

**ALLIED PROPERTIES (H.K.) LIMITED**

**聯合地產(香港)有限公司**

(Stock Code 股份代號 : 56)

ANNUAL REPORT

年報

**07**



## Contents

	Page
Corporate Information	3
Chairman's Statement	4
Review of Operations	5
Profile of Directors and Senior Management	12
Corporate Governance Report	13
Directors' Report	21
Independent Auditor's Report	53
Consolidated Income Statement	55
Consolidated Balance Sheet	56
Balance Sheet	58
Consolidated Statement of Changes in Equity	59
Consolidated Cash Flow Statement	61
Notes to the Consolidated Financial Statements	65
Financial Summary	165
Particulars of Major Properties	166

### BOARD OF DIRECTORS

Arthur George Dew  
*Chairman and Non-Executive Director*  
Patrick Lee Seng Wei  
*Chief Executive and Executive Director*  
Li Chi Kong  
*Executive Director*  
Henry Lai Hin Wing  
*Non-Executive Director*  
Steven Lee Siu Chung  
*Non-Executive Director*  
John Douglas Mackie  
*Independent Non-Executive Director*  
Steven Samuel Zoellner  
*Independent Non-Executive Director*  
Alan Stephen Jones  
*Independent Non-Executive Director*

### EXECUTIVE COMMITTEE

Patrick Lee Seng Wei *Chairman*  
Li Chi Kong

### REMUNERATION COMMITTEE

Alan Stephen Jones *Chairman*  
Arthur George Dew  
Henry Lai Hin Wing  
John Douglas Mackie  
Steven Samuel Zoellner

### AUDIT COMMITTEE

Alan Stephen Jones *Chairman*  
Arthur George Dew  
Henry Lai Hin Wing  
John Douglas Mackie  
Steven Samuel Zoellner

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
CITIC Ka Wah Bank Limited  
Fubon Bank (Hong Kong) Limited  
Standard Chartered Bank (Hong Kong) Limited  
Wing Hang Bank, Limited

### REGISTERED OFFICE

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

### SHARE REGISTRAR

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

### COMPANY SECRETARY

Li Chi Kong

### AUDITORS

Deloitte Touche Tohmatsu

### SOLICITORS

Fred Kan & Co.  
Mallesons Stephen Jaques  
P. C. Woo & Co.

### STOCK CODE

56

### WEBSITES

<http://www.alliedproperties.com.hk>  
<http://www.irasia.com/listco/hk/alliedproperties/index.htm>

## Chairman's Statement

I am pleased to present to shareholders the annual results of the Company and its subsidiaries (collectively the "Group") for the year 2007. The performance of the Group this year has been very pleasing. The financial services businesses and the property development and rental businesses both in Hong Kong and China all delivered successful performances in 2007. The Group also acquired United Asia Finance Limited ("UAF") in 2006 and increased its shareholding in Quality HealthCare Asia Limited ("QHA") such that QHA is now a subsidiary. These two divisions have brought additional profit streams into the Group.

### FINANCIAL RESULTS

For the year ended 31st December, 2007, the Group's revenue increased to HK\$4,868.8 million, an increase of 124.7% compared with 2006. Profit attributable to equity holders of the Company increased from HK\$1,047.8 million in 2006 to HK\$2,253.7 million, representing an increase of 115.1%. Earnings per share amounted to HK41.35 cents compared to HK19.51 cents in 2006.

### DIVIDEND

The board of directors of the Company ("Board") has recommended a final dividend of HK3 cents per share for the year ended 31st December, 2007 (2006: HK1.5 cents\*) payable to the shareholders of the Company ("Shareholders") whose names appear on the register of members of the Company on Friday, 6th June, 2008.

\* Adjusted as each share of the Company of HK\$2.00 per share was subdivided into ten shares of HK\$0.20 per share with effect from 21st August, 2007.

### CLOSURE OF REGISTER

The register of members of the Company will be closed from Tuesday, 3rd June, 2008 to Friday, 6th June, 2008 (both days inclusive), during which period no transfer of the shares of the Company will be registered. In order to qualify for the final dividend, all transfers forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 2nd June, 2008. Subject to approval by the Shareholders at the forthcoming annual general meeting ("AGM") of the Company, dividend warrants are expected to be despatched to the Shareholders by post on or around Thursday, 7th August, 2008.

### FUTURE PROSPECTS

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

### APPRECIATION

We have enjoyed a very successful year. This success has been a collective result secured through the dedication, loyalty and professionalism of all our staff. I would like to express the Group's appreciation for their efforts in 2007. I look forward to their continued support.

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



**Arthur George Dew**

*Chairman*

Hong Kong, 15th April, 2008

## INTRODUCTION

The core businesses of the Company and its subsidiaries and associates consist of property investment, property development, hospitality related activities and financial services. The Company is a subsidiary of Allied Group Limited (“Allied Group”). The Company’s interests in property investment and development and hospitality related activities in Hong Kong are mainly held through its wholly owned subsidiaries or the 50% owned Allied Kajima Limited (“Allied Kajima”), and in respect of property investment and development and hospitality related activities in The People’s Republic of China (“PRC”), through Tian An China Investments Company Limited (“Tian An”), being an associate held by Sun Hung Kai & Co. Limited (“Sun Hung Kai”). The Company’s financial services business is mainly conducted through Allied Properties’ 58.64% holding in Sun Hung Kai as well as Sun Hung Kai’s effective 58.18% holding in UAF. QHA, a 51.15% subsidiary of Sun Hung Kai, is engaged in the business of provision of healthcare services.

## FINANCIAL REVIEW

### Results

The revenue of the Group for 2007 was approximately HK\$4,868.8 million, which was an increase of 124.7% compared with the year 2006. The increase in revenue was due to:–

- a stronger performance from Sun Hung Kai, driven by the buoyant stock market;
- the full year consolidation of the revenue of UAF and QHA, which became subsidiaries of the Group in August and October 2006 respectively; and
- higher rental income derived from the Group’s investment properties.

The profit attributable to the equity holders of the Company for the year increased by 115.1% to approximately HK\$2,253.7 million from HK\$1,047.8 million in 2006. Earnings per share amounted to HK\$41.35 cents (2006: HK\$19.51 cents).

The increase in profit was due to:–

- a significant increase in contribution from Sun Hung Kai;
- higher revaluation gains from the Group’s investment properties as a result of the strong property market in Hong Kong;
- full year consolidation of the results of UAF and QHA;
- a profit on the deemed disposal of a portion of the Group’s interest in Sun Hung Kai arising from a share placing amounting to HK\$454.8 million (2006: HK\$303.9 million);
- a profit on a deemed disposal of a partial interest in Tian An of HK\$82.2 million attributable to the Company, compared to a deemed loss of HK\$53.0 million in 2006; and
- the non-recurrence this year of the provision for additional Land Appreciation Tax (“LAT”) in Mainland China made by Tian An in the year 2006.

During 2007, the Company undertook two modifications to its loan and capital structure. Firstly, it redeemed all its outstanding convertible bonds during the year amounting to HK\$549.3 million including accrued interest. The reasons for the redemption were that the Company was unable to utilise the major portion of the proceeds which had been raised from the issue of the convertible bonds in 2006 for the stated purpose of increasing its shareholding in Sun Hung Kai, and that the interest rate on its bank borrowings was less than that payable under the convertible bonds. Secondly, the Company completed a subdivision of shares in August 2007 by subdividing each of the then existing shares of HK\$2.00 into ten shares of HK\$0.20 each. This was designed to improve the trading liquidity of its shares, thereby providing the opportunity for the Company to attract more investors and widen its shareholder base.

### Segmental Information

Detailed segmental information in respect of the Group’s revenue and segmental results as well as other information is shown in note 10 to the consolidated financial statements.

## FINANCIAL REVIEW (CONT'D)

### Material Acquisitions and Disposals

#### (a) Disposal of interests in Island New Finance Limited ("INFL")

On 31st May, 2007, Onspeed Investments Limited (an indirectly non wholly-owned subsidiary of Sun Hung Kai, held through its interest in UAF) completed its disposal of the entire issued share capital of INFL and the assignment of a loan for an aggregate consideration of approximately HK\$248.9 million. As of the completion date of the above disposal, INFL was beneficially interested in approximately 74.999% of the issued capital of The Hong Kong Building and Loan Agency Limited ("HKBLA").

#### (b) Disposal of interests in associate

On 7th June, 2007, Bright Clear Limited, a fellow subsidiary of the Company, entered into a conditional sale and purchase agreement with Sun Hung Kai and two subsidiaries of Sun Hung Kai (collectively "Vendors") to acquire from the Vendors in aggregate 379,291,800 shares in Yu Ming Investments Limited ("Yu Ming"), representing approximately 22.43% of the then issued share capital of Yu Ming at an aggregate consideration of approximately HK\$166.9 million. The transaction was completed on 31st August, 2007. Details of the transaction were contained in the joint announcement dated 7th June, 2007 made by the Company, Allied Group and Sun Hung Kai and the circulars dated 3rd July, 2007 issued by the Company and Sun Hung Kai respectively.

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

The Company, through its wholly-owned subsidiary, had completed share placing of 166,000,000 shares ("Share Placing") of Sun Hung Kai on 12th November, 2007. The top-up subscription of 166,000,000 new shares of Sun Hung Kai was completed on 13th November, 2007. The net proceeds of the placing and top-up subscription amounted to approximately HK\$1,906.0 million. The shareholdings in Sun Hung Kai held by the Company before Share Placing and after top-up subscription were 64.34% and 57.98% respectively.

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

### Financial Resources, Liquidity and Capital Structure

On 20th August, 2007, an ordinary resolution was passed by the Shareholders at an extraordinary general meeting of the Company pursuant to which each of the existing issued and unissued shares of share capital of the Company of HK\$2.00 per share were subdivided into ten shares of HK\$0.20 each with effect from 21st August, 2007.

Since 21st August, 2007 (the share subdivision date), the warrant holders are entitled to subscribe in cash for ten fully paid shares at an initial subscription price of HK\$1.00 per share, subject to adjustment, at any time up to 6th June, 2009. During the year ended 31st December, 2007, 8,736,582 warrants were converted into 8,736,582 ordinary shares at a subscription price of HK\$10.00 per share, while 18,592,634 warrants were converted into 185,926,340 ordinary shares at a subscription price of HK\$1.00 per share. Accordingly 79,953,539 warrants were outstanding at 31st December, 2007. Exercise in full of the outstanding warrants would result in the issue of 799,535,390 additional shares with an aggregate subscription value of HK\$799.5 million.

The net proceeds received from conversion of warrants amounting to HK\$273.2 million was used to finance the general working capital of the Group.

On 23rd February, 2007 and 13th August, 2007, the Company announced a partial early redemption and the full redemption of the convertible bonds, being HK\$5.00 out of the principal amount of HK\$10.00 per convertible bond and the remaining HK\$5.00 of the principal amount. Accordingly, convertible bonds at an amortised cost of HK\$240.1 million and HK\$240.8 million respectively were redeemed during the year. The reasons for the redemptions were that the Group was unable to utilise the major portion of the proceeds which had been raised from the issue of the convertible bonds in 2006 for the stated purpose of increasing its shareholding in Sun Hung Kai due to the possible issue of the sufficiency of public float of Sun Hung Kai as detailed in the announcements made on the above-mentioned two dates, and that the interest rate on the bank borrowings was less than that payable under the convertible bonds.

Sun Hung Kai, through the Company, completed share placing and top-up subscription of total 166,000,000 shares in November 2007, bringing total net proceeds of approximately HK\$1,906.0 million to the Group.

The banking facilities of the Group are reviewed from time to time and new banking facilities will be obtained or renewed to meet the funding requirements for capital commitments, investments and operations of the Group.

At 31st December, 2007, the current ratio (current assets/current liabilities) of the Group was 3.4 times, which increased from the 1.9 times applicable at the end of the preceding year.

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

At 31st December, 2007, the Group's net borrowings amounted to HK\$4,676.9 million (2006: HK\$5,043.5 million), representing bank and other borrowings, loan notes, short-term loan due to a fellow subsidiary and bonds due to a fellow subsidiary totalling HK\$6,540.1 million (2006: HK\$6,500.1 million) less bank deposits, bank balances, treasury bills and cash of HK\$1,863.2 million (2006: HK\$1,456.6 million) and the Group had equity attributable to equity holders of the Company of HK\$11,147.6 million (2006: HK\$8,486.1 million). Accordingly, the Group's gearing ratio of net borrowings to equity attributable to equity holders of the Company was 42.0% (2006: 59.4%).

	2007 HK\$'000	2006 HK\$'000
Bank borrowings of the Group are repayable as follows:		
Within one year or on demand	871,641	1,526,570
More than one year but not exceeding two years	721,872	645,712
More than two years but not exceeding five years	1,998,510	273,439
More than five years	59,210	–
	<b>3,651,233</b>	2,445,721
Other borrowings due within one year	19,723	8,000
Short-term loan due to a fellow subsidiary	–	700,000
Loan notes repayable within five years	69,166	66,639
Convertible bonds repayable within five years	–	479,783
Bonds held by a fellow subsidiary repayable within five years	2,800,000	2,800,000
	<b>6,540,122</b>	6,500,143

The bonds due to a fellow subsidiary and most of the bank borrowings of the Group are charged at floating interest rates. The loan notes are charged at fixed interest rates. There are no known seasonal factors in the Group's borrowing profiles.

**Risk of Foreign Exchange Fluctuation**

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

**Contingent Liabilities**

Details of contingent liabilities are set out in note 54 to the consolidated financial statements.

**Material Litigation Update**

- (a) On 10th July, 2006, the Court of Final Appeal upheld the judgment (as amended by the Court of Appeal) of the Hong Kong Court of First Instance of 1st April, 2004, that Sun Hung Kai Securities Limited ("SHKS"), a wholly-owned subsidiary of Sun Hung Kai, holds a 12.5% interest in a 50/50 joint venture entered into between New World Development Company Limited ("NWDC") and IGB Corporation Berhad to purchase land and build two international hotels plus a 200-unit serviced apartment complex in Kuala Lumpur, Malaysia ("Joint Venture"), and that accordingly SHKS was liable to pay to NWDC the sums which NWDC had advanced to the joint venture company Great Union Properties Sdn. Bhd ("GUP") on behalf of SHKS, together with interest on such monies ("Judgment Sum") and costs of the First Instance hearing and of the two appeals ("Costs Order"). SHKS had previously paid to NWDC the Judgment Sum and more recently a sum in satisfaction of the Costs Order. Other claims from NWDC for amounts advanced to GUP on behalf of SHKS with respect to the Joint Venture had been paid previously by SHKS. SHKS is presently seeking the assistance of NWDC and Stapleton Developments Limited ("Stapleton") to ensure that the legal interest of the issued shares of GUP which Stapleton holds on trust for SHKS be transferred to SHKS, that GUP acknowledges and records in its accounts in the name of SHKS the amount of the shareholders' loans made on behalf of SHKS to it.
- (b) Details of the writs relating to Chang Zhou Power Development Company Limited, a mainland PRC joint venture, are set out in paragraph (b) of note 54 to the consolidated financial statements on "Contingent Liabilities".
- (c) By notice ("Notice") dated 6th June, 2007 the Financial Secretary required the Market Misconduct Tribunal ("MMT") (i) to conduct proceedings, and (ii) to hear and determine matters arising out of dealings in the securities of QPL International Limited in May and June 2003. Sun Hung Kai's indirect wholly-owned subsidiaries, Sun Hung Kai Investment Services Limited and Cheeroll Limited (now known as Sun Hung Kai Strategic Capital Limited) were specified in the Notice with two employees of Sun Hung Kai group. Procedural determinations made by the MMT are to be the subject of judicial review, the hearing of which is set down to commence on 17th June, 2008. While a provision has been made for legal costs, Sun Hung Kai does not consider it presently appropriate to make any other provision with respect to the Notice or the judicial review proceeding.

**Pledge of Assets**

Details regarding pledge of assets are set out in note 58 to the consolidated financial statements.

## OPERATIONAL REVIEW

### Properties

#### *Hong Kong*

The local property market remained strong during 2007 as a result of the growth in the Hong Kong economy and the prospects of lower interest rates. Capital values of properties rose significantly and lease renewals with increased rentals continued during the year. The major properties of the Group, including Park Place, Allied Cargo Centre, St. George Apartments, and China Online Centre all achieved higher rental income. Contribution from Ibis North Point continued to strengthen as a result of higher occupancy and average room rates.

Property valuation has been carried out by independent qualified professional surveyors in respect of the Group's investment properties held as at 31st December, 2007. The Group's investment properties were valued at HK\$3,618.2 million and the net increase in fair value of approximately HK\$479.9 million was included in the consolidated income statement for the year as compared with HK\$261.3 million in 2006.

Allied Kajima, 50% indirectly owned by the Group and owning various properties including Allied Kajima Building, Novotel Century Hong Kong hotel and Sofitel Philippine Plaza Hotel, reported a decrease of 17.8% in profit in 2007. The decrease was mainly due to a lower investment property revaluation gain when compared with 2006.

#### *Mainland PRC*

The profit attributable to equity holders of Tian An, a listed associate of Sun Hung Kai and the Group's PRC property unit, was HK\$703 million (2006: HK\$51.5 million), representing a 12.7 times increase over the previous year. If Tian An had excluded the provisions for additional PRC LAT made in 2006 of HK\$297.4 million before minority interests, the profit attributable to equity holders of Tian An would have increased by 110%. This increase in profit was largely the result of gains on disposals of non-core assets including the entire interest in Shanghai Allied Cement Limited, Nanjing Moling town and Xinhui projects.

With the strong PRC property market in 2007, Tian An sold total gross floor area ("GFA") of approximately 102,400 m<sup>2</sup>, compared to approximately 79,100 m<sup>2</sup> in 2006. A total GFA of approximately 87,900 m<sup>2</sup> (2006: 83,800 m<sup>2</sup>) of residential/commercial properties was completed during the year, representing an increase of 5% over last year. By the end of 2007, a total GFA of approximately 363,000 m<sup>2</sup> (2006: 282,300 m<sup>2</sup>) was under construction, representing a 29% increase over the preceding year, including Shanghai Tian An Villa (Phase 2), Wuxi Manhattan (Phase 1), Shanghai Tian An Place (Phase 1), Shenzhen Tian An Golf Garden (Phase 3), Shenzhen Longgang Cyber Park (Phase 1), Changchun Tian An City One (Phase 3), Nantong Tian An Garden (Phase 4), Foshan Tian An Cyber Park (Phase 1) and Panyu Hi-Tech Ecological Park (Phase 4). These properties have significantly increased in value in recent years and Tian An expects to record substantial profits on any disposals.

Pursuant to its strategy of increasing rental income, Tian An managed its portfolio so as to retain more real estate for the generation of rental income. The rental income increased by 23% in 2007 and is expected to continue to increase in the next few years as and when leases are renewed and as a larger portion of Tian An's investment properties are completed, including the "Flour Mill" project in Shanghai, construction of which is expected to commence by the 4th quarter of this year. Tian An also bought back for rental two floors of Shanghai Tian An Centre and acquired 50% of Novel Plaza with total GFA of 25,306 m<sup>2</sup> located in close proximity to Tian An Centre in Nanjing Road West, Shanghai.

Tian An together with associates and jointly controlled entities currently have a landbank of total GFA of approximately 7,154,000 m<sup>2</sup> (total GFA attributable to Tian An is approximately 5,167,000 m<sup>2</sup>, consisting of 276,000 m<sup>2</sup> of completed investment properties and 4,891,000 m<sup>2</sup> of properties for development).

### Financial Services

#### *Broking and finance*

Sun Hung Kai, the Group's financial services arm performed strongly in 2007. Revenue was HK\$4,666.8 million against HK\$1,984.4 million for 2006. Profit attributable to its equity holders increased by 320.2% from HK\$451.6 million in 2006 to HK\$1,897.6 million.

Securities broking continued to provide a significant contribution to Sun Hung Kai's revenue. The division participated in a large number of sub-underwritings, placements, IPOs and numerous H-share launches generating substantial profit. SHK Online was able to more than double its revenue, posting a 150% gain in its bottom-line profit when compared with 2006.



## OPERATIONAL REVIEW (CONT'D)

### Financial Services (Cont'd)

The IPO subscriptions from margin financing clients rose 93% for the year compared with 2006 to finish at HK\$232.5 billion in aggregate. The structured corporate lending business remained competitive, notwithstanding the rise in alternative funding channels from the buoyant capital markets and hedge funds. With tighter credit and weaker capital markets, this part of the business is expected to perform better in the coming year.

Increasing global demand and supply constraints generated increased volatility in commodity prices during 2007. Consequently, there was significant growth in Sun Hung Kai's trading volumes in precious metals and overseas commodities. Sun Hung Kai maintained its leading position in Hang Seng Index futures and options trades as the Hang Seng Index reached its historic high in 2007.

Income from mutual funds and unit-linked products continued to demonstrate healthy gains in 2007. The mutual funds' assets under management cumulative total rose more than 50% compared with 2006 with revenue increasing by almost 100%. The unit-linked products also showed solid growth with revenue increasing by more than 20% when compared with 2006.

The fund management business experienced another year of strong growth in 2007. Assets under management/advisory grew 34% from US\$650 million at the end of 2006 to US\$870 million at the end of 2007. In 2007, Sun Hung Kai launched its first private equity fund – the SHK Asian Opportunities Fund, and successfully raised US\$100 million at first closing.

The corporate finance division returned strong results across the board. It successfully launched and sponsored two IPOs on the main board of The Stock Exchange of Hong Kong Limited. It was also actively involved in a number of secondary placements of existing shares and new shares of listed companies as well as underwriting numerous IPOs during the year. The division was also appointed as independent financial advisor to a number of companies in respect of discloseable and connected transactions and acted as financial advisor in two mandatory cash offer exercises.

A 25% owned joint venture company, China Xin Yongan Futures Company Limited, was established in Hong Kong with 浙江省永安期貨經紀有限公司 (Zhe Jiang Province Yongan Futures Broker Company Limited). It obtained the necessary regulatory approvals and commenced business in May 2007. Results so far have been encouraging, with the company breaking even in August and turning a profit for the rest of the year. Sun Hung Kai continued to strengthen its existing relationships with Mainland Chinese financial institutions and is exploring potential avenues to expand its China business.

During the year, Sun Hung Kai raised approximately HK\$1,906 million through a top-up share placement of 166,000,000 shares to Dubai Ventures LLC, a group company of Dubai Investment Group. The transaction gives Sun Hung Kai access to new global pools of capital seeking investment opportunities in Greater China.

### Consumer finance

UAF achieved significant loan growth in 2007 largely driven by Hong Kong's robust economic growth. Interest income recorded a double-digit rate of increase as compared with 2006. However, higher loan growth and rising bad debt ratios have meant increased impairment allowances under the current accounting principles and this has led to a slightly lower bottom-line contribution in 2007 than in 2006.

Profit attributable to the equity holders of UAF of HK\$650.3 million was forecast for 2007 when UAF was acquired by the Group in 2006. This compares to the actual profit of HK\$467.6 million for 2007. The difference is mainly due to a drop in interest yield compared to the forecast, higher impairment allowances on loans and increased expenditure on operating overheads, which included establishment costs and a delayed roll out for its China operations. There was a gain on disposal of HKBLA not projected. The drop in interest yield and the higher impairment allowances might have a continuing effect on the profit forecast made at the time of acquisition for the remainder of the forecast period to the end of 2010.

UAF operated 39 branches in Hong Kong at the end of 2007 (2006: 36 branches), and has expanded to 41 branches in the early part of 2008. UAF is constantly seeking new locations to expand its business coverage and enhance its service quality.

2007 was also a significant year for UAF's China strategy. It launched its first branch in Shenzhen during the middle of 2007 and opened further three branches in Shenzhen during the year. The UAF brand, trading under the name of UA Easy Cash, has been well received by consumers in Shenzhen and the business has been growing at a promising rate. UAF will, during 2008, focus on developing the required infrastructure for its China activities which the management believes has very significant growth potential. In this regard, it is working to expand its China network to a total of 10 branches by the end of 2008.

## OPERATIONAL REVIEW (CONT'D)

### Investments

#### QHA

Revenue increased to HK\$947.7 million, a 6% increase compared with HK\$893.7 million in 2006. Net profit, however, decreased marginally from HK\$65.1 million in 2006 to HK\$63.2 million. The decrease in profit was the result of a time lapse in passing the escalating costs, particularly rental and staff overheads, to customers.

During the year, the management placed significant emphasis on positioning the company for its long-term growth. QHA's business development initiatives resulted in a 5% increase in the number of corporate clients enrolled and QHA's management also implemented a series of technology solutions aimed at automating internal processes and enhancing data integration, resulting in improved accuracy and efficiency.

QHA, as a leading private medical services provider, is well positioned to participate in Hong Kong's healthcare reform programme. QHA's management will support the Government's initiatives to develop sustainable healthcare financing programmes and services that meet our community's needs.

### MAJOR CUSTOMERS AND SUPPLIERS

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

### EMPLOYEES

The total number of staff of the Group as at 31st December, 2007 was 3,396 (2006: 3,111). Total staff costs, including directors' emoluments, amounted to HK\$873.2 million (2006: HK\$409.1 million). The increase in staff costs was mainly due to the full year consolidation of the results of QHA and UAF. The Group reviews remuneration packages from time to time. In addition to salary payments, other staff benefits include contributions to employee provident funds, medical subsidies and a discretionary bonus scheme.

### MANAGEMENT OF RISKS

#### Financial Services Business

##### Policies and Procedures

The Group has established policies and procedures for risk management over the Group which are reviewed regularly by the respective management, the relevant internal audit, compliance and risk control departments, as well as risk management committee ("RMC"), which reports to the respective board of directors. These policies and procedures ensure the proper monitoring and control of all major risks arising from the group's activities at all times.

##### Financial Risk

The Group's financial risk management is discussed in note 7c to the consolidated financial statements which includes the management of market risk, credit risk, liquidity risk and interest rate risk.

## MANAGEMENT OF RISKS (CONT'D)

### Operational Risk

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

The Group has developed a rigorous internal control process and places importance on clear lines of responsibility, proper segregation of duties, effective internal reporting and contingency planning, compliance with regulatory requirements and the establishment of detailed policies and control procedures for all its key activities. Operational and business line management is responsible for managing and reporting operational risks specific to their operational/business units on a day-to-day basis by identifying, assessing, mitigating, and continuously monitoring the risks inherent in business processes, activities and products. Each division head is required to declare and periodically submit a "responsibility statement for risk, compliance and internal control procedures" for review by the respective control departments. Senior management and the relevant control departments are involved in reviewing overall risk exposure to ensure the Group maintains an acceptable risk level.

### Reputational Risk

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

## BUSINESS OUTLOOK

We have enjoyed a successful year in 2007. However, we are concerned with the deteriorating operating environment in 2008. The global economy is facing challenges arising from the US sub-prime mortgage problems and strong inflationary pressures due to various factors including higher commodity prices. On the China front, the government's initiatives to control inflation together with a strong RMB are expected to have a negative effect on economic growth in China.

The management is cognizant of the impact of such adverse short-term fluctuations and has prepared the Group for such challenges. The Group is in a strong position and expects to be able to carry out its stated strategies and objectives for the benefit of all Shareholders.

## APPRECIATION

The Board would like to thank all the staff for achieving the commendable results for 2007, and would like to express appreciation to the Shareholders for their continual support.



**Patrick Lee Seng Wei**  
*Chief Executive*  
Hong Kong, 15th April, 2008

**ARTHUR GEORGE DEW**

Mr. Arthur George Dew, aged 66, was appointed the Chairman and a Non-Executive Director of the Company in January 2007. He graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales, Australia. He is currently a non-practising barrister. He has a broad range of corporate and business experience and has served as a director, and in some instances chairman of the board of directors, of a number of public companies listed in Australia, Hong Kong and elsewhere. He is currently a non-executive director and the chairman of Allied Group, a non-executive director and the chairman of QHA and also a non-executive director of Yu Ming.

**PATRICK LEE SENG WEI**

Mr. Patrick Lee Seng Wei, aged 56, joined the Company in February 1987 as an Executive Director and became the Chief Executive of the Company in March 1994. An architect, he worked for IBM Australia before becoming involved in property development in Malaysia and Hong Kong more than twenty years ago. He has extensive experience in the property field. He is currently a non-executive director of Sun Hung Kai and also an executive director and the managing director of Tian An.

**LI CHI KONG**

Mr. Li Chi Kong, aged 54, a member of the Institute of Chartered Accountants of Scotland and a fellow of the Hong Kong Institute of Certified Public Accountants ("HKICPA"), was appointed Financial Controller and Executive Director of the Company in August 1997 and October 1999 respectively. He was appointed the Company Secretary of the Company in May 2007. He has broad experience in the finance and accounting field, having worked in two major audit firms and as group financial controller for several sizeable listed companies in Hong Kong. He was an executive director and the vice president of Shanghai Allied Cement Limited. He is currently an executive director of Tian An and the group financial controller of Allied Group.

**HENRY LAI HIN WING**

Mr. Henry Lai Hin Wing, aged 51, was appointed an Independent Non-Executive Director of the Company in February 2001 and re-designated as a Non-Executive Director of the Company in September 2004. He is a partner of Messrs. P. C. Woo & Co., a firm of solicitors and notaries in Hong Kong, and has been practising in the legal field for more than twenty-six years. Graduated from the University of Hong Kong with a Bachelor of Law degree, Mr. Lai was admitted as a solicitor in Hong Kong, England and Wales and the State of Victoria, Australia. Mr. Lai is a Notary Public and a China Appointed Attesting Officer in Hong Kong. He also serves on the boards of other listed companies as independent non-executive director.

**STEVEN LEE SIU CHUNG**

Mr. Steven Lee Siu Chung, aged 60, was appointed a Non-Executive Director of the Company in September 2004. He is an associate member of the Chartered Institute of Bankers, London, U.K. He has over thirty-four years of working experience at senior management level in the banking and financial industry in Hong Kong and overseas. Mr. Lee is an employee of AG Capital Limited ("AG Capital") which is a wholly-owned subsidiary of Allied Group.

**JOHN DOUGLAS MACKIE**

Mr. John Douglas Mackie, aged 79, was appointed an Independent Non-Executive Director of the Company in February 2004. He is the founder and chairman of JDM Associates Limited, and was a major shareholder of a group of companies which is a leading distributor of sports and leisure merchandise in Hong Kong. Graduated from the University of Western Australia and Harvard Business School, Mr. Mackie has over fifty years of performance orientated experience as chief executive officer and lately sole proprietor serving in general, marketing consultancy and representation, and has had extensive experience and successes in agency distribution, manufacturing – proprietary and franchised retailing – supermarket, drugstore specialised products and sourcing. He is also an independent non-executive director of Allied Group.

**STEVEN SAMUEL ZOELLNER**

Mr. Steven Samuel Zoellner, aged 38, was appointed an Independent Non-Executive Director of the Company in September 2004. He graduated from the Scots College in Sydney, Australia and completed a real estate licensing course. Mr. Zoellner has been a real estate agent since 1987 and has extensive experience in the industry. Mr. Zoellner has been involved in some of the more prominent upper end residential sales and development sites in Australia. He has previously owned Elders Double Bay for the provision of a variety of real estate services which he sold in the year 2000. Since 2002 he has been the principal of Laing & Simmons Double Bay which consistently sells the most exclusive real estate in Australia.

**ALAN STEPHEN JONES**

Mr. Alan Stephen Jones, aged 65, was appointed an Independent Non-Executive Director of the Company in January 2006. Mr. Jones, a chartered accountant, has extensive experience in management, administration, accounting, property development, carpark management, finance and trading, and has been involved in successful mergers and acquisitions of a number of public companies in Australia and internationally. Mr. Jones is also an independent non-executive director of Allied Group, Sun Hung Kai and APAC Resources Limited.

**WU KWAN YET**

Mr. Wu Kwan Yet, aged 43, joined the Company in 1998 and is the Qualified Accountant of the Company. He obtained a Master Degree in Professional Accounting from The Hong Kong Polytechnic University in 2001 and is an associate member of the Association of Chartered Certified Accountants and an associate member of the HKICPA.

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

### CODE ON CORPORATE GOVERNANCE PRACTICES

In the light of the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of The Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") which came into effect on 1st January, 2005, the Board has reviewed the corporate governance practices of the Company with the adoption of the various enhanced procedures which are detailed in this report. The Company has applied the principles of and complied with the applicable code provisions of the CG Code during the year ended 31st December, 2007, except for certain deviations as specified with considered reasons for such deviations as explained below. The Board will review the current practices at least annually and make appropriate changes if considered necessary.

### THE BOARD

The Board currently comprises eight directors ("Directors") in total, with two executive Directors, three Non-Executive Directors and three Independent Non-Executive Directors ("INEDs"). The composition of the Board during the year and up to the date of this report is set out as follows:

<b>Executive Directors:</b>	Patrick Lee Seng Wei ( <i>Chief Executive</i> ) Li Chi Kong
<b>Non-Executive Directors:</b>	Arthur George Dew ( <i>Chairman</i> ) Henry Lai Hin Wing Steven Lee Siu Chung
<b>INEDs:</b>	Alan Stephen Jones John Douglas Mackie Steven Samuel Zoellner

The brief biographical details of the Directors are set out in the "Profile of Directors and Senior Management" section on page 12.

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

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

## THE BOARD (CONT'D)

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

	Number of Board meetings attended/eligible to attend
<b>Executive Directors:</b>	
Patrick Lee Seng Wei ( <i>Chief Executive</i> )	5/5
Li Chi Kong	5/5
<b>Non-Executive Directors:</b>	
Arthur George Dew ( <i>Chairman</i> )	5/5
Henry Lai Hin Wing	4/5
Steven Lee Siu Chung	5/5
<b>INEDs:</b>	
Alan Stephen Jones	3/5
John Douglas Mackie	5/5
Steven Samuel Zoellner	4/5

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

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

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

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

## ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

The roles of the Chairman and the Chief Executive are separate to reinforce their respective independence and accountability. Mr. Arthur George Dew was appointed as a Non-Executive Director and the Chairman of the Company with effect from 1st January, 2007 and is primarily responsible for the leadership of the Board, ensuring that (i) all significant policy issues are discussed by the Board in a timely and constructive manner, (ii) all Directors are properly briefed on issues arising at Board meetings, and (iii) the Directors receive accurate, timely and clear information. The functions of the Chief Executive are performed by Mr. Patrick Lee Seng Wei, an Executive Director of the Company, who is responsible for the day-to-day management of the Group's business. Their responsibilities are clearly segregated and have been set out in writing and approved by the Board in June 2005.

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

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

All of the Non-Executive Directors (including INEDs) of the Company were appointed for a specific term, but subject to the relevant provisions of the Articles of Association or any other applicable laws whereby the Directors shall vacate or retire from their office. The term of appointment of the Non-Executive Directors (including INEDs) has been renewed for further one year commencing from 1st January, 2008.

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

## BOARD COMMITTEES

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

### Remuneration Committee

The Remuneration Committee has been established since December 1993 and currently consists of five members, including Messrs. Alan Stephen Jones (Chairman of the Committee), John Douglas Mackie and Steven Samuel Zoellner being the INEDs, together with Messrs. Arthur George Dew and Henry Lai Hin Wing being the Non-Executive Directors. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice if considered necessary in accordance with the Company's policy.

The major roles and functions of the Remuneration Committee are:

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

**BOARD COMMITTEES (CONT'D)**

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

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

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

The Remuneration Committee shall meet at least once a year. Two Committee meetings were held in 2007 to review and discuss (i) the existing policy and structure for the remuneration of Directors; (ii) the existing remuneration packages of all the Executive Directors; and (iii) the existing remuneration of the Non-Executive Directors (including the INEDs) and the attendance of each member is set out as follows:

Committee members	Number of Committee meetings attended/eligible to attend
Alan Stephen Jones ( <i>Chairman</i> )	2/2
Arthur George Dew	2/2
Henry Lai Hin Wing	1/2
John Douglas Mackie	2/2
Steven Samuel Zoellner	2/2

In addition to the Committee meetings, the Remuneration Committee also dealt with matters by way of circulation during 2007. In 2007 and up to the date of this report, the Remuneration Committee performed the works as summarised below:

- (i) reviewed and recommended the payment of performance bonus and increment in salary of the Chief Executive for the year ended 31st December, 2006 for the Board's approval;
- (ii) reviewed and recommended the increment in salary of the Chief Executive, Executive and Non-Executive Directors and the consultancy fees of INEDs for the year ended 31st December, 2007 for the Board's approval;
- (iii) reviewed and recommended the renewal of the term of appointment for the Non-Executive Directors (including the Chairman) and INEDs for one year commencing from 1st January, 2008 for the Board's approval;
- (iv) reviewed and recommended the remuneration packages of the Chairman and a Non-Executive Director for the Board's approval; and
- (v) reviewed and recommended the payment of consultancy fees to a Non-Executive Director and INEDs for the Board's approval.

The remuneration payable to Directors will depend on their respective contractual terms under their employment contracts or service contracts as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 15 to the consolidated financial statements. Details of the remuneration policy of the Group are also set out in the "Employees" section contained in the "Review of Operations" on page 10.



## BOARD COMMITTEES (CONT'D)

### Audit Committee

The Audit Committee has been established since December 1993 and currently consists of five Non-Executive Directors, three of whom are INEDs. To retain independence and objectivity, the Audit Committee is chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise since December 1993. The current members of the Audit Committee are Messrs. Alan Stephen Jones (Chairman of the Committee), Arthur George Dew, Henry Lai Hin Wing, John Douglas Mackie and Steven Samuel Zoellner. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice if considered necessary according to the Company's policy.

