



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)

2006
Annual Report 年報

尊尚旅遊體驗 只因永安旅遊



2006
香港工商業獎
HONG KONG AWARDS
FOR INDUSTRIES

生產力及品質優異證書
PRODUCTIVITY
AND QUALITY
CERTIFICATE OF MERIT

Corporate Information

公司資料

Directors

Chairman

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

Managing Director

Mr. Cheung Hon Kit

Executive Directors

Dr. Yap, Allan

Mr. Chan Pak Cheung, Natalis

Mr. Lui Siu Tsuen, Richard

Independent Non-Executive Directors

Mr. Kwok Ka Lap, Alva

Mr. Wong King Lam, Joseph

Mr. Poon Kwok Hing, Albert

Qualified Accountant

Ms. Chan Ling, Eva

Company Secretary

Ms. Fung Mei Ling

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Deloitte Touche Tohmatsu

Certified Public Accountants

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Wanchai, Hong Kong

Stock Code

Stock Code on The Stock Exchange of

Hong Kong Limited: 1189

董事

主席

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董事總經理

張漢傑先生

執行董事

Yap, Allan 博士

陳百祥先生

呂兆泉先生

獨立非執行董事

郭嘉立先生

黃景霖先生

潘國興先生

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香港聯合交易所有限公司

股份代號：1189

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Management Discussion and Analysis

管理層論述及分析

REVIEW OF OPERATIONS

The Hong Kong economy continued to expand at a brisk pace in 2006. The robust 6.8% GDP growth for 2006 as a whole marked the third consecutive year of distinctly above-trend growth. The past three years saw a sustained period of high growth and low inflation, giving a highly supportive macro-economic environment. The labour market experienced further extensive improvements in 2006 with unemployment rate fell to a 6-year low of 4.4% by the end of the year. Job vacancies and employment income remained on the rise.

Benefited from this economic atmosphere, the business of the Group continued to perform satisfactorily during 2006 in terms of both revenue and number of customers. During 2006, the Group attained a turnover of HK\$1,992.4 million which represented a 9.7% increase over the HK\$1,815.7 million in 2005. Loss for the year ended 31 December 2006 was HK\$79.4 million (2005: a profit of HK\$32.2 million) after taking in account various non-cash items on adoption of the Hong Kong Financial Reporting Standards issued in recent years. These non-cash items were mainly impairment loss recognized in respect of available-for-sale investments of HK\$19.9 million (2005: HK\$1.2 million), impairment loss recognized in respect of goodwill arising on acquisition of subsidiaries of HK\$5.8 million (2005: HK\$nil), imputed interest on convertible notes of HK\$30.3 million (2005: HK\$1.6 million) and share option expenses of HK\$12.0 million (2005: HK\$nil). Finance costs other than imputed interest on convertible notes for the year were HK\$68.4 million (2005: HK\$57.8 million) mainly caused by the issue of 1,000 million convertible notes in June 2006 due 2011 at a coupon interest rate of 2% per annum. The earnings before interest, tax, depreciation and amortization ("EBITDA") for the year was HK\$70.3 million. Had the abovementioned non-cash items been excluded, the EBITDA would be adjusted to HK\$108.0 million (2005: HK\$116.8 million).

業務回顧

二零零六年，香港經濟持續以迅速步伐增長。二零零六年之本地生產總值整體以6.8%強勢增長，為連續第三年錄得顯著升幅。過去三年持續高增長及低通脹，提供極有利的宏觀經濟環境，於二零零六年底，勞工市場進一步大幅改善，失業率跌至4.4%，創六年以來的新低，職位空缺及就業收入持續上升。

受惠於經濟環境造好，本集團業務之收益及客戶數目於二零零六年持續表現理想。於二零零六年，本集團錄得營業額1,992,400,000港元，較二零零五年的1,815,700,000港元增加9.7%。計及採用近年頒佈的香港財務報告準則後的多個非現金項目，截至二零零六年十二月三十一日止年度的虧損為79,400,000港元（二零零五年：溢利32,200,000港元）。該等非現金項目主要為可供出售投資之已確認減值虧損19,900,000港元（二零零五年：1,200,000港元）、收購附屬公司產生的商譽之已確認減值虧損5,800,000港元（二零零五年：零港元）、可換股票據之應計利息30,300,000港元（二零零五年：1,600,000港元）及購股權支出12,000,000港元（二零零五年：零港元）。年內除可換股票據之應計利息外的融資成本為68,400,000港元（二零零五年：57,800,000港元），此乃主要由於二零零六年六月發行票面年利率2厘並於二零一一年到期的1,000,000,000港元可換股票據所致。年內除息稅折舊攤銷前利潤（「EBITDA」）為70,300,000港元。若剔除上述非現金項目，EBITDA將調整至108,000,000港元（二零零五年：116,800,000港元）。

Management Discussion and Analysis

管理層論述及分析

Travel and Related Services

The Group's travel and related services comprises mainly outbound tours, inbound tours, air ticketing and hotel/air tickets packages. In 2006, this segment continued to grow and achieved a turnover of HK\$1,740.7 million represented an increase of 9.3 % over the HK\$1,592.0 million in 2005. Segment results for the year was HK\$17.0 million (2005: HK\$56.4 million) resulted from the reducing margin and staff force expansion to cope with business expansion.

Hotel and Leisure Services

The Group operates its hotel and leisure business through Luoyang Golden Gulf Hotel and the three "Rosedale" branded 4-star rated hotels located in Hong Kong, Guangzhou and Beijing, the PRC. During 2006, the average occupancy ratio achieved 71.35% and was slightly lower than the 71.97% in 2005. On the other hand, the average room rate for the year attained HK\$519 was 8% better than the HK\$480 in 2005. The segment achieved a turnover of HK\$251.7 million for the year ended 31 December 2006 (2005: HK\$223.8 million) and a segment profit of HK\$40.9 million (2005: HK\$28.2 million). The discount on acquisition of Kingsway Hotel of HK\$34.6 million recorded in 2005 did not recur during the current year.

Associates

Benefited from the booming tourism market in Macau, the Group's 31.73% held associate, Kingsway Hotel Limited has performed satisfactorily. The Group's share of its results up to its being reclassified as assets held for sale on 30 June 2006 was HK\$4.8 million against the HK\$8.4 million for the full year 2005.

The Group's 50% held joint venture, Travoo International Limited ("Travoo") commenced its operation in early January 2006. Its main focus are on air ticketing and hotel bookings transacted through a business-to-business-to-customers system platform. Due to heavy start-up costs, Travoo has resulted a loss for the year and the Group's share of the loss was HK\$2.9 million for the year ended 31 December 2006.

旅遊及相關服務

本集團之旅遊及相關服務主要包括境外旅遊、境內旅遊、機票及酒店／機票套票。於二零零六年，此分類持續增長，營業額達1,740,700,000港元，較二零零五年1,592,000,000港元增長9.3%。年內分類業績為17,000,000港元（二零零五年：56,400,000港元），乃由於邊際利潤下降及為擴充業務而增加人手所致。

酒店及休閒服務

本集團透過洛陽金水灣大酒店及三間位於中國香港、廣州、北京以「珀麗」為品牌的四星級酒店經營其酒店及休閒業務。於二零零六年，平均入住率達71.35%，略低於二零零五年的71.97%。另一方面，年內平均房價為519港元，較二零零五年的480港元增加8%。此分類業務於截至二零零六年十二月三十一日止年度之營業額及分類溢利分別為251,700,000港元（二零零五年：223,800,000港元）及40,900,000港元（二零零五年：28,200,000港元）。本年度內，於二零零五年記賬之收購金城酒店折讓34,600,000港元並無重現。

聯營公司

受惠於澳門旅遊業興旺，本集團於其中持有31.73%權益的聯營公司金城酒店有限公司成績理想，直至其於二零零六年六月三十日被重新分類為持作出售資產前，本集團佔其業績4,800,000港元，二零零五年全年應佔業績則為8,400,000港元。

本集團於其中持有50%權益之合資企業Travoo International Limited（「Travoo」）已於二零零六年一月初開始營運，其主要業務乃透過商業－商業－客戶之系統平台進行預訂機票及酒店交易。由於開業成本高昂，Travoo錄得年度虧損，而本集團佔其截至二零零六年十二月三十一日止年度之虧損為2,900,000港元。

Management Discussion and Analysis

管理層論述及分析

The Group's 41.9% interest in a US Pink Sheets quoted associate, Sino Express Travel Limited ("Sino Express") acquired in August 2006 has resulted loss for the year. The Group's share of results in this associate in 2006 was a loss of HK\$2.0 million.

Material Acquisitions and Disposals

On 13 June 2006, the Group entered into a conditional sale and purchase agreement with an independent third party for the disposal of the Group's 56.91% interest in Triumph Up Investments Limited (the "Disposal") for a consideration of HK\$252,789,344.97. Triumph Up Investments Limited indirectly holds approximately 55.75% of the issued share capital of Kingsway. Accordingly, the Group's entire approximately 31.73% effective interest in Kingsway will be disposed of. The net proceeds from the Disposal are estimated to be approximately HK\$250.8 million. The Group intends to apply the net proceeds for the purpose of repayment of its borrowings and as the general working capital of the Group. The Disposal has been approved by the shareholders of the Company in the special general meeting held on 17 July 2006. Pursuant to the various deed of variation entered between the Group and the purchaser, the long stop date of the Disposal has been extended to 31 May 2007. The Disposal has not completed as at the date of this report.

On 30 June 2006, International Travel Systems Inc. ("ITS"), a wholly owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with a wholly owned subsidiary of Sino Express, a company with its shares being traded on the US Pink Sheets, to dispose of the 100% equity interest held by ITS in a subsidiary established in Guangzhou, the PRC and related shareholder's loan for a total consideration of US\$7,500,000 (equivalent to approximately HK\$58,500,000). Pursuant to the agreement, the consideration would be satisfied by the purchaser by issuing to ITS (or as it may direct) a total of 32,608,696 shares of common stock in Sino Express, representing approximately 38.99% of the then issued share capital of Sino Express, at an issue price of US\$0.23 each. The agreement was completed on 30 August 2006.

本集團於二零零六年八月收購一家於美國粉紅價單上市的聯營公司Sino Express Travel Limited (「Sino Express」)之41.9%權益，於年內招致虧損。本集團於二零零六年應佔該聯營公司之業績為虧損2,000,000港元。

重大收購及出售事項

於二零零六年六月十三日，本集團與一名獨立第三方訂立有條件買賣協議，內容有關出售本集團於Triumph Up Investments Limited擁有之56.91%權益（「出售事項」），代價為252,789,344.97港元。Triumph Up Investments Limited間接持有金域之已發行股本約55.75%。因此，本集團於金域擁有之全部約31.73%實際權益將被出售。出售事項所得款項淨額估計約為250,800,000港元。本集團擬將所得款項淨額用作償還其借貸及作本集團一般營運資金用途。本公司股東已於二零零六年七月十七日舉行之股東特別大會上批准出售事項。根據本集團與買方訂立之多份契據修訂書，出售事項的最後限期順延至二零零七年五月三十一日。出售事項於本報告日期尚未完成。

於二零零六年六月三十日，本公司全資附屬公司International Travel Systems Inc. (「ITS」)與一間其股份於美國粉紅價單交易之公司Sino Express之全資附屬公司訂立有條件買賣協議，以出售ITS於一家在中國廣州成立之附屬公司所持有之100%股本權益及相關股東貸款，總代價為7,500,000美元（約相當於58,500,000港元）。根據該協議，有關代價將由買方按每股發行價0.23美元向ITS（或ITS所指明的人士）發行合共32,608,696股Sino Express普通股（佔Sino Express當時已發行股本約38.99%）予以支付。該協議已於二零零六年八月三十日完成。

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On 4 April 2007, ITS and an independent third party (the “Vendor”) entered into an agreement under which the parties agreed that, subject to the fulfillment of certain conditions precedent, ITS will purchase 100 shares of US\$1 each in the capital of Asia Times Limited (“Asia Times”) held by the Vendor, representing 100% equity interest in Asia Times for a consideration of HK\$70,000,000. The details of the acquisition were disclosed in the announcement of the Company dated 16 April 2007. The agreement is conditional, among others, on the approval of the shareholders of the Company.

Liquidity and Financial Resources

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, 175,000,000 new adjusted shares at a price of HK\$0.69 per new adjusted share to not less than six placees who are independent third parties. The net proceeds of approximately HK\$120.0 million would be used as the Group’s general working capital. In order to facilitate the issue of the placing shares, the Company conducted a capital reorganisation which involved (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\$0.10; and (ii) the subdivision of every unissued existing share into 10 adjusted shares.

The capital reorganisation and the placing were completed on 10 April 2006 and 25 April 2006 respectively.

於二零零七年四月四日，ITS與一獨立第三方（「賣方」）訂立一份協議，據此，訂約雙方同意於完成若干先決條件後，ITS將以代價70,000,000港元購買賣方所持Asia Times Limited股本中100股每股面值1美元之股份，相當於Asia Times Limited之100%股本權益。該項收購之詳情在本公司於二零零七年四月十六日刊發之公佈中披露。該協議須待（其中包括）本公司股東批准後，方始作實。

流動資金及財務資源

於二零零六年三月一日，本公司與一配售代理訂立一份配售協議，據此，該配售代理有條件地同意按竭誠盡力基準，以每股新經調整股份0.69港元的價格將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）。所得款項淨額約120,000,000港元將用作本集團的一般營運資金。為方便發行配售股份，本公司已進行一項股本重組，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0.10港元；及(ii)分拆每股未發行的現有股份為10股經調整股份。

該項股本重組及配售事項已先後於二零零六年四月十日及二零零六年四月二十五日完成。

Management Discussion and Analysis

管理層論述及分析

On 23 March 2006, the Company entered into a total of eight conditional subscription agreements with each of China Enterprises Limited, Hutchison International Limited, a fund manager (on behalf of four other subscribers) and five other subscribers in related to the subscription of the HK\$1,000 million 2% convertible exchangeable notes due 2011 (the "Notes") proposed to be issued by the Company which entitled the holders thereof to, among others, convert the principal amount outstanding into 1,265,822,784 new shares of the Company which fall to be issued upon exercise in full of the conversion rights attaching to the Notes at an initial conversion price of HK\$0.79 per share. The net proceeds raised are expected to be used by the Group for the purpose of expanding its hotel business and travel related business. To the extent that the net proceeds are not immediately applied for the above purpose, the Company intends that the net proceeds may be used to reduce the gearing of the Group.

The subscription agreements have completed and the Notes were issued in June 2006.

At balance sheet date, the Group's total borrowings were as follows:

於二零零六年三月二十三日，本公司與China Enterprises Limited、和記企業有限公司、一名基金經理（代表四名其他認購人）及五名其他認購人訂立合共八份有條件認購協議，內容有關認購本公司建議發行於二零一一年到期的1,000,000,000港元2厘利息可換股可交換票據（「該等票據」），該等票據賦予其持有人權利可（其中包括）將未償還的本金額兌換為1,265,822,784股本公司新股份，而該等新股份將須於該等票據所附之換股權按初步兌換價每股0.79港元獲悉數行使後發行。預期籌集所得款項淨額將由本集團用於拓展其酒店業務及旅遊相關業務。倘所得款項淨額未能即時應用於上述用途，本公司擬將其用於降低本集團的資產負債比率。

該等認購協議已完成，該等票據已於二零零六年六月發行。

於結算日，本集團之借款總額如下：

		2006 HK\$ million 二零零六年 百萬港元	2005 HK\$ million 二零零五年 百萬港元
Loan from related companies	關連公司貸款	106.3	361.5
Bank and short term loan	一年內到期之銀行及短期貸款		
– amount due within one year		59.3	38.3
Bank loans – amount due after one year	一年後到期之銀行貸款	406.5	271.3
Obligations under finance leases	融資租約承擔	–	0.1
Promissory note	承兌票據	–	365.0
Convertible notes	可換股票據	810.0	–
		1,382.1	1,036.2

Management Discussion and Analysis

管理層論述及分析

The convertible notes issued in June 2006, due in June 2011, bear interest at a fixed rate of 2% per annum. All other borrowings bear floating interest rates.

The gearing ratio, expressed as a percentage of total borrowings to equity attributable to shareholders of the parent, increased slightly by 4.3% from 105.8% as at 31 December 2005 to 110.1% as at 31 December 2006.

Pledge of Assets

At 31 December 2006, certain assets of the Group at net book value of HK\$638.5 million (2005: HK\$640.0 million) were pledged to banks and financial institutions for credit facilities.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2006.

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 2006, the impact on the Group's operation is minimal. As such, the fluctuation of foreign currencies does 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.

於二零零六年六月發行及於二零一一年六月到期之可換股票據按固定利率每年2厘計息。所有其他借款均按浮動利率計息。

資本負債比率（按借款總額相對母公司股東應佔權益百分比列示）由二零零五年十二月三十一日的105.8%增至於二零零六年十二月三十一日的110.1%，略升4.3%。

資產抵押

於二零零六年十二月三十一日，本集團已將賬面淨值為638,500,000港元（二零零五年：640,000,000港元）之若干資產抵押予銀行及財務機構以取得信貸融資額。

或然負債

於二零零六年十二月三十一日，本集團並無任何重大或然負債。

外幣風險

本集團之大部份資產及負債及業務交易均以港元、美元及人民幣計算。儘管人民幣於二零零六年內升值，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。

Management Discussion and Analysis

管理層論述及分析

Employees

At 31 December 2006, the Group has 2,021 employees of which 23 employees were stationed overseas and 1,098 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 2006 were approximately HK\$150.0 million.

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 19 May 2006.

On 22 June 2006, the Company granted 58,880,000 options at an exercise price of HK\$0.728 per share with exercisable period from 22 June 2006 to 21 June 2008. At balance sheet date, 200,000 options had been lapsed and no option has been exercised by the option holders during the year.

僱員

於二零零六年十二月三十一日，本集團聘用2,021名僱員，當中23名駐居海外，另外1,098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。截至二零零六年十二月三十一日止年度，員工薪酬總額約為150,000,000港元。

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%。本公司股東已於二零零六年五月十九日舉行之股東週年大會上批准更新一般限額。

於二零零六年六月二十二日，本公司按行使價每股0.728港元授出58,880,000份購股權，該等購股權之行使期自二零零六年六月二十二日起至二零零八年六月二十一日止。於結算日，200,000份購股權已告失效，年內購股權持有人概無行使任何購股權。

Management Discussion and Analysis

管理層論述及分析

PROSPECTS

The China Market

According to the statistics released by the China National Tourism Administration, the number of outbound visitors in 2006 reached 125 million and represented an increase of 4% over 2005. The revenue generated from incoming visitors to China in 2006 was US\$33.9 billion, represented a 15% increase over 2005. The inauguration of the Qinghai-Tibet Railway in July 2006 further made China a hot spot for visitors. Coupled with the effect of the 2008 Beijing Olympic Games and the 2010 Shanghai Disney and World Expo, both the number of visitors to China and the related travel spending shall grow to a tremendous extent during the coming years.

For the outbound market, China remained at the top in Asia in 2006 in terms of number of tourists. There were 34 million outbound tourists travelled abroad in 2006, represented a 10% increase over the year before. At the same time, the number of approved travel destinations for PRC citizens has been increased to 132. Coupled with the concession of outbound tour operating licenses to Hong Kong based travel agents, the Group considers this excellent timing to enlarge its PRC network and to penetrate into market.

To grasp the enormous opportunities in the PRC travel market, the Group has formulated a strategic plan in order to broaden its operating network in the PRC in short to medium term. In addition to its existing land operator joint venture company in Guangzhou, Travoo and the Rosedale branded hotels, the Group is currently finalizing the negotiation with various vendors for acquiring hotels rated from 2 to 4 stars. As part of the Group's expansion plan, it has recently reached an agreement to acquire the majority control of a travel agent in Sichuan Province. The Group has also had plans to expand its traditional and internet travel business. Currently, the Group is targeting on several travel projects of various business types including tour packages provider, on-line hotel booking agents and leisure resorts. The Group is strongly confident on the PRC travel industry and shall keep on exploring appropriate investment projects to expand its business network in the Mainland.

展望

中國市場

據中國國家旅遊局發佈之統計，於二零零六年，出境遊客人數達到125,000,000人次，較二零零五年增長4%。於二零零六年，前往中國之入境旅客所產生之收益為339億美元，較二零零五年增加15%。青藏鐵路於二零零六年七月通車後，進一步使中國變為旅遊熱點。加上二零零八年北京奧運會、二零一零年上海迪士尼樂園及世界博覽會之影響，前往中國之旅客人數及相關旅遊消費於來年將會大幅增長。

出境旅遊市場方面，以旅客人數來說，中國於二零零六年仍然處於亞洲首位。於二零零六年，有34,000,000人次出境旅客出國旅遊，較上年度增加10%。同時，中國公民獲准旅遊之目的地數目增至132個，加上以香港為基地的旅行社獲批出境遊經營牌照，本集團認為此乃拓展中國網絡及打入市場的良機。

為抓緊中國旅遊市場的龐大機遇，本集團已制訂一套策略計劃，於短期至中期擴大其中國營運網絡。除了其現時於廣州的合資地接商公司、Travoo及以「珀麗」為品牌之酒店外，本集團亦正與多位賣方落實有關收購多家二至四星級酒店之商談。作為本集團擴充計劃的一部分，本集團最近訂立了一份協議，收購四川省一家旅行社的大部分控制權。本集團亦訂有計劃擴充其傳統及網上旅遊業務。目前，本集團以不同業務類型的多個旅遊項目為目標，包括旅行團供應商、網上酒店預訂代理及休閒度假村。本集團對中國旅遊業充滿信心，並將繼續發掘合適投資項目，以擴大其內地業務網絡。

Management Discussion and Analysis

管理層論述及分析

Tour Business

Further to the regular tour series to popular sightseeing destinations, the Group shall continue to put in considerable resources to develop and launch series of featured products such as photography tours and culture appreciation tours to suit the need of the growing number of customers who prefer to expend on distinctive products with profundity.

In the coming year, the Group shall put additional resources and effort to further enhance our service quality and to uplift the status of the customers joining our tour packages. These will be attained via extensive co-operation with prestige airlines, hotels and the tourism authority of our tour destinations.

In inbound market, Hong Kong welcomed 25.3 million visitors in 2006, 8.1% more than in 2005. Mainland visitors continued to be the focus with the help of the Hong Kong Disneyland, the Hong Kong Wetland Park and the skyrail to Po Lin Monastery (Ngong Ping 360). The Group, as a leader of the industry, shall continue to inject resources to strengthen its inbound section to cope with this brilliant sector.

