

1. PRINCIPAL ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, other than as set out below.

Taiwan Subsidiaries

Since early 2005, the Group has been involved in a dispute concerning control of its Taiwanese operations. Certain former members of the Board are actively obstructing the Group's legitimate exercise of control over its subsidiaries operated in Taiwan, namely Forefront International Automotive Limited, Sunshine Credit Limited and U-Drive Smart Card Company Limited (Collectively referred to as "Taiwan Subsidiaries"). As a result, the Group presently does not have full control over the Taiwan Subsidiaries. The Board is taking active steps to restore control over the Group's Taiwan operations, including seeking legal redress for breaches committed by the individuals responsible, including certain former directors and senior employees of the Taiwan Subsidiaries. In addition, the Board has at all times maintained regular contact with the Group's key trading partner Scania, and remains committed to ensuring that the current difficulties in Taiwan are overcome.

Due to the issues impacting the Group's Taiwan operations described above, the Directors, despite having taken all reasonable steps, could not satisfy themselves as to the accuracy and reliability of the management accounts of the Group's Taiwan Subsidiaries for the year ended 31 December 2004. Accordingly, the Directors have been unable to satisfy themselves that the results, assets and liabilities of these subsidiaries have been properly recorded and fairly stated in the management accounts.

1. 主要會計政策

財務報表乃按香港會計師公會（「香港會計師公會」）頒佈之香港財務申報準則、香港公認會計原則及公司條例之披露規定編製。惟下文所述者除外：

台灣附屬公司

自二零零五年初起，本集團涉及一宗有關台灣業務控制權之紛爭。若干前董事會成員積極阻撓本集團對其於台灣經營之附屬公司－福方國際汽車股份有限公司、勝山財務股份有限公司及任我行智慧咭有限公司（統稱「台灣附屬公司」）行使合法控制權。故此，本集團目前對台灣附屬公司並無全面控制權。董事會現正採取積極步驟，恢復對本集團之台灣業務之控制權，包括就負責人士（包括台灣附屬公司若干前董事及高級僱員）作出之違約行動，尋求法律補救措施。此外，董事會一直與本集團之主要貿易夥伴Scania維持定時聯絡，並致力確保目前台灣業務之艱鉅情況得以克服。

鑑於上文所載有關影響本集團台灣業務之事宜，故此，儘管董事已採取一切合理措施，惟仍未能信納本集團台灣附屬公司截至二零零四年十二月三十一日止年度管理帳目之準確性及可靠性。因此，董事未能信納該等附屬公司之業績、資產及負債已妥為記錄並已按公平基準列載。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

As a result, the financial statements of these subsidiaries have not been included in the consolidated financial statements of the Group as, in the opinion of the Directors, the inclusion of these financial statements may result in an inaccurate picture of the Group's financial position and performance for the year. Whilst the directors consider that the exclusion of these subsidiaries is the best way of presenting the Group's financial position and results for the year in the circumstances, the reason for the exclusion is not one of the reasons for exclusion provided for in Statement of Standard Accounting Practice 32 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" issued by the Hong Kong Institute of Certified Public Accountants ("SSAP 32") and, in this respect, the financial statements are not in compliance with SSAP 32. For this reason, and the uncertainties impacting the Group's operations in Taiwan, the Company's auditors have disclaimed their opinion on the financial statements.

As explained above, the 2004 consolidated financial statements have excluded the results for the year and financial positions as at 31 December 2004 of Taiwan Subsidiaries, which form a significant part of the Group. As a result, the 2003 figures are not directly comparable with the 2004 figures.

Despite the issues noted above, it is the opinion of the directors that it is appropriate to apply the going concern basis in preparing the consolidated financial statements. The Board is presently finalising plans to secure control over the Group's operations in Taiwan, and anticipates a resolution during the third quarter of 2005. By working closely with Scania and other key stakeholders, the Board is committed to maximising shareholder value by ensuring the future stability of the Group's operations, including Taiwan.

The Group's share of the net assets of its Taiwan Subsidiaries, based on latest audited financial information as at 31 December 2003 and totalling HK\$149,054,000, has been included in the consolidated balance sheet as interests in unconsolidated subsidiaries.

1. 主要會計政策 (續)

因此，該等附屬公司之財務報表並無計入本集團之綜合財務報表，皆因董事認為，計入該等財務報表或會導致本集團本年度之財務狀況及表現有欠準確。儘管董事認為不將此等附屬公司綜合入帳是在此情況下呈報本集團在本年度之財務狀況及業績之最佳做法，惟不將此等附屬公司綜合入帳之原因，並非香港會計師公會頒佈之會計實務準則第32號「綜合財務報表及於附屬公司之投資之會計處理」所定之原因之一，而就此而言，財務報表並不符合會計實務準則第32號。基於此原因及影響本集團台灣業務營運之不明朗因素，本公司的核數師就財務報表不發表意見。

誠如財務報表附註1所說明，二零零四年之綜合財務報表並不包括台灣附屬公司（屬本集團一重要部分）之年度業績及二零零四年十二月三十一日之財政狀況。因此，二零零三年之數字不可與二零零四年之數字直接互相比較。

雖有上文所述問題，惟董事認為採用持續經營基準編製綜合財務報表實屬適當。董事會目前正敲定有關確保取得本集團台灣業務控制權之計劃，並預期二零零五年第三季會有定奪。透過與Scania及其他主要利益各方緊密合作，董事會致力透過確保本集團的業務營運（包括是台灣業務）日後的穩定性，盡量提升股東價值。

根據於二零零三年十二月三十一日的最新近之經審核財務資料，本集團分佔台灣附屬公司之資產淨值合共149,054,000港元，在綜合資產負債表中已計作於未綜合附屬公司之權益。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Details of the assets and liabilities as well as the financial performance of these subsidiaries for the year ended 31 December 2004 are set out in note 10 to the financial statements, such information being extracted from the unaudited management accounts obtained by the Directors.

A summary of principal accounting policies adopted by the Group is set out below.

Basis of preparation

The measurement basis used in the preparation of the financial statements is historical cost modified by the revaluation of land and buildings and the marking to market of certain investments in securities as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December each year. All inter-company transactions and balances have been eliminated on consolidation.

Goodwill on consolidation

Positive goodwill arising on acquisitions of subsidiaries and associates represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable assets and liabilities acquired.

On disposal of a subsidiary or an associate during the year, any attributable amount of purchased goodwill not previously amortised through the consolidated income statement or which has previously been dealt with as a movement in Group reserves is included in the calculation of the profit or loss on disposal.

1. 主要會計政策 (續)

有關該等附屬公司截至二零零四年十二月三十一日止年度資產及負債以及財務表現之詳情載於財務報表附註10，有關資料乃摘錄自董事所獲之未經審核管理帳目。

本集團採納之主要會計政策概要如下。

編製基準

財務報表乃採用歷史成本計算基準編製，並就土地及樓宇之重估及若干證券投資市場價值作出修訂，詳見下文載列之會計政策。

綜合基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日為止之財務報表。本集團內公司間之所有交易及結餘已於綜合帳目時對銷。

綜合產生之商譽

收購附屬公司及聯營公司產生之正商譽指其收購成本超出本集團應佔可識別資產及負債公平值之數額。

年內出售一家附屬公司或聯營公司時，過去並無透過綜合損益帳攤銷或過去列作本集團儲備變動之應佔收購商譽數額，乃撥入出售盈虧中計算。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Subsidiaries

A subsidiary is an enterprise, in which the Group or Company, directly or indirectly, controls more than half of the voting power or issued share capital or controls the composition of the board of directors or equivalent governing body. Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis.

Associates

An associate is an enterprise, in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets. The consolidated income statement reflects the Group's share of the post-acquisition results of the associates for the period, including any amortisation of positive or negative goodwill charged or credited during the period. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the consolidated income statement.

1. 主要會計政策 (續)

附屬公司

附屬公司乃指本集團或本公司在其中直接或間接控制超過一半投票權或已發行股本，或控制董事會或同等管治部門之組成之企業。於附屬公司之投資於本公司之資產負債表按成本減去減值虧損入帳。投資帳面值按個別基準減至其可收回數額。

聯營公司

聯營公司乃除附屬公司或合營企業以外，本集團可對其發揮重大影響力之公司。

於聯營公司之投資是按權益法記入綜合財務報表，最初先以成本入帳，然後就本集團佔該聯營公司淨資產在收購後之變動作出調整。綜合損益帳反映期內本集團所佔聯營公司於收購後之業績，包括期內扣除或計入之正商譽或負商譽之任何攤銷。倘本集團應佔之虧損超過該聯營公司之帳面值，則帳面值撇減至零，而除非本集團已產生有關該聯營公司之責任，否則不會繼續確認進一步虧損。

本集團與其聯營公司之間交易所產生之未變現盈虧，按本集團於聯營公司之權益為限進行抵銷；但假如未變現虧損顯示已轉讓資產出現減值，則會即時在綜合損益帳內確認。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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. Major costs incurred in restoring assets to their normal working conditions are charged to the consolidated income statement. Improvements are capitalised and depreciated over their expected useful lives.

The gain or loss arising from the retirement or disposal of property, plant and equipment is determined as the difference between the estimated net sales proceeds and the carrying amount of the asset and is recognised as an income or expense in the consolidated income statement.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives from the date on which they become fully operational and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

Leasehold land	2%
Building	4%
Leasehold improvements	20% – 25%
Furniture and office equipment	10% – 50%
Motor vehicles	20% – 30%

1. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備按成本值減累計折舊及累計減值虧損列帳。

資產之成本包括其購買價及令資產達致其現時營運狀況及運送至某地點作擬定用途之任何直接應佔費用。將資產恢復至其一般營運狀況產生之主要成本從綜合損益帳中扣除。裝修費用撥充資本並按預期可用年期折舊。

由棄用或出售物業、廠房及設備而產生之盈虧乃按估計出售所得款項淨額與資產面值之差額而釐定，並於綜合損益帳確認為收入或開支。

折舊乃自物業、廠房及設備完全投入運作日期起，並計入彼等之估計尚餘價值後，就彼等之估計可用年期撇銷成本減累計減值虧損，以直線法按下列折舊年率計算折舊：

批租土地	2%
樓宇	4%
租賃物業裝修	20%-25%
傢具及辦公室設備	10%-50%
汽車	20%-30%

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Investments in securities

Investment securities held for an identified long-term purpose are stated at cost and subject to impairment review at each reporting date to reflect any diminution in their value, which is expected to be other than temporary. The amount of provisions is recognised as an expense in the period in which the decline occurs.

Securities not classified as investment securities are classified as other investments, which are stated at fair value in the consolidated balance sheet. The unrealised holding gains and losses for other investments are included in the consolidated income statement.

The profit or loss on disposal of investment securities and other investments is accounted for in the period in which the disposal occurs as the difference between net sales proceeds and the carrying amount of the securities.

The transfer of securities between categories of investments are accounted for at their fair values. For a security transferred from the other investment category, the unrealised holding gain or loss, which has been recognised in the net profit or loss, is not reversed. For a security transferred into the other investment category, the unrealised holding gain or loss at the date of transfer is recognised in the net profit or loss immediately.

Other investments

Other investments are stated in the balance sheet at their fair value. Changes in fair values are recognised in the income statement as they arise.

The profit or loss on disposal of other investments is accounted for in the period in which the disposal occurs as the difference between net sales proceeds and the carrying amount of the securities.

1. 主要會計政策 (續)

證券投資

就既定長遠目的而持有之投資證券按成本入帳，並須於各申報日期進行減值評估以反映預期非暫時性之任何減值。撥備款額乃於減值產生期間確認為開支。

非屬投資證券之證券乃分類為其他投資，並於綜合資產負債表中按公平值列帳。其他投資之未變現持有盈虧則計入綜合損益帳。

出售投資證券及其他投資之盈虧乃按出售證券所得款項之淨額及其帳面值之差額釐定，並於出售期間入帳。

在不同投資類別之間轉撥證券乃按公平值入帳。轉撥自其他投資類別之證券之未變現持有盈虧（已於溢利及虧損淨額內確認），不會予以撥回。就轉撥至其他投資類別的證券而言，轉撥日期之未變現持有盈虧乃即時確認為溢利或虧損淨額。

其他投資

其他投資按公平值在資產負債表入帳。公平值之變動在產生時在損益帳確認。

出售其他投資之盈虧乃按出售證券所得款項淨額及其帳面值之差額釐定，並於出售期間入帳。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Impairment loss

At each balance sheet date, the Group reviews internal and external sources of information to determine whether the carrying amounts of its tangible and intangible assets have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its net selling price and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i. e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

A reversal of impairment losses is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income immediately.

