

Notes to the Financial Statements

財務報表附註

for the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

1. General

The Company was incorporated as an exempted company with limited liability in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report. The Company's ultimate holding company is Real Reward Limited ("Real Reward"), a company incorporated in the Cayman Islands.

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

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are the operation of "lifestyle" department stores and property holding.

2. Application of Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRS"s), Hong Kong Accounting Standards ("HKAS"s) and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are either effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006. The application of the new HKFRSs had no material effect on how the results for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following Standards and Interpretations issued by Hong Kong Financial Reporting Interpretations Committee that have been issued but are not yet effective.

HKAS 1 (Amendment)	Capital disclosures ¹
HKFRS 7	Financial instruments: Disclosures ¹
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ²
HK(IFRIC) – INT 8	Scope of HKFRS 2 ³
HK(IFRIC) – INT 9	Reassessment of embedded derivatives ⁴
HK(IFRIC) – INT 10	Interim financial reporting and impairment ⁵
HK(IFRIC) – INT 11	HKFRS 2 – Group and treasury share transactions ⁶

1. 一般事項

本公司在開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點地址於年報企業資料一節披露。於開曼群島註冊成立之Real Reward Limited（「Real Reward」）為本公司之最終控股公司。

綜合財務報表以本公司功能貨幣港元列值。

本公司為投資控股公司，其主要附屬公司之主要業務為經營「生活時尚」百貨店及持有物業。

2. 應用香港財務報告準則

於本年度，本集團首次應用由香港會計師公會（「香港會計師公會」）頒佈，並於二零零五年十二月一日或二零零六年一月一日或之後開始會計期間生效之數項新訂香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（下文統稱「新訂香港財務報告準則」）。應用新訂香港財務報告準則對現時或先前會計期間業績之編製及呈報方式並無構成重大影響，故毋須作出前期調整。

本集團並無提早應用以下已頒佈惟尚未生效之準則及香港財務報告詮釋委員會（Hong Kong Financial Reporting Interpretations Committee）頒佈的詮釋。

香港會計準則第1號（修訂本）	資本披露 ¹
香港財務報告準則第7號	金融工具：披露 ¹
香港（國際財務報告詮釋委員會）— 詮釋第7號	根據香港會計準則第29號嚴重通脹經濟中之財務報告應用重列方針 ²
香港（國際財務報告詮釋委員會）— 詮釋第8號	香港財務報告準則第2號之範圍 ³
香港（國際財務報告詮釋委員會）— 詮釋第9號	重估附帶衍生工具 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第10號	中期財務報告及減值 ⁵
香港（國際財務報告詮釋委員會）— 詮釋第11號	香港財務報告準則第2號— 集團及庫存股份交易 ⁶

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2. Application of Hong Kong Financial Reporting Standards (continued)

- ¹ Effective for annual periods beginning on or after 1st January, 2007.
- ² Effective for annual periods beginning on or after 1st March, 2006.
- ³ Effective for annual periods beginning on or after 1st May, 2006.
- ⁴ Effective for annual periods beginning on or after 1st June, 2006.
- ⁵ Effective for annual periods beginning on or after 1st November, 2006.
- ⁶ Effective for annual periods beginning on or after 1st March, 2007.

The directors of the Company anticipate that the application of the above Standards and Interpretations will have no material impact on the results and financial position of the Group.

3. Significant accounting policies

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

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

Basis of consolidation

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

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

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

2. 應用香港財務報告準則 (續)

- ¹ 於二零零七年一月一日或之後開始之年度期間生效。
- ² 於二零零六年三月一日或之後開始之年度期間生效。
- ³ 於二零零六年五月一日或之後開始之年度期間生效。
- ⁴ 於二零零六年六月一日或之後開始之年度期間生效。
- ⁵ 於二零零六年十一月一日或之後開始之年度期間生效。
- ⁶ 於二零零七年三月一日或之後開始之年度期間生效。

本公司董事預期，應用上述準則及詮釋將不會對本集團之業績及財務狀況構成重大影響。

3. 主要會計政策

綜合財務報表乃根據歷史成本基準編製，誠如以下會計政策所闡釋，惟投資物業及若干金融工具則按公平值計算。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例規定之適用披露。

綜合基準

綜合財務報表涵蓋本公司及其附屬公司之財務報表。

年內所收購或出售附屬公司自實際收購日期起或直至實際出售日期止（視適用情況而定）之業績計入綜合收益表。

如需要，附屬公司財務報表會作出調整，以符合本集團其他成員公司所用會計政策。

3. Significant accounting policies (continued)

Basis of consolidation (continued)

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

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are sold and title has been passed.

Income from concessionaire sales is recognised upon sales of goods by the relevant shops.

Services income is recognised when services are rendered.

Minimum guaranteed sales commission is recognised in accordance with terms of contracts.

Interest income is accrued on a time proportion basis by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investment is recognised when the shareholders' right to receive payment have been established.

Investment properties

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

3. 主要會計政策 (續)

綜合基準 (續)

集團內公司間所有交易、結存、收入及開支於綜合賬目時對銷。

綜合附屬公司資產淨值之少數股東權益與本集團股本分開呈列。於資產淨值之少數股東權益包括該等權益於原有業務合併日期之款額及少數股東自合併日期起應佔權益變動。少數股東權益之虧損超出附屬公司之少數股東權益之數額分配至本集團之權益內，惟少數股東權益具有約束責任及可作出額外投資以補償虧損之情況則除外。

收益確認

收益乃按已收或應收代價之公平值計算，指於日常業務中就所提供貨品及服務之應收款項扣除折扣及銷售相關稅項。

貨品銷售於貨品售出及擁有權轉移時確認。

特許專櫃銷售收入於有關店舖出貨品時確認。

服務收入於提供服務時確認。

最低保證銷售佣金根據合約條款予以確認。

利息收入乃參考未償還本金及適用實際利率按時間比例基準計算。

投資所得股息收入乃於股東收取款項之權利確立時確認。

投資物業

於初步確認時，投資物業按成本計算，包括任何直接應佔開支。於初步確認後，投資物業採用公平值模式計算。投資物業公平值變動產生之收益或虧損計入產生期間之損益。

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3. Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets, or where shorter, the term of leases.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is derecognised.

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

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

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備乃按成本減其後累計折舊及累計減值虧損(如有)列賬。

折舊乃按物業、廠房及設備估計可使用年期與經計及其估計剩餘價值後以直線法撇銷其成本計算。

根據融資租約持有之資產按自置資產之相同基準，於估計可使用年期或按租期(倘屬較短期間)折舊。

物業、廠房及設備項目於出售時或預期日後將不會自持續使用資產獲得經濟利益時剔除確認。剔除確認資產產生之任何收益或虧損(按出售所得款淨額與有關項目之賬面值間差額計算)於剔除確認有關項目之年度計入收益表。

共同控制實體

涉及成立合營企業商對實體之經濟活動擁有共同控制權之個別實體之合營企業安排稱為共同控制實體。

共同控制實體業績及資產與負債採用權益會計法計入綜合財務報表。根據權益法，於共同控制實體之投資按成本減任何已識別減值虧損於綜合資產負債表列賬，並就本集團應佔損益及共同控制實體權益變動之收購後變動作出調整。倘本集團應佔一家共同控制實體虧損相等於或超出其於該共同控制實體之權益(包括實際組成本集團於該共同控制實體投資淨值其中部分之任何長期權益)，則本集團終止確認其應佔之進一步虧損。倘本集團產生法定或推定責任或代表該共同控制實體付款，額外應佔虧損方始就此作出撥備及確認有關責任。

3. Significant accounting policies (continued)

Jointly controlled entities (continued)

When a Group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

Leases

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

The Group as lessor

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

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

Inventories

Inventories, which represent merchandise held for resale, are stated at the lower of cost and net realisable value. The cost of merchandise is determined by the retail method and is computed by reference to the retail selling price of goods less the average gross profit margins. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3. 主要會計政策 (續)

共同控制實體 (續)

倘本集團旗下實體與本集團之共同控制實體進行交易，則於本集團在共同控制實體之權益撤銷未變現損益，惟未變現虧損證明所轉讓資產出現減值則除外，在此情況下會全數確認虧損。

租約

當租約條款將涉及擁有權之絕大部分風險及回報轉讓予承租人時，該租約乃分類為融資租約。所有其他租約均分類為經營租約。

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法，於綜合收益表確認。於磋商及安排經營租約產生之初步直接成本，加至租賃資產之賬面值，並按租約年期以直線法確認作開支。

本集團作為承租人

按融資租約持有之資產於租約開始時按其公平值或(如較低)最低租賃款項現值確認為本集團資產。出租人的相應負債計入資產負債表，列作融資租約承擔。租賃款項於融資開支與租賃承擔減少之間分配，以就承擔結餘得出固定利率。融資開支直接於損益扣除。

根據經營租約應付之租金於有關租約年期按直線法在損益扣除。已收及應收作為訂立經營租約優惠之利益於租賃年期按直線法確認為租金開支減少。

存貨

存貨指持有作轉售的商品，以成本及可變現淨值較低者入賬。商品成本以零售法釐定，參考貨品零售價減平均毛利率計算。可變現淨值指在日常業務中估計售價減估計銷貨所需成本。

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3. Significant accounting policies (continued)

Financial instruments

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

Financial assets

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

Index-linked notes and equity-linked note

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

3. 主要會計政策 (續)

金融工具

當本集團旗下實體成為金融工具合約條文之訂約方時，於資產負債表確認金融資產及金融負債。金融資產及金融負債初步按公平值計算。收購或發行金融資產及金融負債（按公平值計入損益之金融資產及金融負債除外）產生之直接應佔交易成本於初步確認金融資產或金融負債之公平值加入或扣除（視適用情況而定）。收購按公平值計入損益之金融資產或金融負債時產生之直接應佔交易成本則即時於損益確認。

金融資產

金融資產分為四類，包括按公平值計入損益之金融資產、貸款及應收款項、持有至到期日之投資及可供出售金融資產。所有以正常方式購買或出售之金融資產按交易日基準確認及剔除確認。正常購買或出售方式規定須於規例或市場慣例設定之時限內以交付資產方式購買或出售金融資產。本集團之金融資產包括按公平值計入損益之金融資產、貸款及應收款項以及可供出售金融資產。適用會計政策載列如下。

與指數掛鈎票據及與權益掛鈎票據

按公平值計入損益之金融資產分為兩個分類，包括持作買賣金融資產及該等於初步確認時指定按公平值計入損益之金融資產。

倘出現下列情況，持作買賣金融資產以外之金融資產可於初步確認時指定按公平值計入損益：

- 有關指定撇銷或大幅減低計量或確認可能出現不一致之情況；或
- 金融資產組成金融資產或金融負債各部分或兩者，並根據本集團既定風險管理或投資策略，按公平值基準管理及評估其表現，而分類資料則按該基準由內部提供；或

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Index-linked notes and equity-linked notes are hybrid instruments that contain embedded derivatives. The Group has designated the index-linked notes and equity linked notes as "financial assets at fair value through profit or loss" upon initial recognition in accordance with HKAS 39. The notes are carried at fair values, with changes in fair values recognised in profit or loss.