FIT Travel

The Group is all the time excelled at FIT travel. The local government's five-day workweek commenced in July 2006 set a good example to the commercial sectors. Increasing number of large organisations have implemented or aggressively considering to adopt the same system. The Group has successfully catch up with this excellent opportunity by launching its choreographed weekend travel packages to that class of customers with high-income and aspired after enjoyment. In the coming years, the Group shall expand its ticketing sales outlet. Coupled with the rebound of the Hong Kong economy and the increasing GDP per capita, the contribution of this business stream to the Group shall see a tremendous growth in the coming years.

旅遊業務

除前往熱門觀光目的地的一般旅遊路線外，本集團將繼續投放大量資源，以開發並推出一系列特色產品，如攝影之旅及文化欣賞之旅，以配合人數正在增長而喜愛消費在具有內涵且別樹一格的產品的客戶群。

來年，本集團將投放額外資源致力進一步改善服務質素，以及提升參加本集團旅行團的客戶的地位，具體措施為與各旅遊目的地的著名航空公司、酒店及旅遊局廣泛合作。

在入境市場方面，於二零零六年共有25,300,000人次旅客來港，較二零零五年增加8.1%。受惠於香港迪士尼樂園、香港濕地公園及通往寶蓮寺之纜車（昂坪360），內地旅客繼續成為焦點。本集團作為業內翹楚，將繼續投放資源強化其入境旅遊分部，以配合此生機勃勃的市場。

自助遊

本集團一直以來在自助遊方面表現突出。本港政府於二零零六年七月率先實施五天工作週，給商業機構樹立了一個良好榜樣，使越來越多的大型機構已實施或在積極考慮採納相同制度。本集團已成功捕捉此絕佳機會，為一眾高收入且追求享受的客戶推出精心設計的週末旅遊套餐。於未來數年，本集團將擴充其票務銷售點，配合香港經濟復甦，人均本地生產總值不斷上升，本集團認為此項業務作出的貢獻在來年將會大幅增長。

Management Discussion and Analysis

管理層論述及分析

Cruise Business

Following the docking of the Italian cruise liner Costa Allegra in May 2006 sailing on regular schedule in and out of Hong Kong to the Mainland, the American-based Royal Caribbean Cruise participated into the Hong Kong market and Queen Mary II's visiting Hong Kong recently, Hong Kong is moving its way towards to the ultimate target of becoming the cruises hub of Asia. The proposed cruise terminal, a vital element of the development plan of the former Kai Tak Airport, further proved the Government's commitment to this direction.

The Group, as a forerunner of the industry, seeing this cruise sector one of the major focus of the travel industry within the next decade, has opened its first cruise centre in June 2006. We have deployed a dedicated team of staff who has undergone intensive cruise products training to retail prestigious brands such as Royal Caribbean Cruise, Cunard, MSC and Costa Crociere. The Group shall put considerable resources to spread this cruise concept throughout its branch network and to provide professional service to our customers of this expanding stratum.

Hotel Operations

Benefited from the booming China inbound market and the Hong Kong Government's aggressive measures to promote the city, the average room rates of the three "Rosedale" branded hotels and the Luoyang Golden Gulf Hotel improved remarkably. The coming 2008 Beijing Olympic Games, the grant of outbound operating license to Hong Kong and Macau travel agents and the erection of further tourists spots in Hong Kong shall attract more and more visitors to the Mainland and the city. The Group shall continue to explore further hotel investment targets to expand its 4-star rated business hotel chain. Simultaneously, the Group shall actively participate into the booming budget hotel market in the PRC via acquisition, franchise and/or cooperated with domestic hotel operators. The Group sees that the contribution of this segment to the Group in the coming years shall be increased to a considerable extent.

The Group, as a precursor of the industry, committed to make use of our expertise to explore new leisure and sightseeing spots around the globe, and to provide quality ticketing, catering and other related services for our valuable customers to relax and enjoy during their holiday.

郵輪業務

繼意大利Costa Allegra號郵輪於二零零六年五月進駐香港，開辦往來香港至內地的定期航班後，總部位於美國的皇家加勒比海郵輪亦已進駐香港市場，瑪麗皇后II號亦於最近到訪香港，香港現正邁向成為亞洲郵輪樞紐之終極目標。建議的郵輪碼頭乃最新公佈的原啟德機場發展規劃的關鍵部份，亦進一步證明了港府朝此方向發展的承諾。

本集團作為行業之先驅，視郵輪行業為未來十年旅遊行業發展之主要重點之一，故此已於二零零六年六月開設其首個郵輪中心。本集團已安排接受過全面郵輪產品培訓的專業團隊，負責知名名牌如皇家加勒比海郵輪、Cunard、MSC及Costa Crociere的銷售。本集團將投放大量資源，在其整個分支網絡中普及這種郵輪概念，並向本集團在這方面人數不斷增加的客戶提供專業服務。

酒店經營

受惠於中國入境遊市場的暢旺及港府採取積極措施宣傳香港，三間以「珀麗」為品牌的酒店及洛陽金水灣大酒店之平均房價均明顯上升。隨著即將舉辦二零零八年北京奧運會，港澳旅行社獲批出境遊經營牌照及香港旅遊景點的增加，將會吸引越來越多的遊客前往內地及香港旅遊。本集團將繼續發掘更多酒店投資目標以發展四星級連鎖式商務酒店。同時，本集團將透過收購、特許經營及／或與當地酒店經營者合作，積極參與中國正在冒起的經濟型酒店市場。本集團預期此分類業務的收入貢獻於未來數年將會大幅增長。

本集團作為業內之領導企業應發揮其本身之專長，堅持不懈地為本集團的尊貴客戶開發全球的更多休閒及觀光景點，提供優質的票務、款待及其他相關服務，務求為本集團之尊貴客戶提供輕鬆、愉快的假期。

Directors Profile

董事簡介

CHAIRMAN

Mr. Yu Kam Kee, Lawrence *B.B.S., M.B.E., J.P.*, aged 61, 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 See Corporation 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, Director of the Hong Kong Football Association and chairman of the Campaign Committee of the Road Safety Council.

MANAGING DIRECTOR

Mr. Cheung Hon Kit, aged 53, 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 28 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 Macau Prime Properties Holdings Limited (formerly known as 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61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。余先生亦為漢傳媒集團有限公司之主席，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、香港足球總會之董事及道路安全宣傳運動委員會之主席。

董事總經理

張漢傑先生，現年53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28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。張先生現為澳門祥泰地產集團有限公司（前稱「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 51, has been an Executive Director of the Company since April 2002. He obtained the honorary degree of Doctor of Laws and has over 25 years' experience in finance, investment and banking. Dr. Yap is the managing director of Hanny Holdings Limited; executive director of Big Media Group Limited, a company whose shares are listed on the GEM board of the Stock Exchange in Hong Kong; 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 56, 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 51, has been an Executive Director of the Company since April 2002. He is a qualified accountant and has over 27 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, a director of MRI Holdings Limited, a public listed company in Australia, and an executive director of PSC Corporation Ltd, a public listed company in Singapore.

執行董事

Yap, Allan博士，現年51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25年經驗。Yap博士為錦興集團有限公司之董事總經理，其股份於香港交易所創業板上市之天下媒體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56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51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27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、澳洲上市公司MRI Holdings Limited之董事及新加坡上市公司普威集團有限公司之執行董事。

Directors Profile

董事簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Ka Lap, Alva, aged 58, 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 executive director of China Strategic Holdings Limited and independent non-executive director of Macau Prime Properties Holdings Limited (formerly known as Cheung Tai Hong Holdings Limited) and Hanny Holdings Limited.

Mr. Wong King Lam, Joseph, aged 54, has been an Independent Non-Executive Director of the Company since September 2004. 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 executive director of Grand Field Group Holdings Limited and independent non-executive director of Tungtex (Holdings) Company Limited, China Strategic Holdings Limited, Hanny Holdings Limited and Honesty Treasure International Holdings Limited.

Mr. Poon Kwok Hing, Albert, aged 45, has been an Independent Non-Executive Director of the Company since March 2007. He graduated from the University of Bath, United Kingdom with a Master of Science degree in Business Administration. Mr. Poon is also a member of the Hong Kong Institute of Certified Public Accountants and a member of the CPA Australia. Mr. Poon is currently the company secretary and the qualified accountant of Shang Hua Holdings Limited and the independent non-executive director of Hanny Holdings Limited.

獨立非執行董事

郭嘉立先生，現年58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。彼亦為中策集團有限公司之執行董事與及澳門祥泰地產集團有限公司（前稱「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。

黃景霖先生，現年54歲，自二零零四年九月出任本公司之獨立非執行董事。彼為香港會計師公會及英國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。彼亦為鈞濠集團有限公司之執行董事與及同得仕（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之獨立非執行董事。

潘國興先生，現年45歲，自二零零七年三月出任本公司之獨立非執行董事。彼畢業於英國University of Bath，並取得工商管理科碩士學位。潘先生亦為香港會計師公會及澳洲會計師公會之會員。潘先生現為上華控股有限公司之公司秘書及合資格會計師，並為錦興集團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 41, 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 19 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 practising member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan is an executive director of China Strategic Holdings Limited and independent non-executive director of Wonson International Holdings Limited, companies whose shares are listed in Hong Kong. She is also the deputy chairman of China Enterprises Limited, a company whose shares are traded on the OTC Bulletin Board in the United States of America and 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 46, is the Chief Executive Officer 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. Ms. Leung focuses on formulating strategies for and overall management of travel division, exploring business opportunities in new markets including the potential mainland China market and promoting the development of the travel industry. She holds a Bachelor degree in Arts. Ms. Leung is the Vice Chairman of the Hong Kong Association of China Travel Organizers Limited, a Member of the Travel Industry Council Outbound Committee 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41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19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執業會員。陳女士為其股份於香港上市之中策集團有限公司之執行董事及和成國際集團有限公司之獨立非執行董事。彼亦為其股份於美國場外交易議價板買賣之公司China Enterprises Limited之副主席及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46歲，為香港永安旅遊有限公司之行政總裁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。梁女士專責旅遊部之規劃及整體管理，開拓新市場之商機包括具有潛力之中國大陸市場及推動旅遊業界的發展。彼持有文學學士學位。梁女士現為香港中國旅遊協會副會長及香港旅遊業議會出外旅遊委員會委員，並擁有旅遊業技能提升計劃導遊培訓課程導師資格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 42, is the General Manager of Hong Kong Wing On Travel Service Limited. She joined the Group in December 1994. She is a core member of the Strategic Planning and Operations Management team of travel division. Ms. Chan's expanded role includes strategic development and operations management in all aspect of Hong Kong Wing On Travel Service Limited. Ms. Chan currently serves in the Training Committee of the Travel Industry Council of Hong Kong, and the Council of the Hong Kong Association of China Travel Organizers. She is a member of the University of South Australia Tourism & Hospitality Management Advisory Panel, and program advisors of the Associate of Social Science in Leisure and Tourism Management of Community College of City University, and the Associate of Social Science (Tourism) of Hong Kong Institute of Education as well. Ms. Chan holds a Master Degree in Business Administration and a Postgraduate Diploma from the University of Leicester. She has over 15 years of management experience in travel and related industries.

HOTEL BUSINESS

Mr. Ng Chack Yan, aged 56, 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 19 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.

陳淑芳女士，現年42歲，為香港永安旅遊有限公司之總經理。彼於一九九四年十二月加入本集團。陳女士為旅遊部策劃及營運管理隊伍之核心成員，專責制訂長遠業務政策及管理香港永安旅遊有限公司之整體營運。陳女士現為香港旅遊業議會之訓練委員會委員及香港中國旅遊協會常務理事。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及香港教育學院副社會科學學士（旅遊）課程顧問。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。彼於旅遊及相關行業積逾15年管理經驗。

酒店業務

吳澤仁先生，現年56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獲委任為助理總經理。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19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。

Senior Management Profile

高級管理人員簡介

Mr. Cheng Chun Chau, aged 42, participated in the foundation of Rosedale on the Park (“Rosedale – Hong Kong”) in 2000. Mr. Cheng has over 22 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 49, 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 29 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 47, joined Rosedale – GZ as the General Manager in November 2003. Mr. Ng has over 28 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.

鄭鎮秋先生，現年42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。鄭先生於香港及中國兩地之酒店及項目管理方面積逾22年之豐富經驗及廣博知識。彼於二零零三年獲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49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，及於酒店業積逾29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47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28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。

Corporate Governance Report

公司管治報告

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 and A.4.1.

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 2006.

BOARD OF DIRECTORS

The Board of Directors comprises the executive chairman, the managing director, three executive directors and three independent non-executive directors. The Board of Directors is principally accountable to the shareholders and 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及A.4.1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二零零六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、董事總經理、三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 six full board meetings held in 2006 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。董事於二零零六年舉行之六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>	5	余錦基先生 <i>B.B.S., M.B.E., J.P. (主席)</i>	5
Mr. Cheung Hon Kit <i>(Managing Director)</i>	6	張漢傑先生 <i>(董事總經理)</i>	6
Dr. Yap, Allan	6	Yap, Allan博士	6
Mr. Chan Pak Cheung, Natalis	5	陳百祥先生	5
Mr. Lui Siu Tsuen, Richard	6	呂兆泉先生	6
Ms. Luk Yee Lin, Ellen <i>(resigned on 1 May 2006)</i>	2	陸綺蓮女士 (於二零零六年五月一日辭任)	2
Non-executive Director		非執行董事	
Mr. Chan Yeuk Wai <i>(Honorary Chairman)</i> (resigned on 1 May 2006)	—	陳若偉先生 <i>(榮譽主席)</i> (於二零零六年五月一日辭任)	—
Independent Non-executive Director		獨立非執行董事	
Mr. Kwok Ka Lap, Alva	6	郭嘉立先生	6
Mr. Wong King Lam, Joseph	6	黃景霖先生	6
Mr. Sin Chi Fai <i>(resigned on 27 March 2007)</i>	6	冼志輝先生 (於二零零七年三月二十七日辭任)	6
Mr. Poon Kwok Hing, Albert was appointed as an independent non-executive director of the Company with effect from 27 March 2007.		潘國興先生獲委任為本公司之獨立非執行董事，由二零零七年三月二十七日起生效。	

Corporate Governance Report

公司管治報告

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 three meetings of the Audit Committee in 2006 are as follows:

於二零零六年舉行之三次審核委員會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	3	郭嘉立先生	3
Mr. Sin Chi Fai (resigned on 27 March 2007)	3	冼志輝先生 (於二零零七年三月二十七日辭任)	3
Mr. Wong King Lam, Joseph	3	黃景霖先生	3

Mr. Poon Kwok Hing, Albert was appointed as a member of the Audit Committee of the Company with effect from 27 March 2007.

潘國興先生獲委任為本公司審核委員會之成員，由二零零七年三月二十七日起生效。

ROLE AND RESPONSIBILITIES OF CHAIRMAN AND MANAGING DIRECTOR

主席及董事總經理之角色及責任

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.

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

非執行董事之任期

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.

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。

Corporate Governance Report

公司管治報告

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.

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

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

Director	Attendance
Mr. Kwok Ka Lap, Alva	1
Mr. Sin Chi Fai (resigned on 27 March 2007)	1
Mr. Lui Siu Tsuen, Richard	1

Mr. Poon Kwok Hing, Albert was appointed as a member of the Remuneration Committee of the Company with effect from 27 March 2007.

Details of emoluments of the directors from the Group for the year are as disclosed in note 11 to the financial statements.

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。

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。

年內，薪酬委員會舉行了一次會議，以檢討本公司之薪酬政策，並檢討及批准本公司執行董事及高級管理人員之薪酬待遇。該會議之成員及出席次數如下：

董事	出席次數
郭嘉立先生	1
冼志輝先生 (於二零零七年三月二十七日辭任)	1
呂兆泉先生	1

潘國興先生獲委任為本公司薪酬委員會之成員，由二零零七年三月二十七日起生效。

本年度本集團董事之酬金之詳情於財務報表附錄11中披露。

Corporate Governance Report

公司管治報告

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, there was no nomination of directors to fill board vacancies.

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 2006, 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 auditors of the Company received approximately HK\$4,175,000 for audit and audited related service.

The statement of the auditors of the Company regarding their reporting responsibilities is set out in the Independent Auditor's Report on page 50.

Internal Control

During the year, the Company has 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.

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，概無委任董事填補董事會空缺。

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。於編製截至二零零六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，本公司核數師就其審核及審核相關服務收取約4,175,000港元。

本公司核數師就其申報責任作出之聲明載於獨立核數師報告第50頁。

內部監控

年內，本公司已檢討本集團之內部監控程序之有關成效，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。

Report of the Directors

董事會報告

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 2006.

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 2006 are set out in the consolidated income statement on page 52.

DIVIDENDS

The directors recommend the payment of a final dividend at the rate of HK1.5 cents per share in cash with a scrip option payable on or around Friday, 29 June 2007 to all persons registered as holders of shares on Thursday, 31 May 2007. The Register of Members will be closed from Tuesday, 29 May 2007 to Thursday, 31 May 2007, both days inclusive.

FINANCIAL SUMMARY

A financial summary of the Group is set out on page 149.

SHARE CAPITAL

Particulars of the movements in the share capital of the Company are set out in note 38 to the consolidated financial statements.

CONVERTIBLE NOTES

Particulars of the convertible notes of the Company are set out in note 35 to the consolidated financial statements.

董事會謹提呈本公司及其附屬公司(以下統稱「本集團」)截至二零零六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

本集團截至二零零六年十二月三十一日止年度之業績載於第52頁之綜合收益表。

股息

董事建議派發現金末期股息每股1.5港仙（可選擇以股代息），末期股息大約在二零零七年六月二十九日星期五向於二零零七年五月三十一日星期四登記為股份持有人之所有人士派發。本公司將於二零零七年五月二十九日星期二至二零零七年五月三十一日星期四（包括首尾兩天）止期間暫停辦理股份過戶登記手續。

財務概要

本集團之財務概要載於第149頁。

股本

本公司股本變動之詳情載於綜合財務報表附註38。

可換股票據

本公司可換股票據之詳情載於綜合財務報表附註35。

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 2006 were HK\$700,599,000 (2005: HK\$353,092,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

PARTICULARS OF PROPERTIES OF THE GROUP

Particulars of the properties of the Group as at 31 December 2006 are set out on pages 150 to 152 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。

董事認為本公司於二零零六年十二月三十一日可供分派予股東之儲備為700,599,000港元（二零零五年：353,092,000港元）。

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綜合財務報表附註15。

本集團之物業詳情

本集團於二零零六年十二月三十一日之物業詳情載於本年報第150至152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 (resigned on 1 May 2006)

Non-Executive Director:

Mr. Chan Yeuk Wai *(Honorary Chairman)*

(resigned on 1 May 2006)

Independent Non-Executive Directors:

Mr. Kwok Ka Lap, Alva

Mr. Sin Chi Fai (resigned on 27 March 2007)

Mr. Wong King Lam, Joseph

Mr. Poon Kwok Hing, Albert (appointed on 27 March 2007)

In accordance with Bye-Law 99 of the Company's Bye-Laws, Mr. Cheung Hon Kit, Mr. Lui Siu Tsuen, Richard and Mr. Wong King Lam, Joseph will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with Bye-Law 102(B) of the Company's Bye-Laws, Mr. Poon Kwok Hing, Albert who was appointed with effect from 27 March 2007, will retire 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.

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 *(於二零零六年五月一日辭任)*

非執行董事：

陳若偉先生 *(榮譽主席)*

(於二零零六年五月一日辭任)

獨立非執行董事：

郭嘉立先生

冼志輝先生 *(於二零零七年三月二十七日辭任)*

黃景霖先生

潘國興先生 *(於二零零七年三月二十七日獲委任)*

根據本公司之公司細則第99條規定，張漢傑先生、呂兆泉先生及黃景霖先生將於應屆股東週年大會輪席退任，惟彼等符合資格並願意膺選連任。

根據本公司之公司細則第102(B)條規定，於二零零七年三月二十七日獲委任之潘國興先生將於應屆股東週年大會上退任，惟彼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。

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 48 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.

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48。

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。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2006, the interests and short positions of the directors or chief executive of the Company 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 (the "Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") to be notified to the Company and the Stock Exchange were as follows:—

Interests in underlying shares under equity derivatives

The directors or chief executive of the Company have been granted options under the share option scheme of the Company (the "Scheme"), details of which are set out in the section "Share Option Scheme" below.

Save as disclosed above, as at 31 December 2006, 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 or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事之證券權益

於二零零六年十二月三十一日，本公司董事或行政總裁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（「上市規則」）內之上市發行人董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：—

於股本衍生工具中相關股份之權益

本公司董事或主要行政人員根據本公司之購股權計劃（「計劃」）獲授購股權，有關詳情請參閱下文「購股權計劃」一節。

除上文所披露者外，於二零零六年十二月三十一日，本公司董事或行政總裁概無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部第7及第8分部須知會本公司及聯交所，或根據證券及期貨條例第352條須記錄於本公司存置之登記冊內，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

Report of the Directors

董事會報告

Share Option Scheme

The Scheme which was approved and adopted by its shareholders on 3 May 2002 and amended on 27 May 2005, is valid and effective for a period of 10 years after the date of adoption.

Details of options granted and a summary of the movements of the outstanding options under the Scheme during the year are as follows:

購股權計劃

於二零零二年五月三日，本公司之股東已批准及採納該計劃，並於二零零五年五月二十七日作出修訂，該計劃於採納日起計十年內有效及生效。

於年內，根據該計劃已授出及尚未行使的購股權之變動摘要詳情如下：

Eligible participant	Number of share options 購股權數目				Outstanding as at 1 January 2006 於二零零六年 一月一日 尚未行使	Exercise price per share 每股行使價 HK\$ 港元	Date of grant (Note 1) 授出日期 (附註1)	Exercisable period
	Outstanding as at 31 December 2006 於二零零六年 十二月三十一日 尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效				
Director 董事								
Mr. Yu Kam Kee, Lawrence 余錦基先生	4,000,000	4,000,000	-	-	4,000,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Mr. Cheung Hon Kit 張漢傑先生	4,000,000	4,000,000	-	-	4,000,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Dr. Yap, Allan Yap, Allan博士	4,000,000	4,000,000	-	-	4,000,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Mr. Chan Pak Cheung, Natalis 陳百祥先生	1,500,000	1,500,000	-	-	1,500,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Mr. Lui Siu Tsuen, Richard 呂兆泉先生	4,600,000	4,600,000	-	-	4,600,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Mr. Kwok Ka Lap, Alva 郭嘉立先生	500,000	500,000	-	-	500,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Mr. Sin Chi Fai 冼志輝先生	500,000	500,000	-	-	500,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Employees 員工	30,480,000	30,680,000	-	200,000	30,480,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
Eligible participant 合資格人士	9,100,000	9,100,000	-	-	9,100,000	0.728	22.6.2006	22.6.2006 – 21.6.2008
	<u>58,880,000</u>	<u>58,880,000</u>	<u>-</u>	<u>200,000</u>	<u>58,680,000</u>			

Report of the Directors

董事會報告

The value of the options granted is set out in note 39 to the consolidated financial statements.

