

1. GENERAL INFORMATION

The principal activity of the Company is investment holding, whilst those of its principal subsidiaries are set out in note 17 to the financial statements.

The directors consider the ultimate holding company to be VXL Capital Partners Corporation Limited incorporated in British Virgin Islands.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards (HKFRSs) which is a collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by Hong Kong Institute of Certified Public Accountants (HKICPA). These financial statements also comply with the applicable disclosures provisions of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost convention except, as modified by the available-for-sale financial assets and the financial assets at fair value through profit or loss, and the investment property which are carried at fair value.

The preparation of the financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

1. 一般資料

本公司之主要業務為投資控股，其主要附屬公司之主要業務乃載於財務報表附註17。

董事認為於英屬處女群島註冊成立之VXL Capital Partners Corporation Limited為最終控股公司。

2. 主要會計政策

編制本財務報表所採納之主要會計政策載列如下，除另有述明者外，該等會計政策已貫徹一致地應用於所有呈報年度。

2.1 編制基準

本集團綜合財務報表乃根據《香港財務報告準則》（「香港財務報告準則」）編制，此統稱包括香港會計師公會（「香港會計師公會」）頒佈之所有適用之《香港財務報告準則》、《香港會計準則》（「香港會計準則」）及詮釋。該等財務報表亦已符合《香港公司條例》及《上市規則》之適用披露規定。該等報表乃根據歷史成本法編制，並就可供出售財務資產及按公平值透過損益列賬之財務資產、以及投資物業均按公平值而作出修訂。

編制符合香港財務報告準則的財務報表需要採用若干關鍵會計估算，這亦需要管理層在應用本集團會計政策的過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，已於附註4披露。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

For the year ended 31 December 2005, the Group adopted the new/revised standards and interpretations of HKFRS, which are relevant to its operations, as set out below. The year 2004 comparatives have been amended as appropriate in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HK(SIC)-Int 15	Operating Leases – Incentives
HK(SIC)-Int 21	Income Taxes – Recovery of Revalued Non-Depreciated Assets
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations

2. 主要會計政策 (續)

2.1 編制基準 (續)

截至二零零五年十二月三十一日止年度，本集團採納了下列與其業務有關的新訂／經修訂香港財務報告準則及詮釋。二零零四年之比較數字已根據相關規定(如適用)作出修改。

香港會計準則第1號	財務報表的呈報
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估算的更改及錯誤更正
香港會計準則第10號	資產負債表日後事項
香港會計準則第16號	物業、機器及設備
香港會計準則第17號	租賃
香港會計準則第21號	外幣匯率變更的影響
香港會計準則第23號	借貸成本
香港會計準則第24號	關聯方披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第28號	聯營公司的投資
香港會計準則第32號	金融工具：披露及呈報
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第39號	金融工具：確認及計量
香港會計準則第39號修訂	金融資產及金融負債之過渡及首次確認
香港會計準則第40號	投資物業
香港(財務報告詮釋委員會) – 詮釋第15號	經營租賃 – 優惠
香港(財務報告詮釋委員會) – 詮釋第21號	所得稅 – 經重估非折舊資產的收回
香港財務報告準則第2號	以股份為基礎的付款
香港財務報告準則第3號	企業合併

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of the above new HKFRSs did not result in substantial changes to the Group's accounting policies, except for the adoption of HKFRS 3, HKAS 32, and HKAS 39. In summary:

- HKAS 1 has affected the presentation of share of net after-tax results of associates and other disclosures.
- HKASs 7, 8, 10, 16, 17, 21, 23, 27, 28, 33, 36, 40 and HK(SIC)-Int 15 and 21 have no material effect on the Group's policies.
- HKFRS 2 affected the Group's policy but had no effect on the Group's financial statements as the Group did not made any share-based payment.
- HKAS 24 has affected the identification of related parties and some other related party disclosures.

HKAS 32 and HKAS 39

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the classification of "Financial assets at fair value through profit or loss" and "Available-for-sale financial assets". HKAS 39 does not permit to recognize, derecognize and measure financial assets and liabilities on a retrospective basis. The Group applied the previous SSAP 24 "Accounting for investments in securities" to other investment for the year 2004 comparative information.

HKFRS 3

The adoption of HKFRS 3 results in a change in the accounting policy for goodwill/negative goodwill. Prior to this, the accounting policy was:

- Goodwill on acquisitions that occurred prior to 1 January 2001 was eliminated against reserves. Any impairment arising on such goodwill is accounted for in the profit and loss account.

2. 主要會計政策 (續)

2.1 編制基準 (續)

除採納香港財務報告準則第3號、香港會計準則第32號及香港會計準則第39號外，採納上述新香港財務報告準則並無導致本集團之會計政策出現重大變更。總括而言：

- 香港會計準則第1號影響應佔聯營公司除稅後淨業績及其他披露。
- 香港會計準則第7、8、10、16、17、21、23、27、28、33、36、40號及香港(財務報告詮釋委員會)一詮釋第15號及第21號並無對本集團之政策產生重大影響。
- 香港財務報告準則第2號影響本集團之政策，惟由於本集團並無作出任何以股份為基礎的付款，因此對本集團之財務報表概無任何影響。
- 香港會計準則第24號影響關聯方之確認及若干其他關聯方之披露

香港會計準則第32號及香港會計準則第39號

採納香港會計準則第32及39號導致有關「按公平值透過損益列賬之財務資產」及「可供出售之財務資產」分類之會計政策出現變更。香港會計準則第39號不容許對財務資產及負債的確認、撤銷確認及計量進行追溯處理。本集團採用以往的會計實務準則第24號《證券投資會計處理》於其他投資的二零零四年度比較資料。

香港財務報告準則第3號

採用香港財務報告準則第3號導致商譽／負商譽之會計政策出現變更。於此之前的會計政策如下：

- 於二零零一年一月一日前由收購產生之商譽以儲備抵銷。因該商譽產生之任何減值於損益報表列賬。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- Goodwill on acquisition occurring on or after 1 January 2001 was included in intangible assets and is amortized using the straight-line method over a period of not exceeding 15 years.
- Negative goodwill on acquisitions that occurred prior to 1 January 2001 was taken directly to reserves on acquisition.
- Negative goodwill on acquisition occurring on or after 1 January 2001 was presented in the same balance sheet classification as goodwill.

In accordance with the provisions of HKFRS 3, the Group has derecognized the previously recognized negative goodwill with a corresponding adjustment to the opening balance of retained profits.

The adoption of HKFRS 3 resulted in:

2. 主要會計政策 (續)

2.1 編制基準 (續)

- 於二零零一年一月一日或其後由收購產生之商譽乃計入無形資產並以直線法按最多十五年期限攤銷。
- 於二零零一年一月一日前由收購產生之負商譽乃直接計入儲備。
- 於二零零一年一月一日或其後由收購產生之負商譽於資產負債表之分類方式與商譽相同。

根據香港財務報告準則第3號之規定，本集團撤銷確認先前已確認之負商譽，並對保留溢利之期初結餘作出相應調整。

採納香港財務報告準則第3號導致：

		(Decrease)/increase
		As at 1 January 2005
		and 31 December 2005
		(減少) / 增加
		於二零零五年一月一日
		及二零零五年十二月三十一日
		HK\$'000
		千港元
Capital reserve	資本儲備	(39)
Retained profits	保留溢利	39

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2006 or later periods but which the Group has not early adopted, as follows:

- HKAS 39 (Amendment), The Fair Value Option (effective from 1 January 2006). This amendment changes the definition of financial instruments classified at fair value through profit or loss and restricts the ability to designate financial instruments as part of this category.
- HKAS 39 and HKFRS 4 (Amendment), Financial Guarantee Contracts (effective from 1 January 2006). This amendment requires issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognized at their fair value, and subsequently measured at the higher of (a) the unamortized balance of the related fees received and deferred, and (b) the expenditure required to settle the commitment at the balance sheet date.
- HKFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to HKAS 1, Presentation of Financial Statements – Capital Disclosures (effective from 1 January 2007). HKFRS 7 introduces new disclosures to improve on the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces HKAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in HKAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under HKFRS. The amendment to HKAS 1 introduces disclosures about the level of an entity's capital and how it manages capital.

2. 主要會計政策 (續)

2.1 編制基準 (續)

對於二零零六年一月一日當日或以後開始之會計期間或隨後期間生效，但本集團尚未提早採納之若干已頒佈之新準則、現有準則之修訂及詮釋載列如下：

- 香港會計準則第39號(修訂)《公平的選擇》(二零零六年一月一日生效)。該修訂改變按公平值透過損益列賬之金融工具類別的定義，及限制將金融工具列為此類別的能力。
- 香港會計準則第39號及香港財務報告準則第4號(修訂)《財務擔保合約》(二零零六年一月一日生效)。本修訂要求已發出的財務擔保(事先由有關實體聲稱為保險合約除外)，應按公平值於開始日確認，隨後按於結算日(a)所收取及遞延的有關費用之未攤銷餘額，及(b)結清該承擔的開支所必需的開支計量，以兩者中較高者為準。
- 香港財務報告準則第7號《金融工具：披露》、對香港會計準則第1號《財務報表呈報－資本披露》的補充修訂(二零零七年一月一日生效)。香港財務報告準則第7號引入改善與金融工具有關資料的新披露規定。該準則規定對與金融工具所承受的有關風險作出質素及量化資料披露，包括對有關信貸風險、流動現金風險及市場風險(包括市場風險敏感性分析)作出最低披露的規定。該準則取代香港會計準則第30號《銀行及類似金融機構財務報表內所作披露》，以及香港會計準則第32號《金融工具：披露及呈報》的披露要求。該準則適用於根據香港財務報告準則進行呈報的所有實體。香港會計準則第1號(修訂)引入對一間實體的資本水平及資本管理方法作出披露。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

In addition, the Hong Kong Companies (Amendment) Ordinance 2005 came into effect on 1 December 2005 and would be first applicable to the Group's financial statements for the period beginning 1 January 2006.

The Group has not early applied the above new standards and interpretations that have been issued but are not yet effective. The amendments to HKAS 1, HKAS 27 and HKFRS 3 made as a result of the Hong Kong Companies (Amendment) Ordinance 2005 are not applicable to the Group's operations. The adoption of the remaining new standards is not likely to have a significant impact on the Group's results of operations and financial position.

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December.

(a) Subsidiaries

Subsidiaries are those entities in which the Company, directly or indirectly, controls the composition of the board of directors, controls more than half the voting power or holds more than half of the issued and paid up share capital.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date such control ceases.

2. 主要會計政策 (續)

2.1 編制基準 (續)

此外，香港《二零零五年公司條例(經修訂)》於二零零五年十二月一日生效，將首次適用本集團於二零零六年一月一日開始之期間的財務報表。

本集團並未提前採用上述已頒佈但尚未生效的新準則及詮釋。因香港《二零零五年公司條例(經修訂)》而對香港會計準則第1號、香港會計準則第27號及香港財務報告準則第3號所作出修訂並不適用本集團業務經營。採納其餘新準則不大可能對本集團業務經營及財務狀況造成重大影響。

2.2 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。

(a) 附屬公司

附屬公司乃本公司可以直接或間接控制董事會之組成；控制逾半之投票權；或持有已發行及繳足股本逾半之實體。

附屬公司自控制權轉移至本集團之日起全面綜合入賬，並於控制權終止時停止綜合入賬。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference (which would have been known as negative goodwill under the previous accounting policy) is recognized directly in the profit and loss account.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds from the disposal of that subsidiary and its carrying amount as of the date of disposal, including any attributable amount of goodwill and any related accumulated foreign currency translation reserve.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2. 主要會計政策(續)

2.2 綜合賬目(續)

(a) 附屬公司(續)

本集團以收購會計法為本集團所收購之附屬公司列賬。收購成本為於交易日所付資產、所發行之股本工具，以及所產生或承擔之負債的公平值計算，另加上該收購直接應佔之成本。在企業合併中之可識辨收購資產及所承擔之負債及或然負債，均於收購當日按其公平值作出初步計量，而不論少數股東權益的數額。收購成本超過本集團應佔可識辨所收購淨資產之公平值的數額記錄為商譽。如收購成本低於所收購附屬公司淨資產之公平值，該差額(按之前的會計政策為負商譽)直接在損益報表內確認。

集團旗下公司間之交易、結餘及交易未變現收益互相對銷。除非交易提供已轉讓資產減值之憑證，否則未變現虧損亦會對銷。

出售一間附屬公司之盈虧乃指該出售該附屬公司所得款項與出售日期其賬面值之差額，包括任何應佔商譽額以及任何有關累計外幣匯兌儲備。

在本公司資產負債表內，於附屬公司之投資乃按成本扣除減值準備列賬。本公司按已收及應收股息之基準計入附屬公司之業績。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(b) Associates

Associates are entities which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (Note 2.7).

