

ePRO

EPRO LIMITED

易寶有限公司

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



2006 ANNUAL REPORT
年報

Characteristics of The Growth Enterprise Market (the "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 of the Stock Exchange 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 at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

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

由於創業板上市公司新興之性質所然，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主要於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（網址：www.hkgem.com），以便取得創業板上市發行人之最新資料。

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Corporate information 公司資料

BOARD OF DIRECTORS

Executive Directors

HUANG Shaokang (*Chairman*)
CHOW Siu Kwong (*Chief Executive Officer*)
LIU Lin

Non-executive Director

YIP Sam Lo

Independent Non-executive Directors

CHEN Yen Yung
LU Wei
SHI Shu Su

COMPANY SECRETARY

CHAN Chiu Hung, Alex *CPA, FCCA*

QUALIFIED ACCOUNTANT

CHAN Chiu Hung, Alex *CPA, FCCA*

COMPLIANCE OFFICER

HUANG Shaokang

AUTHORISED REPRESENTATIVES

HUANG Shaokang
CHAN Chiu Hung, Alex

AUDIT COMMITTEE

CHEN Yen Yung (*Chairman*)
LU Wei
SHI Shu Su

REMUNERATION COMMITTEE

CHEN Yen Yung (*Chairman*)
LU Wei
CHOW Siu Kwong

LEGAL ADVISERS TO THE COMPANY

David Lo & Partners

STOCK CODE

8086

董事會

執行董事

黃少康 (主席)
周兆光 (首席執行官)
柳林

非執行董事

葉三閻

獨立非執行董事

陳燕雲
魯煒
時述蘇

公司秘書

陳釗洪 香港會計師，英國特許會計師資深會員

合資格會計師

陳釗洪 香港會計師，英國特許會計師資深會員

監察主任

黃少康

法定代表

黃少康
陳釗洪

審核委員會

陳燕雲 (主席)
魯煒
時述蘇

薪酬委員會

陳燕雲 (主席)
魯煒
周兆光

本公司法律顧問

羅國貴律師事務所

股票代碼

8086

Corporate information 公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 1501, 15/F, Tung Hip Commercial Building
244-248 Des Voeux Road Central, Hong Kong

AUDITORS

Cachet Certified Public Accountants Limited

REGISTERED OFFICE

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

COMPANY WEBSITE

<http://www.epron.com.hk>

SHARE REGISTRARS AND TRANSFER OFFICES

Principal registrar

Bank of Butterfield International (Cayman) Limited
P.O. Box 705 Butterfield House, Fort Street
George Town, Grand Cayman
British West Indies, Cayman Islands

Branch registrar

Tengis Limited
26th Floor, Tesbury Centre,
28 Queen's Road East, Wanchai, Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank
The Shanghai Commercial Bank

總公司和主要營業地點

香港德軒道中244-248號東協商業大廈15樓1501室

核數師

德揚會計師事務所有限公司

註冊辦事處

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

公司網址

<http://www.epron.com.hk>

股份過戶登記處

主要股份過戶登記處

Bank of Butterfield International (Cayman)
Limited
P.O. Box 705 Butterfield House, Fort Street
George Town, Grand Cayman
British West Indies, Cayman Islands

股份過戶登記分處

登捷時有限公司
香港灣仔皇后大道東28號
金鐘匯中心26樓

主要往來銀行

香港上海匯豐銀行有限公司
恒生銀行有限公司
上海商業銀行有限公司

Chairman's Statement 主席報告書

EPRO Limited (the "Company") and its subsidiaries (the "Group") has achieved steady development in the fiscal year 2006. We have always positioned ourselves to be an innovative and energetic company in the information technology field.

BUSINESS REVIEW

The Group consistently focus our effort in the delivery of outstanding system integration and system solutions services, which we believe will provide us with substantial flexibility to explore various promising opportunities. While having stable achievements in these focuses, we have also devoted significant resources to expand our outsourcing business.

Stable development on outsourcing business

Global information technology development outsourcing is becoming a mainstream delivery model. Strategic IT outsourcing can be an integral part of an organisation's long-term business success by controlling or reducing operating costs, improving efficiencies and gaining access to technical expertise and skills. With the above trend, it is expected that there will be a growing need to seek support from external IT professional services to provide services that address their needs.

The Group's information technology application development outsourcing services has been playing an important role in our business expansion in the region. In the past years with a fierce competitive market place, we have maintained a steady outsourcing business with a number of local and overseas organisations. The Group is positioned well to capture additional opportunities of other outsourcing contracts.

In addition to the well-established outsourcing business in the Hong Kong, Japan and Singapore markets, the Group starts to seek new business growth potentials in the United States. To speed up our market expansion plans, the Group is proactively seeking strategic alliance with some trustworthy partners in the target markets, and the result is encouraging.

Enhanced development capabilities

With over 15 years of China experience and a team of dedicated IT professional in China, the Group is committed to providing high quality services, bring along the price advantage of the mainland resources, to our customers.

To support the expansions of our outsourcing business, the Group has established a new development center in Nanjing during the year to enhance our resource capacity. Following

易寶有限公司(「本公司」)及其附屬公司(「本集團」)於二零零六年財政年度內穩定發展。吾等一直將自己定位為資訊科技行業內之一所創新及積極之公司。

業務回顧

本集團繼續集中精力於提供系統整合及系統解決方案服務，相信將於開拓不同大有可為之機會時為吾等帶來大量靈活性。隨著於此等重點項目方面取得穩定成績，吾等亦投入大量資源以擴展吾等之外判業務。

外判業務之穩定發展

全球資訊科技發展外判已成為主流交付模式。策略性資訊科技外判因可控制或減少營運成本、提高效率及專門專業知識及技術，有望作為公司取得長期業務成功之一分力。乘著上述趨勢，現可預期要求外部資訊科技專業服務支援，以便提供滿足所需服務之需求將見增長。

本集團之資訊科技應用開發外判服務向來對吾等在區內之業務發展擔當重要角色。於過往年度市場競爭激烈，吾等與多家本地及海外公司維持穩定外判業務。本集團身處良好定位，得到更多取得其他外判合約之機會。

除於香港、日本及新加坡市場發展完善之外判業務外，本集團開始於美國尋求新業務發展潛力。為加速吾等之市場拓展計劃，本集團正積極於目標市場內尋求可靠伙伴結成策略聯盟，成果令人鼓舞。

提高開發能力

由於有超過15年之中國經驗及於中國擁有一支資訊科技專業人士，本集團致力提供高質素服務，向吾等客戶帶來來自大陸之價格優勢。

為支援吾等外判服務之擴展，本集團已於年內於南京成立新開發中心以提昇吾等之資源容量。由於所達到之水平與吾等深圳及上海開發中心之同

Chairman's Statement 主席報告書

the same high quality standard of our Shanghai and Shenzhen development centers, we believe the new Nanjing center will give us a stronger force to prepare ourselves for further expansion.

Recognised that a board technical spectrum and resources pool are some of the key constituents to the long-term competitiveness of the Group, we will continue to explore the opportunity of establishing additional centers at different mainland major cities to leverage edges of different cities.

PROSPECTS

Looking ahead, taking advantage of the global trend of companies looking to outsourcing to China, the expansion on the IT outsourcing services continues to be one of the core strategic focuses of the Group. More companies will realise the true potential benefits of outsourcing and how it can be used to enhance profitable growth, reduce costs and achieve enterprise agility. The Group believes there is a very promising potential in this area, and it will become the fuel of our long-term growth.

We will at the same time continue to maintain and expand our competences on the systems integration area. Leveraging our domain knowledge on the telecommunications and logistics markets, we will embark on comprehensive IT solutions to capture the opportunities in these accelerating markets.

The Group believes a strong team of well-experienced IT professionals is crucial to our success. With the dedication of the team and their extensive experience and domain knowledge gained from exposure to regional market, we are confident on our capability for achieving a promising result in the coming future.

APPRECIATION

I would like to take this opportunity to express my gratitude to all management teams and our staff members for their dedication and significant contribution in the past year. I would also like to extend my sincere appreciation to all our fellow shareholders, customers and business partners for their continuous support and confidence in the Group.

On behalf of the Board
Huang Shaokang
Chairman

25 September 2006

樣高質素，吾等相信新南京中心可令吾等如虎添翼，為進一步擴充做好準備。

多元化的技術範圍及廣泛的資源儲備，已肯定為本集團長期競爭力之部分關鍵要素，故吾等將持續開拓於大陸各大城市設立更多中心之機會，以取得來自不同城市之優勢。

前景

展望未來，借助全球各地之公司均向中國外判工作之趨勢，擴展資訊科技外判服務將仍為本集團之核心策略焦點之一。更多公司將發現外判之真正潛在利益及其可用作提升有利增長、減少成本及達致企業靈活性。本集團相信於此範疇潛力可觀，將成為吾等長期增長之動力。

與此同時，本集團將繼續維持及拓展其於系統整合方面之能力。藉著運用吾等於電訊及物流市場之當地知識，吾等將開展全面資訊科技解決方案以爭取於此等高速發展市場之機會。

本集團相信一支具備資深資訊科技專業人員之強大隊伍，對吾等之成功至關重要。憑藉該隊伍之全力以赴及深厚經驗，加上在發掘地區市場時所獲得之當地知識，吾等確信吾等有能力於將來達致更可觀之業績。

鳴謝

本人謹藉此機會，向本集團全體管理隊伍及本集團之員工致謝，感謝他們於過去一年所付出之努力及重大貢獻。本人亦謹此對本集團所有股東、客戶及業務夥伴衷心致謝，感謝他們不斷支持本集團，並對本集團充滿信心。

承董事會命
黃少康
主席

二零零六年九月二十五日

Review of operations 業務回顧

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 30 June 2006, the Group recorded a turnover of HK\$86,478,000 (2005: HK\$54,822,000), representing an increase of 57.7% from last year. The increase in turnover was mainly attributable to enlarging income stream from existing customers.

The total operating expenses were HK\$30,338,000 for 2006 (2005: HK\$31,957,000), representing a decrease of 5.1% as compared to last year. The decrease was mainly attributable to tightening cost control measure by adopting an effective cost structure on matching its operation.

The loss for the year was of approximately HK\$5,411,000 as compared to the loss of approximately HK\$4,397,000 last year. The loss was mainly attributable to uncertain business environment and persistent price pressure in the industry. The management considered that the Group is well on track in narrowing the loss after stringent cost control. Last year, the Group disposed of its properties in Kwun Tong and recorded an one-off gain of approximately HK\$6.4 million. Excluding this one-off gain, the Group narrowed its loss from by its normal operation from last year's loss of approximately HK\$10.8 million to current year's of approximately HK\$5.4 million.

Capital Structure

The Group generally finances its operation with internally generated cashflows, banking facilities and loan/funding from a shareholder. The Group continued to exert stringent control over treasury policies. The Company intends to finance the Group's future operations, capital expenditure and other capital requirement with the existing banking facilities.

As at 30 June 2006, the interest rate of banking facilities was charged at the range of Hong Kong dollar prime lending rate ("P") +1.5% to P-1% (2005: P+1.5% to P-1%).

As at 30 June 2006, the amount of short term bank and other borrowings of the Group, which were repayable within a year, was of approximately HK\$7.2 million (2005: approximately HK\$6.6 million), and there was no long term bank and other borrowings of the Group which will be repayable more than a year (2005: approximately HK\$5.2 million).

管理層討論及分析

財務回顧

截至二零零六年六月三十日止財政年度，本集團錄得營業額86,478,000港元（二零零五年：54,822,000港元），較去年上升57.7%。營業額上升主要是由於擴闊了現有客戶之收入來源。

二零零六年之經營開支總額為30,338,000港元（二零零五年：31,957,000港元），較去年減少5.1%。經營開支減少主要是由於採取與業務相符之有效成本架構，收緊成本措施所致。

年內之虧損約為5,411,000港元，去年之年度虧損則約為4,397,000港元。虧損主要是由於營商環境不明朗及業內價格持續受壓所致。管理層認為，本集團在嚴控成本下，已重踏正軌收窄虧損。去年，本集團出售其於觀塘之物業，及錄得一次性交易收益約為6,400,000港元。扣除此一次性交易收益，本集團來自一般業務之虧損由去年虧損約10,800,000港元收窄至本年約5,400,000港元。

資本架構

本集團一般以內部所得現金流量、銀行融資及股東貸款／資金為其業務撥資。本集團繼續對庫務政策實施嚴格控制。本公司擬以現有銀行融資為本集團之未來業務、資本支出及其他資本需求撥資。

於二零零六年六月三十日，銀行融資之利率按港元最優惠利率("P")加1.5厘至P減1厘收取（二零零五年：P加1.5厘至P減1厘）。

於二零零六年六月三十日，須於一年內償還之本集團短期銀行及其他借款約為7,200,000港元（二零零五年：約6,600,000港元），而並無須於一年後償還之本集團長期銀行及其他借款（二零零五年：約5,200,000港元）。

Review of operations 業務回顧

At an Extraordinary General Meeting held on 30 December 2005 for the purpose of considering the consolidation of every ten ordinary shares of HK\$0.01 each in the issued and the unissued share capital of the Company (the "Shares") into one share of HK\$0.10 each in the issued and the unissued share capital of the Company (the "Consolidated Shares") (the "Share Consolidation"), the Share Consolidation was approved by the shareholders whose names appears on the register of members of the Company on Friday, 30 December 2005.

As detailed in the Company's announcement dated 17 November 2005, the Company proposed to raise approximately HK\$10.4 million before expenses, by issuing not less than 80,040,000 new Consolidated Shares of HK\$0.10 each in the capital of the Company (the "Offer Shares") by way of open offer to the qualifying shareholders of the Company on the basis of one Offer Share for every two Consolidated Shares of the Company at the subscription price of HK\$0.13 per Offer Share ("Open Offer"). The net proceeds of the Open Offer, after deduction of expenses, of approximately HK\$9.2 million will be applied as the general working capital of the Group.

A circular containing, inter alia, further information of the Open Offer, application for Whitewash Waiver, the recommendation of the independent board committee and the advice from the independent financial adviser in relation to the Open Offer and the Whitewash Waiver was dispatched to the Company's shareholders on 8 December 2005.

At the extraordinary general meeting of the Company held on 30 December 2005, ordinary resolutions in relation to the Open Offer and the Whitewash Waiver were approved by the independent shareholders of the Company.

The Open Offer had been completed and dealing of the Offer Shares on GEM commenced at 9:30 a.m. on 26 January 2006. Mr. Huang Shaokang ("Mr. Huang"), a director of the Company, and China Dynamic Enterprises Limited ("China Dynamic"), a Company controlled by Mr. Huang, had underwritten 51,613,824 Offer Shares (the "Shortfall Offer Shares") pursuant to the underwriting agreement dated 17 November 2005 entered into between the Company, the Underwriter and Mr. Huang. All subscription monies for the Shortfall Offer Shares had been received by the Company on 24 January 2006.

本公司於二零零五年十二月三十日舉行股東特別大會，以考慮將每10股於本公司已發行及未發行股本中每股面值0.01港元之普通股（「股份」）合併為一股於本公司已發行及未發行股本中每股面值0.10港元之股份（「合併股份」）（「股份合併」），而有關股份合併已獲於二零零五年十二月三十日（星期五）名列本公司股東名冊之股東批准。

誠如本公司日期為二零零五年十一月十七日之公佈所詳述，本公司建議藉公開發售方式，按每股發售股份0.13港元之認購價，向本公司之合資格股東發行不少於80,040,000股於本公司股本中每股面值0.10港元之新合併股份（「發售股份」），集資約10,400,000港元（扣除開支前），基準為每持有本公司兩股合併股份獲發一股發售股份（「公開發售」）。公開發售所得款項淨額（扣除開支後）約為9,200,000港元，該筆款項將撥作本集團之一般營運資金。

本公司已於二零零五年十二月八日向本公司股東寄發一份通函，其載有（其中包括）公開發售、申請清洗豁免、獨立董事委員會有關公開發售及清洗豁免之推薦意見及獨立財務顧問有關公開發售及清洗豁免之建議之進一步資料。

在本公司於二零零五年十二月三十日舉行之股東特別大會上，有關公開發售及清洗豁免之普通決議案已獲本公司之獨立股東批准。

公開發售經已完成，且發售股份於二零零六年一月二十六日上午九時三十分開始在創業板買賣。本公司董事黃少康先生（「黃先生」）及黃先生所控制之公司China Dynamic Enterprises Limited（「China Dynamic」）已根據本公司、包銷商及黃先生所訂立日期為二零零五年十一月十七日之包銷協議，包銷51,613,824股發售股份（「認購不足發售股份」）。本公司已於二零零六年一月二十四日收取認購不足發售股份之所有認購款額。

Review of operations 業務回顧

Save as the above, the capital structure of the Company had no material change.

除上述外，本公司之股本架構並無任何重大變動。

Material Acquisitions, Disposals and Significant Investments

重大收購、出售事項及重大投資

The Company had made no significant investments and material acquisitions or disposals for the year ended 30 June 2006.

