



Annual Report **2006** 年報



Karl Thomson Holdings Limited
高信集團控股有限公司

(incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock Code 股票代號 : 7



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors:

LAM Kwok Hing (*Chairman*)

NAM Kwok Lun (*Deputy Chairman and Managing Director*)

Independent Non-Executive Directors:

CHEN Wei-Ming Eric

KWAN Wang Wai Alan

NG Chi Kin David

AUDIT COMMITTEE

CHEN Wei-Ming Eric

KWAN Wang Wai Alan

NG Chi Kin David

REMUNERATION COMMITTEE

LAM Kwok Hing

NAM Kwok Lun

CHEN Wei-Ming Eric

KWAN Wang Wai Alan

NG Chi Kin David

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

LUI Choi Yiu Angela

AUTHORISED REPRESENTATIVES

LAM Kwok Hing

NAM Kwok Lun

RESIDENT REPRESENTATIVE AND ASSISTANT SECRETARY

Appleby Corporate Services (Bermuda) Limited

REGISTERED OFFICE

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

董事會

執行董事：

藍國慶 (主席)

藍國倫 (副主席兼董事總經理)

獨立非執行董事：

陳偉明

關宏偉

伍志堅

審計委員會

陳偉明

關宏偉

伍志堅

薪酬委員會

藍國慶

藍國倫

陳偉明

關宏偉

伍志堅

合資格會計師及 公司秘書

雷彩姚

授權代表

藍國慶

藍國倫

註百慕達代表及助理秘書

Appleby Corporate Services (Bermuda) Limited

註冊辦事處

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 801, Tower One
Lippo Centre
89 Queensway
Hong Kong

總辦事處及主要 營業地點

香港
金鐘道89號
力寶中心
第一座801室

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Reid Management Limited
Argyle House
41A Cedar Avenue
Hamilton HM12

主要股份登記及 過戶處

Reid Management Limited
Argyle House
41A Cedar Avenue
Hamilton HM12

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Standard Registrars Limited
26 Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

香港股份登記及 過戶分處

標準證券登記有限公司
香港
皇后大道東28號
金鐘匯中心26樓

PRINCIPAL BANKERS

Wing Hang Bank, Limited
Hang Seng Bank Limited
Chong Hing Bank Limited
Chiyu Banking Corporation Limited

主要往來銀行

永亨銀行有限公司
恒生銀行有限公司
創興銀行有限公司
集友銀行有限公司

SOLICITORS

Sidley Austin Brown & Wood *International Law Firm*

律師

盛德律師事務所

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

核數師

德勤 • 關黃陳方會計師行
香港執業會計師

STOCK CODE

7

股份代號

7

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REPORT OF THE CHAIRMAN

主席報告

I am pleased to announce to the shareholders the audited consolidated results of Karl Thomson Holdings Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2006.

For the year ended 31 December 2006, profit attributable to shareholders amounted to HK\$11,315,000 (2005: HK\$13,845,000), equivalent to earnings per share of HK2.41cents (2005: HK3.01 cents).

BUSINESS REVIEW

Benefited by the global economy growth, robust investment markets and continued financial reforms in China, the **financial business** achieved satisfactory performance in 2006. Despite the short term turbulence caused by some geo-political issues and the market jitters of stagflation on the US economy, the global economy managed to make progress. The Iran nuclear program, North Korea missiles and Middle East confrontation incidents did add volatility to the commodities and investment markets but overall situation has not been deteriorated. The release of US economy data has signaled a soft landing for US economy and helped to shape a picture of modest growth and mild inflation. Meanwhile, the GDP of Hong Kong grew 6.8% for 2006 and continuously achieved above trend growth for the past three years, registering an average growth of 7.6%. The advance was broad based with strong performance in domestic consumption mainly attributing to the persistent improvement in employment situation. Unemployment rate declined to 4.3% of the lowest level for the period of January to March 2007 since mid-1998. Visitors to Hong Kong ended a steady gain of 8.1% to exceed 25million visitors for 2006 with growth registered from all key markets. The property market was more polarised between the super-luxury flats and the rest of the market and turnover dropped as prices rose faster ahead of the affordability. The local inflation remained satisfactory despite volatile energy prices but it will increasingly face challenge from imported inflation as a result of weak US Dollar and gradual appreciation of Renminbi.

本人欣然向股東公佈高信集團控股有限公司（「本公司」）及其附屬公司（「本集團」）截至二零零六年十二月三十一日止年度的經審核綜合業績。

截至二零零六年十二月三十一日止年度，股東應佔溢利為11,315,000港元（二零零五年：13,845,000港元），相等於每股盈利2.41港仙（二零零五年：3.01港仙）。

各項業務回顧

金融業務在二零零六年，受惠於全球經濟、投資市場興旺與國內金融業進一步開放等等因素，令業務有理想之表現。雖然若干地緣政治問題造成震盪，加上市場人士對美國經濟滯脹表示憂慮，但全球經濟在二零零六年仍然取得實質進展。伊朗核子計劃、北韓導彈及中東連串衝突事件為商品及投資市場增添波動，但整體情況未受惡化。從已發表的經濟數據，美國經濟看似會出現軟著陸，有利締造一個有適度增長及溫和通脹的穩定經濟前景。同時，香港本地生產總值在二零零六年亦錄得6.8%的增長，過往三年持續取得趨勢增長，錄得平均增長率7.6%。本地消費不同環節錄得強勁表現，主要歸因於就業情況持續改善。失業率曾跌至二零零七年一月至三月期間4.3%的新低水平。訪港遊客錄得穩定增長8.1%，超過2,500萬名旅客，錄得的增長來自所有主要市場。超級豪宅與其他物業市場越趨兩極化，而在價格急速上升超過負擔能力的情況後，整體銷量下跌。儘管能源價格表現波動，本地通脹依然令人滿意，但將會繼續面對因美元疲弱及人民幣逐步升值造成的外來通脹所帶來的挑戰。

REPORT OF THE CHAIRMAN

主席報告

The **technological investment business** of the Group was developed through our associate, Asia Tele-Net and Technology Corporation Limited (“ATNT”). The major subsidiary and associate of ATNT, Process Automation International Limited (“PAL”) and Intech Machines Co. Ltd. (“IML”) reported satisfactory growth in 2006, with turnover reaching HK\$600million and NT\$2,500million respectively. The profit after tax of both divisions also registered growth. Looking to 2007, PAL will continue to dedicate efforts in raising efficiency, production capacity, quality and technology level and will invest more resources in software application and technological management system, in order to position itself as an international and top quality sophisticated equipment manufacturer.

For the year under review, the Group extended to **energy business**. The business covered the investment in the upstream production and exploration of oil and natural gas. The group's decision in energy business investment has undergone comprehensive and prudent considerations, mainly basing on our forecast and evaluation of the long term demand for the oil. Currently, the daily global output is 83million barrels whilst the daily consumption requires the same amount. USA alone consumes 20million barrels daily. China's daily consumption speeds up to 6 million barrels, overtaking Japan as the second greatest oil import and consumption nation. Assuming 8%-9% annual GDP growth, China will replace USA as the greatest oil import and consumption nation within the next 20 years. Coupled with the economic growth of other countries including India, the global demand for oil will only be greater. Therefore, if the group can secure oil supply, it will bring big drive of tremendous profit. The group took the first step in investing in oil field and managed to take 20% interest in the Block 2 of Egypt WEEM Oil Field in 2006. This is only the beginning of our long term development plan. To speed up the development, subsequent to our investment in the Block 2 of Egypt WEEM Oil Field, the Group made a take-over bid in early November of last year to purchase all the shares of Volant Limited. Apart from bringing in a professional management team of more 20 years experience, the acquisition will immediately increase the oil asset portfolio of the group.

本集團透過聯營公司亞洲聯網科技有限公司（「亞洲聯網」）發展科技投資業務。亞洲聯網屬下主要附屬公司『亞洲電鍍器材有限公司』（「PAL」）及聯營公司台灣的『亞智科技股份有限公司』（「IML」）在二零零六年亦有理想的增長，營業額分別有六億多港元及二十五億多台幣，兩者稅後淨利亦錄得增長。展望二零零七年，PAL會針對效率提昇、產能、品質、技術等多方面作努力，以及投放更多資源於軟件應用及科技管理系統方面，務求使PAL成為一間有國際一流水準的高精密設備生產商。

去年，集團將業務擴展至能源業務，業務包括石油、天然氣的上游勘探生產投資。集團投資能源業務的決定，是經過多方面審慎的評估，主要建基於對石油長遠需求的推估。現時全球石油的日產量是8,300萬桶，每日既消耗量亦同樣是8,300萬桶，而單單美國每日消耗量已超過2,000萬桶，中國現時日消耗量是600多萬桶，已超越日本成為世界第二大石油進口及消耗國，以經濟增長每年8-9%計，估計未來廿年內中國會取代美國成為世界最大的消耗國。再加上印度等其他國家的經濟增長，世界對石油的需求會愈來愈大，所以，若集團能掌握石油原油供應，可為集團的未來帶來巨大的盈利動力。集團第一步是投資油田，並於二零零六年成功取得埃及第二區WEEM 20%的權益。單純投資一個油田只是長遠計劃的第一步，為了加速發展的步伐，集團在宣佈投資埃及第二區後，馬上緊接於去年十一月初宣佈全面收購澳洲上市石油公司Volant Petroleum Limited（「Volant」）。收購除了可為集團即時引入一隊擁有近20年經驗之專業管理團隊外，亦可即時增加集團的石油資產組合。

REPORT OF THE CHAIRMAN

主席報告

The Block 2 Oil Field is now proceeding to drilling preparations stage. The required casings have been ordered and it has been arranging with the drilling company. It is estimated that the drilling rigs and machines will be leased by the third quarter of this year and it will drill at least two wells within this year. The acquisition of Volant has obtained the agreement letter from over 90% shareholders and it is now preparing the shareholder notice and is estimated to send out by June of 2007.

OUTLOOK

The Group demonstrated its conviction to diversify its business with business covering the financial business, the technology business and energy business. For the year under review, the financial business performed well and managed to contribute long term stable income for the group over the past years. We expect that the technology business will maintain steady growth. Coupled with the aggressive development of energy business, it is hoped to add additional growth drive. While the Group will still look for good investment opportunities to expand its upstream oil business, we will focus our efforts in consolidating our newly acquired business in the short term. As soon as the Block 2 of Egypt WEEM Oil Field enters real production, we expect the Group into an era of exciting growth on healthier and diversified business profile.

APPRECIATION

I would like to take this opportunity to thank my fellow directors for their guidance and support and express my appreciation to the management team and diligent employees for their commitment and loyal service. I would also wish to thank my customers and shareholders for their continued support.

埃及第二區WEEM現時已進入準備鑽井階段，所需要的井管已預訂好，亦同時與鑽井機公司協商，初步估計能於第三季內成功租賃鑽井機，並於本年內最少鑽兩口油井。至於收購Volant方面，一切按計劃逐步推進，集團於二月時已取得Volant超過90%股東的同意書，現時正全力準備股東通函，估計於二零零七年六月期間可發出。

前景

本集團展示其信念，將業務多元化，業務範疇計有金融業務、科技業務投資及能源業務。於回顧年度，金融業務表現出色，而縱合多年表現，金融業務長期為集團帶來穩定的收入。估計科技業務投資於來年亦會穩步發展。加上集團於能源業務方面的積極發展，希望能夠為集團加添新的增長動力。雖然本集團將繼續物色良好投資商機，以擴展石油上游業務，但在短期內本集團將集中力量整固新收購的業務。一旦埃及第二區WEEM油田正式投產，本集團在穩健及多元化業務組合上將踏入令人雀躍的增長年代。

致謝

本人謹此感謝各董事的共同領導及支持。對於管理層及員工辛勤工作、克盡職守，以及客戶及股東的不斷支持，本人謹此致謝。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Results

During the year ended 31 December 2006, the total turnover for the Group was approximately HK\$51,082,000 (2005: HK\$35,169,000). Net profit attributable to shareholders was approximately HK\$11,315,000 (2005: HK\$13,845,000). The core financial business and contribution from ATNT showed progress. Total profit registered satisfactory growth after discounting a write back of bad and doubtful debts in 2005.

Market Overview

On the back of resilient global economy and strong China factors, the Hong Kong stock market rode on a bullish rally to hit numerous records in line with the mighty overseas equity markets performance. Investment funds kept flowing into the equity market pushing the indices and turnover to historic record levels and investors' interest rotated in tandem with their response to the issues of growth, inflation and China economy. In the first half, investors were enthusiastic in chasing energy and resources stocks as they were very optimistic on the economy growth. The subsequent worry of inflation and stagflation excused a sharp correction on both commodities and stock market. As the inflation and interest rate worry were soon released by the favourable Bernanke comments in hinting a soft landing and a possible pause of interest hike for US economy, the investors' interest was rekindled by the listing of more sizable China enterprises in Hong Kong stock market. Following the completion of stock reforms in A share market, A share market bottomed out in the middle of the year and took off strongly on increasing turnover. Shanghai A index rose from the bottom of 1221.8 in April to close at 2815.13 up by 130% from last year end with daily turnover exceeding Renminbi 100 billion. This attracted investors to pick up the China finance and insurance stocks aggressively as these stocks will be the greatest beneficiaries of the turnaround performance of A share market after the share reform and the forthcoming fast growth of China finance market. The three major China insurance companies and five major China banks drew greatest attention and dominated the trading in shares and related warrants in the last quarter of 2006. China Life Insurance Co. Ltd. alone went up by almost 3 times in 2006 to HK\$27 per share. The rally and development of A share markets had great impact in affecting

業績

截至二零零六年十二月三十一日止年度，本集團的總營業額約為51,082,000港元（二零零五年：35,169,000港元）。股東應佔純利約為11,315,000港元（二零零五年：13,845,000港元）。核心金融業務及亞洲聯網帶來的貢獻取得進展。若扣除本集團在二零零五年之一次呆壞賬回撥，整體溢利錄得理想增長。

市場概覽

在全球經濟增長及強勁中國因素背後，香港股市跟隨海外股本市場之強勁表現呈現牛市上升，創下多項紀錄。投資資金繼續流向股票市場，將指數及成交推向歷史記錄水平，投資者意慾對於增長、通脹及中國經濟等問題的反應敏感，投資取態亦頗為波動。在上半年，投資者熱衷於追捧能源及資源股，因為他們對於經濟增長非常樂觀，隨後對於通脹及滯脹的憂慮，成為商品及股票市場深度調整的理由。由於對通脹及利率的憂慮迅速被柏南克有關暗示軟著陸的利好評論，以及美國經濟可能暫停加息所消減，較為大型的中國企業在香港股票市場上市又再度勾起投資者的興趣。A股市場自股票改革完成後，在本年度中期之低點大幅回升，成交額不斷上升。上海A指數從四月的低位1221.8點，上升接近2815.13點，較去年底上升130%，每日成交額超過人民幣1,000億元。A股市場在股票改革後表現強勁，加上中國金融市場即將快速增長，中國金融股及保險股將會從中大幅受惠，吸引投資者積極入市吸納。在二零零六年最後一季，中國三間主要保險公司及五間主要銀行備受矚目，主導了大部份股份及相關認股權證的買賣。單以中國人壽保險股份有限公司股價在二零零六年已上升差不多三倍至每股27港元。A股市場上升及發展對於投資者興趣及選擇造成重大影響。投資者積極投資於有可能與A股市場扯上關係之中國公司股份，包括決定在A股市場申請上市的公司，可能會有注資的公司、可能會兼併或私有化的公司及將會受惠於中國政府政策的公司。中國政府發表有

MANAGEMENT DISCUSSION AND ANALYSIS

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the investors' interest and choice. Investors actively chased on the those Chinese counters with possible corporate move in association with the A market, including those which decided to apply listing in A share markets, those which would be injected assets from parent companies, those which might be merged or privatised and those which would be benefited by the China government policy. The announcement of Chinese Government in centralising the corporate tax effected a substantial cut in tax for most H companies and added fuels to revalue their earning prospect. HSI index ended strongly by 34% to 19,965 and HS China Enterprises Index almost doubled to 10,340 for 2006. Total turnover also surged by 135% with daily turnover staying above HK\$40 billion in the last quarter of 2006. The release of inflation worry brought consolidation to most energy and resources stock and triggered bargain hunting on those cyclical stocks benefited from the weakening oil and commodities prices. The airlines, shipping and motors registered significant rebound.

A strong China economy, coupled with a positive global economy, shall continue to provide fundamental support for the stock market. With the backdrop of the robust A Share markets and the vigorous financial reform in China, Hong Kong stock market is expected to remain buoyant. Recently The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has halted the price spread narrowing to the stock of unit price below HK\$2.00 and such decision has stimulated retail participation in trading the smaller counters. In fact, coming to 2007, the smaller counters exploded with a round of price rocketing on frenzy speculative activities. While much of the speculation is of conceptual, the fashion may fade away quickly. In view of strong China economic performance, the Chinese enterprises remain as a focus for the investor attention and are increasing their significance in the market. Hang Seng Bank had just included the China Life Insurance Company Limited and the Industrial and Commercial Bank of China Limited into the Hang Seng Index constituent stocks and even abolished the quotas of including more Chinese national enterprises into constituent stocks list in future. This will further reinforce investor interests in the relevant counters. After strong rally in 2006, Hong

關統一徵收企業稅的公佈，實際大幅削減大部份H股公司的稅項，為相關盈利前景評價注入強心針。恒生指數全年收市升34%，報19,965點，恒生指數中國企業指數差不多升一倍至10,340點，總成交額激增135%，於二零零六年最後一季每日成交額達400億港元以上。通脹憂慮解除令大部份能源及資源股進行整固，並引發追捧受惠於石油及商品價格疲弱的週期性股票。航空、船運及汽車股錄得重大反彈。

強勁的中國經濟，配合積極向好的全球經濟將繼續為股市提供基本支持。受惠於蓬勃的A股市場，加上強而有力的中國金融改革，香港股市預期仍然活躍。近期香港聯合交易所有限公司（「聯交所」）宣布對每單位價低於2.00港元之股票停止進行縮窄價差措施，刺激散戶參與買賣小型股。事實上，踏入二零零七年，小型股在瘋狂的炒賣活動中股價上升。但大部份投機炒賣涉及概念，潮流可能會迅速退縮。由於中國經濟表現強勁，中國企業仍然為投資的注意目標，在市場上的重要性亦與日俱增。恒生銀行已將中國人壽保險股份有限公司及中國工商銀行股份有限公司納入恒生指數成分股，甚至除銷H股在恒生指數成分股的限額，意味未來可能有更多H股納入恒生成分股，將更鼓勵投資者對此等股票之興趣。香港股市在二零零六年狂升後，可能需要合理的整固，預期將會有更多組合變動。由於市場充滿許多地緣政治風險的不明朗因素、包括伊朗核子計劃、加息後日圓的利差交易、美國經濟通脹及利率變動、美國

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Kong stock market may need reasonable range consolidation and more rotation switching will be expected. Volatility will be sharpened as the market is filled with a lot of uncertainties in geo-political risks and economic issues arising from Iran Nuclear case, the carry trade of Yen after interest hike, the inflation and interest rate movement of US economy, the development of fragile US property market, the overheating China economy and its austerity measures. The carry trade of Yen in March 2007, triggering a steep worldwide correction in the equity markets, served as a typical example and excuse.

Securities, Futures and options brokerage Business

During the year under review, turnover for the Group's securities broking business and futures broking business as well as the underwriting commission, which accounted for 46.4% of total operating revenue, was HK\$23,713,000 (2005: HK\$14,910,000). Profit for the division was HK\$3,044,000 (2005: HK\$914,000). The division managed to achieve growth in both turnover and profit mainly attributing to the robust Initial Public Offering (IPO) activities of newly listing issues and the buoyant stock market.

Securities Margin Financing

During the period under review, interest income generated from securities margin loan portfolio accounted for 4.8% of the Group's turnover was HK\$2,463,000 (2005: HK\$2,246,000). Profit for this division reached HK\$1,906,000 (2005: HK\$3,685,000). Discounting the write back of the bad and doubtful debt in 2005, operating income maintained stable as the demand brought by the increase of the trading activities of the clients was deterred by the growing volatility and high interest rate. We have also seen increasing day trade activities which reduced the demand for overnight margin financing. The Group maintained consistently prudent and flexible margin financing policy to minimise its risk exposure in the volatile market environment in order to achieve high profitability for our shareholders.

