

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2005

截至2005年12月31日止年度

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. Its parent is AP Emerald Limited and its ultimate holding company is Allied Group Limited which is a company incorporated and listed in Hong Kong. The address of the registered office of the Company is disclosed in the Corporate Information of the annual report.

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

The principal activities of the Company and its major subsidiary companies are disclosed in the Directors' Report of the annual report and in note 47.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of available-for-sale investments, financial assets and financial liabilities held for trading purposes, and investment properties, which are measured at fair values, as explained in the accounting policies set out below.

(b) Basis of preparation and consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries and the Group's interest in associates and jointly controlled entities. 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.

1. 簡介

本公司為一間在香港註冊成立的公眾有限公司，其股本於香港聯合交易所有限公司上市。其母公司為 AP Emerald Limited，最終控股公司為在香港註冊及上市的聯合集團有限公司。本公司註冊辦事處地址於本年報公司資料一節中披露。

本財務報表以港元呈列，港元亦為本公司的功能貨幣。

本公司及其首要附屬公司的主要業務於本年報董事會報告及附註47中披露。

2. 重要會計政策

(a) 遵例聲明

本財務報表是根據香港會計師公會頒布的香港財務報告準則而編製。此外，本綜合財務報表亦包括聯合交易所有限公司證券上市規則（「上市規則」）及公司條例的有關披露要求。

本財務報表按歷史成本常規法而編製，並依照以下會計政策所述，對以公平值所衡量的可供出售投資、持作經營用途的財務資產及負債、投資物業作出重估而修訂。

(b) 編製及綜合賬目的基準

本綜合財務報表包括本公司及其附屬公司、集團於聯營公司和共同控制公司的權益。於年中購入或出售的附屬公司，其業績是從收購生效日起計，或至出售生效日止，計入綜合收益賬中。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

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

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations, which are effective for accounting periods beginning on or after 1 January 2005 for the purpose of converging by 1 January 2005 all HKFRSs and HKASs with International Financial Reporting Standards issued by the International Accounting Standards Board.

The Group has adopted the following new/revised HKFRSs, HKASs and Interpretations issued up to 31 December 2005 which are pertinent to its operations and have resulted in changes to the Group’s accounting policies. The application of the HKFRSs, HKASs and Interpretations has resulted in a change in the presentation of the income statement, balance sheet and statement of recognized income and expense. In particular, the presentation of minority interests and share of tax of associates/jointly controlled entities have been changed. The changes in presentation have been applied retrospectively. The 2004 comparatives have been restated as required, in accordance with the relevant requirements.

2. 重要會計政策 (續)

(b) 編製及綜合賬目的基準 (續)

集團內公司間的所有交易、結餘、收入及支出均於綜合賬目時對銷。

香港會計師公會已頒布多項新及經修訂的香港財務報告準則（「HKFRSs」）、香港會計準則（「HKASs」）、及詮釋，於2005年1月1日或以後開始的會計期間生效，目的為與國際會計準則委員會所頒布的國際財務報告準則於2005年1月1日前接軌。

集團已採納以下截至2005年12月31日前所頒布的新／經修訂HKFRSs、HKASs及詮釋，此等HKFRSs、HKASs及詮釋對集團營運有關及導致集團會計政策改變。實施此等HKFRSs、HKASs及詮釋引致收益賬、資產負債表、及已確認收支報表的呈列方式有所改變，特別是改變了對少數股東權益、所佔聯營公司／共同控制公司稅項的呈列方式，此等呈列的改變已追溯應用。2004年比較數字已就有關要求而重列。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 31	Investments in Joint Ventures
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings Per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKFRS 3	Business Combinations
HK-Int 4	Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HKAS-Int 21	Income taxes — Recovery of Revalued Non-Depreciated Assets

2. 重要會計政策(續)

(b) 編製及綜合賬目的基準(續)

HKAS 1	財務報表呈列
HKAS 7	現金流量表
HKAS 8	會計政策、會計估計變更以及差錯
HKAS 16	物業、廠房及設備
HKAS 17	租賃
HKAS 23	借款費用
HKAS 24	關聯人士披露
HKAS 27	綜合及獨立財務報表
HKAS 28	聯營公司投資
HKAS 31	合營企業投資
HKAS 32	財務票據：披露及呈列
HKAS 33	每股盈利
HKAS 36	資產減值
HKAS 38	無形資產
HKAS 39	財務票據：確認及計量
HKAS 40	投資物業
HKFRS 3	業務合併
HK-Int 4	租賃 — 釐訂香港土地租賃的租賃年期
HKAS-Int 21	所得稅 — 收回經重估的無折舊資產

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

The adoption of the above new/revised HKFRSs and HKASs has the following impact on the Group's accounting policies:

(i) The adoption of new/revised HKASs 1, 7, 8, 23, 24, 27, 28, 31 and 33 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures;
- HKASs 8, 27, 28, 31, and 33 have no material effect on the Group's policies, but affect certain disclosure of the financial statements;
- HKAS 24 affects the identification of related parties and the disclosure of related party transactions.

(ii) The adoption of HKASs 16 and 17 has resulted in a change in the accounting policy for the Group's leasehold land and buildings (see (iii) below), which are now carried at their costs less accumulated depreciation and impairment losses.

2. 重要會計政策(續)

(b) 編製及綜合賬目的基準(續)

採納以上新／經修訂 HKFRSs 和 HKASs 對集團會計政策有以下影響：

(i) 採納新／經修訂 HKASs 1、7、8、23、24、27、28、31 及 33 對集團會計政策並無帶來重大改變，概括而言：

- HKAS 1 對少數股東權益、所佔聯營公司除稅後業績淨額、及其他披露的呈列方式有所影響；
- HKASs 8、27、28、31 及 33 對集團政策沒有重大影響，惟影響財務報表中若干披露；
- HKAS 24 對識別關連人士及對關連人士交易的披露有所影響。

(ii) 採納 HKASs 16 及 17 引致集團對有租契房地產的會計政策改變(請參閱以下第(iii)段)，有租契房地產現以原值減折舊及減值虧損入賬。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

- (iii) The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the income statement. In prior years, the leasehold land was accounted for at cost or valuation less accumulated depreciation and accumulated impairment.

In accordance with HK-Int 4, the Group changed the estimated useful life of the land and buildings from “over the remaining term of the lease, including the period for which a right of renewal is attached” to “over the remaining term of the lease” on a prospective basis.

- (iv) The adoption of HKAS 39 has resulted in a change in the accounting policy for recognition, measurement, derecognition and disclosure of financial instruments on a prospective basis.

Until 31 December 2004, investments of the Group were classified as “trading securities” and “other investments” respectively. They were stated at fair value or estimated fair value at the balance sheet date. Any unrealized gains less losses arising from the valuation of “trading securities” at the balance sheet date were dealt with in the income statement. As to “other investments”, changes in the fair value of individual securities were credited or debited to the investment revaluation reserve until the securities were sold, or were determined to be impaired. Upon disposal, the cumulative gain or loss was dealt with in the income statement.

2. 重要會計政策 (續)

(b) 編製及綜合賬目的基準 (續)

- (iii) 採納經修訂 HKAS 17 引致會計政策有所改變，該會計政策是有關由物業及設備中的有租賃土地及土地使用權，重新分類至營運租賃。對有租賃土地及土地使用權的最初預付款，是按租期以直線攤分法於收益賬支銷，或出現減值時將減值於收益賬中支銷。於往年，有租賃土地是以成本或估值減累積折舊及累積減值入賬。

根據 HK-Int 4，集團以非追溯應用方式將房地產的估計可用年期由「按租契尚餘年期攤銷，租期包括附有租約續期權的期間」更改為「按租契尚餘年期攤銷」。

- (iv) 採納 HKAS 39 引致財務票據的確認、計量、停止確認等會計政策及財務票據的披露以非追溯方式而改變。

截至2004年12月31日，集團的投資是分別分類為「證券經營賬」及「其他投資」，以結算日的公平值或估計公平值列賬。於結算日對「證券經營賬」估值所產生的未兌現溢利減虧損是計入收益賬中。至於「其他投資」中個別證券的公平值變動是在投資重估儲備中貸記或支銷，直至該證券出售或被定為減值為止，此累計收益或虧損於出售時計入收益賬內。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

As from 1 January 2005, in accordance with HKAS 39, financial assets are classified as “held for trading investments”, “available-for-sale investments” and “loans and receivables”. The classification depends on the purpose for which the assets are acquired. “Held for trading investments” and “available-for-sale investments” are carried at fair value with changes in fair values recognized in the income statement and equity respectively. “Loans and receivables” consist of secured margin or term loans and other trade receivables. They are carried at amortized cost using the effective interest method, less impairment losses, if any. Adjustments to the carrying amount on the adoption of HKAS 39 are recognized as an adjustment to the opening retained earnings on 1 January 2005.

- (v) The adoption of HKAS 38 results in a change of the useful lives of intangible assets according to the provisions of HKAS 38. Certain exchange participation rights with amortization on a straight line basis over its estimated useful lives of five years before 1 January 2005 were changed to indefinite useful life on that date. Accumulated amortization as at 31 December 2004 has been eliminated with a corresponding decrease in the cost of these intangible assets.
- (vi) The adoption of revised HKAS 40 has resulted in a change in the accounting policy of which the changes in fair values of the investment properties are recorded in the income statement as part of other income. In prior years, the increases in fair value were credited to the investment property revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement.

2. 重要會計政策 (續)

(b) 編製及綜合賬目的基準 (續)

從2005年1月1日起，根據HKAS 39 財務資產是因應購入資產的目的，而分類為「持作買賣投資」、「可供出售投資」、「貸款及應收賬」。「持作買賣投資」及「可供出售投資」以公平值列賬，而公平值的變動是分別計入收益賬或權益中。「貸款及應收賬」包括有抵押證券放款、有期借款、及其他經營應收賬。「貸款及應收賬」以實際利息法按攤銷後成本減任何減值虧損入賬。採納 HKAS 39 對此等賬面值的調整，是確認為於2005年1月1日期初保留溢利的調整。

- (v) 根據 HKAS 38 之條文，無形資產的可用年數因採納 HKAS 38 而改變，若干交易所參與權於2005年1月1日前按其估計可用年數以直線攤分法分五年攤銷，由該日起改為無期限可用年數，於2004年12月31日的累積攤銷作為相應減少該等無形資產成本的對銷。
- (vi) 採納 HKAS 40 使投資物業公平值變動的會計政策有所改變，此變動是以其他收入計入收益賬。於往年，公平值的增加是貸記至投資物業重估儲備，公平值的減少首先對銷整個組合以往的重估增值，然後於收益賬中支銷。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

- (vii) The adoption of HKFRS 3, HKAS 36 and HKAS 38 results in a change in the accounting policy for goodwill.

Prior to this, goodwill and negative goodwill were amortized in the income statement on a straight line basis over their estimated useful lives of five years.

Following the adoption of HKFRS 3, HKAS 36 and HKAS 38:

- The Group ceased amortization of remaining goodwill and remaining negative goodwill from 1 January 2005;
- Unamortized negative goodwill was derecognized by way of a corresponding adjustment to the opening retained earnings at 1 January 2005;
- Accumulated amortized goodwill as at 31 December 2004 was eliminated with a corresponding decrease in the cost of goodwill;
- From the year ended 31 December 2005 onwards, goodwill is tested annually at balance sheet date for impairment, as well as when there is indication of impairment.

- (viii) The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred taxes arising from the revaluation of investment properties. Such deferred taxes are measured on the basis of tax consequences that would follow from recovery of the carrying amount of the assets through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

2. 重要會計政策(續)

(b) 編製及綜合賬目的基準(續)

- (vii) 採納 HKFRS 3、HKAS 36 及 HKAS 38 對商譽的會計政策有所改變。

以往，商譽和負商譽是按其估計可用年數以直線攤分法分五年攤銷至收益賬。

採納 HKFRS 3、HKAS 36 及 HKAS 38 後：

- 集團由2005年1月1日起停止攤銷餘下的商譽及餘下的負商譽；
- 停止確認未攤銷負商譽，是作為2005年1月1日期初保留溢利的相應調整；
- 於2004年12月31日的累計商譽攤銷，是作為相應減少商譽成本的對銷；
- 從截至2005年12月31日年度開始，於每年結算日及有減值迹象時，檢查商譽有否減值。

- (viii) 採納 HKAS-Int 21 對重估投資物業所引致遞延稅項的計量的會計政策有所改變，計量此遞延稅項是以使用方式收回資產賬面值的稅項結果為基礎。於往年，資產賬面值是預期以出售方式收回。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

Effect of changes in the accounting policies and estimates on 2005 consolidated income statement:

2. 重要會計政策(續)

(b) 編製及綜合賬目的基準(續)

會計政策及估計的改變對2005年綜合收益賬的影響：

		HKAS		HKFRS 3,		HK-Int 4	HKAS- Int 21	Share of associates		Total
		16 & 17	HKAS 38	HKAS 32 & 39	HKAS 36 & 38			所佔 聯營公司	總額	
		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
Decrease in revenue	收益減少	—	—	(1,914)	—	—	—	—	—	(1,914)
(Decrease) increase in other income	其他收入(減少)增加	—	—	—	(7,995)	19,741	—	—	—	11,746
(Increase) decrease in direct cost and operating expenses	直接成本及經營費用 (增加)減少	(268)	846	—	—	—	(418)	—	—	160
Increase in finance costs	融資成本增加	—	—	(8,692)	—	—	—	—	—	(8,692)
(Decrease) increase in share of results of associates	所佔聯營公司業績 (減少)增加	—	—	—	(29,265)	—	—	—	117,210	87,945
(Increase) decrease in taxation	稅項(增加)減少	(150)	—	2	—	—	(23)	(2,266)	—	(2,437)
(Decrease) increase in profit attributable to equity holders of the Company	本公司股東 應佔溢利 (減少)增加	(418)	846	(10,604)	(37,260)	19,741	(441)	(2,266)	117,210	86,808
Increase (decrease) in basic earnings per share (cents)	每股基本盈利 增加(減少)(仙)	—	0.1	(0.9)	(3.0)	1.6	—	(0.2)	9.4	7.0

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

Effect of changes in the accounting policies and estimates on consolidated balance sheet as at 31 December 2005:

2. 重要會計政策(續)

(b) 編製及綜合賬目的基準(續)

會計政策及估計的改變對於2005年12月31日綜合資產負債表的影響：

		HKFRS 3,						Share of associates		Total
		HKAS		HKAS		HKAS		HKAS-	所佔	
		16 & 17	HKAS 38	32 & 39	36 & 38	HKAS 40	HK-Int 4	Int 21	聯營公司	總額
		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
Investment properties	投資物業	—	—	—	—	19,741	—	—	—	19,741
Leasehold interests in land	租賃土地權益	64,650	—	—	—	—	(825)	—	—	63,825
Property and equipment	物業及設備	(67,404)	—	—	—	—	407	—	—	(66,997)
Intangible assets	無形資產	—	846	5,425	—	—	—	—	—	6,271
Goodwill (negative goodwill)	商譽(負商譽)	—	—	—	14,401	—	—	—	—	14,401
Interest in associated companies	聯營公司權益	—	—	(79,147)	124,216	—	—	—	104,415	149,484
Available-for-sale investments	可供出售投資	—	—	747,363	—	—	—	—	—	747,363
Statutory deposits	法定按金	—	—	26,624	—	—	—	—	—	26,624
Other investments	其他投資	—	—	(906,620)	—	—	—	—	—	(906,620)
Deferred tax assets	遞延稅項資產	—	—	—	—	—	—	(2,157)	—	(2,157)
Loans and receivables	貸款及應收賬	—	—	201,240	—	—	—	—	—	201,240
Trade and other receivables	經營及其他應收賬	1,630	—	3,447	—	—	—	—	—	5,077
Held for trading investments	持作買賣投資	—	—	50,759	—	—	—	—	—	50,759
Trading securities	證券經營賬	—	—	(49,312)	—	—	—	—	—	(49,312)
Trade and other payables	經營及其他應付賬	—	—	(1,900)	—	—	—	—	—	(1,900)
Provisions — current portion	準備 — 一年內到期部分	(242)	—	—	—	—	—	—	—	(242)
Taxation payable	應付稅項	—	—	4	—	—	—	—	—	4
Loan notes	貸款票據	—	—	5,385	—	—	—	—	—	5,385
Provisions	準備	(710)	—	—	—	—	—	—	—	(710)
Deferred tax liabilities	遞延稅項負債	(391)	—	—	—	—	(23)	—	—	(414)
		(2,467)	846	3,268	138,617	19,741	(441)	(2,157)	104,415	261,822
Capital and other reserves	資本及其他儲備金	—	—	(1,006)	—	—	—	—	(151,158)	(152,164)
Opening retained earnings	期初保留溢利	(2,049)	—	14,878	175,877	—	—	109	138,363	327,178
Profit for the year	是年度溢利	(418)	846	(10,604)	(37,260)	19,741	(441)	(2,266)	117,210	86,808
		(2,467)	846	3,268	138,617	19,741	(441)	(2,157)	104,415	261,822

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

Effect of changes in the accounting policies on 2004 consolidated income statement:

		Year 2004 as previously reported 2004年 按以往列賬 HK\$'000 千港元	Reclassi- fication 重新分類 HK\$'000 千港元	HKAS 16 & 17 HK\$'000 千港元	HKAS- Int 21 HK\$'000 千港元	Share of associates 所佔聯營 公司 HK\$'000 千港元	Year 2004 as restated 2004年 重列 HK\$'000 千港元
Revenue	收益	807,015	—	—	—	—	807,015
Other income	其他收入	40,363	—	—	—	—	40,363
Brokerage and commission expenses	經紀及佣金費用	(161,553)	—	—	—	—	(161,553)
Direct cost and operating expenses	直接成本及經營費用	(54,578)	—	(212)	—	—	(54,790)
Administrative expenses	管理費用	(319,497)	—	—	—	—	(319,497)
Other expenses	其他費用	(40,361)	—	—	—	(37)	(40,398)
Finance costs	融資成本	(19,725)	—	—	—	—	(19,725)
Share of results and amortization of negative goodwill (goodwill) of	所佔業績及攤銷負商譽(商譽)						
— Associated companies	— 聯營公司	265,199	(94,701)	—	—	(5,455)	165,043
— Jointly controlled entities	— 共同控制公司	(3,624)	—	—	—	—	(3,624)
Taxation	稅項	(127,961)	94,701	(85)	(268)	—	(33,613)
Profit for the year	是年度溢利	385,278	—	(297)	(268)	(5,492)	379,221
Minority interests	少數股東權益	(483)	—	—	—	—	(483)
Profit attributable to equity holders of the Company	本公司股東應佔溢利	384,795	—	(297)	(268)	(5,492)	378,738
Basic earnings per share (cents)	每股基本盈利(仙)	30.9	—	—	—	(0.5)	30.4

2. 重要會計政策(續)

(b) 編製及綜合賬目的基準(續)

會計政策的改變對2004年綜合收益賬的影響：

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

Effect of changes in the accounting policies on consolidated balance sheet as at 31 December 2004:

2. 重要會計政策(續)

(b) 編製及綜合賬目的基準(續)

會計政策的改變對於2004年12月31日綜合資產負債表的影響：

		As reported on 31/12/2004 呈列於 31/12/2004 HK\$'000 千港元	Reclassi- fication 重新分類 HK\$'000 千港元	HKAS 16 & 17 HK\$'000 千港元	HKAS- Int 21 HK\$'000 千港元	Share of associates 所佔聯營 公司 HK\$'000 千港元	As restated on 31/12/2004 重列 31/12/2004 HK\$'000 千港元
Investment properties	投資物業	—	—	43,000	—	—	43,000
Leasehold interests in land	租賃土地權益	—	—	65,454	—	—	65,454
Fixed assets/property and equipment	固定資產/物業及 設備	162,149	—	(110,912)	—	—	51,237
Intangible assets	無形資產	12,774	—	—	—	—	12,774
Goodwill (negative goodwill)	商譽(負商譽)	(22,396)	—	—	—	—	(22,396)
Interest in associated companies	聯營公司權益	2,433,428	—	—	—	(20,093)	2,413,335
Interest in jointly controlled entities	共同控制公司權益	1,201	—	—	—	—	1,201
Other investments	其他投資	907,710	—	—	—	—	907,710
Deferred tax assets	遞延稅項資產	10,170	—	—	109	—	10,279
Lending over one year/loans and receivables	一年期以上放款/ 貸款及應收賬	3,200	—	—	—	—	3,200
Trade and other receivables	經營及其他應收賬	2,289,166	—	1,442	—	—	2,290,608
Trading securities	證券經營賬	48,263	—	—	—	—	48,263
Taxation recoverable	應收稅項	969	—	—	—	—	969
Cash and cash equivalents	現金及現金等價物	487,249	—	—	—	—	487,249
Bank borrowings due within one year	於一年內到期的 銀行借款	(63,945)	—	—	—	—	(63,945)
Trade and other payables	經營及其他應付賬	(1,072,960)	41,778	—	—	—	(1,031,182)
Provisions	準備	—	(41,739)	—	—	—	(41,739)
Taxation payable	應付稅項	(25,330)	2,726	—	—	—	(22,604)
		5,171,648	2,765	(1,016)	109	(20,093)	5,153,413

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

2. 重要會計政策(續)

(b) 編製及綜合賬目的基準(續)

		As reported on 31/12/2004 呈列於 31/12/2004 HK\$'000 千港元	Reclassi- fication 重新分類 HK\$'000 千港元	HKAS 16 & 17 HK\$'000 千港元	HKAS- Int 21 HK\$'000 千港元	Share of associates 所佔聯營 公司 HK\$'000 千港元	As restated on 31/12/2004 重列 HK\$'000 千港元
Share capital	股本	249,141	—	—	—	—	249,141
Capital and other reserves	資本及其他儲備金	2,543,429	—	—	—	25,615	2,569,044
Retained earnings	保留溢利	2,146,452	—	(2,049)	109	(45,708)	2,098,804
Proposed dividends	擬派股息	74,742	—	—	—	—	74,742
		5,013,764	—	(2,049)	109	(20,093)	4,991,731
Minority interests	少數股東權益	(494)	—	—	—	—	(494)
		5,013,270	—	(2,049)	109	(20,093)	4,991,237
Loan notes	貸款票據	129,637	—	—	—	—	129,637
Bank and other borrowings due after one year	一年後到期的銀行借款 及其他借款	26,165	(876)	—	—	—	25,289
Provisions	準備	—	915	792	—	—	1,707
Deferred tax liabilities	遞延稅項負債	2,576	2,726	241	—	—	5,543
		5,171,648	2,765	(1,016)	109	(20,093)	5,153,413

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

Effect of changes in the accounting policies on equity as at 1 January 2004:

		As reported on 1/1/2004 呈列於 1/1/2004 HK\$'000 千港元	HKAS 16 & 17 HK\$'000 千港元	HKAS- Int 21 HK\$'000 千港元	Share of associates 所佔聯營 公司 HK\$'000 千港元	As restated on 1/1/2004 重列 1/1/2004 HK\$'000 千港元
Share capital	股本	249,141	—	—	—	249,141
Capital and other reserves	資本及其他儲備金	2,291,480	—	—	24,936	2,316,416
Retained earnings	保留溢利	1,876,597	(1,752)	377	(40,216)	1,835,006
Proposed dividends	擬派股息	74,742	—	—	—	74,742
		4,491,960	(1,752)	377	(15,280)	4,475,305
Minority interests	少數股東權益	1,411	—	—	—	1,411
		4,493,371	(1,752)	377	(15,280)	4,476,716

On the adoption of HKAS 39, the Company restated the loan notes issued by the Company to amortized cost on 1 January 2005 with a corresponding adjustment of HK\$14,077,000 credited to opening retained earnings. The Company also reclassified the following items on 1 January 2005. There is no material impact to the financial statements of the Company on the adoption of other new/revised HKFRSs.

- Club membership of HK\$2,090,000 was reclassified from “other investments” to “intangible assets”;
- Amounts due to subsidiary companies of HK\$273,685,000 were reclassified from “investments in subsidiary companies” to “current liabilities”;
- Loan note due from a listed associated company of HK\$78,000,000 was reclassified from “interest in associated companies” to “loans and receivables”.

2. 重要會計政策 (續)

(b) 編製及綜合賬目的基準 (續)

會計政策的改變對於2004年1月1日權益的影響：

於採納 HKAS 39 時，本公司在 2005 年 1 月 1 日重列由本公司發行的貸款票據，其對應的調整 14,077,000 港元是貸記於期初保留溢利。本公司亦於 2005 年 1 月 1 日將以下項目重新定名及重新分類。採納其他新／經修訂 HKFRSs 對本公司財務報表並無重大影響。

- 會所會籍 2,090,000 港元從「其他投資」重新分類至「無形資產」；
- 附屬公司貸賬 273,685,000 港元從「附屬公司投資」重新分類至「流動負債」；
- 一間上市聯營公司所欠的貸款票據 78,000,000 港元從「聯營公司權益」重新分類至「貸款及應收賬」。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basis of preparation and consolidation (Cont'd)

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective and are pertinent to the operations of the Group. The directors of the Company anticipate that the application of these standards will have no material impact on the financial statements of the Group.

