

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

1. GENERAL INFORMATION

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

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

The Company's principal activity is investment holding and the principal activities of its principal subsidiaries, associates and jointly controlled entities are set out in Notes 53, 54 and 55 respectively.

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

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are either effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that affected the amounts reported for the current or prior accounting periods:

Financial guarantee contracts

In the current year, the Group has applied Hong Kong Accounting Standard 39 ("HKAS 39") and HKFRS 4 (Amendments) *Financial Guarantee Contracts* which is effective for annual periods beginning on or after 1st January, 2006.

A financial guarantee contract is defined by HKAS 39 *Financial Instruments: Recognition and Measurement* as "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".

1. 一般資料

本公司為一間於百慕達註冊成立為受豁免有限公司之公眾上市公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要業務地點之地址載於本年報之公司資料中。

此綜合財務報表以本公司之功能貨幣港元呈列。

本公司之主要業務為投資控股，而其主要附屬公司、聯營公司及共同控制機構之主要業務分別載於附註53、54及55。

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團首次應用由香港會計師公會（「香港會計師公會」）頒布之若干新訂、修訂及詮釋之財務報告準則（「新香港財務報告準則」），該等準則均於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效。採用新香港財務報告準則導致本集團於下列範疇之會計政策出現變動，從而影響本年度或過往會計期間之呈報金額：

財務擔保合約

於本年度，本集團已應用於二零零六年一月一日或之後開始的年度期間生效之香港會計準則第39號（「香港會計準則第39號」）及香港財務報告準則第4號（修訂本）*財務擔保合約*。

財務擔保合約在香港會計準則第39號*財務工具：確認及計量*定義為「因指定債務人未能按債務工具之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之合約」。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

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 (the "HKFRSs") (cont'd)

Financial guarantee contracts (cont'd)

Prior to 1st January, 2006, financial guarantee contracts were not accounted for in accordance with HKFRS 4 *Insurance Contract* and those contracts were disclosed as contingent liabilities. A provision for financial guarantee was only recognised when it was probable that an outflow of resources would be required to settle the financial guarantee obligation and the amount can be estimated reliably.

Upon the application of these amendments, financial guarantee contracts issued by the Group and not designated as at fair value through profit or loss are 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, where appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

In relation to a financial guarantee granted by the Group to an associate over a bank loan, the fair value of the financial guarantee contract at 31st December, 2005 of HK\$455,000 has been adjusted to financial guarantee liability. This change in accounting policy has resulted in an increase in profit for the year ended 31st December, 2006 amounted to HK\$455,000 (2005: nil) as the financial guarantee contract had expired during the year. These changes affect the "other income" in the consolidated income statement.

There were two other new financial guarantee contracts granted by the Group to its associates over certain bank borrowings. The fair values of these financial guarantees of HK\$328,000 have been adjusted to financial guarantee liability during the year.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

財務擔保合約（續）

於二零零六年一月一日以前，財務擔保合約並非根據香港財務報告準則第4號保險合約處理，而該等合約乃披露為或然負債。當解決財務擔保責任而有可能導致資源流出，而該金額能夠可靠地估計時，方會確認財務擔保撥備。

於應用有關修訂時，本集團已發行及並非按公平值列賬並在損益表內處理之財務擔保合約首次以其公平值減發行財務擔保合約之直接應佔交易成本確認。於首次確認後，本集團以(i)根據香港會計準則第37號撥備、或然負債及或然資產釐定的金額；及(ii)首次確認的金額減（如適用）根據香港會計準則第18號收益確認的累計攤銷，兩者中以較高者計算財務擔保合約。

就本集團為一間聯營公司之銀行貸款作出之財務擔保，其於二零零五年十二月三十一日之財務擔保合約之公平值為455,000港元，已調整為財務擔保負債。由於財務擔保合約於年內屆滿，因此有關會計政策變動導致截至二零零六年十二月三十一日止年度之溢利增加455,000港元（二零零五年：零）。該等變動對綜合收益表內之「其他收入」構成影響。

本集團為其聯營公司另外授予兩項就若干銀行貸款作出之新財務擔保合約，該等財務擔保之公平值為328,000港元，並已於年內就財務擔保負債作出調整。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

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 (the "HKFRSs") (cont'd)

The Group has not early applied the following new standard, amendment or interpretations that have been issued but are not yet effective. The Directors anticipate that the application of these new standard, 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
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ²
HK(IFRIC)-Int 8	Scope of HKFRS 2 ³
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives ⁴
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment ⁵

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並無提早應用下列已頒布但尚未生效之新訂、修訂及詮釋之財務報告準則。董事會預計應用該等新訂、修訂及詮釋之財務報告準則並未對本集團日後業績及財務狀況構成重大影響。

香港會計準則 第1號（修訂本）	股本披露 ¹
香港財務報告 準則第7號	金融工具：披露 ¹
香港（國際財務報告 詮釋委員會） －詮釋第7號	根據香港會計準則 第29號惡性通貨 膨脹經濟體中之 財務報告採用 重列法 ²
香港（國際財務報告 詮釋委員會） －詮釋第8號	香港財務報告準則 第2號之範圍 ³
香港（國際財務報告 詮釋委員會） －詮釋第9號	重新評估內含 衍生工具 ⁴
香港（國際財務報告 詮釋委員會） －詮釋第10號	中期財務報告 及減值 ⁵

¹ 於二零零七年一月一日或之後開始之年度期間生效。

² 於二零零六年三月一日或之後開始之年度期間生效。

³ 於二零零六年五月一日或之後開始之年度期間生效。

⁴ 於二零零六年六月一日或之後開始之年度期間生效。

⁵ 於二零零六年十一月一日或之後開始之年度期間生效。

3. 主要會計政策

綜合財務報表乃根據歷史成本法編製，惟按公平值計算之若干物業及金融工具除外，有關之會計政策闡述如下：

綜合財務報表已根據香港會計師公會頒布之香港財務報告準則編製。此外，綜合財務報表亦包括聯交所證券上市規則及香港公司條例規定之適用披露事項。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation

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

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

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

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

(b) Goodwill

Goodwill arising on an acquisition of a subsidiary or an associate 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 or associate 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 is included in the cost of the investment of the relevant associate.

3. 主要會計政策 (續)

(a) 綜合賬目基準

綜合財務報表包括本公司及其附屬公司之財務報告。

年內收購或出售之附屬公司之業績乃由實際收購日期起或至實際出售日期止計入綜合收益表中。

所有集團內公司間之交易、結餘、收入及費用在綜合賬目中均予以對銷。

綜合附屬公司淨資產內之少數股東權益與本集團之股本權益分開識別。淨資產內之少數股東權益包括在原業務合併日期之有關權益數額，以及自合併日期起計少數股東應佔之股權變動。適用於少數股東之虧損超出於在附屬公司股權之少數股東權益之數額，將分配與本集團之權益中，惟少數股東具約束力責任及有能力增加投資補足虧損者除外。

(b) 商譽

收購附屬公司或聯營公司所產生之商譽指收購成本高於本集團於有關附屬公司或聯營公司在收購日期之可識別資產、負債及或然負債公平值所佔權益之款額。有關商譽會按成本減任何累計減值虧損列賬。

收購附屬公司所產生之已撥充資本商譽乃於資產負債表分開呈列。收購聯營公司所產生之已撥充資本商譽包括在投資有關該聯營公司成本中。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Goodwill (cont'd)

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 or an associate, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

(c) Excess of the Group'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 or an associate 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 income statement. A discount on acquisition arising on an acquisition of an associate is included as income in the determination of the Group's share of results of the associate in which the investment is acquired.

3. 主要會計政策 (續)

(b) 商譽 (續)

就減值測試而言，收購產生之商譽會分配至各預期可受惠於收購之協同效益之有關現金產生單位或多組現金產生單位。商譽所屬之現金產生單位會每年及於有跡象顯示與商譽有關之現金產生單位可能出現減值時進行減值測試。就財政年度內收購所產生之商譽而言，商譽所屬之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則折損會先分配以調減該單位任何商譽之賬面值，其後則按該單位內各項資產之賬面值之比例分配至該單位之其他資產。任何商譽之折損會即時於收益表中確認。商譽之折損不會於其後期間撥回。

日後出售附屬公司而釐定出售盈虧時會計入已撥充資本之商譽所佔之金額。

(c) 於被收購公司可識別資產、負債及或然負債公平淨值之權益超逾成本之差額 (「收購折讓」)

收購附屬公司或聯營公司所產生之收購折讓指被收購公司可識別資產、負債及或然負債公平淨價值高於業務合併成本之款額。收購折讓會即時於收益表中確認。收購聯營公司時產生的收購折讓於當年計算本集團應佔聯營公司業績時一併計入收益。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Investments in associates

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

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

(e) Jointly controlled entities

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. 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 entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its 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. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

3. 主要會計政策 (續)

(d) 於聯營公司之投資

聯營公司之業績及資產與負債利用會計權益法計入此等財務報表。根據權益法，於聯營公司之投資以成本在綜合資產負債表內列賬，並經本集團應佔聯營公司損益及權益變動之收購後變動而調整，減任何已識別折損列賬。倘本集團應佔聯營公司之虧損相等於或高於其於該聯營公司之權益（包括任何實質上構成本集團於該聯營公司之淨投資一部分之任何長期權益），則本集團會終止確認其應佔之其他虧損。本集團會就額外應佔之虧損撥備，並會確認負債，惟僅以本集團已產生法定或推定責任或代表該聯營公司付款為限。

倘集團實體與本集團之聯營公司進行交易，則會以本集團於有關聯營公司之權益為限而撇銷損益。

(e) 共同控制機構

共同控制機構指以合資安排另行成立之獨立機構，其每名合資方擁有權益。

共同控制機構之業績及資產與負債利用會計權益法計入此等財務報表。根據權益法，於共同控制機構之投資以成本在綜合資產負債表內列賬，並經本集團應佔共同控制機構損益及權益變動之收購後變動而調整，減任何已識別折損列賬。倘本集團應佔共同控制機構之虧損相等於或高於其於該共同控制機構之權益（包括任何實質上構成本集團於該共同控制機構之淨投資一部分之任何長期權益），則本集團會終止確認其應佔之其他虧損。本集團會就額外應佔之虧損撥備，並會確認負債，惟僅以本集團已產生法定或推定責任或代表該共同控制機構付款為限。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) **Non-current assets held for sale**

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

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

(g) **Impairment losses (other than goodwill, 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 an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

3. 主要會計政策 (續)

(f) 持作出售之非流動資產

非流動資產及出售組別之賬面值倘若乃透過出售交易而非透過持續使用而收回，則會分類為持作銷售類別。此條件只會於很可能達成出售及資產可於現況下供即時出售時方告符合。

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

(g) 減值虧損（商譽及無限使用年期之無形資產除外）

於每個結算日，本集團會檢討其有形及無形資產之賬面值，以確定有關資產有否出現任何減值虧損之情況。如資產之可收回款額估計會低於其賬面值，資產之賬面值會削減至其可收回款額。減值虧損會即時確認為開支。

如折損於其後逆轉，資產之賬面值會提高至經修訂之估計可收回款額，惟已提高之賬面值不得高於在過往年度未有就資產確認減值虧損之情況下之賬面值。減值虧損之逆轉會即時確認為收入。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) *Investment properties*

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using fair value. Gains or losses arising from changes in the fair value of investment property are included in income statement for the period in which they arise.

Leasehold land held for undetermined future use

Leasehold land held for undetermined future use is regarded as held for capital appreciation purpose and classified as an investment property, and carried at fair value. Changes in fair value of the leasehold land are recognised directly in income statement for the period in which changes take place.

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 income statement for the period in which the item is derecognised.

(i) *Property and other fixed assets*

Property and other fixed assets (other than properties under development) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

3. 主要會計政策 (續)

(h) 投資物業

於初步確認時，投資物業乃按成本（包括任何直接應佔之開支）計量。於初步確認後，投資物業利用公平值模型計量。投資物業公平值變動產生之損益會於產生期間計入收益表。

持有未決定日後用途之租賃土地

持有未決定日後用途之租賃土地被視為持作資本增值用途而確認為投資物業，並以公平值入賬。租賃土地公平值之變動於變動發生期內直接於收益表確認。

投資物業於出售或於其被永久終止使用或預期於出售時再無日後經濟利益之時終止確認。終止確認資產所產生的任何損益（按淨出售代價及資產之賬面值之差異計算）載列於終止確認期間內之收益表中。

(i) 物業及其他固定資產

物業及其他固定資產（發展中物業除外）按成本減其後之累積折舊及累積減值虧損列賬。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Property and other fixed assets (cont'd)

Depreciation is provided to write off the cost of property and other fixed assets (other than properties under development) over their estimated useful lives and after taking into account their estimated residual value, using the straight line method, at the following rates per annum:

Type	Basis
Buildings	Over the shorter of the unexpired period of the lease and 40 years
Furniture, fixtures and equipment	3 to 10 years
Yacht and motor vehicles	3 to 10 years

(j) Properties held for development

When the leasehold land and buildings are in the course of development for production, rental, for administrative purposes or for sale, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use.

3. 主要會計政策 (續)

(i) 物業及其他固定資產 (續)

物業及其他固定資產(發展中物業除外)之折舊,乃按其估計可使用年期及估計剩餘價值以直線法撇銷成本,其年折舊率如下:

種類	基準
樓宇	按租約尚餘年期與四十年兩者中較短者
傢俬、裝置及設備	三至十年
遊艇及車輛	三至十年

(j) 持作發展物業

在發展中作生產、租賃、行政或出售用途之租賃土地及樓宇,租賃土地部分須列作預付租賃款項類別,並於租期內按直線法攤銷。在建築期內,為租賃土地所作之攤銷費用可包括在興建中樓宇之成本內。興建中樓宇按成本減任何已辨識減值虧損列賬。樓宇於可供使用時開始折舊。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) *Property interests held for future development*

Property interests held for future development represents a right to develop properties on a piece of land upon payment of a final amount, and are carried at cost less any identified impairment loss.

(l) *Stock of properties*

Stock of properties, which are held for trading, is stated at the lower of cost and net realisable value. Net realisable value is determined by reference to sale proceeds received after the balance sheet date less selling expenses, or by management estimates based on the prevailing market conditions.

(m) *Intangible assets*

Trading and exchange rights

Trading rights and gold and silver exchange rights are stated at cost less accumulated amortisation and less any identified impairment loss. The amortisation period adopted for intangible assets is 5 years.

(n) *Financial instruments*

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

3. 主要會計政策 (續)

(k) 持作日後發展之物業權益

持作日後發展之物業權益指於支付最後款項或在土地上發展物業之權利，乃按成本扣除任何可辨認減值虧損列賬。

(l) 物業存貨

持作交易用途之物業存貨按其成本值及可變現淨值兩者中較低者列賬。可變現淨值參考於結算日後收取之出售所得款項減出售之開支計算，或根據管理層按當時市況作出之估計釐定。

(m) 無形資產

買賣及交易權利

買賣權及金銀貿易權，乃按成本減累積攤銷及任何可辨認減值虧損列賬。無形資產之攤銷期為五年。

(n) 金融工具

當一家集團實體成為金融工具合約條文之一方，則於資產負債表內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值計量。收購或發行金融資產及金融負債直接應佔之交易成本（按公平值列賬並在損益表內處理之金融資產及金融負債除外）乃於初步確認時加入金融資產或金融負債（如適用）之公平值，或從金融資產或金融負債之公平值扣除。收購按公平值列賬並在損益表內處理之金融資產或金融負債直接應佔之交易成本，即時於收益表內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Financial instruments (cont'd)

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sale are purchases or sales of financial assets that requires delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Financial assets at fair value through profit or loss

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

Loans and receivables

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

3. 主要會計政策 (續)

(n) 金融工具 (續)

金融資產

本集團之金融資產分類為以下三個類別其中之一，包括按公平值列賬並在損益表內處理之金融資產、貸款及應收款項及待售金融資產。所有正常購買或銷售之金融資產，按交易日之基準確認及不予確認。正常購買或銷售金融資產是指按照市場規定或慣例須在一段期限內進行資產交付之金融資產買賣。各類別金融資產而所採納之會計政策載列如下。

按公平值列賬並在損益表內處理之金融資產

按公平值列賬並在損益表內處理之金融資產有兩類，包括持有作買賣用途之金融資產及於首次確認時被指定按公平值列賬並在損益表內處理之金融資產。於首次確認後之各結算日，按公平值列賬並在損益表內處理之金融資產乃按公平值計量，而公平值之變動在彼等產生之期間內即時直接在收益表中確認。

貸款及應收款項

貸款及應收款項 (包括墊付聯營公司款項、墊付接受投資公司款項、應收貸款、抵押存款、應收證券交易賬項及存款、定期存款、銀行結餘及現金) 為並未於交投活躍之市場內報價而附帶固定或可議定付款之非衍生金融資產。於初步確認後之每個結算日，貸款及應收款項使用實際利率法按經攤銷成本減任何可識別減值虧損列賬。當有客觀證據顯示資產已減值，則於收益表確認減值虧損，並以資產之賬面值與按原實際利率折現其估計未來現金流量之現值兩者之差額計量。當於確認減值後發生一項事件可以客觀地與資產可收回款項增加有關，減值虧損於其後期間撥回，但以所撥回於減值日期資產之賬面值為限，不得超過該項資產原未確認減值之經攤銷成本。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Financial instruments (cont'd)

Financial assets (cont'd)

Available-for-sale financial assets

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

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

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the asset of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

3. 主要會計政策 (續)

(n) 金融工具 (續)

金融資產 (續)

待售金融資產

待售金融資產為非衍生項目，無論是否劃分為任何其他類別（闡述如上）。於初步確認後之每個結算日，待售金融資產按公平值計量。公平值之變動於股本中確認，直至該金融資產被出售或釐定為已減值，屆時過往於股本中確認之累計收益或虧損會自股本中剔除，並於收益表確認。待售金融資產之任何減值於收益表確認。待售股本投資之減值虧損將不會於往後期間撥回。就待售債項投資而言，倘該投資之公平值增加可客觀地與確認減值後之事件有關，則減值將獲撥回。

該等並無活躍市場之市價報價，而其公平值未能可靠計量的待售股權投資，於首次確認後之各個結算日按成本值減任何已識別減值虧損計算。倘具備客觀證明資產減值，則減值虧損於收益表確認。減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折讓估計未來現金流量之現值間之差額計算。有關減值虧損將不會於以後期間撥回。

金融負債及股本權益

集團實體發行之金融負債及股本工具乃根據所訂立合約安排之內容及金融負債與股本工具之定義予以分類。

股本工具為可證明於本集團資產經扣除其所有負債後之餘額權益之任何合約。本集團之金融負債一般分類為按公平值列賬並在損益表內處理之金融負債及其他金融負債。就金融負債及股本工具而採納之會計政策載列如下。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Financial instruments (cont'd)

Financial liabilities and equity (cont'd)

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

Other financial liabilities including creditors and accruals, securities trading and margin payable, deposits and receipts in advance, bank and other borrowings, amounts due to associates and amounts due to minority shareholders are subsequently measured at amortised cost, using the effective interest rate method.