疲弱的物業市場發展、中國經濟過熱及其緊縮措施等產生的經濟問題，波動將會更為激烈。於二零零七年三月日圓利差交易引發股票市場之全球性大起大落的調整，實屬典型例子及藉口。

證券、期貨及期權經紀業務

於回顧年度內，本集團的證券經紀業務及期貨經紀業務的營業額與包銷佣金為23,713,000港元（二零零五年：14,910,000港元），佔總營業收益46.4%。本業務分部利潤為3,044,000港元（二零零五年：914,000港元）。分部營業額及利潤均錄得增長，主要原因為新上市首次公開招股活動增加及股市暢旺所致。

證券保證金融資

於回顧年度內，來自證券保證金貸款組合的利息收入為2,463,000港元（二零零五年：2,246,000港元），佔本集團的營業額4.8%。本業務部分利潤達1,906,000港元（二零零五年：3,685,000港元）。扣除二零零五年呆壞賬撥回，經營收入保持穩定。由於客戶的買賣活動增加所帶來的需求，但同時間投資情緒受持續的股市波動及高息所影響相互抵消，加上即日買賣活動增加，亦減少對融資的需求。本集團一貫維持審慎及靈活的保證金融資政策，以盡量減低在波動市場環境中的風險水平，從而為股東爭取較高的盈利回報。

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Financial Management and Advisory Services

Revenue generated from financial management and advisory services was HK\$23,737,000 (2005: HK\$16,258,000). As the global stock markets performed exceptionally well last year, advisory business increased substantially attributing to our dedicated sales force and marketing campaign. In the coming years, we will try to further diversify our business spectrum and business regions in order to maintain substantial growth.

Investment Banking

The Group operates its investment banking division under the subsidiary Karl Thomson Financial Advisory Limited ("KTFA"). Operating revenue generated by the investment banking business remained at HK\$1,010,000 (2005: HK\$1,640,000). The decrease in revenue can be attributed to the drop in professional fees for investment banking services.

During the period under review, the division secured a number of financial advisory mandates to provide corporate finance advisory services to unlisted companies whereby the team will provide a full range of financial advisory services, including accounting, internal control, tax planning and fund raising. In addition, the division has also acted as financial adviser or independent financial adviser to several discloseable transactions executed by several listed Hong Kong companies.

With the strong growth of the Hong Kong's economy as well as the positive prospects emerging from the PRC, the division looks to take advantage of these opportunities by continuing to position itself as a premier boutique investment bank and offer tailor-made and cost effective services to our corporate clients.

Material Acquisitions and Disposals of Associate Companies

On 7 April 2006, the Group has acquired 15% beneficial interest in the WEEM oil field in Egypt (the "Oil Field") through its 50% interest of Oriental Victor Limited ("Oriental Victor"). In the subsequent shareholding changes on 3 August 2006, the Group acquired the remaining 50% equity interest of Oriental Victor and Oriental Victor became a wholly-owned subsidiary of the Company

財務管理及諮詢服務

於本年度，來自財務管理及諮詢服務的收益為23,737,000港元（二零零五年：16,258,000港元）。由於全球股市去年表現成績驕人，諮詢業務大幅增加，此實有賴於我們專心志致的銷售隊伍及市場推廣活動所致。在未來數年，我們將進一步將業務範疇及業務區域多元化，務求維持大幅增長。

投資銀行

本集團透過附屬公司高信融資服務有限公司（「高信融資」）的管轄下經營投資銀行分部。來自投資銀行業務之營業收益維持於1,010,000港元（二零零五年：1,640,000港元）。收益減少可歸因於投資銀行服務之專業費用減少。

於回顧期間內，分部取得多項財務諮詢授權，為非上市公司提供企業融資諮詢服務，據此，本隊伍提供全面財務諮詢服務，包括會計、內部監控、稅務規劃及籌集資金。此外，本業務部門亦擔任數間上市香港公司進行須予披露交易的財務顧問或獨立財務顧問。

隨著香港經濟增長強勁，加上中國呈現積極美好前景，本業務部門把握此大好良機，繼續將本身定位為主要投資銀行，為企業客戶提供度身訂造及符合成本效益的服務。

有關聯營公司的收購及出售

於二零零六年四月七日，本集團通過投資於華興泰有限公司（「華興泰」）50%權益，獲得埃及WEEM區油田（「油田」）15%的權益。隨後於二零零六年八月三日，本集團取得華興泰餘下50%股權，而華興泰成為本公司的全資附屬公司，因此本集團於油田取得額外5%實際權益，

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and effectively the Group has an additional 5% beneficial interest in the Oil Field. The effective interest in the exploration and production rights in relation to the Oil Field has increased from 15% to 20%. According to the agreement, the Group will contribute capital commitment of US\$7,000,000 (approximately HK\$54,600,000) by way of shareholder's loan in stages.

On 8 November 2006, the Group made a conditional general offer bid ("General Offer") to purchase all shares of Volant, a company listed on the Australian Stock Exchange. Under the offer, each Volant share will be offered (a) 35% by way of US\$0.071 in cash or alternatively (at the election of Sky Energy Investment Limited ("SEI"), a wholly owned subsidiary of the Company) 0.2121 shares at HK\$2.6 and (b) 65% by way of 1 redeemable convertible preference share in the Group.

In complying with the terms of the General Offer, on 10 November 2006, SEI has granted written consent to Volant to enter into 2 Participating Agreements to acquire 100% mining interest in respect of 2 oil and gas prospects in the U.S.A. on 15 November 2006. Furthermore, Volant has beneficial interests in both Block 2 WEEM and in Block 3 WKO in the exploration and production rights of oil.

Volant is a company duly incorporated under the laws of Queensland and its shares are listed on the Australian Stock Exchange. The principal business of Volant is the acquisition of oil and gas exploration and production tenements, and the provision of capital and management to those companies involvement in the related business. Volant is in the process of accumulating a portfolio of oil and gas exploration and production assets within the American and African continents.

The Group viewed this offer as the golden opportunity in acquiring experienced management and professionals team of Volant in the oil business, in extending its penetration through the strong and well established network in a wide spectrum of countries and in bringing synergy effects by combining the technical knowledge of Volant in the oil business and our expertise in capital market.

有關油田的開採及生產權的實際權益已由15%增加至20%。根據協議，本集團將分階段以股東貸款形式提供資本承擔7,000,000美元（約54,600,000港元）。

於二零零六年十一月八日，本集團提出有條件全面收購建議（「全面收購建議」），收購Volant的全部股份，Volant為於澳洲證券交易所上市的公司。根據收購建議，每股Volant股份將以下列方式收購：(a) 35%將按現金0.071美元或另行（按照本公司的全資附屬公司天能投資有限公司（「天能投資」）的選擇）以面值為2.6港元的0.2121股股份的方式收購；及 (b) 65%將本集團1股可贖回可換股優先股的方式收購。

在遵照全面收購建議的條款，於二零零六年十一月十日，天能投資向Volant發出書面同意，同意其訂立兩份參與協議，以收購美國兩個油氣勘探區的100%開採權益，兩份參與協議已於二零零六年十一月十五日簽署。此外，Volant於WEEM 2號塊區油田擁有實益權益，及於WKO 3號塊區油田擁有開採及生產權。

Volant為根據昆士蘭法律正式註冊成立的公司，其股份在澳洲證券交易所上市。Volant的主要業務為收購石油與氣體的開採及生產設施、為該等涉及相關業務的公司提供資本及管理。Volant現正於美國及非洲地區累積石油與氣體開採組合及生產資產。

本集團認為此收購建議有助吸納Volant在石油業務富有經驗的管理層及專業隊伍、透過其在多個國家的強勁及完善網絡擴展其滲透率、以及藉合併Volant的石油業務技術知識及我們在資本市場的專業知識帶來協同效益等各方面，實為一黃金機會。

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The acquisition is now proceeding step by step according to plan, the Group has already received over 90% acceptance from Volant's shareholders in February 2007. It is expected that the circular will be released by 5 June 2007 and the EGM will be held with in June.

Apart from this, there was no material acquisition and disposal of companies during the year.

Liquidity, Financial Resources and Funding

The Group generally finances its operation with internally generated cash flows. The Group has no bank borrowings apart from occasional utilisation of overdraft facilities. As at 31 December 2006, the Group has cash and cash equivalent (excluding the pledged fixed deposits of general accounts) of HK\$16,116,000 (2005: HK\$29,150,000).

Human Resources

As at 31 December 2006, the Group employed a total of 125 (2005:126) staff of which, 76 (2005: 81) were commissioned based and the total related staff cost amounted to HK\$11,684,000 (2005: HK\$10,642,000). The Group maintained minimum overhead expenses to support the basic operation and dynamic expansion of its business. The future staff costs will be more directly linked to the performance of business turnover and profit, enabling the Group to respond flexibly with the changes of business environment.

Final Dividend

The Board does not recommend the payment of any final dividend for year ended 31 December 2006 (2005: Nil).

現時整個收購正按計劃一步一步進行，本集團於二零零七年二月已取得Volant超過90%的同意書，集團預計於二零零七年六月五日前可發出通函，並於六月份內召開特別股東大會。

除此之外，於年內概無任何重大收購及出售公司。

流動資金、財務資源及資金

本集團一般以內部產生的現金流量為其業務提供資金。除偶然動用透支額外，本集團並無銀行借貸。於二零零六年十二月三十一日，本集團的現金及現金等價物（不包括一般賬戶的已抵押固定存款）為16,116,000港元（二零零五年：29,150,000港元）。

人力資源

於二零零六年十二月三十一日，本集團僱用125名員工（二零零五年：126名），其中76名（二零零五年：81名）為佣金制，相關員工成本總額為11,684,000港元（二零零五年：10,642,000港元）。本集團維持最低的間接開支，以支持其業務的基本營運及不斷擴充。未來員工成本將更直接與營業額及利潤掛鉤，讓本集團可因應商業環境轉變而靈活作出回應。

末期股息

董事會不建議支付截至二零零六年十二月三十一日止年度之任何末期股息（二零零五年：無）。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

DIRECTORS

Executive Directors

Mr. Lam Kwok Hing, aged 43, is the Chairman of the Group. He is responsible for the implementation of the overall strategic planning and direction and steering of the overall development of the Group. Mr. Lam is the founder of the Group. He has extensive experience in the securities, futures, options, fund management and financial advisory industry. He has been a member of the Hong Kong Securities Institute. He is also the Chairman and Managing Director of ATNT. He is the brother of Mr. Nam Kwok Lun.

Mr. Nam Kwok Lun, aged 48, is the Deputy Chairman and Managing Director of the Group. He is responsible for overall strategic planning and operations and in charge of the execution and further development of the Group's expansion plan. He is a co-founder of the Group and is in charge of the stockbroking, futures and options broking, securities margin financing business, fund management and financial advisory business. Mr. Nam has extensive experience in the securities, futures and options, securities margin financing, fund management and financial advisory industry. He has been a member of the Hong Kong Securities Institute. Mr. Nam is also as the Deputy Chairman and Executive Director of ATNT. He is the brother of Mr. Lam Kwok Hing.

Independent Non-Executive Directors

Mr. Chen Wei-Ming Eric, aged 43, is a director of several general trading companies in Hong Kong. Mr. Chen holds a Bachelor of Science degree in Business Administration from the Boston University in Massachusetts, USA and is engaged in the chemical trading business. Mr. Chen was appointed as Independent Non-Executive Director since September 2000.

Mr. Kwan Wang Wai Alan, aged 44, holds a Bachelor degree in Engineering Science and a Master of Arts degree from the University of Oxford and has over 17 years of experience in the consumer electronics field. Mr. Kwan is also an Independent Non-Executive Director of ATNT. He was appointed as an Independent Non-Executive Director since September 2004.

董事

執行董事

藍國慶先生，43歲，本集團主席，負責本集團整體策略性計劃及方向之實施，並管理本集團之整體發展。藍先生亦為本集團創辦人，於證券、期貨、期權、基金管理及融資顧問行業擁有豐富經驗。藍先生為香港證券專業學會成員，亦為亞洲聯網主席兼董事總經理。藍先生為藍國倫先生之胞弟。

藍國倫先生，48歲，本集團副主席兼董事總經理，負責整體策略性計劃及運作，並負責執行及進一步發展本集團之擴展計劃。藍先生為本集團協辦人，負責證券買賣、期貨及期權買賣業務、證券保證金融資業務、基金管理及融資顧問業務。藍先生於證券、期貨、期權、證券保證金融資、基金管理及融資顧問行業擁有豐富經驗，並為香港證券專業學會成員。藍先生亦為亞洲聯網副主席兼執行董事。藍先生為藍國慶先生之胞兄。

獨立非執行董事

陳偉明先生，43歲，為香港數家貿易公司董事，持有美國麻省波士頓大學工商管理學學士學位，並從事化學品貿易業務。陳先生自二零零零年九月獲委任為獨立非執行董事。

關宏偉先生，44歲，獲英國牛津大學頒發工程學學士學位及文學碩士學位。在消費電子業上擁有逾十七年經驗。關先生亦為亞洲聯網之獨立非執行董事。關先生自二零零四年九月獲本公司委任為獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

DIRECTORS (Continued)

Independent Non-Executive Directors (Continued)

Mr. Ng Chi Kin David, aged 46, is a professional accountant with over twenty years of professional experience and is a fellow member of the Hong Kong Institute of Certified Public Accountants, member of CPA Australia, Hong Kong Institute of Company Secretaries and Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Ng is also an Independent Non-Executive Director of ATNT. He was appointed as Independent Non-Executive Director of the Company since September 2000.

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Ms. Lui Choi Yiu Angela, aged 33, is the Financial Controller and Company Secretary of the Group. She is responsible for overall financial planning and management of the Group. Ms. Lui graduated with a Bachelor of Science degree in Accounting from Azusa Pacific University in California, USA and a Postgraduate Diploma in Corporate Administration from Hong Kong Polytechnic University. She is currently a member of the American Institute of Certified Public Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Ms. Lui had over four years of experience in audits in one of the leading international certified public accounting firms and accounting, finance and management in a local securities firm. She joined the Group in June 2000.

SENIOR MANAGEMENT

Mr. Chan Lap Kwan, aged 33, is the Manager of the Kwun Tong branch and is responsible for the daily operations and implementation of the internal control procedures of the Kwun Tong branch. He holds a Bachelor of Business (Banking and Finance) degree from University of South Australia. He has extensive experience in the securities, futures and options industry. He joined the Group in July 1997.

董事 (續)

獨立非執行董事 (續)

伍志堅先生，46歲，為專業會計師，擁有逾二十年專業經驗、為香港會計師公會執業資深會計師、澳洲會計師公會註冊會計師、香港公司秘書公會及英國特許秘書及行政人員公會會員。伍先生亦為亞洲聯網之獨立非執行董事。伍先生自二零零零年九月獲本公司委任為獨立非執行董事。

合資格會計師及 公司秘書

雷彩姚小姐，33歲，本集團財務總監及公司秘書，負責本集團整體財務策劃及管理。雷小姐持有美國加州Azusa Pacific University會計學學士學位及香港理工大學公司行政管理深造文憑，目前為美國特許會計師公會及香港會計師公會會員。加盟本集團之前，雷小姐於一間主要國際會計師行負責稽核工作及於一間本地證券公司負責會計、金融及管理工作逾四年。雷小姐於二零零零年六月加入本集團。

高級管理層

陳立群先生，33歲，觀塘分公司經理，負責觀塘分公司之日常營運及執行內部監控程序。陳先生持有南澳洲大學商業學(銀行業及財經)學士學位，在證券、期貨及期權業擁有豐富經驗。陳先生於一九九七年七月加入本集團。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

SENIOR MANAGEMENT (Continued)

Mr. Chu Wai Man, aged 51, is the Manager of the Shatin branch and is responsible for the daily operations and implementation of the internal control procedures of the Shatin branch. He has wide experience in the securities, futures and options industry. He joined the Group in 1990.

Mr. Sung Wing Yiu, aged 50, is the Director of Karl-Thomson Securities Company Limited. He is responsible for the management and development of internet trading services, securities, futures and other derivatives business of the Group. He holds a Bachelor of Social Science degree in Government & Public Administration from the Chinese University of Hong Kong and a Master of Business Administration degree from the University of Hong Kong. He is also an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Sung has extensive experience in the securities and futures industry and held senior positions in regional financial institutions in Hong Kong. He joined the Group in February 2001.

INVESTMENT BANKING GROUP

Mr. Chow Ka Wo Alex, aged 40, is the Director of Karl Thomson Financial Advisory Limited. He is responsible for the operation of the Group's investment banking business since joining the Group in March 2002. Prior to joining the Group, Mr. Chow had worked at various international investment banks. He holds a Bachelor of Arts degree in Applied Mathematics and Economics from the University of California at Berkeley and a Master of Arts degree in Economics from the Cornell University in the USA. Mr. Chow is also an Executive Director of Sina Katalytics Investment Corporation (stock code: 2324).

ASSET MANAGEMENT GROUP

Mr. Ngan Chak Keung Ricky, aged 34, is the Director of Karl Thomson Investment Consultants Limited. He is responsible for the supervision of fund management, financial advisory services and financial planning team. He graduated with a Bachelor of Business Administration degree in Finance, Investment and Banking Management from the University of Wisconsin in Madison, USA. He is also the Chartered Financial Analyst under the Association for Investment Management and Research. Prior to joining the Group, Mr. Ngan has full knowledge in the field of foreign exchange, financial planning and asset management industry. He joined the Group in July 2001.

高級管理層 (續)

朱維民先生，51歲，沙田分公司經理，負責沙田分公司之日常營運及執行內部監控程序，於證券、期貨及期權業擁有廣博經驗。朱先生於一九九零年加入本集團。

宋榮耀先生，50歲，高信證券有限公司董事，負責管理及發展本集團之互聯網買賣服務、證券、期貨及其他相關業務。宋先生持有香港中文大學社會科學系公共及行政學學士學位及香港大學工商管理學碩士學位，亦為英國特許秘書及行政人員公會會員。宋先生在證券及期貨業擁有豐富經驗，並曾在香港金融機構擔任要職。宋先生於二零零一年二月加入本集團。

投資銀行部

周家和先生，40歲，高信融資服務有限公司董事，周先生自二零零二年三月加入本集團以來，便負責本集團之投資銀行業務之營運。加盟本集團前，周先生曾於多間國際性投資銀行工作。周先生持有美國柏克萊加利福尼亞大學應用數學及經濟系文學學士學位及於美國紐約康乃爾大學經濟系文學碩士學位。周先生亦為德泰中華投資有限公司 (股份代號：2324) 之執行董事。

資產管理部

顏澤強先生，34歲，高信投資顧問有限公司董事，負責監管基金管理、財務顧問服務及財務策劃小組。顏先生持有位於美國麥迪遜之威斯康辛大學之工商管理學學士學位，主修財務、投資及銀行管理，並為投資管理研究協會認可之特許財務分析師。加盟本集團前，顏先生於外、財務策劃及資產管理業方面擁有廣泛知識。顏先生於二零零一年七月加入本集團。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

TECHNOLOGIES DEVELOPMENT GROUP

Mr. Cheng Chun Ming, aged 31, is the Chief Technical Officer of the Group. He is responsible for the overall planning and management of the internet trading platform and network infrastructure of the Group. He graduated with a Bachelor of Cognitive Science (with Honors) Degree and a Master of Philosophy (Psychology) in the Social Science from the University of Hong Kong. Mr. Cheng has good experience in software development, web server management, database management, back office operation and network administration. Prior to joining the Group, Mr. Cheng involved in the implementation of network infrastructure, internet applications development and database design in a local interior design firm. He joined the Group in February 2001.

科技發展部

鄭俊洺先生，31歲，本集團之技術總監，負責整體策劃及管理本集團之互聯網交易平台及網絡基建。鄭先生持有香港大學社會科學之認知科學(榮譽)學士學位及哲學(心理學)碩士學位。鄭先生在軟件開發、網頁伺服器管理、資料庫管理、後勤運作及網絡管理方面擁有良好經驗。加入本集團前，鄭先生在一家本地室內設計公司，參與網絡基建、互聯網應用開發及資料庫設計之執行工作。鄭先生於二零零一年二月加入本集團。

REPORT OF THE DIRECTORS

董事會報告

The Directors would like to present to shareholders their annual report and the audited consolidated financial statements for the year ended 31 December 2006.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are the provision of financial services, including stockbroking, futures and options broking, mutual funds and insurance-linked investment plans and products broking, securities margin financing and corporate finance advisory services. Particulars of the principal subsidiaries of the Company are set out in note 32 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 38 of the Annual Report.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past two financial years ended 31 March 2004, the financial period from 1 April 2004 to 31 December 2004 and the past two financial years ended 31 December 2005 and 2006 is set out on page 87 of the Annual Report.

