

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and the Company for the year ended 31st December, 2006.

## **PRINCIPAL ACTIVITIES**

The Company and its subsidiaries are principally engaged in investment holding, treasury investments and the provision of mortgage finance and other related services. The principal activities and other particulars of the Company's subsidiaries are set out in note 22 to the consolidated financial statements.

There were no significant changes in the nature of the Group's principal activities during the year.

## **SEGMENT INFORMATION**

An analysis of the Group's revenue and results by principal activity and geographical area for the year ended 31st December, 2006 is set out in note 7 to the consolidated financial statements.

## **RESULTS AND APPROPRIATIONS**

The results of the Group for the year ended 31st December, 2006 are set out in the consolidated income statement on page 39.

The Directors do not recommend the payment of a final dividend for the year (2005: Nil). No interim dividend was declared for the year (2005: Nil).

董事會欣然提呈董事會報告及本集團及本公司截至二零零六年十二月三十一日止年度之經審核財務報表。

## **主要業務**

本公司及其附屬公司主要從事投資控股、財務投資，以及提供按揭融資及其他相關服務。本公司附屬公司之主要業務及其他資料載於綜合財務報表附註22。

本年度內本集團主要業務之性質並無重大變動。

## **分部資料**

本集團截至二零零六年十二月三十一日止年度按主要業務及地區劃分之收益及業績分析載於綜合財務報表附註7。

## **業績及分派**

本集團截至二零零六年十二月三十一日止年度之業績，載於第39頁的綜合收益表。

董事會建議不派付本年度之末期股息（二零零五年：無）。本年度並無宣派任何中期股息（二零零五年：無）。

# DIRECTORS' REPORT

## 董事會報告

### SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years ended 31st December, 2006, as extracted from the audited consolidated financial statements, is set out on page 80.

### PLANT AND EQUIPMENT

Details of movements in plant and equipment of the Group and the Company during the year are set out in note 14 to the consolidated financial statements.

### SHARE CAPITAL

Details of the share capital of the Company are set out in note 20 to the consolidated financial statements.

### RESERVE

Details of movements in the reserve of the Company and of the Group during the year are set out in note 21 to the consolidated financial statements and the Consolidated Statement of Changes in Equity, respectively.

### SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 22 to the consolidated financial statements.

### 財務資料摘要

本集團截至二零零六年十二月三十一日止過去五個財政年度之已公佈業績及資產與負債摘要(摘錄自經審核綜合財務報表)載於第80頁。

### 機器及設備

本年度內本集團及本公司機器及設備之變動詳情載於綜合財務報表附註14。

### 股本

本公司股本之詳情載於綜合財務報表附註20。

### 儲備

本年度內本公司及本集團儲備之變動詳情分別載於綜合財務報表附註21及綜合權益變動表。

### 附屬公司

本公司附屬公司之詳情載於綜合財務報表附註22。

## DIRECTORS

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

### Executive Directors:

Akihiro Nagahara (*Chairman*)

Stephen Lo Kam Fai (*Chief Executive*)

Poon Mo Yiu

(appointed on 28th September, 2006)

Edwin Lo King Yau

(resigned on 28th September, 2006)

### INEDs:

Chan Bo Ching

Li Chak Hung

Yuen Wai Ho

In accordance with Article 110 of the Company's Articles of Association, Mr. Poon Mo Yiu who has been appointed since the last AGM and before the date of this report, will retire at the forthcoming AGM and, being eligible, offer himself for re-election.

In accordance with Articles 120 and 121 of the Company's Articles of Association, Messrs. Akihiro Nagahara and Chan Bo Ching will retire by rotation and being eligible offer themselves for re-election.