Loans and receivables

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

Available-for-sale financial assets

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

- 金融資產組成包含一種或以上內含衍生工具之合約其中部分，而香港會計準則第39號允許整份合併合約（資產或負債）將指定按公平值計入損益。

與指數掛鈎票據及與權益掛鈎票據指包括附帶衍生工具在內的複合式交易工具。根據香港會計準則第39號作出初步確認時，本集團指定將該等與指數掛鈎票據及與權益掛鈎票據當作「按公平值計入損益之金融資產」處理。票據乃按公平值列賬，而有關公平值變動則於損益確認。

貸款及應收款項

貸款及應收款項為設有固定或待付付款金額之非衍生金融資產，且不會在活躍市場掛牌。於初步確認後各個結算日，貸款及應收款項（包括應收賬款及其他應收款項、結構性銀行存款及銀行結存以及應收一家共同控制實體款項）採用實際利率法按已攤銷成本減任何已識別減值虧損列賬。倘有客觀證據證明資產出現減值，則減值虧損於損益確認，按資產賬面值與按原有實際利率貼現之估計日後現金流量現值間之差額計算。倘資產可收回金額增加並客觀上與確認減值發生之事件相關，則減值虧損於其後期間撥回損益，惟以減值日期撥回之資產賬面值不會超出在並無確認減值之情況下原應攤銷之成本為限。

可供出售金融資產

可供出售金融資產為指定或並未分類為任何其他類別之非衍生工具。於初步確認後各個結算日，可供出售金融資產按公平值計算。公平值變動於股本確認，直至金融資產出售或被釐定出現減值為止，屆時先於股本確認之累計收益或虧損會自股本剔除，並於損益確認。可供出售金融資產之任何減值虧損於損益確認。可供出售金融資產之減值虧損將不會於其後期間在損益撥回。

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3. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

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

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

Other financial liabilities

Other financial liabilities including bank borrowings, trade payables, concessionaire sales payable, other payables and amount due to a jointly controlled entity are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

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

Derecognition

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

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

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本

本集團旗下實體發行之金融負債及股本工具按所訂立訂約安排內容以及金融負債及股本工具之定義分類。

股本工具為證明本集團資產經扣除所有負債後餘下權益之任何合約。金融負債分類為按公平值計入損益之金融負債及其他金融負債。本集團金融負債僅包括其他金融負債。會計政策載列如下。

其他金融負債

其他金融負債包括銀行借貸、應付賬款、應付特許專權銷售額、其他應付款項及應付一家共同控制實體款項，其後採用實際利率法按已攤銷成本計算。

股本工具

本公司發行之股本工具按所收取款項扣除直接發行成本後入賬。

剔除確認

金融資產於自資產收取現金流量之權利屆滿或金融資產已轉讓且本集團轉讓金融資產所有權之絕大部分風險及回報時剔除確認。於剔除確認金融資產時，資產賬面值與已收代價及已直接於股本確認之累計收益或虧損之總和間之差額於損益確認。

於有關合約所指定責任遭免除、註銷或屆滿時，金融負債自本集團資產負債表剔除。剔除確認之金融負債賬面值與已收或應收代價間之差額於損益確認。

3. Significant accounting policies (continued)

Impairment losses

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

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

Share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payment reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share-based payment reserve.

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share option are not exercised at the expiry date, the amount previously recognised in share based payment reserve will be transferred to retained profits (accumulated losses).

Taxation

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

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

3. 主要會計政策 (續)

減值虧損

本集團於各結算日審閱其有形資產賬面值，以釐定該等資產有否出現減值虧損跡象。倘資產之可收回金額估計低於其賬面值，則資產之賬面值減至其可收回金額。減值虧損即時確認為支出。

倘減值虧損其後撥回，則將調高資產賬面值至其經修訂估計可收回金額，惟經調高之賬面值不得超逾假設於過往年度並無就資產確認減值虧損而釐定之賬面值。減值虧損撥回即時確認為收入。

股份付款交易

經參考於授出日期所授出購股權公平值釐定之所獲取服務公平值於歸屬期間以直線法支銷，股本則相應增加（股份付款儲備）。

於各結算日，本集團修訂其估計預期最終歸屬之購股權數目。修訂原有估計之影響（如有）按餘下歸屬期間於損益確認，並於股份付款儲備作出相應調整。

於購股權獲行使時，先前於股份付款儲備確認之金額將轉撥至股份溢價。倘購股權於到期日尚未行使，則先前於股份付款儲備確認之金額將轉撥至保留溢利（累計虧損）。

稅項

所得稅支出指現行應繳稅項與遞延稅項之總和。

現行應繳稅項乃按本年度應課稅溢利計算。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目，亦不計入收益表中毋須課稅及不獲扣稅項目，故有別於綜合收益表所報溢利。本集團有關現行稅項之責任按於結算日已實施或大致上已實施之稅率計算。

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3. Significant accounting policies (continued)

Taxation (continued)

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

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

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

Foreign currencies

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

3. 主要會計政策 (續)

稅項 (續)

遞延稅項指綜合財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基間差額的預計應繳或可收回稅項，乃按資產負債表負債法計算。所有暫時應課稅差額一般都會確認為遞延稅項負債，惟遞延稅項資產則於應課稅溢利有可能抵銷可扣稅暫時差額時予以確認。但倘若有關暫時差額是由商譽又或由初步確認（非業務合併）既不影響稅項溢利亦不影響會計溢利的交易的其他資產和負債所引起，則不會確認該等資產和負債。

遞延稅項資產賬面值於每個結算日檢討，並於不可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

遞延稅項於清償有關負債或變賣有關資產時，按預計有關期間適用稅率計算。遞延稅項扣自或計入損益，除非遞延稅項與直接從股本扣除或計入的項目相關，在該情況下，遞延稅項亦須在股本中處理。

外幣

於編製本集團旗下各個別實體之財務報表時，以外幣（外幣）進行之交易按交易日期之匯率以該實體之功能貨幣（即該實體經營業務所在主要經濟環境之貨幣）列賬。於各個結算日，以外幣結算之貨幣項目按結算日之匯率重新換算。按公平值列賬且以外幣結算之非貨幣項目按釐定公平值當日匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

3. Significant accounting policies (continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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

Fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1st January, 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the exchange reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

3. 主要會計政策 (續)

外幣 (續)

交收貨幣項目及換算貨幣項目時產生之匯兌差額於產生期間在損益確認，惟組成本集團於海外業務之投資淨額其中部分之貨幣項目產生之匯兌差額則除外，在該情況下，有關匯兌差額於綜合財務報表股本項下確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內損益，倘若非貨幣項目產生之有關收益及虧損直接於股本確認，則在該情況下，重新換算產生之匯兌差額亦直接於股本確認。

就綜合財務報表呈報方式而言，本集團海外業務之資產及負債按結算日之匯率換算為本公司之呈報貨幣（即港元），而其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在該情況下，則採用交易日期之匯率換算。所產生匯兌差額（如有）確認為股本之獨立部分（匯兌儲備）。有關匯兌差額於出售海外業務期間在損益確認。

於二零零五年一月一日或之後收購海外業務時產生之所收購可識別資產之公平值調整被視作該海外業務之資產及負債，按結算日之匯率換算。所產生匯兌差額於匯兌儲備確認。

借貸成本

收購、興建或生產合資格資產直接應佔借貸成本按該等資產成本其中部分撥充資本。當大部分資產可供用作擬定用途或出售時，則終止將該等借貸成本撥充資本。就合資格資產臨時投資特定借貸以待支出所賺取投資收入自合資格作撥充資本用途之借貸成本扣除。

所有其他借貸成本均於產生期間在損益確認。

退休福利成本

定額供款退休福利計劃供款在到期支付時列作支出。

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4. Key sources of estimation uncertainty

In the process of applying the entity's accounting policies which are described in note 3, management has made the following judgment that has a significant effect on the amounts recognised in the consolidated 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 assets and liabilities within the next financial year, are also discussed below.

Income taxes

At 31st December, 2006, a deferred tax asset of HK\$10,139,000 in relation to unused tax losses has been recognised in the Group's balance sheet. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in the income statement for the period in which such a reversal takes place.

5. Financial risk management objectives and policies

The Group's major financial assets and liabilities include bank balances and cash, available-for-sale investments, index-linked notes, equity-linked note, borrowings, trade receivables, trade payables, amount due from/to a jointly controlled entity, concessionaire sales payable and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

All index-linked notes and equity-linked note are denominated in foreign currencies, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

4. 主要不確定估計來源

於應用附註3所述有關實體之會計政策時，管理層作出以下對綜合財務報表內所確認金額造成重大影響之判斷。下文闡釋就日後作出之主要假設及於結算日之其他主要不確定來源，該等假設及不確定估計因素會有須對下一個財政年度資產及負債之賬面值作出重大調整之重大風險。

所得稅

於二零零六年十二月三十一日，有關未動用稅項虧損之遞延稅項資產10,139,000港元已於本集團資產負債表確認。遞延稅項資產之可變現情況主要取決於日後是否有充裕溢利或應課稅暫時差額。倘日後所產生實際溢利較預期少，或會對遞延稅項資產作出重大撥回，而有關撥回將於作出撥回之期間內在收益表確認。

5. 財務風險管理目的及政策

本集團之主要金融資產及負債包括銀行結存及現金、可供出售投資、與指數掛鈎票據、與權益掛鈎票據、借貸、應收賬款、應付賬款、應收／付一家共同控制實體款項、應付特許專櫃銷售款項及銀行借貸。此等金融工具詳情於相關附註中披露。下文載列與此等金融工具相關之風險及減低此等風險之政策。管理層會管理及監控該等風險，以確保及時與有效地採取適當措施。

外匯風險

所有與指數掛鈎票據及與權益掛鈎票據均以外幣結算，故本集團須面對外匯風險。本集團現時並無外匯對沖政策。然而，管理層會監控外匯風險，並於需要時考慮對沖重大外匯風險。

5. Financial risk management objectives and policies

(continued)

Interest rate risk

The Group is exposed to cash flow and fair value interest rate risk through the impact of interest rate changes on interest bearing bank borrowings (bank borrowings carry interest at variable rate and fixed rate). The interest rates and terms of repayment of bank borrowings of the Group are disclosed in note 32. The interests on the Group's index-linked notes are linked with Constant Maturity Swap (CMS) rates or 3-month United States Dollars London Interbank Offered Rate (3-month USD LIBOR). The changes of these rates may have impact on the interest received by the Group.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arises.

Credit risk

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

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The credit risk on liquid funds, index-linked notes and equity-linked note is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Price risk

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

5. 財務風險管理目的及政策 (續)

利率風險

本集團因附息銀行借貸(按浮息及定息計息之銀行借貸)之利率變動而面對現金流量及公平值利率風險。本集團銀行借貸之利率及還款期於附註32內披露。本集團與指數掛鈎票據之利率與固定期限交換利率或三個月美元倫敦銀行同業拆息掛鈎。此等利率之變動或會對本集團所收取利息構成影響。

本集團現時並無利率對沖政策。然而，管理層會監控利率風險，並於需要時考慮對沖重大利率風險。

信貸風險

於二零零六年十二月三十一日，本集團就訂約方未能履行其責任而按各類別已確認金融資產所面對之最高信貸風險乃指綜合資產負債表所述該等資產之賬面值。為盡量減低信貸風險，本集團管理層已制定明確之固定信貸政策，並委任一組人員，專責釐定信貸限額、批核信貸額及進行其他監管程序，以確保能跟進有關逾期債務之追討事宜。此外，本集團會於各結算日定期檢討各項個別應收賬款之可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大幅減少。

由於信貸風險分散於多名訂約方及客戶，故本集團並無重大信貸風險。

由於訂約各方均為由國際信貸評級機構評定為高信貸評級銀行，故流動資金、與指數掛鈎票據及與權益掛鈎票據之信貸風險有限。

價格風險

本集團可供銷售投資及與權益掛鈎票據乃按各結算日之公平值計量。因此，本集團面對股本證券價格風險。管理層透過維持具不同風險之投資組合以管理是項風險。

for the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

6. Turnover

Turnover represents the amount received and receivable for goods sold by the Group to outside customers, less returns and allowance, income from concessionaire sales, services income and rental income during the year, and is analysed as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sales of goods – direct sales	貨品銷售—直接銷售	1,559,895	1,258,538
Income from concessionaire sales	特許專櫃銷售收入	871,761	726,538
Services income	服務收入	56,305	53,953
Rental income	租金收入	46,954	55,270
		2,534,915	2,094,299

The cost of sales and direct operating expenses are analysed as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of sales	銷售成本	1,112,437	895,033
Direct operating expenses	直接經營開支	48,778	86,611
		1,161,215	981,644

6. 營業額

營業額指本集團於本年度就向外界客戶售出的貨品已收及應收款項淨額減退貨及優惠，加上特許專櫃銷售收入、服務收入以及租金收入，茲分析如下：

銷售成本及直接經營開支分析如下：

7. Business and geographical segments

Geographical segments

The Group's operations are located in Hong Kong and Shanghai, the People's Republic of China (the "PRC"). The location of the Group's operations are the basis on which the Group reports its primary segment information.

