



Glory Mark Hi-Tech (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)



2004
ANNUAL REPORT

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

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The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock 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 takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims 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 of Glory Mark Hi-Tech (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company 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.

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Pang Kuo-Shi (*Chairman*)
 Wong Chun (*Deputy Chairman and
 Chief Executive Officer*)
 Hsia Chieh-Wen
 Wong Ngok Chung

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Hon. Lui Ming Wah, *JP*
 Lau Ho Kit, Ivan
 Wong Kwong Chi

COMPANY SECRETARY

Wong Ngok Chung, *FCCA, AHKSA*

AUTHORISED REPRESENTATIVE

Wong Chun
 Wong Ngok Chung

COMPLIANCE OFFICER

Wong Ngok Chung

QUALIFIED ACCOUNTANT

Wong Ngok Chung, *FCCA, AHKSA*

AUDIT COMMITTEE

Lau Ho Kit, Ivan (*Chairman*)
 Dr. Hon. Lui Ming Wah, *JP*
 Wong Kwong Chi

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 907, 9th Floor
 Westlands Centre
 20 Westlands Road
 Quarry Bay, Hong Kong

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Butterfield Bank (Cayman) Limited
 (formerly named as Bank of Butterfield International
 (Cayman) Ltd.)
 Butterfield House
 68 Fort Street
 P.O. Box 705
 George Town
 Grand Cayman
 Cayman Islands
 British West Indies

HONG KONG SHARE REGISTRARS AND TRANSFER OFFICE

Hong Kong Registrars Limited
 Shops 1712-1716, 17th Floor
 Hopewell Centre
 183 Queen's Road East
 Hong Kong

PRINCIPAL BANKER

Standard Chartered Bank
 Standard Chartered Bank Building
 4-4A Des Voeux Road Central
 Hong Kong

AUDITORS

Deloitte Touche Tohmatsu
 Certified Public Accountants
 26th Floor, Wing On Centre
 111 Connaught Road Central
 Hong Kong

Stock Code: 8159

CHAIRMAN'S STATEMENT

To Our Shareholders,

I am pleased to present to you the 2004 annual operating results of Glory Mark Hi-Tech (Holdings) Limited (the "Company") and its subsidiaries ("the Group") for the year ended 31 December 2004.

RESULTS

The Group achieved a new record in turnover of HK\$260.5 million during 2004, up 41.9% as compared to 2003. This satisfactory result was attributable to the effective marketing strategy of the Group, the endeavour of our Taiwan marketing team and the continuing recovery of global economy.

The rise in production costs was a big challenge to the Group in 2004. Throughout the year, the global prices of copper and PVC persistently stayed at high levels. The shortage of labour in Pearl River Delta region also inevitably pushed up the labour cost. Same as many other manufacturers in the region, the increases in manufacturing costs could not be fully reflected in our selling prices. Although the Group adopted a series of cost reduction schemes during the year, the gross profit margin in 2004 still dropped significantly by 5.5% as compared to the previous year. These adverse factors nearly offset all the contributions generated from the growth in turnover.

The net profit of the Group in 2004 was HK\$16.7 million, decreased by about HK\$4.5 million as compared to 2003. It was partially caused by the loss in commission income. In the last corresponding year, the Group earned a commission income of about HK\$4.8 million by lining up the mobile handset business between a reputable computer and communication products manufacturer in Taiwan and a famous PRC mobile handset manufacturer and distributor. The development of this agency business became difficult after the outbreak of SARS in early 2003. During the discussing year, our commission income was insignificant.

DIVIDEND

The directors have recommended a final dividend of HK1.5 cents per share (2003: HK1.5 cents per share). Subject to shareholders' approval at the forthcoming annual general meeting, the final dividend will be payable on 26 May 2005 to shareholders whose names appear on the register of members of the Company on 13 May 2005.

LOOKING AHEAD

The new factory of the Group will complete and commence operation in mid of this year. This will release the current situation of shortage in production capacity.

CHAIRMAN'S STATEMENT

The Group is keeping a steady pace at developing our new electronics business. In 2004, the Group enhanced its capabilities in product development and outlook design of new electronics products. In Hong Kong Electronics Fair 2004 (Autumn Edition), the product "USB 5.1 Audio" that designed by our new Taiwan research and development team gained a Silver Award in the category of Audio/Video granted by The Hong Kong Electronics Industries Association. In the first half of this year, the Group will launch a series of new electronics products to the market.

We anticipate that 2005 is another challenging year. The global copper and PVC prices are expected to remain at high levels. The labour cost in Pearl River Delta region will rise gradually. Renminbi is under an inflationary pressure. These common unfavourable factors will puzzle most of the manufacturers in the region. To overcome these adverse factors and maintain our competing abilities, the Group is adopting a series of procedures, which include adoption of severe cost reduction schemes, upgrading our efficiencies, expanding our turnover to valuable customers and developing new products of higher profit margins. Moreover, we will utilise the extra production capacities provided by the new factory to generate volume effect. At the end of 2004, the Group purchased a piece of land at northern Guangdong Province. The incentive policies offered by the local government there may help to lower the manufacturing cost of the Group.

Looking ahead, 2005 is also a year of opportunities. The recovery of global economy will continue. The demand for digital transmissions is increasing. The integration of mobile communication products with computers and digital home appliances is speeding up. All these above favourable factors will generate new business opportunities to the Group. The Group is taking all necessary measures to get prepared for these opportunities.

Summarising all these, the Group is optimistic about the future results.

ACKNOWLEDGEMENT

I wish to take this opportunity to thank all my customers, shareholders and business partners for their continuous and valuable supports. I would also like to express my utmost gratitude to all our staff for their honour, endeavour and dedications.

Pang Kuo-Shi
Chairman

Hong Kong, 22 March 2005

MANAGEMENT DISCUSSION AND ANALYSIS

TURNOVER AND PROFIT

The Group recorded a turnover of HK\$260.5 million, significantly up 41.9% (2003: HK\$183.6 million). Suffering from the increase in material costs and the loss in commission income, the net profit of the Group was HK\$16.7 million, down by 21.2% as compared to last year.

Benefiting from the ongoing recovery of global economy and the Group's effective marketing strategy, the Group achieved a new record of turnover in 2004. Sales to OEM customers and retail distributors were HK\$181.3 million and 79.1 million respectively, increased by 39.8% and 46.7% respectively as compared to 2003. In terms of geographical segments analysis, sales to all regions increased in 2004 as compared to last year. The increments are fairly distributed amongst the regions in line with the marketing strategy of the Group. Sales to Republic of China ("ROC"), Japan, The United States of America (the "USA"), Korea and Hong Kong increased by 51.3%, 48.0%, 31.9%, 30.1% and 21.3% respectively.

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The gross profit margin percentage dropped significantly by 5.5%, from 23.2% in 2003 to 17.7% of the reporting year. This was mainly due to the increase in material costs. During the year, the global prices of copper and PVC sustained at high levels, which inevitably pushed up the overall material cost ratio of the Group. The gross profit margin of OEM customers and retail distributors businesses dropped from 23.0% and 23.6% respectively in 2003 to 15.5% and 22.6% respectively this year. The adverse impact to OEM customers business was much obvious because of the difficulties in sharing the cost effect with them.

