

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company acts as an investment holding company. The activities of its subsidiaries are set out in note 34.

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In 2004, the Hong Kong Institute of Certified Public Accountants issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards ("HKFRSs") (herein collectively referred to as "new HKFRSs") which are 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 commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investments in securities.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below:

1. 一般資料

本公司於百慕達註冊成立為獲豁免有限公司，股份在香港聯合交易所有限公司（「聯交所」）上市。

本公司乃一間投資控股公司，附屬公司之主要業務載於附註34。

2. 近期頒佈會計準則所產生之潛在影響

於二零零四年，香港會計師公會頒佈若干新訂或經修訂之香港會計準則及香港財務報告準則（統稱「新香港財務報告準則」），此新準則乃有效應用於二零零五年一月一日或以後開始之會計期間。本集團並無就截至二零零四年十二月三十一日止年度財務報表提早採納新香港財務報告準則。

本集團已開始考慮該等新香港財務報告準則之潛在影響，但尚未斷定該等新準則會否對編製及呈列其經營業績及財務狀況之方式構成重大影響。該等新香港財務報告準則或會導致未來編製及呈列其業績及財務狀況之方式有所變動。

3. 主要會計政策

財務報表乃根據歷史成本慣例法編製，並已就重估證券投資而作出修訂。

財務報表乃按照香港普遍採納之會計原則而編製，所採納之主要會計政策載列如下：



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

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

All significant intra-group transactions and balances have been eliminated on consolidation.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is capitalised and amortised on a straight-line basis over its useful economic life. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Revenue recognition

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

Revenue from securities trading is recognised when the contracts of the relevant transaction are concluded and executed.

3. 主要會計政策 (續)

綜合賬目基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日之年度賬目。

年內收購或出售之附屬公司業績自收購日期起計或計至出售日期止(視情況而定)計入綜合收益賬。

集團內公司間之所有重大交易及結存均已於綜合賬目時對銷。

商譽

綜合賬目產生之商譽乃指收購成本超過本集團於收購當日應佔附屬公司可辨認資產及負債之公允價值之部份。

商譽按直線法在其可用經濟年期內撥充資本及攤銷。收購附屬公司產生之商譽於資產負債表另行呈列。

附屬公司投資

於附屬公司之投資按成本減任何可辨認減值損失計入本公司資產負債表。

收益入賬

銷貨收入於貨物付運及所有權轉移時入賬。

證券買賣收益於訂立並簽立有關交易之合約時入賬。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Rental income, including rental invoiced in advance, from properties under operating leases is recognised on a straight line basis over the period of the respective leases.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and amortisation are provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight line method, at the following rates per annum:

Leasehold land	Over the term of the leases
Buildings	Over the shorter of the term of the lease or 50 years
Leasehold improvements	Over the shorter of the terms of the lease, or 5 years
Plant and machinery	20% to 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	20% to 33 $\frac{1}{3}$ %
Motor vehicles	25% to 33 $\frac{1}{3}$ %

3. 主要會計政策 (續)

收益入賬 (續)

利息收入乃根據當時之本金結餘及適用利率按時間比例計算入賬。

投資項目之股息收入乃於本集團收取款項之權利確立時入賬。

根據經營租約來自物業之租金收入(包括預付已開立發票之租金)按各租期以直線法入賬。

物業、廠房及設備

物業、廠房及設備(不包括在建工程)按成本減累計折舊及累計減值損失入賬。

物業、廠房及設備於其估計使用年期內折舊，以撇銷其成本。考慮到其估計殘值，採用直線法按下列年率折舊：

租賃土地	按租期
樓宇	按租期或五十年(以較短者為準)
租賃物業裝修	按租期或五年(以較短者為準)
廠房及機器	20%至33 $\frac{1}{3}$ %
傢俬、裝置及設備	20%至33 $\frac{1}{3}$ %
汽車	25%至33 $\frac{1}{3}$ %

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment (continued)

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Construction in progress is stated at cost, which includes land cost and the related construction costs less accumulated impairment losses. No depreciation or amortisation is provided on construction in progress until the construction is completed and the properties and assets are ready for use. Cost of completed construction in progress are transferred to appropriate category of property, plant and equipment.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses and are amortised on a straight-line basis over their estimated useful lives.

Inventories

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

Impairment

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

3. 主要會計政策 (續)

物業、廠房及設備 (續)

資產出售或棄用產生之盈虧指銷售所得款項淨額與有關資產之賬面值之差額，並於收益賬確認入賬。

在建工程按成本值列賬，包括土地成本及相關建造成本減累計減值虧損。在建工程僅於工程完成及物業及資產可供使用時方會作出折舊或攤銷。完成在建工程之成本會轉入物業、廠房及設備之適當項下。

無形資產

無形資產按成本減累計攤銷及累計減值損失列賬，並以直線法按估計使用年期攤銷。

存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本以加權平均法計算。

減值

本集團於各結算日均會評審有形與無形資產之賬面值，以釐定有否跡象顯示該等資產蒙受減值虧損。倘若估計資產之可收回金額低於其賬面值，則資產之賬面值會調低至可收回金額。減值虧損乃即時確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment (continued)

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

Investments in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investment securities, which are securities held for an identified long-term strategic purpose, are measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in net profit or loss for the year.

Convertible notes

Convertible notes are separately disclosed and regarded as liabilities unless conversion actually occurs. The finance cost recognised in the income statement in respect of the convertible notes is calculated so as to produce a constant periodic rate of charge on the remaining balances of the convertible bonds for each accounting period.

Taxation

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

3. 主要會計政策 (續)

減值 (續)

倘若減值虧損其後出現逆轉，資產之賬面值可調升至可收回金額之修訂後估計數字，但所上調之賬面值幅度不得超出倘若過往年度資產並無確認減值虧損時原已確認之賬面值。減值虧損之撥回乃即時確認為收入。

證券投資

證券投資以交易日期基準確認，初步按原值計量。

除持有至到期日之債務證券外，投資乃列作投資證券及其他投資。

投資證券指就明確之長期策略目的而持有之證券，乃於其後之呈報日期按成本計量，並扣減任何非暫時性之減值虧損。

其他投資按公平值計量，未變現收益及虧損計入年度之溢利或虧損淨額。

可換股票據

除非已實際換股，可換股票據會獨立披露及以負債列賬。可換股債券之財務成本於收益表中確認，並將予計算以得出每會計期間餘下可換股票據餘數之有關定期扣賬率。

稅項

所得稅開支指現時應付稅項及遞延稅項之總額。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

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

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

3. 主要會計政策 (續)

稅項 (續)

現時應付稅項乃根據本年度之應課稅溢利計算。應課稅溢利與收益表所呈報溢利淨額存在差異，原因是應課稅溢利不包括其他年度之應課稅收入或可扣稅支出，亦不包括收益表內無需課稅或不可扣稅之項目。

遞延稅項指根據財務報表內資產及負債之賬面值及其用於計算應課稅溢利的相應稅基之間的差額所產生之預期應付或可收回稅項，並以資產負債表負債法計算。一般情況下，所有因應課稅臨時差額而產生之遞延稅項負債均予確認，而遞延稅項資產則於未來應課稅溢利可用作抵銷可扣稅臨時差額之限額內予以確認。倘屬不影響稅項溢利或會計溢利之交易中其他資產及負債之商譽(或負商譽)或初次確認(不包括企業合併)所產生之臨時差額，則該等資產及負債不會確認。

除非本集團可控制暫時差額之回撥及暫時差額在可見未來均不能回撥，由投資附屬公司產生之應課稅臨時差額，其遞延稅項負債均予以確認。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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

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

Operating leases

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the relevant lease terms.

Retirement benefit costs

Payments to defined contribution retirement benefit plan and Mandatory Provident Fund Scheme are charged as an expense as they fall due.

Foreign currencies

Transactions in currencies other than Hong Kong dollars are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in currencies other than Hong Kong dollars are re-translated into Hong Kong dollars at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值需於每年結算日作檢討，且倘無足夠應課稅溢利允許收回全部或部份資產，相關遞延稅項資產需作扣減。

遞延稅項乃根據預期負債償還或資產變現期間之稅率計算，並於收益表中支銷或抵免。若有關項目直接於股本中支銷或抵免，其遞延稅項則於股本中處理。

經營租約

根據經營租約應付之租金以直線法按相關租約期限計入收益表內。

退休福利成本

向界定供款退休福利計劃及強制性公積金計劃所作供款於到期支付時支銷。

外幣

港幣以外貨幣計價之交易初步按交易日期之通行匯率記錄。按港幣以外貨幣計值之貨幣資產及負債均按結算日之通行匯率重新換算為港幣。匯兌損益計入收益表。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the year in which the operation is disposed of.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

BUSINESS SEGMENTS

For management purposes, the Group is currently organised into three major operating divisions — toy products trading and manufacturing, consumer products trading and manufacturing and securities trading and investments. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Toy products trading and manufacturing	— Sourcing, manufacturing and distribution of toys and premium
Consumer products trading and manufacturing	— Sourcing, manufacturing and distribution of consumer products
Securities trading and investments	— Trading and investing of marketable securities

3. 主要會計政策 (續)

外幣 (續)

於綜合賬目時，本集團海外業務之資產及負債以結算日之通行匯率換算。收支項目按年度平均匯率換算。所產生之匯兌差額(如有)乃列作股本並撥入本集團之換算儲備。該等匯兌差額於出售業務年內確認為收入或開支項目。

4. 業務及地域分類資料

業務分類

就管理而言，本集團現時之架構分為三大經營分部 — 買賣及製造玩具、買賣及製造消費產品及證券買賣與投資。該等分部乃本集團呈報主要分部資料之基準。

主要業務如下：

買賣及製造玩具產品	— 玩具及贈品之採購、製造及分銷
買賣及製造玩具產品	— 玩具及贈品之採購、製造及分銷
買賣及製造消費產品	— 消費產品之採購、製造及分銷
證券買賣與投資	— 有市場價值之證券之買賣及投資