## 董事

於本年度及截至本報告日期為止，本公司之董事如下：

### 執行董事：

長原彰弘 (主席)

羅錦輝 (行政總裁)

潘慕堯

(於二零零六年九月二十八日獲委任)

勞景祐

(於二零零六年九月二十八日辭任)

### 獨立非執行董事：

陳步青

李澤雄

阮煒豪

按照本公司組織章程細則第110條之規定，自上屆股東週年大會至本報告日期期間獲委任之潘慕堯先生將於即將舉行之股東週年大會上退任，惟有資格並願膺選連任。

按照本公司組織章程細則第120條及第121條之規定，長原彰弘先生及陳步青先生將輪席退任，惟有資格並願膺選連任。

# DIRECTORS' REPORT

## 董事會報告

### BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

**Akihiro Nagahara**, aged 66, was appointed as the Chairman and an Executive Director of the Company since October 2005. He is the managing director of United Asia Finance Limited (“UAF”), the Company’s indirect holding company. He holds a law degree from the National Taiwan University and a Master’s degree from the Graduate School in Law of the National Hitotsubashi University of Japan, where he also completed his doctorate courses. He is an acknowledged expert in the consumer finance business in Hong Kong and is credited with the successful establishment of Public Finance Limited (formerly known as JCG Finance Company, Limited). He is also the chairman of The Hong Kong S.A.R. Licensed Money Lenders Association Limited since its establishment in 1999, which is the only industry representative association of licensed money lenders in Hong Kong.

**Stephen Lo Kam Fai**, aged 45, was appointed as the Chief Executive and an Executive Director of the Company since October 2005 and as the Company Secretary of the Company since September 2005. He is a member of the Institute of Chartered Accountants of England and Wales and a fellow member of both The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He holds a Master of Business Administration degree from the Hong Kong Polytechnic and a Bachelor of Science degree in Economics with First Class Honours from the University of London. He has over 20 years’ experience in the auditing and accounting profession. He started his career in one of the big four international auditing firms and subsequently joined and worked for a sizeable listed company for a number of years in various postings including internal audit, acquisition advisory, financial controller, management and budgetary controller, etc. He is currently a director of UAF, the Company’s indirect holding company, and has worked for UAF as the financial controller for over 10 years.

### 董事及高級行政要員簡歷

**長原彰弘**，現年六十六歲，自二零零五年十月起獲委任為本公司主席及執行董事。彼為本公司間接控股公司亞洲聯合財務有限公司（「亞洲聯合財務」）之董事總經理。彼持有台灣國立大學法律學位及日本國立一橋大學法學院碩士學位，並於該大學完成其博士課程。彼為香港知名私人財務專家，並因成功創辦大眾財務有限公司（前稱日本信用保證財務有限公司）而備受讚譽。彼亦為香港持牌放債人公會有限公司自一九九九年成立至今之主席，而該公司為香港持牌放債人之唯一業界代表機構。

**羅錦輝**，現年四十五歲，自二零零五年十月起獲委任為本公司行政總裁及執行董事，及自二零零五年九月起獲委任為本公司之公司秘書。彼為英格蘭及威爾斯特許會計師公會會員，並為英國特許公認會計師公會及香港會計師公會資深會員。羅先生持有香港理工學院頒發之工商管理碩士學位及倫敦大學頒發之經濟學一級榮譽學士學位。彼於審計及會計專業積逾二十年經驗。彼首份工作乃服務於四大國際核數公司之一，其及後加盟一間具規模上市公司工作多年並曾負責多項職務，包括內部審核、收購顧問、財務總監、管理及預算總監等。彼現為亞洲聯合財務（本公司之間接控股公司）董事，並已出任亞洲聯合財務之財務總監逾十年。

**BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)**

**Poon Mo Yiu**, aged 42, was appointed as an Executive Director of the Company since September 2006. He is a fellow member of both The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and has a Master's degree in business administration from the Chinese University of Hong Kong through the Executive MBA programme. He is the chief financial officer of Sun Hung Kai & Co. Limited ("SHK") and a Director of UAF. Both SHK and UAF are indirect holding companies of the Company. Mr. Poon has extensive experience in financial management, management information systems, accounting projects as well as various aspects of mergers and acquisitions. Prior to joining SHK, he was with JPMorgan Chase Bank as vice president in finance and was the group financial controller of Jardine Fleming Group in Asia before its merger with JPMorgan Chase Bank.

