



年報 **2005**
ANNUAL REPORT

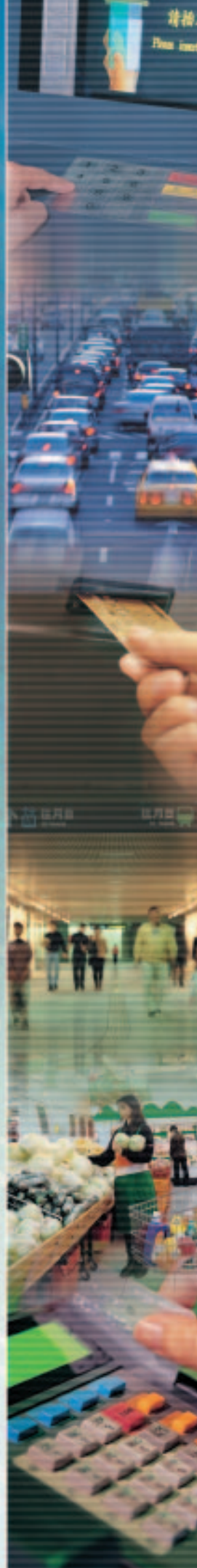


Jian ePayment Systems Limited

華普智通系統有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)



香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

創業板為帶有高投資風險之公司提供上市之市場。尤其在創業板上市之公司毋須有過往溢利和記錄。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。

有意投資之人士應瞭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經驗豐富投資者。

由於創業板上市之公司屬於新興性質。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。

創業板所發佈之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。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意彼等能閱覽創業板網頁，以便取得創業板上市發行人之最新資料。

聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因依據該等內容而引致之任何損失承擔任何責任。

本報告(華普智通系統有限公司(「本公司」)各董事(「董事」)願共同及個別對此負全責)乃遵照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」)之規定而提供有關本公司之資料。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，且無誤導成分；(2)並無遺漏任何其他事實致使本報告所載任何聲明產生誤導；及(3)本報告內表達之一切意見乃經審慎周詳考慮後方始作出，並以公平合理之基準和假設為依據。

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK 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 Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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

This report, for which the directors (the “Directors”) of Jian ePayment Systems Limited (the “Company”) collectively and individually accept responsibility includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. 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.

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本人謹代表華普智通系統有限公司（「本公司」），連同其附屬公司（統稱「本集團」）之董事會公佈截止至二零零五年十二月三十一日止年度（「本年度」）之經審核業績。

財務回顧

本集團本年度與上年度相比營業收入取得大幅度增長。本集團截至二零零五年十二月三十一日止獲得營業額約為人民幣15,948,000元，比上年度增長95%；本年度股東應占盈利約為人民幣1,283,000元，扭轉了本集團連續兩年巨幅虧損的局面。

業務發展

截至2005年12月31日止，集團本年度共增發了454,000張華普智通卡，使華普智通卡的累積流通量約達到1,100,000張，相對於2004年累計流通650,000張，增長了69%。

截至2005年12月31日止，集團出售的有關泊車咪表的軟硬體約為3,017套，比2004年的1,750套，增長了72.4%。

截至2005年12月31日止，集團交易徵費收入為人民幣1,871,000元，比2004年度的人民幣1,479,000元增長了26.5%。

重組併購

本集團與武漢市公共交通集團有限公司於二零零五年二月二十四日簽署了武漢市公共交通票務管理有限公司合資合同，並已獲得法律規定的政府方面的全部審批文件，包括武漢市國有資產管理委員會、武漢市發展改革委員會、湖北省商務廳和湖北省人民政府的批文。

I would like to announce the audited operating results for the year ended 31 December 2005 ("this year") on behalf of the Board of Directors of Jian ePayment Systems Limited (the "Company") and its subsidiaries (together referred to as the "Group").

FINANCIAL REVIEW

In this year, the Group had a sharp increase in its operating income as compared with the preceding year. For the year ended 31 December 2005, its turnover was RMB15,948,000, representing an increase of 95% over last year, while the profit attributable to shareholders amounted to approximately RMB1,283,000. The Group achieved a successful turnaround after suffering heavy losses for the past 2 years.

BUSINESS DEVELOPMENT

As at 31 December 2005, the Group had further issued 454,000 pieces of Jian Smart Pass, making the accumulated number of Jian Smart Pass in issue reached to about 1,100,000. That represented a growth of 69% from the accumulated number of 650,000 pieces of Jian Smart Passes in 2004.

As at 31 December 2005, the Group sold 3,017 sets of parking meter software and hardware packages, increased by 72.4% from 1,750 sets of 2004.

For the year ended 31 December 2005, transaction levies charged by the Group amounted to RMB1,871,000, increased by 26.5% from RMB1,479,000 of 2004.

RESTRUCTURING AND M&A

On 24 February 2005, the Group and Wuhan Transportation Group Company Limited entered into a joint venture contract related to Wuhan Traffic IC Card Management Limited, and had received all necessary approvals from governmental authorities as required by law, among them the approvals from Wuhan Municipal State-owned Assets Supervision and Administration Commission, Wuhan Municipal Development and Reform Commission, Hubei Business and Trading Office and Hubei Provincial Government.

未來展望

本集團前幾年投放市場的電子泊車設備和系統技術，經受了市場的考驗，逐步成為中國市場的主導技術產品。本集團原有客戶陸續增加了設備訂購的數量，交易徵費收入也恢復增長。預期二零零六年公司核心業務還會有較快的增長，市場份額將進一步擴大。

本集團不斷尋求合作開發中國電子支付市場的機會，由於本集團在武漢市一卡多用推廣進展取得良好的效果，在武漢市政府有關部門的支援推動下，本集團與武漢市公共交通票務管理有限公司就以華普智通卡的推廣模式、以武漢已發行超過170多萬張公交IC卡為基礎展開合作，在武漢市建立類似香港“八達通”的一卡通體系。

展望未來，本集團董事堅信，本集團二零零六年營業收入將陸續取得大幅增長，足以支援公司各項費用開支和正常經營，並有信心引進投資者完成武漢市公共交通票務管理有限公司並購及其他合作專案的推進，為公司帶來新的收入增長點和業務發展空間。最終使華普智通卡成為中國若干城市居民普遍擁有、經常使用的便民卡。

鳴謝

本人藉此機會，謹代表董事會向本集團的管理層及員工致謝；亦感謝列位股東、投資者、業務夥伴、各位客戶及供應商在過往一年來對集團的支援及鼓勵；亦感謝律師、會計師、顧問及其所在的企業的幫助與支援。

主席
翦英海
謹啟

中國北京，二零零六年三月二十八日

FUTURE OUTLOOK

The electronic parking equipment and system technology launched to the market by the Group a few years ago have gradually become the leading technological products in the PRC market after the harsh market competition. The existing customers of the Group increased their orders of equipment progressively while revenue from the transaction levies regained its growth momentum. The sale of our core business is expected to grow faster in 2006, which will result in a greater market share.

The Group has been seeking opportunities of joint development of the electronic payment market in China. Based on the satisfactory results of the promotion of “One Card Multiple Uses” system in Wuhan and with the support from relevant departments of Wuhan Municipal Government, the Group and Wuhan Traffic IC Card Management Limited have commenced cooperation to establish a “One Card Multiple Uses” system similar to the Octopus Cards of Hong Kong modeling the marketing of Jian Smart Pass and on the basis of more than 1,700,000 Traffic IC Cards in circulation in Wuhan.

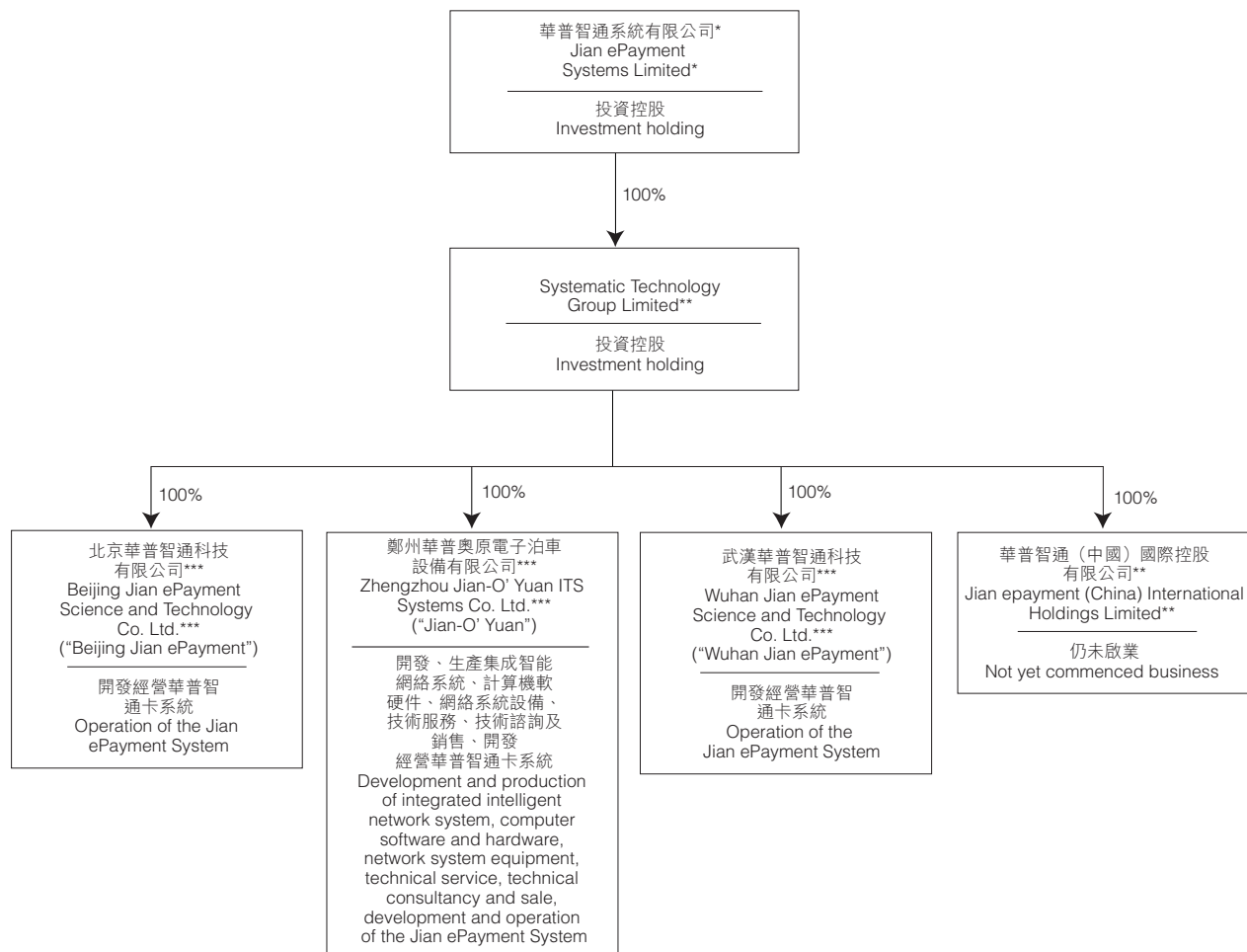
Looking ahead, the Board of Directors has no doubt that the Group will continuously record substantial growth in operating income in 2006 to generate sufficient funds for various expenses and the need of daily operation. We are confident that successful acquisition of Wuhan Traffic IC Card Management Limited and other projects will bring about new sources of income for business development to the Company. Ultimately, we aim at making Jian Smart Pass a convenient card widely used by residents throughout China.

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to thank the management and staff members of the Group. Besides, I would like to thank all shareholders, investors, business partners, customers and vendors for their support and encouragement given to the Group in the past years. My thanks are also extended to the lawyers, auditors, consultants and relevant enterprises for their help and support.

Yours faithfully,
CHIN YING HOI
Chairman

Beijing, the PRC, 28 March 2006



* 於開曼群島註冊成立

** 於英屬處女群島註冊成立

*** 於中國成立

* incorporated in the Cayman Islands

** incorporated in the British Virgin Islands

*** established in the PRC

財務摘要

FINANCIAL HIGHLIGHTS

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	變動 Change
營業額	Turnover	15,948	8,173	95%
毛利	Gross profit	9,479	4,177	127%
股東應佔盈利／(虧損)	Profit/(loss) attributable to shareholders	1,283	(35,601)	N/A
每股基本盈利／(虧損)	Basic earnings/(loss) per share	0.003	(0.089)	N/A

財務回顧

本集團截至二零零五年十二月三十一日止全年之營業額約為人民幣15,948,000元，比二零零四年同期上升95%。本年度內股東應佔盈利約為人民幣1,283,000元，每股基本盈利約為人民幣0.003元。

FINANCIAL REVIEW

For the year ended 31 December 2005, the Group recorded a turnover of approximately RMB15,948,000, representing an increase of 95% over that of 2004. Profit attributable to shareholders for the year was approximately RMB1,283,000, while basic earnings per share was RMB0.003.

按產品劃分之營業額

TURNOVER BY PRODUCT

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	變動 Change
軟、硬體銷售收入	Sales of hardware and software	14,077	6,694	110%
交易徵費	Transaction levies	1,871	1,479	27%
總計	Total	15,948	8,173	95%

本集團二零零五年年度之收入來源於華普智通軟硬體銷售收入大約人民幣14,077,000元，交易徵費大約人民幣1,871,000元。

The Group's revenue for 2005 came from sales revenue of Jian ePayment software and hardware sales of approximately RMB14,077,000 and transaction levies of approximately RMB1,871,000.

股東應佔盈利

本年度的股東應佔盈利約為人民幣1,283,000元，轉虧為盈的主要原因是由於營業額大幅度增加，而導致毛利增長，及本集團加強費用控制而使費用總額比去年同期減少54%。

財政狀況**PROFIT ATTRIBUTABLE TO SHAREHOLDERS**

Profit attributable to shareholders for the year was approximately RMB1,283,000, a turnaround from the condition of suffering major loss in the preceding two years. This was mainly due to the significant increase in turnover and gross profit. In addition, the Group has also reduced the total expenses by 54% over last year by strengthening its cost-control.

FINANCIAL CONDITION

		截至於 二零零五年 十二月三十一日 As at 31 December 2005 人民幣千元 RMB'000	截至於 二零零四年 十二月三十一日 As at 31 December 2004 人民幣千元 <i>RMB'000</i>	變動 Change
現金及現金等價物	Cash and cash equivalents	5,305	6,428	-17%
總資產	Total assets	17,764	21,209	-16%
股東權益	Shareholders' funds	(8,214)	(9,504)	14%
非流動負債	Non-current liabilities	-	5,305	N/A
流動比率(倍)	Current ratio (Times)	0.58	0.51	14%

總資產

本年度本集團的總資產較上年同期減少16%，約人民幣17,764,000元，其中固定資產約為人民幣2,682,000元，流動資產(包括現金)約人民幣15,082,000元。

Total assets

The Group's total assets in the Year decreased by 16% to RMB17,764,000, mainly comprising fixed assets of approximately RMB2,682,000 and current assets (including cash) of approximately RMB15,082,000.

流動資金及財政資源

目前本集團之現金及現金等價物合計共人民幣5,305,000元，並流動比率亦由二零零四年之0.51改變為本年度之0.58。

LIQUIDITY AND FINANCIAL RESOURCES

The Group currently has cash and cash equivalents of RMB5,305,000 in total, while the current ratio has changed from 0.51 for 2004 to 0.58 this year.

管理層論述及分析

MANAGEMENT'S DISCUSSION AND ANALYSIS

資產抵押

於二零零五年十二月三十一日，本集團並無抵押其資產。

匯兌風險

本集團所有資產、負債及交易均以港元、美元或人民幣計算，由於年內港元、美元及人民幣之匯率維持穩定，故此本集團亦無任何重大之外匯匯兌風險。

人力資源

管理

銷售及市場推廣

採購及供應

生產

研究及開發

財務及行政

總計

Management

Sales and Marketing

Purchasing and Supplies

Production

Research and Development

Finance and Administration

Total

14

8

2

10

9

11

54

16

12

3

41

10

9

91

二零零五年根據本集團的業務需要調整了人力資源結構，進行了較大幅度的增減整合。員工總人數減少到54人，基本形成了精幹有效的人力資源管理體系。

本集團按工作表現、經驗及現行行業慣例而制定僱員薪金。本集團亦提供強積金福利予香港僱員及法定公積金予中國僱員。

本集團深知僱員培訓之重要性。除在職培訓外，本集團亦定期為僱員提供內部及外間培訓，以加強其技術或產品知識。

Charges on Assets

As at 31 December 2005, the Group did not have any charge on its assets.

Exchange Rate Exposure

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollar, US dollar or Renminbi. As the exchange rates of Hong Kong dollar, US dollar and Renminbi were relatively stable during the Year, the Group was not exposed to material foreign exchange risk.

Human Resources

於二零零五年 十二月三十一日 員工數目 As at 31 December 2005 Total number of staff	於二零零四年 十二月三十一日 員工數目 As at 31 December 2004 Total number of staff
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In 2005, the Group had adjusted human resources structure according to its business needs by conducting large-scale restructure. The number of employees have been reduced to 54, which formed the basis of the efficient and effective human resources management system.

The Group remunerates its employees based on their performance, experience and the prevailing industry practice. The Group also provides Mandatory Provident Fund benefits for its employees in Hong Kong and the Statutory Retirement Scheme for its employees in China.

The Group recognises the importance of staff training. Apart from on-the-job training, the Group had regularly provided internal and external training for its staff to enhance their technical skills or product knowledge.

管理層論述及分析

重大投資

除本公司對其附屬公司之投資外，本集團年內並無持有任何重大投資。

業務回顧

本集團本年度與上年度相比，營業收入取得大幅度增長，本集團截至二零零五年十二月三十一日，咪表系統(包括軟硬體)銷售數量達3,017套，比二零零四年度的1,750套增加72.4%；軟硬體銷售收入為人民幣14,077,000元，比二零零四年度的人民幣6,695,000元增加了110%。

增幅主要由於現有客戶之訂單增加及本年內新增兩個客戶，上海白玉蘭智能交通系統管理有限公司及廣州市番禺道建停車經營管理有限公司，令軟硬體銷售額躍升。

由於本集團原有和新增客戶陸續增加了咪表數量，使得華普智通卡的發行量繼續增加，本年度華普智通卡增發454,000張，比上年度增發148,000張增加了207%；發卡總量達到1,100,000張，比上年度的650,000張增加69%。發卡量增加主要是由於客戶日益感受到華通智能卡所提供的便利。

由於發卡數量及咪表數量的增長，刷卡交易數額繼續增加。本年度交易徵費收入為1,871,000元，比上一年度的1,479,000元增加了27%。

MANAGEMENT'S DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS

Save for the Company's investments in its subsidiaries, the Group did not have any significant investment.

BUSINESS REVIEW

In this year, the Group had a sharp increase in its operating income as compared with the preceding year. As at 31 December 2005, the Group sold 3,017 sets of parking meters (including its software and hardware). An increase of 72.4% as compared to 1,750 sets in last year. Sales revenue from hardware and software amounts to RMB14,077,000, an increase of 110% from RMB6,695,000 in last year.

This was mainly due to the increasing orders from our existing customers and the addition of two new customers, namely Shanghai Bai Yu Lan Intelligent Transportation System Management Co. Ltd. (上海白玉蘭智能交通系統管理有限公司) and Guangzhou Pan Yu Road-building Management Ltd (廣州市番禺道建停車經營管理有限公司). This has boost up the sale of our hardwares and software.

With the increased volume of parking meters placed by both the existing and new customers of the Group, the number of Jian Smart Pass in issue had continued to grow. The Group had further issued 454,000 pieces of Jian Smart Passes, represented a growth of 207% from 148,000 pieces of new issued passes in previous year. The accumulated number of Jian Smart Pass in issue grew 69% from 650,000 to reach 1,100,000. This was mainly due to customers' increasing awareness of the advantages of using the Jian Smart Pass.

As the number of both smart cards issued and parking meters increased, smart cards transactions have increased. The Group recorded transaction levies income of RMB1,871,000, which has an increase of 27% as compared to RMB 1,479,000 in previous year.

未來發展

本集團在二零零五年獲得了兩個新的客戶。其中，上海市白玉蘭智能交通系統管理有限公司是上海市中心區域道路停車場系統設備的中標企業，自二零零五年五月系統試運行以來，已成功為上海市提供了安全、穩定、可靠、高效的系統服務，與政府主管部門、各區泊車經營管理單位都建立了良好的業務合作關係。根據上海市六局一委滬交停(2005)621號文件的精神，上海市在未來兩年內，在成功實現試點區域運營的基礎上，要逐步在全市範圍內的319個道路停車場、涉及8,252個泊位推廣使用咪表管理。本集團已與上海白玉蘭智能交通系統管理有限公司簽署了在未來兩年內由本集團負責提供其所需咪表系統的研發及生產的合作意向。

另一個新客戶為廣州市番禺道建停車經營管理有限公司。該公司是獲得在番禺地區獨家經營道路電子泊車經營管理的企業，在本年度已向本集團訂購咪表450套。

中國經濟的持續增長，汽車日漸普及，對泊車空間的需求越來越大。越來越多的中國城市將陸續就提供泊車系統進行招標。本集團憑藉於系統研發、生產、運營方面擁有的充裕經驗，必將在市場銷售方面獲得更大的進展。

同時，隨著本集團收購武漢市公共交通票務管理有限公司的最終達成，將使得本集團的一卡多應用業務在一個更大的平臺上得以實施。本集團在交易徵費方面的收入必將大幅提升。

FUTURE DEVELOPMENT

In 2005, the Group has 2 new customers, One of them, namely Shanghai BaiYuLan Intelligent Transportation System Management Co., Ltd., is an enterprise who has won the tender for provision of parking system for the roadside in the metropolitan area of Shanghai. Since its trial run in May 2005, the system has proved to be a safe, stable, reliable and highly efficient service in the city of Shanghai. The enterprise has formed good business partnership with various governmental departments and car parking service companies. Based on the principles established by the Document no. 上海市六局一委滬交停(2005)621 (shanghaishi liujuyiwei hu jiao ting (2005) 621) and the success of trial operation in some districts, Shanghai will progressively promote the use of parking meters in the entire city with 319 parking facilities involving 8,252 parking spaces in the next 2 years. The Group had entered into a letter of intent with Shanghai BaiYuLan Intelligent Transportation System Management Co., Ltd., pursuant to which the Group will provide to this Company the required research and development as well as manufacturing services of parking meter system for the next 2 years.

Another new customer is Guangzhou PanYu Road-building Management Ltd.. This Company has been granted with an exclusive right to operate electronic parking system in Panyu area. It had placed an order for 450 sets of parking meters with the Group during the year.