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4. BUSINESS AND GEOGRAPHICAL SEGMENTS

BUSINESS SEGMENTS (continued)

An analysis of the Group's turnover, operating results, assets, liabilities and other information by business segment is presented below:

For the year ended 31 December 2004

		Toy products trading and manufacturing 買賣及製造 玩具產品 HK\$'000 港幣千元	Securities trading and investments 證券買賣 及投資 HK\$'000 港幣千元	Consumer products trading and manufacturing 買賣及製造 消費產品 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
TURNOVER	營業額	<u>113,629</u>	<u>10,983</u>	<u>40,679</u>	<u>165,291</u>
RESULT	資產				
Segment result before amortisation of goodwill	分類業績 (未攤銷商譽)	17,809	(82)	3,633	21,360
Less: Amortisation of goodwill	減：商譽攤銷	<u>(540)</u>	<u>—</u>	<u>(156)</u>	<u>(696)</u>
Segment result	分類業績	<u>17,269</u>	<u>(82)</u>	<u>3,477</u>	20,664
Other operating income	其他經營收入				800
Unallocated corporate expenses	未分配企業開支				<u>(21,657)</u>
Loss from operations	經營虧損				(193)
Loss on disposal of subsidiaries	出售附屬公司之虧損		(894)		(894)
Loss on dilution of interests in subsidiaries	攤薄附屬公司權益 之虧損			(496)	(496)
Finance costs	財務費用				<u>(42)</u>
Loss before taxation	除稅前虧損				(1,625)
Income tax expense	所得稅開支				<u>(1,786)</u>
Loss before minority interests	未計少數股東 權益前虧損				<u>(3,411)</u>

4. 業務及地域分類資料 (續)

業務分類 (續)

本集團之營業額、經營業績、資產、負債及其他資料按業務分部分析如下：

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4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

BUSINESS SEGMENTS (continued)

At 31 December 2004

4. 業務及地域分類資料 (續)

業務分類 (續)

於二零零四年十二月三十一日

		Toy products trading and manufacturing 買賣及製造 玩具產品 HK\$'000 港幣千元	Securities trading and investments 證券買賣 與投資 HK\$'000 港幣千元	Consumer products trading and manufacturing 買賣及製造 消費產品 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
ASSETS	資產				
Segment assets	分類資產	61,944	5,553	43,524	111,021
Unallocated corporate assets	未分配企業資產				31,147
Consolidated total assets	綜合資產總值				<u>142,168</u>
LIABILITIES	負債				
Segment liabilities	分類負債	49,781	10	9,819	59,610
Unallocated corporate liabilities	未分配企業負債				5,210
Consolidated total liabilities	綜合負債總額				<u>64,820</u>

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For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

BUSINESS SEGMENTS (continued)

Other Information

For the year ended 31 December 2004

4. 業務及地域分類資料 (續)

業務分類 (續)

其他資料

截至二零零四年十二月三十一日止年度

		Toy products trading and manufacturing	Securities trading and investments	Consumer products trading and manufacturing	Unallocated	Consolidated
		買賣及製造 玩具產品	證券買賣 與投資	買賣及製造 消費產品	未分配	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Capital additions	資本添置					
Property, plant and equipment	物業、廠房及 設備	51,033	60	369	979	52,441
Goodwill	商譽	7,256	—	1,653	—	8,909
Depreciation and amortisation	折舊及攤銷					
Property, plant and equipment	物業、廠房及 設備	884	40	92	112	1,128
Goodwill	商譽	540	—	156	—	696
Intangible asset	無形資產	—	16	—	—	16
Allowance for slow-moving and obsolete inventories	滯銷及陳舊 存貨撥備	471	—	148	—	619
Allowance for bad and doubtful debts	呆壞賬撥備	282	—	127	—	409
Net realised holding loss on other investments	持有其他投資之 已變現虧損淨額	—	585	—	—	585
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	—	152	—	—	152

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For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

BUSINESS SEGMENTS (continued)

For the year ended 31 December 2003

4. 業務及地域分類資料 (續)

業務分類 (續)

截至二零零三年十二月三十一日止年度

		Continuing operations		Discontinuing operation	Consolidated
		持續經營業務	Consumer products	已終止經營業務	
		Securities trading and investments	trading and manufacturing	Restaurants operation	
		證券買賣與投資	買賣及製造消費產品	餐飲業務	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
TURNOVER	營業額	14,180	56,200	16,601	86,981
RESULT	業績				
Segment result before amortisation of goodwill	分類業務 (未攤銷商譽)	(6,152)	(3,951)	(757)	(10,860)
Less: Amortisation of goodwill	減：商譽攤銷	—	—	(323)	(323)
Segment result	分類業績	(6,152)	(3,951)	(1,080)	(11,183)
Other operating income	其他經營收入				1,580
Unallocated corporate expenses	未分配企業開支				(6,488)
Loss from operations	經營虧損				(16,091)
Finance costs	財務費用				(259)
Loss on disposal of subsidiaries	出售附屬公司之虧損				(6,236)
Loss before taxation	除稅前虧損				(22,586)
Income tax expense	所得稅開支				—
Loss before minority interests	未計少數股東權益前虧損				(22,586)

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截至二零零四年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

BUSINESS SEGMENTS (continued)

At 31 December 2003

ASSETS

Segment assets

Unallocated corporate assets

Consolidated total assets

LIABILITIES

Segment liabilities

Unallocated corporate liabilities

Consolidated total liabilities

資產

分類資產

未分配企業資產

綜合資產總值

負債

分類負債

未分配企業負債

綜合負債總值

4. 業務及地域分類資料 (續)

業務分類 (續)

於二零零三年十二月三十一日

Continuing operations		Consolidated
持續經營業務		
Securities trading and investments	Consumer products trading and manufacturing	Consolidated
證券買賣與投資	買賣及製造消費產品	綜合
HK\$'000	HK\$'000	HK\$'000
港幣千元	港幣千元	港幣千元
13,152	13,504	26,656
		21,337
		<u>47,993</u>
141	8,722	8,863
		1,877
		<u>10,740</u>



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財務報表附註

For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

BUSINESS SEGMENTS (continued)

Other Information

For the year ended 31 December 2003

業務分類 (續)

其他資料

截至二零零三年十二月三十一日止年度

		Continuing operations 持續經營業務	Discontinuing operation 已終止 經營業務	Consolidated 綜合
		Consumer products Securities trading and investments 證券買賣 與投資 HK\$'000 港幣千元	Restaurants operation 餐飲業務 HK\$'000 港幣千元	HK\$'000 港幣千元
Capital additions	資本添置			
Property, plant and equipment	物業、廠房及設備	34	274	145
Depreciation and amortisation	折舊及攤銷			
Property, plant and equipment	物業、廠房及設備	124	265	757
Intangible asset	無形資產	113	—	—
Goodwill	商譽	—	—	323
Impairment loss recognised in respect of intangible asset	無形資產之已確認 減值虧損	320	—	—
Allowance for slow-moving and obsolete inventories	滯銷及陳舊存貨撥備	—	2,995	—
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	24	506	—
		<u>24</u>	<u>506</u>	<u>530</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

GEOGRAPHICAL SEGMENTS

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

Japan	日本
Hong Kong	香港
Europe	歐洲
Singapore	新加坡
The Peoples' Republic of China, other than Hong Kong	中華人民共和國 (不包括香港)
United States of America	美國
Others	其地

The following is an analysis of the carrying amount of segment assets and capital additions, analysed by the geographical area in which the assets are located:

The Peoples' Republic of China, other than Hong Kong	中華人民共和國 (不包括香港)
United States of America	美國
Hong Kong	香港
Other Asian countries	其他亞洲國家
Europe	歐洲

4. 業務及地域分類資料 (續)

地域分部

下表提供本集團銷售額按地域市場之分析 (並無計貨品/服務之來源地) :

	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Japan	89,186	—
Hong Kong	21,754	14,180
Europe	18,914	—
Singapore	16,854	72,801
The Peoples' Republic of China, other than Hong Kong	16,098	—
United States of America	1,466	—
Others	1,019	—
	165,291	86,981

下表為按資產所在地劃分之分部資產與資本添置之賬面值分析 :

Carrying amount of segment assets 分部資產之賬面值		Capital additions 資本添置	
2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
64,840	—	50,433	—
291	—	1,933	—
50,763	14,864	8,984	34
25,182	33,129	—	419
1,092	—	—	—
142,168	47,993	61,350	453

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For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

5. LOSS FROM OPERATIONS

5. 經營虧損

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Loss from operations has been arrived at after charging:	經營虧損已扣除下列各項：		
Directors' remuneration (Note 8)	董事酬金(附註8)	2,887	4,461
Other staff costs	其他僱員成本	7,043	12,320
Total staff costs	僱員成本總額	<u>9,930</u>	<u>16,781</u>
Depreciation and amortisation	折舊及攤銷		
Property, plant and equipment	物業、廠房及設備	1,128	1,146
Goodwill (charged to other operating expenses)	商譽(於其他經營開支支銷)	696	323
Intangible asset (charged to other operating expenses)	無形資產(於其他經營開支支銷)	16	113
		<u>1,840</u>	<u>1,582</u>
Auditors' remuneration	核數師酬金		
Current year	本年度	600	514
Overprovision in prior years	過往年度之超額撥備	—	(16)
Allowance for slow moving and obsolete inventories	滯銷及陳舊存貨撥備	619	2,995
Allowance for bad and doubtful debts	呆壞賬撥備	409	—
Impairment loss recognised in respect of intangible asset (charged to other operating expenses)	無形資產之已確認減值虧損(於其他經營開支支銷)	—	320
Net unrealised holding loss on other investments (charged to other operating expenses)	其他投資之未變現持有虧損淨額(於其他經營開支支銷)	585	—
Net exchange loss	匯兌虧損淨額	—	358
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	152	530
Cost of inventories recognised as expenses	確認為開支之存貨成本	<u>136,291</u>	<u>67,268</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

5. LOSS FROM OPERATIONS (continued)

and after crediting:	及計入：
Bank interest income	銀行利息收入
Dividend income from investments in listed securities	上市證券投資之股息收入
Net unrealised holding gain on other investments (included in other operating income)	其他投資之未變現持有收益淨額 (列入其他經營收入)
Net exchange gain (loss)	匯兌收益(虧損)淨額
Write back of allowance for bad and doubtful debts	呆壞賬撥備撥回

Included in total staff costs is an aggregate amount of approximately HK\$245,000 (2003: HK\$921,000), in respect of retirement benefits scheme contributions paid or payable, net of nil (2003: nil) forfeited contribution, by the Group.

