



新意軟件 (控股)有限公司

Shine Software (Holdings) Limited

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

(股份代號：8270)
(Stock Code: 8270)

年報

Annual Report

2005

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 at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

The 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 Shine Software (Holdings) Limited collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Exchange for the purpose of giving information with regard to Shine Software (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」）之特色

創業板乃為帶有高投資風險之公司提供一個上市之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他富有經驗之投資者。

由於創業板上市公司新興之性質，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發佈資料之主要方法為在聯交所為創業板而設之互聯網網頁刊登。上市發行人毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意彼等須閱覽創業板網頁www.hkgem.com，以便取得創業板上市公司之最新資料。

聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表聲明，且明確表示概不會就因本報告全部或任何部分內容而產生或倚賴該等內容而引致之任何損失承擔任何責任。

本報告(新意軟件(控股)有限公司各董事願共同及個別對此負全責)乃遵照聯交所創業板證券上市規則的規定而提供有關新意軟件(控股)有限公司的資料。本公司各董事經作出一切合理查詢後，確認就彼等所知及所信：—(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導成份；(2)並無遺漏任何事實致使本報告所載任何內容產生誤導；及(3)本報告內表達的一切意見乃經審慎周詳考慮後方作出，並以公平合理的基準和假設為依據。

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Corporate Information

公司資料

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
Sin Ka Man

AUDIT COMMITTEE

Sin Ka Man (*Chairman of the Audit Committee*)
Choy Tak Ho
Liu Bo

NOMINATION COMMITTEE

Sin Ka Man
Choy Tak Ho
Liu Bo (*Chairman of the Nomination Committee*)

REMUNERATION COMMITTEE

Sin Ka Man
Choy Tak Ho
Liu Bo (*Chairman of the Remuneration Committee*)

QUALIFIED ACCOUNTANT & COMPANY SECRETARY

Cheung Kwok Yee, Francis
CITIC Ka Wah Bank Ltd.

COMPLIANCE OFFICERS & AUTHORISED REPRESENTATIVES

Gu Yun
Cheung Kwok Yee, Francis

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
冼家敏

審核委員會

冼家敏 (審核委員會主席)
蔡德河
劉波

提名委員會

冼家敏
蔡德河
劉波 (提名委員會主席)

薪酬委員會

冼家敏
蔡德河
劉波 (薪酬委員會主席)

合資格會計師兼公司秘書

張國義

監察主任兼授權代表

顧雲
張國義



HEAD OFFICE & PRINCIPAL PLACE OF BUSINESS

Room 2802
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Bank (Cayman) Limited
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
Level 28, Three Pacific Place
1 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

China Merchant Bank
CITIC Ka Wah Bank Ltd

SPONSOR

South China Capital Limited

總辦事處兼主要營業地點

香港灣仔
港灣道26號
華潤大廈
2802室

註冊辦事處

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

主要股份過戶登記處

Butterfield Bank (Cayman) Limited
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
皇后大道東1號
太古廣場第三座28樓

主要往來銀行

招商銀行
中信嘉華銀行有限公司

保薦人

南華融資有限公司



LEGAL ADVISORS

As to Cayman Laws:

Conyers Dill & Pearman, Cayman

As to Hong Kong Laws:

Heller Ehrman White & McAuliffe

AUDITORS

CCIF CPA Limited

Certified Public Accountants

STOCK CODE

8270

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

Corporate Profile

公司簡介

Shine Software (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 targetting 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 succeeds 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.

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 82% in the PRC.

新意軟件(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。

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、中國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份額逾82%。

Corporate Profile

公司簡介



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.

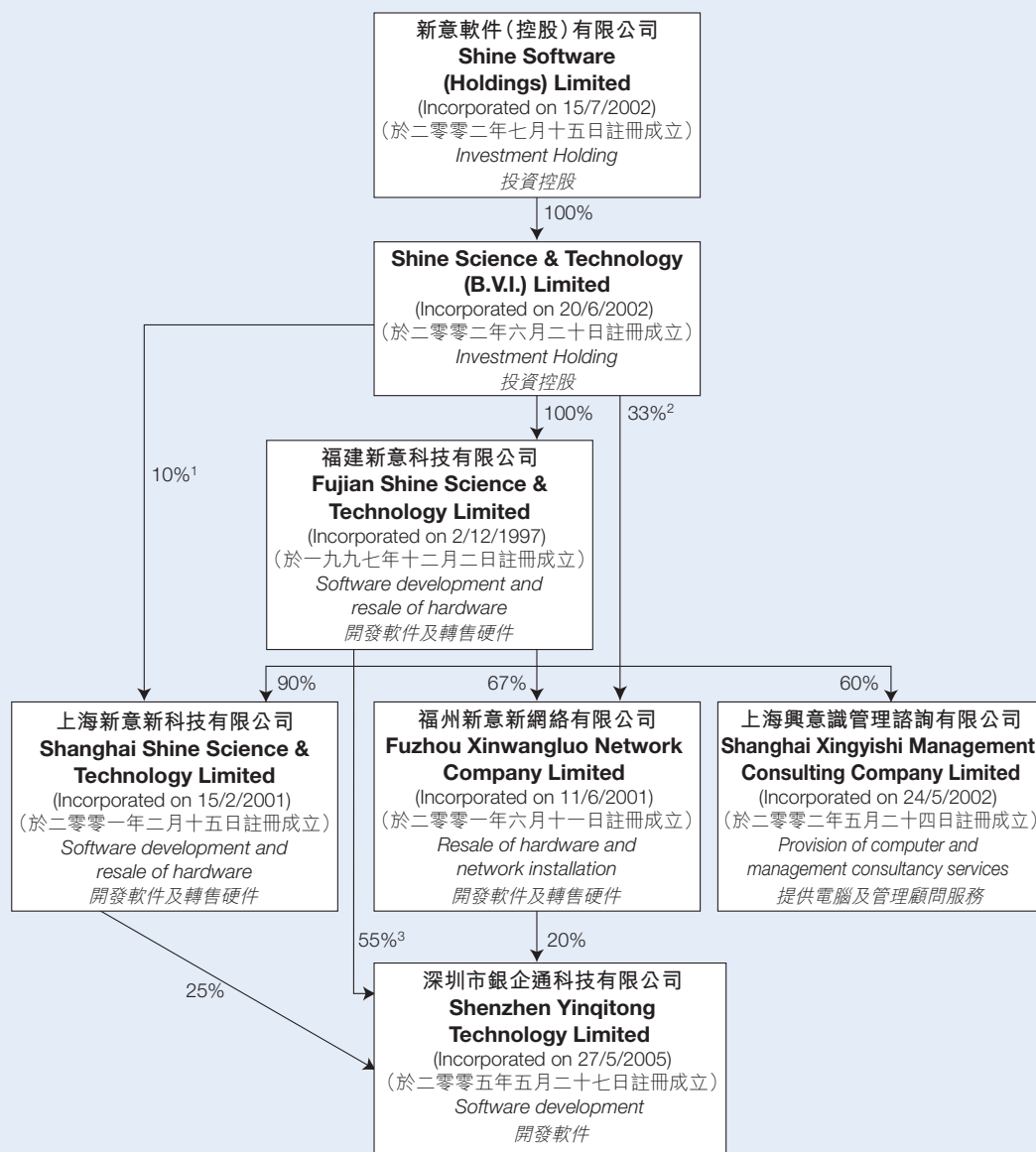
除在業務範疇內深具競爭優勢外，本集團並僱有一隊熟悉國內證券及金融業務的管理人員，以及一支實力雄厚兼具創意的專業研發隊伍，其中涵蓋軟件、硬件及網絡技術領域的專才。

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



Note 1: The 10% equity interest is held by Ms. Gu Yun, a Director, on behalf of Shine Science & Technology (B.V.I.) Limited.

附註1：該10% 股本權益乃由董事顧雲女士代表Shine Science & Technology (B.V.I.) Limited 持有。

Note 2: During 2004, the Group, through Shine Science & Technology (B.V.I.) Limited, further acquired 33% equity interest of Fuzhou Xinwangluo Network Company Limited from the minority shareholders. Upon completion of the transaction, the Group wholly owned this subsidiary. The 33% equity interest is held by Ms. Gu Yun, a Director, on behalf of Shine Science & Technology (B.V.I.) Limited.

附註2：二零零四年內，本集團透過Shine Science & Technology (B.V.I.) Limited 進一步向少數權益股東收購福州新意新網絡有限公司之33% 股本權益。交易完成後，本集團全資擁有此附屬公司。該33% 股本權益由董事顧雲女士代表Shine Science & Technology (B.V.I.) Limited 持有。

Note 3: The 55% equity interest is held by Ms. Gu Yun, on behalf of Fujian Shine Science & Technology Limited.

附註3：該55%股本權益乃由顧雲女士代表福建新意科技有限公司持有。

Notice of Annual General Meeting

股東週年大會通告

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Shine Software (Holdings) Limited (the “Company”) will be held at Conference Room 2, 22/F, United Centre, 95 Queensway, Hong Kong on Monday, 24th April 2006 at 2:30 p.m. for the following purposes:

As Ordinary Business:

1. To receive and adopt the audited financial statements together with the reports of the directors and the auditors for the year ended 31st December 2005.
2. To re-elect the retiring Directors and to authorise the Board of Directors to fix the Directors’ remuneration for the ensuing year.
3. To re-appoint the retiring auditors and to authorise the Board of Directors to fix their remuneration.

As Special Business:

4. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

茲通告新意軟件(控股)有限公司(「本公司」)謹訂於二零零六年四月二十四日星期一下午二時三十分假座香港金鐘95號統一中心22樓2號會議廳舉行股東週年大會，商議下列事項：

普通事項：

1. 省覽及採納截至二零零五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. 重選退任之董事，並授權董事會釐訂來年之董事酬金。
3. 續聘退任核數師，並授權董事會釐訂其之酬金。

特別事項：

4. 考慮並酌情通過(不論有否修訂)下列決議案為一項普通決議案：

「動議：

- (a) 在本決議案(b)段所載之規限下，一般性及無條件批准本公司董事於有關期間(定義見下文)內按照所有適用法例及香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)證券上市規則或任何其他證券交易所不時修訂之規定，行使本公司所有權力，於聯交所創業板或本公司之證券可能上市並經香港證券及期貨事務監察委員會與聯交所認可作此用途之任何其他證券交易所，購回本公司股本中之股份；

Notice of Annual General Meeting

股東週年大會通告

- (b) the aggregate nominal amount of the shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- (b) 本公司董事根據本決議案(a)段之批准獲授權購回之本公司股份總面值，不得超過於本決議案獲通過時日本公司已發行股本總面值10%；而上述批准亦須受此數額限制；及
- (c) 就本決議案而言，「有關期間」乃指由本決議案獲通過時起至下列最早一項之期間：
- (i) 本公司下屆股東週年大會結束時；
 - (ii) 按本公司之公司組織章程細則或任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿時；或
 - (iii) 本公司股東於股東大會通過普通決議案撤回或修訂本決議案所賦予之授權時。」

5. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:
5. 考慮並酌情通過(不論有否修訂)下列決議案為一項普通決議案：

“THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants, or similar right to subscribe for any shares or convertible securities of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- 「動議：
- (a) 在本決議案(c)段所載之規限下，一般性及無條件批准本公司董事於有關期間(定義見下文)內，行使本公司所有權力，以配發、發行及處理本公司股本中之額外股份、或可轉換為該等股份之證券、或可認購任何股份或可換股證券之認購權、認股權證或同類之權利，並可作出或授予需要或可能需要行使該等權力之售股建議、協議及認購權(包括可轉換為本公司股份之債券、認股權證及債權證)；

Notice of Annual General Meeting

股東週年大會通告

- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible persons thereunder of shares or rights to acquire shares in the capital of the Company; (iii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; or (iv) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution,
- “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.
- (b) 根據本決議案(a)段之批准，本公司董事可獲授權於有關期間內作出或授予需要或可能需要於有關期間終結後行使該等權力方可進行之售股建議、協議及認購權(包括可轉換為本公司股份之債券、認股權證及債權證)；
- (c) 本公司董事根據本決議案(a)段之批准可獲配發或同意有條件或無條件配發(不論根據認購權或其他原因配發)及發行之股本總面值，不得超過於本決議案獲通過當日本公司已發行股本總面值20%，惟不包括(i)供股(定義見下文)；(ii)根據任何當時所採納可向本公司及／或其任何附屬公司高級職員及／或僱員及／或計劃項下任何合資格人士授予或發行本公司股份或購買本公司股本中股份之權利之任何購股權計劃或類似安排而發行股份；(iii)根據本公司不時之公司組織章程細則透過以股代息發行股份；或(iv)根據本公司任何認股權證或可轉換為本公司股份之證券之條款行使認購權或兌換權而發行股份，而上述批准亦須受此數額限制；及
- (d) 就本決議案而言，
- [有關期間]乃指由本決議案獲通過時起至下列最早一項之期間：
- (i) 本公司下屆股東週年大會結束時；
- (ii) 按本公司之公司組織章程細則或任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿時；或
- (iii) 本公司股東於股東大會通過普通決議案撤回或修訂本決議案所賦予之授權時。

Notice of Annual General Meeting

股東週年大會通告

“Rights Issue” means an offer of shares of the Company open for a period fixed by the Directors of the Company to the holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

6. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional upon the passing of Resolution Nos. 4 and 5 as set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares in the capital of the Company pursuant to Resolution No. 5 as set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 4 as set out in the notice convening this meeting, provided that such amount of shares shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution.”

By Order of the Board

Shine Software (Holdings) Limited

Cheung Kwok Yee, Francis

Company Secretary

Hong Kong, 23rd March 2006

「供股」乃指本公司董事於訂定之期間內向於指定記錄日期名列本公司股東名冊之本公司股份持有人，按彼等於該日之持股比例向彼等提呈配售本公司股份之建議（惟本公司董事有權就零碎股權或經考慮根據任何香港境外地區之法例或任何認可監管機構或任何證券交易所規定而適用於本公司之限制或責任作出彼等視為必須或合宜之豁免或其他安排）。」

6. 考慮並酌情通過（不論有否修訂）下列決議案為一項普通決議案：

「**動議**待召開本大會之通告所載第4及5項決議案獲通過後，擴大本公司董事根據召開本大會通告所載第5項決議案獲授予可配發、發行及處理本公司股本中之額外股份之一般授權，加入相當於本公司根據召開本大會之通告所載第4項決議案授出之授權所購回本公司股本中股份之總面值之數額，惟該等股份之數額不得超過上述決議案獲通過之日本公司已發行股本總面值10%。」

承董事會命

新意軟件(控股)有限公司

公司秘書

張國義

香港，二零零六年三月二十三日

Notice of Annual General Meeting

股東週年大會通告

Head Office and Principal Place of Business in Hong Kong:

Room 2802, 28th Floor
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Registered Office:

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

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A proxy form of the meeting is enclosed. If the appointer is a corporation, the proxy form 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 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 be 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. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrar and transfer office in Hong Kong, Tengis Limited, at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. 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.

總辦事處兼香港主要營業地點：

香港
灣仔
港灣道26號
華潤大廈
28樓2802室

註冊辦事處：

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

附註：

1. 凡有權出席大會並於會上投票之本公司股東，均可委任一名或以上受委代表出席該大會並於表決時代其投票。受委代表毋須為本公司股東。
2. 隨附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方為有效。
3. 如有關股份為由聯名登記持有人持有，則該等聯名登記持有人中任何一人可親身或委派受委代表就有關股份於上述大會或其任何續會投票，猶如其為唯一有權投票者；倘超過一名該等聯名持有人親身或委派受委代表出席上述大會，則上述人士當中於本公司股東名冊就有關股份排名首位人士方有權就有關股份投票。
4. 代表委任表格連同簽署表格之授權書或其他授權文件（如有），或經公證人簽署證明之授權書或其他授權文件副本，最遲須於大會或其任何續會指定舉行時間48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，地址為香港灣仔皇后大道東1號太古廣場第三座28樓，方為有效。
5. 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，有關代表委任表格將視作已撤回論。

Notice of Annual General Meeting

股東週年大會通告

6. In relation to Resolution No. 2, ten Directors will retire from office at the meeting in accordance with Article 86(3) of the Company's Articles of Association and, being eligible, will offer themselves for re-election. Details of these ten Directors were set out in the "Biographical Information of Directors and Senior Management" of the Company's Annual Report 2005.
 7. Under the Articles of Association of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

 - (a) by the chairman of the meeting; or
 - (b) by at least three shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
 - (c) by a shareholder or shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all shareholders having the right to vote at the meeting; or
 - (d) by a shareholder or shareholders present in person or in the case of a shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal not less than one-tenth of the total sum paid up on all shares conferring that right.
 8. An explanatory statement as required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate under Resolution No. 4 above will be sent to shareholders together with the Company's Annual Report 2005.
 9. As at the date of this notice, the Board of the Company comprises of six executive Directors, namely Ms. Gu Yun (Chairperson), Mr. Qiu Yixin (Vice-chairman), Mr. Chen Yunrong (Chief Executive Officer), Mr. Ye Jinxing, Ms. Li Xiaoyuan and Mr. Jiang Yulai; one non-executive Director, namely Mr. Chen Qun, and three independent nonexecutive Directors, namely Mr. Choy Tak Ho, Mr. Liu Bo and Mr. Sin Ka Man.
6. 就第2項決議案而言，根據本公司之公司組織章程細則第86(3)條，十名董事將於大會告退，惟彼等符合資格並願意膺選連任。有關該十名董事之詳情載於本公司二零零五年年報「董事及高級管理層履歷資料」內。
 7. 根據本公司之公司組織章程細則，在大會上提呈表決之決議案將以舉手方式表決，除非在宣佈舉手表決結果時或之前或撤回任何其他按股數投票表決之要求時，下列人士要求按股數投票表決：

 - (a) 該大會主席；或
 - (b) 當時有權在大會投票之最少三名親身出席之股東(或倘股東為公司，則其正式授權代表)或受委代表；或
 - (c) 一名或以上親身出席之股東(或倘股東為公司，則其正式授權之代表)或受委代表，且持有不少於有權在會上投票之全體股東全部投票權十分之一；或
 - (d) 一名或以上親身出席之股東(或倘股東為公司，則其正式授權之代表)或受委代表，持有賦予權利在會上投票之本公司股份之已繳股款總額不少於所有賦予該項權利股份已繳股款十分之一。
 8. 根據香港聯合交易所有限公司創業板證券上市規則所規定，就上文第4項決議案項下有關建議之購回授權而刊發之說明函件，將連同本公司二零零五年年報寄予股東。
 9. 於本通告日期，本公司董事會成員包括六名執行董事顧雲女士(主席)、邱一心先生(副主席)、陳芸榕先生(行政總裁)、葉金興先生、李小元女士及江育來先生；一名非執行董事陳群先生；以及三名獨立非執行董事蔡德河先生、劉波先生及冼家敏先生。

Financial Calendar

財政年曆

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 first quarterly results 公佈第一季度業績	13th May 2005 二零零五年五月十三日
Announcement of interim results 公佈中期業績	15th August 2005 二零零五年八月十五日
Announcement of third quarterly results 公佈第三季度業績	14th November 2005 二零零五年十一月十四日
Announcement of final results 公佈全年業績	23rd March 2006 二零零六年三月二十三日
Annual General Meeting for 2005 二零零五年股東週年大會	24th April 2006 二零零六年四月二十四日

Financial Highlight

財務摘要

(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

CONSOLIDATED RESULTS 綜合業績

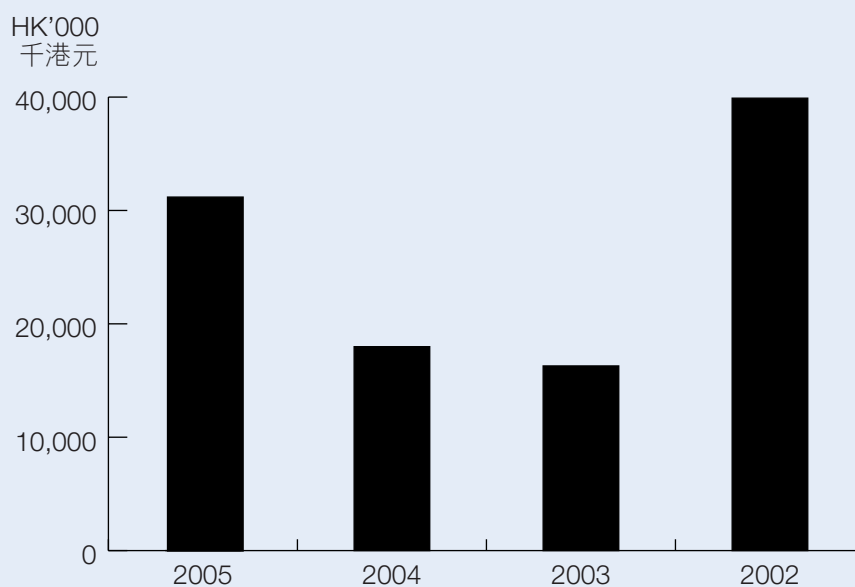
Turnover 營業額

Profit (loss) attributable to shareholders 股東應佔溢利／虧損

Dividends 股息

Dividends pay-out ratio 派息比率

2005 二零零五年	2004 二零零四年 (Restated) (重列)	2003 二零零三年	2002 二零零二年 (Restated) (重列)
31,246	17,985	16,287	39,904
938	(1)	708	13,165
-	-	1,705	7,000
N/A	N/A	240.8%	53.2%



Financial Highlight

財務摘要



(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

CONSOLIDATED ASSETS 綜合資產及負債 AND LIABILITIES

Total assets 總資產

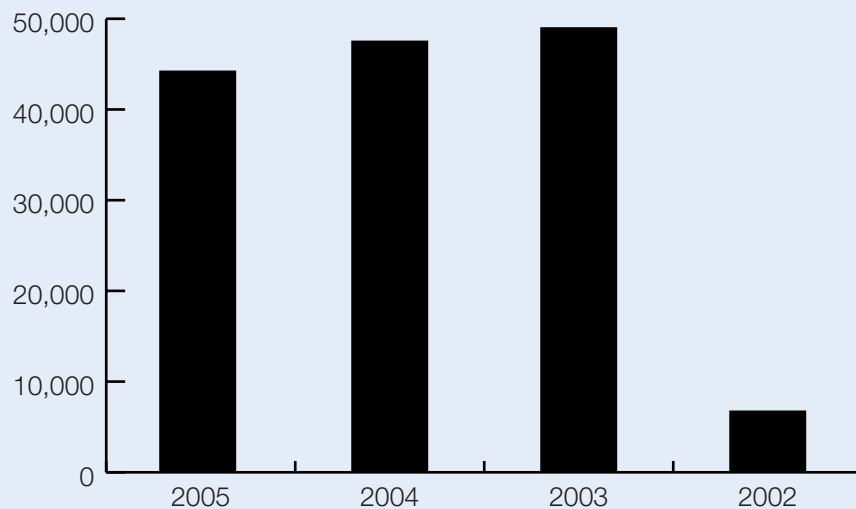
Total liabilities (Note 3) 總負債 (附註 3)

Minority interests 少數股東權益

Shareholders' funds 股東資金

	2005 二零零五年	2004 二零零四年	2003 二零零三年	2002 二零零二年 (Restated) (重列)
Total assets 總資產	60,032	55,583	55,904	41,150
Total liabilities (Note 3) 總負債 (附註 3)	(10,651)	(7,908)	(6,424)	(32,308)
Minority interests 少數股東權益	(155)	(155)	(488)	(2,103)
Shareholders' funds 股東資金	49,226	47,520	48,992	6,739

HK'000
千港元





Notes:

1. 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.

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.

附註：

1. 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。

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。

Chairman's Statement

主席報告

The securities market of the PRC continued to be stagnant and the business environment was difficult in 2005. However, following permission of the Social Security Funds to invest in the securities market of the PRC in June 2006, the securities market experienced a gradual rebound in terms of trading volume and market capitalization.

In 2005, the China Securities Regulatory Commission ("CSRC") also promulgated certain ordinances, which are favorable to the development of the Group's business, including the ordinance that expressly requires all securities dealers have to deposit guaranteed funds relating to customer securities transactions under independent custody no later than the end of 2005 and the 'Notice of Advocating Self Restructuring, Operations Compliance and Innovative Development for Securities Houses' (關於推動證券公司自查整改、合規經營和創新發展的通知). The Group has grasped the opportunity and continued to consolidate our existing products so as to launch a separate custody platform for customer funds, a risk-monitoring control and audit system for newly developed products and a third party custody platform. These products aimed at strengthening the internal risk management of securities dealers in compliance with the regulatory requirements of the CSRC. Those products had gotten extensive attention when launching.

The CSRC promulgated 'the China Securities Depository & Clearing Corporation Liability Limited: Practice notes for implementing registration and settlement for listed options on the Shenzhen Stock Exchange' (中國證券登記結算有限責任公司關於深圳證券交易所上市權證登記結算業務實施細則) and 'the China Securities Depository & Clearing Corporation Liability Limited: Practice notes for implementing registration and settlement for listed options on the Shanghai Stock Exchange (中國證券登記結算有限責任公司關於上海證券交易所上市權證登記結算業務實施細則) on 16th August 2005. The Group also launched new products in a timely manner – the E-SIM system, a warrant business module, and open investment funds operations module, which has been on-line used by various securities dealers.

The amended 'Securities Act' was formally promulgated in 27th October 2005, and it was the first time requiring the implementation of the system of depositing settlement funds relating to customer transactions under a third party custody in form of legal provisions. The amended 'Securities Act' will be formally implemented from 1st January 2006. The Group had launched corresponding product at the end of 2005 and believed that the product will achieve a satisfying sales result in year 2006.

二零零五年，中國證券市場市況仍然疲弱、經營環境惡劣。然而隨著國家將於二零零六年六月批准社會保障基金投資國內證券市場，股票交投量以至總體市值逐步從幾年來谷底回升。

中國證券監督管理委員會亦於二零零五年內頒布了若干利好集團業務發展的條例，包括明確要求各證券公司必須最遲在二零零五年年底前對客戶證券交易保證金獨立存管完全達標和《關於推動證券公司自查整改、合規經營和創新發展的通知》。本集團已抓緊機遇繼續整合原有產品推出客戶資金獨立存管平台，新開發產品風險監控與稽核系統及第三方存管平台，該等產品旨在加強券商內部風險管理適應證監會的監管要求。一經推出市場即受到廣泛關注。

二零零五年八月十六日中國證監會頒布《中國證券登記結算有限責任公司關於深圳證券交易所上市權證登記結算業務實施細則》和《中國證券登記結算有限責任公司關於上海證券交易所上市權證登記結算業務實施細則》，本集團也適時推出新產品 - 新意證券綜合管理平台，權證業務模塊和場內開放式基金業務模式，並已在多家證券公司上線使用。

二零零五年十月廿七日《證券法》修訂案正式頒布，首次以法律條文的形式規定了實行客戶交易結算資金第三方存管制度。修改後的《證券法》將於二零零六年一月一日起正式實施。本集團亦於二零零五年底推出相應業務的產品，相信該產品將在二零零六年取得不俗的銷售業績。

Chairman's Statement

主席報告



In addition to enhancing its existing products, the Group has been actively developing 'Data Centre System (數據中心系統)' targeted at clients in securities industry and 'Banking Corporations Capital Management System (銀企通資金管理系統)' which is suitable for capital allocations of banks and major corporations. In order to cooperate with the development of 'Banking Corporations Capital Management System (銀企通資金管理系統)', the Group established 'Shenzhen Yinqitong Technology Limited' in Shenzhen in May 2005.