1. 主要會計政策 (續)

存貨

存貨以成本值與可變現淨值兩者中之較低者列帳。成本包括所有採購成本及(如適用)轉換成本及將存貨運至現時地點及處於現況所需之其他成本,並採用加權平均法計算。可變現淨值為日常業務過程之估計銷售價減完成產品及銷售所需之估計成本。

減值虧損

於各結算日,本集團評估內部及外部所得資料,以決定其有形及無形資產之帳面值有否任何減值虧損或先前已確認之減值虧損是否不再存在或有所減少。倘有任何該等顯示存在,該資產之可收回數額須根據淨銷售價或可使用價值兩者之較高者作估計。倘無法估計個別資產之可收回數額,本集團則估計可獨立產生現金流量之最小資產組別(即現金產生單位)之可收回數額。

倘資產或現金產生單位之可收回數額估計低於其面值,則資產或現金產生單位之面值將減至其可收回數額。減值虧損隨即確認為開支。

撥回之減值虧損以過往年度並無確認減值虧損情況下資產或現金產生單位之面值為限。撥回之減值虧損隨即確認為收入。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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.

Sale of goods is recognised on transfer of risks and rewards of ownership, which generally coincides with time when goods are delivered to customers and title has passed.

Service fee income is recognised when the services are rendered.

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

Foreign currencies

Transactions involving foreign currencies are translated at the rates of exchange prevailing on date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates prevailing on the balance sheet date. Translation differences are included in the income statement.

1. 主要會計政策 (續)

撥備

倘本集團因過往事件而產生目前之法定或推定責任，而有可能耗用包含經濟利益之資源以履行責任，以及能可靠地估計責任涉及之款額，則須就此確認撥備。已確認撥備之支出乃於支出產生之年度於相關撥備扣除。撥備乃於各結算日審閱及調整以反映目前之最佳估計款額。倘金錢之時間值產生重大影響，則作出撥備之款額乃預期需要履行責任之支出之現值。倘本公司預期該撥備可補償，則此款額於幾乎肯定將補償之情況下確認為獨立資產。

收益確認

收益乃於經濟利益將會流入本集團且收益能夠可靠衡量時予以確認。

貨品銷售是在風險及回報擁有權轉移（一般與有關貨品付運及所有權移交客戶之時間相同）時予以確認。

服務費收入是在提供有關服務後予以確認。

利息收入是以時間比例作基準，就未償還本金及按適用利率而累計。

外幣

外幣交易均按交易日之匯率換算。於結算日以外幣列值之貨幣資產及負債均按當日之匯率重新換算。換算差額計入損益帳。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Foreign currencies

On consolidation, the balance sheets of overseas subsidiaries denominated in currencies other than Hong Kong dollars are translated at the rates of exchange ruling at the balance sheet date while the income statement is translated at average rates for the year. All exchange differences arising on consolidation are dealt with in the exchange reserve.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements apart from certain limited exceptions. The deferred tax liabilities or assets are measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and credits can be utilised.

Cash equivalents

Cash equivalents in the consolidated cash flow statement represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdrafts.

1. 主要會計政策 (續)

外幣

於綜合帳目時，海外附屬公司按港元以外之貨幣列值之資產負債表，乃按結算日之匯率換算，而損益表則按全年平均匯率換算。因綜合帳目而產生之所有滙兌差額均在滙兌儲備內處理。

稅項

現行所得稅支出乃按年內經非應課稅或非准予抵扣項目調整之業績計算，並使用於結算日已實行或大致上已實行之稅率計算。

遞延稅項乃使用負債法，就資產與負債之稅基以及該等資產與負債於財務報表內所列之帳面值間之暫時差額作出全數撥備，惟若干有限情況例外。遞延稅項負債或資產乃按照於結算日已實行或大致上實行之稅率及稅務法律，按照預期將於變現資產或償還負債之期間適用之稅率計算。遞延稅項資產及負債並不折現。遞延稅項資產乃在未來應課稅溢利可抵扣暫時差額、稅項虧損及稅項抵免時予以確認。

現金等價物

就綜合現金流量表而言，現金等價物指扣除銀行透支後可隨時轉換為可知數額現金，而所承受之價值變動風險並不重大之短期高流動性投資。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Operating leases

Rentals payable and receivable under operating leases are recognised as an expense and revenue on the straight-line basis over the lease terms. Lease incentives received are recognised in the consolidated income statement as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.

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 are also considered to be related if they are subject to common control or common significant influence.

Defined contribution plans

The obligations for contributions to defined contribution retirement schemes are recognised as expenses in the income statement as incurred. The assets of the schemes are held separately from those of the Group in an independently administered fund.

1. 主要會計政策 (續)

租賃

倘租賃條款將絕大部份風險及回報轉讓承租人之租賃，均被列為融資租賃。所有其他租賃均列為經營租賃。

根據融資租賃應收承租人之款額按本公司於租賃之投資淨額列為應收款項。融資租賃收入在各會計期間之分配，需以本公司之租賃投資淨額帶來固定回報率為合。

經營租賃

經營租賃的應付及應收租金按直線法於租期內確認為開支及收益。已收租賃優惠於綜合損益帳中確認為協定使用租賃資產代價淨額之一部份。或然租金於產生的會計期間內確認為開支。

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具有重大影響力，則雙方被視為有關連。受相同控制或相同重大影響之人士亦被視為關連人士。

界定供款計劃

對界定供款退休計劃所作出之供款責任乃於產生時在損益帳中確認為開支，該等計劃之資產存於獨立管理的基金，與本集團之資產分開。

2. TURNOVER AND REVENUE

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out in note 11 to the financial statements.

Turnover and revenue recognised by category are analysed as follows:

2. 營業額及收益

本公司主要業務是投資控股，其主要附屬公司的主要業務載於財務報表附註11。

按業務分類確認的營業額及收益如下：

		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		
Sale of motor trucks, coaches and vehicle accessories	銷售貨車、旅遊巴士及車輛配件	128,390	427,252
Provision of motor vehicle repairs and maintenance services	提供汽車維修保養服務	41,660	133,210
Fuel commission income	燃料佣金收入	6,054	7,383
Provision of other vehicle related services	提供其他車輛相關服務	745	1,177
Interest income in respect of financing business	融資業務利息收入	47	15,049
		<u>176,896</u>	<u>584,071</u>
Other revenue	其他收益		
Interest income	利息收入	15	504
Others	其他	2,850	3,961
		<u>2,865</u>	<u>4,465</u>
		<u>179,761</u>	<u>588,536</u>

3. LOSS BEFORE TAXATION

This is stated after charging (crediting):

(a) Finance costs

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Interest on bank borrowings wholly repayable within five years	1,775	11,469

(b) Other items

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Auditors' remuneration	750	1,195
Depreciation of property, plant and equipment	6,472	12,148
Amortisation of goodwill included in administrative expenses	-	928
Allowance on inventories	4,645	3,081
Operating lease charges on premises	4,064	16,104
(Gain)/loss on disposals of property, plant and equipment	(288)	31
Staff costs, including directors' emoluments:		
– Salaries and other allowances	25,466	62,115
– Contributions to pension schemes	856	1,335
Dividend income from unlisted long-term investments	-	168
Dividend income from other investments	-	82
Unrealised gain on other investments	-	4
Loss on exchange	386	920

(c) During the year ended 31 December 2003, the Group disposed of a 1.3% equity interest in U-Drive Company Limited, a subsidiary, to an independent third party at a consideration of approximately HK\$10,612,000, and recognised a gain on disposal of approximately HK\$10,961,000.

3. 稅前虧損

此乃經扣除(計入)下列各項:

(a) 融資成本

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
須於五年內全數償還之銀行借貸之利息	1,775	11,469

(b) 其他項目

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
核數師酬金	750	1,195
物業、廠房及設備折舊	6,472	12,148
計入行政開支之商譽攤銷	-	928
存貨撥備	4,645	3,081
物業經營租賃支出	4,064	16,104
出售物業、廠房及設備(收益)/虧損	(288)	31
員工成本, 包括董事酬金:		
– 薪金及其他津貼	25,466	62,115
– 退休計劃供款	856	1,335
非上市長期投資股息收入	-	168
其他投資股息收入	-	82
其他投資之未變現收益	-	4
滙兌虧損	386	920

於截至二零零三年十二月三十一日止年度, 本集團出售附屬公司任我行有限公司之1.3%股權予一獨立第三方, 代價約為10,612,000港元, 並確認出售收益約10,961,000港元。

4. DIRECTORS' REMUNERATION

Remuneration of the Company's directors disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Fees for executive directors	執行董事袍金	14	95
Fees for non-executive directors	非執行董事袍金	135	100
Fees for independent non-executive directors	獨立非執行董事袍金	562	200
Basic salaries, housing allowances, other allowances and other benefits in kind	基本薪金、住屋津貼、其他津貼及其他實物福利	2,776	4,980
Contributions to pension schemes	退休計劃供款	36	84
		3,523	5,459

No director waived any emoluments during the year. No incentive payment nor compensation for loss of office was paid or payable to any director for the year ended 31 December 2004.

Emoluments of the directors were within the following bands:

		Number of directors 董事人數	
		2004 二零零四年	2003 二零零三年
Executive directors	執行董事		
HK\$Nil – HK\$1,000,000	— 零至1,000,000港元	7	2
HK\$1,000,001 – HK\$1,500,000	— 1,000,001港元至1,500,000港元	1	1
HK\$1,500,001 – HK\$2,000,000	— 1,500,001港元至2,000,000港元	—	2
Non-executive directors	非執行董事		
HK\$Nil – HK\$1,000,000	— 零至1,000,000港元	8	3

4. 董事酬金

根據香港公司條例第161條披露之本公司董事酬金載列如下：

年內並無董事放棄任何酬金。於截至二零零四年十二月三十一日止年度，本集團概無向董事支付或應付任何款項作為獎金或離職補償。

董事酬金介乎以下範圍：

5. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Among the five individuals with the highest emoluments, three (2003: three) were executive directors whose emoluments are disclosed in note 4.

The emoluments paid to the remaining two (2003: two) individuals during the year were as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	1,328	1,418
Pension scheme contributions	退休計劃供款	34	24
		1,362	1,442

The emoluments fell within the following band:

		Number of individuals 人數	
		2004 二零零四年	2003 二零零三年
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	2	2

During the year, no emoluments were paid to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation for loss of office.

6. TAXATION

The Company is incorporated in the Cayman Islands and is exempted from taxation in the Cayman Islands. Hong Kong Profits Tax has not been provided in the financial statements as its subsidiaries either have no assessable profits for the year or have unutilised tax losses to set off against current year's assessable profits.

Overseas taxation has been provided on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

5. 最高酬金人士

五位最高薪人士包括三位執行董事（二零零三年：三位），其酬金已於上文附註4披露。

本年度其餘兩位最高薪人士（二零零三年：兩位）的酬金如下：

酬金介乎以下範圍：

6. 稅項

本公司於開曼群島註冊成立，並獲豁免繳納開曼群島稅項。由於本公司附屬公司於年內並無應課稅溢利，亦無未動用稅項虧損以抵銷本年度之應課稅溢利，故本公司並無於財務報表中計提香港利得稅撥備。

本公司已就年內之估計應課稅溢利，按本集團經營業務所在國家之現行稅率計提海外稅項撥備。

Notes to the Financial Statements

財務報表附註

6. TAXATION (Continued)

Reconciliation of effective tax expenses

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Hong Kong Profits Tax	香港利得稅		
– Overprovision in prior year	– 上年度超額撥備	–	(27)
Overseas income tax	海外所得稅		
– Current taxation	– 本年度稅項	–	8,845
– Underprovision in prior year	– 上年度撥備不足	–	127
Deferred tax credit (Note 24)	遞延稅項抵免(附註24)	–	(1,549)
		<u>–</u>	<u>7,396</u>

6. 稅項(續)

實際稅項開支對帳

Reconciliation of effective tax expenses

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Loss before taxation	稅前虧損	<u>(55,360)</u>	<u>(49,343)</u>
Income tax at Hong Kong Profits Tax rate of 17.5%	按香港利得稅稅率 17.5%計算之所得稅	(9,688)	(8,635)
Net effect of non-deductible expenses/tax-exempted revenue	不可扣稅收開支/免稅 收入之影響淨額	4,697	(2,280)
Under provision of income tax in prior year	上年度所得稅 撥備不足	–	100
Unrecognised tax losses	尚未確認稅項虧損	5,587	19,493
Utilisation of previously unrecognized tax losses	抵扣先前尚未確認 稅項虧損	(596)	(617)
Effect of different taxation rates in other countries	其他國家不同稅率 之影響	–	(665)
Taxation as per income statement	損益帳呈列之稅項	<u>–</u>	<u>7,396</u>

實際稅項開支對帳

7. LOSS ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to shareholders includes a loss of HK\$53,995,000 (2003: HK\$51,874,000) which has been dealt with in the financial statements of the Company.