The Group's share of its associates' post-acquisition profits or losses is recognized in the profit and loss account, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in associates are stated at cost less provision for impairment losses. The results of associates are accounted for by the Company on the basis of dividend received and receivable.

2. 主要會計政策 (續)

2.2 綜合賬目 (續)

(b) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶20%至50%投票權之股權。聯營公司投資以權益會計法入賬，初始以成本確認。本集團於聯營公司之投資包括收購時已識辨商譽(扣除任何累計減值虧損)(附註2.7)。

本集團應佔收購後聯營公司的溢利或虧損於損益報表內確認，而應佔收購後儲備的變動則於儲備賬內確認。投資賬面值會根據累計之收購後變動而作出調整。倘本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

本集團與其聯營公司之間交易的未變現收益按本集團在聯營公司權益所佔部份對銷。除非交易提供所轉讓資產減值之憑證，否則未變現虧損亦予以對銷。聯營公司的會計政策已按需要作出改動，以確保與本集團採用的政策符合一致。

在本公司之資產負債表內，於聯營公司之投資按成本值扣除減值虧損撥備列賬。聯營公司之業績由本公司按已收及應收股息入賬。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.3 Segment reporting

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

In accordance with the Group's internal financial reporting system, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format for the purposes of these financial statements.

Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, results, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Segment assets consist primarily of property, plant and equipment, investment property, receivables and other assets. Segment liabilities comprise operating liabilities and exclude items such as taxation and borrowings.

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

Unallocated items mainly comprise property, plant and equipment used for corporate office, tax balances and corporate expenses.

In respect of geographical segment reporting, sales are based on the country in which the customer is located and total assets and capital expenditure are where the assets are located.

2. 主要會計政策 (續)

2.3 分部報告

分部為按本集團所從事提供產品或服務 (業務分部) 或在某一特定經濟環境內提供產品或服務 (地區分部) 之可區別項目，而每個分部所承擔之風險及回報均與其他分部有所不同。

就本財務報表而言，根據本集團之內部財務報告制度，本集團已決定以業務分部資料作為主要呈報方式，地區分部資料為次要呈報方式。

分部收益、業績、資產與負債包括直接撥入分部之項目以及可按合理基準分配予該分部之項目。分部收益、業績、資產與負債乃於綜合賬目過程中抵銷集團內部間結餘之前釐訂，惟屬同一分部之集團內部間之結餘及交易則除外。分部資產主要由物業、機器及設備、投資物業、應收賬款、銀行結餘及其他資產組成。分部負債由經營負債組成，但不包括稅項及借款等項目。

分部資本支出為於期內添置預期可使用超過一個期間之分部資產 (包括有形及無形) 而產生之總成本。

未分配項目主要包括用作集團辦公室之物業、機器及設備，以及稅項餘額及集團開支。

就地區分部報告而言，銷售額乃根據客戶所在國家釐定，而資產總值及資本支出乃根據資產所在地而定。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in HK dollars, which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation difference on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

2. 主要會計政策 (續)

2.4 外幣換算

(a) 功能及呈報貨幣

本集團每個實體之財務報表所列項目均以有關實體經營業務所在地之主要經濟環境所用貨幣(「功能貨幣」)計算。綜合財務報表以港元呈報，其為本公司之功能及呈報貨幣。

(b) 交易及結餘

外幣交易按交易日期之匯率換算為功能貨幣。結算該等交易及按年結時匯率換算以外幣呈列貨幣資產及負債所產生匯兌盈虧，均於損益報表確認。

非貨幣財務資產及負債之換算差額，以公平值盈虧呈報。非貨幣財務資產(如分類為可供出售財務資產之股本權益)之換算差額，計入權益內公平值儲備。

(c) 集團公司

集團旗下所有功能貨幣與呈報貨幣不同之實體(全部均無採用高通脹經濟體的貨幣)之業績及財務狀況，按以下方式換算為呈報貨幣：

- (i) 各資產負債表所呈列資產及負債，按結算日之收市匯率換算；

2. PRINCIPAL ACCOUNTING POLICIES (continued)**2.4 Foreign currency translation (continued)**(c) *Group companies (continued)*

(ii) income and expenses for each profit and loss account are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the profit and loss account as part of the gain or loss on sale.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the profit and loss account during the financial period in which they are incurred.

2. 主要會計政策 (續)**2.4 外幣換算 (續)**

(c) 集團公司 (續)

(ii) 各損益報表之收入及支出按平均匯率換算，惟倘此平均值並非該等交易日期通行匯率具累積效果之合理約數時除外。在此情況下，收入及支出將於各自之交易日期換算；及

(iii) 所有匯兌差額將確認為權益項下獨立項目。

綜合賬目時，換算於海外國經營業務之淨投資所產生匯兌差額及指定用作對沖該等投資之借貸及其他貨幣工具之匯兌差額列入股東權益。出售海外經營業務時，該等匯兌差額於損益報表確認為出售收益或虧損之一部分。

2.5 物業、機器及設備

物業、機器及設備按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括直接源自收購有關項目之開支。

其後成本僅於與有關項目相關之日後經濟利益將流入本集團且該項目之成本能可靠計量時，方計入資產賬面值或確認為獨立資產 (視適用而定)。所有其他維修及保養於產生之財政期間在損益報表支銷。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

– Furniture and fixtures	3 years
– Office equipment	3 years
– Computer and related equipment	3 years
– Motor vehicles	5 years

Improvements are capitalized and depreciated over their expected useful lives to the Group.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An impairment loss is recognized immediately to write down an asset's carrying amount to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8). Gains and losses on disposals are determined by comparing proceeds with carrying amounts.

2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, which is not occupied by the companies in the Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

2. 主要會計政策 (續)

2.5 物業、機器及設備 (續)

物業、機器及設備之折舊乃以直線法按下列估計可使用年期就其剩餘價值分配其成本：

– 傢俬及裝置	三年
– 辦公室設備	三年
– 電腦及相關設備	三年
– 汽車	五年

裝修乃予以資本化並按彼等於本集團之估計可使用年期計算折舊。

資產的剩餘價值及可使用年期於各結算日檢討，並在適當時作出調整。

倘一項資產之賬面值高於其估計可收回金額(附註2.8)，則即可確認減值虧損以調低該資產賬面值至其可收回金額。處置資產產生之盈虧乃按出售該項資產所得款項與其賬面值之差額而釐定。

2.6 投資物業

投資物業是指為著長期租金收益所持有或及為資本增值或以上兩者目的，而並非由集團公司所佔用之物業。

投資物業包括以經營租賃持有的土地及融資租賃持有的樓宇。

經營租賃下所持有的土地若符合投資物業定義的其他部份，則亦分類及列賬為投資物業。經營租賃被記賬猶如融資租賃。

2. PRINCIPAL ACCOUNTING POLICIES (continued)**2.6 Investment property (continued)**

Investment property is measured initially at its cost, including related transaction costs, except when it is acquired through a business combination, in which case it is measured initially at fair value. After initial recognition, investment property is carried at fair value.

Fair value is based on valuations carried out by external valuers. Changes in fair values are recognized in the profit and loss account.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit and loss account during the financial period in which they are incurred.

2.7 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate, or business attributable to the Group at the effective date of acquisition or an increase in holding in a subsidiary.

Goodwill on acquisitions of subsidiaries and businesses is included in intangible assets while goodwill on acquisitions of associates is included in "Interests in associates". Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity or business include the carrying amount of goodwill relating to the entity or business sold. Goodwill is allocated to cash generating units for the purpose of impairment testing.

2. 主要會計政策 (續)**2.6 投資物業 (續)**

投資物業以其初始成本計量，並包括相關之交易成本，惟透過商業合併所收購的物業按初始公平值計量。於初步確認後，投資物業按公平值列賬。

公平值按外間估值師估值釐定。公平值之變動計入損益報表。

隨後開支僅在與該項目相關的日後經濟利益很可能流入本集團且該項目成本能可靠計量時計入到該項資產的賬面值內。所有其他修理及維修費用均在其發生的財務期間內在損益報表內列作開支。

2.7 商譽

商譽指收購成本超過於有效收購日期或於一間附屬公司持股量增加額當日，本集團應佔所收購附屬公司、聯營公司或業務之可識辨資產淨值之公平值的差額。

收購附屬公司及業務所產生之商譽計入無形資產。收購聯營公司產生之商譽計入「聯營公司權益」。商譽每年就減值進行檢測，並按成本減累計減值虧損列賬。商譽減值虧損不可撥回。出售一家實體或業務之收益及虧損包括與所售出實體有關商譽之賬面值。就減值測試而言，商譽會分配至現金產生單位。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life 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 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 levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Investments

The Group has classified its investments in the following categories: financial assets at fair value through profit or loss (including trading and other investments), held-to-maturity investments, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Available-for-sale financial assets and financial assets at fair value through profit or loss are carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method. Realized and unrealized gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the profit and loss account in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the profit and loss account.

2. 主要會計政策 (續)

2.8 非財務資產減值

並無可用期限的資產毋須攤銷，但此等資產每年均作出至少一次減值測試。如發生任何可能導致未能收回資產賬面值的事項或情況變化，本集團亦會測試該資產的減值情況。就須攤銷資產而言，倘發生任何可能導致未能收回資產賬面值之事項或情況變化，本集團將測試該資產的減值情況。減值虧損為資產賬面值超越其可收回價值之數額。可收回金額為資產公平值減出售成本後之價值，與其使用價值之間的較高者。本集團評估資產減值時，按可個別識辨其現金流量的資產類別（現金產生單位）作最低層次組合。在每個報告日期，對蒙受減值的非財務資產（不包括商譽）進行測試，以檢討該減值是否有可能撥回。

2.9 投資

本集團按以下類別分類其投資：按公平值透過損益列賬之財務資產（包括買賣及其他投資）、持至到期日投資、貸款及應收賬款及可供出售財務資產。分類視乎所購入投資之目的而定。可供出售財務資產及按公平值透過損益列賬之財務資產乃按公平值列賬。貸款及應收賬款及持至到期日投資乃採用實際利息法按已攤銷成本列賬。按公平值透過損益列賬之財務資產公平值變動所產生之已變現及未變現損益於其產生之期間計入當期損益報表內。可供出售財務資產公平值變動所產生之未變現損益於權益中確認。當可供出售財務資產已被出售或減值時，累計公平值調整將計入損益報表。

2. PRINCIPAL ACCOUNTING POLICIES (continued)**2.9 Investments (continued)**

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the specific circumstances of the issuer.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (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 profit and loss account) is removed from equity and recognized in the profit and loss account. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account.

2.10 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the profit and loss account.

2. 主要會計政策 (續)**2.9 投資 (續)**

有報價投資之公平值按當時買盤價計算。倘一項金融資產之市場並不活躍(及就非上市證券而言)，本集團利用估值方法訂定公平值。此等方法包括以近期公平交易，參考大致相同之其他工具、貼現現金流量分析及經改良之期權定價模式，以反映發行人具體情況。

本集團於各結算日評估是否有客觀證據證明一項財務資產或一組財務資產出現減值。就分類為可供出售之股權證券而言，於釐定證券是否出現減值時，會考慮證券公平值有否大幅或長期跌至低於其成本值。倘可供出售之財務資產存在該證據，累計虧損(按收購成本與現有公平值之差額，減該財務資產之前於損益報表確認之任何減值虧損計算)自權益中剔除，並於損益報表確認。於損益報表確認之股權工具減值虧損不會透過損益報表撥回。

2.10 貿易及其他應收款項

貿易應收賬款及其他應收賬款初步按公平值確認，其後以實際利息法計量攤銷成本扣除減值撥備計算。當有客觀證據顯示本集團未能根據應收款項之原訂條款收回所有到期款項，即就應收賬款及其他應收款項設定減值撥備。債務人出現重大財務困難、可能進入破產程序或財務重組、不履行付款義務或無法如期還款均視為貿易賬款減值徵象。撥備額為資產賬面值與按實際利率貼現的估計未來現金流量之現值兩者間的差額。撥備金額在損益報表確認。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.11 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts.

