



新意科技 (控股) 有限公司*

Shine Science & Technology (Holdings) Limited

(於開曼群島註冊成立之有限公司)
(incorporated in the Cayman Islands with limited liability)

Annual Report 2003
二零零三年年報

* for identification purpose only
* 僅供識別

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (“Directors”) of Shine Science & Technology (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to Shine Science & Technology (Holdings) Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）的特色

創業板為帶有高投資風險的公司提供一個上市的市場。尤其在創業板上市的公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市的公司可因其新興性質及該等公司經營業務的行業或國家而帶有風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他資深投資者。

由於創業板上市公司新興的性質使然，在創業板買賣的證券可能會較於主板買賣的證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

創業板所發佈的資料的主要方法為在聯交所為創業板而設的互聯網網頁刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資的人士應注意彼等能閱覽創業板網頁，以便取得創業板上市發行人的最新資料。

香港聯合交易所有限公司對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不會就本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照創業板上市規則提供有關新意科技（控股）有限公司（「本公司」）之資料，本公司各董事（「董事」）對本報告共同及個別承擔全部責任。董事在作出一切合理查詢後確認，就彼等所知及確信：(1) 本報告所載資料在各主要方面均為準確完整及無誤導成份；(2) 並無遺漏任何其他事實，致令本報告之內容有所誤導；及(3) 本報告所表達一切意見乃經審慎周詳考慮後始行作出，並以公平合理之基準與假設為基礎。



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**Board of Directors****Executive Directors**

Gu Yun (Chairperson)
Qiu Yixin (Vice-chairman)
Chen Yunrong (Chief Executive Officer)
Ye Jinxing
Li Xiaoyuan
Jiang Yulai

Non-Executive Director

Chen Qun

Independent Non-Executive Directors

Choy Tak Ho
Liu Bo

Audit Committee

Choy Tak Ho (Chairman of the Audit Committee)
Liu Bo

Compliance Officers & Authorised Representatives

Gu Yun
Cheng Yun Ming, Matthew

Qualified Accountant & Company Secretary

Cheng Yun Ming, Matthew

Head Office & Principal Place of Business

Unit 03 on 16th Floor
Fairmont House
8 Cotton Tree Drive
Central, Hong Kong

Registered Office

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

董事會**執行董事**

顧雲 (主席)
邱一心 (副主席)
陳芸榕 (行政總裁)
葉金興
李小元
江育來

非執行董事

陳群

獨立非執行董事

蔡德河
劉波

審核委員會

蔡德河 (審核委員會主席)
劉波

監察主任兼授權代表

顧雲
鄭潤明

合資格會計師兼公司秘書

鄭潤明

總辦事處兼主要營業地點

香港中環
紅棉路8號
東昌大廈
16樓03室

註冊辦事處

Century Yard
Cricket Square
Hutchins Drive
P. O. Box 2681 GT
George Town
Grand Cayman
British West Indies



Principal Share Registrar and Transfer Office

Bank of Butterfield International (Cayman) Ltd.
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Principal Bankers

Bank of China
CITIC Ka Wah Bank Limited

Sponsor

South China Capital Limited

Legal Advisors

As to Cayman Laws:

Conyers Dill & Pearman, Cayman

As to Hong Kong Laws:

Heller Ehrman White & McAuliffe

Auditors

Charles Chan, Ip & Fung CPA Ltd.
Certified Public Accountants

Stock Code

8270

主要股份過戶登記處

Bank of Butterfield International (Cayman) Ltd.
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

香港股份過戶登記分處

登捷時有限公司
香港
灣仔
告士打道56號
東亞銀行港灣中心
地下

主要往來銀行

中國銀行
中信嘉華銀行有限公司

保薦人

南華融資有限公司

法律顧問

有關開曼群島法例：

Conyers Dill & Pearman, Cayman

有關香港法例：

海陸國際律師事務所

核數師

陳葉馮會計師事務所有限公司
執業會計師

股份代號

8270



Shine Science & Technology (Holdings) Limited (the “Company”) and its subsidiaries (collectively the “Group”) conducted in business principally through its operating arm in China (the “PRC”), namely, Fujian Shine Science Company Limited and Shanghai Shine Science Company Limited. The Company was incorporated in Cayman Islands as an exempted company with limited liability in July 2002 and, through reorganization, the Company has become the ultimate holding company of the Group in July 2003. The shares of the Company was initially listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited on 12th August 2003.

The Group is principally engaged in research and development of software solutions specially targeting the financial and securities sectors in the PRC. Headquartered in Fujian, the Group has a development and servicing network covering cities including Beijing, Shanghai, Shenzhen and Fuzhou where the national stock exchanges and majority of the financial institutions’ headquarters are based. The comprehensive spectrum of the Group’s software solutions was centrally developed in our software development centres in Fuzhou and Shanghai, and implemented, customised and supported by our local servicing teams.

Through its years of corporate developments, the Group succeed in building up its reputation and brand prestige and has experienced phenomenal growth. The Group is currently one of the predominant, preferred solution providers of securities community in the PRC, rendering hardware, peripherals and professional services in complement to its corporate software solution offerings.

新意科技(控股)有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要透過其在中國(「中國」)經營之福建新意科技有限公司及上海新意新科技有限公司進行業務。本公司於二零零二年七月在開曼群島註冊成立為獲豁免有限公司，並透過重組於二零零三年七月成為本集團之最終控股公司。本公司股份於二零零三年八月十二日初次在香港聯合交易所有限公司創業板(「創業板」)上市。

本集團主要從事針對中國金融及證券行業的軟件解決方案研發業務。本集團之總部設於福建，而其開發及服務網絡則設於雲集國內證券交易所及大部分金融機構總部所在的城市包括北京、上海、深圳以至福州等地。本集團一系列的軟件解決方案由其設於福州及上海的軟件開發中心統一開發，並由分散於各地之服務隊伍按客戶需求實施並提供相關支援服務。

經多年業務發展，本集團成功建立其卓越地位及市場品牌，且業務錄得顯著增長。現時更成為中國證券業主要之解決方案供應商之一，除了提供企業軟件解決方案業務外，亦提供相關的配套硬件，週邊器材以及專業服務。



The Group's products have received high recognition especially in the domestic securities community. Currently, all of the clearing participants of the PRC securities market, including participants like China Securities Depository & Clearing Corporation, clearing banks and all operating securities companies in the PRC, are using the Group's securities primary clearing products. Further, the Group's securities secondary clearing product is enjoying a prevailing market share exceeding 81% in the PRC.

Besides its strong competitive advantage in the business domain, the Group is backed up with a seasoned management team with extensive experiences in domestic securities and financial practises and a strong and innovative team of research and development professionals including veteran with high calibre expertise in software, hardware and network technology.

Leveraging on its expertise and defined strategies to deliver cost-effective corporate solution to market participants, the Group is also expanding its product line to cover other back-office solutions to serve the diversified needs of the domestic securities, investment trust and wealth management communities. As our corporate mission, the Group will work to enhance its position to be the best solution provider for the financial and securities sectors in China.

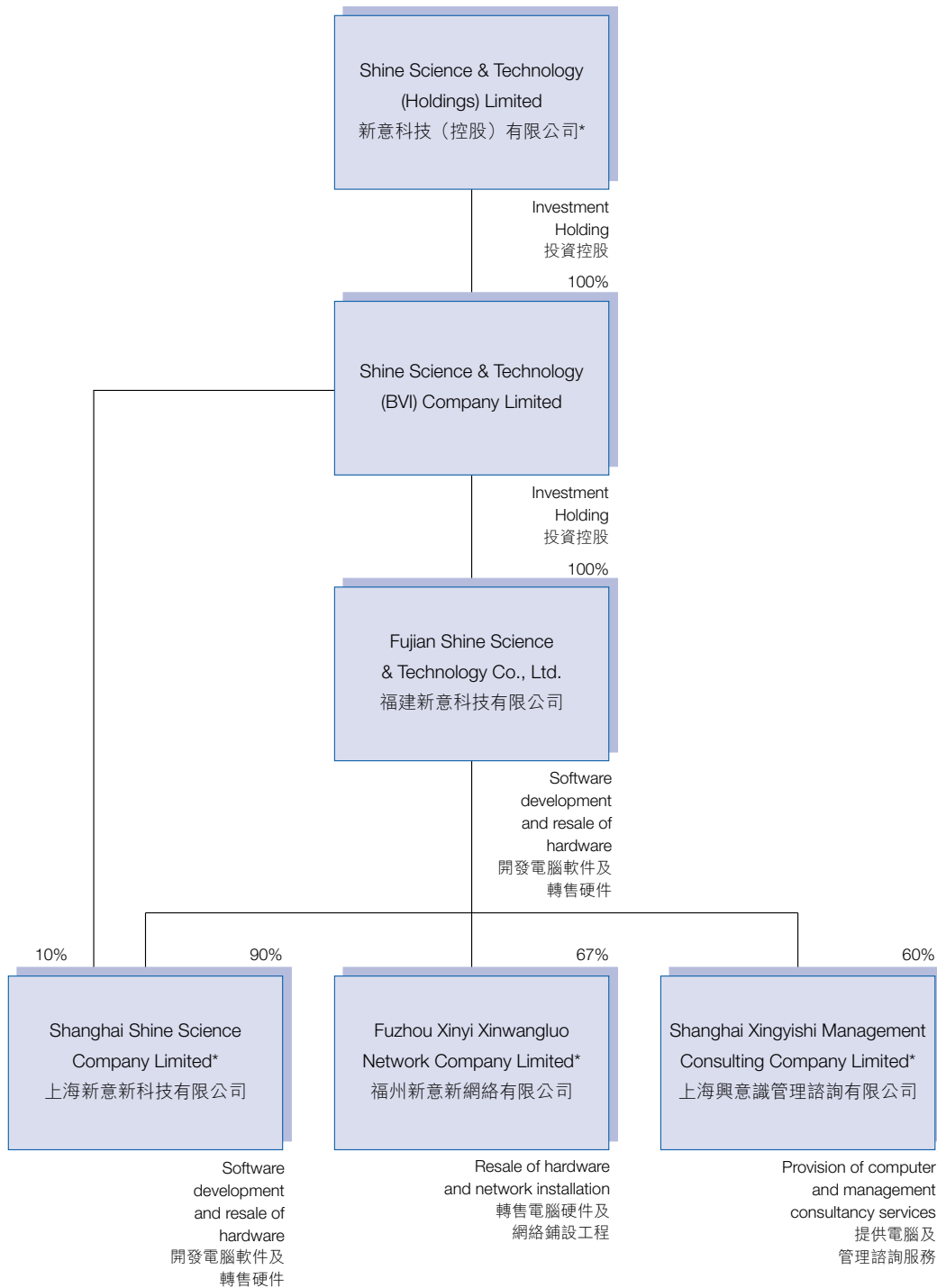
本集團之產品在國內證券業享負盛名。現時，中國證券市場之結算系統參與者，包括中國證券登記結算有限責任公司、結算銀行及所有證券公司均採用本集團之證券一級結算產品。此外，本集團之證券二級結算產品現時亦穩佔中國市場分額逾81%。

除在業務範疇內深具競爭優勢外，本集團並僱有一隊熟悉國內證券及金融業務的管理人員，以及一支實力雄厚兼具創意的專業研發隊伍，其中涵蓋軟件、硬件及網絡技術領域的專才。

本集團憑藉其於金融軟件領域的專業知識及矢志為市場參與者提供具成本效益之企業解決方案的明確策略，將其產品系列拓展至覆蓋其他後台解決方案等範疇，以滿足國內證券業、投資信託及財富管理等金融領域的多元化需求。作為本集團的企業目標，本集團將致力提升其成為於國內金融及證券行業的最佳解決方案供應商。



Corporate Structure
企業架構



* for identification purpose only

* 僅供識別



NOTICE OF ANNUAL GENERAL MEETING

股東週年大會通告

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shine Science & Technology (Holdings) Limited (the "Company") will be held at Unit 03, 16th Floor, Fairmont House, 8 Cotton Tree Drive, Admiralty, Hong Kong on Monday, 26th April 2004, at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

- (1) To receive and adopt the audited financial statements together with the reports of the directors and auditors for the year ended 31st December 2003;
- (2) To consider and declare a final dividend for the year ended 31st December 2003;
- (3) To re-elect the retiring directors and to authorize the directors to fix their remunerations; and
- (4) To re-appoint the retiring auditors and to authorize the directors to fix their remuneration.

By order of the Board

Shine Science & Technology (Holdings) Limited
Cheng Yun Ming, Matthew
Company Secretary

Hong Kong, 23rd March 2004

茲通告新意科技(控股)有限公司*(「本公司」)謹訂於二零零四年四月二十六日星期一下午三時正假座香港金鐘紅棉路8號東昌大廈16樓03室舉行股東週年大會,藉以考慮並酌情通過下列決議案:

- (1) 收訖及採納本公司截至二零零三年十二月三十一日止年度之經審核財務報表及董事會與核數師報告;
- (2) 考慮及宣派截至二零零三年十二月三十一日止年度之末期股息;
- (3) 重選退任董事,並授權董事會釐訂彼等之酬金;及
- (4) 續聘退任核數師,並授權董事會釐訂彼等之酬金。

承董事會命

新意科技(控股)有限公司*
公司秘書
鄭潤明

香港,二零零四年三月二十三日

* for identification purpose only

* 僅供識別



NOTICE OF ANNUAL GENERAL MEETING

股東週年大會通告

Head Office and Principal Place of Business:

Unit 03, 16th Floor
Fairmont House
8 Cotton Tree Drive
Admiralty
Hong Kong

總辦事處兼主要營業地點:

香港
金鐘
紅棉路8號
東昌大廈
16樓03室

Registered Office:

Century Yard, Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

註冊辦事處:

Century Yard, Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice may appoint one or more proxies to attend the meeting and vote on a poll instead of him. A proxy need not be a member of the Company.
2. A form of proxy of the meeting is enclosed. If the appointer is a corporation, the form of proxy must be made under its common seal or, under the hand of an officer or attorney duly authorized on its behalf.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders by present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.

附註:

1. 凡任何有權出席上述通告召開之大會並於會上投票之股東，均可委任一名或以上代表出席該大會及於表決時以投票方式代其投票。受委代表毋須為本公司股東。
2. 隨函附奉大會適用之代表委任表格。倘委任人為機構，則代表委任表格須加蓋該機構有效印鑑或經該機構負責人或獲正式授權之授權人士簽署。
3. 如有關股份由聯名登記持有人持有，該等聯名登記持有人當中任何一人可親自或委派代表就有關股份於上述大會及其任何續會投票，猶如其為唯一有權投票者；倘超過一名該等聯名持有人親自或委派代表出席上述大會，則上述人士當中於本公司股東名冊上排名首位人士方有權就有關股份投票。
4. 交回代表委任表格後，股東仍可親身出席大會並於會上投票，於該情況下，有關代表委任表格屆將被視作已撤回論。



NOTICE OF ANNUAL GENERAL MEETING

股東週年大會通告

5. To be valid, a form of proxy and the power of authority (if any) under which it is signed or a notorially certified copy of such power of authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting or the adjourned meeting.
6. The register of members of the Company will be closed from Tuesday, 20th April 2004 to Monday, 26th April 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividends, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's registrar, Tengis Limited, at the above address not later than 4:30 p.m. on Monday, 19th April 2004.
5. 代表委任表格連同簽署表格之授權文件(如有),或經公證人簽署證明之該等授權文件副本,最遲須於大會或續會指定舉行時間四十八小時前,送達本公司之香港股份過戶登記分處登捷時有限公司,其地址為香港灣仔告士打道56號東亞銀行港灣中心地下,方始有效。
6. 本公司將於二零零四年四月二十日星期二至二零零四年四月二十六日星期一期間暫停辦理任何股份過戶登記手續。為符合獲派擬派末期股息之資格,所有過戶文件連同有關股票,最遲須於二零零四年四月十九日星期一下午四時三十分前送達本公司之股份過戶登記處登捷時有限公司上述地址登記。



Commencement of dealing in the Shares on GEM 股份開始在創業板買賣日期	12th August 2003 二零零三年八月十二日
Announcement of third quarterly results 公佈第三季度業績	11th November 2003 二零零三年十一月十一日
Announcement of final results 公佈全年業績	23rd March 2004 二零零四年三月二十三日
Ex-dividend date for dividends 除息日期	16th April 2004 二零零四年四月十六日
Book closing dates 暫停辦理股份過戶登記之日期	20th April 2004 to 26th April 2004 (both days inclusive) 二零零四年四月二十日至二零零四年四月二十六日 (包括首尾兩日)
Annual General Meeting for 2004 二零零四年股東週年大會	26th April 2004 二零零四年四月二十六日
Record date for dividends 股息記錄日期	26th April 2004 二零零四年四月二十六日
Payment date for dividend 派付股息日期	30th April 2004 二零零四年四月三十日



(Expressed in Renminbi thousand dollars)

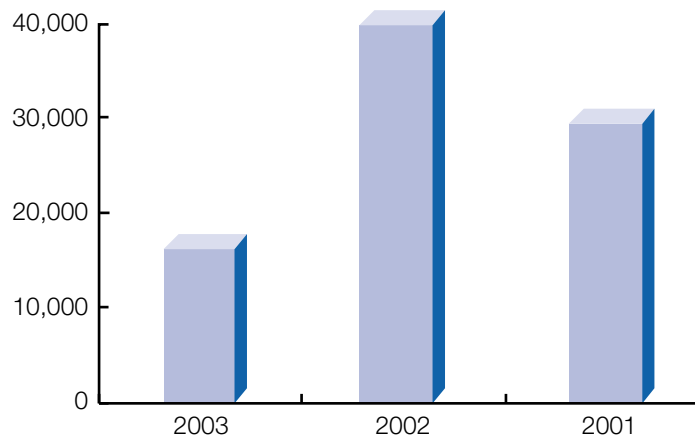
(以人民幣千元列值)

Year ended 31st December

截至十二月三十一日止年度

		2003 二零零三年	2002 二零零二年 (Restated) (重列)	2001 二零零一年 (Restated) (重列)
CONSOLIDATED RESULTS	綜合業績			
Turnover	營業額	<u>16,287</u>	<u>39,904</u>	<u>29,507</u>
Profit attributable to shareholders	股東應佔溢利	<u>708</u>	<u>13,165</u>	<u>4,159</u>
Dividends	股息	<u>1,703</u>	<u>7,000</u>	<u>3,000</u>
Dividends pay-out ratio	派息比率	<u>240.5%</u>	<u>53.2%</u>	<u>72.1%</u>

Turnover 營業額





(Expressed in Renminbi thousand dollars)

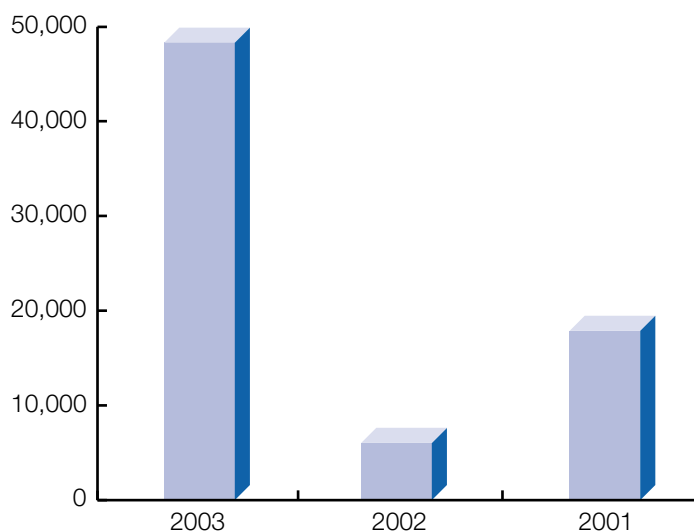
(以人民幣千元列值)

As at 31st December

於十二月三十一日

		2003 二零零三年	2002 二零零二年 (Restated) (重列)	2001 二零零一年 (Restated) (重列)
CONSOLIDATED ASSETS AND LIABILITIES	綜合資產及負債			
Total assets	總資產	56,277	41,150	28,672
Total liabilities (Note 3)	總負債 (附註3)	(6,797)	(32,308)	(9,542)
Minority interests	少數股東權益	(488)	(2,103)	(724)
Shareholders' funds	股東資金	<u>48,992</u>	<u>6,739</u>	<u>18,406</u>

Shareholders' funds 股東資金



Notes:

附註:

- The Company was incorporated in Cayman Islands in July 2002 as an exempted company with limited liability and became the holding Company of the Group in July 2003 as a result of the Reorganization as set out in the Company's IPO prospectus dated 4th August 2003 (the "IPO Prospectus"). Accordingly, the earliest available consolidated balance sheet prepared by the Company is for the year ended 31st December 2003.

- 本公司於二零零二年七月在開曼群島註冊成立為獲豁免有限公司，其後因重組而於二零零三年七月成為本集團之控股公司，有關詳情載於本公司日期為二零零三年八月四日之招股章程（「招股章程」）。因此，本公司最早編製綜合資產負債表之年度為截至二零零三年十二月三十一日止年度。



(Expressed in Renminbi thousand dollars)

(以人民幣千元列值)

- Notwithstanding the aforesaid, the reorganization referred to note 1(a) to the financial statements has been reflected in the financial summary by treating the Company as having been the holding company of the Group for the earliest period presented above.
2. The results of the Group for the two consecutive financial years ended 31st December 2002 and the consolidated balance sheets as at 31st December 2001 and 2002 have been prepared on a combined basis as if the current group structure had been in existence throughout the years concerned and have been extracted from the Company's IPO Prospectus and as restated to the extent of taking into account the financial effects of adopting the new "Hong Kong Statement of Standard Accounting Practice 12 (Revised): Income Taxes". For details of the said change in accounting policy, please refer to note 3 to the financial statements.
 3. Total liabilities as at 31st December 2002 included convertible notes with total face value of HK\$14,000,000 which was subsequently entirely converted and capitalized as Shares of the Company pursuant to the Reorganisation as set out in the Company's IPO Prospectus.
- 儘管上述者，財務報表附註1(a)所述重組透過將本公司視為已於上述最早期間成為本集團控股公司而於財務報表反映。
2. 本集團截至二零零二年十二月三十一日止連續兩個財務年度之業績及其分別於二零零一年和二零零二年十二月三十一日之綜合資產負債表，乃按合併基準並假設現有集團架構於有關年度一直存在而編製，此外，有關數字乃摘錄自本公司之招股章程，並按因採納新訂「香港會計實務準則第12號（經修訂）：所得稅項」之財務影響而調整重列。有關上述會計政策變動之詳情，請參閱財務報表附註3。
 3. 上述於二零零二年十二月三十一日之總負債其中包括總面值14,000,000港元可換股票據；該款額其後已根據本公司招股章程所載之重組，全部資本化轉換為本公司股份。



OPERATIONAL REVIEW

The year 2003 was another challenging but memorable year for both the China domestic securities market and the Group.

Notwithstanding domestic economy in China remained strong, under a shroud of prolonged bearish sentiment for years, the PRC securities market experienced continuous declines in terms of trading volume and market capitalization. At the end of 2003, the composite indexes of the Shanghai Stock Exchange and Shenzhen Stock Exchange declined by approximately 33% and 43% respectively as compared to their historical highs.

Confronted with an arid and deteriorating business environment and as further aggravated by the emanating outbreak of SARS (Severe Acute Respiratory Syndrome) in China during 2003, the profitability of domestic securities institutions was severely impacted and many domestic securities institutions were under merger or reorganization. Majority of the securities institutions therefore continued to either postpone or dampen their information technology investments in 2003. Overall demand for securities information technology products remained sluggish.

As the Group's operation is critically dependent upon the scale of information technology investment by domestic financial and securities industries, the financial results of the Group for 2003 were also adversely affected temporarily. Undoubtedly, 2003 was the most difficult year that we had ever experienced in our corporate history.

During the year, the Group recorded a profit attributable to shareholders of approximately RMB708,000, representing a decrease of 95% as compared to prior year, but continued to be in a strong financial position. As at 31st December 2003, the Group had net assets of approximately RMB49 million, including total cash, bank and deposit balances of RMB40 million approximately.

業務回顧

對於中國國內證券市場以至本集團而言，二零零三年皆是充滿挑戰，同時亦是另一個難忘的年度。

儘管中國國內整體經濟保持強勁，惟中國證券市場內仍為持續多年的熊市氣氛籠罩，證券市場交投量以至總體市值持續下降。截至二零零三年底，上海證券交易所及深圳證券交易所之綜合指數較其歷史高位分別下跌約33%及43%。

二零零三年，中國證券市場市況疲弱、經營環境惡化，而爆發突然其來的非典型肺炎（嚴重急性呼吸道綜合症）令情況更趨嚴峻，國內證券機構之盈利情況普遍受到極大影響，業內紛紛進行合併及業務重組。大部分證券機構因而於二零零三年繼續押後或減少其資訊科技投資，故此期間市場對證券資訊科技產品之整體需求仍然低迷。

由於本集團之表現極大程度上依賴國內金融及證券行業的資訊科技投資規模，故本集團二零零三年度之財務業績亦短暫地受到不利影響。毋庸置疑，二零零三年為本集團開業以來最艱難的一年。

年內，本集團錄得股東應佔溢利約人民幣708,000元，較去年減少約95%；惟本集團仍維持其穩健的財務基礎。於二零零三年十二月三十一日，本集團之資產淨值約人民幣49,000,000元，其中包括現金、銀行及存款總額約人民幣40,000,000元。

**OPERATIONAL REVIEW** (Continued)

During the year, despite under such complex environment for the securities information technology business, the Group has maintained its access to the Hong Kong securities market and raising a gross proceed of approximately HK\$35.5 million for its business expansion.

BUSINESS DEVELOPMENTS AND CONTROLS

The Group believes timely development and marketing of quality, cost-effective solutions which serve the needs of users will be the key to success amidst today's increasingly competitive global environment. During the year, the Group has successfully made an earlier product delivery for new modules of E-SIM and further enlarged its market share in securities secondary clearing products from 70% in 2002 to over 81% by the end of 2003. Meanwhile, E-SIM has been successfully interfaced with platforms of six banks with national coverage, which providing the Group with an exclusive edge in the area of securities information technology, as well as further strengthening its leading position in securities clearing and settlement arena, well-prepared for the development of extended products. During the year under review, the Group also launched its corporate solutions targetting domestic open-end investment funds. These new software solutions have proved to receive good market response. Further, the Group has collaboration with a world-renowned software developer for joint product promotion and possibly, integrated solution development. Such collaboration arrangement may, among other potential benefits, effectively shorten the development cycle of our product portfolio without compromising our commitment on product quality assurance.

