

ANNUAL REPORT 2006
二 零 零 六 年 年 報



ALLIED GROUP LIMITED

聯 合 集 團 有 限 公 司

(Stock Code 股份代號：373)

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BOARD OF DIRECTORS

Arthur George Dew
Chairman and Non-Executive Director

Lee Seng Hui
Chief Executive and Executive Director

Edwin Lo King Yau
Executive Director

Mak Pak Hung
Executive Director

Lee Su Hwei
Non-Executive Director

Wong Po Yan
Independent Non-Executive Director

David Craig Bartlett
Independent Non-Executive Director

John Douglas Mackie
Independent Non-Executive Director

Alan Stephen Jones
Independent Non-Executive Director

EXECUTIVE COMMITTEE

Lee Seng Hui *Chairman*

Edwin Lo King Yau

REMUNERATION COMMITTEE

David Craig Bartlett *Chairman*

Arthur George Dew

Wong Po Yan

John Douglas Mackie

Alan Stephen Jones

AUDIT COMMITTEE

Alan Stephen Jones *Chairman*

Arthur George Dew

Wong Po Yan

David Craig Bartlett

John Douglas Mackie

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

CITIC Ka Wah Bank Limited

Fubon Bank (Hong Kong) Limited

Standard Chartered Bank (Hong Kong) Limited

Wing Hang Bank, Limited

董事會

狄亞法
主席兼非執行董事

李成輝
行政總裁兼執行董事

勞景祐
執行董事

麥伯雄
執行董事

李淑慧
非執行董事

黃保欣
獨立非執行董事

白禮德
獨立非執行董事

麥尊德
獨立非執行董事

Alan Stephen Jones
獨立非執行董事

執行委員會

李成輝 *主席*

勞景祐

薪酬委員會

白禮德 *主席*

狄亞法

黃保欣

麥尊德

Alan Stephen Jones

審核委員會

Alan Stephen Jones *主席*

狄亞法

黃保欣

白禮德

麥尊德

主要往來銀行

中國銀行(香港)有限公司

中信嘉華銀行有限公司

富邦銀行(香港)有限公司

渣打銀行(香港)有限公司

永亨銀行有限公司

REGISTERED OFFICE

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

註冊辦事處

香港
灣仔
告士打道138號
聯合鹿島大廈
22樓

SHARE REGISTRAR

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

股份過戶登記處

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

COMPANY SECRETARY

Phoebe Lau Mei Yi

公司秘書

劉美儀

AUDITORS

Deloitte Touche Tohmatsu

核數師

德勤•關黃陳方會計師行

SOLICITORS

Haldanes
Malleons Stephen Jaques
P. C. Woo & Co.

律師

何敦、麥至理、鮑富律師行
萬盛國際律師事務所
胡百全律師事務所

STOCK CODE

373

股份代號

373

WEBSITE

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

網站

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

I am pleased to present to shareholders of Allied Group Limited ("Company") the annual results of the Company and its subsidiaries (collectively the "Group") for the year 2006. The Group expanded in terms of operations and its shareholders' equity as a result of Quality HealthCare Asia Limited ("QHA") becoming a subsidiary during the year. The Groups' reorganisation in terms of the acquisition of United Asia Finance Limited ("UAF") by Sun Hung Kai & Co. Limited ("Sun Hung Kai") has provided a framework for the financial services divisions to achieve benefits from synergies. The healthcare division has brought an additional profit stream into the Group while the finance divisions and the property rental business continued to deliver increased profits in 2006.

FINANCIAL RESULTS

For the year ended 31st December, 2006, the Group's revenue was HK\$2,810.6 million, an increase of 54.5% compared with HK\$1,818.8 million for the year 2005. Profit attributable to equity holders of the Company increased from HK\$901.5 million in 2005 to HK\$1,029.8 million, representing an increase of 14.12%. Earnings per share amounted to HK\$4.12 compared to HK\$3.48 in 2005.

DIVIDEND

The board of directors of the Company ("Board") has proposed a final dividend of HK40 cents per share (2005: HK15 cents) payable to shareholders whose names appear on the register of members of the Company on Wednesday, 13th June, 2007, making a total dividend for the year 2006 of HK50 cents per share (2005: HK20 cents). It should also be noted that the Company continued to repurchase its shares during the year at an aggregate consideration of approximately HK\$122.2 million. Accordingly, earnings per share for 2006 rose by 18.4% over 2005, compared to a corresponding increase of 14.2% in profit attributable to equity holders of the Company. The Company will, when it considers appropriate, continue to use surplus cash to repurchase its shares for cancellation.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Thursday, 7th June, 2007 to Wednesday, 13th June, 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 6th June, 2007. Subject to approval by the shareholders at the forthcoming annual general meeting ("AGM") of the Company, dividend warrants are expected to be despatched on Wednesday, 11th July, 2007. The AGM will be held on Wednesday, 13th June, 2007.

FUTURE PROSPECTS

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

本人向聯合集團有限公司(「本公司」)股東欣然提呈本公司及其附屬公司(統稱「本集團」)二零零六年年度業績。隨著卓健亞洲有限公司(「卓健」)於年內成為附屬公司,本集團的業務及股東權益得以擴大。本集團透過新鴻基有限公司(「新鴻基」)收購亞洲聯合財務有限公司(「亞洲聯合財務」)進行重組為金融服務部達致更大協同效益提供了框架。於二零零六年,保健分部為本集團帶來額外溢利流,同時金融分部及物業租賃業務之溢利持續增長。

財務業績

截至二零零六年十二月三十一日止年度,本集團之收益額為2,810,600,000港元,較二零零五年之1,818,800,000港元增加54.5%。本公司之股東應佔溢利為1,029,800,000港元,較二零零五年之901,500,000港元增加14.12%。每股盈利為4.12港元,而二零零五年則為3.48港元。

股息

本公司董事會(「董事會」)已建議派發末期股息每股40港仙(二零零五年:15港仙)予二零零七年六月十三日(星期三)名列本公司股東名冊內之股東,使二零零六年之股息總額達每股50港仙(二零零五年:20港仙)。務請注意,本公司於年內持續購回其本身股份,總代價約為122,200,000港元。因此,二零零六年每股盈利較二零零五年上升18.4%,而同期之本公司股東應佔溢利則上升14.2%。本公司將在其認為合適時繼續動用盈餘現金購回其股份以供註銷。

暫停辦理股份過戶登記

本公司將於二零零七年六月七日(星期四)至二零零七年六月十三日(星期三)(包括首尾兩天)暫停辦理股份過戶登記手續,在此期間股份不能過戶。為符合獲享末期股息資格,所有轉讓文件連同相關股票須於二零零七年六月六日(星期三)下午四時正前送交本公司之股份過戶登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室)辦理股份過戶登記手續。待股東於本公司即將舉行之股東週年大會上批准後,股息單預期將於二零零七年七月十一日(星期三)寄發。股東週年大會將於二零零七年六月十三日(星期三)舉行。

業務前景

緊隨本報告為由行政總裁發表之「業務回顧」,以說明本集團對日後前景之展望。

APPRECIATION

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

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



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

致謝

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

本人謹此衷心感謝各董事、各專業顧問以及各位股東對本集團一年以來的支持。



主席
狄亞法
香港，二零零七年四月十六日

INTRODUCTION

The Company is primarily an investment holding company, with a stated strategy of focusing its management and financial resources on its core businesses of property investment and development together with financial services. The Company's interests in property investment and development in Hong Kong are mainly held through its 74.93% holding in Allied Properties (H.K.) Limited ("Allied Properties") and in respect of property investment and development in The People's Republic of China ("PRC"), through Tian An China Investments Company Limited ("Tian An"), being an associate held by Sun Hung Kai. The Company's financial services business is mainly conducted through Allied Properties' 65.17% holding in Sun Hung Kai as well as Sun Hung Kai's effective 58.18% holding in UAF. During the year under review, Sun Hung Kai acquired additional interests in QHA so that QHA became a 51.15% subsidiary of Sun Hung Kai.

FINANCIAL REVIEW

Results

The revenue of the Group was approximately HK\$2,810.6 million, an increase of 54.5% compared with the year 2005. The increase in revenue was due to:-

- stronger performances from the Group's core financial services divisions;
- higher rental income received from the Group's investment properties; and
- consolidation of QHA, which became a subsidiary from October 2006.

The profit attributable to the equity holders of the Company for 2006 was approximately HK\$1,029.8 million, an increase of HK\$128.3 million compared with HK\$901.5 million for 2005. Earnings per share amounted to HK\$4.12 (2005: HK\$3.48).

The increase in profit was due to:-

- increased contributions from the Group's core financial services and property investment divisions; and
- a profit on the deemed disposal of a portion of the Group's interest in Sun Hung Kai amounting to HK\$303.9 million (approximately HK\$227.7 million attributable to the Company).

業務回顧

簡介

本公司乃一間控股投資公司，其既定政策乃專注運用其管理及財務資源於地產投資、地產發展以及金融服務之核心業務上。本公司主要透過其目前佔74.93%股權之聯合地產(香港)有限公司(「聯合地產」)持有在香港之地產投資及發展業務，以及透過新鴻基持有之聯營公司天安中國投資有限公司(「天安」)持有在中華人民共和國(「中國」)之地產投資及發展業務。本公司並主要透過聯合地產目前佔65.17%股權之新鴻基及新鴻基目前佔58.18%實際股權之亞洲聯合財務經營金融服務業務。於回顧年度，新鴻基已增購卓健之權益，卓健因而成為新鴻基51.15%之附屬公司。

財務回顧

業績

本集團收益約為2,810,600,000港元，較二零零五年度增加54.5%。收益增加乃由於：

- 本集團核心金融服務部門表現強勁；
- 本集團之投資物業獲得高租金收入；及
- 綜合卓健(自二零零六年十月起成為附屬公司)之業績。

二零零六年度本公司股東應佔溢利約為1,029,800,000港元，較二零零五年的901,500,000港元增加128,300,000港元。每股盈利為4.12港元(二零零五年：3.48港元)。

溢利增加乃由於：

- 本集團核心金融服務及物業投資部門之貢獻增加；及
- 視作為出售本集團於新鴻基部份權益之溢利303,900,000港元(本公司應佔約227,700,000港元)。

FINANCIAL REVIEW (CONT'D)

Results (Cont'd)

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

- provisions by Tian An for past years Land Appreciation Tax ("LAT") in Mainland China amounting to approximately HK\$50.5 million attributable to the Company, a deemed loss of approximately HK\$33.2 million attributable to the Company arising from the conversion of 78,800,000 warrants of Tian An by Wachovia Investment Holdings, LLC, as well as a deemed loss of approximately HK\$6.5 million attributable to the Company arising from the placing of 175,000,000 Tian An shares to a number of institutional investors.

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

- an impairment provision of approximately HK\$28.4 million attributable to the Company in relation to the carrying value of the interest in the Kuala Lumpur hotel joint venture with New World Development Company Limited ("NWDC"); and
- a loss on the derecognition by Yu Ming Investments Limited ("Yu Ming") of its investment in CR Airways Limited (now known as Hong Kong Airlines Limited, "Hong Kong Airlines") and receivables in an aggregate amount of approximately HK\$20.8 million attributable to the Company.

Segmental Information

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

Material Acquisitions and Disposals

(a) Acquisition of additional interests in QHA

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

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

財務回顧(續)

業績(續)

溢利增加部份被下列各項所抵銷：

- 天安就本公司應佔以往年度於中國之土地增值稅作出之撥備約50,500,000港元、本公司應佔Wachovia Investment Holdings, LLC轉換天安78,800,000份認股權證之被視作虧損約33,200,000港元，以及本公司應佔配售175,000,000股天安股份予數家機構投資者之被視作虧損約6,500,000港元。

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

- 就本公司應佔與新世界發展有限公司(「新世界發展」)於吉隆坡酒店合營項目之權益有關之賬面值減值作出撥備約28,400,000港元；及
- 本公司應佔禹銘投資有限公司(「禹銘」)取消確認其於中富航空有限公司(現稱香港航空有限公司，「香港航空」)之投資及應收款項總金額約20,800,000港元之虧損。

分部資料

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

重要收購及出售事項

(a) 收購卓健額外權益

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

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

FINANCIAL REVIEW (CONT'D)

Material Acquisitions and Disposals (Cont'd)

(b) Group reorganisation

On 13th June, 2006, the Company, AG Capital Holding Limited ("AGCH") (a wholly-owned subsidiary of the Company), Sun Hung Kai and Swan Islands Limited ("Swan Islands") (a wholly-owned subsidiary of Sun Hung Kai) entered into an agreement for sale of the entire issued share capital of UAF Holdings Limited, a wholly-owned subsidiary of AGCH, to Swan Islands and the assignment of a shareholder's loan of HK\$39.6 million for an aggregate consideration of HK\$4,328.0 million. The transaction was completed on 24th August, 2006.

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

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

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

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

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

Financial Resources, Liquidity and Capital Structure

On 10th November, 2006, Allied Properties issued convertible bonds amounting to HK\$537.3 million. The convertible bonds bear interests at 7% p.a. for the period from 10th November, 2006 to 30th June, 2009 and 4% p.a. for the period from 1st July, 2009 to 9th November, 2011, the maturity date. Bondholders have rights to convert the bonds into new shares of Allied Properties at an initial conversion price of HK\$10 (subject to adjustments) during the conversion period commencing from 1st July, 2009. At 31st December, 2006, the Company and its subsidiaries held convertible bonds of principal amount amounted to HK\$498.8 million, which was eliminated on consolidation. Subsequent to the balance sheet date, Allied Properties had partially redeemed the convertible bonds. Details are set out in paragraph (b) of note 59 to the consolidated financial statements on "Events After The Balance Sheet Date".

業務回顧 (續)

財務回顧 (續)

重要收購及出售事項 (續)

(b) 集團重組

於二零零六年六月十三日，本公司、AG Capital Holding Limited ("AGCH")、本公司之全資附屬公司、新鴻基及Swan Islands Limited ("Swan Islands")、新鴻基之全資附屬公司訂立協議，以總代價4,328,000,000港元出售UAF Holdings Limited (為AGCH之全資附屬公司)全部已發行股本予Swan Islands及轉讓股東貸款39,600,000港元。交易已於二零零六年八月二十四日完成。

(c) 因股份配售及以先舊後新方式認購而視作出售新鴻基之權益

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

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

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

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

財務資源、流動資金及股本結構

於二零零六年十一月十日，聯合地產發行537,300,000港元之可換股債券。可換股債券之利息於自二零零六年十一月十日至二零零九年六月三十日期間為每年7%，於自二零零九年七月一日至二零一一年十一月九日 (到期日) 期間為每年4%。債券持有人有權於自二零零九年七月一日開始之轉換期間按10港元 (可予調整) 之轉換價將債券轉換為聯合地產之新股份。於二零零六年十二月三十一日，本公司及其附屬公司持有本金額為498,800,000港元之可換股債券。該等可換股債券於綜合賬目時已予以對銷。於結算日後，聯合地產已贖回部份可換股債券。詳情載於綜合財務報表附註第59項「結算日後事項」(b)段內。

FINANCIAL REVIEW (CONT'D)**Financial Resources, Liquidity and Capital Structure (Cont'd)**

At 31st December, 2006, the equity attributable to the equity holders of the Company amounted to HK\$7,240.8 million, representing an increase of HK\$1,126.1 million or approximately 18.4% from 2005. The Group maintained a strong cash and bank balance position and had cash, treasury bills and bank balances of approximately HK\$1,765.3 million as at 31st December, 2006 (2005: HK\$733.1 million). The Group's bank and other borrowings, together with loan notes and convertible bonds, totalling HK\$2,709.4 million (2005: HK\$2,772.6 million) of which the portion due on demand or within one year increased to HK\$1,645.2 million (2005: HK\$1,251.9 million) and the remaining long-term portion decreased to HK\$1,064.2 million (2005: HK\$1,520.7 million). The liquidity of the Group as evidenced by the current ratio (current assets/current liabilities) was 2.36 times (2005: 2.23 times). The Group's gearing ratio (net bank and other borrowings together with loan notes and convertible bonds/equity attributable to the equity holders of the Company) decreased to 13.0% (2005: 33.4%).

The Group's capital expenditure, investments and repurchases of shares were primarily funded by net bank and other borrowings raised during the year and proceeds from the issue of shares by a subsidiary. During the year, the Company had repurchased 7,312,000 own shares at an aggregate consideration of approximately HK\$122.2 million.

The loan notes and convertible bonds are charged at fixed interest rates. Most of the bank borrowings of the Group are charged at floating interest rates. There are no known seasonal factors in the Group's borrowing profile.

Risk of Foreign Exchange Fluctuation

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

Contingent Liabilities

Details of contingent liabilities are set out in note 52 to the consolidated financial statements.

財務回顧(續)**財務資源、流動資金及股本結構(續)**

於二零零六年十二月三十一日，本公司股東應佔權益為7,240,800,000港元，較二零零五年增加1,126,100,000港元或約18.4%。本集團之現金及銀行結存維持充裕，於二零零六年十二月三十一日之現金、國庫券及銀行結存約為1,765,300,000港元(二零零五年：733,100,000港元)。本集團之銀行及其他借貸連同貸款票據及可換股債券合共2,709,400,000港元(二零零五年：2,772,600,000港元)，其中須即時或於一年內償還之部份上升至1,645,200,000港元(二零零五年：1,251,900,000港元)，其餘長期部份下降至1,064,200,000港元(二零零五年：1,520,700,000港元)。本集團流動資金之流動比率(流動資產/流動負債)為2.36倍(二零零五年：2.23倍)。本集團之資本負債比率(銀行及其他借貸淨額連同貸款票據/本公司股東應佔權益)減至13.0%(二零零五年：33.4%)。

本集團之資本開支、投資及股份購回主要由年內籌得之銀行及其他借貸淨額以及一間附屬公司發行股份之所得款項撥付。年內，本公司以約122,200,000港元之總代價購回7,312,000股其本身股份。

貸款票據及可換股債券按固定利率計息。本集團大部份銀行借貸按浮動利率計息。本集團之借貸分析概無已知季節因素。

外匯波動風險

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

或然負債

或然負債之詳情載於綜合財務報表附註第52項。

FINANCIAL REVIEW (CONT'D)

財務回顧 (續)

Material Litigation Update

重大訴訟資料更新

(a) By the Judgment of High Court on 1st April, 2004 ("Judgment") in HCA 3191/1999 between NWDC and Stapleton Developments Limited ("SDL") against SHKS, the Court held that SHKS had a 12.5% interest in a 50/50 joint venture entered into between NWDC and IGB Corporation Berhad to purchase land and build 2 international hotels plus a 200-unit service apartment in Kuala Lumpur, Malaysia ("Joint Venture"). In particular the Court found that: (i) as to SHKS's interest in Great Union Properties Sdn. Bhd. ("GUP") that SDL, a corporation ultimately owned 100% by NWDC, holds 12.5% of the issued shares of GUP ("GUP Shares") on trust for SHKS, and that SHKS is entitled to the transfer to it of the legal title to the GUP Shares, upon payment of certain amounts to NWDC; (ii) as to the Joint Venture, that SHKS beneficially owns 25% of NWDC's entire interest in the Joint Venture; (iii) as to the shareholder's loans, that SHKS beneficially owns 25% of the loans advanced to GUP by SDL in a principal amount equivalent to HK\$114,904,023.60. SHKS was ordered to pay NWDC the sum of HK\$105,534,018.22 together with interest on the principal sum of HK\$80,117,652.72 at judgment rate from 16th December, 1998 until payment, pursuant to the terms of an oral agreement which the Court found. As at 17th June, 2004, the date when the Judgment sum was paid, the Judgment amounted to HK\$150,115,681.54 (being HK\$105,534,108.22 plus interest of HK\$44,581,663.32). SHKS has paid the Judgment amounts. SHKS filed an appeal against the Judgment both as to liability and quantum to the Court of Appeal. That Court of Appeal handed down the judgment ("Court of Appeal Judgment") in which the Court of Appeal ordered a repayment to SHKS of part of the interest element for the period from 16th December, 1998 to 31st March, 2004 previously ordered against SHKS in the Court of First Instance but otherwise broadly confirmed the Judgment. The sum repayable amounted to HK\$14,783,090.86 and has been repaid. SHKS obtained leave to appeal the Court of Appeal Judgment to the Court of Final Appeal ("Final Appeal"). The Final Appeal was heard on 19th, 20th and 21st June, 2006. On 10th July, 2006, the Court of Final Appeal delivered its decision ("Final Appeal Judgment"), dismissing the Final Appeal except to the extent that the principal sum awarded in favour of NWDC should be reduced by HK\$629,448.15. This amount together with interest thereon of HK\$647,991.43 totalling HK\$1,277,439.58 has now been paid to SHKS by NWDC. Pursuant to the Final Appeal Judgment, SHKS was ordered to pay costs of the appeal.

(a) 根據高等法院於二零零四年四月一日就新世界發展與 Stapleton Developments Limited (「SDL」) 向新鴻基證券提出之法律訴訟(高等法院民事訴訟1999年第3191宗)作出之裁決(「裁決」), 法院裁定新鴻基證券在新世界發展與IGB Corporation Berhad成立各佔一半權益以購買馬來西亞吉隆坡一幅地皮及興建兩幢國際級酒店另加一幢有200個單位的服務式住宅樓房的合營企業(「合營企業」)中擁有12.5%權益。具體而言, 法院認定: (i) 就新鴻基證券於Great Union Properties Sdn. Bhd. (「GUP」) 的權益而言, SDL (一家由新世界發展最終全資擁有的公司) 持有GUP已發行股份(「GUP 股份」) 的12.5%以信託形式代新鴻基證券持有, 而新鴻基證券在向新世界發展支付若干款項後, 有權將GUP股份的法定所有權轉讓至其名下; (ii) 就合營企業而言, 新鴻基證券實益擁有新世界發展於合營企業的全部權益的25%; (iii) 就股東貸款而言, 新鴻基證券實益擁有由SDL墊付予GUP本金額相等於114,904,023.60港元的貸款的25%權益。根據法院認定的口頭協議內訂明之條款, 新鴻基證券被判令向新世界發展支付總額105,534,018.22港元, 連同本金金額80,117,652.72港元由一九九八年十二月十六日起至付款期間按判定利率計算之利息。於二零零四年六月十七日(即支付判定金額當日), 新鴻基證券已支付判定金額, 總額為150,115,681.54港元(即105,534,018.22港元連同利息44,581,663.32港元)。新鴻基證券已向上訴法院申請就該項裁決之法律責任及索償金額提出上訴。上訴法院已宣判裁決(「上訴法院裁決」), 判令退還部份新鴻基證券按原訟法院判決所支付由一九九八年十二月十六日起計至二零零四年三月三十一日之利息, 惟確定大部份其他裁決。應退還金額合共14,783,090.86港元, 並經已退還。新鴻基證券獲批准向終審法院就上訴法院裁決提出上訴(「最終上訴」)。最終上訴已於二零零六年六月十九日、二十日及二十一日作出聆訊。於二零零六年七月十日, 終審法院頒佈裁決(「最終上訴裁決」), 判令駁回最終上訴(判令向新世界發展支付之本金額減少629,448.15港元的部份除外)。新世界發展現已向新鴻基證券支付此筆金額連同利息647,991.43港元, 總額為1,277,439.58港元。根據最終上訴裁決, 新鴻基證券被判須支付上訴訟費。

SHKS received new claims contained in (i) a writ containing an endorsement of claim issued by NWDC in April 2004 ("HCA 813/2004") for the sums of HK\$27,237,489.51 and HK\$7,697,418.42 together with interest on such sums from 1st March, 2000 and 2nd January, 2001 respectively at such rate as the Court considers appropriate, although as at the date of this report, the writ in HCA 813/2004 had not been served on SHKS; and (ii) a writ including a statement of claim issued by NWDC and SDL in February 2006 ("HCA 376/2006") for what are asserted to be amounts advanced by NWDC on behalf of SHKS as pro-rata contributions to shareholders' loans. The sum of HK\$37,498,011.41, being the aggregate of the contributions claimed from SHKS, together with interest thereon at such rate

新鴻基證券收到下列各項所載之新索償: (i) 由新世界發展於二零零四年四月發出載有申索註明之令狀(「高等法院民事訴訟2004年第813宗」), 索償金額為27,237,489.51港元及7,697,418.42港元, 連同該等金額分別由二零零零年三月一日及二零零零一年一月二日起按法院認為合適之利率而釐定之利息。然而, 於本報告日期, 高等法院民事訴訟2004年第813宗之令狀尚未送達新鴻基證券; 及(ii) 由新世界發展及SDL於二零零六年二月就新世界發展宣稱代表新鴻基證券按比例墊付股東貸款之金額所發出載有申索陳述書之令狀(「高等法院民事訴訟2006年第376宗」), 高等法院民事訴訟

FINANCIAL REVIEW (CONT'D)

Material Litigation Update (Cont'd)

and for such period as the Court considers appropriate is claimed in HCA 376/2006, although as at the date of this report, that writ had not been served on SHKS. In October 2006, SHKS made payment to NWDC of HK\$37,498,011 in settlement of the principal amount of the new claims, and in December 2006, it made payment to NWDC of HK\$10,081,950 in settlement of interest on the new claims. SHKS has now paid all amounts of principal and interest due to be paid to NWDC. The final amount of NWDC's costs and disbursements, that SHKS is liable to pay has yet to be determined. SHKS has given notice to NWDC and SDL, among other things, of its demand that the legal interest in the GUP Shares be transferred to it and that its portion of the shareholder's loans be assigned to it.

- (b) On 4th February, 2004, Sun Tai Cheung Credits Limited ("STCC") and Sun Hung Kai Investment Services Limited ("SHKIS"), both indirect wholly-owned subsidiaries of Sun Hung Kai, were served with a writ including a statement of claim ("200/2004") by Shanghai Finance Holdings Limited ("SFHL"), claiming, inter alia, an order that the sale of the shares in Shun Loong Holdings Limited ("SLHL") ("Shun Loong Shares") by STCC as assignee to SHKIS (at a consideration of HK\$36,500,000 subject to additional amounts in a total sum not exceeding HK\$15,700,000 which might have been payable one year from the date of completion under certain conditions) pursuant to a sale and purchase agreement dated 25th June, 2003 be set aside, or alternatively, as against STCC for damages and an account as to the money obtained by STCC in respect of the Shun Loong Shares. The action was dismissed by consent on 27th October, 2006.
- (c) Shun Loong Finance Limited and SLHL (together the "Petitioners"), both indirect wholly-owned subsidiaries of Sun Hung Kai, filed a winding-up petition on 19th February, 2004 in the British Virgin Islands ("B.V.I.") seeking an order that SFHL be wound up by reason of its failure to pay debts owing to the Petitioners. The B.V.I. proceedings were discontinued by consent on 10th November, 2006.
- (d) Sun Hung Kai, STCC and SHKIS filed a writ on 7th February, 2004 ("230/2004") naming as defendants Shanghai Land Holdings Limited, Stephen Liu Yiu Keung, Yeo Boon Ann, The Standard Newspapers Publishing Limited and Hong Kong Economic Times Limited and claiming damages for libel, injunctive relief, interest and costs. The action was dismissed by consent on 27th October, 2006.
- (e) Details of the case regarding Chang Zhou Power are set out in paragraph (b) of note 52 to the consolidated financial statements on "Contingent Liabilities".

Pledge of Assets

Details regarding pledge of assets are set out in note 56 to the consolidated financial statements.

Events After the Balance Sheet Date

Details regarding events after the balance sheet date are set out in note 59 to the consolidated financial statements.

財務回顧(續)

重大訴訟資料更新(續)

2006年第376宗中索償之金額為37,498,011.41港元(即向新鴻基證券索償之出資總額)以及按法院認為合適之利率及期間所計算的利息。然而，於本報告日期，該令狀尚未送達新鴻基證券。於二零零六年十月，新鴻基證券向新世界發展支付37,498,011港元以償付新索償的本金額，並於二零零六年十二月，新鴻基證券向新世界發展支付10,081,950港元以償付新索償的利息。新鴻基證券現已支付到期應付予新世界發展的本金額及利息。新鴻基證券就新世界發展的訟費及償付費用的最終金額迄今尚未確定。新鴻基證券已向新世界發展及SDL發出通知，(其中包括)註明其要求將GUP股份的法定權益轉讓至其名下，同時將新鴻基證券所屬股東貸款部份轉至其名下。

- (b) 於二零零四年二月四日，Shanghai Finance Holdings Limited ("SFHL") 向同為新鴻基之間接全資附屬公司新泰昌授信有限公司("新泰昌授信")及新鴻基投資服務有限公司("新鴻基投資")發出附有申索陳述書之令狀("200/2004")，要求(其中包括)撤銷新泰昌授信(作為受讓人)根據日期為二零零三年六月二十五日之買賣協議就順隆集團有限公司("順隆集團")之股份("順隆股份")向新鴻基投資所作之出售(作價36,500,000港元，在若干條件下，將會於交易完成日期一年後額外支付不超過15,700,000港元之款項)，或要求新泰昌授信給予損害賠償以及申索新泰昌授信就順隆股份所獲取之金額。於二零零六年十月二十七日此訴訟按同意被駁回。
- (c) 順隆財務有限公司及順隆集團(統稱為「呈請人」)(同為新鴻基之間接全資附屬公司)在二零零四年二月十九日於英屬處女群島提交一項清盤呈請，基於SFHL未能償還欠負呈請人之債務，故要求判令SFHL清盤。此英屬處女群島之司法程序於二零零六年十一月十日按同意被中止。
- (d) 新鴻基、新泰昌授信及新鴻基投資於二零零四年二月七日向上海地產控股有限公司、廖耀強、楊文安、英文虎報出版有限公司及香港經濟日報有限公司(同為被告)發出傳訊令狀("230/2004")，申索誹謗賠償、要求頒佈禁制令，以及索償涉及之利息及訟費。此訴訟於二零零六年十月二十七日按同意被駁回。
- (e) 有關長州電力之案件詳情，已載列於綜合財務附註第52項「或然負債」(b)段內。

資產抵押

有關資產抵押之詳情載於綜合財務報表附註第56項。

結算日以後之事項

有關結算日以後之事項載於綜合財務報表附註第59項。

OPERATIONAL REVIEW

FINANCIAL SERVICES

Consumer finance

UAF, the Group's consumer finance arm, recorded a 13.9% increase in revenue during the year and a 10.6% growth in the balance of loans and advances to consumer finance customers at the year end. This performance has set another record high in UAF's operating history.

During the year, UAF expanded its network to 36 branches (2005: 32) with the opening of two branches in Tai Kok Tsui and Tin Shui Wai both in March and branches in Kwun Tong and Kowloon Bay in April and October respectively. In 2007, UAF will continue to focus on improving its service, expanding its branch network, and exploring further business initiatives.

業務回顧 (續)

業務回顧

金融服務

私人財務

本集團之私人財務分部亞洲聯合財務之收益於年內錄得13.9%之增長，私人財務客戶之貸款和墊款之結餘上升10.6%。年內之表現達到亞洲聯合財務營運歷史新高。

於年內，亞洲聯合財務於三月在大角咀及天水圍開設兩間分行，並分別於四月及十月在觀塘及九龍灣開設分行，其業務網絡因而增至36間分行(二零零五年：32間)。於二零零七年，亞洲聯合財務將繼續專注於提高服務質素、擴大分行網絡及尋求業務創新。



Promotional Posters

宣傳海報

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

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

OPERATIONAL REVIEW (CONT'D)

FINANCIAL SERVICES (CONT'D)

Consumer finance (Cont'd)

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

The Group completed its corporate reorganisation in terms of the acquisition of UAF by Sun Hung Kai in August 2006. The rationale for the strategic group reorganisation was to rationalise the group structure and consolidate the loan and financial services businesses of the Group into Sun Hung Kai, with the objective of achieving ongoing operational economies. The structure should also enhance Sun Hung Kai's ability to provide a wider range of finance products and other related services. The Group will however, continue to benefit from the success of UAF through its indirect interest in Sun Hung Kai.

Broking and finance

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

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

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

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

業務回顧(續)

金融服務(續)

私人財務(續)

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

本集團藉新鴻基於二零零六年八月收購亞洲聯合財務而完成其集團重組。精簡集團架構是為整頓集團架構及把本集團之貸款和金融服務整合至新鴻基,藉此達到持續營運經濟之目標。該架構應有利於新鴻基提供廣泛類型之金融產品及其他有關服務。儘管如此,本集團將繼續透過其於新鴻基之間接權益而受惠於亞洲聯合財務之成功。

經紀及金融

本集團之經紀分部新鴻基錄得股東應佔溢利486,800,000港元(二零零五年:401,500,000港元),相當於每股盈利36.2港仙(二零零五年:32.2港仙)。年內收益為1,984,400,000港元,而上年則為793,600,000港元。新鴻基年內表現十分出色,所有業務分部在收入及溢利方面均有顯著增長。然而,新鴻基之股東應佔溢利只錄得相對輕微增長21.2%,此乃主要由於列入若干重大非經常性項目,包括一些非現金支出(如上文業績一節所詳述)所致。倘撇除上述非經常性項目,新鴻基二零零六年之業績錄得強勁之營運改善和增長,每股盈利為58.5港仙。

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

股市市況興旺反映於新鴻基之證券放款額顯著增加。儘管面臨來自其他透過首次公開發售及配售等資本市場進行融資之方式之激烈競爭,有期借貸額仍維持穩定。

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

OPERATIONAL REVIEW (CONT'D)**FINANCIAL SERVICES (CONT'D)***Broking and finance (Cont'd)*

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

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

業務回顧 (續)**業務回顧 (續)****金融服務 (續)***經紀及金融 (續)*

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

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



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

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

PROPERTIES*Hong Kong*

Allied Properties reported a profit attributable to its equity holders of HK\$1,070.2 million (2005: HK\$935.3 million).