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 ("General Limit").

As at the annual general meeting of the 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".

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.

所授出購股權之價值載於綜合財務報表附註39。

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%（「一般限額」）。

於二零零五年五月二十七日日本公司股東週年大會中，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。

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%。

Report of the Directors

董事會報告

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.

As at the date of this report, the total number of shares available for issue under the Scheme is 61,258,610 shares and represents 10% of the issued share capital of the Company as at 19 May 2006, being the date of refreshment of the General Limit on the grant of options under the Scheme.

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.

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)。

於本報告日期,根據該計劃可予發行的股份總額為61,258,610股,佔本公司於二零零六年五月十九日(即更新根據購股權計劃授出購股權的一般限額之日期)已發行股本10%。

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

Interests of directors of the Company in competing businesses as at 31 December 2006 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were as follows:

董事於有競爭性業務之權益

根據上市規則第8.10條披露本公司董事於二零零六年十二月三十一日於有競爭性業務之權益如下：

Name of director	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 城倡有限公司	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	ITC Corporation Limited ("ITC") and its subsidiaries 德祥企業集團有限公司(「德祥」)及其附屬公司	Property investment in Hong Kong and property development and trading in PRC 於香港從事地產投資及於中國從事地產發展及貿易	Executive Director of ITC 德祥之董事
	Macau Prime Properties Holdings Limited ("MPP") and its subsidiaries 澳門祥泰地產集團有限公司(「祥泰行」)及其附屬公司	Property investment in Hong Kong 於香港從事地產投資	Chairman of MPP 祥泰行之主席
	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
	Artnos Limited 朗隆有限公司	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	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
董事姓名			
	Co-Forward Development Ltd. 互勵發展有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Shareholder 董事及股東
	Orient Centre Limited 東名有限公司	Property investment in Hong Kong 於香港從事地產投資	Shareholder 股東
	Super Time Limited 時業有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Shareholder 董事及股東
	Asia City Holdings Ltd 亞城集團有限公司	Property investment in Hong Kong 於香港從事地產投資	Director and Shareholder 董事及股東
	Supreme Best Ltd. Supreme Best Ltd.	Property investment in Hong Kong 於香港從事地產投資	Shareholder 股東

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2006, 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:

(i) Interests in the shares

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of shares held	Approximate percentage of shareholding
股東名稱	好倉／淡倉	身份	權益性質	所持股份數目	股權之概約百分比
Dr. Chan Kwok Keung, Charles (Note 2(a))	Long position	Beneficial owner	Personal interest	4,529,800	0.74%
陳國強博士 (附註2(a))	好倉	實益擁有人	個人權益	4,529,800	0.74%
	Long position	Interest of controlled corporations	Corporate interest	135,740,481	22.23%
	好倉	受控制公司的權益	公司權益	135,740,481	22.23%
Ms. Ng Yuen Lan, Macy (Note 2(a))	Long position	Interest of spouse	Spouse interest	140,270,281	22.97%
伍婉蘭女士 (附註2(a))	好倉	配偶權益	配偶權益	140,270,281	22.97%
Chinaview International Limited (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	135,740,481	22.23%
Chinaview International Limited (附註2(a))	好倉	受控制公司的權益	公司權益	135,740,481	22.23%
Galaxyway Investments Limited (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	135,740,481	22.23%
Galaxyway Investments Limited (附註2(a))	好倉	受控制公司的權益	公司權益	135,740,481	22.23%

主要股東

於二零零六年十二月三十一日，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：

(i) 於股份之權益

Report of the Directors

董事會報告

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of shares held	Approximate percentage of shareholding
股東名稱	好倉／淡倉	身份	權益性質	所持股份數目	股權之概約百分比
ITC Corporation Limited (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	135,740,481	22.23%
德祥企業集團有限公司 (附註2(a))	好倉	受控制公司的權益	公司權益	135,740,481	22.23%
ITC Investment Holdings Limited (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	135,740,481	22.23%
ITC Investment Holdings Limited (附註2(a))	好倉	受控制公司的權益	公司權益	135,740,481	22.23%
Mankar Assets Limited (Note 2(a))	Long position	Interest of controlled corporation	Corporate interest	124,334,481	20.36%
Mankar Assets Limited (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Famex Investment Limited (Note 2(a))	Long position	Interest of controlled corporation	Corporate interest	124,334,481	20.36%
其威投資有限公司 (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Hanny Holdings Limited ("Hanny Holdings") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
錦興集團有限公司 ("錦興集團") (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%

Report of the Directors

董事會報告

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of shares held	Approximate percentage of shareholding
股東名稱	好倉／淡倉	身份	權益性質	所持股份數目	股權之概約百分比
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics") (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Powervote Technology Limited ("Powervote") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
Powervote Technology Limited ("Powervote") (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Well Orient Limited ("Well Orient") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
威倫有限公司("威倫") (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Group Dragon Investments Limited ("Group Dragon") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
群龍投資有限公司("群龍") (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%

Report of the Directors

董事會報告

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of shares held	Approximate percentage of shareholding
股東名稱	好倉／淡倉	身份	權益性質	所持股份數目	股權之概約百分比
China Strategic (B.V.I.) Limited ("China Strategic BVI") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
China Strategic (B.V.I.) Limited ([China Strategic BVI]) (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
China Enterprises Limited ("CEL") (Note 2(a))	Long position	Interest of controlled corporations	Corporate interest	124,334,481	20.36%
China Enterprises Limited ([CEL]) (附註2(a))	好倉	受控制公司的權益	公司權益	124,334,481	20.36%
Million Good Limited ("Million Good") (Note 2(a))	Long position	Beneficial owner	Corporate interest	124,334,481	20.36%
Million Good Limited ([Million Good]) (附註2(a))	好倉	實益擁有人	公司權益	124,334,481	20.36%
Gandhara Advisors Asia Ltd. (Beneficial owner is Gandhara Master Fund Ltd.)	Long position	Investment manager	Corporate interest	45,000,000	7.35%
Gandhara Advisors Asia Ltd. (實益擁有人為 Gandhara Master Fund Ltd.)	好倉	投資經理	公司權益	45,000,000	7.35%

Report of the Directors

董事會報告

(ii) Interests in underlying shares under equity derivatives

(ii) 於股本衍生工具中相關股份之權益

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非上市股本衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
(a) Mr. Li Ka-shing (Note 1)	Long position	Founder of discretionary trusts and interest of controlled corporations	Corporate and other interests	253,164,556	41.46%
李嘉誠先生 (附註1)	好倉	全權信託的成立人及受控制公司的權益	公司及其他權益	253,164,556	41.46%
Li Ka-Shing Unity Trustee Corporation Limited (as trustee of The Li Ka-Shing Unity Discretionary Trust) (Note 1)	Long position	Trustee and beneficiary of a trust	Other interest	253,164,556	41.46%
Li Ka-Shing Unity Trustee Corporation Limited (作為 The Li Ka-Shing Unity Discretionary Trust 的信託人) (附註1)	好倉	信託人及信託受益人	其他權益	253,164,556	41.46%
Li Ka-Shing Unity Trustcorp Limited (as trustee of another discretionary trust) (Note 1)	Long position	Trustee and beneficiary of a trust	Other interest	253,164,556	41.46%
Li Ka-Shing Unity Trustcorp Limited (作為另一項全權信託的信託人) (附註1)	好倉	信託人及信託受益人	其他權益	253,164,556	41.46%

Report of the Directors

董事會報告

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非上市股本 衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
Li Ka-Shing Unity Trustee Company Limited (as trustee of The Li Ka-Shing Unity Trust) (Note 1)	Long position	Trustee	Other interest	253,164,556	41.46%
Li Ka-Shing Unity Trustee Company Limited (作為The Li Ka-Shing Unity Trust 的信託人) (附註1)	好倉	信託人	其他權益	253,164,556	41.46%
Cheung Kong (Holdings) Limited ("CKH") (Note 1)	Long position	Interest of controlled corporations	Corporate interest	253,164,556	41.46%
長江實業(集團)有限公司 (「長實集團」) (附註1)	好倉	受控制公司的權益	公司權益	253,164,556	41.46%
Hutchison Whampoa Limited ("HWL") (Note 1)	Long position	Interest of a controlled corporation	Corporate interest	253,164,556	41.46%
和記黃埔有限公司 (「和黃」) (附註1)	好倉	受控制公司的權益	公司權益	253,164,556	41.46%
Hutchison International Limited ("HIL") (Note 1)	Long position	Beneficial owner	Corporate interest	253,164,556	41.46%
Hutchison International Limited ("HIL") (附註1)	好倉	實益擁有人	公司權益	253,164,556	41.46%

Report of the Directors

董事會報告

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非 上市股本 衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已 發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
(b) Dr. Chan Kwok Keung, Charles (Note 2(b)) 陳國強博士 (附註2(b))	Long position 好倉	Interest of controlled corporations 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%
	Long position 好倉	Interest of controlled corporations 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%
Ms. Ng Yuen Lan, Macy (Note 2(b)) 伍婉蘭女士 (附註2(b))	Long position 好倉	Interest of spouse 配偶權益	Spouse interest 配偶權益	379,746,835 379,746,835	62.19% 62.19%
Chinaview International Limited (Note 2(b)) Chinaview International Limited (Note 2(b))	Long position 好倉	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%
Galaxyway Investments Limited (Note 2(b)) Galaxyway Investments Limited (附註2(b))	Long position 好倉	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%
ITC Corporation Limited (Note 2(b)) 德祥企業集團有限公司 (附註2(b))	Long position 好倉	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%
ITC Investment Holdings Limited (Note 2(b)) ITC Investment Holdings Limited (附註2(b))	Long position 好倉	Interest of controlled corporation 受控制公司的權益	Corporate interest 公司權益	379,746,835 379,746,835	62.19% 62.19%

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Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非上市股本 衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
Mankar Assets Limited (Note 2(b))	Long position	Interest of controlled corporation	Corporate interest	379,746,835	62.19%
Mankar Assets Limited (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Famex Investment Limited (Note 2(b))	Long position	Interest of controlled corporation	Corporate interest	379,746,835	62.19%
其威投資有限公司 (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
(c) Hanny Holdings (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
錦興集團 (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Hanny Magnetics (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
Hanny Magnetics (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Powervote (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
Powervote (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Well Orient (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
威倫 (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Group Dragon (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
群龍 (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
China Strategic BVI (Note 2(b))	Long position	Interest of controlled corporations	Corporate interest	379,746,835	62.19%
China Strategic BVI (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%

Report of the Directors

董事會報告

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非 上市股本 衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已 發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
CEL (Note 2(b))	Long position	Interest of controlled corporation	Corporate interest	379,746,835	62.19%
CEL (附註2(b))	好倉	受控制公司的權益	公司權益	379,746,835	62.19%
Million Good (Note 2(b))	Long position	Beneficial owner	Corporate interest	379,746,835	62.19%
Million Good (附註2(b))	好倉	實益擁有人	公司權益	379,746,835	62.19%
(d) PMA Asian Opportunities Fund (Note 3)	Long position	Beneficial owner	Corporate interest	38,101,266	6.24%
PMA Asian Opportunities Fund (附註3)	好倉	實益擁有人	公司權益	38,101,266	6.24%
PMA Prospect Fund (Note 3)	Long position	Beneficial owner	Corporate interest	65,316,456	10.70%
PMA Prospect Fund (附註3)	好倉	實益擁有人	公司權益	65,316,456	10.70%
Diversified Asian Strategies Fund (Note 3)	Long position	Beneficial owner	Corporate interest	70,886,076	11.61%
Diversified Asian Strategies Fund (附註3)	好倉	實益擁有人	公司權益	70,886,076	11.61%
PMA Capital Management Limited (Note 3)	Long position	Investment manager	Corporate interest	183,544,304	30.06%
PMA Capital Management Limited (附註3)	好倉	投資經理	公司權益	183,544,304	30.06%
(e) DKR Capital Inc. (Note 4)	Long position	Interest of controlled corporations	Corporate interest	126,582,278	20.73%
DKR Capital Inc. (附註4)	好倉	受控制公司的權益	公司權益	126,582,278	20.73%

Report of the Directors

董事會報告

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非上市股本衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
DKR Management Co. Inc. (Note 4)	Long position	Interest of controlled corporations	Corporate interest	126,582,278	20.73%
DKR Management Co. Inc. (附註4)	好倉	受控制公司的權益	公司權益	126,582,278	20.73%
DKR Capital Partners LP (Note 4)	Long position	Interest of controlled corporations	Corporate interest	126,582,278	20.73%
DKR Capital Partners LP (附註4)	好倉	受控制公司的權益	公司權益	126,582,278	20.73%
DKR Oasis Management Co. LP (Note 4)	Long position	Investment manager	Corporate interest	126,582,278	20.73%
DKR Oasis Management Co. LP (附註4)	好倉	投資經理	公司權益	126,582,278	20.73%
Oasis Management Holdings LLC (Note 4)	Long position	Interest of controlled corporations	Corporate interest	126,582,278	20.73%
Oasis Management Holdings LLC (附註4)	好倉	受控制公司的權益	公司權益	126,582,278	20.73%
DKR SoundShore Oasis Holding Fund Ltd. (Note 4)	Long position	Beneficial owner	Corporate interest	126,582,278	20.73%
DKR SoundShore Oasis Holding Fund Ltd. (附註4)	好倉	實益擁有人	公司權益	126,582,278	20.73%
(f) Gandhara Advisors Asia Ltd. (Beneficial owner is Gandhara Master Fund Ltd.)	Long position	Investment manager	Corporate interest	253,164,557	41.46%
Gandhara Advisors Asia Ltd. (實益擁有人為 Gandhara Master Fund Ltd.)	好倉	投資經理	公司權益	253,164,557	41.46%

Report of the Directors

董事會報告

Name of shareholder	Long position/ short position	Capacity	Nature of interest	Number of underlying shares (under unlisted equity derivatives of the Company) 相關股份 (本公司之非 上市股本 衍生工具) 數目	Approximate percentage of the issued share capital of the Company 佔本公司已 發行股本之 概約百分比
股東名稱	好倉／淡倉	身份	權益性質		
(g) Richard Crawshaw (Note 5)	Long position	Interest of controlled corporations	Corporate interest	50,697,085	8.30%
Richard Crawshaw (附註5)	好倉	受控制公司的權益	公司權益	50,697,085	8.30%
Clive Harris (Note 5)	Long position	Interest of controlled corporations	Corporate interest	50,697,085	8.30%
Clive Harris (附註5)	好倉	受控制公司的權益	公司權益	50,697,085	8.30%
Highbridge GP, Ltd. (Note 5)	Long position	Interest of controlled corporations	Corporate interest	50,697,085	8.30%
Highbridge GP, Ltd. (附註5)	好倉	受控制公司的權益	公司權益	50,697,085	8.30%
Highbridge Capital Management LLC (Note 5)	Long position	Investment manager	Corporate interest	50,697,085	8.30%
Highbridge Capital Management LLC (附註5)	好倉	投資經理	公司權益	50,697,085	8.30%

Report of the Directors

董事會報告

Notes:

- (1) Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-Shing, Mr. Li Tzar Huoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited. Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, together with certain companies which Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of CKH.

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2"). Each of TDT1 and TDT2 holds units in The Li Ka-Shing Unity Trust. The discretionary beneficiaries of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children and Mr. Li Tzar Kai, Richard.

Certain subsidiaries of CKH are entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of HWL. HWL holds the entire issued share capital of HIL.

By virtue of the SFO, HWL, CKH, Li Ka-Shing Unity Trustee Company Limited, TDT1, TDT2 and Mr. Li Ka-Shing who is the settlor and may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, are all deemed to be interested in 253,164,556 underlying shares (in respect of unlisted equity derivatives of the Company) held by HIL.

Pursuant to the subscription agreement dated 23 March 2006 entered into between HIL and the Company, HIL has conditionally agreed to subscribe at completion of the subscription agreement a 2% convertible exchangeable note due 2011 (the "HIL Note") issued by the Company with a principal amount of HK\$200,000,000. Completion of the subscription agreement took place on 8 June 2006. HIL or its nominee(s) is entitled to convert the HIL Note into 253,164,556 new shares of par value of HK\$0.10 each in the capital of the Company on full conversion at an initial conversion price of HK\$0.79 per share (subject to adjustment).

附註:

- (1) 李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有Li Ka-Shing Unity Holdings Limited全部已發行股本的三分之一，而該公司則擁有Li Ka-Shing Unity Trustee Company Limited全部已發行股本。Li Ka-Shing Unity Trustee Company Limited以The Li Ka-Shing Unity Trust信託人的身份，連同若干公司合共持有長實集團三分之一以上的已發行股本，而Li Ka-Shing Unity Trustee Company Limited以The Li Ka-Shing Unity Trust信託人的身份有權在該等公司的股東大會上行使或控制行使三分之一以上的投票權。

此外，Li Ka-Shing Unity Holdings Limited亦擁有Li Ka-Shing Unity Trustee Corporation Limited (「TDT1」) (作為The Li Ka-Shing Unity Discretionary Trust (「DT1」) 的信託人) 以及Li Ka-Shing Unity Trustcorp Limited (「TDT2」) (作為另一項全權信託 (「DT2」) 的信託人) 的全部已發行股本。TDT1及TDT2各持有The Li Ka-Shing Unity Trust的信託單位。DT1及DT2的可能受益人為 (其中包括) 李澤鉅先生、其配偶及子女，以及李澤楷先生。

長實集團的若干附屬公司有權於和黃的股東大會上行使或控制行使三分之一或以上的投票權。和黃持有HIL的全部已發行股本。

根據證券及期貨條例，和黃、長實集團、Li Ka-Shing Unity Trustee Company Limited、TDT1、TDT2及李嘉誠先生 (被視為財產授予人及就證券及期貨條例而言，可能被視為DT1及DT2的成立人) 均被視為於HIL持有的253,164,556股相關股份 (有關本公司非上市股本衍生工具) 中擁有權益。

根據HIL與本公司訂立日期為二零零六年三月二十三日之認購協議，HIL已有條件地同意於認購協議完成時認購將由本公司發行本金額為200,000,000港元於二零一一年到期的2%可換股可交換票據 (「HIL票據」)。認購協議於二零零六年六月八日完成。HIL或其代名人有權按每股0.79港元 (可予調整) 的初步換股價，將HIL票據全數兌換為253,164,556股本公司股本中每股面值0.10港元的新股份。

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- (2) (a) Million Good is a wholly-owned subsidiary of CEL, whose shares are traded on the OTC Bulletin Board in the US, which in turn is a company owned as to approximately 55.22% effective equity interest and approximately 88.79% effective voting interest by China Strategic BVI. China Strategic BVI is wholly-owned by Group Dragon.

Group Dragon is owned as to 98.92% by Well Orient. Well Orient is a wholly-owned subsidiary of Powervote which in turn is a wholly-owned subsidiary of Hanny Magnetics. Hanny Megnetics is a wholly-owned subsidiary of Hanny Holdings which in turn is owned as to 63.98% by Famex Investment Limited. Hanny Holdings, Hanny Magnetics, Powervote, Well Orient, Group Dragon, China Strategic BVI and CEL are deemed to be interested in 124,334,481 shares held by Million Good by virtue of the SFO.

11,406,000 shares were held by Asia Will Limited. Asia Will Limited is a wholly-owned subsidiary of Leaptop Investments Limited which in turn is a wholly-owned subsidiary of ITC Investment Holdings Limited. Famex Investment Limited is a wholly-owned subsidiary of Mankar Assets Limited which in turn is a wholly-owned subsidiary of ITC Investment Holdings Limited. ITC Investment Holdings Limited is a wholly-owned subsidiary of ITC Corporation Limited which in turn is owned as to 34.5% by Galaxyway Investments Limited. Galaxyway Investments Limited is a wholly-owned subsidiary of Chinaview International Limited which in turn is wholly-owned by Dr. Chan Kwok Keung, Charles. Ms. Ng Yuen Lan, Macy is the wife of Dr. Chan.

- (b) Pursuant to the subscription agreement dated 23 March 2006 entered into between CEL and the Company, the Company issued a 2% convertible exchangeable note due 2011 with a principal amount of HK\$300 million (the "CEL Note") to CEL entitling the holder to convert the CEL Note into 379,746,835 new shares of the Company at an initial conversion price of HK\$0.79 per share (subject to adjustment).
- (3) PMA Capital Management Limited ("PMA Capital") manages, on a

- (2) (a) Million Good乃CEL的全資附屬公司，其股份於美國場外交易議價板買賣，而CEL則由China Strategic BVI擁有約55.22%實際股本權益及約88.79%實際投票權益。China Strategic BVI乃由群龍全資擁有。

威倫擁有群龍98.92%權益。威倫為Powervote之全資附屬公司，Powervote則為Hanny Magnetics之全資附屬公司。Hanny Magnetics為錦興集團之全資附屬公司，而後者則由其威投資有限公司擁有63.98%權益。根據證券及期貨條例，錦興集團、Hanny Magnetics、Powervote、威倫、群龍、China Strategic BVI及CEL均被視為擁有由Million Good所持的124,334,481股股份的權益。

Asia Will Limited持有11,406,000股股份，該公司乃Leaptop Investments Limited之全資附屬公司，而後者則為ITC Investment Holdings Limited之全資附屬公司。其威投資有限公司為Mankar Assets Limited之全資附屬公司，而Mankar Assets Limited則為ITC Investment Holdings Limited之全資附屬公司。ITC Investment Holdings Limited為德祥企業集團有限公司之全資附屬公司，而後者則由Galaxyway Investments Limited擁有34.5%權益。Galaxyway Investments Limited乃Chinaview International Limited之全資附屬公司，而後者則由陳國強博士全資擁有。伍婉蘭女士為陳博士之妻子。

- (b) 根據日期為二零零六年三月二十三日由CEL及本公司訂立之認購協議，本公司向CEL發行二零一一年到期本金額為300,000,000港元2%可換股可交換票據（「CEL票據」），賦予持有人有權以初步兌換價每股0.79港元（可予調整）將CEL票據兌換為379,746,835股本公司的新股份。

Report of the Directors

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discretionary basis, the PMA Asian Opportunities Fund, PMA Prospect Fund and Diversified Asian Strategies Fund. PMA Capital was deemed to be interested in the shareholding of the funds managed by PMA Capital for the purposes of the SFO.

PMA Asian Opportunities Fund has total interest in 42,131,266 shares (representing 6.9% shareholding interest), of which 38,101,266 shares relate to its derivative interests.

PMA Prospect Fund has total interest in 77,394,456 shares (representing 12.68% shareholding interest), of which 65,316,456 shares relate to its derivative interests.