截至二零零六年六月三十日止年度，本公司並無作出任何重大投資及重大收購或出售事項。

Liquidity, Financial Resources and Gearing Ratio

流動資金、財務資源及資本負債比率

During the year under review, the Group financed its operations by internally generated cash flow, banking facilities provided by banks, loan funding from a director and the proceeds from the Open Offer.

於回顧年度內，本集團一般以內部產生之現金流量、銀行提供之銀行融資及董事貸款資金及發售股份所得款項，為其營運提供資金。

As at 30 June 2006, the Group's consolidated shareholders' equity, current assets and net current assets were HK\$11,383,000 (2005: HK\$7,913,000), HK\$43,565,000 (2005: HK\$56,142,000) and HK\$9,931,000 (2005: HK\$10,721,000) respectively.

於二零零六年六月三十日，本集團之綜合股東資金、流動資產及流動資產淨值，分別為11,383,000港元(二零零五年：7,913,000港元)、43,565,000港元(二零零五年：56,142,000港元)及9,931,000港元(二零零五年：10,721,000港元)。

In respect of the Group's current assets of HK\$43,565,000 as at 30 June 2006 (2005: HK\$56,142,000), trade and bills receivable (net of provision for doubtful debts) account for 32.7% (2005: 27.8%) whilst pledged deposits, cash and cash equivalents accounted for about 62.7%. As at 30 June 2006, the Group's pledged deposits and cash and cash equivalents amounted to HK\$27,320,000 (2005: HK\$28,314,000).

就本集團之流動資產而言，於二零零六年六月三十日為43,565,000港元(二零零五年：56,412,000港元)，應收貿易賬款及票據(扣除呆賬撥備)佔32.7%(二零零五年：27.8%)，而已抵押存款、現金及現金等值項目則約佔62.7%。於二零零六年六月三十日，本集團之已抵押存款以及現金及現金等值項目為27,320,000港元(二零零五年：28,314,000港元)。

As at 30 June 2006, the Group's consolidated bank and other borrowings repayable within one year were HK\$7,192,000 (2005: HK\$6,566,000).

於二零零六年六月三十日，本集團之綜合銀行及其他借款須於一年內償還為7,192,000港元(二零零五年：6,566,000港元)。

As at 30 June 2006, the Group had no long term bank and other borrowings which will not be repayable within one year.

於二零零六年六月三十日，本集團並無長期貸款及其他借款毋須於一年內償還。

All of the Group's pledged deposits, cash and cash equivalents, bank and other borrowings were denominated in Hong Kong dollars, Renminbi and United States dollars.

本集團全部已抵押存款、現金及現金等值項目、銀行及其他借款乃以港元、人民幣及美元結算。

As at 30 June 2006, the Group's gearing ratio (basis: total liabilities over total assets) was 75% (2005: 86%). Although the gearing ratio is high, the Directors believe the Group has sufficient resources to discharge its debts and to satisfy its commitments and working capital requirements.

於二零零六年六月三十日，本集團之資產負債比率(基準：負債總額除以資產總值)為75%(二零零五年：86%)。儘管資產負債比率較高，董事相信，本集團有足夠資源償還其債務及履行其承擔，以及足以應付營運資金所需。

Review of operations 業務回顧

As at 30 June 2006, the Group had an aggregate composite banking facilities from banks of approximately HK\$15.8 million of which HK\$1.8 million was utilised (2005: HK\$4.7 million).

Foreign Currency Risk

The Group mainly generated revenue and incurred costs in Hong Kong dollars, United States ("US") dollars, Renminbi, Singapore dollars, Canadian dollars and Japanese Yen.

During the year, the Group had entered foreign exchange forward contracts for hedging the foreign currency risk exposure on making payment to the suppliers.

The Group requires all its operating units to use forward currency contracts to eliminate the foreign currency exposures for currencies other than United States dollars and on any individual transactions in excess of HK\$500,000 or equivalent, for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

The Group has no foreign currency contracts outstanding at 30 June 2006.

Contingent Liabilities

As at 30 June 2006, the Company had contingent liabilities in respect of corporate guarantees for banking facilities granted to certain subsidiaries in the aggregate amount of approximately HK\$28.3 million (2005: approximately HK\$28.3 million). At the balance sheet date, such facilities were utilised by the subsidiaries to the extent of approximately HK\$1.8 million (2005: approximately HK\$4.7 million).

於二零零六年六月三十日，本集團自銀行取得之綜合銀行融資總額約達15,800,000港元，其中已動用1,800,000港元（二零零五年六月三十日：4,700,000港元）。

外匯風險

本集團之所得收入及所致成本主要以港元，美元，人民幣，新加坡元，加拿大元及日圓結算。

於年內，本集團訂立外匯遠期合約用作對支付供應商之外幣風險。

本集團規定所有經營單位，就超逾500,000港元或同等金額並預期在一個月以後付款之個別交易於本集團訂立確實買賣承擔後使用遠期貨幣合約，以抵銷任何美元以外貨幣之外幣風險。遠期貨幣合約必須與所對沖項目之貨幣相同。本集團之政策為取得確實承諾前概不訂立遠期合約。

於二零零六年六月三十日，本集團並無任何未償付外幣遠期合約。

或然負債

於二零零六年六月三十日，本公司就若干附屬公司所獲授之銀行融資合共約28,300,000港元（二零零五年：約28,300,000港元）提供公司擔保而有或然負債。於結算日，有關附屬公司已動用該等融資額中合共約1,800,000港元（二零零五年：約4,700,000港元）。

Review of operations 業務回顧

The Group had executed performance bonds of approximately HK\$0.9 million (approximately HK\$8.9 million) in respect of certain services provided by the Group.

Charges on Assets

The banking facilities of the Group are secured by:

- (i) corporate guarantees of approximately HK\$28.3 million executed by the Company (2005: approximately HK\$28.3 million), and
- (ii) pledge of certain of the Group's time deposits amounting to approximately HK\$15,724,000 (2005: approximately HK\$11,868,000).

Deployment of Human Resources

As at 30 June 2006, the number of staff of the Group was 162 (2005: 148). Staff remuneration is reviewed once a year or as the management deems appropriate. Changes in remuneration are based on a range of factors including the Group's performance, the competitiveness of remuneration with the external market, and individual employee's performance during the year. Employees were paid at fixed remuneration with discretionary bonus and benefits of medical insurance, mandatory provident fund, share options and necessary training.

本集團已就本集團所提供之若干服務而簽署履約保證及預付保證約900,000港元(二零零五年:約8,900,000港元)。

資產抵押

本集團之銀行融資乃以下列各項作抵押:

- (i) 本公司作出之公司擔保合共約28,300,000港元(二零零五年:約28,300,000港元);及
- (ii) 本集團若干定期存款為數15,724,000港元(二零零五年:約11,868,000港元)之抵押。

人力資源安排

於二零零六年六月三十日,本集團有162名員工(二零零五年:148名)。員工酬金乃於每年或管理層認為合適時作出調整。酬金乃因應一連串因素而變動,包括本集團年內之業績表現、酬金於外部市場之競爭力,以及個別僱員之表現。僱員乃獲付固定酬金,以及獲發酌情花紅及各項福利(包括醫療保險、強制性公積金、購股權及所需培訓)。

Directors' and Senior Management's Biographies 董事及高級管理層履歷

Biographical details of the directors of the Company and of the senior management of the Group are set out below.

DIRECTORS

Executive Directors

Mr. HUANG Shaokang (黃少康), aged 41, is the chairman of the Group. He joined the Group in 2002 and is responsible for overall strategy planning, management and development of the Group. Mr. Huang has over 15 years of experience in the management of various companies which invest mainly on the IT and electronic industry. He has solid experiences in trade and business in the People's Republic of China, Singapore and Hong Kong. Mr. Huang studies in the Physics Department in the University of Hui Zhou, the People's Republic of China from 1983 to 1986.

Mr. CHOW Siu Kwong (周兆光), aged 36, is the chief executive officer of the Group. He joined the Group in 2000 and is responsible for development of Group's software technology and methodology. Mr. Chow has 14 years of experience in the IT industry and has worked for key IT solution providers before joining the Group. He graduated from Victoria University of Technology, Australia, with a Bachelor's degree and a Master's degree in Computer Science.

Mr. LIU Lin (柳林), aged 36, is an executive director of the Group and a director of Shanghai EPRO Software Company Limited. He joined the Company in 2002 and had taken up various senior positions in IT companies in the People's Republic of China and the United States before joining the Group. Mr. Liu holds a Bachelor of Science in Computer Science from the Beijing University of Posts & Telecommunications and a Master of Science degree in Computer Science from Columbia University, the United States.

Non-executive Director

Mr. YIP Sam Lo (葉三閻), aged 59 is a non-executive director of the Group. He joined the Group in 1992 responsible for the business development of the Group. Mr. Yip has over 24 years of experience in the IT industry. Prior to joining the Group, he was the regional manager of a major U.S. computer company. Mr. Yip graduated from the University of Texas, the US with a Bachelor's degree in Mathematics and from the Texas A & M University, the US with a Master's degree in Computing Science.

有關本公司各董事及本集團高級管理層之履歷，其詳情載於下文。

董事

執行董事

黃少康先生，現年41歲，為本集團主席。彼於二零零二年加入本集團，負責本集團之整體策略及企劃、管理及發展。黃先生擁有逾十五年管理多家公司之經驗，主要投資於資訊科技及電子業。彼於中華人民共和國、新加坡及香港之貿易及商業方面經驗豐富。黃先生由一九八三年至一九八六年在中華人民共和國惠州大學修讀物理系。

周兆光先生，現年36歲，本集團首席執行官。彼於二零零零年加入本集團，負責開發本集團之軟件科技及模式。周先生於資訊科技行業擁有十四年經驗，於加入本集團前曾在主要資訊科技解決方案供應商任職。彼畢業於澳洲維多利亞科技大學，持有電腦科學學士及碩士學位。

柳林先生，現年36歲，本集團之執行董事兼上海易寶軟件有限公司之董事。彼於二零零二年加入本公司，於加入本集團前，彼曾於中華人民共和國及美國之多間資訊科技公司擔任多個高級職位。柳先生持有北京郵電大學計算機學士學位及美國哥倫比亞大學計算機碩士學位。

非執行董事

葉三閻先生，現年59歲，為本集團非執行董事。彼於一九九二年加入本集團，負責本集團之業務發展。葉先生於資訊科技行業擁有逾二十四年經驗。於加入本集團前，彼曾為一間大型美國電腦公司之區域經理。葉先生先後畢業於美國德薩斯州大學及美國德薩斯州A & M大學，分別取得數學理學士學位及電腦科學碩士學位。

Directors' and Senior Management's Biographies 董事及高級管理層履歷

Independent Non-executive Directors

Mr. LU Wei (魯煒), aged 49 is an associate professor at University of Science and Technology of China. He has over 16 years of experience in financial management and many years of practical experience in management consulting for UN organisations and other international institutions. Mr. Lu was working with a Sino-Canadian Training and Consulting Institute since 1988 to 1994. He holds a Master's degree in engineering and currently a PhD Candidate in the University of Science and Technology of China.

Ms. CHEN Yen Yung (陳燕雲), aged 34. She has over 8 years' experience in accounting and finance field. She is a member of the Australia Society of Certified Public Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Chen is currently a qualified accountant and company secretary of Zhejiang Yonglong Enterprises Co., Ltd. She studied in the Hong Kong Polytechnic University for higher certificate in accountancy and holds a bachelor's degree in commerce (accounting) from the Curtin University of Technology, Western Australia.

Ms. SHI Shu Su (時述蘇), aged 52, is a partner in Hui Zhou Zhong Hong Xin Yue Long Certified Public Accountants since 2001. She has over 30 years of experience in accountancy and financial management. Ms. Shi is a registered accountant in the People's Republic of China.

Company Secretary

Mr. CHAN Chiu Hung, Alex (陳釗洪), aged 40, is the company secretary and qualified accountant of the Company, and oversees the legal, finance, taxation, corporate and compliance matters of the Group. Mr. Chan holds a bachelor degree in Business Administration, major in Finance. He has been working with several listed and multinational companies for over 13 years. Mr. Chan is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He is also a graduate of the Hong Kong Institute of Chartered Secretaries.

獨立非執行董事

魯煒先生，現年49歲，為中國科學技術大學之副教授。彼於財務管理擁有逾16年經驗，及於聯合國組織及其他國際機構擁有多年管理層顧問之實務經驗。魯先生曾一直於一九八八年至一九九四年於一間中國與加拿大資金共同開設之培訓及顧問機構工作。彼持有中國科學技術大學之工程碩士學位，及現時為該校之博士生。

陳燕雲女士，現年34歲。彼於會計及財務領域積逾八年經驗。彼為澳洲會計師公會之會員及香港會計師公會之會員。陳女士現為浙江永隆實業股份有限公司之合資格會計師及公司秘書。彼於香港理工大學攻讀高級證書會計課程，並持有西澳洲科廷科技大學之商業會計學士學位。

時述蘇女士，現年52歲，自二零零一年起，為惠州中鴻信粵龍會計師事務所之合夥人。彼於會計及財務管理方面積逾三十年經驗。時女士為中華人民共和國之註冊會計師。

公司秘書

陳釗洪先生，現年40歲，為本公司之公司秘書及合資格會計師，並監督本集團之法律、財務、稅務、公司及會規事宜。陳先生持有工商管理學士學位，主修財經。彼曾於數間上市及跨國公司工作逾十三年。陳先生為英國特許公認會計師公會資深會員及香港會計師公會會員。陳先生亦為香港秘書公會之畢業學員。

Directors' and Senior Management's Biographies 董事及高級管理層履歷

Senior Management

Ms. CHAN Yuk Fong, Bango (陳玉芳), aged 37, is the general manager of the Hong Kong operation. She joined the Group in 1998 and is responsible for managing project delivery. Ms. Chan has 14 years of working experience in the IT fields and has worked for different enterprises covering the business domains of telecommunications, finance and manufacturing. She holds a Bachelor degree of Information System, Commerce from University of Western Sydney, Nepean and a Master degree in Project Management from University of Sydney.

Mr. HE Hua Guang (何華光), aged 40, is the general manager of professional services of the Group. He joined the Group in 1997 and is responsible for the development and management of the Group's provision of IT professional services business. Mr. He has over 14 years of experience in the IT field. He graduated from the Harbin Institute of Technology, the People's Republic of China, with a Bachelor's degree in Mechanical & Electronic Engineering and a Master's degree in Engineering Management.

高級管理層

陳玉芳小姐，現年37歲，為香港業務之總經理。彼於一九九八年加入本集團，曾參予多個大項目實施，並負責管理專業服務隊伍。陳小姐於資料科技領域擁有十四年經驗，過往曾任職的企業的業務範圍有電訊、財務及製造業。彼持有西悉尼大學的商科學士學位及悉尼大學的項目管理碩士學位。

何華光先生，現年40歲，為本集團專業服務之總經理。彼於一九九七年加入本集團，負責開發及管理本集團之資訊科技專業服務業務。何先生於資訊科技範疇之經驗超過十四年。彼畢業於中華人民共和國哈爾濱工業大學，持有機械電子工程學士學位及管理工程專業碩士學位。

Report of the Directors 董事會報告

The directors present their report and the audited financial statements of the Company and the Group for the year ended 30 June 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 15 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 30 June 2006 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 45 to 51.

The directors do not recommend the payment of a dividend for the year.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and as restated/reclassified as appropriate, is set out on pages 123 and 124. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Detail of movement in share capital and share options of the Company during the year are set out in notes 23 and 24 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

董事會謹提呈董事會報告，以及本公司及本集團截至二零零六年六月三十日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務詳情載於財務報表附註15。本集團之主要業務性質在本年度並無其他重大變動。

業績及股息

本集團截至二零零六年六月三十日止年度之虧損及本公司及本集團於該日之財務狀況載於財務報表第45至51頁。

董事並不建議派發本年度股息。

財務資料概要

本集團最近期五個財政年度之已公佈業績及資產及負債之概要（乃摘錄自經審核財務報表，並經重列／重新分類（如適用））載於第123至124頁。本概要並非經審核財務報表之組成部分。

物業、廠房及設備

本集團年內之物業、廠房及設備變動詳情載於財務報表附註13。

股本及購股權

本公司年內之股本及購股權變動詳情分別載於財務報表附註23及24。

優先購買權

本公司之公司章程或開曼群島（即本公司註冊成立之司法權區）法例並無任何優先購買權之規定，使本公司須向現有股東按比例發售新股。

Report of the Directors 董事會報告

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 25 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

The Company's share premium account, in accordance with the Companies Law (2000 Revision) of the Cayman Islands, is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares. At 30 June 2006, the Company did not have any reserves available for distribution.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 43% of the total sales for the year and the largest customer included therein amounted to approximately 22%.

Purchase from the Group's five largest suppliers accounted for approximately 48% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 25%.

None of the directors of the Company or any of their associates or any shareholders, which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers or suppliers.