In 2003, the Group earned a commission income of about HK\$4.8 million by lining up the mobile handset business between a leading ROC and a corporation in the People Republic's of China (the "PRC"). Subsequent to the outbreak of SARS in 2003, the mobile handset business in the PRC became highly volatile, which greatly compressed the room for developing our agency business. During the reporting year, the commission income of the Group was insignificant.

The cost ratios as to turnover of selling and distribution expenses and administrative expenses dropped from 3.5% and 11.4% respectively in 2003 to 3.1% and 8.7% respectively during the reporting year, the result was attributable to the Group's various efforts in enhancing its operating efficiencies.

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR IN REVIEW

Liquidity and Financial Resources

The financial position of the Group remained strong. As at 31 December 2004, the Group had cash and bank balances of about HK\$87.4 million. Most of the cash were placed at short-term deposits in United States Dollars and New Taiwan Dollars with reputable banks of Hong Kong and ROC respectively. The Group had no interest-bearing debts as at 31 December 2003 and 31 December 2004 respectively.

Production Capacity and Material Investment and Capital Assets

The new factory of floor area about 20,000 square metres located at Tangxia Town shall complete and commence production in mid 2005. This would double the production capacity of the Group. To cope with the anticipated development, the Group had purchased a land of about 133,000 square metres in northern Guangdong Province at the end of 2004. The investments of these development projects were expected to be financed by the internal resources of the Group. The Group is able to finance these development projects by its internal resources.

Save as disclosed, no significant investments or material acquisitions of subsidiaries and affiliated companies, which have significant impact on financial results of the Group, were made on 2004.

Research and Development Capabilities

It is an ongoing strategy of the Group to focus on our research and development capabilities, as it is critical in maintaining the Group's competitive edge in the market. The Group had 41 engineers/technicians in the research and development department as at 31 December 2004.

Sales and Marketing

The Group positions itself as a provider of quality connectivity products for computers and computer peripheral products mainly to the world's most famous computer manufacturers and retail distributors. Rendering high quality and reliable products to customers is a crucial factor for gaining market share. In upholding our emphasis on quality control and our mission of providing top quality products and services to customers, the Group succeeded in developing sound relationships with its valuable customers. This successful strategy helps the Group to grow satisfactorily and healthily. Aided by this strategy and the Group's policy of allocating resources to provide full technical support and services for valuable customers, the turnover to the Group's top five customers increased by approximately 37.6% during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Employees

As at 31 December 2004, the Group had 2,304 (2003: 2,039) employees. Employee remuneration, excluding directors' emoluments, for the year ended 31 December 2004 was approximately HK\$30.0 million (2003: HK\$24.0 million). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus systems, which are reviewed annually. The Company had granted options to its employees prior to its listing.

Currency Risk

The Group's purchases were made in NT\$, US\$, HK\$ and RMB which represented approximately 77.2%, 7.9%, 11.4% and 3.5% respectively for the year ended 31 December 2004 (2003: 77.6%, 4.0%, 15.2% and 3.2% respectively). As at 31 December 2004, the Group held approximately NT\$35.0 million on hand, which was used to partially hedge the currency risk of NT\$ trade payables.

PROSPECT

The Group will benefit from continuing recovery of global economy. The ongoing global trend of the integration of mobile communication products, computers and digital home alliances generates new business opportunities to the Group.

The Group increased its efforts in improving its products development and outlook design capabilities of new electronics products in 2004 and this had been proved a successful strategy. The Group will launch a series of new electronics products to the market gradually in the first half of 2005. Our new factory located in Tangxia will commence operation in mid 2005, which will greatly enhance the production capabilities of the Group.

It is anticipated that the global prices of copper and PVC will stay at high levels in 2005. We also expect that the labour rate in PRC shall rise significantly. However, the Group is taking some effective measures to offset these negative cost impacts. These include soliciting some new valuable customers and developing new products to gain higher profit margins; reducing our operating costs by upgrading our information technology operating system and reengineering our workflow and moreover, enhancing the turnover by well using the new production capabilities of the new factory.

Despite challenges ahead, the directors remain optimistic about the prospect of the Group.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Pang Kuo-Shi also known as Steve Pang (龐國璽), aged 47, is one of the founders of the Group. Mr. Pang is the Chairman of the Company and is responsible for the Group's overall strategic planning, business development, sales and marketing. He has over 23 years of experience in the field of research and development, sales and marketing of computer cables and connectors. Prior to founding the Group, Mr. Pang worked as a sales manager for the US office of 鴻海精密工業股份有限公司 ("Hon-Hai Precision Industrial Company Limited"), one of the leading cable assembly and connector manufacturers in Taiwan. Mr. Pang graduated with a diploma in industrial engineering from 台灣新埔工業專科學校 (Hsinpu Junior College of Technology in Taiwan) in 1978.

Mr. Wong Chun (黃震), aged 45, is one of the founders of the Group. Mr. Wong is the deputy chairman and the chief executive officer of the Company. Mr. Wong is responsible for administration, finance and investment project management of the Group. Mr. Wong had worked as a chief officer of China affairs for two Hong Kong listed electronics companies, Tomei International (Holdings) Limited and The Grande Holdings Limited. Mr. Wong has over 21 years of experience in the electronic and computer peripherals sector. Mr. Wong has been elected as the deputy chairman of Dongguan City Tangxia Commerce Association since 1998. He is now serving as the Executive Committee Member and the Vice-Chairman of China Sub-Committee of the Hong Kong Electronic Industries Association, Director of the Hong Kong Critical Components Manufacturers Association, CDR of the China Information & Technology Industry Association. He is also awarded as the Associateship 2004 by The Professional Validation Council of Hong Kong Industries.

Mr. Hsia Chieh-Wen, also known as Paul Hsia (夏傑文), aged 43, is an executive Director and is primarily responsible for the Group's product development, quality control and production management. Mr. Hsia graduated with a diploma in mechanical engineering from 台灣龍華工業專科學校 (Lung Hua Technical College in Taiwan) in 1982. Mr. Hsia has over 17 years of experience in the cable assembly and connector industry. Prior to joining the Group in September 1993, Mr. Hsia worked as an engineer for 鴻海精密工業股份有限公司 ("Hon-Hai Precision Industrial Company Limited"), one of the leading cable assembly and connector manufacturers in Taiwan.