Diversified Asian Strategies Fund has total interest in 78,655,076 shares (representing 12.88% shareholding interest), of which 70,886,076 shares relate to its derivative interests.

PMA Capital Management Limited has total interest in 213,067,304 shares (representing 34.90% shareholding interest), of which 183,544,304 shares relate to its derivative interests.

- (4) DKR Oasis Management Co. LP is controlled as to 49% by Oasis Management Holdings LLC and as to 51% by DKR Capital Partners LP which is controlled as to 50% by DKR Management Co. Inc.. DKR Management Co. Inc. is controlled as to 100% by DKR Capital Inc..

DKR Capital Inc., DKR Management Co. Inc., DKR Capital Partners LP, DKR Oasis Management Co. L.P., Oasis Management Holdings LLC and DKR SoundShore Oasis Holding Fund Ltd. have total interest in 128,514,278 shares (representing 21.05% shareholding interest), of which 126,582,278 shares relate to its derivative interests.

- (5) Highbridge GP, Ltd. is controlled as to 50% by Richard Crawshaw and 50% by Clive Harris. Highbridge Master L.P. and Highbridge Asia Opportunities Master L.P. are wholly-controlled by Highbridge GP, Ltd.

Save as disclosed above, as at 31 December 2006, the directors or chief

- (3) PMA Capital Management Limited (「PMA Capital」) 全權管理 PMA Asian Opportunities Fund, PMA Prospect Fund and Diversified Asian Strategies Fund。就證券及期貨條例而言，PMA Capital被視為擁有其管理之基金之權益。

PMA Asian Opportunities Fund於本公司42,131,266股股份(佔6.9%股權)中擁有總權益，其中38,101,266股股份為其有關的衍生權益。

PMA Prospect Fund於本公司77,394,456股股份(佔12.68%股權)中擁有總權益，其中65,316,456股股份為其有關的衍生權益。

Diversified Asian Strategies Fund於本公司78,655,076股股份(佔12.88%股權)中擁有總權益，其中70,886,076股股份為其有關的衍生權益。

PMA Capital Management Limited於本公司213,067,304股股份(佔34.90%股權)中擁有總權益，其中183,544,304股股份為其有關的衍生權益。

- (4) DKR Oasis Management Co. LP乃由Oasis Management Holdings LLC控制有49%權益，而51%權益則由DKR Management Co. Inc.控制有50%權益的DKR Capital Partners LP擁有。DKR Management Co. Inc.乃由DKR Capital Inc.控制有100%權益。

DKR Capital Inc.、DKR Management Co. Inc.、DKR Capital Partners LP、DKR Oasis Management Co. L.P.、Oasis Management Holdings LLC及DKR SoundShore Oasis Holding Fund Ltd.於本公司128,514,278股股份(佔21.05%股權)中擁有總權益，其中126,582,278股股份為其有關的衍生權益。

- (5) Highbridge GP, Ltd.分別由Richard Crawshaw及Clive Harris各自控制有50%權益，Highbridge Master L.P.及Highbridge Asia Opportunities Master L.P.乃由Highbridge GP, Ltd.完全控制。

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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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, a subsidiary of the Company repurchased the shares of the Company on the Stock Exchange, all of which shares were cancelled. Particulars of the shares repurchased are as follows:

Month	Number of shares of HK\$0.10 each repurchased	Price per share		Aggregate consideration
		Lowest	Highest	
		HK\$	HK\$	HK\$
月份	購回每股0.10港元 股份數目	每股價格 最低價	最高價	總額
		港元	港元	港元
September	2,000,000	0.55	0.55	1,100,000
九月				

Save as disclosed above, 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 2006.

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.

除上文披露者外，於二零零六年十二月三十一日，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。

購買、出售或贖回上市證券

本年度內，本公司之一間附屬公司在聯交所購回本公司股份，該等股份已全部註銷。購回股份之詳情如下：

除上文披露者外，本公司或其任何附屬公司於截至二零零六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%。

Report of the Directors

董事會報告

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\$122,000.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events are set out in note 51 to the consolidated 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, 24 April 2007

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122,000港元之慈善捐獻。

結算日後事項

重大結算日後事項之詳情載於綜合財務報表附註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，二零零七年四月二十四日

Independent Auditor's Report

獨立核數師報告



TO THE SHAREHOLDERS OF WING ON TRAVEL (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Wing On Travel (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 148, which comprise the consolidated balance sheet as at 31 December 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept 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

本核數師已完成審核載於第52頁至第148頁之永安旅遊(控股)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)綜合財務報表,其中包括於二零零六年十二月三十一日之綜合資產負債表、截止該日年度止之綜合收益表、綜合股東權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表相關的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及作出在有關情況下屬合理的會計估計。

核數師的責任

本行的責任是根據本行的審核對該等綜合財務報表作出意見,並根據百慕達《公司法》第90條將此意見僅向閣下報告而不作其他用途。本行不就此報告之內容,對任何其他人士負責或承擔任何責

Independent Auditor's Report

獨立核數師報告

to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

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

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

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 2006 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

24 April 2007

任。本行已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求本行遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執执行程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選用的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該個體編製及真實而公平地列報綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對個體的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

本行相信，本行已獲得充足和適當的審核憑證，為本行的審核意見提供基礎。

意見

本行認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴集團於二零零六年十二月三十一日的事務狀況及截至該日止年度貴集團之虧損及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零零七年四月二十四日

Consolidated Income Statement

綜合收益表

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

		NOTES	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
		附註		
Turnover	營業額	6	1,992,354	1,815,718
Direct operating costs	直接經營成本		(1,636,455)	(1,469,298)
Gross profit	毛利		355,899	346,420
Other income	其他收入	8	37,452	20,415
Distribution and selling expenses	分銷及銷售開支		(52,888)	(53,041)
Administrative expenses	行政開支		(287,401)	(259,810)
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	15	894	4,874
Share of results of associates	應佔聯營公司業績	17	(19)	8,006
Gain on disposal of subsidiaries	出售附屬公司之收益		100	—
(Impairment loss recognised) reversal of impairment loss recognised in respect of properties under construction	(已確認減值虧損) 在建物業之已確認減值虧損撥回	15	(3,800)	900
Decrease in fair value of investments held for trading	持作買賣投資之公平價值減少		(7,172)	(14,761)
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之已確認減值虧損	18	(19,902)	(1,167)
Impairment loss recognised in respect of goodwill arising from acquisition of subsidiaries	收購附屬公司產生之商譽之已確認減值虧損		(5,808)	—
Finance costs	融資成本	9	(98,650)	(59,376)
Increase in fair value of investment property	投資物業之公平價值增加	16	—	619
Gain on fair value change on derivative financial instruments	衍生金融工具之公平價值變動收益		—	5,650
Loss on partial disposal of subsidiaries	出售附屬公司部份權益之虧損		—	(3,177)
Discount on acquisition of subsidiaries	收購附屬公司之折讓	42	—	34,574
(Loss) profit before taxation	除稅前(虧損)溢利	10	(81,295)	30,126
Taxation credit	稅項撥回	12	1,891	2,108
(Loss) profit for the year	本年度(虧損)溢利		(79,404)	32,234
Attributable to:	應佔:			
Shareholders of the parent	母公司股東		(71,748)	31,109
Minority interests	少數股東權益		(7,656)	1,125
			(79,404)	32,234
Dividends	股息	13	9,188	8,752
			HK\$ 港元	HK\$ 港元
(Loss) earnings per share – Basic and diluted	每股(虧損)盈利 – 基本及攤薄	14	(0.13)	0.07

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2006 於二零零六年十二月三十一日

		NOTES	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	15	1,698,374	1,702,860
Investment property	投資物業	16	—	—
Interest in associates	於聯營公司之權益	17	74,034	220,422
Available-for-sale investments	可供出售投資	18	72,732	92,625
Goodwill	商譽	19	44,213	50,862
Investment deposits	投資訂金	21	165,500	201,419
Club debentures, at cost	會所債券·按成本值		713	713
			2,055,566	2,268,901
Current assets	流動資產			
Property held for sale, at cost	待售物業·按成本		98	98
Inventories	存貨	22	7,429	6,113
Amounts due from related companies	應收關連公司款項	23	59,465	65,177
Amounts due from associates	應收聯營公司款項	24	28,763	122,449
Trade and other receivables	貿易及其他應收賬款	25	431,635	324,505
Loan receivables	應收貸款	26	372,480	180,926
Investments held for trading	持作買賣之投資	27	7,126	9,086
Tax recoverable	可收回稅項		21	37
Pledged bank deposits	已抵押銀行存款	28 & 44	11,436	6,925
Trading cash balances	貿易現金結餘	28	295	284
Bank balances and cash	銀行結餘及現金	28	555,229	43,103
			1,473,977	758,703
Assets classified as held for sale	分類為持作出售之資產	29	305,339	4,019
			1,779,316	762,722
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	30	308,984	277,368
Loans from related companies	關連公司貸款	31	106,324	361,500
Amounts due to associates	應付聯營公司款項	24	13,350	11,016
Amounts due to related companies	應付關連公司款項	32	193,282	48,289
Obligations under finance leases	融資租約之承擔			
— amount due within one year	— 一年內到期款項	33	31	62
Borrowings	借貸			
— amount due within one year	— 一年內到期款項	34	59,269	38,325
			681,240	736,560
Liabilities associated with assets classified as held for sale	分類為持作出售資產之相關負債	29	170	—
			681,410	736,560
Net current assets	流動資產淨值		1,097,906	26,162
Total assets less current liabilities	資產總值減流動負債		3,153,472	2,295,063

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2006 於二零零六年十二月三十一日

		NOTES	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
		附註		
Non-current liabilities	非流動負債			
Obligations under finance leases	融資租約之承擔			
– amount due after one year	– 一年後到期款項	33	–	31
Borrowings	借貸			
– amount due after one year	– 一年後到期款項	34	406,480	271,308
Convertible notes	可換股票據	35	810,026	–
Promissory note	承兌票據	36	–	365,000
Deferred taxation	遞延稅項	37	250,179	244,680
			1,466,685	881,019
Net assets	資產淨值		1,686,787	1,414,044
Capital and reserves	資本及儲備			
Share capital	股本	38	61,059	437,586
Reserves	儲備	40	1,194,253	541,390
Equity attributable to shareholders of the parent	母公司股東應佔權益		1,255,312	978,976
Minority interests	少數股東權益		431,475	435,068
Total equity	權益總額		1,686,787	1,414,044

The consolidated financial statements on pages 52 to 148 were approved and authorised for issue by the Board of Directors on 24 April 2007 and are signed on its behalf by:

載於第52頁至第148頁之綜合財務報表已於二零零七年四月二十四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 2006 截至二零零六年十二月三十一日止年度

		Attributable to shareholders of the parent 母公司股東應佔										
		Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note 40b)	Share options reserve HK\$'000	Convertible notes reserve HK\$'000	Translation reserve HK\$'000	Statutory reserves HK\$'000	(Accumulated losses) retained profits HK\$'000	Total 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40b)	購股權儲備 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) 保留溢利 千港元	合計 千港元	少數股東權益 千港元	合計 千港元
At 1 January 2005	於二零零五年一月一日	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 recognised directly in equity	直接於權益確認之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	27,919	27,081	-	-	(13,650)	-	-	1,623	42,973	-	42,973
Issue of shares	發行股份	87,400	118,920	-	-	-	-	-	-	206,320	-	206,320
Share issue expenses	股份發行開支	-	(6,482)	-	-	-	-	-	-	(6,482)	-	(6,482)
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	110,945	110,945
Partial disposal of subsidiaries	出售附屬公司股份權益	-	-	-	-	-	-	-	-	-	25,977	25,977
Cancellation of share premium (note 40a)	註銷股份溢價(附註40a)	-	(1,323,673)	1,323,673	-	-	-	-	-	-	-	-
Set off against accumulated losses	抵銷累計虧損	-	-	(1,120,764)	-	-	-	-	1,120,764	-	-	-
Dividends paid	已付股息	-	-	-	-	-	-	-	(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
Exchange difference arising on translation of financial statements of operations outside Hong Kong recognised directly in equity	直接於權益確認之換算海外公司財務報表時產生之匯兌差額	-	-	-	-	-	21,122	-	-	21,122	10,068	31,190
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(71,748)	(71,748)	(7,656)	(79,404)
Total recognised income and expense for the year	本年度已確認收入及開支總額	-	-	-	-	-	21,122	-	(71,748)	(50,626)	2,412	(48,214)
Reduction in share capital	削減股本	(393,827)	-	393,827	-	-	-	-	-	-	-	-
Issue of shares	發行股份	17,500	103,250	-	-	-	-	-	-	120,750	-	120,750
Share issue expenses	股份發行開支	-	(634)	-	-	-	-	-	-	(634)	-	(634)
Recognition of equity-settled share-based payments	確認以股本結算之以股代款之付款	-	-	-	12,006	-	-	-	-	12,006	-	12,006
Recognition of equity component of convertible notes	確認可換股票據之股權部份	-	-	-	-	205,139	-	-	-	205,139	-	205,139
Share repurchase	股份回購	(200)	(900)	-	-	-	-	-	-	(1,100)	-	(1,100)
Share repurchase expense	股份回購開支	-	(11)	-	-	-	-	-	-	(11)	-	(11)
Dividends paid	已付股息	-	-	-	-	-	-	-	(9,188)	(9,188)	-	(9,188)
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 2006	於二零零六年十二月三十一日	61,059	101,705	652,290	12,006	205,139	30,209	150	192,754	1,255,312	431,475	1,686,787

Consolidated Cash Flow Statement

綜合現金流量表

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

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Cash flows from operating activities	經營業務之現金流量		
(Loss) profit before taxation	除稅前(虧損)溢利	(81,295)	30,126
Adjustments for:	調整:		
Share of results of associates	應佔聯營公司業績	19	(8,006)
Depreciation of property, plant and equipment	物業、機器及設備之折舊	52,912	60,743
Interest income	利息收入	(31,789)	(4,722)
Interest expenses	利息開支	56,971	59,358
Finance lease charges	融資租約費用	16	18
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	2,944	480
Loss on partial disposal of subsidiaries	出售附屬公司股份權益之虧損	—	3,177
Allowance for irrecoverable trade debts	不可收回貿易債項之撥備	737	476
Increase in fair value of investment property	投資物業公平價值增加	—	(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	19,902	1,167
Impairment loss recognised in respect of goodwill arising from acquisition of subsidiaries	收購附屬公司產生之商譽之已確認減值虧損	5,808	—
Impairment loss recognised (reversal of impairment loss recognised) in respect of properties under construction	在建物業之已確認減值虧損(已確認減值虧損之撥回)	3,800	(900)
Reversal of impairment loss recognised in respect of leasehold land and buildings	租賃土地及樓宇之減值虧損之撥回	(894)	(4,874)
Discount on acquisition of subsidiaries	收購附屬公司之折讓	—	(34,574)
Effective interest expenses of convertible notes	可換股票據之實計利息支出	41,663	—
Decrease in fair value of investments held for trading	持作買賣投資之公平價值減少	7,172	14,761
Share option expenses	購股權支出	12,006	—
Operating cash flows before movement in working capital	營運資金變動前之經營現金流量	89,972	116,611
Movement in working capital	營運資金之變動		
Increase in investments held for trading	持作買賣之投資增加	(8,917)	(21,069)
Increase in inventories	存貨增加	(1,316)	(306)
(Increase) decrease in amounts due from related companies	應收關連公司款項(增加)減少	(694)	1,439
Decrease in amounts due from associates	應收聯營公司款項減少	—	8,980
Increase in trade and other receivables	貿易及其他應收賬款增加	(5,988)	(47,407)
Increase in trade and other payables	貿易及其他應付賬款增加	31,616	40,697
Increase (decrease) in amounts due to associates	應付聯營公司款項增加(減少)	2,504	(481)
(Decrease) increase in amounts due to related companies	應付關連公司款項(減少)增加	(41,267)	30,113
		(24,062)	11,966
Cash generated from operations	經營業務產生現金	65,910	128,577
Taxation in other jurisdictions paid	已付其他司法權區之稅項	(39)	(63)
Net cash from operating activities	經營業務產生現金淨額	65,871	128,514

Consolidated Cash Flow Statement

綜合現金流量表

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

	NOTES	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
	附註		
Cash flows from investing activities	投資活動之現金流量		
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	(500,405)	(289,354)
Advances to other receivables	墊款予其他應收款	(86,976)	—
Purchase of property, plant and equipment	購買物業、機器及設備	(17,684)	(30,040)
Advances to associates	墊款予聯營公司	(4,671)	—
Increase in pledged bank deposits	已抵押銀行存款增加	(4,511)	(125)
Disposal of a subsidiary	出售一家附屬公司	(466)	—
Cash inflow of loans repayment from certain companies and individuals	若干公司及個人償還貸款之現金流入	276,867	239,428
Interest received	已收利息	31,789	4,722
Repayment from (advances to) related companies	關連公司還款 (墊款予關連公司)	6,406	(60,090)
Proceeds from disposal of investment properties	出售投資物業所得款項	4,019	—
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	999	1,671
Proceeds on partial disposal of subsidiaries	出售附屬公司股份權益之所得款項	—	22,800
Acquisition of subsidiaries	收購附屬公司	—	(151,298)
Capital contribution to an associate	向一間聯營公司出資	—	(24,038)
Payment for investment deposits	支付投資訂金	—	(474)
Net cash used in investing activities	投資活動所用之現金淨額	(294,633)	(286,798)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from issue of convertible notes	發行可換股票據所得款項	1,000,000	—
Convertible notes issue expenses	可換股票據發行支出	(15,160)	—
New bank loans and other loans raised	新造銀行貸款及其他貸款	190,000	14,424
Advance from a related company	自一家關連公司之墊款	171,260	—
Proceeds from issue of new shares for cash	發行新股所得現金款項	120,750	206,320
Share issue expenses	股份發行開支	(634)	(6,482)
Repayment of promissory note	償還承兌票據	(365,000)	—
Net cash outflow from loans from related companies	關連公司貸款之現金流出淨額	(240,176)	(11,376)
Repayment of bank loans and other loans	償還銀行貸款及其他貸款	(33,884)	(34,071)
Interest paid	已付利息	(68,308)	(57,735)
Dividends paid	已付股息	(9,188)	(8,752)
Dividends paid to minority shareholders of subsidiaries	已付附屬公司少數股東股息	(6,005)	(6,005)
Repurchase of shares	股份回購	(1,111)	—
Repayment of obligations under finance leases	償還融資租約承擔	(62)	(378)
Finance lease charges paid	支付融資租賃費用	(16)	(18)
Net cash from financing activities	融資活動所得現金淨額	742,466	95,927
Net increase (decrease) in cash and cash equivalents	現金及現金等值項目之增加(減少)淨額	513,704	(62,357)
Cash and cash equivalents at beginning of the year	年初之現金及現金等值項目	43,387	106,382
Effect of foreign exchange rate changes	外匯匯率變動影響	(1,567)	(638)
Cash and cash equivalents at end of the year,	年終之現金及現金等值項目	555,524	43,387
represented by:	即:		
Bank balances and cash	銀行結餘及現金	555,229	43,103
Trading cash balances	貿易現金結餘	295	284
		555,524	43,387

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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 NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations ("INTs") ("new HKFRSs"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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即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. 應用新訂及經修訂的香港財務報告準則

於本年度，本集團首次應用多項由香港會計師公會頒佈之新準則、修訂及詮釋（「詮釋」）（「新香港財務報告準則」），並於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效。採納新香港財務報告準則並無對本會計期間或過往會計期間業績及財務狀況的編製及呈報方式造成任何重大影響，因此概無須對過往期間作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(CONTINUED)

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standard, amendments or interpretations will have no material impact on the results and financial position of the Group.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ²
HK(IFRIC) – INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³
HK(IFRIC) – INT 8	Scope of HKFRS 2 ⁴
HK(IFRIC) – INT 9	Reassessment of Embedded Derivatives ⁵
HK(IFRIC) – INT 10	Interim Financial Reporting and Impairment ⁶
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions ⁷
HK(IFRIC) – INT 12	Service Concession Arrangements ⁸

2. 應用新訂及經修訂的香港財務報告準則 (續)

本集團並無提早應用以下已頒佈但尚未生效之新準則、修訂或詮釋。本公司董事預期，應用該等新準則、修訂或詮釋將不會對本集團之業績及財務狀況造成任何重大影響。

香港會計準則 第1號(修訂)	股本披露 ¹
香港財務報告 準則第7號	金融工具：披露 ¹
香港財務報告 準則第8號	經營分類 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 ³
香港(國際財務 報告詮釋委員會) — 詮釋第8號	香港財務報告準則 第2號之範圍 ⁴
香港(國際財務 報告詮釋委員會) — 詮釋第9號	重估附帶衍生工具 ⁵
香港(國際財務 報告詮釋委員會) — 詮釋第10號	中期財務報告及 減值 ⁶
香港(國際財務 報告詮釋委員會) — 詮釋第11號	香港財務報告準則 第2號—集團及 庫存股份交易 ⁷
香港(國際財務 報告詮釋委員會) — 詮釋第12號	服務優惠安排 ⁸

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(CONTINUED)

- ¹ Effective for annual periods beginning on or after 1 January 2007
- ² Effective for annual periods beginning on or after 1 January 2009
- ³ Effective for annual periods beginning on or after 1 March 2006
- ⁴ Effective for annual periods beginning on or after 1 May 2006
- ⁵ Effective for annual periods beginning on or after 1 June 2006
- ⁶ Effective for annual periods beginning on or after 1 November 2006
- ⁷ Effective for annual periods beginning on or after 1 March 2007
- ⁸ Effective for annual periods beginning on or after 1 January 2008

2. 應用新訂及經修訂的香港財務報告準則 (續)

- ¹ 於二零零七年一月一日或之後開始之年度生效。
- ² 於二零零九年一月一日或之後開始之年度生效。
- ³ 於二零零六年三月一日或之後開始之年度生效。
- ⁴ 於二零零六年五月一日或之後開始之年度生效。
- ⁵ 於二零零六年六月一日或之後開始之年度生效。
- ⁶ 於二零零六年十一月一日或之後開始之年度生效。
- ⁷ 於二零零七年三月一日或之後開始之年度生效。
- ⁸ 於二零零八年一月一日或之後開始之年度生效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTS POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at 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 disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

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

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

All inter-company transactions and balances within the Group are eliminated on consolidation.