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

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

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

地產*香港*

聯合地產呈報之股東應佔溢利為1,070,200,000港元(二零零五年：935,300,000港元)。

本地之物業市場繼續得益於穩定之經濟及活躍之股市。物業之資本值於年內略有增長，租金繼續呈上升趨勢。中國網絡中心、聯合貨運中心、雅柏苑及世紀閣均錄得租金收入上升。來自世紀軒之貢獻因佔用率及平均房租提高而持續增強。

OPERATIONAL REVIEW (CONT'D)

PROPERTIES (CONT'D)

Hong Kong (Cont'd)



St. George Apartments
聖佐治大廈

業務回顧(續)

地產(續)

香港(續)



Philippine Plaza Hotel, Manila
馬尼拉 Philippine Plaza 酒店

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

Mainland PRC

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

由聯合地產間接擁有50%並持有包括聯合鹿島大廈、世紀香港酒店及Philippine Plaza Hotel在內之物業之Allied Kajima Limited (「Allied Kajima」)於二零零六年之溢利貢獻與二零零五年相比增長50.7%。增長主要由重估其投資物業及世紀香港酒店平均房租顯著增長之優異表現所致。

中國內地

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

OPERATIONAL REVIEW (CONT'D)

PROPERTIES (CONT'D)

Mainland PRC (Cont'd)

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



Perspective of Shenzhen Longgang New Cyber Park
深圳龍崗數碼城 (效果圖)



Perspective of Shanghai Tian An Sunshine Peninsula
上海天安陽光半島 (效果圖)

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

業務回顧 (續)

業務回顧 (續)

地產 (續)

中國內地 (續)

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

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

OPERATIONAL REVIEW (CONT'D)

INVESTMENTS

QHA

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

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

業務回顧(續)

投資

卓健

於新鴻基因行使CLSA授予之認購權而在二零零六年十月自CLSA購入卓健之額外股份以及所引致之全面收購之後，卓健成為新鴻基擁有51.15%股權之附屬公司。

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



Quality HealthCare Physical Check-up Centre
卓健體檢中心



Quality HealthCare Medical Centre
卓健醫療保健中心

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

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

Yu Ming

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

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

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

禹銘

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

OPERATIONAL REVIEW (CONT'D)**INVESTMENTS (CONT'D)***Yu Ming (Cont'd)*

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

Shanghai Allied Cement Limited ("SAC")

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

MAJOR CUSTOMERS AND SUPPLIERS

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

EMPLOYEES

The total number of staff of the Group as at 31st December, 2006 was 3,157 (2005: 2,098). The increase was mainly due to the consolidation of QHA. Total staff costs, including Directors' emoluments, amounted to HK\$507.5 million (2005: HK\$345.4 million). The Group reviews remuneration packages from time to time. In addition to salary payments, other staff benefits include contributions to employee provident funds, medical subsidies and a discretionary bonus scheme.

業務回顧 (續)**業務回顧 (續)***投資 (續)**禹銘 (續)*

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

上海聯合水泥有限公司 (「上聯水泥」)

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

主要客戶及供應商

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

僱員

於二零零六年十二月三十一日，本集團之員工總人數為3,157名(二零零五年：2,098名)。增長主要由於綜合卓健之業績引致。總員工成本，包括董事酬金，金額為507,500,000港元(二零零五年：345,400,000港元)。本集團不時檢討薪酬福利。除支付薪金外，僱員尚有其他福利，包括僱員公積金供款計劃、醫療津貼及酌定花紅計劃。

MANAGEMENT OF RISKS

FINANCIAL SERVICES BUSINESS

Policies and Procedures

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

Financial Risk

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

Operational Risk

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

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

Reputational Risk

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

風險管理

金融業務

政策及程序

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

金融風險

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

營運風險

營運風險指因內部程序、人為及制度不足或失當或外在事件導致產生損失之風險。

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

商譽風險

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

BUSINESS OUTLOOK

The market expects the Hong Kong economy to experience moderate growth in 2007. Again, the Hong Kong investment property market is expected to be satisfactory and the financial market is forecast to benefit from strong investor confidence and continuing inflows of capital. Nevertheless, persistently high fuel price, possible additional austerity measures imposed by the Mainland Government and the unsettled disputes in the Middle East are factors that may affect market sentiment.

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

APPRECIATION

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



Lee Seng Hui
Chief Executive
Hong Kong, 16th April, 2007

業務回顧 (續)


業務展望

香港經濟預期於二零零七年將適度增長。香港投資物業市場預期將有令人滿意之發展，而金融市場則預期將受惠於投資者強大之信心及持續流入之資金。然而，燃料價格持續上揚、內地政府可能再實施緊縮措施及中東紛爭久拖不決均是可能影響市場氣氛之因素。

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

鳴謝

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



行政總裁
李成輝
香港，二零零七年四月十六日

ARTHUR GEORGE DEW

Mr. Arthur George Dew, aged 65, Chairman of the Company since January 2007, was appointed an Independent Non-Executive Director of the Company in December 1995 and re-designated as a Non-Executive Director of the Company in July 2002. He graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales, Australia. He is currently a non-practising barrister. He has a broad range of corporate and business experience and has served as a director, and in some instances chairman of the board of directors, of a number of public companies listed in Australia, Hong Kong and elsewhere. He is a non-executive director and the chairman of Allied Properties and also an executive director and the chairman of QHA.

LEE SENG HUI

Mr. Lee Seng Hui, aged 38, Chief Executive of the Company since January 1998, graduated from the Law School of the University of Sydney with Honours. Previously, he worked with Baker & McKenzie and N M Rothschild & Sons (Hong Kong) Limited. He was appointed a Non-Executive Director of the Company in July 1992 and became an Executive Director of the Company in December 1993. He is also a non-executive director and the chairman of Tian An and a non-executive director of Yu Ming. He is a brother of Ms. Lee Su Hwei.

EDWIN LO KING YAU

Mr. Edwin Lo King Yau, aged 46, a chartered company secretary and holder of a Master's Degree in Applied Finance from Macquarie University, Australia, was appointed an Executive Director of the Company in May 2000. He had served various executive roles in several companies in Hong Kong including as company secretary for public listed companies. He is also an executive director of Tian An.

MAK PAK HUNG

Mr. Mak Pak Hung, aged 60, was appointed an Executive Director of the Company in January 2006. He holds a Bachelor of Arts Honours Degree in Economics from the University of Hong Kong and a Master of Business Administration Degree from the University of Western Ontario, Canada. Mr. Mak is the Director of Banking and Treasury of Sun Hung Kai and is a director of Sun Hung Kai International Bank [Brunei] Limited, a wholly-owned subsidiary of Sun Hung Kai. Formerly, Mr. Mak was the Chief Financial Officer of Sun Hung Kai. Prior to joining Sun Hung Kai, Mr. Mak was with A.S. Watson & Company Limited, a wholly-owned subsidiary company of Hutchison Whampoa Limited, as Chief Operating Officer and Group Finance Director. Before that, he was the Managing Director of Canadian Imperial Bank of Commerce for Hong Kong and China and has also held senior positions with Manufacturers Hanover Trust Co. and Citibank N.A., with extensive experience in banking and finance. He is also a director of UAF.

LEE SU HWEI

Ms. Lee Su Hwei, aged 36, was appointed a Non-Executive Director of the Company in May 2000. She holds a Bachelor of Economics Degree from the University of Sydney and has experience as an investment analyst and in the securities industry generally in Hong Kong and the region. She is the sister of Mr. Lee Seng Hui.

狄亞法

狄亞法先生，現年六十五歲，自二零零七年一月起擔任本公司主席，於一九九五年十二月獲委任為本公司之獨立非執行董事，並於二零零二年七月改任為本公司之非執行董事。彼畢業於澳洲雪梨大學法律系，並取得澳洲新南威爾斯最高法院之律師資格，其後更取得大律師資格。彼現時為非執業大律師。彼於企業及商業方面具豐富經驗，曾於多間澳洲、香港及其他地區之上市公司擔任董事，並出任若干公司之董事會主席。彼現為聯合地產之非執行董事兼主席，亦為卓健之執行董事兼主席。

李成輝

李成輝先生，現年三十八歲，自一九九八年一月起擔任本公司之行政總裁。彼畢業於澳洲雪梨大學法律系，並取得榮譽學位。彼之前曾於本港麥堅時律師行及羅富齊父子(香港)有限公司工作。彼於一九九二年七月獲委任為本公司之非執行董事，並於一九九三年十二月成為本公司之執行董事。彼亦為天安之非執行董事兼主席，以及馮銘之非執行董事。彼為李淑慧女士之胞兄。

勞景祐

勞景祐先生，現年四十六歲，於二零零零年五月獲委任為本公司之執行董事。彼為特許公司秘書，並持有澳洲Macquarie University之應用財務碩士學位。彼曾於香港多間公司履任多項行政職位，包括於上市公司出任公司秘書。彼亦為天安之執行董事。

麥伯雄

麥伯雄先生，現年六十歲，於二零零六年一月獲委任為本公司之執行董事。彼持有香港大學經濟學文學士榮譽學位及加拿大西安大略大學工商管理碩士學位。麥先生為新鴻基之銀行及庫務總監及新鴻基之全資附屬公司Sun Hung Kai International Bank [Brunei] Limited之董事。麥先生為新鴻基之前任財務總監。於加入新鴻基前，麥先生曾為和記黃埔有限公司之全資附屬公司屈臣氏有限公司之集團業務總監及財務總監。在此以前，彼曾出任加拿大帝國商業銀行於香港及中國之董事總經理，亦曾於漢華實業銀行及花旗銀行出任高級行政人員，在銀行業及金融業務管理方面擁有豐富經驗。彼亦為亞洲聯合財務之董事。

李淑慧

李淑慧女士，現年三十六歲，於二零零零年五月獲委任為本公司之非執行董事。彼持有澳洲雪梨大學之經濟學士學位。彼曾任投資分析員，並於香港及亞太區證券業具廣泛經驗。彼為李成輝先生之胞妹。

WONG PO YAN

Mr. Wong Po Yan, G.B.M., C.B.E., J.P., aged 83 and an Independent Non-Executive Director of the Company since March 1993, is one of Hong Kong's leading residents with an outstanding record of business and public service. He is the chairman and managing director of United Oversea Enterprises Ltd., chairman of the board of Asia Television Ltd. and former vice chairman of the Committee for the Basic Law of the HKSAR under the Standing Committee of the National People's Congress. He is also an independent non-executive director of each of Alco Holdings Limited, China Electronics Corporation Holdings Company Limited, Fintronics Holdings Company Limited, Shenzhen Investment Limited and Sinopec Kantons Holdings Limited.

DAVID CRAIG BARTLETT

Mr. David Craig Bartlett, aged 41, was appointed an Independent Non-Executive Director of the Company in December 1999. He graduated with honours in law from Exeter University in the United Kingdom in 1988 and subsequently qualified as a solicitor in England & Wales, The Republic of Ireland and the Hong Kong Special Administrative Region. A former partner of the international law firm Clyde & Co., he regularly acted for and advised the Company and its subsidiaries before leaving private practise for a career in industry. Now based primarily in Ireland, Mr. Bartlett is also an independent non-executive director of Sun Hung Kai.

JOHN DOUGLAS MACKIE

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

ALAN STEPHEN JONES

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

黃保欣

黃保欣先生(G.B.M., C.B.E., 太平紳士)，現年八十三歲，自一九九三年三月起擔任本公司之獨立非執行董事，為本港知名人士，於商界及公共事務上均有傑出之成就。彼為聯僑企業有限公司之主席兼董事總經理、亞洲電視有限公司董事會主席及全國人民代表大會常務委員會轄下之香港特區基本法委員會前副主席。彼亦為Alco Holdings Limited、中國電子集團控股有限公司、銀創控股有限公司、深圳控股有限公司及中石化冠德控股有限公司之獨立非執行董事。

白禮德

白禮德先生，現年四十一歲，於一九九九年十二月獲委任為本公司之獨立非執行董事。彼於一九八八年畢業於英國愛塞特大學法律系，並取得榮譽學位，其後在英格蘭及威爾斯、愛爾蘭共和國及香港特別行政區取得律師資格。彼於停止私人執業及任職工業界前，乃國際律師事務所其禮律師行之合夥人，並經常擔任本公司及其附屬公司之顧問。彼現於愛爾蘭定居，亦為新鴻基之獨立非執行董事。

麥尊德

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

ALAN STEPHEN JONES

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

AKIHIRO NAGAHARA

Mr. Akihiro Nagahara, aged 66, is the managing director of UAF, a subsidiary of the Company. He holds a law degree from the National Taiwan University and a master degree from the Graduate School in Law of the National Hitotsubashi University of Japan, where he also completed his doctorate courses. He is an acknowledged expert in the consumer finance business in Hong Kong and is credited with the successful establishment of Public Finance Limited (formerly known as JCG Finance Company, Limited). He is also the chairman of The Hong Kong S.A.R. Licensed Money Lenders Association Limited since its establishment in 1999, which is the only industry representative association of licensed money lenders in Hong Kong. He is also the chairman and an executive director of HKBLA.

KENNETH LI CHI KONG

Mr. Kenneth Li Chi Kong, aged 53, a member of the Institute of Chartered Accountants of Scotland and a fellow of the Hong Kong Institute of Certified Public Accountants ("HKICPA"), joined the Company in January 1996 and is the Group Financial Controller of the Company. He has broad experience in the finance and accounting field, having worked in two major audit firms and as group financial controller for several sizeable listed companies in Hong Kong. He is currently an executive director of Allied Properties and Tian An, and an executive director and the vice-president of SAC.

KELVIN LAM KAM WING

Mr. Kelvin Lam Kam Wing, aged 40, is the Qualified Accountant of the Company. He obtained a Master Degree in Business Administration from The Chinese University of Hong Kong in 1999 and is a fellow of the Association of Chartered Certified Accountants and an associate member of the HKICPA. Before Mr. Lam joined the Group in 1992, he had worked in an international accounting firm for four years.

PHOEBE LAU MEI YI

Miss Phoebe Lau Mei Yi, aged 40, joined the Group since February 1994 as an Assistant Company Secretary and was appointed Company Secretary of the Company in May 2000. She is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She is also the company secretary of Allied Properties.

長原彰弘

長原彰弘先生，現年六十六歲，為本公司附屬公司亞洲聯合財務之董事總經理。彼持有台灣國立大學法律學位及日本國立一橋大學法學院碩士學位，並於該大學完成其博士課程。彼為香港知名私人財務專家，並因成功創辦大眾財務有限公司(前稱日本信用保證財務有限公司)而備受讚譽。彼亦為香港持牌放債人公會有限公司自一九九九年成立至今之主席，而該公司為香港持牌放債人之唯一業界代表機構。彼亦為香港建屋貸款之主席兼執行董事。

李志剛

李志剛先生，現年五十三歲，為蘇格蘭特許會計師公會會員及香港會計師公會之資深會員，於一九九六年一月加盟本公司，現為本公司之集團財務總監。彼於財務及會計行業具有豐富經驗，曾於兩間主要核數師事務所任職及擔任多間頗具規模的香港上市公司之集團財務總監。彼現為聯合地產及天安之執行董事，以及上聯水泥之執行董事兼副總裁。

林錦榮

林錦榮先生，現年四十歲，為本公司之合資格會計師。彼於一九九九年獲香港中文大學頒授工商管理學碩士學位，現為英國特許公認會計師公會資深會員及香港會計師公會會員。林先生於一九九二年加盟本集團前，曾於一間國際會計師行任職四年。

劉美儀

劉美儀小姐，現年四十歲，自一九九四年二月加盟本集團出任助理公司秘書一職，並於二零零零年五月獲委任為本公司之公司秘書。彼為香港特許秘書公會及英國特許秘書及行政人員公會會員。彼亦為聯合地產之公司秘書。

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

CODE ON CORPORATE GOVERNANCE PRACTICES

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

THE BOARD

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

Executive Directors:	Lee Seng Hui (<i>Chief Executive</i>) Edwin Lo King Yau Mak Pak Hung
Non-Executive Directors:	Arthur George Dew (<i>Chairman</i>)* Lee Su Hwei
INEDs:	Wong Po Yan David Craig Bartlett John Douglas Mackie Alan Stephen Jones

* Appointed as Chairman on 1st January, 2007

The brief biographical details of the Directors are set out in the "Profile of Directors and Senior Management" section on pages 21 to 23.

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

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

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

企業管治常規守則

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

董事會

董事會目前由九名董事組成，其中三名為執行董事，兩名為非執行董事及四名為獨立非執行董事。於年內及至本報告日為止，董事會成員載列如下：

執行董事：	李成輝 (<i>行政總裁</i>) 勞景祐 麥伯雄
非執行董事：	狄亞法 (<i>主席</i>)* 李淑慧
獨立非執行董事：	黃保欣 白禮德 麥尊德 Alan Stephen Jones

* 於二零零七年一月一日獲委任為主席

董事之履歷詳情載於第 21 至 23 頁之「董事及高級行政要員一覽」一節內。

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

於整個年度內，本公司之四名獨立非執行董事佔董事會人數不少於三分之一。根據上市規則第 3.10 條，至少一名獨立非執行董事必須具備適當之專業資格或會計或相關財務管理專業知識。董事會已接獲每名獨立非執行董事有關其獨立性之年度確認書，並認為所有獨立非執行董事均具備上市規則第 3.13 條所載之指引下之獨立性。

THE BOARD (CONT'D)

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

董事會(續)

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

		Number of Board meetings attended/eligible to attend 出席／具資格出席 董事會會議次數
Executive Directors:		
Lee Seng Hui (<i>Chief Executive</i>)	執行董事： 李成輝 (<i>行政總裁</i>)	7/7
Edwin Lo King Yau	勞景祐	7/7
Mak Pak Hung	麥伯雄	6/7
Non-Executive Directors:		
Arthur George Dew (<i>Chairman</i>)*	非執行董事： 狄亞法 (<i>主席</i>) *	7/7
Lee Su Hwei	李淑慧	2/7
INEDs:		
Wong Po Yan	獨立非執行董事： 黃保欣	6/7
David Craig Bartlett	白禮德	4/7
John Douglas Mackie	麥尊德	6/7
Alan Stephen Jones	Alan Stephen Jones	4/7

* Appointed as Chairman on 1st January, 2007

* 於二零零七年一月一日獲委任為主席

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

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

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

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

THE BOARD (CONT'D)

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

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

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

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

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

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

企業管治報告(續)

董事會(續)

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

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

主席及行政總裁之角色

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

董事之委任及重選

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

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

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

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

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

BOARD COMMITTEES

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

Remuneration Committee

The Remuneration Committee has been established for more than 10 years and currently consists of five members, including Messrs. David Craig Bartlett (Chairman), Wong Po Yan, John Douglas Mackie and Alan Stephen Jones being the INEDs, and Mr. Arthur George Dew being the Non-Executive Director. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

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

董事之委任及重選(續)

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

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

董事委員會

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

薪酬委員會

薪酬委員會已成立逾10年。該委員會目前由五名成員組成，包括獨立非執行董事白禮德先生(主席)、黃保欣先生、麥尊德先生及Alan Stephen Jones先生，以及非執行董事狄亞法先生。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能如下：

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

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

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

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

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

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

Committee member 委員會成員	Number of committee meeting attended/eligible to attend 出席/具資格出席委員會會議之次數	
David Craig Bartlett (<i>Chairman</i>)	白禮德 (主席)	1/1
Arthur George Dew	狄亞法	1/1
Wong Po Yan	黃保欣	1/1
John Douglas Mackie	麥尊德	1/1
Alan Stephen Jones	Alan Stephen Jones	1/1

董事委員會(續)**薪酬委員會(續)**

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

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

薪酬委員會經修訂之職權範圍已於本公司網站內登載。

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

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

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

- (i) reviewed and recommended for the Board's approval regarding the payment of performance bonus to the Chief Executive, an Executive Director, the Group Financial Controller and other senior staff of the Company for the year ended 31st December, 2005;
- (ii) reviewed and recommended for the Board's approval regarding the increment in salary of the Chief Executive, Executive Directors and the Group Financial Controller, and in consultancy fee of an Independent Non-Executive Director;
- (iii) recommended for the Board's approval regarding the payment of a special bonus to an Executive Director, the Group Financial Controller and other staff who have contributions in the disposal of the Group's entire indirect shareholding interest in UAF to Sun Hung Kai;
- (iv) recommended for the Board's approval regarding the renewal of the term of appointment and relevant consultancy fee for a Non-Executive Director and INEDs for one year commencing from 1st January, 2007; and
- (v) recommended for the Board's approval regarding the term of appointment and remuneration package of the Chairman.

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

Audit Committee

The Audit Committee has been established for more than 10 years and currently consists of five Non-Executive Directors, four of whom are INEDs. To retain independence and objectivity, the Audit Committee has been chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The current members of the Audit Committee are Messrs. Alan Stephen Jones (Chairman), Arthur George Dew, Wong Po Yan, David Craig Bartlett and John Douglas Mackie. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

董事委員會(續)**薪酬委員會(續)**

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

- (i) 審閱及建議董事會批准向本公司之行政總裁、一名執行董事、集團財務總監及其他高層員工支付截至二零零五年十二月三十一日止年度之花紅；
- (ii) 審閱及建議董事會批准增加行政總裁、執行董事及集團財務總監之薪酬，以及一名獨立非執行董事之顧問費；
- (iii) 建議董事會批准向一名執行董事、集團財務總監及其他對將本集團於出售亞洲聯合財務之全部間接股權予新鴻基作出貢獻之員工支付特別花紅；
- (iv) 建議董事會批准將非執行董事及獨立非執行董事之任期及相關顧問費從二零零七年一月一日起再續一年；及
- (v) 建議董事會批准主席之任期及薪酬福利。

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

審核委員會

審核委員會已成立逾10年，目前由五名非執行董事組成，其中四名為獨立非執行董事。為保持獨立性及客觀性，審核委員會由一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事擔任主席。審核委員會之現有成員為Alan Stephen Jones先生(主席)、狄亞法先生、黃保欣先生、白禮德先生及麥尊德先生。審核委員會獲提供充裕資源以履行其職務，並可按本公司之政策在有需要時尋求獨立專業意見。

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

The major roles and functions of the Audit Committee are:

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

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

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

企業管治報告 (續)**董事委員會 (續)****審核委員會 (續)**

審核委員會之主要角色及職能如下：

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

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

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

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

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

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

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

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

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

Committee member
委員會成員

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

Alan Stephen Jones (<i>Chairman</i>)	Alan Stephen Jones (<i>主席</i>)	2/2
Arthur George Dew	狄亞法	2/2
Wong Po Yan	黃保欣	2/2
David Craig Bartlett	白禮德	2/2
John Douglas Mackie	麥尊德	2/2

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

- (i) reviewed the audit scope and fees proposed by the external auditors regarding the financial statements for the year ended 31st December, 2005 and recommended the same to the Board/ Executive Committee for approval;
- (ii) reviewed the external auditors' report of findings in relation to the final audit of the Group for the year ended 31st December, 2005;

董事委員會(續)**審核委員會(續)**

董事會認為本公司審核委員會應就政策作出建議(而非執行),理由如下:

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

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

審核委員會經修訂之職權範圍已於本公司網站內登載。

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

於二零零六年及至本報告日為止舉行之會議,審核委員會已履行之工作概述如下:

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

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

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

Executive Committee

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

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

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

董事委員會(續)**審核委員會(續)**

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

執行委員會

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

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

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

CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

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

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

The reporting responsibilities of the Company's external auditors, Messrs. Deloitte Touche Tohmatsu ("Deloitte"), are set out in the "Independent Auditor's Report" on pages 43 and 44.

Internal Control

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

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

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

董事及相關僱員進行證券交易之守則

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

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

問責及核數

財務報告

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

本公司外聘核數師德勤·關黃陳方會計師行(「德勤」)之匯報責任載於「獨立核數師報告」第43及44頁。

內部監控

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

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

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

ACCOUNTABILITY AND AUDIT (CONT'D)

Internal Control (Cont'd)

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

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

Internal Audit

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

External Auditors' Remuneration

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

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

		Fees paid to Deloitte 支付予德勤之費用 HK\$'000 千港元
Audit services	核數服務	7,184
Non-audit services	非核數服務	
– Taxation services	– 稅項服務	419
– Other professional services	– 其他專業服務	3,389
Total	總額	<u>10,992</u>

COMMUNICATION WITH SHAREHOLDERS

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

問責及核數(續)

內部監控(續)

本集團委聘外聘顧問對截至二零零六年十二月三十一日止年度一項主要業務過程進行內部監控評估。該顧問已完成編製內部監控評估報告，並已提交審核委員會及董事會審閱。獨立審核乃董事會旨在進一步加強內部監控系統，以及全面完善企業管治文化的一部份。內部審計部將會跟進檢討外聘顧問所提供之結果及建議。

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

內部審核

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

外聘核數師之酬金

於年內，已支付予本公司之外聘核數師德勤之酬金載列如下：

與股東之溝通

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

COMMUNICATION WITH SHAREHOLDERS (CONT'D)

The Company's AGM is a valuable forum for the Board to communicate directly with the shareholders. During the year 2006, the post of the Chairman was vacant and the Board elected one of its members to chair the AGM and to answer any questions from the shareholders. The Chairman of the Audit Committee and Remuneration Committee or in his absence, other members of the respective committees, are also available to answer questions at the AGM. A separate resolution is proposed by the Chairman in respect of each issue to be considered at the AGM. An AGM circular is distributed to all shareholders at least 21 days prior to the AGM, setting out details of each proposed resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. The Chairman explains the procedures for demanding and conducting a poll again at the beginning of the AGM, and (except where a poll is demanded) reveals how many proxies for and against have been received in respect of each resolution.

CORPORATE GOVERNANCE ENHANCEMENT

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

On behalf of the Board



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

與股東之溝通(續)

本公司股東週年大會乃董事會直接與股東聯繫之寶貴機會。於二零零六年，主席一職懸空，董事會選舉其一名成員主持股東週年大會並回應任何股東之查詢。審核委員會主席及薪酬委員會主席會於股東週年大會上回應查詢。倘若該等主席缺席，各委員會之其他成員亦可於股東週年大會上回應查詢。主席會就每項在股東週年大會上審議之議題提呈個別之決議案。股東週年大會通函會於股東週年大會舉行前至少二十一天發送予全體股東，該通函載列每項擬提呈決議案之詳情、投票程序(包括要求以股數投票方式進行表決之程序)及其他相關資料。主席於股東週年大會開始時，會再次解釋要求以股數投票方式進行表決之程序，及(除要求以股數投票方式表決外)宣佈就每項決議案已接獲委任代表之贊成及反對之票數。

提升企業管治水平

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

代表董事會



主席
狄亞法
香港，二零零七年四月十六日

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

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The principal activities of its principal subsidiaries, associates and jointly controlled entities at 31st December, 2006 are set out in notes 60, 61 and 62 to the consolidated financial statements respectively.

RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company are set out in the consolidated income statement on page 45 and in the accompanying notes to the consolidated financial statements.

The Directors have proposed the payment of a final dividend of HK40 cents per share payable to shareholders whose names appear on the register of members of the Company on Wednesday, 13th June, 2007. Since an interim dividend of HK10 cents per share was paid on Friday, 3rd November, 2006, the total dividend for the year is HK50 cents per share. Details are set out in note 19 to the consolidated financial statements.

INVESTMENT PROPERTIES

During the year, the Group spent HK\$213,000 on investment properties. Certain of the Group's properties previously included in property, plant and equipment with a carrying value of HK\$34,200,000 were transferred to investment properties. In addition, certain of the Group's investment properties with a carrying value of HK\$106,509,000 were transferred to property, plant and equipment.

The Group's investment properties were revalued on 31st December, 2006 at HK\$2,780,300,000. The net increase in fair value of HK\$240,296,000 attributable to investment properties held at 31st December, 2006 has been credited to the consolidated income statement.

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

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent HK\$44,935,000 on property, plant and equipment and acquired a further HK\$39,700,000 of property, plant and equipment on the acquisition of a subsidiary. The Group also disposed of certain of its property, plant and equipment with a carrying value of HK\$1,048,000.

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

董事會報告

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

主要業務

本公司乃一間控股投資公司，並提供公司管理服務，其主要附屬公司、聯營公司及共同控制企業於二零零六年十二月三十一日之主要業務分別列於綜合財務報表附註第60、61及62項。

業績及溢利分配

本集團之業績及本公司之溢利分配列於第45頁之綜合收益賬及隨附之綜合財務報表附註內。

董事會建議派發末期股息每股40港仙予於二零零七年六月十三日(星期三)名列本公司股東名冊內之股東。鑑於本公司於二零零六年十一月三日(星期五)支付中期股息每股10港仙，故本年度之股息總額為每股50港仙。有關詳情列於綜合財務報表附註第19項。

投資物業

年內，本集團支出213,000港元添置投資物業。本集團若干之前載於物業、廠房及設備，賬面值為34,200,000港元之物業已轉為投資物業。此外，本集團賬面值為106,509,000港元之投資物業已轉為物業、廠房及設備。

本集團投資物業於二零零六年十二月三十一日之重估價值為2,780,300,000港元，而二零零六年十二月三十一日持有之投資物業之公平價值增加240,296,000港元已計入綜合收益賬內。

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

物業、廠房及設備

年內，本集團支出44,935,000港元添置物業、廠房及設備，並在收購一間附屬公司時進一步增購價值39,700,000港元之物業、廠房及設備。本集團亦出售賬面淨值達1,048,000港元之若干物業、廠房及設備。

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

PROPERTIES

Particulars of major properties of the Group at 31st December, 2006 are set out on pages 150 to 152.

SHARE CAPITAL

Details of movement in the share capital of the Company during the year are set out in note 41 to the consolidated financial statements.

SHARE OPTION SCHEME

Particulars of the share option scheme of the Company are set out in note 42 to the consolidated financial statements.

DIRECTORS

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

Executive Directors:

Lee Seng Hui
Edwin Lo King Yau
Mak Pak Hung

Non-Executive Directors:

Arthur George Dew
Lee Su Hwei

Independent Non-Executive Directors:

Wong Po Yan
David Craig Bartlett
John Douglas Mackie
Alan Stephen Jones

In accordance with Article 105(A) of the Company's Articles of Association, Mr. Arthur George Dew, Ms. Lee Su Hwei and Mr. John Douglas Mackie will retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

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

物業

本集團於二零零六年十二月三十一日之主要物業資料列於第150至152頁。

股本

本公司之股本於本年度之變動詳情列於綜合財務報表附註第41項。

購股權計劃

本公司購股權計劃之詳情列於綜合財務報表附註第42項。

董事會成員

於本年度及至本報告日為止，董事會之成員如下：

執行董事：

李成輝
勞景祐
麥伯雄

非執行董事：

狄亞法
李淑慧

獨立非執行董事：

黃保欣
白禮德
麥尊德
Alan Stephen Jones

根據本公司之組織章程細則第105(A)條，狄亞法先生、李淑慧女士及麥尊德先生將輪值退任，惟有資格並願膺選連任。

董事之服務合約

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

TERMS OF OFFICE FOR THE NON-EXECUTIVE DIRECTORS

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

DIRECTORS' INTERESTS

At 31st December, 2006, Mr. Lee Seng Hui and Ms. Lee Su Hwei, Directors of the Company, had the following interests in the shares of the Company as recorded in the register required to be kept under Section 352 of the SFO:

Name of Director 董事姓名	Number of shares held 持有股份數目	Approximate % of the issued share capital 佔已發行股本之概約百分比	Nature of interest 權益性質
Lee Seng Hui 李成輝	101,906,613	41.25%	Personal interest (held as beneficial owner) in 22,921 shares and other interest in 101,883,692 shares (Note 1) 22,921 股屬個人權益 (以實益擁有人身份持有) 及 101,883,692 股屬其他權益 (附註 1)
Lee Su Hwei 李淑慧	101,883,692	41.24%	Other interest (Note 1) 其他權益 (附註 1)

Notes:

- Mr. Lee Seng Hui and Ms. Lee Su Hwei are trustees of Lee and Lee Trust, being a discretionary trust which indirectly held 101,883,692 shares of the Company.
- The interests stated above represents long positions.