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司概無於本年度購買、贖回或出售本公司之任何上市證券。

儲備

本公司及本集團於年內之儲備變動詳情分別載於財務報表附註25及綜合權益變動表內。

可供分派儲備

根據開曼群島公司法(二零零零年修訂本)，倘本公司於緊隨擬派股息該日，本公司有能力償還其於日常業務之到期債項，則本公司之股份溢價賬可供分派予本公司股東。股份溢價賬亦可以繳足紅股形式分派。於二零零六年六月三十日，本公司並無任何可供分派儲備。

主要客戶及供應商

於回顧年度，本集團五名最大客戶佔本年度總銷售約43%，而向最大客戶(已包括於上述客戶)之銷售則佔約22%。

向本集團五名最大供應商之購貨額佔本年度購貨總額約48%，而向最大供應商(已包括於上述供應商)之購貨額則約佔25%。

據董事所知，擁有本公司已發行股本5%以上之本公司董事或彼等之任何聯繫人士或任何股東，並無於本集團之五名最大客戶或供應商中擁有任何實益權益。

Report of the Directors 董事會報告

DIRECTORS

The board of directors (the "Board") of the Company during the year and up to the date of this report were:

Executive directors:

Mr. HUANG Shaokang
 Mr. CHOW Siu Kwong (appointed on 12 August 2005)
 Mr. LIU Lin
 Mr. ZENG Weiren (resigned on 28 October 2005)
 Mr. XIN Yi (resigned on 28 October 2005)

Non-executive directors:

Mr. YIP Sam Lo

Independent non-executive directors:

Ms. CHEN Yen Yung
 Mr. LU Wei
 Ms. SHI Shu Su

According to Article 87 of the Company's Articles of Association, Mr. Huang Shaokang, Mr. Liu Lin and Ms. Chen Yen Yung shall retire at the forthcoming annual general meeting. Ms. Chen Yen Yung will not offer herself for re-election at the said meeting whereas the other two retiring Directors, Mr. Huang Shaokang and Mr. Liu Lin, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's Articles of Association.

The Company has received annual confirmations of independence from Ms. Chen Yen Yung, Mr. Lu Wei and Ms. Shi Shu Su and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 12 to 14 of the annual report.

董事

年內，本公司之董事會（「董事會」）名單如下：

執行董事：

黃少康先生
 周兆光先生（於二零零五年八月十二日獲委任）
 柳林先生
 曾為人先生（於二零零五年十月二十八日辭任）
 辛毅先生（於二零零五年十月二十八日辭任）

非執行董事：

葉三閻先生

獨立非執行董事：

陳燕雲女士
 魯煒先生
 時述蘇女士

根據本公司組織章程第87條，黃少康先生、柳林先生及陳燕雲小姐須於應屆股東週年大會上退任；陳燕雲小姐並不願於上述大會上膺選連任而兩位退任董事黃少康先生及柳林先生均合資格，並願於應屆股東週年大會上膺選連任。

獨立非執行董事並無固定任期，惟須按本公司之公司細則輪流退任。

於本報告日期，本公司已接獲陳燕雲女士、魯煒先生及時述蘇女士彼等各自之年度獨立確認函，並認為彼等仍屬獨立。

董事及高級管理層履歷

本集團董事及高級管理層之履歷詳情載於本年報第12至14頁。

Report of the Directors 董事會報告

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings and monitored by the remuneration committee on a continuous basis. Other emoluments are determined by the Company's remuneration committee with reference to directors' duties, responsibilities and performance and the result of the Group.

DIRECTORS' INTEREST IN CONTRACTS

Save as the related party transactions and connected transactions disclosed in note 30 to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries was a party during the year.

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.

DISCLOSURE OF INTERESTS UNDER PART XV OF THE SECURITIES AND FUTURES ORDINANCE (THE "SFO")

A. DIRECTORS AND CHIEF EXECUTIVES

At 30 June 2006, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provision of the SFO); or (b) pursuant to section 352 of the SFO to be entered into the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange as follows:

董事之服務合約

建議於應屆股東週年大會膺選連任之董事概無與本公司訂立可於一年內由本公司終止而毋須給予補償(法定補償除外)之服務合約。

董事酬金

董事袍金須待股東於股東大會上批准，並按持續基準受薪酬委員監督。其他酬金乃由本公司薪酬委員會參考董事職責及表現，以及本集團之業績而釐定。

董事於合約中之權益

除財務報表附註30關於關連人士交易及關連交易所披露者外，於本年度概無董事於本公司，或任何附屬公司所訂立對本集團業務而言屬重大之任何合約中直接或間接擁有任何重大權益。

管理人員合約

年內概無訂立或存在任何與本公司業務全部或任何重要部分有關之管理及行政合約。

根據證券及期貨條例(「證券及期貨條例」)第XV部披露權益

A. 董事及首席執行官

於二零零六年六月三十日，本公司董事及首席執行官於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有須(a)根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例之有關條文被當作或視為擁有之權益及淡倉)；或(b)須列入本公司根據證券及期貨條例第352條予以存置之登記冊內之權益及淡倉；或(c)根據創業板上市規則第5.46至第5.67條之規定知會本公司及聯交所之權益及淡倉如下：

Report of the Directors 董事會報告

(1) DIRECTORS

1. Aggregate long position in shares (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the Company and its associated corporation(s)

- a. Interest in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds)

(i) the Company

(1) 董事

1. 於本公司及其相聯法團之股份（就根據股本衍生工具特有之倉盤而言）、相關股份及債券中之好倉總額

- a. 於股份之權益（根據股本衍生工具（例如購股權、可認購之認股權證或可換股債券）者除外）

(i) 本公司

Name of Director	Notes	Capacity	Number of ordinary shares interested 擁有權益之 普通股數目	Percentage of issued share capital 佔已發行 股本百分比
董事姓名	附註	身份		
Mr. Yip Sam Lo 葉三閻先生	(a)	Founder of a discretionary trust 全權信託之創辦人	26,257,720	10.94%
Mr. Huang Shaokang 黃少康先生	(b)	Interest of a controlled corporation 受控制公司權益 Beneficial owner 實益擁有人	91,633,824 24,162,510	38.16% 10.06%
Mr. Liu Lin 柳林先生	(c)	Interest of a controlled corporation 受控制公司權益	9,609,489	4.00%

Report of the Directors 董事會報告

Notes:

- a. As at 30 June 2006, 26,257,720 shares of the Company were held by Araucarea Holdings Limited ("Araucarea"), a corporation wholly owned by TUYF Company Limited as trustee of The TUYF Unit Trust, a unit trust of which all of the units in issue were owned by HSBC International Trustee Limited ("HSBC Trustee") in its capacity as the trustee of The TUYF Family Trust, a discretionary family trust of which the objects include the family members of Mr. Yip Sam Lo.

Accordingly, Mr. Yip Sam Lo, as founder of The TUYF Family Trust was deemed to be interested in 26,257,720 shares of the Company held by Araucarea.

- b. As at 30 June 2006, China Dynamic Enterprises Limited (the "China Dynamic") owned 91,633,824 shares of the Company. As at 30 June 2006, Mr. Huang Shaokang was the sole beneficial shareholder of China Dynamic, and was deemed to be interested in shares of the Company held by China Dynamic.

Apart from the above, as at 30 June 2006, Mr. Huang Shaokang personally owned 24,162,150 shares of the Company.

- c. As at 30 June 2006, Mr. Liu Lin was the sole beneficial shareholder of Kingston View International Limited ("Kingston View"), and wholly-owned by Mr. Liu Lin, an Executive Director, Mr. Liu Lin was deemed to be interested in 9,609,489 shares of the Company held by Kingston View.

附註：

- a. 於二零零六年六月三十日，26,257,720股本公司股份由 Araucarea Holdings Limited (「Araucarea」) 持有，Araucarea 是 TUYF Company Limited 以 The TUYF Unit Trust 信託人身份全資擁有之公司，而 The TUYF Unit Trust 為一項單位信託，其全部已發行單位由 HSBC International Trustee Limited (「HSBC Trustee」) 以 The TUYF Family Trust 之信託人身份擁有，The TUYF Family Trust 則為一項全權家族信託，其受益人包括葉三閏先生之家族成員。

因此，葉三閏先生作為 The TUYF Family Trust 之創辦人，被視為於 Araucarea 持有之 26,257,720 股本公司股份中擁有權益。

- b. 於二零零六年六月三十日，China Dynamic Enterprises Limited (「China Dynamic」) 擁有 91,633,824 股本公司股份。於二零零六年六月三十日，黃少康先生為 China Dynamic 之唯一實益股東，被視為於 China Dynamic 所持有之本公司股份中擁有權益。

除上述外，於二零零六年六月三十日，黃少康先生個人擁有 24,162,150 股本公司股份。

- c. 於二零零六年六月三十日，柳林先生為 Kingston View International Limited (「Kingston View」) 之唯一實益股東，由執行董事柳林先生所全資擁有，柳先生被視為於 Kingston View 所持有之 9,609,489 股本公司股份中擁有權益。

Report of the Directors 董事會報告

(ii) Associated corporations – EPRO Systems Limited (an indirect wholly-owned subsidiary of the Company)

(ii) 相聯法團 – EPRO Systems Limited (本公司之間接全資附屬公司)

Name of Director	Note	Capacity	Number of non-voting deferred shares interested in associated corporation	Percentage of total issued non-voting deferred shares
			於相聯法團擁有 權益之無投票權 遞延股份數目	佔已發行無投票 權遞延股份 總數百分比
董事姓名	附註	身份		
Mr. Yip Sam Lo	1	Founder of a discretionary trust	5,112,991	33.86%
葉三閻先生		全權信託之創辦人		

Note:

- As at 30 June 2006, these shares were held by Araucarea, a corporation wholly owned by TUYF Company Limited as trustee of The TUYF Unit Trust, a unit trust of which all of the units in issue were owned by HSBC International Trustee Limited (“HSBC Trustee”) in its capacity as the trustee of The TUYF Family Trust, a discretionary family trust of which the objects include the family members of Mr. Yip Sam Lo.

Accordingly, Mr. Yip Sam Lo, as founder of The TUYF Family Trust was deemed to be interested in 5,112,991 non-voting deferred shares held by Araucarea.

附註：

- 於二零零六年六月三十日，該等股份由 Araucarea 持有，Araucarea 是一間由 TUYF Company Limited 作為 The TUYF Unit Trust 之信託人全資擁有之公司，而 The TUYF Unit Trust 為一項單位信託，其全部已發行單位由 HSBC International Trustee Limited (「HSBC Trustee」) 以 The TUYF Family Trust 之信託人身份擁有，The TUYF Family Trust 則為一項全權家族信託，其受益人包括葉三閻先生之家族成員。

因此，葉三閻先生作為 The TUYF Family Trust 之創辦人，被視為擁有由 Araucarea 所持有之 5,112,991 股無投票權遞延股份之權益。

Report of the Directors 董事會報告

b. Interests in debentures

The Company or its associated corporations had not issued any debentures.

c. Interests in underlying shares (in respect of position held pursuant to equity derivatives)

Pursuant to the terms of Pre-IPO Share Option Plan, adopted by the Company on 24 February 2000 (the "Pre-IPO Share Option Plan"), options for subscribing the shares of the Company had been granted to the Directors without consideration (as adjusted as a result of a right issue of shares of the Company in 2004 and the consolidation of every ten shares of HK\$0.01 each in the issued and unissued share capital of the Company to one share of HK\$0.10 each in the share capital of the Company the issued and unissued share capital of the Company which took effect at 4:00 p.m. on Friday, 30 December 2005 ("Share Consolidation") as follows:

(i) the Company (physically settled equity derivatives)

b. 於債券中之權益

本公司或其相聯法團並無發行任何債券。

c. 於相關股份中之權益 (就根據股本衍生工具持有之倉盤而言)

根據本公司於二零零零年二月二十四日採納之首次公開招股前購股權計劃 ("首次公開招股前購股權計劃") 之條款，可認購本公司股份之購股權已無償授予董事 (因本公司於二零零四年進行之供股及將每十股本公司股本中每股面值0.01港元之股份合併為本公司已發行及未發行之股本中之一股本公司股份中每股面值0.10港元之普通股 (於二零零五年十二月三十日 (星期五) 下午四時正生效) ("股份合併") 作出調整)，有關情況如下：

(i) 本公司 (實物交付股本衍生工具)

Name of Director 董事姓名	Capacity 身份	Number of underlying ordinary shares interested 擁有權益之 相關普通股數目	Percentage of issued share capital 佔已發行 股本百分比
Mr. Yip Sam Lo 葉三閻先生	Beneficial owner 實益擁有人	1,986,367	0.82%

Report of the Directors 董事會報告

The following information of share options granted to the Director, pursuant to the share option schemes, under Chapter 23 of the GEM Listing Rules is required to be disclosed pursuant to Rule 18.58 (A) (1) of the GEM Listing Rules:

下列有關按照創業板上
市規則第23章根據購股
權計劃授予董事之購股
權之資料，須根據創業
板上市規則第
18.58(A)(1)條作出披
露：

Name of grantee	Date of grant	Number of options granted	Exercise period	Exercise price per share	Number of outstanding share options as at 30 June 2006
承授人姓名	授出日期	已授出之 購股權數目	行使期	每股行使價 HK\$ 港元	於二零零六年 六月三十日 尚未行使之 購股權數目
Mr. Yip Sam Lo	26 July 2000	1,986,367	2 February 2001 to 23 July 2010	5.57	1,986,367
葉三閻先生	二零零零年 七月二十六日		二零零一年二月 二日至二零一零年 七月二十三日		

No options were exercised or cancelled under the Pre-IPO Share Option Plan or the Share Option Scheme adopted by the Company on 24 July 2000 (the "Share Option Scheme") since their respective dates of grant and up to 30 June 2006. As at 30 June 2006, there were no options outstanding under the Share Option Scheme.

自各自授出日期起至二
零零六年六月三十日
止，並無購股權根據首
次公開招股前購股權計
劃或本公司於二零零零
年七月二十四日採納之
購股權計劃（「購股權計
劃」）獲行使或註銷。於
二零零六年六月三十
日，並無根據購股權計
劃尚未授出之任何購股
權。

(ii) Associated corporation

No such interest was reported by the Directors.

(ii) 相聯法團

董事並無呈報該權益。

2. Aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the Company and its associated corporation(s)

2. 於本公司及其相聯法團之股份及（就根據股本衍生工具持有之倉盤而言）相關股份及債券中之淡倉總額

Report of the Directors 董事會報告

No such short position was reported by the Directors.

(2) CHIEF EXECUTIVES

1. Aggregate long position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the Company and its associated corporation(s)

No such interest was reported by any chief executive of the Company.

2. Aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the Company and its associated corporation(s)

No such short position was reported by any chief executive of the Company.

In addition to the above, as at 30 June 2006, certain Directors are holding shares in the Hong Kong subsidiaries of the Company in a non-beneficial interest to meet the then minimum shareholder requirements.

Save as disclosed above, as at 30 June 2006, none of the Directors or the chief executive of the Company had, under Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) or any interest which were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or any interest which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules.

董事並無呈報該淡倉。

(2) 首席執行官

1. 於本公司及其相聯法團之股份及（就根據股本衍生工具持有之倉盤而言）相關股份及債券中之好倉總額

本公司之任何首席執行官並無呈報該權益。

2. 於本公司及其相聯法團之股份及（就根據股本衍生工具持有之倉盤而言）相關股份及債券中之淡倉總額

本公司之任何首席執行官並無呈報該淡倉。

除上文所述者外，於二零零六年六月三十日，若干董事以非實益權益於本公司之香港附屬公司中持有股份，以符合當時之最低股東規定。

除上文所披露者外，於二零零六年六月三十日，本公司董事或首席執行官概無根據證券及期貨條例第XV部第7及第8分部於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有（或根據證券及期貨條例之有關規定被認為或視作擁有）任何權益或淡倉，或任何必須列入本公司根據證券及期貨條例第352條予以存置之登記冊內之權益，或任何根據創業板上市規則第5.46至第5.67條所載上市發行人董事之規定買賣標準必須向本公司及聯交所申報之權益。

Report of the Directors 董事會報告

B. SUBSTANTIAL SHAREHOLDERS

At the 30 June 2006, the interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

1. *Aggregate long position in shares (in respect of positions held pursuant to equity derivatives) underlying shares of the Company*
 - a. Interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds)

B. 主要股東

於二零零六年六月三十日，根據證券及期貨條例第336條規定本公司存置之登記冊所記錄於本公司股份及相關股份中之權益或淡倉如下：

1. 於本公司股份及（就根據股本衍生工具持有之倉盤而言）相關股份中之好倉總數
 - a. 於股份之權益（根據股本衍生工具（例如購股權、可認購之認股權證或可換股債券）者除外）

Name of shareholder	Capacity	Number of ordinary shares interested	Notes	Percentage of issued share capital
股東名稱	身份	擁有權益之普通股數目	附註	已發行股本百分比
China Dynamic	Beneficial owner 實益擁有人	91,633,824	(1)	38.16%
Ms. Yip Chi Yu 葉志如女士	Interest of spouse 配偶權益	115,796,334	(2)	48.22%
Araucarea	Beneficial owner 實益擁有人	26,257,720	(3)	10.94%
TUYF Company Limited	Trustee 信託人	26,257,720	(3)	10.94%
HSBC International Trustee Limited	Trustee 信託人	26,257,720	(3)	10.94%
Ms. Tai Fung 戴鳳女士	Founder of a discretionary trust 全權信託之創辦人	26,257,720	(4a)	10.94%
	Interest of spouse 配偶權益	1,986,367	(4b)	0.82%

Notes:

1. The interest of China Dynamic has also disclosed as interest of Mr. Huang Shaokang in the above paragraph under "Disclosure of interests under Part XV of the Securities and Futures Ordinance – Directors and Chief Executives".
2. Ms. Yip Chi Yu was deemed to be interested in an aggregate of 115,796,334 shares of the Company through interest of her spouse, Ms. Huang Shaokang.