2.12 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

2.13 Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss account except to the extent that they relate to items recognized directly in equity, in which case they are recognized in equity.

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

2. 主要會計政策 (續)

2.11 現金及現金等值物

就現金流量表而言，現金及現金等值物包括現金、銀行通知存款、投資日期起計三個月內或以下到期之現金投資及銀行透支。

2.12 借款

借款初步按公平價值減應佔交易成本確認。交易成本為直接與收購、發行或出售財務資產或財務負債有關之增值成本，包括支付予代理、顧問、經紀及交易商之費用及佣金，監管機關及證券交易所之收費，以及過戶及印花稅。於初步確認後，借款按攤銷成本列賬，成本與贖回價值兩者間之任何差異會在借款期間內以實際利息法在損益報表確認。

2.13 所得稅

本年度之所得稅包括即期稅項及遞延稅項資產與負債之變動。即期稅項及遞延稅項資產與負債之變動均在損益報表內確認，惟與直接在權益中確認之項目有關者，則於權益中確認。

即期稅項乃根據本年度之應課稅收入，採用於結算日所訂定或大致訂定之稅率計算之預期應付稅項，並就過往年度之應付稅項作出任何調整。

2. PRINCIPAL ACCOUNTING POLICIES (continued)**2.13 Income tax (continued)**

Deferred tax 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 financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

2.14 Employee benefits*(a) Employee leave entitlements*

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.

Employee entitlements to sick leave and maternity or paternity leave are not recognized until the time of leave.

(b) Bonus plans

The expected cost of bonus payments due wholly within twelve months after balance sheet date are recognized as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

2. 主要會計政策 (續)**2.13 所得稅 (續)**

遞延稅項乃採用負債法，就資產及負債稅基與其於財務報表之賬面值間產生之暫時差額作出全數撥備。然而，倘於初步確認於進行交易（商業合併除外）時不會影響會計或應課稅溢利或虧損之資產及負債產生遞延稅項，則不予列賬。於結算日已訂立或大致訂立之稅率乃用作計算遞延稅項。

遞延稅項資產將會被確認至於日後很可能獲得應課稅溢利及其相對可動用暫時差額的水平。

於附屬公司及聯營公司之投資所產生暫時差額將被計提為遞延稅項資產，惟本集團可控制撥回暫時差額之時間及暫時差額將不大可能於可預見將來撥回則除外。

2.14 僱員福利*(a) 僱員可享有之假期*

當僱員享有其應享有的年假時，即予確認其所享有的年假權利。直至結算日僱員所提供之服務而應享有之年假，本集團會對此而產生之估計負債作出撥備。

僱員可享有之病假及產假乃於可享有時方會確認。

(b) 花紅計劃

本集團因員工提供之服務而產生現有法定或推定責任及能可靠估計其責任時，本集團就須於結算日後十二個月內全數支付花紅之預計成本將確認為負債。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.14 Employee benefits (continued)

(c) Pension obligations

The Group has a defined contribution retirement plan and the assets are held in independent mutual funds. The pension plan is generally funded by payments from employees and by the relevant companies within the Group based on a percentage of the employee's basic salary.

The Group's contributions to the defined contribution retirement plan are expensed as incurred.

(d) Share option scheme

The Group operates an equity-settled, share-based compensation plan, known as the Scheme. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made.

2. 主要會計政策 (續)

2.14 僱員福利

(c) 退休金承擔

本集團設有定額供款退休計畫，有關資產由獨立互惠基金持有。該退休計畫一般由僱員及本集團有關成員公司按僱員基本薪金之某個百分比計算提供資金。

本集團向該定額供款退休計畫作出之供款乃於發生時列作開支。

(d) 購股權計畫

本集團設有以股本結算並以股份為基礎之薪償計畫，稱為計畫。就僱員所提供服務授出之購股權之公平值確認為開支。歸屬期內支銷總額，乃參考所授出購股權之公平值釐定，惟不包括任何非市場性質歸屬條件之影響。有關預期可予行使購股權數目之假設，已計入非市場性質歸屬條件。於各結算日，本公司會修訂其估計預期可予行使之購股權數目。本公司於損益報表確認修訂原有估計之影響(如有)，並於餘下歸屬期就權益作出相應調整。

已收所得款項扣除任何直接應計交易成本後，於購股權獲行使時撥入股本(面值)及股份溢價。

2.15 撥備

倘本集團因過往發生之事件須承擔現有法定或推定責任而極有可能須動用資源解決責任，則在能夠可靠估算責任金額的情況下，則確認撥備。

2. PRINCIPAL ACCOUNTING POLICIES (continued)**2.16 Revenue recognition**

Revenue is recognized when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably on the following bases:

- (a) Rental income receivable under operating leases is recognized in profit or loss on a straight-line basis over the periods covered by the lease term.
- (b) Corporate advisory fees are recognized as revenue when the agreed services have been provided.
- (c) Interest income is recognized on a time proportion basis using the effective interest method.
- (d) Realized gain/(loss) on trading of securities is recognized as revenue on a trade date basis.
- (e) Unrealized gain/(loss) on trading of securities is recognized when trading securities are restated to fair value at the reporting date.
- (f) Dividend income is recognized when the right to receive payment is established.

2.17 Leases**(a) Operating leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the profit and loss account on a straight-line basis over the period of the lease.

2. 主要會計政策 (續)**2.16 收益確認**

收益於經濟利益有可能流入本集團，且其能可靠計算時，按以下基準確認：

- (a) 根據經營租賃應收租金收入以直線法按租約期自損益報表入賬。
- (b) 企業顧問費於提供協定服務後確認為收入。
- (c) 利息收入乃利用實際利息法按時間比例基準確認為收入。
- (d) 買賣證券之已變現盈利／(虧損)按買賣日基準確認為收入。
- (e) 買賣證券之未變現盈利／(虧損)於買賣證券在呈報日期重列至公平值時予以確認。
- (f) 股息收入乃於確立收取款項之權利時確認。

2.17 租賃**(a) 經營租賃**

凡所有權之絕大部分風險及回報由出租人保留之租約，均列為經營租賃。根據經營租賃支付之租金(在扣除自出租人收取之任何優惠後)按直線法於租賃期內在損益報表中支銷。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.17 Leases (continued)

(b) Finance leases

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is recognized in the profit and loss account over the lease period so as to produce a constant rate of interest on the remaining balance of the liability for each period.

2.18 Related parties

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

2.19 Contingent liabilities and contingent assets

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.

2. 主要會計政策 (續)

2.17 租賃 (續)

(b) 融資租賃

由本集團承擔大部份所有權風險及回報的租約均為融資租賃。融資租賃乃在租賃開始時按租賃資產之公平值與最低租賃付款的現值較低者入賬。每期租金均分攤為負債及財務費用，使財務費用佔融資結欠額為一常數比率。融資成本之利息部份將在有關租賃年期於損益報表中確認，並藉此制定每個期間對負債餘額之常數定期利率。

2.18 關聯方

就本財務報表而言，倘本集團有權直接或間接控制另一方人士或對另一方人士之財務及經營決策作出重要影響，或另一方人士有權直接或間接控制本集團或對本集團之財務及經營決策作出重要影響，或本集團與另一方人士均受制於共同控制或共同重要影響下，則被視為本集團之關聯方。關聯方可以為個人（為重要管理層人員、主要股東及／或其親屬）或其他實體及包括受本集團之關聯方（該等實體為個人）重大影響之實體，以及提供福利予本集團僱員之離職後福利計劃或某些與本集團關聯的實體。

2.19 或然負債及或然資產

或然負債乃可能從過往事件衍生之責任，並其存在僅會於本集團未能完全控制之一宗或多宗未來事件會否出現而確認。或然負債亦可以是由過往事件衍生之現有債務，但因為未肯定是否需要經濟資源流出，又或責任金額未能可靠地計量而並無確認。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

2.19 Contingent liabilities and contingent assets

(continued)

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.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognized but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest risk), credit risk, liquidity risk and cash flow interest-rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

2. 主要會計政策 (續)

2.19 或然負債及或然資產 (續)

或然負債不會確認入賬但會於財務報表附註披露。當資源流出之可能性有所改變，導致有可能出現資源流出時，則會將或然負債確認為撥備。

或然資產乃可能從過往事件衍生之資產，並其存在僅會於本集團未能完全控制之一宗或多宗未來事件會否出現而確認。

或然資產不會確認入賬但會於財務報表附註披露。當實際上確定經濟資源流入時，則會確認為資產。

3. 財務風險管理

3.1 財務風險因素

本集團經營活動面對各種財務風險：市場風險（包括貨幣風險及公平值利率風險）、信貸風險、流動現金風險以及現金流量及利率風險。本集團之整體風險管理計劃專注於金融市場不可預測之特性，務求減低對本集團財務表現帶來之潛在負面影響。

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk

(i) Foreign exchange risk

The Group's monetary assets and transactions are principally denominated in Hong Kong Dollars ("HK\$"), United States Dollars ("USD"), and Renminbi ("RMB"). The Group is exposed to foreign exchange risk arising from the exposure of HK\$ against USD and RMB, respectively. Considering that the exchange rate between HK\$ and USD is pegged, and that there is insignificant fluctuation in the exchange rate between HK\$ and RMB, the Group believes its exposure to exchange rate risk is minimal. The group has also placed a small portion of cash on high yield currency linked deposits. These deposits are linked to either European currencies or Australian dollars and will be exposed to the fluctuation of exchange rates. The Group has policies in place to ensure that these deposits are insignificant to limit the exchange rate risk exposed by the Group on these deposit.

(ii) Price risk

The Group is exposed to equity securities price risk because the Group's result is affected by the fluctuation in the market price of investments held by the Group which are classified as financial assets at fair value through profit or loss.

(b) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, investments and bank deposits. The exposures to these credit risks are monitored on an ongoing basis.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險

(i) 外匯風險

本集團貨幣資產及交易皆基本以港元(「港元」)、美元(「美元」)及人民幣(「人民幣」)計值。本集團分別承受港元兌美元及人民幣的外匯風險。鑒於美元與港元掛鈎，同時港元與人民幣之間的匯率波動輕微，本集團認為其所承受的外匯風險不大。本集團以高息外匯掛鈎存款形式存放小部份現金，該等存款與歐洲貨幣或澳元掛鈎，須承受匯率波動。本集團已有政策，以將該等存款之數額限制於少數，從以確保該等存款對本集團不會構成重大之匯率風險。

(ii) 價格風險

由於本集團業績受到其所持分類為按公平值透過損益列賬之財務資產之投資的市場價格變動影響，故本集團須承擔股權證券價格風險。

(b) 信貸風險

本集團信貸風險主要來自貿易及其他應收款項、投資及銀行存款。所承受信貸風險已受到持續監察。

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

In respect of trade and other receivables, these receivables are due within 3 days from the date of billing. Reminders are sent to the debtors with balances that are more than 14 days overdue.

In respect of investments and bank deposits, the Group has diversified its exposures into different financial institutions. It has policies in place to assess counterparties and financial institutions before the Group invests its assets.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group has a sound financial position with cash reserve of approximately HK\$123,000,000. In view of the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

(d) Cash flow and fair value interest rate risk

The Group maintains a strong cash position and has low cash flow risk. The Group's interest-rate risk arises from deposits, other investment activities and long-term borrowings. The Group monitors its interest-sensitive investments and limits interest rate exposure through management of maturity profile, currency mix and choice of fixed and floating interest rates.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

貿易及其他應收款項於記賬後三日內到期。若債務人欠款超過14日，則向其發出還款通知。

就投資及銀行存款而言，本集團已將其風險分散至不同的財務機構。本集團訂有相應政策，據此，在進行投資其資產前，將會對對方及財務機構進行評估。

(c) 流動資金風險

審慎流動資金風險管理意味著擁有充裕現金及有價證券、可透過足額專項信貸提供資金以及有能力對有關市場倉位進行平倉。本集團財務狀況良好，擁有現金儲備約123,000,000港元。鑒於相關業務屬活躍多變，故本集團致力透過取得專項信貸確保在融資方面的靈活性。

(d) 現金流量及公平值利率風險

本集團擁有充裕現金，現金流量風險較低。本集團利率風險來自存款、其他投資活動及長期借款。本集團透過管理還款期、貨幣組合、選擇固定及浮動息率，監察其對利率敏感的投資，從而限制利率風險。

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the bid price.