In respect of internal management, the Group continued to exercise rigorous cost control measures and streamlined and systematized our corporate management procedures in areas such as product planning, quality assurance and staff training. We believe that those measures will create a solid foundation for the Group's long-term development.

Looking forward, with the expected resurgence in the domestic securities market, coupled with the Group's excellent research and development capability and effective management, we are optimistic about the Group's business prospect.

Finally, on behalf of the Board, I would also like this opportunity to express our heartfelt gratitude to our shareholders, customers and business associates for their continuous support to the Group.

Gu Yun

Chairman

23rd March 2006

本集團深化現有產品之餘亦同時積極開發針對證券商的「數據中心系統」和適用於銀行及大型集團企業在資金劃撥方面的「銀企通資金管理系統」。為配合開發「銀企通資金管理系統」，本集團於二零零五年五月在深圳市成立了「深圳市銀企通科技有限公司」。

內部管理方面，本集團繼續採取嚴緊的成本控制措施及精簡現有產品策劃、質量監控以至員工培訓等企業管理範疇。我們相信，該等措施將會為本集團的長遠發展奠定下鞏固的根基。

展望將來，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，以及有效的管理，我們對本集團的前景抱積極及樂觀的態度。

最後，本人謹代表董事會同人感謝股東、客戶及業務夥伴一直以來的鼎力支持。

顧雲

主席

二零零六年三月二十三日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

The Group recorded a consolidated turnover of approximately RMB31,246,000 for the year, representing an increase of approximately 73.7% compared with last year. The increase was mainly attributable to:

- relatively more projects which completed inspection in 2005.
- the number of clients for clearing products increased by 15, the number of clients for bank-securities products increased by 60 whereas the number of clients for independent depository increased by 14.

Profit attributable to shareholders for the year was approximately RMB938,000, compared with the loss attributable to shareholders of approximately RMB1,000 (as restated) for last year, mainly due to:

- gross profit margin for the year was approximately 65.6%, compared with approximately 73.1% for last year. Lower selling price was resulted from unfavourable securities market condition.
- costs and expenses of sales included the additional development costs amortised following the introduction of products to the market as well as the increased expenses and maintenance costs incurred from promoting new products.
- the Group is still actively involved in research and development, as well as improving its products, resulting in a higher development cost.

財務回顧

本集團於本年度錄得綜合營業額約人民幣31,246,000元，較去年增長約73.7%。增長主要是：

- 在二零零五年完工驗收的項目相對較多。
- 清算類產品新增客戶15家，銀證產品新增客戶60家，獨立存管新增客14家。

而本年度之股東應佔溢利約人民幣938,000元，而去年則為應佔虧損約人民幣1,000元(重列)，主要原因為：

- 本年度毛利率約65.6%，相比去年毛利率約73.1%，售價因為證券市況不境而向下調整。
- 銷售成本及銷售費用中包括隨著產品推出市場而多攤銷之開發成本以及為了推廣新產品而增加的銷售費用及維護成本。
- 本集團仍在積極研發、優化產品而產生較多的開發成本。

Management Discussion and Analysis

管理層討論及分析

TURNOVER

Turnover by business operations for the two consecutive years ended 31st December 2005 was summarized as follows:

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

The Group successfully launched its new product, namely Shine investor capital independent depository platform [獨立存管平台]. Such product was launched to meet the standardization of customer's assets management as stipulated by China Securities Regulatory Commission on securities firms.

OTHER REVENUE

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

DISTRIBUTION EXPENSES

Distribution expenses mainly represented marketing expenses which was maintained at a level comparable to that of the previous year.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses mainly represented professional and office expenses, which was maintained at a level comparable to that of the previous year.

營業額

截至二零零五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：

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
23,732	10,410
2,341	2,182
—	447
5,173	4,946
31,246	17,985

本集團成功推出「獨立存管平台」，其主要是因應中國證監會規範證券公司對客戶資金管理而推出之產品。

其它收益

其它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

分銷開支主要為市場推廣費用。有關費用與去年相若。

一般及行政開支

一般及行政開支主要為專業及辦公室費用。有關費用與去年相若。

OTHER OPERATING EXPENSES

The other operating expenses was approximately RMB8,683,000 in the year, while it was approximately RMB1,900,000 in the previous year, and the increase was mainly due to:

- approximately RMB3,700,000 (2004: nil) was provided for the bad and doubtful debts based on aging in accordance with the conservative principal;
- research and development cost of product was approximately RMB4,156,000 (2004: RMB1,695,000).

PRODUCT DEVELOPMENT

During the year, the Group invested approximately RMB7,027,000 in product development, which was mainly used for the existing products and the securities business platform.

During the year, the Group continued to recruit more relevant experts to enhance its integrated capabilities on research, development and product implementation.

In light of the ever-changing securities information technology industry, it is crucial that the Group reviews its proposed development projects regularly. During the year, due to market uncertainties, the Group postponed some non-core projects which are less important or prospects of which involve uncertainties so as to focus on the development of products with substantial market potentials. In addition, the Group will determine whether to resume development of the aforementioned non-core projects in the future.

Details of the changes of product development plans are set out in the section headed "Comparison of Business Objectives with Actual Business Progress".

LIQUIDITY AND FINANCIAL RESOURCES

Despite the difficult operating environment in its sectors, the Group's healthy financial profile was further strengthened upon the completion of its initial public offering (in August 2003) whereas, as at 31st December 2005, the Group had net assets of approximately RMB49,381,000, including total cash, bank and deposits balances of approximately RMB32,018,000. The Group has implemented disciplined financial and risk managements. 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 2005.

其他營運開支

本年度之其他營運開支為約人民幣8,683,000，去年約人民幣1,900,000元，增幅主要為：

- 以保守原則，按帳齡分析計提了呆壞帳準備約人民幣3,700,000元(二零零四年：零)；
- 產品研究及發展費用約人民幣4,156,000元(二零零四年：人民幣1,695,000元)。

產品開發

年內，本集團之產品開發投資約人民幣7,027,000元，主要用於現有產品及證券業務平台。

年內，本集團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。

由於證券信息科技業務瞬息萬變，故本集團須經常就其擬開發的項目進行檢討。年內，鑒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它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。

流動資金及財務資源

儘管業內經營環境困難，於二零零三年八月完成其首次公開發售後，本集團進一步增強其穩健之財務狀況，於二零零五年十二月三十一日，本集團的資產淨值約人民幣49,381,000元，其中包括現金、銀行及存款結存約人民幣32,018,000元。本集團採取謹慎的財務及風險管理策略，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，本集團於截至二零零五年十二月三十一日並無抵押其任何資產。

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 announcement, 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.

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 considers 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

The segmental information of the Group was disclosed in note 13 to the financial statement.

EMPLOYEES

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

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 competency in relation to their responsibility.

Employee remuneration includes 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. Remuneration policy is basically determined with reference to individual performance as well as financial results of the Group which will be revised from time to time when performances of staff is warranted.

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公佈日期期間，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重大投資事項。

外匯風險

本集團之主要業務交易、資產及負債皆是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；故本集團目前之外匯風險相對輕微。本集團因而目前並無採取任何對沖外匯風險的財務措施。然而，董事將不時密切監察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

作為一家軟件解決方案供應商，人才是本集團最寶貴的資產。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它實物利益，如醫療與保險計劃、退休福利計劃及其它酌情獎賞。

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。

To recognize the contributions and encourage initiatives and commitment from its staff, the Group has also operated a share option scheme. 20 millions share options have been granted in 2004.

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

As at 31st December 2005, the Group employed 162 employees in total. Staff cost, including directors' emoluments, was approximately RMB15,980,000 for the year ended 31st December 2005.

CORPORATE GOVERNANCE

During the year, the Group introduced a Code on Corporate Governance ("Code"), which sets out the corporate standards and practices used by the Group to direct and manage its business affairs. It was prepared with reference to the principles, Code Provisions and Recommended Best Practices stipulated in the Code on Corporate Governance Practices issued by the Hong Kong Stock Exchange ("HKSE Code"), which came into effect on 1st January 2005. In addition to formalizing the Group's existing corporate governance principles and practices, the Code also serves the purpose of assimilating practices with benchmarks prescribed by the HKSE Code to ultimately ensure that the Group runs a highly transparent operation and is accountable to its shareholders.

COMPARISON OF USE OF PROCEEDS

There has been no change in principal business objectives of the Group. 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.

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。本集團於二零零四年授出20,000,000份購股權。

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。

於二零零五年十二月三十一日，本集團僱有合共162名僱員。截至二零零五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15,980,000元。

企業管治

年內，集團頒佈一套企業管治常規守則(「該守則」)，列明集團採納用以指導及管理其商業事務的企業標準及守則。集團編製該守則時乃參考香港聯交所頒佈於二零零五年一月一日生效之企業管治常規守則(「聯交所守則」)所述之原則、守則條文及建議最佳守則。除制定現有企業管治原則及守則外，該守則亦有助將聯交所守則所指定的基準融入現有守則內，最終可確保集團以高透明度運作，並向股東負責。

所得款項用途比較

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，中國國內證券及信息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。

Management Discussion and Analysis

管理層討論及分析

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.

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 2005 as detailed below:

(expressed in HK\$ thousand dollar)

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。

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，於上市後截至二零零五年十二月三十一日已動用之實際金額詳情載列如下：

(以千港元列值)

	Planned 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 2005 截至二零零五年 十二月三十一日 已動用之實際金額
Product Developments 產品開發		
Enhancing existing product-line 提升現有產品線	3,000	4,598
New products development and 開發新產品及其日後升級版本 subsequent updates		
Customer Relationship Management 客戶關係管理／投資者關係管理 Investor Relationship Management	3,660	3,625
Centralized Securities Processing 證券集中交易平台 (附註) Platform (Note)	4,380	-
Integrated investment management 綜合投資管理及業務支持解決 and business support solutions 方案包括： Including:		
(1) Collaborative Work Platform (1) 協同工作平台及辦公室自動化 and Office Automation	2,730	409
(2) Securities Investment (2) 證券投資管理系統 Management System	2,650	1,214
(3) Business and Management (3) 基金公司業務及管理平台 Platform for Fund Institutions	2,360	699
(4) Business Support Platform for (4) 證券業業務支持平台 (附註) Securities Industry (Note)	1,120	5,836
Establish Regional Sales Offices and 成立地區銷售辦事處 Servicing Centres 及客戶中心	3,000	993
Brand Building and Marketing 品牌建立及市場推廣	3,600	1,856
	<u>26,500</u>	<u>19,230</u>

Management Discussion and Analysis

管理層討論及分析

Unused net proceeds of approximately HK\$7,270,000 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.

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 in the future.

Note: As stated in “Chairman’s Statement”, with the CSRS had tightened its control over securities dealers, the Group consolidated its existing products and launched a separate custody platform for customer funds, a risk-monitoring control and audit system for newly developed products and a third party custody platform. These products aimed at strengthening the internal risk management of securities dealers in compliance with the regulatory requirements of the CSRC. Those products had gotten extensive attention when launching. Therefore, the proposed proceeds for Centralized Securities Processing Platform is now used for consolidation and development of securities business supporting platform.

尚未動用的所得款項淨額(約7,270,000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。

附註： 誠如「主席報告」中描述，隨著中國證監會加強對證券公司之監管，本集團整合原有產品推出客戶資金獨立存管平台，新開發產品風險監控與稽核系統及第三方存管平台，該等產品旨在加強券商內部風險管理適應證監會的監管要求。一經推出市場即受到廣泛關注。故原定擬用於證券集中交易平台之款項，現投放於整合及發展證券業務支持平台。



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

Product development and marketing

產品開發及市場推廣

Existing clearing products
現有結算產品

Objectives as stated in the IPO prospectus

招股章程所載業務目標

Continuous review and perform market analysis. For selected products, perform research, testing and development for new system features.
持續檢討及進行市場分析。就部分產品進行研究、測試及開發新系統功能。

Continuous research and development (“R&D”) for customers.
繼續為客戶進行研發。

Promotion of the E-SIM system.
推廣新意證券綜合管理平台系統。

Promote the securities CRM/IRM system to customers; product improvement.
向客戶推廣證券CRM/IRM系統；產品改良。

Continues R&D improvement and upgrading.
繼續研發、改良及升級。

Promote the securities CRM/IRM system to customers; product improvement.
向客戶推廣證券CRM/IRM系統；產品改良。

Continuous research, testing and development for system features (R&D for the Centralized Securities Processing Platform for large-sized securities dealers).
持續研究、測試及開發系統功能(為大型證券商研發集中證券處理平台及結算系統)。

Promote the Centralized Securities Processing Platform and its modules upon the completion of development.
於完成開發後推廣集中證券處理平台及其模塊。

Actual business progress

實際業務進展

Continuous review and perform market analysis of clearing products.
持續檢討及進行市場分析。

Continuous promotion of clearing products including Bank-securities Cross Sector Fund Management Module where 60 securities dealers are using.
持續推廣結算產品包括銀證資金往來管理系統，其已被60家證券商使用。

As mentioned in the Management Discussion and Analysis section of the Company's annual report for the financial year ended 31st December 2005, it has already been integrated to Independent Depository Platform.
如二零零五年十二月三十一日止之年報，管理層討論及分析中披露，此系統已整合到獨立存管平台。

It has been integrated to Independent Depository Platform. Please refer to the Comparison of Use of Proceeds section of the Company's annual report for the financial year ended 31st December 2005.

如二零零五年十二月三十一日止之年報所得款項用途比較中所披露，此系統已整合到獨立存管平台。

Centralized Securities Processing Platform
集中證券處理平台



Product development and marketing

產品開發及市場推廣

Collaborative Work Platform and Office Automation

協同工作平台及辦公室自動化

Objectives as stated in the IPO prospectus

招股章程所載業務目標

Continuous research, testing and development for new system features.
持續研究、測試及開發系統新增功能。

Promote the Collaborative Work Platform and Office Automation.
推廣協同工作平台及辦公室自動化。

Business and Management Platform for Fund Institutions

基金公司業務及管理平台

Continuous research, testing and development for new system features.
持續研究、測試及開發新系統功能。

Promote the Business and Management Platform for Fund Institutions.
推廣基金公司業務及管理平台。

Securities Investment Management System

證券投資管理系統

Continuous research, testing and development for system features.
繼續研究、測試及開發系統功能。

Promote the Securities Investment Management System and its modules upon the completion of development.
於完成開發時推廣證券投資管理系統及其模塊。

Business Support Platform for Securities Industry

證券業業務支援平台

Continues research, testing and development for new system testing.
推行及測試平台、繼續研究、測試及開發新系統功能。

Promote the Business Support Platform for Securities Industry.
推廣證券業業務支援平台。

Actual business progress

實際業務進展

Continuous research, testing and development for internal uses.
持續研究、測試及開發內部應用。

Continuous research, testing and development for new system features.
持續研發、測試及開發新系統功能。

Continuous promotion of the Platform.
持續推廣此平台。

As mentioned in the Management Discussion and Analysis section of the Company's annual report for the financial year ended 31st December 2005, it has already been integrated to Independent Depository Platform.
如二零零五年十二月三十一日止之年報，管理層討論及分析中披露，此系統已整合到獨立存管平台。

Part of the modules have been integrated into Independent Depository Platform.
Part of the modules have been launched to the market.

部份功能已整合到獨立存管平台。部份功能已推出市場。



Objectives as stated in the IPO Prospectus

招股章程所載業務目標

Strategic Cooperation

策略性合作

Identify and evaluate potential strategic cooperation opportunities

物色及評估潛在策略性合作機會

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及參與綜合有關項目之管理

Establish regional sales offices and service centres

成立地區銷售辦事處及客戶中心

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服務中心

Establish selected regional sales offices and/or service centres

於選定之地點成立地區銷售辦事處及／或服務中心

Actual business progress in respect of the Interim period

實際業務進展

The Group continued to explore the possibilities of strategic investment which brings synergetic effects to the Group.

However, as at the date of this report, the Group has no 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 practice, the Group has conducted in-depth contacts and thorough discussions with a number of business partners and reputable global solution providers, including Microsoft® Group, for possible strategic business alliance or other 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貨商（包括微軟集團）就組成策略商業聯盟或其它合作機會，進行深入接觸和詳盡討論。

Continued to explore the possibilities of establishing regional sales offices and service centres.

持續物色成立地區銷售辦事處及服務中心之可行性。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

(a) Application of Corporate Governance Principles

The Group is committed to promoting good corporate governance, with the objectives of (i) the maintenance of responsible decision making, (ii) the improvement in transparency and disclosure of information to shareholders, (iii) the continuance of respect for the rights of shareholders and the recognition of the legitimate interests of shareholders, and (iv) the improvement in management of risk and the enhancement of performance by the Group. The Group has applied the principles set out in the Code on Corporate Governance Practices (“HKSE Code”) contained in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) with these objectives in mind.

(b) Promulgation of Company’s Corporate Governance Code

To this end, the Group has promulgated a set of Code on Corporate Governance (“Company Code”) which sets out the corporate standards and practices used by the Group to direct and manage its business affairs. It is prepared by referencing to the principles, code provisions and recommended best practices set out in the HKSE Code, which came into effect on 1st January 2005. In addition to formalizing existing corporate governance principles and practices, the Company Code also serves the purpose of assimilating existing practices with benchmarks prescribed by the HKSE Code and ultimately ensuring high transparency and accountability to the Group’s shareholders.

(c) Compliance of Company and HKSE’s Code’s Provisions

The Group has complied with all provisions in the Company Code and the HKSE Code with one deviation mentioned below.

On 12th August 2005, the Company set up the following board committees and adopted its own code on corporate governance:-

- (a) Remuneration Committee;
- (b) Nomination Committee.

The Company’s code on corporate governance contains the provisions of the HKSE Code and other provisions.

企業管治常規

(a) 依循企業管治原則

集團致力提高企業管治水平，宗旨在於(i)維持負責任的決策、(ii)改善對股東的透明度及向股東披露的資料、(iii)貫徹一向對股東權益的尊重及股東的合法權益的認同，及(iv)改善危機管理，提升集團表現。在此等宗旨下，集團已依循香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）附錄十五所載《企業管治常規守則》（「聯交所守則」）中的原則建立集團的管治守則。

(b) 頒佈本公司的企業管治守則

集團為此頒佈一套企業管治守則（「公司守則」），載列集團在指導及管理其商業事務時所採用的企業準則及常規。公司守則在編製時已參考由二零零五年一月一日起生效的聯交所守則內所載的原則、守則條文及建議最佳常規。除訂定現有企業管治原則及常規外，公司守則亦將現有常規及聯交所守則所規定的基準兼收並蓄，最終確保高透明度及向集團股東負責。

(c) 公司及聯交所守則條文的遵行

除下文所述的一項偏離外，集團已遵守公司守則及聯交所守則的所有條文。

於二零零五年八月十二日，本公司設立下列董事委員會，並採納本身之企業管治守則：

- (a) 薪酬委員會；
- (b) 提名委員會。

本公司之企業管治守則包括聯交所守則內之條文以及其他條文。

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of the directors of the Company, all directors have complied with the required standard of dealings and code of conduct regarding securities transactions by directors as set out in the code of conduct for the year 2005.

BOARD COMPOSITION

The Board of Directors ("Board") of the Company is entrusted with the overall responsibility for promoting the success of the Company by the direction and supervision of the Company's business and affairs and the ultimate responsibility for the day to day management of the Company which is delegated to the Vice Chairman and Chief Executive Officer and the management.

The Board comprises a total of ten Directors, with six Executive Directors, namely, Ms. Gu Yun, Mr. Qiu Yixin (Vice Chairman), Mr. Chen Yunrong (Chief Executive Officer), Mr. Ye Jinxing, Ms Li Xiaoyuan and Mr. Jiang Yulai; one Non-executive Director, namely Mr. Chen Qun; and three Independent Non-executive Directors, namely, Mr. Choy Tak Ho, Mr. Liu Bo and Mr. Sin Ka Man. Mr. Sin Ka Man has appropriate professional qualifications, accounting and financial management expertise.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the Listing Rules. The Company is of the view that all Independent Nonexecutive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

BOARD OPERATION

The Board meets regularly over the Company's affairs and operations. In 2005, the Board held eleven meetings. The attendance record of each member of the Board is set out below:

Executive Directors	Attendance	執行董事	出席率
Ms Gu Yun (<i>Chairman</i>)	11/11	顧雲女士 (主席)	11/11
Mr. Qiu Yixin (<i>Vice chairman</i>)	4/11	邱一心先生 (副主席)	4/11
Mr. Chen Yunrong (<i>Chief Executive Officer</i>)	6/11	陳芸榕先生 (行政總裁)	6/11
Mr. Ye Jinxing	5/11	葉金興先生	5/11
Ms. Li Xiaoyuan	3/11	李小元女士	3/11
Mr. Jiang Yulai	11/11	江育來先生	11/11

董事進行證券交易

本公司按創業板上市規則第5.48條至5.67條所載條款採納有關董事進行證券交易之操守守則。經向本公司董事提出具體徵詢，所有董事於截至二零零五年度內均有遵守該操守守則所列示有關董事進行證券交易之規定買賣準則及操守守則。

董事會組成

公司董事會（「董事會」）就推廣公司業務的整體責任作出領導及監控公司的業務及事務的功能，而公司日常管理的最終責任則由董事會授權予副主席及行政總裁與管理層進行。

董事會由十名董事組成，其中六名屬執行董事，包括顧雲（主席）、邱一心先生（副主席）、陳芸榕先生（行政總裁）、葉金興先生、李小元女士及江育來先生；一名非執行董事：陳群先生另外三名屬獨立非執行董事，包括蔡德河先生、劉波先生及冼家敏先生。冼家敏先生持有專業資格及具備會計及財務管理專業知識。

各獨立非執行董事已按創業板上市規則第5.09條作出年度獨立性確認。公司認為，全部獨立非執行董事均已符合創業板上市規則第5.09條所載的獨立性指引，並根據該指引的條款屬獨立人士。

董事會運作

董事會會定期會面，討論公司的事務及營運。董事會於二零零五年曾舉行十一次會議。各董事會成員的出席紀錄如下：



Non-executive Director:

Mr. Chen Qun 3/11

非執行董事

陳群先生 3/11

Independent Non-executive Directors:

Mr. Choy Tak Ho 4/11

Mr. Liu Bo 1/11

Mr. Sin Ka Man 5/11

獨立非執行董事

蔡德河先生 4/11

劉波先生 1/11

冼家敏先生 5/11

REMUNERATION OF DIRECTORS

As mentioned above, a remuneration committee was formed on 12th August 2005 for, inter alia, the following purposes:-

- (a) to make recommendations to the Board on policies and structure for remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to determine the remuneration packages for executive directors and senior management and to make recommendations to the board on the remuneration of non-executive directors.

The Remuneration Committee is made up of all of the Company's Independent Non-executive Directors, namely, Mr. Choy Tak Ho, Mr. Liu Bo and Mr. Sin Ka Man (Chairman).

The Remuneration Committee comprises four members, a majority of whom are Independent Non-executive Directors, and is chaired by Mr. Sin Ka Man. The Remuneration Committee is aimed to review and determine the remuneration policy and packages of the executive directors and executives.

The Chief Executive Officer of the Company is responsible for reviewing all relevant remuneration data and market conditions as well as the performance of individuals and the profitability of the Group, and proposing to the Remuneration Committee for consideration and approval, remuneration packages for the executive directors and executives. Executive directors do not participate in the determination of their own remuneration. Remuneration of non-executive directors is approved by the Board.

董事酬金

誠如上述，薪酬委員會已於二零零五年八月十二日成立，當中目的包括：

- (a) 就董事及高級管理層的全體薪酬政策及架構，及就設立正規而具透明度的程序制定此等薪酬政策，向董事會提出建議；
- (b) 釐定執行董事及高級管理層的酬金組合，並就非執行董事的酬金向董事會提出建議。

薪酬委員會由本公司全部獨立非執行董事組成，包括蔡德河先生、劉波先生及冼家敏先生(主席)。

薪酬委員會由四名成員組成，大部分為獨立非執行董事，主席為冼家敏先生。薪酬委員會旨在檢討及釐定執行董事及行政人員之薪酬政策及待遇。

本公司行政總裁負責檢討所有有關薪酬數據及市況以及個別員工表現與本集團盈利能力，並向薪酬委員會提呈考慮及批准執行董事及行政人員之薪酬待遇。執行董事不得參與商討釐定彼等本身薪酬。非執行董事之薪酬由董事會批准。



In accordance to the resolution passed in 12th August 2005, certain executive directors agreed that their salaries to be adjusted from 1st July 2005 together with the bonus paid based on the result of the year. The relevant details are disclosed in the section 'Biographical Information of Director and Senior Management'. The Group believes that the principles of enhancing the effectiveness of the Group's operation and encouraging good performances and contributions of the staff will be achieved through this way.

NOMINATION OF DIRECTORS

As mentioned above, a Nomination Committee was formed on 12th August 2005 for, inter alia, the following purposes:-

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board;
- (b) to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship; and
- (c) to make recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors.

The Nomination Committee comprises four members, a majority of whom are Independent Non-executive Directors, and is chaired by Mr. Sin Ka Man. The Nomination Committee held its first meeting on 17th August 2005 to review the structure, size and composition of the Company's Board of Directors. The Nomination Committee was satisfied with the existing composition of the Company's Board of Directors and recommended no change in the near term.

AUDITORS' REMUNERATION

The remuneration in respect of audit and non-audit services provided by the auditors, CCIF CPA Limited, to the Company in the year 2005 amounted to HK\$350,000.

根據二零零五年八月十二日之決議，若干執行董事同意於二零零五年七月一日起調整月薪及附以按年度業績而發放之獎勵金。有關詳情於「董事及高級管理人員資料」中披露。本集團相信此方法更能體現集團經營效益與員工表現貢獻的原則。

提名董事

誠如上述，提名委員會已於二零零五年八月十二日成立，當中目的包括：

- (a) 檢討董事會的架構、規模及組成(包括技能、知識及經驗)；
- (b) 物色具備適合資格成為董事會成員的人士，並向董事會提出委任董事的建議；及
- (c) 就與委任或重新委任董事及董事之接任計劃有關的事宜向董事會提出建議。

提名委員會由四個成員組成大部分為獨立非執行董事，主席為冼家敏先生。提名委員會於二零零五年八月十七日舉行首次會議，檢討本公司董事會的架構、規模及組成。提名委員會滿意本公司董事會的現有組合，建議於短期內毋須變動。

核數師酬金

於二零零五年度，本公司的核數師陳葉馮會計師事務所有限公司向本公司提供審計服務的酬金為350,000港元。

AUDIT COMMITTEE

The Company's Audit Committee was formed on 28th July 2003 and is currently composed of all three Independent Non-executive Directors of the Company, namely, Mr. Sin Ka Man (Chairman), Mr. Choy Tak Ho and Mr. Liu Bo. The primary duties of the Audit Committee are (a) to review the Group's annual reports, financial statements, interim reports and quarterly reports, (b) to provide advice and comments thereon to the Board and (c) to review and supervise the financial reporting process and internal control procedures of the Group.