2006

Income statement

7. 業務及地區分部

地區分部

本集團業務位於香港及中華人民共和國（「中國」）上海。本集團業務所在地點為本集團申報其主要分部資料之基準。

二零零六年

收益表

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Revenue	收益			
External sales	對外銷售	2,263,422	271,493	2,534,915
Result	業績			
Segment result	分部業績	857,119	7,077	864,196
Investment income	投資收入	67,096	-	67,096
Share of results of a jointly controlled entity	應佔一家共同控制實體業績	-	6,768	6,768
Finance costs	融資成本			(75,625)
Profit before tax	除稅前溢利			862,435
Taxation	稅項	(124,265)	-	(124,265)
Profit for the year	本年度溢利			738,170

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7. Business and geographical segments (continued)

Balance sheet

		7. 業務及地區分部 (續)		
		資產負債表		
		Hong Kong	PRC	Consolidated
		香港	中國	Total
		HK\$'000	HK\$'000	綜合總額
		千港元	千港元	千港元
Assets	資產			
Segment assets	分部資產	4,646,912	708,829	5,355,741
Available-for-sale investments	可供出售投資	102,903	-	102,903
Index-linked notes	與指數掛鈎票據	272,332	-	272,332
Equity-linked note	與權益掛鈎票據	39,371	-	39,371
Interest in a jointly controlled entity	於一家共同控制實體之權益	-	449,324	449,324
Amount due from a jointly controlled entity	應收一家共同控制實體款項	-	12,143	12,143
Loan receivable	應收貸款	37,050	-	37,050
Unallocated assets	未分配資產			10,139
Consolidated total assets	綜合資產總值			6,279,003
Liabilities	負債			
Segment liabilities	分部負債	694,574	288,233	982,807
Unallocated liabilities	未分配負債			1,437,287
Consolidated total liabilities	綜合負債總額			2,420,094
Other information	其他資料			
Capital expenditure	資本開支	57,148	40,928	98,076
Depreciation and amortisation	折舊及攤銷	99,382	33,185	132,567
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	395	-	395
Allowance for bad and doubtful debts	呆壞賬撥備	295	-	295
Write-down of obsolete inventories	滯銷存貨撇減	815	447	1,262

2005

Income statement

二零零五年
收益表

		Consolidated		
		Hong Kong	PRC	Total
		香港	中國	綜合總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Revenue	收益			
External sales	對外銷售	1,910,352	183,947	2,094,299
Result	業績			
Segment result	分部業績	713,220	(41,495)	671,725
Investment income	投資收入	1,881	-	1,881
Share of results of a jointly controlled entity	應佔一家共同控制實體業績	-	3,624	3,624
Finance costs	融資成本			(51,035)
Profit before tax	除稅前溢利			626,195
Taxation	稅項	(102,299)	-	(102,299)
Profit for the year	本年度溢利			523,896

7. Business and geographical segments (continued)

Balance sheet

		7. 業務及地區分部 (續)		Consolidated
		資產負債表		total
		Hong Kong	PRC	綜合總額
		香港	中國	HK\$'000
		HK\$'000	HK\$'000	千港元
		千港元	千港元	千港元
Assets	資產			
Segment assets	分部資產	4,659,879	367,026	5,026,905
Available-for-sale investments	可供出售投資	61,111	-	61,111
Interest in a jointly controlled entity	於一家共同控制實體之權益	-	436,728	436,728
Loan to a jointly controlled entity	向一家共同控制實體貸款	-	82,034	82,034
Amount due from a jointly controlled entity	應收一家共同控制實體款項	-	10,118	10,118
Unallocated assets	未分配資產			12,295
Consolidated total assets	綜合資產總值			5,629,191
Liabilities	負債			
Segment liabilities	分部負債	587,464	321,146	908,610
Unallocated liabilities	未分配負債			1,353,388
Consolidated total liabilities	綜合負債總額			2,261,998
Other information	其他資料			
Capital expenditure	資本開支	81,735	50,591	132,326
Capital addition on acquisition of subsidiaries	收購附屬公司時之資本增加	-	240,132	240,132
Depreciation and amortisation	折舊及攤銷	94,006	30,965	124,971
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	255	-	255
Allowance for bad and doubtful debts	呆壞賬撥備	431	5,432	5,863
Write-down of obsolete inventories	滯銷存貨撇減	328	654	982

Over 90% of the Group's turnover and contribution to operating profit is attributable to the operation of department store for retailing of merchandise. Accordingly no analysis of business segment is presented.

本集團超過90%營業額和經營溢利貢獻來自經營百貨店商品零售，故並無呈列業務分部分析。

8. Other operating income

8. 其他經營收入

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Cleaning income	清潔收入	16,871	11,674
Interest income on bank deposits	銀行存款之利息收入	92,062	51,800
Interest from a jointly controlled entity	收取一家共同控制實體之利息	-	7,450
Minimum guaranteed sales commission	最低保證銷售佣金	47,047	40,088
Project income	項目收入	2,723	3,639
Others	其他	23,791	24,336
		182,494	138,987

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9. Investment income

9. 投資收入

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted	非上市		
Fair value gain in respect of:	以下項目之公平值收益：		
Index-linked notes (note)	與指數掛鈎票據（附註）	32	-
Equity-linked note (note)	與權益掛鈎票據（附註）	472	-
Interest income on index-linked notes	與指數掛鈎票據之利息收入	16,064	-
Listed	上市		
Gain on disposal of investment held for trading	出售持作買賣投資之收益	-	1,881
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	49,564	-
Dividend income from available-for-sale investments	可供出售投資之股息收入	964	-
		67,096	1,881

Note: Fair value changes excluded interest income of index-linked notes and equity-linked note.

附註：公平值變動不包括與指數掛鈎票據及與權益掛鈎票據之利息收入。

10. Finance costs

10. 融資成本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on:	以下項目之利息：		
Bank borrowings and overdrafts wholly repayable within five years	須於五年內悉數償還之銀行借貸及透支	60,684	50,200
Finance leases	融資租約	9	10
Others	其他	14,932	825
		75,625	51,035

11. Profit before taxation

11. 除稅前溢利

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除下列項目：		
Directors' remuneration: (note 12)	董事酬金：（附註12）		
Fees	袍金	400	391
Other emoluments	其他薪酬	3,485	2,486
Share-based payment	股份付款	10,836	180
Retirement benefits scheme contributions	退休福利計劃供款	15	14
		14,736	3,071
Other staff costs	其他員工成本	190,752	154,879
Retirement benefits scheme contributions, net of forfeited contributions	退休福利計劃供款減沒收供款	6,677	5,810
Share-based payment	股份付款	8,364	1,220
Total staff costs	總員工成本	220,529	164,980
Auditor's remuneration	核數師酬金	2,263	2,450
Depreciation:	折舊：		
- owned assets	- 自置資產	132,494	124,898
- assets held under finance leases	- 按融資租約持有資產	73	73
		132,567	124,971
Allowance for bad and doubtful debts	呆壞賬撥備	295	5,863
Write-down of obsolete inventories	滯銷存貨撇減	1,262	982
Minimum lease payments paid under operating lease in respect of leasehold land and buildings to	就經營租約項下租賃土地及樓宇向以下人士支付之最低租約款項		
- a jointly controlled entity	- 一家共同控制實體	121,847	118,845
- other parties	- 其他人士	44,637	69,394
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	395	255
Cost of inventories recognised as expense	確認為支出之存貨成本	1,112,437	895,033
Net exchange loss	匯兌虧損淨額	-	2,236
Share of tax of a jointly controlled entity	一家共同控制實體應佔稅項	6,199	3,999
and crediting:	以及計入下列項目：		
Net exchange gain	匯兌收益淨額	4,191	-
Gross rental from investment properties (net of negligible outgoings)	投資物業租金總額（扣除少量支銷）	1,004	762
Gross rental from sub-letting of commercial properties	商業物業分租租金總額	45,950	54,508
Less: Direct operating expenses from commercial properties that generated rental income during the year	減：本年度產生租金收入之商用物業的直接經營開支	(35,300)	(51,220)
Net rental income	租金收入淨額	11,654	4,050

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12. Directors' and employees' remuneration

The emoluments paid or payable to each of the 10 (2005: 12) directors were as follows:

		Lau Luen Hung, Thomas	Doo Wai Hoi, William	Tong Yuk Lun, Paul	Cheng Yu Tung	Cheng Kar Shun, Henry	Lau Luen Hung, Joseph	Lau Yuk Wai, Amy	Lam Siu Lun, Simon	Cheung Yuef Man, Raymond	Chung Kwok Cheong	Shek Lai Him, Abraham	Hui Chiu Chung, Stephen	Total 2006 總計
		劉鑾鴻 HK\$'000 千港元	杜惠愷 HK\$'000 千港元	唐玉麟 HK\$'000 千港元	鄭裕彤 HK\$'000 千港元	鄭家純 HK\$'000 千港元	劉鑾雄 HK\$'000 千港元	劉玉慧 HK\$'000 千港元	林兆麟 HK\$'000 千港元	張悅文 HK\$'000 千港元	鍾國昌 HK\$'000 千港元	石禮謙 HK\$'000 千港元	許照中 HK\$'000 千港元	二零零六年 HK\$'000 千港元
Fees	袍金	-	-	-	50	50	50	50	50	50	-	50	50	400
Other emoluments	其他酬金													
Salaries and other benefits	薪金及其他福利	3,438	47	-	-	-	-	-	-	-	-	-	-	3,485
Contributions to retirement benefits schemes	退休福利計劃供款	12	3	-	-	-	-	-	-	-	-	-	-	15
Share-based payment	股份付款	10,836	-	-	-	-	-	-	-	-	-	-	-	10,836
Total emoluments	酬金總額	14,286	50	-	50	50	50	50	50	50	-	50	50	14,736

12. 董事及僱員酬金

向各10名(二零零五年: 12名)董事已付或應付之酬金如下:

		Lau Luen Hung, Thomas	Doo Wai Hoi, William	Tong Yuk Lun, Paul	Cheng Yu Tung	Cheng Kar Shun, Henry	Lau Luen Hung, Joseph	Lau Yuk Wai, Amy	Lam Siu Lun, Simon	Cheung Yuef Man, Raymond	Chung Kwok Cheong	Shek Lai Him, Abraham	Hui Chiu Chung, Stephen	Total 2005 總計
		劉鑾鴻 HK\$'000 千港元	杜惠愷 HK\$'000 千港元	唐玉麟 HK\$'000 千港元	鄭裕彤 HK\$'000 千港元	鄭家純 HK\$'000 千港元	劉鑾雄 HK\$'000 千港元	劉玉慧 HK\$'000 千港元	林兆麟 HK\$'000 千港元	張悅文 HK\$'000 千港元	鍾國昌 HK\$'000 千港元	石禮謙 HK\$'000 千港元	許照中 HK\$'000 千港元	二零零五年 HK\$'000 千港元
Fees	袍金	-	-	-	50	50	50	50	50	50	16	50	25	391
Other emoluments	其他酬金													
Salaries and other benefits	薪金及其他福利	2,438	41	7	-	-	-	-	-	-	-	-	-	2,486
Contributions to retirement benefits schemes	退休福利計劃供款	12	1	1	-	-	-	-	-	-	-	-	-	14
Share-based payment	股份付款	180	-	-	-	-	-	-	-	-	-	-	-	180
Total emoluments	酬金總額	2,630	42	8	50	50	50	50	50	50	16	50	25	3,071