8. LOSS PER SHARE

The calculation of basic loss per share was based on the loss attributable to shareholders of HK\$55,360,000 (2003: HK\$56,739,000) and on the weighted average number of ordinary shares in issue of 436,886,262 (2003: 441,700,000).

No diluted loss per share has been presented as the conversion of the convertible bonds is anti-dilutive for the year ended 31 December 2004. No diluted loss per share was presented as there were no dilutive potential ordinary shares in existence during the year ended 31 December 2003.

7. 股東應佔虧損

股東應佔虧損包括虧損約53,995,000港元(二零零三年: 51,874,000港元), 已於本公司財務報表內處理。

8. 每股虧損

每股基本虧損乃按股東應佔虧損約55,360,000港元(二零零三年: 56,739,000港元)及已發行普通股加權平均數436,886,262股(二零零三年: 441,700,000股)計算。

由於截至二零零四年十二月三十一日止年度之可換股債券之換股具反攤薄作用, 故並無呈列每股攤薄虧損。由於截至二零零三年十二月三十一日止年度內並無任何具攤薄作用之潛在普通股, 故此並無呈列每股攤薄虧損。

9. PROPERTY, PLANT AND EQUIPMENT

9. 物業、廠房及設備

THE GROUP	本集團	Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and equipment 傢具及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost or valuation	成本或估值					
At beginning of year	年初	61,417	32,056	59,146	5,228	157,847
Eliminated upon deconsolidation of subsidiaries	不再綜合計算 附屬公司時對銷	(4,907)	(26,468)	(39,406)	(2,318)	(73,099)
Additions	添置	–	216	585	532	1,333
Disposals	出售	(5,030)	(319)	(6,746)	(47)	(12,142)
Revaluation	重估	120	–	–	–	120
Translation adjustments	匯兌調整	–	3	5	1	9
At balance sheet date	結算日	51,600	5,488	13,584	3,396	74,068
Accumulated depreciation and impairment losses	累計折舊及減值虧損					
At beginning of year	年初	–	9,631	47,635	3,207	60,473
Eliminated upon deconsolidation of subsidiaries	不再綜合計算 附屬公司時對銷	–	(6,573)	(33,407)	(1,261)	(41,241)
Charge for the year	本年度支出	1,880	1,299	2,722	571	6,472
Eliminated on disposals	出售時對銷	(114)	(48)	(6,466)	(45)	(6,673)
Revaluation	重估	(1,784)	–	–	–	(1,784)
Impairment loss recognised	已確認減值虧損	19	186	401	–	606
Translation adjustments	匯兌調整	(1)	1	–	1	1
At balance sheet date	結算日	–	4,496	10,885	2,473	17,854
Net book value	帳面淨值					
At balance sheet date	於結算日	51,600	992	2,699	923	56,214
At beginning of year	於年初	61,417	22,425	11,511	2,021	97,374

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Analysis of land and buildings by geographical locations is as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Hong Kong	香港	50,960	54,000
Mainland China	中國內地	640	2,510
Taiwan	台灣	-	4,907
		<u>51,600</u>	<u>61,417</u>

Land and buildings in Hong Kong are held under leases of 50 years up to 2047 on the basis of the rights of extension provided by the New Territories Leases (Extension) Ordinance.

The net book value of land and buildings situated in Mainland China held by the Group comprises the following:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Under land use rights without a specified land use period	根據無特定土地使用期之土地使用權持有	640	980
Under land use rights for 70 years up to 2055	根據二零五五年到期之為期七十年之土地使用權持有	-	430
Under land use rights for 45 years up to 2042	根據二零四二年到期之為期四十五年之土地使用權持有	-	1,100
		<u>640</u>	<u>2,510</u>

As at 31 December 2003, land in Taiwan was freehold and held by a former director of the Company in trust for the Group.

9. 物業、廠房及設備 (續)

按地區分析之土地及樓宇如下:

香港之土地及樓宇均按五十年租賃持有直至二零四七年，此乃以新界土地契約(續期)條例訂明之權利為據。

本集團在中國內地持有之土地及樓宇之帳面淨值如下:

於二零零三年十二月三十一日，在台灣之土地乃按永久業權及由本公司一名前董事以信託方式代本集團持有。

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Land and buildings were revalued as at the balance sheet date on an open market value basis at approximately HK\$51,600,000 (2003: HK\$61,417,000) as determined by LCH (Asia-Pacific) Surveyors Limited, independent qualified valuers and by reference to the selling price subsequent to 31 December 2004. Had all land and buildings been carried at cost less depreciation, the net book value of the Group's land and buildings as at the balance sheet date would have been approximately HK\$47,744,000 (2003: HK\$57,504,000).

The directors have reviewed the carrying amount of property, plant and equipment as at 31 December 2004. As certain of the Company's subsidiaries had ceased operations, an impairment loss on certain property, plant and equipment with an aggregate amount of approximately HK\$606,000, representing the difference between the estimated net selling price and the carrying amounts of those property, plant and equipment, was identified and recognised in the consolidated income statement.

9. 物業、廠房及設備 (續)

除於二零零四年十二月三十一日後按售價重估位於中國之土地及樓宇外，其他土地及樓宇於結算日按公開市值基準重估為約51,600,000港元（二零零三年：61,417,000港元），由獨立合資格估值師利駿行測量師有限公司進行估值及參考於二零零四年十二月三十一日後出售之售價估值。倘所有土地及樓宇均按成本減折舊列值，則本集團之土地及樓宇於結算日之帳面淨值應約為47,744,000港元（二零零三年：57,504,000港元）。

董事已審閱物業、廠房及設備於二零零四年十二月三十一日的帳面值。由於本公司若干附屬公司已停止營業，故已識別並在綜合損益帳中確認若干租賃物業、廠房及設備減值虧損，總額約達606,000港元（為該等物業、廠房及設備之估計售價淨額與帳面值之差額）。

10. INTERESTS IN UNCONSOLIDATED SUBSIDIARIES

10. 於未綜合附屬公司之權益

		The 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
Interests in unconsolidated subsidiaries	於未綜合附屬公司之權益	149,054	—
		149,054	—

The amounts due from unconsolidated subsidiaries are unsecured, non-interest bearing and not repayable within the next twelve months from the balance sheet date.

應收附屬公司之款項為無抵押、免息及不需於自結算日起計十二個月內償還。

The amounts due to unconsolidated subsidiaries are unsecured, non-interest bearing and have no fixed repayment term.

應付未綜合附屬公司之款項為無抵押、免息及無固定還款期。

Details of unconsolidated subsidiaries were as follows:

未綜合附屬公司詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股本權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Forefront International Automotive Limited 福方國際汽車股份有限公司	British Virgin Islands/Taiwan 英屬處女群島/台灣	US\$3,254,681 3,254,681 美元	100%		Trading of motor trucks, coaches and vehicle accessories and provision of motor vehicle repairs and maintenance services 貨車、旅遊巴士及汽車零配件貿易以及提供汽車維修保養服務
Sunshine Credit Limited 勝山財務股份有限公司	Taiwan 台灣	NT\$201,000,000 新台幣201,000,000元	93.7%		Provision of hire purchase financing 提供租購融資
U-Drive Smart Card Company Limited 任我行智慧卡有限公司	Taiwan 台灣	NT\$360,000,000 新台幣360,000,000元	93.7%		Development and operation of multi-application smart card system 研發及經營多用途智慧卡系統

10. INTERESTS IN UNCONSOLIDATED SUBSIDIARIES (CONTINUED)

As explained in note 1 to the financial statements, the financial statements of the Group's Taiwan Subsidiaries have not been included in the consolidated financial statements of the Group in accordance with the Statement of Standard Accounting Practice No. 32 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" issued by HKICPA and the Hong Kong Companies Ordinance as in the opinion of the Directors, the inclusion of these financial statements may result in an inaccurate picture of the Group's financial position and performance for the year. The Group's share of the net assets of these subsidiaries, based on latest audited financial information as at 31 December 2003 and totalling HK\$149,054,000 has been included in the consolidated balance sheet as interests in unconsolidated subsidiaries.

Details of the income statement and assets and liabilities of these subsidiaries for the year ended 31 December 2004 are set out below:

10. 於未綜合附屬公司之權益 (續)

誠如財務報表附註1所說明，根據香港會計師公會頒佈之會計實務準則第32號「綜合財務報表及附屬公司投資會計處理」以及香港公司條例，本集團台灣附屬公司之財務報表並無計入本集團之綜合財務報表，皆因董事認為，計入該等財務報表或會導致本集團本年度之財務狀況及表現有欠準確。根據於二零零三年十二月三十一日之最新近經審核財務資料，本集團分佔此等附屬公司之資產淨值合共149,054,000港元，在綜合資產負債表中已計作未綜合附屬公司之權益。

此等附屬公司截至二零零四年十二月三十一日止年度之損益帳和資產及負債詳列如下：

		Unaudited 未經審核 2004 二零零四年 HK\$'000 千港元	Audited 經審核 2003 二零零三年 HK\$'000 千港元
Income statement data	損益帳數據		
Turnover	營業額	625,603	408,545
Cost of sales	銷售成本	(518,001)	(314,482)
Gross profit	毛利	107,602	94,063
Operating expenses, net	經營開支淨額	(70,193)	(95,163)
Profit/(loss) from operations	經營業務溢利／(虧損)	37,409	(1,100)
Finance costs	融資成本	(9,995)	(6,335)
Impairment loss on long-term investments	長期投資減值虧損	(21,260)	-
Loss on disposal of interest in a subsidiary	出售附屬公司權益之虧損	(9,486)	-
Share of results of an associate	所佔聯營公司業績	7,118	657
Profit/(loss) before taxation	除稅前溢利／(虧損)	3,786	(6,778)
Taxation	稅項	(3,086)	(7,423)
Profit/(loss) for the year	年度溢利／(虧損)	700	(14,201)

10. INTERESTS IN UNCONSOLIDATED SUBSIDIARIES
(CONTINUED)

10. 於未綜合附屬公司之權益 (續)

		Unaudited 未經審核 2004 二零零四年 HK\$'000 千港元	Audited 經審核 2003 二零零三年 HK\$'000 千港元
Balance sheet data	資產負債表數據		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	25,230	31,858
Interest in an associate (note 12)	於聯營公司之 權益 (附註12)	56,676	20,794
Goodwill	商譽	6,606	7,927
Investment securities	投資證券	-	22,727
Long-term portion of finance lease receivables	融資租賃應收款項之 長期部分	-	109,670
Deferred tax assets	遞延稅項資產	1,133	1,549
		89,645	194,525
Current assets	流動資產		
Inventories	存貨	55,985	147,044
Trade and other receivables	應收貿易帳款及 其他應收款項	154,348	119,665
Current portion of finance lease receivables	融資租賃應收款項 之即期部分	198,234	79,252
Amounts due from group companies	應收集團公司款項	41,003	-
Other investments	其他投資	2,155	1,739
Pledged bank deposits	已質押銀行存款	4,542	7,078
Bank balances and cash	銀行結存及現金	10,746	39,684
		467,013	394,462
Current liabilities	流動負債		
Trade and other payables	應付貿易帳款及 其他應付款項	(115,202)	(51,194)
Amounts due to group companies	應付集團公司款項	(1,130)	(59,663)
Current portion of interest-bearing borrowings	計息借貸之即期部分	(279,116)	(300,349)
Taxation payable	應付稅項	(1,205)	(5,284)
		(396,653)	(416,490)
Net current assets/(liabilities)	流動資產 / (負債) 淨值	70,360	(22,028)
Total assets less current liabilities	總資產減流動負債	160,005	172,497
Non-current liabilities	非流動負債		
Long-term interest-bearing borrowings	長期計息借貸	-	(23,443)
		-	(23,443)
Net assets	資產淨值	160,005	149,054

10. INTERESTS IN UNCONSOLIDATED SUBSIDIARIES (CONTINUED)

The 2004 financial information was prepared based on the unaudited management accounts of those Taiwan Subsidiaries for the year ended 31 December 2004 after making the following adjustments:

- Elimination of inter-companies balances and transactions within the Taiwan Subsidiaries;
- Elimination of investment cost in subsidiaries and share capital of respective subsidiaries within the Taiwan Subsidiaries;
- Loss on disposal of the Group's 51% interest in FAIL was calculated based on the unaudited net asset value of FAIL as at 28 May 2004, being the latest management accounts of FAIL available to the Group.
- No deemed gain or loss on disposal of an associate resulting from the Group not participating in the rights issue subscription of such associate was calculated as no sufficient financial information is available.

The 2003 financial information was extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2003.