附註：

1. China Dynamic之權益亦已於上段「根據證券及期貨條例第XV部披露權益－董事及首席執行官」披露為黃少康先生之權益。
2. 葉志如女士被視為透過其配偶黃少康先生之權益而於合計115,796,334股本公司股份中擁有權益。

Report of the Directors 董事會報告

3. As at 30 June 2006, Araucarea was the beneficial owner of 26,257,720 shares of the Company. Araucarea is a wholly owned subsidiary TUYF Company Limited as trustee of The TUYF Unit Trust which is, in turn, wholly owned by HSBC Trustee. HSBC Trustee is the trustee of a discretionary trust called The TUYF Family Trust. Mr. Yip Sam Lo, a non-executive Director, is also a director of Araucarea.

4a. As at 30 June 2006, these shares of the Company were held by Araucarea, details of Araucarea's interest is set out in note 3 above. Ms. Tai Fung, as founder of the TUYF Family Trust was deemed to be interested in the Shares held by Araucarea.

4b. As at 30 June 2006, Ms. Tai Fung, was the spouse of Mr. Yip Sam Lo, was deemed to be interested in the options to subscribe for 1,986,367 shares of the Company held by Mr. Yip Sam Lo through interests of her spouse. Details of Mr. Yip Sam Lo's interest in shares of the Company have also been disclosed in the sub-section headed "Interest in shares" and "Interests in underlying shares" under the section headed "Disclosure of Interests Under Part XV of The SFO" above.

3. 於二零零六年六月三十日，Araucarea乃26,257,720股本公司股份之實益擁有人。Araucarea是TUYF Company Limited以The TUYF Unit Trust信託人身份全資擁有之公司，而The TUYF Unit Trust為一項單位信託，其乃由HSBC Trustee所全資擁有。HSBC Trustee為The TUYF Family Trust之信託人。非執行董事葉三閏先生亦為Araucarea之董事。

4a. 於二零零六年六月三十日，該等本公司股份乃由Araucarea所持有，Araucarea之權益詳情載於上文附註3。戴鳳女士作為TUYF Family Trust之創辦人被視為於Araucarea所持有之股份中擁有權益。

4b. 於二零零六年六月三十日，戴鳳女士為葉三閏先生之配偶，被視為透過其配偶之權益於葉三閏先生所持有之可認購1,986,367股本公司股份之購股權中擁有權益。葉三閏先生於本公司股份中之權益詳情亦已於上文「根據證券及期貨條例第XV部披露」一節「於股份之權益」分節披露。

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b. Interests in underlying shares (in respect of positions held pursuant to equity derivatives)

(i) the Company (physically settled equity derivatives)

b. 於相關股份之權益(就根據股本衍生工具持有之倉盤而言)

(i) 本公司(實物交付股本衍生工具)

Name of substantial shareholder	Capacity	Number of underlying ordinary shares interested	Notes	Percentage of issued share capital
主要股東姓名	身份	擁有權益之相關普通股數目	附註	佔已發行股本百分比
Ms. Tai Fung 戴鳳女士	Interest of spouse 配偶權益	1,986,367	(1)	0.82%

Note:

- Ms. Tai Fung was deemed to be interested in 1,986,367 share options of the Company through interests of her spouse, Mr. Yip Sam Lo.

Details of the above share options are required to be disclosed by the GEM Listing Rules have been disclosed in the above paragraph under "Disclosure of interests under Part XV of the Securities and Futures Ordinance – Directors and Chief Executive".

- Aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares of the Company

No such interest was reported to the Company.

Saved as disclosed above, as at 30 June 2006, no person, other than the Directors whose interests are set out in the above paragraph under "Disclosure of interests under Part XV of the Securities and Futures Ordinance – Directors and Chief Executives", had registered an interest or a short position in the shares or underlying share of the Company that was required to be recorded under Section 336 of the SFO.

附註：

- 戴鳳女士被視為透過其配偶葉三閻先生之權益而於本公司的1,986,367份購股權中擁有權益。

上述按創業板上市規則規定須披露之購股權詳情已於上文「根據證券及期貨條例第XV部披露權益—董事及首席執行官」一段披露。

- 於本公司股份及(就根據股本衍生工具持有之倉盤而言)相關股份中之淡倉總數

並無向本公司呈報該權益。

除上文所披露者外，於二零零六年六月三十日，除上段「根據證券及期貨條例第XV部披露權益—董事及首席執行官」所載董事之權益外，並無任何人士已登記須根據證券及期貨條例第336條予以記錄的於本公司股份或相關股份中之權益或淡倉。

Report of the Directors 董事會報告

SHARE OPTION SCHEMES

(1) Pre-IPO Share Option Plan

In recognising the contribution of certain directors of the Company to the growth of the Group and/or the listing of the shares of the Company on the GEM of the Stock Exchange, the shareholders adopted a Pre-IPO share option plan. Pursuant to the terms of the Pre-IPO Plan, options for subscribing the Shares had been granted to the Directors without consideration (as adjusted as a result of a right issue of shares of the Company on 9 January 2004 and the Share Consolidation), which were still outstanding, as follows:

Name or category of participant	Number of share options 購股權數目			Exercisable period of share options 購股權之行使期	Date of grant of share options# 購股權之授出日期#	Exercise price of share options 購股權之行使價 HK\$ 港元
	At 1 July 2005 於二零零五年七月一日	Lapsed during the year 於本年度內失效	At 30 June 2006 於二零零六年六月三十日			
Director 董事						
Mr. Yip Sam Lo 葉三閻先生	1,986,367	-	1,986,367	2 February 2001 to 23 July 2010 二零零一年二月二日至二零一零年七月二十三日	26 July 2000 二零零零年七月二十六日	5.57

The vesting period of share options is from the date of grant until the commencement of the exercise period.

購股權之歸屬期為自授出日期起直至行使期開始。

(2) Share Option Scheme

The Company adopted a share option scheme (the "Scheme") on 24 July 2000 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Pursuant to the Scheme, the board of directors of the Company is authorised, at its absolute discretion, to invite any employees, including any executive director of the Company or any of its subsidiaries, to take up options to subscribe for shares of the Company. The Scheme became effective for a period of 10 years commencing on the listing of the Company's shares on 2 August 2000. Further details of the Scheme are also set out in the Prospectus dated 27 July 2000.

購股權計劃

(1) 首次公開招股前購股權計劃

為認可本公司若干董事對本集團成長及／或本公司股份在聯交所創業板上市之所作出之貢獻，股東採納首次公開招股前購股權計劃。根據首次公開招股前購股權計劃之條款，可認購股份之購股權已無償授予董事（因本公司於二零零四年一月九日進行之供股及股份合併而已調整），其中仍未行使之購股權如下：

(2) 購股權計劃

本公司於二零零零年七月二十四日採納一項購股權計劃（「該計劃」），旨在向曾對本集團成功經營之業務作出貢獻之合資格參與者給予獎勵及回報。根據該計劃，本公司董事會獲授權酌情邀請任何僱員，包括本公司或其任何附屬公司任何執行董事接納購股權，以認購本公司股份。該計劃於二零零零年八月二日本公司股份上市時生效，有效期為十年。該計劃詳情亦載於二零零零年七月二十七日所刊發之招股章程。

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The maximum number of shares in respect of which options may be granted under the Scheme, together with the options so granted under the Pre-IPO Plan, may not exceed 10% of the issued share capital of the Company or to a maximum of 30% should the shareholder renew the 10% limit from time to time which have been duly allotted and issued.

The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 25% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, whichever is earlier. The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer and (iii) the nominal value of the Company's shares.

The directors are aware that some of the terms of the Scheme do not comply with the requirements of Chapter 23 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") which became effective on 1 October 2001. If the Company intends to grant options under the Scheme, the directors will ensure that any of such grant of options complies with the requirements of the said Chapter 23 of the GEM Listing Rules.

As at 30 June 2006, there were no options outstanding under the Scheme. No options were granted under the Scheme for the year ended 30 June 2006.

本公司根據該計劃可能授出之購股權所涉及之最高股份數目，連同根據首次公開招股前計劃授出之購股權，不得超過本公司不時已發行股本面值10%；倘股東不時重續已正式配發及發行本公司股本10%上限，則最高為30%。

於任何12個月期間，根據購股權可發行予該計劃各合資格參與者之最高股份數目，概以本公司任何時候之已發行股份25%為限。如再授出超過此上限之購股權，必須經股東於本公司股東大會上批准。

授出購股權之要約可供由要約日期起計28日內接納，而承授人須支付總數額1港元作為象徵式代價。已授出購股權之行使期由董事釐定，並於若干歸屬期後開始及最遲由購股權要約日期起計五年內或該計劃到期日（以較早者為準）。購股權之行使價乃由董事釐定，惟不得低於以下三者之較高者：(i)本公司股份於購股權要約日期在聯交所之收市價；及(ii)本公司股份於緊接購股權要約日期前五個交易日在聯交所之平均收市價及(iii)本公司股份之面值。

董事注意到，該計劃部份條款並不符合於二零零一年十月一日生效之創業板證券上市規則（「創業板上市規則」）第23章之規定。倘本公司擬根據該計劃授出購股權，董事將確保授出購股權一事符合上述創業板上市規則第23章之規定。

於二零零六年六月三十日，本公司並無根據該計劃尚未行使之購股權。截至二零零六年六月三十日止年度，本公司並無根據該計劃授出購股權。

Report of the Directors 董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed in the above paragraph under "Disclosure of interest under Part XV of the Securities and Futures Ordinance — A. Directors and Chief Executives", at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or children under 18 year of age, or were any rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire such rights in any other body corporate.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the directors, initial management shareholders or their respective associates of the Company has an interest in a business which competes or may compete with the business of the Group.

LEGAL PROCEEDINGS

In September 2003, a subsidiary of the Group, Epro Systems (China) Limited ("EPRO China"), and Linkfull Investment Group Limited ("Linkfull") entered into an agreement whereby EPRO China agreed to sell and Linkfull agreed to purchase 7,000 shares of HK\$1 each (the "Sale Shares") in EPROgistics Limited ("EPROgistics") at the consideration of HK\$1,750,000 (the "Consideration"), which was unconditionally and irrevocably guaranteed by Mr. Wong Tak ("Mr. Wong"), a then staff of the Group and a beneficial owner of Linkfull.

The Consideration for the sale and purchase of the Sale Shares shall be settled in two tranches as follows:

- (a) as to HK\$1 million, upon the signing of the agreement for sale and purchase dated 10 September 2003 (the "Agreement");
- (b) as to HK\$750,000, at anytime thereafter but in any event on or before 30 June 2005.

董事收購股份之權利

除於上文「根據證券及期貨條例第XV部披露權益—A. 董事及行政總裁」一段所披露者外，於本年度任何時間概無授予任何董事或彼等各自之配偶或未年滿十八歲之子女透過收購本公司股份或債券以獲得利益之權，利或有該等權利由彼等行使；而本公司或其任何附屬公司亦概無訂立任何安排，以致本公司董事可從任何其他公司實體獲得該等權利。

足夠公眾持股量

根據本公司獲得之公開資料及據董事所知，於本報告日期，公眾人士持有本公司已發行股本總額至少25%。

董事於競爭業務之權益

本公司董事、上市時管理層股東或彼等各自之聯繫人士概無於任何對本集團業務構成競爭或可能構成競爭之業務中擁有權益。

法律訴訟

二零零三年九月，本集團一家附屬公司易寶系統（中國）有限公司（「易寶中國」）及 Linkfull Investment Group Limited（「Linkfull」）訂立一份協議，據此，易寶中國同意出售而 Linkfull 同意購買易寶物流科技有限公司（「易寶物流科技」）7,000 股每股面值1港元之股份（「銷售股份」），代價為1,750,000港元（「代價」），並獲本集團當時一名職員（亦為 Linkfull 之實益擁有人）Wong Tak 先生（「Wong 先生」）無條件而不可撤回地擔保。

買賣銷售股份之代價將如下文所述分兩期支付：

- (a) 1,000,000港元於簽訂日期為二零零三年九月十日買賣協議（「協議」）時；
- (b) 750,000港元於此後隨時支付，惟無論如何須於二零零五年六月三十日或之前。

Report of the Directors 董事會報告

The first tranche of the HK\$1,000,000 was received by EPRO China on 10 September 2003 and pursuant to two supplemental deeds dated 30 August 2005 and 11 January 2006 respectively, the due date for settlement of the second tranche was extended to 30 June 2006.

As at the balance sheet date, apart from further HK\$37,000 was received by EPRO China, Linkfull failed/refused to pay the balance of the Consideration in the sum of approximately HK\$713,000 together with the interest thereon.

Despite of repeated extension and in view of the default in payment, EPRO China filed a claim against Mr. Wong on 8 August 2006 to the District Court of the Hong Kong Special Administrative Region in respect of the outstanding balance of the Consideration of approximately HK\$713,000 together with the interest from 1 July 2005 till payment.

Notwithstanding the confidence of the directors of the Company on successful claim of the said amount, a full provision for the receivable of the outstanding principal amount of HK\$713,000 had been made in the financial statements of the Group for the year ended 30 June 2006.

AUDITORS

Ernst & Young acted as auditors of the Company for the years ended 30 June 2002, 2003 and 2004. CWCC acted as auditors of the Company for the year ended 30 June 2005.

During the year, CWCC resigned as auditors of the Company and Cachet Certified Public Accountants Limited ("Cachet") were appointed by directors to fill the casual vacancy so arising. Cachet retire and a resolution for their re-appointment as auditors will be proposed at the forthcoming annual general meeting.

On behalf of the Board
HUANG Shaokang
 Chairman

25 September 2006

易寶中國已於二零零三年九月十日收取首期款項1,000,000港元。根據日期分別為二零零五年八月三十日及二零零六年一月十一日之兩份補充契約，支付第二期款項之限期已延長至二零零六年六月三十日。

於結算日，除易寶中國已收取另外37,000港元外，Linkfull未能／拒絕支付總數約713,000港元之代價餘款連有關利息。

儘管已多次延期，鑑於未能付款，易寶中國於二零零六年八月八日入稟香港特別行政區區域法院，就未償還代價餘額713,000港元連同由二零零五年七月一日至還款當日止之利息向Wong先生發出申索。

即使本公司董事相信可順利追回上述款項，惟仍於截至二零零六年六月三十日止年度之本集團財務報表中就可收回之未償還本金額713,000港元作全數撥備。

核數師

安永會計師事務所於截至二零零二、二零零三及二零零四年六月三十日止年度擔任本公司之核數師。陳黃鍾蔡會計師事務所於截至二零零五年六月三十日止年度擔任本公司之核數師。

年內，陳黃鍾蔡會計師事務所辭任本公司之核數師，德揚會計師事務所有限公司（「德揚」）獲董事委任，以填補因此引致之臨時空缺。德揚退任並重新委任德揚為本公司核數師之決議案將提呈即將舉行之股東週年大會。

代表董事會
 主席
 黃少康

二零零六年九月二十五日

Corporate Governance Report 企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 30 June 2006.

The Company is committed to a high standard of corporate governance as an essential component of quality and has introduced corporate governance practices appropriate to the conduct and growth of its business.

In the opinion of the directors, the Company has applied the principles of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 15 of The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "GEM Listing Rules") and complied with all the code provisions of the CG Code (the "Code Provisions") except for (i) Code Provision A.4.1 which requires that non-executive directors should be appointed for a specific term, subject to re-election; and (ii) Code Provision E.1.2 which stipulates that the Chairman of the Board should attend the annual general meeting. Details of such deviations will be explained below.