6. LOSS ON DISPOSAL OF SUBSIDIARIES

Continuing Operations

During the year ended 31 December 2004, the Group disposed certain of its subsidiaries, details of which are set out in note 27.

5. 經營虧損 (續)

	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
	12	73
	129	39
	—	449
	103	(358)
	—	470

本集團總員工成本包括就退休福利計劃已付或應付供款之共約港幣245,000元(二零零三年：港幣921,000元)(經扣除沒收供款：無(二零零三年：無))。

6. 出售附屬公司之虧損

持續經營業務

於截至二零零四年十二月三十一日止年度內，本集團出售其若干附屬公司，有關附屬公司之詳情載於附註27。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

6. LOSS ON DISPOSAL OF SUBSIDIARIES (continued) 6. 出售附屬公司之虧損 (續)

Discontinuing Operations

During the year ended 31 December 2003, the Group discontinued the restaurant operation business through the disposal of its entire interest in a subsidiary, Masindo International Limited ("Masindo"), together with its subsidiaries, which were principally engaged in restaurant operations in Singapore. The disposal was completed on 5 August 2003 on which date control of Masindo was passed to the acquirer. The results of the restaurant operations which had been included in the consolidated income statements, were as follows:

終止經營業務

於截至二零零三年十二月三十一日止年度內，本集團出售其附屬公司Masindo International Limited (「Masindo」) 及其附屬公司之全部權益，從而終止經營餐飲業務。Masindo及其附屬公司之主要業務為在新加坡從事餐廳業務。出售事項已於二零零三年八月五日完成，Masindo之控制權於該日移交收購方。餐飲業務之業績已計入綜合收益表，詳情如下：

		1.1.2003 to 5.8.2003 二零零三年 一月一日至 二零零三年 八月五日 HK\$'000 港幣千元
Turnover	營業額	16,601
Other operating income	其他經營收入	79
Operating costs	經營開支	(17,358)
(Loss) profit from operations	經營(虧損)溢利	(678)
Finance costs	財務費用	(2)
Loss before taxation	除稅前虧損	(680)
Income tax expense	所得稅開支	—
Loss for the period	期間虧損	(680)

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

6. LOSS ON DISPOSAL OF SUBSIDIARIES (continued)

Discontinuing Operations (continued)

During the year ended 31 December 2003, the restaurant operations contributed net cash inflow of HK\$379,000 to the Group's operations, received HK\$889,000 in respect of investing activities and paid HK\$2,000 in respect of financing activities.

The loss arose from the discontinuance of the restaurants operations of approximately HK\$6,236,000 was determined based on the sale proceeds of the disposal less the carrying amount of the consolidated net assets of Masindo. No tax charge or credit arose from the transaction.

7. FINANCE COSTS

Interest on:

- bank borrowings wholly repayable within five years
- convertible notes wholly repayable within five years
- other loans wholly repayable within five years

以下項目利息：

- 須於五年內全部償還之銀行貸款
- 須於五年內全部償還之可換股票據
- 須於五年內全部償還之其他貸款

	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
	23	233
	19	—
	—	26
	42	259

6. 出售附屬公司之虧損 (續)

終止經營業務 (續)

於截至二零零三年十二月三十一日止年度內，餐飲業務使本集團錄得現金流入淨額港幣379,000元，就投資活動收列港幣889,000元，並就融資活動支付港幣2,000元。

終止經營餐飲業務產生虧損約港幣6,236,000元，乃根據出售事項之銷售所得款項減去Masindo之綜合資產淨值賬面值而釐定。是項交易並無產生任何稅項支銷或抵免。

7. 財務費用

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8. DIRECTORS' REMUNERATION

Particulars of the emoluments of the directors for both years are as follows:

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Fees	董事袍金		
Executive directors	執行董事	—	2,000
Independent non-executive directors	獨立非執行董事	227	120
		<u>227</u>	<u>120</u>
Other emoluments	其他酬金		
Salaries and other benefits — executive directors	薪金及其他福利 — 執行董事	2,378	2,329
Salaries and other benefits — non-executive directors	薪金及其他福利 — 獨立非執行董事	250	—
Retirement benefit scheme contributions	退休福利計劃供款	32	12
		<u>2,887</u>	<u>4,461</u>

The emoluments of the directors were within the following bands:

		2004 二零零四年 Number of directors 董事 人數	2003 二零零三年 Number of directors 董事 人數
Nil to HK\$1,000,000	零至港幣1,000,000元	9	11
HK\$1,000,001 to HK\$1,500,000	港幣1,000,001元至 港幣1,500,000元	2	1
		<u>11</u>	<u>12</u>

8. 董事酬金

董事於兩個年度之酬金詳情如下：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Fees	董事袍金		
Executive directors	執行董事	—	2,000
Independent non-executive directors	獨立非執行董事	227	120
		<u>227</u>	<u>120</u>
Other emoluments	其他酬金		
Salaries and other benefits — executive directors	薪金及其他福利 — 執行董事	2,378	2,329
Salaries and other benefits — non-executive directors	薪金及其他福利 — 獨立非執行董事	250	—
Retirement benefit scheme contributions	退休福利計劃供款	32	12
		<u>2,887</u>	<u>4,461</u>

酬金位於以下範疇之董事：

		2004 二零零四年 Number of directors 董事 人數	2003 二零零三年 Number of directors 董事 人數
Nil to HK\$1,000,000	零至港幣1,000,000元	9	11
HK\$1,000,001 to HK\$1,500,000	港幣1,000,001元至 港幣1,500,000元	2	1
		<u>11</u>	<u>12</u>

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8. DIRECTORS' REMUNERATION (continued)

No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office and no directors waived any emoluments in both years.

9. EMPLOYEES' EMOLUMENTS

The five highest paid individuals in the Group included, two directors (2003: four directors) of the Company whose emoluments are set out in note 8 above. The emoluments of the remaining three (2003: one) individuals were as follows:

Salaries and other benefits	薪金及其他福利
Retirement benefits scheme contributions	退休福利計劃供款

The aggregate emoluments of each of the employees was less than HK\$1,000,000 for both years.

10. INCOME TAX EXPENSE

The charge for the current year represents Hong Kong Profits Tax calculated at 17.5% of the estimated assessable profit for the year.

For the year ended 31 December 2003, no provision for Hong Kong Profits Tax has been made in the financial statements as the Group incurred tax losses.

8. 董事酬金 (續)

本集團並無任何董事支付酬金，以吸引彼等加盟本集團或用作加盟後之獎勵或離職補償，且於上述兩個年度，並無董事放棄任何酬金。

9. 僱員酬金

本集團內五名最高薪個人中包括兩名本公司董事(二零零三年：四名董事)，彼等之酬金已於上文附註8內披露。其餘三名(二零零三年：一名)最高薪個人之酬金如下：

2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
1,507	632
24	95
1,531	727

各僱員之酬金總額於上述兩個年度均少於港幣1,000,000元。

10. 所得稅開支

本年度之該費用指香港利得稅，乃根據本年度估計應課稅溢利按稅率17.5%計算。

由於本集團於截至二零零三年十二月三十一日止年度錄得稅項虧損，故此並無在財務報表內就香港利得稅作出撥備。

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For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

10. INCOME TAX EXPENSE (continued)

Tax in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. No provision for tax in other jurisdictions for both years has been made in the financial statements as neither the Company nor any of its subsidiaries had any assessable profit subject to tax in other jurisdictions.

The income tax expense for the year can be reconciled to the loss before taxation per the income statement as follows:

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Loss before taxation	除稅前虧損	<u>(1,625)</u>	<u>(22,586)</u>
Tax at the Hong Kong Profits Tax of 17.5%	按香港利得稅稅率17.5%計算之稅項	(284)	(3,952)
Tax effect of expenses that are not deductible in determining taxable profit	釐定應課稅溢利時並無扣除開支之稅項影響	444	2,354
Tax effect of income that are not taxable in determining taxable profit	釐定應課稅溢利時並無課扣收入之稅項影響	(104)	(292)
Tax effect of losses not recognised	未確認虧損之稅項影響	1,816	2,085
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之各附屬公司利率差異之影響	<u>(86)</u>	<u>(195)</u>
Income tax expense for the year	本年度所得稅開支	<u>1,786</u>	<u>—</u>

Details of deferred taxation are set out in note 25.