The major roles and functions of the Audit Committee are:

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

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

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

The Board considers that the Audit Committee of the Company should recommend (as opposed to implement) the policy on the engagement of the external auditors to supply non-audit services for the following reasons:

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

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

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

## BOARD COMMITTEES (CONT'D)

The Audit Committee shall meet at least twice a year. Three Committee meetings were held in 2007 and the attendance of each member is set out as follows:

Committee members	Number of Committee meetings attended/eligible to attend
Alan Stephen Jones ( <i>Chairman</i> )	3/3
Arthur George Dew	3/3
Henry Lai Hin Wing	1/3
John Douglas Mackie	3/3
Steven Samuel Zoellner	3/3

In addition to the Committee meetings, the Audit Committee also dealt with matters by way of circulation during 2007. In 2007 and up to the date of this report, the Audit Committee performed the work as summarised below:

- (i) reviewed the audit scope and fees proposed by the external auditors in respect of the interim results review for the six months ended 30th June, 2007 ("2007 Interim Review") and the final audit for the year ended 31st December, 2007 ("2007 Final Audit") of the Group and recommended the same to the Board/Executive Committee for approval;
- (ii) reviewed the reports of findings/independent review report from the external auditors and the management's response in relation to the final audit for the ended 31st December, 2006, the 2007 Interim Review and the 2007 Final Audit;
- (iii) reviewed the financial reports for the year ended 31st December, 2006, for the six months ended 30th June, 2007 and for the year ended 31st December, 2007 together with the relevant management representation letters and announcements and recommended the same to the Board for approval;
- (iv) reviewed the Internal Controls Assessment Report prepared by an external consultant, and the Report on Code of Corporate Governance Practices on Internal Controls (C.2) and the relevant internal control documentation, and the Overall Risk Profile Analysis Report of the Company issued by the IAD;
- (v) reviewed the Report on the Group's Internal Audit Plan and Strategy and the Progress Report on Internal Controls Assessment Report prepared by the IAD and ensured that the issues raised were addressed and managed promptly by the management;
- (vi) reviewed the Internal Audit Review Report/Summary and Follow-up Report prepared by the IAD, and ensured that the issues raised would be addressed and managed promptly by the management; and
- (vii) reviewed and recommended the adoption of the Whistle Blower Policy and the revised terms of reference of the Audit Committee for the Board's approval.

The "Whistle Blower Policy" outlines the communication procedures through which employees can report in good faith suspected departures from proper internal control procedures, incorrect or improper financial or other reporting, or any alleged unlawful or improper practices or wrongful conduct taking place within the Group. The term of reference of the Audit Committee was revised in November 2007 following the adoption of the Whistle Blower Policy of the Company to comply with the recommended best practice C.3.7(a) of the C.G. Code.

### Executive Committee

The Executive Committee has been established since January 1993 and currently consists of two Executive Directors, being Messrs. Patrick Lee Seng Wei (Chairman of the Committee) and Li Chi Kong. The Executive Committee is vested with all the general powers of management and control of the activities of the Group as are vested in the Board, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive Committee. The terms of reference of the Executive Committee were revised in November 2007 following the adoption of the Whistle Blower Policy by the Company.

## BOARD COMMITTEES (CONT'D)

The Executive Committee will meet as and when necessary to discuss the operating affairs of the Group and may also deal with matters by way of circulation. The Executive Committee is mainly responsible for undertaking and supervising the day-to-day management and is also empowered:

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

## CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

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

To comply with the code provision A.5.4 of the CG Code, the Company has adopted in June 2005 the Model Code to regulate dealings in securities of the Company by certain employees or officers of the Company, its subsidiaries and the holding companies who are considered to be likely in possession of unpublished price sensitive information in relation to the Company or its securities.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from the Accounts Department, the consolidated financial statements of the Group. In preparing the consolidated financial statements for the year ended 31st December, 2007, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance were complied with. The Directors believe that they have selected suitable accounting policies and applied them consistently, and made judgment and estimates that are prudent and reasonable and ensure the financial statements are prepared on the going concern basis.

The reporting responsibilities of the Company's external auditors, Messrs. Deloitte Touche Tohmatsu, are set out in the "Independent Auditor's Report" on pages 53 and 54.

### Internal Control

The Board has the responsibility to review the effectiveness of the Group's internal control systems and ensure that the controls are sound and effective to safeguard the shareholders' investments and the Group's assets at all times.

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

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

### Internal Audit

The Company's IAD was established in December, 2006, with the Internal Audit Manager reporting to the Chairman and the Audit Committee. The IAD plays an important role in providing assurance to the Board that a sound internal control system is maintained and operated by the management. This is part of the Board's plan to enhance the standards of the Group's overall corporate governance and comply with the code provision C.2 of the CG Code.

## ACCOUNTABILITY AND AUDIT (CONT'D)

The Group Overall Risk Profile Analysis Report, and the Group Internal Audit Plan and Strategy Report were prepared by the IAD and issued to the Audit Committee and the Board for review. A discussion of the policies and procedures on the management of each of the major types of risk which the Group is facing is included in note 7 to the consolidated financial statements and under the "Management of Risks" section contained in the "Review of Operations" on pages 10 and 11.

The IAD performed an internal control assessment of the Group for the year ended 31st December, 2007. The Internal Audit Report and Follow Up Report were distributed to the Audit Committee and the Board for their review. The issues raised in the reports were being dealt with by the management. In addition, the IAD also followed up on the internal controls assessment report of the Group performed earlier by the external consultant and the IAD, and ensured that the issues raised were addressed by the management.

### External Auditors' Remuneration

During the year, the remuneration paid to the Group's external auditors is set out as follows:

Services rendered for the Group	HK\$'000
Audit services	6,398
Non-audit services	
– Taxation services	752
– Other professional services	3,174
Total	<u>10,324</u>

## COMMUNICATION WITH SHAREHOLDERS

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

The Company's AGM is a valuable forum for the Board to communicate directly with the shareholders. The Chairman actively participates in the AGM and personally chairs the meeting to answer any questions from the shareholders. The Chairmen of the Audit Committee and Remuneration Committee or in their absence, another member of the respective committees, are also available to answer questions at the AGM. The sole member of the independent board committee of the Company for advising the independent shareholders to approve a connected transaction regarding the conditional sale and purchase of approximately 22.43% of the issued share capital of Yu Ming was unable to attend the relevant extraordinary general meeting of the Company held on 20th July, 2007 as he was overseas. A separate resolution is proposed by the Chairman in respect of each issue to be considered at the AGM. An AGM circular is distributed to all shareholders at least 21 days prior to the AGM, setting out details of each proposed resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. The Chairman explains the procedures for demanding and conducting a poll again at the beginning of the AGM, and (except where a poll is demanded) reveals how many proxies for and against have been received in respect of each resolution.

## CORPORATE GOVERNANCE ENHANCEMENT

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

On behalf of the Board



**Arthur George Dew**

*Chairman*

Hong Kong, 15th April, 2008

The Directors are pleased to present their annual report and the audited consolidated financial statements of the Group and the Company for the year ended 31st December, 2007.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries, associates and jointly controlled entities at 31st December, 2007 are set out in notes 61, 62 and 63 to the consolidated financial statements respectively.

### RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company are set out in the consolidated income statement on page 55 and in the accompanying notes to the consolidated financial statements.

The Directors have proposed the payment of a final dividend of HK3 cents per share for the year ended 31st December, 2007 payable to the Shareholders whose names appear on the register of members of the Company on Friday, 6th June, 2008. Since no interim dividend was paid, the total dividend for the year is HK3 cents per share. Details are set out in note 20 to the consolidated financial statements.

### INVESTMENT PROPERTIES

During the year, the Group spent HK\$862,000 on investment properties. Certain of the Group's properties previously included in property, plant and equipment and properties held for sale with carrying values of HK\$143,000,000 and HK\$78,760,000 respectively were transferred to investment properties.

The Group's investment properties were revalued on 31st December, 2007 at HK\$3,618,200,000. The net increase in fair value of HK\$479,878,000 has been credited to the consolidated income statement.

Details of these and other movements in the investment properties of the Group during the year are set out in note 21 to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent HK\$75,428,000 on property, plant and equipment. The Group also disposed of certain of its property, plant and equipment with a carrying value of HK\$6,385,000.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 22 to the consolidated financial statements.

### PROPERTIES

Particulars of major properties of the Group at 31st December, 2007 are set out on pages 166 to 168.

### SHARE CAPITAL AND WARRANTS

Details of movement in the share capital and warrants of the Company during the year are set out in notes 41 and 42 to the consolidated financial statements.

## DIRECTORS

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

*Executive Directors:*

Patrick Lee Seng Wei  
Li Chi Kong

*Non-Executive Directors:*

Arthur George Dew  
Henry Lai Hin Wing  
Steven Lee Siu Chung

*INEDs:*

John Douglas Mackie  
Steven Samuel Zoellner  
Alan Stephen Jones

In accordance with Article 105(A) of the Articles of Association, Messrs. Patrick Lee Seng Wei, John Douglas Mackie and Steven Samuel Zoellner will retire by rotation and, being eligible, offer themselves for re-election.

## DIRECTORS' SERVICE CONTRACTS

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

## TERMS OF OFFICE FOR THE NON-EXECUTIVE DIRECTORS

All the Non-Executive Directors (including the INEDs) were appointed for a specific term of one year which shall continue until 31st December, 2008 but subject to the relevant provisions of the Articles of Association or any other applicable laws whereby the Directors shall vacate or retire from their office.

## DIRECTORS' INTERESTS

At 31st December, 2007, Messrs. Patrick Lee Seng Wei and Steven Samuel Zoellner, Directors, had the following interests in the shares and underlying shares of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register required to be kept under Section 352 of the SFO:

Name of Director	Name of Company	Number of shares and underlying shares held	Approximate % of the relevant issued share capital	Nature of interest
Patrick Lee Seng Wei	the Company	3,240,000 (Note 1)	0.05%	Personal interest (held as beneficial owner)
	Allied Group (Note 2)	550,000 (Note 3)	0.22%	Personal interest (held as beneficial owner)
Steven Samuel Zoellner	Sun Hung Kai (Note 2)	49,200 (Note 4)	0.00%	Personal interest (held as beneficial owner)
	QHA (Note 2)	152,000 (Note 5)	0.06%	Personal interest (held as beneficial owner)

## DIRECTORS' INTERESTS (CONT'D)

Notes:

1. The interest includes the holding of (i) 2,700,000 shares and (ii) 540,000 units of warrants of the Company ("Warrants") giving rise to an interest in 540,000 underlying shares of the Company. The Warrants of the Company entitle the holders thereof to subscribe at any time during the period from 7th June, 2006 to 6th June, 2009 (both days inclusive) for fully paid shares of the Company at an initial subscription price of HK\$1 per share (subject to adjustments).
2. Allied Group is the ultimate holding company of the Company. Sun Hung Kai is an indirect non wholly-owned subsidiary of the Company and QHA is an indirect non wholly-owned subsidiary of Sun Hung Kai. Therefore, Allied Group, Sun Hung Kai and QHA are associated corporations of the Company within the meaning of Part XV of the SFO.
3. This represents an interest in 550,000 shares of Allied Group.
4. This represents an interest in 49,200 shares in Sun Hung Kai.
5. This represents an interest in 152,000 shares in QHA.
6. All interests stated above represent long positions.

Save as disclosed above, at 31st December, 2007, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year and up to the date of this report, Messrs. Arthur George Dew, Patrick Lee Seng Wei and Li Chi Kong, Directors of the Company (not being the INEDs), are considered to have interests in the following competing businesses pursuant to the Listing Rules as set out below:

- (i) Mr. Arthur George Dew is a director of Allied Group which, through certain of its subsidiaries, is partly engaged in the businesses of money lending and properties investment in Hong Kong;
- (ii) Mr. Arthur George Dew is a director of Yu Ming which, through a subsidiary, is partly engaged in the business of property investment in Hong Kong. He was appointed as a director of Yu Ming on 30th November, 2007;
- (iii) Mr. Patrick Lee Seng Wei is a director of Sun Hung Kai which, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment in Hong Kong;
- (iv) Mr. Li Chi Kong is a director of AG Capital, a subsidiary of Allied Group, which is partly engaged in the business of money lending;
- (v) Messrs. Patrick Lee Seng Wei and Li Chi Kong are directors of Tian An which, through certain of its subsidiaries, is partly engaged in the businesses of property investment and development in Mainland China and money lending. Although the businesses of Tian An consist of property development in Mainland China, Messrs. Patrick Lee Seng Wei and Li Chi Kong are not regarded in this respect as being interested in a competing business to the Group, as the Group does not have property development in Mainland China; and
- (vi) Messrs. Patrick Lee Seng Wei and Li Chi Kong are directors of Allied Kajima which, through certain of its subsidiaries, is partly engaged in the businesses of property rental, management services and hospitality related activities.

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

## DIRECTORS' INTERESTS IN CONTRACTS

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

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

At 31st December, 2007, the following Shareholders had interests in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder	Number of shares and underlying shares held	Approximate % of the relevant issued share capital	Notes
Allied Group	4,831,580,650	85.57	1
Lee and Lee Trust	4,831,580,650	85.57	2, 3
Penta Investment Advisers Limited ("Penta")	331,446,000	6.05	4
John Zwaanstra	331,446,000	6.05	5
COL Capital Limited ("COL")	338,314,000	6.00	6
Vigor Online Offshare Limited ("Vigor")	338,314,000	6.00	7
China Spirit Limited ("China Spirit")	338,314,000	6.00	8
Chong Sok Un ("Ms. Chong")	338,314,000	6.00	9

Notes:

- The interest includes the holding of: (i) an interest in 1,670,616,190 shares and 334,123,230 units of Warrants held by Capscore Limited ("Capcore"); (ii) an interest in 41,866,320 shares and 8,373,240 units of Warrants held by Citiwealth Investment Limited ("Citiwealth"); (iii) an interest in 1,494,053,830 shares and 126,491,560 units of Warrants held by Sunhill Investments Limited ("Sunhill"); and (iv) an interest in 963,380,250 shares and 192,676,030 units of Warrants held by Allied Group. The Warrants held by Capscore, Citiwealth, Sunhill and Allied Group give rise to an interest in an aggregate of 661,664,060 underlying shares. Capscore, Citiwealth and Sunhill are all wholly-owned subsidiaries of Allied Group. Allied Group is therefore deemed to have an interest in the shares and the underlying shares in which Capscore, Citiwealth and Sunhill were interested.
- This represents the same interest of Allied Group in 4,169,916,590 shares and an interest in 661,664,060 units of Warrants.
- 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 own approximately 42.60% interest in the issued share capital of Allied Group and are therefore deemed to have an interest in the shares in which Allied Group was interested.
- These include an interest in (i) 282,286,000 shares and (ii) an interest in unlisted cash settled derivatives of the Company, giving rise to an interest in 49,160,000 underlying shares.
- Mr. John Zwaanstra is deemed to have interests in the shares and underlying shares through his 100% interest in Penta.
- The interest includes the holding of: (i) 66,260,000 shares and 10,296,000 units of Warrants giving rise to an interest in 10,296,000 underlying shares of the Company held by Honest Opportunity Limited ("Honest Opportunity"); and (ii) 261,758,000 shares held by Sparkling Summer Limited ("Sparkling Summer"). Honest Opportunity and Sparkling Summer are all indirect wholly-owned subsidiaries of COL. COL and is therefore deemed to have an interest in the shares and the underlying shares in which Honest Opportunity and Sparkling Summer were interested.
- Vigor owns approximately 38.56% interest in the issued share capital of COL and is therefore deemed to have an interest in the shares in which COL was interested.
- Vigor is a wholly-owned subsidiary of China Spirit and is therefore deemed to have an interest in the shares in which Vigor was interested.
- Ms. Chong is deemed to have interests in the shares through her 100% interest in China Spirit.
- The interest stated above represents a long position. As at 31st December, 2007, no short positions were recorded in the register required to be kept under Section 336 of the SFO.



## CONNECTED TRANSACTIONS

1. As disclosed in the announcement dated 14th September, 2005 and the 2006 Annual Report of the Company, the Company entered into a sharing of administrative services and management services agreement ("Services Agreement") with Allied Group on 14th September, 2005, pursuant to which the Company agreed to reimburse Allied Group the costs incurred in respect of the administrative services, which included the secretarial services, provision of office premises, utilities, courier and delivery, telephone (including international telephone), internet, photocopying and other ancillary office services provided by Allied Group to the Group (i.e. the Company and its subsidiaries, but excluding those in the group of Sun Hung Kai) ("Administrative Services") and management services, which included the management, strategic and business advice provided by the senior management of Allied Group to the Group (i.e. the Company and its subsidiaries, but excluding those in the group of Sun Hung Kai) ("Management Services"). Since Allied Group is the controlling shareholder and ultimate holding company of the Company, entering into the Services Agreement and the transactions contemplated thereunder regarding the sharing of the Management Services constituted continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules. Pursuant to Rule 14A.31(8) of the Listing Rules, the transactions regarding the sharing of Administrative Services between the Company and Allied Group contemplated thereunder are exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14A.37 of the Listing Rules, the INEDs have reviewed the transactions regarding the sharing of the Management Services and have confirmed that the transactions were:

- (i) entered into in the ordinary and usual course of business of the Company;
- (ii) conducted on normal commercial terms; and
- (iii) entered into in accordance with the terms of the Services Agreement governing the transactions regarding the sharing of the Management Services and on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the Board of Directors engaged the auditors of the Company to perform certain agreed upon procedures in respect of the above continuing connected transactions and the auditors have reported their factual findings from these procedures to the Board.

Pursuant to Rule 14A.34 of the Listing Rules, details of the Services Agreement and the aggregate amount of the Management Services for the year ended 31st December, 2007 of HK\$5,500,000 are required to be included in this report of the Company in accordance with Rule 14A.45 of the Listing Rules.

As disclosed in the announcement of the Company dated 1st February, 2008, subsequent to the year end, the Company entered into a renewed sharing of administrative services and management services agreement ("Renewed Services Agreement") with Allied Group on 31st January, 2008 to renew and extend the terms of which for a period of three years commencing from 1st January, 2008 to 31st December, 2010. Pursuant to which the Company agreed to reimburse Allied Group the costs incurred in respect of the Administrative Services and the Management Services. Since Allied Group is the controlling shareholder and ultimate holding company of the Company, entering into the Renewed Services Agreement and the transactions contemplated thereunder regarding the sharing of the Management Services constituted continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules. Pursuant to Rule 14A.31(8) of the Listing Rules, the transactions regarding the renewed sharing of Administrative Services between the Company and Allied Group contemplated thereunder are exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. In accordance with the requirements of Rules 14A.45 and 14A.46 of the Listing Rules, details of the continuing connected transactions will be included in the next published annual report of the Company.

## CONNECTED TRANSACTIONS (CONT'D)

2. As disclosed in the announcement of the Company dated 4th January, 2006, a tenancy agreement ("Tenancy Agreement") was entered into on 30th December, 2005 between Hillcrest Development Limited ("Hillcrest"), a wholly-owned subsidiary of the Company, as the landlord and Allied Group as the tenant for the renewal of a tenancy of 60 Plantation Road, The Peak, Hong Kong for residential use for a further term of two years commencing from 1st January, 2006 to 31st December, 2007 at a monthly rental of HK\$238,000 (exclusive of rates and management fee). This property is held by Hillcrest for investment purposes. The rent was based on the prevailing market rent as reviewed by Savills (Hong Kong) Limited ("Savills") on 19th December, 2005. Savills is an independent firm of international property consultants and is not a connected person of the Company under the Listing Rules. Since Allied Group is the controlling shareholder and ultimate holding company of the Company, the renewed tenancy constituted a continuing connected transaction for the Company under Rule 14A.34 of the Listing Rules and is exempt from the independent shareholders' approval requirement.

Pursuant to Rule 14A.37 of the Listing Rules, the INEDs have reviewed the transactions regarding entering into the Tenancy Agreement and have confirmed that the transactions were:

- (i) entered into in the ordinary and usual course of business of the Company;
- (ii) conducted on normal commercial terms; and
- (iii) entered into in accordance with the terms of the Tenancy Agreement governing it and on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the Board of Directors engaged the auditors of the Company to perform certain agreed upon procedures in respect of the above continuing connected transactions and the auditors have reported their factual findings from these procedures to the Board.

Pursuant to Rule 14A.34 of the Listing Rules, details of the Tenancy Agreement and the annual cap of HK\$2,856,000 are required to be included in this report of the Company in accordance with Rule 14A.45 of the Listing Rules.

As disclosed in the announcement of the Company dated 31st December, 2007, a renewal tenancy agreement was entered into on 31st December, 2007 between Hillcrest as the landlord and Allied Group as the tenant for the renewal of a tenancy of 60 Plantation Road, The Peak, Hong Kong for residential use for a further term of two years commencing from 1st January, 2008 to 31st December, 2009. Since Allied Group is the controlling shareholder and ultimate holding company of the Company, the renewed tenancy constituted a continuing connected transaction for the Company under Rule 14A.34 of the Listing Rules and is exempt from the independent shareholders' approval requirement under the Listing Rules. In accordance with the requirements of Rules 14A.45 and 14A.46 of the Listing Rules, details of the continuing connected transactions will be included in the next published annual report of the Company.

3. As disclosed in the joint announcement of the Company, Allied Group and Sun Hung Kai dated 11th June, 2007 and in the circular of the Company dated 3rd July, 2007, a sale and purchase agreement dated 7th June, 2007 (the "S&P Agreement") was entered into between (i) Sun Hung Kai, Sun Hung Kai Venture Capital Limited ("SHKVC", an indirect wholly-owned subsidiary of Sun Hung Kai), Best Delta International Limited ("Best Delta", a wholly-owned subsidiary of Sun Hung Kai) as the vendors; (ii) Allied Group as the guarantor; and (iii) Bright Clear Limited ("Bright Clear", an indirect wholly-owned subsidiary of Allied Group) as the purchaser in relation to the sale and purchase of a total of 379,291,800 shares of Yu Ming (the "Sale Shares"), representing approximately 22.43% of the issued share capital of Yu Ming, at an aggregate consideration of HK\$166,888,392 (being HK\$0.44 per Sale Share).

Completion of the S&P Agreement was subject to, amongst other things, the approval of the independent shareholders of the Company and Sun Hung Kai in accordance with the applicable requirements under the Listing Rules. Completion took place on 31st August, 2007 following fulfilment of the conditions as set out in the S&P Agreement.

As Bright Clear is an indirect wholly-owned subsidiary of Allied Group which, in turn, is a substantial shareholder of the Company and hence is a connected person of the Company as defined in the Listing Rules and Sun Hung Kai is a subsidiary of the Company, the entering into of the S&P Agreement constituted a connected transaction for the Company ("Connected Transaction") and required approval of the independent shareholders of the Company under Chapter 14A of the Listing Rules. An Extraordinary General Meeting of the Company was duly convened and held on 20th July, 2007 at which the relevant resolution was duly passed by the independent shareholders pursuant to the requirements under Chapter 14A of the Listing Rules. In accordance with the requirement of Rule 14A.45 of the Listing Rules, details of the Connected Transaction are included in this Report.

## EMOLUMENT POLICY

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in note 15 to the consolidated financial statements respectively.

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

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

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

Except the early redemption of the convertible bonds as disclosed in note 49 to the consolidated financial statements, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities during the year.

## DONATIONS

The Group made charitable donations of HK\$751,000 during the year.

## CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 13 to 20.

## SUFFICIENCY OF PUBLIC FLOAT

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

## AUDITORS

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

On behalf of the Board



**Arthur George Dew**

*Chairman*

Hong Kong, 15th April, 2008

# Deloitte.

## 德勤

### TO THE MEMBERS OF ALLIED PROPERTIES (H.K.) LIMITED (incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Allied Properties (H.K.) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 55 to 164, which comprise the consolidated and Company balance sheets as at 31st December, 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

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

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

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

### 致聯合地產(香港)有限公司各股東 (於香港註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第55頁至164頁聯合地產(香港)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括 貴公司於二零零七年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合收益賬、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋。

### 董事就綜合財務報表須承擔的責任

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

### 核數師的責任

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

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

我們相信,我們所獲得的審核憑證乃充足及適當地為我們的審核意見提供基礎。

**OPINION**

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong, 15th April, 2008

**意見**

我們認為，綜合財務報表已根據香港財務報告準則真實及公平地反映 貴公司及 貴集團於二零零七年十二月三十一日的事務狀況以及截至該日止年度的溢利及現金流量，並已按照香港公司條例妥為編製。

德勤•關黃陳方會計師行  
執業會計師  
香港，二零零八年四月十五日

# Consolidated Income Statement

for the year ended 31st December, 2007

# 綜合收益賬

截至二零零七年十二月三十一日止年度

55

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated and note 3) (重列及附註3)
Revenue	收益	9 & 10	<b>4,868,777</b>	2,166,396
Other income	其他收入		<b>731,435</b>	200,936
Total income	總收入		<b>5,600,212</b>	2,367,332
Cost of sales and other direct costs	銷售成本及其他直接成本		<b>(713,540)</b>	(266,727)
Brokerage and commission expenses	經紀費及佣金開支		<b>(414,595)</b>	(225,513)
Selling and marketing expenses	銷售及市場推廣開支		<b>(69,374)</b>	(20,610)
Administrative expenses	行政開支		<b>(1,349,431)</b>	(648,090)
Net profit on deemed disposal of partial interests in subsidiaries	視為出售附屬公司部份權益之溢利淨額	11	<b>447,930</b>	305,112
Changes in values of properties	物業價值變動	12	<b>519,281</b>	254,292
Net profit (loss) on deemed disposal of partial interests in listed associates	視為出售上市聯營公司部份權益之溢利(虧損)淨額	13	<b>141,019</b>	(80,932)
Impairment loss recognised in respect of available-for-sale financial assets	就可供出售金融資產確認之減值虧損		<b>(2,000)</b>	(58,203)
Bad and doubtful debts	呆壞賬	14	<b>(269,406)</b>	(52,780)
Other operating expenses	其他經營開支		<b>(462,522)</b>	(164,726)
Finance costs	融資成本	16	<b>(542,346)</b>	(278,612)
Share of results of associates	應佔聯營公司業績		<b>264,470</b>	8,982
Share of results of jointly controlled entities	應佔共同控制企業業績		<b>131,106</b>	159,987
Profit before taxation	除稅前溢利	17	<b>3,280,804</b>	1,299,512
Taxation	稅項	18	<b>(221,995)</b>	(50,820)
Profit for the year	本年度溢利		<b>3,058,809</b>	1,248,692
Attributable to:	應佔方：			
Equity holders of the Company	本公司股東		<b>2,253,707</b>	1,047,822
Minority interests	少數股東權益		<b>805,102</b>	200,870
			<b>3,058,809</b>	1,248,692
Earnings per share	每股盈利	19		
Basic	基本		<b>41.35 cents仙</b>	19.51 cents仙
Diluted	攤薄		<b>37.43 cents仙</b>	19.29 cents仙

at 31st December, 2007

於二零零七年十二月三十一日

	Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated and note 3) (重列及附註3)
<b>Non-current assets</b>			
Investment properties	21	3,618,200	2,959,300
Property, plant and equipment	22	287,483	365,583
Prepaid land lease payments	23	341,832	283,032
Goodwill	24	2,603,378	2,626,744
Intangible assets	25	2,083,758	2,411,741
Interests in associates	29	3,176,775	2,521,862
Interests in jointly controlled entities	30	998,767	914,092
Available-for-sale financial assets	31	1,366,546	1,060,578
Statutory deposits		29,729	78,687
Amounts due from associates	32	-	78,000
Loans and advances to consumer finance customers due after one year	33	1,475,395	1,156,998
Loans and receivables	34	5,806	33,603
Deferred tax assets	35	66,576	47,709
		<b>16,054,245</b>	<b>14,537,929</b>
<b>Current assets</b>			
Properties held for sale and other inventories	36	482,809	525,000
Financial assets at fair value through profit or loss	37	1,187,110	363,384
Prepaid land lease payments	23	5,870	4,378
Loans and advances to consumer finance customers due within one year	33	2,145,159	1,654,167
Trade and other receivables	38	5,859,292	3,741,396
Amounts due from associates	32	137,584	80,702
Amount due from a jointly controlled entity		2,192	2,185
Tax recoverable		3,382	2,660
Short-term pledged bank deposit		121,000	1,000
Cash and cash equivalents	39	1,742,231	1,455,569
		<b>11,686,629</b>	<b>7,830,441</b>
<b>Current liabilities</b>			
Trade and other payables	40	2,067,778	1,532,185
Financial liabilities at fair value through profit or loss	45	59,084	1,972
Amount due to ultimate holding company		14,351	10,919
Amount due to a fellow subsidiary		76,183	804,226
Amounts due to associates		12,605	12,527
Amount due to a jointly controlled entity		39,063	79,063
Tax payable		130,102	74,874
Bank and other borrowings due within one year	46	891,364	1,534,570
Loan notes	47	69,166	-
Provisions	50	74,827	77,684
Other liabilities due within one year	51	734	861
		<b>3,435,257</b>	<b>4,128,881</b>
<b>Net current assets</b>		<b>8,251,372</b>	<b>3,701,560</b>
<b>Total assets less current liabilities</b>		<b>24,305,617</b>	<b>18,239,489</b>

at 31st December, 2007

於二零零七年十二月三十一日

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated and note 3) (重列及附註3)
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	41	<b>1,129,258</b>	1,074,599
Share premium and reserves	股份溢價及儲備	43	<b>10,018,348</b>	7,411,463
<b>Equity attributable to equity holders of the Company</b>	<b>本公司股東應佔 權益</b>		<b>11,147,606</b>	8,486,062
<b>Minority interests</b>	<b>少數股東權益</b>		<b>6,935,204</b>	4,848,502
<b>Total equity</b>	<b>權益總額</b>		<b>18,082,810</b>	13,334,564
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank and other borrowings due after one year	一年後到期之銀行 及其他借貸	46	<b>2,779,592</b>	919,151
Loan notes	貸款票據	47	–	66,639
Bonds	債券	48	<b>2,800,000</b>	2,800,000
Convertible bonds	可換股債券	49	–	479,783
Deferred tax liabilities	遞延稅項負債	35	<b>638,439</b>	638,164
Provisions	撥備	50	<b>4,773</b>	1,180
Other liabilities due after one year	一年後到期之其他負債	51	<b>3</b>	8
			<b>6,222,807</b>	4,904,925
			<b>24,305,617</b>	18,239,489

The consolidated financial statements on pages 55 to 164 were approved and authorised for issue by the Board of Directors on 15th April, 2008, and are signed on its behalf by:

第55至164頁之綜合財務報表經董事會於二零零八年四月十五日批准及授權刊發，並由下列董事代表簽署：



**Arthur George Dew**  
狄亞法  
Director  
董事



**Patrick Lee Seng Wei**  
李成偉  
Director  
董事



## Balance Sheet

at 31st December, 2007

## 資產負債表

於二零零七年十二月三十一日

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Intangible assets	無形資產	25	510	510
Investments in subsidiaries	於附屬公司之投資	27	14	14
Amounts due from subsidiaries	附屬公司欠款	28	80,305	–
			<u>80,829</u>	<u>524</u>
<b>Current assets</b>	<b>流動資產</b>			
Trade and other receivables	貿易及其他應收款項		1,106	1,709
Amounts due from subsidiaries	附屬公司欠款	28	4,126,049	3,645,760
Short-term pledged bank deposit	短期銀行抵押存款		120,000	–
Cash and cash equivalents	現金及現金等價物	39	28,687	236,579
			<u>4,275,842</u>	<u>3,884,048</u>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項		6,902	6,721
Amount due to ultimate holding company	欠最終控股公司款項		14,351	10,919
Amounts due to subsidiaries	欠附屬公司款項	44	34,934	226,622
			<u>56,187</u>	<u>244,262</u>
<b>Net current assets</b>	<b>流動資產淨額</b>		<u>4,219,655</u>	<u>3,639,786</u>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<u>4,300,484</u>	<u>3,640,310</u>
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	41	1,129,258	1,074,599
Share premium and reserves	股份溢價及儲備	43	3,171,226	2,046,504
<b>Total equity</b>	<b>權益總額</b>		<u>4,300,484</u>	<u>3,121,103</u>
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Amounts due to subsidiaries	欠附屬公司款項	44	–	29,167
Convertible bonds	可換股債券	49	–	479,783
Deferred tax liability	遞延稅項負債	35	–	10,257
			–	<u>519,207</u>
			<u>4,300,484</u>	<u>3,640,310</u>



Arthur George Dew  
狄亞法  
Director  
董事



Patrick Lee Seng Wei  
李成偉  
Director  
董事

# Consolidated Statement of Changes in Equity

# 綜合權益變動表

59

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

Attributable to equity holders of the Company  
本公司股東應佔

		Attributable to equity holders of the Company										Minority interests	Total equity	
		Share capital	Share premium	Convertible bonds reserve	Property revaluation reserve	Investment revaluation reserve	Capital redemption reserve	Translation reserve	Capital reserve	Accumulated profits	Dividend reserve			Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January, 2006	於二零零六年一月一日	1,074,303	516,644	-	-	490,639	72,044	(86,753)	4,827	4,945,116	53,715	7,070,535	1,481,741	8,552,276
Surplus arising on revaluation	重估盈餘	-	-	-	30,020	375,376	-	-	-	-	-	405,396	180,387	585,783
Deferred tax	遞延稅項	-	-	-	(5,252)	(42)	-	102	-	-	-	(5,192)	38	(5,154)
Exchange differences arising on translation of overseas operations	折算海外業務賬項而產生之匯兌差額	-	-	-	-	-	-	1,811	-	-	-	1,811	485	2,296
Share of reserves of associates	應佔聯營公司儲備	-	-	-	907	2,432	-	39,556	102	-	-	42,997	24,062	67,059
Share of reserves of jointly controlled entities	應佔共同控制企業儲備	-	-	-	-	(53)	-	7,081	-	-	-	7,028	-	7,028
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	-	25,675	377,713	-	48,550	102	-	-	452,040	204,972	657,012
Profit attributable to equity holders	股東應佔溢利	-	-	-	-	-	-	-	-	1,047,822	-	1,047,822	200,870	1,248,692
Released on disposal of available-for-sale financial assets	於出售可供出售金融資產時撥回	-	-	-	-	(89,315)	-	-	-	-	-	(89,315)	(40,501)	(129,816)
Released on deemed disposal of partial interests in listed associates	於視為出售上市聯營公司股份權益時撥回	-	-	-	-	(374)	-	(3,549)	(2,646)	-	-	(6,569)	(4,125)	(10,694)
Total recognised income for the year	年內已確認收入總額	-	-	-	25,675	288,024	-	45,001	(2,544)	1,047,822	-	1,403,978	361,216	1,765,194
Purchase of subsidiaries	收購附屬公司	-	-	-	-	2,640	-	-	-	12,478	-	15,118	1,861,964	1,877,082
Issue of convertible bonds	發行可換股債券	-	-	58,981	-	-	-	-	-	-	-	58,981	-	58,981
Deferred tax arising on issue of convertible bonds	發行可換股債券產生之遞延稅項	-	-	(10,321)	-	-	-	-	-	-	-	(10,321)	-	(10,321)
Exercise of warrants	行使認股權證	296	1,180	-	-	-	-	-	-	-	-	1,476	-	1,476
Decrease in minority interests due to further acquisition of shares of a subsidiary	因進一步收購一間附屬公司股份引致少數股東權益減少	-	-	-	-	-	-	-	-	-	-	-	(205,405)	(205,405)
Increase in minority interests due to placing and subscription of shares of a subsidiary	因配售及認購一間附屬公司股份引致少數股東權益增加	-	-	-	-	-	-	-	-	-	-	-	1,398,310	1,398,310
Deemed disposal of partial interest in a subsidiary	視為出售一間附屬公司之部份權益	-	-	-	-	-	-	-	-	-	-	-	11,993	11,993
Transferred from accumulated profits to capital reserve	自累計溢利轉撥至資本儲備	-	-	-	-	-	-	-	18	(18)	-	-	-	-
Unclaimed dividend written back	未領取之股息撥回	-	-	-	-	-	-	-	-	10	-	10	5	15
Dividend paid	已付股息	-	-	-	-	-	-	-	-	(53,715)	(53,715)	-	-	(53,715)
Proposed final dividend	擬派末期股息	-	-	-	-	-	-	-	-	(80,595)	80,595	-	-	-
Proposed final dividend	分派予少數股東權益之股息	-	-	-	-	-	-	-	-	-	-	-	(61,322)	(61,322)
At 31st December, 2006	於二零零六年十二月三十一日	1,074,599	517,824	48,660	25,675	781,303	72,044	(41,752)	2,301	5,924,813	80,595	8,486,062	4,848,502	13,334,564

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股東應佔												
		Convertible								Accumul-		Minority		Total
		Share	Share	reserve	Property	Investment	Capital	Translation	Capital	ated	Dividend		interests	equity
		capital	premium	可換股債券	物業重估	投資重估	資本贖回	reserve	reserve	profits	reserve	Total	少數股東	權益
		股本	股份溢價	股本儲備	儲備	儲備	儲備	匯兌儲備	資本儲備	累計溢利	股息儲備	總計	權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January, 2007	於二零零七年一月一日	1,074,599	517,824	48,660	25,675	781,303	72,044	(41,752)	2,301	5,924,813	80,595	8,486,062	4,848,502	13,334,564
Surplus arising on revaluation	重估盈餘	-	-	-	36,985	436,472	-	-	-	-	-	473,457	203,156	676,613
Deferred tax	遞延稅項	-	-	-	(6,472)	(407)	-	-	21	-	-	(6,858)	(253)	(7,111)
Exchange differences arising on translation of overseas operations	折算海外業務賬項而產生之匯兌差額	-	-	-	-	-	-	4,842	-	-	-	4,842	3,614	8,456
Share of reserves of associates	應佔聯營公司儲備	-	-	-	22	7,903	-	65,335	(6,127)	-	-	67,133	43,241	110,374
Share of reserves of jointly controlled entities	應佔共同控制企業儲備	-	-	-	-	(11)	-	15,850	-	-	-	15,839	-	15,839
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	-	30,535	443,957	-	86,027	(6,106)	-	-	554,413	249,758	804,171
Profit attributable to equity holders	股東應佔溢利	-	-	-	-	-	-	-	2,253,707	-	-	2,253,707	805,102	3,058,809
Released on disposal of available-for-sale financial assets	於出售可供出售金融資產時撥回	-	-	-	-	(292,797)	-	-	-	-	-	(292,797)	(157,159)	(449,956)
Released on disposal of associates	於出售聯營公司時撥回	-	-	-	-	(3,444)	-	-	(75)	-	-	(3,519)	(1,879)	(5,398)
Total recognised income for the year	年內已確認收入總額	-	-	-	30,535	147,716	-	86,027	(6,181)	2,253,707	-	2,511,804	895,822	3,407,626
Released on early redemption of convertible bonds	提前贖回可換股債券時撥回	-	-	(48,660)	-	-	-	-	-	5,832	-	(42,828)	-	(42,828)
Exercise of warrants	行使認股權證	54,659	218,504	-	-	-	-	-	-	-	-	273,163	-	273,163
Decrease in minority interests due to further acquisition of shares of a subsidiary	因進一步收購一間附屬公司股份引致少數股東權益減少	-	-	-	-	-	-	-	-	-	-	-	(39,734)	(39,734)
Increase in minority interests due to placing and subscription of shares of a subsidiary	因配售及認購一間附屬公司股份引致少數股東權益增加	-	-	-	-	-	-	-	-	-	-	-	1,445,696	1,445,696
Deemed disposal of partial interest in a subsidiary	視為出售一間附屬公司之部份權益	-	-	-	-	-	-	-	-	-	-	-	122,800	122,800
Issue of subsidiary's shares to minority interests	向少數股東發行附屬公司股份	-	-	-	-	-	-	-	-	-	-	-	34,037	34,037
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	-	-	-	(69,129)	(69,129)
Dividend paid	已付股息	-	-	-	-	-	-	-	-	-	(80,595)	(80,595)	-	(80,595)
Proposed final dividend	擬派末期股息	-	-	-	-	-	-	-	(169,453)	169,453	-	-	-	-
Dividend distribution to minority interests	分派予少數股東權益之股息	-	-	-	-	-	-	-	-	-	-	-	(302,790)	(302,790)
At 31st December, 2007	於二零零七年十二月三十一日	1,129,258	736,328	-	56,210	929,019	72,044	44,275	(3,880)	8,014,899	169,453	11,147,606	6,935,204	18,082,810