HKAS 1 (amendment)	Capital Disclosures ¹
HKAS 19 (amendment)	Actuarial Gains and Losses, Group Plans and Disclosures ²
HKAS 39 (amendment)	The Fair Value Option ²
HKFRS 7	Financial Instruments: Disclosures ¹

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

² Effective for annual periods beginning on or after 1 January 2006.

(c) Intangible assets

(i) Exchange participation rights and club membership

They comprise:

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

2. 重要會計政策(續)

(b) 編製及綜合賬目的基準(續)

集團並無提前採納下列對集團營運有關的已頒布但未生效新準則或詮釋。本公司董事預期採納該等準則或詮釋將不會對集團的財務報表構成重大影響。

HKAS 1 (經修訂)	資本披露 ¹
HKAS 19 (經修訂)	精算盈虧、 集團計劃及 披露 ²
HKAS 39 (經修訂)	選擇以公平 值入賬 ²
HKFRS 7	財務票據： 披露 ¹

¹ 於2007年1月1日或其後開始的年度生效。

² 於2006年1月1日或其後開始的年度生效。

(c) 無形資產

(i) 交易所參與權及會所會籍

包括：

- 通過香港聯合交易所有限公司、香港期貨交易所有限公司及其他交易所進行交易之資格權；及
- 使用多個會所之資格權。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Intangible assets (Cont'd)

(i) Exchange participation rights and club membership (Cont'd)

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 also considers that the club membership does not have a definite 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 amount. Useful lives are also examined on an annual basis and adjustments where applicable are made on a prospective basis.

(ii) Computer software

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

Costs associated with developing or maintaining computer software are recognized 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 recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

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

2. 重要會計政策(續)

(c) 無形資產(續)

(i) 交易所參與權及會所會籍 (續)

集團管理層視交易所參與權為沒有特定之使用期限，因為交易所參與權預期會不斷帶來淨現金流入。管理層亦認為會所會籍沒有特定之使用期限。交易所參與權及會所會籍以成本值減去減值虧損準備入賬。每年對其可收回價值和賬面值加以比較以檢查有否減值。可用年期亦每年進行檢查，並預期會作出適當之調整。

(ii) 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。對於可認定為集團所控制，且有可能帶來高於成本之效益超過一年之獨特軟件，將直接與其製造有關之成本入賬列為無形資產。直接成本包括軟件開發人員費用及適當之一部分管理費用。

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。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Investment properties

Investment properties are completed properties which are held for long-term rental yields or for capital appreciation or both. Investment properties are initially measured at cost including all transaction costs. Subsequent to initial recognition they are stated at fair value based on independent professional valuation at the balance sheet date. Any revaluation increase or decrease arising from the revaluation of investment properties is credited or charged to the income statement in the year in which they arise.

(e) Leasehold interests in land

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

(f) Property and equipment

Buildings comprise mainly properties held by the Group for its own use. All property and equipment are stated at cost, less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	—	over the remaining term of the lease term of land
Furniture and equipment	—	10% to 33% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2. 重要會計政策(續)

(d) 投資物業

投資物業乃指已落成之物業，持有投資物業乃為賺取長期租金收益及／或資本增值。投資物業最初以成本值(包括交易成本)計值入賬，其後按獨立專業估值師所評定於結算日之公平值入賬。重估投資物業所產生之增值或減值乃於產生之年度在收益賬入賬計入或扣除。

(e) 有租契土地權益

對有租契土地及土地使用權最初預付款是按租期以直線攤分法於收益賬支銷，或當有減值時，將減值於收益賬支銷。

(f) 物業及設備

樓宇主要包括集團持有之自用物業。所有物業及設備按成本值減其後之折舊及減值入賬。成本包括直接與購置有關之支出。

折舊以直線攤分法在以下資產之估計可用年期內計提，以沖銷資產之成本值，直至剩餘價值為止。

樓宇	—	按土地租契尚餘年期平均攤銷
傢俬及設備	—	每年攤銷10%至33%

資產之剩餘價值及可用年期在適當時候於結算日評估及調整。若資產之賬面值大於其估計可收回數額，則立即將資產之賬面值削減至可收回數額。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Property and equipment (Cont'd)

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

(g) Investments in subsidiary companies

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The acquisition of subsidiaries is accounted for using the purchase method. After 1 January 2005, on acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the Group's share of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair value of the Group's share of the net assets of the subsidiary acquired is credited to income statement in the period of acquisition.

The interest of minority equity holders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

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

2. 重要會計政策(續)

(f) 物業及設備(續)

出售損益通過出售所得與賬面值相比較後確定，然後計入收益賬。

(g) 附屬公司投資

附屬公司乃集團有權在整體上掌管其財務及經營政策並一般持有過半數投票權之實體。在估量集團是否可控制某實體時，會考慮是否有潛在目前可行使或可轉換之投票權。

收購附屬公司採取購買法予以計算。2005年1月1日以後，就收購而言，附屬公司之資產及負債以及或然負債乃以收購當日各自之公平值計值。集團所佔可識別為被收購之淨資產，其公平值如低於收購成本，有關差額確認為商譽。集團所佔被收購附屬公司淨資產之公平值如高於收購成本，有關差額計入收購期內之收益賬中。

被收購公司之少數股東權益最初按少數股東所佔已確認資產、負債及或然負債之淨公平值之比例計值。

附屬公司投資按成本值減去減值之數在本公司之資產負債表入賬。本公司對附屬公司之業績按已收或應收股息計算。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Interest in associated companies

An associated company is a company not being a subsidiary company or a joint venture, in which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Interest in associated companies is accounted for in the consolidated accounts under the equity method and are initially recognized at cost.

The Group's share of its associated companies' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in the reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. In the consolidated balance sheet, interest in associated companies comprises the Group's share of the net assets and its net advances made to the associated companies (where advances are neither planned nor likely to be settled in the foreseeable future), plus goodwill (net of any accumulated impairment losses) identified on acquisition.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including its investment cost and other long term interests, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associated company.

When the Group transacts with an associated company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associated company.

2. 重要會計政策(續)

(h) 聯營公司權益

聯營公司為附屬公司及合營企業以外，集團對其有相當影響力但並非有控制權之公司，一般持有之股權為20%至50%之間的投票權。

聯營公司權益乃採用權益法在綜合賬目中入賬，起初以成本值確認。

集團所佔聯營公司收購後損益於收益賬確認，其所佔收購後儲備變動則於儲備確認，收購後累積變動在投資之賬面值中調整。在綜合資產負債表上，聯營公司權益為集團所佔淨資產、其借予聯營公司之借款(有關借款並無預先計劃，又或是在可見將來不大可能償還)以及收購時已識別之商譽(扣除任何累積減值虧損)。

當集團所佔聯營公司之虧損等於或超出其於聯營公司之權益(包括其投資成本及其他長期權益)時，除非集團已代聯營公司作出承擔或付款，否則集團不會另外確認虧損。

當集團與其聯營公司有交易往來時，有關損益以集團於該聯營公司之權益為限而抵銷。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Interest in associated companies (Cont'd)

Effects of redesignation of the warrants of a listed associated company and amounts due from (to) associated companies, which are previously grouped under “interest in associated companies”, together with their reclassification as at 1 January 2005 on the adoption of HKAS 39 are as follows:

Interest in associated companies 聯營公司權益		Carrying value 賬面值 HK\$'000 千港元	Net amounts due 欠賬淨額 HK\$'000 千港元	Total 總額 HK\$'000 千港元
As reported on 31 December 2004	呈列於 2004年12月31日	2,335,249	98,389	2,433,638
Share of prior year adjustments of associated companies	所佔 聯營公司 前期調整	(20,093)	—	(20,093)
As restated	重列	2,315,156	98,389	2,413,545
Adjustments made on 1 January 2005	於2005年1月1日的調整			
— Adoption of HKAS 39 #	— 採納 HKAS 39 #	2,469	—	2,469
— Adoption of HKFRS 3, HKASs 36 and 38	— 採納 HKFRS 3, HKASs 36 及38	153,481	—	153,481
— Share of associated companies	— 所佔聯營 公司	7,298	—	7,298
		2,478,404	98,389	2,576,793
Less: reclassification	減：重新分類			
— Warrants reclassified to held for trading investments #	— 認股權證重新 分類至持作 買賣投資 #	(2,469)	—	(2,469)
— Loan note reclassified to loans and receivables	— 貸款票據重新 分類至貸款 及應收賬	—	(78,000)	(78,000)
— Amounts due reclassified to trade and other receivables	— 欠賬重新 分類至經營 及其他 應收賬	—	(282)	(282)
		2,475,935	20,107	2,496,042

2. 重要會計政策 (續)

(h) 聯營公司權益 (續)

以下為採納 HKAS 39 後於2005年1月1日對上市聯營公司認股權證及聯營公司欠(貸)賬(以往歸類於「聯營公司權益」)重新定名以及被重新分類之影響：

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Interest in associated companies (Cont'd)

- # The warrants of a listed associated company which are previously grouped under “investments in associates” are classified under “held for trading investments” and carried at fair value in accordance with the provisions of HKAS 39.

In the Company's balance sheet, the interest in associated companies is stated at cost less impairment. The results of associated companies are accounted by the Company on the basis of dividend received or receivable.

(i) Interest in joint venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

A joint venture arrangement which involves the establishment of a separate entity in which each venturer has an interest is referred to as a jointly controlled entity.

The Group's interest in its jointly controlled entity is accounted for by equity method whereby its interest in the jointly controlled entity is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the jointly controlled entity. The Group's share of post-acquisition results of the jointly controlled entity is included in the consolidated income statement.

Where the Group transacts with its jointly controlled entity, unrealized profits and losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

2. 重要會計政策(續)

(h) 聯營公司權益(續)

- # 根據 HKAS 39 之條文，以往歸類於「聯營公司權益」之上市聯營公司認股權證重新分類為「持作買賣投資」，並以公平值列賬。

在本公司之資產負債表中，聯營公司權益按成本值減去減值入賬。本公司按已收及應收股息對聯營公司之業績入賬。

(i) 合營企業權益

合營企業為一項合同安排，集團及其他人士進行之經濟活動由合營各方共同控制，任何一方均沒有絕對控制權。

由合營者成立一間各自擁有權益的獨立企業的合營安排視為共同控制公司。

集團於共同控制公司之權益以權益法計算，於共同控制公司權益最初以成本值入賬，其後按收購後集團應佔共同控制公司淨資產之變動調整。集團應佔共同控制公司之收購後業績計入綜合收益賬中。

如集團與其共同控制公司有交易往來時，未兌現損益以集團於共同控制公司之權益為限而抵銷。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Investments/financial assets

(i) Classification

From 1 January 2005, investments of the Group are classified under the following categories:

“Financial assets at fair value through profit or loss”

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. All derivatives financial assets are also categorized as held for trading unless they are designated as hedges.

“Available-for-sale investments”

This category comprises financial assets, which are non-derivatives, and includes both listed and unlisted investments which are stated at fair value, except for those equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, when they are measured at cost less any accumulated impairment losses.

“Loans and receivables”

This category includes trade receivables, secured margin loans and secured term loans which are reviewed and approved by either the Credit and Risks Management Committee or the Executive Committee. They arise when the Group provides money, goods or services directly to clients or brokers with no intention of trading the receivables. For those secured margin or term loans, clients are normally required to provide additional margin or securities as collateral whenever there are any shortfalls in their accounts.

Details of the redesignation of investments on 1 January 2005 are shown in (viii) below.

2. 重要會計政策(續)

(j) 投資／財務資產

(i) 分類

由2005年1月1日起，集團之投資歸為以下類別：

「按公平值列賬及在損益表處理的財務資產」

此類別另分兩類：持作買賣的財務資產及起初按公平值列賬及在損益表處理的財務資產。所購入之財務資產如主要作短期出售，即歸入此類別。除非衍生財務資產乃作對沖之用，否則一律歸類為持作買賣。

「可供出售投資」

此類別由非衍生工具之財務資產所組成，包括上市及非上市投資，均按公平值入賬，但如屬沒有活躍買賣市場報價且公平值不能可靠計算之股權投資，則以成本值減累積減值虧損計值。

「貸款及應收賬」

此類別包括經營應收賬、有抵押證券放款及有抵押有期借款，由信貸及風險管理委員會或執行委員會批閱。應收賬乃集團直接向客戶或經紀提供之資金、產品或服務而無意對應收款進行買賣。至於有抵押證券放款或有期借款，當客戶戶口抵押不足時，一般要求客戶增加按金或抵押品以應付不足之數。

有關2005年1月1日對投資重新定名之詳情見以下(viii)。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Investments/financial assets (Cont'd)

(ii) Recognition and initial measurement

Purchases and sales of investments are recognized on trade-date i.e. the date that the Group commits to purchase or sell the asset. Financial assets at fair value through profit or loss are initially recognized at fair value with transaction costs recognized as expenses in the income statement. Financial assets not designated at fair value through profit or loss are initially recognized at fair value plus transaction costs.

(iii) Derecognition

Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iv) Subsequent measurement

“Financial assets at fair value through profit or loss”
Investments under this category are subsequently re-measured to fair value at balance sheet date until the assets are derecognized. Unrealized gains and losses arising from changes in the fair value are included in the income statement in the period in which they occur. Upon disposal, the difference between the net sale proceeds and the carrying value is included in the income statement.

“Available-for-sale investments”

Available-for-sale investments are carried at fair value. Unrealized gains and losses arising from changes in the fair value of securities investment classified as available-for-sale are recognized in investment revaluation reserve. When the securities are sold, the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments in the investment revaluation reserve are treated as gains or losses on disposal.

2. 重要會計政策 (續)

(j) 投資／財務資產 (續)

(ii) 確認及最初計值

購買及出售投資於交易當日確認，即於集團承擔購買或出售當日入賬。按公平值列賬及在損益表處理的財務資產，最初按公平值入賬確認，其交易費用在收益賬入賬，確認為支出。並非按公平值列賬及在損益表處理的財務資產最初按公平值加交易費用入賬確認。

(iii) 停止確認

當集團從投資獲得現金流之權利屆滿，或者將之轉讓而使所有權中實質上所有風險及回報轉移時，便會停止確認投資。

(iv) 其後計值

「按公平值列賬及在損益表處理的財務資產」
此投資類別其後在結算日再計算公平值，直至資產被停止確認為止。公平值變動所產生之未兌現損益記錄在發生期間之收益賬。投資出售後，所得淨額與賬面值之差額記錄在收益賬。

「可供出售投資」

可供出售投資按公平值入賬。歸類為可供出售投資之證券投資，其公平值變動所產生之未兌現損益，均在投資重估儲備確認。證券出售後，所得淨額與賬面值之差額，以及投資重估儲備之累積公平值調整，均作為出售收益或虧損處理。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Investments/financial assets (Cont'd)

(iv) Subsequent measurement (Cont'd)

“Loans and Receivables”

Loans and receivables consist of secured margin or term loans and trade receivables. They are carried at amortized cost using the effective interest method, less impairment losses, if any.

(v) Fair value measurement principles

Fair values of quoted investments are based on bid prices. 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.

(vi) Impairment

The Group assesses at balance sheet date whether there is objective evidence that a financial asset or a group of financial asset is impaired. In case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale investments, the cumulative loss (i.e. measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the income statement) is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity investment are not reversed through the income statement.

An estimated impairment allowance is made on loans and receivables based on a review of all outstanding amounts on semi-annual and annual basis when collection of the amount is in doubt. Bad debts are written off when identified.

2. 重要會計政策(續)

(j) 投資／財務資產(續)

(iv) 其後計值(續)

「貸款及應收賬」

貸款及應收賬分別為有抵押證券放款或有期借款及經營應收賬，均以實際利率法按攤銷後成本減任何減值虧損入賬。

(v) 公平值計值原則

掛牌投資之公平值以買入價為準。對於沒有活躍市場之非上市證券或財務資產，集團以不同估值方法確定其公平值，包括採用近期之正常交易，參考其他大致相同之投資、現金流折現分析、期權定價模式等。

(vi) 減值

集團在結算日評估是否有客觀憑據證明某一或某一組財務資產有減值。對於歸類為可供出售之股權證券，在決定證券有否減值時，考慮到證券之公平值是否顯著或長期低於其成本值。可供出售投資如有此方面之憑據，累積損失(即以購入成本與當時公平值之差額減去之前就該財務資產在收益賬確認之任何減值虧損之計算結果)從權益撇除並於到收益賬確認。就股權投資在收益賬確認之減值虧損不會通過收益賬撥回。

估計於貸款及應收賬中的減值準備，是基於以半年及每年為基礎，向所有未償還的數額作出審查，當款項未能確定收回時，作出提撥。壞賬是當確認時撇銷。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Investments/financial assets (Cont'd)

(vii) *Trading securities and other investments (only applicable to accounting periods ended on or before 31 December 2004)*

“Trading securities”

Listed and marketable securities held by the Group to facilitate its block trading, arbitrage and underwriting operations are stated at market value. The results from such activities, which include unrealized gains less losses arising from valuation at the balance sheet date of securities on hand, are dealt with in the income statement.

“Other investments”

Investments which are held for non-trading purposes are stated at fair value or estimated fair value at the balance sheet date on an individual investment basis. The estimated fair values of unlisted investments are determined by the Directors having regard to, inter alia, the most recent financial statements or other financial data considered relevant in respect of such investments. Changes in the fair value of individual securities are credited or debited to the investment revaluation reserve until the securities are sold, or are determined to be impaired. Upon disposal, the cumulative gain or loss representing the difference between the net sales proceeds and the carrying amount of the relevant securities, together with any surplus/deficit transferred from the investment revaluation reserve, is dealt with in the income statement.

Transfers from the investment revaluation reserve to the income statement as a result of impairments are written back in the income statement when the circumstances and events leading to the impairment cease to exist.

2. 重要會計政策(續)

(j) 投資／財務資產(續)

(vii) *證券經營賬及其他投資(僅適用於截至2004年12月31日止會計期間或之前)*

「證券經營賬」

集團所存以供大手交易、套戥及包銷之上市證券及有市值證券，皆照市值入賬。此等經營之業績包括在結算日所持有證券以當日市值計算之未兌現溢利減未兌現虧損，計入收益賬內。

「其他投資」

持有作為非經營用途之投資按結算日以個別投資為基準之公平值或估計公平值列賬。非上市投資之估計公平值為董事以(其中包括)該等投資最近期之財務報表或其他認為有關之財務資料而釐定。有關個別證券公平值之轉變會在投資重估儲備中貸記或支銷，直至該證券出售或其價值定為減值為止。出售證券之累計收益或虧損，乃指出售所得款項淨額與有關證券賬面值之差額，連同轉撥至投資重估儲備之任何盈餘／虧損，一併撥入收益賬內。

因減值而從投資重估儲備轉撥之收益賬之數額，於導致減值之情況或事情不再出現時，在收益賬內撥回。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Investments/financial assets (Cont'd)

(viii) Effect of redesignation of trading securities and other investments together with their reclassification as at 1 January 2005 on the adoption of HKAS 39:

2. 重要會計政策(續)

(j) 投資／財務資產(續)

(viii) 採納HKAS 39後於2005年1月1日對證券經營賬及其他投資重新定名以及兩者被重新分類之影響：

		New designation and reclassification on 1/1/2005 於2005年1月1日重新定名及重新分類									
		Effect on adoption of HKAS 39			Held for trading investments		Available-for-sale investments	Loans and receivables		Trade and other receivables	Trade and other payables
		As reported on 31/12/2004	HKAS 39 adopted on 31/12/2004	As restated on 1/1/2005	Intangible assets	持作買賣投資	可供出售投資	Statutory deposits	貸款及應收賬	其他應收賬	其他應付賬
		呈列於31/12/2004	的影響	重列	無形資產	投資	投資	法定按金	應收賬	其他應收賬	其他應付賬
		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
Other investments	其他投資										
Equity investments	股權投資	784,778	(2,096)	782,682	—	—	747,363	—	35,319	—	—
Club memberships and exchange participation rights*	會所會籍及交易所參與權*	5,425	—	5,425	5,425	—	—	—	—	—	—
Statutory deposits and other deposits with Exchange and Clearing companies	交易所及結算公司的法定按金及其他按金	26,624	—	26,624	—	—	—	26,624	—	—	—
Amounts due from investee companies	投資公司欠賬	92,774	(1,447)	91,327	—	250	—	—	87,921	3,156	—
Amounts due to investee companies	投資公司貸賬	(1,891)	—	(1,891)	—	—	—	—	—	—	(1,891)
Trading securities	證券經營賬	48,263	(223)	48,040	—	48,040	—	—	—	—	—
					5,425	48,290	747,363	26,624	123,240	3,156	(1,891)

* Following the adoption of HKAS 39, the Group has reclassified its exchange participation rights and club memberships which are previously grouped under "other investments" to "intangible assets".

* 採納HKAS 39後，集團將以往歸類於「其他投資」的交易所參與權及會所會籍重新分類為「無形資產」。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associated company or jointly controlled entity at the date of acquisition.

For previously capitalized goodwill arising on acquisitions before 1 January 2005, the Group has discontinued amortization from 1 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 (see the accounting policy below).

Goodwill arising on acquisition on or after 1 January 2005, is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

On disposal of a subsidiary, associated company or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(l) Cash and cash equivalents

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

2. 重要會計政策(續)

(k) 商譽

綜合賬項所產生之商譽乃指收購成本超逾集團於收購附屬公司、聯營公司或共同控制公司當日所佔可識別資產及負債公平值之權益之數額。

對於以往在2005年1月1日前因收購所資本化之商譽，集團已於2005年1月1日起停止攤銷，而該商譽每年檢查有否減值，凡有減值之迹象，與商譽有關之該個現金產生單位可能會被削減價值(見以下會計政策)。

於2005年1月1日或以後因收購所產生之商譽最初作為資產按成本值確認，其後則按成本值減任何累積減值虧損。

就檢查有否減值而言，商譽會被撥入現金產生單位一同考慮。

出售附屬公司、聯營公司或共同控制公司時，商譽應佔之數額包括在計算出售損益之中。

(l) 現金及現金等價物

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Financial liabilities

Financial liabilities are generally classified as “financial liabilities at fair value through profit or loss” and “other financial liabilities”. At each balance sheet date, subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognized directly in income statement in the period in which they arise. Other financial liabilities including loans, bank overdrafts, trade and other payables are subsequently measured at amortized cost, using the effective interest rate method.

(n) Share capital

Ordinary shares are classified as equity.

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and presented as a deduction from total equity.

Dividend distribution to the Company's equity holders is recognized as a liability in the period in which the dividends are properly approved.

(o) Provision and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

2. 重要會計政策(續)

(m) 財務負債

財務負債一般歸類為「按公平值列賬及在損益表處理的財務負債」及「其他財務資產」。於最初確認後之每個結算日，按公平值列賬及在損益表處理的財務負債，按公平值計值，公平值之變動直接在發生之期間直接於收益賬確認。其他財務負債包括貸款、銀行透支、經營及其他應付款，其後以實際利率法按攤銷後成本計值。

(n) 股本

普通股歸類為權益。

購回確認為權益之股本時，所支付之代價(包括直接應佔費用)作為權益變動確認。購回但其後並無註銷之股份歸類為庫存股份，入賬從總權益扣除。

派發予本公司股東之股息於其妥為獲得批准之期間確認為負債。

(o) 準備及或然負債

當集團因過去事件導致現時有法律或推定債務，同時有可能因需要支付該債務而流失資源，且該債務可以可靠地估計時，則對此確認為準備。即使集團預期部分或全部準備可以償還，但仍需十分確定方可將返還確認為分別資產。任何有關準備之支出在收益賬中扣除任何償還後入賬。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Provision and contingent liabilities (Cont'd)

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognized as a provision.

(p) Impairment of assets

Goodwill and intangible assets that have indefinite useful lives are not subject to amortization, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units) if an impairment test cannot be performed for an individual asset.