Convertible bonds

Convertible bonds issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the embedded call option for the holder to convert the bonds into equity, is included in equity (convertible bonds – equity reserve).

3. 主要會計政策 (續)

(n) 金融工具 (續)

金融負債及股本權益 (續)

按公平值列賬並在損益表內處理之金融負債

按公平值列賬並在損益表內處理之金融負債可細分為兩個類別，分別為持作買賣之金融負債及於首次確認時已指定為於損益賬按公平值處理之金融負債。於首次確認後之各結算日，於損益賬按公平值處理之金融負債乃按公平值計算，而公平值之變動乃於產生期間直接確認於收益表。

其他金融負債

其他金融負債包括應付賬款及應計款項、應付證券交易賬項及保證金、按金及預先收取款項、銀行及其他借貸、欠負聯營公司款項及欠負少數股東款項，乃採用實際利率法按攤銷成本計算。

可換股債券

本公司發行之可換股債券包括金融負債及股本權益部分，乃於首次確認時獨立分類為負債及股本權益部分。於首次確認時，負債部分之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與轉往負債部分之公平值之差額，即代表可讓持有人將債券兌換為股本權益之認購期權應列入股本權益(可換股債券股本權益儲備)。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Financial instruments (cont'd)

Financial liabilities and equity (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 Company, 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 capital and share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds – equity reserve will be released to the retained profits. No gain or loss is recognised in income statement upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to convertible bonds – equity reserve. 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.

3. 主要會計政策 (續)

(n) 金融工具 (續)

金融負債及股本權益 (續)

可換股債券 (續)

於往後期間，可換股債券之負債部份乃採用實際利率法攤銷成本列賬。股本權益部份，即可將負債部份兌換為本公司普通股之期權將保留於可換股債券股本權益儲備，直至附設之期權獲行使為止，在此情況下，可換股債券股本權益儲備之結餘將轉移至股本及股份溢價。倘期權於到期日尚未獲行使，可換股債券股本權益儲備之結餘將撥至保留盈利。期權兌換或到期時將不會於收益表中確認任何盈虧。

與發行可換股債券相關之交易成本乃按所得款項之劃分比例分配至負債及股本權益部分。與股本權益部分相關之交易成本乃直接計入可換股債券股本權益儲備內。與負債部分相關之交易成本乃計入負債部分之賬面值，並按可換股債券之期限採用實際利率法攤銷。

股本工具

本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) 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 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, where appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

Derivative financial instruments that do not qualify for hedge accounting

Derivatives that do not qualify for hedge accounting are deemed as financial assets held for trading or financial liabilities held for trading. Changes in fair values of such derivatives are recognised directly in income statement.

Derecognition

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

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

3. 主要會計政策 (續)

(n) 金融工具 (續)

財務擔保合約

財務擔保合約為因指定債務人未能按債務工具之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之合約。本集團已發行及並非按公平值列賬並在損益表內處理之財務擔保合約首次以其公平值減發行財務擔保合約之直接應佔交易成本確認。於首次確認後，本集團以(i)根據香港會計準則第37號撥備、或然負債及或然資產釐定的金額；及(ii)首次確認的金額減(如適用)根據香港會計準則第18號收益確認的累計攤銷，兩者中以較高者計算財務擔保合約。

不符合作對沖會計處理之金融衍生工具

衍生工具並不符合作對沖會計處理被視為持作買賣金融資產或持作買賣金融負債。該衍生工具的公平值變動即時於收益表內確認。

取消確認

若從資產收取現金流之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收代價及已直接於股本權益確認之累計損益之總和之差額，將於收益表中確認。

就金融負債而言，則於本集團之資產負債表中移除(即倘於有關合約之特定責任獲解除、取消或到期)。取消確認之金融負債賬面值與已付或應付代價之差額乃於收益表中確認。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Revenue recognition

Revenue from properties developed for sale is recognised on the execution of a binding sales agreement or when the relevant occupation permit or certificate of compliance is issued by the building authority, whichever is the later.

Revenue from properties held for sale is recognised on the execution of a binding sales agreement. Payments received from the purchasers prior to this stage are recorded as deposits received on sales of properties and are grouped under current liabilities.

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

Sale of securities investments are recognised on a trade date basis.

Brokerage income on dealings in securities and futures contracts and the profit and loss on trade in securities and futures contracts are recognised on the transaction dates when the relevant contract notes are executed.

Management fee income is recognised in accordance with terms of respective agreements over the relevant period in which the services are rendered.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

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

3. 主要會計政策 (續)

(o) 收入確認

已發展物業之銷售收入在執行具約束力之銷售協議或獲有關建築當局批出有關入伙准許證或滿意紙後(以較後者為準),方予確認入賬。

持作出售物業之收入在執行具約束力之銷售協議時方予確認入賬。於上述階段前從買家收取之款項乃列作銷售物業之已收按金,並計入流動負債內。

租金收入包括就營業租約物業預先開出發票之租金,乃就有關租約年期按直線法於收益表中確認。

出售證券投資按買賣日期基準確認。

買賣證券及期貨合約之經紀收入以及買賣證券及期貨合約之溢利及虧損於執行買賣單據之交易日確認。

管理費收入乃就提供服務期間按有關協議之條款確認。

投資之股息收入乃於本集團收取款項之權利確立後確認。

金融資產之利息收入乃就本金結餘按適用利率及時間比例計算。有關利率指將金融資產的估計未來所收現金在估計可使用期內折現至資產賬面淨值的利率。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Taxation

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

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

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the 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 difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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. Deferred tax is charged or credited to 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.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

3. 主要會計政策 (續)

(p) 稅項

所得稅開支指本年度應付稅項及遞延稅項。

當期應付稅項按年度應課稅溢利計算。應課稅溢利與收益表所報純利不同，此乃由於其不包括在其他年度應課稅或可扣減之收入或支出項目，亦不包括收益表內永不課稅或扣減之項目。本集團的本期稅項負債以結算日已一直採用或實際採用的稅率計算。

遞延稅項確認於就財務報告內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之差異，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異確認，而遞延稅項資產則限於較可能於日後取得應課稅溢利，並可用以抵銷可扣減暫時差異時確認。若暫時差異因商譽或因於一項既不影響應課稅溢利亦不影響會計溢利之交易（業務合併除外）中開始確認其他資產及負債而引致，則不會確認該等資產及負債。

遞延稅項資產之賬面值於每個結算日均作檢討，並在不大可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項乃按預期於負債償還或資產變現期間之適用稅率計算。遞延稅項會扣自或計入收益表，惟有關直接扣自或計入股本權益之項目，其遞延稅項亦會於股本權益中處理。

如所得稅是由同一稅務當局徵收及本集團打算支付其稅項資產及稅項負債之淨額，遞延稅項資產及負債可以互相抵銷。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Leasing

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

The Group as lessor

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

The Group as lessee

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

(r) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of 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)

(q) 租約

凡租約條款規定將租賃資產擁有權之絕大部分風險及回報轉移至承租人之租約均列為財務租約。所有其他租約分類為經營租約。

本集團為出租人

經營租約之租金收入會以直線法按有關租約年期在收益表確認。磋商及安排經營租約時產生之初步直接成本會加入租賃資產之賬面值，並以直接法按租約年期確認為開支。

本集團為承租人

根據經營租約應付之租金會以直線法按有關租約年期在收益表中扣除。作為訂立經營租約獎勵之已收及應收利益以直線法按有關租約年期確認為租金開支扣減。

(r) 外幣

在編製個別集團實體的財務報表時，以實體功能貨幣以外之貨幣（外幣）進行之交易按交易日通用之匯率以其功能貨幣（即該實體經營之主要經濟環境之貨幣）記錄。於各結算日，以外幣列值之貨幣項目以結算日通用之匯率重新換算。以外幣列值並按公平值列賬之非貨幣項目以釐定公平值當日通用之匯率重新換算。以外幣列值並以歷史成本計量之非貨幣項目不會重新換算。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Foreign currencies (cont'd)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in income statement in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those asset. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income statement in the period in which they are incurred.

(t) Retirement benefits costs

Payment to defined contribution retirement benefit schemes are charged in income statement as they fall due.

3. 主要會計政策 (續)

(r) 外幣 (續)

結算貨幣項目及換算貨幣項目時產生之匯兌差額於產生之期間在收益表中確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內之收益表中，惟重新換算非貨幣項目產生之差額有關之損益直接於股本權益確認，在此情況下，匯兌差額亦會直接於股本權益中確認。

為呈列綜合財務報表的目的，本集團境外業務的資產及負債均以結算日通用匯率換算為本公司的呈列貨幣（即港元），而其收入及開支則以本年度平均匯率予以換算。除非匯率於期內波動很大。在此情況下，以交易日通用之匯率換算。產生的匯兌差異確認為一個股本權益的獨立部分（換算儲備）。該匯兌差額於該境外業務被出售期間於收益表內確認。

(s) 借貸成本

於購買、興建或製造合資格資產之直接應佔借貸成本，將撥作為該等資產之部分成本，當該等資產實質上達至擬定用途或銷售時借貸成本便不再作資本化。

所有其他借貸成本已於發生時於收益表確認為支出。

(t) 退休福利成本

定額供款退休福利計劃之供款於其到期支付時作為開支於收益表中扣除。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligations. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

(v) Prepaid lease payments

Payment for obtaining land use rights accounted for as prepaid lease payments and are charged to income statement on a straight-line basis over the lease terms.

(w) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals (being member of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(x) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products, or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. 主要會計政策 (續)

(u) 撥備

倘本集團因過往事件而產生目前的責任，而本集團須償還該責任時，則確認撥備。撥備乃根據董事會於結算日對償還有關責任所需支出的最佳估算釐定，並在出現重大影響時折讓至現值。

(v) 預付租賃款項

為取得土地使用權而支付之款項列作預付租賃款項，按直線法在租約期內自收益表扣除。

(w) 關連人士交易

倘一方有能力直接或間接控制另一方或在財務及營運決策方面對另一方行使重大影響，則雙方被視為關連。倘雙方均受共同控制或受到共同重大影響，則雙方亦被視為關連。關連人士可以是個人（即主要管理人員、重要股東及／或與彼等關係密切之家族成員）或其他實體，並且包括受到本集團之關連人士重大影響之實體（該等人士為個人及以本集團或為本集團關連人士之任何實體之僱員為受益人而設之離職後福利計劃）。

倘一項交易涉及關連人士進行資源或責任轉移，則該項交易被視為關連人士交易。

(x) 分類報告

分類是從事提供產品或服務（按業務劃分）或提供產品或服務在某一經濟環境（按地域劃分）以清晰本集團一個可辨別的組成部分，而該組成部分在風險和報酬方面與其他分類不同。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Segment reporting (cont'd)

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

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions which are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group companies within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period on additions of segment assets (both tangible and intangible) that are expected to be used for more than one period.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Impairment loss in respect of accounts receivable

The policy for impairment loss in respect of accounts receivable of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

3. 主要會計政策 (續)

(x) 分類報告 (續)

根據本集團的內部財務申報，本集團已選取按業務劃分資料成為主要申報形式，而按地域劃分則作為第二申報形式。

分類收益、開支、業績、資產及負債包括了直接來自一個劃分的項目，以及可合理分配至該劃分的項目。分類收益、開支、業績、資產及負債乃在集團內公司間結餘及交易對銷（作為綜合帳目的一部分）前釐定，惟限於該集團內，公司間結餘及交易乃在同一劃分內的集團佐業之間的為限。劃分之間的定價乃根據給予外間公司的類似項目而定。

分類資本支出是期內收購預期會享用多於一個期間的分類資產（有形及無形）所付的總成本。

4. 估計不明確因素之主要來源

在應用上文附註3所載本集團之會計政策時，於結算日，管理層對未來之預期及其他估計不明確因素之主要來源作出若干主要假設，可能對財務報表確認之金額構成重大影響之關鍵會計判斷及估計之不明確因素之主要來源概述如下：

有關應收賬款之減值虧損

本集團有關應收賬款之減值虧損之政策基於付款能力評估及年期分析賬目及管理層之判斷衡量。於評估此等應收款項之最終收回情況時需要作出大量判斷，包括各客戶目前之信譽及付款紀錄。倘若集團客戶之財政狀況轉差而削弱彼等之付款能力時，則需要作出額外撥備。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Investment properties

As described in note 20, investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on method of valuation which involves certain estimates. In relying on the valuation report, the management has exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Should there are changes in assumptions due to change of market conditions, the fair value of the investment properties will change in future.

Income taxes

As at 31st December, 2006, a deferred tax asset of approximately HK\$86,049,000 (2005: HK\$96,250,000) in relation to unused tax losses has been recognised in the Group's consolidated balance sheet. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in income statement for the period in which such a reversal takes place.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include equity investments, borrowings, loan receivables, trade receivables, trade payables and convertible bonds, equity-linked notes, time deposits and bank balances. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

4. 估計不明確因素之主要來源 (續)

投資物業

誠如附註20所述，投資物業是以獨立專業評估師評定之公平值入賬。評估師於決定公平值時乃根據包含若干估計之估值方法進行，管理層於信賴估值報告時已作出了判斷及認同該估值方法乃反映市場現況。如市場現況導致假設有變動，投資物業之公平值可能於未來變動。

所得稅

於二零零六年十二月三十一日，有關未使用稅務虧損之遞延稅項資產約86,049,000港元（二零零五年：96,250,000港元）已經於本集團之綜合資產負債表內確認。遞延稅項資產能否變現主要視乎日後是否具有足夠之未來溢利或應課稅暫時差異。倘若未來之實際溢利低於預期，則可能產生重大之遞延稅項資產撥回，該項確認將於出現撥回發生之期間內在收益表內確認。

5. 財務風險管理目標及政策

本集團之主要金融工具包括股權投資、借貸、應收貸款、應收貿易賬項、應付貿易賬項、可換股債券、股東掛鈎票據、定期存款及銀行結餘。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Market risk

(i) Currency risk

The majority of the Group's assets by value and the rental income are denominated in Hong Kong dollars, except certain equity investments and equity-linked notes are denominated in foreign currencies. The currency exposure arising from the equity investments and equity-linked notes is mitigated primarily through borrowings denominated in the relevant foreign currencies.