In 2005, the Audit Committee held four meetings. The attendance record of each member of the Committee is set out below:

	Attendance		出席率
Sin Ka Man (<i>Chairman</i>)	4/4	冼家敏 (主席)	4/4
Choy Tak Ho	4/4	蔡德河先生	4/4
Liu Bo	1/4	劉波先生	1/4

The Audit Committee has carefully reviewed the Company's quarterly, half-yearly and annual results and its system of internal control and has made suggestions to improve them. The Committee also carried out and discharged its duties set out in HKSE Code. In the course of doing so, the Committee has met the company's management, qualified accountant and external auditors several times during 2005.

A statement of director responsibilities for preparing the financial statements is set out in this Annual Report. The Auditors' Report states auditors' reporting responsibilities.

The Directors have reviewed and are satisfied with the effectiveness of the Group's internal control system, including, in particular, financial, operational and compliance controls and risk management functions.

審核委員會

本公司的審核委員會於二零零三年七月二十八日成立，現任成員包括本公司全部三名獨立非執行董事冼家敏(主席)，蔡德河先生及劉波先生。審核委員會之主要職責是(a)審查集團的年報、財務報表、中期報告及季度報告；(b)向董事會提供建議及發表意見；及(c)審查及監管本集團的財務審批過程及內部管制程序。

審核委員會於二零零五年曾舉行四次會議。各委員會成員的出席紀錄如下：

審核委員會已詳細審查集團的季度報告、中期報告及年報，以及內部管制程序，並已提出改善建議。委員會已按聯交所守則實現及履行其職責。過程中，委員會於二零零五年曾與本公司的管理層、合資格會計師及外聘核數師舉行多次會議。

本年報載有就編製財務報表而言的董事責任聲明。核數師報告書內已申明核數師的申報責任。

董事已檢討集團的內部管制程序，特別包括財政、營運及監管控制以及風險管理職能，對其效果感到滿意。

Biographical Information of Directors and Senior Management

董事及高級管理層履歷資料

EXECUTIVE DIRECTORS

Ms. Gu Yun, aged 54, has been a director of the Company since July 2002. She is one of the Group's founders and 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. She is also one of the compliance officers of the Company. Ms. Gu is also a director of Genesis Century Limited which is a substantial shareholder of the Company as disclosed in the section headed "SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAD AN INTEREST AND A SHORT POSITION WHICH WAS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO" in the Directors' Report. There is a service agreement between the Company for a fixed term of 3 years commencing from 12th August 2003, and pursuant to which the emoluments payable to Ms. Gu is HK\$192,000 per annum. Pursuant to the resolution of the Remuneration Committee, Ms. Gu agreed that her monthly salary to be adjusted to HK\$11,800 from 1st July 2005, together with a bonus being paid based on the result of the year. Ms. Gu's interests in the securities of the Company as at the date of this report pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") is set out in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in the Directors' Report. Ms. Gu is not related to any director, substantial shareholder or initial management shareholder of the Company save as that she is the spouse of Mr. Xu Zhangxun who is deemed to be a substantial shareholder of the Company under Part XV of the SFO. Apart from her directorship with the Company, Ms. Gu does not hold any directorship in any publicly listed companies.

Mr. Qiu Yixin, aged 46, has been a director of the Company since July 2002. He is one of the Group's founders and 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

執行董事

顧雲女士，54歲，自二零零二年七月起為本公司董事。彼為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，在財務及銀行系主修金融科。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任職中國人民銀行福建分行，並曾任福建證券交易中心副總經理。顧女士擁有良好廣泛業務聯繫，自八零年代開始已在國內證券及銀行業積累豐富經驗。顧女士並為本公司監察主任之一。顧女士亦為董事會報告「根據證券及期貨條例第XV部第2及3分部擁有須予披露之權益及淡倉之主要股東及人士」一節所披露本公司主要股東 Genesis Century Limited之董事。本公司與顧女士簽訂服務協議由二零零三年八月十二日起為期三年，據此應付予顧女士之薪金為每年192,000港元。根據薪酬委員會之決議，顧女士同意於二零零五年七月一日起調低月薪至11,800港元及附以按年度業績而發放之獎勵金。根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部，顧女士於本報告日期在本公司證券中擁有之權益載於董事會報告「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」一節。除為根據證券及期貨條例第XV部被視作本公司主要股東許章迅先生之配偶外，顧女士與任何本公司董事、主要股東或上市時管理層股東概無任何關係。除擔任本公司董事外，顧女士概無擔任任何其他上市公司之董事職務。

邱一心先生，46歲，自二零零二年七月起為本公司董事。彼為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，對市場規劃及信息技術在證券及銀行業之應用尤其熟悉。邱先生曾於一九八九年至一九九三年期間任職中國人

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. There is a service agreement between the Company and Mr. Qiu for a fixed term of 3 years commencing from 12th August 2003, and pursuant to which the emoluments payable to Mr. Qiu is HK\$192,000 per annum. Pursuant to the resolution of the Remuneration Committee, Mr. Qiu agreed that his monthly salary to be adjusted to HK\$11,800 from 1st July 2005, together with a bonus being paid based on the result of the year. Mr. Qiu's interests in the securities of the Company as at the date of this report pursuant to Part XV of the SFO is set out in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in the Directors' Report. Mr. Qiu is not related to any director, substantial shareholder or initial management shareholder of the Company save as that he is the spouse of Ms. Lin Wen who is deemed to be a substantial shareholder of the Company under Part XV of the SFO. Apart from his directorship with the Company, Mr. Qiu does not hold any directorship in any publicly listed companies.

Mr. Chen Yunrong, aged 42, has been a director of the Company since July 2002. He 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. There is a service agreement between the Company for a fixed term of 3 years commencing from 12th August 2003, and pursuant to which the emoluments payable to Mr. Chen is HK\$192,000 per annum. Pursuant to the resolution of the Remuneration Committee, Mr. Chen agreed that his monthly salary to be adjusted to HK\$17,400 from 1st

民銀行福建分行科技處，另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。本公司與邱先生簽訂服務協議由二零零三年八月十二日起為期三年，據此應付予邱先生之薪金為每年192,000港元。根據薪酬委員會之決議，邱先生同意於二零零五年七月一日起調低月薪至11,800港元及附以按年度業績而發放之獎勵金。根據證券及期貨條例第XV部，邱先生於本報告日期在本公司證券中擁有之權益載於董事會報告「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」一節。除為根據證券及期貨條例第XV部被視作本公司主要股東林文女士之配偶外，邱先生與任何本公司董事、主要股東或上市時管理層股東概無任何關係。除擔任本公司董事外，邱先生概無擔任任何其他上市公司之董事職務。

陳芸榕先生，42歲，自二零零二年七月起為本公司董事。彼為本公司行政總裁。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任職人民銀行福建分行，其後出任福建省開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，在企業管理及信息技術應用方面認識尤其豐富。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。本公司與陳先生訂有服務協議由二零零三年八月十二日起為期三年，據此應付予陳先生之薪金為每年192,000港元。根據薪酬委員會之決議，陳先生之月薪由二零零五年七月一日調整至每月17,400港元及附以按年度業績而發放之獎勵金。根據證券及期貨條例第XV部，陳先生於本報告日期在本公司證券中擁有之權益載於董事會報告

Biographical Information of Directors and Senior Management

董事及高級管理層履歷資料

July 2005, together with a bonus being paid based on the result of the year. Mr. Chen's interests in the securities of the Company as at the date of this report pursuant to Part XV of the SFO is set out in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in the Directors' Report. Mr. Chen is not related to any director, substantial shareholder or initial management shareholder of the Company save as that he is the spouse of Ms. Guo Lidan who is deemed to be a substantial shareholder of the Company under Part XV of the SFO. Apart from his directorship with the Company, Mr. Chen does not hold any directorship in any publicly listed companies.

Mr. Ye Jinxing, aged 38, has been a director of the Company since July 2002. He is a senior economist. He 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. There is a service agreement between the Company for a fixed term of 3 years commencing from 12th August 2003, and pursuant to which the emoluments payable to Mr. Ye is HK\$180,000 per annum. Pursuant to the resolution of the Remuneration Committee, Mr. Ye agreed that his monthly salary to be adjusted to HK\$6,800 from 1st July 2005, together with a bonus being paid based on the result of the year. Mr. Ye's interests in the securities of the Company as at the date of this report pursuant to Part XV of the SFO is set out in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in the Directors' Report. Mr. Ye is not related to any director, substantial shareholder and initial management shareholder of the Company save as that he is the spouse of Ms. Wang Chunling and the son of Ms. Lian Xiu, both of whom are deemed to be substantial shareholders of the Company under Part XV of the SFO. Apart from his directorship with the Company, Mr. Ye does not hold any directorship in any publicly listed companies.

「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」一節。除為根據證券及期貨條例第XV部被視作本公司主要股東郭立丹女士之配偶外，陳先生與任何本公司董事、主要股東或上市時管理層股東概無關係。除擔任本公司董事外，陳先生概無擔任任何其他上市公司之董事職務。

葉金興先生，38歲，自二零零二年七月起為本公司董事。彼為高級經濟師。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獲江西財經學院頒授經濟學學士學位。本公司與葉先生訂有服務協議任期由二零零三年八月十二日起為期為三年，據此應付予葉先生之薪金為每年180,000港元。根據薪酬委員會之決議，葉先生同意於二零零五年七月一日起調低月薪至每月6,800港元及附以按年度業績而發放之獎勵金。根據證券及期貨條例第XV部，葉先生於本報告日期在本公司證券中擁有之權益載於董事會報告「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」一節。除為根據證券及期貨條例第XV部被視作本公司主要股東王春玲女士之配偶及連秀女士之兒子外，葉先生與任何本公司董事、主要股東或上市時管理層股東概無任何關係。除擔任本公司董事外，葉先生概無擔任任何其他上市公司之董事職務。

Biographical Information of Directors and Senior Management

董事及高級管理層履歷資料

Ms. Li Xiaoyuan, aged 43, has been a director of the Company since July 2002. She 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 Nanjing Communications Engineering Institute in 1984. Ms. Li is also a director of Genesis Century Limited which is a substantial shareholder of the Company as disclosed in the section headed "SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAD AN INTEREST AND A SHORT POSITION WHICH WAS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO" in the Directors' Report. There is a service agreement between the Company and Ms. Li for a fixed term of 3 years commencing from 12th August 2003, and pursuant to which the emoluments payable to Ms. Li is HK\$20,000 per annum. Ms. Li is not related to any director, substantial shareholder or initial management shareholder of the Company save as that she is the spouse of Zhang Xiaohui who is deemed to be a substantial shareholder of the Company under Part XV of the SFO. Ms. Li's interests in the securities of the Company as at the date of this report pursuant to Part XV of the SFO is set out in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in the Directors' Report. Apart from her directorship with the Company, Ms. Li does not hold any directorship in any publicly listed companies.

Mr. Jiang Yulai, aged 36, has been a director of the Company since July 2002. He 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. He 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. There is a service agreement between the Company and Mr. Jiang for a fixed term of 3 years commencing from 12th August 2003, pursuant to which the emoluments payable to Mr. Jiang is HK\$192,000 per annum. Pursuant to the resolution of the Remuneration Committee, Mr. Jiang agreed that his monthly salary to be adjusted to HK\$7,000 from 1st July 2005, together with a bonus being paid

李小元女士，43歲，自二零零二年七月起為本公司董事。彼為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出任福建證券交易中心電腦部副總經理。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獲南京通信工程學院頒授學士學位。李女士亦為董事會報告「根據證券及期貨條例第XV部第2及3分部擁有須予披露之權益及淡倉之主要股東及人士」一節所披露本公司主要股東Genesis Century Limited之董事。本公司與李女士訂有服務協議由二零零三年八月十二日起為期三年，據此應付予李女士之薪金為每年20,000港元。除為根據證券及期貨條例第XV部被視作本公司主要股東張曉輝先生之配偶外，李女士與任何本公司董事、主要股東或上市時管理層股東概無任何關係。根據證券及期貨條例第XV部，李女士於本報告日期在本公司證券中擁有之權益載於董事會報告「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」一節。除擔任本公司董事外，李女士概無擔任任何其他上市公司之董事職務。

江育來先生，36歲，自二零零二年七月起為本公司董事。彼為本集團之信息主管。江先生於一九九四年至一九九八年期間曾任職福建證券交易中心電腦部。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獲天津大學計算機工程與科學系頒授學士學位。本公司與江先生訂有服務協議任期由二零零三年八月十二日起為期三年，據此應付予江先生之薪金為每年192,000港元。根據薪酬委員會之決議，江先生同意於二零零五年七月一日起調低月薪至7,000港元及附以按年度業績而發放之獎勵金。江先生與任何本公司董事、主要股東或上市時管理層股東概無任何關係。根據證券及期貨

based on the result of the year. Mr. Jiang is not related to any director, substantial shareholder or initial management shareholder of the Company. Mr. Jiang's interests in the securities of the Company as at the date of this report pursuant to Part XV of the SFO is set out in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in the Directors' Report. Apart from his directorship with the Company, Mr. Jiang does not hold any directorship in any publicly listed companies.

NON-EXECUTIVE DIRECTOR

Mr. Chen Qun, aged 50, has been a director of the Company since August 2002. He 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. There is no service agreement between the Company and Mr. Chen. The emoluments payable to Mr. Chen is HK\$20,000 per annum. Mr. Chen was not appointed for a fixed term. Mr. Chen is not related to any director, substantial shareholder or initial management shareholder of the Company. As at the date of this report, Mr. Chen is not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the SFO. Apart from his directorship with the Company, Mr. Chen does not hold any directorship in any publicly listed companies.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Choy Tak Ho, aged 77, has been a director of the Company since September 2002. He 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 five 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'

條例第XV部，江先生於本報告日期在本公司證券中擁有之權益載於董事會報告「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」一節。除擔任本公司董事外，江先生概無擔任任何其他上市公司之董事職務。

非執行董事

陳群先生，50歲，自二零零二年八月起為本公司董事。彼曾於一九八五年至一九九零年期間任職中國人民銀行福建分行，現為閩發證券有限責任公司電腦中心總經理。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年經驗。陳先生於二零零零年獲亞洲（澳門）國際公開大學頒授工商管理碩士學位。本公司與陳先生並無簽訂服務協議。應付予陳先生之薪金為每年20,000港元。陳先生並無固定任期，陳先生與任何本公司董事、主要股東或上市時管理層股東概無任何關係。於本報告日期，根據證券及期貨條例第XV部，陳先生概無於本公司股份或相關股份擁有或被視為擁有任何權益。除擔任本公司董事外，陳先生概無擔任任何其他上市公司之董事職務。

獨立非執行董事

蔡德河先生，77歲，自二零零二年九月起為本公司董事。彼為聯合國際（香港）有限公司董事、香港觀塘工商業聯合會會董及香港中華廠商聯合會會董。蔡先生亦為第九屆中華人民共和國全國政協委員、中華海外聯誼會名譽理事、第八屆中華全國工商業聯合會執行委員、廣東外商公會第四任榮譽會長、培正商學院榮譽副主席、香港海內外華商聯合會創會會長、全港各區工商聯之永遠榮譽會長及香港中華總商會永遠名譽會長。彼目前為六間主板上市公司之獨立非執行董事：分別為順龍控股有限公司、海域集團有限公司、益安國際集團有限公司、東方網庫控股有限公司、萬事昌國際控股有限公司及億和精密工業控股有限公

Biographical Information of Directors and Senior Management

董事及高級管理層履歷資料

Association of Hong Kong. There is no service agreement between the Company and Mr. Choy. The emoluments payable to Mr. Choy is HK\$70,000 per annum. Mr. Choy was not appointed for a fixed term. Mr. Choy is not related to any director, substantial shareholder or initial management shareholder of the Company. Mr. Choy's interests in the securities of the Company as at the date of this report pursuant to Part XV, of the SFO is set out in the section headed "DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in the Directors' Report.

Mr. Liu Bo, aged 49, has been a director of the Company since September 2002. He 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. There is no service agreement between the Company and Mr. Liu. Mr. Liu was not appointed for a fixed term. The emoluments payable to Mr. Liu is HK\$70,000 per annum. Mr. Liu is not related to any director, substantial shareholder or initial management shareholder of the Company. Mr. Liu's interests in the securities of the Company as at the date of this report pursuant to Part XV of the SFO is set out in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in the Directors' Report. Apart from his directorship with the Company, Mr. Liu does not hold any directorship in any publicly listed companies.

Mr. Sin Ka Man, age 38, has been a Director of the Company since September 2004. Mr. Sin is an assistant general manager who is responsible for the accounting and financial management of China Velocity Group Limited, a Hong Kong listed company. Mr. Sin holds a Bachelor's Degree in Social Sciences from the University of Hong Kong, a Master of Science Degree in Finance from the University of Strathclyde, the United Kingdom and a Master of Accounting Degree from Curtin University of Technology, Australia. He is an associate member of The Hong Kong Institute of Certified Public Accountants, a fellow member of The Association of Chartered Certified Accountants and a certified practicing accountant of the CPA Australia. He has over 14 years of professional experience in auditing, accounting and financial management for both private and listed corporations. There is no

司。本公司與蔡先生並無簽訂服務協議。應付予蔡先生之薪金為每年70,000港元。蔡先生並無固定任期，蔡先生與任何本公司董事、主要股東或上市時管理層股東概無任何關係。根據證券及期貨條例第XV部，蔡先生於本報告日期在本公司證券中擁有之權益載於董事會報告「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」一節。

劉波先生，49歲，自二零零二年九月起為本公司董事。彼為上海財經大學教授，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特別委員會之主任。本公司與劉先生並無簽訂服務協議。劉先生並無固定任期，應支付予劉先生之薪金為每年70,000港元。劉先生與任何本公司董事、主要股東或上市時管理層股東概無任何關係。根據證券及期貨條例第XV部，劉先生於本報告日期在本公司證券中擁有之權益載於董事會報告「董事及最高行政人員於股份、相關股份及債券之權益或淡倉」一節。除擔任本公司董事外，劉先生概無擔任任何其他上市公司之董事職務。

冼家敏先生，38歲，自二零零四年九月起為本公司董事。冼先生為香港上市公司中國高速(集團)有限公司之助理總經理，專責該公司之會計及財務管理。冼先生持有香港大學社會科學學士學位、英國University of Strathclyde金融學理學碩士學位及澳洲Curtin University of Technology會計學碩士學位。冼先生為香港會計師公會會員、英國特許公認會計師公會資深會員及澳洲註冊執業會計師。彼在私人及上市公司核數、會計及財務管理方面積逾14年之專業經驗。本公司與冼先生並無簽訂服務協議，彼並無固定任期。應支付予冼先生之薪金為每年70,000港元。冼先生與任何本公司董事、主要股東或上市時管理層股東概無任

service agreement between the Company and Mr. Sin. He was not appointed for a fixed term. The emoluments payable to Mr. Sin is HK\$70,000 per annum. Mr. Sin is not related to any director, substantial shareholder or initial management shareholder of the Company. As at the date of this report, Mr. Sin is not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the SFO. Apart from his directorship with the Company, Mr. Sin also is a non-executive director of Innovis Holdings Limited, a company listed on the GEM.

SENIOR MANAGEMENT

Mr. Duan Jianlin, aged 45, 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 and has over 20 years of experiences in business development and information technology business.

Ms. Qu Gan, aged 50, has been the Assistant General Manager of the Company since November 2005. Ms Qu was awarded the Doctoral degree of Business Administration and has over 23 years of experience in Information Technology industry. Ms Qu was a Manager of Technological Department and an Assistant of the President of a renowned group of company, and was a general manager of a software company. She has extensive practical experience in different areas such as workflow management, project management, business management, technological management, quality management and customer service management. Ms Qu was a representative of company manager for many years and was certified as an ISO state practice auditor. The joining of Ms Qu is in line with the process of the conformity certification of CMMI of the Group in 2006.

Mr. Cheung Kwok Yee, aged 55, has appointed as the authorized representative, compliance officer, qualified accountant and company secretary of the Company with effect from 17th August 2005. Mr. Cheung has over 25 years of experience in auditing and financial accounting and is a fellow member of The Hong Kong Institute of Certified Public Accountants and an associate member of The Chartered Institute of Management Accountants.

何關係。於本報告日期，根據證券及期貨條例第XV部，冼先生概無於本公司股份或相關股份中擁有或被視作擁有任何權益。除擔任本公司董事外，冼先生亦擔任華智控股有限公司，一家於創業板上市之公司之非執行董事。

高級管理人員

段建寧先生，45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，於業務開發及資訊科技業務方面積逾20年經驗。

曲敢女士，50歲，自二零零五年十一月擔任本公司總經理助理。曲女士持有工商管理博士學位，在IT行業擁有二十三年的經驗。先後擔任過某大型集團公司的技術部經理、總裁助理，某軟件公司總經理。在流程管理、項目管理、商務管理、技術管理、質量管理、客戶服務管理方面有着豐富的實戰經驗。在質量管理方面，曲女士曾擔任過多年的公司管理者代表，並於二零零三年獲得ISO國家實習審核員的資格認證，曲女士之加盟配合公司於二零零六年進行CMMI認證。

張國義先生，55歲，獲委任為本公司的授權代表、監察主任、合資格會計師及公司秘書，由二零零五年八月十七日起生效。張先生擁有超過二十五年審核及財務會計經驗。張先生為香港會計師公會資深會員及特許管理會計師公會會員。

Directors' Report

董事會報告

The directors of Shine Software (Holdings) Limited (the "Company") present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31st December 2005.

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.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2005 are set out in the consolidated income statement on page 63.

The state of affairs of the Group and the Company as at 31st December 2005 are set out in the balance sheets on pages 64 and 65 respectively. The cash flows of the Group are set out in the consolidated cash flow statement on pages 67 and 68.

The directors of the Company do not recommend the payment of a dividend.

新意軟件(控股)有限公司(「本公司」)董事會謹此提呈本公司及其附屬公司(「本集團」)截至二零零五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(「重組」)，本公司透過配售本公司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並繼而成為本集團之控股公司。本公司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為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。

業績及分派

本集團截至二零零五年十二月三十一日止年度之業績載於第63頁的綜合收益表。

本集團及本公司於二零零五年十二月三十一日之營運狀況載於第64及65頁之資產負債表。本集團之現金流量載於第67及68頁之綜合現金流量表。

本公司董事不建議派付股息。



SHARE CAPITAL AND RESERVES

Details of the movements in share capital of the Company during the year are set out in note 28 to the financial statements.

Movements in the reserves of the Group and the Company during the year are set out in note 29 to the financial statements respectively.

FIXED ASSETS

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

DIRECTORS

The directors of the Company who held office during the year were:

Executive directors:

Ms. Gu Yun – *Chairman*

Mr. Qiu Yixin – *Vice chairman*

Mr. Chen Yunrong – *Chief Executive Officer*

Mr. Ye Jinxing

Ms. Li Xiaoyuan

Mr. Jiang Yulai

Non-executive director:

Mr. Chen Qun

Independent non-executive directors:

Mr. Choy Tak Ho

Mr. Liu Bo

Mr. Sin Ka Man

In accordance with article 87 of the Company's articles of association Mr. Ye Jingxiong, Ms. Li Xiaoyuan and Mr. Jiang Yulai shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The non-executive directors have no set term of office but are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's Articles of Association.

Biographical information of these directors is set out on page 33 to page 43 of this report.

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28。

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29。

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。

董事

本公司於年內之在任董事如下：

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

非執行董事：

陳群先生

獨立非執行董事：

蔡德河先生

劉波先生

冼家敏先生

根據本公司之公司組織章程細則第87條，葉金興先生、李小元女士及江育來先生將於應屆股東週年大會告退，惟彼等合資格膺選連任。

非執行董事並無固定任期，惟須根據本公司之公司組織章程細則於本公司股東週年大會輪值告退。

有關該等董事之履歷資料載於本報告第33至43頁。



CHANGES OF EXECUTIVES

The following changes of executives occurred during the year:

1. Mr. Cheung Kwok Yee, Franics has been appointed as company secretary, authorised representative, qualified accountant and compliance officer of the Company with effect from 17th August 2005; and
2. Mr. Chu Kin Wang, Peter has resigned as company secretary, authorised representative, qualified accountant and compliance officer of the Company with effect from 17th August 2005.

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 who are proposed for re-election at the forthcoming annual general meeting 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.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

行政人員之變動

年內，本公司行政人員出現以下變動：

1. 張國義先生已獲委任為本公司公司秘書、授權代表、合資格會計師及監察主任，由二零零五年八月十七日起生效；及
2. 朱健宏先生已辭任本公司公司秘書、授權代表、合資格會計師及監察主任，由二零零五年八月十七日起生效。

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予以終止。

除上文披露者外，有意於應屆股東週年大會上膺選連任之董事或任何由董事控制的公司均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免付補償（法定補償除外）而終止之服務合約。

董事酬金

董事酬金須由股東於股東大會批准。其他酬金由本公司董事會參考董事之職務、責任及表現以及本集團業績後釐定。



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 of the Company or the management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) 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20章所規定須予披露為關連交易之交易；及
- (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有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

本公司董事或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, UNDERLYING SHARES AND DEBENTURES

As at 31st December 2005, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealing by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

董事及主要行政人員於股份、相關股份及債券之權益或淡倉

於二零零五年十二月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條規定而存置之登記冊所記錄，或根據聯交所創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準已知會本公司及聯交所，本公司董事及最高行政人員在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中之權益及淡倉如下：

(a) Long positions in shares, underlying shares and debentures of the Company

(a) 於本公司股份、相關股份及債券之好倉

Name 姓名	Capacity 身分	Nature of Interest 權益性質	Number of shares/ underlying shares 股份／相關 股份數目	Approximate % of shareholdings 持股概約 百分比
Gu Yun 顧雲	Interest of controlled corporation 受控法團權益	Corporate interest 公司權益	187,061,635 (Note 1) (附註1)	39.55%
Li Xiaoyuan 李小元	Interest of controlled corporation 受控法團權益	Corporate interest 公司權益	187,061,635 (Note 2) (附註2)	39.55%
Ye Jinxing 葉金興	Interest of controlled corporation 受控法團權益	Corporate interest 公司權益	35,839,097 (Note 3) (附註3)	7.58%
Chen Yunrong 陳芸榕	Interest of controlled corporation 受控法團權益	Corporate interest 公司權益	31,260,882 (Note 4) (附註4)	6.61%
Qiu Yixin 邱一心	Interest of controlled corporation 受控法團權益	Corporate interest 公司權益	28,793,514 (Note 5) (附註5)	6.09%



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

董事及主要行政人員於股份、相關股份及債券之權益或淡倉(續)

(a) Long positions in shares, underlying shares and debentures of the Company (Continued)

(a) 於本公司股份、相關股份及債券之好倉(續)

Name 姓名	Capacity 身分	Nature of Interest 權益性質	Number of shares/ underlying shares 股份／相關 股份數目	Approximate % of shareholdings 持股概約 百分比
Jiang Yulai 江育來	Beneficial owner 實益擁有人	Personal interest 個人權益	470,000 (Note 6) (附註6)	0.09%
Choy Tak Ho 蔡德河	Beneficial owner 實益擁有人	Personal interest 個人權益	470,000 (Note 6) (附註6)	0.09%
Liu Bo 劉波	Beneficial owner 實益擁有人	Personal interest 個人權益	470,000 (Note 6) (附註6)	0.09%

Notes:

- Such shares are owned by Genesis Century Limited ("Genesis Century"). Ms. Gu Yun is a director of and the beneficial owner of 1,539 shares in Genesis Century, representing 15.39% of its total issued share capital. Ms. Gu is taken to be interested in the same parcel of shares held 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.
- Such shares are owned by Genesis Century and represent the same parcel of shares as in note 1. Ms. Li Xiaoyuan is a director of and is the beneficial owner of 3,784 shares in Genesis Century, representing 37.84% of its total issued share capital. Ms. Li is taken to be interested in the same parcel of shares held 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.