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

非執行董事之任期

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

董事權益

於二零零六年十二月三十一日, 根據證券及期貨條例第352條規定所存放之登記冊所載, 本公司董事李成輝先生及李淑慧女士於本公司之股份中持有以下權益:

附註:

- 李成輝先生及李淑慧女士為間接持有本公司101,883,692股股份之全權信託Lee and Lee Trust之信託人。
- 上述權益均屬好倉。

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

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year and up to the date of this report, Messrs. Arthur George Dew, Lee Seng Hui, Edwin Lo King Yau and Ms. Lee Su Hwei, Directors of the Company (not being the INEDs), are considered to have interests in the following competing businesses pursuant to the Listing Rules:

- (i) Mr. Arthur George Dew is a director of Allied Properties which, through a subsidiary, is partly engaged in the business of money lending. He was appointed as a director of Allied Properties on 1st January, 2007;
- (ii) Mr. Arthur George Dew was a director of Sun Hung Kai which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, provision of financial services and property investment. He resigned from Sun Hung Kai on 31st December, 2006;
- (iii) Mr. Lee Seng Hui and Ms. Lee Su Hwei are two of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of Allied Properties, Sun Hung Kai, Tian An and Lippo Limited ("Lippo") which, through their subsidiaries, are partly engaged in the businesses as follows:
 - Allied Properties, through a subsidiary, is partly engaged in the business of money lending;
 - Sun Hung Kai, through certain of its subsidiaries, is partly engaged in the businesses of money lending, provision of financial services and property investment;
 - Tian An, through a subsidiary, is partly engaged in the business of money lending. Mr. Lee Seng Hui has been appointed as a director of Tian An with effect from 1st April, 2007;
 - Lippo, through its subsidiaries, is partly engaged in the businesses of property development and investment, securities broking, securities investment, money lending, provision of financial and other related services. Mr. Lee Seng Hui and Ms. Lee Su Hwei ceased to be a deemed substantial shareholder of Lippo on 25th January, 2007;
- (iv) Mr. Lee Seng Hui is a director of Allied Kajima which, through certain of its subsidiaries, is partly engaged in the businesses of property rental, management services and hospitality related activities; and
- (v) Mr. Edwin Lo King Yau is a director of Tian An which, through a subsidiary, is partly engaged in the business of money lending.

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

董事在構成競爭業務中之權益

年內及至本報告日為止，根據上市規則，本公司董事（獨立非執行董事除外）狄亞法先生、李成輝先生、勞景祐先生及李淑慧女士，被視為於下列構成競爭業務中有利益關係：

- (i) 狄亞法先生為聯合地產之董事，該公司透過一間附屬公司部份從事借貸業務。彼於二零零七年一月一日獲委任為聯合地產之董事；
- (ii) 狄亞法先生曾為新鴻基之董事，該公司透過其若干附屬公司部份從事借貸、提供金融服務及物業投資業務，彼於二零零六年十二月三十一日辭任新鴻基董事一職；
- (iii) 李成輝先生及李淑慧女士為Lee and Lee Trust之其中兩名信託人，Lee and Lee Trust被視為聯合地產、新鴻基、天安及力寶有限公司（「力寶」）各自之主要股東，該等公司透過彼等之附屬公司部份從事下列業務：
 - 聯合地產透過一間附屬公司部份從事借貸業務；
 - 新鴻基透過其若干附屬公司部份從事借貸、提供金融服務及物業投資業務；
 - 天安透過一間附屬公司部份從事借貸業務。李成輝先生自二零零七年四月一日起獲委任為天安之董事；
 - 力寶透過其附屬公司部份從事物業發展與投資、證券經紀、證券投資、借貸、提供金融及其他相關服務之業務；李成輝先生及李淑慧女士於二零零七年一月二十五日起不再被視為力寶之主要股東；
- (iv) 李成輝先生為Allied Kajima之董事，該公司透過其若干附屬公司部份從事物業租賃、管理服務及酒店相關之業務；及
- (v) 勞景祐先生為天安之董事，該公司透過一間附屬公司部份從事借貸業務。

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

DIRECTORS' INTERESTS IN CONTRACTS

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

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

Name of shareholder 股東名稱	Number of shares held 持有股份數目	Approximate % of the issued share capital 佔已發行股本概約百分比	Notes 附註
Cashplus Management Limited ("Cashplus")	26,039,000	10.54%	–
Zealous Developments Limited ("Zealous")	26,039,000	10.54%	1, 2
Minty Hongkong Limited ("Minty")	75,844,692	30.70%	–
Lee and Lee Trust	101,883,692	41.24%	3, 4
COL Capital Limited ("COL Capital") 中國網絡資本有限公司(「中國網絡」)	24,770,494	10.03%	5
Chong Sok Un 莊淑洵	24,770,494	10.03%	6, 7

Notes:

- This represents the same interest of Cashplus in 26,039,000 shares of the Company.
- Cashplus is a wholly-owned subsidiary of Zealous. Zealous was therefore deemed to have an interest in the shares in which Cashplus was interested.
- Minty and Zealous are wholly owned by the trustees of Lee and Lee Trust, being a discretionary trust.
- Mr. Lee Seng Hui and Ms. Lee Su Hwei, Directors of the Company, together with Mr. Lee Seng Huang are the trustees of Lee and Lee Trust and were therefore deemed to have an interest in the shares in which Minty and Zealous were interested.
- The interest includes the holding of: (i) an interest in 17,029,170 shares held by Honest Opportunity Limited ("Honest Opportunity"), a wholly-owned subsidiary of Classic Fortune Limited ("Classic Fortune") which in turn is a wholly-owned subsidiary of COL Capital; and (ii) an interest in 7,455,324 shares held by Focus Clear Limited ("Focus Clear"), a wholly-owned subsidiary of Besford International Limited ("Besford") which in turn is a wholly-owned subsidiary of COL Capital; and (iii) an interest in 286,000 shares held by Sparkling Summer Limited ("Sparkling Summer"), a wholly-owned subsidiary of Classic Fortune. COL Capital was therefore deemed to have an interest in the shares in which Honest Opportunity, Classic Fortune, Focus Clear, Besford and Sparkling Summer were interested.
- This represents the same interest of COL Capital in 24,770,494 shares of the Company.
- COL Capital was owned as to 37.65% by Vigor Online Offshore Limited, a wholly-owned subsidiary of China Spirit Limited which in turn is wholly-owned by Ms. Chong Sok Un. Ms. Chong Sok Un was therefore deemed to have an interest in the shares in which COL Capital was interested.
- All interests stated above represent long positions. As at 31st December, 2006, no short positions were recorded in the register required to be kept under Section 336 of the SFO.

董事在合約中之權益

於本年度終結時或於本年度內任何時間，本公司或其任何附屬公司並無訂立任何董事直接或間接擁有重大權益之重要合約。

購買股份或債券之安排

除根據本公司購股權計劃授予以認購本公司股份之購股權外，本公司或其任何附屬公司於本年度內概無參與任何安排，使董事能藉此獲得本公司或其他任何法人團體之股份或債券而獲得利益。

主要股東權益

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

附註：

- 該權益指 Cashplus 於本公司 26,039,000 股股份中之相同權益。
- Cashplus 為 Zealous 之全資附屬公司，因此，Zealous 被視作擁有 Cashplus 所持股份之權益。
- Minty 及 Zealous 由 Lee and Lee Trust (全權信託) 之信託人全資擁有。
- 李成輝先生及李淑慧女士 (本公司之董事) 與李成煌先生均為 Lee and Lee Trust 之信託人，因此，彼等被視作擁有 Minty 及 Zealous 所持股份之權益。
- 該等權益包括由：(i) Honest Opportunity Limited (「Honest Opportunity」) 持有之 17,029,170 股股份之權益；該公司為 Classic Fortune Limited (「Classic Fortune」) 之全資附屬公司，而 Classic Fortune 則為中國網絡之全資附屬公司；(ii) Focus Clear Limited (「Focus Clear」) 持有之 7,455,324 股股份之權益；該公司為 Besford International Limited (「Besford」) 之全資附屬公司，而 Besford 則為中國網絡之全資附屬公司；及 (iii) Sparkling Summer Limited (「Sparkling Summer」) 持有之 286,000 股股份之權益；該公司為 Classic Fortune 之全資附屬公司。因此，中國網絡被視作擁有 Honest Opportunity、Classic Fortune、Focus Clear、Besford 及 Sparkling Summer 所持股份之權益。
- 該權益指中國網絡於本公司 24,770,494 股股份中之相同權益。
- Vigor Online Offshore Limited 持有中國網絡 37.65% 權益，該公司為 China Spirit Limited 之全資附屬公司，而 China Spirit Limited 則由莊淑洵女士全資擁有，因此莊淑洵女士被視作擁有中國網絡所持股份之權益。
- 上述所有權益均屬好倉。於二零零六年十二月三十一日，根據證券及期貨條例第 336 條規定所存放之登記冊所載，並無淡倉記錄。

EMOLUMENT POLICY

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

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

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

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 42 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company made the following purchases of its own shares on the Stock Exchange:

Month of purchase on the Stock Exchange in 2006 二零零六年自聯交所 購回股份之月份	Number of shares purchased 購回股份數目	Purchase consideration per share 每股購回代價		Aggregate consideration paid 支付代價總額 HK\$ 港元
		Highest 最高價 HK\$ 港元	Lowest 最低價 HK\$ 港元	
January 一月	3,324,000	11.85	11.00	38,884,700.00
February 二月	60,000	11.95	11.90	715,000.00
March 三月	28,000	11.90	11.80	333,000.00
May 五月	74,000	20.30	20.00	1,483,700.00
June 六月	618,000	20.40	18.45	11,695,000.00
July 七月	786,000	20.60	19.45	15,927,900.00
September 九月	1,274,000	23.00	21.10	27,291,400.00
October 十月	712,000	23.20	22.00	16,069,100.00
November 十一月	418,000	23.00	22.30	9,451,900.00
December 十二月	18,000	21.70	21.40	387,600.00

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

DONATIONS

The Group made charitable donations of HK\$449,000 during the year.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 24 to 35.

薪酬政策

董事酬金及本集團五名最高薪酬人士之酬金詳情載於綜合財務報表附註第14項。

執行委員會按本集團僱員之功績、資歷及能力制訂本集團僱員之薪酬政策。

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

本公司已採納一項購股權計劃以鼓勵董事及合資格僱員，該計劃之詳情載於綜合財務報表附註第42項。

購回、出售或贖回股份

於本年度，本公司於聯交所購回其本身之股份如下：

Month of purchase on the Stock Exchange in 2006 二零零六年自聯交所 購回股份之月份	Number of shares purchased 購回股份數目	Purchase consideration per share 每股購回代價		Aggregate consideration paid 支付代價總額 HK\$ 港元
		Highest 最高價 HK\$ 港元	Lowest 最低價 HK\$ 港元	
January 一月	3,324,000	11.85	11.00	38,884,700.00
February 二月	60,000	11.95	11.90	715,000.00
March 三月	28,000	11.90	11.80	333,000.00
May 五月	74,000	20.30	20.00	1,483,700.00
June 六月	618,000	20.40	18.45	11,695,000.00
July 七月	786,000	20.60	19.45	15,927,900.00
September 九月	1,274,000	23.00	21.10	27,291,400.00
October 十月	712,000	23.20	22.00	16,069,100.00
November 十一月	418,000	23.00	22.30	9,451,900.00
December 十二月	18,000	21.70	21.40	387,600.00

除以上所披露者外，本公司或其任何附屬公司概無於本年度內購回、出售或贖回本公司之任何股份。

捐款

本集團於本年度內之慈善捐款為449,000港元。

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規之資料，載於第24至35頁「企業管治報告」內。

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

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

On behalf of the Board



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

足夠之公眾持股量

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

核數師

本公司將於股東週年大會上提呈決議案重新委聘德勤連任為本公司之核數師。

代表董事會



主席
狄亞法
香港，二零零七年四月十六日

Deloitte.

德勤

TO THE MEMBERS OF ALLIED GROUP LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Allied Group Limited (the "Company") and its subsidiaries (collectively referred as the "Group") set out on pages 45 to 148, which comprise the consolidated and Company balance sheets as at 31st December, 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

致聯合集團有限公司各股東
(於香港註冊成立之有限公司)

本核數師(以下簡稱「我們」)已完成審核載於第45至148頁聯合集團有限公司(「貴公司」)及其附屬公司(「貴集團」)綜合財務報表,此綜合財務報表包括貴公司於二零零六年十二月三十一日的綜合資產負債表與截至該日止年度的綜合收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

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

核數師的責任


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

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

我們相信,我們所獲得的審核憑證乃充足及適當地為我們的審核意見提供基礎。

OPINION

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



DELOITTE TOUCHE TOHMATSU
 Certified Public Accountants
 Hong Kong, 16th April, 2007

意見

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



德勤•關黃陳方會計師行
 執業會計師
 香港，二零零七年四月十六日

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Note 2) (附註2)
Revenue	收益	7&8	2,810,634	1,818,801
Other income	其他收入		222,759	108,836
Total income	總收入		3,033,393	1,927,637
Cost of sales and other direct costs	銷售成本及其他直接成本		(299,815)	(99,414)
Brokerage and commission expenses	經紀費及佣金開支		(231,446)	(148,489)
Selling and marketing expenses	銷售及市場推廣開支		(77,680)	(74,586)
Administrative expenses	行政開支		(762,345)	(517,371)
Profit on deemed disposal of partial interests in subsidiaries	視為出售附屬公司部份權益 之溢利	9	327,275	-
Changes in values of properties	物業價值變動	10	233,324	576,411
Net loss on deemed disposal of partial interests in listed associates	視為出售上市聯營公司部份權益 之虧損淨額	11	(80,932)	-
Impairment loss recognised in respect of available-for-sale financial assets	就可供出售金融資產 確認之減值虧損	12	(58,203)	(14,411)
Bad and doubtful debts	呆壞賬	13	(139,220)	(89,718)
Other operating expenses	其他經營開支		(104,284)	(116,691)
Finance costs	融資成本	15	(206,453)	(102,245)
Share of results of associates	應佔聯營公司業績		8,982	150,388
Share of results of jointly controlled entities	應佔共同控制企業業績		159,987	105,298
Profit before taxation	除稅前溢利	16	1,802,583	1,596,809
Taxation	稅項	17	(130,740)	(170,042)
Profit for the year	本年度溢利		1,671,843	1,426,767
Attributable to:	應佔方：			
Equity holders of the Company	本公司股東		1,029,830	901,480
Minority interests	少數股東權益		642,013	525,287
			1,671,843	1,426,767
Earnings per share	每股盈利	18		
Basic	基本		HK\$4.12	HK\$3.48
Diluted	攤薄		HK\$4.11	HK\$3.48

at 31st December, 2006

於二零零六年十二月三十一日

			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Note 2) (附註2)
	Notes 附註			
Non-current assets		非流動資產		
Investment properties	20	投資物業	2,780,300	2,626,100
Property, plant and equipment	21	物業、廠房及設備	394,219	245,608
Prepaid land lease payments	22	預繳地價	291,196	295,670
Goodwill	23	商譽	295,581	33,267
Intangible assets	24	無形資產	29,630	25,016
Interests in associates	27	於聯營公司之權益	2,521,862	2,645,475
Interests in jointly controlled entities	28	於共同控制企業之權益	914,092	866,394
Available-for-sale financial assets	29	可供出售金融資產	1,112,921	616,857
Statutory deposits		法定按金	78,687	32,831
Amounts due from associates	30	聯營公司欠款	78,000	78,000
Loans and advances to consumer finance customers due after one year	31	一年後到期之私人財務客戶貸款及墊款	1,156,998	1,055,691
Loans and receivables	32	貸款及應收賬款	33,603	124,306
Deferred tax assets	33	遞延稅項資產	47,709	40,336
			9,734,798	8,685,551
Current assets		流動資產		
Properties held for sale and other inventories	34	待出售物業及其他存貨	525,000	520,950
Financial assets at fair value through profit or loss	35	透過損益賬按公平價值處理之金融資產	377,008	241,137
Prepaid land lease payments	22	預繳地價	4,517	4,559
Loans and advances to consumer finance customers due within one year	31	一年內到期之私人財務客戶貸款及墊款	1,654,167	1,485,499
Accounts receivable, deposits and prepayments	36	應收賬款、按金及預付款項	3,753,345	2,423,911
Amounts due from associates	30	聯營公司欠款	80,702	322,366
Amount due from a jointly controlled entity		一間共同控制企業欠款	2,185	2,159
Tax recoverable		可收回稅項	2,660	3,842
Short-term pledged bank deposit		短期銀行抵押存款	1,000	972
Cash and cash equivalents	37	現金及現金等價物	1,764,313	732,173
			8,164,897	5,737,568
Current liabilities		流動負債		
Accounts payable and accrued charges	38	應付賬款及應計費用	1,552,676	1,083,390
Financial liabilities at fair value through profit or loss	39	透過損益賬按公平價值處理之金融負債	1,972	17,756
Amounts due to associates		欠聯營公司款項	12,527	62,828
Amount due to a jointly controlled entity		欠一間共同控制企業款項	79,063	81,063
Tax payable		應付稅項	83,481	44,214
Bank and other borrowings due within one year	44	一年內到期之銀行及其他借貸	1,645,170	1,251,889
Provisions	47	撥備	77,840	33,382
Other liabilities due within one year	48	一年內到期之其他負債	861	-
			3,453,590	2,574,522
Net current assets		流動資產淨額	4,711,307	3,163,046
Total assets less current liabilities		總資產減流動負債	14,446,105	11,848,597

at 31st December, 2006

於二零零六年十二月三十一日

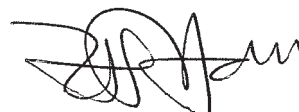
		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Note 2) (附註2)
Capital and reserves	股本及儲備			
Share capital	股本	41	494,033	508,657
Reserves	儲備	43	6,746,774	5,606,087
Equity attributable to equity holders of the Company	本公司股東 應佔權益		7,240,807	6,114,744
Equity component of convertible bonds of a subsidiary	一間附屬公司之 可換股債券之權益部份		3,487	–
Minority interests	少數股東權益		5,947,132	3,998,261
Total equity	權益總額		13,191,426	10,113,005
Non-current liabilities	非流動負債			
Bank and other borrowings due after one year	一年後到期之銀行 及其他借貸	44	919,151	1,375,763
Loan notes	貸款票據	45	110,650	144,931
Convertible bonds	可換股債券	46	34,384	–
Deferred tax liabilities	遞延稅項負債	33	189,306	212,155
Provisions	撥備	47	1,180	1,769
Other liabilities due after one year	一年後到期之其他負債	48	8	974
			1,254,679	1,735,592
			14,446,105	11,848,597

The consolidated financial statements on pages 45 to 148 were approved and authorised for issue by the Board of Directors on 16th April, 2007, and are signed on its behalf by:

第45至148頁之綜合財務報表經董事會於二零零七年四月十六日批准及授權刊發，並由下列董事代表簽署：



Arthur George Dew
狄亞法
Director
董事



Edwin Lo King Yau
勞景祐
Director
董事

at 31st December, 2006

於二零零六年十二月三十一日

			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Note 2) (附註2)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	21	1,678	863
Investments in subsidiaries	於附屬公司之投資	25	714,414	714,414
Amounts due from subsidiaries	附屬公司欠款	26	-	1,979,940
Loans and receivables	貸款及應收賬款	32	82,104	-
			<u>798,196</u>	<u>2,695,217</u>
Current assets	流動資產			
Financial assets at fair value through profit or loss	透過損益賬按公平值處理之金融資產	35	38,620	-
Accounts receivable, deposits and prepayments	應收賬款、按金及預付款項		7,605	6,169
Dividend receivable	應收股息		143,640	-
Amounts due from subsidiaries	附屬公司欠款	26	2,467,051	8,741
Cash and cash equivalents	現金及現金等價物	37	1,026	1,322
			<u>2,657,942</u>	<u>16,232</u>
Current liabilities	流動負債			
Accounts payable and accrued charges	應付賬款及應計費用		3,705	4,512
Amount due to a subsidiary	欠一間附屬公司款項	26	804,696	-
Provisions	撥備	47	156	16
			<u>808,557</u>	<u>4,528</u>
Net current assets	流動資產淨額		<u>1,849,385</u>	<u>11,704</u>
Total assets less current liabilities	總資產減流動負債		<u>2,647,581</u>	<u>2,706,921</u>
Capital and reserves	股本及儲備			
Share capital	股本	41	494,033	508,657
Reserves	儲備	43	2,109,537	2,117,585
Total equity	權益總額		<u>2,603,570</u>	<u>2,626,242</u>
Non-current liabilities	非流動負債			
Loan notes	貸款票據	45	44,011	80,679
			<u>2,647,581</u>	<u>2,706,921</u>



Arthur George Dew
狄亞法
Director
董事



Edwin Lo King Yau
勞景祐
Director
董事

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股東應佔											
		Share capital	Share premium	Investment revaluation reserve	Capital redemption reserve	Translation reserve	Non distributable reserve	Capital reserve	Accumulated profits	Dividend reserve	Total	Minority interests	Total equity
		股本	股份溢價	投資重估儲備	贖回儲備	匯兌儲備	非供派發儲備	資本儲備	累計溢利	股息儲備	總計	股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January, 2005	於二零零五年一月一日	521,302	1,519,481	176,195	180,846	(34,838)	55,226	1,903	2,792,894	26,006	5,239,015	3,528,025	8,767,040
Gain in fair value changes of available-for-sale financial assets	可供出售金融資產公平價值變更之盈利	-	-	69,925	-	-	-	-	-	-	69,925	54,628	124,553
Deferred tax	遞延稅項	-	-	46	-	(92)	-	-	-	-	(46)	(37)	(83)
Exchange differences arising on translation of operations outside Hong Kong	折算香港以外地區業務而產生之匯兌差額	-	-	-	-	184	-	-	-	-	184	205	389
Share of post-acquisition reserve movements of associates	應佔聯營公司收購後儲備變動	-	-	5,791	-	14,635	-	1,310	-	-	21,736	16,971	38,707
Share of post-acquisition reserve movements of jointly controlled entities	應佔共同控制企業收購後儲備變動	-	-	-	-	2,668	-	-	-	-	2,668	898	3,566
Net income recognised directly in equity	直接於權益中確認之收入淨額	-	-	75,762	-	17,395	-	1,310	-	-	94,467	72,665	167,132
Profit attributable to equity holders	股東應佔溢利	-	-	-	-	-	-	-	901,480	-	901,480	525,287	1,426,767
Released on disposal of available-for-sale financial assets	出售可供出售金融資產時轉撥	-	-	(21,784)	-	-	-	-	-	-	(21,784)	(17,023)	(38,807)
Released on partial disposal of subsidiaries	出售附屬公司股份權益時轉撥	-	-	-	-	-	-	-	-	-	-	37,636	37,636
Impairment of available-for-sale financial assets transferred to consolidated income statement	可供出售金融資產減值時轉撥至綜合收益帳	-	-	8,090	-	-	-	-	-	-	8,090	6,321	14,411
Released on disposal of a jointly controlled entity	出售一間共同控制企業時轉撥	-	-	-	-	(6)	-	-	-	-	(6)	(5)	(11)
Total recognised income for the period	期內已確認之收入總額	-	-	62,068	-	17,389	-	1,310	901,480	-	982,247	624,881	1,607,128
Interim dividend	中期股息	-	-	-	-	-	-	-	(12,918)	12,918	-	-	-
Overprovision of dividend	股息超額撥備	-	-	-	-	-	-	-	1,132	(86)	1,046	816	1,862
Acquisition of additional interests in a subsidiary	收購一間附屬公司額外權益	-	-	-	-	-	-	-	-	-	-	(9,215)	(9,215)
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	-	14,160	14,160
Transferred from accumulated profits to capital reserve	轉撥自累計溢利至資本儲備	-	-	-	-	-	-	197	(197)	-	-	-	-
Dividend distribution to minority interests	分派予少數股東權益之股息	-	-	-	-	-	-	-	-	-	-	(160,406)	(160,406)
Dividend paid	已付股息	-	-	-	-	-	-	-	-	(38,838)	(38,838)	-	(38,838)
Proposed final dividend	擬派末期股息	-	-	-	-	-	-	-	(37,637)	37,637	-	-	-
Shares repurchased and cancelled	股份購回及註銷	(12,645)	-	-	-	-	-	-	(56,081)	-	(68,726)	-	(68,726)
Transferred on share repurchase	股份購回轉撥	-	-	-	12,645	-	-	-	(12,645)	-	-	-	-
At 31st December, 2005	於二零零五年十二月三十一日	508,657	1,519,481	238,263	193,491	(17,449)	55,226	3,410	3,576,028	37,637	6,114,744	3,998,261	10,113,005

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		Attributable to equity holders of the Company 本公司股東應佔											Equity component of convertible bonds of a subsidiary 一間附屬公司之可換股債券之權益部份		Minority interests 少數權益總額	Total equity 總權益
		Share capital 股本	Share premium 股份溢價	Property revaluation 物業重估儲備	Investment revaluation 投資重估儲備	Capital redemption reserve 資本贖回儲備	Translation reserve 匯兌儲備	Non distributable reserve 非供派發儲備	Capital reserve 資本儲備	Accumulated profits 累計溢利	Dividend reserve 股息儲備	Total 總計				
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1st January, 2006	於二零零六年一月一日	508,657	1,519,481	-	238,263	193,491	(17,449)	55,226	3,410	3,576,028	37,637	6,114,744	-	3,998,261	10,113,005	
Surplus arising on revaluation	重估產生之盈餘	-	-	22,497	302,653	-	-	-	-	-	-	325,150	-	275,416	600,566	
Deferred tax	遞延稅項	-	-	(3,936)	(31)	-	77	-	-	-	-	(3,890)	-	(1,264)	(5,154)	
Exchange differences arising on translation of operations outside Hong Kong	折算香港以外地區業務而產生之匯兌差額	-	-	-	-	-	1,357	-	-	-	-	1,357	-	940	2,297	
Share of post-acquisition reserve movements of associates	應佔聯營公司收購後儲備變動	-	-	680	1,823	-	29,642	-	76	-	-	32,221	-	34,836	67,057	
Share of post-acquisition reserve movements of jointly controlled entities	應佔共同控制企業收購後儲備變動	-	-	-	(39)	-	5,308	-	-	-	-	5,269	-	1,760	7,029	
Net income recognised directly in equity	直接於權益中確認之收入淨額	-	-	19,241	304,406	-	36,384	-	76	-	-	360,107	-	311,688	671,795	
Profit attributable to equity holders	股東應佔溢利	-	-	-	-	-	-	-	-	1,029,830	-	1,029,830	-	642,013	1,671,843	
Released on disposal of available-for-sale financial assets	出售可供出售金融資產時轉撥	-	-	-	(67,008)	-	-	-	-	-	-	(67,008)	-	(62,883)	(129,891)	
Released on deemed disposal partial interests in listed associates	視為出售上市聯營公司股份權益時轉撥	-	-	-	(280)	-	(2,660)	-	(1,982)	-	-	(4,922)	-	(5,772)	(10,694)	
Total recognised income and expenses for the period	期內已確認之收支總額	-	-	19,241	237,118	-	33,724	-	(1,906)	1,029,830	-	1,318,007	-	885,046	2,203,053	
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	(7,156)	-	(7,156)	-	97,218	90,062	
Acquisition of additional interest in a subsidiary	收購一間附屬公司額外權益	-	-	-	-	-	-	-	-	-	-	-	-	(217,839)	(217,839)	
Increase in minority interests due to placing and subscription of shares of a subsidiary	因配售及認購一間附屬公司股份產生之少數股東權益增加	-	-	-	-	-	-	-	-	-	-	-	-	1,377,904	1,377,904	
Deemed disposal of partial interests in subsidiaries	視為出售附屬公司股份權益	-	-	-	-	-	-	-	-	-	-	-	-	13,926	13,926	
Partial disposal of interests in a subsidiary	出售一間附屬公司股份權益	-	-	-	-	-	-	-	-	-	-	-	-	5,901	5,901	
Dividend distribution to minority interests	分派予少數股東權益之股息	-	-	-	-	-	-	-	-	-	-	-	-	(74,783)	(74,783)	
Dividend attributable to minority interests transferred to accounts payable	少數股東應佔股息轉撥至應付賬款	-	-	-	-	-	-	-	-	-	-	-	-	(138,510)	(138,510)	
Interim dividend	中期股息	-	-	-	-	-	-	-	-	(24,791)	24,791	-	-	-	-	
Dividend paid	已付股息	-	-	-	-	-	-	-	-	(62,428)	(62,428)	-	-	-	(62,428)	
Proposed final dividend	擬派末期股息	-	-	-	-	-	-	-	-	(98,633)	98,633	-	-	-	-	
Unclaimed dividend	未領股息	-	-	-	-	-	-	-	-	7	-	7	-	8	15	
Issue of convertible bonds by a subsidiary	一間附屬公司發行可換股債券	-	-	-	-	-	-	-	-	-	-	-	4,227	-	4,227	
Deferred tax arising from issue of convertible bonds by a subsidiary	一間附屬公司發行可換股債券產生之遞延稅項	-	-	-	-	-	-	-	-	-	-	-	(740)	-	(740)	
Transferred from accumulated profits to capital reserve	自累計溢利轉撥至資本儲備	-	-	-	-	-	-	-	13	(13)	-	-	-	-	-	
Overprovision of expenses for share repurchased in previous year	過往年度已購回股份開支之超額撥備	-	-	-	-	-	-	-	-	333	-	333	-	-	333	
Shares repurchased and cancelled	股份購回及註銷	(14,624)	-	-	-	-	-	-	-	(108,076)	-	(122,700)	-	-	(122,700)	
Transferred on share repurchase	於購回股份時轉撥	-	-	-	-	14,624	-	-	-	(14,624)	-	-	-	-	-	
At 31st December, 2006	於二零零六年十二月三十一日	494,033	1,519,481	19,241	475,381	208,115	16,275	55,226	1,517	4,352,905	98,633	7,240,807	3,487	5,947,132	13,191,426	

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		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Operating activities	經營業務		
Profit for the year	本年度溢利	1,671,843	1,426,767
Adjustments for:	調整項目：		
Finance costs	融資成本	206,453	102,245
Taxation	稅項	130,740	170,042
Bad and doubtful debts	呆壞賬	139,220	89,718
Net loss on deemed disposal of partial interests in listed associates	視為出售上市聯營公司部份權益之虧損淨額	80,932	-
Impairment loss recognised in respect of available-for-sale financial assets	可供出售金融資產已確認之減值虧損	58,203	14,411
Depreciation	折舊	36,221	34,446
Recognition (reversal) of impairment loss of properties held for sale	待出售物業減值虧損確認(撥回)	5,900	(47,452)
Amortisation of prepaid land lease payments	預繳地價攤銷	4,517	4,540
Amortisation of intangible assets	無形資產攤銷	4,225	3,662
Impairment loss recognised in respect of intangible assets	無形資產已確認之減值虧損	1,523	980
Loss on repurchase of loan notes	購回貸款票據之虧損	1,076	-
Impairment loss recognised (reversed) in respect of property, plant and equipment	物業、廠房及設備已確認(已撥回)之減值虧損	1,072	(604)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	395	662
Impairment loss recognised in respect of other financial assets	其他金融資產已確認之減值虧損	375	-
Loss on partial disposal of subsidiaries	出售附屬公司部份權益之虧損	261	1,423
Loss (profit) on disposal of an investment property	出售一項投資物業虧損(溢利)	146	(2,061)
Profit on deemed disposal of partial interests in subsidiaries	視為出售附屬公司部份權益之溢利	(327,275)	-
Increase in fair value of investment properties	投資物業公平價值之增值	(240,296)	(489,975)
Profit on disposal of available-for-sale financial assets	出售可供出售金融資產溢利	(164,113)	(57,473)
Share of results of jointly controlled entities	應佔共同控制企業業績	(159,987)	(105,298)
Net unrealised profit of financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產未變現溢利淨額	(61,806)	(4,697)
Discount on acquisition of associates	於收購聯營公司時之折讓	(21,634)	-
Profit on disposal of subsidiaries	出售附屬公司之溢利	(14,460)	-
Share of results of associates	應佔聯營公司業績	(8,982)	(150,388)
Discount on acquisition of additional interests in subsidiaries	於收購附屬公司額外權益時之折讓	(634)	(5,652)
Impairment loss recognised in respect of goodwill of associates	聯營公司商譽已確認之減值虧損	-	13,323
Impairment loss recognised in respect of an associate	一間聯營公司已確認之減值虧損	-	4,981
Impairment loss recognised in respect of goodwill of a subsidiary	一間附屬公司之商譽已確認之減值虧損	-	267
Reversal of impairment loss in respect of properties held for development	撥回待發展物業已確認之減值虧損	-	(34,700)
Profit on disposal of a jointly controlled entity	出售一間共同控制企業之溢利	-	(1,219)
Reversal of impairment loss of intangible assets	撥回無形資產減值虧損	-	(320)
Discount on acquisition of subsidiaries	於收購附屬公司時之折讓	-	(199)
Operating cash flow before movements in working capital	未計營運資金變動之經營業務現金流量	1,343,915	967,429

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	Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(Increase) decrease in other inventories	其他存貨(增加)減少	(683)	7
Increase in financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產增加	(89,779)	(122,309)
Increase in loans and advances to consumer finance customers	私人財務客戶貸款及墊款增加	(412,298)	(597,605)
Increase in accounts receivables, deposits and prepayments	應收賬款、按金及預付款項增加	(954,985)	(290,473)
Increase in loans and receivables	貸款及應收款項增加	(27,317)	-
(Decrease) increase in financial liabilities at fair value through profit or loss	透過損益賬按公平價值處理之金融負債(減少)增加	(15,784)	17,756
Increase (decrease) in accounts payable and accrued charges	應付賬款及應計費用增加(減少)	368,604	(68,201)
Increase (decrease) in provisions and other liabilities	撥備及其他負債增加(減少)	39,374	(9,386)
Cash from (used in) operations	經營所產生(所用)之現金	251,047	(102,782)
Hong Kong Profits Tax paid	已繳香港利得稅	(140,538)	(146,273)
Interest paid	已付利息	(191,776)	(87,734)
Tax outside Hong Kong refunded (paid)	已返還(已付)香港以外稅項	23	(341)
Net cash used in operating activities	經營業務所用之現金淨額	(81,244)	(337,130)
Investing activities	投資業務		
Proceeds on disposal of available-for-sale financial assets	出售可供出售金融資產所得款項	207,963	115,403
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	收購附屬公司(扣除所收購之現金及現金等價物)	49 46,370	(124,688)
Proceeds on disposal of a subsidiary	出售附屬公司所得款項	50 14,908	-
Proceeds on disposal of an investment property	出售一項投資物業所得款項	13,854	14,661
Amounts repaid by associates	聯營公司還款	11,524	13,063
Dividends received from associates	來自聯營公司之股息	9,770	8,162
Proceeds on partial disposal of a subsidiary	出售一間附屬公司部份權益所得款項	6,358	41,278
Amounts repaid by a jointly controlled entity	一間共同控制企業還款	4,938	-
Repayment of net amount due from investee companies	投資公司淨欠賬還款	4,209	5,620
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	653	225
Proceeds on disposal of intangible assets	出售無形資產所得款項	190	-
Acquisition of additional interests in subsidiaries	收購附屬公司之額外權益	(302,891)	(3,563)
Acquisition of additional interests in associates	收購聯營公司之額外權益	(97,544)	(5,592)
Increase in statutory deposits	法定按金增加	(45,856)	(4,472)
Purchase of property, plant and equipment	購入物業、廠房及設備	(40,578)	(34,644)
Purchase of available-for-sale financial assets	購入可供出售金融資產	(38,386)	(705)
Addition to intangible assets	添置無形資產	(10,528)	(8,392)
Amount advanced to an associate	墊款予一間聯營公司	(4,997)	(6)
Amount advanced to a jointly controlled entity	墊款予一間共同控制企業	(4,964)	(2,870)
Addition to investment properties	添置投資物業	(213)	(780)
Increase in short-term pledged bank deposit	短期銀行抵押存款增加	(28)	248
Amount repaid by a jointly controlled entity	一間共同控制企業還款	-	2,751
Net cash (used in) from investing activities	投資業務(所用)所得現金淨額	(225,248)	15,699

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		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Financing activities	融資業務		
Net proceeds from issue of shares by subsidiaries	附屬公司發行股份所得款項淨額	1,716,509	-
New bank and other borrowings raised	籌集所得新造銀行及其他借貸	1,629,949	1,255,000
Amount advanced by a jointly controlled entity	一間共同控制企業墊款	118,000	-
Net proceeds from issue of convertible bonds by a subsidiary	一間附屬公司發行可換股債券所得款項淨額	38,209	-
Amounts advanced by associates	聯營公司墊款	100	426
Repayment of bank and other borrowings	償還銀行及其他借貸	(1,635,520)	(672,883)
Payment to minority interests	付款予少數股東權益	(172,351)	-
Amounts paid on share repurchase	購回股份所支付款項	(122,700)	(68,726)
Dividend paid by subsidiaries to minority shareholders	附屬公司向少數股東派付之股息	(74,783)	(160,406)
Dividend paid	已派股息	(62,428)	(38,838)
Repurchase of loan notes	購回貸款票據	(39,741)	(60,000)
Amounts paid to associates	已付聯營公司款項	(160)	-
Net distribution to minority interests	予少數股東權益之分派淨額	-	(48)
Net cash from financing activities	融資業務所產生之現金淨額	1,395,084	254,525
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加(減少)淨額	1,088,592	(66,906)
Effect of foreign exchange rate changes	匯率變動之影響	1,314	(78)
Cash and cash equivalents at the beginning of the year	於年初之現金及現金等價物	639,477	706,461
Cash and cash equivalents at the end of the year	於年末之現金及現金等價物	1,729,383	639,477
Cash and cash equivalents at 31st December represented by:	於十二月三十一日之現金及現金等價物，即：		
Cash and cash equivalents	現金及現金等價物	1,764,313	732,173
Bank overdrafts	銀行透支	(34,930)	(92,696)
		1,729,383	639,477

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1. GENERAL

The Company is a listed public limited company incorporated in the Hong Kong Special Administrative Region (“Hong Kong”).

