



Wing On Travel (Holdings) Limited 永安旅遊(控股)有限公司

(Incorporated in Bermuda with limited liability) (Stock Code : 1189)
(於百慕達註冊成立之有限公司) (股份代號 : 1189)



2005
香港工商業獎
HONG KONG AWARDS
FOR INDUSTRIES

顧客服務獎
CUSTOMER SERVICE
AWARD

全港唯一獲獎旅行社

不一樣的
旅遊真體驗



2005
Annual Report 年報

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Management Discussion and Analysis

管理層論述及分析

REVIEW OF OPERATIONS

The notable growth momentum of the Hong Kong economy pursued throughout the year with Gross Domestic Product registered a growth of 7.3% in 2005. Domestic consumption demand held firm along with the more entrenched economic recovery and improving labour market condition whereas the unemployment rate fell from 8.6% in mid-2003 to 6.1% in the first quarter and was further down to a four-year low of 5.2% at the end of the year. Notwithstanding the increasing interest rates and the appreciation of Renminbi, consumer demand and their spending power continued to be strong. Under this atmosphere, the performance of the tourism industry was promising and encouraging over the year under review where statistics shows both inbound arrivals and outbound departures upsurged greatly.

During the year, the Group has adopted the newly effective Hong Kong Financial Reporting Standards. As a result, certain comparative figures for the year ended 31 December 2004 have been restated.

Turnover and gross profit for the year ended 31 December 2005 attained HK\$1,815.7 million and HK\$346.4 million respectively (2004: HK\$1,722.2 million and HK\$295.5 million respectively). The profit for the year was approximately HK\$32.2 million (2004: a loss of HK\$2.8 million) and was arrived at after taking into account the discount on acquisition of subsidiaries of HK\$34.6 million (2004: nil), finance costs of HK\$59.4 million (2004: HK\$66.3 million) and share of results of associates of HK\$8.0 million (2004: a loss of HK\$0.2 million).

業務回顧

香港全年之經濟持續顯著增長。於二零零五年，本地生產總值錄得7.3%的增幅。隨著經濟穩定復蘇及勞動市場狀況得以改善，失業率於首季自二零零三年年中之8.6%回落至6.1%，年底更回落至四年來新低5.2%，本地消費需求得以持續增強。儘管利率上升及人民幣升值，消費需求及購買力依然強勁。在如此氣候下，於回顧年度內，旅遊業表現符合理想且令人鼓舞，數據顯示出入境人次均大幅上升。

年內，本集團採納新生效之香港財務報告準則。因此，截至二零零四年十二月三十一日止年度之若干比較數字已予以重列。

截至二零零五年十二月三十一日止年度錄得營業額及毛利分別達1,815,700,000港元及346,400,000港元（二零零四年：分別為1,722,200,000港元及295,500,000港元）。本年度溢利約為32,200,000港元（二零零四年：虧損2,800,000港元），並已計入收購附屬公司之折讓為34,600,000港元（二零零四年：無）、融資成本59,400,000港元（二零零四年：66,300,000港元）及應佔聯營公司業績8,000,000港元（二零零四年：虧損200,000港元）。

Management Discussion and Analysis

管理層論述及分析

Travel and Related Services

Recovered from the sentiment of the Indian Ocean tsunami happened at the end of 2004, the number of outbound travellers rebounded during 2005. Statistics show that the number of outbound travellers exceeded 72 million and represented a 4.9% over 2004. Facing the high oil price and increasing operating cost which shrunk further the profit margin of the travel industry, the Group has continued to launch series of new products, providing quality service on existing markets and exploring new markets aggressively during the year to enhance its performance. Coupled with the growing number of inbound visitors of over 23 million in 2005, the Group has attained encouraging results during the year under review.

Turnover and contribution to profit of this segment for the year ended 31 December 2005 reached HK\$1,592.0 million and HK\$56.4 million respectively (2004: HK\$1,532.1 million and HK\$49.3 million respectively).

Hotel and Leisure Services

Benefited from the expansion of the Closer Economic Partnership Arrangement ("CEPA") and the PRC Individual Visit Scheme to Hong Kong, the hotel and leisure business in Hong Kong and the PRC have shown a rapid recovery during the year.

The performance of the Group's hotel and leisure business operated under the three hotels in Hong Kong and the PRC with the "Rosedale" brand, and Luoyang Golden Gulf Hotel in the PRC during 2005 were largely benefited from the aforesaid arrangements in terms of both the occupancy rate and room rate. Coupled with the adoption of appropriate market positioning strategy, the performance of this segment during the year under review was encouraging.

The turnover and contribution to profit of this segment for the year achieved HK\$223.8 million and HK\$28.2 million respectively (2004: HK\$190 million and HK\$3.6 million respectively).

旅遊及相關服務

隨著二零零四年年底發生印度洋海嘯之陰霾逐漸消散，於二零零五年之出境旅客人數已見反彈。數據顯示，出境人數超越72,000,000，較二零零四年高出4.9%。面對油價高企及經營成本上漲，以致旅遊業邊際利潤縮減，本集團於年內繼續推出一系列嶄新產品，在現有市場提供優質服務，並同時積極發掘新市場，務求提升業務表現。加上二零零五年入境旅客人數上升至超過23,000,000，本集團於回顧年度內之業績令人鼓舞。

此分類業務於截至二零零五年十二月三十一日止年度之營業額及溢利貢獻分別達1,592,000,000港元及56,400,000港元（二零零四年：分別為1,532,100,000港元及49,300,000港元）。

酒店及休閒服務

受惠於擴大之更緊密經貿關係安排（「更緊密經貿關係安排」）及放寬內地個人遊計劃訪港限制，香港及中國之酒店及休閒業務在年內迅速復蘇。

本集團三間位於香港及內地以「珀麗」為品牌之酒店，以及中國洛陽金水灣大酒店，就入住率及房價而言，於二零零五年之業績表現大大受惠於上述安排。加上經採納合適之市場定位策略，此分類於回顧年度內之表現令人鼓舞。

此分類業務於本年度之營業額及溢利貢獻分別為223,800,000港元及28,200,000港元（二零零四年：分別為190,000,000港元及3,600,000港元）。

Associates

The Group entered into the hospitality industry in Macau by the acquisition of approximately 36.26% attributable interests in Kingsway Hotel Limited (“Kingsway”) in February 2005. Resulted from the blooming tourism business in Macau, Kingsway has achieved a net profit for the year ended 31 December 2005 of approximately HK\$17.9 million of which HK\$8.4 million were shared by the Group for the year under review.

The contribution of the Group’s 50% associate, Travoo International Limited (“Travoo”), formed at the end of 2005 is insignificant.

Material Acquisitions and Disposals

On 20 November 2004, the Group entered into a conditional sale and purchase agreement with an independent third party to acquire an 80% equity interest in Triumph Up Investments Limited (“Triumph”) for a total consideration of approximately HK\$157.5 million. The Group, through Triumph, would, at completion, hold indirectly approximately 34.24% attributable interest in Kingsway of which its principal asset is Kingsway Hotel. On 17 February 2005, the parties entered into a supplemental agreement to amend the terms of the acquisition that the attributable interest in Kingsway acquired by the Group was increased from approximately 34.24% to 36.26% and the consideration was proportionally adjusted to approximately HK\$166.8 million which has been settled in cash. Completion of the supplemental agreement took place on 17 February 2005.

On 11 November 2005, the Group entered into an agreement with Guangdong China Travel Service (Holdings) Ltd. (“GDCTS”) pursuant to which each of the Group and GDCTS would contribute RMB25,000,000 to form a joint venture in return for a 50% interest in the issued share capital of the joint venture company, Travoo. Travoo is intended to be established with a view to providing ticket booking services for hotel, airline and other transportation and event services, the operation of call centers, and the marketing of such services and other travel related services. The agreement was completed on 30 December 2005.

聯營公司

於二零零五年二月，本集團收購金域酒店有限公司（「金域」）約36.26%之應佔權益，藉此進軍澳門之酒店業。由於澳門之旅遊業興旺，金域於截至二零零五年十二月三十一日止年度錄得約17,900,000港元之溢利淨額，其中8,400,000港元為本集團於回顧年度內之應佔份額。

本集團於二零零五年年底成立並擁有50%權益之Travoo International Limited（「Travoo」）之貢獻並不重大。

重大收購及出售事項

於二零零四年十一月二十日，本集團與一名獨立第三方訂立有條件買賣協議，收購Triumph Up Investments Limited（「Triumph」）之80%股本權益，總代價約157,500,000港元。完成後，本集團透過Triumph間接持有金域約34.24%應佔權益，而金域之主要資產乃金域酒店。於二零零五年二月十七日，協議各方訂立補充協議，修訂收購之條款，將本集團收購金域之應佔權益由約34.24%增至36.26%，代價則按比例調整至約166,800,000港元，並以現金支付。補充協議於二零零五年二月十七日完成。

於二零零五年十一月十一日，本集團與广东中旅（集团）有限公司（「广东中旅」）訂立協議，據此，本集團與广东中旅各注資人民幣25,000,000元組成一家合營公司Travoo，並各自擁有合營公司Travoo之已發行股本50%權益。成立Travoo之目的，乃為提供酒店、航空及其他交通工具之訂票服務和活動服務、經營電話服務中心，以及推廣該等服務及其他旅遊相關服務。有關協議已於二零零五年十二月三十日完成。

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Liquidity and Financial Resources

On 30 November 2004, the Company entered into two placing and subscription agreements with China Enterprises Limited ("CEL") and a placing agent pursuant to which the placing agent agreed to place, on a fully underwritten basis, 6,000 million existing shares held by a nominee of CEL at the price of HK\$0.028 per placing share to not less than six placees who are independent third parties and CEL would subscribe for 6,000 million new shares at the same price of HK\$0.028 per share. The issue and subscription of 3,660 million and 2,340 million new shares have been completed on 14 December 2004 and 31 January 2005 respectively. The net proceeds of approximately HK\$160.4 million was used principally towards payment of HK\$107.5 million of the consideration for the acquisition of Kingsway and the balance was utilised as general working capital.

On 4 February 2005, the Company entered into a placing and subscription agreement with CEL and a placing agent pursuant to which the placing agent agreed to place, on a best effort basis, up to 6,400 million shares at the price of HK\$0.022 per share. The Company intended to utilise HK\$50 million of the net proceeds of approximately HK\$137 million from the subscription to finance the refurbishment, renovation and upgrading of Kingsway Hotel in Macau, so as to enhance its competitiveness. The remaining HK\$87 million of the proceeds of the subscription are to be used for future investment opportunities related to existing business. The issue and subscription of shares were completed on 18 February 2005.

The Company announced on 4 February 2005 to propose a consolidation that every one hundred shares of HK\$0.01 each in the issued and unissued ordinary share capital of the Company be consolidated into one consolidated share of HK\$1.00 each (the "Consolidation"). The Consolidation was approved by the shareholders of the Company in a special general meeting held on 14 March 2005.

流動資金及財務資源

於二零零四年十一月三十日，本公司與China Enterprises Limited（「CEL」）及配售代理訂立兩份配售及認購協議，據此，配售代理同意按全數包銷方式，向不少於6名獨立第三方之承配人配售CEL之代名人持有之6,000,000,000股現有股份，每股配售股份作價0.028港元，而CEL按相同價格每股股份0.028港元，認購6,000,000,000股新股份。發行和認購3,660,000,000股及2,340,000,000股新股份已分別於二零零四年十二月十四日及二零零五年一月三十一日完成。所得款項淨額約160,400,000港元已主要用作支付收購金域之代價107,500,000港元，餘額則撥作一般營運資金。

於二零零五年二月四日，本公司與CEL及一名配售代理訂立配售及認購協議，據此，配售代理同意盡力按每股0.022港元配售最多6,400,000,000股股份。本公司擬將認購事項之所得款項淨額約137,000,000港元之中之50,000,000港元，用作裝修、翻新和提升位於澳門之金域酒店，以提高其競爭力。認購之所得款項餘額87,000,000港元，日後將用作與現有業務相關之投資機會。發行和認購股份已於二零零五年二月十八日完成。

本公司於二零零五年二月四日宣布股份合併，建議在本公司已發行及未發行之普通股股本中，將每100股每股面值0.01港元之股份合併為1股每股面值1.00港元之合併股份（「股份合併」）。本公司股東已於二零零五年三月十四日舉行之股東特別大會上批准股份合併。

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The Company announced on 17 May 2005 to propose, inter alia, a cancellation of the entire amount standing to the credit of the share premium account (the “Cancellation”) and transfer the credit arising from the Cancellation to the contributed surplus account of the Company and such credit would be partially used to set off against the accumulated loss of the Company (the “Set Off”). The Cancellation and the Set Off were approved by the shareholders of the Company in a special general meeting held on 5 July 2005.

On 1 March 2006, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent conditionally agreed to place, on a best effort basis, up to 175,000,000 new adjusted shares at a price of HK\$0.69 per adjusted share to not less than six placees who shall be independent third parties. The placing is conditional on, among other things, the passing of the resolution at the special general meeting by the shareholders to approve the issue of the placing shares. The expected net proceeds of approximately HK\$119.7 million from the placing are intended to be used as general working capital for the Group. In order to facilitate the issue of the placing shares, the Company proposed to conduct a capital reorganisation which involves (i) the reduction of the issued share capital of the Company by HK\$0.90 per existing share by cancelling an equivalent amount of paid-up capital per existing share so that the nominal value of each existing share in issue will be reduced from HK\$1.0 to HK\$0.1; and (ii) the subdivision of every one unissued existing share into ten adjusted shares. Completion of the placing and the capital reorganisation is conditional upon the approval by the shareholders of the Company in the special general meeting to be convened for this purpose.

On 23 March 2006, the Company announced that it has entered into a total of eight subscription agreements in relation to the subscription by eleven subscribers of the 2% convertible exchangeable notes (the “Notes”), matured on the fifth anniversary from the date of issue of the Notes, with an aggregate principal amount of HK\$1,000 million at an initial conversion price of HK\$0.79 (adjustable). CEL and the ten other subscribers have conditionally agreed to subscribe for the Notes with principal amount of HK\$300 million and HK\$700 million by cash respectively. The net proceeds, estimated to be approximately HK\$998.8 million, raised from the subscription of the Notes are expected to be used by the Group for the purpose of expanding its hotel business and travel related business. Completion of the subscription of the Notes conditional upon, amongst other things, the approval by the shareholders of the Company in the special general meeting to be convened for this purpose.

本公司於二零零五年五月十七日宣布建議（其中包括）註銷股份溢價賬之全部貸方金額（「註銷」），並將註銷所產生之貸方金額轉撥至本公司之繳入盈餘賬，而因註銷而產生之有關貸方金額將部份用作抵銷本公司之累計虧損（「抵銷」）。註銷及抵銷已於二零零五年七月五日舉行之股東特別大會上獲本公司股東批准。

於二零零六年三月一日，本公司與一名配售代理訂立配售協議，據此，配售代理有條件地同意按竭誠盡力基準，以每股經調整股份0.69港元的價格將最多達175,000,000股新經調整股份配售予不少於六位承配人（均為獨立第三方）。配售事項須待（其中包括）股東於股東特別大會上通過決議案，批准發行配售股份後，方可作實。配售事項之預計所得款項淨額約119,700,000港元擬用作本集團的一般營運資金。為方便發行配售股份，本公司建議進行一項股本重組，當中包括(i)將本公司已發行股本每股現有股份削減0.90港元，方法是在每股現有股份已繳足股本中註銷相等金額，使每股已發行現有股份的面值由1.0港元減至0.1港元；及(ii)分拆每股未發行的現有股份為10股經調整股份。配售事項及股本重組之完成須待本公司股東於就此舉行之股東特別大會上批准後，方可作實。

於二零零六年三月二十三日，本公司宣布訂立合共八份認購協議，內容有關十一位認購人認購2厘利息之可換股可交換票據（「票據」）。票據於發行當日起計第五週年屆滿，本金總額為1,000,000,000港元，初步兌換價為0.79港元（可予以調整）。CEL與其餘十位認購人已有條件同意分別以現金認購本金額為300,000,000港元及700,000,000港元之票據。票據認購籌集所得款項淨額估計約為998,800,000港元，預期將由本集團用於拓展其酒店業務及旅遊相關業務。票據認購完成須經（其中包括）本公司股東於就此舉行之股東特別大會上批准後，方可作實。

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At balance sheet date, the Group's total borrowings were approximately HK\$1,036.2 million (2004: HK\$1,137.2 million) which comprised loans from related companies of HK\$361.5 million (2004: HK\$372.9 million), bank and short term loan repayable within one year of HK\$38.3 million (2004: HK\$57.0 million), bank and other loans repayable after one year of HK\$271.3 million (2004: HK\$300.4 million), obligations under finance leases of HK\$0.1 million (2004: HK\$ 0.5 million), promissory note of HK\$365.0 million (2004: HK\$365.0 million) due in December 2007 and convertible notes of nil (2004: HK\$41.4 million) repayable in June 2007. The convertible notes repayable in June 2007 bear interest at a fixed interest rate of 2% per annum and have all been converted in 2005. All other borrowings bear floating interest rates.

The gearing ratio, expressed as a percentage of total borrowings to shareholders' funds, improved significantly from 180.5% as at 31 December 2004 to 106.4% as at 31 December 2005.

Pledge of Assets

At 31 December 2005, certain assets of the Group at net book value of HK\$640.0 million (2004: HK\$641.3 million) were pledged to banks and financial institutions for credit facilities. The promissory note is secured by the entire issued share capital of, and shareholders' loan to, an indirect subsidiary of the Company, Makerston Limited, and its subsidiaries holding the Rosedale Hotel and Suites ■ Beijing.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2005.

於結算日，本集團之借款總額約為1,036,200,000港元（二零零四年：1,137,200,000港元），其中包括關連公司貸款361,500,000港元（二零零四年：372,900,000港元）、一年內償還之銀行及短期貸款38,300,000港元（二零零四年：57,000,000港元）、一年後償還之銀行及其他貸款271,300,000港元（二零零四年：300,400,000港元）、融資租約之承擔100,000港元（二零零四年：500,000港元）、二零零七年十二月到期之承兌票據365,000,000港元（二零零四年：365,000,000港元）及二零零七年六月償還之可換股票據為無（二零零四年：41,400,000港元）。除二零零七年六月償還之可換股票據按固定利率每年2厘計息並已悉數於二零零五年兌換外，所有其他借款均按浮動利率計息。

資本負債比率（按借款總額相對股東資金百分比列示）由二零零四年十二月三十一日之180.5%大幅改善至二零零五年十二月三十一日之106.4%。

資產抵押

於二零零五年十二月三十一日，本集團已將賬面淨值為640,000,000港元（二零零四年：641,300,000港元）之若干資產抵押予銀行及財務機構作銀行融資額。承兌票據乃由本公司之一家間接附屬公司Makerston Limited及其持有北京珀麗酒店之附屬公司之全部已發行股本及股東貸款抵押。

或然負債

於二零零五年十二月三十一日，本集團並無任何重大或然負債。

Foreign Currency Exposure

The majority of the Group's assets and liabilities and business transactions were denominated in Hong Kong dollars, US dollars and Renminbi. Despite the appreciation of Renminbi during 2005, the impact on the Group's operation is minimal. As such, the fluctuation of foreign currencies do not have a significant impact on the performance, results and operations of the Group during the reporting year and in the foreseeable future.

The Group will continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

Employees

At 31 December 2005, the Group has 1,996 employees of which 25 employees were stationed overseas and 1,071 employees were stationed in the PRC. Competitive remuneration packages are structured to commensurate with the responsibilities, qualifications, experience and performance of individual employees. The Group also provided training programmes, provident fund scheme and medical insurance for its employees. Total staff remuneration incurred for the year ended 31 December 2005 were approximately HK\$135.4 million (2004: HK\$128.0 million).

外幣風險

本集團之大部份資產、負債及業務交易均以港元、美元及人民幣計算。儘管人民幣於二零零五年內升值，升值對本集團之業務影響極微。因此，外幣匯率波動對本集團於報告期間及可預見未來之表現、業績及營運並無造成重大影響。

本集團將會繼續謹慎監控其外幣風險及需要，並會於需要時安排對沖融資額。

僱員

於二零零五年十二月三十一日，本集團聘用1,996名僱員，當中25名駐居海外，另外1,071名則在國內工作。本集團提供與個別僱員之職責、資歷、經驗及表現相稱之優越薪酬組合。此外，本集團亦為其僱員提供培訓課程、公積金計劃及醫療保險。截至二零零五年十二月三十一日止年度，員工薪酬總額約為135,400,000港元（二零零四年：128,000,000港元）。

Management Discussion and Analysis

管理層論述及分析

The Group had a share option scheme (the “Scheme”), which was approved and adopted by shareholders of the Company on 3 May 2002, to enable the directors to grant options to employees, executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors of the Company or any of its subsidiaries) and any suppliers, consultants, agents or advisers who will contribute or have contributed to the Company or any of its subsidiaries as incentives and rewards for their contribution to the Company or such subsidiaries. The maximum number of shares in respect of which options may be granted under the Scheme, when aggregated with any shares subject to any other schemes, shall not exceed 10% of the issued share capital of the Company on the date of approval and adoption of the Scheme (the “General Limit”). The Company proposed to refresh the General Limit so that the number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company would be increased to 10% of the shares in issue as at the date of approval of the General Limit as “refreshed”. The refreshment of the General Limit was approved by the shareholders of the Company in the annual general meeting held on 27 May 2005.

No options have been granted under the Scheme since its adoption.

PROSPECTS

Travel and Related Services

In 2005, the PRC served approximately 1.2 billion inbound travellers and represented an increase of 10.3% over 2004. At the same time, online travel transactions in PRC reached RMB7 billion in 2005 and the number of internet users was up by 18.3% as at the end of 2005. Coupled with the effect of the 2008 Beijing Olympic Games and the proposed Shanghai Disney Theme Park to be completed in 2010, the inbound revenue of the mainland will grow in multiples in the coming years. The Group has well equipped itself to grasp this opportunity, through its joint venture currently acting as a land operator for the Group in the Guangdong Province and the newly formed joint venture, Travoo, to further expand its business in the PRC aggressively.

本集團採納一項購股權計劃（「該計劃」），該計劃於二零零二年五月三日獲本公司股東批准及採納，董事藉此可向本公司或其任何附屬公司僱員、主要行政人員或高級人員（包括本公司或其任何附屬公司之執行及非執行董事），以及將會或曾經對本公司或其任何附屬公司作出貢獻之供應商、專業顧問、代理或諮詢人授出購股權，以獎勵及回饋彼等對本公司或該等附屬公司所作之貢獻。根據該計劃可能授出之購股權所涉及之股份，與任何其他計劃所涉及之股份一併計算，數目合共不得超過本公司於批准及採納該計劃日期之已發行股本10%（「一般限額」）。本公司建議更新一般限額，致使根據該計劃及本公司任何其他購股權計劃將授出之所有購股權獲行使時可能發行之股份數目，增加至一般限額獲批准「更新」當日已發行股份之10%。本公司股東已於二零零五年五月二十七日舉行之股東週年大會上批准更新一般限額。

自該計劃採納以來並無根據該計劃授出購股權。

展望

旅遊及相關服務

於二零零五年，國內接待了約1,200,000,000入境旅客人次，較二零零四年上升10.3%。同時，中國之網上旅遊交易於二零零五年達人民幣7,000,000,000元，而互聯網使用者人數於二零零五年年底亦上升18.3%。舉辦二零零八年北京奧運會，以及將於二零一零年落成之上海迪士尼主題公園計劃，令內地來年之入境收益以倍數遞增。本集團已作好充分準備，透過其合營公司（現正作為本集團於廣東省之地接商），並借助新成立之合營公司Travoo，抓緊良機積極擴充內地業務。

Management Discussion and Analysis

管理層論述及分析

The outbound market to southeast Asian countries has been gradually recovered from the Indian Ocean tsunami happened at the end 2004. The Group will put continuous efforts on promoting with airlines and hotels so as to rebuild travellers' confidence on spending their holidays in those attractive destinations such as Maldives and Phuket. Furthermore, the Group shall continuous to make use of its expertise and experience in the business to expand its product lines, and to explore further leisure and sightseeing spots around the globe for its valuable customers.

Through the popularity of Internet, travel knowledge and destination information can be accessed directly and conveniently. More and more experienced travellers are keen on planning their own itineraries. To cope with the trend of this growing FIT market, the Group has strengthened its leisure section and has actively negotiated with our vendors to provide discounted airfare, high quality accommodation, transportation and dining services to our FIT customers. It is expected that the revenue generated from this business stream will occupy a significant portion of the revenue of the Group in the coming years.

During the year under review, the Group has put considerable resources into its inbound business and the results are promising. Following the opening of the Hong Kong Disney Land and the AsiaWorld-Expo in 2005, the Skyrail to Po Nin Monastery (Ngong Ping 360) and the Wetland Park in mid-2006, the "A Symphony of Lights" being listed on Guinness World Record in November 2005, the proposed new cruise terminal at the old Kai Tak airport site, and the effect of staging the equestrian events of 2008 Olympic Games in Hong Kong, the number of incoming visitors to and transit through Hong Kong is expected to grow to a significant extent. We are confident that, the inbound business of the Group will be greatly benefited from these favourable factors and will constitute a significant source of revenue and profits to the Group in the future.

前往東南亞國家之出境旅遊市場已從二零零四年年底發生之印度洋海嘯之陰霾中逐步復蘇。本集團將繼續努力與航空公司及酒店推廣宣傳，重建旅客對往該等旅遊勝地（如馬爾代夫及布吉島）度假之信心。此外，本集團將繼續善用其於行內之專業知識及經驗，進一步擴闊其產品線路，並為其尊貴客戶在全球各地發掘更多休閒及觀光景點。

隨著互聯網之普及，旅客獲取旅遊知識及目的地資訊更加直接和方便快捷，致使越來越多旅遊經驗豐富之旅客希望自己策劃旅遊行程。面對不斷擴大之自助遊市場趨勢，本集團已增強其休閒服務部門，並積極與供應商磋商，為自助遊旅客提供特價機票、高質素之住宿、交通及膳食服務。預期該業務取得之收益將構成未來幾年內本集團收益之重要部份。

於回顧年度內，本集團已於入境旅遊業務投放大量資源，且收效顯著。繼香港迪士尼樂園及亞洲國際博覽館於二零零五年開幕、通往寶蓮寺之纜車（昂平360）及濕地公園將於二零零六年中旬開放，又「幻彩詠香江」於二零零五年十一月被列入健力士世界紀錄，還有位於舊啟德機場之郵輪碼頭計劃，再加上香港將協辦二零零八年奧運會馬術項目，來港旅遊及途經香港之旅客人數預期將大幅攀升。本集團深信其入境旅遊業務將在該等利好因素中獲益匪淺，並將會成為本集團未來收益及溢利之重要來源。

Management Discussion and Analysis

管理層論述及分析

Hotel and Leisure Services

The opening of Hong Kong Disney Land in September 2005 helps to reposition Hong Kong as a premium destination for family tourists in Asia. Couple with the recent expansion of the Individual Visit Scheme to 44 PRC cities and the unprecedented opportunity of mainland tourism industry arising from the 2008 Beijing Olympic Games, the overall room rate and occupancy rate of our hotels operated in these cities in the coming years are expected to grow to a considerable extent.

Following the concession by the United Nations Educational, Scientific and Cultural Organisation to add Macau into the list of World Heritage Sites, the opening of the new theme park, the Fisherman's Wharf, the number of visitors to Macau is expected to grow tremendously in the coming years. This will further boost the blooming tourism industry of the city. These developments provide the Group immense opportunities to enlarge its market share through its branch network and Kingsway Hotel acquired during the year. Besides, the Group will keep on exploring further investment projects in Macau so as to cope with the its business strategy within the Pan-Pearl River Delta area.

The Group will continue to develop new products and to provide quality service so as to differentiate ourselves from our competitors and to cope with the demanding needs of our valuable customers, and to stand ahead of the industry.

酒店及休閒服務

香港迪士尼樂園於二零零五年九月開幕，讓香港得以重新成為亞洲老少咸宜之首選旅遊地點。由於內地最近放寬個人遊計劃至44個內地城市，加上二零零八年北京奧運會為內地旅遊業帶來無限商機，本集團在該等城市經營之酒店整體房價及入住率，在未來數年可望大幅提升。

在聯合國教科文組織將澳門加入世界遺產名錄及新主題公園漁人碼頭揭幕後，預期未來幾年內，前往澳門旅客人數將大幅上升，從而進一步帶動澳門日益興盛之旅遊業之發展。該等發展為本集團提供了絕佳機會，令本集團得以透過其分行網絡及年內收購之金域酒店擴大市場佔有率。此外，本集團將繼續在澳門發掘更多新的投資項目，以配合在泛珠江三角洲地區內之業務策略。

本集團將繼續開發新產品及提供優質服務，務求在眾多競爭者中脫穎而出，以配合尊貴客戶不斷提高之需求，致使本集團續為業內之翹楚。

Directors Profile

董事簡介

CHAIRMAN

Mr. Yu Kam Kee, Lawrence, *B.B.S., M.B.E., J.P.*, aged 60, has been the Chairman and an Executive Director of the Company since October 2003. Mr. Yu underwent training at Bayer AG and Cassella AG in Germany and has accumulated many years of extensive experience in the garment industry. Mr. Yu is also the chairman of both Softbank Investment International (Strategic) Limited and See Corporation Limited (formerly known as Ruili Holdings Limited) and an independent non-executive director of Great China Holdings Limited. Mr. Yu is the Honorary Life President of the Hong Kong Dyestuffs Merchants Association Limited. He also serves on many charitable and social organisations. He is now the Co-Chairman of the Campaign Committee of The Community Chest of Hong Kong, Governor of the Hong Kong Automobile Association and Director of the Hong Kong Football Association.

MANAGING DIRECTOR

Mr. Cheung Hon Kit, aged 52, has been the Managing Director of the Company since October 2003. Mr. Cheung graduated from the University of London with a Bachelor of Arts degree and has over 27 years of experience in real estate development, property investment and corporate finance. He has worked in key executive positions in various leading property development companies in Hong Kong. Currently, Mr. Cheung is the chairman of Cheung Tai Hong Holdings Limited and an executive director of ITC Corporation Limited. He is also an independent non-executive director of Panva Gas Holdings Limited, International Entertainment Corporation and Innovo Leisure Recreation Holdings Limited.

主席

余錦基先生·B.B.S., M.B.E., J.P. · 現年60歲·自二零零三年十月出任本公司之主席及執行董事。余先生曾於德國之Bayer AG及Cassella AG 受訓·累積多年成衣製造業之廣泛經驗。余先生亦為軟庫發展有限公司及漢傳媒集團有限公司(前稱瑞力控股有限公司)之主席·並為大中華集團有限公司之獨立非執行董事。余先生現任香港染料同業商會有限公司之終身名譽會長·並投身服務於眾多慈善及社會機構。彼現時乃香港公益金籌募委員會之聯席主席、香港汽車會之會監及香港足球總會之董事。

董事總經理

張漢傑先生·現年52歲·自二零零三年十月出任本公司之董事總經理。張先生畢業於倫敦大學並持有文學學士學位·以及於地產發展、物業投資及企業融資方面積逾27年經驗。彼曾於香港多家著名物業發展公司工作擔任重要行政職位。張先生現為祥泰行集團有限公司之主席及德祥企業集團有限公司之執行董事。彼亦為百江燃氣控股有限公司、國際娛樂有限公司及澤新遊樂控股有限公司之獨立非執行董事。

EXECUTIVE DIRECTORS

Dr. Yap, Allan, aged 50, has been an Executive Director of the Company since April 2002. He obtained the honorary degree of Doctor of Laws and has over 23 years' experience in finance, investment and banking. Dr. Yap is the managing director of Hanny Holdings Limited, vice chairman of China Strategic Holdings Limited and chairman and chief executive officer of China Enterprises Limited, a company whose shares are traded on the OTC Bulletin Board in the United States of America. Dr. Yap is also the chairman and chief executive officer of Burcon NutraScience Corporation, a company whose shares are listed on the TSX Venture Exchange in Canada and Frankfurt Stock Exchange in Germany; and an executive chairman of PSC Corporation Ltd and Intraco Limited and a chairman of Tat Seng Packaging Group Ltd, companies whose shares are listed in Singapore. He is also the chairman of MRI Holdings Limited, a company whose shares are listed on the Australian Stock Exchange.

Mr. Chan Pak Cheung, Natalis, aged 55, has been an Executive Director of the Company since April 2002. He is a well-known actor, master of ceremonies, and horseracing and soccer commentator. Mr. Chan has over 23 years' experience in the entertainment and film industry in Hong Kong.

Mr. Lui Siu Tsuen, Richard, aged 50, has been an Executive Director of the Company since April 2002. He is a qualified accountant and has over 25 years of accounting, financial and corporate management experience. He has held senior positions in an international accounting firm and various private and public listed companies. Mr. Lui is also the deputy managing director of Hanny Holdings Limited and an alternate director to Dr. Yap, Allan in China Strategic Holdings Limited. He is also an executive director of PSC Corporation Ltd, a public listed company in Singapore.

Ms. Luk Yee Lin, Ellen, aged 44, has been an Executive Director of the Company since August 1997. Ms. Luk graduated with a master degree in Business Administration and has over 15 years' experience in administration and management. She joined the Group in September 1988.