Internally, in addition to continuously exercising rigorous cost control measures, the Group during the year underwent considerable realignment in business structure and implemented a series of adjustments by streamlining and systematizing our corporate management procedures in areas including product planning, quality assurance, progress reporting and staff training. Performance evaluation was also refined to accompany with an accountability mechanism to further promote the Group's operational quality and efficiency. We believe these measures will create a solid foundation for the Group's long-term development.

業務回顧 (續)

儘管證券資訊科技業務仍然深受上述複雜的營商環境影響，惟本集團於年內仍能成功於香港證券市場集資，籌得款項總額約35,500,000港元以作業務發展之用。

業務發展及監控

本集團相信，在現時競爭日趨激烈的全球營商環境下，及時地開發並推廣可滿足客戶需要、優質而具備成本效益的產品為成功關鍵。年內，本集團成功提早推出新意證券綜合管理平台的新模組，其證券第二結算產品市場佔有率，由二零零二年70%進一步擴大至二零零三年底超過81%。同時，我們成功地把新意證券綜合管理平台與六家全國性銀行的平台連接；此舉將為我們在證券資訊科技領域方面帶來獨有的優勢，對未來進一步鞏固行業結算領域的地位，開創延伸產品創造了更好條件。此外，於回顧年內我們亦推出了針對國內開放式投資基金之解決方案。該等嶄新的軟件解決方案廣受市場歡迎。此外，本集團現正與世界知名軟件開發商就共同推廣產品以至可能進行集成解決方案開發項目合作。該合作安排可使本集團（除其他好處外）在不影響產品質量的前提下進一步有效地縮短產品開發之所需時間。

內部方面，除繼續採取嚴緊的成本控制措施外，本集團亦曾於年內進行大規模改革，以重新整頓業務架構以及推行一連串涉及精簡現有產品策劃、品質監控、定期進度匯報以至員工培訓等企業管理範疇，並使有關程序變得更系統化。此外，本集團亦重新調整並實施了新的員工考核制度並引入問責制，務求進一步提升本集團之營運質素及效率。我們相信，該等措施將會為本集團的長遠發展奠下鞏固的根基。



BUSINESS OUTLOOK

On 31st January 2004, the State Council of China announced a strategic statement, “國務院關於推進資本市場改革開放和穩定發展的若干意見”, which formulated the administration’s official view and strategic direction in respect of the long-term development of domestic securities industry. This guiding principle statement set out certain potential structural changes to the securities industries in various aspects including, inter alia, the overall enhancements in corporate governance and shareholders’ protection frameworks in domestic listed companies, principles regarding proposed disposition of the Government’s stakes in domestic listed state-owned enterprises, the relaxation of restrictions on the use of financial derivative and potential adjustments to the existing securities clearing systems for stock and bond etc. In fact, the effect of the proposed changes manifest conspicuously whereas the composite indexes of the Shanghai Stock Exchange and Shenzhen Stock Exchange successfully recapture its robust momentum and upsurged, its first time since 2001, persistently and distinctly in early 2004. As a result, with this promising sign of recovery, the operating environment appears to be more favourable in the year ahead.

In narrow speaking, as a result of the said changes, the prevailing securities clearing system in Mainland China will face substantial modifications in the future. For example, the “Delivery versus Payment (DVP)” mechanism, an international generally-accepted securities clearing and settlement practice, will be introduced in China in an attempt to minimize the overall market pressure and risk exposure (resulting from overdraft of clearing participants) on the said clearing system. This implies an explicit business expansion opportunity for SHINE’s securities clearing products.

In a broader sense, the said strategic statement, together with the expected corresponding amendments to Securities Laws in PRC, will, at a considerable extent, minimize the uncertainty prevailing in the China securities market and will, on a long-term basis, promote the positive market sentiment among the investing publics. In this connection, all the softwares for domestic securities industries will also be benefited as a whole.

業務展望

中國國務院於二零零四年一月三十一日頒布「國務院關於推進資本市場改革開放和穩定發展的若干意見」之策略性文件，該文件論述了管治班子對國內證券業長期發展的意向及策略方針，並羅列了若干可能被採納並對證券業多方面皆影響深遠的結構性改動，其中涉及引入可提升國內上市公司整體企業管治及保障股東權益之架構、國有股減持原則、放寬現時對金融衍生工具之限制，以及可能涉及改動現時國內的股份及債券結算體制等措施。實際上，上述建議之影響極為明顯，自公佈有關文件後，上海證券交易所及深圳證券交易所之綜合指數成功重拾動力，並於二零零四年初錄得明顯而持續的升幅（該等升幅為自二零零一年起首次出現的復甦趨勢）。隨着市場出現該等復甦跡象，顯示來年業內營商環境可望有所改善。

上述國內證券行業的根本性變動（包括）意味着未來國內的證券結算體系將面臨重大修改，例如預計中國將正式引入「銀貨兌付」此國際通行的證券交易制度（以期盡量減低結算參與者透支為現時證券結算體系帶來的壓力及風險）；故此，狹義而言，上述改變將為新意的結算產品帶來新的發展機遇。

廣義而言，該等策略性文件連同預期就中國證券法所作之相應修訂，將會在很大程度上減低現時中國證券市場的不明朗因素，且就長遠而言，為證券市場及公眾投資人士營造正面的市場氣氛，故此針對國內證券行業的各類軟件同樣受惠。

**BUSINESS OUTLOOK** (Continued)

Although there are still uncertainties with the domestic securities information technology sector whereas the 2004 outlook for full recovery in the sector is still arguably with mixed views, we believe the worst commercial condition has come to an end. Due to the aforesaid favorable factors regarding policies and market conditions, we expect the investment in information technologies by the securities industry will be significantly enhanced, and the promotion of SHINE's products, in particular its new product offerings, will be welcomed by external environment. Therefore, The Group is optimistic about its operation in the year ahead in 2004 but is also well prepared for another challenging year.

Notwithstanding the aforesaid, on a longer-term perspective, with the expected resurgence in domestic securities market, coupled with our excellent research and development capability and strengthened competitiveness through the said management improvement measures, we are confident the Group is well positioned to capitalize on expansion opportunities and will resume to its track to profitability in the near future.

APPRECIATION

Finally, I give my sincerest thanks to my fellow directors and our colleagues for their unwavering dedications and significant contributions rendered under such extremely difficult market condition. I am confident that their endeavors will continue to strive for the satisfactory results of the Group in the year ahead. On behalf of the Board, I would also like to take this opportunity to extend our heartfelt gratitude to our shareholders, customers and business associates for their continuous support and confidence in the Group.

Gu Yun
Chairperson

23rd March 2004

業務展望 (續)

儘管國內證券資訊科技業仍然存在不明朗因素，業界對於二零零四年全面復甦仍持不同見解，惟吾等相信，最惡劣的營商環境已經過去。我們預期由於來年上述在政策及市場方面的有利因素將推動證券行業於對資訊科技方面增加投資，外部環境對新意產品，特別是新產品的推出將有較好的改善。故此，本集團對其來年業務樂觀，惟同時亦已準備就緒迎接另一富挑戰性之一年。

儘管如此，長遠而言，隨著預期國內證券市場再度活躍，加上本集團卓越的產品開發能力，以及透過實施上述管理改善措施，進一步加強本集團的競爭力，我們深信，本集團日後定能捉緊拓展業務的良機，於不久將來回復其盈利能力。

致謝

最後，本人謹此向集團各董事及員工致以衷心謝意，彼等在去年市況極度艱難的時候，仍然堅定不移為本集團作出最大努力及貢獻。本人深信，彼等的努力將繼續於來年為本集團帶來理想業績。同時，本人謹代表董事會全人感謝股東、客戶及業務夥伴一直以來鼎力支持以及對本集團繼續充滿信心。

顧雲
主席

二零零四年三月二十三日

**REVIEW OF OPERATIONS****Overall Performance**

During the year ended 31st December 2003, the Group recorded a consolidated turnover and profit attributable to shareholders of approximately RMB16 million and RMB708,000 respectively, representing approximately 59% (or RMB23.6 million) decrease in turnover and 95% (or RMB12.5 million) decrease in profit attributable to shareholders as compared to previous year.

The substantial decrease in profit attributable to shareholders was mainly attributable to the following factors:-

- (1) decrease in turnover of the Group as a result of recession in securities information technology business in China;
- (2) general increase in operating expenses as further discussed below.

Turnovers & Gross Profit Margin

Turnover by business operations for the two consecutive years ended 31st December 2003 was summarized as follows:

(expressed in Renminbi thousand dollars)

Software Sales	軟件銷售
Hardware Sales	硬件銷售
Network Construction Services	網絡工程服務
Technical Consultancy & Maintenances	技術諮詢及維護
TOTAL	總計

業務回顧**整體表現**

截至二零零三年十二月三十一日止年度，本集團分別錄得綜合營業額及股東應佔溢利約人民幣16,000,000元及人民幣708,000元，分別較去年營業額及股東應佔溢利減少約59%（或人民幣23,600,000元）及約95%（或人民幣12,500,000元）。

股東應佔溢利大幅減少，主要由於以下因素：

- (1) 中國證券資訊科技業務不景氣導致本集團的營業額減少；
- (2) 下文所述之因素導致經營開支整體增加。

營業額及邊際毛利

截至二零零三年十二月三十一日止連續兩個年度，按業務劃分之營業額概述如下：

(以人民幣千元列值)

Year ended 31st December

截至十二月三十一日止年度

	2003 二零零三年	2002 二零零二年
Software Sales	10,016	18,001
Hardware Sales	2,795	9,819
Network Construction Services	197	9,417
Technical Consultancy & Maintenances	3,279	2,667
TOTAL	16,287	39,904

**REVIEW OF OPERATIONS** (Continued)**Turnovers & Gross Profit Margin** (Continued)

The decrease in consolidated turnover is principally attributable to the sharp decreases in software, hardware and, especially, in network construction incomes of the Group. As a result of the prolonged downturn in China stock market, information technology investments and spending of the domestic securities industry was generally aggravated. Consequently, the software, hardware and network construction operations of the Group were adversely affected significantly. Besides, under fierce market competition, the Group has strategically trimmed its non-core businesses of hardware distribution in view of the pressurized profit margin and unjustifiably low returns on capital employed of this operation.

The suppressed incomes derived from our software, hardware and network construction business was, nevertheless, partially offset by the increase in incomes derived from our technical consultancy and maintenance services by approximately 23% to RMB3.3 million. Consequential to our enlarging accumulated software client-base, the technical consultancy and maintenance services remained less vulnerable to turbulent external environment and produced a steadily growing income source for the Group.

業務回顧 (續)**營業額及邊際毛利** (續)

期間綜合營業額減少主要由於本集團的軟件、硬件及網絡工程收入大幅下降所致，其中尤以網絡工程服務之跌幅最為明顯。鑑於中國股票市場持續低迷，國內證券業的整體資訊科技投資萎縮。因此，本集團的軟件、硬件及網絡工程業務受到嚴重打擊。此外，鑑於國內電腦硬件分銷業務的競爭日趨激烈，該等業務之邊際利潤持續受壓，而其所需投入之資金與回報不成正比，故本集團已基於策略理由縮減非核心硬件分銷業務。

本集團的軟件客戶基礎不斷累積擴大，故儘管外部經營環境艱難，惟技術諮詢及維護服務業務所受衝擊相對較少，且為本集團帶來穩定的收入增長來源。故此儘管本集團的軟件、硬件及網絡工程業務收入受壓，惟技術諮詢及維修服務收入增加約23%至人民幣3,300,000元，部分抵銷了軟件、硬件及網絡工程收入之減幅。



REVIEW OF OPERATIONS (Continued)

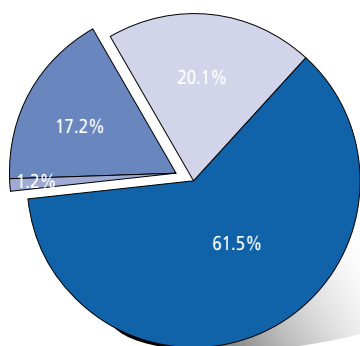
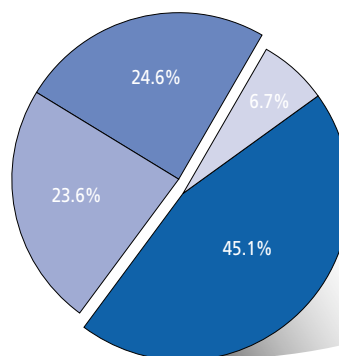
業務回顧 (續)

Turnovers & Gross Profit Margin (Continued)

營業額及邊際毛利 (續)

Turnover Composition (%)

營業額分佈 (百分比)

2003
二零零三年度2002
二零零二年度

- Software Sales
軟件銷售
- Hardware Sales
硬件銷售
- Network Construction Service
網絡工程服務
- Technical Consultancy & Maintenances
技術諮詢及維護

As a combined effect of the Group's strategic plan to scale down its non-core hardware distribution operation and the decrease in network construction business during the year, the Group's overall software, technical consultancy and maintenances incomes, in terms of sale proportion, increased significantly.

Notwithstanding the sales proportion of our software business (which generally has a higher gross profit margin as compared to other non-core businesses) increased considerably, as the Group adopted an overall thinner profit margin pricing policy during the year under review, the overall gross profit margin of the Group for the year was maintained at approximately 57% (2002: 57%).

年內，由於本集團推行策略計劃銳意縮減其非核心硬件分銷業務，加上網絡工程業務減少之影響，本集團的整體軟件技術諮詢及維護收入佔銷售比例因而顯著上升。

儘管期內整體軟件業務銷售比例顯著上升（該業務的邊際毛利一般較其他非核心業務為高），然而由於本集團於期內整體而言採取薄利之定價策略致令本集團於本年的邊際毛利維持於約 57%（二零零二年：57%）。

**REVIEW OF OPERATIONS** (Continued)**Other Revenue**

Other revenue mainly represented value added tax refunds in respect of distributing the Group's self-developed software which was maintained at a level comparable to that of previous year.

Distribution Expenses

During the year, distribution expense increased by approximately 11% to RMB3.4 million, principally due to the inflationary adjustments and mild increase in headcounts of our marketing team.

General and Administrative Expenses

Taken into accounts the increased administrative overheads in relation to the Group's continuing listing obligations and the prudent provisioning for bad debt, the general and administrative expenses was kept at a level commensurate with the business activities.

Product Developments

During the year, the Group had increased its investments in product development by approximately 27%, mainly incurred on the Group's Customer Relationship Management, Securities Investment Management and other softwares work-in-progress.

To strength the Group's research, development and implementation capacities, the Group has recruited and engaged more talents especially the second half year of 2003.

業務回顧 (續)**其他收益**

其他收益主要為分銷本集團自行開發之軟件的增值稅退稅。有關收益與去年相若。

分銷開支

年內，分銷開支增加約11%至人民幣3,400,000元，主要由於因通漲而費用有所增加及本集團市場推廣隊伍員工數目微增所致。

一般及行政開支

除由於本集團履行持續上市責任而產生之額外行政費用以及作出審慎的壞賬撥備外，一般及行政開支維持於與本集團業務成正比的水平。

產品開發

年內，本集團之產品開發投資增加約27%，主要源自其客戶關係管理、證券投資管理及其他開發中軟件。

本集團於二零零三年下半年陸續增聘更多相關專才以加強本集團於研究、開發及產品實施等方面之綜合能力。



REVIEW OF OPERATIONS (Continued)

Given the highly-dynamic and volatile nature of the securities information technology business, conscious review is conducted, on an on-going basis, on the Group's development projects. During the year, in view of the lingering uncertain market condition, the Group has deferred certain non-core projects with lower priority or with increasingly uncertain business prospects but concentrated its efforts in other products with tremendous market potentials. Resumption of the said deferred non-core projects will depend on the market condition.

Details of the change in the product development plan was discussed under the sub-section headed "Comparison of Business Objectives with Actual Business Progress".

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

Through a placement of 118,250,000 new ordinary shares to investors, the Group's shares were successfully listed on the GEM on 12th August 2003. Up to the date of this report, there has been no change in the capital structure of the Company since then.

Net proceeds of the placement, after deducting for relevant expenses, amounted to approximately HK\$25.2 million. Details of the utilization of proceeds up to 31st December 2003 were summarized in the sub-section headed "Comparison of Use of Proceeds". During the year, apart from utilization of proceeds above-mentioned, the Group financed its operations and investing activities principally through internally generated cash flows.

業務回顧 (續)

由於證券資訊科技業務瞬息萬變，故本集團須經常就其擬開發的項目進行檢討。年內，鑑於市場持續出現不明朗因素，故本集團押後若干較次要或業務前景不明朗的非核心項目並集中開發其他具龐大市場潛力之產品。此外，日後本集團將因應當時市況再決定是否恢復開發前述的非核心項目。

有關產品開發計劃變動詳情載於「業務目標與實際業務進展之比較」分節。

資本結構、流動資金及財務資源

本集團透過向投資者配售118,250,000股新普通股成功於二零零三年八月十二日在創業板上市。截至本報告日期，本公司之資本結構並無任何變動。

配售所得款項於扣除相關開支後約為25,200,000港元。有關本集團截至二零零三年十二月三十一日所動用之所得款項詳情概述於「所得款項用途比較」分節。年內，本集團除動用上述所得款項外，主要以內部所得現金流量應付業務及投資活動所需。

**CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES** (Continued)

Despite the difficult operating environment in its sectors, the Group's health financial profile were further strengthened upon the completion of its initial public offering whereas, as at 31st December 2003, the Group had net assets of approximately RMB49 million, including total cash, bank and deposit balances of approximately RMB40 million. To mitigate financial risk, the Group has implemented disciplined financial and risk managements with minimum use of highly-g geared financial arrangements. The Group's gearing ratio, as calculated by taking the ratio of the Group's total external borrowings, divided by its shareholders fund, was zero. Further, the Group had not charged on any of its assets as at 31st December 2003.

Taking into consideration of the existing financial resources available to the Group, it is anticipated that the Group should have adequate financial resources to meet its ongoing operating commitments, which are principally in respect of its investments in product developments and technology, from its existing financial resources and cashflows generated from its operation.

ACQUISITIONS AND DISPOSALS OF CAPITAL INVESTMENTS

Since the Listing of the Company's shares on GEM on 12th August 2003 and up to the date of this report, the Group has not entered into any material transactions or significant investment which are classified as notifiable transactions as defined under Chapter 19 of the GEM Listing Rules.

For other acquisitions of the Group, please refer to note 34 and note 35(a) to the financial statements.

資本結構、流動資金及財務資源 (續)

儘管業內經營環境艱難，惟本集團穩健的財政狀況因年內完成首次公開發售而得以進一步鞏固。於二零零三年十二月三十一日，本集團的資產淨值約人民幣49,000,000元，其中包括現金、銀行及存款結存約人民幣40,000,000元。本集團為減低其財務風險，採取謹慎的財務及風險管理策略，盡量減少使用高負債比率之融資安排。故此，本集團之資本與負債比率（按本集團對外借貸總額除以其股東資金計算）為零。此外，本集團於二零零三年十二月三十一日並無抵押其任何資產。

經計及本集團現有財務資源後，預計本集團以其現有財務資源及營運所得現金流量將足以應付其持續經營業務所需（主要用於日後產品開發及技術方面的投資）。

收購及出售資本投資

自本公司股份於二零零三年八月十二日在創業板上市起至本報告日期期間，本集團並無訂立任何根據創業板上市規則第19章所界定為須予披露之重要交易或投資事項。

有關本集團的其他收購，請參閱財務報表附註34及35(a)。



FOREIGN EXCHANGE EXPOSURE

Most of the Group's operating transactions, assets and liabilities are primarily denominated in either Renminbi or Hong Kong dollar, the Directors believes that Renminbi will remain relatively stable against Hong Kong dollar in the foreseeable future and considered the Group's present exposure to exchange risk is relatively minimal. Currently, no financial arrangements have been implemented for hedging purpose. Nevertheless, the Directors will, from time to time, closely monitor and reassess the exchange risk exposures of the Group and will enter into non-speculative hedging arrangements as required.

SEGMENTAL INFORMATION

Segmental information of the Group was disclosed in note 13 to the financial statements.

EMPLOYEES

As a software solution provider, people are our most valuable assets. Accordingly, the human resources framework are one of the Group's critical policies with utmost strategic importance.

The Group is a "people-oriented" and "equal opportunity" employer whereas its staff selection and promotion process will only be determined with reference to employees' own merits and their suitability for the positions offered.

Employee remuneration include basic salaries and benefits-in-kind such as medical and insurance coverage, retirement benefits scheme, and other discretionary incentives etc..

Employee remuneration is maintained at market competitive level and will be regularly reviewed within the general framework of the Group's human resources system. Reward policy are basically determined by individual performance as well as financial results of the Group, Reward adjustment will be made from time to time when staff performances are warranted.

外匯風險

本集團之主要業務交易、資產及負債皆以人民幣或港元支付結算。董事相信，於可見未來人民幣兌港元之匯率仍將維持相對穩定水平，故本集團目前之整體外匯風險相對甚微。故此，本集團目前並無採取任何對沖外匯風險的財務措施。然而，董事將不時密切監督及評估本集團的外匯風險水平，在需要時將訂立非投機性的對沖風險安排。

分部資料

本集團之分部資料於財務報表附註13披露。

僱員

本集團作為一家軟件解決方案供應商，人才是我們最寶貴的資產。因此，本集團視其人力資源架構為策略上最重要政策之一。

本集團為實行「以人為本」及「平等機會」管理政策的僱主。本集團在考慮選拔及晉升僱員時，只會考慮僱員本身的能力及其履行職責方面時的稱職程度等因素。

僱員薪酬包括基本薪金及其他實物利益，如醫療與保險計劃、退休福利計劃及其他酌情獎賞。

僱員薪酬定於具市場競爭力之水平，並按本集團人力資源體制內之既定架構定期檢討。薪酬政策主要按員工個別表現及本集團整體財務業績釐定，而報酬將於僱員有理想表現時不時作出適當調整。

**EMPLOYEES** (Continued)

To recognize the contributions and encouraging initiatives and commitment of its staff, the Group has also established a share option scheme. While detailed share option granting proposals are currently under consideration, none of the share option has been granted during the year ended 31st December 2003.

Apart from the said tangible rewards, the Group will, on an ongoing basis, provides professional development and trainings to its employees to ensure its workforces always keep abreast with up-to-date professional knowledge, competences and sharing the same corporate vision of the Group.

As at 31st December 2003, the Group employed a total staff of 161. Staff cost, including directors' emoluments, was approximately RMB9.5 million for the year ended 31st December 2003.

COMPARISON OF USE OF PROCEEDS

There has been no change in principal business objectives of the Group since the time that the Group's IPO Prospectus was prepared. However, as mentioned in the IPO Prospectus, both the domestic securities and information technology industries in China are dynamic and fast-changing, with new policies, regulations, products and business emerging constantly. In response to the changing market conditions, the Group has strategically refined its implementation plan and has taken a more conservative tact in implementing its business plans than originally planned and amended and postponed certain sizeable development projects and strategic deployments accordingly as it was considered to be in the best interests of the Group and its shareholders as a whole.

For details in relation to the changes in execution plan, please refer to the subsection headed "Comparison of Business Objectives with Actual Business Progress" of this section.

僱員 (續)

本集團設有購股權計劃以表揚員工所作貢獻，並同時透過此計劃以增強員工的積極性及對本集團的投入感，現時，本集團正在詳細考慮其向員工授出購股權具體細節，故截至二零零三年十二月三十一日止年度尚未授出任何購股權。

除上述有形報酬外，本集團亦為其員工提供持續專業進修與培訓機會，確保其員工在經常與本集團擁有相同企業信念的同時，能掌握業務所需的最新專業知識及技能。

於二零零三年十二月三十一日，本集團僱有合共161名僱員。截至二零零三年十二月三十一日止年度，員工成本（包括董事酬金）約為人民幣9,500,000元。

所得款項用途比較

自編製本集團之招股章程以來，本集團之主要業務並無任何重大變動。然而，誠如招股章程所載，中國國內證券及資訊科技行業發展迅速且瞬息萬變，不斷推出新的政策、法規、產品以至業務。本集團因應不斷轉變的市況已修訂其業務推行計劃，採取較先前計劃者更為謹慎的策略，調整及押後進行若干項具一定規模的發展項目及策略性部署，以最大程度上符合本集團及其股東整體的最佳利益。

有關推行計劃之變動詳情，請參閱本節內的「業務目標與實際業務進展之比較」分節。

COMPARISON OF USE OF PROCEEDS (Continued)

所得款項用途比較 (續)

Since the listing of the Group and subject to the modifications and refinements in implementing its business plan above-mentioned, the net proceeds raised from the placing on 12th August 2003 had been applied to achieve the business objectives as set out in the IPO Prospectus of the Group and are utilized up to 31st December 2003 as detailed below:

本集團於二零零三年八月十二日進行配售集資所得款項淨額(除由於上述就原有實施計劃作出的相應修訂及細調的情況外)已撥作達致本集團之招股章程內所載業務目標之用途。於上市後截至二零零三年十二月三十一日已動用之實際金額詳情載列如下:

(expressed in HK\$ thousand dollar)

(以千港元列值)

		Use of proceeds as stated in the IPO Prospectus 招股章程所載所得款項用途	Actual amount utilized up to 31st December 2003 截至二零零三年十二月三十一日已動用之實際金額
Product Developments	產品開發		
<i>Enhancing existing product-line</i>	提升現有產品線	3,000	570
<i>New products development and subsequent updates</i>	開發新產品及其日後升級版本		
Customer Relationship Management/ Investor Relationship Management	客戶關係管理/ 投資者關係管理	3,660	860
Centralized Securities Processing Platform	證券集中交易 平台	4,380	-
Integrated investment management and business support solutions <i>Including:</i>	綜合投資管理及 業務支援解決方案 包括:		
(1) Collaborative Work Platform and Office Automation	(1) 協同工作平台及 辦公室自動化	2,730	120
(2) Securities Investment Management System	(2) 證券投資 管理系統	2,650	1,214
(3) Business and Management Platform for Fund Institutions	(3) 基金公司業務 及管理平台	2,360	286
(4) Business Support Platform for Securities Industry	(4) 證券業業務 支援平台	1,120	-
Establish Regional Sales Offices and Servicing Centres	成立地區銷售辦事處及客戶中心	3,000	-
Brand Building and Marketing	品牌建立及市場推廣	3,600	720
		<u>26,500</u>	<u>3,770</u>

**COMPARISON OF USE OF PROCEEDS** (Continued)

Unused net proceeds of approximately HK\$21.4 million have been placed with licenced banks in Hong Kong and the PRC, and would be applied to achieve objectives as stated in the IPO Prospectus on a long-term basis.