11. INTERESTS IN SUBSIDIARIES

		The 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
Unlisted shares, at cost	非上市股份，按成本	74,934	74,934
Due from subsidiaries	應收附屬公司款項	380,083	374,296
Less: Provision for amounts due from subsidiaries	減：應收附屬公司款項之撥備	(105,600)	(72,000)
		349,417	377,230

The amounts due from subsidiaries are unsecured, non-interest bearing and not repayable within the next twelve months from the balance sheet date.

10. 於未綜合附屬公司之權益 (續)

二零零四年財務資料是根據該等台灣附屬公司截至二零零四年十二月三十一日止年度的未經審核管理帳目而編製，並作出以下調整：

- 對銷該等台灣附屬公司內公司間結餘及交易；
- 對銷於該等台灣附屬公司內附屬公司投資成本及各有關附屬公司之股本；
- 出售本集團於福方汽車工業之51%權益之虧損是根據福方汽車工業於二零零四年五月二十八日之未經審核資產淨值（為本集團取得之福方汽車工業最新近管理帳目）計算。
- 由於無法取得足夠財務資料，故無計算因本集團無參與一聯營公司之供股認購而導致視同出售聯營公司盈虧。

二零零三年財務資料乃摘錄自本集團截至二零零三年十二月三十一日止年度之經審核綜合財務報表。

11. 於附屬公司之權益

應收附屬公司之款項為無抵押、免息及不需於自結算日起計十二個月內償還。

11. INTERESTS IN SUBSIDIARIES (Continued)

Details of the subsidiaries as at 31 December 2004 were as follows:—

11. 於附屬公司之權益 (續)

於二零零四年十二月三十一日之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊 成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股本 權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Allen Motor Co. Limited 亞倫車行有限公司	Hong Kong 香港	HK\$2 2港元	—	93.7%	Provision of agency services for insurance and financing of motor vehicles 提供汽車保險及融資代理服務
Cybergear Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Cyber Centre Holdings Limited 數碼中心控股有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Inactive 暫無業務
Cyber Centre Limited 數碼中心有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Property holding 持有物業
Digital Cyber Technologies Group Ltd.	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100%	Property holding 持有物業
Forefront Automotive Services Company Limited 福方汽車服務有限公司	Hong Kong 香港	HK\$20 20港元	—	100%	Trading of motor vehicle accessories and provision of motor vehicle repairs and maintenance services 汽車零配件貿易及提供 汽車維修保養服務
Forefront (China) Company Limited 福方(中國)有限公司	Hong Kong 香港	HK\$20 20港元	—	100%	Investment holding 投資控股
Forefront Finance Co. Limited 福方財務有限公司	Hong Kong 香港	HK\$2,000,000 2,000,000港元	—	93.7%	Provision of hire purchase financing 提供租購融資

11. INTERESTS IN SUBSIDIARIES (Continued)

11. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊 成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股本 權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Forefront International Automotive Limited 福方國際汽車股份有限公司	British Virgin Islands/Taiwan 英屬處女群島 /台灣	US\$3,254,681 3,254,681 美元	100%	-	Trading of motor trucks, coaches and vehicle accessories and provision of motor vehicle repairs and maintenance services 貨車、旅遊巴士及汽車零 配件貿易以及提供汽車 維修保養服務
Forefront International (Hong Kong) Limited 福方(香港)有限公司	Hong Kong	HK\$100,000 ordinary shares	-	100%	Trading of motor trucks and coaches 貨車及旅遊巴士貿易
		HK\$6,000,000 non-voting deferred shares (i) 100,000 港元普通股 6,000,000 港元無投票 權遞延股份 (i)	-	-	
Forefront International Management Limited	British Virgin Islands 英屬處女群島	US\$10 10美元	100%	-	Inactive 暫無業務
Forefront International Trading (Shanghai) Co., Ltd. (ii) 福方國際貿易(上海)有限公司(ii)	Mainland China 中國內地	US\$200,000 200,000 美元	-	100%	Trading of motor trucks and vehicle accessories 貨車及汽車零配件貿易
Forefront Investment Holdings Limited	British Virgin Islands 英屬處女群島	US\$47,252 47,252 美元	100%	-	Investment holding 投資控股

11. INTERESTS IN SUBSIDIARIES (Continued)

11. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊 成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股本 權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Forefront (Macau) Automotive Limited 福方(澳門)汽車有限公司	Macau 澳門	MOP25,000 澳門幣25,000元	-	100%	Trading of coaches and vehicle accessories and provision of motor vehicle repairs and maintenance services 旅遊巴士與汽車零配件 貿易及提供汽車維修保養服務
Forefront Science and Technology Company Limited 福方科技有限公司	Hong Kong 香港	HK\$2 2港元	-	100%	Inactive 暫無業務
Forerunner (China) Development Co. Limited 福倫(中國)發展有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	63.75%	Investment holding 投資控股
Pureland Development Corporation	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Investment holding 投資控股
Prime Wish Development Limited 志大發展有限公司	Hong Kong 香港	HK\$2 2港元	-	93.7%	Investment holding 投資控股
Scantle Management Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	100%	-	Investment holding 投資控股
Shenzhen Forerunner Automotive Services Limited (iii) 深圳福聯通汽車修配有限公司(iii)	Mainland China 中國內地	RMB2,000,000 人民幣2,000,000元	-	51%	Provision of motor vehicle repairs and maintenance services 提供汽車維修及保養服務
Stareast International Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	100%	-	Investment holding 投資控股

11. INTERESTS IN SUBSIDIARIES (Continued)

11. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊 成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held by the Company 本公司所持股本 權益百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Sunshine Credit Limited 勝山財務股份有限公司	Taiwan 台灣	NT\$201,000,000 新台幣201,000,000元		93.7%	Provision of hire purchase financing 提供租購融資
U-Drive Company Limited 任我行有限公司	Hong Kong 香港	HK\$1,000 1,000 港元		93.7%	Provision of chain services to vehicle customers 向汽車客戶提供連鎖服務
U-Drive Smart Card Company Limited 任我行智慧卡有限公司	Taiwan 台灣	NT\$360,000,000 新台幣360,000,000元		93.7%	Development and operation of multi-application smart card system 研發及經營多用途智慧卡系統
U-Drive Company (B.V.I.) Limited	British Virgin Islands 英屬處女群島	US\$10 10 美元		93.7%	Investment holding 投資控股
V-Guard Technology Limited	Hong Kong 香港	HK\$100 100 港元		93.7%	Provision of telematics services 提供遙距傳訊服務
Directive Management Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%		Inactive 暫無業務
Asia-Elite Worldwide Limited	British Virgin Islands 英屬處女群島	US\$1 1美元		100%	Inactive 暫無業務
Glorious Sunrise Holdings Ltd	British Virgin Islands 英屬處女群島	US\$1 1美元	100%		Inactive 暫無業務
Top Ocean Ventures Inc	British Virgin Islands 英屬處女群島	US\$1 1美元		100%	Inactive 暫無業務

Notes

- (i) Holders of deferred shares have no rights to vote at general meetings or receive any dividend. Upon winding up, they are entitled to one half of the balance of the company's assets after HK\$100,000,000,000 has been distributed to holders of ordinary shares.
- (ii) Forefront International Trading (Shanghai) Co., Ltd. is a wholly foreign owned enterprise established in Mainland China to be operated for a period of 50 years up to May 2050.
- (iii) Shenzhen Forerunner Automotive Services Limited is a sino-foreign equity joint venture established in Mainland China to be operated for a period of 20 years up to September 2019.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2004.

附註

- i. 遞延股份的持有人無權在股東大會上投票或收取任何股息。在清盤時，首筆剩餘資產 100,000,000,000 港元將首先用於分派予普通股的持有人，然後該筆資產餘額的一半才分派予遞延股份的持有人。
- ii. 福方國際貿易(上海)有限公司為在中國內地成立的全外資企業，經營期限將直至二零五零年五月，為期五十年。
- iii. 深圳福聯通汽車修配有限公司為在中國內地成立的中外合資合營企業，經營期限將直至二零一九年九月，為期二十年。

各附屬公司於截至二零零四年十二月三十一日止年度內的任何時間並無任何已發行借貸資本。

12. INTEREST IN AN ASSOCIATE

12. 於聯營公司之權益

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元 (note 10) (附註10)
Unlisted shares, at cost	非上市股份·按成本	-	22,800
Share of loss	應佔虧損	-	(1,902)
Translation adjustments	匯兌調整	-	(104)
		<u>-</u>	<u>20,794</u>

This associate is held by the Taiwan Subsidiaries which has been deconsolidated as described in note 10. Details of the associate as at 31 December 2003 were as follows:

該聯營公司由不再綜合計算台灣附屬公司(附註10)持有。於二零零三年十二月三十一日之聯營公司詳情如下:

Name of associate 聯營公司名稱	Place of incorporation/ operation 註冊成立/經營地點	Issued and fully paid capital 已發行及繳足股本	Percentage of issued capital held by the Group 本集團所持已發行 股本百分比	Principal activities 主要業務
清美國際股份有限公司	Taiwan 台灣	NT\$350,000,000 新台幣350,000,000元	28.57%	Property investment and management 物業投資及管理

13. GOODWILL

13. 商譽

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Cost	成本		
At beginning of year	年初	9,283	9,283
Eliminated upon deconsolidation of subsidiaries	於不再綜合計算 附屬公司時對銷	(9,283)	–
At balance sheet date	結算日	–	9,283
Accumulated amortisation and translation adjustment	累計攤銷及匯兌調整		
At beginning of year	年初	1,356	400
Eliminated upon deconsolidation of subsidiaries	於不再綜合計算 附屬公司時對銷	(1,356)	–
Amortisation charge for the year	本年度攤銷支出	–	928
Translation adjustment	匯兌調整	–	28
At balance sheet date	結算日	–	1,356
At balance sheet date	結算日	–	7,927
At beginning of year	年初	7,927	8,883

14. INVESTMENT SECURITIES

14. 投資證券

		The Group 本集團		The 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
At cost less impairment loss:	按成本減 減值虧損:				
Unlisted equity interest in Taiwan, at cost	於台灣之非上市 股本權益·按成本	6,908	29,641	6,908	6,908
Translation adjustments	匯兌調整	-	(6)	-	-
Impairment loss recognised	已確認之減值虧損	(6,908)	-	(6,908)	-
		<u>-</u>	<u>29,635</u>	<u>-</u>	<u>6,908</u>

The underlying value of investment securities was in the opinion of Directors no less than its carrying value as at 31 December 2003.

董事認為，投資證券之相關價值不少於其於二零零三年十二月三十一日之帳面值。

15. FINANCE LEASE RECEIVABLES

Finance lease receivables (consolidated) are analysed as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Finance lease rental receivables within a period	融資租賃應收租金年期		
– not exceeding one year	– 一年內	–	104,023
– of more than one year but not exceeding five years	– 一年以上但在五年內	–	128,379
		<u>–</u>	<u>232,402</u>
Less: Earnings allocated to future periods	減：分配至未來期間的盈利	–	(29,618)
Present value of minimum lease rental receivables	最低應收租金的現值	–	202,784
Less: Provision for doubtful rental receivables	減：應收租金呆壞帳撥備	–	(11,467)
		<u>–</u>	<u>191,317</u>

Present value of minimum lease rental receivables, less provision for bad and doubtful amounts, is analysed as follows:

– not exceeding one year	– 一年內	–	80,821
– more than one year but not exceeding five years	– 一年以上但在五年內	–	110,496
		<u>–</u>	<u>191,317</u>

15. 融資租賃應收款項

融資租賃應收款項(經綜合入帳)分析如下:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
融資租賃應收租金年期			
– 一年內		–	104,023
– 一年以上但在五年內		–	128,379
		<u>–</u>	<u>232,402</u>
減：分配至未來期間的盈利		–	(29,618)
最低應收租金的現值		–	202,784
減：應收租金呆壞帳撥備		–	(11,467)
		<u>–</u>	<u>191,317</u>

最低應收租金的現值減呆壞帳撥備之分析如下:

– 一年內	–	80,821
– 一年以上但在五年內	–	110,496
	<u>–</u>	<u>191,317</u>

16. INVENTORIES

16. 存貨

		The 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
Motor trucks and coaches	貨車及旅遊巴士	29,227	139,967
Vehicle accessories	車輛零配件	15,409	106,274
		44,636	246,241
Less: provision for obsolete and slow-moving inventories	減：陳舊及滯銷存貨撥備	(8,789)	(4,934)
		35,847	241,307

As at 31 December 2004, inventories carried at net realisable value totalled approximately HK\$18,462,000. As at 31 December 2003, all inventories were stated at cost.