The fair value of debtors and prepayments, cash and cash equivalents, creditors and accruals and current borrowings are assumed to approximate their carrying amount due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings are estimated using the expected future payments discounted at market interest rates.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the accounting policies described in Note 2 above, the Group has made the following judgements that have the most significant effect on the amounts recognized in the financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of the Group's assets and liabilities within the next financial year are disclosed below.

(a) Classification as investment properties and owner-occupied properties

The Group determines whether the newly acquired property qualifies as an investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity and the level of ancillary services provided to the tenants. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process. Taking into consideration of all the factors, the Group considers the newly acquired property to be an investment property.

3. 財務風險管理 (續)

3.2 公平值之估計

於活躍市場買賣之金融工具之公平值乃按於結算日之市場報價釐定。本集團所持財務資產所用市場報價為買入價。

應收賬款及預付款項、現金及現金等物、應付賬款及應計項目及短期借款之公平值假設與其賬面值相若，概因該等資產及負債均為短期性質。

長期借款的公平值乃按市場利率折現預期日後付款估計得出。

4. 重大會計估計及判斷

在應用附註2所述會計政策的過程中，本集團已作出對財務報表所列金額造成重大影響的如下判斷。導致需對未來財政年度內的資產及負債賬面值作出重大調整之主要風險有關的對未來的重大假設及於資產負債表日期造成估計不確定性的其他重大原因，已於下文論述。

(a) 分類為投資物業及業主自用物業

本集團自行釐定新近購買的物業是否符合投資物業資格。在作出其判斷時，本集團考慮該物業產生現金流量是否在很大程度上獨立於一間實體所持有的其他資產，以及向租戶提供配套服務的程度。業主自用物業產生現金流量主要不僅因物業原因，亦因生產或供應流程中所使用的其他資產。考慮上述所有因素，本集團認為新購買的物業為投資物業。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Estimate of fair value of investment property

The best evidence of fair value is current prices in an active market for similar property, lease and other contracts. The Group engages external independent professional valuers to carry out the valuation annually on an open market for existing use basis, and adopts such valuation as the fair value of investment property. In making the judgement, consideration is given to assumptions that are mainly based on market conditions existing at the balance sheet date and appropriate capitalization rates. These estimates are regularly compared to the actual market data and actual transaction available.

(c) Income taxes

It is the Group's policy to recognize deferred tax assets for unused tax losses carried forward to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilized, based on all available evidence. Recognition primarily depends on management's expectation of future taxable profit that will be available against which tax losses can be utilized.

(d) Estimated impairment of assets

The Group tests at least annually whether goodwill or assets that have indefinite useful lives have suffered any impairment. Other assets, including investment in subsidiary at the company level, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

4. 重大會計估計及判斷(續)

(b) 投資物業公平值估計

公平值的最佳證據是類似物業、租約及其他合約在活躍市場內的當前價格。本集團聘用外部獨立專業估值師按現有用途基準每年評估投資物業公開市值，並採納該等估值作為其公平值。在作出有關判斷時，將考慮主要基於結算日期當時市況的假設和適當資本化率。該等估計將定期與實際市場資料及可知的實際交易相比較。

(c) 所得稅

根據本集團政策，對經結轉未動用稅項虧損而言，倘若根據所有可知證據，日後很可能獲得足夠應課稅溢利以抵銷未動用稅項虧損時確認，則就該等虧損確認遞延稅項資產。該等確認主要根據管理層預期日後會產生可抵銷稅項虧損的應課稅溢利。

(d) 資產減值估計

本集團對具有不確定使用年限的商譽或資產至少每年檢測一次，以察知其是否出現任何減值。若其他資產(包括以公司層面投資附屬公司)出現任何賬面值超出其可收回金額的事件或情況變動，則亦進行減值審核。一項資產或現金產生單位的可收回金額乃基於使用價值計算進行釐定。上述計算須要求利用估計，如折現率、日後盈利能力及增長率。

5. TURNOVER AND SEGMENT INFORMATION

The Group engaged in property investment, securities trading and investment, and the provision of corporate finance and advisory services during the year. Revenues recognized are as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Turnover	營業額		
Corporate advisory fees	企業顧問費	4,923	2,140
Interest income from	利息收入		
– bank deposits	– 銀行存款	3,840	1,014
– trading investments	– 投資買賣	15	394
– currency option attached to high yield deposits	– 高息存款附帶之貨幣期權	428	–
Rental and other fee income	租金及其他費用收入	2,641	–
Fair value (loss)/gain from listed investments	上市證券投資之公平值(虧損)/盈利	(28)	191
		11,819	3,739
Other revenue	其他收益		
Dividend income from listed investments	上市證券投資之股息收入	16	–
Total revenue	總收益	11,835	3,739

Primary reporting format – business segments

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit which is subject to risks and returns that are different from those of other business segments. Summarized details of the business segments are as follows:

- a) the property investment segment is engaged in operation of the investment property;
- b) the securities trading and investment segment is engaged in securities trading and investment and other investment holding. The revenue of this segment mainly comprises interest income from bank deposits and net income from investment and trading securities; and
- c) the corporate advisory segment is engaged in the provision of corporate finance and corporate advisory services.

The interest income in the comparative segment information, classified under "Corporate and others" segment, has been reclassified as segment revenue for "Securities trading and investment" segment to conform to the above classification.

5. 營業額及分部資料

本集團於本年度從事物業投資、證券買賣及投資、及提供企業融資及顧問服務。已確認的收益如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
營業額			
企業顧問費		4,923	2,140
利息收入			
– 銀行存款		3,840	1,014
– 投資買賣		15	394
– 高息存款附帶之貨幣期權		428	–
租金及其他費用收入		2,641	–
上市證券投資之公平值(虧損)/盈利		(28)	191
		11,819	3,739
其他收益			
上市證券投資之股息收入		16	–
總收益		11,835	3,739

主要報告方式 – 業務分部

本集團之營運業務乃根據彼等之經營性質及所提供服務而分開籌劃及管理。本集團之業務分類各自為一個策略性業務單位，其所承受風險及所得回報有別於其他業務分類。業務分類之詳情概述如下：

- a) 物業投資分部從事投資物業的營運；
- b) 證券買賣及投資分部從事證券買賣、投資及其他投資控股。此分部之收益主要包括銀行存款的利息收入及投資及證券買賣淨收入；及
- c) 企業顧問分部從事企業融資及企業顧問服務。

比較數字中，分類為「企業及其他」分部中之利息收入，已重新分類為「證券買賣及投資」分部之分部收益，以便與上述分類一致。

5. TURNOVER AND SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

The segment results, depreciation and capital expenditures for the years ended 31 December 2005 and 2004 are as follows:

5. 營業額及分部資料(續)

主要報告方式 – 業務分部(續)

截至二零零五年及二零零四年十二月三十一日止年度分部業績、折舊及資本支出載列如下：

		Property investment	Securities trading and investment	Corporate advisory	Unallocated	Group
		物業投資	證券買賣及投資	企業顧問	未分配項目	本集團
		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
For the year ended	截至二零零五年					
31 December 2005	十二月三十一日止年度					
Segment revenue:	分部收益：					
Sales to external customers	對外部客戶銷售	2,641	4,271	4,923	–	11,835
Segment results	分部業績	33,973	4,241	(3,641)	–	34,573
Unallocated operating income and expenses, net	未分配經營收入及開支淨額					(22,900)
Finance costs	融資成本					(1,348)
Share of profits less losses of associates	應佔聯營公司溢利減虧損					(465)
Profit before taxation	除稅前溢利					9,860
Taxation	稅項					(5,793)
Profit attributable to shareholders	股東應佔溢利					4,067
Other segment information	其他分部資料					
Depreciation	折舊	64	–	110	908	1,082
Capital expenditure	資本支出	110,000	–	195	5,052	115,247

Notes to the Financial Statements 財務報表附註

5. TURNOVER AND SEGMENT INFORMATION (continued) Primary reporting format – business segments (continued)

5. 營業額及分部資料(續) 主要報告方式 – 業務分部(續)

		Property investment	Securities trading and investment	Corporate advisory	Unallocated	Group
		物業投資	證券買賣及投資	企業顧問	未分配項目	本集團
		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
For the year ended	截至二零零四年					
31 December 2004	十二月三十一日止年度					
Segment revenue:	分部收益：					
Sales to external customers	對外客戶銷售	–	1,599	2,140	–	3,739
Segment results	分部業績	–	1,599	(2,090)	–	(491)
Unallocated operating income and expenses, net	未分配經營收入及開支淨額					(9,390)
Profit on disposal of a subsidiary	出售附屬公司溢利					1,470
Share of profits less losses of associates	應佔聯營公司溢利減虧損					1,015
Loss before taxation	除稅前虧損					(7,396)
Taxation	稅項					1,247
Loss attributable to shareholders	股東應佔虧損					(6,149)
Other segment information	其他分部資料					
Depreciation	折舊	–	–	115	121	236
Capital expenditure	資本支出	–	–	–	558	558

Capital expenditure comprises additions to investment property (Note 15) and property, plant and equipment (Note 14).

資本支出包括添置投資物業(附註15)及物業、機器及設備(附註14)。

5. TURNOVER AND SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

The segment assets and liabilities as at 31 December 2005 and 2004 are as follows:

5. 營業額及分部資料(續)

主要報告方式 – 業務分部(續)

截至二零零五年及二零零四年十二月三十一日止年度分部資產及負債載列如下：

		Property investment	Securities trading and investment	Corporate advisory	Unallocated	Group
		物業投資	證券買賣及投資	企業顧問	未分配項目	本集團
		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
At 31 December 2005	於二零零五年十二月三十一日					
Segment assets	分部資產	164,587	2,385	2,721	7,841	177,534
Bank balances and cash	銀行結餘及現金					122,971
Total assets	資產總額					300,505
Segment liabilities	分部負債	2,090	–	2,156	7,221	11,467
Long-term bank loan	長期銀行貸款					77,000
Deferred tax liabilities	遞延稅項負債					18,526
Total liabilities	負債總額					106,993
At 31 December 2004	於二零零四年十二月三十一日					
Segment assets	分部資產	–	–	107	1,228	1,335
Bank balances and cash	銀行結餘及現金					186,672
Interests in associates	聯營公司權益					2,286
Total assets	資產總額					190,293
Segment liabilities	分部負債	–	–	145	923	1,068
Total liabilities	負債總額					1,068

5. TURNOVER AND SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

Segment assets consist primarily of property, plant and equipment, investment property and goodwill, investments and receivables. Segment liabilities comprise operating liabilities. Unallocated assets and liabilities mainly represent assets and liabilities used by the corporate office, which can not be allocated on a reasonable basis to any segment. They exclude items such as deferred tax liabilities and corporate borrowings.

Secondary reporting format – geographical segments

As the Group's revenue, results, assets and liabilities for the year ended 31 December 2005 are derived from operations in Hong Kong, information by geographical segment has not been presented.

6. STAFF COSTS

The staff costs disclosed below are for all employees and include all directors' emoluments (note 13).