10. 所得稅開支 (續)

法權區之稅項乃按有關司法權區之現行稅率計算。由於本公司及其任何附屬公司概無任何須繳納其他司法權區稅項之應課稅溢利，故此並無就兩個年度作出其他司法權區稅項撥備。

本年度之所得稅開支可按收益表與除稅前虧損對銷，詳情如下：

	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
	<u>(1,625)</u>	<u>(22,586)</u>
	(284)	(3,952)
	444	2,354
	(104)	(292)
	1,816	2,085
	<u>(86)</u>	<u>(195)</u>
	<u>1,786</u>	<u>—</u>

遞延稅項之詳情載於附註25。



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For the year ended 31 December 2004

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11. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the year of approximately HK\$6,128,000 (2003: HK\$21,421,000) and on weighted average number of ordinary shares in issue during the year of 1,191,018,871 (2003: 717,062,000).

The weighted average number of shares for the purpose of calculating basic loss per share for the year ended 31 December 2003 has been adjusted for the effect of a rights issue as described in note 21.

No diluted loss per share has been presented for the year ended 31 December 2003 as the exercise of the share options of subsidiaries as set out in note 22, would result in a decrease in loss per share.

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible notes since their exercise would result in a decrease in net loss per share from continuing operation for the year ended 31 December 2004.

11. 每股虧損

每股基本虧損乃根據本年度之虧損淨額約港幣6,128,000元(二零零三年：港幣21,421,000元)及本年度內已發行普通股之加權平均數1,191,018,871股(二零零三年：717,062,000股)計算。

已就附註21所述之供股影響，對用於計算截至二零零三年十二月三十一日止年度每股基本虧損之股份之加權平均數作出調整。

截至二零零三年十二月三十一日止年度並無呈列每股攤薄虧損，因為附註22所列附屬公司行使購股權會導致每股虧損減少。

每股攤薄虧損之計算並無假設本公司已發行而未行使之可換股票據之兌換，因為若然行使會導致截至二零零四年十二月三十一日止年度自己終止經營業務每股虧損淨額減少。



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For the year ended 31 December 2004

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12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Land and buildings 土地及樓宇 HK\$'000 港幣千元	Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Plant and machinery 廠房及機器 HK\$'000 港幣千元	Furniture, fixtures and equipment 家私、 裝置及設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
THE GROUP	本集團							
COST	成本							
At 1 January 2004	於二零零四年一月一日	—	70	—	1,118	—	—	1,188
Exchange adjustments	匯兌調整	—	—	—	10	—	—	10
Additions	增購	1,441	30	1,129	387	—	11,519	14,506
Transfer	轉讓	11,519	—	—	—	—	(11,519)	—
Disposals	出售	—	(48)	—	(121)	—	—	(169)
Acquired on acquisition of subsidiaries	收購附屬公司時取得	24,310	74	11,375	1,647	479	50	37,935
Eliminated on disposal of subsidiaries	出售附屬公司時對銷	—	—	—	(925)	—	—	(925)
At 31 December 2004	於二零零四年十二月三十一日	37,270	126	12,504	2,116	479	50	52,545
DEPRECIATION AND AMORTISATION	折舊及攤銷							
At 1 January 2004	於二零零四年一月一日	—	22	—	243	—	—	265
Exchange adjustments	匯兌調整	—	—	—	2	—	—	2
Provided for the year	本年度撥備	150	32	726	122	98	—	1,128
Disposals	出售	—	(5)	—	(12)	—	—	(17)
Eliminated on disposal of subsidiaries	出售附屬公司時對銷	—	—	—	(156)	—	—	(156)
At 31 December 2004	於二零零四年十二月三十一日	150	49	726	199	98	—	1,222
NET BOOK VALUES	賬面淨值							
At 31 December 2004	於二零零四年十二月三十一日	37,120	77	11,778	1,917	381	50	51,323
At 31 December 2003	於二零零三年十二月三十一日	—	48	—	875	—	—	923

The land and buildings are situated in the Peoples' Republic of China under long-term land use rights.

土地及樓宇均位於中華人民共和國內，擁有長期土地使用權。

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For the year ended 31 December 2004

截至二零零四年十二月三十一日止年度

13. INTANGIBLE ASSET

13. 無形資產

		Stock exchange trading right
		聯交所 交易權
		HK\$'000
		港幣千元
THE GROUP	本集團	
COST	成本	
At 1 January 2004	於二零零四年一月一日	2,000
Eliminated on disposal of a subsidiary	出售附屬公司時對銷	(2,000)
		<hr/>
At 31 December 2004	於二零零四年十二月三十一日	—
		<hr/>
AMORTISATION AND IMPAIRMENT	攤銷及減值	
At 1 January 2004	於二零零四年一月一日	1,600
Charged for the year	本年度撥備	16
Eliminated on disposal of a subsidiary	出售附屬公司時對銷	(1,616)
		<hr/>
At 31 December 2004	於二零零四年十二月三十一日	—
		<hr/>
NET BOOK VALUE	賬面淨值	
At 31 December 2004	於二零零四年十二月三十一日	—
		<hr/> <hr/>
At 31 December 2003	於二零零三年十二月三十一日	400
		<hr/> <hr/>

The goodwill is amortised over its estimated useful life, on a straight line basis, of ten years.

商譽按直線法於其估計使用期內分十年攤銷。



NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2004

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14. GOODWILL

14. 商譽

		HK\$'000 港幣千元
THE GROUP COST	本集團 成本	
Arising on acquisition of subsidiaries	收購附屬公司時產生	8,909
Eliminated on deemed disposal of subsidiaries	視作出售附屬公司時對銷	(496)
At 31 December 2004	於二零零四年十二月三十一日	<u>8,413</u>
AMORTISATION	攤銷	
Provided for the year	本年度撥備	696
At 31 December 2004	於二零零四年十二月三十一日	<u>696</u>
NET BOOK VALUE	賬面淨值	
At 31 December 2004	於二零零四年十二月三十一日	<u><u>7,717</u></u>
At 31 December 2003	於二零零三年十二月三十一日	<u><u>—</u></u>

The goodwill is amortised over its estimated useful life, on a straight line basis, of ten years.

商譽按直線法於其估計使用期內分十年攤銷。



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15. INTERESTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份，按成本
Amounts due from subsidiaries	附屬公司欠款
Less: Allowance for amounts due from subsidiaries	: 附屬公司欠款撥備

The amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of the directors, the amounts will not be repaid within twelve months from the balance sheet date and are therefore classified as non-current.

Details of the subsidiaries of the Company at 31 December 2004 are set out in note 34.

15. 附屬公司權益

THE COMPANY	
本公司	
2004	2003
二零零四年	二零零三年
HK\$'000	HK\$'000
港幣千元	港幣千元
—	—
74,741	58,456
(2,483)	(22,020)
72,258	36,436

附屬公司欠款為無抵押、免息且無特定還款期。董事認為，該等款項不會於結算日後十二個月內償還，因此被列為非流動項目。

本公司附屬公司於二零零四年十二月三十一日之詳情載於附註34。

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截至二零零四年十二月三十一日止年度

16. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

Included above are raw materials of HK\$141,000 (2003: nil) and finished goods of HK\$69,000 (2003: HK\$900,000) respectively which are carried at net realisable value.

17. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing an average credit period ranging from 30 days to 90 days to its trade customers. Included in trade and other receivables are trade receivables of HK\$23,305,000 (2003: HK\$6,908,000) and the aged analysis is as follows:

0 to 60 days	0至60日
61 to 90 days	61至90日
Over 90 days	超過90日

16. 存貨

THE GROUP	
本集團	
2004	2003
二零零四年	二零零三年
HK\$'000	HK\$'000
港幣千元	港幣千元
1,718	—
641	—
362	6,717
2,721	6,717

上文所列數額包括按可變現淨值入賬之原材料港幣141,000元(二零零三年：無)及製成品港幣69,000元(二零零三年：港幣900,000元)。

17. 應收賬款及其它應收款項

本集團給予貿易客戶之平均信貸期介乎30至90日。包括於應收賬款及其它應收款項為應收賬款港幣23,305,000元(二零零三年：港幣6,908,000元)，賬齡分析如下：

THE GROUP	
本集團	
2004	2003
二零零四年	二零零三年
HK\$'000	HK\$'000
港幣千元	港幣千元
15,956	5,060
4,388	732
2,961	1,116
23,305	6,908

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18. INVESTMENTS IN SECURITIES

Other investments	其他投資
— listed equity securities	— 上市產權證券
Hong Kong	香港
Overseas	海外
Total classified as current assets	列作流動資產之總額
Market value of listed securities	上市證券之市值

The carrying value of overseas listed securities at 31 December 2003 included an amount of approximately HK\$7,100,000, representing a 3.4% interest in United Pulp & Paper Company Limited, a company incorporated in Singapore with its shares listed on the Singapore Exchange Securities Trading Limited and engaged in the manufacturing and selling of paper and packaging products.

18. 證券投資

THE GROUP	
本集團	
2004	2003
二零零四年	二零零三年
HK\$'000	HK\$'000
港幣千元	港幣千元
5,474	4,972
—	7,100
<u>5,474</u>	<u>12,072</u>
<u>5,474</u>	<u>12,072</u>

海外上市證券於二零零三年十二月三十一日之賬面值包括約值港幣7,100,000元之款項，代表於United Pulp & Paper Company Limited之3.4%權益。該公司於新加坡註冊成立，股份於新加坡證券交易所上市及從事紙張及包裝產品之產銷業務。

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19. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$18,339,000 (2003: HK\$7,767,000), and the aged analysis is as follows:

0 to 60 days	0至60日
61 to 90 days	61至90日
Over 90 days	超過90日

19. 應付賬款及其它應付款項

包括於應付賬款及其它應付款項為應付賬款港幣18,339,000元(二零零三年：港幣7,767,000元)，賬齡分析如下：

THE GROUP	
本集團	
2004	2003
二零零四年	二零零三年
HK\$'000	HK\$'000
港幣千元	港幣千元
12,123	6,736
2,749	335
3,467	696
<u>18,339</u>	<u>7,767</u>

20. CONSTRUCTION COST PAYABLES

The amounts represent construction cost payables in respect of property, plant and equipment to independent third parties, which are unsecured, interest free and to be repaid by six equal monthly instalments commencing from 1 July 2006.