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

3. 主要會計政策

如下文之會計政策所載，除若干金融工具以公平價值計算外，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香港會計師公會頒佈之香港財務報告準則而編製。此外，本綜合財務報表包括根據香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例規定之適用披露。

綜合賬目基準

綜合財務報表包括本公司及本公司控制的公司（其附屬公司）的財務報表。倘本公司有權規管公司的財務及營運政策，以致從該實體的業務中獲得利益，即被視為對該實體擁有控制權。

於年內購入或出售之附屬公司之業績，由收購生效之日起計或截至出售生效之日止（按適用者）計入綜合收益表內。

集團內公司間所有交易及結餘已於綜合賬目時對銷。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

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

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

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

3. 主要會計政策 (續)

業務合併

收購附屬公司時採用購買處理法入賬。收購成本按交換當日所給予之資產、所產生和承擔之負債，以及本集團為控制被收購公司而已發行股本工具之公平價值，另加業務合併直接應佔之任何成本計量。被收購公司之可識別資產、負債及或然負債若符合香港財務報告準則第3號業務合併之確認條件，則以收購日之公平值確認。

收購所產生之商譽確認為資產，並最初以成本計量，即業務合併之成本高於本集團應佔被收購公司之已確認可識別資產、負債及或然負債之公平淨值之金額。倘重估後，本集團應佔被收購公司之已確認可識別資產、負債及或然負債之公平淨值高於業務合併成本，則多出之金額即時於損益內確認。

被收購公司之少數股東權益初步按已確認之少數股東於資產、負債及或然負債之公平淨值之比例計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

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.

3. 主要會計政策 (續)

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)。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (Continued)

Impairment testing on capitalised goodwill

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.

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.

3. 主要會計政策 (續)

商譽 (續)

已資本化商譽之減值測試

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。

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。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates

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

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

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

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.

3. 主要會計政策 (續)

於聯營公司之投資

聯營公司指投資者對其擁有重大影響力的實體，且不屬於附屬公司或於合營公司的權益。

聯營公司之業績及資產與負債以權益會計法計入此等綜合財務報表內。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資產淨值作出調整，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（包括任何長期權益實際組成本集團於該聯營公司之投資淨值之一部份），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。

收購成本超過本集團於收購日期應佔聯營公司之已確認可識別資產、負債及或然負債之公平淨值之任何金額，均確認為商譽。商譽包括投資之賬面金額，並就評估減值，作為投資之一部分。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

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

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.

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

3. 主要會計政策 (續)

收益確認

收益按已收或應收代價之公平價值計量，即於日常業務過程中就出售貨品及提供服務扣除折扣及銷售之相關稅項後之應收金額。

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。

經營租賃的租金收入於有關租約期內按直線法於綜合收益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

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

Depreciation is provided to write off the cost of items of property, plant and equipment 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 or, where shorter, the term of the relevant lease.

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.

3. 主要會計政策 (續)

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減其後之累計折舊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，乃根據其估計可使用年期，按直線法攤銷其成本。

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或相關租約之較短年期折舊。

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後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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

3. 主要會計政策 (續)

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綜合收益表內。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

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

The Group's 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.

3. 主要會計政策 (續)

金融工具 (續)

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本集團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。

Notes to the Consolidated Financial Statements

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

3. 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, loan receivables, pledged bank deposits and bank balances) 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.

3. 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、應收貸款、已抵押銀行存及銀行結存）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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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

3. 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 financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

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.

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 accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

3. 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非衍生項目，並指定為可供出售財務資產或未有劃分為按公平價值計入損益賬之財務資產、貸款及應收款項及持有至到期日之投資。

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。

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。就金融負債及股權工具而採納之會計政策載列如下。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Convertible notes

Convertible notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate 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 conversion option for the holder to convert the notes into equity, is included in equity (convertible notes equity 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 equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes equity reserve will be released to the retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

3. 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

本集團所發行之可換股票據包括負債及可換股期權部份於首次確認時須分別歸類為其各自之項目部份。倘可換股期權將透過以固定金額之現金或其他金融資產換取固定數目之本集團的股本工具而結算，則分類為股本工具。

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，可讓持有人將票據兌換為股權之可換股期權，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保留溢利。期權兌換或到期時將不會於損益中確認任何收益或虧損。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Convertible notes (Continued)

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.

Other financial liabilities

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

Equity instruments

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

3. 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 (續)

交易成本乃按與發行可換股票據相關之所得款項之劃分比例分配至負債及股權部份。交易成本與股權部份相關乃直接計入股權內。交易成本與負債部份相關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。

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、借貸及承兌票據採用實際利率法按攤銷成本計量。

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。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Derecognition

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

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

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.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

3. 主要會計政策 (續)

金融工具 (續)

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，資產賬面值與已收及應收之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。

倘於有關合約之特定責任獲解除、取消或到期，金融負債將被取消確認。取消確認之金融負債賬面值與已付及應付之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。

分類為持作出售之非流動資產（及出售業務）乃按資產（出售業務）以往賬面值及公平價值（以較低者為準）減出售成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. 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.

3. 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。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。減值虧損應立即確認為支出。

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。撥回之減值虧損可即時被確認為收入。

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3. 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 consolidated 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.

3. 主要會計政策 (續)

稅項

所得稅支出指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。應課稅溢利與綜合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。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

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.

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.

3. 主要會計政策 (續)

稅項 (續)

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。

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，惟當與直接於股本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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

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.

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.

3. 主要會計政策 (續)

租約 (續)

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綜合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。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations outside Hong Kong 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.

3. 主要會計政策 (續)

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。

為呈列綜合財務報表的目的，本集團香港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。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 an expense when employees have rendered service entitling them to the contributions.

Equity settled share-based payment transactions

Share options granted to directors, employees and other eligible participants of the Group

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

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve.

Other eligible participants represent individuals who render services to the entity and the services rendered are similar to those rendered by employees.

3. 主要會計政策 (續)

退休福利成本

本集團之定額供款退休福利計劃、國家管理退休福利計劃及/或強制性公積金計劃，該等計劃所作之供款於僱員提供服務而有權獲得有關供款時支銷。

以股本結算的以股代款交易

向本集團董事、僱員及其他合資格參與者授出購股權

所獲取服務的公平價值乃參照所授出購股權於授出日期的公平價值而釐定，按歸屬期以直線法支銷，權益（購股權儲備）亦相應增加。

當購股權獲行使時，原先於購股權儲備內確認的款項將轉撥至股份溢價。當購股權於歸屬日期後失效或於屆滿日期仍未行使時，原先於購股權儲備內確認的款項將繼續於購股權儲備內持有。

其他合資格人士乃指向該實體提供服務之人士，所提供之服務與僱員所提供者相若。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 3, management has made the following estimation that has a significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

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 2006, the carrying amount of goodwill is HK\$44,213,000 (net of accumulated impairment loss of HK\$5,808,000). Details of the recoverable amount calculation are disclosed in note 20.

4. 估計不明朗因素之主要來源

在應用附註3所述之本集團會計政策的過程中，管理層曾作出以下對綜合財務報表內確認數額有重大影響的估計。有關未來之主要假設，以及於結算日估計不確定性的其他主要來源等重大風險，可能導致對下一財政年度資產負債賬面值作出重大調整，亦於下文討論。

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。於二零零六年十二月三十一日，商譽之賬面值為44,213,000港元（已扣除累計減值虧損5,808,000港元）。有關可收回金額計算之詳情，於附註20披露。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Depreciation of hotel properties

The Group's carrying amount of hotel properties as at 31 December 2006 was approximately HK\$1,569,933,000. The Group depreciates the hotel properties on a straight-line basis over their estimated useful lives. It reflects the directors' estimate of the periods that the Group intends to derive economic benefits from the use of the Group's hotel properties. During the year, the useful lives of the hotel properties have been reviewed, and these estimates are considered to be appropriate. Included in the above amount is a hotel property with a carrying amount of approximately HK\$219,720,000 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 at the Company's discretion, the operating period may be extended for a further period of 20 years. Should the conditions not be fulfilled, the depreciation period of the hotel properties would be adjusted and up to January 2017 only. During the year, the estimated useful life of 40 years of this hotel property have been reviewed, and these estimates are considered to be appropriate.

Estimated impairment of trade and other receivables and loan receivables

In determining whether there is an objective evidence of impairment loss, the Group takes into consideration the estimation of its future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

4. 估計不明朗因素之主要來源 (續)

酒店物業折舊

於二零零六年十二月三十一日本集團酒店物業之賬面值約為1,569,933,000港元。本集團以直線法按酒店物業之估計可使用年期折舊，乃反映董事於該期間內之估計，即本集團計劃從酒店物業之使用中可獲取之經濟利益。年內，已審核酒店物業之可使用年期，而該估計被認為恰當。上述總額包括一項帳面值約為219,720,000港元之酒店物業，而當中該所位於中國廣州的酒店由一九八七年一月至二零一七年一月期間之營運及管理權已授予本公司一附屬公司。惟按本公司酌情達到若干條件，該營運期間可額外延長二十年。倘未能達到條件，該酒店物業之折舊期會被調整至二零一七年一月止。於年內，本公司已審閱該酒店四十年之估計可使用年期，並認為該估計合適。

估計貿易及其他應收賬款及應收貸款之減值

在釐定是否有客觀證據證明出現減值虧損時，本集團會考慮其估計之未來現金流。減值虧損金額以資產賬面值與估計未來現金流之現值兩者之差額計量（不包括未來並無產生之信貸虧損），並按金融資產之原定實際利率（即於初始確認時之實際利率）折現。倘實際未來現金流低於預期，則可能會產生重大減值虧損。

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5. FINANCIAL INSTRUMENTS

a. 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, obligations under finance leases, borrowings, convertible notes 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's exposure to foreign currency risk is minimal and 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 risks relate primarily to fixed-rate convertible notes. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

5. 金融工具

a. 財務風險管理目標及政策

本集團之主要金融工具包括應收貿易賬項及其他應收賬項、應收貸款、應收聯營公司款項、應收關連公司款項、貿易賬項及其他應付賬項、關連公司之貸款、融資租約承擔、借款、可換股票據及承兌票據。此等金融工具詳情分別於各有關附註披露。此等金融工具之相關風險及減低風險之政策載述如下。管理層負責管理及監察此等風險，以確保能適時及有效地採取適當措施。

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。本集團承受外匯風險極少，而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，並會考慮在有需要時對沖重大外匯風險。

公平價值利率風險

本集團之公平價值利率風險主要涉及定息可換股票據。本集團現時並沒有任何利率對沖政策。然而，管理層有對利率風險進行監管，並會考慮在有需要時對沖重大利率風險。

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

5. FINANCIAL INSTRUMENTS (CONTINUED)

a. Financial risk management objectives and policies (Continued)

Cash flow interest rate risk

The Group's cash flow interest rate risk relates primarily to variable-rate bank borrowings, that exposed the Group to cash flow interest rate risk. It is the Group's policy to arrange borrowings at floating rate to minimize fair value risk.

The Group's bank balances are carried at prevailing market rate, that exposed the Group to cash flow interest rate risk. However, such exposure is minimal to the Group as the bank balances are all short-term in nature.

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 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has 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.

The credit risk for bank deposits and bank balances exposed is considered minimal as such amounts are placed with banks with good credit ratings.

5. 金融工具 (續)

a. 財務風險管理目標及政策 (續)

現金流量利率風險

本集團之現金流量利率風險主要與浮息銀行借貸有關，集團因此面對現金流量利率風險。本集團以浮動利率借貸的政策減低公平價值風險。

本集團之銀行結餘按市場利率結算，令本集團須承受現金流量利率風險。惟本集團之銀行結餘均屬短期，所面對之風險已減至最小。

信貸風險

倘對方未能履行於二零零六年十二月三十一日有關各類已確認金融資產之責任，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。

由於銀行存款及銀行結餘存放於擁有良好信貸評級之銀行，因此該等款額之信貸風險被視為極低。

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5. FINANCIAL INSTRUMENTS (CONTINUED)

a. Financial risk management objectives and policies (Continued)

Price risk

The Group is exposed to equity security price risk through its available-for-sale investments and held-for-trading investments. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group currently does not have a hedging policy and will consider hedging significant equity security price change should the need arise.

b. Fair value

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

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices;
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

The Group's available-for-sale investments and held-for-trading investments are measured at fair value. The directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

5. 金融工具 (續)

a. 財務風險管理目標及政策 (續)

價格風險

本集團可供出售投資及持作買賣之投資承受證券權益價格的風險。管理層透過持有一個不同風險之投資組合，以管理此風險。本集團現時並無任何對沖政策，並將於有需要時考慮對沖重大證券權益價格變動風險。

b. 公平價值

金融資產及金融負債之公平價值釐定如下：

- 受標準條款及條件規管及於活躍流動市場交易之金融資產之公平價值乃參考市價報價釐定。
- 其他金融資產及金融負債之公平價值按公認定價模型，以可知當前市場交易價格進行折算現金流量分析釐定；及

本集團之可供出售投資及持作買賣投資乃以公平值計算。董事認為於綜合財務報表以攤銷成本記錄之所有其他金融資產及金融負債之賬面值與其公平值相若。

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

6. 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:

6. 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：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Travel and related services	旅遊及相關服務	1,740,656	1,591,962
Hotel and leisure services	酒店及休閒服務	251,698	223,756
		1,992,354	1,815,718

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綜合財務報表附註

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

7. 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.

Segment information about these businesses is presented as follows:

7. 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。

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 2006	截至二零零六年 十二月三十一日止年度				
Turnover	營業額				
External sales	對外銷售	1,740,656	251,698	–	1,992,354
Inter-segment sales	類別間銷售	–	168	(168)	–
Total	合計	1,740,656	251,866	(168)	1,992,354
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	16,956	40,923	–	57,879
Interest income	利息收入				31,789
Impairment loss recognised in respect of available-for-sale investments	可供出售投資之已確認減值虧損				(19,902)
Impairment loss recognised in respect of goodwill arising from acquisition of subsidiaries	收購附屬公司產生之商譽之已確認減值虧損	(5,808)	–	–	(5,808)
Decrease in fair value of investments held for trading	持作買賣投資之公平價值減少				(7,172)
Unallocated corporate expenses	未分配企業開支				(39,412)
Finance costs	融資成本				(98,650)
Share of results of associates	應佔聯營公司之業績	(4,771)	4,752	–	(19)
Loss before taxation	除稅前虧損				(81,295)
Taxation credit	稅項撥回				1,891
Loss for the year	本年度虧損				(79,404)

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

Business segments (Continued)

7. 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	Consolidated HK\$'000 綜合 千港元
At 31 December 2006	於二零零六年十二月三十一日			
ASSETS	資產			
Segment assets	分類資產	587,780	1,981,913	2,569,693
Interest in associates	於聯營公司之權益	74,034	–	74,034
Unallocated corporate assets	未分配企業資產			1,191,155
Consolidated total assets	綜合資產總值			3,834,882
LIABILITIES	負債			
Segment liabilities	分類負債	252,814	58,947	311,761
Unallocated corporate liabilities	未分配企業負債			1,836,334
Consolidated total liabilities	綜合負債總額			2,148,095
OTHER INFORMATION	其他資料			
Allowance for irrecoverable trade debts	不可收回貿易債項之撥備	737	–	737
Capital additions	資本性增加	6,651	11,033	17,684
Depreciation of property, plant and equipment	物業、機器及設備之 折舊	6,843	46,069	52,912
(Gain) loss on disposal of property, plant and equipment	出售物業、機器及設備之 (收益)虧損	(18)	2,962	2,944
Impairment loss in respect of properties under construction	在建物業之減值虧損	–	3,800	3,800
Impairment loss recognised in respect of goodwill arising from acquisition of subsidiaries	收購附屬公司產生之商譽之 已確認減值虧損	5,808	–	5,808

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

7. 業務及地域分類 (續)

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	Elimination HK\$'000 對銷 千港元	Consolidated HK\$'000 綜合 千港元
For the year ended	截至二零零五年				
31 December 2005	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 類別間銷售按適用市價扣除。 at prevailing market price.					
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
Gain on fair value change on derivative financial instruments	衍生金融工具之公平價值 變動收益				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	出售附屬公司部份權益之虧損	–	(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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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

Business segments (Continued)

7. 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	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	444,016	1,792,339	2,236,355
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			574,846
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 of property, plant and equipment	物業、機器及設備之折舊	6,088	54,655	60,743
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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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(CONTINUED)

Geographical segments

Over 90% of the Group's revenue were derived from Hong Kong. The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the services:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 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」)	163,606	138,583
Hong Kong	香港	1,795,216	1,650,598
Others	其他	33,532	26,537
		1,992,354	1,815,718

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

地域分類

本集團90%以上之收入源自香港，以下列表提供本集團按地區市場所得收入之分析，當中並無理會服務來源地。

分類資產賬面值及物業、機器及設備及商譽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 goodwill	
		2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
		分類資產之賬面值		物業、機器及設備及 商譽之添置	
		二零零六年 千港元	二零零五年 千港元	二零零六年 千港元	二零零五年 千港元
The PRC (excluding Hong Kong)	中國 (不包括香港)	1,009,589	1,338,420	8,656	2,262
Hong Kong	香港	1,181,256	731,624	8,997	28,855
South-east Asia	東南亞	354,160	141,224	10	925
Japan and Korea	日本及韓國	22,551	23,771	—	—
Others	其他	2,137	1,316	21	38
		2,569,693	2,236,355	17,684	32,080

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綜合財務報表附註

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

8. OTHER INCOME

8. 其他收入

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
An analysis of the Group's other income is as follows:	本集團之其他收入分析如下：		
Exchange gain	匯兌收益	92	81
Interest income	利息收入	31,789	4,722
Sundry income	雜項收入	5,571	3,394
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
		37,452	20,415

9. FINANCE COSTS

9. 融資成本

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Interest on obligations under finance leases	融資租約承擔之利息	16	18
Interest on borrowings wholly repayable within five years	須於五年內全數償還借貸之利息	40,949	41,386
Effective interest on convertible notes	可換股票據之實計利息	41,663	1,982
Interest on promissory note	承兌票據利息	16,022	15,990
Total finance costs	總融資成本	98,650	59,376

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10. (LOSS) PROFIT BEFORE TAXATION

10. 除稅前(虧損)溢利

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
(Loss) profit before taxation has been arrived at after charging:	除稅前(虧損)溢利已扣除下列支出:		
Allowance for irrecoverable trade debts	不可收回貿易債項撥備	737	476
Auditors' remuneration	核數師酬金	4,175	4,644
Cost of inventories recognised as expenses	已確認為支出之存貨成本	26,794	21,768
Depreciation on:	折舊:		
Owned assets	自置資產	52,875	60,533
Assets held under finance leases	以融資租約持有之資產	37	210
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	2,944	480
Minimum lease payments paid in respect of rented premises and equipment	已付租賃物業及設備之最低租金付款	23,711	14,190
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)	(1)	61
Staff costs *	僱員成本*	149,964	135,399
and after crediting:	並已計入:		
Rental income from investment property and premises within the hotel properties less outgoings of HK\$538,000 (2005: HK\$495,000)	扣除538,000港元支出 (二零零五年:495,000港元)後 之投資物業及酒店物業內 之物業之租金收入	14,180	15,218
Rental income from motor vehicles	汽車之租金收入	—	388

* The amount includes retirement benefit scheme contributions (net of forfeiture) of HK\$7,334,000 (2005: HK\$6,908,000).

* 該金額包括退休福利計劃供款(扣除被沒收之供款)7,334,000港元(二零零五年:6,908,000港元)。

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

11. 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 2006

11. 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：

截至二零零六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	Share- based payments HK\$'000 以股份 支付款項 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 <i>B.B.S., M.B.E., J.P.</i>	—	—	818	—	818
Mr. Cheung Hon Kit	張漢傑先生	—	—	818	—	818
Dr. Yap, Allan	Yap, Allan博士	—	—	818	—	818
Mr. Chan Pak Cheung, Natalis	陳百祥先生	—	—	307	—	307
Mr. Lui Siu Tsuen, Richard	呂兆泉先生	—	—	941	—	941
Ms. Luk Yee Lin, Ellen	陸綺蓮女士	—	251	—	4	255
Non-executive director:	非執行董事：					
Mr. Chan Yeuk Wai	陳若偉先生	—	600	—	4	604
Independent non-executive directors:	獨立非執行董事：					
Mr. Kwok Ka Lap, Alva	郭嘉立先生	—	31	102	—	133
Mr. Sin Chi Fai	冼志輝先生	51	—	102	—	153
Mr. Wong King Lam, Joseph	黃景霖先生	50	—	—	—	50
		101	882	3,906	8	4,897

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

For the year ended 31 December 2005

11. 董事酬金及最高薪酬僱員 (續)

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 <i>B.B.S., M.B.E., J.P.</i>	—	—	—	—
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

No directors waived any emoluments in the years ended 31 December 2005 and 2006.

截至二零零五及二零零六年十二月三十一日止年度，概無任何董事放棄任何酬金。

Note: The directors' salaries and other benefits include the operating lease rentals amounting to nil (2005: HK\$500,000) in respect of rented premises provided to directors. The amounts were also included in the minimum lease payments paid in respect of rented premises under note 10 above.

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無（二零零五年：500,000港元），此筆款項亦已包括在上文附註10有關租賃物業之已付最低租金付款內。

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

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

Of the five highest paid employees in the Group, none (2005: two) were directors of the Company whose emoluments are set out above. Details of emoluments paid by the Group to the five highest paid individuals are as follows:

11. 董事酬金及最高薪酬僱員 (續)

本集團支付予五位最高薪的僱員中，並沒有(二零零五年：兩位)本公司董事(其酬金呈列於上表)。本集團支付予五位最高薪人士，其酬金詳情載於下文：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Salaries and other benefits	薪金及其他福利	6,672	7,127
Retirement benefit scheme contributions	退休福利計劃供款	158	141
Share-based payment	以股份支付	1,381	—
		8,211	7,268
		2006 二零零六年	2005 二零零五年
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	3
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至2,000,000港元	1	2
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	1	—
Number of directors	董事數目	—	2
Number of employees	僱員數目	5	3
		5	5

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

12. TAXATION CREDIT

12. 稅項撥回

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Underprovision for taxation	於過往年度其他司法權區稅項		
in other jurisdictions in prior years	之撥備不足	(55)	(63)
Deferred tax (note 37)	遞延稅項 (附註37)	1,946	2,171
Taxation credit	稅項撥回	1,891	2,108

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

Taxation for other jurisdictions represents underprovision 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 2005 and 2006 in other jurisdictions.