With the economic growth in China, motor vehicle becomes common. So, there is an increasing demand for parking spaces. More cities in PRC will prepare to invite tenders for the provision of parking system. With the experience in system development, production and operation, the Group is in a good position to expand further in this area.

At the same time, the acquisition of Wuhan Traffic IC Card Management Limited will create a wider platform for the Group's "One Card Multiple Uses" system business to develop. The Group will achieve substantial growth in revenue from transaction levies.

研發與生產工作

為配合本集團新的客戶在上海、番禺等新的市場應用需求，本集團在本年度內相繼開發出了適合使用上海公共交通卡的新款咪表讀寫模組及J1000A型帶列印票據功能的新型咪表，準備投入批量生產。

完成了適合番禺需求的J2000-1型新款咪表的研製和生產，獲得了用戶的好評。並根據當地運營公司在廣州、番禺兩地異地使用同一張卡的實際需求，分別對廣州與番禺的後臺系統進行了升級。

為了進一步提升本集團產品的工藝質量、降低生產成本，本集團在二零零五年內重新調整了產品重要零部件的採購和加工渠道，使得產品質量有了進一步的提升，同時降低了生產成本。

本集團根據各地對後臺系統的新增功能要求，結合各地已開展“一卡多用”的具體情況，研發部門已經著手對後臺系統軟體進行升級，增加了與“上海市公共交通卡”等在用系統之間的資料交換、清分及結算功能，改進了資料存儲、查詢、列印及安全功能，該項工作已取得階段性成果。

公司結構調整

由於本集團在本年度中集中精力和資源於武漢市場，力求儘快實現武漢市公共交通票務管理有限公司並購案的最終達成。同時，計劃在並購案完成之後，以該合資公司為平臺整合武漢市的一卡多用市場資源。因此，已逐步停止了本集團全資子公司武漢華普智通科技有限公司在當地的業務運作，並計劃在合資公司成立後將原武漢華普智通科技有限公司的合作關係和市場資源一併轉入合資公司。

R&D AND PRODUCTION

To meet the demand for applications in new markets in Shanghai and Panyu from our new customers, the Group had developed a new model of parking meter reader-writer module and a new J1000A parking meter with bill printer function. Large scale production of these new products is on the production line.

Our R&D and production of J2000-1 model parking meter customised with requirements of Panyu had been completed with enthusiastic response from the users. In accordance with the practical need of the operating entity to enable its cards to be used in both Guangzhou and Panyu, the Group had completed the upgrade for both Guangzhou's and Panyu's back systems.

In view of further enhancing the technique used in its products as well as lowering its production cost, the Group had re-engineered its purchase and process channels for key components of its products in 2005. As a result, quality of our products had further improved and costs had been lowered as well.

In line with the demands for new functions of the back office system as well as the actual progress of “One Card Multiple Uses” project in various districts, the Research and Development Department of the Group has been engaged in the development of an upgraded back office system software which will include new functions such as information exchange, separation and settlement between the system and “Shanghai All-in-one Public Transportation Card” and other systems in use, and improve the existing functions such as data storage, inquiry, printing and security. The project has already achieved preliminary result.

CORPORATE RESTRUCTURE

As the Group's focus had been at Wuhan market during the year both in terms of effort spent and resources invested for a quick conclusion to the M&A deal of Wuhan Traffic IC Card Management Limited, and that it intended to consolidate its various investments in the “One Card Multiple Purposes” market at Wuhan into the joint venture (subsequent to the conclusion of the M&A), our wholly-owned subsidiary, Wuhan Jian ePayment Science and Technology Co., Ltd. had been ceasing its operations in that market. The Group also plans to transfer all partnerships and market resources under Wuhan Jian ePayment Science and Technology Co., Ltd. into the joint venture.

執行董事

翦英海先生 (主席)
楊國偉先生 (首席執行官)
劉德富先生 (已於2006年2月1日離職)
李隨洋先生

獨立非執行董事

曲嘯國先生
張曉京先生
董芳女士

註冊辦事處

Century Yard
Cricket Square
Hutchins Drive
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George Town
Grand Cayman
British West Indies

總辦事處及主要營業地點

中國北京
朝陽門外大街19號
華普國際大廈17層

香港辦事處

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中環
干諾道中50號
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航海東路1096號

香港上海滙豐銀行
香港
皇后大道中1號

EXECUTIVE DIRECTORS

Mr. Chin Ying Hoi (*Chairman*)
Mr. Yang Guo Wei (*Chief Executive Officer*)
Mr. Liu De Fu (*resigned on 1 February 2006*)
Mr. Li Sui Yang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qu Xiao Guo
Mr. Zhang Xiao Jing
Ms. Tung Fong

REGISTERED OFFICE

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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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PRINCIPAL BANKERS

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Henan Province
The PRC

The Hongkong and Shanghai Banking Corporation
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Hong Kong

公司資料

監察主任

李隨洋先生

合資格會計師及公司秘書

洪麗娟女士

授權代表

翦英海先生

劉德富先生 (已於2006年2月1日離職)

楊國偉先生

審核委員會成員

曲嘯國先生

張曉京先生

董 芳女士

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香港股份過戶登記處

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核數師

羅申美會計師行
執業會計師
香港
告士打道一三八號
聯合鹿島大廈七字樓

本公司之法律顧問

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珞珈山大廈
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CORPORATE INFORMATION

COMPLIANCE OFFICER

Mr. Li Sui Yang

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Ms. Ang Lai Kuen

AUTHORISED REPRESENTATIVES

Mr. Chin Ying Hoi

Mr. Liu De Fu (*resigned on 1 February 2006*)

Mr. Yang Guo Wei

MEMBERS OF THE AUDIT COMMITTEE

Mr. Qu Xiao Guo

Mr. Zhang Xiao Jing

Ms. Tung Fong

PRINCIPAL SHARE REGISTRAR

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Wan Chai
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AUDITORS

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Certified Public Accountants
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138 Gloucester Road
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Wuhan
Hubei Province
The PRC

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILES

董事

執行董事

翦英海先生，44歲，本集團主席兼總經理兼創辦人。翦先生負責本集團之整體策略規劃。彼為北京大學現代化進程研究中心研究員，於策略規劃方面積逾16年經驗，為中國人民政治協商會議全國委員會委員，亦為北京市工商業聯合會執行委員會委員及中華海外聯誼會理事。

楊國偉先生，52歲，本集團執行董事兼首席執行官。楊先生於二零零四年四月加入本集團，擁有超過22年經營管理多家公司之經驗，並在此等企業擔任高級職位。楊先生曾於中國、日本及美國接受高等教育。楊先生於過去三年並無擔任任何上市公司之董事職務。

劉德富先生，74歲，為本集團執行董事兼副總經理。劉先生於一九九四年八月加入本集團，負責本集團之財政管理。彼在一九八二年畢業於中國財政金融學院，為高級經濟師及中國金融學會會員，於中國之銀行業及企業金融融資方面擁有逾十年經驗。

李隨洋先生，49歲，本集團副執行董事兼副總經理。李先生於一九九六年十月加入本集團，負責本集團之整體市場發展。彼持有中國西北大學經濟管理碩士學位，曾於西安統計學院任講師，於中國零售、房地產及電子業之市場發展方面擁有逾十三年經驗。

DIRECTORS

Executive Directors

Mr. Chin Ying Hoi (翦英海), aged 44, is the chairman, the general manager and the founder of the Group. Mr. Chin is responsible for the overall strategic planning of the Group. He is a researcher of 現代化進程研究中心 (Research Centre of the Development and Modernization of the PRC) at Peking University. He has over 16 years' experience in strategic planning. He is a member of Chinese People's Political Consultative Conference. He is also an executive member of Beijing Federation of Industry and Commerce and a member of All-China Overseas Federation.

Mr. Yang Guo Wei (楊國偉), aged 52, is an executive director and the chief executive officer of the Group. Mr. Yang joined the Company in April 2004 and has more than 22 years experience in operation and management of various companies and held senior position in these companies. Mr. Yang had been tertiary educated in the PRC, Japan and the USA. Mr. Yang has not held any directorship in any listed companies in the last 3 years.

Mr. Liu De Fu (劉德富), aged 74, is an executive director and a deputy general manager of the Group. Mr. Liu joined the Group in August 1994 and is responsible for the financial management of the Group. He graduated from China Central Financial and Monetary Institute in 1982. He is a Senior Economist and a member of Chinese Monetary Society. He has over 10 years' experience in the field of banking and corporate finance in the PRC.

Mr. Li Sui Yang (李隨洋), aged 49, is an executive director and a deputy general manager of the Group. Mr. Li joined the Group in October 1996 and is responsible for overall market development of the Group. He holds a master's degree of economic administration from North-west China University. He was a lecturer at Xian Statistics College. He has over 13 years' experience in market development in retail, real estate and electronics industry in the PRC.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILES

獨立非執行董事

曲嘯國先生，35歲，持有清華大學工商管理碩士學位，現為北京隆安信財務諮詢有限公司之總經理，於二零零四年九月二十八日獲委任為獨立非執行董事。

張曉京先生，51歲，持有北京科技大學工程學士學位，現為北京萬泰北海大廈有限公司之董事總經理，於二零零一年十月二十六日獲委任為獨立非執行董事。

董芳女士，59歲，持有北京對外貿易學院國際貿易學士學位，現為Grand Rise Investment Ltd.之主席，於二零零一年十月二十六日獲委任為獨立非執行董事。

高層管理人員

洪麗娟女士，39歲，本集團財務總監兼公司秘書，洪女士於二零零五年六月加入本集團，為執業會計師，彼為特許公認會計師公會資深會員、香港會計師公會會員和特許管理會計師公會會員。洪女士擁有逾十五年核數、會計及財務管理經驗。

常翔女士，51歲，本集團副總，負責本集團資本及財務工作。常女士於二零零四年九月加入本集團，畢業於瀋陽工業大學。在中國企業財務管理方面擁有逾二十三年經驗。

宋衛先生，39歲，本集團副總，負責本集團業務工作。宋先生於二零零二年六月加入本集團，彼持有北京科技大學工學士學位。曾任北京海華通訊公司福州分公司、天津分公司總經理；北京東方網景資料通訊有限公司市場部經理等職。於中國之IT服務業擁有逾十二年經驗。

Independent non-executive Directors

Mr. Qu Xiao Guo (曲嘯國), aged 35, holder of a master degree in business administration from The Tsinghua University, is the General Manager of Beijing Long An Xin Finance Consulting Company Limited. He was appointed as independent non-executive director on 28 September 2004.

Mr. Zhang Xiao Jing (張曉京), aged 51, holds a bachelor's degree of engineering from Beijing Science and Technology University. He is the managing director of Beijing CNT Manhattan Building Co. Ltd.. He was appointed as independent non-executive director on 26th October, 2001.

Ms. Tung Fong (董芳), aged 59, holds a bachelor's degree of international trade from Beijing Foreign Trade Institute. She is the chairman of Grand Rise Investment Ltd. She was appointed as independent non-executive director on 26 October 2001.

SENIOR MANAGEMENT

Ms. Ang Lai Kuen (洪麗娟), aged 39, is the Financial Controller of the Group since June 2005. Ms. Ang has over 15 years of experience in auditing, accounting and financial management. She is a Certified Public Accountants (Practising), a fellow member of the Association of Chartered Certified Accountants and an associate member of both Chartered Institute of Management Accountants and Hong Kong Institute of Certified Public Accountants.

Ms. Chang Xiang (常翔), aged 51, is responsible for the equity and finance function of the Group. Ms. Chang joined the Group in September 2004. She graduated from Shenyang Industry University, and has over 23 years' experience in the corporate financial management of China.

Mr. Sung Wei (宋衛), aged 39, is the deputy chairman and responsible for the operation of the Group. Mr. Sung joined the Group in June, 2002. He holds a degree of Engineering from 北京科技大學. He used to work as a general managers in Fuzhou and Tianjin branches of 北京海華通訊公司; Fas the manager of the marketing department in 北京東方網景資料通訊有限公司. He has over 12 years' experience in IT services industry in PRC.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILES

扶宏華先生，31歲，本集團總會計師，負責財務合併管理工作。扶先生於2005年11月加入本集團。彼2004年中央財經大學金融學碩士研究生畢業。曾任優能數碼公司高級財務經理及事業部財務經理、海虹(企業)企業控股公司總裁助理和高級財務經理、北京維信諾公司財務總監、航太量子(北京)公司運營總監，於企業集團財務管理方面擁有逾6年工作經驗。

孫昌成先生，34歲，本集團總工程師，負責研究開發工作。孫先生於二零零二年九月加入本集團，彼持有北方工業大學工學學士學位。曾任新加坡STOVAL科技有限公司研發工程師、德國Amatech新加坡分公司研發高級工程師、山東魯能智慧科技有限公司硬體部經理。於中國之電子工程業方面擁有逾八年的經驗。

呂克非先生，38歲，本集團副總，負責集團行政人事工作。呂先生於2001年加入本集團。彼畢業於中國人民大學，在公司市場開發、行政管理方面有逾15年經驗。

陳振郎先生，31歲，本集團財務顧問。於二零零五年十月加入集團，彼為香港會計師公會之會計師，曾任上市公司財務總監及公司秘書，於審計、會計及財務等方面擁有逾六年的經驗，彼持有英國斯特林大學碩士學位。

Mr. Fu Hong Hua (扶宏華), aged 31, is the Chief Accountant of the Group and responsible for the management of financial consolidation. Mr. Fu joined the Group in November 2005. He graduated from 中央財經大學 with a Master of Philosophy in Finance. He used to work as a senior financial manager in 優能數碼公司 and financial manager in the 事業部; as a CEO assistant and senior financial manager in 海虹(企業)企業控股公司; as a financial supervisor in 北京維信諾公司; as an operation director in 航太量子(北京)公司. He has over 6 years' experience in corporate group financial management.

Mr. Sun Chang Cheng (孫昌成), aged 34, responsible for research and development of the Group. Mr. Sun joined the Group in September 2002. He holds a bachelor's degree of North China University of Technology. He was the research and development engineer of STOVAL Technology Pte. Ltd., Singapore, Amatech Singapore Pte. Ltd., German, and the manager of hardware department of Shan Dong Lu Neng Intelligence Technology Pte. Ltd. He has over eight years' experience in the electronic engineering industry of China.

Mr. Lu Ke Fei (呂克飛), aged 38, is the deputy chairman and responsible for administration and personnel issues. Mr. Lu joined the Group in 2001. He graduated from 中國人民大學, and he has over 15 years' experience in market development and executive administration.

Mr. Chen Chun Long (陳振郎), aged 31, is the financial consultant of the Group. Mr. Chen joined the Group in October 2005. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants. He was the financial controller of a listing company with six years' experience in the auditing, accounting and finance. He holds a master degree in Banking and Finance of University of Stirling.

董事會同寅謹將華普智通系統有限公司(「本公司」)及其附屬公司(以下統稱「本集團」)截止二零零五年十二月三十一日止年度報告連同經已審核之帳目呈覽。

主要業務及運營地區之分析

本集團為一間投資控股公司。各子公司主要從事一種後臺電子支付及資料記錄與處理的軟體系統(「華普智通系統」)之開發與運行，以及相關商業應用的製造與營銷。

本集團截止至二零零五年十二月三十一日止年度的營業額按產品種類分析列示如下：

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
軟硬體銷售收入	Sales of hardware and software	14,077	6,694
交易徵費	Transaction levies	1,871	1,479
總計	Total	15,948	8,173

截止二零零五年十二月三十一日止年度，本集團之營業額及收益主要來自於中華人民共和國(「中國」)從事軟硬體銷售、交易徵費之業務。

業績及分派

本集團年度之業績載於第30頁之綜合損益表內。

董事會建議不派發股息。

儲備

集團及本公司在本年度之儲備變動載於財務報表附註23。

固定資產

集團之固定資產變動詳情載於財務報表附註13。

The directors submit their annual report together with the audited accounts of Jian ePayment Systems Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. Its subsidiaries are principally engaged in the development and operation of a back end electronic receipt/payment and data recording and processing software system ("Jian ePayment System") and manufacturing and distribution of the associated commercial applications.

An analysis of the Group's turnover by product category for the year ended 31 December 2005 is as follows:

For the year ended 31 December 2005, substantially all the turnover and revenue of the Group were attributable to the sales of hardware and software and transaction levies in the People's Republic of China (the "PRC").

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated profit and loss account on page 30.

The directors do not recommend the payment of a dividend.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in Note 23 to the financial statements.

FIXED ASSETS

Details of the movements in fixed assets of the Group are set out in Note 13 to the financial statements.

股本

本公司之股本變動詳情載於財務報表附註22。

可供分派儲備

於二零零五年十二月三十一日，本公司可供分派之儲備無(二零零四年：無)。

優先購股權

根據本公司章程中並未對優先購股權進行預提，根據開曼群島法律並無對預提作限制。

財務概要

集團上五個財政年度之業績及資產概要載於第89頁。

購買、出售或贖回股份

本公司於年內並無贖回本身之股份。本公司及各子公司於年內亦無購回或出售任何本公司之股份。

可轉換債券

二零零二年十一月三十日，本公司向獨立第三方(「認購人」)發行價值港幣10,000,000元(相當於等值人民幣10,611,000元)之可轉換債券。該可轉換債券可轉換為4,000,000股公司股份，每股初步換購價港幣2.50元(可調整)。認購人亦可選擇於二零零二年十一月十八日(可轉換債券認購日)起計之六個月內以港幣10,000,000元認購每股換購價為3.00元之第二張可轉換債券。截止於二零零三年五月十八日認購人並未行使其選擇權，認購第二張可轉換債券。

以上可轉換債券均於發行兩年後到期。債券持有人可於可轉換債券發行日期起十二個月後行使股權。每次換股需以港幣2,000,000元之完整倍數為單位。

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 22 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2005, the Company has no reserve (2004: Nil) available for distribution to its shareholders.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the laws of the Cayman Islands.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 89.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

CONVERTIBLE NOTES

The Company issued a convertible note of HK\$10,000,000 (equivalent to RMB10,611,000) to an independent third party (the "Subscriber") on 30 November 2002. The convertible note is convertible into 4,000,000 shares of the Company at an initial conversion price of HK\$2.50 per share (subject to adjustment). The Subscriber also has an option to subscribe for a second convertible note of HK\$10,000,000 at an initial conversion price of HK\$3.00 per share within 6 months after 18 November 2002, the date of subscription agreement. The Subscriber has not exercised its option to subscribe for the second convertible note as at 18 May 2003.

The maturity date for each convertible note is the second anniversary date of its issue. The conversion rights could be exercised by the convertible note-holders after a period of 12 months from the respective dates of issue of the convertible notes and each conversion shall be in the integral multiples of HK\$2,000,000.

可轉換債券均按香港上海滙豐銀行有限公司於有關計息期之最後營業日向客戶所報之港元最優惠貸款利率加1%之年利率計息。

二零零四年十一月十八日本集團與債券持有人達成協定，歸還債券本金和利息計約港幣5,300,000元。

在二零零五年度，已付還部份利息和本金共港幣500,000元，剩餘本金約港幣4,700,000元。

購股權

根據二零零一年十一月十九日本公司採納的股權計劃（「購股權計劃」），本公司將授權該股權計劃的參與者預購本公司股票。參加者包括僱員（包括董事），以及本集團之經由董事會或有權之委員會授權，為本集團發展做出貢獻的諮詢顧問、供應商和客戶。

因根據購股權計劃及其他認購計劃將售出而尚未實施之所有購股權因獲實施而可予發行之整體股份數目限額，總共不超過已發行股份之30%（「計劃限額」）。

該購股權計劃中任何被授權的購股權的實施自被授權之日起至董事會所確定之期限或自被授權日起不得超過十年。

認購價由董事會決定，但不得超過以下最高者：
(i) 授權日創業板該股票報價的收市價格；
(ii) 授權日之後五個工作日創業板報價的平均收市價格；
(iii) 授權日該股票之名義價值。

The interest of the convertible note is at a rate per annum equal to one per cent over the prime lending rate for Hong Kong Dollars as quoted by The Hongkong and Shanghai Banking Corporation Limited to its customers on the last business day of the relevant interest period on the principle amount of the note outstanding.

On 18 November 2004, the Group entered into an agreement with the convertible note-holders to redeem note principal and accrued interest of approximately HK\$5,300,000.

During this year, the Company has repaid a total of HK\$500,000. The outstanding principal is approximately HK\$4,700,000.

SHARE OPTIONS

Pursuant to the share option scheme of the Company adopted on 19 November 2001 (the "Share Option Scheme"), the Company may grant options to the participants of the Share Option Scheme to subscribe for shares of the Company. The participants include any employees (including directors) and certain consultants, suppliers or customers of the Group who, in the sole discretion of the board of directors or a duly authorised committee thereof (the "Board"), have contributed to the Group.

The overall limit on the number of shares which may be issued upon exercise of all options to be granted and yet to be exercised under the Share Option Scheme and other share option schemes must not, in aggregate, exceed 30% of the shares in issue from time to time ("Scheme Limit").

Any option granted under the Share Option Scheme may be exercised at any time during a period which shall not be more than ten years after the date on which the option is granted.

The subscription price will be determined by the Board and will not be less than the highest of (i) the closing price of the shares quoted on the Growth Enterprise Market ("GEM") on the grant date, (ii) the average closing price of the shares quoted on the GEM for the five business days immediately preceding the grant date and (iii) the nominal value of the shares on the date of grant.

於二零零五年十二月三十一日，根據計劃已授出但仍未行使之購股權詳情如下：

Details of the share options outstanding as at 31 December 2005 which have been granted under the scheme are as follows:

		於二零零五年 一月一日	年內授出	年內行使	年內失效	於二零零五年 十二月 三十一日	行使期前 行使價	授出日期	行使期由	行使期至	行使期前 公司股價 Closing price of the Company's share before date of grant
		At 1 January 2005	Granted during the year	Exercise during the year	Lapsed during the year	At 31 December 2005 during the year	Exercise price	Grant date	Exercisable date	Exercisable until	
董事	Directors	3,700,000	-	-	-	3,700,000	港幣2.35元 HK\$2.35	31/05/2002	31/05/2002	30/05/2007	港幣2.35元 HK\$2.35
員工	Employee	12,200,000	-	-	1,500,000	10,700,000	港幣2.35元 HK\$2.35	31/05/2002	31/05/2002	30/05/2007	港幣2.35元 HK\$2.35
其他人士	Others	13,200,000	-	-	-	13,200,000	港幣2.35元 HK\$2.35	31/05/2002	31/05/2002	30/05/2007	港幣2.35元 HK\$2.35
其他人士	Others	3,000,000	-	-	-	3,000,000	港幣2.03元 HK\$2.03	16/08/2002	16/08/2002	15/08/2007	港幣2.03元 HK\$2.03
		32,100,000	-	-	1,500,000	30,600,000					

本年度內以上股權並未行使或贖回。

None of the above options were exercised or repurchased during the year.