20. 應付建造成本

該款項指應付予獨立第三方之物業、廠房及設備之建造成本，為無抵押及免息，償還方式為自二零零六年七月一日起於六個月內平均分期支付。



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21. SHARE CAPITAL

21. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
Authorised:	法定：		
Ordinary shares of HK\$0.1 each at 1 January 2003	於二零零三年一月一日每股 面值港幣0.1元之普通股	5,000,000,000	500,000
Subdivision of each unissued share into 10 shares of HK\$0.01 each	將每股未發行股份拆細為10股 每股面值港幣0.01元	<u>45,000,000,000</u>	<u>—</u>
Ordinary shares of HK\$0.01 each at 1 January 2004 and at 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 之每股面值港幣0.01元之 普通股	<u>50,000,000,000</u>	<u>500,000</u>
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.1 each at 1 January 2003	於二零零三年一月一日每股 面值港幣0.1元之普通股	712,360,000	71,236
Capital reduction	資本削減	<u>—</u>	<u>(64,112)</u>
Ordinary shares of HK\$0.01 each at 1 January 2004	於二零零四年一月一日每股 面值港幣0.01元之普通股	712,360,000	7,124
Placing of new shares (note a)	配售新股 (附註a)	390,000,000	3,900
Rights issue (note b)	供股 (附註b)	<u>426,180,000</u>	<u>4,261</u>
Ordinary shares of HK\$0.01 each at 31 December 2004	於二零零四年十二月三十一日 每股面值港幣0.01元之 普通股	<u>1,528,540,000</u>	<u>15,285</u>

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21. SHARE CAPITAL (continued)

Notes:

- (a) On 15 January 2004, a placing and subscription agreement was entered into between the Company, Charm Management Limited, the substantial shareholder of the Company ("Charm") and the placing agent to place 140,000,000 shares in the Company at a price of HK\$0.05 per share to certain independent third parties. Also, Charm subscribed 140,000,000 new shares of HK\$0.01 each in the Company at a price of HK\$0.05 per share, representing a discount of 7% to the closing price of the Company's shares as quoted on the Stock Exchange on 15 January 2004.

On 19 November 2004, a subscription agreement was entered into between the Company and Charm to subscribe 250,000,000 new shares of HK\$0.01 each in the Company at a price of HK\$0.058 per share, representing a discount of 9% to the closing price of the Company's shares as quoted on the Stock Exchange on 19 November 2004.

The gross proceeds of approximately HK\$21.5 million before share issue expenses, would be used for certain investments and additional working capital of the Company.

These new shares were issued under the general mandate granted to the directors pursuant to the resolutions of the shareholders of the Company issued on 25 June 2003 and at the annual general meeting on 8 June 2004.

- (b) On 29 March 2004, a rights issue ("Rights Issue") on the basis of one rights share for every two existing shares held by shareholders on the register of members on 5 March 2004 was allotted at an issue price of HK\$0.05 per rights share, resulting in the issue of 426,180,000 shares at HK\$0.05 each for a total cash consideration, before share issue expenses, of approximately HK\$21.3 million. The proceeds would be used for certain investments and additional working capital of the Company.

All the shares issued during the year rank pari passu with the then existing shares in all respects.

21. 股本 (續)

附註：

- (a) 於二零零四年一月十五日，本公司、本公司之主要股東Charm Management Limited (「Charm」) 與配售代理人訂立一項配售及認購協議，以每股港幣0.05元之價格向若干獨立第三方配售140,000,000股股份。同時，Charm以每股港幣0.05元之價格認購140,000,000股每股面值港幣0.01元之新股份，該價格為本公司股份於二零零四年一月十五日於聯交所之收市價折扣7%。

於二零零四年十一月十九日，本公司與Charm訂立一份認購協議，以每股港幣0.058元之價格認購本公司250,000,000股每股面值港幣0.01元之新股份，該價格為本公司股份於二零零四年十一月十九日於聯交所之收市價折讓9%。

所得款項總額約為港幣21,500,000元(未扣除有關發行股份之開支)，將用作本公司之若干投資及額外營運資金。

該等新股份乃根據本公司股東於二零零三年六月二十五日頒布及於二零零四年六月八日於股東週年大會上通過之決議案授予董事之一般授權而發行。

- (b) 於二零零四年三月二十九日，本公司根據二零零四年三月五日股東名冊所示股東每持有兩股現有股份配發一股供股股份之比例，按發行價每股供股股份港幣0.05元進行供股(「供股」)，結果發行426,180,000股每股面值港幣0.05元之股份，獲得總現金代價約為港幣21,300,000元(未扣除有關發行股份之開支)。所得款項將用作本公司之若干投資及額外營運資金。

年內所有已發行股份於各方面均與當時現有股份享有同等權利。

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22. SHARE OPTIONS

Pursuant to a resolution passed on 28 January 1994, the Company's share option scheme (the "Old Scheme") was adopted for the primary purpose of providing incentives to directors and eligible employees, and shall be valid and effective for a period of 10 year expiring on 27 January 2004. The Old Scheme expired on 27 January 2004.

No options were outstanding at 31 December 2004 and 31 December 2003 under the Old Scheme. No options were granted, exercised, cancelled or lapsed during both years.

Pursuant to the resolution passed at a special general meeting held on 17 September 2004, the Company adopted a new share option scheme (the "New Scheme"). The Company operates the New Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The eligible participants of the New Scheme include the Company's or its subsidiaries' executive directors, non-executive directors and employees, and any business consultants, agents, financial or legal advisers and any other persons who the Board consider, at its sole discretion, will contribute or have contributed to the Group.

The grant of share options should be accepted within 30 days from the date of the grant, at a consideration of HK\$1, being payable by the grantee upon the acceptance of the grant. The options may be exercised at any time within the period commencing from the date of grant of the option and expiring on the date following 2 years from the date of acceptance of the grant of the options.

22. 購股權

根據一九九四年一月二十八日通過之決議案，本公司採納購股權計劃（「舊計劃」），首要目的為向董事及合資格僱員提供獎勵，且於二零零四年一月二十七日屆滿前10年期間內有效及生效。舊計劃已於二零零四年一月二十七日屆滿。

於二零零四年十二月三十一日及二零零三年十二月三十一日，概無舊計劃下尚未行使之購股權。於上述兩個年度內，亦並無購股權授出、行使、註銷或失效。

根據二零零四年九月十七日舉行之股東特別大會上通過之決議案，本公司採納新購股權計劃（「新計劃」）。本公司運作新計劃之目的，乃向該等對本集團業務成功發展有貢獻之合資格參與者提供獎勵及回報。新計劃之合資格參與者包括本公司或其附屬公司之執行董事、非執行董事及僱員，以及董事會全權酌情認為將會或已經對本集團有貢獻之任何業務顧問、代理人、財務或法律顧問及任何其他人士。

建議授予之購股權可於建議日期起計30日內接納，代價港幣1元，承授人須於接納建議時繳付。購股權可於建議授予購股權日期開始，至接納建議日期後足兩年之日止之期間內隨時行使。



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22. SHARE OPTIONS (continued)

The exercise price of the share options was determinable by the directors, but was not able to be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant.

Pursuant to the New Scheme, the maximum number of shares in the Company in respect of which options may be granted when aggregated with any other share option scheme of the Company is not permitted to exceed 127,854,000 shares, representing 10% of the issued share capital of the Company as at the date of adoption of the New Scheme. Subject to the issue of a circular and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules") from time to time, the Board may refresh the limit at any time to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meeting. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time.

22. 購股權 (續)

購股權之行使價由董事決定，惟不得低於以下較高者：(i)於授出日期(必須為營業日)交易所日報表所述之股份收市價；及(ii)緊接授出日期前五個營業日交易所日報表所述之股份平均收市價。

根據新計劃，可授出之購股權所涉及之本公司股份數目，與本公司任何其他購股權計劃合計，最高不得超逾127,854,000股，為佔本公司於採納新計劃之日已發行股本之10%。須經發出通函並經本公司股東於股東大會上批准後，及／或符合聯交所證券上市規則(「上市規則」)不時規定之任何其他要求後，董事會方可更新於任何時間佔截至本公司股東於股東大會上批准之日已發行股份總數10%之限制。除上述者外，於任何時間內，因行使新計劃及本公司任何其他購股權計劃項下已授出但未行使之所有尚未行使購股權而可予發行之股份不得超逾當時已發行股份之30%。



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22. SHARE OPTIONS (continued)

No option may be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12 month period up to and including the date of grant exceeding 1% of total number of shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting. Such participant and his associates (as defined in the Listing Rules) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

The closing price of the Company's ordinary shares immediately before the date on which options were granted during the year was HK\$0.068.

Total consideration received during the year from employees for taking up the options is amounted to HK\$15 (2003: nil).

22. 購股權 (續)

於截至授出日期(包括該日)止之任何12個月期間內，倘若本公司根據所有授出之購股權已發行及可發行予任何人士之股份數目超過授出日期已發行股份總數之1%，則不得向該人士授出購股權。對於任何超逾該1%限制之進一步授出購股權，本公司均須發出通函，並須經股東於股東大會上批准。該參與者及其聯繫人(定義見上市規則)須放棄投票權及/或上市規則不時規定之其他要求。授予主要股東或獨立非執行董事之購股權超逾本公司股本0.1%或價值超逾港幣5,000,000元者，須事先取得本公司股東批准。

年內，本公司普通股於緊接購股權授出日期前之收市價為港幣0.068元。

年內，就接納購股權向僱員收取之總代價為港幣15元(二零零三年：零)。

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22. SHARE OPTIONS (continued)

The following table discloses details of the Company's share options held by employees (including directors of the Company and its subsidiaries) and eligible participates and movements in such holdings during the year ended 31 December 2004.