Mr. Wong Ngok Chung (黃岳松), aged 52, is an executive Director and chief financial officer of the Company and is primarily responsible for the Group's financial management and legal affairs. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Society of Accountants. Mr. Wong has over 23 years of experience in finance, accounting and business management. Mr. Wong joined the Group in May 2000.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Independent non-executive Directors

Dr. Hon. Lui Ming Wah (呂明華), JP, Ph.D., aged 66, is an established industrialist serving as the Honorary Chairman of the Hong Kong Electronic Industries Association and the Chairman of Hong Kong Shandong Business Association. He is also the Executive Committee Member of the Chinese Manufacturers Association of Hong Kong, a advisor of the Hong Kong International Arbitration Centre, Member of The Government of HKSAR Economic and employment Council, Member of Hong Kong Government Trade Advisory Board, Vice Chairman of Independent Police Complaints Council. In the mainland, Dr. Lui serves as Member of CPPCC, Council Member of China Overseas Friendship Association. Dr. Lui was elected to the Hong Kong Legislative Council on 24 May 1998 for a term of two years. In 2000 and 2004 Legislative Council Elections, he was successfully elected for a term of four years each. He obtained his Master and Ph.D. degrees from The University of New South Wales in Australia and The University of Saskatchewan in Canada respectively. He is currently the director of Keystone Electronics Co., Ltd. Dr. Lui was appointed as an independent non-executive Director in December 2001.

Mr. Lau Ho Kit, Ivan (劉可傑), aged 46, has extensive experience in accounting and financial management while working as a financial director/financial controller in a number of manufacturing companies listed on the Stock Exchange. Mr. Lau graduated from the Hong Kong Polytechnic University with a Master's degree in professional accounting. Mr. Lau is a member of the Hong Kong Institute of Certified Public Accountants, and the Association of Chartered Certified Accountants. Mr. Lau became an independent non-executive Director in December 2001.

Mr. Wong Kwong Chi (王幹芝), aged 53, holds a Degree in Science and an MBA from the Chinese University of Hong Kong. He has extensive experience in executive positions especially in information technology, electronics, automotive components and pharmaceutical industries. Mr. Wong has acted as director of five listed public companies in Hong Kong in the last 3 years, namely CASH Financial Services Group Limited, Fountain Set (Holdings) Limited, Hang Fung Gold Technology Limited, IIN International Ltd and Magician Industries (Holdings) Limited. Mr. Wong has served as Chairman of Hong Kong Venture Capital Association in 1993-94 and was Vice Chairman of The Hong Kong Electronic Industries Association. He is Vice President of Hong Kong Auto Parts Industry Association, Honorary Treasurer of Hong Kong Critical Components Manufacturers Association, Council Member of Hong Kong Biotechnology Association and Advisor of Guangdong Commercial Chamber of High-Tech Industries, Zhuhai High-Tech Innovation Centre and Chengdu City Advisory Group for Science & Technology. He is also a Board Member of Monte Jade Science & Technology Association of Hong Kong and a Member of Hong Kong Young Industrialists Council, Business and Professionals Federation of Hong Kong, The Hong Kong Association for the Advancement of Science and Technology and Guangdong-Hong Kong Association for the Promotion of Technology Enterprise.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Senior Management

Mr. Chui Wing Kit (徐永傑), aged 47, is the assistant financial controller of the Group. Mr. Chui gained substantial experience in finance, accounting, and auditing while working as an assistant financial controller of a listed company in Hong Kong. Mr. Chui joined the Group in October 2000.

Mr. Chen Ching-Chang (陳慶章), aged 43, is the deputy general manager of the Group's Production and Manufacturing Business Department, and is responsible for the Group's production and manufacturing and quality management. Mr. Chen graduated from 台灣明新工業專科學校 in 1982 with a diploma in electronic engineering. He has over 19 years of experience in cables, connectors assembling and management of electronic products manufacturing. Mr. Chen has worked as production manager in various manufacturing companies in Taiwan, relating to cables, connectors assembling and electronic products manufacturing. Mr. Chen joined the Group on 1 January 2002.

Dr. Wei-I Lee (李威儀), aged 46, is the technical consultant of the Group and is responsible for the research and development activities of the Group, especially in the fibre optic business. Dr. Lee obtained a doctoral degree in Electrical Engineering from Rensselaer Polytechnic Institute in U.S. in December 1988. Dr. Lee is at present a professor at 國立交通大學 (The National Communication University) in Taiwan and the executive director of a company engaging in semiconductor opto-electronic and high-speed devices. Dr. Lee joined the Group in June 2001.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

COMPARISON OF PROPOSED USE OF THE INITIAL PUBLIC OFFERING ("IPO") PROCEEDS WITH THE ACTUAL USE OF IPO PROCEEDS

The Group raised net proceeds from the new listing of the Company's shares by way of new issue and offer for sale on the GEM in January 2002 of approximately HK\$23.3 million.

The table below sets out the details of the application of the net proceeds:

	Business Objectives as stated in the prospectus <i>HK\$'000</i>	IPO Proceeds utilised cumulatively up to 31 December 2004 <i>HK\$'000</i>
New factory building	8,400	5,339
Production capability and capacity	7,200	15,302
Research and development	2,500	907
Sales & marketing	900	1,752
Additional working capital	4,300	—
Total	<u>23,300</u>	<u>23,300</u>

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in notes 28 to the financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

The largest and the top five suppliers of the Group accounted for about 20.8% and 46.4% respectively of the Group's total purchases for the year.

The largest and the top five customers of the Group accounted for about 29.9% and 60.7% respectively of the Group's total turnover for the year.

At no time during the year did a director, an associate of a director, or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 20.

The directors now recommend the payment of a final dividend of HK1.5 cents per share to the shareholders on the register of members on 13 May 2005, amounting to HK\$4,800,000.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

The Group continued its plant replacement policy and invested approximately HK\$14,445,000 on new property, plant and equipment during the year.

Details of these and other movements during the year in the property, plant and equipment and investment properties of the Group are set out in notes 12 and 13 to the financial statements, respectively.

DIRECTORS' REPORT

DIRECTORS

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

Executive directors:

Mr. Pang Kuo-Shi, Steve

Mr. Wong Chun

Mr. Hsia Chieh-Wen

Mr. Wong Ngok Chung

Independent non-executive directors:

Dr. Hon. Lui Ming Wah, JP

Mr. Lau Ho Kit, Ivan

Mr. Wong Kwong Chi (appointed on 30 September 2004)

In accordance with Article 87 of the Company's Articles of Association, Mr. Wong Kwong Chi and Dr. Hon. Lui Ming Wah, JP shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Each of the executive directors has entered into service agreement which shall be terminated by not less than six months' notice in writing served by either party on the other.