# Consolidated Cash Flow Statement

for the year ended 31st December, 2007

# 綜合現金流量表

截至二零零七年十二月三十一日止年度

61

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
<b>Operating activities</b>	<b>經營業務</b>		
Profit for the year	本年度溢利	<b>3,058,809</b>	1,248,692
Adjustments for:	調整項目：		
Finance costs	融資成本	<b>542,346</b>	278,612
Amortisation of intangible assets	無形資產攤銷	<b>252,726</b>	73,384
Taxation	稅項	<b>221,995</b>	50,820
Bad and doubtful debts	呆壞賬	<b>98,051</b>	52,780
Impairment loss recognised in respect of intangible assets	無形資產已確認之減值虧損	<b>84,000</b>	1,523
Depreciation	折舊	<b>44,290</b>	29,917
Loss on early redemption of convertible bonds	提前贖回可換股債券之虧損	<b>13,655</b>	-
Amortisation of prepaid land lease payments	預繳地價攤銷	<b>5,278</b>	4,378
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	<b>4,779</b>	604
Impairment loss recognised in respect of available-for-sale financial assets	就可供出售金融資產已確認之減值虧損	<b>2,000</b>	58,203
Impairment loss recognised in respect of other financial assets	其他金融資產已確認之減值虧損	-	5,234
Profit on disposal of available-for-sale financial assets	出售可供出售金融資產之溢利	<b>(598,227)</b>	(149,045)
Increase in fair value of investment properties	投資物業公平價值增加	<b>(479,878)</b>	(261,264)
Net profit on deemed disposal of partial interests in subsidiaries	視為出售附屬公司部份權益之溢利淨額	<b>(447,930)</b>	(305,112)
Share of results of associates	應佔聯營公司業績	<b>(264,470)</b>	(8,982)
Net (profit) loss on deemed disposal of partial interests in listed associates	視為出售上市聯營公司部份權益之(溢利)虧損淨額	<b>(141,019)</b>	80,932
Share of results of jointly controlled entities	應佔共同控制企業業績	<b>(131,106)</b>	(159,987)
Profit on disposal of subsidiaries	出售附屬公司之溢利	<b>(49,581)</b>	(10,753)
Net unrealised profit on financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產之未變現溢利淨額	<b>(41,117)</b>	(61,109)
(Reversal) recognition of impairment loss in respect of properties held for sale	(撥回)確認待出售物業之減值虧損	<b>(34,660)</b>	5,900
Reversal of impairment loss in respect of interests in associates	撥回聯營公司權益之減值虧損	<b>(26,873)</b>	-
(Profit) loss on disposal of an investment property	出售投資物業之(溢利)虧損	<b>(11,902)</b>	146
Profit on disposal of associates	出售聯營公司之溢利	<b>(9,611)</b>	-
Impairment loss (reversed) recognised in respect of property, plant and equipment	已確認(撥回)物業、廠房及設備之減值虧損	<b>(4,743)</b>	1,072
Discount on acquisition of associates	收購聯營公司之折讓	<b>(242)</b>	(21,634)
Net exchange gain	匯兌收益淨額	<b>(13)</b>	-
Operating cash flow before movements in working capital	未計營運資金變動之經營業務現金流量	<b>2,086,557</b>	914,311

## Consolidated Cash Flow Statement (Cont'd)

for the year ended 31st December, 2007

## 綜合現金流量表(續)

截至二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
Increase in loans and advances to consumer finance customers	私人財務客戶貸款及墊款增加	(819,837)	(194,721)
Decrease (increase) in loans and receivables	貸款及應收賬款減少(增加)	216	(27,317)
Increase in properties held for sale and other inventories	待出售物業及其他存貨增加	(1,657)	(683)
Increase in financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產增加	(539,703)	(112,736)
Increase in trade and other receivables	貿易及其他應收款項增加	(2,158,413)	(944,067)
Increase in trade and other payables	貿易及其他應付款項增加	621,173	269,529
Increase (decrease) in financial liabilities at fair value through profit or loss	透過損益賬按公平價值處理之金融負債增加(減少)	57,112	(15,784)
Increase in amount due to a fellow subsidiary	欠一間同系附屬公司款項增加	19,757	-
Increase in amount due to ultimate holding company	欠最終控股公司款項增加	3,432	2,736
(Decrease) increase in provisions and other liabilities	撥備及其他負債(減少)增加	(1,690)	39,374
Cash used in operations	經營所用之現金	(733,053)	(69,358)
Interest paid	已付利息	(535,664)	(207,280)
Hong Kong Profits Tax paid	已付香港利得稅	(194,130)	(119,279)
Tax outside Hong Kong paid	已付香港以外稅項	(991)	-
Hong Kong Profits Tax refunded	已返還香港利得稅	-	23
<b>Net cash used in operating activities</b>	<b>經營業務所用之現金淨額</b>	<b>(1,463,838)</b>	<b>(395,894)</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

	Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
<b>Investing activities</b>			
Proceeds on disposal of available-for-sale financial assets		695,389	203,103
Proceeds on disposal of associates		171,316	-
Net repayment (payment) of statutory deposits		48,144	(45,856)
Dividends received from associates		28,855	9,770
Disposal of subsidiaries (net of cash disposal of)	52	17,876	14,908
Proceeds on disposal of an investment property		8,098	13,854
Amounts repaid by associates		5,000	11,524
Amounts repaid by jointly controlled entities		5,179	4,938
Dividends received from jointly controlled entities		2,269	-
Repayment of net amount due from investee companies		1,747	4,209
Proceeds on disposal of property, plant and equipment		1,606	352
Proceeds on disposal of intangible assets		-	190
Acquisition of additional interests in associates		(537,368)	(97,544)
Purchase of available-for-sale financial assets		(214,986)	(34,576)
Increase in pledged bank deposit		(120,000)	(28)
Purchase of property, plant and equipment		(73,516)	(31,590)
Addition to prepaid land lease payments		(65,570)	-
Acquisition of additional interests in subsidiaries		(59,208)	(298,013)
Additions to intangible assets		(9,677)	(10,528)
Amount advanced to a jointly controlled entity		(5,029)	(4,964)
Amount advanced to an associate		(1,340)	(4,997)
Additions to investment properties		(862)	(245)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)		-	(280,495)
<b>Net cash used in investing activities</b>		<b>(102,077)</b>	<b>(545,988)</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
<b>Financing activities</b>	<b>融資業務</b>		
New bank loans raised	籌集所得新造銀行貸款	2,429,323	593,349
Net proceeds received from issue of shares by a subsidiary	一間附屬公司發行股份所得款項淨額	2,056,727	1,715,033
Net proceeds received from issue of shares of the Company	發行本公司股份所得款項淨額	273,163	1,476
Amount advanced by a jointly controlled entity	一間共同控制企業墊款	20,000	118,000
Amounts advanced by associates	聯營公司墊款	28	100
Net proceeds received from issue of convertible bonds	發行可換股債券所得款項淨額	-	533,161
Repayment of bank loans	償還銀行貸款	(1,195,168)	(510,520)
Repayment of amount due to a fellow subsidiary	償還欠一間同系附屬公司款項	(750,890)	(200,000)
Early redemption of convertible bonds	提前贖回可換股債券	(537,398)	-
Payment to minority interests	予少數股東權益之付款	(237,927)	(172,351)
Dividends paid by subsidiaries to minority interests	附屬公司向少數股東權益派付之股息	(106,793)	(61,322)
Dividend paid	已付股息	(80,595)	(53,715)
Amounts repaid to associates	償還聯營公司款項	(160)	(160)
<b>Net cash generated from financing activities</b>	<b>融資業務產生之現金淨額</b>	<b>1,870,310</b>	<b>1,963,051</b>
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等價物增加淨額</b>	<b>304,395</b>	<b>1,021,169</b>
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動之影響</b>	<b>(803)</b>	<b>1,314</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>於年初之現金及現金等價物</b>	<b>1,420,639</b>	<b>398,156</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>於年末之現金及現金等價物</b>	<b>1,724,231</b>	<b>1,420,639</b>
<b>Cash and cash equivalents at 31st December represented by:</b>	<b>於十二月三十一日之現金及現金等價物，即：</b>		
Cash and cash equivalents	現金及現金等價物	1,742,231	1,455,569
Bank overdrafts	銀行透支	(18,000)	(34,930)
		<b>1,724,231</b>	<b>1,420,639</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 1. GENERAL

The Company is a listed public limited company incorporated in the Hong Kong Special Administrative Region (“Hong Kong”). Its ultimate holding company is Allied Group Limited (“AGL”), a listed public limited company which is also incorporated in Hong Kong.

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

The 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, associates and jointly controlled entities are set out in notes 61, 62 and 63 respectively.

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

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations (“New HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning on 1st January, 2007 and are relevant to the operations of the Group.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

The adoption of the New HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards and interpretations that have been issued, but are not yet effective, and are relevant to the operations of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>2</sup>
HKFRS 2 (Amendment)	Vesting Conditions and Cancellation <sup>1</sup>
HKFRS 3 (Revised)	Business Combination <sup>2</sup>
HKFRS 8	Operating Segments <sup>1</sup>
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2009

<sup>2</sup> Effective for annual periods beginning on or after 1st July, 2009

<sup>3</sup> Effective for annual periods beginning on or after 1st March, 2007

The directors of the Company anticipate that the application of these HKFRSs, HKASs and interpretations will have no material impact on the results and the financial position of the Group.

## 1. 一般資料

本公司為一間在香港特別行政區(「香港」)註冊成立之公眾上市有限公司。其最終控股公司為聯合集團有限公司(「聯合集團」)，聯合集團亦為一間在香港註冊成立之公眾上市有限公司。

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

綜合財務報表以港元呈列，與本公司之功能貨幣相同。

本公司為一間投資控股公司，其主要附屬公司、聯營公司及共同控制企業之主要業務分別載於附註第61、62及63項。

## 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團首次採用香港會計師公會(「會計師公會」)所頒佈自本集團二零零七年一月一日開始之財政年度生效且與本集團業務有關的下列新準則、修訂及詮釋(「新香港財務報告準則」)。

香港會計準則第1號(修訂本)	資本披露
香港財務報告準則第7號	金融工具：披露
香港(國際財務報告準則) – 詮釋第8號	香港財務報告準則第2號之範圍
香港(國際財務報告準則) – 詮釋第9號	重估內在衍生工具
香港(國際財務報告準則) – 詮釋第10號	中期財務報告及減值

採納該等新香港財務報告準則對現時或過去會計期間之業績及財務狀況的編製及呈列方式並無重大影響。因此，毋須作出過往期間調整。

本集團並無提早採納以下已頒佈但未生效而與本集團營運有關之新訂及經修訂準則、修訂及詮釋。

香港會計準則第1號(經修訂)	財務報表之呈報 <sup>1</sup>
香港會計準則第23號(經修訂)	借貸成本 <sup>1</sup>
香港會計準則第27號(經修訂)	綜合及獨立財務報表
香港財務報告準則第2號(修訂本)	歸屬條件及註銷 <sup>1</sup>
香港財務報告準則第3號(經修訂)	業務合併 <sup>2</sup>
香港財務報告準則第8號	經營分部 <sup>1</sup>
香港(國際財務報告準則) – 詮釋第11號	香港財務報告準則第2號：集團和庫存股份交易 <sup>3</sup>

<sup>1</sup> 於二零零九年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零零九年七月一日或之後開始之年度期間生效

<sup>3</sup> 於二零零七年三月一日或之後開始之年度期間生效

本公司董事估計採納該等新香港財務報告準則、香港會計準則及詮釋不會對本集團之業績及財務狀況造成重大影響。



for the year ended 31st December, 2007

### 3. RESTATEMENT OF 2006 COMPARATIVES

The Group acquired the UAF Holdings Limited group ("UAF") and the Quality HealthCare Asia Limited group ("QHA") ("Acquisitions") during the second half of 2006. When preparing the consolidated financial statements for the year ended 31st December, 2006, the management was in the process of performing the valuations of the net assets acquired in the Acquisitions. Thus, the net assets acquired and goodwill arising from the Acquisitions could only be determined provisionally in the 2006 consolidated financial statements.

The valuations of the net assets were completed in the first half of 2007, giving rise to adjustments to the net assets acquired and goodwill arising from the Acquisitions, including additional amortisation of intangible assets. As a result, the comparative figures in the consolidated income statement and consolidated balance sheet for the current year are restated as if the adjustments had been recognised on the dates of the Acquisitions. The effects of the restatements are analysed as follows:

		Year 2006 as previously reported 二零零六年 過往所呈報 HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	Year 2006 as restated, 二零零六年 重列 HK\$'000 千港元
<b>Consolidated income statement</b>		<b>綜合收益賬</b>		
Other income	其他收入	198,823	2,113	200,936
Net profit on deemed disposal of partial interests in subsidiaries	視為出售附屬公司部份權益之溢利淨額	307,326	(2,214)	305,112
Other operating expenses	其他經營開支	(91,567)	(73,159)	(164,726)
Taxation	稅項	(63,623)	12,803	(50,820)
Profit for the year	本年度溢利	<u>1,309,149</u>	<u>(60,457)</u>	<u>1,248,692</u>
Profit attributable to:	溢利應佔方：			
Equity holders of the Company	本公司股東	1,070,222	(22,400)	1,047,822
Minority interests	少數股東權益	<u>238,927</u>	<u>(38,057)</u>	<u>200,870</u>
Earnings per share (note)	每股盈利(附註)			
Basic (HK cents)	基本(港仙)	19.92	(0.41)	19.51
Diluted (HK cents)	攤薄(港仙)	<u>19.70</u>	<u>(0.41)</u>	<u>19.29</u>

		31st December, 2006 as previously reported 按二零零六年 十二月 三十一日 過往所呈報 HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	31st December, 2006 as restated 按二零零六年 十二月 三十一日 所重列 HK\$'000 千港元
<b>Consolidated balance sheet</b>		<b>綜合資產負債表</b>		
Goodwill	商譽	3,567,585	(940,841)	2,626,744
Intangible assets	無形資產	27,200	2,384,541	2,411,741
Deferred tax liabilities	遞延稅項負債	<u>(220,869)</u>	<u>(417,295)</u>	<u>(638,164)</u>
Share premium and reserves	股份溢價及儲備	7,293,770	117,693	7,411,463
Minority interests	少數股東權益	<u>3,939,790</u>	<u>908,712</u>	<u>4,848,502</u>

Note: The basic and diluted earnings per share for 2006, being HK\$1.99 and HK\$1.97 respectively, have been adjusted to HK\$1.92 cents and HK\$1.97 cents respectively per each sub-divided share as the Company's ordinary shares were sub-divided in August 2007. Details of the subdivision of shares is disclosed in note 41.

本集團於二零零六年下半年收購UAF Holdings Limited集團(「亞洲聯合財務」)及卓健亞洲有限公司集團(「卓健」)(「收購」)。於編製截至二零零六年十二月三十一日止年度之綜合財務報表時，管理層正就自收購購入之淨資產進行估值。因此，二零零六年綜合財務報表所示自收購購入之淨資產及所產生之商譽僅為暫時釐定。

淨資產之估值已於二零零七年上半年完成，導致須就收購購入之淨資產及所產生之商譽作出調整，包括無形資產之額外攤銷。因此，本年度綜合收益賬及綜合資產負債表內比較數字經已重列，猶如有關調整已於收購當日確認。重列之影響分析如下：

### 綜合財務報表附註(續)

截至二零零七年十二月三十一日止年度

### 3. 重列二零零六年比較數字

附註：二零零六年每股基本及攤薄盈利分別為1.99港元及1.97港元，已就本公司普通股於二零零七年八月拆細而分別調整為每股拆細股份19.92港仙及19.70港仙。股份拆細詳情載列於附註第41項。

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### Basis of preparation

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

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

##### Basis of consolidation

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

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

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

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

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests 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.

##### Business combinations

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

#### 4. 主要會計政策

##### 編製基準

綜合財務報表乃根據會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表載列香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)及香港公司條例規定之相關披露內容。

綜合財務報表乃按歷史成本基準編製，惟下列會計政策所說明按公平價值計量的若干物業及金融工具除外。

##### 綜合基準

綜合財務報表包括本公司及受本公司控制之公司(附屬公司)之財務報表。倘本公司有權支配一間公司之財務及經營政策而自其業務獲利，即控制該公司。

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

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者一致。

所有集團內交易、結餘、收入及開支均於綜合賬目時全數對銷。

綜合附屬公司淨資產之少數股東權益與本集團所佔權益分開呈列。少數股東權益包括於原業務合併日期之權益金額加上自合併日期以來少數股東應佔之權益變動。少數股東所佔虧損超出少數股東所佔附屬公司權益之差額在本集團之權益扣除，惟少數股東有約定責任且可額外投資彌補虧損者除外。

##### 業務合併

業務收購採用收購法列賬。收購成本為換取所收購公司控制權而所給予資產、所產生或所承擔之負債及本集團發行之股本工具於交易日期之公平總值，加上業務合併之直接應佔成本總和。所收購公司之可識別資產、負債及或然負債若符合香港財務報告準則第3號「業務合併」之確認條件，則按收購當日之公平價值確認。

for the year ended 31st December, 2007

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### Business combinations (Cont'd)

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

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

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

##### Investments in subsidiaries

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

##### Interests in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

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

截至二零零七年十二月三十一日止年度

#### 4. 主要會計政策(續)

##### 業務合併(續)

收購產生之商譽確認為資產，初步按成本(即業務合併成本超出本集團佔所確認可識別資產、負債及或然負債公平淨值權益之差額)入賬。當重新評估後，倘本集團佔所收購公司可識別資產、負債及或然負債公平淨值權益高於業務合併之成本，則差額即時於損益賬內確認。

所收購公司之少數股東權益初步按少數股東應佔所確認資產、負債及或然負債之公平淨值入賬。

如透過多項交換交易收購附屬公司，則收購成本為各項交易成本總和，而各項交易之成本於交易當日釐定。每項交易單獨處理，以交易當日之成本及公平價值資料計算有關交易產生之商譽。

##### 於附屬公司之投資

於附屬公司之投資乃按成本扣除減值列入本公司資產負債表。附屬公司之業績乃由本公司按已收或應收股息列賬。

##### 於聯營公司之權益

聯營公司指本集團可對其發揮重大影響之公司，而該公司既非附屬公司，亦非於合營企業之權益。

聯營公司之業績、資產及負債乃以會計權益法合併入綜合財務報表。根據權益法，於聯營公司之投資乃按成本並就本集團應佔該聯營公司淨資產之收購後變動調整及扣除任何已識別減值虧損於綜合資產負債表中列賬。倘本集團應佔聯營公司虧損等於或超出本集團於該聯營公司之權益(包括實際構成本集團於該聯營公司之淨投資之任何長期權益)，則本集團即終止確認其應佔虧損，惟倘本集團產生法律或推定責任或須代表聯營公司付款，則撥備額外應佔虧損及確認負債。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4. 主要會計政策(續)

##### Interests in associates (Cont'd)

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

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

##### Interests in jointly controlled entities

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

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities. The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statement 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 net assets of the jointly controlled entity, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equal 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.

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

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

##### 於聯營公司之權益(續)

收購成本超出本集團應佔收購當日在聯營公司之已確認可識別資產、負債及或然負債中所佔公平淨值之任何差額均確認為商譽。商譽乃計入投資之賬面值，並就減值進行評估，作為投資的一部份。本集團分佔可識別資產、負債及或然負債之公平淨值超出收購成本之差額在重新評估後即時在損益賬內確認。

倘集團公司與本集團之聯營公司交易，則盈虧在本集團於有關聯營公司之權益中撇銷。

##### 於共同控制企業之權益

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

涉及另外建立合營方共同控制某一企業之經濟活動的單獨實體之合營企業安排乃列為共同控制企業。共同控制企業之業績、資產及負債以權益會計法合併入綜合財務報表。根據權益法，於共同控制企業之投資按成本並就本集團應佔該共同控制企業淨資產之收購後變動調整扣除任何已識別減值虧損在綜合資產負債表內列賬。倘本集團應佔共同控制企業虧損等於或超出本集團於該共同控制企業之權益(包括實際構成本集團於該共同控制企業之淨投資之任何長期權益)，則本集團即終止確認其應佔虧損，惟倘本集團產生法律或推定責任或須代表共同控制企業付款，則撥備額外應佔虧損及確認負債。

收購成本超出本集團應佔收購當日在共同控制企業之已確認可識別資產、負債及或然負債中所佔公平淨值之任何差額均確認為商譽。商譽乃計入投資之賬面值，並就減值進行評估，作為投資的一部份。本集團應佔可識別資產、負債及或然負債之公平淨值超出收購成本之差額在重新評估後即時在損益賬內確認。

倘本集團與其共同控制企業交易，則未變現盈虧於本集團於該共同控制企業之權益中撇銷。

for the year ended 31st December, 2007

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### Goodwill and discount on acquisition

###### Goodwill

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

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

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

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

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

##### Revenue recognition

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

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

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

截至二零零七年十二月三十一日止年度

#### 4. 主要會計政策(續)

##### 因收購產生之商譽及折讓

###### 商譽

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

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

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

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

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

##### 收益確認

收益按日常業務中已收及應收代價之公平價值計算,指已售貨品及已提供服務之應收款項,扣除折扣及相關銷售稅項。

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

經營租約之物業租金收入(包括提前開出發票之租金)乃以直線基準於相關租賃期內確認。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4. 主要會計政策(續)

##### Revenue recognition (Cont'd)

Income from the provision of services, including medical services, nursing agency, physiotherapy and dental services and elderly care services is recognised upon the provision of relevant services or on a time proportion basis over the terms of the service contracts.

##### 收益確認(續)

提供服務(包括醫療服務、護理介紹所、物理治療及牙科服務以及護老服務)之收入於提供相關服務時或於服務合約期內按已服務時間之比例確認。

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

銷售貨品之收入於擁有權之重大風險及回報均轉讓予買家時，且本集團已不能就其擁有權作出相關行政參與及對售出貨品亦無有效控制權時確認。

Revenue from hotel operations is recognised when services are provided.

經營酒店收益於提供服務時確認。

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

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

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

來自投資之股息收入於股東收取付款之權利建立時確認。

Commission income is recognised as income on trade date basis.

佣金收入乃按交易日期基準確認為收入。

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

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

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

基金之管理及顧問費於提供有關服務時確認。

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

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

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

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

##### Fixed-fee contracts

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

##### 固定費用合約

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

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

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

for the year ended 31st December, 2007

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### Leasing

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

##### *The Group as lessor*

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

##### *The Group as lessee*

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

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 also spread on a straight-line basis over the lease term.

##### Leasehold land and buildings

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

##### Foreign currencies

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

截至二零零七年十二月三十一日止年度

#### 4. 主要會計政策(續)

##### 租約

倘租賃之條款將擁有權之絕大部份風險及回報轉予承租人時，租約歸類為融資租約。所有其他租約歸類為經營租約。

##### *本集團作為出租人*

融資租約應收承租人之款項按本集團於租約之淨投資列作應收款項。融資租約收入分配至各會計期間，以按固定期間比率反映本集團就租約之未償還淨投資之回報。

經營租約之租金收入以直線法於在相關租期內確認。

##### *本集團作為承租人*

根據融資租約持有之資產以其公平價值於租約期初或以最低租約付款之現值(以較低者為準)確認為本集團資產。欠出租人之相應負債在資產負債表內列為融資租約承擔。租約付款在融資費用及租約承擔減少之間按比例分配，以就負債之餘額達致固定利率。融資費用直接於損益賬內扣除。

根據經營租約應付之租金乃在相關租期內以直線法於損益賬扣除。因訂立一項經營租約作為獎勵之已收及應收福利乃以直線法於租期列賬。

##### 租賃土地及樓宇

就租賃分類而言，土地及樓宇租約中之土地及樓宇乃分開考慮，除非租約付款在土地及樓宇間無法可靠分配，在此情況下，整份租約一般列為融資租約處理，並入賬列為物業、廠房及設備。倘租約付款能可靠分配，則土地之租賃權益列為經營租約。

##### 外幣

各個集團公司之個別財務報表乃以有關公司營運所在主要經濟環境之貨幣(其功能貨幣)呈列。就綜合財務報表而言，各公司之業績及財務狀況以本公司之功能貨幣港元呈列，而港元亦為綜合財務報表之呈列貨幣。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4. 主要會計政策(續)

##### Foreign currencies (Cont'd)

In preparing the financial statements of each group individual entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of 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.

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

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

Goodwill and fair value adjustments on identifiable asset acquired arising on an acquisition of a foreign operation 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 translation reserve.

##### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are 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.

##### 外幣(續)

在編製各個別集團公司之財務報表時，以公司功能貨幣以外之貨幣(外幣)進行的交易按交易當日之匯率以各自之功能貨幣(即公司營運所在主要經濟環境之貨幣)記錄。於各結算日，以外幣計值之貨幣項目按結算日之匯率重新換算。以外幣計值按公平價值列賬之非貨幣項目按釐定公平價值之日期之匯率重新換算。以外幣之歷史成本計值之非貨幣項目不會重新換算。

因結算貨幣項目及重新換算貨幣項目產生之匯兌差額計入本期間之損益賬。重新換算以公平價值列賬之非貨幣項目產生之匯兌差額計入該期間之損益賬內，惟重新換算非貨幣項目產生之匯兌差額，其盈虧直接於權益確認。在該等情況下，匯兌差額亦直接於權益中確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債(包括比較數字)乃按結算日之適用匯率以港元呈列，而收入及支出(包括比較數字)乃按該年之平均匯率進行換算，惟倘匯率於該期間出現大幅波動，則採用交易當日之匯率換算。所產生之匯兌差額(如有)乃確認為權益之獨立部份(匯兌儲備)。該等匯兌差額乃於出售海外業務之期間於損益賬內確認。

因收購海外業務產生之商譽及所收購可識別資產之公平價值調整，乃視作海外業務之資產及負債處理及按結算日之匯率換算。所產生之匯兌差額於匯兌儲備內確認。

##### 借貸成本

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

所有其他借貸成本於產生之期間在損益賬確認。



for the year ended 31st December, 2007

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### Employee benefits

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

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

##### Taxation

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

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the 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 differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

截至二零零七年十二月三十一日止年度

#### 4. 主要會計政策(續)

##### 僱員福利

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

應付予本集團之退休福利計劃及強制性公積金計劃供款於僱員提供使其有權獲得供款之服務時作為開支在綜合收益賬內扣除。

##### 稅項

稅項指現時應付稅項及遞延稅項。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合收益賬中所報溢利不同，因為其不包括在其他年度應課稅之收入或可扣稅之開支，亦不包括非應課稅或可扣稅之項目。本集團之即期稅項負債乃按結算日已頒佈或實際頒佈之稅率計算。

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

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

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

遞延稅項乃按預期於償還負債或變現資產之期間按結算日已頒佈或實際頒佈之稅率計算。遞延稅項於收益賬中扣除或入賬，惟倘遞延稅項與直接在權益中扣除或計入權益之項目有關，則遞延稅項亦於權益中處理。

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Investment properties**

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

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

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

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

For a transfer from owner-occupied property to investment property, the entity shall treat any difference at that date between the carrying amount of the property and its fair value in the same way as a revaluation surplus. The excess of the fair value of the property at the date of transfer over the carrying amount of the property is credited to revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged to consolidated income statements. The excess of the carrying amount of the property at the date of transfer over the fair value of the property is recognised in consolidated income statement to the extent it exceeds the balance, if any, on the revaluation reserve relating to a previously revaluation of the same asset.

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

On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

**4. 主要會計政策(續)****投資物業**

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

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

投資物業在下列情況下轉入或轉出：

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

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

對於業主佔用物業轉入投資物業，有關項目應以與計算重估盈餘相同的方法計算該物業於轉撥當日之賬面值與其公平價值之差額。該物業於轉撥當日之公平價值超出其賬面值之差額會計入重估儲備，惟倘先前確認為開支之同一資產將重估減值逆轉為增值，則有關增幅會計入綜合收益賬，惟以先前於綜合收益賬扣除的減幅為限。該物業於轉撥當日之賬面值超出其公平價值之金額會計入綜合收益賬中確認，惟不得超過有關先前就同一資產重估的重估儲備結餘(如有)。

對於存貨轉入按公平價值列賬之投資物業，該日期物業公平價值與之前賬面值的任何差額將於損益賬中確認。

隨後於出售投資物業時，列入權益之重估盈餘可以轉入保留盈利。重估盈餘並不透過損益賬轉入保留盈利。

for the year ended 31st December, 2007

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purpose are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

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, at the following rates per annum:

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

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 consolidated income statement in the year in which the item is derecognised.

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

##### Prepaid land lease payments

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

##### Intangible assets

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

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

##### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

截至二零零七年十二月三十一日止年度

#### 4. 主要會計政策(續)

##### 物業、廠房及設備

物業、廠房及設備(包括持作用於生產或供應貨品及服務或作行政用途的土地及樓宇)乃按成本減之後累計折舊及累計減值虧損列賬。

物業、廠房及設備項目之折舊經計及估計剩餘價值後按其估計可使用年期以直線法按下列年率撇銷其成本：

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

物業、廠房及設備項目於出售或預計持續使用該資產無經濟利益產生時終止確認。終止確認該資產所產生的盈虧(以項目出售所得款項淨額及賬面值之差額計算)於項目終止年度計入綜合收益賬。

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

##### 預繳地價

租賃土地及土地使用權之前期預付款按直線基準於租約期間在收益表內扣除。

##### 無形資產

於初次確認時，獨立收購及來自業務合併之無形資產分別按成本及公平價值確認。

終止確認無形資產之損益以出售所得款項淨額與資產之賬面值之差額計量，並在終止確認資產時在收益表中確認。

##### 於業務合併中收購的無形資產

於業務合併中收購的無形資產若符合無形資產定義及其公平價值能可靠計量之情況下乃與商譽分開識別及確認。該等無形資產的成本為收購日期的公平價值。

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Intangible assets (Cont'd)***Intangible assets acquired in a business combination (Cont'd)*

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

*Intangible assets acquired separately**Exchange participation rights and club memberships*

They comprise:

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

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

*Computer software*

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

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

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

**4. 主要會計政策(續)****無形資產(續)***於業務合併中收購的無形資產(續)*

初步確認後，有固定使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬。具固定使用年期的無形資產攤銷乃於預計可使用年內按直線法撥備。而無固定使用年期的無形資產按成本減任何日後累計減值虧損列賬(見下文有形及無形資產減值虧損的相關會計政策)。

*獨立收購的無形資產**交易所參與權及會所會藉*

包括：

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

本集團管理層認為交易所參與權乃為無固定使用年期，因為預計該等權利將無限期帶來淨現金流。管理層亦認為，會所會藉並無固定使用年期。該等會藉按成本減任何減值虧損列賬，並每年透過比較其賬面值與其可收回款項而進行減值測試。可使用年期亦會每年審閱及按預期基準作出調整(如適用)。

*電腦軟件*

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

開發或保養電腦軟件之成本於產生開支時確認。對於可認定為本集團所控制，且有可能帶來高於成本之經濟利益超過一年之獨特軟件，將直接與其製造有關之成本入賬列為無形資產。直接成本包括軟件開發僱員費用及適當之部份相關費用。

電腦軟件開發成本確認為資產，並由軟件可供使用之日起按其不超過十年之估計可用年期以直線法攤銷。

for the year ended 31st December, 2007

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### Impairment of tangible and intangible assets excluding financial assets

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

Intangible assets (other than goodwill) that have indefinite useful lives are not subject to amortisation, and are tested at least annually for impairment and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Tangible and intangible assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. 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.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units) if an impairment test cannot be performed for an individual asset.

##### 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.

截至二零零七年十二月三十一日止年度

#### 4. 主要會計政策(續)

##### 有形及無形資產(不包括金融資產)減值

就減值測試而言，因收購而產生之商譽會分配至預期可從收購之協同效益中獲益之各相關現金產生單位或各組現金產生單位。獲分配商譽之現金產生單位會每年及於有跡象可能減值時作減值測試。就一個財務年度內因收購而產生之商譽，獲分配商譽之現金產生單位會於財務年度末作減值測試。當現金產生單位之可收回金額低於單位賬面值時，減值虧損會首先分配至該單位以減低該單位獲分配商譽之賬面值，然後再根據該單位內各項資產之賬面值按比例分配至該單位之其他資產。任何商譽之減值虧損會直接在綜合收益賬內確認。商譽之減值虧損不會在往後期間撥回。

無固定使用年期之無形資產(商譽除外)毋須攤銷，但須每年進行減值測試，且在事件或情況轉變顯示賬面值可能無法收回時，進行減值評估。須予以折舊及攤銷之有形及無形資產在事件或情況轉變顯示賬面值可能無法收回時，進行減值評估。倘資產賬面值高於可收回金額，則確認減值虧損。可收回金額為資產公平價值減出售成本與使用價值兩者間之較高者。倘一項減值虧損其後獲撥回，則有關資產之賬面值增至其重新估計之可收回金額，惟經增加之賬面值不得超逾有關資產在過往年度如無確認任何減值虧損所應釐定之賬面值。

就評估減值而言，倘若無法對個別資產檢查有否資產減值，則於存在可分開識別現金流(產生現金單位)之最低水平上將資產集合。

##### 金融工具

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

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4. 主要會計政策(續)

##### Financial instruments (Cont'd)

##### Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss ("FVTPL"), 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.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments.

##### Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated as an effective hedging instrument.

##### 金融工具(續)

##### 金融資產

本集團金融資產歸類為四個類別之一，即透過損益賬按公平價值處理之金融資產(「透過損益賬按公平價值處理之金融資產」)、貸款及應收賬款、持至到期投資及可供出售金融資產。所有透過正常方式買賣金融資產按交易日期基準確認及終止確認。按正常方式買賣為按照市場規則或慣例所制定之時限內須交付資產之金融資產買賣。

##### 實際利息法

實際利息法為計算金融資產的攤銷成本以及於有關期間分配利息收入的方法。實際利率為於金融資產的預計可使用年期或(如適用)較短期間內可準確折現估計未來現金收入(包括所支付或收取能構成整體實際利率的所有費用及利率差價、交易成本及其他溢價或折讓)的利率。債務工具按實際利率基準確認收入。

##### 透過損益賬按公平價值處理之金融資產

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

倘發生下列情況，則將金融資產歸類為持作交易：

- 所收購的該金融資產主要用於在不久將來出售；或
- 該金融資產是作為本集團整合管理的已識別金融工具組合的一部分，且近期實現短線套利模式；或
- 該金融資產為衍生工具，但非指定為有效對沖工具。

for the year ended 31st December, 2007

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### Financial instruments (Cont'd)

##### Financial assets at fair value through profit or loss (Cont'd)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

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

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

##### 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, amounts due from associates, amount due from a jointly controlled entity, tax recoverable, short-term pledged bank deposits, bank deposits, bank balances, loan receivables and loans and advances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

##### Available-for-sale financial assets

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

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition (see accounting policy on impairment loss on financial assets below).

截至二零零七年十二月三十一日止年度

#### 4. 主要會計政策(續)

##### 金融工具(續)

##### 透過損益賬按公平價值處理之金融資產(續)

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

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

初步確認後於各結算日，透過損益賬按公平價值處理之金融資產按公平價值計量，有關公平價值變動於變動產生期間透過損益賬直接確認。於損益賬確認之盈虧淨額包括通過金融資產所賺取的股息或利息。

##### 貸款及應收賬款

貸款及應收賬款為並非於活躍市場報價而具有固定或可釐定付款之非衍生金融資產。初步確認後之各結算日，貸款及應收賬款(包括貿易及其他應收款項、聯營公司欠款、一間共同控制企業欠款、可收回稅項、短期銀行抵押存款、銀行存款、銀行結餘、應收貸款與貸款及墊款)乃利用實際利率法按攤銷成本扣除任何已確定減值虧損列賬(見下文金融資產減值虧損之會計政策)。

##### 可供出售金融資產

可供出售金融資產為指定為或非歸類為透過損益賬按公平價值處理之金融資產、貸款及應收款項及持至到期投資之非衍生工具。於首次確認後之各結算日，可供出售金融資產按公平價值計量。公平價值之變動於權益中確認，直至金融資產被出售或釐定為減值，此時，先前於權益中確認之累積盈虧從權益中移除及於損益賬內確認(見下文金融資產減值虧損之會計政策)。

對沒有活躍市場所報之市價及公平價值不能可靠計量之可供出售股權投資及與該等股權工具關連且必須透過交付該類無報價股權工具作結算之衍生工具，於初步確認後之各結算日，按成本減已識別減值虧損計量(見下文金融資產減值虧損之會計政策)。

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Financial instruments (Cont'd)***Impairment of financial assets*

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

Each receivable that is individually significant is reviewed for indication of impairment at each balance sheet date. Loans and receivables that are individually not significant and are assessed not to be impaired individually are reviewed at each balance sheet date on a collective portfolio basis.

