen its balance sheet and finance its acquisition of UAF.

Consumer finance

In 2006, the Group expanded into the consumer finance sector, through the acquisition by Sun Hung Kai in August of UAF (and in which now Sun Hung Kai holds 58.18%). Given UAF's proven expertise in the industry and growth potential in both Hong Kong and China's consumer finance market, the Group believes this strategic acquisition will strengthen and diversify the Group's earnings base significantly.

UAF is a leading consumer finance company that had 36 branches in Hong Kong at the end of 2006 (2005: 32), providing a versatile range of personal loan products. UAF achieved a 13.9% increase in revenue during the year and a 10.6% growth in the balance of loans and advances to consumer finance customers at the year end. In 2007, UAF will continue to focus on improving its service, expanding its branch network, and exploring further business initiatives.

UAF believes that significant untapped market demand for consumer finance products exists in China and accordingly has set up a team to explore the potential of a retail chain to develop consumer finance businesses in China and to formulate an appropriate action plan for development of same. We anticipate that UAF should be able to launch a viable consumer finance business in Mainland China in the foreseeable future after appropriate preparatory work has been effectively established.

業務回顧 (續)

金融服務 (續)

經紀及金融 (續)

基金管理業務於二零零六年取得可喜增長。受管理資產由二零零五年末約260,000,000美元增長150%至二零零六年末之650,000,000美元。新鴻基之平台數目由三項基金增至六項。新鴻基繼續招募有經驗之投資專業人員加入其平台及推出其他亞洲對沖基金。

企業融資部門成功於主板推出及保薦四項首次公開發售以及於聯交所創業板推出及保薦一項首次公開發售。該部門亦積極參與進行多項首次公開發售之包銷。新鴻基參與了37宗分包銷、配售及首次公開發售活動，受惠於新股活動頻繁（尤以H股為然），而新鴻基獲得龐大之首次公開發售配售及交易佣金。該部門亦獲委任擔任多家上市公司進行若干重大交易及關連交易之獨立財務顧問。

新鴻基繼續加強其與於中國內地之中國金融機構之現有關係及正探討機會擴展其中國業務。

於二零零三年收購之順隆集團公司已全面與新鴻基之營運進行整合，以盡量提升營運效率和節省成本。

新鴻基於年內透過兩項配售及一項由其主要股東先舊後新認購而集資約1,685,500,000港元，藉以加強其資產負債狀況和為收購亞洲聯合財務融資。

私人財務

於二零零六年，透過新鴻基於二零零六年八月收購亞洲聯合財務（據此，新鴻基現時持有其權益之58.18%），本集團將業務擴展至私人財務領域。藉助亞洲聯合財務於該行業之豐富專業經驗及香港及中國私人財務市場之增長潛力，本集團認為此次策略性收購將顯著加強及多元化本集團之收入基礎。

亞洲聯合財務為一間領先之私人財務公司，截至二零零六年底於香港擁有36間分行（二零零五年：32間），提供廣泛之私人貸款產品。亞洲聯合財務之收益年內錄得13.9%之增長及於年結時私人財務客戶之貸款和墊款之結餘增長10.6%。於二零零七年，亞洲聯合財務將繼續專注於提高其服務質素、擴大分行網絡及尋求業務創新。

亞洲聯合財務相信，中國私人財務產品存在龐大而有待開發之市場需求。亞洲聯合財務已設立一支隊伍探討在中國設立零售網絡以發展私人財務業務之發展潛力和制訂適當之行動部署發展該等業務。我們預期，待亞洲聯合財務有效部署準備工作後，亞洲聯合財務可望於可見將來在中國大陸推出私人財務業務。

OPERATIONAL REVIEW (CONT'D)**Financial Services (Cont'd)***Consumer finance (Cont'd)*

The Hong Kong Building and Loan Agency Limited ("HKBLA"), a listed company in Hong Kong and 74.99% owned subsidiary of UAF since September 2005, was principally engaged in the provision of mortgage finance, investment holding and treasury investments. HKBLA recorded a pleasing increase in profit for the year to HK\$11.3 million (2005: HK\$1.2 million), mainly driven by its treasury management activities.

Investments*QHA*

Following Sun Hung Kai's purchase of the additional shares of QHA from CLSA in October 2006 upon its exercise of an option granted by CLSA and a consequent general offer, QHA became a 51.15% subsidiary of Sun Hung Kai.

QHA reported a net profit of HK\$65.1 million in 2006, a 16% increase compared to net profit of HK\$56.1 million in 2005. Turnover for QHA in 2006 increased by 8.6% to HK\$893.7 million from HK\$822.8 million in 2005.

The continued growth in profit resulted from ongoing enhancement to customer services, improvements in operational efficiency, and closer teamwork between frontline and back office staff. The total number of client visits to QHA's medical network continued to increase, and there was overall growth in the total number of corporate clients.

QHA continued to expand its medical network in 2006 with the establishment of new centres and the expansion and relocation of existing centres. The expertise and reputation of QHA's third party administration and call centre continued to strengthen and QHA has been appointed by international insurers to handle China claims and health plans.

Yu Ming

Yu Ming, a 22.43% owned listed associate of Sun Hung Kai, incurred a loss attributable to its equity holders of HK\$155.7 million (2005: profit of HK\$144.7 million). The loss was mainly due to the derecognition of the investment and the receivables originally held in Hong Kong Airlines in an aggregate amount of HK\$190.2 million. We understand that Yu Ming is studying the legal implications of the exchange of its interest in Hong Kong Airlines for its stake in Grand China Air Company Limited.

At the end of 2006, the major investments of Yu Ming were in AsiaWorld-Expo, retail shops in Mongkok and Causeway Bay, Grand China Air Company Limited and a portfolio of debt securities and equity investments.

業務回顧 (續)**業務回顧 (續)****金融服務 (續)***私人財務 (續)*

香港建屋貸款有限公司 (「香港建屋貸款」) (一間香港上市公司，自二零零五年九月起為亞洲聯合財務擁有74.99%之附屬公司) 主要從事提供按揭貸款、投資控股及庫務投資。主要受其庫務管理業務推動，香港建屋貸款於年內溢利錄得顯著增長，達11,300,000港元 (二零零五年：1,200,000港元)。

投資*卓健*

於新鴻基因行使CLSA授予之認購權在二零零六年十月自CLSA購入卓健之額外股份及最終提出全面收購建議之後以及所引致之全面收購，卓健成為新鴻基擁有51.15%股權之附屬公司。

卓健於二零零六年呈報之純利為65,100,000港元，較二零零五年之純利56,100,000港元增長16%。卓健於二零零六年之營業額由二零零五年之822,800,000港元增長8.6%至893,700,000港元。

溢利持續增長乃由持續提高客戶服務質素、改善經營效率及一線工作人員與後勤辦公人員合作更為緊密而達致。向卓健之醫療網絡求診之客戶總數持續增長，公司客戶總數亦全面增長。

卓健於二零零六年繼續開設新中心並對現有中心進行擴建或遷址，以擴展其醫療網絡。卓健第三方管理及呼叫中心之專業水準及聲譽持續提高，卓健已被國際保險商指定處理中國索賠及健康計劃。

禹銘

新鴻基擁有22.43%之上市聯營公司禹銘之股東應佔虧損為155,700,000港元 (二零零五年：溢利144,700,000港元)。虧損主要由終止確認總額為190,200,000港元於香港航空之投資及先前持有其之應收賬款所致。吾等明白，禹銘正研究以於香港航空與其於新華航空控股有限公司交換之法律含義。

於二零零六年末，禹銘之主要投資項目為亞洲國際博覽館、旺角及銅鑼灣之零售店鋪、新華航空控股有限公司，以及債券與股本投資之投資組合。

OPERATIONAL REVIEW (CONT'D)

Investments (Cont'd)

Shanghai Allied Cement Limited ("SAC")

SAC, a 54.77% owned listed subsidiary of Tian An, reported a profit attributable to its equity holders of HK\$0.4 million (2005: loss of HK\$35.2 million). The improvement in profit was principally due to the higher cement price. In addition, the sales volume of cement and clinker amounted to 2.186 million tonnes, representing an increase of 23% as compared to the previous year. SAC's Shanghai cement factory is located on an attractive site in Shanghai. The property is carried at cost in the books and the management of SAC is examining alternative avenues to realise its value.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's five largest customers accounted for less than 30% of the total turnover for the year. Also, the aggregate purchases attributable to the Group's five largest suppliers taken together were less than 30% of the Group's total purchases for the year.

EMPLOYEES

The total number of staff of the Group as at 31st December, 2006 was 3,111 (2005: 1,662). The increase was mainly due to the consolidation of UAF and QHA. Total staff costs, including Directors' emoluments, amounted to HK\$409.1 million (2005: HK\$224.5 million). The Group reviews remuneration packages from time to time. In addition to salary payments, other staff benefits include contributions to employee provident funds, medical subsidies and a discretionary bonus scheme.

MANAGEMENT OF RISKS

Financial Services Business

Policies and Procedures

The Group has established policies and procedures for risk management over the Group which are reviewed regularly by the respective management, the relevant risk control unit ("RCU") and risk management committee ("RMC"), which reports to the respective board of directors, to ensure the proper monitoring and control of all major risks arising from the group's activities at all times. The group's internal audit and compliance departments have responsibilities to perform periodic reviews to supplement the various internal control measures adopted by the management and various divisions within the Group, to ensure compliance with policies and procedures.

業務回顧(續)

投資(續)

上海聯合水泥有限公司(「上聯水泥」)

天安擁有54.77%之上市附屬公司上聯水泥呈報之證券持有人應佔溢利為400,000港元(二零零五年:虧損35,200,000港元)。溢利改善主要乃主要由於水泥價格上升所致。此外,水泥及熟料之銷售額為2,186,000噸,較上年度上升23%。上聯水泥之上海水泥廠房位於上海之吸引地段。該物業按成本列值,上聯水泥之管理層現時正研究將之變現之其他途徑。

主要客戶及供應商

本集團五大客戶應佔之總銷售,相當於本年度營業總額之30%以下。同時,本集團之五大供應商應佔之總採購,相當於本年度總採購額之30%以下。

僱員

於二零零六年十二月三十一日,本集團之員工總人數為3,111名(二零零五年:1,662名)。增長主要乃由於綜合亞洲聯合財務及卓健所致。僱員成本總額(包括董事酬金),為409,100,000港元(二零零五年:224,500,000港元)。本集團不時檢討薪酬福利。除支付薪金外,僱員尚有其他福利,包括僱員公積金供款計劃、醫療津貼及酌定花紅計劃。

風險管理

金融業務

政策及程序

本集團已設立風險管理之政策及程序,並由各管理層、有關風險控制部門(「風險控制部」)及風險管理委員會(「風險委員會」)定期進行檢討,以確保於任何時候因集團業務而產生之所有主要風險得以受到監控。除管理層及個別部門採取各項內部監控措施外,集團之稽核及法規監核部亦會負責定期查核,從而確保該等政策及程序得以遵守。



MANAGEMENT OF RISKS (CONT'D)**Financial Risk**

The Group's financial risk management is discussed in note 5 to the consolidated financial statements which includes the management of market risk, credit risk, liquidity risk and interest rate risk.

Operational Risk

Operational risk has been defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal and compliance risks.

The Group has put in place an effective internal control process and places importance on clear lines of responsibility, proper segregation of duties, effective internal reporting and contingency planning, and the establishment of detailed policies and control procedures for all its key activities. Business line management is responsible for managing and reporting operational risks specific to their business units on a day-to-day basis by identifying, assessing, mitigating, and continuously monitoring the risks inherent in business processes, activities and products. Business line management is required to declare and submit periodically its "responsibility statement for internal control procedures" for review by the respective RCU and internal audit department ("IAD"). In addition, respective RCUs formulate corporate-level policies and procedures concerning the operational risk management which are approved by the RMCs. Senior management, the relevant RCUs and IADs (through regular audits) are involved in reviewing overall risk exposure to ensure the Group maintains an acceptable risk level.

Reputational Risk

A key factor for businesses in the financial services sector is their reputation for financial probity and prudence. In our case, with our important and valuable "brand", we manage these risks through our strong internal controls and risk management regime, by comprehensive employee training and operational manuals in key areas, and by the strength and independence of our IAD which reports independently to the chairman and audit committee of respective companies.

風險管理(續)**金融風險**

本集團之金融風險管理包括市場風險、信貸風險、流動資金風險及利率風險，於綜合財務報表附註5內論述。

營運風險

營運風險指因內部程序、人為及制度不足或失當或外在事件導致產生損失之風險，包括法律及法規遵守之風險。

本集團已妥善設立有效內部監控程序，並就所有重大活動注重維持清晰界定職權範圍及職務分工、有效之內部匯報及應變計劃及設立詳盡之制度及監控程序。各業務部門透過識別、評估、減低及持續監控潛在於業務流程、活動及產品內的風險，負責其內部營運風險的日常管理及匯報。業務部門風險管理層須定期申報及提交其「內部監控程序責任聲明」供各風險控制部及內部審計部門（「內部審計部」）審閱。另外，各風險控制部制定企業層面的營運風險管理政策及程序，由風險委員會審批。高級管理層、有關風險控制部及內部稽核部（透過定期審核）均參與檢討本集團之整體風險，以確保本集團之風險維持在可接受水平。

商譽風險

具財務誠信及審慎的商譽對金融服務業來說是一重要因素。就集團而言，「品牌」實屬非常重要及珍貴，而藉著嚴謹之內部監控及風險管理，如在主要業務上推行全面之員工培訓及營運守則，加上集團審計部（向有關公司主席及審核委員會獨立匯報之部門）之效能與獨立運作，致使我們成功管理此方面之風險。

BUSINESS OUTLOOK

The market expects the Hong Kong economy to have further growth in 2007, although at a more moderate rate when compared with last year. Again, the Hong Kong investment property market is expected to be satisfactory and the financial market is forecast to benefit from strong investor confidence and continuing inflows of capital. Nevertheless, the Group will keep alert on any potential impacts arising from the persistently high fuel price, possible additional austerity measures imposed by the Mainland Government and the unsettled disputes in the Middle East.

The Group will continue to develop its core financial services and property investment and development businesses both in Hong Kong and Mainland China for the benefit of all shareholders.

APPRECIATION

The Board would like to thank all the staff for achieving the commendable results for 2006, and would like to express appreciation to the shareholders for their continual support.



Patrick Lee Seng Wei
Chief Executive
Hong Kong, 16th April, 2007

業務展望

香港市場預期於二零零七年將繼續增長，雖然將以較去年溫和之步伐增長。香港投資物業市場預期將有令人滿意之發展，而金融市場則預期將受惠於投資者強大之信心及持續流入之資金。然而，本集團將對因燃料價格持續上揚、內地政府可能再實施緊縮措施及中東紛爭久拖不決等因素帶來之任何潛在影響保持警覺。

本集團將繼續發展在香港及中國內地之核心金融服務業務以及物業投資及發展業務，以使所有股東得以受惠。

鳴謝

董事會謹此衷心感謝各員工締造二零零六年度之佳績，並感謝各位股東對本集團一直以來的支持。



行政總裁
李成偉
香港，二零零七年四月十六日

ARTHUR GEORGE DEW

Mr. Arthur George Dew, aged 65, was appointed the Chairman and a Non-Executive Director of the Company in January 2007. He graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales, Australia. He is currently a non-practising barrister. He has a broad range of corporate and business experience and has served as a director, and in some instances chairman of the board of directors, of a number of public companies listed in Australia, Hong Kong and elsewhere. He is a non-executive director and the chairman of Allied Group and also an executive director and the chairman of QHA.

PATRICK LEE SENG WEI

Mr. Patrick Lee Seng Wei, aged 55, joined the Company in February 1987 as an Executive Director and became the Chief Executive of the Company in March 1994. An architect, he worked for IBM Australia before becoming involved in property development in Malaysia and Hong Kong for more than twenty years. He has extensive experience in the property field. He is also a non-executive director of Sun Hung Kai and an executive director, chairman and the acting managing director of Tian An.

KENNETH LI CHI KONG

Mr. Kenneth Li Chi Kong, aged 53, a member of the Institute of Chartered Accountants of Scotland and a fellow of the Hong Kong Institute of Certified Public Accountants ("HKICPA"), was appointed Financial Controller and Executive Director of the Company in August 1997 and October 1999 respectively. He has broad experience in the finance and accounting field, having worked in two major audit firms and as group financial controller for several sizeable listed companies in Hong Kong. He is an executive director of Tian An, an executive director and the vice-president of SAC and the group financial controller of Allied Group.

HENRY LAI HIN WING

Mr. Henry Lai Hin Wing, aged 50, was appointed an Independent Non-Executive Director of the Company in February 2001 and re-designated as a Non-Executive Director of the Company in September 2004. He is a partner of Messrs. P. C. Woo & Co., a firm of solicitors and notaries in Hong Kong, and has been practising in the legal field for more than twenty-five years. Graduated from the University of Hong Kong with a Bachelor of Law degree, Mr. Lai was admitted as a solicitor in Hong Kong, England and Wales and the State of Victoria, Australia. Mr. Lai is a Notary Public and a China Appointed Attesting Officer in Hong Kong. He also serves on the board of another listed company as an independent non-executive director.

STEVEN LEE SIU CHUNG

Mr. Steven Lee Siu Chung, aged 59, was appointed a Non-Executive Director of the Company in September 2004. He is an associate member of the Chartered Institute of Bankers, London, U.K. He has over thirty-three years of working experience at senior management level in the banking and financial industry in Hong Kong and overseas. Mr. Lee is an employee of AG Capital Limited ("AG Capital") which is a wholly-owned subsidiary of Allied Group.

狄亞法

狄亞法先生，現年六十五歲，於二零零七年一月獲委任為本公司主席兼非執行董事。彼畢業於澳洲雪梨大學法律系，並取得澳洲新南威爾斯最高法院之律師資格，其後更取得大律師資格。彼現時為非執業大律師。彼於企業及商業方面具豐富經驗，曾於多間澳洲、香港及其他地區之上市公司擔任董事，並出任若干公司之董事會主席。彼現為聯合集團之非執行董事兼主席，亦為卓健之執行董事及主席。

李成偉

李成偉先生，現年五十五歲，於一九八七年二月加入本公司出任執行董事，及自一九九四年三月起擔任本公司之行政總裁。彼為一名建築師，曾任職於澳洲IBM，其後在馬來西亞及香港參與地產發展工作逾二十年。彼於物業方面具豐富經驗。彼亦為新鴻基之非執行董事及天安之執行董事、主席及代理董事總經理。

李志剛

李志剛先生，現年五十三歲，為蘇格蘭特許會計師公會會員及香港會計師公會之資深會員，於一九九七年八月及一九九九年十月分別獲委任為本公司之財務總監及執行董事。彼於財務及會計行業具有豐富經驗，曾於兩間大型核數師事務所任職及擔任多間頗具規模的香港上市公司之集團財務總監。彼現為天安之執行董事，上聯水泥之執行董事兼副總裁及聯合集團之集團財務總監。

賴顯榮

賴顯榮先生，現年五十歲，於二零零一年二月獲委任為本公司之獨立非執行董事，並於二零零四年九月轉任為本公司之非執行董事。彼為香港胡百全律師事務所，一間律師及公證人事務所之合夥人，在法律界執業逾二十五年。賴先生畢業於香港大學，獲頒法律學士學位，具備香港、英格蘭及威爾斯以及澳洲維多利亞省之律師資格。賴先生為香港之公證人及中國委托公證人。同時彼亦出任另一間上市公司之獨立非執行董事。

李兆忠

李兆忠先生，現年五十九歲，於二零零四年九月獲委任為本公司之非執行董事。彼為英國倫敦銀行學會會員。彼於香港及海外銀行和金融業之高級管理層，擁有超過三十三年工作經驗。李先生為聯合融資有限公司（「聯合融資」）之僱員，該公司為聯合集團之一間全資附屬公司。

JOHN DOUGLAS MACKIE

Mr. John Douglas Mackie, aged 78, was appointed an Independent Non-Executive Director of the Company in February 2004. He is the founder and chairman of JDM Associates Limited, and was a major shareholder of a group of companies which is a leading distributor of sports and leisure merchandise in Hong Kong. Graduated from the University of Western Australia and Harvard Business School, Mr. Mackie has over fifty years of performance orientated experience as chief executive officer and lately sole proprietor serving in general, marketing consultancy and representation, and has had extensive experience and successes in agency distribution, manufacturing – proprietary and franchised retailing – supermarket, drugstore specialised products and sourcing. He is also an independent non-executive director of Allied Group.

STEVEN SAMUEL ZOELLNER

Mr. Steven Samuel Zoellner, aged 37, was appointed an Independent Non-Executive Director of the Company in September 2004. He graduated from the Scots College in Sydney, Australia and completed a real estate licensing course. Mr. Zoellner has been a real estate agent since 1987 and has extensive experience in the industry. Mr. Zoellner has been involved in some of the more prominent upper end residential sales and development sites in Australia. He has previously owned Elders Double Bay for the provision of a variety of real estate services which he sold in the year 2000. He is currently a director of Laing & Simmons Double Bay which consistently sells the most exclusive real estate in Australia.

ALAN STEPHEN JONES

Mr. Alan Stephen Jones, aged 64, was appointed an Independent Non-Executive Director of the Company in January 2006. Mr. Jones, a chartered accountant, has extensive experience in management, administration, accounting, property development, carpark management, finance and trading and has been involved in successful mergers and acquisitions of a number of public companies in Australia and internationally. Mr. Jones is also an independent non-executive director of Allied Group and Sun Hung Kai.

WU KWAN YET

Mr. Wu Kwan Yet, aged 42, joined the Company in 1998 and is the Qualified Accountant of the Company. He obtained a Master Degree in Professional Accounting from The Hong Kong Polytechnic University in 2001 and is an associate member of the Association of Chartered Certified Accountants and an associate member of the HKICPA.

PHOEBE LAU MEI YI

Miss Phoebe Lau Mei Yi, aged 40, was appointed Company Secretary of the Company in March 2004. She is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She is also the company secretary of Allied Group.

麥尊德

麥尊德先生，現年七十八歲，於二零零四年二月獲委任為本公司之獨立非執行董事。彼為JDM Associates Limited之創辦人及主席，曾為香港一間運動及休閒用品分銷集團公司之主要股東。麥先生畢業於University of Western Australia及Harvard Business School及擁有超過五十年出任為行政總裁之工作經驗，以及後期為一般性、市場顧問及代表服務之獨資經營者，並擁有代理分銷、生產專利、超級市場、藥店特別商品之特許零售權，及貨品採購之廣泛經驗及成就。彼亦為聯合集團之獨立非執行董事。

STEVEN SAMUEL ZOELLNER

Steven Samuel Zoellner先生，現年三十七歲，於二零零四年九月獲委任為本公司之獨立非執行董事。彼畢業於澳洲悉尼Scots College及完成一項房地產牌照課程。Zoellner先生自一九八七年起出任房地產代理，在行內累積廣泛經驗。Zoellner先生曾參與銷售澳洲若干著名高尚住宅及發展地盤。彼曾於之前擁有Elders Double Bay以提供各類房地產服務，並於二零零零年出售。彼現為Laing & Simmons Double Bay之董事，該公司主要銷售澳洲頂級房地產。

ALAN STEPHEN JONES

Alan Stephen Jones先生，現年六十四歲，於二零零六年一月獲委任為本公司之獨立非執行董事。Jones先生為特許會計師，於管理、行政、會計、地產發展、停車場管理、金融及貿易業務等方面具有豐富經驗，並曾於澳洲及國際上參與多宗上市公司成功進行之合併及收購活動。Jones先生亦為聯合集團及新鴻基之獨立非執行董事。

胡君逸

胡君逸先生，現年四十二歲，於一九九八年加入本公司，為本公司之合資格會計師。彼於二零零一年取得香港理工大學之專業會計碩士學位，並為英國特許公認會計師公會會員及香港會計師公會會員。

劉美儀

劉美儀小姐，現年四十歲，於二零零四年三月獲委任為本公司之公司秘書。彼為香港特許秘書公會及英國特許秘書及行政人員公會會員。彼亦為聯合集團之公司秘書。

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholders' value.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the light of the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Listing Rules which came into effect on 1st January, 2005, the Board has reviewed the corporate governance practices of the Company with the adoption and improvement of the various procedures and documentation which are detailed in this report. The Company has applied the principles of and complied with the applicable code provisions of the CG Code during the year ended 31st December, 2006, except for certain deviations as specified with considered reasons for such deviations as explained below. The Board will review the current practices at least annually and make appropriate changes if considered necessary.

THE BOARD

The Board currently comprises eight Directors in total, with two executive Directors, three non-executive Directors and three independent non-executive Directors ("INEDs"). The composition of the Board during the year and up to the date of this report is set out as follows:

Executive Directors:	Patrick Lee Seng Wei (<i>Chief Executive</i>) Li Chi Kong
Non-Executive Directors:	Arthur George Dew (<i>Chairman</i>)* Henry Lai Hin Wing Steven Lee Siu Chung
INEDs:	Alan Stephen Jones John Douglas Mackie Steven Samuel Zoellner

* Appointed on 1st January, 2007

The brief biographical details of the Directors are set out in the "Profile of Directors and Senior Management" section on pages 20 and 21.

During the year, the Non-Executive Directors (half of whom are independent) provided the Group with a wide range of expertise and experience. Their active participation in the Board and committee meetings brings independent judgment on issues relating to the Group's strategy, performance and management process, taking into account the interests of all shareholders.

Throughout the year, the Company had three INEDs representing not less than one-third of the Board. At least one of INEDs has the appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

本公司致力於切合實際之範圍內維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。董事會相信優良之企業管治對本公司之成功及提升股東價值至為重要。

企業管治常規守則

根據已於二零零五年一月一日起生效之上市規則附錄十四所載之企業管治常規守則（「企業管治守則」），董事會已審閱本公司之企業管治常規，並已採納及改進多項程序及文件，詳情載於本報告內。除下文解釋之若干已闡明原因之偏離行為外，於截至二零零六年十二月三十一日止年度，本公司已應用企業管治守則之原則及遵守適用之守則條文。董事會將至少每年審閱當時之慣例並在認為必要時作出適當變更。

董事會

董事會目前共由八名董事組成，其中二名為執行董事，三名為非執行董事及三名為獨立非執行董事（「獨立非執行董事」）。於年內及至本報告日為止，董事會成員載列如下：

執行董事：	李成偉 (<i>行政總裁</i>) 李志剛
非執行董事：	狄亞法 (<i>主席</i>)* 賴顯榮 李兆忠
獨立非執行董事：	Alan Stephen Jones 麥尊德 Steven Samuel Zoellner

* 於二零零七年一月一日獲委任

董事之履歷詳情載於第20及21頁之「董事及高級行政要員一覽」一節內。

於年內，非執行董事（半數為獨立非執行董事）為本集團提供廣泛之專業知識及經驗。彼等積極參與董事會及委員會會議，對本集團之策略、表現及管理程序之事宜提供獨立判斷，並顧及全體股東之利益。

於整個年度內，本公司之三名獨立非執行董事佔董事會人數不少於三分之一。根據上市規則第3.10條，至少一名獨立非執行董事必須具備適當之專業資格或會計或相關財務管理專業知識。董事會已接獲每名獨立非執行董事有關其獨立性之年度確認書，並認為所有獨立非執行董事均具備上市規則第3.13條所載之指引下之獨立性。

THE BOARD (CONT'D)

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group in addition to the meetings for reviewing and approving the Group's annual and interim results. During the year, seven Board meetings were held and attendance of each Director at the Board meetings is set out as follows:

董事會(續)

除召開會議審閱及批准本集團之全年及中期業績外，董事會亦會定期召開會議，以討論本集團之整體策略以及營運及財政表現。於年內，已舉行七次董事會會議，各董事之出席情況如下：

		Number of Board meetings attended/eligible to attend 出席／具資格出席 董事會會議次數
Executive Directors:	執行董事：	
Patrick Lee Seng Wei (<i>Chief Executive</i>)	李成偉 (行政總裁)	7/7
Li Chi Kong	李志剛	7/7
Non-Executive Directors:	非執行董事：	
Arthur George Dew (<i>Chairman</i>)*	狄亞法 (主席)*	N/A 不適用
Henry Lai Hin Wing	賴顯榮	6/7
Steven Lee Siu Chung	李兆忠	7/7
INEDs:	獨立非執行董事：	
Alan Stephen Jones	Alan Stephen Jones	4/7
John Douglas Mackie	麥尊德	6/7
Steven Samuel Zoellner	Steven Samuel Zoellner	4/7

* Appointed on 1st January, 2007

* 於二零零七年一月一日獲委任

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, recommendations on Directors' appointment or re-appointment, material contracts and transactions as well as other significant policy and financial matters. The Board has delegated the daily operations and administration to the executive management under the supervision of the Executive Committee which has its specific written terms of reference. The respective functions of the Board and management of the Company have been formalised and set out in writing which was approved by the Board in June 2005. The Board will review the same once a year.

經董事會決定或考慮之事宜包括本集團整體策略、全年營運預算、全年及中期業績、董事委任或重新委任之建議、重大合約及交易，以及其他重大政策及財務等事宜。董事會已將日常運作及行政委派予行政管理人員，並由執行委員會（其具有明確之書面職權範圍）監督。董事會及本公司管理層之職能已分別確立並以書面列載，且已於二零零五年六月獲董事會批准。董事會將每年對上述職能作出檢討。

Board meetings each year are scheduled in advance to facilitate maximum attendance of Directors and to be held at approximately quarterly intervals and as required by business needs. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before the same will be tabled at the following Board meeting for approval. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

每年董事會會議均提前預定，以方便更多董事可出席會議，並約每季及按業務需要而舉行。召開董事會會議一般會給予全體董事至少十四天之通知，以便彼等皆有機會提出商討事項列入會議議程。公司秘書協助主席編製會議議程，以及確保已遵守所有適用規則及規例。議程及隨附之董事會文件一般在舉行定期董事會會議（及就可行情況下，其他董事會會議）前三天發呈予全體董事。每份董事會會議記錄之初稿於提交下一次董事會會議審批前，先供全體董事傳閱並提出意見。所有會議記錄均由公司秘書保存，並於董事在任何合理時間作出合理通知時供彼等查閱。

THE BOARD (CONT'D)

According to the current Board practice, any transaction which involves a conflict of interests for a substantial shareholder or a Director and which is considered by the Board to be material, will be dealt with by the Board at a duly convened Board meeting. The Articles of Association of the Company also stipulate that a Director should abstain from voting and not be counted in the quorum at meetings for approving transactions in which such Director or any of his associates have a material interest therein.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the Company Secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, a written procedure was established in June 2005 to enable the Directors, in the discharge of their duties, to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

The roles of the Chairman and the Chief Executive are separate to reinforce their respective independence and accountability. Subsequent to the retirement of Sir Gordon Macwhinnie as the Non-Executive Chairman and an Independent Non-Executive Director of the Company on 30th December, 2005, the post of the Chairman was vacant until 1st January, 2007 when Mr. Arthur George Dew was appointed as a Non-Executive Director and Chairman. The Chairman of the Company is primarily responsible for the leadership of the Board, ensuring that (i) all significant policy issues are discussed by the Board in a timely and constructive manner; (ii) all Directors are properly briefed on issues arising at Board meetings; and (iii) the Directors receive accurate, timely and clear information. The functions of the Chief Executive are performed by Mr. Patrick Lee Seng Wei, an Executive Director of the Company, who is responsible for the day-to-day management of the Company. The responsibilities of the offices are clearly segregated and have been set out in writing and approved by the Board in June 2005.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In June 2005, the Board established and adopted a written nomination procedure ("Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Executive Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

Every newly appointed Director of the Company will receive an information package from the Company Secretary on the first occasion of his appointment. This information package is a comprehensive, formal and tailored induction on the responsibilities and on-going obligations to be observed by a director pursuant to the Companies Ordinance, Listing Rules and Securities and Futures Ordinance ("SFO"). In addition, this information package includes materials briefly describing the operations and business of the Company. Directors will be continuously updated on any major developments of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

董事會(續)

根據現時董事會慣例，任何涉及與主要股東或董事利益衝突且董事會認為屬重大之交易將由董事會於正式舉行之董事會會議上處理。本公司之組織章程細則亦規定董事應於批准該等董事或任何其聯繫人於其中擁有重大利益之交易時放棄投票並於會議上不計入法定人數內。

每位董事有權查閱董事會文件及相關資料，及可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級行政要員。董事將獲持續提供上市規則及其他適用監管規定之最新發展之資料，以確保彼等遵守及秉持優秀企業管治常規。此外，書面程序已於二零零五年六月制定，以確保各董事有權在履行其職務時，可在適當之情況下尋求獨立專業意見，有關合理費用由本公司承擔。

主席及行政總裁之角色

本公司主席及行政總裁之角色有所區分，以加強各自之獨立性及問責性。自麥蘊利爵士於二零零五年十二月三十日退任為本公司非執行主席及獨立非執行董事後，主席一職一直懸空至二零零七年一月一日狄亞法先生獲委任為非執行董事及主席。本公司主席負責領導董事會，確保(i)所有重大政策問題乃經董事會以即時及建設性方式討論；(ii)所有董事能妥善地獲得董事會會議上討論問題之通報；及(iii)所有董事能收到充分及適時資料，而該等資料必須完整可靠。行政總裁一職由本公司執行董事李成偉先生擔任，其負責本公司之日常營運。此等職位之職責已清晰區分並於二零零五年六月經董事批准且以書面形式載明。

董事之委任及重選

於二零零五年六月，董事會設立並採納一套以書面列載之提名程序(「提名程序」)，具體列明本公司董事候選人之挑選及推薦程序及準則。執行委員會應以提名程序所載之該等準則(如恰當資歷、個人專長及投放時間等)作為基礎以物色及向董事會推薦建議人選以予批准委任。

本公司每名新獲委任之董事將於首次委任時獲公司秘書發給一套資料。該套資料乃根據公司條例、上市規則以及證券及期貨條例董事須遵守之職責及持續責任之全面、正式及按每名董事情況專門編製之指引。此外，該套資料亦包括簡述本公司運作及業務之資料。董事將持續獲更新上市規則及其他適用之規管規定之任何重大發展，以確保彼等遵守及維持良好之企業管治常規。

APPOINTMENT AND RE-ELECTION OF DIRECTORS (CONT'D)

Each of the Non-Executive Directors of the Company was appointed for a specific term which shall continue until 31st December, 2007, but subject to the relevant provisions of the Articles of Association of the Company or any other applicable laws whereby the Directors shall vacate or retire from their office.

According to the Articles of Association of the Company, at each AGM of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) should retire from office by rotation. Further, any Director appointed to fill a casual vacancy should hold office only until the next following general meeting of the Company whilst for those appointed as an addition to the Board should hold office until the next following AGM and in both cases, those Directors would then be eligible for re-election at the relevant meeting. Every Director shall be subject to retirement by rotation at least once every three years.

BOARD COMMITTEES

The Board has established various committees, including the Remuneration Committee, Audit Committee and Executive Committee, each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section "The Board" above, have been adopted for the committee meetings so far as practicable.

Remuneration Committee

The Remuneration Committee has been established in December 1993 and currently consists of five members, including Messrs. Alan Stephen Jones (Chairman), John Douglas Mackie and Steven Samuel Zoellner being the INEDs, together with Messrs. Arthur George Dew and Henry Lai Hin Wing being the Non-Executive Directors. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (i) to review and recommend to the Board the remuneration policy and packages of the Directors and, where appropriate, to consult the Chairman and/or Chief Executive about the committee's proposals relating to the remuneration of other Executive Directors;
- (ii) to review and recommend performance-based remuneration by reference to corporate goals and objectives approved by the Board from time to time;
- (iii) to review and recommend the compensation payable to Executive Directors relating to any loss or termination of their office or appointment;
- (iv) to review and recommend compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- (v) to ensure that no Director is involved in deciding his own remuneration.

董事之委任及重選(續)

本公司每名非執行董事均有指定任期，並持續至二零零七年十二月三十一日止，惟董事之離任或退任須受本公司組織章程細則之相關規定或任何其他適用法律所規限。

根據於本公司組織章程細則，於本公司每屆股東週年大會上，三分之一當時在任之董事(或倘其人數並非三之倍數，則最接近但不少於三分之一之數目)須輪值退任。此外，任何填補臨時空缺而獲委任之董事僅可任職至下屆股東大會為止，而成為董事會新增之成員可任職至下屆股東週年大會為止，在該兩種情況中，在該等董事應可於相關會議上膺選連任。各董事須至少每三年輪值退任。每位董事須至少每三年輪值退任一次。

董事委員會

董事會已成立多個委員會，包括薪酬委員會、審核委員會及執行委員會，並以書面具體列明其職權範圍。委員會之所有會議記錄及決議案均由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需按其決定及建議(倘適合)向董事會匯報。於上文「董事會」一節提述董事會會議之程序及安排，按可行情況下被採納為委員會會議之程序及安排。

薪酬委員會

薪酬委員會已於一九九三年十二月成立。該委員會目前由五名成員組成，包括獨立非執行董事Alan Stephen Jones先生(主席)、麥尊德先生及Steven Samuel Zoellner先生，以及非執行董事狄亞法先生及賴顯榮先生。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能如下：

- (i) 檢討董事之薪酬政策及待遇並向董事會建議，及(倘適合)就本公司其他執行董事薪酬相關之委員會建議，諮詢主席及／或行政總裁；
- (ii) 透過參照董事會不時批准之公司宗旨及目標以檢討並建議按表現釐定之薪酬；
- (iii) 檢討並建議向執行董事支付與任何喪失或終止職務或委任有關之賠償；
- (iv) 檢討並建議因董事行為失當而解僱或罷免有關董事所涉及之賠償安排；及
- (v) 確保概無董事參與釐定其本身之薪酬。

BOARD COMMITTEES (CONT'D)**Remuneration Committee (Cont'd)**

The terms of reference of the Remuneration Committee of the Company were revised in June 2005 to comply with the code provision B.1.3 of the CG Code, but with a deviation from the code provision of the remuneration committee's responsibilities to determine the specific remuneration packages of all executive directors and senior management of a listed company. The Board considers that the Remuneration Committee of the Company should review (as opposed to determine) and make recommendations to the Board on the remuneration packages of Executive Directors only and not senior management for the following reasons:

- (i) the Board believes that the Remuneration Committee is not properly in a position to evaluate the performance of senior management and that this evaluation process is more effectively carried out by the Executive Directors;
- (ii) a majority of the Remuneration Committee members are INEDs who may not be industry skilled and come from differing professions and backgrounds and they are not involved in the daily operation of the Company. They may have little direct knowledge of industry practice and standard compensation packages. The Remuneration Committee is thus not in a position to properly determine the remuneration of the Executive Directors;
- (iii) the Executive Directors must be in a position to supervise and control senior management and thus must be able to control their compensation; and
- (iv) there is no reason for Executive Directors to pay senior management more than industry standards and thus shareholders will benefit by reducing costs in the fixing of such compensation packages.

The revised terms of reference of the Remuneration Committee are available on the website of the Company.