由於本公司或其附屬公司於年內並無任何應課稅溢利或估計應課稅溢利已被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。由於本集團於截至二零零五年及二零零六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 2006 截至二零零六年十二月三十一日止年度

12. TAXATION CREDIT (CONTINUED)

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

12. 稅項撥回 (續)

本年度之稅項撥回可與綜合收益表之除稅前(虧損)溢利進行對賬如下:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
(Loss) profit before taxation	除稅前(虧損)溢利	(81,295)	30,126
Tax at the domestic income tax rate of 17.5% (2005: 17.5%)	按本地利得稅率17.5% (二零零五年: 17.5%) 計算之稅項	14,227	(5,272)
Tax effect of share of results of associates	應佔聯營公司業績之稅務影響	(3)	1,401
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	(29,891)	(13,706)
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	14,155	12,688
Tax effect of tax losses not recognised	未確認之稅務虧損之稅務影響	(14,859)	(7,965)
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	10,489	13,548
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	7,828	1,477
Underprovision in prior years	過往年度之撥備不足	(55)	(63)
Taxation credit for the year	本年度之稅項撥回	1,891	2,108

13. DIVIDENDS

13. 股息

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Dividend recognised as distribution during the year:	確認為年內分派之股息:		
Interim – Nil cent per share (2005: HK2 cents)	中期股息 – 每股零港仙 (二零零五年: 每股2港仙)	–	8,752
Final – dividend for 2005 of HK1.5 cents per share (2005: Nil)	末期股息 – 二零零五年股息 每股1.5港仙(二零零五年: 無)	9,188	–

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

13. DIVIDENDS (CONTINUED)

The final dividend of HK1.5 cents per share amounting to HK\$9,159,000 has been proposed by the directors and is subject to the approval of the shareholders in general meeting. The Company proposes that a scrip dividend option will be offered to all shareholders.

13. 股息 (續)

董事建議派發末期股息每股1.5港仙，為數9,159,000港元，惟須經股東於股東大會上批准。本公司建議向全體股東提呈以股代息選擇權。

14. (LOSS) EARNINGS PER SHARE

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

14. 每股 (虧損) 盈利

每股基本 (虧損) 盈利乃按下列數據計算：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
(Loss) earnings for the purpose of basic (loss) earnings per share attributable to shareholders of the parent	用作計算母公司股東應佔 每股基本 (虧損) 盈利 之 (虧損) 盈利	(71,748)	31,109
		Number of shares 股份數目	
		2006 二零零六年	2005 二零零五年
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	用作計算 每股基本 (虧損) 盈利 之普通股加權平均數	556,934,054	418,541,133

Note: The calculation of diluted (loss) earnings per share for the year ended 31 December 2006 and 2005 has not assumed the conversion of the Company's convertible notes and the exercise of share options, which would decrease the loss per share and increase the earnings per share, respectively.

附註：截至二零零六年及二零零五年十二月三十一日止年度每股攤薄 (虧損) 盈利之計算並無假設兌換本公司之可換股票據及行使購股權，上述兩項將會分別導致每股虧損減少及每股盈利增加。

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

15. PROPERTY, PLANT AND EQUIPMENT

15. 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	成本									
At 1 January 2005	於二零零五年一月一日	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
Currency realignment	幣值調整	-	42,471	-	1,880	1,253	211	3,001	-	48,816
Disposal of subsidiaries	出售附屬公司	-	-	-	-	(37)	-	(44)	-	(81)
Additions	添置	-	-	-	3,993	9,753	1,846	2,006	86	17,684
Disposals	出售	-	-	-	(7,110)	(3,055)	(1,280)	(1,743)	-	(13,188)
Reclassified to assets classified as held for sale	重新分類為持作出售的資產	(4,800)	-	-	(36)	-	-	-	-	(4,836)
At 31 December 2006	於二零零六年十二月三十一日	33,225	1,667,586	46,728	56,271	45,745	7,834	30,363	17,782	1,905,534
DEPRECIATION AND IMPAIRMENT	折舊及減值									
At 1 January 2005	於二零零五年一月一日	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 in the income statement (note (c))	減值虧損撥回收益表 (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
Currency realignment	幣值調整	-	4,223	-	1,504	408	140	2,347	-	8,622
Provided for the year	本年度撥備	478	31,690	-	4,852	8,817	1,462	4,947	666	52,912
(Reversal of) impairment loss in the income statement (note (c))	(撥回) 減值虧損收益表 (附註(c))	(894)	-	3,800	-	-	-	-	-	2,906
Eliminated on disposals	出售時撇除	-	-	-	(4,278)	(2,887)	(404)	(1,676)	-	(9,245)
Eliminated on disposal of subsidiaries	出售附屬公司時撇除	-	-	-	-	(6)	-	(6)	-	(12)
Reclassified to assets classified as held for sale	重新分類為持作出售資產	(2,300)	-	-	(2)	-	-	-	-	(2,302)
At 31 December 2006	於二零零六年十二月三十一日	14,340	97,653	12,128	29,280	18,595	2,910	25,593	6,661	207,160
CARRYING VALUES	賬面值									
At 31 December 2006	於二零零六年十二月三十一日	18,885	1,569,933	34,600	26,991	27,150	4,924	4,770	11,121	1,698,374
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

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15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Leasehold land and buildings	Over the 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	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:

15. 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，以較短者為準)
汽車	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	
		2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		租賃土地及樓宇	租賃土地及樓宇	酒店物業	酒店物業	在建物業	在建物業
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		千港元	千港元	千港元	千港元	千港元	千港元
Long leases in Hong Kong	於香港之長期租約	13,865	16,879	609,202	614,856	–	–
Medium term leases in Hong Kong	於香港之中期租約	5,020	4,090	–	–	–	–
Medium term leases in the PRC (note b)	於中國之中期租約 (附註 b)	–	–	960,731	948,519	34,600	38,400
		18,885	20,969	1,569,933	1,563,375	34,600	38,400

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15. 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\$145,415,000 (2005: HK\$142,195,000) 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\$960,731,000 (2005: HK\$948,519,000) is a hotel property with a carrying value of approximately HK\$219,720,000 (2005: HK\$210,860,000) 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 at Company's discretion, 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 2006 and identified that the value of properties under construction was impaired and value of certain properties has increased (2005: the value of properties under construction and certain properties was increased). Accordingly, the carrying amounts of properties under construction and properties were stated to their recoverable amounts.

The carrying value of motor vehicles, and office equipment and machinery of the Group held under finance leases as at 31 December 2006 was HK\$99,000 (2005: HK\$137,000).

15. 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145,415,000港元(二零零五年: 142,195,000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二零四九年四月,以作酒店用途。
- (b) 於中國以中期租約持有之960,731,000港元(二零零五年: 948,519,000港元)酒店物業包括一間賬面值約219,720,000港元(二零零五年: 210,860,000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,而在若干本公司須予達成之條件規限下,經營期可進一步延長二十年。
- (c) 董事已檢討於二零零六年十二月三十一日物業、機器及設備之賬面值,並確定在建物業價值已減值及若干物業之價值有所增加(二零零五年: 在建物業及若干物業之價值有所增加)。因此,在建物業及物業之賬面值已按其可收回金額列賬。

於二零零六年十二月三十一日,本集團以融資租約持有之汽車、辦公室設備及機器之賬面值為99,000港元(二零零五年: 137,000港元)。

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

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation expenses on hotel properties of HK\$31,690,000 (2005: HK\$30,119,000) are included in administrative expenses during the year.

The Group did not lease motor vehicles to outsiders to earn rental income as at 31 December 2006. The carrying value of motor vehicles of the Group leased to outsiders to earn rental income as at 31 December 2005 was HK\$703,000.

15. 物業、機器及設備 (續)

酒店物業的折舊開支31,690,000港元(二零零五年:30,119,000港元)已包括於年內的行政開支。

於二零零六年十二月三十一日,本集團並沒有向外界人士出租汽車以賺取租金收入。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值為703,000港元。

16. INVESTMENT PROPERTY

16. 投資物業

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Fair value of investment property:	投資物業之公平價值:		
At beginning of the year	於年初	—	3,400
Increase in fair value	公平價值增加	—	619
Reclassified as held for sale	重新分類為持作出售	—	(4,019)
At end of the year	於年底	—	—

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, and there was no material difference between the fair value of investment property at 31 December 2005 and its fair value at 20 January 2006 on which date the beneficial ownership was passed to the acquirer.

The investment property of the Group was held under freehold land outside Hong Kong.

於二零零五年七月十三日,本集團訂立一份銷售協議,以出售投資物業。有關出售事項已於二零零六年一月二十日完成,當中於二零零五年十二月三十一日及二零零六年一月二十日投資物業之公平價值並沒有明顯分別。投資物業之實益擁有權亦於該日轉移至買家。

本集團擁有該投資物業之永久業權,並於香港以外持有。

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17. INTEREST IN ASSOCIATES

17. 於聯營公司之權益

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Cost of investments in associates	於聯營公司之投資成本		
Listed and traded on the Pink Sheet in the United States of America	於美國粉紅價單 上市及買賣	57,982	—
Unlisted	非上市	14,786	219,137
Share of post-acquisition reserves	應佔收購後儲備	1,266	1,285
		74,034	220,422

Particulars of the Group's associates as at 31 December 2006 are as follows:

本集團之聯營公司於二零零六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 2006 本集團持有已發行／註冊資本比率 二零零六年	2005 二零零五年	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
Travoo International Limited	Limited liability company	British Virgin Islands	US\$6,120	50%	50%	Investment holding
Travoo International Limited	有限責任公司	英屬維爾京群島	6,120美元	50%	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
Winner World Group Limited	Limited liability company	British Virgin Islands	US\$—	20%	—	Investment holding
Winner World Group Limited	有限責任公司	英屬維爾京群島	0美元	20%	—	投資控股
Sino Express Travel Limited	Limited liability company	United States of America	US\$84	41.9%	—	Travel systems provider services
Sino Express Travel Limited	有限責任公司	美國	84美元	41.9%	—	旅遊系統供應商

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17. INTEREST IN ASSOCIATES (CONTINUED)

Included in the cost of investment in associates is goodwill of HK\$29,610,000 (2005: Nil) arising on acquisition of associates. The movement of goodwill is set out below.

		HK\$'000 千港元
COST	成本	
At 1 January 2005, 31 December 2005 and 1 January 2006	於二零零五年一月一日、二零零五年 十二月三十一日及二零零六年一月一日	—
Arising on acquisition of associates (Note)	收購聯營公司(附註)	29,610
At 31 December 2006	於二零零六年十二月三十一日	29,610

Note: On 31 August 2006, the Group disposed of its entire 100% interest in Guangzhou Travel Information Systems Network Limited ("GZTI"), a limited liability company and a wholly foreign owned enterprise established under the laws of the PRC, and its shareholder's loan amounting to HK\$51,419,000 to Sino Express Travel Limited ("Sino") at a consideration of US\$7,500,000. The consideration was settled by Sino Express Travel Limited ("Sino USA") issuing to the Group a total of 32,608,696 shares of common stock in Sino USA. 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. The consideration shares represented approximately 38.99% of the issued share capital of Sino USA. Before the completion, the Group held 2,500,000 shares of Sino USA. After completion, the Group held a total of 35,108,696 shares of Sino USA and Sino USA became an associate of the Group. The Group is in the process of assessing the fair value of the identifiable intangible assets of Sino USA at date of acquisition; thus, the allocation of the goodwill disclosed herein is preliminary and subject to revision once the Company completes its valuation exercise.

17. 於聯營公司之權益(續)

因收購聯營公司而帶來之商譽包括投資聯營公司的成本商譽29,610,000港元(二零零五年:無)成本·商譽之撥入呈列如下:

附註: 於二零零六年八月三十一日, 本集團全數出售其於Guangzhou Travel Information Systems Network Limited (「GZTI」) 之100%權益(GZTI為一間根據中國法律成立的外商獨資企業), 及該公司之股東貸款51,419,000港元予Sino Express Travel Limited (「Sino」), 代價為7,500,000美元, 有關之代價乃以Sino Express Travel Limited (「Sino USA」) 之32,608,696股普通股償付。Sino USA是一間於美國註冊成立之公司, 其股份於美國之粉紅價單上買賣。作為代價之股份約佔Sino USA已發行股本38.99%。完成前, 本集團持有Sino USA 2,500,000股股份。完成後, 本集團持有Sino USA合共35,108,696股股份, 而Sino USA成為本集團之聯營公司。本集團正評估收購之日Sino USA的可識別無形資產公平值, 因此, 本報告所披露商譽之分佈純粹屬初步性質, 當本公司完成評估後隨即予以修改。

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17. INTEREST IN ASSOCIATES (CONTINUED)

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

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Total assets	資產總值	273,268	562,873
Total liabilities	負債總額	168,037	161,554
Net assets	資產淨值	105,231	401,319
Share of net assets	應佔資產淨值	44,424	220,422
Turnover	營業額	408,129	111,531
Profit for the year	本年度溢利	4,590	13,381
Share of results of associates for the year	本年度應佔聯營公司業績	(19)	8,006

17. 於聯營公司之權益 (續)

本集團聯營公司之財務資料摘要載列如下：

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
資產總值	273,268	562,873
負債總額	168,037	161,554
資產淨值	105,231	401,319
應佔資產淨值	44,424	220,422
營業額	408,129	111,531
本年度溢利	4,590	13,381
本年度應佔聯營公司業績	(19)	8,006

18. AVAILABLE-FOR-SALE INVESTMENTS

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Equity securities	股本證券		
Unlisted shares, at cost	非上市股份·按成本值	99,460	126,425
Less: Impairment losses recognised	減：已確認之減值虧損	(26,728)	(33,800)
		72,732	92,625

18. 可供出售投資

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
股本證券		
非上市股份·按成本值	99,460	126,425
減：已確認之減值虧損	(26,728)	(33,800)
	72,732	92,625

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18. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

Particulars of the Group's major available-for-sale investments as at 31 December 2006 are as follows:

Name of entity 實體名稱	Place of incorporation and operation 註冊成立及 經營地點	Issued & paid up capital/ registered capital '000 已發行及 繳足股本 ／註冊資本 千元	Proportion of paid up/registered capital held by the subsidiaries 2006 2005 附屬公司持有 繳足股本 ／註冊資本 之比例 二零零六年 二零零五年		Interest attributable to the Group 2006 2005 本集團 應佔權益 二零零六年 二零零五年		Principal activities 主要業務
Guangxi Guijia Property Management Company Limited ("Guangxi Guijia") 廣西桂嘉物業管理有限公司 (「廣西桂嘉」)	PRC 中國	US\$8,021 8,021美元	26% (Note) 26% (附註)	26%	18.2% 18.2%	18.2%	Property holding and operation of leisure services 持有物業及經營休閒服務

Note: 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 as it has no right to appoint directors in Guangxi Guijia, and accordingly, it is classified as an available-for-sale investment. At 31 December 2006, the directors reviewed its carrying amount and the present value of the estimated future cash flows expected to arise from the investment and considered that it is unlikely to recover the interest in Guangxi Guijia. Accordingly an impairment loss of HK\$19,902,000 was recognised in the consolidated financial statements to write down the carrying amount of the investment to its recoverable amount. At 31 December, 2005, an impairment loss of HK\$1,167,000 was recognised in the consolidated financial statements.

At 31 December 2005, the Group also held a 49.5% interest in Guilin Osmanthus Hotel, but the directors considered that the Group cannot exercise influence on the financial and operating policies of Guilin Osmanthus Hotel and accordingly, it was classified as an available-for-sale investment. The directors reviewed its carrying amount and considered that it was 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, at 31 December 2005, accumulated impairment loss amounted to HK\$26,974,000.

18. 可供出售投資 (續)

於二零零六年十二月三十一日本集團之主要可供出售投資之詳情如下:

附註: 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沒有權利委任廣西桂嘉之董事,故不能對廣西桂嘉的財務及經營決策行使重大影響力,因此,廣西桂嘉乃被分類為一項可供出售投資。於二零零六年十二月三十一日,董事已審閱投資之賬面值及預期從有關投資產生之估計未來現金流量現值,認為收回廣西桂嘉全數權益之機會不大,因此在綜合財務報表中確認一筆為數19,902,000港元之減值虧損,以撇減投資之賬面值至其可收回金額。於二零零五年十二月三十一日,於綜合財務報表中確認一筆1,167,000港元之減值虧損。

於二零零五年十二月三十一日,本集團亦持有Guilin Osmanthus Hotel 49.5%權益,惟董事認為本集團未能就該酒店之財務及營運決策行使影響力,因此,該酒店分類為可供出售投資。董事已審閱其賬面值並認為難以收回該酒店之權益,而預期由該投資產生之估計未來現金流量現值極小。因此,於二零零五年十二月三十一日,累計減值虧損達26,974,000港元。

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18. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

In November 2006, all interest in Guilin Osmanthus Hotel was being disposed of and a gain of HK\$100,000 was recognised in the consolidated income statements.

18. 可供出售投資 (續)

於二零零六年十一月，所有 Guilin Osmanthus Hotel 之權益已被出售，所得收益 100,000 港元已於綜合收益表中確認。

19. GOODWILL

19. 商譽

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
COST	成本		
At beginning of the year	於年初	50,862	50,215
Acquired on acquisition of a subsidiary (note 42)	收購一間附屬公司而產生 (附註42)	—	647
Eliminated on disposal of a subsidiary (note 41)	出售一間附屬公司時對銷 (附註41)	(841)	—
At end of the year	於年底	50,021	50,862
IMPAIRMENT	減值		
At beginning of the year	於年初	—	—
Impairment loss recognised	減值虧損確認	(5,808)	—
At end of the year	於年底	(5,808)	—
CARRYING VALUES	賬面值		
At end of the year	於年底	44,213	50,862

Particulars regarding impairment testing on goodwill are disclosed in note 20.

有關商譽減值測試之詳情於附註20中披露。

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20. IMPAIRMENT TESTING ON GOODWILL

As explained in note 7, 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 19 has been allocated to the cash generating unit ("CGU") of International Travel Systems Inc. ("ITS") which engaged in travel and related services segment.

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.

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 15.7% (2005: 15.5%). The cash flows beyond the five year period have been extrapolated using a steady 5% per annum growth rate.

The directors reviewed the business valuation, the anticipated profitability and the anticipated future operating cash flows of ITS. With reference to the financial results and business operated by ITS, the Directors of the Company identified an impairment loss in respect of goodwill of approximately HK\$5,808,000 (2005: Nil), such an amount was dealt with in the consolidated income statement for the year ended 31 December 2006.

20. 商譽減值測試

誠如附註7所解釋，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19之商譽已獲分配至負責旅遊及相關服務分類的International Travel Systems Inc. (「ITS」)之現金產生單位(「現金產生單位」)。

現金產生單位的可收回金額乃按使用價值釐定。計算使用價值所作出主要假設關於貼現率、增長率以及年內收入和直接成本之預計變動。管理層採用除稅前比率估計貼現率，該比率反映市場現時對貨幣時間值以及現金產生單位特有風險的評估。增長率以業內增長預測為基準。收入及直接成本之變動根據慣例及對市場未來變動的期望作出估計。

年內，本集團按15.7%（二零零五年：15.5%）之折讓率計算管理層最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，而隨後五年之現金流量則以每年5%之穩定增長率推斷。

董事審閱業務估值，預料ITS盈利能力及將來營運現金流量。根據ITS的財務業績及業務運作，本公司董事確認商譽之減值虧損約為5,808,000港元（二零零五年：無），此金額已於截至二零零六年十二月三十一日止年度的綜合收益表內處理。

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21. INVESTMENT DEPOSITS

21. 投資訂金

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
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)	150,000	150,000
Deposits for the acquisition of a subsidiary (note b)	收購一家附屬公司之訂金(附註b)	15,500	—
Deposits for the acquisition of a hotel booking business (note c)	收購一家酒店訂房業務之訂金(附註c)	—	51,419
		165,500	201,419

Notes:

附註:

- (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 represented the deposits paid for the acquisition of a 51% interest in Sichuan Henxin Travel Co. Ltd. The transaction has not been completed as at the date of this report.
- (c) 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 and the subsidiary holding such deposits has been disposed of in 2006.
- (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Sichuan Henxin Travel Co. Ltd. 51%權益之已付訂金。於本報告刊發當日，該項交易尚未完成。
- (c) 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。於二零零六年，該項交易尚未完成及持有該訂金之附屬公司經已出售。

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22. INVENTORIES

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

22. 存貨

存貨以成本列賬，主要為日常業務過程中使用之食品、飲品、一般用品及嘉年華門票。

23. 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 2006 were advances of HK\$53,684,000 (2005: HK\$60,090,000) which are repayable on demand, and the remaining balances were principally trading balances.

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

23. 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。於二零零六年十二月三十一日，應收關連公司款項包括53,684,000港元（二零零五年：60,090,000港元）之墊款，該款項須按通知償還，餘額主要為貿易賬款結餘。

貿易賬款結餘於呈報日之賬齡分析如下：

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
0 – 30 days	0至30日	254	3,019
31 – 60 days	31至60日	375	183
61 – 90 days	61至90日	368	144
Over 90 days	超過90日	4,784	1,741
		5,781	5,087

24. AMOUNTS DUE FROM (TO) ASSOCIATES

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

24. 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。

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25. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of approximately HK\$26,627,000 (2005: HK\$20,596,000) and the aged analysis of the trade receivables at the reporting dates is as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
0 – 30 days	0至30日	11,076	12,241
31 – 60 days	31至60日	3,861	3,051
61 – 90 days	61至90日	2,168	1,453
Over 90 days	90日以上	9,522	3,851
		26,627	20,596

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

Included in other receivables was a balance of HK\$19,194,000 (2005: HK\$17,456,000) which is secured by a 16.26% equity interest in Triumph Up Investments Limited.

25. 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26,627,000港元之貿易應收賬款(二零零五年: 20,596,000港元)·而該等貿易應收賬款於呈報日之賬齡分析如下:

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。

其他應收賬款包括以Triumph Up Investments Limited之16.26%股本權益作抵押之結餘19,194,000港元(二零零五年: 17,456,000港元)。

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26. LOAN RECEIVABLES

26. 應收貸款

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
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)	372,480	167,926
Loan to a land operator (note c)	給予一家地接經營商之貸款(附註c)	—	13,000
		372,480	180,926
Fixed-rate loan receivables	定息應收貸款	—	15,427
Variable-rate loan receivables	浮息應收貸款	372,480	165,499
		372,480	180,926

Notes:

附註:

- (a) (i) Included in the balances were loans of HK\$22,590,000 (2005: 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\$22,887,000 (2005: HK\$21,120,000) which is secured by a 50% equity interest in Feng Ze Investment Limited which holds 5.75% attributable interest in the Kingsway Hotel.
- (iii) Included in the balances were loans of HK\$45,318,000 (2005: HK\$21,236,000) which are secured by the right in a property project in Macau of a consideration of HK\$40,000,000.
- (iv) Included in the balances was a loan of HK\$22,689,000 (2005: HK\$10,327,000) which is secured by certain equity securities listed in Hong Kong.
- (v) Included in the balances as at 31 December 2005 was approximately HK\$5,074,000 due from a related company. A director of the Company has beneficial interests in and is also director of the related company.