FIXED ASSETS

Movements in the fixed assets of the Group during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements during the year in share capital of the Company are set out in note 25 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2006, the Company had no reserves available for distribution to the shareholders.

董事欣然向各股東提呈截至二零零六年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司。本集團之主要業務為提供金融服務，包括證券買賣、期貨與期權買賣、互惠基金、保險掛鉤投資計劃及產品買賣、證券保證金融資及企業融資顧問服務。本公司主要附屬公司之詳情詳列於綜合財務報表附註第32項內。

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，詳列於本年報第38頁之綜合損益計數表。

財務概要

本集團截至二零零四年三月三十一日止過去二個財務年度，由二零零四年四月一日至二零零四年十二月三十一日止財務期間以及截至二零零五年及二零零六年十二月三十一日止過去二個財務年度之業績與資產及負債概要詳列於本年報第87頁。

固定資產

本集團於本年度內固定資產之變動，詳列於綜合財務報表附註第14項內。

股本

本年度內，本公司股本變動之詳情，詳列於綜合財務報表附註第25項內。

可供分派儲備

於二零零六年十二月三十一日，本公司並無可供分派予各股東之儲備。

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 annual report were as follows:

Executive Directors:

Mr. Lam Kwok Hing (*Chairman*)

Mr. Nam Kwok Lun (*Deputy Chairman and Managing Director*)

Independent Non-Executive Directors:

Mr. Chen Wei-Ming Eric

Mr. Kwan Wang Wai Alan

Mr. Ng Chi Kin David

In accordance with Bye-laws 99 and 102 of the Company's Bye-laws, Mr. Chen Wei-Ming Eric retires from office and, being eligible, offers himself for re-election at the forthcoming annual general meeting.

The term of office for each Non-Executive Director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

DIRECTORS AND SENIOR MANAGEMENT BIOGRAPHIES

Biographical information of the Directors of the Company and the senior management of the Group are set out on pages 13 to 16 of the Annual Report.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a "three-year" term commencing from 1 September 2000 which is not determinable within one year without payment of compensation. These service contracts shall continue thereafter unless and until terminated by either party with not less than three months' prior written notice.

Each of the Independent Non-Executive Directors has revised the appointment term so that the period of appointment shall be for a term of three years commencing from 28 September 2005 and subject to retirement by rotation at the end of the said three years period, subject to re-election and Bye-Laws of the Company whereby at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation.

董事

於本年度內及截至本年報刊發日期，本公司之董事如下：

執行董事：

藍國慶先生 (主席)

藍國倫先生 (副主席兼董事總經理)

獨立非執行董事：

陳偉明先生

關宏偉先生

伍志堅先生

根據本公司之公司細則細則99及102，陳偉明先生須於即將召開之股東週年大會上退任，惟符合資格於大會上膺選連任。

根據本公司細則，各非執行董事之任期為直至須輪值告退為止。

董事及高級管理層簡歷

本公司董事及本集團高級管理層之簡歷詳列於本年報第13至16頁。

董事之服務合約

各執行董事均與本公司訂立一份不得於一年內終止而毋須作出補償之服務合約，合約期由二零零零年九月一日起計，為期三年。該等服務合約將於其後繼續生效，直至及除非任何一方發出不少於三個月之書面通知予以終止。

各獨立非執行董事已調整其委任條款，其委任期將自二零零五年九月二十八日起開始，為期三年，並須於上述三年期間完結時輪值告退，而根據本公司之公司細則，於每屆股東週年大會上，當時之三分之一董事須予輪值告退。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' SERVICE CONTRACTS (Continued)

None of the Directors proposed for re-election at the forthcoming annual general meeting has entered into any service agreements with any member of the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN SHARES

At 31 December 2006, the interests of the Directors and their associates in the shares and the underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

1. Long positions in the ordinary shares of HK\$0.10 each of the Company

Name of Directors 董事姓名	Capacity 身份	Number of ordinary shares held 所持普通股數目	Percentage of the share capital of the Company 佔本公司 股本 百分比
Mr. Lam Kwok Hing (Note) 藍國慶先生 (附註)	Interest of controlled corporation 受控制法團之權益	311,718,000	63.10%
Mr. Nam Kwok Lun (Note) 藍國倫先生 (附註)	Interest of controlled corporation 受控制法團之權益	311,718,000	63.10%

Note: The shares are registered in the name of and beneficially owned by J&A Investment Limited ("J&A"), a company incorporated in the British Virgin Islands. The entire issued share capital of J&A is beneficially owned as to 80% and 20% by Mr. Lam Kwok Hing and Mr. Nam Kwok Lun respectively.

董事之服務合約 (續)

將於應屆股東週年大會上膺選連任之董事，概無與本集團任何成員公司訂立不可於一年內終止而毋須作出補償 (法定補償除外) 之服務合約。

董事於股份之權益

於二零零六年十二月三十一日，按本公司根據證券及期貨條例 (「證券及期貨條例」) 第352條存置的登記冊所記錄，董事及彼等之聯繫人於本公司及其聯營公司之股份及相關股份之權益，或根據聯交所證券上市規則 (「上市規則」) 附錄10所載上市公司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如下：

1. 於本公司每股面值0.10港元普通股之長倉

附註： 上述股份由J&A Investment Limited (「J&A」)，一間於英屬處女群島註冊成立之公司實益擁有，並以其名義登記。J&A之全部已發行股本則由藍國慶先生及藍國倫先生分別實益擁有80%及20%之權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN SHARES (Continued)

董事於股份之權益 (續)

2. Long positions in the ordinary shares of HK\$0.01 each of ATNT

2. 於亞洲聯網每股面值0.01港元普通股之長倉

Name of Director 董事姓名	Personal interests 個人權益	Number of issued ordinary shares held 所持已發行普通股數目		Total 總額	Percentage of the issued share capital of ATNT 佔亞洲聯網 已發行股本 百分比
		Corporate interests 公司權益 (Note) (附註)			
Mr. Lam Kwok Hing 藍國慶先生	3,474,667	48,520,666		51,995,333	12.19%

Note: The shares are registered in the name of and beneficially owned by Medusa Group Limited ("Medusa"). The entire issued share capital of Medusa is wholly owned by Mr. Lam Kwok Hing. Also, Karfun Investment Limited ("Karfun"), a wholly-owned subsidiary of the Company, in which Mr. Lam Kowk Hing owns interests through J&A, interested in 201,995,834 ATNT shares.

附註： 上述股份由Medusa Group Limited (「Medusa」) 實益擁有，並以其名義登記，而Medusa之全部已發行股本由藍國慶先生全資擁有。除此以外，藍國慶先生亦透過J&A擁有本公司之全資附屬公司佳帆投資有限公司 (「佳帆」) 之權益。佳帆則擁有201,995,834股亞洲聯網股份之權益。

3. Ordinary shares in subsidiaries which are wholly-owned

One of the Directors has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements in accordance with the Memorandum and Articles of Association of certain subsidiaries.

3. 全資附屬公司之普通股

其中一名董事為本公司利益而於若干附屬公司中持有非實益個人股權，而此舉純粹為了根據若干附屬公司之組織大綱暨章程細則符合公司股東數目最低規定。

Save as disclosed above, at 31 December 2006, none of the Directors of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零零六年十二月三十一日，概無本公司董事或其聯繫人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) 之任何股份、相關股份或債券中，擁有記入根據證券及期貨條例第352條須存置之登記冊之任何權益或淡倉，或根據標準守則須以其他方式知會本公司及聯交所之任何權益或淡倉。

SHARE OPTION

Particulars of the Company's share option scheme in the Company are set out in note 29 to the consolidated financial statements.

認股權

本公司之認股權計劃載於綜合財務報表附註第29項內。

REPORT OF THE DIRECTORS

董事會報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

購買股份或債券安排

本年度內任何時候，本公司及其最終控股公司或其最終控股公司之任何附屬公司、概無任何收購本公司或任何其他法人團體的股份或債券的安排而致使本公司董事獲得利益。

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

- (1) During the year, the Group received commission income and other securities dealing income from securities, futures and options dealing of approximately HK\$87,000 from the associates of the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- (2) During the year, the Group received interest income from securities margin financing of approximately HK\$31,000 from the associates of the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- (3) During the year, the Group paid administrative expense of approximately HK\$869,000 to AC Consulting Limited in which Mr. Chow Ka Wo has a beneficial interest and is the director of KTFA, a subsidiary of the Company.
- (4) During the year, the Group received commission income and other securities dealing income of approximately HK\$70,000 from an associate company, ATNT in which Messrs. Lam Kwok Hing and Nam Kwok Lun have beneficial interests and Messrs. Lam Kwok Hing, Nam Kwok Lun, Ng Chi Kin David and Kwan Wang Wai Alan are Directors.

關連交易及董事之重要合約權益

- (1) 於本年度內，本集團就證券、期貨及期權買賣而向董事藍國慶先生與藍國倫先生彼等之聯繫人收取佣金收入及其他證券買賣收入約87,000港元。
- (2) 於本年度內，本集團就證券保證金融資而向董事藍國慶先生與藍國倫先生彼等之聯繫人收取利息收入約31,000港元。
- (3) 於本年度內，本集團向AC Consulting Limited支付行政費約869,000港元（周家和先生實益擁有其權益及為本公司之一間附屬公司，高信融資之董事）。
- (4) 於本年度內，本集團向聯營公司亞洲聯網（藍國慶先生及藍國倫先生實益擁有其權益，而藍國慶先生、藍國倫先生、伍志堅先生及關宏偉先生均為其董事）收取佣金收入及其他證券買賣收入約70,000港元。

Other than as disclosed above, there was no other transaction which need to be disclosed as a connected transaction in accordance with the requirements of the Listing Rules and no contract of significance to which the Company, its ultimate holding company or any subsidiaries of its ultimate holding company 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.

除上文披露者外，於本年度結束時或年度內任何時間，並無其他交易需要根據上市規則之規定，如關連交易般予以披露，且本公司、其最終控股公司或其最終控股公司之任何附屬公司，並無與本公司直接或間接擁有其重大權益之董事訂立任何重大合約。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS

At 31 December, 2006, the following persons (other than the Directors and chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in the ordinary shares of HK\$0.10 each of the Company

主要股東

根據本公司按證券及期貨條例第336條而存置之登記冊所記錄，於二零零六年十二月三十一日，下列人士（除本公司董事及主要行政人員外）於本公司擁有股份及相關股份之權益或淡倉：

於本公司每股面值0.10港元普通股之長倉

Name of shareholder 股東名稱	Capacity 身份	Number of ordinary shares held 所持已發行普通股數目	Percentage of the share capital of the Company 佔本公司股本百分比
J&A (Note 附註)	Interest of controlled corporation 受控制法團之權益	311,718,000	63.10%

Note: The entire issued share capital of J&A is beneficially owned as to 80% by Mr. Lam Kwok Hing and 20% by Mr. Nam Kwok Lun respectively.

附註：J&A之全部已發行股份由藍國慶先生及藍國倫先生分別實益擁有80%及20%之權益。

Save as disclosed above, no person (other than the Directors and chief executives of the Company whose interests are set out under the heading "Directors' Interests in Shares" above) had an interest or a short position in the shares and underlying shares of the Company that was required to be recorded under Section 336 of the SFO.

除上文披露者外，根據本公司按證券及期貨條例第336條而存置之登記冊所記錄，除本公司董事及主要行政人員（彼等之權益已詳列於「董事於股份之權益」內）外，概無其他人士於本公司擁有股份及相關股份之權益或淡倉。

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

獨立非執行董事之委任

本公司已接獲各位獨立非執行董事根據上市規則第3.13條規定之獨立性確認函，而本公司對彼等之獨立性表示認同。

REPORT OF THE DIRECTORS

董事會報告

EMOLUMENT POLICY

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

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

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in note 29 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2006.

RETIREMENT BENEFITS SCHEME

Details of the Group's retirement benefits scheme are set out in note 30 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2006, less than 30% of the Group's sales were attributable to the Group's five largest customers.

The Group had no major suppliers due to the nature of principal activities of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 December 2006, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

酬金政策

本集團僱員之酬金政策乃由薪酬委員會根據僱員之貢獻、資歷及能力而釐定。

本公司董事之酬金乃由薪酬委員會經考慮本公司之經營業績、各董事之表現及可供比較之市場數據而釐定。

本公司已採納認股權計劃，藉以表揚董事及合資格僱員，該計劃之詳情載於綜合財務報表附註第29項內。

優先購買權

根據本公司之公司細則或百慕達法例，概無載列任何有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

足夠之公眾持股量

本公司於截至二零零六年十二月三十一日止年度內，均維持足夠之公眾持股量。

退休福利計劃

本集團之退休福利計劃詳情，載於綜合財務報表附註第30項內。

主要客戶及供應商

截至二零零六年十二月三十一日止年度內，本集團之五大客戶共佔本集團銷售額不足30%。

基於本集團之主要業務性質，本集團並無主要供應商。

購入、贖回或售出上市證券

截至二零零六年十二月三十一日止年度內，本公司或其任何附屬公司概無購入、贖回或售出任何本公司上市證券。

REPORT OF THE DIRECTORS

董事會報告

AUDITOR

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

By Order of the Board

LAM KWOK HING

Chairman

Hong Kong, 25 April 2007

核數師

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

承董事會命

藍國慶

主席

香港，二零零七年四月二十五日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company continues to be committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and accountability to shareholders. This report describes the Company's corporate governance practices and structure that were in place during the financial year, with specific reference to the principles and guidelines of the Code on Corporate Governance Practices (the "Code on CGP") of the Listing Rules, except for certain deviations in respect of the rotation of Directors. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transaction. All Directors of the Company have confirmed, following specific enquiry by the Company that they have complied with the required standard set out in the Model Code and the Code on CGP during the year.

BOARD OF DIRECTORS

The Company is headed by an effective board which assume responsibility for leadership and control of the Company and collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. Directors take decisions objectively in the interests of the Company.

The Board is responsible for formulating the strategic business development, reviewing and monitoring the business performance of the Group, as well as preparing and approving financial statements. The Directors, collectively and individually, are aware of their responsibilities to shareholders, for the manner in which the affairs of the Company are managed and operated. In the appropriate circumstances and as and when necessary, the Directors will consent to the seeking of independent professional advice at the Group's expense, ensuring that board procedures, and all applicable rules and regulations, are followed.

The Board gives clear directions as to the powers delegated to the management for the management and administration functions of the Group, in particular, with respect to the circumstances where management should report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group. The Board will review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

本公司持續致力維持良好之企業管治標準及程序，以確保資料披露之完整性、透明度及增加對股東的問責程度。本報告載述本公司經特別參考上市規則的企業管治常規守則之原則及指引後於本財政年度所實行之企業管治常規及架構，惟當中有關董事輪任是偏離該守則。本公司將定期審閱及更新現行的常規，以追隨企業管治的最新發展。

董事證券交易活動

本公司已採納標準守則，作為董事進行證券交易之操守準則。於本公司特別作出查詢後，全體董事均確認，彼等於年度內已遵從標準守則及企業管治常規守則所規定之準則。

董事會

本公司以一個行之有效的董事會為首；董事會負有領導及監控本公司的責任，並集體負責統管並監督本公司事務以促使本公司成功。董事客觀行事，所作決策須符合本公司利益。

董事會負責制訂業務發展策略、審閱及監察本集團的業務表現以及編製及批核財務報表。董事明白到，須就本公司的管理及營運事宜共同及個別向股東承擔責任。在適當的情況下及於有需要時，董事將同意徵求獨立專業意見，以確保依循董事會程序及一切適用的規則及規定，有關費用由本集團支付。

董事會對委派予管理層有關執行本集團管理及行政職能的權力，給予清晰的指引，特別是涉及管理層在何種情況下須作出匯報，及於代表本集團作出決定或作出任何承諾前須事先取得董事會批准等事宜方面。董事會將定期審閱該等安排，以確保有關安排符合本集團的需要。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board of Directors of the Company comprises:

Executive Directors:

LAM Kwok Hing (*Chairman*)

NAM Kwok Lun (*Deputy Chairman and Managing Director*)

Independent Non-Executive Directors:

CHEN Wei-Ming Eric

KWAN Wang Wai Alan

NG Chi Kin David

The three Independent Non-Executive Directors are persons of high calibre, with academic and professional qualifications in the fields of accounting and business management. With their experience gained from senior positions held in other companies, they provide strong support towards the effective discharge of the duties and responsibilities of the board. Each Independent Non-Executive Director gives an annual confirmation of his independence to the Company, and the Company considers these Directors to be independent under Rule 3.13 of the Listing Rules. To the best knowledge of the Company, there is no financial, business and family relationship among the three Independent Non-Executive Directors and between the Chairman and the Deputy Chairman. All of them are free to exercise their independent judgement.

Board meetings are held at least 4 times a year at approximately quarterly intervals. In addition, special Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. The following was the attendance record of the Board meetings for the year ended 31 December 2006:

本公司董事會成員包括：

執行董事：

藍國慶先生 (*主席*)

藍國倫先生 (*副主席兼董事總經理*)

獨立非執行董事：

陳偉明先生

關宏偉先生

伍志堅先生

三位獨立非執行董事極具才幹，在會計及工商管理各範疇均擁有學術及專業資歷。加上他們在其他公司擔任高層職位所累積的經驗，對董事會有效地履行其職責上提供強大的支持。各獨立非執行董事已根據上市規則第3.13條的規定，就其獨立性每年向本公司作出確認，本公司認為該等董事確屬獨立人士。就本公司所深知，三位獨立非執行董事及主席與副主席之間概無任何財務、業務及親屬關係。彼等均可自由作出獨立判斷。

董事會會議每年召開至少四次，大約每季一次。此外，在有需要時會召開董事會特別會議。此等董事會會議均有大部分董事親身出席，或透過其他電子通訊方法積極參與。以下為董事會於截至二零零六年十二月三十一日止年度舉行的董事會會議出席記錄：

Number of meetings	會議次數	11	
Executive Directors:	執行董事：		
LAM Kwok Hing (<i>Chairman</i>)	藍國慶先生 (<i>主席</i>)	10/11	91%
NAM Kwok Lun (<i>Deputy Chairman and Managing Director</i>)	藍國倫先生 (<i>副主席兼董事總經理</i>)	11/11	100%
Independent Non-Executive Directors:	獨立非執行董事：		
CHEN Wei-Ming Eric	陳偉明先生	8/11	73%
KWAN Wang Wai Alan	關宏偉先生	9/11	82%
NG Chi Kin David	伍志堅先生	11/11	100%
Average attendance rate	平均出席率	89%	

CORPORATE GOVERNANCE REPORT

企業管治報告

At least 14 days notice of all Board meetings is given to all Directors and they can include matters for discussion in the agenda if the need arises. Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable rules and regulations, are followed.

Minutes of the Board, the Audit Committee and the Remuneration Committee are kept by the Company Secretary. Minutes are open for inspection at any reasonable time on reasonable notice by any Director.

Minutes of the Board and Board Committees have recorded in sufficient detail the matters considered by the Board and the Committees, decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes of the Board are sent to all Directors for their comments and records respectively, in the case of the Board meetings, the Audit Committee meetings and the Remuneration Committee meetings, normally within one week, after the meetings are held.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by way of circulation or by a Committee (except an appropriate Board Committee set up for that purpose pursuant to a resolution passed in a Board meeting) but a Board meeting shall be held. Independent Non-Executive Directors who, and whose associates, have no material interest in the transaction shall be present at such Board meeting.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman of the Board and the Chief Executive Officer (i.e. Deputy Chairman and Managing Director) are held separately by two individuals to ensure their respective independence, accountability and responsibility. The Chairman is responsible for overseeing the function of the Board and formulating overall strategies and policies of the Company. The Deputy Chairman and Managing Director is responsible for managing the Group's business and overall operations. The day-to-day running of the Company is delegated to the management with divisional heads responsible for different aspects of the business.