Yap, Allan博士，現年50歲，自二零零二年四月出任本公司之執行董事。彼持有法律榮譽博士學位，並於金融、投資及銀行業積逾23年經驗。Yap博士為錦興集團有限公司之董事總經理、中策集團有限公司之副主席及其股份於美國場外交易議價板買賣之China Enterprises Limited之主席兼行政總裁。Yap博士亦為其股份於加拿大TSX Venture Exchange及德國法蘭克福證券交易所上市之Burcon NutraScience Corporation之主席兼行政總裁；及新加坡上市公司普威集團有限公司及新加坡國際貿易有限公司之執行主席及達成包裝集團之主席。彼亦為其股份於澳洲證券交易所上市之MRI Holdings Limited之主席。

陳百祥先生，現年55歲，自二零零二年四月出任本公司之執行董事。彼為知名演員、司儀及賽馬與足球評述員。陳先生於香港之娛樂界及電影界積逾23年經驗。

呂兆泉先生，現年50歲，自二零零二年四月出任本公司之執行董事。彼為專業會計師，以及於會計、財務及企業管理方面積逾25年經驗。彼曾於一家國際會計師行、多家私人機構及上市公司擔任高職。呂先生亦為錦興集團有限公司之副董事總經理及中策集團有限公司Yap, Allan博士之替任董事。彼亦為新加坡上市公司普威集團有限公司之執行董事。

陸綺蓮女士，現年44歲，自一九九七年八月出任本公司之執行董事。陸女士持有工商管理碩士學位，於行政管理方面積逾15年經驗。彼於一九八八年九月加入本集團。

Directors Profile

董事簡介

NON-EXECUTIVE DIRECTOR

Mr. Chan Yeuk Wai, aged 54, has been the Honorary Chairman of the Company since October 2003. He was the Chairman and an Executive Director of the Company from August 1997 to August 2002 and was subsequently appointed as a Non-Executive Chairman until October 2003. He has over 15 years' experience in the travel business, and over 26 years' experience in international trading, industrial investment and property investment and has extensive experience in securities, finance and property development.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Ka Lap, Alva, aged 57, has been an Independent Non-Executive Director of the Company since December 2002. He was a marketing manager in an international company engaging in the design of business administration system. Mr. Kwok has been in the insurance and investments business for over 24 years, principally in the senior managerial position leading a sizable sales team. He is also an independent non-executive director of Cheung Tai Hong Holdings Limited and Hanny Holdings Limited.

Mr. Sin Chi Fai, aged 46, has been an Independent Non-Executive Director of the Company since September 2004. Mr. Sin is a director and shareholder of a Singapore company engaged in the distribution of data storage media and computer related products in Asian countries. Mr. Sin obtained a diploma in Banking from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). He has over 10 years' experience in banking field and has over 10 years' sales and marketing experience in information technology industries. He is also an independent non-executive director of China Strategic Holdings Limited and Hanny Holdings Limited.

非執行董事

陳若偉先生，現年54歲，自二零零三年十月出任本公司之榮譽主席。彼曾於一九九七年八月至二零零二年八月期間，出任本公司之主席及執行董事並隨後被委任為非執行主席直至二零零三年十月為止。彼於旅遊業積逾15年經驗，並於國際貿易、實業投資及物業投資界積逾26年經驗，並於證券、金融及物業發展亦具有豐富經驗。

獨立非執行董事

郭嘉立先生，現年57歲，自二零零二年十二月出任本公司之獨立非執行董事。彼曾為一家從事設計工商行政系統之國際公司之市場經理。郭先生於保險及業務投資方面積逾24年經驗，且為高級管理人員，管轄具規模之營業隊伍。彼亦為祥泰行集團有限公司及錦興集團有限公司之獨立非執行董事。

冼志輝先生，現年46歲，自二零零四年九月出任本公司之獨立非執行董事。冼先生為一家於亞洲國家從事分銷數據儲存媒體及與電腦相關產品之新加坡公司之董事及股東。冼先生於香港理工學院（現稱為香港理工大學）獲取銀行系之文憑。彼於銀行業積逾10年經驗及於資訊科技業積逾10年銷售及市場推廣之經驗。彼亦為中策集團有限公司及錦興集團有限公司之獨立非執行董事。

Mr. Wong King Lam, Joseph, aged 53, has been an Independent Non-Executive Director of the Company since September 2004. Mr. Wong is currently the chief executive officer of a renowned automobile services company in Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Wong has over 24 years' extensive experience in auditing, corporate and financial management with a number of companies in different business sectors which include an international accounting firm and a local listed company. He is also an independent non-executive director of Tungtex (Holdings) Company Limited, China Strategic Holdings Limited, Hanny Holdings Limited and Honesty Treasure International Holdings Limited (formerly known as Pearl Oriental Enterprises Limited).

黃景霖先生，現年53歲，自二零零四年九月出任本公司之獨立非執行董事。黃先生現為一家香港著名汽車服務公司之行政總裁。彼為香港會計師公會及特許公認會計師公會之資深會員。黃先生於多家不同業務範疇之公司，其中包括一家國際會計師行及一家本地上市公司，積逾24年審計、企業及財務管理之豐富經驗。彼亦為同得仕（集團）有限公司、中策集團有限公司、錦興集團有限公司及信寶國際控股有限公司（前稱東方明珠實業有限公司）之獨立非執行董事。

Senior Management Profile

高級管理人員簡介

CORPORATE MANAGEMENT

Ms. Chan Ling, Eva, aged 40, has been the Qualified Accountant of the Company since September 2004. Ms. Chan is the Group Financial Controller of the Company and director of major subsidiaries of the Group. She joined the Company in May 2002. Ms. Chan has 18 years' experience in auditing, accounting and finance in both international accounting firms and listed companies. Ms. Chan oversees the accounting and financial management of the Group. She is a core member of the Travel Division's Strategic Planning and Operations Management team. She also focuses on corporate matters of the Group. She is a member of the Institute of Chartered Accountants in Australia, a fellow member of the Association of Chartered Certified Accountants and also a member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan is an executive director of China Strategic Holdings Limited and the deputy chairman of China Enterprises Limited, a company whose shares are traded on the OTC Bulletin Board in the United States of America. She is also a director of MRI Holdings Limited, a company whose shares are listed on the Australian Stock Exchange.

TRAVEL BUSINESS

Ms. Leung Kong Lan, Lanny, aged 45, is the General Manager of Hong Kong Wing On Travel Service Limited and director of a few of the Company's subsidiaries and associates. She joined the Group in November 1984. She is a core member of the Travel Division's Strategic Planning and Operations Management team. She also focuses on exploring business opportunities in the travel-related businesses and management of overseas operations. She holds a Bachelor degree in Arts. Ms. Leung is a Council Member of the Hong Kong Association of China Travel Organizers Limited, and a Certified Instructor of both the Tourism Industry Skill Upgrading Scheme and the Outbound Escort Examination Course of the Travel Industry Council. She has over 20 years' experience in the travel industry.

企業管理

陳玲女士，現年40歲，自二零零四年九月出任本公司之合資格會計師。陳女士為本公司集團財務總監及本集團主要附屬公司之董事。彼於二零零二年五月加入本公司。陳女士於國際會計師行及上市公司具有18年核數、會計及財務之經驗。陳女士主管本集團之會計及財務管理。彼為旅遊部策劃及營運管理隊伍之核心成員之一。彼亦專責本集團之企業事務。彼為澳洲特許會計師公會會員、特許公認會計師公會資深會員及香港會計師公會會員。陳女士為中策集團有限公司之執行董事及其股份於美國場外交易議價板買賣之公司China Enterprises Limited之副主席。彼亦為其股份於澳洲證券交易所上市之MRI Holdings Limited之董事。

旅遊業務

梁港蘭女士，現年45歲，為香港永安旅遊有限公司之總經理及本公司數間附屬公司及聯營公司之董事。彼於一九八四年十一月加入本集團。彼為旅遊部策劃及營運管理隊伍之核心成員之一。彼亦專責開拓旅遊相關之市場商機及海外營運之管理。彼持有文學學士學位。梁女士現為香港中國旅遊協會常務理事，並擁有政府技能提升旅遊行業計劃以及香港旅遊業議會外遊領隊課程之註冊導師資格。彼於旅遊業積逾20年經驗。

Senior Management Profile

高級管理人員簡介

Ms. Chan Shuk Fong, Jo Jo, aged 41, is the Deputy General Manager of Hong Kong Wing On Travel Service Limited. She joined the Group in December 1994. She is a core member of the Travel Division's Strategic Planning and Operations Management team. She also focuses on managing the branch network, human resources and training & administration. Ms. Chan currently serves in the Training Committee of Travel Industry Council of Hong Kong, the Skills Upgrading Scheme – Tourism, the Employer Advisory Committee of the Hong Kong College of Technology, and the University of South Australia Tourism & Hospitality Management Advisory Panel. She is also the program advisor of Associate of Social Science in Leisure and Tourism Management of Community College of City University, and Associate of Social Science (Tourism) of Hong Kong Institute of Education. Ms. Chan holds a Master Degree in Business Administration and a Postgraduate Diploma in Training from the University of Leicester. She has over 10 years of management experience in the travel industry.

Mr. Lau Chin Keung, Brandon, aged 48, is the Deputy General Manager – Operation of Hong Kong Wing On Travel Service Limited. He joined the Group in July 2003. He is a core member of the Travel Division's Strategic Planning and Operations Management team. He also focuses on managing inbound and outbound tours, marketing and advertising functions, Convention and Incentive Department and VISA Department. He holds a Bachelor Degree in Business (Business Administration) from the Royal Melbourne Institute of Technology University. Mr. Lau has served various committees of the Travel Industry Council of Hong Kong. He is a Honorary Secretary of the Federation of Hong Kong Chinese Travel Agents Limited, an Executive Committee Member of Hong Kong Outbound Tour Operators' Association Ltd, a Travel Industry Council Outbound Committee Member, and a Certified Instructor of both the Tourism Industry Skill Upgrading Scheme and the Outbound Escort Examination Course of the Travel Industry Council. He has over 24 years' experience in the travel industry.

陳淑芳女士，現年41歲，為香港永安旅遊有限公司之副總經理。彼於一九九四年十二月加入本集團。彼為旅遊部策劃及營運管理隊伍之核心成員之一。彼亦專責管理旅遊部之分行網絡營運、人力資源管理及人才培訓及行政管理。陳女士現為香港旅遊業議會之訓練委員會委員及旅遊業技能提升計劃之小組委員。同時，她亦為南澳洲大學旅遊及酒店管理課程顧問、香港城市大學康樂及旅遊管理副學士課程顧問、香港教育學院副社會科學學士（旅遊）課程顧問及香港專業進修學校再培訓中心僱主顧問委員會委員。陳女士持有工商管理碩士學位及英國萊斯特大學研究生文憑——主修培訓。彼於旅遊業積逾10年管理經驗。

劉展強先生，現年48歲，為香港永安旅遊有限公司旅遊部之副總經理。彼於二零零三年七月加入本集團。彼為旅遊部策劃及營運管理隊伍之核心成員之一。彼亦專責管理本地遊及外遊產品、業務推廣及宣傳計劃、企業旅遊獎勵計劃及簽證部之工作。彼於澳洲皇家墨爾本理工大學畢業，擁有工商管理商業學士學位。劉先生曾為香港旅遊業議會內多個委員會服務。彼現為香港華商旅遊協會義務秘書、香港外遊旅行團代理商協會執行委員、旅遊業議會外遊委員會委員，並擁有政府技能提升旅遊行業計劃以及香港旅遊業議會外遊領隊課程之註冊導師資格。彼於旅遊業積逾24年經驗。

Senior Management Profile

高級管理人員簡介

HOTEL BUSINESS

Mr. Ng Chack Yan, aged 55, joined Rosedale Hotel Management Limited in November 2002 and appointed as the Assistant General Manager since April 2003. Mr. Ng holds a bachelor's degree in business administration and a master's degree in accounting. He has over 18 years' experience in the hotel industry. Prior to joining the Group, Mr. Ng held a number of executive positions in various hotels of the renowned multinational hotel chains in the PRC, Hong Kong, Singapore and Indonesia.

Mr. Cheng Chun Chau, aged 41, participated in the foundation of Rosedale on the Park ("Rosedale – Hong Kong") in 2000. Mr. Cheng has over 21 years' extensive experience and knowledge in managing hotels and projects in both Hong Kong and the PRC. He was appointed as the Assistant General Manager of Rosedale Hotel & Suites ■ Guangzhou ("Rosedale – GZ") in 2003 in-charge of the Rooms Division and Sales and Marketing Department. Mr. Cheng is currently the General Manager of Rosedale – HK. Prior to joining the Group, he held a number of executive positions in various hotels in Hong Kong and the PRC.

Mr. Wan Lok Tin, Ivan, aged 48, joined Rosedale Hotel & Suites ■ Beijing as the General Manager in March 2005. Mr. Wan is rewarded as a Certified Hotel Administrator by the American Hotel & Motel Association. Mr. Wan is also a member of the Hotel & Catering International Management Association and has over 28 years' experience in the hotel industry. Prior to joining the Group, Mr. Wan worked as the General Manager in various hotels in the PRC and Macau.

Mr. Ng Hei Lam, Peter, aged 46, joined Rosedale – GZ as the General Manager in November 2003. Mr. Ng has over 27 years' experience in the hotel industry. He is a member of Association of International Hoteliers Shanghai and a member of IWW-International Who's Who of Professional Organization since 1998. Prior to joining the Group, Mr. Ng worked as the General Manager in various hotels in the PRC.

酒店業務

吳澤仁先生，現年55歲，於二零零二年十一月加入珀麗酒店管理有限公司，並於二零零三年四月起委任為助理總經理。吳先生持有工商管理學士及會計碩士學位。彼於酒店業積逾18年經驗。在加入本集團前，吳先生曾於中國、香港、新加坡及印度尼西亞多間著名跨國酒店集團所屬酒店擔任行政要職。

鄭鎮秋先生，現年41歲，於二零零零年加入香港珀麗酒店（「香港珀麗」）參與籌辦工作。鄭先生於酒店業積逾21年經驗。彼於香港及中國在酒店及項目管理方面均擁有廣闊經驗及知識。彼於二零零三年委任為廣州珀麗酒店（「廣州珀麗」）之助理總經理，主要負責酒店房務部及銷售與市場推廣部。鄭先生現為香港珀麗之總經理。在加入本集團前，彼曾於香港及中國多間酒店擔任行政要職。

溫樂天先生，現年48歲，於二零零五年三月加入北京珀麗酒店出任總經理一職。溫先生獲頒發美國酒店及旅業協會酒店行政管理人員之專業資格。溫先生亦為英國酒店及飲食業國際管理協會之會員。彼於酒店業積逾28年經驗。在加入本集團前，溫先生曾於中國及澳門多間酒店任職總經理。

吳宣林先生，現年46歲，於二零零三年十一月加入廣州珀麗出任總經理一職。吳先生於酒店業積逾27年經驗。彼為上海國際酒店專業人士協會之會員，並自一九九八年起為IWW國際專業人士協會之會員。在加入本集團前，吳先生曾於中國多間酒店任職總經理。

INTRODUCTION

The Group is committed to achieving high standards of corporate governance which is crucial to the development of the Group and safeguard the interests of the Company's shareholders. To accomplish this, the Group has adopted practices which meet the Code on Corporate Governance Practices ("Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). During the year, the Company has complied with the Code except code provisions A.2.1, A.4.1 and E.1.2.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard as set out in the Model Code during the year ended 31 December 2005.

BOARD OF DIRECTORS

The Board of Directors comprises the executive Chairman, the non-executive Honorary Chairman, the Managing Director, four Executive Directors and three Independent Non-Executive Directors. The Board of Directors is principally accountable to the shareholders and is responsible for the leadership and control of the Group including overseeing the Group's businesses, strategic directions, financial performance, setting objectives and business development plans, and monitoring the performance of the senior management.

緒言

本集團致力於達致高水平之企業管治，蓋因企業管治對本集團發展及保障本公司股東之權益至為重要。為此，本集團所採納之常規符合香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四之企業管治常規守則（「守則」）。年內，本公司已遵照守則之規定，惟守則條文A.2.1、A.4.1及E.1.2除外。

董事之證券交易

本公司已採納載於上市規則附錄十之「上市發行人董事進行證券交易之標準守則」（「標準守則」）作為其董事買賣本公司證券之守則。經向所有董事作出特定查詢後，本公司確認所有董事於截至二零零五年十二月三十一日止年度期間內，一直遵守標準守則之規定標準。

董事會

董事會由執行主席、非執行榮譽主席、董事總經理、四名執行董事及三名獨立非執行董事組成。董事會主要對股東負責，並負責領導及管治本集團，包括監督本集團之業務、策略方針、財務表現、設定目標及制訂業務發展計劃以及監察高級管理人員之表現。

Corporate Governance Report

公司管治報告

The Board of Directors meets regularly throughout the year to formulate overall strategy, monitor business development as well as the financial performance of the Group and has formal procedures on matters for consideration and decision. The Board of Directors has delegated certain authorities to the senior management for the day-to-day management of the Group's operation. The attendance of directors at the four full board meetings held in 2005 is as follows:

董事會每年會定期召開會議，以制訂整體策略、監管本集團之業務發展及財務表現，並採用正式程序以考慮及有待決策之事宜。董事會已授予高級管理人員若干權力以管理本集團之日常營運。董事於二零零五年舉行之四次全體董事會議之出席次數如下：

Director	Attendance	董事	出席次數
Executive Director		執行董事	
Mr. Yu Kam Kee, Lawrence <i>B.B.S., M.B.E., J.P. (Chairman)</i>	3	余錦基先生 <i>B.B.S., M.B.E., J.P. (主席)</i>	3
Mr. Cheung Hon Kit <i>(Managing Director)</i>	4	張漢傑先生 <i>(董事總經理)</i>	4
Dr. Yap, Allan	4	Yap, Allan博士	4
Mr. Chan Pak Cheung, Natalis	3	陳百祥先生	3
Mr. Lui Siu Tsuen, Richard	3	呂兆泉先生	3
Ms. Luk Yee Lin, Ellen	4	陸綺蓮女士	4
Non-executive Director		非執行董事	
Mr. Chan Yeuk Wai <i>(Honorary Chairman)</i>	—	陳若偉先生 <i>(榮譽主席)</i>	—
Independent Non-executive Director		獨立非執行董事	
Mr. Kwok Ka Lap, Alva	4	郭嘉立先生	4
Mr. Sin Chi Fai	4	冼志輝先生	4
Mr. Wong King Lam, Joseph	4	黃景霖先生	4

Under the Code provision E.1.2, the chairman of the board should attend the annual general meeting. The Chairman of the Board, Mr. Yu Kam Kee, Lawrence was unable to attend the annual general meeting of the Company held on 27 May 2005 as he was on business trip for other important business engagement. However, the other executive director, present at the annual general meeting who then took the chair of that meeting in accordance with Bye-Law 68 of the Bye-Laws of the Company, and the member of the Audit Committee were present at that annual general meeting.

根據守則條文E.1.2，董事會主席應出席股東週年大會。由於董事會主席余錦基先生因處理其他重要事務而出外公幹，故未能出席本公司於二零零五年五月二十七日舉行之股東週年大會。然而，其他出席股東週年大會之執行董事根據本公司之公司細則第68條出任該大會主席，而審核委員會之成員亦出席該股東週年大會。

The Company has received the annual confirmation of independence from each of the independent non-executive directors as required under Rule 3.13 of the Listing Rules. The Company considered all independent non-executive directors to be independent.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference with reference to the recommendations set out in “A Guide for Effective Audit Committees” issued by the Hong Kong Institute of Certified Public Accountants and such terms of reference are in line with the code provisions set out in the Code.

The Audit Committee meets at least twice a year for reviewing the reporting of annual and interim results and other information to the shareholders, and the effectiveness and objectivity of the audit process. Additional meetings may be held by the Audit Committee from time to time to discuss special projects or other issues which the Audit Committee considers necessary. The external auditors of the Company may request a meeting if they consider that one is necessary. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

The Audit Committee consists of three independent non-executive directors. The Audit Committee is chaired by Mr. Wong King Lam, Joseph.

During the year, the Audit Committee reviewed with the management and the Company's auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the audited financial statements and unaudited interim financial statements.

本公司已接獲各獨立非執行董事根據上市規則第3.13條之規定而發出有關其獨立性之年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

審核委員會

本公司已成立審核委員會，並參照香港會計師公會頒佈之「審核委員會有效運作指引」所載之推薦建議訂明其書面職權範圍及該等職權範圍符合守則所載之守則條文。

審核委員會每年至少召開兩次會議，審閱年度及中期業績報告及向股東提供之其他資料，以及檢討審核過程之有效性及客觀性。審核委員會可不時額外召開會議以討論審核委員會認為必要之特別項目或其他事宜。本公司之外聘核數師可於必要時要求召開會議。就審核委員會職權範圍內之事宜而言，審核委員會亦為董事會與本公司核數師兩者間之重要橋樑，並不時檢討核數師之獨立性及客觀性。

審核委員會包括三名獨立非執行董事。審核委員會之主席為黃景霖先生。

年內，審核委員會已與管理層及本公司核數師審閱本集團採納之會計原則及慣例，並已就核數、內部監控及財務申報事宜（包括經審核財務報表及未經審核中期財務報表）進行討論。

Corporate Governance Report

公司管治報告

The members and attendance of the two meetings of the Audit Committee in 2005 are as follows:

Director	Attendance	董事	出席次數
Mr. Kwok Ka Lap, Alva	2	郭嘉立先生	2
Mr. Sin Chi Fai	2	冼志輝先生	2
Mr. Wong King Lam, Joseph	2	黃景霖先生	2

於二零零五年舉行之兩次審核委員會會議之成員及出席次數如下：

ROLE AND RESPONSIBILITIES OF CHAIRMAN AND MANAGING DIRECTOR

Under the code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not at present have any officer with the title of chief executive officer ("CEO") but instead the duties of a CEO are performed by Mr. Cheung Hon Kit, the Managing Director of the Company in the same capacity as the CEO of the Company.

主席及董事總經理之角色及責任

根據守則條文A.2.1，主席與行政總裁之角色應有區分，並不應由一人同時兼任。本公司現時並無設有行政總裁（「行政總裁」）之職位，然而行政總裁之職務則由本公司之董事總經理張漢傑先生負責，該職權等同於本公司之行政總裁。

TERMS OF NON-EXECUTIVE DIRECTORS

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The current independent non-executive directors of the Company are not appointed for a specific term. However, all directors (including executive and non-executive) of the Company are subject to retirement by rotation at the annual general meeting in accordance with Bye-Law 99 of the Bye-Laws of the Company.

非執行董事之任期

根據守則條文A.4.1，非執行董事之委任應有指定任期，並須接受重新選舉。本公司現時之獨立非執行董事並非按指定任期委任。然而，本公司所有董事（包括執行及非執行董事）須根據本公司之公司細則第99條於股東週年大會上輪席退任。

REMUNERATION COMMITTEE

The Remuneration Committee of the Group has been established in April 2005 with written terms of reference in line with the Code. The Remuneration Committee will meet at least once a year to consider and recommend to the Board the Group's remuneration policy and structure and to review and determine the remuneration packages of the executive directors and senior management. The directors are remunerated with reference to their respective duties and responsibility with the Company, the Company's performance and current market situation.

薪酬委員會

本集團已於二零零五年四月成立薪酬委員會，並依照守則訂明其書面職權範圍。薪酬委員會每年至少召開一次會議，以考慮及向董事會建議本集團之薪酬政策及架構，以及檢討及釐定執行董事及高級管理人員之薪酬待遇。董事之薪酬乃根據彼等各自於本公司之職責、本公司之業績及目前之市況釐定。

Corporate Governance Report

公司管治報告

The Remuneration Committee comprises two independent non-executive directors and one executive director. The Remuneration Committee is chaired by Mr. Kwok Ka Lap, Alva.

薪酬委員會由兩名獨立非執行董事及一名執行董事組成。薪酬委員會之主席為郭嘉立先生。

During the year, the Remuneration Committee held one meeting to review the remuneration policy of the Company. The members and attendance of the meeting are as follows:

年內，薪酬委員舉行了一次會議，以檢討本公司之薪酬政策。該會議之成員及出席次數如下：

Director	Attendance	董事	出席次數
Mr. Kwok Ka Lap, Alva	1	郭嘉立先生	1
Mr. Sin Chi Fai	1	冼志輝先生	1
Mr. Lui Siu Tsuen, Richard	1	呂兆泉先生	1

Details of emoluments of the directors from the Group for the year are as disclosed in note 12 to the financial statements.

本年度本集團董事之酬金之詳情於財務報表附錄12中披露。

NOMINATION OF DIRECTORS

According to the Bye-Laws of the Company, the Board of Directors has the power from time to time and at any time to appoint any person as a director either to fill a causal vacancy or as an addition to the Board of Directors. The nomination should be taken into consideration of the nominee's qualification, ability and potential contributions to the Company. During the year, the Board of Directors considered that there was no immediate need to make any change in relation to the Board membership.

董事提名

根據本公司之公司細則，董事會有權不時及於任何時間委任任何人士出任董事，以填補董事會之臨時空缺或增加新董事。提名時須考慮候選人之資歷、才能及可為本公司帶來之貢獻。年內，董事會認為並無即時需要變更董事會之組成人選。

Corporate Governance Report

公司管治報告

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 December 2005, the directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors' Responsibilities and Remuneration

During the year, the audit fee for the Group amounted to approximately HK\$4,644,000.

The statement of the auditors of the Company regarding their reporting responsibilities is set out in the Report of the Auditors on page 37.

Internal Control

During the year, the Company has adopted and reviewed the effectiveness of the Group's internal control procedures which include the policies, procedures, monitoring and communication activities and standard of behaviour established for safeguarding the interests of the shareholders of the Company.

問責及審核

董事對財務報表之責任

董事須負責編製各財務期間真實公平反映本集團於該期間之財務狀況及業績與現金流量之財務報表。於編製截至二零零五年十二月三十一日止年度之財務報表時，董事已選擇及貫徹應用合適之會計政策，作出審慎、公平及合理之判斷及估計，並按持續基準編製財務報表。董事亦須負責存置於任何時間均合理準確披露本集團財務狀況之妥善會計記錄，以保護本集團之資產及採取合理措施防止及審查欺詐及其他違規行為。

核數師之責任及薪酬

年內，本集團之核數費用約達4,644,000港元。

本公司核數師就其申報責任作出之聲明載於核數師報告第37頁。

內部監控

年內，本公司採納本集團之內部監控程序，並檢討有關成效。內部監控程序包括為保障本公司股東權益而制定之各項政策、程序、監管及訊息傳達事宜，以及行為標準。

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the business of providing package tours, travel and other related services, and hotel operation in Hong Kong and the People’s Republic of China (the “PRC”).

RESULTS

The results of the Group for the year ended 31 December 2005 are set out in the consolidated income statement on page 39.

An interim dividend of HK2 cents per share amounting to HK\$8,752,000 was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK1.5 cents per share to the shareholders whose names appear on the register of members of the Company on 24 May 2006.

FINANCIAL SUMMARY

A financial summary of the Group is set out on page 144.

SHARE CAPITAL

Particulars of the movements in the share capital of the Company are set out in note 40 to the financial statements.

CONVERTIBLE NOTES

Particulars of the convertible notes of the Company are set out in note 37 to the financial statements.

董事會謹提呈本公司及其附屬公司（以下統稱「本集團」）截至二零零五年十二月三十一日止年度之年報及經審核財務報表。

主要業務

本公司為一家投資控股公司，其附屬公司主要從事提供旅行團、旅遊及其他相關之服務，以及於香港及中華人民共和國（「中國」）經營酒店業務。

業績

本集團截至二零零五年十二月三十一日止年度之業績載於第39頁之綜合收益表。

年內，已向股東派付中期股息每股2港仙，總額為8,752,000港元。董事現建議向於二零零六年五月二十四日名列本公司股東名冊之股東派付末期股息每股1.5港仙。

財務概要

本集團之財務概要載於第144頁。

股本

本公司股本變動之詳情載於財務報表附註40。

可換股票據

本公司可換股票據之詳情載於財務報表附註37。

Report of the Directors

董事會報告

DISTRIBUTABLE RESERVES OF THE COMPANY

In addition to the accumulated profits, under The Companies Act 1981 of Bermuda (as amended), contributed surplus is also available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

In the opinion of the directors, the reserves of the Company which were available for distribution to shareholders at 31 December 2005 were HK\$353,092,000 (2004: nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 16 to the financial statements.

INVESTMENT PROPERTY

Details of revaluation of the investment property of the Group as at 31 December 2005 are set out in note 17 to the financial statements.

PARTICULARS OF PROPERTIES OF THE GROUP

Particulars of the properties of the Group as at 31 December 2005 are set out on pages 146 to 148 of the annual report.

本公司可供分派儲備

除累計溢利外，根據百慕達一九八一年公司法（修訂本），繳入盈餘亦可供分派。惟本公司不可宣派或派付股息或自繳入盈餘作出分派，倘：

- (a) 於作出分派後無法償還其到期負債；或
- (b) 其可變現資產值將因此少於其負債以及其已發行股本及股份溢價賬之總和。

董事認為本公司於二零零五年十二月三十一日可供分派予股東之儲備為353,092,000港元（二零零四年：無）。

物業、機器及設備

本集團於年內之物業、機器及設備之變動詳情載於財務報表附註16。

投資物業

本集團於二零零五年十二月三十一日之投資物業重估詳情載於財務報表附註17。

本集團之物業詳情

本集團於二零零五年十二月三十一日之物業詳情載於本年報第146至148頁。

Report of the Directors

董事會報告

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Executive Directors:

Mr. Yu Kam Kee, Lawrence *B.B.S., M.B.E., J.P. (Chairman)*

Mr. Cheung Hon Kit *(Managing Director)*

Dr. Yap, Allan

Mr. Chan Pak Cheung, Natalis

Mr. Lui Siu Tsuen, Richard

Ms. Luk Yee Lin, Ellen

Non-Executive Director:

Mr. Chan Yeuk Wai *(Honorary Chairman)*

Independent Non-Executive Directors:

Mr. Kwok Ka Lap, Alva

Mr. Sin Chi Fai

Mr. Wong King Lam, Joseph

In accordance with Bye-Law 99 of the Company's Bye-Laws, Mr. Yu Kam Kee, Lawrence, Mr. Chan Pak Cheung, Natalis and Mr. Kwok Ka Lap, Alva will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Independent non-executive directors have been appointed for a term subject to retirement by rotation as required by the Company's Bye-Laws.

Mr. Chan Yeuk Wai and Ms. Luk Yee Lin, Ellen have tendered their resignation notices to the Company and shall cease to be director of the Company with effect from 1 May 2006.

董事

於年內及截至本報告日期，本公司列位董事為：

執行董事：

余錦基先生 *B.B.S., M.B.E., J.P. (主席)*

張漢傑先生 *(董事總經理)*

Yap, Allan博士

陳百祥先生

呂兆泉先生

陸綺蓮女士

非執行董事：

陳若偉先生 *(榮譽主席)*

獨立非執行董事：

郭嘉立先生

冼志輝先生

黃景霖先生

根據本公司之公司細則第99條規定，余錦基先生、陳百祥先生及郭嘉立先生將於應屆股東週年大會上輪席退任，惟彼等符合資格並願意膺選連任。

根據本公司之公司細則規定，獨立非執行董事於在任期間須輪席退任。

陳若偉先生及陸綺蓮女士已向本公司遞交辭任通知，並將於二零零六年五月一日起停止出任為本公司董事。

Report of the Directors

董事會報告

DIRECTORS' SERVICE CONTRACTS

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

During the year, the Group had transactions with certain directors of the Company and certain companies in which directors of the Company have interests, details of which are set out in note 52 to the financial statements.

Save as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2005, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Rules Governing the Listing of Securities on the Stock Exchange to be notified to the Company and the Stock Exchange.

董事之服務合約

於應屆之股東週年大會上建議膺選連任之董事，概無與本公司或其任何附屬公司簽訂本集團不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

董事之合約權益及關連交易

於年內，本集團曾與本公司若干董事以及本公司董事擁有權益之若干公司進行交易，有關交易詳情載於財務報表附註52。

除上文所披露者外，於本年度完結時或於年內任何時間，本公司董事概無於本公司或其任何附屬公司所訂立之重大合約中直接或間接擁有重大權益。

董事之證券權益

於二零零五年十二月三十一日，本公司董事或行政總裁並無於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部（包括根據證券及期貨條例有關條文被當作或視為擁有之權益或淡倉）須知會本公司及香港聯合交易所有限公司（「聯交所」）；或(b)根據證券及期貨條例第352條須載入該條例所指之登記冊內；或(c)根據聯交所證券上市規則上市發行人董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The share option scheme of the Company (the "Scheme"), which was approved and adopted by its shareholders on 3 May 2002, is valid and effective for a period of 10 years after the date of adoption.

The purpose of the Scheme is to enable the Company to grant options to employees, executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors of the Company or any of its subsidiaries) and any suppliers, consultants, agents or advisers who will contribute or have contributed to the Company or any of its subsidiaries as incentives and rewards for their contribution to the Company or such subsidiaries.

Subject to the condition that the total number of shares which may be issued upon the exercise of all outstanding options granted and to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the shares of the Company in issue from time to time, the total number of shares in respect of which options may be granted under the Scheme, when aggregated with any shares subject to any other schemes, is not permitted to exceed 10% of the shares of the Company in issue on the date of approval and adoption of the Scheme.

As at the last annual general meeting of Company held on 27 May 2005, an ordinary resolution was passed to amend the Scheme so that the Scheme sets out that when determining the "refreshed" 10% limit under the Scheme as at the date of approval of the limit, options previously granted (i.e. before the date of approval of the limit) under the Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) will not be counted for the purpose of calculating the limit as "refreshed".