Other than as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

The term of office of each non-executive director is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2004, the interests of the directors and their associates in the shares and underlying shares of the Company, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the required standard of dealings by directors as referred to the Rules 5.46 to 5.67 of Chapter 5 of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") operated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "GEM Listing Rules"), were as follows:

(a) Ordinary shares of HK\$0.1 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of issued share capital of the Company
Mr. Pang Kuo-Shi, Steve ("Mr. Pang")	Held by family trust (<i>Note 1</i>)	139,808,000	43.69%
Mr. Wong Chun ("Mr. Wong")	Beneficial owner	58,272,000	18.21%
Mr. Hsia Chieh-Wen ("Mr. Hsia")	Beneficial owner	34,944,000	10.92%

(b) Share options

Name of director	Capacity	Number of share options held	Number of underlying shares to be issued upon exercise of the options
Mr. Pang	Beneficial owner	8,000,000	8,000,000
Mr. Wong	Beneficial owner	6,000,000	6,000,000
	Held by spouse (<i>Note 2</i>)	3,050,000	3,050,000
Mr. Hsia	Beneficial owner	3,000,000	3,000,000
Mr. Wong Ngok Chung	Beneficial owner	3,000,000	3,000,000
		<u>23,050,000</u>	<u>23,050,000</u>

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(Continued)*

(b) Share options *(Continued)*

Notes:

1. Modern Wealth Assets Limited held the 139,808,000 shares. Modern Wealth Assets Limited is a wholly-owned subsidiary of True Profit Management Limited, which in turn is a wholly-owned subsidiary of HSBC International Trustee Limited, the trustee of a discretionary trust, the Pang's Family Trust.
2. Mr. Wong is deemed to be interested in the options to acquire shares of the Company, being the interests held beneficially by his spouse who is an employee of a subsidiary of the Company.

Other than as disclosed above, none of the directors, nor their associates had any interests or short positions in any shares or underlying shares of the Company and its associated corporations at 31 December 2004.

DIRECTORS' REPORT

SHARE OPTION SCHEMES

At 31 December 2004, the number of shares in respect of which options had been granted under the Pre-IPO share option scheme was 32,000,000, representing 10% of the shares of the Company in issue at that date. Details of these share options which were granted on 13 December 2001 with an exercise price of HK\$0.30 each are as follows:

Directors/employees	Number of shares to be issued upon exercise of the options	Outstanding at 1.1.2004 and 31.12.2004	Number of shares to be issued upon exercise of the options and their exercisable period	
<i>Directors:</i>				
Mr. Pang	8,000,000	8,000,000	2,400,000	13.12.2002 — 12.12.2006
			2,400,000	13.12.2003 — 12.12.2006
			3,200,000	13.12.2004 — 12.12.2006
Mr. Wong	6,000,000	6,000,000	1,800,000	13.12.2002 — 12.12.2006
			1,800,000	13.12.2003 — 12.12.2006
			2,400,000	13.12.2004 — 12.12.2006
Mr. Hsia	3,000,000	3,000,000	900,000	13.12.2002 — 12.12.2006
			900,000	13.12.2003 — 12.12.2006
			1,200,000	13.12.2004 — 12.12.2006
Mr. Wong Ngok Chung	3,000,000	3,000,000	900,000	13.12.2002 — 12.12.2006
			900,000	13.12.2003 — 12.12.2006
			1,200,000	13.12.2004 — 12.12.2006
	<u>20,000,000</u>	<u>20,000,000</u>		
<i>Employees</i>	12,000,000	12,000,000	3,600,000	13.12.2002 — 12.12.2006
			3,600,000	13.12.2003 — 12.12.2006
			<u>4,800,000</u>	13.12.2004 — 12.12.2006
	<u>32,000,000</u>	<u>32,000,000</u>		

No share options were granted or exercised during the year.

Particulars of the Company's share option schemes are set out in note 25 to the financial statements.

DIRECTORS' REPORT

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the directors, nor any of 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.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

Other than as disclosed in note 27 to the financial statements:

- (i) there were no transactions, which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules; and
- (ii) no contract of significance 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, subsisted at the end of the year or at any time during the year.

The independent non-executive directors confirm that the transactions have been entered into by the Group in the ordinary course of its business and in accordance with the terms of the agreement governing such transactions.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed under the section headed "Directors' Interests in Shares and Underlying Shares" above, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance discloses no person as having a notifiable interest or short position in the issued share capital of the Company at 31 December 2004.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, 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 SECURITIES

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

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31 December 2004 with the corporate governance matters as set out in rules 5.34 to 5.45 of Chapter 5 of the GEM Listing Rules.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive directors are independent.

AUDIT COMMITTEE

The audit committee comprises three members — Dr. Hon. Lui Ming Wah, JP, Mr. Lau Ho Kit, Ivan and Mr. Wong Kwong Chi, who are independent non-executive directors.

During the year, the audit committee held four meetings and performed the following duties:

- (1) reviewed and commented on the Company's draft annual, interim and quarterly financial reports;
- (2) reviewed and commented on the Group's internal controls; and
- (3) met with the external auditors and participated in the reappointment and assessment of the performance of the external auditors.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$1,000.

AUDITORS

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

On behalf of the Board

Pang Kuo-Shi

Chairman

AUDITORS' REPORT

Deloitte.
德勤

德勤·關黃陳方會計師行
香港中環干諾道中111號
永安中心26樓

Deloitte Touche Tohmatsu
26/F Wing On Centre
111 Connaught Road Central
Hong Kong

TO THE MEMBERS OF
GLORY MARK HI-TECH (HOLDINGS) LIMITED
輝煌科技(控股)有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 20 to 46 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, 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 the Group as at 31 December 2004 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
22 March 2005

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2004

	Notes	2004 HK\$'000	2003 <i>HK\$'000</i>
Turnover	4	260,475	183,641
Cost of sales		<u>(214,490)</u>	<u>(141,101)</u>
Gross profit		45,985	42,540
Other operating income		3,600	7,545
Revaluation increase of investment properties		470	—
Selling and distribution expenses		(8,104)	(6,393)
Administrative expenses		<u>(22,755)</u>	<u>(20,947)</u>
Profit from operations	6	19,196	22,745
Finance costs	8	(5)	—
Share of result of an associate		47	(32)
Loss on disposal of an associate		<u>(670)</u>	<u>—</u>
Profit before taxation		18,568	22,713
Taxation	9	<u>(1,905)</u>	<u>(1,477)</u>
Profit for the year		<u>16,663</u>	<u>21,236</u>
Dividends	10		
Paid		<u>4,800</u>	<u>6,080</u>
Proposed		<u>4,800</u>	<u>4,800</u>
Earnings per share	11		
Basic		<u>HK5.21 cents</u>	<u>HK6.64 cents</u>

CONSOLIDATED BALANCE SHEET

At 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	29,822	19,828
Investment properties	13	1,250	780
Interest in an associate	15	—	1,270
Bank deposits		3,883	—
		<u>34,955</u>	<u>21,878</u>
CURRENT ASSETS			
Inventories	16	17,244	12,423
Trade and other receivables	17	44,863	59,799
Bank balances and cash		83,548	55,907
		<u>145,655</u>	<u>128,129</u>
CURRENT LIABILITIES			
Trade and other payables	18	76,332	59,412
Amount due to a related company	19	145	13
Amounts due to directors	20	1,338	1,593
Taxation payable		6,962	5,057
		<u>84,777</u>	<u>66,075</u>
NET CURRENT ASSETS		<u>60,878</u>	<u>62,054</u>
		<u>95,833</u>	<u>83,932</u>
CAPITAL AND RESERVES			
Share capital	21	32,000	32,000
Reserves		63,833	51,932
		<u>95,833</u>	<u>83,932</u>

