



專注同心
持之以恆

宏昌科技集團有限公司
二零零四年年報

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Chairman's Statement 主席報告

Dear TVH supporters,

Pro-active efforts to explore and ascertain the Group's business development thrust started to show encouraging signs of fruition in 2004 - a year that witnessed stable growth for TopAsia and remarkable business development for Advanced Digital Technology (ADT) and ChinaCast. After several years of restructuring, TVH has successfully re-defined its strategic direction and re-engineered the business platform for long-term prosperous growth. With the right mix of market demand-led service offerings and support from a dedicated team of professionals, TVH looks forward to sustainable growth in the coming years.

Application of information technology in banking and financial sectors has always been the mainstay of TVH business through TopAsia for the provision of repair and maintenance services to self-service banking facilities, and ADT for software development. While this sector remains a significant growth driver, TVH also acknowledges the need for business diversification to minimize risk exposure to cyclical volatility and more importantly to develop another dynamic revenue source.

After thorough research and feasibility studies, on-line education for academic qualification and business training is the industry where TVH has decided to focus on and invest in the future. Acquiring Beijing Dongshi Shuangwei Education Technology Company Limited is the first step in this direction.

As information technology evolves in the Mainland China, it is inevitable that the industry will focus increasingly on value-added tailor-made solutions, services and applications provided by market savvy enterprises that fully understand customer demands and are capable of delivering them. It is the people that support the IT prowess today. At TVH, we have the best people with the best practices.

各位股東及友好：

宏昌一直主動探索新商機，堅持一貫的業務發展重心，在二零零四年開始漸有回報。年內冠亞取得穩健增長，先進數碼與ChinaCast亦取得理想的業務發展。宏昌經過多年的架構重組，調準策略目標，為長遠的發展重塑了業務平台。集團致力提供由市場需求帶動的服務，擁有一隊辛勤拼搏的團隊，管理層展望於未來數年，宏昌可贏得可觀的增長。

為銀行及金融業提供資訊科技應用方案，向來是宏昌的業務核心。集團透過冠亞為自助銀行設備提供維修及保養服務，並以先進數碼作為軟件開發的旗艦。儘管現時此等部門依然是集團業務的主要增長動力，管理層深明需要將業務多元化發展，以減低集團在經濟循環波動時所面對的經營風險。此外，更重要的是開發另一支新的收入來源。

集團經過詳盡的調查和進行可行性研究，針對學歷資格的網上教育和商業培訓，是宏昌現時選定主力著眼的領域，亦是未來投資的重點。收購北京東師雙威教育技術發展有限公司，正是朝向此策略踏出的第一步。

中國的資訊科技發展不斷演進，唯有對市場具敏銳觸覺、充份瞭解客戶需要的科技公司，方能為客戶開發量身訂造的增值解決方案、產品和應用。這是行業無可避免的必然趨勢。今天資訊科技行業的發展全賴人才支持。在宏昌，我們有最佳的人才和經營操守。


Chairman's Statement 主席報告

According to official statistics from Mainland China, the number of online users will grow 28% to reach 120 million in 2005, all of whom are potential users of TVH's online education services. The IT industry accounted for 7.2% of the Mainland's 2004 GDP, representing a contribution of RMB909 billion; of which RMB11.3 billion came from application service offerings, up almost 35% from a year ago, indicating the magnitude of the growth momentum.

OUTLOOK

2005 will be a year of active business development and expansion. We believe TVH's new business platform has already taken shape with TopAsia, ADT and ChinaCast as the pillars of growth. TopAsia will continue to strengthen its ties with banks in the Mainland to achieve a 10% growth target in new customers. ADT will focus on integrated data network, banking solution and outsourcing business for Japanese market, while ChinaCast is expected to sign up 2-3 major customers in early 2005 which will further bolster the segment's market presence and help grow the enterprise market.

Thanks to the shrewd insight and dedicated pursuits of everyone at TVH, the Group has re-engineered a viable business model for sustainable growth after years of restructuring. The perseverance is beginning to pay off, and we should continue to keep a close rein on market pulses and evolve in accordance with market demands, and continue to maintain our competitiveness.



Chan Tze Ngon

Chairman

Hong Kong, 26 April 2005

根據內地的官方數據，全國網民人數在二零零五年將增加28%至1.2億。網民增加，宏昌提供網上教育服務的潛在用戶亦因此不斷增長。資訊科技行業在二零零四年佔中國國民生產總值7.2%，即9,090億元人民幣，其中113億元人民幣來自資訊科技應用服務，較去年攀升35%，可見行業極具增長潛力。

前景

集團將在二零零五年積極擴展業務規模，開發更多新業務。憑藉冠亞、先進數碼與ChinaCast作為集團業務發展的三大支柱，管理層相信宏昌已建立起一個新的業務平台。冠亞將繼續與內地的銀行緊密合作，務求達到新客戶有一成增長的全年目標。先進數碼將繼續專注數據整合的網絡工程，銀行解決方案及日本市場的外包業務。ChinaCast則預計在二零零五年初摘取兩至三個大客戶，藉此加強部門在市場上的地位，在企業市場爭取更大的增長。

集團經過多年的業務重組，憑藉每位員工的敏銳市場洞察力和努力不懈，現已重整旗鼓，建立起一個可帶來持續增長的業務模式。過去的耕耘，現已漸見回報，管理層會繼續緊貼市場脈搏，根據市場需求的靈活應變，保持宏昌的競爭力。

主席

陳子昂

香港，二零零五年四月二十六日

FINANCIAL PERFORMANCE

The Group reported a turnover of HK\$237,841,000 in 2004 compared with HK\$261,692,000 a year ago. Gross profit dropped to HK\$27,165,000 from HK\$36,284,000 in 2003. The declines were primarily attributable to fierce competition, ADT's scaling down in the business with Industrial and Commercial Bank of China (ICBC) due to the contraction of their IT spending, and also the market's slow response to TopAsia's launch of the new Data Warehouse application in 2004.

Profit margin was down by 3 percentage points to 11% from 14% in 2003. Loss attributable to shareholders was HK\$26,853,000, up from HK\$15,382,000 last year.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2004 (2003: nil).

REVIEW OF CORE BUSINESSES

IT solutions and systems integration: TopAsia

TopAsia continued to target at the growing banking and finance sector of China, with the provision of repair and maintenance services to self-service banking facilities as the core operation. 2004 was a year of solid business development for TopAsia.

TopAsia achieved encouraging business growth with Bank of China (BOC) and China Postal Bureau when it successfully secured after-sales repair and maintenance servicing tenders for almost 400 automatic teller machines (ATM) for BOC branches in Henan, Shaanxi, Chongqing and Zhejiang.

財務表現

集團於二零零四年錄得之營業額為237,841,000港元，上年度之比較數字為261,692,000港元。毛利則由二零零三年之36,284,000港元，下降至27,165,000港元。業績下調的主要原因是回顧期內市場競爭激烈，先進數碼與中國工商銀行（工商銀行）的業務由於對方的資訊科技開支削減而縮小了規模。此外，冠亞在二零零四年推出的新應用軟件「Data Warehouse」，市場反應亦較預期緩慢。

邊際盈利由二零零三年的14%，下降3個百分點至11%，股東應佔淨虧損則由上年的15,382,000港元，增加至26,853,000港元。

董事會不建議派發截至二零零四年十二月三十一日止年度之股息（二零零三年：無）。

核心業務

冠亞：資訊科技解決方案與系統集成

冠亞繼續以發展蓬勃的中國銀行及金融業作為經營目標。公司之核心業務，乃為自助銀行服務的設施提供維修及保養服務。冠亞業務在二零零四年取得穩步發展。

冠亞成功取得中國銀行在河南、陝西、重慶及浙江分行的維修保養招標合約，取得近400台自動櫃員機的服務訂單，在中國銀行及國家郵政局的業務取得令人鼓舞的增長。

Management Discussion and Analysis

管理層討論與分析

At the annual tender of China Merchants Bank (CMB), TopAsia secured the service provider position for three of six service requests for ATMs, automatic deposit machines and automatic enquiry machines, and also two product dealerships for Diebold ATMs and revolving cash deposit and withdrawal machines, therefore making it the largest service provider and product dealer for CMB.

The development of a standard ATMP software for its ATM system was a key focus for China Postal Bureau in 2004. TopAsia's superb expertise in the technology allowed it to win the tenders in 11 provinces, including Anhui, Hubei, Hunan, Shaanxi and Zhejiang.

TopAsia continued to lead in the marketing and sales of ATMs in China. Orders in the amount of RMB40 million were obtained from Postal Bureaus of Hubei and Zhejiang, BOC Jiangsu Branch, CMB Shenzhen Branch, Bank of Shanghai and Nanjing City Commercial Bank.

TopAsia's cooperation with renowned mainland IT stalwart UTStarcom, the inventor of "Little Smart" (or Xiaolingtong) mobile services, has been very successful. Orders in the amount of RMB26 million were secured for the provision of peripherals to Little Smart facilities and multi-media workstations.

Software: Advanced Digital Technology

The Group's software vehicle, 55%-owned Advanced Digital Technology (ADT), has won further recognition as a leading IT enterprise for its software prowess. It was named a China top 100 software company for 2004 and a top 100 solution provider among top 500 mainland computer corporations in Computer Partner World's CPW 500 poll, and a creditworthy enterprise in 2004 by Beijing Zhongguancun Sci-Tech Guaranty Co., Ltd. and Zhongguancun Business Advancement Institute.

在招商銀行一年一度的項目招標中，今年共有六個服務項目。其中冠亞贏得自動櫃員機、自動存款機及自動查詢機三項合約，並取得Diebold自動櫃員機及循環存取款機兩個產品代理權，成為招商銀行最大的服務商及產品代理商。

自動櫃員機設備的統一版本聯網軟件項目為國家郵政局在二零零四年的全國重點項目。冠亞憑藉超卓的技術水平，在安徽、湖北、湖南、陝西及浙江等11個省份的招標中中標。

冠亞的自動櫃員機設備銷售持續領先，取得湖北郵政、浙江郵政、中國銀行江蘇省分行、招商銀行深圳分行、上海銀行、南京商行等客戶合共價值4,000萬元人民幣的訂單。

冠亞與中國著名電訊營運商UT斯達康的合作成果理想。UT斯達康是「小靈通」服務的發明者，冠亞為「小靈通」設備和多媒體工作站提供配套件，取得2,600萬元人民幣合約。

先進數碼：軟件業務

宏昌持有55%權益的先進數碼為集團的軟件業務旗艦，公司在軟件開發上的卓越表現，進一步得到行業認為領先資訊科技企業。先進數碼獲電子訊息產業部選入「二零零四年中國最大規模軟件企業100強」，又獲電腦商報列入「中國電腦500強之方案商100強」，並獲中關村科技擔保有限公司及中關村企業信用促進會評為「二零零四年信譽良好企業」。

Management Discussion and Analysis 管理層討論與分析

Importantly, the division's president Ms Fan Liming was named one of the Top 10 Prominent Personalities in Financial Technology as a recognition for her outstanding contribution.

ADT also passed the Gold Enterprise Accreditation for CISCO, further strengthening its competitiveness in network construction. In the data centralization process for China Construction Bank (CCB), ADT has succeeded in broadening its market share in data transfer, front office system, information interface, and other niche business segments. Its cooperation with CCB has been expanded to 24 branches, further extending its influence in integrated data network and services.

Significant progress was also made in respect of the outsourcing business for Japanese market, with a revenue growth of 50% in 2004.

Online education through ChinaCast

In 2004, ChinaCast continued to be the Group's strategic investment to develop the education and training service business in China, with the technological support of other TVH units. The K-12 distance learning and educational content solutions segment continues to be ChinaCast's principal revenue contributor.

The university distance learning solutions segment shows a satisfactory and promising performance. In addition to the existing eight universities which are already generating revenues, two more universities have been signed up with student enrolment in progress.

The enterprise networking products and services segment, which commenced marketing operations at the end of first quarter of 2004, also progressed well. The first major enterprise customer, Taikang Life Insurance Co., Ltd. is in beta testing and full commercial service is expected very soon.

此外，先進數碼董事長範麗明更榮獲「中國金融科技十大傑出人物突出貢獻獎」。

先進數碼亦通過了CISCO的金牌企業認證，進一步加強了公司在網絡建設業務的競爭力。公司在建設銀行數據大集中的進程中，在數據移型、前置系統、數據接口及特色業務等各範疇皆取得更大的市場份額。公司與建設銀行分行的合作增至24家，進一步擴大網絡集成及服務在建設銀行的影響。

先進數碼在日本市場的外包業務取得較大進展，二零零四年的收入增長達50%。

透過ChinaCast 發展網上教學

二零零四年，集團繼續透過ChinaCast之策略性投資，並配合集團旗下各部門所提供的技術支援，在中國發展教育及培訓服務業務。中小學遙距教學及教育內容方案部門仍然是ChinaCast的主要收入來源。

大學遙距教學方案部門的前景理想，表現令人滿意。除了現有八家大學帶來的穩定收入，公司已與另外兩家大學簽訂合作協議，現時已開始招收新生。

企業網絡產品及服務部門於二零零四年第一季開始進行市場推廣工作，至今進展良好。首個大型企業客戶泰康人壽的項目正進行第二階段測試，稍後將正式投入服務。

OUTLOOK

Looking ahead at 2005, TopAsia will continue to control cost, develop business, enhance profitability and improve operating performance. The segment will focus its efforts primarily on further broadening the client base for self-service products and services, enlarging the scope of services and also expanding the geographical reach. The segment will also build on its relationship with major banks, including ICBC, Agricultural Bank of China, BOC, CCB and Bank of Communications to attain its 10% growth target in new customers.

TopAsia will also accelerate the development of its data intergration business. It will continue to work with Ascential and strengthen cooperation with ETL in product research and sales, including the development of complementary software solutions to enhance market competitiveness. It will continue to team up with EMC to push sales of large capacity storage and contingency back-up systems to enterprises in the financial, securities and government sectors.

Through further leveraging on the cooperation with UTStarcom, TopAsia aims to better capitalize on business development opportunities for multi-media and telecommunication sectors, and to supply a large range of peripherals and products. A sales target of RMB50 million has been set by TopAsia for this year.

ADT's impressive credentials will help drive its business development efforts. The very strong ties with CCB will help generate more business in integrated data network and services.

前景

展望二零零五年，冠亞將繼續控制成本，積極開拓新業務，銳意強化盈利能力，並提升經營表現。公司將集中力量，拓展自助產品及服務的客戶基礎，擴大服務範疇，力求覆蓋更多地區和客戶。公司將繼續鞏固與工商銀行、農業銀行、中國銀行、建設銀行及交通銀行等大銀行客戶的合作關係，爭取年內新增客戶較上年增長10%。

冠亞亦會加快數據整合業務的發展步伐，公司會繼續與Ascential合作，加強ETL產品的銷售和開發，包括開發與ETL產品配套的業務應用軟件，藉此提高競爭力。公司將繼續與EMC攜手，向金融、證券等行業及政府部門推廣大容量儲存系統及災難備份系統的應用。

冠亞將透過進一步利用與UT斯達康的合作，積極把握多媒體及通訊業務的商機，為對方提供更多配套部件及產品，爭取達到5,000萬元人民幣的全年銷售目標。

先進數碼的驕人往績，為部門的業務發展提供了強大的後援動力，公司與建設銀行的緊密合作關係，將可帶來更多與數據整合網絡及服務相關的業務。

Management Discussion and Analysis

管理層討論與分析

ChinaCast will step up its efforts in the insurance and banking sector as its project with Taikang serves as a good springboard for further inroads. Additional strategic sales opportunities in these sectors as well as in other key sectors have been identified and it is expected that an additional 2-3 major customers will be secured within the first half of 2005. ChinaCast is currently ramping up its sales, marketing and customer support staff to meet the demands of the market.

Expansion of ChinaCast's satellite network operations center in Beijing is in progress to pave way for the delivery of the latest DirecWay satellite hub upgrade to enable two-way broadband satellite services that are essential for growing the enterprise market in 2005.

LIQUIDITY AND FINANCIAL RESOURCES

Net assets

As at 31 December 2004, the Group recorded total assets of approximately HK\$325,450,000 which were financed by liabilities of approximately HK\$190,306,000 and equity of approximately HK\$130,690,000. The Group's net asset value as at 31 December 2004 decreased by 17% to approximately HK\$130,690,000 as compared to approximately HK\$157,173,000 as at 31 December 2003.

Liquidity

The Group had total cash and bank balances of approximately HK\$84,998,000 as at 31 December 2004 (2003: approximately HK\$108,303,000). After deducting bank loans and overdrafts of approximately HK\$45,617,000 (2003: approximately HK\$39,339,000), the Group recorded a net cash balance of approximately HK\$39,381,000 as compared to that of approximately HK\$68,964,000 as at 31 December 2003. As at 31 December 2004, the current ratio was 1.26 (2003: 1.37) and the gearing ratio was 0.35 (2003: 0.26) which was defined as the Group's interest-bearing bank loans and finance lease payables over its total equity.

泰康人壽的項目為ChinaCast打入保險及銀行業提供了跳板。公司已在此等行業和另外一些主要行業鎖定了多個策略銷售商機，預期在二零零五年上半年可額外取得兩至三個主要客戶。ChinaCast正增聘負責銷售、市場推廣及客戶服務方面的人手，以滿足市場的需求。

ChinaCast在北京的衛星網絡營運中心的擴展工程正在進行中，公司將藉是次擴充，為DirecWay衛星中心進行最新的升級，讓系列支援雙向衛星寬頻服務，新技術將會是二零零五年的增長重點。

流動資金及財務資源

資產淨值

於二零零四年十二月三十一日，本集團之資產總值約達325,450,000港元，其中包括負債約190,306,000港元及資本及儲備約130,690,000港元。本集團於二零零四年十二月三十一日之資產淨值約為130,690,000港元，而於二零零三年十二月三十一日則約為157,173,000港元，減幅達17%。

流動資金

本集團於二零零四年十二月三十一日之現金及銀行結餘總額約為84,998,000港元（二零零三年：108,303,000港元）。於扣除銀行貸款及透支約45,617,000港元（二零零三年：約39,339,000港元）後，本集團之淨現金結餘約為39,381,000港元，而於二零零三年十二月三十一日則約為68,964,000港元。於二零零四年十二月三十一日之流動比率為1.26（二零零三年：1.37），而槓桿比率則為0.35（二零零三年：0.26），為集團之付息銀行貸款及融資租賃應付款項除以總資本及儲備。

Management Discussion and Analysis

管理層討論與分析

Charges on assets

At 31 December 2004, fixed deposits of approximately HK\$5,141,000 (2003: HK\$16,470,000) were pledged to banks to secure banking facilities granted.

Treasury policies

The Group generally finances its operations with internally generated resources and credit facilities provided by banks in Hong Kong. Subsidiaries in PRC use short-term borrowings in PRC to finance working capital, which amounted to HK\$45,617,000 as at 31 December 2004. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts and term loans. The interest rates of most of these are fixed by reference to the Hong Kong Dollar Prime Rate. Both bank deposits and borrowings are mainly in Hong Kong dollars and United States dollars ("US dollars").