附註：

- 該等股份由Genesis Century Limited(「Genesis Century」)擁有。顧雲女士為Genesis Century之董事並實益擁有該公司1,539股股份，相當於其全部已發行股本15.39%。由於Genesis Century慣於或須按顧女士及李小元女士之指令而行事，故根據證券及期貨條例第XV部，顧女士被視作擁有Genesis Century所持同一批股份之權益。
- 該等股份由Genesis Century擁有，與附註1所述者為同一批股份。李小元女士為Genesis Century董事並實益擁有該公司3,784股股份，相當於其全部已發行股本37.84%。由於李女士有權於Genesis Century之股東大會行使或控制行使三分之一或以上之投票權，故根據證券及期貨條例第XV部，李女士彼被視作擁有Genesis Century所持同一批股份之權益。



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

(a) Long positions in shares, underlying shares and debentures of the Company (Continued)

3. These shares are legally owned by Future Pursuit Ltd. ("Future Pursuit"), whose beneficial owners are Mr. Ye Jinxing and his mother, Ms. Lian Xiu, holding 39.79% and 60.21% interest respectively in its total issued share capital. Mr. Ye is taken to be interested in the same parcel of shares held 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 shares are legally owned by Cheer Prosper Investments Limited ("Cheer Prosper"), the entire issued share capital of which is owned by Mr. Chen Yunrong. Mr. Chen Yunrong is taken to be interested in the same parcel of shares held by Cheer Prosper 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 Cheer Prosper.
5. These shares are legally owned by Easy Elegance Ltd. ("Easy Elegance"), the entire issued share capital of which is owned by Mr. Qiu Yixin. Mr. Qiu Yixin is taken to be interested in the same parcel of shares held by Easy Elegance 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 Easy Elegance.
6. These represented the outstanding numbers of shares issuable under the share options granted to the respective directors pursuant to a share option scheme adopted by the Company on 28th July 2003. The said options were granted on 6th July 2004 and are exercisable between 6th July 2005 to 5th July 2008 at an exercise price of HK\$0.256 per share.

董事及主要行政人員於股份、相關股份及債券之權益或淡倉(續)

(a) 於本公司股份、相關股份及債券之好倉(續)

3. 該等股份由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，分別持有其全部已發行股本39.79%及60.21%。由於葉先生有權於Future Pursuit之股東大會行使或控制行使三分之一或以上之投票權，故根據證券及期貨條例第XV部，彼被視作擁有Future Pursuit所持同一批股份之權益。
4. 該等股份由Cheer Prosper Investments Limited (「Cheer Prosper」)合法擁有，而Cheer Prosper之全部已發行股本乃由陳芸榕先生持有。由於陳芸榕先生有權於Cheer Prosper之股東大會行使或控制行使三分之一或以上之投票權，故根據證券及期貨條例第XV部，彼被視作擁有Cheer Prosper所持同一批股份之權益。
5. 該等股份由Easy Elegance Ltd. (「Easy Elegance」)合法擁有，而Easy Elegance之全部已發行股本乃由邱一心先生擁有。由於邱一心先生有權於Easy Elegance之股東大會行使或控制行使三分之一或以上之投票權，故根據證券及期貨條例第XV部，彼被視作擁有Easy Elegance所持同一批股份之權益。
6. 此乃根據本公司於二零零三年七月二十八日採納之購股權計劃授予有關董事之購股權而可予發行之尚未發行股份數目。上述購股權乃於二零零四年七月六日授出，可於二零零五年七月六日至二零零八年七月五日期間行使，行使價為每股0.256港元。



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

董事及主要行政人員於股份、相關股份及債券之權益或淡倉(續)

(b) Long position in shares, underlying shares and debentures of associated corporations

(b) 於相聯法團股份、相關股份及債券之好倉

Name 姓名	Name of associated corporation 相聯法團	Capacity 名稱身分	Nature of interest 權益性質	Number of shares in the associated corporation 佔該相聯法團於相聯法團之股份數目	Percentage of interests in the registered capital of the associated corporation 註冊資本之權益百分比
Gu Yun (Note 2) 顧雲 (附註2)	上海興意識管理諮詢有限公司 ("Shanghai Xingyishi") ([上海興意識]) (Note 1) (附註1)	Interest of spouse 配偶之權益	Family interest 家族權益	40,000	8.0%
Qiu Yixin 邱一心	Shanghai Xingyishi 上海興意識	Beneficial owner 實益擁有人	Personal interest 個人權益	20,000	4.0%
Chen Yunrong 陳芸榕	Shanghai Xingyishi 上海興意識	Beneficial owner 實益擁有人	Personal interest 個人權益	20,000	4.0%
Ye Jinxing 葉金興	Shanghai Xingyishi 上海興意識	Beneficial owner 實益擁有人	Personal interest 個人權益	20,000	4.0%
Jiang Yulai 江育來	Shanghai Xingyishi 上海興意識	Beneficial owner 實益擁有人	Personal interest 個人權益	20,000	4.0%
Chen Qun 陳群	Shanghai Xingyishi 上海興意識	Beneficial owner 實益擁有人	Personal interest 個人權益	20,000	4.0%



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

(b) Long position in shares, underlying shares and debentures of associated corporations (Continued)

Notes:

1. Shanghai Xingyishi is a subsidiary of the Group, in which 60% of its equity shares are owned by the Group and the remaining interests are owned by others, including certain directors of the Company or their respective associates as disclosed above.
2. These shares are held by Mr. Xu Zhangxun, the spouse of Ms. Gu Yun. Ms. Gu is deemed to be interested in Mr. Xu's interests in Shanghai Xingyishi by virtue of Part XV of SFO.

Save as disclosed above, as at 31st December 2005, none of the directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required, pursuant to the minimum standards of dealing by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Exchange. The Group had not issued any debentures during the year.

董事及主要行政人員於股份、相關股份及債券之權益或淡倉(續)

(b) 於相聯法團股份、相關股份及債券之好倉(續)

附註：

1. 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本公司董事或彼等各自之聯繫人士在內的其他人士擁有。
2. 該等股份由顧雲女士之配偶許章迅先生持有，根據證券及期貨條例第XV部，顧女士亦被視作擁有許先生在上海興意識所擁有權益之權益。

除上文披露者外，於二零零五年十二月三十一日，本公司董事或最高行政人員概無在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、相關股份或債券中擁有任何根據證券及期貨條例第352條規定而須載入該條例所述之登記冊內，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的最低標準規定而須知會本公司及聯交所之任何權益或淡倉。本集團並無於本年度內發行任何債券。



SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAD AN INTEREST AND A SHORT POSITION WHICH WAS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

As at 31st December 2005, the following persons (other than the directors or chief executive of the Company as disclosed above) had an interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

根據證券及期貨條例第XV部第2及3分部擁有須予披露之權益及淡倉之主要股東及人士

於二零零五年十二月三十一日，根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，下列人士(已於上文披露之本公司董事或最高行政人員除外)擁有本公司之股份及相關股份之權益或淡倉：

Long positions in shares of the Company

於本公司股份之好倉

Name 名稱	Capacity 身分	Number of shares 股份數目	Approximate % of shareholding 持股概約百分比
Genesis Century (Note 3) Genesis Century (附註3)	Beneficial owner 實益擁有人	187,061,635	39.55%
Zhang Xiaohui (Notes 1 & 3) 張曉輝 (附註1及3)	Interest of spouse 配偶之權益	187,061,635	39.55%
Xu Zhangxun (Notes 2 & 3) 許章迅 (附註2及3)	Interest of spouse 配偶之權益	187,061,635	39.55%
Future Pursuit (Note 6) Future Pursuit (附註6)	Beneficial owner 實益擁有人	35,839,097	7.58%
Lian Xiu (Notes 4 & 6) 連秀 (附註4及6)	Interest of controlled corporation 受控法團權益	35,839,097	7.58%
Wang Chunling (Notes 5 & 6) 王春玲 (附註5及6)	Interest of spouse 配偶之權益	35,839,097	7.58%
Cheer Prosper (Note 7) Cheer Prosper (附註7)	Beneficial owner 實益擁有人	31,260,882	6.61%
Guo Lidan (Note 7) 郭立丹 (附註7)	Interest of spouse 配偶之權益	31,260,882	6.61%
Easy Elegance (Note 8) Easy Elegance (附註8)	Beneficial owner 實益擁有人	28,793,514	6.09%
Lin Wen (Note 8) 林文 (附註8)	Interest of spouse 配偶之權益	28,793,514	6.09%



SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAD AN INTEREST AND A SHORT POSITION WHICH WAS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO (Continued)

Long positions in shares of the Company (Continued)

Notes:

- Such shares are owned by Genesis Century. Ms. Li Xiaoyuan is taken to be interested in the shares held 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. Mr. Zhang Xiaohui is also taken to be interested in such shares pursuant to Part XV of the SFO as he is the spouse of Ms. Li Xiaoyuan.
- Such shares are owned by Genesis Century. Ms. Gu Yun is a director of and the beneficial owner of 1,539 shares in Genesis Century. Ms. Gu is taken to be interested in the shares held by Genesis Century as Genesis Century is accustomed or obliged to act in accordance with her directions or instructions. Mr. Xu Zhangxun is also taken to be interested in such shares pursuant to Part XV of the SFO as he is the spouse of Ms. Gu Yun.
- The shares under Genesis Century, Mr. Zhang Xiaohui and Mr. Xu Zhangxun represent the same parcel of shares.
- Such shares are owned by Future Pursuit. Ms. Lian Xiu, the mother of Mr. Ye Jinxing, owns 60.21% of the total issued shares of Future Pursuit. Ms. Lian Xiu is taken to be interested in the shares held 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.
- Such shares are owned by Future Pursuit. Mr. Ye Jinxing owns 39.79% of the total issued shares of Future Pursuit. Mr. Ye Jinxing is taken to be interested in the shares held 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. Ms. Wang Chunling is also taken to be interested in such shares pursuant to Part XV of the SFO as she is the spouse of Mr. Ye Jinxing.
- The shares under Future Pursuit, Ms. Lian Xiu and Ms. Wang Chunling represent the same parcel of shares.

根據證券及期貨條例第XV部第2及3分部擁有須予披露之權益及淡倉之主要股東及人士 (續)

於本公司股份之好倉 (續)

附註：

- 該等股份由Genesis Century擁有。由於李小元女士有權於Genesis Century之股東大會行使或控制行使三分之一或以上之投票權，故根據證券及期貨條例第XV部，李女士被視作擁有Genesis Century所持股份之權益。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，彼亦被視作於該等股份中擁有權益。
- 該等股份由Genesis Century擁有。顧雲女士為Genesis Century之董事及實益擁有該公司1,539股股份。由於Genesis Century慣於或須按顧雲女士指令而行事，故彼被視作擁有Genesis Century所持股份之權益。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，彼亦被視作於該等股份中擁有權益。
- Genesis Century、張曉輝先生及許章迅先生名下之股份屬同一批股份。
- 該等股份由Future Pursuit擁有。葉金興先生之母親連秀女士擁有Future Pursuit全部已發行股份60.21%之權益。由於連秀女士有權於Future Pursuit之股東大會行使或控制行使三分之一或以上之投票權，故根據證券及期貨條例第XV部，彼被視作擁有Future Pursuit所持股份之權益。
- 該等股份由Future Pursuit擁有。葉金興先生擁有Future Pursuit全部已發行股份39.79%之權益。由於葉金興先生有權於Future Pursuit之股東大會行使或控制行使三分之一或以上之投票權，故根據證券及期貨條例第XV部，彼被視作擁有Future Pursuit所持股份之權益。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，彼亦被視作於該等股份中擁有權益。
- Future Pursuit、連秀女士及王春玲女士名下股份屬同一批股份。



SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAD AN INTEREST AND A SHORT POSITION WHICH WAS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO (Continued)

Long positions in shares of the Company (Continued)

- Such shares represent the same parcel of shares and are owned by Cheer Prosper, the total issued share capital of which is owned by Mr. Chen Yunrong. Ms. Guo Lidan is also taken to be interested in Mr. Chen Yunrong's shares as held by Cheer Prosper pursuant to Part XV of the SFO since she is the spouse of Mr. Chen Yunrong.
- Such shares represent the same parcel of shares and are owned by Easy Elegance, the total issued share capital of which is owned by Mr. Qiu Yixin. Ms. Lin Wen is also taken to be interested in Mr. Qiu Yixin's shares as held by Easy Elegance pursuant to Part XV of the SFO since she is the spouse of Mr. Qiu Yixin.

Save as disclosed above, as at 31st December 2005 no other person (other than the directors or chief executive of the Company) had an interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

根據證券及期貨條例第XV部第2及3分部擁有須予披露之權益及淡倉之主要股東及人士 (續)

於本公司股份之好倉 (續)

- 該等股份屬同一批股份，並由Cheer Prosper擁有，而Cheer Prosper之全部已發行股本由陳芸榕先生持有。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，彼亦被視作擁有陳芸榕先生於Cheer Prosper所持股份之權益。
- 該等股份屬同一批股份，由Easy Elegance擁有，而Easy Elegance全部已發行股本由邱一心先生持有。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，彼亦被視作擁有邱一心先生於Easy Elegance所持股份之權益。

除上文披露者外，按根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，於二零零五年十二月三十一日，並無其他人士(本公司董事或最高行政人員除外)於本公司股份及相關股份中擁有權益或淡倉。



SHARE OPTION SCHEME

Pursuant to a written resolution passed by the then shareholders of the Company on 28th July 2003, the Company adopted a share option scheme (the "Share Option Scheme") with a life of 10 years commencing from its adoption date. The principal terms of the Share Option Scheme are set out in the Company's 2003 Annual Report.

On 6th July 2004, a total of 20,000,000 share options were granted to certain directors and employees of the Group under the Share Option Scheme, details of which are set out below:

購股權計劃

本公司根據二零零三年七月二十八日由本公司當時之股東通過之書面決議案採納購股權計劃（「購股權計劃」），購股權計劃由其採納當日起計為期十年。其主要條款詳載於本公司二零零三年年報內。

於二零零四年七月六日，共有20,000,000份購股權根據購股權計劃授予若干本集團董事及僱員，詳情載列如下：

Participants 參與者	Date of grant 授出日期 (Note 1) (附註1)	Exercise price per share 每股行使價 (HK\$) (港元)	Number of share options 購股權數目			Company's share price at date of grant 本公司 股份於授出 日期之價格 (Note 2) (附註2) (HK\$) (港元)
			At 1st January 2005 於二零零五年 一月一日	Lapsed during period 於本年 內失效	At 31st December 2005 於二零零五年 十二月 三十一日	
Directors 董事						
Jiang Yulai 江育來	6th July 2004 二零零四年七月六日	0.256	470,000	–	470,000	0.24
Choy Tak Ho 蔡德河	6th July 2004 二零零四年七月六日	0.256	470,000	–	470,000	0.24
Liu Bo 劉波	6th July 2004 二零零四年七月六日	0.256	470,000	–	470,000	0.24
Other employees 其他僱員						
In aggregate 合計	6th July 2004 二零零四年七月六日	0.256	18,590,000	1,270,000	17,320,000	0.24
Total share options granted 授出購股權總數			<u>20,000,000</u>	<u>1,270,000</u>	<u>18,730,000</u>	



SHARE OPTION SCHEME (Continued)

Notes:

1. The exercise period of these share options is three years commencing from one year immediately after the date of grant and terminating three years thereafter. Generally, the share options are vested in different tranches (some of which are conditional).
2. The price of the Company's shares disclosed as at the date of grant of the share options is the Stock Exchange's closing price on the trading day immediately prior to the date of the grant of the share options.

Save as disclosed above, no share options had been granted, cancelled, lapsed or exercised during the period. The total number of shares that may be issued upon exercise of all share options granted and yet to be exercised under the Share Option Scheme is 18,730,000 shares as at 31st December 2005, representing approximately 3.96% of the entire issued share capital of the Company as at the date of this report.

The financial impact of the share options granted is not recorded in the Company's and the Group's accounts until such time as the share options are exercised. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares recorded by the Company in the share premium account. Share options which lapsed, if any, prior to their exercise date are deleted from the outstanding share options.

The directors of the Company do not consider it appropriate to state the value of the share options granted during the year as a number of variables which are crucial for the calculation of the share options value have not been determined. The Directors believe that any calculation of the value of the share options based on a great number of speculative assumptions would not be meaningful and would be misleading.

購股權計劃(續)

附註：

1. 該等購股權之行使期為三年，由緊隨授出日期後一年起，並於其後三年終止。一般而言，購股權之行使權分批授出(部分購股權帶有附帶條件)。
2. 所披露之本公司股份於購股權授出日期之價格乃緊接購股權授出日期前交易日之聯交所收市價。

除上文披露者外，期內並無授出、註銷任何購股權，亦無任何購股權失效或獲行使。於二零零五年十二月三十一日，就行使所有根據購股權計劃已授出但尚未行使之購股權而可予發行之股份總數為18,730,000股，相當於本公司於本報告日期之全部已發行股本約3.96%。

已授出購股權之財務影響於購股權獲行使時，方會記入本公司及本集團賬目。於購股權獲行使後，由此發行之股份由本公司按股份面值記錄為額外股本，而每股行使價超出股份面值之金額則由本公司記入股份溢價賬。於其行使日期前失效之購股權(如有)自尚未行使購股權中刪除。

本公司董事認為不宜列出年內已授出購股權之價值，此乃由於未能確定計算購股權價值之多個關鍵變數。董事相信，基於大量推測假設計算之購股權價值並無意義，亦會造成誤導。



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

Other than the share options 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 19.3% of the Group's total sales for the year while the single largest customers accounted for approximately 4.6% of the Group's total sales during the year.

Whereas external purchase, mainly arising from its hardware resale operations, only accounted for about 10.9% 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 60.6% of the Group's total purchases for the year and the single largest supplier accounted for approximately 17.3% 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 abovementioned.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31st December 2005.

RETIREMENT BENEFITS SCHEMES

Particular of the retirement benefits schemes of the Group are set out in note 31 to the financial statements.

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, warrants or instruments carrying other similar rights as at 31st December 2005.

董事及最高行政人員購買股份或債券之權利

除上文披露之購股權外，本公司或其任何附屬公司概無於年內任何時間訂有任何安排，致使本公司董事及最高行政人員可透過購買本公司或任何其他法團之股份或債券而受惠，而董事或彼等之配偶或18歲以下子女概無擁有認購本公司證券之權利，亦無行使有關權利。

主要客戶及供應商

於回顧年內，本集團五大客戶合共佔本集團年內總銷售額約19.3%，而最大單一客戶則佔本集團年內總銷售額約4.6%。

對外採購主要源自其硬件轉售業務，僅佔本集團年內銷售成本約10.9%，而本集團五大供應商於回顧年內合共佔本集團年內總採購額約60.6%，而最大單一供應商則佔本集團總採購額約17.3%。

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

或然負債

於二零零五年十二月三十一日，本集團並無任何重大或然負債。

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31。

可換股證券、認股權證或類似權利

於二零零五年十二月三十一日，本公司並無任何尚未行使可換股證券、認股權證或附有其他類似權利之文據。



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 2005, 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.

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 2005.

Save as disclosed above, the Sponsor had no other interest in the Company as at 31st December 2005.

AUDITORS

The financial statements have been audited by Messrs. CCIF CPA Limited who retire and, being eligible, offer themselves for re-appointment.

By order of the Board

Gu Yun
Chairman

23rd March 2006

優先購買權

本公司之公司組織章程細則或開曼群島法例並無訂有有關優先購買權之條文，規定本公司須向現有股東按比例提呈發售新股份。

購買、出售或贖回本公司上市股份

於截至二零零五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（或直至根據當中所載之條款及條件予以終止）止期間之延聘保薦人，就此，保薦人將收取相關費用。

於二零零五年十二月三十一日，根據保薦人所知會之最新資料，保薦人或其任何董事、僱員或聯繫人士（見創業板上市規則第6.35條附註3所述）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權益，或擁有認購或提名他人認購本公司或本集團任何成員公司之證券之權利。

除上文披露者外，於二零零五年十二月三十一日，保薦人並無於本公司擁有其他權益。

核數師

財務報表已由陳葉馮會計師事務所有限公司審核，其將告退，惟合資格及願應聘留任。

承董事會命

主席
顧雲

二零零六年三月二十三日

Auditors' Report

核數師報告



CCIF

CCIF CPA LIMITED

37/F Hennessy Centre
500 Hennessy Road
Causeway Bay Hong Kong



CCIF

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

AUDITORS' REPORT TO THE SHAREHOLDERS OF SHINE SOFTWARE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 60 to 127 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 Hong Kong Standards on Auditing 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

致新意軟件(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60至127頁之財務報表，財務報表乃按照香港普遍採納之會計準則編製。

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。

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。

Auditors' Report

核數師報告



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

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2005 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.

CCIF CPA Limited

Certified Public Accountants

Hong Kong, 23 March 2006

Kwok Cheuk Yuen

Practising Certificate Number P02412

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吾等之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 貴集團於二零零五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，二零零六年三月二十三日

郭焯源

執業證書號碼P02412

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2005 (Expressed in Renminbi)

截至二零零五年十二月三十一日止年度 (以人民幣列值)

	Note 附註	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 (restated) (重列) RMB'000 人民幣千元
Turnover 營業額	5 & 13	31,246	17,985
Cost of sales 銷售成本		(10,748)	(4,832)
Gross profit 毛利		20,498	13,153
Other revenue 其他收益	6	3,255	2,625
Other net income 其他收入淨額	6	185	36
Distribution costs 分銷成本		(4,266)	(3,246)
Administrative expenses 行政開支		(9,590)	(10,012)
Other operating expenses 其他經營開支		(8,683)	(1,899)
Profit before taxation 除稅前溢利	7	1,399	657
Income tax 所得稅	8(a)	(461)	(753)
Profit/(loss) for the year 年內溢利/(虧損)		938	(96)
Attributable to: 應佔:			
Equity shareholders of the Company 本公司之權益股東	11, 29(a)	938	(1)
Minority interests 少數股東權益	29(a)	-	(95)
Profit/(loss) for the year 年內溢利/(虧損)		938	(96)
		RMB (cents) 人民幣(仙)	RMB (cents) 人民幣(仙)
Earnings/(loss) per share 每股盈利/(虧損)			
Basic 基本	12	0.20	(0.00)

The notes on pages 67 to 127 form part of these financial statements.

第67至127頁之附註組成財務報表其中部分。

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2005 (Expressed in Renminbi)
於二零零五年十二月三十一日 (以人民幣列值)

	Note 附註	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 (restated) (重列) RMB'000 人民幣千元
Non-current assets 非流動資產			
Property, plant and equipment 物業、機器及設備	14	4,157	4,270
Land lease prepayments 土地租賃預付款項	15	1,655	1,742
Intangible assets 無形資產	16	10,597	13,196
Goodwill 商譽	17	-	(472)
		16,409	18,736
Current assets 流動資產			
Trading securities 貿易證券	19	1,753	-
Inventories 存貨	20	121	69
Trade and other receivables 應收賬款及其他應收款項	21	8,598	15,663
Land lease prepayments 土地租賃預付款項	15	87	87
Tax recoverable 可收回稅項	22	1,046	957
Cash and cash equivalents 現金及現金等值物	23	32,018	20,071
		43,623	36,847
Current liabilities 流動負債			
Trade and other payables 應付賬款及其他應付款項	24	7,271	5,450
Deferred income 遞延收入	25	1,546	856
Taxation payable 應繳稅項	26	997	92
		9,814	6,398
Net current assets 流動資產淨值			
		33,809	30,449
Total assets less current liabilities 總資產減流動負債			
		50,218	49,185
Non-current liabilities 非流動負債			
Deferred tax liabilities 遞延稅項負債	27(a)	837	1,510
NET ASSETS 資產淨值			
		49,381	47,675
CAPITAL AND RESERVES 資本及儲備			
Share capital 股本	28	5,014	5,014
Reserves 儲備	29	44,212	42,506
Total equity attributable to equity shareholders of the company 本公司權益股東應佔總權益			
		49,226	47,520
Minority interests 少數股東權益			
		155	155
TOTAL EQUITY 總權益			
		49,381	47,675

Approved and authorised for issue by the board of directors on
23 March 2006

Gu Yun
Director

顧雲
董事

Chen Yunrong
Director

陳芸榕
董事

The notes on pages 67 to 127 form part of these financial statements.

董事會於二零零六年三月二十三日批准及授權刊發。

第67至127頁之附註組成財務報表其中部分。

Balance Sheet

資產負債表

At 31 December 2005 (Expressed in Renminbi)
於二零零五年十二月三十一日 (以人民幣列值)

	Note 附註	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 (restated) (重列) RMB'000 人民幣千元
Non-current assets 非流動資產			
Property, plant and equipment 物業、機器及設備	14	52	85
Investments in subsidiaries 於附屬公司之投資	18	19	19
		71	104
Current assets 流動資產			
Trade and other receivables 應收賬款及其他應收款項	21	31,063	29,536
Cash and cash equivalents 現金及現金等值物	23	754	5,450
		31,817	34,986
Current liabilities 流動負債			
Trade and other payables 應付賬款及其他應付款項	24	596	533
Net current assets 流動資產淨值		31,221	34,453
NET ASSETS 資產淨值		31,292	34,557
CAPITAL AND RESERVES 資本及儲備			
Share capital 股本	28	5,014	5,014
Reserves 儲備	29	26,278	29,543
TOTAL EQUITY 總權益		31,292	34,557

Approved and authorised for issue by the board of directors on
23 March 2006

Gu Yun
Director

顧雲
董事

Chen Yunrong
Director

陳芸榕
董事

The notes on pages 67 to 127 form part of these financial statements.