於二零零四年十二月三十一日，存貨以可變現淨值約18,462,000港元列帳。於二零零三年十二月三十一日，所有存貨均按成本列帳。

17. TRADE AND OTHER RECEIVABLES

17. 應收貿易帳款及其他應收款項

		The Group 本集團		The 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
Trade receivables	應收貿易帳款	21,293	143,739	-	-
Other receivables	其他應收款項				
Deposits, prepayments and other debtors	按金、預付款項及其他應收款項	47,508	23,566	39,058	101
		68,801	167,305	39,058	101

Included in Deposits, prepayments and other debtors as at 31 December 2004 was a receivable of approximately HK\$38,850,000 (31 December 2003: Nil) being part of the proceeds from the issue of the US\$15 million zero coupon convertible bond completed on 2 February 2004 (Note 23).

於二零零四年十二月三十一日之按金、預付款項及其他應收款項包括一筆應收款項約38,850,000港元（二零零三年十二月三十一日：零港元），乃於二零零四年二月二日完成發行15,000,000美元之零息票可換股債券之部份所得款項（附註23）。

17. TRADE AND OTHER RECEIVABLES (Continued)

The Group grants to its customers credit terms ranging from 1 to 3 months. The aging analysis of the trade receivables at the balance sheet date is as follows:

		The 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
0 to under 3 months	零至不超過三個月	18,019	102,355
3 to under 6 months	三至不超過六個月	2,599	28,561
6 to under 9 months	六至不超過九個月	1,760	8,065
9-12 months	九至不超過十二個月	1,727	3,720
Over 12 months	超過十二個月	10,789	12,737
		34,894	155,438
Less: allowance on bad and doubtful debts	減：呆壞帳撥備備抵	(13,601)	(11,699)
		21,293	143,739

18. OTHER INVESTMENTS

		The 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
At market value:	按市值：		
Equity securities, listed in Taiwan	台灣上市股本證券	-	1,739

As at 31 December 2003, equity securities listed in Taiwan of approximately HK\$1,739,000 were pledged as collateral for the Group's banking facilities.

19. PLEDGED BANK DEPOSITS

As at 31 December 2003, the Group's bank deposits of approximately HK\$7,078,000 (2004: Nil) were pledged as collateral for the Group's banking facilities in Taiwan (note 31).

17. 應收貿易帳款及其他應收款項 (續)

本集團給予客戶的信貸期介乎一至三個月不等。應收貿易帳款於結算日帳齡分析如下：

18. 其他投資

於二零零三年十二月三十一日，約1,739,000港元台灣上市股本證券已經質押，作為本集團銀行備用額之抵押品。

19. 已質押銀行存款

於二零零三年十二月三十一日，本集團約有7,078,000港元（二零零四年：零）的銀行存款已經質押，作為本集團台灣銀行備用額之抵押品（附註31）。

20. TRADE AND OTHER PAYABLES

20. 應付貿易帳款及其他應付款項

		The Group 本集團		The 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
Trade payables	應付貿易帳款	9,195	50,146	–	–
Other payables	其他應付款項				
Accrued charges and other creditors	應計費用及 其他應付款項	17,403	56,286	4,393	595
		26,598	106,432	4,393	595

The aging analysis of the trade payables as at the balance sheet date is as follows:

應付貿易帳款於結算日之帳齡分析如下:

		The 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
0 to under 3 months	零至不超過三個月	7,649	42,814
3 to under 6 months	三至不超過六個月	1,320	6,377
6 to under 9 months	六至不超過九個月	3	72
9 to under 12 months	九至不超過十二個月	32	718
Over 12 months	超過十二個月	191	165
		9,195	50,146

21. PENSION OBLIGATIONS

21. 退休金責任

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Obligations (included in accruals and other payables) on:	關於下列計劃的責任 (計入應計費用及其他應付款項):		
– pensions – defined contribution plans (note (a))	– 退休金 – 界定供款計劃 (附註(a))	120	176
– pensions – defined benefits plans (note (b))	– 退休金 – 界定福利計劃 (附註(b))	–	719
		<u>120</u>	<u>895</u>

(a) Pensions – defined contribution plans

The group companies in Hong Kong participate in the Mandatory Provident Fund (the "MPF Scheme") which is a defined contribution scheme managed by independent trustees. The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers. Under the MPF Scheme, each of the Group (the employer) and its employees make monthly contributions to the MPF Scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employees are subject to a cap of HK\$1,000 and thereafter contributions are voluntary.

Contributions of approximately HK\$120,000 (2003: HK\$176,000) were payable to the fund as at 31 December 2004.

(a) 退休金 – 界定供款計劃

集團旗下在香港的公司參加了強制性公積金計劃(「強積金計劃」)。該計劃是一個由獨立受託人管理的界定供款計劃。該基金的資產與本集團的資產分開持有，並由獨立專業基金經理管理。根據強積金計劃，本集團(僱主)及其僱員須根據強積金法例之規定，各自每月向強積金計劃作出相等於僱員收入5%之供款。每名僱員之每月供款上限為1,000港元，超出的供款純屬自願性質。

於二零零四年十二月三十一日，本集團應付該基金的供款約為120,000港元(二零零三年：176,000港元)。

21. PENSION OBLIGATIONS (Continued)

(b) Pensions – defined benefits plans

As stipulated by laws in Taiwan, the Group's operations in Taiwan have maintained defined benefits retirement plans for its employees in Taiwan. Under the plans, the Group has an obligation to make contributions as stipulated by the laws and to make payments to qualifying employees, upon retirement, in the manner stipulated by the laws. However, there is no requirement that the Group should ensure that there are sufficient funds in the plans.

The assets of the funded plans are held independently of the Group's assets in separate trustee administered funds. The Group's major plans are valued by qualified actuaries annually using the projected unit credit cost method. Defined benefit plans are valued by KPMG Consulting Co. Ltd., fellow member of Actuarial Institute in Taiwan.

The amounts recognised in the balance sheet are determined as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Present value of funded obligations	供款責任的現值	–	9,166
Fair value of plan assets	計劃資產的公平值	–	(2,154)
Present value of unfunded obligations	未供款責任的現值	–	7,012
Less: Amount to be indemnified by related companies (note 1)	減：關連公司將會賠償的 金額（附註1）	–	(6,293)
Liability in the balance sheet	於資產負債表的負債	–	719

21. 退休金責任（續）

(b) 退休金－界定福利計劃

本集團已根據台灣法例的規定，為其台灣業務的僱員設立界定福利退休計劃。根據該等計劃，本集團有責任按法例規定作出供款，並按法例規定的方式於合資格僱員退休時向彼等支付款項。然而，法例並無規定本集團須確保該等計劃備有充足的資金。

該等供款計劃的資產與本集團的資產分開持有，由獨立管理的基金受託人負責管理。本集團的主要計劃由合資格精算師按預計單位貸記法每年評估。界定福利計劃由安候企業管理股份有限公司（其為台灣精算師公會資深會員）進行估值。

於資產負債表確認的金額如下：

21. PENSION OBLIGATIONS (Continued)

(b) Pensions – defined benefits plans (Continued)

Note:

- (1) As at 31 December 2003, Forefront International Limited, a substantial shareholder of the Company, and Sunshine Finance Co., Ltd., a subsidiary of Forefront International Limited, have agreed to indemnify the Group against any shortfall in respect of payments to employees who were transferred from these two companies to the Group up to an amount of approximately HK\$6,293,000 (2004: Nil).

The amounts recognised in the profit and loss account (included in general and administrative expenses) are as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Current service cost	現時的服務成本	–	496
Interest cost	利息成本	–	349
Expected return on plan assets	計劃資產的預期回報	–	(71)
Net actuarial gain recognised	已確認的精算收益淨額	–	(374)
Total, included in staff costs (Note 3(b))	總額(已計入員工成本內) (附註3(b))	–	400

Movement in the liability recognised in the balance sheet:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
At 1st January	於一月一日	–	783
Total expense – as shown above	總開支 – 如上文所示	–	400
Exchange differences	匯兌差額	–	(3)
Contributions paid	已付供款	–	(461)
At 31st December	於十二月三十一日	–	719

21. 退休金責任 (續)

(b) 退休金 – 界定福利計劃 (續)

附註:

- (i) 於二零零三年十二月三十一日，福方股份有限公司(本公司的主要股東)和勝山實業股份有限公司(福方股份有限公司的附屬公司)已經同意，向本集團賠償關於從這兩家公司轉職到本集團的僱員而須支付款項的任何差額，款項最高約達6,293,000港元(二零零四年：零)。

於損益帳確認的金額(計入一般及行政開支項內)如下:

21. PENSION OBLIGATIONS (Continued)

The principal actuarial assumptions used were as follows:

		2004 二零零四年 %	2003 二零零三年 %
Discount rate	折現率	—	3.5
Expected rate of return on plan assets	計劃資產的預期回報率	—	3.5
Expected rate of future salary increases	未來薪金的預期增幅	—	1.5

21. 退休金責任 (續)

所用的主要精算假設如下：

22. INTEREST-BEARING BORROWINGS

		The Group 本集團		The 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
Trust receipts bank loans	信託收據銀行 貸款	—	47,626	—	—
Short-term bank loans	短期銀行貸款				
– secured	– 有抵押	—	204,589	—	30,800
– unsecured	– 無抵押	5,854	96,860	5,854	—
Short-term loans from financial institutions	財務機構之 短期貸款	—	2,830	—	—
Long-term bank loans	長期銀行貸款				
– secured	– 有抵押	—	27,343	—	—
– unsecured	– 無抵押	9,756	92,400	9,756	61,600
		15,610	471,648	15,610	92,400

22. 計息借貸

22. INTEREST-BEARING BORROWINGS (Continued)

22. 計息借貸 (續)

		The Group 本集團		The 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
The borrowings are repayable:	須於下列年期償還的借貸:				
Within one year	一年內	5,854	417,405	5,854	61,600
After one year but within two years	一年後但在兩年內	9,756	35,115	9,756	30,800
After two years but within five years	兩年後但在五年內	–	19,128	–	–
		15,610	471,648	15,610	92,400
Less: Amounts repayable within one year included under current liabilities	減: 須於一年內償還並計入流動負債的金額	5,854	417,405	5,854	61,600
Amounts repayable after one year	一年後償還的金額	9,756	54,243	9,756	30,800

23. ZERO COUPON CONVERTIBLE BOND ("CONVERTIBLE BONDS")

In February 2004, the Company announced that it had issued certain redeemable convertible bonds (the "**Bonds**") for a principal amount of US\$15 million (equivalent to HK\$116 million) to certain independent third parties (the "**Bondholders**"). The Bonds are unsecured and convertible into ordinary shares of the Company with a par value of HK\$0.10 each at a conversion price of HK\$2.70 per share at any time on or after 15 June 2004 and up to 19 January 2009. The Bondholders have the option to require the Company to redeem all or part of the convertible bonds on 2 May 2004 at 100% or on 2 February 2006 at 109.5% or on 2 February 2007 at 116.9% of the principal amount.

In April 2004, the Company received one redemption notice to require the Company to redeem Bonds with a face value of US\$6 million. These Bonds were redeemed by the Company in May 2004.

Subsequently, according to the Company's management, it was revealed that subscription proceeds of only US\$10 million had been banked by the Company. Mr. Michael Tsai ("**Mr. Tsai**") previously represented to the Company that he was the subscriber for the remaining US\$5 million Bonds (the "**Relevant Bonds**"). To-date no funds in respect of Mr. Tsai's subscription for the Relevant Bonds have been received by the Company. Based on discussions between the manager of the Bond issue and the Company's representatives, the Board believes that a cheque dated 2 February 2004 for HK\$38,218,000 issued in favor of the Company by Ms. Lee Pei Fen was tendered by Mr. Michael Tsai in consideration of his subscription for the Relevant Bonds. The cheque has not been banked and cannot be located. The Board understands that Ms. Lee Pei Fen is the wife of Mr. Yang Chien Chi, Allen, who, at the time of the issue of the Bonds, was the Chairman of the Company. Mr. Michael Tsai is a director of a number of subsidiaries of Forefront International Limited which, at the time of the issue of the Bonds, was a controlling shareholder (as defined in the Listing Rules) of the Company.