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

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

The Company acts as an investment holding company and provides corporate management services. The principal activities of its principal subsidiaries, associates and jointly controlled entities are set out in notes 60, 61 and 62 respectively.

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

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

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

(ii) Changes in presentation – Hong Kong Accounting Standard 1 “Presentation of Financial Statement”

In the current year, the amounts due from associates previously included in interests in associates of HK\$64,582,000, loans and receivables of HK\$78,000,000 and accounts receivable, deposits and prepayments of HK\$250,400,000 are presented as separate line items in the consolidated balance sheet. Also, certain corporative figures have been reclassified and certain notes to the financial statements have been merged, split or expanded to conform with current year’s presentation.

1. 一般資料

本公司為一間在香港特別行政區（「香港」）註冊成立之上市之公眾有限公司。

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

財務報表以港元呈列，與本公司之功能貨幣相同。

本公司為一間投資控股公司及提供企業管理服務。其主要附屬公司、聯營公司及共同控制企業之主要業務活動分別載於附註第60、61及62項。

2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）及呈列方式之變更

(i) 採用新訂及經修訂香港財務報告準則

於本年度，本集團首次採用香港會計師公會（「會計師公會」）所頒佈對於二零零五年十二月一日或二零零六年一月一日或其後開始之會計期間生效之多項新制定準則、修訂及詮釋（「新財務報告準則」）。採納該等財務報告準則對現時或過去會計期間之業績及財務狀況的編製及呈列方式並無重大影響。因此，無須作出過往期間調整。

(ii) 呈列方式之變更——香港會計準則第1號「財務報表之呈列」

於本年度，之前列入於聯營公司之權益之聯營公司欠款64,582,000港元、貸款及應收賬款78,000,000港元及應收賬款、按金及預付款項250,400,000港元於綜合資產負債表內作為單獨項目呈列。此外，為符合本年數之呈報方式，若干比較數字已重新分類，若干財務報表之附註亦已被合併、拆分或擴大。

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

2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)及呈列方式之變更(續)

(iii) Potential impact arising on the new accounting standards not yet effective

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

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ²
HK(IFRIC)-Int 8	Scope of HKFRS ³
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives ⁴
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment ⁵
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions ⁶

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

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

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

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

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

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

(iii) 尚未生效之新會計準則產生之潛在影響

本集團並無提早採納以下已頒佈但未生效且與本集團營運有關之新準則、修訂及詮釋。本公司董事(「董事」)預期採用該等新準則、修訂及詮釋將不會對本集團之業績及財務狀況造成重大影響。

會計準則第1號(修訂本)	資本披露 ¹
香港財務報告準則第7號	金融工具：披露 ¹
香港財務報告準則第8號	經營分部 ²
香港(國際財務報告準則)詮釋第8號	香港財務報告準則第2號之範圍 ³
香港(國際財務報告準則)詮釋第9號	重估內在衍生工具 ⁴
香港(國際財務報告準則)詮釋第10號	中期業績財務報告及減值 ⁵
香港(國際財務報告準則)詮釋第11號	香港財務報告準則第2號：集團及庫存股交易 ⁶

¹ 於二零零七年一月一日或之後開始之年度期間生效。

² 於二零零九年一月一日或之後開始之年度期間生效。

³ 於二零零六年五月一日或之後開始之年度期間生效。

⁴ 於二零零六年六月一日或之後開始之年度期間生效。

⁵ 於二零零六年十一月一日或之後開始之年度期間生效。

⁶ 於二零零七年三月一日或之後開始之年度期間生效。

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3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

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

Basis of consolidation

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

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

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

All intra-group transactions, balances, income and expenses are eliminated in full 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 (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

3. 主要會計政策

編製基準

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

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

綜合基準

綜合財務報表包括本公司及受本公司控制之實體(其附屬公司)之財務報表。倘本公司有權支配一間實體之財務及經營政策以自其業務活動獲利即已控制該實體。

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

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

所有集團內交易、結餘、收入及開支均於綜合賬目時全數對銷。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations

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

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

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

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

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

Investments in subsidiaries

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

3. 主要會計政策(續)

業務合併

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

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

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

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

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

於附屬公司之投資

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interest in associates

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

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

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

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

Interest in jointly controlled entities

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

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

3. 主要會計政策(續)

於聯營公司之權益

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

聯營公司之業績、資產及負債乃以會計權益法減任何已確定之減值虧損綜合入財務報表。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該聯營公司之損益及權益變動之收購後變動作出調整及減去任何已識別減值虧損。倘本集團應佔聯營公司虧損等於或超出本集團於該聯營公司之權益(包括實際上構成本集團於該聯營公司之淨投資之任何長期權益)，本集團即終止確認其應佔之未來虧損。

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

倘集團實體與本集團之聯營公司交易，盈虧於本集團於有關聯營公司之權益中撤銷。

於共同控制企業之權益

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

涉及另外建立合營方共同控制某一企業之經濟活動之單獨實體之合營企業安排乃列為共同控制企業。本集團採用權益會計法減任何已確定之減值虧損呈列其於共同控制企業之權益。根據權益會計法，於共同控制企業之投資乃按成本於綜合資產負債表內列賬，並就本集團分佔該共同控制企業之損益及權益變動之收購後變動作出調整及減去任何於個別投資之減值。倘本集團應佔共同控制企業虧損等於或超出本集團於該共同控制企業之權益(包括實際上構成本集團於該共同控制企業之淨投資之任何長期權益)，本集團即終止確認其進一步應佔之虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interest in jointly controlled entities (Cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the jointly controlled entity recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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

Goodwill and discount on acquisition

Goodwill arising on acquisitions prior to 1st January, 2005

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

For previously capitalised goodwill arising on acquisitions before 1st January, 2001, the Group has discontinued amortisation from 1st January, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

Goodwill arising on acquisitions on or after 1st January, 2005

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

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

3. 主要會計政策(續)

於共同控制企業之權益(續)

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

倘本集團與其共同控制企業交易，未變現盈虧於本集團在該合營企業之權益中撤銷。

因收購產生之商譽及折讓

於二零零五年一月一日之前因收購產生之商譽收購一間附屬公司、聯營公司或共同控制企業(協議日期為於二零零五年一月一日之前)產生之商譽，指收購成本超逾本集團於收購當日應佔相關附屬公司、聯營公司或共同控制企業之可識別資產及負債公平價值之權益之差額。

對於二零零一年一月一日前之收購原先已資本化之商譽，本集團自二零零五年一月一日起不再繼續攤銷，而有關商譽每年及有跡象顯示商譽有關之產生現金單位有可能出現減值時進行減值測試。

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill and discount on acquisition (Cont'd)

Impairment testing on capitalised goodwill

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

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

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

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

Revenue recognition

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

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

3. 主要會計政策(續)

因收購產生之商譽及折讓(續)

已資本化商譽減值測試

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

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

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

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

收入確認

收入按於平常業務過程中已收及應收代價之公平價值計算。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (Cont'd)

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

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

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

Revenue from hotel operations is recognised when services are provided.

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

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

Commission income is recognised as income on a trade date basis.

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

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

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

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

3. 主要會計政策(續)

收入確認(續)

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

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

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

經營酒店收入於提供服務時確認。

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

來自投資之股息收入於股東收取付款之權利建立時確認。

佣金收入乃按交易日期基準確認為收入。

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

基金之管理及顧問費於提供有關服務時確認。

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fixed-fee contracts

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

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

Leasing

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

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

The Group as lessee

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

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

3. 主要會計政策(續)

固定費用合約

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

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

租約

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

本集團作為出租人

融資租約項下應收承租人之款項按本集團於租約之淨投資列作應收款項。融資租約收入分配至列入各會計期間，以按固定期間比率反映本集團就租約之未償還淨投資之回報。來自經營租約之租金收入以直線法於在相關租約年期內於綜合收益帳內確認。

本集團作為承租人

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign currencies

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

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

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

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

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

3. 主要會計政策(續)

外幣

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

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

因結算貨幣項目及重新換算貨幣項目產生之匯兌差額於本期間之損益賬確認。重新換算非貨幣性項目產生之匯兌差額以公平價值列賬計入該期間之損益賬內,惟重新換算非貨幣性項目產生之匯兌差額,其盈虧直接於權益確認,在此情況下,匯兌差額亦直接於權益中確認。

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Borrowing costs

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

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

Employee benefits

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

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

Taxation

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

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

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

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

3. 主要會計政策(續)

借貸成本

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

所有其他借貸成本於產生之期間列入損益賬內。

僱員福利

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

應向本集團之退休福利計劃及強制性公積金計劃支付之供款於僱員已提供使其有權獲得供款之服務時作為開支在綜合收益賬內扣除。

稅項

稅項指現時應付稅項及遞延稅項。

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (Cont'd)

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

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

Investment properties

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

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 assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

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

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

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting shall be in its fair value at the date of changes in use.

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

3. 主要會計政策(續)

稅項(續)

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

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

投資物業

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

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

投資物業在下列情況下轉入或轉出：

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

對於按公平值計值之投資物業轉入業主佔用物業或存貨，對物業進行會計處理之視作成本於使用之變動日期將為其公平值。

對於業主佔用物業轉入投資物業，必須按倘物業之款項計入重估盈餘則物業之賬面值導致之減少於損益中確認之方法處理該日期之物業之賬面值與其公平值之間之任何差額。減少於重估盈餘中扣除，倘物業之增加撥回之前減值虧損於損益中確認導致任何減少，任何增加之剩餘部份直接計入重估盈餘。隨後於出售投資物業時，列入權益之重估盈餘可以轉入累計溢利。重估盈餘並不透過損益轉入累計溢利。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment properties (Cont'd)

For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

Property, plant and equipment

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

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

Hotel property	2% to 3% or over the remaining terms of the leases or useful lives, whichever is shorter
Leasehold land and buildings	2% to 3% or over the remaining terms of the leases or useful lives, whichever is shorter
Leasehold improvements	20%
Furniture, fixtures and equipment	10% to 50%
Motor vehicles and vessels	16 ² / ₃ % to 20%

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

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

Prepaid land lease payments

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

Intangible assets

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

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

3. 主要會計政策(續)

投資物業(續)

對於存貨轉入按公平值計值之投資物業，該日期物業公平值與其之前賬面值之間之任何差額將於損益中確認。

物業、廠房及設備

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

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

酒店物業	2%至3%或於租約之剩餘或可使用年期中之較短者
租賃土地及樓宇	2%至3%或於租約之剩餘期限或可使用年期中之較短者
租賃樓宇裝修	20%
傢具、裝置及設備	10%至50%
汽車及汽船	16 ² / ₃ %至20%

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

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

預繳地價

租賃土地及土地使用權之前期預付款按直線基準在租約期間在綜合收益賬內扣除。

無形資產

於初次確認時，獨立收購及來自業務合併之無形資產分別按成本及公平價值確認。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets (Cont'd)

Exchange participation rights and club membership

They comprise:

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

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

Computer software

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

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

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

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

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

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

3. 主要會計政策(續)

無形資產(續)

交易所參與權及會所會籍

包括：

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

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

電腦軟件

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

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

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

有形及無形資產(不包括商譽及無限可使用年期之無形資產)之減值

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments

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

Financial assets

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

Financial assets at fair value through profit or loss

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

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

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

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

3. 主要會計政策(續)

金融工具

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

金融資產

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

透過損益賬按公平價值處理之金融資產

透過損益賬按公平價值處理之金融資產分兩個類別，包括持作交易用途之金融資產及於初步確認時指定為透過損益賬按公平價值處理之金融資產。

倘發生下列情況，持作交易用途之金融資產除外之金融資產可於初步確認時指定為透過損益賬按公平價值處理：

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

Loans and receivables

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

Available-for-sale financial assets

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

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

3. 主要會計政策(續)

金融工具(續)

貸款及應收賬款

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

可供出售金融資產

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

Financial liabilities and equity

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

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Other financial liabilities

Other financial liabilities (including bank and other borrowings and accounts payable, amounts due to associates, amount due to a jointly controlled entity and other liabilities) are subsequently measured at amortised cost, using the effective interest rate method.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益

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

權益工具乃任何可證明扣除集團所有負債後於集團資產擁有剩餘權益之合約。

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

透過損益賬按公平價值處理之金融負債

倘發生下列情況，持作交易用途之金融負債除外之金融負債可於初步確認時指定為透過損益賬之公平價值處理：

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

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

其他金融負債

其他金融負債包括銀行及其他借貸及應付賬款、應付聯營公司款項、應付共同控制企業款項及其他負債，乃其後採用實際利率法按攤銷成本計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

Fair value measurement principles

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

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

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

Convertible bonds

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

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

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

3. 主要會計政策(續)

金融工具(續)

公平價值計算原則

金融資產及金融負債之公平值按下列釐定：

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

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

可換股債券

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (Cont'd)

Convertible bonds (Cont'd)

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

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

Repurchase of the Company's own equity instruments are deducted from equity. No gain or loss is recognised on the repurchase of the Company's own equity instruments.

Embedded derivatives

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

Financial guarantee contracts

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

Derecognition

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

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

3. 主要會計政策(續)

金融工具(續)

可換股債券(續)

嵌入式衍生產品部份乃按公平值計量，有關公平值變動於損益賬確認。

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

權益工具

由本公司發行之權益工具於收取所得款項時記錄，扣除直接發行成本。

購回本公司之權益工具乃於權益中扣除。於購回本公司權益工具時並沒有確認盈虧。

內置衍生工具

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

財務擔保合約

財務擔保合約乃規定發行人須支付特定款項以補償持有人因特定債務人未能按照債務票據之原定或經修訂條款於到期時支付款項所蒙受損失之合約。本集團發行且並非透過損益賬按公平價值處理之財務擔保合約最初按期公平價值直接與發行財務擔保合約相關之交易成本確認。於最初確認之後，本集團按(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之金額；及(ii)最初確認之金額減(如適當)根據香港會計準則第18號確認之累計攤銷兩者中之較高者計量財務擔保合約。

取消確認

於金融資產收取現金流量之權利到期或金融資產已轉讓或本集團已轉讓金融資產所有權之幾乎所有風險及回報時，即取消確認該資產。於取消確認金融資產時，資產賬面金額與已收及應收代價金額之差額以及已直接於權益確認之累計盈虧於損益賬確認。

金融負債於相關合約指定之義務被解除、取消或到期時取消確認。已取消確認之金融負債之賬面金額與已付或應付代價之差額於損益賬確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Properties held for sale

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

Inventories

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

Cash and cash equivalents

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimate of fair value of investment properties

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

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

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

3. 主要會計政策(續)

待出售物業

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

存貨

存貨按成本與可變現淨值兩者中較低者入賬。成本乃採用加權平均法計算。

現金及現金等價物

現金及現金等價物按公平價值於綜合資產負債表及資產負債表中列賬。包括手頭現金、銀行結存、短期定期存款及國庫券。就編製綜合現金流量表而言，現金及現金等值物包括須於要求時償還並構成本集團現金管理一部份之銀行透支。

4. 估計不確定因素之主要來源

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

投資物業之公平價值之估計

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

貸款及應收賬款(不包括私人財務客戶貸款及墊款)之減值撥備

本集團定期審核其貸款組合，以評估是否存在減值撥備。於是否應於收益賬記錄釐定減值撥備時，管理層在考慮借款人之財務狀況及向本集團作出之相關抵押及擔保之可變現價值後，對預期收取現金流現值進行估計。

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

Impairment allowances for loans and advances to consumer finance customers

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

Impairment of available-for-sale financial assets

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

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

Estimated impairment of goodwill

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

Deferred tax

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

4. 估計不確定因素之主要來源(續)

私人財務客戶之貸款及墊款之減值撥備

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

可供出售金融資產之減值

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

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

商譽之估計減值

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

遞延稅項

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

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

5. 金融風險管理目標及政策

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

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

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

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

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

5. 金融風險管理目標及政策(續)

(a) Market Risk

(i) Trading Risk

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

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

(ii) Foreign Exchange Risk

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

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

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

(a) 市場風險

(i) 交易風險

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

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

(ii) 外匯風險

外匯風險乃外幣匯率變動對盈利或資本造成之風險。

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

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

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

5. 金融風險管理目標及政策(續)

(b) Credit Risk

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

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

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

(c) Liquidity Risk

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

(d) Interest Rate Risk

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

(b) 信貸風險

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

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

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

(c) 流動資金風險

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

(d) 利率風險

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

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

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

(d) 利率風險(續)

本集團之重大定息資產及負債之公平價值利率風險及彼等合約到期日期如下：

		Interest rates 利率	Within first year 第一年内 HK\$'000 千港元	In second year 第二年內 HK\$'000 千港元	In third year 第三年內 HK\$'000 千港元	In fourth year 第四年內 HK\$'000 千港元	In fifth year 第五年內 HK\$'000 千港元	More than 5 years 超過五年 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 31st December, 2006 於二零零六年十二月三十一日									
Fixed deposit	定期存款	1.62% to 5.13%	1,144,098	-	-	-	-	-	1,144,098
Treasury bills	國庫券	5.03%	7,675	-	-	-	-	-	7,675
Loan note due from a listed associate	應收一間上市聯營公司之貸款票據	2.5%	-	78,000	-	-	-	-	78,000
Term loan due from a listed associate	應收一間上市聯營公司之有期貨款	10.5%	5,000	-	-	-	-	-	5,000
Loans and advances to consumer finance customers	私人財務客戶貸款 及墊款	20.4% to 44.4%	1,599,297	524,235	284,915	144,735	50,655	17,599	2,621,436
Term loans	有期貨款	17.96% to 18.15%	3,965	-	-	-	-	-	3,965
Bank and other borrowings	銀行及其他借貸	4.92% to 12%	(576,000)	(465,000)	(15,000)	-	-	-	(1,056,000)
Loan notes	貸款票據	7.0% to 7.9%	-	(110,650)	-	-	-	-	(110,650)
Convertible bonds	可換股債券	4% to 7%	-	-	-	-	(34,384)	-	(34,384)
At 31st December, 2005 於二零零五年十二月三十一日									
Fixed deposit	定期存款	0.28% to 7.25%	281,465	-	-	-	-	-	281,465
Treasury bills	國庫券	3.78%	7,680	-	-	-	-	-	7,680
Loan note due from a listed associate	應收一間上市聯營公司之貸款票據	2.5%	-	-	78,000	-	-	-	78,000
Term loan due from a listed associate	應收一間上市聯營公司之有期貨款	10.5%	1,400	-	-	-	-	-	1,400
Loans and advances to consumer finance customers	私人財務客戶貸款 及墊款	18.0% to 44.4%	1,450,694	492,105	258,820	121,260	48,649	21,039	2,392,567
Term loans	有期貨款	17.66% to 18.15%	-	3,030	-	-	-	-	3,030
Bank and other borrowings	銀行及其他借貸	4.85% to 12%	(262,000)	-	-	-	-	-	(262,000)
Loan notes	貸款票據	7.0% to 7.9%	-	-	(144,931)	-	-	-	(144,931)

Note: The coupon rates of the loan notes are ranging from 2.25% to 4.00% per annum. The interest rates disclosed in the table above represent the effective interest rates applied in calculating the corresponding amortised costs of the loan notes.

附註：貸款票據之票據年利率為2.25%至4.00%。上表所列之利率為在計算貸款票據攤銷成本時所採用之實際年利率。

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

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

(d) 利率風險(續)

本集團之重大浮息資產及負債之現金流量利率風險及其合約到期日如下：

		Interest rates 利率	Within first year 第一年內 HK\$'000 千港元	In second year 第二年內 HK\$'000 千港元	In third year 第三年內 HK\$'000 千港元	In fourth year 第四年內 HK\$'000 千港元	In fifth year 第五年內 HK\$'000 千港元	More than 5 years 超過五年 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 31st December, 2006	於二零零六年十二月三十一日								
Secured margin loans	有抵押證券放款	5.00% to 20.98%	N/A	N/A	N/A	N/A	N/A	N/A	1,783,430
Term loans	有期貨款	7.44% to 26.82%	385,701	27,600	-	-	-	-	413,301
Loans and advances to consumer finance customers	私人財務客戶貸款 及墊款	8.75% to 15.75%	54,871	22,035	20,611	18,530	13,992	59,690	189,729
Bank overdrafts	銀行透支	8.5% to 8.75%	(34,930)	-	-	-	-	-	(34,930)
Bank and other borrowings	銀行及其他借貸	4.06% to 6.00%	(1,026,240)	(180,712)	(150,699)	(34,640)	(73,100)	-	(1,465,391)
At 31st December, 2005	於二零零五年十二月三十一日								
Secured margin loans	有抵押證券放款	7.00% to 30.00%	N/A	N/A	N/A	N/A	N/A	N/A	1,293,285
Term loans	有期貨款	7.00% to 26.82%	126,909	-	-	-	-	-	126,909
Term loans due from a listed associate	應收一間上市聯營公司之有期貨款	9% to 11.5%	249,000	-	-	-	-	-	249,000
Loans and advances to consumer finance customers	私人財務客戶貸款 及墊款	8.75% to 15.75%	34,805	19,316	18,301	16,590	13,574	46,037	148,623
Bank overdrafts	銀行透支	4.85% to 8.50%	(92,696)	-	-	-	-	-	(92,696)
Bank and other borrowings	銀行及其他借貸	4.89% to 6.69%	(1,397,193)	(606,939)	(36,119)	(100,473)	(74,622)	(57,610)	(2,272,956)

6. MANAGEMENT OF THE FIXED-FEE CONTRACTS**6. 固定費用合約管理**

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

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

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

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

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

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

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

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

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7. REVENUE

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

7. 收益

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Note 2) (附註2)
Interest income on loans and advances to consumer finance customers	私人財務客戶貸款及墊款之利息收入	976,785	870,275
Securities broking	證券經紀	463,838	225,664
Other interest income	其他利息收入	363,800	181,382
Income from corporate finance and others	企業融資及其他之收入	274,602	169,343
Medical services, nursing agency, physiotherapy and dental services, and elderly care services	醫療服務、看護代理、理療、牙科及老年人護理服務	222,594	-
Trading profit from forex, bullion, commodities and futures	外匯、黃金、商品及期貨之溢利	222,250	153,369
Property rental, hotel operations and management services	物業租金、酒店業務及管理服務	179,493	173,358
Trading profit from securities	證券交易溢利	80,291	25,379
Dividend income	股息收入	26,981	20,031
		2,810,634	1,818,801

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

所有利息收入均來自非透過損益賬按公平值計值之金融資產。

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8. SEGMENTAL INFORMATION

During the year, the Group acquired additional interests in Quality HealthCare Asia Limited ("QHA"), a former associate of the Group, to the extent that QHA became a subsidiary of the Group (note 49). Accordingly, the results, assets and liabilities of QHA were consolidated and have been classified as Healthcare segment.

The Group has the following main business segments:

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

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

8. 分部資料

本年度，本集團收購卓健亞洲有限公司（「卓健」，本集團當時之聯營公司）之額外權益，使卓健成為本集團之附屬公司（附註49）。因此，卓健之業績、資產及負債已予綜合並歸類為保健分部。

本集團之主要業務類別如下：

- 投資、經紀及金融—買賣證券、提供證券經紀及相關服務、提供外匯、黃金及商品之經紀服務、提供證券存展融資及保險經紀服務、提供有關融資及顧問產品以及提供有期貨款融資。
- 私人財務—提供私人客戶貸款財務產品。
- 保健—提供醫療服務、老年人護理服務、理療及牙科服務、以及其他服務。
- 物業發展及投資—發展及銷售物業、物業租賃、提供物業管理服務以及由第三方管理之酒店業務。
- 企業及其他業務—包括企業收入及開支以及未分配業務業績。

業務分部為主要之呈列方式，而地域分部為第二呈列方式。

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8. SEGMENTAL INFORMATION (CONT'D)

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

8. 分部資料(續)

本集團之業務分部資料分析如下：

		2006 二零零六年					Total
		Investment, broking and finance 投資、經紀 及金融 HK\$'000 千港元	Consumer finance 私人財務 HK\$'000 千港元	Healthcare 保健 HK\$'000 千港元	Property development and investment 物業發展及 投資 HK\$'000 千港元	Corporate and other operations 企業及 其他業務 HK\$'000 千港元	HK\$'000 千港元
Revenue	收益	1,436,873	992,294	224,579	187,972	93,705	2,935,423
Less: inter-segment revenue	減：分部間之收益	(29,565)	-	-	(8,479)	(86,745)	(124,789)
		1,407,308	992,294	224,579	179,493	6,960	2,810,634
Segment results	分部業績	693,227	580,289	17,983	318,215	(15,990)	1,593,724
Profit on deemed disposal of partial interests in subsidiaries	視為出售附屬公司部份權益之溢利						327,275
Net loss on deemed disposal of partial interests in listed associates	視為出售上市聯營公司部份權益之虧損淨額						(80,932)
Finance costs	融資成本						(206,453)
Share of results of associates	應佔聯營公司業績						8,982
Share of results of jointly controlled entities	應佔共同控制企業業績	1,464	-	(149)	158,672	-	159,987
Profit before taxation	除稅前溢利						1,802,583
Taxation	稅項						(130,740)
Profit for the year	本年度溢利						1,671,843
Segment assets	分部資產	6,587,014	3,338,491	535,604	3,781,962	9,414	14,252,485
Interests in associates	於聯營公司之權益						2,521,862
Interests in jointly controlled entities	於共同控制企業之權益	2,455	-	477	911,160	-	914,092
Deferred tax assets	遞延稅項資產						47,709
Amounts due from associates	聯營公司欠款						158,702
Amount due from a jointly controlled entity	一間共同控制企業欠款						2,185
Tax recoverable	可收回稅項						2,660
Total assets	資產總額						17,899,695
Segment liabilities	分部負債	1,536,738	970,674	120,759	61,579	5,026	2,694,776
Amounts due to associates	欠聯營公司款項						12,527
Amount due to a jointly controlled entity	欠一間共同控制企業款項						79,063
Tax payable	應付稅項						83,481
Bank and other borrowings	銀行及其他借貸						1,614,732
Convertible bonds	可換股債券						34,384
Deferred tax liabilities	遞延稅項負債						189,306
Total liabilities	負債總額						4,708,269
Other information	其他資料						
Depreciation	折舊	17,578	7,623	4,081	6,284	655	36,221
Amortisation of prepaid land lease payments	預繳地價攤銷	4,225	-	-	-	-	4,225
Amortisation of intangible assets	無形資產攤銷	1,622	-	-	2,895	-	4,517
Impairment losses recognised	已確認之減值虧損	59,726	-	-	6,972	-	66,698
Increase in fair value of investment properties	投資物業公平價值增加	-	-	-	240,296	-	240,296
Bad and doubtful debts	呆壞賬	(8,371)	86,440	1,475	(618)	60,294	139,220
Capital additions	資本增加	38,167	8,147	2,844	5,050	1,468	55,676

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8. SEGMENTAL INFORMATION (CONT'D)

8. 分部資料(續)

		2005 二零零五年				
		Investment, broking and finance 投資、經紀 及金融	Consumer finance 私人財務	Property development and investment 物業發展及 投資	Corporate and other operations 企業及 其他業務	Total 總額
		HK\$'000 千港元 (Note 2) (附註2)	HK\$'000 千港元 (Note 2) (附註2)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (附註2)
Revenue	收益	795,203	871,330	177,957	16,413	1,860,903
Less: inter-segment revenue	減：分部間之收益	(22,883)	-	(6,999)	(12,220)	(42,102)
		<u>772,320</u>	<u>871,330</u>	<u>170,958</u>	<u>4,193</u>	<u>1,818,801</u>
Segment results	分部業績	281,383	551,539	624,668	(14,222)	1,443,368
Finance costs	融資成本					(102,245)
Share of results of associates	應佔聯營公司業績					150,388
Share of results of jointly controlled entities	應佔共同控制企業業績	2	-	105,296	-	105,298
Profit before taxation	除稅前溢利					1,596,809
Taxation	稅項					(170,042)
Profit for the year	本年度溢利					<u>1,426,767</u>
Segment assets	分部資產	4,046,307	2,909,818	3,497,890	10,532	10,464,547
Interests in associates	於聯營公司之權益					2,645,475
Interests in jointly controlled entities	於共同控制企業之權益	935	-	865,459	-	866,394
Deferred tax assets	遞延稅項資產					40,336
Amounts due from associates	聯營公司欠款					400,366
Amount due from a jointly controlled entity	一間共同控制企業欠款	-	-	2,159	-	2,159
Tax recoverable	可收回稅項					3,842
Total assets	資產總額					<u>14,423,119</u>
Segment liabilities	分部負債	1,070,973	805,734	55,705	5,541	1,937,953
Amounts due to associates	欠聯營公司款項					62,828
Amount due to a jointly controlled entity	欠一間共同控制企業款項	-	-	81,063	-	81,063
Tax payable	應付稅項					44,214
Bank and other borrowings	銀行及其他借貸					1,971,901
Deferred tax liabilities	遞延稅項負債					212,155
Total liabilities	負債總額					<u>4,310,114</u>
Other information	其他資料					
Depreciation	折舊	20,158	6,075	7,626	587	34,446
Amortisation of prepaid land lease payments	預繳地價攤銷	1,645	-	2,895	-	4,540
Amortisation of intangible assets	無形資產攤銷	3,662	-	-	-	3,662
Impairment losses recognised (reversed)	已確認(撥回)之減值虧損	37,462	-	(86,576)	-	(49,114)
Increase in fair value of investment properties	投資物業公平價值增加	-	-	489,975	-	489,975
Bad and doubtful debts	呆壞賬	1,079	78,531	10,963	(855)	89,718
Capital additions	資本增加	28,147	8,464	5,958	1,247	43,816

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8. SEGMENTAL INFORMATION (CONT'D)

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

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

9. PROFIT ON DEEMED DISPOSAL OF PARTIAL INTERESTS IN SUBSIDIARIES**8. 分部資料(續)**

分部間之交易按有關各方商定之條款訂立。

年內，本集團就香港以外地區經營之業務或位於香港以外地區之業務之收益、分部業績及資產之比重均少於10%，因此並無呈列按地區分部資料。

9. 視作為出售附屬公司部份權益之溢利

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit on deemed disposal of partial interests in subsidiaries comprises:	視為出售附屬公司部份權益之溢利包括：		
Share placing of 248,000,000 shares of a subsidiary (note)	配售一間附屬公司248,000,000股股份(附註)	324,320	-
Exercise of warrants of subsidiaries by warrants holders	認股權證持有人行使附屬公司的認股權證	2,955	-
		327,275	-

Note: Allied Properties (H.K.) Limited ("Allied Properties"), a listed subsidiary of the Company, through its wholly-owned subsidiary, had completed share placings of 169,000,000 shares ("1st Share Placing") and 79,000,000 shares ("2nd Share Placing") of Sun Hung Kai & Co. Limited ("Sun Hung Kai"), a listed subsidiary of Allied Properties on 22nd May, 2006 and 10th August, 2006 respectively. The top-up subscription of 248,000,000 new shares of Sun Hung Kai was completed on 10th August, 2006. The shareholdings in Sun Hung Kai held by Allied Properties before the 1st Share Placing and after top-up subscription were 74.99% and 62.54% respectively. The total profit arising from the deemed disposal of partial interest in Sun Hung Kai (HK\$303,914,000) as well as United Asia Finance Limited ("UAF"), a subsidiary of the Company (HK\$20,406,000), of which 7.27% was held through Sun Hung Kai on the 1st Share Placing and immediately after top-up subscription, arising from the placing and top-up subscription of 248,000,000 shares in Sun Hung Kai, was recognised in the consolidated income statement.