董事購買股份或債券之權利

於二零零二年五月三日，本公司之股東已批准及採納購股權計劃（「該計劃」），該計劃於採納日起計十年內有效及生效。

該計劃旨在讓本公司向本公司或其任何附屬公司之僱員、行政人員或高級人員（包括本公司或其任何附屬公司之執行及非執行董事）以及任何對本公司或其任何附屬公司將會或曾經作出貢獻之供應商、顧問、代理或諮詢人授予購股權，作為彼等對本公司或該等附屬公司所作貢獻之獎勵及回報。

因根據該計劃及本公司任何其他計劃授出而行使及將予行使之所有尚未行使購股權獲行使而可予發行之股份總數不得超過本公司不時已發行股份之30%，在此條件規限下，根據該計劃可授出之購股權涉及之股份總數，加上任何其他計劃所涉及之股份，不得超過本公司於批准及採納該計劃當日已發行股份之10%。

於二零零五年五月二十七日本公司上屆股東週年大會中，一項修訂該計劃之普通決議案獲得通過，致使該計劃列明於有關限額獲批准之日期釐定該計劃項下之「更新」10%限額時，就計算「更新」限額而言，過往（即有關限額獲批准之日期前）根據該計劃及本公司任何其他購股權計劃授出之購股權（包括根據該等計劃尚未行使、已註銷、已失效之購股權或已行使之購股權）將不會計算在內。

Report of the Directors

董事會報告

The number of shares in respect of which options may be granted under the Scheme and other share option scheme(s) of the Company to any individual in aggregate in any 12 month period is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders.

Where any grant of options to a substantial shareholder or any independent non-executive director of the Company, or any of their respective associates (as defined in Rule 1.01 of the Listing Rules), would result in the number of shares issued and to be issued upon exercise of all options already granted and to be granted to such person in any 12 month period up to and including the date of the grant:

- (i) representing in aggregate over 0.1% of the shares in issue, and
- (ii) having an aggregate value, based on the closing price of the shares of the Company on the date of grant in excess of HK\$5 million,

such grant of option shall be subject to prior approval of the shareholders of the Company who are not connected persons of the Company as defined in the Listing Rules.

Option granted must be taken up within 30 days of the date of offer. The consideration payable for the option is HK\$1. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the board of directors but in any event not exceeding 10 years. The exercise price is determined by the directors of the Company and will not be less than the higher of (i) the average closing price of the shares for the five business days immediately preceding the date of grant, (ii) the closing price of the shares on the date of grant or (iii) the nominal value of the shares of the Company.

若未經本公司股東事先批准，根據該計劃及本公司其他購股權計劃可授予任何人士之購股權涉及之股份數目，於任何十二個月期間內合共不得超過本公司已發行股份之1%。

倘向本公司主要股東或獨立非執行董事或彼等各自之聯繫人士（定義見上市規則第1.01條）批授購股權，並將導致該有關人士獲授購股權當日止（包括當日）十二個月內所有已獲授予及將獲授予之購股權予以行使後所發行及將予發行之股份數目：

- (i) 佔已發行股份合共超過0.1%；及
- (ii) 按各授出日期之本公司股份收市價為基準之價值合共超過5,000,000港元，

上述授出購股權須經本公司非關連人士（定義見上市規則）之股東事先批准，方可進行。

授出之購股權必須於建議之日起計三十日內獲接納。購股權之應付代價為1港元。購股權可於購股權獲接納之日起至董事會釐定之日期止任何時間行使，惟無論如何不得超過十年。行使價格由本公司董事釐定，且將不會低於(i)股份緊接授出之日前五個營業日之平均收市價，(ii)股份於授出之日之收市價或(iii)本公司股份之面值（以最高者為準）。

No options have been granted since the adoption of the Scheme.

自採納該計劃以來，本公司概無授出任何購股權。

The total number of securities available for issue under the Scheme is 43,758,610 shares representing approximately 10% of the issued share capital of the Company as at the date of this report.

根據該計劃，可供發行之證券總數為43,758,610股，佔本公司於本報告日期已發行股本約10%。

Save as disclosed above, none of the directors or their spouses or children under the age of 18 had any right to subscribe for securities of the Company, or had exercised any such right during the year; and at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

除上文所披露者外，概無任何董事或其配偶或未滿十八歲之子女於年內擁有認購本公司之證券之權利或已行使任何該等權利；及於年內，本公司或其任何附屬公司概無訂立任何安排，以致本公司董事可藉收購本公司或任何其他法人團體之股份或債券而獲益。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

董事於有競爭性業務之權益

Interests of directors of the Company in competing businesses as at 31 December 2005 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were as follows:

根據上市規則第8.10條披露本公司董事於二零零五年十二月三十一日於有競爭性業務之權益如下：

Name of director 董事姓名	Name of entity which businesses are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團之業務有競爭性或可能有競爭性之實體名稱	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團之業務有競爭性或可能有競爭性之實體簡述	Nature of interest of the director in the entity 董事於該實體之權益性質
Mr. Yu Kam Kee, Lawrence 余錦基先生	Fung Choi Properties Limited 風采置業有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Substantial Shareholder 董事及主要股東
	City Champ Limited 成倡有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Substantial Shareholder 董事及主要股東
	Oceanpass Holdings Ltd. and its subsidiaries 越洋控股有限公司 及其附屬公司	Property investment in Hong Kong 於香港從事地產投資	Director and Substantial Shareholder of Oceanpass Holdings Ltd. 越洋控股有限公司之董事及主要股東
Mr. Cheung Hon Kit 張漢傑先生	A non wholly-owned subsidiary of China Strategic Holdings Limited 中策集團有限公司之非全資附屬公司	Property business in the PRC 於中國從事地產業務	Director 董事
	Cheung Tai Hong Holdings Limited ("CTHH") and its subsidiaries 祥泰行集團有限公司(「祥泰行」) 及其附屬公司	Property development and investment in Hong Kong and the PRC 於香港及中國從事地產發展及投資	Chairman of CTHH and Director of its subsidiaries 祥泰行之主席及其附屬公司之董事
	China Development Limited 中之傑發展有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Shareholder 董事及股東

Report of the Directors

董事會報告

Name of director 董事姓名	Name of entity which businesses are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團之業務有競爭性或可能有競爭性之實體名稱	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團之業務有競爭性或可能有競爭性之實體簡述	Nature of interest of the director in the entity 董事於該實體之權益性質
	Artnos Limited	Property investment in Hong Kong	Director and Shareholder
	朗隆有限公司	於香港從事地產投資	董事及股東
	Co-Forward Development Ltd.	Property investment in Hong Kong	Director and Shareholder
	互勵發展有限公司	於香港從事地產投資	董事及股東
	Orient Centre Limited	Property investment in Hong Kong	Shareholder
	東名有限公司	於香港從事地產投資	股東
	Super Time Limited	Property investment in Hong Kong	Director and Shareholder
	時業有限公司	於香港從事地產投資	董事及股東
	Asia City Holdings Ltd	Property investment in Hong Kong	Director and Shareholder
	亞城集團有限公司	於香港從事地產投資	董事及股東
	Supreme Best Ltd.	Property investment in Hong Kong	Shareholder
	Supreme Best Ltd.	於香港從事地產投資	股東
Dr. Yap, Allan Yap, Allan博士	China Strategic Holdings Limited ("CSH") and its subsidiaries 中策集團有限公司(「中策集團」)及其附屬公司	Property business in the PRC 於中國從事地產業務	Vice Chairman of CSH 中策集團之副主席
Mr. Lui Siu Tsuen, Richard 呂兆泉先生	China Strategic Holdings Limited and its subsidiaries 中策集團有限公司及其附屬公司	Property business in the PRC 於中國從事地產業務	Alternate Director to Dr. Yap, Allan, Vice Chairman of CSH 中策集團副主席Yap, Allan博士之替任董事

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2005, so far as was known to the directors or chief executive of the Company, the following persons (other than directors or chief executive of the Company) had an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Interests in the shares

Name of shareholder 股東名稱	Long position/ short position 好倉／淡倉	Capacity 身份	Nature of interest 權益性質	Number of shares held 所持股份數目	Approximate percentage of shareholding 股權之概約百分比
China Strategic Holdings Limited 中策集團有限公司	Long position 好倉	Interest of controlled corporations 受控制公司之權益	Corporate interest 公司權益	121,386,481	27.74%
China Enterprises Limited China Enterprises Limited	Long position 好倉	Interest of controlled corporation 受控制公司之權益	Corporate interest 公司權益	121,386,481	27.74%
Million Good Limited Million Good Limited	Long position 好倉	Beneficial owner 實益擁有人	Corporate interest 公司權益	121,386,481	27.74%

Note: Million Good Limited ("Million Good") is a wholly-owned subsidiary of China Enterprises Limited ("CEL"), whose shares are traded on the OTC Bulletin Board in the United States of America, which in turn is a company owned as to approximately 55.22% effective equity interest and approximately 88.79% effective voting interest by CSH. CSH and CEL are deemed to be interested in 121,386,481 shares held by Million Good by virtue of the SFO.

Save as disclosed above, as at 31 December 2005, the directors or chief executive of the Company were not notified of any other persons who had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company and the Stock Exchange pursuant to Part XV of the SFO.

主要股東

於二零零五年十二月三十一日，就本公司董事或行政總裁所知，以下人士（本公司董事或行政總裁除外）於股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉：

於股份之權益

附註：Million Good Limited（「Million Good」）乃China Enterprises Limited（「CEL」）之全資附屬公司，其股份於美國場外交易議價板買賣，而CEL則由中策集團擁有約55.22%實際股本權益以及約88.79%實際投票權益。根據證券及期貨條例，中策集團及CEL被視為擁有由Million Good所持之121,386,481股股份之權益。

除上文披露者外，於二零零五年十二月三十一日，本公司董事或行政總裁並無獲通知任何其他人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有根據證券及期貨條例第XV部須向本公司及聯交所披露之權益或淡倉。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2005.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Bye-Laws although there are no restrictions against such rights under the laws in Bermuda.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate amount of purchases and turnover attributable to the Group's five largest suppliers and customers were less than 30% of the total value of the Group's purchases and turnover respectively.

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.

DONATIONS

During the year, the Group made charitable donations amounting to HK\$41,000.

購買、出售或贖回上市證券

本公司或其任何附屬公司於截至二零零五年十二月三十一日止年度內概無購買、出售或贖回本公司任何上市證券。

優先購買權

雖然百慕達法律並無對優先購買權加以限制，惟本公司之公司細則亦無有關該等權利之條文。

主要客戶及供應商

本集團五大供應商及客戶之採購及營業總額分別少於本集團採購及營業總額之30%。

公眾持股量充足

根據本公司可公開獲得之資料及據董事所知，於本報告日期，本公司具備上市規則規定之足夠公眾持股量。

捐獻

年內，本集團作出總額為41,000港元之慈善捐獻。

Report of the Directors

董事會報告

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events are set out in note 51 to the financial statements.

AUDITORS

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Yu Kam Kee, Lawrence

Chairman

Hong Kong, 31 March 2006

結算日後事項

重大結算日後事項之詳情載於財務報表附註51。

核數師

董事會將於本公司股東週年大會上提呈續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

主席

余錦基

香港，二零零六年三月三十一日



德勤 • 關黃陳方會計師行
香港中環干諾道中111號
永安中心26樓

Deloitte Touche Tohmatsu
26/F Wing On Centre
111 Connaught Road Central
Hong Kong

TO THE SHAREHOLDERS OF WING ON TRAVEL (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

致永安旅遊(控股)有限公司

(於百慕達註冊成立之有限公司)

全體股東

We have audited the consolidated financial statements of Wing On Travel (Holdings) Limited (the "Company") and its subsidiaries from pages 39 to 143 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

本核數師已完成審核載於第39至143頁按照香港普遍採納之會計原則編製的永安旅遊(控股)有限公司(「貴公司」)及其附屬公司綜合財務報表。

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of consolidated financial statements which give a true and fair view. In preparing consolidated financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

董事及核數師的個別責任

貴公司之董事須負責編製真實與公平的綜合財務報表。在編製該等真實及公平的綜合財務報表時，董事必須貫徹採用合適之會計政策。

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with Section 90 of The Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

本行的責任是根據本行審核工作的結果，對該等財務報表根據百慕達一九八一年公司法第90條發表獨立意見，並將此意見僅向閣下作出報告，而不可作其他用途。本行不就本報告的內容，對任何其他人士負責或承擔任何責任。

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the circumstances of the Group, consistently applied and adequately disclosed.

意見基礎

本行是按照香港會計師公會頒佈的香港核數準則進行審核工作。審核範圍包括以抽查方式查核與綜合財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編製該等綜合財務報表時所作的重大估計和判斷、所釐定的會計政策是否適合貴集團之具體情況，及是否貫徹採用並足夠地披露該等會計政策。

Report of the Auditors

核數師報告

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the consolidated financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2005 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, 31 March 2006

本行在策劃和進行審核工作時，均以取得一切本行認為必需之資料及解釋為目的，使本行能獲得充分憑證，就該等綜合財務報表是否存有重大錯誤陳述，作出合理的確定。在表達意見時，本行亦已衡量該等綜合財務報表所載的資料在整體上是否足夠。本行相信，本行之審核工作已為下列意見建立了合理的基礎。

意見

本行認為上述綜合財務報表均真實與公平地反映 貴集團於二零零五年十二月三十一日之財務狀況及 貴集團截至該日止年度之溢利和現金流量，並已按照香港公司條例之披露要求而妥善編製。

德勤•關黃陳方會計師行

執業會計師

香港，二零零六年三月三十一日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

		NOTES	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 (Restated) 二零零四年 千港元 (重列)
		附註		
Turnover	營業額	7	1,815,718	1,722,177
Direct operating costs	直接經營成本		(1,469,298)	(1,426,652)
Gross profit	毛利		346,420	295,525
Other operating income	其他營運收入	9	20,415	20,784
Distribution costs	分銷成本		(53,041)	(51,039)
Administrative expenses	行政開支		(259,810)	(241,063)
Discount on acquisition of subsidiaries	收購附屬公司之折讓	43(a)	34,574	—
Decrease in fair value of investments held for trading	持作買賣投資之公平價值減少		(14,761)	—
Net unrealised holding loss on other investments	持有其他投資之未變現虧損淨額		—	(127)
Increase in fair value of investment property	投資物業之公平價值增加	17	619	2,000
Realised gain on derivative financial instruments	衍生金融工具之已變現收益		5,650	—
Reversal of impairment loss in respect of leasehold land and buildings	租賃土地及樓宇之減值虧損撥回	16	4,874	4,511
Reversal of impairment loss (impairment loss recognised) in respect of properties under construction	在建物業之減值虧損撥回 (已確認減值虧損)	16	900	(1,100)
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之已確認減值虧損	19(b)	(1,167)	—
Impairment loss recognised in respect of investments in securities	證券投資之已確認減值虧損		—	(5,659)
Release of negative goodwill arising from acquisition of subsidiaries	解除收購附屬公司產生之負商譽	22	—	1,863
Finance costs	融資成本	10	(59,376)	(66,282)
Share of results of associates	應佔聯營公司業績	18	8,006	(195)
Loss on partial disposal of subsidiaries	出售附屬公司部份權益之虧損		(3,177)	—
Gain on disposal of associates	出售聯營公司之收益		—	37,930
Profit (loss) before taxation	除稅前溢利(虧損)	11	30,126	(2,852)
Taxation credit	稅項撥回	13	2,108	23
Profit (loss) for the year	本年度溢利(虧損)		32,234	(2,829)
Attributable to:	應佔:			
Shareholders of the parent	母公司股東		31,109	8,556
Minority interests	少數股東權益		1,125	(11,385)
			32,234	(2,829)
Dividends	股息	14	8,752	—
			HK\$ 港元	HK\$ (Restated) 港元 (重列)
Earnings per share	每股盈利	15		
Basic	基本		0.07	0.04
Diluted	攤薄		N/A 不適用	N/A 不適用

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2005 於二零零五年十二月三十一日

		NOTES	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 (Restated) 二零零四年 千港元 (重列)
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	16	1,702,860	1,708,682
Investment property	投資物業	17	–	3,400
Interest in associates	於聯營公司之權益	18	220,422	1,989
Available-for-sale investments	可供出售投資	19	92,625	–
Investments in securities	證券投資	20	–	93,789
Goodwill	商譽	21	50,862	50,215
Negative goodwill	負商譽	22	–	(72,651)
Investment deposits	投資訂金	24	201,419	221,695
Club debenture, at cost	會所債券·按成本值		713	713
			2,268,901	2,007,832
Current assets	流動資產			
Property held for sale, at cost	待售物業·按成本		98	98
Inventories	存貨	25	6,113	5,807
Amounts due from related companies	應收關連公司款項	26	65,177	6,522
Amounts due from associates	應收聯營公司款項	27	122,449	391
Trade and other receivables	貿易及其他應收賬款	28	324,505	276,500
Loan receivables	應收貸款	29	180,926	131,000
Investments held for trading	持作買賣之投資	30	9,086	–
Investments in securities	證券投資	20	–	2,778
Tax recoverable	可收回稅項		37	31
Pledged bank deposits	已抵押銀行存款	46	6,925	6,800
Trading cash balances	貿易現金結餘	31	284	246
Bank balances and cash	銀行結餘及現金		43,103	134,317
			758,703	564,490
Asset classified as held for sale	分類為持作出售之資產	17	4,019	–
			762,722	564,490
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	32	277,368	234,441
Loans from related companies	關連公司貸款	33	361,500	260,778
Amounts due to associates	應付聯營公司款項	27	11,016	11,327
Amounts due to related companies	應付關連公司款項	34	48,289	17,598
Obligations under finance leases	融資租約之承擔			
– amount due within one year	– 一年內到期款項	35	62	378
Borrowings	借貸			
– amount due within one year	– 一年內到期款項	36	38,325	57,066
			736,560	581,588
Net current assets (liabilities)	流動資產(負債)淨值		26,162	(17,098)
Total assets less current liabilities	資產總值減流動負債		2,295,063	1,990,734

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2005 於二零零五年十二月三十一日

		NOTES	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 (Restated) 二零零四年 千港元 (重列)
		附註		
Non-current liabilities	非流動負債			
Loans from related companies	關連公司貸款	33	–	112,098
Obligations under finance leases	融資租約之承擔			
– amount due after one year	– 一年後到期款項	35	31	93
Borrowings	借貸			
– amount due after one year	– 一年後到期款項	36	271,308	300,395
Convertible notes	可換股票據	37	–	41,350
Promissory note	承兌票據	38	365,000	365,000
Deferred taxation	遞延稅項	39	244,680	243,354
			881,019	1,062,290
Net assets	資產淨值		1,414,044	928,444
Capital and reserves	資本及儲備			
Share capital	股本	40	437,586	322,267
Reserves	儲備	42	541,390	307,875
Equity attributable to shareholders	母公司股東			
of the parent	應佔權益		978,976	630,142
Minority interests	少數股東權益		435,068	298,302
Total equity	權益總額		1,414,044	928,444

The financial statements on pages 39 to 143 were approved and authorised for issue by the Board of Directors on 31 March 2006 and are signed on its behalf by:

刊於第39至143頁之財務報表已於二零零六年三月三十一日獲董事會批准及授權刊發，並由下列董事代表簽署：

Yu Kam Kee, Lawrence
Chairman

Dr. Yap, Allan
Executive Director

主席
余錦基

執行董事
Yap, Allan博士

Consolidated Statement of Changes in Equity

綜合股東權益變動表

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

		Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note 42b)	Investment property revaluation reserve HK\$'000	Convertible notes reserve HK\$'000	Translation reserve HK\$'000	Statutory reserves HK\$'000	Accumulated (losses) profits HK\$'000	Attributable to share-holders of the parent HK\$'000	Minority interests HK\$'000	Total HK\$'000
		股本 千港元	股份溢價 千港元	特別儲備 千港元 (附註42b)	投資物業 重估儲備 千港元	可換股票據儲備 千港元	匯兌儲備 千港元	法定儲備 千港元	累計(虧損)溢利 千港元	母公司股東應佔 千港元	少數股東權益 千港元	合計 千港元
At 1 January 2004	於二零零四年一月一日											
- as originally stated	- 原本呈列	183,167	1,019,606	55,554	736	-	(324)	150	(965,568)	293,321	29,778	323,099
- effects of changes in accounting policies (notes 2 and 3)	- 會計政策變動之影響 (附註2及3)	-	-	-	(736)	20,468	-	-	(16,667)	3,065	-	3,065
- as restated	- 已重列	183,167	1,019,606	55,554	-	20,468	(324)	150	(982,235)	296,386	29,778	326,164
Exchange difference arising on translation of financial statements of operations outside Hong Kong	換算海外公司財務報表時產生之匯兌差額	-	-	-	-	-	(757)	-	-	(757)	-	(757)
Profit (loss) for the year	本年度溢利(虧損)	-	-	-	-	-	-	-	8,556	8,556	(11,385)	(2,829)
Total recognised income and expense for the year	本年度已確認收入及開支總額	-	-	-	-	-	(757)	-	8,556	7,799	(11,385)	(3,586)
Recognition of equity component of convertible notes	確認可換股票據之股權部份	183,167	1,019,606	55,554	-	20,468	(1,081)	150	(973,679)	304,185	18,393	322,578
Conversion into shares from convertible notes	由可換股票據兌換為股份	-	-	-	-	75,863	-	-	-	75,863	-	75,863
Issue of shares	發行股份	102,500	102,500	-	-	(62,213)	-	-	9,506	152,293	-	152,293
Share issue expenses	股份發行開支	36,600	65,880	-	-	-	-	-	-	102,480	-	102,480
Acquisition of subsidiaries	收購附屬公司	-	(3,832)	-	-	-	-	-	-	(3,832)	-	(3,832)
Realisation on liquidation of a subsidiary	於一家附屬公司清盤時之變現	-	-	-	-	-	-	-	-	-	279,909	279,909
Transfer due to redemption of convertible notes	因贖回可換股票據之轉撥	-	-	-	-	(20,468)	-	-	20,468	-	-	-
At 31 December 2004	於二零零四年十二月三十一日	322,267	1,184,154	55,554	-	13,650	(1,928)	150	(943,705)	630,142	298,302	928,444
Opening balance adjustments arising from adoption of new accounting policies (notes 2 and 3)	採納新會計政策所產生之期初結餘調整 (附註2及3)	-	-	-	-	-	-	-	72,651	72,651	-	72,651
At 1 January 2005, as restated	於二零零五年一月一日(已重列)	322,267	1,184,154	55,554	-	13,650	(1,928)	150	(871,054)	702,793	298,302	1,001,095
Exchange difference arising on translation of financial statements of operations outside Hong Kong	換算海外公司財務報表時產生之匯兌差額	-	-	-	-	-	11,015	-	-	11,015	4,724	15,739
Profit for the year	本年度溢利	-	-	-	-	-	-	-	31,109	31,109	1,125	32,234
Total recognised income and expense for the year	本年度已確認收入及開支總額	-	-	-	-	-	11,015	-	31,109	42,124	5,849	47,973
Conversion into shares from convertible notes	由可換股票據兌換為股份	322,267	1,184,154	55,554	-	13,650	9,087	150	(839,945)	744,917	304,151	1,049,068
Issue of shares	發行股份	27,919	27,081	-	-	(13,650)	-	-	1,623	42,973	-	42,973
Share issue expenses	股份發行開支	87,400	118,920	-	-	-	-	-	-	206,320	-	206,320
Acquisition of subsidiaries	收購附屬公司	-	(6,482)	-	-	-	-	-	-	(6,482)	-	(6,482)
Partial disposal of subsidiaries	出售附屬公司股份權益	-	-	-	-	-	-	-	-	-	110,945	110,945
Cancellation of share premium (note 42a)	註銷股份溢價 (附註42a)	-	(1,323,673)	1,323,673	-	-	-	-	-	-	-	-
Set off against accumulated losses	抵銷累計虧損	-	-	(1,120,764)	-	-	-	-	1,120,764	-	-	-
Dividends	股息	-	-	-	-	-	-	-	(8,752)	(8,752)	-	(8,752)
Dividends paid to minority shareholders of subsidiaries	向附屬公司少數股東派付之股息	-	-	-	-	-	-	-	-	-	(6,005)	(6,005)
At 31 December 2005	於二零零五年十二月三十一日	437,586	-	258,463	-	-	9,087	150	273,690	978,976	435,068	1,414,044

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 (Restated) 二零零四年 千港元 (重列)
Cash flows from operating activities	經營業務之現金流量		
Profit (loss) before taxation	除稅前(虧損)溢利	30,126	(2,852)
Adjustments for:	調整:		
Share of results of associates	應佔聯營公司業績	(8,006)	195
Depreciation and amortisation of property, plant and equipment	物業、機器及設備之折舊及攤銷	60,743	57,057
Interest income	利息收入	(4,722)	(3,381)
Interest expenses	利息開支	59,358	66,149
Finance lease charges	融資租約費用	18	133
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	480	220
Loss on partial disposal of subsidiaries	出售附屬公司部份權益之虧損	3,177	-
Gain on disposal of associates	出售聯營公司之盈利	-	(37,930)
Loss on disposal of other investments	出售其他投資之虧損	-	11
Allowance for irrecoverable trade debts	不可收回貿易債項之撥備	476	1,262
Increase in fair value of investment property	投資物業公平價值增加	(619)	(2,000)
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之已確認減值虧損	1,167	-
Impairment loss recognised in respect of investments in securities	證券投資之已確認減值虧損	-	5,659
(Reversal of impairment loss) impairment loss recognised in respect of properties under construction	在建物業之(減值虧損撥回)已確認減值虧損	(900)	1,100
Reversal of impairment loss in respect of leasehold land and buildings	租賃土地及樓宇之減值虧損撥回	(4,874)	(4,511)
Discount on acquisition of subsidiaries	收購附屬公司之折讓	(34,574)	-
Release of negative goodwill arising from acquisition of subsidiaries	解除收購附屬公司產生之負商譽	-	(1,863)
Decrease in fair value of investments held for trading	持作買賣投資之公平價值減少	14,761	-
Net unrealised holding loss on other investments	持有其他投資之未變現虧損淨額	-	127
Operating cash flows before movement in working capital	營運資金變動前之經營現金流量	116,611	79,376
Movement in working capital	營運資金之變動		
(Increase) decrease in inventories	存貨(增加)減少	(306)	254
Decrease (increase) in amounts due from related companies	應收關連公司款項減少(增加)	1,439	(3,594)
Decrease in amounts due from associates	應收聯營公司款項減少	8,980	1,916
(Increase) decrease in trade and other receivables	貿易及其他應收賬款(增加)減少	(47,407)	139,499
(Increase) decrease in trading cash balances	貿易現金結餘(增加)減少	(38)	170
Increase (decrease) in trade and other payables	貿易及其他應付賬款增加(減少)	40,697	(111,100)
Decrease in amounts due to associates	應付聯營公司款項減少	(481)	(807)
Increase (decrease) in amounts due to related companies	應付關連公司款項增加(減少)	30,113	(77,065)
		32,997	(50,727)

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

	NOTES	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 (Restated) 二零零四年 千港元 (重列)
	附註		
Cash generated from operations	經營業務產生現金	149,608	28,649
Interest paid	已付利息	(57,735)	(53,578)
Finance lease charges paid	已付融資租約費用	(18)	(133)
Taxation in other jurisdictions (paid) refunded	(已付) 退回其他 司法權區之稅項	(63)	28
Net cash from (used in) operating activities	經營業務產生(所用) 現金淨額	91,792	(25,034)
Cash flows from investing activities	投資活動之現金流量		
Proceed on partial disposal of subsidiaries	出售附屬公司部份權益之 所得款項	22,800	—
Interest received	已收利息	4,722	3,381
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備 所得款項	1,671	9,908
Acquisition of subsidiaries	收購附屬公司	(151,298)	(47,387)
Advances to related companies	予關連公司墊款	(60,090)	—
Net cash outflow of loans advanced to certain companies and individuals	向若干公司及個人 墊付貸款之現金 流出淨額	(49,926)	(36,050)
Purchase of property, plant and equipment	購買物業、機器及 設備	(30,040)	(18,669)
Capital contribution to an associate	向一間聯營公司出資	(24,038)	—
Purchase of investments held for trading	購買持作買賣投資	(21,069)	—
Payment for investment deposits	支付投資訂金	(474)	(221,695)
Increase in pledged bank deposits	已抵押銀行存款增加	(125)	(6,410)
Proceeds from disposals of associates and advances	出售聯營公司所得 款項及墊款	—	188,988
Acquisition of associates and advances	收購聯營公司及墊款	—	(82,135)
Purchase of other investments	購買其他投資	—	(58)
Purchase of investment securities	購買證券投資	—	(1)
Refund of other long term investment	退回其他長期投資	—	70,500
Proceeds from disposal of other investments	出售其他投資 所得款項	—	12
Net cash used in investing activities	投資活動所用之現金淨額	(307,867)	(139,616)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from issue of new shares for cash, net of expenses of HK\$6,482,000 (2004: HK\$3,832,000)	發行新股所得現金款項·扣除 6,482,000港元支出 (二零零四: 3,832,000港元)	199,838	98,648
New bank loans and other loans raised	新造銀行貸款及其他貸款	14,424	5,569
Repayment of bank loans and other loans	償還銀行貸款及 其他貸款	(34,071)	(89,599)
Net cash (outflow) inflow from loans from related companies	關連公司貸款之現金 (流出) 流入淨額	(11,376)	141,564
Dividends paid	已付股息	(8,752)	—
Dividends paid to minority shareholders of subsidiaries	已付附屬公司 少數股東股息	(6,005)	—
Repayment of obligations under finance leases	償還融資 租約承擔	(378)	(1,182)
Proceeds from issue of convertible notes	發行可換股票據所得款項	—	70,200
Redemption of convertible notes	贖回可換股票據	—	(64,325)
Net cash from financing activities	融資活動所得現金淨額	153,680	160,875
Net decrease in cash and cash equivalents	現金及現金等值項目之減少淨額	(62,395)	(3,775)
Cash and cash equivalents at beginning of the year	年初之現金及現金 等值項目	106,136	111,709
Effect of foreign exchange rate changes	外匯匯率變動影響	(638)	(1,798)
Cash and cash equivalents at end of the year	年終之現金及現金 等值項目	43,103	106,136

1. GENERAL

The Company is an exempted company incorporated in Bermuda with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

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

The Company is an investment holding company. Its principal subsidiaries are engaged in the business of providing package tours, travel and other related services and hotel operation.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations ("INTs") (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests and share of tax of associates has been changed as required by HKAS 1 "Presentation of financial statements". The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current and/or prior accounting years are prepared and presented.

1. 一般資料

本公司乃於百慕達註冊成立之獲豁免有限公司，其股份乃於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處之地址及主要營業地點於本年報公司資料中披露。

綜合財務報表乃以港元（本公司之功能貨幣）呈列。

本公司乃一投資控股公司。其主要附屬公司從事提供旅行團、旅遊及其他相關服務，以及經營酒店業務。

2. 應用香港財務報告準則

於本年度，本集團首次應用多項由香港會計師公會頒布之新香港財務報告準則、香港會計準則及詮釋（下文統稱為「新香港財務報告準則」），並於二零零五年一月一日或之後開始之會計期間生效。應用新香港財務報告準則導致綜合收益表、綜合資產負債表及綜合股東權益變動表之呈報方式有所改變，特別是根據香港會計準則第1號「財務報表呈報」所規定之少數股東權益及應佔聯營公司稅項之呈報方式。呈報方式之變動已追溯應用。採納新香港財務報告準則亦導致本集團在下列方面之會計政策有所改變，影響本會計年度及／或過往會計年度業績的編製及呈報方式。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Business combinations

In the current year, the Group has applied HKFRS 3 "Business combinations" ("HKFRS 3") which is effective for business combinations for which the agreement date is on or after 1 January 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous years, goodwill arising on acquisition was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. With respect to goodwill previously capitalised on the consolidated balance sheet, the Group has discontinued amortising such goodwill from 1 January 2005 onwards and such goodwill will be tested for impairment at least annually. Goodwill arising on acquisition after 1 January 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for 2004 have not been restated (see note 3 for the financial impact).

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous years, negative goodwill arising on acquisition was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised all negative goodwill on 1 January 2005, which was previously presented as a deduction from assets, with a corresponding adjustment to the Group's accumulated (losses) profits (see note 3 for the financial impact).

2. 應用香港財務報告準則(續)

業務合併

於本年度，本集團應用香港財務報告準則第3號「業務合併」（「香港財務報告準則第3號」），而該準則適用於協議訂立日期為二零零五年一月一日或以後之業務合併。應用香港財務報告準則第3號對本集團構成之主要影響概述如下：

商譽

於過往年度，因收購而產生之商譽乃已資本化及於估計可用年限內攤銷。本集團已應用香港財務報告準則第3號之有關過渡性條文。對於過往在綜合資產負債表中資本化之商譽，本集團自二零零五年一月一日起停止攤銷，而該等商譽會最少每年作出減值測試。於二零零五年一月一日後因收購而產生之商譽，經初步確認後以成本減累計減值虧損（如有）計算。由於是項會計政策變動，本年度並無攤銷任何商譽。二零零四年之比較數字並無重列（有關之財務影響見附註3）。

本集團所佔被收購公司之可識別資產、負債及或然負債公平淨值之權益高於成本之金額（過往稱為「負商譽」）

根據香港財務報告準則第3號，本集團所佔被收購公司之可識別資產、負債及或然負債公平淨值之權益高於收購成本之任何金額（「收購折讓」），須於進行收購之期間即時於損益表內確認。於過往年度，因收購而產生之負商譽呈列為資產扣減項目，並按產生結餘之情況分析撥入收入內。根據香港財務報告準則第3號之有關過渡性條文，本集團不再確認於二零零五年一月一日之所有負商譽（過往呈列為資產扣減項目），致使本集團之累計（虧損）溢利須作出相應調整（有關之財務影響見附註3）。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Financial instruments

In the current year, the Group has applied HKAS 32 "Financial instruments: disclosure and presentation" ("HKAS 32") and HKAS 39 "Financial instruments: Recognition and measurement" ("HKAS 39"). HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

Convertible notes

The principal impact of HKAS 32 on the Group is in relation to convertible notes issued by the Company that contain both liability and equity components. Previously, convertible notes were classified as liabilities on the consolidated balance sheet. HKAS 32 requires an issuer of a compound financial instrument that contains both financial liability and equity components to separate the compound financial instrument into the liability and equity components on initial recognition and to account for these components separately. In subsequent periods, the liability component is carried at amortised cost using the effective interest method. Because HKAS 32 requires retrospective application, comparative figures for 2004 have been restated. Comparative result for 2004 has been restated in order to reflect the increase in effective interest on the liability component (see note 3 for the financial impact).