The financial statements on pages 20 to 46 were approved and authorised for issue by the Board of Directors on 22 March 2005 and are signed on its behalf by:

Pang Kuo-Shi
Director

Wong Chun
Director

BALANCE SHEET

At 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
NON-CURRENT ASSET			
Investments in subsidiaries	14	<u>34,045</u>	<u>34,045</u>
CURRENT ASSETS			
Other receivables		165	52
Amounts due from subsidiaries		42,779	19,373
Bank balances		<u>21,026</u>	<u>16,902</u>
		<u>63,970</u>	<u>36,327</u>
CURRENT LIABILITIES			
Other payables		369	282
Amount due to a subsidiary		<u>19,975</u>	<u>6,874</u>
		<u>20,344</u>	<u>7,156</u>
NET CURRENT ASSETS			
		<u>43,626</u>	<u>29,171</u>
		<u>77,671</u>	<u>63,216</u>
CAPITAL AND RESERVES			
Share capital	21	32,000	32,000
Reserves	22	<u>45,671</u>	<u>31,216</u>
		<u>77,671</u>	<u>63,216</u>

Pang Kuo-Shi
Director

Wong Chun
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2004

	Share capital <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2003	32,000	680	(13)	36,123	68,790
Exchange loss on translation of overseas operations not recognised in the income statement	—	—	(14)	—	(14)
Profit for the year	—	—	—	21,236	21,236
Dividends paid	—	—	—	(6,080)	(6,080)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	32,000	680	(27)	51,279	83,932
Exchange gain on translation of overseas operations not recognised in the income statement	—	—	38	—	38
Profit for the year	—	—	—	16,663	16,663
Dividend paid	—	—	—	(4,800)	(4,800)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	<u>32,000</u>	<u>680</u>	<u>11</u>	<u>63,142</u>	<u>95,833</u>

The merger reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal value of the share capital of the Company issued for the acquisition under the group reorganisation in 2001.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
OPERATING ACTIVITIES		
Profit from operations	19,196	22,745
Adjustments for:		
Interest income	(431)	(391)
Depreciation and amortisation	4,425	3,384
Revaluation increase of investment properties	(470)	—
Loss (gain) on disposal of property, plant and equipment	8	(30)
Allowance for doubtful debts	—	360
	<hr/>	<hr/>
Operating cash flows before movements in working capital	22,728	26,068
Increase in inventories	(4,821)	(6,578)
Decrease (increase) in trade and other receivables	14,936	(13,817)
Increase in trade and other payables	16,920	17,767
Increase (decrease) in amount due to a related company	132	(593)
	<hr/>	<hr/>
Cash generated from operations	49,895	22,847
Hong Kong Profits Tax refunded	—	7
Interest received	431	391
Interest paid	(5)	—
	<hr/>	<hr/>
NET CASH GENERATED FROM OPERATING ACTIVITIES	50,321	23,245
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Proceeds on disposal of an associate	647	—
Proceeds on disposal of property, plant and equipment	18	30
Purchase of property, plant and equipment	(14,445)	(5,701)
Increase in bank deposits	(3,883)	—
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(17,663)	(5,671)
	<hr/>	<hr/>
FINANCING ACTIVITIES		
Dividends paid	(4,800)	(6,080)
(Decrease) increase in amounts due to directors	(255)	1,255
	<hr/>	<hr/>
NET CASH USED IN FINANCING ACTIVITIES	(5,055)	(4,825)
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	27,603	12,749
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	55,907	43,172
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	38	(14)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	83,548	55,907
	<hr/>	<hr/>
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	83,548	55,907
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. The shares of the Company were listed on the Growth Enterprise Market operated by The Stock Exchange of Hong Kong Limited.

The Company acts as an investment holding company. Details of the principal activities of its subsidiaries are set out in note 28.

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In 2004, the Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued a number of new or revised Hong Kong Accounting Standards ("HKASs") and Hong Kong Financial Reporting Standards ("HKFRSs") (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004.

The Group has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties, and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

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

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

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

Investments in subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest in an associate

The consolidated income statement includes the Group's share of the post-acquisition results of its associate for the year. In the consolidated balance sheet, interest in an associate is stated at the Group's share of the net assets of the associate less any identified impairment loss.

Revenue recognition

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

Subcontracting fee income is recognised when services are provided.

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

Rental income is recognised on a straight-line basis over the terms of the relevant leases.

Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at cost less depreciation and any identified impairment loss. Construction in progress is carried at cost less any identified impairment loss.

Depreciation is provided to write off the cost of the assets, other than land and buildings and construction in progress, over their estimated useful lives, using the straight line method, at the following rates per annum:

Furniture and fixtures	20% — 33%
Office equipment	20% — 25%
Computer equipment	20%
Plant and machinery	14% — 20%
Motor vehicles	17% — 20%

Buildings are depreciated over the terms of the relevant leases. Land use rights are amortised over the lease term of the land.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment

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

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

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged.

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement.

No depreciation or amortisation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

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

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

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

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

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

Foreign currencies

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating leases

Leases where substantially all the risks and rewards of ownership remains with the leasing companies are accounted for as operating leases.

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

Retirement benefit costs

Payments to the defined contribution retirement benefit plan, state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme are charged as an expense as they fall due.

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4. TURNOVER

Turnover represents the amounts received and receivable, net of discounts and returns, from the sales of connectivity products mainly for computers and peripheral products, and subcontracting service rendered during the year, and is analysed as follows:

	2004 HK\$'000	2003 HK\$'000
Sales of goods	258,104	182,269
Subcontracting fee income	<u>2,371</u>	<u>1,372</u>
	<u><u>260,475</u></u>	<u><u>183,641</u></u>

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

The Group is currently engaged in providing its products to two classes of customers, namely, original equipment manufacturer ("OEM") customers and retail distributors. The directors of the Company regard these segments as the primary source of the Group's risks and returns.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

Segment information about these businesses is presented as follows:

	2004			2003		
	OEM customers HK\$'000	Retail distributors HK\$'000	Total HK\$'000	OEM customers HK\$'000	Retail distributors HK\$'000	Total HK\$'000
OPERATING RESULTS						
TURNOVER	<u>181,339</u>	<u>79,136</u>	<u>260,475</u>	129,709	53,932	183,641
RESULTS	<u>28,087</u>	<u>17,898</u>	<u>45,985</u>	<u>29,821</u>	<u>12,719</u>	42,540
Revaluation increase of investment properties			470			—
Unallocated income and expenses			<u>(27,259)</u>			<u>(19,795)</u>
Profit from operations			19,196			22,745
Finance costs			(5)			—
Share of result of an associate			47			(32)
Loss on disposal of an associate			<u>(670)</u>			<u>—</u>
Profit before taxation			18,568			22,713
Taxation			<u>(1,905)</u>			<u>(1,477)</u>
Profit for the year			<u>16,663</u>			<u>21,236</u>
ASSETS AND LIABILITIES						
ASSETS						
Trade receivables (Note)	<u>29,652</u>	<u>9,958</u>	39,610	<u>49,747</u>	<u>7,684</u>	57,431
Unallocated assets			<u>141,000</u>			<u>92,576</u>
Total assets			<u>180,610</u>			<u>150,007</u>
LIABILITIES						
Unallocated total liabilities			<u>84,777</u>			<u>66,075</u>
OTHER INFORMATION						
Allowance for doubtful debts	—	—	—	360	—	360
Revaluation increase of investment properties — unallocated	<u>—</u>	<u>—</u>	<u>470</u>	<u>—</u>	<u>—</u>	<u>—</u>