(ii) Interest rate risk

The Group has variable-rate borrowings and is therefore exposed to cash flow interest rate risk (see note 40 for details of these borrowings). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

(iii) Price risk

The Group's equity investments classified as available-for-sale investments and investments held-for-trading are measured at fair value at each balance sheet date. Therefore, the Group is exposed to equity security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

Credit risk

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

5. 財務風險管理目標及政策 (續)

市場風險

(i) 貨幣風險

本集團大部分資產價值及所有租金均以港元為貨幣單位，惟若干股權投資及股票掛鈎票據則以外幣為貨幣單位。本集團主要透過相應外國貨幣單位之借貸降低由股權投資及股票掛鈎票據而產生之貨幣風險。

(ii) 利率風險

本集團有浮息借貸，故本集團須承擔現金流量利率風險（該等借貸詳情見附註40）。本集團現時並無採用任何利率對政策。然而，管理層會監控利率風險，並於需要時考慮對重大利率風險。

(iii) 價格風險

本集團之股權投資包括待售投資及持買賣之投資每逢結算日均會按公平值計量。因此，本集團須承擔股本證券之價格風險。管理層以設立不同風險水平的投資組合控制有關風險。

信貸風險

倘若交易對手無法履行彼等截至二零零六年十二月三十一日之債項，本集團承受之最大信貸風險為綜合資產負債表內確認之金融資產之賬面值。為盡量降低信貸風險，管理層已指派一組人員負責釐定信貸額度、信貸批核及其他監管程序，確保能採取跟進行動追收逾期貸款。此外，於每個結算日，本集團檢討每宗個別貿易債項之可收回款項，確保就無法收回款項作出足夠之減值虧損。就此而言，董事會認為本集團之信貸風險已大幅降低。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Credit risk (cont'd)

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong.

6. TURNOVER

Turnover represents the aggregate of amounts received and receivable from the sales of investments held-for-trading, sales of properties held for sale, property rental income, commission from brokerage, settlement charges from brokerage and interest income from loan financing.

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into five operating divisions – property development and trading, property leasing, money lending, listed securities investments and treasury products and unlisted securities investment, investment holding and brokerage. These divisions are the basis on which the Group reports its primary segments information.

Principal activities are as follows:

Property development and trading	–	Property development and sales of properties
Property leasing	–	Property rental
Money lending	–	Loan financing
Listed securities investments and treasury products	–	Listed securities investments and trading, over-the-counter trading and structured products
Unlisted securities investments, investment holding and brokerage	–	Unlisted securities investments, trading and brokerage

5. 財務風險管理目標及政策 (續)

信貸風險 (續)

本集團按地域集中承擔信貸風險之地區為香港。

6. 營業額

營業額指已收及應收之出售持作買賣之投資收入、出售持作出售物業收入、物業租金收入、經紀佣金、經紀服務之交易費用以及貸款融資利息收入之總額。

7. 按業務及地域劃分之資料

按業務劃分

就業務管理而言，本集團之業務目前可分為五個經營部分－物業發展及買賣、物業租賃、放債、上市證券投資及財資產品以及非上市證券投資、投資控股及經紀服務。該等部分為本集團申報其主要分類資料之基準。

主要業務活動如下：

物業發展及買賣	–	物業發展及物業銷售
物業租賃	–	物業租賃
放債	–	貸款融資
上市證券投資及財資產品	–	上市證券投資及買賣、場外交易及結構性產品
非上市證券投資、投資控股及經紀服務	–	非上市證券投資、買賣及經紀服務

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Segment information about these businesses is presented below:

INCOME STATEMENT

For the year ended 31st December, 2006

7. 按業務及地域劃分之資料 (續)

以下呈報該等業務之分類資料：

收益表

截至二零零六年十二月三十一日止年度

		Property development and trading 物業發展 及買賣 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Money lending 放債 HK\$'000 千港元	Listed securities investments and treasury products 上市證券 投資及 財資產品 HK\$'000 千港元	Unlisted securities investments, investment holding and brokerage 非上市 證券投資、 投資控股及 經紀服務 HK\$'000 千港元	Other operations/ unallocated 其他業務/ 未分攤 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover	營業額							
Turnover from external customers	來自外間客戶之營業額	10,700	667,913	9,976	4,040,018	35,182	-	4,763,789
Result	業績							
Segment result	分類業績	(194,762)	7,528,646	9,976	868,217	266,156	-	8,478,233
Unallocated corporate expenses, net	未分攤之公司支出淨額							(154,757)
Finance costs on listed securities investments and treasury products	上市證券投資及財資產品之 財務費用	-	-	-	(178,995)	-	-	(178,995)
Other finance costs	其他財務費用							(274,524)
Other gains and losses, net	其他收益及虧損淨額	-	56,892	-	-	-	995	57,887
Share of results of associates	攤佔聯營公司業績	1,010,296	111,622	58	-	7,618	5,573	1,135,167
Profit before tax	除稅前溢利							9,063,011
Income tax expense	所得稅開支							(1,505,924)
Profit for the year	本年度溢利							7,557,087

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

7. 按業務及地域劃分之資料 (續)

BALANCE SHEET

At 31st December, 2006

資產負債表

於二零零六年十二月三十一日

		Property development and trading	Property leasing	Money lending	Listed securities investments and treasury products	Unlisted securities investments, investment holding and brokerage 非上市 證券投資、 投資控股及 經紀服務	Other operations/ unallocated 其他業務/ 未分攤	Consolidated 綜合
		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
Assets	資產							
Segment assets	分類資產	5,614,067	38,172,801	66,008	10,663,250	664,772	38,251	55,219,149
Interests in associates	聯營公司權益	816,713	513,885	43	-	-	65,710	1,396,351
Advances to associates	墊付聯營公司款項	753,511	169,054	9,096	-	-	-	931,661
Unallocated corporate assets	未分攤之公司資產							87,166
								<u>57,634,327</u>
Liabilities	負債							
Segment liabilities	分類負債	872,095	316,260	99	4,067,818	218,327	40,731	5,515,330
Unallocated corporate liabilities	未分攤之公司負債							16,156,363
								<u>21,671,693</u>

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

OTHER INFORMATION

For the year ended 31st December, 2006

7. 按業務及地域劃分之資料 (續)

其他資料

截至二零零六年十二月三十一日止年度

		Property development and trading	Property leasing	Unlisted securities investments, investment holding and brokerage	Consolidated
		物業發展 及買賣	物業租賃	非上市 證券投資、 投資控股及 經紀服務	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Capital additions	資本增加	2,547,170	897,110	-	3,444,280
Depreciation	折舊	-	14,235	-	14,235
Amortisation	攤銷	-	609	-	609
Impairment losses recognised in the income statement	於收益表確認 之減值虧損	200,000	-	-	200,000
Other non-cash expenses	其他非現金開支	-	13,474	-	13,474

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

7. 按業務及地域劃分之資料 (續)

INCOME STATEMENT

For the year ended 31st December, 2005

收益表

截至二零零五年十二月三十一日止年度

		Property development and trading 物業發展 及買賣 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Money lending 放債 HK\$'000 千港元	Listed securities investments and treasury products 上市證券 投資及 財資產品 HK\$'000 千港元	Unlisted securities investments, and brokers 非上市 證券投資、 投資控股及 經紀服務 HK\$'000 千港元	Other operations/ unallocated 其他業務/ 未分攤 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover	營業額							
Turnover from external customers	來自外間客戶之營業額	3,900	715,606	31,158	1,515,655	8,669	–	2,274,988
Result	業績							
Segment result	分類業績	978,658	5,697,834	31,158	279,936	243,070	–	7,230,656
Unallocated corporate income, net	未分攤之公司收入淨額							46,626
Finance costs on listed securities investments and treasury products	上市證券投資及財資產品之 財務費用	–	–	–	(36,676)	–	–	(36,676)
Other finance costs	其他財務費用							(278,316)
Other gains and losses, net	其他收益及虧損淨額							(8,640)
Share of results of associates	攤佔聯營公司業績	231,810	174,743	428	–	17,547	5,512	430,040
Profit before tax	除稅前溢利							7,383,690
Income tax expense	所得稅開支							(929,023)
Profit for the year	本年度溢利							6,454,667

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

7. 按業務及地域劃分之資料 (續)

OTHER INFORMATION

For the year ended 31st December, 2005

其他資料

截至二零零五年十二月三十一日止年度

		Property development and trading 物業發展 及買賣 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Unlisted securities investments, investment holding and brokerage 非上市 證券投資、 投資控股及 經紀服務 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital additions	資本增加	620,606	78,404	78,882	777,892
Depreciation	折舊	–	10,398	–	10,398
Amortisation	攤銷	–	609	–	609
Impairment losses reversed in the income statement	於收益表撥回 之減值虧損	(977,054)	–	–	(977,054)
Other non-cash expenses	其他非現金開支	4,398	29,392	2,711	36,501

Geographical segments

按地域劃分

No further geographical segment information is presented as the activities of the Group carried out in Hong Kong and the assets of the Group located in Hong Kong is the only major geographical segment of the Group.

由於本集團於香港從事之業務及本集團位於香港之資產乃本集團之唯一主要地區分類資料，因此並無進一步呈列按地域劃分之資料。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

8. OTHER INCOME

8. 其他收入

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Included in other income are:	其他收入包括:		
Building management fee income, net	樓宇管理費收入淨額	21,399	22,376
Exchange gain, net	匯兌收益淨額	-	9,757
Forfeiture of deposit received on sale of properties	沒收出售物業所收之按金	-	2,403
Share of resale profit arising from properties resale by a related party in respect of properties previously acquired from the Group (Note)	攤分關連人士轉售先前購自本集團之物業所產生之轉售溢利(附註)	-	50,160
Management fee income	管理費收入	1,159	3,146
Write off of retention money	保留款項撇銷	-	3,727

Note: Pursuant to a sale and purchase agreement dated 27th August, 2004 in relation to the disposal of several properties ("Properties") to a company wholly-owned by a discretionary trust set up by Mr. Joseph Lau, Luen-hung, an executive director and a substantial shareholder of the Company, the Group is entitled to 80% profit sharing when the Properties are subsequently sold by the discretionary trust. For the year ended 31st December, 2005, certain properties had been sold and HK\$50,160,000 representing 80% of the total profit arising from the sale of the Properties was recognised in the income statement.

附註：根據一份日期為二零零四年八月二十七日之買賣協議，該協議關於向一所由執行董事兼主要股東劉鑾雄先生成立之酌情信託全資擁有的公司出售若干物業（「物業」）之交易，本集團可攤分於物業隨後由酌情信託出售之轉售溢利80%。截至二零零五年十二月三十一日止年度，若干物業已出售，而出售物業產生之溢利之80%，即50,160,000港元，已於收益表中確認。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

9. INVESTMENT INCOME, NET

9. 投資收入淨額

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Fair value changes on investments held-for-trading	持作買賣之投資之公平值變動	5,066	(8,069)
Fair value changes on equity-linked notes & bonds	股票掛鈎票據及債券之公平值變動	2,366	6,153
Fair value changes on derivative financial instruments	衍生金融工具之公平值變動	(16,555)	(136,082)
Realised gain on available-for-sale investments	待售投資之已變現收益	233,012	86,252
Realised (loss) gain on equity-linked notes & bonds	股票掛鈎票據及債券之已變現(虧損)收益	(17,624)	6,552
Realised (loss) gain on derivative financial instruments	衍生金融工具之已變現(虧損)收益	(59,940)	67,658
Other investment income	其他投資收入	11,968	12,760
Dividend income on:	股息收入:		
Listed investments	上市投資	69,597	10,122
Unlisted investments	非上市投資	83,746	107,137
Interest income	利息收入	461,315	260,831
Imputed interest on:	以下各項之名義利息:		
Advances to associates	墊付聯營公司款項	60,284	47,747
Loans receivable	應收貸款	-	295
		833,235	461,356

Included in interest income are interest from equity-linked notes & bonds and derivative financial instruments amounted to approximately HK\$245 million (2005: HK\$137 million) and approximately HK\$137 million (2005: HK\$52 million) respectively.

利息收入之中包括股票掛鈎票據及債券以及衍生金融工具之利息分別約245,000,000港元(二零零五年: 137,000,000港元)及約137,000,000港元(二零零五年: 52,000,000港元)。

10. OTHER EXPENSES

10. 其他開支

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Included in other expenses are:	其他開支包括:		
Impairment loss recognised in respect of accounts receivable	就應收賬款確認之減值虧損	38	5,231
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	-	7,702
Impairment loss recognised in respect of intangible assets	就無形資產確認之減值虧損	-	1,131
Impairment loss recognised in respect of available-for-sale investments	就待售投資確認之減值虧損	-	1,580

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

11. ASSET CLASSIFIED AS HELD FOR SALE

On 2nd December, 2005, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party of the Company, relating to the disposal of one of the Group's associate, Grand Make International Limited ("Grand Make"), which holds 99% indirect interest in Hong Kong New World Tower located in Shanghai. The 35% equity interest of Grand Make was expected to be sold within twelve months from 31st December, 2005, had been classified as a disposal asset held for sale and was presented separately in the balance sheet. The net proceeds of disposal was expected to exceed the net carrying amount of the relevant assets and accordingly, no impairment loss had been recognised. This disposal was completed in March 2006.

On 27th December, 2006 and 8th December, 2006, Superkey Development Limited and Boria Enterprises Limited, indirect wholly owned subsidiaries of G-Prop (Holdings) Limited, which is a 50.1% interest subsidiary of the Group, entered into sale and purchase agreements with two independent third parties ("the Purchasers") in relation to the disposals of a car park located at No. 4106, 4/F., Bank of America Tower, 12 Harcourt Road, Hong Kong (the "Car Park") and property located at 3rd Floor, Chung Kiu Godown Building, 63-71 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (the "Property") at considerations of HK\$538,000 and HK\$8,800,000 respectively. The Car Park was satisfied by the Purchaser in cash and completed on 19th January, 2007 and the Property shall be satisfied in cash and completed on or before 31st May, 2007. In accordance with HKFRS 5, the above investment properties have been presented as assets classified as held for sale in the balance sheet as at 31st December, 2006.

11. 列為持作出售之資產

於二零零五年十二月二日，本公司一間全資附屬公司與本公司之獨立第三方訂立一項有關出售本集團聯營公司Grand Make International Limited（「Grand Make」）之買賣協議，Grand Make持有位於上海之香港新世界大廈之99%間接權益。預期會於二零零五年十二月三十一日後之十二個月內出售Grand Make之35%股權，故分類為持作出售資產及於資產負債表中獨立呈報。預期有關資產之出售所得款項淨額將超過其賬面淨值，故此並無確認減值虧損。出售已於二零零六年三月完成。

於二零零六年十二月二十七日及二零零六年十二月八日，本集團佔50.1%權益之附屬公司金匡企業有限公司之全資附屬公司偉祺發展有限公司及博永企業有限公司與兩名獨立第三方（「買方」）訂立買賣協議，分別以代價538,000港元及8,800,000港元出售香港夏慤道12號美國銀行中心4樓4106號停車位（「停車位」）及位於香港新界葵涌梨木道63-71號中僑貨倉大廈3樓之物業（「物業」）。出售停車位已由買方於二零零七年一月十九日以現金支付及完成，出售物業則將由買方於二零零七年五月三十一日或之前以現金支付及完成。根據香港財務報告準則第5號，上述投資物業已於二零零六年十二月三十一日之資產負債表內列為持作出售之資產。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

12. PROFIT FOR THE YEAR

12. 本年度溢利

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the year has been arrived at after (charging) crediting:	本年度溢利已 (扣除) 計入:		
Auditors' remuneration	核數師酬金	(3,505)	(3,974)
Depreciation	折舊	(14,235)	(10,398)
Amortisation	攤銷	(609)	(609)
Staff costs, including Directors' emoluments	僱員成本 (包括董事酬金)	(86,432)	(75,221)
Retirement benefits scheme contributions, net of forfeited contributions of HK\$473,000 (2005: HK\$374,000)	退休福利計劃供款·扣除 已沒收供款473,000港元 (二零零五年: 374,000港元)	(3,517)	(3,881)
Total staff costs	總僱員成本	(89,949)	(79,102)
Gain on disposals of investments held-for-trading included in gross profit:	計入毛利之出售 持作買賣投資之收益:		
Increase in market value of investments held-for-trading	持作買賣投資 之市值增加	256,613	69,427
Realised exchange gain (loss) on translation of investments held-for-trading	已變現持作買賣之投資 匯兌換算收益 (虧損)	14,255	(10,349)
		270,868	59,078
Gross rental income from investment properties	投資物業租金收入總額	667,913	715,606
Less: Direct operating expenses from investment properties that generated rental income during the year	減: 年內產生租金收入 之投資物業 直接經營開支	(48,864)	(21,731)
Direct operating expenses from investment properties that did not generate rental income during the year	年內並無產生租金收入 之投資物業 直接經營開支	(11,652)	(6,249)
		607,397	687,626
Share of tax of associates (included in share of results of associates)	攤佔聯營公司稅項 (已計入攤佔聯營公司業績)	(227,267)	(60,685)

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

13. FINANCE COSTS

13. 財務費用

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Interest on:	利息：		
Bank loans wholly repayable within five years	須於五年內全數償還之銀行貸款	345,606	235,645
Bank loans wholly repayable over five years	須於五年後全數償還之銀行貸款	1,760	1,380
Other loans wholly repayable within five years	須於五年內全數償還之其他貸款	156,393	61,038
Amounts due to minority shareholders	欠負少數股東款項	33,278	–
		537,037	298,063
Imputed interest on:	名義利息：		
Amounts due to associates	欠負聯營公司款項	985	414
Amounts due to minority shareholders	欠負少數股東款項	16,726	16,107
Convertible bonds	可換股債券	21,187	36,932
		38,898	53,453
Total interest	利息總額	575,935	351,516
Exchange loss (gain) on translation of foreign currency loans	外幣貸款匯兌虧損(收益)	22,602	(24,362)
Other finance costs	其他財務費用	3,324	11,638
		601,861	338,792
Less: Interest capitalised to stock of properties under development	減：撥充發展中物業存貨資本之利息	(92,979)	(23,800)
Less: Interest capitalised to investment properties under development	減：撥充發展中投資物業資本之利息	(55,363)	–
		453,519	314,992

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

14. OTHER GAINS AND LOSSES, NET

14. 其他收益及虧損淨額

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Included in other gains and losses, net are:	其他收益及虧損淨額包括:		
Impairment loss reversed in respect of advances to associates	就墊付聯營公司款項撥回之減值虧損	897	9,740
Discount on acquisition of an associate	收購一間聯營公司之折讓	-	2,530
Impairment loss recognised in respect of advance to an associate	就墊付一間聯營公司款項確認之減值虧損	(13,474)	(4,398)
Net loss on deemed disposals of subsidiaries (Note)	視作出售附屬公司虧損淨額 (附註)	-	(16,459)
Gain on disposal of an associate	出售一間聯營公司收益	70,366	-

Note: Net loss on deemed disposals of subsidiaries was arising from Chi Cheung Investment Company, Limited and G-Prop (Holdings) Limited issue shares to independent investors pursuant to the respective placing agreements in February 2005.