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

2. 應用香港財務報告準則 (續)

金融工具

於本年度，本集團應用香港會計準則第32號「金融工具：披露及呈報」（「香港會計準則第32號」）及香港會計準則第39號「金融工具：確認及計量」（「香港會計準則第39號」）。香港會計準則第32號規定作出追溯應用。對於二零零五年一月一日或之後開始之年度有效之香港會計準則第39號，一般不允許追溯確認、不再確認或計量金融資產及負債。應用香港會計準則第32號及香港會計準則第39號構成之主要影響概述如下：

可換股票據

香港會計準則第32號對本集團之主要影響乃與本公司所發行包含負債及權益部份之可換股票據有關。過往，可換股票據乃於綜合資產負債表上列為負債。香港會計準則第32號規定，包含金融負債及權益部份之綜合金融工具之發行人，於進行初步確認時須將綜合金融工具分為負債及權益兩部份，並將該等部份分開列賬。於往後之期間，負債部份採用實際利息法按攤銷成本列賬。由於香港會計準則第32號規定作出追溯應用，二零零四年之比較數字已予以重列。二零零四年之可比較業績已予以重列，以反映負債部份實際利息之增加（有關之財務影響見附註3）。

金融資產及金融負債之分類及計量

本集團已就符合香港會計準則第39號所界定之金融資產及金融負債之分類及計量，採用香港會計準則第39號有關之過渡性條文。

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財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Financial instruments (Continued)

Classification and measurement of financial assets and financial liabilities (Continued)

By 31 December 2004, the Group classified and measured its debt and equity securities in accordance with the benchmark treatment of the Statement of Standard Accounting Practice 24 "Accounting for investments in securities" ("SSAP 24"). Under SSAP 24, investments in debt or equity securities are classified as "investment securities", "other investments" or "held-to-maturity investments" as appropriate. "Investment securities" are carried at cost less impairment losses (if any) while "other investments" are measured at fair value, with unrealised gains or losses included in the profit or loss. Held-to-maturity investments are carried at amortised cost less impairment losses (if any). From 1 January 2005 onwards, the Group has classified and measured its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. Available-for-sale equity investments that do not have quoted market prices 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 are measured at cost less impairment after initial recognition. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method after initial recognition.

2. 應用香港財務報告準則 (續)

金融工具 (續)

金融資產及金融負債之分類及計量 (續)

在二零零四年十二月三十一日前，本集團根據會計實務準則第24號「投資證券之會計處理」（「會計實務準則第24號」）之基準處理方式對其債務證券及股本證券作出分類及計量。根據會計實務準則第24號，債務證券或股本證券投資乃列作「投資證券」、「其他投資」或「持有至到期日之投資」，以適合者為準。「投資證券」乃以成本減減值虧損（如有）列賬，而「其他投資」乃按公平價值計量，其未變現收益或虧損計入損益內。持有至到期日之投資乃以攤銷成本減減值虧損（如有）列賬。由二零零五年一月一日起，本集團根據香港會計準則第39號對其債務證券及股本證券進行分類及計量。根據香港會計準則第39號，金融資產乃列作「透過損益按公平價值計算之金融資產」、「可供出售金融資產」、「貸款及應收賬款」或「持有至到期日之金融資產」。「透過損益按公平價值計算之金融資產」及「可供出售金融資產」乃按公平價值列賬，並分別於損益及權益中確認公平價值之變動。在活躍市場並無市場報價且未能可靠地計量公平價值之可供出售股權投資，以及與該等未報價股權工具有關並必須以交付該等未報價股權工具結算之衍生工具，均於初次確認後按成本減減值計算。「貸款及應收賬款」及「持有至到期日之金融資產」乃於初步確認後採用實際利息法按攤銷成本計量。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Financial instruments (Continued)

Classification and measurement of financial assets and financial liabilities (Continued)

On 1 January 2005, the Group classified and measured its debt and equity securities in accordance with the transitional provisions of HKAS 39. As a result of the adoption of HKAS 39, the Group has redesignated "investments in securities" recorded in the consolidated balance sheet at 1 January 2005 amounting to HK\$93,789,000 as "available-for-sale investments" and HK\$2,778,000 as "investments held for trading".

Financial assets and financial liabilities other than debt and equity securities

From 1 January 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "other financial liabilities". Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. "Other financial liabilities" are carried at amortised cost using the effective interest method after initial recognition. These requirements of HKAS 39 did not have any financial impact to the Group.

2. 應用香港財務報告準則 (續)

金融工具 (續)

金融資產及金融負債之分類及計量 (續)

於二零零五年一月一日，本集團根據香港會計準則第39號之過渡性條文對其債務證券及股本證券進行分類及計量。採用香港會計準則第39號導致本集團於二零零五年一月一日在綜合資產負債表內記錄為「證券投資」之項目重新標示為「可供出售投資」及「持作買賣之投資」，金額分別達93,789,000港元及2,778,000港元。

債務證券及股本證券以外之金融資產及金融負債

自二零零五年一月一日起，本集團已根據香港會計準則第39號之規定對其債務證券及股本證券以外之金融資產及金融負債（過往不屬於會計實務準則第24號之範圍內）進行分類及計量。如上文所述，香港會計準則第39號項下之金融資產乃列作「透過損益按公平價值計算之金融資產」、「可供出售金融資產」、「貸款及應收賬款」或「持有至到期日之金融資產」。金融負債一般列作「透過損益按公平價值計算之金融負債」或「其他金融負債」。透過損益按公平價值計算之金融負債以公平價值計算，並直接於損益中確認公平價值之變動。「其他金融負債」於初步確認後採用實際利息法按攤銷成本列賬。香港會計準則第39號之該等規定對本集團並無任何財務影響。

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財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Financial instruments (Continued)

Derivatives and hedging

From 1 January 2005 onwards, all derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the non-derivative host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. The corresponding adjustments on changes in fair values would depend on whether the derivatives are designated as effective hedging instruments, and if so, the nature of the item being hedged. For derivatives that are deemed as held for trading, changes in fair values of such derivatives are recognised in profit or loss for the period in which they arise. Since there were no derivative financial instruments as at 1 January 2005, accordingly, comparative figures for 2004 have not been restated.

Hotel properties

Hong Kong Interpretation 2 "The appropriate accounting policies for hotel properties" ("HK INT 2") clarifies the accounting policy for owner-operated hotel properties. In previous years, the Group's self-operated hotel properties were carried at cost less accumulated impairment loss and were not subject to depreciation. HK INT 2 requires owner-operated properties to be classified as property, plant and equipment in accordance with HKAS 16 "Property, plant and equipment", and therefore be accounted for either using the cost model or the revaluation model. The Group has resolved to account for these hotel properties using the cost model. In the absence of any specific transitional provisions in HK INT 2, the new accounting policy has been applied retrospectively. Comparative figures have been restated (see note 3 for the financial impact).

2. 應用香港財務報告準則(續)

金融工具(續)

衍生工具及對沖

自二零零五年一月一日起，香港會計準則第39號涵蓋之所有衍生工具，不論被視作持作買賣或指定為有效之對沖工具，一律須於每個結算日按公平價值列賬。根據香港會計準則第39號規定，衍生工具（包括與非衍生工具主體合約分開列賬之附帶衍生工具）均被視為持作買賣之金融資產或金融負債，除非有關衍生工具符合且指定為有效對沖工具則作別論。就公平價值變動作出之相應調整，視乎衍生工具是否被指定為有效對沖工具及（倘被指定為有效對沖工具）對沖項目之性質而定。就被視為持作買賣之衍生工具而言，有關衍生工具公平價值變動於該等衍生工具變動產生期間之損益表內確認。由於二零零五年一月一日概無任何衍生金融工具，因此二零零四年之比較數字並無重列。

酒店物業

香港詮釋第2號「酒店物業之適當會計政策」（「香港詮釋第2號」）對由業主經營之酒店物業適用之會計政策作出澄清。於過往年度，本集團自行經營之酒店物業以成本減累計減值虧損列賬，且並無作出折舊。香港詮釋第2號規定由業主經營之酒店物業須按照香港會計準則第16號「物業、機器及設備」歸類為物業、機器及設備，故須採用成本模式或重估模式入賬。本集團已議決採用成本模式將該等酒店物業入賬。由於香港詮釋第2號並無任何特定過渡性條文，新會計政策已追溯應用。比較數字已予以重列（有關之財務影響見附註3）。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Owner-occupied leasehold interest in land

In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current year, the Group has applied HKAS 17 "Leases" ("HKAS 17"). Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight line basis. This change in accounting policy has been applied retrospectively. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment. As the directors consider the allocation between the land and buildings elements cannot be made reliably, no restatement has been made in the financial statements.

2. 應用香港財務報告準則 (續)

業主佔用土地之租賃權益

於過往年度，業主佔用之租賃土地及樓宇乃列於物業、機器及設備項目下，並採用成本模式計算。於本年度，本集團應用香港會計準則第17號「租賃」（「香港會計準則第17號」）。根據香港會計準則第17號，就租賃分類而言，一項土地及樓宇租賃中之土地及樓宇部份乃分開考慮，惟不能在土地及樓宇部份之間可靠地分配租賃款項者除外，而在此情況下，整項租賃一般被視為融資租約。倘能在土地及樓宇部份之間可靠地分配租賃款項，則於土地之租賃權益乃重新分類為經營租約項下之預付租賃款項，並以成本列賬及於租賃年期內按直線法攤銷。此項會計政策之變更已追溯應用。換言之，倘未能在土地及樓宇部份之間作出可靠分配，則土地之租賃權益將繼續入賬為物業、機器及設備。由於董事認為在土地及樓宇部份之間未能作出可靠分配，故並無於本財務報表中重列。

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財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Investment properties

In the current year, the Group has, for the first time, applied HKAS 40 "Investment property" ("HKAS 40"). The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the profit or loss for the year in which they arise. In previous years, investment properties under the predecessor SSAP were measured at open market values, with revaluation surplus or deficit credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and a revaluation surplus subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 retrospectively. Comparative figures for 2004 have been restated (see note 3 for the financial impact).

2. 應用香港財務報告準則(續)

投資物業

於本年度，本集團首次應用香港會計準則第40號「投資物業」（「香港會計準則第40號」）。本集團已選擇採用公平價值模式將投資物業入賬，此模式規定將投資物業公平價值變動所產生之收益或虧損直接於損益產生年度確認為溢利或虧損。於過往年度，根據原先之會計實務準則，投資物業以公開市價計量，重估盈餘或虧絀於投資物業重估儲備中計入或扣除。倘若投資物業重估儲備不足以填補重估減值，則超出投資物業重估儲備結餘之重估減值數額已在收益表中扣除。倘早前已在收益表中扣除之減值其後出現重估盈餘，則有關升值已計入收益表內，惟以過往扣除之減值為限。本集團已應用香港會計準則第40號之有關過渡性條文，並選擇追溯應用香港會計準則第40號。二零零四年之比較數字已予以重列（有關之財務影響見附註3）。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Deferred taxes related to investment properties

In previous years, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor Interpretation. In the current year, the Group has applied Hong Kong Standing Interpretations Committee Interpretation 21 "Income taxes – recovery of revalued non-depreciable assets" ("HK(SIC) Interpretation 21") which removes the presumption that the carrying amount of investment properties are to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflects the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. In the absence of any specific transitional provisions in HK(SIC) Interpretation 21, this change in accounting policy has been applied retrospectively but did not have any financial impact to the Group.

2. 應用香港財務報告準則 (續)

與投資物業有關之遞延稅項

於過往年度，根據以往之詮釋，重估投資物業所產生之遞延稅項影響乃根據出售有關物業收回之賬面值後之稅務影響作出評估。在本年度，本集團應用香港詮釋常務委員會詮釋第21號「所得稅－收回經重估之不可折舊資產」（「香港詮釋常務委員會詮釋第21號」），不再假設投資物業賬面值可透過出售而收回。因此，投資物業之遞延稅項影響現按反映本集團預期於每一結算日可收回有關物業之方式所產生稅項影響之基準作出評估。由於香港詮釋常務委員會詮釋第21號並未附有任何具體過渡性條文，此項會計政策之變更已追溯應用，且並無對本集團之財務狀況造成任何影響。

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財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Deferred taxes related to investment properties (Continued)

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

HKAS 1 (Amendment)	Capital disclosure ¹
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures ²
HKAS 21 (Amendment)	Net investment in a foreign operation ²
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions ²
HKAS 39 (Amendment)	The fair value option ²
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts ²
HKFRS 6	Exploration for and evaluation of mineral resources ²
HKFRS 7	Financial instruments: Disclosures ¹
HK(IFRIC) – INT 4	Determining whether an arrangement contains a lease ²
HK(IFRIC) – INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ²
HK(IFRIC) – INT 6	Liabilities arising from participating in a specific market – waste electrical and electronic equipment ³
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 “Financial Reporting in Hyperinflationary Economies” ⁴

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

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

3 Effective for annual periods beginning on or after 1 December 2005.

4 Effective for annual periods beginning on or after 1 March 2006.

2. 應用香港財務報告準則 (續)

與投資物業有關之遞延稅項 (續)

本集團並無提早採納以下已頒布但尚未生效之新準則及詮釋。本公司董事預期，應用該等準則或詮釋將不會對本集團之綜合財務報表造成任何重大影響。

香港會計準則第1號 (修訂)	股本披露 ¹
香港會計準則第19號 (修訂)	精算損益、集團計劃及披露 ²
香港會計準則第21號 (修訂)	境外營運淨投資 ²
香港會計準則第39號 (修訂)	預測集團內部交易之現金流量對沖會計 ²
香港會計準則第39號 (修訂)	公平價值期權 ²
香港會計準則第39號及香港財務報告準則第4號 (修訂)	金融擔保合約 ²
香港財務報告準則第6號	礦物資源之開採及評估 ²
香港財務報告準則第7號	金融工具：披露 ¹
香港 (國際財務報告詮釋委員會) – 詮釋第4號	斷定一項安排是否包括一項租賃 ²
香港 (國際財務報告詮釋委員會) – 詮釋第5號	來自解除義務、重建、環境復原基金之利益權利 ²
香港 (國際財務報告詮釋委員會) – 詮釋第6號	來自參與特別市場 – 報廢電力及電子設備之負債 ²
香港 (國際財務報告詮釋委員會) – 詮釋第7號	基於香港會計準則第29號「高通脹經濟下之財務報告」運用重述方法 ⁴

1 於二零零七年一月一日或之後開始之年度生效

2 於二零零六年一月一日或之後開始之年度生效

3 於二零零五年十二月一日或之後開始之年度生效

4 於二零零六年三月一日或之後開始之年度生效

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described above on the results for the current and prior years are as follows:

3. 會計政策變動影響之概要

上述會計政策變動對本年度及過往年度業績之影響載列如下：

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Recognition of discount on acquisition directly in the income statement	在收益表內直接確認之收購折讓	34,574	—
Decrease in amortisation of goodwill	商譽攤銷減少	2,543	—
Increase in fair value of investment property	投資物業之公平價值增加	619	2,000
Depreciation of owner-operated hotel properties	業主經營之酒店物業折舊	(30,119)	(30,119)
Increase in interest on the liability component of convertible notes	可換股票據負債部份之利息增加	(1,623)	(12,571)
Decrease in negative goodwill released to income	撥入收入之負商譽減少	(1,863)	—
Increase in profit (loss) for the year	年內之溢利(虧損)增加	4,131	(40,690)

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (CONTINUED)

An analysis of the increase in profit (loss) for the year by line items presented according to their function is as follows:

3. 會計政策變動影響之概要(續)

年內按功能呈列之項目之溢利(虧損)增加分析如下:

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Discount on acquisition of subsidiaries	收購附屬公司之折讓	34,574	—
Decrease in amortisation of goodwill	商譽攤銷減少	2,543	—
Increase in fair value of investment property	投資物業之公平價值增加	619	2,000
Increase in administrative expenses	行政開支增加	(30,119)	(30,119)
Increase in finance costs	融資成本增加	(1,623)	(12,571)
Decrease in negative goodwill released to income	撥入收入之負商譽減少	(1,863)	—
		4,131	(40,690)

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The cumulative effects of the application of the new HKFRSs as at 31 December 2004 and 1 January 2005 are summarised below:

3. 會計政策變動影響之概要 (續)

應用新香港財務報告準則於二零零四年十二月三十一日及二零零五年一月一日之累計影響概述如下：

		At 31 December 2004 HK\$'000 (Originally stated)	Effect of HK INT 2 HK\$'000	Effect of HKAS 1 HK\$'000	Effect of HKAS 32 HK\$'000	Effect of HKAS 40 HK\$'000	At 31 December 2004 HK\$'000 (Restated)	Effect of HKFRS 3 HK\$'000	Effect of HKAS 39 HK\$'000	At 1 January 2005 HK\$'000 (Restated)
		於 二零零四年 十二月 三十一日 千港元 (原先呈列)	香港 會計準則 第2號 之影響 千港元	香港 會計準則 第1號 之影響 千港元	香港 會計準則 第32號 之影響 千港元	香港 會計準則 第40號 之影響 千港元	於 二零零四年 十二月 三十一日 千港元 (重列)	香港財務 報告準則 第3號 之影響 千港元	香港 會計準則 第39號 之影響 千港元	於 二零零五年 一月一日 千港元 (重列)
Balance sheet items affected:	受影響之資產負債表項目：									
Property, plant and equipment	物業、機器及設備	1,738,801	(30,119)	-	-	-	1,708,682	-	-	1,708,682
Available-for-sale investments	可供出售投資	-	-	-	-	-	-	-	93,789	93,789
Investments in securities	證券投資	96,567	-	-	-	-	96,567	-	(96,567)	-
Negative goodwill	負商譽	(72,651)	-	-	-	-	(72,651)	72,651	-	-
Investments held for trading	持作買賣之投資	-	-	-	-	-	-	-	2,778	2,778
Convertible notes	可換股票據	(55,000)	-	-	13,650	-	(41,350)	-	-	(41,350)
Other assets and liabilities	其他資產及負債	(762,804)	-	-	-	-	(762,804)	-	-	(762,804)
Total effects on assets and liabilities	對資產及負債之總影響	944,913	(30,119)	-	13,650	-	928,444	72,651	-	1,001,095
Share capital and other reserves	股本及其他儲備	1,560,197	-	-	-	-	1,560,197	-	-	1,560,197
Investment property revaluation reserve	投資物業重估儲備	2,736	-	-	-	(2,736)	-	-	-	-
Convertible notes reserve	可換股票據儲備	-	-	-	13,650	-	13,650	-	-	13,650
Accumulated losses	累計虧損	(930,191)	(16,250)	-	-	2,736	(943,705)	72,651	-	(871,054)
Minority interests	少數股東權益	-	(13,869)	312,171	-	-	298,302	-	-	298,302
Total effects on equity	對股東權益之總影響	632,742	(30,119)	312,171	13,650	-	928,444	72,651	-	1,001,095
Minority interests	少數股東權益	312,171	-	(312,171)	-	-	-	-	-	-
		944,913	(30,119)	-	13,650	-	928,444	72,651	-	1,001,095

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The financial effects of the application of the new HKFRSs to the Group's equity at 1 January 2004 are summarised below:

3. 會計政策變動影響之概要(續)

應用新香港財務報告準則對本集團於二零零四年一月一日股東權益之財務影響概述如下：

		As originally stated HK\$'000	Effect of HKAS 1 HK\$'000 香港 會計準則 第1號 之影響 千港元	Effect of HKAS 32 HK\$'000 香港 會計準則 第32號 之影響 千港元	Effect of HKAS 40 HK\$'000 香港 會計準則 第40號 之影響 千港元	As restated HK\$'000 重列 千港元
Share capital and other reserves	股本及其他儲備	1,258,153	–	–	–	1,258,153
Investment property revaluation reserve	投資物業重估儲備	736	–	–	(736)	–
Convertible notes reserve	可換股票據儲備	–	–	20,468	–	20,468
Accumulated losses	累計虧損	(965,568)	–	(17,403)	736	(982,235)
Minority interests	少數股東權益	–	29,778	–	–	29,778
Total effects on equity	對股東權益之總影響	293,321	29,778	3,065	–	326,164
Minority interests	少數股東權益	29,778	(29,778)	–	–	–
		323,099	–	3,065	–	326,164

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

4. 主要會計政策

如下文之會計政策所載，除若干物業及金融工具以重估金額或公平價值計算外，本綜合財務報表乃根據歷史成本基準編製。

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All inter-company transactions and balances within the Group are eliminated on consolidation.

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.

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

Goodwill*Goodwill arising on acquisition prior to 1 January 2005*

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 January 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisition after 1 January 2001, the Group has discontinued amortisation from 1 January 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

4. 主要會計政策 (續)

綜合賬目基準

綜合財務報表包括本公司及其附屬公司之財務報表。所有集團內公司間之交易及結餘均於編製綜合賬目時對銷。

於年內購入或出售之附屬公司之業績，由收購生效日期起或計算至出售生效日期止（按適用者）計入綜合收益表內。

綜合附屬公司資產淨值中之少數股東權益與本集團之股本乃分開呈列。資產淨值中之少數股東權益包括於原來業務合併日期該等權益數額及自合併日期起少數股東應佔權益變動。適用於少數股東之虧損如多於少數股東於附屬公司股本之權益，則按本集團之權益分配，惟少數股東具約束性責任及有能力作額外投資以填補該等虧損除外。

商譽*於二零零五年一月一日前收購所產生之商譽*

因收購一間附屬公司（協議日期為二零零五年一月一日之前）所產生之商譽指於收購日期收購成本高於本集團所佔相關附屬公司之可識別資產及負債之公平價值權益之數額。

本集團於二零零五年一月一日起停止攤銷於二零零一年一月一日以後因收購產生之過往已資本化商譽，有關商譽將每年進行減值測試，或於有跡象顯示與商譽相關之現金產生單位可能出現減值時進行減值測試（見以下會計政策）。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (Continued)

Goodwill arising on acquisition on or after 1 January 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1 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 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.

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.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

4. 主要會計政策 (續)

商譽 (續)

於二零零五年一月一日或以後就收購所產生之商譽

因收購一間附屬公司 (協議日期為二零零五年一月一日或以後) 所產生之商譽指於收購日期收購成本高於本集團所佔相關附屬公司之可識別資產、負債及或然負債之公平價值權益之數額。有關商譽以成本減任何累計減值虧損列賬。

因收購一間附屬公司產生之已資本化商譽於綜合資產負債表中獨立呈列。

就減值測試而言，因收購產生之商譽會分配至預期可從收購之協同效益得益之有關現金產生單位或多個現金產生單位。獲分配商譽之現金產生單位會每年進行減值測試，或於有跡象顯示該單位可能出現減值時進行減值測試。就於財政年度因收購產生之商譽而言，獲分配商譽之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回數額少於其賬面值，則減值虧損會先用作減低任何分配至該單位之商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。任何商譽減值虧損乃直接於綜合收益表內確認。商譽減值虧損不會於往後期間撥回。

於往後出售一間附屬公司時，已資本化之商譽應佔金額會用作釐定出售損益。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 acquisition")

A discount on acquisition arising on an acquisition of a subsidiary for which an agreement date is on or after 1 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.

As explained in note 3 above, all negative goodwill at 1 January 2005 has been derecognised with a corresponding adjustment to the Group's accumulated (losses) profits.

Investments in associates

The results and assets and liabilities of associates are incorporated in these 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 profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that 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.

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.

4. 主要會計政策 (續)

收購方所佔被收購公司之可識別資產、負債及或然負債公平淨值之權益高於成本之金額(「收購折讓」)

因收購一間附屬公司(協議日期為二零零五年一月一日或之後)所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高出業務合併成本之金額。收購折讓即時於損益確認。

誠如上文附註3所闡釋，本集團不再確認於二零零五年一月一日之所有負商譽，而累計(虧損)溢利須相應調整。

於聯營公司之投資

聯營公司之業績及資產與負債以權益會計法計入此等財務報表內。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表列賬，並就本集團於收購後分佔該聯營公司之損益及權益之變動作出調整，及減去任何已識別減值虧損。當本集團所佔聯營公司虧損等於或超出於該聯營公司權益時，本集團終止確認其所佔之進一步虧損。惟倘本集團須承擔法律或推定義務，或須代表該聯營公司支付款項，則須就額外分佔之虧損撥備或確認負債。

當集團實體與本集團聯營公司進行交易時，損益會按本集團於有關聯營公司之權益予以撇銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Income from tour and travel services is recognised upon the departure date of each tour. Income from other travel related services is recognised when the services are rendered.

Hotel revenue from rooms and other ancillary services are recognised when the services are rendered.

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 the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Income from disposal of investments is recognised when the risks and rewards of the ownership of the investments have been transferred.

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

Sales of other assets are recognised upon the execution of a binding sale agreement.

Property, plant and equipment

Property, plant and equipment other than properties under construction are stated at cost or fair value less subsequent accumulated depreciation and amortisation and accumulated impairment losses.

Depreciation and amortisation is provided to write off the cost or fair value of items of property, plant and equipment other than properties under construction over their estimated useful lives, using the straight line method.

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets.

4. 主要會計政策 (續)

收益確認

組團及旅遊服務收入於各團出發當日確認。其他旅遊相關服務之收入於提供該等服務時確認。

來自房間及其他輔助服務之酒店收益乃於提供服務時確認。

金融資產之利息收入乃參考未到期本金，按時間比例基準及實際利率計算，實際利率乃按金融資產之預計年期將估計日後現金收入折讓至該資產賬面淨值之比率。

出售投資之收入乃於投資權益之擁有權之風險及利益已轉移時確認。

銷售貨品之收益於交付貨品及移交所有權後確認。

銷售其他資產之收益於履行具約束力之銷售協議時確認。

物業、機器及設備

在建中物業以外之物業、機器及設備，乃按該項資產之成本或公平價值減其後之累計折舊、攤銷及累計減值虧損列賬。

除在建物業以外之物業、機器及設備之折舊及攤銷，乃根據其估計可使用年期，按直線法攤銷其成本或公平價值：

根據融資租約持有之資產以與自置資產相同之基準，按其估計可使用年期折舊。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (Continued)

Properties under construction are stated at cost less accumulated impairment losses. Cost includes all development expenditure and other direct costs attributable to such projects. Properties under construction are not depreciated until completion of construction. Cost on completed properties is transferred to other categories of property, plant and equipment.

The land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease.

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.

Investment properties

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

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

4. 主要會計政策 (續)

物業、機器及設備 (續)

在建物業按成本值扣除累計減值虧損列賬。成本包括該等項目之所有發展開支及其他應佔直接成本。在建物業於落成前不予折舊。已落成物業之成本則歸入物業、機器及設備內之其他類別。

就租賃分類而言，租賃土地及樓宇之土地及樓宇部份被視為獨立項目，惟租金不能於土地及樓宇部份間可靠分配則除外，於此情況下，整項租約一般被當作融資租約。

物業、機器及設備項目於出售后或當預期持續使用該資產將不會產生未來經濟利益時不再確認。於不再確認該資產時所產生之任何收益或虧損（以出售所得款項淨額與該項目之賬面值之差額計算）將計入不再確認年度之綜合收益表內。

投資物業

於初步確認時，投資物業按成本計算，包括任何直接應佔開支。於初步確認後，投資物業採用公平價值模式計算。投資物業之公平價值變動所產生之收益或虧損將計入產生期間之損益內。

投資物業於出售后、在投資物業永久不再使用或預期出售該等物業不會產生未來經濟利益時取消確認。取消確認資產所產生之任何收益或虧損（按出售所得款項淨額與資產之賬面值之差額計算）將計入取消確認年度之收益表內。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

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

Financial assets

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represent financial assets held for trading. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

4. 主要會計政策 (續)

金融工具

倘集團實體成為工具合約條文之訂約方，則於綜合資產負債表中確認金融資產及金融負債。金融資產及金融負債初次按公平價值計算。因收購或發行金融資產及金融負債（透過損益按公平價值計算之金融資產及金融負債除外）而直接產生之交易成本於初次確認時加入金融資產或金融負債之公平價值或自金融資產或金融負債之公平價值扣除（按適用者）。因收購透過損益按公平價值計算之金融資產或金融負債而直接產生之交易成本即時於損益中確認。

金融資產

本集團之金融資產分為以下三個類別之一：包括透過損益按公平價值計算之金融資產、貸款及應收賬款及可供出售金融資產。所有金融資產之日常買賣於交易日確認及取消確認。日常買賣指須根據市場規則或慣例訂立之時間內付運資產之金融資產買賣。就各類別之金融資產所採納之會計政策載列如下。

透過損益按公平價值計算之金融資產

透過損益按公平價值計算之金融資產即持作買賣之金融資產。於初步確認後之各結算日，透過損益按公平價值計算之金融資產乃按公平價值計算，而公平價值之變動乃於產生期間直接於損益確認。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

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 amounts due from related companies, amounts due from associates, trade and other receivables and loan receivables) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收賬款

貸款及應收賬款為附帶固定或可釐定付款之非衍生性質金融資產，而其在活躍市場並無報價。於初次確認後每一個結算日，貸款及應收賬款（包括應收關連公司款項、應收聯營公司款項、貿易及其他應收賬款及應收貸款）採用實際利率法按攤銷成本減任何已識別減值虧損列賬。倘有客觀證據顯示資產出現減值，則減值虧損會於損益確認，並按資產賬面值與按原實際利率折讓之估計未來現金流量之現值之差額計算。倘資產可收回金額之增幅能客觀地指出涉及確認減值後所發生之事件，則減值虧損會於其後期間撥回，惟減值撥回當日之資產賬面值不得超過如無確認減值時之原來應攤銷成本。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

可供出售金融資產

可供出售金融資產為未被指定或劃分為任何其他類別(載於上文)之非衍生項目。於初步確認後各結算日,可供出售金融資產按公平價值計算。公平價值之變動於股權確認,直至該金融資產被出售或決定被減值,屆時過往於股權確認之累計收入或虧損會自股權剔除,並於損益確認。可供出售金融資產之任何減值虧損於損益確認。可供出售之股權投資之減值虧損將不會於以後期間撥回。就可供出售債項投資而言,倘該投資之公平價值之增加客觀地與確認減值虧損後之事件有關,則減值虧損將於其後撥回。

就可供出售之股權投資而言,倘並無活躍市場之市價報價,而其公平價值未能可靠計算,則可供出售之股權投資於首次確認後之各個結算日按成本減任何已識別減值虧損計算。倘具備客觀證據顯示資產出現減值,則減值虧損於損益確認。減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折現之估計未來現金流量之現值間之差額計算。有關減值虧損將不會於往後期間撥回。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities generally include other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities including trade and other payables, loans from related companies, amounts due to associates, amounts due to related companies, obligations under finance leases, borrowings and promissory note are subsequently measured at amortised cost, using the effective interest rate method.

4. 主要會計政策 (續)

金融工具 (續)

金融負債及股權

由集團實體發行之金融負債及股權工具按所訂立之合約安排性質，以及金融負債及股權工具之定義而分類。

股權工具為證明本集團資產剩餘權益（經扣除其所有負債）之任何合約。本集團之金融負債一般包括其他金融負債。就金融負債及股權工具而採納之會計政策載列如下。

其他金融負債

其他金融負債（包括貿易及其他應付賬款、關連公司貸款、應付聯營公司款項、應付關連公司款項、融資租約之承擔、借貸及承兌票據）採用實際利率法按攤銷成本計量。

Notes to the Financial Statements

財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Convertible notes

Convertible notes issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. 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 notes and the fair value assigned to the liability component, representing the embedded call option for the holder to convert the loan notes into equity, is included in equity (convertible notes reserve).

In subsequent periods, the liability component of the convertible notes 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 Company, will remain in convertible notes reserve until the embedded option is exercised (in which case the balance stated in convertible notes reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes 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.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity 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 notes using the effective interest method.

Equity instruments

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

4. 主要會計政策 (續)

金融工具 (續)

金融負債及股權 (續)

可換股票據

本公司發行之可換股票據包括金融負債及股權部份，乃於初步確認時獨立分類為負債及股權部份。於初步確認時，負債部份之公平價值乃按類似不可轉換債務之現行市場利率釐定。發行可換股票據之所得款項與轉往負債部份之公平價值之差額，可讓持有人將貸款票據兌換為股權之認購期權，應列入股本（可換股票據儲備）。

於往後期間，可換股票據之負債部份，乃採用實際利率法按攤銷成本列賬。股權部份，即可將負債部份兌換為本公司普通股之期權，將保留於可換股票據儲備，直至附設之期權獲行使為止，在此情況下，可換股票據儲備之結餘將轉移至股權溢價。倘期權於到期日尚未獲行使，可換股票據儲備之結餘將撥至累計溢利。期權兌換或到期時將不會於損益中確認任何收益或虧損。

與發行可換股票據相關之交易成本乃按所得款項之劃分比例分配至負債及股權部份。與股權部份相關之交易成本乃直接計入股權內。與負債部份相關之交易成本乃計入負債部份之賬面值，並按可換股票據之期限採用實際利率法攤銷。

股本工具

由本公司發行之股本工具按收取之所得款項記錄，扣除直接發行成本。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)**Derivative financial instruments and hedging**

The Group uses derivative financial instruments to hedge its exposure against changes in the fair value certain of its investments held for trading. Such derivatives are measured at fair value regardless of whether they are designated as effective hedging instruments.