Note: The nature of products, the production processes and the methods used to distribute the products to these two classes of customers are similar. The Group's production facilities and inventories are located in the People's Republic of China ("PRC"). These two classes of customers utilise the Group's resources in a similar manner. Accordingly, the only separable assets are trade receivables for these customers.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Geographical segments

The Group's customers are mainly located in the Republic of China (the "ROC"), Japan, the United States of America ("USA") and Korea. The following table provides an analysis of the Group's turnover by geographical location of the Group's customers:

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
ROC	132,482	87,561
Japan	53,671	36,266
USA	28,517	21,618
Korea	25,694	19,747
Hong Kong	2,935	2,419
Others	17,176	16,030
	<u>260,475</u>	<u>183,641</u>

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical areas in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment	
	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Hong Kong	79,475	37,300	29	18
The PRC, other than Hong Kong	48,024	32,773	13,968	5,634
ROC	31,922	64,414	448	49
USA	8,872	5,479	—	—
Korea	5,843	3,829	—	—
Japan	4,088	1,823	—	—
Others	2,386	4,389	—	—
	<u>180,610</u>	<u>150,007</u>	<u>14,445</u>	<u>5,701</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

6. PROFIT FROM OPERATIONS

	2004	2003
	HK\$'000	HK\$'000
Profit from operations has been arrived at after charging:		
Directors' remuneration (Note 7)	5,532	5,231
Other staff costs		
Research and development	2,010	1,804
Others	27,659	22,016
Retirement benefit scheme contributions	468	176
	<hr/>	<hr/>
Total staff costs	35,669	29,227
Auditors' remuneration	722	712
Depreciation and amortisation	4,425	3,384
Allowance for doubtful debts	—	360
Net foreign exchange losses	—	237
Loss on disposal of property, plant and equipment	8	—
and after crediting:		
Net foreign exchange gains	760	—
Interest income on bank deposits	431	391
Gain on disposal of property, plant and equipment	—	30
	<hr/> <hr/>	<hr/> <hr/>

7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

	2004	2003
	HK\$'000	HK\$'000
Directors		
Fees	120	120
Other emoluments		
Salaries and other benefits	5,388	5,087
Retirement benefit scheme contributions	24	24
	<hr/>	<hr/>
	5,532	5,231
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

7. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS (Continued)

	2004 HK\$'000	2003 HK\$'000
Directors (Continued)		
Analysed into:		
Director A	1,925	1,775
Director B	1,720	1,670
Director C	1,267	1,117
Director D	500	549
Director E	100	120
Director F	—	—
Director G	20	N/A
	<u>5,532</u>	<u>5,231</u>

The amounts disclosed above include directors' fees of HK\$120,000 (2003: HK\$120,000) payable to independent non-executive directors.

During the year, no emoluments were paid by the Group to these directors as an inducement to join or upon joining the Group or as compensation for loss of office and no director had waived any emoluments.

Employees

Of the five highest paid individuals of the Group, four (2003: four) were directors of the Company whose emoluments are included above. The emoluments of the remaining one (2003: one) individual were as follows:

	2004 HK\$'000	2003 HK\$'000
Salaries and other benefits	555	575
Retirement benefit scheme contributions	12	12
	<u>567</u>	<u>587</u>

8. FINANCE COSTS

The amount represents interest on bank overdraft.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

9. TAXATION

The amount represents current tax charge on assessable profit arising in jurisdiction other than Hong Kong and is calculated at the rates prevailing in the relevant jurisdiction.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no assessable profit arising in Hong Kong in both years.

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

	2004 HK\$'000	2003 HK\$'000
Profit before taxation	<u>18,568</u>	<u>22,713</u>
Tax at the domestic income tax rate of 25% (2003: 25%)	4,642	5,678
Tax effect of income not taxable for tax purpose	(3,495)	(4,919)
Tax effect of expenses not deductible for tax purpose	281	21
Tax effect of unrecognised tax losses	409	565
Effect of different tax rates of subsidiaries operating in other jurisdictions	61	109
Others	<u>7</u>	<u>23</u>
Taxation charge for the year	<u>1,905</u>	<u>1,477</u>

The domestic income tax rate represents income tax rate in the ROC where the marketing support, materials procurement and research and development operations are conducted.

At 31 December 2004, the Group has deductible temporary differences of approximately HK\$451,000 (2003: Nil) and unused tax losses of approximately HK\$8,843,000 (2003: HK\$7,050,000) available for offset against future profits. No deferred tax asset has been recognised as it is not probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

10. DIVIDENDS

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Paid		
Final dividend — HK1.5 cents (2003: HK1.3 cents) per share	4,800	4,160
Interim dividend — Nil (2003: HK0.6 cent) per share	—	1,920
	<u>4,800</u>	<u>6,080</u>
Proposed		
Final dividend — HK1.5 cents (2003: HK1.5 cents) per share	<u>4,800</u>	<u>4,800</u>

The final dividend of HK1.5 cents per share has been proposed by the directors and is subject to approval by the shareholders in general meeting for the year ended 31 December 2004.

11. EARNINGS PER SHARE

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

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Profit for the year	<u>16,663</u>	<u>21,236</u>
	<i>'000</i>	<i>'000</i>
Number of ordinary shares for the purposes of basic earnings per share	<u>320,000</u>	<u>320,000</u>

No dilutive earnings per share has been presented because the exercise price of the Company's share options was higher than the average market price of the shares in both years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

12. PROPERTY, PLANT AND EQUIPMENT

	Land use rights HK\$'000	Buildings HK\$'000	Construction in progress HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Computer equipment HK\$'000	Machinery HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
THE GROUP									
COST									
At 1 January 2004	1,000	9,692	—	3,435	1,881	522	21,998	1,729	40,257
Additions	3,145	—	4,105	683	168	145	5,945	254	14,445
Disposals	—	—	—	—	(33)	—	—	—	(33)
At 31 December 2004	4,145	9,692	4,105	4,118	2,016	667	27,943	1,983	54,669
DEPRECIATION AND AMORTISATION									
At 1 January 2004	180	1,533	—	2,158	1,407	451	13,869	831	20,429
Provided for the year	57	205	—	671	211	30	2,957	294	4,425
Eliminated on disposals	—	—	—	—	(7)	—	—	—	(7)
At 31 December 2004	237	1,738	—	2,829	1,611	481	16,826	1,125	24,847
NET BOOK VALUES									
At 31 December 2004	3,908	7,954	4,105	1,289	405	186	11,117	858	29,822
At 31 December 2003	820	8,159	—	1,277	474	71	8,129	898	19,828

The land use rights and buildings are located in the PRC under medium-term leases.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

13. INVESTMENT PROPERTIES

	THE GROUP <i>HK\$'000</i>
At 1 January 2004	780
Revaluation increase	<u>470</u>
At 31 December 2004	<u><u>1,250</u></u>

The investment properties are held under medium-term leases in Hong Kong and are rented out under operating leases.