The Remuneration Committee shall meet at least once a year. One committee meeting was held in 2006 to review and discuss (i) the existing policy and structure for the remuneration of Directors; (ii) the existing remuneration packages of all the Executive Directors; and (iii) the existing remuneration of the Non-Executive Directors (including the INEDs) and the attendance of each member is set out as follows:

董事委員會(續)**薪酬委員會(續)**

為遵守企業管治守則之守則條文B.1.3，本公司已於二零零五年六月修訂薪酬委員會之職權範圍，惟就該守則條文在薪酬委員會須釐定上市公司所有執行董事及高級行政要員之特定薪酬待遇之職責方面有所偏離。董事會認為，本公司薪酬委員會僅會就執行董事(不包括高級行政要員)之薪酬待遇作出檢討(而非釐定)，並僅向董事會作出建議，理由如下：

- (i) 董事會認為薪酬委員會並不適宜評估高級行政要員之表現，而有關評估程序由執行董事執行將更為有效；
- (ii) 薪酬委員會成員多數為獨立非執行董事，彼等來自不同行業、具有不同背景，或會對本公司經營之行業並不完全熟悉，且並無參與本公司之日常運作。彼等對有關業界慣例及薪酬待遇之標準亦可能無直接認識。故此，薪酬委員會並不適宜釐定執行董事之薪酬；
- (iii) 執行董事必須負責監管高級行政要員，因而須具有操控彼等之薪酬之權力；及
- (iv) 執行董事並無理由向高級行政要員支付高於業界標準之薪酬，而由彼等釐定其薪酬待遇可減省支出，將有利於股東。

薪酬委員會經修訂之職權範圍已於本公司網站內登載。

薪酬委員會每年須至少召開一次會議。於二零零六年已舉行一次委員會會議以審閱及討論(i)現有董事薪酬之政策及架構；(ii)所有執行董事之現有薪酬福利；及(iii)非執行董事(包括獨立非執行董事)之現有薪酬，而各成員之出席情況如下：

Committee member	委員會成員	Number of committee meeting attended/eligible to attend	
		出席／具資格出席	
		委員會會議之次數	
Alan Stephen Jones (<i>Chairman</i>)	Alan Stephen Jones (<i>主席</i>)		1/1
Arthur George Dew*	狄亞法*		N/A 不適用
Henry Lai Hin Wing	賴顯榮		1/1
John Douglas Mackie	麥尊德		1/1
Steven Samuel Zoellner	Steven Samuel Zoellner		1/1
* Appointed on 1st January, 2007		* 於二零零七年一月一日獲委任	

BOARD COMMITTEES (CONT'D)**Remuneration Committee (Cont'd)**

In addition to the Committee meeting, the Remuneration Committee also dealt with matters through circulation of written resolutions during 2006 and up to the date of this report. In 2006 and up to the date of this report, the Remuneration Committee had performed the works as summarised below:

- (i) reviewed and recommended for the Board's approval the payment of performance bonus and increment in salary of the Chief Executive;
- (ii) reviewed and recommended for the Board's approval the payment of consultancy fee to an INED;
- (iii) recommended for the Board's approval regarding the renewal of the term of appointment and the relevant consultancy fees for the Non-Executive Directors and INEDs for one year commencing from 1st January, 2007; and
- (iv) recommended for the Board's approval regarding the term of appointment and remuneration package for the Chairman.

The remuneration payable to Directors will depend on their respective contractual terms under their employment contracts or service contracts as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 14 to the consolidated financial statements.

Audit Committee

The Audit Committee has been established since December 1993 and currently consists of five Non-Executive Directors, three of whom are INEDs. To retain independence and objectivity, the Audit Committee has been chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise since December 1993. The current members of the Audit Committee are Messrs. Alan Stephen Jones (Chairman), Arthur George Dew, Henry Lai Hin Wing, John Douglas Mackie and Steven Samuel Zoellner. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

董事委員會(續)**薪酬委員會(續)**

除委員會會議外，薪酬委員會亦於二零零六年內及截至本報告之日為止透過傳閱書面決議案方式處理事宜。於二零零六年及截至本報告日為止，薪酬委員會已履行之工作概述如下：

- (i) 審閱及建議董事會批准支付行政總裁之花紅及增加其薪酬；
- (ii) 審閱及建議董事會批准支付一名獨立非執行董事之顧問費；
- (iii) 建議董事會批准非執行董事及獨立非執行董事之相關顧問費，及將其任期從二零零七年一月一日起續期一年；及
- (iv) 建議董事會批准主席之任期及薪酬福利。

董事獲發之薪酬乃按彼等各自之僱用合約或服務合約內之條款在薪酬委員會向董事會提出建議並獲批准後而釐定。董事薪酬之詳情載於綜合財務報表附註第14項。

審核委員會

審核委員會自一九九三年十二月成立，目前由五名非執行董事組成，其中三名為獨立非執行董事。為保持獨立性及客觀性，自一九九三年十二月起，審核委員會一直由一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事擔任主席。審核委員會之現有成員為Alan Stephen Jones先生(主席)、狄亞法先生、賴顯榮先生、麥尊德先生及Steven Samuel Zoellner先生。審核委員會獲提供充裕資源以履行其職務，並可按本公司之政策在有需要時尋求獨立專業意見。

BOARD COMMITTEES (CONT'D)**Audit Committee (Cont'd)**

The major roles and functions of the Audit Committee are:

- (i) to consider and recommend to the Board on the appointment, re-appointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of those auditors;
- (ii) to consider and discuss with the external auditors the nature and scope of each year's audit;
- (iii) to review and monitor the external auditors' independence and objectivity;
- (iv) to review the interim and annual financial statements before submission to the Board;
- (v) to discuss any problems and reservation arising from the interim review and final audit, and any matters the external auditors may wish to discuss;
- (vi) to review the external auditors' management letters and management's response;
- (vii) to review the Group's financial controls, internal control and risk management systems;
- (viii) to review the internal audit plan, promote co-ordination between the internal and external auditors, and check that the internal audit function is adequately resourced and has appropriate standing within the Group; and
- (ix) to consider any findings of the major investigations from the internal audit and management's response.

The terms of reference of the Audit Committee of the Company were revised in June 2005 to comply with the code provision C.3.3 of the CG Code, but with a deviation from the code provision of the audit committee's responsibility to:

- (i) implement policy on the engagement of the external auditors to supply non-audit services;
- (ii) ensure the management has discharged its duty to have an effective internal control system; and
- (iii) ensure coordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the listed company.

董事委員會(續)**審核委員會(續)**

審核委員會之主要角色及職能如下：

- (i) 考慮外聘核數師之委任、重新委任及罷免，並向董事會提供建議，以及批准外聘核數師之薪酬及聘用條款，並處理任何有關該等核數師辭任或辭退之問題；
- (ii) 考慮及與外聘核數師討論每年核數之性質及範疇；
- (iii) 檢討及監察外聘核數師之獨立性及客觀性；
- (iv) 於中期及全年財務報表提交董事會前先行審閱；
- (v) 商議就中期審閱及年終審核而產生之任何問題及保留事項，及外聘核數師擬商討之任何事宜；
- (vi) 審閱外聘核數師之致管理層函件及管理層之回應；
- (vii) 檢討本集團之財務監控、內部監控及風險管理系統；
- (viii) 審閱內部審核計劃，推動內部與外聘核數師之工作協調；及檢視內部審計功能是否有足夠資源運作，且在本集團具有適當地位；及
- (ix) 考慮內部審計部之主要調查之任何發現以及管理層之回應。

為遵守企業管治守則之守則條文C.3.3，本公司審核委員會之職權範圍已於二零零五年六月作出修訂，惟就該守則條文在審核委員會之職責方面有所偏離：

- (i) 執行委聘外聘核數師提供非核數服務之政策；
- (ii) 確保管理層已履行其職責建立有效之內部監控系統；及
- (iii) 確保內部與外聘核數師之工作得到協調，也須確保內部審計功能獲得足夠資源運作，並且在上市公司中具有適當之地位。

BOARD COMMITTEES (CONT'D)

Audit Committee (Cont'd)

The Board considers that the Audit Committee of the Company should recommend (as opposed to implement) the policy for the following reasons:

- (i) it is proper, and appropriate for the Board and its committees to develop policy and make appropriate recommendations;
- (ii) the proper and appropriate mechanism for implementation of such policy and recommendations is through the Executive Directors and management; and
- (iii) INEDs are not in an effective position to implement policy and follow up the same on a day-to-day basis.

Further, the Board considers that the Audit Committee of the Company only possesses the effective ability to scrutinize (as opposed to ensure) whether management has discharged its duty to have an effective internal control system. The Audit Committee is not equipped to ensure that the same is in place as this would involve day-to-day supervision and the employment of permanent experts. The Audit Committee is not in a position either to ensure coordination between the internal auditors and external auditors but it can promote the same. Similarly, the Audit Committee is not in a position to ensure that the internal audit function is adequately resourced but it can check whether it is adequately resourced.

The revised terms of reference of the Audit Committee are available on the website of the Company.

The Audit Committee shall meet at least twice a year. Two committee meetings were held in 2006 and the attendance of each member is set out as follows:

董事委員會(續)

審核委員會(續)

董事會認為本公司審核委員會應就政策作出建議(而非執行)，理由如下：

- (i) 由董事會及其下設之委員會制定政策及作出合適之建議乃屬恰當及合適；
- (ii) 由執行董事及管理層執行該政策及建議乃屬恰當及合適之機制；及
- (iii) 獨立非執行董事並不適宜執行日常之政策及跟進工作。

此外，董事會認為本公司之審核委員會僅具備效能以監察(而非確保)管理層已履行其有效之內部監控系統之建立職責。由於上述事宜涉及日常監控及僱用全職之專業人員，因此審核委員會無能力確保上述事宜得以執行。審核委員會亦不適宜確保內部和外聘核數師之工作得到協調，惟其可推動該協調。同樣，審核委員會不可確保內部審計功能獲得足夠資源運作，惟可檢視其是否獲得足夠資源運作。

審核委員會經修訂之職權範圍已於本公司網站內登載。

審核委員會每年須至少召開兩次會議。於二零零六年已舉行兩次委員會會議，而各成員之出席情況如下：

**Number of committee meetings
attended/eligible to attend**
出席／具資格出席
委員會會議之次數

Committee member	委員會成員	
Alan Stephen Jones (<i>Chairman</i>)	Alan Stephen Jones (<i>主席</i>)	2/2
Arthur George Dew*	狄亞法*	N/A 不適用
Henry Lai Hin Wing	賴顯榮	1/2
John Douglas Mackie	麥尊德	2/2
Steven Samuel Zoellner	Steven Samuel Zoellner	2/2

* Appointed on 1st January, 2007

* 於二零零七年一月一日獲委任

During the meetings held in 2006 and up to the date of this report, the Audit Committee had performed the work as summarised below:

- (i) reviewed the audit scope and fees proposed by the external auditors regarding the financial statements for the year ended 31st December, 2005 and recommended the same to the Board/Executive Committee for approval.;

於二零零六年及至本報告日為止舉行之會議，審核委員會已履行之工作概述如下：

- (i) 檢討外聘核數師就截至二零零五年十二月三十一日止年度之財務報表之審計範疇及酬金，並建議董事會／執行委員會予以批准；



BOARD COMMITTEES (CONT'D)**Audit Committee (Cont'd)**

- (ii) reviewed the external auditors' report of findings in relation to the final audit of the Group for the year ended 31st December, 2005;
- (iii) reviewed the financial statements for the year ended 31st December, 2005 together with the relevant letter of representation and press announcement and recommended the same to the Board for approval;
- (iv) reviewed the audit scope and fees proposed by the external auditors regarding the 2006 interim review for the six months ended 30th June, 2006 and recommended the same to the Board/ Executive Committee for approval;
- (v) reviewed the external auditors' independent review report in relation to the 2006 interim review for the six months ended 30th June, 2006;
- (vi) reviewed the financial reports for the six months ended 30th June, 2006 together with the relevant letter of representation and press announcement and recommended the same to the Board for approval;
- (vii) reviewed the audit scope and fees proposed by the external auditors regarding the financial statements for the year ended 31st December, 2006 and recommended the same to the Board/ Executive Committee for approval;
- (viii) reviewed the Company's procedures manual and a subsidiary's internal control procedure;
- (ix) reviewed the financial statements for the year ended 31st December, 2006 together with the relevant letter of representation and press announcement and recommended the same to the Board for approval; and
- (x) reviewed the internal controls assessment report performed by an external consultant, and the report on Code on Corporate Governance Practices on Internal Controls (C.2), the relevant internal control documentation, and the overall risk profile analysis report of the Company issued by IAD.

Executive Committee

The Executive Committee has been established in January 1993 and currently consists of two Executive Directors, being Patrick Lee Seng Wei (Chairman) and Li Chi Kong. The Executive Committee is vested with all the general powers of management and control of the activities of the Group as are vested in the Board of the Company, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive Committee.

The Executive Committee will meet as and when necessary to discuss the operating affairs of the Group. It is mainly responsible for undertaking and supervising the day-to-day management and is empowered:

- (i) to formulate and implement policies for the business activities and internal control and administration of the Group; and
- (ii) to plan and decide on strategies to be adopted for the business activities of the Group within the overall strategy of the Group as determined by the Board.

董事委員會(續)**審核委員會(續)**

- (ii) 檢討外聘核數師就本集團截至二零零五年十二月三十一日止年度之年終審核結果之報告；
- (iii) 檢討截至二零零五年十二月三十一日止年度之財務報表連同相關聲明函件及報章公告，並建議董事會予以批准；
- (iv) 檢討外聘核數師就截至二零零六年六月三十日止六個月之二零零六年中期審閱建議之審計範疇及酬金，並建議董事會／執行委員會予以批准；
- (v) 檢討外聘核數師就截至二零零六年六月三十日止六個月之二零零六年中期審閱之獨立審閱報告；
- (vi) 檢討截至二零零六年六月三十日止六個月之財務報告連同相關聲明函件及報章公告，並建議董事會予以批准；
- (vii) 檢討外聘核數師就截至二零零六年十二月三十一日止年度之財務報表建議之審計範疇及酬金，並建議董事會／執行委員會予以批准；
- (viii) 檢討本公司之會計程序手冊及一間附屬公司之內部監控程序；
- (ix) 檢討截至二零零六年十二月三十一日止年度之財務報表連同相關聲明函件及報章公告，並建議董事會予以批准；及
- (x) 檢討外聘顧問所編製之內部監控評核報告，及企業管治常規守則內部監控(守則條文C.2)之報告、有關內部監控文件，以及內部審計部稽核部所編製之本公司風險分析報告。

執行委員會

執行委員會自一九九三年一月成立，目前由兩名執行董事組成，包括李成偉先生(主席)及李志剛先生。執行委員會獲授予本公司董事會所獲授關於本集團業務活動的所有一般管理及監控，惟根據執行委員會之書面職權範圍中須留待董事會決定及批准之該等事宜除外。

執行委員會於有需要時舉行會議，以討論本集團之營運事務。執行委員會主要負責處理及監察日常管理事宜，並有權：

- (i) 制定及落實有關本集團之商業活動、內部監控及行政政策；及
- (ii) 於董事會釐定之本集團整體策略範圍內規劃及決定就本集團商業活動將予採納之策略。



CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code.

To comply with the code provisions A.5.4 of the CG Code, the Company has also established and adopted in June 2005 the Model Code for securities transactions by certain employees or officers of the Company who are considered to be likely in possession of unpublished price sensitive information in relation to the Company or its securities.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from the Accounts Department, the financial statements of the Group. In preparing the financial statements for the year ended 31st December, 2006, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance were complied with. The Directors believe that they have selected suitable accounting policies and applied them consistently, and made judgment and estimates that are prudent and reasonable and ensure the financial statements are prepared on the going concern basis.

The reporting responsibilities of the Company's external auditors, Messrs Deloitte Touche Tohmatsu ("Deloitte"), are set out in the "Independent Auditor's Report" on pages 45 and 46.

Internal Control

The Board has the responsibility to ensure that the Group maintains sound and effective internal controls to safeguard the shareholders' investment and the Group's assets at all times.

The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's agreed objectives and goals. In addition to safeguarding the Group's assets, it should provide a basis for the maintenance of proper accounting records and assist in the compliance with relevant laws and regulations.

The Group's overall risk profile analysis report was prepared by IAD and issued to the Audit Committee and Board for review. A discussion of the policies and procedures for management of each of the major types of risk the Group is facing is included in note 5 to the consolidated financial statements and under the "Management of Risks" section contained in the "Review of Operations".

董事及相關僱員進行證券交易之守則

本公司已採納上市規則附錄10所載之《上市發行人董事進行證券交易的標準守則》(「標準守則」)，作為其董事進行證券交易之行為守則。經本公司作出特定查詢後，全體董事已確認彼等已遵照標準守則所載之規定標準。

為遵守企業管治守則之守則條文A.5.4，就若干被認為可能擁有關於本公司或其證券之未公開股價敏感資料之本公司之僱員或主管人員進行證券交易，本公司亦已於二零零五年六月採納標準守則為其準則。

問責及核數

財務報告

於會計部之協助下，董事確認彼等編製本集團財務報表之責任。於編製截至二零零六年十二月三十一日止年度之財務報表，已採用香港普遍接納之會計原則，並按照香港會計師公會頒佈之香港財務報告準則及香港會計準則以及香港公司條例之規定。董事認為所選定的會計政策適當並且貫徹應用，而所作判斷及估計審慎合理，亦確保按持續經營基準編製財務報表。

本公司外聘核數師德勤·關黃陳方會計師行(「德勤」)之匯報責任載於「獨立核數師報告」第45頁及第46頁。

內部監控

董事會負責確認本集團維持健全而有效內部監控，藉以保障股東投資及本集團之資產。

內部監控系統之設立目的在於就止存在重大錯誤陳述或損失提供合理(但非絕對)之保證；管控(但非完全杜絕)系統失誤情況；以及協助本集團達成議定宗旨及目標。除保障本集團之資產外，亦應提供準則以備存妥善之會計記錄及遵守有關法例及監管條例。

審核委員會及董事會已審閱由內部審計部所編製之集團風險分析報告。有關本集團面對各主要類別風險之管理政策及程序之論述，收錄於綜合財務報表附註5及「業務回顧」中「風險管理」一節內。

ACCOUNTABILITY AND AUDIT (CONT'D)

Internal Control (Cont'd)

The Group engaged the external consultant to perform an internal control assessment for two major business processes for the year ended 31st December, 2006. The consultant's report on the internal controls assessment was completed and distributed to the Audit Committee and the Board for their review. The independent review is part of the Board's plan to further strengthen our internal control systems and improve overall corporate governance culture. The IAD will carry out follow up review on findings and recommendations of the external consultant.

The Company's principal subsidiaries are managed under independent systems of internal controls. These subsidiaries have provided appropriate assurance on their compliance with the CG Code regarding internal control systems in general to the Company.

Internal Audit

The Company's IAD was established in December 2006, with the Internal Audit Manager reporting to the Chairman and the Audit Committee. The Company's IAD will play an important role in providing assurance to the Board that a sound internal control system is maintained and operated by the management.

External Auditors' Remuneration

During the year, the remuneration paid to the Company's external auditors, Deloitte, are set out as follows:

Services rendered for the Group
向本集團提供之服務

Audit services	核數服務
Non-audit services	非核數服務
– Taxation services	– 稅項服務
– Other professional services	– 其他專業服務
Total	總額

問責及核數(續)

內部監控(續)

本集團委聘外聘顧問對截至二零零六年十二月三十一日止年度之兩項主要業務過程進行內部監控評估。該評估報告已提交審核委員會及董事會審閱。獨立審核乃董事會旨在進一步加強內部監控系統，以及全面完善企業管治文化。該顧問已完成編製內部監控評估報告，並已向審核委員會及董事會匯報。內部審計部門將會跟進檢討外聘顧問所提供之結果及建議。

本公司之主要附屬公司均受獨立內部監控系統管理。此等附屬公司已向本公司就遵循企業管治守則內之整體內部監控系統規定作出適當之保證。

內部審核

本公司之內部審計部於二零零六年十二月成立，內部審計經理向主席及審核委員會作報告。本公司之內部審計部將在向董事會保證管理層維持及營運良好之內部監控體系方面擔任重要角色。

外聘核數師之酬金

於年內，已支付本公司之外聘核數師，即德勤之酬金載列如下：

Fees paid to Deloitte
支付予德勤之費用
HK\$'000
千港元

5,722

364

3,322

9,408

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. As a channel to further promote effective communication, the corporate website is maintained to disseminate shareholder information and other relevant financial and non-financial information electronically on a timely basis.

The Company's AGM is a valuable forum for the Board to communicate directly with the shareholders. During the year 2006, the post of the Chairman was vacant and the Board elected one of its members to chair the AGM and to answer any questions from the shareholders. The Chairman of the Audit Committee and Remuneration Committee or in his absence, other members of the respective committees, are also available to answer questions at the AGM. The sole member of the independent board committee of the Company for advising the independent shareholders to approve a connected transaction regarding the conditional sale and purchase of the entire issued share capital of UAF Holdings was unable to attend the relevant extraordinary general meeting of the Company held on 9th August, 2006 as he was overseas during that period. A separate resolution is proposed by the Chairman in respect of each issue to be considered at the AGM. An AGM circular is distributed to all shareholders at least 21 days prior to the AGM, setting out details of each proposed resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. The Chairman explains the procedures for demanding and conducting a poll again at the beginning of the AGM, and (except where a poll is demanded) reveals how many proxies for and against have been received in respect of each resolution.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code of the Stock Exchange but also about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders to promote our transparency are also welcome.

On behalf of the Board



Arthur George Dew
Chairman
Hong Kong, 16th April, 2007

與股東之溝通

董事會瞭解與股東保持良好聯繫之重要性。有關本集團之資料乃按時透過多種正式途徑向股東傳達，包括中期報告及年報、公告及通函。為進一步提高有效之溝通，透過公司網站以電子方式及時向股東發佈資料及其他相關財務及非財務資料。

本公司股東週年大會乃董事會直接與股東聯繫之寶貴機會。於二零零六年，主席一職懸空，董事會選舉其一名成員主持股東週年大會並回應任何股東之查詢。審核委員會主席及薪酬委員會主席會於股東週年大會上回應查詢。倘若該等主席缺席，各委員會之其他成員亦可於股東週年大會上回應查詢。建議獨立股東批准有條件買賣UAF Holdings之全部已發行股本之關連交易之本公司獨立董事委員會之唯一成員於二零零六年八月九日舉行之相關本公司股東特別大會期間身在海外，因此未能出席會議。主席會就每項在股東週年大會上審議之議題提呈個別之決議案。股東週年大會通函會於股東週年大會舉行前至少二十一天發送予全體股東，該通函載列每項擬提呈決議案之詳情、投票程序(包括要求以股數投票方式進行表決之程序)及其他相關資料。主席於股東週年大會開始時，會再次解釋要求以股數投票方式進行表決之程序，及(除要求以股數投票方式表決外)宣佈就每項決議案已接獲委任代表之贊成及反對之票數。

提升企業管治水平

提升企業管治水平並非只為應用及遵守聯交所之企業管治守則，乃為推動及建立道德與健全之企業文化為依歸。吾等將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司歡迎股東提供任何意見及建議以持續提高本公司之透明度。

代表董事會



主席
狄亞法
香港，二零零七年四月十六日

The Directors are pleased to present their annual report and the audited consolidated financial statements of the Group and the Company for the year ended 31st December, 2006.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries, associates and jointly controlled entities at 31st December, 2006 are set out in notes 61, 62 and 63 to the consolidated financial statements respectively.

RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company are set out in the consolidated income statement on page 47 and in the accompanying notes to the consolidated financial statements.

The Directors have proposed the payment of a final dividend of HK15 cents per share payable to shareholders whose names appear on the register of members of the Company on Wednesday, 13th June, 2007. Since no interim dividend was paid, the total dividend for the year is HK15 cents per share. Details are set out in note 19 to the consolidated financial statements.

INVESTMENT PROPERTIES

During the year, the Group spent HK\$245,000 on investment properties. Certain of the Group's properties previously included in property, plant and equipment with a carrying value of HK\$34,200,000 were transferred to investment properties. In addition, certain of the Group's investment properties with a carrying value of HK\$106,509,000 were transferred to property, plant and equipment.

The Group's investment properties were revalued on 31st December, 2006 at HK\$2,959,300,000. The net increase in fair value of HK\$261,264,000 has been credited to the consolidated income statement.

Details of these and other movements in the investment properties of the Group during the year are set out in note 20 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent HK\$35,946,000 on property, plant and equipment and acquired a further HK\$49,847,000 of property, plant and equipment on the acquisition of subsidiaries. The Group also disposed of certain of its property, plant and equipment with a carrying value of HK\$958,000.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 21 to the consolidated financial statements.

董事會同寅謹欣然將本集團及本公司截至二零零六年十二月三十一日止年度之週年報告及經審核綜合財務報表呈覽。

主要業務

本公司乃一間控股投資公司，其主要附屬公司、聯營公司及共同控制企業於二零零六年十二月三十一日之主要業務分別列於綜合財務報表附註第61、62及63項。

業績及溢利分配

本集團之業績及本公司之溢利分配列於第47頁之綜合收益賬及隨附之綜合財務報表附註內。

董事會建議派發末期股息每股15港仙予二零零七年六月十三日(星期三)名列本公司股東名冊內之股東。鑑於本公司無支付中期股息，故本年度之股息總額為每股15港仙。有關詳情列於綜合財務報表附註第19項。

投資物業

年內，本集團支出245,000港元添置投資物業。本集團之前載於物業、廠房及設備賬面值為34,200,000港元之若干物業已撥往投資物業。此外，本集團賬面值為106,509,000港元之若干投資物業已撥往物業、廠房及設備。

本集團投資物業於二零零六年十二月三十一日之重估價值為2,959,300,000港元，而公平價值增加261,264,000港元已計入綜合收益賬內。

上述事項及本集團投資物業於本年度其他變動之詳情列於綜合財務報表附註第20項。

物業、廠房及設備

年內，本集團支出35,946,000港元添置物業、廠房及設備，並於收購附屬公司時進一步增購價值49,847,000港元之物業、廠房及設備。本集團亦出售賬面值達958,000港元之若干物業、廠房及設備。

上述事項及本集團物業、廠房及設備於本年度其他變動之詳情列於綜合財務報表附註第21項。

PROPERTIES

Particulars of major properties of the Group at 31st December, 2006 are set out on pages 146 to 148.

SHARE CAPITAL AND WARRANTS

Details of movement in the share capital and warrants of the Company during the year are set out in note 40 to the consolidated financial statements.

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors:

Patrick Lee Seng Wei
Li Chi Kong

Non-Executive Directors:

Arthur George Dew (appointed on 1st January, 2007)
Henry Lai Hin Wing
Steven Lee Siu Chung

Independent Non-Executive Directors:

John Douglas Mackie
Steven Samuel Zoellner
Alan Stephen Jones

In accordance with Article 105(A) of the Company's Articles of Association, Messrs. Li Chi Kong, Henry Lai Hin Wing and Steven Lee Siu Chung will retire by rotation and, being eligible, offer themselves for re-election.

In accordance with Article 96 of the Company's Articles of Association, Mr. Arthur George Dew, who has been appointed since the last annual general meeting and before the date of this report, will retire at the forthcoming annual general meeting and, being eligible, offers himself for re-appointment as Director.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM have an unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

TERMS OF OFFICE FOR THE NON-EXECUTIVE DIRECTORS

All the Non-Executive Directors (including the INEDs) were appointed for a specific term which shall continue until 31st December, 2007 but subject to the relevant provisions of the Articles of Association of the Company or any other applicable laws whereby the Directors shall vacate or retire from their office.

物業

本集團於二零零六年十二月三十一日之主要物業資料列於第146至148頁。

股本及認股權證

本公司之股本及認股權證於本年度之變動詳情列於綜合財務報表附註第40項。

董事會成員

於本年度及至本報告日為止，董事會之成員如下：

執行董事：

李成偉
李志剛

非執行董事：

狄亞法 (於二零零七年一月一日獲委任)
賴顯榮
李兆忠

獨立非執行董事：

麥尊德
Steven Samuel Zoellner
Alan Stephen Jones

根據本公司之組織章程細則第105(A)條，李志剛先生、賴顯榮先生及李兆忠先生將輪值退任，惟有資格並願膺選連任。

根據本公司之組織章程細則第96條，自上屆股東週年大會起至本報告日期前獲委任之狄亞法先生，將於即將舉行之股東週年大會上退任，惟有資格並願膺選連任為董事。

董事之服務合約

擬於應屆股東週年大會上膺選連任之董事概無與本集團訂立本集團不可於一年內毋須賠償(法定賠償除外)而可予以終止之未到期之服務合約。

非執行董事之任期

所有非執行董事(包括獨立非執行董事)均獲指定任期，任期將持續至二零零七年十二月三十一日，惟董事之離任或退任須受本公司組織章程細則之有關條文或任何其他適用法例所規限。



DIRECTORS' INTERESTS

At 31st December, 2006, Messrs. Patrick Lee Seng Wei and Steven Samuel Zoellner, the Directors of the Company, had the following interests in the shares and underlying shares of the Company and 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:

Name of Director 董事姓名	Name of Company 公司名稱	Number of shares and underlying shares held 持有股份及 相關股份數目	Approximate % of the relevant issued share capital 佔有關 已發行股本 之概約百分比	Nature of interest 權益性質
Patrick Lee Seng Wei 李成偉	The Company 本公司	351,000 (Note 1) (附註1)	0.06%	Personal interest (held as beneficial owner) 個人權益(以實益 擁有人身份持有)
	Allied Group (Note 2) 聯合集團(附註2)	550,000 (Note 3) (附註3)	0.22%	Personal interest (held as beneficial owner) 個人權益(以實益 擁有人身份持有)
Steven Samuel Zoellner	Sun Hung Kai (Note 2) 新鴻基(附註2)	49,200 (Note 4) (附註4)	0.00%	Personal interest (held as beneficial owner) 個人權益(以實益 擁有人身份持有)
	QHA (Note 2) 卓健(附註2)	102,000 (Note 5) (附註5)	0.048%	Personal interest (held as beneficial owner) 個人權益(以實益 擁有人身份持有)

Notes :

- The interest includes the holding of (i) 270,000 shares; and (ii) 54,000 units of warrants of the Company ("Warrants") and 27,000 units of convertible bonds of the Company ("Convertible Bonds") giving rise to an interest in 81,000 underlying shares of the Company. The Warrants entitle the holders thereof to subscribe at any time during the period from 7th June, 2006 to 6th June, 2009 (both days inclusive) for fully paid shares of the Company at an initial subscription price of HK\$10 per share (subject to adjustments). The Convertible Bonds entitle the holders thereof to convert all or any of the convertible bonds into fully paid shares of the Company at any time during the period from 1st July, 2009 and ending on the business day falling ten business days immediately preceding 9th November, 2011 at an initial conversion price of HK\$10 per convertible bond (subject to adjustments).
- Allied Group is the ultimate holding company of the Company. Sun Hung Kai is an indirect non wholly-owned subsidiary of the Company and QHA is an indirect non wholly-owned subsidiary of Sun Hung Kai. Therefore, Allied Group, Sun Hung Kai and QHA are associated corporations of the Company within the meaning of Part XV of the SFO.
- This represents an interest in 550,000 shares of Allied Group.
- This represents an interest in 49,200 shares in Sun Hung Kai.
- This represents an interest in 102,000 shares in QHA.
- All interests stated above represent long positions.

附註：

- 該權益包括持有(i)270,000股股份；及(ii)54,000份本公司之認股權證(「認股權證」)以及本公司27,000份可換股債券(「可換股債券」)而產生之本公司81,000股相關股份之權益。認股權證賦予其持有人權利，可於二零零六年六月七日至二零零九年六月六日(首尾兩天包括在內)之期間任何時間內按初步認購價每股股份10港元(可予調整)認購本公司繳足股款之本公司股份。可換股債券賦予其持有人權利，可於二零零九年七月一日至緊接二零一一年十一月九日前第十個營業日止期間任何時間內按初步轉換價每份可換股債券10港元(可予調整)，將全部或任何可換股債券轉換成本公司繳足股款之本公司股份。
- 聯合集團乃本公司之最終控股公司。新鴻基為本公司之間接非全資附屬公司，而卓健為新鴻基之間接非全資附屬公司。因此，聯合集團、新鴻基及卓健為本公司之相關法團(釋義見證券及期貨條例第XV部)。
- 該等股數指於聯合集團550,000股股份之權益。
- 該股數指於新鴻基49,200股股份之權益。
- 該股數指於卓健102,000股股份之權益。
- 上述所有權益均屬好倉。

DIRECTORS' INTERESTS (CONT'D)

Save as disclosed above, at 31st December, 2006, none of the Directors and chief executive of the Company 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year and up to the date of this report, Messrs. Arthur George Dew, Patrick Lee Seng Wei and Li Chi Kong, Directors of the Company (not being the INEDs), are considered to have interests in the following competing businesses pursuant to the Listing Rules:

- (i) Mr. Arthur George Dew is a director of Allied Group which, through a subsidiary, is partly engaged in business of money lending;
- (ii) Mr. Arthur George Dew was a director of Sun Hung Kai which, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment. He resigned as a director of Sun Hung Kai on 31st December, 2006;
- (iii) Mr. Patrick Lee Seng Wei is a director of Sun Hung Kai which, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment;
- (iv) Mr. Li Chi Kong is a director of AG Capital, a subsidiary of Allied Group, which is partly engaged in the business of money lending;
- (v) Messrs. Patrick Lee Seng Wei and Li Chi Kong are directors of Tian An which, through a subsidiary, is partly engaged in the business of money lending; and
- (vi) Messrs. Patrick Lee Seng Wei and Li Chi Kong are directors of Allied Kajima which, through certain of its subsidiaries, is partly engaged in the businesses of property rental, management services and hospitality related activities.

As the Board is independent from the boards of the abovementioned companies and none of the above Directors can control the Board, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company, its holding company, or any of its fellow subsidiaries or subsidiaries was a party and in which the Directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事權益(續)

除以上所披露者外，於二零零六年十二月三十一日，本公司之各董事及最高行政人員概無於本公司或其任何相聯法團(釋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須記錄於根據證券及期貨條例第352條規定所存放之登記冊所載，或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

董事在構成競爭業務中之權益

年內及至本報告日為止，根據上市規則，本公司董事(獨立非執行董事除外)狄亞法先生、李成偉先生及李志剛先生，被視為於下列構成競爭業務中有利益關係：

- (i) 狄亞法先生為聯合集團之董事，該公司透過一間附屬公司部份從事借貸業務；
- (ii) 狄亞法先生曾為新鴻基之董事，該公司透過其若干附屬公司部份從事借貸及物業投資業務。彼於二零零六年十二月三十一日辭任新鴻基董事一職；
- (iii) 李成偉先生為新鴻基之董事，該公司透過其若干附屬公司部份從事借貸及物業開發業務；
- (iv) 李志剛先生為AG Capital(一間聯合集團之附屬公司)之董事，該公司部份從事借貸業務；
- (v) 李成偉先生及李志剛先生均為天安之董事，該公司透過一間附屬公司部份從事借貸業務；及
- (vi) 李成偉先生及李志剛先生均為Allied Kajima之董事，該公司透過其若干附屬公司部份從事物業租賃、管理服務以及酒店相關業務。

鑑於董事會乃獨立於上述公司之董事會，而上述各董事均未能控制董事會，本集團得以按照公平原則以獨立於有關公司業務之方式進行其本身之業務。

董事在合約中之權益

於本年度終結時或於本年度內任何時間，本公司、其控股公司或其任何同系附屬公司或附屬公司並無訂立任何與董事直接或間接擁有重大權益之重要合約。



ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company, or any of its fellow subsidiaries or subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate with the exception of granting of share options to subscribe for shares in the Company's ultimate holding company, Allied Group, under its share option scheme.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

At 31st December, 2006, the following shareholders had interests in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder 股東名稱	Number of shares and underlying shares held 持有股份及相關股份之數目	Approximate % of the issued share capital 佔已發行股本概約百分比	Notes 附註
Allied Group 聯合集團	533,037,519	99.20%	1
Lee and Lee Trust	533,037,519	99.20%	2, 3

Notes:

- The interest includes the holding of: (i) 167,061,619 shares of the Company, 33,412,323 units of Warrants and 16,706,161 units of Convertible Bonds held by Capscore Limited ("Capcore"); (ii) 4,186,632 shares of the Company, 837,324 units of Warrants and 10,044,116 units of Convertible Bonds held by Citiwealth Investment Limited ("Citiwealth"); (iii) 135,063,783 shares of the Company, 26,990,756 units of Warrants and 13,495,377 units of Convertible Bonds held by Sunhill Investments Limited ("Sunhill"); and (iv) 96,338,025 shares of the Company, 19,267,603 units of Warrants and 9,633,800 units of Convertible Bonds held by Allied Group. The said Warrants and Convertible Bonds held by Capcore, Citiwealth, Sunhill and Allied Group giving rise to an interest in an aggregate of 130,387,460 underlying shares of the Company. Capcore, Citiwealth and Sunhill are all wholly-owned subsidiaries of Allied Group. Allied Group was therefore deemed to have an interest in the shares of the Company and the underlying shares of the Company in which Capcore, Citiwealth and Sunhill were interested.
- This represents the same interest of Allied Group in 533,037,519 shares and underlying shares of the Company.
- Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. They together own approximately 41.25% interest of the issued share capital of Allied Group and were therefore deemed to have an interest in the shares and underlying shares of the Company in which Allied Group was interested.
- The interest stated above represents a long position. As at 31st December, 2006, no short positions were recorded in the register required to be kept under Section 336 of the SFO.

購買股份或債券之安排

除根據本公司最終控股公司聯合集團之購股權計劃授予用以認購聯合集團股份之購股權外，本公司、其控股公司或其任何同系附屬公司或附屬公司於本年度任何時間內概無參與任何安排，使董事能藉此獲得本公司或其他任何法人團體之股份或債券而獲得利益。

主要股東權益

於二零零六年十二月三十一日，根據證券及期貨條例第336條規定所存放之登記冊所載，持有本公司股份權益之股東如下：

附註：

- 該權益包括由：(i) Capcore Limited (「Capcore」) 持有之 167,061,619 股本公司股份、33,412,323 份認股權證及 16,706,161 份可換股債券；(ii) 開鵬投資有限公司 (「開鵬」) 持有之 4,186,632 股本公司股份、837,324 份認股權證及 10,044,116 份可換股債券；(iii) 陽山投資有限公司 (「陽山」) 持有之 135,063,783 股本公司股份、26,990,756 份認股權證及 13,495,377 份可換股債券；及 (iv) 聯合集團持有之 96,338,025 股本公司股份、19,267,603 份認股權證及 9,633,800 份可換股債券。由 Capcore、開鵬、陽山及聯合集團所持有之該等認股權證及可換股債券產生合共 130,387,460 股本公司相關股份之權益。Capcore、開鵬及陽山均為聯合集團之全資附屬公司。因此，聯合集團被視作擁有 Capcore、開鵬及陽山所持本公司股份及相關股份之權益。
- 該數字指聯合集團於本公司 533,037,519 股本公司股份及相關股份中所擁有之相同權益。
- 李成輝先生、李淑慧女士及李成煌先生乃全權信託 Lee and Lee Trust 之信託人。彼等共同於聯合集團已發行股本中擁有約 41.25% 之權益，因此，彼等被視作擁有聯合集團所持本公司股份及相關股份之權益。
- 上述權益均屬好倉。於二零零六年十二月三十一日，根據證券及期貨條例第 336 條規定所存放之登記冊所載，並無淡倉記錄。

CONNECTED TRANSACTIONS

- As disclosed in the announcement of the Company dated 14th September, 2005, the Company entered into a sharing of administrative services and management services agreement ("Services Agreement") with Allied Group on 14th September, 2005, pursuant to which the Company agreed to reimburse Allied Group the costs incurred in respect of the administrative services, which included the secretarial services, provision of office premises, utilities, courier and delivery, telephone (including international telephone), internet, photocopying and other ancillary office services provided by Allied Group to the Group (i.e. the Company and its subsidiaries, but excluding those in the group of Sun Hung Kai) ("Administrative Services") and management services, which included the management, strategic and business advice provided by the senior management of Allied Group to the Group (i.e. the Company and its subsidiaries, but excluding those in the group of Sun Hung Kai) ("Management Services"). Since Allied Group is the controlling shareholder and ultimate holding company of the Company, entering into the Services Agreement and the transactions contemplated thereunder regarding the sharing of the Management Services constituted continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules. Pursuant to Rule 14A.31(8) of the Listing Rules, the transactions regarding the sharing of Administrative Services between the Company and Allied Group contemplated thereunder are exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14A.37 of the Listing Rules, the INEDs have reviewed the transactions regarding the sharing of the Management Services and have confirmed that the transactions were:

- entered into in the ordinary and usual course of business of the Company;
- conducted on normal commercial terms; and
- entered into in accordance with the terms of the Services Agreement governing the transactions regarding the sharing of the Management Services and on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the Board engaged the auditors of the Company to perform certain agreed upon procedures in respect of the above continuing connected transactions and the auditors have reported their factual findings from these procedures to the Board.

Pursuant to Rule 14A.34 of the Listing Rules, details of the Services Agreement and the aggregate amount of the Management Services for the year ended 31st December, 2006 of HK\$5,200,000 are required to be included in this report of the Company in accordance with Rule 14A.45 of the Listing Rules.