Contingent liabilities

At 31 December 2004, the Company had contingent liabilities in relation to guarantees given to banks in connection with facilities granted to certain subsidiaries amounting to approximately HK\$20,000,000.

As at 31 December 2004, the banking facilities granted to the subsidiaries were utilized to the extent of approximately HK\$1,170,000.

The Group has no material contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance as some of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised as at 31 December 2004 in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

資產抵押

於二零零四年十二月三十一日，本集團將約5,141,000港元（二零零三年：16,470,000港元）之定期存款抵押予銀行，以取得銀行融資。

庫務政策

本集團一般透過內部資金與香港銀行給予之信貸融資提供其業務運作所需資金。位於中國之附屬公司以中國之短期借貸作為營運資金，於二零零四年十二月三十一日之金額為45,617,000港元。本集團採用之借貸方式主要包括信託收據貸款、透支及有期貸款。上述貸款及透支之利息大部份參照港元最優惠利率釐定。銀行存款及借貸主要以港元及美元為單位。

或然負債

於二零零四年十二月三十一日，本公司就授予若干附屬公司之融資而給予多家銀行之擔保有或然負債約20,000,000港元。

於二零零四年十二月三十一日，授予附屬公司之銀行融資已動用約1,170,000港元。

本集團就根據香港僱傭條例須支付予僱員之潛在日後長期服務金並無重大或然負債，如若干現有僱員在若干情況下終止受聘，且於本集團的服務年期已屆所規定年期，則合資格領取僱傭條例項下長期服務金。由於本公司認為該情況不大可能導致本集團於日後流出大量資源，故於二零零四年十二月三十一日並無就該等潛在款項確認撥備。

Management Discussion and Analysis

管理層討論與分析

Foreign exchange exposure

The Group mainly earns revenue and incurs costs in US dollars and Renminbi. Foreign exchange exposure of the Group is minimal as long as the policy of the Government of HKSAR to link the Hong Kong dollars to the US dollars remains in effect.

外匯風險

本集團主要以美元及人民幣賺取收益及支付費用。鑑於香港特區政府仍然實施港元與美元掛鈎之政策，故此本集團之外匯風險甚低。

Employee and remuneration policies

As at 31 December 2004, the Group employed approximately 360 full time staff in the Mainland China and Hong Kong. The Group remunerates its employees based on their performance, work experience and the prevailing market price. Performance related bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

僱員及薪酬政策

於二零零四年十二月三十一日，本集團在中國大陸及香港僱用約360名全職員工。本集團根據僱員之表現、工作經驗及現時市價釐定彼等之薪酬，並酌情發放與表現掛鈎之花紅。其他僱員福利包括強制性公積金、保險及醫療津貼、培訓計劃及購股權計劃。

Board of Directors

Executive

Mr Chan Tze Ngon (*Chairman*)

Mr Wu Emmy (*Deputy chairman*)

Mr Tang Kin Hung

Mr Chow Siu Lam, Cliff (resigned on 1 February 2005)

Independent Non-executive

Mr Lo Siew Kiong, John O.B.E., JP

Mr Fu Yan Yan

Ms Wang Xi Ling

Company Secretary and Qualified Accountant

Ms Tong Pui Wah, Lisa

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and Principal Place of Business

8th Floor

Tianjin Building

167 Connaught Road West

Hong Kong

Principal Bankers

Bank of China (Hong Kong)

2A Des Voeux Road Central

Hong Kong

董事會

執行董事

陳子昂先生 (主席)

吳安敏先生 (副主席)

鄧健洪先生

周少霖先生 (於二零零五年二月一日辭任)

獨立非執行董事

羅肇強先生 O.B.E., 太平紳士

傅欣欣先生

王希玲女士

公司秘書及合資格會計師

唐佩華小姐

註冊辦事處

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

總辦事處及主要營業地點

香港

干諾道西167號

天津大廈8樓

主要往來銀行

中國銀行 (香港)

香港

德輔道中2號A

Corporate Information 公司資料

Solicitors

Chiu & Partners
41st Floor Jardine House
1 Connaught Place
Hong Kong

Auditors

Ernst & Young
Certified Public Accountants
15th Floor Hutchison House
10 Harcourt Road
Central
Hong Kong

Principal Share Registrar and Transfer Office

The Bank of Bermuda Limited
Bank of Bermuda Building
6 Front Street
Hamilton HM 11
Bermuda

Hong Kong Branch Registrar and Transfer Office

Tengis Limited
Ground Floor
Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

Websites

www.tvh.com.hk

律師

趙不渝馬國強律師事務所
香港
康樂廣場1號
怡和大廈41樓

核數師

安永會計師事務所
執業會計師
香港
中環
夏慤道10號
和記大廈15樓

主要股份登記及過戶處

The Bank of Bermuda Limited
Bank of Bermuda Building
6 Front Street
Hamilton HM 11
Bermuda

香港股份登記及過戶分處

登捷時有限公司
香港
灣仔
告士打道56號
東亞銀行港灣中心
地下

網址

www.tvh.com.hk

Management's Profile 管理人員簡介

EXECUTIVE DIRECTORS

Mr Chan Tze Ngon, aged 49, is the chairman of the Company. He founded the Group in November 1993 and has overall responsibility for TVH's strategic direction, and shapes its business model and master plan. He holds master's degrees in mathematics and computer science from Concordia University, Canada. Before founding the Group, Mr Chan has more than 18 years of experience working with multi-national IT vendors, where he had held senior management positions.

Mr Wu Emmy, aged 48, is the deputy chairman of the Company and responsible for the strategic and investment planning of the Group. Mr Wu has over 21 years of experience in IT sales, marketing and management. Prior to joining the Group, Mr Wu had held various management positions in a leading pan-Asia systems integrator and was responsible for its overall business performance in Asia Pacific as well as being the advisor to their president in Japan.

Mr Tang Kin Hung, aged 44, executive director, takes charge of the Group's banking and e-commerce enabling operations in China. He graduated from the University of Hong Kong with a bachelor's degree in social sciences. Mr Tang joined the Group in February 1994 following previous senior marketing and management assignments with various multi-national vendors for over 15 years.

Mr Chow Siu Lam, Cliff, aged 40, executive director, is responsible for the Company's financial advisory functions. He earned his bachelor's degree from the University of Washington, US and has over 13 years of experience in accounting and investment banking. Mr Chow joined the Group in April 2000 and prior to that has held senior positions in leading investment banks in Hong Kong. He is a member of the American Institute of Certified Public Accountants. Mr Chow resigned as a director of the Company on 1 February 2005.

執行董事

陳子昂先生，49歲，公司主席，於一九九三年十一月創立本集團，負責制訂集團企業策略方向，並制訂集團之營運模式及總體計劃。陳氏持有加拿大Concordia University數學及電腦科學碩士學位，創辦本集團前於資訊科技業積逾18年經驗，曾在多家跨國資訊科技公司擔任高級管理職位。

吳安敏先生，48歲，公司副主席，負責集團之策略發展及投資計劃。吳氏在資訊科技的營銷、市務推廣及管理方面有超過21年經驗。吳氏加入本集團前，曾於一家亞洲區主要系統集成商擔任多個管理職位，負責該公司在亞太地區的整體業務，並為該公司駐日本總裁之顧問。

鄧健洪先生，44歲，執行董事，主管集團在中國之銀行電子商貿科技業務。鄧氏持有香港大學社會科學學士學位，於一九九四年二月加盟集團，之前曾於多家跨國資訊科技公司擔任高級市場推廣及管理職位，積逾15年經驗。

周少霖先生，40歲，執行董事，負責公司財務顧問職能。彼於美國University of Washington取得學士學位，在會計及投資銀行方面積逾13年經驗。周氏於二零零零年四月加盟集團前，曾在本港多間主要投資銀行出任高職。彼為美國執業會計師公會會員。周氏於二零零五年二月一日辭任本公司董事職位。

Management's Profile 管理人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Lo Siew Kiong, John, O.B.E., J.P., aged 65, is an independent non-executive director. He has over 35 years of senior management experience in various manufacturing fields in Asia, ranging from consumer, industrial to aerospace military specification products manufacturing. He is the honorary chairman of the Hong Kong Quality Assurance Agency, the honorary chairman of the Hong Kong Standards and Testing Centre and the chairman of Hong Kong Quality & Reliability Centre of the Hong Kong Polytechnic University. He was also the vice-chairman of the Hong Kong Productivity Council from 1988 to 1993. In addition, he serves in several government advisory committees.

Mr Fu Yan Yan, aged 55, is an independent non-executive director of the Group. After graduation from the University of Electronic Science and Technology of China, he joined the Ministry of Electronic Industry of China and participated in the strategic development and project management of communications and computing products in the country. He later founded two advanced technology companies in Hong Kong with a wide range of operations in computer technologies, office automation systems, medical equipments and pharmaceutical research and production. One of them was listed in Canada in 1992. He was previously the general manager in charge of the China operations of a leading IT services company in Asia Pacific and has over 21 years of China-focused experience in the IT industry.

Ms Wang Xi Ling, aged 47, is an independent non-executive director. Ms Wang is the member of CICPA. She has been involved in the audit of TianQiao Department Store Co., Ltd. (Beijing TianQiao BeiDa Jade Bird Sci-Tech Co., Ltd.), the first Initial Public Offer in Beijing and the Initial Public Offer of JiNan QingQi Motorcycle Co., Ltd. Ms Wang was also appointed by Beijing State-owned Assets Supervision and Administration Commission for the internal audit of Beijing Mass Transit Railway (Group) Co., Ltd. and Beijing YiQing Holding Co., Ltd. Ms Wang got over 13 years' experience in audit and accounting. She was also the founder of accountancy firm. Customer base comprises of various fields.

獨立非執行董事

羅肇強先生·O.B.E.太平紳士·65歲·獨立非執行董事。彼在亞洲多個製造行業積逾35年高層管理經驗·業務範疇涉及消費品、工業以至航天軍用規格產品；現任香港品質管理局名譽主席、香港標準及檢定中心名譽主席·並為香港理工大學優質推廣中心主席。彼亦曾於一九八八年至一九九三年間出任香港生產力促進局副主席·亦於多個政府諮詢委員會擔任公職。

傅欣欣先生·55歲·獨立非執行董事。畢業於中國電子科技大學後加入中國電子工業部·參與國家通訊及電腦產品之策略開發及計劃管理工作。其後在香港先後創辦兩家高科技實業公司·經營電腦技術、辦公室自動化系統、醫療衛生儀器及藥品研製等廣泛業務；其中一家更於一九九二年在加拿大上市。傅先生曾為亞太區一家主要資訊科技服務公司之總經理·主理中國業務。彼於中國地區的資訊科技行業積逾21年經驗。

王希玲女士·47歲·獨立非執行董事。王女士為中國註冊會計師協會會員·曾參予北京首家上市公司北京天橋商場股份有限公司上市前審計及參予濟南輕騎集團首次公開招股工作。王女士亦獲北京國有資產監事會委任為北京地鐵集團與北京一輕控股集團進行內部審計。王女士於審計及會計行業積逾13年經驗·亦曾擔任會計師事務所的發起人·客戶範圍遍及各行業。

Management's Profile 管理人員簡介

SENIOR MANAGEMENT

Mr Chu Lik Chung, aged 53, assumes overall management responsibility for the Group's banking and financial peripheral product offering and servicing network in China. He is a graduate of the Eastern China Normal University, Shanghai with a diploma in Chinese language and literature. He has more than 14 years of IT experience and joined the Group in June 2000.

Ms Fan Liming, aged 56, CEO of ADT. Ms Fan graduated from Yunnan University and joined Nantian Group in 1986 to take charge of the development of systems integration services for the finance sector. She was appointed a director, and the vice president and general manager of the SI department of Nantian before she moved on to ADT. Ms Fan has over 15 years' senior management and marketing experience, and is one of first female practitioners in the IT industry in Mainland China. Ms Fan was awarded the Top 10 Outstanding Contributor in Financial Technology Market in 2004.

Mr Siu Hon Kwan, aged 43, is the logistics manager responsible for the shipping and logistics functions of the Group. He holds a professional diploma in Logistics management from Lingnan University. Mr Siu joined the Group in February 1994.

Ms Tong Pui Wah, Lisa, aged 43, is the Group's qualified accountant and company secretary. She is a fellow member of various accountancy bodies in UK, Hong Kong and Australia. Ms Tong brings 16 years' experience in finance and administration with large multi-national groups.

高級管理人員

朱力中先生，53歲，負責整體管理本集團於中國之銀行及金融信息化週邊產品業務及服務網絡。彼持有上海華東師範大學中國語言及文學文憑。朱氏於資訊科技業積逾14年經驗，於二零零零年六月加入本集團。

範麗明女士，56歲，先進數碼董事長，畢業於雲南大學，一九八六年加入南天集團，專責開發金融業系統集成服務；於加盟先進數碼前，曾獲委任為南天董事、副總裁兼系統集成部總經理。範女士擁有超過15年高層管理及營銷經驗，為國內少數執掌資訊科技高層管理職位之國內第一代女IT人。範女士於二零零四年榮獲十大金融科技人物傑出貢獻獎。

蕭漢坤先生，43歲，物流經理，負責集團船務及物流管理工作。彼持有嶺南大學物流管理專業文憑，於一九九四年二月加入集團。

唐佩華女士，43歲，集團合資格會計師兼公司秘書。彼為英國、香港及澳洲多個專業會計師學會資深會員。唐氏加盟集團前曾任職多家跨國企業，擁有16年財務及行政經驗。

Report of the Directors 董事會報告

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2004.

Principal activities

The principal activity of the Company is investment holding. During the year, the Group was involved in the distribution of computer hardware and software products and the provision of computer technology services. Details of the principal activities of the Group's principal subsidiaries are set out in note 14 to the financial statements.

There were no significant changes in the nature of the Group's principal activities during the year and up to the date of this report.

Results

The Group's results for the year ended 31 December 2004 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 28 to 100.

Summary financial information

The following is a summary of the published consolidated results and the assets, liabilities and minority interests of the Group, prepared on the basis set out in the note below. This summary does not form part of the audited financial statements.

董事會謹提呈本公司及本集團截至二零零四年十二月三十一日止年度之報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。於年內，本集團從事電腦硬件與軟件產品之分銷與提供電腦技術服務之業務，而本集團各主要附屬公司之主要業務詳情載於財務報表附註14。

本年度及截至本報告日期止期間，本集團之主要業務性質並無任何重大變動。

業績

本集團截至二零零四年十二月三十一日止年度之業績與本公司及本集團於該日期之財務狀況載於第28至100頁之財務報表。

財務資料概要

以下為本集團按照下文附註所載基準編製之已公佈綜合業績以及資產、負債及少數股東權益概要。該概要並不構成經審核財務報表其中部分。

Report of the Directors

董事會報告

Summary financial information (continued)

財務資料概要(續)

Results

業績

Year ended 31 December

截至十二月三十一日止年度

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
TURNOVER	營業額					
Continuing operations	持續經營業務	237,841	261,692	188,784	448,684	417,247
Discontinued operations	已終止業務	—	—	155,084	127,703	—
		<u>237,841</u>	<u>261,692</u>	<u>343,868</u>	<u>576,387</u>	<u>417,247</u>
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)					
Continuing operations	持續經營業務	(29,755)	(15,734)	(35,317)	(89,178)	20,712
Discontinued operations	已終止業務	—	—	(99,863)	4,855	—
		<u>(29,755)</u>	<u>(15,734)</u>	<u>(135,180)</u>	<u>(84,323)</u>	<u>20,712</u>
Tax	稅項	(175)	1,974	(4,065)	(333)	(871)
PROFIT/(LOSS) BEFORE MINORITY INTERESTS	未計少數股東權益前溢利／(虧損)	(29,930)	(13,760)	(139,245)	(84,656)	19,841
Minority interests	少數股東權益	3,077	(1,622)	(8,624)	(4,152)	(1,628)
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務之純利／(淨虧損)	<u>(26,853)</u>	<u>(15,382)</u>	<u>(147,869)</u>	<u>(88,808)</u>	<u>18,213</u>

Report of the Directors

董事會報告

Summary financial information (continued)

財務資料概要 (續)

ASSETS, LIABILITIES AND MINORITY INTERESTS

資產、負債及少數股東權益

		31 December 十二月三十一日				
		2004 二零零四年	2003 二零零三年	2002 二零零二年	2001 二零零一年	2000 二零零零年
		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
NON-CURRENT ASSETS	非流動資產	86,924	90,257	58,761	137,165	94,675
CURRENT ASSETS	流動資產	238,526	281,019	264,275	400,488	378,610
CURRENT LIABILITIES	流動負債	(189,819)	(205,835)	(143,632)	(239,205)	(128,364)
NET CURRENT ASSETS	流動資產淨值	48,707	75,184	120,643	161,283	250,246
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減 流動負債	135,631	165,441	179,404	298,448	344,921
NON-CURRENT LIABILITIES	非流動負債	(487)	(737)	(953)	(629)	(1,529)
MINORITY INTERESTS	少數股東權益	(4,454)	(7,531)	(5,909)	(52,072)	(4,540)
		<u>130,690</u>	<u>157,173</u>	<u>172,542</u>	<u>245,747</u>	<u>338,852</u>

Fixed assets

固定資產

Details of movements in the fixed assets of the Company and of the Group during the year are set out in note 12 to the financial statements.

本公司及本集團固定資產於年內之變動詳情載於財務報表附註12。

Share capital and share options

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 28 and 29 to the financial statements, respectively.

Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 30 to the financial statements and in the consolidated statement of changes in equity on page 31, respectively.

Distributable reserves

At 31 December 2004, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act 1981 of Bermuda, the Company's contributed surplus of HK\$39,431,000 is currently unable to be distributed. The Company's share premium account, in the amount of HK\$341,274,000 at 31 December 2004, may be distributed in the form of fully paid bonus shares.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to its existing shareholders.

股本及購股權

本公司股本及購股權於年內之變動詳情連同變動理由分別載於財務報表附註28及29。

儲備

本公司及本集團儲備於年內之變動詳情分別載於財務報表附註30及第31頁之綜合權益變動報表。

可分派儲備

於二零零四年十二月三十一日，本公司並無留存溢利可作現金分派及／或實物分派。根據百慕達一九八一年公司法，本公司之繳入盈餘39,431,000港元現時無法分派。本公司於二零零四年十二月三十一日之股份溢價賬達341,274,000港元，可按繳足股款紅股之方式分派。

優先認股權

本公司之公司細則或本公司註冊成立之司法權區百慕達之法例均無載有本公司必須按比例向現有股東發售新股份之優先認股權規定。

Report of the Directors 董事會報告

Purchase, redemption or sale of listed securities of the Company

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

Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the Group's total sales for the year.