由於計算該項購股權的一些關鍵性變數不能決定，董事認為對於確定於本年度根據所購新股協定所授出的購股權價格並不恰當。決定該購股權中的一些關鍵性變數，包括於行使該項購股權時之認購價，在某些情況下可能調整，與及不肯定乘授人是否將會行使該項購股權。鑒於購股權的時限長度以及認購價和可能認購股權可能在行使該項購股權之前有所調整，董事認為購股權價值是基於為多變數既難於確定或僅能在理論性或按推測性基礎上假設。因此，董事認為任何關於購股權價格之計算在此情況下，將無意義或誤導股東。

The directors consider that it is not appropriate to state the value of all the share options that were granted during the year under the new share options scheme given that the variable which are critical for the calculation of the value of such share options cannot be determined. The variables which are critical for the determination of the value of such share options included, the subscription price for the shares upon the exercise of the subscription rights attaching to the share options which may be adjusted under certain circumstances and whether or not such share options will be exercised by the grantees. In view of the length of the option period and the possibility that the subscription price and the number of shares that may be subscribed thereunder may be adjusted prior to the exercise of the subscription rights attaching to such share options, the Directors are of the view that the value of the share options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical basis and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the options will not be meaningful and may be misleading to shareholders in the circumstances.

董事

本年度內在任之董事如下：

執行董事：

翦英海先生(主席)
楊國偉先生(首席執行官)
劉德富先生(已於2006年2月1日離職)
李隨洋先生

獨立非執行董事：

曲嘯國先生
張曉京先生
董芳女士

根據本公司章程，三分之一董事均輪值告退，彼等符合資格並願意在將至之股東周年大會應選連任。

董事服務合約

概無董事及於即將召開之股東周年大會上提呈股東批准應選之董事與本公司或其他任何子公司簽訂除支付法定賠償外不能於一年內終止之服務和約。

董事及控股股東之和約權益

除於財務報表附註27所示關聯方交易除外，於年終或本年度任何時間，概無任何由本公司或其他附屬公司就本集團之業務而訂立，且本公司之董事、控股股東或管理層成員在其中擁有直接或間接重大權益之重大和約。

董事及高級管理人員之個人簡歷

董事及高級管理人員之個人簡歷載於第13頁。

DIRECTORS

The directors during the year were:

Executive Directors:

Mr. Chin Ying Hoi (*Chairman*)
Mr. Yang Guo Wei (*Chief Executive officer*)
Mr. Liu De Fu (*resigned on 1 February 2006*)
Mr. Li Sui Yang

Independent Non-executive Directors:

Mr. Qu Xiao Guo
Mr. Zhang Xiao Jing
Ms. Tung Fong

In accordance with the Company's Articles of Association, one-third of directors will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save for the related party transactions set out in Note 27 to the financial statements, no contracts of significance in relation to the Group's business to which the Company or its fellow subsidiaries was a party and in which a director, controlling shareholder or management staff of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on pages 13.

董事權益披露

於二零零五年十二月三十一日，董事或本公司主要行政人員於本公司或其他相聯法團（定義見證券及期貨條例第XV部）之股份及相關股份中，擁有根據證券及期貨條例第XV部第7及8分部而須知會本公司及聯交所，或根據證券及期貨條例第352條或根據創業板上市規則第5.40條有關董事進行證券買賣而須於該條例所述登記冊之權益（包括根據證券及期貨條例之有關條款當作或視作擁有之權益或淡倉）：

DISCLOSURE OF DIRECTORS' INTERESTS

As at 31 December 2005, the interest of the Directors and the chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.40 of the GEM Listing Rules relating to securities transactions by Directors, were as follows:

股份及相關股份好倉盤總額**Aggregate long positions in shares and underlying shares**

董事	公司名稱	股份類別	個人權益	家屬權益	公司權益	好倉盤總計百分比
Director	Name of company	Class of shares	Personal interests	Family interests	Corporate interests	Aggregate percentage of long position
翦英海先生	本公司	普通股	2,000,000股相關普通股，相當於當時已發行股份之0.5% (附註1)	—	286,800,000股股份，佔當時已發行股份71.7% (附註2)	72.2% (附註3)
Mr. Chin Ying Hoi	The Company	ordinary	2,000,000 underlying shares representing 0.5% of the shares then in issue (Note 1)	—	286,800,000 shares representing 71.7% of the shares then issued (Note 2)	72.2% (Note 3)
翦英海先生	Union Perfect International Limited	普通股	105股每股面值1.00美元之普通股，佔當時已發行股份100%	—	—	—
Mr. Chin Ying Hoi	Union Perfect International Limited	ordinary	105 shares of US\$1.00 each representing 100% of the shares then in issue	—	—	—

附註1：此乃本公司授予翦英海先生一份購股權所涉及之相關股份。該百分比乃按二零零五年十二月三十一日已發行之400,000,000股股份計算。

Note 1: These are the underlying shares of the Company in respect of which an option was granted to Mr. Chin Ying Hoi (details of which are set out below). The percentage was calculated on the basis of 400,000,000 shares in issue as at 31 December 2005.

附註2：該等股份透過由翦英海先生擁有100%之Union Perfect International Limited 所持有。

Note 2: These shares were held through Union Perfect International Limited, which is beneficially owned as to 100% by Mr. Chin Ying Hoi.

附註3：按二零零五年十二月三十一日已發行之400,000,000股股份計算。

Note 3: Based on 400,000,000 shares in issue on 31 December 2005.

相關股份好倉盤總額

非上市實物交收股本衍生工具

根據本公司於二零零一年十一月十九日採納的購股權計劃，下列本公司董事以支付代價港幣1元之形式獲授可認購本公司每股面值港幣0.05元之購股權：

AGGREGATE LONG POSITIONS IN UNDERLYING SHARES

Unlisted physically settled equity derivatives

Pursuant to the Company's Share Option Scheme adopted by the Company on 19 November 2001, the following directors of the Company have personal interests in options to subscribe for ordinary shares in the Company of HK\$0.05 each which have been granted to them for a consideration of HK\$1 as follows:

董事姓名	歸屬期及 已歸屬購 股權的 授出日期	歸屬 百分比(附註)	每股股份行使價	於二零零五年 十二月三十一日 根據購股權 尚未行使之 股份數目 Outstanding number of share under option as at 31 December 2005
Name of Director	Date of grant and the vesting period of vested options	Vesting percentage (Note)	Exercise price per share	
翦英海先生 Mr. Chin Ying Hoi	二零零二年五月三十一日 31 May 2002	75%	港幣2.35元 HK\$2.35	2,000,000
劉德富先生 Mr. Liu De Fu	二零零二年五月三十一日 31 May 2002	75%	港幣2.35元 HK\$2.35	700,000
李隨洋先生 Mr. Li Sui Yang	二零零二年五月三十一日 31 May 2002	75%	港幣2.35元 HK\$2.35	1,000,000
				3,700,000

附註： 全部購股權在授出日起，每整年開始時可行使多25%，於授出要約後第五年內可全數行使。該等購股權由在授出日起計五年內有效。

Note: All options are exercisable to the extent of an additional 25 per cent at the beginning of every full year after the offer of the grant and they are exercisable in full until the fourth year after the offer of the grant. All options have a duration of 5 year from the date on which the offer of grant was made.

截止二零零五年十二月三十一日，以上之購股權並無已行使、登出或作廢。

None of the above options were exercised, cancelled or lapsed during the year ended 31 December 2005.

除本文所披露外，於本期間任何時間內，本公司、其任何附屬公司或控股公司並無簽訂任何安排，致令本公司之董事可藉購買本公司之股份或債務證券(包括債券)而獲益。

Save as disclosed herein, at no time during the period was the Company, its subsidiaries or holding company a party to any arrangements to enable any of the Company's directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company.

董事會報告

REPORT OF THE DIRECTORS

相關股份淡倉盤總額
非上市實物交收股本衍生工具

AGGREGATE SHORT POSITIONS IN UNDERLYING SHARES
Unlisted physically settled equity derivatives

董事姓名 Name of Director	公司名稱 Name of Company	淡倉盤股份數目 Number of shares in short position
翦英海先生 Mr. Chin Ying Hoi	本公司 The Company	39,000,000股股份，佔當時 已發行股份之9.75% (附註) 39,000,000 shares representing 9.75% of shares then issued. (Note)

附註：此等淡倉盤股份乃指本公司所授出之35,000,000份購股權(詳見上文「已授出購股權」一節)以及本公司所發行之港幣10,000,000元可換股票據項下可按初步換股價每股港幣2.50元兌換之4,000,000股股份。

Note: These shares in short position were represented by 35,000,000 options granted by the Company, with details shown in the section of "Share Option Granted" above and 4,000,000 shares which are convertible at an initial conversion price of HK\$2.50 per share under a HK\$10,000,000 convertible note issued by the Company.

除本文所披露者外，概無董事及主要行政人員或彼等聯繫人士擁有根據證券及期貨條例第352條須予置存之名冊或根據創業板上市規則第5.40條須知會本公司及聯交所之本公司或關聯公司(定義見證券及期貨條例)股份、相關股份及債券之權益或淡倉。

Save as disclosed herein, none of the directors and chief executives or their associates has any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.40 of the GEM Listing Rules.

主要股東於本公司股份、相關股份之權益及淡倉

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

於二零零五年十二月三十一日，根據證券及期貨條例第336條規定而設立的名冊資料顯示，下列主要股東及人士(不包括董事或本公司主要行政人員)持有本公司股份或淡倉之權益：

As at 31 December 2005, the following substantial shareholder and person (other than a director or chief executive of the Company) who have interests or short positions in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

股份好倉盤總額

Aggregate long positions in shares

股東名稱 Name of Shareholder	所持股數 Number of shares held	持股百分比 Percentage of shareholding
Union Perfect International Limited	286,800,000	71.7%

相關股份淡倉盤總額
非上市實物交收股本衍生工具

Aggregate short position in underlying shares
Unlisted physically settled equity derivatives

股東名稱	公司名稱	淡倉盤股份數目
Name of shareholder	Name of Company	Number of shares in short position
Union Perfect International Limited	本公司	39,000,000股，相當於當時已發行股份之9.75%(附註)
Union Perfect International Limited	The Company	39,000,000 shares representing 9.75% of shares then issued. (Note)

附註：此等淡倉盤股份乃指本公司所授出之35,000,000份購股權(詳見上文「已授出購股權」一節)以及本公司所發行之港幣10,000,000元可換股票據項下可按初步換股價每股港幣2.50元兌換之4,000,000股股份。

Note: These shares in short position were represented by 35,000,000 options granted by the Company, with details shown in the section of "Share option granted" above and 4,000,000 shares which are convertible at an initial conversion price of HK\$2.50 per share under a HK\$10,000,000 convertible note issued by the Company.

除以上披露外，並無其他人事(不包括董事或本公司主要行政人員)及主要股東擁有本公司根據證券及期貨條例第336條規定須予記錄之任何股份及相關股份之權益或淡倉盤。

Save as disclosed herein, no other person (other than a director or chief executive of the Company) and substantial shareholder has an interest or a short position in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

管理和約

本年度內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何和約。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

主要客戶及供應商

集團之主要供應商及客戶佔集團是年度之採購及銷售額百分比如下：

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

採購額	Purchases	
— 最大供應商	— the largest supplier	69%
— 五位最大供應商合計	— five largest suppliers combined	83%
銷售額	Sales	
— 最大客戶	— the largest customer	38%
— 五位最大客戶合計	— five largest customers combined	91%

於二零零五年十二月三十一日，本公司一位董事對以下本集團的客戶擁有權益：

As at 31 December 2005, a director of the Company had interests in the following customers of the Group:

董事 Director	客戶 Name of customers	擁有權益 Interests held
翦英海先生 Mr. Chin Ying Hoi	威海天創電子智能系統有限公司 Weihai TianChuang Electronic System Co., Ltd.	20%
翦英海先生 Mr. Chin Ying Hoi	華普超市(武漢)有限公司 Huapu Supermarket (Wuhan) Co., Ltd.	64%
翦英海先生 Mr. Chin Ying Hoi	海口華普立得泊車管理有限公司 Haikou Huapu Lide Parking Management Co., Ltd.	20%
翦英海先生 Mr. Chin Ying Hoi	北京華普道路泊車建設管理有限公司 Beijing Huapu Roadside Parking Facilities Construction and Mangement Co., Ltd.	80%
翦英海先生 Mr. Chin Ying Hoi	上海白玉蘭智能交通系統管理有限公司 Shanghai Bai Yu Lan Intelligent Transportation System Management Co., Ltd.	40%

除以上披露以外，本公司的董事、披露之關係人士和任何股東，指據董事所知擁有本公司百分之五以上股本權益之股東並無於本公司的最大五名客戶及最大五名供應商中擁有任何權益。

Other than those disclosed above, none of the directors, their associates, or any shareholders, which to the knowledge of the director owns more than 5% of the Company's share capital, had an interest in the Company's five largest customers and five largest suppliers.

關聯交易

本集團於截止至二零零五年十二月三十一日止年度進行之重大有關聯人士交易(即根據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」)構成關聯交易者)，乃載於財務報表附註27。

CONNECTED TRANSACTIONS

The significant related party transactions entered by the Group during the year ended 31 December 2005, which constitute connected transactions under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), are disclosed in Note 27 to the financial statements.

企業管治報告**企業管治常規**

於截至二零零五年十二月三十一日止年度，本公司已一直遵守創業板上市規則第5.34至第5.45條所載的董事會常規及程序規定。

董事進行證券交易

本公司已採納有關董事按不少於創業板上市規則第5.46至5.67條所載的規定買賣準則的條款進行證券交易的行為守則。經向全體董事作出特別查詢後，全體董事已確認彼等已遵守規訂的買賣準則，以及於截至二零零五年十二月三十一日止年度一直遵守本公司採納有關董事進行證券交易的行為守則。

獨立非執行董事

本公司已確認，根據創業板上市規則第5.09條，本公司已接獲各名獨立非執行董事每年的獨立性確認書，並認為全體獨立非執行董事是獨立的。

審核委員會

審核委員會由三名獨立非執行董事曲嘯國先生、張曉京先生及董芳女士組成。年內，審核委員會召開過四次會議。審核委員會的主要職責是審閱及監控本集團的財務申報程序及內部監控制度。

主席及首席執行官

楊國偉先生（「首席執行官」）為其中一名執行董事，亦為本公司的首席執行官。主席及首席執行官的職責清楚劃分，主席肩負領導之責，須管理董事會及制訂公司的策略，而首席執行官則負責執行公司的策略。

董事會主席負責領導董事會確立企業的方向，並監控企業策略及與本集團長遠發展及為股東創造價值有關的計劃的實施。

首席執行官負責管理本集團業務的營運、向董事會提呈策略、籌備計劃及預測，以及實行董事會採納的計劃和政策。

薪酬委員會

薪酬委員會乃成立以檢討薪酬政策及審批所有執行董事及高級行政人員之薪金及花紅，並檢討集

CORPORATE GOVERNANCE REPORT**Corporate Governance Practices**

The Company has complied with the board practice and procedures as set out in Rules 5.34 and 5.45 of the GEM Listing Rule throughout the year ended 31 December 2005.

Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the year ended 31 December 2005.

Independent Non-executive Directors

The Company confirmed that annual confirmations of independence were received from each of the Company's independent non-executive directors pursuant to Rule 5.09 of the GEM Listing Rules and all independent non-executive directors are considered to be independent.

Audit Committee

The audit committee comprises three independent non-executive directors, Mr. Qu Xiao Guo, Mr. Zhang Xiao Jing, Ms. Tung Fong. During the year, the audit committee held four meetings. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.

Role of Chairman and Chief Executive Officer

Mr. Yang Guo Wei ("Chief Executive Officer") being one of the executive Directors, is the CEO of the Company. There is segregation of duties between the Chairman's responsibility for leadership and management of the Board and the Company's strategy, and the CEO's responsibility to implement the Company's strategy.

The Chairman of the Board is responsible for leading the Board of Directors in establishing corporation directions and monitoring the implementation of the corporate strategies and plans for the long term development of the Group and to create value for shareholders.

The CEO is responsible for managing the operation of the Group's businesses, proposing strategies to the Board, preparing plans and forecast and the implementation of plans and policies adopted by the Board.

Remuneration Committee

The Remuneration Committee was set up to review the remuneration policies and approved the salary and bonus of the executive Directors and certain key executives, reviewed

團之薪酬政策及審批授出購股權。薪酬委員會由三名獨立非執行董事組成，曲嘯國先生(主席)、張曉京先生及董芳女士。由於委員會剛成立，因此於二零零五年並無舉行會議。所有委員會成員均為獨立非執行董事。並無執行董事參與有關其本身薪酬的討論。

董事酬金及退休福利於財務報表附註12披露。購股權計劃及授出購股權的詳情於財務報表附註22披露。

原保薦人權益

東英亞洲有限公司(「東英」)，其董事、員工或聯營公司(據創業板上市規則6.35之附註三)於二零零五年十二月三十一日對本公司的13,200,000股股份擁有權益及擁有尚未被行使以支付代價之形式於二零零二年八月十六日獲授的合共3,000,000份以每股港幣2.03元認購本公司每股面值港幣0.05元之購股權。

審核委員會

本公司已參照香港會計師公會發出之「成立審核委員會指引」編制及採納列明審核委員會之職權及責任之職權範圍書。

審核委員會就集團審計範圍內的事項擔任董事會與公司核數師之間的重要橋梁，審核委員會亦負責檢討公司內部與外部審核工作，以及內部監控與風險評估等方面的效能。委員會由三位獨立非執行董事曲嘯國先生、張曉京先生及董芳女士組成。審核委員會已審閱本集團截止至二零零五年十二月三十一日止之已審核財務報表。

董事於競爭性業務之權益

本公司各董事及管理層股東(定義見創業板證券上市規則)概無擁有任何與本集團業務構成競爭或可能構成競爭之業務權益。

核數師

本帳目已由羅申美會計師行審核。

董事會代表

華普智通系統有限公司
翽英海
主席

中國北京，二零零六年三月二十八日

the remuneration policy of the Group and approved the granting of options. The remuneration committee comprises of the three independent non-executive Directors, namely, Mr. Qu Xiao Guo (Chairman), Mr. Zhang Xiao Jing and Ms. Tung Fong. No meeting was held in 2005 as the Committee has just been set up. All Committee members are independent non-executive directors. No executive Director takes part in any discussion about his own remuneration.

Directors' emoluments and retirement benefits are disclosed in note 12 to the financial statements. Details of the share option schemes and the granting of options are disclosed in note 22 to the financial statements.

Ex-Sponsor's Interest

As at 31 December 2005, Oriental Patron Asia Limited ("Oriental Patron"), its directors, employees or associates (as referred in note 3 of Rule 6.35 of the GEM Listing Rules) are interested in 13,200,000 shares of the Company and outstanding options granted on 16 August 2002 at consideration. The holders of the options are entitled to subscribe for 3,000,000 shares of the Company of HK\$0.05 each at an exercise price of HK\$2.03 per share.

Audit Committee

An Audit Committee was established with written terms of reference in compliance with the requirements as set out in the GEM Listing Rules.

The primary duties of the audit committee are to review and provide supervision over the financial reporting process and internal control system of the Group. The audit committee comprises three independent non-executive directors, Mr. Qu Xiao Guo, Mr. Zhang Xiao Jing and Ms. Tung Fong. The Group's audited financial statement for the year ended 31 December 2005 have been reviewed by the audit committee.

Competing Interests

None of the directors or the management shareholders of the Company (as defined in the GEM Listing Rules) had an interest in a business, which competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

Auditor

These accounts have been audited by Messrs RSM Nelson Wheeler.

By Order of the Board

Jian ePayment Systems Limited
Chin Ying Hoi
Chairman

Beijing, the PRC, 28 March 2006

核數師報告

AUDITORS' REPORT

致

華普智通系統有限公司

(於開曼群島註冊成立之有限公司)

股東

本核數師已完成審核第30至第90頁之財務報表，該等財務報表乃按照香港普遍採納之會計原則編製。

董事及核數師各自之責任

編製真實兼公平之財務報表是 貴公司董事之責任。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之結果，對該等財務報表出具獨立意見，並僅向整體股東報告，除此之外本報告別無其它目的。本核數師不會就本報告的內容向任何其它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所頒布之核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評審董事於編製財務報表時所作之重大估計和判斷，所採用之會計政策是否適合 貴公司與 貴集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

本核數師在策劃及進行審核工作時，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我們意見提供合理之基礎。

To the Shareholders of

JIAN ePAYMENT SYSTEMS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 30 to 90 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

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

BASIS OF OPINION

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

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

有關持續經營基準之基本不明朗因素

在作出意見時，本核數師已考慮到於財務報表附註2(a)中有關採用持續經營基準來編製財務報表的披露是否足夠。誠如財務報表附註2(a)中所作更詳細的解釋，該財務報表為根據持續經營基準而編製，其有效性取決於貴集團籌集到新資金以撥付現有營運並獲得盈利性及能產生正現金流量業務的能力。該財務報表並不包括貴集團需就無法取得新資金及無法獲得盈利性及能產生正現金流量業務而應作出的調整。

本核數師認為已作出適當披露，然而環繞貴集團繼續成功採用持續經營基準之環境之潛在不明朗因素過於極端，因此我們作出保留意見。

保留意見

鑒於有關持續經營基準之基本不明朗因素的重大影響，本核數師未能就該財務報表是否真實兼公平地顯示貴公司及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結果和現金流量發表意見。在其他重大方面，本核數師認為財務報表已按照香港公司條例的披露要求妥為編製。

羅申美會計師行
香港執業會計師

香港，二零零六年三月二十八日

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosures made in Note 2(a) to the financial statements concerning the adoption of the going concern basis in preparing the financial statements. As more fully explained in Note 2(a) to the financial statements, the financial statements have been prepared on a going concern basis, the validity of which depends upon the ability of the Group to raise new funds to finance its current operation and to attain profitable and positive cash flow operations. The financial statements do not include any adjustments that would result from a failure to raise new funds and to attain profitable and positive cash flow operations by the Group.

We consider that appropriate disclosures have been made but the inherent uncertainties surrounding the circumstances under which the Group might successfully continue to adopt the going concern basis are so extreme that we have disclaimed our opinion.