關連交易

- 誠如本公司於二零零五年九月十四日刊發之公告中所披露，本公司於二零零五年九月十四日與聯合集團訂立行政服務及管理服務分攤協議（「服務協議」），據此，本公司同意向聯合集團償付就聯合集團向本集團（即本公司及其附屬公司，但不包括新鴻基集團成員）提供之行政服務（包括秘書服務、提供辦公場所、公用設施、郵遞及送遞、電話（包括國際電話）、互聯網、影印及其他輔助辦公室服務）（「行政服務」）及管理服務（包括聯合集團高級管理層人員向本集團提供管理、策略及業務建議）（「管理服務」）所產生之成本。由於聯合集團為本公司之控股股東及最終控股公司，因此，根據上市規則第14A.14條，訂立服務協議及其項下就分攤管理服務進行之交易構成本公司之持續關連交易。根據上市規則第14A.31(8)條，本公司與聯合集團於服務協議項下進行之有關分攤行政服務之交易獲豁免遵守上市規則之申報、公告及獨立股東批准之規定。

根據上市規則第14A.37條，獨立非執行董事已審閱有關分攤管理服務之交易，並確認該等交易乃：

- 於本公司之一般及日常業務範圍內訂立；
- 按一般商業條款進行；及
- 根據規管有關分攤管理服務之交易之服務協議條款及按公平合理且符合本公司股東之整體利益而訂立。

根據上市規則第14A.38條規定，董事會聘用本公司核數師為上述持續關連交易履行若干已協定之程序。核數師已向董事會報告該等程序之實際發現。

根據上市規則第14A.34條，服務協議之詳情及截至二零零六年十二月三十一日止年度管理服務之總金額為5,200,000港元並須按上市規則第14A.45條之規定列載於本報告內。



CONNECTED TRANSACTIONS (CONT'D)

2. As disclosed in the announcement of the Company dated 4th January, 2006, a tenancy agreement ("Tenancy Agreement") was entered into on 30th December, 2005 between Hillcrest Development Limited ("Hillcrest"), a wholly-owned subsidiary of the Company, as the landlord and Allied Group as the tenant for the renewal of a tenancy of 60 Plantation Road, The Peak, Hong Kong for residential use for a further term of two years commencing from 1st January, 2006 to 31st December, 2007 at a monthly rental of HK\$238,000 (exclusive of rates and management fee). This property is held by Hillcrest for investment purposes. The rent was based on the prevailing market rent as reviewed by Savills (Hong Kong) Limited ("Savills") on 19th December, 2005. Savills is an independent firm of international property consultants and is not a connected person of the Company under the Listing Rules. Since Allied Group is the controlling shareholder and ultimate holding company of the Company, the renewed tenancy constituted a continuing connected transaction for the Company under Rule 14A.34 of the Listing Rules and is exempt from the independent shareholders' approval requirement.

Pursuant to Rule 14A.37 of the Listing Rules, the INEDs have reviewed the transactions regarding entering into the Tenancy Agreement and have confirmed that the transactions were:

- (i) entered into in the ordinary and usual course of business of the Company;
- (ii) conducted on normal commercial terms; and
- (iii) entered into in accordance with the terms of the Tenancy Agreement governing it and on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the Board engaged the auditors of the Company to perform certain agreed upon procedures in respect of the above continuing connected transactions and the auditors have reported their factual findings from these procedures to the Board.

Pursuant to Rule 14A.34 of the Listing Rules, details of the Tenancy Agreement and the annual cap of HK\$2,856,000 are required to be included in this report of the Company in accordance with Rule 14A.45 of the Listing Rules.

關連交易 (續)

2. 誠如本公司於二零零六年一月四日刊發之公告中所披露，於二零零五年十二月三十日，本公司之全資附屬公司 Hillcrest Development Limited (「Hillcrest」) (作為業主) 與聯合集團 (作為承租人) 就繼續出租位於香港山頂種植道60號之物業作住宅用途一事與聯合集團訂立租賃協議 (「租賃協議」)，租期由二零零六年一月一日起至二零零七年十二月三十一日止，續期兩年，月租為238,000港元 (不包括差餉及管理費)。Hillcrest持有此項物業作投資用途。租金乃按現行市值租金釐訂，並經第一太平戴維斯 (香港) 有限公司 (「戴維斯」) 於二零零五年十二月十九日審閱。戴維斯乃一所獨立之國際物業顧問公司，根據上市規則，並非本公司之關連人士。由於聯合集團為本公司之控股股東及最終控股公司，因此，根據上市規則第14A.34條，續訂租賃構成本公司之持續關連交易，並獲豁免遵守獨立股東批准之規定。

根據上市規則第14A.37條，獨立非執行董事已審閱有關訂立租賃協議之交易，並確認該交易乃：

- (i) 於本公司之一般及日常業務範圍內訂立；
- (ii) 按一般商業條款進行；及
- (iii) 根據規管該交易之租賃協議條款及按公平合理且符合本公司股東之整體利益而訂立。

根據上市規則第14A.38條規定，董事會聘用本公司核數師為上述持續關連交易履行若干已協定之程序。核數師已向董事會報告該等程序之實際發現。

根據上市規則第14A.34條，租賃協議之詳情及年度上限2,856,000港元須按上市規則第14A.45條之規定列載於本報告內。



CONNECTED TRANSACTIONS (CONT'D)

3. As disclosed in the joint announcement of the Company, Allied Group and Sun Hung Kai dated 19th June, 2006 and in the circular of the Company dated 30th June, 2006, an agreement for sale and purchase dated 13th June, 2006 (the "S&P Agreement") was entered into between (i) AGCH as the vendor; (ii) Allied Group as the warrantor; (iii) Swan Islands, a wholly-owned subsidiary of Sun Hung Kai as the purchaser; and (iv) Sun Hung Kai as the guarantor in relation to the conditional sale and purchase of the entire issued share capital of UAF Holdings and the assignment of the shareholder's loan advanced by AGCH to UAF Holdings for an aggregate consideration of HK\$4,328,000,000 which, pursuant to the S&P Agreement, was to be settled as follows:

- (i) HK\$1,528,000,000 in cash, payable on completion; and
- (ii) the balance by way of the creation and issue by Swan Islands of bonds to AGCH (or its nominees) on completion. The principal terms of the bonds are as follows:

Total principal amount :	HK\$2,800,000,000
Term :	three years from the date of issue
Interest :	simple interest at the rate of 1% above HIBOR per annum, payable half-yearly in arrears from the date of issue
Redemption :	<ul style="list-style-type: none"> – redeemable, at the option of Swan Islands, partially in an amount of not less than HK\$100,000,000 for each partial early redemption, at any time during the term of the bonds (or as extended), by giving AGCH one month's prior written notice of each partial early redemption – redeemable in full upon the occurrence of an event of default under the terms and conditions of the bonds (including, without limitation, the liquidation or winding-up of Swan Islands), or upon expiration of the term of the bonds (or as extended), if not already redeemed

關連交易(續)

3. 誠如本公司、聯合集團及新鴻基於二零零六年六月十九日刊發之聯合公告及本公司於二零零六年六月三十日刊發之通函中披露，(i) AGCH 作為賣方；(ii) 聯合集團（作為保證人）；(iii) Swan Islands，為新鴻基之全資附屬公司，作為買方；及(iv) 新鴻基（作為擔保人）於二零零六年六月十三日訂立一項買賣協議（「買賣協議」），關於有條件買賣UAF Holdings全部已發行股本及轉讓由AGCH墊支予UAF Holdings之股東貸款，總代價為4,328,000,000港元。根據買賣協議，總代價按下列方式支付：

- (i) 須於完成時以現金支付1,528,000,000港元；及
- (ii) 餘額由Swan Islands於完成時以設立及發行債券予AGCH（或其代理人）之方式支付。債券之主要條款如下：

本金總額 :	2,800,000,000 港元
年期 :	由發行日期起計三年
利息 :	年息按香港銀行同業拆息加一厘以單息利率計算，由發行日期起每半年派息一次
贖回 :	<ul style="list-style-type: none"> – Swan Islands可向AGCH發行一個月事先書面通知，於債券期限（或經延長之期間）內任何時間選擇提早贖回部份債券，惟每次提早贖回之金額不得少於100,000,000港元 – 根據債券之條款及條件，在發生失責事件（包括但不限於Swan Islands解散或清盤）時全部贖回，或在債券期限（或經延長之期間）屆滿時（倘債券仍未被贖回）全部贖回

CONNECTED TRANSACTIONS (CONT'D)

3. (ii) (Cont'd)

- Option to extend : exercisable by Sun Hung Kai and Swan Islands on reasonable market terms above HIBOR prevailing at the time, for a further term of three years from the expiry date of the initial term of the bonds
- Transferability : transferable by mutual agreement
- Security : secured by a mortgage over the one sale share being the entire issued share capital of UAF Holdings

Completion of the S&P Agreement was subject to, amongst other things, the approval of the independent shareholders of the Company and Sun Hung Kai, as well as the approval of the shareholders of Allied Group, in accordance with the applicable requirements under the Listing Rules. Completion took place on 24th August, 2006 as announced in the joint announcement of the Company, Allied Group and Sun Hung Kai dated 25th August, 2006. The payment method of the cash portion of the consideration was agreed as follows:

- (i) HK\$628,000,000 was paid in cash by Swan Islands to AGCH on completion; and
- (ii) payment of the remaining HK\$900,000,000, which was not immediately required by Allied Group or AGCH in cash, was extended to any time on or before 31st December, 2006.

As announced in another joint announcement of the Company, Allied Group and Sun Hung Kai dated 27th December, 2006, the payment method of the remaining HK\$900,000,000 of the cash portion of the consideration was further agreed as follows:-

- (i) HK\$200,000,000 would be paid in cash by Swan Islands to AGCH on or before 31st December, 2006; and
- (ii) payment of the remaining HK\$700,000,000 was extended to any time on or before 30th June, 2007 (or such other time as may be agreed between AGCH and Swan Islands).

The Sun Hung Kai group would apply the monies not immediately payable by Swan Islands to AGCH to fund its business operations, other than for new investments, in particular the provision of margin financing facilities to subscribers in initial public offerings.

關連交易(續)

3. (ii) (續)

- 續期選擇權 : 新鴻基及Swan Islands可按合理之市場條款以高於當時之香港銀行同業拆息行使續期權，將債券初步年期之到期日延長三年
- 可轉讓性 : 在雙方同意下可予轉讓
- 抵押 : 以銷售股份(為UAF Holdings全部已發行股本)之按揭作抵押

根據上市規則之適用規定，買賣協議須待(其中包括)本公司及新鴻基之獨立股東批准；以及聯合集團之股東批准後，方告完成。誠如本公司、聯合集團及新鴻基於二零零六年八月二十五日刊發之聯合公告宣佈，買賣協議已於二零零六年八月二十四日完成。代價之現金部份之協定付款方法如下：

- (i) Swan Islands於完成時向AGCH以現金支付628,000,000港元；及
- (ii) 其餘900,000,000港元(聯合集團或AGCH並不即時需要之現金)已協定延後至二零零六年十二月三十一日或之前任何時間支付。

誠如本公司、聯合集團及新鴻基於二零零六年十二月二十七日另行刊發之聯合公告宣佈，代價現金部份之餘額900,000,000港元之付款方法進一步協定如下：—

- (i) Swan Islands於二零零六年十二月三十一日或之前向AGCH以現金支付200,000,000港元；及
- (ii) 其餘700,000,000港元延後至二零零七年六月三十日或之前(或AGCH與Swan Islands可能協定之其他時間)任何時間內支付。

新鴻基集團將動用Swan Islands毋須即時支付予AGCH之款項，作為其業務營運(新投資除外)之資金，特別是為首次公開招股之認購人提供證券放款。

CONNECTED TRANSACTIONS (CONT'D)

3. (Cont'd)

It was the intention of the Sun Hung Kai group to increase its degree of participation in the continuing growth of the Hong Kong economy by way of a further expansion of its loan and consumer finance business. This objective might be pursued by increasing its investment in the group of UAF (through UAF Holdings) companies from an approximately 7.27% to 58.18% interest. It was also expected that following completion of the S&P Agreement, the Sun Hung Kai group would be in a position to consolidate its loan and financial services businesses, thereby expanding its overall market share through the ability to provide a wide range of finance products and other related services.

As AGCH is a wholly-owned subsidiary of Allied Group which, in turn, is a substantial shareholder of the Company, it is a connected person of the Company as defined in the Listing Rules resulting in the entering into the S&P Agreement constituting a connected transaction for the Company and requires approval of the independent shareholders of the Company under Chapter 14A of the Listing Rules. An Extraordinary General Meeting of the Company was duly convened and held on 9th August, 2006 at which the relevant resolution was duly passed by the independent shareholders pursuant to the requirements under Chapter 14A of the Listing Rules. In accordance with Rule 14A.45 of the Listing Rules, details of the S&P Agreement are required to be included in this report.

EMOLUMENT POLICY

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in note 14 to the consolidated financial statements.

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

The emoluments payable to Directors of the Company will depend on their respective contractual terms under their employment contracts or service contracts as approved by the Board on the recommendation of the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities during the year.

關連交易(續)

3. (續)

新鴻基集團有意透過進一步擴充其貸款及私人財務業務，以分享香港經濟持續增長之成果。此目標可藉著透過UAF Holdings增持其於UAF集團公司約7.27%權益之投資至58.18%達成。新鴻基集團更預期，於完成買賣協議後，新鴻基集團將可鞏固其貸款及金融服務業務，從而透過提供廣泛之金融產品及其他相關服務擴大其整體市場佔有率。

由於AGCH為聯合集團之全資附屬公司，而聯合集團為本公司之主要股東，因此彼為本公司之關連人士(定義見上市規則)，故根據上市規則第14A章，訂立買賣協議構成本公司一項關連交易。本公司已根據上市規則第14A章於二零零六年八月九日正式召開及舉行股東特別大會，會上已獲獨立股東正式通過有關決議案。根據上市規則第14A.45條之規定，有關買賣協議之詳情須收錄於本報告內。

薪酬政策

董事酬金及本集團五名最高薪酬人士之酬金詳情載於綜合財務報表附註第14項。

執行委員會按本集團僱員之功績、資歷及能力制訂本集團僱員之薪酬政策。

應付本公司董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按各自之僱傭合約或服務合約內之條款及按本公司經營業績、個人表現及比較市場統計數字而釐定。

購回、出售或贖回證券

本公司或其任何附屬公司概無於本年度內購回、出售或贖回本公司之任何證券。



DONATIONS

The Group made charitable donations of HK\$172,000 during the year.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 22 to 33.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained sufficient public float as required under the Listing Rules.

AUDITORS

A resolution will be submitted to the AGM of the Company to re-appoint Deloitte as the auditors of the Company.

On behalf of the Board



Arthur George Dew
Chairman
Hong Kong, 16th April, 2007

董事會報告(續)

捐款

本集團於本年度內之慈善捐款為 172,000 港元。

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規之資料，載於第22至33頁「企業管治報告」內。

足夠之公眾持股量

於本報告日，按本公司可以得悉之公開資料所示及就董事所知悉，本公司已維持上市規則所規定之足夠公眾持股量。

核數師

本公司將於股東週年大會上提呈決議案重新委聘德勤連任為本公司之核數師。

代表董事會



主席
狄亞法
香港，二零零七年四月十六日



TO THE MEMBERS OF ALLIED PROPERTIES (H.K.) LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Allied Properties (H.K.) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 47 to 144, which comprise the consolidated and Company balance sheets as at 31st December, 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

致聯合地產(香港)有限公司各股東
(於香港註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第47至144頁聯合地產(香港)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括 貴公司於二零零六年十二月三十一日的綜合資產負債表與截至該日止年度的綜合收益賬,綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製真實及公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製真實及公平地列報綜合財務報表相關的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見,並按照香港公司條例第141條僅向作為整體之股東報告,除此之外,本報告不可用作其他用途。我們不會就本報告的內容對任何其他人士負上或承擔任何責任。我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,籍以可合理確定此等綜合財務報表是否不存在有任何重大錯誤陳述。


審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定之程序取決於核數師的判斷,包括評估是否由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時,核數師考慮與該公司編製真實及公平地列報綜合財務報表相關的內部控制,以設計適當之審核程序,但並非為對公司的內部控制效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性,以及評價綜合財務報表的整體列報方式。

我們相信,我們所獲得的審核憑證乃充足及適當為我們的審核意見提供基礎。



OPINION

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2006 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Deloitte Touche Tohmatsu
Certified Public Accountants
 Hong Kong, 16th April, 2007

意見

我們認為，綜合財務報表已根據香港財務報告準則真實及公平地反映 貴公司及 貴集團於二零零六年十二月三十一日的事務狀況以及截至該日止年度的溢利及現金流量，並已按照香港公司條例妥為編製。



德勤•關黃陳方會計師行
執業會計師
 香港，二零零七年四月十六日

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Note 2) (附註2)
Revenue	收益	7 & 8	2,166,396	964,603
Other income	其他收入		198,823	94,564
Total income	總收入		2,365,219	1,059,167
Cost of sales and other direct costs	銷售成本及其他直接成本		(266,727)	(79,612)
Brokerage and commission expenses	經紀費及佣金開支		(225,513)	(141,463)
Selling and marketing expenses	銷售開支及市場推廣開支		(20,610)	(17,179)
Administrative expenses	行政開支		(648,090)	(351,374)
Profit on deemed disposal of partial interests in subsidiaries	視作為出售附屬公司部份權益之溢利	9	307,326	—
Changes in values of properties	物業價值變動	10	254,292	608,686
Net loss on deemed disposal of partial interests in listed associates	視作為出售上市聯營公司部份權益之虧損淨額	11	(80,932)	—
Impairment loss recognised in respect of available-for-sale financial assets	就可供出售金融資產已確認之減值虧損	12	(58,203)	(14,411)
Bad and doubtful debts	呆壞賬	13	(52,780)	(12,042)
Other operating expenses	其他經營開支		(91,567)	(94,932)
Finance costs	融資成本	15	(278,612)	(96,778)
Share of results of associates	應佔聯營公司業績		8,982	150,388
Share of results of jointly controlled entities	應佔共同控制企業業績		159,987	105,298
Profit before taxation	除稅前溢利	16	1,372,772	1,115,748
Taxation	稅項	17	(63,623)	(79,306)
Profit for the year	本年度溢利		1,309,149	1,036,442
Attributable to:	應佔方：			
Equity holders of the Company	本公司股東		1,070,222	935,342
Minority interests	少數股東權益		238,927	101,100
			1,309,149	1,036,442
Earnings per share	每股盈利	18		
Basic	基本		HK\$1.99 港元	HK\$1.74 港元
Diluted	攤薄		HK\$1.97 港元	HK\$1.74 港元

at 31st December, 2006

於二零零六年十二月三十一日

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Note 2) (附註2)
Non-current assets	非流動資產			
Investment properties	投資物業	20	2,959,300	2,784,100
Property, plant and equipment	物業、廠房及設備	21	365,583	209,419
Prepaid land lease payments	預繳地價	22	283,032	287,367
Goodwill	商譽	23	3,567,585	—
Intangible assets	無形資產	24	27,200	22,586
Interests in associates	於聯營公司之權益	27	2,521,862	2,645,475
Interests in jointly controlled entities	於共同控制企業之權益	28	914,092	866,394
Available-for-sale financial assets	可供出售金融資產	29	1,060,578	993,139
Statutory deposits	法定按金		78,687	32,831
Amounts due from associates	聯營公司欠款	30	78,000	78,000
Loans and advances to consumer finance customers due after one year	一年後到期之私人財務客戶 貸款及墊款	31	1,156,998	—
Loans and receivables	貸款及應收賬款	32	33,603	124,306
Deferred tax assets	遞延稅項資產	33	47,709	4,143
			13,094,229	8,047,760
Current assets	流動資產			
Properties held for sale and other inventories	待出售物業及 其他存貨	34	525,000	520,950
Financial assets at fair value through profit or loss	透過損益賬按公平價值 處理之金融資產	35	363,384	179,204
Prepaid land lease payments	預繳地價	22	4,378	4,420
Loans and advances to consumer finance customers due within one year	一年內到期之私人財務客戶 貸款及墊款	31	1,654,167	—
Accounts receivable, deposits and prepayments	應收賬款、按金及 預付款項	36	3,741,396	2,367,044
Amounts due from associates	聯營公司欠款	30	80,702	316,966
Amount due from a jointly controlled entity	一間共同控制企業 欠款		2,185	2,159
Tax recoverable	可收回稅項		2,660	3,842
Short-term pledged bank deposit	短期銀行抵押存款		1,000	972
Cash and cash equivalents	現金及現金等價物	37	1,455,569	481,196
			7,830,441	3,876,753
Current liabilities	流動負債			
Accounts payable and accrued charges	應付賬款及應計費用	38	1,532,185	1,031,946
Financial liabilities at fair value through profit or loss	透過損益賬按公平價值處理 之金融負債	43	1,972	17,756
Amount due to ultimate holding company	欠最終控股公司款項		10,919	8,183
Amount due to a fellow subsidiary	欠一間同系附屬公司款項		804,226	—
Amounts due to associates	欠聯營公司款項		12,527	62,828
Amount due to a jointly controlled entity	欠一間共同控制企業款項		79,063	81,063
Tax payable	應付稅項		74,874	13,489
Bank and other borrowings due within one year	一年內到期之銀行及其他 借貸	44	1,534,570	950,233
Provisions	撥備	48	77,684	33,366
Other liabilities due within one year	一年內到期之其他負債	49	861	—
			4,128,881	2,198,864
Net current assets	流動資產淨值		3,701,560	1,677,889
Total assets less current liabilities	總資產減流動負債		16,795,789	9,725,649

at 31st December, 2006

於二零零六年十二月三十一日

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Note 2) (附註2)
Capital and reserves	股本及儲備			
Share capital	股本	40	1,074,599	1,074,303
Reserves	儲備	41	7,293,770	5,996,232
Equity attributable to equity holders of the Company	本公司股東應佔權益		8,368,369	7,070,535
Minority interests	少數股東權益		3,939,790	1,481,741
Total equity	權益總額		12,308,159	8,552,276
Non-current liabilities	非流動負債			
Bank and other borrowings due after one year	一年後到期之銀行及其他借貸	44	919,151	875,763
Loan notes	貸款票據	45	66,639	64,252
Bonds	債券	46	2,800,000	—
Convertible bonds	可換股債券	47	479,783	—
Deferred tax liabilities	遞延稅項負債	33	220,869	230,615
Provisions	撥備	48	1,180	1,769
Other liabilities due after one year	一年後到期之其他負債	49	8	974
			4,487,630	1,173,373
			16,795,789	9,725,649

The consolidated financial statements on pages 47 to 144 were approved and authorised for issue by the Board of Directors on 16th April, 2007, and are signed on its behalf by:

第47至144頁之綜合財務報表經董事會於二零零七年四月十六日批准及授權刊發，並由下列董事代表簽署：



Arthur George Dew
狄亞法
Director
董事



Patrick Lee Seng Wei
李成偉
Director
董事

Balance Sheet

資產負債表

at 31st December, 2006

於二零零六年十二月三十一日

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current assets	非流動資產			
Intangible assets	無形資產	24	510	510
Investments in subsidiaries	於附屬公司之投資	25	14	14
Amounts due from subsidiaries	附屬公司欠款	26	–	3,231,969
			524	3,232,493
Current assets	流動資產			
Accounts receivable, deposits and prepayments	應收賬款、按金及 預付款項		1,709	475
Amounts due from subsidiaries	附屬公司欠款	26	3,645,760	–
Cash and cash equivalents	現金及現金等價物	37	236,579	159
			3,884,048	634
Current liabilities	流動負債			
Accounts payable and accrued charges	應付賬款及應計費用		6,721	780
Amount due to ultimate holding company	欠最終控股公司款項		10,919	8,184
Amounts due to subsidiaries	欠附屬公司款項	42	226,622	–
Bank and other borrowings due within one year	一年內到期之銀行及 其他借貸	44	–	3,115
			244,262	12,079
Net current assets (liabilities)	流動資產(負債)淨額		3,639,786	(11,445)
Total assets less current liabilities	總資產減流動負債		3,640,310	3,221,048
Capital and reserves	股本及儲備			
Share capital	股本	40	1,074,599	1,074,303
Reserves	儲備	41	2,046,504	1,771,589
Total equity	權益總額		3,121,103	2,845,892
Non-current liabilities	非流動負債			
Amounts due to subsidiaries	欠附屬公司款項	42	29,167	375,156
Convertible bonds	可換股債券	47	479,783	–
Deferred tax liability	遞延稅項負債	33	10,257	–
			519,207	375,156
			3,640,310	3,221,048



Arthur George Dew
狄亞法
Director
董事



Patrick Lee Seng Wei
李成偉
Director
董事

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股東應佔										
		Share capital 股本	Share premium 股份溢價	Investment revaluation reserve 投資重估儲備	Capital redemption reserve 資本贖回儲備	Translation reserve 匯兌儲備	Capital reserve 資本儲備	Accumulated profits 累計溢利	Dividend reserve 股息儲備	Total 總計	Minority interests 少數股東權益	Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January, 2005	於二零零五年一月一日	1,074,303	516,644	245,487	72,044	(109,984)	2,810	4,062,356	26,858	5,890,518	1,319,438	7,209,956
Gain on fair value changes of available-for-sale financial assets	可供出售金融資產公平價值變更之盈利	-	-	255,662	-	-	-	-	-	255,662	85,266	340,928
Deferred tax arising on revaluation of assets	重估資產產生之遞延稅項	-	-	61	-	(124)	-	-	-	(63)	(21)	(84)
Exchange differences arising on translation of operations outside Hong Kong	折算香港以外地區業務賬項而產生之匯兌差額	-	-	-	-	246	-	-	-	246	143	389
Share of post-acquisition reserve movements of associates	應佔聯營公司收購後儲備變動	-	-	7,723	-	19,551	1,754	-	-	29,028	9,681	38,709
Share of post-acquisition reserve movements of jointly controlled entities	應佔共同控制企業收購後儲備變動	-	-	-	-	3,566	-	-	-	3,566	-	3,566
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	263,446	-	23,239	1,754	-	-	288,439	95,069	383,508
Profit attributable to equity holders	股東應佔溢利	-	-	-	-	-	-	935,342	-	935,342	101,100	1,036,442
Released on disposal of available-for-sale financial assets	於出售可供出售金融資產時轉撥	-	-	(29,101)	-	-	-	-	-	(29,101)	(9,705)	(38,806)
Impairment loss of available-for-sale financial assets transferred to income statement	轉撥至收益賬之可供出售金融資產減值虧損	-	-	10,807	-	-	-	-	-	10,807	3,604	14,411
Released on disposal of jointly controlled entities	於出售共同控制企業時轉撥	-	-	-	-	(8)	-	-	-	(8)	(3)	(11)
Total recognised income for the year	年內已確認收入總額	-	-	245,152	-	23,231	1,754	935,342	-	1,205,479	190,065	1,395,544
Unclaimed dividend	未領股息	-	-	-	-	-	-	1,396	-	1,396	466	1,862
Transferred from accumulated profits to capital reserve	轉撥自累計溢利至資本儲備	-	-	-	-	-	263	(263)	-	-	-	-
Dividend paid	已付股息	-	-	-	-	-	-	-	(26,858)	(26,858)	-	(26,858)
Proposed final dividend	擬派末期股息	-	-	-	-	-	-	(53,715)	53,715	-	-	-
Dividend distribution to minority interests	分派予少數股東權益之股息	-	-	-	-	-	-	-	-	-	(28,228)	(28,228)
At 31st December, 2005	於二零零五年十二月三十一日	1,074,303	516,644	490,639	72,044	(86,753)	4,827	4,945,116	53,715	7,070,535	1,481,741	8,552,276

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股東應佔												
		Convertible bonds equity reserve			Property revaluation reserve	Investment revaluation reserve	Capital redemption reserve	Translation reserve	Capital reserve	Accumulated profits	Dividend reserve	Total	Minority interests	Total equity
		Share capital	Share premium	可換股債券股本儲備	物業重估儲備	投資重估儲備	資本贖回儲備	匯兌儲備	資本儲備	累計溢利	股息儲備	總計	少數股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January, 2006	於二零零六年一月一日	1,074,303	516,644	-	-	490,639	72,044	(86,753)	4,827	4,945,116	53,715	7,070,535	1,481,741	8,552,276
Surplus arising on revaluation	重估盈餘	-	-	-	30,020	375,376	-	-	-	-	-	405,396	180,387	585,783
Deferred tax	遞延稅項	-	-	-	(5,252)	(42)	-	102	-	-	-	(5,192)	38	(5,154)
Exchange differences arising on translation of overseas operations	折算海外業務賬項而產生之匯兌差額	-	-	-	-	-	-	1,811	-	-	-	1,811	485	2,296
Share of reserves of associates	應佔聯營公司儲備	-	-	-	907	2,432	-	39,556	102	-	-	42,997	24,062	67,059
Share of reserves of jointly controlled entities	應佔共同控制企業儲備	-	-	-	-	(53)	-	7,081	-	-	-	7,028	-	7,028
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	-	25,675	377,713	-	48,550	102	-	-	452,040	204,972	657,012
Profit attributable to equity holders	股東應佔溢利	-	-	-	-	-	-	-	-	1,070,222	-	1,070,222	238,927	1,309,149
Released on disposal of available-for-sale financial assets	於出售可供出售金融資產時轉撥	-	-	-	-	(89,315)	-	-	-	-	-	(89,315)	(40,501)	(129,816)
Released on deemed disposal of partial interests in listed associates	於視為出售上市聯營公司股份權益時轉撥	-	-	-	-	(374)	-	(3,549)	(2,646)	-	-	(6,569)	(4,125)	(10,694)
Total recognised income for the year	年內已確認收入總額	-	-	-	25,675	288,024	-	45,001	(2,544)	1,070,222	-	1,426,378	399,273	1,825,651
Purchase of subsidiaries	收購附屬公司	-	-	-	-	(137,453)	-	-	-	12,478	-	(124,975)	915,195	790,220
Issue of convertible bonds	發行可換股債券	-	-	58,981	-	-	-	-	-	-	-	58,981	-	58,981
Deferred tax arising on issue of convertible bonds	發行可換股債券產生之遞延稅項	-	-	(10,321)	-	-	-	-	-	-	-	(10,321)	-	(10,321)
Exercise of warrants	行使認股權證	296	1,180	-	-	-	-	-	-	-	-	1,476	-	1,476
Decrease in minority interests due to further acquisition of shares of a subsidiary	因進一步收購一間附屬公司股份引致少數股東權益減少	-	-	-	-	-	-	-	-	-	-	-	(205,405)	(205,405)
Increase in minority interests due to placing and subscription of shares of a subsidiary	因配售及認購一間附屬公司股份引致少數股東權益增加	-	-	-	-	-	-	-	-	-	-	-	1,398,310	1,398,310
Deemed disposal of a subsidiary	視為出售一間附屬公司	-	-	-	-	-	-	-	-	-	-	-	11,993	11,993
Transferred from accumulated profits to capital reserve	轉撥自累計溢利至資本儲備	-	-	-	-	-	-	-	18	(18)	-	-	-	-
Unclaimed dividend written back	未領取之股息撥回	-	-	-	-	-	-	-	-	10	-	10	5	15
Dividend paid	已付股息	-	-	-	-	-	-	-	-	-	(53,715)	(53,715)	-	(53,715)
Proposed final dividend	擬派末期股息	-	-	-	-	-	-	-	-	(80,595)	80,595	-	-	-
Dividend distribution to minority interests	分派予少數股東權益之股息	-	-	-	-	-	-	-	-	-	-	-	(61,322)	(61,322)
At 31st December, 2006	於二零零六年十二月三十一日	1,074,599	517,824	48,660	25,675	641,210	72,044	(41,752)	2,301	5,947,213	80,595	8,368,369	3,939,790	12,308,159

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Operating activities	經營業務		
Profit for the year	本年度溢利	1,309,149	1,036,442
Adjustments for :	調整項目 :		
Finance costs	融資成本	278,612	96,778
Net loss on deemed disposal of partial interests in listed associates	視作為出售上市聯營公司部份權益之虧損淨額	80,932	—
Taxation	稅項	63,623	79,306
Impairment loss recognised in respect of available-for-sale financial assets	就可供出售金融資產已確認之減值虧損	58,203	14,411
Bad and doubtful debts	呆壞賬	52,780	12,042
Depreciation of property, plant and equipment	物業、廠房及設備折舊	29,917	24,479
Recognition (reversal) of impairment loss of properties held for sale	確認(撥回)待出售物業之減值虧損	5,900	(47,452)
Impairment loss recognised in respect of other financial assets	其他金融資產已確認之減值虧損	5,234	—
Amortisation of prepaid land lease payments	預繳地價攤銷	4,378	4,401
Amortisation of intangible assets	無形資產攤銷	4,225	3,662
Impairment loss recognised in respect of intangible assets	無形資產已確認之減值虧損	1,523	980
Impairment loss recognised in respect of hotel property	酒店物業已確認之減值虧損	1,072	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	604	671
Loss (profit) on disposal of an investment property	出售投資物業之虧損(溢利)	146	(2,061)
Impairment loss recognised in respect of goodwill of associates	聯營公司商譽已確認之減值虧損	—	13,323
Impairment loss recognised in respect of an associate	一間聯營公司已確認之減值虧損	—	4,981
Impairment loss recognised in respect of goodwill of a subsidiary	一間附屬公司商譽已確認之減值虧損	—	267
Profit on deemed disposal of partial interests in subsidiaries	視作為出售附屬公司部份權益之溢利	(307,326)	—
Increase in fair value of investment properties	投資物業公平價值增加	(261,264)	(522,250)
Share of results of jointly controlled entities	應佔共同控制企業業績	(159,987)	(105,298)
Profit on disposal of available-for-sale financial assets	出售可供出售金融資產之溢利	(149,045)	(56,748)
Net unrealised profit on financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產之未變現溢利淨額	(61,109)	(590)
Discount on acquisition of associates	收購聯營公司之折讓	(21,634)	—

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Share of results of associates	應佔聯營公司業績	(8,982)	(150,388)
Profit on disposal of a subsidiary	出售一間附屬公司之溢利	(8,640)	–
Reversal of impairment loss of properties held for development	撥回待發展物業之減值	–	(34,700)
Profit on disposal/deemed disposal of a jointly controlled entity	出售／視作出售一間共同控制企業之溢利	–	(1,219)
Reversal of impairment loss of property, plant and equipment	撥回物業、廠房及設備減值虧損	–	(604)
Reversal of impairment loss of intangible assets	撥回無形資產減值虧損	–	(320)
Excess of carrying value over consideration arising from acquisition of subsidiaries	因收購附屬公司產生賬面值高於代價之差額	–	(199)
Operating cash flow before movements in working capital	未計營運資金變動之經營業務現金流量	918,311	369,914
Increase in loans and advances to consumer finance customers	私人財務客戶貸款及墊款增加	(194,721)	–
Increase in loans and receivables	貸款及應收賬款增加	(27,317)	–
(Increase) decrease in properties held for sale and other inventories	待出售物業及其他存貨(增加)減少	(683)	7
Increase in financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產增加	(112,736)	(127,651)
Increase in accounts receivable, deposits and prepayments	應收賬款、按金及預付款項增加	(944,067)	(277,130)
Increase (decrease) in accounts payable and accrued charges	應付賬款及應計費用增加(減少)	265,529	(82,591)
(Decrease) increase in financial liabilities at fair value through profit or loss	透過損益賬按公平價值處理之金融負債(減少)增加	(15,784)	17,756
Increase in amount due to ultimate holding company	欠最終控股公司款項增加	2,736	2,089
Increase (decrease) in provisions and other liabilities	撥備及其他負債增加(減少)	39,374	(9,606)
Cash used in operations	經營所用之現金	(69,358)	(107,212)
Interest paid	已付利息	(207,280)	(85,689)
Hong Kong Profits Tax paid	已付香港利得稅	(119,279)	(39,752)
Tax outside Hong Kong paid	已付香港以外稅項	–	(341)
Hong Kong Profits Tax refunded	已返還香港利得稅	23	–
Net cash used in operating activities	經營業務所用之現金淨額	(395,894)	(232,994)

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	Notes 附註			
Investing activities		投資業務		
Proceeds on disposal of available-for-sale financial assets		出售可供出售金融資產所得款項	203,103	113,923
Disposal of a subsidiary (net of cash disposal)	51	出售一間附屬公司 (扣除出售現金)	14,908	—
Proceeds on disposal of an investment property		出售投資物業所得款項	13,854	14,661
Amounts repaid by associates		聯營公司還款	11,524	13,063
Dividends received from associates		來自聯營公司之股息	9,770	8,162
Amounts repaid by jointly controlled entities		共同控制企業還款	4,938	2,751
Decrease in available-for-sale financial assets		可供出售金融資產減少	4,209	5,620
Proceeds on disposal of property, plant and equipment		出售物業、廠房及設備所得款項	352	142
Proceeds on disposal of intangible assets		出售無形資產所得款項	190	—
Acquisition of additional interests in subsidiaries		收購附屬額外權益	(298,013)	—
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	50	收購附屬公司 (扣除已購入之現金及現金等價物)	(280,495)	(62,416)
Acquisition of additional interests in associates		收購聯營公司額外權益	(97,544)	(5,592)
Net payment of statutory deposits		法定按金支付淨額	(45,856)	(4,472)
Purchase of available-for-sale financial assets		購入可供出售金融資產	(34,576)	(705)
Purchase of property, plant and equipment		購入物業、廠房及設備	(31,590)	(19,472)
Additions to intangible assets		添置無形資產	(10,528)	(5,962)
Amount advanced to an associate		墊款予一間聯營公司	(4,997)	(6)
Amount advanced to a jointly controlled entity		墊款予一間共同控制企業	(4,964)	(2,870)
Additions to investment properties		添置投資物業	(245)	(2,605)
(Increase) decrease in pledged bank deposit		銀行抵押存款 (增加) 減少	(28)	248
Net cash (used in) generated from investing activities		投資業務 (所用) 產生之現金淨額	(545,988)	54,470

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Financing activities	融資業務		
Net proceeds received from issue of shares of the Company	發行本公司股份所得款項淨額	1,476	—
Net proceeds received from issue of shares by a subsidiary	一間附屬公司發行股份所得款項淨額	1,715,033	—
New bank loans raised	籌集所得新造銀行貸款	593,349	359,000
Net proceeds received from issue of convertible bonds	發行可換股債券所得款項淨額	533,161	—
Amount advanced by a jointly controlled entity	一間共同控制企業墊款	118,000	—
Amounts advanced by associates	聯營公司墊款	100	426
Repayment of bank loans	償還銀行貸款	(510,520)	(207,883)
Repayment of amounts due to a fellow subsidiary	償還欠一間同系附屬公司款項	(200,000)	—
Payment to minority interests	予少數股東權益之付款	(172,351)	(48)
Dividends paid by subsidiaries to minority interests	附屬公司向少數股東權益派付之股息	(61,322)	(28,228)
Dividend paid	已付股息	(53,715)	(26,858)
Amounts repaid to associates	償還聯營公司款項	(160)	—
Repurchase of loan notes	購回貸款票據	—	(60,000)
Net cash from financing activities	融資業務產生之現金淨額	1,963,051	36,409
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加(減少)淨額	1,021,169	(142,115)
Effect of foreign exchange rate changes	匯率變動之影響	1,314	(78)
Cash and cash equivalents at the beginning of the year	於年初之現金及現金等價物	398,156	540,349
Cash and cash equivalents at the end of the year	於年末之現金及現金等價物	1,420,639	398,156
Analysis of the cash and cash equivalents	現金及現金等價物結存之分析		
Cash and cash equivalents	現金及現金等價物	1,455,569	481,196
Bank overdrafts	銀行透支	(34,930)	(83,040)
		1,420,639	398,156

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

1. GENERAL

The Company is a listed public limited company incorporated in the Hong Kong Special Administrative Region ("Hong Kong"). Its ultimate holding company is Allied Group Limited ("AGL"), a listed public limited company which is also incorporated in Hong Kong.

The address of the registered office and principal place of business of the Company is 22/F Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

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

The Company acts as an investment holding company. The principal activities of its principal subsidiaries, associates and jointly controlled entities are set out in notes 61, 62 and 63 respectively.

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

(i) Application of new and revised Hong Kong Financial Reporting Standards

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

(ii) Changes in presentation – Hong Kong Accounting Standard 1 "Presentation of Financial Statements"

In the current year, the amounts due from associates previously included in "interests in associates" of HK\$64,582,000, loans and receivables of HK\$78,000,000 and accounts receivable, deposits and prepayments of HK\$245,000,000 are presented as separate line items in the consolidated balance sheet. Also, certain comparative figures have been reclassified and certain notes to the consolidated financial statements have been merged, split or expanded to conform with current year's presentation.