Purchases from the Group's five largest suppliers accounted for 40% of the total purchases for the year and purchases from the largest supplier included therein amounted to 12% of the Group's total purchases for the year.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

Directors

The directors of the Company during the year and up to the date of this report were as follows:

Executive directors:

Mr Chan Tze Ngon	(Chairman)
Mr Wu Emmy	(Deputy Chairman)
Mr Tang Kin Hung	
Mr Chow Siu Lam, Cliff	(Resigned on 1 February 2005)

Independent non-executive directors:

Mr Lo Siew Kiong, John, O.B.E., J.P.	
Mr Fu Yan Yan	
Ms Wang Xi Ling	(Appointed on 23 September 2004)

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司於年內並無購買、贖回或出售任何本公司之上市證券。

主要客戶及供應商

於回顧年內，向本集團五名最大客戶作出之銷售佔本集團本年度之銷售總額不足30%。

本集團向五名最大供應商作出之採購佔本年度採購總額40%，而其中向最大供應商作出之採購佔本集團年內採購總額12%。

本公司董事、彼等之聯繫人士或據董事會所深知擁有本公司已發行股本5%以上之任何股東並無擁有本集團五大客戶或供應商之任何實益權益。

董事

於年內及截至本報告日期止本公司在任董事如下：

執行董事：

陳子昂先生	(主席)
吳安敏先生	(副主席)
鄧健洪先生	
周少霖先生	(於二零零五年二月一日辭任)

獨立非執行董事：

羅肇強先生·O.B.E.· 太平紳士	
傅欣欣先生	
王希玲女士	(於二零零四年九月二十三日獲委任)

Report of the Directors

董事會報告

Directors (continued)

In accordance with bye-law 114 of the Company's bye-laws, Ms Wang Xi Ling will retire and, being eligible, will offer herself for re-election at the forthcoming annual general meeting.

In accordance with bye-law 111 of the Company's bye-laws, Mr Lo Siew Kiong, John will retire by rotation and, being eligible, will offer himself for re-election at the forthcoming annual general meeting. Apart from Mr Chan Tze Ngon and Mr Wu Emmy, all the other executive directors of the Company, are subject to retirement by rotation and re-election in accordance with the provisions of the Company's bye-laws.

Directors' and senior management's biographies

Biographical details of the directors of the Company and of the senior management of the Group are set out on pages 13 to 15 of this annual report.

Directors' service contracts

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' interests in contracts

Save as disclosed in note 34 to the financial statements, no director had a material beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

Related party transactions

Details of the related party transactions of the Group are set out in note 34 to the financial statements.

董事 (續)

根據本公司之公司細則第114條，王希玲女士將告退，且合資格並願於應屆股東週年大會膺選連任。

根據本公司之公司細則第111條，羅肇強先生將輪值告退，且合資格並願於應屆股東週年大會膺選連任。除陳子昂先生及吳安敏先生外，本公司所有其他執行董事均須根據本公司之公司細則之規定輪值告退並膺選連任。

董事及高級管理人員之履歷

本公司董事及本集團高級管理人員之履歷載於本年報第13至第15頁。

董事之服務合約

於應屆股東週年大會上膺選連任之董事概無與本公司訂立不可於一年內終止而毋須支付除法定補償外賠償之服務合約。

董事於合約之權益

除財務報表附註34披露者外，各董事在本公司或其任何附屬公司於年內訂立且對本集團業務有重大影響之合約中，概無擁有直接或間接重大實益權益。

有關連人士交易

本集團進行之有關連人士交易詳情載於財務報表附註34。

Report of the Directors 董事會報告

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

At 31 December 2004, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Long positions in ordinary shares and underlying shares of the Company:

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零零四年十二月三十一日，本公司董事及行政總裁於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有本公司根據證券及期貨條例第352條須存置之登記冊所記錄，或根據上市公司董事進行證券交易的標準守則（「標準守則」）已知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

本公司於普通股及相關股份之好倉：

		Number of issued ordinary shares and underlying shares of HK\$0.10 each in the Company held Personal interests 持有本公司每股面值0.10港元 已發行普通股及相關股份之數目 個人權益		Notes 附註	Percentage of holding 持股百分比
Capacity 身份					
Director: 董事:					
Mr. Chan Tze Ngon 陳子昂先生	Beneficial owner 實益擁有人	82,614,000			16.43%
Mr. Wu Emmy 吳安敏先生	Beneficial owner 實益擁有人	5,000,000	1		0.99%
Mr. Tang Kin Hung (Mr. Tang) 鄧健洪先生（鄧先生）	Beneficial owner 實益擁有人	15,500,000	2		3.08%

Former Director:
前董事：

Mr. Chow Siu Lam, Cliff 周少霖先生	Beneficial owner 實益擁有人	5,000,000	1	0.99%
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Note 1: These shares may be allotted and issued to him upon exercise of the share option granted to him in November 2003, details of which are set out in the note 29 (headed "Share Option Scheme") under the "Notes to Financial Statements" set out on pages 88 – 93 of this annual report.

附註1： 此等股份可能會因於二零零三年十一月授予彼之購股權獲行使而向彼配發及發行，有關詳情載於本年報第88至93頁所載「財務報表附註」項下附註29「購股權計劃」一段。

Note 2: The 15,500,000 shares represent (i) 10,500,000 shares owned by Mr Tang and (ii) 5,000,000 shares which may be allotted and issued to him upon exercise of the share option granted to him in November 2003, details of which are set out in Note 29 (headed "Share Option Scheme") under the "Notes to Financial Statements" set out on pages 88 – 93 of this annual report.

附註2： 該15,500,000股股份指(i)鄧先生擁有之10,500,000股股份；及(ii)可能因於二零零三年十一月授予彼之購股權獲行使而向彼配發及發行之5,000,000股股份，有關詳情載於本年報第88至93頁所載「財務報表附註」項下附註29「購股權計劃」一段。

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures (continued)

In addition to the above as at 31 December 2004, certain directors have 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.

Save as disclosed above, none of the directors or the chief executive of the Company had registered an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' rights to acquire shares or debentures

Save as disclosed in note 29 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Share option schemes

Concerning the share options granted during the year to the directors and employees as detailed in note 29 to the financial statements, the directors do not consider it appropriate to disclose a theoretical value of the options granted because in the absence of a readily available market value of the share options on the ordinary shares of the Company, the directors were unable to arrive at an accurate assessment of the value of the share options.

董事及行政總裁於股份、相關股份及債券之權益及淡倉 (續)

於二零零四年十二月三十一日，除上述者外，為符合公司最少股東人數之規定，若干董事代本公司持有若干附屬公司之非實益個人股本權益。

除上文披露者外，本公司董事或行政總裁概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有須根據證券及期貨條例第352條予以記錄，或根據標準守則已知會本公司及聯交所之權益或淡倉。

董事購入股份或債券之權利

除財務報表附註29所披露者外，於年內任何時間，概無向董事或彼等各自之配偶或未滿18歲之子女授出可藉購入本公司股份而獲益之權利，或彼等亦無行使任何該等權利；或本公司或其任何附屬公司亦無參與任何安排，致使董事可於任何其他法人團體購入該等權利。

購股權計劃

就財務報表附註29所闡釋有關年內授予董事及僱員之購股權而言，由於市場並無有關本公司普通股之購股權市值供參考，董事未能就該等購股權之價值作出準確估值，故董事認為，並不適宜披露購股權之理論價值。

Report of the Directors 董事會報告

Substantial shareholders' and other persons' interests and short positions in shares and underlying shares

Other than the directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, no other person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register of interests pursuant to Section 336 of the SFO.

Code of Best Practice

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the year ended 31 December 2004 in compliance with the then applicable Code of Best Practice ("Code") as set out in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange during the year under review. In the opinion of the Directors, this meets the same objective as the Code.

To comply with the Code, the Company set up an audit committee (the "Committee") on 12 June 1999 with written terms of reference for the purpose of reviewing and providing supervision on the financial report process and internal control of the Group. The Committee comprises the three independent non-executive Directors of the Company.

Under Rule 13.13 and 13.15 of the Listing Rules, the Company is required to disclose the trade receivables from UT Starcom Telecom Company Limited and China Construction Bank, Xin Jiang Branch, the customers of the Group and being independent of the Company as determined by the directors of the Company, exceed 8% of any of the total assets of the Group shown in the Group's latest published interim report or the Company's market capitalisation. Further disclosure of the transaction are set out in the announcement of the Company dated 12 November 2004 and 13 December 2004.

主要股東及其他人士於股份及相關股份之權益及淡倉

除本公司董事及行政總裁於上文「董事及行政總裁於股份、相關股份及債券之權益及淡倉」一節所載之權益外，概無其他人士擁有須根據證券及期貨條例第336條記錄在權益登記冊之本公司股份或相關股份權益或淡倉。

最佳應用守則

於回顧年度董事並無知悉有任何資料合理顯示本公司現時或於截至二零零四年十二月三十一日止年度任何時間曾經未有遵守聯交所證券上市規則（「上市規則」）附錄十四所載之當時適用之最佳應用守則（「該守則」）。董事認為，本公司符合該守則之宗旨。

為符合該守則，本公司於一九九九年六月十二日成立審核委員會（「該委員會」），並書面釐定其職權範圍，旨在審閱及監察本集團之財務申報程序及內部控制系統。該委員會由本公司三名獨立非執行董事組成。

根據上市規則第13.13及13.15條，本公司須就應收UT Starcom Telecom Company Limited及中國建設銀行新疆分行之貿易賬款超出本集團最近期刊發中期報告所示本集團資產總值或本公司市值8%之情況作出披露。該兩家公司均為本集團客戶，並經本公司董事界定為獨立於本公司。該項交易之進一步詳情披露於本公司分別日期為二零零四年十一月十二日及二零零四年十二月十三日之公布。

Report of the Directors 董事會報告

Audit Committee

The Company established an audit committee in 1999, which comprises three independent non-executive directors, in accordance with paragraph 14 of the Code. The audit committee meets regularly mainly to consider the nature and scope of audit reviews, the effectiveness of the Group's financial reporting process and internal control systems, and compliance with the relevant rules and regulations.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Chan Tze Ngon

Chairman

Hong Kong
26 April 2005

審核委員會

本公司已根據守則第14段之規定於一九九九年成立一個由三位獨立非執行董事組成之審核委員會。該審核委員會定期開會，主要考慮審核之性質及範圍、本集團財務申報程序及內部監控系統之成效，以及是否已遵守相關規則及條例。

核數師

安永會計師事務所任滿告退，而續聘該公司為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事會

主席

陳子昂

香港

二零零五年四月二十六日

Report of the Auditors 核數師報告



To the members

Technology Venture Holdings Limited

(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 28 to 100 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

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

致宏昌科技集團有限公司*

(於百慕達註冊成立之有限公司)

列位股東

本會計師事務所(以下簡稱「我們」)已完成審核載於第28至第100頁按照香港普遍採納之會計原則編製之財務報表。

董事及核數師之個別責任

貴公司之董事須負責編製真實及公平之財務報表。在編製該等真實及公平之財務報表時，董事必須選用及貫徹採用合適之會計政策。我們之責任是根據我們審核工作之結果，對該等財務報表作出獨立之意見，並按照百慕達一九八一年公司法第90條規定，僅向全體股東報告。除此之外，我們的報告書不可作其他用途，我們概不就本報告書之內容向任何其他人士負責或承擔任何責任。

意見之基礎

我們是按照香港會計師公會頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製該等財務報表時所作之重大估計和判斷、所釐定之會計政策是否適合 貴公司與 貴集團之具體情況，及是否貫徹應用並足夠地披露該等會計政策。

* For identification purpose only 僅供識別

Report of the Auditors 核數師報告

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2004 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

Hong Kong
26 April 2005

我們在策劃和進行審核工作時，均以取得一切我們認為必需之資料及解釋為目標，使我們能獲得充份之憑證，就該等財務報表是否存有重要錯誤陳述，作出合理之確定。在表達意見時，我們亦已衡量該等財務報表所載之資料在整體上是否足夠。我們相信，我們之審核工作已為下列意見建立合理之基礎。

意見

我們認為上述之財務報表均真實及公平地反映 貴公司與 貴集團於二零零四年十二月三十一日之財務狀況及 貴集團截至該日止年度之虧損和現金流量，並已按照香港公司條例之披露要求而妥善編製。

安永會計師事務所

執業會計師

香港
二零零五年四月二十六日

Consolidated Profit and Loss Account

綜合損益表

Year ended 31 December 2004 截至二零零四年十二月三十一日止年度

		Notes 附註	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
TURNOVER	營業額	5	237,841	261,692
Cost of sales	銷售成本		(210,676)	(225,408)
Gross profit	毛利		27,165	36,284
Other income	其他收益	5	1,816	1,789
Selling and distribution expenses	銷售及分銷費用		(11,627)	(9,693)
Administrative expenses	行政費用		(37,118)	(34,827)
Other operating expenses	其他經營費用		(9,468)	(8,562)
LOSS FROM OPERATING ACTIVITIES	經營業務之虧損	6	(29,232)	(15,009)
Finance costs	融資成本	8	(523)	(725)
LOSS BEFORE TAX	除稅前虧損		(29,755)	(15,734)
Tax	稅項	9	(175)	1,974
LOSS BEFORE MINORITY INTERESTS	未計少數股東權益前虧損		(29,930)	(13,760)
Minority interests	少數股東權益		3,077	(1,622)
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務 之淨虧損	10	(26,853)	(15,382)
LOSS PER SHARE	每股虧損	11		
Basic	基本		HK\$0.05	HK\$0.03
Diluted	攤薄後		N/A	N/A

Consolidated Balance Sheet

綜合資產負債表

Year ended 31 December 2004 截至二零零四年十二月三十一日止年度

			2004 二零零四年	2003 二零零三年
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元	
NON-CURRENT ASSETS	非流動資產			
Fixed assets	固定資產	12	4,601	5,657
Deferred development costs	遞延發展成本	13	1,387	2,266
Interest in a jointly-controlled entity	於共同控制實體權益	16	104	—
Long term investment	長期投資	17	66,681	66,681
Deposits	按金	18	14,151	15,653
			<u>86,924</u>	<u>90,257</u>
CURRENT ASSETS	流動資產			
Inventories	存貨	19	28,197	20,724
Accounts and bills receivable	應收賬項及票據	20	52,267	69,364
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	21	50,019	74,089
Due from investee companies	應收被投資公司之款項	17	23,045	8,539
Pledged time deposits	已抵押定期存款	22	5,141	16,470
Cash and cash equivalents	現金及現金等價物	22	79,857	91,833
			<u>238,526</u>	<u>281,019</u>
CURRENT LIABILITIES	流動負債			
Accounts and bills payable	應付賬項及票據	23	52,304	58,415
Tax payable	應繳稅項		11,670	11,489
Accrued liabilities and other payables	應計負債及其他應付款	24	79,953	96,277
Interest-bearing bank and other loans	附息銀行及其他貸款	25	45,617	39,339
Current portion of finance lease payables	融資租賃應付款項之即期部分	26	275	315
			<u>189,819</u>	<u>205,835</u>
NET CURRENT ASSETS	流動資產淨值		<u>48,707</u>	<u>75,184</u>

Consolidated Balance Sheet

綜合資產負債表

Year ended 31 December 2004 截至二零零四年十二月三十一日止年度

			2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
		Notes 附註		
NET CURRENT ASSETS	流動資產淨值		48,707	75,184
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		135,631	165,441
NON-CURRENT LIABILITIES	非流動負債			
Finance lease payables	融資租賃應付款項	26	254	504
Deferred tax	遞延稅項	27	233	233
			487	737
MINORITY INTERESTS	少數股東權益		4,454	7,531
			130,690	157,173
CAPITAL AND RESERVES	股本及儲備			
Issued capital	已發行股本	28	50,273	50,121
Reserves	儲備	30(a)	80,417	107,052
			130,690	157,173

Chan Tze Ngon

陳子昂

Director

董事

Tang Kin Hung

鄧健洪

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

Year ended 31 December 2004 截至二零零四年十二月三十一日止年度

		Issued capital 已發行股本 HK\$'000 千港元 (note 28) (附註28)	Share premium account 股份溢價賬 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Reserves (note 30(a)) 儲備 (附註30(a))		Accumulated losses 累積虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Total 總計 HK\$'000 千港元
					Goodwill reserve 商譽儲備 HK\$'000 千港元	Exchange fluctuation reserve 匯兌波動儲備 HK\$'000 千港元			
At 1 January 2003	於二零零三年一月一日	50,121	341,071	(19)	(43,248)	51	(175,434)	122,421	172,542
Exchange realignment and net gains not recognised in the profit and loss account	匯兌調整及淨收益，未在損益表確認	-	-	-	-	13	-	13	13
Net loss for the year	年度淨虧損	-	-	-	-	-	(15,382)	(15,382)	(15,382)
At 31 December 2003 and 1 January 2004	於二零零三年十二月三十一日及二零零四年一月一日	50,121	341,071	(19)	(43,248)	64	(190,816)	107,052	157,173
Exchange realignment and net gains not recognised in the profit and loss account	匯兌調整及淨收益，未在損益表確認	-	-	-	-	15	-	15	15
Exercise of share options	行使購股權	152	203	-	-	-	-	203	355
Net loss for the year	年度淨虧損	-	-	-	-	-	(26,853)	(26,853)	(26,853)
At 31 December 2004	於二零零四年十二月三十一日	50,273	341,274	(19)	(43,248)	79	(217,669)	80,417	130,690

Consolidated Cash Flow Statement

綜合現金流量表

Year ended 31 December 2004 截至二零零四年十二月三十一日止年度

			2004 二零零四年	2003 二零零三年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務所得之現金流量			
Loss before tax	除稅前虧損		(29,755)	(15,734)
Adjustments for:	就下列各項作出調整：			
Interest income	利息收入	5	(642)	(1,260)
Depreciation	折舊	6, 12	2,700	3,678
Amortisation of deferred development costs	遞延發展成本攤銷	6	879	370
Gain on disposal of fixed assets, net	出售固定資產淨 收益	6	—	(268)
Provision for doubtful debts	呆賬撥備		8,589	8,192
Finance costs	融資成本	8	523	725
Operating loss before working capital changes	未計營運資金變動 前經營虧損		(17,706)	(4,297)
Decrease/(increase) in inventories	存貨減少／（增加）		(7,473)	4,221
Decrease/(increase) in accounts and bills receivable	應收賬項及票據 減少／（增加）		8,508	(8,434)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他 應收款減少／（增加）		11,799	(24,691)
Increase/(decrease) in accounts and bills payables	應付賬項及票據 增加／（減少）		(6,111)	32,143
Increase/(decrease) in accrued liabilities and other payables	應計負債及其他應付款 增加／（減少）		(16,324)	16,426
Cash generated from/(used in) operations	業務所得／（所用）之現金		(27,307)	15,368
Hong Kong profits tax refunded	退回香港利得稅		153	—
Overseas profits taxes paid	已繳海外所得稅		(147)	(527)
Net cash inflow/(outflow) from operating activities	經營業務所得之現金 流入／（流出）淨額		(27,301)	14,841