The Group's derivative financial instruments do not meet the requirements of hedge accounting in accordance with HKAS 39, accordingly, such derivatives are deemed as financial assets held for trading or financial liabilities held for trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

Derecognition

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

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

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

4. 主要會計政策 (續)

金融工具 (續)**衍生金融工具及對沖**

本集團利用衍生金融工具對沖其若干持作買賣之投資之公平價值變動。有關衍生工具不論是否指定為有效對沖工具，均按公平價值計算。

本集團之衍生金融工具並不符合香港會計準則第39號之對沖會計處理法要求，因此，有關衍生工具被視作持作買賣金融資產或持作買賣金融負債。有關衍生工具之公平價值變動直接於損益中確認。

取消確認

若從資產收取現金流量之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部份風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收代價及已直接於股權確認之累計損益之總和之差額，將於損益中確認。

就金融負債而言，則於本集團之綜合資產負債表中移除（即倘於有關合約之特定責任獲解除、取消或到期）。取消確認之金融負債賬面值與已付代價之差額乃於損益中確認。

持作出售之非流動資產

倘非流動資產及出售業務之賬面值將主要透過銷售交易而非持續使用而收回，則分類為持作出售。在銷售極可能進行及資產（或出售業務）按現有狀況可即時出售之情況下，方始視作符合此項條件。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost comprises all costs of purchase. Net realisable value is calculated at the actual or estimated selling price less related costs of marketing and selling.

Inventories

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

Impairment (other than goodwill)

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

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

4. 主要會計政策 (續)

持作出售物業

持作出售物業乃按成本及可變現淨值中之較低者列賬。成本包括所有採購成本。可變現淨值乃按實際或估計售價減有關推廣及銷售成本計算。

存貨

存貨以成本或可變現淨值兩者中之較低者列賬。成本乃按加權平均成本法計算。

減值 (商譽除外)

本集團於各結算日審閱其資產之賬面值以確定是否有任何跡象表明該等資產存在減值虧損。倘預計一項資產之可收回金額低於其賬面值，則該項資產之賬面值應扣減至其可收回金額。減值虧損即時確認為一項開支。

倘減值虧損於日後撥回，則該項資產之賬面值應增至其可收回金額已修訂後估值，惟所增加之賬面值不得超過假設該項資產於過往年度未出現減值虧損所釐定之賬面值。減值虧損撥回即時確認為收入。

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 amount 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 profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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 profit will be available to allow all or part of the asset to be recovered.

4. 主要會計政策 (續)

稅項

所得稅支出指本年度應付稅項及遞延稅項之總額。

本年度應付稅項乃按本年度之應課稅溢利計算。應課稅溢利與收益表所載之溢利有別，此乃由於其不包括其他年度之應課稅及可扣減之收入或支出，亦不包括永不課稅或不可扣減之項目。本集團之即期稅項負債乃按結算日已制定或大致上制定之稅率計算。

遞延稅項指按資產負債表負債法，就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用之相關稅基產生之一切差異計算預期應付或可予撥回之稅項。遞延稅項負債一般就一切應課稅暫時差異而予以確認，而遞延稅項資產則按可抵銷可動用之可扣減暫時差異之未來應課稅溢利而予以確認。倘於交易時產生之商譽或初步確認資產及負債所產生之暫時差異（業務合併除外），概不影響應課稅溢利或會計溢利之情況下，遞延資產及負債則不會予以確認。

遞延稅項負債就於附屬公司及聯營公司之投資所產生之應課稅暫時差異而予以確認，惟本集團在可控制暫時差異之撥回以及暫時差異於可預見將來不可能撥回時之情況下除外。

遞延稅項資產之賬面值於各結算日均予以檢討，並減少至不可能再有充足應課稅溢利可容許撥回所有或部份有關資產。

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited 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.

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

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

The Group as lessee

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

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

4. 主要會計政策 (續)

稅項 (續)

遞延稅項按預期於償還負債或資產變現之期間適用之稅率計算。遞延稅項於收益表扣除或入賬，惟當與直接於損益扣除或入賬之項目有關之情況下，遞延稅項則同樣於股本中處理。

租約

凡租約條款將租賃資產擁有權之絕大部分風險及利益撥歸於承租人之租約，均歸類為融資租約。所有其他租約均歸類為經營租約。

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法於綜合收益表內確認。於磋商及安排一項經營租約引致之初步直接成本乃加至租約資產之賬面值，並按租約年期以直線法確認作開支。

本集團作為承租人

按融資租約持有之資產按租約開始時之公平價值或（倘為較低者）按最低租約付款之現值確認為本集團資產。出租人之相應負債於資產負債表列作融資租約承擔。租約付款按比例於融資費用及減少租約承擔之間作出分配，從而使該等負債之應付餘額之息率固定。融資費用於損益中扣除。

經營租約之應付租金於有關租約期間按直線法於損益中扣除。作為促使訂立經營租約之已收及應收利益亦按租約期限以直線法分攤租金開支。

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財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated 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 re-translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the re-translation 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.

4. 主要會計政策 (續)

借貸成本

所有借貸成本均於產生期間確認，且計入綜合收益表之融資成本。

外幣

於編製每間個別集團實體的財務報表時，倘交易的貨幣（外幣）與實體的功能貨幣不同，則以其功能貨幣（實體經營業務的主要經濟環境）按交易日期適用的匯率換算入賬。於每個結算日，以外幣為面值的貨幣項目按結算日適用的匯率換算。外幣列值以公平價值入賬的非貨幣項目，按釐定公平價值日期適用匯率換算。惟外幣列值以歷史成本入賬的非貨幣項目則不予換算。

於結算及換算貨幣項目所產生的匯兌差異，於其產生期間在損益賬內確認。於再換算以公平價值入賬的非貨幣項目產生的匯兌差異則計入損益賬，惟因再換算有關收益及虧損直接於股本中確認的非貨幣項目時產生的差異則除外。於該情況下，其匯兌差異亦直接於股本中確認。

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財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange 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 assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Retirement benefit costs

Payments to the Group's defined contribution retirement benefit plans, state-managed retirement benefit schemes and/or the Mandatory Provident Fund Scheme are charged as expenses as they fall due.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2005, the carrying amount of goodwill is HK\$50,862,000. Details of the recoverable amount calculation are disclosed in note 23.

4. 主要會計政策 (續)

外幣 (續)

為呈列綜合財務報表的目的，本集團境外業務的資產及負債均以結算日適用匯率換算為本公司的呈列貨幣（即港元），而其收入及開支則以本年度平均匯率予以換算，除非期內外匯大幅波動，於此情況下，則按交易日期適用之匯率換算。產生的匯兌差異（如有）確認為一個股本的獨立構成部份（匯兌儲備）。該匯兌差異於該境外業務被出售期間於損益賬內確認。

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

退休福利成本

本集團定額供款退休福利計劃、國家主辦之退休福利計劃及／或強制性公積金計劃供款在到期支付時列作支出。

5. 估計不明朗因素之主要來源

估計商譽減值

要釐定商譽是否出現減值須估計獲分配商譽之現金產生單位之使用價值。使用價值計算要求本集團估計預期產生自現金產生單位之日後現金流量及合適之折讓率以計算現值。倘若實際之日後現金流量較預期為少，則可能會出現重大減值虧損。於二零零五年十二月三十一日，商譽之賬面值為50,862,000港元。有關可收回金額計算之詳情，於附註23披露。

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, loan receivables, amounts due from associates, amounts due from related companies, trade and other payables, loans from related companies, borrowings and promissory note. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Several subsidiaries of the Company have sales and trade receivables denominated in foreign currencies, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Fair value interest rate risk

The Group's fair value interest rate risk relates to its fixed-rate borrowings. However, the management considered the risk is insignificant to the Group.

Cash flow interest rate risk

The Group's cash flow interest rate risk relates primarily to variable-rate bank borrowings. The Group currently does not have any policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

6. 財務風險管理之目標及政策

本集團之主要財務工具包括貿易及其他應收賬款、應收貸款、應收聯營公司款項、應收關連公司款項、貿易及其他應付賬款、關連公司貸款、借貸及承兌票據。有關此等財務工具之詳情，於各自之附註中披露。下文載列有關此等財務工具所涉及之風險及如何減輕該等風險之政策。管理層管理及監管此等風險以確保能及時及有效落實妥善措施。

貨幣風險

本公司多間附屬公司均有以外幣計值之銷售及貿易應收賬款，本集團因此而承受外匯風險。本集團現時並沒有對沖外匯之政策。然而，管理層有對外匯風險進行監管，並會考慮在有需要之時候對沖重大外匯風險。

公平價值利率風險

本集團之公平價值利率風險涉及其定息借貸。然而，管理層認為有關風險對本集團而言實在微不足道。

現金流量利率風險

本集團之現金流量利率風險主要涉及浮息銀行借貸。本集團現時並沒有任何政策就現金流量對沖利率風險。然而，管理層有對利率風險進行監管，並會考慮在有需要之時候對沖重大利率風險。

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6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

7. TURNOVER

Turnover represents the amounts received and receivable from outside customers, less trade discounts and returns during the year. An analysis of the Group's turnover is as follows:

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Travel and related services	旅遊及相關服務	1,591,962	1,532,143
Hotel and leisure services	酒店及休閒服務	223,756	190,034
		1,815,718	1,722,177

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

During the year, for management purposes, the Group was organised into two operating divisions – travel and related services, and hotel and leisure services. These divisions are the basis on which the Group reports its primary segment information.

6. 財務風險管理之目標及政策 (續)

信貸風險

倘對方未能履行於二零零五年十二月三十一日有關各類已確認財務資產之責任，則本集團所承擔之最高信貸風險為綜合資產負債表所列之該等資產之賬面值。為減低信貸風險，本集團之管理層已委派一小組，負責釐定信貸限額、信貸批核及進行其他監察程序，以確保已採取跟進措施，收回逾期債項。此外，本集團亦審核各個貿易債項於各結算日之可收回金額，以確保已就不能收回金額提撥充足減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅減低。

7. 營業額

營業額指於年內已收及應收外間客戶之賬款減貿易折扣及退款。本集團營業額之分析如下：

8. 業務及地域分類

業務分類

於年內，為方便管理起見，本集團已分為兩個業務部門，分別為旅遊及相關服務與酒店及休閒服務。該等部門乃本集團報告其主要分類資料之基準。

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

Business segments (Continued)

Segment information about these businesses is presented as follows:

8. 業務及地域分類 (續)

業務分類 (續)

該等業務之分類資料呈列如下:

		Travel and related services HK\$'000 旅遊 及相關服務 千港元	Hotel and leisure services HK\$'000 酒店 及休閒服務 千港元	Elimination HK\$'000 對銷 千港元	Consolidated HK\$'000 綜合 千港元
For the year ended 31 December 2005	截至二零零五年 十二月三十一日止年度				
TURNOVER	營業額				
External sales	對外銷售	1,591,962	223,756	–	1,815,718
Inter-segment sales	類別間銷售	–	1,264	(1,264)	–
Total	合計	1,591,962	225,020	(1,264)	1,815,718
Inter-segment sales are charged at prevailing market price.	類別間銷售按 適用市價扣除。				
RESULTS	業績				
Segment results	分類業績	56,427	28,249	–	84,676
Interest income	利息收入				4,722
Discount on acquisition of subsidiaries	收購附屬公司 之折讓	–	34,574	–	34,574
Realised gain on derivative financial instruments	衍生金融工具之 已變現收益				5,650
Increase in fair value of investment property	投資物業之公平價值 增加				619
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之 已確認減值 虧損				(1,167)
Decrease in fair value of investments held for trading	持作買賣投資之 公平價值減少				(14,761)
Unallocated corporate expenses	未分配企業開支				(29,640)
Finance costs	融資成本				(59,376)
Share of results of associates	應佔聯營公司之業績	(396)	8,402	–	8,006
Loss on partial disposal of subsidiaries	出售部份附屬公司 之虧損	–	(3,177)	–	(3,177)
Profit before taxation	除稅前溢利				30,126
Taxation credit	稅項撥回				2,108
Profit for the year	本年度溢利				32,234

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8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

Business segments (Continued)

		業務分類 (續)		
		Travel and related services HK\$'000 旅遊及相關服務 千港元	Hotel and leisure services HK\$'000 酒店及休閒服務 千港元	Consolidated HK\$'000 綜合 千港元
At 31 December 2005	於二零零五年十二月三十一日			
ASSETS	資產			
Segment assets	分類資產	903,727	1,754,845	2,658,572
Interest in associates	於聯營公司之權益	20,823	199,599	220,422
Unallocated corporate assets	未分配企業資產			152,629
Consolidated total assets	綜合資產總值			3,031,623
LIABILITIES	負債			
Segment liabilities	分類負債	279,116	57,546	336,662
Unallocated corporate liabilities	未分配企業負債			1,280,917
Consolidated total liabilities	綜合負債總額			1,617,579
OTHER INFORMATION	其他資料			
Capital additions	資本性增加	24,672	6,761	31,433
Goodwill arising from acquisition of subsidiaries	收購附屬公司產生之商譽	647	—	647
Depreciation and amortisation of property, plant and equipment	物業、機器及設備之折舊及攤銷	6,088	54,655	60,743
Reversal of impairment loss in respect of leasehold land and buildings	租賃土地及樓宇之減值虧損撥回	(4,874)	—	(4,874)
Reversal of impairment loss in respect of properties under construction	在建物業之減值虧損撥回	(900)	—	(900)
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	175	305	480
Allowance for irrecoverable trade debts	不可收回貿易債項撥備	476	—	476

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8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

Business segments (Continued)

8. 業務及地域分類 (續)

業務分類 (續)

		Travel and related services HK\$'000 旅遊 及相關服務 千港元	Hotel and leisure services HK\$'000 酒店 及休閒服務 千港元	Elimination HK\$'000 對銷 千港元	Consolidated HK\$'000 綜合 千港元
For the year ended	截至二零零四年				
31 December 2004	十二月三十一日止年度				
TURNOVER	營業額				
External sales	對外銷售	1,532,143	190,034	–	1,722,177
Inter-segment sales	類別間銷售	–	1,234	(1,234)	–
Total	合計	1,532,143	191,268	(1,234)	1,722,177
Inter-segment sales are charged at prevailing market price.		類別間銷售按適用市價扣除。			
RESULTS	業績				
Segment results	分類業績	49,349	3,582	–	52,931
Interest income	利息收入				3,381
Increase in fair value of investment property	投資物業之公平價值增加				2,000
Net unrealised holding loss on other investments	持有其他投資之未變現虧損淨額				(127)
Impairment loss recognised in respect of investments in securities	證券投資之已確認減值虧損				(5,659)
Unallocated corporate expenses	未分配企業開支				(26,831)
Finance costs	融資成本				(66,282)
Share of results of associates	應佔聯營公司之業績	(195)	–	–	(195)
Gain on disposal of associates	出售聯營公司之收益	37,930	–	–	37,930
Loss before taxation	除稅前虧損				(2,852)
Taxation credit	稅項撥回				23
Loss for the year	本年度虧損				(2,829)

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8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

Business segments (Continued)

		業務分類 (續)		
		Travel and related services HK\$'000 旅遊及相關服務 千港元	Hotel and leisure services HK\$'000 酒店及休閒服務 千港元	Consolidated HK\$'000 綜合 千港元
At 31 December 2004	於二零零四年十二月三十一日			
ASSETS	資產			
Segment assets	分類資產	728,181	1,667,209	2,395,390
Interest in associates	於聯營公司之權益	1,989	–	1,989
Unallocated corporate assets	未分配企業資產			174,943
Consolidated total assets	綜合資產總值			2,572,322
LIABILITIES	負債			
Segment liabilities	分類負債	198,949	62,723	261,672
Unallocated corporate liabilities	未分配企業負債			1,382,206
Consolidated total liabilities	綜合負債總額			1,643,878
OTHER INFORMATION	其他資料			
Capital additions	資本性增加	5,221	1,696,828	1,702,049
Goodwill arising from acquisition of subsidiaries	收購附屬公司產生之商譽	50,215	–	50,215
Depreciation and amortisation of property, plant and equipment	物業、機器及設備之折舊及攤銷	4,204	52,853	57,057
Impairment losses recognised	已確認減值虧損	6,759	–	6,759
Reversal of impairment loss in respect of leasehold land and buildings	租賃土地及樓宇之減值虧損撥回	(4,511)	–	(4,511)
Loss (profit) on disposal of property, plant and equipment	出售物業、機器及設備之虧損(溢利)	365	(145)	220
Allowance for irrecoverable trade debts	不可收回貿易債項撥備	1,262	–	1,262

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8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

Geographical segments

No geographical segment information in respect of the Group's operations has been presented as over 90% of the Group's operations were derived from Hong Kong.

The analysis of carrying amount of segment assets and additions to property, plant and equipment and intangible assets by the geographical area in which the assets are located is as follows:

8. 業務及地域分類 (續)

地域分類

由於本集團90%以上之經營業務源自香港，故並無按地區分類呈列本集團經營業務資料。

分類資產賬面值及物業、機器及設備及無形資產之添置按資產所處之地區分析如下：

		Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
		2005	2004	2005	2004
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		分類資產之賬面值		物業、機器及設備及 無形資產之添置	
		二零零五年 千港元	二零零四年 千港元	二零零五年 千港元	二零零四年 千港元
The People's Republic of China (excluding Hong Kong) (the "PRC")	中華人民共和國 (不包括香港) (「中國」)	1,300,296	1,348,309	2,262	1,074,210
Hong Kong	香港	1,340,663	1,034,736	28,855	677,865
South-east Asia	東南亞	144,202	120,914	925	137
Japan and Korea	日本及韓國	23,771	64,710	—	—
Others	其他	2,269	1,664	38	52
		2,811,201	2,570,333	32,080	1,752,264

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9. OTHER OPERATING INCOME

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
An analysis of the Group's other operating income is as follows:	本集團之其他營運收入分析如下:		
Exchange gain	匯兌收益	81	135
Income on sales of computer systems for online travel reservation, and communication software	銷售用作網上旅遊預訂之電腦系統及通訊軟件之收入	12,218	—
Interest income	利息收入	4,722	3,381
Sundry income	雜項收入	3,394	17,268
		20,415	20,784

9. 其他營運收入

10. FINANCE COSTS

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Interest on obligations under finance leases	融資租約承擔之利息	18	133
Interest on borrowings wholly repayable within five years	須於五年內全數償還借貸之利息	41,386	39,997
Interest on convertible notes	可換股票據利息	1,982	16,331
Interest on promissory note	承兌票據利息	15,990	9,821
Total finance costs	總融資成本	59,376	66,282

10. 融資成本

11. PROFIT (LOSS) BEFORE TAXATION

11. 除稅前溢利(虧損)

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Profit (loss) before taxation has been arrived at after charging:	除稅前溢利(虧損)已扣除 下列支出:		
Allowance for irrecoverable trade debts	不可收回貿易債項 撥備	476	1,262
Auditors' remuneration	核數師酬金	4,644	2,878
Cost of inventories recognised as expenses	已確認為支出之 存貨成本	21,768	20,490
Depreciation and amortisation on:	折舊及攤銷:		
Owned assets	自置資產	60,533	56,408
Assets held under finance leases	以融資租約持有之資產	210	649
Loss on disposal of other investments	出售其他投資 之虧損	—	11
Loss on disposal of property, plant and equipment	出售物業、機器及 設備之虧損	480	220
Minimum lease payments paid in respect of rented premises	已付租賃物業之最低 租金付款	13,832	12,913
Share of tax of associates (included in share of results of associates)	應佔聯營公司稅項 (包括於應佔聯營公司業績內)	61	—
Staff costs *	僱員成本*	135,399	128,023
and after crediting:	並已計入:		
Rental income from investment property and premises within the hotel properties less outgoings of HK\$495,000 (2004: HK\$79,000)	扣除495,000港元支出 (二零零四年: 79,000港元)後 之投資物業及酒店物業內之 物業之租金收入	15,218	12,993
Rental income from motor vehicles	汽車之租金收入	388	74

* The amount includes retirement benefit scheme contributions (net of forfeiture) of HK\$6,908,000 (2004: HK\$5,910,000).

* 該金額包括退休福利計劃供款(扣除被沒收之供款)6,908,000港元(二零零四年: 5,910,000港元)。

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12. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES

Details of emoluments paid by the Group to each of the directors are as follows:

For the year ended 31 December 2005

12. 董事酬金及最高薪酬僱員

本集團支付予各董事之酬金詳情如下：

截至二零零五年十二月三十一日止年度

		Fees HK\$'000 袍金 千港元	Salaries and other benefits HK\$'000 薪金及 其他福利 千港元	Retirement benefit scheme contributions HK\$'000 退休福利 計劃供款 千港元	Total emoluments HK\$'000 總酬金 千港元
Executive directors:	執行董事：				
Mr. Yu Kam Kee, Lawrence <i>B.B.S., M.B.E., J.P.</i>	余錦基先生 B.B.S., M.B.E., J.P.	—	—	—	—
Mr. Cheung Hon Kit	張漢傑先生	—	1,265	5	1,270
Dr. Yap, Allan	Yap, Allan博士	—	—	—	—
Mr. Chan Pak Cheung, Natalis	陳百祥先生	—	—	—	—
Mr. Lui Siu Tsuen, Richard	呂兆泉先生	—	—	—	—
Ms. Luk Yee Lin, Ellen	陸綺蓮女士	—	664	12	676
Non-executive director:	非執行董事：				
Mr. Chan Yeuk Wai	陳若偉先生	—	1,800	12	1,812
Independent non-executive directors:	獨立非執行董事：				
Mr. Kwok Ka Lap, Alva	郭嘉立先生	—	39	—	39
Mr. Sin Chi Fai	冼志輝先生	47	—	—	47
Mr. Wong King Lam, Joseph	黃景霖先生	50	—	—	50
		97	3,768	29	3,894

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

12. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES (CONTINUED)

For the year ended 31 December 2004

12. 董事酬金及最高薪酬僱員 (續)

截至二零零四年十二月三十一日止年度

		Fees HK\$'000 袍金 千港元	Salaries and other benefits HK\$'000 薪金及 其他福利 千港元	Retirement benefit scheme contributions HK\$'000 退休福利 計劃供款 千港元	Total emoluments HK\$'000 總酬金 千港元
Executive directors:	執行董事：				
Mr. Yu Kam Kee, Lawrence <i>B.B.S., M.B.E., J.P.</i>	余錦基先生 B.B.S., M.B.E., J.P.	—	—	—	—
Mr. Cheung Hon Kit	張漢傑先生	—	2,890	12	2,902
Dr. Yap, Allan	Yap, Allan博士	—	—	—	—
Mr. Chan Pak Cheung, Natalis	陳百祥先生	—	—	—	—
Mr. Lui Siu Tsuen, Richard	呂兆泉先生	—	—	—	—
Ms. Luk Yee Lin, Ellen	陸綺蓮女士	—	664	12	676
Dr. Chan Kwok Keung, Charles*	陳國強博士*	—	—	—	—
Non-executive director:	非執行董事：				
Mr. Chan Yeuk Wai	陳若偉先生	—	2,923	45	2,968
Mr. Fok Kin-ning, Canning*	霍建寧先生*	—	—	—	—
Ms. Shih, Edith*	施熙德女士*	—	—	—	—
Independent non-executive directors:	獨立非執行董事：				
Mr. Kwok Ka Lap, Alva	郭嘉立先生	30	—	—	30
Mr. Sin Chi Fai	冼志輝先生	—	—	—	—
Mr. Wong King Lam, Joseph	黃景霖先生	—	—	—	—
Mr. Lai Hing Chin, Dominic*	黎慶超先生*	—	—	—	—
		30	6,477	69	6,576

* The directors resigned in 2004.

* 董事已於二零零四年辭任。

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

12. DIRECTORS' REMUNERATION AND HIGHEST PAID EMPLOYEES (CONTINUED)

Note: The directors' salaries and other benefits include the operating lease rentals amounting to HK\$500,000 (2004: HK\$1,200,000) in respect of rental premises provided to directors. The amounts were also included in the minimum lease payments paid in respect of rental premises under note 11 above.

Details of emoluments paid by the Group to the five highest paid individuals (including directors, details of whose emoluments are set out above) are as follows:

12. 董事酬金及最高薪酬僱員 (續)

附註：董事薪金及其他福利包括就向董事提供租賃物業之經營租約租金為500,000港元（二零零四年：1,200,000港元），此筆款項亦已包括在上文附註11有關租賃物業之最低租金付款內。

本集團支付予五位最高薪人士（包括董事，其酬金詳情載於上文）之酬金詳情如下：

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Salaries and other benefits	薪金及其他福利	7,127	10,003
Retirement benefit scheme contributions	退休福利計劃供款	141	179
		7,268	10,182
		2005 二零零五年	2004 二零零四年
Emoluments of the five highest paid individuals were within the following bands:	以下為五位最高薪人士之酬金組別：		
Nil – HK\$1,000,000	零至1,000,000港元	–	–
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	3	2
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至2,000,000港元	2	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至2,500,000港元	–	–
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至3,000,000港元	–	2
Number of directors	董事數目	2	2
Number of employees	僱員數目	3	3
		5	5

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

13. TAXATION CREDIT

(Under) overprovision for taxation in other jurisdictions in prior years	於過往年度其他司法權區稅項之 (撥備不足) 超額撥備
Deferred tax (note 39)	遞延稅項 (附註39)
Taxation credit	稅項撥回

No provision for Hong Kong Profits Tax has been made as the companies comprising the Group either have no assessable profit in the year or the estimated assessable profits were wholly absorbed by tax losses brought forward.

Taxation for other jurisdictions represents (under) overprovision for taxation in prior years. No provision for overseas taxation has been made as the Group has no taxable profit during the years ended 31 December 2004 and 2005 in other jurisdictions.

13. 稅項撥回

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
(63)	23
2,171	—
2,108	23

由於本集團旗下之公司於年內並無任何應課稅溢利或估計應課稅溢利已全數計入稅項虧損結轉，故並無作出香港利得稅撥備。

其他司法權區之稅項指過往年度稅項之(撥備不足)超額撥備。由於本集團於截至二零零四年及二零零五年十二月三十一日止年度內在其他司法權區並無應課稅溢利，故並無就海外稅項作出撥備。

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

13. TAXATION CREDIT (CONTINUED)

Taxation credit for the year can be reconciled to the profit (loss) before taxation per the consolidated income statement as follows:

13. 稅項撥回 (續)

本年度之稅項撥回可與綜合收益表之除稅前溢利(虧損)進行對賬:

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Profit (loss) before taxation	除稅前溢利(虧損)	30,126	(2,852)
Tax at the domestic income tax rate of 17.5% (2004: 17.5%)	按本地利得稅率17.5% (二零零四年: 17.5%) 計算之稅項	(5,272)	499
Tax effect of share of results of associates	應佔聯營公司業績之 稅務影響	1,401	(34)
Tax effect of expenses that are not deductible in determining taxable profit	於釐定應課稅溢利時 不可扣減之開支之 稅務影響	(13,706)	(8,358)
Tax effect of income that is not taxable in determining taxable profit	於釐定應課稅溢利時 毋須課稅之收入之 稅務影響	12,688	13,999
Tax effect of tax losses not recognised	未確認之稅務虧損之 稅務影響	(7,965)	(6,645)
Tax effect of tax losses utilised but not previously recognised	已動用但之前未確認之稅務 虧損之稅務影響	13,548	3,604
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之 附屬公司不同稅率 之影響	1,477	(3,065)
(Under) overprovision in prior years	過往年度之(撥備不足)超額撥備	(63)	23
Taxation credit for the year	本年度之稅項撥回	2,108	23

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

14. DIVIDENDS

Interim dividend paid of HK2 cents 已付中期股息每股2港仙
per share (2004: nil) (二零零四年:無)

The directors have declared a final dividend of HK1.5 cents per share for the year ended 31 December 2005 (2004: nil) to those shareholders whose names appear on the register of members of the Company on 24 May 2006.

14. 股息

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
8,752	—

董事向於二零零六年五月二十四日名列本公司股東名冊之股東宣派截至二零零五年十二月三十一日止年度之末期股息每股1.5港仙(二零零四年:無)。

15. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

15. 每股盈利

每股基本盈利乃按下列數據計算:

Earnings for the purpose of basic 用作計算每股基本盈利之盈利
earnings per share

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
31,109	8,556

Weighted average number of 用作計算每股基本盈利
ordinary shares for the purpose 之普通股加權
of basic earnings per share 平均數

Number of shares 股份數目	
2005 二零零五年	2004 二零零四年
418,541,133	201,251,437

Notes:

附註:

- (a) No disclosure of diluted earnings per share has been presented for the year ended 31 December 2004 and 2005 as the conversion of the Company's convertible notes would increase the earnings per share.

- (a) 本公司並無呈列截至二零零四年及二零零五年十二月三十一日止年度每股攤薄盈利之披露,理由為兌換本公司之可換股票據會導致每股盈利有所增加。

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

15. EARNINGS PER SHARE (CONTINUED)

- (b) A reconciliation of the restatement of basic earnings per share to adjust for the effects of changes in accounting policies is as follows:

Reported figures before adjustment	調整前所報數字
Effects of changes in accounting policies	會計政策變動之影響
Restated	重列

15. 每股盈利 (續)

- (b) 為調整會計政策變動之影響而重列之每股基本盈利對賬如下：

2005 HK\$ 二零零五年 港元	2004 HK\$ 二零零四年 港元
0.06	0.18
0.01	(0.14)
0.07	0.04

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、機器及設備

		Leasehold land and buildings HK\$'000	Hotel properties HK\$'000 Note (a)	Properties under con- struction HK\$'000	Furniture and fixtures HK\$'000	Leasehold improve- ments HK\$'000	Motor vehicles HK\$'000	Office equipment and machinery HK\$'000	Vessels HK\$'000	Total HK\$'000
		租賃 土地及樓宇 千港元	酒店物業 千港元 附註(a)	在建物業 千港元	傢俬 及裝置 千港元	租賃 物業裝修 千港元	汽車 千港元	辦公室 設備及機器 千港元	船隻 千港元	合計 千港元
COST OR VALUATION	成本或估值									
At 1 January 2004	於二零零四年一月一日	80,153	–	46,728	3,361	8,592	1,017	15,648	6,467	161,966
Currency realignment	幣值調整	–	–	–	195	118	20	243	–	576
Acquisition of subsidiaries	收購附屬公司	–	1,604,752	–	54,422	15,907	1,448	6,665	–	1,683,194
Additions	添置	–	–	–	4,220	12,043	937	1,655	–	18,855
Disposals	出售	(42,128)	–	–	(7,198)	(5,180)	(443)	(905)	–	(55,854)
At 31 December 2004	於二零零四年十二月三十一日	38,025	1,604,752	46,728	55,000	31,480	2,979	23,306	6,467	1,808,737
Currency realignment	幣值調整	–	20,363	–	910	518	82	1,378	–	23,251
Acquisition of subsidiaries	收購附屬公司	–	–	–	–	393	–	1,000	–	1,393
Additions	添置	–	–	–	4,674	5,470	5,921	2,593	11,382	30,040
Disposals	出售	–	–	–	(3,040)	(30)	(1,925)	(1,134)	(153)	(6,282)
At 31 December 2005	於二零零五年十二月三十一日	38,025	1,625,115	46,728	57,544	37,831	7,057	27,143	17,696	1,857,139
Comprising	包括									
At cost	按成本	31,025	1,625,115	46,728	57,544	37,831	7,057	27,143	17,696	1,850,139
At valuation	按估值	7,000	–	–	–	–	–	–	–	7,000
		38,025	1,625,115	46,728	57,544	37,831	7,057	27,143	17,696	1,857,139
DEPRECIATION, AMORTISATION AND IMPAIRMENT	折舊、攤銷 及減值									
At 1 January 2004	於二零零四年一月一日	58,939	–	8,128	2,087	3,943	583	12,598	5,475	91,753
Currency realignment	幣值調整	–	–	–	152	17	16	197	–	382
Provided for the year (Reversal of impairment loss)	本年度撥備 (減值虧損撥回)	299	30,119	–	17,771	5,464	526	2,697	181	57,057
impairment loss recognised for the year (note (c))	本年度已確認 減值虧損 (附註(c))	(4,511)	–	1,100	–	–	–	–	–	(3,411)
Eliminated on disposals	出售時撇除	(33,161)	–	–	(6,501)	(4,793)	(443)	(828)	–	(45,726)
At 31 December 2004	於二零零四年十二月三十一日	21,566	30,119	9,228	13,509	4,631	682	14,664	5,656	100,055
Currency realignment	幣值調整	–	1,502	–	711	86	60	1,027	–	3,386
Provided for the year	本年度撥備	364	30,119	–	15,718	7,565	1,200	5,343	434	60,743
Reversal of impairment loss for the year (note (c))	本年度減值虧損撥回 (附註(c))	(4,874)	–	(900)	–	–	–	–	–	(5,774)
Eliminated on disposals	出售時撇除	–	–	–	(2,734)	(19)	(230)	(1,053)	(95)	(4,131)
At 31 December 2005	於二零零五年十二月三十一日	17,056	61,740	8,328	27,204	12,263	1,712	19,981	5,995	154,279
CARRYING VALUES	賬面值									
At 31 December 2005	於二零零五年十二月三十一日	20,969	1,563,375	38,400	30,340	25,568	5,345	7,162	11,701	1,702,860
At 31 December 2004	於二零零四年十二月三十一日	16,459	1,574,633	37,500	41,491	26,849	2,297	8,642	811	1,708,682

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16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Leasehold land and buildings	Over the remaining unexpired terms of the leases
Hotel properties	Over the remaining unexpired terms of the leases
Furniture and fixtures	10% – 20%
Leasehold improvements	10% – 20% or the term of the lease or land use rights, if shorter
Motor vehicles	8.33% – 20%
Office equipment and machinery	20%
Vessels	5%

An analysis of the properties of the Group held at the balance sheet date is as follows:

16. 物業、機器及設備 (續)

以上物業、機器及設備項目乃按直線基準以下列年率折舊：

租賃土地及樓宇	按租約剩餘年期
酒店物業	按租約剩餘年期
傢俬及裝置	10%-20%
租賃物業裝修	10%-20% (或租賃或土地使用權之年期·以較低者為準)
汽車	8.33%-20%
辦公室設備及機器	20%
船隻	5%

本集團於結算日所持有之物業分析如下：

		Leasehold land and buildings		Hotel properties		Properties under construction	
		2005 HK\$'000 租賃土地及樓宇 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2005 HK\$'000 酒店物業 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2005 HK\$'000 在建物業 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Long leases in Hong Kong	於香港之長期租約	16,879	13,299	614,856	620,510	–	–
Medium term leases in Hong Kong	於香港之中期租約	4,090	3,160	–	–	–	–
Medium term leases in the PRC (note b)	於中國之中期租約 (附註 b)	–	–	948,519	954,123	38,400	37,500
		20,969	16,459	1,563,375	1,574,633	38,400	37,500

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

- (a) Included in the hotel properties at the balance sheet date is a hotel property with a carrying value of HK\$142,195,000 (2004: HK\$143,104,000) situated in Luoyang, the PRC and held under a medium term land use rights. The land use rights of the hotel property is currently held by Luoyang Power Supply Bureau, a minority shareholder of the subsidiary holding the hotel property. Pursuant to a land use rights agreement entered into between Luoyang Power Supply Bureau and the subsidiary on 15 April 1999 (before the Group acquired the said subsidiary in 2004), Luoyang Power Supply Bureau agreed to permit the said subsidiary to use the land use rights of the hotel property for a term commencing from April 1999 to April 2049 for hotel use.
- (b) Included in the hotel properties held under medium term leases in the PRC of HK\$948,519,000 (2004: HK\$954,123,000) is a hotel property with a carrying value of approximately HK\$210,860,000 (2004: HK\$212,050,000) of which a subsidiary of the Company has been granted the right to operate and manage the hotel in Guangzhou, the PRC for a period from January 1987 to January 2017, and subject to certain conditions to be fulfilled, the operating period may be extended for a further period of 20 years.
- (c) The directors reviewed the carrying amounts of its property, plant and equipment as at 31 December 2005 and identified that the value of properties under construction and certain properties has increased (2004: the value of properties under construction was impaired and the value of certain properties was increased). Accordingly, the carrying amounts of properties under construction and properties were stated to their recoverable amounts, which were determined with reference to the independent professional valuation on open market value as at 31 December 2004 and 2005.