Individual impairment allowance applies to securities margin financing and secured term loans which are individually significant and have objective evidence of impairment. In assessing the individual impairment, management estimates the present value of future cash flows which are expected to be received, taking into account the borrower's financial situation and the net realisable value of the underlying collateral or guarantees in favour of the Group. Each impaired asset is assessed on its merits and the impairment allowance is measured as the difference between the loan's carrying amount and the present value of the estimated future cash flows discounted at the loan's original effective interest rate.

Collective impairment allowances cover credit losses inherent in portfolios of loans receivable and other accounts with similar economic and credit risk characteristics where objective evidence for individual impaired items cannot be identified. In assessing the collective impairment, management makes assumptions both to define the way the Group assesses inherent losses and to determine the required input parameters, based on historical loss experience and current economic conditions.

*Financial liabilities at fair value through profit or loss*

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**4. 主要會計政策(續)****金融工具(續)***金融資產減值*

本集團於結算日評估是否有任何客觀證據證明一項或一組金融資產有減值。對於歸類為可供出售的證券權益，公平價值之重大或長期下降至低於成本被視為證券減值之客觀證據。倘可供出售投資出現減值證據，則累計虧損(即按收購成本與當期公平價值間之差額減去之前於綜合收益賬確認之金融資產的任何減值計算)將自權益剔除，並於綜合收益賬確認。於綜合收益賬確認之權益投資的減值虧損不會在綜合收益賬撥回。

本公司於各結算日檢討各項具個別重要性的應收賬款之減值跡象。不具個別重要性且評估為不會個別減值的貸款及應收賬款會於各結算日一併審閱。

個別減值撥備適用於個別為重大及有客觀減值證據的證券保證金融資及有抵押有期貨款。評估個別減值時，管理層會考慮借款人的財務狀況、相關抵押品或給予集團擔保的可變現淨值，估計預期可收回的未來現金流量現值。各項減值資產根據其存在價值估計，減值撥備按貸款賬面值及以原有實際利率折現的估計未來現金流量現值間之差額計算。

集體減值準備涵蓋具有相若經濟及風險特性的應收貸款組合和其他賬戶的內在信貸虧損，而且並不能以客觀證據識別個別項目的減值。評估集體減值時，管理層根據過往虧損紀錄和現時經濟狀況作出假設，以釐定本集團評估內在風險的方式及所需輸入參數。

*透過損益賬按公平價值處理之金融負債*

透過損益賬按公平價值處理之金融負債分為兩類，包括持作交易用途之金融負債及指定於初步確認時透過損益賬按公平價值處理之金融負債。

倘發生下列情況，則將金融負債歸類為持作交易：

- 該金融負債主要用於在不久將來購回；或
- 該金融負債是作為本集團整合管理的已識別金融工具組合的一部分，且近期實現短線套利模式；或
- 該金融負債為衍生工具，但非指定為有效對沖工具。



for the year ended 31st December, 2007

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### Financial instruments (Cont'd)

##### Financial liabilities at fair value through profit or loss (Cont'd)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

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

At each balance sheet date subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

##### Other financial liabilities

Other financial liabilities including bank and other borrowings, trade and other payables, amount due to ultimate holding company, amount due to a fellow subsidiary, amounts due to associates, amount due to a jointly controlled entity and other liabilities are subsequently measured at amortised cost, using the effective interest method.

##### Fair value measurement principles

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

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

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

截至二零零七年十二月三十一日止年度

#### 4. 主要會計政策(續)

##### 金融工具(續)

##### 透過損益賬按公平價值處理之金融負債(續)

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

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

初步確認後於各結算日，透過損益賬按公平價值處理之金融負債按公平價值計量，公平價值之變動於變動期間在損益賬直接確認。

##### 其他金融負債

其他金融負債包括銀行及其他借貸、貿易及其他應付款項、欠最終控股公司款項、欠一間同系附屬公司款項、欠聯營公司款項、欠一間共同控制企業款項及其他負債，其後採用實際利率法按攤銷成本計量。

##### 公平價值計算原則

金融資產及金融負債之公平價值按下列方式釐定：

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

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



for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4. 主要會計政策(續)****Financial instruments (Cont'd)***Convertible bonds*

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

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

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

At reporting date subsequent to the initial recognition, the embedded derivative component is measured at fair value with changes in fair value recognised in profit or loss.

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

*Equity instruments*

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

Equity instruments include derivatives that are settled by the exchange of fixed amount of cash or another financial assets for a fixed number of the company's own equity instruments.

*Embedded derivatives*

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

**金融工具(續)***可換股債券*

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

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

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

於首次確認後之報告日期，嵌入式衍生產品部份乃按公平價值計量，有關公平價值變動於損益賬確認。

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

*權益工具*

本公司發行之權益工具按已收所得款項減直接發行成本而列賬。

權益工具包括以定額現金或另一項權益公具交換公司本身的定額權益工具方式結算之衍生工具。

*嵌入式衍生工具*

倘非衍生工具主合約之嵌入式衍生工具之風險及特點與主合約之風險及特點並不密切相關，且主合約不透過損益賬按公平價值計量，則該嵌入式衍生工具作獨立之衍生工具處理。

for the year ended 31st December, 2007

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### Financial instruments (Cont'd)

###### Financial guarantee contracts

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

###### Derecognition

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

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

##### Provisions and contingent liabilities

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

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

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

截至二零零七年十二月三十一日止年度

#### 4. 主要會計政策(續)

##### 金融工具(續)

###### 財務擔保合約

財務擔保合約乃規定發行人須支付特定款項以補償持有人因特定債務人未能按照債務票據原定或經修訂條款於到期時支付款項所蒙受損失之合約。本集團發行且並非透過損益賬按公平價值處理之財務擔保合約最初按期公平價值直接扣除與發行財務擔保合約相關之交易成本確認。於最初確認後，本集團按(i)根據香港會計準則第37號撥備、或然負債及或然資產釐定之金額；及(ii)最初確認之金額減(如適用)根據香港會計準則第18號收益確認之累計攤銷兩者中之較高者計量財務擔保合約。

###### 終止確認

於資產收取現金流量之權利到期或金融資產已轉讓或本集團已轉讓金融資產所有權之絕大部份風險及回報時，即終止確認該資產。於終止確認金融資產時，資產賬面值與已收及應收代價金額之差額以及已直接於權益確認之累計盈虧於損益賬確認。

金融負債於相關合約指定之責任獲解除、取消或到期時終止確認。已終止確認之金融負債之賬面值與已付或應付代價之差額於損益賬確認。

##### 撥備及或然負債

倘本集團因過往事件現在須承擔法定或推定責任，而解除有關責任將導致資源流出，並能夠可靠估算責任金額，則會確認撥備。倘本集團預期撥備將部份或全部償付，而實際肯定可獲償付，則有關償付確認為獨立資產。撥備相關開支於收益表扣除償付金額呈列。

或然負債指因過往事件而可能引起之責任，該等責任須視乎日後有否一項或多項並非本集團所能完全控制之事件方可確實。或然負債亦包括因過去事件引起，惟因未必有需要流出經濟資源或無法可靠計算該責任之數額而不予確認之現有責任。

或然負債不會確認，惟會於財務報表附註披露。倘資源流出之可能性有變而很可能導致經濟資源流出，則或然負債將確認為撥備。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### Properties held for sale

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

##### Inventories

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

##### Cash and cash equivalents

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

#### 5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

##### Estimate of fair value of investment properties

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

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

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

##### Impairment allowances for loans and advances to consumer finance customers

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

#### 4. 主要會計政策(續)

##### 待出售物業

待出售物業按成本與可變現淨值兩者中較低者入賬。成本包括永久持有及租賃土地成本、發展成本、借貸成本及其他該等物業應佔之直接成本，直至相關物業達到可供出售狀態。可變現淨值參考管理層根據現行市場條件估計之售價減所有估計完成成本以及市場推廣及銷售時產生之成本而釐定。

##### 存貨

存貨按成本與可變現淨值兩者中較低者入賬。成本乃採用加權平均法計算。

##### 現金及現金等價物

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

#### 5. 估計不確定因素之主要來源

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

##### 投資物業之公平價值估計

投資物業由獨立專業估值師按現有用途釐定之市值於結算日重估。該等估值乃根據若干假設，該若干假設受不確定因素影響，可能與實際結果相差很遠。於作出該等判斷時，管理層考慮類似物業在活躍市場現時價格之資料及採用主要根據於每個結算日存在之市況作出之假設。

##### 貸款及應收賬款(不包括私人財務客戶貸款及墊款)之減值撥備

本集團定期審核貸款組合，以評估是否存在減值撥備。於釐定是否應於綜合收益賬記錄減值撥備時，管理層在考慮借款人之財務狀況及向本集團作出的相關抵押或擔保之可變現淨值後，以估計預期收取未來現金流之現值。

##### 私人財務客戶貸款及墊款之減值撥備

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

for the year ended 31st December, 2007

## 5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

### Impairment of available-for-sale financial assets

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

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

### Estimated impairment of goodwill and intangible assets with indefinite useful life

The Group conducts tests for impairment of goodwill and intangible assets with indefinite useful life annually in accordance with the relevant accounting standards. Determining whether the goodwill and intangible assets with indefinite useful life are impaired requires an estimation of the fair value less cost to sell or value in use on basis of data available to the Group. Where the future cash flows are less than expected, an impairment loss may arise.

### Deferred tax

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

### Fair value of derivative and financial instruments

As included in notes 31 and 37, the Group selects appropriate valuation techniques for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied (note 7b).

The Group's unlisted equity instruments with carrying amount of HK\$244,659,000 (2006: HK\$152,910,000) are valued using generally accepted pricing models based on assumptions supported by observable market data.

For the valuation of derivative financial instruments, appropriate assumptions are used based on quoted market data to adjust for specific features of the instrument. The carrying amounts of these derivative financial assets and liabilities are HK\$297,587,000 (2006: nil) and HK\$24,921,000 (2006: nil).

截至二零零七年十二月三十一日止年度

## 5. 估計不確定因素之主要來源(續)

### 可供出售金融資產之減值

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

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

### 商譽之估計減值及無固定使用年期之無形資產

本集團根據相關會計準則，每年進行商譽及無固定使用年期之無形資產減值測試。在釐定商譽及無固定使用年期之無形資產是否減值時，要求根據本集團可得到之資料對公平價值減出售成本或使用價值作出估計。倘未來現金流量低於預期，則可能產生減值虧損。

### 遞延稅項

估計因稅項虧損產生之遞延稅項資產金額需要經過涉及就稅項、預測未來數年之應課稅收入及評估本集團透過未來盈利利用稅項利益之能力釐定適當撥備之過程。倘產生之實際未來溢利低於預期，則可能產生遞延稅項資產撥回，而撥回將於發生之期間在綜合收益賬確認。因稅項虧損產生之本集團遞延稅項資產主要來自於有期貨款業務。倘現有財務模式顯示稅項虧損可於未來動用，則任何假設、估計及稅務規例之變動可能影響遞延稅項資產之可收回性。

### 衍生工具及金融工具之公平價值

按附註第31及37項所述，本集團對於活躍市場無報價的金融工具選用適當的估值技巧。估值技巧受市場從業員廣泛採用(附註第7b項)。

本集團賬面值244,659,000港元(二零零六年：152,910,000港元)的非上市股權工具依據以可觀察市場數據為基準的假設使用公認定價模式估值。

衍生金融工具乃採用合適假設以所報市場數據(按工具特點調整)為基準估值。該等衍生金融資產及負債之賬面值分別為297,587,000港元(二零零六年：無)及24,921,000港元(二零零六年：無)。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**6. CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategic remains unchanged from prior year.

The capital structure of the Group consists of debts (which includes bank and other borrowings, convertible bonds and loan notes), and equity attributable to equity holders of the Company comprising issued share capital, share premium and reserves.

**Gearing ratio**

The Group's management reviews the capital structure on an ongoing basis using gearing ratio, which is the net debts divided by equity. Net debts included the group's bank and other borrowings, convertible bonds, bonds and loan notes less short term pledged bank deposits and cash and cash equivalents. The equity comprises all components of equity attributable to the equity holders of the Company.

The gearing ratio at the year end was as follows:

**6. 資本風險管理**

本集團管理資本旨在透過優化債權平衡，確保本集團屬下各公司能持續經營並給予股東最高回報。本集團的整體策略與上年度保持不變。

本集團的資本架構包括債務(包括銀行及其他借貸、可換股債券及貸款票據)與本公司股東應佔權益(包括已發行股本、股份溢價及儲備)。

**負債資產比率**

本集團管理層運用負債資產比率(即債務淨額除以權益)持續檢討資本架構。債務淨額包括本集團的銀行及其他借貸、可換股債券、債券與貸款票據減短期銀行抵押存款與現金及現金等價物。權益包括本公司股東應佔權益之各個組成部份。

年末的負債資產比率如下：

		<b>The Group</b>	
		<b>本集團</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
Bank and other borrowings	銀行及其他借貸	<b>3,670,956</b>	2,453,721
Short-term loan due to a fellow subsidiary	應付同系附屬公司的短期貸款	-	700,000
Convertible bonds	可換股債券	-	479,783
Bonds	債券	<b>2,800,000</b>	2,800,000
Loan notes	貸款票據	<b>69,166</b>	66,639
		<b>6,540,122</b>	6,500,143
Less: short term pledged bank deposit cash and cash equivalents	減：短期銀行抵押存款 現金及現金等價物	<b>(121,000)</b>	(1,000)
		<b>(1,742,239)</b>	(1,455,569)
Net debt	債務淨額	<b>4,676,883</b>	5,043,574
Equity attributable to equity holders of the Company	本公司股東 應佔權益	<b>11,147,606</b>	8,486,062
Gearing ratio	負債資產比率	<b>42.0%</b>	59.4%

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 7. FINANCIAL INSTRUMENTS

## 7. 金融工具

## 7a. Categories of financial instruments

The carrying amounts of the Group's and the Company's financial assets at the balance sheet date were as follows:

## 7a. 金融工具分類

本集團及本公司金融資產於結算日之賬面值如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產				
– Held-for-trading investment (note 37)	– 持作買賣投資 (附註37)	770,911	132,254	–	–
– Equity securities in unlisted investment funds (note 37)	– 非上市投資基金的股本證券 (附註37)	416,199	231,130	–	–
		<b>1,187,110</b>	<b>363,384</b>	–	–
Loans and receivables under non-current assets	歸類為非流動資產的貸款及應收款項				
– Amount due from an associate (note 32)	– 一間聯營公司欠款 (附註32)	–	78,000	–	–
– Loans and advances to consumer finance customers (note 33)	– 私人財務客戶貸款及墊款 (附註33)	1,475,395	1,156,998	–	–
– Loans and receivables (note 34)	– 貸款及應收賬款 (附註34)	5,806	33,603	–	–
– Amounts due from subsidiaries (note 28)	– 附屬公司欠款 (附註28)	–	–	80,305	–
Loans and receivables under current assets	歸類為流動資產的貸款及應收款項				
– Short-term pledged bank deposit	– 短期銀行抵押存款	121,000	1,000	120,000	–
– Cash and cash equivalents (note 39)	– 現金及現金等價物 (附註39)	1,742,231	1,455,569	28,687	236,579
– Amounts due from subsidiaries (note 28)	– 附屬公司欠款 (附註28)	–	–	4,126,049	3,645,760
– Trade and other receivables (note 38)	– 貿易及其他應收款項 (附註38)	5,589,292	3,741,396	1,106	1,709
– Loans and advances to consumer finance customers (note 33)	– 私人財務客戶貸款及墊款 (附註33)	2,145,159	1,654,167	–	–
– Amounts due from associates (note 32)	– 聯營公司欠款 (附註32)	137,584	80,702	–	–
– Amount due from a jointly controlled entity	– 一間共同控制企業欠款	2,192	2,185	–	–
		<b>11,218,659</b>	<b>8,203,620</b>	<b>4,356,147</b>	<b>3,884,048</b>
Available-for-sale financial assets (note 31)	可供出售金融資產 (附註31)	1,366,546	1,060,578	–	–
		<b>13,772,315</b>	<b>9,627,582</b>	<b>4,356,147</b>	<b>3,884,048</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 7. FINANCIAL INSTRUMENTS (CONT'D)

## 7. 金融工具(續)

## 7a. Categories of financial instruments (Cont'd)

The carrying amounts of the Group's and the Company's financial liabilities at the balance sheet date were as follows:

## 7a. 金融工具分類(續)

本集團及本公司金融負債於結算日之賬面值如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Financial liabilities measured at amortised cost	按攤銷成本計算的金融負債				
- Bank and other borrowings (note 46)	- 銀行及其他借貸(附註46)	3,670,956	2,453,721	-	-
- Trade and other payables (note 40)	- 貿易及其他應付款項(附註40)	2,067,778	1,532,185	6,902	6,721
- Amount due to ultimate holding company	- 欠最終控股公司款項	14,351	10,919	14,351	10,919
- Amount due to subsidiaries (note 44)	- 欠附屬公司款項(附註44)	-	-	34,934	255,789
- Amount due to a fellow subsidiary	- 欠一間同系附屬公司款項	76,183	804,226	-	-
- Amounts due to associates	- 欠聯營公司款項	12,605	12,527	-	-
- Amount due to a jointly controlled entity	- 欠一間共同控制企業款項	39,063	79,063	-	-
- Loan notes (note 47)	- 貸款票據(附註47)	69,166	66,639	-	-
- Convertible bonds (note 49)	- 可換股債券(附註49)	-	479,783	-	479,783
		<u>5,950,102</u>	<u>5,439,063</u>	<u>56,187</u>	<u>753,212</u>
Financial liabilities at fair value through profit or loss (note 45)	透過損益賬按公平價值處理之金融負債(附註45)	59,084	1,972	-	-
		<u>6,009,186</u>	<u>5,441,035</u>	<u>56,187</u>	<u>753,212</u>

## 7b. Fair Value of Financial Assets and Liabilities

As at 31st December 2007, the carrying amounts of the Group's and the Company's financial assets and liabilities approximate to their fair values.

The fair value of financial assets and financial liabilities (including derivatives instruments) with standard terms and conditions and traded on active markets are determined with reference to quoted market bid prices and ask prices respectively.

The fair value of other financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models on the basis of current market data as input. For unlisted warrants, their fair values are estimated using the Black-Scholes Option Pricing model. Due to the non-availability of quoted prices of the equity and currency OTC derivatives and the lack of market transactions in such derivatives in recent months as a consequence of current market conditions, the Group estimated their fair values by reference to the prices quoted by respective counterparties at year-end.

## 7b. 金融資產及負債之公平價值

二零零七年十二月三十一日，本集團及本公司金融資產及負債的賬面值與公平價值相若。

具標準條款及條件並在活躍市場買賣的金融資產及金融負債(包括衍生工具)的公平價值分別參照市場的買盤價與賣盤價釐定。

其他金融資產及金融負債(包括衍生工具)的公平價值根據公認定價模式以現行市場數據作為參數而釐定。非上市認股權證的公平價值使用畢蘇期權定價模式釐定。由於缺乏股權及貨幣場外衍生工具的報價，加上現行市況欠佳致使近月並無有關衍生工具的市場交易，故此本集團參考各交易方於年末的報價估計有關公平價值。



for the year ended 31st December, 2007

## 7. FINANCIAL INSTRUMENTS (CONT'D)

### 7b. Fair Value of Financial Assets and Liabilities (Cont'd)

For fund units and unlisted securities without an active market, the Group established their fair values by references to the prices quoted by respective fund administrators or by using valuation techniques including the use of recent arm's length transactions, reference to other investments that are substantially the same and generally accepted pricing models.

### 7c. Financial Risk Management

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

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

The Board of Directors ("Board"), representing the interests of shareholders, has the ultimate responsibility for risk management. The Board, with the assistance of its committees, has the primary responsibility for the determination of risk management strategies and for ensuring that the Group has an effective risk management system to implement the risk management strategies. The relevant risk management committee ("RMC"), established by the board of directors of the relevant group companies as standing committee and supported by the relevant risks control department, is charged with the major responsibilities to define, analyse, and ensure the monitoring of the various risks which may be encountered by the Group from its various activities. The function of the relevant credit committee ("CM"), which reports to the executive committees of the respective board of directors of the group companies, is to ensure the proper monitoring and control of the credit activities, risks and exposures of the Group. The Group's relevant independent control departments play important roles in the provision of assurance to the relevant board of directors and management that a sound internal control system is maintained and adhered to.

截至二零零七年十二月三十一日止年度

## 7. 金融工具(續)

### 7b. 金融資產及負債之公平價值(續)

對於並無活躍市場的基金單位及非上市證券，本集團會參考有關基金管理員的報價或使用包括近期經公平磋商的交易、參考大致相同的其他投資產品及公認定價模式等估值方法估計有關公平價值。

### 7c. 金融風險管理

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

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

董事會(「董事會」)代表股東的權益，肩負起風險管理的最終使命。董事會在轄下委員會的協助下，其主要職責是釐定風險管理策略及確保本集團已制定行之有效的風險管理制度，以便落實執行各種風險管理策略。有關集團公司董事會設立的常務委員會風險管理委員會(「風險管理委員會」)在相關風險管理部的協助下，主要負責界定、分析及確保監察本集團各項業務所面對的各種風險。有關信貸委員會(「信貸委員會」)負責向各集團公司董事會轄下的執行委員會匯報，以確保妥善監察及控制本集團的信貸活動及風險。本集團的有關獨立控制部門擔任重要職務，向相關董事會及管理層確保維持及遵守穩健的內部監控制度。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 7. FINANCIAL INSTRUMENTS (CONT'D)

## 7. 金融工具(續)

## 7c. Financial Risk Management (Cont'd)

## (a) Market Risk

## (i) Trading Risk

Market risk primarily arises from available-for-sale financial assets and financial assets/liabilities at fair value through profit or loss, various managed funds investments, as well as trading activities including market-making and proprietary trading. Trading activities across the Group are subject to limits approved by the RMC. The relevant risk control department independently monitors and reports the positions, risks and financial performance of the Group's proprietary trading activities involving equities, derivatives, leveraged foreign exchange, bullion and other metals contracts. Derivatives include trading of futures, options and knock-out options (trading name as Accumulators). Proprietary trading exposures are measured on both a "mark-to-market" and a "mark-to-fair" basis, and "maximum loss" and "position" limits are used. Value at Risk (VaR) and stress tests are also used in the assessment of risk. These are approaches that assist in the quantification of risk by combining the size of a position and the extent of a potential market movement into a potential financial impact.

The Group's dealing departments are responsible for managing and monitoring all open positions and trading exposure within pre-set trading risk limits. They are accountable for profit targets set by management and they perform hedging of risk according to their hedging strategies. The Group's various proprietary trading positions and financial performance are reported daily to senior management for review. The relevant internal audit departments also perform audits to supplement the above controls to ensure compliance with the established market risk limits and guidelines.

The table below summaries the impact of movement in the global equity indices on the entity's financial impact for the year and on other components of equity for the Group. The analysis is based on the assumption that the equity index has movement of  $\pm 15\%$  with all other variables held constant and all the entity's equity instruments moved accordingly. Decreases in the index would be expressed as negatives.

## 7c. 金融風險管理(續)

## (a) 市場風險

## (i) 交易風險

市場風險主要來自可供出售金融資產及透過損益賬按公平價值處理之金融資產/負債、各項受管理基金投資及買賣活動，包括營造市場活動及自營買賣活動。本集團之買賣活動須受風險管理委員會審批之限額限制。有關風險管理部負責獨立監察及匯報涉及股本、衍生工具、槓桿式外匯、黃金及其他金屬合約之自營買賣之狀況、風險及財務業績。衍生工具包括買賣期貨、期權及失效期權(買賣名為累積認購期權)。自營買賣風險按「市場價格」及「公平價格」計算風險，並設定「虧蝕上限」及「持倉」限額。此外，評估風險時亦會使用風險值及壓力測試，結合持倉之規模及潛在市場變化對損益產生之潛在影響，以協力量化風險。

本集團的交易部負責管理及監察所有未平倉合約，將交易風險控制在預設的交易風險限額內。他們負責管理層設定的盈利目標，並根據對沖策略對沖風險。本集團各項自營買賣活動持倉狀況及財務業績，均每日匯報予高級管理層以供審閱。本集團之稽核部亦會作出審核，以補充上述監控措施，確保遵從本集團既訂之市場風險限額及指引。

下表概述環球股市指數變動對該公司本年度的財務及其他權益組成部分的影響。該分析乃假設股市指數上下波幅為15%，所有其他變數保持不變，而該公司的所有股本工具隨之變動。指數下降以負數表示。

		At 31 December 2007 二零零七年十二月三十一日				At 31 December 2006 二零零六年十二月三十一日			
		Potential impact for the year		Potential impact on other components of equity		Potential impact for the year		Potential impact on other component of equity	
		本年度的潛在影響		對權益其他組成部分的潛在影響		本年度的潛在影響		對權益其他組成部分的潛在影響	
		15%	-15%	15%	-15%	15%	-15%	15%	-15%
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Local Index	本地指數	80,987	(158,010)	184,837	(184,837)	34,796	(35,479)	159,087	(159,087)
Overseas Index	海外指數	102,756	(102,755)	20,145	(20,145)	35,957	(35,956)	-	-

for the year ended 31st December, 2007

## 7. FINANCIAL INSTRUMENTS (CONT'D)

### 7c. Financial Risk Management (Cont'd)

#### (a) Market Risk (Cont'd)

##### (i) Trading Risk (Cont'd)

There is no material impact of movement in the global equity indices on the entity's financial impact for the year and on other components of equity for the Company. Futures, options and knock-out options are hedged by other derivatives in view of the volatile market and wide trading range.

##### (ii) Interest Rate Risk

Interest rate risk primarily results from timing differences in the re-pricing of interest bearing assets, liabilities and commitments.

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

At 31st December, 2007, if the Hong Kong market interest rates had been 100 basis points higher/lower and all other variables held constant, a potential financial impact for the year for the Group would have been HK\$44,347,000 (2006: HK\$19,115,000 lower/higher, mainly as a result of higher/lower interest expense on denominated floating rate borrowings compensated by higher/lower interest income on floating rate loans and advances to consumer finance customers and margin loans. The financial risk exposed to the Company for the year are immaterial.

##### (iii) Foreign Exchange Risk

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

截至二零零七年十二月三十一日止年度

## 7. 金融工具(續)

### 7c. 金融風險管理(續)

#### (a) 市場風險(續)

##### (i) 交易風險(續)

環球股市指數變動對公司本年度的財務及權益其他組成部分並無重大影響。鑒於市場波動及交易範圍廣泛，期貨、期權及失效期權以其他衍生工具對沖。

##### (ii) 利率風險

利率風險主要由就計息資產、負債及承擔重新定價之時差所引致。

本集團的利率風險主要來自證券放款及其他貸款業務。本集團有法律能力要求借款人即時償還貸款，或重訂證券放款之息率至適當水平。本集團亦可容易地確定其在提供貸款時所承受之利率風險水平。管理本集團所支付之利率旨在盡量令息差符合資金之流動性及需求。

二零零七年十二月三十一日，倘香港市場利率上升/下降100個點子，而所有其他變量保持不變，則本集團於本年度的潛在財務影響將上升/下降44,347,000港元(二零零六年：19,115,000港元)，主要是由於浮息借貸的利息開支上升/下降被浮息私人財務客戶貸款及墊款以及證券放款的利息收入上升/下降所抵銷。本集團年內的金融風險極微。

##### (ii) 外匯風險

外匯風險乃外幣匯率變動對盈利或資本造成之風險。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 7. FINANCIAL INSTRUMENTS (CONT'D)

## 7. 金融工具(續)

### 7c. Financial Risk Management (Cont'd)

#### (a) Market Risk (Cont'd)

##### (iii) Foreign Exchange Risk (Cont'd)

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

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

#### (b) Credit Risk

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

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

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

### 7c. 金融風險管理(續)

#### (a) 市場風險(續)

##### (ii) 外匯風險(續)

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

本集團主要貸款業務以本地貨幣進行，以減低外匯風險，故此本集團及本公司之貸款資產並無承受重大外匯風險。

#### (b) 信貸風險

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

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

日常信貸管理由有關信貸部負責。信貸部會就交易對手之信譽、抵押品及風險分布作出批核。信貸部日常所作之決定是向本集團之高級管理層與信貸委員會所召開的定期例會上作出匯報及檢討。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 7. FINANCIAL INSTRUMENTS (CONT'D)

## 7c. Financial Risk Management (Cont'd)

## (b) Credit Risk (Cont'd)

The table below shows the maximum exposure to credit risk for the components of the balance sheet. The maximum exposure is shown in gross value before the effect of mitigation though the use of collateral agreements.

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Maximum credit exposure</b>	<b>最高信貸風險</b>		
Cash and cash equivalents	現金及現金等價物	1,742,231	1,455,569
Trade and other receivables	貿易及其他應收款項	5,859,292	3,741,396
Available-for-sale financial assets	可供出售金融資產	1,366,546	1,060,578
Loan and advances to consumer finance customers	私人財務客戶 貸款及墊款	3,620,554	2,811,165
Loan and receivables	貸款及應收賬款	5,806	33,603
Financial assets at fair value through profit or loss	透過損益賬按公平價值處理之 金融資產	1,187,110	363,384
Amounts due from associates	聯營公司欠款	137,584	158,702
Amounts due from a jointly controlled entity	一間共同控制企業 欠款	2,192	2,185
		<b>13,921,315</b>	<b>9,626,582</b>

		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Maximum credit exposure</b>	<b>最高信貸風險</b>		
Cash and cash equivalents	現金及現金等價物	28,687	236,579
Trade and other receivables	貿易及其他應收款項	1,106	1,709
Amounts due from subsidiaries	附屬公司欠款	4,206,354	3,645,760
		<b>4,236,147</b>	<b>3,884,048</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**7. FINANCIAL INSTRUMENTS (CONT'D)****7. 金融工具(續)****7c. Financial Risk Management (Cont'd)***(b) Credit Risk (Cont'd)*

Where financial instruments are recorded at fair value, the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of change of values. Cash and cash equivalents and amounts due from associates/subsidiaries are treated as lower credit risk as counterparties are reputable financial institutions and associates/subsidiaries among the Group. Available-for-sale financial assets and financial assets at fair value through profit or loss are already subject to the sensitive test under market risk management.

Trade and other receivables consist of amount receivables from exchanges, brokers and clients, secured term loans, margin loans and other interest and receivables items. The breakdown and its aging analysis are disclosed in note 38 to the consolidated financial statements. There are no major concerns on margin loans as margin calls for equity trading have tightened and most clients have cut off positions. The margin loans book of the Group remains at a low gearing level.

Loans and advances to consumer finance customers are granted by the Company's principal subsidiary, United Asia Finance Limited, which contained HK\$3,172,601,000 unsecured (2006: HK\$2,621,436,000) and HK\$447,953,000 secured (2006: HK\$189,729,000) before taking into account of any collateral held or other credit enhancements. The table below summaries its credit quality based on the internal credit rating system employed:

**7c. 金融風險管理(續)***(b) 信貸風險(續)*

倘金融工具以公平價值列賬，則上述款項指現時信貸風險款項，而非可能因價值變動而產生的日後最高風險款項。由於交易對手為信譽卓著的金融機構及本集團的聯營公司／附屬公司，故現金及現金等價物與聯營公司／附屬公司欠款視為具有較低信貸風險。可供出售金融資產及透過損益賬按公平價值處理之金融資產已就市場風險管理進行敏感度測試。

貿易及其他應收款項包括應收款項包括交易所、經紀人及客戶款項、有抵押有期貨款、證券放款、其他利息及應收項目。有關分類及賬齡分析載於綜合財務報表附註第38項。由於追加有關股票買賣的按金而大部分客戶已將交易平倉，因此證券放款方面問題不大。本集團證券放款負債資產比率仍處於低水平。

本公司主要附屬公司亞洲聯合財務有限公司授出的私人財務客戶貸款及墊款，包括無抵押3,172,601,000港元(二零零六年：2,621,436,000港元)及有抵押447,953,000港元(二零零六年：189,729,000港元)，未計及持有的抵押品或其他信貸增加。下表概述以採用內部信貸評級系統為基準的信貸質素：

		<b>The Group</b>	
		<b>本集團</b>	
		At	At
		31st December,	31st December,
		2007	2006
		二零零七年	二零零六年
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
<b>Credit quality</b>	<b>信貸質素</b>		
Standard grade	標準級	3,245,721	2,585,661
Past due or individually impaired	已過期或個別減值	374,833	225,504
		<b>3,620,554</b>	<b>2,811,165</b>

for the year ended 31st December, 2007

## 7. FINANCIAL INSTRUMENTS (CONT'D)

### 7c. Financial Risk Management (Cont'd)

#### (b) Credit Risk (Cont'd)

The newly launched over-the-counter product, Accumulator, is a knock-out option (which is exercised automatically and periodically), under which the buyers of the Accumulator trade will be entitled to receive the underlying shares or assets at an agreed strike price. It operates on a back-to-back nature as the option contracts are issued by the product providers. In the event that customers are unable to meet their commitment, the option contract will be terminated by the product providers accordingly.

There is no concentration of risk on geographical segments as most of the Group's and the Company's major business activities are conducted in Hong Kong.

#### (c) Liquidity Risk

The goal of liquidity management is to enable the Group, even under adverse market conditions, to meet all of its maturing repayment obligations on time and to adequately fund operational activities and strategic opportunities.

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

截至二零零七年十二月三十一日止年度

## 7. 金融工具(續)

### 7c. 金融風險管理(續)

#### (b) 信貸風險(續)

新推出的場外產品累積認購期權為失效期權(可定期自動行使)，累積認購期權買家可以協定行使價獲得相關股份或資產。由於期權合約由產品供應商發出，故失效期權可以背對背性質運作。倘客戶無法履行承擔，則產品供應商可相應終止期權合約。

由於本集團及本公司大部分業務在香港經營，故並無有關地區分部的集中風險。

#### (c) 流動資金風險

流動資金管理旨在使本集團即使在不利市場條件下亦可按時履行所有到期償還責任，並有足夠資金應付經營活動及策略機會。

本集團監管其流動資金狀況，確保有審慎而充裕之流動資金比率，以遵守有關法定要求。各管理層及相關高級經理每日監察本集團之流動資金狀況，以確保有足夠流動資金履行全部責任，並符合法定要求(如適用於多間持牌附屬公司的財務資源條例)。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 7. FINANCIAL INSTRUMENTS (CONT'D)

## 7. 金融工具(續)

## 7c. Financial Risk Management (Cont'd)

## (c) Liquidity Risk (Cont'd)

The exposure of the Group's contractual undiscounted cash flow for the financial liabilities and their contractual maturity dates are as follows:

## 7c. 金融風險管理(續)

## (c) 流動資金風險(續)

本集團金融負債面對的約定未折現現金流量及其約定到期日如下：

		Less than 31 days 少於31日 HK\$'000 千港元	31 days to 90 days 31日至90日 HK\$'000 千港元	91 days to 1 year 90日至1年 HK\$'000 千港元	1 year to 5 years 1年至5年 HK\$'000 千港元	Over 5 years 5年以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>At 31st December, 2007</b>	<b>於二零零七年十二月三十一日</b>						
Bank and other borrowings	銀行及其他借貸	379,494	327,252	259,931	3,001,353	62,638	4,030,668
Trade and other payables	貿易及其他應付款項	2,067,778	-	-	-	-	2,067,778
Amount due to a fellow subsidiary	欠一間同系附屬公司款項	76,183	-	-	-	-	76,183
Amounts due to associates	欠聯營公司款項	12,605	-	-	-	-	12,605
Amounts due to a jointly controlled entity	欠一間共同控制企業款項	39,063	-	-	-	-	39,063
Loan notes	貸款票據	-	70,139	-	-	-	70,139
Bonds	債券	-	79,510	79,510	2,959,020	-	3,118,040
Financial liabilities at fair value through profit or loss	透過損益賬按公平價值處理之金融負債	59,084	-	-	-	-	59,084
<b>At 31st December, 2006</b>	<b>於二零零六年十二月三十一日</b>						
Bank and other borrowings	銀行及其他借貸	329,946	928,418	322,516	992,811	-	2,573,691
Trade and other payables	貿易及其他應付款項	1,532,185	-	-	-	-	1,532,185
Amount due to a fellow subsidiary	欠一間同系附屬公司款項	104,226	-	717,467	-	-	821,693
Amounts due to associates	欠聯營公司款項	12,527	-	-	-	-	12,527
Amounts due to a jointly controlled entity	欠一間共同控制企業款項	79,063	-	-	-	-	79,063
Loan notes	貸款票據	-	-	2,786	70,139	-	72,925
Bonds	債券	-	74,754	74,754	3,099,016	-	3,248,524
Convertible bonds	可換股債券	-	-	37,611	649,676	-	687,287
Financial liabilities at fair value through profit or loss	透過損益賬按公平價值處理之金融負債	1,972	-	-	-	-	1,972

The financial risks exposed to the Company at the balance sheet dates are immaterial.

本公司於結算日的金融風險極微。

## 8. MANAGEMENT OF THE FIXED-FEE CONTRACTS

## 8. 固定費用合約管理

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

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



for the year ended 31st December, 2007

## 8. MANAGEMENT OF THE FIXED-FEE CONTRACTS (CONT'D)

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

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

As the related assets and liabilities of the fixed-fee contracts are non-interest-bearing and as the provisions of services on credit are in general only made to customers with good credit history or of low risk profile, the Group's exposure to interest rate risk and credit risk in respect of such contracts is considered to be minimal.

As at 31st December, 2007, accounts receivable and deferred revenue of the Group attributable to its fixed-fee contracts amounted to approximately HK\$10,047,000 (2006: HK\$6,859,000) and HK\$3,416,000 (2006: HK\$3,151,000), respectively.