DISCLAIMER OF OPINION

Due to the significance of the fundamental uncertainty relating to the going concern basis, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the affairs of the Company and the Group as at 31 December 2005 or of the result and cash flows of the Group for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

Hong Kong, 28 March 2006

綜合損益表

截至二零零五年十二月三十一日止年度

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2005

			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
營業額	Turnover	5	15,948	8,173
銷售成本	Cost of sales		(6,469)	(3,996)
毛利	Gross profit		9,479	4,177
其他利益	Other revenue	5	11,974	3,344
分銷成本	Distribution costs		(1,520)	(1,083)
行政開支	Administrative expenses		(18,148)	(41,417)
經營溢利／(虧損)	Profit/(loss) from operations	6	1,785	(34,979)
財務費用	Finance costs	7	(376)	(622)
除稅前溢利／(虧損)	Profit/(loss) before taxation		1,409	(35,601)
稅項	Taxation	8	(126)	—
本年度本公司股東應佔溢利／(虧損)	Profit/(loss) for the year attributable to shareholders of the Company	9	1,283	(35,601)
股息	Dividend	10	—	—
每股基本溢利／(虧損)	Basic earnings/(loss) per share	11	RMB0.003	(RMB0.089)
每股攤薄溢利／(虧損)	Diluted earnings/(loss) per share	11	N/A	N/A

於36頁至90頁之財務報表附註為本財務報表的一部份。

The notes on pages 36 to 90 form an integral part of these financial statements.

綜合資產負債表

於二零零五年十二月三十一日

CONSOLIDATED BALANCE SHEET

At 31 DECEMBER 2005

			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
	附註 Note			
非流動資產	Non-current assets			
固定資產	Fixed assets	13	2,682	8,130
流動資產	Current assets			
存貨	Inventories	15	199	412
貿易及其他應收款	Trade and other receivables	16	9,187	5,981
應收一間關聯公司	Due from a related company	27	20	20
其他流動資產	Other current assets	17	371	238
銀行結餘及現金	Bank and cash balances		5,305	6,428
			15,082	13,079
流動負債	Current liabilities			
貿易及其他應付款	Trade and other payables	18	13,937	17,466
應付一間關聯公司	Due to a related company	27	10	509
應付最終控股公司	Due to the ultimate holding company	27	-	1,099
預收賬款	Deposits from customers		805	1,028
應付一位董事	Due to a director	20	6,314	-
可換股債券	Convertible notes	19	4,912	5,306
			25,978	25,408
流動負債淨額	Net current liabilities		(10,896)	(12,329)
			(8,214)	(4,199)
資本及儲備	Capital and reserves			
股本	Share capital	22	21,208	21,208
儲備	Reserves	23	(29,422)	(30,712)
總權益	Total equity		(8,214)	(9,504)
非流動負債	Non-current liabilities			
應付一位董事	Due to a director		-	5,305
			(8,214)	(4,199)

董事會於二零零六年三月二十八日批准

Approved by the Board of Directors on 28 March 2006

翦英海
Chin Ying Hoi
董事
Director

楊國偉
Yang Guo Wei
董事
Director

於36頁至90頁之財務報表附註為本財務報表的一部份。

The notes on pages 36 to 90 form an integral part of these financial statements.

資產負債表

於二零零五年十二月三十一日

BALANCE SHEET

At 31 DECEMBER 2005

			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
		附註 Note		
非流動資產	Non-current assets			
於子公司之投資	Investments in subsidiaries	14	1,490	4,992
流動資產	Current assets			
貿易及其他應收款	Trade and other receivables	16	52	139
銀行結餘及現金	Bank and cash balances		13	14
			65	153
流動負債	Current liabilities			
貿易及其他應付款	Trade and other payables	18	4,024	4,038
應付一位董事	Due to a director	20	5,205	-
可換股債券	Convertible notes	19	4,912	5,306
			14,141	9,344
流動負債淨值	Net current liabilities		(14,076)	(9,191)
			(12,586)	(4,199)
資本及儲備	Capital and reserves			
股本	Share capital	22	21,208	21,208
儲備	Reserves	23	(33,794)	(30,712)
總權益	Total equity		(12,586)	(9,504)
非流動負債	Non-current liabilities			
應付一位董事	Due to a director		-	5,305
			(12,586)	(4,199)

董事會於二零零六年三月二十八日批准

Approved by the Board of Directors on 28 March 2006

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於36頁至90頁之財務報表附註為本財務報表的一部份。

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綜合權益變動表

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

截至二零零五年十二月三十一日止年度

For the year ended 31 DECEMBER 2005

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
		附註 Note	
於一月一日之總權益	Total equity as at 1 January	(9,504)	26,095
未於損益賬確認之 收益／(虧損)淨額	Net gain/(loss) not recognised in the profit and loss account		
換算海外附屬公司 財務報表之匯兌差額	Exchange differences arising on translation of the financial statements of foreign subsidiaries	23	2
		(9,497)	26,097
股東應佔溢利／(虧損)	Profit/(loss) attributable to shareholders	23	(35,601)
於十二月三十一日之 總權益	Total equity as at 31 December	(8,214)	(9,504)

於36頁至90頁之財務報表附註為本財務報表的一部份。

The notes on pages 36 to 90 form an integral part of these financial statements.

綜合現金流量表

CONSOLIDATED CASH FLOW STATEMENT

截至二零零五年十二月三十一日止年度

For the year ended 31 DECEMBER 2005

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
經營活動之現金流	CASH FLOW FROM OPERATING ACTIVITIES		
除稅前溢利／(虧損)	Profit/(loss) before taxation	1,409	(35,601)
調整：	Adjustment for:		
折舊	Depreciation	3,604	9,612
固定資產減值虧損	Impairment loss on fixed assets	-	20,435
固定資產撤銷	Fixed assets written off	1,886	-
利息收入	Interest income	(141)	(7)
應付一間關聯公司 撤銷	Waiver of amount due to a related company	(20)	-
貿易及其他應收款減值 虧損沖回	Reversal of impairment loss on trade and other receivables	(2,817)	-
貿易及其他應收款減值 虧損及壞賬撤銷	Impairment loss on trade and other receivables and bad debts written off	1,639	2,413
存貨及 其他流動資產 減值虧損沖回	Reversal of impairment loss on inventories and other current assets	(2,581)	(1,812)
存貨撤銷	Inventories written off	315	-
應付賬款撤銷及應計 款項及其他應付款 過度撥備撥回	Write-off of accounts payable and overprovision of accruals and other payables written back	(5,588)	-
出售固定資產虧損	Loss on disposal of fixed assets	5	-
利息開支	Interest expenses	376	622
營運資金變動前之 經營虧損	Operating loss before changes in working capital	(1,913)	(4,338)
應收一間關聯公司減少	Decrease in due from a related company	-	371
其他流動資產減少	Decrease in other current assets	1,804	-
應付一間關聯公司 (減少)／增加	(Decrease)/increase in due to a related company	(479)	509
預收賬款減少	Decrease in deposit from customers	(223)	(378)
存貨減少	Decrease in inventories	542	2,155
貿易及其他應收款增加	Increase in trade and other receivables	(2,023)	(3,801)
貿易及其他應付款 增加／(減少)	Increase/(decrease) in trade and other payables	2,059	(4,758)
用於經營活動之現金	Cash used in operations	(233)	(10,240)
已付利息	Interest paid	(376)	(622)
已繳稅項	Tax paid	(126)	-

綜合現金流量表

CONSOLIDATED CASH FLOW STATEMENT

截至二零零五年十二月三十一日止年度

For the year ended 31 DECEMBER 2005

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
用於經營活動之現金淨額	Net cash used in operating activities	(735)	(10,862)
來自投資活動之現金流	CASH FLOW FROM INVESTING ACTIVITIES		
購置固定資產	Purchases of fixed assets	(141)	(21)
出售固定資產所得款項	Proceeds from sales of fixed assets	96	-
三個月以上之定期存款之減少	Decrease in time deposits with original maturity of more than 3 months	-	5,300
收取利息	Interest received	141	7
來自投資活動之現金淨額	Net cash generated from investing activities	96	5,286
來自融資活動之現金流	CASH FLOW FROM FINANCING ACTIVITIES		
可轉換債券償付	Repayment of convertible notes	(394)	(5,305)
應付一位董事增加	Increase in due to a director	1,009	5,305
應付最終控股公司款項之(減少)/增加	(Decrease)/increase in due to the ultimate holding company	(1,099)	281
(用於)/來自融資活動之現金淨額	Net cash (used in)/generated from financing activities	(484)	281
現金及現金等價物餘額之減少淨額	NET DECREASE IN CASH AND CASH EQUIVALENT	(1,123)	(5,295)
一月一日之現金及現金等價物餘額	CASH AND CASH EQUIVALENTS AT 1 JANUARY	6,428	11,721
匯兌差額	Effect of foreign exchange difference	-	2
十二月三十一日之現金及現金等價物餘額	CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5,305	6,428
銀行及現金結存	Bank and cash balances		

於36頁至90頁之財務報表附註為本財務報表的一部份。

The notes on pages 36 to 90 form an integral part of these financial statements.

1. 一般事項

本公司是根據開曼群島公司法於開曼群島註冊成立之上市公司。本公司為受豁免股份有限公司，其股份於香港聯合交易所有限公司創業板上市。本公司乃作為投資控股公司營運，其子公司從事一種後台電子收付及資料計錄與處理的軟件系統（「華普智通系統」）之開發與營運，以及相關商業應用的製造與營銷。

本公司註冊辦事處之地址為Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies。

2. 財務報表的編製基礎

(a) 於二零零五年十二月三十一日，本集團之流動負債淨額為人民幣10,896,000元，其中包括於二零零五年十二月三十一日已過期之可換股債券應付款人民幣4,912,000元（附註19）。另外，本集團於二零零四年三月二十二日簽訂了以人民幣28,200,000元現金款項認購一間中國公司70%權益的協議，其後於二零零五年九月二十一日訂立補充協議，修訂透過現金出資人民幣24,000,000元僅收購該公司60%權益。該款項有待支付（附註25a）。

儘管存在上述情況，本公司董事基於以下原因，仍採用持續經營基準編製財務報表，因為本公司董事相信，本集團的公共交通及零售行業的電子付款業務將為本集團的盈利能力及現金流量帶來巨大貢獻，從而在將來改善本集團的經營業績及現金流量狀況。

另外，本公司正為本集團經營籌集新資金與若干潛在投資者磋商，本公司董事預期不久將來能為本集團現行業務籌得新資金。

1. GENERAL

The Company is a public listed company incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The Company acts as an investment holding company. Its subsidiaries were engaged in the development and operation of a back end electronic receipt/payment and data recording and processing software system ("Jian ePayment System") and manufacturing and distribution of the associated commercial applications.

The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) As at 31 December 2005, the Group had net current liabilities of RMB10,896,000 including convertible notes payable of RMB4,912,000 which was overdue for payment as at 31 December 2005 (Note 19). In addition, the Group entered into an agreement on 22 March 2004 to subscribe 70% equity interest in a PRC company by cash contribution of RMB28,200,000. Subsequently, the Company entered into a supplementary agreement on 21 September 2005 to revise the subscription to only 60% equity interest in the company by cash contribution of RMB24,000,000 which will be due for settlement (Note 25a).

Notwithstanding the above situation, the directors have prepared the financial statements on a going concern basis as the directors are confident that the electronic payment business of the Group in the public transportation and retails store industries in the PRC will improve and provide contributions to the Group's profitability and cash flows and as a result will improve the operating results and cash flow position of the Group in the future.

Moreover, the Company is negotiating with certain potential investors for new fund raising to the Group's operation and the directors expect that new funds will be raised in the near future to finance the Group's current operation.

財務報表附註

截至二零零五年十二月三十一日止年度

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

2. 財務報表的編製基礎 (續)

(a) (續)

計及上述之預期結果，本公司董事認為，本集團將有足夠營運資金及現金來源應付可見將來之業務及營運資金所需。所以，本公司董事信納，採用持續經營基準編製財務報表乃屬恰當。

倘若本集團未能繼續以持續經營基準經營業務，屆時將需要作出調整以將資產之價值按可收回金額重列，就可能產生之任何進一步負債作出撥備以及將非流動資產及負債分別重列為流動資產及負債。

- (b) 於本年度，本集團已初次採納香港會計師公會（「香港會計師公會」）頒佈之所有全新及經修訂之香港財務報告準則（「香港財務報告準則」），香港會計準則（「香港會計準則」）及詮釋（以下統稱「新香港財務報告準則」）。新香港財務報告準則於二零零五年一月一日或其後開始之會計期間生效。以下為影響本集團及於本年度初次採納之新香港財務報告準則：

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
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、會計估計變更和會計差錯更正
香港會計準則第10號	資產負債表日後事項
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	固定資產
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	匯率變動之影響
香港會計準則第23號	借貸成本

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(Continued)

(a) (Continued)

Taking into consideration of the expected outcome of the above, the directors of the Company are of the opinion that the Group will have sufficient working capital and cash resources for its operational and working capital requirements for the foreseeable future. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

- (b) In the current year, the Group had adopted, for the first time, all of the new and revised Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1 January 2005. The following new HKFRSs affect the Group and are adopted for the first time for the current year's financial statements:

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
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	Revenues
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs

財務報表附註

截至二零零五年十二月三十一日止年度

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

2. 財務報表的編製基礎 (續)

(b) (續)

香港會計準則第24號	關連人士之披露
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39號	金融工具：確認及計量方法
香港財務報告準則第2號	以股份形式付款

採納新增或經修訂之香港會計準則第1、2、7、8、10、12、14、16、17、18、19、21、23、27、32、33、36、37及39號，以及香港財務報告準則第2號並無對本年度或過往年度於財務報表呈報之數額造成重大影響，因此，毋須就過往年度作出調整。

香港會計準則第24號擴闊關連人士之定義，影響本集團之關連人士披露。

香港會計師公會已頒佈若干全新及經修訂準則及詮釋，惟尚未於財務報表生效。董事預期，於日後期間採納該等全新及經修訂準則及詮釋對本集團之財務報表將不會有重大影響。

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(Continued)

(b) (Continued)

HKAS 24	Related Party Disclosures
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 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payments

The adoption of new or revised HKASs 1, 2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 21, 23, 27, 32, 33, 36, 37 and 39 and HKFRS 2 did not have material impact on the amounts reported in financial statements for the current or prior years. Accordingly, no prior year adjustment was required.

HKAS 24 has expanded the definition of related parties and affected the Group's related party disclosures.

HKICPA has issued certain new and revised standards and interpretations that are not yet effective to the financial statements. The directors anticipate that the adoption of these new and revised standards and interpretations in future periods will have no material impact on the financial statements of the Group.

財務報表附註

截至二零零五年十二月三十一日止年度

3. 主要會計政策

財務報表已根據歷史成本常規法編製。

本財務報表乃按照香港公認會計原則編製，包括香港會計師公會頒佈之香港財務報告準則，以及香港聯合交易所有限公司創業板證券上市規則及香港公司條例中適用之披露規定。

(a) 綜合賬目

綜合財務報表包括本公司及各子公司截至十二月三十一日止之財務報表。

子公司指公司直接或間接持有過半數已發行股本或控制過半數投票權，或控制董事會組成之實體。當公司有權直接或間接支配子公司之財務及經營政策，並藉此從其活動中取得利益，均視為受本公司控制。

於受控制子公司之投資，自開始控制之日起於綜合財務報表中綜合計算，直至終止控制日期為止。

所有集團內公司間之重大交易及結餘已於綜合賬目時抵銷。

於結算日之少數股東權益，即並非由公司（不論直接或間接）透過子公司擁有之股份權應佔之子公司資產淨值部份，於綜合資產負債表及綜合權益變動表內列為權益之一部分，與本公司權益持有人應佔權益分開呈列。於本集團業績的少數股東權益在綜合損益表內以年度總盈利或虧損分配予少數股東權益與本公司權益持有人的方式列報。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

3. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong, which include HKFRSs issued by the HKICPA and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and of the Hong Kong Companies Ordinance.

(a) Consolidation

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

Subsidiaries are those entities in which the Company, directly or indirectly, holds more than half of the issued share capital or controls more than one 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.

An investment in a controlled subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

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

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 profit and loss account as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

3. 主要會計政策 (續)

(a) 綜合賬目 (續)

在本公司之資產負債表內，於子公司之投資以成本值扣除減值虧損(如有)準備入賬。本公司將子公司之業績按已收及應收股息入賬。

(b) 外幣換算

功能及呈報貨幣

本集團旗下每家公司之財務報表所包括之項目，均以該公司營運之主要經濟環境之貨幣(「功能貨幣」)計算。本財務報表乃以人民幣呈報，人民幣為本公司之功能及呈報貨幣。

交易及結餘

外幣交易均按交易當日之匯率換算為功能貨幣。因此等交易之結算及按年結日匯率換算外幣資產和負債而產生之匯兌收益及虧損，均於損益表內確認。

集團成員公司

集團屬下所有公司如持有與呈報貨幣不一致之功能貨幣，其業績和財務狀況之換算如下：

- (i) 集團成員公司每項資產負債表所呈列之資產及負債均按照該資產負債表之結算日之收市匯率換算；
- (ii) 集團成員公司每項損益表之收入和支出均按照平均匯率換算；及

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Consolidation (continued)

In the Company's balance sheet, investments in subsidiaries are stated at cost less provision for impairment losses, if any. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(b) Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the companies now comprising the Group are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The financial statements are presented in RMB, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit and loss account.

Group companies

The results and financial position of all the companies now comprising the Group that have a functional currency different from the presentation currency as follows:

- (i) assets and liabilities for each balance sheet of the companies now comprising the Group are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each profit and loss account of the companies now comprising the Group are translated at average exchange rates; and

財務報表附註

截至二零零五年十二月三十一日止年度

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

3. 主要會計政策 (續)

(b) 外幣換算 (續)

集團成員公司 (續)

- (iii) 所有匯兌差異均確認於權益賬內之一個分項。

在綜合賬目時，換算海外實體投資淨額和換算被指定為此等投資之對沖項目之借貸及其他貨幣工具而產生之匯兌差異，均列入股東權益賬內。當出售海外業務時，此等匯兌差異將於綜合損益表內確認為出售收益或虧損之一部份。

(c) 無形資產

商譽

商譽指收購成本超出於收購日集團應佔所收購子公司之可識別淨資產之數額。

因收購子公司產生之收購商譽計入無形資產，並每年評估減值，及按成本減累計減值虧損列賬。出售實體之盈虧包括所出售實體相關之商譽賬面值。

研究及開發成本

研究成本在發生時作為費用支銷。當能夠證明開發中產品技術之可行性及有意完成該產品，而亦有資源協助、成本可予識別，及有能力出售或使用該資產而能賺取盈利，則將新產品或改良產品之設計及測試之開發所涉及之成本確認為無形資產，並以直線法按不超過5年之期間攤銷，以反映將相關經濟效益確認之模式。不符合上述條件之開發成本在發生時作為費用支銷。已入賬為支出之開發成本不會在往後期間確認為資產。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Translation of foreign currencies (Continued)

Group companies (Continued)

- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the consolidated profit and loss account as part of the gain or loss on sale.

(c) Intangibles

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill on acquisition of a subsidiary is included in intangible assets and is test annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Research and development costs

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over a period of not more than 5 years to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

3. 主要會計政策 (續)

(d) 固定資產

固定資產(即租約物業裝修、機器及辦公設備)以成本值減累計折舊及累計減值虧損(如有)列賬。固定資產歷史成本包括收購資產直接應佔之支出。

其後成本乃納入資產賬面值或確認為個別資產(如適用)，但只有在該項目有可能為本集團流入未來經濟利益，以及可以可靠地計量該項目之成本情況下才以此方式處理。所有其他檢修及維修乃於其所產生之財政期間在損益表支銷。

固定資產以直線法於其估計使用年限內將其成本值或重估數額分攤至殘值。主要之殘值率及年率折舊如下：

		殘值 Residual value	年度 折舊率 Annual depreciation rate
租賃物業裝修	Leasehold improvements	—	20%
機器設備	Machinery	0%-5%	14%-20%
辦公設備	Office equipment	0%-10%	14%-19%

資產之殘值及可用年限會予審閱，並於各資產負債表日作出調整(如適用)。

倘資產之賬面值高於其估計可收回數額，即時將資產賬面值撇減至可收回數額。

固定資產報廢或出售之收益或虧損為出售所得款項淨額與賬面值兩者之差額，並於報廢或出售日期在損益表中確認。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Fixed assets

Fixed assets comprising leasehold improvements, machinery and office equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Depreciation of fixed assets is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives. The principal residual value and annual depreciation rates are as follows:

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

3. 主要會計政策 (續)

(e) 有形及無形資產減值 (商譽除外)

於各結算日，本集團審閱其有形及無形資產之賬面值，以釐定有否跡象顯示該等資產出現減值虧損。倘若任何該等跡象出現，則估計資產之可收回價值，從而釐定減值虧損程度(如有)。倘若未能估計個別資產之可收回價值，則本集團估計資產所屬之現金產生單位之可收回價值。

可收回價值乃公平值減銷售成本及使用價值兩者中較高者。在評估使用價值時，估計日後現金流按當時市場對該項資產之貨幣時值及風險之評估的折現率折算成現值。

倘若估計資產之可收回價值(或現金產生單位)較其賬面值為少，則資產(或現金產生單位)之賬面值減少至其可收回價值。減值虧損即時於損益表確認，惟倘相關資產以重估價值列賬，在該情況下減值虧損按重估價值減少處理。

倘若減值虧損其後沖回，資產(現金產生單位)之賬面值乃增加至其可收回價值之經修訂估計，惟已增加賬面值並不超過於過往年度並無確認資產(現金產生單位)減值虧損而釐定之賬面值。減值虧損沖回即時於損益表確認，惟倘相關資產以重估價值列賬，在該情況下減值虧損沖回按重估價值增加處理。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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 the time value of money and the risk specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant assets is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. 主要會計政策 (續)

(f) 政府補助金

當可合理確定將可獲得補助金及本集團將可符合其附帶條件時，政府補助金會首先於綜合資產負債表確認為遞延收入。用作補償本集團開支之政府補助金，乃於開支產生期間以有系統之基準於損益表確認為收益。用作補償本集團資產成本之政府補助金，乃於資產之可使用年內以有系統之基準於損益表確認為收益。

(g) 經營租賃

經營租賃是指擁有資產之風險及回報實質上由出租公司保留之租賃。經營租賃之應付租金在扣除自出租方收取之任何獎勵金後，於租賃期內以直線法在損益表中支銷。

(h) 存貨

存貨按成本及可變現淨值兩者中較低者列賬。成本乃按先進先出法釐訂。在製品及製成品之成本包括原材料、直接工資及按適當比例計算之間接費用。

可變現淨值乃指於日常業務過程中之估計售價減估計完成成本及預計出售時將產生之成本計算。

存貨一經出售，其賬面值在相應收入的確認期間內即被確認為成本。存貨跌價減值或存貨損失的金額在減值或損失發生的當期確認為費用。當先前已確認之存貨減值撥回，會於撥回當期作為一項存貨金額減少確認開支。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(f) 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.