The independent professional valuation as at 31 December 2005 has been carried out by Norton Appraisals Limited, an independent qualified professional valuer not connected with the Group. Norton Appraisals Limited has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which was carried out in accordance with the HKIS Valuation Standards on Properties (1st Edition) published by the Hong Kong Institute of Surveyors, was arrived at by reference to market evidence of transaction prices for similar properties.

16. 物業、機器及設備 (續)

附註:

- (a) 於結算日之酒店物業包括於中國洛陽市賬面值達142,195,000港元(二零零四年:143,104,000港元)之酒店物業。該項物業乃按中期租約土地使用權持有。該酒店土地使用權現時由持有該酒店物業之附屬公司之少數股東洛陽市電業局持有。根據洛陽市電業局及該附屬公司於一九九九年四月十五日訂立之土地使用權協議(於本集團在二零零四年收購該附屬公司前),洛陽市電業局同意批准上述附屬公司使用該酒店物業之土地使用權,為期由一九九九年四月至二零零四年四月,以作酒店用途。
- (b) 於中國以中期租約持有之948,519,000港元(二零零四年:954,123,000港元)酒店物業包括一間賬面值約210,860,000港元(二零零四年:212,050,000港元)之酒店物業,而本公司之附屬公司獲授該間位於中國廣州市之酒店之經營及管理權,為期一九八七年一月至二零一七年一月,而在若干須予達成之條件規限下,經營期可進一步延長二十年。
- (c) 董事已檢討於二零零五年十二月三十一日物業、機器及設備之賬面值,並確認在建物業及若干物業之價值有所增加(二零零四年:在建物業出現減值,而若干物業之價值則有所增加)。因此,在建物業及物業之賬面值已按其可收回金額列賬。而可收回金額乃參照二零零四年及二零零五年十二月三十一日之公開市價作出之獨立專業估值釐定。

於二零零五年十二月三十一日之獨立專業估值由普敦國際評估有限公司進行,普敦國際評估有限公司乃與本集團無關連之獨立合資格專業估值師。普敦國際評估有限公司擁有適當之資格及對相關地區類似物業之近期估值經驗。估值根據香港測量師學會刊發之物業估值準則(第一版)進行,並參考類似物業於市場之成交價作出。

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16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of property, plant and equipment which are stated at valuation at the balance sheet date are as follows:

At valuation	按估值
– 31 July 1997	– 一九九七年七月三十一日
– 31 March 1998	– 一九九八年三月三十一日
Less: Accumulated depreciation, amortisation and impairment	減：累計折舊、攤銷及減值
Net book value	賬面淨值

The valuations as at 31 July 1997 and 31 March 1998 represented the carrying values (equivalent to their approximate fair values) of the leasehold land and buildings at the time when they ceased to be classified as investment properties. Had the leasehold properties been carried at their historical cost less accumulated depreciation, amortisation and impairment losses, the carrying value of the leasehold properties would have been stated at HK\$2,310,000 (2004: HK\$2,372,000).

The net book value of motor vehicles, and office equipment and machinery of the Group held under finance leases as at 31 December 2005 was HK\$137,000 (2004: HK\$1,774,000).

The net book value of motor vehicles of the Group leased to outsiders to earn rental income as at 31 December 2005 was HK\$703,000 (2004: HK\$890,000).

16. 物業、機器及設備 (續)

物業、機器及設備於結算日之估值詳情如下：

Leasehold land and buildings	
2005	2004
HK\$'000	HK\$'000
租賃土地及樓宇	
二零零五年 千港元	二零零四年 千港元
4,800	4,800
2,200	2,200
7,000	7,000
(4,690)	(4,628)
2,310	2,372

於一九九七年七月三十一日及一九九八年三月三十一日之估值指租賃物業及樓宇不再歸類為投資物業時之賬面值（約相等於其公平價值）。若租賃物業以歷史成本減累計折舊、攤銷及減值虧損列賬，則該等租賃物業之賬面值應為2,310,000港元（二零零四年：2,372,000港元）。

於二零零五年十二月三十一日，以融資租約持有之汽車、辦公室設備及機器之賬面淨值為137,000港元（二零零四年：1,774,000港元）。

於二零零五年十二月三十一日，本集團向外界人士出租汽車以賺取租金收入之汽車之賬面淨值為703,000港元（二零零四年：890,000港元）。

17. INVESTMENT PROPERTY/ASSET CLASSIFIED AS HELD FOR SALE

17. 投資物業／分類為持作出售之資產

Fair value of investment property: 投資物業之公平價值：

At beginning of the year 於年初
Increase in fair value 公平價值增加
Reclassified as held for sale 重新分類為持作買賣

At end of the year 於年底

Asset classified as held for sale 分類為持作出售之資產

The investment property of the Group is freehold and held outside Hong Kong.

On 13 July 2005, the Group entered into a sale agreement to dispose of the investment property. The disposal was completed on 20 January 2006, on which date the beneficial ownership was passed to the acquirer.

The fair value of the Group's investment property before reclassification as asset classified as held for sale was determined based on its selling price at 20 January 2006. In the opinion of directors, there is no material difference between the fair value of investment property at 31 December 2005 and its fair value at 20 January 2006.

The Group's property interest held under operating leases to earn rentals was measured using the fair value model and was classified and accounted for as investment property.

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
3,400	1,400
619	2,000
(4,019)	—
—	3,400
4,019	—

本集團擁有該投資物業之永久業權，並於香港以外持有。

於二零零五年七月十三日，本集團訂立一份銷售協議，出售投資物業。有關出售已於二零零六年一月二十日完成，投資物業之實益擁有權亦於該日轉移至買家。

在重新分類列作持作出售之資產前，本集團投資物業之公平價值乃根據其於二零零六年一月二十日之售價而釐定。董事認為，投資物業於二零零五年十二月三十一日之公平價值與其於二零零六年一月二十日之公平價值並無重大差異。

本集團根據經營租約賺取租金而持有之物業權益乃以公平價值模式計量，並分類及計入為投資物業。

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18. INTEREST IN ASSOCIATES

Cost of investment in associates, 於非上市聯營公司之投資成本
unlisted
Share of post-acquisition reserves 應佔收購後儲備

18. 於聯營公司之權益

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
219,137	3,903
1,285	(1,914)
220,422	1,989

Particulars of the Group's associates as at 31 December 2005 are as follows:

本集團之聯營公司於二零零五年十二月三十一日之詳情如下：

Name of associate	Form of business structure	Place of incorporation and operation	Issued and paid up share capital/ registered capital '000 已發行及已繳足股本／註冊資本 千元	Proportion of issued/registered capital held by the Group 2005 本集團持有已發行／註冊資本比率 二零零五年	2004 二零零四年	Principal activities
聯營公司名稱	業務架構形式	註冊成立及營業地點				主要業務
Ananda Travel Service (Aust.) Pty. Limited	Limited liability company	Australia	A\$400	40%	40%	Travel and related services
Ananda Travel Service (Aust.) Pty. Limited	有限責任公司	澳洲	400澳元	40%	40%	旅遊及相關服務
Feng Ze Investments Limited ("Feng Ze")	Limited liability company	Macau	MOP115	28.5%	—	Investment holding
豐澤投資有限公司 (「豐澤」)	有限責任公司	澳門	葡幣115元	28.5%	—	投資控股
Kingsway Hotel Limited ("Kingsway Hotel")	Limited liability company	Macau	MOP500	31.7%	—	Hotel ownership and operation
金域酒店有限公司 (「金域酒店」)	有限責任公司	澳門	葡幣500元	31.7%	—	擁有及經營酒店
Travoo International Limited	Limited liability company	British Virgin Islands	US\$6,120	50%	—	Investment holding
Travoo International Limited	有限責任公司	英屬維爾京群島	6,120美元	50%	—	投資控股
Wing On International Travel Service Ltd. Guangdong	Sino-foreign equity joint venture	PRC	RMB5,000	49%	49%	Travel and related services
廣東永安國際旅行社有限公司	中外合資公司	中國	人民幣5,000元	49%	49%	旅遊及相關服務
Xin Wei Property Investment Company Limited	Limited liability company	Macau	MOP100	31.7%	—	Investment holding
恒威投資有限公司	有限責任公司	澳門	葡幣100元	31.7%	—	投資控股

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18. INTEREST IN ASSOCIATES (CONTINUED)

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

18. 於聯營公司之權益 (續)

本集團聯營公司之財務報表摘要載列如下：

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Total assets	資產總值	562,873	17,318
Total liabilities	負債總額	161,554	11,053
Net assets	資產淨值	401,319	6,265
Share of net assets	應佔資產淨值	220,422	1,989
Turnover	營業額	111,531	61,246
Profit (loss) for the year	本年度溢利(虧損)	13,381	(418)
Share of results of associates for the year	本年度應佔聯營 公司業績	8,006	(195)

19. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments as at 31 December 2005 comprise:

19. 可供出售投資

於二零零五年十二月三十一日之可供出售投資包括：

		HK\$'000 千港元
Equity securities	股本證券	
Unlisted shares, at cost	非上市股份·按成本值	126,425
Less: Impairment losses recognised	減：已確認之減值虧損	(33,800)
		92,625

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

19. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

Particulars of the Group's major available-for-sale investments as at 31 December 2005 are as follows:

Name of entity	Place of incorporation and operation	Issued and paid up share capital/ registered capital '000	Proportion of issued/registered capital held by the subsidiaries		Interest attributable to the Group		Principal activities
			2005	2004	2005	2004	
實體名稱	註冊成立及經營地點	已發行及繳足股本／註冊資本 千港元	二零零五年	二零零四年	二零零五年	二零零四年	主要業務
Guilin Osmanthus Hotel	PRC	US\$3,489	49.5% Note (a)	49.5%	49.5%	49.5%	Operation of a hotel
桂林市丹桂大酒店	中國	3,489美元	49.5% 附註(a)	49.5%	49.5%	49.5%	經營酒店
Guangxi Guijia Property Management Company Limited ("Guangxi Guijia")	PRC	US\$8,021	26% Note (b)	26%	18.2%	18.2%	Property holding and operation of leisure services
廣西桂嘉物業管理有限公司 (「廣西桂嘉」)	中國	8,021美元	26% 附註(b)	26%	18.2%	18.2%	持有物業及經營休閒服務

Notes:

- (a) Though the Group holds a 49.5% interest in Guilin Osmanthus Hotel, the directors considered that the Group cannot exercise influence on the financial and operating policies of Guilin Osmanthus Hotel and accordingly, it is classified as an available-for-sale investment. The directors reviewed its carrying amount and considered that it is unlikely to recover the interest in Guilin Osmanthus Hotel and the present value of the estimated future cash flows expected to arise from the investment is minimal. Accordingly, an impairment loss of HK\$26,974,000 was recognised in the financial statements to write down the carrying amount of the investment. At 31 December 2004, the investment was classified as investment securities (note 20) and an impairment loss of HK\$26,974,000 was recognised in the financial statements.
- (b) Though a subsidiary of the Group holds a 26% interest in Guangxi Guijia, the directors considered that the Group cannot exercise significant influence on the financial and operating policies of Guangxi Guijia and accordingly, it is classified as an available-for-sale investment. At 31 December 2005, the directors reviewed its carrying amount with reference to its net assets and considered that it is unlikely to recover the full amount of the interest in Guangxi Guijia and accordingly an impairment loss of HK\$6,826,000 was recognised in the financial statements to write down the carrying amount of the investment to its recoverable amount. At 31 December 2004, the investment was classified as investment securities (note 20) and an impairment loss of HK\$5,659,000 was recognised in the financial statements.

19. 可供出售投資 (續)

於二零零五年十二月三十一日本集團主要可供出售投資之詳情如下:

附註:

- (a) 雖然本集團持有桂林市丹桂大酒店49.5%之權益，惟董事認為，本集團並不能對桂林市丹桂大酒店在財務及經營政策上行使影響力，因此，桂林市丹桂大酒店乃被分類為一項可供出售投資。董事曾對其賬面值進行審核，認為收回桂林市丹桂大酒店權益之機會不大，而且預期從有關投資產生之估計未來現金流量現值甚低。因此在財務報表中確認一筆為數26,974,000港元之減值虧損，以減低投資之賬面值。於二零零四年十二月三十一日，有關投資被分類為投資證券（附註20），並於財務報表中確認一筆26,974,000港元之減值虧損。
- (b) 雖然本集團一間附屬公司持有廣西桂嘉26%之權益，惟董事認為，本集團並不能對廣西桂嘉在財務及經營政策上行使影響力，因此，廣西桂嘉乃被分類為一項可供出售投資。於二零零五年十二月三十一日，董事曾參照其淨資產以對其賬面值進行審核，認為收回廣西桂嘉全數權益之機會不大，因此在財務報表中確認一筆為數6,826,000港元之減值虧損，以減低投資之賬面值至其可收回金額。於二零零四年十二月三十一日，有關投資被分類為投資證券（附註20），並於財務報表中確認一筆5,659,000港元之減值虧損。

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20. INVESTMENTS IN SECURITIES

Upon the application of HKAS 39 on 1 January 2005, investment securities were reclassified to appropriate categories under HKAS 39 (see note 2 for details). Investment securities as at 31 December 2004 are set out below.

20. 證券投資

於二零零五年一月一日應用香港會計準則第39號時，投資證券乃被重新分類至香港會計準則第39號項下適當之類別中（詳情見附註2）。於二零零四年十二月三十一日之投資證券載列如下：

		Investment securities HK\$'000 投資證券 千港元	Other investments HK\$'000 其他投資 千港元	Total HK\$'000 合計 千港元
Equity securities	股本證券			
Unlisted shares, at cost	非上市股份·按成本	126,422	—	126,422
Listed shares in Hong Kong	香港上市股份	—	2,778	2,778
		126,422	2,778	129,200
Less: Impairment losses recognised	減：已確認減值虧損	(32,633)	—	(32,633)
		93,789	2,778	96,567
Market value of listed shares	上市股份市值	—	2,778	2,778
Carrying amount analysed for reporting purposes as:	為呈報目的而按下列分析之賬面值：			
Non-current	非流動	93,789	—	93,789
Current	流動	—	2,778	2,778
		93,789	2,778	96,567

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21. GOODWILL

COST	成本
At beginning of the year	於年初
Arising from acquisition during the year (note 43 (a) and (c))	於年內收購而產生 (附註43(a)及(c))
At end of the year	於年底
CARRYING VALUES	賬面值
At end of the year	於年底

Particulars regarding impairment testing on goodwill are disclosed in note 23.

Until 31 December 2004, goodwill had been amortised over 20 years.

No amortisation was provided for the goodwill arising during the year ended 31 December 2004 as the acquisition was completed in December 2004. The directors considered that the amount involved was insignificant.

21. 商譽

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
50,215	—
647	50,215
50,862	50,215
50,862	50,215

有關商譽減值測試之詳情於附註23中披露。

截至二零零四年十二月三十一日，商譽於20年內攤銷。

由於收購已於二零零四年十二月完成，故並無就截至二零零四年十二月三十一日止年度內產生之商譽提撥攤銷。董事認為涉及之金額並不重大。

22. NEGATIVE GOODWILL

22. 負商譽

		HK\$'000 千港元
GROSS AMOUNT	總額	
Arising on acquisition during the year ended 31 December 2004 (note 43(b))	於截至二零零四年十二月三十一日 止年度內因收購而產生(附註43(b))	74,514
RELEASED TO INCOME	確認為收入	
Released during the year ended 31 December 2004	於截至二零零四年十二月三十一日 止年度內確認	(1,863)
At 31 December 2004	於二零零四年十二月三十一日	72,651
Derecognised upon the application of HKFRS 3	於應用香港財務報告準則 第3號時取消確認	(72,651)
At 1 January 2005	於二零零五年一月一日	—

As explained in note 2, all negative goodwill arising on acquisitions prior to 1 January 2005 was derecognised as a result of the application of HKFRS 3.

誠如在附註2所作之解釋，於二零零五年一月一日之前收購而產生之所有負商譽已因為應用香港財務報告準則第3號之原故而取消確認。

23. IMPAIRMENT TESTING ON GOODWILL

23. 商譽減值測試

As explained in note 8, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing, goodwill as set out in note 21 has been allocated to the cash generating unit ("CGU") of the travel and related services segment.

誠如在附註8所作之解釋，本集團利用業務分類作為其呈報分類資料之主要分類。就減值測試而言，載於附註21之商譽已獲分配至旅遊及相關服務之現金產生單位。

The recoverable amount of this CGU has been determined on the basis of value in use calculation. The key assumptions for the value in use calculation are those regarding the discount rates, growth rates and expected changes to revenue and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in revenue and direct costs are based on past practices and expectations of future changes in the market.

此項現金產生單位之可收回金額乃按使用價值之基準計算。計算使用價值時之主要假設為年內之折讓率、增長率及收益與直接成本之預期變動。管理層乃採用稅前比率(足以反映有關現金產生單位獨有之貨幣之時間價值及風險之現行市場評估)估計折讓率。增長率按業內增長預測計算。收益及直接成本之變動則按過往慣例及預期市場未來變化而釐定。

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23. IMPAIRMENT TESTING ON GOODWILL

(CONTINUED)

During the year, the Group performed impairment review for goodwill based on cash flow forecasts derived from the most recent financial budgets for the next five years approved by management using a discount rate of 15.5%, while the remaining forecast is based on the financial budget of the previous year under a 3% annual growth rate assumption. The value in use calculated by using the discount rate is higher than the carrying amount of CGU, accordingly, no impairment loss was considered necessary.

24. INVESTMENT DEPOSITS

Deposits for the acquisition of 100% interests in companies holding land use rights in the PRC (note a)	收購於國內持有土地使用權之公司之100%權益之訂金 (附註a)
Deposits for the acquisition of a hotel booking business (note b)	收購一家酒店訂房業務之訂金 (附註b)
Deposits for the acquisition of subsidiaries (note c)	收購附屬公司之訂金 (附註c)

23. 商譽減值測試 (續)

年內，本集團按15.5%之折讓率計算管理層新近批准未來五個年度之財政預算所得出之現金流量預測，為商譽進行減值審核，而餘下之預測則在假設有3%年增長率之情況下，根據上一年度之財政預算計算。以折讓率計算之使用價值較現金產生單位之賬面值為高，據此，並無需要考慮減值虧損。

24. 投資訂金

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
150,000	150,000
51,419	50,945
—	20,750
201,419	221,695

24. INVESTMENT DEPOSITS (CONTINUED)

Notes:

- (a) The amount represents deposits paid for the acquisition of 100% equity interests in certain companies holding land use rights in the PRC for various development projects, with the objective of developing hotels, shopping malls, recreational and other tourists related amenities respectively. The aggregate consideration for the purchase amounted to HK\$180,000,000. The transactions have not been completed as at the date of this report.
- (b) The amount represents the deposits paid for the acquisition of 51% interest in an enterprise established in the PRC engaging in full scale on-line and off-line hotel booking services for a consideration of approximately HK\$51,500,000. The transaction has not been completed as at the date of this report.
- (c) The amount represented the deposits paid for the acquisition of a 65.04% interest in Triumph Up Investments Limited ("Triumph Up"). The transaction was completed on 17 February 2005 and Triumph Up became a subsidiary of the Group during the year.

25. INVENTORIES

The inventories were carried at cost and represent principally food, beverages and general stores which are to be utilised in the ordinary course of operations.

26. AMOUNTS DUE FROM RELATED COMPANIES

The balances represent the aggregate amounts due from related parties. Certain directors of the Company are also directors of and/or have beneficial interests in these companies. The amounts are unsecured and interest free. Included in the amounts due from related companies as at 31 December 2005 were advances of HK\$60,090,000 (2004: nil) which are repayable on demand, and the remaining balances were principally trading balances.

24. 投資訂金 (續)

附註:

- (a) 該筆款項指為收購持有國內土地使用權之若干公司之100%權益而支付之訂金，以分別發展酒店、商場、消閒及其他娛樂場所之各項發展項目。該購買代價總額為180,000,000港元。於本報告刊發當日，該等交易尚未完成。
- (b) 該筆款項指為收購於國內成立並從事全面網上及電話酒店訂房服務之企業51%權益而支付之訂金。該收購之代價約為51,500,000港元。於本報告刊發當日，該項交易尚未完成。
- (c) 該筆款項指收購Triumph Up Investments Limited (「Triumph Up」) 65.04%權益之已付訂金。該交易已於二零零五年二月十七日完成，而Triumph Up於年內成為本集團之附屬公司。

25. 存貨

存貨以成本列賬，主要為食品、飲品及於日常業務過程中使用之一般用品。

26. 應收關連公司款項

結餘代表應收關連人士款項。本公司若干位董事亦身兼該等公司之董事及／或於該等公司擁有實益權益。該等款項乃無抵押及免息。於二零零五年十二月三十一日，應收關連公司款項包括60,090,000港元（二零零四年：無）之墊款，該款項須按通知償還，餘額主要為貿易賬款結餘。

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26. AMOUNTS DUE FROM RELATED COMPANIES

(CONTINUED)

The aged analysis of the trading balances at the reporting dates is as follows:

0 – 30 days	0至30日	
31 – 60 days	31至60日	
61 – 90 days	61至90日	
Over 90 days	超過90日	

The fair value of the amounts due from related companies as at 31 December 2005 approximates the corresponding carrying amount.

27. AMOUNTS DUE FROM (TO) ASSOCIATES

The amounts due from (to) associates are unsecured, interest free and repayable on demand.

The fair value of the amounts due from (to) associates as at 31 December 2005 approximates the corresponding carrying amount.

26. 應收關連公司款項 (續)

貿易賬款結餘於呈報日之賬齡分析如下:

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
3,019	661
183	47
144	462
1,741	5,352
5,087	6,522

於二零零五年十二月三十一日，應收關連公司款項之公平價值與其賬面值相若。

27. 應收(應付)聯營公司款項

應收(應付)聯營公司款項乃無抵押、免息及須按通知償還。

於二零零五年十二月三十一日，應收(應付)聯營公司款項之公平價值與其賬面值相若。

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

28. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of approximately HK\$20,596,000 (2004: HK\$13,538,000) and the aged analysis of the trade receivables at the reporting dates is as follows:

0 – 30 days	0至30日
31 – 60 days	31日至60日
61 – 90 days	61日至90日
Over 90 days	90日以上

The Group allows an average credit period of 60 days to local customers and 90 days to overseas customers.

The fair value of the Group's trade and other receivables as at 31 December 2005 approximates the corresponding carrying amount.

Included in other receivables was a balance of HK\$17,456,000 which is secured by a 16.26% equity interest in Triumph Up.

28. 貿易及其他應收賬款

列入貿易及其他應收賬款包括為數約20,596,000港元之貿易應收賬款(二零零四年: 13,538,000港元), 而該等貿易應收賬款於呈報日之賬齡分析如下:

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
12,241	7,446
3,051	2,869
1,453	1,414
3,851	1,809
20,596	13,538

本集團給予本地客戶及海外客戶之平均賒賬期分別為60日及90日。

於二零零五年十二月三十一日, 本集團貿易及其他應收賬款之公平價值與其賬面值相若。

其他應收賬款包括以Triumph Up之16.26%股本權益作抵押之結餘17,456,000港元。

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財務報表附註

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29. LOAN RECEIVABLES

Loan to certain companies and individuals (notes a and b)	給予若干公司及人士之貸款 (附註a及b)
Loan to a land operator (note c)	給予一家地接經營商之貸款 (附註c)
Fixed-rate loan receivables	定息應收貸款
Variable-rate loan receivables	浮息應收貸款

The fair value of the Group's loan receivables as at 31 December 2005, determined based on the present value of the estimated future cash flows discounted using the prevailing market rate as at the balance sheet date, approximates the corresponding carrying amount.

Notes:

- (a) (i) Included in the balances were loans of HK\$40,000,000 (2004: HK\$40,000,000) which are secured by equity interests in an enterprise established in the PRC.
- (ii) Included in the balances was a loan of HK\$21,120,000 (2004: nil) which is secured by 50% equity interest in Feng Ze which holds 11.5% attributable interest in the Kingsway Hotel.
- (iii) Included in the balances were loans of HK\$21,236,000 (2004: nil) which are secured by the right in the property project in Macau of a consideration of HK\$40,000,000.
- (iv) Included in the balances was a loan of HK\$10,327,000 (2004: nil) which is secured by certain equity securities listed in Hong Kong.

29. 應收貸款

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
167,926	108,000
13,000	23,000
180,926	131,000
15,427	25,893
165,499	105,107
180,926	131,000

於二零零五年十二月三十一日，本集團之應收貸款之公平價值（按於結算日適用市場利率折舊之預期未來現金流量現值釐定）與其賬面值相若。

附註：

- (a) (i) 結餘包括40,000,000港元（二零零四年：40,000,000港元）之貸款，貸款乃以一間於中國成立企業之股本權益作為抵押。
- (ii) 結餘包括21,120,000港元（二零零四年：零）之貸款，貸款乃以豐澤（其持有11.5%金域酒店之應佔權益）之50%股本權益作為抵押。
- (iii) 結餘包括21,236,000港元（二零零四年：零）之貸款，貸款乃以一項澳門物業項目權利為數40,000,000港元之代價作為抵押。
- (iv) 結餘包括10,327,000港元（二零零四年：零）之貸款，貸款乃以於香港上市之若干股本證券作為抵押。

29. LOAN RECEIVABLES (CONTINUED)

- (v) Included in the balances as at 31 December 2004 was approximately HK\$5,074,000 due from a related company. A director of the Company has beneficial interests in and is also a director of the related company.
- (b) Save for the loans mentioned in note 29(a)(i) to (iv), the amounts are unsecured, carrying interest at market rates and repayable on demand.
- (c) The loan to a land operator represents an advance made to one of the Group's land operators for the designated purpose of purchase of coaches. The amount is secured, bears interest at 10% per annum on the principal amount over a period of thirty months and should be repayable by thirty equal monthly instalments commencing August 2000. Pursuant to the subsequent supplemental agreements thereafter, the repayment date of the loan is extended to 31 December 2006.

29. 應收貸款 (續)

- (v) 於二零零四年十二月三十一日之結餘包括約5,074,000港元之應收關連公司款項。本公司一位董事於該關連公司有實益權益及身兼該關連公司之董事。
- (b) 除附註29(a)(i)至(iv)所述貸款外，該等款項為無抵押，以市場利率計息，並須按通知償還。
- (c) 給予一家地接經營商之貸款為本集團向其一中間地接經營商墊付作為購買旅遊巴士之特定用途貸款。該筆貸款為有抵押，本金之年息率為10厘，付息期為三十個月，並於二零零零年八月開始平均分三十個月分期償還。根據其後訂立之補充協議，該筆貸款之還款期已押後至二零零六年十二月三十一日。

30. INVESTMENTS HELD FOR TRADING

Investments held for trading as at 31 December 2005 include:

30. 持作買賣之投資

於二零零五年十二月三十一日持作買賣之投資包括：

		HK\$'000 千港元
Listed securities	上市證券	
Equity securities listed in Hong Kong	於香港上市之 股本證券	5,576
Equity securities listed elsewhere	於其他地方上市之股本證券	3,510
		<hr/> 9,086

The fair values of the above investments held for trading are determined based on the quoted market bid prices available on the relevant exchanges.

上述持作買賣之投資之公平價值乃根據有關之交易市場所報之市場競價而釐定。

31. TRADING CASH BALANCES

The amounts represent foreign currencies held for money exchange purposes.

31. 貿易現金結餘

有關金額乃指持作現金找換用途之外幣。

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32. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK\$130,741,000 (2004: HK\$113,844,000) and the aged analysis of the trade payables at the reporting dates is as follows:

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
0 – 30 days	0至30日	71,157	60,876
31 – 60 days	31至60日	26,706	22,542
61 – 90 days	61至90日	19,022	16,316
Over 90 days	超過90日	13,856	14,110
		130,741	113,844

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

32. 貿易及其他應付賬款

列入貿易及其他應付賬款之款項包括為數約130,741,000港元(二零零四年: 113,844,000港元)之貿易應付賬款,而該等貿易應付賬款於呈報日之賬齡分析如下:

	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
0 – 30 days	71,157	60,876
31 – 60 days	26,706	22,542
61 – 90 days	19,022	16,316
Over 90 days	13,856	14,110
	130,741	113,844

於二零零五年十二月三十一日本集團貿易及其他應付賬款之公平值與相應之賬面值相約。

33. LOANS FROM RELATED COMPANIES

Certain directors of the Company are also directors of and/or have beneficial interests in those companies. The loans are unsecured, bear interest at market rates and with the terms of repayment as follows:

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Amounts repayable within 1 year	一年內償還之金額	361,500	260,778
Amounts repayable after 1 year but within 2 years	一年後但兩年內償還之金額	–	112,098
		361,500	372,876
Variable-rate loans from related companies	關連公司浮息貸款	361,500	372,876

The fair value of the Group's loans from related companies as at 31 December 2005 approximates the corresponding carrying amount.

33. 關連公司貸款

本公司若干位董事亦身兼該等公司之董事及/或於該等公司擁有實益權益。該等貸款為無抵押,以市場息率計息,而還款期如下:

	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Amounts repayable within 1 year	361,500	260,778
Amounts repayable after 1 year but within 2 years	–	112,098
	361,500	372,876
Variable-rate loans from related companies	361,500	372,876

本集團於二零零五年十二月三十一日之關連公司貸款之公平值與相應之賬面值相約。

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34. AMOUNTS DUE TO RELATED COMPANIES

The balances represent principally trading balances including trade payables and loan interest payable, which are unsecured, interest free and repayable on demand.

34. 應付關連公司款項

有關結餘主要為貿易結餘，包括貿易應付賬款及應付貸款利息，該等款項乃無抵押、免息及須按通知償還。

35. OBLIGATIONS UNDER FINANCE LEASES

35. 融資租約之承擔

		Minimum lease payments 最低租金付款		Present value of minimum lease payments 最低租金付款之現值	
		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Amounts payable under finance leases:	根據融資租約 應付之款項：				
Within one year	一年內	86	395	62	378
Between one to two years	一年至兩年內	19	106	31	93
		105	501	93	471
Less: Future finance charges	減：未來融資支出	(12)	(30)	—	—
Present value of lease obligations	租約承擔之現值	93	471	93	471
Less: Amount due within one year shown under current liabilities	減：列為流動負債之 一年內到期款項			(62)	(378)
Amount due after one year	一年後到期款項			31	93

The Group entered into finance leases to acquire certain of its property, plant and equipment. The terms of the finance leases ranged from 2 to 4 years and the average effective borrowing rate was 6.8% (2004: 6%) per annum. Interest rate was fixed at the contract date. The leases were on a fixed repayment basis and no arrangement was entered into for contingent rental payments. The Group's obligations under the finance leases were secured by the lessors' charge over the leased assets.