所有董事會會議的通告將於會議舉行最少十四天前發出予各董事，如有需要，董事可在議程中加插欲討論的事項。所有董事都可獲得公司秘書的意見和服務，確保董事會程序及所有適用規則及規例均獲得遵守。

董事會、審核委員會及薪酬委員會的會議紀錄由公司秘書備存。若董事發出合理通知，會公開有關會議紀錄供其在任何合理時段查閱。

董事會及其轄下委員會的會議紀錄，已對會議上各董事所考慮事項及達致的決定作足夠詳細的記錄，其中包括董事提出的任何疑慮或表達的反對意見。會議紀錄的初稿及最終定稿會發送全體董事，初稿供董事表達意見，最後定稿則作其紀錄之用。董事會會議、審核委員會會議及薪酬委員會會議的紀錄通常在會議後的一星期內發出。

若有大股東或董事在董事會將予考慮的事項中存有董事會認為重大的利益衝突，有關事項不會以傳閱文件方式處理或交由轄下委員會處理（根據董事會會議上通過的決議而特別就此事項成立的委員會除外），而董事會會就該事項舉行董事會。在交易中本身及其聯繫人均沒有重大利益的獨立非執行董事會出席有關的董事會會議。

主席及行政總裁

董事局主席及行政總裁（即副主席兼董事總經理）職位分別由兩位人士擔任，以確保此等職位各自之獨立性、問責性及責任承擔。主席負責監管董事局運作以及制訂本公司整體策略及政策。副主席兼董事總經理負責管理本集團之業務及整體營運。本公司之日常管理事務交由管理層人員處理，並由各部門主管負責業務各個方面之營運。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Chairman shall ensure that all Directors are properly briefed on issues arising at Board meetings.

主席確保董事會會議上所有董事均適當知悉當前的事項。

The Chairman is responsible for ensuring that Directors receive adequate information, which must be complete and reliable, in a timely manner.

主席負責確保董事及時收到充分的資訊，而有關資訊均屬完備可靠。

APPOINTMENTS, RE-ELECTION AND REMOVAL

The Company does not have a Nomination Committee. The Board as a whole is responsible for the procedure of agreeing to the appointment of its members and for nominating appropriate person for election by shareholders at the annual general meeting, either to fill a casual vacancy or as an addition to the existing Directors.

委任、重選及罷免

本公司概無成立提名委員會，全體董事會負責核准新成員之委任及在股東年會上提名合適的人選應選，以填補董事空缺或增添董事名額。

The annual general meeting circular contains detailed information on election of Directors including detailed biography of all Directors standing for election or re-election to ensure shareholders to make an informed decision on their election.

股東年會通函載有選舉董事的詳細資料，包括擬參與選舉或再應選連任董事的個人簡歷，以便股東參考後作出決定投票。

Under the code provisions A.4.2. of the Code of CPG, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, according to Bye-Laws of the Company, the Chairman or Managing Director are not subject to retirement by rotation or taken into account on determining the number of Directors to retire. This constitutes a deviation from code provision A.4.2. of the Code. As continuation is a key factor to the successful implementation of any long-term business plans, the Board believes that the roles of Chairman and Managing Director provide the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategies, that the present arrangement is most beneficial to the Company and the shareholders as a whole.

根據守則第A.4.2.條企業管治常規守則條文，每名董事（包括有指定任期的董事）應輪流退任，至少每三年一次。然而，根據本公司之公司細則，本公司之主席或董事總經理均毋須輪值退任，於釐定董事退任人數時亦毋須計算在內，構成與守則條文A.4.2.有所偏差。由於持續性是成功執行任何長遠業務計劃的主要因素，董事會相信，主席兼董事總經理之職，能令本集團之領導更具強勢及貫徹，在策劃及落實長期商業策略方面更有效率，現有的安排對於本公司以致股東的整體利益最為有利。

In accordance with the Company's Bye-Laws, Mr. Chen Wei-Ming Eric shall retire by rotation and being eligible offer himself for re-election at the forthcoming annual general meeting.

根據本公司之公司細則，陳偉明先生將於屆時股東週年大會上輪值退任，而且符合資格願膺選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

The Board has also established the following committees with defined terms of reference:—

- Audit Committee
- Remuneration Committee

Each Board Committee makes decisions on matters within its term of reference and applicable limits of authority. The terms of reference as well as the structure and membership of each committee will be reviewed from time to time.

a) Audit Committee

On 16 August 2000, the Audit Committee had been established. It currently consists of three Independent Non-Executive Directors. The Chairman of the Audit Committee will be subject to rotate for every 2 years.

Composition of Audit Committee members

KWAN Wang Wai Alan (*Chairman of the Audit Committee*)
CHEN Wei-Ming Eric
NG Chi Kin David

Role and function

The Audit Committee is mainly responsible for:

1. considering the appointment of external auditors, their audit fees and questions of resignation or dismissal;
2. reviewing the draft Company's annual report and accounts and half yearly before submission to, and providing advice and comments thereon to the Board of Directors;
3. reviewing external auditor's management letter and management's response;
4. reviewing the internal audit programme, ensuring co-ordination between the internal and external auditors, and ensuring that the internal audit function is adequately managed and has appropriate standing within the Company;

董事會轄下委員會

董事會亦成立下列委員會，其界定的職權範圍如下：—

- 審核委員會
- 薪酬委員會

各董事會轄下委員會對其所屬職權範圍及適用權限內的事宜作出決定。本公司將不時檢討各委員會的職權範圍、架構及成員。

a) 審核委員會

審核委員會於二零零零年八月十六日成立。目前由三名獨立非執行董事組成。審核委員會主席將於每兩年輪值。

審核委員會成員的組成

關宏偉先生 (審核委員會主席)
陳偉明先生
伍志堅先生

角色及職能

審核委員會主要負責：

1. 考慮委聘外聘核數師、核數費用及辭任或解聘事宜；
2. 於本公司年報及賬目以及中期報告提交前對初稿進行審閱，並就此向董事會提供意見及評論；
3. 審閱外聘核數師致管理層之函件及管理層之回應；
4. 審閱內部審計計劃，確保內部及外聘核數師間之協調，以及確保內部審計職能有足夠資源配合並於本公司內擁有適當地位；

CORPORATE GOVERNANCE REPORT

企業管治報告

- | | |
|--|---|
| <p>5. considering the major findings of internal investigations and management's response;</p> <p>6. reviewing compliance with regulatory and legal requirements by the Company; and</p> <p>7. discussing problems and reservations arising from the interim and annual audits and matters that the external auditors may wish to discuss (in the absence of the management, where necessary).</p> | <p>5. 考慮內部調查結果及管理層之回應；</p> <p>6. 審議本公司遵守法規之要求；及</p> <p>7. 討論中期及全年審核所引起的問題及保留意見，以及外聘核數師希望討論之事項（如有需要，可要求管理層避席）。</p> |
|--|---|

Meeting Record

The Audit Committee met twice during the year, particular in reviewing the interim and annual results of the Group. The following was the attendance record of the Audit Committee meetings for the year ended 31 December 2006:

會議記錄

審核委員會於年度內舉行兩次會議，主要為審閱本集團的中期及全年業績。以下為審核委員會於截至二零零六年十二月三十一日止年度舉行的審核委員會會議出席記錄：

Number of meetings	會議次數	2	
Audit Committee members:	審核委員會成員：		
KWAN Wang Wai Alan	關宏偉先生		
(Chairman of Audit Committee)	(審核委員會主席)	1/2	50%
CHEN Wei-Ming Eric	陳偉明先生	2/2	100%
NG Chi Kin David	伍志堅先生	2/2	100%
Average attendance rate	平均出席率	83%	

During the meetings, the Audit Committee would discuss the following matters:—

於會議期間，審核委員會會商討下列事宜：—

1) Financial Reporting

The Audit Committee met with the external auditors to discuss the interim and annual financial statements and system of control of the Group. The auditors, the company secretary and the financial controller of the Company were also in attendance to answer questions on the financial results.

1) 財務申報

審核委員會曾與外聘核數師舉行會議，討論中期及全年財務報表以及本集團之監控制度。本公司之核數師、公司秘書以及財務總監亦有出席會議，解答有關財務業績的提問。

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Where there were questions on the financial statements and system of control of the Group reviewed by the Audit Committee, the management of the Company would provide breakdown, analysis and supporting documents to the Audit Committee members in order to ensure that the Audit Committee members were fully satisfied and make proper recommendation to the Board.

2) External Auditor

The appointment of the external auditor and the audit fee were considered by the Audit Committee and recommendations were made to the Board on the selection of external auditors of the Company.

b) Remuneration Committee

The Remuneration Committee was established on 28 July 2005. It currently consists of two Executive Directors and three Independent Non-Executive Directors. The Chairman of the Remuneration Committee will be subject to rotate for every 2 years.

Composition of Remuneration Committee members

LAM Kwok Hing

(Chairman of the Remuneration Committee)

NAM Kwok Lun

CHEN Wei-Ming Eric

KWAN Wang Wai Alan

NG Chi Kin David

Role and function

The Remuneration Committee is mainly responsible for:

1. making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
2. reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

倘審核委員會於進行審核工作時對本集團的財務報表及監控制度存有疑問，本公司的管理層將向審核委員會成員提供明細表、分析及支持文件，以確保審核委員會成員完全信納並向董事會作出適當的建議。

2) 外聘核數師

審核委員會負責考慮外聘核數師的委任及核數費用，並於選任本公司外聘核數師時向董事會作出建議。

b) 薪酬委員會

薪酬委員會於二零零五年七月二十八日成立。目前由兩名執行董事及三名獨立非執行董事組成。薪酬委員會主席將於每兩年輪值。

薪酬委員會的組成

藍國慶先生

(薪酬委員會主席)

藍國倫先生

陳偉明先生

關宏偉先生

伍志堅先生

角色及職能

薪酬委員會主要負責：

1. 就本公司全體董事及高級管理層的薪酬政策及架構向董事會作出建議，並建立有關薪酬政策的正式及具高透明度的程序；
2. 經常參考董事會議決通過的企業目標及宗旨，以審閱及批准按表現釐定的薪酬；

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- | | |
|---|---|
| <p>3. determining the specific remuneration packages of all Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of Non-Executive Directors;</p> | <p>3. 釐定所有執行董事及高級管理層的具體薪酬待遇，包括實物利益、退休金保障及賠償金額，當中包括任何有關喪失或終止職務或委任而須支付之賠償費用，並就非執行董事的薪酬向董事會作出建議；</p> |
| <p>4. reviewing and approving the compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;</p> | <p>4. 審閱及批准就有關喪失或終止職務或委任而須向執行董事及高級管理層作出的賠償，以確保該賠償符合有關合約條款且賠償款項對本公司而言屬合理及適當；</p> |
| <p>5. reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;</p> | <p>5. 審閱及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該安排符合有關合約條款且賠償款項屬合理及適當；</p> |
| <p>6. ensuring that no Director or any of his associates is involved in deciding his own remuneration; and</p> | <p>6. 確保董事或其任何聯繫人士概無參與決定本身薪酬；及</p> |
| <p>7. advising the shareholders on how to vote in respect of any service contract of Director which shall be subject to the approval of shareholders (in accordance with the provisions of Rule 13.68 of the Listing Rules).</p> | <p>7. 按上市規則第13.68條之條文規定，對任何須經股東批准之董事服務合約，就股東如何投票提供意見。</p> |

Where circumstances are considered appropriate, some Remuneration Committee decisions are approved by way of written resolutions passed by all the committee members.

倘於認為適當的情況下，薪酬委員會的若干決定可以全體委員會成員通過書面決議案之方式批准。

The Remuneration Committee has reviewed the remuneration policy and structure of the Company, and the remuneration packages of the Executive Directors and the senior management for the year under review.

薪酬委員會已檢討本公司之薪酬政策及架構，以及執行董事及高級管理人員於回顧年度內之薪酬組合。

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For the year ended 31 December 2006, there was one meeting held. The following was an attendance record of the Remuneration Committee meeting for the year ended 31 December 2006:

截至二零零六年十二月三十一日止年度曾舉行一次會議。以下為薪酬委員會於截至二零零六年十二月三十一日止年度舉行的薪酬委員會會議出席記錄：

Number of meetings	會議次數	1
Remuneration Committee members:	薪酬委員會成員：	
LAM Kwok Hing (Chairman of the Remuneration Committee)	藍國慶先生 (薪酬委員會主席)	1/1 100%
NAM Kwok Lun	藍國倫先生	1/1 100%
CHEN Wei-Ming Eric	陳偉明先生	1/1 100%
KWAN Wang Wai Alan	關宏偉先生	0/1 0%
NG Chi Kin David	伍志堅先生	1/1 100%
Average attendance rate	平均出席率	80%

Details of the remuneration of each Directors of the Company for the year ended 31 December 2006 are set out on pages 64 in note 11 to the consolidated financial statements.

有關本公司各董事於截至二零零六年十二月三十一日止年度之薪酬詳情，載於第64頁綜合財務報表附註第十一項內。

ACCOUNTABILITY AND AUDIT

The management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the approval by the Board.

問責及審核

管理層向董事會提供有關解釋及資料，令董事會可對提呈董事會批准之財務及其他資料作出知情評估。

The Directors are responsible for overseeing the preparation of accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2006, the Directors have selected suitable accounting policies and have applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs") which are pertinent to its operations and relevant to the financial statements, made judgments and estimates that are prudent and reasonable, and have prepared the accounts on the going concern basis.

董事負責監督每個財政期間會計賬目的編製，以真實和公平地反映該期間本集團財政狀況及業績與現金流量。在編製截至二零零六年十二月三十一日止年度的會計賬目時，董事已貫徹採用合適的會計政策，採納與集團業務及本財務報表有關及適用的香港財務報告準則及香港會計準則，作出審慎及合理的判決及估計，並已按持續經營為基礎編製賬目。

The Company has announced its annual and interim results in a timely manner within the limits of 4 months and 3 months respectively after the end of the relevant period, as laid down in the Listing Rules.

本公司已按照上市規則的規定，在有關期間完結後的四個月及三個月限期內，分別適時地發表全年業績公佈及中期業績公佈。

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The Board will present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

INTERNAL CONTROL

The Board and senior management are responsible for establishing, maintaining and operating an effective system of internal control. The internal control system of the Group comprises a well-established organisational structure and comprehensive policies and standards. The Board has clearly defined the authorities and key responsibilities of each business and department to ensure adequate checks and balances.

The internal control system has been designed to safeguard the Group's assets against loss and misappropriation; to maintain proper accounting records for producing reliable financial information; to provide reasonable, but not absolute, assurance against material fraud and errors. Policies and procedures are established to ensure compliance with applicable laws, regulations and industry standards and as the on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating the system of internal controls when there are changes to business environment or regulatory guidelines.

Systems and procedures are also established to identify, measure, manage and control different risks arising from different businesses and functional activities. Risk management policies and major control limits are established and approved by the Board. Significant issues in the management letters from external auditors and reports from regulatory authorities will be brought to the attention of the Audit Committee to ensure that prompt remedial action is taken. All recommendations will be properly followed up to ensure they are implemented within a reasonable period of time.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the annual report and consolidated financial statements is sound and is sufficient to safeguard the interests of shareholders, customers and employees, and the Group's assets.

董事會會平衡、清晰及明白地評審年度報告及中期報告、其他涉及股價敏感資料的通告及根據上市規則規定須予披露的其他財務資料，以及向監管者提交的報告書以至根據法例規定須予披露的資料。

內部監控

董事會及高層管理人員負責設立，維持及執行一有效的內部監控系統。本公司的內部監控系統包括一個完善的組織架構和全面的政策及準則。董事會已清楚界定各業務及營運部門的權責，以確保有效之制衡。

本公司設有內部監控系統，以保障本公司資產免受損失或被盜用；妥善保存會計紀錄以提供可靠的財務資料；就欺詐及重大錯誤合理地作出防範，惟不能確保其絕對不會發生。本公司已訂立政策和程序，確保遵照有關法律、規例和行業標準，以及確定、評估及管理本集團所面對的重大風險，程序包括當營商環境或規例指引變更時，更新內部監控系統。

本公司已制定系統及程序，用以識別、量度、管理及控制各業務及營運部門的各種風險。風險管理政策及藉以控制主要風險的規限由董事會擬定及批准。外聘核數師致管理層函件及監管機構報告內的重要事項均提呈審核委員會審閱，確保能及時採取補救行動，並跟進所有建議，確保能在合理時間內執行。

董事會認為回顧年度內及截至本年報及綜合財務報表刊發日期，現存的內部監控系統穩健，及足以保護股東、顧客和員工的利益及本集團的資產。

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AUDITOR'S REMUNERATION

Deloitte Touche Tohmatsu has been reappointed as the Group's external auditors at the 2006 Annual General Meeting until the conclusion of the next Annual General Meeting. Apart from the provision of annual audit services, Deloitte Touche Tohmatsu also carried out review of the Group's results and others of the Group. During the year under review, the Group is required to pay an aggregate of approximately HK\$1,110,000 to Deloitte Touche Tohmatsu for their services including audit and non-audit services.

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communications with all shareholders, therefore, the Board establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports and press releases. Such information is also available on the Group's website.

The Company's annual general meeting is a valuable forum for the Board to communicate directly with the shareholders. The Chairman of the Board together with the external auditors are present to answer shareholders' questions. An annual general meeting circular is distributed to all shareholders at least 21 days before the annual general meeting. It sets out the procedures for demanding and conducting a poll and other relevant information of the proposed resolutions. The Chairman explains the procedures for demanding and conducting a poll again at the beginning of the annual general meeting and (except where a poll is demanded) reveals how many proxies for and against have been filed in respect of each resolution. The results of the poll, if any, will be published in the newspapers and on the Company's website.

Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of Directors.

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year 2006 and up to the date of this Annual Report as required by the Listing Rules.

核數師酬金

德勤•關黃陳方會計師在二零零六年股東週年大會獲繼續委任為本公司外聘核數師，直至今屆股東週年大會為止。除每年提供審核服務外，德勤•關黃陳方會計師亦審閱本集團的業績及提供其他服務。於回顧年度內，本集團需支付港元1,110,000予德勤•關黃陳方會計師之服務，包括核數及非核數之服務。

與股東溝通

董事會認同與所有股東有良好的溝通至為重要，因此，本公司設立不同渠道保持與股東溝通，包括刊印年報，中期報告及新聞稿，該等資料亦上載於本公司的網頁。

本公司的週年股東大會提供寶貴場合讓董事會直接與股東溝通。董事會主席連同外聘核數師均會出席股東週年大會，解答股東提問。有關股東週年大會的通函於大會舉行前最少二十一天寄發予所有股東，通函載列要求及舉行票選的程序及其他建議的議案的有關資料。主席將會在股東週年大會開始時再次解釋要求及舉行票選的程序及(若已要求票選除外)透露每一個議案已存檔所代表贊成及反對的票數。票選的結果(如有)將會在報章及本公司網站刊登。

股東大會上亦會就每一獨立重大事項提呈決議案，包括選舉董事。

根據本公司從公開途徑所取得的資訊及就各董事所知，本公司於二零零六年度內及至本年報刊發日期間，有維持上市規則所定的公眾持股量。

REPORT OF THE INDEPENDENT AUDITOR

核數師報告

Deloitte.