附註：聯合地產(香港)有限公司(「聯合地產」，本公司之上市附屬公司)透過其全資附屬公司於二零零六年五月二十二日及二零零六年八月十日分別完成聯合地產之上市附屬公司新鴻基有限公司(「新鴻基」)169,000,000股(「第一次股份配售」)和79,000,000股股份(「第二次股份配售」)之股份配售。以先舊後新方式認購248,000,000股新鴻基新股份於二零零六年八月十日完成。於第一次股份配售前及於以先舊後新方式認購完成後，聯合地產於新鴻基之持股權分別為74.99%及62.54%。於收益賬內，已確認來自配售及先舊後新方式認購248,000,000股新鴻基股份所產生之視作為出售新鴻基(303,914,000港元)及本公司附屬公司亞洲聯合財務有限公司(20,406,000港元)(「亞洲聯合財務」，其中7.27%透過新鴻基持有)部份權益之總溢利。

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Changes in values of properties comprise:	物業價值變動包括：		
Net increase in fair value of investment properties	投資物業之公平價值增加淨額	240,296	489,975
(Recognition) reversal of impairment loss of properties held for sale	(確認)撥回待出售物業之減值虧損	(5,900)	47,452
Impairment loss (recognised) reversed for hotel property	已(確認)撥回之酒店物業之減值虧損	(1,072)	4,284
Reversal of impairment loss of properties held for development	撥回待發展物業減值虧損	-	34,700
		<u>233,324</u>	<u>576,411</u>

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

確認及撥回之減值虧損乃基於酒店物業之成本及使用價值兩者中之較低者及持作出售之物業之成本及可變現淨值兩者中之較低者，使用價值及可變現淨值乃參考於二零零六年十二月三十一日之獨立專業估值之公平值釐定。

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

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

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12. IMPAIRMENT LOSS RECOGNISED IN RESPECT OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

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

13. BAD AND DOUBTFUL DEBTS

Bad debts written off	壞賬撇銷
(Write-back of) impairment of debts based on individual assessment	基於個別估值(撥回)之債務減值
Impairment of debts (written back) based on collective assessment	基於集體估值(撥回)之債務減值
Bad debts recovered	收回壞賬

12. 就可供出售金融資產確認之減值虧損

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

二零零五年之金額14,411,000港元指上市股權投資減值虧損。

13. 呆壞賬

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bad debts written off	164,656	131,227
(Write-back of) impairment of debts based on individual assessment	(6,131)	33,407
Impairment of debts (written back) based on collective assessment	27,510	(7,661)
Bad debts recovered	(46,815)	(67,255)
	139,220	89,718

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14. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS

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

14. 董事及僱員酬金資料

(a) 九名(二零零五年:八名)董事各自之已付或應付酬金如下:

		2006 二零零六年				
		Directors' fees	Salaries, consultancy fees and other benefits	Performance related incentive payments	Retirement benefits scheme contributions	Total emoluments
		董事袍金 HK\$'000 千港元	其他福利 HK\$'000 千港元	表現獎金 HK\$'000 千港元 (Note) (附註)	退休福利 計劃供款 HK\$'000 千港元	酬金總額 HK\$'000 千港元
Lee Seng Hui	李成輝	-	6,089	1,500	90	7,679
Edwin Lo King Yau	勞景祐	7	1,365	1,010	63	2,445
Lee Su Hwei	李淑慧	-	-	-	-	-
Arthur George Dew	狄亞法	12	2,815	1,300	96	4,223
Wong Po Yan	黃保欣	-	150	-	-	150
David Craig Bartlett	白禮德	10	225	-	-	235
John Douglas Mackie	麥尊德	-	150	-	-	150
Mak Pak Hung	麥伯雄	-	2,124	575	91	2,790
Alan Stephen Jones	Alan Stephen Jones	10	597	-	-	607
		39	13,515	4,385	340	18,279

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

附註: 該數額代表於二零零六年向各董事已付之二零零五實際花紅。二零零六年之花紅仍未確定。

		2005 二零零五年				
		Directors' fees	Salaries, consultancy fees and other benefits	Performance related incentive payments	Retirement benefits scheme contributions	Total emoluments
		董事袍金 HK\$'000 千港元	其他福利 HK\$'000 千港元	表現獎金 HK\$'000 千港元	退休福利 計劃供款 HK\$'000 千港元	酬金總額 HK\$'000 千港元
Gordon Macwhinnie **	麥蘊利 **	10	1,568	-	-	1,578
Lee Seng Hui	李成輝	-	4,873	1,200	47	6,120
Edwin Lo King Yau	勞景祐	-	1,248	500	58	1,806
Lee Su Hwei	李淑慧	-	-	-	-	-
Arthur George Dew	狄亞法	12	2,747	1,000	98	3,857
Wong Po Yan	黃保欣	-	150	-	-	150
David Craig Bartlett	白禮德	10	200	-	-	210
John Douglas Mackie	麥尊德	-	100	-	-	100
		32	10,886	2,700	203	13,821

** Resigned on 30th December, 2005

** 於二零零五年十二月三十日辭任

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

The Company provided management services to certain listed subsidiaries and associates and charged these companies management fees. The above emoluments include all amounts paid or payable to the Company's directors by the Company or the subsidiaries during 2006. However, it should be noted that the amount above for Mr. Edwin Lo includes an amount of HK\$1,097,000 (2005: HK\$612,000) that has been included in the 2006 management fee charged by the Company to a listed associate, Tian An China Investments Company Limited ("Tian An"), for management services performed by Mr. Lo as a director of Tian An and Tian An has disclosed in its 2006 annual report the HK\$1,097,000 (2005: HK\$ 612,000) as part of the emoluments of Mr. Lo.

(b) Employees' emoluments

The five highest paid individuals included one (2005: two) of the Directors, details of whose emoluments are set out in 14(a) above. The combined emoluments of the remaining four (2005: three) individuals are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	22,382	9,757
Performance related incentive payments	表現獎金	9,850	12,693
Retirement benefit scheme contributions	退休福利計劃供款	350	381
		<u>32,582</u>	<u>22,831</u>

The emoluments of the above employees who were not Directors of the Company, were within the following bands:

上述非本公司董事之僱員酬金之金額範圍如下：

		Number of employees 僱員人數	
		2006 二零零六年	2005 二零零五年
HK\$4,000,001-HK\$4,500,000	4,000,001 港元—4,500,000 港元	—	1
HK\$5,000,001-HK\$5,500,000	5,000,001 港元—5,500,000 港元	—	1
HK\$6,500,001-HK\$7,000,000	6,500,001 港元—7,000,000 港元	1	—
HK\$7,000,001-HK\$7,500,000	7,000,001 港元—7,500,000 港元	2	—
HK\$11,500,001-HK\$12,000,000	11,500,001 港元—12,000,000 港元	1	—
HK\$13,000,001-HK\$13,500,000	13,000,001 港元—13,500,000 港元	—	1
		<u>—</u>	<u>1</u>

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15. FINANCE COSTS**15. 融資成本**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on:	利息：		
Bank borrowings wholly repayable within five years	五年內全數償還之銀行借貸	236,565	100,541
Other borrowings wholly repayable within five years	五年內全數償還之其他借貸	586	802
Bank borrowings not wholly repayable within five years	毋須於五年內全數償還之銀行借貸	-	6,151
Outstanding advances due to an investee company	欠所投資公司之未償還墊款	10,082	-
Loan notes wholly repayable within five years	五年內全數償還之貸款票據	8,236	14,159
Convertible bonds issued by a subsidiary wholly repayable within 5 years	五年內全數償還之一間附屬公司所發行之可換股債券	410	-
		255,879	121,653
Total finance costs included in:	計入下列項目內之融資成本總額：		
Cost of sales and other direct costs	銷售成本及其他直接成本	49,426	19,408
Finance costs	融資成本	206,453	102,245
		255,879	121,653

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

所有利息支出均來自非透過損益賬按公平值處理之金融負債。

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16. PROFIT BEFORE TAXATION**16. 除稅前溢利**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除：		
Auditors' remuneration	核數師酬金		
Current year	本年度	6,732	6,967
Overprovision in prior years	過往年度超額撥備	(262)	(1,034)
		6,470	5,933
Amortisation of intangible assets (included in other operating expenses)	無形資產攤銷 (包括在其他經營開支內)	4,225	3,662
Amortisation of prepaid land lease payments	預繳地價攤銷	4,517	4,540
Commission expenses and sales incentives to account executives and certain staff	應付業務代表及若干僱員之佣金支出及銷售表現獎金	214,690	135,592
Cost of inventories expensed	存貨開支成本	10,256	-
Depreciation	折舊		
Owned assets	自置資產	36,221	34,404
Assets under a finance lease	融資租約下之資產	-	42
		36,221	34,446
Impairment loss recognised in respect of an associate	一間聯營公司之已確認減值虧損	-	4,981
Impairment loss recognised in respect of intangible assets	無形資產之已確認減值虧損	1,523	980
Impairment loss recognised in respect of goodwill of associates	聯營公司商譽之已確認減值虧損	-	13,323
Impairment loss recognised in respect of goodwill of a subsidiary	一間附屬公司商譽之已確認減值虧損	-	267
Impairment loss recognised in respect of other financial assets	其他金融資產之已確認減值虧損	375	-
Loss on disposal of an investment property	出售一項投資物業之虧損	146	-
Loss on disposal of partial interest in a subsidiary	出售一間附屬公司部份權益之虧損	261	1,423
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	395	662
Loss on repurchase of loan note	購回貸款票據之虧損	1,076	-
Loss on write off of intangible assets	撇銷無形資產之虧損	-	23
Net unrealised loss on derivatives	衍生產品之未變現虧損淨額	-	744
Retirement benefit scheme contributions, net of forfeited contributions of HK\$175,000 (2005: HK\$506,000) (note 55)	退休福利計劃供款，扣除為數175,000港元之沒收供款(二零零五年：506,000港元)(附註55)	20,783	16,629
Staff costs (including Directors' emoluments but excluding retirement benefit scheme contributions)	員工成本(包括董事酬金但不包括退休福利計劃供款)	486,723	328,810

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16. PROFIT BEFORE TAXATION (CONT'D)**16. 除稅前溢利(續)**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
and after crediting:	並已計入：		
Dividend income from listed equity securities	上市股本證券之股息收入	22,002	17,850
Dividend income from unlisted equity securities	非上市股本證券之股息收入	4,979	4,581
Discount on acquisition of additional interest in a subsidiary (included in other income)	收購一間附屬公司額外權益之折讓(列入其他收入)	634	5,652
Discount on acquisition of subsidiaries (included in other income)	收購附屬公司之折讓(列入其他收入)	-	199
Excess of net fair value over consideration arising from acquisition of an associate (included in other income)	因收購一間聯營公司產生公平淨值高於代價之差額(列入其他收入)	21,634	-
Impairment loss reversed in respect of property, plant and equipment	物業、廠房及設備之已撥回減值虧損	-	604
Net profit on other dealing activities	其他買賣活動之溢利淨額	23,961	7,733
Net realised profit on derivatives	衍生產品之已變現溢利淨額	27,267	20,513
Net realised profit on financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產之已變現溢利淨額	34,441	4,680
Net unrealised profit on financial assets at fair value through profit or loss (included in other income)	透過損益賬按公平價值處理之金融資產之未變現溢利淨額(列入其他收入)	49,393	5,441
Net profit on dealing in leveraged foreign currencies	杠桿外匯交易溢利淨額	8,304	6,753
Net unrealised profit on derivative	衍生產品之未變現溢利淨額	12,413	-
Profit on disposal of a jointly controlled entity	出售一間共同控制企業之溢利	-	1,219
Profit on disposal of available-for-sale financial assets	出售可供出售金融資產之溢利	164,113	57,473
Profit on disposal of investment properties	出售投資物業之溢利	-	2,061
Profit on disposal of a subsidiary	出售附屬公司溢利	14,460	62
Rental income from investment properties under operating leases, net of outgoings of HK\$24,627,000 (2005: HK\$21,369,000)	經營租約投資物業之租金收入扣除支出24,627,000港元(二零零五年：21,369,000港元)	72,441	63,441
Repayment of interest in respect of litigation with New World Development Company Limited pursuant to Court of Appeal Judgement	有關與新世界發展有限公司之訴訟根據上訴法庭裁決償還利息	-	14,783
Reversal of impairment loss of intangible assets	撥回無形資產減值虧損	-	320
		2,006,000	1,780,000

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17. TAXATION

17. 稅項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The income tax charge (credit) comprises:	所得稅支出(減免)包括:		
Current tax:	本期稅項:		
Hong Kong	香港	168,070	121,638
Outside Hong Kong	香港以外地區	(46)	229
		168,024	121,867
Deferred tax (note 33)	遞延稅項(附註33)	(37,284)	48,175
		130,740	170,042

Hong Kong Profits Tax is calculated at the rate of 17.5% of the estimated assessable profits for the year.

Taxation outside Hong Kong is calculated at the rates prevailing in the relevant jurisdictions.

The charge for the year can be reconciled to the profit before taxation as follows:

香港利得稅按年內估計應課稅溢利以稅率17.5%計算。

香港以外地區稅項按有關司法地區之現行稅率計算。

本年度之稅項支出與除稅前溢利對賬如下:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	1,802,583	1,596,809
Less: share of results of associates share of results of jointly controlled entities	減: 應佔聯營公司業績 應佔共同控制企業 業績	(8,982)	(150,388)
		(159,987)	(105,298)
Profit attributable to the Company and subsidiaries	本公司及附屬公司應佔 溢利	1,633,614	1,341,123
Tax at Hong Kong Profits Tax rate at 17.5%	以香港利得稅稅率17.5% 計算之稅項	285,883	234,696
Effect of different income tax rate of overseas subsidiaries	海外附屬公司不同所得稅率 之影響	352	1,289
Tax effect of expenses that are not deductible for tax purposes	不可用作扣稅支出之稅項 影響	64,622	16,591
Tax effect of income that is not assessable for tax purposes	毋須課稅收入之稅項 影響	(144,589)	(89,608)
Tax effect of tax losses not recognised	未確認稅務虧損之稅項影響	15,111	13,633
Tax effect of utilisation of tax losses not previously recognised	動用之前未確認稅務虧損之稅項 影響	(8,022)	(6,870)
Tax effect of utilisation of unrecognised deductible temporary differences	動用未確認可扣稅臨時差額之稅項 影響	(81,891)	41
Overprovision in previous year	過往年度超額撥備	(499)	-
Others	其他	(227)	270
Taxation for the year	本年度稅項	130,740	170,042

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18. EARNINGS PER SHARE

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

18. 每股盈利

本公司股東應佔每股基本及攤薄盈利乃按以下各項計算：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Earnings	盈利		
Earnings for the purposes of basic earnings per share (profit for the year attributable to equity holders of the Company)	用以計算每股基本盈利之盈利 (本公司股東應佔年內溢利)	1,029,830	901,480
Adjustments to earnings in respect of the effect of dilutive potential ordinary shares arising from warrants and convertible bonds of subsidiaries	就附屬公司之認股權證及可換股債券所產生之普通股潛在攤薄效應對盈利作出之調整	(2,549)	-
Earnings for the purposes of diluted earnings per share	用以計算每股攤薄盈利之盈利	<u>1,027,281</u>	<u>901,480</u>
		'000 千	'000 千
Number of shares	股份數目		
Weighted average number of shares for the purpose of basic and diluted earnings per share	用以計算每股基本及攤薄盈利之股份加權平均數	<u>249,791</u>	<u>258,926</u>

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19. DIVIDEND**19. 股息**

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Ordinary shares:	普通股股份：		
Interim dividend of HK10 cents per share (2005: HK5 cents)	中期股息每股 10 港仙 (二零零五年：5 港仙)	24,791	12,881
Proposed final dividend of HK40 cents per share (2005: HK15 cents)	擬派末期股息每股 40 港仙 (二零零五年：15 港仙)	98,633	37,637
		123,424	50,518

A final dividend of HK40 cents (2005: HK15 cents) per share has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company.

The amount of the proposed final dividend for the year ended 31st December, 2006 has been calculated by reference to 246,582,423 shares in issue at 16th April, 2007.

In 2006, the Company paid and recognised dividends of HK\$37,637,000 and HK\$24,791,000, representing HK15 cents per share, being final dividend of 2005 and HK10 cents per share, being interim dividend of 2006 respectively.

In 2005, the Company paid and recognised dividends of HK\$25,957,000 and HK\$12,881,000, representing HK10 cents per share, being final dividend of 2004 and HK5 cents per share, being interim dividend of 2005 respectively.

董事會建議派發末期股息每股 40 港仙 (二零零五年：15 港仙)，惟須待本公司股東於即將舉行之股東週年大會上批准。

截至二零零六年十二月三十一日止年度之擬派之末期股息數額乃按二零零七年四月十六日已發行股份 246,582,423 股計算。

於二零零六年，本公司已就二零零五年末期股息及二零零六年中期股息支付及確認股息 37,637,000 港元及 24,791,000 港元，分別等同於每股 15 港仙及每股 10 港仙。

於二零零五年，本公司已就二零零四年末期股息及二零零五年中期股息支付及確認股息 25,957,000 港元及 12,881,000 港元，分別等同於每股 10 港仙及每股 5 港仙。

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截至二零零六年十二月三十一日止年度

20. INVESTMENT PROPERTIES**20. 投資物業**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Fair value	公平價值		
At 1st January	於一月一日	2,626,100	2,091,768
Addition	增加	213	780
Disposal	出售	(14,000)	(12,600)
Transferred from property, plant and equipment	轉撥自物業、廠房及設備	34,200	-
Transferred to property, plant and equipment	轉撥至物業、廠房及設備	(106,509)	-
Increase in fair value during the year	年內公平價值增加	240,296	489,975
Acquisition of subsidiaries	收購附屬公司	-	39,362
Transferred from properties held for sale	轉撥自待出售物業	-	47,160
Transferred to property, plant and equipment and prepaid land lease payments	轉撥至物業、廠房及設備及預繳地價	-	(17,531)
Overprovision of construction costs	建築成本超額撥備	-	(12,814)
At 31st December	於十二月三十一日	2,780,300	2,626,100

The carrying amount of investment properties held by the Group at 31st December, 2006 and 2005 comprises:

本集團於二零零六年及二零零五年十二月三十一日所持投資物業之賬面值如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Properties in Hong Kong:	於香港之物業：		
Long-term	長期	2,213,300	2,142,400
Medium-term	中期	518,000	440,300
Medium-term properties outside Hong Kong	香港以外之中期物業	49,000	43,400
		2,780,300	2,626,100

The Group's investment properties are held for rental purposes under operating leases. The fair value of the Group's investment properties at 31st December, 2006 has been arrived at on the basis of a valuation carried out at that date by Norton Appraisals Limited, independent valuers not connected with the Group. Norton Appraisals Limited have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conforms to The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition) published by the Hong Kong Institute of Surveyors, was based on rental capitalisation.

本集團之投資物業乃按照營業租約持作出租用途。本集團投資物業於二零零六年十二月三十一日之公平價值已根據與本集團概無關聯之獨立估值師普敦國際評估有限公司於當日進行之估值達致。普敦國際評估有限公司擁有合適的資格及近期重估有關地區相近物業估值的經驗。該估值乃遵守香港測量師學會所頒佈的物業估值準則(第一版)，並根據租金資本化所得。

At 31st December, 2006, the carrying value of investment properties pledged as security of the Group's bank and other borrowings amounted to HK\$2,750,300,000 (2005: HK\$2,583,600,000). Details of the Group's investment properties and other assets being pledged to secure loans and general banking facilities are set out in note 52.

於二零零六年十二月三十一日，本集團就銀行及其他借貸而予以抵押之投資物業之賬面值為2,750,300,000港元(二零零五年：2,583,600,000港元)。本集團就貸款及一般銀行信貸額而予以抵押之投資物業及其他資產之詳情載於附註第52項。

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21. PROPERTY, PLANT AND EQUIPMENT**21. 物業、廠房及設備**

The Group 本集團		Hotel properties 酒店物業	Leasehold land and buildings 租賃土地 及樓宇	Leasehold improvements 租約 樓宇裝修	Furniture, fixtures and equipment 傢具、 裝置 及設備	Motor vehicles and vessels 汽車 及汽船	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost	成本值						
At 1st January, 2005	於二零零五年一月一日	371,804	64,589	82,365	150,932	27,048	696,738
Exchange adjustments	匯兌調整	-	-	6	(264)	-	(258)
Additions	增加	2,395	-	8,594	20,861	2,795	34,645
Transferred from investment properties	轉撥自投資 物業	-	5,849	-	-	-	5,849
Acquisition of subsidiaries	收購附屬公司	-	5,228	-	5,800	-	11,028
Disposals	出售	-	-	(2,270)	(5,338)	(348)	(7,956)
At 31st December, 2005	於二零零五年十二月三十一日	374,199	75,666	88,695	171,991	29,495	740,046
Exchange adjustments	匯兌調整	-	(1)	9	31	-	39
Additions	增加	142	-	18,572	23,889	2,332	44,935
Transfer from investment properties	轉撥自投資物業	-	106,509	-	-	-	106,509
Revaluation surplus on transfer to investment properties	轉讓投資物業 之重估盈餘	-	30,020	-	-	-	30,020
Transfer to investment properties	轉撥至投資物業	-	(35,575)	-	-	-	(35,575)
Acquisition of subsidiaries	收購附屬公司	-	-	22,814	16,679	207	39,700
Disposals	出售	-	-	(2,353)	(5,873)	(2,498)	(10,724)
At 31st December, 2006	於二零零六年十二月三十一日	374,341	176,619	127,737	206,717	29,536	914,950
Accumulated depreciation and impairment	累計折舊 及減值						
At 1st January, 2005	於二零零五年一月一日	240,469	21,073	67,763	116,046	22,373	467,724
Exchange adjustments	匯兌調整	-	-	29	(89)	-	(60)
Provided for the year	本年度撥備	2,863	1,312	9,439	19,124	1,708	34,446
Eliminated on disposals	出售時撇銷	-	-	(1,629)	(5,137)	(302)	(7,068)
Impairment loss recognised (reversed)	減值虧損確認 (撥回)	(4,284)	-	-	3,675	5	(604)
At 31st December, 2005	於二零零五年十二月三十一日	239,048	22,385	75,602	133,619	23,784	494,438
Exchange adjustments	匯兌調整	-	-	9	42	-	51
Provided for the year	本年度撥備	2,944	1,638	15,404	14,435	1,800	36,221
Transfer to investment properties	轉撥至投資物業	-	(1,375)	-	-	-	(1,375)
Eliminated on disposals	出售時撇銷	-	-	(1,711)	(5,792)	(2,173)	(9,676)
Impairment loss recognised	減值虧損確認	1,072	-	-	-	-	1,072
At 31st December, 2006	於二零零六年十二月三十一日	243,064	22,648	89,304	142,304	23,411	520,731
Carrying amounts	賬面值						
At 31st December, 2006	於二零零六年十二月三十一日	131,277	153,971	38,433	64,413	6,125	394,219
At 31st December, 2005	於二零零五年十二月三十一日	135,151	53,281	13,093	38,372	5,711	245,608

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21. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group's leasehold land included in the property, plant and equipment is situated in Hong Kong and held under long-term lease.

At 31st December, 2006, the carrying value of hotel property and leasehold land and buildings pledged as security of the Group's bank and other borrowings amounted to HK\$277,396,000 (2005: HK\$180,194,000).

21. 物業、廠房及設備(續)

本集團列入物業、廠房及設備之租賃土地位於香港及根據長期租約持有。

於二零零六年十二月三十一日，本集團就銀行及其他借貸而予以抵押之酒店物業及租約土地及樓宇之賬面值為277,396,000港元(二零零五年：180,194,000港元)。

		Leasehold	Furniture,	Motor	Total
		improvements	fixtures and	vehicles	
		租約樓宇	傢具、裝置	汽車	總計
		裝修	及設備		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
The Company					
本公司					
Cost		成本值			
At 1st January, 2005	於二零零五年一月一日	6,239	5,811	936	12,986
Additions	增加	105	42	–	147
At 31st December, 2005	於二零零五年十二月三十一日	6,344	5,853	936	13,133
Additions	增加	782	688	–	1,470
Disposal	出售	–	(375)	(286)	(661)
At 31st December, 2006	於二零零六年十二月三十一日	7,126	6,166	650	13,942
Accumulated depreciation		累計折舊			
At 1st January, 2005	於二零零五年一月一日	5,913	5,331	440	11,684
Additions	增加	180	257	149	586
At 31st December, 2005	於二零零五年十二月三十一日	6,093	5,588	589	12,270
Provided for the year	本年度撥備	263	262	130	655
Eliminated on disposal	出售時撇銷	–	(375)	(286)	(661)
At 31st December, 2006	於二零零六年十二月三十一日	6,356	5,475	433	12,264
Carrying amounts		賬面值			
At 31st December, 2006	於二零零六年十二月三十一日	770	691	217	1,678
At 31st December, 2005	於二零零五年十二月三十一日	251	265	347	863

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22. PREPAID LAND LEASE PAYMENTS

The Group's prepaid land lease payments comprise:

22. 預繳地價

本集團之預繳地價包括：

		The Group	
		本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Leasehold land in Hong Kong	在香港之租賃土地		
Long-term	長期	286,549	290,806
Leasehold land outside Hong Kong	香港以外之租賃土地		
Medium-term	中期	8,468	8,693
Short-term	短期	696	730
		295,713	300,229
Analysed for reporting purposes as:	為報告目的所作之分析：		
Non-current portion	非即期部份	291,196	295,670
Current portion included in current assets	列入流動資產之即期部份	4,517	4,559
		295,713	300,229

At 31st December, 2006, the carrying value of prepaid land lease payments pledged as security of the Group's bank and other borrowings amounted to HK\$276,994,000 (2005: HK\$281,046,000).

於二零零六年十二月三十一日，預繳地價之賬面值達276,994,000港元(二零零五年：281,046,000港元)已用作抵押本集團之銀行及其他借貸。

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23. GOODWILL**23. 商譽**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost	成本值		
At 1st January	於一月一日	33,534	8,634
Acquisition of subsidiaries (note 49)	收購附屬公司(附註第49項)	167,254	29,966
Acquisition of additional interests in subsidiaries	增購附屬公司權益	95,779	-
Disposal of partial interest in subsidiaries	出售於附屬公司之部份權益	(719)	(5,066)
At 31st December	於十二月三十一日	<u>295,848</u>	<u>33,534</u>
Impairment	減值		
At 1st January	於一月一日	267	-
Impairment recognised	已確認減值	-	267
At 31st December	於十二月三十一日	<u>267</u>	<u>267</u>
Carrying amounts	賬面值		
At 31st December	於十二月三十一日	<u>295,581</u>	<u>33,267</u>

The goodwill arising on acquisition of subsidiaries is subject to adjustments as the management is in the process to carry out valuation of the net assets to determine the goodwill arising from the transaction.

由於管理層對可識別的資產正進行重估以釐定收購上述公司所引致的商譽，該等商譽可能需要作出調整。

Goodwill at 31st December, 2006 is allocated to the following cash generating units.

於二零零六年十二月三十一日之商譽分配至下列產生現金單位。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Consumer finance segment	私人財務分部		
The Hong Kong Building and Loan Agency Limited	香港建屋貸款有限公司	24,487	24,633
UAF	亞洲聯合財務	5,921	5,921
SHK Finance Limited	新鴻基財務有限公司	2,713	2,713
		<u>33,121</u>	<u>33,267</u>
Investment, broking and finance segment	投資、經紀及金融分部		
Sun Hung Kai	新鴻基	91,944	-
Healthcare segment	保健分部		
QHA	卓健	170,516	-
		<u>295,581</u>	<u>33,267</u>

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23. GOODWILL (CONT'D)

The recoverable amount of the consumer finance segment has been determined based on a value-in-use calculation. Such calculation uses cash flow projection based on financial budgets approved by management covering a 3-year period for The Hong Kong Building and Loan Agency Limited and a 1-year period for UAF and SHK Finance Limited at a discount rate of 4.78%. Management of the Group believes that possible changes in these assumptions would not cause the aggregate carrying amount of goodwill to exceed the recoverable amount.

The recoverable amount of QHA and Sun Hung Kai have been determined based on the fair value less cost to sell. The fair value represents the market bid price of shares of QHA and Sun Hung Kai at 31st December, 2006.

At 31st December, 2006, the management of the Group determined that there was no impairment of goodwill.

24. INTANGIBLE ASSETS

The Group 本集團		Computer software 電腦軟件		Exchange participation rights	Club debentures	Total 總計
		Acquired 購入	Internally developed	交易所 參與權	會所債券	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost	成本值					
At 1st January, 2005	於二零零五年一月一日	15,604	-	2,507	6,868	24,979
Exchange adjustments	匯兌調整	284	-	-	-	284
Acquisition of subsidiaries	收購附屬公司	-	-	1,200	-	1,200
Additions	增加	2,352	3,610	-	2,430	8,392
Write-off	撇銷	-	-	-	(23)	(23)
At 31st December, 2005	於二零零五年十二月三十一日	18,240	3,610	3,707	9,275	34,832
Exchange adjustments	匯兌調整	-	-	(5)	19	14
Additions	增加	5,342	5,186	-	-	10,528
Disposal	出售	-	-	(190)	-	(190)
At 31st December, 2006	於二零零六年十二月三十一日	23,582	8,796	3,512	9,294	45,184
Amortisation and impairment	攤銷及減值					
At 1st January, 2005	於二零零五年一月一日	5,229	-	-	180	5,409
Exchange adjustments	匯兌調整	85	-	-	-	85
Provided for the year	本年度撥備	3,662	-	-	-	3,662
Impairment loss recognised	減值虧損確認	10	-	240	730	980
Impairment loss reversed	減值虧損撥回	-	-	-	(320)	(320)
At 31st December, 2005	於二零零五年十二月三十一日	8,986	-	240	590	9,816
Exchange adjustments	匯兌調整	(10)	-	-	-	(10)
Provided for the year	本年度撥備	4,225	-	-	-	4,225
Impairment loss recognised	減值虧損確認	-	-	1,071	452	1,523
At 31st December, 2006	於二零零六年十二月三十一日	13,201	-	1,311	1,042	15,554
Carrying amounts	賬面值					
At 31st December, 2006	於二零零六年十二月三十一日	10,381	8,796	2,201	8,252	29,630
At 31st December, 2005	於二零零五年十二月三十一日	9,254	3,610	3,467	8,685	25,016

23. 商譽(續)

私人財務分部之可收回款項已根據使用中價值計算法釐定。該計算法使用基於已獲管理層批准之財務預算之現金流量預測，就香港建屋貸款有限公司而言為3年期之財務預算，就亞洲聯合財務及新鴻基財務有限公司而言為1年期之財務預算，折現率為4.78%。本集團管理層相信任何該等假設之可能變化均不會引致商譽之賬面總值超過可收回金額。

卓健及新鴻基之可收回款項已根據公平價值減出售成本釐定。公平價值乃指於二零零六年十二月三十一日卓健及新鴻基股份之市場買入價。

於二零零六年十二月三十一日，本集團管理層確定概無商譽減值。

24. 無形資產

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24. INTANGIBLE ASSETS (CONT'D)

The computer software included above have finite useful lives, over which the assets are amortised whereas the exchange participation rights and club debenture have indefinite useful lives and were not subject to amortisation. The amortisation period for computer software is three to five years.