董事會於二零零六年三月二十三日批准及授權刊發。

第67至127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 31 December 2005 (Expressed in Renminbi)

截至二零零五年十二月三十一日止年度 (以人民幣列值)

	Attributable to equity shareholders of the Company 本公司之權益股東應佔										
	Share capital	Share premium	Merger reserve	General reserve fund	Common welfare reserve fund	Share option reserve	Translation reserve	Retained profits	Total	Minority interests	Total
	股本	股份溢價	合併儲備	儲備金	儲備基金	購股權儲備	換算儲備	保留溢利	總計	股東權益	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At January 2004, as previously reported 於二零零四年一月一日 (按以往呈報)	5,014	36,550	(2,351)	2,153	1,046	-	-	6,580	48,992	-	48,992
Effect of retrospective adjustments upon changes in accounting policies (see note 3) 因改變會計政策之 追溯調整影響 (見附註3)	-	-	-	-	-	-	-	-	-	488	488
At 1 January 2004, as restated 於二零零四年一月一日 (重列)	5,014	36,550	(2,351)	2,153	1,046	-	-	6,580	48,992	488	49,480
Loss for the year 本年度虧損	-	-	-	-	-	-	-	(1)	(1)	(95)	(96)
Profit appropriations 溢利分派	-	-	-	18	9	-	-	(27)	-	-	-
Total recognised income and expenses for the year 本年度確認收入及開支總額	5,014	36,550	(2,351)	2,171	1,055	-	-	6,552	48,991	393	49,384
Dividends approved in respect of the previous year 已批准上年度股息	-	(1,705)	-	-	-	-	-	-	(1,705)	-	(1,705)
Acquisition of the remaining interest in a subsidiary 收購一間附屬公司剩餘權益	-	-	-	-	-	-	-	-	-	(238)	(238)
Employee share option benefits 僱員購股權福利	-	-	-	-	-	234	-	-	234	-	234
At 31 December 2004, as restated 於二零零四年十二月三十一日 (重列)	5,014	34,845	(2,351)	2,171	1,055	234	-	6,552	47,520	155	47,675

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2005 (Expressed in Renminbi)

截至二零零五年十二月三十一日止年度 (以人民幣列值)

Attributable to equity shareholders of the Company 本公司之權益股東應佔											
Share capital	Share premium	Merger reserve	General reserve fund	Common welfare reserve fund	Share option reserve	Translation reserve	Retained profits	Total	Minority interests	Total	
股本	股份溢價	合併儲備	一般儲備金	公共福利儲備基金	購股權儲備	換算儲備	保留溢利	總計	股東權益少數	總計	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2005, as previously reported 於二零零五年一月一日 (按以往呈報)	5,014	34,845	(2,351)	2,171	1,055	-	6,786	47,520	-	47,520	
Effect of retrospective adjustments upon changes in accounting policies (see note 3) 因改變會計政策之追溯調整影響 (見附註3)	-	-	-	-	-	234	(234)	-	155	155	
	5,014	34,845	(2,351)	2,171	1,055	234	6,552	47,520	155	47,675	
Effect of prospective adjustment upon changes in accounting policies (see note 3) 因改變會計政策之預期調整影響 (見附註3)	-	-	-	-	-	-	472	472	-	472	
At 1 January 2005, as restated 於二零零五年一月一日 (重列)	5,014	34,845	(2,351)	2,171	1,055	234	7,024	47,992	155	48,147	
Exchange differences on translation of financial statements of foreign entities 換算外國實體財務報表之匯兌差異	-	-	-	-	-	-	(97)	(97)	-	(97)	
Profit for the year 本年度溢利	-	-	-	-	-	-	938	938	-	938	
Profit appropriations 溢利分派	-	-	-	732	366	-	(1,098)	-	-	-	
Total recognised income and expenses for the year 本年度確認收入及開支總額	5,014	34,845	(2,351)	2,903	1,421	234	6,864	48,833	155	48,988	
Employee share option benefits 僱員購股權福利	-	-	-	-	-	393	-	393	-	393	
Forfeiture of employee share options 失效之僱員購股權	-	-	-	-	-	(24)	24	-	-	-	
At 31 December 2005 於二零零五年十二月三十一日	5,014	34,845	(2,351)	2,903	1,421	603	6,888	49,226	155	49,381	

The notes on pages 67 to 127 form part of these financial statements.

第67至127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 31 December 2005 (Expressed in Renminbi)

截至二零零五年十二月三十一日止年度 (以人民幣列值)

Note 附註	2005 二零零五年		2004 二零零四年	
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (restated) (重列)	RMB'000 人民幣千元 (restated) (重列)
Operating activities 經營業務				
Profit before taxation 除稅前溢利		1,399		657
Adjustments for: 就下列各項調整:				
Depreciation 折舊		1,106		984
Impairment loss/(reversal of impairment loss) for bad and doubtful debts 呆壞賬減值虧損/(撥回減值虧損)		3,700		(35)
Bad debts written off 壞賬撇銷		-		168
Amortisation of land lease prepayments 攤銷土地租賃預付款項		87		32
Amortisation of positive goodwill 正商譽攤銷		-		5
Amortisation of negative goodwill 負商譽攤銷		-		(125)
Amortisation of intangible assets 無形資產攤銷		5,450		1,287
Impairment loss on intangible asset 無形資產減值虧損		483		-
Employee share option benefits 僱員購股權福利		393		234
Dividend income from listed equity securities 上市股本證券之股息收入		-		(2)
Interest income 利息收入		(234)		(226)
Loss on disposals of property, plant and equipment 出售物業、機器及設備之虧損		134		177
Net realised and unrealised gains on listed equity securities carried at market value 證券之已變現及未變現盈利淨額		(185)		(36)
Operating profit before changes in working capital 未計營運資金變動前之經營溢利		12,333		3,120
(Increase)/decrease in inventories 存貨(增加)/減少		(52)		7
Increase in debtors, deposits and prepayments 應收賬款、按金及預付款項增加		(1,286)		(7,981)
Increase in creditors and accrued charges 應付賬款及應計費用增加		1,832		913
Increase in deferred income 遞延收入增加		690		77
Cash generated from/(used in) operations 經營業務產生/(動用)之現金		13,517		(3,864)
Tax paid 已繳稅項				
PRC enterprise income tax paid 已繳中國企業所得稅		(229)		(69)
Net cash generated from/(used in) operating activities 經營業務產生/(動用)之現金淨額				
		13,288		(3,933)
Investing activities 投資活動				
Payment for purchase of property, plant and equipment 購置物業、機器及設備款項		(1,416)		(2,522)
Increase in land lease prepayments 土地租賃預付款項增加		-		(1,802)
Proceeds from sales of property, plant and equipment 出售物業、機器及設備所得款項		32		654
Expenditure on development projects 發展項目開支		(3,079)		(5,290)
Payment for purchase of trading securities 購買貿易證券之款項		(2,250)		(37,235)
Proceeds from sales of trading securities 出售貿易證券所得款項		682		37,434
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)		-		(243)
Decrease 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減少		-		12,000
Decrease/(increase) in amounts due from securities broker firms 應收證券經紀行款項減少/(增加)		4,559		(5,720)
Interest income received 已收利息收入		234		226
Dividend income received 已收股息收入		-		2

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31 December 2005 (Expressed in Renminbi)

截至二零零五年十二月三十一日止年度 (以人民幣列值)

	Note 附註	2005 二零零五年		2004 二零零四年	
		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
Net cash used in investing activities 投資活動動用之現金淨額			(1,238)		(2,496)
Financing activities 融資活動					
Dividend paid 已派股息		-		(1,705)	
Net cash used in 融資活動動用 financing activities 之現金淨額			-		(1,705)
Net increase/(decrease) in cash and 現金及現金等值物之增加/ cash equivalents (減少)淨額			12,050		(8,134)
Cash and cash equivalents 於一月一日之現金及 at 1 January 現金等值物			20,071		28,205
Effect of change in foreign currency translation 外幣兌換變動之影響			(103)		-
Cash and cash equivalents 於十二月三十一日之 at 31 December 現金及現金等值物	23		32,018		20,071

The notes on pages 67 to 127 form part of these financial statements.

第67至127頁之附註組成財務報表其中部分。

Notes to the Financial Statement

財務報表附註

31 December 2005 (Expressed in Renminbi)
二零零五年十二月三十一日止年度 (以人民幣列值)

1. CORPORATE INFORMATION

Shine Software (Holdings) Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 15 July 2002 under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The principal activities of the Company is investment holding and of its subsidiaries (the Company and its subsidiaries are hereafter collectively referred as the "Group") are the development of computer software, resale of hardware, provision of system integration and maintenance.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. 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.

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs for the current and prior accounting periods reflected in these financial statements is provided in note 3.

(b) Basis of presentation of the financial statements

The financial statements are in Renminbi, rounded to the nearest thousand. The measurement basis used in the preparation of the financial statements is the historical cost basis.

The consolidated financial statements for the year ended 31 December 2005 comprise the Company and its subsidiaries.

1. 公司資料

新意軟件(控股)有限公司(「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。本公司之股份均於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。本公司註冊辦事處及主要營業地點之地址, 均披露於年報「公司資料」一節。

本公司業務活動主要為投資控股, 而其附屬公司(本公司及其附屬公司統稱為「本集團」)之業務活動則主要為電腦軟件開發、硬件轉售、提供系統集成及維修服務。

2. 主要會計政策

(a) 守章聲明

財務報表乃按香港財務申報準則(「香港財務申報準則」)編製。香港財務申報準則包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之個別香港財務申報準則、香港會計準則(「香港會計準則」)、香港普遍採納之會計準則, 以及香港公司條例之披露規定, 並為彼等之統稱。該等財務報表亦遵守香港聯合交易所有限公司之創業板證券上市規則之適用披露條文。本集團採納有關重要會計政策均概述於下文。

香港會計師公司已頒佈多項新及經修訂香港財務申報準則, 該等準則均已生效, 或可提早於二零零五年一月一日或之後開始之會計期間採用。附註3載有有關於當前及之前會計期間因初步應用該等新及經修訂香港財務申報準則而產生之會計政策變動之資料, 均反映於該等財務報表內。

(b) 財務報表呈報基準

財務報表均以人民幣(摺整至最接近千位)列值。編製財務報表時所用之計量基準為歷史成本法。

截至二零零五年十二月三十一日止年度之綜合財務報表包括了本公司及其附屬公司。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of presentation of financial statements (continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

(c) Subsidiaries

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company 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.

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 and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

2. 主要會計政策(續)

(b) 財務報表呈報基準(續)

編製符合香港財務申報準則之財務報表時，需要管理層作出影響政策之應用已呈報有關資產、負債、收入及開支之款額之判斷、估計及假設。該等估計及相關假設乃根據歷史經驗及多項其他因素(相信於該等情況下為合理)而作出。所得結果構成管理層就目前未能從其他來源明顯得出賬面值的資產及負債作出判斷之基準。實際數字或會有別於估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如只影響當期，則有關影響於估計變動當期確認。如該項會計估計之變動影響當期及以後期間，則有關影響於當期及以後期間確認。

於應用香港財務申報準則時管理層所作之判斷(對財務報表構成重大影響)及估計(存在對下年作出重大調整之重大風險)均於附註4中討論。

(c) 附屬公司

根據香港公司條例，附屬公司乃本公司直接或間接持有其半數以上已發行股本，或控制其半數以上投票權，或控制其董事會組成之企業。倘本公司有權直接或間接監管其財務及營運政策以從其經營活動中獲取利益，則該等附屬公司被視為受控制。

集團內公司間之結餘及交易以及集團內公司間交易所產生之任何未變現溢利均於編製綜合財務報表時全部撇銷。集團內公司間交易所產生之未變現虧損亦按照未變現收益之方法同樣予以撇銷，惟僅限於減值未出現之前。

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，於綜合資產負債表及權益變動表內，與本公司權益股東應佔權益分開獨立呈列。本集團業績之少數股東權益，均於綜合收益表內呈列為於本公司少數股東權益及權益股東之間分配本年度之總溢利或虧損。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Subsidiaries (continued)**

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable 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 additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits 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 impairment losses (see note 2(i)).

(d) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate or a jointly controlled entity over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2(i)). In respect of associates or jointly controlled entities, the carrying amount of goodwill is included in the carrying amount of the interest in the associate or jointly controlled entity.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate or a jointly controlled entity is recognised immediately in profit and loss.

On disposal of a cash generating unit, an associate or a jointly controlled entity during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(e) Other investment in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in securities held for trading are classified as current assets and are initially stated at fair value. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in profit and loss.

2. 主要會計政策(續)**(c) 附屬公司(續)**

倘少數股東應佔虧損超出一間附屬公司股本權益之少數股東權益，則超出數額及少數股東應佔任何進一步虧損，於少數股東有具約束責任且能夠補償虧損之情況自本集團權益扣除。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(i))列賬。

(d) 商譽

商譽乃指業務合併成本，或投資於聯營公司或共同控制實體之成本，較本集團於受收購公司之可識別資產、負債及或然負債之公平值之權益為多之數。

商譽按成本減任何累計減值虧損列賬。商譽撥入現金產生單位，並會每年評估有否出現減值(見附註2(i))。就聯營公司或共同控制實體而言，商譽之賬面值計入於聯營公司或共同控制實體之投資之賬面值內。

本集團於受收購公司之可識別資產、負債及或然負債之公平值之權益，較業務合併之成本或投資於聯營公司或共同控制實體之成本多出之數，乃即時於損益表中確認。

年內售出一項現金產生單位、聯營公司或共同控制實體，則購入商譽任何應佔數額乃計入出售之溢利或虧損。

(e) 於債務及股本證券之其他投資

本集團及本公司對於投資於債務及股本證券(不包括投資於附屬公司、聯營公司及共同控制實體)之政策載述如下：

投資於持作交易用途之證券均歸類為流動資產，並初步按公平值列賬。公平值於結算日重新計量，而得出之任何盈虧則於損益賬內確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Other investment in debt and equity securities (continued)**

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are initially recognised in the balance sheet at fair value plus transaction costs. Subsequently, they are stated in the balance sheet at amortised cost less impairment losses (see note 2(i)).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 2(i)).

Other investments in securities are classified as available-for-sale securities and are initially recognised at fair value plus transaction costs. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except for impairment losses (see note 2(i)) and, in the case of monetary items such as debt securities, foreign exchange gains and losses which are recognised directly in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Investments are recognised/derecognised on the date the Group and/or the Company commits to purchase/sell the investments or they expire.

(f) Property, plant and equipment

The following items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 2(i)).

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 2(h)); and
- other items of plant and equipment.

2. 主要會計政策(續)**(e) 於債務及股本證券之其他投資(續)**

本集團及／或本公司有能力及擬持有至到期之定期債務證券，均歸類為持有至到期證券。持有至到期證券均初步於資產負債表內按公平值加交易成本予以確認。其後，彼等均按攤銷成本減減值虧損而列入資產負債表內(見附註2(i))。

投資於股本證券(並無於活躍市場上上市，且不能可靠地計量其公平值)均按成本減減值虧損於資產負債表內確認(見附註2(i))。

其他於證券之投資均歸類為可供出售證券，並初步按公平值加交易成本予以確認。於各結算日重新計量公平值，並於權益中直接確認所得出之盈虧，預期減值虧損(見附註2(i))。就貨幣項目，例如債務證券而言，外匯盈虧均直接於損益賬內確認。倘若該等資產乃附帶利息，則利用實際利率法計算之利息，均於損益賬內確認。倘若不再確認該等投資，則先前直接於權益中確認之累計盈虧，於損益賬內確認。

投資項目均於本集團及／或本公司承諾購買／出售投資項目之日或彼等到期之日予以確認／不再確認。

(f) 固定資產

以下有關物業、機器及設備之項目，均按成本減累計折舊及減值虧損於損益賬內列賬(見附註2(i))。

- 位於租賃土地持有作自用之樓宇。該土地之樓宇之公平值，可與租賃土地於租賃開始時之公平值分開計量(見附註2(h))；及
- 其他機器及設備項目。

Notes to the Financial Statement

財務報表附註

31 December 2005 (Expressed in Renminbi)
二零零五年十二月三十一日止年度 (以人民幣列值)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

Changes arising on the revaluation of properties held for own use are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives of 20 years.
- Leasehold improvements
Over the shorter of the unexpired term of the lease and 20 years
- Computer equipment 3-5 years
- Furniture and equipment 5 years
- Motor vehicles 5-8 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. 主要會計政策 (續)

(f) 固定資產 (續)

因重估持有作自用之物業之價值而產生之變動，一般於儲備內處理，惟不包括以下各項：

- 當重估時產生虧損，則於損益賬內扣除，惟以超過緊接重估前就同一資產於儲備內所持之數額為限；及
- 當重估產生盈餘則將計入損益賬內，惟以先前已於損益賬內扣除有關同一資產之重估虧蝕為限。

棄用或出售物業、機器及設備項目產生之損益，均釐定為出售所得款項淨額與項目賬面值之差額，並於棄用或出售日期於收益表確認。任何相關重估盈餘，乃從重估儲備中轉撥至保留溢利。

計算折舊以於物業、機器及設備項目之估計可使用年年期內，按直線法撇銷成本或估值，減彼等之估計餘值 (如有)，並載述如下：

- 位於租賃土地之樓宇，乃於租用之未屆滿年期及彼等之估計可使用年年期20年 (以較短者為準) 予以折舊。
- 租賃裝修工程 按租約之未屆滿年期及20年 (以較短者為準)
- 電腦設備 3-5年
- 傢俬及設備 5年
- 汽車 5-8年

倘若物業、機器及設備項目有部分之可使用年期不同，則該項目之成本或估值乃按合理基準分配至各部分，而各部分則獨立予以折舊。資產之可使用年期及餘值 (如有) 乃每年予以審核。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Intangible assets (other than goodwill)

- (i) Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. 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(i)). Other development expenditure is recognised as an expense in the period in which it is incurred.
- (ii) Amortisation of intangible assets is charged to profit or loss on a straight-line basis over the assets' estimated useful lives unless such lives are indefinite. Capitalised development costs with finite useful lives are amortised from the date they are available for use and their estimated useful lives of not exceeding five years.

Both the period and method of amortisation and any conclusion that the useful life of an intangible asset is indefinite are reviewed annually.

(h) Operating lease charges

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

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss 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. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

2. 主要會計政策 (續)

(g) 無形資產 (商譽除外)

- (i) 研究活動開支於產生期間確認為開支。倘若產品及過程於技術及商業上均為可行，且本集團有足夠資源及擬完成開發項目，則將開發活動撥充資本。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(i))列賬。其他開發開支於產生期間確認為開支。
- (ii) 無形資產攤銷以直線法按資產之估計可使用年期(除非為無固定年期則例外)自損益賬扣除。資本化之開發成本(有固定可使用年期)乃由彼等之可供使用當日起予以攤銷，而彼等之估計可使用年期不超過5年。

有關攤銷期及方法，以及作出無形資產之可使用年期為無固定之結論，均會每年予以審核。

(h) 經營租約費用

凡租約條款規定擁有權之絕大部分風險及回報撥歸承租人之租約均列為融資租約。所有其他租約均列為經營租約。

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均等分期金額自損益賬扣除，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。已收租賃津貼於收益表確認為合共已付租賃淨額之組成部分。或然租金於產生之會計期間自收益表扣除。

收購根據經營租賃持有之土地之成本，乃於租賃期內按直線法予以攤銷。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Impairment of assets****(i) Impairment of investments in debt and equity securities and other receivables**

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities and current receivables that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for current receivables are reversed if in a subsequent period the amount of the impairment loss decreases. Impairment losses to equity securities are not reversed.
- For financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. effective interest rate computed at initial recognition of these assets).

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale securities, the cumulative loss that had been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on the asset previously recognised in profit or loss.

2. 主要會計政策 (續)**(i) 資產減值****(i) 於債務及股本證券之投資及其他應收款項之減值**

於債務及股本證券及其他現時及非現時應收款項之投資(按成本或攤銷成本列賬或歸類為可供出售證券)均於結算日予以審核,以釐定是否有減值之客觀證據。倘有任何有關證據,則任何減值虧損均按以下釐定及確認:

- 就按成本列賬之非上市股本證券及現時應收款項,減值虧損乃計量為金融資產與估計未來現金流量(就類似金融資產(有重大貼現影響)按現行市場回報率貼現)之差額。倘若於其後減值虧損之數額減少,則撥回現時應收款項之減值虧損。並無撥回股本證券之減值虧損。
- 就按攤銷成本列賬之金融資產而言,減值虧損乃計量為資產之賬面值與估計未來現金流量(按金融資產之原本實際利率(即於初步確認該等資產時計算之實際利率)貼現)之現值之差額。

倘若於其後減值虧損之數額減少,且有關減少可客觀地與於確認減值虧損後發生之事件連帶起來,則於損益賬內撥回減值虧損。撥回減值虧損不會導致資產之賬面值超過若於過去年度並無確認減值虧損時所釐定之數額。

- 就可供出售證券而言,已直接於權益中確認之累計虧損,乃從權益中撥至損益賬內確認。於損益賬內確認之累計虧損數額,乃收購成本(扣除任何本金還款及攤銷)與現時公平值之差額,減之前於損益賬內確認之資產之任何減值虧損。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Impairment of assets (continued)****(i) Impairment of investments in debt and equity securities and other receivables (continued)**

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

(ii) Impairment of other 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 expect in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- land lease prepayments classified as being held under an operating lease;
- intangible assets;
- investments in subsidiaries; and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2. 主要會計政策 (續)**(i) 資產減值 (續)****(i) 於債務及股本證券之投資及其他應收款項之減值 (續)**

就可供出售股本證券而於損益賬內確認之減值虧損，並無於損益賬內撥回。其後該等資產之公平值之增加，均直接於權益中確認。

倘若於其後公平值增加，且可客觀地與於確認減值虧損後發生之事件連帶起來，則撥回有關可供出售債務證券之減值虧損。於該等情況下撥回之減值虧損，均於損益賬內確認。

(ii) 其他資產減值

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就商譽而言，先前確認之減值虧損是否不再存在或已經減少：

- 物業、機器及設備 (不包括按重估款額列賬之物業)；
- 租賃土地 (歸類為按經營租賃持有) 之預付款項；
- 無形資產；
- 於附屬公司之投資；及
- 商譽。

倘存在任何該等跡象，則估計資產之可收回金額。此外，就商譽及尚未可供使用之無形資產及無固定可使用年期之無形資產而言，不論有否減值跡象，均會每年估計可收回金額。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Impairment of assets (continued)***(ii) Impairment of other assets (continued)*

- 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).
- Recognition of impairment losses
An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.
- Reversals of impairment losses
In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

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 profit or loss in the year in which the reversals are recognised.

2. 主要會計政策 (續)**(i) 資產減值 (續)***(ii) 其他資產減值 (續)*

- 計算可收回金額
資產之可收回金額指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。
- 確認減值虧損
當資產或其所屬現金產生單元之賬面值超過其可收回款額，則於損益賬中確認減值虧損。就現金產生單元確認之減值虧損，均首先被分配以減少分配至現金產生單元 (或一組單元) 之任何商譽之賬面值，然後分配以按比例減少該單元 (或一組單元) 之其他資產之賬面值，惟資產之賬面值將不會被減至低於其個別公平值減銷售成本或使用價值 (如可予釐定)。
- 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有利變動，則撥回減值虧損。並無撥回商譽減值虧損。

減值虧損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。減值虧損撥回計入確認該等撥回之年度之收益表。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(k) Trade and other receivables

Trade and other receivables are initially recognised at fair value the thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 2(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 2(i)).

(l) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(m) Cash and 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 changes 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 consolidated cash flow statement.

2. 主要會計政策 (續)**(j) 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，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所有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任何撇減，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。

(k) 應收賬款及其他應收款項

應收賬款及其他應收款項均於初期按公平值確認，其後按攤銷成本並就呆壞賬扣除減值虧損列賬(見附註2(i))，惟倘若可收回款項為給予有關連人士之免息貸款(並無任何固定還款期或折扣之影響並不重大)則除外。於該等情況下，可收回款項均按成本並就呆壞賬扣除減值虧損列賬(見附註2(i))。

(l) 應付賬款及其他應付款項

應付賬款及其他應付款項均於初期按公平值確認，其後按攤銷成本列賬，惟倘若折扣之影響並不重大，則按成本列賬。

(m) 現金及現金等值物

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變動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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(n) Employee benefits**

- (i) Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. 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 are required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and mandatory central pension schemes organised by the PRC government are recognised as an expense in the income statement as incurred.
- (iii) The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. The fair value is measured at grant date using Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

2. 主要會計政策 (續)**(n) 僱員福利**

- (i) 薪金、年度花紅、有薪年假及非貨幣福利成本，乃於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，則該等金額將以其現值列賬。
- (ii) 根據香港強制性公積金計劃條例須向強制性公積金貢獻，以及向中國政府所籌辦之強制性中央退休金計劃貢獻，並於產生時在收益表內確認。
- (iii) 授予僱員之購股權之公平值，乃確認為僱員成本，並相應增加權益中之資本儲備。公平值乃於授出日期利用Black-Scholes期權定價模式計量，當中考慮到授出購股權所依據之條款及條件。倘若僱員於無條件地有權享有購股權前符合歸屬條件，則估計購股權之公平值乃於歸屬期間內分攤，當中考慮到購股權將會歸屬之可能性。

於歸屬期內，審核預期歸屬之購股權數目。於過去年度確認之累計公平值之任何調整，乃於審核年度於損益賬內扣除／計入，惟合資格確認為資產之原本僱員開支則除外，並對購股權儲備作相應調整。於歸屬日，確認為開支之款額乃予以調整，以反映歸屬購股權之實際數目（並對購股權儲備作相應調整），惟因並無達致與公司股份市值相關之歸屬條件才作出之沒收事宜除外。權益款額乃於購股權儲備內確認，直至購股權獲行使（當其轉撥至股份溢價賬）或購股權到期（直接撥入保留溢利時）。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Income tax

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 profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

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.

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.

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 credits, that is, those differences are taken into account if they relate to the same taxation 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.

2. 主要會計政策 (續)

(o) 所得稅

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。

即期稅項指年內就應課稅收入，按於結算日實施或實際實施之稅率，並經就過往年度應繳稅項調整而計算之估計應繳稅項。

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。

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)

(o) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, 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 asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit 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.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. 主要會計政策 (續)

(o) 所得稅 (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，本集團可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。

源自股息分派之額外所得稅於確認支付有關股息責任時予以確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(o) Income tax (continued)**

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 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:

- 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
 - 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.

(p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or the 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 expenditure expected to settle the obligation.

2. 主要會計政策 (續)**(o) 所得稅 (續)**

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。倘本公司或本集團有法定執行權，可以現有稅項資產抵銷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：

- 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
- 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。

(p) 撥備及或然負債

倘本公司或本集團因過往事件而負有可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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(p) Provisions and contingent liabilities (continued)**

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.

(q) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, 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 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) *Dividends*
 - Dividend income from unlisted investments is recognised when the shareholders' rights to receive payment is established.
 - Dividend income from listed investments is recognised when the share price of the investments goes ex-dividend.
- (v) *Interest income*
Interest income is recognised as it accrues using the effective interest method.
- (vi) *Value added tax refunds*
Value added tax refunds is recognised when the acknowledgement of refunds from the Tax Bureau has been received.