In the future, to the extent that the net proceeds are not immediately used, the Group may deposit the same into financial institutions or engage in highly-liquid, short-term investments to optimise returns for its shareholders on a risk-controlled basis.

所得款項用途比較 (續)

尚未動用的所得款項淨額(約21,400,000港元)現時分別存於香港及國內的持牌銀行,並將用於達致招股章程所載長遠目標之用途。

本集團日後可能將毋須即時動用之所得款項淨額,存放於財務機構或購入高度流通的短期投資,以謹慎控制風險的方式為股東增值。



COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS **業務目標與實際業務進展之比較**

**Objectives as stated
in the IPO Prospectus**
招股章程
所載業務目標

**Actual business progress
in respect of the year
ended 31st December 2003**
截至二零零三年十二月三十一日
止年度之實際業務進展

PRODUCT DEVELOPMENTS AND MARKETING

產品開發及市場推廣

<p>Existing clearing products 現有結算產品</p>	<p>Continuous review and perform market analysis. For selected products with market potentials, perform research, testing and development for new system features 就有關產品系列進行持續檢討及市場分析。就部分具市場潛力產品進行進一步研究、測試及開發新系統功能</p> <p>Continuous research & development for customers 繼續為客戶進行研發</p> <p>Promotion of the E-SIM system 推廣新意證券綜合管理平台系統</p>	<p>In conformity with its overall strategic plan of maintaining its predominance in the securities clearing product segment, the Group continued, in stages, to invest heavily to enhance its existing “flagship product”, the security cleaning solution, and completed the development of certain new modular client sub-systems of E-SIM, including “Bank-Securities Cross-sector Fund Management Module” and “C&S Data Backup Module” ahead of schedule and initiated an early product delivery. 為配合本集團保持其於證券結算產品領域領導優勢之整體策略，本集團繼續分階段投入大量資源，不斷提升證券結算解決方案之「核心產品」功能，於期間本集團完成「新意證券綜合管理平台」部分新增子系統的開發工作，其中包括「銀證資金往來管理系統」及「清算備份系統」，該等開發工作較原有預計的時間表提前完成並推出市場。</p>
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COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS 業務目標與實際業務進展之比較 (續)
(Continued)

Objectives as stated
in the IPO Prospectus
招股章程
所載業務目標

Actual business progress
in respect of the year
ended 31st December 2003
截至二零零三年十二月三十一日
止年度之實際業務進展

PRODUCT DEVELOPMENTS AND MARKETING

產品開發及市場推廣

<p>Customer Relationship Management/Investor Relationship Management (“CRM/IRM”) 客戶關係管理／投資者關係管理 (「客戶關係管理／投資者關係管理」)</p>	<p>Introduce and promote the basic modules of the securities CRM/IRM 推出及推廣證券客戶關係管理／投資者關係管理之基本模塊</p>	<p>Completed system development of certain elementary client sub-systems of CRM, including “Sales and Marketing Management Module”, “VIP and Premier Customer Management Module”, “Intelligent Reporting”, “Centralized Transaction Risk Management & Audit”, “Analytical Module for Decision Support” etc, which collectively formed the basic modules of CRM for securities brokerage business. 完成客戶關係管理之若干基本客戶子系統的系統開發工作，包括「營銷管理系統」、「大客戶管理系統」、「智能報表系統」、「中央監控與稽核系統」、「分析／管理決策系統」等。上述系統將成為新意證券行業客戶關係管理系統的部分基本模塊。</p>
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COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS (Continued) **業務目標與實際業務進展之比較** (續)

**Objectives as stated
in the IPO Prospectus**
招股章程
所載業務目標

**Actual business progress
in respect of the year
ended 31st December 2003**
截至二零零三年十二月三十一日
止年度之實際業務進展

PRODUCT DEVELOPMENTS AND MARKETING

產品開發及市場推廣

<p>Integrated Investment Management and business support solution 綜合投資管理及業務支援解決方案</p>	<p>Collaborative Work Platform and Office Automation 協同工作平台及辦公室自動化</p>	<ol style="list-style-type: none"> 1. Completion of the skeleton design of Collaborative Work Platform and Office Automation framework 完成協同工作平台及辦公室自動化之框架設計 2. Research & development, testing and finalization of the basic modules of the Collaborative Work Platform and Office Automation 研發、測試及完成協同工作平台及辦公室自動化之基本模塊 	<p>In concert with the marketability re-assessment in light of changing market sentiment, the Group considered the market potential for this product line became increasingly uncertain and therefore, cautiously, did not committed as much financial and human resources as originally planned and is currently conducting smaller-scaled development, thus slowing down the overall commercialization and development of this Solution. 本集團因應市場氣氛轉變重新評估此項目的市場。鑑於本集團認為此產品現時之市場潛力越趨不明朗，因此決定謹慎地暫時投入較原計劃為少的財務及人力資源，先以較小規模方式進行投入開發，整體地推遲開發及推售該解決方案。</p>
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COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS (Continued) **業務目標與實際業務進展之比較** (續)

		Objectives as stated in the IPO Prospectus 招股章程 所載業務目標	Actual business progress in respect of the year ended 31st December 2003 截至二零零三年十二月三十一日 止年度之實際業務進展
PRODUCT DEVELOPMENTS AND MARKETING 產品開發及市場推廣			
Integrated Investment Management and business support solution 綜合投資管理及業務支援解決方案	Securities Investment Management System 證券投資管理系統	Research, testing and development for system features 研究、測試及開發系統功能	The Group has accelerated the research and development of this project by committing more financial and human resources on this product, currently the Group has completed the pre-research review and detailed design of this product during the period under review. The development of this project is currently under the programming stage. 本集團已透過於該產品投放更多財務及人力資源，加速項目研發進程。於回顧期內，本集團已完成產品研究前期調研及詳細設計工作，現已進入程式編寫階段。
	Business and Management Platform for Fund Institutions 基金公司業務及管理平台	Research & development, testing and finalization of the basic modules of the Business and Management Platform for open-ended funds by stages 分階段研發、測試及完成開放式基金業務及管理平台之基本模塊	Expedited the system development for this product line which is, at the initial stage, targeting the clearing, custody and settlement of domestic Open-end Investment Funds in China. During the year, the Group has completed the development of “Clearing, Custody and Settlement Module” and “Valuation Module” of this product series. 已於期間完成開發針對國內開放式投資基金的結算、存管及交付流程的解決方案，作為推出「綜合投資管理及業務支援解決方案」此嶄新產品系列的首階段切入點。年內，本集團已完成開發該產品系列之「基金登記存管結算系統」及「基金估值系統」。



COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS (Continued) **業務目標與實際業務進展之比較 (續)**

**Objectives as stated
in the IPO Prospectus**
招股章程
所載業務目標

**Actual business progress
in respect of the year
ended 31st December 2003**
截至二零零三年十二月三十一日
止年度之實際業務進展

STRATEGIC COOPERATION

策略性合作

1. Identify and evaluate potential strategic cooperation opportunities;
物色及評估潛在策略性合作機會
2. Invest in selected strategic cooperation opportunities as well as participate and consolidate the management of related projects
投資經選定之策略性合作商機，並參與綜合有關項目之管理事宜

The Group continued to explore the possibility of strategic investment which will lead to synergistic effect to the Group. However, as of the date of this report, the Group does not have any target investment.
本集團繼續物色能為本集團帶來協同效益的策略性投資機會。然而，截至本報告日期，本集團並無任何目標投資對象。

As an on-going business development practise, the Group has conducted in-depth contacts and serious discussions with a wide range of business partners and world-renowned solution provider, including Microsoft® Corporation, for possible strategic business alliance or cooperation opportunities.

就持續發展業務，本集團亦與多名業務夥伴和全球知名的解決方案供應商（包括微軟®集團）就組成策略商業聯盟或其他合作機會，進行深入接觸和詳盡討論。



COMPARISON OF BUSINESS OBJECTIVES WITH 業務目標與實際業務進展之比較 (續)
ACTUAL BUSINESS PROGRESS (Continued)

Objectives as stated in the IPO Prospectus 招股章程 所載業務目標	Actual business progress in respect of the year ended 31st December 2003 截至二零零三年十二月三十一日 止年度之實際業務進展
ESTABLISH REGIONAL SALES OFFICES AND SERVICING CENTRES 成立地區銷售辦事處及客戶中心	
<ol style="list-style-type: none"> 1. Identify and evaluate the setting up of regional sales offices and service centres in different provinces and cities 物色及評估於不同省市成立地區銷售辦事處及客戶中心 2. Establish selected regional sales offices and/or service centres 於選定地點成立地區銷售辦事處及／或客戶中心 	<p>The Group had planned to explore possible location to set up additional sales offices and servicing centres. However, the Group has adopted an increasingly punctilious attitude towards any capital investment plans thereof as, during the year under review, many nation-wide brokerage firms were under corporate restructuring process and postponed their information technology investment plan, accordingly, the Group slowed down its plan to set up new sales offices and service centres.</p> <p>本集團曾計劃物色合適地點成立更多銷售辦事處及客戶中心。然而，因為於回顧年度期間，許多全國性證券機構均進行企業重組，並押後其於信息科技方面的投資計劃。有見及此，本集團對任何資本投資計劃採取更為審慎的態度，並擬暫緩成立新的地區銷售辦事處及客戶中心。</p>



EXECUTIVE DIRECTORS

Ms. Gu Yun, age 52, one of the Group's founders, is the Chairperson of the Company. Ms. Gu graduated from the Xiamen University in 1985 majoring in finance in the Department of Finance and Banking. She joined the Group in December 1997 and assumes responsibility for strategic planning and business development of the Group. Before joining the Group, Ms. Gu worked in the Fujian Branch of the People's Bank of China from 1976 to 1992 and had been a vice general manager in Fujian Securities Trading Centre. Ms. Gu has good and extensive business connections and has a broad range of experiences in the domestic securities and banking industries dating back to 1980s. Ms. Gu is also the compliance officer of the Company.

Mr. Qiu Yixin, age 44, one of the Group's founders, is the vice-chairman of the Company. He is also the chairman of Shanghai Shine Science and Xinwangluo, the operational arms of the Group in Shanghai. Mr. Qiu is responsible for corporate planning and management of the Group's operation in Shanghai. He has over 20 years of experience in technology application and corporate management, especially in the fields of market planning and information technology application in securities and banking sectors. He worked for the Science and Technology Department of Fujian Branch of the People's Bank of China from 1989 to 1993 and for Fujian Securities Trading Centre as the manager of its computer department from 1994 to 1999. Mr. Qiu graduated in 1983 from the Fujian Broadcasting Television University, majoring in electronics.

執行董事

顧雲女士·52歲·本集團創辦人之一兼本公司主席。顧女士於一九八五年在廈門大學畢業，在財政金融系主修金融科。自一九九七年十二月加入本集團以來一直負責本集團之全部策略規劃與業務發展。加入本集團前，顧女士曾於一九七六年至一九九二年期間在中國人民銀行福建分行任職，並曾任福建證券交易中心副總經理。顧女士擁有豐富及廣泛業務聯繫，自八零年代開始已在國內證券及銀行業積累深厚經驗。顧女士並為本公司監察主任。

邱一心先生·44歲·本集團創辦人之一兼本公司副主席，亦為本集團在上海之業務部門上海新意和新意新網絡之董事長。邱先生負責本集團上海業務之企業規劃及管理工作，且擁有逾20年之技術應用與公司管理經驗，特別是對市場規劃及信息技術在證券及銀行業之應用十分熟悉。邱先生曾於一九八九年至一九九三年期間在中國人民銀行福建分行科技處任職及於一九九四年至一九九九年期間在福建證券交易中心電腦部擔任經理。邱先生於一九八三年在福建廣播電視大學畢業，主修電子學。

**EXECUTIVE DIRECTORS** (Continued)

Mr. Chen Yunrong, age 40, is the chief executive officer of the Company. Since joining the Group in February 2002, Mr. Chen has been responsible for the daily operation and management of the Group. Before joining the Company, Mr. Chen worked in the Fujian Branch of the PBOC from 1984 to 1988 and later became the deputy president of Minfa Securities Company Limited responsible for computerization and information technology research and application. He has over 19 years of experience and hand-on knowledge of China's financial and securities industries, especially in the fields of corporate management and applications of information technology. Mr. Chen obtained a bachelor's degree in economics from Xiamen University in 1984, and was awarded a master's degree in business administration from the Asia International Open University (Macau) in 2000.

Mr. Ye Jinxing, age 36, is a senior economist. Mr. Ye joined the Group in October 2000 and has been in charge of the Group's overall financial management, strategic capital planning and treasury functions of the Group. Mr. Ye previously held various managerial positions at the Quanzhou City Branch of Industrial and Commercial Bank of China in Fujian Province from 1990 to 1994 and Minfa Securities Company Limited from 1994 to 1999. Mr. Ye has over 13 years of experience and in-depth knowledge in domestic banking, capital and money markets. Mr. Ye was awarded a bachelor's degree in economics from the Jiangxi College of Finance and Economics in 1990.

執行董事 (續)

陳芸榕先生，40歲，本公司行政總裁。陳先生自二零零二年二月加入本集團以來一直負責本集團之日常營運管理工作。加入本公司前，陳先生曾於一九八四年至一九八八年期間在人民銀行福建分行任職，並曾任福建省閩發證券有限責任公司副總裁，主管電腦工程以及信息技術研究與應用。陳先生於中國金融及證券業有逾19年經驗及實際知識，特別在企業管理及信息技術應用方面。陳先生在一九八四年於廈門大學取得經濟學學士學位，其後於二零零零年在亞洲（澳門）國際公開大學取得工商管理碩士學位。

葉金興先生，36歲，高級經濟師。葉先生自二零零零年十月加入本集團以來一直負責本集團整體財務管理、策略性資本規劃及司庫職能。葉先生曾分別於一九九零年至一九九四年期間及一九九四年至一九九九年期間在中國工商銀行福建省泉州市分行及福建省閩發證券有限責任公司出任多個管理職位。葉先生對國內銀行、資本及貨幣市場有逾13年之經驗及深厚知識。葉先生於一九九零年取得江西財經學院經濟學學士學位。

**EXECUTIVE DIRECTORS** (Continued)

Ms. Li Xiaoyuan, age 41, is one of the Group's founders and a senior engineer. Before joining the Group, Ms. Li served as deputy general manager for the computer department of Fujian Securities Trading Centre from 1993 to 1999. Since joining the Group in December 1997, Ms. Li has assumed responsibility for the Group's strategic technological development and project management and led the Group in successfully developing many marketable and innovative solutions. Ms. Li obtained a bachelor's degree from the Nanjing Communications Engineering Institute in 1984.

Mr. Jiang Yulai, age 34, is the chief information officer of the Group. Mr. Jiang formerly worked for the computer department of Fujian Securities Trading Centre from 1994 to 1998. Mr. Jiang joined the Group in December 1997 and is responsible for the research and development of the Group's pilot products. Mr. Jiang has extensive experiences in procedural and information flows of domestic securities business as well as in industrial information technology solution exploitation. He obtained his bachelor's degree from computer engineering and science department of the Tianjin University in 1991.

NON-EXECUTIVE DIRECTOR

Mr. Chen Qun, age 48, formerly worked for the Fujian Branch of the People's Bank of China (1985–1990) and is the general manager of the Computer Centre of Minfa Securities Company Limited. Mr. Chen has over 15 years' experience in the corporate management, product implementation and related technical services for domestic securities industry. Mr. Chen obtained a master degree in business administration from the Asia International Open University (Macau) in 2000. Mr. Chen joined the Board in August 2002.

執行董事 (續)

李小元女士·41歲·本集團創辦人之一兼高級工程師。加入本集團前·李女士曾於一九九三年至一九九九年期間在福建證券交易中心電腦部出任副總經理。李女士於一九九七年十二月加入本集團以來一直負責本集團之策略性技術開發和項目管理方面之工作·並帶領本集團成功開發多項暢銷而創新之解決方案。李女士於一九八四年取得南京通信工程學院頒發之學士學位。

江育來先生·34歲·本集團之信息主管。江先生先於一九九四年至一九九八年期間在福建證券交易中心電腦部工作。江先生於一九九七年十二月加入本集團以來一直負責本集團之試驗性產品之研發工作。江先生對國內證券業務之流程及信息流向以及業內信息技術解決方案之開發方面擁有廣泛經驗。江先生於一九九一年取得天津大學計算機工程與科學系之學士學位。

非執行董事

陳群先生·48歲·曾於一九八五年至一九九零年期間在中國人民銀行福建分行工作·現時為閩發證券有限責任公司電腦中心之總經理。陳先生在國內證券業之企業管理、產品實施及相關技術服務方面擁有逾15年之經驗。陳先生於二零零零年在亞洲(澳門)國際公開大學取得工商管理碩士學位。陳先生在二零零二年八月加入董事會。

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

Mr. Choy Tak Ho, age 75, has over 40 years of experience in international trading business in Hong Kong. He is the director of Union International (HK) Company Limited and also acts as independent non-executive director of 5 main board-listed companies, namely, Sino Golf Holdings Limited, Ocean Grand Holdings Limited, Yanion International Holdings Limited, Oriental Explorer Holdings Limited and Multifield International Holdings Limited. Mr. Choy was member of the 8th and 9th National Committee of the Chinese People's Political Consultation Conference, of the Selection Committee of the first Government of the Hong Kong Special Administrative Region and is also the Honourable Life Chairman of the Chinese General Chamber of Commerce H.K. and an executive committee member of the Chinese Manufacturers' Association of Hong Kong. Mr. Choy joined the Board in September 2002.

Mr. Liu Bo, age 47, is a professor of Shanghai University of Finance and Economics. He was previously the vice general manager of Shanghai Stock Exchange and the chairman of China Southern Securities Co. Ltd. and China Southern Fund Management Co. Ltd. Mr. Liu is now the chairman of the Special Committee of the Investment Fund Industry of the Securities Association of China. Mr. Liu joined the Board in September 2002.

OTHER SENIOR MANAGEMENT

Mr. Duan Jianlin, aged 43, is the business development controller of the Group. He has been responsible for the sales and marketing management of the Group since he joined the Group in September 2003. After his graduation from the Xian University of Technology in 1982, Mr. Duan held various senior positions in some domestic securities institutions responsible for their information technology functions and has over 20 years of experiences in business development and information technology business.

獨立非執行董事

蔡德河先生·75歲·在香港擁有逾40年國際貿易業務經驗·分別為聯合國際(香港)有限公司之董事。彼目前同時為五間主板上市公司之獨立非執行董事·該等上市公司包括順龍控股有限公司·海城集團有限公司·益安國際集團有限公司·東方網庫控股有限公司及萬事昌國際控股有限公司。蔡先生並曾先後擔任第八屆及第九屆中華人民共和國全國政協委員·香港特別行政區第一屆政府推選委員會委員·彼亦是香港中華總商會永遠名譽會長及香港中華廠商聯合會常務會董。蔡先生於二零零二年九月加入董事會。

劉波先生·47歲·上海財經大學教授·曾任中國上海證券交易所副總經理·南方證券有限公司及中國南方資金管理有限公司之董事長。劉先生現為中國證券業協會轄下證券投資基金業委員會之主任。彼於二零零二年九月加入董事會。

其他高級管理層

段建寧先生·43歲·本集團銷售總監。彼於二零零三年九月加入本集團以來一直負責本集團銷售及市場管理工作。段先生於一九八二年在西安理工大學畢業後·曾於當地多家證券機構出任多個高級職位·主管信息技術範疇。彼於業務開發及資訊科技業務方面積累逾20年經驗。

**OTHER SENIOR MANAGEMENT** (Continued)

Mr. Lin Wei, aged 40, is the Chief Technological Officer of the Group. Mr. Lin was awarded the Doctor of Philosophy in Management by the Huazhong University of Science & Technology. Before joining the Group in August 2003, Mr. Lin held various key positions in some renowned information technology companies in PRC.

Mr. Cheng Yun Ming, Matthew, age 34, is the company secretary, Qualified Accountant and one of the compliance officers of the Company. He was awarded a Bachelor of Arts degree in Accountancy from the Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnics) in 1992. Mr. Cheng is a certified public accountant in Hong Kong. Mr. Cheng acted as the group financial controller and company secretary of China Everbright Technology Limited. Prior to joining the Group in November 2002, he was the group financial controller of a wireless data telecommunication carrier in the PRC.

其他高級管理層 (續)

林偉先生·40歲·本集團技術總監。林先生獲華中科技大學頒發管理學博士。於二零零三年八月加入本集團前·林先生曾於中國多家著名信息技術公司出任多個重要職位。

鄭潤明先生·34歲·本公司之公司秘書、合資格會計師兼監察主任之一。彼於一九九二年取得香港理工大學(前稱香港理工學院)會計學文學士學位。鄭先生為香港執業會計師·曾出任中國光大科技有限公司集團財務總監兼公司秘書。於二零零二年十一月加入本集團之前·彼曾出任一家中國無線數據通訊營運商之集團財務總監。



The directors present their annual report and the audited consolidated financial statements of the Group (comprising the Company and its subsidiaries) for the year ended 31st December 2003.

GROUP REORGANIZATION

The Company was incorporated in Cayman Islands on 15th July 2002 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Pursuant to a group reorganization (the "Reorganization") to rationalize the group structure in preparation for the listing of the Company's shares on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Exchange"), the Company became the holding company of the Group upon completion of the Reorganization on 28th July 2003 and, through a placement of 118,250,000 new shares (the "Placing") of the Company, the Company's shares were initially listed on GEM on 12th August 2003 (the "Listing"). Further details of the Reorganization are set out in the Company's prospectus dated 4th August 2003 (the "IPO Prospectus"). The Group resulting from the Reorganization, is regarded as a continuing entity for accounting purpose.

The financial results of the Group include the results of the Company and its subsidiaries and have been prepared using the merger basis of accounting as a result of the Reorganization. On this basis, the Company had been treated as the holding company of its subsidiaries since their respective dates of incorporation. The basis of preparation for the results is set out in note 1(b) to the financial statements.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 17 to the financial statements.

董事會謹此提呈本集團（包括本公司及其附屬公司）截至二零零三年十二月三十一日止年度之年報及經審核綜合財務報表。

集團重組

本公司於二零零二年七月十五日根據開曼群島公司法例在開曼群島註冊成立為獲豁免有限公司。為精簡集團架構以籌備本公司股份於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市而進行集團重組（「集團重組」），透過配售本公司118,250,000股新股份（「配售」）於二零零三年七月二十八日完成重組，本公司繼而成為本集團之控股公司，其股份於二零零三年八月十二日初次在創業板上市（「上市」）。有關重組詳情載於本公司日期為二零零三年八月四日之招股章程（「招股章程」）。進行重組後，本集團就會計目的被視為持續經營實體。

本集團之財務業績（包括本公司及其附屬公司之業績）於重組後以合併會計基準編製。按此基準而言，本公司被視為自其附屬公司各自註冊成立日期起其附屬公司之控股公司。編製業績之基準載於財務報表附註1(b)。

主要業務

本公司為投資控股公司。其附屬公司之主要業務載於財務報表附註17。



RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2003 are set out in the consolidated income statement on page 58.

The directors of the Company recommend the payment of a dividend of HK\$0.34 cents per share (equivalent to approximately RMB0.36 cents per share) for the year.

SHARE CAPITAL AND RESERVES

Details of the movements in share capital of the Company during the year are set out in note 29 to the financial statements.

Movements in the reserves of the Group and the Company during the year are set out in note 30 to the financial statements respectively.

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in note 14(a) to the financial statements.

DIRECTORS

The directors of the Company who held office during the year and up to the date of this report were:

Executive directors:

Ms. Gu Yun – *Chairperson*
Mr. Qiu Yixin – *Vice chairman*
Mr. Chen Yunrong – *Chief Executive Officer*
Mr. Ye Jinxing
Ms. Li Xiaoyuan
Mr. Jiang Yulai

業績及分派

本集團截至二零零三年十二月三十一日止年度之業績載於第58頁的綜合收益。

本公司董事建議就本年度派付股息每股港元0.34仙，約相當於每股人民幣0.36分。

股本及儲備

本公司於年內之股本變動詳情載於財務報表附註29。

本集團及本公司於年內之儲備變動分別載於財務報表附註30。

固定資產

有關本集團之固定資產變動詳情載於財務報表附註14(a)。

董事

本公司於年內至本報告日期期間之在任董事如下：

執行董事：

顧雲女士 – 主席
邱一心先生 – 副主席
陳芸榕先生 – 行政總裁
葉金興先生
李小元女士
江育來先生

**DIRECTORS** (Continued)**Independent non-executive directors:**

Mr. Choy Tak Ho

Mr. Liu Bo

Non-Executive director:

Mr. Chen Qun

In accordance with article 87 of the Company's articles of association, Mr. Chen Qun and Ms. Li Xiaoyuan will retire at the forthcoming annual general meeting and, being eligible, offers themselves for re-election. All other directors continue to remain in office.

Biographical information of directors is set out on page 34 to page 38 of this report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors, namely Ms. Gu Yun, Mr. Qiu Yixin, Mr. Chen Yunrong, Mr. Jiang Yulai, Ms. Li Xiaoyuan and Mr. Ye Jinxing has entered into a service agreement with the Company for a term of 3 years commencing from 12th August 2003. Such agreement may, during the term, be terminated by either party giving to the other not less than 3 months' written notice.

Save as disclosed above, none of the directors or any company controlled by the directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事 (續)**獨立非執行董事:**

蔡德河先生

劉波先生

非執行董事:

陳群先生

根據本公司之公司組織章程細則第87條，陳群先生及李小元女士將於應屆股東週年大會告退，惟彼等合資格膺選連任。所有其他董事則將繼續留任。

有關董事履歷資料載於本報告的第34至38頁。

董事服務合約

各執行董事顧雲女士、邱一心先生、陳芸榕先生、江育來先生、李小元女士及葉金興先生已分別與本公司訂立服務協議，年期由二零零三年八月十二日起，為期三年。該協議可於生效期內的任何時間由任何一方對對方發出不少於三個月書面通知的情況下予以終止。

除上文披露者外，董事或任何由董事控制的公司概無與本公司或其任何附屬公司訂立任何本集團不可於一年內不作賠償（法定賠償除外）而終止之服務合約。

**DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

Saved as disclosed above:

- (i) there was no transaction which need to be disclosed as connected transactions in accordance with the requirements of Chapter 20 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules"); and
- (ii) no contract of significance in relation to the Group's business subsisted at the year-end or any time during the year to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly.

COMPETING INTERESTS

None of the Directors or the management shareholders or any of their respective associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which causes or may cause any significant competition with the business of the Group.