- (a) (i) 結餘包括22,590,000港元(二零零五年: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22,887,000港元(二零零五年:21,120,000港元)之貸款。貸款乃以豐澤投資有限公司(其持有5.75%金域酒店之應佔權益)之50%股本權益作為抵押。
- (iii) 結餘包括45,318,000港元(二零零五年:21,236,000港元)之貸款。貸款乃以一項為數40,000,000港元之代價之澳門物業項目權利作為抵押。
- (iv) 結餘包括22,689,000港元(二零零五年:10,327,000港元)之貸款。貸款乃以於香港上市之若干股本證券作為抵押。
- (v) 於二零零五年十二月三十一日之結餘包括約5,074,000港元之應收一間關連公司款項。本公司一位董事於該關連公司擁有實益權益。並身兼該關連公司之董事。

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26. LOAN RECEIVABLES (CONTINUED)

- (b) Save for the loans mentioned in note 26(a)(i) to (iv), the amounts are unsecured. The loan receivables are recoverable within one year and carried interest ranged from prime rate to prime rate plus 3% per annum for both years. Effective interest rate is 8.94% (2005: 8%).
- (c) The loan to a land operator represented an advance made to one of the Group's land operators for the designated purpose of purchase of coaches. The amount was secured, bore interest at 10% per annum and was fully repaid during 2006.

26. 應收貸款 (續)

- (b) 除附註26(a)(i)至(iv)所述貸款外，該等款項為無抵押，應收貸款可於一年內收回，過往兩年之年息均按介乎最優惠利率至最優惠利率加3厘計算，實計利率為8.94%（二零零五年：8%）。
- (c) 給予一家地接經營商之貸款為本集團向其中一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，年息率為10厘及於二零零六年悉數償還。

27. INVESTMENTS HELD FOR TRADING

27. 持作買賣之投資

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 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	7,126	5,576
Equity securities listed elsewhere	於其他地方上市之股本證券	—	3,510
		7,126	9,086

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28. PLEDGED BANK DEPOSITS/TRADING CASH BALANCES/BANK BALANCES

Pledged bank deposits/bank balances

Bank balances carry interest at market rates which range from 2.35% to 2.63%. The pledged bank deposits carry fixed interest rate of 2.85%. The pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group and will be released upon the settlement of relevant bank borrowings.

Trading cash balances

The amounts represent foreign currencies held for money exchange purposes.

28. 已抵押銀行存款/貿易現金結餘/銀行結餘

已抵押銀行存款/銀行結餘

銀行結餘之利息按市場利率為介乎2.35%至2.63%，已抵押銀行存款之固定利率為2.85%，待清償有關銀行借貸後，已抵押銀行存款（指本集團就獲授貸款融資而抵押予銀行之存款）將予解除。

貿易現金結餘

有關金額乃指持作現金找換用途之外幣。

29. ASSETS CLASSIFIED AS HELD FOR SALE/ LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

29. 分類為持作出售資產／分類為持作出售資產之相關負債

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Assets classified as held for sale	分類為持作出售資產	305,339	4,019

On 13 June 2006, the Group entered into an agreement with China Star Entertainment Limited, a company incorporated in Bermuda with its shares listed on the Stock Exchange, in relation to the disposal of approximately 56.91% interest in a subsidiary, Triumph Up Investments Limited ("Triumph Up") at a consideration of approximately HK\$252,789,000. Triumph Up indirectly holds approximately 55.75% interest in Kingsway Hotel Limited ("Kingsway") which is classified as an associate as the directors consider that the Group cannot exercise control to govern its financial and operating policies. Accordingly, the Group's approximately 31.73% effective interest in Kingsway will be entirely disposed of. The transaction has not been completed as at the date of report.

於二零零六年六月十三日，本集團與中國星集團有限公司（一間於百慕達註冊成立之公司，其股份於聯交所上市）就以約252,789,000港元之代價出售一間附屬公司Triumph Up Investments Limited（「Triumph Up」）約56.91%股權事項訂立一項協議。Triumph Up於金域酒店有限公司（「金域」）間接持有約55.75%權益。由於董事認為本集團不能對其財務及營運決策行使控制權，故金域被分類為一間聯營公司。據此，本集團於金域所持約31.73%實際權益將被悉數出售。於報告日期該項交易尚未完成。

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29. ASSETS CLASSIFIED AS HELD FOR SALE/ LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The considerations are expected to exceed the Group's share of net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been required.

The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

29. 分類為持作出售資產／分類為 持作出售資產之相關負債（續）

預期出售所得代價將超過本集團應佔相關資產及負債之賬面淨值，因此，無需作出減值虧損。

分類為持作出售之有關出售集團之主要資產及負債類別如下：

		HK\$'000 千港元
Property, plant and equipment	物業、機器及設備	2,534
Interest in associates	於聯營公司之權益	204,351
Trade and other receivables	貿易及其他應收賬款	97
Amounts due from associates	應收聯營公司款項	98,357
Total assets classified as held for sale	分類為持作出售之資產總值	305,339
Amounts due to associates	應付聯營公司款項	170
Total liabilities associated with assets classified as held for sale	分類為持作出售資產之相關總負債	170

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30. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK\$162,111,000 (2005: HK\$130,741,000) and the aged analysis of the trade payables 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	90日以上

30. 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162,111,000港元之貿易應付賬款(二零零五年:130,741,000港元)·而該等貿易應付賬款於呈報日之賬齡分析如下:

2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
97,177	71,157
32,351	26,706
17,144	19,022
15,439	13,856
162,111	130,741

31. LOANS FROM RELATED COMPANIES

Certain directors of the Company are also directors of and/or have beneficial interests in those companies. The loans are variable-rate loans which are unsecured, bear interest at market rates and repayable within one year. The Group's variable-rate loans from related companies carried interest at prime rate to prime rate plus 2% per annum for both years. Effective interest rate is 7.4% (2005: 6.6%).

31. 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。該等貸款為浮息貸款·無抵押·按市場利率計息及須於一年內償還。本集團關連公司浮息貸款之年息於過往兩年均按介乎最優惠利率至最優惠利率加2厘計算·實計利率為7.4%(二零零五年:6.6%)。

32. 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.

32. 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。

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33. OBLIGATIONS UNDER FINANCE LEASES

33. 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	
		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 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	35	86	31	62
Between one to two years	一年至兩年內	–	19	–	31
		35	105	31	93
Less: Future finance charges	減：未來融資支出	(4)	(12)	–	–
Present value of lease obligations	租約承擔之現值	31	93	31	93
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			(31)	(62)
Amount due after one year	一年後到期款項			–	31

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% (2005: 6.8%) 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，平均實計借貸年利率為6.8%（二零零五年：6.8%）。利率乃於訂約之日釐定。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。

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34. BORROWINGS

34. 借貸

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Bank loans	銀行貸款	451,309	300,209
Other loans	其他貸款	14,440	9,424
		465,749	309,633
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	(59,269)	(38,325)
Amount due after one year	一年後到期款項	406,480	271,308
Secured	有抵押	455,749	306,633
Unsecured	無抵押	10,000	3,000
		465,749	309,633
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	59,269	38,325
Between one to two years	一年至兩年內	44,640	28,828
Between two to five years	兩年至五年內	361,840	242,480
		465,749	309,633

The Group's borrowings are variable-rate borrowings which are denominated in Hong Kong dollars. Included in the borrowings is a bank loans of HK\$451,120,000 (2005: HK\$299,760,000) which bears an annual interest rate of 0.8% over the Hong Kong Inter-bank Offered Rate ("HIBOR") and is repayable in full on 17 April 2009.

The Group's borrowings carried interest at HIBOR plus 0.8% to prime rate plus 3% for both years. Effective interest rate is 5.1% (2005: 3.9%).

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451,120,000港元（二零零五年：299,760,000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。

過往兩年，本集團借貸之利率為介乎香港銀行同業拆息加0.8厘至最優惠利率加3厘。實計利率為5.1厘（2005：3.9厘）。

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35. CONVERTIBLE NOTES

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

- (a) During the year ended 31 December 2006, the Company issued new convertible exchangeable notes of nominal value amounting to HK\$1,000,000,000 (the "Notes"). The Notes carry interest at 2% per annum and should be repayable on 7 June 2011 (the "Maturity Date"). China Enterprises Limited, a substantial shareholder of the Company, subscribed for the notes of nominal value amounting to HK\$300,000,000 by cash.

The convertible notes were split between the liability and equity elements. The equity element is presented in equity heading "convertible notes reserve". The effective interest rate of the liability component is 9.35%.

The initial conversion price of the Notes is HK\$0.79 per share and subject to anti-dilutive adjustments. The notes are issued on the date after share subdivision as mentioned in note 38. Unless converted or lapsed or redeemed by the Company, the Company will redeem the Notes on 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.

35. 可換股票據

2006 HK\$'000 note (a) 二零零六年 千港元 附註(a)	2005 HK\$'000 note (b) 二零零五年 千港元 附註(b)
810,026	41,350
—	(41,350)
810,026	—

- (a) 截至二零零六年十二月三十一日止年度，本公司發行面值達1,000,000,000港元之新可換股可交換票據（「該等票據」）。該等票據按年利率2厘計息並須於二零一一年六月七日（「期滿日」）償還。本公司之主要股東China Enterprises Limited以現金認購面值達300,000,000港元之該等票據。

可換股票據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。而負債部份之實計利率為9.35%。

該等票據之初步兌換價為每股股份0.79港元及可作出反攤薄調整。該等票據於完成附註38所述之股份分拆後當日發行，本公司將於期滿日按贖回金額（即該等票據未償還本金金額之110%）贖回該等票據，惟已獲兌換、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七日後至期滿日前七日（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港元或其完整倍數為單位）之該等票據本金金額，兌換為本公司之股份。

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35. CONVERTIBLE NOTES (CONTINUED)

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 as defined in Rule 13.11(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") 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 anti-dilutive adjustments, at which the Spin-off Shares are actually issued to the public at the time of the listing on that stock exchange. The decision on whether to list any of its affiliated company or subsidiary in the future is at the sole discretion of the directors of the Company.

- (b) During the year ended 31 December 2004, the Company issued 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 convertible notes carried interest at 2% per annum and should be repayable on 14 June 2007. The holders of the 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 convertible notes, at an initial conversion price of HK\$0.02 per share.

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 38, the conversion price was adjusted to HK\$1.97 per new consolidated share.

35. 可換股票據 (續)

根據擬促使符合有關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港元或其完整倍數為單位），兌換為任何公司（本公司聯屬公司（定義見聯交所證券上市規則（「上市規則」）第13.11(2)(a)條）或附屬公司）股本中之股份，其股份乃為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（可作出反攤薄調整）。關於其任何聯屬公司或附屬公司日後是否上市由本公司董事全權作出決定。

- (b) 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港元之可換股票據，作為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。可換股票據持有人有權於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，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38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。

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35. CONVERTIBLE NOTES (CONTINUED)

The convertible notes were split between the liability and equity elements. 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 ended 31 December 2005, 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 after adjusting for the share consolidation as mentioned under note 38.

36. PROMISSORY NOTE

The promissory note was issued during the year ended 31 December 2002 to Hutchison Hotels Holdings (International) Limited as partial consideration for the acquisition of the entire issued share capital of and shareholder's loan to Makerston Limited ("Makerston"), which holds indirectly a 95% interest in Rosedale Hotel Beijing Co., Ltd. ("Rosedale Beijing"). The promissory note was interest bearing at HIBOR plus 2% per annum and secured by the entire issued share capital of, and shareholder's loan to Makerston and its subsidiaries which holds the 95% equity interest in Rosedale Beijing. The promissory note was fully repaid on 15 December 2006.

35. 可換股票據 (續)

可換股票據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。而負債部份之實計利率為14.7%。

截至二零零五年十二月三十一日止年度，所有可換股票據乃根據附註38所述，經股份合併調整後按每股面值1.97港元之兌換價，兌換27,918,781股每股面值1港元之本公司新合併股份。

36. 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間接持有北京珀麗酒店有限責任公司 (「北京珀麗」) 95%權益。承兌票據以香港銀行同業拆息加2厘計息，並以Makerston之全部已發行股本及股東貸款及其持有北京珀麗95%權益之附屬公司抵押。承兌票據已於二零零六年十二月十五日悉數償付。

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37. DEFERRED TAXATION

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

37. 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，以及有關之變動：

		Accelerated tax depreciation on hotel properties HK\$'000 酒店物業之 加速稅項折舊 千港元
At 1 January 2005	於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 12)	計入收益表(附註12)	(2,171)
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日	244,680
Currency realignment	貨幣調整	7,445
Credit to the income statement (note 12)	計入收益表(附註12)	(1,946)
At 31 December 2006	於二零零六年十二月三十一日	250,179

As at 31 December 2006, the Group has unused tax losses of approximately HK\$896,381,000 (2005: HK\$912,324,000) 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\$72,003,000 (2005: HK\$39,000,000) 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.

於二零零六年十二月三十一日，本集團之未動用稅務虧損約為896,381,000港元（二零零五年：912,324,000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72,003,000港元（二零零五年：39,000,000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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38. SHARE CAPITAL

38. 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 2005	於二零零五年一月一日 每股面值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 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日 每股面值1港元之股份	1,500,000,000	1,500,000
Subdivision of shares	股份分拆	13,500,000,000	–
Shares of HK\$0.1 each at 31 December, 2006	於二零零六年十二月三十一日 每股面值0.1港元之股份	15,000,000,000	1,500,000
Issued and fully paid	已發行及繳足		
Shares of HK\$0.01 each at 1 January 2005	於二零零五年一月一日 每股面值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 and 1 January 2006	於二零零五年十二月三十一日 及二零零六年一月一日 每股面值1港元之股份	437,586,108	437,586
Reduction in share capital	削減股本	–	(393,827)
		437,586,108	43,759
Issue of shares	發行股份	175,000,000	17,500
Share repurchase	購回股份	(2,000,000)	(200)
Shares of HK\$0.1 each at 31 December 2006	於二零零六年十二月三十一日 每股面值0.1港元之股份	610,586,108	61,059

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.

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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38. 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.

38. 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股每股面值0.01港元之股份合併為1股每股面值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股每股面值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股每股面值1港元之股份，增加至為數1,500,000,000港元分為1,500,000,000股每股面值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。

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38. SHARE CAPITAL (CONTINUED)

On 1 March 2006, the Company entered into a placing agreement with Success Securities Limited ("Success Securities") pursuant to which Success Securities conditionally agreed to place up to 175 million shares (the "Placing Shares") in the Company at a price of HK\$0.69 per share to independent investors (the "Placing"). In order to facilitate the issue of the Placing Shares, the Company conducted the capital reorganisation which involved (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 10 adjusted shares.

The Placing was completed on 25 April 2006. The new shares issued rank pari passu in all respects with the then existing shares. The net proceeds of approximately HK\$120 million from the Placing have been used as general working capital of the Group.

On 27 September 2006, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	No. of ordinary shares at HK\$0.10 each '000 每股面值0.10港元 之普通股數目 千股	Price per share		Aggregate consideration paid HK\$'000 已支付之總代價 千港元
		Highest HK\$ 最高價 港元	Lowest HK\$ 最低價 港元	
購回股份之月份 二零零六年九月	2,000	0.55	0.55	1,100

The above shares were cancelled upon repurchase and accordingly, the issued capital of the Company was reduced by the nominal value thereof. The premium payable on repurchase was charged against the share premium account of the Company as set out in the consolidated statement of changes in equity. None of the Company's subsidiaries repurchased, sold or redeemed any of the Company's listed shares during the year.

38. 股本 (續)

於二零零六年三月一日，本公司與實德證券有限公司（「實德證券」）訂立一份配售協議，據此，實德證券有條件同意，按每股股份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（「配售股份」）（「配售」）。為方便發行配售股份，本公司已進行一項股本重組，該項股本重組包括(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之面值由1港元減至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。

配售已於二零零六年四月二十五日完成。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。來自配售之所得款項淨額約120,000,000港元已用作本集團之一般營運資金。

於二零零六年九月二十七日，本公司透過聯交所購回其本身之股份如下：

以上股份於購回時已被註銷，因而，本公司之已發行股本亦按其面值予以減少。回購時應付的溢價於本公司的股份溢價賬中扣除，詳情載於綜合股東權益變動表。年內，本公司之附屬公司概無購回、出售或贖回本公司之任何上市股份。

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39. 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. The Scheme is valid and effective for a period of 10 years after the date of adoption.

In the general meeting held on 19 May 2006, the shareholders of the Company has approved that the existing scheme General Limit in respect of the granting of options to subscribe for shares in the Company ("Shares") under the Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Scheme) must not exceed 10% of the ordinary shares in issue as at the date of approval of such refreshment of the General Limit (subject to adjustment for consolidation and sub-division of share subsequent to that date) and that any Director be authorised to do all such acts and execute such document to effect the refreshed General Limit.

39. 購股權計劃

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職員（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。於採納該計劃當日後十年期間內有效及生效。

於二零零六年五月十九日舉行之股東大會上，本公司股東已批准有關授出購股權認購本公司之股份（「股份」）之現有計劃「一般限額」授權限額予以更新及重續，惟根據該計劃或本公司其他購股權計劃授出或行使購股權而可能配發及發行之股份總數（不包括根據該計劃之前授出、尚未行使、註銷、失效或行使之購股權），不得超過於批准更新一般授權日期已發行之普通股份之10%（惟該日後將予調整以綜合及分拆股份），以及授權任何董事作此所有行動及簽署有關文件以使更新一般限額生效。

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39. SHARE OPTION SCHEME (CONTINUED)

At 31 December 2006, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 58,680,000 (2005: Nil), representing 9.6% (2005: Nil) of the Shares in issue at that date. 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.

39. 購股權計劃 (續)

於二零零六年十二月三十一日，根據該計劃授出購股權及尚未行使之股份數目為58,680,000股（二零零五年：零），佔股份發行當日9.6%（二零零五年：零）。購股權須在授出日期起計30日內獲得接納。購股權應付之代價為1港元，購股權可於接納購股權之日後至董事會所釐訂之日期之間任何時間（惟在任何情況下不超過十年）予以行使。行使價將由本公司董事所釐訂，並不得低於本公司股份於(i)緊接授出日期前五個營業日的平均收市價；(ii)授出當日的收市價；及(iii)本公司股份面值之較高者。

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39. SHARE OPTION SCHEME (CONTINUED)

Details of options granted and a summary of the movements of the outstanding options under the Scheme during the current and prior years are as follows:

39. 購股權計劃 (續)

該計劃於本年及往年授出之購股權及尚未行使購股權之變動概要之詳情如下:

Eligible participants	Number of share options 購股權數目				Outstanding as at 31 December 2006	Exercise price per share HK\$	Date of grant (Note 1)	Exercisable period (Note 2)
	Outstanding as at 1 January 2006	Granted during the year	Exercised during the year	Lapsed during the year				
	於二零零六年 一月一日 尚未行使	於年內 授出	於年內 行使	於年內 失效	於二零零六年 十二月三十一日 尚未行使	每股 行使價 港元	授出日期 (附註1)	行使期 (附註2)
Director 董事								
Mr. Yu Kam Kee, Lawrence 余錦基先生	-	4,000,000	-	-	4,000,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Mr. Cheung Hon Kit 張漢傑先生	-	4,000,000	-	-	4,000,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Dr. Yap, Allan Yap, Allan博士	-	4,000,000	-	-	4,000,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Mr. Chan Pak Cheung, Natalis 陳百祥先生	-	1,500,000	-	-	1,500,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Mr. Lui Siu Tsuen, Richard 呂兆泉先生	-	4,600,000	-	-	4,600,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Mr. Kwok Ka Lap, Alva 郭嘉立先生	-	500,000	-	-	500,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Mr. Sin Chi Fai 冼志輝先生	-	500,000	-	-	500,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Employees 員工	-	30,680,000	-	(200,000)	30,480,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
Other eligible participants (Note 4) 其他合資格人士 (附註4)	-	9,100,000	-	-	9,100,000	0.728	22.6.2006 二零零六年 六月二十二日	22.6.2006 – 21.6.2008 二零零六年六月二十二日至 二零零八年六月二十一日
	-	58,880,000	-	(200,000)	58,680,000			

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39. SHARE OPTION SCHEME (CONTINUED)

Notes:

1. On 22 June 2006, a total of 58,880,000 share options were granted. The closing price of the shares of the Company immediately before the date of grant (as of 21 June 2006) was HK\$0.72.

2. The options are to vest as follows:

Up to a maximum of 50% of the options are exercisable during the first calendar year period of the option period commencing from 22 June 2006 to 21 June 2007. The balance of the 50% of the option not yet exercised in the first calendar year period and that 50% could be exercised in the second calendar year period commencing from 22 June 2007 to 21 June 2008.

3. The estimated fair value of the 58,880,000 share options granted during the year is HK\$15,706,696, which was calculated using the Black-Scholes option pricing model (the "Model") as at the date of the grant of the share options. The following are the inputs to the Model:

Share price:	HK\$0.71
Exercise price:	HK\$0.728
Expected volatility:	65.28%
Expected dividend yield:	0%
Risk free interest rate:	4.599%
Expected life of the share options:	2 years

Expected volatility was determined by using the annualised historical volatility of the closing price of the shares of the Company as at 22 June 2006.

The Group recognised a total expense of approximately HK\$12,006,000 for the year ended 31 December 2006 (2005: Nil) in relation to share options granted by the Company.

The Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimation. The value of an option varies with different variables of certain subjective assumptions.

39. 購股權計劃 (續)

附註:

1. 於二零零六年六月二十二日，總共58,880,000股購股權獲授出，緊接授出購股權日期前（即二零零六年六月二十一日）本公司股份收市價為0.72港元。

2. 歸屬購股權如下：

二零零六年六月二十二日開始至二零零七年六月二十一日止為購股權期間的首個曆年，期間可行使最多50%之購股權。於首個曆年餘下50%尚未行使之購股權，可於二零零七年六月二十二日開始至二零零八年六月二十一日止第二個曆年行使。

3. 年內授出之58,880,000股購股權之估計公平值為15,706,696港元，其乃以柏力克-舒爾斯期權定價模式（「該模式」）於授出購股權當日計算，代入該模式之數字如下：

股價：	0.71港元
行使價：	0.728港元
預期波幅：	65.28%
預期股息率：	0%
無風險利率：	4.599%
預期購股權有效年期：	兩年

預期波幅以本公司股份於二零零六年六月二十二日收市價之年度歷史波幅釐定。

於截至二零零六年十二月三十一日止年度，本集團確認為有關本公司授出購股權之總開支約12,006,000港元（二零零五年：零）。

該模式乃用作估計購股權之公平值，在計算購股權之公平價值時，董事根據最佳估計而決定變數及假設。購股權之價值會視乎若干主觀假設而計算出不同之估值。

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39. SHARE OPTION SCHEME (CONTINUED)

4. Other eligible participants represent individuals who render services to the entity and the services rendered are similar to those rendered by employees.

40. 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 losses, translation reserve and statutory reserves of the Group include of HK\$1,081,000 (2005: HK\$1,062,000), HK\$73,000 (2005: HK\$73,000) and HK\$150,000 (2005: HK\$150,000) respectively attributable to the associates of the Group.