1. 簡介

本公司為一間在香港特別行政區（「香港」）註冊成立之公眾上市有限公司，其最終控股公司為聯合集團有限公司（「聯合集團」），聯合集團亦為一間在香港註冊成立之公眾上市有限公司。

本公司註冊辦事處及主要營業地址為香港灣仔告士打道138號聯合鹿島大廈22樓。

綜合財務報表以港元列示，港元亦為本公司之功能貨幣。

本公司乃一間控股投資公司，其主要附屬公司、聯營公司及共同控制企業之主要業務分別列於附註第61、62及63項。

2. 採用新增及修訂之香港財務報告準則（「香港財務報告準則」）及呈列方式變更

(i) 採用新增及修訂之香港財務報告準則

於本年度，本集團首次採用香港會計師公會（「會計師公會」）所頒佈對於二零零五年十二月一日或二零零六年一月一日或其後開始之會計期間生效之多項新準則、修訂或詮釋（「新財務報告準則」）。採納新財務報告準則對現時或過去會計期間之業績及財政狀況的編製及呈列方式並無重大影響。因此，無需對過往期間進行調整。

(ii) 呈列方式變更 – 香港會計準則第1號「財務報表之呈列」

於本年度，之前列入於聯營公司之權益、貸款及應收賬款、按金及預付款項分別為64,582,000港元、78,000,000港元及245,000,000港元已於綜合資產負債表內作為單獨項目呈列為聯營公司欠款。此外，若干比較數字已重新分類及若干綜合財務報表之附註已被合併、拆分或擴大以與目前年度之呈列方式一致。

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN PRESENTATION (CONT'D)**2. 採用新增及修訂之香港財務報告準則(「香港財務報告準則」)及呈列方式變更(續)****(iii) Potential impact arising on the new accounting standards not yet effective**

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective and are relevant to the operations of the Group. The Directors of the Company ("Directors") anticipate that the application of these standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives ³
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment ⁴
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions ⁵

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

² Effective for annual periods beginning on or after 1st January, 2009.

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

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

⁵ Effective for annual periods beginning on or after 1st March, 2007.

(iii) 尚未生效之新會計準則產生之潛在影響

本集團並無提早應用下列已頒佈但尚未生效而對本集團之業務有關之新準則、修訂或詮釋。本公司董事(「董事」)預期該等新準則、修訂或詮釋將不會對本集團之業績及財務狀況造成重大影響。

會計準則第1號(修訂本)	資本披露 ¹
香港財務報告準則第7號	金融工具：披露 ¹
香港財務報告準則第8號	經營分部 ²
香港(國際財務報告準則)詮釋第9號	內置衍生工具之重新評估 ³
香港(國際財務報告準則)詮釋第10號	中期財務申報及減值 ⁴
香港(國際財務報告準則)詮釋第11號	香港財務報告準則第2號：集團及庫存股交易 ⁵

¹ 於二零零七年一月一日或之後開始之年度期間開始生效。

² 於二零零九年一月一日或之後開始之年度期間生效。

³ 於二零零六年六月一日或之後開始之全年期間有效。

⁴ 於二零零六年十一月一日或之後開始之全年期間有效。

⁵ 於二零零七年三月一日或之後開始之全年期間有效。

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截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and by the Hong Kong Companies Ordinance.

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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

3. 主要會計政策

編製基準

綜合財務報表乃根據由香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載列香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)及香港公司條例規定之適用披露。

除若干物業及金融工具按公平價值計量外，綜合財務報表乃按歷史成本基準編製，如下列所載之會計政策所解釋。

綜合基準

綜合財務報表包括本公司及本公司控制實體及其附屬公司(當本公司有能力監督一間被投資公司的財務及經營政策以便從其業務中取得利益，則具有控制權。)之財務報表。於年內所收購或出售的附屬公司，其業績均自收購生效日期起或截至出售生效日期止(如適用)計入綜合收益賬內。

於年內所收購或出售的附屬公司，其業績均自收購生效日期起或截至出售生效日期止(如適用)計入綜合收益賬內。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者保持一致。

所有集團內交易、結餘、收入及開支均於綜合賬目時對銷。

綜合附屬公司淨資產內之少數股東權益與本集團所佔之權益分開。少數股東權益包括於原業務合併日期之數額(見下)及自該合併日期以來少數股東應佔之股本變動之該等權益。適用於少數股東的虧損超出於附屬公司權益之少數股東權益之數額撥入本集團之權益計算，惟少數股東具約束力責任及可透過額外投資彌補虧損除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations

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

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

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

When a subsidiary is acquired through more than one exchange transaction, the cost of acquisition is the aggregate cost of the individual transactions, with the cost of each individual transaction determined at the date of each exchange transaction. Each transaction is treated separately to determine the goodwill on that transaction, using cost and fair value information at the date of each exchange transaction.

On acquisition of an additional interest in a subsidiary, the excess of the carrying values of the underlying assets and liabilities attributable to the additional interest over the consideration paid is recognised as a discount on acquisition in the consolidated income statement. Goodwill is recognised as a non-current asset in the consolidated balance sheet for the amount of consideration paid over the carrying values of the underlying assets and liabilities attributable to the additional interests acquired.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less impairment. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

3. 主要會計政策(續)

業務合併

本集團採用收購會計法為其所收購附屬公司列賬。收購成本乃按為換取獲取收購公司控制權而於交換日期所給予資產、所產生或所承擔之責任及本集團發行之股本工具之公平價值總額，加上業務合併之直接應佔成本計算。獲收購公司之可識別資產、負債及或然負債若符合香港財務報告準則第3號「業務合併」之確認條件，則按收購當日之公平價值確認。

收購產生之商譽乃確認為資產並初步按成本(即業務合併成本超出本集團於可識別資產、負債及或然負債之公平淨值所佔權益之部份)釐定。於重新評估後，倘本集團於獲收購公司之已確認可識別資產、負債及或然負債之公平淨值所佔權益高於業務合併之成本，則該等超出之部份即時於損益賬內確認。

獲收購公司之少數股東權益初步按少數股東應佔已確認資產、負債及或然負債之公平淨值之部份計算。

透過多項交換交易收購附屬公司時，收購成本為各項交易之成本總和，而各項交易之成本於交易當日釐定。每項交易單獨處理，以利用交易當日之成本及公平值資料釐定該交易產生之商譽。

收購附屬公司額外權益時，額外權益應佔相關資產及負債之賬面值超過已付代價之部份乃於綜合收益賬內確認為收購折讓。就所收購額外權益已付代價高於應佔相關資產及負債之賬面值之金額乃於綜合資產負債表之非流動資產內確認為商譽。

附屬公司之投資

於附屬公司之投資乃按成本減去減值而列入本公司資產負債表內。附屬公司之業績乃由本公司按已收或應收股息列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interests in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting less any identified impairment loss. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equal or exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses.

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

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

Interests in jointly controlled entities

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using the equity method of accounting less any identified impairment loss. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the jointly controlled entity, less any impairment in the value of individual investments. When the Group's share of losses of jointly controlled entities equal or exceeds the Group's interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses.

3. 主要會計政策(續)

於聯營公司之權益

聯營公司是指本集團可對其發揮重大影響之實體，該種實體既非附屬公司又不是於合營企業之權益。重大影響乃指參與所投資公司之財務及經營政策決策但非控制或共同控制該等政策之權力。

聯營公司之業績、資產及負債乃以權益會計法減任何已確定之減值虧損綜合入綜合財務報表。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該聯營公司之淨資產之收購後變動作出調整及減去任何已識別之減值虧損。若本集團分佔聯營公司之損益及權益等於或超出本集團於該聯營公司之權益(包括實際上構成本集團於該聯營公司之淨投資之任何長期權益)，本集團將終止確認其進一步分佔之虧損。

收購成本超出本集團分佔收購當日在聯營公司之可識別資產、負債及或然負債中所佔公平淨值之任何差額均確認為商譽。商譽乃計入投資之賬面值，並就減值進行評估。本集團分佔可識別資產、負債及或然負債之公平淨值超出收購成本之差額在重新評估後即時在損益賬內確認。

倘集團實體與本集團之聯營公司交易，盈虧於本集團於有關聯營公司之權益中撇銷。

於共同控制企業之權益

合營企業乃一項合約性安排，根據安排，本集團與其他各方共同經營一項各方共同控制之商業活動，而有關該業務之策略性財務及經營政策決策需要共同控制之各方一致同意。

涉及另外建立各合營方均擁有權益之單獨實體之合營企業安排乃列為共同控制企業。本集團採用權益會計法減任何已確定之減值虧損呈列其於共同控制企業之權益。根據權益法，於共同控制企業之投資乃按成本在綜合資產負債表內列賬，並就本集團分佔該共同控制企業之損益及權益之收購後變動作出調整及減去任何於個別投資之減值。若本集團分佔共同控制企業之虧損等於或超出本集團於該共同控制企業之權益(包括任何實際上構成本集團於該共同控制企業之淨投資之任何長期權益)，本集團將終止確認其進一步應佔之虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interests in jointly controlled entities (Cont'd)

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 jointly controlled entity recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. 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.

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

Goodwill and discount on acquisition

Goodwill

Goodwill arising on an acquisition of a subsidiary, an associate or a jointly controlled entity for which the agreement date is on or after 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary, associate or jointly controlled entity at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the balance sheet. Capitalised goodwill arising on an acquisition of an associate or a jointly controlled entity is included in the cost of the investment of the relevant associate or jointly controlled entity.

3. 主要會計政策(續)

於共同控制企業之權益(續)

收購成本超出本集團分佔收購當日在共同控制企業之可識別資產、負債及或然負債中所佔公平淨值之任何差額均確認為商譽。商譽乃計入投資之賬面值，並就減值進行評估。本集團分佔可識別資產、負債及或然負債之公平淨值超出收購成本之差額在重新評估後即時在損益賬內確認。

倘本集團與其共同控制企業交易，未變現盈虧於本集團在該合營企業之權益中撇銷。

商譽及收購折讓

商譽

收購一間附屬公司、聯營公司或共同控制企業(協議日期為於二零零五年一月一日或之後)產生之商譽，指收購成本超過本集團於收購當日應佔相關附屬公司、聯營公司或共同控制企業之可識別資產、負債及或然負債之公平價值之權益之差額。該等商譽乃按成本減任何累積減值虧損列賬。

收購附屬公司產生之已資本化商譽於資產負債表內分開列賬。收購聯營公司或共同控制企業產生之已資本化商譽列入有關聯營公司或共同控制企業之投資之成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill and discount on acquisition (Cont'd)

Impairment testing on capitalised goodwill

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the income statement. An impairment loss for goodwill is not reversed in subsequent periods.

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

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

A discount on acquisition arising on an acquisition of a subsidiary, an associate or a jointly controlled entity for which an agreement date is on or after 1st January, 2005 represents the excess of the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination. Discount on acquisition is recognised immediately in profit or loss. A discount on acquisition arising on an acquisition of an associate or a jointly controlled entity is included as income in the determination of the investor's share of results of the associate or jointly controlled entity in the period in which the investment is acquired.

Revenue recognition

Revenue is measured at the fair value of consideration received and receivables in the normal course of business.

When properties are developed for sale, income is recognised on the execution of a binding sales agreement or when the relevant building occupation permit is issued by the building authority, whichever is the later. Payments received from purchasers prior to this stage are recorded as deposits received, which are shown as a current liability. When the consideration is in the form of cash or cash equivalents, and the receipt of the consideration is deferred, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest.

Rental income from properties under operating leases, including rentals invoiced in advance, is recognised on a straight-line basis over the terms of the relevant leases.

3. 主要會計政策(續)

商譽及收購折讓(續)

已資本化商譽減值測試

就減值測試而言，收購所產生之商譽乃被分配到各預期可從收購之協同效應中受惠之有關產生現金單位或產生現金單位組別。已獲撥入商譽之產生現金單位每年及有跡象顯示該單位有可能出現減值時進行減值測試。就其一財政年度收購產生之商譽而言，已獲撥入商譽之產生現金單位於該財政年度結束前進行減值測試。當產生現金單位之可收回金額低於該單位之賬面值，則減值虧損首先被分配至削減任何商譽之賬面值，其後以每單位內每一資產為基準按比例分配至該單位之其他資產。商譽之任何減值虧損直接於收益賬確認。商譽之任何減值虧損於其後期間不予撥回。

其後出售附屬公司、聯營公司或共同控制企業，已資本化之商譽之應佔金額乃計入釐定出售之損益。

收購公司於被收購公司之可識別資產、負債及或然負債之公平淨值之權益超出成本之部份("收購折讓")

收購附屬公司、聯營公司或共同控制企業(協議日期為二零零五年一月一日或之後)產生之收購折讓，指被收購公司之可識別資產、負債及或然負債之公平淨值超出業務合併成本之部份。收購折讓即時於損益賬內確認。收購聯營公司或共同控制企業產生之收購折讓，於收購投資之期間在釐定投資者應佔聯營公司或共同控制企業之業績時列作收入。

收入確認

收入按於平常業務已收及應收代價之公平價值計算。

倘物業為出售而發展時，收入於執行其具約束力之銷售協議或於樓宇管理當局簽發相關建築物佔用許可時(以較遲者為準)獲確認。於該階段前從買方收取之付款記錄為已收取按金，列為流動負債。倘代價為現金或現金等價物時，並且遞延收取代價，代價之公平價值透過採用估算之利率折現所有未來收入釐定。

根據營業租約項下之物業之租金收入(包括提前開出發票之租金)乃以直線基準於相關租賃期內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (Cont'd)

Revenue for the provision of services, including medical services, nursing agency, physiotherapy and dental services and elderly care services is recognised upon the provision of relevant services or on a time proportion basis over the terms of the service contracts, as further explained in the accounting policy of "Fixed-fee Contracts".

Revenue for the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

Revenue from hotel operations is recognised when services are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Commission income is recognised as income on trade date basis.

Underwriting commission, sub-underwriting income, placing commission and sub-placing commission are recognised as income in accordance with the terms and conditions of the relevant agreement or deal mandate when relevant significant act has been completed.

Fees for management and advisory of funds are recognised when the related services are rendered.

Realised profits or losses from financial assets at fair value through profit or loss and derivative contracts are recognised on a trade date basis whilst the unrealised profits or losses are recognised from valuation at the balance sheet date.

Profits and losses on trading in foreign currencies include realised and unrealised gains less losses; charges less premium arising from position squaring; and valuation at the balance sheet date of foreign currency positions on hand.

Fixed-fee contracts

Fee received or receivable under the fixed-fee contracts are recognised on a time proportion basis over the terms of the fixed-fee contracts. Expenses incurred in connection with the fixed-fee contracts are charged to the consolidated income statement as incurred.

At each balance sheet date, tests are performed to ensure the adequacy of the contract liabilities under the fixed-fee contracts. In performing these tests, current best estimates of future contractual cash flows under the fixed-fee contracts are used. Any deficiency is immediately charged to profit or loss by establishing a provision for losses.

3. 主要會計政策(續)

收入確認(續)

提供服務(包括醫療服務、看護代理、理療及牙科服務以及老年人護理服務)之收入於提供相關服務時或於服務合約期內按已服務時間之比例確認。於「固定費用合約」內進一步詳述。

銷售貨物之收入於擁有權之重大風險及回報均轉讓予買家時，且本集團已不能就其擁有權作出相關之行政參與及對售出之貨物亦無有效之控制權時確認。

經營酒店收入於提供服務時確認。

金融資產之利息收入乃按時間基準，並參照尚未償還本金額及按所適用之實際利率孳生，而實際利率為於金融資產之預期可用年期將估計日後現金收入折現至該資產之賬面淨值之實際比率。

來自投資之股息收入於股東收取付款之權利建立時確認。

佣金收入乃按交易日期基準確認為收入。

包銷佣金、分包銷收益、配售佣金及分配售佣金於有關重大活動完成時，根據相關協議或交易授權之條款確認為收入。

基金之管理及顧問費於提供有關服務時確認。

來自透過損益賬按公平價值處理之金融資產及衍生合約之可變現盈虧，以交易日期基準確認，而未變現盈虧則於結算日按估值確認。

外幣交易之盈虧包括已變現及未變現盈利減虧損、平倉費用減溢價及手頭外幣倉盤於結算日之估值。

固定費用合約

根據固定費用合約已收穫應收之費用於固定費用合約期內按已服務時間之比例確認。固定費用合約有關開支於產生時自綜合收益賬內扣除。

於各結算日進行測試，以確保固定費用合約之和約負債屬適當。進行該等測試時採用現時對固定費用合約未來現金流量之最樂觀估計。任何虧絀即時透過設立虧損撥備自損益賬內扣除。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Leasing**

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

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

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

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Hong Kong dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each group individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策(續)**租約**

倘租約之條款將擁有權之絕大部份風險及回報轉向給承租人時，租約歸類為融資租約。所有其他租約歸類為營業租約。

本集團作為出租人

融資租約項下應收承租人之款項按本集團於租約之淨投資列作應收款項。融資租約收入分配至列入各會計期間，以按固定期間比率反映本集團就租約之未償還投資之回報。

來自經營租約之租金收入以直線法於在相關租約年內確認。

本集團作為承租人

融資租約項下持有之資產以其公平價值於租約期初或以最低租約付款之現值(倘更低)確認為本集團之資產。承租人之相應負債在資產負債表內列為融資租約承擔。租約付款在融資費用及租約責任減少之間按比例分配，以就責任之餘額達致固定利率。融資費用直接於損益賬內扣除，除非其為合資格資產直接應佔之費用，在這種情況下，該等費用根據本集團就借款成本之一般政策予以資本化(見下文)。

根據經營租約應付之租金乃按相關租約年期以直線法於損益賬扣除。因訂立一項經營租約作為獎勵之已收及應收福利乃以直線法於租約年期攤分列賬。

外幣

各個集團實體之個別財務報表乃以有關實體營運之主要經濟環境之貨幣(其功能貨幣)呈列。就綜合財務報表而言，各實體之業績及財務狀況以本公司之功能貨幣港元呈列，而港元亦為綜合財務報表之呈列貨幣。

在編製各集團個別實體之財務報表時，以實體功能貨幣以外之貨幣(外幣)進行之交易乃以交易當日之匯率以各功能貨幣(即實體經營所在之主要經濟環境之貨幣)記錄。於各結算日，以外幣計值之貨幣項目以結算日之匯率換算。以外幣計值以公平價值列賬之非貨幣項目按釐定公平價值之日期使用之匯率重新換算。以外幣之歷史成本計值之非貨幣項目不會進行換算。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign currencies (Cont'd)

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are presented in Hong Kong dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such times as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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.

The contributions payable to the Group's retirement benefit schemes and the mandatory provident fund scheme are charged to the consolidated income statement as an expense when employees have rendered service entitling them to the contribution.

3. 主要會計政策(續)

外幣(續)

因結算貨幣項目及重新換算貨幣項目產生之匯兌差額計入本期間之損益賬。重新換算非貨幣性項目產生之匯兌差額以公平價值列賬計入該期間之損益賬內，惟重新換算非貨幣性項目產生之匯兌差額，其盈虧直接於權益中確認。對於該等非貨幣性項目，盈虧之任何匯兌成分亦直接於權益中確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債(包括比較數字)乃按於結算日之適用匯率以港元呈列，而收入及支出(包括比較數字)乃按該期間之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之匯率換算。所產生之匯兌差額(如有)乃分類為權益，並轉撥至本集團之匯兌儲備。該等匯兌差額乃於海外業務被出售之期間於損益賬內確認。

因收購外國業務產生之商譽及公平價值調整，乃視作外國業務之資產及負債處理及按於結算日之現行匯率換算。所產生之匯兌差額於換算儲備內確認。

借貸成本

與收購、建造或生產合資格資產(該等合資格資產需用較長期間才可供擬定用途或銷售)直接有關之借貸成本加入至該等資產之成本，直至該等資產絕大部份已達致可供擬定用途或銷售為止。擬投資於合資格資產之特定借貸在用於特定投資前所作暫時投資賺取之投資收入，從合資格資本化之借貸成本中扣除。

所有其他借貸成本於產生之期間列入損益賬內。

僱員福利

僱員應享之年假之權益於僱員應享有時確認。就因僱員提供服務而計至結算日之年假之估計負債作出撥備。

應向本集團之退休福利計劃及強制性公積金計劃支付之供款於僱員提供服務使其符合資格獲得供款時在綜合收益表內作為開支扣除。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Taxation**

Taxation represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in associates and jointly controlled entities, except where the Group as a parent or a venturer is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

3. 主要會計政策(續)**稅項**

稅項指現時應付稅項及遞延稅項。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合收益賬中所報溢利不同，因為其不包括在其他年度應課稅或可扣稅之收入或開支，並且不包括收益賬內非課稅或扣稅之項目。本集團之即期稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項乃就財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之差額而確認，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時差額確認，而遞延稅項資產則於有可以扣稅暫時差額抵銷之應課稅溢利之情況下予以確認。若於一項交易中，因商譽或初步確認(不包括業務合併)其他資產及負債而引致既不影響應課稅溢利亦不影響會計溢利之暫時差額，則不會確認該等資產及負債。

遞延稅項負債乃按於附屬公司之投資及聯營公司及共同控制企業之權益產生之應課稅暫時差額而確認，惟若本集團作為母公司或合營方有能力控制暫時差額之沖回及暫時差額不會於可預見之未來沖回之情況除外。

遞延稅項資產之賬面值於每個結算日作檢討，並在不再有可能會有足夠應課稅溢利恢復全部或部份資產價值時作調減。

遞延稅項乃按預期於償還負債或變現資產之期間於結算日已實行或基本已實行之稅率計算。遞延稅項於收益賬中扣除或計入，惟於遞延稅項與直接在權益中扣除或計入權益之項目有關則例外，在此情況下遞延稅項亦於權益中處理。

投資物業

投資物業為持作用以賺取租金及或資本增值之物業，按其於結算日之公平價值列賬。因投資物業公平價值變動產生之盈虧計入其產生之期間之損益賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment properties (Cont'd)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Transfers to, or from, investment property are made in the following circumstances:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; and
- commencement of an operating lease to another party, for a transfer from inventories to investment properties.

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the entity shall treat any difference at that date between the carrying amount of the property and its fair value in the same way as a revaluation that any resulting decrease in the carrying amount of the property is recognised in profit or loss to the extent that an amount is included in revaluation surplus for that property, the decrease is charged against that revaluation surplus, and any resulting increase in the carrying amount to the extent that the increase reverses a previous impairment loss for that property, is recognised in profit or loss, any remaining part of the increase is credited directly to equity in revaluation surplus. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss. For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and accumulated impairment losses. Expenditure on major inspections and overhauls of property, plant and equipment is capitalised as a separate component of the relevant asset.

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

Hotel property	2% or over the remaining term of the lease or useful lives, whichever is shorter
Leasehold land and buildings	2% to 3% or over the remaining terms of the leases or useful lives, whichever is shorter

3. 主要會計政策(續)

投資物業(續)

投資物業於出售時或當投資物業被永久撤銷使用時或出售該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認時產生之任何收益或虧損按該資產之出售所得款項淨額與資產賬面值間之差額計算，並於該項目取消確認之年度計入綜合收益表。

投資物業在下列情況下轉入或轉出：

- 對於投資物業轉入業主佔用物業，為業主佔用開始時；
- 對於業主佔用物業轉入投資物業，為業主佔用結束時；及
- 對於存貨轉入投資物業，為與另外一方之經營租約開始時。

對於按公平值計值之投資物業轉入業主佔用物業或存貨，對物業進行會計處理之視作成本於使用之變動日期將為其公平值。對於業主佔用物業轉入投資物業，必須按倘物業之款項計入重估盈餘則物業之賬面值導致之減少於損益中確認之方法處理該日期之物業之賬面值與其公平值之間之任何差額。減少於重估盈餘中扣除，倘物業之增加撥回之前減值虧損於損益中確認導致任何減少，任何增加之剩餘部份直接計入重估盈餘。隨後於出售投資物業時，列入權益之重估盈餘可以轉入累計溢利。重估盈餘轉入累計溢利並不透過損益。對於存貨轉入按公平值計值之投資物業，該日期物業公平值與其之前賬面值之間之任何差額將於損益中確認。

物業、廠房及設備

物業、廠房及設備乃按成本值減折舊及累計減值虧損列賬。物業、廠房及設備之重大檢查及檢修之開支乃作為相關資產之單獨組成部份資本化。

物業、廠房及設備之項目之折舊按其估計可使用年期以直線法按下列年率撇銷其成本：

酒店物業	2%或於租約剩餘期限或使用期之較短者
租賃土地及樓宇	2%至3%或於租約之剩餘期限或使用年期之較短者

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Property, plant and equipment (Cont'd)**

Leasehold improvements	20%
Furniture, fixtures and equipment	10% to 50%
Motor vehicles and vessels	16 ² / ₃ % to 20%

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

When the nature of the lessee property interest changes from investment property to property, plant and equipments, the lessee shall continue to account for the lease as a finance lease.

Prepaid land lease payments

The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease.

Intangible assets

On initial recognition, intangible assets acquired separately and from business combinations are recognised at cost and at fair value respectively.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Exchange participation rights and club debentures

They comprise :

- The eligibility right to trade through the Stock Exchange, Hong Kong Futures Exchange Limited and other exchanges, and
- The eligibility right to use the facilities of various clubs.

The exchange participation rights are considered by the management of the Group as having an indefinite useful life because they are expected to contribute to net cash flows indefinitely. The management considers that the club debentures do not have a finite useful life. They are carried at cost less any impairment losses and are tested for impairment annually by comparing their recoverable amount with their carrying amounts. Useful lives are also examined on an annual basis and adjustments where applicable are made on a prospective basis.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised using the straight-line method over their estimated useful lives (three to five years).

3. 主要會計政策(續)**物業、廠房及設備(續)**

租賃裝修	20%
設備、傢俬及裝置	10%至50%
汽車及貨船	16 ² / ₃ %至20%

出售或廢棄物業、廠房及設備產生之盈虧按資產之銷售所得款項及賬面值之差額釐定及於損益賬內確認。

當承租人之物業權益性質由投資物業變為物業、廠房及設備時，承租人將繼續將租賃列為融資租賃。

預繳地價

租賃土地及土地使用權之前期預付款按直線基準在租約期間在收益賬內扣除。

無形資產

於初次確認時，獨立收購及來自業務合併之無形資產分別按成本及公平價值確認。

取消確認無形資產之損益以出售所得款項淨額與資產之賬面值之間之差額計量，並在取消確認資產時在收益賬中確認。

交易所參與權及會所債券

包括：

- 透過聯交所、香港期貨交易所有限公司及其他交易所交易之權利資格，及
- 使用不同會所設施之權利資格。

本集團管理層認為交易所參與權乃為具有無限使用年期，因為預計該等權利將無限期帶來淨現金流。管理層認為，會所債券並不具有固定使用年期。該等債券按成本減任何減值虧損列賬，並每年進行減值測試，透過將其賬面值與其可收回款項進行比較。可使用年期亦按年度基準審閱及按預期基準作出調整(倘適合)。

電腦軟件

購進之電腦軟件許可權按購進軟件及使其投入使用所涉及之成本進行資本化，並按其估計可用年數以直線攤分法分三至五年攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets (Cont'd)

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised from the dates when the software are available for use using the straight-line method over their estimated useful lives (not exceeding ten years).

Impairment of tangible and intangible assets excluding goodwill and intangible assets with indefinite lives

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered impairment losses. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Financial instruments

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

Financial assets

Financial assets are classified into one of four categories, being financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

3. 主要會計政策(續)

無形資產(續)

開發或保養電腦軟件之成本於產生時支銷。對於可認定為集團所控制，且有可能帶來高於成本之效益超過一年之獨特軟件，將直接與其製造有關之成本入賬列為無形資產。直接成本包括軟件開發人員費用及適當之一部份管理費用。

電腦軟件開發成本入賬列為資產，並由軟件可供使用之日起按其不超過十年之估計可用年數以直線攤分法攤銷。

有形及無形資產(不包括無限可使用年期之商譽及無形資產)之減值

於各結算日，本集團審閱其有形及無形資產之賬面值，以決定是否有任何跡象顯示有關資產出現減值虧損。倘資產之可收回金額預計低於其賬面值，則該資產之賬面值將減至其可收回金額。減值虧損即時確認為開支。

倘一項減值虧損其後獲撥回，有關資產之賬面值乃增至其重新估計之可收回數額，但經增加之賬面值不得超逾有關資產在過往年度倘未確認任何減值虧損所應釐定之賬面值。

金融工具

當本集團成為文據之合約條文之訂約方時，則於綜合資產負債表確認金融資產及金融負債。金融資產及金融負債初步按公平價值計算。因收購或發行金融資產及金融負債(透過損益賬按公平價值處理之金融資產及金融負債除外)而直接應佔之交易成本，於初步確認時按適用情況加入或扣自該項金融資產或金融負債之公平價值。因收購透過損益賬按公平價值處理之金融資產或金融負債而直接應佔之交易成本即時於損益賬確認。

金融資產

金融資產歸類為四個類別之一，即透過損益賬按公平價值處理之金融資產、貸款及應收賬款、持至到期投資及可供出售金融資產。所有透過正常方式購買或出售金融資產按交易日期基準確認及取消確認。正常方式進行之購買或出售為按照市場規則或慣例所制定之時限內須交付資產之金融資產購買或銷售。就每種類別之金融資產採納之會計政策載列如下。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss have two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition.

A financial asset other than a financial held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives and HKAS 39 permits the entire combined contract (assets and liability) to be designated at a fair value through profit or loss.

Derivatives are measured at fair values on initial recognition with changes in fair values recognised through profit or loss at subsequent balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including accounts receivable, amounts due from associates, amount due from a jointly controlled entity, bank deposits and balances, loan receivables and loan and advances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as fair value through profit or loss, loans, and receivable or held-to-maturity investments, (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse through profit or loss in subsequent periods.

3. 主要會計政策(續)

金融工具(續)

透過損益賬按公平價值處理之金融資產

透過損益賬按公平價值處理之金融資產分為兩個類別，包括持作交易用途之金融資產及於初步確認時指定透過損益賬按公平價值處理之金融資產。

倘發生下列情況，持作交易用途之金融資產除外之金融資產可指定為於初步確認時透過損益賬之公平值：

- 該指定取消或大幅減少可能另外產生之計量或確認不一致；或
- 金融資產構成金融資產或金融負債或兩者之組別之一部份，並根據本集團之已定風險管理或投資策略按公平值基準管理及評估其業績，該組別之資料按該基準內部提供；或
- 其構成包括一個或以上內嵌式衍生工具之合約之一部份，香港會計準則第39號允許全部合併合約(資產及負債)指定為透過損益賬按公平值處理。

衍生工具於初步確認時按公平值計量，有關公平值變動於隨後之結算日透過損益賬確認。

貸款及應收賬款

貸款及應收賬款為並非於活躍市場報價而具有固定或可釐定付款之非衍生金融資產。於初步確認後之每個結算日，貸款及應收賬款(包括應收賬款、聯營公司欠款、一間共同控制企業欠款、銀行存款及結餘、應收貸款及貸款及墊款)乃利用實際利率法按攤銷成本扣除任何已確定減值虧損列賬。減值虧損於有客觀證據顯示資產出現減值時在損益賬確認，並按該項資產賬面值及以原有實際利率折現估計未來現金流量現值間之差額計算。當該項資產之可收回數額增加可客觀地與該項減值獲確認後出現之事件關連，則減值虧損可於其後期間撥回，惟於減值撥回日期該項資產之賬面值不得超出倘該項減值未獲確認而應有之攤銷成本。

可供出售金融資產

可供出售金融資產為指定為或非歸類為透過損益賬按公平值處理、貸款及應收賬款或持至到期之投資(載於上列)之非衍生工具。於首次確認後之每個結算日，可供出售金融資產按公平價值計量。公平價值之變動於權益中確認，直至非金融資產被出售或釐定為減值，此時，先前於權益中確認之累積盈虧從權益中移除及於損益賬內確認。可供出售金融資產之任何減值虧損於損益賬內確認。可供出售股權投資之減值虧損將不會於其後期間透過損益賬撥回。



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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

Available-for-sale financial assets (cont'd)

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

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

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

Financial liabilities at fair value through profit or loss

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as fair value through profit or loss.

Derivatives are measured at fair values on initial recognition with changes in fair values recognised through profit or loss at subsequent balance sheet date.

3. 主要會計政策(續)

金融工具(續)

可供出售金融資產(續)

對活躍市場沒有所報之市價及公平價值不能可靠計量之可供出售股權投資及與該等股權工具關連且必須透過交付這類股權投資作結算之衍生工具，於初步確認後之每個結算日，按成本減已識別之減值虧損計量。倘有客觀證據證明資產減值，則減值虧損於損益賬中確認。減值虧損之金額按資產之賬面值及就相似金融資產之現時市場回報率折讓之預期未來現金流量之現值之差額計量。該等減值虧損將不會於其後期間撥回。

金融負債及權益

金融負債及權益工具乃根據所訂立合約安排之實際內容及金融負債與權益工具之釋義分類。

權益工具乃任何可證明扣除本集團所有負債後於本集團資產擁有剩餘權益之合約。

金融負債一般歸類為透過損益賬按公平價值處理之金融負債及其他金融負債。採納之有關金融負債及權益工具之會計政策載列如下。

透過損益賬按公平價值處理之金融負債

倘發生下列情況，持作交易用途之金融負債除外之金融負債可指定為於初步確認時透過損益賬之公平值：

- 該指定取消或大幅減少可能另外產生之計量或確認不一致；或
- 金融負債構成金融資產或金融負債或兩者之組別之一部份，並根據本集團之已定風險管理或投資策略按公平值基準管理及評估其業績，該組別之資料按該基準內部提供；或
- 其構成包括一個或以上內嵌式衍生工具之合約之一部份，香港會計準則第39號允許全部合併合約(資產及負債)透過損益賬按公平值指定。

衍生工具於初步確認時按公平值計量，有關公平值變動於隨後之結算日透過損益賬確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

Other financial liabilities

Other financial liabilities (including accounts payable, amount due to ultimate holding company, amount due to a fellow subsidiary, bonds, loan notes, amounts due to associates, amount due to a jointly controlled entity and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Fair value measurement principles

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices.
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discount cash flow analysis using prices from observable current market transactions; and
- the fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

For unlisted securities or financial assets without an active market, the Group establishes the fair value by using valuation techniques including the use of recent arm's length transaction, reference to other investments that are substantially the same, discounted cash flow analysis, and option pricing models.

Convertible bonds

Convertible bonds issued by the Group that contain the liability, conversion option, and embedded derivative components are classified separately into respective items on initial recognition. A conversion option which will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the equity instruments of the group companies is an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component (including embedded derivative components) representing the conversion option for the holder to convert the bonds into equity, is included in equity (convertible bonds capital reserve).

3. 主要會計政策(續)

金融工具(續)

其他金融負債

其他金融負債包括應付賬款，欠最終控股公司款項，欠一間同系附屬公司款項、債券、貸款票據，欠聯營公司款項，欠一間共同控制企業款項及銀行及其他借貸，乃其後採用實際利率法按攤銷成本計量。

公平價值計算原則

金融資產及金融負債之公平值按下列釐定：

- 附帶標準條款於活躍市場流通之金融資產及金融負債之公平值乃參考市場報價釐定。
- 其他金融資產及金融負債(不包括衍生工具)之公平值按公認定價模型以可知當前市場交易價格進行折算現金流量分析釐定；及
- 衍生工具之公平值按報價計算。倘無該等價格，則非期權衍生工具將以其有效期適用之孳息曲線進行折算現金流量分析釐定，而期權衍生工具則採用期權定價模型進行折算現金流量分析釐定。

對於沒有活躍市場之非上市證券或金融資產，本集團使用估值技巧，包括使用最近期之公平交易，參考其他大致相同之投資、折現現金流量分析及期權定價模式，確立其公平價值。

可換股債券

本集團發行包含負債及轉換選擇權成分之可換股債券於最初確認時分開歸類為各自所屬項目。轉換選擇權將透過將固定數額之現金或其他金融資產交換為固定數目之集團公司現為權益工具之權益工具予以結算。

於最初確認時，負債成分之公平價值採用相似非換股債務之現行市場利息釐定。發行可換股債券所得款項與負債成分(包括嵌入式衍生部份)之已確定公平價值之差額(相當於持有人將債券轉換為權益之轉換選擇權)計入權益(可換股債券權益儲備)。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

Convertible bonds (Cont'd)

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the group companies, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share premium. Where the option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to the accumulated profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

The fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The embedded derivative component is measured at fair value with changes in fair value recognised in profit or loss.

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

Equity instruments

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

Equity instruments include derivatives that are settled by the exchange of fixed amount of cash or another financial assets for a fixed number of the company's own equity instruments.

Embedded derivatives

Derivatives embedded in non-derivative host contract are treated as separate derivatives when their risk and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

可換股債券(續)

於其後期間，可換股債券之負債成分採用實際利率法按已攤銷成本列賬。權益成分(以可將負債成分轉換為集團公司之普通股之轉換權代表)將繼續作為可換股債券權益儲備列賬，直至內置選擇權獲行使為止(在此情況下，可換股債券權益儲備餘額將轉撥至股份溢價)。倘選擇權於到期日仍未獲行使，可換股債券權益儲備餘額則將轉撥至累計溢利。選擇權獲轉換或到期均不會於損益賬內確認任何盈虧。

衍生工具之公平值按報價計算。倘無該等價格，則非期權衍生工具將以其有效期適用之孳息曲線進行折算現金流量分析釐定，而期權衍生工具則採用期權定價模型進行折算現金流量分析釐定。

嵌入式衍生產品部份乃按公平值計量，有關公平值變動於損益賬確認。

發行可換股債券之相關交易成本按所得款項之分配比例分配至負債、權益及嵌入式衍生產品成分。與權益成分有關之交易成本直接自權益內扣除。與負債成分有關之交易成本計入負債部份之賬面值，並採用實際利率法於可換股債券期限內攤銷。

權益工具

由本公司發行之權益工具於收取所得款項時記錄，扣除直接發行成本。

權益工具包括以定額現金或其他金融資產換取公司定額權益工具之衍生產品。

內置衍生工具

倘非衍生工具主合約之內置衍生工具之風險及性質與主合約之風險及性質並不密切相關，且主合約不以公平價值計量，則該內置衍生工具作獨立之衍生工具處理，其公平價值變動於損益賬確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Financial instruments (Cont'd)***Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designed as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of (i) the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

Derecognition

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

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes freehold and leasehold land cost, development cost, borrowing costs and other direct costs attributable to such properties, until the relevant properties reach a marketable state. Net realisable value is determined by reference to management estimates of the selling price based on prevailing market conditions, less all estimated costs to completion and costs to be incurred in marketing and selling.

Inventories

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

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at fair value. They comprise cash on hand, bank balances, short term time deposits and treasury bills. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3. 主要會計政策(續)**金融工具(續)***財務擔保合約*

財務擔保合約指因指定債務人未能按債務工具的原有或經修改條款如期付款時，發行人需支付指定金額予持有人以補償其所遭受損失的合約。本集團已發行及並非按公平值計入收益表的財務擔保合約首次以其公平值減發行財務擔保合約的直接應佔交易費用確認。於首次確認後，本集團以(i)根據香港會計準則第37號「撥備、或然負債及或有資產」釐定的金額；及(ii)首次確認的金額減(如合適)根據香港會計準則第18號「收益」確認的累計攤銷兩者中的較高者計算財務擔保合約的眼面值。

解除確認

金融資產於自資產收取現金流量權利屆滿或金融資產已轉讓且本集團已轉讓金融資產所有權絕大部份風險及回報時解除確認。解除確認金融資產時，資產賬面值與所收及應收代價總額加已於權益直接確認之累計收益或虧損間差額，於損益中確認。

金融負債於有關合約所訂明責任解除、註銷或屆滿時解除確認。所解除金融負債賬面值與已付代價間差額，於損益中確認。

待出售物業

待出售物業按成本與可變現淨值兩者中較低者入賬。成本包括永久持有及租賃土地成本、發展成本、借貸成本及其他該等物業應佔之直接成本，直至相關物業達到可供出售狀態。可變現淨值根據現行市場條件減所有預期完成成本及將於推廣及銷售時產生之成本，參考管理層對售價之估計。

存貨

存貨按成本與可變現淨值兩者中較低者入賬。成本乃採用加權平均法計算。

現金及現金等價物

現金及現金等價物在資產負債表按公平值入賬。現金及現金等價物為庫存現金、銀行結餘、短期定期存款及短期國庫券。就現金流量表而言，按通知償還並屬集團現金管理一部份之銀行透支，同為現金及現金等價物之組成部份。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimate of fair value of investment properties

The investment properties were revalued at the balance sheet date on market value existing use basis by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgment, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each balance sheet date.