(g) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under the operating leases net of any incentives received from the lessor are charged to the profit and loss account on a straight line basis over the lease terms.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first in, first out basis. The cost of work in progress and finished goods comprises raw materials, direct labour and an appropriate proportion of overheads.

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 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.

3. 主要會計政策 (續)

(i) 貿易及其他應收款

貿易及其他應收款乃按公平值初步確認，並於其後以實際利息法按經攤銷成本減減值撥備計量。倘有客觀證據顯示本集團將未能按原定之應收款期限收回所有到期款項，則會作出貿易及其他應收款減值撥備。撥備數額乃資產賬面值與估計未來現金流量之現值(按實際利率貼現)之間之差額。撥備數額乃在損益表內確認。

(j) 現金及現金等價物

現金及現金等價物指存放於銀行的現金及其他金融工具，以及短期而高流動性的投資，即於購入時三個月內到期而在沒有涉及重大價值轉變的風險下可以容易地轉換為預知現金的投資。就編製綜合現金流量表而言，現金及現金等價物亦包括須按要求償還及為本集團整體現金管理之部份之銀行透支。

(k) 可換股票據

倘已發行股份數目不會基於其公平值變動而有變，而持有人可選擇將有關票據轉換為股本之可換股票據以複合金融工具列賬。

可換股票據負債部份在初次確認時按日後利息及本金額之現值計算，並按於初次確認時適用於並無附有兌換選擇權之類似債項之市場利率折現。所得款項超出初次確認為負債部份的數額，乃以權益部份確認。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

(j) 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.

(k) Convertible notes

Convertible notes that can be converted to share capital at the option of the holder, where the number of shares issued does not vary with changes in their fair value, are accounted for as compound financial instruments.

At initial recognition the liability component of the convertible notes is calculated as the present value of the future interest and principal payments, discounted at a market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component.

3. 主要會計政策 (續)

(k) 可換股票據 (續)

與發行複合金融工具相關之交易成本按劃撥所得款項之比例分配至負債及權益部份。

負債部份其後以攤銷成本列賬。於損益表確認之負債部份利息支出採用實際利息法計算。權益部份於資本儲備中確認，直至票據被兌換或被贖回。

如票據被兌換，資本儲備連同兌換當時的負債部份的賬面值乃作為增發股份之代價轉入股本及股份溢價。若票據被贖回，資本儲備會直接撥入保留溢利。

(l) 撥備及或然負債

當集團因已發生的事件須承擔現有之法律或推定責任，而解除責任時有可能導致經濟利益流出，並已可靠估計責任金額的情況下，須對時間或金額不確定之責任之撥備予以確認。倘金額之時間價值為重要因素，則撥備之金額乃按預期用於解除該責任之支出之現有價值列賬。

倘不大可能會致使經濟利益流出，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可能出現之責任，即該責任是否存在將僅取決於日後是否會發生一宗或多宗事件，亦披露為或然負債，除非經濟利益流出之可能性極低則另作別論。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Convertible notes (Continued)

Transactions costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using effective interest method. The equity component is recognised in the capital reserves until either the note is converted or redeemed.

If the note is converted, the capital reserve, together with the carrying value of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares extend. If the note is redeemed, the capital reserve is released directly to retained profits.

(l) Provisions and contingent liabilities

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

When 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.

3. 主要會計政策 (續)

(m) 僱員福利

(i) 退休金責任

本集團安排香港僱員參與強制性公積金計劃(「強積金計劃」)。強積金計劃屬於定額供款計劃，由獨立受托人管理。根據中華人民共和國(「中國」)有關規定，本集團在中國成立之子公司按月為本集團所有中國職員工繳納基本養老保險費。

集團之供款於供款相關期內在損益表支銷。

(ii) 股份形式付款

本集團發行股本支付及現金支付股份形式付款予若干僱員。股本支付股份形式付款乃於授出日期按公平值(不包括非市場形式歸屬條件影響)計量。於股本支付股份形式付款授出日期釐定之公平值乃根據本集團對最終將歸屬之股份估計及經調整非市場形式歸屬條件影響，於歸屬期按直線法支銷。

就現金支付股份形式付款而言，相等於已收到貨品或服務部份之負債已按於各結算日釐定之現行公平值確認。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(m) Employee benefits

(i) Pension obligations

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. The Group's subsidiaries incorporated in Mainland China make contributions to a state-sponsored defined contribution scheme for the Group's local staff on a monthly basis pursuant to laws and regulations in The People's Republic of China (the "PRC") to a government agency.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(ii) Share based payments

The Group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date.

3. 主要會計政策 (續)

(n) 所得稅

本年度所得稅包括即期稅項及遞延稅項資產及負債之變動。即期稅項及遞延稅項資產及負債之變動乃於損益表確認，惟與於權益直接確認項目有關者除外，在此情況下彼等於權益確認。

即期稅項乃就本年度應課稅收入預期之應繳稅項，使用於結算日已制定或於相當程度上已制定之稅率及於過往年度應繳稅項之任何調整計算。

遞延稅項資產及負債分別由可扣稅及應課稅短暫時差產生，為資產及負債於財務報表上之賬面值與彼等之稅基之差額。遞延稅項資產亦由未使用可抵扣稅項虧損及未使用稅款抵減產生。

遞延所得稅採用資產負債表負債法就資產負債之稅基與它們在財務報表之賬面值兩者之暫時差額作全數撥備。遞延所得稅根據在結算日前已頒佈或實質頒佈之稅率(及稅法)釐訂，並預期在相關遞延所得稅資產確認或遞延所得稅負債結付時應用。

遞延所得稅資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(n) 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 the expected tax payable on the 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.

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3. 主要會計政策 (續)

(o) 收益確認

(i) 銷售硬件、軟件及系統整合的收入

銷售硬件、軟件及系統整合的收入於貨物已交付及被接納、賣方費用已予確定或可予確定，存在確定的交易證據，應收賬款可以收回且無重大的售後責任時予以確認。

(ii) 交易徵費

交易徵費按使用華普智通系統營運所得收入的一定比例確認，該比例由公司與逐個客戶單獨確定並每月根據該比例計提相應之交易徵費。

(iii) 利息收入

利息收入按時間比例以實際利息法確認。

(p) 借貸

借貸最初乃按公平價值（扣除已產生的交易成本）確認。交易成本為直接歸屬予金融資產或金融負債之購買、發行或出售的增量成本，其中包括付予代理、顧問、經紀及交易商的費用和佣金、規管機構和證券交易所收取的費用，以及轉讓稅和關稅。借貸其後按經攤銷成本列帳，如扣除交易成本之後的收益和贖回價值出現差額，則於借貸期內以實際利率法在損益表內確認。

除非本集團有權無條件將債務結算日期遞延至結算日後至少十二個月，否則借貸將被劃分為流動負債。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(o) Revenue recognition

(i) Sales of hardware software and systems integration

Revenue from the sales of hardware, software and system integration is recognised when delivery and acceptance have occurred, the fee is fixed and determinable, persuasive evidence of an arrangements exists, collection of the receivable is probable and no significant post-delivery obligations remain.

(ii) Transaction levies

Transaction levies are recognised on an accrual basis based on certain percentage of revenue generated from the operations of Jian ePayment System as individually determined between the Company and the customers.

(iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(p) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3. 主要會計政策 (續)

(q) 分部報告

業務分部乃一組從事提供產品或服務並須承擔有別於其他業務分部之風險及回報之資產及業務。地區分部乃在特定經濟環境內從事提供產品或服務，而其所承擔之風險及回報乃有別於在其他經濟環境經營之分部。

按照本集團的內部財務報告制度，本集團已選擇地區分部作為本財務報表的主要分部報告呈列，而業務分部則為次要分部報告呈列。本集團進行單項業務之經營。

分部收入、支出、業績、資產和負債包括可直接地歸屬於一分部及所有可以合理地分配予該分部的項目。分部間定價與給予外界人士的條款相近。

分部資本開支乃於購入分部資產(包括無形資產及有形資產)期間所產生之總成本，而有關資產預期可用於多個期間。

未分配項目主要包括其他收入、稅項結餘、公司及融資開支。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(q) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

In accordance with the Group's internal financial reporting system, the Group has determined that geographical segment be presented as the primary reporting format and business segment information as the secondary reporting format for the purposes of these financial statements. The Group operates in one business segment.

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. 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 other revenue, tax balances, corporate and financing expenses.

3. 主要會計政策 (續)

(r) 關連人士

本集團之關連人士是指本集團有能力直接或間接控制該人士的財務及經營決策，或可發揮重大影響力，相反亦如是；或本集團及該人士均受共同控制或在共同重大影響力下。關聯人士可以是個人(即主要管理人員、重大股權股東及／或其親近家庭成員)或其他實體，包括受本集團關連人士重大影響的實體，而該關連人士屬個人，及提供福利予本集團僱員的離職後福利計劃或某些與本集團關連的實體。

(s) 資產負債表日後事項

可提供有關本集團於資產負債表日狀況之額外資料或顯示持續經營基準假設並不適合之資產負債表日後事項屬於調整事項，均於財務報表內反映。並非調整事項之重大資產負債表日後事項則於附註中披露。

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

(r) Related parties

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.

(s) Events after the balance sheet date

Post-year-end events that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

4. 重大會計判斷及估計

有極大風險導致未來財政年度之資產與負債之賬面值出現重大調整之主要估計及假設論述如下。

資產減值

本集團管理層會每年測試資產是否出現減值。現金產生單位之可收回金額已按使用價值計算法及估計銷售價格淨額釐訂。使用該等計算法時須作出估計。

應收賬款減值撥備

本集團管理層釐訂應收賬款減值撥備。有關估計乃根據客戶之信貸記錄及當時市況作出，並會因客戶之財務狀況改變而出現大幅度變動。管理層將於每個結算日重新評估撥備。

於釐訂是否須就呆壞賬作出撥備時，本集團已考慮有關款項之賬齡及收回之可能性，並僅會就不大可能收回之貿易應收款項作出特別撥備。就此而言，呆賬所帶來之風險極微，並已於財務報表內作出足夠撥備。

存貨減值撥備

本集團管理層曾運用彼等之判斷為存貨作出撥備，並會為確認為陳舊之存貨作出特別撥備。並無為存貨作出一般撥備之政策。

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of assets

The management of the Group tests annually whether assets have suffered any impairment. The recoverable amounts of cash generating units have been determined on the value-in-use calculation and estimated net selling price. These calculations require uses of estimate.

Provision for impairment of receivables

The Group's management determines the provision for impairment of receivables. This estimate is based on the credit history of its customers and the current market condition. It could change significantly as a result of changes in the financial position of the customers. Management will reassess the provision at each balance sheet date.

In determining whether allowance for bad and doubtful debts is required, the Group takes into consideration the ageing status and the likelihood of collection. Specific allowance is only made for trade receivables that are unlikely to be collected. In this regard, the directors are satisfied that this risk is minimal and adequate allowance for doubtful debts has been made in the financial statements.

Provision for impairment of inventories

The Group's management exercises their judgements in making the provision for impairment of inventories. A specific provision is made of the inventories identified to be obsolete. There is no policy on general allowance for inventories.

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5. 營業額、收益及分部資料

(a) 營業額及其他收益

本集團於本年度的營業額如下：

5. TURNOVER, REVENUE AND SEGMENT INFORMATION

(a) Turnover and other revenue

Revenues recognised during the year are as follows:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
營業額	Turnover		
銷售硬件及軟件收入	Sales of hardware and software	14,077	6,694
徵費收入	Transaction levies	1,871	1,479
		15,948	8,173
其他收益	Other revenue		
出售華普智通卡收入	Profit on sales of smart cards	519	223
補貼收入	Subsidy income		
— 增值稅返還 (附註(i))	— Value added tax ("VAT") refund (Note (i))	287	2,950
存貨減值虧損沖回	Reversal of impairment loss on inventories	644	—
其他流動資產減值 虧損沖回	Reversal of impairment loss on other current assets	1,937	—
利息收入	Interest income	141	7
貿易及其他應收款 減值虧損撥回 以及壞賬收回	Reversal of impairment loss on trade and other receivables and bad debts recovery	2,817	—
應付一間關聯 公司款項撇銷	Waiver of amount due to a related company	20	—
應付賬款撇銷	Write-off of accounts payable	4,897	—
應計款項及其他應 付款過度撥備撥回	Overprovision of accruals and other payables written back	691	—
稅項服務費返還	Tax service fee refund	3	—
其他	Others	18	164
		11,974	3,344
總收益	Total revenues	27,922	11,517

5. 營業額、收益及分部資料 (續)

(a) 營業額及其他收益 (續)

- (i) 對於鄭州華普奧原電子泊車設備有限公司(「華普奧原」)在中國的銷售收入需要徵收增值稅。該增值稅率定於其銷售收入的17%(銷項稅)，在買進原材料，半成品等時所支付的進項增值稅會在徵收增值稅中予以抵扣，以此來確定應預付或支付的淨增值稅。

根據國家稅務總局在二零零零年六月二十二日發布的財稅[2000]第25號文規定，給予軟件企業優惠稅率，對其銷售自行開發生產之軟件產品徵收的增值稅超過收入3%的部分給予返還。截至二零零五年十二月三十一日止年度，該集團取得該等增值稅返還約人民幣287,000元(二零零四年：人民幣2,950,000元)，並且該返還被確認為補貼收入計入綜合損益表中。

5. TURNOVER, REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Turnover and other revenue (Continued)

- (i) Zhengzhou Jian-O'Yuan ITS Systems Co. Ltd. ("Jian-O'Yuan") is subject to output VAT on its sales in PRC, which is levied at the general rate of 17% on the gross selling price upon sales of goods. Input VAT paid on purchases of raw materials, work in progress and other assets would be used to offset the output VAT payable on sales to determine the net VAT prepayment or VAT payable.

Pursuant to Cai Shui 2000 No. 25 issued by the State Tax Bureau on 22 June 2000, software enterprises are entitled to a preferential tax treatment and any actual VAT paid related to the sales of self-developed and produced software exceeding 3% of the revenue from the sales of software will be refunded. For the year ended 31 December 2005, the Group obtained a refund amounted to RMB287,000 (2004: RMB2,950,000) which was recognised as subsidy income in the consolidated profit and loss account.

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5. 營業額、收益及分部資料(續)

(b) 按客戶類別之營業額分析如下：

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
對關聯公司之銷售收入 (附註27(b)(i))	Sales to related companies (Note 27(b)(i))	4,075	4,025
銷售獨立第三方之銷售收入	Sales to independent third parties	11,873	4,148
		15,948	8,173

(c) 分部資料

本集團進行單項業務的經營，在中國發展運作華普智通系統及製造、銷售相應的設備。

本集團的業務主要在以下五大地理區域：

華南地區
華北地區
華中地區
華東地區
東北地區

5. TURNOVER, REVENUE AND SEGMENT INFORMATION

(Continued)

(b) Turnover analysed by categories of customers are as follows:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
Sales to related companies (Note 27(b)(i))		4,075	4,025
Sales to independent third parties		11,873	4,148
		15,948	8,173

(c) Segment information

The Group conducts its business within one business segment – the development and operation of Jian ePayment System and manufacturing and distribution of the associated commercial applications in the PRC.

The Group's businesses operate in five main geographical areas:

Southern China
Northern China
Central China
Eastern China
North-eastern China

5. 營業額、收益及分部資料 (續)

(c) 分部資料 (續)

地區分部之間只有極少量買賣活動。

5. TURNOVER, REVENUE AND SEGMENT INFORMATION

(Continued)

(c) Segment information (Continued)

There are minimal sales between the geographical segments.

		華南地區	華北地區	華中地區	華東地區	東北地區	集團
		Southern China	Northern China	Central China	Eastern China	North- eastern China	Group
		二零零五年	二零零五年	二零零五年	二零零五年	二零零五年	二零零五年
		2005	2005	2005	2005	2005	2005
		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
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
營業額	Turnover	7,329	185	6,562	1,872	-	15,948
分部業績	Segment results	4,719	69	3,555	1,136	-	9,479
其他收入	Other revenue						11,974
未分配成本	Unallocated costs						(19,668)
經營溢利	Operating profit						1,785
財務費用	Finance costs						(376)
除稅前溢利	Profit before taxation						1,409
稅項	Taxation						(126)
股東應佔溢利	Profit attributable to shareholders						1,283
分部資產	Segment assets	-	8,716	9,048	-	-	17,764
未分配資產	Unallocated assets						-
總資產	Total assets						17,764
分部負債	Segment liabilities	-	1,548	24,430	-	-	25,978
未分配負債	Unallocated liabilities						-
總負債	Total liabilities						25,978
資本性開支	Capital expenditure	-	131	10	-	-	141
折舊	Depreciation	-	1,209	2,395	-	-	3,604

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5. 營業額、收益及分部資料 (續)

(c) 分部資料 (續)

地區分部之間只有極少量買賣活動。

5. TURNOVER, REVENUE AND SEGMENT INFORMATION

(Continued)

(c) Segment information (Continued)

There are minimal sales between the geographical segments.

		華南地區	華北地區	華中地區	華東地區	東北地區	集團
		Southern China	Northern China	Central China	Eastern China	North- eastern China	Group
		二零零四年 2004	二零零四年 2004	二零零四年 2004	二零零四年 2004	二零零四年 2004	二零零四年 2004
		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
營業額	Turnover	2,059	139	3,481	24	2,470	8,173
分部業績	Segment results	1,466	89	2,085	23	514	4,177
其他收入	Other revenue						3,344
未分配成本	Unallocated costs						(42,500)
經營虧損	Operating loss						(34,979)
財務費用	Finance costs						(622)
除稅前虧損	Loss before taxation						(35,601)
稅項	Taxation						-
股東應佔虧損	Loss attributable to shareholders						(35,601)
分部資產	Segment assets	-	3,694	17,515	-	-	21,209
未分配資產	Unallocated assets						-
總資產	Total assets						21,209
分部負債	Segment liabilities	-	610	30,103	-	-	30,713
未分配負債	Unallocated liabilities						-
總負債	Total liabilities						30,713
資本性開支	Capital expenditure	-	-	21	-	-	21
折舊	Depreciation	-	3,226	6,386	-	-	9,612
固定資產減值虧損	Impairment loss of fixed assets	-	7,404	13,031	-	-	20,435

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6. 除稅前溢利／(虧損)

除稅前溢利／(虧損)已扣除／(計入)下列項目：

6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation in arrived at after charging:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
固定資產折舊 (附註13)	Depreciation of fixed assets (Note 13)	3,604	9,612
固定資產減值虧損 (附註13)	Impairment loss on fixed assets (Note 13)	-	20,435
貿易及其他應收款 減值虧損	Impairment loss on trade and other receivables	100	2,413
員工成本(包括董事酬金) (附註12)	Staff costs including directors' emoluments (Note 12)		
工資	Salaries and wages	6,106	3,809
退休金計劃繳納款項 (附註21)	Contributions to retirement schemes (Note 21)	764	575
存貨成本	Cost of inventories	6,273	3,920
經營租賃	Operating lease rental	623	1,499
核數師酬金	Auditors' remuneration	521	477
研究及開發成本	Research and development costs	897	779
出售固定資產虧損	Loss on disposal of fixed assets	5	-
固定資產撤銷	Fixed assets written off	1,886	-
壞賬撤銷	Bad debt written off	1,539	-
存貨撤銷	Inventory written off	315	-

7. 財務費用

7. FINANCE COSTS

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
五年內全數償還： 可轉換債券之利息費用	Wholly repayable within five years: Interest expenses on convertible notes	376	622

8. 稅項

本集團各公司須就其經營之稅務司法管轄權區產生或所得收入按實體基準繳納所得稅。

截至二零零五年十二月三十一日止年度本集團並無產生自或源於開曼群島、英屬處女群島及香港之應計提所得稅之盈利，故並無就該三個司法管轄權區之所得計提準備（二零零四年：無）。

本集團之子公司一華普奧原為於一九九九年四月二十六日在中國註冊成立的私營有限責任公司。華普奧原於二零零一年七月取得外商投資企業稅務登記，根據中國外商投資企業及外國企業所得稅（「企業所得稅」）法例，作為外商投資的生產性公司，華普奧原自第一個獲利年度起享有兩免三減半的稅收優惠。於二零零五年，華普奧原並無提撥企業所得稅準備，此乃由於該公司並無應課稅溢利。

由於在中國成立之各附屬公司（即北京華普智通科技有限公司及武漢華普智通科技有限公司）於截至二零零五年十二月三十一日止年度並無應課稅溢利，故並無就企業所得計提準備。

8. TAXATION

The companies comprising the Group are subject to income taxes on an entity basis on income arising in or derived from the tax jurisdiction in which they operate.

No provision for profits tax in the Cayman Islands, the British Virgin Islands or Hong Kong has been provided for as the Group has no assessable profit arising in or derived from those jurisdictions for the year ended 31 December 2005 (2004: Nil).

The Group's subsidiary, Jian-O'Yuan, was incorporated in the PRC as a privately owned limited liability company on 26 April 1999. In July 2001, Jian-O'Yuan obtained the tax registration as an enterprise with foreign investment. Pursuant to the PRC laws of Enterprise Income Tax ("EIT") for Enterprises with Foreign Investment and Foreign Enterprises, as a manufacturing enterprise with foreign investment, Jian-O'Yuan is entitled to full exemption from EIT for two years and a 50% reduction in the next three years. In year 2005, no EIT provision was provided for Jian-O'Yuan as the company had no assessable profit.

No EIT provision was required for the subsidiaries incorporated in the PRC, Beijing Jian ePayment Science and Technology Co. Ltd. and Wuhan Jian ePayment Science and Technology Co. Ltd. as they had no assessable profit for the year ended 31 December 2005.

財務報表附註

截至二零零五年十二月三十一日止年度

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

8. 稅項 (續)

本集團的主要業務及收入均位於中國，於本年度適用於本集團的中國法定稅率為33%。以適用稅率計算之稅項開支及會計溢利／(虧損)對賬如下：

8. TAXATION (Continued)

As the Group's major operation and income were located in the PRC, the applicable tax rate to the Group was the PRC statutory tax rate of 33% during the year. Reconciliation between tax expense and accounting profit/(loss) at applicable tax rate is as follows:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
除稅前溢利／(虧損)	Profit/(loss) before taxation	1,409	(35,601)
按中國法定稅率33%計算	Calculated at the PRC statutory tax rate of 33%	465	(11,748)
稅率差異影響	Effect of different tax rate	91	865
稅收優惠期影響	Effect of tax preferential period	(117)	(116)
釐定應課稅溢利時毋須 繳稅收入之稅務影響	Tax effect of utilisation of tax losses not previously recognised	(6,215)	-
不獲扣稅開支之稅務影響	Tax effect of expenses that are not deductible in determining taxable profit	5,652	183
未確認遞延稅項資產	Unrecognised deferred tax assets	124	10,816
於過往年度撥備不足	Underprovision in previous year	(126)	-
		(126)	-

於二零零五年十二月三十一日之未撥備遞延稅項詳情見附註24。

The details of unprovided deferred taxation as at 31 December 2005 were stated in Note 24.