2. 重要會計政策(續)

(o) 準備及或然負債(續)

或然負債乃因過往事件而產生之可能責任，而其存在是由一宗或多宗不確定未來事件之出現而確認，該等事件並非集團所能完全控制。或然負債亦可能是因為過往事件引致之現有責任，但由於可能不需要消耗經濟資源，或承擔金額未能可靠衡量，而未有入賬。

或然負債不會被確認，但會在賬目附註中披露。當流失之可能性有所變化而很可能流失時，或然負債便會確認為準備。

(p) 資產減值

沒有特定使用期限之商譽及無形資產無需攤銷，但至少每年檢查有否減值，而每當情況有變或有事件顯示賬面值可能不可收回，亦需評估有否減值。需要折舊及攤銷之資產每當情況有變或有事件顯示賬面值可能不可收回亦需評估有否減值。減值虧損按資產之賬面值高於其可收回數額之差額確認。可收回數額乃資產之公平值與出售費用之差，或使用價值，以較高者為準。倘若無法對個別資產檢查有否資產減值，則於存在可分開識別現金流(產生現金單位)之最低水平上將資產集合，從而評估有否減值。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(q) Taxation

Taxation on the profit and loss comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(r) Foreign currencies

Transactions in currencies other than the functional currency of the respective group entities (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

2. 重要會計政策(續)

(q) 稅項

虧損及溢利之稅項包括當期及遞延稅項。

當期稅項乃指預期當年就應課稅收入須繳付之稅金(採用結算日已實施或大體上已實施之稅率計算)及就以往各年對應付稅項作出之任何調整。

遞延稅項採用負債法就資產負債之稅基與它們在賬目之賬面值兩者之短暫時差作全數撥備。遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項乃按在負債償付或資產變現期內預期適用之稅率計算。遞延稅項在虧損或溢利中加入或減去，但當涉及直接在權益加減之賬項時，遞延稅項亦在權益中處理。

(r) 外幣換算

以外幣(即有關集團成員之非功能貨幣)為單位之各項交易均按照交易當日之匯率折算入賬。

於結算日以外幣計算之貨幣資產與負債以結算日之匯率折合為港元。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Foreign currencies (Cont'd)

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Foreign exchange gains and losses arising on the settlement of monetary items, and on the retranslation of monetary items, are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

On consolidation, the assets and liabilities of the Group's operations outside Hong Kong are translated to Hong Kong dollars at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such transaction differences are recognized as income or as expenses in the period in which the operation is disposed of.

(s) Borrowing costs

Interest expenses directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the asset.

All other borrowing costs are recognized on a time apportionment basis, taking into account the principal and the effective interest rates. They are charged to the income statement in the year in which they are incurred.

(t) Operating lease

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

2. 重要會計政策(續)

(r) 外幣換算(續)

以外幣計算並按公平值入賬之非貨幣資產與負債，按照確定公平值當日之匯率折算。支付貨幣項目及折算貨幣項目所產生之滙兌收益及虧損計入期內損益，但如因非貨幣資產與負債產生滙兌差額，則公平值之變動直接在權益確認。

綜合賬目時，集團的香港境外業務之資產與負債乃按結算日之匯率折算為港元。收支項目按年內平均匯率折算。任何滙兌差額歸類為權益並轉撥至集團滙兌儲備。此等交易差額乃於業務被出售之期間確認為收入或開支。

(s) 借貸成本

凡與購入、建設或製造需一段長時間方可達成目的用途或出售之資產所直接產生之利息支出，均資本化為該資產之部分成本。

其他所有借貸成本乃經計及本金、實際利率以時間攤分法確認，並於發生之年內在收益賬支銷。

(t) 營運租賃

凡出租人實質上保留擁有資產之所有利益及風險者，有關租賃歸類為營運租賃。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(t) Operating lease (Cont'd)

“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 recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

“The Group as lessee”

Assets held under finance leases are recognized 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.

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

2. 重要會計政策(續)

(t) 營運租賃(續)

「集團作為出租人」

承租人於融資租賃項目下之貸賬乃按集團於租賃之淨投資額入賬列為應收賬。融資租賃收益分配到各會計期間，以反映集團就租賃尚有淨投資之定期回報率。

營運租賃之租金收入按有關租期以直線攤分法確認。起初商談及安排營運租賃所涉及之直接費用乃加進租賃資產之賬面值，並按租期以直線攤分法確認。

「集團作為承租人」

於融資租賃項目下持有之資產乃於租約開始時按其公平值或最低租賃付款之現值兩者中之較低者入賬確認為集團資產。對出租人之相應債務包括在資產負債表，列為融資租賃債務。租賃付款細分為財務費用及租賃債務扣減額，從而達到一個負債餘額固定息率。財務費用直接在收益賬支銷。

應付營運租賃之租金按有關租期以直線攤分法在收益賬中支銷。作為鼓勵簽訂營運租約之優惠亦按租期以直線攤分法分攤。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(u) Employee benefits

The Group operates defined contribution retirement schemes, the assets of which are held in independent administrated funds. The Group's contributions to the defined contribution retirement schemes are expensed as incurred and are reduced by contributions forfeited, if applicable, by those employees who leave the schemes prior to vesting fully in the contributions.

Employee entitlements to annual leave are recognized 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 Group recognizes a liability and an expense for bonuses and profit-sharing, based on approved formulas that take into consideration the profit attributable to the Group after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Revenue recognition

Income is recognized in the income statement on the following basis:

- (i) Commission income is recognized as income on trade date basis.
- (ii) Underwriting commission, sub-underwriting income, placing commission and sub-placing commission are recognized as income in accordance with the terms and conditions of the relevant agreement or deal mandate when a relevant significant act has been completed.
- (iii) Fees for management and advisory of funds are recognized when the related services are rendered.

2. 重要會計政策(續)

(u) 僱員福利

集團營運之界定供款退休計劃，該等計劃資產由獨立管理之基金持有。集團對界定供款退休計劃所作供款在發生為費用時支銷，僱員在全數取得既得利益前退出計劃而被沒收之僱主供款(在適用時)是用作扣減此供款。

僱員享有之年假在僱員應得時確認。集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作出撥備。

集團按經核准之公式對花紅及利潤分享確認為負債及支出，該等公式計及經若干調整後之集團應佔溢利。倘若涉及合約義務或過往習慣所產生之推定義務，則集團會確認為準備。

(v) 收入之計算

收入乃按以下準則在收益賬確認：

- (i) 佣金收入於交易日入賬。
- (ii) 包銷佣金、分銷收入、配售佣金及配售分銷佣金，乃於有關重要行動完成時按照相關協議或交易授權之條款確認為收入。
- (iii) 管理費用及基金顧問費用於有關服務提供後確認。

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(v) Revenue recognition (Cont'd)

- (iv) Interest income from financial assets is recognized on a time apportionment basis, taking into account the principal amounts outstanding and at the effective interest applicable which is the rate that discounts the estimated future cash receipt through the expected life of the financial asset to that asset's net carrying amount.
- (v) Dividend income from investments is recognized when the equity holders' right to receive payment has been established.
- (vi) Realized profits or losses from held-for-trading investments and derivative contracts are recognized on a trade date basis whilst the unrealized profits or losses are recognized from valuation at the balance sheet date.
- (vii) Profits or losses on trading in foreign currencies include both realized and unrealized gains less losses and charges less premium arising from position squaring and valuation at the balance sheet date of foreign currency positions on hand.
- (viii) Rental income arising on investment properties is accounted for on a straight-line basis over the lease term regardless of when the cash rental payment will be received.

2. 重要會計政策(續)

(v) 收入之計算(續)

- (iv) 財務費用之利息收入依照尚餘本金額以適用實際利率計算，並按時間攤分法確認，該實際利率確切地將估計財務資產日後於預計有效期內之現金收入折現為該資產之淨賬面值。
- (v) 股息收益於集團獲得收取股息之權利時入賬。
- (vi) 持作買賣投資及衍生產品合約之已兌現溢利或虧損於交易日入賬，而未兌現溢利或虧損按結算日之估值入賬。
- (vii) 外匯買賣之溢利和虧損包括由平倉或於結算日就所持外幣評值而產生之已兌現及未兌現收益減虧損及收取或支付的倉費。
- (viii) 投資物業之租金收入，不論其現金支付之期間，皆按租約年限以直線攤分法入賬。

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3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these 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.

(a) Impairment allowances on loans and receivables

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, the Group has individually evaluated each loan account for impairment after taking into account the value of each client account's underlying collateral and the latest financial position of those borrowers in default of settlement.

(b) Impairment of available-for-sale investments

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.

3. 重要之會計判斷及需要估計之主要不明確情況

編製本財務報告時，管理層須運用很大之判斷力選用會計原則，包括作出估計及假設。以下回顧較重要之會計政策所受判斷及不明確因素之影響，由此在不同之條件或採用不同之假設下所列報之數額亦可能有所不同。

(a) 貸款及應收款之減值準備

集團定期複查其貸款組合，以評估是否存在減值。在決定是否需要在收益賬中記錄減值準備時，集團逐一估量每個貸款賬戶，經計及每個客戶賬戶所相關之抵押品及拖欠還款者最近財政狀況後，決定有否減值。

(b) 可供出售投資之減值

就上市可供出售股權投資而言，公平值顯著或長期低於成本值乃視為減值之客觀憑據。決定公平值是否顯著或長期偏低時必須運用判斷，判斷時須顧及有關投資之市場波幅及價位。

就非上市股權投資而言，集團利用合適之估值方法並基於每個結算日之市況所作之假設決定該等投資之公平值。集團亦考慮其他因素，例如行業及業界表現以及與所投資之公司有關之財務資料。

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3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(c) 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 impairments loss may arise.

(d) 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 utilize tax benefits through future earnings. In case where the actual future profits generated are less than expected, a reversal of the deferred tax asset may arise, which would be recognized in the 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 utilized in future, any changes in assumptions, estimates and tax regulation can affect the recoverability of this deferred tax asset.

3. 重要之會計判斷及需要估計之主要不明確情況(續)

(c) 商譽之估計減值

集團每年按照有關之會計準則檢查商譽有否減值。決定商譽有否減值時必須根據集團可得到之資料估計使用價值。倘若未來流入之現金少於預期，則可能出現減值虧損。

(d) 遞延稅項

估計稅損所產生之遞延稅項資產數額時，需要一個機制決定合適稅項準備、預測未來年度應課稅收入及評估集團將稅務權益善用於未來盈利之能力。倘若日後之實際溢利少於預期，則可能會出現遞延稅項資產回撥之情況，如是者，將會於發生回撥之期內在收益賬中確認。集團因稅損所產生之遞延稅項資產主要來自定期貸款業務。雖然現時之財務模型顯示可於未來運用稅損，但任何有關假設、估計及稅務規定之變更均可影響該遞延稅項資產之可收回性。

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3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(e) Litigation

Sun Hung Kai Securities Limited (“SHKS”) has obtained leave to appeal the 29 June 2005 judgment of the Court of Appeal (“Court of Appeal Judgment”) to the Court of Final Appeal (the “Final Appeal”) in relation to litigation involving SHKS, New World Development Company Limited (“NWDC”) and Stapleton Development Limited (“SDL”). The litigation relates to a disputed interest in a joint venture between NWDC and/or SDL and IGB Corporation Bhd. to purchase land and to build two hotels at the city centre of Kuala Lumpur. The Company’s understanding of the effect of the Court of Appeal Judgment is that SHKS now effectively owns 25% (“SHKS’s Interest”) of NWDC’s entire interest in the joint venture. The Final Appeal will be heard between 19 June 2006 and 21 June 2006. The Board has considered that it is not possible to decide with any degree of accuracy as to what the final position may be.

3. 重要之會計判斷及需要估計之主要不明確情況(續)

(e) 訴訟

新鴻基證券有限公司(「新鴻基証券」)已獲批准向終審法院於2005年6月29日作出之裁決(「上訴法院裁決」)提出上訴(「最終上訴」)，有關訴訟涉及新鴻基証券、新世界發展有限公司(「新世界發展」)與 Stapleton Development Limited(「SDL」)。此訴訟源於一合營企業之權益糾紛，該合營企業是新世界發展及／或 SDL 與 IGB Corporation Bhd. 擁有在吉隆坡市中心購入土地及發展兩所酒店。據本公司目前對上訴法庭裁決結果之理解，新鴻基証券實際上擁有新世界發展於合營企業全部權益之25%。最終上訴將於2006年6月19日至2006年6月21日期間聆訊，董事會認為未能以任何的準確程度決定最終結果之情形。

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3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(e) Litigation (Cont'd)

As at 31 December 2005, a sum of HK\$118.0 million representing SHKS's interest in the joint venture was recognized, as amounts due from investee companies under Loans and Receivables. In addition, contingent liabilities amounting to HK\$37.5 million have been disclosed regarding the payments demanded by NWDC for what it asserts as pro-rata shareholders' contributions advanced by NWDC on behalf of SHKS. Furthermore, included in the 2004 income statement was a sum of HK\$2.9 million representing the interest expense paid by SHKS to NWDC pursuant to the 1 April 2004 judgment of the High Court of Hong Kong (the "Judgment") on shareholders' contributions advanced by NWDC on behalf of SHKS. The nature of the interests and the uncertainty of the Final Appeal result in a situation where it is not possible to decide with any degree of accuracy as to what the final position may be. This in turn affects the recovery of the above mentioned receivables or interest payments and the crystallization or discharge of the above mentioned contingent liabilities. The Board has thus decided that it is not presently appropriate to make any impairment allowance for the above mentioned receivables, any provisions in respect of the above mentioned contingencies, or any recoveries of the above mentioned interest expenses. Details of the receivables, contingent liabilities and interest expenses are disclosed in note 26, note 45, and note 7 respectively.

3. 重要之會計判斷及需要估計之主要不明確情況(續)

(e) 訴訟(續)

於2005年12月31日，新鴻基證券在此合營企業權益之一筆總額共118.0百萬港元以投資公司欠款方式入賬並歸列於貸款及應收賬。此外，在或然負債披露一筆款額37.5百萬港元聲稱為新世界發展代表新鴻基證券墊付按比例之股東供款。加上記錄在2004年收益賬一筆款額2.9百萬港元有關香港高等法院於2004年4月1日之裁決(「裁決」)就新世界發展代新鴻基證券墊付股東供款之利息支出。基於權益之性質以及對最終上訴之不明朗因素，導致未能以任何的準確程度決定最終結果之情況，因而影響上述應收款及利息支付之回收，以及前述或然負債之清晰性及解除。董事會因此決定現時不適宜對上述應收款作任何減值準備，對上述或然負債及對上述利息回收作準備。有關應收款、或然負債、及利息費用細節已分別披露在附註26、附註45、及附註7。

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4. REVENUE

Revenue represents the amounts received and receivables for gross brokerage and commission, interest, dividends, rental and service income; and the following stated net of losses: profit from trading in securities, income from bullion transactions and differences on foreign exchange transactions.

4. 收益

收益為已收或應收的總經紀及其他佣金、利息、股息、租金與服務收益；以及下列已撇除虧損的收益，即證券買賣收益、黃金買賣收益及外幣滙兌差額。

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Brokerage, commission and service income	經紀佣金、其他佣金與服務收益	522,291	511,847
Dividends from listed investments	上市投資股息	16,853	36,843
Dividends from unlisted investments	非上市投資股息	24,962	36,793
Gross rental income from investment properties	從投資物業所得總租金	2,950	2,043
Interest income	利息收入	174,565	160,570
Net charge on gold and leveraged foreign exchange positions	黃金及槓桿式外滙交易持倉所得倉息淨額	13,422	14,931
Trading profit from securities, bullion transaction and differences on foreign exchange transactions	從證券交易、黃金交易及外幣滙兌交易差額所得經營溢利	38,596	43,988
		793,639	807,015

All interest income for the current year is derived from financial assets that are not carried at fair value through profit and loss.

本年度所有利息收入來自非按公平值計入損益的財務資產。

5. SEGMENT INFORMATION

The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

5. 分項資料

營運業務是因應所提供的商品與服務性質而分別組織及管理，各分項代表提供不同商品及服務不同市場的業務策略單位。

Business segments have been used as a primary reporting format and no geographical segment analysis is presented as most of the Group's major business activities are conducted in Hong Kong.

業務分項是作為主要呈報形式，由於集團主要業務活動大部分在香港經營，故並無呈列經營地域的分項分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2005

截至2005年12月31日止年度

5. SEGMENT INFORMATION (Cont'd)

The Group has main business segments as follows:

- (a) Securities broking and dealing — provision of securities broking, trading in securities including online broking and financial information services.
- (b) Forex, bullion, commodities and futures — provision of dealing and broking services in leveraged foreign exchange, bullion and futures.
- (c) Margin finance and other financing services — provision of securities margin financing and insurance broking services.
- (d) Term loans — provision of term loans financing.
- (e) Corporate finance and others — provision of corporate finance and advisory services, financial planning, wealth management services, investments and properties holding.

Intra-segment sales are charged at prevailing market rates.

5. 分項資料(續)

集團的主要業務分項如下：

- (a) 證券經紀及買賣 — 提供證券經紀服務、經營證券買賣，包括網上經紀及財經資訊服務。
- (b) 外匯、黃金、商品及期貨 — 提供槓桿式外匯、黃金、期貨買賣及經紀服務。
- (c) 證券放款及其他金融服務 — 提供證券放款及保險經紀服務。
- (d) 有期借款 — 提供有期借款。
- (e) 企業融資及其他 — 提供企業融資及顧問服務、財務策劃、資產管理、控股投資及物業投資。

分項間營業額是依市場價格收費。

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5. SEGMENT INFORMATION (Cont'd)

5. 分項資料 (續)

		2005					
		Securities broking and dealing 證券經紀 及買賣	Forex, commodities and futures 外匯、 黃金、 商品及期貨	Margin finance and other financing services 證券放款及 其他金融 服務	Term loans 有期借款	Corporate finance and others 企業融資 及其他	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
Revenue	收益	263,716	166,874	192,513	44,934	443,097	1,111,134
Less: intra-segment revenue	減：分項間收益	(5,254)	(5,598)	(22,387)	(9,405)	(274,851)	(317,495)
		258,462	161,276	170,126	35,529	168,246	793,639
Segment results	分項業績	47,835	12,552	71,876	23,670	131,062	286,995
Share of results	所佔業績						
— Associated companies	— 聯營公司						149,549
— Jointly controlled entities	— 共同控制公司						2
Profit before taxation	除稅前溢利						436,546
Segment assets	分項資產	886,866	448,431	1,372,253	380,201	1,585,974	4,673,725
Interest in associated companies	聯營公司權益						2,647,142
Interest in jointly controlled entities	共同控制公司權益						935
Deferred tax assets	遞延稅項資產						4,143
Taxation recoverable	應收稅項						3,819
Total assets	總資產						7,329,764
Segment liabilities	分項負債	(533,801)	(321,720)	(316,664)	(16,156)	(280,773)	(1,469,114)
Taxation payable	應付稅項						(12,221)
Deferred tax liabilities	遞延稅項負債						(7,181)
Total liabilities	總負債						(1,488,516)

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5. SEGMENT INFORMATION (Cont'd)

5. 分項資料 (續)

		2005					
		Securities broking and dealing 證券經紀 及買賣	Forex, bullion, commodities and futures 外匯、 黃金、 商品及期貨	Margin finance and other financing services 證券放款及 其他金融 服務	Term loans 有期借款	Corporate finance and others 企業融資 及其他	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
Impairment loss of intangible assets written back	無形資產減值虧損 撥回	—	—	—	—	180	180
Impairment loss of trade and other receivables written back	經營及其他應收賬減值 虧損撥回	12,532	1	12,667	—	64	25,264
Capital expenditure	資本支出	(206)	(1,532)	—	—	(20,343)	(22,081)
Amortization and depreciation	攤銷及折舊	(1,219)	(1,606)	(1)	—	(18,342)	(21,168)
Impairment loss of trade and other receivables	經營及其他應收賬減值 虧損	(521)	(1,054)	(19,634)	—	(200)	(21,409)
Impairment loss of available-for-sale investments	可供出售投資減值 虧損	—	—	—	—	(14,411)	(14,411)
Impairment loss of property and equipment	物業及設備減值虧損	(803)	(2,512)	(102)	—	(263)	(3,680)
Loss on disposal of property and equipment	出售物業及設備虧損	—	—	—	—	(734)	(734)
Other non-cash expenses	其他非現金費用	(231)	(70)	(19)	—	(20,876)	(21,196)

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5. SEGMENT INFORMATION (Cont'd)

5. 分項資料 (續)

		2004					
		Securities broking and dealing 證券經紀 及買賣	Forex, commodities and futures 外匯、 黃金、 商品及期貨	Margin finance and other financing services 證券放款及 其他金融 服務	Term loans 有期借款	Corporate finance and others 企業融資 及其他	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
Revenue	收益	263,754	159,397	165,660	42,580	445,346	1,076,737
Less: intra-segment revenue	減：分項間收益	(1,771)	(544)	(10,714)	(5,823)	(250,870)	(269,722)
		261,983	158,853	154,946	36,757	194,476	807,015
Segment results	分項業績	50,036	13,140	69,247	33,784	85,208	251,415
Share of results and amortization of negative goodwill (goodwill)	所佔業績和攤銷負商譽 (商譽)						
— Associated companies	— 聯營公司						165,043
— Jointly controlled entities	— 共同控制公司						(3,624)
Profit before taxation	除稅前溢利						412,834
Segment assets	分項資產	622,864	593,253	1,317,274	160,218	1,193,490	3,887,099
Interest in associated companies	聯營公司權益						2,413,335
Interest in jointly controlled entities	共同控制公司權益						1,201
Deferred tax assets	遞延稅項資產						10,279
Taxation recoverable	應收稅項						969
Total assets	總資產						6,312,883
Segment liabilities	分項負債	(237,651)	(430,061)	(287,727)	(17,506)	(320,554)	(1,293,499)
Taxation payable	應付稅項						(22,604)
Deferred tax liabilities	遞延稅項負債						(5,543)
Total liabilities	總負債						(1,321,646)

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5. SEGMENT INFORMATION (Cont'd)

5. 分項資料 (續)

		2004					
		Securities broking and dealing 證券經紀 及買賣	Forex, bullion, commodities and futures 外匯、 黃金、 商品及期貨	Margin finance and other financing services 證券放款及 其他金融 服務	Term loans 有期借款	Corporate finance and others 企業融資 及其他	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
Impairment loss of trade and other receivables written back	經營及其他應收賬減值虧損 撥回	259	—	16,356	—	—	16,615
Capital expenditure	資本支出	(1,808)	(1,696)	(661)	(5)	(13,781)	(17,951)
Amortization and depreciation	攤銷及折舊	(1,561)	(781)	(312)	—	(17,103)	(19,757)
Impairment loss of trade and other receivables	經營及其他應收賬減值虧損	(405)	(2,655)	(13,014)	—	—	(16,074)
Impairment loss of other investments	其他投資減值虧損	—	—	—	—	(16,898)	(16,898)
Loss on disposal of property and equipment	出售物業及設備虧損	—	—	—	—	(559)	(559)
Other non-cash expenses	其他非現金費用	(81)	—	—	—	(3,469)	(3,550)

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6. OTHER INCOME

6. 其他收入

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Amortization of negative goodwill on acquisition of subsidiary companies	攤銷收購附屬公司負商譽	—	9,565
Loss arising from default of loan agreement with Millennium Touch Limited written back	因 Millennium Touch Limited 未履行貸款協議而產生之虧損撥回	—	2,847
Discount on acquisition of a subsidiary company	收購一間附屬公司折讓	199	—
Net exchange gains	滙兌淨收益	—	288
Net realized profit on disposal/deemed disposal of a jointly controlled entity	出售／視作出售一間共同控制公司已兌現溢利淨額	1,219	942
Net realized profit on disposal of an investment property	出售一幢投資物業已兌現溢利淨額	2,061	—
Net realized profit on disposal of available-for-sale investments/other investments	出售可供出售投資／其他投資已兌現溢利淨額	56,748	2,483
Impairment loss of intangible assets written back	無形資產減值虧損撥回	180	—
Impairment loss of trade and other receivables/provision for doubtful debts written back	經營及其他應收賬減值虧損／呆賬準備撥回	25,264	16,615
Repayment of interest in respect of litigation with New World Development Company Limited pursuant to Court of Appeal Judgment *	根據上訴法院裁決就與新世界發展有限公司訴訟所獲得的利息退還*	14,783	—
Increase in fair value of investment properties/ revaluation deficit written back	投資物業公平值增加／重估減值撥回	23,638	6,100
Miscellaneous income	雜項收入	7,255	1,523
		131,347	40,363

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6. OTHER INCOME (Cont'd)

* Included in Other Income is HK\$14,783,091 representing the partial repayment of interest made pursuant to the Court of Appeal Judgment. That Court ordered a repayment of part of the interest element for the period from 16 December 1998 to 31 March 2004. SHKS had previously paid this interest in connection with the judgment. Note 45 to the financial statements contains additional information regarding the litigation involving SHKS, NWDC and SDL.