本集團簽訂融資租約以收購其若干物業、機器及設備。該等融資租約為期2至4年，平均有效借貸年利率為6.8%（二零零四年：6%）。利率乃於簽訂租約之日釐定。該等租約乃以固定還款為基準，且概無就或然租金付款訂立任何協議。本集團之融資租約承擔以出租人抵押之租賃資產作為擔保。

The fair value of the Group's finance lease obligations as at the balance sheet date, determined based on the present value of the estimated future cash flows discounted using the prevailing market rate as at the balance sheet date, approximates the corresponding carrying amount.

於結算日本集團融資租約承擔之公平值，乃根據於結算日以現行之市場利率估計未來現金流量折讓之現值而釐定，與相應之賬面值相約。

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36. BORROWINGS

Bank loans	銀行貸款
Bank overdrafts	銀行透支
Other loans	其他貸款
Less: Amount due within one year shown under current liabilities	減：列為流動負債之一年內到期款項
Amount due after one year	一年後到期款項
Secured	有抵押
Unsecured	無抵押
Borrowings are repayable as follows: 借貸須於下列期限償還：	
Within one year or on demand	一年內或按通知
Between one to two years	一年至兩年內
Between two to five years	兩年至五年內

The Group's borrowings are variable-rate borrowings which are denominated in Hong Kong dollars. Included in the borrowings is a bank loan of HK\$299,760,000 (2004: HK\$328,400,000) which bears an annual interest rate of 0.8% over the Hong Kong Interbank Offered Rate and is repayable in full on 17 April 2009.

The fair value of the Group's borrowings as at 31 December 2005 approximates the corresponding carrying amount.

36. 借貸

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
300,209	329,091
—	28,181
9,424	189
309,633	357,461
(38,325)	(57,066)
271,308	300,395
306,633	327,287
3,000	30,174
309,633	357,461
38,325	57,066
28,828	30,020
242,480	270,375
309,633	357,461

本集團之借貸為浮息借貸，以港元為貨幣單位。列入借貸之款項包括為數299,760,000港元（二零零四年：328,400,000港元）之銀行貸款，年息率為香港銀行同業拆息加0.8厘，並須於二零零九年四月十七日全數償還。

於二零零五年十二月三十一日本集團借貸之公平值與相應之賬面值相約。

37. CONVERTIBLE NOTES

Convertible notes	可換股票據
Less: Conversion into shares	減：兌換股份

During the year ended 31 December 2004, the Company issued new convertible notes of nominal value amounting to HK\$260,000,000 to finance the redemption of the convertible notes issued in 2002 and due in 2004. The new convertible notes carried interest at 2% per annum and should be repayable on 14 June 2007. The holders of the new convertible notes were entitled to convert on any business day the convertible notes into new shares of the Company at any time from the date of issue of the new convertible notes, at an initial conversion price of HK\$0.02 per share, subject to adjustments.

Following the issue of shares in the Company pursuant to the placing and subscription agreement dated 4 February 2005, the conversion price of the convertible notes was adjusted to HK\$0.0197 per share in accordance with its terms and conditions. On 14 March 2005, the day immediately preceding the effective date of the share consolidation as mentioned under note 40, the conversion price was adjusted to HK\$1.97 per new consolidated share.

Upon the application of HKAS 32 (see note 2 for details), the convertible notes were split between the liability and equity elements, on a retrospective basis. The equity element is presented in equity heading "convertible notes reserve". The effective interest rate of the liability component is 14.7%.

During the year, all the convertible notes were converted into 27,918,781 new consolidated shares in the Company of HK\$1 each at a conversion price of HK\$1.97 per share (2004: HK\$2.00) after adjusting for the share consolidation as mentioned under note 40.

37. 可換股票據

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 (Restated) 二零零四年 千港元 (重列)
41,350	184,137
(41,350)	(142,787)
—	41,350

於截至二零零四年十二月三十一日止年度，本公司發行面值260,000,000港元之新可換股票據，作資金贖回於二零零二年發行並於二零零四年到期之可換股票據。該等新可換股票據按年利率2厘計息並須於二零零七年六月十四日償還。新可換股票據持有人有權於新可換股票據發行當日起，隨時於任何營業日按初步兌換價每股0.02港元（可予調整）將可換股票據兌換成本公司之新股份。

於本公司根據日期為二零零五年二月四日之配售及認購協議發行股份後，可換股票據之兌換價已根據其條款及條件調整至每股0.0197港元。於二零零五年三月十四日，緊接附註40所述之股份合併之生效日期前，兌換價獲調整至每股新合併股份1.97港元。

在應用香港會計準則第32號（詳情見附註2）時，可換股票據乃按照追溯基準分為負債及權益兩部份。權益部份乃呈列於「可換股票據儲備」一項之權益。而負債部份之實際利率為14.7%。

年內，所有可換股票據乃根據附註40所述，經股份合併調整後按每股1.97港元（二零零四年：2.00港元）之兌換價，兌換27,918,781股每股1港元之本公司新合併股份。

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

38. PROMISSORY NOTE

The promissory note was issued during the year ended 31 December 2002 by a subsidiary of Apex Quality Group Limited ("Apex") to Hutchison Hotels Holdings (International) Limited as partial consideration for the acquisition of the entire share capital of, and shareholders' loan to, Makerston Limited ("Makerston"), which holds indirectly a 95% interest in a group company holding a hotel property in Beijing. The promissory note is interest bearing at Hong Kong Inter-Bank Offered Rate plus 2%, repayable on 1 December 2007 and secured by the entire issued share capital of, and shareholders' loan to, Makerston and its subsidiaries holding the aforesaid hotel property.

The fair value of the Group's promissory note as at 31 December 2005 approximates the corresponding carrying amount.

39. DEFERRED TAXATION

The followings are the major deferred tax liabilities and assets recognised and movement thereon during the current and prior years:

38. 承兌票據

承兌票據於截至二零零二年十二月三十一日止年度透過Apex Quality Group Limited (「Apex」) 之附屬公司發行予Hutchison Hotels Holdings (International) Limited，作為收購Makerston Limited (「Makerston」) 之全部已發行股本及股東貸款之部份代價。Makerston間接持有一間於北京持有酒店物業之集團公司95%權益。承兌票據以香港銀行同業拆息加2厘計息，須於二零零七年十二月一日償還，並以Makerston之全部已發行股本及股東貸款及其持有上述酒店物業之附屬公司抵押。

於二零零五年十二月三十一日本集團承兌票據之公平值與相應之賬面值相約。

39. 遞延稅項

以下為於本年度及過往年度已確認之主要遞延稅項負債及資產，以及有關之變動：

		Hotel properties HK\$'000 酒店物業 千港元
At 1 January 2004	於二零零四年一月一日	—
Acquisition of subsidiaries during the year (note 43(b))	年內收購附屬公司 (附註43(b))	243,354
At 31 December 2004 and 1 January 2005	於二零零四年十二月三十一日及 二零零五年一月一日	243,354
Currency realignment	貨幣調整	3,497
Credit to the income statement (note 13)	計入收益表(附註13)	(2,171)
At 31 December 2005	於二零零五年十二月三十一日	244,680

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39. DEFERRED TAXATION (CONTINUED)

As at 31 December 2005, the Group has unused tax losses of approximately HK\$912,324,000 (2004: HK\$947,791,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unutilised tax losses of approximately HK\$39,000,000 (2004: HK\$65,000,000) can be carried for a period of five years. The losses arising from overseas subsidiaries are insignificant, which will expire after a specific period of time, other unrecognised tax losses may be carried forward indefinitely.

39. 遞延稅項 (續)

於二零零五年十二月三十一日，本集團之未動用稅務虧損約為912,324,000港元（二零零四年：947,791,000港元），可用作抵銷未來溢利。由於未能預計日後之溢利來源，故並無就稅務虧損確認遞延稅項資產。根據中國有關法律及規例，未動用稅務虧損約39,000,000港元（二零零四年：65,000,000港元）可結轉為期五年。海外附屬公司產生且將於特定期間後到期之稅務虧損並不重要，而其他未確認之稅務虧損或會無限期結轉。

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40. SHARE CAPITAL

40. 股本

		Number of shares 股份數目	Amount HK\$'000 金額 千港元
Authorised	法定		
Shares of HK\$0.01 each at 1 January 2004, 31 December 2004 and 1 January 2005	於二零零四年一月一日、 二零零四年十二月三十一日及 二零零五年一月一日 每股0.01港元之股份	50,000,000,000	500,000
Consolidation of shares	合併股份	(49,500,000,000)	—
Increase in authorised share capital	增加法定股本	1,000,000,000	1,000,000
Shares of HK\$1 each at 31 December 2005	於二零零五年十二月三十一日 每股1港元之股份	1,500,000,000	1,500,000
Issued and fully paid	已發行及繳足		
Shares of HK\$0.01 each at 1 January 2004	於二零零四年一月一日 每股0.01港元之股份	18,316,732,770	183,167
Conversion into shares from convertible notes	可換股票據 兌換為股份	10,250,000,000	102,500
Issue of shares	發行股份	3,660,000,000	36,600
Shares of HK\$0.01 each at 31 December 2004	於二零零四年十二月三十一日 每股0.01港元之股份	32,226,732,770	322,267
Issue of shares	發行股份	8,740,000,000	87,400
		40,966,732,770	409,667
Consolidation of shares	合併股份	(40,557,065,443)	—
Conversion into shares from convertible notes	可換股票據 兌換為股份	27,918,781	27,919
Shares of HK\$1 each at 31 December 2005	於二零零五年十二月三十一日 每股1港元之股份	437,586,108	437,586

40. SHARE CAPITAL (CONTINUED)

On 30 November 2004, the Company entered into two placing and subscription agreements with China Enterprises Limited ("CEL"), a subsidiary of China Strategic Holdings Limited ("CSH") and a substantial shareholder of the Company, and Deutsche Bank AG, Hong Kong Branch (the "Placing Agent") pursuant to which the Placing Agent agreed to place 6,000 million shares of HK\$0.01 each in the Company then held by CEL at the price of HK\$0.028 per share to independent investors and CEL would subscribe for up to 6,000 million new shares of HK\$0.01 each in the Company at the same price of HK\$0.028 per share. The first placing and subscription agreement and the second placing and subscription agreement related to the placing and the conditional subscription of 3,660 million and 2,340 million shares of HK\$0.01 each in the Company respectively. The subscription of the shares under the second placing and subscription agreement was conditional upon, among others, the approval of the independent shareholders of the Company. The total proceeds from the above two placing and subscription agreements were used principally towards payments of HK\$107.5 million of the consideration for the acquisition of interest in Kingsway Hotel and the balance was utilised as general working capital of the Group.

On 14 December 2004, 3,660 million shares were issued and allotted at the price of HK\$0.028 per share in accordance with the first placing and subscription agreement and the proceeds, net of expense, amounted to approximately HK\$98.6 million. The new shares issued rank pari passu in all respects with the then existing shares.

On 31 January 2005, 2,340 million shares were issued and allotted at the price of HK\$0.028 per share in accordance with the second placing and subscription agreement and the proceeds, net of expense, amounted to approximately HK\$63.1 million. The new shares issued rank pari passu in all respects with the then existing shares.

40. 股本 (續)

於二零零四年十一月三十日，本公司與 China Enterprises Limited (「CEL」)·中策集團有限公司(「中策」)之附屬公司及本公司之主要股東及德意志銀行香港分行(「配售代理」)訂立兩份配售及認購協議。據此，配售代理同意按每股0.028港元向獨立投資者配售6,000,000,000股當時由CEL持有之本公司每股0.01港元股份，而CEL將按每股0.028港元之相同價格最多認購6,000,000,000股本公司每股0.01港元新股份。首份配售及認購協議及第二份配售及認購協議乃分別關於配售及有條件認購3,660,000,000股及2,340,000,000股本公司每股0.01港元股份。根據第二份配售及認購協議，認購股份須待(其中包括)本公司獨立股東批准後，方可作實。上述兩份配售及認購協議之收益總額主要用作支付收購金域酒店權益之代價107,500,000港元，餘額已用作本集團之一般營運資金。

於二零零四年十二月十四日，本公司按照首份配售及認購協議以每股0.028港元之價格發行及配發3,660,000,000股股份，收益扣除開支後約為98,600,000港元。新股份在各方面均與當時現有股份享有同等權益。

於二零零五年一月三十一日，本公司按照第二份配售及認購協議以每股0.028港元之價格發行及配發2,340,000,000股股份，收益扣除開支後約為63,100,000港元。新股份在各方面均與當時現有股份享有同等權益。

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40. SHARE CAPITAL (CONTINUED)

On 4 February 2005, the Company entered into a placing and subscription agreement with CEL and Tai Fook Securities Company Limited ("Tai Fook") pursuant to which Tai Fook agreed to place up to 6,400 million shares in the Company then held by CEL at the price of HK\$0.022 per share to independent investors and CEL would subscribe for up to 6,400 million new shares of the Company at the same price of HK\$0.022 per share. The net proceeds from the placement amounted to approximately HK\$136.8 million, net of expense. HK\$50 million of the net proceeds will be used for financing the refurbishment, renovation and upgrading of Kingsway Hotel and the balance of approximately HK\$86.8 million will be used for future investment opportunities relating to existing businesses. The subscription was completed on 18 February 2005. The new shares issued rank pari passu in all respects with the then existing shares.

On 4 February 2005, the directors proposed to the shareholders of the Company for approval of the consolidation of every one hundred shares of HK\$0.01 each in the issued and unissued ordinary share capital of the Company into one share of HK\$1 each. The consolidation of shares of the Company was approved by the shareholders of the Company in the special general meeting on 14 March 2005.

On 17 May 2005, the directors proposed to the shareholders of the Company to increase the authorised share capital of the Company from HK\$500,000,000 divided into 500,000,000 shares of HK\$1 each to HK\$1,500,000,000 divided into 1,500,000,000 shares of HK\$1 each by the creation of an additional 1,000,000,000 shares of HK\$1 each. The increase in the authorised share capital of the Company was approved by the shareholders of the Company in the special general meeting on 5 July 2005.

40. 股本 (續)

於二零零五年二月四日，本公司與CEL及大福證券有限公司（「大福」）訂立配售及認購協議，據此，大福同意按每股股份0.022港元之價格向獨立投資者配售最多6,400,000,000股CEL當時持有之本公司股份，而CEL則會按每股股份0.022港元之相同價格認購最多6,400,000,000股本公司新股份。是次配售之所得收益淨額，在扣除開支後約為136,800,000港元。所得款項淨額中之50,000,000港元將用作為裝修、翻新及提升金域酒店，而餘下約86,800,000港元之款項將用作與現有業務有關之未來投資機遇。該認購事項已於二零零五年二月十八日完成。已發行之新股份在各方面均與當時現有股份享有同等權益。

二零零五年二月四日，董事向本公司股東提出建議，敦請批准將本公司已發行及未發行普通股股本中每100股每股0.01港元之股份合併為1股每股1港元之股份。本公司股東已於二零零五年三月十四日召開之股東特別大會上批准合併本公司股份。

二零零五年五月十七日，董事向本公司股東提出建議，敦請以增設額外1,000,000,000股每股1港元之股份之方式，將本公司之法定股本，由為數500,000,000港元分為500,000,000股每股1港元之股份，增加至為數1,500,000,000港元分為1,500,000,000股每股1港元之股份。本公司股東已於二零零五年七月五日召開之股東特別大會上批准增加本公司之法定股本。

41. SHARE OPTION SCHEME

The Company has a share option scheme (the "Scheme"), which was approved and adopted by shareholders of the Company on 3 May 2002, enabling the directors to grant options to employees, executives or officers of the Company or any of its subsidiaries (including executive and non-executive directors of the Company or any of its subsidiaries) and any suppliers, consultants, agents or advisers who will contribute or have contributed to the Company or any of its subsidiaries as incentives and rewards for their contribution to the Company or such subsidiaries. The maximum number of shares in respect of which options may be granted under the Scheme, when aggregated with any shares subject to any other schemes, shall not exceed 10% of the issued share capital of the Company on the date of approval and adoption of the Scheme (the "General Limit"). The Company proposed to refresh the General Limit so that the number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company would be increased to 10% of the shares in issue as at the date of approval of the General Limit as "refreshed". The refreshment of the General Limit was approved by the shareholders of the Company in the annual general meeting held on 27 May 2005.

Option granted must be taken up within 30 days of the date of offer. The consideration payable for the option is HK\$1. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the board of directors but in any event not exceeding 10 years. The exercise price is determined by the directors of the Company and will not be less than the higher of (i) the average closing price of the shares for the five business days immediately preceding the date of grant, (ii) the closing price of the shares on the date of grant or (iii) the nominal value of the shares of the Company.

No share options have been granted under the Scheme since its adoption.

41. 購股權計劃

本公司設有一項於二零零二年五月三日由本公司股東批准並採納之購股權計劃（「該計劃」）。根據該計劃，董事可向本公司或其任何附屬公司之僱員、行政人員或高級職員（包括本公司或其任何附屬公司之執行董事及非執行董事），及任何對本公司或其任何附屬公司將有貢獻或有貢獻之供應商、顧問、代理或諮詢人授予購股權，作為彼等對本公司或該等附屬公司所作貢獻之獎勵及回報。根據該計劃可能授出之購股權可認購之股份最高數目加上任何其他計劃涉及之股份，合共不得超過相當於本公司於批准及採納該計劃之日已發行股本之10%（「一般限額」）。本公司建議更新一般限額，致使根據該計劃及本公司任何其他購股權計劃將授出之所有購股權獲行使時可能發行之股份數目，增加至一般限額獲批准「更新」當日已發行股份之10%。本公司股東已於二零零五年五月二十七日舉行之股東週年大會上批准更新一般限額。

授出之購股權必須於建議之日起計三十日內獲接納。購股權之應付代價為1港元。購股權可於購股權獲接納之日起至董事會釐定之日期止任何時間行使，惟無論如何不得超過十年。行使價格由本公司董事釐定，且將不會低於(i)股份緊接授出之日前五個營業日之平均收市價，(ii)股份於授出之日之收市價或(iii)本公司股份之面值（以最高者為準）。

自採納該計劃以來，本公司概無根據該計劃授出購股權。

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42. RESERVES

- (a) On 17 May 2005, the directors proposed to the shareholders of the Company for approval of the cancellation of share premium account (the "Cancellation") pursuant to which the entire amount standing to the credit of the share premium account of the Company would be cancelled and the credit arising from the Cancellation would be transferred to the contributed surplus account of the Company and such credit would be partially used to set off against the accumulated losses of the Company (the "Set off"). The Cancellation and the Set Off were approved by the shareholders of the Company in the special general meeting held on 5 July 2005.
- (b) The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the shares of the Company issued for the acquisition under the group reorganisation in September 1997.
- (c) The accumulated profits, translation reserve and statutory reserves of the Group include profits of HK\$1,062,000 (2004: losses of HK\$2,137,000), surplus of HK\$73,000 (2004: HK\$73,000) and HK\$150,000 (2004: HK\$150,000) respectively attributable to the associates of the Group.

42. 儲備

- (a) 於二零零五年五月十七日，董事向本公司股東提出建議，敦請批准註銷股份溢價賬（「註銷」）。據此，本公司股份溢價賬之全部貸方金額將會被註銷，而因註銷而產生之貸方金額則將會轉撥至本公司之繳入盈餘賬，而有關之貸方金額將部分用作抵銷本公司之累計虧損（「抵銷」）。本公司股東已於二零零五年七月五日召開之股東特別大會上批准進行註銷及抵銷。
- (b) 特別儲備指按一九九七年九月之集團重組時所收購附屬公司股份面值與為收購而發行本公司股份面值之間之差額。
- (c) 本集團之累計溢利、匯兌儲備及法定儲備分別為包括本集團聯營公司應佔溢利1,062,000港元（二零零四年：虧損2,137,000港元）、盈餘73,000港元（二零零四年：73,000港元）及150,000港元（二零零四年：150,000港元）。

43. ACQUISITION OF SUBSIDIARIES

- (a) The Group acquired a 65.04% interest in Triumph Up on 17 February 2005 and 100% interest in Cyber Business Network (Hong Kong) Limited on 28 February 2005.

The net assets acquired in the transactions, and the discount and goodwill arising on acquisition, are as follows:

43. 收購附屬公司

- (a) 於二零零五年二月十七日，本集團收購 Triumph Up 65.04% 之權益，並於二零零五年二月二十八日收購數碼網絡（香港）有限公司之全部權益。

該等交易中所收購之淨資產，以及因收購而產生之折讓及商譽如下：

		Acquiree's amount before combination HK\$'000 合併前被收購 公司之賬面值 千港元	Fair value adjustments HK\$'000 公平價值調整 千港元	Fair value HK\$'000 公平價值 千港元
Property, plant and equipment	物業、機器及設備	1,393	—	1,393
Interest in associates	聯營公司權益	15,887	175,309	191,196
Trade and other receivables	貿易及其他應收賬款	114	—	114
Amount due from the Group	應收本集團款項	960	—	960
Amounts due from related companies	應收關連公司款項	4	—	4
Amounts due from associates	應收聯營公司款項	126,231	—	126,231
Bank balances and cash	銀行結餘及現金	24	—	24
Trade and other payables	貿易及其他應付賬款	(16)	—	(16)
Amount due to the Group	應付本集團款項	(2,214)	—	(2,214)
Amounts due to associates	應付聯營公司款項	(170)	—	(170)
Amounts due to related companies	應付關連公司款項	(578)	—	(578)
Net assets acquired	購入淨資產	141,635	175,309	316,944
Minority interests	少數股東權益			(110,945)
Discount on acquisition	收購折讓			(34,574)
Goodwill arising on acquisition	收購產生之商譽			647
Cash consideration	現金代價			172,072
Satisfied by:	以下列方式償付：			
Cash paid	已付現金			151,322
Investment deposits	投資按金			20,750
				172,072
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：			
Cash consideration	現金代價			151,322
Bank balances and cash acquired	收購之銀行結餘及現金			(24)
				151,298

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43. ACQUISITION OF SUBSIDIARIES (CONTINUED)

The discount on acquisition is attributable to the increase in fair value of a hotel property which was held by an associate of the subsidiaries acquired.

The subsidiaries acquired during the year contributed HK\$125,000 to the Group's turnover and HK\$43,673,000, including discount on acquisition of HK\$34,574,000, to the Group's profit before taxation.

If the acquisition had been completed on 1 January 2005, the Group's turnover for the year would have been HK\$1,815,784,000 and profit for the year would have been HK\$33,004,000. The proforma information is for illustrative purposes only and is not necessarily an indicative revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2005, nor is it intended to be a projection of future results.

43. 收購附屬公司 (續)

收購之折讓，是因所收購附屬公司之聯營公司持有酒店物業之公平值增加所致。

於年內所收購之附屬公司為本集團之營業額貢獻125,000港元，以及為本集團之除稅前溢利貢獻43,673,000港元（包括34,574,000港元之收購折讓）。

倘收購已於二零零五年一月一日完成，則本集團年內之營業額將會為1,815,784,000港元，而年內之溢利則將會為33,004,000港元。有關之備考資料僅供作說明用途，非一定是指倘收購已於二零零五年一月一日完時成本集團將可能實際賺取之本集團指示性收益及經營業績，亦並非為所擬定之未來業績預測。

43. ACQUISITION OF SUBSIDIARIES (CONTINUED)

- (b) During the year ended 31 December 2004, the Group acquired through a cash offer further interest in its former associate, Apex Quality Group Limited ("Apex"). On 9 January 2004, Apex became a subsidiary of the Group. The effect of the acquisition is summarised as follows:

43. 收購附屬公司 (續)

- (b) 於二零零四年十二月三十一日，本集團透過一次現金收購建議進一步收購其前聯營公司Apex Quality Group Limited (「Apex」)之權益。於二零零四年一月九日，Apex成為本集團之附屬公司。收購之影響概述如下：

		2004 HK\$'000 二零零四年 千港元
Property, plant and equipment	物業、機器及設備	1,683,105
Club debenture	會所債券	713
Investments in securities	證券投資	212
Properties held for sale	待售物業	98
Inventories	存貨	5,394
Trade and other receivables	貿易及其他應收賬款	65,423
Bank balances and cash	銀行結餘及現金	22,258
Trade and other payables	貿易及其他應付賬款	(104,544)
Amount due to the Group	應付本集團款項	(9,425)
Obligations under a finance lease	融資租賃承擔	(1,467)
Bank and other borrowings	銀行及其他借貸	(378,829)
Amounts due to related companies	應付關連公司款項	(81,654)
Promissory note	承兌票據	(365,000)
Deferred taxation	遞延稅項	(243,354)
Minority interests	少數股東權益	(279,909)
Net assets acquired	購入淨資產	313,021
Less: Interest previously acquired and classified as interest in an associate	減：以往收購及分類為 聯營公司權益之權益	(218,360)
		94,661
Negative goodwill arising on acquisition	收購產生之負商譽	(74,514)
Cash consideration	現金代價	20,147
Net cash inflow arising on acquisition:	收購產生之現金流入淨額：	
Cash consideration	現金代價	(20,147)
Bank balances and cash acquired	收購之銀行結餘及現金	22,258
		2,111

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43. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Apex contributed HK\$190,034,000 to the Group's turnover and HK\$24,192,000 to the Group's loss before taxation for 2004.

- (c) In December 2004, the Group acquired 100% of the issued share capital of International Travel Systems Inc. ("ITS Inc."). The effect of the acquisition is summarised as follows:

		2004 HK\$'000 二零零四年 千港元
Property, plant and equipment	物業、機器及設備	89
Trade and other receivables	貿易及其他應收賬款	1,000
Bank balances and cash	銀行結餘及現金	502
Trade and other payables	貿易及其他應付賬款	(1,806)
Net liabilities acquired	購入淨負債	(215)
Goodwill arising on acquisition	收購產生之商譽	50,215
Cash consideration	現金代價	50,000
Net cash outflow arising on acquisition:	收購產生之現金流出淨額:	
Cash consideration	現金代價	50,000
Bank balances and cash acquired	購入銀行結餘及現金	(502)
		49,498

ITS Inc. contributed an insignificant amount to the Group's turnover and loss before taxation for 2004.

These acquisitions have been accounted for by the acquisition method of accounting.

43. 收購附屬公司 (續)

於二零零四年，Apex對本集團營業額及本集團除稅前虧損之貢獻分別為190,034,000港元及24,192,000港元。

- (c) 於二零零四年十二月，本集團收購International Travel Systems Inc. (「ITS Inc.」)之全部已發行股本。收購之影響概述如下：

ITS Inc.對本集團於二零零四年營業額及除稅前虧損之貢獻並不重大。

以上收購已按會計收購法計算。

44. MAJOR NON-CASH TRANSACTIONS

- (a) During the year, the Group disposed of a computer system for online travel reservation to Sino Express Travel Limited ("Sino"), a Hong Kong and Macau travel products supplier and wholesale distributor, at a consideration of US\$500,000, which was settled by 2,500,000 common shares (valued at US\$0.2 per share) of Sino Express Travel Limited ("Sino USA"), the 100% holding company of Sino.

Sino USA is a company incorporated in the United States of America with its shares traded on the Pink Sheets in the United States of America.

- (b) During the year ended 31 December 2004, the Company issued convertible notes to finance the redemption of the convertible notes issued in 2002 and due in 2004. The total consideration of 2004 convertible notes of HK\$260,000,000 was partly settled by the cancellation of 2002 convertible notes of HK\$189,800,000.
- (c) During the year ended 31 December 2004, the consideration receivable on disposal of interest in a co-operative joint venture of HK\$40,000,000 was transferred to loan receivable.
- (d) During the year ended 31 December 2004, the Group entered into finance lease arrangements in respect of assets with a total capital value of HK\$186,000 at the inception of the finance leases.

44. 重大非現金交易

- (a) 於年內，本集團向一間香港及澳門旅遊產品供應商及批發分銷商Sino Express Travel Limited (「Sino」)出售一個網上旅遊訂位電腦系統，代價為500,000美元，有關之代價乃以Sino之全資控股公司Sino Express Travel Limited (「Sino USA」)之2,500,000股普通股(每股股份值0.2美元)償付。

Sino USA是一間於美國註冊成立之公司，其股份於美國之場外交易市場報價表上買賣。

- (b) 於截至二零零四年十二月三十一日止年度內，本公司發行可換股票據贖回於二零零二年發行並於二零零四年到期之可換股票據。二零零四年可換股票據之總代價為260,000,000港元，當中部分已透過註銷二零零二年可換股票據189,800,000港元予以償付。
- (c) 於截至二零零四年十二月三十一日止年度內，出售一間合作合營企業之權益之應收代價40,000,000港元，已轉調至應收貸款。
- (d) 於截至二零零四年十二月三十一日止年度內，本集團就若干資產達成融資租約安排，其資本總值於融資租約開始時為186,000港元。

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45. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Bank balances and cash	銀行結餘及現金	43,103	134,317
Bank overdrafts	銀行透支	–	(28,181)
		43,103	106,136

46. PLEDGE OF ASSETS

Save as otherwise disclosed, at 31 December 2005, the Group's credit facilities were secured by the Group's assets as follows:

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Hotel property	酒店物業	614,856	620,510
Property interests	物業權益	18,290	14,060
Bank balances	銀行結餘	6,925	6,800
		640,071	641,370

47. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2005.

45. 現金及現金等值項目結餘分析

46. 資產抵押

除另行披露外，於二零零五年十二月三十一日，本集團之信貸融資以本集團下列資產作抵押：

47. 或然負債

於二零零五年十二月三十一日，本集團並無任何重大或然負債。

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48. OPERATING LEASE COMMITMENTS

As lessee

At 31 December 2005, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Land and buildings	土地及樓宇
Within one year	一年內
In the second to fifth years inclusive	第二年至第五年（包括首尾兩年）
Equipment	設備
Within one year	一年內
In the second to fifth years inclusive	第二年至第五年（包括首尾兩年）

Operating lease payments represent rentals payable by the Group for certain of its office properties, shops and employees' quarters as well as equipment. Leases are negotiated for an average term of two years.

48. 經營租約承擔

作為承租人

於二零零五年十二月三十一日，本集團根據各項不可撤銷經營租約之未來最低租金付款作出承擔。此等承擔之到期日如下：

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
14,660	9,690
4,866	3,029
19,526	12,719
358	358
896	1,254
1,254	1,612

經營租約付款指本集團為其若干辦公室物業、商舖、僱員宿舍及設備所應付之租金。租約議定平均為期兩年。

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48. OPERATING LEASE COMMITMENTS (CONTINUED)

As lessor

Property rental income earned during the year was HK\$15,713,000 (2004: HK\$13,072,000).

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments for its investment property and premises within the hotel properties:

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Within one year	一年內	13,289	11,369
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	41,570	33,577
After five years	五年之後	12,622	—
		67,481	44,946

49. CAPITAL COMMITMENTS

Contracted for but not provided in the financial statements in respect of acquisition of property, plant and equipment

就購買物業、機器及設備已訂約惟未於財務報表內撥備

Contracted for but not provided in the financial statements in respect of investments

就投資已訂約惟未於財務報表內撥備

		2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
Contracted for but not provided in the financial statements in respect of acquisition of property, plant and equipment	就購買物業、機器及設備已訂約惟未於財務報表內撥備	30,000	30,760
Contracted for but not provided in the financial statements in respect of investments	就投資已訂約惟未於財務報表內撥備	5,462	137,697
		35,462	168,457

48. 經營租約承擔 (續)

作為出租人

年內收取之物業租金收入為15,713,000港元 (二零零四年: 13,072,000港元)。

於結算日，本集團與租戶訂立合約，內容有關下列投資物業及酒店物業內之樓宇之未來最低租金付款：

49. 資本承擔

50. PROVIDENT FUND SCHEMES

The Group has retirement schemes covering a substantial portion of its employees in Hong Kong. The principal schemes are defined contribution schemes. The assets of these schemes are held separately from those of the Group in funds under the control of independent trustees.

With effect from 1 December 2000, the Group joined a Mandatory Provident Fund Scheme ("MPF Scheme") for all its new employees in Hong Kong employed therefrom or existing employees wishing to join the MPF Scheme. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group in respect of MPF Scheme is to make the required contributions under the MPF Scheme.

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute certain percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The amounts charged to the income statement represent contributions payable to schemes and the MPF Scheme by the Group at rates specified in the rules of the schemes less forfeiture of HK\$125,032 (2004: HK\$277,134) arising from employees leaving the Group prior to completion of the qualifying service period, if any.

At the balance sheet date, the total amount of forfeited contributions, which arose upon employees leaving the retirement benefit schemes and which are available to reduce the contributions payable in future years was HK\$548,759 (2004: HK\$65,025).