The current practices will be reviewed and updated regularly by the Company in order to follow the latest practices on corporate governance. The key corporate governance principles and practices of the Company are summarised as follows:

BOARD OF DIRECTORS

Composition

The composition of the Board ensures a balance of skills and experience appropriate to the requirements of the business of the Company and to the exercising of independent judgement. The Board as at the date of the annual report comprises:

Executive Directors:

Mr. HUANG Shaokang (*Chairman*)
Mr. CHOW Siu Kwong (*Chief Executive Officer*)
Mr. LIU Lin

Non-executive Director:

Mr. YIP Sam Lo

Independent Non-executive Directors:

Ms. CHEN Yen Yung
Mr. LU Wei
Ms. SHI Shu Su

董事會欣然於本集團截至二零零六年六月三十日止年度之年報內提呈企業管治報告。

本公司致力於將維持高水準之企業管治作為質素之重要成份，而本公司已引入適合進行其業務及業務增長之企業管治常規。

董事認為本公司已應用香港聯合交易所有限公司（「聯交所」）創業板證券上市規則（「創業板上市規則」）附錄15所載企業管治常規守則（「企業管治守則」）之原則，並已遵守企業管治守則全部守則條文（「守則條文」），惟(i)規定非執行董事應獲委任一個指定任期（可予重選）之守則條文第A.4.1條；及(ii)規定董事會主席須出席股東週年大會之守則條文第E.1.2條除外。該等偏離將於下文詳述。

現行原則將由本公司定期檢討及更新，以緊跟企業管治之最新常規。本公司之主要企業管治原則及常規概述如下：

董事會 組成

董事會的組成乃為確保其成員擁有各項適合本公司業務所需的技能及經驗，並作出獨立的判斷。董事成員截至本年報所公佈之日包括：

執行董事：

黃少康先生（主席）
周兆光先生（首席執行官）
柳林先生

非執行董事：

葉三閻先生

獨立非執行董事：

陳燕雲女士
魯煒先生
時述蘇女士

Corporate Governance Report 企業管治報告

None of the above members of the Board is related to one another.

Throughout the year ended 30 June 2006, the Board at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

All the independent non-executive directors are considered to be independent as the Company has received the annual confirmation from each of the independent non-executive directors as required by the GEM Listing Rules.

The non-executive directors bring a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all non-executive directors make various contributions to the effective direction of the Company.

Responsibilities

The Board has the ultimate decision on the Group's overall strategy, annual budget, annual and interim results, appointment of directors, significant contracts and transactions as well as other significant policy and financial matters. The Board has delegated the daily operations and administration to the Chief Executive Officer and senior management of the Company. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any decision making or entering into any commitments on behalf of the Company.

Each director has access to the Board papers and related materials and advice and services of the Company Secretary, with a view to ensuring that board procedure and all applicable rules and regulations are followed. In addition, each director has separate and independent access to the Company's senior management to facilitate them to make decisions. All directors, in the discharge of their duties, are allowed to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

上述董事會成員之間概無關連。

於截至二零零六年六月三十日止整個年度，董事會全數時間均符合上市規則有關規定，即委任最少三名獨立非執行董事，而當中最少一名獨立非執行董事須具適當專業資格或會計或相關財務管理專業知識。

由於本公司已接獲各獨立執行董事根據創業板上市規則就有關彼等之年度獨立確認函，本公司視全體獨立非執行董事均屬獨立。

非執行董事為董事會提供廣泛之業務及財務專業知識、經驗及獨立判斷。透過積極參與董事會會議，在管理涉及潛在利益衝突事務時發揮牽頭引導作用及應邀出任董事會轄下委員會成員，全體非執行董事對本公司之有效指引作出各種貢獻。

責任

董事會對本集團整體業務策略、年度財政預算、全年及中期業績、董事委任、重大合約及交易以及其他重大政策及財政事宜具最終決定權。董事會已將日常運作及行政事宜授權本公司管理層、董事總經理及高級管理層管理。轉授的職能及工作任務會定期檢討。上述各方代表本公司作出任何決定或訂立任何承諾前必須取得董事會批准。

每名董事均查閱董事會文件及相關資料，並取得公司秘書的意見和獲其協助，以確保相關董事會程序及所有適用規則及規例均獲遵守。此外，各董事亦可個別及獨立接觸本公司之高級管理人員，以讓彼等作出決定。在履行職務時，全體董事均可在適當情況下尋求獨立專業意見，有關合理費用由本公司承擔。

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Appointment and Re-election of Directors

The Company has established formal, considered and transparent procedures for the appointment and succession planning of directors.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The non-executive and independent non-executive directors of the Company, except for Ms. Chen Yen Yung, are not appointed for a specific term but they are subject to retirement by rotation and re-election at the annual general meeting of the Company. The term of office of Ms. Chen Yen Yung is up to the conclusion of the Company's 2006 annual general meeting.

In accordance with the Company's Articles of Association, all directors of the Company are subject to retirement by rotation at least once every three years and any new director appointed to fill a casual vacancy or as an addition to the Board shall submit himself/herself for re-election by shareholders at the first general meeting after appointment.

Though the Company has not set up a nomination committee, the Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

Where vacancies on the Board exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations.

During the year, the Board met once (with the presence of Mr. Huang Shaokang, Mr. Chow Siu Kwong, Mr. Yip Sam Lo and Mr. Liu Lin) and reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

董事委任及膺選連任

本公司已確立正式，經仔細考慮及見透明度的董事委任及輪選制度。

守則條文第A.4.1條規定，非執行董事應獲委任一個指定任期（可予重選）。

本公司之非執行董事及獨立非執行董事（陳燕雲女士除外）並未獲委任一個指定任期。然而，彼等須於本公司股東週年大會上輪值告退及膺選連任。陳燕雲女士之任期至本公司二零零六年股東週年大會結束時止。

根據本公司之組織章程細則，每名董事亦須至少每三年輪值告退一次，而所有獲委任以填補臨時空缺或增加董事會席位之董事均須經股東於彼等獲委任後之首次股東大會上選舉，方可作實。

雖然本公司尚未設立提名委員會，惟整個董事會負責檢討董事會組成、發展及製訂提名及委任董事之相關手續、監督董事之委任及繼任計劃，及評估獨立非執行董事之獨立性。

出現空缺時，董事會將考慮建議候選人之技能、經驗、專業知識、個人誠信及時間承擔、本公司之需要及其他相關法定要求及規章，進行甄選程序。

年內，董事會曾開會一次（出席者包括黃少康先生、周兆光先生、葉三閭先生及柳林先生），檢討董事會之架構、規模及組成，確保已在配合本公司業務所需之專業知識、技能及經驗方面均得到平衡。

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In accordance with the Company's Articles of Association, Mr. Huang Shaokang, Mr. Liu Lin and Ms. Chen Yen Yung shall retire at the forthcoming annual general meeting of the Company. Ms. Chen Yen Yung will not offer herself for re-election whereas the other two retiring directors, Mr. Huang Shaokang and Mr. Liu Lin, being eligible, will offer themselves for re-election at the said meeting. The Board recommended the re-appointment of these directors standing for re-election at the forthcoming annual general meeting of the Company. Detailed information of such directors standing for re-election is contained in the Company's circular to be despatched to the shareholders of the Company.

Training and Continuing Development for Directors

Arrangements will be in place for providing to the directors a comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has proper understanding of the business and operations of the Company and is fully aware of his/her responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements. The Company will also provide continue briefing and professional development when and as necessary.

Board Meetings

In order to achieve a high standard of corporate governance, the Board met regularly at approximately quarterly interval to discuss the overall strategy and operation and financial performance of the Group as well as on an ad hoc basis, as required by business needs. During the year ended 30 June 2006, the Board met five times of which four were regular Board

根據本公司之組織章程細則，黃少康先生、柳林先生及陳燕雲女士將於本公司應屆股東週年大會上退任。陳燕雲女士不會膺選連任，惟其餘兩位黃少康先生及柳林先生將符合資格並願意於上述大會上膺選連任。董事會建議於應屆股東週年大會上重新委任該等將予重選之董事。該等將予重選之董事之詳細資料載於本公司即將寄發予本公司股東之通函內。

董事培訓及持續發展

每位新委任董事將於首次獲委任時獲得全面、正式及特為其而設之就任須知，以確保彼對本公司之業務及運作均有適當理解，以及全面認知其本身在創業板上市規則及相關監督規定下之責任及義務。本公司亦將於有需要時提供持續簡介及專業發展。

董事會會議

為令企業管治維持高水平，董事會約每季舉行一次定期會議，以討論本集團整體策略以及營運及財務表現，亦於出現任何業務需要時舉行臨時會議。董事會於截至二零零六年六月三十日止年度

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meetings. Attendance of each director at the Board meetings is set out below:

曾舉行五次會議，其中四次屬定期董事會會議。各董事之董事會會議出席率如下：

	Number of Board meetings attended/eligible to attend	出席／ 合資格 出席董事會 會議次數
<i>Executive Directors:</i>		
Mr. HUANG Shaokang	9/11	黃少康先生 9/11
Mr. CHOW Siu Kwong (appointed on 12 August 2005)	10/10	周兆光先生 (於二零零五年八月十二日獲委任) 10/10
Mr. LIU Lin	8/11	柳林先生 8/11
Mr. ZENG Weiren (resigned on 28 October 2005)	0/4	曾為人先生 (於二零零五年十月二十八日辭任) 0/4
Mr. XIN Yi (resigned on 28 October 2005)	0/4	辛毅先生 (於二零零五年十月二十八日辭任) 0/4
<i>Non-executive Director:</i>		
Mr. YIP Sam Lo	11/11	葉三閻先生 11/11
<i>Independent Non-executive Directors:</i>		
Ms. CHEN Yen Yung	5/11	陳燕雲女士 5/11
Mr. LU Wei	5/11	魯煒先生 5/11
Ms. SHI Shu Su	5/11	時述蘇女士 5/11

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is given. Board papers together with all appropriate, complete and reliable information are sent to all directors/committee members at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decision.

召開董事會定期會議應在會議前至少十四天向所有董事發出通知。至於召開其他董事會會議及轄下委員會會議，應發出合理通知。董事會文件及所有適當、完整及可靠之資料應在各董事會會議及委員會會議舉行前至少三天送交董事／委員會成員，使彼等能了解本公司之近期發展及財務狀況，從而令其作出知情決定。

Board minutes are kept by the Company Secretary of the Company. Draft and final versions of the Board minutes are sent to the Directors for their comments and records, in both cases within a reasonable time after the meeting.

董事會會議記錄乃由本公司之公司秘書保存。於會議後之合理時間內，董事將獲發會議記錄之草稿及定稿，以供評核及記錄。

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According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles of Association also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. HUANG Shaokang is the Chairman of the Company and is responsible for the leadership of the Board and ensuring its effectiveness in all aspects. With the support of the Company Secretary and the senior management, the Chairman is also responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at the Board meetings.

Mr. CHOW Siu Kwong is the Chief Executive Officer and is responsible for implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval.

BOARD COMMITTEES

The Board has established 2 committees, namely the Audit Committee and the Remuneration Committee, for overseeing particular aspects of the Company's affairs. Both of the Board committees of the Company are established with defined written terms of reference, as approved by the Board, which set out the major duties. The terms of reference of the Board Committees are available to shareholders upon request and are posted on the Company's website at www.epro.com.hk.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

根據現行之董事會常規，與主要股東或董事有利益衝突之任何重大交易將由董事會於正式召開之董事會會議上考慮及處理。本公司之組織章程細則亦有規定，於批准董事或其任何聯繫人擁有重大利益之交易之會議上，有關董事須放棄表決，且不得計入該會議之法定人數。

主席與首席執行官

守則A.2.1規定，主席與首席執行官之角色應有所區分，且不應由一人同時兼任。

黃少康先生為本公司主席，負責領導董事會，確保在各方面均屬有效。在公司秘書及高級管理層支援下，主席亦負責確保董事已就於董事會會議上提出之議題及時取得準確、完整及可靠之資料及已作出適當簡述。

周兆光先生為本公司首席執行官，負責實踐董事會所批准及委派之目標、政策及策略。彼負責本公司之日常管理及營運。計劃及制定組織架構。監控制度及內部程序及過程，以供董事會批准。

董事委員會

董事會已成立兩個委員會，分別為審核委員會及薪酬委員會，以監察本公司不同層面的事務。所有本公司董事委員會之成立均有書面界定之職權範圍。職權範圍須獲董事會批准，並載有委員會之主要職責。股東可要求查閱董事會委員會職權範圍之資料，相關資料亦已載入本公司網頁 (www.epro.com.hk)。

各董事委員會大多數成員均為獨立非執行董事。董事委員會獲得充足資源以履行其職務，並在合理要求下，可於適當情況徵求獨立專業意見，費用由公司支付。

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Remuneration Committee

The Remuneration Committee comprises two independent non-executive directors, namely Ms. Chen Yen Yung and Mr. Lu Wei and one executive director of the Company, namely Mr. Chow Siu Kwong. Ms. Chen Yen Yung is the chairman of the Remuneration Committee.

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee did not hold any meeting during the year ended 30 June 2006. At the request of the Remuneration Committee members, the Human Resources Department will submit the information on the Company's remuneration policy, structure and packages of directors and senior management for their review and discussion.

Audit Committee

The Audit Committee comprises three independent non-executive directors of the Company, namely Ms. Chen Yen Yung, Ms. Shi Shu Su and Mr. Lu Wei. Ms. Chen Yen Yung is the chairman of the Audit Committee. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the followings:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer, internal auditor (if any) or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.

薪酬委員會

薪酬委員會由本公司兩名獨立非執行董事及一名執行董事組成，分別為陳燕雲女士、周兆光先生及魯煒先生。陳燕雲女士為薪酬委員會主席。

薪酬委員會之主要目的包括就執行董事及高級管理層之薪酬方案和架構以及薪酬待遇提供推薦意見及加以審批。薪酬委員會亦負責制訂一套具透明度的程序，以制訂有關薪酬政策及結構，確保任何董事或其任何聯繫人士不得參與訂定其本身的薪酬。該薪酬將按個人及公司表現以及市場常規和情況而釐定。

薪酬委員會於截至二零零六年六月三十日止年度並無舉行任何會議。人力資源部門將應薪酬委員會要求提交本公司之薪酬政策、架構及董事及高級管理層之薪酬組合以供審閱及討論。

審核委員會

審核委員會由本公司三名獨立非執行董事組成，分別為陳燕雲女士、時述蘇女士及魯煒先生。陳燕雲女士為審核委員會主席。並無審核委員會成員為本公司現任外聘核數師之前任合夥人。

審核委員會之主要職責包括以下各項：

- (a) 於財務報表及報告提交董事會前審閱有關資料，並考慮合資格會計師、監察主任、內部核數師(如有)或外聘核數師提出的任何重大或特殊事項。
- (b) 參考核數師履行之工作，其費用及聘用條款，以檢討與外聘核數師之關係，並就委任、續聘或罷免外聘核數師向董事會提出推薦建議。

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(c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

(c) 檢討本公司財務報告制度、內部監控制度及風險管理制度和有關程序是否足夠及有效。

The Audit Committee held four meetings during the year ended 30 June 2006 to review the financial results and reports of the Company. Attendance of each member at the Audit Committee meetings is set out below:

於截至二零零六年六月三十日止年度期間，審核委員會共舉行四次會議，以審閱本公司財務業績及報告。個別成員於審計委員會會議之出席記錄載列如下：

	Number of Committee meetings attended/eligible to attend		出席會議／ 合資格 出席會議 次數
Ms. CHEN Yen Yung	6/6	陳燕雲女士	6/6
Ms. SHI Shu Su	5/6	時述蘇女士	5/6
Mr. LU Wei	6/6	魯煒先生	6/6

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of external auditors.

董事會與審核委員會在篩選、委任、辭任或解僱外聘核數師方面並無意見分歧。

Full minutes of Audit Committee meetings are kept by a duly appointed Secretary of the meeting. Draft and final versions of minutes of the Audit Committee meetings are sent to all members of the committee for their comments and records, in both cases within a reasonable time after the meeting.

審核委員會會議之完整會議記錄由正式委任之會議秘書保管。審核委員會會議之會議記錄之草案及最終稿於會議結束後之合理時間內，寄發予該委員會之全體成員，以供其評論及留存。

The Audit Committee reviews the quarterly results, interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with the accounting standards, the GEM Listing Rules and the legal requirements in the review of the Company's quarterly, interim and annual reports.

審核委員會於遞交業績予董事會前先行審閱季度業績、中期及全年報告。審核委員會於審閱本公司之季度、中期及全年報告時，不僅注意會計政策及慣例變動之影響，亦兼顧須遵守會計政策、創業板上市規則及法律之規定。

AUDITORS' REMUNERATION

The remuneration to the external auditors of the Company in respect of audit services for the year ended 30 June 2006 amounted to HK\$380,000. The remuneration to the external auditors of the Company in respect of taxation advisory services and other advisory services for the year ended 30 June 2006 amounted to HK\$40,000 and HK\$4,000 respectively.

核數師酬金

於截至二零零六年六月三十日止年度，就核數服務向本公司外聘核數師支付之酬金為380,000港元。於截至二零零六年六月三十日止年度，就稅務顧問服務及其他顧問服務之酬金分別為40,000港元及4,000港元。

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ACCOUNTABILITY AND AUDIT

The directors acknowledge their responsibility for preparing the financial statements of the Group and ensure the financial statements have adopted the accounting principles generally accepted in Hong Kong and compiled with the requirements of Hong Kong Financial Reporting Standards which also include Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

As at 30 June 2006, the directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going-concern basis.

The reporting responsibilities of the Company's external auditors are set out in the Report of Auditors on pages 43 and 44.