董事於重大合約之權益

除上文披露者外:

- (i) 本公司概無進行任何須根據聯交所創業板證券上市規則(「創業板上市規則」)第二十章所規定須予披露為關連交易之交易。
- (ii) 本公司或其任何附屬公司於年終或年內任何時間概無訂立任何本公司董事於其中佔有重大權益(不論直接或間接),且與本集團業務有關之重大合約。

競爭權益

董事或本公司管理層股東或任何彼等各自之聯繫人士(定義見創業板上市規則)概無於對或可能對本集團業務構成重大競爭之業務中擁有任何權益。



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES AND OPTIONS

As at 31st December 2003, the interests or short positions of the directors and the chief executive of the Company in the shares and underlying shares (the "Equities") of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to Rules 5.40 to 5.58 of the GEM Listing Rules, were as follows:

董事及主要行政人員於股份及購股權之權益或淡倉

於二零零三年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份（「股本」）中，擁有根據證券及期貨條例第352條之規定須載入該條所述權益登記名冊內之權益或淡倉，或根據創業板上市規則第5.40至5.58條已知會本公司及聯交所之權益或淡倉如下：

(a) The Company – interests in Equities

(a) 本公司— 股份權益

Director 董事	No. of Equities 股份數目	Nature of Interest 權益性質	Percentage of shareholding 持股百分比
Ms. Gu Yun (Note 1) 顧雲女士(附註1)	187,061,635	Interest of a controlled corporation 受控法團權益	39.6%
Ms. Li Xiaoyuan (Note 2) 李小元女士(附註2)	187,061,635	Interest of a controlled corporation 受控法團權益	39.6%
Mr. Ye Jinxing (Note 3) 葉金興先生(附註3)	35,839,097	Interest of a controlled corporation 受控法團權益	7.6%
Mr. Chen Yunrong (Note 4) 陳芸榕先生(附註4)	31,260,882	Interest of a controlled corporation 受控法團權益	6.6%
Mr. Qiu Yixin (Note 5) 邱一心先生(附註5)	28,793,514	Interest of a controlled corporation 受控法團權益	6.1%

Notes:

附註：

1. Ms. Gu Yun is a director of and the beneficial owner of 1,539 Equities in Genesis Century Limited ("Genesis Century"), representing 15.39% of the issued share capital of Genesis Century. Ms. Gu is taken to be interested in the Equities owned by Genesis Century pursuant to Part XV of the SFO as Genesis Century is accustomed or obliged to act in accordance with the directions or instructions of Ms. Gu, together with Ms. Li Xiaoyuan.

1. 顧雲女士為Genesis Century Limited（「Genesis Century」）之董事及該公司1,539股股本之實益擁有人，佔Genesis Century已發行股本15.39%。由於Genesis Century慣於或須按顧女士及李小元女士之領導或指示行事，故根據證券及期貨條例第XV部，顧女士被視為於Genesis Century擁有之股本中擁有權益。

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES AND OPTIONS** (Continued)**董事及主要行政人員於股份及購股權之權益或淡倉** (續)**(a) The Company – interests in Equities** (Continued)**(a) 本公司— 股份權益** (續)

2. Ms. Li Xiaoyuan is a director of and is the beneficial owner of 3,784 Equities in Genesis Century, representing 37.84% of the issued share capital of Genesis Century. Ms. Li is taken to be interested in the Equities owned by Genesis Century pursuant to Part XV of the SFO as she is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Genesis Century.
3. These Equities are legally owned by Future Pursuit Ltd. ("Future Pursuit"), whose beneficial owners are Mr. Ye Jinxing and his mother, Ms. Lian Xiu, representing 39.79% and 60.21% interest in its issued share capital respectively. Mr. Ye is taken to be interested in the Equities owned by Future Pursuit pursuant to Part XV of the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Future Pursuit.
4. These Equities are legally owned by Cheer Prosper Investments Limited ("Cheer Prosper"), the entire issued share capital of which is held by Mr. Chen Yunrong. He is taken to be interested in the Equities held by Cheer Prosper pursuant to Part XV of the SFO.
5. These Equities are legally owned by Easy Elegance Ltd. ("Easy Elegance"), the entire issued share capital of which is held by Mr. Qiu Yixin. He is taken to be interested in the Equities held by Easy Elegance pursuant to Part XV of the SFO.

2. 李小元女士為Genesis Century之董事及該公司3,784股股本之實益擁有人，佔Genesis Century已發行股本37.84%。由於李女士有權行使或控制行使Genesis Century股東大會三分之一或以上之投票權，故根據證券及期貨條例第XV部，李女士被視為於Genesis Century擁有之股本中擁有權益。
3. 該等股本由Future Pursuit Ltd. (「Future Pursuit」) 合法擁有，而Future Pursuit之實益擁有人為葉金興先生及其母親連秀女士，分別擁有其已發行股本權益39.79%及60.21%。由於葉先生有權行使或控制行使Future Pursuit股東大會三分之一或以上之投票權，故根據證券及期貨條例第XV部，彼被視為於Future Pursuit所擁有之股本中擁有權益。
4. 該等股本由Cheer Prosper Investments Limited (「Cheer Prosper」) 合法擁有，而Cheer Prosper全部已發行股本由陳芸榕先生持有。根據證券及期貨條例第XV部，彼被視為於Cheer Prosper所持有之股本中擁有權益。
5. 該等股本由Easy Elegance Ltd. (「Easy Elegance」) 合法擁有，而Easy Elegance全部已發行股本由邱一心先生持有。根據證券及期貨條例第XV部，彼被視為於Easy Elegance所持有之股本中擁有權益。



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES AND OPTIONS (Continued)

董事及主要行政人員於股份及購股權之權益或淡倉 (續)

(b) Associated corporations – interests in Equities

(b) 相聯法團— 股份權益

Director	Name of associated corporation	Nature of Interest	Percentage of interests in the registered capital of the associated corporation 佔該相聯法團註冊資本之權益百分比
董事	相聯法團名稱	權益性質	
Ms. Gu Yun (Note 2) 顧雲女士 (附註2)	上海興意識管理諮詢有限公司 ("Shanghai Xingyishi") (Note 1) ("上海興意識") (附註1)	Family 家族	8.0%
Mr. Qiu Yixin 邱一心先生	Shanghai Xingyishi 上海興意識	Personal 個人	4.0%
Mr. Chen Yunrong 陳芸榕先生	Shanghai Xingyishi 上海興意識	Personal 個人	4.0%
Mr. Ye Jinxing 葉金興先生	Shanghai Xingyishi 上海興意識	Personal 個人	4.0%
Mr. Jiang Yulai 江育來先生	Shanghai Xingyishi 上海興意識	Personal 個人	4.0%
Mr. Chen Qun 陳群先生	Shanghai Xingyishi 上海興意識	Personal 個人	4.0%

Notes:

- Shanghai Xingyishi is a subsidiary of the Group (in which 60% of its equity Equities are owned by the Group and the remaining interests are owned by others, including certain directors or their respective associates as disclosed above).
- Mr. Xu Zhangxun holds 8% interest in the registered capital of Shanghai Xingyishi. Ms. Gu Yun, spouse of Mr. Xu Zhangxun, is deemed to be interested in Shanghai Xingyishi by virtue of Part XV of SFO.

附註:

- 上海興意識為本集團之附屬公司，其60%股權由本集團擁有，餘下權益則由包括上文所披露之若干董事或彼等各自之聯繫人士在內的其他人士所擁有。
- 許章迅先生持有上海興意識註冊資本8%權益。由於顧女士為許章迅先生之配偶，故根據證券及期貨條例第XV部，顧女士被視為擁有上海興意識之權益。

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES AND OPTIONS** (Continued)

Save as disclosed above and that disclosed under the section headed "Substantial Shareholders and Persons with Discloseable Interest and Short Position in Equities and Options under SFO", as at 31st December 2003, none of the directors, chief executive of the Group or their respective associates had any interests or short positions in the Equities of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the minimum standard of dealings by directors of the Company as referred to in Rules 5.40 to 5.58 of the GEM Listing Rules. During the Period, there was no debt securities issued by the Group at any time.

董事及主要行政人員於股份及期權之權益或淡倉 (續)

除上文披露者及「根據證券及期貨條例擁有須予披露之權益及淡倉之主要股東及人士」一節內披露者外，於二零零三年十二月三十一日，本集團之董事、主要行政人員或彼等各自之聯繫人士概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份中，擁有已載入根據證券及期貨條例第352條存管之登記名冊之權益或淡倉，亦無根據創業板上市規則第5.40至5.58條所述本公司董事進行交易的最低標準已知會本公司及聯交所之任何權益或淡倉。本集團並無於本期間內任何時間發行債務證券。

SUBSTANTIAL SHAREHOLDERS AND PERSONS WITH DISCLOSEABLE INTEREST AND SHORT POSITION IN SHARES AND OPTIONS UNDER SFO

根據證券及期貨條例擁有須予披露之權益及淡倉之主要股東及人士

As at 31st December 2003, the following persons (other than a director or chief executive of the Company as disclosed above) had an interest or short position in the Shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

於二零零三年十二月三十一日，下列人士（除已於上文披露之本公司董事或主要行政人員外）於本公司之股份中，擁有已載入根據證券及期貨條例第336條存管之登記名冊之權益或淡倉：

Long positions in Equities

股本之好倉

Name 名稱	Number of Shares 股份數目	Nature of Interest 權益性質	Percentage of shareholding 持股百分比
Genesis Century Limited ("Genesis Century")	187,061,635	Corporate 公司	39.6%
Future Pursuit Limited ("Future Pursuit")	35,839,097	Corporate 公司	7.6%
Cheer Prosper Investments Limited ("Cheer Prosper")	31,260,882	Corporate 公司	6.6%
Easy Elegance Limited ("Easy Elegance")	28,793,514	Corporate 公司	6.1%
Ms. Li Xiaoyuan (Note 1) 李小元女士 (附註1)	187,061,635	Interest of a controlled corporation 受控法團權益	39.6%
Mr. Zhang Xiaohui (Note 2) 張曉輝先生 (附註2)	187,061,635	Family 家族	39.6%
Ms. Gu Yun (Note 3) 顧雲女士 (附註3)	187,061,635	Interest of a controlled corporation 受控法團權益	39.6%
Mr. Xu Zhangxun (Note 4) 許章迅先生 (附註4)	187,061,635	Family 家族	39.6%
Ms. Lian Xiu (Note 5) 連秀女士 (附註5)	35,839,097	Interest of a controlled corporation 受控法團權益	7.6%
Mr. Ye Jinxing (Note 6) 葉金興先生 (附註6)	35,839,097	Interest of a controlled corporation 受控法團權益	7.6%
Ms. Wang Chunling (Note 7) 王春玲女士 (附註7)	35,839,097	Family 家族	7.6%
Mr. Chen Yunrong (Note 8) 陳芸榕先生 (附註8)	31,260,882	Interest of a controlled corporation 受控法團權益	6.6%
Ms. Guo Lidan (Note 9) 郭立丹女士 (附註9)	31,260,882	Family 家族	6.6%
Mr. Qiu Yixin (Note 10) 邱一心先生 (附註10)	28,793,514	Interest of a controlled corporation 受控法團權益	6.1%
Ms. Lin Wen (Note 11) 林文女士 (附註11)	28,793,514	Family 家族	6.1%

**SUBSTANTIAL SHAREHOLDERS AND PERSONS WITH DISCLOSEABLE INTEREST AND SHORT POSITION IN SHARES AND OPTIONS UNDER SFO (Continued)****Long positions in Equities (Continued)**

Notes:

1. Ms. Li Xiaoyuan is the beneficial owner of 3,784 shares in Genesis Century, representing 37.84% of the issued share capital of Genesis Century. Ms. Li is taken to be interested in the Shares owned by Genesis Century pursuant to Part XV of the SFO as she is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Genesis Century.
2. Mr. Zhang Xiaohui, spouse of Ms. Li Xiaoyuan, is deemed to be interested in these Shares pursuant to Part XV of the SFO.
3. Ms. Gu Yun is a director of and beneficial owner of 1,539 shares in Genesis Century. She is taken to be interested in the Shares owned by Genesis Century pursuant to Part XV of SFO as Genesis Century is accustomed or obliged to act in accordance with her directions.
4. Mr. Xu Zhangxun, spouse of Ms. Gu Yun, is deemed to be interested in these Shares pursuant to Part XV of the SFO.
5. Ms. Lian Xiu, mother of Mr. Ye Jinxing, is interested in 60.21% of the issued share capital of Future Pursuit. She is taken to be interested in the Shares owned by Future Pursuit pursuant to Part XV of the SFO as she is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Future Pursuit.
6. Mr. Ye Jinxing is interested in 39.79% of the issued share capital of Future Pursuit. He is taken to be interested in the Shares owned by Future Pursuit pursuant to Part XV of the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Future Pursuit.
7. Ms. Wang Chunling, spouse of Mr. Ye Jinxing, is deemed to be interested in these Shares pursuant to Part XV of the SFO.
8. These Shares are legally owned by Cheer Prosper, the entire issued share capital of which is held by Mr. Chen Yunrong.
9. Ms. Guo Lidan, spouse of Mr. Chen Yunrong, is deemed to be interested in these Shares pursuant to Part XV of the SFO.
10. These Shares are legally owned by Easy Elegance, the entire issued share capital of which is held by Mr. Qiu Yixin.
11. Ms. Lin Wen, spouse of Mr. Qiu Yixin, is deemed to be interested in these Shares pursuant to Part XV of the SFO.

根據證券及期貨條例擁有須予披露之權益及淡倉之主要股東及人士 (續)**股份之好倉 (續)**

附註:

1. 李小元女士為Genesis Century 3,784股股份之實益擁有人，佔Genesis Century已發行股本37.84%。由於李女士有權行使或控制行使Genesis Century股東大會三分之一或以上之投票權，故根據證券及期貨條例第XV部，李女士被視為於Genesis Century擁有之股份中擁有權益。
2. 由於張曉輝先生為李小元女士之配偶，故根據證券及期貨條例第XV部，彼亦被視為於該等股份中擁有權益。
3. 顧雲女士為Genesis Century之董事及Genesis Century 1,539股股份之實益擁有人。由於Genesis Century慣於或須按彼之指示行事，故根據證券及期貨條例第XV部，彼被視為於Genesis Century擁有之股份中擁有權益。
4. 由於許章迅先生為顧雲女士之配偶，故根據證券及期貨條例第XV部，彼亦被視為於該等股份中擁有權益。
5. 葉金興先生之母親連秀女士擁有Future Pursuit已發行股本60.21%之權益。由於連秀女士有權行使或控制行使Future Pursuit股東大會三分之一或以上之投票權，故根據證券及期貨條例第XV部，彼被視為於Future Pursuit擁有之股份中擁有權益。
6. 葉金興先生擁有Future Pursuit已發行股本39.79%之權益。由於葉金興先生有權行使或控制行使Future Pursuit股東大會三分之一或以上之投票權，故根據證券及期貨條例第XV部，彼被視為於Future Pursuit擁有之股份中擁有權益。
7. 由於王春玲女士為葉金興先生之配偶，故根據證券及期貨條例第XV部，彼亦被視為於該等股份中擁有權益。
8. 該等股份由Cheer Prosper合法擁有，而Cheer Prosper全部已發行股本乃由陳芸榕先生持有。
9. 由於郭立丹女士為陳芸榕先生之配偶，故根據證券及期貨條例第XV部，彼亦被視為於該等股份中擁有權益。
10. 該等股份由Easy Elegance合法擁有，而Easy Elegance全部已發行股本乃由邱一心先生持有。
11. 由於林文女士為邱一心先生之配偶，故根據證券及期貨條例第XV部，彼亦被視為於該等股份中擁有權益。



SUBSTANTIAL SHAREHOLDERS AND PERSONS WITH DISCLOSEABLE INTEREST AND SHORT POSITION IN SHARES AND OPTIONS UNDER SFO (Continued)

Save as disclosed above, the Company had not been notified of any person (other than a director or chief executive of the Company) who had a discloseable interest or short position in the Shares of the Company as defined under the SFO and/or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group and who were able, as a practical matter, to direct or influence the management of the Group of their rights.

SHARE OPTION SCHEME

To enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group, the Company conditionally adopted the share option scheme (the "Share Option Scheme"), pursuant to a written resolution passed by the then shareholders of the Company on 28th July 2003 (the "Adoption Date"). The principal terms of the Share Option Scheme are set out below.

(a) Participants of the Scheme

The Board may, at its absolute discretion, invite any employee (including directors of the Company), supplier, customer and any consultant, adviser, manager, officer or entity that provides research, development or other technological support to any member of the Group or of any entity in which the Group holds any equity interest (collectively "Eligible Person"), to take up options to subscribe for shares of the Company (the "Shares").

根據證券及期貨條例擁有須予披露之權益及淡倉之主要股東及人士 (續)

除上文披露者外，本公司並未獲悉除本公司董事或主要行政人員以外任何其他人士於本公司股份中擁有證券及期貨條例所界定須予披露之權益或淡倉及／或直接或間接擁有附有權利可於所有情況下在本集團任何其他成員公司股東大會上投票之任何類別股本面值10%或以上及擁有可在實際情況下領導或影響本集團管理工作之權力。

購股權計劃

本公司根據由本公司當時之股東於二零零三年七月二十八日（「採納日期」）通過之書面決議案，有條件採納購股權計劃（「本計劃」），以使本集團能向其挑選之參與人士授出購股權，作為彼等對本集團所作出貢獻之鼓勵及報酬。購股權計劃之主要條款載於下文。

(a) 計劃參與人士

董事會可全權酌情邀請任何僱員（包括本公司董事）、供應商、客戶及任何向本集團任何成員公司或本集團持有任何股份權益之團體提供研發及其他技術支援之諮詢顧問、顧問、經理、高級行政人員或團體（統稱「合資格人士」）接納購股權，以認購本公司股份（「股份」）。

**SHARE OPTION SCHEME** (Continued)**(b) Maximum number of Shares**

Subject to certain other provisions of the Share Option Scheme as disclosed in the Company's IPO Prospectus, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed thirty per cent. (30%) of the total shares of the Company in issue from time to time.

(c) Maximum entitlement of each participant

Subject to certain other conditions of the share option scheme as disclosed in the Company's IPO Prospectus, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme (including both exercised or outstanding options) to each Eligible Person in any twelve-month period must not exceed one per cent. (1%) of the issued share capital of the Company for the time being.

(d) Time of exercise of option

In respect of option holders other than suppliers and customers, an option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period commencing one year from the date of grant of the option and expiring on the earlier of the last day of a ten-year period (i) from the date of grant of the option and (ii) the Adoption Date.

In respect of option holders who are suppliers and customers, such period shall commence on the date of grant of the option and expire 1 year thereafter.

購股權計劃 (續)**(b) 股份數目上限**

根據本計劃及本公司任何其他購股權計劃，已授出但尚未獲行使之所有購股權，其獲行使時可發行之股份總數（受本公司招股章程所披露有關本計劃之若干其他條文規限之前提下），最多不得超過本公司不時已發行股份總數百分之三十（30%）。

(c) 每名參與人士之配額上限

於任何十二個月期間，根據本計劃向每名合資格人士授出之購股權（包括已行使或尚未行使之購股權）獲行使時已發行及可能須予發行之股份總數（受本公司招股章程所披露有關購股權計劃之若干其他條文規限之前提下），不得超過本公司當時已發行股本百分之一（1%）。

(d) 行使購股權之時限

供應商及客戶以外之購股權持有人可於授出購股權日期起計一年後開始，隨時根據本計劃條款行使購股權，購股權於下列較早之日期屆滿：(i)授出購股權日期起計十年期間最後一日及(ii)採納日期起計十年期間最後一日。

就供應商及客戶類別的購股權持有人而言，有關行使時限為由授出購股權日期起計一年後屆滿。

**SHARE OPTION SCHEME** (Continued)**(e) Payment on acceptance of option**

Upon application or acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant.

(f) Subscription price for shares

The subscription price ("Subscription Price") for each Share under the Share Option Scheme shall be a price determined by the Board, but shall not be less than the highest of (i) the closing price of shares of the Company as stated in the Stock Exchange's daily quotations on the date of grant of that option, which must be a business day; (ii) the average closing price of shares of the Company as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant of that option; and (iii) the nominal value of the share of the Company, being HK\$0.01 per share.

(g) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing from the Adoption Date.

Other principal terms of the Share Option Scheme are set out in the IPO Prospectus of the Company.

Up to the date of this report, no option has been granted by the Company pursuant to such Share Option Scheme.

購股權計劃 (續)**(e) 接納購股權時須付款項**

承授人須於申請或接納購股權時，向本公司支付1.00港元，作為授出之代價。

(f) 股份認購價

本計劃項下每股股份之認購價（「認購價」）由董事會釐定，惟不得低於以下價格之較高者：(i)於購股權授出日期（該日期必須為交易日）聯交所每日報價表所報列本公司股份之收市價；(ii)於緊接購股權授出日期前五個交易日聯交所每日報價表所報列本公司股份的平均收市價；及(iii)本公司股份面值，即每股0.01港元。

(g) 購股權計劃期限

本計劃於採納日期起計的十年期間持續有效。

本計劃其他主要條款詳載於本公司之招股章程內。

截至本報告日期，本公司概無根據本計劃授出任何購股權。



DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share option schemes disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, and none of the directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

MAJOR CUSTOMERS AND SUPPLIERS

For the year under review, the top five customers of the Group together accounted for approximately 18.6% of the Group's total sales for the year while the single largest customers accounted for approximately 6.5% of the Group's total sales during the year.

Whereas external purchase, mainly arising from its hardware resale operations, only accounted for less than 30% of the Group's cost of sales during the year, the top five suppliers of the Group for the year under review together accounted for approximately 75.3% of the Group's total purchases for the year and the single largest supplier accounted for approximately 52.1% of the Group's total purchases.

None of the directors, their respective associates or any shareholders of the Company who owns more than 5% of the issued share capital of the Company has any interests in the Group's five largest customers and suppliers above-mentioned.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31st December 2003

董事及主要行政人員收購股份或債券之權利

除上文披露之購股權計劃外，本公司或其任何附屬公司於年內任何時間概無作出任何安排，致使本公司董事或主要行政人員可藉購買本公司或任何其他法人團體之股份或債券而獲益，而董事、彼等之配偶或未滿十八歲之子女亦無認購本公司證券之權利或行使任何該等權利。

主要客戶及供應商

回顧年內，本集團五大客戶合共佔本集團年內總銷售額約18.6%，而單一最大客戶則佔本集團年內總銷售額約6.5%。

本集團的對外採購額（主要源自硬件轉售業務）僅佔本集團於年內銷售成本不足30%，回顧年內，本集團五大供應商合共佔本集團本年度總採購額約75.3%，而單一最大供應商則佔本集團總採購額約52.1%。

本公司董事、彼等各自之聯繫人士或擁有本公司已發行股本5%以上之任何股東概無於上述本集團五大客戶及五大供應商中擁有任何權益。

或然負債

於二零零三年十二月三十一日，本集團並無任何重大或然負債。

**RETIREMENT BENEFITS SCHEMES**

Particular of the retirement benefits schemes of the Group are set out in note 32 to the financial statements.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or instruments carrying other similar rights as at 31st December 2003.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year ended 31st December 2003, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed Shares.

SPONSOR'S INTEREST

Pursuant to a sponsor agreement dated 4th August 2003 entered into between the Company and South China Capital Limited (the "Sponsor"), the Sponsor has been appointed as the retained sponsor of the Company for the period from 12th August 2003 to 31st December 2005 (or until the sponsor agreement is otherwise terminated upon the terms and conditions contained therein), for which the Sponsor will receive a fee.

退休福利計劃

本集團退休福利計劃詳情載於財務報表附註32。

可換股證券、購股權、認股權證或類似權利

於二零零三年十二月三十一日，本公司並無任何尚未行使之可換股證券、購股權、認股權證、或附有類似權利的票據。

優先認購權

本公司之公司組織章程細則或開曼群島法例並無有關優先認購權之規定，以致本公司須按比例向現有股東發售新股。

購買、出售或贖回本公司上市股份

截至二零零三年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市股份。

保薦人權益

根據本公司與南華融資有限公司（「保薦人」）所訂立日期為二零零三年八月四日之保薦人協議，保薦人已獲委任為本公司之延聘保薦人，任期自二零零三年八月十二日起至二零零五年十二月三十一日或直至任何一方根據保薦人協議當中所載條款及條件終止為止，保薦人將就此收取相關費用。

**SPONSOR'S INTEREST** (Continued)

As notified and updated by the Sponsor, neither the Sponsor nor any of its directors or employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interest in any class of securities of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group as at 31st December 2003.

Save as disclosed above, the Sponsor had no other interest in the Company as at 31st December 2003.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the Rules 5.23 and 5.24 of GEM Listing Rules on 28th July 2003. The primary duties of the audit committee are, among others, to review and oversee the financial reporting principles and practices adopted as well as internal control procedures and issues of the Group. It also reviews quarterly, interim and the final results of the Group prior to recommending the same to the Board for consideration.

The audit committee, comprising of the two independent non-executive directors of the Company, include members as follows:

Name

姓名

Mr. Choy Tak Ho 蔡德河先生
Mr. Liu Bo 劉波先生

保薦人權益 (續)

就保薦人所告知最新資料，於二零零三年十二月三十一日，保薦人或其任何董事、僱員或聯繫人士（定義見創業板上市規則第6.35條附註3）概無於本公司或本集團任何成員公司任何類別證券中擁有任何權益，亦無認購或提名他人認購本公司或本集團任何成員公司證券之權利。

除上文披露者外，於二零零三年十二月三十一日，保薦人概無於本公司擁有任何其他權益。

審核委員會

本公司於二零零三年七月二十八日遵照創業板上市規則第5.23及5.24條成立審核委員會，並書面訂明其職權範圍。審核委員會之主要職責為（其中包括）審閱及監督本集團所採納之財務申報準則與運作以至內部監控程序及有關事宜。此外，審核委員會於審視本集團的季度、中期及末期業績報告後向董事會提呈有關業績報告。

審核委員會現時由本公司以下兩名獨立非執行董事組成：

Position in the audit committee

審核委員會職銜

Chairman 主席
Member 成員



AUDIT COMMITTEE (Continued)

Since the Listing of the Company on 12th August 2003, the audit committee has held two meetings and the Company's draft unaudited quarterly report and audited financial statements have been reviewed and commented by the audit committee members.

BOARD PRACTICE AND PROCEDURES

The Company has complied with the Board Practices and Procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules since the Listing.