附註: 視作出售附屬公司虧損淨額乃因至祥置業有限公司及金匡企業有限公司根據其各自於二零零五年二月訂立之配售協議向獨立投資者發行股份而產生。

15. DIRECTORS' EMOLUMENTS

15. 董事酬金

Fees and other emoluments paid or payable to each of the 7 (2005: 5) directors for the year ended 31st December, 2006 and 2005 were as follows:

於截至二零零六年及二零零五年十二月三十一日止年度已付或應付予七名董事 (二零零五年: 五名) 之袍金及其他酬金如下:

		2006			2005		
		Salaries and other emolument			Salaries and other emolument		
		Fee	薪金及	Total	Fee	薪金及	Total
		袍金	其他酬金	總計	袍金	其他薪金	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Mr. Joseph Lau, Luen-hung	劉鑾雄先生	-	3,600	3,600	-	3,600	3,600
Mr. Thomas Lau, Luen-hung	劉鑾鴻先生	-	2,290	2,290	-	2,400	2,400
Mr. Lau, Ming-wai	劉鳴煒先生	-	55	55	-	-	-
Mr. Koon, Wing-yee	官永義先生	6	-	6	100	-	100
Mr. Chan, Kwok-wai	陳國偉先生	150	-	150	100	-	100
Mr. Cheng, Kwee	鍾貴先生	150	-	150	100	-	100
Ms. Phillis Loh, Lai-ping	羅麗萍女士	140	-	140	-	-	-
		446	5,945	6,391	300	6,000	6,300

No directors waived any emoluments for the years ended 31st December, 2006 and 2005.

董事概無於截至二零零六年及二零零五年十二月三十一日止年度內放棄收取任何酬金。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

16. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2005: two) were executive directors of the Company whose emoluments are included in the disclosures in Note 15 above. The emoluments of the remaining three (2005: three) individuals disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange were as follows:

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Salaries and other benefits	3,296	3,128
Retirement benefit scheme contributions	166	139
	3,462	3,267

Their emoluments were within the following bands:

		Number of employees 僱員人數	
		2006	2005
Nil – HK\$1,000,000	無 – 1,000,000 港元	2	2
HK\$1,000,001 – HK\$1,500,000	1,000,001 港元 – 1,500,000 港元	0	1
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元 – 2,000,000 港元	1	0

During the years ended 31st December, 2006 and 2005, no emoluments were paid by the Group to the five highest paid individuals or directors, as an inducement to join or upon joining the Group as compensation for loss of office.

16. 僱員酬金

本集團五名最高薪酬人士中，兩名（二零零五年：兩名）為本公司執行董事，彼等之薪酬已於上文附註15披露。遵照聯交所證券上市規則披露之其他三名（二零零五年：三名）人士之酬金如下：

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
	3,296	3,128
	166	139
	3,462	3,267

彼等之酬金分下列等級：

	Number of employees 僱員人數	
	2006	2005
	2	2
	0	1
	1	0

於截至二零零六年及二零零五年十二月三十一日止年度內，本集團概無為吸引加入本集團或於加入本集團時或作為離職補償而向該五名最高薪酬人士或董事支付任何酬金。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

17. INCOME TAX EXPENSE

17. 所得稅開支

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
The charge (credit) comprises:	稅項支出(撥回)包括:		
Current tax:	當期稅項:		
Hong Kong Profits Tax	香港利得稅	42,038	27,994
Other than Hong Kong	香港以外地區	5,852	2,777
		47,890	30,771
Underprovision (overprovision) in prior years:	過往年度撥備不足(超額撥備):		
Hong Kong Profits Tax	香港利得稅	2,960	(200)
Other than Hong Kong	香港以外地區	-	-
		2,960	(200)
Deferred tax (Note 44):	遞延稅項(附註44):		
Current year	本年度	1,455,288	899,631
Overprovision in prior years	過往年度超額撥備	(214)	(1,179)
		1,455,074	898,452
		1,505,924	929,023

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profits for the both years. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

香港利得稅乃根據上述兩個年度之估計應課稅溢利按稅率17.5%計算。其他司法權區產生之稅項乃按有關司法權區之現行稅率計算。

The major deferred tax liabilities recognised by the Group is deferred tax on fair value changes on investment properties of HK\$1,431,805,000 (2005: HK\$875,490,000) for the year.

本集團於年內確認之遞延稅項負債主要為投資物業公平值變動之遞延稅項1,431,805,000港元(二零零五年:875,490,000港元)。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

17. INCOME TAX EXPENSE (cont'd)

17. 所得稅開支 (續)

The tax charge for the year can be reconciled to the profit before tax as follows: 年內之稅項支出與除稅前溢利對賬如下:

		2006		2005	
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
Profit before tax	除稅前溢利	9,063,011		7,383,690	
Tax at Hong Kong Profits Tax rate of 17.5%	按香港利得稅稅率17.5%計算之稅項	1,586,026	17.5	1,292,146	17.5
Tax effect of share of results of associates	攤佔聯營公司業績之稅務影響	(89,638)	(1.0)	(75,257)	(1.0)
Tax effect of expenses not deductible for tax purpose	就稅務而言不可扣減支出之稅務影響	513,203	5.7	28,440	0.4
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅收入之稅務影響	(471,619)	(5.2)	(104,016)	(1.4)
Underprovision (Overprovision) in respect of prior years	過往年度撥備不足(超額撥備)	2,746	-	(1,379)	-
Tax effect of tax losses not recognised	未確認之稅務虧損之稅務影響	178	-	2,585	-
Utilisation of tax losses previously not recognised	運用先前未確認之稅務虧損之稅務影響	(33,154)	(0.4)	(210,449)	(2.9)
Tax effect on accelerated accounting depreciation over tax depreciation not provided in prior years	過往年度未撥備之稅務折舊之加速會計折舊之稅務影響	(6,404)	(0.1)	(32)	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司適用之不同稅率之影響	4,628	0.1	(3,015)	-
Others	其他	(42)	-	-	-
Tax charge for the year	年度稅項	1,505,924	16.6	929,023	12.6

18. DIVIDENDS

18. 股息

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
(a) Final dividend for 2005 paid on 30th June, 2006 of HK12 cents (2004: HK11 cents) per share	(a) 於二零零六年六月三十日派付之二零零五年末期股息每股12港仙(二零零四年: 11港仙)		
Cash	現金	108,128	223,324
Share alternative under scrip dividend scheme	根據以股代息計劃收取股份	158,639	n/a 不適用
		266,767	223,324

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

18. DIVIDENDS (cont'd)

18. 股息 (續)

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
(b) Interim dividend for 2006 paid on 4th October, 2006 of HK12 cents (2005: HK9 cents) per share	(b) 於二零零六年十月四日派付之二零零六年中期股息: 每股12港仙 (二零零五年: 9港仙)		
Cash	現金	72,965	186,927
Share alternative under scrip dividend scheme	根據以股代息計劃收取股份	195,905	n/a 不適用
		268,870	186,927
Total dividends paid	已派付股息總額	535,637	410,251

The final dividend of HK18 cents (2005: HK12 cents) per share has been proposed by the Directors and is subject to approval by the shareholders in general meeting.

董事會建議派付末期股息每股18港仙 (二零零五年: 12港仙), 有待股東於股東大會批准。

19. EARNINGS PER SHARE

19. 每股盈利

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

母公司之股本權益持有人應佔之每股基本及攤薄盈利乃根據以下數據計算:

		2006	2005
		HK\$'000	HK\$'000
		千港元	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 parent)	計算每股基本盈利之盈利 (母公司股本權益持有人應佔之本年度溢利)	7,477,345	6,154,572
Effect of dilutive potential ordinary shares: Imputed interest on convertible bonds	潛在攤薄普通股之影響: 可換股債券之名義利息	21,187	36,932
Earnings for the purposes of diluted earnings per share	計算每股攤薄盈利之盈利	7,498,532	6,191,504

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

19. EARNINGS PER SHARE (cont'd)

19. 每股盈利 (續)

		Number of shares	
		股份數目	
		2006	2005
Number of shares:	股份數目:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利之普通股加權平均數	2,204,297,086	2,051,367,232
Effect of dilutive potential ordinary shares:	潛在攤薄普通股		
Convertible bonds	之影響: 可換股債券	46,269,727	190,626,220
Weighted average number of ordinary shares for the purposes of diluted earnings per share	計算每股攤薄盈利之普通股加權平均數	2,250,566,813	2,241,993,452

20. INVESTMENT PROPERTIES

20. 投資物業

		HK\$'000
		千港元
Fair value	公平值	
At 1st January, 2005	於二零零五年一月一日	19,359,080
Additions	添置	73,611
Increase in fair value recognised in the income statement	於收益表中確認之公平值增加	4,976,713
Disposals	出售	(346,439)
At 31st December, 2005	於二零零五年十二月三十一日	24,062,965
Acquisition of subsidiaries	收購附屬公司	393,000
Additions	添置	476,796
Increase in fair value recognised in the income statement	於收益表中確認之公平值增加	6,921,971
Reclassification to non-current assets held for sale	重新分類為持作出售之非流動資產	(9,338)
Disposals	出售	(73,524)
At 31st December, 2006	於二零零六年十二月三十一日	31,771,870

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

20. INVESTMENT PROPERTIES (cont'd)

The fair value of the Group's investment properties at 31st December, 2006 has been arrived at on the basis of valuation carried out on that date by Messrs. Norton Appraisals Limited ("Norton Appraisals"), independent qualified professional valuers not connected with the Group. Norton Appraisals has appropriate qualifications and recent experiences 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 2005) published by the Hong Kong Institute of Surveyors, was based on open market value basis.

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

The carrying value of investment properties shown above comprises:

20. 投資物業(續)

與本集團並無關連之獨立合資格專業估值師普敦國際評估有限公司(「普敦國際」)已按其於二零零六年十二月三十一日所進行估值為基準,計算本集團投資物業於該日之公平值。普敦國際擁有合適資格及最近亦有評估相關地點之同類物業之經驗。該估值乃遵守香港測量師學會所頒布的物業估值準則(二零零五年第一版),並按公開市值為基準進行重估。

根據營運租賃持有以賺取租金或資本增值之本集團所有物業權益乃採用公平值模式計量,並分類及入賬列作投資物業。

上述投資物業之賬面值包括:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Properties in Hong Kong held under:	於香港按以下租約持有之物業:		
Long lease	長期租約	26,684,270	20,181,670
Medium-term lease	中期租約	3,967,400	3,433,700
		30,651,670	23,615,370
Properties outside Hong Kong held under:	於香港以外按以下租約持有之物業:		
Long lease	長期租約	304,000	169,595
Medium-term lease	中期租約	816,200	278,000
		1,120,200	447,595
		31,771,870	24,062,965

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

21. PROPERTY AND OTHER FIXED ASSETS

21. 物業及其他固定資產

		Furniture, fixtures and equipment	Yachts and motor vehicles	Total	
		Buildings	傢俬、裝置 及設備	遊艇及汽車	Total
		樓宇			合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost	成本				
At 1st January, 2005	於二零零五年一月一日	59,679	169,595	39,469	268,743
Additions	添置	–	1,696	3,097	4,793
Disposals	出售	–	(86,113)	(2,442)	(88,555)
		<hr/>			
At 31st December, 2005	於二零零五年十二月三十一日	59,679	85,178	40,124	184,981
Acquisition of subsidiaries	收購附屬公司	–	24	495	519
Additions	添置	–	5,248	21,547	26,795
Disposals	出售	–	(4,614)	(5,713)	(10,327)
		<hr/>			
At 31st December, 2006	於二零零六年十二月三十一日	59,679	85,836	56,453	201,968
Depreciation	折舊				
At 1st January, 2005	於二零零五年一月一日	7,330	151,531	27,148	186,009
Charge for the year	本年度變動	1,502	3,896	5,000	10,398
Elimination upon disposals	出售時對銷	–	(78,220)	(2,095)	(80,315)
		<hr/>			
At 31st December, 2005	於二零零五年十二月三十一日	8,832	77,207	30,053	116,092
Charge for the year	本年度變動	1,501	3,616	9,118	14,235
Elimination upon disposals	出售時對銷	–	(4,614)	(5,102)	(9,716)
		<hr/>			
At 31st December, 2006	於二零零六年十二月三十一日	10,333	76,209	34,069	120,611
Carrying amounts	賬面值				
At 31st December, 2006	於二零零六年十二月三十一日	49,346	9,627	22,384	81,357
		<hr/>			
At 31st December, 2005	於二零零五年十二月三十一日	50,847	7,971	10,071	68,889

The Group's buildings are situated in Hong Kong and held under medium-term leases.

本集團之樓宇均位於香港並按中期租約持有。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

22. PROPERTIES UNDER DEVELOPMENT

22. 發展中物業

		Properties held under medium-term lease in Hong Kong
		於香港持有之中期租約物業
		HK\$'000 千港元
Cost	成本	
At 1st January, 2005	於二零零五年一月一日	750
Additions	添置	23,152
		<hr/>
At 31st December, 2005	於二零零五年十二月三十一日	23,902
Additions	添置	26,384
Transfer to stock of properties	轉撥至物業存貨	(50,286)
		<hr/>
At 31st December, 2006	於二零零六年十二月三十一日	-
		<hr/>
Carrying amounts	賬面值	
At 31st December, 2006	於二零零六年十二月三十一日	-
		<hr/> <hr/>
At 31st December, 2005	於二零零五年十二月三十一日	23,902
		<hr/> <hr/>

23. PREPAID LEASE PAYMENTS

23. 預付租賃款項

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
The Group's prepaid lease payments comprise:	本集團之預付租賃款項包括:		
Leasehold land in Hong Kong:	於香港按以下租約持有之土地:		
Long lease	長期租約	249,250	249,839
Medium-term lease	中期租約	247	267
		<hr/>	<hr/>
		249,497	250,106
		<hr/> <hr/>	<hr/> <hr/>

Amortisation expense on prepaid lease payments of HK\$609,000 (2005: HK\$609,000) has been charged to income statement for the year.

年內金額為609,000港元(二零零五年: 609,000港元)之預付租賃款項攤銷開支已於收益表內扣除。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

24. PROPERTY INTERESTS HELD FOR FUTURE DEVELOPMENT

24. 持作日後發展之物業權益

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Cost	成本		
At 1st January and 31st December	於一月一日及十二月三十一日	71,118	71,118
Impairment loss	減值虧損		
At 1st January and 31st December	於一月一日及十二月三十一日	(71,118)	(71,118)
Carrying amounts	賬面值		
At 1st January and 31st December	於一月一日及十二月三十一日	-	-

The property interests held for development project in Chenghai Royal Garden, Shantou, PRC is held by a wholly owned subsidiary of Chi Cheung Investment Company, Limited, which is a 61.96% interest subsidiary of the Company. Under a Contract for Pre-registration of Grant of State-owned Land Use Right (the "Contract") with the district bureau of Chenghai dated 5th August, 1992, the Group had made certain downpayment. However, the Group subsequently determined not to proceed with the land requisition and requested for refund.

In April 2005, the Group commenced legal proceedings to terminate the Contract against the Shantou City Chenghai District Planning and State-owned Land Resources Bureau ("Chenghai Bureau"). In view of the uncertainty in the recoverability of the amount claimed and any other entitlements under the Contract, the Group had made a full provision for an impairment loss of HK\$71,118,000.

On 28th December, 2006, the judgments were ruled in favour of the Group. However, Chenghai Bureau has submitted a application of appeal in January 2007. Up to the date of approval of these financial statements, the application of appeal is pending for hearing.