23. 零息票可換股債券（「可換股債券」）

於二零零四年二月，本公司宣佈已向若干名獨立第三方（「**債券持有人**」）發行若干本金額為15,000,000美元（相當於116,000,000港元）之可贖回可換股債券（「**債券**」）。債券為無抵押，可自二零零四年六月十五日或之後起至二零零九年一月十九日止隨時按換股價每股2.70港元，兌換成本公司每股面值0.10港元之普通股。債券持有人有權要求本公司於二零零四年五月二日以本金額之100%或二零零六年二月二日以本金額之109.5%或於二零零七年二月二日以本金額之116.9%贖回全部或部分可換股債券。

於二零零四年四月，本公司接獲一份贖回通知，要求本公司贖回面值6,000,000美元的債券。本公司已於二零零四年五月贖回該等債券。

其後，根據本公司管理層表示，本公司存入銀行之認購所得款項僅有10,000,000美元。蔡政敏先生（「**蔡先生**」）以前向本公司聲明，其為尚餘5,000,000美元債券（「**有關債券**」）的認購人。截至目前為止，本公司尚未收到蔡先生認購有關債券之資金。根據債券發行之經辦人與本公司代表進行之討論，董事會相信，蔡政敏先生已交出由李佩芬女士開出以本公司為抬頭人日期為二零零四年二月二日之38,218,000港元支票，作為其認購有關債券的代價。該支票並無存入銀行，亦未知其去向。董事會瞭解到，李佩芬女士為楊健志先生的妻子，於發行債券當時，楊健志先生乃本公司的主席。蔡政敏先生為福方股份有限公司多間附屬公司的董事，於發行債券當時，福方股份有限公司乃本公司的控股股東（定義見上市規則）。

23. ZERO COUPON CONVERTIBLE BOND ("CONVERTIBLE BONDS") (Continued)

The Company has proposed to repurchase the Relevant Bonds from Mr. Michael Tsai and to then have the Relevant Bonds cancelled in accordance with their terms. Pending resolution of this matter the Company has reserved all its rights in relation to the issue of the Bond.

24. DEFERRED TAXATION

Deferred taxation is calculated on temporary differences under liability method using applicable tax rate of 17.5% (2003: 17.5%) for Group companies incorporated in Hong Kong and 25% (2003: 25%) for Group companies incorporated in Taiwan.

Deferred tax assets represent the tax effect of temporary differences attributable to:

		The 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
Provisions	撥備	-	1,063
Impairment of investments	投資減值	-	486
		<u>-</u>	<u>1,549</u>

The Group has not recognised deferred tax asset in respect of tax losses of approximately HK\$19,663,000 (2003: HK\$129,000,000). Tax losses of approximately HK\$1,034,000 and HK\$4,107,000 will expire by 2008 and 2009 respectively, while the remaining balance can be carried forward indefinitely to offset against future taxable profits.

For the year ended 31 December 2003, the amount of HK\$1,549,000 credited to the income statement represented deferred tax assets recognised in respect of the temporary difference arisen from provisions and impairment of investments.

23. 零息票可換股債券(「可換股債券」)(續)

本公司已建議向蔡政敏先生購回有關債券，並隨後根據有關債券條款註銷該等債券，在解決此事前，本公司保留有關債券發行之一切權利。

24. 遞延稅項

遞延稅項乃就暫時差異以負債法按香港適用稅率17.5% (二零零三年: 17.5%) 為香港註冊成立之集團公司計提撥備，另按25% (二零零三年: 25%) 為台灣註冊成立之集團公司計提撥備。

遞延稅項資產乃指屬以下各項之暫時差異之稅項影響：

本集團並無就稅項虧損約19,663,000港元 (二零零三年: 129,000,000港元) 確認遞延稅項資產。約1,034,000港元及4,107,000港元之稅項虧損將分別於二零零八年及二零零九年到期，餘額可以無限期結轉，用以抵銷日後之應課稅溢利。

截至二零零三年十二月三十一日止年度已於損益帳內列作收入之1,549,000港元，指就過往投資及投資減值產生的暫時差異而確認的遞延稅項資產。

25. SHARE CAPITAL

25. 股本

		2004 二零零四年		2003 二零零三年	
		No. of shares		No. of shares	
		'000	HK\$'000	'000	HK\$'000
		千股	千港元	千股	千港元
Authorised:	法定:				
At beginning of year and at balance sheet date, at HK\$0.10 (2003: HK\$0.10) each	年初及結算日·每股 面值0.10港元 (二零零三年: 0.10港元)	1,000,000	100,000	1,000,000	100,000
Issued and fully paid:	已發行及繳足:				
Ordinary shares of HK\$0.10 each	每股面值0.10港元 之普通股				
At beginning of year	年初	441,700	44,170	441,700	44,170
Shares repurchased and cancelled	購回及註銷之股份	(5,928)	(593)	-	-
At balance sheet date	於結算日	435,772	43,577	441,700	44,170

During February and March 2004, the Company had repurchased, through the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), 5,928,000 ordinary shares at an aggregate consideration of approximately HK\$8,902,000. These share were cancelled subsequent to the repurchase.

二零零四年二月及三月·本公司透過香港聯合交易所有限公司(「聯交所」)購回5,928,000股普通股·總代價約為8,902,000港元。該等股份於購回後已被註銷。

26. SHARE OPTIONS

The Company has a share option scheme, under which it may grant options to employees of the Group (including executive directors of the Company) to subscribe for shares in the Company, subject to a maximum of 30% of the nominal value of the issued share capital of the Company from time to time, excluding for this purpose any shares issued on the exercise of options granted under the scheme. The subscription price will be determined by the Company's board of directors, and will not be less than the highest of:

- (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer;

26. 購股權

本公司設有一項購股權計劃·據此可向本集團僱員(包括本公司執行董事)授出購股權·認購最多達本公司不時已發行股本30%面值(就此而言·並不包括行使根據該計劃所授出之購股權而發行之任何股份)之股份。認購價將由本公司董事會釐定·而且不會低於下列三者之最高價格:

- (a) 股份在購股權提呈授出之日·於聯交所日報表所報之收市價;

26. SHARE OPTIONS (Continued)

- (b) the average closing price of the shares as stated in the Stock Exchange daily quotations sheets for the five business days immediately preceding the date of offer; and
- (c) the nominal value of the shares.

At the balance sheet date, no option has been granted under the share option scheme.

27. RESERVES

The Company

		Share premium	Contributed surplus	Capital reserve	Capital redemption reserve	Accumulated deficit	Total
		股份溢價	繳入盈餘	資本儲備	資本贖回儲備	累計虧絀	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2003	於二零零三年一月一日	243,800	16,692	4,492	580	(24,288)	241,276
Loss for the year	本年度虧損	-	-	-	-	(51,874)	(51,874)
At 31 December 2003	於二零零三年十二月三十一日	243,800	16,692	4,492	580	(76,162)	189,402
At 1 January 2004	於二零零四年一月一日	243,800	16,692	4,492	580	(76,162)	189,402
Repurchase of shares	購回股份	(8,309)	-	-	593	(593)	(8,309)
Loss for the year	本年度虧損	-	-	-	-	(53,995)	(53,995)
At 31 December 2004	於二零零四年十二月三十一日	235,491	16,692	4,492	1,173	(130,750)	127,098

26. 購股權 (續)

- (b) 股份在緊接購股權提呈授出之日前五個交易日，於聯交所日報表所報之平均收市價；及
- (c) 股份面值。

於結算日，本公司並無根據購股權計劃授出任何購股權。

27. 儲備

本公司

28. CASH GENERATED FROM/(USED IN) OPERATIONS

28. 經營業務所得／(所用)現金

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Loss from operations	經營業務虧損	(53,585)	(46,983)
Interest income	利息收入	(15)	(504)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,472	12,148
Amortisation of goodwill	商譽攤銷	-	928
(Gain)/Loss on disposal of property, plant and equipment	出售物業、廠房及 設備(收益)／虧損	(288)	31
Loss on disposal of other investments	出售其他投資之虧損	-	(1,176)
Impairment loss on property, plant and equipment	物業、廠房及設備之 減值虧損	606	26,857
Impairment loss on investment securities	投資證券之減值虧損	6,908	-
Unrealised gain on other investments	其他投資之未變現收益	-	(4)
Dividend income from unlisted long-term investments	非上市長期投資之 股息收入	-	(168)
Dividend income from other investments	其他投資之股息收入	-	(82)
Changes in working capital:	營運資金之變動:		
Inventories	存貨	58,416	(94,872)
Trade and other receivables	應收貿易帳款及 其他應收款項	17,689	(15,273)
Finance lease receivables	融資租賃應收款項	2,395	(102,150)
Trade and other payables	應付貿易帳款 及其他應付款項	(28,640)	48,468
Cash generated from/(used in) operations	經營業務所得／ (所用)現金	9,958	(172,780)

29. CONTINGENT LIABILITIES

No information regarding the Taiwan Subsidiaries for the year ended 31 December 2004 has been presented as there was no available information as explained in note 1 to the financial statements.

Guarantee in relation to FAIL

As at 31 December 2004, the Company had granted a guarantee amounting to approximately HK\$25,410,000 (2003: Nil) to a Taiwanese bank in respect of a facility provided by the bank to FAIL.

29. 或然負債

誠如財務報表附註1所述，由於並無可供使用資料，因此並無呈列該等台灣附屬公司截至二零零四年十二月三十一日止年度之資料。

有關福方汽車工業之擔保

於二零零四年十二月三十一日，本公司就台灣一家銀行向福方汽車工業授出之備用額而向該銀行提供為數約25,410,000港元(二零零三年:零)之擔保。

29. CONTINGENT LIABILITIES (Continued)

Guarantee in relation to Forefront International Automotive Limited ("FIAL")

As at 31 December 2004, the Company had granted guarantees amounting to approximately HK\$92,760,000 (2003: HK\$100,595,000) to certain Taiwanese banks in respect of facilities provided by the banks to FIAL.

Alleged loan

During the year ended 31 December 2004, the Group received a claim from Wise Dynasty Limited ("**Wise Dynasty**") for approximately HK\$9 million (principal of HK\$8 million together with interest and costs thereon) and an order that it be granted vacant possession of the property owned by Cyber Centre Limited (an indirect wholly-owned subsidiary of the Company) ("**Cyber Centre**") situated at Forefront Cyber Centre, 9 Fui Sha Wai Lane, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong (the "**Property**").

Wise Dynasty's claim relates to a HK\$20 million loan that it alleges it advanced to Cyber Centre on 9 March 2004 (the "**Alleged Loan**"). Wise Dynasty further alleges, amongst other things, that:

- (a) the Alleged Loan is evidenced by a loan agreement dated 9 March 2004 between Wise Dynasty as lender and Cyber Centre as borrower (the "**Alleged Loan Agreement**"). Mr. Allen Yang (Chairman and an Executive Director of the Company and a director of Cyber Centre at the relevant time) purported to sign the Alleged Loan Agreement for and on behalf of Cyber Centre. In its defence of the claim, Cyber Centre contends that, amongst other things, the entering into of the Alleged Loan Agreement was not properly authorised by the board of directors of Cyber Centre;

29. 或然負債 (續)

有關福方國際汽車股份有限公司(「福方國際」)之擔保

於二零零四年十二月三十一日，本公司就台灣若干銀行向福方國際汽車授出之備用額而向該等銀行提供為數約92,760,000港元(二零零三年：100,595,000港元)之擔保。

指稱貸款

於二零零四年十二月三十一日，本集團收到Wise Dynasty Limited(「**Wise Dynasty**」)一項為數約9,000,000港元(本金8,000,000港元另加其利息及成本)之索償，以及指令本集團須將數碼中心有限公司(「**數碼中心**」)(本公司一家間接全資附屬公司)所擁有目前位於香港新界元朗唐人新村灰沙圍里9號(「**該物業**」)之空置管有權。

Wise Dynasty之索償涉及其指稱於二零零四年三月九日向數碼中心借出為數20,000,000港元之貸款(「**指稱貸款**」)。Wise Dynasty進一步指稱(其中包括)：

- (a) 指稱貸款具有Wise Dynasty(作為貸款人)與數碼中心(作為借款人)於二零零四年三月九日訂立之一項貸款協議(「**指稱貸款協議**」)作為憑證。楊健志先生(本公司當時之主席兼執行董事，並為數碼中心之董事)宣稱代表數碼中心簽署該指稱貸款協議。數碼中心就有關索償答辯時辯稱，(其中包括)訂立指稱貸款協議未經數碼中心董事會之適當批准；

29. CONTINGENT LIABILITIES (Continued)

Alleged loan (Continued)

- (b) HK\$12 million of the Alleged Loan has been repaid to Wise Dynasty. Management of Cyber Centre and the Company has investigated this repayment and is unable to trace it to either of Cyber Centre or any of the companies within the Group in Hong Kong;
- (c) the Alleged Loan is secured by a alleged legal charge dated 9 March 2004 over the Property given by Cyber Centre as chargor in favour of Wise Dynasty as lender (the **"Alleged Legal Charge"**); and
- (d) the Company allegedly issued a cheque in the sum of HK\$8 million for the repayment of the outstanding principal balance of the Alleged Loan (the **"Alleged Cheque"**). In its defence of the claim, the Company contends that, amongst other things, the Company received no consideration for the issuance of the Alleged Cheque and that the Alleged Cheque is unenforceable against the Company.

On 18 May 2004, after initial investigations, the Board promptly reported the above irregularities relating to the Cyber Centre Transaction to the Commercial Crimes Bureau. As at the date of this report, the outcome of the Commercial Crime Bureau's investigation is still pending.