德勤

TO THE MEMBERS OF KARL THOMSON HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Karl Thomson Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 38 to 86, 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 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

致 高信集團控股有限公司各股東

(於百慕達註冊成立之有限公司)

本核數師已將刊於第38至86頁會計準則而編製之高信集團控股有限公司（「貴公司」）及其子公司（「貴集團」）的綜合財務報表（包括於二零零六年十二月三十一日之綜合資產負債表，本年度之綜合損益計數表，綜合權益變動表、綜合現金流量表，及主要會計政策及其他闡釋附註概要）審核完竣。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製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；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們的報告僅按照百慕達公司法第90條，為股東（作為一個團體）而編製，並不為其他任何目的。我們並不就本報表之內容對任何其他人士承擔任何義務或接受任何責任。我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德

REPORT OF THE INDEPENDENT AUDITOR

核數師報告

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 April 2007

規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定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，核數師考慮與該公司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，但並非為對公司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。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

核數師意見

本核數師認為綜合財務報表均真實與公正地顯示 貴集團於二零零六年十二月三十一日之財務狀況及截至該日止年度 貴集團之溢利及現金流量情況，並已根據香港財務報告準則及香港公司條例之披露規定適當編製。

德勤 • 關黃陳方會計師行
香港執業會計師
香港
二零零七年四月二十五日

CONSOLIDATED INCOME STATEMENT

綜合損益計數表

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 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Revenue	收益	6	51,082	35,169
Other income	其他收入		1,872	1,552
Write back of bad and doubtful debts	呆壞賬回撥		798	4,771
Amortisation of intangible assets	無形資產攤銷		(6)	(6)
Depreciation	折舊		(722)	(1,253)
Finance costs	財務費用	8	(233)	(20)
Other operating expenses	其他經營費用		(39,166)	(25,200)
Staff costs, including the Directors' remuneration	僱員成本 (包括董事酬金)		(11,684)	(10,642)
Share of profit of an associate	應佔聯營公司之溢利		9,383	9,669
Share of profits of jointly controlled entities	應佔合營公司之溢利		49	—
Profit before taxation	除稅前溢利		11,373	14,040
Taxation credit (charge)	稅項計入 (扣除)	9	47	(35)
Profit for the year	年度溢利	10	11,420	14,005
Attributable to:	應佔：			
Equity holders of the Company	本公司之權益持有人		11,315	13,845
Minority interests	少數股東權益		105	160
			11,420	14,005
Earnings per share	每股盈利	13		
Basic	基本		HK2.41 cents港仙	HK3.01 cents港仙
Diluted	攤薄		HK2.40 cents港仙	N/A不適用

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 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Fixed assets	固定資產	14	926	1,064
Intangible assets	無形資產	15	17	23
Interest in an associate	聯營公司權益	16	123,340	111,851
Interest in a jointly controlled entity	合營公司權益	17	54	—
Deferred tax assets	遞延稅項資產	18	80	—
Statutory deposits	法定按金	19	4,030	4,030
Loans to a jointly controlled entity	合營公司貸款	20	34,508	—
Loans receivable	應收貸款	21	1,394	1,015
			164,349	117,983
CURRENT ASSETS	流動資產			
Accounts receivable	應收賬款	22	50,493	29,898
Loans receivable	應收貸款	21	586	464
Other receivables, prepayments and deposits	其他應收賬款、預付款項 及按金		2,974	2,290
Amount due from a jointly controlled entity	應收合營公司款項	17	1,983	—
Tax recoverable	稅項回撥		—	319
Pledged fixed deposits (general accounts)	已抵押定期存款 (一般賬戶)	23	8,165	7,823
Bank balances (trust and segregated accounts)	銀行結存 (信託及獨立賬戶)	23	61,936	39,375
Bank balances (general accounts) and cash	銀行結存(一般賬戶) 及現金	23	16,116	29,150
			142,253	109,319
CURRENT LIABILITIES	流動負債			
Accounts payable	應付賬款	24	78,376	45,599
Accrued expenses and other payables	應計費用及其他應付賬款		7,477	3,886
Tax payable	應付稅項		18	—
			85,871	49,485
NET CURRENT ASSETS	流動資產淨額		56,382	59,834
			220,731	177,817

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 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	25	47,700	46,000
Reserves	儲備		172,649	131,540
Equity attributable to equity holders of the Company	本公司之權益持有人 應佔權益		220,349	177,540
Minority interests	少數股東權益		382	277
Total equity	權益總額		220,731	177,817

The consolidated financial statements on pages 38 to 86 were approved and authorised for issue by the Board of Directors on 25 April 2007 and are signed on its behalf by:

綜合財務報表第38至86頁已於二零零七年四月二十五日獲董事會批准及授權刊發，並由以下代表簽署：

LAM KWOK HING

藍國慶
Director
董事

NAM KWOK LUN

藍國倫
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

綜合權益變動表

		Attributable to equity holders of the Company 本公司之權益持有人應佔權益								
		Currency translation Accumulated reserve profits					Minority interests			
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Special reserve 特殊儲備 HK\$'00 千港元	外幣 換算儲備 HK\$'000 千港元	累計 溢利 HK\$'000 千港元	Total 合共 HK\$'000 千港元	少數股東 權益 HK\$'000 千港元	Total 合共 HK\$'000 千港元	
At 1 January 2005	於二零零五年一月一日	46,000	76,589	29,140	284	10,232	162,245	117	162,362	
Share of reserve of an associate and income recognised directly in equity	應佔聯營公司儲備及已直接於權益確認之收入	—	—	—	1,450	—	1,450	—	1,450	
Profit for the year	年度溢利	—	—	—	—	13,845	13,845	160	14,005	
Total recognised income for the year	年度已確認總收入	—	—	—	1,450	13,845	15,295	160	15,455	
At 31 December 2005	於二零零五年十二月三十一日	46,000	76,589	29,140	1,734	24,077	177,540	277	177,817	
Share of reserves of an associate and a jointly controlled entity and income recognised directly in equity	應佔聯營公司及合營公司儲備及已直接於權益確認之收入	—	—	—	2,108	—	2,108	—	2,108	
Profit for the year	年度溢利	—	—	—	—	11,315	11,315	105	11,420	
Total recognised income for the year	本年度已確認總收入	—	—	—	2,108	11,315	13,423	105	13,528	
Placing of shares (note 25)	新股配售(附註25)	1,700	27,710	—	—	—	29,410	—	29,410	
Transaction costs attributable to issue of new shares	發行新股之交易費用	—	(24)	—	—	—	(24)	—	(24)	
At 31 December 2006	於二零零六年十二月三十一日	47,700	104,275	29,140	3,842	35,392	220,349	382	220,731	

The special reserve of the Group represents the difference between the nominal value of shares of the acquired subsidiaries and the nominal value of the shares of the Company issued for the acquisition at the time of the reorganisation of the Group.

本集團之特殊儲備乃指所收購附屬公司之股份面值，與本公司在本集團進行重組時就收購而發行股份之面值之間之差額。

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

	NOTE 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	11,373	14,040
Adjustments for:	就下列各項作出調整：		
Write back of bad and doubtful debts	呆壞賬撥備	(798)	(4,771)
Amortisation of intangible assets	無形資產攤銷	6	6
Depreciation	折舊	722	1,253
Finance costs	財務費用	233	20
Share of profit of an associate	應佔聯營公司之溢利	(9,383)	(9,669)
Share of profits of jointly controlled entities	應佔合營公司之溢利	(49)	—
OPERATING CASH FLOWS BEFORE MOVEMENTS IN WORKING CAPITAL	未計營運資金變動前之經營現金流量	2,104	879
(Increase) decrease in accounts receivable	(增加) 減少應收賬款	(19,797)	11,811
Decrease in investments held for trading	減少持作買賣投資	—	12
(Increase) decrease in loans receivable	(增加) 減少應收貸款	(501)	1,268
Increase in other receivables, prepayments and deposits	增加其他應收賬款、預付款項及按金	(671)	(269)
(Increase) decrease in bank balances (trust and segregated accounts)	(增加) 減少銀行結存(信託及獨立賬戶)	(22,561)	9,027
Increase (decrease) in accounts payable	增加(減少) 應付賬款	32,777	(9,756)
(Decrease) increase in accrued expenses and other payables	(減少) 增加應計費用及其他應付賬款	(7,730)	176
CASH (USED IN) GENERATED FROM OPERATIONS	(用於) 來自業務之現金	(16,379)	13,148
Interest paid	已付利息	(233)	(20)
Hong Kong Profits Tax refunded (paid)	退回(已付) 香港利得稅	304	(354)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(用於) 來自經營業務之現金淨額	(16,308)	12,774

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

		NOTE 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
INVESTING ACTIVITIES	投資業務			
Deposits refunded	退回按金		—	48
Purchase of fixed assets	購買固定資產		(584)	(168)
Acquisition of additional interest in an associate	收購聯營公司之 額外權益		—	(23,399)
Acquisition of a subsidiary	收購附屬公司	17	(5)	—
Investment in a jointly controlled entity	合營公司投資		(5)	—
Loans to a jointly controlled entity	合營公司貸款		(25,176)	—
Increase in pledged fixed deposits (general accounts)	增加已抵押定期存款 (一般賬戶)		(342)	(176)
NET CASH USED IN INVESTING ACTIVITIES	用於投資業務之 現金淨額		(26,112)	(23,695)
FINANCING ACTIVITIES	融資業務			
Proceeds on issue of shares	新股發行款項		29,410	—
Expenses on issue of shares	新股發行費用		(24)	—
NET CASH FROM FINANCING ACTIVITIES	來自融資業務 之現金		29,386	—
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目 之減少淨額		(13,034)	(10,921)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及等同 現金項目		29,150	40,071
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終之現金及等同 現金項目		16,116	29,150
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及等同現金項目 結餘分析			
Bank balances (general accounts) and cash	銀行結存(一般賬戶) 及現金		16,116	29,150

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 under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on the Main Board of the Stock Exchange. Its ultimate holding company is J&A, which is incorporated in the British Virgin Islands. The address of the registered office and principal place of business of the Company are disclosed on pages 2 to 3 of the Annual Report.

The Company is an investment holding company. The principal activities of the Group are the provision of financial services, including stockbroking, futures and options broking, mutual funds and insurance-linked investment plans and products broking, securities margin financing services and corporate finance advisory services.

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

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

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("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 has no material impact on the results and financial position of the Group for both years.

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 standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)	Capital disclosures ¹
HKFRS 7	Financial instruments: Disclosures ¹

1. 一般事項

本公司乃根據百慕達1981年公司法(修訂本)註冊成立為受豁免公司及其股份於聯交所主版上市。本公司之最終控股公司為於英屬處女群島註冊成立之J&A。本公司的註冊辦事處及主要營業地點已詳列本年報之第2頁至第3頁。

本公司為投資控股公司。本集團之主要業務為提供金融服務，包括證券買賣、期貨與期權買賣、互惠基金、保險掛鈎投資計劃及產品買賣、證券保證金融資服務及企業融資顧問服務。

本綜合財務報表以港元呈列，與本公司的營運貨幣相同。

2. 新訂及修訂香港財務報告準則之採用

於本年度，本集團首次採納若干由香港會計師公會頒佈之新準則，修訂及詮釋（「新香港財務報告準則」）。該等新準則於二零零五年十二月一日或二零零六年一月一之後開始之會計期間生效。採納新香港財務報告準則對於本集團本年度及上年度之業績及財務狀況並無重大影響。

本集團並無提早採納以下已頒佈但仍未生效之新準則，修訂及詮釋。本公司董事估計採納此等準則，修訂及詮釋對本集團之業績及財務狀況將不會構成重大影響。

香港會計準則第1號 (修訂)	資本披露 ¹
香港財務報告準則 第7號	金融工具：披露 ¹

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)

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

2. 新訂及修訂香港財務報告準則之採用 (續)

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	根據香港會計準則第29號「惡性通貨膨脹經濟中的財務報告」採用重列法 ³
香港 (國際財務報告準則詮釋委員會) — 詮釋第8號	香港財務報告準則第2號之範疇 ⁴
香港 (國際財務報告準則詮釋委員會) — 詮釋第9號	附帶內在衍生工具的重估 ⁵
香港 (國際財務報告準則詮釋委員會) — 詮釋第10號	中期財務報告及減值 ⁶
香港 (國際財務報告準則詮釋委員會) — 詮釋第11號	香港財務報告準則第2號：集團及財務股份交易 ⁷
香港 (國際財務報告準則詮釋委員會) — 詮釋第12號	經營權之安排 ⁸

¹ 於二零零七年一月一日或之後開始之年度期間生效。

² 於二零零九年一月一日或之後開始之年度期間生效。

³ 於二零零六年三月一日或之後開始之年度期間生效。

⁴ 於二零零六年五月一日或之後開始之年度期間生效。

⁵ 於二零零六年六月一日或之後開始之年度期間生效。

⁶ 於二零零六年十一月一日或之後開始之年度期間生效。

⁷ 於二零零七年三月一日或之後開始之年度期間生效。

⁸ 於二零零八年一月一日或之後開始之年度期間生效。

3. 主要會計政策

本綜合財務報表是按如以下說明之會計政策之歷史成本為基礎編製。

本綜合財務報表是根據香港會計師公會頒佈之香港財務報告準則編製。此外，本綜合財務報表也包括上市規則和香港公司法的要求作出相關披露。

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)

Basis of consolidation

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

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

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

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

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

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.

3. 主要會計政策 (續)

綜合基準

本綜合財務報表包括本公司及其控制實體。當本公司得以控制一實體之財務及經營政策以從其經營活動中獲利時則被視為擁有控制權。

年度內所購入或售出之附屬公司之業績，乃由購入生效日期起或截至售出生效日期止 (如適用) 計入綜合損益計數表。

如附屬公司的會計政策不同於本集團內其他成員公司所採用的，應將附屬公司的財務報表調整至與本集團所採用的一樣。

所有在本集團內各公司之間的交易、結餘、收入及費用於編製綜合財務報表賬目時抵銷。

少數股東權益於附屬公司的淨資產與本集團的權益分開呈列。於該資產淨額內的少數股東權益包括由業務合併日應佔數額及在合併期間少數股東應佔的權益變動。倘少數股東權益所佔的虧損超越少數股東權益於附屬公司應佔的股本權益，除非該少數股東須受約束性責任及有能力支付額外資金以彌補附屬公司的虧損，否則該虧損餘額應由本集團承擔。

業務合併

購買附屬公司應以購買法進行會計核算。購買成本是在交易日按照本集團為換取被收購方的控制權而轉讓的資產、所產生或承擔的負債及所發行的權益性工具的公平值總額，再加上實體合併所產生的直接歸屬成本而確定的。被收購方附合香港財務報告準則第三號業務合併之確認條件的可辨認資產、負債及或然負債以收購日之公平值予以確認。

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)

Business combinations (Continued)

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.

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 the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (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.

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)

業務合併(續)

購買實體時產生的商譽會確認為資產，並且以成本進行初始計量。商譽是指實體合併的購買成本超過本集團在所取得的可辨資產、負債及或有負債的公允價值中所佔份額的部份。本集團在被收購方的可辨認資產、負債及或有負債的公平值中所佔份額超過實體合併所產生的購買成本時，而重新評估後亦是如此，則超出的金額會即在收益表內加以確認。

被購買方的少數股東權益會按少數股東所佔已確認資產、負債及或然有負債的公允價值份額進行初始計量。

聯營公司投資

聯營公司為一家本集團可行使重大影響力的實體，但並非附屬公司或於合營企業的權益。

聯營公司的業績、資產及負債按權益法計入本綜合財務報表內。按照權益法，聯營公司的投資是按成本及於收購後本集團應佔損益和權益的變動扣除任何經確認減值虧損列於綜合資產負債表內。倘本集團所佔聯營公司的虧損等於或超越本集團於聯營公司應佔的權益(包括會構成本集團對聯營公司淨投資的任何長期權益)，本集團應停止確認應佔的虧損。確認額外的應佔虧損及負債只限於本集團須受法律性或約束性責任或代聯營公司支付額外款項。

當本集團與其聯營公司進行交易時，溢利及虧損按照本集團所佔聯營公司之權益抵銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Jointly controlled entities

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

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

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

Revenue recognition

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

Commission and brokerage income are recognised when the services are rendered.

3. 主要會計政策 (續)

共同控制實體

共同控制實體是指由合營者共同建立，並對其經營活動建立聯合控制的獨立實體。

共同控制實體的業績、資產與負債使用權益會計法計入綜合財務報表。於權益法下，於綜合資產負債表上共同控制實體之投資總額為成本，根據收購後本集團應佔共同控制實體之損益及共同實體權益之變化作出調整，並減去確認的資產減值損失。如果本集團在共同控制實體所持投資損失等於或超過其在該公司的股權收益（其中包括所有實質上形成本集團在共同控制實體部分淨投資的長期收益），本集團將停止確認將繼續造成損失的投資。只有在本集團負有法律或建設性責任以及代表共同控制實體付款的情況下，才會額外承擔投資損失和債務。

當本集團與其共同控制實體進行交易時，未實現損益會按照本集團在共同控制實體權益所佔份額予以抵銷。除非未實現的損失有證據顯示所轉讓金資產出現減值。在該等情況下損失全額將被確認。

收入確認

收入以已收或應收報酬之公平值計量。收入代表除淨折扣後，由日常業務中提供之服務所產生之應收賬。

佣金及經紀收入在提供服務時確認入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Interest income 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 assets to that asset's net carrying amount.

Advisory fee income is recognised when the service is provided.

Fixed assets

Fixed assets are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, at the following rates per annum:

Leasehold improvements	20% — 33 $\frac{1}{3}$ %
Computer equipment	20% — 50%
Furniture and fixtures	20% — 40%
Motor vehicles	20% — 30%

An item of fixed asset 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.

Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

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

3. 主要會計政策 (續)

收入確認 (續)

利息收入乃參考未償還本金及適用實際利率按時間基準累計。實際利率即將於財務資產預計可用年期估計所收取未來現金流量折算至該資產賬面淨值的利率。

顧問費收入在提供服務時確認入賬。

固定資產

固定資產乃按成本值減其後累計折舊及累計減值虧損入賬 (如有)。

固定資產乃按其估計可使用年期及計入估計剩餘價值，以直線法按以下年率撇除成本計算折舊：

租賃物業裝修	20% — 33 $\frac{1}{3}$ %
電腦設備	20% — 50%
傢俬及裝置	20% — 40%
汽車	20% — 30%

固定資產項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損 (按該項目之出售所得款項淨額及賬面值間之差額計算) 於該項目取消確認之年度計入綜合損益計數表。

無形資產

有限可使用年期之獨立收購無形資產乃按成本減累計攤銷及任何累計減值虧損入賬。有限可使用年期之無形資產攤銷乃按直線基準於其估計可使用年期撥備。

不再確認無形資產產生之損益以資產處置所得款項淨額與賬面值之間之差額計算，並於不再確認資產時在綜合損益計數表內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

Financial assets

The Group's financial assets are mainly classified as loans and receivables. The accounting policy adopted in respect of loans and receivables are set out below.

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 bank balances, deposits, accounts receivable, loans receivable, other receivables, loans to a jointly controlled entity and amount due from a jointly controlled entity are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in 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

倘集團實體成為金融工具合約條文之訂約方，則於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首先按公平值計量。因收購或發行金融資產及金融負債而直接產生之交易成本於首次確認時計入金融資產及金融負債(如適用)之公平值或自金融資產及金融負債(如適用)之平值扣除。

金融資產

本集團之金融資產分類主要為貸款及應收款項。就貸款及應收款項所採納之會計政策載列於下文。

貸款及應收款項

貸款及應收款項為無活躍市場報價而附帶固定或可釐定付款之非衍生性質金融資產。於首次確認後每一個結算日，貸款及應收款項(包括銀行結存、存款、應收賬款、應收貸款、其他應收款項、合營公司貸款及應收合營公司款項)採用實際利率法攤銷成本，減任何已確認減值虧損列賬。倘客觀證明資產出現減值，則減值虧損會於損益表確認，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的差額計算。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，則減值虧損會於以後期間撥回，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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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity

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

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

Financial liabilities

Financial liabilities including accounts payable and other payables 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.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible 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, such 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)

金融負債及股本權益

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

股本權益工具為帶有本集團資產剩餘權益（經扣除其所有負債）之任何合約。就金融負債及股本權益工具而採納之會計政策載列如下。

金融負債

金融負債包括應付賬款及其他應付賬款，乃採用實際利率法按攤銷成本計算。

股本權益工具

本公司所發行之股本權益工具乃按已收取之所得款項減直接發行成本記賬。

減值

本集團於各結算日審閱其有形資產及無形資產之賬面值，以決定該等資產是否有減值虧損之跡象。倘資產之可收回金額估計低於其賬面值，則資產之賬面值乃扣減至其可收回數額。減值虧損須即時確認為開支。

倘減值虧損於其後撥回，則資產之賬面值會增加至其估計可收回金額，以致經增加之賬面值不會超過以往年度並未就該資產確認任何減值虧損而已釐定之賬面值。回撥之減值虧損均即時確認為收入。

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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 of income or expense that are never taxable and deductible. The Group's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

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

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

3. 主要會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按年度應課稅溢利計算。應課稅溢利與綜合損益計數表中所報溢利不同，乃由於前者不包括在其他年度應課稅或可扣稅之收入或開支項目，並且不包括未曾課稅及扣稅之收入或開支項目。本集團之本期稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項為就財務報表資產及負債賬面值與計算應課稅溢利時所用之相應稅基兩者間之差額而須支付或收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產乃按可能出現可利用臨時時差扣稅之應課稅溢利時予以確認。若於一項交易中，因商譽或因業務合併以外原因開始確認其他資產及負債而引致之臨時時差既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項資產之賬面值於各結算日作檢討，並在沒可能有足夠應課稅溢利以收回全部或部份資產時予以遞減。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the year in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (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 year, 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 currency translation reserve). Such exchange differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

3. 主要會計政策(續)

稅項(續)

遞延稅項乃按預期於負債清償或資產變現年度適用之稅率計算。遞延稅項於綜合損益計數表中扣除或計入，惟倘遞延稅項與於股本中直接扣除或計入之項目有關之情況除外。在這情況下，亦於股本權益中處理遞延稅項。

外幣

編製個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易乃按其營運貨幣(即實體主要經營之經濟環境之貨幣)於交易日期當時之匯率記錄。於各結算日，以外幣列值之貨幣項目以結算當日之匯率重新換算。以外幣歷史成本計算之非貨幣項目不予重新換算。

結算貨幣項目及換算貨幣項目所產生之匯兌差額於產生年度內計入損益，惟組成本集團海外業務之投資淨額部份之貨幣項目所產生之匯兌差額除外，在此情況下，有關匯兌差額乃於綜合財務報表中確認為權益。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按結算日匯率換算為本集團之呈列貨幣(即港元)，而有關之收入及開支項目乃按年度內平均匯率換算，除非期間內匯率出現重大波幅，則於此情況下，將採用交易日期之匯率。所產生匯兌差額(如有)均確認為權益之獨立部份(匯兌儲備)。有關換算差額於該項海外業務出售年度內在損益表中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Retirement benefits costs

Payments to the defined contribution retirement benefits scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Borrowing costs

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

4. KEY SOURCE OF ESTIMATION UNCERTAINTY

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

Income taxes

No deferred tax asset was recognised in the Group's consolidated balance sheet in relation to the estimated unused tax losses of approximately HK\$29,604,000. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future profits generated are more than expected, further recognition of deferred tax asset in relation to unutilised tax losses may arise, which would be recognised in the income statement for the period in which such a recognition takes place.