Of the five highest paid individuals of the Group for the year ended 31st December, 2006, one of them (2005: one) was a director of the Company whose remuneration is disclosed above. The remaining four (2005: four) are employees of the Group, details of whose remuneration were as follows:

截至二零零六年十二月三十一日止年度，本集團五名最高薪人士中，一名(二零零五年：一名)為本公司董事，其酬金於上文披露。另外四名(二零零五年：四名)則為本集團僱員，彼等之酬金詳情載列如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Employees:	僱員：		
Sales, allowances and other benefits	薪金、津貼及其他福利	4,667	4,633
Retirement benefits scheme contributions	退休福利計劃供款	48	48
Performance related incentive payments	與表現掛鈎獎金	2,000	1,250
Share-based payment	股份付款	4,045	400
		10,760	6,331

12. Directors' and employees' remuneration (continued)

The emolument of the remaining four were within the following bands:

		2006 二零零六年 Number of individuals 人數	2005 二零零五年 Number of individuals 人數
HK\$1,000,001 to HK\$1,500,000	1,000,001港元 至 1,500,000港元	1	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元 至 2,000,000港元	1	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元 至 2,500,000港元	-	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元 至 3,000,000港元	-	-
HK\$3,000,001 to HK\$3,500,000	3,000,001港元 至 3,500,000港元	1	-
Above HK\$3,500,000	3,500,000港元以上	1	-

During the year ended 31st December, 2006, no remuneration was paid by the Group to the director or the four highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during the year.

12. 董事及僱員酬金 (續)

其餘四名最高薪人士之薪酬介乎以下範圍：

截至二零零六年十二月三十一日止年度，本集團並無向董事或四名最高薪僱員支付以吸引其加入本集團或作為加入本集團之獎金或離職補償。於本年度，董事概無放棄收取任何酬金。

13. Taxation

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The charge comprises:	支出包括下列項目：		
Hong Kong Profits Tax for the year	本年度香港利得稅	130,930	99,685
Overprovision in prior years:	過往年度超額撥備：		
Hong Kong	香港	(7,052)	(700)
		123,878	98,985
Deferred tax charge for the year (note 33)	本年度遞延稅項支出 (附註33)	387	3,314
		124,265	102,299

The charge represents Hong Kong Profits Tax calculated at 17.5% (2005: 17.5%) of the estimated assessable profit for the year.

此支出為按本年度之估計應課稅溢利以17.5% (二零零五年：17.5%)之稅率計算之香港利得稅。

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13. Taxation (continued)

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	862,435	626,195
Tax at Hong Kong Profits Tax rates	按香港利得稅稅率計算之稅項	150,926	109,584
Tax effect of share of profit of a jointly controlled entity	分佔一家共同控制實體溢利之稅務影響	(1,184)	(634)
Tax effect of utilisation of tax losses not previously recognised	動用先前未有確認稅項虧損之稅務影響	(463)	(2,166)
Tax effect on non-taxable income	毋須課稅收入之稅務影響	(23,490)	(10,990)
Tax effect on non-deductible expenses	不可扣稅支出之稅務影響	5,928	2,107
Tax losses not recognised	未確認稅項虧損	1,189	16,602
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營業務之附屬公司稅率不同之影響	(1,985)	(7,285)
Overprovision in prior years	過往年度超額撥備	(7,052)	(700)
Others	其他	396	(4,219)
		124,265	102,299

14. Dividends

An interim dividend of HK cents 14.5 (2005: HK cents 12.5) in cash per share was paid to the shareholders of the Company during the year. The final dividend of HK cents 21.0 (2005: HK cents 14.4) with no special dividend (2005: HK cents 3.6) in cash per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

13. 稅項 (續)

本年度的稅項支出與綜合收益表之除稅前溢利對賬如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	862,435	626,195
Tax at Hong Kong Profits Tax rates	按香港利得稅稅率計算之稅項	150,926	109,584
Tax effect of share of profit of a jointly controlled entity	分佔一家共同控制實體溢利之稅務影響	(1,184)	(634)
Tax effect of utilisation of tax losses not previously recognised	動用先前未有確認稅項虧損之稅務影響	(463)	(2,166)
Tax effect on non-taxable income	毋須課稅收入之稅務影響	(23,490)	(10,990)
Tax effect on non-deductible expenses	不可扣稅支出之稅務影響	5,928	2,107
Tax losses not recognised	未確認稅項虧損	1,189	16,602
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營業務之附屬公司稅率不同之影響	(1,985)	(7,285)
Overprovision in prior years	過往年度超額撥備	(7,052)	(700)
Others	其他	396	(4,219)
		124,265	102,299

14. 股息

於本年度，本公司以現金向其股東派付中期股息每股14.5港仙（二零零五年：12.5港仙）。董事建議以現金派付末期股息每股21.0港仙（二零零五年：14.4港仙），惟並無特別股息（二零零五年：3.6港仙），惟有關建議須待股東於應屆股東週年大會批准。

15. Earnings per share

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Earnings	盈利		
Profit for the year attributable to equity holders of the Company for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之本公司股東應佔本年度溢利	740,170	539,378
		2006 二零零六年 '000 千股	2005 二零零五年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic earnings per share	就計算每股基本盈利而言之普通股加權平均數	847,124	777,137
Effect of dilutive potential ordinary shares issuable under the Company's share option scheme	本公司購股權計劃項下可予發行之潛在攤薄普通股之影響	719	N/A 不適用
Weighted average number of ordinary shares for the purposes of diluted earnings per share	就計算每股攤薄盈利而言之普通股加權平均數	847,843	N/A 不適用

No diluted earnings per share had been presented in prior year as the exercise price of the Company's outstanding options was higher than the average market price of the Company's shares during that year.

15. 每股盈利

本公司普通股股東應佔每股基本及攤薄盈利乃按下列數據計算得出：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Earnings	盈利		
Profit for the year attributable to equity holders of the Company for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之本公司股東應佔本年度溢利	740,170	539,378
		2006 二零零六年 '000 千股	2005 二零零五年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic earnings per share	就計算每股基本盈利而言之普通股加權平均數	847,124	777,137
Effect of dilutive potential ordinary shares issuable under the Company's share option scheme	本公司購股權計劃項下可予發行之潛在攤薄普通股之影響	719	N/A 不適用
Weighted average number of ordinary shares for the purposes of diluted earnings per share	就計算每股攤薄盈利而言之普通股加權平均數	847,843	N/A 不適用

由於在上年度，本公司尚未行使購股權之行使價高於本公司股份之平均市價，故並無呈列該年度之每股攤薄盈利。

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16. Investment properties

16. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1st January, 2005	於二零零五年一月一日	9,700
Reclassification from leasehold land and building	由租賃土地及樓宇重新分類	9,300
Increase in fair value recognised in the income statement	於收益表確認之公平值增加	4,300
At 31st December, 2005	於二零零五年十二月三十一日	23,300
Increase in fair value recognised in the income statement	於收益表確認之公平值增加	7,648
At 31st December, 2006	於二零零六年十二月三十一日	30,948

The carrying amount of investment properties as at balance sheet dates comprise leasehold land in Hong Kong held under long lease.

投資物業於結算日之賬面值包括於香港根據長期租約持有之租賃土地。

The fair values of the Group's investment properties as at 31st December, 2006 have been determined by the directors of the Company. No valuation has been performed by independent qualified professional valuers. The valuation performed by the directors of the Company was arrived at by reference to recent market prices for similar properties.

本公司董事釐定本集團投資物業於二零零六年十二月三十一日之公平值。概無獨立合資格專業估值師就該等物業進行估值。本公司董事進行之估值乃經參考類似物業之近期市價得出。

All the Group's investment properties are held for rental under operating leases.

本集團所有投資物業均根據經營租約持有作出租用途。

17. Property, plant and equipment

17. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本						
At 1st January, 2005	於二零零五年一月一日	2,481,289	276,791	111,305	37,383	996	2,907,764
Exchange adjustment	匯兌調整	-	4,533	76	276	-	4,885
Additions	添置	-	101,947	17,177	12,920	282	132,326
Acquired on acquisition of subsidiaries	收購附屬公司時購入	-	222,877	3,753	13,502	-	240,132
Reclassified to investment properties	重新分類為投資物業	(5,030)	-	-	-	-	(5,030)
Disposals/written off	出售/對銷	-	(10,825)	-	(499)	-	(11,324)
At 31st December, 2005	於二零零五年十二月三十一日	2,476,259	595,323	132,311	63,582	1,278	3,268,753
Exchange adjustment	匯兌調整	-	10,166	155	614	-	10,935
Additions	添置	-	52,566	30,557	14,754	199	98,076
Disposals/written off	出售/對銷	-	-	-	(625)	(145)	(770)
At 31st December, 2006	於二零零六年十二月三十一日	2,476,259	658,055	163,023	78,325	1,332	3,376,994
DEPRECIATION	折舊						
At 1st January, 2005	於二零零五年一月一日	550,092	179,531	77,750	19,998	403	827,774
Exchange adjustment	匯兌調整	-	386	4	40	-	430
Provided for the year	年內折舊	46,388	60,886	7,210	10,269	218	124,971
Reclassified to investment properties	重新分類為投資物業	(214)	-	-	-	-	(214)
Eliminated on disposals/ written off	出售撤銷/對銷	-	(10,825)	-	(244)	-	(11,069)
At 31st December, 2005	於二零零五年十二月三十一日	596,266	229,978	84,964	30,063	621	941,892
Exchange adjustment	匯兌調整	-	1,753	125	144	-	2,022
Provided for the year	年內折舊	46,419	62,569	12,951	10,366	262	132,567
Eliminated on disposals/ written off	出售撤銷/對銷	-	-	-	(260)	(92)	(352)
At 31st December, 2006	於二零零六年十二月三十一日	642,685	294,300	98,040	40,313	791	1,076,129
NET BOOK VALUES	賬面淨值						
At 31st December, 2006	於二零零六年十二月三十一日	1,833,574	363,755	64,983	38,012	541	2,300,865
At 31st December, 2005	於二零零五年十二月三十一日	1,879,993	365,345	47,347	33,519	657	2,326,861

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17. Property, plant and equipment (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the lease terms
Leasehold improvements	Over the shorter of the lease terms, or 20%
Plant and machinery	10%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

17. 物業、廠房及設備 (續)

上述物業、廠房及設備項目乃以直線法按下列年率計算折舊：

租賃土地及樓宇	按租約年期
租賃物業裝修	按租約年期或20% (以較短者為準)
廠房及機器	10%
傢俬、固定裝置及設備	20%
汽車	20%

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The carrying amount of leasehold land and buildings comprises buildings situated on land in Hong Kong:	租賃土地及樓宇賬面值，包括位於香港土地之樓宇：		
- long lease	- 長期租約	475,332	483,701
- medium term lease	- 中期租約	1,358,242	1,396,292
Property, plant and equipment held under finance lease	按融資租約持有之物業、廠房及設備	29	102

18. Interests in a jointly controlled entity

At 31st December, 2006, the Group had interests in the following jointly controlled entity:

18. 於一家共同控制實體之權益

於二零零六年十二月三十一日，本集團於下列共同控制實體擁有權益：

Name of entity	Form of business structure	Place of establishment/operation	Proportion of nominal value of issued capital held by the Group	Proportion of voting power held	Principal activity
實體名稱	業務結構模式	成立/經營地點	已發行股本面值比例	投票權比例	主要業務
上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co., Ltd.)	Sino-foreign equity joint venture 中外合資合營企業	People's Republic of China 中華人民共和國	50%	50%	Property holding and leasing 物業持有及租賃

18. Interests in a jointly controlled entity (continued)

Jointly controlled entity is accounted for using the equity method of accounting:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of unlisted investments in a jointly controlled entity	一家共同控制實體非上市投資之成本	433,104	433,104
Share of post-acquisition profits	分佔收購後溢利	10,392	3,624
Share of post-acquisition reserves	分佔收購後儲備	5,828	-
		449,324	436,728

The summarised financial information is set out below:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current assets	非流動資產	1,472,726	1,621,931
Current assets	流動資產	22,706	121,320
Current liabilities	流動負債	183,767	243,297
Non-current liabilities	非流動負債	413,017	626,498
Income	收入	150,888	141,756
Expenses	開支	137,353	134,508

19. Amount due from a jointly controlled entity

Amount due from a jointly controlled entity was unsecured and had no fixed terms of repayment. The fair value of the balance at 31st December, 2005 approximated to the corresponding carrying amount.