9. 股東應佔虧損

在本公司財務報表上反映的股東應佔虧損達人民幣3,082,000元(二零零四年：虧損人民幣35,599,000元)。

9. LOSS ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to shareholders is dealt with in the accounts of the Company to the extent of a loss of RMB3,082,000 (2004: RMB35,599,000).

10. 股息

本集團本年度並無派發或宣佈派發股息(二零零四年：無)。

10. DIVIDEND

No dividend had been paid or declared by the Company during the year (2004: Nil).

財務報表附註

截至二零零五年十二月三十一日止年度

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

11. 每股溢利／(虧損)

每股基本溢利／(虧損)是根據股東應佔溢利人民幣1,283,000元(二零零四年：虧損人民幣35,601,000元)及期內已發行普通股400,000,000股(二零零四年：400,000,000股)計算。

本公司未有列出二零零五年之每股攤薄盈利，此乃由於年內本公司購股權的行使價高於本公司股份在授予購股權後的平均市價。

本公司未有列出二零零四年之每股攤薄虧損，此乃由於本公司的購股權及可轉換債券之行使價高於本公司股份在授予購股權後的平均市價，及該等行使將令年內每股虧損減少。

12. 董事及高級管理人員酬金

已付或應付予七位董事(二零零四年：八位)各人之董事酬金如下：

11. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the Group's profit attributable to shareholders of RMB1,283,000 (2004: loss of RMB35,601,000) and on 400,000,000 (2004: 400,000,000) ordinary shares in issue during the year.

No diluted earnings per share for 2005 is presented because the exercise price of the Company's options was higher than the average market prices of the Company's shares for the year.

No diluted loss per share for 2004 is presented because the exercise prices of the Company's options and convertible note were higher than the average market prices of the Company's shares for the year and these exercises would reduce the loss per share for the year.

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

Directors' remuneration paid or payable to each of the seven (2004: eight) directors were as follows:

		薪金、 津貼及 董事袍金	實物利益	退休福利	總額
		Salaries, allowances and benefits fees	in kind	Retirement scheme contributions	Total
截至二零零五年十二月三十一日止年度 Year ended 31 December 2005		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
執行董事	<i>Executive directors</i>				
翦英海	Chin Ying Hoi	208	442	29	679
楊國偉	Yang Guo Wei	108	451	29	588
李隨洋	Li Sui Yang	108	233	29	370
劉德富	Liu De Fu	163	71	-	234
獨立非執行董事	<i>Independent non-executive directors</i>				
張曉京	Zhang Xiao Jing	66	-	-	66
董芳	Tung Fong	66	-	-	66
曲嘯國	Qu Xiao Guo	60	-	-	60
		779	1,197	87	2,063

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截至二零零五年十二月三十一日止年度

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

12. 董事及高級管理人員酬金 (續)

已付或應付予七位董事(二零零四年: 八位)各人之董事酬金如下: (續)

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

Directors' remuneration paid or payable to each of the seven (2004: eight) directors were as follows: (Continued)

		薪金、 津貼及 董事袍金	實物利益 Salaries, allowances and benefits in kind	退休福利 Retirement scheme contributions	總額 Total
		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
截至二零零四年十二月三十一日止年度 Year ended 31 December 2004					
執行董事	<i>Executive directors</i>				
翦英海	Chin Ying Hoi	50	600	22	672
郭彥洪	Guo Yan Hong	–	25	–	25
李隨洋	Li Sui Yang	26	310	22	358
劉德富	Liu De Fu	18	216	–	234
楊國偉	Yang Guo Wei	26	57	8	91
獨立非執行董事	<i>Independent non-executive directors</i>				
張曉京	Zhang Xiao Jing	72	–	–	72
董芳	Tung Fong	72	–	–	72
曲嘯國	Qu Xiao Guo	16	–	–	16
		280	1,208	52	1,540

概無董事免收截至二零零五年及二零零四年十二月三十一日止兩年各年之酬金。

No directors waived or agreed to waive any of their emoluments in respect of the years ended 31 December 2005 and 2004.

截至二零零五年及二零零四年十二月三十一日止各年度, 本集團並無向董事支付任何酬金, 作為酌情花紅或彼等加入本集團及加入後之獎金, 或作為失去職位之補償。

No emoluments were paid by the Group to the directors as a discretionary bonus or an inducement to join or upon joining the Group or as a compensation for loss of office for the years ended 31 December 2005 and 2004.

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截至二零零五年十二月三十一日止年度

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

12. 董事及高級管理人員酬金 (續)

本年度集團內五名最高薪酬人士包括四名(二零零四年：三名)董事，其酬金已載於上文分析。其餘一名(二零零四年：兩名)最高薪人士之酬金分析如下：

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

The five individuals whose emoluments were the highest in the Group for the year include four (2004: three) directors whose emoluments were reflected in the analysis presented above. The emoluments payable to the remaining one (2004: two) individuals during the year are as follows:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
其他薪酬：	Other emoluments:		
基本薪金及利益	Basic salaries and benefits	271	338
退休福利	Contributions to pensions schemes	7	12
		278	350

最高薪酬五名人士之酬金組別如下：

The emoluments of the five highest individuals fell within the following bands:

		人數 Number of individuals	
		二零零五年 2005	二零零四年 2004
薪酬組別：	Emoluments bands:		
零至人民幣1,042,000元 (相當於1,000,000港元)	RMB nil - RMB1,042,000 (equivalent to HK\$1,000,000)	5	5

截至二零零五年及二零零四年十二月三十一日止各年度，本集團並無支付向五名最高薪酬人士支付酬金，作為酌情花紅或彼等加入本集團及加入後之獎金，或作為失去職位之補償。

No emoluments were paid by the Group to any of the five highest paid individuals as a discretionary bonus or an inducement to join or upon joining the Group or as a compensation for loss of office for the years ended 31 December 2005 and 2004.

13. 固定資產

13. FIXED ASSETS

		集團 Group			總額 Total
		租賃物業裝修 Leasehold improvements	機器設備 Machinery	辦公設備 Office equipment	
		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
成本值	Cost				
二零零四年一月一日	At 1 January 2004	92	58,542	1,141	59,775
添置	Additions	-	13	8	21
重新分類為存貨	Reclassification to inventories	-	(750)	-	(750)
二零零五年一月一日	At 1 January 2005	92	57,805	1,149	59,046
添置	Additions	-	-	141	141
出售/撤銷	Disposals/written off	-	(31,530)	(626)	(32,156)
二零零五年十二月三十一日	At 31 December 2005	92	26,275	664	27,031
累計折舊及減值	Accumulated depreciation and impairment				
二零零四年一月一日	At 1 January 2004	92	20,354	423	20,869
本年度折舊	Charge for the year	-	9,409	203	9,612
減值虧損	Impairment losses	-	20,435	-	20,435
二零零五年一月一日	At 1 January 2005	92	50,198	626	50,916
本年度折舊	Charge for the year	-	3,409	195	3,604
出售/撤銷	Disposals/written off	-	(29,735)	(436)	(30,171)
二零零五年十二月三十一日	At 31 December 2005	92	23,872	385	24,349
賬面淨值：	Net book value:				
二零零五年十二月三十一日	At 31 December 2005	-	2,403	279	2,682
二零零四年十二月三十一日	At 31 December 2004	-	7,607	523	8,130

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

14. 於子公司之投資

14. INVESTMENTS IN SUBSIDIARIES

		公司	
		Company	
		二零零五年	二零零四年
		2005	2004
		人民幣千元	人民幣千元
		RMB'000	RMB'000
於子公司之投資	Investments in subsidiaries		
成本(附註(a))	at cost (Note (a))	24,208	24,208
應收子公司	Amounts due from subsidiaries		
(附註(b))	(Note (b))	25,355	25,371
應付子公司	Amounts due to subsidiaries		
(附註(b))	(Note (b))	(3,486)	-
		46,077	49,579
投資減值	Impairment of investments	(44,587)	(44,587)
		1,490	4,992

(a) 投資

於二零零五年十二月三十一日之子公司如下：

(a) Investments

The following is a list of subsidiaries at 31 December 2005:

名稱	成立地點及 公司性質	成立日期	主要業務 及營運地	註冊/ 已發行資本	本公司應佔 股權百分比	
					直接	間接
Name	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Principal activities and place of operation	Particulars of registered/ issued capital (附註(i)) (Note (i))	Directly	Indirectly
Systematic Technology Group Limited (「Systematic」)	英屬處女群島， 有限責任公司	二零零零年 六月二十七日	投資控股 香港	5股普通股 每股1美元	100%	-
Systematic Technology Group Limited (「Systematic」)	British Virgin Islands, limited liability company	27 June 2000	Investment holding in Hong Kong	5 ordinary shares of USD1 each	100%	-

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NOTES TO THE FINANCIAL STATEMENTS

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14. 於子公司之投資(續)

(a) 投資(續)

名稱 Name	成立地點及 公司性質 Place of incorporation/ establishment and kind of legal entity	成立日期 Date of incorporation/ establishment	主要業務 及營運地 Principal activities and place of operation	註冊/ 已發行資本 Particulars of registered/ issued capital (附註(i)) (Note (i))	本公司應佔 股權百分比 Interest held 直接 間接 Directly Indirectly	
					Directly	Indirectly
鄭州華普奧原電子 泊車設備有限公司 (「華普奧原」) (附註(ii))	中國， 有限責任公司	一九九九年 四月二十六日	華普智通系統 的開發與運作以 及相關商業應用 的製造與推廣 中國	2,950,000美元	—	100%
Zhengzhou Jian-O' Yuan ITS Systems Company Limited (「Jian-O' Yuan」) (Note (ii))	PRC, limited liability company	26 April 1999	Development and operation of Jian ePayment System and manufacturing and distribution of the associated commercial applications in PRC	USD2,950,000	—	100%
武漢華普智通科技 有限公司 (「武漢華普」) (附註(iii))	中國， 有限責任公司	二零零二年 八月二十日	華普智通系統的運作 中國	846,000美元	—	100%
Wuhan Jian ePayment Science and Technology Company Limited (「Wuhan Jian ePayment」) (Note (iii))	PRC, limited liability company	20 August 2002	Operation of Jian ePayment System in PRC	USD846,000	—	100%
北京華普智通科技 有限公司 (「北京華普」) (附註(iii))	中國， 有限責任公司	二零零二年 五月二十二日	華普智通系統的運作 中國	150,000美元	—	100%
Beijing Jian ePayment Science and Technology Company Limited (「Beijing Jian ePayment」) (Note (iii))	PRC, limited liability company	22 May 2002	Operation of Jian ePayment System in PRC	USD150,000	—	100%

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14. 於子公司之投資 (續)

(a) 投資 (續)

名稱	成立地點及 公司性質	成立日期	主要業務 及營運地	註冊/ 已發行資本	本公司應佔 股權百分比	
Name	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Principal activities and place of operation	Particulars of registered/ issued capital (附註(i)) (Note (i))	直接	間接
					Directly	Indirectly
華普智通 (中國)國際控股 有限公司	英屬處女群島， 有限責任公司	二零零四年 二月三日	仍未啟業 香港	1美元	-	100%
Jian ePayment (China) International Holdings Limited	British Virgin Islands, limited liability company	3 February 2004	Not yet commenced business	USD1	-	100%

附註：

- (i) 於二零零五年十二月三十一日，本公司的所有子公司之資本已全部繳足。
- (ii) 華普奧原為於一九九九年四月二十六日在中國註冊成立的私營有限責任公司。於註冊成立時，華普奧原的82%權益由北京華普科技有限公司（「華普科技」）持有。華普奧原的18%股權則由獨立第三方鄭州奧原電子技術有限公司（「鄭州奧原」）持有。於二零零零年四月十八日，鄭州奧原所持華普奧原的18%股權由北京華普產業集團有限公司（「北京華普產業」）所收購。華普奧原其後成為一間中外合資企業。根據華普科技、北京華普產業及Systematic於二零零零年七月十八日訂立的協議，Systematic向華普科技及北京華普產業收購華普奧原的99%股權其餘1%股權由華普科技持有。根據於二零零二年五月十八日訂立的協定，Systematic購入原由華普科技有限公司擁有之華普奧原之1%股權，華普奧原成為Systematic之全資子公司。

Note:

- (i) As at 31 December 2005, all issued capital of the subsidiaries of the Company had been paid up.
- (ii) Jian-O'Yuan was incorporated in the PRC as a privately owned limited liability company on 26 April 1999. Upon incorporation, 82% equity interests of Jian-O'Yuan were held by Beijing Jian-Tech Co., Ltd. ("Jian-Tech") and 18% equity interests of Jian-O'Yuan were held by Zhengzhou-O'Yuan Electronics Technology Limited ("Zhengzhou-O'Yuan"), an independent third party. On 18 April 2000, the 18% equity interests of Jian-O'Yuan held by Zhengzhou-O'Yuan were acquired by Beijing Jian Enterprises (Group) Co., Ltd. ("Beijing Jian Enterprise"). Jian-O'Yuan was then converted into a sino-foreign equity joint venture. According to an agreement between Jian-Tech, Beijing Jian Enterprise and Systematic dated 18 July 2000, Systematic acquired 99% of the equity interests of Jian-O'Yuan. The remaining 1% of equity interests was held by Jian-Tech. According to the agreement dated 18 May 2002, the 1% equity interests of Jian-O'Yuan held by Jian-Tech was acquired by Systematic. Since then, Jian-O'Yuan became a wholly owned subsidiary of Systematic.

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14. 於子公司之投資(續)

(a) 投資(續)

附註：(續)

- (iii) 武漢華普及北京華普為分別於二零零二年八月二十日及五月二十二日在中國註冊成立的私營有限責任公司。該兩家公司均為Systematic全資子公司。

- (b) 應收及應付子公司之款項為無抵押、不計息且未確定償付日期。並無收到任何有關該應收款項之擔保。

15. 存貨

14. INVESTMENTS IN SUBSIDIARIES (Continued)

(a) Investments (Continued)

Note: (Continued)

- (iii) Wuhan Jian ePayment and Beijing Jian ePayment were incorporated in the PRC as privately owned limited liability companies on 20 August 2002 and 22 May 2002, respectively. These two subsidiaries are wholly owned by Systematic.

- (b) The amounts with subsidiaries are unsecured, non-interest bearing and have no fixed repayment terms.

15. INVENTORIES

		集團	
		Group	
		二零零五年	二零零四年
		2005	2004
		人民幣千元	人民幣千元
		RMB'000	RMB'000
原材料	Raw materials	67	1,162
在製品	Work in progress	18	175
製成品	Finished goods	114	1,002
		199	2,339
存貨撥備	Impairment for inventories	-	(1,927)
		199	412

於二零零五年十二月三十一日，沒有存貨以可變現價值入賬(二零零四年：無)。

As at 31 December 2005, no inventories were carried at net realisable value (2004: Nil).

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16. 貿易及其他應收款

		附註 Note	集團 Group		公司 Company	
			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
貿易應收款	Trade receivables	(a)	6,528	909	-	-
預付款及保證金	Prepayments and deposits	(b)	1,763	2,777	52	106
其他應收款	Other receivables	(c)	896	2,295	-	33
			9,187	5,981	52	139

就貿易及其他應收款而言，由於本公司及本集團已按持續基準出監控，令本公司及本集團所承受之壞賬風險盡量減低，故信貸風險並不集中。

管理層認為貿易及其他應收款之賬面值約等同彼等之公平值。

(a) 貿易應收款的信用期介於120天到180天之間。貿易應收款之賬齡分析如下：

30天以內	0-30 days
31至60天	31-60 days
61至90天	61-90 days
91至120天	91-120 days
121至180天	121-180 days
181至365天	181-365 days
365天以上	Over 365 days

減值準備 Impairment

16. TRADE AND OTHER RECEIVABLES

		附註 Note	集團 Group		公司 Company	
			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
貿易應收款	Trade receivables	(a)	6,528	909	-	-
預付款及保證金	Prepayments and deposits	(b)	1,763	2,777	52	106
其他應收款	Other receivables	(c)	896	2,295	-	33
			9,187	5,981	52	139

There is no concentration of credit risk with respect to trade and other receivables, as the Company and the Group have monitored on an ongoing basis with the result that the Company's and the Group's exposure to bad debts is minimal.

The management considers that the carrying amount of trade and other receivables approximates their fair value.

(a) The credit term of the trade receivables of the Group ranges from 120 to 180 days. The ageing analysis of the trade receivables was as follows:

		集團 Group	
		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
		5,494	157
		227	59
		-	50
		807	-
		24	-
		299	26
		6,420	12,784
		13,271	13,076
		(6,743)	(12,167)
		6,528	909

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16. 貿易及其他應收款(續)

(b) 預付款及保證金

		附註 Note	集團 Group		公司 Company	
			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
預繳之企業所得稅	Payment of enterprises income tax ("EIT")	(i)	1,418	2,118	-	-
預付供應商之款項	Prepayments to suppliers		239	425	-	-
其他	Others		106	234	52	106
			1,763	2,777	52	106

(i) 在華普奧原與當地稅局落實附註8所述之稅收優惠政策前，被要求先就二零零零年及二零零一年之潛在企業所得稅負債繳納保證金。該保證金在二零零一年華普奧原取得稅局批准後退回。

16. TRADE AND OTHER RECEIVABLES (Continued)

(b) Prepayments and deposits

		附註 Note	集團 Group		公司 Company	
			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
Prepaid income tax	Payment of enterprises income tax ("EIT")	(i)	1,418	2,118	-	-
Prepayments to suppliers	Prepayments to suppliers		239	425	-	-
Others	Others		106	234	52	106
			1,763	2,777	52	106

(i) Before Jian-O'Yuan obtained the confirmation from the local tax bureau for the preferential tax treatment as stated in Note 8, Jian-O'Yuan was required to place deposits against the potential EIT liabilities for the years 2000 and 2001. Such deposits for EIT were refunded/refundable after Jian-O'Yuan obtained the approval of the preferential tax treatment from the tax bureau in 2001.

(c) 其他應收款

		附註 Note	集團 Group		公司 Company	
			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
職工備用金	Advances to staff		114	273	-	-
應收稅項	Tax receivable		253	-	-	-
其他	Others		529	2,022	-	33
			896	2,295	-	33

(c) Other receivables

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17. 其他流動資產

於年末，集團的其他流動資產為本集團向客戶提供之用於華普智通系統運作之智能卡。

17. OTHER CURRENT ASSETS

Other current assets at Group level represented the cost of smart cards provided by the Group to customers for the operations of Jian ePayment System as at the year end.

18. 貿易及其他應付款

18. TRADE AND OTHER PAYABLES

		附註 Note	集團 Group		公司 Company	
			二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
貿易應付款	Trade payables	(a)	2,601	8,512	-	-
其他應付款	Other payables	(b)	11,336	8,954	4,024	4,038
			13,937	17,466	4,024	4,038

管理層認為貿易及其他應付款之賬面值約等同彼等之公平值。

The management considers that the carrying amount of trade and other payables approximates their fair value.

(a) 於二零零五年十二月三十一日，貿易應付款之賬齡分析如下：

(a) As at 31 December 2005, the ageing analysis of the trade payables were as follows:

		集團 Group	
		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
30天以內	0-30 days	441	254
31至60天	31-60 days	156	95
91至120天	91-120 days	36	23
121至180天	121-180 days	72	-
181至365天	181-365 days	260	-
365天以上	Over 365 days	1,636	8,140
		2,601	8,512

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18. 貿易及其他應付款(續)

(b) 其他應付款

		集團		公司	
		二零零五年	二零零四年	二零零五年	二零零四年
		2005	2004	2005	2004
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
應付營業稅款	Business tax payable	72	-	-	-
應付利息	Interest payable	156	-	156	-
應付增值稅款	VAT payable	444	136	-	-
職工獎勵及福利基金	Provision for staff and workers' bonus and welfare fund	1,006	834	-	-
預提經營費用	Accruals for operating expenses	6,136	5,287	3,806	4,015
應付工資及福利	Salary and welfare payables	905	810	62	14
其他	Others	2,617	1,887	-	9
		11,336	8,954	4,024	4,038

19. 可轉換債券

二零零二年十一月三十日，本公司向獨立第三方（「認購人」）發行價值港幣10,000,000元（相當於等值人民幣約10,611,000元）之可轉換債券。該可轉換債券可轉換為4,000,000股公司股份，每股初步換購價港幣2.50元（可予調整）。認購人亦可選擇於二零零二年十一月十八日（可轉換債券認購日）起計之六個月內以港幣10,000,000元認購每股換購價為港幣3.00元之第二張可轉換債券。於二零零三年五月十八日到期後認購人並未行使其選擇權，認購第二張可轉換債券。

可轉換債券均按香港上海滙豐銀行有限公司於有關計息期之最後營業日向客戶所報之港元最優惠貸款利率加1%之年利率計息。

19. CONVERTIBLE NOTES

The Company issued a convertible note of HK\$10,000,000 (equivalent of RMB10,611,000) to an independent third party (the "Subscriber") on 30 November 2002. The convertible note is convertible into 4,000,000 shares of the Company at an initial conversion price of HK\$2.50 per share (subject to adjustment). The Subscriber also had an option to subscribe for a second convertible note of HK\$10,000,000 with an initial conversion price of HK\$3.00 per share within 6 months after 18 November 2002, the date of subscription agreement. The subscriber did not exercise its option to subscribe for the second convertible note after the expiry date, 18 May 2003.

The interest of the convertible note is calculated at a rate per annum equal to one per cent over the prime lending rate for Hong Kong Dollars as quoted by the Hong Kong and Shanghai Banking Corporation Limited to its customers on the last business day of the relevant interest period on the principle amount of the note outstanding.