6. 其他收入(續)

* 包括在其他收入的14,783,091港元，是遵照上訴法院判決而退還的部分利息，法庭下令退還部分由1998年12月16日至2004年3月31日的利息，新鴻基証券以往就判決已支付此利息。有關新鴻基証券、新世界發展和SDL法律訴訟的進一步資料，已刊載於財務報表附註45。

7. OTHER EXPENSES

7. 其他費用

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Impairment loss of available-for-sale investments/other investments transferred from investment revaluation reserve	撥自投資重估儲備的可供出售投資／其他投資減值虧損	14,411	16,898
Impairment loss of an associated company	一間聯營公司減值虧損	4,981	—
Impairment loss of property and equipment	物業及設備減值虧損	3,680	—
Impairment loss of intangible assets	無形資產減值虧損	980	—
Impairment loss of goodwill of a subsidiary company	一間附屬公司商譽減值虧損	267	—
Impairment loss of goodwill of associated companies	聯營公司商譽減值虧損	13,323	—
Impairment loss of trade and other receivables/provision for doubtful debts	經營及其他應收賬減值虧損／呆賬準備	21,409	16,074
Net loss on deemed disposal of an associated company	視作出售一間聯營公司虧損淨額	—	4,492
Net exchange losses	滙兌淨虧損	581	—
Provision for interest and legal cost in respect of litigation with New World Development Company Limited *	有關與新世界發展有限公司訴訟的利息及法律費用撥備*	—	2,934
		59,632	40,398

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7. OTHER EXPENSES (Cont'd)

- * Included in Other Expenses is HK\$2,934,000 representing interest expense paid by SHKS. The expense was incurred pursuant to the Judgment. Note 45 to the financial statements contains additional information regarding the litigation involving SHKS, NWDC and SDL.

8. EMOLUMENTS OF DIRECTORS AND SENIOR EMPLOYEES

(a) Directors

7. 其他費用(續)

- * 包括在其他費用的2,934,000港元是新鴻基證券所支付的利息，此費用是遵照裁決所產生。有關新鴻基證券、新世界發展和SDL 法律訴訟的進一步資料，已刊載於財務報表附註45。

8. 董事及高級職員酬金

(a) 董事

		2005					
		Salaries, housing and other allowances and benefits in kind 薪金、房屋 及其他 津貼、 實物利益	Consultancy fees 顧問費	Bonus 花紅	Contribution to retirement benefit scheme 退休福利 計劃供款	Total 總額	
Director's 董事袍金	fees HK\$'000 千港元	fees HK\$'000 千港元	fees HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Arthur George Dew	狄亞法	12	—	2,282 [#]	1,000 [^]	93	3,387
Joseph Tong Tang	唐登	20*	—	1,456	900 [^]	65	2,441
Patrick Lee Seng Wei	李成偉	10	—	—	—	—	10
Sir Gordon Macwhinnie	麥蘊利爵士	10	—	619	—	—	629
David Craig Bartlett	白禮德	10	150	—	—	—	160
Carlisle Caldow Procter	Carlisle Caldow Procter	10	75	—	—	—	85
Peter Wong Man Kong	王敏剛	10	150	—	—	—	160
		82	375	4,357	1,900	158	6,872

Certain directors of the Company received remuneration from the Company's ultimate holding company. Such company provided management services to the Company and charged the Company a fee, which is included in the management fee as disclosed in note 48, for services provided by those directors as well as other management personnel who are not directors of the Company.

本公司若干董事從本公司最終控股公司收取酬金，該公司向本公司提供收取費用的管理服務，此費用已包括在附註48所披露的管理費用中，此管理服務由該等董事及非本公司董事之其他管理人員所提供。

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8. EMOLUMENTS OF DIRECTORS AND SENIOR EMPLOYEES (Cont'd)

(a) Directors (Cont'd)

Prior to 2005, the management fee could not be apportioned and allocated to any individuals. From 1 January 2005, the management fee is calculated by reference to the time devoted by the management personnel on the affairs of the Group and can be apportioned to the directors mentioned above. The total of such apportioned amounts, which have been included in the above table, is HK\$877,000.

In view of the fact that Mr. Arthur George Dew, the chairman of the Company and an executive director and the chairman of Quality HealthCare Asia Limited ("QHA") has, since his appointment as an executive director and the chairman of QHA, devoted and will continue to devote part of his time and efforts to the affairs of QHA and its subsidiaries or its associated company in such capacities, the Company and QHA entered into an agreement dated 18 November 2005 (the "Reimbursement Agreement"), pursuant to which QHA agreed to reimburse the Company a portion of the salary of Mr. Dew (which is paid by the Company) for a period commencing from 20 May 2005 and ending on 31 December 2006. The fee payable by QHA to the Company under the Reimbursement Agreement is determined by reference to the percentage of time that Mr. Dew devotes to the affairs of QHA against the amount of time he devotes to the affairs of the Company, which is agreed at HK\$50,000 per month and will be payable by QHA on a quarterly basis. The amount paid and payable to the Company under the Reimbursement Agreement for the year ended 31 December 2005 amounted to HK\$369,000 (2004: Nil). Further details of the Reimbursement Agreement are also set out in a joint announcement issued by the Company and QHA dated 18 November 2005.

* Including director's fee of HK\$10,000 for Sun Hung Kai Securities Limited (2004: HK\$5,000).

^ The amount represented the actual bonus for year 2004 paid to the respective directors during 2005. The bonus of year 2005 has yet to be decided.

8. 董事及高級職員酬金(續)

(a) 董事(續)

2005年之前，管理費用不能分配至個別人士。從2005年1月1日起，計算管理費用以管理人員於集團事務上所使用的時間作為參考，及可以分配至上述董事。該等分配總額共877,000港元，已包括於上表內。

鑒於狄亞法先生(本公司主席以及卓健亞洲有限公司(「卓健」)執行董事及主席)自獲委任為卓健執行董事及主席起，已以該等身份付出並將繼續付出其部分時間及精力處理卓健及其附屬公司或聯營公司之事務，故於2005年11月18日，本公司與卓健訂立協議(「償付協議」)，據此，卓健同意償付本公司支付予狄先生於2005年5月20日起至2006年12月31日止期間之部分薪酬(該薪酬由本公司支付)。卓健根據償付協議應付予本公司之費用乃參考狄先生就卓健之事務所付出之時間，相對其就本公司之事務所付出之時間百分比而釐定，該費用議定為每月50,000港元，並將由卓健於每季度支付一次。根據償付協議，截至2005年12月31日止年度，已付及應付本公司之金額為369,000港元(2004年：無)。償付協議之詳情亦載列於由本公司及卓健於2005年11月18日發布的聯合公布。

* 包括新鴻基證券有限公司的董事袍金10,000港元(2004年：5,000港元)。

^ 此數額是於2005年給予董事的2004年實際花紅。2005年之花紅將會議定。

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8. EMOLUMENTS OF DIRECTORS AND SENIOR EMPLOYEES (Cont'd)

(a) Directors (Cont'd)

8. 董事及高級職員酬金 (續)

(a) 董事 (續)

		2004					
		Director's fees	Consultancy fees	Salaries, housing and other allowances and benefits in kind	Bonus	Contribution to retirement benefit scheme	Total
		董事袍金	顧問費	薪金、房屋津貼、實物利益及其他	花紅	退休福利計劃供款	總額
		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
Arthur George Dew	狄亞法	12	—	1,800	800	90	2,702
Joseph Tong Tang	唐登	10	—	108	—	5	123
Patrick Lee Seng Wei	李成偉	10	—	—	—	—	10
Sir Gordon Macwhinnie	麥蘊利爵士	10	—	—	—	—	10
David Craig Bartlett	白禮德	10	150	—	—	—	160
Carlisle Caldow Procter	Carlisle Caldow Procter	3	13	—	—	—	16
Peter Wong Man Kong	王敏剛	10	150	—	—	—	160
David Hui Yip Wing	許業榮	—	—	80	—	4	84
Dieter Yih	葉禮德	7	112	—	—	—	119
		72	425	1,988	800	99	3,384

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8. EMOLUMENTS OF DIRECTORS AND SENIOR EMPLOYEES (Cont'd)

(b) Senior employees

The five highest paid individuals of the Group included one director (2004: one director) of the Company, whose emoluments have been included above. The emoluments of the remaining four (2004: four) senior employees are analyzed below:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Salaries, housing and other allowances, and benefits in kind	薪金、房屋及其他津貼、實物利益	4,845	9,896
Bonuses	花紅	4,292	4,420
Contributions to retirement benefit scheme	退休福利計劃供款	277	268
Incentive/commission	營業獎金／佣金	4,376	—
		13,790	14,584

Emoluments of the senior employees were within the following bands:

Emoluments band (HK\$) 酬金分布 (港幣)	Number of employees 職員人數	
	2005	2004
\$2,000,001 – \$2,500,000	1	2
\$2,500,001 – \$3,000,000	1	1
\$3,000,001 – \$3,500,000	1	—
\$5,000,001 – \$5,500,000	1	—
\$7,000,001 – \$7,500,000	—	1

8. 董事及高級職員酬金 (續)

(b) 高級職員

集團內五位最高酬金人士，包括本公司一位董事 (2004年：一位董事)，而其酬金已包括於上述中。其餘四位 (2004年：四位) 高級職員酬金分析如下：

高級職員酬金分析如下：

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9. RETIREMENT BENEFIT SCHEMES

The Group operates defined contribution schemes for the Hong Kong and overseas offices' qualifying employees and a defined benefit scheme for its subsidiary company's employees in the Philippines.

The forfeited contributions utilized in the course of the year ended 31 December 2005 were HK\$189,000 (2004: HK\$761,000). The contributions to the defined benefit scheme in the Philippines were immaterial.

10. FINANCE COSTS

	利息自：
Interest on:	於五年內償還的
Bank loans, overdrafts and loan notes repayable within 5 years	銀行借款、透支及貸款票據
Bank loans not wholly repayable within 5 years	不在五年內全部償還的銀行借款
Finance lease	融資租賃
Effective interest expense on loan notes (note 37)	貸款票據的實際利息費用(附註37)
Other borrowing costs	其他借貸成本

All interest expense for the year is derived from financial liabilities that are not carried at fair value through profit and loss.

9. 退休金計劃

集團為香港及海外辦事處的合資格員工推行界定供款退休計劃及為菲律賓附屬公司工作員工推行一項界定利益退休計劃。

截至2005年12月31日止年度用作減低供款的沒收供款為189,000港元(2004年：761,000港元)。對菲律賓界定利益退休計劃的供款並不重要。

10. 融資成本

	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Interest on:		
Bank loans, overdrafts and loan notes repayable within 5 years	30,661	16,784
Bank loans not wholly repayable within 5 years	—	867
Finance lease	—	26
Effective interest expense on loan notes (note 37)	8,692	—
Other borrowing costs	1,555	2,048
	40,908	19,725

本年度所有利息費用來自非按公平值計入損益的財務負債。

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11. SHARE OF RESULTS AND AMORTIZATION OF NEGATIVE GOODWILL (GOODWILL) OF ASSOCIATED COMPANIES

11. 所佔聯營公司業績和攤銷負商譽 (商譽)

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Share of profits of associated companies	所佔聯營公司溢利	210,784	220,503
Amortization	攤銷		
— Goodwill on acquisition	— 收購時的商譽	—	(30,021)
— Negative goodwill on acquisition	— 收購時的負商譽	—	59,281
— Share of goodwill	— 所佔商譽	—	(740)
		210,784	249,023
Share of taxation of associated companies	所佔聯營公司稅項	(61,235)	(83,980)
		149,549	165,043

12. SHARE OF RESULTS AND AMORTIZATION OF GOODWILL OF JOINTLY CONTROLLED ENTITIES

12. 所佔共同控制公司業績及攤銷商譽

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Share of profits (losses) of jointly controlled entities	所佔共同控制公司溢利 (虧損)	2	(3,405)
Amortization of goodwill on acquisition	攤銷收購時的商譽	—	(219)
		2	(3,624)

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13. PROFIT BEFORE TAXATION

13. 除稅前溢利

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Profit before taxation for the year has been arrived at after charging (crediting):	是年度除稅前溢利已扣除(計入):		
Net realized profit on derivatives	衍生工具已兌現淨溢利	(20,513)	(15,455)
Net unrealized loss on derivatives	衍生工具未兌現淨虧損	744	—
Net profit on dealing in foreign currencies	外匯買賣淨溢利	(6,753)	(18,180)
Net profit on other dealing activities	其他買賣活動淨溢利	(7,733)	(8,141)
Net realized profit on trading in equity securities	經營股權證券已兌現淨溢利	(3,132)	(4,321)
Net unrealized (profit) loss on trading in equity securities	經營股權證券未兌現淨(溢利)虧損	(1,209)	2,109
Auditors' remuneration	核數師酬金	4,063	3,615
Amortization of intangible assets	攤銷無形資產	3,910	3,906
Amortization of leasehold interests in land	攤銷租賃土地權益	1,645	616
Commission expenses and sales incentives to account executives and certain staff	客戶主任及部分員工的佣金費用及營業獎金	135,592	128,783
Contributions to retirement benefit schemes	退休福利計劃供款	8,868	7,750
Depreciation	折舊		
— Leased property and equipment	— 租賃物業及設備	42	513
— Owned property and equipment	— 自置物業及設備	17,216	15,338
Net loss on disposal of property and equipment	出售物業及設備淨虧損	734	559
Operating lease rentals	營運租賃租金		
— Premises	— 房地產	15,791	16,010
— Others	— 其他	50	658
Outgoings in respect of non-rental generating investment properties	非賺取租金投資物業的支出	102	27
Outgoings in respect of rental generating investment properties	賺取租金投資物業的支出	707	598
Staff cost (including Directors' emoluments but excluding contributions to retirement benefit schemes)	僱員成本(包括董事酬金, 但不包括退休福利計劃供款)	164,239	164,168

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14. TAXATION

14. 稅項

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Current tax	當期稅項		
Hong Kong	香港	25,917	32,555
Other regions in the PRC	於中國的其他區域	309	264
Other jurisdictions	其他司法地區	—	74
		26,226	32,893
Under (over) provision in prior years	前期撥備不足(超額)		
Hong Kong	香港	541	(588)
Other regions in the PRC	於中國的其他區域	(80)	2,726
Other jurisdictions	其他司法地區	—	35
		26,687	35,066
Deferred tax (note 40)	遞延稅項(附註40)		
Current year	是年度	7,851	(1,626)
(Over) under provision in prior years	前期撥備(超額) 不足	(352)	173
		7,499	(1,453)
		34,186	33,613

Hong Kong profits tax is calculated at the rate of 17.5% (2004: 17.5%) of the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in the relevant jurisdictions.

香港利得稅乃按照本年度估計應課稅溢利按稅率17.5% (2004年：17.5%) 提撥準備。其他司法地區的稅款，則按照本年度估計應課稅溢利，按集團經營業務有關司法地區的現行稅率計算。

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14. TAXATION (Cont'd)

The taxation for the year can be reconciled to the profit before taxation per the income statement as follows:

14. 稅項 (續)

是年度稅項與收益賬中除稅前溢利對賬如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Profit before taxation	除稅前溢利	436,546	412,834
Share of taxation of associated companies	所佔聯營公司稅項	61,235	83,980
		497,781	496,814
Tax at the Hong Kong profits tax rate of 17.5% (2004: 17.5%)	按香港稅率17.5% (2004年：17.5%) 的稅項	87,111	86,943
Tax effect on share of profit and amortization of negative goodwill (goodwill) of associated companies	所佔聯營公司溢利及攤銷負商譽(商譽)於稅項的影響	(36,887)	(43,579)
Tax effect on share of profit (loss) and amortization of goodwill of jointly controlled entities	所佔共同控制公司溢利(虧損)及攤銷商譽於稅項的影響	—	634
Under provision in prior years	前期撥備不足	109	2,346
Tax effect on non-taxable income	無需課稅收入於稅項的影響	(25,590)	(19,677)
Tax effect on non-deductible expenses	不可扣稅支出於稅項的影響	11,996	10,149
Utilization/recognition of temporary differences not previously recognized	使用／確認以往並未確認的短暫時差	(302)	83
Utilization/recognition of tax losses not previously recognized	使用／確認以往並未確認的稅損	798	(1,810)
Items/countries subject to different tax rate	不同稅率的項目／國家	(3,049)	(1,476)
		34,186	33,613

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15. DIVIDENDS

15. 股息

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Interim dividend paid of HK2.5 cents per share (2004: HK2 cents per share)	已付中期股息 每股派2.5港仙 (2004年：每股派2港仙)	31,143	24,914
Proposed final dividend of HK9.5 cents per share (2004: HK2 cents per share)	擬派末期股息 每股派9.5港仙 (2004年：每股派2港仙)	118,342	24,914
Special dividend paid of nil per share (2004: HK1 cent per share)	無已付 特別股息 (2004年：每股派1港仙)	—	12,457
Proposed special dividend of nil per share (2004: HK4 cents per share)	無擬派 特別股息 (2004年：每股派4港仙)	—	49,828
		149,485	112,113

The final dividend of HK9.5 cents (2004: special and final dividends totaled HK6 cents) per share has been proposed by the Directors and is subject to approval by the equity holders in the forthcoming annual general meeting.

The Board of Directors also recommended a bonus warrant for every five shares held, at an exercise price of HK\$6.00 per share with a three years' term.

16. EARNINGS PER SHARE

The calculation of earnings per share was based on the profit attributable to equity holders of the Company of HK\$401,497,000 (2004: HK\$378,738,000) and 1,245,703,156 ordinary shares in issue during the year (2004: 1,245,703,156 ordinary shares).

No diluted earnings per share has been presented for both years as there were no potential ordinary shares as at year ended (2004: Nil).

董事已建議派發末期股息共9.5港仙(2004年：特別及末期股息共6港仙)，惟須待股東於即將舉行的股東週年大會上批准。

董事會亦建議按每持有五股股份發送一份三年期之紅利認股權證，行使價為每股6.00港元。

16. 每股盈利

每股盈利之計算乃按本年度本公司股東應佔溢利401,497,000港元(2004年：378,738,000港元)及本年度已發行普通股1,245,703,156股(2004年：普通股1,245,703,156股)而計算。

於年結時，因無潛在普通股，故此兩年皆無呈列每股攤薄盈利(2004年：無)。

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17. INVESTMENT PROPERTIES

17. 投資物業

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Fair value	公平值		
At 1 January	於1月1日	43,000	36,900
Acquired on an acquisition of a subsidiary	所得自購入一間 附屬公司	39,362	—
Disposal	出售	(12,600)	—
Increase in fair value/revaluation surplus recognized in the income statement	公平值增加／於 收益賬確認的 重估增值	23,638	6,100
At 31 December	於12月31日	93,400	43,000

(a) The investment properties were valued on 31 December 2005 by Norton Appraisals Limited, an independent qualified professional valuer, not connected with the Group. Norton Appraisals Limited has appropriate qualification and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties. Particulars of the investment properties at 31 December 2005 were:

(a) 投資物業由與集團無關連的獨立合資格專業估值師普敦國際評估有限公司，於2005年12月31日評估。普敦國際評估有限公司擁有合適的資格及擁有評估有關地區類似物業的近期經驗。該估值符合國際估值準則，以相類物業交易價格的市場憑證作為參考。投資物業於2005年12月31日之資料如下：

Location 地址	Classification 類別	Term of lease 租約期	Interest 權益
House C7, Hawaii Garden, No. 18, Silver Cape Road, Sai Kung, New Territories	Residential	2047	100%
新界西貢銀岬路18號夏威夷花園C7號屋	住宅		
Rooms 2803–2810, 28/F, Wing On House, No. 71, Des Voeux Road Central, Hong Kong	Commercial	2902	100%
香港德輔道中71號永安集團大廈28樓2803–2810室	商業		
11/F, Tian An Centre, No. 338 Nanjing Road West, Huangpu District, Shanghai, the PRC	Commercial	2044	100%
中國上海黃浦區南京西路338號天安中心大廈11樓	商業		

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17. INVESTMENT PROPERTIES (Cont'd)

(b) At 31 December 2005, the carrying value of investment properties pledged as security for the Group's long term bank loans amounted to HK\$79,400,000 (2004: HK\$20,000,000).

(c) The carrying value of investment properties shown above comprises:

17. 投資物業(續)

(b) 於2005年12月31日，價值79,400,000港元(2004年：20,000,000港元)賬面值的投資物業是抵押予銀行作為集團長期銀行借款的抵押品。

(c) 以上投資物業的賬面值包括：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Long lease properties in Hong Kong	在香港的長期 租賃物業	36,000	20,000
Medium-term lease properties in Hong Kong	在香港的中期 租賃物業	14,000	23,000
Medium-term lease properties outside Hong Kong	在海外的 中期租賃 物業	43,400	—
		93,400	43,000

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18. LEASEHOLD INTERESTS IN LAND

18. 租賃土地權益

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Cost	原值		
At 1 January	於1月1日	71,080	71,080
Acquired on an acquisition of a subsidiary	所得自購入一間 附屬公司	8,900	—
At 31 December	於12月31日	79,980	71,080
Accumulated amortization	累積攤銷		
At 1 January	於1月1日	4,184	3,568
Amortization charged for the year	是年度 攤銷	1,645	616
At 31 December	於12月31日	5,829	4,184
Carrying value at 31 December	於12月31日的賬面值	74,151	66,896
Less: current portion (note 27)	減：一年內到期的部分(附註27)	(1,664)	(1,442)
		72,487	65,454
Carrying value of leasehold interests in land comprise:	租賃土地權益的賬面值包括：		
Leasehold land in Hong Kong	在香港的租賃土地		
Long lease	長期租賃	64,728	66,086
Leasehold land outside Hong Kong	在香港以外的租賃土地		
Medium-term lease	中期租賃	8,693	—
Short lease	短期租賃	730	810
		74,151	66,896

At 31 December 2005, the carrying value of leasehold interests in land pledged as security for the Group's long term bank loans and bank overdrafts amounted to HK\$54,968,000 (2004: HK\$56,121,000).

於2005年12月31日，價值54,968,000港元(2004年：56,121,000港元)賬面值的租賃土地權益是抵押予銀行作為集團長期銀行借款及透支的抵押品。

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19. PROPERTY AND EQUIPMENT

19. 物業及設備

		Buildings 樓宇 HK\$'000 千港元	Group 集團 Furniture and equipment 傢俬及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	原值			
At 1 January 2004	於2004年1月1日	31,268	95,932	127,200
Exchange adjustments	滙兌調整	—	(4)	(4)
Additions	增購	—	11,860	11,860
Disposals	出售	—	(2,499)	(2,499)
At 31 December 2004	於2004年12月31日	31,268	105,289	136,557
Exchange and other adjustments	滙兌及其他調整	—	(258)	(258)
Additions	增購	—	16,119	16,119
Acquired on an acquisition of subsidiaries	所得自購入 附屬公司	5,228	5,800	11,028
Disposals	出售	—	(4,708)	(4,708)
At 31 December 2005	於2005年12月31日	36,496	122,242	158,738
Accumulated depreciation and impairment	累積折舊及減值			
At 1 January 2004	於2004年1月1日	7,309	64,048	71,357
Exchange adjustments	滙兌調整	—	(3)	(3)
Depreciation provided for the year	是年度 折舊	992	14,859	15,851
Eliminated on disposals	出售對銷	—	(1,885)	(1,885)
At 31 December 2004	於2004年12月31日	8,301	77,019	85,320
Exchange and other adjustments	滙兌及其他調整	—	(60)	(60)
Depreciation provided for the year	是年度 折舊	707	16,551	17,258
Impairment loss	減值虧損	—	3,680	3,680
Eliminated on disposals	出售對銷	—	(3,965)	(3,965)
At 31 December 2005	於2005年12月31日	9,008	93,225	102,233
Carrying value at 31 December 2005	2005年12月31日 賬面值	27,488	29,017	56,505
Carrying value at 31 December 2004	2004年12月31日 賬面值	22,967	28,270	51,237

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19. PROPERTY AND EQUIPMENT (Cont'd)

At 31 December 2005, the carrying value of buildings pledged as security for the Group's long term bank loans and bank overdrafts amounted to HK\$19,250,000 (2004: HK\$19,655,000).

At 31 December 2005, no equipment was held under finance lease (2004: carrying value of HK\$1,067,000).