24. 無形資產(續)

上表中之電腦軟件可使用年期為有限，資產在該年期內攤銷，而交易所參與權及會所債券之可使用年期則為無限，毋需攤銷。電腦軟件之攤銷年期為三年至五年。

25. INVESTMENTS IN SUBSIDIARIES**25. 於附屬公司之投資**

		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Listed shares in Hong Kong, at cost	在香港之上市股份，成本值	714,414	714,414
Unlisted shares at cost, less impairment loss recognised	以成本值計算之非上市股份，減已確認減值虧損	-	-
		<u>714,414</u>	<u>714,414</u>
Market value of listed shares in Hong Kong	在香港之上市股份市值	<u>895,944</u>	<u>443,155</u>

26. AMOUNTS DUE FROM (TO) SUBSIDIARIES**26. 應收(應付)附屬公司之款項**

		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amounts due from subsidiaries, less impairment, are unsecured and comprise:	附屬公司欠款，減值，乃無抵押，包括：		
Interest bearing at Hong Kong Prime rate plus 1% per annum	按香港最優惠利率加1厘之年利率計息之款額	519,596	-
Non-interest bearing	不計息款額	1,947,455	1,988,681
		<u>2,467,051</u>	<u>1,988,681</u>
Analysed as:	分析為：		
Non-current	非即期	-	1,979,940
Current (note)	即期(附註)	2,467,051	8,741
		<u>2,467,051</u>	<u>1,988,681</u>

Note: These amounts are repayable on demand

附註：該等款項須於要求時付款

Other than the loan notes and convertible bonds issued by Sun Hung Kai and Allied Properties, the terms of which are shown in note 45 and note 46 respectively, none of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

除由新鴻基及聯合地產發行之貸款票據及可換股債券(其條款分別載於附註第45及46項)外，概無附屬公司於本年末或本年內任何時間擁有任何未償還之債務證券。

Amount due to a subsidiary is unsecured, non-interest bearing and repayable on demand.

應付附屬公司款項乃無抵押、不計息及須於要求時付款。

Particulars of the Company's principal subsidiaries at 31st December, 2006 are set out in note 60.

本公司於二零零六年十二月三十一日之主要附屬公司資料載於附註第60項。

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27. INTERESTS IN ASSOCIATES**27. 於聯營公司之權益**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Listed securities in Hong Kong (note 27 (i))	香港上市證券 (附註27(i))	2,483,944	2,560,483
Unlisted shares (note 27 (ii))	非上市股份(附註27(ii))	37,918	84,992
		<u>2,521,862</u>	<u>2,645,475</u>

Notes:

附註：

(i) Listed securities in Hong Kong**(i) 香港上市證券**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Costs of investment	投資成本	1,743,959	1,806,717
Share of post-acquisition reserves	應佔收購後儲備	739,985	753,766
		<u>2,483,944</u>	<u>2,560,483</u>
Market value of listed securities	上市證券市值	<u>2,943,450</u>	<u>1,301,161</u>

At 31st December, 2006, no goodwill arising on acquisition of associates is included in the cost of investments (2005: HK\$86,127,000). The movement is set out in note (iii) below.

於二零零六年十二月三十一日，並無於收購聯營公司時產生之商譽列入投資成本(二零零五年：86,127,000港元)。變動載於下文附註(iii)。

(ii) Unlisted shares**(ii) 非上市股份**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Costs of investment	投資成本	42,100	35,376
Share of post-acquisition reserves	應佔收購後儲備	22,691	76,489
		<u>64,791</u>	<u>111,865</u>
Less: impairment loss recognised	減：已確認之減值虧損	<u>(26,873)</u>	<u>(26,873)</u>
		<u>37,918</u>	<u>84,992</u>

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27. INTERESTS IN ASSOCIATES (CONT'D)**27. 於聯營公司之權益(續)****(iii) Goodwill on acquisition of listed associates****(iii) 收購上市聯營公司所產生之商譽**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost less impairment	成本扣除減值		
At 1st January	於一月一日	86,127	84,998
Eliminated on transfer to interests in subsidiaries	轉撥至附屬公司 權益時對銷	(86,127)	-
Acquisition of additional interests in associates	增購聯營公司 之權益	-	13,683
Disposal of associates	出售聯營公司	-	(125)
Impairment	減值	-	(12,429)
At 31st December	於十二月三十一日	<u>-</u>	<u>86,127</u>

The Group tests goodwill annually, or whenever there is an indication that goodwill might be impaired.

本集團每年或於有顯示商譽可能減值時進行減值測試。

Particulars of the Company's principal associates at 31st December, 2006 are set out in note 61.

本公司於二零零六年十二月三十一日之主要聯營公司資料列於附註第61項。

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

有關本集團之聯營公司之財務資料概述如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Total assets	資產總額	13,418,901	12,504,896
Total liabilities	負債總額	(6,093,981)	(6,112,961)
Net assets	資產淨值	7,324,920	6,391,935
Minority Interests	少數股東權益	(599,559)	(569,177)
Group's share of net assets of associates	本集團應佔聯營公司 資產淨值	2,548,735	2,586,221
Revenue	收益	1,290,412	2,990,345
(Loss) profit for the year	年內(虧損)溢利	(87,627)	469,356
Group's share of results of associates for the year	本集團應佔聯營 公司本年度業績	8,982	150,388

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28. INTERESTS IN JOINTLY CONTROLLED ENTITIES**28. 於共同控制企業之權益**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted shares	非上市股份		
Cost of investment	投資成本	3,642	1,536
Share of post-acquisition reserves	應佔收購後之儲備	928,072	882,480
		931,714	884,016
Elimination of unrealised profit	撇銷未變現溢利	(17,622)	(17,622)
		914,092	866,394

Particulars of the Group's principal jointly controlled entities at 31st December, 2006 are set out in note 62.

本集團於二零零六年十二月三十一日之主要共同控制企業資料列於附註第 62 項。

The summarised financial information of the Group's jointly controlled entities is set out below:

本集團之共同控制企業之財務資料概述如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current assets	非流動資產	2,489,176	2,115,265
Current assets	流動資產	338,109	319,212
Non-current liabilities	非流動負債	(787,358)	(575,870)
Current liabilities	流動負債	(175,527)	(89,638)
Revenue	收益	423,824	371,773
Expenses	開支	(364,421)	(294,621)
Increase in fair value of investment properties	投資物業公平價值增加	333,120	183,297

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29. AVAILABLE-FOR-SALE FINANCIAL ASSETS**29. 可供出售金融資產**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Listed equity securities, at fair value, issued by corporate entities	由企業實體發行之上市股本證券， 按公平值		
Hong Kong	香港	954,119	531,625
Outside Hong Kong	香港以外地區	9,151	4,444
		<u>963,270</u>	<u>536,069</u>
Unlisted equity securities, at fair value, issued by corporate entities	由企業實體發行之非上市股本證券， 按公平值		
Hong Kong	香港	275	22,537
Outside Hong Kong	香港以外地區	149,376	58,251
		<u>149,651</u>	<u>80,788</u>
		<u>1,112,921</u>	<u>616,857</u>

30. AMOUNTS DUE FROM ASSOCIATES**30. 應收聯營公司款項**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loan notes	貸款票據	78,000	78,000
Term loans	定期貸款	5,000	250,400
Advances	墊款	77,827	90,692
		<u>160,827</u>	<u>419,092</u>
Less: Impairment	減：減值	(2,125)	(18,726)
		<u>158,702</u>	<u>400,366</u>
Less: current portion	減：即期部份	(80,702)	(322,366)
		<u>78,000</u>	<u>78,000</u>

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31. LOANS AND ADVANCES TO CONSUMER FINANCE CUSTOMERS**31. 私人財務客戶貸款及墊款**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loans and advances to consumer finance customers	私人財務客戶貸款及墊款	3,015,726	2,722,602
Impairment	減值	(204,561)	(181,412)
		2,811,165	2,541,190
Less: Amount due within one year and shown under current assets	減：一年內到期款額並列於流動資產項下	(1,654,167)	(1,485,499)
Amount due after one year	一年後到期款額	1,156,998	1,055,691

The fair values of the Group's loans and advances to consumer finance customers at 31st December, 2006 were approximate to the corresponding carrying amounts.

於二零零六年十二月三十一日本集團之私人財務客戶貸款及墊款之公平價值與相應賬面值相若。

32. LOANS AND RECEIVABLES**32. 貸款及應收賬款**

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Convertible bonds of a listed subsidiary (note 32(i))	一間上市附屬公司之可換股債券(附註32(i))	-	-	82,104	-
Amounts due from investee companies (note 32(ii))	所投資公司欠款(附註32(ii))	6,667	124,687	-	-
Long-term portion of term loans and other receivables (note 36)	有期貸款及其他應收款項之長期部份(附註36)	28,383	1,066	-	-
		35,050	125,753	82,104	-
Less: impairment	減：減值	(1,447)	(1,447)	-	-
		33,603	124,306	82,104	-

The fair value of the Group's loans and receivables at 31 December, 2006 was approximate to the corresponding carrying value.

於二零零六年十二月三十一日，本集團之貸款及應收賬款之公平價值與相應賬面值相若。

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32. LOANS AND RECEIVABLES (CONT'D)

Note (i): The amounts of the loans and receivables represents the receivable element in respect of the convertible bonds issued by Allied Properties, which is stated at amortised cost at an effective interest rate of 9.52% per annum. The convertible bonds bear interest at 7% per annum for the period from 10th November, 2006 to 30th June, 2009 and 4% per annum for the period from 1st July, 2009 to 9th November, 2011.

The convertible bonds contain an embedded derivative representing the right of the holders to convert the convertible bonds into the number of new shares of Allied Properties, calculated by dividing the outstanding principal amounts of the convertible bonds by the conversion price of HK\$10 per share, during the conversion period commencing from 1st July, 2009 and ending on the business date falling ten business days immediately preceding 9th November, 2011. Further details of the embedded derivative are disclosed in note 35 to the financial statements.

The fair value of the Company's loans and receivables at 31st December, 2006 was HK\$87,292,000 (2005: Nil)

Note (ii): In 2006, a sum totaling HK\$118,003,000 for the interest in a Kuala Lumpur hotel project was derecognised and then recognised as available-for-sale financial asset after the Court of Final Appeal delivered its decision, dismissing the Group's final appeal.

33. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current year and prior reporting year.

		Accelerated tax depreciation	Revaluation of properties and other assets	Provision and impairment	Unrealised profits	Undistributed earnings and others	Tax losses	Equity component of convertible bonds of a subsidiary 一間附屬公司 之可換股債券 之權益部份	Total
		HK\$'000	物業及其他 資產重估 HK\$'000	撥備及減值 HK\$'000	未實現溢利 HK\$'000	未分派 溢利及其他 HK\$'000	稅項虧損 HK\$'000	之可換股債券 之權益部份 HK\$'000	總計 HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
The Group	本集團								
At 1st January, 2005	於二零零五年一月一日	170,561	82,772	(40,080)	1,274	3,620	(91,382)	-	126,765
Exchange adjustments	匯兌調整	-	-	-	67	-	-	-	67
Acquisition of a subsidiaries	收購附屬公司	-	-	-	132	-	(3,404)	-	(3,272)
Charged to equity	於權益中扣除	-	(26)	-	-	110	-	-	84
Charged (credited) to consolidated income statement	扣除自(計入)綜合收益賬	9,650	41,723	2,197	31	(866)	(4,560)	-	48,175
At 1st January, 2006	於二零零六年一月一日	180,211	124,469	(37,883)	1,504	2,864	(99,346)	-	171,819
Exchange adjustments	匯兌調整	-	-	-	111	-	-	-	111
Acquisition of subsidiaries	收購附屬公司	1,057	-	-	-	-	-	-	1,057
Charged to equity	於權益中扣除	-	5,154	-	-	-	-	740	5,894
Charged (credited) to consolidated income statement	扣除自(計入)綜合收益賬	14,521	(39,150)	(7,587)	(578)	382	(4,867)	(5)	(37,284)
At 31st December, 2006	於二零零六年十二月三十一日	195,789	90,473	(45,470)	1,037	3,246	(104,213)	735	141,597

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32. 貸款及應收賬款(續)

附註(i): 此項貸款及應收賬款乃指聯合地產發行之可換股債券之相關應收款項部份, 其實際年息率為9.52%, 按攤銷成本列值。可換股債券之年息率於二零零六年十一月十日至二零零九年六月三十日期間為7%, 於二零零九年七月一日至二零一一年十一月九日期間為4%。

可換股債券包含一項內置衍生產品, 即債券持有人有權於由二零零九年七月一日起至緊接二零一一年十一月九日前十個營業日之營業日止的轉換期按未償還本金額除以轉換價每股10港元之數額, 將債券轉換為聯合地產的新股份。有關內置衍生產品的詳情於財務報表附註第35項。

於二零零六年十二月三十一日, 本公司的貸款及應收賬款之公平值為87,292,000港元(二零零五年: 無)。

附註(ii): 於二零零六年, 於吉隆坡酒店項目合共為118,003,000港元之權益已取消確認, 並於終審法院作出駁回本集團之最終上訴的決定後確認為可供出售金融資產。

33. 遞延稅項

本集團於本年度及過往報告年度中確認之主要遞延稅項負債及資產以及其變動如下:

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33. DEFERRED TAX (CONT'D)

The following is the analysis of the deferred tax balances (after offset) for balance sheet disclosure purposes:

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

33. 遞延稅項(續)

有關遞延稅項結餘(抵銷後)就資產負債表披露目的之分析如下:

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
		189,306	212,155
		(47,709)	(40,336)
		141,597	171,819

At 31st December, 2006, the Group had unrecognised deductible temporary differences of HK\$863,963,000 (2005: HK\$1,334,809,000) and estimated unused tax losses of HK\$2,281,493,000 (2005: HK\$2,221,144,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$605,046,000 (2005: HK\$555,525,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$1,676,447,000 (2005: HK\$1,665,619,000) due to the unpredictability of future profit streams. There were no other significant temporary differences that are not recognised arising during the year or at the balance sheet date.

Included in unrecognised tax losses are losses of HK\$54,000, HK\$4,000 and HK\$282,000 that will expire in 2007, 2008 and 2009 respectively, the remaining losses may be carried forward indefinitely.

At 31st December, 2006, the Company had estimated unused tax losses of HK\$66,630,000 (2005: HK\$53,400,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

於二零零六年十二月三十一日, 本集團之未確認可扣稅臨時差額為863,963,000港元(二零零五年: 1,334,809,000港元)及可抵銷將來溢利之預期末動用稅項虧損2,281,493,000港元(二零零五年: 2,221,144,000港元)。其中就605,046,000港元(二零零五年: 555,525,000港元)之上述稅項虧損之遞延稅項資產已予確認。因未能確定將來溢利流, 餘下1,676,447,000港元(二零零五年: 1,665,619,000港元)稅項虧損之遞延稅項資產並無予確認。年內或於結算日, 並無其他未確認之重大臨時差額。

未確認稅項虧損包括54,000港元、4,000港元及282,000港元之虧損分別將於二零零七年、二零零八年及二零零九年到期。其他虧損則可無限期結轉。

於二零零六年十二月三十一日, 本公司之可抵銷將來溢利之預期末動用稅項虧損為66,630,000港元(二零零五年: 53,400,000港元)。因未能確定將來溢利流, 就該等稅項虧損之遞延稅項資產並無予確認。稅項虧損可無限期結轉。

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34. PROPERTIES HELD FOR SALE AND OTHER INVENTORIES**34. 待出售物業及其他存貨**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Properties in Hong Kong at net realisable value	於香港之物業，按可變現淨值	379,700	389,000
Non-current freehold properties outside Hong Kong, at net realisable value	於香港以外非即期永久業權物業，按可變現淨值	135,499	131,836
Medicine, dispensary supplies and other consumables	藥物，醫療用品及其他可耗用貨物	9,684	-
Other inventories	其他存貨	117	114
		525,000	520,950

Certain of the Group's properties previously held for sales with a net realisable value of HK\$47,160,000 in 2005 were rented out under operating leases in the prior year and were therefore reclassified as investment properties. No reclassifications or sales of properties held for sale occurred in 2006.

若干本集團之前所持有於二零零五年可變現淨值為47,160,000港元之待出售物業已於上一年按經營業租約租出，並已重列為投資物業。於二零零六年，概無重列或出售待出售物業。

The non-current freehold properties outside Hong Kong represent a property project in the United States of America. The Group has the intention to realise this asset. The freehold properties are included in the Group's property development and investment for segment reporting purposes (note 8).

於香港以外之非即期永久業權物業指在美利堅合眾國之一項物業項目。本集團擬將此資產變現。永久業權物業就分部報告目的計入本集團之物業發展及投資(附註8)。

At 31st December, 2006, the carrying value of properties held for sale pledged as security of the Group's bank and other borrowings amounted to HK\$515,199,000 (2005: HK\$520,836,000).

於二零零六年十二月三十一日，賬面值達515,199,000港元(二零零五年：520,836,000港元)之待出售物業已作為本集團銀行及其他借貸之抵押品。

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35. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**35. 透過損益賬按公平價值處理之金融資產**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Held for trading investments	持作買賣金融資產		
Listed equity securities, at fair value issued by corporate entities	由公司實體發行之上市股本證券，按公平值		
Hong Kong	香港	98,765	94,329
Outside Hong Kong	香港以外	4,732	2,534
issued by banks	由銀行發行		
Hong Kong	香港	36,344	20,654
Outside Hong Kong	香港以外	-	87
issued by public utilities	由公營機構發行		
Hong Kong	香港	465	33
		140,306	117,637
Unlisted equity securities, at fair value issued by corporate entities outside Hong Kong	由一間企業實體發行之非上市股本證券，按公平價值	3,259	222
Warrants and options listed in Hong Kong, at fair value	於香港上市之認購權證及期權，按公平價值	1,727	3,508
Other, at fair value	其他，按公平值	586	478
		145,878	121,845
Equity securities in unlisted investment funds, at fair value	非上市投資基金中之股本證券，按公平值		
issued by corporate entities outside Hong Kong	香港以外企業實體發行	231,130	119,292
		377,008	241,137

		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Warrants listed in Hong Kong, at fair value	香港上市之認股權證，按公平值	18,304	-
Unlisted derivative in Hong Kong	香港之非上市衍生工具	20,316	-
		38,620	-

The amount of the unlisted derivative in Hong Kong held by the Company represents the fair value of the embedded derivative arising from the option of the rights to convert the convertible bonds, which were issued by Allied Properties, into new shares of Allied Properties. Further details of the convertible bonds are disclosed in note 32.

本公司所持有的香港非上市衍生產品的款額乃指來自將聯合地產發行的可換股債券兌換為聯合地產的新股份的選擇權利的內置衍生產品的公平價值。可換股債券的詳情在附註第32項內披露。

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36. ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS**36. 應收賬款、按金及預付款項**

		The Group 本集團			
		2006 二零零六年		2005 二零零五年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade receivables	貿易應收賬款				
– Accounts receivable from exchanges, brokers and clients	– 來自交易所、經紀及客戶之應收賬款	1,252,972		928,461	
– Less: impairment	– 減：減值	(22,001)		(119,015)	
			1,230,971		809,446
– Secured term loans	– 有抵押定期貸款	438,229		166,967	
– Less: impairment	– 減：減值	(24,928)		(40,058)	
			413,301		126,909
– Unsecured term loan	– 無抵押定期貸款		3,965		3,030
			1,648,237		939,385
– Margin loans	– 證券放款	1,841,891		1,440,396	
– Less: impairment	– 減：減值	(58,461)		(147,111)	
			1,783,430		1,293,285
Interest receivables	應收利息		3,431,667		2,232,670
Other accounts receivable, deposits and prepayments	其他應收賬款、按金及預付款項		44,487		39,635
			305,574		152,672
			3,781,728		2,424,977
Less: long term portion of term loans and other receivables (note 32)	減：定期貸款及其他應收款項之長期部份(附註32)		(28,383)		(1,066)
			<u>3,753,345</u>		<u>2,423,911</u>

Included in accounts receivable, deposits and prepayments are trade receivables totalling HK\$1,648,237,000 (2005: HK\$939,385,000), the aged analysis of which is as follows:

計入應收賬款、按金及預付款乃應收貿易賬款合計1,648,237,000港元(二零零五年：939,385,000港元)，其賬齡分析如下：

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
0 to 30 days	零至30日	1,479,863	910,721
31 to 180 days	31至180日	101,633	16,849
181 to 365 days	181至365日	4,742	778
over 365 days	365日以上	108,928	170,110
		1,695,166	1,098,458
Impairment	減值	(46,929)	(159,073)
		<u>1,648,237</u>	<u>939,385</u>

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36. ACCOUNTS RECEIVABLE, DEPOSITS AND PREPAYMENTS (CONT'D)

No aged analysis on margin client's receivables is disclosed as, in the opinion of the Directors, an aged analysis is not meaningful in view of the nature of the business of securities margin financing.

Details of the interests rates and maturity dates of terms loans and margin loans are disclosed in note 5.

There were listed and unlisted securities and properties of clients held as collateral against secured margin loans and term loans. The fair value of the listed securities at 31st December, 2006 was HK\$11,022,589,000 (2005: HK\$6,272,527,000).

37. CASH AND CASH EQUIVALENTS

Bank balances and cash
Fixed deposits with banks
Treasury bills

銀行結餘及現金
存放於銀行之定期存款
國庫券

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		612,540	443,028	1,026	1,322
		1,144,098	281,465	-	-
		7,675	7,680	-	-
		1,764,313	732,173	1,026	1,322

The Group maintains trust and segregated accounts with licensed banks to hold clients' deposits arising from normal business transactions. At 31st December, 2006, trust and segregated accounts not otherwise dealt with in these accounts totalled HK\$3,461,364,000 (2005: HK\$2,130,593,000).

38. ACCOUNTS PAYABLE AND ACCRUED CHARGES

Included in accounts payable and accrued charges are trade payables of HK\$1,058,654,000 (2005: HK\$848,151,000), the aged analysis of which is as follows:

0 to 30 days
31 to 180 days
181 to 365 days
over 365 days

零至30日
31至180日
181至365日
365日以上

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		1,018,680	820,787
		12,909	4,336
		1,782	508
		25,283	22,520
		1,058,654	848,151

36. 應收賬款、按金及預付款項(續)

概無披露任何證券放款客戶之應收賬款之賬齡分析，因董事認為，鑑於證券放款融資之業務之性質，賬齡分析並無意義。

有期貸款及證券放款之利率及到期日之詳情於附註第5項中披露。

本集團持有客戶之上市及非上市證券以及物業作為有抵押證券放款及有期貸款之抵押品。上述上市證券於二零零六年十二月三十一日之公平價值為11,022,589,000港元(二零零五年：6,272,527,000港元)。

37. 現金及現金等價物

本集團於持牌銀行開設有信託及獨立賬戶，為經營日常業務所需而持有之客戶信託存款。於二零零六年十二月三十一日，信託及獨立賬戶並非未包括於本賬項下之金額合計為3,461,364,000港元(二零零五年：2,130,593,000港元)。

38. 應付賬款及應計費用

計入應付賬款及應計費用內之款額為應付貿易賬款共1,058,654,000港元(二零零五年：848,151,000港元)，其賬齡分析如下：

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39. FINANCIAL LIABILITIES AT FAIR VALUES THROUGH PROFIT OR LOSS**39. 透過損益賬按公平價值處理之金融負債**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Financial liabilities held for trading	持作買賣之金融負債		
Stock option	股票期權	1,902	56
Financial guarantee contracts	金融擔保合約	70	-
Stock borrowings	股票借用	-	17,700
		1,972	17,756

40. OTHER FINANCIAL ASSETS AND LIABILITIES**The Group**

The fair values of the Group's accounts receivable, amounts due from associates, amount due from a jointly controlled entity, cash and cash equivalent, amount due to associates, amount due to jointly controlled entity and accounts payable at 31st December, 2006 were approximate to the corresponding carrying amounts.

The Company

The fair values of the Company's accounts receivable, amounts due from subsidiaries, cash and cash equivalents, accounts payable and amount due to a subsidiary at 31st December, 2006 were approximate to the corresponding carrying amounts.

40. 流動資產及流動負債**本集團**

於二零零六年十二月三十一日，本集團之應收賬款、應收聯營公司款項、應收一間共同控制企業款項、現金及現金等價物、欠聯營公司款項、欠共同控制企業款項及應付賬款之公平價值與相應賬面值相若。

本公司

於二零零六年十二月三十一日，本公司之應收賬款、應收附屬公司款項、現金及現金等價物、應付賬款及應付一間附屬公司款項之公平價值與相應賬面值相若。

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41. SHARE CAPITAL

		Number of shares 股份數目	Value 價值 HK\$'000 千港元
Ordinary shares of HK\$2 each Authorised:	每股面值2港元之普通股 法定股本：		
At 1st January, 2005, 31st December, 2005 and at 31st December, 2006	於二零零五年一月一日、 二零零五年十二月三十一日 及二零零六年十二月三十一日	650,000,000	1,300,000
Issued and fully paid:	已發行及繳足股本：		
At 1st January, 2005	於二零零五年一月一日	260,651,030	521,302
Shares repurchased and cancelled	已購回及註銷股份	(6,322,607)	(12,645)
At 31st December, 2005	於二零零五年十二月三十一日	254,328,423	508,657
Shares repurchased and cancelled	已購回及註銷股份	(7,312,000)	(14,624)
At 31st December, 2006	於二零零六年十二月三十一日	247,016,423	494,033

41. 股本**42. SHARE OPTION SCHEME**

The share option scheme of the Company ("Scheme") was adopted pursuant to a resolution passed by the Company's shareholders on 3rd June, 2002 ("Adoption Date") for the primary purpose of providing the eligible participants an opportunity to have a personal stake in the Company and to help motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants of the Scheme include any employees, directors of the Company, its subsidiaries or any entity in which the Group holds an equity interest ("Invested Entity"), supplier of goods or services to the Group or any Invested Entity, customer of the Group or any Invested Entity, any minority shareholders of the Group or Invested Entity and any other person or entity who in the opinion of the Directors have contributed or may contribute to the development and growth of the Group. The Scheme will expire on 2nd June, 2012.

The maximum number of shares which may be issuable under the Scheme and any other schemes of the Company (excluding options lapsed pursuant to the Scheme and any other schemes of the Company) must not exceed 10% of the issued shares of the Company at the Adoption Date. At 31st December, 2006, the maximum number of shares issuable under the Scheme was 10% of the Company's shares in issue as at that date.

42. 購股權計劃

本公司之購股權計劃(「本計劃」)乃根據本公司股東於二零零二年六月三日(「採納日期」)通過之決議案而採納,旨在向合資格參與者提供於本公司持有個人股份之機會,以及幫助鼓勵、吸引及挽留可對本集團長期之增長及盈利能力作出重要貢獻之合資格參與者。本計劃之合資格參與者包括本公司、其任何附屬公司或本集團持有股本權益之任何機構(「所投資實體」)之任何僱員、董事、本集團或所投資實體之貨品或服務供應商、本集團或所投資實體之客戶、本集團或所投資實體之任何少數股東,或董事認為對本集團發展及增長有貢獻或可能作出貢獻之任何人士或機構。本計劃將於二零一二年六月二日屆滿。

根據本計劃及本公司任何其他計劃(不包括根據本計劃及本公司任何其他計劃已失效之購股權)可予發行之股份數目上限,不得超過本公司於採納日期之已發行股份之10%。於二零零六年十二月三十一日,根據本計劃可予發行之股份數目上限佔本公司於該日期之已發行股份10%。

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42. SHARE OPTION SCHEME (CONT'D)

The total number of shares issued and to be issued to each eligible participant under the Scheme in any 12-month period must not exceed 1% of the issued shares of the Company unless approved in advance by the shareholders of the Company in general meeting.

Any option to be granted under the Scheme to a director, chief executive or substantial shareholder of the Company or to any of their respective associates must be approved by Independent Non-Executive Directors of the Company. In addition, any option to be granted to a substantial shareholder or an Independent Non-Executive Director of the Company or to any of their respective associates which will result in the shares issued and to be issued in excess of 0.1% of the issued shares or with an aggregate value (based on the closing price of the shares at the date of the grant) in excess of HK\$5,000,000 within any 12-month period is subject to approval by the shareholders of the Company in general meeting.

The offer of a grant of options under the Scheme may be accepted within 28 business days from the date of the offer and by payment of HK\$1.00 as consideration for the grant of an option. An option may be exercised in accordance with the terms of the Scheme at any time during a period as to be determined and notified by the Directors to each grantee, but shall end in any event not later than 10 years from the Adoption Date.

The exercise price is determined by the Directors and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant of an option, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant of an option; and (iii) the nominal value of the Company's shares.

No options have been granted under the Scheme since its adoption and accordingly there were no options outstanding at 31st December, 2006 and 2005.

42. 購股權計劃(續)

除非獲本公司股東事先於股東大會上批准，於任何十二個月期限內根據本計劃而發行及將發行予每位合資格參與者之股份數目總額，不得超過本公司已發行股份之1%。

倘根據本計劃向本公司董事、行政總裁或主要股東或彼等各自之任何聯繫人士授出任何購股權，必須獲本公司獨立非執行董事批准。此外，倘向本公司主要股東或獨立非執行董事或彼等各自之任何聯繫人士授出購股權，而導致根據本計劃而發行及將予發行之股份於十二個月期限內超過已發行股份之0.1%或總值(根據股份於授出購股權日期之收市價計算)超過5,000,000港元，則須由本公司股東於股東大會作出批准。

根據本計劃授出購股權之建議，可於授出建議當日起計28個營業日內接納，並支付1.00港元作為授出購股權之代價。購股權可按本計劃之條款及於董事釐定並通知每位承授人之期間內隨時行使，惟在任何情況下須於採納日期起計十年內屆滿。

行使價由董事釐定，並至少須為以下之最高者：(i)本公司股份於授出購股權建議當日(須為交易日)於聯交所每日報價表所列之收市價；(ii)本公司股份於緊接授出購股權建議當日前五個交易日在聯交所每日報價表所列之平均收市價；及(iii)本公司股份之面值。

自採納本計劃以來，概無任何購股權根據本計劃而授出，因此亦無任何購股權於二零零六年及二零零五年十二月三十一日尚未行使。

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43. RESERVES

43. 儲備

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The Group	本集團		
Share premium	股份溢價	1,519,481	1,519,481
Property revaluation reserve	物業重估儲備	19,241	-
Investment revaluation reserve	投資重估儲備	475,381	238,263
Capital redemption reserve	資本贖回儲備	208,115	193,491
Translation reserve	匯兌儲備	16,275	(17,449)
Non-distributable reserve (note 43 (a))	非供派發儲備(附註43(a))	55,226	55,226
Capital reserve (note 43 (b))	資本儲備(附註43(b))	1,517	3,410
Accumulated profits	累計溢利	4,352,905	3,576,028
Dividend reserve	股息儲備	98,633	37,637
		6,746,774	5,606,087

		Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元	Accumulated profits 累計溢利 HK\$'000 千港元	Dividend reserve 股息儲備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
The Company	本公司					
At 1st January, 2005	於二零零五年一月一日	1,519,481	180,846	349,035	26,006	2,075,368
Interim dividend	中期股息	-	-	(12,918)	12,918	-
Dividend paid	已付股息	-	-	-	(38,838)	(38,838)
Overprovision of dividend	股息超額撥備	-	-	86	(86)	-
Proposed final dividend	擬派末期股息	-	-	(37,637)	37,637	-
Shares repurchased and cancelled	股份購回及註銷	-	-	(56,081)	-	(56,081)
Transferred on share repurchase	股份購回轉撥	-	12,645	(12,645)	-	-
Profit attributable to equity holders of the Company	本公司股東應佔溢利	-	-	137,136	-	137,136
At 31st December, 2005	於二零零五年十二月三十一日	1,519,481	193,491	366,976	37,637	2,117,585
Overprovision of expenses for share repurchased in previous year	就過往年度股份購回之開支超額撥備	-	-	333	-	333
2006 Interim dividend declared	二零零六年宣派之中期股息	-	-	(24,791)	24,791	-
Dividend paid	已付股息	-	-	-	(62,428)	(62,428)
Proposed final dividend	擬派末期股息	-	-	(98,633)	98,633	-
Shares repurchased and cancelled	股份購回及註銷	-	-	(108,076)	-	(108,076)
Transferred on share repurchase	股份購回轉撥	-	14,624	(14,624)	-	-
Profit attributable to equity holders of the Company	本公司股東應佔溢利	-	-	162,123	-	162,123
At 31st December, 2006	於二零零六年十二月三十一日	1,519,481	208,115	283,308	98,633	2,109,537

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43. RESERVES (CONT'D)

The Company's reserves available for distribution to equity holders of the Company at 31st December, 2006 are represented by accumulated profits and dividend reserve totalling HK\$381,941,000 (2005: HK\$404,613,000).

Notes:

- (a) Non-distributable reserve represents the Group's share of a subsidiary's capital redemption reserve.
- (b)

43. 儲備(續)

於二零零六年十二月三十一日，本公司可供分派予股權持有人之儲備呈列為合共381,941,000港元(二零零五年：404,613,000港元)之累計溢利及股息儲備。

附註：

- (a) 非供派發儲備指本集團應佔附屬公司之資本贖回儲備。
- (b)

		Capital reserve 資本儲備 HK\$'000 千港元	Statutory reserve 法定儲備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
The Group	本集團			
At 1st January, 2005	於二零零五年一月一日	-	1,903	1,903
Share of post acquisition reserve movements of associates	應佔收購後聯營公司儲備變動	1,310	-	1,310
Transferred from accumulated profits	轉撥自累計溢利	-	197	197
At 31st December, 2005	於二零零五年十二月三十一日	1,310	2,100	3,410
Share of post acquisition reserve movements of associates	應佔收購後聯營公司儲備變動	76	-	76
Released on deemed disposal of associates	視作為出售聯營公司時轉撥	(1,386)	(596)	(1,982)
Transferred from accumulated profits	轉撥自累計溢利	-	13	13
At 31st December, 2006	於二零零六年十二月三十一日	-	1,517	1,517

Statutory reserve represents a reserve required under the relevant rules and regulations of Mainland China.