19. 可轉換債券 (續)

以上可轉換債券於發行兩年後到期。債券持有人可於可轉換債券發行日期起十二個月後行使換股權。每次換股須以港幣2,000,000元之完整倍數為單位。

本公司已於二零零四年十一月十八日與認購人簽署補充協議，延長可換股債券之到期日及重新制定償付金額之償付時間表。

根據補充協議以及票據持有人按該可換股票據的未償付本金行使換股權（見公佈之定義），本公司將需於二零零四年十一月三十日，即第一到期日（「第一到期日」）支付該可換股票據的部份款項（金額為本金2,000,000港元及截至第一期日止之利息250,000港元），該可換股票據的其餘未償付本金分四期支付（「分期付款」）：二零零四年十二月三十一日之前支付本金3,000,000港元（「第二到期日」），二零零五年二月二十八日之前支付本金2,000,000港元（「第三到期日」），二零零五年三月三十一日之前支付本金2,000,000港元，二零零五年四月三十日之前支付本金1,000,000港元。支付方式為遠期銀行支票（「期票」）方式，並於第一到期日交付予票據持有人。

本公司已於第一到期日及第二期到期日分別償付2,250,000港元及3,000,000港元。但是，本公司於第三到期日並未支付2,000,000港元。根據補充協議，如本公司未能履行償付責任或任何期票於相應到期日未能兌現，該可換股票據之本金及其它款項需全數即時歸還，該等本金及其它款項並即時加收年利率十五厘之罰息直至全部清還為止。

19. CONVERTIBLE NOTES (Continued)

The maturity date for the convertible note is the second anniversary date of its issue. The conversion rights could be exercised after a period 12 months from the respective dates of issue of the convertible notes and each conversion shall be in the integral multiples of HK\$2,000,000.

On 18 November 2004, the Company and the Subscriber entered into a supplemental agreement pursuant to which the maturity date of the convertible note was extended and the repayment of the outstanding amount was re-scheduled.

Pursuant to the supplemental agreement, subject to the exercise of the conversion rights by the Subscriber on any principal outstanding amount of the convertible note, the Company should on 30 November 2004 ("First Maturity Date"), repay part of the principal outstanding amount of the convertible note in the sum of HK\$2,000,000 and HK\$250,000 on the account of the interest accrued on the convertible note up to the First Maturity Date. The remaining principal outstanding amount of the convertible note shall then be repaid by four instalments by way of four post-dated cheques ("Cheques") dated 31 December 2004 ("Second Maturity Date"), 28 February 2005 ("Third Maturity Date"), 31 March 2005 and 30 April 2005 in the sum of HK\$3,000,000, HK\$2,000,000, HK\$2,000,000 and HK\$1,000,000 respectively which were delivered to the Subscriber on the First Maturity Date.

The Company repaid in the sum of HK\$2,250,000 and HK\$3,000,000 on the First Maturity Date and Second Maturity Date respectively. However, the Company failed to repay the sum of HK\$2,000,000 on the Third Maturity Date. Pursuant to the supplemental agreement, if the Company fails to fulfil any of its obligations to repay or if any of the Cheques is dishonored on its first presentation on the respective maturity dates, all the outstanding principal amount of the convertible note and all other sums payable hereunder will become immediately due and payable, and such outstanding principal amount of the convertible note and such other sums shall be charged at default interest of the rate of 15% per annum from the date of the same being demanded until full payment thereof by the Company.

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19. 可轉換債券(續)

本年度，本公司已向認購人償還281,250港元，其餘4,718,750港元（約人民幣4,912,000元）之餘額截至二零零五年十二月三十一日仍未償還。

20. 應付董事

該金額為無抵押，免息及於接獲通知後即時償還。

21. 退休金

本集團安排香港僱員參與強制性公積金計劃（「強積金計劃」）。強積金計劃屬於定額供款計劃，由獨立受托人管理。根據強積金計劃，本集團及僱員每月均按有關僱員5%收入作出供款。僱員及僱員之供款以每月1,000港元為限，其後之供款則屬自願性質。於截至二零零五年十二月三十一日止年度，並無喪失權利之供款。

按國家有關規定，本集團在中國成立之子公司按月為本集團所有中國職工繳納基本養老保險費。保險費系按地方標準工資28%計提，其中本公司負責20%，餘下的由職工負責，交由中國政府有關部門統籌安排，退休職工的退休金由該部門統籌支付。本集團按權責發生制核算該等繳費。

集團繳納之退休金詳情如下：

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19. CONVERTIBLE NOTES (Continued)

During the current year, the Company has repaid an amount of HK\$281,250 to the Subscriber and the remaining overdue balance of HK\$4,718,750 (approximately RMB4,912,000) is outstanding as at 31 December 2005.

20. DUE TO A DIRECTOR

The amount due is unsecured, interest free and repayable on demand.

21. RETIREMENT BENEFIT COSTS

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group (the employer) and its employees makes monthly contributions to the scheme at 5% of the employees' earning as defined under the Mandatory Provident Fund legislation. The contributions from each of the employer and employees are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary. For the year ended 31 December 2005, no contribution was forfeited.

The Group's subsidiaries incorporated in the PRC make contributions to the basic old age insurance for the Group's local staff on a monthly basis pursuant to PRC laws and regulations to a government agency based on 28% of the standard salary set by the provincial government, of which 20% is borne by the Group and the remainder is borne by the staff. The government agency is responsible for the pension liabilities relating to such staff upon their retirement. The Group accounts for these contributions on an accrual basis.

The details of the pension contributions made by the Group were as follows:

	二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
退休金計劃繳納款項	764	575
Contributions to retirement schemes	<u>764</u>	<u>575</u>

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22. 股本及購股權

(a) 股本

		股數 Number of shares	面值 Nominal value 港元 HK\$	面值 Nominal value 人民幣 RMB
授權股本 (每股0.05港元)	Authorised share capital (HK\$0.05 each)			
二零零四及二零零五年 十二月三十一日餘額	As at 31 December 2004 and 2005	1,200,000,000	60,000,000	63,624,000
已發行並繳足之股本 (每股0.05港元)	Issued and fully paid (HK\$0.05 each)			
二零零四及二零零五年 十二月三十一日餘額	As at 31 December 2004 and 2005	400,000,000	20,000,000	21,208,000

(b) 以股本結算之購股權計劃

根據二零零一年十一月十九日本公司採納的購股權計劃(「購股權計劃」)，本公司將授權該購股權計劃的參與者預購本公司股票。參加者包括僱員(包括董事)，以及本集團之經由董事會或有權之委員會授權、為本集團發展做出貢獻的其他人士。因根據購股權計劃及其他股份認購計劃將售出而尚未實施之所有購股權因獲實施而可予發行之整體股份數目限額，總共不得超過已發行股份之30%(「計劃限額」)。該購股權計劃中任何被授權的購股權的實施自被授權之日起不得超過十年。認購價格由董事會決定，但不得超過以下最高者(i)授權日創業板該股票報價的收市價格；(ii)授權日之後五個工作日創業板報價的平均收市價格；(iii)授權日該股票之名義價值。

22. SHARE CAPITAL AND SHARE OPTIONS

(a) Share capital

(b) Equity-settled share option scheme

Pursuant to the share option scheme of the Company adopted on 19 November 2001 (the "Share Option Scheme"), the Company may grant options to the participants of the Share Option Scheme to subscribe for shares of the Company. The participants include any employees (including directors) and certain other persons who, in the sole discretion of the board of directors or a duly authorised committee thereof (the "Board"), have contributed to the Group. The overall limit on the number of shares which may be issued upon exercise of all options to be granted and yet to be exercised under the Share Option Scheme and other share option schemes must not, in aggregate, exceed 30% of the shares in issue from time to time. Any option granted under the Share Option Scheme may be exercised at any time during a period which shall not be more than ten years after the date on which the option is granted. The subscription price will be determined by the Board and will not be less than the highest of (i) the closing price of the shares quoted on the GEM on the grant date, (ii) the average closing price of the shares quoted on the GEM for the five business days immediately preceding the date of grant and (iii) the nominal value of the shares on the date of grant.

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22. 股本及購股權 (續)

(b) 以股本結算之購股權計劃 (續)

購股權特定類別之詳情如下：

受讓人 Grantee	授出日期 Date of grant	歸屬期間 Vesting period	行使期 Exercise period	行使價 Exercise price 港元 HK\$
董事及僱員及其他人士 Directors and employees and others	二零零二年五月三十一日 31 May 2002	二零零二年五月三十一日至 二零零六年五月三十一日 31 May 2002 – 31 May 2006	二零零二年五月三十一日至 二零零七年五月三十日 31 May 2002 – 30 May 2007	2.35
其他人士 Others	二零零二年八月十六日 16 August 2002	不適用 N/A	二零零二年八月十六日至 二零零七年八月十五日 16 August 2002 – 15 August 2007	2.03

年內未行使購股權詳情如下：

Details of the share options outstanding during the year are as follows:

		二零零五年 2005		二零零四年 2004	
		購股權數目 Number of share options	加權平均 行使價 Weighted average exercise price 港元 HK\$	購股權數目 Number of shares options	加權平均 行使價 Weighted average exercise price 港元 HK\$
年初尚未行使	Outstanding at the beginning of the year	32,100,000	2.32	34,700,000	2.32
年內失效	Lapsed during the year	(1,500,000)	2.35	(2,600,000)	2.35
年末尚未行使	Outstanding at the end of year	30,600,000	2.32	32,100,000	2.32
年末可行使	Exercisable at the end of the year	23,700,000		19,050,000	

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22. 股本及購股權 (續)

(b) 以股本結算之購股權計劃 (續)

上述購股權包括於二零零二年五月三十一日及二零零二年八月十六日以1港元之代價分別授予各承授人之27,600,000股 (二零零四年: 29,100,000股) 及3,000,000股 (二零零四年: 3,000,000股) 相關股份。

於二零零二年五月三十一日授出之27,600,000股購股權行使價為每股2.35港元。全部購股權在售出日起計每年可行使25%。於二零零二年八月十六日授出之3,000,000股購股權每股2.03港元。可即於授出時行使。倘僱員離開本集團，便會喪失獲授予之購股權。

於年末尚未行使購股權有加權平均尚餘合約年期1.43年 (二零零四年: 2.36年)。於二零零五年，並無授出購股權 (二零零四年: 無)。

根據本公司二零零一年十一月十九日採納之購股權計劃，下列本公司董事於可認購本公司每股面值0.05港元之普通股之購股權中擁有權益，該等購股權乃以1港元之代價授予各承授人：

22. SHARE CAPITAL AND SHARE OPTIONS (Continued)

(b) Equity-settled share option scheme (Continued)

The above options comprising 27,600,000 (2004: 29,100,000) and 3,000,000 (2004: 3,000,000) underlying shares were granted at consideration of HK\$1 each grantee on 31 May 2002 and 16 August 2002 respectively.

The exercise price of 27,600,000 share options granted on 31 May 2002 is HK\$2.35 per share. Such options are exercisable to the extent of 25% of the options granted to each grantee every year after the date of grant. The exercise price of 3,000,000 share options granted on 16 August 2002 is HK\$2.03 per share and such options can be exercised since granted. Options granted to the employee will be forfeited if the employee leaves the Group.

The options outstanding at the end of the year have a weighted average remaining contractual life of 1.43 years (2004: 2.36 years). In 2005, no options were granted (2004: Nil).

Pursuant to the Company's Share Option Scheme adopted by the Company on 19 November 2001, the following directors of the Company have personal interests in options to subscribe for ordinary shares in the Company of HK\$0.05 each which have been granted to them at consideration of HK\$1 each grantee as follows:

於二零零五年
十二月三十一日
根據購股權尚未
行使之股份數目

董事 Name of director	授出日期 Date of grant	每股行使價 Exercise price per share	Outstanding number of share under option as at 31 December 2005
翦英海先生 Mr. Chin Ying Hoi	二零零二年五月三十一日 31 May 2002	2.35港元 HK\$2.35	2,000,000
劉德富先生 Mr. Liu De Fu	二零零二年五月三十一日 31 May 2002	2.35港元 HK\$2.35	700,000
李隨洋先生 Mr. Li Sui Yang	二零零二年五月三十一日 31 May 2002	2.35港元 HK\$2.35	1,000,000
			3,700,000

23. 儲備

23. RESERVES

		集團 Group						合計
		股本溢餘	資本公積	一般儲備 基金	企業發展 基金	累計外匯 調整	(累計虧損)/ 累計未分配 利潤 (Accumulated loss)/ retained earnings	
		Share premium	Capital reserves	General reserve fund	Enterprise expansion fund	Cumulative exchange difference	loss)/ retained earnings	Total
		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
二零零四年一月一日餘額	At 1 January 2004	1,476	6,304	2,870	1,435	(9)	(7,189)	4,887
外匯調整	Foreign exchange adjustment	-	-	-	-	2	-	2
股東應佔虧損	Loss attributable to shareholders	-	-	-	-	-	(35,601)	(35,601)
二零零四年十二月三十一日 餘額	At 31 December 2004	1,476	6,304	2,870	1,435	(7)	(42,790)	(30,712)
外匯調整	Foreign exchange adjustment	-	-	-	-	7	-	7
股東應佔溢利	Profit attributable to shareholders	-	-	-	-	-	1,283	1,283
二零零五年十二月三十一日 餘額	At 31 December 2005	1,476	6,304	2,870	1,435	-	(41,507)	(29,422)

		公司 Company			合計
		股本溢餘	合併儲備	累計虧損	
		Share premium	Merger reserve	Accumulated losses	Total
		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
二零零四年一月一日餘額	At 1 January 2004	1,476	23,996	(20,585)	4,887
股東應佔虧損	Loss attributable to shareholders	-	-	(35,599)	(35,599)
二零零四年十二月三十一日餘額	At 31 December 2004	1,476	23,996	(56,184)	(30,712)
股東應佔虧損	Loss attributable to shareholders	-	-	(3,082)	(3,082)
二零零五年十二月三十一日餘額	At 31 December 2005	1,476	23,996	(59,266)	(33,794)

23. 儲備 (續)

華普奧原，北京華普智通及武漢華普智通於中華人民共和國境內成立之子公司，應遵從中國有關法律及法規及其公司章程。華普奧原，北京華普智通及武漢華普智通應從根據適用於中國成立企業的會計準則及有關財務規則（「中國會計準則」）編製的法定賬目中、除稅後但未計股息分派前的淨利潤中提取若干法定儲備，即儲備基金、企業發展基金和職工獎勵及福利基金。該等儲備需用於指定用途，其中儲備基金的引提不得低於除稅後利潤10%。儲備基金、企業發展基金和職工獎勵及福利基金的提取是根據各公司董事會的決定進行。儲備基金經有關當局批准後，可用於彌補累計虧損或轉增資本。企業發展基金經有關當局批准後，可用於轉增資本。職工獎勵及福利基金僅應當用於職工的非經常性獎勵或集體福利，而通過該項基金獲取的資產不視為企業資產。職工獎勵及福利基金香港會計準則下於發生時計入當期損益，並於記為負債。

當該等公司的法定儲備基金不足以彌補以前年度虧損時，當年度淨利潤在提取儲備基金、企業發展基金和職工獎勵及福利前須先用作彌補虧損。

本集團之合併儲備乃指於以前年度集團重組時，本公司發行新股用以收購附屬公司之股份之面值以及其附屬公司於當時之淨資產之差額。

23. RESERVES (Continued)

Jian-O'Yuan, Beijing Jian ePayment and Wuhan Jian ePayment are subsidiaries incorporated in the PRC. These subsidiaries have to follow the laws and regulations of the PRC and its Articles of Association in setting up certain reserve funds. They are required to provide for certain statutory funds, namely, general reserve fund, enterprise expansion fund, staff and workers' bonus and welfare fund which are appropriated from net profit after taxation but before dividend distribution based on their statutory accounts prepared in accordance with the accounting principles and relevant financial regulations applicable to enterprises established in the PRC (the "PRC GAAP"). These funds are created for specific purposes. The appropriation of the general fund reserve is no less than 10% of the net profit after taxation and appropriations to enterprise expansion fund and staff and workers' bonus and welfare fund are at the discretion of the directors of the respective subsidiaries. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated losses or increase capital. The enterprise expansion fund can only be used to increase capital upon approval by the relevant authority. The staff and workers' bonus and welfare fund can only be used for special bonus or collective welfare of its employees, and assets acquired through this fund shall not be treated as assets of the Group. Staff and workers' bonus and welfare fund are charged to expenses as incurred and recorded as a liability in the balance sheet under Hong Kong generally accepted accounting principles.

When the statutory reserve fund is not sufficient to compensate for any losses of the above subsidiaries from previous years, current year net profit shall be used to make good for the losses before allocations are set aside for the general reserve fund, enterprise expansion fund or staff and worker's bonus and welfare fund.

Merger reserve of the Company represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to the Group reorganisation in previous year.

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23. 儲備 (續)

根據開曼群島公司法，股份溢價及合併儲備可供分派予股東，惟倘(i)現時或於分派後無法償還到期負債，或(ii)其資產之可變現價值因而減至低於其負債與已發行股本之總和，則本公司不得宣派或派付股息，或以股份溢價、資本儲備及合併儲備作出分派。

24. 遞延稅項

遞延稅項全數採用負債法就短暫時差按本集團旗下公司適用之稅率計算所得。

短暫時差主要來自：

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
部份附屬公司之 累計虧損	Accumulated losses of some of its subsidiaries	21,582	17,655
存貨損失減值	Impairment loss on inventories	-	5,666
貿易及其他應收款 損失減值	Impairment loss on trade and other receivables	13	15,851
固定資產損失減值	Impairment loss on fixed assets	28,448	32,639
其他	Others	61	136
		50,104	71,947

未在賬目中撥備之潛在遞延稅項資產金額如下：

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
部份附屬公司之 累計虧損	Accumulated losses of some of its subsidiaries	7,122	5,826
存貨損失減值	Impairment loss on inventories	-	1,870
貿易及其他應收款 損失減值	Impairment loss on trade and other receivables	4	5,231
固定資產損失減值	Impairment loss on fixed assets	9,388	10,771
其他	Others	20	45
		16,534	23,743

23. RESERVES (Continued)

Under the Companies Law of the Cayman Islands, share premium and merger reserve are distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium, capital reserve and merger reserve 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 share capital account.

24. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary difference under the liability method using taxation rates applicable to the companies comprising the Group.

Temporary differences are mainly arising from:

The potential deferred tax assets not provided for in the accounts amounted to:

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24. 遞延稅項 (續)

於資產負債表日，並無重大的未撥備遞延稅項負債。由於不確定將來是否可獲應稅利得，而該利得為使用短暫時差之前提，所以從上述短暫時差中產生的遞延稅項資產未被確認。

於二零零五年十二月三十一日未撥備之遞延稅項資產到期日如下：

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
二至三年到期	Expire in 2-3 years	1,812	306
三至四年到期	Expire in 3-4 years	3,836	1,506
四至五年到期	Expire in 4-5 years	1,473	4,014
無到期日	No expiry date	9,413	17,917
		16,534	23,743

25. 承擔

(a) 有關投資於一間中國公司之資本承擔：

25. COMMITMENTS

(a) Capital commitments in relation to investment in a PRC company:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
已簽約但未撥備	Contracted but not provided for	24,000	28,200

25. 承擔 (續)

(a) 有關投資於一間中國公司之資本承擔：(續)

於二零零四年三月二十二日，本公司與武漢市公共交通集團有限責任公司(「武漢公交」)訂立了協議(「協議」)。根據協議，武漢公交旗下子公司武漢市公共交通票務管理有限公司(「武漢交通票務」)將重組成為一家具有人民幣40,000,000元註冊資本的中國中外合資企業，而本公司的全資子公司華普智通(中國)國際控股有限公司(「華普中國」)將以現金出資人民幣28,200,000元的方式，認購重組後之武漢交通票務70%權益。年內，本公司與武漢公交訂立補充協議(「補充協議」)，以修訂協議若干條款。根據補充協議，華普中國僅會以現金出資人民幣24,000,000元之方式，認購重組後之武漢交通票務60%權益。重組已於二零零五年十二月六日獲有關中國政府機關批准，待發出經修訂營業執照後，重組將告完成。於資產負債表日，本集團尚未支付該筆認購款項。

(b) 經營租賃承擔

於二零零五年十二月三十一日，集團根據不可撤銷之經營租賃而於未來需支付之最低租賃付款總額如下：

25. COMMITMENTS (Continued)

(a) Capital commitments in relation to investment in a PRC company: (Continued)

On 22 March 2004, the Company entered into an agreement ("the Agreement") with Wuhan Transportation Group Company Limited (武漢市公共交通集團有限責任公司) ("Wuhan Transportation"). Pursuant to the Agreement, a subsidiary of Wuhan Transportation, Wuhan Traffic IC Card Management Limited ("Wuhan Traffic"), will be restructured to become a Sino-foreign equity joint venture in the PRC with registered capital of RMB40,000,000 and Jian ePayment (China) International Holdings Limited ("Jian ePayment (China)"), a wholly owned subsidiary of the Company, will subscribe 70% equity interest in Wuhan Traffic after the restructuring by cash contribution of RMB28,200,000. During the current year, the Company entered into a supplementary agreement ("the Supplementary Agreement") with Wuhan Transportation to revise certain terms of the Agreement. Pursuant to the Supplementary Agreement, Jian ePayment (China) will only subscribe 60% equity interest in Wuhan Traffic after the restructuring by cash contribution of RMB24,000,000. The restructuring was approved by the relevant PRC government authority on 6 December 2005 and will be completed pending the issuance of the revised business license. At the balance sheet date, the payment of subscription has not yet been made by the Group.

(b) Commitments under operating leases

At 31 December 2005, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

		辦公樓宇	
		Land and buildings	
		二零零五年	二零零四年
		2005	2004
		人民幣千元	人民幣千元
		RMB'000	RMB'000
一年以內	Not later than one year	394	168
二至五年以內	Later than one year and not later than five years	-	103
		394	271

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25. 承擔 (續)

(b) 經營租賃承擔 (續)

本集團以經營租賃廠房及辦公樓，該等租賃通常初始為期一至三年，並可在充分協商所有條件後續約。該等租賃並無包括或有租金。

26. 或然負債

(a) 年內，本公司未能依期償還可轉換債券之到期金額(見上文附註19)。根據有關協議，須要就未償還金額支付年息率15厘之罰息。據董事表示，認購人已口頭協定不收取以罰息計算之未償還金額。389,000港元(約人民幣405,000元)之罰息尚未於財務報表撥備。

(b) 本集團為一宗有關人民幣987,000元未付租金費用索償之訴訟之辯方。就本集團面對該項索償之風險，已於財務報表作出人民幣695,000元之撥備，而人民幣292,000元則尚未於財務報表撥備。

25. COMMITMENTS (Continued)

(b) Commitments under operating leases (Continued)

The Group leases plant and office premises under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases included contingent rentals.

26. CONTINGENT LIABILITIES

(a) During the current year, the Company had failed to follow the repayment schedule of convertible notes as described in Note 19 above. According to the agreement, a default interest rate of 15% per annum is chargeable on the outstanding amount. The directors advise that the subscriber has verbally agreed not to charge the outstanding amount at the default interest rate. A default interest of HK\$389,000 (approximately RMB405,000) has not yet been provided in the financial statements.

(b) The Group is a defendant in a lawsuit claiming the unpaid rental expenses amounting to RMB987,000. A provision of RMB695,000 for claims had been made in the financial statements for the Group's exposure to this claim and RMB292,000 has not yet been provided in the financial statements.