5. 營業額及分部資料(續)

主要報告方式 – 業務分部 (續)

分部資產主要由物業、機器及設備、投資物業及商譽、投資及應收款項所組成。分部負債由經營負債所組成。未分配資產及負債主要指由集團使用且難以按合理基準分配到任何業務的資產及負債。該等項目不包括遞延稅項負債及企業借款等項目。

次要報告方式 – 地區分部

由於本集團截至二零零五年十二月三十一日止年度之收益、業績、資產及負債均來自香港之經營，因此並無呈列地區分部之資料。

6. 僱員成本

下文披露全體僱員(包括全體董事之酬金(附註13))之僱員成本：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Director fees	董事袍金	654	636
Wages, salaries and bonus	工資、薪酬及花紅	10,189	4,648
Unutilised annual leave	未動用之年假	327	(234)
Pension costs – defined contribution plan	退休金成本 – 定額供款計劃	191	123
Other	其他	682	147
		12,043	5,320

7. DISPOSAL OF A SUBSIDIARY

On 7 December 2003, the Company entered into an agreement with Kim Eng Investment Limited (“KEI”) (the “Disposal Agreement”) pursuant to which the Company had conditionally agreed to dispose of all its 100% equity interests in Kim Eng Corporate Finance (Hong Kong) Limited (“KECF”) and Hart Industries (Far East) Industries Limited (“HIL”) and 25% equity interest in Eva Assets Management Limited (“EVA”).

On 3 March 2004, a supplemental agreement was executed pursuant to the Disposal Agreement of which the Company only disposed 100% of all its equity interests in KECF but retained HIL and EVA.

The disposal of KECF was approved by independent shareholders at an extraordinary general meeting held on 29 March 2004. The total cash consideration for the disposal of this subsidiary was HK\$5,000,000 and the profit on disposal was approximately HK\$1,470,000.

The results of KECF up to the date of disposal were as follows:

7. 出售附屬公司

於二零零三年十二月七日，本公司與Kim Eng Investment Limited(「KEI」)訂立一項出售協議(「出售協議」)，據此，本公司有條件同意出售其於金英企業融資(香港)有限公司(「金英企業融資」)及Hart Industries (Far East) Industries Limited(「HIL」)之全部權益及於Eva Assets Management Limited(「EVA」)之25%股權。

於二零零四年三月三日，本公司根據出售協議簽訂一份補充協議，據此，本公司僅出售其於金英企業融資之全部股權，而保留於HIL及EVA之股權。

獨立股東於二零零四年三月二十九日舉行之股東特別大會上批准出售金英企業融資。出售此附屬公司之總現金代價為5,000,000港元，而出售事項錄得溢利約1,470,000港元。

截至出售日期金英企業融資之業績如下：

Period 1 January 2004**to 29 March 2004**

二零零四年一月一日至

二零零四年三月二十九日期間

HK\$'000

千港元

Turnover	營業額	2,030
Operating expenses	經營開支	(3,465)
Loss before taxation	除稅前虧損	(1,435)

7. DISPOSAL OF A SUBSIDIARY (continued)

The effect of the disposal is summarized as follows:

7. 出售附屬公司(續)

出售事項之影響概述如下：

		2004 二零零四年 HK\$'000 千港元
Non-current assets	非流動資產	24
Current assets	流動資產	5,788
Total assets	資產總額	5,812
Total liabilities	負債總額	(2,282)
Net assets	資產淨值	3,530
Profit on disposal	出售溢利	1,470
Total consideration	總代價	5,000
Satisfied by:	以下列方式支付：	
Cash consideration	現金代價	5,000
Net cash inflow arising on disposal	出售事項產生之現金流入淨額	
Cash received	已收現金	5,000
Cash and bank balances disposed of	所出售之現金及銀行結餘	(4,980)
		20

8. OPERATING PROFIT/(LOSS)

8. 經營溢利／(虧損)

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Operating profit/(loss) is arrived at after charging/(crediting):	計算經營溢利／(虧損)時已扣除／(計入)以下各項：		
Legal and professional fee	法律及專業費	2,208	1,259
Consultancy fee	顧問費	6,844	3,554
Rental income from investment property	投資物業租金收入	(2,641)	-
Direct outgoings for investment property	投資物業直接開支	2,082	-
Rental income after direct outgoings	扣除直接開支後之租金收入	(559)	-
Depreciation	折舊	1,082	236
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	89	-
Auditors' remuneration	核數師酬金		
– audit	– 審核	655	302
– non-audit	– 非審核	473	25
Net exchange loss/(gain)	匯兌虧損／(收益)淨額	55	(18)
Operating leases – land and building	經營租賃－土地及樓宇	2,484	726
Bad and doubtful debts	呆壞賬	-	655

9. FINANCE COSTS

9. 融資成本

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on bank loan wholly repayable more than five years	超過五年後悉數償還的銀行貸款利息	1,307	-
Interest on finance leases	融資租賃利息	25	-
Other interest expenses	其他利息支出	16	-
		1,348	-

10. TAXATION

Hong Kong profits tax is calculated at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit. There is no profits tax provided for the year as the Group did not have any assessable profit.

The amount of taxation charge/(credit) to the consolidated profit and loss account represents:

10. 稅項

香港利得稅乃根據估計應課稅溢利按17.5% (二零零四年：17.5%)之稅率計算。由於本年度並無任何應課稅溢利，故並無為本年度的利得稅提準撥備。

計入綜合損益報表之稅項支出／(抵免)款項乃指：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Current taxation:	現時稅項：		
Hong Kong profits tax	香港利得稅		
Company and subsidiaries	本公司及其附屬公司		
– Over provisions in prior years	– 過往年度超額撥備	–	(1,247)
Deferred tax (Note 27)	遞延稅項(附註27)	5,793	–
		5,793	(1,247)

Share of associate's taxation for the year of HK\$26,000 (2004: HK\$215,000) is included in the consolidated profit and loss account as share of profits less losses of associates.

本年度應佔聯營公司稅項為26,000港元(二零零四年：215,000港元)已於綜合損益報表列為應佔聯營公司溢利減虧損。

10. TAXATION (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to results of the consolidated companies as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit/(loss) before taxation	除稅前溢利／(虧損)	9,860	(7,396)
Share of results of associates	應佔聯營公司業績	465	(1,015)
Profit/(loss) before taxation – Company and subsidiaries	除稅前溢利／(虧損) – 本公司及附屬公司	10,325	(8,411)
Tax calculated at 17.5%	按稅率17.5%計算之稅項	1,807	(1,472)
Tax effect of non-deductible expenses	不可扣除開支之稅項影響	185	255
Tax effect of non-taxable revenue	免稅收入之稅項影響	(750)	(186)
Tax effect on temporary differences not recognised	不確認暫時差額之稅項 影響	(285)	(34)
Overprovision for tax in prior years	過往年度稅項超額撥備	–	(1,247)
Deferred tax assets on tax losses not recognised	未確認稅項虧損之遞延 稅項資產	4,836	1,437
Tax charge/(credit)	稅項支出／(抵免)	5,793	(1,247)

11. PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

The profit/(loss) attributable to shareholders is dealt with in the accounts of the Company to the extent of loss of HK\$8,406,000 (2004: loss of HK\$6,507,000).

12. BASIC AND DILUTED PROFIT/(LOSS) PER SHARE

The calculation of basic and diluted profit/(loss) per share is based on the Group's profit attributable to shareholders of HK\$4,067,000 (2004: loss of HK\$6,149,000) and the weighted average number of 72,000,000 (2004: 72,000,000) ordinary shares in issue during the year.

The basic and diluted profit/(loss) per share are the same as the Company has no dilutive potential ordinary shares in issue for the years ended 31 December 2005 and 2004.

10. 稅項 (續)

本集團除稅前溢利之稅項與按適用綜合公司業績之加權平均稅率可能計算出的理論金額不同，載列如下：

11. 股東應佔溢利／(虧損)

股東應佔溢利／(虧損)於本公司賬目中之虧損幅度為8,406,000港元(二零零四年：虧損6,507,000港元)為限。

12. 每股基本及攤薄溢利／(虧損)

每股基本及攤薄溢利／(虧損)乃根據年內本集團之股東應佔溢利4,067,000港元(二零零四年：虧損6,149,000港元)及已發行普通股之加權平均數為72,000,000股(二零零四年：72,000,000股)計算。

由於本公司於截至二零零五年及二零零四年十二月三十一日止年度並無具攤薄影響之已發行潛在普通股，故每股基本及攤薄溢利／(虧損)一致。

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The remuneration of the Directors for the year ended 31 December 2005 is set out below:

13. 董事及高級管理層酬金

(a) 董事酬金

截至二零零五年十二月三十一日止年度董事酬金載列如下：

Name of Director 董事	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Other benefits** 其他福利** HK\$'000 千港元	Employer's contribution to pension scheme 僱主 對退休金 計劃供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Datuk LIM Chee Wah (i) 林致華拿督(i)	-	-	-	-	-	-
Mr. Percy ARCHAMBAUD-CHAO 趙世雄先生	-	2,137	-	363	10	2,510
Mr. Stephen YUEN Ching Bor 袁靖波先生	108	265	-	-	2	375
Ms. Patsy SO Ying Chi 蘇瑩枝女士	-	788	75	-	10	873
Mr. Michael YEE Kim Shing 余金盛先生	200	-	-	-	-	200
Mr. Alan Howard SMITH, J.P. 史亞倫太平紳士	200	-	-	-	-	200
Dr. Allen LEE Peng Fei, J.P. 李鵬飛博士太平紳士	71	-	-	-	-	71
Mr. Michael CHUM Hon Wang (i)(iii) 覃漢宏先生(i)(iii)	-	-	-	-	-	-
Mr. Alexander AU Siu Kee (iii) 歐肇基先生(iii)	29	-	-	-	-	29
Mr. Paul Steven SERFATY (iii) Paul Steven SERFATY 先生(iii)	46	-	-	-	-	46
	654	3,190	75	363	22	4,304

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

The remuneration of the Directors for the year ended 31 December 2004 is set out below:

Name of Director 董事	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Other benefits** 其他福利** HK\$'000 千港元	Employer's contribution to pension scheme 僱主 對退休金 計劃供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Datuk LIM Chee Wah (i) 林致華拿督(i)	-	-	-	-	-	-
Mr. Ronald Anthony OOI Thean Yat (ii)(iv) 黃天逸先生(ii)(iv)	-	-	-	-	-	-
Ms. Gloria LEE Woo (ii)(iv) 李胡秀妍女士(ii)(iv)	-	-	-	-	-	-
Ms. Winnie KONG Lai Wan (ii)(iv) 江麗雲女士(ii)(iv)	-	-	-	-	-	-
Mr. Michael CHUM Hon Wang (i)(iii) 覃漢宏先生(i)(iii)	-	-	-	-	-	-
Mr. Alan Howard SMITH, J.P. 史亞倫太平紳士	138	-	-	-	-	138
Mr. Michael YEE Kim Shing 余金盛先生	22	-	-	-	-	22
Ms. Constance CHOY Hok Man (ii)(iv) 蔡學雯女士(ii)(iv)	-	-	-	-	-	-
Mr. CHOW Siu Ngor (ii)(iv) 鄒小岳先生(ii)(iv)	-	-	-	-	-	-
Mr. Alexander AU Siu Kee (iii) 歐肇基先生(iii)	138	-	-	-	-	138
Mr. Paul Steven SERFATY (iii) Paul Steven SERFATY先生(iii)	338	-	-	-	-	338
	636	-	-	-	-	636

** Other benefits include housing allowances.

The above directors' emoluments were included in staff costs (Note 6). The staff costs and other operating expenses for 2004 have been amended to conform to this classification.

- (i) Two of the executives directors, Datuk LIM Chee Wah and Mr. Michael CHUM Hon Wang had waived their emoluments for the years ended 31 December 2005 and 2004.
- (ii) The other directors did not receive any remuneration from the Group for the year ended 31 December 2004.
- (iii) Resigned in 2005.
- (iv) Resigned in 2004.