## 9. REVENUE

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

截至二零零七年十二月三十一日止年度

## 8. 固定費用合約管理(續)

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

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

由於固定費用合約的相關資產及負債並不計息，加上僅會向信貸紀錄良好或風險低的客戶以記賬形式提供服務，故此本集團有關該等合約的利率風險及信貸風險極低。

於二零零七年十二月三十一日，本集團固定費用合約之應收賬款及遞延收益分別約為10,047,000港元(二零零六年：6,859,000港元)及3,416,000港元(二零零六年：3,151,000港元)。

## 9. 收益

收益指來自提供醫療服務、護理介紹所、物理治療及牙科服務以及護老服務、私人財務、物業租賃、酒店業務及物業管理服務、提供顧問及其他服務已收及應收之款項、利息及股息收入、來自企業融資及顧問服務收入、來自證券孖展融資及有期貨款融資及保險經紀服務溢利，以及買賣證券之溢利淨額、黃金交易收入以及外匯交易差額。

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest income on loan and advances to consumer finance customers	私人財務客戶貸款及墊款之利息收入	1,113,668	348,411
Securities broking	證券經紀	1,060,420	463,838
Medical services, nursing agency, physiotherapy and dental services, and elderly care services	醫療服務、護理介紹所、物理治療及牙科服務以及護老服務	947,701	222,594
Other interest income	其他利息收入	671,646	359,557
Income from corporate finance and others	企業融資及其他收入	366,718	274,602
Trading profit from forex, bullion, commodities and futures	外匯、黃金、商品及期貨之交易溢利	278,060	217,915
Property rental, hotel operations and management services	物業租賃、酒店業務及管理服務	202,083	182,349
Trading profit from securities	證券交易溢利	197,204	72,902
Dividend income	股息收入	31,277	24,228
		<b>4,868,777</b>	<b>2,166,396</b>

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

本年度之所有利息收入乃來自非透過損益賬按公平價值處理之金融資產。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 10. SEGMENTAL INFORMATION

## 10. 分部資料

The Group has the following main business segments:

本集團之主要業務分部如下：

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

- 投資、經紀及金融 – 買賣證券、提供證券經紀及相關服務、提供外匯、黃金及商品之經紀服務、提供證券孖展融資及保險經紀服務、提供有關融資及顧問產品以及提供有期貨款融資。
- 私人財務 – 提供私人貸款財務產品。
- 保健 – 提供醫療服務、護理介紹所、物理治療、牙科服務及護老服務。
- 物業租賃、酒店業務及管理服務 – 物業租賃、由第三方管理之酒店業務及提供物業管理服務。
- 銷售物業及與物業有關之投資 – 發展及銷售物業以及與物業有關之投資。

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

業務分部為主要呈報方式，而地域分部為次要呈報方式。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 10. SEGMENTAL INFORMATION (CONT'D)

## 10. 分部資料(續)

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

本集團之業務分部資料分析如下：

		2007 二零零七年					
		Investment, broking and finance 投資、經紀 及金融 HK\$'000 千港元	Consumer finance 私人財務 HK\$'000 千港元	Healthcare 保健 HK\$'000 千港元	Property rental, hotel operations and management services 物業租賃、 酒店業務及 管理服務 HK\$'000 千港元	Sale of properties and property based investments 銷售物業及 與物業有關 之投資 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Revenue	收益	2,608,789	1,124,942	957,323	207,806	-	4,898,860
Less: inter-segment revenue	減：分部間之收益	(24,360)	-	-	(5,723)	-	(30,083)
		<b>2,584,429</b>	<b>1,124,942</b>	<b>957,323</b>	<b>202,083</b>	<b>-</b>	<b>4,868,777</b>
Segment results	分部業績	2,054,776	97,804	50,117	605,355	30,573	2,838,625
Net profit on deemed disposal of partial interests in subsidiaries	視為出售附屬公司部份權益之溢利淨額						447,930
Net profit on deemed disposal of partial interests in listed associates	視為出售上市聯營公司部份權益之溢利淨額						141,019
Finance costs	融資成本						(542,346)
Share of results of associates	應佔聯營公司業績						264,470
Share of results of jointly controlled entities	應佔共同控制企業業績	827	-	-	130,279	-	131,106
Profit before taxation	除稅前溢利						3,280,804
Taxation	稅項						(221,995)
Profit for the year	本年度溢利						<b>3,058,809</b>
Segment assets	分部資產	9,905,413	8,079,254	884,372	4,008,372	478,187	23,355,598
Interests in associates	於聯營公司之權益						3,176,775
Interests in jointly controlled entities	於共同控制企業之權益	971	-	519	997,277	-	998,767
Deferred tax assets	遞延稅項資產						66,576
Amounts due from associates	聯營公司欠款						137,584
Amount due from a jointly controlled entity	一間共同控制企業欠款	-	-	-	2,192	-	2,192
Tax recoverable	可收回稅項						3,382
Total assets	資產總值						<b>27,740,874</b>
Segment liabilities	分部負債	(2,030,032)	(1,707,260)	(130,467)	(68,855)	(8)	(3,936,622)
Amounts due to associates	欠聯營公司款項						(12,605)
Amount due to a jointly controlled entity	欠一間共同控制企業款項	-	-	-	(39,063)	-	(39,063)
Tax payable	應付稅項						(130,102)
Bank and other borrowings	銀行及其他借貸						(2,101,233)
Deferred tax liabilities	遞延稅項負債						(638,439)
Bonds	債券						(2,800,000)
Total liabilities	負債總額						<b>(9,658,064)</b>
Other information	其他資料						
Depreciation	折舊	15,671	7,624	16,161	4,834	-	44,290
Amortisation of prepaid land lease payments	預繳地價攤銷	2,522	-	-	2,756	-	5,278
Amortisation of intangible assets	無形資產攤銷	5,272	230,697	16,757	-	-	252,726
Impairment losses recognised (written back)	已確認(撥回)減值虧損	(24,873)	84,000	-	(4,743)	(34,660)	19,724
Increase in fair value of investment properties	投資物業公平價值增加	-	-	-	479,878	-	479,878
Bad and doubtful debts (written back)	呆壞賬(撥回)	8,797	259,552	1,120	(63)	-	269,406
Capital additions	資本增加	119,171	9,093	21,238	2,035	-	151,537

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 10. SEGMENTAL INFORMATION (CONT'D)

## 10. 分部資料(續)

		2006 二零零六年					
		Investment, broking and finance 投資、經紀 及金融 HK\$'000 千港元	Consumer finance 私人財務 HK\$'000 千港元 (Restated) (重列)	Healthcare 保健 HK\$'000 千港元 (Restated) (重列)	Property rental, hotel operations and management services 物業租賃、 酒店業務及 管理服務 HK\$'000 千港元	Sale of properties and property based investments 銷售物業及 與物業有關 之投資 HK\$'000 千港元	Total 總額 HK\$'000 千港元 (Restated) (重列)
Revenue	收益	1,423,064	360,643	224,579	187,972	-	2,196,258
Less: inter-segment revenue	減：分部間之收益	(24,239)	-	-	(5,623)	-	(29,862)
		<u>1,398,825</u>	<u>360,643</u>	<u>224,579</u>	<u>182,349</u>	<u>-</u>	<u>2,166,396</u>
Segment results	分部業績	742,019	88,668	17,983	346,416	(10,111)	1,184,975
Net profit on deemed disposal of partial interests in subsidiaries	視為出售附屬公司 部份權益之溢利淨額						305,112
Net loss on deemed disposal of partial interests in listed associates	視為出售上市聯營公司 部份權益之虧損淨額						(80,932)
Finance costs	融資成本						(278,612)
Share of results of associates	應佔聯營公司業績						8,982
Share of results of jointly controlled entities	應佔共同控制 企業業績	1,464	-	(149)	158,672	-	159,987
Profit before taxation	除稅前溢利						1,299,512
Taxation	稅項						(50,820)
Profit for the year	本年度溢利						<u>1,248,692</u>
Segment assets	分部資產	6,181,573	7,769,462	831,329	3,423,009	515,787	18,721,160
Interests in associates	於聯營公司之權益						2,521,862
Interests in jointly controlled entities	於共同控制企業之權益	2,455	-	477	911,160	-	914,092
Deferred tax assets	遞延稅項資產						47,709
Amounts due from associates	聯營公司欠款						158,702
Amount due from a jointly controlled entity	一間共同控制企業 欠款	-	-	-	2,185	-	2,185
Tax recoverable	可收回稅項						2,660
Total assets	資產總值						<u>22,368,370</u>
Segment liabilities	分部負債	(2,121,721)	(1,074,615)	(120,759)	(60,887)	(692)	(3,378,674)
Amounts due to associates	欠聯營公司款項						(12,527)
Amount due to a jointly controlled entity	欠一間共同控制 企業款項	-	-	-	(79,063)	-	(79,063)
Tax payable	應付稅項						(74,874)
Bank and other borrowings	銀行及其他借貸						(1,570,721)
Deferred tax liabilities	遞延稅項負債						(638,164)
Bonds	債券						(2,800,000)
Convertible bonds	可換股債券						(479,783)
Total liabilities	負債總額						<u>(9,033,806)</u>
Other information	其他資料						
Depreciation	折舊	16,864	3,093	4,081	5,879	-	29,917
Amortisation of prepaid land lease payments	預繳地價 攤銷	1,622	-	-	2,756	-	4,378
Amortisation of intangible assets	無形資產	4,225	69,159	-	-	-	73,384
Impairment losses recognised	已確認減值虧損	59,726	-	-	1,072	5,900	66,698
Increase in fair value of investment properties	投資物業公平價值 增加	-	-	-	261,264	-	261,264
Bad and doubtful debts (written back)	呆壞賬 (撥回)	(8,371)	60,294	1,475	(618)	-	52,780
Capital additions	資本增加	35,158	3,668	2,844	5,049	-	46,719

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**10. SEGMENTAL INFORMATION (CONT'D)**

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

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

**10. 分部資料(續)**

分部間交易按有關各方協定的條款訂立。

於本年度，本集團業務在香港以外地區的收益、分部業績及資產的比重均少於10%，因此並無呈列地區分部資料。

**11. NET PROFIT ON DEEMED DISPOSAL OF PARTIAL INTERESTS IN SUBSIDIARIES****11. 視為出售附屬公司部份權益之溢利淨額**

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
Net profit on deemed disposal of partial interests in subsidiaries comprises:		
Share placing of 166,000,000 shares of a subsidiary (note)	454,838	-
Share placing of 248,000,000 shares of a subsidiary	-	303,914
Exercise of warrants of subsidiaries by warrant holders	(6,908)	1,198
	<b>447,930</b>	<b>305,112</b>

Note: The Company, through its wholly-owned subsidiary, had completed share placing of 166,000,000 shares ("Share Placing") of Sun Hung Kai & Co. Limited ("Sun Hung Kai"), a listed subsidiary of the Company, on 12th November, 2007. The top-up subscription of 166,000,000 new shares of Sun Hung Kai was completed on 13th November, 2007. The shareholdings in Sun Hung Kai held by the Company before the Share Placing and after top-up subscription were 64.34% and 57.98% respectively.

附註：本公司透過全資附屬公司於二零零七年十一月十二日完成配售上市附屬公司新鴻基有限公司(「新鴻基」) 166,000,000股股份(「股份配售」)。以先舊後新方式認購166,000,000股新鴻基新股份於二零零七年十一月十三日完成。於股份配售前及以先舊後新方式認購完成後，本公司於新鴻基之持股權分別為64.34%及57.98%。

**12. CHANGES IN VALUES OF PROPERTIES****12. 物業價值變動**

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Changes in values of properties comprise:		
Net increase in fair value of investment properties	479,878	261,264
Reversal (recognition) of impairment loss of properties held for sale	34,660	(5,900)
Impairment loss reversed (recognised) for hotel property	4,743	(1,072)
	<b>519,281</b>	<b>254,292</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**12. CHANGES IN VALUES OF PROPERTIES (CONT'D)**

The recognition and reversal of impairment losses was based on the lower of cost and the value in use for hotel property and the lower of cost and net realisable value for properties held for sales. The value in use and net realisable values were determined with reference to the respective fair values of the properties based on independent professional valuations at 31st December, 2007.

**12. 物業價值變動(續)**

確認及撥回之減值虧損乃基於酒店物業之成本及使用價值兩者中之較低者及待出售物業之成本及可變現淨值兩者當中之較低者，使用價值及可變現淨值乃參考各物業根據二零零七年十二月三十一日之獨立專業估值的相關公平價值而釐定。

**13. NET PROFIT (LOSS) ON DEEMED DISPOSAL OF PARTIAL INTERESTS IN LISTED ASSOCIATES****13. 視為出售上市聯營公司部份權益之溢利(虧損)淨額**

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Net profit (loss) on deemed disposal of partial interests in listed associates arises from the following:		
	視為出售上市聯營公司部份權益之溢利(虧損)淨額來自：	
(a) – Subscription of new shares of a listed associate by third parties	(a) – 第三方認購一間上市聯營公司之新股份	141,019
– Share placing and top-up subscription of shares of a listed associate	– 股份配售及以先舊後新方式認購一間上市聯營公司股份	– (13,377)
– Exercise of unlisted warrants of a listed associate conferring rights to subscribe for up to 78,800,000 new shares by a subscriber	– 一名認購人行使一間上市聯營公司賦予認購最多78,800,000股新股之權利之非上市認股權證	– (67,875)
(b) Exercise of share options and listed warrants of another listed associate	(b) 行使另一間上市聯營公司之購股權及上市認股權證	– 320
	<b>141,019</b>	<b>(80,932)</b>

**14. BAD AND DOUBTFUL DEBTS****14. 呆壞賬**

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Bad debts written off	198,182	61,121
Impairment allowances	119,551	19,044
Impairment written back	(21,957)	(7,956)
Bad debts recovered	(26,370)	(19,429)
	<b>269,406</b>	<b>52,780</b>



for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**15. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS**

(a) The emoluments paid or payable to each of the seven (2006: seven) directors were as follows:

**15. 董事及僱員酬金資料**

(a) 已付或應付七名(二零零六年:七名)董事之酬金如下:

		2007 二零零七年				
Directors' fees 董事袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Bonus payments 花紅 HK\$'000 千港元 (Note) (附註)	Retirement benefits contributions 退休福利計劃供款 HK\$'000 千港元	Total emoluments 酬金總額 HK\$'000 千港元		
Arthur George Dew	狄亞法	–	602	–	21	623
Patrick Lee Seng Wei	李成偉	10	1,545	2,000	67	3,622
Li Chi Kong	李志剛	–	543	304	25	872
Henry Lai Hin Wing	賴顯榮	–	75	–	–	75
Steven Lee Siu Chung	李兆忠	–	422	138	19	579
John Douglas Mackie	麥尊德	–	50	–	–	50
Steven Samuel Zoellner	Steven Samuel Zoellner	–	40	–	–	40
Alan Stephen Jones	Alan Stephen Jones	10	400	–	–	410
<b>20</b>	<b>3,677</b>	<b>2,442</b>	<b>132</b>	<b>6,271</b>		

Certain Directors of the Company received remuneration from the Company's ultimate holding company or its wholly owned subsidiary. The ultimate holding company provided management services to the Group and charged the Group a fee, which is included in share of management service expenses as disclosed in note 59(a), for services provided by those Directors as well as other management personnel who were not Directors of the Company.

The management service fee is calculated by reference to the time devoted by the management personnel on the affairs of the Group and therefore can be apportioned to the directors mentioned above. The total of such apportioned amounts, which has been included in the above table, is HK\$2,074,000 (2006: HK\$1,490,000).

本公司若干董事收取本公司最終控股公司或其全資附屬公司之酬金。最終控股公司向本集團提供管理服務，並向本集團收取費用，該等費用在附註第59(a)項披露為應佔管理服務費，乃就該等董事及並非本公司董事之其他管理層人員提供之服務而支付。

管理服務費乃參考管理層人員為本集團事務投入之時間計算，並可按比例分配至上述董事。上表載列之該等按比例之總額為2,074,000港元(二零零六年:1,490,000港元)。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

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

## 15. 董事及僱員酬金資料(續)

(a) (Cont'd)

(a) (續)

		2006 二零零六年				
		Salaries and other benefits	Bonus payments	Retirement benefit scheme contributions	Total emoluments	
Directors' fees	薪金及 其他福利	花紅	退休福利 計劃供款	酬金總額		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元	千港元		
		(Note (附註))				
Patrick Lee Seng Wei	李成偉	10	2,377	1,300	78	3,765
Li Chi Kong	李志剛	–	518	384	24	926
Henry Lai Hin Wing	賴顯榮	–	75	–	–	75
Steven Lee Siu Chung	李兆忠	–	408	137	19	564
John Douglas Mackie	麥尊德	–	50	–	–	50
Steven Samuel Zoellner	Steven Samuel Zoellner	–	40	–	–	40
Alan Stephen Jones	Alan Stephen Jones	10	398	–	–	408
		20	3,866	1,821	121	5,828

Note: The amounts represented the actual bonus of the preceding year paid to respective directors during the year. The bonus of the year 2007 has yet to be decided.

附註：有關款項乃年內已付相關董事去年的實際花紅金額。二零零七年的花紅尚待釐定。

## (b) Employees' emoluments

The five highest paid individuals included none (2006: none) of the directors, details of whose emoluments are set out in note 15(a) above. The combined emoluments of the remaining five (2006: five) individuals are as follows:

## (b) 僱員酬金

五名最高薪酬之人士並無董事(二零零六年：無)，其酬金詳情載於上文附註第15(a)項。其餘五名(二零零六年：五名)人士之合併酬金如下：

		2007 二零零七年	2006 二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other benefits	薪金及其他福利	10,194	2,915
Bonus payments	花紅	38,511	1,221
Retirement benefit scheme contributions	退休福利計劃供款	419	131
Incentive/Commission	獎金/佣金	37,314	27,011
		86,438	31,278



for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**15. INFORMATION REGARDING DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONT'D)****15. 董事及僱員酬金資料(續)****(b) Employees' emoluments (Cont'd)**

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

**(b) 僱員酬金(續)**

上述非本公司董事之僱員酬金之金額範圍如下：

		Number of employees 僱員人數	
		2007 二零零七年	2006 二零零六年
HK\$4,500,001 – HK\$5,000,000	4,500,001港元 – 5,000,000港元	–	1
HK\$5,000,001 – HK\$5,500,000	5,000,001港元 – 5,500,000港元	–	1
HK\$6,500,001 – HK\$7,000,000	6,500,001港元 – 7,000,000港元	–	1
HK\$7,000,001 – HK\$7,500,000	7,000,001港元 – 7,500,000港元	–	2
HK\$11,000,001 – HK\$11,500,000	11,000,001港元 – 11,500,000港元	1	–
HK\$12,500,001 – HK\$13,000,000	12,500,001港元 – 13,000,000港元	1	–
HK\$17,500,001 – HK\$18,000,000	17,500,001港元 – 18,000,000港元	1	–
HK\$19,500,001 – HK\$20,000,000	19,500,001港元 – 20,000,000港元	1	–
HK\$25,000,001 – HK\$25,500,000	25,000,001港元 – 25,500,000港元	1	–
		<b>5</b>	<b>5</b>

**16. FINANCE COSTS****16. 融資成本**

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest on:	利息：		
Bank borrowings wholly repayable within five years	須於五年內全數償還之銀行借貸	383,303	199,659
Bank borrowings not wholly repayable within five years	毋須於五年內全數償還之銀行借貸	2,741	–
Loan notes wholly repayable within five years	須於五年內全數償還之貸款票據	5,312	5,172
Outstanding advances due to an investee company	未償還一間所投資公司之墊款	–	10,082
Short term loan included in amounts due to a fellow subsidiary repayable within five years	已計入須於五年內償還一間同系附屬公司之款項之短期貸款	35,840	16,855
Bonds wholly repayable within five years	須於五年內償清之債券	152,472	53,051
Convertible bonds	可換股債券	17,103	5,727
Others	其他	1,011	336
		<b>597,782</b>	<b>290,882</b>
Total finance costs included in:	計入下列項目內之融資成本總額：		
Cost of sales and other direct costs	銷售成本及其他直接成本	55,436	12,270
Finance costs	融資成本	542,346	278,612
		<b>597,782</b>	<b>290,882</b>

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

所有利息開支乃來自非透過損益賬按公平價值處理之金融負債。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 17. PROFIT BEFORE TAXATION

## 17. 除稅前溢利

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除：		
Auditors' remuneration	核數師酬金		
Current year	本年度	7,512	5,334
Overprovision in prior years	過往年度超額撥備	(13)	(29)
		<b>7,499</b>	5,305
Amortisation of intangible assets	無形資產攤銷		
Computer software (included in administrative expenses)	電腦軟件(已計入行政開支)	5,272	4,225
Other intangible assets (included in other operating expenses)	其他無形資產(已計入其他經營開支)	247,454	69,159
Amortisation of prepaid land lease payments	預繳地價攤銷	5,278	4,378
Commission expenses and sales incentives to account executives and certain staff	應付業務代表及若干僱員之佣金支出及銷售表現獎金	398,619	214,690
Contributions to Sun Hung Kai Employee Ownership Scheme	新鴻基僱員股份擁有計劃供款	30,000	-
Cost of inventories expensed	存貨開支成本	44,928	10,256
Depreciation	折舊	44,290	29,917
Impairment loss recognised in respect of intangible assets	無形資產之已確認減值虧損	84,000	1,523
Impairment loss recognised in respect of other financial assets	其他金融資產之已確認減值虧損	-	5,234
Loss on disposal of an investment property	出售一項投資物業之虧損	-	146
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	4,779	604
Loss on early redemption of convertible bonds	提前贖回可換股債券之虧損	13,655	-
Net unrealised loss on financial assets at fair value through profit or loss – equity securities	透過損益賬按公平價值處理之金融資產之未變現虧損淨額 – 股本證券	16,997	-
Net unrealised loss on derivatives	衍生工具之未變現虧損淨額	5,822	-
Retirement benefit scheme contributions, net of forfeited contributions of HK\$1,450,000 (2006: HK\$Nil) (note 57)	退休福利計劃供款，扣除為數1,450,000港元之沒收供款(二零零六年：零港元)(附註57)	27,460	16,509
Staff costs (including directors' emoluments but excluding contributions to retirement benefit scheme and SHK Employee Ownership Scheme)	員工成本(包括董事酬金但不包括退休福利計劃及新鴻基僱員股份擁有計劃供款)	845,723	392,559

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 17. PROFIT BEFORE TAXATION (CONT'D)

## 17. 除稅前溢利(續)

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
and after crediting:	並已計入：		
Dividend income from listed equity securities	上市股本證券之股息收入	24,294	20,549
Dividend income from unlisted equity securities	非上市股本證券之股息收入	6,983	3,679
Discount on acquisition of associates	收購聯營公司之折讓	242	21,634
Impairment loss reversed in respect of interest in associates	有關聯營公司權益之已撥回減值虧損	26,873	-
Net profit on other dealing activities	其他買賣活動之溢利淨額	12,418	23,961
Profit on disposal of subsidiaries	出售附屬公司之溢利	49,581	10,753
Net realised and unrealised profit on unlisted investment funds	非上市投資基金之已變現及未變現溢利淨額	68,728	17,326
Net realised profit on derivatives	衍生工具之已變現溢利淨額	160,922	27,209
Net realised profit on financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產之已變現溢利淨額	107,734	27,052
Net profit on dealing in leveraged foreign currencies	槓桿外匯交易之溢利淨額	8,514	8,304
Net unrealised profit on derivatives	衍生工具之未變現溢利淨額	-	12,413
Net unrealised profit on financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產之未變現溢利淨額	-	31,370
Profit on disposal of available-for-sale financial assets	出售可供出售金融資產之溢利	598,227	149,045
Profit on disposal of an investment property	出售一項投資物業之溢利	11,902	-
Profit on disposal of associates	出售聯營公司之溢利	9,611	-
Rental income from investment properties under operating leases, net of outgoings of HK\$24,982,000 (2006: HK\$24,627,000)	經營租約投資物業之租金收入，扣除支出24,982,000港元 (二零零六年：24,627,000港元)	94,360	75,297
Share of profit from discontinued operations of a listed associate	應佔一間上市聯營公司終止經營業務之溢利	57,136	2,029
		<b>2,211,995</b>	<b>2,211,995</b>

## 18. TAXATION

## 18. 稅項

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
The income tax charge (credit) comprises:	所得稅支出(抵免)包括：		
Current tax:	本期稅項：		
Hong Kong	香港	247,925	95,608
Other jurisdictions	其他司法地區	2,554	(46)
		<b>250,479</b>	95,562
Deferred tax (note 35)	遞延稅項(附註35)	(28,484)	(44,742)
		<b>221,995</b>	<b>50,820</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

### 18. TAXATION (CONT'D)

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year.

Taxation arising in other jurisdictions is calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in the relevant jurisdictions.

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

### 18. 稅項(續)

香港利得稅按年內估計應課稅溢利及稅率17.5%(二零零六年:17.5%)計算。

來自其他司法地區的稅項按年內估計應課稅溢利以有關司法地區內各國之現行稅率計算。

本年度稅項支出總額與除稅前溢利之對賬如下:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
Profit before taxation	除稅前溢利	3,280,804	1,299,512
Less: Share of results of associates	減: 應估聯營公司業績	(264,470)	(8,982)
Share of results of jointly controlled entities	應估共同控制企業業績	(131,106)	(159,987)
Profit attributable to the Company and subsidiaries	本公司及附屬公司應估溢利	<u>2,885,228</u>	<u>1,130,543</u>
Tax at Hong Kong Profits Tax rate of 17.5%	以香港利得稅稅率17.5%計算之稅項	504,915	197,845
Effect of different income tax rate of overseas subsidiaries	海外附屬公司不同所得稅率之影響	(106)	352
Tax effect of expenses that are not deductible for tax purposes	不可用作扣稅支出之稅項影響	62,805	62,017
Tax effect of income that is not assessable for tax purposes	毋須課稅收入之稅項影響	(285,301)	(125,048)
Tax effect of tax losses not recognised	未確認稅務虧損之稅項影響	549	5,447
Tax effect of utilisation of tax losses not previously recognised	動用之前未確認稅務虧損之稅項影響	(22,208)	(7,257)
Tax effect of utilisation of unrecognised deductible temporary differences	動用未確認可扣稅臨時差額之稅項影響	(29,817)	(81,810)
Under (over) provision in prior years	過往年度撥備不足(超額)	1,403	(499)
Tax effect of derecognition of the deferred tax on early redemption of convertible bonds	提前贖回可換股債券時終止確認遞延稅項之稅項影響	(10,257)	-
Others	其他	12	(227)
Taxation for the year	本年度稅項	<u>221,995</u>	<u>50,820</u>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**19. EARNINGS PER SHARE**

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

**19. 每股盈利**

本公司股東應佔每股基本及攤薄盈利乃按以下各項計算：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
<b>Earnings</b>		
Earnings for the purposes of basic earnings per share (profit for the year attributable to equity holders of the Company)	2,253,707	1,047,822
Adjustments to earnings in respect of the effect of dilutive potential ordinary shares arising from:		
– warrants of a subsidiary	–	(2,722)
– convertible bonds	20,500	5,727
Earnings for the purposes of diluted earnings per share	<u>2,274,207</u>	<u>1,050,827</u>
	'000 千股	'000 千股
<b>Number of shares</b>		
Weighted average number of shares for the purpose of basic earnings per share	5,450,954	5,371,873
Effect of dilutive potential ordinary shares arising from:		
– convertible bonds	226,696	76,547
– warrants	398,246	–
Weighted average number of shares for the purpose of diluted earnings per share	<u>6,075,896</u>	<u>5,448,420</u>

The weighted average number of shares for the purpose of basic and diluted earnings per share have been adjusted for the subdivision of the Company's ordinary shares in August 2007. The basic and diluted earnings per share for the year ended 31st December, 2006 have been restated accordingly.

用作計算每股基本及攤薄盈利之股份加權平均數已就本公司普通股於二零零七年八月的拆細而調整。截至二零零六年十二月三十一日止年度之每股基本及攤薄盈利亦已相應重列。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 20. DIVIDEND

## 20. 股息

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Ordinary shares:	普通股：		
Proposed final dividend of HK3 cents per share (2006: HK1.5 cents*)	擬派末期股息每股3港仙 (二零零六年：1.5港仙*)	<b>169,453</b>	<b>80,595</b>

A final dividend of HK3 cents (2006: HK1.5 cents\*) per share has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company.

董事已建議派發末期股息每股3港仙(二零零六年：1.5港仙\*)，惟須經本公司股東在本公司應屆股東週年大會上批准。

The amount of the proposed final dividend for the year ended 31st December, 2007 has been calculated by reference to 5,648,428,670 shares in issue at 15th April, 2008.

截至二零零七年十二月三十一日止年度建議末期股息之數額，乃參照於二零零八年四月十五日已發行5,648,428,670股股份計算。

In 2007 and 2006, the Company paid and recognised dividends of HK\$80,595,000 and HK\$53,715,000, representing HK1.5 cents\* and HK1.0 cents\* per share, being final dividend of 2006 and 2005 respectively.

二零零七年及二零零六年，本公司已就二零零六年及二零零五年末期股息支付及確認股息80,595,000港元及53,715,000港元，分別等同於每股1.5港仙\*及每股1.0港仙\*。

\* Adjusted at each share of the Company of HK\$2.00 per share was subdivided into ten shares of HK\$0.20 per share with effect from 21st August, 2007 (note 41).

\* 已就本公司股份自二零零七年八月二十一日起由每股面值2.00港元之股份拆細為十股每股面值0.20港元之股份作調整(附註第41項)。

## 21. INVESTMENT PROPERTIES

## 21. 投資物業

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>The Group Valuation</b>	<b>本集團估值</b>		
At 1st January	於一月一日	<b>2,959,300</b>	2,784,100
Additions	增加	<b>862</b>	245
Disposal	出售	<b>(43,600)</b>	(14,000)
Transferred from property, plant and equipment	轉撥自物業、廠房及設備	<b>143,000</b>	34,200
Transferred from properties held for sale	轉撥自待出售物業	<b>78,760</b>	-
Transfer to property, plant and equipment	轉撥至物業、廠房及設備	-	(106,509)
Increase in fair value recognised in the consolidated income statement	於綜合收益賬確認之公平價值增加	<b>479,878</b>	261,264
At 31st December	於十二月三十一日	<b>3,618,200</b>	2,959,300

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**21. INVESTMENT PROPERTIES (CONT'D)**

The carrying amount of investment properties shown above comprises:

Properties in Hong Kong	於香港之物業
Long-term	長期
Medium-term	中期
Medium-term properties outside of Hong Kong	香港境外之中期物業

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
2,957,300	2,392,300
602,000	518,000
58,900	49,000
<b>3,618,200</b>	<b>2,959,300</b>

The fair value of the Group's investment properties at 31st December, 2007 and 31st December, 2006 have been arrived at on the basis of a valuation carried out at that date by Norton Appraisals Limited, a firm of independent and qualified professional valuers not connected with the Group. Norton Appraisals Limited have appropriate qualifications. The valuation was principally based on investment approach by taking into account the current rents passing and the reversionary income potential of tenancies. For the properties which are currently vacant, the valuation was based on capitalisation of the hypothetical and reasonable market rents with a typical lease term or direct comparison approach.

At 31st December, 2007, the carrying value of investment properties pledged as security of the Group's bank and other borrowings amounted to HK\$3,592,200,000 (2006: HK\$2,929,300,000).

Details of the Group's investment properties and other assets being pledged to secure loans and general banking facilities are set out in note 58.

**21. 投資物業(續)**

上述投資物業之賬面值如下：

本集團投資物業於二零零七年十二月三十一日及二零零六年十二月三十一日之公平價值已根據與本集團概無關連的獨立合資格專業估值師普敦國際評估有限公司於當日進行之估值釐定。普敦國際評估有限公司擁有合適的資格。該估值主要根據投資法考慮現行租金及可能獲得的租金收入而定。目前仍然空置之物業估值乃根據一般租期內的估計合理市場租金的市值或直接比較法釐定。

於二零零七年十二月三十一日，本集團就銀行及其他借貸而抵押之投資物業之賬面值為3,592,200,000港元(二零零六年：2,929,300,000港元)。

本集團就貸款及一般銀行信貸而抵押之投資物業及其他資產之詳情載於附註第58項。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 22. PROPERTY, PLANT AND EQUIPMENT

## 22. 物業、廠房及設備

		Hotel property 酒店物業 HK\$'000 千港元	Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold Improvements 租賃 樓宇裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俱、裝置 及設備 HK\$'000 千港元	Motor vehicles and vessels 汽車 及汽船 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>The Group Cost</b>	<b>本集團 成本</b>						
At 1st January, 2006	於二零零六年一月一日	374,199	47,900	40,483	119,814	24,150	606,546
Exchange and other adjustments	匯兌及其他調整	-	(1)	9	32	-	40
Additions	增加	142	-	15,964	19,537	303	35,946
Transferred from investment properties	轉撥自投資 物業	-	106,509	-	-	-	106,509
Revaluation surplus on transfer to investment properties	轉撥至投資物業之 重估盈餘	-	30,020	-	-	-	30,020
Transfer to investment properties	轉撥至投資物業	-	(35,575)	-	-	-	(35,575)
Acquisition of subsidiaries	收購附屬公司	-	-	25,450	22,777	1,620	49,847
Disposals	出售	-	-	(2,353)	(5,163)	(648)	(8,164)
At 31st December, 2006	於二零零六年 十二月三十一日	374,341	148,853	79,553	156,997	25,425	785,169
Exchange and other adjustments	匯兌及其他調整	-	-	23	61	-	84
Additions	增加	-	10,436	27,067	34,078	3,847	75,428
Revaluation surplus on transfer to investment properties	轉撥至投資物業之 重估盈餘	-	36,985	-	-	-	36,985
Transfer to investment properties	轉撥至投資物業	-	(143,494)	-	-	-	(143,494)
Disposal of subsidiaries	出售附屬公司	-	-	(82)	(8,000)	-	(8,082)
Disposals	出售	-	-	(29,867)	(18,458)	(390)	(48,715)
At 31st December, 2007	於二零零七年 十二月三十一日	374,341	52,780	76,694	164,678	28,882	697,375
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及 減值</b>						
At 1st January, 2006	於二零零六年一月一日	239,048	10,431	30,910	95,624	21,114	397,127
Exchange and other adjustments	匯兌及其他調整	-	-	9	42	-	51
Provided for the year	本年度撥備	2,944	1,233	12,683	12,153	904	29,917
Transfer to investment properties	轉撥至投資物業	-	(1,375)	-	-	-	(1,375)
Eliminated on disposals	出售時撇銷	-	-	(1,711)	(5,121)	(374)	(7,206)
Impairment loss recognised	已確認減值虧損	1,072	-	-	-	-	1,072
At 31st December, 2006	於二零零六年 十二月三十一日	243,064	10,289	41,891	102,698	21,644	419,586
Exchange and other adjustments	匯兌及其他調整	-	-	28	60	-	88
Provided for the year	本年度撥備	2,928	1,224	18,587	19,986	1,565	44,290
Transfer to investment properties	轉撥至投資物業	-	(494)	-	-	-	(494)
Eliminated on disposal of subsidiaries	出售附屬公司時撇銷	-	-	(31)	(6,474)	-	(6,505)
Eliminated on disposals	出售時撇銷	-	-	(26,325)	(15,668)	(337)	(42,330)
Impairment loss reversed	已撥回減值虧損	(4,743)	-	-	-	-	(4,743)
At 31st December, 2007	於二零零七年 十二月三十一日	241,249	11,019	34,150	100,602	22,872	409,892
<b>Carrying amounts</b>	<b>賬面值</b>						
At 31st December, 2007	於二零零七年 十二月三十一日	133,092	41,761	42,544	64,076	6,010	287,483
At 31st December, 2006	於二零零六年 十二月三十一日	131,277	138,564	37,662	54,299	3,781	365,583



for the year ended 31st December, 2007

## 22. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

At 31st December, 2007, the carrying value of hotel property and leasehold land and buildings pledged as security of the Group's bank and other borrowings amounted to HK\$167,336,000 (2006: HK\$261,989,000).

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

The Company did not have any property, plant and equipment at 31st December, 2007 and 2006.

## 23. PREPAID LAND LEASE PAYMENTS

The Group's prepaid land lease payments comprise:

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Leasehold land in Hong Kong	在香港之租賃土地		
Long lease	長期租約	338,871	278,246
Leasehold land outside Hong Kong	香港以外之租賃土地		
Medium-term lease	中期租約	8,241	8,468
Short-lease	短期租約	590	696
		<u>347,702</u>	<u>287,410</u>
Analysed for reporting purposes as:	為呈報目的所作之分析：		
Non-current assets	非流動資產	341,832	283,032
Current assets	流動資產	5,870	4,378
		<u>347,702</u>	<u>287,410</u>

At 31st December, 2007, the carrying value of prepaid land lease payments pledged as security of the Group's bank and other borrowings amounted to HK\$329,521,000 (2006: HK\$268,691,000).