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27. 有關聯人士交易

(a) 關聯方名稱及關係

關聯方名稱

Name

北京華普產業集團有限公司
(「北京華普產業」)
Beijing Jian Enterprise (Group) Co. Ltd.
("Beijing Jian Enterprise")

北京華普科技企業有限公司(「華普科技」)
Beijing Jian-Tech Co. Ltd. ("Jian-Tech")

武漢華普經濟發展有限公司(「武漢華普」)
Wuhan Jian Economic Development
Co., Ltd. ("Wuhan Jian")

北京華普國際大廈有限公司(「北京華普」)
Beijing Huapu International Plaza
Co., Ltd. ("Beijing Huapu")

青島華普商務會館有限公司
Qingdao Huapu Business Union Building
Co. Ltd. ("Qingdao Huapu")

海口華普立得泊車管理有限公司
(「海口項目公司」)
Haikou Huapu Lide Parking
Management Co. Ltd.
("Haikou Project Company")

威海天創電子智能系統有限公司
(「威海項目公司」)
Weihai TianChuang Electronic
System Co., Ltd.
("Weihai Project Company")

27. RELATED PARTY TRANSACTIONS

(a) Name and relationship of related parties

與關聯方關係

Relationship with the Company

翦英海先生及亞振全女士最終擁有100%控制權之公司
A company 100% ultimately owned by Mr. Chin Ying Hoi and Ms. Ya Zhen Quan, the shareholders of the ultimate holding company

北京華普產業持有80%之子公司
80% owned subsidiary of Beijing Jian Enterprise

於二零零五年十一月十五日為北京華普產業持有88%之子公司，及後北京華普產業已出售該等權益
Being 88% owned by Beijing Jian Enterprise before 15 November 2005 and the equity was disposed of by Beijing Jian Enterprise thereafter

華普科技持有52%之子公司
52% owned subsidiary of Jian-Tech

翦英海先生及亞振全女士最終擁有100%控制權之公司
A company 100% ultimately owned by Mr. Chin Ying Hoi and Ms. Ya Zhen Quan

北京華普產業持有其20%之權益
Being 20% owned by Beijing Jian Enterprise

華普科技持有其20%之權益
Being 20% owned by Jian-Tech

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27. 有關聯人士交易 (續)

(a) 關聯方名稱及關係 (續)

關聯方名稱 Name	與關聯方關係 Relationship with the Company
宜昌武華電子泊車管理有限公司 (「宜昌項目公司」) Yichang Wuhua Electronic Parking Management Co., Ltd. (“Yichang Project Company”)	武漢華普持有其20%之權益 Being 20% owned by Wuhan Jian
華普超市(武漢)有限公司 (「武漢華普超市」) Huapu Supermarket (Wuhan) Co. Ltd. (“Wuhan Huapu Supermarket”)	北京華普產業持有64%之權益 Being 64% owned by Beijing Jian Enterprise
上海白玉蘭智能交通系統管理有限公司 (「上海項目公司」) Shanghai Bai Yu Lan Intelligent Transportation System Management Co., Ltd. (“Shanghai Project Company”)	北京華普產業持有其40%之權益 Being 40% owned by Beijing Jian Enterprise
北京華普道路泊車建設管理有限公司 (「北京項目公司」) Beijing Huapu Roadside Parking Facilities Construction and Management Co., Ltd. (“Beijing Project Company”)	華普科技持有其80%之權益 Being 80% owned by Jian-Tech
武漢市停車經營管理有限公司 (「武漢項目公司」) Wuhan Parking Operating Management Co., Ltd. (“Wuhan Project Company”)	武漢華普持有其49%之權益 Being 49% owned by Wuhan Jian

27. 有關聯人士交易 (續)

(b) 重大關聯交易

除於此份帳目別處披露外，本集團與關聯方有如下被董事視為以正常商業方式和條件進行的重大交易：

- (i) 來自關聯方銷售軟硬件，提供系統整合服務及交易徵費方面的收入：

27. RELATED PARTY TRANSACTIONS (Continued)

(b) Significant related party transactions

Save as disclosed elsewhere in this set of accounts, the Group had the following material transactions with related parties, which the directors considered were in the normal course of business:

- (i) Sales of hardware and software, provision of systems integration services and transaction levies:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
海口項目公司	Haikou Project Company	112	136
廣州項目公司	Guangzhou Project Company	-	284
威海項目公司	Weihai Project Company	33	24
南寧項目公司	Nanning Project Company	-	15
宜昌項目公司	Yichang Project Company	28	28
武漢華普超市	Wuhan Huapu Supermarket	-	19
北京項目公司	Beijing Project Company	32	66
武漢項目公司	Wuhan Project Company	2,554	3,453
上海項目公司	Shanghai Project Company	1,316	-
		4,075	4,025

- (ii) 銷售智能卡：

- (ii) Sales of smart cards:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
海口項目公司	Haikou Project Company	154	154
威海項目公司	Weihai Project Company	59	10
宜昌項目公司	Yichang Project Company	53	-
上海項目公司	Shanghai Project Company	2	-
北京項目公司	Beijing Project Company	267	93
武漢項目公司	Wuhan Project Company	256	163
武漢華普超市	Wuhan Huapu Supermarket	-	71
		791	491

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

截至二零零五年十二月三十一日止年度

For the year ended 31 DECEMBER 2005

27. 有關聯人士交易 (續)

(b) 重大關聯交易 (續)

- (iii) 已付或應付關聯方的經營租賃之租金：

27. RELATED PARTY TRANSACTIONS (Continued)

(b) Significant related party transactions (Continued)

- (iii) Operating leases rentals paid/payable to:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
北京華普	Beijing Huapu	274	620
翦英海，董事	Chin Ying Hoi, a director	31	382
		305	1,002

- (iv) 向以下人士應收款之減值虧損撥回：

- (iv) Reversal of impairment loss on receivables from:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
威海項目公司	Weihai Project Company	2,405	—

- (v) 向以下人士應收款之減值虧損：

- (v) Impairment loss made for receivables from:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
海口項目公司	Haikou Project Company	208	—

(c) 主要管理人員之報酬

董事及其他主要管理人員於年內之酬金如下：

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		二零零五年 2005 人民幣千元 RMB'000	二零零四年 2004 人民幣千元 RMB'000
董事袍金	Directors' fees	779	280
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	2,161	1,533
退休計劃供款	Retirement scheme contributions	167	108
		3,107	1,921

財務報表附註

截至二零零五年十二月三十一日止年度

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

27. 有關聯人士交易(續)

(d) 關聯人士餘額

27. RELATED PARTY TRANSACTIONS (Continued)

(d) Balances with related parties

		集團		公司	
		二零零五年	二零零四年	二零零五年	二零零四年
		2005	2004	2005	2004
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
交易活動產生之餘額	Balance from trading activities				
包括在應收賬款：	Included in trade receivables:				
– 海口項目公司	– Haikou Project Company	208	46	-	-
– 威海項目公司	– Weihai Project Company	682	2,492	-	-
– 宜昌項目公司	– Yichang Project Company	-	4,341	-	-
– 北京項目公司	– Beijing Project Company	-	60	-	-
– 武漢項目公司	– Wuhan Project Company	-	51	-	-
		890	6,990	-	-
減值準備	Provision for impairment	(889)	(6,775)	-	-
		1	215	-	-
包括在貿易及其他應付款：	Included in trade and other payables:				
– 北京項目公司	– Beijing Project Company	46	-	-	-
– 威海項目公司	– Weihai Project Company	2	-	-	-
		48	-	-	-
包括在預收賬款：	Included in deposits from customers:				
– 上海項目公司	– Shanghai Project Company	605	-	-	-
應收一間關聯公司：	Due from a related company:				
– 北京華普產業	– Beijing Jian Enterprise	20	20	-	-
應付一間關聯公司：	Due to a related company:				
– 華普科技	– Jian-Tech	10	209	-	-
– 北京華普產業	– Beijing Jian Enterprise	-	300	-	-
		10	509	-	-
應付最終控股公司	Due to the ultimate holding company	-	1,099	-	-
應付董事	Due to a director				
– 翦英海	– Chin Ying Hoi	(6,314)	(5,305)	(5,205)	(5,305)

財務報表附註

截至二零零五年十二月三十一日止年度

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2005

27. 有關聯人士交易 (續)

(d) 關聯方餘額 (續)

於二零零五年十二月三十一日，應收海口及威海項目公司款項來源於軟硬件銷售、系統整合及交易徵費方面的收入，該款項為不計息，在要求時償還。就該款項並無給予或接受任何擔保。

由其他活動產生的應付關聯及應付最終控股公司的款項為不計息，在要求時償還。就該款項並無給予或接受任何擔保。

28. 財務管理風險

本集團的業務承受各種財務風險：外匯風險、利率風險、信貸風險及流動資金風險。本集團的整體風險管理計劃針對金融市場的低可測性，著眼於盡量減少本集團之財務表現所受的潛在負面影響。

本集團管理層負責管理風險之工作，彼等與本集團之營運單位緊密合作，以確認及評估財務風險，確保能及時有效地落實適當的措施。本集團為減低風險而採取之政策及本集團承受之風險詳情，載列如下：

外幣風險

年內，本集團主要在中國經營業務，交易主要以人民幣結算，並無承受重大外匯風險。

27. RELATED PARTY TRANSACTIONS (Continued)

(d) Balances with related companies (Continued)

As at 31 December 2005, the amounts due from Haikou and Weihai project companies were derived from the sales of software and hardware, provision of systems integration services and transaction levies. The balances were non-interest bearing and were repayable on demand. No guarantees have been given or received.

Balance with related companies and the ultimate holding company from other activities were non-interest bearing and repayable on demand. No guarantees have been given or received.

28. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the management of the Group. They identify and evaluate financial risks in close co-operation with Group's operating units to ensure that appropriate measures are implemented in a timely and effective manner. Details of the policies applied by the Group to mitigate these risks and the Group's risk exposures are set out below:

Foreign currency risk

The Group mainly operates in the PRC with the transactions settled in RMB principally and did not have any significant exposure to foreign exchange risk during the year.

28. 財務管理風險 (續)**利率風險**

本集團並無重大付息資產，本集團之收入及經營現金流量大致不受市場利率變動所影響。本集團之利率變動風險主要來自其可轉換債券。可轉換債券之可變息率令本集團承受現金流量利率風險。可轉換債券詳情於附註19披露。

信貸風險

本集團的信貸風險主要來自貿易及其他應收款。管理層已有既定之信貸政策，並持續監察此等信貸風險。

流動資金風險

本集團面對流動資金風險。於二零零五年十二月三十一日，本集團負債較其資產多出人民幣8,214,000元。本集團能否繼續作為持續經營業務，完全取決於本集團未來盈利之改善、來自業務之現金流，及能否繼續自董事、可轉換債券持有人及潛在投資者取得資金（詳見上文附註2(a)）。

29. 最終控股公司

董事認為本公司之最終控股公司為在英屬處女群島成立的公司 Union Perfect International Limited。此實體並無編製可供公開用途之財務報表。

30. 賬目通過

本年度賬目已於二零零六年三月二十八日由董事會通過。

28. FINANCIAL RISK MANAGEMENT (Continued)**Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group's exposure to changes in interest rates is mainly attributable to its convertible notes. The variable rate of the convertible notes expose the Group to cash flow interest-rate risk. Details of the convertible notes have been disclosed in Note 19.

Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Liquidity risk

The Group is exposed to liquidity risk. At 31 December 2005, the liabilities of the Group exceeded its assets by RMB8,214,000. The maintenance of the Group as a going concern is wholly dependent on the future improvement of the Group's profitability and cash flows from its operation and the availability of continuous funding from the directors, the convertible notes holder and the potential investors as described in Note 2(a) above.

29. ULTIMATE HOLDING COMPANY

The directors of the Company consider Union Perfect International Limited, a company incorporated in the British Virgin Islands, to be the ultimate holding company. This entity does not produce financial statements available for public use.

30. APPROVED OF ACCOUNTS

The accounts were approved by the board of directors on 28 March 2006.

財務概要

FINANCIAL SUMMARY

綜合利潤表

(以人民幣千元計)

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

(Amounts expressed on thousands of Renminbi)

		截至十二月三十一日止年度 Year ended 31 December			
		二零零二年 2002	二零零三年 2003	二零零四年 2004	二零零五年 2005
營業額	Turnover	60,688	3,407	8,173	15,948
經營利潤／(虧損)	Operating profit/(loss)	23,957	(51,555)	(37,936)	1,357
補貼收入	Subsidy income	1,620	1,416	2,950	287
利息收入	Interest income	112	116	7	141
利息支出	Interest expenses	(1,308)	(1,105)	(622)	(376)
除稅前盈利／(虧損)	Profit/(loss) before taxation	24,381	(51,128)	(35,601)	1,409
稅項	Taxation	-	-	-	(126)
除稅後但未扣除少數股東 損益前溢利／(虧損)	Profit/(loss) after taxation but before minority interests	24,381	(51,128)	(35,601)	1,283
少數股東損益	Minority interests	(45)	-	-	-
股東應佔溢利／(虧損)	Profit/(loss) attributable to shareholders	24,336	(51,128)	(35,601)	1,283

綜合資產負債表

(以人民幣千元計)

CONSOLIDATED BALANCE SHEETS

(Amounts expressed on thousands of Renminbi)

		於十二月三十一日 As at 31 December			
		二零零二年 2002	二零零三年 2003	二零零四年 2004	二零零五年 2005
固定資產	Fixed assets	57,466	38,906	8,130	2,682
商譽	Goodwill	1,568	-	-	-
淨流動(負債)／資產	Net current (liabilities)/ assets	28,801	(12,811)	(12,329)	(10,896)
少數股東權益	Minority interests	-	-	-	-
資產／(負債)淨額	Total assets less current liabilities	87,835	26,095	(4,199)	(8,214)
資金來源：	Representing:				
長期負債	Non-current liabilities	10,611	-	5,305	-
股本	Share capital	21,208	21,208	21,208	21,208
儲備	Reserves	56,016	4,887	(30,712)	(29,422)
股東權益	Shareholder's equity	87,835	26,095	(4,199)	(8,214)

股東週年大會通告

茲通告華普智通系統有限公司(「公司」)定於二零零六年四月二十八日(星期五)上午十一時在香港干諾道中50號鱷魚恤大廈I期1樓102室舉行股東週年大會，議程如下：

1. 收取並省覽截至二零零五年十二月三十一日止年度的經審計綜合財務報表，以及董事和審計師報告。
2. 續聘行將卸任的董事包括楊國偉先生及曲嘯國先生，並授權董事會釐訂所有董事報酬。
3. 續聘公司審計師，並授權董事會釐訂其報酬。
4. 以特別事項形式，考慮並酌情通過下列議案為普通決議，無論有否更改：

[動議：

- (A) 在本議案(C)段的限制下，根據香港聯合交易所有限公司《創業板(「創業板」)證券上市規則》(「創業板上市規則」)，全面無條件批准公司董事在有關期間(定義見下文)內行使公司一切權力，以分配、發行、處理公司股本中之額外股份(但根據供股，或因公司購股權計劃、期票紅利計劃或類似安排，而按公司不時訂定的組織章程分配，藉以代替所有或部份公司股份紅利的股份除外)，並訂立或授與將會或可能須行使該等權力之建議、協議、購股權；

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the members of Jian ePayment Systems Limited (the "Company") will be held at Unit 102, 1/F, Crocodile House I, 50 Connaught Road Central, Hong Kong on Friday, 28 April 2006 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December, 2005.
2. To re-elect the retiring directors, namely Mr. Yang Guo Wei and Mr. Qu Xiao Guo and to authorize the board of directors to fix all the directors' remuneration.
3. To re-appoint auditors of the Company and to authorize the board of directors to fix their remuneration.
4. To consider as special business, and if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

"THAT:

- (A) subject to paragraph (C) of this resolution, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), 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 (otherwise than by way of rights issue or pursuant to the exercise of options granted under any of the Company's share option schemes or any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the Articles of Association of the Company from time to time) additional shares in the share capital of the Company and to make or grant any offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

股東週年大會通告

NOTICE OF ANNUAL GENERAL MEETING

(B) 本議案(A)段之批准是附加於董事會獲得之任何其他授權，並授權公司董事在有關期間(定義見下文)內訂立或授與在有關期間(定義見下文)或其結束後將會或可能須行使該等權力之建議、協議、購股權；

(C) 公司董事將根據上文(A)段之批准所分配或有條件或無條件同意分配(不論是根據購股權還是其他方式分配)之股本總面值，不得超逾本議案通過當日公司已發行股本總面值之20%，而上述批准須受此數額限制；以及

(D) 就本議案而言，「有關期間」指本議案通過之日至下列三者任何一項較早發生之期間：

- (i) 公司下屆股東週年大會結束之日；
- (ii) 公司組織章程或任何適用法例規定公司須舉行下屆股東週年大會之期限屆滿之日；或
- (iii) 公司在股東大會通過普通決議，撤銷或修訂本議案所述授權之日；

「供股」指分配或發行公司股份或其他證券。據此，股份將會或可能須根據公司向全體股東(但就此而言，若股東居留地的法律不允許要約，有關股東就不包括在內)，以及(如適用)向有權獲要約的其他股本證券持有人提出的要約，按照其現時持有股份或其他股本證券的數量，按比例分配、發行股份。」

(B) the approval in paragraph (A) of this resolution shall be in addition to any other authorization given to the directors and shall authorize the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant any offers, agreements and options which would or might require the exercise of such powers either during or after the end of the Relevant Period (as hereinafter defined);

(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) above shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(D) for the purposes 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 laws 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;

"rights issue" means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding for such purpose any shareholder who is resident in a place where such offer is not permitted under the laws of that place) and, where appropriate, the holders of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of shares or such other equity securities."

5. 以特別事項形式，考慮並酌情通過下列議案為普通決議，無論有否更改：

「動議：

- (A) 在本議案(B)段的限制下，全面而無條件批准公司董事在有關期間(定義見是次大會通告第4項決議(D)段)內行使公司一切權力，按照所有適用法例和創業板上市規則或其他股票交易所的規定(經不時修訂)，回購公司在香港聯合交易所有限公司(「聯交所」)或其他交易所(即公司股本中的股份可能掛牌，並獲香港證券及期貨事務監察委員會和聯交所承認者)上市的已發行股份；以及
- (B) 公司董事會根據本議案(A)段之批准可在有關期間(定義見是次大會通告第4項決議(D)段)回購之公司股份，總面值不得超過本議案通過之日公司已發行股本總面值之10%，而上述批准須受此數額限制。」

5. To consider as special business, and if thought fit, 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 defined in resolution 4(D) set out in the Notice of this Meeting) of all the powers of the Company to repurchase the issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which shares in the capital of the Company may be listed and which is recognized 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 the requirements of the GEM Listing Rules or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved; and
- (B) the aggregate nominal amount of shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (A) of this resolution during the Relevant Period (as defined in resolution 4(D) set out in the Notice of this Meeting) shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this resolution, and the said approval shall be limited accordingly.”

股東週年大會通告

NOTICE OF ANNUAL GENERAL MEETING

6. 以特別事項形式，考慮並酌情通過下列議案為普通決議，無論有否更改：

「動議：待股東週年大會通告第4、第5項議案獲得通過後，延展先前授與公司董事，目前仍然有效，以行使公司權力，根據股東週年大會通告第4項議案分配、發行、處理公司股份的無條件授權的效力，方法是加入相當於公司依據股東週年大會通告第5項議案授與之權力而回購之股本總面值之數額，藉此擴大賦與公司董事可能根據股東週年大會通告第4項議案分配或有條件或無條件同意分配公司股本的總面值，但前提是擴幅不得超逾本議案通過之日公司已發行股本之總面值之10%。」

7. 以特別事項形式，考慮及酌情通過（不論有否修訂）下列決議案為普通決議案：

「動議更新根據本公司於二零零一年十一月十九日採納的購股權計劃（「購股權計劃」）授出的購股權的現有計劃授權上限，惟因根據購股權計劃及本公司任何其他購股權計劃行使所有購股權可予發行的本公司股本中每股面值0.05港元的股份總數不得超過批准更新計劃授權上限當日的已發行股份10%。」

承董事會命
華普智通系統有限公司
主席
翦英海

中國北京，二零零六年三月二十八日（星期二）

6. To consider as special business, and if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolutions Nos. 4 and 5 (as set out in the Notice of this Meeting), the unconditional general mandate granted to the directors of the Company and for the time being in force to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to resolution No. 4 (as set out in the Notice of this Meeting) be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such unconditional general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution No. 5 (as set out in the Notice of this Meeting), provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution.”

7. As special business, to consider and if thought fit, pass with or without any amendments, the following resolution as an ordinary resolution:

“**THAT** the existing Scheme Mandate Limit in respect of the granting of share options under the share option scheme adopted by the Company on 19 November 2001 (the “**Share Option Scheme**”) be renewed provided that the total number of shares of HK\$0.05 each in the capital of the Company (each a “**Share**”) which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company must not exceed 10% of the Share in issue at the date of approval of such renewal of the Scheme Mandate Limit.”

By Order of the Board of
Jian ePayment Systems Limited
Chin Ying Hoi
Chairman

Beijing, The PRC, Tuesday, 28 March 2006

股東週年大會通告

NOTICE OF ANNUAL GENERAL MEETING

附註：

1. 凡有權出席大會，並在會上表決之股東，皆有權委託另一位人士擔任其代理人出席，並在會上代為表決，凡持有兩股或以上之股東可委託超過一位代理人在本公司大會代為表決。代理人毋須為公司股東。除此以外，代表個人或法人股東的代理人或多位代理人將有權行使其代表股東的相同權力，猶如其個人享有的權力。
2. 委任代理人的文件和授權書，以及(若董事會規定)授權書或其他據之簽署的授權文件(如有)，或經由公証人簽署證明的授權文件副本，須於大會或延會(名列委任代理人文件的人士可於會上投票表決)指定舉行時間前48小時交回公司的分支股份過戶登記處香港證券登記有限公司(地址為香港皇后大道東183號合和中心17樓1712-1716室)，方為有效；或隨大會或延會日期後進行表決的情況下，則須於表決指定時間24小時前送交，違反者其代理人文件將不被視為有效。
3. 凡交付了委任代理文件，但有意與會並在會上表決的股東，都仍可出席有關大會，並在會上表決。屆時委任代理人的文件將視為取消。

Notes:

1. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
2. The instrument appointing a proxy and (if require by the board of directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, shall be delivered to the Company's branch share registrar, Hong Kong Registrars Limited, Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
3. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting concerned and in such event, the instrument appointing a proxy shall be deemed to be revoked.