The amount was fully repaid during the year.

18. 於一家共同控制實體之權益 (續)

按權益會計法入賬之共同控制實體：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of unlisted investments in a jointly controlled entity	433,104	433,104
Share of post-acquisition profits	10,392	3,624
Share of post-acquisition reserves	5,828	-
	449,324	436,728

財務資料概述如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current assets	1,472,726	1,621,931
Current assets	22,706	121,320
Current liabilities	183,767	243,297
Non-current liabilities	413,017	626,498
Income	150,888	141,756
Expenses	137,353	134,508

19. 應收一家共同控制實體款項

應收一家共同控制實體之款項為無抵押及無固定還款期。有關餘款於二零零五年十二月三十一日之公平值與相關賬面值相若。

有關款額於年內已悉數償還。

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20. Available-for-sale investments

Available-for-sale investments as at each balance sheet date comprised of equity securities listed in Hong Kong. As at the balance sheet dates, all available-for-sale investments were stated at fair values. Fair values of those investments was determined by reference to bid prices quoted in an active market. Increase in fair value of available-for-sale investments of HK\$43,761,000 (2005: HK\$12,799,000) was credited to equity of the Group during the year.

21. Index-linked notes

The index-linked notes are denominated in United States Dollars with interest rates linked with Constant Maturity Swap (CMS) rates or 3-month United States Dollars London Interbank Offered Rate (3-month USD LIBOR). The index-linked notes are designated as fair value through profit or loss upon initial recognition as each of them forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract to be designed as at fair value through profit or loss.

The maturity dates of the index-linked notes ranges from 2008 to 2016 and are therefore classified as non-current. Index-linked note with a fair value of HK\$38,729,000 were redeemed by the issuer on 5th January, 2007. All index-linked notes are stated at fair values on each balance sheet date provided by independent financial institutions.

22. Equity-linked note

The equity linked note is denominated in United States Dollars with interest rate linked with market prices of certain equity securities listed in Hong Kong. The equity-linked note is designated as fair value through profit or loss upon initial recognition as it forms part of a contract containing embedded derivatives, and HKAS 39 permits the entire combined contract to be designed as at fair value through profit or loss.

The maturity date of the equity-linked note is 2008 and is therefore classified as non-current. The equity-linked note was redeemed by the issuer on 3rd January, 2007. It is stated at fair value on each balance sheet date provided by independent financial institutions.

23. Deposit paid for prepaid lease payments

This represents deposit paid for a medium term prepaid lease payments in relation to the Group's new project in Shenyang, PRC.

24. Loan receivable

The amount represents a loan advanced to a third party. It is secured, bears interest at an effective interest rate of 7.75% per annum and is repayable after 18 months from November 2006.

20. 可供出售投資

於每個結算日，可供出售投資包括於香港上市之股本證券。於結算日，所有可供出售投資均按公平值列賬。該等投資之公平值乃參考於交投活躍市場所報買入價後釐定。可供出售投資公平值增加之43,761,000港元（二零零五年：12,799,000港元）已計入本集團年內之股東權益。

21. 與指數掛鈎票據

與指數掛鈎票據乃以美元結算，利率與固定期限交換利率或三個月美元倫敦銀行同業拆息掛鈎。由於與指數掛鈎票據各自組成包含一種或以上內含衍生工具之合約其中部分，而香港會計準則第39號允許整份合併合約將指定按公平值計入損益，故於初步確認時指定按公平值計入損益。

與指數掛鈎票據之到期日介乎二零零八年至二零零一六年，故分類為非流動。發行人於二零零七年一月五日贖回公平值為38,729,000港元之與指數掛鈎票據。所有與指數掛鈎票據均於每個結算日按由獨立財務機關提供之公平值列賬。

22. 與權益掛鈎票據

與權益掛鈎票據乃以美元結算，利率與若干香港上市股本證券之市價掛鈎。由於與權益掛鈎票據組成包含內含衍生工具之合約其中部分，而香港會計準則第39號允許整份合併合約將指定按公平值計入損益，故於初步確認時指定按公平值計入損益。

與權益掛鈎票據之到期日為二零零八年，故分類為非流動。與權益掛鈎票據已於二零零七年一月三日由發行人贖回。與權益掛鈎票據於每個結算日按由獨立財務機關提供之公平值列賬。

23. 已付預付租賃付款按金

此乃就本集團於中國瀋陽之新項目支付中期租約預付租賃付款之按金。

24. 應收貸款

有關款額乃墊付予第三方之貸款，為有抵押、按實際年利率7.75厘計息及須於自二零零六年十一月起計18個月後償還。

25. Inventories

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Merchandise held for resale	持有作轉售商品	63,948	58,009

26. Trade and other receivables

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade receivables	應收賬款	70,135	57,408
Less: Allowance for irrecoverable amounts	減：不可收回款項撥備	(4,180)	(9,289)
		65,955	48,119
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	82,759	70,411
		148,714	118,530

The Group's retail sales to customers are mainly on cash basis, either in cash, debit card or credit card payments. The Group does not have a defined fixed credit policy as its major trade receivables arise from credit card sales. An aged analysis of the Group's trade receivables as at the balance sheet date is as follows:

本集團向顧客作出的零售銷售主要以現金進行，可以現金、扣賬卡或信用卡付款。由於本集團主要應收賬款來自信用卡銷售，故並無既定限額信貸政策。本集團應收賬款於有關結算日的賬齡分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 - 30 days	0至30日	57,263	42,726
31 - 60 days	31日至60日	7,105	5,267
61 - 90 days	61日至90日	1,120	2
Over 90 days	超過90日	467	124
		65,955	48,119

The fair value of the Group's trade and other receivables at 31st December, 2006 and 31st December, 2005 approximated to the corresponding carrying amount.

本集團應收賬款及其他應收款項於二零零六年十二月三十一日及二零零五年十二月三十一日之公平值與相關賬面值相若。

27. Amounts due from/to a jointly controlled entity

The amounts are unsecured, interest-free and repayable on demand. The fair value of the balances with a jointly controlled entity approximated to the corresponding carrying amount.

27. 應收／付一家共同控制實體款項

該等款項為無抵押、免息及須按要求償還。於一家共同控制實體結餘之公平值與相關賬面值相若。

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28. Structured bank deposit

The structured bank deposit carried interest at variable rate with reference to Hong Kong Interbank Offered Rate (HIBOR) with the maturity date on 9th September, 2006. The fair value of this deposit at 31st December, 2005 approximated to the corresponding carrying amount.

29. Bank balances and cash

At the balance sheet dates, bank balance and cash comprised mainly short-term deposits which carries interest at market rates. The fair values at 31st December, 2006 and 31st December, 2005 approximated to the corresponding carrying amount.

30. Trade and other payables

At 31st December, 2006, concessionaire sales payable included amounts of approximately HK\$11,764,000 and HK\$2,576,000 (2005: HK\$6,366,000 and HK\$1,390,000) due to Chow Tai Fook Jewellery Co., Ltd. and 周大福珠寶金行(深圳)有限公司 respectively in which a related party, Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests. The amount was trading in nature and relate to payables arising from concessionaire sales. These trading balances are unsecured, non-interest bearing and repayable according to the terms of the concessionaire dealership agreement.

28. 結構性銀行存款

參考香港銀行同業拆息之浮動利率計息之結構性銀行存款，到期日為二零零六年九月九日。此存款於二零零五年十二月三十一日之公平值與相關賬面值相若。

29. 銀行結存及現金

於結算日，銀行結存及現金主要包括短期存款，按市場利率計息。其於二零零六年十二月三十一日及二零零五年十二月三十一日之公平值與相關賬面值相若。

30. 應付賬款及其他應付款項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade payables	應付賬款	197,279	160,683
Concessionaire sales payable	應付特許專櫃銷售款項	502,747	410,309
Other payables, deposits and accrued charges	其他應付款項、按金及應計費用	282,771	236,069
		982,797	807,061

於二零零六年十二月三十一日，應付特許專櫃銷售款項中包括應付有關連人士周大福珠寶金行有限公司及周大福珠寶金行(深圳)有限公司款項分別約11,764,000港元及2,576,000港元(二零零五年：分別6,366,000港元及1,390,000港元)。本公司兩名董事拿督鄭裕彤博士及鄭家純博士持有該等公司實益權益。該筆款項屬貿易性質，與特許專櫃銷售所產生應付款項相關。此等賬款結餘為無抵押、免息及須按特許專櫃經營協議條款償還。

30. Trade and other payables (continued)

An aged analysis of the Group's trade payables at the balance sheet dates is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 - 30 days	0至30日	159,849	138,417
31 - 60 days	31日至60日	22,653	13,508
61 - 90 days	61日至90日	9,274	3,931
Over 90 days	超過90日	5,503	4,827
		197,279	160,683

The concessionaire sales payable at the balance sheet dates is aged within 30 days.

The fair values of the Group's trade and other payables at 31st December, 2006 and 31st December, 2005 approximated to the corresponding carrying amount.

30. 應付賬款及其他應付款項 (續)

本集團於結算日之應付賬款賬齡分析如下：

於結算日，應付特許專權銷售款項之賬齡在30日以內。

本集團應付賬款及其他應付款項於二零零六年十二月三十一日及二零零五年十二月三十一日之公平值與相關賬面值相若。

31. Obligations under finance leases

The average lease term is 4 years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 4% to 18%. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

31. 融資租約承擔

平均租期為四年。融資租約項下所有承擔之固定利率於相關租約日期訂定，介乎4厘至18厘。所有租約均按固定償還基準訂立，並無就或然租金付款訂立任何安排。

		Minimum lease payments 最低租約款項		Present value of minimum lease payments 最低租約款項現值	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amounts payable under finance leases:	融資租約項下應付款項：				
Within one year	一年內	12	48	10	39
In more than one year but not exceeding two years	一年後但不超過兩年	-	12	-	10
		12	60	10	49
Less: Future finance charges	減：日後融資費用	(2)	(11)	N/A 不適用	N/A 不適用
Present value of lease obligations	租約承擔現值	10	49	10	49
Less: Amounts due within one year shown under current liabilities	減：列入流動負債於一年內到期之款項			(10)	(39)
Amounts due after one year	一年後到期之款項			-	10

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31. Obligations under finance leases (continued)

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

The directors consider that the carrying amount of the obligations under finance leases approximated to their fair value.