Consolidated Cash Flow Statement

綜合現金流量表

Year ended 31 December 2004 截至二零零四年十二月三十一日止年度

			2004 二零零四年	2003 二零零三年
	Notes 附註		HK\$'000 千港元	HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動引起之現金流量			
Purchases of fixed assets	購買固定資產	12	(1,644)	(2,042)
Proceeds from disposal of fixed assets	出售固定資產所得款項		–	915
Additions to deferred development costs	遞延發展成本增加	13	–	(2,636)
Investment in a jointly-controlled entity	投資於共同控制實體	16	(104)	–
Additional investments in an investee company	於被投資公司之額外投資	17	–	(15,600)
Repayment from/ (advances to) investee companies	被投資公司還款／(墊款)	17	(14,506)	3,900
Refund/(payment) of deposits for investment, net	退回／(繳付)投資按金淨額	18,21	13,502	(27,653)
Proceeds from disposal of subsidiaries	出售附屬公司所得款項		–	20,000
Decrease in pledged time deposits	已抵押定期存款減少		11,329	11,179
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired	購入時原到期日起逾三個月之無抵押定期存款減少／(增加)		280	(34,242)
Interest received	已收利息		913	989
Effect of foreign exchange rate change, net	外匯匯率變動之影響淨額		15	–
Net cash inflow/(outflow) from investing activities	投資活動引起之現金流入／(流出)淨額		9,785	(45,190)

Consolidated Cash Flow Statement

綜合現金流量表

Year ended 31 December 2004 截至二零零四年十二月三十一日止年度

			2004 二零零四年	2003 二零零三年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動引起之現金流量			
Exercise of share options	行使購股權	29	355	—
New bank loans	新增銀行貸款		45,655	43,585
Repayment of bank loans	償還銀行貸款		(40,283)	(16,647)
Interest paid	已付利息		(486)	(665)
Capital element of finance lease rental payments	融資租賃租金之資本部分		(290)	(687)
Interest element on finance lease rental payments	融資租賃租金之利息部分		(37)	(60)
Net cash inflow from financing activities	融資活動引起之現金流入淨額		4,914	25,526
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額		(12,602)	(4,823)
Cash and cash equivalents at beginning of year	年初之現金及現金等價物		57,591	62,414
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等價物		44,989	57,591
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘之分析			
Cash and bank balances	現金及銀行結餘	22	45,895	57,591
Less: Bank overdraft	減除：銀行透支	25	(906)	—
			44,989	57,591

Balance Sheet

資產負債表

31 December 2004 二零零四年十二月三十一日

			2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Fixed assets	固定資產	12	460	862
Interests in subsidiaries	於附屬公司之權益	14	104,158	103,122
			<u>104,618</u>	<u>103,984</u>
CURRENT ASSETS	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款		468	454
Due from an investee company	應收一間被投資公司之款項	17	15	8,408
Pledged time deposits	已抵押定期存款	22	3,000	3,000
Cash and cash equivalents	現金及現金等價物	22	29	6,978
			<u>3,512</u>	<u>18,840</u>
CURRENT LIABILITIES	流動負債			
Accrued liabilities and other payables	應計負債及其他應付款	24	2,508	1,090
Interest bearing bank loans	附息銀行貸款	25	856	—
Current portion of finance lease payables	融資租賃應付款項之即期部分	26	275	315
			<u>3,639</u>	<u>1,405</u>
NET CURRENT ASSETS/(LIABILITIES)	流動資產／（負債）淨值		<u>(127)</u>	<u>17,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		104,491	121,419
NON-CURRENT LIABILITIES	非流動負債			
Finance lease payables	融資租賃應付款項	26	254	504
			<u>104,237</u>	<u>120,915</u>
CAPITAL AND RESERVES	股本及儲備			
Issued capital	已發行股本	28	50,273	50,121
Reserves	儲備	30(b)	53,964	70,794
			<u>104,237</u>	<u>120,915</u>

Chan Tze Ngon
陳子昂
Director
董事

Tang Kin Hung
鄧健洪
Director
董事

Notes to Financial Statements

財務報表附註

31 December 2004 二零零四年十二月三十一日

1. CORPORATE INFORMATION

The head office and principal place of business of the Company during the year was located at 8th Floor, Tianjin Building, 167 Connaught Road West, Hong Kong.

The principal activity of the Company is investment holding. During the year, the Group was involved in the distribution of computer hardware and software products and the provision of computer technology services. Details of the principal activities of the Company's principal subsidiaries are set out in note 14 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year and up to the date of this report.

2. IMPACT OF RECENTLY ISSUED HONG KONG FINANCIAL REPORTING STANDARDS

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, hereinafter collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

1. 公司資料

本公司於年內之總辦事處及主要營業地點位於香港干諾道西167號天津大廈8樓。

本公司之主要業務為投資控股。於年內，本集團從事電腦硬件與軟件產品之分銷與提供電腦技術服務之業務，而本公司各主要附屬公司之主要業務詳情載於財務報表附註14。本集團之主要業務性質於年內及截至本報告日期為止並無重大變動。

2. 最近頒布香港財務報告準則之影響

香港會計師公會（「香港會計師公會」）已頒佈多項新訂及經修訂之香港財務報告準則及香港會計原則（下文統稱「新香港財務報告準則」），適用於二零零五年一月一日或之後開始會計期間。本集團並無就截至二零零四年十二月三十一日止年度之財務報表提早採納該等新香港財務報告準則。本集團已著手評估該等新香港財務報告準則之影響，惟現階段未能指出該等新香港財務報告準則會否對本集團經營業績及財務狀況構成重大影響。

Notes to Financial Statements

財務報表附註

31 December 2004 二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice and Interpretations) issued by HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2004. The results of the subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

3. 主要會計政策概要

編製基準

本財務報表乃根據香港會計師公會所頒布香港財務報告準則(其中亦包括會計實務準則及詮釋)、香港普遍採納之會計原則及香港公司條例之披露規定而編製。本財務報表乃以歷史成本常規編製。

綜合賬目基準

綜合財務報表包括本公司及其附屬公司截至二零零四年十二月三十一日止年度之財務報表。於年內購入或出售之附屬公司之業績，由其實際購入日期起綜合計算或綜合計算至其實際出售日期止，本集團公司間之所有重大交易及結餘已於綜合賬目時抵銷。

少數股東權益指外界股東於本公司附屬公司業績及資產淨值的權益。

附屬公司

附屬公司為本公司直接或間接控制其財務及經營政策以從其業務中獲益之公司。

附屬公司業績按已收及應收股息計入本公司損益表。本公司於附屬公司之權益乃按成本減任何減值虧損入賬。

Notes to Financial Statements 財務報表附註

31 December 2004 二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint venture companies

A joint venture company is a company set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture company is treated as:

- (i) a subsidiary, if the Group has unilateral control, directly or indirectly, over the joint venture company;
- (ii) a jointly-controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture company;
- (iii) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or
- (iv) a long term investment, if the Group holds, directly or indirectly, less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

3. 主要會計政策概要 (續)

合營公司

合營公司乃按合約安排成立之公司，本集團及其他合營方據此進行經濟活動。合營公司以獨立實體形式經營，而本集團及有關其他合營方於當中擁有權益。

合營各方間之合營協議訂明合營各方之出資比例、合營年期及解散時變現資產之基準。合營公司之經營盈虧及任何盈餘資產分派，均由合營各方按彼等出資比例或根據合營協議條款攤分。

合營公司於下列情況被視作不同類型公司：

- (i) 倘本集團單方面直接或間接對該合營公司擁有控制權，則被視作附屬公司；
- (ii) 倘本集團對合營公司並無單方面控制權，惟直接或間接擁有共同控制權，則被視作共同控制實體；
- (ii) 倘本集團並無單方面或共同控制權，惟一般直接或間接持有該合營公司註冊資本不少於20%，且能夠對該合營公司發揮重大影響力，則被視作聯營公司；或
- (iv) 倘本集團直接或間接持有該合營公司註冊資本少於20%，且無共同控制權，亦不能對該合營公司發揮重大影響力，則被視作長期投資。

Notes to Financial Statements

財務報表附註

31 December 2004 二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly-controlled entities

A jointly-controlled entity is a joint venture company which is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's share of the post-acquisition results and reserves of jointly-controlled entities is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's Interest in a jointly-controlled entity is stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Related parties

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of a maximum period of 10 years.

3. 主要會計政策概要 (續)

共同控制實體

共同控制實體為受制於共同控制權的合營公司，而各參與方對共同控制實體的經濟活動概無單方面控制權。

本集團佔共同控制實體之收購後業績及儲備分別計入綜合損益表及綜合儲備。本集團於共同控制實體之權益乃根據權益會計法，按本集團分佔資產淨值，減任何減值虧損，計入綜合資產負債表。

有關連人士

倘其中一方有能力直接或間接控制另一方，並對另一方之財務及營運決策方面具有重大影響力，則雙方被視為有關連。受共同控制或共同重大影響之人士亦被視為有關連人士。有關連人士可屬個人或公司實體。

商譽

因收購附屬公司而產生之商譽即收購成本超逾於收購日本集團應佔可確認已購入資產及負債之公平價值之差額。

因收購而產生之商譽於綜合資產負債表確認為一項資產，並以最長10年之估計可用年期按直線法攤銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

Prior to the adoption of SSAP 30 "Business combinations" in 2001, goodwill arising on acquisition was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to the adoption of the SSAP 30 is treated according to the SSAP 30 goodwill accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

3. 主要會計政策概要 (續)

商譽 (續)

於二零零一年採納會計準則第30號「業務合併」前，因收購產生之商譽於收購年度之綜合儲備中抵銷。在採納會計準則第30號，本集團已採納會計準則第30號之過渡規定，繼續自綜合儲備抵銷商譽。於採納會計準則第30號後因收購產生之商譽按上述會計準則第30號有關商譽之會計政策處理。

出售附屬公司時，出售之收益或虧損參照出售當日之資產淨值計算，包括未攤銷之應佔商譽及任何有關儲備（如適用）。先前自綜合儲備中撇銷之任何應佔商譽於收購時撥回，並計入出售之收益或虧損之計算內。

商譽之賬面值包括仍於綜合儲備撇銷之商譽，每年予以審核，並於必要時就減值作撇減。先前已確認之商譽減值虧損不予撥回，除非減值虧損因性質特殊且預期不會再發生之具體外部事件所致，且其後發生可抵銷此事件之外部事件。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation

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

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	33 $\frac{1}{3}$ % or over the lease terms, whichever is shorter
Furniture, fixtures and equipment	33 $\frac{1}{3}$ %
Motor vehicles	33 $\frac{1}{3}$ %

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

3. 主要會計政策概要 (續)

固定資產及折舊

固定資產按成本減累積折舊及任何減值虧損入賬。

資產成本包括其購買價格以及令資產達致運作狀況及地點作擬定用途而直接產生之成本。固定資產投入運作後產生之開支(例如維修及保養等)一般計入所產生期間之損益表,倘能明確證明該開支令致日後使用該固定資產可獲得之經濟利益增加,則將該開支撥充資本計作該資產之額外成本。

折舊乃根據每項資產之估計可使用年期以直線法撇銷個別資產之成本。就此所採用主要年率如下:

租賃物業裝修	33 $\frac{1}{3}$ %或租賃年期(以較短者為準)
傢俬、裝置及設備	33 $\frac{1}{3}$ %
汽車	33 $\frac{1}{3}$ %

固定資產出售或廢棄時之收益或虧損,指銷售所得款項淨額與有關資產賬面值之差額,並於損益表內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and are depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

Long term investments

Long term investments in listed and unlisted equity securities, intended to be held on a continuing strategic or long-term basis, are stated at cost less any impairment losses, on an individual investment basis.

3. 主要會計政策概要 (續)

租賃資產

凡資產擁有權(法定所有權除外)之絕大部分收益及風險歸本集團擁有之租賃,均列為融資租賃。於訂立融資租賃時,租賃資產之成本乃按最低租賃付款之現值撥作資本,並與扣除利息支出後之債務一併入賬,以反映該項購買及融資。凡以資本化融資租賃方式持有之資產,均納入固定資產,並按其租賃年期及估計可使用年期兩者中之較短者計算折舊。此類租賃之融資成本於損益表中扣除,以便可在租賃年內按固定比率定期計算。

凡資產擁有權之絕大部分收益及風險歸出租人擁有之租賃,則列為經營租賃。若本集團為出租人,則根據經營租賃之應收租金按租約年期以直線法計入損益表,若本集團為承租人,則根據經營租賃之應付租金按租約年期以直線法自損益表中扣除。

長期投資

長期投資為於擬持續按策略或長期持有之上市及非上市股本證券,按成本值減任何減值虧損以個別投資基準入賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long term investments (continued)

When a decline in the fair value of a security below its carrying amount has occurred, unless there is evidence that the decline is temporary, the carrying amount of the security is reduced to its fair value, as estimated by the directors. The amount of the impairment is charged to the profit and loss account for the period in which it arises. When the circumstances and events which led to the impairment in value cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amount of the impairment previously charged is credited to the profit and loss account to the extent of the amount previously charged.

The gains or losses arising from changes in the fair values of such securities are credited or charged to the profit and loss account in the period in which they arise.

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use and its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

3. 主要會計政策概要 (續)

長期投資 (續)

若證券公平價值降至低於其賬面值，除非有證據顯示減值屬暫時性，否則證券賬面值將調低至董事所估計之公平價值，而減值數額則於發生期間自損益表扣除。若導致減值之情況及事件已不存在，且有確實證據證明新情況及事件將於可預見未來持續，則將先前已扣除之減值數額按先前扣除之數額為限計入損益表。

該等證券公平價值變動產生之收益或虧損於產生期間計入損益表或自損益表扣除。

資產減值

本公司會於各結算日評估任何資產是否有減值跡象，或是否有跡象顯示過往年度就資產確認之減值虧損已不再存在或已減少。若有任何該等跡象，則估計資產之可收回金額。資產之可收回金額為資產之使用價值及其淨售價之較高者。

減值虧損僅於資產之賬面值超逾其可收回金額時確認。按重估值列賬之資產，其減值虧損按重估資產有關會計政策入賬，除此以外，減值虧損計入產生期間之損益表內。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Research and development costs

All research costs are charged to the profit and loss account as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the projects are clearly defined; the expenditure is separately identifiable and can be measured reliably; there is reasonable certainty that the projects are technically feasible; and the products have commercial value. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less accumulated amortisation and any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding three years, commencing from the date when the products are available for use.

3. 主要會計政策概要 (續)

資產減值 (續)

過往就資產確認之減值虧損，僅於用以釐定資產可收回金額之估計有所變動情況下方予撥回，而撥回金額不得高於過往年度並無就該項資產確認減值虧損而釐定之賬面金額（扣除折舊或攤銷）。除以重估金額列賬之資產之減值虧損撥回根據該重估資產有關會計政策入賬外，減值虧損撥回於產生期間計入損益表。

研究及開發成本

所有研究成本均於產生時自損益表中扣除。

倘開發新產品之項目可清晰界定，而有關開支可個別分辨及可靠計算，並可合理確定有關項目技術上可行，以及產品具商業價值，就此產生之開支方予撥充資本並遞延計算。未能符合以上準則之產品發展開支於產生時實銷。

遞延發展成本以其成本減累積攤銷及減值虧損入賬，並根據有關產品備妥可用日期起計不超過三年之商用年期以直線法攤銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Accounts receivable

The payment terms granted by the Group vary from project to project and may include cash on delivery, advance payment and credit of 30 to 90 days from different stages of the projects. Trade receivables are recognised and carried at original invoiced amount less provision for doubtful debts which are recorded when collection of the amount is no longer probable. Bad debts are written off as incurred.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

3. 主要會計政策概要 (續)

存貨

存貨按成本或可變現淨值兩者中之較低者列賬。成本按先進先出基準計算。在製品及製成品之成本包括直接物料、直接勞工及適當比例之間接成本。可變現淨值則按估計售價減預期完成及售出所需之其他成本計算。

應收賬項

本集團給予之付款期乃按項目而定，包括交貨付現、預先付款及按項目之不同進度給予30天至90天之信貸期。應收貿易賬項乃按原發票值減呆賬撥備確認入賬。呆賬乃於不再可能收回款項時記錄入賬。壞賬於產生時撇銷。

現金及現金等價物

於綜合現金流量表內，現金及現金等價物包括手頭現金及活期存款，及一般於購入後三個月內到期，價值變動風險不大且隨時可兌換為已知數額現金之短期、高度流動性投資，減須按要求償還之銀行透支，為本集團現金管理一部分。

資產負債表內之現金及現金等價物包括手頭及銀行現金，包括無使用限制之定期存款。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the profit and loss account.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

3. 主要會計政策概要 (續)

撥備

當過往事件引致當前債務(法定或推定)，且有可能需要動用未來資源以償還債務，並能夠可靠估計債務數額時確認撥備。

若貼現影響重大，則確認撥備之數額為預期償還債務所需之未來開支於結算日之現值。隨時間推移而引致之貼現現值增加計入損益表的融資成本中。

所得稅

所得稅包括即期及遞延稅項。所得稅於損益表確認，或倘有關稅項與相同或不同期間直接於股本確認之項目相關，則於股本確認。

遞延稅項須按負債法，就資產及負債之稅基與用於財務申報之賬面值產生之所有暫時差額，於資產負債表作出撥備。

遞延稅項負債就所有應課稅暫時差額確認：

- 惟產生自商譽或最初確認交易(並非業務合併)資產或負債，以及於進行交易時不影響會計溢利或應課稅溢利或虧損的遞延稅項負債則除外；及

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

- in respect of taxable temporary differences associated with interests in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

3. 主要會計政策概要 (續)

所得稅 (續)

- 與於附屬公司之權益相關之應課稅暫時差額，惟假若可控制暫時差額之撥回時間，並有可能在可預見未來不會撥回暫時性差額則除外。

遞延稅項資產乃於有可能將應課稅溢利抵銷可扣減暫時差額與未動用稅項資產及未動用稅項虧損結轉時，就所有可扣減暫時差額、未動用稅項資產及未動用稅項虧損結轉確認：

- 產生自最初確認交易資產或負債，以及於進行交易時不影響會計溢利或應課稅溢利或虧損的遞延稅項資產除外；及
- 與附屬公司及聯營公司投資與於合營企業之權益相關之可扣減暫時差額，於暫時差額可能在可預見未來將會撥回及應課稅溢利將可抵銷暫時差額時，遞延稅項資產方予確認。

遞延資產賬面值於每個結算日審閱，並於可能並無足夠應課稅溢利抵銷所有或部分遞延稅項資產時減少。相反，先前尚未確認之遞延稅項資產於有足夠應課稅溢利抵銷所有或部分遞延稅項資產時確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Hong Kong Employment Ordinance.