13. 董事及高級管理層酬金(續)

(a) 董事酬金(續)

截至二零零四年十二月三十一日止年度董事酬金載列如下：

Name of Director 董事	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Other benefits** 其他福利** HK\$'000 千港元	Employer's contribution to pension scheme 僱主 對退休金 計劃供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Datuk LIM Chee Wah (i) 林致華拿督(i)	-	-	-	-	-	-
Mr. Ronald Anthony OOI Thean Yat (ii)(iv) 黃天逸先生(ii)(iv)	-	-	-	-	-	-
Ms. Gloria LEE Woo (ii)(iv) 李胡秀妍女士(ii)(iv)	-	-	-	-	-	-
Ms. Winnie KONG Lai Wan (ii)(iv) 江麗雲女士(ii)(iv)	-	-	-	-	-	-
Mr. Michael CHUM Hon Wang (i)(iii) 覃漢宏先生(i)(iii)	-	-	-	-	-	-
Mr. Alan Howard SMITH, J.P. 史亞倫太平紳士	138	-	-	-	-	138
Mr. Michael YEE Kim Shing 余金盛先生	22	-	-	-	-	22
Ms. Constance CHOY Hok Man (ii)(iv) 蔡學雯女士(ii)(iv)	-	-	-	-	-	-
Mr. CHOW Siu Ngor (ii)(iv) 鄒小岳先生(ii)(iv)	-	-	-	-	-	-
Mr. Alexander AU Siu Kee (iii) 歐肇基先生(iii)	138	-	-	-	-	138
Mr. Paul Steven SERFATY (iii) Paul Steven SERFATY先生(iii)	338	-	-	-	-	338
	636	-	-	-	-	636

** 其他福利包括房屋津貼。

上述董事酬金已計入僱員成本項下(附註6)。二零零四年僱員成本及其他經營開支乃經修訂，以與本分類一致。

- (i) 兩名執行董事林致華拿督及覃漢宏先生放棄彼等截至二零零五年及二零零四年十二月三十一日止年度之酬金。
- (ii) 其他董事概無接受本集團截至二零零四年十二月三十一日止年度之酬金。
- (iii) 已於二零零五年辭任。
- (iv) 已於二零零四年辭任。

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year comprise of 2 directors and 3 employees (2004: Nil directors and 5 employees). The details of the emoluments payable to the 3 employees (2004: 5) during the year are presented below.

13. 董事及高級管理層酬金 (續)

(b) 五名最高薪人士

本年度本集團五名最高薪酬之人士包括兩名董事及三名僱員(二零零四年：無董事，五人均為僱員)。於本年度內向該三名僱員(二零零四年：五名僱員)應付酬金詳情呈列如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	1,992	2,232
Pension costs – defined contribution plan	退休金成本 – 定額供款計劃	27	61
Others	其他	207	45
		2,226	2,338
Number of individuals			
人數			
		2005 二零零五年	2004 二零零四年
Emoluments band	薪酬範圍		
HK\$0 – HK\$500,000	0港元 – 500,000港元	–	4
HK\$500,001 – HK\$1,000,000	500,001港元 – 1,000,000港元	3	1
		3	5

14. PROPERTY, PLANT AND EQUIPMENT

(a) Group

14. 物業、機器及設備

(a) 本集團

		Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Computer and related equipment 電腦及 相關設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Cost	成本					
At 1 January 2005	於二零零五年一月一日	528	87	470	-	1,085
Acquisition of business (Note 32)	收購業務(附註32)	574	-	-	-	574
Additions	添置	2,455	97	393	2,302	5,247
Disposals	出售	(475)	(74)	(124)	-	(673)
At 31 December 2005	於二零零五年 十二月三十一日	3,082	110	739	2,302	6,233
Accumulated depreciation	累計折舊					
At 1 January 2005	於二零零五年一月一日	260	87	227	-	574
Charge for the year	年內開支	649	15	183	235	1,082
Disposals	出售	(349)	(72)	(107)	-	(528)
At 31 December 2005	於二零零五年 十二月三十一日	560	30	303	235	1,128
Net book value	賬面淨值					
At 31 December 2005	於二零零五年 十二月三十一日	2,522	80	436	2,067	5,105

14. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Group (continued)

14. 物業、機器及設備(續)

(a) 本集團(續)

		Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Computer and related equipment 電腦及 相關設備 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Cost	成本				
At 1st January 2004	於二零零四年一月一日	208	91	262	561
Additions	添置	347	-	211	558
Disposal	出售	(27)	(4)	(3)	(34)
At 31st December 2004	於二零零四年 十二月三十一日	528	87	470	1,085
Accumulated depreciation	累計折舊				
At 1st January 2004	於二零零四年一月一日	128	88	132	348
Charge for the year	年內開支	136	3	97	236
Disposal	出售	(4)	(4)	(2)	(10)
At 31st December 2004	於二零零四年 十二月三十一日	260	87	227	574
Net book value	賬面淨值				
At 31st December 2004	於二零零四年 十二月三十一日	268	-	243	511

14. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Company

14. 物業、機器及設備(續)

(b) 本公司

		Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Computer and related equipment 電腦及 相關設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Cost	成本					
At 1 January 2005	於二零零五年一月一日	323	–	211	–	534
Additions	添置	2,337	56	247	1,616	4,256
Disposals	出售	(268)	–	(34)	–	(302)
At 31 December 2005	於二零零五年 十二月三十一日	2,392	56	424	1,616	4,488
Accumulated depreciation	累計折舊					
At 1 January 2005	於二零零五年一月一日	86	–	36	–	122
Charge for the year	年內開支	530	12	118	211	871
Disposals	出售	(141)	–	(14)	–	(155)
At 31 December 2005	於二零零五年 十二月三十一日	475	12	140	211	838
Net book value	賬面淨值					
At 31 December 2005	於二零零五年 十二月三十一日	1,917	44	284	1,405	3,650

14. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Company (continued)

		Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Computer and related equipment 電腦及 相關設備 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Cost	成本			
At 1 January 2004	於二零零四年一月一日	-	-	-
Additions	添置	323	211	534
At 31 December 2004	二零零四年十二月三十一日	323	211	534
Accumulated depreciation	累計折舊			
At 1 January 2004	於二零零四年一月一日	-	-	-
Charge for the year	年內開支	86	36	122
At 31 December 2004	於二零零四年十二月三十一日	86	36	122
Net book value	賬面淨值			
At 31 December 2004	於二零零四年十二月三十一日	237	175	412

(c) The net book value of motor vehicles held under finance leases of the Group and the Company was HK\$1,405,000 (2004: HK\$Nil). None of the leases includes contingent rentals.

14. 物業、機器及設備(續)

(b) 本公司(續)

(c) 本集團及本公司根據融資租賃所持有之汽車賬面淨值為1,405,000港元(二零零四年：無)。該等租賃概無包括或然租金。

15. INVESTMENT PROPERTY

15. 投資物業

		Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
At 1 January	於一月一日	-	-
Addition (Note 32)	添置(附註32)	109,426	-
Fair value gain	公平值盈利	33,574	-
At 31 December	於十二月三十一日	143,000	-

15. INVESTMENT PROPERTY (continued)

The investment property is held under long-term lease and situated in Hong Kong. The investment property was revalued at 31 December 2005 on an open market value basis by an independent, professionally qualified valuer, Knight Frank Hong Kong Limited.

The Group leases out the investment property under operating leases. The leases typically run for an initial period of one month to two years, with an option to renew the lease at the expiry date at which time all terms are renegotiated. None of the leases includes contingent rentals.

The Group's total future minimum lease rentals under non-cancellable operating leases are receivable as follows:

15. 投資物業(續)

投資物業乃根據長期租約持有並位於香港。投資物業於二零零五年十二月三十一日由獨立專業合資格估值師萊坊(香港)有限公司按公開市值基準進行重估。

本集團按經營租賃租出投資物業。該等租約通常首期為壹個月至兩年，並可在屆滿期間選擇續期，在續期時所有條款均須重新商定。該等租約概無涵蓋或然租金。

本集團根據不可撤銷經營租賃按以下年期收取有關經營租賃未來最低租金總額如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Not later than 1 year	不超過一年	1,823	-
Later than 1 year and not later than 5 years	一年以上但不超過五年	348	-
		2,171	-

The details of the Group's investment property are set out as follows:

本集團投資物業詳情載列如下：

Property name 物業名稱	Location 地址	Type 類型	Lease term 租期
112 Apartments 壹一寓	112 Chun Yeung Street North Point, Hong Kong 香港北角 春秧街一百一十二號	Serviced apartments 服務式公寓	Long lease 長期租約

16. GOODWILL

16. 商譽

		Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
At 1 January	於一月一日	-	-
Acquisition of business (Note 32)	收購業務(附註32)	18,314	-
At 31 December	於十二月三十一日	18,314	-

17. INTERESTS IN SUBSIDIARIES

17. 附屬公司權益

		Company 本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Non-current asset:	非流動資產：		
Unlisted shares at cost	非上市股份，按成本值	10,000	10,000
Less: impairment provision	減：減值撥備	(1,000)	(1,000)
		9,000	9,000
Amounts due from subsidiaries	應收附屬公司款項	-	59
		9,000	9,059
Current asset:	流動資產：		
Amounts due from subsidiaries	應收附屬公司款項	56,597	-

The amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

應收附屬公司款項為無抵押、免息及按要求的時償付。

17. INTERESTS IN SUBSIDIARIES (continued)

The following is a list of principal subsidiaries at 31 December 2005. Principal subsidiaries are those subsidiaries that are active and have commenced operations.

17. 附屬公司權益 (續)

以下載列於二零零五年十二月三十一日主要附屬公司名單。主要附屬公司乃指活躍且已開始營運的附屬公司。

Name 名稱	Place of incorporation 註冊成立地點	Principal activities and place of operations 主要業務及營業地點	Particulars of issued share capital/registered capital 已發行股本/ 註冊資本詳情	Interest held 持有權益	
				2005 二零零五年	2004 二零零四年
Arrow Star Investment Limited 智域投資有限公司	Hong Kong 香港	Property investment in Hong Kong 在香港進行 物業投資	1 ordinary share of HK\$1 1股面值為1港元 之普通股股份	*100%	-
Grand Boom Investments Limited 廣隆投資有限公司	Samoa 薩摩亞	Investment in Hong Kong 在香港進行投資	1 ordinary share of US\$1 1股面值為1美元 之普通股股份	100%	-
Great Partner International Limited 朗喬國際有限公司	Hong Kong 香港	Investment in Hong Kong 在香港進行投資	1 ordinary share of HK\$1 1股面值為1港元 之普通股股份	100%	-
Great Partner Investment (Shenzhen) Limited # 朗喬投資諮詢(深圳)有限公司	PRC 中國	Investment in the PRC 在中國進行投資	Registered capital of HK\$8,000,000 註冊資本 8,000,000港元	100%	-
VXL Financial Services Limited (formerly known as KE Capital (Hong Kong) Limited) 卓越企業融資有限公司 (前稱KE Capital (Hong Kong) Limited)	Hong Kong 香港	Corporate finance advisory in Hong Kong 在香港提供企業 融資顧問服務	10,000,000 ordinary shares of HK\$1 each 10,000,000股 每股面值為1港元 之普通股股份	*100%	*100%
VXL Management Services Limited (formerly known as Sonic Plus Holdings Limited) 卓越管理服務有限公司 (前稱高溢控股有限公司)	Hong Kong 香港	Management services in Hong Kong 在香港提供管理服務	1 ordinary share of HK\$1 1股面值為1港元 之普通股股份	*100%	-

* Shares held directly by the Company.

Subsidiary not audited by PricewaterhouseCoopers. The net assets of the subsidiary not audited by PricewaterhouseCoopers amounted to approximately 4% of the Group's total assets.

This is only a transliteration of the company name. This company do not have English name.

* 股份由本公司直接持有。

並非由羅兵咸永道會計師事務所審核之附屬公司。並非由羅兵咸永道會計師事務所審核之附屬公司之資產淨值佔本集團資產總值約達4%。

此乃直譯自註冊登記的中文名稱。此公司並無英文名稱。

18. INTERESTS IN ASSOCIATES

(a) Group

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
At 1 January	於一月一日	2,286	2,247
Additions during the year	年內增加	1	-
Share of (losses)/profits before taxation	應佔稅前(虧損)/溢利	(439)	1,230
Share of taxation	應佔稅項	(26)	(215)
Dividend income received from associates	已收聯營公司股息收入	(1,125)	(976)
Amount reclassified as other receivable (Note 22)	重新分類為其他應收賬款之款項(附註22)	(1,283)	-
Share of deficit of an associate classified as other payables (Note 24)	分類為其他應付款項之應佔一間聯營公司之虧絀(附註24)	586	-
At 31 December	於十二月三十一日	-	2,286

The Group has undertaken to extend financial support to an associate to make good of its losses. Therefore, the Group has recognized its share of deficits of the associate in excess of its investments.