3. 主要會計政策 (續)

租賃

融資租約指將擁有資產之風險及回報絕大部份轉嫁予承租人之租約。而其他租約均列為經營租約。

根據經營租賃應付之租金以直線法於各租賃之租期內在損益表中扣除。作為訂立經營租賃優惠之已收及應收利益在租期內按直線法確認為租金開支減少。

退休福利成本

定額供款退休福利計劃之款項，乃於僱員提服務後而享有供款時作為開支予以扣除。

借貸成本

所有借貸成本均於其產生期間確認及計入綜合損益表中之財務支出。

4. 估計不確定性之主要來源

於採用上文附註3所述之本集團會計政策時，管理層曾作出以下對綜合財務報表中確認之金額構成重大影響之估計。有關在結算日因對不確定性作出判斷，而對下個財政年度之資產及負債面值帶來重大調整之主要來源，亦於下文討論。

所得稅

概無有關估價未動用稅項虧損約29,604,000港元之遞延稅項資產乃於本集團之綜合資產負債表內確認。變現遞延稅項資產主要有賴於是否有足夠未來溢利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際溢利多於預期溢利，則有關未動用稅項虧損之遞延稅項資產可能會作進一步確認，而該未來溢利會於有關確認發生期間之損益計算表內確認。

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5. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's major financial instruments include bank balances, pledged fixed deposits, accounts receivable, loans receivable, loans to a jointly controlled entity, amount due from a jointly controlled entity, accounts payable and other payables. 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.

Fair value interest rate risk

The Group's fair value interest rate risk relates to fixed-rate loans receivable. The Group does not have interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets which are mainly deposits with banks. The Group does not have interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 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. The Group has no significant concentration of credit risk with exposure spread over a number of customers. 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 accounts receivable and loans receivable 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 on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

5. 財務工具

財務風險管理目標及政策

本集團之主要金融工具包括銀行結存、已抵押定期存款、應收賬款、應收貸款、合營公司貸款、應收合營公司款項、應付賬款及其他應付賬款。該等金融工具之詳情已於相關附註中作出披露。與此等金融工具有關之風險，以及減低此等風險之政策載於下文。管理層管理及監察此等風險，以確保能及時及有效地採取適當措施。

公平值利率風險

本集團的公平值利率風險與定息應收貸款有關。本集團尚未有避免利率風險政策。但管理層會監察利率風險及，如有需要，考慮避免面對重大的利率風險。

現金流量利率風險

本集團因利息關聯資產（主要為銀行存款）之利息變動的影響而面對現金流量利率風險。本集團尚未有避免利率風險政策。但管理層會監察利率風險及，如有需要，考慮避免面對重大的利率風險。

信貸風險

倘交易對手於二零零六年十二月三十一日未能履行有關各類已確認金融資產之責任，則本公司所面對之最大信貸風險以綜合資產負債表所列之該等資產賬面值為限。本集團並無重大集中信貸風險，有關風險分散於數名客戶上。為將信貸風險減至最低，本集團管理層已委派一組人員負責釐定信貸額、信貸之審批及其他監管程序，以確保就回收逾期債務作出跟進行動。此外，本集團會於各結算日審閱各個別應收賬款及應收貸款之可收回金額，以確保為不可收回之款額作出適當之減值撥備。因此，本公司董事認為，本集團之信貸風險正大幅降低。

由於交易對手主要為獲國際信貸評級機構評定為高信貸評級之銀行，故流動資金之信貸風險有限。

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5. FINANCIAL INSTRUMENTS (Continued)

Fair value

The fair value of 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.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

5. 財務工具(續)

公平值

金融資產及金融負債之公平值乃按可觀察現行市場交易的價格，以貼現現金流量分析為基準，根據公認定價模式釐定。

董事認為金融資產及金融負債的公平值已按攤銷成本於本財務報表內列賬，與彼等的公平值相若。

6. REVENUE

6. 收益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Commission and brokerage	經紀佣金	43,630	28,768
Interest income from:	來自以下項目之利息收入：		
Clients	客戶	3,915	3,452
Authorised institutions	認可機構	2,452	1,294
Others	其他	75	15
Advisory fee income	顧問費收入	1,010	1,640
		51,082	35,169

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two operating divisions, namely, broking and securities margin financing. These divisions are the basis on which the Group reports its primary segment information. The principal activities of these divisions are as follows:

Broking	—	provision of stockbroking, futures and options broking and mutual funds as well as insurance-linked investment plans and products broking.
Securities margin financing	—	provision of securities margin financing.

7. 業務及地區分類

業務分類

因管理目的，本集團目前由兩個經營類別組成，即分別為經紀業務及證券保證金融資。本集團以該等類別作為呈報主要分類資料之基準，該等類別之主要業務如下：

經紀業務	—	提供證券買賣、期貨與期權買賣、互惠基金、保險掛鈎投資計劃及產品買賣
證券保證金融資	—	提供證券保證金融資

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Segment information about these businesses is presented below.

Consolidated income statement for the year ended 31 December 2006

7. 業務及地區分類(續)

業務分類(續)

該等業務之分類資料載於下文：

*截至二零零六年十二月三十一日止年度之
綜合損益計數表*

		Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益			
Segment revenue	分類收益	47,451	2,463	49,914
Unallocated	未劃撥			1,168
				51,082
RESULTS	業績			
Segment profit	分類溢利	3,684	1,906	5,590
Unallocated expenses	未劃撥開支			(3,649)
Share of profit of an associate	應佔聯營公司之溢利			9,383
Share of profits of jointly controlled entities	應佔合營公司之溢利			49
Profit before taxation	除稅前溢利			11,373
Taxation credit	稅項計入			47
Profit for the year	年度溢利淨額			11,420

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

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Consolidated balance sheet as at 31 December 2006

7. 業務及地區分類 (續)

業務分類 (續)

於二零零六年十二月三十一日之綜合資產
負債表

		Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產			
Segment assets	分類資產	111,517	29,792	141,309
Interest in an associate	聯營公司之權益			123,340
Interest in a jointly controlled entity	合營公司之權益			54
Loans to a jointly controlled entity	合營公司貸款			34,508
Unallocated corporate assets	未劃撥公司資產			7,391
Consolidated total assets	綜合資產總額			306,602
LIABILITIES	負債			
Segment liabilities	分類負債	80,748	2,783	83,531
Unallocated corporate liabilities	未劃撥公司負債			2,340
Consolidated total liabilities	綜合負債總額			85,871

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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

(Continued)

Business segments (Continued)

Other information for the year ended 31 December 2006

7. 業務及地區分類(續)

業務分類(續)

截至二零零六年十二月三十一日止年度之
其他資料

		Securities margin financing 證券 保證金融資	Unallocated 未劃撥	Consolidated 綜合
	Broking 經紀業務 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Additions to fixed assets	固定資產增添	560	—	584
Amortisation of intangible assets	無形資產攤銷	6	—	6
Depreciation	折舊	678	44	722
Write back of bad and doubtful debts	呆壞賬回撥	(25)	(765)	(798)

Consolidated income statement for the year ended 31
December 2005

截至二零零五年十二月三十一日止年度之
綜合損益計數表

		Securities margin financing 證券 保證金融資	Consolidated 綜合
	Broking 經紀業務 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
REVENUE	收益		
Segment revenue	分類收益	31,168	33,414
Unallocated	未劃撥		1,755
			35,169
RESULTS	業績		
Segment profit	分類溢利	1,200	4,885
Unallocated expenses	未劃撥開支		(514)
Share of profit of an associate	應佔聯營公司之 溢利		9,669
Profit before taxation	除稅前溢利		14,040
Taxation charge	稅項扣除		(35)
Profit for the year	年度溢利淨額		14,005

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2006
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7. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Consolidated balance sheet as at 31 December 2005

7. 業務及地區分類 (續)

業務分類 (續)

於二零零五年十二月三十一日之綜合資產
負債表

		Broking	Securities margin financing	Consolidated
		經紀業務	證券 保證金融資	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
ASSETS	資產			
Segment assets	分類資產	81,034	29,950	110,984
Interest in an associate	聯營公司之權益			111,851
Unallocated corporate assets	未劃撥公司資產			4,467
Consolidated total assets	綜合資產總額			227,302
LIABILITIES	負債			
Segment liabilities	分類負債	48,019	1,107	49,126
Unallocated corporate liabilities	未劃撥公司負債			359
Consolidated total liabilities	綜合負債總額			49,485

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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

(Continued)

Business segments (Continued)

Other information for the year ended 31 December 2005

7. 業務及地區分類(續)

業務分類(續)

於二零零五年十二月三十一日止年度之其他資料

		Securities margin financing 證券 保證金融資	Unallocated 未劃撥	Consolidated 綜合
	Broking 經紀業務 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Additions to fixed assets	固定資產增添	168	—	168
Amortisation of intangible assets	無形資產攤銷	6	—	6
Depreciation	折舊	1,148	105	1,253
Write back of bad and doubtful debts	呆壞賬回撥	(1,458)	(3,313)	(4,771)

Geographical segments

All of the activities of the Group are based in Hong Kong and all of the Group's revenue and profit before taxation are derived from Hong Kong. In addition, the Group's assets are located in Hong Kong.

地區分類

本集團之所有業務均在香港經營，而本集團之所有收益及除稅前溢利均來自香港。此外，本集團之資產均位於香港。

8. FINANCE COSTS

8. 財務費用

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on borrowings wholly repayable within five years:	於五年內償清之貸款利息：		
Bank overdrafts	銀行透支	4	1
Other bank borrowings	其他銀行貸款	229	19
		233	20

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9 TAXATION CREDIT (CHARGE)

9. 稅項 (扣除)

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Hong Kong Profits Tax:	香港利得稅：		
Underprovision in prior years	過往年度撥備不足	(33)	(35)
Deferred tax (note 18)	遞延稅項 (附註18)	80	—
		47	(35)

The taxation charge for the year represents the underprovision of Hong Kong Profits Tax for prior years. No provision for Hong Kong Profits Tax had been made in the consolidated financial statements as there is no assessable profit arising in Hong Kong or the assessable profit is wholly absorbed by estimated tax losses brought forward.

本年度之稅項扣除指上年度撥備不足之香港利得稅。由於沒有於香港產生應課稅溢利，或該等應課稅溢利已全數計入承前估計稅項虧損，故並無於綜合財務報表內就香港利得稅提取撥備。

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

年度之稅項，與綜合損益計數表之除稅前溢利之對賬如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	11,373	14,040
Taxation charge at the Hong Kong Profits Tax rate of 17.5%	以香港利得稅率17.5%計算之稅款	(1,990)	(2,457)
Tax effect of share of profit of an associate	應佔聯營公司溢利之稅務影響	1,640	1,464
Tax effect of share of profits of jointly controlled entities	應佔合營公司溢利之稅務影響	9	—
Tax effect of income not taxable for tax purpose	毋須就稅項而課稅之收入之稅務影響	444	736
Tax effect of estimated tax losses not recognised	未確認估計稅務虧損之稅務影響	(566)	(517)
Underprovision in prior years	過往年度撥備不足	(33)	(35)
Tax effect of expenses not deductible for tax purpose	不能就稅項作扣減開支之稅務影響	(810)	(10)
Tax effect of utilisation of estimated tax loss previously not recognised	未有就以往估計稅務虧損作確認之稅務影響	1,351	929
Others	其他	2	(145)
Taxation credit (charge) for the year	年度之稅項計入 (扣除)	47	(35)

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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

綜合財務報表附註

10. PROFIT FOR THE YEAR

10. 年度溢利

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	年度溢利已扣除 (計入) 下列各項：		
Auditor's remuneration	核數師酬金	1,110	1,107
Contributions to retirement benefits scheme (included in staff costs)	退休福利計劃供款 (包括僱員成本)	419	383
Loss from error trades	錯誤交易虧損	35	13
Operating lease rentals in respect of rented premises	有關租賃物業之經營租約租金	5,070	4,364
Net realised and unrealised gain on investment held for trading	變現及未變現之持作投資買賣淨盈利	—	(1)
Share of tax of an associate (included in share of profit of an associate)	應佔聯營公司之稅項 (於應佔聯營公司之溢利內)	997	1,262

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截至二零零六年十二月三十一日止年度

11. DIRECTORS' REMUNERATION

11. 董事酬金

		Lam Kwok Hing 藍國慶	Nam Kwok Lun 藍國倫	Ng Chi Kin David 伍志堅	Chen Wei-Ming Eric 陳偉明	Kwan Wang Wai Alan 關宏偉	Total 總共 2006 二零零六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees:	袍金：						
Independent Non-Executive Directors	獨立非執行董事	—	—	50	50	50	150
Other emoluments to Executive Directors:	執行董事之其他酬金：						
Salaries and other benefits	薪金及其他福利	809	809	—	—	—	1,618
Contributions to retirement benefits scheme	退休福利計劃供款	12	12	—	—	—	24
Total remuneration	總酬金	821	821	50	50	50	1,792

		Lam Kwok Hing 藍國慶	Nam Kwok Lun 藍國倫	Ng Chi Kin David 伍志堅	Chen Wei-Ming Eric 陳偉明	Kwan Wang Wai Alan 關宏偉	Total 總共 2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees:	袍金：						
Independent Non-Executive Directors	獨立非執行董事	—	—	50	50	50	150
Other emoluments to Executive Directors:	執行董事之其他酬金：						
Salaries and other benefits	薪金及其他福利	644	644	—	—	—	1,288
Contributions to retirement benefits scheme	退休福利計劃供款	12	12	—	—	—	24
Total remuneration	總酬金	656	656	50	50	50	1,462

During both years, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments during the year.

於兩年度內，本集團概無向任何董事支付任何酬金，以吸引其加入本集團或作為利息的賠償。於年度內，董事並無放棄任何酬金。

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12. EMPLOYEES' EMOLUMENTS

The five individuals with the highest emoluments in the Group included two (2005: two) Directors of the Company for the year, details of whose emoluments are included in note 11. The emoluments of the remaining three (2005: three) individuals were as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,719	1,899
Contributions to retirement benefits scheme	退休福利計劃供款	36	36
		1,755	1,935

The aggregate emoluments of each of these remaining three (2005: three) highest paid individuals were less than HK\$1,000,000.

During the year, no emoluments were paid by the Group to the above-mentioned individuals as an inducement to join the Group or as compensation for loss of office.

12. 僱員酬金

於年度內，本集團之五名最高薪酬人士包括兩名(二零零五年：兩名)本公司董事，其薪酬詳情載於附註第11項。其餘三名(二零零五年：三名)人士之酬金如下：

其餘三名(二零零五年：三名)每名最高薪酬人士之酬金總額均少於1,000,000港元。

於年度內，本集團概無向上述人士支付任何酬金，以吸引其加入本集團或作為離職賠償。

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13. EARNINGS PER SHARE

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

13. 每股盈利

每股盈利乃按下列數據計算：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit attributable to the equity holders of the Company for the purposes of basic and diluted earnings per share	用以計算每股基本及攤薄盈利之本公司之權益持有人應佔溢利淨額	11,315	13,845
		Number of shares 股份數目	
		'000 千股	'000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均數目	470,386	460,000
Effect of dilutive potential ordinary shares arising from share options	認股權產生之潛在普通股的攤薄影響	1,989	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算攤薄後每股盈利的普通加權平均數目	472,375	460,000

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14. FIXED ASSETS

14. 固定資產

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合共 HK\$'000 千港元
COST	成本值					
At 1 January 2005	於二零零五年一月一日	700	5,344	4,134	2,132	12,310
Additions	增添	—	152	16	—	168
At 31 December 2005	於二零零五年十二月三十一日	700	5,496	4,150	2,132	12,478
Additions	增添	32	548	4	—	584
Disposals	出售	—	(346)	—	—	(346)
At 31 December 2006	於二零零六年十二月三十一日	732	5,698	4,154	2,132	12,716
DEPRECIATION	折舊					
At 1 January 2005	於二零零五年一月一日	700	3,957	3,582	1,922	10,161
Provided for the year	年度撥備	—	708	432	113	1,253
At 31 December 2005	於二零零五年十二月三十一日	700	4,665	4,014	2,035	11,414
Provided for the year	年度撥備	2	595	77	48	722
Eliminated on disposals	出售時撇銷	—	(346)	—	—	(346)
At 31 December 2006	於二零零六年十二月三十一日	702	4,914	4,091	2,083	11,790
CARRYING VALUES	賬面值					
At 31 December 2006	於二零零六年十二月三十一日	30	784	63	49	926
At 31 December 2005	於二零零五年十二月三十一日	—	831	136	97	1,064

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15. INTANGIBLE ASSETS

15. 無形資產

		Trading rights	License and rights to use a website and trademark	License to use technical knowhow and webtrade products	Total
		交易權	使用網站和商標之許可權及權利	技術及網上交易產品之許可權	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
COST	成本值				
At 1 January 2005 and 31 December 2005	於二零零五年一月一日及二零零五年十二月三十一日	50	120,978	7,420	128,448
Write-off	撇除	—	(120,978)	(7,420)	(128,398)
At 31 December 2006	於二零零六年十二月三十一日	50	—	—	50
DEPRECIATION	折舊				
At 1 January 2005	於二零零五年一月一日	21	120,978	7,420	128,419
Provided for the year	年度撥備	6	—	—	6
At 31 December 2005	於二零零五年十二月三十一日	27	120,978	7,420	128,425
Provided for the year	年度撥備	6	—	—	6
Eliminated on write-off	撇除時撇銷	—	(120,978)	(7,420)	(128,398)
At 31 December 2006	於二零零六年十二月三十一日	33	—	—	33
CARRYING VALUES	賬面值				
At 31 December 2006	於二零零六年十二月三十一日	17	—	—	17
At 31 December 2005	於二零零五年十二月三十一日	23	—	—	23

Trading rights represent two trading rights in the Stock Exchange and one trading right in the Hong Kong Futures Exchange Limited (the "Futures Exchange").

Trading rights are amortised over nine years.