	Date of grant	Exercise period	Exercies price	Outstanding at 1.1.2004	Granted during year	Outstanding at 31.12.2004
	授出日期	行使期間	行使價	於二零零四年一月一日尚未行使	於年內授出	於二零零四年十二月三十一日尚未行使
			HK\$ 港幣			
Directors 董事	1 December 2004 二零零四年十二月一日	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	7,671,240	7,671,240
Employees 僱員	1 December 2004 二零零四年十二月一日	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	63,927,000	63,927,000
Other 其他	1 December 2004 二零零四年十二月一日	31 December 2004 to 30 December 2006 二零零四年十二月三十一日至 二零零六年十二月三十日	0.0676	—	43,470,360	43,470,360
				<u>—</u>	<u>115,068,600</u>	<u>115,068,600</u>

No charge is recognised in the consolidated income statement in respect of the option granted in the current year.

22. 購股權 (續)

下表披露僱員(包括本公司及其附屬公司之董事)及顧問所持本公司購股權之詳情以及持有情況於截至二零零四年十二月三十一日止年度之變動。

於本年度內，並無就授出之購股權於綜合收益表內確認任何收費。

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23. RESERVES

23. 儲備

		Share premium 股份溢價 HK\$'000 港幣千元	Contributed surplus 實繳盈餘 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
THE COMPANY	本公司				
At 1 January 2003	於二零零三年一月一日	97,893	50,492	(162,549)	(14,164)
Effect of capital reduction	削減股本之影響	—	64,112	—	64,112
Transfer of share premium	轉撥股份溢價	(97,893)	97,893	—	—
Transfer from contributed surplus to accumulated losses	實繳盈餘轉撥累計虧損	—	(162,549)	162,549	—
Net loss for the year	本年度虧損淨額	—	—	(21,113)	(21,113)
At 1 January 2004	於二零零四年一月一日	—	49,948	(21,113)	28,835
Placing of new shares	配售新股	17,600	—	—	17,600
Rights issue	供股	17,047	—	—	17,047
Share issue expenses	股份發行費用	(1,523)	—	—	(1,523)
Net loss for the year	本年度虧損淨額	—	—	(6,384)	(6,384)
At 31 December 2004	於二零零四年 十二月三十一日	<u>33,124</u>	<u>49,948</u>	<u>(27,497)</u>	<u>55,575</u>

The contributed surplus of the Company represents the difference between the underlying net assets of the subsidiaries which were acquired by the Company and the nominal value of the share capital issued by the Company to acquire the assets, and the difference between the credit to contributed surplus arising from (a) capital reduction and (b) cancellation of share premium of the Company and the transfer from contributed surplus to accumulated losses of the Company.

本公司之實繳盈餘乃本公司所收購附屬公司有關資產淨值與本公司為購置該等資產而發行股本面值之差額，及(a)股本削減及(b)註銷本公司股份溢價及實繳盈餘轉撥本公司累計虧損產生之實繳盈餘支銷之差額。

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23. RESERVES (continued)

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

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

The Company has no reserves available for distribution to shareholders at the balance sheet dates.

24. CONVERTIBLE NOTES

The Company issued unsecured convertible notes with an aggregate principal amounts of HK\$2,500,000. The convertible notes bear interest at a rate of 3% per annum. The convertible notes can be converted into ordinary shares in the Company at a conversion price of HK\$0.05 per share, subject to adjustment, at the option of noteholders, on any business day after 30 days following the date of issue of the convertible notes and the maturity date is 29 March 2006.

On 3 March 2005, the convertible noteholders exercised their rights to convert the notes into 50,000,000 ordinary shares in the Company.

23. 儲備 (續)

根據百慕達1981年公司法(經修訂)，實繳盈餘亦可分派予股東。然而，本公司在下列情況下不可從實繳盈餘中宣派或派發股息，或撥出款項分派：

- (i) 本公司當時不能或於派發股息後不能償還到期債務；或
- (ii) 本公司資產之可變現價值將因派發股息而低於負債、已發行股本與股份溢價賬之總和。

於結算日，本公司並無任何可分派予股東之儲備。

24. 可換股票據

本公司發行無抵押可換股票據，總本金額為港幣2,500,000元。可換股票據附年息3%。可換股票據可由持有人決定，於發行可換股票據日期後30日起至二零零六年三月二十九日到期日止任何營業日，按換股價每股港幣0.05元(可予調整)兌換為本公司普通股。

於二零零五年三月三日，可換股票據持有人已行使權利兌換可換股票據為50,000,000股本公司之普通股。



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25. DEFERRED TAXATION

THE GROUP

At 1 January 2003	於二零零三年一月一日
Released on disposal of subsidiaries	出售附屬公司撥回
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

At the balance sheet date, the Group had unused tax losses of HK\$21,403,000 (2003: HK\$20,208,000) and the Company had unused tax losses of HK\$18,986,000 (2003: HK\$12,449,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams.

The unused tax loss will expire at various dates up to 2009.

25. 遞延稅項

本集團

Accelerated tax depreciation	Others	Total
加速稅項折舊	其他	總額
HK\$'000	HK\$'000	HK\$'000
港幣千元	港幣千元	港幣千元
(238)	108	(130)
238	(108)	130
<u>—</u>	<u>—</u>	<u>—</u>

於結算日，本集團擁有可用於抵銷未來溢利之未動用稅項虧損港幣21,403,000元（二零零三年：港幣20,208,000元），而本公司則擁有未動用稅項虧損港幣18,986,000元（二零零三年：港幣12,449,000元）。由於未來溢利來源不可預測，故並無就該等稅項虧損確認遞延稅項資產。

未動用稅項虧損將於二零零九年前之不同日期屆滿。

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26. ACQUISITION OF SUBSIDIARIES

On 8 January 2004, the Group acquired 60% of the issued share capital of Yanyan Force Limited for cash consideration of approximately HK\$6 million. On 13 January 2004, the Group acquired 100% of the issued share capital of Sky Union (Far East) Limited for a cash consideration of HK\$3 million. On 31 March 2004, the Group acquired 51% of the issued share capital of Thunder Tech Electronic Co., Limited for a cash consideration of HK\$1 million. On 30 June 2004, the Group acquired 100% of the issued share capital of Maple Printing Co., Limited ("Maple Printing") through a wholly-owned subsidiary, Maple Force Limited ("Maple Force"), for a cash consideration of HK\$1.75 million. The interest in Maple Printing was eventually diluted from 100% to 70% upon the issue of new shares of Maple Force to a third party. On 30 September 2004 the Group acquired 100% of the issued share capital of GFT Holding Limited through a wholly owned subsidiary, Prosper Overseas Limited, for a cash consideration of HK\$2.5 million and the issuance of convertible notes with an aggregate principal amount of HK\$2.5 million. These transactions have been accounted for using the purchase method of accounting.

26. 收購附屬公司

於二零零四年一月八日，本集團收購欣科有限公司60%已發行股本，現金代價約為港幣6,000,000元。於二零零四年一月十三日，本集團收購天源(遠東)有限公司100%已發行股本，現金代價約為港幣3,000,000元。於二零零四年三月三十一日，本集團收購迅雷科技有限公司51%已發行股本，現金代價約為港幣1,000,000元。於二零零四年六月三十日，本集團通過一間全資附屬公司Maple Force Limited (「Maple Force」)收購峰林印刷有限公司(「峰林印刷」)100%已發行股本，現金代價約為港幣1,750,000元，於發行Maple Force之新股予第三方後，於峰林印刷之權益由100%攤薄為70%。於二零零四年九月三十日，本集團收購GFT Holding Limited 100%已發行股本，現金代價約為港幣2,500,000元，並發行本金總額為港幣2,500,000元之可換股票據。該等交易已用購買會計法入賬。



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26. ACQUISITION OF SUBSIDIARIES (continued)

26. 收購附屬公司 (續)

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Net assets acquired:	所購入之資產淨值：		
Property, plant and equipment	物業、廠房及設備	37,935	—
Inventories	存貨	6,193	—
Trade and other receivables	應收賬款及其它應收款項	21,199	—
Bank balances and cash	銀行結存及現金	7,405	—
Trade and other payables	應付賬款及其它應付款項	(46,181)	—
Construction cost payable	應付建造成本	(17,693)	—
Minority interest	少數股東權益	(981)	—
		<u>7,877</u>	<u>—</u>
Goodwill	商譽	8,909	—
		<u>16,786</u>	<u>—</u>
Total consideration	總代價	<u>16,786</u>	<u>—</u>
Satisfied by	支付方法		
Cash	現金	14,286	—
Convertible notes	可換股票據	2,500	—
		<u>16,786</u>	<u>—</u>

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26. ACQUISITION OF SUBSIDIARIES (continued)

Analysis of the net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries:

Cash consideration	現金代價	(14,286)	—
Bank and cash balances acquired	所購入之銀行及現金結餘	7,405	—
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	有關收購附屬公司之現金及等同現金項目流出淨額	(6,881)	—

The subsidiaries acquired during the year ended 31 December 2004 contributed approximately HK\$146,946,000 to the Group's turnover and operating profit of approximately HK\$5,454,000 to the Group's results for the year.