20. INTANGIBLE ASSETS

19. 物業及設備 (續)

於2005年12月31日，價值19,250,000港元(2004年：19,655,000港元)賬面值的樓宇是抵押予銀行作為集團長期銀行借款及透支的抵押品。

於2005年12月31日，並無融資租賃的設備(2004年：賬面值為1,067,000港元)。

20. 無形資產

		Club membership 會所會籍 HK\$'000 千港元	Exchange participation rights 交易所參與權 HK\$'000 千港元	Group 集團 Computer software 電腦軟件		Total 總額 HK\$'000 千港元
				Acquired 購入 HK\$'000 千港元	Internally developed 內部開發 HK\$'000 千港元	
Cost	原值					
At 1 January 2004	於2004年1月1日	—	4,230	11,430	—	15,660
Additions	增購	—	—	6,091	—	6,091
Disposals	出售	—	—	(120)	—	(120)
At 31 December 2004	於2004年12月31日	—	4,230	17,401	—	21,631
Reclassified from other investments at 1 January 2005 (note 2(j))	於2005年1月1日分類 自其他投資(附註2(j))	3,098	2,507	—	—	5,605
Elimination of accumulated amortization	對銷累積攤銷	—	(2,079)	—	—	(2,079)
Exchange and other adjustments	匯兌及其他調整	—	—	284	—	284
Additions	增購	—	—	2,352	3,610	5,962
Acquired on acquisitions of subsidiaries	所得自購入附屬公司	—	1,200	—	—	1,200
Written off	撇銷	(23)	—	—	—	(23)
At 31 December 2005	於2005年12月31日	3,075	5,858	20,037	3,610	32,580

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20. INTANGIBLE ASSETS (Cont'd)

20. 無形資產(續)

		Club membership 會所會籍 HK\$'000 千港元	Exchange participation rights 交易所 參與權 HK\$'000 千港元	Group 集團 Computer software 電腦軟件		Total 總額 HK\$'000 千港元
				Acquired 購入 HK\$'000 千港元	Internally developed 內部開發 HK\$'000 千港元	
Accumulated amortization and impairment	累積攤銷及減值					
At 1 January 2004	於2004年1月1日	—	1,233	3,742	—	4,975
Amortization charged for the year	是年度攤銷費用	—	846	3,060	—	3,906
Eliminated on disposals	出售對銷	—	—	(24)	—	(24)
At 31 December 2004	於2004年12月31日	—	2,079	6,778	—	8,857
Reclassified from other investments at 1 January 2005 (note 2(j))	於2005年1月1日分類 自其他投資(附註2(j))	180	—	—	—	180
Elimination of accumulated amortization	對銷累積攤銷	—	(2,079)	—	—	(2,079)
Exchange and other adjustments	匯兌及其他調整	—	—	85	—	85
Amortization charged for the year	是年度攤銷費用	—	—	3,910	—	3,910
Impairment loss	減值虧損	730	240	10	—	980
Impairment loss written back	減值虧損撥回	(180)	—	—	—	(180)
At 31 December 2005	於2005年12月31日	730	240	10,783	—	11,753
Carrying amount at 31 December 2005	2005年12月31日賬面值	2,345	5,618	9,254	3,610	20,827
Carrying amount at 31 December 2004	2004年12月31日賬面值	—	2,151	10,623	—	12,774

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20. INTANGIBLE ASSETS (Cont'd)

20. 無形資產(續)

		Company 本公司	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Club membership, at cost	會所會籍原值		
At 1 January	於1月1日	—	—
Reclassified from other investments at 1 January 2005	於2005年1月1日分類 自其他投資	2,090	—
At 31 December	於12月31日	2,090	—
Impairment	減值		
At 1 January	於1月1日	—	—
Impairment loss	減值虧損	510	—
At 31 December	於12月31日	510	—
Carrying value at 31 December	12月31日賬面值	1,580	—

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21. GOODWILL (NEGATIVE GOODWILL)

21. 商譽(負商譽)

		Goodwill 商譽 HK\$'000 千港元	Group 集團 Negative goodwill 負商譽 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	原值			
At 1 January 2004	於2004年1月1日	—	(30,270)	(30,270)
Adjustment to negative goodwill on acquisition of subsidiaries	調整購入附屬公司的負商譽	—	(15,700)	(15,700)
At 31 December 2004	於2004年12月31日	—	(45,970)	(45,970)
Derecognized upon the application of HKFRS 3 (note 2(b))	於實施HKFRS 3時停止確認(附註2(b))	—	45,970	45,970
Arising on acquisition of subsidiaries	產生自購入附屬公司	267	—	267
At 31 December 2005	於2005年12月31日	267	—	267
Impairment/accumulated amortization	減值／累積攤銷			
At 1 January 2004	於2004年1月1日	—	(14,009)	(14,009)
Amortization charged for the year	是年度攤銷費用	—	(9,565)	(9,565)
At 31 December 2004	於2004年12月31日	—	(23,574)	(23,574)
Derecognized upon the application of HKFRS 3 (note 2(b))	於實施HKFRS 3時停止確認(附註2(b))	—	23,574	23,574
Impairment loss	減值虧損	267	—	267
At 31 December 2005	於2005年12月31日	267	—	267
Carrying amount at 31 December 2005	2005年12月31日賬面值	—	—	—
Carrying amount at 31 December 2004	2004年12月31日賬面值	—	(22,396)	(22,396)

The accounting policy for goodwill has been changed upon the adoption of HKFRS 3. Please refer to note 2(b) for details.

於採納 HKFRS 3 時，對商譽的會計政策有所改變，詳情請參閱附註2(b)。

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22. INTEREST IN SUBSIDIARY COMPANIES

22. 附屬公司權益

		Company 本公司	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份原值	428,570	428,570
Add: amounts due from subsidiary companies	加：附屬公司欠賬	2,197,343	1,663,891
		2,625,913	2,092,461
Less: amounts due to subsidiary companies	減：附屬公司貸賬	—	(273,685)
		2,625,913	1,818,776
Less: impairment	減：減值	(316,448)	—
		2,309,465	1,818,776

The amounts due from subsidiary companies are unsecured, interest free and have no fixed term of repayment except for a sum of HK\$134,797,000 bearing interest at market rate. They are considered as quasi-equity loans.

Details of the principal subsidiary companies are shown in note 47.

附屬公司欠賬是無抵押、免息及無固定還款期（除一總值134,797,000港元附有以市場利率作為利息的款項），是被視為類似股權貸款。

主要附屬公司資料載於附註47。

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23. INTEREST IN ASSOCIATED COMPANIES

23. 聯營公司權益

		Group 集團			
		2005		2004	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Carrying value of listed associated companies	上市聯營公司賬面值		2,560,484		2,231,272
Carrying value of unlisted associated companies	非上市聯營公司賬面值		106,486		105,776
			2,666,970		2,337,048
Less: impairment	減：減值		(26,873)		(21,892)
			2,640,097		2,315,156
Loan note due from a listed associated company	一間上市聯營公司所欠的貸款票據	—		78,000	
Amounts due from associated companies	聯營公司欠賬	83,308		83,519	
Less: impairment	減：減值	(18,726)		(18,726)	
			64,582		142,793
Less: amounts due to associated companies	減：聯營公司貸賬		(57,537)		(44,404)
			2,647,142		2,413,545
Less: current portion of amounts due from listed associated companies	減：一年內到期的上市聯營公司欠賬		—		(210)
			2,647,142		2,413,335
Fair value of listed associated companies	上市聯營公司公平值		1,301,161		1,109,200

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23. INTEREST IN ASSOCIATED COMPANIES (Cont'd)

23. 聯營公司權益 (續)

		Company 本公司	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Listed equity investments in Hong Kong, at cost	在香港上市股權 投資原值	1,388,611	1,388,611
Unlisted equity investments, at cost	非上市股權投資 原值	3	3
		1,388,614	1,388,614
Loan note due from a listed associated company	一間上市聯營公司所欠的 貸款票據	—	78,000
Other amounts due from associated companies	聯營公司的其他 欠賬	75,518	75,554
Less: impairment	減：減值	(16,601)	(16,601)
		1,447,531	1,525,567
Fair value of listed associated companies	上市聯營公司 公平值	880,515	772,879

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23. INTEREST IN ASSOCIATED COMPANIES (Cont'd)

- (a) The goodwill included in the carrying value of associated companies is as follows:

23. 聯營公司權益 (續)

- (a) 以下為包括在聯營公司賬面值內的商譽：

		Goodwill 商譽 HK\$'000 千港元	Group 集團 Negative goodwill 負商譽 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	原值			
At 1 January 2004	於2004年1月1日	246,705	(342,134)	(95,429)
Adjustment	調整	(5,145)	—	(5,145)
Arising on acquisition of associated companies	產生自購入聯營公司	3,469	(11,997)	(8,528)
Eliminated on disposal	出售對銷	(433)	1,755	1,322
At 31 December 2004	於2004年12月31日	244,596	(352,376)	(107,780)
Elimination of accumulated amortization upon the application of HKFRS 3 (note 2(b))	於實施 HKFRS 3 時對銷累積攤銷 (附註2(b))	(158,704)	—	(158,704)
Derecognized upon the application of HKFRS 3 (note 2(b))	於實施 HKFRS 3 時停止確認 (附註2(b))	—	352,376	352,376
Arising on acquisition of associated companies	產生自購入聯營公司	13,683	—	13,683
Eliminated on disposal	出售對銷	(125)	—	(125)
At 31 December 2005	於2005年12月31日	99,450	—	99,450

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23. INTEREST IN ASSOCIATED COMPANIES (Cont'd)

23. 聯營公司權益 (續)

		Goodwill 商譽 HK\$'000 千港元	Group 集團 Negative goodwill 負商譽 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Impairment/accumulated amortization	減值／累積攤銷			
At 1 January 2004	於2004年1月1日	128,360	(140,390)	(12,030)
Adjustment	調整	(343)	—	(343)
Amortization charged for the year	是年度攤銷 費用	31,104	(59,281)	(28,177)
Eliminated on disposal	出售對銷	(417)	776	359
At 31 December 2004	於2004年12月31日	158,704	(198,895)	(40,191)
Elimination of accumulated amortization upon the application of HKFRS 3 (note 2(b))	於實施 HKFRS 3 時 對銷累積攤銷 (附註2(b))	(158,704)	—	(158,704)
Derecognized upon the application of HKFRS 3 (note 2(b))	於實施 HKFRS 3 時 停止確認 (附註2(b))	—	198,895	198,895
Impairment loss *	減值虧損 *	13,323	—	13,323
At 31 December 2005	於2005年12月31日	13,323	—	13,323
Carrying amount at 31 December 2005	2005年12月31日 賬面值	86,127	—	86,127
Carrying amount at 31 December 2004	2004年12月31日 賬面值	85,892	(153,481)	(67,589)

The accounting policy for goodwill has been changed upon the adoption of HKFRS 3. Please refer to note 2(b) for details.

於採納 HKFRS 3 時，對商譽的會計政策有所改變，詳情請參閱附註2(b)。

* The Group tests goodwill annually, or whenever there is an indication that goodwill might be impaired. The impairment loss of HK\$13,323,000 arose mainly from the Group's interest in a listed associated company due to the prolonged decline in the fair value of the Group's interest in the listed associated company below the Group's carrying amount.

* 集團每年(或於任何時候商譽有迹象可能減值時)檢驗商譽。13,323,000港元的減值虧損主要源自集團於一間上市聯營公司權益，由於集團在該上市聯營公司權益的公平值長期低於集團的賬面值。

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23. INTEREST IN ASSOCIATED COMPANIES (Cont'd)

(b) The summarized financial information of associated companies at 31 December 2005 was as follows:

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Total revenue	總收益	1,749,519	1,723,201
Profit and loss for the year	是年度溢利及虧損	467,398	336,487
Group's share of results of associated companies for the year	集團所佔聯營公司是年度業績	149,549	165,043
Total assets	總資產	12,494,018	10,925,873
Total liabilities	總負債	(6,681,639)	(5,568,262)
Group's share of net assets of associated companies	集團所佔聯營公司淨資產	2,580,843	2,404,637

(c) Details of the principal associated companies are shown in note 47.

(d) The amounts due from (to) associated companies are unsecured, interest free and have no fixed term of repayment. They are considered as quasi-equity loans.

23. 聯營公司權益 (續)

(b) 以下為聯營公司於2005年12月31日的財務資料概要：

(c) 主要聯營公司詳細資料載於附註47。

(d) 聯營公司欠(貸)賬是無抵押、免息及無固定還款期，是被視為類似股權貸款。

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24. INTEREST IN JOINTLY CONTROLLED ENTITIES

24. 共同控制公司權益

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Carrying value of unlisted jointly controlled entities	非上市共同控制公司賬面值	935	1,201
Amount due from a jointly controlled entity *	一間共同控制公司欠賬 *	—	1,018
Impairment for amount due from a jointly controlled entity	一間共同控制公司欠賬減值	—	(1,018)
		935	1,201

* The amount due from a jointly controlled entity was unsecured, interest free and had no fixed term of repayment.

* 一間共同控制公司欠賬是無抵押、免息及無固定還款期。

Particulars of the jointly controlled entity at 31 December 2005 are as follows:

以下為於2005年12月31日的共同控制公司資料：

Name 名稱	Form of business structure 業務架構形式	Country of incorporation and principal place of operation 註冊及主要業務經營地點	Principal activities 主要業務	Proportion of nominal value of issued capital and voting right 已發行股本面值及投票權比率
SHK Corporate Finance (Shanghai) Limited 上海新鴻基企業顧問有限公司	Incorporated 公司	People's Republic of China 中國	Corporate finance advisory 企業融資顧問	1/3

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25. AVAILABLE-FOR-SALE INVESTMENTS/ OTHER INVESTMENTS

25. 可供出售投資／其他投資

		Group 集團	
		Available- for-sale investments 可供出售 投資 2005 HK\$'000 千港元	Other investments 其他投資 2004 HK\$'000 千港元
Listed equity investments, at fair value	上市股權投資， 按公平值		
— Listed in Hong Kong	— 在香港上市	530,543	476,810
— Listed outside Hong Kong	— 在香港以外上市	4,444	4,474
		534,987	481,284
Unlisted equity investments, at fair value *	非上市股權投資， 按公平值 *	458,152	303,494
Club memberships and exchange participation rights	會所會籍及交易所 參與權	—	5,425
Statutory deposits	法定按金	—	26,624
		993,139	816,827
Add: amounts due from investee companies *	加：投資公司 欠賬 *	—	94,935
Less: impairment for amount due from an investee company	減：一間投資公司 欠賬減值	—	(2,161)
		993,139	909,601
Less: amount due to an investee company	減：一間投資公司 貸賬	—	(1,891)
		993,139	907,710

Available-for-sale investments/other investments are intended to be held for a continuing strategic or long term purpose.

持有可供出售投資／其他投資的目的，是作為持續性策略用途或長期用途。

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25. AVAILABLE-FOR-SALE INVESTMENTS/ OTHER INVESTMENTS (Cont'd)

Other investments were redesignated to various line items on 1 January 2005 on the adoption of HKAS 39. Please refer to note 2(j) for details.

* Included a sum totalling HK\$118,003,000 for the interests in the Kuala Lumpur hotels project in 2004 comparative figures. Please refer to note 26 for details.

26. LOANS AND RECEIVABLES

25. 可供出售投資／其他投資(續)

於實施 HKAS 39 時，其他投資於 2005年1月1日已重新定名為不同項目，詳情請參閱附註2(j)。

* 於2004年比較數字中，包括一數目共值 118,003,000港元的吉隆坡酒店項目權益，詳情請參閱附註26。

26. 貸款及應收賬

		Group 集團		Company 本公司	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Loan note of a listed associated company	一間上市聯營公司的 貸款票據	78,000	—	78,000	—
Amounts due from investee companies *	投資公司 欠賬 *	124,687	—	—	—
		202,687	—	78,000	—
Less: Impairment	減：減值	(1,447)	—	—	—
		201,240	—	78,000	—
Long term portion of term loans and other receivables (note 27)	有期借款及其他 應收賬的長期部分 (附註27)	1,066	3,200	—	—
		202,306	3,200	78,000	—

The fair value of the Group's loans and receivables at 31 December 2005 was approximate to the corresponding carrying value.

集團貸款及應收賬於2005年12月31日的公平值與其賬面值相若。

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26. LOANS AND RECEIVABLES (Cont'd)

- * Pending any judgment pursuant to the Final Appeal, the Company's present understanding of the effect of the Court of Appeal Judgment is that SHKS now effectively owns 25% ("SHKS Interest") of NWDC's entire interest (including the shareholder loans advanced by, or on behalf of, NWDC, and/or SDL and/or SHKS to Great Union Properties Sdn. Bhd. ("GUP") in the Joint Venture (as defined in the Judgment). The Joint Venture is a 50-50 joint venture between NWDC and/or SDL and IGB Corporation Bhd. to purchase land and to build two hotels of 1,000 rooms and a 200 unit service apartment block at the city centre of Kuala Lumpur. SDL holds 12.5% of the shares in GUP on trust for SHKS. A sum totalling HK\$118,003,000 (2004: HK\$118,003,000) is included in "Amounts due from investee companies" being the amount, (excluding interest which has been expensed in prior years) which represents the carrying value of the SHKS Interest.

The Board has decided that it is not presently appropriate to make any provisions in respect of the litigation or for impairment of the value of its interest in the total Kuala Lumpur hotels project pursuant to the Judgment and the Court of Appeal Judgment (together "the Judgments"). This decision has been taken because it is considered that the current circumstances regarding the nature and value of the interests existing under the Judgments and the uncertainty of the outcome of the Final Appeal, result in a situation where it is not possible to decide with any degree of accuracy as to what the final position may be. On the one hand if SHKS is completely successful in the Final Appeal then it may be entitled to recovery of monies already paid. On the other hand if it is not totally successful or only partially successful then it may be possible that further provision for impairment of the value of its final interests in the Kuala Lumpur hotels project may be required. The extent of such provision is not presently capable of determination as the holding company of the hotel namely GUP has not provided a current valuation of the project and SHKS has not had sufficient access to the detailed books and records of GUP to reach a supportable view as to the value of the project.

26. 貸款及應收賬(續)

- * 直至最終上訴作出任何判決，據本公司目前對上訴法院裁決結果之理解，新鴻基證券實際上擁有新世界發展於合營企業(在裁決中釋義)全部權益(包括來自或代替新世界發展、及/或來自或代替 SDL、及/或來自或代替新鴻基證券付予 Great Union Properties Sdn. Bhd. (「GUP」) 的股東貸款) 之25% (「新鴻基證券權益」)。此合營企業是新世界發展及/或 SDL 與 IGB Corporation Bhd. 各佔一半，在吉隆坡市中心購入土地及發展兩所設有1,000個房間之酒店和設有200個單位之服務式公寓。SDL 以信託方式代新鴻基證券持有 GUP 的12.5%股本。包括在「投資公司欠賬」中之一筆總額共118,003,000港元(2004年：118,003,000港元)(不包括於往年已支銷之利息)之賬項，是代表新鴻基證券權益的賬面值。

董事會認為在現時不適宜就裁決及上訴法院裁決(統稱「該等裁決」)對此訴訟或對吉隆坡酒店項目權益減值作出任何撥備。採取此決定乃由於經考慮在該等裁決下存在的權益之價值及性質之當前情況，以及最終上訴結果之不明朗因素，導致未能以任何的準確程度決定最終結果之情況。一方面，倘新鴻基證券於該最終上訴完全獲勝，其可能有權取回所有已付金額；另一方面，倘該上訴敗訴或僅部分獲勝，其有可能須就吉隆坡酒店項目之最終權益進一步作出減值撥備。由於酒店之控股公司 GUP 並無提供該項目之現有估值，兼且新鴻基證券亦未能獲得 GUP 之詳細賬冊紀錄，因而未能對該項目的價值達致具理據支持之意見，因此目前未能釐訂作出該等撥備之程度。

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27. TRADE AND OTHER RECEIVABLES

27. 經營及其他應收賬

		Group 集團			
		2005		2004	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Trade receivables	經營應收賬				
Accounts receivable from exchanges, brokers and clients	交易所、經紀及客戶應收賬	800,873		619,909	
Less: impairment	減：減值	(6,184)		(36,618)	
			794,689		583,291
Secured term loans	有抵押有期借款	166,967		237,462	
Unsecured term loans	無抵押有期借款	—		5,864	
Term loans due from a listed associated company	一間上市聯營公司所欠有期借款	245,000		—	
Less: impairment	減：減值	(35,331)		(58,816)	
			376,636		184,510
			1,171,325		767,801
Secured margin loans	有抵押證券放款	1,440,396		1,643,409	
Less: impairment	減：減值	(147,111)		(202,353)	
			1,293,285		1,441,056
			2,464,610		2,208,857
Amounts due from listed associated companies	聯營公司欠賬		7,357		210
Current portion of leasehold interests in land	於一年內到期的租賃土地權益		1,664		1,442
Interest receivables	應收利息		3,730		3,239
Other accounts receivable, deposits and prepayments	其他應收賬、按金及預付費用		123,569		80,060
			2,600,930		2,293,808
Less: long term portion of term loans and other receivables (note 26)	減：有期借款及其他應收賬的長期部分(附註26)		(1,066)		(3,200)
			2,599,864		2,290,608

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27. TRADE AND OTHER RECEIVABLES (Cont'd)

The aging analysis of the trade receivables excluding margin loans is as follows. No aging analysis on margin clients' receivables is disclosed as, in the opinion of the Directors, an aging analysis is not meaningful in view of the nature of the business of securities margin financing.

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Current	即期	1,148,875	752,069
31-60 days	31-60天	10,314	12,560
61-90 days	61-90天	1,320	383
Over 90 days	90天以上	52,331	98,223
		1,212,840	863,235
Less: impairment	減：減值	(41,515)	(95,434)
		1,171,325	767,801

The amount due from associated companies and interest receivable are unsecured, non-interest bearing and are expected to be settled within one year. Further details of the term loans and margin loans are disclosed in note 50.

There were listed securities, unlisted securities and properties of clients held as collateral against secured margin loans and term loans. The fair value of the listed securities as at 31 December 2005 was HK\$6,272,527,000 (2004: HK\$6,420,945,000).

The fair value of the Group's trade and other receivables at 31 December 2005 was approximate to the corresponding carrying value.

27. 經營及其他應收賬(續)

以下為不包括證券放款的經營應收賬賬齡分析。不披露證券放款客戶應收賬的賬齡分析，是由於考慮到證券放款融資業務的性質，董事們認為其賬齡分析並無意義。

聯營公司欠賬及應收利息是無抵押、免息及預期於一年內償還。有期借款與證券放款的進一步詳情於附註50中披露。

集團持有客戶上市證券、非上市證券及物業作為有抵押證券放款及有抵押有期借款之抵押品。於2005年12月31日，此等上市證券的公平值為6,272,527,000港元(2004年：6,420,945,000港元)。

集團經營及其他應收賬於2005年12月31日的公平值與其賬面值相若。

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28. HELD FOR TRADING INVESTMENTS/ TRADING SECURITIES

28. 持作買賣投資／證券經營賬

		Group 集團	
		Held for trading investments 經營用途 投資 2005 HK\$'000 千港元	Trading securities 證券經營賬 2004 HK\$'000 千港元
Equity securities listed in Hong Kong, at fair value	在香港上市的股權證券， 按公平值		
— Issued by corporate entities	— 由企業發行	32,396	23,152
— Issued by banks	— 由銀行發行	20,654	13,133
— Issued by public utility entities	— 由公營機構 發行	33	32
		53,083	36,317
Equity securities listed outside Hong Kong, at fair value	在香港以外上市的股權證券， 按公平值		
— Issued by corporate entities	— 由企業發行	2,534	3,740
— Issued by bank	— 由銀行發行	87	59
		2,621	3,799
Equity securities in unlisted investment funds outside Hong Kong, at fair value	在香港以外非上市投資 基金的股權投資， 按公平值		
— Issued by corporate entities	— 由企業發行	119,292	—
Marketable debt securities outside Hong Kong, at fair value	在香港以外的有市值 債務證券， 按公平值		
— Issued by central government	— 由中央政府 發行	—	7,741
Warrants and options listed in Hong Kong, at fair value	在香港上市的認股權證及 股票期權，按公平值	3,508	—
Other held for trading investments, at fair value	其他持作買賣投資， 按公平值	478	406
		178,982	48,263

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28. HELD FOR TRADING INVESTMENTS/ TRADING SECURITIES (Cont'd)

Trading securities were redesignated on 1 January 2005 on the application of HKAS 39. Please refer to note 2(j) for details.

28. 持作買賣投資／證券經營賬(續)

於實施 HKAS 39 時，證券經營賬於 2005 年 1 月 1 日已重新定名為不同項目，詳情請參閱附註 2(j)。

29. CASH AND CASH EQUIVALENTS

29. 現金及現金等價物

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Bank balances and cash	銀行結存及現金	320,492	406,959
Fixed deposits with banks	銀行定期存款	95,212	80,290
Treasury bills	國庫券	7,680	—
		423,384	487,249

The Group maintains trust and segregated accounts with licensed banks to hold clients' deposits arising from normal business transactions. At 31 December 2005, trust and segregated accounts not otherwise dealt with in these accounts totalled HK\$2,130,593,000 (2004: HK\$2,178,901,000).