Impairment allowances on loans and receivables other than loans and advances to consumer finance customers

The Group periodically reviews its loan portfolios to assess whether impairment allowances exist. In determining whether impairment allowances should be recorded in the income statement, management estimates the present value of future cash flows which are expected to be received, taking into account the borrower's financial situation and the net realisable value of the underlying collateral or guarantees in favour of the Group.

Impairment allowances for loans and advances to consumer finance customers

The policy for impairment allowances for loans and advances to consumer finance customers of the Group is based on the evaluation of collectability and aged analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these loans and advances, including the current creditworthiness, and the past collection history of each loan.

Impairment of available-for-sale financial assets

For listed available-for-sale equity investments, a significant or prolonged decline in fair value below cost is considered to be objective evidence of impairment. Judgment is required when determining whether a decline in fair value has been significant or prolonged. In making this judgment, the historical data on market volatility as well as the price of the specific investment are taken into account.

For those unlisted equity investments, the Group determines their fair values by using appropriate valuation techniques and making assumptions that are based on market conditions existing at each balance sheet date. The Group also takes into account other factors, such as industry and sector performance and financial information regarding the investee.

4. 估計不確定因素之主要來源

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

投資物業之公平價值之估計

投資物業由獨立專業估值師按現有之市值基準於結算日重估。該等估值乃根據若干假設，該若干假設受不確定因素影響及可能與實際結果相差很遠。於作出該等判斷時，本集團考慮類似物業在活躍市場之現時價格之資訊及採用主要根據於每個結算日存在之市況作出之假設。

貸款及應收款之減值準備(私人財務客戶貸款及墊款除外)

集團定期複查其貸款組合，以評估是否存在減值。在決定是否需要在收益賬中記錄減值準備時，管理層會考慮借款人的財務狀況、其抵押品或給予集團保證的變現淨值，以估計於未來預期收回的現金流量現值。

私人財務客戶貸款及墊款之減值準備

集團私人財務客戶貸款及墊款之減值準備政策以可收回性評估、賬齡分析及管理層判斷為基礎。評估該等貸款及墊款之最終變現能力需要進行大量判斷，包括現時信譽及各個貸款之過往收款歷史記錄。

可供出售金融資產減值

對於上市可供出售股權投資，公平價值之重大或長期下降至低於成本被視為減值之客觀證據。於釐定公平價值之下降是否重大或為長期時需要作出判斷。在作出該等判斷時，市場波動之歷史資料以及專項投資之價格亦被考慮在內。

對於非上市股權投資來說，本集團透過採用適當估值方法及根據於每個結算日現有之市場條件作出之假設釐定其公平價值。本集團亦考慮及其他因素，例如行業及業界表現及所投資公司之財務資料。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Estimated impairment of goodwill

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

Deferred tax

Estimating the amount for deferred tax asset arising from tax losses requires a process that involves determining appropriate provisions for taxation, forecasting future years' taxable income and assessing the Group's ability to utilise tax benefits through future earnings. Where the actual future profits generated are less than expected, a reversal of the deferred tax asset may arise, which would be recognised in the consolidated income statement for the period in which such a reversal takes place. The Group's deferred tax asset arising from tax losses is mainly from term loan business. While the current financial models indicate that the tax losses can be utilised in future, any changes in assumptions, estimates and tax regulation can affect the recoverability of deferred tax assets.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is inherent in the financial sector and sound risk management is a cornerstone of prudent and successful financial practice. The Group acknowledges that a balance must be achieved between risks control and business growth. The principal financial risks inherent in the Group's business are market risk, credit risk, liquidity risk and interest-rate risk. The Group's risk management objective is to enhance shareholder value while maintaining risk exposures within acceptable limits.

The Group's risk management governance structure is designed to cover all our businesses and to ensure various risks are properly managed and controlled in the course of business. The Group has a sound risk management organisational structure as well as comprehensive policies and procedures for risk management which are reviewed regularly and modified where necessary in response to changes to markets, the operating environment or business strategies.

The Group has established policies and procedures for risk management which are reviewed regularly by the management, the relevant risks control department ("RCD") and the risk management committee ("RMC"), which reports to the directors of the relevant group companies. The relevant internal audit and compliance department ("IAC") has the responsibilities to perform periodic reviews to supplement the various internal control measures adopted by the management and various divisions within the Group, to ensure compliance with policies and procedures. The relevant credit committee ("CM"), which reports to the executive committees of the respective Group companies, is responsible to ensure the proper monitoring and control of the credit activities, risk and exposures of the Group.

4. 估計不確定因素之主要來源(續)

商譽之估計減值

本集團根據相關會計準則，每年進行商譽減值測試。在釐定商譽是否減值時，要求根據本集團可得到之資料基準對使用價值作出估計。倘未來現金流量低於預期，則可能產生減值虧損。

遞延稅項

估計因稅項虧損產生之遞延稅項資產之金額需要經過涉及就稅項、預測未來年度之應課稅收入及評估本集團透過未來盈利利用稅項利益之能力釐定適當撥備之過程。倘產生之實際未來溢利低於預期，可能產生遞延稅項資產之撥回，撥回將於該等撥回發生之期間之綜合收益賬中確認。因稅項虧損產生之本集團之遞延稅項資產主要來自於有期貨款業務。倘現有財務模式表明稅項虧損可於未來動用，任何假設、估計及稅務規例之變動可能影響遞延稅項資產之可收回性。

5. 金融風險管理目標及政策

金融行業本身存在風險，因此訂立一個妥善的風險管理制度，是企業審慎而成功的做法。集團深信風險管理與業務增長兩者同樣重要。集團的業務存在的主要金融風險包括市場風險、信貸風險、流動資金風險和利率風險。集團的風險管理目標是將所面對的風險局限於可接受水平內之餘，同時致力提高股東價值。

集團的風險管治架構旨在涵蓋集團的所有業務，以確保在業務過程中的各種風險已妥為管理及監控。集團設有一個妥善的風險管理組織架構，並已設立風險管理的完善的政策及程序，有關政策及程序會定期進行檢討，並在有需要時因應市場、經營環境或業務策略變動而進行修訂。

本集團已建立風險管理之政策及程序，該等政策及程序由管理層及有關之風險管理部門(「風險管理部」)及向有關集團公司之董事報告之風險管理委員會(「風險管理委員會」)定期檢討。除管理層及個別部門採取各項內部監控措施外，有關的稽核及法規監核部(「稽核部」)亦會定期查核，從而確保該等政策及程序得以遵守。有關之信貸委員會(「信貸委員會」)負責向各集團公司轄下執行委員會匯報，以確保集團的信貸活動及風險受到適當的監控。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The Board of Directors ("Board"), representing the interests of shareholders, has the ultimate responsibility for risk management. The Board, with the assistance of its committees, has the primary responsibility for the determination of risk management strategies and for ensuring that the Group has an effective risk management system to implement the risk management strategies.

(a) Market Risk

(i) Trading Risk

Market risk arises from trading activities, including market-making and proprietary trading. Trading activities across the Group are subject to limits approved by the CM and/or the RMC. The relevant RCD independently monitors and reports the positions, risks and profit and loss ("P&L") of its proprietary trading activities involving derivatives, leveraged foreign exchange and bullion. Proprietary trading exposures are measured on both a "mark-to-market" and a "mark-to-fair" basis, and "maximum loss" and "position" limits are used. Value at Risk (VaR) and stress-tests are also used in the assessment of risk. These are approaches that assist in the quantification of risk by combining the size of a position and the extent of a potential market movement into a potential impact on P&L.

The Group's various proprietary trading positions and P&L are reported daily to senior management for review. The Group's IAC also performs audits to supplement the above controls to ensure compliance with the established market risk limits and guidelines.

(ii) Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from movements of foreign exchange rates.

The Group's foreign exchange risk primarily arises from currency exposures originating from its leveraged foreign exchange business or purchases of foreign securities on behalf of clients. Foreign exchange risk is managed and monitored by the relevant department under the limits approved by the management or other relevant committees. In relation to our leveraged foreign exchange activity, our position is that of a market-maker, and accordingly our risk is our open currency positions which are subject to management approved limits and are monitored and reported daily. The other possible risk is primarily a derivative foreign exchange risk for a client who does not or cannot meet margin calls following any period of substantial currency turbulence.

Our principal lending operations are carried out in local currency to obviate foreign exchange risk. Accordingly, the Group has no significant exposure to foreign exchange fluctuations on loan assets.

5. 金融風險管理目標及政策(續)

董事會(「董事會」)代表股東的權益,肩負起風險管理的最終使命。董事會在轄下委員會的協助下,其主要職責是釐定風險管理策略及確保集團已制定一個行之有效的風險管理制度,以便落實執行各種風險管理策略。

(a) 市場風險

(i) 買賣風險

市場風險來自買賣活動,包括營造市場活動及自營買賣活動。集團之買賣活動須受信貸委員會及/或風險管理委員會審批之限額限制。有關之風險管理部負責獨立監察及匯報涉及衍生工具、槓桿式外匯及黃金之自營買賣之狀況、風險、利潤及虧損(「損益」)。自營買賣風險按「市場價格」及「公平價格」計算風險,並設定「虧蝕上限」及「持倉」限額。此外,評估風險時亦會使用風險值及壓力測試,結合持倉之規模及潛在市場變化對損益產生之潛在影響,以協助量化風險。

集團各項自營買賣活動持倉狀況及損益,均每日匯報予高級管理層以供審閱。集團之稽核部亦會作出審核,以補充上述監控措施,確保遵從集團既訂之市場風險限額及指引。

(ii) 外匯風險

外匯風險乃外幣匯率變動對盈利或資本造成之風險。

集團之外匯風險主要來自其槓桿外匯或代客購買海外證券之業務。外匯風險由有關部門按管理層或其他有關委員會所批准之限額作出管理及監察。就槓桿外匯業務而言,由於集團乃擔任莊家之位置,因此,外幣未平倉合約(須受由管理層審批之限額限制,並須每日受其監控及向其匯報)會存在外匯風險。另外,倘客戶在經歷重大匯率波動後未能或無法填補保證金額,亦可能對集團造成衍生外匯風險。

集團主要之貸款業務仍以本地貨幣進行,以減低外匯風險,故此,集團之貸款資產並無承受重大外匯風險。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(b) Credit Risk**

Credit risk arises from the failure of a customer or counterparty to meet its settlement obligations. It arises principally from lending, settlement, treasury, market-making, derivatives, proprietary trading, and other activities undertaken by the Group.

The Group's credit policy, governed by the relevant CM, sets out in detail the credit approval and monitoring procedures, which are established in accordance with sound business practices, the requirements and provisions of the relevant ordinances, and where applicable, the codes or guidelines issued by the Securities and Futures Commission.

Day-to-day credit management is performed by the relevant credit department with reference to the aforementioned criteria including creditworthiness, collateral pledged, and risk concentration of the counter-parties. Decisions made daily by the credit department are reported and reviewed by the management of the Group and by the CM at its regular meetings.

(c) Liquidity Risk

The Group manages its liquidity position to ensure the Group maintains a prudent and adequate liquidity ratio, in strict accordance with statutory requirements. This is achieved by the management monitoring the liquidity position of the Group on a daily basis to ensure the availability of sufficient liquid funds to meet all obligations and compliance with the statutory requirements such as the Financial Resources Rules applying to various licensed subsidiaries.

(d) Interest Rate Risk

Interest rate risk primarily results from timing differences in the re-pricing of interest bearing assets, liabilities and commitments. The Group's interest rate risk exposure arises mainly from margin financing and other lending activities undertaken. The Group has the legal capacity to quickly recall such loans or re-price its margin loans to an appropriate level. Its interest-sensitive positions can readily be identified. Interest rates paid by the Group are managed by the finance department with the aim of maximising the spread of interest consistent with liquidity and funding obligations.

5. 金融風險管理目標及政策(續)**(b) 信貸風險**

客戶或交易對手未能履行交收責任，將導致信貸風險。信貸風險主要來自放款、交收、庫務、作價買賣、衍生產品、自營買賣，以及集團所從事之其他活動。

集團之信貸政策(受有關之信貸委員會規管)詳列批准信貸及監管程序。該等程序乃按照專業守則、有關條例之規定以及證券及期貨事務監察委員會發出之有關守則或指引而訂定。

日常信貸管理由有關的信貸部負責。信貸部會就交易對手之信譽、抵押品及風險分布作出批核，並由集團高級管理層每日審閱，而信貸委員會亦於定期例會中作出檢討。

(c) 流動資金風險

集團監管其流動資金狀況，確保有審慎而充裕之流動資金比率，以遵守有關之法定要求。各管理層每日均監察集團之流動資金狀況，以符合法定要求(如適用於集團多間持牌附屬公司的財務資源條例)。

(d) 利率風險

利率風險主要由就附有利息之資產、負債及承擔重新定價之時差所引致。本集團的利率風險主要來自證券放款及其他貸款業務。本集團有法律能力要求借款人即時償還貸款，或重訂證券放款之息率至適當水平。集團亦可容易地確定其在提供貸款時所承受之利率風險水平。集團所支付之利率乃由財務部管理，以盡量令息差符合資金之流動性及需求。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**5. 金融風險管理目標及政策(續)****(d) Interest Rate Risk (Cont'd)**

The exposure of the Group's material fixed-rate assets and liabilities to fair value interest rate risk and their contractual maturity dates are as follows:

(d) 利率風險(續)

本集團之重大定息資產及負債之公平價值利率風險及其合約到期日期如下：

	Interest rates 利率	In first year 第一年內 HK\$'000 千港元	In second year 第二年內 HK\$'000 千港元	In third year 第三年內 HK\$'000 千港元	In fourth year 第四年內 HK\$'000 千港元	In fifth year 第五年內 HK\$'000 千港元	More than 5 years 超過五年 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 31st December, 2006 於二零零六年十二月三十一日								
Fixed deposits 固定存款	1.62% to 5.13%	839,728	-	-	-	-	-	839,728
Treasury bills 國庫券	5.03%	7,675	-	-	-	-	-	7,675
Loan note due from a listed associate 應收一間上市聯營公司之貸款票據	2.50%	-	78,000	-	-	-	-	78,000
Term loan due from a listed associate 應收一間上市聯營公司之有期貨款	10.5%	5,000	-	-	-	-	-	5,000
Loans and advances to consumer finance customers 私人財務客戶貸款及墊款	18.00% to 44.40%	1,599,297	524,235	284,915	144,735	50,655	17,599	2,621,436
Bank loans 銀行借貸	4.90% to 12.00%	(576,000)	(465,000)	(15,000)	-	-	-	(1,056,000)
Loan notes (note) 貸款票據(附註)	4.00%	-	(66,639)	-	-	-	-	(66,639)
Amount due to a fellow subsidiary 欠一間同系附屬公司款項	4.95%	(700,000)	-	-	-	-	-	(700,000)
Bonds 債券	5.34%	-	-	(2,800,000)	-	-	-	(2,800,000)
Convertible bonds 可換股債券	4.00% to 7.00%	-	-	-	-	(479,783)	-	(479,783)
At 31st December, 2005 於二零零五年十二月三十一日								
Fixed deposits 固定存款	0.28% to 7.25%	110,902	-	-	-	-	-	110,902
Treasury bills 國庫券	3.78%	7,680	-	-	-	-	-	7,680
Loan note due from a listed associate 應收一間上市聯營公司之貸款票據	2.50%	-	-	78,000	-	-	-	78,000
Bank loans 銀行貸款	4.85% to 5.35%	(255,000)	-	-	-	-	-	(255,000)
Loan notes (note) 貸款票據(附註)	7.90%	-	-	(64,252)	-	-	-	(64,252)

Note: The coupon rate of the loan notes is 4.00% per annum. The interest rate disclosed in the table above represents the effective interest rate applied in calculating the corresponding amortised cost of the loan notes.

附註：貸款票據之票據年利率為4.00%。上表所列之利率為在計算貸款票據攤銷成本時所採用之實際年利率。

The exposure of the Group's material floating rate assets and liabilities to cash flow interest rate risks and their contractual maturity dates are as follows:

本集團之重大浮息資產及負債之現金流量利率風險及其合約到期日期如下：

	Interest rates 利率	In first year 第一年內 HK\$'000 千港元	In second year 第二年內 HK\$'000 千港元	In third year 第三年內 HK\$'000 千港元	In fourth year 第四年內 HK\$'000 千港元	In fifth year 第五年內 HK\$'000 千港元	More than 5 years 超過五年 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 31st December, 2006 於二零零六年十二月三十一日								
Secured margin loans 有抵押證券放款	5.00% to 20.98%	N/A	N/A	N/A	N/A	N/A	N/A	1,783,430
Term loans 有期貨款	7.44% to 26.82%	385,701	27,600	-	-	-	-	413,301
Loans and advances to consumer finance customers 私人財務客戶貸款及墊款	8.75% to 15.75%	54,871	22,035	20,611	18,530	13,992	59,690	189,729
Bank overdrafts 銀行透支	8.50% to 8.75%	(34,930)	-	-	-	-	-	(34,930)
Bank loans 銀行借貸	4.06% to 6.00%	(915,640)	(180,712)	(150,699)	(34,640)	(73,100)	-	(1,354,791)
At 31st December, 2005 於二零零五年十二月三十一日								
Secured margin loans 有抵押證券放款	7.00% to 30.00%	N/A	N/A	N/A	N/A	N/A	N/A	1,293,285
Term loans 有期貨款	7.00% to 26.82%	126,909	-	-	-	-	-	126,909
Term loan due from a listed associate 應收一間上市聯營公司之有期貨款	9%	245,000	-	-	-	-	-	245,000
Bank overdrafts 銀行透支	4.85% to 8.50%	(83,040)	-	-	-	-	-	(83,040)
Bank loans 銀行借貸	4.89% to 6.69%	(612,193)	(606,939)	(36,119)	(100,473)	(74,622)	(57,610)	(1,487,956)

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6. MANAGEMENT OF THE FIXED-FEE CONTRACTS

The Group enters into fixed-fee contracts, in which the Group uses its own centers, medical staff and other resources to provide medical/dental services covered by the contracts. The level of services to be rendered under the fixed-fee contracts is uncertain and depends on uncertain future events. The Group has to consider whether the cost of meeting its contractual obligations to provide the services under the fixed-fee contracts may exceed the revenue it will receive and the probability of such risk (the "Risk"), when assessing the pricing and provisioning for such contracts.

The frequency and severity of the Risk are affected by many factors, including, inter alia, the health status and awareness of the persons covered by the fixed-fee contracts and that of the general public in Hong Kong, the outbreak/potential outbreak of any epidemic, climatic changes, the duration of those contracts (which in general are of short duration), as well as a diversity of social, industrial and economic factors. The risk associated with such factors (including an undue concentration thereof and the probability of the occurrence of certain events affected by them) on the actual recovery rate for individual contracts is the key source of uncertainty that needs to be estimated.

The Group manages the Risk through periodic review of the estimated and actual recovery rate of individual contracts and includes such assessment in establishing its pricing and contract continuance policies.

As at 31st December, 2006, accounts receivable and deferred revenue of the Group attributable to its fixed-fee contracts amounted to approximately HK\$6,859,000 (2005: Nil) and HK\$3,151,000 (2005: Nil), respectively.

6. 固定費用合約管理

本集團訂立固定費用合約，據此，本集團使用其本身之中心、醫療人員及其他資源提供合約涵蓋之醫療／牙科服務。根據固定費用合約將予提供之服務水平並不確定，且須視乎於不確定之未來事件。於評估該等合約之定價及條文時，本集團須考慮為履行根據固定費用合約提供服務之合約義務所需成本是否會超過其將收取之收益及該風險（「風險」）之機率。

風險之頻率及嚴重程度受多項因素影響，包括（其中包括）固定費用合約參與人士及香港公眾之健康狀況及意識、爆發／可能爆發任何傳染疾病、氣候變化、該等合約之期限（一般為短期）以及各種社會、行業及經濟因素。與該等涉及個別合約之實際收回之可能性的因素（包括該等因素之過度集中及可能發生若干受該等因素影響之事件）有關之風險乃須予以估計之不明朗因素之主要來源。

本集團透過定期審查個別合約之估計及實際收回率管理風險，並在確立定價及續約政策時考慮該等評估。

於二零零六年十二月三十一日，本集團固定費用合約之應收賬款及遞延收益分別約為6,859,000港元（二零零五年：無）及3,151,000港元（二零零五年：無）。

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7. REVENUE

Revenue represents the gross proceeds received and receivable derived from the provision of medical services, nursing agency, physiotherapy and dental services, and elderly care services, consumer finance, property rental, hotel operations and property management services, provision of consultancy and other services, interest and dividend income, income from corporate finance and advisory services, and income from securities margin financing and term loan financing and insurance broking services, and net profit from trading in securities, profit from bullion transactions and differences on foreign exchange transactions.

7. 收益

收益代表來自銷售貨品及物業、提供醫療服務、看護代理、理療及牙科服務以及老年人護理服務、證券、私人財務、物業租賃、酒店業務及物業管理服務、提供顧問及其他服務已收及應收之所得款項總額、利息及股息收益、來自企業融資及顧問服務收入、及來自證券孖展融資及有期貨款融資及保險經紀服務收入，以及下列扣除虧損後之淨額：買賣證券之溢利淨額、黃金交易以及外匯交易之溢利淨額。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Note 2) (附註2)
Interest income on loans and advances to consumer finance customers	私人財務客戶貸款及墊款之利息收入	348,411	—
Securities broking	證券經紀	463,838	225,664
Trading profit from securities	證券交易溢利	72,902	24,443
Trading profit from forex, bullion, commodities and futures	外匯、黃金、商品及期貨之交易溢利	217,915	149,289
Income from corporate finance and others	企業融資及其他收入	274,602	169,297
Property rental, hotel operations and management services	物業租金、酒店業務及管理服務	182,349	173,358
Medical services, nursing agency, physiotherapy and dental services, and elderly care services	醫療服務、護理介紹所、物理治療及牙科服務及護老服務	222,594	—
Other interest income	其他利息收入	359,557	180,696
Dividend income	股息收入	24,228	41,856
		2,166,396	964,603

All interest income are derived from financial assets that are not carried at fair value through profit or loss.

所有利息收入來自非透過損益賬按公平價值處理之金融資產。

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8. SEGMENTAL INFORMATION

During the year, the Group acquired additional interests in Quality HealthCare Asia Limited ("QHA"), a former associate of the Group, to the extent that QHA became a subsidiary of the Group (note 50). The Group also acquired the entire interests in UAF Holdings Limited ("UAF Holdings"), a former fellow subsidiary of the Company (note 50). Accordingly, the results, assets and liabilities of QHA and UAF Holdings were consolidated and have been classified as the Healthcare and Consumer Finance segments, respectively.

The Group has the following main business segments:

- Investment, broking and finance – trading in securities, provision of securities broking and related services, provision of broking services in forex, bullion and commodities, provision of securities margin financing and insurance broking services, provision of related financing and advisory products, and provision of term loan financing.
- Consumer finance – providing consumer loan finance products.
- Healthcare – providing medical services, elderly care nursing agency, physiotherapy, dental services and other services.
- Property rental, hotel operations and management services – property rental, hotel operations managed by third parties and provision of property management services.
- Sales of properties and property based investments – development and sale of properties and property based investments.

Business segments are presented as the primary reporting format and geographical segments as the secondary reporting format.

8. 分部資料

本年度，本集團收購於卓健亞洲有限公司（「卓健」，本集團當時之聯營公司）之額外權益，使卓健成為本集團之附屬公司（附註50）。本集團亦收購了UAF Holdings Limited之全部權益（「UAF Holdings」）（本公司之前同系附屬公司）（附註50）。因此，卓健與UAF Holdings之業績、資產及負債已予綜合並分別歸類為保健及私人財務分部。

本集團之主要業務分部如下：

- 投資、經紀及金融 – 買賣證券、提供證券經紀及相關服務、提供外匯、黃金及商品之經紀服務、提供證券放款及保險經紀服務、提供有關融資及顧問產品以及提供有期貨款融資。
- 私人財務 – 提供私人財務信貸。
- 保健 – 提供醫療服務、護老護理介紹所、物理治療、牙科服務及其他服務。
- 物業租賃、酒店業務及管理服務 – 物業租賃、由第三方管理之酒店業務及提供物業管理服務。
- 銷售物業及與物業有關之投資 – 發展及銷售物業以及與物業有關之投資。

業務分部為主要之呈列方式，而地域分部為第二呈列方式。

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8. SEGMENTAL INFORMATION (CONT'D)

Analysis of the Group's business segmental information is as follows:

8. 分部資料(續)

本集團之業務分部資料分析如下：

		2006 二零零六年					
		Investment, broking and finance 投資、經紀 及金融 HK\$'000 千港元	Consumer finance 私人財務 HK\$'000 千港元	Healthcare 保健 HK\$'000 千港元	Property rental, hotel operations and management services 物業租賃、 酒店業務及 管理服務 HK\$'000 千港元	Sale of properties and property based investments 出售物業及 與物業有關 之投資 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue	收益	1,423,064	360,643	224,579	187,972	-	2,196,258
Less: inter-segment revenue	減：分部間之收益	(24,239)	-	-	(5,623)	-	(29,862)
		<u>1,398,825</u>	<u>360,643</u>	<u>224,579</u>	<u>182,349</u>	<u>-</u>	<u>2,166,396</u>
Segment results	分部業績	742,019	159,714	17,983	346,416	(10,111)	1,256,021
Profit on deemed disposal of partial interests in subsidiaries	視作為出售附屬公司 部份權益之溢利						307,326
Net loss on deemed disposal of partial interests in listed associates	視作為出售上市聯營 公司部份權益之虧損淨額						(80,932)
Finance costs	融資成本						(278,612)
Share of results of associates	應佔聯營公司業績						8,982
Share of results of jointly controlled entities	應佔共同控制企業業績	1,464	-	(149)	158,672	-	159,987
Profit before taxation	除稅前溢利						1,372,772
Taxation	稅項						(63,623)
Profit for the year	本年度溢利						<u>1,309,149</u>
Segment assets	分部資產	6,186,932	6,616,128	535,604	3,423,009	515,787	17,277,460
Interests in associates	於聯營公司之權益						2,521,862
Interests in jointly controlled entities	於共同控制企業之權益	2,455	-	477	911,160	-	914,092
Deferred tax assets	遞延稅項資產						47,709
Amounts due from associates	聯營公司欠款						158,702
Amount due from a jointly controlled entity	一間共同控制企業欠款	-	-	-	2,185	-	2,185
Tax recoverable	可收回稅項						2,660
Total assets	資產總額						<u>20,924,670</u>
Segment liabilities	分部負債	(2,121,721)	(1,074,615)	(120,759)	(60,887)	(692)	(3,378,674)
Amounts due to associates	欠聯營公司款項						(12,527)
Amount due to a jointly controlled entity	欠一間共同控制企業款項	-	-	-	(79,063)	-	(79,063)
Tax payable	應付稅項						(74,874)
Bank and other borrowings	銀行及其他借貸						(1,570,721)
Deferred tax liabilities	遞延稅項負債						(220,869)
Bonds	債券						(2,800,000)
Convertible bonds	可換股債券						(479,783)
Total liabilities	負債總額						<u>(8,616,511)</u>
Other information	其他資料						
Depreciation	折舊	16,864	3,093	4,081	5,879	-	29,917
Amortisation of prepaid land lease payments	預繳地價攤銷	1,622	-	-	2,756	-	4,378
Amortisation of intangible assets	無形資產攤銷	4,225	-	-	-	-	4,225
Impairment losses recognised	已確認之減值虧損	59,726	-	-	1,072	5,900	66,698
Increase in fair value of investment properties	投資物業公平價值 增加	-	-	-	(261,264)	-	(261,264)
Bad and doubtful debts	呆壞賬	(8,371)	60,294	1,475	(618)	-	52,780
Capital additions	資本增加	35,158	3,668	2,844	5,049	-	46,719

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8. SEGMENTAL INFORMATION (CONT'D)

8. 分部資料(續)

		2005 二零零五年			
		Investment, broking and finance 投資、經紀 及金融 HK\$'000 千港元 (Note 2) (附註2)	Property rental, hotel operations and management services 物業租賃、 酒店業務及 管理服務 HK\$'000 千港元	Sale of properties and property based investments 出售物業及 與物業有關 之投資 HK\$'000 千港元	Total 總額 HK\$'000 千港元 (Note 2) (附註2)
Revenue	收益	808,078	177,957	–	986,035
Less: inter-segment revenue	減：分部間之收益	(16,833)	(4,599)	–	(21,432)
		<u>791,245</u>	<u>173,358</u>	<u>–</u>	<u>964,603</u>
Segment results	分部業績	299,353	631,147	26,340	956,840
Finance costs	融資成本				(96,778)
Share of results of associates	應佔聯營公司業績				150,388
Share of results of jointly controlled entities	應佔共同控制企業業績	2	105,296	–	105,298
Profit before taxation	除稅前溢利				1,115,748
Taxation	稅項				(79,306)
Profit for the year	本年度溢利				<u>1,036,442</u>
Segment assets	分部資產	4,374,322	3,112,221	520,991	8,007,534
Interests in associates	於聯營公司之權益				2,645,475
Interests in jointly controlled entities	於共同控制企業之權益	935	865,459	–	866,394
Deferred tax assets	遞延稅項資產				4,143
Amounts due from associates	聯營公司欠款				394,966
Amount due from a jointly controlled entity	一間共同控制企業欠款	–	2,159	–	2,159
Tax recoverable	可收回稅項				3,842
Total assets	資產總額				<u>11,924,513</u>
Segment liabilities	分部負債	(1,029,132)	(63,144)	(744)	(1,093,020)
Amounts due to associates	欠聯營公司款項				(62,828)
Amount due to a jointly controlled entity	欠一間共同控制企業款項	–	(81,063)	–	(81,063)
Tax payable	應付稅項				(13,489)
Bank and other borrowings	銀行及其他借貸				(1,891,222)
Deferred tax liabilities	遞延稅項負債				(230,615)
Total liabilities	負債總額				<u>(3,372,237)</u>
Other information	其他資料				
Depreciation	折舊	17,258	7,221	–	24,479
Amortisation of prepaid land lease payments	預繳地價攤銷	1,645	2,756	–	4,401
Amortisation of intangible assets	無形資產攤銷	3,662	–	–	3,662
Impairment losses recognised (reversed)	已確認(撥回)之減值虧損	37,462	(4,424)	(82,152)	(49,114)
Increase in fair value of investment properties	投資物業公平價值增加	–	(522,250)	–	(522,250)
Bad and doubtful debts	呆壞賬	1,079	10,963	–	12,042
Capital additions	資本增加	22,081	5,958	–	28,039

Inter-segment transactions have been entered into on terms agreed by the parties concerned.

During the year, less than 10% of the operations of the Group in terms of revenue, segment results and assets were carried on or were situated outside Hong Kong. Accordingly, no geographical segmental information is shown.

集團內公司間的交易按訂約各方協定的條款訂立。

年內，按收入、分部業績及資產計，本集團少於10%的業務在香港以外經營或位於香港以外，故並無呈列地區分類資料。

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9. PROFIT ON DEEMED DISPOSAL OF PARTIAL INTERESTS IN SUBSIDIARIES**9. 視作為出售附屬公司部份權益之溢利**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit on deemed disposal of partial interests in subsidiaries comprises:	視作為出售附屬公司部份權益之溢利包括：		
Share placing of 248,000,000 shares of a subsidiary (note)	配售一間附屬公司 248,000,000 股股份 (附註)	303,914	—
Exercise of warrants of subsidiaries by warrants holders	認股權證持有人行使附屬公司之認股權證	3,412	—
		307,326	—

Note: The Company, through its wholly-owned subsidiary, had completed share placings of 169,000,000 shares ("1st Share Placing") and 79,000,000 shares ("2nd Share Placing") of Sun Hung Kai & Co. Limited ("Sun Hung Kai"), a listed subsidiary of the Company on 22nd May, 2006 and 10th August, 2006 respectively. The top-up subscription of 248,000,000 new shares of Sun Hung Kai was completed on 10th August 2006. The shareholdings in Sun Hung Kai held by the Company before the 1st Share Placing and after top-up subscription were 74.99% and 62.54% respectively.

附註：本公司透過其全資附屬公司於二零零六年五月二十二日及二零零六年八月十日分別完成其上市附屬公司新鴻基有限公司（「新鴻基」）169,000,000股（「第一次股份配售」）和79,000,000股（「第二次股份配售」）之股份配售。以先舊後新方式認購248,000,000股新鴻基新股份於二零零六年八月十日完成。於第一次股份配售前及於先舊後新方式認購完成後，本公司於新鴻基之持股權分別為74.99%及62.54%。

10. CHANGES IN VALUES OF PROPERTIES**10. 物業價值變動**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Changes in values of properties comprise:	物業價值變動包括：		
Net increase in fair value of investment properties	投資物業之公平價值增加淨額	261,264	522,250
(Recognition) reversal of impairment loss of properties held for sale	(確認)撥回待出售物業之減值虧損	(5,900)	47,452
Impairment loss (recognised) reversed for hotel property	已(確認)撥回酒店物業減值虧損	(1,072)	4,284
Reversal of impairment loss of properties held for development	撥回待發展物業之減值虧損	—	34,700
		254,292	608,686

The recognition and reversal of impairment losses were based on the lower of cost and the value in use for hotel property and the lower of cost and net realisable value for properties held for sale. The value in use and net realisable values were determined with reference to the respective independent professional valuations at 31st December, 2006.

確認及撥回之減值虧損乃基於酒店物業之成本及使用價值兩者中之較低者及持作出售物業之成本及可變現淨值兩者當中之較低者，使用價值及可變現淨值乃參考其各自根據於二零零六年十二月三十一日之獨立專業估值而釐定。

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11. NET LOSS ON DEEMED DISPOSAL OF PARTIAL INTERESTS IN LISTED ASSOCIATES**11. 視作為出售上市聯營公司部份權益之虧損淨額**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Net loss on deemed disposal of partial interests in listed associates arises from the following:	視作為出售上市聯營公司部份權益之虧損淨額來自：		
(a) – Exercise of unlisted warrants of a listed associate conferring rights subscribe for up to 78,800,000 new shares by a subscriber	(a) – 一名認購人行使一間上市聯營公司之非上市認股權證，其賦予認購最多78,800,000股新股份之權利	67,875	–
– Share placing and top-up subscription of shares of a listed associate	– 以先舊後新方式配售及認購上市聯營公司股份	13,377	–
(b) Exercise of share options and listed warrants of another listed associate	(b) 另外一間上市聯營公司的認股權及上市認股權證被行使	(320)	–
		80,932	–

12. IMPAIRMENT LOSS RECOGNISED IN RESPECT OF AVAILABLE-FOR-SALE FINANCIAL ASSETS**12. 就可供出售金融資產已確認之減值虧損**

The amount for 2006 represents an impairment loss of HK\$58,203,000 provided by the Group relating to its 12.5% interest in a Kuala Lumpur hotels project because the carrying amount of the investment exceeded the estimated recoverable amount (note 32).

二零零六年之金額指本集團就其於吉隆坡一酒店項目之12.5%權益提撥之減值虧損58,203,000港元，原因在於投資之賬面值超逾估計可收回金額(附註32)。

The amount for 2005 of HK\$14,411,000 represents impairment losses of listed equity investments.

二零零五年之金額14,411,000港元指上市股權投資減值虧損。

13. BAD AND DOUBTFUL DEBTS**13. 呆壞賬**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bad debts written off	壞賬撇銷	61,121	3,501
(Write back of) impairment of debts based on individual assessment	基於個別估值之債務減值撥備(撥回)	(5,847)	34,326
Impairment of debts based on collective assessment	基於集體估值之債務減值撥備	16,935	–
Bad debts recovered	收回壞賬	(19,429)	(25,785)
		52,780	12,042

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14. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS

- (a) The emoluments paid or payable to each of the seven (2005: seven) directors were as follows:

14. 董事及僱員酬金資料

- (a) 七名(二零零五年:七名)董事各自之已付或應付酬金如下:

		2006 二零零六年				
		Salaries, consultancy fees and other benefits	Performance related incentive	Retirement benefit scheme contributions	Total emoluments	
Directors' fees	薪金、 顧問費及 其他福利			退休福利 計劃供款	酬金總額	
董事袍金	其他福利		表現獎金			
HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	
千港元	千港元		千港元 (Note) (附註)	千港元	千港元	
Patrick Lee Seng Wei	李成偉	10	2,377	1,300	78	3,765
Li Chi Kong	李志剛	–	518	384	24	926
Henry Lai Hin Wing	賴顯榮	–	75	–	–	75
Steven Lee Siu Chung	李兆忠	–	408	137	19	564
John Douglas Mackie	麥尊德	–	50	–	–	50
Steven Samuel Zoellner	Steven Smauel Zoellner	–	40	–	–	40
Alan Stephen Jones	Alan Stephen Jones	10	398	–	–	408
		20	3,866	1,821	121	5,828

Certain Directors of the Company received remuneration from the Company's ultimate holding company or its wholly owned subsidiaries. The ultimate holding company provided management services to the Group and charged the Group a fee, which is included in share management fee disclosed in note 58(a), for services provided by those Directors as well as other management personnel who are not Directors of the Company.

Prior to 2005, the management service fee could not be apportioned and allocated to any individuals. From 1st January, 2005, the management service fee is calculated by reference to the time devoted by the management personnel on the affairs of the Group and therefore can be apportioned to the directors mentioned above. The total of such apportioned amounts, which have been included in the above table, is HK\$1,490,000 (2005: HK\$2,149,000).

Note: The amounts represented the actual bonus of year 2005 paid to the respective Directors during 2006. The bonus of year 2006 has yet to be decided.

本公司若干董事收取本公司最終控股公司或其全資附屬公司之酬金。最終控股公司向本集團提供管理服務，並向本集團收取費用，該等費用在附註第58(a)項披露為應佔管理服務費，乃就該等董事及並非本公司董事之其他管理層人員提供之服務而支付。

於二零零五年前，管理服務費並不能按比例分配予有關之個人。由二零零五年一月一日起，管理服務費乃參考管理層人員為本集團事務投入之時間計算，並可按比例分配至上述董事。上述載列之該等按比例之金額為1,490,000港元(二零零五年:2,149,000港元)。

附註：該金額為二零零五年在二零零六年支付予各董事之實際花紅。二零零六年之花紅仍未確定。

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14. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONT'D)**14. 董事及僱員酬金資料(續)**

- (a) The emoluments paid or payable to each of the seven (2005: seven) directors were as follows: (Cont'd)

- (a) 七名(二零零五年: 七名)董事各自之已付或應付酬金如下: (續)

		2005 二零零五年			
		Salaries, consultancy fees and other benefits 薪金、 顧問費及 其他福利	Performance related incentive payments 表現獎金	Retirement benefit scheme contributions 退休福利 計劃供款	Total emoluments 酬金總額
	Directors' fees 董事袍金 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Gordon Macwhinnie *	麥蘊利 *	10	1,145	—	1,155
Patrick Lee Seng Wei	李成偉	10	2,952	1,000	4,050
Li Chi Kong	李志剛	—	494	95	611
Henry Lai Hin Wing	賴顯榮	—	75	—	75
Steven Lee Siu Chung	李兆忠	—	325	55	393
John Douglas Mackie	麥尊德	—	—	—	—
Steven Samuel Zoellner	Steven Smauel Zoellner	—	40	—	40
		20	5,031	1,150	6,324

* Retired on 30th December, 2005

* 於二零零五年十二月三十日退任

- (b) Employees' emoluments
The five highest paid individuals included none (2005: one) of the directors, details of whose emoluments are set out in note 14(a) above. The combined emoluments of the remaining five (2005: four) individuals are as follows:

- (b) 僱員酬金
五名最高薪酬之人士並無董事(二零零五年: 一名), 有關其酬金之詳情已列於上文附註第14(a)項。其餘五名(二零零五年: 四名)人士之合併酬金如下:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	29,926	10,129
Performance related incentive payments	表現獎金	1,221	4,811
Retirement benefit scheme contributions	退休福利計劃供款	131	237
		31,278	15,177

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14. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONT'D)

- (b) Employees' emoluments (Cont'd)
The emoluments of the above employees, who were not directors of the Company, were within the following bands:

14. 董事及僱員酬金資料(續)

- (b) 僱員酬金(續)
上述非本公司董事之僱員酬金之金額範圍如下：

		Number of employees 僱員人數	
		2006 二零零六年	2005 二零零五年
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元	–	1
HK\$3,000,001 – HK\$3,500,000	3,000,001 港元 – 3,500,000 港元	–	1
HK\$3,500,001 – HK\$4,000,000	3,500,001 港元 – 4,000,000 港元	–	1
HK\$4,500,001 – HK\$5,000,000	4,500,001 港元 – 5,000,000 港元	1	–
HK\$5,000,001 – HK\$5,500,000	5,000,001 港元 – 5,500,000 港元	1	1
HK\$6,500,001 – HK\$7,000,000	6,500,001 港元 – 7,000,000 港元	1	–
HK\$7,000,001 – HK\$7,500,000	7,000,001 港元 – 7,500,000 港元	2	–
		5	4

15. FINANCE COSTS**15. 融資成本**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on:	利息：		
Bank borrowings wholly repayable within five years	五年內全數償還之銀行借貸	199,659	81,935
Bank borrowings not wholly repayable within five years	毋須於五年內全數償還之銀行借貸	–	6,151
Loan notes wholly repayable within five years	五年內全數償還之貸款票據	5,172	8,692
Outstanding advances due to an investee company	未償還一間被投資公司之墊款	10,082	–
Short term loan due to a fellow subsidiary repayable within five years	須於五年內償還之應付一間同系附屬公司之短期貸款	16,855	–
Bonds repayable within five years	五年內償還之債券	53,051	–
Convertible bonds	可換股債券	5,727	–
		290,546	96,778
Total finance costs included in:	計入下列各項之融資成本總額：		
Cost of sales and other direct costs	銷售成本及其他直接成本	11,934	–
Finance costs	融資成本	278,612	96,778
		290,546	96,778

All of the interest expenses are derived from financial liabilities that are not carried at fair value through profit or loss.