**Chan Bo Ching**, aged 48, was appointed as an INED of the Company since October 2005. He has over 15 years' experience in the banking and financial fields in Hong Kong and Southeast Asia region. Mr. Chan holds a bachelor degree in laws and a Master's degree in laws from the University of London. He obtained a Master's degree in business administration from the Chinese University of Hong Kong through the Executive MBA programme. Mr. Chan was qualified as an associate of the Chartered Institute of Bankers in 1985 and is also an associate of the Hong Kong Institute of Bankers. Mr. Chan was awarded the Council Prize from the Chartered Institute of Bankers for the highest aggregate marks on completion of Credit Card Certificate in 1984. Mr. Chan is currently a practising barrister in Hong Kong. Prior to joining the legal profession, he held various senior executive and responsible positions in banks and finance related companies. Mr. Chan is also a member of the Hong Kong Institute of Directors, an associate member of the Taxation Institute of Hong Kong and a member of the Hong Kong Securities Institute.

**董事及高級行政要員簡歷 (續)**

**潘慕堯**，現年四十二歲，自二零零六年九月起獲委任為本公司執行董事。彼為英國特許公認會計師公會及香港會計師公會之資深會員，並透過參加行政人員工商管理碩士課程獲香港中文大學頒發工商管理碩士學位。彼為新鴻基有限公司(「新鴻基」)之財務總監及亞洲聯合財務之董事。新鴻基及亞洲聯合財務均為本公司之間接控股公司。潘先生於金融管理、資訊系統管理、會計項目以及各方面之合併及收購活動均具有豐富經驗。彼於加入新鴻基前，曾任摩根大通銀行財務部副總裁，及於怡富集團與摩根大通銀行合併前任職該集團亞洲區之財務總監。

**陳步青**，現年四十八歲，自二零零五年十月起獲委任為本公司獨立非執行董事。彼於香港及東南亞地區之銀行及金融界擁有逾十五年經驗。陳先生持有倫敦大學頒發之法律學學士及法律學碩士學位。彼透過行政人員工商管理碩士課程獲香港中文大學頒發工商管理碩士學位。陳先生於一九八五年成為英國特許銀行家學會會員，亦為香港銀行家學會會員。陳先生於一九八四年在英國特許銀行家學會之信用卡證書考試中獲最高總分，並獲頒發學會大獎。陳先生現為香港執業大律師。於投身法律界前，彼曾於多間銀行及財務相關之公司出任要職。陳先生亦為香港董事學會、香港稅務學會及香港證券學會會員。

### BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

**Li Chak Hung**, aged 42, was appointed as an INED of the Company since October 2005. Mr. Li is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He has over 18 years' experience in auditing, accounting and financial management. Mr. Li is also an independent non-executive director of Shanghai Allied Cement Limited, Quality HealthCare Asia Limited, Aurora Global Investment Holdings Limited and Smart Union Group (Holdings) Limited, all are companies listed on the Stock Exchange.

**Yuen Wai Ho**, aged 47, was appointed as an INED of the Company since October 2005. He holds two Master's degrees, one in business administration from the University of Bath in England and the other in electronic commerce from the Open University of Hong Kong. Mr. Yuen is a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong respectively and is also an associate member of the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators. Mr. Yuen has more than 21 years' experience in auditing, accounting, taxation and financial management, of which 16 years was served as senior financial executives in various multinational companies and listed companies in Hong Kong. Mr. Yuen is currently a group financial controller of a listed company in Hong Kong and an independent non-executive director of Rexcapital Financial Holdings Limited, a company listed on the Stock Exchange. Mr. Yuen was an executive director of Huabao International Holdings Limited, a company listed on the Stock Exchange.

### 董事及高級行政要員簡歷(續)

**李澤雄**，現年四十二歲，自二零零五年十月起獲委任為本公司獨立非執行董事。李先生為香港會計師公會會員及英國特許公認會計師公會資深會員。彼於賬目審核、會計及財務管理工作方面擁有逾十八年經驗。李先生亦為上海聯合水泥股份有限公司、卓健亞洲有限公司、旭日環球投資控股有限公司及合俊集團(控股)有限公司之獨立非執行董事，該等公司皆於聯交所上市。