50. 退休金計劃

本集團為大部分香港僱員設有退休金計劃。主要計劃為定額供款計劃。該等計劃之資產與本集團之資產分開，以基金方式持有，並由獨立信托人控制。

自二零零零年十二月一日起，本集團已為其所有於該日起受僱之新香港僱員或欲參與強制性公積金計劃（「強積金計劃」）之現有僱員參與一個強積金計劃。強積金計劃乃根據強制性公積金計劃條例於強制性公積金計劃管理局註冊。強積金計劃之資產與本集團之資產分開，以基金方式持有，並由一位獨立信托人控制。根據強積金計劃規則，僱主及其僱員須按規則指定比例向強積金計劃作出供款。本集團在強積金計劃方面僅須負責就該計劃作出所需供款。

本集團中國附屬公司之僱員均為中國政府管理之國營退休計劃成員，該等中國附屬公司須按僱員薪酬若干百分比向退休計劃供款。本集團就該退休福利計劃唯一應盡之責任乃根據計劃作出規定之供款。

於收益表中列支之款項，為本集團按各計劃規則指定比例應付予計劃及強積金計劃之供款，減去本集團僱員在未完成合資格服務年期前離職（如有）而被沒收之供款125,032港元（二零零四年：277,134港元）。

於結算日，因僱員退出退休福利計劃而被沒收，並可供扣減未來年度應付供款之供款總額為548,759港元（二零零四年：65,025港元）。

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51. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the following events have taken place:

- (a) On 1 March 2006, the Company entered into a placing agreement with Success Securities Limited ("Success Securities") pursuant to which the Success Securities conditionally agreed to place up to 175 million shares in the Company at a price of HK\$0.69 per share to independent investors (the "Placing"). The Placing is conditional on, among other things, the passing of the resolution at the special general meeting by the shareholders to approve the issue of the 175 million shares under the Placing (the "Placing Shares").

The net proceeds of approximately HK\$119.7 million from the Placing are intended to be used as general working capital for the Group.

In order to facilitate the issue of the Placing Shares, the Board proposes to conduct the capital reorganisation which involves (i) the reduction of the issued share capital of the Company by HK\$0.90 per existing share by cancelling an equivalent amount of paid-up capital per existing share so that the nominal value of each existing share in issue will be reduced from HK\$1 to HK\$0.10; and (ii) the subdivision of every unissued existing share into ten adjusted shares.

- (b) On 23 March 2006, the Company entered into a total of eight subscription agreements in relation to the subscription by eleven subscribers of the 2% convertible exchangeable notes with an aggregated principal amount of HK\$1,000 million (the "Notes"). CEL, Hutchison International Limited and the nine other subscribers have conditionally agreed to subscribe for the Notes with principal amount of HK\$300 million, HK\$200 million and HK\$500 million by cash respectively.

51. 結算日後事項

於結算日後，進行了以下事項：

- (a) 於二零零六年三月一日，本公司與 Success Securities Limited (「Success Securities」) 訂立一項配售協議，據此，Success Securities 有條件同意，按每股份0.69港元之價格，向獨立投資者配售最多175,000,000股本公司股份 (「配售」)。配售須待 (其中包括) 股東於股東特別大會上通過決議案後，批准根據配售發行175,000,000股股份 (「配售股份」) 後，方可作實。

為數約119,700,000港元之配售所得款項淨額，擬將用作本集團之一般營運資金。

為促成發行配售股份，董事會建議進行股本重組，其中涉及(i)以註銷金額相當於每股現有股份繳入股本之方式將每股份削減0.90港元，從而削減本公司已發行股本，因此，每股已發行現有股份之面值將會由1港元削減至0.10港元；及(ii)將每股未發行現有股份分拆為10股經調整股份。

- (b) 於二零零六年三月二十三日，本公司就由十一名認購人士合共認購總本金金額為1,000,000,000港元之2%可換股可交換票據 (「該等票據」)，合共訂立八份認購協議。CEL、Hutchison International Limited及其餘九名認購人士已有條件同意，分別以現金300,000,000港元、200,000,000港元及500,000,000港元之金額，按本金金額認購該等票據。

51. POST BALANCE SHEET EVENTS (CONTINUED)

The initial conversion price of the Notes is HK\$0.79 per share, subject to adjustments. Unless previously converted or lapsed or redeemed by the Company, the Company will redeem the Notes on the fifth anniversary from the date of issue of the Notes (the "Maturity Date") at the redemption amount which is 110% of the principal amount of the Notes outstanding.

Each of the noteholders shall have the right to convert, on any business day commencing from the 7th day after the date of issue of the Notes up to and including the date which is 7 days prior to the Maturity Date, the whole or any part (in an amount or integral multiple of HK\$1,000,000) of the principal amount of the Notes into the shares of the Company at the then prevailing conversion price.

Subject to certain restrictions which are intended to facilitate compliance of relevant rules and regulations, each noteholder shall have the right to exchange from time to time all or part (in the amount of HK\$10,000,000 or integral multiples thereof) of 50% of the initial principal amount of its Notes for shares in the share capital of any company which is an affiliated company or subsidiary of the Company that is to be listed on a stock exchange through an initial public offering at the price (the "Spin-off Shares"), subject to adjustments, at which the Spin-off Shares are actually issued to the public at the time of the listing on that stock exchange. As at the date of report, the Company does not have any concrete plan as regards any spin-off proposal.

The net proceeds of approximately HK\$998.8 million raised from the Notes are expected to be used by the Group for the purpose of expanding its hotel business and travel related business. The directors of the Company have been identifying suitable investment targets in the hotel and travel related business for the Group. However, as at the date of report, no negotiations for investments in any targets have been materialised or proceeded to a matured stage. To the extent that the net proceeds are not immediately applied for the above purposes, the directors of the Company intended that the net proceeds may be used to reduce the gearing of the Group.

51. 結算日後事項 (續)

該等票據之初步兌換價為每股股份0.79港元(可予調整)。本公司將會按贖回金額(即該等票據未償本金金額之110%)，於自該等票據發行日期起計第五年之日(「期滿日」)贖回該等票據，惟過往已獲兌換、失效或由本公司贖回者則除外。

各票據持有人將有權於該等票據發行日期起計第7日後至期滿日前7日(包括該日)期間之任何營業日期間，按當時之現行兌換價，將全部或任何部分(以1,000,000港元或其整數之倍數為單位)之該等票據本金金額，兌換為本公司之股份。

根據擬促使符合規則及規定之若干限制，每位票據持有人均有權不時將其所持有該等票據初步本金金額50%之全部或部分(以10,000,000港元或其整數之倍數為單位)，兌換為任何公司(本公司聯屬公司或附屬公司)股本中之股份，其股份乃為將透過首次公開發售在聯交所上市之股份(「該等分拆上市股份」)，而價格乃為該等分拆上市股份於聯交所上市時實際向公眾發行之價格(可予調整)。於本報告刊發之日期，本公司並無就任何分拆上市建議有任何實質計劃。

因該等票據而產生約998,800,000港元之所得款項淨額預期將由本集團用作擴展其酒店業務及旅遊相關業務之用途。本公司董事已為本集團之酒店及旅遊相關業務物色合適之投資目標。然而，於本報告刊發之日期，本公司仍未就有關投資之任何目標落實進行任何磋商，或並未到達一個成熟之階段。由於所得款項淨額並未即時應用作以上用途，本公司董事擬將有關之所得款項淨額，或會撥作減輕本集團負債之用。

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

52. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group had transactions with related parties as follows:

Nature of transactions	Notes	Name of company	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
交易性質	附註	公司名稱		
Property rental expenses paid and payable by the Group 本集團已付及應付之物業租金	(i)	Cycle Company Limited and Gunnell Properties Limited 旋高有限公司及 Gunnell Properties Limited Mass Success International Limited Paul Y. Building Management Limited 保華物業管理有限公司	3,734 258 259	2,266 2,268 –
			4,251	4,534
Air ticketing and travel service income received and receivable by the Group 本集團已收及應收之機票及旅遊服務收入	(ii)	Hanny Holdings Limited and its subsidiaries 錦興集團有限公司及其附屬公司 Paul Y. – ITC Management Limited PYI Corporation Limited (formerly known as “Paul Y. – ITC Construction Holdings Limited”) and its subsidiaries 保華集團有限公司(前稱「保華德祥建築集團有限公」)及其附屬公司 See Corporation Limited (formerly known as “Ruili Holdings Limited”) 漢傳媒集團有限公司(前稱「瑞力控股有限公司」) China Strategic Holdings Limited and its subsidiaries 中策集團有限公司及其附屬公司 ITC Corporation Limited and its subsidiaries 德祥企業集團有限公司及其附屬公司	1,582 1,415 1,147 492 236 56	1,240 – 1,965 – 174 153

52. 關連人士交易

- (a) 於年內，本集團與關連人士之交易如下：

52. RELATED PARTY TRANSACTIONS (CONTINUED)

52. 關連人士交易 (續)

Nature of transactions 交易性質	Notes 附註	Name of company 公司名稱	2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
		Paul Y. Management Limited	21	–
		Cheung Wah Ho Dyestuffs Company Limited 祥華號染料有限公司	–	233
		PSC Corporation Limited 普威集團有限公司	–	68
		Cyber Business Network (Hong Kong) Limited 數碼網絡(香港)有限公司	–	3
			4,949	3,836
Interest paid on convertible notes 可換股票據之已付利息	(iii)	Million Good Limited	359	2,177
Loan interest paid and payable by the Group 本集團已付及應付之貸款利息	(iv)	Nation Cheer Investment Limited 志恒投資有限公司	5,138	2,051
		Million Good Limited	4,323	5,256
		Hanny Holdings Limited and its subsidiaries 錦興集團有限公司及其附屬公司	2,799	9,742
		Paul Y. – ITC Management Limited	1,269	–
		Cheung Tai Hong (BVI) Limited	769	–
		China Strategic Holdings Limited and its subsidiaries 中策集團有限公司及其附屬公司	6,103	1,465
			20,401	18,514
Interest on loan receivables 應收貸款利息	(v)	See Corporation Limited (formerly known as "Ruili Holdings Limited") 漢傳媒集團有限公司(前稱「瑞力控股有限公司」)	–	76

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52. RELATED PARTY TRANSACTIONS (CONTINUED)

Nature of transactions	Notes	Name of company
交易性質	附註	公司名稱
Website maintenance services paid by the Group	(vi)	Cyber Business Network (Hong Kong) Limited
本集團支付之網站維修服務費		數碼網絡(香港)有限公司
Secondment fee paid	(vii)	Mass Success International Limited
已付借調費用		
Secondment fee received	(vii)	Manwide Holdings Limited
已收借調費用		

Notes:

- (i) The property rental expenses paid and payable by the Group were transactions determined in accordance with the terms of relevant agreements.
- (ii) The above companies purchased air tickets and related services from the Group at rates comparable to market rates.
- (iii) The interest paid on convertible notes was calculated at the rate specified in the convertible notes issued.
- (iv) The interest paid and payable by the Group for loans from these companies was calculated at rates comparable to market rates.
- (v) The interest on loan receivables was calculated at rates comparable to market rates.
- (vi) The above company charged website maintenance service to the Group at comparable market price.
- (vii) The staff secondment charges were determined with reference to the costs incurred.

Certain directors of the Company are also directors of and/or have beneficial interests in those companies.

52. 關連人士交易 (續)

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
–	1,200
2,492	–
1,154	–

附註:

- (i) 本集團已付及應付之物業租金之定價乃根據有關協議條款而釐定。
- (ii) 上列公司按可比較之市場價格向本集團購買機票及相關服務之服務。
- (iii) 可換股票據之利息按已發行可換股票據列明之息率計算。
- (iv) 本集團已付及應付來自此等公司貸款之利息按可比較之市場價格計算。
- (v) 應收貸款利息按可比較之市場價格計算。
- (vi) 上列公司按可比較之市場價格向本集團收取網站維修服務費。
- (vii) 員工借調費用乃按照乃參照所產生之成本而釐定。

本公司若干董事亦身兼上述公司之董事及／或於該等公司擁有實益權益。

52. RELATED PARTY TRANSACTIONS (CONTINUED)

- (b) During the year, the Group received loans from related companies. Details of their relationships and the terms of the loans are set out in note 33.

- (c) The Group maintained current accounts with related companies and associates. Their balances as at 31 December 2005 are set out in notes 26, 27 and 34.

Certain directors of the Company are also directors of and/or have beneficial interests in those companies.

- (d) During the year ended 31 December 2004, the Group made a loan to a related company. Details of its relationship and the terms of the loan are set out in note 29a(v).

- (e) During the year ended 31 December 2004, the Company issued convertible notes of nominal value amounting to HK\$155,000,000 to CEL. Details of the convertible notes are set out in note 37. As at the balance sheet date, the related company holds the convertible notes of nominal value amounting to nil (2004: HK\$55,000,000).

Certain directors of the Company are also directors of and/or have beneficial interests in that related company.

52. 關連人士交易 (續)

- (b) 於年內，本集團收取關連公司之貸款。有關其關係及貸款之條款詳情載於附註33。

- (c) 本集團與關連公司及聯營公司維持經常賬目。該等賬目於二零零五年十二月三十一日之結餘載於附註26、27及34。

本公司若干董事亦身兼上述公司之董事及／或於該等公司擁有實益權益。

- (d) 於截至二零零四年十二月三十一日止年度內，本集團向一間關連公司提供貸款。有關其關係及貸款之條款詳情載於附註29a(v)。

- (e) 於截至二零零四年十二月三十一日止年度內，本公司向CEL發行面值為數155,000,000港元之可換股票據。可換股票據之詳情載於附註37。於結算日，關連公司持有面值為數零港元（二零零四年：55,000,000港元）之可換股票據。

本公司若干董事亦身兼該關連公司之董事及／或於該關連公司擁有實益權益。

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52. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Compensation of key management personnel

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

Short-term benefits	短期福利
Post-employment benefits	退休福利

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

52. 關連人士交易 (續)

(f) 主要管理層人員之薪酬

年內董事及主要管理層其他成員之酬金如下：

2005 HK\$'000 二零零五年 千港元	2004 HK\$'000 二零零四年 千港元
3,865	6,507
29	69
3,894	6,576

董事及主要行政人員之酬金乃由酬金委員會按照個別人士之表現及市場趨勢而釐定。

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For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

53. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2005 are as follows:

53. 主要附屬公司

於二零零五年十二月三十一日，本公司之主要附屬公司之詳情如下：

Name of company 公司名稱	Place of incorporation/ registration 註冊成立／ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company Directly Indirectly 本公司持有 已發行股本 ／註冊資本 面值之比例 直接 間接 % %		Principal activities and place of operation 主要業務 及營業地點
			直接 %	間接 %	
Allied Glory Investment Limited ("Allied Glory")	Hong Kong	HK\$2	–	55.7	Investment holding in the PRC
合榮投資有限公司(「合榮」)	香港	2港元	–	55.7	中國投資控股
Apex Quality Group Limited	British Virgin Islands	US\$5,548,172	–	67.9	Investment holding
Apex Quality Group Limited	英屬維爾京群島	5,548,172美元	–	67.9	投資控股
Asian Pearl Investments Limited	British Virgin Islands	US\$1	–	100	Investment holding in the PRC
Asian Pearl Investments Limited	英屬維爾京群島	1美元	–	100	中國投資控股
Benchmark Pacific Limited	British Virgin Islands	US\$1	–	100	Investment holding in Hong Kong
Benchmark Pacific Limited	英屬維爾京群島	1美元	–	100	香港投資控股
Clever Basin Holdings Limited	British Virgin Islands	US\$1	–	67.9	Investment holding in Hong Kong
Clever Basin Holdings Limited	英屬維爾京群島	1美元	–	67.9	香港投資控股

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財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

53. PRINCIPAL SUBSIDIARIES (CONTINUED)

53. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立／ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company 本公司持有 已發行股本 ／註冊資本 面值之比例		Principal activities and place of operation 主要業務 及營業地點
			Directly % 直接 %	Indirectly % 間接 %	
Credit Paradise Limited 則誠有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Property investment in Malaysia 馬來西亞物業投資
Cyber Business Network (Hong Kong) Limited 數碼網絡(香港)有限公司	Hong Kong 香港	HK\$14,000,000 14,000,000港元	–	100	Provision of internet services in Hong Kong 於香港提供互聯網服務
DS Eastin Limited 日陽東方投資有限公司	Hong Kong 香港	HK\$20 20港元	–	67.9	Investment holding in the PRC 中國投資控股
Golden Sun Limited 瑞陽有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Investment holding in Hong Kong 香港投資控股
Hey Wealth Limited Hey Wealth Limited	Hong Kong 香港	HK\$2 2港元	–	67.9	Property holding in Hong Kong 持有香港物業
HKWOT (BVI) Limited	British Virgin Islands	US\$1	100	–	Investment holding in Hong Kong
HKWOT (BVI) Limited	英屬維爾京群島	1美元	100	–	香港投資控股
HMH China Investments Limited	Bermuda	CAD\$1,152,913	–	55.7	Investment holding
HMH China Investments Limited	百慕達	1,152,913加元	–	55.7	投資控股

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53. PRINCIPAL SUBSIDIARIES (CONTINUED)

53. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company		Principal activities and place of operation 主要業務 及營業地點
			Directly % 本公司持有 已發行股本 ／註冊資本 面值之比例 直接 %	Indirectly % 間接 %	
Hong Kong Wing On Travel Service Limited	Hong Kong	Ordinary – HK\$180,000,100 Deferred – HK\$20,000,000*	–	100	Outbound travel and related services
香港永安旅遊有限公司	香港	普通股份 – 180,000,100港元 遞延股份 – 20,000,000港元*	–	100	外遊及相關服務
International Travel Systems Inc.	British Virgin Islands	US\$1	–	100	Investment holding
International Travel Systems Inc.	英屬維爾京群島	1美元	–	100	投資控股
Kingsgrove International Limited	Hong Kong	HK\$2	–	100	Property investment in Hong Kong
Kingsgrove International Limited	香港	2港元	–	100	香港物業投資
Lucky Million Investments Limited	British Virgin Islands	US\$1	–	67.9	Investment holding in Hong Kong
Lucky Million Investments Limited	英屬維爾京群島	1美元	–	67.9	香港投資控股
Luoyang Golden Gulf Hotel Co., Ltd.	PRC #	RMB145,000,000	–	40.8	Hotel ownership and operation in the PRC
洛陽金水灣大酒店有限公司	中國#	人民幣145,000,000元	–	40.8	於中國擁有和經營酒店

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53. PRINCIPAL SUBSIDIARIES (CONTINUED)

53. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立／ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company		Principal activities and place of operation 主要業務 及營業地點
			Directly % 本公司持有 已發行股本 ／註冊資本 面值之比例 直接 %	Indirectly % 間接 %	
Makerston Limited	British Virgin Islands	US\$1	–	67.9	Investment holding in Hong Kong
Makerston Limited	英屬維爾京群島	1美元	–	67.9	香港投資控股
Many Good Money Exchange Limited	Hong Kong	HK\$100,000	–	100	Money exchange services in Hong Kong
萬利冠找換店有限公司	香港	100,000港元	–	100	香港貨幣兌換服務
Mexmara Holdings Limited	British Virgin Islands	US\$1	–	100	Property investment in Hong Kong
Mexmara Holdings Limited	英屬維爾京群島	1美元	–	100	香港物業投資
Millennium Target Holdings Limited	British Virgin Islands	US\$1	–	100	Investment holding
Millennium Target Holdings Limited	英屬維爾京群島	1美元	–	100	投資控股
Rosedale Group Management Limited	Hong Kong	HK\$2	–	67.9	Provision of management services in Hong Kong
珀麗集團管理有限公司	香港	2港元	–	67.9	於香港提供管理服務
Rosedale Hotel Beijing Co., Ltd.	PRC #	US\$17,200,000	–	64.5	Hotel ownership and operation in the PRC
北京珀麗酒店有限責任公司	中國#	17,200,000美元	–	64.5	於中國擁有和經營酒店

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53. PRINCIPAL SUBSIDIARIES (CONTINUED)

53. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立／ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company		Principal activities and place of operation 主要業務 及營業地點
			Directly % 本公司持有 已發行股本 ／註冊資本 面值之比例 直接 %	Indirectly % 間接 %	
Rosedale Hotel Group Limited	British Virgin Islands	US\$1	–	67.9	Investment holding in Hong Kong
Rosedale Hotel Group Limited	英屬維爾京群島	1美元	–	67.9	香港投資控股
Rosedale Hotel Guangzhou Co., Ltd. ("Rosedale Guangzhou")	PRC ##	US\$11,500,000	–	55	Hotel ownership and operation in the PRC
廣州珀麗酒店有限公司 (「廣州珀麗」)	中國##	11,500,000美元	–	55	於中國擁有及經營酒店
Rosedale Hotel Management Limited	Hong Kong	HK\$2	–	67.9	Hotel management services in Hong Kong
珀麗酒店管理有限公司	香港	2港元	–	67.9	香港酒店管理服務
Rosedale Hotel Management International Limited	British Virgin Islands	US\$1	–	67.9	Hotel management services
Rosedale Hotel Management International Limited	英屬維爾京群島	1美元	–	67.9	酒店管理服務
Rosedale Park Limited	Hong Kong	HK\$2	–	67.9	Hotel operation in Hong Kong
Rosedale Park Limited	香港	2港元	–	67.9	於香港經營酒店

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

53. PRINCIPAL SUBSIDIARIES (CONTINUED)

53. 主要附屬公司 (續)

Name of company	Place of incorporation/ registration	Issued and paid up share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by Company		Principal activities and place of operation
			Directly %	Indirectly %	
公司名稱	註冊成立／ 登記地點	已發行 及繳足股本 ／註冊資本	直接 %	間接 %	主要業務 及營業地點
Shropshire Property Limited	British Virgin Islands	Ordinary – US\$10 Preference – US\$1,000	–	67.9	Investment holding in Hong Kong
Shropshire Property Limited	英屬維爾京群島	普通股 – 10美元 優先股 – 1,000美元	–	67.9	香港投資控股
Success Fund Industrial Limited	Hong Kong	HK\$100	–	100	Property investment in the PRC
萬昌實業有限公司	香港	100港元	–	100	中國物業投資
Super Grade Investment Limited	British Virgin Islands	US\$1	–	100	Property investment in Hong Kong
Super Grade Investment Limited	英屬維爾京群島	1美元	–	100	香港物業投資
Triumph Up Investments Limited	British Virgin Islands	US\$615	–	56.9	Investment holding in Macau
Triumph Up Investments Limited	英屬維爾京群島	615美元	–	56.9	澳門投資控股

53. PRINCIPAL SUBSIDIARIES (CONTINUED)

53. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立／ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company		Principal activities and place of operation 主要業務 及營業地點
			Directly % 本公司持有 已發行股本 ／註冊資本 面值之比例 直接 %	Indirectly % 間接 %	
Watertours of Hong Kong Limited	Hong Kong	Ordinary – HK\$1,500,000 “B” – HK\$100*	–	100	Watertour services in Hong Kong
海上遊覽社香港有限公司	香港	普通股－ 1,500,000港元 B股－100港元*	–	100	香港海上旅遊服務
Wing On Holidays (Macau) Limited	Macau	MOP1,300,000	–	100	Travel and related services in Macau
永安假期(澳門)有限公司	澳門	葡幣1,300,000	–	100	澳門旅遊及相關服務
Wing On Hotel Management Limited	British Virgin Islands	US\$4	–	100	Hotel management services in the PRC
Wing On Hotel Management Limited	英屬維爾京群島	4美元	–	100	中國酒店管理服務
Wing On Travel and Tour Limited	Hong Kong	HK\$2,000,000	–	100	Inbound travel and related services
永安旅遊及觀光有限公司	香港	2,000,000港元	–	100	本地旅遊及相關服務
Wing on Travel Finance Limited	Hong Kong	HK\$2	–	100	Money lending in Hong Kong
永安旅遊財務有限公司	香港	2港元	–	100	於香港從事借貸業務

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財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

53. PRINCIPAL SUBSIDIARIES (CONTINUED)

53. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ registration 註冊成立／ 登記地點	Issued and paid up share capital/ registered capital 已發行 及繳足股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by Company 本公司持有 已發行股本 ／註冊資本 面值之比例		Principal activities and place of operation 主要業務 及營業地點
			Directly % 直接 %	Indirectly % 間接 %	
Wing On Travel International Limited	British Virgin Islands	US\$1	100	–	Investment holding
Wing On Travel International Limited	英屬維爾京群島	1美元	100	–	投資控股
Wing On Travel (BVI) Limited	British Virgin Islands	US\$10,000	–	100	Investment holding
Wing On Travel (BVI) Limited	英屬維爾京群島	10,000美元	–	100	投資控股
Wing On Travel (U.K.) Limited	United Kingdom	£2	–	100	Travel and related services in U.K.
Wing On Travel (U.K.) Limited	英國	2英鎊	–	100	英國旅遊及相關服務
WOT Holidays (Canada) Limited (formerly known as Ananda Travel (Canada) Limited)	Canada	C\$15,000	–	100	Travel and related services in Canada
WOT Holidays (Canada) Limited (前稱「Ananda Travel (Canada) Limited」)	加拿大	加幣15,000元	–	100	加拿大旅遊及相關服務

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度

53. PRINCIPAL SUBSIDIARIES (CONTINUED)

- * The deferred shares and "B" shares are owned by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the respective companies or to participate in any distribution in winding up.
- # The subsidiaries are PRC Sino-foreign equity joint ventures.
- ## This subsidiary is a PRC Sino-foreign co-operative joint venture. Allied Glory is entitled to recoup its total investment (including capital and interest) from the after-tax earnings of Rosedale Guangzhou before any amounts are distributed. Thereafter, the after-tax earnings of Rosedale Guangzhou are to be distributed at 80% and 20% to Allied Glory and other joint venture partner respectively.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Save as disclosed, no debt securities have been issued by any of the subsidiaries during the year.

53. 主要附屬公司 (續)

- * 該等遞延股份及B股由本集團擁有，而實際上不附帶獲派股息或接獲各有關公司任何股東大會通告或出席有關大會或在會上投票，或於公司清盤時參與任何分派之權利。
- # 該等附屬公司乃中國中外股本合營公司。
- ## 該附屬公司為一家中國中外合作合營公司。廣州珀麗之除稅後盈利用作分派任何款項前，合榮有權從中收回其全部投資（包括資金及利息）。之後，廣州珀麗之除稅後盈利須以80%及20%之比例分別分派予合榮及其他合營夥伴。

董事認為上表所列本集團之附屬公司對本集團之業績或資產及負債有重大影響。董事認為細列其他附屬公司之詳情會令篇幅過於冗長，故無詳列。

除上文所披露者外，年內附屬公司概無發行債務證券。

Financial Summary

財務概要

RESULTS

業績

		Year ended 31 December			Nine months ended	Year ended
		2005	2004	2003	31 December	31 March
		HK\$'000	HK\$'000	HK\$'000	2002	2002
			(Restated)		HK\$'000	HK\$'000
		截至十二月三十一日止年度			截至	截至
		二零零五年	二零零四年	二零零三年	二零零二年	二零零二年
		千港元	千港元	千港元	十二月三十一日	三月三十一日
			(經重列)		止九個月	止年度
					千港元	千港元
Turnover	營業額	1,815,718	1,722,177	1,416,235	1,323,286	2,028,897
Profit (loss) before taxation	除稅前溢利(虧損)	30,126	(2,852)	(373,047)	(304,153)	(681,396)
Taxation credit	稅項撥回	2,108	23	2,075	669	11,707
Profit (loss) for the year/period	本年度/期間溢利(虧損)	32,234	(2,829)	(370,972)	(303,484)	(669,689)
Attributable to:	應佔:					
Shareholders of the parent	母公司股東	31,109	8,556	(370,972)	(302,248)	(653,755)
Minority interests	少數股東權益	1,125	(11,385)	–	(1,236)	(15,934)
		32,234	(2,829)	(370,972)	(303,484)	(669,689)
Dividends	股息	8,752	–	–	–	–

ASSETS AND LIABILITIES

資產及負債

		2005 HK\$'000	As at 31 December		2002 HK\$'000	As at 31 March 2002 HK\$'000
			2004 HK\$'000 (Restated)	2003 HK\$'000		
		二零零五年 千港元	於十二月三十一日 二零零四年 千港元 (經重列)	二零零三年 千港元	二零零二年 千港元	於二零零二年 三月三十一日 千港元
Total assets	總資產	3,031,623	2,572,322	1,107,351	1,431,314	1,158,246
Total liabilities	總負債	1,617,579	1,643,878	784,252	776,738	492,739
		1,414,044	928,444	323,099	654,576	665,507
Equity attributable to shareholders of the parent	母公司股東 應佔權益	978,976	630,142	293,321	654,576	647,334
Minority interests	少數股東權益	435,068	298,302	29,778	–	18,173
		1,414,044	928,444	323,099	654,576	665,507

The financial information for the year ended 31 December 2004 has been restated to reflect the effect of changes in accounting policies as described in note 2 to the consolidated financial statements. The financial information for the year ended 31 March 2002, nine months ended 31 December 2002 and year ended 31 December 2003 has not been adjusted.

截至二零零四年十二月三十一日止年度之財務資料已予以重列，以反映綜合財務報表附註2所述會計政策變動之影響。截至二零零二年三月三十一日止年度、截至二零零二年十二月三十一日止九個月及截至二零零三年十二月三十一日止年度之財務資料並無任何調整。

Particulars of Properties

物業詳情

INVESTMENT PROPERTY

投資物業

Company 公司	Address 地址	Existing Use 現時用途	Lease Term 租約年期
Credit Paradise Limited	Lot Nos. T009 and T010, 3/F., Sungei Wang Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Vacant	Freehold
則誠有限公司	Lot Nos. T009 and T010, 3/F., Sungei Wang Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	空置	永久業權

LAND AND BUILDINGS

土地及樓宇

Company 公司	Address 地址	Existing Use 現時用途	Site Area 地盤面積	Gross Area 總面積	% Interest 權益百分比
Kingsgrove International Limited	Workshops A and B on 1/F., Sunking Factory Building, 1-7 Shing Chuen Road, Taiwai, Shatin, New Territories	Warehouse	1,645.86 sq.m.	1,645.86 sq.m.	100
Kingsgrove International Limited	新界 沙田大圍 成全路1-7號 順景工業大廈 1樓A及B工場	貨倉	1,645.86 平方米	1,645.86 平方米	100
Mexmara Holdings Limited	Unit 3, 6/F., Block 38, Heng Fa Chuen, 100 Shing Tai Road, Chai Wan, Hong Kong	Vacant	56.48 sq.m.	56.48 sq.m.	100
Mexmara Holdings Limited	香港 柴灣 盛泰道100號 杏花邨 38座6樓3室	空置	56.48 平方米	56.48 平方米	100

LAND AND BUILDINGS (CONTINUED)

土地及樓宇(續)

Company 公司	Address 地址	Existing Use 現時用途	Site Area 地盤面積	Gross Area 總面積	% Interest 權益百分比
Super Grade Investment Limited	Units 1222 and 1223 on 12/F, Nan Fung Centre, 264-298 Castle Peak Road and 64-98 Sai Lau Kok Road, Tsuen Wan, New Territories	Office	151.90 sq.m.	151.90 sq.m.	100
Super Grade Investment Limited	新界 荃灣 青山道264-298號及 西樓角路64-98號 南豐中心12樓 1222室及1223室	辦公室	151.90 平方米	151.90 平方米	100

PROPERTY UNDER CONSTRUCTION

在建物業

Company 公司	Address 地址	Existing Use 現時用途	Site Area 地盤面積	Gross Area 總面積	% Interest 權益百分比	Stage of Completion 發展階段
Success Fund Industrial Limited	Henny Travel Holiday Centre Yintan (Silverbeach) State Travel Holiday Area, Beihai City, Guangxi Zhuang Nationality Autonomous Region, The PRC	Vacant	15,557.8 sq.m.	19,464.73 sq.m.	100%	90%
萬倡實業 有限公司	中國 廣西壯族自治區 北海市 國家旅游渡假區 銀灘 恒利 旅游渡假中心	空置	15,557.8 平方米	19,464.73 平方米	100%	90%

Particulars of Properties

物業詳情

HOTEL PROPERTIES

酒店物業

Company 公司	Address 地址	Existing Use 現時用途	Site Area 地盤面積	Gross Area 總面積	% Interest 權益百分比
Hey Wealth Limited	Rosedale on the Park No. 8 Shelter Street, Causeway Bay, Hong Kong	Hotel operation	6,640.5 sq.ft.	102,173 sq.ft.	67.9%
Hey Wealth Limited	珀麗酒店 香港 銅鑼灣 信德街8號	經營酒店業務	6,640.5 平方呎	102,173 平方呎	67.9%
Rosedale Hotel Beijing Co., Ltd.	Rosedale Hotel & Suites ■ Beijing No. 8 Jiang Tai West Road, Chao Yang District, Beijing, the PRC	Hotel operation	18,699.6 sq.m.	37,173.20 sq.m.	64.5%
北京珀麗酒店有限責任公司	北京珀麗酒店 中國北京 朝陽區 將台西路8號	經營酒店業務	18,699.6 平方米	37,173.20 平方米	64.5%
Rosedale Hotel Guangzhou Co., Ltd.	Rosedale Hotel & Suites ■ Guangzhou No. 348 Jiangnanda Road, Haizhu District, Guangzhou, the PRC	Hotel operation	10,838.9 sq.m.	46,865 sq.m.	55%
廣州珀麗酒店有限公司	廣州珀麗酒店 中國廣州 海珠區 江南大道348號	經營酒店業務	10,838.9 平方米	46,865 平方米	55%
Luoyang Golden Golf Hotel Co., Ltd.	Golden Golf Hotel No. 319 Zhongzhou Zhong Road Xigong District Luoyang City Henan Province, the PRC	Hotel operation	9,025.51 sq.m.	21,269.18 sq.m.	40.8%
洛陽金水灣大酒店有限公司	金水灣大酒店 中國河南省 洛陽市西工區 中州中路319號	經營酒店業務	9,025.51 平方米	21,269.18 平方米	40.8%



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