AUDITORS

The financial statements have been audited by Messrs. Charles Chan, Ip & Fung CPA Limited who retire and, being eligible, offer themselves for re-appointment.

By order of the Board

Gu Yun

Chairperson

23rd March 2004

審核委員會 (續)

自本公司於二零零三年八月十二日上市以來，審核委員會曾舉行兩次會議，而審核委員會成員已審閱本公司未經審計季度報告及經審計財務報表的草擬本，並已就有關的草擬本提出意見。

董事會常規及程序

本公司自其上市以來一直遵守創業板上市規則第5.28至5.39條所載董事會常規及程序。

核數師

財務報表已由陳葉馮會計師事務所有限公司審核，陳葉馮會計師事務所有限公司須輪席告退，惟合資格膺選連任。

承董事會命

顧雲

主席

二零零四年三月二十三日



Charles Chan, Ip & Fung CPA Ltd.

37th Floor, Hennessy Centre
500 Hennessy Road
Causeway Bay, Hong Kong

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
SHINE SCIENCE & TECHNOLOGY (HOLDINGS)
LIMITED**

(INCORPORATED IN CAYMAN ISLANDS WITH LIMITED
LIABILITY)

We have audited the financial statements on pages 58 to 134 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS
AND AUDITORS**

The Company's directors are responsible for the preparation of financial statements which give a true and view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

* for identification purpose only



陳葉馮會計師事務所有限公司
香港 銅鑼灣 軒尼詩道500號
興利中心37樓

致新意科技(控股)有限公司*

(於開曼群島註冊成立之有限公司)

全體股東之核數師報告

本核數師已完成審核第58至134頁之財務報表，財務報表乃按照香港普遍採納之會計原則編製。

董事及核數師各自之責任

貴公司董事須負責編製真實兼公平之財務報表。在編製該等真實兼公平之財務報表時，董事必須採用適當之會計政策，並且貫徹應用該等會計政策。

本核數師之責任是根據審核結果，對該等財務報表作出獨立意見，僅向整體股東報告，除此之外本報告並無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

* 僅供識別

**BASIS OF OPINION**

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 2003 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Charles Chan, Ip & Fung CPA Ltd.

Certified Public Accountants

Hong Kong

23rd March 2004

Chan Wai Dune, Charles

Practising Certificate Number P00712

意見之基礎

本核數師已按照香港會計師公會頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評審董事於編製財務報表時所作之重大估計和判斷，所採用之會計政策是否適合 貴公司與 貴集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，就該等財務報表是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等財務報表所載之資料在整體上是否足夠。本核數師相信我們之審核工作已為下列意見提供合理之基礎。

意見

本核數師認為，上述財務報表足以真實兼公平地顯示 貴公司與 貴集團於二零零三年十二月三十一日之財務狀況，及 貴集團截至該日止年度之溢利及現金流量，並按照香港公司條例的披露規定妥為編製。

陳葉馮會計師事務所有限公司

執業會計師

香港

二零零四年三月二十三日

陳維端

執業證書號碼P00712



CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31st December 2003 (Expressed in Renminbi)

截至二零零三年十二月三十一日止年度 (以人民幣列值)

		Note	2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元 (Restated) (重列)
		附註		
Turnover	營業額	4 & 13	16,287	39,904
Cost of sales	銷售成本		(7,063)	(16,998)
Gross profit	毛利		9,224	22,906
Other revenue	其他收益	5	2,353	2,609
Other net income	其他收入淨額	5	190	446
Distribution costs	分銷成本		(3,391)	(3,043)
General and administrative expenses	一般及行政開支		(8,235)	(7,093)
Profit from ordinary activities before taxation	除稅前日常業務溢利	6	141	15,825
Income tax	所得稅	7(a)	238	(1,180)
Profit from ordinary activities after taxation	除稅後日常業務溢利		379	14,645
Minority interests	少數股東權益		329	(1,480)
Profit attributable to shareholders	股東應佔溢利	10 & 30(a)	708	13,165
Dividends attributable to the year:	年內股息:	11(a)		
Interim dividend declared during the year	年內已宣派中期股息		-	7,000
Final dividend proposed after the balance sheet date	結算日後擬派末期股息		1,703	-
			1,703	7,000
			RMB (cents) 人民幣(分)	RMB (cents) 人民幣(分)
Earnings per share	每股盈利	12(a)		
Basic	基本		0.18	3.71

The notes on pages 64 to 134 form part of these financial statements. 第64至134頁之附註組成財務報表其中部分。



CONSOLIDATED BALANCE SHEET

綜合資產負債表

31st December 2003 (Expressed in Renminbi)

於二零零三年十二月三十一日 (以人民幣列值)

		Note	2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元 (Restated) (重列)
		附註		
Non-current assets	非流動資產			
Fixed assets	固定資產	14(a)	4,018	3,856
Intangible assets	無形資產	15	8,797	4,105
Goodwill	商譽	16	(597)	-
Deferred tax assets	遞延稅項資產	28(a)	563	140
			12,781	8,101
Current assets	流動資產			
Investments	投資	18	163	105
Inventories	存貨	19	76	151
Trade and other receivables	應收賬款及 其他應收款項	20	2,066	13,549
Tax recoverable	可收回稅項	21	986	500
Fixed deposits	定期存款	22	12,000	-
Cash and cash equivalents	現金及現金等值物	23	28,205	18,744
			43,496	33,049
Current liabilities	流動負債			
Trade and other payables	應付賬款及 其他應付款項	24	4,537	15,533
Deferred income	遞延收入	25	779	526
Income tax payable	應繳所得稅	26	161	794
Convertible notes	可換股票據	27	-	14,840
			5,477	31,693
Net current assets	流動資產淨值		38,019	1,356
Total assets less current liabilities	總資產減流動負債		50,800	9,457
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	28(a)	(1,320)	(615)
Minority interests	少數股東權益		(488)	(2,103)
NET ASSETS	資產淨值		48,992	6,739
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	29	5,014	8
Reserves	儲備	30	43,978	6,731
			48,992	6,739

Approved and authorised for issue by the board of directors on 23th March 2004.

董事會於二零零四年三月二十三日批准及授權刊發。

Gu Yun
Director

顧雲
董事

Chen Yunrong
Director

陳芸榕
董事

The notes on pages 64 to 134 form part of these financial statements.

第64至134頁之附註組成財務報表其中部分。



BALANCE SHEET

資產負債表

31st December 2003 (Expressed in Renminbi)

於二零零三年十二月三十一日 (以人民幣列值)

		Note 附註	2003 二零零三年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Fixed assets	固定資產	14(b)	176
Investments in subsidiaries	於附屬公司之投資	17	19
			195
Current assets	流動資產		
Trade and other receivables	應收賬款及其他應收款項	20	29,144
Cash and cash equivalents	現金及現金等值物	23	10,501
			39,645
Current liabilities	流動負債		
Trade and other payables	應付賬款及其他應付款項	24	450
Net current assets	流動資產淨值		39,195
NET ASSETS	資產淨值		39,390
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	29	5,014
Reserves	儲備	30	34,376
			39,390

Approved and authorised for issue by the board of directors on 23rd March 2004.

董事會於二零零四年三月二十三日批准及授權刊發。

Gu Yun
Director

顧雲
董事

Chen Yunrong
Director

陳芸榕
董事

The notes on pages 64 to 134 form part of these financial statements.

第64至134頁之附註組成財務報表其中部分。



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31st December 2003 (Expressed in Renminbi)

截至二零零三年十二月三十一日止年度 (以人民幣列值)

			2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元 (Restated) (重列)
		Note 附註		
Shareholders' equity at 1st January	於一月一日之股東資金			
– as previously reported	– 如前呈報		7,209	18,301
– prior period adjustment in respect of deferred tax	– 遞延稅項之 前期調整	3 & 30	(470)	105
– as restated	– 重列		<u>6,739</u>	<u>18,406</u>
Reserve arising from the group reorganisation	集團重組所產生儲備		<u>(11)</u>	<u>(2,340)</u>
Net profit for the year	本年度純利			
– as previously reported	– 如先前所申報			13,740
– prior period adjustment in respect of deferred tax	– 就遞延稅項作出之 過往期間調整	3		(575)
– as restated	– 重新呈列	30	<u>708</u>	<u>13,165</u>
Dividends in respect of the current year declared or approved during the year	年內就本年度已宣派 或批准之股息	11(a)	<u>-</u>	<u>(7,000)</u>
Dividends in respect of the year ended 31st December 2001 declared or approved during the year	年內就截至二零零一年 十二月三十一日止 年度已宣派或批准 之股息	11(b)	<u>-</u>	<u>(3,000)</u>
Movements in shareholders' equity arising from capital transactions with shareholders:	與股東進行資本交易 而產生之股東 資金變動:	29 & 30		
Capital elimination on combination	於合併賬目時 撤銷資本		(8)	(12,500)
Shares issued upon incorporation	註冊成立時發行股份		11	8
Shares issued under the group reorganisation	根據集團重組 發行股份		8	-
Shares issued under the conversion of convertible notes into shares	轉換可換股票據為 股份而發行股份		5	-
Shares issued under the placing	根據配售發行股份		1,253	-
Net share premium received	已收取股份溢價淨額		40,287	-
			<u>41,556</u>	<u>(12,492)</u>
Shareholders' equity at 31st December	於十二月三十一日 之股東資金		<u>48,992</u>	<u>6,739</u>

The notes on pages 64 to 134 form part of these financial statements. 第64至134頁之附註組成財務報表其中部分。



CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31st December 2003 (Expressed in Renminbi)

截至二零零三年十二月三十一日止年度（以人民幣列值）

		2003		2002	
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Operating activities	經營業務				
Profit from ordinary activities before taxation	除稅前日常業務溢利	141		15,825	
Adjustments for:	就下列各項調整：				
Depreciation	折舊	1,251		1,117	
Provision for bad and doubtful debts	呆壞賬撥備	213		135	
Amortisation of intangible assets	無形資產攤銷	536		312	
Amortisation of goodwill	商譽攤銷	(32)		-	
Interest income	利息收入	(94)		(286)	
Loss on disposal of fixed assets	出售固定資產之虧損	117		2	
Net realised and unrealised gains on listed equities securities carried at market value	上市股本證券之已變現及未變現盈利淨額（以公平值列賬）	(140)		(25)	
Net realised and unrealised gains on unlisted equity securities carried at fair value	非上市股本證券之已變現及未變現盈利淨額（以公平值列賬）	-		(187)	
Gain on partial disposal of a subsidiary	出售一間附屬公司部分權益之盈利	-		(48)	
Operating profit before changes in working capital	未計營運資金變動前之經營溢利	1,992		16,845	
Decrease in inventories	存貨減少	75		170	
Decrease/(increase) in debtors, deposits and prepayments	應收賬款、按金及預付款項減少／（增加）	10,698		(10,337)	
Decrease in creditors and accrued charges	應付賬款及應計費用減少	(3,450)		(909)	
Increase in deferred income	遞延收入增加	253		20	
(Decrease)/increase in other tax payable	其他應繳稅項（減少）／增加	(1,041)		901	
Cash generated from operations	經營業務產生之現金	8,527		6,690	
Tax paid	已繳稅項				
PRC enterprise income tax paid	已繳中國企業所得稅	(113)		(4)	
PRC enterprise income tax refunded	退回中國企業所得稅	-		213	
Net cash from operating activities	經營業務產生之現金淨額		8,414		6,899
Investing activities	投資活動				
Payment for purchase of fixed assets	購置固定資產之款項	(2,249)		(2,805)	
Proceeds from sale of fixed assets	出售固定資產所得款項	222		342	
Expenditure on development projects	發展項目開支	(4,731)		(3,919)	
Payment for purchase of trading securities	購買買賣證券之款項	(102)		(46)	
Proceeds from sale of trading securities	出售買賣證券所得款項	184		3,545	
Payment for purchase of partial interest in a subsidiary, net of cash acquired	購買一間附屬公司部分權益之款項（扣除所購入現金）	(657)		-	
Increase in deposits with banks maturing after three months from the date of the deposits	由存款日期起計三個月後到期之銀行存款增加	(12,000)		-	
Proceeds from sale of partial interest in a subsidiary	出售一間附屬公司部分權益所得款項	-		253	
Payment to previous shareholders of a subsidiary in accordance with the group reorganisation	根據集團重組向一間附屬公司前股東付款	-		(14,840)	
Decrease in advances to related companies	墊予有關連公司之款項減少	-		2,000	
Decrease in other receivables	其他應收賬款減少	-		1,450	
Interest received	已收利息	180		254	
Net cash used in investing activities	投資活動動用之現金淨額		(19,153)		(13,766)



CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31st December 2003 (Expressed in Renminbi)

截至二零零三年十二月三十一日止年度（以人民幣列值）

	Note 附註	2003 二零零三年		2002 二零零二年	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Financing activities					
Proceeds from issue of convertible notes		-		14,840	
Net proceeds from shares issued under the placing		26,705		-	
Proceeds from issue of shares of a subsidiary before the group reorganisation		-		8	
Proceeds from injection of capital of subsidiaries by minority shareholders		-		200	
Dividend paid to minority interest		(505)		-	
Dividend paid		(6,000)		(4,000)	
Net cash used in financing activities			20,200	11,048	
Net increase in cash and cash equivalents			9,461	4,181	
Cash and cash equivalents at 1st January			18,744	14,563	
Cash and cash equivalents at 31st December	23		28,205	18,744	

The notes on pages 64 to 134 form part of these financial statements. 第64至134頁之附註組成財務報表其中部分。



1. GROUP REORGANISATION AND BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

(a) Reorganisation

The Company was incorporated in the Cayman Islands on 15th July 2002 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company became the holding company of the Group on 17th June 2003 through a group reorganisation (the "Reorganisation") to rationalise the Group's structure in preparation for the public listing of the Company's shares on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company acquired by share exchange the entire share capital of Shine Science & Technology (BVI) Limited ("Shine Science BVI"), the then holding company of the subsidiaries included in the Reorganisation, and hereby became the holding company of the companies now comprising the Group.

Further details of the Reorganisation are set out in the prospectus dated 4th August 2003 issued by the Company and the details of the subsidiaries acquired pursuant to the Reorganisation are set out in note 17 to the financial statements. The shares of the Company were listed on the GEM of the Stock Exchange with effect from 12th August 2003.

1. 集團重組及財務報表呈報基準

(a) 重組

本公司於二零零二年七月十五日根據開曼群島法例第二十二章公司法(一九六一年第三冊,經統一及修訂)在開曼群島註冊成立為獲豁免有限公司。為籌備本公司股份在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)公開上市,本集團透過集團重組(「重組」)精簡集團架構,本公司因而於二零零三年六月十七日成為本集團之控股公司。本公司透過股份交換收購重組所涉及附屬公司當時之控股公司Shine Science & Technology (BVI) Limited(「Shine Science BVI」)全部股本,因而成為現時組成本集團各公司之控股公司。

重組進一步詳情載於本公司所刊發日期為二零零三年八月四日之招股章程,而根據重組所收購附屬公司之詳情則載於財務報表附註17。本公司股份自二零零三年八月十二日起在聯交所創業板上市。



1. GROUP REORGANISATION AND BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

(Continued)

(b) Basis of presentation of financial statements

On 17th June 2003, the Company became the holding company for the other companies comprising the Group pursuant to the Reorganisation involving companies under common control. The Company and its subsidiaries resulting from the Reorganisation have been regarded as a continuing group. Accordingly, the Reorganisation has been accounted for on the basis of merger accounting, under which the consolidated financial statements have been prepared as if the Company had been the holding company of the other companies comprising the Group throughout the year ended 31st December 2003, rather than from the date on which the Reorganisation was completed, except for any acquisitions or disposals subsequent to the Reorganisation which are accounted for under the acquisition basis of accounting. The comparative figures as at and for the year ended 31st December 2002 have been presented on the same basis.

The Company was incorporated on 15th July 2002. During the year ended 31st December 2002, the Company had not carried out any business and accordingly, no comparative figures is presented in respect of the Company's balance sheet at 31st December 2002.

The measurement basis used in the preparation of the financial statements is historical cost.

1. 集團重組及財務報表呈報基準 (續)

(b) 財務報表呈報基準

於二零零三年六月十七日，本公司根據涉及受共同控制公司之重組成為組成本集團其他公司的控股公司。本公司及其附屬公司因重組而被視為持續經營集團。因此，重組乃根據合併會計法列賬，並據此編製綜合財務報表，猶如本公司於截至二零零三年十二月三十一日止整個年度已為組成本集團其他公司的控股公司，而非自重組完成日期起，惟於重組後進行之任何收購或出售乃根據收購會計法列賬。於二零零二年十二月三十一日及截至該日止年度之比較數字已按相同基準呈報。

本公司於二零零二年七月十五日註冊成立。截至二零零二年十二月三十一日止年度，本公司並無從事任何業務，因此並無呈列本公司於二零零二年十二月三十一日之資產負債表任何比較數字。

財務報表乃以歷史成本為計算基準編製。



2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Statements (which includes all applicable Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

(b) Subsidiaries

A subsidiary is an enterprise in which the Company, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

2. 主要會計政策

(a) 守章聲明

財務報表乃按香港會計師公會頒佈之所有適用香港財務申報準則 (包括所有適用會計實務準則及詮釋)、香港普遍採納之會計原則及香港公司條例之披露規定而編製。財務報表亦符合香港聯合交易所有限公司創業板證券上市規則之適用披露條文。本集團採納之主要會計政策概述如下。

(b) 附屬公司

附屬公司為由本公司直接或間接持有超過一半已發行股本；或控制過半數投票權；或控制董事會組成之公司。倘本公司有權直接或間接控制其財務及經營政策以從其業務獲益，則附屬公司被視為受控制。



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Subsidiaries (Continued)

An investment in a subsidiary is consolidated into the consolidated financial statements, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Group, in which case, it is stated in the consolidated balance sheet at fair value with changes in fair value recognised in the consolidated income statement as they arise.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet separately from liabilities and the shareholders' equity. Minority interests in the results of the Group for the year are also separately presented in the consolidated income statement.

2. 主要會計政策 (續)

(b) 附屬公司 (續)

於附屬公司之投資綜合計入綜合財務報表，除非其僅就於短期內出售而收購及持有或因長期於嚴格限制下經營而嚴重損害轉資予本集團之能力，否則於附屬公司之投資按公平值於綜合資產負債表列賬，而公平值變動則於產生時於綜合收益表確認。

集團內公司間之結餘及交易與產生自集團內公司間之任何未變現溢利，於編製綜合財務報表時全數對銷。產生自集團內公司間交易之未變現虧損僅於並無減值證據之情況下，方以未變現盈利之相同方式對銷。

於結算日之少數股東權益指並非由本公司直接或間接透過附屬公司擁有之股本權益應佔附屬公司資產淨值部分，有關少數股東權益於綜合資產負債表與負債及股東資金分開獨立呈列，本集團本年度業績之少數股東權益亦於綜合收益表獨立呈列。



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Subsidiaries (Continued)

Where losses attributable to the minority exceed the minority interest in the net assets of a subsidiary, the excess, and any further losses attributable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. All subsequent profits of the subsidiary are allocated to the Group until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (see note 2(g)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Company, in which case, it is stated at fair value with changes in fair value recognised in the income statement as they arise.

2. 主要會計政策 (續)

(b) 附屬公司 (續)

倘少數股東應佔虧損超出一間附屬公司資產淨值之少數股東權益，則超出數額及少數股東應佔任何進一步虧損則用作抵銷本集團權益，惟少數股東有具約束性責任且能夠補償虧損。所有其後產生之附屬公司溢利分配至本集團，直至收回先前由本集團承擔之少數股東應佔虧損為止。

於附屬公司之投資於本公司資產負債表按成本減任何減值虧損(見附註2(g))列賬，除非其僅就於短期內出售而收購及持有或因長期於嚴格限制下經營而嚴重損害轉資予本集團之能力，否則按公平值於資產負債表列賬，而公平值變動則於產生時於收益表確認。

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(c) Goodwill**

Positive goodwill arising on consolidation 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. Positive goodwill is amortised to the consolidated income statement on a straight-line basis over its estimated useful life. Positive goodwill is stated in the consolidated balance sheet at cost less any accumulated amortisation and any impairment losses (see note 2(g)).

Negative goodwill arising on acquisitions of subsidiaries represents the excess of the Group's share of the fair value of the identifiable assets and liabilities acquired over the cost of the acquisition. Negative goodwill is accounted for to the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the consolidated income statement when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the consolidated income statement over the weighted average useful life of those non-monetary assets that are depreciable/amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the consolidated income statement.

2. 主要會計政策 (續)**(c) 商譽**

因綜合賬目而產生之正商譽指收購成本超出本集團應佔所收購可識別資產及負債之公平值的差額。正商譽按直線法就估計可使用年期於綜合收益表攤銷。正商譽按成本減任何累計攤銷及任何減值虧損後於綜合資產負債表列賬(見附註2(g))。

因收購附屬公司而產生之負商譽指本集團應佔所收購可識別資產及負債之公平值超出收購成本的差額。倘負商譽與收購計劃所識別、能可靠計算、且尚未確認之日後虧損及開支有關，則待確認日後虧損及開支時，於綜合收益表確認。任何不超過所收購非貨幣資產公平值之負商譽餘額，於該等可折舊／可攤銷非貨幣資產之加權平均可用年期於綜合收益表確認。倘負商譽超過所收購非貨幣資產公平值，即時於綜合收益表確認。



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Goodwill (Continued)

In respect of any negative goodwill not yet recognised in the consolidated income statement, such negative goodwill is shown in the consolidated balance sheet as a deduction from asset in the same balance sheet classification as positive goodwill.

On disposal of a subsidiary during the year, any attributable amount of purchased goodwill not previously amortised through the consolidated income statement is included in the calculation of the profit or loss on disposal.

(d) Investments

Investments represent investments in securities. Securities are presented as trading securities when they were acquired principally for the purpose of generating a profit from short term fluctuations in price. Trading securities are stated in the balance sheet at fair value. Changes in fair value are recognised in the income statement as they arise.

2. 主要會計政策 (續)

(c) 商譽 (續)

就尚未於綜合收益表確認之負商譽而言，有關負商譽於綜合資產負債表自資產扣除，而有關資產於同一資產負債表列為正商譽。

年內出售一間附屬公司，而先前尚未於綜合收益表攤銷之收購商譽任何應佔數額計入出售之溢利或虧損。

(d) 投資

投資指證券投資。倘收購證券之目的主要為自股價之短期波動中產生溢利，則該等證券呈列為買賣證券。買賣證券按公平值於資產負債表列賬。公平值之變動乃於產生時在收益表確認。



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses (see note 2(g)). Major expenditures on modifications and betterments of fixed assets which will result in future economic benefits are capitalised, while expenditures on maintenance and repairs of fixed assets are expensed when incurred. Depreciation is calculated to write off the cost less residual value of fixed assets on a straight-line basis over their estimated useful lives as follows:

Land and buildings	Over the remaining term of the lease
Leasehold improvements	Over the remaining term of the lease
Computer equipment	3-5 years
Furniture and equipment	5 years
Motor vehicles	5-8 years

Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

2. 主要會計政策 (續)

(e) 固定資產

固定資產乃按成本減累計折舊及減值虧損(見附註2(g))入賬。對日後將帶來經濟利益之固定資產修復及改良之主要支出撥充資本，而固定資產保養及維修之支出於產生時撥作開支。折舊乃按下列固定資產之估計可用年期以直線法撇銷其成本減剩餘價值計算：

土地及樓宇	剩餘租期
租賃裝修工程	剩餘租期
電腦設備	3至5年
傢具及設備	5年
汽車	5至8年

棄用或出售固定資產產生之損益為估計出售所得款項淨額與資產賬面值之差額，並於棄用或出售日期於收益表確認。

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(f) Intangible assets (other than goodwill)**

(i) Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if its recoverability can be foreseen with reasonable assurance and the following criteria are complied with:

- the cost attributable to the product or process can be separately identified and measured reliably;
- the technical feasibility of the product or process can be demonstrated;
- there is an intention to produce and market, or use, the product or process;
- the ability to produce or use the product and process can be demonstrated;
- the existence of a market for the product or process or, if it is to be used internally rather than sold, its usefulness, can be demonstrated; and
- adequate resources exist, or their availability can be demonstrated, to complete the project and market or use the product or process.

2. 主要會計政策 (續)**(f) 無形資產 (商譽除外)**

(i) 有關可為日後帶來新科學或技術知識及認識之研究活動開支，於產生期間確認為開支。開發活動開支於合理確定可預見收回之可能性及符合以下條件時撥充資本：

- 產品或過程之成本可獨立識別及可靠衡量；
- 顯示產品或過程於技術上可行；
- 有意生產或推銷或使用產品或過程；
- 顯示有能力生產或使用產品及過程；
- 產品或過程有存在市場，或倘作內部用途而非出售，則須顯示其可用性；及
- 有足夠資源，或能夠顯示其可用作完成項目及推銷或於產品或過程使用。

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(f) Intangible assets (other than goodwill) (Continued)**

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(g)). Other development expenditure is recognised as an expense in the period in which it is incurred.

(ii) Amortisation of capitalised development costs is charged to the income statement on a straight-line basis over the estimated useful lives of the underlying products of not exceeding five years, commencing from the date when the products are put into commercial production.

(iii) Subsequent expenditure on an intangible asset after its purchase or its completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure is added to the cost of the intangible asset.

2. 主要會計政策 (續)**(f) 無形資產(商譽除外) (續)**

撥充資本之開支包括材料及直接勞工成本,以及間接費用適當部分。撥充資本之開發成本按成本減累計攤銷及減值虧損(見附註2(g))列賬。其他開發開支於產生期間確認為開支。

(ii) 撥充資本之開發成本攤銷以直線法按有關產品之估計可用年期自收益表扣除,估計可用年期為自產品投入商業生產日期起計不超過五年。

(iii) 無形資產於購買或完成後之開支於產生時確認為開支,除非該等開支可能使資產產生超出其原先評估之表現標準的日後經濟利益,且該等開支能可靠計算及計入資產。倘符合上述條件,其後產生之開支加入無形資產成本。

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(g) Impairment of assets**

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- fixed assets;
- investment in subsidiaries;
- intangible assets; and
- positive goodwill.