26. 收購附屬公司 (續)

有關收購附屬公司之現金及等同現金項目流出淨額之分析如下：

	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Cash consideration	(14,286)	—
Bank and cash balances acquired	7,405	—
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	(6,881)	—

於截至二零零四年十二月三十一日止年度收購之附屬公司對本集團之營業額有約港幣146,946,000元貢獻，並對本集團於該年度之業績有經營溢利約港幣5,454,000元之貢獻。



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27. DISPOSAL OF SUBSIDIARIES

On 19 January 2004, the Group disposed of its entire interest in the issued share capital of Capital Bright International Ltd., which was engaged in securities trading. On 8 December 2003, the Group also entered into an agreement to dispose of its entire interest in a subsidiary, T G Securities Limited. The disposal was completed on 19 March 2004, on which date control of T G Securities Limited passed to the acquirer. On 30 March 2004, the Group further entered into a sale agreement to dispose of its entire interest in a subsidiary, Bestcorp Investments Inc., which carried out the Group's sourcing, distribution and retailing of wines and spirits business. The disposal was completed on 6 April 2004, on which date control of Bestcorp Investments Inc., passed to the acquirer.

27. 出售附屬公司

於二零零四年一月十九日，本集團出售其於 Capital Bright International Ltd. 之全部已發行股本，該公司為從事證券買賣業務。於二零零三年十二月八日，本集團亦訂立協議出售其附屬公司 T G Securities Limited 全部權益，該項出售於二零零四年三月十九日完成。自該日起，T G Securities Limited 之控制權移交予收購方。於二零零四年三月三十日，本集團進一步訂立銷售協議出售其附屬公司 Bestcorp Investments Inc. 全部權益，該公司乃從事本集團之採購、分銷及零售酒及酒精業務。該項出售於二零零四年四月六日完成，自該日起，Bestcorp Investments Inc. 之控制權移交予收購方。



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27. DISPOSAL OF SUBSIDIARIES (continued)

27. 出售附屬公司 (續)

		2004 二零零四年 <i>HK\$'000</i> 港幣千元	2003 二零零三年 <i>HK\$'000</i> 港幣千元
Net assets disposed of:	所出售之資產淨值：		
Property, plant and equipment	物業、廠房及設備	769	3,918
Intangible asset	無形資產	384	—
Investment in securities	證券投資	5,000	—
Inventories	存貨	5,158	775
Trade and other receivables	應收賬款及其他應收款項	7,960	2,383
Pledged bank deposits	已抵押銀行存款	912	—
Bank balances and cash	銀行結存及現金	3,963	5,609
Trade and other payables	應付賬款及其它應付款項	(13,367)	(2,571)
Deferred taxation	遞延稅項	—	(130)
Minority interests	少數股東權益	(743)	(1,083)
		<u>10,036</u>	<u>8,901</u>
Attributable goodwill	應佔商譽	—	5,911
Translation reserve realised	已變現之匯兌儲備	(42)	(76)
		<u>9,994</u>	14,736
Loss on disposal	出售時虧損	(894)	(6,236)
		<u>9,100</u>	<u>8,500</u>
Total consideration satisfied by cash	以現金支付之總代價	<u>9,100</u>	<u>8,500</u>

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27. DISPOSAL OF SUBSIDIARIES (continued)

Net cash inflow arising on disposal:

		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Cash consideration received	所收取之現金代價	9,100	8,500
Bank balances and cash disposed of	所出售之銀行及現金結餘	(3,963)	(5,609)
		<u>5,137</u>	<u>2,891</u>

The subsidiaries disposed of during the year contributed approximately HK\$16,550,000 (2003: HK\$16,601,000) to the Group's turnover and operating loss of approximately HK\$199,000 (2003: HK\$678,000) to the Group's loss from operations.

28. CONTINGENT LIABILITIES

On 8 October 2004, the Company received a writ regarding the litigation instituted by Mr. Kwok Chin Wing, a former director of the Company, in respect of the loans due from two former subsidiaries of the Company namely, Rockapetta Industrial Company Limited and Grand Extend Investments Limited, for a sum of approximately HK\$44.5 million and accrued interest thereof. The directors of the Company, after seeking advice from legal advisors, are of the opinion that the plaintiff does not have a valid claim against the Company and therefore it is unlikely to have any material adverse financial impact on the Group.

27. 出售附屬公司 (續)

出售時產生之現金流入淨額：

	2004	2003
	二零零四年	二零零三年
	HK\$'000	HK\$'000
	港幣千元	港幣千元
Cash consideration received	9,100	8,500
Bank balances and cash disposed of	(3,963)	(5,609)
	<u>5,137</u>	<u>2,891</u>

於本年度出售之附屬公司對本集團之營業額約有港幣16,550,000元(二零零三年：港幣16,601,000元)貢獻，並約佔本集團經營虧損之港幣199,000元(二零零三年：港幣678,000元)之貢獻。

28. 或然負債

於二零零四年十月八日，本公司前董事郭展榮先生就本公司兩家前附屬公司(樂家實業有限公司及展昌投資有限公司)所欠貸款約港幣44,500,000元連同應計利息而提出訴訟，本公司收到有關令狀。本公司董事於尋求法律顧問意見後認為，原告人並無有效理據控訴本公司，因而此事不應對本集團之財政狀況構成重大不利影響。

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29. OPERATING LEASE ARRANGEMENTS

The Group as lessee

During the year, the Group made minimum lease payments under operating leases of HK\$567,000 (2003: HK\$1,600,000) in respect of rented premises.

At the balance sheet date, the Group and the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases for premises which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)
Over five years	五年之後

Operating lease payments represent rentals payable by the Group and the Company for certain of its warehouses and office premises. Leases are negotiated for an average term of five years (2003: three years) and rentals are fixed during the lease period.

29. 經營租約安排

本集團作為承租人

於本年度，本集團根據經營租約就租賃物業支付港幣567,000元(二零零三年：港幣1,600,000元)之最低租約付款。

於結算日，本集團及本公司根據有關物業之不可撤銷經營租約而錄得未償還未來最低租約付款責任，有關款項之到期日如下：

		The GROUP 本集團		THE 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 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Within one year	一年內	535	621	—	147
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	336	150	—	—
Over five years	五年之後	502	—	—	—
		1,373	771	—	147

經營租約付款代表本集團與本公司就若干倉庫及辦公室物業而須付之租金。租約一般以五年(二零零三年：三年)期進行磋商，租金於租約期內維持不變。

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29. OPERATING LEASE ARRANGEMENTS (continued)

The Group as lessor

Property sub-lease income during the year was approximately HK\$135,000 (2003: HK\$247,000). The property has a committed tenant for the coming year.

At 31 December 2003, the Group had contracted with the tenant for the future minimum lease payments of HK\$59,000 within one year.

At 31 December 2003 and 2004, the Company had no operating lease commitments at the balance sheet dates.

30. CAPITAL COMMITMENT

At 31 December 2004, the Group had the capital expenditure in respect of property, plant and equipment of approximately HK\$32,172,000 (2003: nil) contracted for but not accounted for in the financial statements.

The Company had no capital commitment at the balance sheet dates.

31. PLEDGE OF ASSETS

At 31 December 2004, the Group and the Company had no pledge of assets.

At 31 December 2003, the Group's bank deposits amounted to approximately HK\$912,000 were pledged to secure banking facilities granted to the Group:

29. 經營租約安排 (續)

本集團作為出租人

於本年度之物業分租收入約為港幣135,000元(二零零三年：港幣247,000元)。所持物業於下一年度亦已與租戶訂約。

於二零零三年十二月三十一日，本集團已與租戶簽訂一年內未來最低租約付款港幣59,000元之租約。

於二零零三年及二零零四年十二月三十一日，本公司於該等結算日並無經營租約承擔。

30. 資本承擔

於二零零四年十二月三十一日，本集團約有港幣32,172,000元(二零零三年：無)已訂約惟未計入財務報表之物業、廠房及設備之資本開支。

本公司於結算日並無資本承擔。

31. 資產抵押

於二零零四年十二月三十一日，本集團及本公司並無資產抵押。

於二零零三年十二月三十一日，本集團約有港幣912,000元之銀行存款已作抵押，以獲取授予本集團之銀行信貸。



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32. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by employees.

33. RELATED PARTY DISCLOSURES

During the year, the Group had the following transactions and balances with related parties as follows:

Related party transactions

The transactions with related parties during the year are as follows:

Related party	Nature of transactions	THE GROUP	
		2004	2003
關聯方	交易性質	二零零四年	二零零三年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
General Fast Trading Limited (note a)	Sales of goods (note c)	591	—
真樂發貿易有限公司 (附註a)	貨物銷售 (附註c)		
	Subcontracting fee expenses (note c)	5,003	—
	分判費開支 (附註c)		
JS Corporate Services Pte Ltd (note b)	Consultancy fee expense (note c)	—	1,132
(附註b)	顧問費開支 (附註c)		
		<u> </u>	<u> </u>

32. 退休福利計劃

本集團為全體香港合資格僱員設有強制性公積金計劃(「強積金計劃」)。該計劃資產與本集團資產分開持有，存放於信託人控制之基金。本集團按有關薪酬成本之5%向強積金計劃作出供款，僱員亦作出相同供款。

33. 關聯方資料披露

於本年度，本集團與關聯方之交易及結餘如下：

關聯方交易

於本年度與關聯方進行之交易如下：



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33. RELATED PARTY DISCLOSURES (continued)

Related party transactions (continued)

On 21 July 2004, the Company announced that a sale and purchase agreement dated 20 July 2004 was made between Mr. Leung Wai Ho, Mr. Wong Chung Shun, I Agent Limited ("I Agent"), an independent third party and Prosper Overseas Limited, a wholly-owned subsidiary of the Company pursuant to which Mr. Leung Wai Ho, Mr. Wong Chung Shun and I Agent agreed to sell their entire equity interests in GFT Holding Limited to Prosper Overseas Limited, for a total consideration of HK\$5,000,000. The total consideration was satisfied by payment of cash of HK\$2,500,000 and by the issue of convertible notes with an aggregate principal amount of HK\$2,500,000 bearing interest at 3% per annum with a maturity date of conversion 18 months from the issue of the convertible notes. The transaction was completed on 30 September 2004.