中國汕頭市澄海海麗花園之持作發展物業權益項目，乃由本公司擁有61.96%權益之附屬公司至祥置業有限公司之一間全資附屬公司持有。根據於一九九二年八月五日與澄海地區當局訂立之國有土地使用權預約合同（「合同」），本集團已支付若干定金。本集團其後決定不進行徵地，並終止該合同及要求退還定金。

於二零零五年四月，本集團向汕頭市澄海區規劃與國土資源局（「澄海當局」）展開法律程序，終止合同。由於未能確定可否收回索償款額及根據合同之其他權益，本集團已就減值虧損作出71,118,000港元之全數撥備。

於二零零六年十二月二十八日，判決裁定本集團勝訴，然而，澄海當局於二零零七年一月提出申請上訴。截至批准本財務報表當日，有關上訴申請仍有待聆訊。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

25. INTANGIBLE ASSETS

25. 無形資產

		Club debentures	Trading and exchange rights	Total
		會社債券	買賣及貿易權	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Cost	成本			
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	24,307	2,705	27,012
Reclassification to available-for-sale investments	重新分類至待售投資	(24,307)	–	(24,307)
At 31st December, 2006	於二零零六年十二月三十一日	–	2,705	2,705
Amortisation and impairment	攤銷及減值			
At 1st January, 2005	於二零零五年一月一日	8,356	1,574	9,930
Impairment recognised for the year	本年度減值虧損確認	–	1,131	1,131
At 31st December, 2005	於二零零五年十二月三十一日	8,356	2,705	11,061
Reclassification to available-for-sale investments	重新分類至待售投資	(8,356)	–	(8,356)
At 31st December, 2006	於二零零六年十二月三十一日	–	2,705	2,705
Carrying amounts	賬面值			
At 31st December, 2006	於二零零六年十二月三十一日	–	–	–
At 31st December, 2005	於二零零五年十二月三十一日	15,951	–	15,951

For the year ended 31st December, 2005, the Directors reviewed the recoverable amount of the trading rights and the gold and silver exchange rights. The Directors were of the opinion that there were no expected net cash inflow from the continuous use of the trading rights and the gold and silver exchange rights. An impairment loss of approximately HK\$1,131,000 was recognised in the income statement for the year ended 31st December, 2005.

於截至二零零五年十二月三十一日止年度，董事會審視買賣權及金銀貿易權之可收回款額。董事會認為並無由持續使用買賣權及金銀貿易權而產生之預期現金淨流入。約1,131,000港元之減值虧損已經於截至二零零五年十二月三十一日止年度之損益表中確認。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

26. GOODWILL

		HK\$'000 千港元
Cost	成本	
At 1st January, 2005	於二零零五年一月一日	61,862
Elimination of amortisation accumulated prior to adoption of HKFRS 3	採用香港財務報告準則第3號 前之累積攤銷之對銷	<u>(14,114)</u>
At 31st December, 2005 and 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	<u>47,748</u>
Amortisation	攤銷	
At 1st January, 2005	於二零零五年一月一日	14,114
Elimination of amortisation accumulated prior to adoption of HKFRS 3	採用香港財務報告準則第3號 前之累積攤銷之對銷	<u>(14,114)</u>
At 31st December, 2005 and 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	<u>-</u>
Impairment	減值	
At 1st January, 2005	於二零零五年一月一日	40,046
Impairment loss recognised for the year	本年度減值虧損確認	<u>7,702</u>
At 31st December, 2005 and 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	<u>47,748</u>
Carrying amounts At 31st December, 2006	賬面值 於二零零六年十二月三十一日	<u><u>-</u></u>
At 31st December, 2005	於二零零五年十二月三十一日	<u><u>-</u></u>

27. INTERESTS IN ASSOCIATES

27. 聯營公司權益

		2006 HK\$'000 千港元	2005 HK\$'000 (Restated) 千港元 (重列)
Cost of investment in associates, unlisted	投資非上市聯營公司成本	307,926	307,926
Share of post-acquisition profits, net of dividend received	攤佔收購後溢利扣除 已收股息	1,088,425	385,399
		<u>1,396,351</u>	<u>693,325</u>

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

27. INTERESTS IN ASSOCIATES (cont'd)

The Company provided corporate guarantee to secure bank loans granted to its associates. The fair value of the financial guarantee contract was determined by CB Richard Ellis Limited, an independent valuer, and it was recognised as interest in associates and financial guarantee liabilities in the Group's consolidated balance sheet.

Particulars of the Group's principal associates at 31st December, 2006 are set out in Note 54.

The investment properties of the Group's principal associates were revalued at 31st December, 2006 by Norton Appraisals. The valuation, which conforms to The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors, was based on open market value basis.

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

27. 聯營公司權益 (續)

本公司提供公司擔保作為其聯營公司獲授銀行貸款之抵押。財務擔保合約之公平值由獨立估值師世邦魏理仕有限公司釐定，並已於本集團之綜合資產負債表內確認為聯營公司權益及財務擔保負債。

本集團於二零零六年十二月三十一日之主要聯營公司詳情載於附註54。

本集團主要聯營公司之投資物業已由普敦國際於二零零六年十二月三十一日進行重估。該估值乃遵守香港測量師學會所頒布的物業估值準則(二零零五年第一版)，並按公開市值為基準進行重估。

本集團之聯營公司之財務資料概述如下：

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Total assets	總資產	11,568,969	10,669,585
Total liabilities	總負債	(8,197,694)	(8,867,442)
Net assets	淨資產	3,371,275	1,802,143
Minority interest	少數股東權益	22,031	(72,150)
		3,393,306	1,729,993
Group's share of net assets of associates	本集團攤佔聯營公司淨資產	1,396,351	693,325
Turnover	營業額	6,131,011	565,879
Profit for the year	本年度溢利	2,924,850	927,142
Group's share of result of associates for the year	本集團攤佔聯營公司本年度業績	1,135,167	430,040

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

27. INTERESTS IN ASSOCIATES (cont'd)

A legal action against an 50% associate of the Group, The Kwong Sang Hong International Limited ("Kwong Sang Hong"), was taken by a Chinese joint venture partner of Kwong Sang Hong in respect of a development project in the PRC. Pending the result of retrial, provision of HK\$19.7 million (2005: HK\$19.7 million) against damages, legal costs and interest was made by Kwong Sang Hong.

28. ADVANCES TO ASSOCIATES

Interest bearing advances to associates	墊付聯營公司之計息款項
Interest-free advances to associates	墊付聯營公司之免息款項

The advances to associates are unsecured. An approximately HK\$766,669,000 was expected to be repayable in 2010 and the amount is therefore shown as non-current. For the remaining HK\$164,992,000, the Group will not demand repayment within one year from the balance sheet date and the amounts are therefore shown as non-current. The interest bearing advances to associates bear interest at the prevailing market rate. The Directors consider that the fair value of the interest-free advances as at the balance sheet date, determined based on the present values of the estimated future cash flows discounted using the prevailing market rates at the balance sheet date approximate their carrying amounts.

27. 聯營公司權益 (續)

本集團之50%聯營公司The Kwong Sang Hong International Limited (「廣生行」)之一個中國合營夥伴就中國一項發展項目採取法律行動控告廣生行。在等待覆核裁決期間，廣生行已就賠償、法律費用及利息作出19,700,000港元之撥備(二零零五年:19,700,000港元)。

28. 墊付聯營公司款項

2006	2005
HK\$'000	HK\$'000
千港元	千港元
166,056	199,299
765,605	1,482,676
931,661	1,681,975

向聯營公司提供之墊支為無抵押。約766,669,000港元之款項預期於二零一零年償還，因此該等款項被列為非流動項目。就剩餘之164,992,000港元，本集團不要求於結算日起計一年內償還，因此該等款項被列為非流動項目。墊付聯營公司之計息款項以現行之市場借貸利率計息。而免息墊款於結算日之公平值，則按於結算日之市場借貸利率貼現未來現金流量之現時價值約數估計，董事會認為該公平值與其賬面值相若。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

29. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Listed investments:	上市投資:		
– Equity securities listed in Hong Kong	– 於香港上市之股本證券	8,179,251	1,871,937
– Equity securities listed elsewhere	– 於其他地區上市之股本證券	–	1,155,070
		8,179,251	3,027,007
Unlisted securities:	非上市證券:		
– Equity securities incorporated in Hong Kong	– 於香港註冊之股本證券	258,549	299,293
– Equity securities incorporated elsewhere	– 於其他地區註冊之股本證券	78,881	78,881
		8,516,681	3,405,181
Club debentures	會社債券	15,951	–
Total	合計	8,532,632	3,405,181

As at the balance sheet date, all available-for-sale investments are stated at fair value, except for those unlisted equity investments of which their fair values cannot be measured reliably. Fair values of those listed investments have been determined based on the quoted market bid prices available on the relevant stock exchanges.

Included in the carrying amount of unlisted securities are approximately HK\$258,549,000 (2005: HK\$299,293,000) unlisted investments which are stated at fair values determined by using discounted cash flow valuation techniques. The remaining approximately HK\$78,881,000 (2005: HK\$78,881,000) represents an investment in unlisted equity securities issued by private entities incorporated in United States of America. Both these equity securities and club debentures are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably.

29. 待售投資

待售投資包括：

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
上市投資：		
– 於香港上市之股本證券	8,179,251	1,871,937
– 於其他地區上市之股本證券	–	1,155,070
	8,179,251	3,027,007
非上市證券：		
– 於香港註冊之股本證券	258,549	299,293
– 於其他地區註冊之股本證券	78,881	78,881
	8,516,681	3,405,181
會社債券	15,951	–
合計	8,532,632	3,405,181

於結算日，除其公平值不能可靠計量之非上市股本投資外，所有待售投資亦以其公平值呈列。上市投資之公平值根據相關證券交易所之市場買入報價釐定。

非上市證券之賬面值包括約258,549,000港元（二零零五年：299,293,000港元）以公平值呈列之非上市投資，其公平值採用折現現金流量估值法釐定。餘下約78,881,000港元（二零零五年：78,881,000港元）為於美國註冊之私人實體發行之非上市股本證券之一項投資，由於估計該等股本證券及會社債券合理公平值時所需考慮之假設因素範圍甚廣，董事會認為未能可靠地衡量其公平值，故此該等投資按結算日之成本扣除減值入賬。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

30. INVESTMENTS HELD-FOR-TRADING

Investments held-for-trading comprise:

Listed investments:

- Equity securities listed in Hong Kong
- Equity securities listed elsewhere

上市證券:

- 於香港上市之股本證券
- 於其他地區上市之股本證券

30. 持作買賣之投資

持作買賣之投資包括:

2006	2005
HK\$'000	HK\$'000
千港元	千港元
24,692	596,925
117,526	642,501
142,218	1,239,426

The fair values of the investments held-for-trading are determined based on the quoted market bid prices available on the relevant stock exchanges.

持作買賣之投資之公平值乃根據相關證券交易所之市場買入報價釐定。

31. ADVANCE TO AN INVESTEE COMPANY AND A MINORITY SHAREHOLDER

- (a) The advance made to an investee company, of which the principal purpose is for providing second mortgage for a property development project, is unsecured and interest-bearing at prevailing market rate. The advance is not repayable within one year and is therefore shown as non-current.

The Directors consider that the fair value of the advance to an investee company at the balance sheet date approximates to its carrying amount.

- (b) The advance made to a minority shareholder is unsecured and interest-free. The advance is not repayable within one year and is therefore shown as non-current.

The Directors consider that the fair value of the advance to a minority shareholder at the balance sheet date, determined based on the present value of the estimated future cash flows discounted using the prevailing market rate at the balance sheet date, approximates to its carrying amount.

31. 墊付接受投資公司及一名少數股東款項

- (a) 墊付接受投資公司款項主要為一項物業發展項目提供二按，該款項乃無抵押及按當時之市場利率計息。由於墊款不會於一年內償還，故列作非流動性質。

董事會認為墊付接受投資公司款項於結算日之公平值與其賬面值相若。

- (b) 墊付一名少數股東款項乃無抵押及免息。由於墊款不會於一年內償還，故列作非流動性質。

墊付一名少數股東款項於結算日之公平值乃按結算日之現行市場利率貼現其估計未來現金流量而計算出之現值，董事會認為於結算日該公平值與賬面值相若。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

32. EQUITY-LINKED NOTES

Equity-linked notes are designated as financial assets at fair value through profit or loss.

Carrying amount analysed for reporting purposes as:

Current	流動性質
Non-current	非流動性質

Major terms of the equity-linked notes are as follows:

Notional amount

名義數額

US\$10,000,000	10,000,000美元
US\$20,000,000	20,000,000美元

The equity-linked notes are callable, interest bearing which range from 18% to 20.2% per annum with guaranteed coupon for the 1st quarter. The equity-linked notes are linked with various overseas listed securities at various strike prices.

The equity-linked notes are measured at fair value at balance sheet date. Their fair values are determined based on the quoted prices provided by the securities' brokers for equivalent instruments at the balance sheet date.

32. 股票掛鈎票據

股票掛鈎票據被分類為按公平值列賬並在損益表內處理之金融資產。

就報告用途之賬面值分析：

2006	2005
HK\$'000	HK\$'000
千港元	千港元

75,725 628,983

147,827 2,799,507

223,552 3,428,490

股票掛鈎票據之主要內容如下：

Maturity

到期日

2007

2008

股票掛鈎票據可贖回，其年息為18厘至20.2厘，並隨附首季度之保證息票。股票掛鈎票據以不同行使價與若干海外上市證券掛鈎。

股票掛鈎票據於結算日以公平值計量，其公平值根據證券經紀於結算日提供之相等工具買入報價釐定。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

33. LOANS RECEIVABLE

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Long term loans receivable, secured	有抵押之應收長期貸款		
Non-current	非流動性質	63,058	84,344
Current	流動性質	223	6,676
		63,281	91,020
Other loans and advances, unsecured	無抵押之其他貸款及墊款	22	22
		63,303	91,042
Less: Amount due within one year shown under current assets	減：一年內到期並列作流動資產之款項	(224)	(6,698)
Amount due after one year	一年後到期之款項	63,079	84,344

Loans receivable comprise:

應收貸款包括：

	Maturity date	Collateral	Effective interest rate	Carrying amounts	
	到期日	抵押	實際利率	賬面值	
				2006	2005
				HK\$'000	HK\$'000
				千港元	千港元
Loans receivable	4 years – 17 years	Properties	Prime rate	3,490	5,629
應收貸款	四年至十七年	物業	優惠利率		
Loans receivable	1 year–2 years	Nil	Fixed rate	22	–
應收貸款	一年至兩年	無	固定利率		
Loans receivable (Note)	19th January, 2010	Unlisted equity share	Prime – 1%	59,791	85,413
應收貸款(附註)	二零一零年 一月十九日	非上市股本證券	優惠利率 減一厘		
				63,303	91,042

The Directors consider that the fair value of the Group's loans receivable approximate to their carrying amounts.

董事會認為本集團應收貸款之公平值與其賬面值相若。

Note:

附註：

The principal will be receivable through five annual instalments with 7.5% on principal for first 4 instalments and 70% on principal in the final instalment in January, 2010.

本金按年分五期收回，最初四期按本金之7.5%及最後一期按本金之70%於二零一零年一月收回。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

34. OTHER FINANCIAL ASSETS

(a) Pledged deposits

The amount represents deposits pledged to banks and other financial institutions to secure credit facilities granted to the Group. Deposits amounting to HK\$1,014,351,000 (2005: HK\$3,463,000) have been pledged to secure short-term borrowing and are therefore classified as current assets. The remaining deposits amounting to HK\$71,606,000 (2005: HK\$121,069,000) have been pledged to secure long-term borrowings and are therefore classified as non-current assets.

The deposits carry interest rate at prevailing market rate. The pledged deposits will be released upon the settlement of relevant borrowings. The fair value of the deposits at the balance sheet date approximates to the corresponding carrying amount.

(b) Securities trading receivable and deposits

Securities trading receivables and deposits are mainly amounts due from clearing house, brokers and clients. The fair value of the securities trading receivable and deposits at the balance sheet date approximates to the corresponding carrying amount.

(c) Time deposits, bank balances and cash

The deposits carry interest rate at prevailing bank savings deposits rate and mature within 1 month. The Directors consider that the fair value of the time deposits, bank balances and cash at the balance sheet date approximates to the corresponding carrying amount.