If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, or are amortised over more than 20 years from the date when the asset is available for use or goodwill that is amortised over 20 years from initial recognition, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2. 主要會計政策 (續)**(g) 資產減值**

於各結算日審核內部及外部資料來源，以確定下列資產是否出現減值或先前確認之減值虧損是否不再存在或已經減少：

- 固定資產；
- 於附屬公司之投資；
- 無形資產；及
- 正商譽。

倘存在任何該等跡象，則估計資產之可收回金額。倘無形資產尚未可使用或資產按可供使用日期起計於超過20年內攤銷或商譽由初次確認起於超過20年內攤銷，則於各結算日估計可收回金額。倘一項資產之賬面值超過其可收回金額，則減值虧損將予確認。

(i) 計算可收回金額

資產之可收回金額乃其淨銷售價及使用價值之較高者。在估定使用價值時，估計日後現金流量按反映現時市場對金額時間值及資產特定風險所評估之除稅前折讓率折讓至其現值。倘一項資產所產生之現金流入在很大程度上並非獨立於其他資產所產生之現金流入，則就獨立產生現金流入之最小部分資產(即現金產生單元)釐定可收回金額。

**2. SIGNIFICANT ACCOUNTING POLICIES** (Continued)**(g) Impairment of assets** (Continued)*(ii) Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

2. 主要會計政策 (續)**(g) 資產減值** (續)*(ii) 撥回減值虧損*

就商譽以外之資產而言，倘用以釐定可收回金額之估計基準出現變動，則撥回減值虧損。倘減值虧損乃由於預期不會再發生的特殊外在事件而產生，且可收回數額增加明顯與該特殊事件逆轉影響有關，方會撥回商譽減值虧損。

減值虧損之撥回以於過往年度並無確認減值虧損而原應釐定之資產賬面值為限。減值虧損之撥回計入確認該等撥回之年度之收益表。



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is 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.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. 主要會計政策 (續)

(h) 存貨

存貨以成本及可變現淨值兩者之較低者入賬。

成本乃根據加權平均成本法計算，並包括所有購買成本、加工成本及其他將存貨送抵目前地點及達致目前狀況所產生之其他成本。

可變現淨值指於日常業務中之估計售價減估計完工成本及作出銷售所需估計成本。

售出存貨後，有關存貨之賬面值將於有關收益獲確認之期間確認為開支。所有將存貨撇減至可變現淨值之數額及有關存貨之虧損於撇減或出現虧損期間確認為開支。倘因存貨之可變現淨值增加而撥回撇減，則有關數額將於出現撥回期間按已確認為開支之存貨數額減少確認。

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(i) Cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of charges in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(j) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost of the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and a mandatory central pension scheme organised by the People's Republic of China ("PRC") government are recognised as an expense in the income statement as incurred, except to the extent that they are included in the cost of intangible assets and inventories not yet recognised as an expense.

2. 主要會計政策 (續)**(i) 現金等值物**

現金及現金等值物包括銀行及手頭現金，銀行及其他財務機構之活期存款，以及可隨時轉換為已知數額現金，並於購入時起計三個月內到期且幾乎不受價值改變風險所影響之短期高度流通投資項目。就現金流量表而言，須應要求償還且構成本集團現金管理中組成部分之銀行透支亦已作為現金及現金等值物計算在內。

(j) 僱員福利

- (i) 薪金、年度花紅、有薪年假、假期及本集團之非貨幣福利成本，乃於本集團僱員提供有關服務之年度計算。倘款項支付或清付遞延處理且其影響屬重大，該等金額將以其現值列賬。
- (ii) 向根據香港強制性公積金條例所規定之強制性公積金及中華人民共和國（「中國」）政府統籌之強制性中央退休金計劃作出之供款，於產生時在收益表確認為支出，惟倘該等款項已計入未確認為支出之無形資產及存貨成本，則另作別論。

**2. SIGNIFICANT ACCOUNTING POLICIES** (Continued)**(k) Income tax**

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.
- (ii) Current tax is expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2. 主要會計政策 (續)**(k) 所得稅**

- (i) 本年度所得稅包括即期稅項以及遞延稅項資產及負債變動。即期稅項以及遞延稅項資產及負債變動於收益表確認，惟倘與直接於股本確認之項目有關者，則於股本中確認。
- (ii) 即期稅項乃年內就應課稅收入，按於結算日實施或實際實施之稅率，並經過往年度應繳稅項予以調整而計算之估計應繳稅項。
- (iii) 分別由可扣減及應課稅暫時差額產生之遞延稅項資產及負債，指就財務申報之資產及負債賬面值與其稅基之差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項進賬產生。



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 主要會計政策 (續)

(k) Income tax (Continued)

(k) 所得稅 (續)

(iii) (Continued)

(iii) (續)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credit, that is, those differences are taken into account if they relate to the same taxable authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

除若干例外情況外，倘日後應課稅溢利有可能對銷可予以使用的資產，則確認所有遞延稅項負債及遞延稅項資產。日後應課稅溢利有助確認撥回現有應課稅臨時差額之可扣減臨時差額產生之遞延稅項資產，惟該等差額須與同一稅務機構及同一應課稅實體有關，並預期會在可扣減臨時差額預期撥回之相同期間或轉回或結轉遞延稅項資產產生稅項虧損之期間撥回。於釐訂現有應課稅臨時差額是否可用以確認尚未動用的稅項虧損及進賬之遞延稅項資產時，可採納相同的準則，即是倘差額屬同一應課稅機構及同一應課稅實體，以及預期稅項虧損或可予以動用之進賬於期內撥回，該等差額將計入賬目。

**2. SIGNIFICANT ACCOUNTING POLICIES** (Continued)**(k) Income tax** (Continued)

(iii) (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, negative goodwill treated as deferred income, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax assets is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

2. 主要會計政策 (續)**(k) 所得稅** (續)

(iii) (續)

確認遞延稅項資產及負債之例外情況為自商譽產生之臨時差額不能就稅項扣減；負商譽被視作遞延收入；初步確認影響會計或應課稅溢利（惟並非業務組成部分）之資產或負債，及有關於附屬公司投資所出現臨時差額時，惟倘就應課稅差額而言，本集團控制撥回時間及差額很可能不會於可見將來撥回或出現可扣減差額則除外，除非日後很可能會撥回。

所確認之遞延稅項金額乃按預期資產及負債賬面值之變現或交收方式，以結算日實施或實際實施之稅率計算。遞延稅項資產及負債不會折讓。

遞延稅項資產賬面值於各結算日審閱，倘可能不再有足夠應課稅溢利以容許使用有關稅項利益，則會進行扣減。倘可能會有足夠應課稅溢利，該等扣減將會撥回。



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 主要會計政策 (續)

(k) Income tax (Continued)

(k) 所得稅 (續)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

(iv) 現有稅項結餘及遞延稅項結餘和其變動，均獨立呈列及不會予以抵銷。倘及僅由於本公司或本集團有法定執行權，可抵銷現有稅項資產與現有稅項負債及達成以下額外條件時，則現有稅項資產將抵銷現有稅項負債，及遞延稅項資產將抵銷遞延稅項負債：

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or

- 倘為現有稅項資產及負債，本公司或本集團擬按扣減基準結算或同時變現資產及清償負債；或
- 倘為遞延稅項資產及負債，由同一稅務機構徵收所得稅：
 - 同一個應稅實體；或



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 主要會計政策 (續)

(k) Income tax (Continued)

(k) 所得稅 (續)

(iv) (Continued)

(iv) (續)

- different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

- 不同的應稅實體。這些實體計劃在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每個未來期間按淨額實現即期稅項資產和清償即期稅項負債或在實現資產的同時清償負債。



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. 主要會計政策 (續)

(i) 撥備及或然負債

倘本公司或本集團因過往事件而負有可能須動用經濟利益之流出方可了結之法定或推定責任，且能作出可靠估計，則就不確定時限及金額之負債確認撥備。倘款項時間值為重大者，則撥備按預期解決債務所需開支之現值入賬。

倘可能毋須導致經濟利益流出或不能作出可靠估計，則將責任列作或然負債披露，除非經濟利益流出之可能性極微。僅可由發生或不發生一件或數件未來事件予以確定之可能責任，亦列作或然負債披露，除非經濟利益流出之可能性極微。

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(m) Revenue recognition**

Revenue is recognised when the outcome of a transaction can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue is recognised in the income statement as follows:

(i) Sales of software and hardware

Revenue is recognised when the Group has transferred to the customer the significant risks and rewards of ownership of the goods. Revenue excludes value added and business taxes and is stated after deduction of any goods returns and trade discounts.

(ii) Network construction services

Revenue from network construction services is recognised when the installation work is completed and the customer has accepted the goods and services together with significant risks and rewards of ownership.

(iii) Income from provision of maintenance and other services

Revenue from maintenance and other services is recognised at the time when the service is performed.

(iv) Interest income

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

2. 主要會計政策 (續)**(m) 收益確認**

收益乃於交易結果能可靠計算且與交易有關之經濟利益極有可能流入本集團時確認。收益乃按以下方式於收益表確認：

(i) 銷售軟件及硬件

收益乃於本集團將貨品擁有權之重大風險及回報轉移予客戶時確認。收益不包括增值稅及營業稅，並於扣除任何退貨及貿易折扣後列賬。

(ii) 網絡工程服務

網絡工程服務之收益在鋪設工程竣工，而客戶已接納貨物及服務連同擁有權之重大風險及回報時確認。

(iii) 提供維修及其他服務之收入

維修及其他服務之收益乃於提供服務時確認。

(iv) 利息收入

利息收入乃按時間比例基準，經參考未償還本金額按適用利率計算。



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Revenue recognition (Continued)

(v) Value added tax refunds

Value added tax refunds is recognised when the acknowledgement of refunds from the Tax Bureau has been received.

(n) Warranty costs

Warranty costs are charged to the income statement when incurred.

(o) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

(p) Government grants

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement as revenue on a systematic basis over the useful life of the asset.

2. 主要會計政策 (續)

(m) 收益確認 (續)

(v) 增值稅退稅

增值稅退稅乃於確認收訖稅務局退稅時予以確認。

(n) 保用成本

保用成本於產生時自收益表扣除。

(o) 經營租約費用

倘本集團根據經營租約使用資產，租約項下之付款將按租期所涵蓋之會計期間按平均分期金額自收益表扣除，惟倘有其他方法可更清晰反映自租賃資產所得利益之情況，則當別論。

(p) 政府津貼

當可合理確定將獲發政府津貼及本集團符合有關條件，則可於資產負債表內初步確認政府津貼為遞延收入。撥作補償本集團開支之津貼，會於開支產生之相同期間有系統地於收益表確認為收益。補償本集團資產成本之津貼，會有系統地按資產可使用年期於收益表確認為收益。

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(q) Translation of foreign currencies**

Foreign currency transactions during the year are translated into Renminbi at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Renminbi at the exchange rates ruling at the balance sheet date.

Exchange gains and losses are dealt with in the income statement.

The results of foreign enterprises are translated into Renminbi at the average exchange rates for the year; balance sheet items are translated into Renminbi at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

On disposal of a foreign enterprise, the cumulative amount of the exchange differences which relate to that foreign enterprise is included in the calculation of the profit or loss on disposal.

(r) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

2. 主要會計政策 (續)**(q) 外幣換算**

年內以外幣結算之交易乃按交易日之匯率換算為人民幣。以外幣換算之貨幣資產及負債，則按結算日之匯率換算為人民幣。

外匯收益及虧損於收益表中處理。

國外企業之業績按年內平均匯率換算為人民幣；資產負債表項目則按結算日之匯率換算為人民幣。匯兌差額列作儲備變動處理。

於出售國外企業時，有關國外企業之累計匯兌差額於計算出售收益或虧損時計入。

(r) 有關連人士

就財務報表而言，倘本集團有能力直接或間接控制另一方或對另一方之財務及經營決策行使重大影響力，反之亦然；或本集團與另一方受共同控制或有共同重大影響力，則有關人士被視為與本集團有關連。有關連人士可屬個人或其他實體。

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(s) Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and fixed assets. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

2. 主要會計政策 (續)**(s) 分部呈報**

分部指本集團所提供產品或服務(業務分部)或在特定經濟環境(地域分部)提供產品或服務之可區分類別,且不同類別之風險及回報均不相同。

根據本集團之內部財務申報制度,本集團之財務報表以業務分部資料為主要呈報形式,而地區分部資料則為次要呈報形式。

分部收益、開支、業績、資產及負債包括直接屬於某個類別之項目及可合理分配予該類別之項目。舉例而言,分部資產可包括存貨、應收貿易賬款及固定資產。分部收益、開支、資產及負債乃在集團內公司間結餘及集團內公司間交易作為合併過程之部分而對銷前釐定,惟倘該集團內公司間結餘及交易乃於同一類別內之集團企業間進行者除外。

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(s) Segment reporting (Continued)**

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses and minority interests.

3. CHANGE IN ACCOUNTING POLICY**SSAP12 (Revised) "Income taxes"**

In prior years, deferred tax liabilities were provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which were expected with reasonable probability to crystallise in the foreseeable future. Deferred tax assets were not recognised unless their realisation was assured beyond reasonable doubt. With effect from 1st January 2003, in order to comply with Statement of Standard Accounting Practice 12 (revised) issued by the Hong Kong Society of Accountants, the Group adopted a new policy for deferred tax as set out in note 2(k). As a result of the adoption of this accounting policy, the Group's profit for the year has been decreased by approximately RMB335,000 (2002: RMB575,000) and the net assets as at the year end have been decreased by approximately RMB821,000 (2002: RMB470,000).

The new accounting policy has been adopted retrospectively, with the opening balances of retained profits and reserves and the comparative information adjusted for the amounts relating to prior periods as disclosed in the consolidated statement of changes in equity.

2. 主要會計政策 (續)**(s) 分部呈報 (續)**

分部資本開支指期內用以購入分部資產 (不論有形或無形, 而且預計可使用一段期間以上) 所產生之總成本。

未分配項目主要包括財務及企業資產、計息貸款、借款、企業及融資費用和少數股東權益。

3. 會計政策變動**會計實務準則第12號 (經修訂)「所得稅項」**

於過往年度, 遞延稅項負債乃按負債法, 就收入及開支之會計與稅項處理方法所有重大時差所產生, 且合理預期可能於可見將來實現之稅項影響作出撥備。除非合理無疑地肯定遞延稅項資產可變現, 否則將不予確認。由二零零三年一月一日起, 為符合香港會計師公會頒佈之會計實務準則第12號 (經修訂) 之規定, 本集團就遞延稅項採納附註2(k)所述新政策。由於採納該新訂會計政策, 本集團年內之溢利減少約人民幣335,000元 (二零零二年: 人民幣575,000元), 於年結日之資產淨值亦減少約人民幣821,000元 (二零零二年: 人民幣470,000元)。

新訂會計政策已追溯應用, 如綜合股本變動表所披露, 保留溢利及儲備之期初結餘及可資比較資料已就過往期間之金額作出調整。



31st December 2003 (Expressed in Renminbi)

於二零零三年十二月三十一日 (以人民幣列值)

4. TURNOVER

The Company is an investment holding company, The principal activities of the Group are development of computer software, resale of hardware, provision of system integration and maintenance.

Turnover represents the sales value of goods supplied and services provided to customers, which excludes value-added and business taxes and is stated after deduction of any goods returns and trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

4. 營業額

本公司為投資控股公司。本集團之主要業務為電腦軟件開發、硬件轉售、提供系統集成及維修服務。

營業額指向客戶提供貨品及服務之銷售值，惟不包括增值稅及營業稅，並於扣除任何退貨及貿易折扣後列賬。年內所確認之各項重大收益類別如下：

		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
Sales of software	軟件銷售	10,016	18,001
Sales of hardware	硬件銷售	2,795	9,819
Network construction services fees	網絡工程服務收費	197	9,417
Maintenance and other services fees	維修及其他服務收費	3,279	2,667
		<u>16,287</u>	<u>39,904</u>



5. OTHER REVENUE AND NET INCOME

5. 其他收益及收入淨額

		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
Other revenue	其他收益		
Interest income	利息收入	94	286
Value-added tax refunds	增值稅退稅	1,977	2,177
Government grant received	已收政府津貼	150	-
Dividend income from listed securities	自上市證券所得 股息收入	3	-
Others	其他	129	146
		<u>2,353</u>	<u>2,609</u>
Other net income	其他收入淨額		
Net realised and unrealised gains on listed equity securities carried at market value	上市股本證券之已變現及未變現盈利淨額 (以公平值列賬)	140	25
Net realised and unrealised gains on unlisted equity securities carried at fair value	非上市股本證券之已變現及未變現收益淨額 (以公平值列賬)	-	187
Gain on partial disposal of a subsidiary	出售一間附屬公司部分 權益之收益	-	48
Write-off of long outstanding creditors	撤銷長期未償還之 應付賬款	-	186
Net exchange gain	外匯收益淨額	50	-
		<u>190</u>	<u>446</u>



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於二零零三年十二月三十一日(以人民幣列值)

6. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

6. 除稅前日常業務溢利

除稅前日常業務溢利已扣除/(計入)下列各項:

		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
(a) Staff costs	(a) 員工成本		
Contributions to defined contribution plans	定額供款計劃供款	635	520
Salaries, wages and other benefits	薪金、工資及其他福利	<u>8,891</u>	<u>7,839</u>
Total staff costs #	總員工成本#	<u>9,526</u>	8,359
Less: Amount capitalised as development costs	減:資本化之開發成本	<u>(3,550)</u>	<u>(3,550)</u>
		<u>5,976</u>	<u>4,809</u>



6. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION (Continued)

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

6. 除稅前日常業務溢利 (續)

除稅前日常業務溢利已扣除/(計入)下列各項:

	2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
(b) Other items		
Cost of inventories sold and services rendered #	7,063	16,998
Amortisation of intangible assets	536	312
Amortisation of negative goodwill	(32)	-
Auditors' remuneration		
– provision for the year	281	280
– over-provision in prior years	(265)	-
	16	280
Depreciation #	1,748	1,615
Less: Amount capitalised as development costs	(497)	(498)
	1,251	1,117
Operating lease charges in respect of land and buildings	935	935
Provision for bad and doubtful debts	213	135
Bad debt written off	246	-
Loss on disposal of fixed assets	117	2

Cost of inventories sold and services rendered includes staff costs of approximately RMB2,226,000 (2002: RMB1,538,000) and depreciation expenses of approximately RMB225,000 (2002: RMB111,000) that have also been included in the respective total amounts disclosed separately above for each of these types of expenses.

售出存貨及提供服務之成本·包括員工成本約人民幣2,226,000元(二零零二年:人民幣1,538,000元)及折舊開支約人民幣225,000元(二零零二年:人民幣111,000元)·已計入上述各開支類別另行披露之總金額內。



7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT 7. 綜合收益表之所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表之稅項指：

		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
Current tax – Provision for PRC enterprise income tax	現有稅項 – 中國企業所得稅撥備		
Tax for the year	本年度稅項	–	799
Over-provision in respect of prior years	過往年度超額撥備	(520)	(214)
		(520)	585
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	臨時差額來源及撥回	282	595
		(238)	1,180

**7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)****(a) Taxation in the consolidated income statement represents: (Continued)***Notes:***(i) Hong Kong profits tax**

No provision for Hong Kong profits tax has been made as the Group did not derive any income subject to Hong Kong profits tax for the years ended 31st December 2003 and 2002.

(ii) PRC enterprise income tax

Fujian Shine Science Company Limited ("Fujian Shine Science"), which is a subsidiary of the Company and obtained a certificate of "Hi-Tech Enterprise" on 21st June 1999, is subject to PRC enterprise income tax at a preferential rate of 15% and is exempted from PRC enterprise income tax for the two years starting from its first profit-making year, and is entitled to a 50% relief on PRC enterprise income tax for the subsequent three years.

Fujian Shine Science became profitable after offsetting prior years' losses in the year ended 31st December 1999 and accordingly, was exempted from PRC enterprise income tax for the years ended 31st December 1999 and 2000 and was subject to PRC enterprise income tax at a rate of 7.5% for the years ended 31st December 2001 and 2002. On 26th February 2003, PRC tax authority approved that, pursuant to the relevant Income Tax Law of the PRC for Foreign Investment Enterprise, Fujian Shine Science is further exempted from PRC enterprise income tax for the two years starting from its first profit-making year after Fujian Shine Science became a wholly foreign-owned enterprise in July 2002, and is entitled to a 50% relief on PRC enterprise income tax for the subsequent three years. Accordingly, no provision for PRC enterprise income tax has been made for the year ended 31st December 2003.

7. 綜合收益表之所得稅 (續)**(a) 綜合收益表之稅項指: (續)***附註:***(i) 香港利得稅**

由於本集團於截至二零零三年及二零零二年十二月三十一日止年度並無賺取任何須繳納香港利得稅之收入,故並無為香港利得稅作出任何撥備。

(ii) 中國企業所得稅

本公司附屬公司福建新意科技有限公司(「福建新意」)於一九九九年六月二十一日獲得「高新科技企業」證書,須按優惠稅率15%繳納中國企業所得稅,並由首個獲利年度起計兩個年度獲豁免繳納中國企業所得稅,而隨後三年則可獲減免50%中國企業所得稅。

福建新意因抵銷過往年度虧損後於截至一九九九年十二月三十一日止年度獲利,故於截至一九九九年及二零零零年十二月三十一日止年度獲豁免繳納中國企業所得稅,並須於截至二零零一年及二零零二年十二月三十一日止年度按稅率7.5%繳納中國企業所得稅。於二零零三年二月二十六日,經中國稅務機關批准,按照有關國外投資企業之中國所得稅法律,福建新意自二零零二年七月成為全外資企業後,自其首個獲利年度起進一步獲豁免中國企業所得稅兩年,並於其後三年享有50%之中國企業所得稅減免。因此,福建新意並無就截至二零零三年十二月三十一日止年度作出中國企業所得稅撥備。

**7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)****(a) Taxation in the consolidated income statement represents: (Continued)**

Notes: (Continued)

(ii) PRC enterprise income tax (Continued)

Shanghai Shine Science Company Limited ("Shanghai Shine Science"), which is a subsidiary of the Company and operating in Pudong, Shanghai, PRC is subject to PRC enterprise income tax, before any relief or concession, at a rate of 15%. Shanghai Shine Science, which obtained a certificate of "Software Enterprise" on 10th April 2002, is exempted from PRC enterprise income tax for the two years starting from its first profit-making year, and is entitled to a 50% relief on PRC enterprise income tax for the subsequent three years. Accordingly, no provision for PRC enterprise income tax has been made for the year ended 31st December 2002 and Shanghai Shine Science was subject to PRC enterprise income tax at a rate of 7.5% for the year ended 31st December 2003. No provision for PRC enterprise income tax has been made for as Shaughai Shine Science has no estimated assessable profits for the year ended 31st December 2003.

Pursuant to the relevant PRC laws and regulation applicable to the new established enterprise, Fuzhou Xinyi Xinwangluo Network Company Limited ("Xinwangluo"), a subsidiary of the Company, is exempted from PRC enterprise income tax for its first profit-making year, and thereafter it is subject to PRC enterprise income tax at a rate of 33%. Xinwangluo became profitable after offsetting prior year losses in the year ended 31st December 2001 and accordingly, was exempted from PRC enterprise income tax for the year ended 31st December 2001. Xinwangluo was subject to PRC enterprise income tax at a rate of 33% for the year ended 31st December 2002. No provision for PRC enterprise income tax has been made as Xinwangluo has no estimated assessable profits for the year ended 31st December 2003.

No provision for PRC enterprise income tax has been made in the financial statements of Shanghai Xingyishi Management Consulting Company Limited ("Shanghai Xingyishi"), a subsidiary of the Company, as Shanghai Xingyishi has no estimated assessable profits for the years ended 31st December 2003 and 2002.

7. 綜合收益表之所得稅 (續)**(a) 綜合收益表之稅項指: (續)**

附註: (續)

(ii) 中國企業所得稅 (續)

本公司附屬公司上海新意科技有限公司(「上海新意」)於中國上海市浦東區營運,在獲得稅務寬減或減免前,須按15%之稅率繳納中國企業所得稅。上海新意於二零零二年四月十日取得「軟件企業」證書,自首個獲利年度起獲豁免繳納中國企業所得稅兩年,並於其後三年獲寬減50%中國企業所得稅。因此,概無就截至二零零二年十二月三十一日止年度就中國企業所得稅作出撥備,而上海新意須就截至二零零三年十二月三十一日止年度繳納7.5%之中國企業所得稅。由於上海新意於截至二零零三年十二月三十一日止年度並無任何估計應課稅溢利,故並無就中國企業所得稅作出任何撥備。

根據新成立企業適用之有關中國法例及法規,本公司附屬公司福州新意新網絡有限公司(「新意新網絡」)於其首個獲利年度獲豁免繳納中國企業所得稅,其後須按稅率33%繳納中國企業所得稅。新意新網絡因抵銷去度虧損後於截至二零零一年十二月三十一日止年度獲利,故就該年度獲豁免繳納中國企業所得稅。新意新網絡於截至二零零二年十二月三十一日止年度須按稅率33%繳納中國企業所得稅。由於新意新網絡於截至二零零三年十二月三十一日止年度並無估計應課稅溢利,因此概無就中國企業所得稅作出撥備。

由於本公司附屬公司上海興意識管理諮詢有限公司(「上海興意識」)於截至二零零三年及二零零二年十二月三十一日止年度並無估計應課稅溢利,故上海興意識之財務報表並無就中國企業所得稅作出撥備。



7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

7. 綜合收益表之所得稅(續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 按適用稅率計算之稅項開支與會計溢利之對賬:

		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元 (Restated) (重列)
Profit before tax	除稅前溢利	<u>141</u>	<u>15,825</u>
Notional tax on profit before tax, calculated at the applicable rate	按適用稅率計算之除稅前溢利名義稅項	46	5,222
Tax effect of non-deductible expenses	不可扣減開支之稅務影響	92	3,233
Tax effect of non-taxable revenue	非應課稅收益之稅務影響	(45)	(2,012)
Tax effect of unused tax losses not recognised	未確認尚未使用稅項虧損之稅務影響	376	68
Effect of different tax rates of companies of the Group	本集團成員公司稅率不同之影響	<u>(187)</u>	<u>(5,117)</u>
Tax expense	稅項開支	282	1,394
Over-provision in prior years	過往年度超額撥備	<u>(520)</u>	<u>(214)</u>
Actual tax (written back)/expense	實際稅項(撥回)/開支	<u>(238)</u>	<u>1,180</u>



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8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

Fees	袍金
Salaries and other emoluments	薪金及其他薪酬
Retirement scheme contributions	退休計劃供款

Included in the directors' remuneration were fees of approximately RMB20,000 (2002: RMB nil) paid or payable to the non-executive director during the year.

Included in the director's remuneration were fees of approximately RMB53,000 (2002: RMB nil) and RMB53,000 (2002: RMB nil) paid or payable to the two independent non-executive directors respectively during the year.