Further details of the fixed deposits with banks and treasury bills are disclosed in note 50.

集團於持牌銀行設有信託及獨立賬戶，為經營日常業務所需而持有客戶信託存款。於 2005 年 12 月 31 日，本年度賬目並未包括的信託及獨立賬戶共 2,130,593,000 港元 (2004 年：2,178,901,000 港元)。

銀行定期存款及國庫券的進一步詳情於附註 50 中披露。

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30. BANK BORROWINGS DUE WITHIN ONE YEAR

30. 於一年內到期的銀行借款

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Bank loans	銀行借款		
— Secured (note 46)	— 有抵押 (附註46)	225,000	—
— Unsecured	— 無抵押	30,000	—
		255,000	—
Bank overdrafts	銀行透支		
— Secured (note 46)	— 有抵押 (附註46)	79,925	57,905
		334,925	57,905
Current portion of long term bank loans (note 38)	一年內到期的長期銀行借款 (附註38)	7,621	6,040
		342,546	63,945

All the bank loans and overdrafts are in Hong Kong dollars. Further details are disclosed in note 50.

所有銀行借款及透支為港元。進一步詳情於附註50中披露。

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31. TRADE AND OTHER PAYABLES

31. 經營及其他應付賬

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Trade payables	經營應付賬		
Accounts payable to exchanges, brokers and clients	交易所、 經紀及 客戶應付賬	787,288	867,135
Other accounts payable and accruals	其他應付賬及 應付費用	176,829	163,971
Amounts due to investee companies	投資公司 貸賬	2,464	—
Current portion of obligation under a finance lease (note 38)	一年內到期的融資租賃 債務(附註38)	—	76
		966,581	1,031,182

The fair value of the Group's trade and other payables at 31 December 2005 was approximate to the corresponding carrying amount.

集團經營及其他應付賬於2005年12月31日的公平值與其賬面值相若。

The aging analysis of the trade payables is as follows:

經營應付賬的賬齡分析如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Current	即期	781,824	852,009
31-60 days	31-60天	1,800	3,640
61-90 days	61-90天	258	3,037
Over 90 days	90天以上	3,406	8,449
		787,288	867,135

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32. TRADING LIABILITIES, AT FAIR VALUE

32. 公平值列賬的經營負債

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Stock borrowings	股票借用	17,700	—
Stock option	股票期權	56	—
		17,756	—

33. CURRENT ASSETS AND CURRENT LIABILITIES OF THE COMPANY

The fair value of the Company's trade and other receivables, cash and cash equivalents, trade and other payables and amounts due to subsidiary companies at 31 December 2005 was approximate to the corresponding carrying amount.

33. 本公司的流動資產及流動負債

本公司經營及其他應收賬、現金及現金等價物、經營及其他應付賬和附屬公司貸賬於2005年12月31日的公平值與其賬面值相若。

34. SHARE CAPITAL

34. 股本

		Number of shares 股份數目		Share capital 股本	
		2005 '000 千股	2004 '000 千股	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Ordinary shares of HK20 cents each	普通股每股 20港仙				
Authorized: Balance as at 1 January and 31 December	法定股本： 1月1日及12月31日 結存	15,000,000	15,000,000	3,000,000	3,000,000
Issued and fully paid: Balance as at 1 January and 31 December	發行及繳足股本： 1月1日及12月31日 結存	1,245,703	1,245,703	249,141	249,141

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35. RESERVES

35. 儲備

		Group 集團		Company 本公司	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Special capital reserve arising from adjustment of nominal value of shares	由調整股份面值而產生之特別資本儲備				
Balance as at 1 January	1月1日結存	930,026	930,026	930,026	930,026
Transfer to retained earnings *	轉撥至保留溢利 *	(930,026)	—	(930,026)	—
Balance as at 31 December	12月31日結存	—	930,026	—	930,026
Share premium account	股份溢價賬				
Balance as at 1 January and 31 December	1月1日及12月31日結存	1,124,703	1,124,703	1,123,263	1,123,263
Capital redemption reserve	資本贖回儲備				
Balance as at 1 January and 31 December	1月1日及12月31日結存	51,704	51,704	51,704	51,704
Exchange reserve	匯兌儲備				
Balance as at 1 January	1月1日結存	(26,826)	(27,105)	—	—
Translation of the accounts of overseas subsidiaries, associated companies and jointly controlled entities	海外附屬公司、聯營公司及共同控制公司賬目折算	571	(45)	—	—
Release on disposal of a jointly controlled entity	出售一間共同控制公司時撥回	(10)	—	—	—
Deferred tax	遞延稅項	(165)	—	—	—
Associated companies	聯營公司	26,071	325	—	—
Jointly controlled entities	共同控制公司	—	(1)	—	—
Balance as at 31 December	12月31日結存	(359)	(26,826)	—	—
Balance carried forward to next page	結存轉記下頁	1,176,048	2,079,607	1,174,967	2,104,993

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35. RESERVES (Cont'd)

35. 儲備 (續)

		Group 集團		Company 本公司	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Balance brought forward from previous page	結存轉承 上頁	1,176,048	2,079,607	1,174,967	2,104,993
Investment property revaluation reserve	投資物業重估儲備				
Balance as at 1 January, as previously reported	1月1日結存，按以往列賬	151,158	139,275	—	—
Share of prior year adjustments of an associated company	所佔一間聯營公司前期調整	25,615	24,936	—	—
As restated	重列	176,773	164,211	—	—
Share of adjustments to opening of associated companies upon adoption of HKAS 40	所佔聯營公司於採納 HKAS 40 時的期初調整	(176,773)	—	—	—
Release on disposal of an associated company	出售一間聯營公司時撥回	—	(533)	—	—
Associated companies	聯營公司	—	13,095	—	—
Balance as at 31 December	12月31日結存	—	176,773	—	—
Balance carried forward to next page	結存轉記 下頁	1,176,048	2,256,380	1,174,967	2,104,993

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35. RESERVES (Cont'd)

35. 儲備(續)

		Group		Company	
		集團		本公司	
		2005	2004	2005	2004
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Balance brought forward from previous page	結存轉承上頁	1,176,048	2,256,380	1,174,967	2,104,993
Investment revaluation reserve	投資重估儲備				
Balance as at 1 January	1月1日結存	308,920	71,956	(1)	13,347
Adjustment to opening on adoption of HKASs 32 and 39	於採納 HKASs 32 及 39 時的期初調整	(2,096)	—	—	—
Gains on fair value changes of available-for-sale investments/other investments	可供出售投資/其他投資公平值變動的收益	340,928	208,173	—	—
Impairment loss of available-for-sale investments/other investments transferred to income statement	可供出售投資/其他投資減值虧損轉撥至收益賬	14,411	16,898	—	—
Deferred tax	遞延稅項	81	(222)	—	—
Release on disposal of available-for-sale investments/other investments	出售可供出售投資/其他投資時撥回	(38,807)	6,648	1	(13,348)
Release on disposal of an associated company	出售一間聯營公司時撥回	—	43	—	—
Associated companies	聯營公司	10,299	5,424	—	—
Balance as at 31 December	12月31日結存	633,736	308,920	—	(1)
Capital reserves	資本儲備				
Balance as at 1 January	1月1日結存	3,744	921	—	—
Transfer from retained earnings by associated companies	聯營公司轉撥自保留溢利	352	2,827	—	—
Release on disposal of an associated company	出售一間聯營公司時撥回	—	(4)	—	—
Associated companies	聯營公司	2,338	—	—	—
Balance as at 31 December	12月31日結存	6,434	3,744	—	—
Balance carried forward to next page	結存轉記下頁	1,816,218	2,569,044	1,174,967	2,104,992

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35. RESERVES (Cont'd)

35. 儲備 (續)

		Group 集團		Company 本公司	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Balance brought forward from previous page	結存轉承 上頁	1,816,218	2,569,044	1,174,967	2,104,992
Retained earnings	保留溢利				
Balance as at 1 January, as previously reported	1月1日結存，按以往列賬	2,146,452	1,876,597	791,620	895,398
Prior year adjustments	前期調整				
— Adoption of HKASs 16 and 17	— 採納 HKASs 16 及 17	(2,049)	(1,752)	—	—
— Adoption of HKAS-Int 21	— 採納 HKAS-Int 21	109	377	—	—
— Share of associated companies	— 所佔聯營公司	(45,708)	(40,216)	—	—
As restated	重列	2,098,804	1,835,006	791,620	895,398
Adjustments to opening retained earnings	期初保留溢利調整				
— Adoption of HKASs 32 and 39	— 採納 HKASs 32 及 39	14,878	—	14,077	—
— Adoption of HKFRS 3	— 採納 HKFRS 3	175,877	—	—	—
— Share of associated companies	— 所佔聯營公司	184,071	—	—	—
		2,473,630	1,835,006	805,697	895,398
Profit attributable to equity holders of the Company	本公司股東應佔溢利	401,497	378,738	376,633	8,335
Dividends	股息	(149,485)	(112,113)	(149,485)	(112,113)
Transfer from special capital reserve *	轉撥自特別資本儲備 *	930,026	—	930,026	—
Unclaimed dividends written back	未領股息撥回	1,862	—	1,862	—
Transfer to capital reserve by associated companies	聯營公司轉撥至資本儲備	(352)	(2,827)	—	—
Balance as at 31 December	12月31日結存	3,657,178	2,098,804	1,964,733	791,620
Balance carried forward to next page	結存轉記 下頁	5,473,396	4,667,848	3,139,700	2,896,612

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35. RESERVES (Cont'd)

35. 儲備(續)

		Group 集團		Company 本公司	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Balance brought forward from previous page	結存轉承 上頁	5,473,396	4,667,848	3,139,700	2,896,612
Proposed dividends	擬派股息				
Balance as at 1 January	1月1日結存	74,742	74,742	74,742	74,742
Dividends proposed	擬派股息	149,485	112,113	149,485	112,113
Dividends paid	股息支付	(105,885)	(112,113)	(105,885)	(112,113)
Balance as at 31 December	12月31日結存	118,342	74,742	118,342	74,742
Total balance as at 31 December	12月31日結存 總數	5,591,738	4,742,590	3,258,042	2,971,354

The distributable reserves of the Company as at 31 December 2005 amounted to HK\$2,397,990,000 (2004: HK\$869,704,000), being its net realized profits calculated under Section 79B of the Companies Ordinance.

本公司於2005年12月31日的可供分派儲備為2,397,990,000港元(2004年: 869,704,000港元)，此乃根據公司條例第79B條計算的已兌現溢利。

* When sanctioning a reduction in nominal value of the Company's share in 1998, the High Court of Hong Kong stipulated that the credit arising on the reduction be transferred to a special capital reserve, and that the reserve is not to be distributed until all of the liabilities of the Company as at the date of the order, 14 July 1998, are settled. There were no outstanding liabilities at 31 December 2005 in respect of liabilities in existence at 14 July 1998. Accordingly, the special capital reserve became distributable and was transferred to retained earnings.

* 香港高等法院在1998年批准削減本公司股份面值時規定，從是項削減而產生的進賬是轉撥至特別資本儲備內。該項儲備是不可分派，直至本公司於法院命令發出日，即1998年7月14日的全部負債獲清償為止。於2005年12月31日，本公司於1998年7月14日已存在的負債並無尚未清償。因此，特別資本儲備可供分派並已轉撥至保留溢利。

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36. MINORITY INTERESTS

36. 少數股東權益

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Balance as at 1 January	1月1日結存	(494)	1,411
Profit attributable to minority interests	少數股東權益應佔溢利	863	483
Distribution to minority interests on disposal of subsidiaries	於出售附屬公司時分發予少數股東權益	—	(2,388)
Balance as at 31 December	12月31日結存	369	(494)

37. LOAN NOTES

37. 貸款票據

		Group and the Company 集團及本公司	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Principal	本金		
Balance as at 1 January	1月1日結存	129,637	231,637
Repayment and cancellation	還款及註銷	(60,000)	(102,000)
Balance as at 31 December	12月31日結存	69,637	129,637
Difference using the effective interest method	使用實際利息法的差額		
Balance as at 1 January	1月1日結存	—	—
Adjustments to opening balance on the adoption of HKAS 39	於採納 HKAS 39 時的期初結存調整	(14,077)	—
Interest expense	利息費用	8,692	—
Balance as at 31 December	12月31日結存	(5,385)	—
Carrying value as at 31 December	12月31日賬面值	64,252	129,637

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37. LOAN NOTES (Cont'd)

The loan notes bear interest at 4% per annum and the principal of the loan notes is due for repayment on 7 March 2008. The effective interest rate is 7.9% per annum.

The fair value of the loan notes at 31 December 2005 was approximate to the corresponding carrying value.

38. BANK AND OTHER BORROWINGS DUE AFTER ONE YEAR

37. 貸款票據 (續)

貸款票據附有年利率4%利息，貸款票據本金額於2008年3月7日到期償還。實際利息為年利率7.9%。

貸款票據於2005年12月31日的公平值與其賬面值相若。

38. 一年後到期的銀行及其他借款

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Secured bank loans (note 46)	有抵押銀行借款 (附註46)	50,367	30,307
Obligation under a finance lease	融資租賃債務	—	76
Advance from a minority equity holder	來自少數股東借款	974	1,022
		51,341	31,405
Less: current portion	減：一年內到期的部分		
Secured bank loans (note 30)	有抵押銀行借款 (附註30)	(7,621)	(6,040)
Obligation under a finance lease	融資租賃債務	—	(76)
		43,720	25,289

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38. BANK AND OTHER BORROWINGS DUE AFTER ONE YEAR (Cont'd)

At 31 December 2005, the secured bank loans were repayable as follows:

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Within one year	一年內	7,621	6,040
In the second year	第二年	8,195	6,172
In the third to fifth year	第三年至第五年	34,551	18,095
		50,367	30,307

The secured bank loans are repayable by instalments up to December 2010. Interest is charged on the outstanding balances at Prime Rate minus 2% per annum and Hong Kong Interbank Offer Rate plus 1% to 1.25% per annum.

The fair value of the Group's bank and other borrowings due over one year at 31 December 2005 was approximate to the corresponding carrying value.

38. 一年後到期的銀行及其他借款(續)

於2005年12月31日，有抵押銀行借款之還款期如下：

有抵押銀行借款是以分期償還至2010年12月。利息按未償還結餘以最優惠年利率減2%及香港銀行同業拆息年利率加1%至1.25%計算。

一年後到期的銀行及其他借款於2005年12月31日的公平值與其賬面值相若。

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39. PROVISIONS

39. 準備

		Group 集團		
		Employee benefit 員工福利 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2005	於2005年1月1日	42,654	792	43,446
Additional provision in the year	準備增加	33,402	846	34,248
Written back	撥回	(13,009)	—	(13,009)
Amount utilized during the year	使用數額	(11,428)	—	(11,428)
Amount paid during the year	支付數額	(18,998)	—	(18,998)
At 31 December 2005	於2005年12月31日	32,621	1,638	34,259
Less: current portion	減：一年內到期的部分	(32,211)	(846)	(33,057)
		410	792	1,202

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40. DEFERRED TAXATION

40. 遞延稅項

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Net deferred tax assets as at 1 January	於1月1日的遞延稅項 資產淨額	4,736	6,218
Reclassified from taxation payable	重新分類自 應付稅項	—	(2,726)
Exchange adjustments	滙兌調整	(67)	13
Acquired on an acquisition of a subsidiary	所得自購入一間 附屬公司	(124)	—
Charge to income for the year (note 14)	於本年收益內扣除 (附註14)	(7,499)	1,453
Charge to equity	於權益內扣除	(84)	(222)
Net deferred tax (liabilities) assets as at 31 December	於12月31日的遞延稅項 (負債)資產淨額	(3,038)	4,736

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40. DEFERRED TAXATION (Cont'd)

The deferred tax assets and liabilities recognized in the balance sheet are analyzed as follows:

40. 遞延稅項(續)

以下為在資產負債表中確認的遞延稅項資產及負債分析：

		Group 集團		Company 本公司	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Deferred tax assets	遞延稅項資產				
— Decelerated depreciation	— 減速折舊	228	286	—	—
— Provisions	— 準備	6,439	7,886	2,158	2,612
— Revaluation of assets	— 資產重估	—	601	—	—
— Unused tax losses	— 未用稅損	1,682	4,292	—	—
		8,349	13,065	2,158	2,612
Offset against deferred tax liabilities	抵銷遞延稅項負債	(4,206)	(2,786)	—	—
		4,143	10,279	2,158	2,612
Deferred tax liabilities	遞延稅項負債				
— Accelerated depreciation	— 加速折舊	(3,577)	(3,268)	—	—
— Revaluation of assets	— 資產重估	(3,442)	(167)	—	—
— Unrealized profit	— 未兌現溢利	(1,504)	(1,274)	—	—
— Undistributed earnings and others	— 未分派盈利及其他	(2,864)	(3,620)	—	—
		(11,387)	(8,329)	—	—
Offset against deferred tax assets	抵銷遞延稅項資產	4,206	2,786	—	—
		(7,181)	(5,543)	—	—

At the balance sheet date, the Group had unrecognized deductible temporary difference of HK\$5,880,000 (2004: HK\$6,023,000) and unrecognized tax losses of HK\$391,903,000 (2004: HK\$353,526,000) available to offset against future profits. The deductible temporary difference and tax losses have not been recognized as it is uncertain that there will be sufficient future taxable profit available against the utilization of these temporary differences. Included in unrecognized tax losses are losses of HK\$4,467,000, HK\$54,000, and HK\$13,349,000 that will be expired on 2006, 2007 and 2008 respectively.

於結算日，集團有未確認可扣減短暫時差5,880,000港元(2004年：6,023,000港元)，及可抵銷未來溢利的未確認稅損391,903,000港元(2004年：353,526,000港元)。由於未能確定將來有足夠應課稅溢利，以抵銷該等短暫時差的動用，故該等可扣減短暫時差及稅損並未確認。於未確認稅損內分別有於2006年到期的4,467,000港元稅損、於2007年到期的54,000港元稅損、及於2008年到期的13,349,000港元稅損。

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41. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of profit before taxation to cash generated from (used in) operations:

41. 綜合現金流量表附註

除稅前溢利與來自經營所得(所用)現金對賬:

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Profit before taxation	除稅前溢利	436,546	412,834
Share of results and amortization of negative goodwill/goodwill of	所佔業績及攤銷負商譽/商譽		
— Associated companies	— 聯營公司	(149,549)	(165,043)
— Jointly controlled entities	— 共同控制公司	(2)	3,624
Amortization of negative goodwill on acquisition of subsidiary companies	攤銷收購附屬公司的負商譽	—	(9,565)
Dividend income	股息收入	(40,639)	(73,636)
Interest income	利息收入	(174,565)	(160,570)
Discount on acquisition of a subsidiary company	收購一間附屬公司折讓	(199)	—
Net realized profit on disposal of a portion of a subsidiary	出售一間附屬公司一部分的已兌現溢利淨額	—	(789)
Net realized profit on disposal/deemed disposal of a jointly controlled entity	出售/視作出售一間共同控制公司已兌現溢利淨額	(1,219)	(942)
Net realized profit on disposal of an investment property	出售一幢投資物業已兌現溢利淨額	(2,061)	—
Net realized profit on disposal of available-for-sale investments/other investment	出售可供出售投資/其他投資已兌現溢利淨額	(56,748)	(2,483)
Impairment loss for intangible assets written back	無形資產減值虧損撥回	(180)	—
Impairment loss for trade and other receivables/provision for doubtful debts written back	經營及其他應收賬減值虧損/呆賬準備撥回	(25,264)	(16,615)
Increase in fair value of investment properties/revaluation deficit written back	投資物業公平值增加/重估減值撥回	(23,638)	(6,100)
Balance carried forward to next page	結存轉記下頁	(37,518)	(19,285)

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41. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Cont'd) 41. 綜合現金流量表附註(續)

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Balance brought forward from previous page	結存轉承上頁	(37,518)	(19,285)
Impairment loss of available-for-sale investments/other investments	可供出售投資／其他投資減值虧損	14,411	16,898
Impairment loss of an associated company	一間聯營公司減值虧損	4,981	—
Impairment loss of property and equipment	物業及設備減值虧損	3,680	—
Impairment loss of intangible assets	無形資產減值虧損	980	—
Impairment loss of goodwill of a subsidiary company	一間附屬公司商譽減值虧損	267	—
Impairment loss of goodwill of associated companies	聯營公司商譽減值虧損	13,323	—
Impairment loss of trade and other receivables/provision for doubtful debts	經營及其他應收賬減值虧損／呆賬準備	21,409	16,074
Net unrealized (profit) loss on held for trading investments/trading securities	持作買賣投資／證券經營賬的未兌現(溢利)虧損淨額	(465)	2,109
Amortization of intangible assets	攤銷無形資產	3,910	3,906
Amortization of leasehold interests in land	攤銷租賃土地權益	1,645	616
Depreciation of property and equipment	物業及設備折舊	17,258	15,851
Interest expenses	利息費用	39,353	17,677
Net loss on deemed disposal of an associated company	視作出售一間聯營公司虧損淨額	—	4,492
Net loss on disposal of property and equipment	出售物業及設備虧損淨額	734	559
Balance carried forward to next page	結存轉記下頁	83,968	58,897

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41. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Cont'd) 41. 綜合現金流量表附註(續)

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Balance brought forward from previous page	結存轉承 上頁	83,968	58,897
Net loss on disposal of intangible assets	出售無形資產 虧損淨額	—	96
Operating cash flow before movement in working capital	流動資本變動前的經營 現金流量	83,968	58,993
Increase in loans and receivables	貸款及應收賬增加	—	(3,200)
(Increase) decrease in trade and other receivables	經營及其他應收賬 (增加)減少	(274,849)	523,677
Increase in held for trading investments/trading securities	持作買賣投資/證券 經營賬增加	(127,798)	(14,634)
Decrease in trade and other payables	經營及其他應付賬 減少	(81,824)	(482,320)
Increase in trading liabilities, at fair value	公平值列賬的經營 負債增加	17,756	—
Decrease in provisions	準備減少	(9,187)	(3,956)
Cash (used in) generated from operations	經營(所用)所得 現金	(391,934)	78,560

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42. ACQUISITION OF SUBSIDIARIES

The Group acquired the following subsidiaries during the year:

42. 購入附屬公司

集團於本年內購入以下附屬公司：

Name 名稱	Principal activities 主要業務	Date of acquisition 購入日期	Percentage acquired 購入百分率	Component of cost 成本組合	Cost including capitalized expenses 包括資本化 費用的成本 HK\$'000 千港元
Hing Yip Holdings Limited 興業控股有限公司	Property investment 物業投資	1/2/2005	100%	Cash 現金	13,811
Excalibur Futures Limited 駿溢期貨有限公司	Futures dealing and broking 期貨買賣及經紀	17/3/2005	100%	Cash 現金	16,853
Excalibur Securities Limited 駿溢証券有限公司	Securities broking 證券經紀	17/3/2005	100%	Cash 現金	9,033
Sing Hing Investment Limited 誠興投資有限公司	Property investment 物業投資	18/4/2005	100%	Cash 現金	38,477
					78,174

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42. ACQUISITION OF SUBSIDIARIES (Cont'd)

The aggregate assets and liabilities arising from the acquisition and the goodwill, are as follows:

42. 購入附屬公司(續)

以下為購入的總資產、負債及商譽：

		Acquiree's carrying amount 被購入者的 賬面值 HK\$'000 千港元	Fair value adjustments 公平值調整 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	15,758	—	15,758
Intangible assets	無形資產	1,200	—	1,200
Investment property	投資物業	26,934	12,428	39,362
Leasehold interests in land	租賃土地權益	6,408	2,492	8,900
Property and equipment	物業及設備	9,565	1,463	11,028
Statutory deposits	法定按金	1,734	—	1,734
Trade and other receivables	經營及其他應收賬	17,723	(900)	16,823
Trade and other payables	經營及其他應付賬	(16,575)	—	(16,575)
Deferred tax liabilities	遞延稅項負債	(124)	—	(124)
Net assets	淨資產	62,623	15,483	78,106
Total purchase consideration satisfied by cash	以現金支付的購入代價總額			78,174
				68
Excess of net fair value over consideration recognized in income statement	公平值淨額超出代價的數額於收益賬確認			199
Goodwill	商譽			267
Purchase consideration settled in cash	以現金支付的購入代價			78,174
Cash and cash equivalents in subsidiaries acquired	從附屬公司所得的現金及現金等價物			(15,758)
Net cash outflow arising on acquisition	收購的現金流出淨額			62,416

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42. ACQUISITION OF SUBSIDIARIES (Cont'd)

The aggregate revenue and the profit and loss of the acquired subsidiaries are as follows:

		For the year 2005 2005年度 HK\$'000 千港元	Post- acquisition 收購後 HK\$'000 千港元
Total revenue	總收益	46,695	43,743
Profit and loss	溢利及虧損	11,061	10,401

The information for the year 2005 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.