39. 購股權計劃 (續)

4. 其他合資格參予人士指提供個人服務予實體之人士及提供之服務與員工所提供的相似。

40. 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進賬將會被註銷，因註銷而產生之進賬則將會轉撥至本公司之繳入盈餘賬，而有關之進賬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) 本集團之累計虧損、匯兌儲備及法定儲備分別為包括本集團聯營公司應佔1,081,000港元（二零零五年：1,062,000港元）、73,000港元（二零零五年：73,000港元）及150,000港元（二零零五年：150,000港元）。

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41. DISPOSAL OF A SUBSIDIARY

As described in note 17, the Group disposed of its entire 100% interest in GZTI and its shareholder's loan of HK\$51,419,000 to Sino at a consideration of US\$7,500,000 in August 2006. The consideration was settled by Sino USA issuing to the Group a total of 32,608,696 common stock in Sino USA. After completion, Sino USA became an associate of the Group. The net assets of GZTI at the date of disposal were as follows:

41. 出售一家附屬公司

如附註 17 所載，本集團於二零零六年八月以代價 7,500,000 美元出售於 GZTI 之全部權益及其股東貸款 51,419,000 港元予 Sino，代價由 Sino USA 向本集團發行總共 32,608,696 股的 Sino USA 普通股予以支付。完成後，Sino USA 將成為本集團之聯營公司。以下為 GZTI 於出售日之資產淨值：

		30.8.2006 HK\$'000 二零零六年 八月三十日 千港元
Net assets disposal of:	出售資產淨值：	
Property, plant and equipment	物業、機器及設備	69
Investment deposits	投資存款	51,419
Loan receivables	應收貸款	1,484
Bank balances and cash	銀行結餘及現金	466
Shareholder's loan	股東貸款	(51,419)
		2,019
Attributable goodwill	應佔商譽	841
Total consideration	總代價	2,860
Satisfied by:	達成：	
Interest in an associate	於聯營公司之權益	54,279
Assumption of shareholder's loan to GZTI	股東貸款予 GZTI 之假設	(51,419)
		2,860
Net cash outflow arising on disposal:	因出售產生之現金流出淨額：	
Bank balances and cash disposed of	出售之銀行結餘及現金	(466)
The impact of GZTI on the Group's results and cash flow in the current and prior period was insignificant.		GZTI 對本集團於本期間及前期間之業績及現金流入之影響並不重大。

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42. ACQUISITION OF SUBSIDIARIES

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:

42. 收購附屬公司

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 carrying 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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42. 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. MAJOR NON-CASH TRANSACTIONS

- (a) During the year ended 31 December 2006, the Group disposed of a subsidiary and related shareholder's loan to Sino at a consideration of US\$7,500,000. The consideration was satisfied by Sino USA issuing to the Group a total of 32,608,696 common stock of Sino USA. The Group originally held 2,500,000 common stock of Sino USA, and was recorded as investments held for trading at 31 December 2005. After the above transaction, such investments have been transferred to investment in associates.
- (b) During the year ended 31 December 2005, the Group disposed of a computer system for online travel reservation to 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 stock (valued at US\$0.2 per share) of Sino USA, the holding company of Sino.

42. 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，並不一定指倘收購已於二零零五年一月一日完成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. 重大非現金交易

- (a) 截至二零零六年十二月三十一日止年度，本集團以代價7,500,000美元出售一家附屬公司及相關股東貸款予Sino。該代價由Sino USA向本集團發行總共32,608,696股Sino USA的普通股予以支付。本集團原本持有Sino USA之2,500,000股普通股及於二零零五年十二月三十一日列為持作買賣投資，完成以上交易後，該投資已撥至於聯營公司之投資。
- (b) 截至二零零五年十二月三十一日止年度，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之控股公司Sino USA之2,500,000股普通股（每股股份價值0.2美元）償付。

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44. PLEDGE OF ASSETS

Save as otherwise disclosed, at 31 December 2006, the Group's credit facilities were secured by the Group's assets as follows:

Hotel property	酒店物業
Property interests	物業權益
Bank balances	銀行結餘

In addition, the Group has also effected a pledge of fixed charge over all the revenue and a floating charge over all the assets of Rosedale Park Limited for bank borrowings. Rosedale Park Limited is a subsidiary of the Group, engaging in hotel operation in Hong Kong which has revenue of approximately HK\$87,420,000 for 2006 and total assets of approximately HK\$11,863,000 at 31 December 2006.

44. 資產抵押

除另行披露外，於二零零六年十二月三十一日，本集團之信貸融資以本集團下列資產作抵押：

2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
609,202	614,856
17,849	18,290
11,436	6,925
638,487	640,071

另外，本集團亦以Rosedale Park Limited之所有收入作為固定抵押，及其所有資產作為浮動抵押向銀行借貸。Rosedale Park Limited於香港從事酒店業務，為本集團之附屬公司，其於二零零六年之收入約87,420,000港元及截至二零零六年十二月三十一日之總資產約11,863,000港元。

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45. OPERATING LEASE COMMITMENTS

As lessee

At 31 December 2006, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Land and buildings	土地及樓宇		
Within one year	一年內	19,029	14,660
In the second to fifth years inclusive	第二年至第五年（包括首尾兩年）	15,501	4,866
		34,530	19,526
Equipment	設備		
Within one year	一年內	358	358
In the second to fifth years inclusive	第二年至第五年（包括首尾兩年）	538	896
		896	1,254

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.

45. 經營租約承擔

作為承租人

於二零零六年十二月三十一日，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：

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

45. OPERATING LEASE COMMITMENTS (CONTINUED)

As lessor

Property rental income earned during the year was HK\$15,202,000 (2005: HK\$15,713,000).

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:

45. 經營租約承擔 (續)

作為出租人

年內收取之物業租金收入為15,202,000港元(二零零五年:15,713,000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:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Within one year	一年內	15,108	13,289
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	50,671	41,570
After five years	五年之後	8,476	12,622
		74,255	67,481

46. CAPITAL COMMITMENTS

46. 資本承擔

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Contracted for but not provided in the financial statements in respect of acquisition of prepaid lease payment	就購買預付租賃款項 已訂約惟未於財務 報表內撥備	30,000	30,000
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
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	7,741	—
		37,741	35,462

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綜合財務報表附註

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47. 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\$127,040 (2005: HK\$125,032) 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\$542,825 (2005: HK\$548,759).

47. 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福利計劃成員，該等附屬公司須按僱員薪酬若干百分比向退休福利計劃供款。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127,040港元（二零零五年：125,032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542,825港元（二零零五年：548,759港元）。

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綜合財務報表附註

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

48. RELATED PARTY TRANSACTIONS

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

Nature of transactions	Name of company	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
交易性質	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	Cycle Company Limited and Gunnell Properties Limited 旋高有限公司及Gunnell Properties Limited	2,404	3,734
	Mass Success International Limited	190	258
	Paul Y. Building Management Limited 保華物業管理有限公司	10	259
		2,604	4,251
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	Hanny Holdings Limited and its subsidiaries 錦興集團有限公司及其附屬公司	1,210	1,582
	Paul Y. – ITC Management Limited	667	1,415
	PYI Corporation Limited and its subsidiaries 保華集團有限公司及其附屬公司	767	1,147
	See Corporation Limited 漢傳媒集團有限公司	827	492
	China Strategic Holdings Limited and its subsidiaries 中策集團有限公司及其附屬公司	–	236
	ITC Corporation Limited and its subsidiaries 德祥企業集團有限公司及其附屬公司	438	56
	Paul Y. Management Limited	1,029	21
		4,938	4,949
Interest paid and payable on convertible notes 可換股票據之已付及應付利息	Million Good Limited	–	359
	China Enterprises Limited	3,403	–
		3,403	359

48. 關連人士交易

- (a) 以下為年內本集團與關連人士進行之交易：

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

48. RELATED PARTY TRANSACTIONS (CONTINUED)

48. 關連人士交易 (續)

Nature of transactions 交易性質	Name of company 公司名稱	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Loan interest paid and payable by the Group 本集團已付及應付之貸款利息	Nation Cheer Investment Limited 志恒投資有限公司	2,040	5,138
	Million Good Limited	3,056	4,323
	Hanny Holdings Limited and its subsidiaries 錦興集團有限公司及其附屬公司	2,451	2,799
	Paul Y. – ITC Management Limited	1,320	1,269
	Macau Prime Properties (Holdings) Limited (Formerly known as Cheung Tai Hong Holdings Limited) and its subsidiaries 澳門祥泰地產集團有限公司 (前稱 Cheung Tai Hong Holdings Limited) 及其附屬公司	2,996	769
	China Strategic Holdings Limited and its subsidiaries 中策集團有限公司及其附屬公司	–	6,103
		11,863	20,401
Secondment fee paid and payable 已付及應付借調費用	Mass Success International Limited	2,458	2,492
Secondment fee received 已收借調費用	Manwide Holdings Limited	–	1,154
Certain directors of the Company are also directors of and/or have beneficial interests in those companies.		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。	

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

48. 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 31.
- (c) The Group maintained current accounts with related companies and associates. Their balances as at 31 December 2006 are set out in notes 23, 24 and 32.

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

- (d) During the year ended 31 December 2006, the Company issued convertible notes of nominal value amounting to HK\$300,000,000 (2005: HK\$155,000,000) to China Enterprises Limited, a substantial shareholder of the Company who can exercise significant influence on the Company. Details of the convertible notes are set out in note 35.
- (e) During the year ended 31 December 2005, the Group made a loan to a related company. Details of its relationship and the terms of the loan are set out in note 26(a)(v).
- (f) Compensation of key management personnel

The Group's key management personnel represented directors and their remuneration during the year was as follows:

		2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
Short-term benefits	短期福利	983	3,865
Share-based payments	以股份支付款項	3,906	—
Post-employment benefits	退休福利	8	29
		4,897	3,894

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

48. 關連人士交易 (續)

- (b) 年內，本集團收到關連公司之貸款。關連公司之關係及貸款條款之詳情載於附註31。
- (c) 本集團與關連公司及聯營公司有來往賬戶，其於二零零六年十二月三十一日之結餘載於附註23、24及32。

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。

- (d) 於截至二零零六年十二月三十一日止年度，本公司發行面值300,000,000港元(二零零五年：155,000,000港元)之可換股票據予可於本公司行使重大影響力之本公司主要股東China Enterprises Limited。有關可換股票據之詳情載於附註35。
- (e) 於截至二零零五年十二月三十一日止年度，本集團提供貸款予一家關連公司，其關係及貸款條款之詳情載於附註26(a)(v)。
- (f) 主要管理人員之薪酬

本集團主要管理人員指董事及於年內之薪酬如下：

	2006 HK\$'000 二零零六年 千港元	2005 HK\$'000 二零零五年 千港元
董事及主要行政人員的的酬金由薪酬委員會參考個別人士的表現及市場薪酬趨勢而釐定。	983	3,865
	3,906	—
	8	29
	4,897	3,894

董事及主要行政人員的的酬金由薪酬委員會參考個別人士的表現及市場薪酬趨勢而釐定。

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49. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2006 are as follows:

49. 主要附屬公司

以下為於二零零六年十二月三十一日本公司之主要附屬公司詳情：

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 %	
Allied Glory Investment Limited ("Allied Glory") 合榮投資有限公司 (「合榮」)	Hong Kong 香港	HK\$2 2港元	—	55.7	Investment holding in the PRC 中國投資控股
Apex Quality Group Limited Apex Quality Group Limited	British Virgin Islands 英屬維爾京群島	US\$5,548,172 5,548,172美元	—	67.9	Investment holding 投資控股
Benchmark Pacific Limited Benchmark Pacific Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Investment holding in Hong Kong 香港投資控股
Clever Basin Holdings Limited Clever Basin Holdings Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	67.9	Investment holding in Hong Kong 香港投資控股
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

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49. PRINCIPAL SUBSIDIARIES (CONTINUED)

49. 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 %	
Hey Wealth Limited	Hong Kong	HK\$2	–	67.9	Property holding in Hong Kong
Hey Wealth Limited	香港	2港元	–	67.9	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加幣	–	55.7	投資控股
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

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49. PRINCIPAL SUBSIDIARIES (CONTINUED)

49. 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 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 %	
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 #	145,000,000人民幣	–	40.8	於中國擁有及經營酒店
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	香港貨幣找換服務
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	於中國擁有及經營酒店

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49. PRINCIPAL SUBSIDIARIES (CONTINUED)

49. 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 %	
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 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
Shropshire Property Limited	British Virgin Islands	Ordinary – US\$10 Preference – US\$1,000	–	67.9	Investment holding in Hong Kong
索普物業有限公司	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

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49. PRINCIPAL SUBSIDIARIES (CONTINUED)

49. 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 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 %	
Success Fund Industrial Limited 萬昌實業有限公司	Hong Kong 香港	HK\$100 100港元	—	100	Property investment in the PRC 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
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	普通股股份— 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	1,300,000葡幣	—	100	澳門旅遊及相關服務

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49. PRINCIPAL SUBSIDIARIES (CONTINUED)

49. 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 Finance Limited 永安旅遊財務有限公司	Hong Kong 香港	HK\$2 2港元	–	100	Money lending in Hong Kong 於香港從事借貸業務
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	Canada	C\$15,000	–	100	Travel and related services in Canada
WOT Holidays (Canada) Limited	加拿大	15,000加幣	–	100	加拿大旅遊及相關服務

* 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.

* 遞延股份及「B」股份由本集團擁有，實際上無權收取有關公司之股息或接收該公司任何股東大會通告或出席股東大會或於會上投票，於該公司清盤時亦無權取得任何分派。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

49. PRINCIPAL SUBSIDIARIES (CONTINUED)

- # 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.

No debt securities have been issued by any of the subsidiaries during the year.

50. COMPARATIVE FIGURES

Certain comparative figures of the consolidated cash flow statements have been reclassified to conform with the current year's presentation. In particular, interest paid of HK\$57,735,000, and finance lease charges paid of HK\$18,000 previously classified as cash flow from operating activities were reclassified as cash flows from financing activities.

51. POST BALANCE SHEET EVENTS

On 4 April 2007, ITS and an independent third party (the "Vendor") entered into an agreement under which the parties agreed that, subject to the fulfillment of certain conditions precedent, ITS will purchase 100 shares of US\$1 each in the capital of Asia Times Limited ("Asia Times") held by the Vendor, representing 100% equity interest in Asia Times for a consideration of HK\$70,000,000. The details of the acquisition were disclosed in the announcement of the Company dated 16 April 2007.

Under HKFRS 3 "Business Combinations", the acquirer shall measure the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree; plus any costs directly attributable to the business combination. The Group is in the process of assessing the fair values of the identifiable assets and liabilities of the acquiree, therefore the financial effects of the acquisition are not presented.

49. 主要附屬公司 (續)

- # 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。

年內，概無任何附屬公司發行債務證券。

50. 比較數字

綜合現金流量表之若干比較數字已重新分類，以符合本年度之呈報。具體而言，已付利息57,735,000港元及已付融資租賃費用18,000港元，由過往分類為經營業務之現金流量重新分類為融資活動之現金流量。

51. 結算日後事項

於二零零七年四月四日，ITS與一獨立第三方（「賣方」）訂立協議，據此，訂約方同意於完成若干先決條件後，ITS將以代價70,000,000港元購買由賣方所持有Asia Times Limited（「Asia Times」）之每股面值1美元之100股股份，相當於Asia Times之100%股本權益。有關收購事項之詳情已於二零零七年四月十六日本公司發出之通告中披露。

根據香港財務報告準則第3號「業務合併」，收購者計算業務合併成本時該按交換當日所給予之資產、所產生和承擔之負債之公平值總額，及由收購者為控制被收購公司而已發行之股權工具，另加業務合併直接應佔之任何成本計量業務合併之成本。本集團正評估收購公司之可識別資產及負債之公平值，故此收購之財務影響未予呈列。

Financial Summary

財務概要

RESULTS

業績

		2006 HK\$'000	Year ended 31 December		2003 HK\$'000	Nine months ended 31 December 2002 HK\$'000
			2005 HK\$'000	2004 HK\$'000 (restated)		
		二零零六年 千港元	截至十二月三十一日止年度 二零零五年 千港元	二零零四年 千港元 (重列)	二零零三年 千港元	截至 二零零二年 十二月三十一日 止九個月 千港元
Turnover	營業額	1,992,354	1,815,718	1,722,177	1,416,235	1,323,286
(Loss) profit before taxation	除稅前(虧損)溢利	(81,295)	30,126	(2,852)	(373,047)	(304,153)
Taxation credit	稅項撥回	1,891	2,108	23	2,075	669
(Loss) profit for the year/period	本年度/期間 (虧損)溢利	(79,404)	32,234	(2,829)	(370,972)	(303,484)
Attributable to:	應佔:					
Shareholders of the parent	母公司股東	(71,748)	31,109	8,556	(370,972)	(302,248)
Minority interests	少數股東權益	(7,656)	1,125	(11,385)	—	(1,236)
		(79,404)	32,234	(2,829)	(370,972)	(303,484)
Dividends	股息	9,188	8,752	—	—	—

ASSETS AND LIABILITIES

資產及負債

		2006 HK\$'000	2005 HK\$'000	As at 31 December		2002 HK\$'000
				2004 HK\$'000 (restated)	2003 HK\$'000	
		二零零六年 千港元	二零零五年 千港元	於十二月三十一日 二零零四年 千港元 (重列)	二零零三年 千港元	二零零二年 千港元
Total assets	總資產	3,834,882	3,031,623	2,572,322	1,107,351	1,431,314
Total liabilities	總負債	2,148,095	1,617,579	1,643,878	784,252	776,738
		1,686,787	1,414,044	928,444	323,099	654,576
Equity attributable to shareholders of the parent	母公司股東 應佔權益	1,255,312	978,976	630,142	293,321	654,576
Minority interests	少數股東權益	431,475	435,068	298,302	29,778	—
		1,686,787	1,414,044	928,444	323,099	654,576

Note: The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods beginning on or after 1 January 2005. Financial information for 2004 has been restated for these new and revised policies in accordance with the transitional provisions. Financial information for earlier years have not been adjusted to take into account of the effect on the adoption of these new and revised HKFRSs as the directors considered that it is not practicable to do so.

附註：香港會計師公會已頒布多項於二零零五年一月一日或之後開始會計期間生效之新增及經修訂香港財務報告準則。二零零四年之財務資料已就此等新增及經修訂政策而根據過渡條文重列，以往幾年之財務資料並無就採納此等新及經修訂香港財務報告準則的影響而作出調整，因為董事認為此舉實際上並不可行。

Particulars of Properties

物業詳情

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%
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%

Particulars of Properties

物業詳情

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%

Hong Kong Wing On Travel Service Limited

香港永安旅遊有限公司

Central 中環

Shop B27, Basement,
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12 Harcourt Road, Central, Hong Kong
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Room 1707, Crawford House,
70 Queen's Road Central, Hong Kong
香港皇后大道中70號卡佛大廈1707室
TEL 電話 2189 7689 FAX 傳真 2189 7686

Causeway Bay 銅鑼灣

Room 601, Hang Lung Centre,
2-20 Paterson Street, Causeway Bay, Hong Kong
香港銅鑼灣百德新街2-20號恒隆中心601室
TEL 電話 2577 5655 FAX 傳真 3162 8470

Aberdeen 香港仔

Shop 13, G/F., Site 2, Aberdeen Centre, Hong Kong
香港香港仔中心2期地下13號舖
TEL 電話 3523 1118 FAX 傳真 3523 1113

Taikoo Shing 太古城

Shop 062, G/F., Cityplaza 2,
18 Taikoo Shing Road, Hong Kong
香港太古城道18號太古城中心第2期地下062號舖
TEL 電話 2886 3183 FAX 傳真 2568 3081

Chai Wan 柴灣

Shop 143, L1, New Jade Shopping Arcade,
Chai Wan, Hong Kong
香港柴灣新翠商場1樓143號舖
TEL 電話 3157 1668 FAX 傳真 3157 1666

Tsimshatsui 尖沙咀

Room 802, 8/F., Carnarvon Plaza,
20 Carnarvon Road, Tsimshatsui, Kowloon
九龍尖沙咀加拿芬道20號加拿芬廣場8樓802室
TEL 電話 2926 3838 FAX 傳真 2317 0280

Mongkok 旺角

Rooms 313&315, 3/F., Bank Centre,
636 Nathan Road, Mongkok, Kowloon
九龍旺角彌敦道636號銀行中心3樓313及315室
TEL 電話 2928 6666 FAX 傳真 2782 1655

Diamond Hill 鑽石山

Shops G110-111, G/F., Plaza Hollywood,
Diamond Hill, Kowloon
九龍鑽石山荷里活廣場地下G110-111號舖
TEL 電話 2927 6600 FAX 傳真 2955 5536

Kowloon Bay 九龍灣

Shop 606, Level 6, Telford Plaza II,
Kowloon Bay, Kowloon
九龍九龍灣德福廣場2期6樓606號舖
TEL 電話 2927 2228 FAX 傳真 2997 3530

Kwun Tong 觀塘

Shop M17, Kwun Tong Plaza,
68 Hoi Yuen Road, Kwun Tong, Kowloon
九龍觀塘開源道68號觀塘廣場M17號舖
TEL 電話 2389 1111 FAX 傳真 2763 5288

Tseung Kwan O 將軍澳

Shop 210, Level 2, East Point City,
Tseung Kwan O, Kowloon
九龍將軍澳東港城商場2樓210號舖
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West Kowloon 西九龍

Shop 141, 1/F., Olympian City 2, West Kowloon
西九龍奧海城2期1樓141號舖
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Shatin 沙田

Shop 235, Level 2, Phase 1,
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新界沙田新城市廣場第1期2樓235號舖
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Tsuen Wan 荃灣

Rooms 1222-1223, 12/F., Nan Fung Centre,
264-298 Castle Peak Road, Tsuen Wan, N.T.
新界荃灣青山道264-298號南豐中心12樓1222-1223室
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Kwai Fong 葵芳

Shop 145B, Level 1, Metroplaza,
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新界葵芳新都會廣場1樓145B號舖
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Yuen Long 元朗

Rooms 602-603, Yuen Long Trade Centre,
99-109 Castle Peak Road, Yuen Long, N.T.
新界元朗青山公路99-109號元朗貿易中心602-603室
TEL 電話 2476 0933 FAX 傳真 2476 0839

Tuen Mun 屯門

Shop 2127, 2/F., Tuen Mun Town Plaza, Phase I,
1 Tuen Shing Street, Tuen Mun, N.T.
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Sheung Shui 上水

Shop 415, Level 4, Landmark North,
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Tai Po 大埔

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Tai Po Mega Mall, Tai Po, N.T.
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