**阮煒豪**，現年四十七歲，自二零零五年十月起獲委任為本公司獨立非執行董事。彼持有兩個碩士學位，分別為英國University of Bath工商管理及香港公開大學電子商貿之碩士學位。阮先生分別為香港會計師公會、英國特許公認會計師公會及香港稅務學會之資深會員，並為英國特許管理會計師公會及英國特許秘書及行政人員公會之會員。阮先生於賬目審核、會計、稅務及財務管理積逾二十一年經驗，其中十六年於多間跨國公司及香港上市公司任職高級財務行政人員。阮先生現為一間於聯交所上市之公司擔任集團財務總監及於御泰金融控股有限公司擔任獨立非執行董事(一間於聯交所上市之公司)。阮先生曾於華寶國際控股有限公司(一間於聯交所上市之公司)擔任執行董事。

**BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)**

**Eddie Wong Tak Fai**, aged 48, was appointed as the Qualified Accountant of the Company since October 2005. He is a fellow member of both The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Social Sciences degree from the University of Hong Kong. He has over 20 years' of accounting experience in the banking and finance industry.

**DIRECTORS' INTEREST**

At 31st December, 2006, none of the Directors of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

At no time during the year was the Company, its holding companies, or any of its fellow subsidiaries or subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**董事及高級行政要員簡歷(續)**

**黃德輝**，現年四十八歲，自二零零五年十月起獲委任為本公司合資格會計師。彼為英國特許公認會計師公會及香港會計師公會資深會員。彼持有香港大學頒發之社會科學學士學位。彼於銀行及財務行業積逾二十年會計經驗。

**董事之權益**

於二零零六年十二月三十一日，本公司之董事概無於本公司或其任何相聯法團之股份、相關股份及債券中擁有須記錄於根據證券及期貨條例第352條規定由本公司備存之登記冊，或根據標準守則已向本公司及聯交所申報之任何權益或淡倉。

**購買股份或債券之安排**

本公司、其控股公司或其任何同系附屬公司或附屬公司於本年度內概無參與任何安排，使本公司董事能藉此獲得本公司或任何其他法人團體之股份或債券而獲得利益。

# DIRECTORS' REPORT

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

Name of shareholder 股東名稱	Number of shares held 持有 股份數目	Approximate % of the issued share capital of the Company 佔本公司已發行 股本之概約百分比	Notes 附註
UAF 亞洲聯合財務	168,748,013	74.999	1
SHK 新鴻基	168,748,013	74.999	2, 3
Allied Properties (H.K.) Limited ("APL") 聯合地產(香港)有限公司(「聯合地產」)	168,748,013	74.999	2, 4
Allied Group Limited ("AGL") 聯合集團有限公司(「聯合集團」)	168,748,013	74.999	2, 5
Lee and Lee Trust	168,748,013	74.999	2, 6

#### Notes:

- The 168,748,013 shares (the "Shares") were held by Island New Finance Limited ("INFL"), a wholly-owned subsidiary of Onspeed Investments Limited which in turn was a wholly-owned subsidiary of UAF. UAF was therefore deemed to have an interest in the Shares in which INFL was interested.
- This figure refers to the same interest of UAF in the Shares.
- UAF was a 50.91% owned subsidiary of UAF Holdings Limited which was a wholly-owned subsidiary of Swan Islands Limited ("SIL") which in turn was a wholly-owned subsidiary of SHK. In addition, SIL also owned approximately 7.27% interest in the issued share capital of UAF. SHK was therefore deemed to have an interest in the Shares in which UAF was interested.

### 主要股東之權益

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

#### 附註：

- 該168,748,013股股份(「股份」)由Onspeed Investments Limited之全資附屬公司Island New Finance Limited(「INFL」)持有，而Onspeed Investments Limited乃亞洲聯合財務之全資附屬公司。亞洲聯合財務因此被視作擁有由INFL所持股份之權益。
- 該數字指亞洲聯合財務於該等股份中之相同權益。
- 亞洲聯合財務為UAF Holdings Limited擁有50.91%權益之附屬公司，UAF Holdings Limited為Swan Islands Limited(「SIL」)之全資附屬公司，而SIL乃新鴻基之全資附屬公司。此外，SIL亦擁有亞洲聯合財務已發行股本約7.27%權益。新鴻基因此被視作擁有由亞洲聯合財務所持股份之權益。



## SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

Notes: (continued)

4. Through AP Jade Limited and AP Emerald Limited, direct and indirect wholly-owned subsidiaries of APL respectively, APL owned approximately 65.18% interest in the issued share capital of SHK and was therefore deemed to have an interest in the Shares in which SHK was interested.
5. AGL owned approximately 74.93% interest in the issued share capital of APL and was therefore deemed to have an interest in the Shares in which APL was interested.
6. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. They together owned approximately 41.25% interest in the issued share capital of AGL and were therefore deemed to have an interest in the Shares in which AGL was interested.