所有利息支出均來自非透過損益賬按公平價值處理之金融負債。

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16. PROFIT BEFORE TAXATION**16. 除稅前溢利**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除：		
Auditors' remuneration	核數師酬金		
Current year	本年度	5,334	5,161
Overprovision in prior years	過往年度超額撥備	(29)	(697)
		5,305	4,464
Amortisation of intangible assets (included in other operating expenses)	無形資產攤銷(包括在其他經營開支內)	4,225	3,662
Amortisation of prepaid land lease payments	預繳地價攤銷	4,378	4,401
Commission expenses and sales incentives to account executives and certain staff	應付業務代表及若干僱員之佣金支出及銷售表現獎金	214,690	135,592
Cost of inventories expensed	已支銷存貨成本	10,256	-
Depreciation	折舊		
Owned assets	自置資產	29,917	24,437
Asset under a finance lease	融資租約項下之資產	-	42
		29,917	24,479
Impairment loss recognised in respect of an associate	一間聯營公司已確認之減值虧損	-	4,981
Impairment loss recognised in respect of intangible assets	無形資產已確認之減值虧損	1,523	980
Impairment loss recognised in respect of goodwill of associates	聯營公司商譽已確認之減值虧損	-	13,323
Impairment loss recognised in respect of goodwill of a subsidiary	一間附屬公司商譽已確認之減值虧損	-	267
Impairment loss recognised in respect of other financial assets	其他金融資產已確認之減值虧損	5,234	-
Loss on disposal of an investment property	出售一項投資物業之虧損	146	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	604	671
Loss on write off of intangible assets	撇銷無形資產之虧損	-	23
Net unrealised loss on derivatives	衍生產品之未變現虧損淨額	-	744
Retirement benefit scheme contributions, net of forfeited contributions of HK\$Nil (2005: HK\$242,000) (note 56)	退休福利計劃供款，扣除為數零港元之沒收供款(二零零五年：242,000 港元)(附註56)	16,509	10,918
Staff costs (including directors' emoluments but excluding retirement benefit scheme contributions)	員工成本(包括董事酬金但不包括退休福利計劃供款)	392,559	213,584

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16. PROFIT BEFORE TAXATION (CONT'D)**16. 除稅前溢利(續)**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
and after crediting:	並已計入：		
Dividend income from listed equity securities	上市股本證券之股息收入	20,549	16,853
Dividend income from unlisted equity securities	非上市股本證券之股息收入	3,679	25,003
Discount on acquisition of subsidiaries	收購附屬公司之折讓	—	199
Discount on acquisition of subsidiaries	收購聯營公司之折讓	21,634	—
Net profit on other dealing activities	其他買賣活動之溢利淨額	23,961	7,733
Profit on disposal of a subsidiary	出售一間附屬公司之溢利	8,640	—
Net realised profit on derivatives	衍生工具變現溢利淨額	27,209	20,513
Net realised profit on financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產之變現溢利淨額	27,052	3,132
Net unrealised profit on financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產之未變現溢利淨額	48,696	1,334
Net profit on dealing in leveraged foreign currencies	槓桿外匯交易溢利淨額	8,304	6,753
Net unrealised profit on derivatives	衍生工具未變現溢利淨額	12,413	—
Profit on disposal of an investment property	出售投資物業之溢利	—	2,061
Profit on disposal of available-for-sale financial assets	出售可供出售金融資產之溢利	149,045	56,748
Profit on disposal/deemed disposal of a jointly controlled entity	出售／視作出售一間共同控制企業之溢利	—	1,219
Rental income from investment properties under operating leases, net of outgoings of HK\$24,627,000 (2005: HK\$21,369,000)	經營租約下投資物業之租金收入，扣除支出 24,627,000 港元 (二零零五年： 21,369,000 港元)	75,297	65,841
Repayment of interest in respect of litigation with New World Development Company Limited pursuant to Court of Appeal Judgment	根據上訴法庭裁決償還與新世界發展有限公司訴訟之相關利息	—	14,783
Reversal of impairment loss of property, plant and equipment	撥回物業、廠房及設備減值虧損	—	604
Reversal of impairment loss of intangible assets	撥回無形資產減值虧損	—	320

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17. TAXATION

17. 稅項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The income tax charge (credit) comprises:	所得稅扣除(計入)包括：		
Current tax:	本期稅項：		
Hong Kong	香港	95,608	26,254
Outside Hong Kong	香港以外地區	(46)	229
		95,562	26,483
Deferred tax (note 33)	遞延稅項(附註33)	(31,939)	52,823
		63,623	79,306

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year.

香港利得稅以年內之估計應課稅溢利以稅率17.5%計算。

Taxation outside Hong Kong is calculated at the rates prevailing in the relevant jurisdictions.

香港以外地區稅項按有關司法地區之現行稅率計算。

The total charge for the year can be reconciled to the profit before taxation as follows:

本年度之稅項支出與除稅前溢利對賬如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	1,372,772	1,115,748
Less: Share of results of associates	減：應佔聯營公司業績	(8,982)	(150,388)
Share of results of jointly controlled entities	應佔共同控制企業業績	(159,987)	(105,298)
		1,203,803	860,062
Tax at Hong Kong Profits	以香港利得稅稅率17.5%		
Tax rate of 17.5%	計算之稅項	210,666	150,510
Effect of different income tax rate of overseas subsidiaries	海外附屬公司不同所得稅率之影響	352	1,289
Tax effect of expenses that are not deductible for tax purposes	不可用作扣稅支出之稅務影響	62,017	16,182
Tax effect of income that is not assessable for tax purposes	毋須課稅收入之稅務影響	(125,066)	(84,206)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	5,447	2,645
Tax effect of utilisation of tax losses not previously recognised	動用之前未確認稅務虧損之稅務影響	(7,257)	(7,074)
Tax effect of utilisation of unrecognised deductible temporary differences	動用未確認可扣稅臨時差額之稅務影響	(81,810)	(302)
Over provision in prior years	往年超額撥備	(499)	—
Others	其他	(227)	262
Taxation for the year	本年度稅項	63,623	79,306

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18. EARNINGS PER SHARE

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Earnings	盈利		
Earnings for the purposes of basic earnings per share (profit for the year attributable to equity holders of the Company)	用以計算每股基本盈利之盈利 (本公司股東應佔年內溢利)	1,070,222	935,342
Adjustments to earnings in respect of the effect of dilutive potential ordinary shares arising from:	因下列項目之普通股潛在攤薄效應對盈利作出之調整：		
– warrants of a subsidiary	— 一間附屬公司之認股權證	(2,722)	—
– interest on convertible bonds	— 可換股債券之利息	5,727	—
		<u>1,073,227</u>	<u>935,342</u>
Earnings for the purposes of diluted earnings per share	用以計算每股攤薄盈利之盈利	<u>1,073,227</u>	<u>935,342</u>
		'000 千股	'000 千股
Number of shares	股份數目		
Weighted average number of shares for the purpose of basic earnings per share	用以計算每股基本盈利之股份加權平均數	537,187	537,152
Effect of dilutive potential ordinary shares arising from convertible bonds	可換股債券相關之具潛在攤薄效應之普通股影響	7,655	—
		<u>544,842</u>	<u>537,152</u>
Weighted average number of shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利之股份加權平均數	<u>544,842</u>	<u>537,152</u>

19. DIVIDEND**19. 股息**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Ordinary shares:	普通股：		
Proposed final dividend of HK15 cents per share (2005: HK10 cents)	每股15港仙(二零零五年：10港仙)之擬派末期股息	80,595	53,715

A final dividend of HK15 cents (2005: HK10 cents) per share has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company.

董事建議就每股宣派15港仙(二零零五年：10港仙)之末期股息，惟須待本公司股東於即將舉行之股東週年大會上批准。

The amount of the proposed final dividend for the year ended 31st December, 2006 has been calculated by reference to 537,300,015 shares in issue at 16th April, 2007.

截至二零零六年十二月三十一日止年度擬派之末期股息數額乃按二零零七年四月十六日已發行股份537,300,015股計算。

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19. DIVIDEND (CONT'D)

During the year ended 31st December, 2006 and 2005, the Company paid and recognised dividends of HK\$53,715,000 and HK\$26,858,000, representing HK10 cents per share and HK5 cents per share, being the final dividends of 2005 and 2004, respectively.

19. 股息(續)

截至二零零六年及二零零五年十二月三十一日止年度，本公司已分別就二零零五年及二零零四年派付及確認末期股息 53,715,000 港元及 26,858,000 港元，相當於每股 10 港仙及每股 5 港仙。

20. INVESTMENT PROPERTIES**20. 投資物業**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The Group Valuation	本集團估值		
At 1st January	於一月一日	2,784,100	2,215,668
Additions	增加	245	2,605
Acquisition of a subsidiary	收購一間附屬公司	—	39,362
Disposal	出售	(14,000)	(12,600)
Transferred from property, plant and equipment	轉撥自物業、廠房及設備	34,200	—
Transferred from properties held for sale	轉撥自待出售物業	—	47,160
Transfer to property, plant and equipment and prepaid land lease payments	轉撥至物業、廠房及設備及預繳地價	(106,509)	(17,531)
Overprovision of construction costs	建築成本超額撥備	—	(12,814)
Increase in fair value during the year	年內公平價值增加	261,264	522,250
At 31st December	於十二月三十一日	2,959,300	2,784,100

The carrying amount of investment properties held by the Group at 31st December, 2006 and 2005 comprises:

本集團於二零零六年及二零零五年十二月三十一日所持投資物業之賬面值如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Properties in Hong Kong	在香港之物業		
Long-term	長期	2,392,300	2,300,400
Medium-term	中期	518,000	440,300
Medium-term properties outside of Hong Kong	香港以外之中期物業	49,000	43,400
		2,959,300	2,784,100

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截至二零零六年十二月三十一日止年度

20. INVESTMENT PROPERTIES (CONT'D)

The Group's investment properties are held for rental purposes under operating leases. The fair value of the Group's investment properties at 31st December, 2006 has been arrived at on the basis of a valuation carried out at that date by Norton Appraisals Limited, independent valuers not connected with the Group. Norton Appraisals Limited have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conforms to The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition) published by the Hong Kong Institute of Surveyors, was based on rental capitalisation.

At 31st December, 2006, the carrying value of investment properties pledged as security of the Group's bank and other borrowings amounted to HK\$2,929,300,000 (2005: 2,741,600,000).

Details of the Group's investment properties and other assets being pledged to secure loans and general banking facilities are set out in note 57.

20. 投資物業(續)

本集團之投資物業乃按照營業租約持作出租用途。本集團投資物業於二零零六年十二月三十一日之公平價值已根據與本集團概無關聯之獨立估值師普敦國際評估有限公司於當日進行之估值達致。普敦國際評估有限公司擁有合適的資格及近期重估有關地區相近物業估值的經驗。該估值乃遵守香港測量師學會所頒佈的物業估值準則(第一版)，並根據租金資本化所得。

於二零零六年十二月三十一日，本集團就銀行及其他借貸而予以抵押之投資物業之賬面值為2,929,300,000港元(二零零五年：2,741,600,000港元)。

本集團就貸款及一般銀行信貸額而予以抵押之投資物業及其他資產之詳情載於附註第57項。

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21. PROPERTY, PLANT AND EQUIPMENT**21. 物業、廠房及設備**

		Hotel property 酒店物業 HK\$'000 千港元	Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃 樓宇裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢具、 裝置 及設備 HK\$'000 千港元	Motor Vehicles And Vessels 汽車 及汽船 HK\$'000 千港元	Total 總計 HK\$'000 千港元
The Group	本集團						
Cost	成本值						
At 1st January, 2005	於二零零五年一月一日	371,804	36,823	38,110	104,559	24,497	575,793
Exchange adjustments	滙兌調整	-	-	6	(264)	-	(258)
Additions	增加	2,395	-	4,637	12,440	-	19,472
Transferred from properties held for development	轉撥自待發展物業	-	5,849	-	-	-	5,849
Acquisition of subsidiaries	收購附屬公司	-	5,228	-	5,800	-	11,028
Disposals	出售	-	-	(2,270)	(2,721)	(347)	(5,338)
At 31st December, 2005	於二零零五年十二月三十一日	374,199	47,900	40,483	119,814	24,150	606,546
Exchange and other adjustments	滙兌及其他調整	-	(1)	9	32	-	40
Additions	增加	142	-	15,964	19,537	303	35,946
Transferred from investment properties	轉撥自投資物業	-	106,509	-	-	-	106,509
Revaluation surplus on transfer to investment properties	轉撥至投資物業之重估盈餘	-	30,020	-	-	-	30,020
Transfer to investment properties	轉撥至投資物業	-	(35,575)	-	-	-	(35,575)
Acquisition of subsidiaries	收購附屬公司	-	-	25,450	22,777	1,620	49,847
Disposals	出售	-	-	(2,353)	(5,163)	(648)	(8,164)
At 31st December, 2006	於二零零六年十二月三十一日	374,341	148,853	79,553	156,997	25,425	785,169
Accumulated depreciation and impairment	累計折舊及減值						
At 1st January, 2005	於二零零五年一月一日	240,469	9,524	26,409	80,985	20,450	377,837
Exchange and other adjustments	滙兌及其他調整	-	-	29	(89)	-	(60)
Provided for the year	本年度撥備	2,863	907	6,101	13,647	961	24,479
Eliminated on disposal	出售時撇銷	-	-	(1,629)	(2,594)	(302)	(4,525)
Impairment loss recognised (reversed)	已確認減值虧損(撥回)	(4,284)	-	-	3,675	5	(604)
At 31st December, 2005	於二零零五年十二月三十一日	239,048	10,431	30,910	95,624	21,114	397,127
Exchange and other adjustments	滙兌及其他調整	-	-	9	42	-	51
Provided for the year	本年度撥備	2,944	1,233	12,683	12,153	904	29,917
Transfer to investment properties	轉撥至投資物業	-	(1,375)	-	-	-	(1,375)
Eliminated on disposals	出售時撇銷	-	-	(1,711)	(5,121)	(374)	(7,206)
Impairment loss recognised	已確認減值虧損	1,072	-	-	-	-	1,072
At 31st December, 2006	於二零零六年十二月三十一日	243,064	10,289	41,891	102,698	21,644	419,586
Carrying amounts	賬面值						
At 31st December, 2006	於二零零六年十二月三十一日	131,277	138,564	37,662	54,299	3,781	365,583
At 31st December, 2005	於二零零五年十二月三十一日	135,151	37,469	9,573	24,190	3,036	209,419

At 31st December, 2006, the carrying value of hotel property, leasehold land and buildings pledged as security of the Group's bank and other borrowings amounted to HK\$261,989,000 (2005: HK\$164,382,000).

於二零零六年十二月三十一日，本集團就銀行及其他借貸而予以抵押之酒店物業、租賃土地及樓宇之賬面值為261,989,000港元(二零零五年：164,382,000港元)。

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21. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group's leasehold land included in the property, plant and equipment is situated in Hong Kong and held under long-term lease.

The Company did not have any property, plant and equipment at 31st December, 2006 or 2005.

22. PREPAID LAND LEASE PAYMENTS

The Group's prepaid land lease payments comprise:

Leasehold land in Hong Kong	在香港之租賃土地
Long-term	長期
Leasehold land outside Hong Kong	香港以外之租賃土地
Medium-term	中期
Short-term	短期
Analysed for reporting purposes as:	為報告目的所作之分析:
Non-current portion	非即期部份
Current portion included in current assets	列入流動資產之即期部份

21. 物業、廠房及設備(續)

本集團列入物業、廠房及設備之租賃土地位於香港及根據長期租約持有。

本公司於二零零六年及二零零五年十二月三十一日並無任何物業、廠房及設備。

22. 預繳地價

本集團之預繳地價包括：

The Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
278,246	282,364
8,468	8,693
696	730
287,410	291,787
283,032	287,367
4,378	4,420
287,410	291,787

At 31st December, 2006, the carrying value of prepaid land lease payments pledged as security of the Group's bank and other borrowings amounted to HK\$268,691,000 (2005: 272,604,000).

於二零零六年十二月三十一日，已抵押之預繳地價(作為本集團之銀行及其他借款之抵押品)之賬面值為268,691,000港元(二零零五年：272,604,000港元)。

23. GOODWILL

Cost	成本值
At 1st January	於一月一日
Arising on acquisition of subsidiaries	收購附屬公司
Arising on increase in interests in subsidiaries	增購附屬公司權益
Released on disposal of a subsidiary	於出售一間附屬公司時撥回
At 31st December	於十二月三十一日
Impairment	減值
At 1st January and 31st December	於一月一日及十二月三十一日
Carrying amount	賬面值
At 31st December	於十二月三十一日

23. 商譽

The Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
267	—
3,423,790	267
149,615	—
(5,820)	—
3,567,852	267
267	267
3,567,585	—



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23. GOODWILL (CONT'D)

The goodwill arising on acquisition of subsidiaries is subject to adjustments as the management is in the process to carry out valuation on the net assets to determine the goodwill arising from the transactions.

Goodwill at 31st December, 2006 is allocated to the following cash generating units:

		HK\$'000 千港元
Consumer finance	私人財務	
– UAF	– 亞洲聯合財務	3,305,125
Healthcare	保健	
– QHA	– 卓健	170,516
Investment, broking and finance	投資、經紀及金融	
– Sun Hung Kai	– 新鴻基	91,944
		<u>3,567,585</u>

The recoverable amount of UAF has been determined based on the fair value less cost to sell and value in use. The recoverable amount represents the market value at 31st December, 2006 set out in a business valuation report on the UAF Group dated 23rd March, 2007, prepared by an independent qualified professional valuer, Norton Appraisals Limited. The income based approach and the market based approach were adopted to determine the recoverable amount. The key assumptions include a price to book multiple of 3.49x to determine the fair value, a constant growth rate of 4.72% and a discount rate of 6.145% to determine the value in use. Management believes that possible changes in any of these assumptions would not cause UAF's carrying amount to exceed its recoverable amount.

The recoverable amount of QHA and Sun Hung Kai have been determined based on the fair value less cost to sell. The fair value represents the market bid price of shares of QHA and Sun Hung Kai at 31st December, 2006.

23. 商譽(續)

由於管理層對可識別的資產正在進行重估以釐定收購上述公司所引致的商譽，該等商譽可能需要作出調整。

於二零零六年十二月三十一日，商譽分配至以下現金產生單位：

亞洲聯合財務的可收回值是基於公平價值減出售成本及使用價值而釐定，可收回值是由獨立合資格專業估值師普敦國際評估有限公司於二零零七年三月二十三日所編製的業務估值報告中的二零零六年十二月三十一日市值。可收回值是採納市場法及收入法而釐定。釐定公平價值的重要假設包括市賬倍數3.49倍，釐定使用價值的重要假設包括固定增長率4.72%及貼現率6.145%。管理層相信該等假設的任何可能變化均不會引致亞洲聯合財務的賬面值超過其可收回值。

卓健及新鴻基之可收回價已根據公平價值減出售成本釐定。公平價值指於二零零六年十二月三十一日卓健及新鴻基股份之市場買入價。

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24. INTANGIBLE ASSETS**24. 無形資產**

		Computer software 電腦軟件	Exchange participation	Club debentures	Total 總計	
		Acquired 購入 HK\$'000 千港元	Internally developed 內部開發 HK\$'000 千港元	交易所 參與權 HK\$'000 千港元	會所債券 HK\$'000 千港元	HK\$'000 千港元
The Group	本集團					
Cost	成本值					
At 1st January, 2005	於二零零五年一月一日	15,604	–	–	–	15,604
Opening balance adjustments arising from changes in accounting policies	因會計政策變動產生之 期初結餘 調整	–	–	2,507	6,868	9,375
Exchange adjustments	匯兌調整	284	–	–	–	284
Acquisition of subsidiaries	收購附屬公司	–	–	1,200	–	1,200
Additions	增加	2,352	3,610	–	–	5,962
Write-off	撇銷	–	–	–	(23)	(23)
At 31st December, 2005	於二零零五年十二月三十一日	18,240	3,610	3,707	6,845	32,402
Exchange adjustments	匯兌調整	–	–	(5)	19	14
Additions	增加	5,342	5,186	–	–	10,528
Disposals	出售	–	–	(190)	–	(190)
At 31st December, 2006	於二零零六年十二月三十一日	23,582	8,796	3,512	6,864	42,754
Amortisation and impairment	攤銷及減值					
At 1st January, 2005	於二零零五年一月一日	5,229	–	–	–	5,229
Opening balance adjustments arising from changes in accounting policies	因會計政策變動產生之 期初結餘 調整	–	–	–	180	180
Exchange adjustments	匯兌調整	85	–	–	–	85
Provided for the year	本年度撥備	3,662	–	–	–	3,662
Impairment loss recognised	已確認減值虧損	10	–	240	730	980
Impairment loss reversed	減值虧損撥回	–	–	–	(320)	(320)
At 31st December, 2005	於二零零五年十二月三十一日	8,986	–	240	590	9,816
Exchange adjustments	匯兌調整	(10)	–	–	–	(10)
Provided for the year	本年度撥備	4,225	–	–	–	4,225
Impairment loss recognised	已確認減值虧損	–	–	1,071	452	1,523
At 31st December, 2006	於二零零六年十二月三十一日	13,201	–	1,311	1,042	15,554
Carrying amounts	賬面值					
At 31st December, 2006	於二零零六年十二月三十一日	10,381	8,796	2,201	5,822	27,200
At 31st December, 2005	於二零零五年十二月三十一日	9,254	3,610	3,467	6,255	22,586
The Company	本公司					
Cost	成本值					
At 31st December, 2005 and 31st December, 2006	於二零零五年十二月三十一日 及於二零零六年十二月三十一日	–	–	–	510	510

The computer software included above have finite useful lives, over which the assets are amortised, whereas the exchange participation rights and club debentures have indefinite useful lives and are not subject to amortisation. The amortisation period for computer software is three to five years.

上表中之電腦軟件可使用年期為有限，資產在該年內攤銷，而交易所參與權及會所債券之可使用年期則為無限，毋需攤銷。電腦軟件之攤銷年期為三至五年。

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25. INVESTMENTS IN SUBSIDIARIES**25. 於附屬公司之投資**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Investment, at cost	投資，成本值	14	14

26. AMOUNTS DUE FROM SUBSIDIARIES**26. 附屬公司欠款**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amounts due from subsidiaries, are unsecured and non-interest bearing	附屬公司欠款，無抵押 且免息	3,645,760	3,231,969
Analysed as:	分析為：		
Non-current	非即期	–	3,231,969
Current (note)	即期 (附註)	3,645,760	–
		3,645,760	3,231,969

Note: The amounts are repayable on demand

附註：該等款項須於要求時償還

Other than the loan notes and bonds issued by Sun Hung Kai, terms of which are shown in note 45 and 46, respectively, none of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

除由新鴻基發行之貸款票據及債券 (其條款分別載於附註第45項及第46項) 外，概無附屬公司於本年末或本年內任何時間擁有任何未償還之債務證券。

Particulars of the Company's principal subsidiaries at 31st December, 2006 are set out in note 61.

本公司於二零零六年十二月三十一日之主要附屬公司資料載於附註第61項。

27. INTERESTS IN ASSOCIATES**27. 於聯營公司之權益**

		The Group 本集團 2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Listed securities in Hong Kong (note 27 (i))	香港上市證券 (附註27(i))	2,483,944	2,560,483
Unlisted shares (note 27 (ii))	非上市股份 (附註27(ii))	37,918	84,992
		2,521,862	2,645,475

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27. INTERESTS IN ASSOCIATES (CONT'D)

27. 於聯營公司之權益(續)

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Notes:	附註:		
(i) Listed securities in Hong Kong	(i) 香港上市證券		
Cost of investment	投資成本	1,743,959	1,806,717
Share of post-acquisition reserves	應佔收購後儲備	739,985	753,766
		2,483,944	2,560,483
Market value of listed securities	上市證券市值	2,943,450	1,301,161

No goodwill arising on acquisition of associate is included in the cost of investment (2005: HK\$86,127,000). The movement is set out in note (iii) below.

並無於收購聯營公司時產生商譽列入投資成本(二零零五年: 86,127,000 港元)。該變動已載於下文附註(iii)。

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(ii) Unlisted shares	(ii) 非上市股份		
Cost of investment	投資成本	42,100	35,376
Share of post-acquisition reserves	應佔收購後儲備	22,691	76,489
Less: impairment loss recognised	減: 已確認之減值虧損	(26,873)	(26,873)
		37,918	84,992

(iii) Goodwill on acquisition of listed associates

(iii) 收購上市聯營公司所產生之商譽

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost, less impairment	成本值，扣除減值		
At 1st January	於一月一日	86,127	84,998
Eliminated on transfer to interest in subsidiaries	轉撥至附屬公司權益時對銷	(86,127)	—
Acquisition of additional interests in associates	增購聯營公司權益	—	13,683
Disposal of associate	出售聯營公司	—	(125)
Impairment loss recognised	已確認之減值虧損	—	(12,429)
At 31st December	於十二月三十一日	—	86,127

The Group tests goodwill annually, or whenever there is an indication that goodwill might be impaired.

本集團每年或於有顯示商譽可能減值時進行減值測試。

Particulars of the Company's principal associates at 31st December, 2006 are set out in note 62.

本集團於二零零六年十二月三十一日之主要聯營公司資料列於附註第62項。

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27. INTERESTS IN ASSOCIATES (CONT'D)

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Total assets	資產總額	13,418,901	12,504,896
Total liabilities	負債總額	(6,093,981)	(6,112,961)
Net assets	資產淨值	7,324,920	6,391,935
Minority interest	少數股東權益	(599,559)	(569,177)
Group's share of net assets of associates	集團所佔聯營公司淨資產	2,548,735	2,586,221
Revenue	收益	1,290,412	2,990,345
(Loss) profit for the year	年內(虧損)溢利	(87,627)	469,356
Group's share of results of associates for the year	集團所佔聯營公司年度業績	8,982	150,388

27. 於聯營公司之權益(續)

有關本集團之聯營公司之財務資料概述如下：

28. INTERESTS IN JOINTLY CONTROLLED ENTITIES**28. 於共同控制企業之權益**

		The Group 本集團 2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted shares	非上市股份		
Cost of investment	投資成本	3,642	1,536
Share of post-acquisition reserves	應佔收購後儲備	928,072	882,480
		931,714	884,016
Elimination of unrealised profit	撇銷未變現溢利	(17,622)	(17,622)
		914,092	866,394

Particulars of the Group's principal jointly controlled entities at 31st December, 2006 are set out in note 63.

本集團於二零零六年十二月三十一日之主要共同控制企業資料列於附註第63項。

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28. INTERESTS IN JOINTLY CONTROLLED ENTITIES (CONT'D)

The summarised financial information of the Group's jointly controlled entities is set out below:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current assets	非流動資產	2,489,176	2,115,265
Current assets	流動資產	338,109	319,212
Non-current liabilities	非流動負債	(787,358)	(575,870)
Current liabilities	流動負債	(175,527)	(89,638)
Revenue	收益	423,824	371,773
Expenses	開支	(364,421)	(294,621)
Increase in fair value of investment properties	投資物業公平價值增加	333,120	183,297

28. 於共同控制企業之權益(續)

本集團之共同控制企業之財務資料概述如下：

29. AVAILABLE-FOR-SALE FINANCIAL ASSETS**29. 可供出售金融資產**

		The Group 本集團 2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Listed equity securities, at market value, issued by corporate entities	由企業實體發行之上市股本證券，按市值		
Hong Kong	香港	901,776	530,543
Outside Hong Kong	香港以外地區	9,151	4,444
		910,927	534,987
Unlisted equity securities, at fair value, issued by corporate entities	由企業實體發行之非上市股本證券，按公平價值		
Hong Kong (note)	香港(附註)	275	399,901
Outside Hong Kong	香港以外地區	149,376	58,251
		149,651	458,152
		1,060,578	993,139

Note: At 31st December, 2005, the amount includes the Group's interest in a fellow subsidiary of HK\$399,900,000.

附註：於二零零五年十二月三十一日，該數額包括本集團於一間同系附屬公司之權益399,900,000港元。

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30. AMOUNTS DUE FROM ASSOCIATES**30. 聯營公司欠款**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loans notes	貸款票據	78,000	78,000
Term loans	有期借款	5,000	245,000
Advances	墊款	77,827	90,692
		160,827	413,692
Less: impairment	減：減值	(2,125)	(18,726)
		158,702	394,966
Less: current portion	減：即期部份	(80,702)	(316,966)
Amount due after one year	於一年後到期之金額	78,000	78,000

31. LOANS AND ADVANCES TO CONSUMER FINANCE CUSTOMERS**31. 私人財務客戶貸款及墊款**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loans and advances to consumer finance customers	私人財務客戶貸款及墊款	2,871,459	—
Less: impairment	減：減值	(60,294)	—
		2,811,165	—
Less: Amount due within one year and shown under current assets	減：於一年內到期及列為流動資產之金額	(1,654,167)	—
Amount due after one year	於一年後到期之金額	1,156,998	—

The fair values of the Group's loans and advances to consumer finance customers at 31st December, 2006 were approximate to the corresponding carrying amounts.

本集團於二零零六年十二月三十一日向私人財務客戶作出之貸款及墊款之公平價值與相應賬面價值相若。

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32. LOANS AND RECEIVABLES**32. 貸款及應收賬款**

		The Group	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Amounts due from investee companies (note)	所投資公司欠款(附註)	6,667	124,687
Long-term portion of term loans and other receivables (note 36)	有期貸款及其他應收款項之長期部份(附註36)	28,383	1,066
		35,050	125,753
Less: impairment	減: 減值	(1,447)	(1,447)
		33,603	124,306

The fair value of the Group's loans and receivables at 31st December, 2006 was approximate to the corresponding carrying amounts.

於二零零六年十二月三十一日，本集團之貸款及應收賬款之公平價值與相應賬面值相若。

Note: In 2006, a sum totalling HK\$118,003,000 for the interest in a Kuala Lumpur hotel project was derecognised and then recognised as an available-for-sale financial asset after the Court of Final Appeal delivered its decision, dismissing the Group's final appeal.

附註：於二零零六年，於吉隆坡酒店項目合共為118,003,000港元之權益已取消確認，並於終審法院作出駁回本集團之最終上訴的決定後確認為可供出售金融資產。

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33. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior years.

33. 遞延稅項

本集團於本年度及過往報告年度中確認之主要遞延稅項負債及資產以及其變動如下：

		The Group 本集團							
		Accelerated tax depreciation 加速稅務 折舊 HK\$'000 千港元	Revaluation of properties and other assets 物業及其他 資產重估 HK\$'000 千港元	Convertible bonds 可換股債券 HK\$'000 千港元	Provision and impairment 準備及減值 HK\$'000 千港元	Unrealised profit 未變現溢利 HK\$'000 千港元	Undistributed earnings and others 未分派 盈利及其他 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2005	於二零零五年一月一日	168,350	99,274	-	(7,886)	1,274	3,620	(91,258)	173,374
Exchange adjustments	滙兌調整	-	-	-	-	67	-	-	67
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	132	-	(8)	124
Charged (credited) to income statement	扣除自(計入) 收益賬	9,325	47,638	-	1,447	31	(866)	(4,752)	52,823
(Credited) charged to equity	於權益中(計入)扣除	-	(26)	-	-	-	110	-	84
At 31st December, 2005	於二零零五年十二月三十一日	177,675	146,886	-	(6,439)	1,504	2,864	(96,018)	226,472
Exchange adjustments	滙兌調整	-	-	-	-	111	-	-	111
Acquisition of subsidiaries	收購附屬公司	(396)	-	-	(33,360)	-	-	(3,203)	(36,959)
Charged (credited) to income statement	扣除自(計入) 收益賬	14,445	(35,378)	(64)	(5,670)	(578)	382	(5,076)	(31,939)
Charged to equity	於權益中扣除	-	5,154	10,321	-	-	-	-	15,475
At 31st December, 2006	於二零零六年十二月三十一日	191,724	116,662	10,257	(45,469)	1,037	3,246	(104,297)	173,160

The following is the analysis of the deferred tax balances (after offset) for balance sheet disclosure purposes:

有關遞延稅項結餘(抵銷後)就資產負債表披露目的之分析如下：

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	220,869	230,615
Deferred tax assets	遞延稅項資產	(47,709)	(4,143)
		173,160	226,472

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33. DEFERRED TAX (CONT'D)

The following is the deferred tax liability of the Company arising from the issuance of convertible bonds by the Company and movement thereon during the current year:

		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Balance at 1st January	於一月一日之結餘	—	—
Charged to equity on issue of convertible bonds	發行可換股債券而自權益扣除	10,321	—
Credited to income statement	計入收益賬	(64)	—
Balance at 31st December	於十二月三十一日之結餘	10,257	—

At 31st December, 2006, the Group had unrecognised deductible temporary differences of HK\$863,963,000 (2005: HK\$1,334,809,000) and estimated unused tax losses of HK\$2,055,192,000 (2005: HK\$2,012,760,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$595,983,000 (2005: HK\$548,679,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$1,459,209,000 (2005: HK\$1,464,081,000) due to the unpredictability of future profit streams. There were no other significant temporary differences that are not recognised arising during the year or at the balance sheet date.

Included in unrecognised tax losses are losses of HK\$54,000, HK\$4,000 and HK\$282,000 that will expire in 2007, 2008 and 2009 respectively, the remaining losses may be carried forward indefinitely.

At 31st December, 2006 the Company had estimated unused tax losses of HK\$26,252,000 (2005: HK\$24,456,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

33. 遞延稅項(續)

以下為本公司因發行可換股債券而產生之遞延稅項負債及其於年內之變動：

於二零零六年十二月三十一日，本集團之未確認可扣稅臨時差額為863,963,000港元(二零零五年：1,334,809,000港元)及可抵銷將來溢利之估算未動用稅項虧損2,055,192,000港元(二零零五年：2,012,760,000港元)。其中就595,983,000港元(二零零五年：548,679,000港元)之上述稅項虧損已確認為遞延稅項資產。因未能確定將來溢利流，餘下1,459,209,000港元(二零零五年：1,464,081,000港元)稅項虧損並無確認為遞延稅項資產。年內或於結算日，並無其他未確認之重大臨時差額。

未確認稅項虧損包括54,000港元、4,000港元及282,000港元之虧損分別將於二零零七年、二零零八年及二零零九年到期。其餘虧損則可無限期結轉。

於二零零六年十二月三十一日，本公司之可抵銷將來溢利之估算未動用稅項虧損為26,252,000港元(二零零五年：24,456,000港元)。因未能確定將來溢利流，就該等稅項虧損之遞延稅項資產並無予確認。稅項虧損可無限期結轉。

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34. PROPERTIES HELD FOR SALE AND OTHER INVENTORIES**34. 待出售物業及其他存貨**

		The Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Properties in Hong Kong, at net realisable value	於香港之物業， 按可變現淨值	379,700	389,000
Non-current freehold properties outside Hong Kong, at net realisable value	於香港以外非即期 永久業權物業， 按可變現淨值	135,499	131,836
Medicine, dispensary supplies and other consumables	藥品、藥物 及其他耗用品	9,684	—
Other inventories	其他存貨	117	114
		525,000	520,950

Certain of the Group's properties previously held for sale with a net realisable value of HK\$47,160,000 in 2005 were rented out under operating leases in the prior year and were therefore reclassified as investment properties. No reclassifications or sales of properties occurred in 2006.

The non-current freehold properties outside Hong Kong represent a property project in the United States of America. The Group has the intention to sell this asset. The freehold properties are included in the Group's sale of properties and property based investment for segment reporting purposes (note 8).

At 31st December, 2006, the carrying value of properties pledged as security of the Group's bank and other borrowings amounted to HK\$515,199,000 (2005: HK\$520,836,000).

若干本集團之前所持有於二零零五年的可變現淨值為47,160,000港元之待出售物業已於上一年按營業租約租出，並已重列為投資物業。於二零零六年，並無物業重列或出售待出售物業。

於香港以外之非即期永久業權物業指在美國之一項物業項目。本集團擬將此資產出售。永久業權物業就分部資料目的計入本集團之出售物業及與物業有關之投資(附註8)。

於二零零六年十二月三十一日，賬面值為515,199,000港元(二零零五年：520,836,000港元)之物業已作為本集團銀行及其他借貸之抵押品。

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35. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**35. 透過損益賬按公平價值處理之金融資產**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Held-for-trading investments	持作買賣投資		
Listed equity securities, at fair value	上市股本證券，按公平價值		
issued by corporate entities	由企業實體發行		
Hong Kong	香港	85,141	32,396
Outside Hong Kong	香港以外	4,732	2,534
issued by banks	由銀行發行		
Hong Kong	香港	36,344	20,654
Outside Hong Kong	香港以外	—	87
issued by public utilities	由公營機構發行		
Hong Kong	香港	465	33
		126,682	55,704
Unlisted equity securities, at fair value	非上市股本證券，按公平價值		
issued by corporate entities outside	由香港以外企業實體		
Hong Kong	發行	3,259	222
Warrants and options listed in Hong Kong,	於香港上市之認購權證及期權，	1,727	3,508
at fair value	按公平價值	586	478
Others	其他		
		132,254	59,912
Equity securities in unlisted investment	非上市投資基金的股權證券，		
funds, at fair value	按公平價值		
Issued by corporate entities outside	由香港以外企業實體		
Hong Kong	發行	231,130	119,292
		363,384	179,204

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36. ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS**36. 應收賬款、按金及預付款項**

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Trade receivables	應收貿易賬款		
– Accounts receivable from exchanges, brokers and clients	– 應收交易所、經紀及客戶賬款	1,252,972	928,461
– Less: impairment	– 減：減值	(22,001)	(119,015)
		1,230,971	809,446
– Secured term loans	– 有抵押有期貸款	438,229	166,967
– Less: impairment	– 減：減值	(24,928)	(40,058)
		413,301	126,909
– Margin loans	– 證券放款	1,841,891	1,440,396
– Less: impairment	– 減：減值	(58,461)	(147,111)
		1,783,430	1,293,285
Interest receivables	應收利息	3,427,702	2,229,640
Other accounts receivable, deposits and prepayments	其他應收賬款、按金及預付款項	44,406	3,730
		297,671	134,740
		3,769,779	2,368,110
Less: long term portion of term loans and other receivables (note 32)	減：有期貸款及其他應收款項之長期部份(附註32)	(28,383)	(1,066)
		3,741,396	2,367,044

Included in accounts receivable, deposits and prepayments are trade receivables totalling HK\$1,644,272,000 (2005: HK\$936,355,000), the aged analysis of which is as follows:

計入應收賬款、按金及預付款項乃應收貿易賬款合計1,644,272,000港元(二零零五年：936,355,000港元)，其賬齡分析如下：

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
0 to 30 days	零至30日	1,479,863	910,721
31 to 180 days	31至180日	101,633	16,849
181 to 365 days	181至365日	3,742	778
over 365 days	365日以上	105,963	167,080
		1,691,201	1,095,428
Less: impairment	減：減值	(46,929)	(159,073)
		1,644,272	936,355

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36. ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS (CONT'D)

No aged analysis on margin clients' receivables is disclosed as, in the opinion of the Directors, an aged analysis is not meaningful in view of the nature of the business of securities margin financing.