截至二零零七年十二月三十一日止年度

## 22. 物業、廠房及設備(續)

於二零零七年十二月三十一日，本集團就銀行及其他借貸而抵押之酒店物業及租賃土地及樓宇之賬面值為167,336,000港元(二零零六年：261,989,000港元)。

本集團列入物業、廠房及設備之租賃土地位於香港及根據長期租約持有。

本公司於二零零七年及二零零六年十二月三十一日並無任何物業、廠房及設備。

## 23. 預繳地價

本集團之預繳地價包括：

於二零零七年十二月三十一日，賬面值為329,521,000港元(二零零六年：268,691,000港元)之預繳地價已抵押，作為本集團銀行及其他借貸之擔保。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 24. GOODWILL

## 24. 商譽

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
<b>Cost</b>	<b>成本</b>		
At 1st January	於一月一日	2,627,011	267
Arising on acquisition of subsidiaries	因收購附屬公司產生	-	2,488,460
Arising on increase in cost on acquisition/interests in subsidiaries	因收購成本/於附屬公司權益增加	19,472	141,991
Released on deemed disposal of partial interests in a subsidiary	視為出售一間附屬公司部份權益時撥回	(6,243)	-
Released on disposal of a subsidiary (note 52)	出售一間附屬公司時撥回(附註52)	(36,862)	(3,707)
At 31st December	於十二月三十一日	2,603,378	2,627,011
<b>Impairment</b>	<b>減值</b>		
At 1st January	於一月一日	267	267
Released on disposal of a subsidiary (note 52)	出售一間附屬公司時撥回(附註52)	(267)	-
At 31st December	於十二月三十一日	-	267
<b>Carrying amount</b>	<b>賬面值</b>		
At 31st December	於十二月三十一日	2,603,378	2,626,744

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 25. INTANGIBLE ASSETS

## 25. 無形資產

		Computer software 電腦軟件		Exchange participation rights 交易所參與權	Trade mark 商標	Sales network 銷售網絡	Customer relationship 客戶關係	Web-domain network 網域	Club membership 會所會籍	Total 總計
		Acquired 購入 HK\$'000 千港元	Internally developed 內部開發 HK\$'000 千港元							
<b>The Group</b>	<b>本集團</b>									
<b>Cost</b>	<b>成本</b>									
At 1st January, 2006	於二零零六年一月一日	18,240	3,610	3,707	-	-	-	-	6,845	32,402
Exchange and other adjustments	匯兌及其他調整	-	-	(5)	-	-	-	-	19	14
Arising on acquisition of subsidiaries	因收購附屬公司產生	-	-	-	1,054,000	167,700	1,154,000	78,000	-	2,453,700
Additions	增加	5,342	5,186	-	-	-	-	-	-	10,528
Disposal	出售	-	-	(190)	-	-	-	-	-	(190)
At 31st December, 2006	於二零零六年十二月三十一日	23,582	8,796	3,512	1,054,000	167,700	1,154,000	78,000	6,864	2,496,454
Exchange and other adjustments	匯兌及其他調整	-	-	22	-	-	-	-	4	26
Additions	增加	9,677	-	-	-	-	-	-	-	9,677
Released on disposal of subsidiaries	出售附屬公司時撥回	-	-	(1,200)	-	-	-	-	-	(1,200)
At 31st December, 2007	於二零零七年十二月三十一日	33,259	8,796	2,334	1,054,000	167,700	1,154,000	78,000	6,868	2,504,957
<b>Amortisation and impairment</b>	<b>攤銷及減值</b>									
At 1st January, 2006	於二零零六年一月一日	8,986	-	240	-	-	-	-	590	9,816
Exchange and other adjustments	匯兌及其他調整	(10)	-	-	-	-	-	-	-	(10)
Amortisation charged for the year	本年度已扣除之攤銷	4,225	-	-	-	4,223	62,182	2,754	-	73,384
Impairment loss recognised	已確認減值虧損	-	-	1,071	-	-	-	-	452	1,523
At 31st December, 2006	於二零零六年十二月三十一日	13,201	-	1,311	-	4,223	62,182	2,754	1,042	84,713
Amortisation charged for the year	本年度已扣除之攤銷	5,272	-	-	-	16,757	222,903	7,794	-	252,726
Impairment loss recognised	已確認減值虧損	-	-	-	7,000	-	77,000	-	-	84,000
Released on disposal of subsidiaries	出售附屬公司時撥回	-	-	(240)	-	-	-	-	-	(240)
At 31st December, 2007	於二零零七年十二月三十一日	18,473	-	1,071	7,000	20,980	362,085	10,548	1,042	421,199
<b>Carrying amounts</b>	<b>賬面值</b>									
At 31st December, 2007	於二零零七年十二月三十一日	14,786	8,796	1,263	1,047,000	146,720	791,915	67,452	5,826	2,083,758
At 31st December, 2006	於二零零六年十二月三十一日	10,381	8,796	2,201	1,054,000	163,477	1,091,818	75,246	5,822	2,411,741

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**25. INTANGIBLE ASSETS (CONT'D)**

The intangible assets acquired in business combinations are recognised on basis of valuation reports prepared by Norton Appraisals Limited, an independent qualified valuer, as follows:

**Trade Mark**

The income-based approach (relief-from-royalty method) is adopted to determine the fair value of Trade Mark. It is valued based upon the incremental after tax cash flow accruing to each Trade Mark holding company by virtue of the fact that each Trade Mark holding company does not have to pay a fair royalty to a third party for the use of that asset. Based on beta estimates of each acquired enterprise's comparables, the Group has arrived at discount rates from 11.2% to 12.65% with adjusted royalty rates from 2% to 5% to determine the fair value.

**Customer Relationship and Sales Network**

The income-based approach (contributory charge method) is adopted to determine the fair value of the Customer Relationship and Sales Network. This method looks at the current value of net positive cash flows generated from the Customer Relationship and Sales Network employed as the benchmark for an estimated rate of return. The discount rates applied for the valuation of the Customer Relationship and Sales Network are between 11.2% to 12.65%. The customer attrition rate applied to the Customer Relationship is 18.5%.

**Web-domain**

The income-based approach (discounted cash flow method) is adopted to determine the fair value of Web-domain. Based on beta estimate of the acquired enterprise's comparables, the Group has arrived at a discount rate of 11.2% to determine the fair value.

**25. 無形資產(續)**

於業務合併時收購的無形資產按獨立合資格估值師普敦國際評估有限公司編撰的估值報告確認，詳情如下：

**商標**

商標公平價值的釐定以收入為基準(免專利費估值法)。由於各商標控股公司毋須就使用該項資產向第三方繳付公平的專利費，故商標乃以各控股公司應計的遞增除稅後現金流量為基礎進行估值。按所收購企業的可資比較風險系數估計，本集團計算出貼現率介乎11.2%至12.65%，而經調整專利費比率介乎2%至5%，以釐定公平價值。

**與客戶關係及銷售網絡**

與客戶關係及銷售網絡的公平價值以收入法(收益估值法)釐定。該方法以客戶關係及銷售網絡所得現金流量淨額的現值為基準以估計回報率。客戶關係及銷售網絡估值所採用的折現率介乎11.2%至12.65%。客戶關係的客戶流失率為18.5%。

**網域**

網域的公平價值以收入法(即現金流量貼現法)計算。按各收購企業的可資比較風險系數估計，本集團計算出貼現率為11.2%，以釐定公平價值。

<b>The Company Cost</b>	<b>本公司 成本</b>	<b>Club membership 會所會籍 HK\$'000 千港元</b>
At 31st December, 2006 and 31st December, 2007	於二零零六年十二月三十一日及 二零零七年十二月三十一日	<b>510</b>

Other than the club membership, exchange participation rights and the Trade Mark which have indefinite useful lives, the intangible assets are amortised on a straight-line basis over the following periods:

除會所會籍、交易所參與權及商標無固定使用年期外，無形資產於下列期間按直線法攤銷：

Acquired computer software	3 – 5 years	購入電腦軟件	3至5年
Internally developed computer software	Not exceeding 10 years	內部開發電腦軟件	不超過10年
Sales Network	10 years	銷售網絡	10年
Customer relationship	5.4 years	客戶關係	5.4年
Web domain	10 years	網域	10年

for the year ended 31st December, 2007

## 26. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

For impairment testing, goodwill and intangible assets with indefinite useful lives at 31st December, 2007 were allocated to the following cash generating units.

		Goodwill 商譽 HK\$'000 千港元	Trade Marks 商標 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Consumer finance segment – UAF	私人財務分部 – 亞洲聯合財務	2,384,023	868,000	3,252,023
Healthcare segment – QHA	保健分部 – 卓健	120,743	179,000	299,743
Investment, broking and finance segment – Sun Hung Kai	投資、經紀及財務分部 – 新鴻基	98,612	–	98,612
		<u>2,603,378</u>	<u>1,047,000</u>	<u>3,650,378</u>

The recoverable amount of UAF represents the value in use at 31st December, 2007 set out in a business valuation report on the UAF Group dated 28th January, 2008, prepared by an independent qualified professional valuer, Norton Appraisals Limited. The income-based approach was adopted to determine the recoverable amount. It is based on a four years performance projection and certain key assumptions including a sustainable growth rates between 4.72% to 5.72% beyond 2011 and a discount rate of 10.19% to determine the value in use.

The recoverable amount of QHA represents the value in use at 31st December, 2007 set out in a business valuation report on the QHA group dated 28th January, 2008, prepared by Norton Appraisals Limited. The income-based approach was adopted to determine the recoverable amount. It is based on a four years performance projection with key assumptions including a sustainable growth rate of 2.5% beyond 2011 and a discount rate of 11.65% to determine the value in use.

Management believes that possible changes in any of the above assumptions would not cause the carrying amounts of UAF and QHA to exceed their recoverable amounts.

The recoverable amount Sun Hung Kai has been determined based on the fair value less cost to sell. The fair value represents the market bid price of Sun Hung Kai at 31st December, 2007.

## 27. INVESTMENTS IN SUBSIDIARIES

Investment, at cost

投資，按成本

14

14

截至二零零七年十二月三十一日止年度

## 26. 商譽及無固定使用年期的無形資產之減值測試

為進行減值測試，二零零七年十二月三十一日之商譽及無固定使用年期的無形資產乃分配至以下現金產生單位。

		Goodwill 商譽 HK\$'000 千港元	Trade Marks 商標 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Consumer finance segment – UAF	私人財務分部 – 亞洲聯合財務	2,384,023	868,000	3,252,023
Healthcare segment – QHA	保健分部 – 卓健	120,743	179,000	299,743
Investment, broking and finance segment – Sun Hung Kai	投資、經紀及財務分部 – 新鴻基	98,612	–	98,612
		<u>2,603,378</u>	<u>1,047,000</u>	<u>3,650,378</u>

亞洲聯合財務的可收回金額指獨立合資格專業估值師普敦國際評估有限公司於二零零八年一月二十八日所編製亞洲聯合財務集團業務估值報告所列的二零零七年十二月三十一日使用價值。可收回金額是按收入法釐定，根據四年業績預測以及若干主要假設(包括二零一一年後的可持續增長率為4.72%至5.72%，而折現率為10.19%)，以釐定使用價值。

卓健之可收回金額指普敦國際評估有限公司於二零零八年一月二十八日所編製卓健集團業務估值報告所列的二零零七年十二月三十一日使用價值。可收回金額是按收入法釐定，根據四年業績預測以及若干主要假設(包括二零一一年後的可持續增長率為2.5%，而折現率為11.65%)，以釐定使用價值。

管理層相信，上述任何假設可能出現的改變不會使亞洲聯合財務及卓健商譽賬面值超出可收回金額。

新鴻基的可收回款項以公平價值減出售成本釐定。公平價值為新鴻基於二零零七年十二月三十一日之市場買入價。

## 27. 於附屬公司之投資

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
----------------------------------	----------------------------------

Investment, at cost

投資，按成本

14

14

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 28. AMOUNTS DUE FROM SUBSIDIARIES

## 28. 附屬公司欠款

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Amounts due from subsidiaries are	附屬公司欠款為		
Unsecured and bear interest at 3.5%	無抵押及按3.5%計息	138,657	-
Unsecured and non-interest bearing	無抵押及不計息	4,832,407	4,921,921
		<u>4,971,064</u>	<u>4,921,921</u>
Less : impairment	減 : 減值	(764,710)	(1,276,161)
		<u>4,206,354</u>	<u>3,645,760</u>
Analysed as:	分析為 :		
Non-current (Note)	非即期 (附註)	80,305	-
Current	即期	4,126,049	3,645,760
		<u>4,206,354</u>	<u>3,645,760</u>

Note : The amount due from a subsidiary is not repayable within twelve months from the balance sheet date and the balance is therefore shown as non-current asset. Other amounts are repayable on demand.

附註 : 一間附屬公司欠款毋須於結算日起計十二個月內償還，因此結餘列作非流動資產。其他欠款須於要求時償還。

Other than the loan notes and bonds issued by Sun Hung Kai, terms of which are shown in notes 47 and 48, respectively none of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year. The Company assesses at year end whether there is objective evidence that the amounts due from subsidiaries are impaired. The impairment is made if and only if there is objective evidence of impairment as a result of one or more loss events have occurred and have an impact in the estimated future cash flows of subsidiaries that can be reliably estimated.

除新鴻基發行的貸款票據及債券(其條款分別載於附註第47及48項)外，概無附屬公司於本年末或本年內任何時間擁有任何未償還之債務證券。本公司於年結時評估有否客觀證明證實附屬公司欠款已減值。本公司僅會於有客觀證明證實減值乃由已發生的一項或以上的虧損事項而引起，且於進行可靠的估計後，預期會影響附屬公司日後的現金流量時方會進行減值。

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Gross amount of impaired advances to subsidiaries	已減值附屬公司所獲墊款總額	1,824,115	2,579,717
Less: allowance for impairment	減 : 減值撥備	(764,710)	(1,276,161)
Net carrying amount of impaired advances to subsidiaries	已減值附屬公司所獲墊款賬面淨值	<u>1,059,405</u>	<u>1,303,556</u>

Particulars of the Company's principal subsidiaries at 31st December, 2007 are set out in note 61.

有關本公司於二零零七年十二月三十一日的主要附屬公司詳情載於附註第61項。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 29. INTERESTS IN ASSOCIATES

## 29. 於聯營公司之權益

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Listed securities in Hong Kong (note 29 (i))	香港上市證券(附註29(i))	3,133,689	2,483,944
Unlisted shares (note 29 (ii))	非上市股份(附註29(ii))	43,086	37,918
		<b>3,176,775</b>	<b>2,521,862</b>
<hr/>			
		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Notes:	附註:		
(i) Listed securities in Hong Kong	(i) 香港上市證券		
Cost of investment	投資成本	2,116,152	1,743,959
Share of post-acquisition reserves	應佔收購後儲備	1,017,537	739,985
		<b>3,133,689</b>	<b>2,483,944</b>
Market value of listed securities	上市證券市值	<b>5,675,691</b>	<b>2,943,450</b>
<hr/>			
		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
(ii) Unlisted shares	(ii) 非上市股份		
Cost of investment	投資成本	40,913	42,100
Share of post-acquisition reserves	應佔收購後儲備	2,973	22,691
Less: Impairment loss recognised	減: 已確認減值虧損	(800)	(26,873)
		<b>43,086</b>	<b>37,918</b>
<hr/>			
(iii) Goodwill on acquisition of listed associates	(iii) 收購上市聯營公司所產生之商譽		
		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Cost</b>	<b>成本</b>		
At 1st January	於一月一日	13,323	99,450
Eliminated on transfer interest in subsidiaries	轉撥至附屬公司權益時撇銷	-	(86,127)
At 31st December	於十二月三十一日	13,323	13,323
<b>Impairment</b>	<b>減值</b>		
At 1st January and 31st December	於一月一日及十二月三十一日	(13,323)	(13,323)
		<b>-</b>	<b>-</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 29. INTERESTS IN ASSOCIATES (CONT'D)

Particulars of the Company's principal associates at 31st December, 2007 are set out in note 62.

The summarised financial information in respect of the Group's associates is set out below:

## 29. 於聯營公司之權益(續)

本公司於二零零七年十二月三十一日之主要聯營公司詳情載於附註第62項。

本集團聯營公司之財務資料概述如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total assets	資產總額	15,338,032	13,418,901
Total liabilities	負債總額	(6,100,341)	(6,093,981)
Net assets	資產淨值	9,237,691	7,324,920
Minority interest	少數股東權益	(390,549)	(599,559)
Group's share of net assets of associates	本集團應佔聯營公司資產淨值	3,177,575	2,548,735
Revenue	收益	1,424,648	1,290,412
Profit (loss) for the year	年內溢利(虧損)	739,956	(87,627)
Group's share of results of associates for the year	本集團應佔聯營公司之本年度業績	264,470	8,982

## 30. INTERESTS IN JOINTLY CONTROLLED ENTITIES

## 30. 於共同控制企業之權益

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Unlisted shares	非上市股份		
Cost of investment	投資成本	1,436	3,642
Share of post-acquisition reserves	應佔收購後儲備	1,014,953	928,072
		1,016,389	931,714
Elimination of unrealised profit	撇銷未變現溢利	(17,622)	(17,622)
		998,767	914,092

Particulars of the Group's principal jointly controlled entities at 31st December, 2007 are set out in note 63.

本集團於二零零七年十二月三十一日之主要共同控制企業詳情載於附註第63項。



for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**30. INTERESTS IN JOINTLY CONTROLLED ENTITIES (CONT'D)**

The summarised financial information of the Group's jointly controlled entities is set out below:

**30. 於共同控制企業之權益(續)**

本集團共同控制企業之財務資料概述如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current assets	非流動資產	<b>2,810,496</b>	2,489,176
Current assets	流動資產	<b>271,489</b>	338,109
Non-current liabilities	非流動負債	<b>(823,805)</b>	(787,358)
Current liabilities	流動負債	<b>(222,738)</b>	(175,527)
Group's share of net assets of jointly controlled entities	本集團應佔共同控制企業資產淨值	<b>1,016,389</b>	931,714
Revenue	收益	<b>503,519</b>	423,824
Expenses	開支	<b>(431,353)</b>	(364,421)
Increase in fair value of investment properties	投資物業公平價值增加	<b>248,000</b>	333,120
Group's share of results of jointly controlled entities for the year	本集團應佔共同控制企業之本年度業績	<b>131,106</b>	159,987

**31. AVAILABLE-FOR-SALE FINANCIAL ASSETS****31. 可供出售金融資產**

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Listed equity investments issued by corporate entities, at fair value	由企業實體發行之上市股本投資，按公平價值		
	Hong Kong	<b>906,798</b>	901,776
	Outside Hong Kong	<b>256,044</b>	9,151
		<b>1,162,842</b>	910,927
Unlisted equity investments issued by corporate entities, at fair value	由企業實體發行之非上市股本投資，按公平價值		
	Hong Kong	<b>12,680</b>	275
	Outside Hong Kong	<b>191,024</b>	149,376
		<b>203,704</b>	149,651
		<b>1,366,546</b>	1,060,578

Available-for-sale financial assets are intended to be held for a continuing strategic or long-term purpose.

可供出售金融資產擬持作持續策略或長期持有。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 32. AMOUNTS DUE FROM ASSOCIATES

## 32. 聯營公司欠款

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loans notes	貸款票據	78,000	78,000
Term loans	有期貸款	–	5,000
Advances	墊款	68,031	77,827
		<b>146,031</b>	160,827
Less : Allowance for impairment	減 : 減值撥備	<b>(8,447)</b>	(2,125)
		<b>137,584</b>	158,702
Less : Current portion	減 : 即期部份	<b>(137,584)</b>	(80,702)
Amount due after one year	一年後到期金額	–	78,000

The impairment is made when there is objective evidence of impairment after the Group's evaluation of the collectability of amounts due from associates. The movement in the allowance for impairment is as follows:

本集團僅會在評估聯營公司欠款並發現有客觀證據顯示有減值時方會進行減值。減值撥備之變動情況如下：

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Balance at 1st January	一月一日結餘	2,125	2,125
Amount written off	撇銷款項	(2,125)	–
Reclassification	重新分類	8,428	–
Charged to profit and loss	於損益賬扣除	19	–
Balance at 31st December	十二月三十一日結餘	<b>8,447</b>	2,125

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Gross amount of impaired advances to associates	已減值聯營公司所獲墊款總額	64,637	2,125
Less: Allowance for impairment	減 : 減值撥備	<b>(8,447)</b>	(2,125)
Net carrying amount of impaired advances to associates	已減值聯營公司所獲墊款賬面淨值	<b>56,190</b>	–

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**33. LOANS AND ADVANCES TO CONSUMER FINANCE CUSTOMERS****33. 私人財務客戶貸款及墊款**

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loans and advances to consumer finance customers	私人財務客戶貸款及墊款	3,768,970	2,871,459
Less: Allowances for impairment	減：減值撥備		
– Individually assessed	– 個別評估	(1,225)	(1,424)
– Collectively assessed	– 集體評估	(147,191)	(58,870)
		<u>3,620,554</u>	2,811,165
Less : Current portion	減：即期部份	(2,145,159)	(1,654,167)
		<u>1,475,395</u>	<u>1,156,998</u>

Movement in allowance for impairment during the year was as follows:

本年的減值撥備變動如下：

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
At 1st January	於一月一日	60,294	–
Exchange adjustment	匯兌調整	85	–
Released on disposal of subsidiaries	出售附屬公司時撥回	(160)	–
Amounts recovered	已收回款項	(198)	(17,102)
Amounts charged to profit and loss	於損益賬扣除之款項	88,395	77,396
		<u>148,416</u>	<u>60,294</u>

The loans and advances to consumer finance customers have been reviewed by the Consumer Finance division to assess impairment allowances which are based on the evaluation of collectability, age analysis of accounts and on management's judgment, including the current creditworthiness and the past collection statistics of individually significant accounts or portfolio of accounts on collective basis.

客戶財務部已審核私人財務客戶貸款及墊款，按可收回性評估、賬齡分析及管理層判斷(包括現時信譽及各重大賬目的過往可收回紀錄或賬目的整體組合)以估計減值撥備。

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Gross amount of impaired loans under individual assessment	獨立評估之已減值貸款總額	4,020	4,506
Less: Allowance for impairment under individual assessment	減：獨立評估之減值撥備	(1,225)	(1,424)
		<u>2,795</u>	<u>3,082</u>
Net carrying amount of impaired loans under individual assessment	獨立評估之已減值貸款賬面淨值	<u>2,795</u>	<u>3,082</u>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**33. LOANS AND ADVANCES TO CONSUMER FINANCE CUSTOMERS (CONT'D)****33. 私人財務客戶貸款及墊款(續)**

The aging analysis for the loans and advances to consumer finance customers that were past due at the balance sheet date but not impaired were as follows:

於結算日已到期但未減值之私人財務客戶貸款及墊款之賬齡分析如下：

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
1 to 30 days	1至30日	238,359	184,852
31 to 180 days	31至180日	136,474	40,652
		<b>374,833</b>	<b>225,504</b>

The amount and type of collateral required depend on an assessment of the credit risk of the customer or counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

所需擔保款項及類別視乎客戶或交易對手之信貸風險評估情況而定。已就接納抵押的類別及估值參數實施指引。

The main types of collateral obtained are as follows:

所獲抵押的主要類別如下：

- for personal lending, mortgages over residential properties; and
- for commercial lending, charges over real estate properties, pledge of shares or debentures over the company's assets.

- 對於個人貸款，以住宅物業按揭；及
- 對於商業借貸，以房地產物業抵押、股份抵押或公司資產債券抵押。

Management requests additional collateral where appropriate in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

管理層會於適當時要求根據相關協議作出額外抵押，並於檢討減值虧損撥備是否足夠時監察所獲抵押品的市值。

It is the Group's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In general, the Group does not occupy repossessed properties for business use.

本集團政策為按序出售所收回的物業。所得款項用於調減或償還尚未了結的索償。一般而言，本集團不會佔用收回物業作業務用途。

**34. LOANS AND RECEIVABLES****34. 貸款及應收賬款**

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Amounts due from investee companies	所投資公司欠款	6,686	6,667
Less : Allowance for impairment	減：減值撥備	(1,447)	(1,447)
		5,239	5,220
Long-term portion of term loans and other receivables (note 38)	有期貸款及其他應收款項之長期部份(附註38)	567	28,383
		<b>5,806</b>	<b>33,603</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**35. DEFERRED TAX**

The following is the major deferred tax assets and liabilities of the Group recognised and movements thereon during the current and prior years.

**35. 遞延稅項**

本集團於本年度及過往年度中確認的主要遞延稅項資產及負債以及相關變動如下：

		The Group 本集團							
		Accelerated depreciation	Revaluation of properties and other assets	Convertible bonds	Provision and impairment	Unrealised profit	Un-distributed earnings and others	Tax losses	Total
		加 速 折 舊	物 業 及 其 他 資 產 重 估	可 換 股 債 券	撥 備 及 減 值	未 變 現 溢 利	未 分 配 溢 利 及 其 他	稅 項 虧 損	總 計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元
			(Restated)						(Restated)
			(重 列)						(重 列)
At 1st January, 2006	於二零零六年一月一日	177,675	146,886	-	(6,439)	1,504	2,864	(96,018)	226,472
Exchange adjustments	匯兌調整	-	-	-	-	111	-	-	111
Acquisition of subsidiaries	收購附屬公司	(396)	430,098	-	(33,360)	-	-	(3,203)	393,139
Charged (credited) to consolidated income statement	扣除自(計入)綜合收益賬	14,445	(48,181)	(64)	(5,670)	(578)	382	(5,076)	(44,742)
Charged to equity	扣除自權益	-	5,154	10,321	-	-	-	-	15,475
At 31st December, 2006	於二零零六年十二月三十一日	191,724	533,957	10,257	(45,469)	1,037	3,246	(104,297)	590,455
Exchange adjustments	匯兌調整	-	9	-	-	199	-	-	208
Released on disposal of subsidiaries	出售附屬公司撥回	(376)	-	-	14	-	-	2,935	2,573
Charged (credited) to consolidated income statement	扣除自(計入)綜合收益賬	17,340	(10,637)	(10,257)	(20,615)	45	2,267	(6,627)	(28,484)
Charged (credited) to equity	扣除自(計入)權益	-	7,143	-	-	-	(32)	-	7,111
At 31st December, 2007	於二零零七年十二月三十一日	208,688	530,472	-	(66,070)	1,281	5,481	(107,989)	571,863

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances of the Group for financial reporting purposes:

呈列資產負債表時，若干遞延稅項資產及負債已抵銷。有關本集團財務報告的遞延稅項結餘分析如下：

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元 (Restated) (重列)
Deferred tax liabilities	遞延稅項負債	638,439	638,164
Deferred tax assets	遞延稅項資產	(66,576)	(47,709)
		<b>571,863</b>	<b>590,455</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**35. DEFERRED TAX (CONT'D)**

The following is the deferred tax liability of the Company arising from the issuance of convertible bonds by the Company and movement thereon during the current year and prior:

**35. 遞延稅項(續)**

以下為本公司因發行可換股債券而產生之遞延稅項負債及其於年內與往年之變動：

		<b>The Company</b>	
		本公司	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Balance at 1st January	於一月一日之結餘	10,257	-
Charged to equity on issue of convertible bonds	發行可換股債券而自權益扣除	-	10,321
Credited to consolidated income statement	計入綜合收益賬	(10,257)	(64)
Balance at 31st December	於十二月三十一日之結餘	-	10,257

At 31st December, 2007, the Group had unrecognised deductible temporary differences of HK\$693,814,000 (2006: HK\$863,963,000) and estimated unused tax losses of HK\$1,940,515,000 (2006: HK\$2,055,192,000) available for offset against future assessable profits. A deferred tax asset has been recognised in respect of HK\$617,077,000 (2006: HK\$595,983,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$1,323,438,000 (2006: HK\$1,459,209,000) of losses due to the unpredictability of future assessable profit streams. There were no other significant temporary differences that are not recognised arising during the year or at the balance sheet date.

Included in unrecognised tax losses are losses of HK\$4,000 and HK\$282,000 that will expire in 2008 and 2009 respectively, the remaining losses may be carried forward indefinitely.

At 31st December, 2007 the Company had estimated unused tax losses of HK\$27,209,000 (2006: HK\$26,252,000) available for offset against future assessable profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future assessable profit streams. Tax losses may be carried forward indefinitely.

於二零零七年十二月三十一日，本集團之未確認可扣稅臨時差額為693,814,000港元(二零零六年：863,963,000港元)及可抵銷未來應課稅溢利之估計未動用稅項虧損1,940,515,000港元(二零零六年：2,055,192,000港元)。其中就617,077,000港元(二零零六年：595,983,000港元)之上述虧損確認遞延稅項資產。因未能確定未來應課稅溢利流，故並無確認餘下1,323,438,000港元(二零零六年：1,459,209,000港元)虧損之遞延稅項資產。年內或於結算日，並無其他未確認之重大臨時差額。

未確認稅項虧損包括4,000港元及282,000港元之虧損，分別將於二零零八年及二零零九年到期。其他虧損則可無限期結轉。

於二零零七年十二月三十一日，本公司可抵銷未來應課稅溢利之估計未動用稅項虧損為27,209,000港元(二零零六年：26,252,000港元)。因未能確定未來應課稅溢利流，故並無就該等虧損確認遞延稅項資產。稅項虧損可無限期結轉。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 36. PROPERTIES HELD FOR SALE AND OTHER INVENTORIES

## 36. 待出售物業及其他存貨

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Properties in Hong Kong, at net realisable value	於香港之物業， 按可變現淨值	335,600	379,700
Freehold property outside Hong Kong, at cost	香港境外之永久業權物業， 按成本	135,751	135,499
Medicine, dispensary supplies and other consumables	藥物、醫療用品及 其他耗用品	11,341	9,684
Other inventories	其他存貨	117	117
		<b>482,809</b>	<b>525,000</b>

Certain of the Group's properties previously held for sale with a net realisable value of HK\$78,760,000 were rented out under operating leases during the year and were therefore reclassified as investment properties. No reclassifications or sales of properties occurred in 2006.

The freehold properties outside Hong Kong represent a property project in the United States of America. The Group has the intention to sell this asset. The freehold properties are included in the Group's sale of properties and property based investments for segment reporting purposes (note 10).

At 31st December, 2007, the carrying value of properties pledged as security of the Group's bank and other borrowings amounted to HK\$471,351,000 (2006: HK\$515,199,000).

本集團之前所持有可變現淨值為78,760,000港元之若干待出售物業已於年內按經營租約租出，並已重列為投資物業。於二零零六年，概無將待出售物業重新分類或出售。

香港境外之永久業權物業指一項位於美利堅合眾國之物業項目。本集團擬將此資產變現。永久業權物業就分部呈報目的計入本集團之物業銷售及投資(附註第10項)。

於二零零七年十二月三十一日，賬面值471,351,000港元(二零零六年：515,199,000港元)之物業已抵押，作為本集團銀行及其他借貸之抵押品。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 37. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

## 37. 透過損益賬按公平價值處理之金融資產

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Held-for-trading investments, at fair value</b>			
Listed equity securities	持作交易投資，按公平價值 企業實體發行之		
issued by corporate entities	上市股本證券		
Hong Kong	香港	175,662	85,141
Outside Hong Kong	香港境外	214,735	4,732
issued by banks	銀行發行		
Hong Kong	香港	10,826	36,344
Outside Hong Kong	香港境外	-	-
issued by public utilities	公營機構發行		
Hong Kong	香港	41	465
		<b>401,264</b>	126,682
Unlisted equity securities	由香港境外企業實體		
issued by corporate entities outside	發行之非上市		
Hong Kong	股本證券	40,955	3,259
Warrants and options listed in Hong Kong	於香港上市之認股權證及期權	30,290	1,727
Warrants and options listed outside	香港境外上市之認股權證		
Hong Kong	及期權	36	-
Unlisted overseas warrants	非上市海外認股權證	12,336	-
Unlisted warrants issued by a listed	一間上市聯營公司發行之非上市		
associate	認股權證	285,251	-
Others	其他	779	586
		<b>770,911</b>	132,254
<b>Equity securities in unlisted investment funds, at fair value</b>	非上市投資基金中之股本證券，按公平價值		
Issued by corporate entities	香港境外企業實體		
outside Hong Kong	發行	416,199	231,130
		<b>1,187,110</b>	363,384



for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 38. TRADE AND OTHER RECEIVABLES

## 38. 貿易及其他應收款項

		The Group 本集團			
		2007 二零零七年		2006 二零零六年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade receivables	應收貿易賬款				
– Accounts receivable from exchanges, brokers and clients	– 來自交易所、經紀及客戶之應收賬款	1,593,344		1,252,972	
– Less: Allowance for impairment	– 減：減值撥備	<u>(22,851)</u>		<u>(22,001)</u>	
			<b>1,570,493</b>		1,230,971
– Secured term loans	– 有抵押定期貸款	611,058		438,229	
– Less: Allowance for impairment	– 減：減值撥備	<u>(14,814)</u>		<u>(24,928)</u>	
– Unsecured term loans	– 無抵押定期貸款	<u>20,000</u>		<u>–</u>	
			<b>616,244</b>		413,301
			<b>2,186,737</b>		1,644,272
– Margin loans	– 證券放款	3,192,825		1,841,891	
– Less: Allowances for impairment	– 減：減值撥備	<u>(76,277)</u>		<u>(58,461)</u>	
			<b>3,116,548</b>		1,783,430
			<b>5,303,285</b>		3,427,702
Interest receivables	應收利息		67,401		44,406
Other accounts receivable, deposits and prepayments	其他應收賬款、按金及預付款項		<u>489,173</u>		<u>297,671</u>
			<b>5,859,859</b>		3,769,779
Less: long term portion of term loans and other receivables (note 34)	減：有期貸款及其他應收款項之長期部份(附註34)		<u>(567)</u>		<u>(28,383)</u>
			<b>5,859,292</b>		<b>3,741,396</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**38. TRADE AND OTHER RECEIVABLES (CONT'D)****38. 貿易及其他應收款項(續)**

The movement in the allowance for impairment were as follows:

減值撥備變動如下：

		Trade receivables 應收貿易賬款 HK\$'000 千港元	Secured term loans 有抵押 有期貨款 HK\$'000 千港元	Margin loans 證券放款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2006	於二零零六年 一月一日	(22,547)	(35,331)	(147,111)	(204,989)
Exchange adjustments	匯兌調整	(112)	-	-	(112)
Reclassification	重新分類	(165)	-	-	(165)
Amounts written off	撇銷款項	1,873	11,009	84,807	97,689
Amounts recovered	已收回款項	443	34	4,513	4,990
Amounts charged to profit and loss	於損益賬扣除之款項	(1,493)	(640)	(670)	(2,803)
At 31st December, 2006	於二零零六年 十二月三十一日	(22,001)	(24,928)	(58,461)	(105,390)
Exchange adjustments	匯兌調整	(280)	1	-	(279)
Reclassification	重新分類	(1,513)	-	(385)	(1,898)
Amounts written off	撇銷款項	1,527	1,425	-	2,952
Amounts recovered	已收回款項	488	8,688	12,605	21,781
Amounts charged to profit and loss	於損益賬扣除之款項	(1,244)	-	(30,036)	(31,280)
Released on disposal of subsidiaries	出售附屬公司時撥回	172	-	-	172
At 31st December, 2007	於二零零七年 十二月三十一日	(22,851)	(14,814)	(76,277)	(113,942)

Impairments of trade receivables, margin and term loans are made in the income statement after proper review by credit control department or the credit and executive committees of the Group, based on the latest status of margin and term loan receivables, and the latest announced or available information about the underlying collateral held.

經本集團有關信貸監控部門或信貸委員會及執行委員會適當地審視應收貿易賬款、證券放款及有期貨款的情況後(根據應收貿易賬款的最新情況及最新公布或得到的有關抵押品的資料)，如有任何減值虧損，便會計入收益賬中。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 38. TRADE AND OTHER RECEIVABLES (CONT'D)

## 38. 貿易及其他應收款項(續)

		The Group 本集團					
		2007 二零零七年			2006 二零零六年		
		Gross amount of impaired advances 已減值墊款總額 HK\$'000 千港元	Individually assessed allowances 獨立評估撥備 HK\$'000 千港元	Net carrying amount of impaired advances 已減值墊款賬面淨值 HK\$'000 千港元	Gross amount of impaired advances 已減值墊款總額 HK\$'000 千港元	Individually assessed allowance 獨立評估撥備 HK\$'000 千港元	Net carrying amount of impaired advances 已減值墊款賬面淨值 HK\$'000 千港元
Trade receivables	應收貿易賬款	36,514	(22,851)	13,663	35,584	(22,001)	13,583
Secured term loans	有抵押有期貨款	27,268	(14,814)	12,454	47,141	(24,928)	22,213
Margin loans	證券放款	115,287	(76,277)	39,010	68,759	(58,461)	10,298
		<u>179,069</u>	<u>(113,942)</u>	<u>65,127</u>	<u>151,484</u>	<u>(105,390)</u>	<u>46,094</u>

The aging analysis of the trade receivables, secured term loans, unsecured term loans and margin loans that were past due at the balance sheet date but not impaired were as follows:

於結算日已過期但並無減值的應收貿易賬款、已抵押有期貨款、無抵押有期貨款及證券放款的賬齡分析如下：

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Past due at the balance sheet date	於結算日已過期		
1 to 30 days	1至30日	117,766	221,332
31 to 180 days	31至180日	73,707	38,350
181 to 365 days	181至365日	21,474	1,566
over 365 days	365日以上	42,258	77,257
		<u>255,205</u>	<u>338,505</u>
Trade and other receivables not past due	未有過期之貿易及其他應收款項	5,048,080	3,089,197
		<u>5,303,285</u>	<u>3,427,702</u>

Further details of the trade and other receivables are disclosed in note 7.

貿易及其他應收款項之進一步詳情於附註第7項中披露。

There were listed and unlisted securities and properties of clients held as collateral against secured margin loans and term loans. The fair value of the listed securities at 31st December, 2007 was HK\$26,501,188,000 (2006 : HK\$11,022,589,000).

本集團持有客戶之上市及非上市證券與物業作為有抵押證券放款及有期貨款之抵押品。上述上市證券於二零零七年十二月三十一日之公平價值為26,501,188,000港元(二零零六年：11,022,589,000港元)。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**39. CASH AND CASH EQUIVALENTS****39. 現金及現金等價物**

		<b>The Group</b> 本集團	
		<b>2007</b> 二零零七年 HK\$'000 千港元	<b>2006</b> 二零零六年 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	<b>945,080</b>	608,166
Fixed deposits with banks	銀行定期存款	<b>789,427</b>	839,728
Treasury bills	國庫券	<b>7,724</b>	7,675
		<b><u>1,742,231</u></b>	<b><u>1,455,569</u></b>

		<b>The Company</b> 本公司	
		<b>2007</b> 二零零七年 HK\$'000 千港元	<b>2006</b> 二零零六年 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	<b>8,687</b>	579
Fixed deposits with banks	銀行定期存款	<b>20,000</b>	236,000
		<b><u>28,687</u></b>	<b><u>236,579</u></b>

The Group maintains trust and segregated accounts with licensed banks to hold clients' deposits arising from normal business transactions. At 31st December 2007, trust and segregated accounts not otherwise dealt with in these accounts totalled HK\$5,255,971,000 (2006: HK\$3,461,364,000).

本集團於持牌銀行開設信託及獨立賬戶，以持有經營日常業務之客戶存款。於二零零七年十二月三十一日，信託及獨立賬戶並未包括於本賬項下之金額合計為5,255,971,000港元(二零零六年：3,461,364,000港元)。

Further details of the cash and cash equivalents are disclosed in note 7.