INTERNAL CONTROLS

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and the Company's assets, and reviewing the effectiveness of such on an annual basis through the Audit Committee. The Board has reviewed the effectiveness of the Group's internal control system, covering financial, operational and compliance controls and risk management functions during the year.

DIRECTORS' / RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding director's dealings in the Company's securities (the "Own Code") on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Having made specific enquiry of all directors, all directors confirmed that they have complied with the Own Code and the Required Standard of Dealings throughout the year.

問責性及審核

董事確認其編製本集團財務報表之責任，並確保該等財務報表已採納香港公認會計原則及按照香港會計師公會發出之香港財務報告準則（亦包括香港會計準則及詮釋）之規定及香港公司條例之披露規定以及創業板上市規則而編製。

於二零零六年六月三十日，董事並無察覺到有任何重大不明朗之事件或狀況，可引起對本公司是否有能力作持續經營實體之重大疑問。因此，各董事按照持續經營基準編製本公司之財務報表。

本公司外聘核數師之報告責任載於第43至44頁之核數師報告。

內部監制

董事會負責維持合宜之內部監制系統以維護股東投資及本公司之資產，並透過審核委員會按年檢討該系統之效果。年內董事已審閱本集團內部控制系統之效率、涵蓋財務、營運及遵例控制以及風險管理功能。

董事／相關僱員之證券交易

本集團已採納規管董事進行本公司證券交易之行為守則（「自用守則」），條款不遜於創業板上市規則第5.48條至第5.67條所規定之交易準則（「交易之規定準則」）。向各董事進行特定查詢後，各董事均確認彼等於年內已遵守自用守則及交易之規定準則。

Corporate Governance Report 企業管治報告

The Company also has established code on no less exacting terms than the Required Standard of Dealings for securities transactions by employees (the "Code for Securities Transactions by Relevant Employees") who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Code for Securities Transactions by Relevant Employees by the employees was noted by the Company.

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Articles of Association. Details of such rights to demand a poll and the poll procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings.

Poll results will be posted on the website of the Company and of the Stock Exchange by way of an announcement on the business day following the shareholders' meeting.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairman of the Remuneration Committee and Audit Committee, or in their absence, other members of the respective committees, and where applicable, the independent Board committee, are available to answer questions at the shareholder's meetings. However, the Chairman of the Board was unable to attend the Company's 2005 annual general meeting (as stipulated under the Code Provision E.1.2 of the CG Code) as he had an important business engagement. Despite his absence, he had arranged for the Chief Executive Officer taking the chair of the meeting and answering shareholders' questions. No questions were raised by the shareholders at the meeting.

Separate resolutions are proposed at shareholders meetings on each substantial issue, including the election of individual directors.

本集團已就可能擁有本集團尚未發表之股價敏感資料之僱員進行之證券交易訂立守則（「相關僱員進行證券交易之守則」），條款不遜於交易之規定準則。本公司概不知悉有僱員曾進行任何不遵守相關僱員進行證券交易之守則之事項。

股東權利及投資者關係

股東之權利及於股東大會上就決議案要求進行投票表決之程序載於本公司之公司章程。有關該等提出投票表決之權利及投票程序之詳情載於所有寄發予股東之通函內，並將於大會進行時加以解釋。

投票表決之結果將於股東大會後下一個營業日以公佈方式張貼於本公司及聯交所網頁。

本公司之股東大會為股東與董事會提供溝通之良機。董事會主席及薪酬委員會及審核委員會主席或（在其缺席時）各委員會之其他成員及（倘適用）獨立董事委員會會在股東大會上解答提問。然而，董事會主席由於需出席重要商務場合，故未能按企業管治守則之守則條文第E.1.2條規定，出席二零零五年股東週年大會。雖然其缺席，唯彼已安排董事總經理擔任大會主席，解答股東發問。股東並未於會上提出任何問題。

本公司會於股東大會上就各項重大問題（包括推選個別董事）提呈獨立決議案。

Corporate Governance Report 企業管治報告

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at <http://www.epron.com.hk>, where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

On behalf of the Board

HUANG Shaokang

Chairman

25 September 2006

本公司繼續加強與投資者之溝通及關係。指定之高級管理人員會與機構投資者及分析員維持定期對話，以令彼等了解本公司之發展。投資者的查詢會獲提供資料並及時處理。

為促進有效溝通，本公司亦設置網頁（網址為 <http://www.epron.com.hk>），其內將載入有關本公司業務發展及營運、財務資料、企業管治常規及其他資料之詳盡資料及更新。

代表董事會

主席

黃少康

二零零六年九月二十五日

Report of the Auditors 核數師報告



Cachet Certified Public Accountants Limited

德揚會計師事務所有限公司

To the members

EPRO LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 45 to 124 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 statements and to report our opinion 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 Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

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

致易寶有限公司

(於開曼群島註冊成立之有限公司)

全體股東

吾等已審核第45至124頁按照香港普遍採納之會計原則編製之財務報表。

董事及核數師之個別責任

編製真實兼公平之財務報表乃 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。吾等之責任是根據審核之結果，對該等財務報表作出獨立意見，並向作為法團之股東報告。吾等之報告概不可用作其他用途。吾等概不就本報告之內容對任何其他人士負責或承擔法律責任。

意見之基礎

吾等已按照香港會計師公會頒佈之香港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內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 貴公司及 貴集團之具體情況及有否貫徹應用並作出充份之披露。

吾等在策劃和進行審核工作時，均以取得一切吾等認為必需之資料及解釋為目標，以便獲得充份憑證，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，吾等亦已評估該等財務報表所載之資料在整體上是否足夠。吾等相信我們之審核工作已為下列意見提供合理之基礎。

Report of the Auditors 核數師報告

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2006 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Cachet Certified Public Accountants Limited
Certified Public Accountants

Chan Chi Yuen
Practising Certificate Number P02671

Hong Kong
25 September 2006

意見

吾等認為，上述財務報表足以真實兼公平地顯示 貴公司與 貴集團於二零零六年六月三十日之財務狀況，及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

德揚會計師事務所有限公司
執業會計師

陳志遠
執業證書號碼P02671

香港
二零零六年九月二十五日

Consolidated Income Statement 綜合損益表

Year ended 30 June 2006 截至二零零六年六月三十日止年度

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
REVENUE	收入	4, 5	86,478	54,822
Cost of sales	貨品銷售成本		(62,623)	(33,562)
Gross profit	毛利		23,855	21,260
Other income and gains	其他收入及收益	5	2,298	6,763
Selling and distribution costs	銷售及分銷成本		(949)	(906)
Technical expenses	技術費用		(9,406)	(11,489)
Administrative expenses	行政費用		(19,983)	(19,543)
Other expenses	其他費用		-	(19)
Finance costs	融資成本	9	(798)	(952)
Share of profits and losses of associates	分佔聯營公司之 溢利及虧損		(83)	534
LOSS BEFORE TAX	除稅前虧損	6	(5,066)	(4,352)
Tax	稅項	10	(345)	(45)
LOSS FOR THE YEAR	年度虧損		(5,411)	(4,397)
Attributable to:	以下各方應佔：			
Equity shareholders of the Company	本公司權益股東	11	(5,411)	(4,397)
Minority interests	少數股東權益		-	-
			(5,411)	(4,397)
DIVIDENDS	股息		-	-
LOSS PER SHARE	本公司普通權益股東 持有人應佔每股虧損			
ATTRIBUTABLE TO ORDINARY EQUITY SHAREHOLDERS OF THE COMPANY		12		
Basic	基本		(2.67) cents港仙	(2.68) cents港仙
Diluted	攤薄		N/A不適用	N/A不適用

Consolidated Balance Sheet 綜合資產負債表

30 June 2006 二零零六年六月三十日

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	1,098	1,362
Investment properties	投資物業	14	-	-
Interest in associates	聯營公司中之權益	16	37	682
Others assets	其他資產		-	317
Available-for-sales investments	可供出售投資		317	-
Total non-current assets	非流動資產總值		1,452	2,361
CURRENT ASSETS	流動資產			
Inventories	存貨	17	865	7,501
Trade and bills receivables	應收貿易賬款及票據	18	14,244	15,583
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		1,136	4,463
Tax recoverable	可收回稅項		-	281
Pledged deposits	已抵押存款	19	15,724	11,868
Cash and cash equivalents	現金及現金等值項目	19	11,596	16,446
Total current assets	流動資產總值		43,565	56,142
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付貿易賬款及票據	20	4,888	12,073
Other payables and accruals	其他應付款項及應計負債		15,647	20,875
Interest-bearing bank and other borrowings	計息銀行及其他借款	21	7,192	6,566
Tax payable	應付稅項		5,907	5,907
Total current liabilities	流動負債總值		33,634	45,421
Net current assets	流動資產淨值		9,931	10,721
Total assets less current liability	資產總值減流動負債		11,383	13,082
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借款	21	-	5,169
Total non-current liabilities	非流動負債總值		-	5,169
Net assets	資產淨值		11,383	7,913
EQUITY	權益			
Equity attributable to equity shareholders	權益股東應佔權益			
Issued capital	已發行股本	23	24,012	16,008
Reserves	儲備		(12,629)	(8,095)
			11,383	7,913
MINORITY INTERESTS	少數股東權益		-	-
Total equity	權益總額		11,383	7,913

HUANG Shaokang
黃少康
Director
董事

LIU Lin
柳林
Director
董事

Consolidated Statement of Changes in Equity 綜合權益變動表

Year ended 30 June 2006 截至二零零六年六月三十日止年度

		Attributable to equity shareholders of the Company							
		本公司權益股東應佔							
		Issued share capital	Share premium account	Capital reserve	Exchange fluctuation reserve	Accumulated losses	Total	Minority interests	Total equity
		已發行股本	股份溢價賬	資本儲備	外匯 浮動儲備	累計虧損	合計	股東權益 少數	權益總額
Notes		HK\$'000	HK\$'000	HK'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 July 2004	於二零零四年七月一日	16,008	6,120	335	378	(10,483)	12,358	-	12,358
Exchange realignment	外匯調整	-	-	-	(48)	-	(48)	-	(48)
Total income and expense for the year recognised directly in equity	直接於權益中確認之年度 收入及開支總額	-	-	-	(48)	-	(48)	-	(48)
Loss for the year	年度虧損	-	-	-	-	(4,397)	(4,397)	-	(4,397)
Total income and expense for the year	年度之收入及開支總額	-	-	-	(48)	(4,397)	(4,445)	-	(4,445)
At 30 June 2005	於二零零五年六月三十日	16,008	6,120	335	330	(14,880)	7,913	-	7,913
At 1 July 2005	於二零零五年七月一日	16,008	6,120	335	330	(14,880)	7,913	-	7,913
Adoption of HKFRS 3	採納香港財務報告 準則第3號	2.2, 2.4	-	-	(335)	-	335	-	-
		16,008	6,120	-	330	(14,545)	7,913	-	7,913
Realisation of exchange reserve on deemed disposal of a subsidiary	被視為出售附屬公司之年度 外匯儲備變現	-	-	-	22	(22)	-	-	-
Exchange realignment	外匯調整	-	-	-	(320)	-	(320)	-	(320)
Total income and expense for the year recognised directly in equity	直接於權益中確認之 收入及開支總額	-	-	-	(298)	(22)	(320)	-	(320)
Loss for the year	年度虧損	-	-	-	-	(5,411)	(5,411)	-	(5,411)
Total income and expense for the year	年度之收入及開支總額	-	-	-	(298)	(5,433)	(5,731)	-	(5,731)
Issue of shares	發行股份	23	8,004	2,401	-	-	10,405	-	10,405
Share issue expenses	發行股份費用	25	-	(1,204)	-	-	(1,204)	-	(1,204)
At 30 June 2006	於二零零六年六月三十日	24,012	7,317	-	32	(19,978)	11,383	-	11,383

Consolidated Cash flow Statement 綜合現金流量報表

Year ended 30 June 2006 截至二零零六年六月三十日止年度

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務之現金流			
Loss before tax	除稅前虧損		(5,066)	(4,352)
Adjustments for:	調整：			
Finance costs	融資成本	9	798	952
Share of profits and losses of associates	分佔聯營公司之 溢利及虧損		83	(534)
Interest income	利息收入	5	(462)	(140)
Gain on disposal of leasehold land and building and investment properties	出售租賃土地及樓宇及 投資物業之收益	5	-	(6,283)
Gain on deemed disposal of a subsidiary	被視為出售附屬 公司之收益	5	(840)	-
Depreciation	折舊	6	562	1,069
Gain on disposal of an associate	出售聯營公司 之收益	5	(313)	-
Write off of property, plant and equipment	撇銷物業、廠房及設備	6	15	184
Impairment of investment in non-consolidated subsidiary	於未合併附屬公司 之投資減值	6	-	1,788
Reversal of impairment of inventories	存貨減值撥備撥回	6	-	(112)
Impairment of trade and bills receivables	應收貿易賬款及 票據減值	6	-	27
Write back of impairment of trade and bills receivable	撥回應收貿易賬款及 票據減值	6	(692)	(354)

Consolidated Cash flow Statement 綜合現金流量報表

Year ended 30 June 2006 截至二零零六年六月三十日止年度

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Operating loss before working capital changes	未計營運資金變動前之經營虧損		(5,915)	(7,755)
Decrease/(increase) in inventories	存貨減少／(增加)		6,636	(5,569)
Decrease/(increase) in trade and bills receivables	應收貿易賬款及票據減少／(增加)		2,031	(8,265)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少／(增加)		3,327	(484)
Decrease/(increase) in trade and bills payables	應付貿易賬款及票據減少／(增加)		(6,856)	7,181
Decrease/(increase) in other payables and accruals	其他應付款項及應計負債減少／(增加)		(4,695)	2,211
Exchange realignment	外匯調整		(342)	(309)
Cash used in operations	經營業務所耗現金		(5,814)	(12,990)
Hong Kong profits tax refunded	退回香港利得稅		281	-
Overseas taxes paid	已付海外稅項	10	(345)	-
Net cash outflow from operating activities	經營業務現金流出淨額		(5,878)	(12,990)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流			
Interest received	已收利息		462	140
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目		(299)	(637)
Proceeds from disposal of leasehold land and building and investment properties	出售租賃土地及樓宇及投資物業所得款項		-	16,042
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		-	222
Proceeds from disposal of an associate	出售聯營公司所得款項		875	-
Investment in a non-consolidated subsidiary	於未合併附屬公司之投資額		-	(1,788)
Increase in pledged deposits	已抵押存款增加		(3,856)	(5,367)
Exchange realignment	外匯調整		(14)	-
Net cash (outflow)/inflow from investing activities	投資活動之現金(流出)／流入淨額		(2,832)	8,612

Consolidated Cash flow Statement 綜合現金流量報表

Year ended 30 June 2006 截至二零零六年六月三十日止年度

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流			
Proceeds from issue of shares	發行股份所得款項	23	10,405	-
Share issue expenses	發行股份費用	25	(1,204)	-
Advance/(repayment) of bank borrowings	墊支/(償還)銀行貸款		23	(4,519)
Advance/(repayment) of other borrowings	墊支/(償還)其他貸款		2,000	(3,000)
Interest paid	已付利息		(798)	(952)
Net cash inflow/(outflow) from financing activities	來自融資活動之現金流入/(流出)淨額		10,426	(8,471)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加/(減少)淨額		1,716	(12,849)
Cash and cash equivalents at beginning of year	年初現金及現金等值項目		9,880	22,729
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終現金及現金等值項目	19	11,596	9,880
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結餘分析			
Cash and bank balances	現金及銀行結存	19	6,615	6,608
Non-pledged time deposits with original maturity of less than three months when acquired	收購時之原訂到期日少於三個月之沒有抵押定期存款		4,981	9,838
Bank overdrafts	銀行透支		-	(6,566)
			11,596	9,880

Balance Sheet 資產負債表

30 June 2006 二零零六年六月三十日

		Note	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		附註		
NON-CURRENT ASSETS	非流動資產			
Investment in subsidiaries	附屬公司中之投資	15	-	-
Total non-current assets	非流動資產總值		-	-
CURRENT ASSETS	流動資產			
Due from subsidiaries	應收附屬公司款項	15	-	-
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		96	1
Pledged deposits	已抵押存款	19	11,994	6,528
Cash and cash equivalents	現金及現金等值項目	19	59	10,512
Total current assets	流動資產總值		12,149	17,041
CURRENT LIABILITIES	流動負債			
Due to a subsidiary	應付一間附屬公司款項	15	538	143
Other payables and accruals	其他應付款項及應計負債		515	740
Bank overdrafts	銀行透支		-	24
Total current liabilities	流動負債總值		1,053	907
NET CURRENT ASSETS	流動資產淨值		11,096	16,134
Net assets	資產淨值		11,096	16,134
EQUITY	權益			
Issued capital	已發行股本	23	24,012	16,008
Reserves	儲備	25	(12,916)	126
Total equity	權益總額		11,096	16,134

HUANG Shaokang

黃少康

Director

董事

LIU Lin

柳林

Director

董事

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 15 March 2000 under the Companies Law (2000 Revision) of the Cayman Islands. The shares of the Company were listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 2 August 2000.