3. 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產及負債乃按於結算日頒佈或實質頒佈之稅率 (及稅法) 計算, 而有關稅率則為預期於變現資產或清償債務期間適用之稅率。

僱員福利

結轉有薪假期

本集團根據僱員合約於每個曆年給予僱員有薪年假。於若干情況下, 於結算日尚未提取之假期可結轉至下個年度由有關僱員提取。本公司於每個結算日累計預期僱員於年內所累積及結轉有薪假期之日後成本。

僱傭條例長期服務金

根據香港僱傭條例, 若干服務本集團年期已屆指定年數之僱員合資格, 可於終止僱用時享有長期服務金。倘有關終止僱用符合香港僱傭條例所註明情況, 本集團則須作出有關付款。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Employment Ordinance long service payments (continued)

A contingent liability is disclosed in respect of possible future long service payments to employees, as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Hong Kong Employment Ordinance if their employment is terminated in the circumstances specified. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheets for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

3. 主要會計政策概要 (續)

僱員福利 (續)

僱傭條例長期服務金 (續)

由於截至結算日為止，若干現任僱員服務本集團年期已屆指定年數，合資格根據香港僱傭條例於指定情況下終止僱用後獲取長期服務金，故已就日後可能須付予僱員之長期服務金披露或然負債。由於該等情況不大可能導致本集團日後產生重大資金流出，故尚未就該等可能產生之付款確認撥備。

購股權計劃

本公司推行購股權計劃，旨在獎勵及回報對本集團業務成績作出貢獻之合資格參與人士。根據購股權計劃授出之購股權之財務影響於購股權獲行使時方記入本公司或本集團之資產負債表，而不會就有關成本於損益表或資產負債表支銷。行使購股權而發行之股份按股份面值記錄為本公司額外股本，而每股行使價超出股份面值之差額則記入本公司股份溢價賬。於行使日期前註銷或失效之購股權則自尚未行使購股權登記冊刪除。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Retirement benefit schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the Scheme. Contributions are made based on a percentage of the participating employees' relevant income and are charged to the profit and loss account as they become payable in accordance with the rules of the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the Scheme.

The Group has joined a mandatory central pension scheme operated by the PRC government for its PRC employees, the assets of which are held separately from those of the Group. Contributions made are based on a percentage of the eligible employees' salaries and are charged to the profit and loss account as they become payable, in accordance with the rules of the scheme. The employer contributions vest fully when they are made.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

3. 主要會計政策概要 (續)

僱員福利 (續)

退休福利計劃

本集團根據強制性公積金計劃條例，為合資格參與計劃之僱員推行定額供款強制性公積金退休福利計劃（「計劃」）。根據計劃規則，供款乃按參與僱員之相關收入若干百分比作出，並於應付時計入損益表。計劃資產由一獨立管理基金與本集團資產分開持有。本集團之僱主供款於向計劃供款時即悉數歸僱員所有。

本集團為其中國僱員參加一項由中國政府推行之強制性中央退休計劃，計劃資產與本集團資產分開持有。根據計劃規則，供款乃按合資格僱員之薪金若干百分比作出，並於應付時計入損益表。僱主供款於作出後即悉數歸僱員所有。

收益確認

收益乃於本集團極可能取得經濟利益及能可靠地計算有關收益時按下列基準確認：

- (a) 來自貨品銷售之收益於擁有權之重大風險及回報均轉歸予買方，而本集團並無保留與擁有權有關之管理權或已售貨品之有效控制權時確認；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (b) from the rendering of services, including fixed price service contracts, based on the stage of completion of the transaction, provided that this and the costs incurred, as well as the estimated costs to completion can be measured reliably. The stage of completion of a transaction associated with the rendering of such services is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction;
- (c) maintenance income, on a time proportion basis over the period of the contract;
- (d) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (e) rental income, on a time proportion basis over the lease terms.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the capital and reserves section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3. 主要會計政策概要 (續)

收益確認 (續)

- (b) 來自提供服務(包括固定價格之服務合約)之收益,根據交易之進度計算,惟有關服務、所產生成本及完成所需估計成本須能夠可靠計算。有關提供該等服務交易之完成進度乃參照直至結算時所產生成本佔總成本釐定;
- (c) 保養收入,按合約年期之期間比例基準計算;
- (d) 利息收入,按時間比例基準計算,並計入尚餘本金及適用之實際利率;及
- (e) 租金收入按租賃年期之時間比例基準計算。

股息

董事提議之末期股息於資產負債表中之資本及儲備項目內歸類為留存溢利獨立分配,直至在股東大會上獲股東批准為止。股息經股東批准並宣佈派發,即確認為負債。

本公司之細則授權董事宣佈派發中期股息,故中期股息可同時提議及宣佈派發。因此,中期股息於提議及宣佈派發時確認為負債。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated to Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. 主要會計政策概要 (續)

外幣

凡以外幣進行之交易乃按交易日之適用匯率換算。於結算日以外幣結算之貨幣資產及負債乃按該日之適用匯率換算。匯兌差額均撥入損益表處理。

於綜合賬目時，海外附屬公司之財務報表按淨投資法換算為港元。海外附屬公司之損益表按年內之加權平均匯率換算為港元，資產負債表則按結算日之匯率換算為港元。因此產生之換算差額將包括在匯兌波動儲備內。

於綜合現金流量表內，海外附屬公司之現金流量按現金流量日期之匯率換算為港元。年內海外附屬公司之經常現金流量按年內加權平均匯率換算為港元。

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4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

- (a) the banking and finance systems integration services segment engages in the provision of system integration, software development, engineering, maintenance and professional outsourcing services customised for banking and finance, telecommunications and public sector clients; and
- (b) the software solutions for banks and public sector segment concentrates on the banking, e-commerce and public sectors with a business focus on e-business operations and online marketplaces.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

4. 分類資料

分類資料以兩種分類方式申報：(i)以業務分部作為主要申報方式；及(ii)以地區分部作為次要申報方式。

本集團之經營業務均根據業務、產品及所提供之服務之性質分開管理。本集團各業務分部均代表一個提供產品及服務的策略業務單位，其有關風險及回報與其他業務分部均不同。業務分部之詳情概述如下：

- (a) 銀行業及金融業系統集成服務分部從事提供系統集成、軟件發展、工程、保養及專門為銀行業及金融業、電訊業及公用事業客戶提供專業外判服務；及
- (b) 銀行及公用事業界別適用之軟件解決方案分部專注於以電子商業業務及網上市場為業務主導之銀行業、電子商貿及公用事業界別。

在釐定本集團之地區分部時，收入按顧客所處地區計入分部，而資產按資產所處地區計入分部。

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4. SEGMENT INFORMATION (continued)

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

(a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments.

4. 分類資料 (續)

分部之間的銷售及轉讓乃按當時之市價參考提供予第三方之銷售價進行。

(a) 業務分部

本集團業務分部之收入、溢利／（虧損）及若干資產、負債及開支之資料列於下表。

		Banking and finance systems integration services 銀行及金融系統集成服務		Software solutions for banks and the public sector 銀行及公用事務界別適用之軟件解決方案		Eliminations 抵銷		Consolidated 綜合	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Segment revenue:	分部收入：								
Sales to external customers	向外部客戶作出之銷售	78,270	111,412	159,571	150,280	-	-	237,841	261,692
Intersegment sales	分部間之銷售	-	-	820	960	(820)	(960)	-	-
Interest income	利息收入	194	521	213	35	-	-	407	556
Other income	其他收入	178	440	657	7	-	-	835	447
Total	總額	<u>78,642</u>	<u>112,373</u>	<u>161,261</u>	<u>151,282</u>	<u>(820)</u>	<u>(960)</u>	<u>239,083</u>	<u>262,695</u>
Segment results	分部業績	<u>(5,314)</u>	<u>(4,513)</u>	<u>(6,527)</u>	<u>3,427</u>	<u>-</u>	<u>-</u>	<u>(11,841)</u>	<u>(1,086)</u>
Unallocated interest income	未分配利息收入							235	704
Unallocated gains	未分配收益							339	82
Unallocated expenses	未分配開支							(17,965)	(14,709)
Loss from operating activities	經營業務之虧損							(29,232)	(15,009)
Finance costs	融資成本							(523)	(725)
Loss before tax	除稅前虧損							(29,755)	(15,734)
Tax	稅項							(175)	1,974
Loss before minority interests	未計少數股東權益前虧損							(29,930)	(13,760)
Minority interests	少數股東權益							3,077	(1,622)
Net loss from ordinary activities attributable to shareholders	股東應佔日常業務淨虧損							<u>(26,853)</u>	<u>(15,382)</u>

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4. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

		Banking and finance systems integration services 銀行及金融系統 集成服務		Software solutions for banks and the public sector 銀行及公用事務 界別適用之軟件 解決方案		Eliminations 抵銷		Consolidated 綜合	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Segment assets	分部資產	278,547	228,964	111,702	134,248	(135,616)	(106,321)	254,633	256,891
Unallocated assets:	未分配資產：								
Long term investment	長期投資							66,681	66,681
Others	其他							4,136	47,704
Total assets	資產總值							<u>325,450</u>	<u>371,276</u>
Segment liabilities	分部負債	(172,943)	(146,357)	(78,418)	(99,457)	135,616	106,321	(115,745)	(139,493)
Unallocated liabilities	未分配負債							(74,561)	(67,079)
Total liabilities	負債總額							<u>(190,306)</u>	<u>(206,572)</u>
Other segment information:	其他分部資料：								
Cash and bank balances included in segment assets	已計入分部資產 之現金及銀行 結餘	44,597	43,880	35,231	40,975	-	-	79,828	84,855
Pledged time deposits included in segment assets	已計入分部資產 之已抵押定期 存款	2,141	2,929	-	10,541	-	-	2,141	13,470
Depreciation and amortisation	折舊及攤銷	1,685	2,082	1,380	1,097	-	-	3,065	3,179
Unallocated amounts	未分配金額							514	869
								<u>3,579</u>	<u>4,048</u>
Provision for doubtful debts	呆賬撥備	6,059	6,887	2,530	1,305	-	-	8,589	8,192
Other non-cash income/(expenses)	其他非現金收入 ／(開支)	-	12	-	(38)	-	-	-	(26)
Unallocated amounts	未分配金額							-	294
								<u>-</u>	<u>268</u>
Capital expenditure	資本開支	1,090	1,884	442	138	-	-	1,532	2,022
Unallocated amounts	未分配金額							112	280
								<u>1,644</u>	<u>2,302</u>

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4. SEGMENT INFORMATION (continued)

(b) Geographical segments

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments.

4. 分類資料 (續)

(b) 地區分部

本集團地區分部之收入及若干資產與開支之資料列於下表。

		Hong Kong 香港		Elsewhere in the PRC 中國其他地區		Eliminations 抵銷		Consolidated 綜合	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		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	HK\$'000 千港元	HK\$'000 千港元
Segment revenue:	分部收入:								
Sales to external customers	向外部客戶作出之銷售	430	237	237,411	261,455	-	-	237,841	261,692
Intersegment sales	分部間之銷售	-	-	820	-	(820)	-	-	-
		<u>430</u>	<u>237</u>	<u>238,231</u>	<u>261,455</u>	<u>(820)</u>	<u>-</u>	<u>237,841</u>	<u>261,692</u>
Segment assets	分部資產	580,657	584,855	254,564	254,064	(576,556)	(534,324)	258,665	304,595
Unallocated amounts:	未分配金額:								
Long term investment	長期投資							66,785	66,681
								<u>325,450</u>	<u>371,276</u>
Other segment information:	其他分部資料:								
Cash and bank balances included in segment assets	已計入分部資產之現金及銀行結餘	29	6,985	79,828	84,848	-	-	79,857	91,833
Pledged time deposits included in segment assets	已計入分部資產之已抵押定期存款	3,000	3,000	2,141	13,470	-	-	5,141	16,470
Capital expenditure	資本開支	<u>119</u>	<u>280</u>	<u>1,525</u>	<u>2,022</u>	<u>-</u>	<u>-</u>	<u>1,644</u>	<u>2,302</u>

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5. TURNOVER AND OTHER INCOME

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered. All significant intra-Group transactions have been eliminated on consolidation.

An analysis of turnover and other income is as follows:

5. 營業額及其他收益

營業額指已售貨品之發票淨值(已扣除退貨及貿易折扣)與所提供服務之發票淨值。本集團屬下各公司間之一切重大交易已於綜合賬目時抵銷。

營業額及其他收益分析如下:

		Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Sale of goods	銷售貨品	208,194	223,915
Provision of computer technology services	提供電腦技術服務	29,647	37,777
Total turnover	營業總額	237,841	261,692
Interest income	利息收入	642	1,260
Gross rental income	租金總收入	—	32
Waiver of an amount due to a minority shareholder of a subsidiary	豁免應付一家附屬公司一名少數股東之款項	657	—
Sundry income	雜項收入	517	497
Other income	其他收入	1,816	1,789
		239,657	263,481

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6. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging/(crediting):

6. 經營業務之虧損

本集團經營業務之虧損已扣除／（計入）：

			2004 二零零四年	2003 二零零三年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Costs of inventories sold and services provided	已出售存貨及所提供服務之成本		210,676	225,408
Depreciation	折舊	12	2,700	3,678
Amortisation of deferred development costs	攤銷遞延開發成本	13	879	370
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租賃之最低租金		3,140	3,586
Auditors' remuneration	核數師酬金		1,400	1,500
Staff costs, excluding directors' remuneration (note 7):	職工成本（不包括董事酬金）（附註7）：			
Salaries	薪金		30,399	26,699
Pension scheme contributions	退休金計劃供款		3,917	3,499
Mandatory provident fund contributions	強制性公積金供款		113	129
			34,429	30,327
Exchange loss/(gain), net	匯兌虧損／（盈利）淨額		27	(12)
Gain on disposal of fixed assets, net	出售固定資產盈利淨額		—	(268)
Provision for doubtful debts	呆賬撥備		8,589	8,192

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6. LOSS FROM OPERATING ACTIVITIES (continued)

The cost of inventories sold and services provided for the year ended 31 December 2004 included HK\$17,290,000 (2003: HK\$13,289,000), relating to direct staff costs. These are also included in the respective total amounts disclosed separately above for each of these types of expenses for the year.

The provision for doubtful debts and amortisation of deferred development cost for the year are included in "Other operating expenses" on the face of the consolidated profit and loss account.

7. REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID EMPLOYEES

The remuneration of the Company's directors disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance is as follows:

6. 經營業務之虧損 (續)

截至二零零四年十二月三十一日止年度之已出售存貨及所提供服務之成本已包括與直接職工成本相關之17,290,000港元(二零零三年:13,289,000港元),該等項目已分別計入上文分別披露本年度各類開支之總額中。

本年度呆賬撥備及遞延發展成本攤銷已計入綜合損益表之「其他經營費用」中。

7. 董事及五名最高薪僱員酬金

根據上市規則及香港公司條例第161條披露之本公司董事酬金如下:

		Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Fees:	袍金:		
Executive directors	執行董事	-	-
Non-executive directors	非執行董事	-	50
Independent non-executive directors	獨立非執行董事	440	396
		<u>440</u>	<u>446</u>
Other emoluments of executive directors:	執行董事之其他酬金:		
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	6,743	6,428
Mandatory provident fund contributions	強制性公積金供款	45	36
		<u>6,788</u>	<u>6,464</u>
		<u>7,228</u>	<u>6,910</u>

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7. REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID EMPLOYEES (continued)

The number of directors whose remuneration fell within the following bands is as follows:

Nil to HK\$1,000,000	零港元至1,000,000港元
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元

7. 董事及五名最高薪僱員酬金 (續)

酬金屬於下列範圍之董事人數如下：

Number of directors 董事人數	
2004 二零零四年	2003 二零零三年
5	6
–	1
2	1
<u>7</u>	<u>8</u>

The five highest paid employees included three (2003: three) directors during the year, details of whose remuneration are set out above.

於年內，五名最高薪僱員包括三名（二零零三年：三名）董事，彼等之酬金詳情載於上文。

Details of the remuneration of the remaining two (2003: two) non-director, highest paid employees are as follows:

最高薪僱員中餘下兩名（二零零三年：兩名）非董事僱員之酬金詳情如下：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	1,375	952
Mandatory provident fund contributions	強制性公積金供款	24	12
		<u>1,399</u>	<u>964</u>

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31 December 2004 二零零四年十二月三十一日

7. REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID EMPLOYEES (continued)

The remuneration of each of the non-director, highest paid employees for the year ended 31 December 2004 fell within the Nil to HK\$1,000,000 band.

During the year ended 31 December 2003, aggregate of 15,000,000 and 1,500,000 share options with an exercise price of HK\$0.233 per share were granted to three executive directors and the two non-director, highest paid employees, in respect of their services to the Group, further details of which are set out in note 29 to the financial statements. No share options were granted to the directors nor the five highest paid employees during the year ended 31 December 2004.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2003: Nil). During the year, no emoluments were paid by the Group to the directors or the non-director, highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office (2003: Nil).

In the opinion of the directors of the Company, the Group had no significant obligations for long service payments to its employees pursuant to the requirements of the Hong Kong Employment Ordinance at 31 December 2004.

8. FINANCE COSTS

Interest on bank and other loans wholly repayable within five years	須於五年內全部償還之銀行及其他貸款利息
Interest on finance leases	融資租賃利息

7. 董事及五名最高薪僱員酬金 (續)

截至二零零四年十二月三十一日止年度，各非董事最高薪僱員之酬金介乎零港元至1,000,000港元。

截至二零零三年十二月三十一日止年度，合共15,000,000份及1,500,000份行使價為每股0.233港元之購股權依據承授人對本集團之服務授予三名執行董事及兩名非董事最高薪僱員。詳細資料載於財務報表附註29。截至二零零四年十二月三十一日止年度，概無董事或五名最高薪僱員獲授任何購股權。

年內並無訂立任何董事豁免或同意豁免任何酬金之安排（二零零三年：無）。本集團於年內並無向董事或非董事之最高薪僱員支付報酬，作為鼓勵其加入本集團或於加入本集團後之獎勵，或作為失去職務之賠償（二零零三年：無）。

本公司董事會認為，依據香港僱傭條例規定，本集團於二零零四年十二月三十一日對其僱員並無重大之長期服務金責任。

8. 融資成本

		Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Interest on bank and other loans wholly repayable within five years	須於五年內全部償還之銀行及其他貸款利息	486	665
Interest on finance leases	融資租賃利息	37	60
		<u>523</u>	<u>725</u>

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31 December 2004 二零零四年十二月三十一日

9. TAX

Current:	本年度:
Elsewhere	其他地區
Overprovision in prior year	上年度超額撥備
Tax charge/(credit)	稅項支出／(抵免)

No Hong Kong profits tax has been provided (2003: Nil) as the Group has no assessable profits arising in Hong Kong during the year. The statutory tax rate for Hong Kong profits tax is 17.5% (2003: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

北京先進數通信息技術有限公司(“先進數通”), a subsidiary of the Company established in Mainland China, is exempted from Mainland China corporate income tax for three years starting from the year ended 31 December 2001, and thereafter is eligible for a 50% relief from income tax for the following three years under the Income Tax Law of Mainland China. The standard Mainland China corporate income tax rate applicable to 先進數通 is 15%. As a result of the exemptions, 先進數通 is exempted from the paying of income tax for the years ended 31 December 2001, 2002 and 2003, and will be subject to income tax at the rate of 7.5% for the year ended 31 December 2004 and the years ending 31 December 2005 and 2006. For the years ended 31 December 2003 and 2004, the statutory corporate income tax rates applicable to the other subsidiaries established and operating in the Mainland China range from 15% to 33%.