43. CAPITAL COMMITMENTS

		Group 集團 2005 HK\$'000 千港元	2004 HK\$'000 千港元
Contracted for but not provided in the financial statements	已簽約但未在賬目中 作出準備者	29,628	28,688
Authorized but not contracted for	已批准但未 簽約者	2,259	2,209
		31,887	30,897

42. 購入附屬公司(續)

以下為購入附屬公司的收益和溢利及虧損：

2005年度的資料只作為說明用途，該等購入附屬公司的2005年度收益及經營業績，並不一定指示為包括在集綜合收益賬內，或作為未來業績的預測。

43. 資本承擔

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44. OPERATING LEASES

(a) The Group as lessee

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

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Within one year	一年內	17,115	20,155
In the second to fifth years inclusive	包括在第二至 第五年	14,802	33,952
		31,917	54,107

Most of the lease payment represents rentals payable by the Group for its office properties. The lease term and rental are fixed at 2 to 4 years.

(b) The Group as lessor

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

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Within one year	一年內	1,269	359
In the second to fifth years inclusive	包括在第二至 第五年	856	—
		2,125	359

The Group has properties leased to tenants for rental. The lease term and rental are fixed at 1 to 3 years.

44. 營運租賃

(a) 集團作為承租人

於結算日，集團根據不可撤銷營運租約，而須於未來支付的最低租賃付款期限如下：

大部分租賃付款是集團為其辦公室物業所應付的租金，其租期及租金是固定在二至四年間。

(b) 集團作為出租人

於結算日，集團與租客簽訂以下未來最低租賃付款：

集團有物業出租予租客以收取租金，其租期及租金是固定在一至三年間。

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45. CONTINGENT LIABILITIES

(a) At balance sheet date, the Company and the Group had guarantees as follows:

45. 或然負債

(a) 於結算日，本公司及集團有以下保證：

		Group 集團		Company 本公司	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Guarantee for banking facility granted to	給予以下公司的銀行信貸保證				
— Subsidiary companies	— 附屬公司	—	—	30,000	58,000
— An investee company	— 一間投資公司	6,979	7,000	6,979	7,000
Indemnities on banking guarantees made available to a clearing house and regulatory body	對給予一間結算所及監管機構的銀行保證所作的擔保	5,540	5,540	—	—
Other guarantees	其他保證	7,084	3,184	1,400	1,400
		19,603	15,724	38,379	66,400

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45. CONTINGENT LIABILITIES (Cont'd)

- (b) On 4 February 2004, Sun Tai Cheung Credits Limited (“STCC”) and Sun Hung Kai Investment Services Limited (“SHKIS”), both indirect wholly-owned subsidiaries of the Company, were served with a writ including a statement of claim (“200/2004”) by Shanghai Finance Holdings Limited, claiming, inter alia, an order that the sale of the shares in Shun Loong Holdings Limited (“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 25 June 2003 be set aside, or alternatively, as against STCC, damages and an account as to the money obtained by STCC in respect of the Shun Loong Shares. The writ is being vigorously defended. STCC and SHKIS were properly advised at all times during the transaction and believe that the claim is not soundly based. STCC and SHKIS have applied to have the claim struck out. The proceedings have now been stayed until further order of the court.

While a provision has been made for legal costs, at this stage the Directors are of the view that it is not appropriate for any other provision to be made with respect to this action.

45. 或然負債 (續)

- (b) 於2004年2月4日，Shanghai Finance Holdings Limited 向同為本公司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2003年6月25日之買賣協議向新鴻基投資所出售順隆集團有限公司之股份(「順隆股份」)(作價36,500,000港元，在若干條件規則下，將會於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。集團正極力對此項索償作出抗辯。新泰昌授信及新鴻基投資在交易期間一直按適當專業建議行事，並深信有關索償理據不足。新泰昌授信及新鴻基投資已申請剔除此宗索償。有關司法程序現正暫停辦理，直至法院另行頒令為止。

在現階段，本公司董事認為在作出訴訟費撥備後，對此訴訟不適宜作出任何其他撥備。

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45. CONTINGENT LIABILITIES (Cont'd)

- (c) By the judgment of Deputy High Court Judge To on 1 April 2004 (the "Judgment") in HCA 3191/1999 between NWDC and SDL against SHKS, a wholly-owned subsidiary of the Company, 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 16 December 1998 until payment, pursuant to the terms of an oral agreement which His Lordship found (the "Oral Agreement"). As at 17 June 2004, the date when the Judgment sum was paid, the Judgment amounted to HK\$150,115,681.54 (being HK\$105,534,018.22 plus interest of HK\$44,581,663.32). SHKS has paid the Judgment amounts. SHKS filed an appeal against the Judgment both as to liability and quantum (the "Appeal") to the Court of Appeal. That Court has handed down its judgment ("the Court of Appeal Judgment") in which the Court ordered a repayment to SHKS of part of the interest element for the period from 16 December 1998 to 31 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 now been repaid.

SHKS has obtained leave to appeal the Court of Appeal Judgment to the Court of Final Appeal (the "Final Appeal"). The Final Appeal will be heard on 19 June 2006.

45. 或然負債(續)

- (c) 根據高等法院暫委法官杜漣峯於2004年4月1日就新世界發展與SDL向本公司全資附屬公司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」)，根據法官認定的口頭協議(「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，連同按本金金額80,117,652.72港元由1998年12月16日起至付款期間按判定利率計算之利息。於2004年6月17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」)。上訴法院已宣判裁決(「上訴法院裁決」)，判令退還部分新鴻基證券按原訟法院判決所支付由1998年12月16日起計至2004年3月31日之利息，惟確定大部分其他裁決。金額合共14,783,090.86港元之利息經已退還。

新鴻基證券已獲批准向終審法院就上訴法院裁決提出上訴(「最終上訴」)。最終上訴之聆訊將於2006年6月19日展開。

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45. CONTINGENT LIABILITIES (Cont'd)

Since the handing down of the Judgment, NWDC has written to SHKS demanding payment of three further amounts for what it asserts as pro-rata equity holders' contributions advanced by NWDC on behalf of SHKS (the "New Claims"):

(i) on 1 March 2000 in the sum of HK\$27,234,753.52;

(ii) on 2 January 2001 in the sum of HK\$7,697,418.42

(the Group understands that a further writ was issued by NWDC in April 2004, naming SHKS as defendant, and claiming the aforesaid two amounts as well as interest thereon from March 2000 and January 2001 respectively ("Further Writ"). The Further Writ has not been served on SHKS); and

(iii) on 4 June 2004 in the sum of HK\$2,565,839.47 in respect of a bank loan by GUP (a provision has been made with respect to this claim in the accounts of SHKS).

The Group understands that a second further writ including a statement of claim ("HCA 376/2006") was issued by NWDC and SDL in February 2006, claiming, inter alia, the sum of HK\$37,498,011.41 being the aggregate of amounts of the New Claims, together with interest thereon at such rate and for such period as the Court considers appropriate. This second further writ has not been served on SHKS.

45. 或然負債(續)

自宣佈裁決以來，新世界發展曾以書面要求新鴻基證券額外支付三筆款項，聲稱為新世界發展代表新鴻基證券墊付按比例之股東供款(「新索償」)：

(i) 於2000年3月1日墊付之27,234,753.52港元；

(ii) 於2001年1月2日，墊付之7,697,418.42港元

(集團知悉新世界發展於2004年4月向新鴻基證券(作為被告)發出另一令狀(「另一令狀」)，要求索償上述兩筆款額，以及分別由2000年3月及2001年1月起所涉及之有關利息。此另一令狀並未送達至新鴻基證券)；及

(iii) 於2004年6月4日，要求就GUP之銀行貸款支付2,565,839.47港元(已就該索償於新鴻基證券之賬目作出撥備)。

集團知悉新世界發展與SDL於2006年2月發出第二另一令狀包括申索陳述書(「HCA 376/2006」)，涉及索償款額共37,498,011.41港元，即上述之新索償總額，與及按法院認為恰當的期間及利率就索償款額需繳付之有關利息。此第二另一令狀至今並未送達至新鴻基證券。

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45. CONTINGENT LIABILITIES (Cont'd)

The outcome of the Final Appeal as well as other issues will be relevant to the determination of whether SHKS is liable to pay the New Claims which NWDC and SDL asserts are due under the Oral Agreement. Accordingly, the Directors take the view that the New Claims are a contingent liability, and that while a provision has been made for legal costs, it is considered that it is not presently appropriate for any other provision to be made with respect to the Final Appeal or the Further Writ. However, the Directors in Note 26 to the accounts have provided an analysis as to the possible financial implications for the Company depending on the ultimate outcome of the Final Appeal.

46. ASSETS PLEDGED TO THIRD PARTIES

At the balance sheet date, listed investments held by the Group and margin clients with market value of HK\$190,654,000 and HK\$1,197,005,000 respectively (2004: HK\$227,021,000 and HK\$847,385,000 respectively) were pledged to banks and financial institutions. Banking facilities of HK\$1,493,500,000 (2004: HK\$1,735,000,000) were available to the Group of which HK\$269,509,000 (2004: HK\$20,856,000) was drawn down. The Group also had leasehold properties with a total carrying value of HK\$153,618,000 (2004: HK\$95,776,000) pledged to banks as security for overdraft facilities of HK\$42,300,000 (2004: HK\$37,300,000) and instalment loans. The draw down of the overdraft facilities and the outstanding balance of the instalment loans at 31 December 2005 were HK\$35,416,000 (2004: HK\$37,049,000) and HK\$50,367,000 (2004: HK\$30,307,000) respectively.

45. 或然負債(續)

最終上訴結果以及其他事項將與釐定新鴻基証券是否須支付新索償有關，而新世界發展聲稱此乃根據口頭協議而需支付。因此，公司董事認為新索償乃或然負債，亦鑑於本公司已為訴訟費作出撥備，故此認為現時不適宜為最終上訴或另一令狀作出任何撥備。然而，本公司董事已於賬目附註26中對最終上訴的最終結果所引致的可能發生之財務影響作出分析。

46. 抵押予第三方之資產

於結算日，屬於集團及證券放款客戶的上市證券有抵押予銀行及財務機構，其市值分別為190,654,000港元及1,197,005,000港元（2004年：分別為227,021,000港元及847,385,000港元）。集團可動用的信貸額為1,493,500,000港元（2004年：1,735,000,000港元），其中提取的數額為269,509,000港元（2004年：20,856,000港元）。集團亦有賬面總值153,618,000港元（2004年：95,776,000港元）的有租契物業按予銀行，作為給予集團透支信貸42,300,000港元（2004年：37,300,000港元）及分期付款的抵押品。於2005年12月31日，提取的透支信貸及尚未償還分期付款分別為35,416,000港元（2004年：37,049,000港元）及50,367,000港元（2004年：30,307,000港元）。

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47. PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES

The principal subsidiary and associated companies as at 31 December 2005 were as follows:

47. 主要附屬公司與聯營公司

於2005年12月31日主要附屬公司與聯營公司如下：

Principal subsidiary companies 主要附屬公司	Country of incorporation and operation 註冊及業務經營地點	Issued and paid up share capital 註冊及業務經營地點	Group equity interest 集團持有權益	Principal activities 主要業務
Bali International Finance Limited 百達利財務有限公司	Hong Kong 香港	137,500,000 HK\$1 shares 137,500,000股每股1港元	100%	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	Hong Kong 香港	7,000,000 HK\$1 shares 7,000,000股每股1港元	100%	Securities dealer 證券交易商
Best Decision Investments Limited	British Virgin Islands 英屬處女群島	50,000 US\$1 share 50,000股每股1美元	65%	Investment holding 控股投資
Best Delta International Limited	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%	Investment holding 控股投資
Boneast Assets Limited	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%*	Investment holding 控股投資
Cheeroll Limited	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Investment holding, securities and bullion trading 控股投資、證券及黃金買賣
Constable Development S.A.	Panama 巴拿馬	5 US\$1 shares 5股每股1美元	100%	Investment holding 控股投資
Cowslip Company Limited	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Investment holding 控股投資
Excalibur Futures Limited 駿溢期貨有限公司	Hong Kong 香港	20,000,000 HK\$1 shares 20,000,000股每股1港元	100%	Futures dealing and broking 期貨買賣及經紀
Excalibur Securities Limited 駿溢証券有限公司	Hong Kong 香港	20,000,000 HK\$1 shares 20,000,000股每股1港元	100%	Securities broking 證券經紀
Gloria (Nominees) Limited	Hong Kong 香港	2 HK\$100 shares 2股每股100港元	100%	Investment holding 控股投資

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47. PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

47. 主要附屬公司與聯營公司 (續)

Principal subsidiary companies 主要附屬公司	Country of incorporation and operation 註冊及業務經營地點	Issued and paid up share capital 註冊及業務經營地點	Group equity interest 集團持有權益	Principal activities 主要業務
Gloxin Limited	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Investment holding 控股投資
Grand Securities Company Limited 大唐證券有限公司	Hong Kong 香港	20,000,000 HK\$1 shares 20,000,000股每股1港元	100%	Securities broking 證券經紀
Hing Yip Holdings Limited 興業控股有限公司	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%	Property investment 物業投資
Hilarious (Nominees) Limited	Hong Kong 香港	100 HK\$100 shares 100股每股100港元	100%	Investment holding 控股投資
I-Market Limited	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%*	Investment holding 控股投資
Itso Limited	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Securities trading 證券買賣
Lexshan Nominees Limited 歷山代理人有限公司	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Nominee service 代理人服務
Macdonnell (Nominees) Limited	Hong Kong 香港	100 HK\$100 shares 100股每股100港元	100%	Investment holding 控股投資
Oakfame Investment Limited 幹美投資有限公司	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Investment holding 控股投資
Pioneer Score Development Limited 先港發展有限公司	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Investment holding 控股投資
Plentiwind Limited	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Futures trading 期貨買賣
Quick Art Limited	Hong Kong 香港	3,540,000 HK\$1 shares 3,540,000股每股1港元	100%	Property investment 物業投資
Ranbridge Finance Limited 捷橋財務有限公司	Hong Kong 香港	20,000,000 HK\$1 shares 20,000,000股每股1港元	100%*	Money lending 借貸

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47. PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

47. 主要附屬公司與聯營公司(續)

Principal subsidiary companies 主要附屬公司	Country of incorporation and operation 註冊及業務經營地點	Issued and paid up share capital 註冊及業務經營地點	Group equity interest 集團持有權益	Principal activities 主要業務
Ranbridge, Inc.	The Philippines 菲律賓	5,385,000 Peso 1 shares 5,385,000股每股1披索	100%	Money lending 借貸
Scienter Investments Limited	Hong Kong 香港	2 HK\$10 shares 2股每股10港元	100%	Share trading 證券買賣
Shipsape Investments Limited	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%*	Investment holding 控股投資
SHK Absolute Return Managers Limited	Cayman Islands 開曼群島	10 US\$1 shares 10股每股1美元	100%	Investment holding 控股投資
SHK Consultancy Services Limited	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Provision of consultancy service 顧問服務
SHK Financial Data Limited 新鴻基財經資訊有限公司	Hong Kong 香港	100 HK\$1 shares 100股每股1港元	51%	Provision of financial information service 財經資訊服務
SHK Fund Management Limited 新鴻基投資管理有限公司	Hong Kong 香港	5,000,000 HK\$1 shares 5,000,000股每股1港元	100%	Funds marketing and management 基金市場策劃及管理
SHK Global Managers Limited	British Virgin Islands 英屬處女群島	5,000 US\$1 shares 5,000股每股1美元	100%	Funds management 基金管理
SHK Investment Services Limited	Hong Kong 香港	100,000 HK\$10 shares 100,000股每股10港元	100%	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	Hong Kong 香港	3,000,000 HK\$10 shares 3,000,000股每股10港元	100%	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	Hong Kong 香港	2,000,000 HK\$10 shares 2,000,000股每股10港元	100%	Online financial services 網上金融服務

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47. PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

47. 主要附屬公司與聯營公司(續)

Principal subsidiary companies 主要附屬公司	Country of incorporation and operation 註冊及業務經營地點	Issued and paid up share capital 註冊及業務經營地點	Group equity interest 集團持有權益	Principal activities 主要業務
SHK Pearl River Delta Investment Company Limited 新鴻基珠江三角洲投資有限公司	Hong Kong 香港	2 HK\$1 fully paid shares 99,999,998 HK\$1 shares paid up to HK\$0.75 each 2每繳足股1港元 99,999,998股每股1港元 (每股繳足至0.75港元)	100%	Investment holding 控股投資
SHK Quant Managers Limited	Cayman Islands 開曼群島	10 US\$1 shares 10股每股1美元	100%	Fund 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	1 US\$1 share 1股每股1美元	100%	Property investment 物業投資
Splendid Gain Limited	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Investment holding 控股投資
Shun Loong Bullion Limited 順隆金業有限公司	Hong Kong 香港	6,000,000 HK\$1 shares 6,000,000股每股1港元	100%	Bullion dealing and broking 黃金買賣及經紀
Shun Loong Capital Limited 順隆融資有限公司	Hong Kong 香港	65,000 HK\$100 shares 65,000股每股100港元	100%	Investment holding 控股投資
Shun Loong Finance Limited 順隆財務有限公司	Hong Kong 香港	1,000,000 HK\$1 shares 1,000,000股每股1港元	100%	Money lending 借貸
Shun Loong Forex Company Limited 順隆外匯有限公司	Hong Kong 香港	3,200 HK\$10,000 shares 3,200股每股10,000港元	100%	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	Hong Kong 香港	150,000 HK\$100 shares 150,000股每股100港元	100%	Futures and option dealing 期貨及期權買賣
Shun Loong Holdings Limited 順隆集團有限公司	Hong Kong 香港	200,000,000 HK\$1 shares 200,000,000股每股1港元	100%	Investment holding 控股投資

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47. PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

47. 主要附屬公司與聯營公司(續)

Principal subsidiary companies 主要附屬公司	Country of incorporation and operation 註冊及業務經營地點	Issued and paid up share capital 註冊及業務經營地點	Group equity interest 集團持有權益	Principal activities 主要業務
Shun Loong Nominees Limited 順隆代理人有限公司	Hong Kong 香港	10,000 HK\$10 shares 10,000股每股10港元	100%	Provision of nominee and secretarial services 代理人及秘書服務
Shun Loong On-line Investment Services (H.K.) Limited 順隆網上投資服務(香港)有限公司	Hong Kong 香港	25,000,000 HK\$1 shares 25,000,000股每股1港元	100%	Computer and marketing advisory services and securities trading 電腦及銷售諮詢服務和證券買賣
Shun Loong Securities Company Limited 順隆證券行有限公司	Hong Kong 香港	50,000,000 HK\$1 shares 50,000,000股每股1港元	100%	Securities broking and share margin financing 證券經紀及證券放款
SL Meridian Holdings Limited	British Virgin Islands 英屬處女群島	10,000 HK\$100 shares 10,000股每股100港元	100%	Investment holding 控股投資
Sun Hing Bullion Company Limited 新興金業有限公司	Hong Kong 香港	5,000,000 HK\$1 shares 5,000,000股每股1港元	100%	Bullion trading 黃金買賣
Sun Hung Kai (Nominees) Limited 新鴻基(代理人)有限公司	Hong Kong 香港	2 HK\$100 shares 2股每股100港元	100%	Nominee service 代理人服務
Sun Hung Kai Bullion Company Limited 新鴻基金業有限公司	Hong Kong 香港	30,000,000 HK\$1 shares 30,000,000股每股1港元	100%	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	Hong Kong 香港	80,000,600 HK\$1 shares 80,000,600股每股1港元	100%	Commodities broking 商品期貨經紀
Sun Hung Kai Forex Limited 新鴻基外匯有限公司	Hong Kong 香港	150,000,000 HK\$1 shares 150,000,000股每股1港元	100%	Foreign exchange dealing 外匯買賣
Sun Hung Kai Insurance Consultants Limited 新鴻基保險顧問有限公司	Hong Kong 香港	1,000,000 HK\$1 shares 1,000,000股每股1港元	100%	Insurance broking and consultancy services 保險經紀及顧問服務

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47. PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

47. 主要附屬公司與聯營公司(續)

Principal subsidiary companies 主要附屬公司	Country of incorporation and operation 註冊及業務經營地點	Issued and paid up share capital 註冊及業務經營地點	Group equity interest 集團持有權益	Principal activities 主要業務
Sun Hung Kai International Bank [Brunei] Limited	Brunei Darussalam 汶萊	10,000,000 SGD1 shares 10,000,000股每股1新加坡元	100%	International banking business 國際銀行事務
Sun Hung Kai International Limited 新鴻基國際有限公司	Hong Kong 香港	100,000 HK\$100 shares 100,000股每股100港元	100%	Corporate finance service 企業融資服務
Sun Hung Kai International Commodities Limited	Hong Kong 香港	50,000 HK\$100 shares 50,000股每股100港元	100%	Securities, futures and options trading 證券、外匯及股票期權買賣
Sun Hung Kai International Investment Management Limited	British Virgin Islands 英屬處女群島	50,000 US\$1 shares 50,000股每股1美元	100%*	Investment holding 控股投資
Sun Hung Kai Investment Services (Macau) Limited	Macau 澳門	Fully paid capital MOP 1,000,000 繳足股本1,000,000澳門元	100%	Property holding 物業投資
Sun Hung Kai Investment Services Limited 新鴻基投資服務有限公司	Hong Kong 香港	2,900,000 HK\$100 shares 2,900,000股每股100港元	100%	Investment holding, share broking and margin financing 控股投資、證券經紀及證券放款
Sun Hung Kai Online Limited	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%	Online service 網上服務
Sun Hung Kai Research Limited 新鴻基資料研究有限公司	Hong Kong 香港	10,000 HK\$10 shares 10,000股每股10港元	100%	Securities research service 證券資料研究服務
Sun Hung Kai Securities (Bermuda) Limited	Bermuda 百慕達	12,000 US\$1 shares 12,000股每股1美元	100%	Investment holding and management service 控股投資及管理服務
Sun Hung Kai Securities (Overseas) Limited 新鴻基證券(海外)有限公司	Hong Kong 香港	60,000 HK\$1 shares 60,000股每股1港元	100%	Investment holding 控股投資

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47. PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

47. 主要附屬公司與聯營公司(續)

Principal subsidiary companies 主要附屬公司	Country of incorporation and operation 註冊及業務經營地點	Issued and paid up share capital 註冊及業務經營地點	Group equity interest 集團持有權益	Principal activities 主要業務
Sun Hung Kai Securities (Phil.), Inc.	The Philippines 菲律賓	273,600,000 Peso 1 shares 273,600,000股每股1披索	100%	Investment holding 控股投資
Sun Hung Kai Securities (Trustees) Limited 新鴻基證券(信託)有限公司	Hong Kong 香港	3,000,000 HK\$1 shares 3,000,000股每股1港元	100%	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	Hong Kong 香港	1,000 HK\$1 shares 1,000股每股1港元	100%	Investment holding 控股投資
Sun Hung Kai Securities Limited 新鴻基證券有限公司	Hong Kong 香港	249,797,178 HK\$0.5 shares 249,797,178股每股0.5港元	100%*	Investment holding 控股投資
Sun Hung Kai Venture Capital Limited	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Investment holding 控股投資
Sun Hung Kai Wealth Management Limited 新鴻基優越理財有限公司	Hong Kong 香港	5,000,000 HK\$1 shares 5,000,000股每股1港元	100%	Investment advisory, financial planning and wealth management 投資顧問、財務策劃及資產管理
Sun Tai Cheung Credits Limited 新泰昌授信有限公司	Hong Kong 香港	15,000,000 HK\$10 shares 15,000,000股每股10港元	100%	Share margin financing 證券放款
Sun Tai Cheung Finance Company Limited 新泰昌財務有限公司	Hong Kong 香港	25,000,000 HK\$1 shares 25,000,000股每股1港元	100%	Financial service 金融服務
Swan Islands Limited	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%*	Investment holding 控股投資
Tailwind Consultants Limited	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%*	Investment holding 控股投資
Texgulf Limited	Hong Kong 香港	2 HK\$10 shares 2股每股10港元	100%	Property investment 物業投資

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47. PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

47. 主要附屬公司與聯營公司(續)

Principal subsidiary companies 主要附屬公司	Country of incorporation and operation 註冊及業務經營地點	Issued and paid up share capital 註冊及業務經營地點	Group equity interest 集團持有權益	Principal activities 主要業務
To Wan Development Company Limited 杜雲發展有限公司	Hong Kong 香港	1,000 HK\$10 shares 1,000股每股10港元	100%	Investment holding 控股投資
Tung Wo Investment Company, Limited 同和投資有限公司	Hong Kong 香港	100 HK\$100 shares 100股每股100港元	100%	Investment holding 控股投資
Upper Selection Investments Limited	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%*	Investment holding 控股投資
Upstand Assets Limited	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%*	Investment holding 控股投資
Wah Cheong Development Company, Limited 華昌建業有限公司	Hong Kong 香港	25,100,000 HK\$1 shares 25,100,000股每股1港元	100%*	Investment holding 控股投資
Wah Cheong Development (B.V.I.) Limited	British Virgin Islands 英屬處女群島	2,675,400 US\$1 shares 2,675,400股每股1美元	100%*	Investment holding 控股投資
Wineur Secretaries Limited 偉略秘書有限公司	Hong Kong 香港	2 HK\$1 shares 2股每股1港元	100%	Secretarial service 秘書服務
Yee Li Ko Investment Limited 億利高投資有限公司	Hong Kong 香港	5,833,000 HK\$10 shares 5,833,000股每股10港元	100%	Property investment 物業投資
Zeal Goal International Limited	British Virgin Islands 英屬處女群島	1 US\$1 share 1股每股1美元	100%	Investment holding 控股投資

* These subsidiary companies are directly held by the Company.