31. 融資租約承擔 (續)

本集團之融資租約承擔由出租人之租賃資產作抵押。

董事認為，融資租約承擔之賬面值與公平值相若。

32. Bank borrowings**32. 銀行借貸**

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank borrowings comprised bank loans and analysed as:	銀行借貸由銀行貸款組成，並按以下分析：		
Secured	有抵押	1,205,897	1,265,688
Unsecured	無抵押	143,482	-
		1,349,379	1,265,688

The maturity profile of the bank borrowings is as follows:

銀行借貸之還款期如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
On demand or within one year	應要求或一年內償還	249,379	165,688
More than one year, but not exceeding two years	一年後但不超過兩年	300,000	160,000
More than two years, but not exceeding three years	兩年後但不超過三年	400,000	160,000
More than three years, but not exceeding four years	三年後但不超過四年	400,000	780,000
		1,349,379	1,265,688
Less: Amounts due within one year shown under current liabilities	減：列入流動負債於一年內到期之款項	(249,379)	(165,688)
Amount due after one year	一年後到期之款項	1,100,000	1,100,000

32. Bank borrowings (continued)

During the year, the Group obtained new loans, of which HK\$1,200,000,000 is used for refinancing the existing loan and financing general working capital of the Group. This loan bears interest at Hong Kong Interbank Offered Rate plus 0.29% per annum. Interest is repriced every one month to three months period. The loan is repayable by installments over a period of five years commencing 2006. The remaining bank borrowings carried interest ranging from 4.7% to 6.1% per annum.

At 31st December, 2005, loan amounted to HK\$1,260,000,000 carried interest at Hong Kong Interbank Offered Rate plus 0.4% per annum. Interest is repriced every one month to three months period. The loan was repayable by installments over a period of five years commencing 2004. The remaining bank borrowings carried interest ranging from 4.7% to 5.2% per annum.

The directors consider that the carrying amount of bank borrowings approximated to their fair value.

At the balance sheet date, the Group has undrawn borrowing facilities with floating rate expiring within 5 years amounting to approximately HK\$2,800 million (2005: HK\$400 million).

33. Deferred taxation

Analysis:	分析：
Deferred tax liabilities	遞延稅項負債
Deferred tax assets	遞延稅項資產
Net position	淨額

The following are major deferred tax liabilities and assets recognised by the Group and movements thereon during the year.

32. 銀行借貸 (續)

年內，本集團獲取新造貸款，其中1,200,000,000港元用作現有貸款再融資及為本集團一般營運資金撥付資金。有關貸款按香港銀行同業拆息加年利率0.29厘計息。利息每一個月至三個月期間重新訂定。貸款自二零零六年起分期於五年償還。銀行借貸餘額按年利率介乎4.7厘至6.1厘計息。

於二零零五年十二月三十一日，為數1,260,000,000港元之貸款按香港銀行同業拆息加年利率0.4厘計息。利息每一個月至三個月期間重新訂定。貸款自二零零四年起分期於五年償還。銀行借貸餘額按年利率介乎4.7厘至5.2厘計息。

董事認為，銀行借貸之賬面值與其公平值相若。

於結算日，本集團於五年內到期之浮息未提取銀行融資額度約2,800,000,000港元（二零零五年：400,000,000港元）。

33. 遞延稅項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Analysis:	分析：		
Deferred tax liabilities	遞延稅項負債	34,811	30,344
Deferred tax assets	遞延稅項資產	(10,139)	(11,477)
Net position	淨額	24,672	18,867

以下為本集團確認之主要遞延稅項負債及資產以及於年內的變動。

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33. Deferred taxation (continued)

33. 遞延稅項 (續)

		Accelerated tax depreciation 加速稅項折舊	Tax losses 稅項虧損	Available- for-sale investments 可供出售投資	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January, 2005	於二零零五年一月一日	28,137	(15,628)	-	12,509
(Credit) charge to income for the year	(計入) 扣除自本年度收入	(837)	4,151	-	3,314
Charge to reserve for the year	扣除自本年度儲備	804	-	2,240	3,044
At 31st December, 2005	於二零零五年十二月三十一日	28,104	(11,477)	2,240	18,867
(Credit) charge to income for the year	(計入) 扣除自本年度收入	(951)	1,338	-	387
Credit to equity for the year	計入本年度權益	-	-	(2,240)	(2,240)
Charge to reserve for the year	扣除自本年度儲備	-	-	7,658	7,658
At 31st December, 2006	於二零零六年十二月三十一日	27,153	(10,139)	7,658	24,672

At the balance sheet date, a deferred tax asset has been recognised in respect of unused tax losses available for offset against future profits. Certain subsidiaries have suffered losses in either current or preceding years and the recognition of the deferred tax asset is based on expected future taxable profits of these subsidiaries.

No deferred tax asset has been recognised in respect of tax losses of subsidiaries in Hong Kong of approximately HK\$14.3 million (2005: HK\$9 million) available to offset future profits due to the unpredictability of future profit streams.

In addition, at the balance sheet date, deferred tax assets have not been recognised by one of the subsidiaries in the PRC in respect of tax losses of approximately RMB64,487,000 (equivalent to approximately HK\$61,993,000) (2005: RMB62,950,000 (equivalent to approximately HK\$60,501,000)) available to offset future profits due to the unpredictability of future profit streams. At the balance sheet date, an amount of approximately RMB14,060,000 (equivalent to approximately HK\$13,513,000), RMB48,889,000 (equivalent to approximately HK\$46,987,000) and RMB1,538,000 (equivalent to approximately HK\$1,493,000) of the total unused tax losses will expire in 2009, 2010 and 2011 respectively.

於結算日，本集團就可供用作抵銷日後溢利之未動用稅項虧損確認遞延稅項資產。若干附屬公司於過往或現行年度錄得虧損，而遞延稅項資產乃根據此等附屬公司之預期日後應課稅溢利予以確認。

因日後溢利來源難以預測，本集團未有就香港附屬公司可供用作抵銷日後溢利之稅項虧損約14,300,000港元（二零零五年：9,000,000港元）確認遞延稅項資產。

此外，於結算日，因日後溢利來源難以預測，其中一家於中國之附屬公司未有就可供用作抵銷日後溢利之稅項虧損約人民幣64,487,000元（約相當於61,993,000港元）（二零零五年：人民幣62,950,000元（約相當於60,501,000港元））確認遞延稅項資產。於結算日，未動用稅項虧損總額約人民幣14,060,000元（約相當於13,513,000港元）、人民幣48,889,000元（約相當於46,987,000港元）及人民幣1,538,000元（約相當於1,493,000港元），將分別於二零零九年、二零一零年及二零一一年到期。

34. Share capital

Details of the changes in the Company's share capital during the year ended 31st December, 2006 are as follows:

		Number of shares 股份數目	Amount 款項 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定：		
At 31st December, 2005 and 2006	於二零零五年及二零零六年 十二月三十一日	2,000,000,000	20,000
Issued and fully paid:	已發行及繳足：		
At 1st January, 2005	於二零零五年一月一日	747,000,000	7,470
Issue of shares by placing and subscription	透過配售及認購發行股份	100,000,000	1,000
At 31st December, 2005	於二零零五年十二月三十一日	847,000,000	8,470
Exercise of share options (note)	行使購股權 (附註)	968,000	10
At 31st December, 2006	於二零零六年十二月三十一日	847,968,000	8,480

Note: During the year, 968,000 shares of HK\$0.01 each were issued at HK\$12.32 per share upon the exercise of the 2005 share option (as defined under note 35) of the Company by share options holders and all these shares rank pari passu with other ordinary shares of the Company in all respects.

34. 股本

截至二零零六年十二月三十一日止年度，本公司之股本變動詳情如下：

Number of shares 股份數目	Amount 款項 HK\$'000 千港元
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附註：年內，本公司於購股權持有人行使本公司二零零五年購股權（定義見附註35）後按每股12.32港元發行共968,000股每股面值0.01港元之股份，所有該等股份於各方面與本公司其他普通股享有同等權益。

35. Share-based payment transactions

The Company's share option scheme (the "Scheme") was adopted for a period of 10 years commencing 27th March, 2004 pursuant to a written resolution of the sole shareholder for the purpose of providing incentives or rewards to selected full-time employees and directors for their contribution to the Group.

Under the Scheme, the Company may grant options to selected full-time employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to eligible advisors and consultants to the Company and its subsidiaries at the discretion of the Board of Directors.

35. 股份付款交易

本公司根據唯一股東之書面決議案採納購股權計劃（「該計劃」），由二零零四年三月二十七日起為期十年，旨在向經甄選之全職僱員及董事就彼等對本集團所作貢獻提供獎勵或獎賞。

根據該計劃，本公司可向本公司及其附屬公司經甄選之全職僱員及董事授出購股權，以認購本公司股份。此外，本公司可不時按董事局酌情權向本公司及其附屬公司之合資格顧問及諮詢顧問授出購股權。

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35. Share-based payment transactions (continued)

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders, independent non-executive directors, or any of their respective associates (including a discretionary trust whose discretionary objects include a substantial shareholder or an independent non-executive director or any of their respective associates) in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be also approved by the Company's shareholders.

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 per option. Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and deemed to be granted and expiring on a date to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the option is accepted and deemed to be granted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Details of specific categories of options are as follows:

Option type 購股權種類	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價
2005 二零零五年	7.10.2005 二零零五年十月七日	7.10.2005 – 7.10.2008 二零零五年十月七日至 二零零八年十月七日	7.10.2006 – 26.3.2014 二零零六年十月七日至 二零一四年三月二十六日	HK\$12.32 12.32港元
2006 二零零六年	16.3.2006 (Note) 二零零六年三月十六日 (附註)	16.3.2006 – 16.3.2009 二零零六年三月十六日至 二零零九年三月十六日	16.3.2007 – 26.3.2014 二零零七年三月十六日至 二零一四年三月二十六日	HK\$12.74 12.74港元

Note: Option subject to approval of independent shareholders was proposed and granted by Board of Directors on 16th March, 2006. The approval was subsequently obtained on 26th April, 2006 which is the date of grant as defined in accordance with HKFRS2.

35. 股份付款交易 (續)

如未經本公司股東事先批准，根據該計劃可授出購股權所涉及股份總數，不得超過本公司於任何時間已發行股份10%。如未經本公司股東事先批准，於任何一年，就任何個別人士所獲授及可獲授之購股權已發行及將發行之股份數目，不得超過本公司於任何時間已發行股份1%。授予主要股東、獨立非執行董事或任何彼等各自之聯繫人士（包括全權信託，而有關全權受益人包括主要股東或獨立非執行董事或任何彼等各自之聯繫人士）超過本公司股本0.1%或價值超過5,000,000港元之購股權，亦必須經本公司股東批准。

授出之購股權須於提呈函件所指定時限（不得遲於提呈日期起計5日）內接納，接納時須就每份購股權支付1港元。購股權可於接納及被視為已授出當日或之後起至董事局知會各承授人屆滿當日止期間內隨時行使，惟由接納及被視為已授出購股權當日起計不得超過10年。行使價由本公司董事釐定，將不低於(i)授出日期本公司股份收市價；(ii)緊接授出日期前五個營業日股份平均收市價；及(iii)本公司股份面值三者之較高者。

特定類別購股權之詳情如下：

附註：董事局於二零零六年三月十六日建議及授出有待獨立股東批准之購股權，其後於根據香港財務報告準則第2號界定之授出日期二零零六年四月二十六日取得批准。

35. Share-based payment transactions (continued)

The following table discloses movements of the Company's share options held by certain employees and directors:

2006 二零零六年

Option type	Outstanding at 31st December, 2005 於二零零五年 十二月三十一日 尚未行使	Granted during year 年內授出	Exercised during year 年內行使	Lapsed during year 年內失效	Outstanding at 31st December, 2006 於二零零六年 十二月三十一日 尚未行使
購股權種類					
2005 二零零五年	6,640,000	-	968,000	670,000	5,002,000
2006 二零零六年	N/A 不適用	7,630,000	-	-	7,630,000
Exercisable at end of the year	於年終可予行使				1,420,000

2005 二零零五年

Option type	Outstanding at 1st January, 2005 於二零零五年 一月一日 尚未行使	Granted during year 年內授出	Exercised during year 年內行使	Lapsed during year 年內失效	Outstanding at 31st December, 2005 於二零零五年 十二月三十一日 尚未行使
購股權種類					
2005 二零零五年	N/A 不適用	6,640,000	N/A 不適用	N/A 不適用	6,640,000
Exercisable at the end of the year	於年終可予行使				NIL 零

During the year, share options were granted to a director on 16th March, 2006. The estimated fair value of the options granted on that date was HK\$22 million.