35. STOCK OF PROPERTIES

34. 其他金融資產

(a) 抵押存款

此款額指抵押予銀行及其他金融機構，作為給予本集團信貸之存款。1,014,351,000港元（二零零五年：3,463,000港元）之存款已作為短期借貸之抵押，並因此被分類為流動資產。餘下71,606,000港元存款（二零零五年：121,069,000港元）已作為長期貸款之抵押，並因此被分類為非流動資產。

以上存款計息，利率為當時市場之利率。此抵押存款於有關貸款獲償還時解除。此存款於結算日之公平值與其相關賬面值相若。

(b) 應收證券交易賬項及存款

應收證券交易賬項及存款主要為應收結算所、證券經紀及客戶款項。本集團之應收證券交易賬項及存款於結算日之公平值與其相關賬面值相若。

(c) 定期存款、銀行結餘及現金

存款之利率為當時銀行之存款利率，並於一個月內到期。董事會認為定期存款、銀行結餘及現金於結算日之公平值與相應賬面值相若。

35. 物業存貨

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Completed properties	完成物業	79,198	34,257
Properties under development held for sales	持作買賣之發展中物業	5,251,773	2,730,987
		5,330,971	2,765,244
Less: Impairment loss recognised	減：已確認減值虧損	(479,467)	(279,467)
		4,851,504	2,485,777

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

36. DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

Major terms of the interest rate swap are as follows:

Notional Amount

名義數額

US\$100,000,000

100,000,000美元

Maturity

到期日

13th January, 2017

二零一七年一月十三日

Under the interest rate swap agreement, the Group is receiving a fixed rate of 12% in the first year and floating rate for the remaining life of the interest rate swap period. The Group is paying for 3-month United States Dollars LIBOR floating rate throughout the interest rate swap period to the counterparty.

Major terms of the equity-linked swaps are as follows:

Notional Amount

名義數額

US\$50,000,000

50,000,000美元

US\$50,000,000

50,000,000美元

US\$50,000,000

50,000,000美元

Maturity

到期日

28th June, 2015

二零一五年六月二十八日

29th June, 2015

二零一五年六月二十九日

21st July, 2015

二零一五年七月二十一日

Under the equity-linked swaps arrangement, the Group is paying a 12-month United States Dollars LIBOR floating rate and receiving a fixed rate coupon which is guaranteed in the first year and determined by the financial performance or stock price of the underlying linked Hong Kong listed securities for the remaining life of the swaps to the counterparties.

The above derivatives are measured at fair value at balance sheet date. Their fair values are determined based on the quoted prices provided by the securities' brokers for equivalent instruments at the balance sheet date.

36. 衍生金融工具 (續)

利率掉期合約之主要內容如下:

在利率掉期合約安排下，本集團首年所收款項以固定利率12厘計息，合約餘下期間則以浮動利率計息。本集團於利率掉期合約生效期間向交易對手繳付以三個月美元倫敦銀行同業拆息率浮動利率計息之款項。

股票掛鈎掉期合約之主要內容如下:

在股票掛鈎掉期合約安排下，本集團向交易對手繳付以十二個月美元倫敦銀行同業拆息率浮動利率計息之款項，並收取固定利率息票，首年利率獲保證，合約餘下期間之利率按相關香港上市證券之財務表現或股價而釐定。

以上衍生工具於結算日以公平值計量。其公平值按證券經紀於結算日提供之相等工具之買入報價釐定。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

37. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade receivables of approximately HK\$22,138,000 (2005: HK\$21,990,000) comprising mainly rental receivables which are billed in advance and settlements are expected upon receipts of billings.

The following is an aged analysis of trade receivables at the balance sheet date:

0 – 30 days	零至三十日
31 – 60 days	三十一日至六十日
61 – 90 days	六十一日至九十日
Over 90 days	九十日以上

The Directors consider that the fair value of the Group's debtors at the balance sheet date was approximately their carrying amounts.

38. UNITED STATES CURRENCY TREASURY BILLS

The United States currency treasury bills are measured at fair value at balance sheet date. Their fair values are determined based on the quoted prices provided by the securities' brokers for equivalent instruments at the balance sheet date.

At 31st December, 2005, major terms of the United States currency treasury bills are as follows:

Notional Amount 名義數額	Maturity 到期日
US\$36,300,000 36,300,000美元	12th January, 2006 二零零六年一月十二日
US\$27,700,000 27,700,000美元	23rd March, 2006 二零零六年三月二十三日

All United States currency treasury bills were matured during the year ended 31st December, 2006.

37. 應收賬項、按金及預付款項

應收賬項、按金及預付款項包括應收貿易賬項約22,138,000港元(二零零五年:21,990,000港元)·主要包括預先開單而預期於收到租單後會支付之應收租金。

應收貿易賬項於結算日之賬齡分析如下:

2006 HK\$'000 千港元	2005 HK\$'000 千港元
7,923	5,768
1,464	2,185
660	866
12,091	13,171
22,138	21,990

董事會認為本集團於結算日之應收賬項之公平值與其賬面值相若。

38. 美國貨幣國庫債券

美國貨幣國庫債券於結算日以公平值計量。其公平值根據證券經紀於結算日提供之相等工具買入報價釐定。

於二零零五年十二月三十一日·美國貨幣國庫債券之主要內容如下:

所有美國貨幣國庫債券於截至二零零六年十二月三十一日止年間到期。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

39. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade payables of approximately HK\$13,599,000 (2005: HK\$7,337,000).

The following is an aged analysis of trade payables at the balance sheet date:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
0 – 90 days	零至九十日	11,605	3,766
Over 90 days	九十日以上	1,994	3,571
		13,599	7,337

The Directors consider that the fair value of the Group's creditors at the balance sheet date was approximately their carrying amounts.

40. BORROWINGS

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Secured bank loans repayable within a period of:	須於下列期間償還之有抵押銀行貸款:		
Less than 1 year	一年以下	7,079,513	1,772,476
More than 1 year but within 2 years	一年以上但不超逾兩年	491,283	2,942,313
More than 2 years but within 5 years	兩年以上但不超逾五年	3,205,369	2,703,604
Over 5 years	五年以上	12,688	17,525
		10,788,853	7,435,918
Secured other loans repayable within 1 year	須於一年內償還之其他有抵押貸款	3,924,691	4,318,134
		14,713,544	11,754,052
Less: Amount due within one year	減: 於一年內到期之款項	(11,004,204)	(6,090,610)
Amount due after one year	一年後到期之款項	3,709,340	5,663,442

The bank loans are variable-rate borrowings which carry interest ranging from HIBOR+0.4% to HIBOR+0.8% (2005: HIBOR+0.47% to HIBOR+0.8%) per annum.

39. 應付賬項及應計款項

應付賬項及應計款項包括應付貿易賬項約13,599,000港元(二零零五年: 7,337,000港元)。

應付貿易賬項於結算日之賬齡分析如下:

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
	11,605	3,766
	1,994	3,571
	13,599	7,337

董事會認為本集團於結算日之應付賬項之公平值與其賬面值相若。

40. 借貸

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
	7,079,513	1,772,476
	491,283	2,942,313
	3,205,369	2,703,604
	12,688	17,525
	10,788,853	7,435,918
	3,924,691	4,318,134
	14,713,544	11,754,052
	(11,004,204)	(6,090,610)
	3,709,340	5,663,442

該等銀行貸款均為浮動利率借貸，所附年息為香港銀行同業拆息加0.4厘至加0.8厘不等(二零零五年: 香港銀行同業拆息加0.47厘至加0.8厘不等)。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

40. BORROWINGS (cont'd)

The other loans are variable-rate borrowings which carry interest ranging from Inter-bank Rate+0.25% to Inter-bank Rate+0.5% (2005: Inter-bank Rate+0.25% to Inter-bank Rate+0.5%) per annum.

The Directors consider that the fair value of the Group's borrowings approximates to their carrying amounts.

The Group's borrowings that are denominated in currencies other than Hong Kong dollars are set out below:

		Japanese Yen	US Dollar	Australian Dollar
		日圓	美元	澳洲元
		JPY'000	US\$'000	AUD'000
		千日圓	千美元	千澳洲元
As at 31st December, 2006	於二零零六年 十二月三十一日	Nil	Nil	Nil
As at 31st December, 2005	於二零零五年 十二月三十一日	11,197,355	437,865	26,910

40. 借貸 (續)

其他貸款為浮動利率借貸，所附年息為銀行同業拆息加0.25厘至加0.5厘不等（二零零五年：銀行同業拆息加0.25厘至加0.5厘不等）。

董事會認為本集團借貸之公平值與其賬面值相若。

本集團以港元以外貨幣計算之借貸如下：

41. PROVISIONS

		Contingency provision	Litigation claim	Total
		或然事項撥備	訴訟索償	合計
		HK\$'000	HK\$'000	HK\$'000
		(Note)		
		千港元	千港元	千港元
		(附註)		
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	16,017	8,427	24,444
Provision written off for the year	本年度撥備撇銷	-	(8,427)	(8,427)
At 31st December, 2006	於二零零六年 十二月三十一日	16,017	-	16,017

41. 撥備

Note: The provision represents construction cost determined by the management's best estimate of the Group's liability on contingency claims by a third party to whom a property under development project was previously disposed of.

附註：撥備指按管理層就一名第三者對早前售出之發展中物業項目作出或然索償而產生之本集團負債所作出之最佳估計而釐定之建築成本。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

42. CONVERTIBLE BONDS

In April and May 2005, the Company has issued zero coupon Convertible Bonds (the "Bonds") with a maturity date on 2010 in an principal amount of HK\$1,750,000,000 and a further principal amount of HK\$60,000,000.

The Bonds are convertible on or after 20th May, 2005 up to and including 20th March, 2010 into fully paid ordinary shares with a par value of HK\$0.10 each of the Company at an initial price of HK\$7.37 per share, subject to adjustment. Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed at 100 per cent of their principal amount on 20th April, 2010.

The Bonds contain two components, liability and equity elements. Upon the application of HKAS 32, the Bonds were split between the liability and equity elements. The equity element is presented in equity heading "Convertible bonds – equity reserve". The effective interest rate of the liability component is 4.38%.

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

42. 可換股債券

本公司於二零零五年四月及五月再發行本額為分別發行本金額為1,750,000,000港元及60,000,000港元，於二零一零年到期之零息可換股債券（「債券」）。

債券可於二零零五年五月二十日或之後直至二零一零年三月二十日（包括該日）以初步價格每股7.37港元（可予調整）兌換為本公司每股面值0.10港元之繳足股款普通股。除非先前已經贖回、兌換或購買及註銷，否則債券可於二零一零年四月二十日按其本金額全部購回。

債券包含兩個部分－負債及權益部分。於應用香港會計準則第32號時，債券已劃分為負債及權益部分。權益部分於「可換股債券－權益儲備」中以權益呈列。負債部分之實際利率為4.38%。

債券之負債部分於年內之變動載列如下：

		HK\$'000 千港元
Liability component at date of issue	於發行日之負債部分	1,460,790
Converted to ordinary share	已兌換為普通股	(362,420)
Imputed interest expense for the year	本年度之名義利息開支	36,932
		<hr/>
Liability component at 31st December, 2005	於二零零五年十二月三十一日之負債部分	1,135,302
Converted to ordinary share	已兌換為普通股	(876,800)
Imputed interest expense for the year	本年度之名義利息開支	21,187
		<hr/>
Liability component at 31st December, 2006	於二零零六年十二月三十一日之負債部分	279,689

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

43. AMOUNTS DUE TO ASSOCIATES AND MINORITY SHAREHOLDERS

Both the amounts due to associates and minority shareholders are unsecured. Except for the amount due to one minority shareholder which is interest bearing at prevailing market rate, the amounts due to associates and other minority shareholders are interest-free. The associates and minority shareholders will not demand for repayment within one year from the balance sheet date and are therefore shown as non-current. The Directors consider that the fair value of the amounts as at the balance sheet date, determined based on the present values of the estimated future cash flows discounted using the prevailing market rates at the balance sheet date, approximate their carrying amounts.

44. DEFERRED TAXATION

The followings are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the year and prior years:

		Accelerated tax depreciation	Revaluation of investment properties	Tax losses	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1st January, 2005	於二零零五年一月一日	4,216	2,069,932	(113,038)	1,961,110
Charge to the income statement for the year	自年內收益表	483	881,581	16,388	898,452
Realised on disposal of investment properties	出售投資物業時變現	(1,527)	(4,443)	400	(5,570)
At 31st December, 2005	於二零零五年十二月三十一日	3,172	2,947,070	(96,250)	2,853,992
Charge to the income statement for the year	自年內收益表	8,363	1,436,510	10,201	1,455,074
Fair value adjustments arising from acquisition	因收購而產生之公平值調整	-	79,225	-	79,225
At 31st December, 2006	於二零零六年十二月三十一日	11,535	4,462,805	(86,049)	4,388,291

43. 欠負聯營公司及少數股東款項

欠負聯營公司及少數股東款項均為無抵押。除欠負一名少數股東之款項乃按市場利率計息外，欠負聯營公司及其他少數股東款項均為免息。該聯營公司及少數股東不會於結算日起一年內要求償還，故列作非流動性質。該等款項於結算日之公平值乃按結算日之市場利率貼現其估計未來現金流量而計算出之現值，董事會認為於結算日該公平值與賬面值相若。

44. 遞延稅項

以下為本集團於本年度及過往年度確認之主要遞延稅項負債（資產）及其變動：

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

44. DEFERRED TAXATION (cont'd)

For the purposes of balance sheet presentation, certain deferred tax liabilities (assets) have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

Deferred tax liabilities	遞延稅項負債
Deferred tax assets	遞延稅項資產

44. 遞延稅項 (續)

為資產負債表之呈列，若干遞延稅項負債（資產）已經對銷。就財務報告用途之遞延稅項結餘分析如下：

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
	4,461,938	2,920,578
	(73,647)	(66,586)
	4,388,291	2,853,992

At the balance sheet date, the Group has the following major unrecognised deferred tax assets due to the unpredictability of the future profit streams.

於結算日，本集團有以下難以預料未來溢利而未確認之主要遞延稅項資產。

Accelerated tax depreciation	加速稅項折舊
Tax losses	稅務虧損

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
	(332)	(216)
	(324,770)	(419,534)
	(325,102)	(419,750)

The unrecognised tax losses may be carried forward indefinitely.

未確認之稅務虧損可無限期結轉。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

45. SHARE CAPITAL

45. 股本

Movements in the share capital of the Company during the year were as follows:

於本年度內本公司股本變動如下：

		Number of shares		Share capital	
		2006	2005	2006	2005
				HK\$'000	HK\$'000
				千港元	千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股				
Authorised:	法定股本：				
At 1st January and	於一月一日及				
31st December	十二月三十一日	5,000,000,000	5,000,000,000	500,000	500,000
Issued and fully paid:	已發行及繳足股本：				
At 1st January	於一月一日	2,091,506,780	2,030,214,000	209,151	203,021
Repurchased and cancelled (Note)	購回及註銷(附註)	(17,648,000)	—	(1,765)	—
Issue of ordinary shares in lieu of cash dividend	代替現金股息而發行之普通股	39,995,429	—	4,000	—
Issue of ordinary shares from conversion of convertible bonds	轉換可換股債券而發行之普通股	145,955,274	61,292,780	14,595	6,130
At 31st December	於十二月三十一日	2,259,809,483	2,091,506,780	225,981	209,151

Note: During the year, the Company repurchased on the Stock Exchange a total of 17,648,000 (2005: Nil) shares of HK\$0.10 each of the Company, at an aggregate consideration after expenses of approximately HK\$163,627,000 (2005: Nil), which were subsequently cancelled during the year. The nominal value of the cancelled shares was credited to capital redemption reserve and the aggregate consideration paid was debited to the share premium of the Group.

附註：於年內，本公司在聯交所回購本公司合共 17,648,000 股（二零零五年：零）每股面值 0.10 港元之股份，扣除支出後之總代價約為 163,627,000 港元（二零零五年：零），該等股份其後於年內註銷。註銷股份之面值已撥入資本贖回儲備內，而已付代價總額則自本集團之股份溢價賬內扣除。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

46. ACQUISITION OF SUBSIDIARIES

- (a) On the 13th March, 2006, the Group acquired 100% equity interest of JadeField Limited from an 50% associate for consideration of approximately HK\$388,591,000.

The net assets acquired in the transaction are as follows:

		HK\$'000 千港元
Net assets acquired:	收購資產淨值:	
Investment properties	投資物業	393,000
Properties and other fixed assets	物業及其他固定資產	519
Debtors, deposits and prepayments	應收賬項、按金及預付款項	325
Bank balances and cash	銀行結餘及現金	6,270
Deposits and receipts in advance	按金及預先收取款項	(10,940)
Tax liabilities	稅項負債	(583)
		<u>388,591</u>
Total consideration satisfied by:	總代價以下列方式支付:	
Cash	現金	<u>388,591</u>
Net cash outflow arising on acquisition:	收購所產生之現金流出淨額:	
Cash consideration paid	已付現金代價	(388,591)
Bank balances and cash acquired	所收購之銀行結餘及現金	6,270
		<u>(382,321)</u>

Details of the acquisition were disclosed in the Company's announcement dated 25th November, 2005.

JadeField Limited contributed approximately HK\$16,371,000 to the Group's profit for the period from the date of acquisition to the balance sheet date.

If the acquisition had been completed on 1st January, 2006, total group revenue for the year would have been HK\$4,768 million, and profit for the year would have been HK\$7,560 million. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1st January, 2006, nor is it intended to be a projection of future results.