The Group's interests in its associates, all of which are unlisted, are as follows:

本集團已承諾向一間聯營公司提供財務資助，彌補其虧損。因此，本集團確認其於該聯營公司所佔虧絀超逾其投資額。

本集團於其聯營公司之權益(均無上市)載列如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Assets	資產	1	2,833
Liabilities	負債	(587)	(547)
		(586)	2,286
Revenues	收益	-	1,751
(Loss)/profit for the year	年內(虧損)/溢利	(465)	1,015

18. INTERESTS IN ASSOCIATES (continued)

(b) Company

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	-	1,250

(c) Details of the associates are as follows:

18. 聯營公司權益 (續)

(b) 本公司

(c) 聯營公司詳情載列如下：

Name 名稱	Place of incorporation and operations 註冊成立及營業地點	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Interest held 持有權益	
				2005 二零零五年	2004 二零零四年
Eva Asset Management Limited ("EVA") #	Hong Kong 香港	Investment management services 投資管理服務	5,000,000 ordinary shares of HK\$1 each 5,000,000股每股面值為1港元之普通股股份	*25%	*25%
Cruise City Holdings Limited (formerly known as Shine Pacific Investments Limited)	British Virgin Islands	Investment holding	100 ordinary shares of US\$1 each	30%	-
Cruise City Holdings Limited (前稱Shine Pacific Investments Limited)	英屬維爾京群島	投資控股	100股每股面值為1美元之普通股股份		
Cruise City (Hong Kong) Limited (formerly known as Proteam Services Limited)	Hong Kong	Cruise terminal development	1 ordinary share of HK\$1	30%	-
郵輪城(香港)有限公司(前稱景添服務有限公司)	香港	發展郵輪碼頭	1股面值為1港元之普通股股份		

* Shares held directly by the Company.

* 股份由本公司直接持有。

The intended disposal of the Company's 25% equity interest in EVA to Kim Eng Investment Limited (a wholly owned subsidiary of the former ultimate holding company) pursuant to an agreement dated 7 December 2003 was mutually revoked by a supplemental agreement dated 3 March 2004.

根據於二零零三年十二月七日訂立之協議，本公司擬出售其於EVA之25%權益予Kim Eng Investment Limited(前最終控股公司之全資附屬公司)之建議已經於二零零四年三月三日訂立之補充協議相互撤銷。

On 16 July 2005, the members of EVA passed a special resolution to voluntarily wind up EVA pursuant to Section 228(1)(b) of the Companies Ordinance. The Group's interest in EVA is expected to be recovered once the administration of the affairs of the voluntary winding up is completed. The Group has discontinued the equity method of accounting for the interest in EVA, and has reclassified the carrying value of the investment as other receivable in Note 22.

於二零零五年七月十六日，本集團聯營公司EVA之股東通過一項特別決議案，根據公司條例第228(1)(b)條對EVA進行自動清盤。預期本集團可於緊接自動清盤完成後收回於EVA之權益。本集團已停止按權益會計法計算EVA權益，並將該項投資賬面值重新分類為其他應收賬款(見附註22)。

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

19. 可供出售財務資產

		Group and Company 本集團及本公司 Club debentures 會所債券 HK\$'000 千港元
At 1 January 2005	於二零零五年一月一日	–
Reclassified from other investments (Note 20)	由其他投資重新分類(附註20)	256
Changes in fair value taken to reserve (Note 29)	撥入儲備之公平值變動(附註29)	220
At 31 December 2005	二零零五年十二月三十一日	<u>476</u>

There were no disposals or impairment on available-for-sale financial assets for the year.

年內概無出售可供出售財務資產，且該等資產概無減值。

20. OTHER INVESTMENTS

20. 其他投資

		Group and Company 本集團及本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Club debentures, at market value	會所債券，按市值	–	256

The club debentures have been reclassified to "Available-for-sale financial assets" (Note 19) upon adoption of HKAS 32 and HKAS 39.

在採納香港會計準則第32號及香港會計準則第39號後，會所債券已重新分類為「可供出售財務資產」(附註19)。

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

21. 按公平值透過損益列賬之財務資產

		Group and Company 本集團及本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Listed equity securities in Hong Kong held for trading, at market value	持作買賣之香港上市股權證券，按市值	591	–

22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收款項

		Group 本集團		Company 本公司	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Trade receivables (note)	貿易應收賬款(附註)	2,937	-	-	-
Other receivables	其他應收賬款	2,706	9	87	9
Receivable from EVA in liquidation (Note 18)	EVA清盤應收賬款(附註18)	1,283	-	1,250	-
Prepayments and deposits	預付款項及按金	3,122	284	2,652	276
		10,048	293	3,989	285

(note) The ageing analysis of the trade receivables is as follows:

(附註)貿易應收賬款之賬齡分析如下：

		Group 本集團	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Within 30 days	三十日內	2,937	-

For trade receivables, the rental income is billed before the commencement of the lease period and the financial advisory fee's billing is in accordance with the agreed mandates. All billings are due on presentation.

就貿易應收賬款而言，租金賬單在租約期開始前即已發出，財務顧問費賬單根據已協定之委託書發出。所有賬單提示即付。

23. BANK BALANCES AND CASH

23. 銀行結餘及現金

		Group 本集團		Company 本公司	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cash at banks and in hand	銀行存款及現金	11,623	10,538	1,088	5,321
Short term deposits with banks	短期結存銀行存款	111,348	176,134	111,348	176,134
		122,971	186,672	112,436	181,455

The effective interest rate at 31 December 2005 for the short term deposits with banks was within the range of 3.90% – 4.31% (2004: 0.08% – 0.40%). These deposits have maturity periods of 7 to 31 days (2004: 7 to 33 days).

於二零零五年十二月三十一日，短期結存銀行存款的實際利率介乎3.90%–4.31%（二零零四年：0.08%–0.40%）。該等存款之到期日為七日至三十一日不等（二零零四年：七日至三十三日）。

24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付款項

		Group 本集團		Company 本公司	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Trade payables (note a)	貿易應付賬款(附註a)	2,019	–	–	–
Other payables and accruals	其他應付款項及 應計項目	7,730	993	1,799	923
Share of deficit of an associate (Note 18)	應佔一間聯營公司之 虧絀(附註18)	586	–	–	–
Amount due to a related company (note b)	應付一間關聯公司 款項(附註b)	–	75	–	75
		10,335	1,068	1,799	998

24. TRADE AND OTHER PAYABLES (continued)

(a) The ageing analysis of the trade payables is as follows:

Within 30 days	三十日內
31 to 90 days	三十一日至九十日
91 to 180 days	九十一日至一百八十日

24. 貿易及其他應付款項(續)

(a) 貿易應付賬款之賬齡分析如下：

Group 本集團	
2005 二零零五年	2004 二零零四年
HK\$'000 千港元	HK\$'000 千港元

2,001	-
12	-
6	-

2,019 -

(b) The amount due to a related company as at 31 December 2004 represented the amount payable for management and administrative fee. It is unsecured, interest free and repayable on demand.

(b) 於二零零四年十二月三十一日應付一間關聯公司款項為應付管理及行政管理費。該款項為無抵押、免息及按要求時償付。

25. LONG-TERM BANK LOAN

At 31 December 2005, the secured Hong Kong dollar bank loan was repayable as follows:

Within 1 year – current portion	一年內 – 即期部份
Between 1 and 2 years	一年至兩年間
Between 2 and 5 years	兩年至五年間
Over 5 years	五年以上
Non-current portion	非即期部份

25. 長期銀行貸款

於二零零五年十二月三十一日，應付有抵押港元貸款如下：

Group 本集團	
2005 二零零五年	2004 二零零四年
HK\$'000 千港元	HK\$'000 千港元

2,174	-
6,788	-
22,982	-
45,056	-

74,826 -

77,000 -

25. LONG-TERM BANK LOAN (continued)

The bank loan is secured over the investment property of the Group (Note 15) for a period of 10 years. The effective interest rate as at 31 December 2005 was 6% (2004: Nil).

During the year, a term loan facility of HK\$11,000,000 (2004: Nil) was granted by the bank and was unutilized as at 31 December 2005.

26. OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2005, the Group and the Company had obligations under finance leases repayable as follows:

25. 長期銀行貸款 (續)

銀行貸款由本集團投資物業作為期十年的抵押 (附註15)。於二零零五年十二月三十一日，實際利率為6% (二零零四年：無)。

年內，銀行授出金額達11,000,000港元 (二零零四年：無) 的有期貸款額度，該貸款額度於二零零五年十二月三十一日並未被動用。

26. 融資租賃承擔

於二零零五年十二月三十一日，本集團及本公司擁有應償付融資租賃承擔如下：

		Group and Company	
		本集團及本公司	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Finance lease liabilities – minimum lease payments:	融資租賃負債 – 最低租金金額：		
Not later than 1 year	不超過一年	508	–
Later than 1 year but not later than 5 years	一年以上但不超過五年	729	–
		1,237	–
Future finance charges on finance leases	融資租賃日後融資費用	(105)	–
		1,132	–
The present value of finance lease liabilities is as follows:	融資租賃負債現值如下：		
Not later than 1 year – current portion	不超過一年 – 即期部份	465	–
Later than 1 year but not later than 5 years	一年以上但不超過五年	667	–
		1,132	–

The effective interest rate as at 31 December 2005 on the finance leases ranges from 5.6% to 6.6% (2004: Nil).

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

於二零零五年十二月三十一日，融資租賃實際利率介乎5.6%至6.6%之間 (二零零四年：無)。

鑒於在違約情況下租賃資產將復歸出租人，故租賃負債已有效得以保證。

27. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when such accounts relate to the same fiscal authority. The offset amounts are as follows:

		Group 本集團	
		2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元
Deferred tax assets	遞延稅項資產	396	-
Deferred tax liabilities	遞延稅項負債	(18,922)	-
		(18,526)	-

The components of deferred tax assets/(liabilities) recognized in the consolidated balance sheet and the movements during the year are as follows:

27. 遞延稅項負債

倘若出現可依法抵銷的權利，而遞延稅項與同一財務機構相關，即可將遞延稅項資產與負債互相抵銷。抵銷額如下：

年內，綜合資產負債表所確認的遞延稅項資產／（負債）項目及其變動如下：

		Investment property 投資物業	Tax losses 稅項虧損	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2005	於二零零五年一月一日	-	-	-
Acquisition of business (Note 32)	收購業務(附註32)	(12,733)	-	(12,733)
(Charged)/credited to profit and loss account (Note 10)	(扣除自)／計入損益報表(附註10)	(6,189)	396	(5,793)
At 31 December 2005	於二零零五年十二月三十一日	(18,922)	396	(18,526)

27. DEFERRED TAX LIABILITIES (continued)

Unrecognized deferred tax assets/(liabilities) are as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Unused tax losses	未動用之稅項虧損	7,654	2,818
Accelerated (tax)/depreciation allowance	加速(稅項)/折舊撥備	(253)	47
		7,401	2,865

At 31 December 2005, the Group has unused tax losses of approximately HK\$43,735,000 (2004: HK\$16,105,000) to carry forward against future taxable income. No deferred tax asset has been recognized in respect of the tax losses. Such tax loss has no expiry date under the current tax legislation.