* 此等附屬公司由本公司直接持有。

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47. PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

47. 主要附屬公司與聯營公司(續)

Principal associated companies 主要聯營公司	Country of incorporation and operation 註冊及業務經營地點	Equity interest held by 持有股權權益		Principal activities 主要業務
		Group 集團	Company 本公司	
Chronicle Gain Limited 確勁有限公司	Hong Kong 香港	45%	—	Property holding 物業投資
Drinkwater Investment Limited 精威置業有限公司	Hong Kong 香港	22%	—	Property holding 物業投資
Eurasia Mattress & Furniture Co. Ltd. 歐亞床墊家具有限公司	People's Republic of China 中國	25%	—	Manufacture of mattresses and bedsteads 床墊及床架製造
Omicron International Limited	British Virgin Islands 英屬處女群島	44%	38%	Investment holding 控股投資
Quality HealthCare Asia Limited # 卓健亞洲有限公司 #	Bermuda 百慕達	34%	—	Investment holding 控股投資
Real Estate Investments (N.T.) Limited	Hong Kong 香港	40%	—	Property development 物業發展
Silver York Development Limited 兆勇發展有限公司	Hong Kong 香港	40%	—	Investment holding 控股投資
Start Hold Limited 時達開有限公司	Hong Kong 香港	33%	—	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	49%	41%	Investment holding 控股投資
Tianjin Eurasia Mattress & Furniture Co. Ltd. 天津歐亞床墊家具有限公司	People's Republic of China 中國	25%	—	Manufacture of mattresses and bedsteads 床墊及床架製造
Yu Ming Investments Limited # 禹銘投資有限公司 #	Hong Kong 香港	22%	6%	Investment holding 控股投資

These associated companies are listed in Hong Kong and further details about these associated companies are available in their published annual reports.

此等聯營公司為香港上市公司，其詳細資料可見於此等公司所發布之年報中。

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47. PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

The above tables list the subsidiary and associated companies of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiary and associated companies would, in the opinion of the Directors, result in particulars of excessive length.

48. RELATED PARTY TRANSACTIONS

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

47. 主要附屬公司與聯營公司(續)

以上所列之本公司附屬公司及聯營公司，為董事認為對本年度集團之業績有重大影響，或構成集團淨資產主要部分之公司。董事認為列出其他附屬公司及聯營公司之詳情會令資料過於冗長。

48. 有關連人士之交易

集團於本年內與有關連人士進行以下的重大交易：

		Group 集團	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Associated companies	聯營公司	Notes	
		附註	
Insurance premium received from listed associated companies	從上市聯營公司收取的保險費		4,543
Interest income from a listed associated company and its subsidiary	從一間上市聯營公司及其附屬公司收取的利息收入		7,079
Proceeds on disposal of an investment to a listed associated company	出售一間投資公司予一間上市聯營公司的收入		28,000
Promissory note received from a listed associated company	從一間上市聯營公司收取的承諾票據		87,000
Purchase of two companies from a subsidiary of a listed associated company	向一間上市聯營公司的附屬公司購入兩間公司		—
Service fee received from listed associated companies	從上市聯營公司收取的服務費		1,137
Term loans drawdown by a subsidiary of a listed associated company	一間上市聯營公司的附屬公司所提取的有期借款	(a)	—
			245,000

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48. RELATED PARTY TRANSACTIONS (Cont'd)

48. 有關連人士之交易(續)

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
		Notes 附註	
Ultimate holding company and its subsidiary companies	最終控股公司及其附屬公司		
Dividend received from a subsidiary of the ultimate holding company	從最終控股公司的一間附屬公司所收取的股息	21,810	7,270
Insurance premium received from the ultimate holding company and its subsidiaries	從最終控股公司及其附屬公司所收取的保險費	3,238	3,820
Rent and property management fee paid to a subsidiary of the ultimate holding company	付予最終控股公司的一間附屬公司的租金及物業管理費	2,301	—
Management fee paid to the ultimate holding company and its subsidiary company	付予最終控股公司及其附屬公司管理費用	2,220	2,200

Compensation of key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

主要管理人員的報酬

以下為董事及主要管理層的其他成員在本年內的酬金：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Short-term benefits	短期福利	43,845	40,906
Post-employment benefits	退休後福利	1,631	1,417
		45,476	42,323

Certain key management personnel of the Group received remuneration from the Company's ultimate holding company or its wholly owned subsidiary. The ultimate holding company provided management services to the Company and charged the Company a fee, which is included in the management fee as disclosed above in this note, for services provided by those personnel as well as others who are not key management personnel of the Group.

集團若干主要管理人員從本公司最終控股公司或其附屬公司收取酬金，最終控股公司向本公司提供收取費用的管理服務，該費用已披露在此附註上列之管理費用中，此管理服務由該等主要管理人員及其他非集團主要管理人員所提供。

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48. RELATED PARTY TRANSACTIONS (Cont'd)

Prior to 2005, the management fee could not be apportioned and allocated to any individuals. From 1 January 2005, the management fee is calculated by reference to the time devoted by the management personnel on the affairs of the Group and can be apportioned to the relevant key management personnel. The total of such apportioned amounts, which have been included in the key management personnel compensation above for 2005, is HK\$1,626,000.

In addition to the above, the Group received brokerage fee of HK\$50,000 (2004: HK\$31,000) from the key management personnel with year end trade receivable of HK\$965,000 (2004: HK\$1,896,000) whereas the year end trade payable is HK\$2,781,000 (2004: HK\$5,346,000).

At the balance sheet date, the Group had the following material balances with related parties:

48. 有關連人士之交易(續)

2005年之前，管理費用不能分配至個別人士。從2005年1月1日起，計算管理費用以管理人員於集團事務上所使用的時間作為參考，及可以分配至該等主要管理人員。該等分配總額於2005年共1,626,000港元，已包括於以上主要管理人員報酬內。

除上述以外，集團向主要管理人員收取經紀佣金50,000港元（2004年：31,000港元），於年結時對其經營應收賬為965,000港元（2004年：1,896,000港元），而經營應付賬為2,781,000港元（2004年：5,346,000港元）。

於結算日，集團與有關連人士有以下重大的結餘：

		Group 集團	
		2005 HK\$'000 千港元	2004 HK\$'000 千港元
		Notes 附註	
Amounts due from (to)	聯營公司欠(貸)賬		
associated companies			
Amounts due from a listed	一間上市聯營		
associated company	公司欠賬		
— Loan note	— 貸款票據	(c)	78,000
— Term loans	— 有期借款	(a)	245,000
— Others	— 其他	(d)	782
Current portion of amounts	其他聯營公司於		
due from other associated	一年內到期的		
companies	欠賬	(d)	6,575
Long term portion of amounts	其他聯營公司		
due from other associated	欠賬的長期		
companies	部分	(e)	83,308
Amounts due to other	其他聯營公司		
associated companies	貸賬	(e)	(57,537)
			(44,404)

(a) During the year, a loan facility up to HK\$280 million was granted to a subsidiary of a listed associated company for a term of 36 months from 7 November 2005. The interest rate is charged at prime rate plus 1% per annum. The loan was guaranteed by the listed associated company.

(a) 於本年內，集團給予一間上市聯營公司的附屬公司280百萬港元信貸額，從2005年11月7日起為期36個月，利息為最優惠年利率加1%。此貸款是由該上市聯營公司擔保。

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48. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) The related party transactions are also “connected transactions” or “continuing connected transactions” as defined in the Listing Rules and details of which were contained in the Directors’ Report.
- (c) The loan note bears interest at 2.5% per annum and the interest is payable annually. It matures and is due for repayment on 29 August 2008.
- (d) These amounts due from associated companies are unsecured, non-interest bearing and are expected to be settled within one year.
- (e) These amounts due from (to) associated companies are unsecured, non-interest bearing and have no fixed term of repayment.

48. 有關連人士之交易(續)

- (b) 此有關連人士交易亦為上市規則所定義的「關連交易」或「持續關連交易」，有關詳情已刊載於董事會報告中。
- (c) 此貸款票據附有年利率2.5%利息，按每年支付，於2008年8月29日到期償還。
- (d) 聯營公司欠賬乃無抵押、免息及預期於一年內償還。
- (e) 聯營公司欠(貸)賬乃無抵押、免息及無固定還款期。

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49. MATURITY PROFILE OF ASSETS AND LIABILITIES

49. 資產及負債到期分析

As at 31 December 2005

於2005年12月31日

		Within 3 months 三個月內 HK\$'000 千港元	3 months to 1 year 三個月至 一年 HK\$'000 千港元	1 year to 5 years 一年至 五年 HK\$'000 千港元	After 5 years 五年後 HK\$'000 千港元	On demand 即時還款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Assets	資產						
Term loans due from a listed associated company	一間上市聯營 公司所欠 有期借款	245,000	—	—	—	—	245,000
Loan note of a listed associated company in loans and receivables	於貸款及應收賬 的一間上市 聯營公司 貸款票據	—	—	78,000	—	—	78,000
Fixed deposits with banks	銀行定期存款	95,212	—	—	—	—	95,212
Treasury bills	國庫券	7,680	—	—	—	—	7,680
Term loans	有期借款	66,200	3,200	—	—	97,567	166,967
Liabilities	負債						
Bank loans and overdrafts	銀行借款及 透支	334,925	—	—	—	—	334,925
Loan notes	貸款票據	—	—	64,252	—	—	64,252
Long term bank loans	長期銀行借款	1,885	5,736	42,746	—	—	50,367

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49. MATURITY PROFILE OF ASSETS AND LIABILITIES (Cont'd)

49. 資產及負債到期分析 (續)

		As at 31 December 2004 於2004年12月31日					
		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	On demand 即時還款	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets	資產						
Loan note of a listed associated company	一間上市聯營 公司貸款票據	—	—	78,000	—	—	78,000
Fixed deposits with banks	銀行定期 存款	80,290	—	—	—	—	80,290
Term loans	有期借款	61,145	34,600	3,200	—	144,381	243,326
Debts securities in trading securities	於證券經營賬的 債務證券	7,741	—	—	—	—	7,741
Liabilities	負債						
Bank loans and overdrafts	銀行借款及 透支	57,905	—	—	—	—	57,905
Loan notes	貸款票據	—	—	129,637	—	—	129,637
Long term bank loans	長期銀行借款	1,500	4,540	24,267	—	—	30,307
Obligation under a finance lease	融資租賃 債務	76	—	—	—	—	76

The above tables only list out the assets and liabilities which have a term of maturity. Overdue assets are reported as on demand.

上表只列出有期限的資產及負債，過期而未償還的資產列為即時還款。

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50. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group has established policies and procedures for risk management which are reviewed regularly by the management and the Credit & Risks Management Committee (the "CRM"), which reports to the Executive Committee of the 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 department ("IAC") (which reports independently to the non-executive Chairman and the Audit Committee) also performs regular 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.

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 management. The Group's Trading Risk Control Unit ("TRCU") 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. In addition to the TRCU, part of the Group's proprietary trading exposure is closely monitored by the Credit department. 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.

50. 金融風險管理

集團經營活動面對各種金融風險，包括市場風險、信貸風險、流動資金風險和利率風險。集團整體的風險管理是關注不可預測的金融市場和尋求將其對集團財務造成的潛在不利影響減至最低。

集團已設立風險管理的政策及程序，並由向董事會執行委員會匯報的管理層及信貸及風險管理委員會（「信貸風險委員會」）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適當監控。除管理層及個別部門採取各項內部監控措施外，集團的稽核及法規監核部（「稽核部」）（一個向非執行主席及審核委員會獨立匯報的部門）亦會定期查核，從而確保該等政策及程序得以遵守。

市場風險

(i) 買賣風險

市場風險來自買賣活動，包括營造市場活動及自營買賣活動。集團之買賣活動須受管理層審批之限額限制。集團之買賣風險監控小組（「買賣風險監控小組」）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狀況、風險、利潤及虧損（「損益」）。除買賣風險監控小組外，信貸部亦會密切監察集團之部份自營買賣風險。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。

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50. FINANCIAL RISK MANAGEMENT (Cont'd)

Market Risk (Cont'd)

(i) Trading Risk (Cont'd)

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 Group's Board or Executive Committee. 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.

Credit Risk

Credit risk arises from a number of areas. These include the possibility that a customer or counter-party in a transaction may default during the settlement process. It also arises from lending, settlement, treasury, market-making, derivatives, proprietary trading, and other activities undertaken by the Group.

50. 金融風險管理(續)

市場風險(續)

(i) 買賣風險(續)

集團各項自營買賣活動持倉狀況及損益，均每日滙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

外匯風險乃外幣滙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集團董事會或執行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滙報)會存在外匯風險。另外，倘客戶在經歷重大滙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。

信貸風險

導致信貸風險的成因眾多，包括客戶或交易對手有可能在交收過程中出現違約，信貸風險亦可能來自放款、交收、庫務、作價買賣、衍生產品、自營買賣，以及其他集團所從事之活動。

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50. FINANCIAL RISK MANAGEMENT (Cont'd)

Credit Risk (Cont'd)

The Group's credit manual 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 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 Executive Directors and senior management of the Group and by the CRM at its regular meetings.

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, comprising the Executive Directors, the Chief Financial Officer and relevant senior managers 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.

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 maximizing the spread of interest consistent with liquidity and funding obligations.

50. 金融風險管理(續)

信貸風險(續)

集團之信貸政策指引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。並由集團之執行董事及高級管理層每日審閱，而信貸風險委員會亦於定期例會中作出檢討。

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。管理層包括執行董事、財務總監及有關高層管理人員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)。

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。集團的利率風險主要來自證券放款及其他貸款業務。集團可法定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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50. FINANCIAL RISK MANAGEMENT (Cont'd)

Interest Rate Risk (Cont'd)

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

	Interest rate 利息息率	Within					More than	Total 總額
		1 year 一年內	In year 2 於第二年	In year 3 於第三年	In year 4 於第四年	In year 5 於第五年	5 years 五年以上	
		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 31 December 2005								
於2005年12月31日								
Fixed deposits with banks (note 29)	銀行定期存款 (附註29)	0.28%–7.25%	95,212	—	—	—	—	95,212
Treasury bills (note 29)	國庫券 (附註29)	3.78%	7,680	—	—	—	—	7,680
Loan note due from a listed associated company (note 26)	一間上市聯營公司所欠貸款票據 (附註26)	2.5%	—	—	78,000	—	—	78,000
Bank loans (note 30)	銀行借款 (附註30)	4.85%–5.35%	(255,000)	—	—	—	—	(255,000)
Loan notes (note 37)	貸款票據 (附註37)	4%	—	—	(64,252)	—	—	(64,252)
At 31 December 2004								
於2004年12月31日								
Fixed deposits with banks (note 29)	銀行定期存款 (附註29)	0.03%–7.50%	80,290	—	—	—	—	80,290
Loan note due from a listed associated company (note 23)	一間上市聯營公司所欠貸款票據 (附註23)	2.5%	—	—	—	78,000	—	78,000
Marketable debt securities (note 28)	有市值債務證券 (附註28)	1.86%	7,741	—	—	—	—	7,741
Loan notes (note 37)	貸款票據 (附註37)	4%	—	—	—	(129,637)	—	(129,637)

50. 金融風險管理 (續)

利率風險 (續)

以下為集團面對公平利息率風險的重大固定利息資產及負債，以及其協定的到期日：

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50. FINANCIAL RISK MANAGEMENT (Cont'd)

Interest Rate Risk (Cont'd)

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

50. 金融風險管理(續)

利率風險(續)

以下為集團面對現金流量利息率風險的重大浮動利息資產及負債，以及其協定的到期日：

	Interest rate 利息率	Within					More than		Total 總額
		1 year 一年內	In year 2 於第二年	In year 3 於第三年	In year 4 於第四年	In year 5 於第五年	5 years 五年以上		
		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 31 December 2005	於2005年12月31日								
Secured margin loans (note 27)	有抵押證券放款 (附註27)	7.00%–30.00%	N/A不適用	N/A不適用	N/A不適用	N/A不適用	N/A不適用	1,293,285	
Term loans (note 27)	有期借款(附註27)	7.00%–26.82%	376,636	—	—	—	—	376,636	
Bank overdrafts (note 30)	銀行透支 (附註30)	4.85%–8.50%	(79,925)	—	—	—	—	(79,925)	
Secured long term bank loans (note 38)	有抵押長期銀行借款 (附註38)	5.20%–5.75%	(7,621)	(8,195)	(8,463)	(7,848)	(18,240)	(50,367)	
At 31 December 2004	於2004年12月31日								
Secured margin loans (note 27)	有抵押證券放款 (附註27)	4.00%–30.00%	N/A不適用	N/A不適用	N/A不適用	N/A不適用	N/A不適用	1,441,056	
Term loans (note 27)	有期借款(附註27)	5.00%–26.82%	181,310	3,200	—	—	—	184,510	
Bank overdrafts (note 30)	銀行透支 (附註30)	5.5%	(57,905)	—	—	—	—	(57,905)	
Secured long term bank loans (note 38)	有抵押長期銀行借款 (附註38)	1.15%–3.00%	(6,040)	(6,172)	(6,307)	(6,447)	(5,341)	(30,307)	

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51. SUBSEQUENT EVENTS

- (a) On 3 April 2006, Wah Cheong Development (B.V.I.) Limited (“Wah Cheong”), a wholly-owned subsidiary of the Company, entered into a conditional option agreement with CLSA Capital Limited (“CLSA”), pursuant to which Wah Cheong was granted the option to acquire further 34,156,666 shares in Quality HealthCare Asia Limited (“QHA”) from CLSA at an option consideration of HK\$27,752,291. The option agreement will only take effect after the approval of the shareholders of the Company, Allied Properties (H.K.) Limited and Allied Group Limited, the ultimate holding company of the Company respectively, and the confirmation from the Securities and Future Commission on terms that are not considered detrimental that Wah Cheong and CLSA will not be regarded as parties acting in concert and that Wah Cheong is not required to make a mandatory offer to all QHA’s shareholders until it exercises the option.

The option will entitle Wah Cheong to:

- acquire all (but not part) of the option shares (being 34,156,666 QHA shares held by CLSA) at an aggregate exercise price of HK\$83,256,873.375 (i.e. HK\$2.4375 per option share), and
- exercise all or part of the option warrants (being such number of QHA warrants held by CLSA as would, if exercised, lead to the subscription of 6,943,333 QHA shares at HK\$2.5 per share).

The option is exercisable by Wah Cheong, with respect to the option shares, at any time within a period of 4 years and, with respect to option warrants, on or before 13 January 2007.

51. 結算日以後之事項

- (a) 於2006年4月3日，本公司的全資附屬公司 Wah Cheong Development (B.V.I.) Limited (「Wah Cheong」) 與 CLSA Capital Limited (「CLSA」) 已訂立有條件認購權協議，根據協議 CLSA 同意以 27,752,291 港元的認購權代價給予 Wah Cheong 認購權，向 CLSA 購入額外 34,156,666 股卓健亞洲有限公司 (「卓健」) 股份。在證券及期貨事務監察委員會確認對 Wah Cheong 及 CLSA 而言不具損害性之條款，即彼等不會被視為一致行動人士，以及 Wah Cheong 在行使認購權前毋須向卓健所有股東提出強制性收購建議，且獲得本公司、聯合地產(香港)有限公司及本公司最終控股公司聯合集團有限公司股東批准後，認購權方可作實。

根據認購權權利，Wah Cheong 可以：

- 用總行使價 83,256,873.375 港元 (即每股認購權股份 2.4375 港元) 收購全部 (並非部分) 認購權股份 (即 CLSA 所持有之 34,156,666 股卓健股份)；及
- 要求 CLSA 行使全部或部分認購權認股證，(即 CLSA 所持有的認股權證，如行使可以按認購價每股 2.5 港元認購 6,943,333 股卓健股份)。

就認購權股份而言，Wah Cheong 可於 4 年內任何時間行使認購權；就認購權認股證而言，則須於 2007 年 1 月 13 日或以前行使。

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51. SUBSEQUENT EVENTS (Cont'd)

At 7 April 2006, Wah Cheong has an equity interest of approximately 34.39% in QHA. It also holds such number of warrants as would, if exercised, lead to the subscription of 12,544,632 shares. Exercise of such warrants in full would result in Wah Cheong holding an equity interest of approximately 38.36% in QHA.

Assuming that (i) no new shares are issued by QHA (other than those issued following exercise in full of the option warrants), (ii) the option is exercised in respect of the option shares and the option warrants as mentioned in the option agreement have been exercised, and (iii) Wah Cheong does not exercise any of the warrants held by it, Wah Cheong's equity interest in QHA will further increase to approximately 53.54% of the enlarged capital.

In case Wah Cheong exercises all the warrants held by it, Wah Cheong's equity interest in QHA will further increase to approximately 56.25%.

(b) on 6 April 2006, the following agreements were entered into

- a placing agreement between the Company as vendor and 3V Capital Limited as a placing agent in respect of the placing of 175,000,000 existing shares in Tian An China Investments Company Limited ("Tian An"), a listed associated company of the Group, to independent investors at a price of HK\$5.1 per share, and
- a subscription agreement between the Company and Tian An in respect of the Company's subscription for 175,000,000 new shares in Tian An ("subscription shares") at the same price on completion of the placing.

51. 結算日以後之事項(續)

於2006年4月7日，Wah Cheong 持有卓健約34.39%權益。Wah Cheong 亦持有認股權證，如行使時，將引致認購12,544,632股股份。如 Wah Cheong 悉數行使認股權證，將導致 Wah Cheong 持有卓健約38.36%的權益。

假設(i)卓健並無發行新股份，(因認購權認股證獲悉數行使而發行新股份除外)，(ii)認購權就認購權協議所述之認購權股份行使及認購權認股證悉數行使，及(iii) Wah Cheong 並無行使其持有之任何認股權證，則 Wah Cheong 將擁有卓健經擴大股本約53.54%權益。

假設 Wah Cheong 行使其持有之全部認股權證，將引致 Wah Cheong 在卓健的權益增加至56.25%。

(b) 於2006年4月6日，達成以下協議

- 本公司作為賣方與富益證券有限公司作為配售代理達成一項協議，透過配售代理按每股5.1港元之價格，向獨立投資者配售175,000,000股現持有之天安中國投資有限公司(「天安」)股份(集團一上市聯營公司)，及
- 本公司與天安達成協議，於配售事項完成後，本公司將以相同價格認購175,000,000股天安新股份(「認購股份」)。

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51. SUBSEQUENT EVENTS (Cont'd)

The placing agreement is unconditional and completion of the placing is expected to take place on or before 11 April 2006. However, the subscription agreement is conditional upon:

- The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the subscription shares;
- granting of a waiver from any obligation to make a general offer under Rule 26 of the Takeover Code arising as a result of the subscription; and
- completion of the placing.

The completion of the above will result in the Group's equity interest in Tian An reducing from approximately 48.60% to approximately 40.51%. The Board does not anticipate any significant gain or loss to the Group arising from this transaction.

51. 結算日以後之事項(續)

配售協議為無條件，並預期配售事項將於2006年4月11日或之前完成，惟認購事項須待下列條件達成後方可作實：

- 香港聯合交易所有限公司批准認購股份上市及買賣；
- 獲得豁免不必因認購事項而須根據收購守則第26條提出全面收購建議；及
- 配售事項完成。

完成以上協議會導致集團持有天安之權益由約48.60%降至約40.51%。董事會並不預期此項交易會導致集團有任何重大損益。