2. 主要會計政策 (續)**(p) 撥備及或然負債 (續)**

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。

(q) 收益確認

倘經濟利益極有可能流入本集團，且收益及成本 (倘適用) 能可靠計算，收益將按以下方於收益表確認：

- (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商業折扣後列賬。
- (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) *股息*
 - 非上市投資之股息收入於股東獲派有關款項之權利確立時確認。
 - 當上市投資之股價除息後，則確認來自上市投資之股息收入。
- (v) *利息收入*
利息收入乃於其利用實際利息法應計時確認。
- (vi) *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。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(q) Revenue recognition (continued)***(vii) 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 profit or loss 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 profit or loss as revenue on a systematic basis over the useful life of the asset.

(r) Warranty costs

Warranty costs are charged to the income statement when incurred.

(s) Translation of foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi, which is the Group's presentation currency. The functional currency of the Company is Hong Kong dollars and the presentation currency is Renminbi. The reason for using Renminbi as a presentation currency of the Company is that the functional currency of the substantive entities within the Group is Renminbi.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Renminbi at the exchange rates approximately the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Renminbi at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

2. 主要會計政策 (續)**(q) 收益確認 (續)***(vii) 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。

(r) 保用成本

保用成本於產生時自收益表扣除。

(s) 外幣換算

本集團各實體之財務報表中所包括之項目，均使用有關實體業務所在之主要經濟環境之貨幣（「功能貨幣」）進行計量。綜合財務報表乃以人民幣（本集團之呈列貨幣）呈列。本公司之功能貨幣為港元及呈報貨幣為人民幣。使用人民幣作為本公司呈報貨幣之原因為本集團內大量實體之功能貨幣均為人民幣。

年內以外幣結算之交易乃按交易日之外幣匯率換算。以外幣換算之貨幣資產及負債，則按結算日之外幣匯率換算。外匯收益及虧損乃於損益賬內確認。

按歷史成本計量及以外幣列值之非貨幣資產及負債，乃按於交易日期之匯率換算。以外幣為單位，並按公平值列賬之非貨幣資產及負債，均按於釐定公平值當日之匯率換算。

海外業務之業績均按與於交易當日之滙率相若之匯率換算為人民幣。資產負債表項目（包括因綜合於二零零五年一月一日或之後收購之海外業務而產生之商譽）均按於結算日之匯率換算為港元。所產生之匯兌差額，均直接於獨立之權益成分中確認。因綜合於二零零五年一月一日或之後收購之海外業務而產生之商譽，乃按收購海外業務當日之匯率換算。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(s) Translation of foreign currencies (continued)**

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

(t) 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 (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

(u) 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 property, plant and equipment. 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 entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

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, tax balances, corporate and financing expenses.

2. 主要會計政策 (續)**(s) 外幣換算 (續)**

於出售國外企業時，有關國外企業之累計匯兌差額 (於權益中確認) 於計算出售損益時計入。

(t) 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 (即主要管理層人員、重大股東及/或彼等之親屬) 或其他實體及包括以下實體：受到本集團有關連人士 (彼等為個別人士) 及任何後僱傭福利計劃 (受益人為本集團之僱員) 重大影響之實體，或受到屬於本集團有關連人士之實體之重大影響之實體。

(u) 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綜合賬目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。分部內之定價乃根據可提供予其他外界人士之類以條款釐定。

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。

3. CHANGES IN ACCOUNTING POLICIES

The following new and revised HKFRSs are relevant for the Group's financial statements and are adopted for the first time for the current year's financial statements:

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 26	Accounting and reporting by retirement benefit plans
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations

The adoption of HKASs 7, 8, 10, 12, 14, 16, 18, 19, 21, 24, 26, 32, 33, 36, 37 and 39 has had no material impact on the Group's accounting policies and the methods of computation, presentation and disclosures in the Group's consolidated financial statements. The major effects on adoption of the other HKFRSs are summarised as follows:

(a) HKAS 1 – Presentation of Financial Statements

HKAS 1 requires the new disclosures to be made in these financial statements. Accordingly, the Group is no longer permitted not to disclose comparative information on movements in property, plant and equipment.

Apart from the above changes, HKAS 1 also requires the disclosure of judgements (apart from those involving estimations) and key assumptions concerning the future and other sources of estimation uncertainty. These disclosures are detailed in note 4 to the financial statements.

3. 會計政策之變動

以下為與本集團之財務報表相關之新訂及經修訂香港財務申報準則，並於本年度財務報表中首次採納：

香港會計準則第1號	財務報表之呈列
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計之變更及差錯
香港會計準則第10號	資產負債表日以後事項
香港會計準則第12號	所得稅
香港會計準則第14號	分部報告
香港會計準則第16號	物業、機器及設備
香港會計準則第17號	租賃
香港會計準則第18號	收益
香港會計準則第19號	僱員福利
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第24號	關連方披露
香港會計準則第26號	退休福利計劃之會計處理及報告
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港財務申報準則第2號	以股份為本之付款
香港財務申報準則第3號	業務合併

採納香港會計準則第7、8、10、12、14、16、18、19、21、24、26、32、33、36、37及39號，對本集團之會計政策並無重大影響，且對本集團綜合財務報表之計算、呈列及披露方法並無重大影響。採納其他香港財務申報準則之主要影響概述如下：

(a) 香港會計準則第1號－財務報表之呈列

香港會計準則第1號規定須對該等財務報表作出新披露。因此，本集團不再獲准不披露有關物業、機器及設備變動之比較資料。

除了上述變動外，香港會計準則第1號亦規定披露所作之判斷（不包括涉及估計成分之判斷）及有關未來之主要假設及估計不確定性之其他來源。該等披露事宜均詳載於財務報表附註4。

3. CHANGES IN ACCOUNTING POLICIES (continued)**(b) HKSAS 27 – Consolidated and Separate Financial Statements**

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as a deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statement as a deduction before arriving at the loss/profit attributable to shareholders (the equity shareholders of the Company).

In order to comply with HKAS 1 and HKAS 27, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity shareholders of the Company, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the period between the minority interests and the equity shareholders of the Company. The presentation of minority interests in the consolidated income statement, consolidated balance sheet and statement of changes in equity for the comparative year has been restated accordingly.

(c) HKAS 17 – Leases

The adoption of HKAS 17 has resulted in a change in accounting policy relating to leasehold land. Leasehold land and buildings were previously carried at cost less accumulated depreciation and impairment loss. Following the adoption of HKAS 17, the Group's leasehold interest in land and buildings are separated into leasehold land and leasehold buildings. The Group's leasehold land is classified as an operating lease, because the title of the land is not expected to pass to the Group by the end of the lease term, and is reclassified from property, plant and equipments to land lease prepayments, while leasehold buildings continue to be classified as part of property, plant and equipment. Land lease prepayments under operating leases is initially stated at cost and subsequently amortised on the straight-line basis over the lease terms.

The effects of the above changes are summarised in notes 3(f) to 3(h) to the financial statements. In accordance with the transitional provisions of HKAS 17, comparative amounts on the balance sheets for the year ended 31 December 2004 have been restated to reflect the reclassification of leasehold land.

(d) Employee share option scheme (HKFRS 2 – Share-based payment)

In prior years, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital share premium were credited only to the extent of the option's exercise price receivable.

3. 會計政策之變動 (續)**(b) 香港財務申報準則第27號 – 綜合及獨立財務報表**

於過去年度，資產負債表中之少數股東權益，乃與負債分開於綜合資產負債表內呈列為淨資產之扣減額。本集團於本年度業績中之少數股東權益，亦獨立於收益表內呈列為於達致股東(本公司之權益股東)應佔虧損/溢利前之扣減額。

為了遵守香港會計準則第1號及香港會計準則第27號，於結算日之少數股東權益，均於綜合資產負債表之權益中呈列，但與本公司之權益股東應佔權益分開；而本集團業績中之少數股東權益，則於綜合收益表內呈列為於期內本公司之少數股東權益及權益股東之間之總溢利或虧損分配。因此，於同年之綜合收益表、綜合資產負債表及權益變動表內所呈列之少數股東權益，均已予重列。

(c) 香港會計準則第17號 – 租賃

採納香港會計準則第17號已導致有關租賃土地之會計政策有所變動。之前之租賃土地及樓宇乃按成本減累計折舊及減值虧損列賬。於採納香港會計準則第17號後，本集團於土地及樓宇之租賃權益，乃分開為租賃土地及租賃樓宇。由於預期土地之業權不會於租賃期結束前交予本集團，故本集團之租賃土地均歸類為經營租賃，並從原本屬於物業、機器及設備類別而改為屬於土地租賃預付款項之類別，但租賃樓宇則繼續歸類為屬於物業、機器及設備之一部分。經營租賃項下之土地租賃預付款項，乃初步按成本列賬，其後則於租賃期內按直線法予以攤銷。

有關上述變動之影響，均概述於財務報表附註3(f)至3(h)內。根據香港會計準則第17號之過渡性條文，截至二零零四年十二月三十一日止年度之資產負債表比較數額，已予重列，以反映租賃土地之重新歸類。

(d) 僱員購股權計劃(香港財務申報準則第2號 – 以股份為本之支付)

於過去年度，當僱員(包括董事)獲授有關本公司股份之購股權時均不會確認款額。倘若僱員選擇行使購股權，則購股權股份溢價之面值，僅會按可收回之購股權行使價計入。

3. CHANGES IN ACCOUNTING POLICIES (continued)**(d) Employee share option scheme (HKFRS 2 – Share-based payment) (continued)**

With effect from 1 January 2005, in order to comply with HKFRS 2, the Group has adopted a new policy for employee share options. Under the new policy, the Group recognises the fair value of such share options as an expense with a corresponding increase recognised in a share option reserve within equity. Further details of the new policy are set out in note 2(n)(iii).

The new accounting policy has been applied retrospectively with comparative restated, except that the Group has taken advantage of the transitional provisions set out in HKFRS 2, under which the new recognition and measurement policies have not been applied to the following grants of options:

- (a) all options grants to employees on or before 1 November 2002; and
- (b) all options granted to employees after 7 November 2002 but which had vested before 1 January 2005.

The adjustments for each financial statement line affected are set out in notes 3(f) to 3(h). No adjustments to the opening balances as at 1 January 2004 are required as no options existed at that time which were unvested at 1 January 2005.

Details of the employee share option scheme are set out in note 30.

(e) Amortisation of positive and negative goodwill (HKFRS 3 – Business combinations, HKAS 36 – Impairment of assets and HKAS 38 – Intangible assets)*(i) Amortisation of goodwill*
In prior periods:

- positive goodwill was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairment; and
- negative goodwill which arose was amortised over the weighted average useful life of the depreciable/amortisable non-monetary assets acquired, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases it was recognised in the income statement as those expected losses were incurred.

3. 會計政策之變動 (續)**(d) 僱員購股權計劃 (香港財務申報準則第2號 – 以股份為本之支付) (續)**

由二零零五年一月一日起，為符合香港財務申報準則第2號之規定，本集團已就僱員購股權計劃而採用新政策。根據新政策，本集團將該等購股權之公平值確認為支出，並將相應之增加於權益中之購股權儲備確認。有關新政策之其他詳情，載於附註2(n)(iii)。

新會計政策已追溯應用，並重列比較數字，惟本集團已因為香港財務申報準則第2號所載過渡性條文而受惠者除外，據此，以下購股權之授出並未應用新確認及計量政策：

- (a) 於二零零二年十一月一日或之前授予僱員之所有購股權；及
- (b) 於二零零二年十一月七日後授予僱員但於二零零五年一月一日前尚未歸屬之所有購股權。

各財務報表項目之調整均載於附註3(f)至3(h)。由於二零零四年一月一日並無購股權 (並無於二零零五年一月一日歸屬)，故並無對二零零四年一月一日之期初結餘作出調整。

有關僱員購股權計劃詳情，載於附註30。

(e) 攤銷正及負商譽 (香港財務申報準則第3號 – 業務合併、香港會計準則第36號 – 資產減值及香港會計準則第38號 – 無形資產)*(i) 攤銷商譽*
過去期間：

- 正商譽乃於其可使用年期按直線法攤銷，且於有減值跡象時進行減值測試；及
- 產生之負商譽，乃於所收購之可折舊/可攤銷非貨幣資產之加權平均可使用年度攤銷，惟倘其與於收購當日之已識別預期未來虧損有關者除外。於該等情況下，其乃於收益表內確認為該等已發生之預期虧損。

3. CHANGES IN ACCOUNTING POLICIES (continued)**(e) Amortisation of positive and negative goodwill (HKFRS 3 – Business combinations, HKAS 36 – Impairment of assets and HKAS 38 – Intangible assets) (continued)***(i) Amortisation of goodwill (continued)*

With effect from 1 January 2005, in order to comply with HKFRS 3, HKAS 36 and HKAS 38, the Group has changed its accounting policies relating to goodwill. Under the new policy, the Group no longer amortises positive goodwill but tests it at least annually for impairment. Also with effect 1 January 2005 and in accordance with HKFRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous accounting policy), the excess is recognised immediately in profit or loss as it arises. Further details of these new policies are set out in note 2(d).

The new policy in respect of the amortisation of positive goodwill has been applied prospectively in accordance with the transitional arrangements under HKFRS 3. The adjustments for each consolidated financial statement line affected for the year ended 31 December 2005 are set out in notes 3(f) to 3 (h).

(f) The effects of changes in the above accounting policies described above on the results for the current and prior year are as follows:

Non-amortisation of negative goodwill 非攤銷負商譽
Recognition of share based payments as expenses 將以股份為
本之付款確認為開支

Decrease in profit for the year 年內溢利減少

3. 會計政策之變動 (續)**(e) 攤銷正及負商譽 (香港財務申報準則第3號 – 業務合併、香港會計準則第36號 – 資產減值及香港會計準則第38號 – 無形資產) (續)***(i) 攤銷商譽 (續)*

由二零零五年一月一日起，為遵守香港財務申報準則第3號、香港會計準則第36號及香港會計準則第38號，本集團已更改其有關商譽之會計政策。根據新政策，本集團不再攤銷正商譽，但會最少每年進行一次減值測試。此外由二零零五年一月一日起及根據香港財務申報準則第3號，倘若於業務合併中收購資產淨值之公平值超過已付之代價（即所產生之款項，根據前會計政策，被稱為負商譽），則超出之數於產生時立即於損益賬內確認。有關該等新政策之其他詳情，載於附註2(d)。

根據香港財務申報準則第3號，有關攤銷正商譽之新政策已即將應用。有關截至二零零五年十二月三十一日止年度各綜合財務報表項目之調整載於附註3(f)至3(h)。

(f) 上述有關以上會計政策變動對本年度及去年之業績構成之影響如下：

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
125	125
(393)	(234)
(268)	(109)

3. CHANGES IN ACCOUNTING POLICIES (continued)

(g) The cumulative effects of the application of the new HKFRSs on 31 December 2004 and 1 January 2005 are summarised below:

The Group	As at 31 December 2004 (as previously reported)	Retrospective adjustments			As at 31 December 2004 (restated)	Prospective adjustments	As at 1 January 2005 (restated)
	於二零零四年 十二月 三十一日 (按以往呈報)	HKAS 1 香港會計 準則第1號	HKAS 17 追溯性調整 香港會計 準則第17號	HKFRS 2 香港財務報告 準則第2號	於二零零四年 十二月 三十一日 (重列)	HKAS 36 預期調整 香港會計 準則第36號	於二零零五年 一月一日 (重列)
本集團	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	RMB'000 人民幣千元
Balance sheet items 資產負債表項目							
Property, plant and equipment 物業、機器及設備	6,099	-	(1,829)	-	4,270	-	4,270
Land lease prepayments 土地租賃預付款項	-	-	1,829	-	1,829	-	1,829
Goodwill 商譽	(472)	-	-	-	(472)	472	-
Other net assets 其他資產淨值	42,048	-	-	-	42,048	-	42,048
Total effects on assets and liabilities 對資產及負債之總影響	47,675	-	-	-	47,675	472	48,147
Share capital 股本	5,014	-	-	-	5,014	-	5,014
Retained profits 保留溢利	6,786	-	-	(234)	6,552	472	7,024
Share option reserve 購股權儲備	-	-	-	234	234	-	234
Other reserves 其他儲備	35,720	-	-	-	35,720	-	35,720
Minority interests 少數股東權益	-	155	-	-	155	-	155
Total effects on equity 對權益之總影響	47,520	155	-	-	47,675	472	48,147
Minority interests 少數股東權益	155	(155)	-	-	-	-	-

The Company 本公司	As at 31 December 2004 (as previously reported)	Retrospective adjustments HKFRS 2	As at 31 December 2004 (restated)
	於二零零四年 十二月三十一日 (按以往呈報)	追溯性調整 香港財務申報 準則第2號	於二零零四年 十二月三十一日 (重列)
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Net assets 資產淨值	34,338	219	34,557
Share capital 股本	5,014	-	5,014
Accumulated losses 累計虧損	(5,521)	(15)	(5,536)
Share option reserve 購股權儲備	-	234	234
Share premium 股份溢價	34,845	-	34,845
Total effects on equity 對權益之總影響	34,338	219	34,557

3. CHANGES IN ACCOUNTING POLICIES (continued)

(h) The financial effects of the application of the new HKFRSs to the Group's equity on 1 January 2004 are summarised as follows:

	As previously reported RMB'000 按過往呈報 人民幣千元	Retrospective adjustments RMB'000 追溯性調整 人民幣千元	As restated RMB'000 重列 人民幣千元
Share capital 股本	5,014	-	5,014
Other reserves 其他儲備	43,978	-	43,978
Minority interests 少數股東權益	-	488	488
Total effects on equity 對權益之總影響	48,992	488	49,480

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 2, management has made the following judgments that have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Impairment of property, plant and equipment, land lease prepayments and intangible assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (ii) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test. The Group determines whether an asset is impaired at least on an annual basis or where an indication of impairment exists. This requires an estimation of the value in use of the asset. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 會計政策之變動 (續)

(h) 於二零零四年一月一日，應用新香港財務申報準則對本集團權益之影響影響現概述如下：

	As previously reported RMB'000 按過往呈報 人民幣千元	Retrospective adjustments RMB'000 追溯性調整 人民幣千元	As restated RMB'000 重列 人民幣千元
Share capital 股本	5,014	-	5,014
Other reserves 其他儲備	43,978	-	43,978
Minority interests 少數股東權益	-	488	488
Total effects on equity 對權益之總影響	48,992	488	49,480

4. 關鍵會計判斷及估計不確定性之主要來源

於應用本集團之會計政策(載於附註2)過程中，管理層人員已作出以下判斷，而有關判斷對財務報表內所確認之款額均構成重大影響。有關未來之主要假設，以及於結算日估計不確定性之其他主要來源(具備會導致下個財政年度內對資產及負債賬面值作出大幅修訂之重大風險)亦於下文披露。

物業、機器及設備、土地租賃預付款項及無形資產減值

為了釐定資產是否減值或之前導致減值之事件是否不再存在，本集團須對資產減值作出判斷，特別是評估：(i)是否已發生可能影響資產價值之事件，或影響資產價值之有關事件是否已不存在；(ii)資產之賬面值能否得到未來現金流量之現值淨額(根據持續使用資產或不再確認資產而作出估計)所支持；及(iii)於作出現金流量預測時所應用之恰適主要假設，包括該等現金流量預測是否採用適當利率予以貼現。管理層人員在釐定減值水平時所揀選之假設(包括現金流量預測中之貼現率或增長率假設)之變動，會嚴重影響減值測試中所使用之現值淨額。本集團至少會每年釐定資產是否出現減值，或是否存在減值跡象。這需要估計資產之使用價值。估計使用價值時，需要本集團估計資產之預期未來現金流量，並須為計算該等現金流量之現值而揀選適合之貼現率。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment of receivables

The policy for impairment on receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

5. 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 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:

Sales of software 軟件銷售
Sales of hardware 硬件銷售
Network construction services fees 網絡工程服務收費
Maintenance and other services fees 維修及其他服務收費

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

應收款項之減值

本集團應收款項減值之政策，乃根據評估賬目之可收回程度及賬齡分析，以及根據管理層人員之判斷而編製。於評估該等應收款項之最終變現數額時，需作出大量判斷，包括各客戶之目前信譽及過去收款歷史。倘若本集團客戶之財務狀況未如理想，減低彼等付款之能力，則可能須作額外減值。

5. 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商業折扣後列賬。年內於營業額確認之各項重大收益類別金額如下：

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
23,732	10,410
2,341	2,182
-	447
5,173	4,946
31,246	17,985

6. OTHER REVENUE AND NET INCOME

6. 其他收益及收入淨額

	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Other revenue 其他收益		
Interest income from bank deposits 銀行存款利息收入	168	207
Interest income from others 其他利息收入	66	19
Value-added tax refunds 增值稅退稅	2,917	1,834
Government grants received 已收政府津貼	84	455
Dividend income from listed securities 上市證券之股息收入	-	2
Others 其他	20	108
	<u>3,255</u>	<u>2,625</u>
Other net income 其他收入淨額		
Net realised and unrealised gains on 證券之已變現及 trading securities 未變現盈利淨額	<u>185</u>	<u>36</u>

7. PROFIT BEFORE TAXATION

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

7. 除稅前溢利

除稅前溢利已扣除/(計入)下列各項：

	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元 (restated) (重列)
(a) Staff costs 員工成本		
Salaries, wages and other benefits 薪金、工資及其他福利	14,860	12,529
Employee share option benefits 僱員購股權福利	393	234
Retirement benefit scheme contributions 退休福利計劃供款	727	610
	<hr/>	<hr/>
Total staff costs # 總員工成本#	15,980	13,373
	<hr/>	<hr/>
Less: Amount capitalised as development costs 減：撥作開發成本之款項	(3,079)	(5,290)
	<hr/>	<hr/>
	12,901	8,083
	<hr/>	<hr/>
(b) Other items 其他項目		
Cost of inventories sold and services rendered # 售出存貨及提供服務之成本#	10,748	4,832
Amortisation of intangible assets 無形資產攤銷	5,450	1,287
Amortisation of negative goodwill 負商譽攤銷	-	(125)
Amortisation of positive goodwill 正商譽攤銷	-	5
Auditors' remuneration 核數師酬金	379	351
Depreciation # 折舊#	1,361	1,380
Less: Amount capitalised as development costs 減：撥作開發成本之款項	(255)	(396)
	<hr/>	<hr/>
	1,106	984
	<hr/>	<hr/>
Amortisation of land lease prepayments 土地租賃預付款項攤銷	87	32
Operating lease charges in respect of land 土地及樓宇之 and buildings 經營租約費用	537	986
Impairment loss for bad and doubtful debts 呆壞賬減值虧損	3,700	-
Impairment loss on intangible assets 無形資產減值虧損	483	-
Reversal of impairment loss for bad and doubtful debts 呆壞賬減值虧損撥回	-	(35)
Bad debts written off 壞賬撇銷	-	168
Loss on disposals of property, plant and equipment 出售物業、機器及設備之虧損	134	177
Research costs 研究成本	4,156	1,695
	<hr/>	<hr/>

Cost of inventories sold and services rendered includes staff costs of approximately RMB2,469,000 (2004: RMB1,041,000) and depreciation expenses of approximately RMB38,000 (2004: RMB28,000) that are also 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2,469,000元(二零零四年：人民幣1,041,000元)及折舊開支約人民幣38,000元(二零零四年：人民幣28,000元)，已計入上述各開支類別各自另行披露之總金額內。

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

**Current tax – Provision for PRC 現有稅項 – 中國企業
enterprise income tax 所得稅撥備**
Provided for the year 本年度撥備

Deferred tax 遞延稅項

Origination and reversal of temporary differences 暫時差額來源及撥回

Notes:

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the years ended 31 December 2005 and 2004. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdiction in which the Group operates, based on existing legislation, interpretations and practices in respect thereof during the year.

Fujian Shine Science Company Limited ("Fujian Shine Science"), which is a subsidiary of the Company and obtained the approval from PRC tax authority on 26 February 2003, is 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, and is entitled to a 50% relief on PRC enterprise income tax for the subsequent three years. Accordingly, Fujian Shine Science is subject to PRC enterprise income tax at a rate of 15% for the year ended 31 December 2005 and no provision for PRC enterprise income tax has been made for the year ended 31 December 2004.

Shanghai Shine Science Company Limited ("Shanghai Shine Science"), which is a subsidiary of the Company and obtained a certificate of "Software Enterprise" on 10 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, Shanghai Shine Science is subject to PRC enterprise income tax at a rate of 7.5% for the year ended 31 December 2005. No provision for PRC enterprise income tax has been made for the year ended 31 December 2004 as Shanghai Shine Science has no estimated assessable profits for that year.

8. 綜合收益表之所得稅**(a) 綜合收益表之稅項指：**

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
1,134	—
(673)	753
461	753

附註：

由於本集團於截至二零零五年及二零零四年十二月三十一日止年度並無估計應課稅溢利，故並無為香港利得稅作出任何撥備。根據本集團業務所在司法管轄區內之現行法例、詮釋及慣例，應課稅溢利之稅項已根據當地之現行適用稅率計算。

本公司附屬公司福建新意科技有限公司（「福建新意」）於二零零三年二月二十六日取得中國稅務機關批准，由福建新意成為全外資企業後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。因此，於截至二零零五年十二月三十一日止年度，福建新意須按稅率15%繳付中國企業所得稅，且於截至二零零四年十二月三十一日止年度，並無就中國企業所得稅作出任何撥備。

本公司附屬公司上海新意科技有限公司（「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，而其後三年獲寬減50%中國企業所得稅。因此，於截至二零零五年十二月三十一日止年度，上海新意須按稅率7.5%繳付中國企業所得稅。由於上海新意於截至二零零四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。

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

(a) Taxation in the consolidated income statement represents: (Continued)

No provision for PRC enterprise income tax has been made in the financial statements of Fuzhou Xinyi Xinwangluo Network Company Limited ("Xinwangluo") and Shanghai Xingyishi Management Consulting Company Limited ("Shanghai Xingyishi"), subsidiaries of the Company, as Xinwangluo and Shanghai Xingyishi have no estimated assessable profits for the years ended 31 December 2005 and 2004.

No provision for PRC enterprise income tax has been made in the financial statements of Shenzhen Yingqitong Technology Limited ("Shenzhen Yingqitong"), a subsidiary of the Company and established in the year, as Shenzhen Yingqitong has no estimated assessable profits for the year ended 31 December 2005.