The registered office of the Company is located at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681, GT George Town, Grand Cayman, British West Indies, Cayman Islands.

The principal place of business of the Company in Room 1501, 15/F, Tung Hip Commercial Building, 244-248 Des Voeux Road Central, Hong Kong.

During the year, the Group was involved in the provision of professional information technology ("IT") contract services.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial instruments, which have been measured at fair value.

1. 公司資料

本公司於二零零零年三月十五日根據開曼群島公司法(二零零零年修訂本)在開曼群島註冊成立為獲豁免有限公司。本公司股份於二零零零年八月二日在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

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

本公司主要營業地點在香港德輔道中244-248號東協商業大廈15樓1501室。

本集團於本年度之業務涉及提供專業資訊科技(「資訊科技」)合約服務。

2.1 編撰基準

財務報表乃根據香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)(亦包括香港會計準則(「香港會計準則」)及詮釋)、香港普遍採納之會計原則而編撰。財務報表乃按過往成本法編撰，惟財務工具乃按公平值入賬。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The following new and revised 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	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations

2.2 新訂及經修訂之香港財務報告準則之影響

以下為影響本集團之新訂及經修訂之香港財務報告準則，本集團於本年度之財務報表首次採用：

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、會計估計變動及差誤
香港會計準則第10號	結算日後事項
香港會計準則第12號	所得稅
香港會計準則第14號	分類報告
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租約
香港會計準則第18號	收入
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
香港會計準則第24號	關連人士披露
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28號	聯營公司投資
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港會計準則第39號 (經修訂)	金融資產及金融負債之過渡及首次確認
香港會計準則第40號	投資物業
香港財務報告準則第2號	以股份支付之支出
香港財務報告準則第3號	業務合併

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The adoption of HKASs 1, 2, 7, 8, 10, 12, 14, 16, 17, 18, 19, 23, 27, 28, 33, 36, 37, 38 and 40 has had no material impact on the accounting policies of the Group and the Company and the methods of computation in the Group's and the Company's financial statements.

HKAS 21 – The Effects of Changes in Foreign Exchange Rates

HKAS 21 had no material impact on the Group. As permitted by the transitional provisions of HKAS 21, goodwill arising in a business combination prior to 1 January 2005 and fair value adjustments arising on that acquisition are deemed to be in the currency of the Company. In respect of acquisitions subsequent to 1 January 2005, any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of the assets and liabilities are treated as assets and liabilities of the foreign operation and are translated at the closing rate in accordance with HKAS 21.

HKAS 24 – Related Party Disclosures

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

HKAS 32 and HKAS 39 – Financial Instruments

Available-for-sale financial assets

In prior years, the Group classified its other asset as non-current assets, which were held for non-trading purposes and were stated at their costs. Upon the adoption of HKAS 39, these investments held by the Group at 1 July 2005 in the amount of HK\$317,000 are designated as available-for-sale financial assets under the transitional provisions of HKAS 39 and accordingly are stated at fair value with gains or losses being recognised as a separate component of equity until subsequent derecognition or impairment.

The adoption of HKAS 39 has not resulted in any material change in the value of these available-for-sale financial assets which are summarised in note 2.4 to the financial statements.

2.2 新訂及經修訂之香港財務報告準則之影響 (續)

採納香港會計準則第1、2、7、8、10、12、14、16、17、18、19、23、27、28、33、36、37、38及40，對本集團及本公司會計政策以及本集團及本公司財務報表之計算方法並無重大影響。

香港會計準則第21號匯率變動之影響

香港會計準則第21號對本集團並無重大影響。按香港會計準則第21號過渡性條文允許之方式，二零零五年一月一日之前業務合併產生之商譽及收購時作出之公平值調整，均乃視作對本公司之貨幣進行。就二零零五年一月一日之後進行之收購而言，收購海外業務產生之任何商譽及對有關資產及負債賬面值作出之公平值調整，均視作海外業務之資產及負債，並根據香港會計準則第21號按結算匯率折算。

香港會計準則第24號 – 關連人士披露

香港會計準則第24號將關連人士之定義擴大，影響本集團之關連人士披露。

香港會計準則第32號及第39號 – 金融工具

可供出售財務資產

於過往年度，本集團將其持作非買賣用途之其他資產之投資分類為非流動資產及按成本值列賬。採納香港會計準則第39號後，根據香港會計準則第39號之過渡性條文，本集團於二零零五年七月一日持有該等為數317,000港元之指定為可供出售之財務資產，並隨之按公平值列賬，其盈虧則確認為股本之單獨部份直至撤銷確認或減值。

採納香港會計準則第39號並無導致該等可供出售財務資產有何重大價值改變，並於財務報表附註2.4摘要。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 2 – Share-based Payment

In prior years, no recognition and measurement of share-based payment transactions in which employees (including directors) were granted share options over shares in the Company were required until such options were exercised by employees, at which time the share capital and share premium account were credited with the proceeds received.

Upon the adoption of HKFRS 2, when employees (including directors) render services as consideration for equity instruments (“equity-settled transactions”), the cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which the instruments are granted.

The main impact of HKFRS 2 on the Group is the recognition of the cost of these transactions and a corresponding entry to equity for employee share options. The revised accounting policy for share-based payment transactions is described in more detail in note 2.5 “Summary of significant accounting policies” below.

The Group has adopted the transitional provisions of HKFRS 2 under which the new measurement policies have not been applied to (i) share options granted to employees on or before 7 November 2002; and (ii) share options granted to employees after 7 November 2002 but which had vested before 1 July 2005.

As the Group did not have any employee share options which were granted during the period from 7 November 2002 to 30 June 2004 but had not yet vested as at 1 July 2005, the adoption of HKFRS 2 has had no impact on the retained profits as at 30 June 2004 and 2005.

2.2 新訂及經修訂之香港財務報告準則之影響 (續)

香港財務報告準則第2號 – 以股份為基礎之付款

於過往年度，僱員（包括董事）獲授可認購本公司股份之購股權之股份為基礎之付款交易，在獲僱員行使前毋須確認及衡量，而屆時乃將所收取之所得款項計入股本及股份溢價帳。

於採納香港財務報告準則第2號後，倘僱員（包括董事）提供服務作為股本工具之代價（「股本結算交易」），則與僱員進行股本結算交易之成本乃參考授出工具日期之公平值衡量。

香港財務報告準則第2號對本集團之主要影響為須確認僱員購股權成本之規定。以股份為基礎之付款之經修訂會計政策詳情載於下文附註2.5「主要會計政策概要」。

本集團已採納香港財務報告準則第2號之過渡性條文，據此，新衡量政策並無應用於(i)於二零零二年十一月七日或之前授予僱員之購股權；及(ii)於二零零二年十一月七日後授予僱員但於二零零五年七月一日前已歸屬之購股權。

由於本集團並無任何僱員購股權乃於二零零二年十一月七日至二零零四年六月三十日授出但於二零零五年七月一日未歸屬，故採納香港財務報告準則第2號並無對於二零零四年六月三十日及二零零五年六月三十日之保留盈利構成影響。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 3 – Business Combinations and HKAS 36 – Impairment of Assets

In prior years, goodwill and negative goodwill arising on acquisitions prior to 1 July 2001 were eliminated against the consolidated retained profits and credited to the consolidated capital reserve, respectively, in the year of acquisition and were not recognised in the income statement until disposal or impairment of the acquired businesses.

Goodwill arising on acquisitions on or after 1 July 2001 was capitalised and amortised on the straight-line basis over its estimated useful life and was subject to impairment testing when there was any indication of impairment. Negative goodwill was carried in the balance sheet and was recognised in the consolidated income statement on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets.

The adoption of HKFRS 3 and HKAS 36 has resulted in the Group ceasing annual goodwill amortisation and commencing testing for impairment at the cash-generating unit level annually (or more frequently if events or changes in circumstances indicate that the carrying value may be impaired).

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of acquisition of subsidiaries (previously referred to as negative goodwill), after reassessment, is recognised immediately in the income statement.

The transitional provisions of HKFRS 3 have required the Group to eliminate at 1 July 2005 the carrying amounts of accumulated amortisation with a corresponding adjustment to the cost of goodwill and to derecognise at 1 July 2005 the carrying amounts of negative goodwill (including that remaining in the consolidated capital reserve) against retained profits. Goodwill previously eliminated against the retained profits remains eliminated against the retained profits and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

The effects of the above changes are summarised in note 2.4 to the financial statements. In accordance with the transitional provisions of HKFRS 3, comparative amounts have not been restated.

2.2 新訂及經修訂之香港財務報告準則之影響 (續)

香港財務報告準則第3號－業務合併及香港會計準則第36號－資產減值

以前年度，對於在二零零一年七月一日以前收購產生的商譽及負商譽在收購當年分別與保留溢利對銷及計入綜合資本儲備內，除非對收購的業務進行處置或減值，否則不會轉入損益表中確認。

於二零零一年七月一日或以後，因收購產生之商譽乃撥充資本，並按其估計可使用年期以直線法攤銷，並須於任何減值跡象出現時進行減值測試。負商譽乃在資產負債表列賬，並按所收購可予折舊／攤銷之資產之剩餘平均可使用年期以具有系統之基準在綜合損益表中確認。

採納香港財務報告準則第3號及香港會計準則第36號後，本集團將不再須予進行年度商譽攤銷，而開始於現金產生單位層面進行年度減值測試（或倘因事件或情況轉變而顯示賬面值可能出現減值時，會進行頻密的減值測試）。

本集團在被購買方的可辨認資產、負債和或然負債的公平淨值中所佔權益超過購買附屬公司成本的差額（之前稱為負商譽），在重新進行審核後，即時於損益表中確認。

香港財務報告準則第3號的過渡性條款要求本集團在二零零五年七月一日將商譽的累計攤銷的賬面價值在商譽的成本中作出相關調整，並且於二零零五年七月一日終止確認負商譽的賬面價值，將其（包括綜合資本儲備的剩餘部份）轉入保留溢利。先前已對銷保留溢利之商譽繼續與保留溢利對銷，並且當所有或部份與商譽有關之業務出售或與商譽有關之現金產生單元減值時不會於損益賬確認。

上述變更的影響在財務報表附註2.4中列示。按照香港財務報告準則第3號的過渡性條款，比較數字未重列。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. Unless otherwise stated, these HKFRSs are effective for annual periods beginning on or after 1 January 2006:

HKAS 1 Amendment	Capital Disclosures
HKAS 19 Amendment	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 Amendment	The Effects of Changes in Foreign Exchange Rate – Net Investment in a Foreign Operation
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK(IFRIC)-Int 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HK(IFRIC)-Int 7	Applying the Restatement Approach Under HKAS 29 Financial Reporting in Hyperinflationary Economics

2.3 已頒佈但尚未生效之香港財務報告準則之影響

本集團並未於財務報表應用以下已頒佈但尚未生效之新訂及經修訂之香港財務報告準則。除非另作說明者外，該等香港財務報告準則自二零零六年一月一日或其後開始之年度生效：

香港會計準則第1號 (經修訂)	資本披露
香港會計準則第19號 (經修訂)	精算損益、集團計劃及披露
香港會計準則第21號 (經修訂)	匯率變動之影響 — 海外業務之淨投資
香港會計準則第39號 (經修訂)	預測集團內公司間交易之現金流量 對沖會計處理法
香港會計準則第39號 (經修訂)	公平價值法之選擇
香港會計準則第39號 及香港財務報告 準則第4號(經修訂)	財務擔保合約
香港財務報告準則 第7號	金融工具：披露
香港(準則詮釋委員會) — 詮釋第4號	釐定安排是否包括 租約
香港(準則詮釋委員會) — 詮釋第5號	解除運作、復原及 環境修復基金所 產生權益之權利
香港(準則詮釋委員會) — 詮釋第6號	因參與特定市場之 責任—廢棄電力 及電子設備
香港(準則詮釋委員會) — 詮釋第7號	採用根據香港會計 準則第29號惡性 通脹經濟財務 報告之重列 處理法

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Company regards; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 will replace HKAS 32 and has modified the disclosure requirements of HKAS 32 relating to financial instruments. This HKFRS shall be applied for annual periods beginning on or after 1 January 2007.

In accordance with the amendments to HKAS 39 regarding financial guarantee contracts, financial guarantee contracts are initially recognised at fair value and are subsequently measured at the higher of (i) the amount initially recognised, less when appropriate, cumulative amortisation recognised in accordance with HKAS 18.

The HKAS 19 Amendment, HKAS 39 Amendment regarding cash flow hedge accounting of forecast intragroup transactions, HK(IFRIC)-Int 5 and HK(IFRIC)-Int 6 do not apply to the activities of the Group. HK(IFRIC)-Int 6 shall be applied for annual periods beginning on or after 1 December 2005.

HK(IFRIC)-Int 7 shall be applied for annual periods beginning on or after 1 March 2006.

Except as stated above, the Group expects that the adoption of the other pronouncements listed above will not have any significant impact on the Group's financial statements in the period of initial application.

2.3 已頒佈但尚未生效之香港財務報告準則之影響 (續)

香港會計準則第1號(經修訂)適用於二零零七年一月一日或其後開始之年度。經修訂準則將影響下列各項之披露：有關本集團管理資本之目標、政策及程序等量化資料，有關本公司視作資本之量化數據，以及對任何資本要求之遵行情況及任何違規情況之後果。

香港財務報告準則第7號將取代香港會計準則第32號，並修訂了香港會計準則第32號有關金融工具之披露要求。此項香港財務報告準則適用於二零零七年一月一日或其後開始之年度。

根據對有關財務擔保合約之香港會計準則第39號作出之修訂，財務擔保合約首次按公平值確認，隨後按下列者之最高者入賬：(i)根據香港會計準則第37號釐定之金額及(ii)首次確認之金額減(如適當)根據香港會計準則第18號確認之累計攤銷。

香港會計準則第19號(經修訂)、有關預測集團內公司間交易之現金流量對沖會計處理法之香港會計準則第39號(經修訂)、香港(準則詮釋委員會)－詮釋第5號及香港(準則詮釋委員會)－詮釋第6號並不適用於本集團之業務。香港(準則詮釋委員會)－詮釋第6號適用於二零零五年十二月一日或其後開始之年度。

香港(準則詮釋委員會)－詮釋第7號適用於二零零六年三月一日或其後開始之年度。

除上述者外，本集團預期採納上列者之其他公告對本集團於首次採納期間之財務報表不會產生任何重大影響。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.4 Summary of the Impact of changes in accounting policies

Effect on the consolidated balance sheet

Effect of new policy
Increase/(decrease)新政策之影響
增加／(減少)

At 1 July 2005

於二零零五年七月一日

Non-current assets**非流動資產**

Other assets

其他資產

Available-for-sale financial assets

可供出售財務資產

Reserves**儲備**

Capital reserve

股本儲備

Accumulated losses

累計虧損

At 30 June 2006

於二零零六年六月三十日

Non-current assets**非流動資產**

Other assets

其他資產

Available-for-sale financial assets

可供出售財務資產

Reserves**儲備**

Capital reserve

股本儲備

Accumulated Losses

累計虧損

Adjustments/presentation taken effect prospectively

The changes in accounting policies had no impact on the balances of equity as at 1 July 2005 and 30 June 2006 and the income statement for the two years ended 30 June 2005 and 2006.

2.4 會計政策變動之影響概要

綜合資產負債表之影響

Effect of adopting HKASs 32 and 39# change in classification of financial assets 採納之影響 香港會計準則 第32號及第39號# 財務資產之呈列變動 HK'000 千港元	Effect of adopting HKFRS 3# Negative goodwill 採納之影響 香港財務報告 準則第3號# 負商譽 HK'000 千港元
(317)	-
317	-
-	-
-	(335)
-	335
-	-
-	-
-	(335)
-	335
-	-
-	-

調整／呈列不予追溯生效

會計政策之變動對二零零五年七月一日及二零零六年六月三十日之權益結餘及截至二零零五年六月三十日及二零零六年六月三十日止兩年度之損益表並無影響。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the financial statements of companies comprising the Group for the year. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Subsidiaries

A subsidiary is a company in which the Company controls, directly or indirectly, more than half of its voting power or issued share capital or controls the composition of its board of directors.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Associates

An associate is an entity, not being a subsidiary, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

2.5 主要會計政策概要

綜合基準

本綜合財務報表包括組成本集團各公司於年內之財務報表。於年內所收購或出售之附屬公司業績分別自收購生效日起綜合或綜合至出售生效日期。本集團內公司間之所有重大交易及往來賬結餘已於綜合時撇銷。

附屬公司

附屬公司是指本公司直接或間接控制過半數投票權或持有過半數已發行股本，或控制董事會之組成之公司。

附屬公司之業績按已收及應收股息計入本公司損益表。本公司對附屬公司之投資按成本減任何減值虧損列賬。

聯營公司

聯營公司指附屬公司以外，本集團長期持有一般不少於20%股本投票權之權益，並可對其行使重大影響力之實體。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Associates (Continued)

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. Goodwill arising from the acquisition of associates, which was not previously eliminated or recognised in the consolidated reserves, is included as part of the Group's interests in associates. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The results of associates are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in associates are treated as non-current assets and are stated at cost less any impairment losses.