交易權指於聯交所之兩個交易權及香港期貨交易所有限公司（「期交所」）之一個交易權。

交易權乃按九年攤銷。

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16. INTEREST IN AN ASSOCIATE

16. 聯營公司權益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of investment in an associate listed in Hong Kong	香港上市聯營公司投資成本值	53,399	53,399
Share of post-acquisition profits (Note)	收購後應佔溢利 (附註)	69,941	58,452
		123,340	111,851
Fair value of listed shares	上市股份公平值	90,898	48,883

The amount represents the Group's 47.37% equity interest in ATNT, a company incorporated in Bermuda with its shares being listed on the Stock Exchange. At 31 December 2006, the issued and fully paid share capital of ATNT was 426,463,400 ordinary shares of HK\$0.01 each. ATNT and its subsidiaries are mainly engaged in design, manufacturing and sale of electroplating equipment, custom-built horizontal wet processing and automation machinery, trading of logged timber, as well as provision of stage construction and arts production. The principal places of operation of ATNT and its subsidiaries are in The People's Republic of China, including Hong Kong and Taiwan.

Note: The share of post-acquisition profits includes an amount of HK\$43,033,000 (2005: HK\$43,033,000) being discount on acquisition of the associate. The discount on acquisition for the year ended 31 December 2005 of HK\$1,305,000 had been included in the share of profit of the associate in the consolidated income statement.

該數額乃指本集團於亞洲聯網持有之 47.37% 股權。亞洲聯網為一間於百慕達註冊成立之公司，其股份於聯交所上市。於二零零六年十二月三十一日，亞洲聯網之已發行及繳足股本為 426,463,400 股普通股，每股面值 0.01 港元。亞洲聯網及其附屬公司主要從事設計、生產及銷售電鍍設備、因應客戶需求之水平式濕式處理設備及自動化機械、木材貿易及提供舞台建築及藝術製作。亞洲聯網及其附屬公司之主要營業地點為中華人民共和國，包括香港及台灣。

附註：收購後應佔溢利包括收購聯營公司折讓 43,033,000 港元（2005：43,033,000 港元）。收購之折讓 1,305,000 港元已於截至二零零五年十二月三十一日止年度綜合損益計數表內收購聯營公司之溢利入賬。

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16. INTEREST IN AN ASSOCIATE (Continued)

The following details have been extracted from the audited consolidated financial statements of ATNT:

16. 聯營公司權益 (續)

以下之詳情乃節錄自亞洲聯網之經審核綜合財務報表：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Total assets	資產總額	585,247	462,716
Total liabilities	負債總額	311,022	212,099
Net assets	資產淨額	274,225	250,617
Group's share of net assets of the associate	本集團應佔聯營公司淨資產	123,340	111,851
Revenue	收益	632,501	430,930
Profit for the year	年度溢利	19,807	13,136
Group's share of profit of the associate for the year	本集團應佔年度聯營公司之溢利	9,383	8,364

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17. INTEREST IN A JOINTLY CONTROLLED ENTITY

On 7 April 2006, the Group through a wholly-owned subsidiary, Karl Thomson Energy Limited ("KT Energy"), entered into a joint venture agreement ("JV agreement") with an independent third party, Holley International (Hong Kong) Limited ("Holley"), and set up a jointly controlled entity called Oriental Victor with an investment cost of HK\$5,000. On the same date, Oriental Victor entered into an accession agreement ("Accession Agreement"), with Swiss-Invest Petroleum Group Limited ("Swiss-Invest"). Pursuant to the Accession Agreement, Swiss-Invest will assign, transfer and novate all its rights and obligations in an oil field situated in Egypt ("Oil Field") to Oriental Victor at a consideration of HK\$1. In addition, Oriental Victor has acquired a 50% interest in First Energy Pty Ltd. ("First Energy"). First Energy, through its investment in Aminex Petroleum Egypt Ltd. ("Aminex"), was in the process of obtaining a concession right from the Egyptian government in contracting exploration and production rights in the Oil Field (this concession right was subsequently obtained on 17 September 2006). In respect of this, KT Energy and Holley are required to each contribute approximately a total of US\$7,000,000, with an aggregate amount of US\$14,000,000 by way of shareholders' loan to Oriental Victor which will then be advanced to First Energy to enable it to participate in the exploration and production of the Oil Field.

On 3 August 2006, the Group acquired the remaining 50% interest in the share capital of Oriental Victor and Oriental Victor became the wholly-owned subsidiary of the Company. The net assets acquired are set out as below. Pursuant to the supplemental agreement signed on the same date between Oriental Victor and the other shareholder of First Energy, the shareholder loan to be contributed by Oriental Victor to First Energy was reduced from US\$14,000,000 to US\$7,000,000.

17. 合營公司權益

於二零零六年四月七日，本集團透過全資附屬公司，高信能源有限公司（「高信能源」），與一名獨立第三者華立國際（香港）有限公司（「華立」）訂立一項合營協議及以5,000港元為投資成本成立一間合營公司，稱為華興泰。於同日，華興泰與瑞麗石油集團有限公司（「瑞麗」）訂立取用協議。根據取用協議，瑞麗以代價1港元將其於埃及之油田（「油田」）的所有權利及義務轉讓、轉移及代替予華興泰。再者，華興泰已取得First Energy Pty Ltd（「First Energy」）50%之權益。First Energy透過其於Aminex Petroleum Egypt Ltd.（「Aminex」）之投資，向埃及政府申請特許權以取得油田之石油開發及生產權（其後於二零零六年九月十七日獲得此特許權）。因此，高信能源及瑞麗均需各自出資共約7,000,000美元，總共14,000,000美元，以股東貸款形式予華興泰，從而給於First Energy作為參予油田開發及生產。

於二零零六年八月三日，本集團收購華興泰餘下50%之股本權益及華興泰成為本公司之全資附屬公司。獲得之淨資產如下。根據華興泰與First Energy之其他股東所簽訂之補充協議，由華興泰出資於First Energy之股東貸款由14,000,000美元減至7,000,000美元。

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17. INTEREST IN A JOINTLY CONTROLLED ENTITY

(Continued)

The net assets of Oriental Victor acquired on 3 August 2006 are as follows:

17. 合營公司權益 (續)

於二零零六年八月三日收購華興泰之淨資產如下：

		千港元 Hk\$'000
Net assets acquired:	收購之淨資產	
Interest in a jointly controlled entity (Note)	合營公司權益 (附註)	—
Loans to a jointly controlled entity	合營公司貸款	9,332
Other receivables	其他應收款	13
Amount due from a jointly controlled entity	應收合營公司款項	1,983
Accrued expenses and other payables	應計費用及其他應付賬款	(11,321)
		7
Represented by:	由以下代表：	
Interest in a jointly controlled entity	合營公司權益	2
Cash consideration paid	現金代價支付	5
		7
Cash outflow arising on acquisition, being cash consideration paid	收購之現金流量，現金代價支付	5

As at 31 December 2006, the Group had interest in the following significant jointly controlled entity:

於二零零六年十二月三十一日，本集團擁有以下重要合營公司之權益：

Name of entity	Form of business structure	Country of incorporation	Principal place of operation	Class of share held	Proportion of nominal value of issued capital held by the Group	Proportion of voting power held	Principal activity
公司名稱	營業架構形式	註冊成立國家	主要營業地點	所持股份類別	本集團持有已發行股本面值之比例 百分比	持有投票權比例 百分比	主要業務
First Energy Pty Ltd.	Incorporated 註冊成立	Australia 澳洲	Australia 澳洲	Ordinary 普通	50%	50%	Investment holding 投資控股

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17. INTEREST IN A JOINTLY CONTROLLED ENTITY 17. 合營公司權益(續)

(Continued)

		2006 二零零六年 HK\$ 港元
Cost of unlisted investment in a jointly controlled entity (Note)	非上市合營公司投資成本值 (附註)	—
Share of post-acquisition profits	收購後應佔溢利	54
		54

Note: The interest in First Energy acquired on 3 August 2006 and the cost of investment in First Energy as at 31 December 2006 both amounted to HK\$1.

附註：於二零零六年八月三日收購First Energy之權益及於二零零六年十二月三十一日於First Energy之投資成本均為1港元。

Amount due from a jointly controlled entity is unsecured, non-interest bearing and repayable on demand.

應收合營公司貸款無抵押，免息及須於要求時償還。

18. DEFERRED TAX ASSETS

The following are the major deferred tax liabilities and assets recognised and movements thereon during the year:

18. 遞延稅項資產

本年度主要已確認之遞延稅項負債及資產及其變動於下：

		Accelerated depreciation 累計折舊 HK\$'000 千港元	Tax losses 稅務虧損 HK\$'000 千港元	Total 合共 HK\$'000 千港元
At 1 January 2006 (Charge) credit to income statement for the year	於二零零六年一月一日 本年度於損益表 (扣除)計入	— (25)	— 105	— 80
At 31 December 2006	於二零零六年 十二月三十一日	(25)	105	80

At the balance sheet date, the Group has estimated unused tax losses of approximately HK\$30,204,000 (2005: HK\$34,690,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$600,000 of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately HK\$29,604,000 (2005: HK\$34,690,000) due to the uncertainty of future profit streams. Tax losses may be carried forward indefinitely.

於結算，本集團有未動用估計稅務虧損約30,204,000港元(二零零五年：34,690,000港元)可供抵銷未來溢利。約600,000港元稅務虧損之遞延稅項資產已確認。由於難以預測未來溢利流量，故未有確認餘下約29,604,000港元(二零零五年：34,690,000港元)稅務虧損之遞延資產。稅務虧損或會無限期結轉。

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19. STATUTORY DEPOSITS

19 法定按金

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Deposits with:	存放於下列公司之款項：		
The Stock Exchange	聯交所	230	230
The SFC	證監會	2,100	2,100
Hong Kong Securities Clearing Company Limited ("HKSCC")	香港中央結算有限公司 (「中央結算」)	200	200
Reserve Fund Contribution to HKFE Clearing Corporation Limited ("HKFECC")	期貨交易結算有限公司 (「期交結算」) 之 儲備金供款	1,500	1,500
		4,030	4,030

20. LOANS TO A JOINTLY CONTROLLED ENTITY

20. 合營公司貸款

Loans to a jointly controlled entity are unsecured, non-interest bearing and have no fixed repayment terms.

合營公司貸款無抵押，免息及沒有固定還款期。

21. LOANS RECEIVABLE

21. 應收貸款

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Fixed-rate loans receivable denominated in Hong Kong dollars	定息應收貸款，以港元列算	1,980	1,479
Carrying amount analysed for reporting purposes:	用作報告用途之賬面值分析：		
Current assets (receivable within 12 months from the balance sheet date)	流動資產 (由結算日起 計算十二個月內 之應收款項)	586	464
Non-current assets (receivable after 12 months from the balance sheet date)	非流動資產 (由結算日起 計算十二個月後 之應收款項)	1,394	1,015
		1,980	1,479

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21. LOANS RECEIVABLE (Continued)

The fixed-rate loans receivable have contractual maturity dates as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Matured within 1 year	一年內到期	586	464
Matured within 1 year and 2 years	一年至兩年內到期	464	91
Matured within 2 years and 3 years	兩年至三年內到期	138	63
Matured within 3 years and 4 years	三年至四年內到期	73	68
Matured within 4 years and 5 years	四年至五年內到期	78	73
Matured over 5 years	五年後到期	641	720
		1,980	1,479

Loans receivable with an aggregate carrying value of approximately HK\$983,000 (2005: HK\$1,038,000) are secured by pledged assets.

The effective interest rates (which are equal to contractual interest rates) on the Group's loans receivable ranged from 5% to 12% (2005: 2% to 14%). Interest rate term is fixed at time when entering into loan agreement.

21. 應收貸款 (續)

定息應收貸款之定約到期日如下：

總面值約983,000港元(二零零五年：1,038,000港元)之應收貸款乃以已抵押的資產作為擔保。

本集團應收貸款之實際利率(此等同合約利率)由5%至12%不等(二零零五年：2%至14%)。利率之條款於訂立貸款協議時釐定。

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22. OTHER ASSETS

22. 其他資產

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Accounts receivable comprise of:	應收賬款包括下列項目：		
Accounts receivable arising from the business of dealing in securities:	買賣證券業務所產生之應收賬款：		
— Cash clients	— 現金客戶	17,162	10,225
— HKSCC	— 中央結算	1,778	1,152
Accounts receivable from HKFECC arising from the business of dealing in futures contracts	買賣期貨合約業務所產生之應收期交結算賬款	6,443	4,558
Loans to securities margin clients	證券保證金融資客戶貸款	24,850	13,466
Accounts receivable arising from the business of providing corporate advisory services	提供企業顧問服務業務所產生之應收賬款	260	497
		50,493	29,898

The settlement terms of accounts receivable from cash clients, HKSCC and HKFECC are usually one to two days after the trade date. Except for the accounts receivable from cash clients as mentioned below, the accounts receivable from HKSCC and HKFECC aged within 30 days.

Loans to securities margin clients are secured by clients' pledged securities, repayable on demand and bear interest at prevailing market rates. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

應收現金客戶、中央結算及期交結算賬款之結算期限為交易日期後一至二日。除下文所示之現金客戶應收賬款外，中央結算及期交結算之應收賬款的賬齡均為30天內。

證券保證金融資客戶貸款，乃以客戶之有抵押證券作抵押，須按通知償還及按現行市場利率計算利息。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

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22. OTHER ASSETS (Continued)

The Group does not provide any credit term to its corporate advisory clients. The age of accounts receivable arising from the business of providing corporate advisory services is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 to 90 days	零至九十日	25	260
91 to 180 days	九十一至一百八十日	25	237
Over 180 days	多於一百八十日	210	—
		260	497

The aged analysis of accounts receivable from cash clients is as follows:

22. 其他資產 (續)

本集團並無為企業顧問客戶提供信貸期。提供企業顧問服務業務產生之應收款賬齡如下：

現金客戶之應收賬款的賬齡分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 to 90 days	零至九十日	16,885	9,857
91 to 180 days	九十一至一百八十日	277	368
		17,162	10,225

23. PLEDGED FIXED DEPOSITS, BANK BALANCES AND CASH

Pledged fixed deposits

The Group had pledged fixed deposits of approximately HK\$8,165,000 (2005: HK\$7,823,000) to banks to secure general banking facilities granted to the Group. The pledged fixed deposits carry floating interest rates ranging from 3% to 5% (2005: 3% to 4%) per annum and will be released upon the expiry of the relevant banking facilities.

23. 已抵押定期存款、銀行結存及現金

已抵押定期存款

本集團就取得授予本集團之一般銀行融資而向銀行作出之已抵押定期存款約為8,165,000港元(二零零五年：7,823,000港元)。已抵押定期存款之浮動利率介乎每年3%至5%(二零零五：3%至4%)並將於有關銀行融資到期後解除。

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23. PLEDGED FIXED DEPOSITS, BANK BALANCES AND CASH (Continued)

Bank balances (trust and segregated accounts)

From the Group's ordinary business, it receives and holds money deposited by clients in the course of the conduct of the regulated activities. These clients' monies are maintained in one or more segregated bank accounts and bear interest rates ranging from 1.2% to 3.2% (2005: 1% to 1.5%) per annum. The Group has recognised the corresponding accounts payable to respective clients. However, the Group does not have a currently enforceable right to offset those payables with the deposits placed.

Bank balances (general accounts) and cash

The amounts comprise cash held by the Group and short-term bank deposits at market interest rates ranging from 1.2% to 3.2% (2005: 1% to 1.5%) per annum with an original maturity of three months or less.

23. 已抵押定期存款、銀行結存及現金 (續)

銀行結存 (信託及獨立賬戶)

來自本集團之一般業務，本集團進行受監管活動而收取並持有客戶之存款。該等客戶之款項儲存在一個或多個獨立銀行賬戶並承擔按年利率介乎每年1.2%至3.2% (二零零五年：1%至1.5%) 計算之利息。本集團已確認相對之應付有關客戶之賬款。但本集團現時並無行使權將存款抵銷該等應付賬款。

銀行結存 (一般賬戶) 及現金

此金額包括本集團持有之現金及按市場利率介乎每年1.2%至3.2% (二零零五年：1%至1.5%) 計算並少於三個月到期之短期銀行存款。

24. ACCOUNTS PAYABLE

24. 應付賬款

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Accounts payable to cash clients arising from the business of dealing in securities	買賣證券業務所產生應付現金客戶之賬款	65,847	38,836
Accounts payable to clients arising from the business of dealing in futures contracts	買賣期貨合約業務所產生應付客戶之賬款	9,746	5,656
Amounts due to securities margin clients	應付證券保證金融資客戶之款項	2,783	1,107
		78,376	45,599

The settlement terms of accounts payable to cash clients is two days after the trade date and aged within 30 days.

應付現金客戶之結算期限為交易日期後二日，其賬齡為30天內。

Amounts due to securities margin clients are repayable on demand. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

應付證券保證金融資客戶之款項，須按通知償還。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

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24. ACCOUNTS PAYABLE (Continued)

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their tradings of futures contracts on the Futures Exchange. The excess of the outstanding amounts over the required margin deposits stipulated by the Futures Exchange is repayable to clients on demand. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

The accounts payable amounting to HK\$61,936,000 (2005: HK\$39,375,000) was payable to clients in respect of the trust and segregated bank balances received and held for clients in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

24. 應付賬款 (續)

買賣期貨合約業務所產生應付客戶之賬款，乃已收客戶買賣期交所期貨合約之保證金。未償還款項較期交所規定之保證金按金超出之數額，須按通知向客戶償還。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

因進行受監管活動而收取及持有客戶款項，並儲存在信託及獨立銀行賬戶的應付賬款為61,936,000港元(二零零五年：39,375,000港元)。但本集團現時並無行使權將存款抵銷該等應付賬款。

25. SHARE CAPITAL

25. 股本

		Number of shares	
		股份數目	
		'000	HK\$'000
		千股	千港元
<hr/>			
Ordinary shares of HK\$0.10 each	每股面值0.10 港元之普通股		
<i>Authorised:</i>	<i>法定股本：</i>		
At 1 January 2005,	二零零五年一月一日，		
31 December 2005 and	二零零五年十二月三十一日及		
31 December 2006	二零零六年十二月三十一日	1,000,000	100,000
<hr/>			
<i>Issued and fully paid:</i>	<i>已發行及繳足股本：</i>		
At 1 January 2005 and	於二零零五年一月一日及		
31 December 2005	二零零五年十二月三十一日	460,000	46,000
Placing of Shares (Note)	新股配售(附註)	17,000	1,700
<hr/>			
31 December 2006	於二零零六年十二月三十一日	477,000	47,700
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25. SHARE CAPITAL (Continued)

Note: Pursuant to the meeting of the Board of Directors of the Company held on 7 April 2006, the issue of 17,000,000 new shares of HK\$0.1 each for cash at HK\$1.73 per share by the way of placing was approved and the new shares were allotted to independent third parties ("the Placees") on 23 May 2006. The proceeds were used to partly finance the funding commitment of US\$7,000,000 for the oil field in Egypt.

Pursuant to the terms of the placing agreement, the Company has also agreed to grant an option to each of the Placees to subscribe for the shares of the Company up to an aggregate of 17,000,000 shares at an option exercise price of HK\$1.85 each during the option period of one year.

The closing price of the Company's shares immediately before 23 May 2006, the date of grant of the share options, was HK\$1.74. No option was exercised during the year.

26. OPERATING LEASES

The Group as lessee

The Group made minimum lease payments under operating leases in respect of office premises of approximately HK\$5,070,000 (2005: HK\$4,364,000) during the year.

At the balance sheet, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	5,384	2,540
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	1,225	1,855
		6,609	4,395

Operating lease payments represent rentals payable by the Group for its office premises. Leases are mainly negotiated for an average term of two years and rentals are fixed for an average of two years.

25. 股本 (續)

附註：根據於二零零六年四月七日舉行之本公司之董事會會議，批准以配售形式發行每股0.1港元之17,000,000股新股份，以換取現金每股1.73港元。該新股已於二零零六年五月二十三日向獨立第三（「承配人」）配發。該款項部份用作為於埃及油田之7,000,000美元資金承擔。

根據配售協議之條款，本公司亦同意向各承配人授出認股權，於為期一年的認股權期間內以每股1.85港元的認股權行使價認購總數達17,000,000股之本公司股份。

本公司股份於二零零六年五月二十三日，即授出認股權當日，之前最後收市價為1.74港元。本年度並沒有認股權被行使。

26. 經營租約

本集團作為承租人

本集團本年度就辦公室物業經營租約支付之最低租金為約5,070,000港元（二零零五年：4,364,000港元）。

於結算日，本集團須根據租賃物業之不可註銷經營租約，在下列期間支付未來最低租金：

經營租約款項指本集團就辦公室物業應付之租金。租約主要按平均兩年期磋商，而於平均兩年內之租金乃固定。

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27. CAPITAL COMMITMENT

27. 資本承擔

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of fixed assets contracted for but not provided for in the consolidated financial statements	有關購買固定資產之已定約項目但未計於綜合財務報表撥備之資本開支	—	100

28. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at both balance sheet dates.