46. 收購附屬公司

- (a) 於二零零六年三月十三日，本集團以代價約388,591,000港元向擁有50%權益的聯營公司收購JadeField Limited之100%股本權益。

交易中所收購之資產淨值如下：

	HK\$'000 千港元
收購資產淨值:	
投資物業	393,000
物業及其他固定資產	519
應收賬項、按金及預付款項	325
銀行結餘及現金	6,270
按金及預先收取款項	(10,940)
稅項負債	(583)
	<u>388,591</u>
總代價以下列方式支付:	
現金	<u>388,591</u>
收購所產生之現金流出淨額:	
已付現金代價	(388,591)
所收購之銀行結餘及現金	6,270
	<u>(382,321)</u>

收購之詳情披露於本公司於二零零五年十一月二十五日發出之公布內。

JadeField Limited由收購日至結算日期間為本集團帶來溢利約16,371,000港元。

倘收購於二零零六年一月一日已完成，則年內集團總收益將為4,768,000,000港元，而年度溢利則為7,560,000,000港元。備考資料僅供說明用途，且不可視為倘收購於二零零六年一月一日已完成，本集團實際可達到之收益及業績指標，亦不可作為日後之業績預測。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

46. ACQUISITION OF SUBSIDIARIES (cont'd)

- (b) On 5th January, 2006, the Group acquired 70.01% equity interest of Moon Ocean Ltd. for consideration of HK\$1,000,000.

The net assets acquired in the transaction are as follows:

		HK\$'000 千港元
Net assets acquired:	收購資產淨值:	
Properties under development	發展中物業	1,396,613
Bank balances and cash	銀行結餘及現金	78
Creditor and accruals	應付賬項及應計款項	(1,063,356)
Payable for properties under development	有關發展中物業之應付款項	(332,312)
Minority interest	少數股東權益	(23)
		<u>1,000</u>
Total consideration satisfied by:	總代價以下列方式支付:	
Cash	現金	<u>1,000</u>
Net cash outflow arising on acquisition:	收購所產生之現金流出淨額:	
Cash consideration paid	已付現金代價	(1,000)
Bank balances and cash acquired	所收購之銀行結餘及現金	78
		<u>(922)</u>

Details of the acquisition were disclosed in the Company's announcement dated 30th December, 2005 and the Company's circular dated 20th January, 2006.

Moon Ocean Ltd. recorded loss of approximately HK\$1,198,000 for the period from the date of acquisition to the balance sheet date.

If the acquisition had been completed on 1st January, 2006, total group revenue for the year would have been HK\$4,764 million, and profit for the year would have been HK\$7,556 million. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1st January, 2006, nor is it intended to be a projection of future results.

46. 收購附屬公司 (續)

- (b) 於二零零六年一月五日，本集團以代價1,000,000港元收購Moon Ocean Ltd.之70.01%股本權益。

交易中所收購之資產淨值如下：

	HK\$'000 千港元
收購資產淨值：	
發展中物業	1,396,613
銀行結餘及現金	78
應付賬項及應計款項	(1,063,356)
有關發展中物業之應付款項	(332,312)
少數股東權益	(23)
	<u>1,000</u>
總代價以下列方式支付：	
現金	<u>1,000</u>
收購所產生之現金流出淨額：	
已付現金代價	(1,000)
所收購之銀行結餘及現金	78
	<u>(922)</u>

收購之詳情披露於本公司於二零零五年十二月三十日發出之布及二零零六年一月二十日發出之通函內。

Moon Ocean Ltd. 由收購日至結算日期間錄得虧損約1,198,000港元。

倘收購於二零零六年一月一日已完成，則年內集團總收益將為4,764,000,000港元，而年度溢利則為7,556,000,000港元。備考資料僅供說明用途，且不可視為倘收購於二零零六年一月一日已完成，本集團實際可達到之收益及業績指標，亦不可作為日後之業績預測。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

47. MAJOR NON-CASH TRANSACTIONS

During the year ended 31st December, 2006, the Group had the following major non-cash transactions:

- (a) During the current year, the Company issued and allotted a total of 17,529,207 ordinary shares and 22,466,222 ordinary shares of HK\$0.10 each at HK\$9.05 and HK\$8.72 each respectively in lieu of cash for the 2005 final and 2006 interim dividends totaling HK\$354,544,000 (as referred to note 45).
- (b) During the current year, the Bonds with an aggregate principal amount of HK\$1,044,290,000 were converted into 145,955,274 ordinary shares of HK\$0.10 each of the Company.

During the year ended 31st December, 2005, the Group had the following major non-cash transaction:

For the year ended 31st December, 2005, the Group disposed of a 33.466% shareholding in Primasia Securities Company Limited, a brokerage company in Taiwan, at a consideration of approximately HK\$135.6 million, which was satisfied by: (i) 100% interest in a property in Shanghai for US\$2 million with a call and a put option. On 30th June, 2005, the property was sold back to the vendor upon receiving the call option notice of 27th June, 2005 from the vendor; (ii) a 5-year term loan of HK\$85,415,000; and (iii) the cash consideration of approximately HK\$34.48 million.

47. 主要非現金交易

截至二零零六年十二月三十一日止年度，本集團之主要非現金交易如下：

- (a) 於本年度，本公司分別按每股9.05港元及8.72港元發行及分配合共17,529,207股每股面值0.10港元之普通股及22,466,222股每股面值0.10港元之普通股，以代替二零零五年末期及二零零六年中期股息合共354,544,000港元（如附註45所述）之現金股息。
- (b) 於本年度，本金總額為1,044,290,000港元之債券兌換為本公司145,955,274股每股面值0.10港元之普通股。

於截至二零零五年十二月三十一日止年度，本集團之主要非現金交易如下：

於截至二零零五年十二月三十一日止年度，本集團以135,600,000港元代價出售台灣經紀公司犇亞證券股份有限公司33.466%股權，而代價由以下各項償付：(i)價值2,000,000美元之上海一幢物業100%權益，並附帶認購及認沽期權，於二零零五年六月二十七日接獲賣方之認購期權通知後，該物業已於二零零五年六月三十日售回賣方；(ii)5年期貸款85,415,000港元；及(iii)約34,480,000港元之現金代價。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

48. PLEDGE OF ASSETS

At the balance sheet date, the carrying amount of the assets pledged by the Group to secure general banking and other loan facilities granted to the Group are analysed as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Investment properties	投資物業	30,062,603	23,263,248
Land and building	土地及樓宇	49,119	50,602
Prepaid lease payments	預付租賃款項	239,804	240,380
Available-for-sale investments	待售投資	7,034,970	2,857,245
Stock of properties	物業存貨	2,829,483	2,137,977
Equity-linked notes	股票掛鈎票據	223,552	3,428,490
Investments held-for-trading	持作買賣之投資	-	1,080,266
United States currency treasury bills	美國貨幣國庫債券	-	493,870
Non-current pledged deposits	非流動抵押存款	71,606	121,069
Current pledged deposits	流動抵押存款	1,014,351	3,463
		41,525,488	33,676,610

In addition, the Group has subordinated and assigned its advance to associates of approximately HK\$802.1 million (31st December, 2005: HK\$858.8 million) to financial institutions to secure banking general credit facilities granted to associates and interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.

48. 資產抵押

於結算日，本集團為取得可供本集團動用之一般銀行信貸及其他貸款而抵押之資產賬面值分析如下：

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
Investment properties	30,062,603	23,263,248
Land and building	49,119	50,602
Prepaid lease payments	239,804	240,380
Available-for-sale investments	7,034,970	2,857,245
Stock of properties	2,829,483	2,137,977
Equity-linked notes	223,552	3,428,490
Investments held-for-trading	-	1,080,266
United States currency treasury bills	-	493,870
Non-current pledged deposits	71,606	121,069
Current pledged deposits	1,014,351	3,463
	41,525,488	33,676,610

此外，本集團以其墊支予聯營公司之墊款約802,100,000港元（二零零五年十二月三十一日：858,800,000港元）以後償及轉讓方式抵押予財務機構，以作為聯營公司獲授銀行一般信貸融資之抵押，而於本公司若干附屬公司之權益則已質押作為本集團獲授若干銀行借貸之部分抵押。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

49. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

49. 資本承擔及或然負債

(a) Capital commitments:

(a) 資本承擔

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Authorised and contracted for:	已批准及已簽約:		
In connection with the acquisition of a company (note i)	關於收購一間公司(附註i)	-	1,596,349
Development expenditure of properties in Hong Kong	香港物業發展開支	513,922	431,176
Development expenditure of properties in Macau	澳門物業發展開支	36,802	-
Acquisition of land (note ii)	收購土地(附註ii)	510,270	296,800
Acquisition of an investment property (note iii)	收購投資物業(附註iii)	-	388,591
Renovation of properties	翻新物業	282,467	67,622
Acquisition of other fixed assets	收購其他固定資產	-	13,544
		1,343,461	2,794,082
Authorised but not contracted for:	已批准但未簽約:		
Development expenditure of properties in Hong Kong	香港物業發展開支	164,814	234,690
Renovation of properties	翻新物業	1,200	526
		166,014	235,216

Notes:

- (i) As at 31st December, 2005, the Group committed to pay approximately HK\$664,000,000 for the balance of a land cost, HK\$732,000,000 for settling the debt and HK\$199,000,000 for the success fee in relation to the acquisition of a company. Details of the acquisition are set out in the Company's circular dated 20th January, 2006.
- (ii) As at 31st December, 2006, the Group committed to pay approximately HK\$510,270,000 for balance of land costs in respect of an acquisition of two pieces of land in Chengdu of the Mainland China.
- (iii) As at 31st December, 2005, the Group committed to acquire a remaining of 50% interest in an investment property. Details of the acquisition are set out in the Company's announcement dated 25th November, 2005.

附註:

- (i) 於二零零五年十二月三十一日，本集團承諾就收購一間公司支付土地成本之餘額約664,000,000港元，清償債項732,000,000港元及支付成交費用199,000,000港元。有關收購詳情已載於本公司於二零零六年一月二十日發出之通函內。
- (ii) 於二零零六年十二月三十一日，本集團承諾就購入兩幅於中國大陸成都之土地支付土地成本餘額約510,270,000港元。
- (iii) 於二零零五年十二月三十一日，本集團承諾購入一項投資物業餘下之50%權益。有關收購詳情已載於本公司於二零零五年十一月二十五日發出之公布內。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

49. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (cont'd)

(b) Contingent liabilities:

Guarantees given to bank, in respect of banking facilities utilised by associates	為聯營公司獲授之銀行信貸額向銀行提供之擔保
Guarantee given to third parties in respect of those rent of disposed properties previously held by a subsidiary	為一間附屬公司過往持有之已出售物業向第三者提供之租金擔保
Guarantee given to a bank in respect of banking facilities in lieu of the cash public utility deposit jointly utilised by subsidiaries	為多間附屬公司獲授銀行共用之信貸額以取替現金公用事務存款而向銀行提供之擔保

(c) Risk management

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control the various types of risk it faces. This is supplemented by active management involvement, effective internal controls and adequate internal audits in the best interests of the Group.

49. 資本承擔及或然負債 (續)

(b) 或然負債:

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
	740,500	1,365,175
	7,204	19,467
	10,000	10,000
	757,704	1,394,642

(c) 風險管理

本集團已制訂一套完善的風險管理程序，以識別、衡量、監察及控制其面對的各類風險，並輔以積極的管理層參與、有效的內部監控及足夠的內部審核，以保障本集團的最佳利益。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

50. OPERATING LEASES

The Group as lessee

Minimum lease payments paid under operating leases in respect of premises during the year

本年度就營業租約就物業支付之租金最低款額

2006

HK\$'000

千港元

2005

HK\$'000

千港元

222

230

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

於結算日，本集團就不可撤銷營業租約之日後租金最低款額承擔於下列期間到期：

Within one year

於一年內

241

283

In the second to fifth year inclusive

第二至第五年（包括首尾兩年）

-

101

241

384

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of 1 to 2 years.

營業租約租金指本集團就其若干寫字樓物業應付之租金。租約平均每一至兩年商議一次。

The Group as lessor

Property rental income earned during the year was approximately HK\$667,913,000 (2005: HK\$715,606,000) less outgoings of approximately HK\$60,516,000 (2005: HK\$27,980,000).

本集團為出租人

於年內賺取之物業租金收入約為667,913,000港元（二零零五年：715,606,000港元），扣除開支約60,516,000港元（二零零五年：27,980,000港元）。

The investment properties of the Group are expected to generate annual rental yields of 3.3% to 10.7% (2005: 2.7% to 10.3%) on an ongoing basis. All of the properties held have committed tenants not exceeding five years.

本集團之投資物業預期可持續取得每年3.3%至10.7%（二零零五年：2.7%至10.3%）之租金收益率。所持物業之承擔租用年期均不超過約五年。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

50. OPERATING LEASES (cont'd)

The Group as lessor (cont'd)

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

Within one year	於一年內
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)

50. 營業租約(續)

本集團為出租人(續)

於結算日，本集團已就下列日後租金最低款額與租戶訂約：

2006	2005
HK\$'000	HK\$'000
千港元	千港元
591,204	493,057
344,896	368,157
936,100	861,214

51. RETIREMENT BENEFIT SCHEMES

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying with in the ORSO Scheme or switching to MPF Scheme, whereas all new employees joining the Group on or after 1st December, 2000 are required to join the MPF Scheme. For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by the employees and the Group. The Group contributes 5% to 10% of relevant payroll costs to the ORSO Scheme and the contribution by employees is at 5%.

The total costs charged to the income statement of approximately HK\$3,990,000 (2005: HK\$4,255,000) represent contributions payable to these schemes by the Group for the year.

51. 退休福利計劃

本集團推行一項根據職業退休計劃條例註冊之定額供款計劃(「職業退休計劃」)及於二零零零年十二月推行一項根據強制性公積金計劃條例成立之強制性公積金計劃(「強積金計劃」)。該等計劃之資產與本集團之資產分開持有，並由受託人管理。於強積金計劃成立前，屬職業退休計劃成員之僱員可選擇繼續參加職業退休計劃或轉為參加強積金計劃，而於二零零零年十二月一日或之後加入本集團之新僱員均須參加強積金計劃。本集團就強積金計劃之成員向強積金計劃作出有關薪酬之5%供款，與僱員之供款相同。僱員及本集團均每月向職業退休計劃作出供款。本集團向職業退休計劃作出有關薪酬之5%至10%供款，而僱員則作出5%供款。

於收益表扣除之總費用約為3,990,000港元(二零零五年：4,255,000港元)，即本集團於本年度向該等計劃應付之供款。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

52. RELATED PARTY TRANSACTIONS

52. 關連人士交易

During the year, the Group entered into the following transactions with related parties:

於年內，本集團與關連人士進行下列交易：

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Income received from associates:	已收聯營公司之收入：		
Secretarial fee	秘書費用	7	7
Office and retail rental	寫字樓及零售物業租金	1,150	556
Building management fee	大廈管理費	113	169
Management fee	管理費	1,207	3,194
Interest income	利息收入	8,389	9,628
Administration fee	行政費	-	100
Accountancy fee	會計費	120	120
Income received from a private company partially owned by two Directors:	已收兩名董事持有部分股份之私人公司之收入：		
Retail rental	零售物業租金	-	33,363
Building management fee	大廈管理費	-	2,979
Rent and rates paid to associates	已付聯營公司之租金及差餉	425	466
Share of profit arising from the sale by a related party of certain properties acquired from the Group	關連人士出售從本集團收購之若干物業之應佔溢利	-	50,160
Proceed from disposals of properties and assets to private companies owned by a discretionary trust set up by a Director and a substantial shareholder	向由一位董事兼主要股東設立之酌情信託擁有之私人公司出售物業及資產之所得款項	-	261,026
Consideration paid to an associate for acquisition of a subsidiary	就收購附屬公司支付聯營公司之代價	388,591	-

Details of the balances with related parties as at the balance sheet date are set out in Notes 28 and 43 above.

於結算日，與關連人士之交易結餘詳情載於上文附註28及43。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The Directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the following list contains only the subsidiaries as at 31st December, 2006 which principally affected the results or assets of the Group.