On 30 December 2004, the Company also announced that an asset transfer agreement dated 22 December 2004 was made between Force Electronics (Huizhou) Limited ("Force") which is beneficially owned as to 45% by Mr. Leung Wai Ho and 45% by Mr. Wong Chung Shun, and Hong Ke Dian Zi (Huizhou) You Xian Gong Si 宏科電子(惠州)有限公司 ("Hong Ke"), an indirect wholly-owned subsidiary of the Company pursuant to which Force agreed to transfer to Hong Ke the land use right of a piece of land situated in Huizhou City, the PRC and building and ancillary facilities erected thereon. The total consideration of this asset transfer was RMB 8 million (equivalent to approximately HK\$7.5 million), which was satisfied by payment of cash. The transaction was completed on 4 March 2005.

33. 關聯方資料披露 (續)

關聯方交易 (續)

於二零零四年七月二十一日本公司曾公佈，梁蔚豪先生、黃仲遜先生、獨立第三方網介天地有限公司(「網介天地」)及本公司之全資附屬公司興旺海外有限公司已於二零零四年七月二十日訂立一項買賣協議，據此，梁蔚豪先生、黃仲遜先生及網介天地同意向興旺海外有限公司出售彼等於GFT Holding Limited之全部股本權益，總代價為港幣5,000,000元。該總代價以現金支付港幣2,500,000元，及透過發行年息3厘、到期兌換日為自發行日期起18個月、總本金額為港幣2,500,000元之可換股票據予以支付。此交易已於二零零四年九月三十日完成。

此外，本公司於二零零四年十二月三十日公佈，梁蔚豪及黃仲遜先生於其中各實益擁有45%股本權益之科時電子(惠州)有限公司(「科時」)與本公司之間接全資附屬公司宏科電子(惠州)有限公司(「宏科」)已於二零零四年十二月二十二日訂立資產轉讓協議，據此，科時同意向宏科轉讓位於中國惠州市之一幅土地之土地使用權及建於其上之樓宇及配套設施。此項資產轉讓之總代價為人民幣8,000,000元(相當於約港幣7,500,000元)，已以現金支付。是項交易已於二零零五年三月四日完成。

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33. RELATED PARTY DISCLOSURES (continued)

Balances with related parties

Amount due to a related company 欠關聯公司款項

General Fast Trading Limited

真樂發貿易有限公司

13,148

—

—

—

Amounts due to directors 欠董事款項

Ho Tak Kin (note d)

何達堅 (附註d)

—

60

—

60

Lam Lee G. (note d)

林家禮 (附註d)

—

60

—

60

—

120

—

120

The above amounts due to directors and a related company are unsecured, non-interest bearing and are repayable on demand.

Notes:

- (a) Mr. Leung Wai Ho and Mr. Wong Chung Shun, the executive directors of the Company have beneficial interests.
- (b) JS Corporate Services Pte Ltd is a company in which Ms. Chan Lay Hoon, a former director who was resigned during the year ended 31 December 2004, has a beneficial interest.
- (c) Sales of goods, subcontracting fee expense and consultancy fee expense are mutually agreed between the relevant parties.
- (d) The directors resigned during the year ended 31 December 2004.

33. 關聯方資料披露 (續)

關聯方往來結餘

		THE GROUP 本集團		THE 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 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Amount due to a related company					
General Fast Trading Limited	真樂發貿易有限公司	13,148	—	—	—
Amounts due to directors					
Ho Tak Kin (note d)	何達堅 (附註d)	—	60	—	60
Lam Lee G. (note d)	林家禮 (附註d)	—	60	—	60
		—	120	—	120

上述欠董事款項及欠關聯公司款項均為無抵押、免息及須於要求時償還。

附註：

- (a) 本公司執行董事梁蔚豪及黃仲遜先生擁有實益權益。
- (b) JS Corporate Services Pte Ltd為前董事曾麗芬女士擁有實益權益之公司。曾麗芬女士已於截至二零零四年十二月三十一日止年度內辭任。
- (c) 貨物銷售、分判費開支及顧問費開支乃有關訂約方互相同意。
- (d) 該等董事已於截至二零零四年十二月三十一日止年度內辭任。

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34. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries at 31 December 2004 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立地點	Nominal value of issued and registered/ share capital 已發行及 繳足股本面值	Attributable proportion of nominal value of issued share capital held by the Company 本公司持有之 已發行股本 面值所佔比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Essence Fortune Limited 業福有限公司	Hong Kong 香港	HK\$2 ordinary shares 港幣2元 普通股	100%	—	Inactive 暫無營業
Good Prosper Trading Ltd.	British Virgin Islands 英屬處女群島	US\$1 ordinary share 1美元 普通股	100%	—	Securities trading and investment 證券買賣及投資
Great Force Technology Limited 宏科(香港)有限公司	Hong Kong 香港	HK\$2 ordinary share 港幣2元	—	100%	Investment holding 投資控股
GFT Holding Limited	British Virgin Islands 英屬處女群島	US\$640,000 ordinary share 640,000美元 普通股	—	100%	Investment holding 投資控股
GFT International (Macao Commercial Offshore) Limited 真樂發國際(澳門離岸 商業服務)有限公司	Macau 澳門	MOP\$100,000 quota shares 100,000澳門元 配額股份	—	100%	Trading electronic toys 買賣電子玩具

34. 附屬公司詳情

本公司附屬公司於二零零四年十二月三十一日之詳情如下：

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34. PARTICULARS OF SUBSIDIARIES (continued)

34. 附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立地點	Nominal value of issued and registered/ share capital 已發行及 繳足股本面值	Attributable proportion of nominal value of issued share capital held by the Company 本公司持有之 已發行股本 面值所佔比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Kimay Investment Limited	Hong Kong 香港	HK\$2 shares 港幣2元 股份	100%	—	Inactive 暫無營業
Maple Force Limited	Hong Kong 香港	HK\$10 ordinary share 港幣10元 普通股	—	70%	Investment holding 投資控股
Maple Printing Co., Limited 峰林印刷有限公司	Hong Kong 香港	HK\$100,000 ordinary share 港幣100,000元 普通股	—	70%	Trading and manufacturing of printing products 買賣印刷產品
New Challenge Limited 利志有限公司	Hong Kong 香港	HK\$1,000,000 ordinary share 港幣1,000,000元 普通股	—	85%	Trading and manufacturing of toys 買賣及銷售玩具
Prosper Overseas Limited 興旺海外有限公司	Hong Kong 香港	HK\$2 ordinary shares 港幣2元 普通股	100%	—	Investment holding 投資控股
Prosper Services Limited	Hong Kong 香港	HK\$2 ordinary shares 港幣2元 普通股	100%	—	Provision of management services to the Group 向集團公司提供 管理服務



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34. PARTICULARS OF SUBSIDIARIES (continued)

34. 附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立地點	Nominal value of issued and registered/ share capital 已發行及 繳足股本面值	Attributable proportion of nominal value of issued share capital held by the Company 本公司持有之 已發行股本 面值所佔比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Sky Union (Far East) Limited 天源(遠東)有限公司	Hong Kong 香港	HK\$4 ordinary shares 港幣4元 普通股	—	100%	Investment holding 投資公司控股
Thunder Force Limited 迅雷科時有限公司	Hong Kong 香港	HK\$100 ordinary share 港幣100元 普通股		51%	Trading and manufacturing of electronic components 買賣及製造電子元件
Thunder Tech Electronic Co., Limited 迅雷科技有限公司	Hong Kong 香港	HK\$200,000 ordinary shares 港幣200,000元 普通股		51%	Inactive 暫無營業
Unique Force Limited 唯一科時有限公司	Hong Kong 香港	HK\$4,000,000 ordinary shares 港幣4,000,000元 普通股	—	50.01%	Inactive 暫無營業
Yanyan Force Limited 欣科有限公司	Hong Kong 香港	HK\$100 ordinary shares 港幣100元 普通股	—	60%	Trading and manufacturing of toys, gifts and premiums 買賣及製造玩具、禮品及贈品

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34. PARTICULARS OF SUBSIDIARIES (continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立地點	Nominal value of issued and registered/ share capital 已發行及 繳足註冊股本面值	Attributable proportion of nominal value of issued share capital held by the Company 本公司持有之 已發行股本 面值所佔比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
宏科電子(惠州)有限公司 (附註)	People's Republic of China (the "PRC")	registered capital HK\$50,000,000 註冊股本	—	100%	Manufacturing and sales of toys 製造及銷售玩具
宏科電子(惠州)有限公司 (附註)	中華人民共和國 (「中國」)	港幣50,000,000元 註冊股本			
天源(惠州)電子有限公司 (note)	PRC 中國	registered capital US\$5,000,000 註冊股本	—	100%	Investment in land 土地投資
天源(惠州)電子有限公司 (附註)		5,000,000美元			
博羅縣天河電子有限公司 (note)	PRC 中國	registered capital RMB500,000 註冊股本	—	100%	Investment in land 土地投資
博羅縣天河電子有限公司 (附註)		人民幣500,000元			
博羅縣天興電子有限公司 (note)	PRC 中國	registered capital RMB500,000 註冊股本	—	100%	Investment in land 土地投資
博羅縣天興電子有限公司 (附註)		人民幣500,000元			

Note: These companies are wholly foreign-owned enterprise established in the PRC.

附註：該等公司均為於中國成立之外商獨資企業。

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

於年終或年內任何時間，概無附屬公司發行任何債務證券。