9. 稅項

Group 本集團	
2004 二零零四年	2003 二零零三年
HK\$'000 千港元	HK\$'000 千港元
1,415	1,764
(1,240)	(3,738)
175	(1,974)

因本集團於年內並無在香港獲得應課稅溢利，故無需就香港利得稅作出撥備(二零零三年：無)。香港利得稅之現行法定稅率為於年內在香港獲得之估計應課稅溢利17.5%(二零零三年：17.5%)。於其他地區所賺取應課稅溢利之稅項乃根據本集團經營業務所在地區之稅率，按照當地之現行法例、詮釋及慣例計算。

根據中國大陸所得稅法例，本公司在中國大陸成立之附屬公司北京先進數通信息技術有限公司(「先進數通」)自截至二零零一年十二月三十一日止年度起計三年內獲豁免繳付中國大陸企業所得稅，其後三年亦可獲寬減一半所得稅。先進數通適用之標準中國大陸企業所得稅為15%。根據此等豁免，先進數通於截至二零零一年、二零零二年及二零零三年十二月三十一日止各年度均獲豁免繳付所得稅，其後於截至二零零四年十二月三十一日止年度以及截至二零零五年及二零零六年十二月三十一日止年度則須按7.5%稅率繳付所得稅。截至二零零三年及二零零四年十二月三十一日止年度，於中國大陸成立及經營之其他附屬公司適用法定企業所得稅稅率介乎15%至33%。

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財務報表附註

31 December 2004 二零零四年十二月三十一日

9. TAX (continued)

A reconciliation of the tax charge/(credit) applicable to the Group's loss before tax using the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax charge/(credit) at the effective tax rates, are as follows:

9. 稅項 (續)

按本公司及其附屬公司所在國家法定稅率計算之本集團除稅前虧損適用之稅項支出／(抵免)與按實際稅率計算之稅項支出／(抵免)對賬如下:

		Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Loss before tax	除稅前虧損	(29,755)	(15,734)
Tax credit at the applicable rates to losses in the countries concerned	按於有關國家虧損適用稅率計算之稅項抵免	(4,603)	(2,703)
Income not subject to tax	毋須課稅收入	(505)	(615)
Expenses not deductible for tax	不可扣稅開支	6,559	5,829
Adjustment to opening unutilised tax losses resulting from increase in tax rate	因調高稅率而就未動用稅項虧損期初結餘作出調整	-	(61)
Decrease in unutilised tax losses carryforward due to deregistration of subsidiaries	因為撤銷附屬公司而導致結轉未動用稅項虧損之減少	-	(857)
Increase in unutilised tax losses carryforward	結轉未動用稅項虧損增加	22	171
Tax losses from previous periods utilised	過往期間之稅項虧損動用	(58)	-
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	1,415	1,764
Adjustments in respect of current tax of previous year	往年依年內稅項而作出之調整	(1,240)	(3,738)
Tax charge/(credit) at the Group's effective rate	按本集團實際稅率計算之稅項支出／(抵免)	175	(1,974)

The Group has tax losses arising in Hong Kong of HK\$3,284,000 (2003: HK\$3,320,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

本集團於香港產生稅項虧損3,284,000港元(二零零三年: 3,320,000港元), 可供抵銷產生虧損之公司日後應課稅溢利。由於已一段時間錄得虧損之附屬公司產生虧損, 故並無就有關虧損確認任何遞延稅項資產。

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31 December 2004 二零零四年十二月三十一日

10. NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net loss from ordinary activities attributable to shareholders of the Company dealt with in the financial statements for the year ended 31 December 2004 was HK\$17,033,000 (2003: HK\$51,141,000) (note 30(b)).

11. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to shareholders for the year of HK\$26,853,000 (2003: HK\$15,382,000) and the weighted average of 502,434,781 (2003: 501,209,644) ordinary shares in issue during the year.

Diluted loss per share amounts for the years ended 31 December 2004 and 2003 have not been disclosed as the share options outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

10. 股東應佔日常業務之淨虧損

於本公司截至二零零四年十二月三十一日止年度之財務報表內處理股東應佔日常業務之淨虧損為17,033,000港元(二零零三年:51,141,000港元)(附註30(b))。

11. 每股虧損

每股基本虧損乃根據本年度股東應佔日常業務之淨虧損26,853,000港元(二零零三年:15,382,000港元)與年內已發行普通股之加權平均數502,434,781股(二零零三年:501,209,644股)計算。

由於截至二零零四年及二零零三年十二月三十一日止年度尚未行使之購股權對該等年度之每股基本虧損造成反攤薄影響,故並無披露該等年度之每股攤薄後虧損。

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12. FIXED ASSETS

12. 固定資產

Group

本集團

		Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	成本值				
At beginning of year	於年初	4,000	24,473	2,512	30,985
Additions	添置	95	1,491	58	1,644
Disposals/write-off	出售／撇銷	(448)	(1,036)	—	(1,484)
At 31 December 2004	於二零零四年 十二月三十一日	3,647	24,928	2,570	31,145
Accumulated depreciation:	累積折舊：				
At beginning of year	於年初	3,838	20,348	1,142	25,328
Provided during the year	年內撥備	139	1,946	615	2,700
Disposals/write-off	出售／撇銷	(448)	(1,036)	—	(1,484)
At 31 December 2004	於二零零四年 十二月三十一日	3,529	21,258	1,757	26,544
Net book value:	賬面淨值：				
At 31 December 2004	於二零零四年 十二月三十一日	118	3,670	813	4,601
At 31 December 2003	於二零零三年 十二月三十一日	162	4,125	1,370	5,657

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31 December 2004 二零零四年十二月三十一日

12. FIXED ASSETS (continued)

Company

		Furniture, fixtures and equipment 傢俬、裝置及設備			
		Leasehold improvements 租賃物業裝修		Motor vehicles 汽車	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost:	成本值:				
At beginning of year	於年初	1,627	1,023	1,295	3,945
Additions	添置	88	24	–	112
At 31 December 2004	於二零零四年十二月三十一日	1,715	1,047	1,295	4,057
Accumulated depreciation:	累積折舊:				
At beginning of year	於年初	1,560	987	536	3,083
Provided during the year	年內撥備	54	28	432	514
At 31 December 2004	於二零零四年十二月三十一日	1,614	1,015	968	3,597
Net book value:	賬面淨值:				
At 31 December 2004	於二零零四年十二月三十一日	101	32	327	460
At 31 December 2003	於二零零三年十二月三十一日	67	36	759	862

The net book value of the fixed assets of the Company and of the Group held under finance leases included in the total amount of motor vehicles at 31 December 2004 amounted to HK\$327,000 (2003: HK\$759,000).

12. 固定資產 (續)

本公司

		Furniture, fixtures and equipment 傢俬、裝置及設備			
		Leasehold improvements 租賃物業裝修		Motor vehicles 汽車	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost:	成本值:				
At beginning of year	於年初	1,627	1,023	1,295	3,945
Additions	添置	88	24	–	112
At 31 December 2004	於二零零四年十二月三十一日	1,715	1,047	1,295	4,057
Accumulated depreciation:	累積折舊:				
At beginning of year	於年初	1,560	987	536	3,083
Provided during the year	年內撥備	54	28	432	514
At 31 December 2004	於二零零四年十二月三十一日	1,614	1,015	968	3,597
Net book value:	賬面淨值:				
At 31 December 2004	於二零零四年十二月三十一日	101	32	327	460
At 31 December 2003	於二零零三年十二月三十一日	67	36	759	862

本公司及本集團根據融資租賃持有之固定資產之賬面淨值，包括於二零零四年十二月三十一日總額達327,000港元(二零零三年: 759,000港元)之汽車。

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13. DEFERRED DEVELOPMENT COSTS

13. 遞延發展成本

Group

本集團

HK\$'000
千港元

Cost:	成本值:	
At 1 January 2004 and 31 December 2004	於二零零四年一月一日及 二零零四年十二月三十一日	6,869
Accumulated amortisation:	累積攤銷:	
At beginning of year	於年初	4,603
Provided during the year	年內撥備	879
At 31 December 2004	於二零零四年十二月三十一日	5,482
Net book value:	賬面淨值:	
At 31 December 2004	於二零零四年十二月三十一日	1,387
At 31 December 2003	於二零零三年十二月三十一日	2,266

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31 December 2004 二零零四年十二月三十一日

14. INTERESTS IN SUBSIDIARIES

14. 於附屬公司之權益

		Company 本公司	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted shares, at cost	非上市股份·按成本值	39,631	39,631
Due from subsidiaries	應收附屬公司之款項	331,989	331,013
Due to subsidiaries	應付附屬公司之款項	(2,080)	(2,140)
		369,540	368,504
Provision for impairment	減值撥備	(265,382)	(265,382)
		104,158	103,122

The balances with subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

附屬公司之結餘乃無抵押、免息及無固定償還期。

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14. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries are as follows:

14. 於附屬公司之權益 (續)

主要附屬公司之詳情如下：

Company 公司	Place of incorporation/ registration and operations 註冊成立／ 註冊及營業地點	Nominal value of paid-up share/ registered capital 繳足股本／ 註冊資本之面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			2004 二零零四年	2003 二零零三年	
Held directly: 直接持有：					
Technology Venture Investments Limited	British Virgin Islands/ Hong Kong 英屬處女群島／香港	Ordinary US\$1,000 普通股1,000美元	100	100	Investment holding 投資控股
Held indirectly: 間接持有：					
Light International Holdings Limited	British Virgin Islands/ Mainland China 英屬處女群島／中國大陸	Ordinary US\$10,000 普通股10,000美元	100	100	Provision of procurement services 提供採購服務
Sequent China/ Hong Kong Limited	Hong Kong/ Mainland China 香港／中國大陸	Ordinary HK\$10,000 普通股10,000港元	100	91	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及 提供電腦技術服務
Technology Venture (Software) Holdings Limited	British Virgin Islands/ Hong Kong 英屬處女群島／香港	Ordinary US\$1,000 普通股1,000美元	100	100	Investment holding 投資控股

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14. INTERESTS IN SUBSIDIARIES (continued)

14. 於附屬公司之權益 (續)

Company 公司	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of paid-up share/ registered capital 繳足股本/ 註冊資本之面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			2004 二零零四年	2003 二零零三年	
Held indirectly: (continued) 間接持有: (續)					
Topasia Computer Limited	Hong Kong/ Mainland China 香港/中國大陸	Ordinary HK\$10,000 普通股10,000港元	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及 提供電腦技術服務
Topsoft Limited	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及 提供電腦技術服務
Windsor Enterprises Limited	British Virgin Islands/ Mainland China 英屬處女群島/中國大陸	Ordinary US\$10,000 普通股10,000美元	100	100	Provision of marketing services 提供市場推廣服務
Advanced Digital Technology Company Limited	British Virgin Islands/ Mainland China 英屬處女群島/中國大陸	Ordinary US\$1,000 普通股1,000美元	55	55	Investment holding 投資控股

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14. INTERESTS IN SUBSIDIARIES (continued)

14. 於附屬公司之權益 (續)

Company 公司	Place of incorporation/ registration and operations 註冊成立／ 註冊及營業地點	Nominal value of paid-up share/ registered capital 繳足股本／ 註冊資本之面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			2004 二零零四年	2003 二零零三年	
Held indirectly: (continued) 間接持有：（續）					
Advanced Digital Technology Company Limited	Hong Kong/ Mainland China 香港／中國大陸	Ordinary HK\$2 普通股2港元	55	55	Provision of systems integration services and software development 提供系統集成服務及 軟件開發
北京先進數通信息 技術有限公司 (note 1) （附註1）	Mainland China 中國大陸	Registered capital US\$3,000,000 註冊資本 3,000,000美元	55	55	Provision of systems integration services and software development 提供系統集成服務及 軟件開發
冠亞科技（上海）有限公司 (note 2) （附註2）	Mainland China 中國大陸	Registered Capital US\$3,800,000 (2003: US\$2,000,000) 註冊資本 3,800,000美元 （二零零三年： 2,000,000美元）	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及 提供電腦技術服務
冠亞信息科技服務（上海） 有限公司 (note 3) （附註3）	Mainland China 中國大陸	Registered Capital US\$1,000,000 註冊資本 1,000,000美元	100	100	Provision of system integration and maintenance services 提供系統集成及保養服務

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31 December 2004 二零零四年十二月三十一日

14. INTERESTS IN SUBSIDIARIES (continued)

Notes:

1. 北京先進數通信息技術有限公司 is a wholly-foreign owned enterprise established by Advanced Digital Technology Company Limited in Mainland China for a period of 15 years commencing from the date of issuance of its business licence on 31 October 2000.
2. 冠亞科技(上海)有限公司 is a wholly-foreign owned enterprise established by Topasia Computer Limited in Mainland China for a period of 20 years commencing from the date of issuance of its business licence on 29 November 2001.
3. 冠亞信息科技服務(上海)有限公司 is a wholly-foreign owned enterprise established by Topasia Computer Limited in Mainland China for a period of 20 years commencing from the date of issuance of its business licence on 28 January 2002.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

15. GOODWILL

As detailed in note 3 to the financial statements, on the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted goodwill in respect of acquisitions which occurred prior to 1 January 2001 to remain eliminated against consolidated reserves. The amount of goodwill remained in consolidated reserves, arising from the acquisition of subsidiaries prior to 1 January 2001, is as follows:

Cost:

At beginning of year and
31 December 2004

成本:

於年初及二零零四年
十二月三十一日

14. 於附屬公司之權益(續)

附註:

1. 北京先進數通信息技術有限公司為全外資企業，由Advanced Digital Technology Company Limited於中國大陸成立，由二零零零年十月三十一日商業牌照發出日期起計為期十五年。
2. 冠亞科技(上海)有限公司為全外資企業，由Topasia Computer Limited於中國大陸成立，由二零零一年十一月二十九日商業牌照發出日期起計為期二十年。
3. 冠亞信息科技服務(上海)有限公司為全外資企業，由Topasia Computer Limited於中國大陸成立，由二零零二年一月二十八日商業牌照發出日期起計為期二十年。

董事會認為上表所列之本公司附屬公司均為主要影響本年度業績或構成本集團資產淨值重大部分之公司。董事會認為提供其他附屬公司之詳情將令篇幅過於冗長。

15. 商譽

誠如財務報表附註3所詳述，就採納會計準則第30號而言，本集團應用會計實務準則第30號之過渡條文，批准於二零零一年一月一日前因收購產生之商譽仍可與綜合儲備抵銷。於二零零一年一月一日前收購附屬公司所產生仍保留於綜合儲備之商譽款項如下：

HK\$'000
千港元

43,248

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財務報表附註

31 December 2004 二零零四年十二月三十一日

16. INTEREST IN A JOINTLY-CONTROLLED ENTITY

16. 於共同控制實體權益

		Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Share of net assets, unlisted	分佔資產淨值，非上市	104	-

Particulars of the jointly-controlled entity are as follows:

共同控制實體之詳情如下：

Name 名稱	Business structure 業務結構	Place of registration and operations 註冊及經營地點	Ownership interest 擁有權權益	Percentage of Voting power 投票權 百分比	Profit sharing 分佔溢利	Principal activities 主要業務
北京先進一心軟件有限公司	Corporate 公司	Mainland China 中國大陸	33.33	33.33	33.33	Provision of system integration services and software development 提供系統整合服務 及軟件開發

北京先進一心軟件有限公司 is an equity joint venture established by 北京先進數通信息技術有限公司 and two joint venturers in Mainland China for a period of 50 years commencing from the date of issuance of its business licence of 27 September 2004. It is accounted for as a jointly-controlled entity by virtue of the fact that neither the Group nor each of the joint venturers can exercise unilateral control over its economic activity. Since its registration, 北京先進一心軟件有限公司 has not commenced operation.

北京先進一心軟件有限公司為北京先進數通信息技術有限公司及兩家中國大陸合營方成立之股本合營公司，經營期自其營業執照發出日期二零零四年九月二十七日起為期五十年。由於本集團及任何一名合營方均不可對北京先進一心軟件有限公司之經濟活動行使單方面控制權，故北京先進一心軟件有限公司列作共同控制實體入賬。自註冊以來，北京先進一心軟件有限公司並無開展任何業務。

The jointly-controlled entity is not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

該共同控制實體並非由香港安永會計師事務所或安永其他國際成員公司審核。

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財務報表附註

31 December 2004 二零零四年十二月三十一日

17. LONG TERM INVESTMENT

17. 長期投資

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Investments in securities, at cost:	證券投資，按成本：		
Listed outside Hong Kong	香港境外上市	66,681	-
Unlisted	非上市	-	66,681
		<u>66,681</u>	<u>66,681</u>
Market value of listed investment at 31 December	上市投資於十二月三十一日之 市值	<u>78,629</u>	<u>-</u>

The unlisted long term investment as at 31 December 2003 represented the cost of the Group's investment in a 19.9% equity interest in ChinaCast Technology (BVI) Limited ("CCT"), a company incorporated in the British Virgin Islands. CCT is an Internet access and content provider based in Hong Kong and Mainland China and is principally engaged in the provision of Internet and related services in Mainland China.

During the year ended 31 December 2003, CCT underwent a group restructuring to rationalise the structure of the group of companies including CCT (the "CCT Group"). ChinaCast Communication Holdings Limited ("CCH"), a company incorporated in Bermuda with limited liability on 20 November 2003, acted as the listing vehicle of the CCT Group. In May 2004, the shares of CCH were listed on the Singapore Exchange Securities Trading Limited (the "SGX"). At 31 December 2004, the Group's investment cost in the CCT Group amounted to HK\$66,681,000 (2003: HK\$66,681,000) and the Group's holding in the CCT Group was diluted from 19.9% to approximately 14.96% after the listing of shares of CCH on the SGX since May 2004. In the opinion of the directors, the Group has no significant influence on the CCT Group.

於二零零三年十二月三十一日，非上市長期投資即本集團於ChinaCast Technology (BVI) Limited ("CCT") 19.9%股本權益之投資成本。CCT於英屬處女群島註冊成立，為以香港及中國大陸為基地之互聯網接駁服務及內容供應商，主要在中國大陸提供互聯網及相關服務。

於截至二零零三年十二月三十一日止年度，CCT進行集團重組，以整頓包括CCT在內各公司("CCT集團")之集團架構。於二零零三年十一月二十日在百慕達註冊成立之ChinaCast Communication Holdings Limited ("CCH")為CCT集團之上市公司。於二零零四年五月，CCH之股份於新加坡證券交易所("新加坡證券交易所")上市。於二零零四年十二月三十一日，本集團於CCT集團之投資成本為66,681,000港元(二零零三年：66,681,000港元)，自二零零四年五月CCH股份在新加坡證券交易所上市後，本集團於CCT集團之持股量由19.9%攤薄至約14.96%。董事認為，本集團於CCT集團並無任何重大影響。

Notes to Financial Statements

財務報表附註

31 December 2004 二零零四年十二月三十一日

17. LONG TERM INVESTMENT (continued)

The amount due from the CCT Group is further analysed as follows:

17. 長期投資 (續)

應收CCT集團之款項進一步分析如下：

		Group 本集團		Company 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Notes 附註					
Loans advanced to the CCT Group, unsecured	墊支予CCT集團之無抵押貸款 (a)	23,030	6,000	—	6,000
Other receivables	其他應收款 (b)	15	2,539	15	2,408
		<u>23,045</u>	<u>8,539</u>	<u>15</u>	<u>8,408</u>

Notes:

- (a) The loans advanced to CCT of HK\$6,000,000 as at 31 December 2003 was unsecured, interest-bearing at the Hong Kong dollar prime rate plus 2% per annum and was repaid in May 2004.