53. 主要附屬公司詳情

董事會認為列出全部附屬公司資料會令篇幅過於冗長。故此，下表只披露於二零零六年十二月三十一日對本集團之業績或資產有重要影響之附屬公司之詳情。

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立／ 經營地點	Class of share /registered capital held 所持股份／ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本／ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持繳足股本／ 註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Alpha Team Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	—	100%	Investment holding 投資控股
Baharica Limited	Hong Kong 香港	Ordinary 普通股	HK\$20 20港元	—	100%	Property investment 物業投資
Billion Up Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	—	100%	Investment holding 投資控股
Boria Enterprises Limited 博永企業有限公司	Hong Kong 香港	Ordinary 普通股	HK\$20 20港元	—	50.1%	Property investment 物業投資
Cardin Factory Limited 嘉丹廠有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	—	100%	Property development and trading 物業發展及買賣
Chi Cheung Investment Company, Limited * 至祥置業有限公司 *	Hong Kong 香港	Ordinary 普通股	HK\$3,387,659.87 3,387,659.87港元	—	61.96%	Investment holding 投資控股

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

53. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立/ 經營地點	Class of share /registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Chinese Estates (Harcourt House) Limited	Hong Kong 香港	Ordinary 普通股	HK\$200 200港元	–	100%	Property investment 物業投資
Chinese Estates, Limited 華人置業有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000 1,000港元	100%	–	Investment holding and provision of management services 投資控股及 提供管理服務
Chinese Estates (Tung Ying Building) Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Property investment 物業投資
Chinese Estates (Windsor House) Limited	Hong Kong 香港	Ordinary 普通股 Non-voting deferred 無投票權遞延	HK\$100 100港元 HK\$2 2港元	–	100%	Property investment 物業投資
Conduit Road Development Limited 干德道發展有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	–	70%	Property development 物業發展
Dollar Union Limited 金怡彩有限公司	Hong Kong 香港	Ordinary 普通股	HK\$100 100港元	–	87.5% **	Property development and trading 物業發展及買賣

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

53. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立/ 經營地點	Class of share /registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
				Everbright Pacific Ltd. 英屬維爾京群島	British Virgin Islands 英屬維爾京群島	
Evergo China Holdings Limited	Bermuda/ Hong Kong 百慕達/香港	Ordinary 普通股	HK\$100,775,869.10 100,775,869.10港元	–	100%	Investment holding 投資控股
Evergo Holdings Company Limited 愛米高集團有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000 1,000港元	–	100%	Investment holding 投資控股
Evergo Real Estate (chengdu) Company Limited 愛米高房地產(成都) 有限公司	PRC 中國	Registered 註冊股本	US\$69,172,390.33 69,172,390.33美元	–	100%	Property development 物業發展
Fair City Limited 振城有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Property investment 物業投資
Fair Eagle Finance Credit Limited 天發金融有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000,000 10,000,000港元	–	100%	Securities margin financier 證券保證金融資
Fair Eagle Futures Company Limited 天發期貨有限公司	Hong Kong 香港	Ordinary 普通股	HK\$5,000,000 5,000,000港元	–	100%	Broking and dealing in trade futures contracts 買賣期貨合約 經紀及交易

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

53. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立/ 經營地點	Class of share /registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Fair Eagle Securities Company Limited 天發證券有限公司	Hong Kong 香港	Ordinary 普通股	HK\$8,000,000 8,000,000港元	–	100%	Broking and dealing in listed Securities 上市證券經紀 及交易
G-Prop (Holdings) Limited * 金匡企業有限公司 *	Bermuda/ Hong Kong 百慕達/香港	Ordinary 普通股	HK\$7,940,578 7,940,578港元	–	50.1%	Investment holding 投資控股
Geneva Developments Limited 捷中發展有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Property investment 物業投資
Good Eagle Investments Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Good Silver Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島/ 香港	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Global Young Holdings Ltd.	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Property investment 物業投資

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

53. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立/ 經營地點	Class of share /registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Grand Silver Capital Limited (Corporate name: Grand Silver Limited) (公司名稱: Grand Silver Limited)	British Virgin Islands/ Hong Kong 英屬維爾京群島/ 香港	Ordinary 普通股	US\$1 1美元	–	70.01%	Property development 物業發展
Grandhall Secretarial Services Limited 均豪秘書服務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	–	100%	Secretarial services 秘書服務
Great Empire International Ltd.	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Investment holding and securities investment 投資控股及證券投資
Great King Limited 東帝有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	50.1%	Property investment 物業投資
Great Will Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Property investment 物業投資
Groupluck Company Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Money lending 放債
Grow Wealth Property Investment Limited (Corporate name: Grow Wealth Company Ltd) (公司名稱: Grow Wealth Company Ltd)	Republic of Liberia/ Hong Kong 利比里亞共和國/ 香港	Registered and/or bearer 記名及/ 或不記名股份	US\$1 1美元	–	100%	Property investment 物業投資

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

53. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立/ 經營地點	Class of share /registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Hillsborough Holdings Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島/ 香港	Ordinary 普通股	US\$1 1美元	–	100%	Property investment 物業投資
Honest Good Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Luckpoint Investment Limited 樂邦投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Investment holding 投資控股
Lucky Well Investments Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Million Point Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Investment holding 投資控股
Modern City Investment Limited 新城鎮投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$4 4港元	–	75%	Property investment 物業投資

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

53. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立/ 經營地點	Class of share /registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Moon Ocean Ltd.	British Virgin Islands 英屬維爾京群島	Ordinary and non-voting deferred 普通及無投票權 遞延股	US\$10,000 10,000美元	–	70.01%	Property development 物業發展
Oriental Ford Finance Limited 律豐財務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Money lending 放債
Paul Y. Holdings Company Limited	Cayman Islands/ Hong Kong 開曼群島/香港	Ordinary 普通股	HK\$70,715,005.70 70,715,005.70港元	100%	–	Investment holding 投資控股
Paul Y. (New Tunnel) Limited 保華(新隧道)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Investment holding 投資控股
Perfect World Company Limited 忠信物業管理有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	–	100%	Estate management 物業管理
Pinecrest International Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Investment holding 投資控股
Pioneer Time Investment Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島/ 香港	Ordinary 普通股	US\$1 1美元	–	100%	Property investment 物業投資

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

53. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立/ 經營地點	Class of share /registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Real Castle Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Real Power Pacific Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Rich Zone Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Shanghai Golden Sea Building Ltd. 上海金海大廈 有限公司	PRC 中國	Registered 註冊股本	US\$10,500,000 10,500,000美元	–	100%	Property investment 物業投資
Silver Step Limited 銀途有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Property development and trading 物業發展及買賣
Silvercord Limited 銀高有限公司	Hong Kong 香港	Ordinary 普通股	HK\$14,600 14,600港元	–	100%	Property investment 物業投資
Sino Silver Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

53. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立/ 經營地點	Class of share /registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Sky Rainbow Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Sky Silver Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Smart Ocean Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Investment holding 投資控股
Speed Win Limited 迅運有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Property development and trading 物業發展及買賣
Stable Castle Limited 安太有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1 1港元	–	100%	Property investment 物業投資
Sun Power Investments Ltd.	British Virgin Islands/ Hong Kong 英屬維爾京群島/ 香港	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Sunny Ocean Investments Limited (Corporate name: Sunny Ocean Limited) (公司名稱: Sunny Ocean Limited)	British Virgin Islands/ Hong Kong 英屬維爾京群島/ 香港	Ordinary 普通股	US\$1 1美元	–	100%	Property investment 物業投資

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

53. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

53. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立/ 經營地點	Class of share /registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持繳足股本/ 註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Sunny Smart Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
Super Full Investments Limited 超滿投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1 1港元	–	100%	Securities investment 證券投資
Topwood Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資
View Success Investments Limited 景亨投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	61.96%	Property investment and trading 物業投資及買賣
Viewide Properties Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島/ 香港	Ordinary 普通股	US\$1 1美元	–	100%	Property investment 物業投資
Worldwide Kingdom Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Securities investment 證券投資

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

於年結時及於年內任何時間，並無附屬公司擁有任何債務證券。

* Listed company in Hong Kong

* 香港上市公司

** 75% owned by the Group and 25% owned by Kwong Sang Hong

** 本集團持有75%及廣生行持有25%

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

54. PARTICULARS OF PRINCIPAL ASSOCIATES

The Directors are of the opinion that a complete list of the particulars of all associates would be of excessive length and therefore the following list contains only the associates as at 31st December, 2006 which principally affected the results or assets of the Group.

54. 主要聯營公司詳情

董事會認為列出全部聯營公司資料會令篇幅過於冗長。故此，下表只披露於二零零六年十二月三十一日對本集團之業績或資產有重要影響之聯營公司之詳情。

Name of associate 聯營公司名稱	Place of incorporation or operation 註冊成立／ 經營地點	Class of share/ registered capital held 所持股份／ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本／ 註冊股本	Percentage of equity attributable indirectly to the Group 本集團間接應佔 股本百分比	Principal activity 主要業務
Best Profit Limited 丰佳有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1 1港元	25%	Property development 物業發展
Direct Win Development Limited 勝榮發展有限公司	Hong Kong 香港	Ordinary 普通股	HK\$900 900港元	33.33%	Property development and trading 物業發展及買賣
Earn Elite Development Limited 盈才發展有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	30.98%	Property investment 物業投資
Ever Sure Investments Limited 永瑞投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	50%	Property development and trading 物業發展及買賣
Finedale Industries Limited 廣坤實業有限公司	Hong Kong 香港	Ordinary 普通股	HK\$9,999 9,999港元	20.65%	Property investment 物業投資
Healthy Point Limited 強邦有限公司	Hong Kong 香港	Ordinary 普通股 Non-voting preferred 無投票權優先股	HK\$2 2港元 HK\$1 1港元	30.98%	Property investment 物業投資

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

54. PARTICULARS OF PRINCIPAL ASSOCIATES (cont'd)

54. 主要聯營公司詳情 (續)

Name of associate 聯營公司名稱	Place of incorporation or operation 註冊成立/ 經營地點	Class of share/ registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Percentage of equity attributable indirectly to the Group 本集團間接應佔 股本百分比	Principal activity 主要業務
Oriental Arts Building Co. Ltd. 東方藝術大廈有限公司	PRC 中國	Registered 註冊股本	US\$24,920,000 24,920,000美元	50%	Property investment and hotel operation 物業投資及酒店經營
Power Jade Captial Limited (Corporate name: Power Jade Limited) (公司名稱: Power Jade Limited)	British Virgin Islands/ Hong Kong 英屬維爾京群島/ 香港	Ordinary 普通股	US\$20 20美元	50%	Investment holding 投資控股
Strongplus Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$2 2美元	50%	Investment holding 投資控股
The Kwong Sang Hong International Limited	Bermuda 百慕達	Ordinary 普通股	HK\$100,000 100,000港元	50%	Investment holding 投資控股
Union Empire Limited 協國有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1 1港元	25%	Property development 物業發展

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL JOINTLY CONTROLLED ENTITY

The Directors are of the opinion that a complete list of the particulars of all jointly controlled entities would be of excessive length and therefore the following list contains only the jointly controlled entities as at 31st December, 2006 which principally affected the results or assets of the Group.

Name of jointly controlled entity 共同控制機構名稱	Form of business structure 業務組建形成	Place of incorporation 註冊成立地點	Proportion of nominal value of issued share capital held 所持已發行股本面值比率	Principal activities 主要業務
Top Grade Assets Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	25.05%	Property investment 物業投資

The above jointly controlled entity operates in the PRC.

55. 主要共同控制機構詳情

董事會認為列出全部共同控制機構會令篇幅過於冗長。故此，下表只披露於二零零六年十二月三十一日對本集團之業績或資產有重要影響之共同控制機構之詳情。

Proportion of nominal value of issued share capital held 所持已發行股本面值比率	Principal activities 主要業務
25.05%	Property investment 物業投資

上述共同控制機構在中國營運。

56. BALANCE SHEET INFORMATION OF THE COMPANY

		2006 HK\$'000	2005 HK\$'000 (Restated)
		千港元	千港元 (重列)
Investments in subsidiaries	附屬公司投資	5,140,304	5,136,870
Amounts due from subsidiaries	應收附屬公司款項	1,717,950	1,625,840
Other current assets	其他流動資產	4,695,758	28,010
Amounts due to subsidiaries	應付附屬公司款項	(3,437,090)	(921,396)
Convertible bonds	可換股債券	(279,689)	(1,135,302)
Other current liabilities	其他流動負債	(547)	(322)
Financial guarantee liabilities	財務擔保負債	(6,145)	(4,756)
Net assets	淨資產	7,830,541	4,728,944
Share capital (Note 45)	股本(附註45)	225,981	209,151
Reserves	儲備	7,604,560	4,519,793
Total equity	股本權益總額	7,830,541	4,728,944

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

56. BALANCE SHEET INFORMATION OF THE COMPANY (cont'd)

- (a) In the current year, the Company has applied, for the first time, a number of the new HKFRSs, issued by the HKICPA, which are effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006. The adoption of the new HKFRSs has no material change to the Company except for the adoption of HKAS 39 and HKFRS 4 (Amendments): *Financial Guarantee Contracts*.

In relation to financial guarantees granted by the Company to its subsidiaries over bank loans and overdraft facilities, the fair value of the financial guarantee contract at 31st December, 2006 of HK\$6,145,000 has been adjusted to financial guarantee liabilities (2005: HK\$4,756,000).

The Company has undertaken to provide necessary financial resources to support the future operations of the subsidiaries. The Directors are of the opinion that the subsidiaries are financially resourceful in settling obligations.

- (b) The carrying amount of the investments in subsidiaries is reduced to their recoverable amounts which are determined by reference to the estimation of future cash flows expected to be generated from the respective subsidiaries.
- (c) The amounts due from (to) subsidiaries are unsecured, interest-free and have no fixed repayment terms. In the opinion of the Directors, the fair values of the amounts due from subsidiaries at 31st December, 2006 approximate their corresponding carrying amounts.
- (d) Profit of the Company for 2006 amounted to approximately HK\$2,570 million (2005 restated: Loss of HK\$2,045 million).

56. 本公司於結算日之資料 (續)

- (a) 於本年度，本公司首次應用由香港會計師公會頒布之若干新香港財務報告準則，該等準則均於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效。採用新香港財務報告準則對本公司並無產生任何重大轉變，惟採用香港會計準則第39號及香港財務報告準則第4號（修訂本）*財務擔保合約*除外。

就本公司向其附屬公司之銀行貸款及透支額度作出之財務擔保而言，其於二零零六年十二月三十一日之財務擔保合約之公平值為6,145,000港元，已調整為財務擔保負債（二零零五年：4,756,000港元）。

本公司已承諾提供所需財務資源，以支持該等附屬公司之未來經營。董事會認為，該等附屬公司具有足夠財務資源履行責任。

- (b) 於附屬公司之投資之賬面值減少至其可收回金額，有關可收回金額參考預期來自各附屬公司之估計日後現金流量釐定。
- (c) 應收（付）附屬公司款項為無抵押、免息及並無固定還款期。董事會認為，應收附屬公司款項於二零零六年十二月三十一日之公平值與其相應賬面值相若。
- (d) 本公司於二零零六年之溢利約為2,570,000,000港元（二零零五年（重列）：虧損2,045,000,000港元）。

57. POST BALANCE SHEET EVENTS

- (a) On 27th December, 2006 and 8th December, 2006, Superkey Development Limited and Boria Enterprises Limited ("Boria"), two indirect wholly owned subsidiaries of G-Prop (Holdings) Limited ("G-Prop"), which is a 50.1% interest subsidiary of the Group, entered into two sale and purchase agreements with separately Purchasers in relation to the disposals of the Car Park and the Property at considerations of HK\$538,000 and HK\$8,800,000 respectively. The Car Park was satisfied by the Purchaser in cash and completed on 19th January, 2007 and the Property shall be satisfied by the Purchaser in cash and completed on or before 31st May, 2007. Details of the disposal of the Property was disclosed in the G-Prop's announcement dated 12th December, 2006.
- (b) On 4th January, 2007 and 16th January, 2007, Boria further entered into two preliminary sale and purchase agreements with another two separately independent third parties in relation to the disposals of 11th Floor and 7th Floor to 10th Floor, Chung Kiu Godown Building, 63-71 Lei Muk Road, Kwai Chung, New Territories, Hong Kong at consideration of approximately HK\$5.18 million and HK\$20.66 million respectively, which shall be satisfied by the two purchasers in cash and completed on or before 25th July, 2007 and on 6th August, 2007 respectively. Details of the two disposals were disclosed in the G-Prop's announcement dated 8th January, 2007 and 13th February, 2007.
- (c) In January 2007, the Group acquired a commercial and residential land in Chengdu of the PRC at consideration of approximately HK\$1,061.9 million to be settled by instalments. The last instalment will be settled in May 2007.

58. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 14th March, 2007.

57. 結算日後事項

- (a) 於二零零六年十二月二十七日及二零零六年十二月八日，金匡企業有限公司（「金匡」）（本集團佔50.1%權益之附屬公司）兩間間接全資附屬公司偉祺發展有限公司及博永企業有限公司（「博永」）分別與該買方訂立兩項買賣協議，分別以代價538,000港元及8,800,000港元出售該停車位及該物業。該停車位已由買方於二零零七年一月十九日以現金支付及完成出售，該物業須由買方於二零零七年五月三十一日或之前以現金支付及完成出售。出售物業之詳情披露於金匡於二零零六年十二月十二日之公布內。
- (b) 於二零零七年一月四日及二零零七年一月十六日，博永與另外兩名獨立第三方進一步訂立兩項初步買賣協議，分別以代價5,180,000港元及20,660,000港元出售位於香港新界葵涌梨木道63-71號中僑貨倉大廈11樓及7樓至10樓，買方須以現金分別於二零零七年七月二十五日或之前及於二零零七年八月六日支付代價及完成出售。兩項出售之詳情披露於金匡於二零零七年一月八日及二零零七年二月十三日之公布內。
- (c) 於二零零七年一月，本集團以代價約1,061,900,000港元收購中國成都一幅商業及住宅用地，代價將分期償付，最後一期款項將於二零零七年五月償付。

58. 授權刊發財務報表

董事會已於二零零七年三月十四日批准及授權刊發財務報表。