28. 或然負債

於結算日，本集團並無任何重大或然負債。

29. SHARE BASED PAYMENT TRANSACTIONS

Pursuant to the Share Option Scheme (the “Scheme”) adopted by the Company at the annual general meeting held on 7 September 2004, the Board of Directors of the Company may at its discretion, invite any employees (whether full-time or part-time), executives or officers of the Company and any of its subsidiaries (including Executive and Non-Executive Directors) and any business consultants, agents, financial or legal advisers who the Board of Directors of the Company considers will contribute or have contributed to the Company or any of its subsidiaries (the “Eligible Participants”), to take up share options to subscribe for shares in the Company. The purpose of the Scheme is to provide incentives to the Eligible Participants. The Scheme will expire on 6 September 2014.

29. 股權支付交易

根據本公司於二零零四年九月七日之股東周年大會中採納之認股權計劃（「認股權計劃」），本公司董事會可酌情邀請本公司及其任何附屬公司任何僱員（不論是全職或兼職）、行政人員或高級職員（包括執行及非執行董事），以及本公司董事會認為將會或已經對本公司或其任何附屬公司帶來貢獻之任何業務顧問、代理、財務或法律顧問（「合資格參與者」），接受認股權以認購本公司股份。認股權計劃旨在獎勵合資格參與者。認股權計劃將於二零一四年九月六日屆滿。

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29. SHARE BASED PAYMENT TRANSACTIONS (Continued)

The subscription price for shares under the Scheme will be a price determined by the Board of Directors of the Company but will not be less than the highest of: (i) the official closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange on the date of the Company on which the share option is offered to an Eligible Participant ("Offer Date"); (ii) the average of the official closing prices of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately proceeding the Offer Date; and (iii) the nominal value of a share of the Company.

There is no minimum year for which a share option must be held before it became exercisable. Share options granted are exercisable at any time during the exercisable year determined by the Board of Directors of the Company.

The maximum number of shares in respect of which share options may be granted under the Scheme is 46,000,000 shares of the Company, being 10 per cent. of the issued share capital of the Company on the date on which the Scheme was approved. The maximum number of shares in respect of which share options may be granted to any Eligible Participants, shall not, when aggregated with: (i) any share of the Company issued upon exercise of share options or share options under other schemes which have been granted to that Eligible Participant; (ii) any share of the Company which would be issued upon the exercise of outstanding share options or share options under other schemes granted to that Eligible Participant; and (iii) any cancelled shares of the Company which were the subject of share options or share options under other schemes which had been granted to and accepted by that Eligible Participant, in any twelve-month period up to the Offer Date, exceed one per cent. of the number of shares of the Company in issue on the Offer Date.

29. 股權支付交易 (續)

認股權計劃項下之股份認購價，將為本公司董事會釐定之價格，但該價格將不少於以下三者之最高者：(i)於本公司向合資格參與者授出認股權當日（「授出日期」），聯交所每日報價表所示本公司股份之正式收市價；(ii)於緊接授出日期前五個營業日，聯交所每日報價表所示本公司股份之平均正式收市價；以及(iii)本公司股份之面值。

現時並無規定認股權於可獲行使前必須持有最短年期。已授出之認股權，於本公司董事會釐定之可行使年度內可隨時予以行使。

根據認股權計劃而可能授出之認股權所涉及之最高股份數目為46,000,000股本公司股份，即本公司於批准認股權計劃當日之已發行股本10%。直至授出日期止任何十二個月期間，任何合資格參與者可能獲授認股權所涉及之最高股份數目，當與以下三者彙集起來時，將不超過本公司於授出日期之已發行股份數目之1%：(i)因行使認股權，或因行使該合資格參與者已獲授其他計劃項下之認股權而已發行之本公司任何股份；(ii)因行使未行使認股權，或因行使該合資格參與者已獲授其他計劃項下之認股權而將予發行之本公司任何股份；以及(iii)認股權或該合資格參與者已獲授及接納之其他計劃項下之認股權所涉及之本公司任何已註銷股份。

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29. SHARE BASED PAYMENT TRANSACTIONS

(Continued)

The acceptance of a share option, if accepted, must be made within 30 days after the Offer Date with a non-refundable payment of HK\$1 from the grantee to the Company.

No share option has been granted under the Scheme since its adoption on 7 September 2004.

30. RETIREMENT BENEFITS SCHEME

The Group has operated a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") after the implementation of the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately in an independently managed fund. The Group has followed the minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income. The contributions are charged to the consolidated income statement as incurred.

31. RELATED PARTY TRANSACTIONS

Transactions with related parties

- (a) During the year, the Group received commission income and other securities dealing income from securities, futures and options dealings of approximately HK\$87,000 (2005: HK\$54,000) from the associates of the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- (b) During the year, the Group received interest income from securities margin financing of approximately HK\$31,000 (2005: HK\$356) from the associates of the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun.
- (c) During the year, the Group paid administrative expense of approximately HK\$869,000 (2005: 409,000) to AC Consulting Limited in which Mr. Chow Ka Wo has a beneficial interest and is the director of KTFA, a subsidiary of the Company.

29. 股權支付交易 (續)

於授出日期後三十日內必須作出是否接納認股權之決定。倘若接納認股權，則承授人須向本公司支付不可退還之款項1港元。

自於二零零四年九月七日採納認股權計劃以來，並未據此而授出任何認股權。

30. 退休福利計劃

於強制性公積金計劃條例實行後，本集團已根據強制性公積金計劃條例之規則及規例設立退休金計劃（「強積金計劃」）。強積金計劃之資產，乃分開於獨立管理基金內持有。本集團已遵守最低法定供款規定，就合資格僱員之有關總收入5%作出供款。供款於產生時於綜合損益計數表內扣除。

31. 關連人士交易

關連人士交易

- (a) 於本年度內，本集團就證券、期貨及期權買賣向藍國慶先生與藍國倫先生彼等之聯繫人收取佣金收入及其他證券買賣收入約為87,000港元（二零零五年：54,000港元）。
- (b) 於本年度內，本集團就證券保證金融資而向董事藍國慶先生與藍國倫先生彼等之聯繫人收取利息收入約31,000港元（二零零五年：356港元）。
- (c) 於本年度內，本集團向AC Consulting Limited支付行政費約869,000港元（二零零五年：409,000）（周家和先生實益擁有其權益及為本公司之一間附屬公司，高信融資之董事）。

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31. RELATED PARTY TRANSACTIONS (Continued)

- (d) During the year, the Group received commission income and other securities dealing income of approximately HK\$70,000 (2005: HK\$46,000) from an associate company, ATNT in which Messrs. Lam Kwok Hing and Nam Kowk Lun have beneficial interests and Messrs. Lam Kwok Hing, Nam Kwok Lun, Ng Chi Kin David and Kwan Wang Wai Alan are Directors.
- (e) On 25 November 2004, Karfun conditionally agreed to acquire 48,520,667 shares of ATNT from Optimist International Limited ("Optimist") and 3,475,167 shares of ATNT from Mr. Lam Kwok Yan for an aggregate consideration of HK\$23,398,125 at a price of HK\$0.45 per share of ATNT. Optimist is a wholly-owned subsidiary of Medusa in which Mr. Lam Kwok Hing had a 50% equity interest as at 25 November 2004. Details of this acquisition were disclosed in the circular issued by the Company dated 28 February 2005. This acquisition was approved by the independent shareholders of the Company at a special general meeting held on 30 March 2005. The acquisition was completed on 20 April 2005 and the Group has 47.37% equity interest in ATNT as at 31 December 2005.

Compensation of key management personnel

The remuneration of Executive Directors during the year was as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short-term benefits	短期福利	1,618	1,288
Post-employment benefits	退休福利	24	24
		1,642	1,312

The remuneration of Executive Directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

31. 關連人士交易 (續)

- (d) 於本年度內，本集團向聯營公司亞洲聯網(藍國慶先生及藍國倫先生實益擁有其權益，而藍國慶先生、藍國倫先生、伍志堅先生及關宏偉先生均為其董事)收取佣金收入及其他證券買賣收入約70,000港元(二零零五年：46,000港元)。
- (e) 於二零零四年十一月二十五日，佳帆有條件同意按每股亞洲聯網股份0.45港元之價格，向Optimist International Limited(「Optimist」)及藍國恩先生分別收購48,520,667股及3,475,167股亞洲聯網股份，總代價為23,398,125港元。Optimist為Medusa之全資附屬公司，藍國慶先生於二零零四年十一月二十五日擁有其50%股權。是項收購之詳情已載於本公司於二零零五年二月二十八日發出之通函內。此收購已於二零零五年三月三十日舉行之股東特別大會上由本公司獨立股東批准。此收購於二零零五年四月二十日完成。本集團並於二零零五年十二月三十一日持有亞洲聯網47.37%股權。

主要管理人員之薪酬

於年度內執行董事之酬金如下：

執行董事之酬金乃由酬金委員會按照個別人士之表現及市場趨勢而釐定。

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

32. PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

32. 主要附屬公司

下表載列董事認為對本集團業績或資產有主要影響之本公司各附屬公司。董事認為，提供其他附屬公司之詳情會令篇幅過於冗長。

Name 名稱	Country/ place of incorporation 註冊成立 國家／地點	Class of shares held 所持股份類別	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued share capital held by the Company 本公司持有 已發行股本 面值比例 % 百分比	Principal activities 主要業務
Karl Thomson (B.V.I.) Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$10 10港元	100	Investment holding 投資控股
Karl-Thomson Securities Company Limited 高信證券有限公司	Hong Kong 香港	Ordinary 普通股	HK\$5,000,000 5,000,000港元	100	Securities dealing and broking 證券交易及買賣
Karl-Thomson Commodities Company Limited 高信商品期貨有限公司	Hong Kong 香港	Ordinary 普通股	HK\$5,000,000 5,000,000港元	100	Futures and options broking 期貨及期權買賣
Karl Thomson Finance Limited 高信財務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$20,000,000 20,000,000港元	100	Securities margin financing 證券保證金融資
Karl Thomson Credit Limited 高信理財有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	100	Money lending 借貸
Karl Thomson Investment Consultants Limited 高信投資顧問有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000,000 1,000,000港元	100	Broking of mutual funds and insurance-linked investment plans and products 互惠基金、保險掛鈎 投資計劃及 產品買賣

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32. PRINCIPAL SUBSIDIARIES (Continued)

32. 主要附屬公司 (續)

Name 名稱	Country/ place of incorporation 註冊成立 國家／地點	Class of shares held 所持股份類別	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued share capital held by the Company 本公司持有 已發行股本 面值比例 % 百分比	Principal activities 主要業務
Karl Thomson Financial Advisory Limited 高信融資服務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$600,000 600,000港元	51	Corporate finance advisory 企業融資顧問
Access Way Investments Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$1 1美元	100	Holding of computer equipment 持有電腦設備
Karfun Investments Limited 佳帆投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$100,000 100,000港元	100	Investment holding 投資控股
Oriental Victor Limited 華興泰有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	100	Investment holding 投資控股

The principal place of operation of the subsidiaries is Hong Kong.

各附屬公司主要在香港經營。

The Company directly holds the interest in Karl Thomson (B.V.I.) Limited. All other subsidiaries shown above are indirectly held by the Company.

本公司直接持有 Karl Thomson (B.V.I.) Limited 之權益，而上述所有其他附屬公司之權益則由本公司間接持有。

None of the subsidiaries had any debt securities outstanding at end of the year or at any time during the year.

於本年度結束時或本年度內任何時間，附屬公司概無任何尚未清償之債務證券。

財務概要

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NOTICE OF ANNUAL GENERAL MEETING

股東週年大會通告

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of Shareholders of Karl Thomson Holdings Limited (the "Company") will be held at Unit 701, Tower One, Lippo Centre, 89 Queensway, Hong Kong on 31 May 2007, Thursday, at 3:00 p.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and the Auditor for the year ended 31 December 2006.
2. To re-elect the retiring Directors of the Company and to fix the remuneration of Directors.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company and authorize the Directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

- A. (i) subject to paragraph A(iii) and pursuant to the Listing Rules, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power by and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph A(i) shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the expiry of the Relevant Period;

茲通告高信集團有限公司(「本公司」)謹訂於二零零七年五月三十一日星期四下午三時正假座香港金鐘道89號力寶中心第一座701室舉行股東週年大會，以處理下列事項：

- 一. 省覽及考慮截至二零零六年十二月三十一日止年度之經審核財務報表及董事會與核數師報告。
- 二. 重選本公司之退任董事及釐定董事酬金。
- 三. 續聘德勤•關黃陳方會計師行為本公司核數師及授權董事釐定其酬金。
- 四. 考慮並酌情通過下列事項為普通決議案(不論有否修訂)：

普通決議案

- 甲 (i) 在第甲(iii)段之規限下及根據上市規則，特此一般性及無條件地批准本公司董事於有關期間(按下文所界定)行使本公司全部權力以配發、發行及處理本公司股本中之額外股份，並訂立或授出可能須行使此權力之售股建議、協議或認股權；
- (ii) 第甲(i)段所載之批准應授權本公司董事於有關期間內訂立或授出可能須在有關期間屆滿後行使權力之售股建議、協議或認股權；

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- (iii) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to the approval in paragraph A(i), otherwise than pursuant to a Rights Issue (as hereinafter defined) or any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or right to acquire shares in the Company shall not exceed 20% of the aggregate of the total nominal value of the share capital of the Company in issue as at the date of this Resolution and the said approval shall be limited accordingly; and

- (iv) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

1. the conclusion of the next annual general meeting of the Company; or
2. the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act or any applicable law to be held; Or
3. the passing of an Ordinary Resolution by the shareholders of the Company in general meeting revoking, varying or revising the authority given to the Directors of the Company by this Resolution; and

“Rights Issue” means an offer of shares in the capital of the Company or an offer or issue of options or, warrants or other securities granting the rights to subscribe for shares, open for a period fixed by the Directors of the Company to holders of shares on the register of shareholders of the Company on a fixed record date in proportion to their then holdings of

- (iii) 除依據配售新股(按下文所界定)或目前採納之任何優先認股計劃或類似安排,向本公司及/或其任何附屬公司之僱員授予或發行股份或購買本公司股份之權利外,本公司董事根據第甲(i)段之批准配發或有條件或無條件地同意配發之股本總面額,不得超逾本公司於本決議案獲通過之日已發行股本總面額20%,而根據所述批准所授權力亦須受此數額限制;及

- (iv) 就本決議案而言:

「有關期間」指由通過本決議案之時至下列三項中之較早日期止之期間:

1. 本公司下屆股東週年大會結束之時;或
2. 本公司之公司細則或公司法或任何適用法例規定本公司須舉行下屆股東週年大會之期限屆滿時;或
3. 本公司股東在股東大會上通過普通決議案撤銷、更改或修訂本決議案所授予本公司董事之權力;及

「配售新股」乃指本公司董事於指定期間向於指定記錄日期名列本公司股東名冊之股份持有人,按其當時持有股份之比例,發售本公司股本中之股份,或發售或發行附帶權利可認購股份之認股權或認股權證或

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shares, subject to all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong.

其他證券，惟本公司董事有權在必須或權宜之情況下，就零碎股權或經考慮任何香港以外地區之任何法律限制或責任或任何認可監管機構或任何證券交易所之規定而取消在此方面之權利或另作安排。

B. (i) subject to paragraph B(ii) and all applicable laws and/or the requirement of the Listing Rules or of any other stock exchange as amended from time to time, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase the shares of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognized by the SFC and the Stock Exchange for this purpose, is hereby generally and unconditionally approved;

乙. (i) 在第乙(ii)段之規限下及根據所有適用法例及／或上市規則或任何其他證券交易所之規定（以不時之修訂本為準），特此一般性及無條件地批准本公司董事於有關期間（按下文所界定）行使本公司所有權力，於聯交所或本公司股份可能於其上市並獲證監會及聯交所就此認可之任何其他證券交易所購回本公司股份；

(ii) the aggregate nominal amount of shares in the Company pursuant to the approval granted in paragraph B(i) during the Relevant Period shall not exceed 10% of the aggregate of nominal value of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval be limited accordingly; and

(ii) 根據第乙(i)段之批准，本公司將予購回或有條件或無條件地同意購回之股份總面額，不得超逾本公司於本決議案獲通過之日已發行股本總面額10%，而上述批准亦須受此數額限制；及

(iii) for the purposes of this Resolution:

(iii) 就本決議案而言：

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

「有關期間」指由通過本決議案之時至下列三項中之較早日期止之期間：

1. the conclusion of the next annual general meeting of the Company; or
 2. the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act or any applicable law to be held;
- Or

1. 本公司下屆股東週年大會結束之時；或
2. 本公司之公司細則或公司法或任何適用法例規定本公司須舉行下屆股東週年大會之期限屆滿時；或

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3. the passing of an Ordinary Resolution by the shareholders of the Company in general meeting revoking, varying or revising the authority given to the Directors of the Company by this Resolution; and
- C. conditional upon Resolutions Nos. 4A and 4B above being passed, the aggregate nominal value of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution No. 4B above shall be added to the aggregate nominal amount of share the capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution No. 4A above.
3. 本公司股東在股東大會上通過普通決議案撤銷、更改或修訂本決議案所授予本公司董事之權力；及
- 丙. 待上述第四甲項及第四乙項決議案獲通過後，本公司將依據上述第四乙項決議案所述授予董事之授權而購回本公司股本中股份數目之總面額，加入本公司董事依據上述第四甲項決議案可配發或有條件或無條件同意配發股本之總面額上。

By Order of the Board
LUI CHOI YIU ANGELA
Company Secretary

Hong Kong, 25 April 2007

Notes:

- (1) Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the meeting is enclosed herewith.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.

承董事會命
雷彩姚
公司秘書

香港，二零零七年四月二十五日

附註：

- (一) 凡有權出席股東週年大會及於會上投票之股東，均有權委派另一名人士作為其代表，代其出席及投票。持有兩股或以上本公司股份之股東，可委任一名或以上受委代表，代其出席及投票。受委代表毋須為本公司股東。
- (二) 隨附大會適用之代表委任表格。
- (三) 代表委任表格必須由閣下或閣下以書面正式授權之受權人簽署，或就公司而言，則必須蓋上公司印鑑或高級職員、受權人或其他獲正式授權之人士簽署。

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- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the Company's branch share registrar in Hong Kong, Standard Registrars Limited, at 26 Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Annual General Meeting or at any adjourned meeting (as the case may be) should they so wish.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either in personal or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.
- (6) The Register of Members will be closed from Thursday, 24 May 2007 to Thursday, 31 May 2007, both days inclusive, during which period no transfer of shares will be effected.
- (四) 代表委任表格連同簽署人之授權書或其他授權文件(如有)或經公證人簽署證明之授權書或授權文件副本,最遲須於股東週年大會或任何續會(視情況而定)指定舉行時間前四十八小時送交本公司於香港之股份過戶登記分處標準證券登記有限公司,地址為香港皇后大道東28號金鐘匯中心26樓,而倘未有按指示交回代表委任表格,該受委代表將被視為無效。填妥及交回代表委任表格後,股東仍可親身出席股東週年大會或任何續會(視情況而定),並於會上投票。
- (五) 如屬任何股份之聯名持有人,則任何一位該等持有人均可親身或委派代表於大會上以該等股份投票,猶如彼為唯一有權投票者,惟倘超過一位聯名持有人親身或委派代表出席大會,則只接納上述出席大會並就有關股份於股東名冊內排名於首之股東之投票,而其他聯名持有人之投票將不被計算。
- (六) 本公司將由二零零七年五月二十四日(星期四)至二零零七年五月三十一日(星期四)(包括首尾兩天)暫停辦理股票過戶登記手續。期間內將不會進行任何股份過戶。

As at the date of this notice, the Executive Directors are Messrs. Lam Kwok Hing and Nam Kwok Lun, and the Independent Non-Executive Directors are Messrs. Chen Wei-Ming Eric, Kwan Wang Wai Alan and Ng Chi Kin David.

於本通告日期,本公司董事會包括執行董事藍國慶先生和藍國倫先生,及獨立非執行董事陳偉明先生,關宏偉先生及伍志堅先生。