現金及現金等價物之進一步詳情於附註第7項披露。

**40. TRADE AND OTHER PAYABLES****40. 貿易及其他應付款項**

Included in trade and other payables are trade payables of HK\$1,426,508,000 (2006 : HK\$1,058,654,000), the aged analysis of which is stated as follows:

計入貿易及其他應付款項內之款項為應付貿易賬款1,426,508,000港元(二零零六年：1,058,654,000港元)，其賬齡分析如下：

		<b>The Group</b> 本集團	
		<b>2007</b> 二零零七年 HK\$'000 千港元	<b>2006</b> 二零零六年 HK\$'000 千港元
0 to 30 days	0至30日	<b>1,398,922</b>	1,018,680
31 to 180 days	31至180日	<b>12,444</b>	12,909
181 to 365 days	181至365日	<b>2,062</b>	1,782
over 365 days	365日以上	<b>13,080</b>	25,283
		<b><u>1,426,508</u></b>	<b><u>1,058,654</u></b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 41. SHARE CAPITAL

## 41. 股本

		Number of shares 股份數目	Value 價值 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$2.00 each at 1st January, 2006 and 31st December, 2006	於二零零六年一月一日及二零零六年十二月三十一日每股面值2.00港元之普通股	3,000,000,000	6,000,000
Subdivision of shares	股份拆細	<u>27,000,000,000</u>	<u>—</u>
Ordinary shares of HK\$0.20 each at 31st December, 2007	於二零零七年十二月三十一日每股面值0.20港元之普通股	<u>30,000,000,000</u>	<u>6,000,000</u>
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$2.00 each at 1st January, 2006	於二零零六年一月一日每股面值2.00港元之普通股	537,151,901	1,074,303
Exercise of warrant subscription rights	行使認股權證認股權	<u>147,625</u>	<u>296</u>
Ordinary shares of HK\$2.00 each at 31st December, 2006	於二零零六年十二月三十一日每股面值2.00港元之普通股	537,299,526	1,074,599
Exercise of warrant subscription rights before subdivision of shares	股份拆細前行使認股權證認股權	8,736,582	17,473
Subdivision of shares	股份拆細	4,914,324,972	—
Exercise of warrant subscription rights after subdivision of shares	股份拆細後行使認股權證認股權	<u>185,926,340</u>	<u>37,186</u>
Ordinary shares of HK\$0.20 each at 31st December, 2007	於二零零七年十二月三十一日每股面值0.20港元之普通股	<u>5,646,287,420</u>	<u>1,129,258</u>

## Subdivision of shares

## 股份拆細

On 20th August, 2007, an ordinary resolution was passed by the shareholders at an extraordinary general meeting of the Company pursuant to which each of the existing issued and unissued shares of share capital of the Company of HK\$2.00 per share was subdivided into ten shares of HK\$0.20 each with effect from 21st August, 2007.

二零零七年八月二十日，股東於本公司特別股東大會通過普通決議案，將本公司股本中每股面值2.00港元之現已發行及未發行股份拆細為十股每股面值0.20港元之股份，自二零零七年八月二十一日起生效。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

#### 42. WARRANTS

A bonus issue of warrants on the basis of one warrant for every five shares held was proposed by the Board on 12th April, 2006. The condition of the issue of the bonus warrants was fulfilled on 29th May, 2006 and 107,430,380 warrants were issued on 5th June, 2006.

The warrant holders were entitled to subscribe in cash for one fully paid share at an initial subscription price of HK\$10.00 per share, subject to adjustment, at any time from 7th June, 2006 to 20th August, 2007 (both days inclusive). Since 21st August, 2007 (the share subdivision date), the warrant holders are entitled to subscribe in cash for ten fully paid shares at an initial subscription price of HK\$1.00 per share, subject to adjustment, at any time up to 6th June, 2009. During the year ended 31st December, 2007, 8,736,582 warrants were converted into 8,736,582 ordinary shares at a subscription price of HK\$10.00 per share, while 18,592,634 warrants were converted into 185,926,340 ordinary shares at a subscription price of HK\$1.00 per share. Accordingly 79,953,539 warrants were outstanding at 31st December, 2007. Exercise in full of the outstanding warrants would result in the issue of 799,535,390 additional shares with an aggregate subscription value of HK\$799,535,390.

#### 43. SHARE PREMIUM AND RESERVES

#### 42. 認股權證

二零零六年四月十二日，董事會建議按每持有五股股份可獲發一份認股權證之基準進行供股。發行之條件於二零零六年五月二十九日已達成，107,430,380份認股權證已於二零零六年六月五日獲發行。

自二零零六年六月七日至二零零七年八月二十日(包括首尾兩日)任何時間，認股權證持有人可按每股10.00港元(或會調整)之初步認購價以現金認購一股繳足股款股份。自二零零七年八月二十一日(股份拆細日期)起至二零零九年六月六日任何時間，認股權證持有人可按每股1.00港元(或會調整)之初步認購價以現金認購十股繳足股款股份。截至二零零七年十二月三十一日止年度，8,736,582份認股權證按每股10.00港元之認購價兌換為8,736,582股普通股，而18,592,634份認股權證按每股1.00港元之認購價兌換為185,926,340股普通股。因此，於二零零七年十二月三十一日，79,953,539份認股權證尚未獲行使。倘尚未行使認股權證獲悉數行使，則本公司會發行799,535,390股發行總認購值為799,535,390港元之額外股份。

#### 43. 股份溢價及儲備

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元 (Restated) (重列)
Share premium	股份溢價	736,328	517,824
Convertible bonds equity reserve	可換股債券股本儲備	-	48,660
Property revaluation reserve	物業重估儲備	56,210	25,675
Investment revaluation reserve	投資重估儲備	929,019	781,303
Capital redemption reserve	資本贖回儲備	72,044	72,044
Translation reserve	匯兌儲備	44,275	(41,752)
Capital reserve	資本儲備	(3,880)	2,301
Accumulated profits	累計溢利	8,014,899	5,924,813
Dividend reserve	股息儲備	169,453	80,595
		<b>10,018,348</b>	<b>7,411,463</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 43. SHARE PREMIUM AND RESERVES (CONT'D)

## 43. 股份溢價及儲備(續)

The Company	本公司	Share premium	Convertible bonds equity reserve	Capital redemption reserve	Accumulated profits	Dividend reserve	Total
		股份溢價 HK\$'000 千港元	可換股債券 股本儲備 HK\$'000 千港元	資本贖回 儲備 HK\$'000 千港元	累計溢利 HK\$'000 千港元	股息儲備 HK\$'000 千港元	總計 HK\$'000 千港元
At 1st January, 2006	於二零零六年一月一日	516,644	-	72,044	1,129,186	53,715	1,771,589
Issue of convertible bonds	發行可換股債券	-	58,981	-	-	-	58,981
Deferred tax arising on issue of convertible bonds	發行可換股債券產生之遞延稅項	-	(10,321)	-	-	-	(10,321)
Exercise of warrants	行使認股權證	1,180	-	-	-	-	1,180
Dividend paid	已付股息	-	-	-	-	(53,715)	(53,715)
Proposed final dividend	擬派末期股息	-	-	-	(80,595)	80,595	-
Profit attributable to equity holders	股東應佔溢利	-	-	-	278,790	-	278,790
At 31st December, 2006	於二零零六年十二月三十一日	517,824	48,660	72,044	1,327,381	80,595	2,046,504
Release on early redemption of convertible bonds	提前贖回可換股債券時撥回	-	(48,660)	-	5,832	-	(42,828)
Exercise of warrants	行使認股權證	218,504	-	-	-	-	218,504
Dividend paid	已付股息	-	-	-	-	(80,595)	(80,595)
Proposed final dividend	擬派末期股息	-	-	-	(169,453)	169,453	-
Profit attributable to equity holders	股東應佔溢利	-	-	-	1,029,641	-	1,029,641
At 31st December, 2007	於二零零七年十二月三十一日	736,328	-	72,044	2,193,401	169,453	3,171,226

The Company's reserves available for distribution to equity holders at 31st December, 2007 are represented by accumulated profits and dividend reserve totalling HK\$2,362,854,000 (2006: HK\$1,407,976,000).

於二零零七年十二月三十一日，本公司可供分派予股東之儲備以合共2,362,854,000港元(二零零六年：1,407,976,000港元)的累計溢利及股息儲備呈列。

## 44. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries are unsecured. At 31st December, 2007, all amounts due to subsidiaries are interest free and repayable on demand and hence shown as current. At 31st December, 2006, except an amount of HK\$29,167,000 which bore interest at 3.5% per annum and not repayable within one year, the remaining balances are non-interest bearing and repayable on demand and hence shown as current.

## 44. 欠附屬公司款項

欠附屬公司款項為無抵押。於二零零七年十二月三十一日，所有欠附屬公司款項為免息及須於要求時償還，故入賬列為流動負債。於二零零六年十二月三十一日，除29,167,000港元之金額按3.5%計息且須於一年內償還外，剩下結餘為不計息及須於要求時償還，故入賬列為流動負債。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**45. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS****45. 透過損益賬按公平價值處理之金融負債**

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Stock options listed in Hong Kong	於香港上市之購股權	31,547	1,902
Index option and futures Listed overseas	海外上市之指數期權及期貨	2,546	-
Equity and current instruments	權益及貨幣工具	24,921	-
Financial guarantee contract	財務保證合約	70	70
		<u>59,084</u>	<u>1,972</u>

**46. BANK AND OTHER BORROWINGS****46. 銀行及其他借貸**

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Bank borrowings comprise:	銀行借貸包括：		
Bank loans	銀行貸款	3,633,233	2,410,791
Bank overdrafts	銀行透支	18,000	34,930
		<u>3,651,233</u>	2,445,721
Other borrowings	其他借貸	19,723	8,000
		<u>3,670,956</u>	<u>2,453,721</u>
Analysed as:	列為：		
Secured	有抵押	1,921,233	1,445,429
Unsecured	無抵押	1,749,723	1,008,292
		<u>3,670,956</u>	<u>2,453,721</u>
Bank loans and overdrafts are repayable as follows:	行貸款及透支償還期限如下：		
On demand or within one year	於要求時或一年內	871,641	1,526,570
More than one year but not exceeding two years	一年以上但不超過兩年	721,872	645,712
More than two years but not exceeding five years	兩年以上但不超過五年	1,998,510	273,439
More than five years	五年以上	59,210	-
		<u>3,651,233</u>	2,445,721
Other borrowings repayable within one year or on demand	須於一年內或於要求時償還之其他借貸	19,723	8,000
Less: Amount repayable within one year and shown under current liabilities	減：須於一年內償還並列於流動負債之款項	<u>(891,364)</u>	<u>(1,534,570)</u>
Amount due after one year	一年後到期之款項	<u>2,779,592</u>	<u>919,151</u>



for the year ended 31st December, 2007

#### 46. BANK AND OTHER BORROWINGS (CONT'D)

The Group has a bank loan of HK\$1,649,000 which is denominated in United States Dollars. Further details of the bank and other borrowings are disclosed in note 7.

Details of the assets of the Group pledged to secure bank borrowings are set out in note 58.

#### 47. LOAN NOTES

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<b>Principal</b>	<b>本金</b>		
At 1st January and At 31st December	於一月一日及於十二月三十一日	69,637	69,637
<b>Difference using the effective interest method</b>	<b>採用實際利率法之差額</b>		
At 1st January	於一月一日	(2,998)	(5,385)
Interest expense	利息支出	2,527	2,387
At 31st December	於十二月三十一日	(471)	(2,998)
<b>Carrying amounts at 31st December</b>	<b>於十二月三十一日之賬面值</b>	<b>69,166</b>	66,639
Less: Current portion	減：即期部份	(69,166)	-
Non-current portion	非即期部份	-	66,639

The loan notes bear interest at 4% per annum and are due on 7th March, 2008. The effective interest rate is 7.9% per annum.

#### 48. BONDS

The bonds are unsecured and due to a fellow subsidiary bearing interest at the rate of 1% above Hong Kong Inter Bank Borrowing Rate ("HIBOR") per annum, payable half-yearly in arrears. The interest rate is repriced at the first day of every six-month period. They are due for repayment on 24th August, 2009 with an option to extend for a further term of three years. The bonds are secured by a share mortgage over the share in a subsidiary, UAF Holdings Limited.

截至二零零七年十二月三十一日止年度

#### 46. 銀行及其他借貸(續)

本集團有一筆銀行貸款1,649,000港元以美元列賬。銀行及其他借貸之其他詳情於附註第7項披露。

本集團作為銀行借貸抵押之資產詳情載於附註第58項。

#### 47. 貸款票據

貸款票據按年息4%計息及於二零零八年三月七日期到。實際年利率為7.9%。

#### 48. 債券

該等債券無抵押並應付予一間同系附屬公司，其年息為香港銀行同業拆息(「香港銀行同業拆息」)加1厘，須每半年支付前期利息。息率於每六個月期間之首日重新釐定。該等債券須於二零零九年八月二十四日償還，可選擇再延期三年。該等債券由附屬公司UAF Holdings Limited的股份作股份按揭抵押。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 49. CONVERTIBLE BONDS

## 49. 可換股債券

		The Group and the Company 本集團及本公司 HK\$'000 千港元
At 1st January, 2006	於二零零六年一月一日	-
Principal amount of convertible bonds issued (net of issue costs)	已發行可換股債券之本金額 (扣除發行成本)	533,161
Financial asset – embedded derivative component (net of issue costs)	金融資產 – 嵌入式衍生工具部份 (扣除發行成本)	5,234
Equity component (net of issue costs)	股本部份 (扣除發行成本)	(58,981)
Liability component on initial recognition (net of issue costs)	初始確認之負債部份 (扣除發行成本)	479,414
Accrued interest capitalised during the year	年內已資本化應計利息	369
Liability component at 31st December, 2006	於二零零六年十二月三十一日之 負債部份	479,783
Accrued interest capitalised during the year	年內已資本化應計利息	21,330
Amortised for effective interest method	按實際利息法攤銷	1,500
Interest paid during the year	年內已付利息	(21,699)
Derecognised on redemption	贖回而終止確認	(480,914)
Liability component at 31st December, 2007	於二零零七年十二月三十一日之 負債部份	-

The convertible bonds were issued on 10th November, 2006 by the Company, at an issue price of HK\$10 per convertible bond. The convertible bonds was to bear interest at 7.00% per annum for the period from 10th November, 2006 to 30th June, 2009 and, 4.00% per annum for the period from 1st July, 2009 to 9th November, 2011. Holders of the convertible bonds have the right to convert the convertible bonds into shares of the Company by dividing the outstanding principal amounts of the convertible bonds by the conversion price of HK\$10.00 per share during the conversion period commencing from 1st July, 2009 and ending on the business date falling ten business days immediately preceding 9th November, 2011. The convertible bonds, if not already redeemed or converted, would have been mandatory redeemable by the Company on the maturity date of 9th November, 2011. The Company has the option to early redeem the convertible bonds on the day falling every six months after the date of issue of the convertible bonds.

On 23rd February, 2007 and 9th August, 2007, the Company announced a partial early redemption and full redemption of the convertible bonds respectively, being HK\$5.00 out of the principal amount of HK\$10.00 per convertible bond and the remaining HK\$5.00 of the principal amount. Accordingly, convertible bonds at an amortised cost of HK\$240,132,000 and HK\$240,782,000 respectively were redeemed during the year. An aggregate amount of approximately HK\$518,596,000, being principal and accrued interest attributable to the convertible bonds held by Allied Group Limited ("AGL"), the Company's ultimate holding company, and subsidiaries of AGL, was paid to AGL and subsidiaries of AGL during the year.

可換股債券乃於二零零六年十一月十日由本公司按每份可換股債券10港元發行。可換股債券之年息率於二零零六年十一月十日至二零零九年六月三十日期間為7.00%，而於二零零九年七月一日至二零一一年十一月九日期間為4.00%。債券持有人可於二零零九年七月一日起至緊接二零一一年十一月九日前十個營業日之營業日止的轉換期按可換股債券未償還本金額除以轉換價每股10.00港元之數額，將債券轉換為本公司股份。本公司必須於二零一一年十一月九日到期日強制贖回尚未獲贖回或轉換的可換股債券。本公司可選擇於可換股債券之發行日期後每滿六個月之日提前贖回可換股債券。

於二零零七年二月二十三日及二零零七年八月九日，本公司分別宣佈提前贖回部份及贖回全部可換股債券，即每份可換股債券本金10.00港元中的5.00港元及餘下5.00港元之本金。因此，年內贖回分別按240,132,000港元及240,782,000港元之攤銷成本列賬的可換股債券。年內，本公司最終控股公司聯合集團有限公司（「聯合集團」）及其附屬公司所持可換股債券應佔本金及應計利息合共約518,596,000港元，已支付予聯合集團及其附屬公司。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**50. PROVISIONS**

		The Group 本集團		Total 總計 HK\$'000 千港元
		Employee benefits 僱員福利 HK\$'000 千港元	Others 其他 HK\$'000 千港元	
Provisions:	撥備：			
At 1st January, 2007	於二零零七年一月一日	67,709	11,155	78,864
Additional provision for the year	年內額外撥備	70,283	4,001	74,284
Amount written back	撥回金額	(7,792)	(905)	(8,697)
Amount utilised during the year	年內已動用金額	(9,329)	(4,412)	(13,741)
Amount paid during the year	年內已付款項	(20,163)	–	(20,163)
Disposal of subsidiaries	出售附屬公司	–	(82)	(82)
Transfer (to) from trade and other payables	轉撥 (至) 自貿易及其他應付款項	(31,167)	302	(30,865)
At 31st December, 2007	於二零零七年十二月三十一日	69,541	10,059	79,600
Less : Current portion	減：即期部份	(68,114)	(6,713)	(74,827)
Non-current portion	非即期部份	1,427	3,346	4,773

**51. OTHER LIABILITIES**

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Advance from minority shareholders	少數股東墊款	729	856
Obligations under finance leases	融資租賃承擔	8	13
Less: Current portion	減：即期部份	737 (734)	869 (861)
Non-current portion	非即期部份	3	8

**51. 其他負債****52. DISPOSAL OF SUBSIDIARIES**

In May 2007, the Group disposed of a group of subsidiaries engaging in the treasury investments and the provision of mortgage finance and other related services at a total consideration of HK\$248,155,000. The profit on disposal amounted to HK\$50,159,000 and included in the "consumer finance" segment.

In December 2007, the Group disposed of two subsidiaries engaging in securities broking and future dealing and broking at a total consideration of HK\$51,049,000. The loss on disposal amounted to HK\$578,000 and was included in the "investment, broking and finance" segment.

**52. 出售附屬公司**

於二零零七年五月，本集團出售一組從事庫務投資及提供按揭融資以及其他相關服務的附屬公司，總代價為248,155,000港元。出售溢利50,159,000港元列入「私人財務」分部。

於二零零七年十二月，本集團出售兩間從事證券經紀及期貨交易與經紀的附屬公司，總代價為51,049,000港元。出售虧損578,000港元列入「投資、經紀及金融」分部。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**52. DISPOSAL OF SUBSIDIARIES (CONT'D)****52. 出售附屬公司(續)**

The net assets of the subsidiaries at the dates of disposal were as follows:

該等附屬公司於出售日期之淨資產如下：

	HK\$'000 千港元
Net assets disposed of	已出售淨資產
– Cash and cash equivalents	– 現金及現金等價物 235,223
– Property, plant and equipment	– 物業、廠房及設備 1,577
– Intangible assets	– 無形資產 960
– Statutory deposits	– 法定按金 2,002
– Financial assets	– 透過損益賬按公平價值處理之
at fair value through profit or loss	金融資產 6,769
– Deferred tax assets	– 遞延稅項資產 2,612
– Loans and advances to consumer finance customers	– 私人財務客戶貸款及墊款 8,167
– Trade and other receivables	– 貿易及其他應收款項 72,244
– Tax recoverable	– 可收回稅項 317
– Trade and other payables	– 貿易及其他應付款項 (46,424)
– Tax payable	– 應付稅項 (1,169)
– Deferred tax liabilities	– 遞延稅項負債 (39)
– Provisions	– 撥備 (82)
	282,157
Minority interests	少數股東權益 (69,129)
	213,028
Attributable goodwill	應佔商譽 36,595
	249,623
Profit on disposal	出售溢利 49,581
	299,204
Total consideration	總代價
	299,204
Total consideration settled by:	以下列方式結算的總代價：
– Cash	– 現金 253,099
– Accounts receivable	– 應收賬款 46,105
	299,204
Net cash inflow arising on disposal	出售產生的現金流入淨額
– Cash consideration (after deducting expenses)	– 現金代價 (扣除開支後) 253,099
– Cash and cash equivalents disposed of	– 所出售現金及現金等價物 (235,223)
	17,876

**53. MAJOR NON-CASH TRANSACTION****53. 主要非現金交易**

During the year, dividend income declared by a jointly controlled entity of HK\$60,000,000 (2006: HK\$120,000,000) was recorded by setting off the amount against the current account of the jointly controlled entity.

年內，共同控制企業宣派股息收入60,000,000港元(二零零六年：120,000,000港元)乃透過與共同控制企業之往來賬目抵銷記錄。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**54. CONTINGENT LIABILITIES**

- (a) At 31st December, 2007, the Group had guarantees as follows:

Indemnities on banking guarantees made available to a clearing house and regulatory body	就一間結算所及監管機構所獲銀行擔保作出彌償保證
Other guarantees	其他擔保

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
5,540	5,540
1,400	12,098
<b>6,940</b>	<b>17,638</b>

- (b) In 2001, an order was made by the Hubei Province Higher People's Court in China ("2001 Order") enforcing a CIETAC award of 19th July, 2000 ("Award") by which Sun Hung Kai Securities Limited ("SHKS"), a wholly-owned subsidiary of Sun Hung Kai, was required to pay US\$3,000,000 to Chang Zhou Power Development Company Limited ("JV"), a mainland PRC joint venture. SHKS had disposed of all of its beneficial interest in the JV to Sun Hung Kai's listed associate, Tian An, in 1998 and disposed of any and all interest it might hold in the registered capital of the JV ("Interest") to Long Prosperity Industrial Limited ("LPI") in October, 2001. Subsequent to those disposals, SHKS' registered interest in the JV in the amount of US\$3,000,000 was frozen further to the 2001 Order. Sun Hung Kai has recently become aware of the following:

**54. 或然負債**

- (a) 於二零零七年十二月三十一日，本集團作出之擔保如下：

- (b) 於二零零一年，中國湖北省高級人民法院作出判令(「二零零一判令」)強制執行於二零零零年七月十九日之CIETAC判決(「判決」)，要求新鴻基之全資附屬公司新鴻基證券有限公司(「新鴻基證券」)，向中國合營公司長州電力發展有限公司(「合營公司」)支付3,000,000美元。新鴻基證券已在一九九八年將其於合營公司之所有實益權益出售予新鴻基之上市聯營公司天安，及於二零零一年十月，新鴻基證券已將其於合營公司之註冊資本可能持有之任何及所有權益(「權益」)出售予Long Prosperity Industrial Limited(「LPI」)。於該等出售後，新鴻基證券在合營公司之註冊權益(價值3,000,000美元)按二零零一判令進一步遭受凍結。新鴻基最近注意到下列事項：

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**54. CONTINGENT LIABILITIES (CONT'D)****54. 或然負債(續)**

(b) (Cont'd)

(b) (續)

- (i) On 29th February, 2008, a writ of summons with general indorsement of claim was issued by Global Bridge Assets Limited ("GBA"), LPI and Walton Enterprises Limited ("Walton") ("2008 Writ") in the High Court of Hong Kong against SHKS ("HCA 317/ 2008"). In the 2008 Writ, (a) GBA claims against SHKS for damages for alleged breaches of a guarantee, alleged breaches of a collateral contract, for a collateral warranty, and for negligent and/or reckless and/or fraudulent misrepresentation; (b) LPI claims against SHKS damages for alleged breaches of a contract dated 12th October 2001; and (c) Walton claims against SHKS for the sum of US\$3,000,000 under a shareholders agreement and/or pursuant to the Award and damages for alleged wrongful breach of a shareholders agreement. GBA, LPI and Walton also claim against SHKS interest on any sums or damages payable, costs, and such other relief as the Court may think fit. As at the date of this Report, the 2008 Writ has not been served on SHKS. If served, it shall be vigorously defended. Among other things, pursuant to a 2001 deed of waiver and indemnification, LPI waived and released SHKS from any claims including any claims relating to or arising from the Interest, the JV or any transaction related thereto, covenanted not to sue, and assumed liability for and agreed to indemnify SHKS from any and all damages, losses and expenses arising from any claims by any entity or party arising in connection with the Interest, the JV or any transaction related thereto. While a provision has been made for legal costs, Sun Hung Kai does not consider it presently appropriate to make any other provision with respect to HCA 317/ 2008.
- (ii) On 20th December, 2007, a writ ("Mainland Writ") was issued by 張麗娜 against Tian An and SHKS and was accepted by a mainland PRC court, 湖北省武漢市中級人民法院 ((2008) 武民商外初字第8號), claiming the transfer of a 28% shareholding in the JV, and RMB19,040,000 plus interest thereon for the period from January 1999 to end 2007 together with related costs and expenses. As at the date of this Report, the Mainland Writ has not been served on SHKS. If served, it shall be vigorously defended. While a provision has been made for legal costs, Sun Hung Kai does not consider it presently appropriate to make any other provision with respect to this writ.

- (i) 於二零零八年二月二十九日，Global Bridge Assets Limited (「GBA」)、LPI及Walton Enterprises Limited (「Walton」) 向新鴻基證券發出香港高等法院一般申索註明之傳訊令狀(「二零零八年令狀」)(「高等法院民事訴訟二零零八年第317宗」)。於二零零八年令狀中，(a)GBA就其聲稱一項擔保之違反、聲稱一份附屬合約之違反、一項附屬保證及疏忽及／或罔顧後果及／或含欺詐成分之失實陳述而向新鴻基證券申索賠償；(b)LPI就其聲稱日期為二零零一年十月十二日之合約的違反而向新鴻基證券索償；及(c)Walton根據一項股東協議及／或根據判決向新鴻基證券索償3,000,000美元以及就其聲稱錯誤地違反一項股東協議而向新鴻基證券申索賠償。GBA、LPI及Walton亦向新鴻基證券申索應付之任何金額或損害賠償之利息、支出以及法院認為合適之其他補償。於本報告日期，二零零八年令狀尚未送達新鴻基證券。如經送達，新鴻基證券將作出強力抗辯。當中，根據一份二零零一年豁免及彌償契約，LPI已豁免及免除新鴻基證券遭受任何申索，包括與權益、合營公司或任何相關交易有關或因此而引致之任何申索，據此，LPI承諾不會作出起訴，並承擔因與權益、合營公司或任何相關交易有關之任何實體或一方之任何申索而產生之任何及所有損害賠償、損失及費用，及同意向新鴻基證券彌償這些損害賠償、損失及費用。由於已為法律訟費作出撥備，故新鴻基認為現時並不適宜就高等法院民事訴訟二零零八年第317宗訴訟作出任何其他撥備。
- (ii) 於二零零七年十二月二十日，張麗娜已向天安及新鴻基證券發出一項令狀(「國內令狀」)，並已獲中國法院湖北省武漢市中級人民法院((二零零八)武民商外初字第8號)受理，內容是申索轉讓合營公司之28%股權，及人民幣19,040,000元連同由一九九九年一月起計至二零零七年底之利息以及相關費用及開支。於本報告日期，國內令狀尚未送達新鴻基證券。如經送達，新鴻基證券將作出強力抗辯。由於已為法律費用作出撥備，故新鴻基認為現時並不適宜就此令狀作出任何其他撥備。

The Company charged guarantee fees to subsidiaries at market related rates on an annual basis for the guarantees given a banking facilities.

本公司就所作出之銀行信貸擔保按照有關市場比率每年向該等附屬公司收取擔保費。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 55. CAPITAL COMMITMENTS

## 55. 資本承擔

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Capital expenditure contracted but not provided for in the financial statements	已簽約但未在財務報表撥備的資本開支	<b>294,184</b>	<b>38,663</b>
Capital expenditure authorised but not contracted for	已授權但未訂約的資本開支	<b>5,233</b>	<b>1,000</b>

The Company did not have any significant capital commitments at 31st December, 2007 and 2006.

於二零零七年及二零零六年十二月三十一日，本公司並無任何重大資本承擔。

## 56. OPERATING LEASE ARRANGEMENTS

## 56. 經營租約安排

## The Group as lessee

## 本集團作為承租人

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Minimum lease payments under operating leases recognised in the income statement for the year :	於本年度收益表中確認有關經營租約之最低租約款項：		
Land and buildings	土地及樓宇	<b>142,247</b>	48,704
Others	其他	<b>55,497</b>	121
		<b>197,744</b>	<b>48,825</b>

At 31st December, 2007, the Group had commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

於二零零七年十二月三十一日，本集團根據不可撤銷經營租約而於下列期間到期支付之未來最低租約款項承擔如下：

		The Group 本集團			
		2007 二零零七年		2006 二零零六年	
		Land and buildings 土地及樓宇 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	Others 其他 HK\$'000 千港元
Within one year	一年內	<b>144,344</b>	<b>6,520</b>	112,411	6,608
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	<b>143,402</b>	<b>969</b>	116,993	795
Over five years	五年以上	<b>1,168</b>	-	-	5
		<b>288,914</b>	<b>7,489</b>	<b>229,404</b>	<b>7,408</b>

Operating leases are generally negotiated for terms ranging from one to five years.

經營租約之年期一般議定為一至五年不等。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 56. OPERATING LEASE ARRANGEMENTS (CONT'D)

## 56. 營業租約安排(續)

### The Group as lessor

### 本集團作為出租人

Property rental income earned during the year was HK\$119,342,000 (2006: HK\$99,924,000). The property held has committed tenants whose tenancy agreements expire or are terminable over the next three years.

年內賺取之物業租金收入為119,342,000港元(二零零六年: 99,924,000港元)。所持有之物業已有租戶承諾租用, 該等租戶之租約協議將於未來三年內屆滿或可於未來三年內終止。

At 31st December, 2007, the Group had contracted with tenants for the following future minimum lease payments:

於二零零七年十二月三十一日, 本集團已就下列未來最低租約款項與租戶訂立合約:

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	於一年內	116,427	72,994
In the second to fifth years inclusive	第二至第五年 (包括首尾兩年)	<u>64,596</u>	<u>52,695</u>
		<u>181,023</u>	<u>125,689</u>

The Company did not have any significant lease commitments as a lessee or lessor under non-cancellable operating leases at 31st December, 2007 and 2006.

於二零零七年及二零零六年十二月三十一日, 本公司概無因作為承租人或出租人而於不可撤銷經營租約項下擁有任何重大租賃承擔。

## 57. RETIREMENT BENEFIT SCHEMES

## 57. 退休福利計劃

The Group operates defined contribution retirement benefit schemes for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group under provident funds managed by independent trustees.

本集團為所有香港合資格僱員提供定額供款退休福利計劃。該等計劃之資產與本集團資產分開持有, 獨立存於獨立信託公司所管理之公積金。

The retirement benefit cost charged to the income statement represents contributions paid and payable to the fund by the Group at rates specified in the rules of the schemes. Where there are employees who leave the schemes prior to vesting fully in the contributions, in accordance with the terms of the schemes, the contributions payable by the Group are reduced by the amount of forfeited employer's contributions.

自收益表扣除之退休福利開支為本集團按計劃規則所指定比率而已付及應付供款。倘僱員於完全達到享用退休福利前退出計劃, 則根據計劃之條款, 本集團應付的供款將扣除僱主應繳之金額。

At 31st December, 2007 and 2006, there were no material forfeited contributions which arose when employees left the retirement benefit schemes before they were fully vested in the contributions and which were available to reduce the contributions payable by the Group in the future years.

於二零零七年及二零零六年十二月三十一日, 並無僱員由於在達到可全數享用退休福利前退出該計劃以致有重大部份之僱主供款得以退回, 並可將該退回收項用以減低本集團往後年度之應付供款。

The schemes have been closed in 2000 to new employees as a consequence of the Mandatory Provident Fund Schemes Ordinance introduced by the Hong Kong Government.

由於香港政府推行強制性公積金計劃條例, 故此本集團於二零零零年起不再為新僱員提供上述計劃。

From 1st December, 2000 onwards, new staff in Hong Kong joining the Group are required to join the Mandatory Provident Fund Scheme ("MPF Scheme"). The Group is required to contribute 5% of the employees salaries, while the employees are required to contribute 5% of their salaries to the MPF Scheme.

自二零零零年十二月一日起, 凡於香港新加盟本集團之員工按規定均須加入強制性公積金計劃(「強積金計劃」)。本集團及僱員各自須向強積金計劃作出相當於僱員薪金5%之供款。



for the year ended 31st December, 2007

## 57. RETIREMENT BENEFIT SCHEMES (CONT'D)

The EOS, an employee ownership scheme of Sun Hung Kai, was formally adopted on 18th December, 2007 and was established to help attract, recognise and retain talents. Under the EOS, selected employees or directors of the Sun Hung Kai group (the "Selected Grantees") are to be awarded shares of the Sun Hung Kai which have been purchased by the appointed scheme trustee. Upon the management's recommendation, the number of shares awarded to the Selected Grantees (other than a director of the Sun Hung Kai) shall be determined, with the vesting dates for various tranches, by a committee (comprising four members of the Sun Hung Kai's senior management) delegated with the necessary authority by the board of Sun Hung Kai. Any EOS award to a Selected Grantee who is a director of Sun Hung Kai shall be subject to the approval by the board of Sun Hung Kai following a recommendation from the remuneration committee of the board of Sun Hung Kai. The details of the EOS were set out in the announcement of Sun Hung Kai dated 28th December, 2007.

## 58. PLEDGE OF ASSETS

At 31st December, 2007, certain of the Group's investment properties, hotel property, land and buildings, prepaid land lease payments, properties held for sale with an aggregate carrying value of HK\$4,560,408,000 (2006: HK\$3,975,179,000), bank deposit of HK\$120,000,000 (2006: nil), listed investments belonging to the Group and margin clients with market value of HK\$5,716,995,000 (2006: HK\$142,130,000) and HK\$2,286,292,000 (2006: HK\$1,164,085,000) together with certain securities in respect of a listed subsidiary with a carrying value of HK\$1,489,871,000 (2006: HK\$1,181,616,000), were pledged to secure loans and general banking facilities to the extent of HK\$3,874,233,000 (2006: HK\$3,075,591,000) granted to the Group. Facilities amounting to HK\$1,921,233,000 (2006: HK\$1,445,429,000) were utilised at 31st December, 2007.

At 31st December, 2007, a bank deposit of HK\$1,000,000 (2006: HK\$1,000,000) was pledged to secure a bank guarantee amounting to HK\$2,000,000 (2006: HK\$2,000,000).

At 31st December, 2007, the Company had bank deposit of HK\$120,000,000 (2006: nil) to secure a loan of HK\$103,305,000 (2006: nil) granted by a bank to a subsidiary.

截至二零零七年十二月三十一日止年度

## 57. 退休福利計劃(續)

新鴻基於二零零七年十二月十八日正式採納僱員所有權計劃(「僱員所有權計劃」)，旨在吸引、嘉許及挽留人才。根據僱員所有權計劃，新鴻基集團的特定僱員或董事(「特定承授人」)可獲授受委計劃信託人所購入的新鴻基股份。特定承授人(新鴻基董事除外)可獲授的股份數目以及有關股份的分批歸屬日期由獲新鴻基董事會授權的委員會(由新鴻基四名高級管理人員組成)按管理人員建議釐定。向作為新鴻基董事的特定承授人授出僱員所有權計劃獎勵須經新鴻基薪酬委員會推薦並獲新鴻基董事會批准後方可作實。僱員所有權計劃之詳情載於新鴻基於二零零七年十二月二十八日刊發的公佈。

## 58. 資產抵押

於二零零七年十二月三十一日，本集團若干投資物業、酒店物業、土地與樓宇、預繳地價及待出售物業賬面總值4,560,408,000港元(二零零六年：3,975,179,000港元)、銀行存款120,000,000港元(二零零六年：無)、屬於本集團及孖展客戶之上市投資市值分別5,716,995,000港元(二零零六年：142,130,000港元)及2,286,292,000港元(二零零六年：1,164,085,000港元)，連同若干上市附屬公司證券賬面值1,489,871,000港元(二零零六年：1,181,616,000港元)已用作本集團所獲3,874,233,000港元(二零零六年：3,075,591,000港元)貸款及一般銀行信貸額之抵押。於二零零七年十二月三十一日，已提用之信貸額為1,921,233,000港元(二零零六年：1,445,429,000港元)。

於二零零七年十二月三十一日，為數1,000,000港元(二零零六年：1,000,000港元)之銀行存款已用作抵押一項為數2,000,000港元(二零零六年：2,000,000港元)之銀行擔保。

於二零零七年十二月三十一日，本公司之銀行存款120,000,000港元(二零零六年：無)已作為銀行向一間附屬公司所授出103,305,000港元(二零零六年：無)貸款之擔保。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 59. RELATED PARTY TRANSACTIONS AND BALANCES

## 59. 關連人士交易及結餘

The following is a summary of the significant transactions and balances with related parties during the year and as at the year end.

以下為於年內及年終與關連人士之重大交易及結餘概要：

## (a) Summary of transactions

## (a) 交易概要

		(Income)/Expense (收入) / 支出	
		2007 二零零七年	2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元
	Notes 附註		
<b>Ultimate holding company</b> 最終控股公司			
Share of management service expenses (note)		8,000	7,550
Share of administrative expenses (note)		1,089	697
Advertising income		(696)	(696)
Rent, property management and air-conditioning fees (note)		(3,012)	(3,012)
Convertible bonds interest expenses		3,067	1,027
<b>Fellow subsidiaries</b> 同系附屬公司			
Bonds interest expenses	(i)	188,312	69,906
Convertible bonds interest expenses		12,811	4,290
Advertising income		-	(194)
Acquisition of a company from a fellow subsidiary		-	4,328,000
Proceeds on disposal of an associate to a fellow subsidiary	(ii)	(166,888)	-
Payment of a short-term loan due to a fellow subsidiary	(i)	700,000	200,000
<b>Jointly controlled entity</b> 共同控制企業			
Administration, management and consultancy fees		(5,028)	(4,906)
Dividend income		(60,000)	(120,000)
Property management and air-conditioning fees and other property related service fee		(13,879)	(14,143)
Rental expenses		6,439	2,402
<b>Associates</b> 聯營公司			
Dividend income		(1,500)	-
Interest income		(2,449)	(9,062)
Insurance premium		(902)	(4,402)
Service fee income		-	(814)
Rent, property management, air-conditioning fees and other related service fees		(455)	(934)

Note: Apart from the tenancy agreement entered into by a subsidiary of the Company and the Sharing of Administrative Services and Management Services Agreement entered into by the Company with the ultimate holding company, none of the above related party transactions constitutes a discloseable connected transaction as defined in the Listing Rules.