In January 2004, the Group advanced to the CCT Group an aggregate amount of RMB25,500,000 (equivalent approximately HK\$24,057,000) for their working capital purpose before the listing of CCH's shares on the SGX. The balance bore interest at the then prevailing bank borrowing rates in Mainland China and were financed by the Group's bank loans drawn down in January 2004, which were secured by pledged bank deposits of the CCT Group amounting to US\$3,300,000 (equivalent approximately HK\$25,740,000). The CCT Group repaid RMB1,000,000 to the Group during the year ended 31 December 2004 and the balance as at 31 December 2004 amounted to RMB24,500,000 (equivalent approximately HK\$23,030,000). The balance is repayable on or before 30 April 2005.

- (b) The other receivables due from the CCT Group are unsecured, interest-free and repayable on demand.

附註：

- (a) 於二零零三年十二月三十一日，向CCT墊付之貸款6,000,000港元為無抵押，按港元最優惠利率加2厘計算年息，並已於二零零四年五月償還。

於二零零四年一月，本集團向CCT集團墊付款項合共人民幣25,500,000元（約相當於24,057,000港元），以撥付其於CCH股份在新加坡證券交易所上市前之營運資金所需。結餘按中國大陸當時適用銀行借貸利率計息，由本集團於二零零四年一月提取銀行貸款撥付，並以CCT集團3,300,000美元（約相當於25,740,000港元）之已抵押銀行存款作抵押。於截至二零零四年十二月三十一日止年度，CCT集團向本集團償還人民幣1,000,000元，於二零零四年十二月三十一日之結餘為人民幣24,500,000元（約相當於23,030,000港元）。餘額須於二零零五年四月三十日或之前償還。

- (b) CCT集團結欠之其他應收款額為無抵押、免息及須應要求償還。

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31 December 2004 二零零四年十二月三十一日

18. DEPOSITS

On 3 November 2004, the Group entered into a conditional agreement with a business associate pursuant to which the Company conditionally agreed to acquire (the "Acquisition") a 20% equity interest in Beijing Dongshi Shuangwei Education Technology Company Limited, a company registered in Mainland China, and principally engaged in the provision of postal service, for a consideration of RMB15,000,000 (equivalent approximately HK\$14,151,000). The transaction constituted a discloseable transaction under the Listing Rules, further details of which are set out in the circular of the Company dated 17 January 2005. As at 31 December 2004, the Group had already paid an aggregate amount of RMB15,000,000 (equivalent approximately HK\$14,151,000) as deposits. The Acquisition was completed in March 2005. It is accounted for as a long term investment of the Company.

Included in deposits at 31 December 2003 were deposits of HK\$15,653,000 paid by the Group for certain investment in another Mainland China company principally engaged in the provision of portal services in Mainland China. The deposits were secured by a guarantee executed by a third party as determined by the management. All of these deposits were refunded to the Group during the year.

18. 按金

於二零零四年十一月三日，本集團與一家業務聯營公司訂立有條件協議，據此，本公司有條件同意按代價人民幣15,000,000元（約相當於14,151,000港元）收購（「收購」）於中國大陸註冊，主要從事提供郵遞服務之公司北京東師雙威教育技術開發有限公司20%股本權益。根據上市規則，此項交易構成須予披露交易，進一步詳情載於本公司日期為二零零五年一月十七日之通函。於二零零四年十二月三十一日，本集團已支付合共人民幣15,000,000元（約相當於14,151,000港元）作為按金。收購已於二零零五年三月完成。北京東師雙威教育技術開發有限公司列作本公司長期投資入賬。

於二零零三年十二月三十一日，按金包括本集團就於中國大陸另一家主要從事在中國大陸提供入門服務之公司之若干投資所支付按金15,653,000港元。按金乃按管理層決定以第三方之擔保作抵押。此等按金於年內全數退回本集團。

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財務報表附註

31 December 2004 二零零四年十二月三十一日

19. INVENTORIES

19. 存貨

		Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Information technology products held for resale	持作轉售之 資訊科技產品	20,353	13,217
Work in progress	在製品	7,844	7,507
		<u>28,197</u>	<u>20,724</u>

None of the above inventories was carried at net realisable value at the balance sheet date (2003: Nil).

於結算日，上述存貨並非按可變現淨值入賬（二零零三年：零）。

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31 December 2004 二零零四年十二月三十一日

20. ACCOUNTS AND BILLS RECEIVABLE

An aged analysis of the accounts and bills receivable as at the balance sheet date, based on invoice date and net of provisions, is as follows:

Current to 90 days	即期至90天
91 days to 180 days	91天至180天
181 days to 365 days	181天至365天
Over 365 days	365天以上

Included in the Group's accounts receivable is an amount due from a minority shareholder and a related company of the Group, of which certain directors of a subsidiary of the Company are directors, of HK\$2,515,000 (2003: HK\$2,455,000) and nil (2003: HK\$3,703,000), respectively, which are repayable on credit terms similar to those offered to other customers of the Group.

As at 31 December 2004, an amount of HK\$363,000 (2003: Nil) of the Group's account receivable is pledged to secure a bank loan facility (note 25).

20. 應收賬項及票據

於結算日，依據發票日期為基準並扣除撥備後之應收賬項及票據賬齡分析如下：

Group 本集團	
2004 二零零四年	2003 二零零三年
HK\$'000 千港元	HK\$'000 千港元
37,143	47,754
2,990	3,566
5,007	2,275
7,127	15,769
<u>52,267</u>	<u>69,364</u>

本集團之應收賬項包括應收本集團一名少數股東及有關連公司（本公司一間附屬公司之若干董事為其董事）賬項分別2,515,000港元（二零零三年：2,455,000港元）及零港元（二零零三年：3,703,000港元），須按本集團給予其他客戶之相約信貸條款予以償還。

於二零零四年十二月三十一日，本集團應收賬項363,000港元（二零零三年：無）已就銀行貸款融資作出抵押（附註25）。

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財務報表附註

31 December 2004 二零零四年十二月三十一日

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in the Group's prepayments, deposits and other receivables as at 31 December 2003 was an amount of HK\$12,000,000 in respect of deposits paid for an aborted investment in a company established in Mainland China which is principally engaged in the provision of software and technical support services for Internet content providers in Mainland China. The balance was fully refunded to the Group during the year ended 31 December 2004.

As at 31 December 2003, the aggregate amount of prepayments, deposits and other receivables includes an amount of HK\$29,554,000 of advances to a business associate to provide for its working capital purposes. The balances bear interests at the then prevailing bank borrowing rates in Mainland China. Part of the amount of the advances to the business associate of approximately HK\$25,755,000 was financed by the Group's bank loans (note 25), which were secured by a pledged bank deposit and a corporate guarantee of the business associate amounting to RMB27,000,000 and RMB3,000,000 (equivalent to HK\$25,472,000 and HK\$2,830,000), respectively. The balance was fully settled in September 2004.

21. 預付款項、按金及其他應收款

於二零零三年十二月三十一日，本集團預付款項、按金及其他應收款包括12,000,000港元，該款項來自就於一家在中國大陸成立並主要從事為中國大陸互聯網內容供應商提供軟件及技術支援服務之公司之已終止投資所支付按金。餘額已於截至二零零四年十二月三十一日止年度內全數退回本集團。

於二零零三年十二月三十一日，預付款項、按金及其他應收款總額包括29,554,000港元，此乃向業務聯繫人士墊付以供其營運資金用途之墊款。該筆款項按中國大陸現行銀行借款利率計息。於該筆向業務聯繫人士支付之墊款中，約25,755,000港元由本集團銀行貸款（附註25）撥付，該筆貸款以業務聯繫人士分別為人民幣27,000,000元及人民幣3,000,000元（分別相當於25,472,000港元及2,830,000港元）之已抵押銀行存款及公司擔保作抵押。餘額已於二零零四年九月全數償還。

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22. CASH AND CASH EQUIVALENTS

22. 現金及現金等價物

		Group 本集團		Company 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash and bank balance	現金及銀行結餘	45,895	57,591	29	6,978
Pledged time deposits	已抵押定期存款	5,141	16,470	3,000	3,000
Other time deposits with original maturity of more than three months when acquired	購入時原到期日 超逾三個月之 其他定期存款	33,962	34,242	-	-
		84,998	108,303	3,029	9,978
Less: Pledged time deposits	減：已抵押定期存款	(5,141)	(16,470)	(3,000)	(3,000)
Cash and cash equivalents	現金及現金等價物	79,857	91,833	29	6,978

At the balance sheet date, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to HK\$74,719,000 (2003: HK\$80,161,000). RMB is not freely convertible into other currencies, however, under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於結算日，本集團以人民幣（「人民幣」）結算之現金及現金等價物為74,719,000港元（二零零三年：80,161,000港元）。人民幣不可自由兌換為其他貨幣，然而，根據中國大陸外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過特許進行外匯業務之銀行將人民幣兌換為其他貨幣。

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23. ACCOUNTS AND BILLS PAYABLE

23. 應付賬項及票據

		Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Notes 附註			
	Trade and bills payable 應付貿易賬項及票據	51,372	54,224
	Due to certain minority shareholders 應付若干少數股東之款項 (a)	325	1,452
	Due to related companies 應付有關連公司之款項 (b)	607	2,739
		<u>52,304</u>	<u>58,415</u>

Notes:

- (a) The amounts due to certain minority shareholders of certain subsidiaries represent trade payables, which are unsecured, interest-free and are repayable according to the terms agreed with these minority shareholders.
- (b) The amounts due to related companies, representing trade payables to certain related companies in which a director of the Company is also a director, are unsecured, interest-free and have no fixed terms of repayment.

附註:

- (a) 應付予若干附屬公司若干少數股東之款項即應付貿易賬項，而此等賬項乃無抵押、免息及須根據與該等少數股東協定之條款償還。
- (b) 應付予有關連公司之款項即應付予本公司董事亦擔任其董事之若干有關連公司之應付貿易賬項，而此等賬項乃無抵押、免息及無固定還款期。

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23. ACCOUNTS AND BILLS PAYABLE (continued)

An aged analysis of the accounts and bills payable as at the balance sheet date, based on invoice date, is as follows:

23. 應付賬項及票據 (續)

於結算日，依據發票日期為基準之應付賬項及票據之賬齡分析如下：

		Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Current to 90 days	即期至90天	25,981	47,665
91 days to 180 days	91天至180天	187	1,217
181 days to 365 days	181天至365天	10,740	1,532
Over 365 days	365天以上	15,396	8,001
		<u>52,304</u>	<u>58,415</u>

24. ACCRUED LIABILITIES AND OTHER PAYABLES

24. 應計負債及其他應付款

		Group 本集團		Company 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
Notes 附註		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Accrued and other liabilities	應計及其他負債	55,245	71,569	2,508	1,090
Due to a minority shareholder of a subsidiary (note)	應付一家附屬公司一名少數股東之款項 (附註)	24,708	24,708	—	—
		<u>79,953</u>	<u>96,277</u>	<u>2,508</u>	<u>1,090</u>

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24. ACCRUED LIABILITIES AND OTHER PAYABLES (continued)

Notes:

Part of the amount due to a minority shareholder of a subsidiary of approximately HK\$13,574,000 (2003: HK\$13,574,000) represents the outstanding purchase consideration payable for the acquisition of a 55% shareholding in a subsidiary in 2000. This balance is unsecured, interest-free and is repayable on demand.

The remaining balance of approximately HK\$11,134,000 (2003: HK\$11,134,000) represents an amount advanced from the minority shareholder to provide for working capital of this subsidiary. The balance is unsecured, interest-free and repayable on demand.

24. 應計負債及其他應付款(續)

附註:

部分應付一家附屬公司一名少數股東之款項約為13,574,000港元(二零零三年:13,574,000港元),乃二零零零年收購一家附屬公司55%股權之尚未結清購買代價。此餘額為無抵押、免息及須應要求支付。

餘額約11,134,000港元(二零零三年:11,134,000港元)乃少數股東墊支予該附屬公司作營運資金之款項。該餘額為無抵押、免息及須應要求償還。

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25. INTEREST-BEARING BANK AND OTHER LOANS

25. 附息銀行及其他貸款

		Group 本集團		Company 本公司	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Bank overdrafts repayable on demand, unsecured	須應要求償還之銀行透支·無抵押	906	-	856	-
Bank loans repayable within one year, secured	須於一年內償還之銀行貸款·有抵押	41,981	34,811	-	-
Trust receipt loans repayable within one year, secured	須於一年內償還之信託收據貸款·有抵押	1,170	4,528	-	-
Other loans repayable within one year, unsecured	須於一年內償還之其他貸款·無抵押	1,560	-	-	-
		<u>45,617</u>	<u>39,339</u>	<u>856</u>	<u>-</u>

As at 31 December 2004, the Group's banking facilities were secured by:

- (i) corporate guarantees executed by the Company to the extent of HK\$20,000,000 (2003: HK\$20,000,000);
- (ii) the pledge of the Group's time deposits amounting to approximately HK\$5,141,000 (2003: HK\$16,470,000) (note 22);
- (iii) the pledge of the Group's accounts receivable of RMB385,000 (equivalent approximately HK\$363,000) (2003: Nil) (note 20);
- (iv) the pledge of bank deposits of the CCT Group of US\$3,300,000 (equivalent approximately HK\$25,740,000) (2003: Nil);
- (v) the pledge of certain motor vehicles and properties owned by a director and certain officers of a non-wholly subsidiary of the Company (2003: Nil); and
- (vi) unlimited personal guarantees executed by the director and certain officers of the non-wholly subsidiary of the Company (2003: Nil).

As at 31 December 2003, the Group's banking facilities were also secured by:

- (i) a corporate guarantee executed by a business associate of the Group to the extent of HK\$2,830,000; and
- (ii) the pledge of bank deposits of the Group's business associate amounting to RMB27,000,000 (equivalent approximately HK\$25,472,000).

於二零零四年十二月三十一日·本集團銀行信貸以下列各項作抵押:

- (i) 本公司提供之20,000,000港元(二零零三年:20,000,000港元)公司擔保;
- (ii) 本集團定期存款抵押約為5,141,000港元(二零零三年:16,470,000港元)(附註22);
- (iii) 本集團人民幣385,000元(約相當於363,000港元)應收賬項之抵押(二零零三年:零)(附註20);
- (iv) CCT集團3,300,000美元(約相當於25,740,000港元)銀行存款之抵押(二零零三年:無);
- (v) 本公司一家非全資附屬公司一名董事及若干高級職員所擁有若干汽車及物業之抵押(二零零三年:無);及
- (vi) 本公司一家非全資附屬公司之一名董事及若干高級職員所作出之無限額個人擔保(二零零三年:無)。

於二零零三年十二月三十一日·本集團之銀行融資以下列各項作抵押:

- (i) 本集團一家業務聯營公司所提供2,830,000港元之公司擔保;及
- (ii) 本集團業務聯營公司人民幣27,000,000元(約相當於25,472,000港元)銀行存款之抵押。

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26. FINANCE LEASE PAYABLES

The Company and the Group leased a motor vehicle for business use. This lease is classified as a finance lease and has remaining a lease term of more than two years.

At the balance sheet date, the total future minimum lease payments under finance leases were as follows:

26. 融資租賃應付款項

本公司及本集團租賃一輛用於業務用途之汽車。此項租賃列為融資租賃，尚餘租賃期為兩年以上。

於結算日，融資租賃之未來最低租金總額如下：

		Group 本集團		Company 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Amounts payable:	應付款項：				
Within one year	一年內	311	326	311	326
In the second year	第二年	232	311	232	311
In the third to fifth years, inclusive	第三至第五年 (首尾兩年 包括在內)	58	290	58	290
Total minimum finance lease payments	融資租賃最低 租金總額	601	927	601	927
Future finance charges	未來融資費用	(72)	(108)	(72)	(108)
Total net finance lease payables	融資租賃應付 款項總淨額	529	819	529	819
Portion classified as current liabilities	列為流動負債 之部分	(275)	(315)	(275)	(315)
Long term portion	長期部分	254	504	254	504

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26. FINANCE LEASE PAYABLES (continued)

The present value of minimum lease payments under finance leases is further analysed as follows:

26. 融資租賃應付款項 (續)

融資租賃之最低租金現值進一步分析如下：

		Group 本集團		Company 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Amounts payable:	應付款額：				
Within one year	一年內	275	315	275	315
In the second year	第二年	220	277	220	277
In the third to fifth years, inclusive	第三至第五年 (首尾兩年包括在內)	34	227	34	227
Total present value of minimum lease payments	最低租金之 現值總額	529	819	529	819

27. DEFERRED TAX

27. 遞延稅項

		Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
At beginning of year and 31 December	於年初及十二月三十一日	233	233

The principal components of the Group's deferred tax liabilities represented accelerated depreciation allowances.

本集團之遞延稅務負債主要成份為加速折舊抵免。

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28. SHARE CAPITAL

Shares

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
<i>Authorised:</i>	<i>法定股本：</i>		
1,000,000,000 ordinary shares of HK\$0.10 each	每股面值0.10港元之 普通股1,000,000,000股	100,000	100,000
<i>Issued and fully paid:</i>	<i>已發行及繳足股本：</i>		
502,729,644 (2003: 501,209,644) ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股 502,729,644股(二零零三年： 501,209,644股)	50,273	50,121

During the year, the subscription rights attaching to 1,520,000 share options were exercised at the subscription price of HK\$0.233 per share (note 29), resulting in the issue of 1,520,000 shares at HK\$0.10 each for a total cash consideration.

A summary of the above movements of the Company's issued ordinary share capital is as follows:

年內，1,520,000份購股權所附帶認購權已按認購價每股0.233港元獲行使(附註29)，因而按總現金代價發行1,520,000股每股面值0.10港元之股份。

本公司已發行普通股股本之上述變動概述如下：

		Number of shares in issue 已發行股份數目	Issued capital 已發行股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2004	於二零零四年 一月一日	501,209,644	50,121	341,071	391,192
Share options exercised	已行使購股權	1,520,000	152	203	355
At 31 December 2004	於二零零四年 十二月三十一日	502,729,644	50,273	341,274	391,547

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29. SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 12 June 1999 (the "Previous Scheme"), the Company granted certain options to directors and employees of the Group, including the executive directors of the Company, to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. In order to comply with the new requirements of Chapter 17 of the Listing Rules on granting options under share option schemes, which took effect from 1 September 2001, the Previous Scheme was terminated and a new share option scheme (the "New Scheme") was adopted pursuant to the ordinary resolutions passed by the shareholders at the annual general meeting of the Company held on 30 May 2003. Accordingly, no further options can be granted under the Previous Scheme as from 30 May 2003. However, for the options remaining outstanding under the Previous Scheme, the existing rights of the grantees are not affected.