The closing price of the Company's shares immediately before 16th March, 2006 and on 26th April, 2006 was HK\$12.75 and HK\$13.15 respectively.

These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

35. 股份付款交易 (續)

下表披露若干僱員及董事所持本公司購股權之變動：

年內，本公司於二零零六年三月十六日向一名董事授出購股權。於該日授出之購股權之估計公平值為22,000,000港元。

本公司股份於緊接二零零六年三月十六日前及於二零零六年四月二十六日之收市價分別為12.75港元及13.15港元。

此等公平值乃按「柏力克-舒爾斯」期權定價模式計算。代入該模式之數字如下：

		2006 二零零六年	2005 二零零五年
Share price on 26th April, 2006 (2005: 7th October, 2005)	於二零零六年四月二十六日之股價 (二零零五年：二零零五年十月七日)	HK\$13.15 13.15港元	HK\$12.15 12.15港元
Exercise price	行使價	HK\$12.74 12.74港元	HK\$12.32 12.32港元
Expected volatility	預期波幅	30.71%	32.47%
Expected life	預計年期	5.5 years 5.5年	8.5 years 8.5年
Risk-free rate	無風險比率	4.55%	4.18%
Expected dividend yield	預期股息率	2.52%	2.73%

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35. Share-based payment transactions (continued)

Expected volatility was determined by using the historical volatility of the Company's share price in the preceding year. The expected life used in the model has been made, based on management's best estimate and take into account the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recognised an expense in the income statement of approximately HK\$19.2 million (2005: HK\$1.4 million) for the year ended 31st December, 2006 in relation to share options granted by the Company.

36. Operating lease commitments**The Group as lessee**

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of leasehold land and buildings which are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	126,958	125,755
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	498,200	602,884
Over five years	超過五年	1,588,012	1,531,753
		2,213,170	2,260,392

Operating lease payments represent rentals payable by the Group for leasing commercial properties. Leases are generally negotiated for an average terms of one to five years and rentals are fixed for an average of two years except the following:

- (a) Lease of Shanghai Joinbuy Cityplaza by Shanghai Ongoing Department Store Limited, a subsidiary of the Company, for the period from 1st October, 2004 to 30th September, 2024, with an option to renew for a further 10 years.
- (b) Lease of the Amazon, No. 12 Salisbury Road, Tsimshatsui, Kowloon by Sogo Hong Kong Company Limited, with Hong Kong Island Development Limited for the period from 15th September, 2005 to 14th September, 2020, with an option to renew for a further 5 years.

35. 股份付款交易 (續)

預期波幅以本公司股價於過往年度之歷史波幅釐定。該模式中使用之預計年期乃已按管理層經考慮不可轉讓性、例後作出之最佳估計作出調整。

於截至二零零六年十二月三十一日止年度，本集團就本公司授出購股權於收益表確認開支約19,200,000港元（二零零五年：1,400,000港元）。

36. 經營租約承擔**本集團作為承租人**

於結算日，本集團就不可撤銷經營租約之租賃土地及樓宇所承擔日後最低租約款項如下：

經營租約款項指本集團就租用商業物業應付之租金。租約一般按平均租賃期一至五年協商，租金平均每兩年釐定，惟以下各項則除外：

- (a) 本公司附屬公司上海久光百貨有限公司所訂立有關上海九百城市廣場之租約，租期由二零零四年十月一日至二零二四年九月三十日，可選擇進一步續期十年。
- (b) 崇光（香港）百貨有限公司與香島發展有限公司所訂立有關九龍尖沙咀梳士巴利道12號亞瑪遜之租約，租期由二零零五年九月十五日至二零二零年九月十四日，可選擇進一步續期五年。

36. Operating lease commitments (continued)

The Group as lessor

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	30,475	35,390
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	30,663	47,207
		61,138	82,597

Leases are generally negotiated for an average term of one to five years.

36. 經營租約承擔 (續)

本集團作為出租人

於結算日，本集團已與租戶訂約的日後最低租約款項如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	30,475	35,390
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	30,663	47,207
		61,138	82,597

租約一般按平均租賃期一至五年協商。

37. Capital and other commitments

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital and other expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the financial statements (Note (i))	有關購入物業、廠房及設備已訂約惟未於財務報表撥備之資本及其他開支 (附註(i))	804,258	1,739
Capital and other expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for (Note (ii) and Note 40)	有關購入物業、廠房及設備已授權惟未訂約之資本及其他開支 (附註(ii)及附註40)	3,667,000	15,000

Note:

At 31st December, 2006, the Group has the following commitments in respect of a PRC project in Shenyang, the PRC:

- (i) Included in the above is a balance payment of approximately RMB800 million (equivalent to approximately HK\$798 million) before 31st July, 2007 with regard to the acquisition of the land use right for 40 years in respect to a piece of land with an area of approximately 55,880 square meters in Shenhe District, Shenyang City, the PRC. Total purchase consideration is approximately RMB1,030 million (equivalent to approximately HK\$1,025 million) (subject to adjustment based on actual site area);
- (ii) Projected development costs totaling approximately RMB2.9 billion (equivalent to approximately HK\$2.89 billion) for the Phase 1 development which is designated for erecting and establishing a Jiuguang department store and Phase 2 development which is designated for building a shopping and entertainment complex and other commercial facilities. Completion dates for Phase 1 and Phase 2 are expected to be before end of 2009 and 2012 respectively.

37. 資本及其他承擔

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital and other expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the financial statements (Note (i))	有關購入物業、廠房及設備已訂約惟未於財務報表撥備之資本及其他開支 (附註(i))	804,258	1,739
Capital and other expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for (Note (ii) and Note 40)	有關購入物業、廠房及設備已授權惟未訂約之資本及其他開支 (附註(ii)及附註40)	3,667,000	15,000

附註：

於二零零六年十二月三十一日，本集團就中國瀋陽之中國項目之承擔如下：

- (i) 以上承擔包括一筆於二零零七年七月三十一日前有關收購中國瀋陽市瀋河區一幅土地佔地約55,880平方米之40年土地使用權之付款餘額約人民幣800,000,000元(約相當於798,000,000港元)。收購代價總額約為人民幣1,030,000,000元(約相當於1,025,000,000港元)，惟有待按實際地盤面積作出調整；
- (ii) 指定建立及設立久光百貨之第一期發展以及指定建立購物及娛樂綜合大樓與其他商業設施之第二期發展之預期發展成本共約人民幣2,900,000,000元(約相當於2,890,000,000港元)。第一期及第二期之完成日期預期分別為二零零九年年底及二零一二年之前。

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38. Contingent liabilities

Pursuant to two sales and purchase agreements entered into among the subsidiaries in 1985 and 1996, certain properties were transferred within the Group. The assignments of these properties have not been executed. If no exemption for stamp duty is granted under the Stamp Duty Ordinance, upon execution of the assignment of the properties, the Group will be subject to an aggregate stamp duty of approximately HK\$38.9 million.

39. Pledge of assets

At 31st December, 2006, the Group has pledged certain leasehold land and buildings with carrying values of HK\$1,725 million (2005: HK\$1,769 million), together with certain shares of the Company's subsidiaries, to secure the banking facilities of HK\$4,000 million (2005: HK\$2,300 million) granted to the Group of which HK\$1,200 million (2005: HK\$1,260 million) has been utilised.

40. Post balance sheet event

On 22nd January 2007, Charm Wave Limited, a wholly-owned subsidiary of the Company ("Charm Wave"), entered into a Joint Venture agreement with Suzhou Industrial Park Urban Development Co. Ltd. ("SIPUDC") for establishment of a Joint Venture ("JV") for developing, operating and leasing of a shopping mall situated at a plot of land with site area of approximately 53,192 square meters in Suzhou Industrial Park, the PRC. Total investment size of this JV is estimated to be around RMB780 million and 50% of which is in the form of registered capital.

In accordance with the JV agreement, Charm Wave needs to:

- (1) make capital contribution to the JV in the form of cash payment in one lump sum of approximately RMB180 million to obtain a 46.1% interest within 6 months from the issue date of the business licence for the JV, or within 30 days from the date on which a capital verification report verifying the capital contribution by SIPUDC, whichever is earlier;
- (2) acquire the remaining 53.9% equity interests held by SIPUDC in the JV within 12 months following the establishment of JV. The acquisition price will be based on the valuation of the equity interest held by SIPUDC at the time; and
- (3) make further contribution towards the difference between RMB780 million, total investment size and the RMB390 million registered capital of JV.

Total financial commitment of approximately RMB780 million (equivalent to approximately HK\$777 million) has been included as capital and other commitment in note 37 above.

38. 或然負債

根據附屬公司間於一九八五年及一九九六年訂立之兩份買賣協議，若干物業於本集團內公司間轉讓，惟該等物業轉讓至今仍未執行。倘未能根據印花稅條例獲豁免印花稅，則本集團於轉讓該等物業時，將須繳付合共約38,900,000港元印花稅。

39. 資產抵押

於二零零六年十二月三十一日，本集團將賬面值為1,725,000,000港元（二零零五年：1,769,000,000港元）之若干租賃土地及樓宇，連同本公司附屬公司若干股份抵押，作為本集團獲授銀行融資額4,000,000,000港元（二零零五年：2,300,000,000港元）之抵押，其中1,200,000,000港元（二零零五年：1,260,000,000港元）已動用。

40. 結算日後事項

於二零零七年一月二十二日，本公司全資附屬公司祥華有限公司（「祥華」）與蘇州工業園區城市發展有限公司（「工業園城市發展公司」）就成立合營公司（「合營公司」）訂立合營企業協議，以於位於中國蘇州工業園一塊地盤面積約為53,192平方米之土地發展，經營及租賃購物中心。合營公司之投資總額估計約為人民幣780,000,000元，當中50%為註冊資本。

根據合營公司協議，祥華須：

- (1) 由發出合營公司營業執照當日起計六個月內，或提供有關核實工業園城市發展公司之出資額驗資報告當日起計三十日內（以較早者為準），一筆過以現金向合營公司出資約人民幣180,000,000元，以取得46.1%權益；
- (2) 於成立合營公司後十二個月內收購工業園城市發展公司所持合營公司其餘53.9%股權。收購價將按工業園城市發展公司當時所持股權之估值釐定；及
- (3) 就投資總額人民幣780,000,000元與合營公司註冊資本人民幣390,000,000元間之差額進一步出資。

總財務承擔約人民幣780,000,000元（約相當於約777,000,000港元）已計入上文附註37之資本及其他承擔。

41. Related party disclosure

(a) Transactions

During the year, the Group had entered into the following significant transactions with the following related parties and connected parties:

Name of related party 有關連人士名稱	Nature of transaction 交易性質	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Name of related parties 有關連人士名稱			
Shanghai Joinbuy City Plaza Co. Ltd. ("Property JV") 上海九百城市廣場有限公司 (「物業合營企業」)	Interest income (note 1) 利息收入 (附註 1)	-	7,450
Property JV 物業合營企業	Rental and management fee paid (note 1) 已付租金及管理費 (附註 1)	149,122	139,730
Name of connected parties 關連人士名稱			
Chow Tai Fook Jewellery Company Limited ("CTF Jewellery") 周大福珠寶金行有限公司 (「周大福珠寶」)	Income from concessionaire sales (note 2) 特許專權銷售收入 (附註 2)	8,690	6,373
周大福珠寶金行 (深圳) 有限公司 (「周大福深圳珠寶」)	Income from concessionaire sales (note 2) 特許專權銷售收入 (附註 2)	1,609	884
Hong Kong Island Development Limited ("Hong Kong Island") 香島發展有限公司 (「香島」)	Rental, vetting fee, air-conditioning charges and management fee paid (note 2) 已付租金、審批費用、空調費及管理費 (附註 2)	34,539	14,917
Pollution & Protection Services Limited ("PPS") 寶聯防污服務有限公司 (「寶聯防污」)	Cleaning service (note 2) 清潔服務 (附註 2)	2,906	768
New World PCS Limited ("New World PCS") 新世界流動電話有限公司 (「新世界流動電話」)	Licence fee received (note 2) 已收特許費 (附註 2)	378	452
Sunny Ocean Investments Limited ("Sunny Ocean")	Lightbox licence fee paid (note 3) 已付燈箱特許費 (附註 3)	-	385
Viewide Properties Limited ("Viewide") and Sunny Ocean	Rental and service charges paid (note 3) 已付租金及服務費 (附註 3)	-	36,138

41. 有關連人士披露

(a) 交易

年內，本集團曾與以下有關連人士及關連人士進行下列重大交易：

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41. Related party disclosure (continued)

Notes:

- (1) Property JV is a jointly controlled entity in which the Group has a 50% interest.
- (2) CTF Jewellery, 周大福深圳珠寶, Hong Kong Island, PPS and New World PCS are companies in which Dató Dr. Cheng Yu-tung and Mr. Cheng Kar-shun, Henry, the directors of the Company, have beneficial interests.
- (3) Sunny Ocean and Viewide are companies in which Mr. Lau Luen Hung, Thomas and Mr. Lau Luen-hung, Joseph, directors of the Company, have beneficial interests. Sunny Ocean and Viewide are indirect wholly owned subsidiaries of Chinese Estates Holdings Limited.

(b) Loan

Pursuant to a loan agreement dated 18th November, 2004 entered into between Billion Empire Limited ("Billion Empire"), a wholly-owned subsidiary of the Company and Dragon Sign Limited ("Dragon Sign"), Billion Empire granted a loan facility of HK\$2,000,000 to Dragon Sign ("Loan Facility"). The Loan Facility was secured by 50% of the issued share capital of Dragon Sign. At 31st December, 2005, utilised loan facility of HK\$1,130,000 was included in the trade and other receivables.

The Loan Facility is interest bearing and had been repaid in full during the year. Mr. Thomas Lau, a director of the Company, is one of the four directors of Dragon Sign.

(c) Guarantee

The Property JV, together with the Company, provides a joint and several guarantee up to an amount of RMB30 million in favour of a bank to secure an aggregate RMB30 million loan facility granted to Shanghai Ongoing Department Store Limited, a subsidiary of the Company. The amount utilised as at 31st December, 2005 amounted to RMB30 million. The loan facility expired in April 2006.

(d) Compensation of key management personnel

The remuneration of executive directors during the year was determined by the remuneration committee having regard to the performance of the individuals and market. Details of which together with the other 4 highest paid management personnel are disclosed in note 12 above.

41. 有關連人士披露 (續)

附註：

- (1) 物業合營企業為本集團擁有50%權益之共同控制實體。
- (2) 周大福珠寶、周大福深圳珠寶、香島、寶聯防污及新世界流動電話為本公司董事拿督鄭裕彤博士及鄭家純先生持有實益權益的公司。
- (3) Sunny Ocean及Viewide乃本公司董事劉鑾鴻先生及劉鑾雄先生持有實益權益的公司。Sunny Ocean及Viewide乃華人置業集團之間接全資附屬公司。

(b) 貸款

根據本公司全資附屬公司億冠有限公司(「億冠」)與龍信有限公司(「龍信」)所訂立日期為二零零四年十一月十八日之貸款協議，億冠授出貸款融資2,000,000港元予龍信(「貸款融資」)。貸款融資乃以龍信已發行股本50%作抵押。於二零零五年十二月三十一日，已動用貸款融資1,130,000港元已計入應收賬款及其他應收款項。

貸款融資須計息，且已於年內悉數償還。本公司董事劉鑾鴻先生為龍信四名董事之一。

(c) 擔保

物業合營企業連同本公司共同及個別向銀行提供為數最多人民幣30,000,000元之擔保，作為本公司附屬公司上海久光百貨有限公司獲授貸款融資額合共人民幣30,000,000元之抵押。於二零零五年十二月三十一日，該筆款項中已動用人民幣30,000,000元。貸款融資已於二零零六年四月到期。

(d) 主要管理人員薪酬

年內，執行董事之酬金乃由薪酬委員會按個別表現及市場狀況釐定，彼等之酬金連同其餘四名最高收入管理層成員之酬金詳情於上文附註12披露。

42. Particulars of principal subsidiaries

At 31st December, 2006, the details of the Company's principal subsidiaries are as follows:

42. 主要附屬公司詳情

於二零零六年十二月三十一日，本公司主要附屬公司之詳情如下：

Name of company	Place and date of incorporation	Issued and fully paid share capital	Attributable equity interest of the Group 本集團應佔股本權益	Principal activities
公司名稱	註冊成立地點及日期	已發行及繳足股本	股本權益	主要業務
Asia Kinetic Limited 明振有限公司	Hong Kong 27th February, 2002 香港 二零零二年二月二十七日	HK\$2 2港元	100%	Retailing and investment holding 零售及投資控股
Congenial Company Limited	Hong Kong 24th April, 1981 香港 一九八一年四月二十四日	HK\$10,000,000 10,000,000港元	100%	General trading and property holding 一般貿易及物業持有
Eastlord Development Limited 加諾發展有限公司	Hong Kong 21st August, 1987 香港 一九八七年八月二十一日	HK\$500,000 500,000港元	100%	Property holding and leasing 物業持有及租賃
Everwin Worldwide Limited 永盛環球有限公司	Hong Kong 17th November, 2000 香港 二零零零年十一月十七日	HK\$2 2港元	100%	Property leasing 物業租賃
Fine Shine Limited 遠耀有限公司	Hong Kong 11th September, 2003 香港 二零零三年九月十一日	HK\$2 2港元	100%	Restaurant, retail and supermarket 食肆、零售及超級市場
Forceworld Investments Limited 可偉投資有限公司	Hong Kong 15th July, 1988 香港 一九八八年七月十五日	HK\$500,000 500,000港元	100%	Property holding 物業持有
Future Develop Limited	British Virgin Islands 12th December, 2003 英屬處女群島 二零零三年十二月十二日	US\$3 3美元	100%	Investment holding 投資控股
Glory Line Management Limited 偉業管理有限公司	Hong Kong 5th September, 1995 香港 一九九五年九月五日	HK\$500,000 500,000港元	100%	Provision of property security and management services 提供物業保安及管理服務
Grand Kinetic Limited 堅享有限公司	Hong Kong 7th February, 2001 香港 二零零一年二月七日	HK\$2 2港元	100%	Property holding and leasing 物業持有及租賃

for the year ended 31st December, 2006 截至二零零六年十二月三十一日止年度

42. Particulars of principal subsidiaries (continued)

42. 主要附屬公司詳情 (續)

Name of company	Place and date of incorporation	Issued and fully paid share capital	Attributable equity interest of the Group	Principal activities
公司名稱	註冊成立地點及日期	已發行及繳足股本	本集團應佔股本權益	主要業務
Pacific Trump Development Limited 沛駿發展有限公司	Hong Kong 6th July, 1995 香港 一九九五年七月六日	HK\$2 2港元	100%	Property letting and investment holding 物業租賃及投資控股
Public Might Limited 群量有限公司	Hong Kong 30th August, 1984 香港 一九八四年八月三十日	HK\$1,000 1,000港元	100%	Property investment and provision of building management services 物業投資及提供大廈管理服務
Ronson Kwok Asia Pacific Limited	Hong Kong 5th October, 1993 香港 一九九三年十月五日	HK\$1,000,000 1,000,000港元	100%	Building management and club operator 大廈管理及會所營運
Sogo Hong Kong Company Limited 崇光(香港)百貨有限公司	Hong Kong 23rd September, 1983 香港 一九八三年九月二十三日	HK\$4,000,000 4,000,000港元	100%	Retailing business 零售業務
Superlite Limited	British Virgin Islands 3rd April, 2001 英屬處女群島 二零零一年四月三日	US\$1 1美元	100%	Property holding 物業持有
上海久光百貨有限公司 (Shanghai Ongoing Department Store Limited) (sino-foreign equity joint venture) (中外合營企業)	People's Republic of China 26th July, 2004 中華人民共和國 二零零四年七月二十六日	US\$12,000,000 12,000,000美元	65%	Retailing business 零售業務

43. Balance sheet information of the company

Balance sheet information of the Company at the balance sheet date includes:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current asset	非流動資產		
Interest in subsidiaries	於附屬公司權益	4,194	4,194
Current assets	流動資產		
Other receivables	其他應收款項	211	281
Amounts due from subsidiaries	應收附屬公司款項	3,184,210	2,388,037
Bank balances and cash	銀行結存及現金	42,921	1,074,481
		3,227,342	3,462,799
Current liabilities	流動負債		
Other payables	其他應付款項	1,405	1,256
Dividend payable	應付股息	3	2
		1,408	1,258
Net current assets	流動資產淨值	3,225,934	3,461,541
		3,230,128	3,465,735
Capital and reserves	資本及儲備		
Share capital	股本	8,480	8,470
Reserves	儲備	3,221,648	3,457,265
		3,230,128	3,465,735

Profit for the year ended 31st December, 2006 of the Company amounted to approximately HK\$8,542,000 (2005: HK\$10,805,000).

Under the Company Law (Revised) Chapter 25 of the Cayman Islands, the share premium of the Company is available for distribution or paying dividends to shareholders subject to the provisions of its memorandum or articles of association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. The Company's reserve available for distribution consisted of share premium of approximately HK\$3,199,948,000 (2005: HK\$3,463,307,000) and retained profits of the Company of approximately HK\$1,100,000 at 31st December, 2006 (2005: NIL).

43. 本公司資產負債表資料

於結算日，本公司資產負債表資料包括：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current asset	非流動資產		
Interest in subsidiaries	於附屬公司權益	4,194	4,194
Current assets	流動資產		
Other receivables	其他應收款項	211	281
Amounts due from subsidiaries	應收附屬公司款項	3,184,210	2,388,037
Bank balances and cash	銀行結存及現金	42,921	1,074,481
		3,227,342	3,462,799
Current liabilities	流動負債		
Other payables	其他應付款項	1,405	1,256
Dividend payable	應付股息	3	2
		1,408	1,258
Net current assets	流動資產淨值	3,225,934	3,461,541
		3,230,128	3,465,735
Capital and reserves	資本及儲備		
Share capital	股本	8,480	8,470
Reserves	儲備	3,221,648	3,457,265
		3,230,128	3,465,735

截至二零零六年十二月三十一日止年度，本公司之溢利約為8,542,000港元（二零零五年：10,805,000港元）。

根據開曼群島公司法（經修訂）第25章，本公司之股份溢價可根據其公司組織章程大綱或細則之規定，分派予股東或作為股息向股東派發，惟緊隨股息分派後，本公司須有能力支付其於日常業務過程中到期之債務。於二零零六年十二月三十一日，本公司之可供分派儲備由股份溢價約3,199,948,000港元（二零零五年：3,463,307,000港元）及本公司保留溢利約1,100,000港元（二零零五年：零）組成。