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

8. 綜合收益表之所得稅 (續)

(a) 綜合收益表之稅項指：(續)

由於本公司附屬公司福州新意新網絡有限公司 (「新意新網絡」) 及上海興意識管理諮詢有限公司 (「上海興意識」) 於截至二零零五年及二零零四年十二月三十一日止年度並無估計應課稅溢利，故新意新網絡及上海興意識之財務報表均無就中國企業所得稅作出撥備。

由於本公司之附屬公司深圳市銀企通科技有限公司 (「深圳市銀企通」) (於年內成立) 於截至二零零五年十二月三十一日止年度並無估計應課稅溢利，故深圳市銀企通之財務報表並無就中國企業所得稅作出撥備。

(b) 按適用稅率計算之稅項開支與會計溢利之對賬：

	2005 二零零五年		2004 二零零四年	
	RMB'000 人民幣千元	% 百分比	RMB'000 人民幣千元 (restated) (重列)	% 百分比
Profit before taxation 除稅前溢利	<u>1,399</u>		<u>657</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	462	33.0	217	33.0
Tax effect of non-deductible expenses 不可扣減開支之稅務影響	595	42.5	356	54.2
Tax effect of non-taxable revenue 非應課稅收益之稅務影響	(831)	(59.4)	(365)	(55.6)
Tax effect of unused tax losses not recognised 未確認尚未使用稅項虧損之稅務影響	677	48.4	703	107.0
Tax effect of utilization of tax loss not recognised 未確認已使用稅項虧損之稅務影響	(25)	(1.8)	-	-
Effect of different tax rates of companies of the Group 本集團成員公司不同稅率之影響	(417)	(29.8)	(227)	(34.6)
Others 其他	-	-	69	10.5
Actual tax expense 實際稅項開支	<u>461</u>	<u>32.9</u>	<u>753</u>	<u>114.5</u>

Notes to the Financial Statement

財務報表附註

31 December 2005 (Expressed in Renminbi)
二零零五年十二月三十一日止年度 (以人民幣列值)

9. 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	
Bonus 花紅	
Employee share option benefits 僱員購股權福利	
Retirement benefit scheme contributions 退休福利計劃供款	

9. 董事酬金

根據香港公司條例第161節披露之董事酬金如下：

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元 (restated) (重列)
240	195
1,162	1,268
124	-
51	15
18	13
1,595	1,491

Details of directors' remuneration by individuals are as follows:

個別人士之董事酬金詳情如下：

	Fees 袍金 RMB'000 人民幣千元	Salaries and other benefits 薪金及 其他福利 RMB'000 人民幣千元	Bonus 花紅 RMB'000 人民幣千元	Employee share option benefit 僱員購股 權福利 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利 計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Executive directors 執行董事						
Gu Yun 顧雲	-	217	37	-	3	257
Qiu Yixin 邱一心	-	304	37	-	3	344
Ye Jinxing 葉金興	-	157	23	-	3	183
Li Xiaoyuan 李小元	-	37	-	-	3	40
Jiang Yulai 江育來	-	173	27	-	3	203
Chen Yunrong 陳芸榕	-	274	-	-	3	277
Non-executive director 非執行董事						
Chen Qun 陳群	21	-	-	-	-	21
Independent non-executive directors 獨立非執行董事						
Choy Tak Ho 蔡德河	73	-	-	17	-	90
Liu Bo 劉波	73	-	-	17	-	90
Sin Ka Man 冼家敏	73	-	-	17	-	90
Total in 2005 於二零零五年之總計	240	1,162	124	51	18	1,595

9. DIRECTORS' REMUNERATION (continued)

9. 董事酬金 (續)

	Fees	Salaries and other benefits	Bonus	Employee share option benefit	Retirement benefit contributions	Total
	袍金	薪金及其他福利	花紅	僱員購股權福利	退休福利計劃供款	總計
	RMB'000	RMB'000	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	人民幣千元	人民幣千元
						(restated) (重列)
Executive directors 執行董事						
Gu Yun 顧雲	-	250	-	-	3	253
Qiu Yixin 邱一心	-	242	-	-	-	242
Ye Jinxing 葉金興	-	228	-	-	3	231
Li Xiaoyuan 李小元	-	37	-	-	2	39
Jiang Yulai 江育來	-	258	-	-	2	260
Chen yunrong 陳芸榕	-	253	-	-	3	256
Non-executive director 非執行董事						
Chen Qun 陳群	21	-	-	-	-	21
Independent non-executive directors 獨立非執行董事						
Choy Tak Ho 蔡德河	78	-	-	5	-	83
Liu Bo 劉波	78	-	-	5	-	83
Siu Ka Man 冼家敏	18	-	-	5	-	23
Total in 2004 於二零零四年之總計	195	1,268	-	15	13	1,491

Certain directors were granted options to subscribe for shares in the Company. The details of the share options granted and outstanding as at 31 December 2005 and 2004 are disclosed under the paragraph "Share Option Scheme" in the directors' report and note 30.

During the years ended 31 December 2005 and 2004, no directors waived any emoluments. No inducement payments to join or upon joining the Group or as compensation for loss of office was paid or payable to any director for the years ended 31 December 2005 and 2004.

Each of the executive directors entered into a service contract with the Company for a term of three years and these contracts shall continue thereafter until terminated by either party giving to the other not less than three months' notice in writing.

若干董事獲授購股權以認購本公司股份。於二零零五年及二零零四年十二月三十一日已授出及尚未行使購股權之詳情於董事會報告「購股權計劃」一段及附註30內披露。

於截至二零零五年及二零零四年十二月三十一日止年度，概無董事放棄任何酬金。於截至二零零五年及二零零四年十二月三十一日止年度，並無向任何董事支付或應付任何加入本集團或於加入本集團時之獎賞或離職補償。

各執行董事與本集團訂有服務合約，年期為三年，此等合約其後將繼續有效，直至任何一方向另一方發出不少於三個月書面通知予以終止為止。

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, all (2004: four) are directors whose emoluments are disclosed in note 9. For the year ended 31 December 2004, the aggregate of the emoluments in respect of the one individual is as follows:

Salaries and other emoluments 薪金及其他酬金
Retirement benefit scheme contributions 退休福利計劃供款

During the years ended 31 December 2005 and 2004, 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. For the year ended 31 December 2004, the emoluments of the one individual with the highest emoluments are within the following band:

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

11. PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit/(loss) attributable to equity shareholders of the Company includes a loss of RMB3,634,000 (2004: RMB3,362,000 as restated) which has been dealt with in the financial statements of the Company.

10. 最高薪人士

五名最高薪人士中，所有(二零零四年：四名)為董事，彼等之酬金於附註9披露。於截至二零零四年十二月三十一日止年度，一名個別人士之酬金總額如下：

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
-	456
-	9
-	465

於截至二零零五年及二零零四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。於截至二零零四年十二月三十一日止年度，一名最高薪人士之酬金介乎以下範圍：

Number of individuals 人數	
2005 二零零五年	2004 二零零四年
-	1

11. 本公司權益股東應佔溢利/(虧損)

本公司權益股東應佔綜合溢利/(虧損)，包括已於本公司財務報表處理之虧損人民幣3,634,000元(二零零四年：人民幣3,362,000元(重列))。

12. EARNINGS/(LOSS) PER SHARE**(a) Basic earnings/(loss) per share**

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of approximately RMB938,000 (2004: a loss of RMB1,000 as restated) and the weighted average of 473,000,000 (2004: 473,000,000) ordinary shares in issue during the year.

(b) Diluted earnings/(loss) per share

There is no potential distribution of earnings/(loss) per share during the year ended 31 December 2005 as the exercise price of the Company's outstanding share option is higher than the average market price per share of the Company.

There is no potential dilution of earnings/(loss) per share during the year ended 31 December 2004.

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 segments

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 for its customers

12. 每股盈利／(虧損)**(a) 每股基本盈利／(虧損)**

每股基本盈利／(虧損)乃按本公司權益股東應佔溢利約人民幣938,000元(二零零四年：虧損人民幣1,000元(重列))及年內已發行普通股加權平均數473,000,000股(二零零四年：473,000,000股)計算。

(b) 每股攤薄盈利／(虧損)

截至二零零五年十二月三十一日止年度，由於本公司未行使購股權之行使價較本公司每股股份之平均市價為高，故對每股盈利／(虧損)並無攤薄潛力。

截至二零零四年十二月三十一日止年度並無每股潛在攤薄盈利(虧損)。

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	:	在中國銷售證券及金融業有關之軟件
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服務

13. SEGMENT REPORTING (continued)**Business segments (continued)**

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

Revenue from external customers 來自外界客戶之收益

Software sales 軟件銷售	23,732	10,410
Hardware sales 硬件銷售	2,341	2,182
Provision of network construction services 提供網絡工程服務	-	447
Provision of maintenance and other services 提供維修及其他服務	5,173	4,946
Total revenue from external customers 來自外來客戶之收益總額	31,246	17,985

Other revenue 其他收益

Software sales 軟件銷售	2,917	1,834
Unallocated items 未分配項目	338	791
Total other revenue 其他收益總額	3,255	2,625

Total operating revenue 經營收益總額

Segment results 分部業績

Software sales 軟件銷售	11,845	6,426
Hardware sales 硬件銷售	95	11
Provision of network construction services 提供網絡工程服務	-	48
Provision of maintenance and other services 提供維修及其他服務	14,898	3,562
	26,838	10,047

Unallocated operating income and expenses 未分配經營收入及開支

Profit from operations 經營溢利
Income tax 所得稅

Profit/(loss) for the year 年內溢利/(虧損)

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

Depreciation and amortisation 折舊及攤銷

Software sales 軟件銷售	6,077	1,708
Hardware sales 硬件銷售	-	-
Provision of network construction services 提供網絡工程服務	-	-
Provision of maintenance and other services 提供維修及其他服務	36	16
Unallocated assets 未分配資產	785	975
	6,898	2,699

13. 分部呈報 (續)**業務分部 (續)**

- (i) 本集團按業務分部劃分之收益及業績分析如下：

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元 (restated) (重列)
23,732	10,410
2,341	2,182
-	447
5,173	4,946
31,246	17,985
2,917	1,834
338	791
3,255	2,625
34,501	20,610
11,845	6,426
95	11
-	48
14,898	3,562
26,838	10,047
(25,439)	(9,390)
1,399	657
(461)	(753)
938	(96)

- (ii) 本集團按業務分部劃分之折舊及攤銷分析如下：

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
6,077	1,708
-	-
-	-
36	16
785	975
6,898	2,699

13. SEGMENT REPORTING (continued)**Business segments (continued)**

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

Segment assets 分部資產

Software sales 軟件銷售	17,670
Hardware sales 硬件銷售	1,137
Provision of network construction services 提供網絡工程服務	-
Provision of maintenance and other services 提供維修及其他服務	147

Unallocated assets 未分配資產

Total assets 總資產

Segment liabilities 分部負債

Software sales 軟件銷售	3,856
Hardware sales 硬件銷售	78
Provision of network construction services 提供網絡工程服務	-
Provision of maintenance and other services 提供維修及其他服務	1,551

Unallocated liabilities 未分配負債

Total liabilities 總負債

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

Capital expenditure 資本開支

Software sales 軟件銷售	3,588
Hardware sales 硬件銷售	-
Provision of network construction services 提供網絡工程服務	-
Provision of maintenance and other services 提供維修及其他服務	55
Unallocated assets 未分配資產	1,107

13. 分部呈報 (續)**業務分部 (續)**

(iii) 本集團按業務分部劃分之資產及負債分析如下：

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元 (restated) (重列)
17,670	17,903
1,137	248
-	-
147	525
18,954	18,676
41,078	36,907
60,032	55,583
3,856	2,723
78	196
-	671
1,551	947
5,485	4,537
5,166	3,371
10,651	7,908

(iv) 本集團按業務分部劃分之資本及開支分析如下：

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
3,588	6,409
-	-
-	-
55	-
1,107	3,601
4,750	10,010

Notes to the Financial Statement

財務報表附註

31 December 2005 (Expressed in Renminbi)
二零零五年十二月三十一日止年度 (以人民幣列值)

14. PROPERTY, PLANT AND EQUIPMENT

(a) The Group

14. 物業、機器及設備

(a) 本集團

	Leasehold buildings 土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 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 1 January 2004 於二零零四年一月一日						
As previously reported 按以往呈報	121	2,595	3,801	794	1,099	8,410
Reclassification to land lease 於採納香港會計準則第17號後重新歸類 prepayments upon 準則第17號後重新歸類 adoption of HKAS 17 為土地租賃預付款項	(79)	-	-	-	-	(79)
As restated 重列	42	2,595	3,801	794	1,099	8,331
Additions 添置						
As previously reported 按以往呈報	3,433	-	805	86	-	4,324
Reclassification to land lease 於採納香港會計準則第17號後重新歸類 prepayments upon 準則第17號後重新歸類 adoption of HKAS 17 為土地租賃預付款項	(1,802)	-	-	-	-	(1,802)
As restated 重列	1,631	-	805	86	-	2,522
Disposals 出售	-	(1,560)	(120)	(215)	-	(1,895)
At 31 December 2004 and 1 January 2005, as restated 於二零零四年十二月三十一日及二零零五年一月一日 (重列)	1,673	1,035	4,486	665	1,099	8,958
Exchange adjustments 匯兌調整	-	-	-	(2)	-	(2)
Additions 添置	-	957	381	78	-	1,416
Disposals 出售	-	(1,035)	(2,803)	(57)	(205)	(4,100)
31 December 2005 於二零零五年十二月三十一日	1,673	957	2,064	684	894	6,272

14. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) The Group (continued)

14. 物業、機器及設備 (續)

(a) 本集團 (續)

	Leasehold buildings 土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 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
Accumulated depreciation 累計折舊						
At 1 January 2004 於二零零四年一月一日						
As previously reported 按以往所報	31	1,653	2,178	249	281	4,392
Reclassification to land lease 於採納香港會計 prepayments 準則第17號後重新歸類 upon adoption of HKAS 17 為土地租賃預付款項	(20)	-	-	-	-	(20)
As restated 重列	11	1,653	2,178	249	281	4,372
Charge for the year 年內支出						
As previously reported 按以往所報	61	311	758	149	133	1,412
Reclassification to land 於採納香港會計準則 lease prepayments upon 第17號後重新歸類為土地租賃 adoption of HKAS 17 預付款項	(32)	-	-	-	-	(32)
As restated 重列	29	311	758	149	133	1,380
Disposals 出售	-	(932)	(48)	(84)	-	(1,064)
At 31 December 2004 and 於二零零四年十二月三十一日及 at 1 January 2005, as restated 二零零五年一月一日 (重列)	40	1,032	2,888	314	414	4,688
Charge for the year 年內支出	84	197	818	131	131	1,361
Disposals 出售	-	(1,035)	(2,659)	(46)	(194)	(3,934)
31 December 2005 於二零零五年十二月三十一日	124	194	1,047	399	351	2,115
Net book value 賬面淨值						
At 31 December 2005 於二零零五年十二月三十一日	1,549	763	1,017	285	543	4,157
At 31 December 2004 於二零零四年十二月三十一日						
As previously reported 按以往所報	3,462	3	1,598	351	685	6,099
Net effect on adoption of 對採納香港會計準則 HKAS 17 第17號之淨影響	(1,829)	-	-	-	-	(1,829)
As restated 重列	1,633	3	1,598	351	685	4,270

Note: The balances in respect of leasehold buildings as at 1 January 2004, 31 December 2004 and 1 January 2005 as previously reported included the land element of the leasehold properties, which is now disclosed as "land lease prepayments".

附註：之前所報有關於二零零四年一月一日、二零零四年十二月三十一日及二零零五年一月一日之租賃樓宇之結餘，包括租賃物業之土地部分，現披露為「土地租賃預付款項」。

14. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) The Company

14. 物業、機器及設備 (續)

(b) 本公司

	Leasehold improvements 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				
At 1 January 2004 於二零零四年一月一日	147	27	106	280
Additions 添置	-	15	-	15
Disposals 出售	(147)	-	-	(147)
At 31 December 2004 and 於二零零四年十二月三十一日 1 January 2005 及二零零五年一月一日	-	42	106	148
Exchange adjustments 匯兌調整	-	-	(2)	(2)
At 31 December 2005 於二零零五年十二月三十一日	-	42	104	146
Accumulated depreciation 累計折舊				
At 1 January 2004 於二零零四年一月一日	74	9	21	104
Charge for the year 年內支出	61	12	21	94
Written back on disposals 出售時撥回	(135)	-	-	(135)
At 31 December 2004 於二零零四年十二月三十一日及 and 1 January 2005 二零零五年一月一日	-	21	42	63
Charge for the year 年內支出	-	10	21	31
At 31 December 2005 於二零零五年十二月三十一日	-	31	63	94
Net book value 賬面淨值				
At 31 December 2005 於二零零五年十二月三十一日	-	11	41	52
At 31 December 2004 於二零零四年十二月三十一日	-	21	64	85

15. LAND LEASE PREPAYMENTS

15. 土地租賃預付款項

Net book value at 1 January 於一月一日之賬面淨值	
– as previously reported – 按以往所報	
– effect of adopting HKAS 17 – 採納香港會計準則第17號之影響	
– as restated – 重列	
Additions 添置	
Amortisation 攤銷	
Net book value at 31 December 於十二月三十一日之賬面淨值	
Current portion of non-current assets 非流動資產之即期部分	
Non current portion 非即期部分	

The leasehold land is held under medium term lease and situated in the PRC. The cost of the leasehold land is RMB1,881,000 (2004: RMB1,881,000).

The Group 本集團	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元 (restated) (重列)
–	–
1,829	59
1,829	59
–	1,802
(87)	(32)
1,742	1,829
(87)	(87)
1,655	1,742

按中期租約持有位於中國之租賃土地。租賃土地之成本為人民幣1,881,000元(二零零四年：人民幣1,881,000元)。

16. INTANGIBLE ASSETS

16. 無形資產

	The Group 本集團	
	Development costs 開發成本	
	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Cost 原值		
At 1 January 於一月一日	15,331	9,645
Additions through internal development 透過內部開發而增添	3,334	5,686
At 31 December 於十二月三十一日	18,665	15,331
Accumulated amortisation and impairment 累計攤銷及減值		
At 1 January 於一月一日	2,135	848
Charge for the year 年內扣除	5,450	1,287
Impairment loss 減值虧損	483	-
At 31 December 於十二月三十一日	8,068	2,135
Net book value 賬面淨值		
At 31 December 於十二月三十一日	10,597	13,196

Amortisation of intangible assets is recognized as an expense on a straight-line basis over their useful lives with the period of not exceeding five years.

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

無形資產攤銷按其不超過五年之可用年期以直線法確認為開支。

年內攤銷支出於綜合收益表「銷售成本」列賬。

16. INTANGIBLE ASSETS (continued)

During the year ended 31 December 2005, the management of the Group assessed the recoverable amounts of the intangible assets. Based on this assessment, the carrying amount of the intangible assets was written down by RMB483,000. The recoverable amounts have been determined on the basis of value in use calculations. Their recoverable amounts are based on certain key assumptions. All value in use calculations use cash flow projections based on the financial budgets approved by the management cover a 5-year period, and a discount rate of 15%. Cash flow projections during the budget period for the intangible assets are based on the expected gross margins during the budget period. Budgeted gross margins have been determined based on past performance and management's expectations for the market development.

17. GOODWILL**16. 無形資產 (續)**

於截至二零零五年十二月三十一日止年度內，本集團之管理層人員評估無形資產之可收回款額。根據評估，無形資產之賬面值撇減了人民幣483,000元。可收回款額已根據使用價值計算方法而釐定。所有使用價值計算方法均根據管理層人員於五年期間內批准之財政預算而採用預測現金流量，以及貼現率15%而進行。於預算期間之進行有關無形資產之現金流量預測，乃根據預算期間之預期邊際毛利而進行。經預算之邊際毛利已根據過去表現及管理層人員對市場發展之預期而釐定。

17. 商譽

	The Group 本集團	
	Positive goodwill 正商譽 RMB'000 人民幣千元	Negative goodwill 負商譽 RMB'000 人民幣千元
Cost 原值		
At 1 January 2004 於二零零四年一月一日 (按以往所報)	-	(629)
Additions through acquisition of partial interest 透過收購一間附屬公司部分 in a subsidiary 權益增加	5	-
At 31 December 2004 於二零零四年十二月三十一日	5	(629)
At 1 January 2005, as previously reported 於二零零五年一月一日 (按以往所報)	5	(629)
Effect of changes in accounting policies (see note 3) 會計政策變動之影響 (見附註3)	(5)	629
At 1 January 2005, as restated, and 31 December 2005 於二零零五年一月一日 (重列) 及於二零零五年十二月三十一日	-	-
Accumulated amortisation 累計攤銷		
At 1 January 2004 於二零零四年一月一日	-	32
Amortisation for the year 年內攤銷	(5)	125
At 31 December 2004 於二零零四年十二月三十一日	(5)	157
At 1 January 2005 於二零零五年一月一日	(5)	157
Effect of changes in accounting policies (see note 3) 會計政策變動之影響 (見附註3)	5	(157)
At 1 January 2005, as restated, and 31 December 2005 於二零零五年一月一日 (重列) 及於二零零五年十二月三十一日	-	-
Net book value 賬面淨值		
At 31 December 2005 於二零零五年十二月三十一日	-	-
At 31 December 2004 於二零零四年十二月三十一日	-	(472)

17. GOODWILL (Continued)

Until 31 December 2004, positive/(negative) goodwill is recognised as an expense/income on a straight-line basis over its useful life with the period of not exceeding five years and the amortisation of goodwill for the year is included in "other operating expenses" in the consolidated income statement.

18. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost 非上市股份·按原值

As at 31 December 2005, the details of all subsidiaries of the Company were as follows:

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. (福建新意科技有限公司) ("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 RMB12,500,000 註冊資本人民幣 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
Shanghai Shine Science Company Limited (上海新意新科技有限公司) ("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 RMB5,000,000 註冊資本人民幣 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

17. 商譽 (續)

直至二零零四年十二月三十一日為止，正/(負)商譽以直線法就不超過五年之可使用期間確認為開支/收入。年內商譽攤銷於綜合收益表「其他經營開支」列賬。

18. 於附屬公司之投資

The Company 本公司	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
19	19

於二零零五年十二月三十一日，本公司所有附屬公司之詳情如下：

18. INVESTMENTS IN SUBSIDIARIES (continued)

18. 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	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Direct Indirect 直接 間接	
Fuzhou Xinyi Xinwangluo Network Company Limited (福州新意新網絡有限公司) ("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 RMB1,000,000 註冊資本人民幣 1,000,000元	100%	– 100%	Resale of hardware and network installation in the PRC 於中國轉售硬件及進行 網絡安裝
Shanghai Xingyishi Management Consulting Company Limited (上海興意識管理諮詢有限公司) ("Shanghai Xingyishi") (note (d)) 上海興意識管理諮詢 (「上海興意識」) (附註(d))	PRC 中國	Registered capital RMB500,000 註冊資本人民幣 500,000元	60%	– 60%	Provision of computer and management consultancy services in the PRC, inactive during the year 在中國提供電腦及管理 諮詢服務，年內暫無業務
Shenzhen Yinqitong Technology Limited (深圳市銀企通科技 有限公司) ("Shenzhen Yinqitong")* (note (e)) 深圳市銀企通科技有限公司	PRC 中國	Registered capital RMB2,000,000 註冊資本人民幣 2,000,000元	100%	– 100%	Development of computer software, provision of system integration and maintenance in the PRC 在中國開發電腦軟件、提供系統 集成和維修服務

* Incorporated during the year

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. The Group nominated Ms. Gu Yun ("Ms. Gu"), 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. In January 2005, the Group acquired the remaining 33% of its interest in Xinwangluo and nominated Ms. Gu to hold the 33% interest in trust for and on behalf of the Group.

附註：

- (a) 福建新意為於中國成立之全外資企業，其經營年期為二十四年半，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，其經營年期為二十年，至二零二一年二月止。本集團提名本公司主席顧雲女士（「顧女士」）以信託方式代表本集團持有其10%權益。
- (c) 新意新網絡為於中國成立之合資合營企業，其經營年期為10年，至二零一一年六月止。於二零零五年一月，本集團收購其於新意新網絡餘下33%權益，並提名顧女士以信託方式代表本集團持有該33%權益。

18. INVESTMENTS IN SUBSIDIARIES (continued)

- (d) Shanghai Xingyishi is an equity joint venture established in the PRC to be operated for 20 years up to May 2022. During the year ended 31 December 2005, Shanghai Xingyishi tendered its application in relation to the cessation of operations to the Shanghai Administration of Industry and Commerce.
- (e) Shenzhen Yinqitong is an equity joint venture established in the PRC to be operated for 20 years up to May 2025. The Group nominated Ms. Gu to hold the 55% interest in trust for and on behalf of the Group.

19. TRADING SECURITIES**Trading securities (at market value) 按市值列賬之貿易證券**

Listed equity securities in Hong Kong 香港之上市股本證券
Unlisted investment funds in PRC 中國之非上市投資基金

20. INVENTORIES

Computer hardware and accessories acquired for resale 電腦硬件及作轉售而購入之配件

All inventories were stated at cost as at 31 December 2005 and 2004.

18. 於附屬公司之投資 (續)

- (d) 上海興意識為於中國成立之合資合營企業，其經營年期為二十年，至二零二二年五月止。截至二零零五年十二月三十一日止年度，上海興意識擬向上海工商行政管理局提出終止業務之申請。
- (e) 深圳市銀企通為於中國成立之合資合營企業，其經營年期為二十年，至二零二五年五月止。本集團提名顧女士以信託方式代表本集團持有其55%權益。

19. 貿易證券

The Group 本集團	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
753	—
<u>1,000</u>	—
<u>1,753</u>	—

20. 存貨

The Group 本集團	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
121	69

於二零零五年及二零零四年十二月三十一日之全部存貨均以原值列賬。

21. TRADE AND OTHER RECEIVABLES

21. 應收賬款及其他應收款項

	The Group 本集團		The Company 本公司	
	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB,000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元 (restated) (重列)
Due from subsidiaries (note (a)) 應收附屬公司欠款 (附註(a))	-	-	30,907	29,377
Trade receivables 應收賬款	6,351	2,823	-	-
Rental and other deposits 租金及其他按金	110	111	-	-
Advances to suppliers 墊予供應商之款項	453	639	-	-
Prepayments and other receivables 預付款項及其他應收款項	523	955	156	159
Deposits for a marketing research project (note (b)) 一項市場推廣研究項目之按金 (附註(b))	-	5,415	-	-
Due from securities broker firms (note (c)) 應收證券經紀行款項 (附註(c))	1,161	5,720	-	-
	8,598	15,663	31,063	29,536

Notes:

附註：

- (a) The amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.
- (a) 應收附屬公司欠款為無抵押、免息及無固定還款期。
- (b) In December 2004, the Group appointed an independent third party to perform certain marketing research for the Group. Accordingly, the Group paid the independent third party a deposit of RMB5,415,000.
- (b) 於二零零四年十二月，本集團委任獨立第三方為本集團進行若干市場推廣研究。因此，本集團向該名獨立第三方支付按金人民幣5,415,000元。
- (c) During the year ended 31 December 2005, the Group traded equity and debt securities through securities broker firms. As at 31 December 2005, amount of RMB1,161,000 (2004: RMB5,720,000) was due from securities broker firms. The amounts are unsecured, bears interest at 2.5 per cent. (2004: 0.72 per cent.) per annum and can be withdrawn by the Group at any time.
- (c) 截至二零零五年十二月三十一日止年度，本集團透過一家證券經紀行買賣股本及債務證券。於二零零五年十二月三十一日，該證券經紀行之欠款為人民幣1,161,000元(二零零四年：人民幣5,720,000元)。該筆款項為無抵押、按每年2.5厘(二零零四年：0.72厘)息率計息及可由本集團隨時提用。
- (d) All of the trade and other receivables, apart from rental and other deposits, are expected to be recovered within one year.
- (d) 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。

21. TRADE AND OTHER RECEIVABLES (continued)

- (e) Included in trade and other receivables are trade debtors with the following ageing analysis:

Within 1 month 1個月內
More than 1 month but less than 3 months 1個月後但3個月內
More than 3 months but less than 6 months 3個月後但6個月內
More than 6 months but less than 12 months 6個月後但12個月內
More than 12 months 12個月後

Less: Impairment loss for bad and doubtful debts 減：呆壞賬之減值虧損

The Group generally grants credit terms of 30 days to 180 days to its customers. The Company may, on a case by case basis and after evaluation of the business relationship and creditworthiness, extend the credit period upon customers' request.