法定儲備乃指按中國大陸有關法規及規例所規定之儲備。

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44. BANK AND OTHER BORROWINGS**44. 銀行及其他借貸**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank loans, overdrafts and other borrowings comprise:	銀行貸款、透支及其他借貸包括：		
Bank loans	銀行貸款	2,521,391	2,527,956
Overdrafts	透支	34,930	92,696
Other borrowings	其他借貸	8,000	7,000
		2,564,321	2,627,652
Analysed as:	列為：		
Secured	有抵押	1,556,029	1,832,537
Unsecured	無抵押	1,008,292	795,115
		2,564,321	2,627,652
Bank loans and overdrafts are repayable as follows:	銀行貸款及透支償還期限如下：		
Within one year or on demand	一年內或即期	1,637,170	1,244,889
More than one year but not exceeding two years	一年以上但不超過兩年	645,712	626,939
More than two years but not exceeding five years	兩年以上但不超過五年	273,439	691,214
More than five years	五年以上	-	57,610
		2,556,321	2,620,652
Other borrowings are repayable as follows:	其他借貸償還期限如下：		
Within one year or on demand	一年內或即期	8,000	7,000
		2,564,321	2,627,652
Less: Amount repayable within one year shown under current liabilities	減：列於流動負債項下須於一年內償還之款額	(1,645,170)	(1,251,889)
Amount due after one year	一年後到期之款額	919,151	1,375,763

The Group has a bank loan of HK\$1,704,000 which is denominated in USD. Details of the interest rates and dates of maturity of the bank loans are disclosed in note 5.

本集團有一筆銀行貸款1,704,000港元乃以美元為結算單位。銀行貸款利率及到期日期之詳情於附註第5項披露。

Details of the assets of the Group and the Company pledged to secure bank and other borrowings are set out in note 56.

以本集團及本公司資產作為抵押之銀行及其他借貸之詳情列於附註第56項。

The fair values of the Group's bank and other borrowings at 31st December, 2006 were approximate to the corresponding carrying amounts.

於二零零六年十二月三十一日，本集團之銀行及其他借貸之公平價值與相應賬面值相若。

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45. LOAN NOTES**45. 貸款票據**

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
At amortised cost	按攤銷成本				
Loan notes issued by the Company	由本公司發行之貸款票據	44,011	80,679	44,011	80,679
Loan notes issued by a listed subsidiary	由一間上市附屬公司發行之貸款票據	66,639	64,252	—	—
Carrying amounts at 31st December	於十二月三十一日之賬面值	110,650	144,931	44,011	80,679

The loan notes of the Company and those of the listed subsidiary, Sun Hung Kai, were issued as part of the consideration for the repurchase of shares of the Company and Sun Hung Kai respectively. The loan notes issued by the Company bear interest at 2.25% per annum and are due on 15th August, 2008. The loan notes issued by Sun Hung Kai bear interest at 4% per annum and are due on 7th March, 2008. The effective interest rates are 7.0% and 7.9% per annum respectively.

本公司及上市附屬公司新鴻基之貸款票據，乃發行作為分別支付購回本公司及新鴻基股份之部份代價。本公司發行之貸款票據以年利率2.25%計息，並於二零零八年八月十五日到期。新鴻基發行之貸款票據以年利率4%計息，並於二零零八年三月七日期到期。實際利率分別為每年7.0%及7.9%。

The fair values of the loan notes at 31st December, 2006 were approximate to the corresponding carrying amounts.

於二零零六年十二月三十一日，貸款票據之公平價值與相應賬面金額相若。

46. CONVERTIBLE BONDS**46. 可換股債券**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Principal amount of convertible bonds issued (net of issue costs)	已發行可換股債券之本金額(扣除發行成本)	38,209	—
Financial asset – embedded derivative component (net of issue cost)	金融資產 – 嵌入式衍生工具部份(扣除發行成本)	375	—
Equity component (net of issue costs)	股本部份(扣除發行成本)	(4,227)	—
Liability component on initial recognition (net of issue costs)	初始確認之負債部份(扣除發行成本)	34,357	—
Accrued interest capitalised during the year	年內已資本化應計利息	27	—
Liability component	負債部份	34,384	—

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46. CONVERTIBLE BONDS (CONT'D)

The convertible bonds were issued on 10th November, 2006 by a listed subsidiary, Allied Properties, at HK\$10 per convertible bond. The convertible bonds bear interest at 7% per annum for the period from 10th November, 2006 to 30th June, 2009 and, 4% per annum for the period from 1st July, 2009 to 9th November, 2011. Holders of the convertible bonds have the right to convert the convertible bond, into shares of Allied Properties by dividing the outstanding principal amounts of the convertible bonds by the conversion price of HK\$10 per share during the conversion period commencing from 1st July, 2009 and ending on the business date falling ten business days immediately preceding 9th November, 2011. The convertible bonds, if not already redeemed or converted, will be mandatory redeemable by Allied Properties on the maturity date of 9th November, 2011. Allied Properties has the option to early redeem the convertible bonds on the day falling every six months after the date of issue of the convertible bonds.

The convertible bonds contain three components comprising an early redemption derivative, financial liability and equity conversion option elements. The early redemption derivative element, amounting to HK\$375,000 attributable to the Group, representing the derivative arising from the option of the Group to early redeem the convertible bonds, was initially recognised on issue of the convertible bonds and the fair value of the financial assets decreased to zero based on independent professional valuation at 31st December 2006. The financial liability is unsecured and stated at amortised cost with an effective interest rate of 8.37% per annum. The equity element of the convertible bonds is disclosed as "Equity component of convertible bonds of a subsidiary".

The fair value of the liability component of the convertible bonds at 31st December, 2006 based on independent professional valuation was HK\$34,891,000.

47. PROVISIONS

		The Group 本集團		The Company 本公司	
		Employee benefits 僱員福利 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Employee benefits 僱員福利 HK\$'000 千港元
Provisions:	撥備：				
At 1st January, 2006	於二零零六年一月一日	33,513	1,638	35,151	16
Provided for the year	年內撥備	67,379	4,973	72,352	140
Written back	撥回	(458)	(159)	(617)	-
Utilisation of provision	撥備利用	(11,506)	(385)	(11,891)	-
Acquisition of subsidiary	收購附屬公司	-	5,088	5,088	-
Transfer from accounts payable	轉撥自應付賬項	3,147	-	3,147	-
Amount paid during the year	年內已付款項	(24,210)	-	(24,210)	-
At 31st December, 2006	於二零零六年 十二月三十一日	67,865	11,155	79,020	156
Less: current portion	減：流動部份	(67,307)	(10,533)	(77,840)	(156)
Non-current portion	非流動部份	558	622	1,180	-

46. 可換股債券(續)

可換股債券乃於二零零六年十一月十日由一間上市附屬公司聯合地產按每可換股債券10港元發行。可換股債券之年息率於二零零六年十一月十日至二零零九年六月三十日期間為7%，於二零零九年七月一日至二零一一年十一月九日期間為4%。債券持有人有權於由二零零九年七月一日起至緊接二零一一年十一月九日前十個營業日之營業日止的轉換期按未償還本金額除以轉換價每股10港元之數額。將債券轉換為聯合地產的新股份。聯合地產必須於二零一一年十一月九日之前強制性贖回尚未獲贖回或轉換的可換股債券。聯合地產可選擇於可換股債券之發行日期後每滿六個月之日提早贖回可換股債券。

可換股債券包含三個部份，包括提早贖回衍生工具、金融負債及股本轉換權部份。本集團應佔提早贖回衍生工具375,000港元由本集團在可換股債券中的提早贖回權所衍生乃於發行可換股債券時即時確認，且根據二零零六年十二月三十一日之獨立專業估值金融資產之公平值已降至零。金融負債乃無抵押及按攤銷成本及實際年息率8.37%列賬。可換股債券的股本部份於「一間附屬公司之可換股債券之權益部份」內披露。

根據獨立專業估值，可換股債券於二零零六年十二月三十一日之公平值為34,891,000港元。

47. 撥備

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48. OTHER LIABILITIES**48. 其他負債**

		The Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Advance from minority shareholders	少數股東墊款	856	974
Obligations under finance leases	融資租賃負債	13	-
		869	974
Less: current portion	減：流動部份	(861)	-
Non-current portion	非流動部份	8	974

49. ACQUISITION OF SUBSIDIARIES**49. 收購附屬公司**

During the year, the Group concluded on option agreement with CLSA Capital Limited ('CLSA') in relation to the option shares and option warrants of QHA for a consideration of approximately HK\$11,101,000. The option entitled the Group to acquire from CLSA 34,156,666 shares in QHA at an aggregate exercise price of HK\$99,908,000, and for warrants leading to the subscription of 7,056,232 shares in QHA.

年內，本集團與CLSA Capital Limited (「CLSA」) 就卓健的認購權股份及認購權認股證訂立一份認購權協議，代價約為11,101,000港元。認購權賦本集團權利，以99,908,000港元的總行使價從CLSA收購34,156,666股卓健股份，及行使認股權證以認購7,056,232股卓健股份。

On 29th September 2006, the Group exercised the option over the option shares of QHA and in October 2006, CLSA transferred all the option warrants of QHA to the Group. The Group increased its interests in QHA from 34% as at 1st January, 2006 to 51% immediately following the exercise of the option over the option shares.

於二零零六年九月二十九日，本集團行使卓健認購權股份的認購權，且於二零零六年十月CLSA將所有卓健認購權認股證轉讓予本集團。緊隨行使認購權股份的認購權之後，本集團在卓健的權益從二零零六年一月一日的34%增至51%。

The total consideration for the increase in interests in QHA amounted to HK\$111,009,000 and was settled by cash. The amount of goodwill arising on acquisition was HK\$167,254,000 of which HK\$86,127,000 was previously included in the carrying value of interests in associates.

增加於卓健的權益的總代價111,009,000港元以現金支付。收購產生的商譽數額為167,254,000港元，其中86,127,000港元之前已計入於聯營公司權益的賬面值。

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49. ACQUISITION OF SUBSIDIARIES (CONT'D)

The net assets acquired and the goodwill arising from the acquisition are as follows:

		Acquiree's carrying amount 所收購公司之賬面值 HK\$'000 千港元	Fair value adjustments 公平值調整 HK\$'000 千港元	Provisional fair value 暫定公平值 HK\$'000 千港元
Net asset acquired	所收購淨資產			
Property, plant and equipment	物業、廠房及設備	39,700	-	39,700
Goodwill	商譽	3,527	(3,527)	-
Interests in associates	於聯營公司權益	2,460	-	2,460
Interests in jointly controlled entities	於共同控制實體權益	684	-	684
Inventories	存貨	9,004	-	9,004
Accounts receivable, deposits and prepayments	應收賬款、按金及預付款項	125,169	-	125,169
Cash and cash equivalents	現金及現金等價物	160,235	-	160,235
Accounts payable and accrued charges	應付賬款及應計費用	(120,925)	-	(120,925)
Tax payable	應付稅項	(12,968)	-	(12,968)
Bank and other borrowings	銀行及其他借貸	(10)	-	(10)
Provisions	撥備	(3,563)	-	(3,563)
Deferred tax liabilities	遞延稅項負債	(1,057)	-	(1,057)
Net assets	淨資產	<u>202,256</u>	<u>(3,527)</u>	198,729
Minority interests	少數股東權益			<u>(97,218)</u>
				101,511
Total purchase consideration, satisfied by:	收購總代價，以下列方式償付：			
Cash, including expense paid	現金，包括已支付開支			113,865
Pre-acquisition dividend received and receivables	已收及應收收購前股息			(3,329)
Expenses incurred on acquisition	收購時產生之費用			2,338
Transfer from interests in associates	轉撥自於聯營公司權益			<u>155,891</u>
				268,765
Goodwill	商譽			<u>167,254</u>

49. 收購附屬公司(續)

所收購淨資產及因收購產生之商譽如下：

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49. ACQUISITION OF SUBSIDIARIES (CONT'D)**49. 收購附屬公司(續)**

		Fair value 公平價值 HK\$'000 千港元
Net cash outflow arising on acquisition:	收購時之現金流出淨額：	
Cash consideration paid	已付現金代價	113,865
Cash and cash equivalents acquired	已收購之現金及現金等價物	(160,235)
		<u>(46,370)</u>

The goodwill arising on acquisition of the above subsidiary is subject to adjustments as the management is in the process to carry out valuation on the net assets to determine the goodwill arising from the transactions.

收購上述附屬公司產生之商譽有待調整，因為管理層正就淨資產進行估值以釐定該等交易產生之商譽。

The aggregate revenue and the profit for the year of the acquired subsidiaries are as follows:

年內已收購附屬公司之總收入及溢利如下：

		For the year ended 31st December, 2006 於截至二零零六年 十二月三十一日止年度 HK\$'000 千港元	Post acquisition attributable to the Group 本集團應佔 收購後 HK\$'000 千港元
Total revenue	收益總額	<u>908,857</u>	<u>226,421</u>
Profit for the year	年內溢利	<u>65,149</u>	<u>12,829</u>

The information for the year 2006 is for illustrative purposes only and is not necessarily an indication of revenue and results of operation of the acquired subsidiaries that are included in the consolidated income statement of the Group, nor is it intended to be a projection of future results.

二零零六年之資料僅供說明用途，並不代表計入本集團綜合收益表內之已收購附屬公司之收益及經營業績，亦不代表未來業績之預測。

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50. DISPOSAL OF A SUBSIDIARY

In December 2006, the Group disposed of a subsidiary engaged in asset management business. The net assets of the subsidiary at the date of disposal were as follows.

50. 出售附屬公司

於二零零六年十二月，本集團出售一間從事資產管理業務之附屬公司。該附屬公司於出售日期之淨資產如下：

		2006 二零零六年 HK\$'000 千港元
Net assets disposed of:	已出售淨資產	
Cash and cash equivalents	現金及現金等價物	77
Loans and advances to consumer finance customers	私人財務客戶貸款及墊款	564
Accounts payable and accrued charges	應付賬項及應計費用	(54)
Tax payable	應付稅項	(62)
		<u>525</u>
Profit on disposal of a subsidiary	出售一間附屬公司之溢利	<u>14,460</u>
Proceeds on disposal	出售所得款項	<u>14,985</u>
Satisfied by:	按以下方式支付：	
Cash	現金	<u>14,985</u>
Analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiary:	有關出售附屬公司之現金及現金等價物流入淨額之分析：	
Cash consideration received	已收現金代價	14,985
Cash and cash equivalents disposed of	已出售現金及現金等價物	(77)
		<u>14,908</u>

51. MAJOR NON-CASH TRANSACTION

During the year, dividend income declared by a jointly controlled entity of HK\$120,000,000 (2005: HK\$60,000,000) was recorded by setting off the amount against the current account with the jointly controlled entity.

51. 主要非現金交易

年內，由共同控制企業宣派之股息收入120,000,000港元(二零零五年：60,000,000港元)乃透過與共同控制企業之往來賬目抵銷記錄。

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52. CONTINGENT LIABILITIES

- (a) At 31st December, 2006, the Group had guarantees as follows:

Indemnities on banking guarantees made available to a clearing house and regulatory body	就一間結算所及監管機構所獲銀行擔保作出賠償擔保
Other guarantees	其他擔保

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
5,540	5,540
12,098	7,084
17,638	12,624

- (b) In June 2006, Sun Hung Kai received notice of a 2001 order made by the Hubei Province Higher Peoples Court in China freezing US\$3 million of funds (or assets of equivalent value) of Sun Hung Kai Securities Limited ("SHKS"), a wholly-owned subsidiary of Sun Hung Kai, pursuant to which SHKS's shares in Chang Zhou Power Development Company Limited in China ("Shares") (worth US\$3 million) were subsequently frozen. SHKS had sold the Shares in 1998. Sun Hung Kai will further investigate the matter but at this stage it does not consider that it is appropriate to make any provision considering the circumstances.

At 31st December, 2006, the Company had guarantees of HK\$205,000,000 (2005: HK\$155,000,000) given to banks in respect of banking facilities utilised by a subsidiary. Facilities amounting to HK\$110,600,000 (2005: HK\$39,656,000) were utilised at 31st December, 2006.

The Company charged guarantee fees to a subsidiary at market related rates on an annual basis for the guarantees given on banking facilities.

53. CAPITAL COMMITMENTS

Capital expenditure contracted but not provided for in the consolidated financial statements	已簽約但未在財務報表中作撥備之資本開支
Capital expenditure authorised but not contracted for	已獲授權但未簽約之資本開支

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

52. 或然負債

- (a) 於二零零六年十二月三十一日，本集團作出之擔保如下：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
5,540	5,540
12,098	7,084
17,638	12,624

- (b) 於二零零六年六月，新鴻基接獲中國湖北省高級人民法院發出之2001年命令通知，判令凍結新鴻基之直接全資附屬公司新鴻基證券有限公司(「新鴻基證券」)3,000,000美元的資金(或等值資產)，據此，新鴻基證券於中國長州電力發展有限公司之股份(「股份」)(價值3,000,000美元)其後已被凍結。新鴻基證券已於一九九八年出售該等股份。新鴻基將進一步調查，但在目前情況下並不認為適宜作出任何撥備。

於二零零六年十二月三十一日，本公司就一間附屬公司所動用之銀行信貸額向銀行作出205,000,000港元(二零零五年：155,000,000港元)之擔保。於二零零六年十二月三十一日已提用之信貸額為110,600,000港元(二零零五年：39,656,000港元)。

本集團就所作出之銀行信貸擔保按照有關市場比率每年向該間附屬公司收取擔保費。

53. 資本承擔

The Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
38,663	32,124
1,000	2,259

於二零零六年及二零零五年十二月三十一日，本公司並無任何重大資本承擔。

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54. OPERATING LEASE ARRANGEMENTS**54. 營業租約安排**

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
As lessee	作為承租人				
Minimum lease payments under operating leases recognised in the income statement for the year	於本年度收益賬中確認有關營業租約之最低租約款項				
Land and buildings	土地及樓宇	71,023	44,198	3,471	4,478
Others	其他	121	50	-	-
		71,144	44,248	3,471	4,478

At 31st December, 2006, the Group and the Company had outstanding minimum lease payments under non-cancellable operating leases, which fall due as follows:

於二零零六年十二月三十一日，本集團及本公司根據不可撤銷營業租約而於下列期間到期支付之最低租約款項如下：

		The Group 本集團				The Company 本公司	
		2006 二零零六年		2005 二零零五年		2006 二零零六年	2005 二零零五年
		Land and buildings 土地及樓宇 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	HK\$'000 千港元
Within one year	一年內	114,425	6,608	43,222	406	4,870	8,129
In the second to fifth years inclusive	於第二至第五年(包括首尾兩年)	116,993	795	32,771	-	-	4,039
Over five years	五年以上	5	-	84	-	-	-
		231,423	7,403	76,077	406	4,870	12,168

Operating leases are generally negotiated for terms ranging from one to five years.

經營租約之年期一般議定為一至五年。

As lessor

Property rental income earned during the year was HK\$97,068,000 (2005: HK\$84,810,000). The property held has committed tenants whose tenancy agreements expire or are terminable over the next three years.

作為出租人

年內賺取之物業租金收入為97,068,000港元(二零零五年：84,810,000港元)。所持有之物業已有租戶承諾租用，該等租戶之租約協議將於未來三年內屆滿或可於未來三年內終止。

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54. OPERATING LEASE ARRANGEMENTS (CONT'D)

At 31st December, 2006, 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 years inclusive	於第二至第五年(包括首尾兩年)

The Company did not have any significant lease commitments as lessor under non-cancellable operating leases at 31st December 2006 and 2005.

55. RETIREMENT BENEFIT SCHEMES

The Group operates defined contribution retirement benefit schemes for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group under provident funds managed by independent trustees.

The retirement benefits cost charged to the income statement represents contributions paid and payable to the fund by the Group at rates specified in the rules of the schemes. Where there are employees who leave the schemes prior to vesting fully in the contributions, in accordance with the terms of the schemes, the contributions payable by the Group are reduced by the amount of forfeited employer's contributions.

At 31st December, 2006 and 2005, there were no material forfeited contributions which arose when employees left the retirement benefit schemes before they were fully vested in the contributions and which were available to reduce the contributions payable by the Group in the future years.

The scheme has been closed in December 2000 to new employees as a consequence of the Mandatory Provident Fund Schemes Ordinance introduced by the Hong Kong Government.

From 1st December, 2000 onwards, the new staff in Hong Kong joining the Group are required to join the Mandatory Provident Fund Scheme ("MPF Scheme"). The Group is required to contribute 5%, while the employees are required to contribute 5% of their salaries to the MPF Scheme.

54. 營業租約安排(續)

於二零零六年十二月三十一日，本集團已就下列未來最低租約款項與租戶訂立合約：

The Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
70,138	67,060
52,695	37,793
122,833	104,853

於二零零六年及二零零五年十二月三十一日，本公司概無因作為出租人而於不可撤銷營業租約項下擁有任何重大租賃承擔。

55. 退休福利計劃

本集團為所有在香港之合資格僱員提供定額供款退休福利計劃。該等計劃之資產與本集團之資產分開持有，獨立存於由獨立信託公司所管理之公積金。

自收益賬扣除之退休福利開支為本集團按計劃規則所指定比率而已付及應付之基金供款。倘僱員於全數達到享用退休福利前退出計劃，則根據計劃之條款，退回僱主供款之金額將用以減除本集團應付之供款。

於二零零六年及二零零五年十二月三十一日，並無僱員由於在達到可全數享用退休福利前退出該計劃以致有重大部份之僱主供款得以退回，並可將該退回款項用以減除本集團往後年度之應付供款。

由於香港政府推行強制性公積金計劃條例，本集團於二零零零年十二月起已不再為新僱員提供上述計劃。

自二零零零年十二月一日起，凡於香港新加盟本集團之員工按規定均須加入強制性公積金計劃(「強積金計劃」)。本集團及僱員各自須向強積金計劃作出相當於僱員薪金5%之供款。

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56. PLEDGE OF ASSETS

At 31st December, 2006, certain of the Group's investment properties, hotel property, land and buildings, prepaid land lease payments and properties held for sale with an aggregate carrying value of HK\$3,819,889,000 (2005: HK\$3,565,676,000), listed investments belonging to the Group and margin clients with a carrying value of HK\$1,306,215,000 (2005: HK\$1,387,657,000) together with certain securities in respect of listed subsidiaries held by the Company and its subsidiaries, the net book value of which in their respective accounts totalling HK\$3,845,221,000 (2005: HK\$3,171,082,000) were pledged to secure loans and general banking facilities to the extent of HK\$3,275,591,000 (2005: HK\$3,248,756,000) granted to the Group. Facilities amounting to HK\$1,556,029,000 (2005: HK\$1,832,537,000) were utilised at 31st December, 2006.

At 31st December, 2006, a bank deposit of HK\$1,000,000 (2005: HK\$972,000) was pledged to secured a bank guarantee amounting to HK\$2,000,000 (2005: HK\$2,000,000).

At 31st December, 2006, certain of the securities in a listed subsidiary held by the Company with an aggregate carrying value of HK\$813,577,000 (2005: HK\$695,969,000) together with certain investments of its subsidiaries, were pledged to secure banking facilities to the extent of HK\$200,000,000 (2005: HK\$150,000,000) granted to a subsidiary. Facilities amounting to HK\$110,600,000 (2005: HK\$39,656,000) were utilised at 31st December, 2006.

56. 資產抵押

於二零零六年十二月三十一日，本集團若干投資物業、酒店物業、土地及樓宇、預繳地價及待出售物業賬面總值3,819,889,000港元(二零零五年：3,565,676,000港元，經重列)、屬於本集團及證券放款客戶之上市投資面值1,306,215,000港元(二零零五年：1,387,657,000港元)連同本公司及其附屬公司持有之上市附屬公司之若干證券，其各自賬目中所示之賬面淨值合共為3,845,221,000港元(二零零五年：3,171,082,000港元)已用作本集團所獲3,275,591,000港元(二零零五年：3,248,756,000港元)貸款及一般銀行信貸額之抵押。於二零零六年十二月三十一日，已提用之信貸額為1,556,029,000港元(二零零五年：1,832,537,000港元)。

於二零零六年十二月三十一日，一項為數1,000,000港元(二零零五年：972,000港元)之銀行存款已用作抵押一項為數2,000,000港元(二零零五年：2,000,000港元)之銀行擔保。

於二零零六年十二月三十一日，本公司於一間上市附屬公司所持有之若干證券，賬面總值合共813,577,000港元(二零零五年：695,969,000港元)連同其附屬公司之若干投資已予抵押，作為給予本公司一間附屬公司200,000,000港元(二零零五年：150,000,000港元)銀行融資之抵押。於二零零六年十二月三十一日，已提用之信貸額為110,600,000港元(二零零五年：39,656,000港元)。

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57. RELATED PARTY TRANSACTIONS AND BALANCES

The following is a summary of the significant transactions and balances with related parties during the year and as at the year end.

(a) Summary of transactions

		(Income)/Expense (收入)/支出	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Associates	聯營公司		
Dividend income	股息收入	-	(750)
Management services fee	管理服務費	(4,335)	(4,080)
Service fee income	服務費收入	(814)	(2,718)
Interest income	利息收入	(9,702)	(6,788)
Rent, property management and air-conditioning fees and other related service fees	租金、物業管理及空調費以及其他相關服務費	(934)	(1,674)
Insurance premium	保險金	(4,762)	(4,402)
Jointly controlled entities	共同控制企業		
Rent, property management and air-conditioning fees	租金、物業管理及空調費	10,195	8,926
Dividend income	股息收入	(120,000)	(60,000)
Property management and air-conditioning fees and other property related service fees	物業管理及空調費及其他相關服務費	(14,143)	(13,996)
Administration, management and consultancy fees	行政、管理及顧問費	(4,906)	(3,775)
		<u>(4,906)</u>	<u>(3,775)</u>

(b) Key management personnel compensation**(b) 主要管理層人員酬勞**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short term benefits	短期福利	35,319	32,395
Post-employment benefits	退休福利	894	606
		<u>36,213</u>	<u>33,001</u>

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57. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)**57. 有關連人士之交易及結餘(續)**

- (c) The net balances due from (to) related parties at 31st December, 2006 and 2005 are summarised as follows:

- (c) 於二零零六年及二零零五年十二月三十一日應收(應付)有關連人士之結餘淨額概列如下：

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Associates	聯營公司	150,929	342,599	4,744	5,362
Jointly controlled entities	共同控制企業	(76,876)	(78,916)	-	-
		74,053	263,683	4,744	5,362

The above amounts are included in the balance sheets of the Group and the Company in the following ways:

上述金額乃以下列方式於本集團及本公司之資產負債表內入賬：

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Accounts receivable, deposits and prepayments	應收賬款、按金及預付款項	5,198	5,493	4,744	5,362
Amounts due from associates after one year (note 57c(i))	一年後應收聯營公司款項(附註57c(i))	78,000	78,000	-	-
Amounts due from associates within one year (note 57c(ii))	一年內應收聯營公司款項(附註57c(ii))	80,702	322,366	-	-
Amount due from a jointly controlled entity	應收一間共同控制企業款項	2,185	2,159	-	-
Accounts payable and accrued charges	應付賬款及應計費用	(442)	(444)	-	-
Amounts due to associates (note 57c(ii))	應付聯營公司款項(附註57c(ii))	(12,527)	(62,828)	-	-
Amount due to a jointly controlled entity (note 57c(iii))	應付一間共同控制企業款項(附註57c(iii))	(79,063)	(81,063)	-	-
		74,053	263,683	4,744	5,362

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57. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)**57. 有關連人士之交易及結餘(續)**

(c) (Cont'd)

Notes:

- (i) The amount is unsecured and bear interest at 2.5% per annum and the interest is payable annually. The notes are due for repayment on 29th August, 2008.
- (ii) At 31st December 2006, these amounts due from (to) associates are unsecured, non-interest bearing and are repayable on demand, except for an unsecured short-term loan to an associate of HK\$5,000,000 which bears interest at 10.5% per annum. The loan is due for repayment on 24th January, 2007. At 31st December, 2005, these amount due from (to) associates are unsecured, non-interest bearing and repayable on demand except that the amount due from associates at 31st December 2005 included term loans of HK\$4,000,000 and HK\$1,400,000 granted to subsidiaries of the listed associate with interest charged at 10.5% per annum and prime rate plus 3.5% per annum respectively.
- (iii) Amount due from (to) a jointly controlled entity are unsecured, interest free and repayable on demand.
- (d) During the year, both the Group and a joint venture partner, each having a 50% interests in a jointly controlled entity, received and repaid various interest-free loans from such jointly controlled entity. At 31st December, 2006, the amounts lent to the Group totalled HK\$79,000,000 (2005: HK\$81,000,000) were unsecured, interest-free and repayable on demand.
- (e) During 2005, a loan facility of HK\$280,000,000 was granted to a subsidiary of a listed associate for a term of 36 months from 7th November, 2005. The loan was charged at an interest rate of 1% over prime rate per annum and guaranteed by the listed associate. At 31st December, 2005, the loan drawn down amounted to HK\$245,000,000. The term loan was fully repaid in 2006

In 2005, other term loans of HK\$4,000,000 and HK\$1,400,000 were granted to subsidiaries of the listed associate on 8th December, 2005 and 29th December, 2005 for a term of one year with interest charged at (i) 10.5% per annum and (ii) prime rate plus 3.5% per annum, respectively. These term loans were fully repaid in 2006.

A term loan of HK\$2,000,000 was granted to a subsidiary of the listed associate on 22nd June, 2006 for a period of one year with interest charged at 1% over prime rate per annum. This term loan was fully repaid in 2006.

(c) (續)

附註：

- (i) 該款項為無抵押及按年息率2.5%計息，利息每年支付。該等票據於二零零八年八月二十九日到期償還。
- (ii) 於二零零六年十二月三十一日，此等應收(應付)聯營公司之款項為無抵押、免息及須於要求時償還，惟向一間聯營公司作出之無抵押短期貸款5,000,000港元按年利率10.5%計息除外。該貸款須於二零零七年一月二十四日償還。於二零零五年十二月三十一日，此等應收(應付)聯營公司之款項為無抵押、免息及須於要求時償還，惟於二零零五年十二月三十一日應收聯營公司之款項中已包括向上市聯營公司之附屬公司授出之有期貨款分別4,000,000港元及1,400,000港元，利息分別按年利率10.5%及最優惠利率加3.5%計算。
- (iii) 應收(應付)一間共同控制企業之款項為無抵押、免息及須於要求時償還。
- (d) 年內，本集團與一間合營夥伴於一間雙方各佔50%權益之共同控制企業收取及獲償還若干免息貸款。於二零零六年十二月三十一日，借貸予本集團之款項總額為79,000,000港元(二零零五年：81,000,000港元)，乃為無抵押、免息及即期償付。
- (e) 二零零五年內，一間上市聯營公司之附屬公司獲授一項280,000,000港元之貸款融資，年期自二零零五年十一月七日起計三十六個月。貸款按年利率最優惠利率加1%計息及由該上市聯營公司擔保。於二零零五年十二月三十一日，已提取貸款245,000,000港元。此有期貨款已於二零零六年悉數償還。

於二零零五年，上市聯營公司之附屬公司分別於二零零五年十二月八日及二零零五年十二月二十九日獲授其他有期貨款4,000,000港元及1,400,000港元，為期一年，利息分別按(i)年利率10.5%及(ii)最優惠利率加3.5%計算。該等有期貨款已於二零零六年悉數償還。

上市聯營公司之附屬公司於二零零六年六月二十二日獲授一項有期貨款2,000,000港元，為期一年，按最優惠利率加1%計息。該有期貨款已於二零零六年悉數償還。

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58. MATURITY PROFILE OF TERM ASSETS AND LIABILITIES

The following table lists certain financial assets and financial liabilities of the Group which have a term of maturity. Overdue assets are included as on demand.