附註：除本公司一間附屬公司訂立之租賃協議以及本公司與最終控股公司訂立之行政服務及管理服務分攤協議外，以上關連人士交易並不屬於上市規則所界定之須予披露關連交易。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**59. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)****59. 關連人士交易及結餘(續)****(b) Key management personnel compensation****(b) 主要管理層人員酬金**

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Short term benefits	短期福利	36,873	14,408
Post-employment benefits	退休福利	347	332
		<b>37,220</b>	<b>14,740</b>

Certain key management personnel of the Group received remuneration from the Company's ultimate holding company or its wholly-owned subsidiary. The ultimate holding company provided management services to the Group and charged the Group a fee, which has been included in share of management service expenses as disclosed above in part (a) of this note, for services provided by those personnel as well as others who were not key management personnel of the Group.

本集團若干主要管理人員從本公司最終控股公司或其全資附屬公司收取酬金。最終控股公司向本集團提供收取費用的管理服務，該費用已披露在此附註(a)部份之應佔管理服務開支中，此管理服務由該等主要管理人員及其他非本集團主要管理人員所提供。

The management service fee is calculated by reference to the time devoted by the management personnel on the affairs of the Group and can be apportioned to the above key management personnel. The total of such apportioned amounts, which has been included in the key management personnel compensation above for 2007, is HK\$5,500,000 (2006: HK\$4,928,000).

計算管理費用以管理人員於本集團事務上所使用的時間作為參考，及可以分配至該等主要管理人員。該等分配總額於二零零七年共5,500,000港元(二零零六年：4,928,000港元)，已包括於以上主要管理人員報酬內。

**(c) The net balances due from (to) related parties at 31st December, 2007 and 2006 are summarised as follows:****(c) 於二零零七年及二零零六年十二月三十一日應收(應付)關連人士之結餘淨額概述如下：**

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Ultimate holding company	最終控股公司	(15,102)	(97,547)	(14,351)	(96,944)
Associates	聯營公司	125,036	146,185	-	-
Jointly controlled entities	共同控制企業	(36,869)	(76,877)	-	-
Fellow subsidiary	同系附屬公司	(2,876,183)	(3,963,601)	-	(359,375)
		<b>(2,803,118)</b>	<b>(3,991,840)</b>	<b>(14,351)</b>	<b>(456,319)</b>

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 59. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

## 59. 關連人士交易及結餘(續)

## (c) (Cont'd)

## (c) (續)

The above amounts are included in the balance sheets of the Group and the Company in the following ways:

上述金額乃以下列方式於本集團及本公司之資產負債表內入賬：

	Notes 附註	The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Amount due from an associate	(iii)	78,000	78,000	-	-
Trade and other receivables		431	491	-	-
Amounts due from associates	(iv)	59,584	80,702	-	-
Amount due from a jointly controlled entity	(vi)	2,192	2,185	-	-
Trade and other payables		(1,123)	(1,083)	-	-
Amount due to ultimate holding company	(vi)	(14,351)	(10,919)	(14,351)	(10,919)
Amounts due to associates	(iv)	(12,605)	(12,527)	-	-
Amount due to a jointly controlled entity	(vi)	(39,063)	(79,063)	-	-
Amount due to a fellow subsidiary	(v)	(76,183)	(804,226)	-	-
Bonds held by a fellow subsidiary	(i)	(2,800,000)	(2,800,000)	-	-
Convertible bonds held by ultimate holding company and fellow subsidiaries		-	(445,400)	-	(445,400)
		<b>(2,803,118)</b>	<b>(3,991,840)</b>	<b>(14,351)</b>	<b>(456,319)</b>

(d) During the year, both the Group and a joint venture partner, each having a 50% interest in a jointly controlled entity, received and repaid various interest-free loans from such jointly controlled entity. At 31st December, 2007, the amounts lent to the Group totalling HK\$39,000,000 (2006: HK\$79,000,000) were unsecured, interest-free and repayable on demand.

(d) 年內，本集團與一間合營夥伴於一間雙方各佔50%權益之共同控制企業收取及獲償還若干免息貸款。於二零零七年十二月三十一日，本集團的借款總額為39,000,000港元(二零零六年：79,000,000港元)為無抵押、免息及須按的要求償付。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**59. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)**

Notes:

- (i) A short-term loan of HK\$900,000,000 and bonds of HK\$2,800,000,000 were issued to AGL as part of the consideration for the acquisition of a company from a fellow subsidiary in 2006.

The short-term loan bears interest at 1% above HIBOR per annum and was repaid fully in 2007. The bonds bear interest at 1% above HIBOR per annum and are due for repayment on 24th August, 2009. The interest rate is repriced on the first day of every six-month period. The bonds are secured by a share mortgage over the share in a subsidiary, UAF Holdings Limited.

Other than the short-term loan mentioned above, the fellow subsidiary also advanced another short-term loan of HK\$350,000,000 to the Group during July 2007 to October 2007. The short-term loan bears interest at 1% above HIBOR per annum.

- (ii) Details of the transaction are disclosed under Connected Transaction section in the Directors' Report.
- (iii) The loan notes bears interest at 2.5% per annum and the interest is payable annually. It is due for repayment on 29th August, 2008.
- (iv) These amounts due from (to) associates are unsecured, non-interest bearing and repayable on demand, except for an unsecured short-term loan to an associate of HK\$5,000,000 which bears interest at 10.5% per annum. The loan was repaid fully in 2007.
- (v) The amount due to a fellow subsidiary is unsecured, non-interest bearing and repayable on demand, except for a short-term loan of HK\$700,000,000 as disclosed in note (i) which was repaid fully in 2007.
- (vi) These amounts due from (to) a jointly controlled entity and ultimate holding company are unsecured, non-interest bearing and are repayable on demand.

**60. MATURITY PROFILE OF TERM ASSETS AND LIABILITIES**

The following table lists certain financial assets and financial liabilities of the Group which have a term of maturity. Overdue assets are included as on demand.

		At 31st December, 2007 二零零七年十二月三十一日					
		On demand	Within 3 months	3 months to 1 year	1 year to 5 years	After 5 years	Total
		按要求償還	三個月內	三個月至一年	一年至五年	五年後	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<b>Assets</b>	<b>資產</b>						
Fixed deposits with banks	銀行定期存款	-	789,427	-	-	-	789,427
Loans and advances to consumer finance customers	私人財務客戶貸款及墊款	394,617	666,471	1,167,872	1,445,605	94,405	3,768,970
Loan notes included in amounts due from associates	已計入聯營公司欠款之貸款票據	-	-	78,000	-	-	78,000
Treasury bills	國庫券	-	7,724	-	-	-	7,724
Term loans	有期貨款	138,181	173,071	319,806	-	-	631,058
<b>Liabilities</b>	<b>負債</b>						
Bank and other borrowings	銀行及其他借貸	19,723	673,530	198,111	2,720,382	59,210	3,670,956
Loan notes	貸款票據	-	69,166	-	-	-	69,166
Bonds	債券	-	-	-	2,800,000	-	2,800,000

**59. 關連人士交易及結餘(續)**

附註:

- (i) 於二零零六年，一筆900,000,000港元之短期貸款及2,800,000,000港元之債券已發行予聯合集團，作為收購同系附屬公司之一間公司之部份代價。

該短期貸款年息為香港銀行同業拆息加1厘，已於二零零七年全數償清。該等債券年息為香港銀行同業拆息加1厘，於二零零九年八月二十四日到期。息率於每六個月期間之首日重新釐定。該等債券由附屬公司UAF Holdings Limited的股份作股份按揭抵押。

於二零零七年七月至二零零七年十月，除上述短期貸款外，同系附屬公司亦就350,000,000港元之另一短期貸款向本集團墊款。該短期貸款年息為香港銀行同業拆息加1厘。

- (ii) 該交易詳情於董事會報告關連交易一節披露。
- (iii) 貸款票據年息為2.5厘，利息須每年償還。該等票據須於二零零八年八月二十九日償還。
- (iv) 該等應收(付)聯營公司款項為無抵押、免息及須於要求時償還，惟授予一間聯營公司之5,000,000港元無抵押短期貸款按每年10.5厘計息除外。該筆貸款已於二零零七年全數償清。
- (v) 除附註(i)所披露700,000,000港元之短期貸款已於二零零七年全數償清外，該等應付一間同系附屬公司款項為無抵押、免息及須於要求時償還。
- (vi) 該等應收(付)一間共同控制企業款項及最終控股公司款項為無抵押、免息及於要求時償付。

**60. 有期資產及負債到期分析**

下表載列本集團訂有期滿日之若干金融資產與金融負債。過期未付資產計入須按要償還之資產。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**60. MATURITY PROFILE OF TERM ASSETS AND LIABILITIES (CONT'D)****60. 有期資產與負債到期分析(續)**

		At 31st December, 2006 二零零六年十二月三十一日					Total 總計 HK\$'000 千港元
		On demand 按要求償還 HK\$'000 千港元	Within 3 months 三個月內 HK\$'000 千港元	3 months to 1 year 三個月至一年 HK\$'000 千港元	1 year to 5 years 一年至五年 HK\$'000 千港元	After 5 years 五年後 HK\$'000 千港元	
<b>Assets</b>		<b>資產</b>					
Fixed deposits with banks	銀行定期存款	-	839,728	-	-	-	839,728
Loans and advances to consumer finance customers	私人財務客戶貸款及墊款	225,286	421,882	1,108,643	1,043,795	71,853	2,871,459
Term loan due from a listed associate	應收一間上市聯營公司之有期貸款	-	5,000	-	-	-	5,000
Loan notes included in amounts due from associates	已計入聯營公司欠款之貸款票據	-	-	-	78,000	-	78,000
Treasury bills	國庫券	-	7,675	-	-	-	7,675
Term loans	有期貸款	216,120	186,097	8,412	27,600	-	438,229
<b>Liabilities</b>		<b>負債</b>					
Bank and other borrowings	銀行及其他借貸	8,000	1,228,489	298,081	919,151	-	2,453,721
Loan notes	貸款票據	-	-	-	66,639	-	66,639
Bonds	債券	-	-	-	2,800,000	-	2,800,000
Convertible bonds	可換股債券	-	-	-	479,783	-	479,783
Short-term loan due to a fellow subsidiary	應付一間同系附屬公司短期貸款	-	-	700,000	-	-	700,000

**61. PARTICULARS OF PRINCIPAL SUBSIDIARIES****61. 主要附屬公司資料**

Particulars of the Company's principal subsidiaries at 31st December, 2007 which have their principal place of operations in Hong Kong are set out below:

二零零七年十二月三十一日，本公司主要業務所在地位於香港之主要附屬公司資料如下：

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行普通股本 HK\$ 港元	Proportion of nominal value of issued capital 佔已發行股本面值之比例		Principal activity 主要業務
		held by the Company/ subsidaries 本公司/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	
Alaston Development Limited	US\$1 1美元	100	100	Property trading 物業買賣
Allied Medical Practices Guild Limited 雅聯醫務協會有限公司	2	100	30	Provision of contract healthcare services 提供合約保健服務
Allied Real Estate Agency Limited 聯合地產代理有限公司	2	100	100	Real estate agency 地產代理
AP Administration Limited	2	100	100	Provision of management and consultancy services 提供管理及顧問服務
AP Corporate Services Limited	2	100	100	Provision of corporate services 提供公司服務

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 佔已發行股本面值之比例 held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	Principal activity 主要業務
AP Development Limited 聯合地產發展有限公司	2	100*	100	Investment holding 投資控股
AP Diamond Limited	US\$1 1美元	100	100	Property trading and holding 物業買賣及持有物業
AP Emerald Limited	US\$1 1美元	100	100	Investment holding 投資控股
AP Finance Limited	2	100	100	Money lending 借貸
AP Property Management Limited	2	100	100	Building management 樓宇管理
Bali International Finance Limited 百達利財務有限公司	137,500,000	100	58	Financial services and investment holding 金融服務及投資控股
Bali Securities Co. Limited 百達利證券有限公司	7,000,000	100	58	Securities dealer 證券交易商
Best Melody Development Limited 高韻發展有限公司	5,000	100	100	Property holding 持有物業
Cheeroll Limited	2	100	58	Investment holding, securities and bullion trading 投資控股、證券及 黃金買賣
Cheertime Investment Limited 彩泰投資有限公司	1	100	100	Property holding 持有物業
Choice Rich Investment Limited 彩發投資有限公司	1	100	100	Property holding 持有物業
Cowslip Company Limited	2	100	58	Investment holding 投資控股
Dynamic Force Investments Limited	US\$1 1美元	100	58	Investment holding 投資控股
Dynamic People Group Limited	US\$1 1美元	100	30	Provision of LASIK and optical surgical services 提供激光及視力手術服務
Fame Arrow Company Limited 威箭有限公司	100,000	100	95	Loan financing 貸款融資

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 佔已發行股本面值之比例		Principal activity 主要業務
		held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	
Florich Development Limited 景資發展有限公司	10,000	100	100	Investment holding 投資控股
Front Sail Limited 拓航有限公司	5,000	100	100	Property holding 持有物業
Gilmore Limited	2	100	100	Property holding 持有物業
Gloria (Nominees) Limited	200	100	58	Investment holding 投資控股
Gloxin Limited	2	100	58	Investment holding 投資控股
Gold Concord Investment Limited 金坤投資有限公司	1	100	100	Property holding 持有物業
Hilarious (Nominees) Limited	10,000	100	58	Investment holding 投資控股
Hillcrest Development Limited	20	100	100	Property holding 投資控股
Hi-Link Limited	200	100	100	Investment holding 投資控股
Integrated Custodian Limited	2	100	100	Property holding 持有物業
Itso Limited	2	100	58	Securities trading 證券買賣
Jaffe Development Limited	US\$1 1美元	100	100	Property holding 持有物業
Kalix Investment Limited	2	100	100	Property holding 持有物業
King Policy Development Limited 勁鵬發展有限公司	2	100	100	Property holding 持有物業
Landmax Investment Limited 立美投資有限公司	1	100	100	Property holding 持有物業
Lexshan Nominees Limited 歷山代理人有限公司	2	100	58	Nominee service 代理人服務
Macdonnell (Nominees) Limited	10,000	100	58	Investment holding 投資控股



for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 佔已發行股本面值之比例		Principal activity 主要業務
		held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	
Mainford Investment Limited 銘福投資有限公司	1	100	100	Property holding 持有物業
Maxplan Investment Limited 銳騰投資有限公司	2	100	100	Securities trading 證券買賣
Mightyton Limited	10,000	100	100	Property holding 持有物業
Oakfame Investment Limited 幹美投資有限公司	2	100	58	Investment holding 投資控股
Ontone Limited 安通建業有限公司	2	100	100	Hotel operations, property development and property holding 酒店業務、地產發展及 持有物業
Pioneer Score Development Limited 先港發展有限公司	2	100	58	Investment holding 投資控股
Plentiwind Limited	2	100	58	Futures trading 期貨買賣
Polyking Services Limited 栢麗服務有限公司	2	100	58	Building maintenance and cleaning services 樓宇保養及清潔服務
Protech Property Management Limited 保得物業管理有限公司	5,000	100	58	Building management 樓宇管理
QHES Limited 卓健耆老有限公司	US\$1 1美元	100	30	Provision of elderly care services 提供長者護理服務
Quality HealthCare Asia Limited** 卓健亞洲有限公司**	23,893,734	51	30	Investment holding 投資控股
Quality HealthCare Dental Services Limited 卓健牙科服務有限公司	1,000	100	30	Provision of dental services 提供牙科服務
Quality HealthCare Man Kee Elderly Limited 卓健耆安萬基有限公司	1,000	100	30	Provision of elderly care services 提供長者護理服務
Quality HealthCare Medical Centre Limited 卓健醫療體檢中心有限公司	1,300	100	30	Medical facilities and services provider 醫療設施及服務供應商

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 佔已發行股本面值之比例		Principal activity 主要業務
		held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	
Quality HealthCare Medical Services Limited 卓健醫療服務有限公司	2	100	30	Provision of contract healthcare services 提供合約保健服務
Quality HealthCare Nursing Agency Limited 卓健護理介紹所有限公司	10,000	100	30	Provision of nursing agency services 提供護理介紹服務
Quality HealthCare Nursing Home Limited 卓健耆安護老有限公司	1,000	100	30	Provision of elderly care services 提供長者護理服務
Quality HealthCare Physiotherapy Services Limited 卓健物理治療服務有限公司	1,000	100	30	Provision of physiotherapy services 提供物理治療服務
Quality HealthCare Psychological Services Limited 卓健心理健康有限公司	1	100	30	Provision of psychological services 提供心理服務
Quick Art Limited	3,540,000	100	58	Share trading and property holding 證券買賣及持有物業
Ranbridge Finance Limited 捷橋財務有限公司	20,000,000	100	58	Money lending 借貸
San Pack Properties Limited 山栢置業有限公司	10	100	100	Property holding 持有物業
Scienter Investments Limited	20	100	58	Share trading 證券買賣
SHK Finance Limited 新鴻基財務有限公司	150,000,000	100	34	Money lending 借貸
SHK Financial Data Limited 新鴻基財經資訊有限公司	100	51	30	Provision of financial information services 提供財經資訊服務
SHK Fund Management Limited 新鴻基投資管理有限公司	5,000,000	100	58	Funds marketing and management 基金市場策劃及管理
SHK Investment Services Limited	1,000,000	100	58	Asset holding and leasing 資產投資及租賃
SHK Online (Securities) Limited 新鴻基科網(證券)有限公司	40,000,000	100	58	Online securities broking and margin financing 網上證券經紀及證券放款

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital 佔已發行股本面值之比例		Principal activity 主要業務
		held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	
SHK Online Limited 新鴻基科網有限公司	20,000,000	100	58	Investment holding 投資控股
SHK Pearl River Delta Investment Company Limited 新鴻基珠江三角洲投資有限公司	75,000,000	100	58	Investing holding 投資控股
Shun Loong Forex Company Limited 順隆外匯有限公司	32,000,000	100	58	Leveraged foreign exchange dealing and broking 槓桿外匯買賣及經紀
Shun Loong Futures Limited 順隆期貨有限公司	15,000,000	100	58	Futures and options dealing 期貨及期權買賣
Shun Loong Holdings Limited 順隆集團有限公司	200,000,000	100	58	Investment holding 投資控股
Shun Loong Securities Company Limited 順隆證券行有限公司	50,000,000	100	58	Securities broking and share margin financing 證券經紀及證券放款
Sierra Joy Limited	2	100	100	Property holding 持有物業
Splendid Gain Limited	2	100	58	Investment holding 投資控股
Sun Hing Bullion Company Limited 新興金業有限公司	5,000,000	100	58	Bullion trading 黃金買賣
Sun Hung Kai & Co. Limited ** 新鴻基有限公司 **	335,958,356	58	58	Investment holding 投資控股
Sun Hung Kai (Nominees) Limited 新鴻基(代理人)有限公司	200	100	58	Nominee service 代理人服務
Sun Hung Kai Bullion Company Limited 新鴻基金業有限公司	30,000,000	100	58	Bullion trading and investment holding 黃金買賣及投資控股
Sun Hung Kai Commodities Limited 新鴻基期貨有限公司	80,000,600	100	58	Commodities broking 商品期貨經紀

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of nominal value of issued capital held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	attribution to the Group 本集團 應佔 %	Principal activity 主要業務
Sun Hung Kai Forex Limited 新鴻基外匯有限公司	150,000,000	100	58	Foreign exchange dealing 外匯買賣
Sun Hung Kai Insurance Consultants Limited 新鴻基保險顧問有限公司	1,000,000	100	58	Insurance broking and consultancy services 保險經紀及顧問服務
Sun Hung Kai International Limited 新鴻基國際有限公司	10,000,000	100	58	Corporate finance services 企業融資服務
Sun Hung Kai International Commodities Limited	25,000,000	100	58	Securities, futures and options trading 證券、期貨及期權買賣
Sun Hung Kai Investment Services Limited 新鴻基投資服務有限公司	290,000,000	100	58	Investment holding, share broking and margin financing 投資控股、證券經紀及 證券放款
Sun Hung Kai Research Limited 新鴻基資料研究有限公司	100,000	100	58	Securities research services 證券資料研究服務
Sun Hung Kai Securities (Overseas) Limited 新鴻基證券(海外)有限公司	60,000	100	58	Investment holding 投資控股
Sun Hung Kai Securities (Trustees) Limited 新鴻基證券(信託)有限公司	3,000,000	100	58	Provision of trustee services 提供信託服務
Sun Hung Kai Securities Capital Markets Limited 新鴻基證券資本市場有限公司	1,000	100	58	Investment holding 投資控股
Sun Hung Kai Securities Limited 新鴻基証券有限公司	124,898,589	100	58	Investment holding 投資控股
Sun Hung Kai Venture Capital Limited	2	100	58	Investment holding 投資控股
Sun Hung Kai Wealth Management Limited 新鴻基優越理財有限公司	5,000,000	100	58	Financial planning and wealth management 財務策劃及資產管理

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股 HK\$ 港元	Proportion of nominal value of issued capital 佔已發行股本面值之比例		Principal activity 主要業務
		held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	
Sun Tai Cheung Credits Limited 新泰昌授信有限公司	150,000,000	100	58	Money lending 借貸
Sun Tai Cheung Finance Company Limited 新泰昌財務有限公司	25,000,000	100	58	Financial services 金融服務
Texgulf Limited	20	100	58	Property holding 持有物業
To Wan Development Company Limited 杜雲發展有限公司	10,000	100	58	Investment holding 投資控股
Tung Wo Investment Company, Limited 同和投資有限公司	10,000	100	58	Investment holding 投資控股
United Asia Finance Limited 亞洲聯合財務有限公司	137,500,000	58	34	Consumer financing 私人財務
Wah Cheong Development Company, Limited 華昌建業有限公司	25,100,000	100	58	Investment holding 投資控股
Wineur Secretaries Limited 偉略秘書有限公司	2	100	58	Secretarial services 秘書服務
Yee Li Ko Investment Limited 億利高投資有限公司	58,330,000	100	58	Property holding 持有物業

With the exception of Alaston Development Limited, AP Diamond Limited, AP Emerald Limited, Dynamic Force Investments Limited, Dynamic People Group Limited, Jaffe Development Limited and QHES Limited, which were incorporated in the British Virgin Islands, and Quality HealthCare Asia Limited which was incorporated in Bermuda, all the above subsidiaries were incorporated in Hong Kong.

除Alaston Development Limited、AP Diamond Limited、AP Emerald Limited、Dynamic Force Investments Limited、Dynamic People Group Limited、Jaffe Development Limited及卓健耆老有限公司在英屬處女群島註冊成立，以及卓建亞洲有限公司於百慕達註冊成立外，以上所有附屬公司均在香港註冊成立。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Particulars of the Company's principal subsidiaries at 31st December, 2007 which were incorporated and have their principal place of operations outside Hong Kong are set out below:

二零零七年十二月三十一日，本公司在香港以外地點註冊成立及其主要業務所在地亦在香港以外之主要附屬公司資料如下：

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行 普通股本	Proportion of nominal value of issued capital 佔已發行股本面值之比例		Principal activity 主要業務
			held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	
Allied Properties China Limited	Cayman Islands 開曼群島	US\$1,000 1,000美元	100*	100	Investment holding 投資控股
Ballymote Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Bealake Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Best Decision Investments Limited	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	65	38	Investment holding 投資控股
Best Delta International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Investment holding 投資控股
Boneast Assets Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Investment holding 投資控股
Constable Development S.A.	Panama 巴拿馬	US\$5 5美元	100	58	Investment holding 投資控股
Darroman Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Fine Class Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Gashima Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	Investment holding 投資控股
Hing Yip Holdings Limited 興業控股有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Property holding 持有物業
I-Market Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Investment holding 投資控股

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行 普通股本	Proportion of nominal value of issued capital held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	已發行股本面值之比率 attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Kenworld Corporation	Republic of Liberia 利比里亞共和國	US\$1 1美元	100	100	Investment holding 投資控股
Lakewood Development Corporation	United States of America 美國	US\$1,000 1,000美元	100	100	Property held for sale 持有待出售物業
Onspeed Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	34	Investment holding 投資控股
Ranbridge, Inc.	The Philippines 菲律賓	Peso5,385,000 5,385,000披索	100	58	Money lending 借貸
Shipsape Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Investment holding 投資控股
SHK Absolute Return Managers Ltd	Cayman Islands 開曼群島	US\$10 10美元	100	58	Investment holding 投資控股
SHK Dynamic Managers Ltd.	Cayman Islands 開曼群島	US\$10 10美元	100	58	Funds management 基金管理
SHK Global Managers Limited	British Virgin Islands 英屬處女群島	US\$5,000 5,000美元	100	58	Funds management 基金管理
SHK Quant Managers Ltd	Cayman Islands 開曼群島	US\$10 10美元	100	58	Funds management 基金管理
Sing Hing Investment Limited 誠興投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Property holding 持有物業
Sun Hung Kai International Bank Brunei Limited	Brunei Darussalam 汶萊	SGD10,000,000 10,000,000 新加坡元	100	58	International banking business 國際銀行事務
Sun Hung Kai International Investment Management Limited	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	100	58	Investment holding 投資控股
Sun Hung Kai Investment Services (Macau) Limited	Macau 澳門	MOP1,000,000 1,000,000澳門元	100	58	Property holding 持有物業
Sun Hung Kai Online Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Online services 網上服務

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行 普通股本	Proportion of nominal value of issued capital held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	已發行股本面值之比率 attributable to the Group 本集團 應佔 %	Principal activity 主要業務
Sun Hung Kai Securities (Bermuda) Limited	Bermuda 百慕達	US\$12,000 12,000美元	100	58	Investment holding and management services 投資控股及管理服務
Sun Hung Kai Securities (Phil.), Inc.	The Philippines 菲律賓	Peso 273,600,000 273,600,000披索	100	58	Investment holding 投資控股
Swan Islands Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Investment holding 投資控股
UAF Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Investment holding 投資控股
Upper Selection Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Investment holding 投資控股
Wah Cheong Development (B.V.I.) Limited	British Virgin Islands 英屬處女群島	US\$2,675,400 2,675,400美元	100	58	Investment holding 投資控股
Zeal Goal International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	58	Investment holding 投資控股
亞聯財信息諮詢(深圳) 有限公司	People's Republic of China 中華人民共和國	RMB25,000,000 人民幣 25,000,000元	58	34	Financial consultancy 財務顧問
深圳市亞聯財小額信貸 有限公司	People's Republic of China 中華人民共和國	RMB15,000,000 人民幣 15,000,000元	58	34	Money lending 借貸



for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

## 61. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

## 61. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行 普通股本	Proportion of nominal value of issued capital 已發行股本面值之比率		Principal activity 主要業務
			held by the Company/ subsidiaries 本公司/ 附屬公司持有 %	attributable to the Group 本集團 應佔 %	
深圳銀融聯行銷顧問 有限公司	People's Republic of China 中華人民共和國	RMB10,000,000 人民幣 10,000,000元	58	34	Money lending 借貸
廣州市新鴻基投資顧問 有限公司	People's Republic of China 中華人民共和國	HK\$1,000,000 1,000,000港元	100	58	Corporate marketing and investment consultancy 市場策劃及 投資顧問

\* These shareholdings represent the proportion of nominal value of issued capital held by the Company.

\*\* These subsidiaries are listed in Hong Kong and further details about them are available in their published audited accounts.

\* 該等持股權即本公司所持已發行股本面值比例

\*\* 該等附屬公司於香港上市，有關該等附屬公司之其他詳情載於其公佈之經審核賬目內。

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

上表所列公司乃董事會認為對本年度業績有重大影響，或構成本集團資產或負債主要部份之本公司附屬公司。董事會認為列出其他附屬公司的詳情，會令資料過於冗長。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**62. PARTICULARS OF PRINCIPAL ASSOCIATES****62. 主要聯營公司資料**

Particulars of the Group's principal associates at 31st December, 2007 are set out below:

二零零七年十二月三十一日之本集團主要聯營公司資料如下：

Associates 聯營公司	Place of operation incorporation/ operation 註冊成立/ 業務所在地	Proportion of nominal value of issued capital 佔已發行股本面值之比例 subsidiaries held by the Group 附屬公司持有 % the Group 本集團 應佔 %	Principal activity 主要業務	
China Xin Yongan Futures Company Limited 中國新永安期貨有限公司	Hong Kong 香港	25	15	Futures dealing 期貨經紀
Chronicle Gain Limited 確勁有限公司	Hong Kong 香港	45	26	Property holding 持有物業
Drinkwater Investment Limited 精威置業有限公司	Hong Kong 香港	22	13	Property holding 持有物業
Omicron International Limited	British Virgin Islands 英屬處女群島	44	26	Investment holding 投資控股
Real Estate Investments (N.T.) Limited	Hong Kong 香港	40	23	Property development 物業發展
Silver York Development Limited 兆勇發展有限公司	Hong Kong 香港	42	24	Investment holding 投資控股
Start Hold Limited 時達開有限公司	Hong Kong 香港	33	19	Investment holding 投資控股
Tian An China Investments Company Limited ** 天安中國投資有限公司 **	Hong Kong 香港	36	21	Investment holding 投資控股

\*\* This associate is listed in Hong Kong and further details about this associate are available in its published audited accounts.

\*\* 該聯營公司在香港上市，有關該聯營公司之其他詳情載於其公佈之經審核賬目內。

The above table lists the associates of the Group which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the Directors, result in particulars of excessive length.

上表所列公司乃董事會認為對本年度業績有重大影響，或構成本集團資產淨值主要部份之本集團聯營公司。董事會認為列出其他聯營公司的詳情，會令資料過於冗長。

for the year ended 31st December, 2007

截至二零零七年十二月三十一日止年度

**63. PARTICULARS OF PRINCIPAL JOINTLY CONTROLLED ENTITIES**

Particulars of the Group's principal jointly controlled entities at 31st December, 2007 are set out below:

**63. 主要共同控制企業資料**

於二零零七年十二月三十一日，本集團主要共同控制企業資料如下：

Jointly controlled entities 共同控制企業	Place of incorporation/ operation 註冊成立/ 業務所在地	Proportion of nominal value of issued capital 佔已發行股本面值之比例 held by attributable to subsidiaries the Group 附屬公司 本集團 持有 應佔 %		Principal activity 主要業務
Allied Kajima Limited	Hong Kong 香港	50	50	Property and investment holding 地產及投資控股
Poltallock Limited	Hong Kong 香港	50	29	Provision of facilities and technical services to medical and dental practitioners 向醫生及牙醫提供設施及技術服務
SHK Corporate Finance (Shanghai) Limited 上海新鴻基企業顧問有限公司	People's Republic of China 中華人民共和國	33	19	Corporate finance advisory 企業融資顧問

The above table lists the jointly controlled entities of the Group which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group.

上表所列公司乃董事會認為對本年度業績有重大影響，或構成本集團資產淨值主要部份之本集團共同控制企業。

		Financial year ended 31st December, 截至十二月三十一日止財政年度				
		2003 二零零三年 HK\$'000 千港元	2004 二零零四年 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	2007 二零零七年 HK\$'000 千港元
		(Restated) (重列)				
<b>Results</b>	<b>業績</b>					
Revenue	收益	845,792	1,000,692	964,603	2,166,396	4,868,777
Operating profit	經營溢利	160,493	428,590	956,840	1,409,155	3,427,574
Finance costs	融資成本	(60,016)	(47,208)	(96,778)	(278,612)	(542,346)
Release of negative goodwill	負商譽撥回	140,282	156,741	-	-	-
Amortisation of capital reserve	資本儲備攤銷	17,267	17,267	-	-	-
Share of results of associates	應佔聯營公司業績	135,708	165,856	150,388	8,982	264,470
Share of results of jointly controlled entities	應佔共同控制企業業績	41,941	19,090	105,298	159,987	131,106
Profit before taxation	除稅前溢利	435,675	740,336	1,115,748	1,299,512	3,280,804
Taxation	稅項	(71,449)	(80,108)	(79,306)	(50,820)	(221,995)
Profit for the year	本年度溢利	364,226	660,228	1,036,442	1,248,692	3,058,809
Attributable to:	應佔方:					
Equity holders of the Company	本公司股東	311,020	563,023	935,342	1,047,822	2,253,707
Minority Interests	少數股東權益	53,206	97,205	101,100	200,870	805,102
		364,226	660,228	1,036,442	1,248,692	3,058,809
Basic earnings per share	每股基本盈利	6.36港仙 HK cents	11.43港仙 HK cents	17.41港仙 HK cents	19.51港仙 HK cents	41.35港仙 HK cents

		At 31st December, 十二月三十一日				
		2003 二零零三年 HK\$'000 千港元	2004 二零零四年 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	2007 二零零七年 HK\$'000 千港元
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	資產總額	10,247,955	9,997,626	11,924,513	22,368,370	27,740,874
Total liabilities	負債總額	(4,209,712)	(3,350,740)	(3,372,237)	(9,033,806)	(9,658,064)
		6,038,243	6,646,886	8,552,276	13,334,564	18,082,810

The Group acquired the UAF Holdings Limited group and the Quality HealthCare Asia Limited group ("Acquisitions") in 2006 and valuations of the net assets arising from the Acquisitions were completed in 2007. Accordingly, certain amounts for the year 2006 have been restated to reflect the adjustment to the net assets acquired and goodwill arising from the Acquisitions.

本集團於二零零六年收購UAF Holdings Limited集團及卓健亞洲有限公司集團(「收購」)，收購所得淨資產已於二零零七年完成估值。因此，二零零六年之若干金額已重列，以反映所收購淨資產及收購所得商譽的調整。

Particulars of major properties held by the subsidiaries and jointly controlled entities of the Group at 31st December, 2007 are as set out below:

本集團之附屬公司及共同控制企業於二零零七年十二月三十一日所持主要物業資料如下：

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團 實益持有 %	Stage of completion 完成階段
<b>Hong Kong</b> 香港					
Park Place 7 Tai Tam Reservoir Road Hong Kong 雅柏苑 香港 大潭水塘道7號	2056+	R	3,475	100.00	Existing 現有物業
Allied Cargo Centre 150-164 Texaco Road Tsuen Wan, New Territories 聯合貨運中心 新界荃灣 德士古道150-164號	2047	G	46,594	100.00	Existing 現有物業
60 Plantation Road The Peak, Hong Kong 香港山頂 種植道60號	2066	R	639	100.00	Existing 現有物業
Orchid Court 38 Tung On Street Mongkok, Kowloon 安蘭閣 九龍旺角 東安街38號	2049	R C	1,011 201	100.00 100.00	Existing 現有物業
The Redhill Peninsula 18 Pak Pat Shan Road Tai Tam, Hong Kong 紅山半島 香港大潭 白筆山道18號	2056+	R CP	596 79###	100.00 100.00	Existing 現有物業 Existing 現有物業 (Phase IV) (第四期)
China Online Centre 333 Lockhart Road Wanchai, Hong Kong 中國網絡中心 香港灣仔 駱克道333號	2026++	C	15,680	100.00	Existing 現有物業
St. George Apartments No. 81 Waterloo Road Ho Man Tin, Kowloon 聖佐治大廈 九龍何文田 窩打老道81號	2081	R CP	9,499 75###	100.00 100.00	Existing 現有物業

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團 實益持有 %	Stage of completion 完成階段
<b>Hong Kong (Cont'd)</b> 香港(續)					
Ibis North Point 138 Java Road North Point, Hong Kong 世紀軒 香港北角 渣華道138號	2008+	H	6,825	100.00	Existing 現有物業
Century Court 239 Jaffe Road Wanchai, Hong Kong 世紀閣 香港灣仔 謝斐道239號	2027++	R C	2,592 1,311	100.00 100.00	Existing 現有物業
No. 9 Queen's Road Central Hong Kong 香港皇后大道中9號	2854	C	1,277	100.00	Existing 現有物業
Allied Kajima Building 138 Gloucester Road Wanchai, Hong Kong 聯合鹿島大廈 香港灣仔 告士打道138號	2047	C	20,442	50.00*	Existing 現有物業
Novotel Century Hong Kong 238 Jaffe Road Wanchai, Hong Kong 世紀香港酒店 香港灣仔 謝斐道238號	2047	H	27,364	50.00*	Existing 現有物業
Tregunter Tower 3 14 Tregunter Path Hong Kong 地利根德閣第3座 香港 地利根德徑14號	2051	R	745	100.00	Existing 現有物業
Admiralty Centre 18 Harcourt Road Hong Kong 海富中心 香港夏慤道18號	2053+	C	3,042#	58.30	Existing 現有物業

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團 實益持有 %	Stage of completion 完成階段
<b>Outside Hong Kong</b> 香港以外					
FM 2100 Road and Diamond Head Boulevard Harris County Texas U.S.A. 美國德州	Freehold 永久業權	R	13,888,933##	100.00	Existing 現有物業
FM 2100 Road and Diamond Head Boulevard Harris County					
Sofitel Philippine Plaza Manila Cultural Centre of the Philippines Complex Roxas Boulevard Pasay City Manila, Philippines 菲律賓馬尼拉	2014+++	H	73,866	50.00*	Existing 現有物業
Sofitel Philippine Plaza Manila Cultural Centre of the Philippines Complex Roxas Boulevard Pasay City					
Shop E on G/F Macau Chamber of Commerce Building No. 165 Rua De Xangai Macau 澳門上海街165號 澳門中華總商會大廈 地下舖位E室	2013	C	195#	58.30	Existing 現有物業
Tian An Centre No. 338 Nanjing Road West Huangpu District Shanghai People's Republic of China 天安中心 中華人民共和國上海 黃浦區 南京西路 338號	2044	C	1,873	58.30	Existing 現有物業

Notes:

Types of properties: R-Residential, C-Commercial, G-Godown, H-Hotel, CP-Car Parking Spaces

\* Indicates properties held through a jointly controlled entity  
+++ With option to renew for a further term of 25 years  
+ With option to renew for a further term of 75 years  
++ With option to renew for a further term of 99 years  
# Saleable area  
## Site area  
### Number of car parking spaces

附註:

物業類別: R-住宅, C-商業, G-貨倉, H-酒店, CP-車位

\* 透過一間共同控制企業持有之物業  
+++ 可續期二十五年  
+ 可續期七十五年  
++ 可續期九十九年  
# 銷售面積  
## 地盤面積  
### 停車位數目



**ALLIED PROPERTIES (H.K.) LIMITED**  
聯合地產(香港)有限公司