During the year ended 31st December 2003, the six executive directors received individual emoluments of approximately RMB199,000 (2002: RMB163,000), RMB206,000 (2002: RMB163,000), RMB213,000 (2002: RMB140,000), RMB169,000 (2002: RMB142,000), RMB123,000 (2002: RMB93,000) and RMB84,000 (2002: RMB91,000) respectively.

8. 董事酬金

根據香港公司條例第161節披露之董事酬金如下：

		The Group 本集團	
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
		126	-
		972	760
		22	32
		<u>1,120</u>	<u>792</u>

年內向非執行董事支付或應付之袍金約人民幣20,000元 (二零零二年: 人民幣零元) 計入董事酬金。

董事酬金內包括於年內向兩名獨立非執行董事分別支付或應付袍金約人民幣530,000元 (二零零二年: 人民幣零元) 及人民幣530,000元 (二零零二年: 人民幣零元)。

於截至二零零三年十二月三十一日止年度, 六名執行董事收取個人酬金分別約人民幣199,000元 (二零零二年: 人民幣163,000元)、人民幣206,000元 (二零零二年: 人民幣163,000元)、人民幣213,000元 (二零零二年: 人民幣140,000元)、人民幣169,000元 (二零零二年: 人民幣142,000元)、人民幣123,000元 (二零零二年: 人民幣93,000元) 及人民幣84,000元 (二零零二年: 人民幣91,000元)。



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8. DIRECTORS' REMUNERATION (Continued)

During the years ended 31st December 2003 and 2002, no directors waived any emoluments. No incentive payments for joining the Group or compensation for loss of office was paid or payable to any director for the years ended 31st December 2003 and 2002.

The remuneration of the directors is within the following band:

RMB nil – RMB1,060,000	人民幣零元 – 人民幣
(approximately equivalent to HK\$nil to HK\$1,000,000)	1,060,000元 (約相當於 零港元至1,000,000港元)

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2002: four) are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other one (2002: one) individual is as follows:

Salaries and other emoluments	薪金及其他酬金
Retirement scheme contributions	退休計劃供款

8. 董事酬金 (續)

於截至二零零三年及二零零二年十二月三十一日止年度，並無董事放棄任何酬金。於截至二零零三年及二零零二年十二月三十一日止年度，概無董事獲支付或應付任何款項作為加盟本集團之獎勵或作為離職補償。

董事酬金介乎以下範圍：

Number of directors 董事人數	
2003 二零零三年	2002 二零零二年

<u>9</u>	<u>9</u>
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<u>9</u>	<u>9</u>
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9. 最高薪人士

五名最高薪人士中，四名 (二零零二年：4名) 為董事，彼等之酬金於附註8披露，其餘一名 (二零零二年：1名) 人士之酬金總額如下：

2003 二零零三年	2002 二零零二年
RMB'000 人民幣千元	RMB'000 人民幣千元

Salaries and other emoluments	薪金及其他酬金	558	136
Retirement scheme contributions	退休計劃供款	14	3
		<u>572</u>	<u>139</u>



9. INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

During the years ended 31st December 2003 and 2002, no emoluments were paid or payable 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. The emoluments of the one (2002: one) individual with the highest emoluments are within the following band:

RMB nil – RMB1,060,000
(approximately equivalent to
HK\$nil to HK\$1,000,000)

人民幣零元 – 人民幣
1,060,000元 (約相當於
零港元至1,000,000港元)

9. 最高薪人士酬金 (續)

於截至二零零三年及二零零二年十二月三十一日止年度，概無任何已付或應付包括董事及其他僱員在內之五名最高薪人士之酬金，作為招攬其加入本集團或加入本集團時之獎賞或作為離職補償。一名最高薪人士 (二零零二年：一名) 之酬金介乎以下範圍：

Number of individuals 人數	
2003 二零零三年	2002 二零零二年

1

1

10. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The consolidated profit attributable to shareholders includes a loss of RMB2,174,000 (2002: RMB nil) which has been dealt with in the financial statements of the Company.

10. 股東應佔溢利

綜合股東應佔溢利包括已於本公司財務報表處理之虧損人民幣2,174,000元 (二零零二年：人民幣零元)。



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11. DIVIDENDS

(a) Dividends attributable to the year

Interim dividend declared by the subsidiaries to its then shareholders prior to the Reorganisation

Final dividend proposed after the balance sheet date of HK\$0.34 cents (equivalent to approximately RMB0.36 cents) (2002: RMB nil) per share

重組前附屬公司向其當時之股東宣派之中期股息

結算日後擬派末期股息每股0.34港仙 (約相當於人民幣0.36分) (二零零二年: 人民幣:零)

11. 股息

(a) 本年度股息

2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
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-	7,000
<u>1,703</u>	<u>-</u>
<u>1,703</u>	<u>7,000</u>

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

結算日後擬派末期股息並無確認為於結算日之負債。

(b) Dividend attributable to the previous financial year, approved and paid during the year

Final dividend in respect of the year ended 31st December 2001, approved and paid during the year ended 31st December 2002, by a subsidiary to its then shareholders prior to the Reorganisation

截至二零零一年十二月三十一日止年度之末期股息, 於截至二零零二年十二月三十一日止年度進行重組前由一間附屬公司向其當時之股東批准及派付

(b) 過往財政年度之股息, 於年內批准及派付

2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
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-	3,000
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12. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of approximately RMB708,000 (2002 (restated): RMB13,165,000) and on the weighted average of 400,754,000 ordinary shares (2002: 354,750,000 ordinary shares prior to the initial public offer but after the conversion of convertible notes into shares pursuant to the convertible notes agreement dated 19 July 2002 and the capitalisation issue as if the shares had been issued since 1st January 2002) in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share is not presented as there was no dilutive potential ordinary shares in existence during the years ended 31st December 2003 and 2002.

12. 每股盈利

(a) 每股基本盈利

每股基本盈利乃按股東應佔溢利約人民幣708,000元(二零零二年(重列):人民幣13,165,000元)及於首次公開發售前但經根據二零零二年七月十九日訂立之可換股票據協議兌換可換股票據,以及資本化發行調整後,並假設猶如股份於二零零二年一月一日已發行之年內已發行普通股加權平均數400,754,000股(二零零二年:354,750,000股)計算。

(b) 每股攤薄盈利

由於截至二零零三年及二零零二年十二月三十一日止年度並無潛在攤薄普通股,因而並無呈列每股攤薄盈利。



13. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments. As all of the Group's revenue and results were substantially derived from the PRC, no geographical segment information is presented.

Business segment

The Group comprises the following main business segments:

Software sales	:	Sales of software relating to securities and financial industries in the PRC
Hardware sales	:	Sales of hardware
Network construction	:	Provision of network construction services
Provision of maintenance and other services	:	Provision of technical support and consultancy services for its customers

13. 分部呈報

分部資料按本集團之業務分部呈列。由於本集團之收益及業績大部分均源自中國，故並無呈列地區分部資料。

業務分部

本集團之主要業務分部包括：

軟件銷售	:	在中國銷售有關證券及金融業之軟件
硬件銷售	:	銷售硬件
網絡工程	:	提供網絡工程服務
提供維修及其他服務	:	向其客戶提供技術支援及顧問服務



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13. SEGMENT REPORTING (Continued)

- (i) An analysis of the Group's revenue and results by business segments is as follows:

		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元 (Restated) (重列)
Revenue from external customers	來自外界客戶之收益		
Software sales	軟件銷售	10,016	18,001
Hardware sales	硬件銷售	2,795	9,819
Provision of network construction services	提供網絡工程服務	197	9,417
Provision of maintenance and other services	提供維修及其他服務	3,279	2,667
Total revenue from external	外來收益總額	<u>16,287</u>	<u>39,904</u>
Other revenue	其他收益		
Software sales	軟件銷售	1,977	2,177
Unallocated items	未分配項目	376	432
Total other revenue	其他收益總額	<u>2,353</u>	<u>2,609</u>
Total operating revenue	經營收益總額	<u>18,640</u>	<u>42,513</u>
Segment results	分部業績		
Software sales	軟件銷售	6,422	16,496
Hardware sales	硬件銷售	733	2,470
Provision of network construction services	提供網絡工程服務	(56)	1,497
Provision of maintenance and other services	提供維修及其他服務	711	1,577
Unallocated operating income and expenses	未分配經營收入及開支	<u>7,810</u>	<u>22,040</u>
		<u>(7,669)</u>	<u>(6,215)</u>
Profit from operations	經營溢利	141	15,825
Income tax	所得稅	238	(1,180)
Minority interests	少數股東權益	329	(1,480)
Profit attributable to shareholders	股東應佔溢利	<u>708</u>	<u>13,165</u>

13. 分部呈報(續)

- (i) 本集團按業務分部劃分之收益及業績分析如下:

**13. SEGMENT REPORTING** (Continued)

- (ii) An analysis of the Group's depreciation and amortisation by business segments is as follows:

Depreciation and amortisation
Software sales
Hardware sales
Provision of network construction services
Provision of maintenance and other services
Unallocated assets

折舊及攤銷
軟件銷售
硬件銷售
提供網絡工程服務
提供維修及其他服務
未分配資產

2003	2002
二零零三年	二零零二年
RMB'000	RMB'000
人民幣千元	人民幣千元
1,213	1,195
-	-
45	-
-	38
1,026	694
2,284	1,927

13. 分部呈報 (續)

- (ii) 本集團按業務分部劃分之折舊及攤銷分析如下：

**13. SEGMENT REPORTING** (Continued)

(iii) An analysis of the Group's assets and liabilities by business segments is as follows:

13. 分部呈報 (續)

(iii) 本集團按業務分部劃分之資產及負債分析如下:

		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元 (Restated) (重列)
Segment assets	分部資產		
Software sales	軟件銷售	11,877	9,639
Hardware sales	硬件銷售	99	747
Provision of network construction services	提供網絡工程服務	146	5,906
Provision of maintenance and other services	提供維修及其他服務	85	122
		<u>12,207</u>	16,414
Unallocated assets	未分配資產	<u>44,070</u>	<u>24,736</u>
Total assets	總資產	<u><u>56,277</u></u>	<u><u>41,150</u></u>
Segment liabilities	分部負債		
Software sales	軟件銷售	1,898	2,556
Hardware sales	硬件銷售	28	772
Provision of network construction services	提供網絡工程服務	871	1,940
Provision of maintenance and other services	提供維修及其他服務	31	527
		<u>2,828</u>	5,795
Unallocated liabilities	未分配負債	<u>3,969</u>	<u>26,513</u>
Total liabilities	總負債	<u><u>6,797</u></u>	<u><u>32,308</u></u>

**13. SEGMENT REPORTING** (Continued)

(iv) An analysis of the Group's capital and expenditure by business segments is as follows:

Capital expenditure

Software sales	Hardware sales	Provision of network construction services	Provision of maintenance and other services	Unallocated assets
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資本開支

軟件銷售	硬件銷售	提供網絡工程服務	提供維修及其他服務	未分配資產
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13. 分部呈報 (續)

(iv) 本集團按業務分部劃分之資本開支分析如下:

	2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
軟件銷售	5,720	5,087
硬件銷售	-	-
提供網絡工程服務	79	-
提供維修及其他服務	-	58
未分配資產	<u>1,678</u>	<u>2,077</u>
	<u><u>7,477</u></u>	<u><u>7,222</u></u>



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14. FIXED ASSETS

(a) The Group

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Leasehold improve- ments 租賃 裝修工程 RMB'000 人民幣千元	Computer equipment 電腦設備 RMB'000 人民幣千元	Furniture and equipment 傢具及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	原值						
At 1st January 2003	於二零零三年 一月一日	121	1,750	3,044	564	1,182	6,661
Additions	添置	-	845	864	230	310	2,249
Disposals	出售	-	-	(107)	-	(393)	(500)
At 31st December 2003	於二零零三年 十二月三十一日	121	2,595	3,801	794	1,099	8,410
Accumulated depreciation	累計折舊						
At 1st January 2003	於二零零三年 一月一日	25	1,086	1,348	103	243	2,805
Charge for the year	年內支出	6	567	900	146	129	1,748
Written back on disposals	出售時撥回	-	-	(70)	-	(91)	(161)
At 31st December 2003	於二零零三年 十二月三十一日	31	1,653	2,178	249	281	4,392
Net book value	賬面淨值						
At 31st December 2003	於二零零三年 十二月三十一日	90	942	1,623	545	818	4,018
At 31st December 2002	於二零零二年 十二月三十一日	96	664	1,696	461	939	3,856

As at 31st December 2003, the land having the carrying amounts of approximately RMB45,000 (2002: RMB48,000) is located in the PRC and held under medium-term leases.

於二零零三年十二月三十一日，賬面金額約人民幣45,000元（二零零二年：人民幣48,000元）之土地乃位於中國，並以中期租約持有。



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14. FIXED ASSETS (Continued)

(b) The Company

		Leasehold improve- ments 租賃 裝修工程 RMB'000 人民幣千元	Computer equipment 電腦設備 RMB'000 人民幣千元	Furniture and equipment 傢具及設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	原值				
Additions and at 31st December 2003	添置及於二零零三年 十二月三十一日	147	27	106	280
Accumulated depreciation	累計折舊				
Charge for the year and at 31st December 2003	年內支出及於二零零三年 十二月三十一日	74	9	21	104
Net book value	賬面淨值				
At 31st December 2003	於二零零三年十二月 三十一日	<u>73</u>	<u>18</u>	<u>85</u>	<u>176</u>

14. 固定資產 (續)

(b) 本公司



15. INTANGIBLE ASSETS

15. 無形資產

		The Group 本集團 Development costs 開發成本 RMB'000 人民幣千元
Cost	原值	
At 1st January 2003	於二零零三年一月一日	4,417
Additions through internal development	內部開發成本	4,048
Additions through external development	外部開發成本	1,180
At 31st December 2003	於二零零三年十二月三十一日	9,645
Accumulated amortisation	累計攤銷	
At 1st January 2003	於二零零三年一月一日	312
Charge for the year	年內支出	536
At 31st December 2003	於二零零三年十二月三十一日	848
Net book value	賬面淨值	
At 31st December 2003	於二零零三年十二月三十一日	8,797
At 31st December 2002	於二零零二年十二月三十一日	4,105

The amortisation charge for the year is included in "cost of sales" in the consolidated income statement.

年內攤銷支出於綜合收益表「銷售成本」列賬。



16. GOODWILL

16. 商譽

The Group
本集團
Negative
goodwill
負商譽
RMB'000
人民幣千元

Cost

Additions through acquisition of partial interest
in a subsidiary and at 31 December 2003

原值

透過收購一間附屬公司部分權益
增加及於二零零三年
十二月三十一日

(629)**Accumulated amortisation**

Amortisation for the year and
at 31st December 2003

累計攤銷

年內攤銷及於二零零三年
十二月三十一日

32**Net book value**

At 31st December 2003

賬面淨值

於二零零三年十二月三十一日

(597)

Negative goodwill is recognised as income on a straight-line basis over 5 years. The amortisation of negative goodwill for the year is included in "general and administrative expenses" in the consolidated income statement.

負商譽以直線法於五年確認為收入。年內負商譽攤銷於綜合收益表「一般及行政開支」列賬。



17. INVESTMENTS IN SUBSIDIARIES

17. 於附屬公司之投資

The Company

本公司

2003

二零零三年

RMB'000

人民幣千元

Unlisted shares, at cost

非上市股份·按原值

19

As at 31 December 2003, the details of all subsidiaries of the Company were as follows:

於二零零三年十二月三十一日·本公司所有附屬公司之詳情如下：

Name of company 公司名稱	Place of incorporation 註冊成立地點	Particulars of issued and fully paid share capital/ registered capital 已發行及繳足 股本／註冊資本詳情	Group's effective interest 本集團 實際權益	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
				Direct 直接	Indirect 間接	
Shine Science & Technology (BVI) Company Limited ("Shine Science BVI")	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	100,000 ordinary shares of US\$0.01 each 100,000 股 每股面值 0.01 美元之普通股	100%	100%	-	Investment holding 投資控股
Fujian Shine Science & Technology Co., Ltd. ("Fujian Shine Science") (note (a)) 福建新意科技有限公司 (「福建新意」)(附註(a))	The People's Republic of China ("PRC") 中華人民共和國 (「中國」)	Registered capital 註冊資本 RMB12,500,000 人民幣12,500,000元	100%	-	100%	Development of computer software, resale of hardware, provision of system integration and maintenance in the PRC 在中國開發電腦軟件、 轉售硬件及提供系統 集成及維修服務



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17. INVESTMENTS IN SUBSIDIARIES (Continued)

17. 於附屬公司之投資 (續)

Name of company 公司名稱	Place of incorporation 註冊成立地點	Particulars of issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本詳情	Group's effective interest 本集團 實際權益	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
				Direct 直接	Indirect 間接	
Shanghai Shine Science Company Limited ("Shanghai Shine Science") (note (b)) 上海新意新科技有限公司 (「上海新意」)(附註(b))	PRC 中國	Registered capital 註冊資本 RMB5,000,000 人民幣5,000,000元	100%	-	100%	Development of computer software, resale of hardware, provision of system integration and maintenance in the PRC 在中國開發電腦軟件、 轉售硬件及提供 系統集成和維修服務
Fuzhou Xinyi Xinwangluo Network Company Limited ("Xinwangluo") (note (c)) 福州新意新網絡有限公司 (「新意新網絡」) (附註(c))	PRC 中國	Registered capital 註冊資本 RMB1,000,000 人民幣1,000,000元	67%	-	67%	Resale of hardware and network installation in the PRC 在中國轉售硬件及進行 網絡安裝
Shanghai Xingyishi Management Consulting Company Limited ("Shanghai Xingyishi") (note (d)) 上海興意識管理諮詢 有限公司 (「上海興意識」) (附註(d))	PRC 中國	Registered capital 註冊資本 RMB500,000 人民幣500,000元	60%	-	60%	Provision of computer and management consultancy services in the PRC 在中國提供電腦及管理 諮詢服務



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17. INVESTMENTS IN SUBSIDIARIES (Continued)

Notes:

- (a) Fujian Shine Science is a wholly foreign-owned enterprise established in the PRC to be operated for 24.5 years up to July 2022.
- (b) Shanghai Shine Science is an equity joint venture established in the PRC to be operated for 20 years up to February 2021. In October 2003, the Group acquired the remaining 10% of its interest in Shanghai Shine Science and nominated Ms. Gu Yun, the Chairperson of the Company, to hold the 10% interest in trust for and on behalf of the Group.
- (c) Xinwangluo is an equity joint venture established in the PRC to be operated for 10 years up to June 2011.
- (d) Shanghai Xingyishi is an equity joint venture established in the PRC to be operated for 20 years up to May 2022.

18. INVESTMENTS**17. 於附屬公司之投資 (續)**

附註:

- (a) 福建新意為於中國成立之全外資企業，其經營期間為24.5年，至二零二二年七月止。
- (b) 上海新意為於中國成立之合資合營企業，其經營期間為20年，至二零二一年二月止。於二零零三年十月，本集團收購其於上海新意餘下10%權益，並提名本公司主席顧雲女士以信託方式代表本集團持有該10%權益。
- (c) 新意新網絡為於中國成立之合資合營企業，其經營期間為10年，至二零一一年六月止。
- (d) 上海興意識為於中國成立之合資合營企業，其經營期間為20年，至二零二二年五月止。

18. 投資

		The Group 本集團	
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
Trading securities (at market value)	買賣證券 (按市值)		
Listed equity securities outside Hong Kong	香港境外之上市股本證券	<u>163</u>	<u>105</u>



19. INVENTORIES

19. 存貨

		The Group 本集團	
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
Computer hardware and accessories acquired for resale	電腦硬件及作轉售 而購入之配件	76	151

All inventories were stated at cost as at 31st December 2003 and 2002.

於二零零三年及二零零二年十二月三十一日之所有存貨均以原值列賬。

20. TRADE AND OTHER RECEIVABLES

20. 應收賬款及其他應收款項

		The Group 本集團		The Company 本公司
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Amounts due from subsidiaries	應收附屬公司款項	-	-	28,896
Trade receivables	應收賬款	1,213	10,293	-
Rental and other deposits	租金及其他按金	298	364	89
Interest receivable	應收利息	-	86	-
Listing expenses prepaid	預付上市開支	-	2,406	-
Other prepayments and receivables	其他預付款項及 應收款項	555	400	159
		2,066	13,549	29,144

All of the trade and other receivables, apart from rental and other deposits, are expected to be recovered within one year.

除租金及其他按金外，預期所有應收賬款及其他應收款項將於一年內收回。



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20. TRADE AND OTHER RECEIVABLES (Continued)

Included in trade and other receivables are trade receivables (net of provision for bad and doubtful debts) with the following ageing analysis:

Within 1 month	1個月內	320	5,866
More than 1 month but less than 3 months	1個月後3個月內	604	908
More than 3 months but less than 6 months	3個月後6個月內	160	2,831
More than 6 months but less than 12 months	6個月後12個月內	651	823
More than 12 months	12個月後	481	655
		2,216	11,083
Less: Provision for bad and doubtful debts	減: 呆壞賬撥備	(1,003)	(790)
		1,213	10,293

The Group generally grants credit terms of 30 days to 180 days to its customers.

21. TAX RECOVERABLE

Value-added tax prepaid	預繳增值稅	74	—
Value-added tax refunds receivable	應收增值稅退稅	912	500
		986	500

20. 應收賬款及其他應收款項(續)

於應收賬款及其他應收款項計入之應收賬款(扣除呆壞賬撥備)賬齡分析如下:

		The Group 本集團	
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
		320	5,866
		604	908
		160	2,831
		651	823
		481	655
		2,216	11,083
		(1,003)	(790)
		1,213	10,293

本集團一般給予客戶30至180日信貸期。

21. 可收回稅項

		The Group 本集團	
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
		74	—
		912	500
		986	500



22. FIXED DEPOSITS

22. 定期存款

		The Group 本集團	
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
Deposits with banks maturing after three months from the date of the deposits	由存款日期起計三個月後到期之銀行存款	12,000	-

23. CASH AND CASH EQUIVALENTS

23. 現金及現金等值物

		The Group 本集團		The Company 本公司
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Deposits with banks maturing within three months from the date of the deposits	由存款日期起計三個月內到期之銀行存款	20,373	-	8,480
Cash at bank	銀行現金	7,757	18,686	2,021
Cash on hand	手頭現金	75	58	-
		<u>28,205</u>	<u>18,744</u>	<u>10,501</u>



24. TRADE AND OTHER PAYABLES

24. 應付賬款及其他應付款項

		The Group 本集團		The Company 本公司
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元	2003 二零零三年 RMB'000 人民幣千元
Trade payables	應付賬款	268	2,713	-
Deposits received from customers	向客戶收取按金	1,825	2,556	-
Employees welfare payable	應付員工福利	901	1,316	-
Accrued expenses and other payables	應計開支及 其他應付款項	1,297	1,156	450
Other tax payables	其他應繳稅項	246	1,287	-
Dividend payable to a minority shareholder	應付一名少數股東 股息	-	505	-
Dividend payable	應付股息	-	6,000	-
		4,537	15,533	450

Included in trade and other payables are trade payables with the following ageing analysis:

計入應付賬款及其他應付款項之應付賬款賬齡分析如下:

		The Group 本集團	
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
Within 1 month	1個月	-	2,687
After 6 months but less than 12 months	6個月後12個月內	210	-
After 12 months	12個月後	58	26
		268	2,713



25. DEFERRED INCOME

25. 遞延收入

		The Group 本集團	
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
At 1st January	於一月一日	526	506
Released to consolidated income statement	轉撥至綜合收益表	(526)	(506)
Income deferred during the year	年內遞延收入	779	526
		<u>779</u>	<u>526</u>
At 31st December	於十二月三十一日	<u>779</u>	<u>526</u>

26. INCOME TAX PAYABLE

26. 應付所得稅

		The Group 本集團	
		2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
At 1 January	於一月一日	794	-
Provision for PRC enterprise income tax for the year	年內中國企業 所得稅撥備	-	799
Over-provision in prior years	過往年度超額撥備	(520)	(214)
PRC enterprise income tax (paid)/ refunded for the year	年內已(繳付)/退回 中國企業所得稅	(113)	209
		<u>161</u>	<u>794</u>
At 31 December	於十二月三十一日	<u>161</u>	<u>794</u>

**27. CONVERTIBLE NOTES**

Pursuant to an agreement dated 19th July 2002, Shine Science BVI, a subsidiary of the Company, issued convertible notes (the "Notes") for an aggregate amount of HK\$14,000,000 (equivalent to approximately RMB14,840,000). Each holder of the Notes had the right to convert the whole, but not part, of the principal amount of the Notes into shares of HK\$0.01 each in the share capital of the Company. The Notes were interest-bearing and carried an interest of 8% per annum on the principal amount of the Notes outstanding, accruing from the date of the issue of the Notes but no interest would be payable if the Notes are converted into the shares of the Company. Further details of the Notes are set out in the prospectus dated 4th August 2003 issued by the Company.

On 18th June 2003, the holders of the Notes converted the Notes into 451,644 ordinary shares in the Company. Further details are disclosed in note 29(d).

27. 可換股票據

根據日期為二零零二年七月十九日之協議，本公司附屬公司Shine Science BVI發行換股票據(「票據」)，總代價為14,000,000港元(約相當於人民幣14,840,000元)。各票據持有人有權將可換股票據全部，而非部分本金轉為本公司股本中每股面值0.01港元之股份。票據附有利息，並由票據發行日期起，就票據未支付本金按年率8厘計息，惟倘票據轉為本公司股份，則毋須支付任何利息。有關票據之進一步詳情載於本公司所刊發日期為二零零三年八月四日之招股章程。

於二零零三年六月十八日，可換股票據之持有人行使可換股票據，轉換本公司451,644股普通股。進一步詳情載於附註29(d)。



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28. DEFERRED TAXATION

28. 遞延稅項

(a) Deferred tax assets and liabilities recognised

(a) 已確認遞延稅項資產及負債

The following are the major deferred tax assets/ (liabilities) recognised and movements thereon during the current and prior years:

以下為已於目前及過往年度確認之主要遞延稅項資產/(負債)及有關變動:

		The Group 本集團			
		Tax losses	Development costs	Provision for doubtful debt	Tax total
		稅項虧損	開發成本	呆賬撥備	稅項合計
		RMB'000	RMB'000	RMB,000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1st January 2002	於二零零二年一月一日				
- as previously reported	- 如先前申報	-	-	-	-
- adjustment on adoption of SSAP 12 (revised)	- 採納會計實務準則第12號(經修訂)之調整	40	-	80	120
- as restated	- 重新呈列	40	-	80	120
(Charged)/credited to consolidated income statement (note 7(a))	於綜合收益表(扣除)/計入之金額(附註7(a))	-	(615)	20	(595)
At 31st December 2002 (restated)	於二零零二年十二月三十一日(重列)	40	(615)	100	(475)
At 1st January 2003	於二零零三年一月一日				
- as previously reported	- 如先前申報	-	-	-	-
- adjustment on adoption of SSAP 12 (revised)	- 按納會計實務準則第12號(經修訂)之調整	40	(615)	100	(475)
- as restated	- 重列	40	(615)	100	(475)
(Charged)/credited to consolidated income statement (note 7(a))	於綜合收益表(扣除)/計入之金額(附註7(a))	335	(705)	88	(282)
At 31st December 2003	於二零零三年十二月三十一日	375	(1,320)	188	(757)

**28. DEFERRED TAXATION** (Continued)**(a) Deferred tax assets and liabilities recognised**
(Continued)

The following is the analysis of the deferred tax balances for financial reporting purposes:

Deferred tax assets	遞延稅項資產
Deferred tax liabilities	遞延稅項負債

(b) Deferred tax assets not recognised

The Group and the Company have not recognised deferred tax assets in respect of tax losses of approximately RMB449,000 (2002: RMB68,000) and approximately RMB381,000 (2002: RMB nil) respectively. The tax losses do not expire under current tax legislation.