Details of the interest rates and maturity dates of term loans and margin loans are disclosed in note 5.

There were listed and unlisted securities and properties of clients held as collateral against secured margin loans and term loans. The fair value of the listed securities at 31st December, 2006 was HK\$11,022,589,000 (2005 : HK\$6,272,527,000).

37. CASH AND CASH EQUIVALENTS

Bank balances and cash	銀行結餘及現金
Fixed deposits with banks	銀行定期存款
Treasury bills	國庫券

36. 應收賬款、按金及預付款項(續)

概無披露任何證券放款客戶之應收賬款之賬齡分析，因董事認為，鑑於證券放款之業務之性質，賬齡分析並無意義。

有期貸款及證券放款之利率及到期日期之詳情於附註第5項中披露。

本集團持有客戶之上市及非上市證券以及物業作為有抵押證券放款及有期貸款之抵押品。上述上市證券於二零零六年十二月三十一日之公平價值為11,022,589,000港元(二零零五年：6,272,527,000港元)。

37. 現金及現金等價物

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	608,166	362,614
Fixed deposits with banks	銀行定期存款	839,728	110,902
Treasury bills	國庫券	7,675	7,680
		1,455,569	481,196

		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	579	159
Fixed deposits with banks	銀行定期存款	236,000	—
		236,579	159

The Group maintains trust and segregated accounts with licensed banks to hold clients' deposits arising from normal business transactions. At 31st December 2006, trust and segregated accounts not otherwise dealt with in these accounts totalled HK\$3,461,364,000 (2005: HK\$2,130,593,000).

Further details of the fixed deposits with banks and treasury bills are disclosed in note 5.

本集團於持牌銀行開設有信託及獨立賬戶，為經營日常業務所需而持有之客戶信託存款。於二零零六年十二月三十一日，信託及獨立賬戶並未包括於本賬項下之金額合計3,461,364,000港元(二零零五年：2,130,593,000港元)。

銀行定期存款及國庫券之進一步詳情於附註第5項披露。

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38. ACCOUNTS PAYABLE AND ACCRUED CHARGES

Included in accounts payable and accrued charges are trade payables of HK\$1,058,654,000 (2005 : HK\$848,151,000), the aged analysis of which is stated as follows:

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 to 30 days	零至30日	1,018,680	820,787
31 to 180 days	31至180日	12,909	4,336
181 to 365 days	181至365日	1,782	508
over 365 days	365日以上	25,283	22,520
		1,058,654	848,151

38. 應付賬款及應計費用

計入應付賬款及應計費用內之款額為應付貿易賬款共1,058,654,000港元(二零零五年: 848,151,000港元), 其賬齡分析如下:

39. OTHER FINANCIAL ASSETS AND LIABILITIES**The Group**

The fair values of the Group's accounts receivable, amounts due from associates, amount due from a jointly controlled entity, short-term pledged bank deposit, cash and cash equivalents, accounts payable and accrued charges, amount due to ultimate holding company, amounts due to associates and amount due to a jointly controlled entity at 31st December, 2006 were approximate to the corresponding carrying amounts.

The Company

The fair values of the Company's accounts receivable, amounts due from subsidiaries, cash and cash equivalents, accounts payable and amount due to ultimate holding company and amounts due to subsidiaries at 31st December, 2006 were approximate to the corresponding carrying amounts.

39. 其他金融資產及負債**本集團**

於二零零六年十二月三十一日, 本集團之應收賬款、聯營公司欠款、一間共同控制企業欠款、短期已抵押銀行存款、現金及現金等價物、應付款項及應計費用、欠最終控股公司款項、欠聯營公司款項及欠一間共同控制企業款項之公平價值與相應賬面值相若。

本公司

於二零零六年十二月三十一日, 本公司之應收賬款、附屬公司欠款、現金及現金等價物、應付賬款, 以及欠最終控股公司款項及欠附屬公司款項之公平價值與相應賬面金額相若。

40. SHARE CAPITAL**40. 股本**

		Number of shares 股份數目	Value 價值 HK\$'000 千港元
Authorised:	法定股本:		
Ordinary shares of HK\$2.0 each at 31st December, 2005 and at 31st December, 2006	於二零零五年十二月三十一日及二零零六年十二月三十一日每股面值2.0港元之普通股	3,000,000,000	6,000,000
Issued and fully paid:	已發行及繳足股本:		
At 1st January, 2005 and 31st December, 2005	於二零零五年一月一日及二零零五年十二月三十一日	537,151,901	1,074,303
Exercise of warrant subscription rights	行使認股權證認購權	147,625	296
At 31st December, 2006	於二零零六年十二月三十一日	537,299,526	1,074,599



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40. SHARE CAPITAL (CONT'D)

A bonus issue of warrants on the basis of one warrant for every five shares held was proposed by the Board on 12th April, 2006. 107,430,380 warrants were issued on 5th June, 2006.

The warrant holders are entitled to subscribe in cash for one fully paid share at an initial subscription price of HK\$10.00 per share, subject to adjustment, at any time from 7th June, 2006 to 6th June, 2009 (both days inclusive). During the year ended 31st December, 2006, 147,625 warrants were converted into 147,625 ordinary shares at a subscription price of HK\$10.00 per share. Accordingly 107,282,755 warrants were outstanding at 31st December, 2006. Exercise in full of the outstanding warrants would result in the issue of 107,282,755 additional shares with an aggregate subscription value of HK\$1,072,827,550.

41. RESERVES

The Group	本集團
Share premium	股份溢價
Convertible bonds equity reserve	可換股債券股本儲備
Property revaluation reserve	物業重估儲備
Investment revaluation reserve	投資重估儲備
Capital redemption reserve	資本贖回儲備
Translation reserve	匯兌儲備
Capital reserve (note)	資本儲備(附註)
Accumulated profits	累計溢利
Dividend reserve	股息儲備

40. 股本(續)

董事會於二零零六年四月十二日建議以每持有五股股份配發一份認股權證發行紅利認股權證。於二零零六年六月五日發行107,430,380份認股權證。

認股權證持有人可於自二零零六年六月七日至二零零九年六月六日(首尾兩日包括在內)之任何時間按每股10.00港元(可予調整)之最初認購價以現金認購一股繳足股份。於截至二零零六年十二月三十一日止年度, 147,625份認股權證已按每股10.00港元之認購價轉換為147,625股普通股。因此, 於二零零六年十二月三十一日尚有107,282,755份認股權證未獲行使。悉數行使尚未行使之認股權證將引致發行107,282,755股額外股份, 認購價合共為1,072,827,550港元。

41. 儲備

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
517,824	516,644
48,660	—
25,675	—
641,210	490,639
72,044	72,044
(41,752)	(86,753)
2,301	4,827
5,947,213	4,945,116
80,595	53,715
7,293,770	5,996,232

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41. RESERVES (CONT'D)**41. 儲備(續)**

		Share premium 股份溢價 HK\$'000 千港元	Convertible bonds equity reserve 可換股債券 股本儲備 HK\$'000 千港元	Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元	Accumulated profits 累計溢利 HK\$'000 千港元	Dividend reserve 股息儲備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
The Company	本公司						
At 1st January, 2005	於二零零五年一月一日	516,644	–	72,044	610,324	26,858	1,225,870
Dividend paid	已付股息	–	–	–	–	(26,858)	(26,858)
Proposed final dividend	擬派末期股息	–	–	–	(53,715)	53,715	–
Profit attributable to equity holders	股東應佔溢利	–	–	–	572,577	–	572,577
At 31st December, 2005	於二零零五年十二月三十一日	516,644	–	72,044	1,129,186	53,715	1,771,589
Issue of convertible bonds	發行可換股債券	–	58,981	–	–	–	58,981
Deferred tax arising on issue of convertible bonds	發行可換股債券產生之遞延稅項	–	(10,321)	–	–	–	(10,321)
Exercise of warrants	行使認股權證	1,180	–	–	–	–	1,180
Dividend paid	已付股息	–	–	–	–	(53,715)	(53,715)
Proposed final dividend	擬派末期股息	–	–	–	(80,595)	80,595	–
Profit attributable to equity holders	股東應佔溢利	–	–	–	278,790	–	278,790
At 31st December, 2006	於二零零六年十二月三十一日	517,824	48,660	72,044	1,327,381	80,595	2,046,504

The Company's reserves available for distribution to equity holders at 31st December, 2006 are represented by accumulated profits and dividend reserve totalling HK\$1,407,976,000 (2005: 1,182,901,000).

於二零零六年十二月三十一日，本公司可供分派予股東之儲備呈列為合共1,407,976,000港元(二零零五年：1,182,901,000港元)之累計溢利及股息儲備。

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41. RESERVES (CONT'D)

Note:

The Capital reserve includes:

		Capital reserve 資本儲備 HK\$'000 千港元	Statutory reserve 法定儲備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
The Group	本集團			
At 1st January, 2005	於二零零五年一月一日	–	2,810	2,810
Share on post-acquisition reserve movements of associate	應佔收購後聯營公司 儲備變動	1,754	–	1,754
Transferred from accumulated profits	轉撥自累計溢利	–	263	263
At 31st December, 2005	於二零零五年十二月三十一日	1,754	3,073	4,827
Released on disposal of associate Share of post-acquisition reserve movements of associate	於出售聯營公司時轉撥 應佔收購後聯營公司 儲備變動	(1,754)	(892)	(2,646)
Transferred from accumulated profits	轉撥自累計溢利	–	102	102
		–	18	18
At 31st December, 2006	於二零零六年十二月三十一日	–	2,301	2,301

Statutory reserves represent a reserve required under the relevant rules and regulations of Mainland China.

法定儲備乃指按中國大陸有關法規及規例所規定之儲備。

42. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries are unsecured. An amount of HK\$29,167,000 (2005: HK\$156,016,000) bears interest at 3.5% (2005 : 3.2%) per annum and the remaining balances are non-interest bearing. At 31 December, 2006, except for an amount of HK\$29,167,000, the amounts due to subsidiaries are repayable on demand and hence shown as current.

42. 欠附屬公司款項

欠附屬公司款項為無抵押。一筆數額為29,167,000港元(二零零五年: 156,016,000港元)之款項, 乃按年息3.5%計算(二零零五年: 3.2%), 餘額為免息。於二零零六年十二月三十一日, 除29,167,000港元之金額外, 欠附屬公司款項須即時償還, 故作為流動負債列示。

43. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**43. 透過損益賬按公平價值處理之金融負債**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Stock borrowings	股票借款	–	17,700
Stock options	股票期權	1,902	56
Financial guarantee contract	財務保證合約	70	–
		1,972	17,756

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44. BANK AND OTHER BORROWINGS**44. 銀行及其他借貸**

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank borrowings comprise :	銀行借貸包括 :				
Bank loans	銀行貸款	2,410,791	1,742,956	—	—
Bank overdrafts	銀行透支	34,930	83,040	—	3,115
		2,445,721	1,825,996	—	3,115
Other borrowings	其他借貸	8,000	—	—	—
		2,453,721	1,825,996	—	3,115
Analysed as :	列為 :				
Secured	有抵押	1,445,429	1,792,881	—	—
Unsecured	無抵押	1,008,292	33,115	—	3,115
		2,453,721	1,825,996	—	3,115
Bank loans and overdrafts are repayable as follows:	銀行貸款及透支償還期限如下 :				
Within one year or on demand	一年內或即期	1,526,570	950,233	—	3,115
More than one year but not exceeding two years	一年以上但不超過兩年	645,712	606,939	—	—
More than two years but not exceeding five years	兩年以上但不超過五年	273,439	211,214	—	—
More than five years	五年以上	—	57,610	—	—
		2,445,721	1,825,996	—	3,115
Other borrowings repayable within one year or on demand	須於一年內或即時償還之其他借貸	8,000	—	—	—
Less: Amount repayable within one year and shown under current liabilities	減: 列於流動負債項下須於一年內償還之金額	(1,534,570)	(950,233)	—	(3,115)
Amount due after one year	於一年後到期之金額	919,151	875,763	—	—

The Group has a bank loan of HK\$1,704,000 which is denominated in United States Dollars. Details of the interest rates and dates of maturity of the bank loans are disclosed in note 5.

本集團有一筆銀行貸款1,704,000港元乃以美元為結算單位。銀行貸款之利率及到期日期之詳情於附註第5項披露。

Details of the assets of the Group pledged to secure bank borrowings are set out in note 57.

以本集團作為銀行及其他借貸抵押之資產詳情列於附註第57項。

The fair values of the Group's bank and other borrowings at 31st December, 2006 were approximate to the corresponding carrying amounts.

於二零零六年十二月三十一日，本集團之銀行及其他借貸之公平價值與相應賬面值相若。

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45. LOAN NOTES**45. 貸款票據**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Principal	本金		
At 1st January	於一月一日	69,637	129,637
Repurchased and cancelled	已購回及註銷	—	(60,000)
At 31st December	於十二月三十一日	69,637	69,637
Difference using the effective interest method	採用實際利率法之差額		
At 1st January	於一月一日	(5,385)	—
Adjustments to opening balance on the adoption of HKAS 39	因採納會計準則第39號之 期初結餘調整	—	(14,077)
Interest expense	利息支出	2,387	8,692
At 31st December	於十二月三十一日	(2,998)	(5,385)
Carrying amounts at 31st December	於十二月三十一日之賬面值	66,639	64,252

The loan notes bear interest at 4% per annum and are due on 7th March, 2008. The effective interest rate is 7.9% per annum.

貸款票據按年息4%計息及於二零零八年三月七日期到。實際年利率為7.9%。

The fair value of the Group's loan notes at 31st December, 2006 was approximate to the corresponding carrying amount.

本集團之貸款票據於二零零六年十二月三十一日之公平價值與相應賬面值相若。

46. BONDS**46. 債券**

The bonds are unsecured and due to a fellow subsidiary bearing interest at the rate of 1% above Hong Kong Inter Bank Borrowing Rate ("HIBOR") per annum, payable half-yearly in arrears. The interest rate is repriced at the first day of every six-month period. They are due for repayment on 24th August, 2009. The fair value of the bonds at 31st December, 2006 was approximate to the corresponding carrying value.

該等債券無抵押並應付予一間同系附屬公司，其年息為香港銀行同業拆息（「香港銀行同業拆息」）加1厘，逾期半年即須予支付。息率於每六個月期間之首日重新釐定。該等債券須於二零零九年八月二十四日償還。該等債券於二零零六年十二月三十一日之公平價值與其相應賬面值相若。

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47. CONVERTIBLE BONDS

47. 可換股債券

		The Group and the Company 本集團及本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Principal amount of convertible bonds issued (net of issue costs)	已發行可換股債券本金額 (扣除發行成本)	533,161	—
Financial asset – embedded derivative component (net of issue costs)	金融資產 – 內嵌式衍生工具部份 (扣除發行成本)	5,234	—
Equity component (net of issue costs)	權益部份 (扣除發行成本)	(58,981)	—
Liability component on initial recognition (net of issue costs)	初始確認之負債部份 (扣除發行成本)	479,414	—
Accrued interest capitalised during the year	年內已資本化應計利息	369	—
Liability component	負債部份	479,783	—

The convertible bonds were issued on 10th November, 2006 by the Company, at an issue price of HK\$10 per convertible bond. The convertible bonds bear interest at 7% per annum for the period from 10th November, 2006 to 30th June, 2009 and, 4% per annum for the period from 1st July, 2009 to 9th November, 2011. Holders of the convertible bonds have the right to convert the convertible bonds into shares of the Company by dividing the outstanding principal amounts of the convertible bonds by the conversion price of HK\$10 per share during the conversion period commencing from 1st July, 2009 and ending on the business date falling ten business days immediately preceding 9th November, 2011. The convertible bonds, if not already redeemed or converted, will be redeemable by the Company on the maturity date of 9th November, 2011. The Company has the option to early redeem the convertible bonds on the day falling every six months after the date of issue of the convertible bonds.

The convertible bonds contain three components comprising an early redemption derivative, financial liability and equity conversion option elements. The early redemption derivative element, amounting to HK\$5,234,000 attributable to the Group, representing the derivative arising from the option of the Group to early redeem the convertible bonds, was initially recognised on issue of the convertible bonds and the fair value of the early redemption derivative was decreased to zero based on independent professional valuation at 31st December, 2006. The financial liability is unsecured and stated at amortised cost with an effective interest rate of 8.37% per annum. The equity element of the convertible bonds is included in reserves as “convertible bonds equity reserve”.

The fair value of the liability component of convertible bonds at 31st December, 2006 based on independent professional valuation was HK\$486,850,000.

可換股債券乃於二零零六年十一月十日由本公司按每可換股債券10港元之發行價發行。可換股債券之年息率於二零零六年十一月十日至二零零九年六月三十日期間為7%，於二零零九年七月一日至二零一一年十一月九日期間為4%。債券持有人有權於由二零零九年七月一日起至緊接二零一一年十一月九日前十個營業日之營業日止的轉換期按未償還金額除以轉換價每股10港元之數額，將債券轉換為本公司的新股份。本公司必須於二零一一年十一月九日之前強制性贖回尚未獲贖回或轉換的可換股債券。本公司可選擇於可換股債券之發行日期後每滿六個月之日提早贖回可換股債券。

可換股債券包含三個部份，包括提早贖回衍生工具、金融負債及股本轉換權部份。本集團應佔提早贖回衍生工具部份5,234,000港元由本集團在可換股債券中的提早贖回權所衍生乃於發行可換股債券時即時確認，且根據二零零六年十二月三十一日之獨立專業估值提早贖回衍生工具之公平值已降至零。金融負債乃無抵押及按攤銷成本及實際年息率8.37%列賬。可換股債券的股本部份作為「可換股債券股本儲備」列入權益。

根據獨立專業估值，可換股債券負債部份於二零零六年十二月三十一日之公平值為486,850,000港元。

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48. PROVISIONS

		The Group 本集團		
		Employee benefits 僱員福利 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Provisions:	撥備			
At 1st January, 2006	於二零零六年一月一日	33,497	1,638	35,135
Provided for the year	年內撥備	67,239	4,973	72,212
Written back	撥回	(458)	(159)	(617)
Utilisation of provision	撥備利用	(11,506)	(385)	(11,891)
Amount paid during the year	年內已付款項	(24,210)	—	(24,210)
Purchase of subsidiary	收購附屬公司	—	5,088	5,088
Transfer from accounts payable	轉撥自應付賬目	3,147	—	3,147
At 31st December, 2006	於二零零六年十二月三十一日	67,709	11,155	78,864
Less : Current portion	減：流動部份	(67,151)	(10,533)	(77,684)
Non-current portion	非流動部份	558	622	1,180

49. OTHER LIABILITIES

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Advance from minority shareholders	少數股東墊款	856	974
Obligation under finance leases	融資租約債務	13	—
Less: Current portion	減：流動部份	869 (861)	974 —
Non-current portion	非流動部份	8	974

50. ACQUISITION OF SUBSIDIARIES

- (a) On 24th August 2006, the Group completed an agreement with AGL and AG Capital Holding Limited (a wholly-owned subsidiary of AGL) for the purchase of the entire issued share capital of UAF Holdings Limited together with the assignment of a related shareholder's loan for an aggregate consideration of HK\$4,328,000,000, comprising HK\$4,288,409,000 for the sale share and HK\$39,591,000 for the loan.

UAF Holdings group is principally engaged in consumer finance loans with a strong branch network throughout Hong Kong.

The total consideration was settled by cash of HK\$628,000,000, short-term loan of HK\$900,000,000 and three year bonds with a principal amount of HK\$2,800,000,000. The amount of goodwill arising as a result of the acquisition was HK\$3,256,536,000.

50. 收購附屬公司

- (a) 二零零六年八月二十四日，本集團完成與聯合集團及AG Capital Holding Limited（聯合集團之一間全資附屬公司）就以4,328,000,000港元之總代價購買UAF Holdings Limited全部已發行股本及轉讓一名相關股東貸款（4,288,409,000港元用於購買銷售股份，39,591,000港元用於購買貸款）訂立之協議。

UAF Holding集團主要從事私人融資貸款，其分支網絡遍佈香港。

該總代價乃以現金628,000,000港元、900,000,000港元短期貸款及本金額為2,800,000,000港元之三年期債券支付。因收購產生之商譽金額為3,256,536,000港元。



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50. ACQUISITION OF SUBSIDIARIES (CONT'D)

(a) (CONT'D)

The aggregate assets and liabilities arising from the acquisition of UAF Holdings and the goodwill, are as follows:

		Acquiree's carrying amount 被收購方之賬面值 HK\$'000 千港元	Fair value adjustments 公平價值調整 HK\$'000 千港元	Provisional fair value 暫定公平價值 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	303,464	-	303,464
Goodwill	商譽	27,487	(27,487)	-
Property, plant and equipment	物業、廠房及設備	10,147	-	10,147
Available-for-sale financial assets	可供出售金融資產	2	-	2
Deferred tax assets	遞延稅項資產	38,016	-	38,016
Loans and advances to consumer finance customers due after one year	一年後到期之私人財務客戶貸款及墊款	1,123,180	-	1,123,180
Accounts receivable, deposits and prepayments	應收賬款、按金及預付款項	55,613	-	55,613
Loans and advances to consumer finance customers due within one year	一年內到期之對私人財務客戶貸款及墊款	1,554,122	-	1,554,122
Financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產	26,049	-	26,049
Bank and other borrowings due within one year	一年內到期之銀行及其他借貸	(108,000)	-	(108,000)
Accounts payable and accrued charges	應付賬款及應計費用	(55,021)	-	(55,021)
Dividend payable	應付股息	(282,150)	-	(282,150)
Tax payable	應付稅項	(73,321)	-	(73,321)
Bank and other borrowings due after one year	一年後到期之銀行及其他借款	(485,000)	-	(485,000)
Net assets	淨資產	<u>2,134,588</u>	<u>(27,487)</u>	<u>2,107,101</u>
Minority interests	少數股東權益			(902,076)
Share of net assets on previous interests held as available-for-sale investments	以往持作為可供出售投資所佔的資產淨值			(151,069)
				<u>1,053,956</u>
Total purchase consideration satisfied by: 收購總代價支付方式:				
Cash including expenses paid	現金包括已支付開支			630,329
Short term loan	短期貸款			900,000
Bonds	債券			2,800,000
Pre-acquisition dividend received and receivable	已收及應收收購前股息			(20,520)
Accrued expenses incurred on acquisition	收購產生之應計開支			683
				<u>4,310,492</u>
Goodwill	商譽			<u>3,256,536</u>
Purchase consideration settled in cash	以現金支付之收購代價			630,329
Cash and cash equivalents in subsidiaries acquired	已收購附屬公司之現金及現金等價物			(303,464)
Net cash outflow arising on acquisition	收購產生之淨現金流出			<u>326,865</u>

50. 收購附屬公司(續)

(a) (續)

收購 UAF Holdings 產生之資產及負債總額以及商譽如下:

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50. ACQUISITION OF SUBSIDIARIES (CONT'D)

- (b) During the year, the Group concluded an option agreement with CLSA Capital Limited ("CLSA") in relation to the option shares and option warrants of QHA at a consideration of approximately HK\$11,101,000. The option entitled the Group to acquire from CLSA 34,156,666 shares in QHA at an aggregate exercise price of HK\$99,908,000, and to exercise warrants leading to the subscription of 7,056,232 shares in QHA.

On 29th September 2006, the Group exercised the option over the option shares of QHA and in October 2006 CLSA transferred all the option warrants of QHA to the Group. The Group increased its interests in QHA from 34% as at 1st January, 2006 to 51% immediately following the exercise of the option over the option shares.

The total consideration for the increase in interests in QHA amounted to HK\$111,009,000 and was settled by cash. The amount of goodwill arising as a result of the acquisition was HK\$167,254,000, of which HK\$86,127,000 was previously included in the carrying value of interests in associates.

50. 收購附屬公司(續)

- (b) 年內，本集團與CLSA Capital Limited (「CLSA」)就卓健的認購權股份及認購權認股證訂立一份認購權協議，代價約為11,101,000港元。認購權賦予本集團權利，以99,908,000港元的總行使價向CLSA收購34,156,666股卓健股份，及行使認股權證以認購7,056,232股卓健股份。

於二零零六年九月二十九日，本集團行使卓健認購權股份的認購權，且於二零零六年十月，CLSA將所有卓健認購權認股證轉讓予本集團。緊隨行使認購權股份的認購權之後，本集團在卓健的權益從二零零六年一月一日的34%增至51%。

增加於卓健的權益的總代價111,009,000港元以現金支付。收購產生的商譽數額為167,254,000港元。其中86,127,000港元先前已計入於聯營公司權益的眼面值。

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50. ACQUISITION OF SUBSIDIARIES (CONT'D)

(b) (CONT'D)

The aggregate assets and liabilities arising from the acquisition of QHA and the goodwill, are as follows:

		Acquiree's carrying amount 被收購方之賬面值 HK\$'000 千港元	Fair value adjustments 公平價值調整 HK\$'000 千港元	Provisional fair value 暫定公平價值 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	160,235	–	160,235
Goodwill	商譽	3,527	(3,527)	–
Property, plant and equipment	物業、廠房及設備	39,700	–	39,700
Interests in associates	於聯營公司之權益	2,460	–	2,460
Interests in jointly controlled entities	於共同控制企業之權益	684	–	684
Other inventories	其他存貨	9,004	–	9,004
Accounts receivable, deposits and prepayments	應收賬款、按金及預付款項	125,169	–	125,169
Accounts payable and accrued charges	應付賬款及應計費用	(114,301)	–	(114,301)
Dividend payable	應付股息	(6,624)	–	(6,624)
Tax payable	應付稅項	(12,968)	–	(12,968)
Bank and other borrowings due after one year	一年後到期之銀行及其他借貸	(10)	–	(10)
Provisions	撥備	(3,563)	–	(3,563)
Deferred tax liabilities	遞延稅項負債	(1,057)	–	(1,057)
Net assets	淨資產	202,256	(3,527)	198,729
Minority interests	少數股東權益			(97,218)
				101,511
Total purchase consideration satisfied by: 收購總代價支付方式：				
Cash including expenses paid	現金包括已支付開支			113,865
Pre-acquisition dividend received and receivable	已收及應收收購前股息			(3,329)
Accrued expenses incurred on acquisition	收購產生之應計開支			2,338
Transfer from interests in associates	轉撥自於聯營公司之權益			155,891
				268,765
Goodwill	商譽			167,254
Purchase consideration settled in cash	以現金支付之收購代價			113,865
Cash and cash equivalents in subsidiaries acquired	已收購附屬公司之現金及現金等價物			(160,235)
Net cash outflow arising on acquisition	收購產生之淨現金流出			(46,370)

50. 收購附屬公司(續)

(b) (續)

收購卓健產生之資產及負債總額以及商譽如下：

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50. ACQUISITION OF SUBSIDIARIES (CONT'D)

The goodwill arising on acquisition of the above subsidiaries is subject to adjustments as the management is in the process to carry out valuation on the net assets to determine the goodwill arising from the transactions.

The aggregate revenue and the profit and loss of the acquired subsidiaries are as follows:

		For the year 2006 二零零六年 HK\$'000 千港元	Post- acquisition 收購後 HK\$'000 千港元
Total revenue	收入總額	1,965,305	619,547
Profit and loss	溢利及虧損	548,111	196,126

The information for the year 2006 is for illustrative purposes only and is not necessarily an indication of revenue and results of operation of the acquired subsidiaries that are included in the consolidated income statement of the Group, nor is it intended to be a projection of future results.

收購上述附屬公司產生之商譽有待調整，管理層正就淨資產進行估值以釐定該等交易產生之商譽。

年內已收購附屬公司之總收入以及溢利及虧損如下：

二零零六年之資料僅為說明用途，並不代表計入集團綜合收益賬內之已收購附屬公司之收入及經營業績，亦不代表未來業績之預測。

51. DISPOSAL OF A SUBSIDIARY

In December 2006, the Group disposed of a subsidiary engaged in the asset management business. The net assets of the subsidiary at the date of disposal were as follows:

51. 出售附屬公司

於二零零六年十二月，集團出售一間從事資產管理業務之附屬公司。該附屬公司於出售日期之淨資產如下：

		HK\$'000 千港元
Net assets disposed of	已出售淨資產	
– Cash and cash equivalents	– 現金及現金等價物	77
– Loans and advances to consumer finance customers	– 私人財務客戶貸款及墊款	564
– Accounts payable and accruals	– 應付賬款及應計費用	(54)
– Tax payable	– 應付稅項	(62)
		525
Attributable goodwill	應佔商譽	5,820
		6,345
Gain on disposal	出售收益	8,640
Total consideration settled by cash	以現金支付之總代價	14,985
Net cash inflow arising on disposal	出售產生之淨現金流入	14,985
– Cash consideration	– 現金代價	(77)
– Cash and cash equivalent disposed of	– 所出售之現金及現金等價物	14,908

52. MAJOR NON-CASH TRANSACTION

During the year, dividend income declared by a jointly controlled entity of HK\$120,000,000 (2005: HK\$60,000,000) was recorded by setting off the amount against the current account of the jointly controlled entity.

52. 主要非現金交易

年內，由共同控制企業宣派之股息收入120,000,000港元(二零零五年：60,000,000港元)乃透過與共同控制企業之往來賬目抵銷記錄。

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53. CONTINGENT LIABILITIES

- (a) At 31st December, 2006, the Group had guarantees as follows:

Indemnities on banking guarantees made available to a clearing house and regulatory body
Other guarantees

就一間結算所及監管機構所獲銀行擔保作出賠償擔保
其他擔保

2006
二零零六年
HK\$'000
千港元

2005
二零零五年
HK\$'000
千港元

5,540

5,540

12,098

7,084

17,638

12,624

- (b) In June 2006, Sun Hung Kai received notice of a 2001 order made by the Hubei Province Higher Peoples Court in China freezing US\$3 million of funds (or assets of equivalent value) of Sun Hung Kai Securities Limited ("SHKS"), a wholly-owned subsidiary of Sun Hung Kai, pursuant to which SHKS's shares in Chang Zhou Power Development Company Limited in China ("Shares") (worth US\$3 million) were subsequently frozen. SHKS had sold the Shares in 1998. Sun Hung Kai will further investigate the matter but at this stage it does not consider that it is appropriate to make any provision considering the circumstances.
- (c) At 31st December, 2006, the Company had guarantees of HK\$1,470,857,000 (2005: HK\$1,470,857,000) given to banks in respect of credit facilities utilised by its subsidiaries.

The Company charged guarantee fees to subsidiaries at market related rates on an annual basis for the guarantees given on banking facilities.

53. 或然負債

- (a) 於二零零六年十二月三十一日，本集團作出之擔保如下：

2006
二零零六年
HK\$'000
千港元

2005
二零零五年
HK\$'000
千港元

5,540

5,540

12,098

7,084

17,638

12,624

- (b) 於二零零六年六月，新鴻基接獲中國湖北省高級人民法院發出之2001年命令通知，判令凍結新鴻基之直接全資附屬公司新鴻基證券有限公司(「新鴻基證券」)3,000,000美元的資金(或等值資產)，據此，新鴻基證券於中國長州電力發展有限公司之股份(「股份」)(價值3,000,000美元)其後已被凍結。新鴻基證券已於一九九八年出售該等股份。新鴻基將進一步調查，但在目前情況下並不認為適宜作出任何撥備。
- (c) 於二零零六年十二月三十一日，本公司就一間附屬公司所動用之銀行信貸額向銀行作出1,470,857,000港元(二零零五年：1,470,857,000港元)之擔保。

本公司就所作出之銀行信貸擔保按照有關市場比率每年向該等附屬公司收取擔保費。

54. CAPITAL COMMITMENTS**54. 資本承擔**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital expenditure contracted for but not provided for in the financial statements	已簽約但未在財務報表中作撥備之資本開支	38,663	29,952
Capital expenditure authorised but not contracted for	已獲授權但未簽約之資本開支	1,000	2,259

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

於二零零六年及二零零五年十二月三十一日，本公司並無任何重大資本承擔。



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55. OPERATING LEASE ARRANGEMENTS**55. 營業租約安排****The Group as lessee****本集團作為承租人**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Minimum lease payments under operating leases recognised in the income statement for the year :	於本年度收益賬中確認有關營業租約之最低租約款項：		
Land and buildings	土地及樓宇	48,704	17,170
Others	其他	121	50
		48,825	17,220

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

於二零零六年十二月三十一日，本集團根據不可撤銷營業租約而於下列期間到期支付之最低租約款項如下：

		The Group 本集團			
		2006 二零零六年		2005 二零零五年	
		Land and buildings 土地及樓宇 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	Others 其他 HK\$'000 千港元
Within one year	一年內	112,411	6,608	14,477	406
In the second to fifth year inclusive	於第二至第五年(包括首尾兩年)	116,993	795	14,463	—
Over five years	五年以上	—	5	—	—
		229,404	7,408	28,940	406

Operating leases are generally negotiated for terms ranging from one to five years.

經營租約之年期一般經議定為一至五年。

The Group as lessor**本集團作為出租人**

Property rental income earned during the year was HK\$99,924,000 (2005: HK\$87,210,000). The property held has committed tenants whose tenancy agreements expire or are terminable over the next three years.

年內賺取之物業租金收入為99,924,000港元(二零零五年：87,210,000港元)。所持有之物業已有租戶承諾租用，該等租戶之租約協議將於未來三年內屆滿或可於未來三年內終止。

At 31st December, 2006, the Group had contracted with tenants for the following future minimum lease payments:

於二零零六年十二月三十一日，本集團已就下列未來最低租約款項與租戶訂立合約：

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	於一年內	72,994	69,460
In the second to fifth years inclusive	於第二至第五年(包括首尾兩年)	52,695	37,793
		125,689	107,253

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55. OPERATING LEASE ARRANGEMENTS (CONT'D)

The Company did not have any significant lease commitments as a lessee or lessor under non-cancellable operating leases at 31st December, 2006 and 2005.

56. RETIREMENT BENEFIT SCHEMES

The Group operates defined contribution retirement benefit schemes for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group under provident funds managed by independent trustees.

The retirement benefit cost charged to the income statement represents contributions paid and payable to the fund by the Group at rates specified in the rules of the schemes. Where there are employees who leave the schemes prior to vesting fully in the contributions, in accordance with the terms of the schemes, the contributions payable by the Group are reduced by the amount of forfeited employer's contributions.

At 31st December, 2006 and 2005, there were no material forfeited contributions which arose when employees left the retirement benefit schemes before they were fully vested in the contributions and which were available to reduce the contributions payable by the Group in the future years.

The schemes have been closed to new employees as a consequence of the Mandatory Provident Fund Schemes Ordinance introduced by the Hong Kong Government.

From 1st December, 2000 onwards, new staff in Hong Kong joining the Group are required to join the Mandatory Provident Fund Scheme ("MPF Scheme"). The Group is required to contribute 5%, while the employees are required to contribute 5% of their salaries to the MPF Scheme.

57. PLEDGE OF ASSETS

At 31st December, 2006, certain of the Group's investment properties, hotel property, land and buildings, prepaid land lease payments and properties held for sale with an aggregate carrying value of HK\$3,975,179,000 (2005: HK\$3,699,422,000), listed investments belonging to the Group and margin clients with a carrying value of HK\$1,306,215,000 (2005: HK\$1,387,659,000) together with certain securities in respect of a listed subsidiary with a carrying value of HK\$1,181,616,000 (2005: HK\$902,933,000), were pledged to secure loans and general banking facilities to the extent of HK\$3,075,591,000 (2005: HK\$3,098,756,000) granted to the Group. Facilities amounting to HK\$1,445,429,000 (2005: HK\$1,792,881,000) were utilised at 31st December, 2006.

At 31st December, 2006, a bank deposit of HK\$1,000,000 (2005: HK\$972,000) was pledged to secure a bank guarantee amounting to HK\$2,000,000 (2005: HK\$2,000,000).

At 31st December, 2006 and 2005, the Company had not pledged any assets.

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55. 營業租約安排(續)

於二零零六年及二零零五年十二月三十一日，本公司概無因作為承租人或出租人而於不可撤銷營業租約項下擁有任何重大租賃承擔。

56. 退休福利計劃

本集團為所有在香港之合資格僱員提供定額供款退休福利計劃。該等計劃之資產與本集團之資產分開持有，獨立存於由獨立信託公司所管理之公積金。

自收益賬扣除之退休福利開支為本集團按計劃規則所指定比率而已付及應付之基金供款。倘僱員於全數達到享用退休福利前退出計劃，則根據計劃之條款，退回僱主供款之金額將用以減除本集團應付之供款。

於二零零六年及二零零五年十二月三十一日，並無僱員由於在達到可全數享用退休福利前退出該計劃以致有重大部份之僱主供款得以退回，並可將該退還款項用以減除本集團往後年度之應付供款。

由於香港政府推行強制性公積金計劃條例，本集團於二零零零年起已不再為新僱員提供上述計劃。

自二零零零年十二月一日起，凡於香港新加盟本集團之員工按規定均須加入強制性公積金計劃（「強積金計劃」）。本集團及僱員各自須向強積金計劃作出相當於僱員薪金5%之供款。

57. 資產抵押

於二零零六年十二月三十一日，本集團若干投資物業、酒店物業、土地及樓宇、預繳地價及待出售物業賬面總值3,975,179,000港元（二零零五年：3,699,422,000港元）、屬於本集團及證券放款客戶之上市投資總賬面值1,306,215,000港元（二零零五年：1,387,659,000港元）連同關於一間上市附屬公司之賬面值1,181,616,000港元（二零零五年：902,933,000港元）已用作本集團所獲3,075,591,000港元（二零零五年：3,098,756,000港元）貸款及一般銀行信貸額之抵押。於二零零六年十二月三十一日，已提用之信貸額為1,445,429,000港元（二零零五年：1,792,881,000港元）。

於二零零六年十二月三十一日，一項為數1,000,000港元（二零零五年：972,000港元）之銀行存款已用作抵押一項為數2,000,000港元（二零零五年：2,000,000港元）之銀行擔保。

於二零零六年及二零零五年十二月三十一日，本公司並無抵押任何資產。

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58. RELATED PARTY TRANSACTIONS AND BALANCES

The following is a summary of the significant transactions and balances with related parties during the year and as at the year end:

(a) Summary of transactions

Ultimate holding company	最終控股公司			
Share of management service expenses/corporate management service fee (note)	應佔管理服務開支／企業管理服務費(附註)		7,550	7,120
Share of administrative expenses (note)	應佔行政開支(附註)		697	661
Advertising income	廣告收入		(696)	(800)
Rent, property management and air-conditioning fees (note)	租金、物業管理及空調費(附註)		(3,012)	(3,437)
Convertible bonds interest expenses	可換股債券利息開支		1,027	—
Fellow subsidiaries	同系附屬公司			
Bonds interest expenses	債券利息開支	(ii)	69,906	—
Convertible bonds interest expenses	可換股債券利息開支		4,290	—
Advertising income	廣告收入		(194)	(400)
Dividend income	股息收入		—	(21,810)
Acquisition of a company from a fellow subsidiary	向同系附屬公司收購一間公司	(i)	4,328,000	—
Payment of a short-term loan due to a fellow subsidiary	應付同系附屬公司之短期貸款	(ii)	200,000	—
Jointly controlled entity	共同控制企業			
Administration, management and consultancy fees	行政、管理及顧問費		(4,906)	(3,775)
Dividend income	股息收入		(120,000)	(60,000)
Property management and air-conditioning fees and other property related service fee	物業管理及空調費以及其他物業相關服務費		(14,143)	(13,996)
Associates	聯營公司			
Dividend income	股息收入		—	(750)
Interest income	利息收入		(9,062)	(6,754)
Insurance premium	保險費		(4,762)	(4,402)
Service fee income	服務費收入		(814)	(2,718)
Rent, property management, air-conditioning fees and other related service fees	租金、物業管理及空調費以及其他相關服務費		(934)	(1,674)

Note: Apart from the tenancy agreement entered into by a subsidiary of the Company and the Sharing of Administrative Services and Management Services Agreement entered into by the Company with the ultimate holding company, none of the above related party transactions constitutes a discloseable connected transaction as defined in the Listing Rules.