In respect of the above claim, Wise Dynasty has commenced the following proceedings against the Company and Cyber Centre:

- (a) On 19 May 2004 a writ of summons was issued by Wise Dynasty against the Company for the sum of HK\$8 million, representing the amount of the Alleged Cheque, together with interests and costs. On 18 November 2004 the Company successfully defended Wise Dynasty's application for summary judgment in these proceedings and the Company was granted unconditional leave to defend the action; and

29. 或然負債 (續)

指稱貸款 (續)

- (b) 指稱貸款內12,000,000港元已向Wise Dynasty償付。數碼中心及本公司之管理層已就此筆還款展開調查，並未能就此筆還款應計入數碼中心抑或本集團在香港之任何公司而達成意見；
- (c) 指稱貸款由數碼中心於二零零四年三月九日以Wise Dynasty（作為貸款人）為押記人就該物業作出之指稱法定押記（「指稱法定押記」）作為抵押；及
- (d) 本公司指稱已開出一張金額為8,000,000港元之支票用作償還指稱貸款內之未償還餘額（「指稱支票」）。本公司就有關索償答辯時辯稱，（其中包括）本公司並無就開出指稱支票而收取任何代價，且不可對本公司強制執行指稱支票。

於二零零四年五月十八日，經初步調查後，董事會即時向商業罪案調查科報告上述有關數碼中心交易之不當事件。截至本報告日期，商業罪案調查科之調查尚未有定案。

Wise Dynasty已就上述索償對本公司及數碼中心提出以下法律程序：

- (a) Wise Dynasty於二零零四年五月十九日就8,000,000港元（即指稱支票之金額）連同利息及成本向本公司發出傳訊令狀。於二零零四年十一月十八日，本公司在該等法律程序中就Wise Dynasty之申請成功提出抗辯進行簡易判決，而且，本公司獲授無條件許可就該項訴訟提出抗辯；及

29. CONTINGENT LIABILITIES (Continued)

Alleged loan (Continued)

- (b) On 16 June 2004 an originating summons was issued by Wise Dynasty against Cyber Centre seeking, amongst other things (i) the repayment of all monies allegedly due to it under the Alleged Legal Charge and (ii) an order for delivery of vacant possession of the Property to Wise Dynasty.

Cyber Centre continues to dispute the claim and defend the above proceedings. On 18 November 2004 the above proceedings were ordered to be consolidated into a single action to be heard before the same Judge. Wise Dynasty has appealed against the dismissal of the application for summary judgment and the consolidation of the proceedings. Wise Dynasty and Cyber Centre have agreed to stay the consolidated proceedings pending the outcome of the appeal which is to be heard on 1 June 2005.

Alleged agreement on investment in a customer

Mr. Lo Chia Yu ("Mr. Lo") claimed for specific performance of an Agreement allegedly made in 12 March 2002 concerning the purchase of Global Travel Holdings Limited ("Global Travel"), a BVI company, in the sum of HK\$7,800,000 and alternatively damages. Forefront Automotive Services Company Limited ("FAS"), a wholly owned subsidiary of the Company, represented that Lo proposed that FAS consider acquiring certain of the shares in Global Travel, wholly owned by Mr. Lo. FAS represented that it intended to conduct due diligence on Global Travel first before considering whether to acquire the shares. Mr. Lo requested a sum of HK\$2,000,000 be paid as a deposit which Forefront International (HK) Limited, a wholly-owned subsidiary of the Company, did pay. Subsequently, the accountants employed by the Company reported that the affairs of Global Travel were far from satisfactory, and the acquisition did not take place. The Company subsequently demanded the return of the HK\$2,000,000 from Mr. Lo/Global Travel since the acquisition did not take place. A contingent liability of HK\$5,800,000 exists being the balance of the investment sum claimed to be unpaid by Mr. Lo/Global Travel, which is disputed by FAS.

29. 或然負債 (續)

指稱貸款 (續)

- (b) 二零零四年六月十六日，Wise Dynasty向數碼中心發出原訴傳票，尋求法院裁決（其中包括）以下事項：(i)償還指稱法定押記下指稱欠負之所有款項；及(ii)命令數碼中心向Wise Dynasty交出該物業之空置管有權。

數碼中心正繼續就該項申索提出爭議，並就上述法律程序進行抗辯。於二零零四年十一月十八日，法院命令上述法律程序須合併為單一訴訟由同一法官進行聆訊。Wise Dynasty已就駁回申請以進行簡易判決及合併該等法律程序提出上訴。Wise Dynasty與數碼中心同意暫緩合併法律程序，直至二零零五年六月一日就該上訴之聆訊取得結果。

於一名客戶之投資的指稱協議

駱家雨先生（「駱先生」）根據其所指稱於二零零二年三月十二日訂立之關於購買Global Travel Holdings Limited（「Global Travel」）之協議，要求強制履行該協議，所涉款項為7,800,000港元及其他損害賠償。本公司之全資附屬公司福方汽車服務有限公司（「福方汽車服務」）聲明，駱先生建議福方汽車服務考慮收購駱先生全資擁有之一間名為Global Travel之英屬處女群島公司之若干股份。福方汽車服務聲明，需對Global Travel進行盡職審查，方始認為是否收購其股份。駱先生要求先獲付2,000,000港元作為按金，而本公司一全資擁有附屬公司一福方（香港）有限公司，確有支付該等款項。其後，本公司聘用之會計師行指出Global Travel之財務狀況毫不令人滿意，而收購股份一事亦已告吹，有鑑於此，本公司確有要求駱先生／Global Travel退還2,000,000港元。本公司產生一筆為數5,800,000港元之或然負債，即為駱先生／Global Travel所指稱尚未償還投資金額之餘額，但福方汽車服務對此有所爭議。

30. COMMITMENTS

No information regarding the Taiwan Subsidiaries for the year ended 31 December 2004 has been presented as there was no available information as explained in note 1 to the financial statements.

(a) Capital expenditure commitments

At the balance sheet date, the Group had capital expenditure commitments for purchases of property and equipment contracted but not provided for (net of deposits paid) amounting to Nil (2003: HK\$10,123,000).

(b) Operating leases commitments payable

At the balance sheet date, the Group had total outstanding commitments in respect of land and buildings under non-cancellable operating leases, which are payable as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Within one year	一年內	1,263	10,924
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	3,794	11,614
		<u>5,057</u>	<u>22,538</u>

(c) Foreign currency forward contracts

As at 31 December 2003, the Group had commitments to buy US\$2,077,246 (2004: Nil).

30. 承擔

誠如財務報表附註1所述，由於並無可供使用資料，因此並無呈列該等台灣附屬公司截至二零零四年十二月三十一日止年度之資料。

(a) 資本開支承擔

於結算日，本集團就已訂約但未撥備之購入物業及設備事宜之資本開支承擔（扣減已付按金）為零港元（二零零三年：10,123,000港元）。

(b) 應付經營租賃承擔

於結算日，本集團就不可註銷經營租賃就土地及樓宇擁有尚未支付之承擔，應付的承擔總額如下：

(c) 外幣遠期合約

於二零零三年十二月三十一日，本集團有購買承擔數額2,077,246美元（二零零四年：零）。

31. BANKING FACILITIES

At the balance sheet date, the Group had the following banking facilities for overdrafts, loans and trade financing:

		2004 二零零四年		2003 二零零三年	
		Amount available 可供動用 金額	Amount utilised 已動用 金額	Amount available 可供動用 金額	Amount utilised 已動用 金額
Unsecured long-term syndicated loans	無抵押長期銀團貸款	–	–	92,400	92,400
Long-term banking facilities	長期銀行備用額	15,610	15,610	40,963	27,343
Short-term banking facilities	短期銀行備用額	–	–	611,639	351,905
		15,610	15,610	745,002	471,648

Notes:

- (a) In February 2004, the entire amount of unsecured long-term syndicated loans was settled, partly by proceeds from issuance of convertible bonds and partly by the Group's internal cash resources.
- (b) As at 31 December 2003, these facilities were secured by:
- Pledges over certain finance lease receivable with a net book value of approximately HK\$193,249,000.
 - Pledges over the Group's other investments in Taiwan with a net book value of approximately HK\$1,739,000.
 - Pledges over the Group's bank deposits in Taiwan of approximately HK\$7,078,000.
 - Corporate guarantees provided by the Company.
 - Pledges over certain vehicles of the Group's customers which are pledged to the Group as security for finance leases granted by the Group

As at 31 December 2003, the Group was required to comply with certain financial covenants imposed by the banks. The financial covenants included, among others, maintenance of consolidated net worth of not less than HK\$280,000,000, consolidated tangible net worth of not less than HK\$280,000,000 and consolidated net gearing of not greater than 1.3:1. The Group did not fulfill these covenants as at 31 December 2003 but subsequently obtained waivers from compliance with those covenants from the relevant banks in April 2004.

31. 銀行備用額

於結算日，本集團有以下透支、貸款及貿易融資之銀行備用額：

附註：

- (a) 於二零零四年二月，本集團已全數清還無抵押長期銀團貸款，款項部分來自發行可換股債券所得款項，部分來自本集團內部資金。
- (b) 於二零零三年十二月三十一日，該等備用額以下列各項作抵押：
- 質押若干帳面淨值約193,249,000港元之融資租賃應收款項。
 - 質押本集團於台灣之其他投資，其帳面淨值約為1,739,000港元。
 - 質押本集團於台灣之銀行存款，存款額約7,078,000港元。
 - 本公司提供之公司擔保。
 - 質押由本集團客戶押予本集團作為獲授融資租賃之抵押品的若干車輛。

於二零零三年十二月三十一日，本集團必須遵行若干由銀行施加之財務契諾。此等財務契諾其中包括必須維持綜合資產淨值不得少於280,000,000港元、綜合有形資產淨值不得少於280,000,000港元及綜合淨資本負債比率不得超過1.3:1。於二零零三年十二月三十一日，本集團並未履行此兩項契諾，但在二零零四年四月已獲有關銀行授予豁免，毋須遵守該等契諾。

32. RELATED PARTY TRANSACTIONS

32. 關連人士交易

			2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
	Note 附註			
Trade receivables from	應收以下公司之貿易帳款			
- Forefront International Limited (in liquidation)	- 福方股份有限公司(清盤中) 1		-	676
- Forefront Motors (Hong Kong) Limited (in liquidation)	- 福方汽車(香港)有限公司 (清盤中) 1		-	55
- Ankor Services Limited (in liquidation)	- 安佳汽車維修有限公司(清盤中) 1		-	462
- Todaytech Asia Limited (in liquidation)	- Todaytech Asia Limited(清盤中) 2		-	72
Finance lease receivables from Sunshine Finance Co., Ltd.	應收勝山實業股份有限公司 之融資租賃款項 1		-	9,912
Other receivables from	應收以下公司之其他款項			
- Sunshine Finance Co., Ltd.	- 勝山實業股份有限公司 1		-	165
- Forefront Motors (Hong Kong) Limited (in liquidation)	- 福方汽車(香港)有限公司 (清盤中) 1		-	57
- Todaytech Asia Limited (in liquidation)	- Todaytech Asia Limited(清盤中) 2		-	150
Sales to	向以下公司進行銷售			
- Forefront Motors (Hong Kong) Limited (in liquidation)	- 福方汽車(香港)有限公司 (清盤中) 1 & 4		90	138
- Ankor Services Limited (in liquidation)	- 安佳汽車維修有限公司(清盤中) 1 & 4		187	384
- Todaytech Asia Limited (in liquidation)	- Todaytech Asia Limited(清盤中) 2 & 4		12	7
Rental income received/receivable from	已收/應收以下公司之租金收入			
- Forefront Motors (Hong Kong) Limited (in liquidation)	- 福方汽車(香港)有限公司 (清盤中) 1 & 5		120	360
- Todaytech Asia Limited (in liquidation)	- Todaytech Asia Limited(清盤中) 2 & 5		-	150
Management fee income received/ receivable from	已收/應收以下公司之 管理費			
- Sunshine Finance Co. Ltd.	- 勝山實業股份有限公司 3 & 6		-	100
- Fuyo Leasing Co. Ltd.	- 福友租賃股份有限公司 3 & 6		-	82
- Achieve Leasing Co. Ltd.	- 福企租賃股份有限公司 3 & 6		-	82
- Fully Leasing Co. Ltd.	- 福兆租賃股份有限公司 3 & 6		-	82
- Forth Leasing Co. Ltd.	- 福之租賃股份有限公司 3 & 6		-	82
- Free Leasing Co. Ltd.	- 福立租賃股份有限公司 3 & 6		-	42
- Future Leasing Co. Ltd.	- 福昌租賃股份有限公司 3 & 6		-	42
- Fortune Leasing Co. Ltd.	- 福川租賃股份有限公司 3 & 6		-	42
- Fund Leasing Co. Ltd.	- 福采租賃股份有限公司 3 & 6		-	8
Rental expense in respect of office premises paid/payable to Forefront International Limited (in liquidation)	已付/應付福方股份有限公司 (清盤中)之辦公室物業 租金開支 1 & 5		-	5,397
Repair and maintenance services charges paid/payable to Ankor Services Limited (in liquidation)	已付/應付安佳汽車維修 有限公司(清盤中)之維修 保養服務費用 1 & 7		130	376
Sale of furniture and equipment to Forefront Motors (Hong Kong) Limited (in liquidation)	向福方汽車(香港)有限公司 (清盤中)銷售傢具 及設備 1 & 8		4	-
Professional fees paid to RSMNW	已付羅申美企業顧問有限公司 之專業費用		2,040	-

32. RELATED PARTY TRANSACTIONS (Continued)

Notes

- (1) Forefront International Limited (In Liquidation) ("FIL") is a substantial shareholder of the Company, and Sunshine Finance Co. Ltd., Forefront Motors (Hong Kong) Limited (In Liquidation) and Ankor Services Limited (In Liquidation) are subsidiaries of FIL.
- (2) Todaytech Asia Limited (In Liquidation) is wholly-owned by Ever Wealth Management Limited (In Liquidation).
- (3) Certain former directors have interests in these companies.
- (4) Sales were charged at market prices.
- (5) Rental income and expenses were charged at market prices.
- (6) Management fee income was charged at the pre-agreed rates.
- (7) Services fee income was charged at market prices.
- (8) Sales of furniture and equipment were determined by reference to the net book value of respective furniture and equipment.