28. 遞延稅項 (續)**(a) 已確認遞延稅項資產及負債**
(續)

以下為用作財務申報用途的遞延稅項結餘分析：

2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
563	140
<u>(1,320)</u>	<u>(615)</u>
<u>(757)</u>	<u>(475)</u>

(b) 未確認遞延稅項資產

本集團及本公司並無就稅項虧損分別約人民幣449,000元(二零零二年: 人民幣68,000元)及約人民幣381,000元(二零零二年: 人民幣零元)確認遞延稅項資產。根據現有稅務法例, 稅項虧損不會到期。



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29. SHARE CAPITAL

29. 股本

		The Group and the Company 本集團及本公司	
		2003 二零零三年	
		Number of shares 股份數目 '000 千股	Amount 款項 RMB'000 人民幣千元
Authorised – Ordinary shares of HK\$0.01 (equivalent to approximately RMB0.0106) each:	法定 – 每股面值0.01港元 (約相當於人民幣0.0106元) 之普通股:		
Upon incorporation of the Company (note (a))	於本公司註冊成立時 (附註(a))	1,000	106
Subdivision of shares into HK\$0.01 each (note (b))	拆細為每股面值0.01港元之股份 (附註(b))	9,000	–
Increase in authorised share capital each (note (e))	增加法定股本 (附註(e))	4,990,000	52,894
		<u>5,000,000</u>	<u>53,000</u>
Issued and fully paid – Ordinary shares of HK\$0.01 (equivalent to approximately RMB0.0106) each:	已發行及繳足 – 每股面值0.01港元 (約相當於人民幣0.0106元) 之普通股:		
Issue of shares upon incorporation (note (a) and (c))	於註冊成立時發行股份 (附註(a)及(c))	100	11
Subdivision of shares into HK\$0.01 each (note (b))	拆細為每股面值0.01港元之股份 (附註(b))	900	–
Issue of shares arising from the Reorganisation (note (c))	因重組發行股份 (附註(c))	780	8
Conversion of convertible notes into shares (note (d))	兌換可換股票據至股份 (附註(d))	452	5
Issue of shares under initial public offering (note (f))	根據首次公開發售發行股份 (附註(f))	118,250	1,253
Capitalisation issue of shares (note (g))	資本化發行股份 (附註(g))	352,518	3,737
At 31st December	於十二月三十一日	<u>473,000</u>	<u>5,014</u>

**29. SHARE CAPITAL (Continued)**

The comparative share capital of the Group as at 31st December 2002 shown on the consolidated balance sheet represented the issued share capital of Shine Science BVI at that date.

Notes:

- (a) On 15th July 2002, the Company was incorporated with an authorised share capital of HK\$100,000 (equivalent to approximately RMB106,000), divided into 1,000,000 ordinary shares of HK\$0.10 each. On 16th July 2002, 100,000 ordinary shares were issued at par, nil paid.
- (b) Pursuant to the written resolution passed by all the shareholders on 17th June 2003, by means of a sub-division of share capital, the par value to the ordinary shares of the Company was reduced from HK\$0.10 each to HK\$0.01 each, and every issued and unissued ordinary share of HK\$0.10 each was sub-divided into ten shares.
- (c) On 17th June 2003, the Company acquired the entire issued share capital of Shine Science & Technology (BVI) Limited ("Shine Science BVI"), in connection with the Reorganisation in note 1(a), in consideration for (i) the transfer of 1,000,000 nil paid ordinary shares of HK\$0.01 each in the Company held by the shareholders of the Company and (ii) the issue and allotment of 780,000 ordinary shares, to the shareholders of Shine Science BVI. The Company became the holding company of the Group with effect from 17th June 2003.
- (d) On 18th June 2003, the convertible notes were converted into 451,644 ordinary shares in the Company at a total consideration of approximately RMB14,840,000, of which approximately RMB5,000 was credited to share capital and the balance of approximately RMB14,835,000 was credited to the share premium account. Further details of the convertible notes are set out in note 27.

29. 股本 (續)

本集團於綜合資產負債表列示於二零零二年十二月三十一日之比較股本指 Shine Science BVI於該日之已發行股本。

附註:

- (a) 本公司於二零零二年七月十五日註冊成立，法定股本為100,000港元（約相當於人民幣106,000元），分為1,000,000股每股面值0.10港元之普通股。於二零零二年七月十六日，100,000股普通股按面值以零代價發行。
- (b) 根據全體股東於二零零三年六月十七日通過有關分拆股本之書面決議案，本公司普通股之面值由每股0.10港元減至每股0.01港元，每股面值0.10港元之已發行及尚未發行普通股分拆為十股。
- (c) 於二零零三年六月十七日，本公司就附註1(a)所述之重組購入 Shine Science & Technology (BVI) Limited (「Shine Science BVI」) 之全部已發行股本，代價為(i)轉讓由本公司股東所持有本公司1,000,000股每股面值0.01港元之未繳股款普通股；及(ii)發行及配發780,000股普通股予 Shine Science BVI之股東。本公司自二零零三年六月十七日起成為本集團之控股公司。
- (d) 於二零零三年六月十八日，可換股票據獲行使，以約人民幣14,840,000元之總代價認購本公司451,644股普通股，當中約人民幣5,000元於股本列賬，餘額約人民幣14,835,000元則計入股份溢價賬。有關可換股票據之詳情載於附註27。



29. SHARE CAPITAL (Continued)

Notes:

- (e) Pursuant to the written resolution passed by all the shareholders on 28th July 2003, the authorised share capital of the Company was increased from HK\$100,000 (equivalent to approximately RMB106,000) to HK\$50,000,000 (equivalent to approximately RMB53,000,000) by the creation of an additional 4,990,000,000 ordinary shares of HK\$0.01 each ranking pari passu with then existing ordinary shares in all respects.
- (f) Pursuant to the listing of the shares of the Company on the GEM of the Stock Exchange on 12th August 2003, 118,250,000 ordinary shares of HK\$0.01 each were issued and offered for subscription at a price of HK\$0.30 (equivalent to approximately RMB0.318) per ordinary share, resulting in cash proceeds (net of share issuance expenses) of approximately HK\$25,193,000 (equivalent to approximately RMB26,705,000).
- (g) On 12th August 2003, share premium of approximately HK\$3,525,184 (equivalent to approximately RMB3,737,000) was capitalised for the issuance of 352,518,356 ordinary shares to the Company's shareholders whose names appear on the register of members of the Company as at the close of business on 28th July 2003 in the same proportion as their then shareholdings in the Company.

29. 股本 (續)

附註:

- (e) 根據全體股東於二零零三年七月二十八日通過之書面決議案，本公司藉增設4,990,000,000股每股面值0.01港元之普通股(各方面均與當時現有普通股享有同等權利)，將法定股本由100,000港元(約相當於人民幣106,000元)增至50,000,000港元(約相當於人民幣53,000,000元)。
- (f) 根據本公司股份於二零零三年八月十二日於聯交所創業板上市，118,250,000股每股面值0.01港元之普通股按每股普通股0.30港元(約相當於人民幣0.318元)之認購價發行及發售，因而在扣除股份發行開支後獲得現金所得款項約25,193,000港元(約相當於人民幣26,705,000元)。
- (g) 於二零零三年八月十二日，約3,525,184港元(約相當於人民幣3,737,000元)之股份溢價撥充資本，以向於二零零三年七月二十八日營業時間結束時名列本公司股東名冊之本公司股東，按彼等當時於本公司之持股比例，發行352,518,356股普通股。



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30. RESERVES

(a) The Group

		Share premium	Merger reserve (note (i))	General reserve fund (note (ii))	Common welfare reserve fund (note (iii)) 公共福利儲備金	Retained profits	Total
		股份溢價	合併儲備 (附註(i))	一般儲備基金 (附註(ii))	儲備金 (附註(iii))	保留溢利	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1st January 2002	於二零零二年一月一日						
- as previously reported	- 如前呈報	-	-	1,098	519	4,184	5,801
- prior period adjustments in respect of deferred tax (note 3)	- 遞延稅項前期調整 (附註3)	-	-	-	-	105	105
- as restated	- 重列	-	-	1,098	519	4,289	5,906
Net profit for the year (as restated)	年內純利 (重列)	-	-	-	-	13,165	13,165
Dividends in respect of previous year (note 11(b))	過往年度股息 (附註11(b))	-	-	-	-	(3,000)	(3,000)
Dividends in respect of current year (note 11(a))	本年度股息 (附註11(a))	-	-	-	-	(7,000)	(7,000)
Effect of the Reorganisation	重組影響	-	(2,340)	-	-	-	(2,340)
Transfer to reserves	轉撥至儲備	-	-	1,038	519	(1,557)	-
At 31st December 2002	於二零零二年十二月三十一日	-	(2,340)	2,136	1,038	5,897	6,731
At 1st January 2003	於二零零三年一月一日						
- as previously reported	- 如前呈報	-	(2,340)	2,136	1,038	6,367	7,201
- prior period adjustments in respect of deferred tax (note 3)	- 遞延稅項前期調整 (附註3)	-	-	-	-	(470)	(470)
- as restated	- 重列	-	(2,340)	2,136	1,038	5,897	6,731
Premium on conversion of convertible notes into shares (note 29(d))	兌換可換股票據 發行股份之溢價 (附註29(d))	14,835	-	-	-	-	14,835
Premium on issue of shares under initial public offering (note 29(f))	就首次公開發售 發行股份之溢價 (附註29(f))	36,350	-	-	-	-	36,350
Effect of the Reorganisation	重組影響	-	(11)	-	-	-	(11)
Capitalisation issue of shares (note 29(g))	資本化發行股份 (附註29(g))	(3,737)	-	-	-	-	(3,737)
Share issuance expenses	股份發行開支	(10,898)	-	-	-	-	(10,898)
Net profit for the year	年內純利	-	-	-	-	708	708
Transfer to reserves	轉撥至儲備	-	-	17	8	(25)	-
At 31st December 2003	於二零零三年十二月三十一日	36,550	(2,351)	2,153	1,046	6,580	43,978

**30. RESERVES** (Continued)

Notes:

(i) Merger reserve

The merger reserve represents the amount of reserves of subsidiaries that have been capitalised as a result of the merger.

(ii) General reserve fund

According to the relevant laws and regulations in the PRC, each of the PRC subsidiaries is required to appropriate at least 10% of after-tax profit (after offsetting prior year's losses), based on the PRC statutory financial statements prepared in accordance with the generally accepted accounting principals ("GAAP") and financial regulations applicable to the PRC enterprises, to a general reserve fund until the balance of the fund reaches 50% of the PRC subsidiary's registered capital. Thereafter, any further appropriation can be made at the directors' discretion.

The general reserve fund can be utilised to offset the prior years' losses, or be utilised to increase the capital on the condition that the general reserve fund shall be maintained at a minimum of 25% of the registered capital after such increase.

The directors of Fujian Shine Science have proposed to transfer 10% of the profit after taxation, to the general reserve fund for the years ended 31st December 2003 and 2002.

The directors of Shanghai Shine Science, Xinwangluo and Shanghai Xingyishi determined not to make any appropriation to the general reserve fund as these subsidiaries have sustained loss for the year ended 31st December 2003.

The directors of Shanghai Shine Science and Xinwangluo have proposed to transfer 10% of the profit after taxation to the general reserve fund for the year ended 31st December 2002. The directors of Shanghai Xingyishi determined not to make any appropriation to the general reserve fund for the year ended 31st December 2002 as Xingyishi has sustained loss for the year.

30. 儲備 (續)

附註:

(i) 合併儲備

合併儲備指附屬公司因合併而撥充資本之儲備金額。

(ii) 一般儲備基金

根據中國有關法律及法規，各中國附屬公司於抵銷上年度之虧損後，須根據按普遍接納會計原則（「公認會計原則」）及中國企業適用之財務規例編製之中國法定財務報表除稅後溢利撥款最少10%，作為一般儲備基金，直至基金之結餘達到中國附屬公司之註冊資本50%。其後，董事可酌情決定作出任何額外撥款。

一般儲備基金可用作抵銷過往年度之虧損，或用作增加資本，惟增加資本後，一般儲備基金須維持於不少於註冊資本25%。

福建新意之董事建議將截至二零零三年及二零零二年十二月三十一日止年度除稅後溢利10%轉撥至一般儲備。

由於上海新意、新意新網絡及上海興意識於截至二零零三年十二月三十一日止年度錄得虧損，故該等附屬公司之董事決定不會向一般儲備基金撥款。

上海新意及新意新網絡之董事建議轉撥截至二零零二年十二月三十一日止年度除稅後溢利10%至一般儲備基金。上海興意識之董事仍未決定就截至二零零二年十二月三十一日止年度轉撥任何款項至一般儲備基金，原因是興意識於本年度錄得虧損。

**30. RESERVES** (Continued)

Notes: (Continued)

(iii) Common welfare reserve fund

In accordance with the relevant laws and regulations in the PRC and the articles of association of all the subsidiaries in PRC, each of the subsidiaries is required to appropriate 5% to 10% of their statutory profit after tax under PRC GAAP after offsetting prior years' losses to common welfare reserve fund. Such fund can be used for collective employees benefits, but cannot be used to pay for employees welfare expenses.

The directors of Fujian Shine Science have proposed to transfer 5% of the profit after taxation to the common welfare reserve fund for the years ended 31st December 2003 and 2002.

The directors of Shanghai Shine Science, Xinwangluo and Shanghai Xingyishi determined not to make any appropriation to the common welfare reserve fund as these subsidiaries have sustained loss for the year ended 31st December 2003.

The directors of Shanghai Shine Science and Xinwangluo have proposed to transfer 5% of the profit after taxation to the common welfare reserve fund for the year ended 31st December 2002. The directors of Shanghai Xingyishi determined not to make any appropriation to the common welfare reserve fund for the year ended 31st December 2002 as Xingyishi has sustained loss for the year.

30. 儲備 (續)

附註:(續)

(iii) 公共福利儲備金

根據有關中國法例、法規及所有中國附屬公司之公司組織章程細則，各附屬公司於抵銷過往年度之虧損後，須將根據中國公認會計原則計算之法定除稅後溢利5%至10%撥作公共福利儲備金。該等基金可用於員工集體福利，但不可用作支付員工福利開支。

於截至二零零三年及二零零二年十二月三十一日止年度，福建新意之董事建議將除稅後溢利5%轉撥至公共福利儲備金。

由於上海新意、新意新網絡及上海興意識於截至二零零三年十二月三十一日止年度持續錄得虧損，故該等附屬公司之董事決定不會向公共福利儲備金作出任何撥款。

上海新意及新意新網絡之董事建議就轉撥截至二零零二年十二月三十一日止年度除稅後溢利5%至公共福利儲備金。上海興意識之董事決定不會就截至二零零二年十二月三十一日止年度轉撥任何款項至公共福利儲備金，原因是興意識於該年度錄得虧損。



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30. RESERVES (Continued)

(b) The Company

		Share premium 股份溢價 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Premium arising on conversion of convertible notes into shares (note 29(d))	兌換可換股票據為股份之溢價(附註29(d))	14,835	-	14,835
Premium arising on issue of shares under initial public offering (note 29(f))	首次公開發售發行股份之溢價(附註29(f))	36,350	-	36,350
Capitalisation issue of shares (note 29(g))	資本化發行股份(附註29(g))	(3,737)	-	(3,737)
Share issuance expenses	股份發行開支	(10,898)	-	(10,898)
Net loss for the year	年內淨虧損	-	(2,174)	(2,174)
At 31st December 2003	於二零零三年十二月三十一日	36,550	(2,174)	34,376

Notes:

Under the Companies Law (Revised) of the Cayman Islands, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium 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 account.

At 31st December 2003, the aggregate amount of the Company's reserves available for distribution to shareholders was approximately RMB34,376,000 computing in accordance with the Companies Law (Revised) of the Cayman Islands and the Company's articles of association. This includes the Company's share premium of approximately RMB36,550,000 less accumulated losses of approximately RMB2,174,000, which is available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

30. 儲備(續)

(b) 本公司

		Share premium 股份溢價 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Premium arising on conversion of convertible notes into shares (note 29(d))	兌換可換股票據為股份之溢價(附註29(d))	14,835	-	14,835
Premium arising on issue of shares under initial public offering (note 29(f))	首次公開發售發行股份之溢價(附註29(f))	36,350	-	36,350
Capitalisation issue of shares (note 29(g))	資本化發行股份(附註29(g))	(3,737)	-	(3,737)
Share issuance expenses	股份發行開支	(10,898)	-	(10,898)
Net loss for the year	年內淨虧損	-	(2,174)	(2,174)
At 31st December 2003	於二零零三年十二月三十一日	36,550	(2,174)	34,376

附註:

根據開曼群島公司法(修訂本),股份溢價可分派予股東,惟倘(i)於分派時或其後未能償還其到期負債,或(ii)資產可變現價值因而少於其負債及已發行股本賬之總額,則本公司不得宣派或派付股息或於股份溢價賬作出分派。

於二零零三年十二月三十一日,本公司可供分派予股東之儲備總額約人民幣34,376,000元,乃根據開曼群島公司法(修訂本)及本公司之公司組織章程細則計算。當中包括本公司股份溢價約人民幣36,550,000元減累計虧損約人民幣2,174,000元可供分派,惟緊隨建議派付股息日期後,本公司須能夠償還其日常業務到期之債務。



31. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 28th July 2003 for the purpose of providing incentives or rewards to eligible persons for their contributions to the Group. The Scheme will expire on 27th July 2013. Under the Scheme, the Company may grant options to any person who is a director or employee (whether full-time or part-time) of the Group or any entity in which the Group holds any equity interest, or any classes of supplier, customer, consultant, adviser, manager or officer of the Group or any entity in which the Group holds any equity interest.

The total number of shares in respect of which options may be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed ten per cent. of the total shares of the Company in issue at the date of listing of the Company. The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not in aggregate exceed thirty per cent. of the total shares of the Company in issue from time to time. The total number of shares issued and which may fall to be issued upon exercise of the options granted (including both exercised or outstanding options) to each eligible person in any 12-month period must not exceed one per cent. of the total shares of the Company in issue. Any further grant of options in excess of the individual limit must be subject to shareholders' approval.

31. 購股權計劃

本公司之購股權計劃(「該計劃」)是根據於二零零三年七月二十八日採納之一項決議案採納,目的是就合資格人士對本集團之貢獻提供鼓勵及獎償。該計劃將會於二零一三年七月二十七日屆滿。根據該計劃,本公司可向本集團或本集團持有任何股權之機構的董事或僱員(不論全職或兼職),或本集團或本集團持有任何股權之機構的供應商、客戶、諮詢顧問、顧問、經理或主管授出購股權。

根據該計劃或本公司任何其他購股權計劃可授出之購股權相應股份總數,合共不得多於本公司上市日期當日其已發行股份總數之10%。於行使根據該計劃或本公司任何其他購股權計劃授出之所有已發行但尚未行使購股權獲行使時可予發行之股份總數,合共不得超過本公司不時已發行股份總數之30%。於任何12個月期間於行使授出購股權(包括已行使或尚未行使購股權)時已經及可能須發行予各合資格人士之股份總數,不得超過本公司已發行股份總數1%。任何進一步授出超逾個人限額的購股權,必須先獲得股東批准。

**31. SHARE OPTION SCHEME** (Continued)

Options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1.00 as consideration for the grant. In respect of option holders other than suppliers and customers, option may be exercised, which shall commence 1 year from the date on which that option is granted and shall expire on the earlier of the last day of a 10-year period (i) from the date of such grant and (ii) from 28th July 2003. In respect of option holders who are suppliers and customers, such period shall commence on the date of grant and expire 1 year thereafter. The subscription price is determined by the Board, but shall not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations on the date of grant of that option, which must be a business day; (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant of that option; and (c) the nominal value for the time being of each shares of the Company.

No option was granted by the Company under the Scheme since its adoption.

31. 購股權計劃 (續)

授出購股權必須由授出日期起計21天內接納，屆時須支付1.00港元作為授出代價。就供應商及客戶以外的購股權持有人而言，購股權可由購股權授出日期起計一年後開始行使，直至由(i)該項授出日期；或(ii)二零零三年七月二十八日(以較早者為準)起計10年期間之最後一日屆滿。就身為供應商及客戶之購股權持有人而言，該段期間將會由授出日期起，並於該日期後1年屆滿。認購價由董事會釐定，惟不得少於下列三項中之較高者：(a)於授出購股權日期(必須為營業日)當日聯交所每日報價表所示本公司股份之收市價；(b)聯交所每日報價表所示本公司股份於緊接授出購股權日期前五個營業日之平均收市價；及(c)本公司股份當時之每股面值。

自採納該計劃起，本公司並無授出購股權。



32. RETIREMENT BENEFITS SCHEMES

The PRC subsidiaries of the Group participates in a mandatory central pension scheme organised by the PRC government for certain of its employees, the assets of which are held separately from those of the Group. Contributions made are based on a percentage of the eligible employees' salaries and are charged to the income statement as they become payable, in accordance with the rules of the scheme. The employer's contributions vest fully once they are made.

The Group also operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the MPF scheme vest immediately.

Under the above schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

The aggregate amounts of employer's contributions by the Group in respect of retirement benefits scheme dealt with in the consolidated income statement for the year are disclosed in note 6(a) to these financial statements.

32. 退休福利計劃

本集團之中國附屬公司為其若干僱員參與由中國政府籌辦之強制性中央退休金計劃，該計劃之資產與本集團之資產分開持有。根據該計劃規則，本集團按合資格僱員之薪金比率作出之供款於應付時計入收益表。僱主供款於作出後立即全數撥歸僱員所有。

本集團並根據香港司法權區僱傭條例，就僱用僱員根據香港強制性公積金計劃條例設立強制性公積金計劃（「強積金計劃」）。強積金計劃指由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員須各自就僱員之有關收入向計劃作出5%供款，最高上限為每月有關收入20,000港元。強積金計劃供款將即時撥歸僱員所有。

根據上述計劃，現有及退休僱員之退休福利由本集團有關計劃之管理人負責支付，本集團除每年供款外並無其他責任。

本集團就退休福利計劃作出之僱主供款總額於本集團年內之綜合收益表中處理，並已於財務報表附註6(a)披露。



31st December 2003 (Expressed in Renminbi)

於二零零三年十二月三十一日 (以人民幣列值)

33. COMMITMENTS

At 31st December 2003, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year 1年內
After 1 year but within 5 years 1年後5年內

33. 承擔

於二零零三年十二月三十一日，根據不可註銷經營租約應付之日後最低租賃款項總額如下：

	The Group 本集團	The Company 本公司
	2003 二零零三年 RMB'000 人民幣千元	2002 二零零二年 RMB'000 人民幣千元
	950	197
	606	-
	1,556	197

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to four years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals. None of the leases includes contingent rentals.

本集團按經營租約租賃若干物業。租約一般之最初年期由一至四年不等，可於重新磋商所有條款後續租。租賃款項一般會每年遞增，以反映市場租金。並無租約附有任何或然租金。

**34. ACQUISITION OF FURTHER INTEREST IN A SUBSIDIARY**

In October 2003, the Group acquired the remaining 10% of its interest in Shanghai Shine Science, a subsidiary of the Company, with a cash consideration of approximately RMB657,000. After the acquisition, the Group owned 100% interest in Shanghai Shine Science. The acquisition of the subsidiary had the following effects on the Group's assets and liabilities.

34. 進一步收購一間附屬公司權益

於二零零三年十月，本集團以現金代價約人民幣657,000元收購其於本公司附屬公司上海新意餘下10%權益。於收購後，本集團擁有上海新意100%權益。收購附屬公司對本集團資產及負債之影響如下：

		<i>RMB'000</i> 人民幣千元
Net assets acquisition of:	收購下列各項資產之淨值：	
Non-current assets	非流動資產	362
Current assets	流動資產	1,012
Non-current liabilities	非流動負債	(23)
Current liabilities	流動負債	(65)
		<hr/>
Net identifiable assets and liabilities	可識別資產及負債淨額	1,286
Goodwill arose on acquisition	收購所產生商譽	(629)
		<hr/>
Total purchase price paid, satisfied in cash	已付收購價總額，以現金清付	<u>657</u>

**35. POST BALANCE SHEET EVENTS**

- (a) After the balance sheet date, the Group acquired the remaining 33% of its interest in Xinwangluo, a subsidiary of the Company, at a consideration of approximately RMB243,000. The Group nominated Ms. Gu Yun, the Chairperson of the Company, to hold the 33% interest in trust for and on behalf of the Group. After this acquisition, the Group owned 100% interest in Xinwangluo.
- (b) After the balance sheet date, the directors proposed a final dividend. Further details are disclosed in note 11(a).

36. COMPARATIVE FIGURES

Certain comparative figures have been adjusted as a result of changes in accounting policies for income taxes in order to comply with SSAP12 (revised) as set out in note 3 above.

35. 結算日後事項

- (a) 於結算日後，本集團以代價約人民幣243,000元，購入本公司附屬公司新意新網絡之餘下33%股權。本集團提名本公司主席顧雲女士以信託方式代表本集團持有該33%股權。於收購後，本集團擁有新意新網絡之100%股權。
- (b) 結算日後，董事建議派付末期股息。進一步詳情載於附註11(a)。

36. 比較數字

由於所得稅之會計政策變動，若干比較數字已作出調整，以符合上文附註3所載會計實務準則第12號（經修訂）。