以下為於年內及年終與有關連人士之重大交易及結餘概要：

(a) 交易概要

		(Income)/Expense (收入)/支出	
		2006 二零零六年	2005 二零零五年
Notes 附註		HK\$'000 千港元	HK\$'000 千港元
		7,550	7,120
		697	661
		(696)	(800)
		(3,012)	(3,437)
		1,027	—
(ii)		69,906	—
		4,290	—
		(194)	(400)
		—	(21,810)
(i)		4,328,000	—
(ii)		200,000	—
		(4,906)	(3,775)
		(120,000)	(60,000)
		(14,143)	(13,996)
		—	(750)
		(9,062)	(6,754)
		(4,762)	(4,402)
		(814)	(2,718)
		(934)	(1,674)

附註：除本公司一間附屬公司訂立之租賃協議以及本公司與最終控股公司訂立之行政服務及管理服務分攤協議外，以上有關連人士交易概無構成上市規則所述之須予披露關連交易。

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58. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)**58. 有關連人士之交易及結餘(續)****(b) Key management personnel compensation****(b) 主要管理層人員酬勞**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short term benefits	短期福利	14,408	11,437
Post-employment benefits	退休福利	332	266
		14,740	11,703

Certain key management personnel of the Group received remuneration from the Company's ultimate holding company or its wholly-owned subsidiary. The ultimate holding company provided management services to the Group and charged the Group a fee, which is included in share of management service expenses/management service fee as disclosed above in part (a) of this note, for services provided by those personnel as well as others who are not key management personnel of the Group.

本集團若干主要管理人員從本公司最終控股公司或其全資附屬公司收取酬金，最終控股公司向本集團提供收取費用的管理服務，該費用已披露在此附註(a)部份上列之應佔管理服務開支／管理服務費中，此管理服務由該等主要管理人員及其他非集團主要管理人員所提供。

(c) The net balances due from (to) related parties at 31st December, 2006 and 2005 are summarised as follows:**(c) 於二零零六年及二零零五年十二月三十一日應收(應付)有關連人士之結餘淨額概列如下：**

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Ultimate holding company	最終控股公司	(97,547)	(8,235)	(96,944)	(8,184)
Associates	聯營公司	146,185	331,822	—	—
Jointly controlled entities	共同控制企業	(76,877)	(78,916)	—	—
Fellow subsidiary	同系附屬公司	(3,963,601)	—	(359,375)	—
		(3,991,840)	244,671	(456,319)	(8,184)

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58. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)**58. 有關連人士之交易及結餘(續)****(c) (Cont'd)****(c) (續)**

The above amounts are included in the balance sheets of the Group and the Company in the following ways:

上述金額乃以下列方式於本集團及本公司之資產負債表內入賬：

		Notes 附註	The Group 本集團		The Company 本公司	
			2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Amounts due from associate	聯營公司欠款	(iii)	78,000	78,000	—	—
Accounts receivable, deposits and prepayments	應收賬款、按金及預付款項		491	116	—	—
Amounts due from associates	聯營公司欠款	(iv)	80,702	316,966	—	—
Amount due from a jointly controlled entity	一間共同控制企業欠款	(vi)	2,185	2,159	—	—
Accounts payable and accrued charges	應付賬款及應計費用		(1,083)	(496)	—	—
Amount due to ultimate holding company	欠最終控股公司款項	(vi)	(10,919)	(8,183)	(10,919)	(8,184)
Amounts due to associates	欠聯營公司款項	(iv)	(12,527)	(62,828)	—	—
Amount due to a jointly controlled entity	欠一間共同控制企業款項	(vi)	(79,063)	(81,063)	—	—
Amount due to a fellow subsidiary	欠一間同系附屬公司款項	(v)	(804,226)	—	—	—
Bonds held by a fellow subsidiary	一間同系附屬公司持有之債券	(ii)	(2,800,000)	—	—	—
Convertible bonds held by ultimate holding company and fellow subsidiaries	最終控股公司及同系附屬公司持有之可換股債券		(445,400)	—	(445,400)	—
			(3,991,840)	244,671	(456,319)	(8,184)

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58. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

- (d) During the year, both the Group and a joint venture partner, each having a 50% interest in a jointly controlled entity, received and repaid various interest-free loans from such jointly controlled entity. At 31st December, 2006, the amounts lent to the Group totalling HK\$79,000,000 (2005: HK\$81,000,000) were unsecured, interest-free and repayable on demand.
- (e) During 2005, the Group acquired two companies from a subsidiary of a listed associate at a total consideration of HK\$52,283,000.
- (f) During 2005, a loan facility of HK\$280,000,000 was granted to a subsidiary of a listed associate for a term of 36 months from 7th November, 2005. The interest rate is charged at prime rate plus 1% per annum. At 31st December, 2005, the term loan drawn down amounted to HK\$245,000,000, which was fully repaid in 2006.

Notes

- (i) The related party transactions is also considered to be a "connected transaction" as defined in the Listing Rules details of which are contained in the Directors' Report.
- (ii) A short-term loan of HK\$900,000,000 and bonds of HK\$2,800,000,000 were issued to AGL as part of the consideration for the acquisition of a company from a fellow subsidiary as disclosed in note 50 above.
- The short-term loan bears interest at 1% above HIBOR per annum and HK\$200,000,000 was repaid in 2006. The outstanding balance is due for repayment on or before 30th June, 2007. The bonds bear interest at 1% above HIBOR per annum and are due for repayment on 24th August, 2009. The interest rate is repriced at the first day of every six-month period.
- (iii) The loan notes bear interest at 2.5% per annum and, the interest is payable annually. The notes are due for repayment on 29th August, 2008.
- (iv) These amounts due from (to) associates are unsecured, non-interest bearing and are repayable on demand, except for an unsecured short-term loan to an associate of HK\$5,000,000 which bears interest at 10.5% per annum. The loan is due for repayment on 24th January, 2007.
- (v) These amount due to a fellow subsidiary are unsecured, non-interest bearing and is repayable on demand, except for a short-term loan of HK\$700,000,000 as disclosed in note (ii).
- (vi) These amounts due from (to) jointly controlled entity and ultimate holding company are unsecured, non-interest bearing and are repayable on demand.

58. 有關連人士之交易及結餘(續)

- (d) 年內，本集團與一間合營夥伴於一間雙方各佔50%權益之共同控制企業收取及獲償還若干免息貸款。於二零零六年十二月三十一日，借貸予本集團之款項總額為79,000,000港元(二零零五年：81,000,000港元)，乃為無抵押、免息及即期償付。
- (e) 於二零零五年，本集團以總代價52,283,000港元從一間上市聯營公司之附屬公司收購兩間公司。
- (f) 於二零零五年，向一間上市聯營公司之附屬公司授予一筆最多280,000,000港元貸款，期限為自二零零五年十一月七日起36個月。年利息按最優惠利率加1厘計算。於二零零五年十二月三十一日，已動用之有期貸款為245,000,000港元，已於二零零六年悉數償還。

附註

- (i) 關連人士交易亦被視作上市規則定義之「關連交易」，其詳情載於董事會報告書內。
- (ii) 如前附註50所述，一筆900,000,000港元之短期貸款及2,800,000,000港元之債券已發行予聯合集團，作為收購同系附屬公司之一間公司之部份代價。
- 該短期貸款年息為香港銀行同業拆息加1厘，其中200,000,000港元已於二零零六年償還。未償還結餘須於二零零七年六月三十日或之前償還。該等債券年息為香港銀行同業拆息加1厘，於二零零九年八月二十四日到期。息率於每六個月期間之首日重新釐定。
- (iii) 貸款票據年息為2.5厘，利息須每年償還。該票據須於二零零八年八月二十九日償還。
- (iv) 該等應收(付)聯營公司之款項為無抵押、免息及須於要求時償還。惟一筆授予一間聯營公司之5,000,000港元無抵押短期貸款按每年10.5厘計息除外。該筆貸款須於二零零七年一月二十四日償還。
- (v) 除附註(ii)內所述700,000,000港元之短期貸款外，該等應付一間同系附屬公司款項為無抵押、免息及須於要求時償還。
- (vi) 該等應收(付)共同控制企業款項及最終控股公司款項為無抵押、免息及即期償付。

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59. MATURITY PROFILE OF TERM ASSETS AND LIABILITIES

The following table lists certain financial assets and financial liabilities of the Group which have a term of maturity. Overdue assets are included as on demand.

59. 有期資產與負債到期分析

以下載列本集團訂有期滿日之若干金融資產與金融負債。過期未付資產撥入須即時償還類資產。

		At 31st December, 2006 於二零零六年十二月三十一日				
		On demand 即時償還 HK\$'000 千港元	Within 3 months 三個月內 HK\$'000 千港元	3 months to 1 year 三個月至一年 HK\$'000 千港元	1 year to 5 years 一年至五年 HK\$'000 千港元	After 5 years 五年後 HK\$'000 千港元
Assets						Total 總計 HK\$'000 千港元
Fixed deposits with banks	銀行定期存款	-	839,728	-	-	839,728
Loans and advances to consumer finance customers	私人財務客戶貸款及墊款	225,286	421,882	1,108,643	1,043,795	2,871,459
Term loan due from a listed associate	應收一間上市聯營公司 有期貸款	-	5,000	-	-	5,000
Loan note due from a listed associate	應收一間上市聯營公司 貸款票據	-	-	-	78,000	78,000
Treasury bills	國庫券	-	7,675	-	-	7,675
Term loans	有期貸款	216,120	186,097	8,412	27,600	438,229
Liabilities						
Bank and other borrowings	銀行及其他借貸	8,000	1,228,489	298,081	919,151	2,453,721
Loan notes	貸款票據	-	-	-	66,639	66,639
Bonds	債券	-	-	-	2,800,000	2,800,000
Convertible bonds	可換股債券	-	-	-	479,783	479,783
Short-term loan due to a fellow subsidiary	欠一間同系附屬公司 短期貸款	-	-	700,000	-	700,000

		At 31st December, 2005 於二零零五年十二月三十一日				
		On demand 即時償還 HK\$'000 千港元	Within 3 months 三個月內 HK\$'000 千港元	3 months to 1 year 三個月至一年 HK\$'000 千港元	1 year to 5 years 一年至五年 HK\$'000 千港元	After 5 years 五年後 HK\$'000 千港元
Assets						Total 總計 HK\$'000 千港元
Fixed deposits with banks	銀行定期存款	-	110,902	-	-	110,902
Term loan of a listed associate	一間上市聯營公司有期貸款	-	245,000	-	-	245,000
Loan note due from a listed associate	應收一間上市聯營公司 貸款票據	-	-	-	78,000	78,000
Treasury bills	國庫券	-	7,680	-	-	7,680
Term loans	有期貸款	97,567	66,200	3,200	-	166,967
Liabilities						
Bank and other borrowings	銀行及其他借貸	-	554,910	395,323	818,153	1,825,996
Loan notes	貸款票據	-	-	-	64,252	64,252

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60. EVENTS AFTER THE BALANCE SHEET DATE

- (a) In January 2007, Sun Hung Kai sold 43,950,000 shares in Lippo Limited, an available-for-sale investment, through a number of on-market transactions on the Stock Exchange of Hong Kong Limited for an aggregate consideration of HK\$131,850,000 which gave rise to a profit of approximately HK\$48,036,000. Sun Hung Kai ceased to have any interest in Lippo Limited after the disposal.
- (b) On 22nd February, 2007, the Company announced a partial redemption of the convertible bonds, being HK\$5 out of the principal amount of HK\$10 per convertible bond. The redemption monies, together with accrued interest amounting to HK\$274,780,000 were payable on 22nd March, 2007. The effect to consolidated income statement arising on the transaction was immaterial.

60. 結算日以後之事項

- (a) 二零零七年一月，新鴻基透過在香港聯合交易所有限公司進行的多筆交易，出售於力寶有限公司中的43,950,000股股份(可供出售投資)，總代價為131,850,000港元，帶來盈利約48,036,000港元。出售之後，新鴻基不再於力寶有限公司中擁有任何權益。
- (b) 二零零七年二月二十二日，本公司宣佈部份贖回可換股債券，即每份可換股債券10港元本金額中的5港元。贖回款項連同應計利息274,780,000港元須於二零零七年三月二十二日支付。該交易對綜合收益賬影響輕微。

61. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31st December, 2006 which have their principal place of operations in Hong Kong are set out below:

61. 主要附屬公司資料

於二零零六年十二月三十一日，本公司主要業務所在地在香港之主要附屬公司資料如下：

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Alaston Development Limited	US\$1 1 美元	100	100	Property trading 物業買賣
Allied Medical Practices Guild Limited 雅聯醫務協會有限公司	2 2 元	100	33	Provision of contract healthcare services 提供合約保健服務
Allied Real Estate Agency Limited 聯合地產代理有限公司	2 2 元	100	100	Real estate agency 地產代理
AP Administration Limited	2 2 元	100	100	Provision of management and consultancy services 管理及顧問服務
AP Corporate Services Limited	2 2 元	100	100	Provision of corporate services 公司服務
AP Development Limited 聯合地產發展有限公司	2 2 元	100*	100	Investment holding 控股投資
AP Diamond Limited	US\$1 1 美元	100	100	Property trading and holding 物業買賣及持有物業
AP Emerald Limited	US\$1 1 美元	100	100	Investment holding 控股投資
AP Finance Limited	2 2 元	100	100	Money lending 借貸
AP Property Management Limited	2 2 元	100	100	Building management 樓宇管理



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61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**61. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Bali International Finance Limited 百達利財務有限公司	137,500,000 137,500,000 元	100	65	Financial service and investment holding 金融服務及控股投資
Bali Securities Co. Limited 百達利證券有限公司	7,000,000 7,000,000 元	100	65	Securities dealer 證券交易商
Best Melody Development Limited 高韻發展有限公司	5,000 5,000 元	100	100	Property holding 持有物業
Cheeroll Limited	2 2 元	100	65	Investment holding, securities and bullion trading 控股投資、證券及 黃金買賣
Cowslip Company Limited	2 2 元	100	65	Investment holding 控股投資
Dynamic Force Investments Limited	US\$1 1 美元	100	65	Investment holding 控股投資
Dynamic People Group Limited	US\$1 1 美元	100	33	Provision of LASIK and optical surgical services 提供激光及視力手術服務
Excalibur Futures Limited 駿溢期貨有限公司	20,000,000 20,000,000 元	100	65	Futures dealing and broking 期貨買賣及經紀
Excalibur Securities Limited 駿溢證券有限公司	20,000,000 20,000,000 元	100	65	Securities broking 證券經紀
Fame Arrow Company Limited 威箭有限公司	100,000 100,000 元	100	95	Loan financing 貸款融資
Florich Development Limited 景資發展有限公司	10,000 10,000 元	100	100	Investment holding 控股投資
Front Sail Limited 拓航有限公司	5,000 5,000 元	100	100	Property holding 持有物業
Gilmore Limited	2 2 元	100	100	Property holding 持有物業
Gloria (Nominees) Limited	200 200 元	100	65	Investment holding 控股投資
Gloxin Limited	2 2 元	100	65	Investment holding 控股投資
Hilarious (Nominees) Limited	10,000 10,000 元	100	65	Investment holding 控股投資
Hillcrest Development Limited	20 20 元	100	100	Property holding 持有物業

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61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Hi-Link Limited	200 200 元	100	100	Investment holding 控股投資
Integrated Custodian Limited	2 2 元	100	100	Property holding 持有物業
Itso Limited	2 2 元	100	65	Securities trading 證券買賣
Jaffe Development Limited	US\$1 1 美元	100	100	Property holding 持有物業
Kalix Investment Limited	2 2 元	100	100	Property holding 持有物業
King Policy Development Limited 勁鵬發展有限公司	2 2 元	100	100	Property holding 持有物業
Lexshan Nominees Limited 歷山代理人有限公司	2 2 元	100	65	Nominee service 代理人服務
Macdonnell (Nominees) Limited	10,000 10,000 元	100	65	Investment holding 控股投資
Maxplan Investment Limited 銳騰投資有限公司	2 2 元	100	100	Securities trading 證券買賣
Mightyton Limited	10,000 10,000 元	100	100	Property holding 持有物業
Oakfame Investment Limited 幹美投資有限公司	2 2 元	100	65	Investment holding 控股投資
Ontone Limited 安通建業有限公司	2 2 元	100	100	Hotel operations, property development and property holding 酒店業務、地產發展 及持有物業
Pioneer Score Development Limited 先港發展有限公司	2 2 元	100	65	Investment holding 控股投資
Plentiwind Limited	2 2 元	100	65	Futures trading 期貨買賣
Polyking Services Limited 栢麗服務有限公司	2 2 元	100	65	Building maintenance and cleaning services 樓宇保養及清潔服務
Protech Property Management Limited 保得物業管理有限公司	5,000 5,000 元	100	65	Building management 樓宇管理
QHES Limited 卓健耆老有限公司	US\$1 1 美元	100	33	Provision of elderly care services 提供長者護理服務
Quality HealthCare Asia Limited** 卓健亞洲有限公司**	21,038,482 21,038,482 元	51	33	Investment holding 控股投資

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截至二零零六年十二月三十一日止年度

61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**61. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Quality HealthCare Dental Services Limited 卓健牙科服務有限公司	1,000 1,000 元	100	33	Provision of dental services 提供牙科服務
Quality HealthCare Man Kee Elderly Limited 卓健耆安萬基有限公司	1,000 1,000 元	100	33	Provision of elderly care services 提供長者護理服務
Quality HealthCare Medical Centre Limited 卓健醫療體檢中心有限公司	1,300 1,300 元	100	33	Medical facilities and services provider 醫療設施及服務供應商
Quality HealthCare Medical Services Limited 卓健醫療服務有限公司	2 2 元	100	33	Provision of contract healthcare services 提供合約保健服務
Quality HealthCare Nursing Agency Limited 卓健護理介紹所有限公司	10,000 10,000 元	100	33	Provision of nursing agency services 提供護理介紹服務
Quality HealthCare Nursing Home Limited 卓健耆安護理老有限公司	1,000 1,000 元	100	33	Provision of elderly care services 提供長者護理服務
Quality HealthCare Physiotherapy Services Limited 卓健物理治療服務有限公司	1,000 1,000 元	100	33	Provision of physiotherapy services 提供物理治療服務
Quality HealthCare Psychological Services Limited 卓健心理健康有限公司	1 1 元	100	33	Provision of psychological services 提供心理服務
Quick Art Limited	3,540,000 3,540,000 元	100	65	Share trading and property holding 證券買賣及持有物業
Ranbridge Finance Limited 捷橋財務有限公司	20,000,000 20,000,000 元	100	65	Money lending 借貸
San Pack Properties Limited 山栢置業有限公司	10 10 元	100	100	Property holding 持有物業
Scienter Investments Limited	20 20 元	100	65	Share trading 證券買賣
SHK Finance Limited 新鴻基財務有限公司	150,000,000 150,000,000 元	100	38	Money lending 借貸
SHK Financial Data Limited 新鴻基財經資訊有限公司	100 100 元	51	33	Provision of financial information service 財經資訊服務
SHK Fund Management Limited 新鴻基投資管理有限公司	5,000,000 5,000,000 元	100	65	Funds marketing and management 基金市場策劃及管理

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61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
SHK Investment Services Limited	1,000,000 1,000,000 元	100	65	Asset holding and leasing 資產投資及租賃
SHK Online (Securities) Limited 新鴻基科網(證券)有限公司	40,000,000 40,000,000 元	100	65	Online securities broking and margin financing 網上證券經紀及證券 放款
SHK Online Limited 新鴻基科網有限公司	20,000,000 20,000,000 元	100	65	Online financial services 網上金融服務
SHK Pearl River Delta Investment Company Limited 新鴻基珠江三角洲投資有限公司	75,000,000 75,000,000 元	100	65	Investing holding 控股投資
Shun Loong Bullion Limited 順隆金業有限公司	6,000,000 6,000,000 元	100	65	Bullion dealing and broking 黃金買賣及經紀
Shun Loong Finance Limited 順隆財務有限公司	1,000,000 1,000,000 元	100	65	Money lending 借貸
Shun Loong Forex Company Limited 順隆外匯有限公司	32,000,000 32,000,000 元	100	65	Leveraged foreign exchange dealing and broking 槓桿外匯買賣及經紀
Shun Loong Futures Limited 順隆期貨有限公司	15,000,000 15,000,000 元	100	65	Futures and option dealing 期貨及期權買賣
Shun Loong Holdings Limited 順隆集團有限公司	200,000,000 200,000,000 元	100	65	Investment holding 控股投資
Shun Loong Securities Company Limited 順隆證券行有限公司	50,000,000 50,000,000 元	100	65	Securities broking and share margin financing 證券經紀及證券放款
Sierra Joy Limited	2 2 元	100	100	Property holding 持有物業
Splendid Gain Limited	2 2 元	100	65	Investment holding 控股投資
Sun Hing Bullion Company Limited 新興金業有限公司	5,000,000 5,000,000 元	100	65	Bullion trading 黃金買賣
Sun Hung Kai & Co. Limited** 新鴻基有限公司 **	298,791,429 298,791,429 元	65	65	Investment holding 控股投資
Sun Hung Kai (Nominees) Limited 新鴻基(代理人)有限公司	200 200 元	100	65	Nominee service 代理人服務

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截至二零零六年十二月三十一日止年度

61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**61. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Sun Hung Kai Bullion Company Limited 新鴻基金業有限公司	30,000,000 30,000,000 元	100	65	Bullion trading and investment holding 黃金買賣及控股投資
Sun Hung Kai Commodities Limited 新鴻基期貨有限公司	80,000,600 80,000,600 元	100	65	Commodities broking 商品期貨經紀
Sun Hung Kai Forex Limited 新鴻基外匯有限公司	150,000,000 150,000,000 元	100	65	Foreign exchange dealing 外匯買賣
Sun Hung Kai Insurance Consultants Limited 新鴻基保險顧問有限公司	1,000,000 1,000,000 元	100	65	Insurance broking and consultancy services 保險經紀及顧問服務
Sun Hung Kai International Limited 新鴻基國際有限公司	10,000,000 10,000,000 元	100	65	Corporate finance service 企業融資服務
Sun Hung Kai International Commodities Limited	25,000,000 25,000,000 元	100	65	Securities, futures and option trading 證券、期貨及 期權買賣
Sun Hung Kai Investment Services Limited 新鴻基投資服務有限公司	290,000,000 290,000,000 元	100	65	Investment holding, share broking and margin financing 控股投資、證券經紀 及證券放款
Sun Hung Kai Research Limited 新鴻基資料研究有限公司	100,000 100,000 元	100	65	Securities research service 證券資料研究服務
Sun Hung Kai Securities (Overseas) Limited 新鴻基證券(海外)有限公司	60,000 60,000 元	100	65	Investment holding 控股投資
Sun Hung Kai Securities (Trustees) Limited 新鴻基證券(信託)有限公司	3,000,000 3,000,000 元	100	65	Provision of trustee service 信託服務
Sun Hung Kai Securities Capital Markets Limited 新鴻基證券資本市場有限公司	1,000 1,000 元	100	65	Investment holding 控股投資
Sun Hung Kai Securities Limited 新鴻基証券有限公司	124,898,589 124,898,589 元	100	65	Investment holding 控股投資
Sun Hung Kai Venture Capital Limited	2 2 元	100	65	Investment holding 控股投資

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截至二零零六年十二月三十一日止年度

61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**61. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Sun Hung Kai Wealth Management Limited 新鴻基優越理財有限公司	5,000,000 5,000,000 元	100	65	Investment advisory, financial planning and wealth management 投資顧問、財務策劃 及資產管理
Sun Tai Cheung Credits Limited 新泰昌授信有限公司	150,000,000 150,000,000 元	100	65	Share margin financing 證券放款
Sun Tai Cheung Finance Company Limited 新泰昌財務有限公司	25,000,000 25,000,000 元	100	65	Financial service 金融服務
Texgulf Limited	20 20 元	100	65	Property holding 持有物業
The Building and Loan Agency (Asia) Limited 建屋貸款(亞洲)有限公司	2 2 元	100	29	Money lending 借貸
The Hong Kong Building and Loan Agency Limited** 香港建屋貸款有限公司**	225,000,000 225,000,000 元	75	29	Investment holding, treasury investments and provision of mortgage finance 控股投資、庫務投資 及按揭貸款融資
To Wan Development Company Limited 杜雲發展有限公司	10,000 10,000 元	100	65	Investment holding 控股投資
Tung Wo Investment Company, Limited 同和投資有限公司	10,000 10,000 元	100	65	Investment holding 控股投資
United Asia Finance Limited 亞洲聯合財務有限公司	137,500,000 137,500,000 元	58	38	Consumer financing 私人財務
Wah Cheong Development Company, Limited 華昌建業有限公司	25,100,000 25,100,000 元	100	65	Investment holding 控股投資
Wineur Secretaries Limited 偉略秘書有限公司	2 2 元	100	65	Secretarial service 秘書服務
Yee Li Ko Investment Limited 億利高投資有限公司	58,330,000 58,330,000 元	100	65	Property holding 持有物業

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61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

With the exception of Alaston Development Limited, AP Diamond Limited, AP Emerald Limited, Dynamic Force Investments Limited, Dynamic People Group Limited, Jaffe Development Limited and QHES Limited, which were incorporated in the British Virgin Islands, and Quality HealthCare Asia Limited which was incorporated in Bermuda, all the above subsidiaries were incorporated in Hong Kong.

Particulars of the Company's principal subsidiaries at 31st December, 2006 which were incorporated and have their principal place of operations outside Hong Kong are set out below:

61. 主要附屬公司資料(續)

除Alaston Development Limited、AP Diamond Limited、AP Emerald Limited、Dynamic Force Investments Limited、Dynamic People Group Limited、Jaffe Development Limited及卓健耆老有限公司在英屬處女群島註冊成立，以及卓健亞洲有限公司在百慕達註冊成立外，上述所有附屬公司均在香港註冊成立。

於二零零六年十二月三十一日，本公司在香港以外地點註冊成立及其主要業務所在地亦在香港以外之主要附屬公司資料如下：

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立／ 業務所在地	Paid up issued ordinary share capital 繳足已發行 普通股本	Proportion of nominal value of issued capital 已發行股本面值之比率		Principal activity 主要業務
			held by the Company*/ subsidiaries 本公司*／ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
Allied Properties China Limited	Cayman Islands 開曼群島	US\$1,000 1,000 美元	100*	100	Investment holding 控股投資
Best Decision Investments Limited	British Virgin Islands 英屬處女群島	US\$50,000 50,000 美元	65	42	Investment holding 控股投資
Best Delta International Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Investment holding 控股投資
Boneast Assets Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Investment holding 控股投資
Constable Development S.A.	Panama 巴拿馬	US\$5 5 美元	100	65	Investment holding 控股投資
Hing Yip Holdings Limited 興業控股有限公司	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Property holding 持有物業
I-Market Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Investment holding 控股投資
Island New Finance Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	38	Investment holding 控股投資
Kenworld Corporation	Republic of Liberia 利比里亞共和國	US\$1 1 美元	100	100	Investment holding 控股投資
Lakewood Development Corporation	United States of America 美國	US\$1,000 1,000 美元	100	100	Property held for sale 持有待出售物業

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61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**61. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行 普通股股本	Proportion of nominal value of issued capital 已發行股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Onspeed Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	38	Investment holding 控股投資
Ranbridge, Inc.	The Philippines 菲律賓	Peso5,385,000 5,385,000 披索	100	65	Money lending 借貸
Shipsape Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Investment holding 控股投資
SHK Absolute Return Managers Limited	Cayman Islands 開曼群島	US\$10 10 美元	100	65	Investment holding 控股投資
SHK Dynamic Managers Limited	Cayman Islands 開曼群島	US\$10 10 美元	100	65	Funds management 基金管理
SHK Global Managers Limited	British Virgin Islands 英屬處女群島	US\$5,000 5,000 美元	100	65	Funds management 基金管理
SHK Quant Managers Limited	Cayman Islands 開曼群島	US\$10 10 美元	100	65	Funds management 基金管理
Sing Hing Investment Limited 誠興投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Property holding 持有物業
Sun Hung Kai International Bank [Brunei] Limited	Brunei Darussalam 汶萊	SGD10,000,000 10,000,000 新加坡元	100	65	International banking business 國際銀行事務
Sun Hung Kai International Investment Management Limited	British Virgin Islands 英屬處女群島	US\$50,000 50,000 美元	100	65	Investment holding 控股投資
Sun Hung Kai Investment Services (Macau) Limited	Macau 澳門	MOP1,000,000 1,000,000 澳門元	100	65	Property holding 持有物業
Sun Hung Kai Online Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Online service 網上服務
Sun Hung Kai Securities (Bermuda) Limited	Bermuda 百慕達	US\$12,000 12,000 美元	100	65	Investment holding and management service 控股投資及管理服務

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61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**61. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行 普通股本	Proportion of nominal value of issued capital 已發行股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Sun Hung Kai Securities (Phil.), Inc.	The Philippines 菲律賓	Peso273,600,000 273,600,000 披索	100	65	Investment holding 控股投資
Swan Islands Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Investment holding 控股投資
UAF Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Investment holding 控股投資
Upper Selection Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Investment holding 控股投資
Upstand Assets Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Investment holding 控股投資
Wah Cheong Development (B.V.I.) Limited	British Virgin Islands 英屬處女群島	US\$2,675,400 2,675,400 美元	100	65	Investment holding 控股投資
Zeal Goal International Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	65	Investment holding 控股投資

** These subsidiary is listed in Hong Kong and further details about this subsidiary are available in its published audited accounts.

** 該等附屬公司在香港上市，有關該公司之詳情載於其公佈之經審核賬目內。

The above tables list 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 assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

以上所列出者，乃董事認為對本年度之業績有重大影響，或構成本集團資產或負債主要部份之本公司附屬公司。董事認為列出其他附屬公司之詳情，會令資料過於冗長。

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62. PARTICULARS OF PRINCIPAL ASSOCIATES

Particulars of the Group's principal associates at 31st December, 2006 are set out below:

Associates 聯營公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Proportion of nominal value of issued capital 已發行股本面值之比率		Principal activity 主要業務
		held by subsidiaries 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
Chronicle Gain Limited 確勁有限公司	Hong Kong 香港	45	29	Property holding 持有物業
China Xin Yongan Futures Company Limited 中國新永安期貨有限公司	Hong Kong 香港	25	16	Futures broking 期貨經紀
Drinkwater Investment Limited 精威置業有限公司	Hong Kong 香港	22	14	Property holding 持有物業
Omicron International Limited	British Virgin Islands 英屬處女群島	44	29	Investment holding 控股投資
Real Estate Investments (N.T.) Limited	Hong Kong 香港	40	26	Property development 物業發展
Silver York Development Limited 兆勇發展有限公司	Hong Kong 香港	42	27	Investment holding 控股投資
SkinCentral Limited	Hong Kong 香港	30	20	Dermatology, aesthetic and laser services 提供護膚、美容及 激光服務
Start Hold Limited 時達開有限公司	Hong Kong 香港	33	22	Investment holding 控股投資
Tian An China Investments Company Limited ** 天安中國投資有限公司 **	Hong Kong 香港	40	26	Investment holding 控股投資
Yu Ming Investments Limited ** 禹銘投資有限公司 **	Hong Kong 香港	22	14	Investment holding 控股投資

** These associates are listed in Hong Kong and further details about these associates are available in their published audited accounts.

** 該等聯營公司在香港上市，有關該等聯營公司之詳情載於其公佈經審核賬目內。

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

以上所列出者，乃董事認為對本年度之業績有重大影響，或構成本集團淨資產主要部份之本集團聯營公司。董事認為列出其他聯營公司之詳情，會令資料過於冗長。

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63. PARTICULARS OF PRINCIPAL JOINTLY CONTROLLED ENTITIES

Particulars of the Group's principal jointly controlled entities at 31st December, 2006 are set out below:

63. 主要共同控制企業資料

於二零零六年十二月三十一日，本集團主要共同控制企業資料如下：

Jointly controlled entities 共同控制企業	Place of incorporation/ operation 註冊成立／ 業務所在地	Proportion of nominal value of issued capital held by subsidiaries 已發行股本面值之比率 附屬公司持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Allied Kajima Limited	Hong Kong 香港	50	50	Property and investment holding 地產及控股投資
GFIA-SHK Managers Limited	Cayman Islands 開曼群島	51*	33	Funds management 基金管理
Poltallock Limited	Hong Kong 香港	50	33	Facilities and technical services to medical and dental practitioners 向醫生及牙醫提供設施及 技術服務
SHK Corporate Finance (Shanghai) Limited 上海新鴻基企業顧問有限公司	People's Republic of China 中華人民共和國	33	25	Corporate finance advisory 企業融資顧問

The above table lists the jointly controlled entities of the Group 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.

以上所列出者，乃董事認為對本年度之業績有重大影響，或構成本集團淨資產主要部份之本集團共同控制企業。

* Although the Group holds 51% interest in GFIA-SHK Managers Limited, it is jointly controlled by the Group and other shareholder of this company. Its profit and loss are split 50/50 between the Group and the other shareholder of this company.

* 集團雖持有GFIA-SHK Managers Limited的51%權益，此公司是由集團及另一股東共同控制。此公司的損益由集團及另一股東各佔一半。

		Financial year ended 31st December, 截至十二月三十一日止財政年度				
		2002 二零零二年 千港元 HK\$'000	2003 二零零三年 千港元 HK\$'000	2004 二零零四年 千港元 HK\$'000	2005 二零零五年 千港元 HK\$'000	2006 二零零六年 千港元 HK\$'000
Results	業績					
Revenue (Note)	收益 (附註)	831,137	845,792	1,000,692	964,603	2,166,396
Operating (loss) profit	經營 (虧損) 溢利	(423,017)	160,493	428,590	956,840	1,482,415
Finance costs	融資成本	(72,183)	(60,016)	(47,208)	(96,778)	(278,612)
Release of negative goodwill	轉撥負商譽	66,019	140,282	156,741	—	—
Amortisation of capital reserve	資本儲備攤銷	17,267	17,267	17,267	—	—
Share of results of associates	應佔聯營公司業績	117,460	135,708	165,856	150,388	8,982
Share of results of jointly controlled entities	應佔共同控制企業業績	29,527	41,941	19,090	105,298	159,987
(Loss) profit before taxation	除稅前 (虧損) 溢利	(264,927)	435,675	740,336	1,115,748	1,372,772
Taxation	稅項	(53,300)	(71,449)	(80,108)	(79,306)	(63,623)
(Loss) profit for the year	本年度 (虧損) 溢利	(318,227)	364,226	660,228	1,036,442	1,309,149
Attributable to:	應佔方：					
Equity holders of the Company	本公司股東	(400,863)	311,020	563,023	935,342	1,070,222
Minority Interests	少數股東權益	82,636	53,206	97,205	101,100	238,927
		(318,227)	364,226	660,228	1,036,442	1,309,149
Basic (loss) earnings per share	每股基本 (虧損) 盈利	HK\$(0.88)	HK\$0.64	HK\$1.14	HK\$1.74	HK\$1.99
		At 31st December, 於十二月三十一日				
		2002 二零零二年 千港元 HK\$'000	2003 二零零三年 千港元 HK\$'000	2004 二零零四年 千港元 HK\$'000	2005 二零零五年 千港元 HK\$'000	2006 二零零六年 千港元 HK\$'000
Assets and liabilities	資產及負債					
Total assets	資產總額	9,084,999	10,247,955	9,997,626	11,924,513	20,924,670
Total liabilities	負債總額	(2,853,370)	(4,209,712)	(3,350,740)	(3,372,237)	(8,616,511)
		6,231,629	6,038,243	6,646,886	8,552,276	12,308,159

Note: Comparative figures have been restated to confirm with current years' presentation.

附註：為符合本年度之呈列方式，比較數字已予重列。

Particulars of major properties held by the subsidiaries and jointly controlled entities of the Group at 31st December, 2006 are as set out below:

本集團之附屬公司及共同控制企業於二零零六年十二月三十一日所持有之主要物業資料如下：

Name/location 名稱／地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團 實益持有 %	Stage of completion 完成階段
Hong Kong 香港					
Park Place 7 Tai Tam Reservoir Road Hong Kong 雅柏苑 香港 大潭水塘道7號	2056+	R	3,475	100.00	Existing 現有物業
Allied Cargo Centre 150-164 Texaco Road Tsuen Wan, New Territories 聯合貨運中心 新界荃灣 德士古道150-164號	2047	G	46,594	100.00	Existing 現有物業
60 Plantation Road The Peak, Hong Kong 香港山頂 種植道60號	2066	R	639	100.00	Existing 現有物業
Orchid Court 38 Tung On Street Mongkok, Kowloon 安蘭閣 九龍旺角 東安街38號	2049	R C	1,011 201	100.00 100.00	Existing 現有物業
The Redhill Peninsula 18 Pak Pat Shan Road Tai Tam, Hong Kong 紅山半島 香港大潭 白筆山道18號	2056+	R CP	596 79###	100.00 100.00	Existing 現有物業 Existing 現有物業 (Phase IV) (第四期)
China Online Centre 333 Lockhart Road Wanchai, Hong Kong 中國網絡中心 香港灣仔 駱克道333號	2026++	C	15,680	100.00	Existing 現有物業
St. George Apartments No. 81 Waterloo Road Ho Man Tin, Kowloon 聖佐治大廈 九龍何文田 窩打老道81號	2081	R CP	9,499 75###	100.00 100.00	Existing 現有物業

Name/location 名稱／地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團 實益持有 %	Stage of completion 完成階段
Hong Kong (Cont'd) 香港 (續)					
Ibis North Point 138 Java Road North Point, Hong Kong 世紀軒 香港北角 渣華道 138 號	2008+	H	6,825	100.00	Existing 現有物業
Century Court 239 Jaffe Road Wanchai, Hong Kong 世紀閣 香港灣仔 謝斐道 239 號	2027++	R C	2,592 1,311	100.00 100.00	Existing 現有物業
No. 9 Queen's Road Central, Hong Kong 香港皇后大道中 9 號	2854	C	1,277	100.00	Existing 現有物業
Allied Kajima Building 138 Gloucester Road Wanchai, Hong Kong 聯合鹿島大廈 香港灣仔 告士打道 138 號	2047	C	20,442	50.00*	Existing 現有物業
Novotel Century Hong Kong 238 Jaffe Road Wanchai, Hong Kong 世紀香港酒店 香港灣仔 謝斐道 238 號	2047	H	27,364	50.00*	Existing 現有物業
Tregunter Tower 3 14 Tregunter Path Hong Kong 地利根德閣第 3 座 香港 地利根德徑 14 號	2051	R	745	100.00	Existing 現有物業
Admiralty Centre 18 Harcourt Road Hong Kong 海富中心 香港夏慤道 18 號	2053+	C	2,171#	65.18	Existing 現有物業
Wing On House 71 Des Voeux Road Central Hong Kong 永安集團大廈 香港德輔道中 71 號	2902	C	533#	65.18	Existing 現有物業

Name/location 名稱／地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團 實益持有 %	Stage of completion 完成階段
Outside Hong Kong 香港以外					
FM 2100 Road and Diamond Head Boulevard Harris County Texas U.S.A. 美國德州 FM 2100 Road and Diamond Head Boulevard Harris County	Freehold 永久業權	R	13,888,933##	100.00	Existing 現有物業
Philippine Plaza Hotel Cultural Centre of the Philippines Complex Roxas Boulevard Pasay City Manila, Philippines 菲律賓馬尼拉 Philippine Plaza Hotel Cultural Centre of the Philippines Complex Roxas Boulevard Pasay City	2014+++	H	73,866	50.00 *	Existing 現有物業
Shop E on G/F, Macau Chamber of Commerce Building No. 165 Rua Xe Xangai Macau 澳門上海街165號 澳門中華總商會大廈 地下舖位E室	2013	C	198	65.18	Existing 現有物業
Tian An Centre No. 338 Nanjing Road West Huangpu District Shanghai People's Republic of China 天安中心 中華人民共和國上海 黃浦區 南京西路 338號	2044	C	1,873	65.18	Existing 現有物業

Notes:

Types of properties: R-Residential, C-Commercial, G-Godown, H-Hotel, CP-Car Parking Spaces

* Indicates properties held through a jointly controlled entity
 +++ With option to renew for a further term of 25 years
 + With option to renew for a further term of 75 years
 ++ With option to renew for a further term of 99 years
 # Saleable area
 ## Site area
 ### Number of car parking spaces

附註：

物業類別：R－住宅，C－商業，G－貨倉，H－酒店，CP－車位

* 透過一間共同控制企業持有之物業
 +++ 可續期二十五年
 + 可續期七十五年
 ++ 可續期九十九年
 # 銷售面積
 ## 地盤面積
 ### 停車位數目