They were valued at HK\$1,250,000 on 31 December 2004 by DTZ Debenham Tie Leung Limited, an independent registered professional surveyor, on an open market existing use basis. This valuation gave rise to a revaluation increase of HK\$470,000 (2003: Nil) which has been credited to the income statement during the year.

14. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted investments	<u><u>34,045</u></u>	<u><u>34,045</u></u>

The carrying amount of the unlisted investments is determined by the directors on the basis of the book values of the underlying net assets of the subsidiaries attributable to the Group at the date on which the Company became the ultimate holding company of the Group pursuant to the group reorganisation in 2001.

Particulars of the Company's subsidiaries at 31 December 2004 are set out in note 28.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

15. INTEREST IN AN ASSOCIATE

	THE GROUP	
	2004	2003
	HK\$'000	HK\$'000
Share of net assets	—	1,270

Particulars of the Group's associate at 31 December 2003 are as follows:

Name of associate	Place of incorporation/ operation	Proportion of nominal value of issued ordinary share capital held by the Group	Principal activity
Feng Hua Advanced Technology (HK) Limited	Hong Kong	30%	Trading of electronic components

During the year, the Group disposed of its entire interest in the associate.

16. INVENTORIES

	THE GROUP	
	2004	2003
	HK\$'000	HK\$'000
Raw materials and consumables	7,413	5,557
Work in progress	317	337
Finished goods	9,514	6,529
	<u>17,244</u>	<u>12,423</u>

All inventories are carried at cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

17. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period ranging from 30 days to 150 days (2003: 30 days to 180 days) to its trade customers.

The following is an aged analysis of trade receivables at the balance sheet date:

	THE GROUP	
	2004 HK\$'000	2003 HK\$'000
Trade receivables		
Within 30 days	15,651	14,526
From 31 days to 120 days	22,968	31,756
From 121 days to 180 days	314	10,284
Over 180 days	677	865
	<u>39,610</u>	<u>57,431</u>
Other receivables	5,253	2,368
	<u>44,863</u>	<u>59,799</u>

18. TRADE AND OTHER PAYABLES

The Group has been granted an average credit period ranging from 30 days to 150 days (2003: 30 days to 150 days) from its trade suppliers.

The following is an aged analysis of trade payables at the balance sheet date:

	THE GROUP	
	2004 HK\$'000	2003 HK\$'000
Trade payables		
Within 30 days	15,122	11,336
From 31 days to 90 days	27,906	25,247
From 91 days to 150 days	8,200	11,294
Over 150 days	2,794	1,480
	<u>54,022</u>	<u>49,357</u>
Other payables	22,310	10,055
	<u>76,332</u>	<u>59,412</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

19. AMOUNT DUE TO A RELATED COMPANY

At 31 December 2004, the amount is owed to Glory Mark Enterprises Limited ("GM Enterprises"), a company in which Mr. Pang Kuo-Shi, Steve, Mr. Wong Chun and Mr. Hsia Chieh-Wan, directors and shareholders of the Company, together hold 100% interest. The amount is unsecured, interest free and repayable on demand.

At 31 December 2003, the amount was owed to C & C Technic Taiwan Co., Ltd. ("C & C"), a company in which the spouse of Mr. Pang Kuo-Shi, Steve, a director and shareholder of the Company, held 11.67% interest and had disposed of all her interest in January 2004. The amount was unsecured, interest free and repayable on demand.

20. AMOUNTS DUE TO DIRECTORS

The amounts are unsecured, interest free and repayable on demand.

21. SHARE CAPITAL

	Number of shares 2004 & 2003	2004 & 2003 HK\$'000
<i>Authorised:</i>		
Ordinary shares of HK\$0.1 each	1,000,000,000	100,000
<i>Issued and fully paid:</i>		
Ordinary shares of HK\$0.1 each	320,000,000	32,000

22. RESERVES

	Contributed surplus HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
THE COMPANY			
At 1 January 2003	25,762	6,319	32,081
Profit for the year	—	5,215	5,215
Dividends paid	—	(6,080)	(6,080)
At 31 December 2003	25,762	5,454	31,216
Profit for the year	—	19,255	19,255
Dividend paid	—	(4,800)	(4,800)
At 31 December 2004	25,762	19,909	45,671

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

22. RESERVES (Continued)

The contributed surplus of the Company represents the difference between the aggregate shareholders' funds of the subsidiaries at the date on which the Company became the holding company of the Group and the nominal value of the share capital of the Company issued for the acquisition under the group reorganisation in 2001.

In the opinion of the directors, the Company's reserves available for distribution represent the contributed surplus and accumulated profits. At 31 December 2004, the Company's reserves available for distribution to shareholders amounted to HK\$45,671,000 (2003: HK\$31,216,000).

23. CAPITAL COMMITMENTS

	THE GROUP	
	2004 HK\$'000	2003 HK\$'000
Capital expenditure contracted but not provided for in the financial statements in respect of the acquisition of property, plant and equipment	<u>22,136</u>	<u>6,645</u>

The Company did not have any significant capital commitments at the balance sheet date.

24. OPERATING LEASES

The Group as lessee

During the year, minimum lease payments made under operating leases in respect of rented premises and equipment was HK\$897,000 (2003: HK\$604,000).

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

	2004 HK\$'000	2003 HK\$'000
Within one year	650	376
In the second to fifth year inclusive	<u>88</u>	<u>105</u>
	<u>738</u>	<u>481</u>

Leases are negotiated for an average term of two years with fixed monthly rentals.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

24. OPERATING LEASES (Continued)

The Group as lessor

Property rental income earned during the year was HK\$315,000 (2003: HK\$126,000).

The Group's investment properties which are held for rental purposes are expected to generate rental yields of 10% on an ongoing basis and have committed tenants for the next year.

At 31 December 2004, the Group had contracted with tenants for future minimum lease payments which fall due within one year of HK\$142,000 (2003: HK\$36,000).

The Company did not have any commitments under non-cancellable operating leases at the balance sheet date.

25. SHARE OPTION SCHEMES

Pursuant to the Company's Pre-IPO and Post-IPO share option schemes (the "Schemes") adopted on 13 December 2001 for the purpose of providing incentives to directors and eligible employees, the Company may grant options to executive directors and full-time employees of the Group to subscribe for shares of the Company.