22. TAX RECOVERABLE

Value added tax refunds receivable 應收增值稅退稅

21. 應收賬款及其他應收款項 (續)

- (e) 計入於應收賬款及其他應收款項之應收賬款賬齡分析如下：

The Group 本集團	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
3,613	834
1,384	1,071
1,334	918
2,927	418
1,761	550
11,019	3,791
(4,668)	(968)
6,351	2,823

本集團一般給予客戶30至180日信貸期。本集團可按每個個案基準，及於評估業務關係及信譽後，應客戶要求延長信貸期。

22. 可收回稅項

The Group 本集團	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
1,046	957

23. CASH AND CASH EQUIVALENTS

23. 現金及現金等物

	The Group 本集團		The Company 本公司	
	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB,000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Cash at banks 銀行現金	17,952	14,198	753	680
Cash on hand 手頭現金	31	103	1	-
Money at call and short notice 短期通知放款	14,035	-	-	-
Placements with banks maturing within three months 三個月內到期之銀行存款	-	5,770	-	4,770
Cash and cash equivalents 現金及現金等值物	32,018	20,071	754	5,450

Cash at bank earns interest at floating rates based on daily bank deposit rates. Money at call and short notice are made for various periods of between one day and seven days depending on the immediate cash requirement of the Group and earn interest rate at the respective short term time deposit rate.

銀行現金乃根據每日銀行存款利率，按浮息利率賺取利息：短期通知放款均視乎本集團之即時現金需求而於介乎一日至七日之不同期間作出，並按各短期定期存款利率賺取利息。

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	
	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB,000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Trade payables 應付賬款	78	6	-	-
Deposits received from customers 向客戶收取按金	3,861	3,675	-	-
Employees welfare payable 應付員工福利	603	456	-	-
Accrued expenses and other 應計開支及其他 payables 應付款項	1,617	988	596	533
Other tax payables 其他應繳稅項	1,112	325	-	-
	7,271	5,450	596	533

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二零零五年十二月三十一日止年度 (以人民幣列值)

24. TRADE AND OTHER PAYABLES (continued)

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

After 1 month but less than 3 months 1個月後但3個月內

25. DEFERRED INCOME

At 1 January 於一月一日

Released to consolidated income statement 轉撥至綜合收益表

Income deferred during the year 年內遞延收入

At 31 December 於十二月三十一日

26. TAXATION PAYABLE

PRC enterprise income tax 中國企業所得稅

At 1 January 於一月一日

Provision for the year 年度撥備

PRC enterprise income tax paid 已繳付中國企業所得稅

At 31 December 於十二月三十一日

24. 應付賬款及其他應付款項 (續)

包括於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	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
78	6

25. 遞延收入

The Group 本集團	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
856	779
(856)	(779)
1,546	856
1,546	856

26. 應繳稅項

The Group 本集團	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
92	161
1,134	-
(229)	(69)
997	92

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

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the current year are as follows:

	The Group 本集團			
	Tax losses 稅項虧損 RMB'000 人民幣千元	Development costs 開發成本 RMB'000 人民幣千元	Provision for bad and doubtful debts 呆壞賬撥備 RMB,000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2004 於二零零四年一月一日	375	(1,320)	188	(757)
Charged to consolidated 於綜合收益表扣除 income statement (note 8(a)) 之金額 (附註8(a))	(252)	(407)	(94)	(753)
At 31 December 2004 and 於二零零四年十二月三十一日及 1 January 2005 二零零五年一月一日	123	(1,727)	94	(1,510)
(Charged)/credited to consolidated 於綜合收益表 (扣除)/計入 income statement (note 8(a)) 之金額 (附註8(a))	(123)	260	536	673
At 31 December 2005 於二零零五年十二月三十一日	-	(1,467)	630	(837)

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

以下為作財務申報用途的遞延稅項結餘分析：

Deferred tax liabilities 遞延稅項負債

2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
(837)	(1,510)

(b) Deferred taxation not recognised

The Group has not recognised deferred tax assets in respect of tax losses of approximately RMB1,009,000 (2004: RMB8,115,000) as it is not probable that taxable profit will be available against which tax losses can be utilised.

(b) 未確認遞延稅項

本集團並無就稅項虧損約人民幣1,009,000元(二零零四年：人民幣8,115,000元)確認遞延稅項資產，此乃由於應課稅溢利可用以抵銷稅項虧損之可能性不大。

27. DEFERRED TAXATION (continued)**(b) Deferred tax assets/(liabilities) not recognised (continued)**

At 31 December 2005, the Group's tax losses of approximately RMB590,000 (2004: RMB1,890,000) will expire in five years from the year in which they were incurred and of approximately RMB419,000 (2004: RMB6,225,000) do not expire under current tax legislation.

The Group and the Company have no other deferred taxation not recognised for the year and at the balance sheet date.

27. 遞延稅項 (續)**(b) 未確認遞延稅項資產/(負債) (續)**

於二零零五年十二月三十一日，根據現行稅法，本集團之稅項虧損約人民幣590,000元(二零零四年：人民幣1,890,000元)將於產生年度起計五年到期，另人民幣約419,000元(二零零四年：人民幣6,225,000元)則不會到期。

於本年度及結算日，本集團及本公司並無未確認之其他遞延稅項。

28. SHARE CAPITAL**28. 股本****The Group and the Company****本集團及本公司**

Authorised – Ordinary shares of HK\$0.01 法定—每股
(approximately equivalent to RMB0.0106) 面值0.01港元
each: (約相當於人民幣0.0106元)之普通股：

At 1 January and 31 December 於一月一日及十二月三十一日

Issued and fully paid – Ordinary 已發行及繳足—每股
shares of HK\$0.01 (approximately 面值0.01港元(約相當於
equivalent to RMB0.0106) each: 人民幣0.0106元)之普通股：

At 1 January and 31 December 於一月一日及十二月三十一日

2005 二零零五年		2004 二零零四年	
Number of of shares 股份數目 '000 千股	Amount 款項 RMB'000 人民幣千元	Number of of shares 股份數目 '000 千股	Amount 款項 RMB'000 人民幣千元
5,000,000	53,000	5,000,000	53,000
473,000	5,014	473,000	5,014

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二零零五年十二月三十一日止年度 (以人民幣列值)

29. RESERVES

(a) The Group

29. 儲備

(a) 本集團

	Attributable to equity shareholders of the Company 本公司之權益股東應佔									
	Share premium	Merger reserve (note (i))	General reserve fund (note (ii)) 一般	Common welfare reserve fund (note (iii)) 公共	Share option reserve	Translation reserve	Retained profits	Total	Minority interests	Total
	股份溢價	合併儲備 (附註(i))	儲備基金 (附註(ii))	福利儲備金 (附註(iii))	購股權儲備	換算儲備	保留溢利	總計	少數股東權益	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	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 January 2004 as previously stated 於二零零四年一月 (按以往呈報)	36,550	(2,351)	2,153	1,046	-	-	6,580	43,978	-	43,978
Effect of retrospective 因改變會計政策 adjustments upon 之追溯調整影響 changes in accounting (見附註3) policies (see note 3)	-	-	-	-	-	-	-	-	488	488
At 1 January 2004 as restated 於二零零四年一月一日 (重列)	36,550	(2,351)	2,153	1,046	-	-	6,580	43,978	488	44,466
Dividends approved 已批准上年度股息 in respect of the 已於年內批准及派付 previous year, approved and paid in the year	(1,705)	-	-	-	-	-	-	(1,705)	-	(1,705)
Acquisition of the remaining 收購一間附屬公司 interest in a subsidiary 剩餘權益	-	-	-	-	-	-	-	-	(238)	(238)
Employee share 僱員購股權福利 option benefits	-	-	-	-	234	-	-	234	-	234
Loss for the year 本年度虧損	-	-	-	-	-	-	(1)	(1)	(95)	(96)
Profit appropriations 溢利分派	-	-	18	9	-	-	(27)	-	-	-
At 31 December 2004, as restated 於二零零四年十二月三十一日 (重列)	<u>34,845</u>	<u>(2,351)</u>	<u>2,171</u>	<u>1,055</u>	<u>234</u>	<u>-</u>	<u>6,552</u>	<u>42,506</u>	<u>155</u>	<u>42,661</u>

Notes to the Financial Statement

財務報表附註

31 December 2005 (Expressed in Renminbi)
二零零五年十二月三十一日止年度 (以人民幣列值)

29. RESERVES (continued)

(a) The Group (continued)

29. 儲備 (續)

(a) 本集團 (續)

At 1 January 2005, as previously reported
於二零零五年一月一日 (重列)

Effect of retrospective 因改變會計政策
adjustments upon 之追溯調整影響
changes in accounting policies (見附註3)
(see note 3)

Effect of prospective 因改變會計政策
adjustment upon 之追溯調整影響
changes in accounting policies (見附註3)
(see note 3)

At 1 January 2005, as restated
於二零零五年一月一日 (重列)

Exchange difference on 換算外國實體之
translation financial 財務報表之匯兌差額
statements of foreign entities

Profit for the year 本年度溢利

Profit appropriations 溢利分派

Employee share option benefits
僱員購股權福利

Forfeiture of employee
share options 失效之僱員購股權

At 31 December 2005
於二零零五年十二月三十一日

Attributable to equity shareholders of the Company 本公司之權益股東應佔									
Share premium	Merger reserve (note (i))	Common welfare reserve fund		Share option reserve	Translation reserve	Retained profits	Total	Minority interests	Total
		General reserve fund (note (ii)) 一般儲備基金 (附註(ii))	Public reserve fund (note (iii)) 公共福利儲備金 (附註(iii))						
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	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
34,845	(2,351)	2,171	1,055	-	-	6,786	42,506	-	42,506
-	-	-	-	234	-	(234)	-	155	155
34,845	(2,351)	2,171	1,055	234	-	6,552	42,506	155	42,661
-	-	-	-	-	-	472	472	-	472
34,845	(2,351)	2,171	1,055	234	-	7,024	42,978	155	43,133
-	-	-	-	-	(97)	-	(97)	-	(97)
-	-	-	-	-	-	938	938	-	938
-	-	732	366	-	-	(1,098)	-	-	-
-	-	-	-	393	-	-	393	-	393
-	-	-	-	(24)	-	24	-	-	-
34,845	(2,351)	2,903	1,421	603	(97)	6,888	44,212	155	44,367

Notes:

(i) Merger reserve

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

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。

29. RESERVES (continued)**(a) The Group (continued)**

Notes: (continued)

(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 principles ("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 31 December 2005 and 2004.

The directors of Shanghai Shine Science have proposed to transfer 10% of the profit after taxation to the general reserve fund for the years ended 31 December 2005 and determined not to make any appropriation to the general reserve fund for the year ended 31 December 2004 as Shanghai Shine Science has sustained loss for that year.

The directors of Xinwangluo and Shanghai Xingyishi determined not to make any appropriation to the general reserve fund as these subsidiaries have sustained loss for the years ended 31 December 2005 and 2004.

The directors of Shenzhen Yinqitong determined not to make any appropriation to the general reserve fund as the subsidiary have sustained loss for the year ended 31 December 2005.

(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.

29. 儲備 (續)**(a) 本集團 (續)**

附註：(續)

(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虧損後，須自根據按普遍採納會計準則（「公認會計準則」）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%為止。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虧損，或用作增加資本，惟增加資本後，一般儲備基金須維持不少於註冊資本25%。

福建新意之董事建議將截至二零零五年及二零零四年十二月三十一日止年度除稅後溢利10%轉撥至一般儲備基金。

上海新意之董事建議將截至二零零五年十二月三十一日止年度除稅後溢利10%轉撥至一般儲備基金。由於上海新意於截至二零零四年十二月三十一日止年度持續錄得虧損，故其董事決定不會向一般儲備基金撥款。

由於新意新網絡及上海興意識於截至二零零五年及二零零四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一般儲備基金撥款。

由於深圳市銀企通於截至二零零五年十二月三十一日止年度持續錄得虧損，故其董事決定不會向一般儲備基金撥款。

(iii) 公共福利儲備金

根據有關中國法例、法規及中國所有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虧損後，須將根據中國公認會計準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。

29. RESERVES (continued)

(a) The Group (continued)

Notes: (continued)

(iii) Common welfare reserve fund (continued)

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 31 December 2005 and 2004.

The directors of Shanghai Shine Science have proposed to transfer 10% of the profit after taxation to the general reserve fund for the years ended 31 December 2005 and determined not to make any appropriation to the common welfare reserve fund for the year ended 31 December 2004 as Shanghai Shine Science has sustained loss for that year.

The directors of Xinwangluo and Shanghai Xingyishi determined not to make any appropriation to the common welfare reserve fund for the years ended 31 December 2005 and 2004.

The directors of Shenzhen Yinqitong determined not to make any appropriation to the common welfare reserve fund for the year ended 31 December 2005.

29. 儲備 (續)

(a) 本集團 (續)

附註：(續)

(iii) 公共福利儲備金 (續)

福建新意之董事建議將除稅後溢利5%轉撥至截至二零零五年及二零零四年十二月三十一日止年度之公共福利儲備金。

上海新意之董事建議將截至二零零五年十二月三十一日止年度除稅後溢利10%轉撥至公共福利儲備金。由於上海新意於截至二零零四年十二月三十一日止年度持續錄得虧損，故其董事決定不會向公共福利儲備金撥款。

新意新網絡及上海興意識之董事決定不會就截至二零零五年及二零零四年十二月三十一日止年度向公共福利儲備金作出任何撥款。

深圳市銀企通董事決定不會就截至二零零五年十二月三十一日止年度向公共福利儲備金作出任何撥款。

29. RESERVES (continued)

(b) The Company

29. 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	Share option reserve 購股權儲備 RMB,000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2004 於二零零四年一月一日	36,550	(2,174)	-	34,376
Dividends approved in respect of 已批准上年度股息 the previous year	(1,705)	-		(1,705)
Employee share option benefits under the effect of 受改變會計政策 retrospective adjustments upon changes in 後追溯調整影響之 accounting policies (see note 3) 僱員購股權福利 (見附註3)	-	-	234	234
Loss for the year 本年度虧損				
- as previously reported 按以往呈報	-	(3,347)	-	(3,347)
- Effect of retrospective adjustments 因改變會計政策之 upon changes in accounting policies 追溯調整影響 (see note 3) (見附註3)	-	(15)		(15)
- as restated 重列	-	(3,362)	-	(3,362)
At 31 December 2004 於二零零四年十二月三十一日及 and 1 January 2005, 二零零五年一月一日， as restated 重列	34,845	(5,536)	234	29,543
Employee share option benefits 僱員購股權福利	-	-	393	393
Forfeiture of employee share options 失效之僱員購股權	-	-	(24)	(24)
Loss for the year 年內虧損	-	(3,634)	-	(3,634)
At 31 December 2005 於二零零五年十二月三十一日	34,845	(9,170)	603	26,278

Notes:

附註：

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.

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任何股息或於股份溢價賬作出任何分派。

29. RESERVES (continued)

(b) The Company (continued)

At 31 December 2005, the aggregate amount of the Company's reserves available for distribution to shareholders was approximately RMB25,675,000 (2004: RMB29,309,000 as restated) 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 RMB34,845,000 (2004: RMB34,845,000) less accumulated losses of approximately RMB9,170,000 (2004: RMB5,536,000 as restated), 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. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 28 July 2004 for the purpose of providing incentives or rewards to eligible persons for their contributions to the Group. The Scheme will expire on 27 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.

29. 儲備 (續)

(b) 本公司 (續)

於二零零五年十二月三十一日，本公司可供分派予股東之儲備總額約人民幣25,675,000元 (二零零四年：人民幣29,309,000元 (重列))，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34,845,000元 (二零零四年：人民幣34,845,000元) 減累計虧損約人民幣9,170,000元 (二零零四年：人民幣5,536,000元 (重列))，此筆款項可供分派，惟緊隨建議派付股息日期後，本公司須能夠償還其於日常業務中到期之債務。

30. 購股權計劃

本公司之購股權計劃 (「該計劃」) 是根據於二零零四年七月二十八日通過之決議案採納，目的是就合資格人士對本集團所作貢獻提供鼓勵及獎賞。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任何實體的董事或僱員 (不論全職或兼職)，或本集團或本集團持有任何股權之任何實體的任何類別供應商、客戶、諮詢顧問、顧問、經理或主管授出購股權。

根據該計劃及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已發行股份總數之10%。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個月期間向各合資格人士授出購股權 (包括已行使或尚未行使購股權) 獲行使時已經及可能須發行之股份總數，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，必須先事獲得股東批准。

30. 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 (i) a 10-year period from the date of such grant and (ii) 10 years from 28 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.

(a) Movements in share options

At 1 January 於一月一日
Granted 已授出
Forfeited 已失效

At 31 December 於十二月三十一日

Options vested at 31 December 於十二月三十一日歸屬之購股權

During the year ended 31 December 2005, no options were granted. During the year ended 31 December 2004, 20,000,000 options were granted to directors and employees on 6 July 2004. Total consideration received during the year ended 31 December 2004 from directors and employees for taking up the options granted during that year is HK\$30 (equivalent to approximately RMB31).

30. 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)該項授出日期起計十年內；或(ii)二零零三年七月二十八日起計10年期間(以較早者為準)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最高者：(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)於緊接授出購股權日期前五個營業日聯交所每日報價表所示本公司股份之平均收市價；及(c)本公司股份當時之每股面值。

(a) 購股權變動

Number of options 購股權數目	
2005 二零零五年	2004 二零零四年
20,000,000	—
—	20,000,000
(2,070,000)	—
17,930,000	20,000,000
5,379,000	—

於截至二零零五年十二月三十一日止年度內，並無授出購股權。於截至二零零四年十二月三十一日止年度內，已於二零零四年七月六日向董事及僱員授出20,000,000份購股權。於截至二零零四年十二月三十一日止年度內，向董事及僱員因接納該年內所授出購股權而收取之總代價為30港元(相等於約人民幣31元)。

30. SHARE OPTION SCHEME (continued)

The following table discloses the details of the share options held by directors and employees and movements in such holdings during the year 2004 and 2005:

	Date of grant	Outstanding at 1 January 2004	Granted during the year	Number of share options		Outstanding at 31 December 2005	Exercise price per share
				Outstanding at 31 December 2004 and 1 January 2005	Lapsed during the year		
	授出日期	於二零零四年一月一日尚未行使	於年內授出	於二零零四年十二月三十一日及二零零五年一月一日尚未行使	於年內失效	於二零零五年十二月三十一日尚未行使	每股行使價 HK\$ 港幣
Directors 董事	6 July 2004 於二零零四年七月六日	-	1,410,000	1,410,000	-	1,410,000	0.256
Employees 僱員	6 July 2004 於二零零四年七月六日	-	18,590,000	18,590,000	(2,070,000)	16,520,000	0.256
		-	20,000,000	20,000,000	(2,070,000)	17,930,000	

(b) Terms of unexpired and unexercised share options at balance sheet date

(b) 於結算日未屆滿及尚未行使購股權之年期

Date of grant	Exercisable period	Exercise price	Number of options	
			2005	2004
授出日期	行使期	行使價	二零零五年	二零零四年
6 July 2004 二零零四年七月六日	6 July 2005 to 5 July 2008 二零零五年七月六日至 二零零八年七月五日	HK\$0.256 0.256港元	5,379,000	6,000,000
6 July 2004 二零零四年七月六日	6 July 2006 to 5 July 2008 二零零六年七月六日至 二零零八年七月五日	HK\$0.256 0.256港元	5,379,000	6,000,000
6 July 2004 二零零四年七月六日	6 July 2007 to 5 July 2008 二零零七年七月六日至 二零零八年七月五日	HK\$0.256 0.256港元	7,172,000	8,000,000
			17,930,000	20,000,000

30. SHARE OPTION SCHEME (continued)**(c) Fair value of share options and assumptions**

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimated fair values of the options granted on 6 July 2004 are approximately RMB1,089,000. The estimate of the fair value of the services received is measured based on Black-Scholes Option Pricing Model as follows:

Fair value of share options and assumptions

Share price on grant date 於授出日期之股份價格	6 July 2004 二零零四年七月六日
Exercise price 行使價	HK\$0.256 0.256港元
Expected maximum volatility (expressed as weighted average volatility used in the modelling) 預期最大波動 (以模式中所使用之加權平均波動呈列)	36%
Expected option life (expressed as weighted average life used in the model) 購股權預期年期 (以模式中所使用之加權平均年期呈列)	2.4 years
Risk-free rate (based on yields to maturity of 無風險利率 (根據二零零四年七月六日香港外匯基金 Hong Kong Exchange Fund Note as at 6 July 2004) 債券之到期收益率而釐定)	2.4年 2.22%
Expected dividend yield 預期股息率	0%

Expected volatility was determined by using the historical volatility of the Company's share price annualised for one year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

The above calculation is based on the assumption that there is no material difference between the expected volatility over the whole life of the options and the historical volatility of the ordinary shares as set out above.

31. RETIREMENT BENEFITS SCHEME

The Group 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.

The Company's subsidiaries established in the PRC 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.

30. 購股權計劃 (續)**(c) 購股權之公平值及假設**

就授出購股權而獲得之服務之公平值，乃參考所授出購股權之公平值而計量。於二零零四年七月六日授出購股權之估計公平值約為人民幣1,089,000元。所獲得之服務之公平值，乃按Black-Scholes期權定價模式進行估計，並載述如下：

購股權之公平值及假設

	6 July 2004 二零零四年七月六日
	HK\$0.256 0.256港元
	36%
	2.4 years
	2.4年 2.22%
	0%

預期波動乃根據本公司股價按一年年度化之歷史波動而釐定。模式中所用之預期年期，已根據管理層人員對不可轉讓、行使限制及行為方面之考慮因素之影響所作之最佳估計而予以調整。

上述計劃乃根據以下假設而進行：購股權整段年期內預期之波動，與上述普通股之歷史波動之間並無重大差異。

31. 退休福利計劃

本集團就僱用於香港僱傭條例管轄範圍之僱員，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。

本公司於中國成立之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。

31. RETIREMENT BENEFITS SCHEME (continued)

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 7(a) to these financial statements.

The Group does not have any other pension schemes for its employees in respect of the subsidiaries outside Hong Kong and PRC. In the opinion of the directors of the Company, the Group did not have any significant contingent liabilities as at 31 December 2005 and 2004 in respect of the retirement of its employees.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash at bank, cash on hand, money at call and short notice, trade and other receivables, trading securities, and trade and other payables. The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk, liquidity risk and price risk. The directors of the Company meet periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The directors review and agree policies for managing each of these risks and they are summarised as follows:

a) Fair value and cash flow interest rate risks

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group believes its exposure to fair value and cash flow interest risks is normal.

b) Foreign exchange risk

The Group's monetary assets and transactions are principally denominated in Renminbi ("RMB"). The Group believes its exposure to foreign exchange rate risk is normal. At present, the Group does not intend to seek to hedge its exposure to foreign exchange risk profile, and will consider appropriate hedging measures in future as may be necessary.

31. 退休福利計劃(續)

根據上述計劃，現有及退休僱員之退休福利由有關計劃管理人負責支付，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年內之綜合收益表中處理，並已於財務報表附註7a)中披露。

本集團並無就香港及中國以外附屬公司僱員設立任何其他退休金計劃。本公司董事認為，於二零零五年及二零零四年十二月三十一日，本集團並無任何有關其僱員退休之重大或然負債。

32. 財務風險管理目標及政策

本集團之主要金融工具包括銀行現金、手頭現金、通知及短期通知存款、貿易及其他應收款項、交易證券，以及貿易及其他應付款項。因本集團金融工具而產生之主要風險為利率風險、外匯風險、信貸風險、流動資金風險及價格風險。本公司董事會定期舉行會議，以分析及制定措施，處理本集團所面對之該等風險。一般而言，本集團在風險管理方面採用保守策略。由於本集團將所面對之有關風險盡量減低，故本集團並未使用任何衍生工具或其他工具作對沖用途。本集團並無持有或發行任何衍生金融工具作交易用途。董事審核及協定有關管理各種風險之政策，現概述如下：

a) 公平值及現金流量利率風險

公平值利率風險乃指金融工具之價值將因為市場利率變動而波動。現金流量利率風險則指金融工具之未來現金流量將因為市場利率變動而波動。本集團相信，面對公平值及現金流量利率風險乃屬正常。

b) 外匯風險

本集團之貨幣資產及交易均主要以人民幣(「人民幣」)計值。目前，本集團並無意尋求對其所面對之外匯風險對沖，並將考慮於日後有需要時採取適合之對沖措施。

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**c) Credit risk**

Credit risk arises from the possibility that the counterparty to a transaction is unwilling or unable to fulfill its obligation with the results that the Group thereby suffers financial loss. In order to minimise the credit risk, the management of the Group evaluates regularly the level of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the directors of the Company consider that the Group's credit risks is significantly reduced. The Group has no significant concentrations of credit risk.

d) Liquidity risk

The Group will consistently maintain a prudent financial policy and ensure that it maintains sufficient cash to meet its liquidity requirements.

e) Price risk

The Group's trading securities are measured at fair value at each balance sheet date. The fair value of trading securities is based on the quoted market price as at the balance sheet date. Therefore, the Group is exposed to equity security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

33. COMMITMENTS

At 31 December 2005, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

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

32. 財務風險管理目標及政策 (續)**c) 信貸風險**

信貸風險乃指交易之對手不願意或不能支付其債務而導致本集團蒙受財務虧損之可能性。為了盡量減低信貸風險，本集團之管理層人員定期評估信貸限額之水平、信貸批核及其他監督程序，以確保為收回逾期債項而採取跟進行動。此外，本集團定期審核各個別應收款項之可收回款額，以確保就不可收回款額作出足夠之減值虧損。為此，本公司董事認為，已大幅減低本集團之信貸風險。

本集團並無嚴重集中之信貸風險，且所面對之風險乃分散於多個對手及客戶。

d) 流動資金風險

本集團將貫徹保持審慎之財務政策，以確保其維持有足夠現金應付其流動資金需求。

e) 價格風險

本集團之貿易證券乃於各結算日，按公平值計量。貿易證券之公平值乃根據結算日所報之市價計算。因此，本集團要面對股本證券價格風險。管理層人員透過維持具有不同風險之投資組合而管理有關風險。

33. 承擔

於二零零五年十二月三十一日，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	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB,000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
207	228	-	-
98	-	-	-
305	228	-	-

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to two years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

本集團按經營租約租賃若干物業。租約一般最初年期由一至兩年不等，可於重新磋商所有條款後續租。概無租約附有任何或然租金。



31 December 2005 (Expressed in Renminbi)
二零零五年十二月三十一日止年度 (以人民幣列值)

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm with the current year's presentation.

34. 比較數字

若干比較數字已重新分類，以符合本年度之呈報方式。

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