27. 遞延稅項負債(續)

未確認之遞延稅項資產/(負債)如下:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Unused tax losses	未動用之稅項虧損	7,654	2,818
Accelerated (tax)/depreciation allowance	加速(稅項)/折舊撥備	(253)	47
		7,401	2,865

於二零零五年十二月三十一日，本集團擁有可結轉以抵銷未來應課稅收入之未動用稅項虧損約為43,735,000港元(二零零四年：16,105,000港元)。概無就稅項虧損確認遞延稅項資產。根據現行稅務條例，該等稅項虧損並無屆滿日期。

28. SHARE CAPITAL

28. 股本

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Authorised:	法定：		
200,000,000 ordinary shares of HK\$0.20 each	200,000,000股每股面值0.20港元之普通股股份	40,000	40,000
Issued and fully paid:	已發行及繳足：		
72,000,000 ordinary shares of HK\$0.20 each	72,000,000股每股面值0.20港元之普通股股份	14,400	14,400

29. RESERVES

(a) Group

29. 儲備

(a) 本集團

		Share premium 股份溢價 HK\$'000 千港元	Available- for- sale financial assets reserve 可供出售 財務資產儲備 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Retained earnings 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2004	於二零零四年 一月一日	116,612	-	39	64,323	180,974
Net loss for the year attributable to shareholders	年內股東應佔 虧損淨額	-	-	-	(6,149)	(6,149)
At 31 December 2004	於二零零四年 十二月三十一日	116,612	-	39	58,174	174,825
At 1 January 2005 As previously reported	二零零五年一月一日 如前呈報	116,612	-	39	58,174	174,825
Opening adjustment for the adoption of HKFRS 3	採納香港財務報告 準則第3號所作 期初調整	-	-	(39)	39	-
As restated	經重列	116,612	-	-	58,213	174,825
Changes in fair value of available-for-sale financial assets	可供出售財務資產 公平值之變動	-	220	-	-	220
Net profit for the year attributable to shareholders	年內股東應佔 溢利淨額	-	-	-	4,067	4,067
At 31 December 2005	於二零零五年 十二月三十一日	116,612	220	-	62,280	179,112

29. RESERVES (continued)

(b) Company

		Share premium 股份溢價 HK\$'000 千港元	Available-for- sale financial assets reserve 可供出售 財務資產儲備 HK\$'000 千港元	Retained earnings 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2004	於二零零四年一月一日	116,612	-	67,489	184,101
Loss for the year	年內虧損	-	-	(6,507)	(6,507)
At 31 December 2004 and 1 January 2005	於二零零四年 十二月三十一日及 二零零五年一月一日	116,612	-	60,982	177,594
Changes in fair value of available-for-sale financial assets	可供出售財務資產 公平值之變動	-	220	-	220
Loss for the year	年內虧損	-	-	(8,406)	(8,406)
At 31 December 2005	於二零零五年 十二月三十一日	116,612	220	52,576	169,408

29. 儲備(續)

(b) 本公司

30. CONTINGENCIES

One of the Company's subsidiaries, VXL Financial Services Limited (formerly known as KE Capital (Hong Kong) Limited ("VXLFSL")) was sued by a third party (the "plaintiff") under a High Court action for the payment of HK\$712,000 in respect of printing, translation and advertising services rendered to a customer of VXLFSL, of which VXLFSL acted as the financial adviser in a financial transaction.

The directors are of the opinion that the amount in dispute should be borne by the customer and the Group has no obligation in respect of the services rendered by the plaintiff. Up to the date of approval of these financial statements, there is no further action taken by the plaintiff and the litigation is still pending.

30. 或然事項

本公司其中一間附屬公司卓越企業融資有限公司(前稱KE Capital (Hong Kong) Limited) (「卓越企業融資」) 被一名第三方(「原告」)以高等法院訴訟起訴, 要求就向卓越企業融資一名客戶提供之印刷、翻譯及廣告服務支付712,000港元, 而卓越企業融資於當中一項財務交易擔任財務顧問。

董事認為爭議之款項應該名客戶支付, 而本集團毋須就原告所提供之服務負責。截至此等財務報表批准之日, 原告並無採取進一步行動, 訴訟仍未了結。

31. COMMITMENTS**(a) Operating lease commitment**

At 31 December 2005, the Group had commitments under non-cancelable operating leases in respect of rented premises, which fall due as follows:

		二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元
Not later than 1 year	不超過一年	3,171	861
Later than 1 year and not later than 5 years	一年以上但不超過五年	3,198	274
		6,369	1,135

(b) Commitment

The Group has 30% effective interest in Cruise City Holdings Limited ("CCHL") and its subsidiary, Cruise City (Hong Kong) Limited, which submitted an Expression of Interest to the HKSAR Government for the New Cruise Terminal Development in December 2005. Pursuant to a joint venture agreement dated 8 December 2005, the Company has committed to advance approximately HK\$3,000,000 to CCHL of which as at 31 December 2005, the Group has recognized a provision of HK\$586,000 thereof (Note 18), representing its share of the expenses pursuant to the joint venture agreement.

31. 承擔**(a) 經營租賃承擔**

於二零零五年十二月三十一日，本集團根據不可撤銷經營租賃須按以下年期支付之租賃物業之承擔如下：

		二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元
Not later than 1 year	不超過一年	3,171	861
Later than 1 year and not later than 5 years	一年以上但不超過五年	3,198	274
		6,369	1,135

(b) 承擔

本集團擁有Cruise City Holdings Limited (「CCHL」) 30%的實際權益，而其附屬公司郵輪城(香港)有限公司已於二零零五年十二月向香港特別行政區政府提交一份對發展新郵輪碼頭項目的意向書。根據二零零五年十二月八日所訂立之一份合營協議，本公司已承諾向CCHL墊付約3,000,000港元。於二零零五年十二月三十一日，本集團已就該款項確認586,000港元的撥備(附註18)，即其根據合營協議應佔之開支。

32. BUSINESS COMBINATIONS

On 9 September 2005, the Group acquired a block of serviced apartments located at 112 Chun Yeung Street, North Point, together with certain furniture and equipment and existing tenancies. This acquisition constitutes a business combination. The acquired business contributed revenues of HK\$2,641,000 and operating profit of HK\$399,000 and fair value gain of HK\$33,574,000 to the Group for the period from 9 September 2005 to 31 December 2005.

Details of net assets acquired and goodwill are as follows:

		HK\$'000 千港元
Purchase consideration:	收購代價：	
– Cash paid	– 支付現金	33,000
– Direct costs of acquisition	– 直接收購成本	5,581
– Mortgage loan drawn down (Note 25)	– 按揭貸款(附註25)	77,000
Total purchase consideration	收購代價總額	115,581
Fair value of net assets acquired (note)	所收購淨資產公平值(附註)	97,267
Goodwill (Note 16)	商譽(附註16)	18,314

(note) Fair values of assets and liabilities acquired

32. 企業合併

二零零五年九月九日，本集團收購一棟位於北角春秧街一百一十二號的服務式公寓，以及若干傢俬、設備及現有租約。該收購構成一項企業合併。於二零零五年九月九日至二零零五年十二月三十一日止期間，該收購業務向本集團貢獻收益2,641,000港元，經營溢利399,000港元及公平值盈利33,574,000港元。

所收購資產淨值及商譽詳情如下：

		HK\$'000 千港元
Investment property (Note 15)	投資物業(附註15)	109,426
Property, plant and equipment (Note 14(a))	物業、機器及設備(附註14(a))	574
Deferred tax liabilities (Note 27)	遞延稅項負債(附註27)	(12,733)
Net assets acquired	所收購資產淨值	97,267

(附註) 所收購資產及負債之公平值

33. RELATED PARTY TRANSACTIONS

The following transactions are carried out with related parties:

(a) Purchases of services

The Company contracted VXL Management Sdn Bhd, a corporation controlled by a director of the Company and a connected party under the definition of the Listing Rules 14A.31, to provide management and administrative services to the Group. The management and administrative fee paid and payable for the year ended 31 December 2005 is HK\$183,000 (2004: HK\$75,000).

VXL Financial Services Limited ("VXLFSL"), a wholly-owned subsidiary of the Company, engaged Kim Eng Corporate Finance (Hong Kong) Limited ("KECF") to provide professional services. Two of VXLFSL's directors were also directors of KECF during the year. The amount paid and payable for the year ended 31 December 2005 is HK\$1,806,000 (2004: HK\$Nil).

(b) Sales of services

During the year, VXLFSL provided certain professional services to KECF. The amount received and receivable for the year ended 31 December 2005 is HK\$1,430,000 (2004: HK\$Nil).

(c) Key management compensation**33. 關聯方交易**

與關聯方進行之交易載列如下：

(a) 購買服務

本公司已與VXL Management Sdn Bhd (一間由本公司一名董事及根據《上市規則》第14A.31條所定義的關連人士所控制之公司)訂立合約，據此向本集團提供管理及行政管理服務。於截至二零零五年十二月三十一日止年度，已付及應付管理及行政管理費為183,000港元(二零零四年：75,000港元)

本公司全資附屬公司卓越企業融資有限公司(「卓越企業融資」)聘用金英企業融資(香港)有限公司(「金英企業融資」)提供專業服務，而卓越企業融資兩位董事年內亦同時兼任金英企業融資董事。於截至二零零五年十二月三十一日止年度，已付及應付款項為1,806,000港元(二零零四年：無)。

(b) 提供服務

年內，卓越企業融資向金英企業融資提供若干專業服務。於截至二零零五年十二月三十一日止年度，已收及應收款項為1,430,000港元(二零零四年：無)。

(c) 主要管理層酬金

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	5,874	1,422
Pension costs – defined contribution plan	退休金成本 – 定額供款計劃	59	55
Others	其他	570	45
		6,503	1,522

34. PUT OPTION AGREEMENT

In conjunction with the acquisition exercise undertaken by VXL Capital Partners Corporation Limited in December 2003 for the purchase of a controlling stake of 70.01% of the Company's issued and paid up share capital, the Company has entered into a Put Option Agreement (the "Put Option Agreement") on 7 December 2003 with Kim Eng Holdings Limited ("KEHL"), the vendor of the said shares.

Pursuant to the Put Option Agreement, the Company is granted a Put Option under which the Company has a right, but not an obligation, to require KEHL to purchase the Company's 100% equity interests in VXL Financial Services Limited (formerly known as KE Capital (Hong Kong) Limited) at a fixed consideration of HK\$9,000,000 at any time during the period from the completion of the Put Option Agreement to twelve months thereafter.

The Company did not exercise the Put Option within the twelve months period in accordance with the Put Option Agreement, and the Put Option lapsed on 29 March 2005. Both the Group and KEHL have mutually discharged each other from the duties and liabilities under the Put Option Agreement.

35. EVENT AFTER THE BALANCE SHEET DATE

On 7 March 2006, VXL Properties Holdings Limited ("VXL Properties"), a wholly-owned subsidiary of the Company, entered into an agreement to acquire the entire issued share capital of Rich Field International Limited ("Rich Field"), which holds the right to acquire a property in Shanghai, for a total consideration of HK\$5 million. Upon completion of the acquisition, the Group is obliged to purchase the property at a consideration of approximately HK\$446.8 million. The total consideration on the acquisition amounts to approximately HK\$451.8 million

Such acquisition is subject to approval of the Company's shareholders in general meeting.

36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified as a result of the changes in accounting policies as disclosed in Note 2.1, 5, 10 and 13.

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements on pages 59 to 124 were approved by the board of directors on 13 April 2006.

34. 認沽期權協議

於二零零三年十二月，VXL Capital Partners Corporation Limited進行收購，以購入本公司之已發行及繳足股本70.01%之控股權外，於二零零三年十二月七日本公司亦與Kim Eng Holdings Limited（「KEHL」）（上述股份之賣方）訂立認沽期權協議（「認沽期權協議」）。

根據該認沽期權協議本公司獲授予認沽期權，據此，本公司有權（但並非有責任）要求KEHL於認沽期權協議完成至其後之十二個月期間內任何時間，按固定之代價9,000,000港元，購買本公司於卓越企業融資有限公司（前稱為KE Capital (Hong Kong) Limited）之100%股權。

本公司並沒有根據認沽期權協議在十二個月期間內行使認沽期權。該認沽期權於二零零五年三月二十九日失效，本集團及KEHL均雙互解除另一方須根據協議而須履行之義務及責任。

35. 資產負債表日後事項

於二零零六年三月七日，本公司一間全資附屬公司卓越地產控股有限公司（「卓越地產」）訂立一項以總代價5,000,000港元收購富域國際有限公司（「富域」）之協議。富域持有收購一項上海物業的權利。該收購完成後，本集團有責任按約446,800,000港元之代價購買該物業。收購之總代價約為451,800,000港元。

該收購有待本公司股東於股東大會上批准。

36. 比較數字

若干比較數字已因會計政策更改而重新分類，詳見附註2.1, 5, 10及13所作披露。

37. 批准財務報表

董事會已於二零零六年四月十三日批准載於年報第五十九至一百二十四頁之財務報表。