58. 有期資產與負債到期分析

以下載列本集團訂有期滿日之若干金融資產與金融負債。過期未付資產撥入須即時償還類資產。

		At 31st December, 2006 於二零零六年十二月三十一日					
		On demand 即時償還	Within 3 months 三個月內	3 months to 1 year 三個月至一年	1 year to 5 years 一年至五年	After 5 years 五年後	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets	資產						
Fixed deposits with banks	銀行定期存款	-	1,144,098	-	-	-	1,144,098
Loans and advances to consumer finance customers	私人財務客戶貸款及墊款	249,525	421,881	1,108,643	1,156,094	79,583	3,015,726
Term loan due from a listed associate	應收一間上市聯營公司之有期貸款	-	5,000	-	-	-	5,000
Loan notes due from a listed associate	應收一間上市聯營公司之貸款票據	-	-	-	78,000	-	78,000
Term loans	有期貸款	216,120	190,062	8,412	27,600	-	442,194
Treasury bills	國庫券	-	7,675	-	-	-	7,675
Liabilities	負債						
Bank and other borrowings	銀行及其他借貸	8,000	1,339,089	298,081	919,151	-	2,564,321
Loan notes	貸款票據	-	-	-	110,650	-	110,650
Convertible bonds	可換股債券	-	-	-	34,384	-	34,384
Obligation under a finance lease	融資租賃負債	-	5	4	4	-	13

		At 31st December, 2005 於二零零五年十二月三十一日					
		On demand 即時償還	Within 3 months 三個月內	3 months to 1 year 三個月至一年	1 year to 5 years 一年至五年	After 5 years 五年後	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets	資產						
Fixed deposits with banks	銀行定期存款	-	281,465	-	-	-	281,465
Loans and advances to consumer finance customers	私人財務客戶貸款及墊款	182,606	387,774	1,019,601	1,060,670	71,951	2,722,602
Term loans due from a listed associate	應收一間上市聯營公司之有期貸款	-	245,000	5,400	-	-	250,400
Loan notes due from a listed associate	應收一間上市聯營公司之貸款票據	-	-	-	78,000	-	78,000
Term loans	有期貸款	97,567	69,230	3,200	-	-	169,997
Treasury bills	國庫券	-	7,680	-	-	-	7,680
Liabilities	負債						
Bank and other borrowings	銀行及其他借貸	-	841,566	410,323	1,318,153	57,610	2,627,652
Loan notes	貸款票據	-	-	-	144,931	-	144,931

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59. EVENTS AFTER THE BALANCE SHEET DATE

- (a) In January 2007, Sun Hung Kai sold 43,950,000 shares in Lippo Limited, an available-for-sale investment, through a number of on-market transactions on the Stock Exchange of Hong Kong Limited for an aggregate consideration of HK\$131,850,000 which gave rise to a profit of approximately HK\$48,036,000. Sun Hung Kai ceased to have any interest in Lippo Limited after the disposal.
- (b) On 22nd February, 2007, Allied Properties announced a partial redemption of the convertible bonds, being HK\$5 out of the principal amount of HK\$10 per convertible bond. The redemption monies, together with accrued interest amounting to HK\$274,780,000, were payable by Allied Properties on 22nd March, 2007. The effect to the consolidated income statement arising on the transaction was immaterial.

59. 結算日以後之事項

- (a) 二零零七年一月，新鴻基透過在香港聯合交易所有限公司進行的多筆交易，出售於力寶有限公司中的43,950,000股股份(可供出售投資)，總代價為131,850,000港元，帶來盈利約48,036,000港元。出售之後，新鴻基不再於力寶有限公司中擁有任何權益。
- (b) 二零零七年二月二十二日，聯合地產宣佈部份贖回可換股債券的本金額，即每份可換股債券10港元本金額中的5港元。贖回款項連同應計利息274,780,000港元須由聯合地產於二零零七年三月二十二日支付。該交易對綜合收益賬之影響輕微。

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60. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31st December, 2006 which have their principal place of operations in Hong Kong are set out below:

60. 主要附屬公司資料

於二零零六年十二月三十一日，本公司主要業務所在地位於香港之主要附屬公司資料如下：

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行 股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %		Principal activity 主要業務
		attributable to the Group 本集團 應佔 %		
AG Capital Limited 聯合融資有限公司	2 2元	100	100	Share trading, money lending and business of consultancy 股份買賣、借貸 及顧問諮詢業務
Alaston Development Limited	US\$1 1美元	100	75	Property trading 物業買賣
Allied Aquatic Produce Development Limited 聯合水產發展有限公司	50,000,000 50,000,000元	100 *	100	Investment holding 控股投資
Allied Capital Management Limited	2 2元	100	100	Securities trading 證券買賣
Allied Medical Practices Guild Limited 雅聯醫務協會有限公司	2 2元	100	25	Provision of contract healthcare services 提供合約保健服務
Allied Properties (H.K.) Limited ** 聯合地產(香港)有限公司**	1,074,303,802 1,074,303,802元	18 * 57	75	Investment holding 控股投資
Allied Real Estate Agency Limited 聯合地產代理有限公司	2 2元	100	75	Real estate agency 地產代理
AP Administration Limited	2 2元	100	75	Provision of management and consultancy services 管理及顧問服務
AP Corporate Services Limited	2 2元	100	75	Provision of corporate services 公司服務
AP Development Limited 聯合地產發展有限公司	2 2元	100 *	75	Investment holding 控股投資

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60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**60. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行 股本面值之比率 held by		Principal activity 主要業務
		the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
AP Diamond Limited	US\$1 1 美元	100	75	Property trading and holding 物業買賣及持有物業
AP Emerald Limited	US\$1 1 美元	100	75	Investment holding 控股投資
AP Finance Limited	2 2 元	100	75	Money lending 借貸
AP Property Management Limited	2 2 元	100	75	Building management 樓宇管理
Bali International Finance Limited 百達利財務有限公司	137,500,000 137,500,000 元	100	49	Financial service and investment holding 金融服務及控股投資
Bali Securities Co. Limited 百達利證券有限公司	7,000,000 7,000,000 元	100	49	Securities dealer 證券交易商
Best Melody Development Limited 高韻發展有限公司	5,000 5,000 元	100	75	Property holding 持有物業
Capscore Limited	2 2 元	100 *	100	Investment holding 控股投資
Cheeroll Limited	2 2 元	100	49	Investment holding, securities and bullion trading 控股投資、證券及 黃金買賣
Citiwealth Investment Limited 開鵬投資有限公司	2 2 元	100 *	100	Share trading and investment holding 股份買賣及控股投資
Cowslip Company Limited	2 2 元	100	49	Investment holding 控股投資

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60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**60. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行 股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %		Principal activity 主要業務
			attributable to the Group 本集團 應佔 %	
Dynamic Force Investments Limited	US\$1 1 美元	100	49	Investment holding 控股投資
Dynamic People Group Limited	US\$1 1 美元	100	25	Provision of LASIK and optical surgical services 提供激光及視力手術服務
Excalibur Futures Limited 駿溢期貨有限公司	20,000,000 20,000,000 元	100	49	Future dealing and broking 期貨買賣及經紀
Excalibur Securities Limited 駿溢證券有限公司	20,000,000 20,000,000 元	100	49	Securities broking 證券經紀
Fame Arrow Company Limited 威箭有限公司	100,000 100,000 元	100	71	Loan financing 貸款融資
Florich Development Limited 景資發展有限公司	10,000 10,000 元	100	75	Investment holding 控股投資
Front Sail Limited 拓航有限公司	5,000 5,000 元	100	75	Property holding 持有物業
Gilmore Limited	2 2 元	100	75	Property holding 持有物業
Gloria (Nominees) Limited	200 200 元	100	49	Investment holding 控股投資
Gloxin Limited	2 2 元	100	49	Investment holding 控股投資
Hilarious (Nominees) Limited	10,000 10,000 元	100	49	Investment holding 控股投資
Hillcrest Development Limited	20 20 元	100	75	Property holding 持有物業

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60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**60. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行 股本面值之比率 held by		Principal activity 主要業務
		the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
Hi-Link Limited	200 200元	100	75	Investment holding 控股投資
Integrated Custodian Limited	2 2元	100	75	Property holding 持有物業
Itso Limited	2 2元	100	49	Securities trading 證券買賣
Jaffe Development Limited	US\$1 1美元	100	75	Property holding 持有物業
Kalix Investment Limited	2 2元	100	75	Property holding 持有物業
King Policy Development Limited 勁鵬發展有限公司	2 2元	100	75	Property holding 持有物業
Lexshan Nominees Limited 歷山代理人有限公司	2 2元	100	49	Nominee service 代理人服務
Macdonnell (Nominees) Limited	10,000 10,000元	100	49	Investment holding 控股投資
Maxplan Investment Limited 銳騰投資有限公司	2 2元	100	75	Securities trading 證券買賣
Mightyton Limited	10,000 10,000元	100	75	Property holding 持有物業
Oakfame Investment Limited 幹美投資有限公司	2 2元	100	49	Investment holding 控股投資
Ontone Limited 安通建業有限公司	2 2元	100	75	Hotel operations, property development and property holding 酒店業務、地產發展 及持有物業

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60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

60. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行 股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %		Principal activity 主要業務
		attributable to the Group 本集團 應佔 %		
Pioneer Alliance Limited 興順隆有限公司	10,000 10,000元	100 *	100	Investment holding 控股投資
Pioneer Score Development Limited 先港發展有限公司	2 2元	100	49	Investment holding 控股投資
Plentiwind Limited	2 2元	100	49	Futures trading 期貨買賣
Polyking Services Limited 栢麗服務有限公司	2 2元	100	49	Building maintenance and cleaning services 樓宇保養及清潔服務
Protech Property Management Limited 保得物業管理有限公司	5,000 5,000元	100	49	Building management 樓宇管理
QHES Limited 卓健耆老有限公司	US\$1 1美元	100	25	Provision of elderly care services 提供長者護理服務
Quality HealthCare Asia Limited ** 卓健亞洲有限公司**	21,038,483 21,038,483元	51	25	Investment holding 投資控股
Quality HealthCare Dental Services Limited 卓健牙科服務有限公司	1,000 1,000元	100	25	Provision of dental services 提供牙科服務
Quality HealthCare Man Kee Elderly Limited 卓健耆安萬基有限公司	1,000 1,000元	100	25	Provision of elderly care services 提供長者護理服務
Quality HealthCare Medical Centre Limited 卓健醫療體檢中心有限公司	1,300 1,300元	100	25	Medical facilities and services provider 醫療設施及服務供應商
Quality HealthCare Medical Services Limited 卓健醫療服務有限公司	2 2元	100	25	Provision of contract healthcare services 提供合約保健服務
Quality HealthCare Nursing Agency Limited 卓健護理介紹所有限公司	10,000 10,000元	100	25	Provision of nursing agency services 提供護理介紹服務

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截至二零零六年十二月三十一日止年度

60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**60. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行 股本面值之比率 held by		Principal activity 主要業務
		the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
Quality HealthCare Nursing Home Limited 卓健耆安護理老有限公司	1,000 1,000元	100	25	Provision of elderly care services 提供長者護理服務
Quality HealthCare Physiotherapy Services Limited 卓健物理治療服務有限公司	1,000 1,000元	100	25	Provision of physiotherapy services 提供物理治療服務
Quality HealthCare Professional Services Limited	2 2元	100	25	Provision of professional services 提供專業服務
Quality HealthCare Psychological Services Limited 卓健心理健康有限公司	1 1元	100	25	Provision of psychological services 提供心理服務
Quick Art Limited	3,540,000 3,540,000元	100	49	Share trading and property holding 證券買賣及持有物業
Ranbridge Finance Limited 捷橋財務有限公司	20,000,000 20,000,000元	100	49	Money lending 借貸
Rank Crown Investment Limited 穎坤投資有限公司	2 2元	100 *	100	Investment holding 控股投資
San Pack Properties Limited 山栢置業有限公司	10 10元	100	75	Property holding 持有物業
Scienter Investments Limited	20 20元	100	49	Share trading 證券買賣
SHK Finance Limited 新鴻基財務有限公司	150,000,000 150,000,000元	100	28	Money lending 借貸
SHK Financial Data Limited 新鴻基財經資訊有限公司	100 100元	51	25	Provision of financial information service 財經資訊服務

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**60. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行 股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %		Principal activity 主要業務
		attributable to the Group 本集團 應佔 %		
SHK Fund Management Limited 新鴻基投資管理有限公司	5,000,000 5,000,000 元	100	49	Funds marketing and management 基金市場策劃及管理
SHK Investment Services Limited	1,000,000 1,000,000 元	100	49	Asset holding and leasing 資產投資及租賃
SHK Online (Securities) Limited 新鴻基科網(證券)有限公司	40,000,000 40,000,000 元	100	49	Online securities broking and margin financing 網上證券經紀 及證券放款
SHK Online Limited 新鴻基科網有限公司	20,000,000 20,000,000 元	100	49	Online financial services 網上金融服務
SHK Pearl River Delta Investment Company Limited 新鴻基珠江三角洲投資有限公司	75,000,000 75,000,000 元	100	49	Investment holding 控股投資
Shun Loong Bullion Limited 順隆金業有限公司	6,000,000 6,000,000 元	100	49	Bullion dealing and broking 黃金買賣及經紀
Shun Loong Finance Limited 順隆財務有限公司	1,000,000 1,000,000 元	100	49	Money lending 借貸
Shun Loong Forex Company Limited 順隆外匯有限公司	32,000,000 32,000,000 元	100	49	Leveraged foreign exchange dealing and broking 槓桿外匯買賣及經紀
Shun Loong Futures Limited 順隆期貨有限公司	15,000,000 15,000,000 元	100	49	Futures and option dealing 期貨及期權買賣
Shun Loong Holdings Limited 順隆集團有限公司	200,000,000 200,000,000 元	100	49	Investment holding 控股投資

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**60. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行 股本面值之比率 held by		Principal activity 主要業務
		the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
Shun Loong Securities Company Limited 順隆證券行有限公司	50,000,000 50,000,000 元	100	49	Securities broking and share margin financing 證券經紀及證券放款
Sierra Joy Limited	2 2 元	100	75	Property holding 持有物業
Splendid Gain Limited	2 2 元	100	49	Investment holding 控股投資
Sun Hing Bullion Company Limited 新興金業有限公司	5,000,000 5,000,000 元	100	49	Bullion trading 黃金買賣
Sun Hung Kai & Co. Limited** 新鴻基有限公司**	298,791,429 298,791,429 元	65	49	Investment holding 控股投資
Sun Hung Kai (Nominees) Limited 新鴻基(代理人)有限公司	200 200 元	100	49	Nominee service 代理人服務
Sun Hung Kai Bullion Company Limited 新鴻基金業有限公司	30,000,000 30,000,000 元	100	49	Bullion trading and investment holding 黃金買賣及控股投資
Sun Hung Kai Commodities Limited 新鴻基期貨有限公司	80,000,600	100	49	Commodities broking 商品期貨經紀
Sun Hung Kai Forex Limited 新鴻基外匯有限公司	150,000,000 150,000,000 元	100	49	Foreign exchange dealing 外匯買賣

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**60. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行 股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %		Principal activity 主要業務
		attributable to the Group 本集團 應佔 %		
Sun Hung Kai Insurance Consultants Limited 新鴻基保險顧問有限公司	1,000,000 1,000,000元	100	49	Insurance broking and consultancy services 保險經紀及顧問服務
Sun Hung Kai International Limited 新鴻基國際有限公司	10,000,000 10,000,000元	100	49	Corporate finance service 企業融資服務
Sun Hung Kai International Commodities Limited	25,000,000 25,000,000元	100	49	Securities future and options trading 證券、期貨及期權買賣
Sun Hung Kai Investment Services Limited 新鴻基投資服務有限公司	290,000,000 290,000,000元	100	49	Investment holding, share broking and margin financing 控股投資、證券經紀及證券放款
Sun Hung Kai Research Limited 新鴻基資料研究有限公司	100,000 100,000元	100	49	Securities research service 證券資料研究服務
Sun Hung Kai Securities (Overseas) Limited 新鴻基證券(海外)有限公司	60,000 60,000元	100	49	Investment holding 控股投資
Sun Hung Kai Securities (Trustees) Limited 新鴻基證券(信託)有限公司	3,000,000 3,000,000元	100	49	Provision of trustee service 信託服務
Sun Hung Kai Securities Capital Markets Limited 新鴻基證券資本市場有限公司	1,000 1,000元	100	49	Investment holding 控股投資
Sun Hung Kai Securities Limited 新鴻基証券有限公司	124,898,589 124,898,589元	100	49	Investment holding 控股投資
Sun Hung Kai Venture Capital Limited	2 2元	100	49	Investment holding 控股投資
Sun Hung Kai Wealth Management Limited 新鴻基優越理財有限公司	5,000,000 5,000,000元	100	49	Investment advisory, financial planning and wealth management 投資顧問、財務策劃及資產管理

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截至二零零六年十二月三十一日止年度

60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**60. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 已發行 股本面值之比率 held by the Company*/ subsidiaries 本公司*/ 附屬公司 持有 %		Principal activity 主要業務
			attributable to the Group 本集團 應佔 %	
Sun Tai Cheung Credits Limited 新泰昌授信有限公司	150,000,000 150,000,000 元	100	49	Share margin financing 證券放款
Sun Tai Cheung Finance Company Limited 新泰昌財務有限公司	25,000,000 25,000,000 元	100	49	Financial service 金融服務
Sunhill Investments Limited 陽山投資有限公司	2 2 元	100 *	100	Investment holding 控股投資
Texgulf Limited	20 20 元	100	49	Property holding 持有物業
The Building and Loan Agency (Asia) Limited 建屋貸款(亞洲)有限公司	2 2 元	100	22	Money lending 借貸
The Hong Kong Building and Loan Agency Limited 香港建屋貸款有限公司	225,000,000 225,000,000 元	75	22	Investment holdings, treasury investments and provision of mortgage finance 控股投資、庫務投資及 按揭貸款融資
To Wan Development Company Limited 杜雲發展有限公司	10,000 10,000 元	100	22	Investment holding 控股投資
Tung Wo Investment Company, Limited 同和投資有限公司	10,000 10,000 元	100	49	Investment holding 控股投資
United Asia Finance Limited 亞洲聯合財務有限公司	137,500,000 137,500,000 元	58	28	Consumer financing 私人財務
Wah Cheong Development Company, Limited 華昌建業有限公司	25,100,000 25,100,000 元	100	49	Investment holding 控股投資
Wineur Secretaries Limited 偉略秘書有限公司	2 2 元	100	49	Secretarial service 秘書服務
Yee Li Ko Investment Limited 億利高投資有限公司	58,330,000 58,330,000 元	100	49	Property holding 持有物業

for the year ended 31st December, 2006

截至二零零六年十二月三十一日止年度

60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

With the exception of Alaston Development Limited, AP Diamond Limited, AP Emerald Limited, Dynamic Force Investment Limited, Dynamic People Group Limited, Jaffe Development Limited and QHES Limited, which were incorporated in the British Virgin Islands and Quality HealthCare Asia Limited which was incorporated in Bermuda, all the above subsidiaries were incorporated in Hong Kong.

Particulars of the Company's principal subsidiaries at 31st December, 2006 which were incorporated and have their principal place of operation outside Hong Kong are set out below:

60. 主要附屬公司資料(續)

除 Alaston Development Limited、AP Diamond Limited、AP Emerald Dynamic Force Investment Limited、Dynamic People Group Limited、Jaffe Development Limited 及卓健耆老有限公司在英屬處女群島註冊，以及卓建亞洲有限公司於百慕達註冊成立外，以上所有附屬公司均在香港註冊成立。

於二零零六年十二月三十一日，本公司在香港以外地點註冊成立及其主要業務所在地亦在香港以外之主要附屬公司資料如下：

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行 普通股本	Proportion of nominal value of issued capital 已發行 股本面值之比率 attributable		Principal activity 主要業務
			held by subsidiaries 附屬公司 持有 %	to the Group 本集團 應佔 %	
Allied Properties China Limited	Cayman Islands 開曼群島	US\$1,000 1,000 美元	100 *	75	Investment holding 控股投資
Best Decision Investments Limited	British Virgin Islands 英屬處女群島	US\$50,000 50,000 美元	65	31	Investment holding 控股投資
Best Delta International Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Investment holding 控股投資
Boneast Assets Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Investment holding 控股投資
Constable Development S.A.	Panama 巴拿馬	US\$5 5 美元	100	49	Investment holding 控股投資
Elecrent Consultants Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	75	Investment holding 控股投資
Hing Yip Holdings Limited 興業控股有限公司	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Property holding 持有物業
I-Market Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Investment holding 控股投資
Island New Finance Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	28	Investment holding 控股投資
Kenworld Corporation	Republic of Liberia 利比里亞共和國	US\$1 1 美元	100	75	Investment holding 控股投資
Lakewood Development Corporation	United States of America 美國	US\$1,000 1,000 美元	100	75	Property held for sale 持有待出售物業
Onspeed Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	28	Investment holding 控股投資
Ranbridge, Inc.	The Philippines 菲律賓	Peso 5,385,000 5,385,000 披索	100	49	Money lending 借貸

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截至二零零六年十二月三十一日止年度

60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)**60. 主要附屬公司資料(續)**

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行 普通股本	Proportion of nominal value of issued capital 已發行 股本面值之比率 attributable		Principal activity 主要業務
			held by subsidiaries 附屬公司 持有 %	to the Group 本集團 應佔 %	
Shipsape Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Investment holding 控股投資
SHK Absolute Return Managers Limited	Cayman Islands 開曼群島	US\$10 10 美元	100	49	Investment holding 控股投資
SHK Dynamic Managers Limited	Cayman Islands 開曼群島	US\$10 10 美元	100	49	Funds management 基金管理
SHK Global Managers Limited	British Virgin Islands 英屬處女群島	US\$5,000 5,000 美元	100	49	Funds management 基金管理
SHK Quant Managers Limited	Cayman Islands 開曼群島	US\$10 10 美元	100	49	Funds management 基金管理
Sing Hing Investment Limited 誠興投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Property holding 持有物業
Sun Hung Kai International Bank [Brunei] Limited	Brunei Darussalam 汶萊	SGD10,000,000 10,000,000 新加坡元	100	49	International banking business 國際銀行業務
Sun Hung Kai International Investment Management Limited	British Virgin Islands 英屬處女群島	US\$50,000 50,000 美元	100	49	Investment holding 控股投資
Sun Hung Kai Investment Services (Macau) Limited	Macau 澳門	MOP 1,000,000 1,000,000 澳門元	100	49	Property holding 持有物業
Sun Hung Kai Online Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Online service 網上服務
Sun Hung Kai Securities (Bermuda) Limited	Bermuda 百慕達	US\$12,000 12,000 美元	100	49	Investment holding and management service 控股投資及管理 服務

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60. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

60. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行 普通股本	Proportion of nominal value of issued capital 已發行 股本面值之比率		Principal activity 主要業務
			held by subsidiaries 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
Sun Hung Kai Securities (Phil.), Inc.	The Philippines 菲律賓	Peso 273,600,000 273,600,000 披索	100	49	Investment holding 控股投資
Swan Islands Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Investment holding 控股投資
Tailwind Consultants Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Investment holding 控股投資
UAF Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Investment holding 控股投資
Upper Selection Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Investment holding 控股投資
Upstand Assets Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Investment holding 控股投資
Wah Cheong Development (B.V.I.) Limited	British Virgin Islands 英屬處女群島	US\$2,675,400 2,675,400 美元	100	49	Investment holding 控股投資
Winbest Hodlings Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	21	Investment holding 投資控股
Zeal Goal International Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100	49	Investment holding 控股投資

** The subsidiaries are listed in Hong Kong and further details about these subsidiaries are available in its published audited accounts.

** 該等附屬公司於香港上市，有關該等附屬公司之詳情載於其公佈之經審核賬目內。

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

以上所列出者，乃董事會認為對本年度之業績有重大影響，或構成本集團資產或負債主要部份之本公司附屬公司。董事會認為列出其他附屬公司之詳情，會令資料過於冗長。

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61. PARTICULARS OF PRINCIPAL ASSOCIATES

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

61. 主要聯營公司資料

於二零零六年十二月三十一日之本集團主要聯營公司資料如下：

Associates 聯營公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Proportion of nominal value of issued capital 已發行股本面值之比率		Principal activity 主要業務
		held by subsidiaries 附屬公司 持有 %	attributable to the Group 本集團 應佔 %	
Chronicle Gain Limited 確勁有限公司	Hong Kong 香港	45	22	Property holding 持有物業
China Xin Yongan Futures Company Limited 中國新永安期貨有限公司	Hong Kong 香港	25	12	Futures broking 期貨經紀
Drinkwater Investment Limited 精威置業有限公司	Hong Kong 香港	22	10	Property holding 持有物業
Omicron International Limited	British Virgin Islands 英屬處女群島	44	22	Investment holding 控股投資
Real Estate Investments (N.T.) Limited	Hong Kong 香港	40	19	Property development 物業發展
Silver York Development Limited 兆勇發展有限公司	Hong Kong 香港	42	20	Investment holding 控股投資
SkinCentral Limited	Hong Kong 香港	30	15	Derrmatology, aesthetic and laser services 提供護膚、美容及 激光服務
Start Hold Limited 時達開有限公司	Hong Kong 香港	33	16	Investment holding 控股投資
Tian An China Investments Company Limited** 天安中國投資有限公司**	Hong Kong 香港	40	19	Investment holding 控股投資
Yu Ming Investments Limited** 禹銘投資有限公司**	Hong Kong 香港	22	10	Investment holding 控股投資

** These associates are listed in Hong Kong and further details about these associates are available in their published audited accounts.

** 該等聯營公司在香港上市，有關該等聯營公司之詳情載於其公佈之經審核賬目內。

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

以上所列出者，乃董事會認為對本年度之業績有重大影響，或構成本集團資產或負債主要部份之本集團聯營公司。董事會認為列出其他聯營公司之詳情，會令資料過於冗長。

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62. PARTICULARS OF PRINCIPAL JOINTLY CONTROLLED ENTITIES**62. 主要共同控制企業資料**

Particulars of the Group's principal jointly controlled entities at 31st December, 2006 are set out below.

於二零零五年十二月三十一日之本集團主要共同控制企業資料如下：

Jointly controlled entities 共同控制企業	Place of incorporation/ operation 註冊成立/ 業務所在地	Proportion of nominal value of issued capital 已發行股本面值之比率		Principal activity 主要業務
		held by subsidiaries 附屬公司 持有 %	attributable Group 本集團 應佔 %	
Allied Kajima Limited	Hong Kong 香港	50	37	Property and investment holding 地產及控股投資
GFIA-SHK Managers Limited	Cayman Islands 開曼群島	51*	25	Funds management 基金管理
Poltallock Limited	Hong Kong 香港	50	25	Facilities and technical services to medical and dental practitioners 向醫生及牙醫提供 設施及技術服務
SHK Corporate Finance (Shanghai) Limited 上海新鴻基企業顧問有限公司	People's Republic of China 中華人民共和國	33	19	Corporate finance advisory 企業融資顧問

The above table lists the jointly controlled entities of the Group which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the assets or liabilities of the Group.

以上所列出者，乃董事會認為對本年度之業績有重大影響，或構成本集團資產或負債主要部份之本集團共同控制企業。

* Although the Group holds 51% interests in GFIA-SHK Managers Limited, it is jointly controlled by the Group and other shareholder of this company. Its profit and loss are split 50/50 between the Group and the other shareholder of this company.

* 儘管本集團於 GFIA-SHK Managers Limited (由本集團及本公司其他股東共同控制) 中擁有 51% 權益，而其盈虧則按 50/50 的比例在本集團與該公司其他股東之間分配。

Financial year ended 31st December,
截至十二月三十一日止財政年度

		2002	2003	2004	2005	2006
		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		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
Results	業績					
Revenue (Note)	收益(附註)	1,739,785	1,592,491	1,782,775	1,818,801	2,810,634
(Loss) profit from operations	經營(虧損)溢利	(210,777)	512,844	844,215	1,443,368	1,840,067
Finance costs	融資成本	(72,183)	(61,277)	(49,386)	(102,245)	(206,453)
Amortisation of goodwill	商譽攤銷	(7,142)	(7,142)	(7,142)	-	-
Release of negative goodwill	轉撥負商譽	136,899	237,923	257,610	-	-
Amortisation of capital reserve	資本儲備攤銷	17,267	17,267	17,267	-	-
Share of results of associates	應佔聯營公司業績	117,473	135,708	165,856	150,388	8,982
Share of results of jointly controlled entities	應佔共同控制企業業績	(22,730)	22,900	25,706	105,298	159,987
(Loss) profit before taxation	除稅前(虧損)溢利	(41,193)	858,223	1,254,126	1,596,809	1,802,583
Taxation	稅項	(82,972)	(127,518)	(151,472)	(170,042)	(130,740)
(Loss) profit for the year	年內(虧損)溢利	(124,165)	730,705	1,102,654	1,426,767	1,671,843
Attributable to:	應佔方:					
Equity holders of the Company	本公司股東	(169,595)	486,466	713,735	901,480	1,029,830
Minority interests	少數股東權益	45,430	244,239	388,919	525,287	642,013
		(124,165)	730,705	1,102,654	1,426,767	1,671,843
Basic (loss) earnings per share	每股基本(虧損)盈利	HK\$(0.5)	HK\$1.53	HK\$2.71	HK\$3.48	HK\$4.12

At 31st December,
於十二月三十一日

		2002	2003	2004	2005	2006
		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		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
Assets and liabilities	資產及負債					
Total assets	資產總額	10,601,116	11,693,463	11,844,263	14,423,119	17,899,695
Total liabilities	負債總額	(3,021,926)	(4,433,591)	(3,862,658)	(4,310,114)	(4,708,269)
		7,579,190	7,259,872	7,981,605	10,113,005	13,191,426

Note: Comparative figures have been restated to conform with current years' presentation.

附註: 比較數字已重列以與本年度之呈報方式保持一致。

Particulars of the major properties held by the subsidiaries and jointly controlled entities of the Group at 31st December, 2006 are set out below:

本集團之附屬公司及共同控制企業於二零零六年十二月三十一日所持有之主要物業資料如下：

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團 實益持有 %	Stage of completion 完成階段
Hong Kong 香港					
Park Place 7 Tai Tam Reservoir Road Hong Kong 雅柏苑 香港 大潭水塘道7號	2056 +	R	3,475	74.94	Existing 現有物業
Allied Cargo Centre 150-164 Texaco Road Tsuen Wan, New Territories 聯合貨運中心 新界荃灣 德士古道150-164號	2047	G	46,594	74.94	Existing 現有物業
60 Plantation Road, The Peak, Hong Kong 香港山頂 種植道60號	2066	R	639	74.94	Existing 現有物業
Orchid Court 38 Tung On Street Mongkok, Kowloon 安蘭閣 九龍旺角 東安街38號	2049	R C	1,011 201	74.94 74.94	Existing 現有物業
The Redhill Peninsula 18 Pak Pat Shan Road Tai Tam, Hong Kong 紅山半島 香港大潭 白筆山道18號	2056 +	R CP	596 79 ###	74.94 74.94	Existing 現有物業 Existing 現有物業 (Phase IV) (第四期)
China Online Centre 333 Lockhart Road Wanchai, Hong Kong 中國網絡中心 香港灣仔 駱克道333號	2026 ++	C	15,680	74.94	Existing 現有物業
St. George Apartments No. 81 Waterloo Road, Ho Man Tin, Kowloon 聖佐治大廈 九龍何文田 窩打老道81號	2081	R CP	9,499 75 ###	74.94 74.94	Existing 現有物業

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團 實益持有 %	Stage of completion 完成階段
Ibis North Point 138 Java Road North Point, Hong Kong 世紀軒 香港北角 渣華道138號	2008 +	H	6,825	74.94	Existing 現有物業
Century Court 239 Jaffe Road, Wanchai, Hong Kong 世紀閣 香港灣仔 謝斐道239號	2027 ++	R C	2,592 1,311	74.94 74.94	Existing 現有物業
No. 9 Queen's Road Central Hong Kong 香港皇后大道中9號	2854	C	1,277	74.94	Existing 現有物業
Allied Kajima Building 138 Gloucester Road Wanchai, Hong Kong 聯合鹿島大廈 香港灣仔 告士打道138號	2047	C	20,442	37.47 *	Existing 現有物業
Novotel Century Hong Kong 238 Jaffe Road, Wanchai Hong Kong 世紀香港酒店 香港灣仔 謝斐道238號	2047	H	27,364	37.47 *	Existing 現有物業
Tregunter Tower 3 14 Tregunter Path, Hong Kong 地利根德閣第3座 香港 地利根德徑14號	2051	R	745	74.94	Existing 現有物業
Admiralty Centre 18 Harcourt Road, Hong Kong 海富中心 香港夏慤道18號	2053 +	C	2,171 #	48.85	Existing 現有物業
Wing On House 71 Des Voexu Road Central Hong Kong 永安集團大廈 香港德輔道中71號	2902	C	533 #	48.85	Existing 現有物業

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團 實益持有 %	Stage of completion 完成階段
Outside Hong Kong 香港以外					
FM2100 Road and Diamond Head Boulevard, Harris County, Texas, U.S.A. 美國德州 FM2100 Road and Diamond Head Boulevard Harris County	Freehold	R	13,888,933 ##	74.94	Existing 現有物業
Philippine Plaza Hotel Cultural Centre of the Philippines Complex, Roxas Boulevard, Pasay City, Manila, Philippines 菲律賓馬尼拉 Philippine Plaza Hotel Cultural Centre of the Philippines Complex Roxas Boulevard Pasay City	2014 +++	H	73,866	37.47 *	Existing 現有物業
Shop E on G/F Macau Chamber of Commerce Building No. 165 Rua Xe Xangai Macau 澳門上海街165號 澳門中華總商會大廈地下舖位E室	2013	C	198	48.85	Existing 現有物業
Tian An Centre No. 338 Nanjing Road West Huangpu District Shanghai People's Republic of China 天安中心 中華人民共和國上海 黃浦區 南京西路 338號	2044	C	1,873	48.85	Existing 現有物業

Notes:

Types of properties: R – Residential, C – Commercial, G – Godown, H – Hotel,
CP – Car Parking Spaces

* Indicates properties held through a jointly controlled entity
+ With option to renew for a further term of 75 years
++ With option to renew for a further term of 99 years
+++ With option to renew for a further term of 25 years
Saleable area
Site area
Number of car parking spaces

附註:

物業類別: R – 住宅, C – 商業, G – 貨倉, H – 酒店, CP – 車位

* 透過一間共同控制企業持有之物業
+ 可續期七十五年
++ 可續期九十九年
+++ 可續期二十五年
銷售面積
地盤面積
停車位數目