During the year ended 31 December 2003, Sunshine Finance Co. Ltd., paid to the Group interest income of HK\$1,055,000 (2004: Nil) in respect of the finance lease receivables.

As at 31 December 2003, FIL and Sunshine Finance Co. Ltd. had agreed to indemnify the Group against any shortfall in respect of the Group's obligations under the defined benefits retirement plans for employees transferred from these two companies to the Group up to an amount of approximately HK\$6,293,000 (2004: Nil).

All the balances with the above related companies and group companies shown in the balance sheet were unsecured, interest-free and repayable within the granted credit terms. The Company's directors are closely reviewing all related party transactions and trading relationships with a view to ensuring they are on an arms-length basis and commercially beneficial to the Group.

32. 關連人士交易 (續)

附註：

- (1) 福方股份有限公司(清盤中) (「福方股份」) 為本公司之主要股東，而勝山實業股份有限公司、福方汽車(香港)有限公司(清盤中)及安佳汽車維修有限公司(清盤中)為福方股份之附屬公司。
- (2) Todaytech Asia Limited(清盤中)由Ever Wealth Management Limited(清盤中)全資擁有。
- (3) 若干董事在此等公司中擁有權益。
- (4) 銷售按市價計算。
- (5) 租金收入及開支按市價計算。
- (6) 管理費收入按預先協定的價格計算。
- (7) 服務費收入按市價計算。
- (8) 傢俬及設備銷售乃參照其各自的帳面淨值計算。

截至二零零三年十二月三十一日止年度，勝山實業股份有限公司已經就該等融資租賃應收款項，向本集團支付1,055,000港元(二零零四年：零)之利息收入。

於二零零三年十二月三十一日，福方股份有限公司和勝山實業股份有限公司已經同意，向本集團賠償關於從這兩家公司轉職到本集團之僱員而須支付之退休金(界定福利)款項之任何差額，款項最高約達6,293,000港元(二零零四年：零)。

所有與上述關連公司及集團旗下公司之間於資產負債表的結餘均屬無抵押、免息及須於獲授之信貸期內償還。本公司董事密切審閱所有關連人士交易及貿易合作關係，藉以確保交易公平，並在商業上對本集團之業務有利。

33. SEGMENT INFORMATION

(a) By business segments

33. 分類資料

(a) 按業務分類

		Year 2004 二零零四年						
		Trading of trucks, coaches and vehicles accessories 貨車、 旅遊巴士 及汽車零配 件之貿易 HK\$'000 千港元	Provision of repairs and maintenance services 提供汽車維修 及保養服務 HK\$'000 千港元	Provision of other motor vehicle related services 提供其他汽車 相關服務 HK\$'000 千港元	Motor vehicle financing 汽車融資 HK\$'000 千港元	Investment holding 投資控股 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Turnover	營業額							
Sales to external customers	對外間客戶銷售	128,390	41,660	6,799	47	-	-	176,896
Inter-segment sales	分類業務間銷售	-	11,302	328	-	-	(11,630)	-
Total turnover	總營業額	<u>128,390</u>	<u>52,962</u>	<u>7,127</u>	<u>47</u>	<u>-</u>	<u>(11,630)</u>	<u>176,896</u>
Operating results	經營業績							
Segment results	分類業績	<u>(21,162)</u>	<u>(12,451)</u>	<u>(382)</u>	<u>516</u>	<u>(6,908)</u>	<u>4,056</u>	<u>(36,331)</u>
Unallocated corporate expenses	未分配公司開支							(18,452)
Unallocated corporate interest expense	未分配公司利息開支							<u>(577)</u>
Loss attributable to the shareholders	股東應佔虧損							<u>(55,360)</u>

Notes to the Financial Statements

財務報表附註

33. SEGMENT INFORMATION (Continued)

(a) By business segments (Continued)

		Year 2004 二零零四年							
		Trading of trucks, coaches and vehicles accessories 貨車、旅遊巴士及汽車零配件之貿易 HK\$'000 千港元	Provision of repairs and maintenance services 提供維修及保養服務 HK\$'000 千港元	Provision of other motor vehicle related services 提供其他汽車相關服務 HK\$'000 千港元	Motor vehicle financing 汽車組裝 HK\$'000 千港元	Investment holding 汽車融資 HK\$'000 千港元	Assembling of motor vehicles 投資控股 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Other information	其他資料								
Assets	資產								
Segment assets	分類資產	45,694	22,173	14,591	26	-	-	-	82,484
Interests in unconsolidated subsidiaries	於未綜合附屬公司之權益								150,184
Unallocated corporate assets	未分配公司資產								92,689
									<u>325,357</u>
Liabilities	負債								
Segment liabilities	分類負債	(11,866)	(7,780)	(2,462)	(10)	-	-	-	(22,118)
Amounts due to unconsolidated subsidiaries	應付未綜合附屬公司之款項								(41,003)
Unallocated corporate liabilities	未分配公司負債								(91,556)
									<u>(154,677)</u>
Capital expenditure	資本開支								
Segment capital expenditure	分類資本開支	1,091	242	-	-	-	-	-	1,333
Unallocated segment capital expenditures	未分配分類資本開支								-
									<u>1,333</u>
Depreciation and amortisation	折舊及攤銷								
Segment depreciation and amortisation	分類折舊及攤銷	858	1,385	169	-	-	-	-	2,412
Unallocated corporate depreciation and amortisation	未分配公司折舊及攤銷								4,060
									<u>6,472</u>
Impairment charge on fixed assets	固定資產減值費用	19	587	-	-	-	-	-	606
Non-cash expenditures other than depreciation and amortisation	折舊及攤銷以外之非現金開支	3,957	5,434	2,682	(494)	-	-	-	11,579
Unallocated Non-cash expenditure other than depreciation and amortisation	未分配之折舊及攤銷以外之非現金開支								20
									<u>11,599</u>

33. 分類資料 (續)

(a) 按業務分類 (續)

33. SEGMENT INFORMATION (Continued)

(a) By business segments (Continued)

33. 分類資料 (續)

(a) 按業務分類 (續)

		Year 2003 二零零三年								
		Trading of trucks, coaches and accessories 貨車、旅遊巴士及汽車零配件之貿易	Provision of repairs and maintenance services 提供維修及保養服務	Provision of other motor vehicle related services 提供其他汽車相關服務	Assembling of motor vehicles 汽車組裝	Motor vehicle financing 汽車融資	Development of smart card system 開發智慧卡系統	Investment holding 投資控股	Elimination 對銷	Total 總計
		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	HK\$'000 千港元

Turnover

營業額

Sales to external customers	對外間客戶銷售	427,252	133,210	8,560	-	15,049	-	-	-	584,071
Inter-segment sales	分類業務間銷售	250	16,356	342	8,815	-	-	-	(25,763)	-
Total turnover	總營業額	427,502	149,566	8,902	8,815	15,049	-	-	(25,763)	584,071

Operating results

經營業績

Segment results	分類業績	(14,581)	8,970	(1,091)	(1,301)	(8,063)	(35,450)	1,429	5,160	(44,927)
Unallocated corporate expenses	未分配公司開支									(10,191)
Unallocated corporate interest expense	未分配公司利息開支									(3,334)
Gain on disposal of interest in a subsidiary	出售附屬公司權益收益									10,961
Share of results of associate	所佔聯營公司虧損									(1,852)
Taxation	稅項									(7,396)
Loss attributable to the shareholders	股東應佔虧損									(56,739)

Notes to the Financial Statements

財務報表附註

33. SEGMENT INFORMATION (Continued)

(a) By business segments (Continued)

33. 分類資料 (續)

(a) 按業務分類 (續)

		Year 2003 二零零三年								
		Trading of trucks, coaches and vehicle accessories 貨車、旅遊巴士及汽車零件之貿易	Provision of repairs and maintenance services 提供維修及保養服務	Provision of other motor vehicle related services 提供其他汽車相關服務	Assembling of motor vehicles 汽車組裝	Motor vehicle financing 汽車融資	Development of smart card system 開發智慧卡系統	Investment holding 投資控股	Elimination 對銷	Total 總計
		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	HK\$'000 千港元
Other information	其他資料									
Assets	資產									
Segment assets	分類資產	256,518	88,986	13,866	103,896	244,739	1,142	52,168	-	761,315
Unallocated corporate assets	未分配公司資產									57,157
										<u>818,472</u>
Liabilities	負債									
Segment liabilities	分類負債	(174,496)	(39,702)	(11,504)	(78,851)	(180,189)	(247)	-	-	(484,989)
Unallocated corporate liabilities	未分配公司負債									(99,918)
										<u>(584,907)</u>
Capital expenditure	資本開支									
Segment capital expenditure	分類資本開支	6,236	1,996	28	10,084	-	6,414	-	-	24,758
Unallocated segment capital expenditures	未分配分類資本開支									4,054
										<u>28,812</u>
Depreciation and amortisation	折舊及攤銷									
Segment depreciation and amortisation	分類折舊及攤銷	3,709	2,411	299	97	964	1,633	-	-	9,113
Unallocated corporate depreciation and amortisation	未分配公司折舊及攤銷									3,963
										<u>13,076</u>
Impairment charge on fixed assets	固定資產減值費用	-	-	-	-	-	26,857	-	-	26,857
Non-cash expenditures other than depreciation and amortisation	折舊及攤銷以外之非現金開支	8,203	5,046	260	51	13,559	76	-	-	27,195

33. SEGMENT INFORMATION (Continued)

(b) By geographical segments

The Group's activities are conducted predominantly in Taiwan, Hong Kong and People's Republic of China ("Mainland China"). An analysis by geographical segments is as follows:-

		Year 2004 二零零四年				
		Taiwan 台灣	Hong Kong 香港	Mainland China 中國內地	Unallocated 未分配	Total 總計
		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
Turnover	營業額	–	132,818	44,078	–	176,896
Segments result	分類業績	–	(27,449)	(8,882)	–	(36,331)
Loss from operations	經營虧損	–	(41,602)	(11,983)	–	(53,585)
Assets	資產	150,184	63,680	18,804	92,689	325,357
Capital expenditure	資本開支	–	460	873	–	1,333

		Year 2003 二零零三年				
		Taiwan 台灣	Hong Kong 香港	Mainland China 中國內地	Unallocated 未分配	Total 總計
		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
Turnover	營業額	410,339	135,932	37,800	–	584,071
Segments result	分類業績	(7,474)	(32,204)	(5,249)	–	(44,927)
Loss from operations	經營虧損	(3,626)	(38,108)	(5,249)	–	(46,983)
Assets	資產	587,387	128,190	45,738	57,157	818,472
Capital expenditure	資本開支	24,378	312	68	4,054	28,812

33. 分類資料 (續)

(b) 按地區劃分

本集團的業務主要在台灣、香港及中華人民共和國(「**中國內地**」)進行。以地區劃分之分析如下:

33. SEGMENT INFORMATION *(Continued)*

Turnover by geographical location is determined on the basis of the destination of shipment of merchandise.

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform current year's presentation.

33. 分類資料 (續)

按地區劃分之營業額以貨品付運之目的地而釐定。

34. 比較數字

若干比較數字已重新分類，以符合本年度的呈列方式。