The total number of shares in respect of which options may be granted under the Schemes is not permitted to exceed 30% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors or their associates in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. Options may be exercised at any time from the thirteenth month from the date of grant of the share option to the fifth anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant, and (iii) the nominal value of the shares.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

25. SHARE OPTION SCHEMES (Continued)

At 31 December 2004, the number of shares in respect of which options had been granted under the Pre-IPO share option scheme was 32,000,000 (2003: 32,000,000), representing 10% (2003: 10%) of the shares of the Company in issue at that date. Details of these share options which were granted on 13 December 2001 with an exercise price of HK\$0.30 each are as follows:

Directors/ employees	Number of shares to be issued upon exercise of the options	Outstanding at 1.1.2003, 1.1.2004 and 31.12.2004	Number of shares to be issued upon exercise of the options and their exercisable period
Directors	20,000,000	20,000,000	6,000,000 13.12.2002 - 12.12.2006
			6,000,000 13.12.2003 - 12.12.2006
			8,000,000 13.12.2004 - 12.12.2006
Employees	12,000,000	12,000,000	3,600,000 13.12.2002 - 12.12.2006
			3,600,000 13.12.2003 - 12.12.2006
			4,800,000 13.12.2004 - 12.12.2006
	<u>32,000,000</u>	<u>32,000,000</u>	

Under the Pre-IPO share option scheme, no share options were granted or exercised during the two years ended 31 December 2004. No options were granted under the Post-IPO share option scheme since its adoption. No charge is recognised in the income statement in respect of the value of options granted in both years presented.

26. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme and another defined contribution retirement benefit scheme for all qualifying employees in Hong Kong and the ROC, respectively. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 2% to 5% of relevant payroll costs to the schemes, which contribution is matched by employees.

Eligible staff of a subsidiary operating in the PRC currently participate in a central pension scheme operated by the local municipal government. The PRC subsidiary is required to contribute an amount of 10% on the covered payroll of its employees to the central pension scheme for the funding of the retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of the eligible employees of the PRC subsidiary. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

27. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

Name of related party	Nature of transactions	2004 HK\$'000	2003 HK\$'000
Glory Mark Electronic Limited (incorporated in Taiwan) ("GM (Taiwan)")	Rentals paid (Note a)	140	135
GM Enterprises	Rentals paid (Note a)	252	300
San Chen Company ("San Chen")	Rentals paid (Note a)	140	135
C & C	Purchases of goods (Note a)	—	1,019
	Sales of goods (Note b)	—	153
		<u> </u>	<u> </u>

Notes:

- (a) These transactions were based on amounts agreed between the parties concerned with reference to market price.
- (b) These transactions were carried out at cost plus a profit mark-up.

Mr. Pang Kuo-Shi, Steve, Mr. Wong Chun and Mr. Hsia Chieh-Wen, directors and shareholders of the Company, together hold 79% interest in GM (Taiwan) and 100% interest in GM Enterprises. Mr. Pang Kuo-Shi, Steve holds 40% interest in San Chen.

Mr. Pang's wife held 11.67% interests in C & C and had disposed of all her interest in January 2004.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

28. PARTICULARS OF SUBSIDIARIES

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

Name of subsidiary	Form of business structure	Place of incorporation/ registration	Paid up issued share capital/ registered capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
				Directly	Indirectly	
Asia-Link Technology Limited	Incorporated	British Virgin Islands	US\$50,000 Ordinary shares	—	100%	Trading of connectivity products mainly for computers and peripheral products in the USA, investment holding and provision of subcontracting services
Asia-Link Technology Limited	Incorporated	Hong Kong	HK\$100,000 Ordinary shares	—	100%	Trading of connectivity products mainly for computers and peripheral products in Hong Kong
東莞輝煌電子有限公司 Dongguan Glory Mark Electronic Co., Ltd. and peripheral products	Wholly foreign-owned enterprise	PRC	HK\$12,100,000 Paid up registered capital	—	100%	Manufacture of connectivity products mainly for and computer peripheral products
Glory Mark Electronic Limited (Note a)	Incorporated	British Virgin Islands	US\$50,000 Ordinary shares	—	100%	Trading of connectivity products mainly for computers and peripheral products in South East Asia
Glory Mark Electronic Limited	Incorporated	Hong Kong	HK\$100,000 Ordinary shares	—	100%	Trading of connectivity products mainly for computers and peripheral products in Hong Kong, investment holding and provision of subcontracting services

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

28. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Form of business structure	Place of incorporation/ registration	Paid up issued share capital/ registered capital	Proportion of nominal value of issued capital/registered capital held by the Company		Principal activities
				Directly	Indirectly	
Glory Mark International (Holdings) Limited	Incorporated	British Virgin Islands	US\$400 Ordinary shares	100%	—	Investment holding
東莞亞聯科技電子有限公司 Dongguan Asia-Link Technology Ltd.	Wholly foreign-owned enterprise	PRC	HK\$8,000,000 Paid up registered capital (Note b)	—	100%	Not yet commence business
亞聯(佛岡)電子有限公司 Asia-Link (Fogang) Electronic Limited	Wholly foreign-owned enterprise	PRC	(Note c)	—	100%	Not yet commence business

Notes:

- (a) The subsidiary had established a branch, namely Glory Mark Electronic Limited — Taiwan Branch (the "Branch") in the ROC. The Branch is engaged as a wholesaler and a retailer of machinery, electric appliances and telecommunications equipment and provides marketing support, materials procurement and research and development services for the Group.
- (b) At 31 December 2004, the registered capital was HK\$23,500,000 (2003: HK\$23,500,000) of which HK\$8,000,000 (2003: HK\$2,000,000) was paid by the Group, subject to the issuance of capital verification report.
- (c) At 31 December 2004, the registered capital was US\$1,680,000. No capital contribution was paid up by the Group.

FINANCIAL SUMMARY

	Year ended 31 December				2004 HK\$'000
	2000 HK\$'000	2001 HK\$'000	2002 HK\$'000	2003 HK\$'000	
RESULTS					
Turnover	<u>119,601</u>	<u>119,062</u>	<u>145,917</u>	<u>183,641</u>	<u>260,475</u>
Profit from operations	14,968	19,389	13,711	22,745	19,196
Finance costs	—	(1)	(1)	—	(5)
Share of result of an associate	—	—	714	(32)	47
Loss on disposal of an associate	—	—	—	—	(670)
Profit before taxation	14,968	19,388	14,424	22,713	18,568
Taxation	<u>(922)</u>	<u>(816)</u>	<u>(954)</u>	<u>(1,477)</u>	<u>(1,905)</u>
Profit for the year	<u>14,046</u>	<u>18,572</u>	<u>13,470</u>	<u>21,236</u>	<u>16,663</u>
	At 31 December				2004 HK\$'000
	2000 HK\$'000	2001 HK\$'000	2002 HK\$'000	2003 HK\$'000	
ASSETS AND LIABILITIES					
Total assets	70,726	105,875	114,959	150,007	180,610
Total liabilities	<u>(50,122)</u>	<u>(47,995)</u>	<u>(46,169)</u>	<u>(66,075)</u>	<u>(84,777)</u>
Shareholders' funds	<u>20,604</u>	<u>57,880</u>	<u>68,790</u>	<u>83,932</u>	<u>95,833</u>