Pursuant to the Previous Scheme, the subscription price is equal to the higher of the nominal value of the shares of the Company or 80% of the average of the closing prices per share of the Company quoted on the Stock Exchange for the five trading days immediately preceding the date of grant of the share options. The maximum number of shares in respect of which options were able to be granted under the Previous Scheme could not exceed 10% of the issued share capital of the Company from time to time.

Pursuant to the New Scheme, the Company may grant options to eligible participants to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A summary of the New Scheme is as follows:

- (a) Purpose
- To enable the Company to grant options to Eligible Participants (as defined below) as incentives and rewards for their contribution to the Group.

29. 購股權計劃

根據本公司於一九九九年六月十二日採納之購股權計劃（「舊有計劃」），本公司向本集團董事及僱員（包括本公司執行董事）授出若干可認購本公司普通股之購股權，惟須受有關條款及條件限制。為符合於二零零一年九月一日生效的上市規則第17章有關根據購股權計劃授出購股權之新規定，舊有計劃已經終止，並根據股東於二零零三年五月三十日舉行之本公司股東週年大會通過的普通決議案，採納新購股權計劃（「新計劃」）。因此，自二零零三年五月三十日起不得根據舊有計劃進一步授出購股權，而承授人就舊有計劃授出而尚未行使之購股權之現有權利則不受影響。

根據舊有計劃，認購價相當於本公司股份面值或本公司股份於緊接購股權授出日期前五個交易日在聯交所所報平均收市價80%之較高者。根據舊有計劃可予授出之購股權可認購的股份數目，最多不得超過本公司不時已發行股本10%。

根據新計劃，本公司可向合資格參與人士授出可認購本公司股份之購股權，惟須受有關條款及條件限制。新計劃之概要載列如下：

- (a) 目的
- 以使本公司向合資格參與人士（定義見下文）授出購股權，作為彼等對本集團貢獻之鼓勵及獎賞。

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29. SHARE OPTION SCHEME (continued)

- (b) Eligible Participants – Being employees or executives or officers of the Company or any of its subsidiaries (including their respective executive and non-executive directors) and suppliers, consultants and advisers who will or have provided services to the Group.
- (c) Total number of shares available for issue under the New Scheme – The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme may not exceed 30% of the shares of the Company in issue.
- (d) Maximum entitlement of each Eligible Participant – The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period up to and including the date of grant may not exceed 1% of the number of shares of the Company in issued at the date of grant.
- (e) Period under which the shares must be taken up under an option – The period during which the options may be exercised is determined by the board of directors of the Company at its absolute discretion, save that no option may be exercised after more than 10 years from the date of adoption of the New Scheme, subject to early termination of the New Scheme.
- (f) Minimum period for which an option must be held before it can be exercised – There is no minimum period for which an option must be held before it can be exercised.

29. 購股權計劃 (續)

- (b) 合資格參與人士 – 本公司或其任何附屬公司僱員或行政人員或高級職員 (包括本公司或其任何附屬公司各自之執行及非執行董事) 和將為或已為本集團提供服務之供應商、諮詢顧問及顧問。
- (c) 根據新計劃可予發行之股份總數 – 所有根據新計劃已授出而有待行使之尚未行使購股權獲行使時可能發行之股份總數，不可超過本公司已發行股份30%。
- (d) 各合資格參與人士可享股份上限 – 於截至授出日期止任何十二個月期間，向各參與人士授出之購股權 (包括已行使及尚未行使之購股權) 獲行使而已經及將予發行之股份總數，不得超過本公司於授出日期已發行股份數目1%。
- (e) 根據購股權須認購股份之期限 – 可行使購股權之期限將由本公司董事會全權酌情決定，惟採納新計劃日期起計十年後不得行使購股權，而新計劃可提前終止。
- (f) 行使購股權前須持有之最短期限 – 概無行使購股權前須持有一段最短期限之規定。

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29. SHARE OPTION SCHEME (continued)

- (g) Basis of determining the exercise price – The exercise price must be at least the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of the grant, which must be a business day; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.
- (h) Remaining life of the New Scheme – The New Scheme remains in force until 29 May 2012 unless otherwise terminated in accordance with the terms stipulated therein.
- (i) Period within which payments/calls/loans must be made/repaid – 28 days from the date of the offer of the options.
- (j) Amount payable on acceptance of the option – HK\$1.00

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The 1,520,000 share options exercised during the year resulted in the issue of 1,520,000 ordinary shares of the Company and new share capital of HK\$152,000 and share premium of HK\$203,000 (before issue expenses), as detailed in note 28 to the financial statements.

At the balance sheet date, the Company had 49,855,000 (2003: 51,780,000) share options outstanding under the share option scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 49,855,000 (2003: 51,780,000) additional ordinary shares of the Company and proceeds, before relevant share issue expenses, of HK\$14,750,000 (2003: HK\$15,198,000).

29. 購股權計劃 (續)

- (g) 釐定行使價之基準 – 行使價須為以下最高者：(i)本公司股份於授出日期（須為營業日）在聯交所每日報價表所報收市價；(ii)本公司股份於緊接授出日期前五個營業日在聯交所每日報價表所報平均收市價；及(iii)股份面值。
- (h) 新計劃餘下有效期限 – 新計劃一直生效，直至二零一二年五月二十九日為止，除非根據其列明之條款終止。
- (i) 須作出／償還款項／催繳款項／貸款之期限 – 自提呈購股權日期起計二十八日內。
- (j) 接納購股權時應付款項 – 1.00港元

購股權並無賦予持有人獲派股息或於股東大會投票之權利。

年內，1,520,000份購股權獲行使，本公司因而發行1,520,000股普通股，以及分別有新股本152,000港元及股份溢價203,000港元（扣除發行開支前），詳情載於財務報表附註28。

於結算日，本公司尚有49,855,000份（二零零三年：51,780,000份）於購股權計劃項下未獲行使之購股權。根據本公司之現行股本結構，倘尚餘之購股權獲全數行使，本公司將需額外發行49,855,000股普通股（二零零三年：51,780,000股），未計有關股份發行費用之所得款項為14,750,000港元（二零零三年：15,198,000港元）。

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財務報表附註

31 December 2004 二零零四年十二月三十一日

29. SHARE OPTION SCHEME (continued)

The following share options were outstanding under the share option scheme during the year.

29. 購股權計劃 (續)

年內，購股權計劃項下尚未行使之購股權如下：

Number of share options 購股權數量								
Grantee 承授人	At 1 January 2004 於二零零四年 一月一日	Exercised during the year 本年度行使	Cancelled during the year 本年度註銷	At 31 December 2004 於二零零四年 十二月三十一日	Date of grant * 授出日期 *	Share price of the Company at grant date ** 於授出 日期本公司 之股份價格 **	Exercise price *** 行使價 ***	Exercise period of share options 購股權之 行使期
Directors 董事								
Mr. Wu Emmy 吳安敏先生	5,000,000	-	-	5,000,000	27 November 2003 二零零三年 十一月二十七日	HK\$0.23 0.23港元	HK\$0.233 0.233港元	27 November 2003 to 29 May 2012 二零零三年 十一月二十七日 至二零一二年 五月二十九日
Mr. Tang Kin Hung 鄧健洪先生	5,000,000	-	-	5,000,000	27 November 2003 二零零三年 十一月二十七日	HK\$0.23 0.23港元	HK\$0.233 0.233港元	27 November 2003 to 29 May 2012 二零零三年 十一月二十七日 至二零一二年 五月二十九日
Former director 前董事								
Mr. Chow Siu Lam, Cliff 周少霖先生	5,000,000	-	-	5,000,000	27 November 2003 二零零三年 十一月二十七日	HK\$0.23 0.23港元	HK\$0.233 0.233港元	27 November 2003 to 29 May 2012 二零零三年 十一月二十七日 至二零一二年 五月二十九日
Other employees 其他僱員								
In aggregate 集體	17,560,000	(1,520,000)	(405,000)	15,635,000	27 November 2003 二零零三年 十一月二十七日	HK\$0.23 0.23港元	HK\$0.233 0.233港元	27 November 2003 to 29 May 2012 二零零三年 十一月二十七日 至二零一二年 五月二十九日

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29. SHARE OPTION SCHEME (continued)

29. 購股權計劃 (續)

Number of share options 購股權數量								
	At 1 January 2004 於二零零四年 一月一日	Exercised during the year 本年度行使	Cancelled during the year 本年度註銷	At 31 December 2004 於二零零四年 十二月三十一日		Share price of the Company at grant date ** 於授出 日期本公司 之股份價格 **	Exercise price *** 行使價 ***	Exercise period of share options 購股權之 行使期
Grantee 承授人					Date of grant * 授出日期 *			
Business Associates 業務聯繫人士								
In aggregate 集體	1,320,000	-	-	1,320,000	21 January 2000 二零零零年 一月二十一日	HK\$3.175 3.175港元	HK\$2.532 2.532港元	21 January 2001 to 20 January 2010 二零零一年 一月二十一日 至二零零一年 一月二十日
	500,000	-	-	500,000	27 June 2002 二零零二年 六月二十七日	HK\$0.415 0.415港元	HK\$0.431 0.431港元	27 June 2003 to 29 May 2012 二零零三年 六月二十七日 至二零一二年 五月二十九日
	17,400,000	-	-	17,400,000	27 November 2003 二零零三年 十一月二十七日	HK\$0.23 0.23港元	HK\$0.233 0.233港元	27 November 2003 to 29 May 2012 二零零三年 十一月二十七日 至二零一二年 五月二十九日
	<u>19,220,000</u>	<u>-</u>	<u>-</u>	<u>19,220,000</u>				
Total 總額	51,780,000	(1,520,000)	(405,000)	49,855,000				

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29. SHARE OPTION SCHEME (continued)

- * *The vesting period of the share options is from the date of the grant until the commencement of the exercise period.*
- ** *The price of the Company's shares disclosed as at the date of the grant of the share options is the closing price of the Company's shares on the Stock Exchange on the trading day immediately prior to the date of the grant of the options.*
- *** *The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.*

30. RESERVES

(a) Group

The amounts of the Group's consolidated reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 31 of the financial statements.

The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the Group reorganisation in 1999 over the nominal value of the share capital of the Company issued in exchange therefor. Certain goodwill remains eliminated against consolidated reserves, as detailed in note 15 to the financial statements.

29. 購股權計劃 (續)

- * 購股權歸屬期自授出日期起計，直至行使期開始為止。
- ** 截至購股權授出日期止，所披露之本公司股份價格為本公司股份於緊接購股權授出日期前一個交易日在聯交所之收市價。
- *** 購股權行使價須根據供股或派送紅股或本公司股本之其他類似變動作出調整。

30. 儲備

(a) 本集團

本集團於本年度及過往年度之綜合儲備款額及其變動於財務報表第31頁綜合權益變動報表呈列。

本集團之繳入盈餘為依據於一九九九年所進行之集團重組所收購附屬公司之股本面值與本公司就交換上述股本而發行之股本面值兩者之差額。若干商譽仍與綜合儲備對銷，詳情載於財務報表附註15。

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31 December 2004 二零零四年十二月三十一日

30. RESERVES (continued)

(b) Company

		Share premium account 股份溢價賬	Contributed surplus 繳入盈餘	Accumulated losses 累積虧損	Total 總額
Note 附註		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2003	於二零零三年一月一日	341,071	39,431	(258,567)	121,935
Net loss for the year	本年度淨虧損	-	-	(51,141)	(51,141)
At 31 December 2003 and 1 January 2004	於二零零三年 十二月三十一日及 二零零四年一月一日	341,071	39,431	(309,708)	70,794
Exercise of share options (Note 29)	行使購股權 (附註29)	203	-	-	203
Net loss for the year	本年度淨虧損	-	-	(17,033)	(17,033)
At 31 December 2004	於二零零四年 十二月三十一日	341,274	39,431	(326,741)	53,964

The contributed surplus of the Company represents the excess of the combined net asset value of the subsidiaries acquired pursuant to the same reorganisation as mentioned in note 30(a) above, over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda, the Company's contributed surplus is currently unable to be distributed.

本公司之繳入盈餘為依據上文附註30(a)所述同一項重組所收購附屬公司之合併資產淨值較就交換上述股本而發行之本公司股份面值高出之數額。根據百慕達一九八一年公司法，本公司現時不得分派繳入盈餘。

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財務報表附註

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31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Major non-cash transactions

- (i) During the year ended 31 December 2004, a minority shareholder of a subsidiary waived an amount of HK\$657,000 (2003: Nil) due from that subsidiary to that minority shareholder (note 5).
- (ii) During the year ended 31 December 2003, the Group entered into finance lease arrangements in respect of fixed assets with a total capital value at the inception of the leases of HK\$260,000.
- (iii) Pursuant to an assignment agreement dated 14 April 2003, an amount of HK\$10,000,000 of consideration receivable from several purchasers in connection with the disposal of the DMX Technologies Group Limited ("DMX") and its subsidiaries (collectively the "DMX Group") was set off against the considerations payable to a minority shareholder in connection with the Group's initial acquisition of a 51% equity interest in the DMX Group.

32. COMMITMENTS

The Group leases certain of its office premises under operating lease arrangements. Leases for office premises are negotiated for terms ranging from one to two and half years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

31. 綜合現金流量表之附註

(a) 主要非現金交易

- (i) 截至二零零四年十二月三十一日止年度，一間附屬公司之一名少數股東豁免該附屬公司欠該少數股東之款項657,000港元（二零零三年：無）（附註5）。
- (ii) 截至二零零三年十二月三十一日止年度，本集團就固定資產訂立融資租賃安排，於訂立租約時固定資產之資本總值為260,000港元。
- (iii) 根據日期為二零零三年四月十四日之轉讓協議，就出售 DMX Technologies Group Limited（「DMX」）及其附屬公司（統稱「DMX集團」）應收多名買方之代價10,000,000港元，已抵銷就本集團初步收購DMX集團51%股本權益應付一名少數股東之代價。

32. 承擔

本集團根據經營租賃安排租賃若干寫字樓物業。物業租期經洽定為一至兩年半不等。租賃條款一般亦要求租戶支付保證金，並規定可根據當時市場狀況定期調整租金。

Notes to Financial Statements 財務報表附註

31 December 2004 二零零四年十二月三十一日

32. COMMITMENTS (continued)

At the balance sheet date, the Company and the Group had total future minimum lease payments under non-cancellable operating leases in respect of land and buildings falling due as follows:

32. 承擔 (續)

於結算日，根據有關土地及樓宇的不可取消經營租約，本公司及本集團在以下期間到期的未來最低租金總額如下：

		Group 本集團		Company 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Within one year	一年內	1,958	2,466	448	458
In the second to fifth years, inclusive	第二至第五年 (首尾兩年包括在內)	476	503	322	—
		<u>2,434</u>	<u>2,969</u>	<u>770</u>	<u>458</u>

Save as aforesaid, the Company and the Group did not have any other significant commitments as at 31 December 2004.

除上文所述者外，本公司及本集團於二零零四年十二月三十一日概無任何其他重大承擔。

Notes to Financial Statements

財務報表附註

31 December 2004 二零零四年十二月三十一日

33. CONTINGENT LIABILITIES

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

33. 或然負債

於結算日，未於財務報表中撥備之或然負債如下：

		Group 本集團		Company 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Guarantees given to banks in connection with banking facilities granted to certain subsidiaries	就授予若干附屬公司之銀行貸款而給予銀行之擔保	-	-	20,000	20,000

As at 31 December 2004, the banking facilities granted to the subsidiaries were utilised to the extent of approximately HK\$1,170,000 (2003: HK\$4,528,000).

於二零零四年十二月三十一日，附屬公司已動用所獲授銀行貸款額約1,170,000港元（二零零三年：4,528,000港元）。

The Group had a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK\$890,000 as at 31 December 2003, as further explained in note 3 to the financial statements. The contingent liability has arisen as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Hong Kong Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

如財務報表附註3進一步闡述，本集團於二零零三年十二月三十一日根據香港僱傭條例就日後可能須向僱員支付的長期服務金有或然負債，可能高達890,000港元。該或然負債是由於若干數目的現職僱員於截至結算日服務本集團的年期已屆香港僱傭條例所指定年期，倘彼等之聘用因若干情況遭終止，即有資格領取長期服務金。由於本集團認為該情況不可能導致本集團資源在未來出現重大流失，故並未就該可能支出確認撥備。

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34. RELATED PARTY TRANSACTIONS

In addition to those disclosed in elsewhere in the financial statements, the Group had the following transactions with related parties during the year:

34. 有關連人士交易

除財務報表其他部分所披露者外，於本年度，本集團與有關連人士進行以下交易：

		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Purchases of information technology products from:	向以下公司採購資訊技術產品：		
Related companies	有關連公司		
– a company in which a director of a subsidiary of the Company is also a director	– 本公司附屬公司一名董事兼任董事之公司	–	416
– a company in which a director of the Company is also a director	– 本公司一名董事兼任董事之公司	–	1,361
Advance to investee companies, in which a director of the Company is also a director (note 17)	付予被投資公司之墊款，本公司一名董事兼任其董事（附註17）	23,045	8,539
Management fee income received from investee companies	已收被投資公司管理費收入	124	–

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財務報表附註

31 December 2004 二零零四年十二月三十一日

34. RELATED PARTY TRANSACTIONS (continued)

34. 有關連人士交易 (續)

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Reimbursement of directors' remuneration by an investee company	被投資公司償付董事酬金	756	-
Loan interest income received from investee companies	已收被投資公司貸款利息收入	227	-
Management fee income received from a company in which a director of the Company is also a director	已收本公司董事亦為其董事之一家公司管理費收入	162	-
Proceeds on sale of fixed assets received from: - a company in which directors of the Company are also directors	銷售固定資產所得款項來自: - 本公司董事兼任董事之公司	-	100
Maintenance and consultancy fees paid to: - a company in which a director of the Company is also a director	已付保養及顧問費用予: - 本公司一名董事兼任董事之公司	364	2,123

Notes to Financial Statements 財務報表附註

31 December 2004 二零零四年十二月三十一日

34. RELATED PARTY TRANSACTIONS (continued)

In the opinion of the directors, the above related party transactions were entered into by the Group in the ordinary course of business and on terms agreed with the related parties. The directors of the Company consider that these transactions were made according to prices and conditions similar to those offered to other third parties.

Details of the terms of the outstanding balances with related parties and minority shareholders of certain subsidiaries at 31 December 2004 are set out in notes 17, 20, 21, 23 and 24 to the financial statements.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 April 2005.

34. 有關連人士交易 (續)

董事認為上述有關連人士交易乃本集團在日常業務中按與有關連人士協定之條款進行。本公司董事認為該等交易之價格及條件與給予其他第三者之價格及條件相若。

於二零零四年十二月三十一日與有關連人士及若干附屬公司少數股東之未清償結欠之條款詳情載於財務報表附註17、20、21、23及24。

35. 財務報表之批准

董事會於二零零五年四月二十六日批准及授權刊發財務報表。