The interests stated above represent a long position. At 31st December, 2006, no short positions were recorded in the register required to be kept under Section 336 of the SFO.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, none of the Directors of the Company was considered to have interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

## DIRECTORS' SERVICE CONTRACTS

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

## 主要股東之權益 (續)

附註：(續)

4. 聯合地產透過AP Jade Limited及AP Emerald Limited (分別為聯合地產之直接及間接附屬公司) 擁有新鴻基已發行股本約65.18%權益，聯合地產因此被視作擁有由新鴻基所持股份之權益。
5. 聯合集團擁有聯合地產已發行股本約74.93%權益，因此被視作擁有由聯合地產所持股份之權益。
6. 李成輝先生、李淑慧女士及李成煌先生乃全權信託Lee and Lee Trust之信託人。彼等共同於聯合集團已發行股本中擁有約41.25%之權益，因此，彼等被視作擁有由聯合集團所持股份之權益。

上述權益均屬好倉。於二零零六年十二月三十一日，根據證券及期貨條例第336條規定所存放之登記冊所載，並無淡倉記錄。

## 董事在構成競爭業務中之權益

於本年度內及截至本報告日期止，根據上市規則，概無本公司董事被認為於任何直接或間接與本集團之業務構成競爭或可能構成競爭之業務中擁有權益。

## 董事之服務合約

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

# DIRECTORS' REPORT

## 董事會報告

### MANAGEMENT CONTRACTS

No contracts concerning the management and/or administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

### EMOLUMENT POLICY

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in notes 10 and 11 to the consolidated financial statements respectively.

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

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

### PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31st December, 2006, the Group's revenue attributed to the five largest customers accounted for less than 30% of the Group's total revenue. The Group had no major suppliers due to the nature of principal activities of the Group.

### RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group and the employer's retirement benefit costs charged to the consolidated income statement for the year are set out in note 27 to the consolidated financial statements.

### 管理合約

本年度內並無訂立或存在與本集團業務全部或任何重要部份有關之管理及／或行政合約。

### 薪酬政策

董事薪酬及本集團五位最高薪酬人士之詳情分別載於綜合財務報表附註10及11。

薪酬委員會按本集團僱員之功績、資歷及能力制訂本集團僱員之薪酬政策。

本公司董事之薪酬由薪酬委員會決定，按本公司經營業績、個人表現及可資比較市場統計數字而定。

### 購回、出售或贖回股份

本公司或其任何附屬公司於本年度內概無購回、出售或贖回本公司之任何股份。

### 主要客戶及供應商

截至二零零六年十二月三十一日止年度，本集團五大客戶之收益少於本集團總收益之30%。基於本集團主要業務之性質，本集團並無主要供應商。

### 退休福利計劃

有關本集團之退休福利計劃及計入本年度綜合收益表之僱主退休福利成本之詳情載於綜合財務報表附註27。

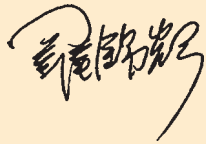
## SUFFICIENCY OF PUBLIC FLOAT

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

## AUDITOR

A resolution will be submitted to the AGM of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company.

On behalf of the Board



**Stephen Lo Kam Fai**

*Chief Executive*

Hong Kong, 23rd March, 2007

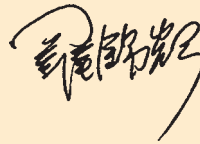
## 足夠公眾持股量

於本報告日期，根據本公司獲得之公開資料及據董事所知，本公司已維持上市規則所規定之足夠公眾持股量。

## 核數師

本公司將於本公司股東週年大會上提呈決議案，續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會



行政總裁

羅錦輝

香港，二零零七年三月二十三日