2.5 主要會計政策概要 (續)

聯營公司 (續)

本集團應佔聯營公司之收購後業績及儲備分別計入綜合損益賬及綜合儲備內。本集團於聯營公司之權益乃根據權益會計法減去任何減值虧損後，按本集團應佔之淨資產列入綜合資產負債表。收購聯營公司所產生而以前並無在綜合儲備中撇銷或確認之商譽，乃計作本集團於聯營公司權益之一部份。任何可能存在之相異會計政策已相應作出調整以使之貫徹一致。

本公司收益表中所計入之聯營公司業績乃按已收及應收股息入賬。本公司於聯營公司之權益乃視為非流動資產，並列作成本減任何減值虧損。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Excess over the cost of business combinations

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of acquisition of subsidiaries and associates (previously referred to as negative goodwill), after reassessment, is recognised immediately in the income statement.

The excess for associates is included in the Group's share of the associates' profit or loss in the period in which the investments are acquired.

In prior years, goodwill and negative goodwill arising on acquisitions prior to 1 July 2001 were eliminated against the consolidated retained profits and credited to the consolidated capital reserve, respectively, in the year of acquisition and were not recognised in the income statement until disposal or impairment of the acquired businesses.

The adoption of the transitional provisions of HKFRS 3 have required the Group to eliminate at 1 July 2005 the carrying amounts of accumulated amortisation with a corresponding adjustment to the cost of goodwill and to derecognise at 1 July 2005 the carrying amounts of negative goodwill (including that remaining in the consolidated capital reserve) against retained profits. Goodwill previously eliminated against the retained profits remains eliminated against the retained profits and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

Impairment of assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and non-current assets/disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.5 主要會計政策概要 (續)

超逾企業合併成本值的差值

本集團所佔被收購者可識別資產、負債及或然負債之公平淨值超逾收購附屬公司及聯營公司成本值的差額(過往稱作「負商譽」)，經重新評估後即時確認在損益表內。

聯營公司超逾之差額包括在本集團於收購該投資之期間內所佔聯營公司之損益。

以前年度，對於在二零零一年七月一日以前收購產生的商譽及負商譽在收購當年分別與綜合保留溢利對銷及計入綜合資本儲備內，除非對收購的業務進行處置或減值，否則不會轉入損益表中確認。

採納香港財務報告準則第3號的過渡性條款要求本集團在二零零五年七月一日將商譽的累計攤銷的賬面價值在商譽的成本中作出相關調整，並且於二零零五年七月一日終止確認負商譽的賬面價值，將其(包括綜合資本儲備的剩餘部份)轉入保留溢利。先前已對銷保留溢利之商譽繼續與保留溢利對銷，並且當所有或部份與商譽有關之業務出售或與商譽有關之現金產生單元減值時不會於損益賬確認。

資產減值

倘有跡象顯示出現減值，或須就資產(存貨、遞延稅務資產及待售非流動資產/出售組別除外)進行年度減值測試，則會評估該資產之可收回金額。資產之可收回金額乃按資產或現金產生單元之使用價值及公平值(以較高者為準)扣減銷售成本計算，並就個別資產而釐定，除非有關資產並無產生現金流入，且在頗大程度上獨立於其他資產或資產組別。在此情況下，可收回金額就資產所屬之現金產生單元而釐定。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of assets (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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 risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises.

An assessments is made at each reporting date as to whether there is any indication that previously recognised impairment losses may not no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a member of the key management personnel of the Group;
- (d) the party is a close member of the family of any individual referred to in (a) or (c); or

2.5 主要會計政策概要 (續)

資產減值 (續)

減值虧損僅於資產帳面值超逾可收回金額時確認。於評估使用價值時，估計日後現金流量按可反映現時市場評估之貨幣時間價值及資產特定風險之稅前折現率折現至現值。減值虧損於產生期間自收益表扣除。

於各報告日，均會評估是否有跡象顯示過往確認之減值虧損不復存在或已減少。倘存在該等跡象，則會評估其可收回金額。過往確認之資產減值虧損(商譽除外)僅會於用以釐定資產可收回金額之估計改變時撥回，惟撥回後之金額不得高於假設過往年度並無就資產確認減值虧損而應有之賬面值(減任何折舊／攤銷)。減值虧損之撥回於產生期間計入收益表。

關連人士

在下列情況下，有關人士將視為本集團之關連人士：

- (a) 有關人士直接或透過一名或多名中介人間接：(i)控制本集團，或受到本集團或本集團及其他人士共同控制；(ii)擁有本集團權益，並可對本集團發揮重大影響力；或(iii)與他人共同擁有本集團控制權；
- (b) 有關人士為聯繫人士；
- (c) 有關人士為本集團之主要管理人員；
- (d) 有關人士為(a)或(c)項所述人士之直系親屬；

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (e) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d).

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land	Over the lease terms
Buildings	2% to 5%
Leasehold Improvements	20% to 50%
Furniture, fixtures and equipment	20%
Computer equipment and software	18% to 33 $\frac{1}{3}$ %
Motor vehicles	25%

2.5 主要會計政策概要 (續)

關連人士 (續)

- (e) 有關人士受直接或間接歸屬於(c)或(d)項所述人士之實體所控制、與他人共同控制或發揮重大影響力，或擁有重大投票權。

物業、廠房及設備以及折舊

物業、廠房及設備按成本減累計折舊及任何累計減值虧損列帳。一項物業、廠房及設備之成本包括其購買價及將資產達致工作狀況及地點作擬定用途之任何直接應佔成本。物業、廠房及設備投產後產生之開支如維修及保養，一般於產生期間自收益表扣除。如有關開支明顯可提高日後使用一項物業、廠房及設備之預期經濟利益，且該項資產之成本可獲可靠計量，則有關開支撥充資本，作為該項資產之額外成本或重置成本。

折舊按各項物業、廠房及設備之估計可使用年期，計及其估計剩餘價值後以直線法撇銷成本。就此而採用之主要年率如下：

租賃土地	於租賃年期期間
樓宇	2%至5%
租賃裝修	20%至50%
傢俬、裝置及設備	20%
電腦設備及軟件	18%至33 $\frac{1}{3}$ %
汽車	25%

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Applicable to the year ended 30 June 2005

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are intended to be held on a long term basis for their investment potential, any rental income being negotiated at arm's length. Such properties are not depreciated and are stated at their open market values on the basis of annual professional valuations performed at the end of each financial year.

2.5 主要會計政策概要 (續)

物業、廠房及設備以及折舊 (續)

倘部份物業、廠房及設備之可使用年期有別於其他部份，則該項資產之成本會合理攤派至該部份，各部份分別作折舊處理。

剩餘價值、可使用年期及折舊方法於各結算日檢討及調整(如適當)。

各項物業、廠房及設備於出售或預期待日後使用或出售不再產生經濟利益時撤銷確認入賬。撤銷確認年內在收益表確認出售或棄用資產之盈虧，指有關資產之出售所得款項淨額與其賬面值之差額。

投資物業

適用於截至二零零五年六月三十日止年度
投資物業指建築工程及發展已完成之土地及樓宇之權益，並因該等土地及樓宇有投資潛力而擬長期持有，任何租金收入則按公平基準磋商釐定。投資物業不予折舊，而根據各財政年度結算日之專業估值之公開市場價入賬。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

Changes in the values of investment properties are dealt with as movements in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on a portfolio basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged.

On disposal of an investment property, the relevant portion of the investment property revaluation reserve realised in respect of previous valuations is released to the income statement.

Intangible assets (other than goodwill)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products commencing from the date when the products are put into commercial production.

2.5 主要會計政策概要 (續)

投資物業 (續)

投資物業之價值變動乃於投資物業估儲備中處理，倘按組合計算虧絀高於該儲備之總額，超出之虧絀數額將在損益表中扣除。隨後之任何重估盈餘乃以先前扣除之虧絀為限計入損益表。

投資物業出售後，就以往估值變現之投資物業重估儲備之有關部份乃撥入損益表。

無形資產 (商譽除外)

無形資產之可使用年期乃評估為有限或無限。具有有限年期之無形資產須按其可使用經濟年期攤銷，並於有跡象顯示無形資產或會出現減值時進行減值評估。具有有限年期之無形資產之攤銷期及攤銷方法至少須於各結算日進行檢討。

研究及開發成本

所有研究成本於產生時在收益表內扣除。

開發新產品項目之支出僅於本集團顯示技術上可完成有關無形資產，令其可使用或銷售、有意完成、有能力使用或出售資產、資產如何於未來造成經濟利益、有資源可完成項目及有能力可靠地計算發展之開支時，方予資本化及遞延。未能符合該等標準之產品開發支出於發生時列作開支。

遞延開發成本乃按成本值減任何減值虧損列賬，並以直線法按相關產品之商業期限（由有關產品開始投入商業生產之日起）攤銷。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Lease where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to the income statement on the straight-line basis over the lease terms.

Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investment, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e., the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near terms. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investment held for trading are recognised in the income statement.

2.5 主要會計政策概要 (續)

租賃

資產擁有權之大部份回報及風險仍歸於出租人之租賃列為經營租賃。倘本集團為出租人，本集團根據經營租賃出租之資產乃包括於非流動資產及根據經營租賃應收之租金內，並於租約期間以直線法計入收益表內。倘本集團為承租人，根據經營租賃應付之租金以直線法於租約期間自收益表中扣除。

投資及其他財務資產

根據香港會計準則第39號所界定之財務資產可歸類為以公平值於收益表列賬之財務資產、貸款及應收款項、持至到期日之投資及可供出售之財務資產(如適當)。財務資產首次確認時以公平值計算，而並非以公平值於收益表列賬之財務資產，則按直接應佔之交易成本計算。本集團於首次確認後釐定其財務資產分類，並在容許及適當之情況下於結算日重新評估有關分類。

所有一般買賣之財務資產概於交易日(即本集團承諾購買該資產之日期)予以確認。一般買賣指按照一般市場規定或慣例在一定期間內交付資產之財務資產買賣。

按公平值記入損益表之財務資產

列作以交易目的而持有之財務資產計入「按公平值記入損益表之財務資產」。財務資產如以短期賣出為目的而購買，則分類為持有作交易之投資。除非衍生工具乃用作有效對沖工具，否則亦分類為持有作交易之投資。持有作交易之投資收益在收益表中確認。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long term investments that are intended to be held to maturity, such as bonds, are subsequently measured at amortised cost. Amortised cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interests method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available for sale or are not classified in any of the other three categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

2.5 主要會計政策概要 (續)

投資及其他財務資產 (續)

貸款及應收款項

貸款及應收款項並非於活躍市場報價而具備固定或可釐定款項之非衍生財務資產。該類資產按實際利息法以攤銷成本列值。倘貸款及應收款項撤銷確認或出現減值，或在進行攤銷處理，則其盈虧於收益表確認。

持至到期日之投資

持至到期日之投資乃指付款金額固定或可以確定，有固定到期日且本集團管理層有明確意向及能力持有至到期日之非衍生工具財務資產。有意持有年期不定之投資並不歸入此類別。其他有意持至到期日之長期投資，例如債券，其後按攤銷成本計量。該成本指首次確認金額減本金還款額，再加上或扣除以實際利息計算法就首次確認金額與到期金額之任何差額而計算之累計攤銷。計算範圍包括實際利率主體部份訂約各方所付或所收之一切費用及代價、交易成本及其他所有溢價及折讓。就以攤銷成本計價之投資而言，在該投資被終止確認、減值或在攤銷過程中時，其盈虧乃於收益表內確認。

可供出售之財務資產

可供出售財務資產包括可供出售之上市及非上市之權益類證券，或是不能分到其他三類之非衍生財務資產。初始確認後，可供出售財務資產之公平值之盈虧在權益中單獨確認，當該資產被停止確認時，將其以前在權益中確認之累計收益或損失轉入收益表中。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Investments and other financial assets (Continued)**Available-for-sale financial assets (Continued)*

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimate is significant for that investment or (b) the probabilities or the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair value of investments that are actively traded in organised financial market is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in profit or loss.

2.5 主要會計政策概要 (續)

*投資及其他財務資產 (續)**可供出售之財務資產 (續)*

由於(a)合理之公平值之估計存在重大可變性；或(b)在一定範圍內各種估計之可能性不能合理評估並用於估算公平值，故非上市之權益類證券之公平值不能可靠計量，則有關證券以成本減任何減值虧損計價。

公平值

在管理有序之金融市場中交投活躍之投資，其公平值乃參考結算日營業結束時市場之買入報價釐定。就並無形成活躍市場之投資而言，其公平值乃運用估值方法釐定。該等估值方法包括利用近期之公平市場交易；參照其他大致相同之工具之現行市價；以及折現現金流量分析及期權定價模式。

財務資產減值

本集團於各結算日評估有否客觀證據顯示財務資產或一組財務資產出現減值。

按攤銷成本列值之資產

倘有客觀證據顯示按攤銷成本列值之貸款及應收款項出現減值虧損，則虧損金額按該資產之賬面值與預期未來現金流量(不包括尚未出現之未來信貸虧損)之現值(按該財務資產原實際利率，即首次確認時計得之實際利率折現)之差額入賬。該資產之賬面值可直接沖減，或使用備抵項目來抵減。減值虧損金額於收益表確認。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Assets carried at amortised cost (Continued)

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

2.5 主要會計政策概要 (續)

財務資產減值 (續)

按攤銷成本列值之資產 (續)

本集團首先評估有否客觀證據顯示減值存在於一項具有重要性之財務資產，還是單獨或整體地存在於一組不獨立具有重要性之財務資產。倘確定並無客觀證據顯示減值存在於任何一項受評估財務資產，無論重要與否，此項資產將併入具類似信貸風險特徵之財務資產，整體進行減值評估。凡進行單獨減值評估且其減值損失已確認並將持續確認之資產，均不再進行整體減值評估。

倘於隨後期間內，減值虧損金額減少，且此種減少客觀上與減值虧損確認時發生之事項相關聯，則先前確認之減值虧損可予撥回。隨後撥回之減值虧損於收益表確認，惟該資產於撥回時之賬面值不得超過其撥回日期之攤銷成本。

按成本列值之資產

倘有客觀證據顯示，因未能可靠計量公平值而未按公平值列值之如非上市股本工具，或與該等非上市股本工具有關並須以交付該等工具結算之衍生資產出現減值虧損，則虧損金額按該資產之賬面值與預期未來現金流量之現值(按類似財務資產之現行市率折現)之差額入賬。該等資產之減值虧損不予撥回。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Impairment of financial assets (Continued)**Available-for-sale financial assets*

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Impairment losses on equity instruments classified as available-for-sale are not reversed through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.5 主要會計政策概要 (續)

*財務資產減值 (續)**可供出售之財務資產*

倘一項可供出售資產出現減值，其成本值（扣除任何主要付款及攤銷）與其現行公平值之差額，在扣減以往在損益表確認之任何減值虧損後會由權益轉撥至收益表。分類作可供出售之股本工具之減值虧損不會透過損益表撥回。

撤銷確認財務資產

在下列情況下，將撤銷確認財務資產，或（如適當）一項財務資產之一部份或一組類似財務資產之一部份：

- 可獲取資產所得現金流量之權利期滿；
- 本集團保留可獲取資產所得現金流量之權利，但根據交付協議須無重大延誤地向第三方清償；或
- 本集團已轉讓其可獲取資產所得現金流量之權利，並(a)轉讓資產之一切回報及風險絕大部份，或(b)既無轉讓亦無保留資產之一切回報及風險絕大部份，但已轉讓資產之控制權。

倘本集團已轉讓其可獲取資產所得現金流量之權利，但既無轉讓亦無保留資產之一切回報及風險絕大部份，亦無轉讓資產之控制權，則本集團將繼續確認該資產。以轉讓資產擔保形式發生之持續相關乃按該資產之原賬面值及本集團須支付之最高代價額（以較低者為準）計算。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets (Continued)

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Derivative financial instruments and hedging (applicable to the year ended 30 June 2005)

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

2.5 主要會計政策概要 (續)

撤銷確認財務資產 (續)

倘持續相關以轉讓資產書面及／或購買期權（包括現金結算期權或類似條文）形式發生，則本集團之持續相關部份為本集團購回之轉讓資產部份。倘資產之書面認沽期權（包括現金結算期權或類似條文）按公平值計算，則本集團之持續相關部份僅限於轉讓資產之公平值及期權行使價兩者之較低者。

衍生金融工具及對沖（適用於截至二零零五年六月三十日止年度）

本集團採用衍生金融工具如遠期貨幣合約，以對沖其外匯波動相關風險。該等衍生金融工具按衍生合約訂立日期當日之公平值初始確認，其後按公平值再計量。倘公平值為正數，衍生工具列為資產，倘公平值為負數衍生工具列為負數。

有關不符合對沖會計法的衍生工具因公平值變動所產生之任何盈虧，應被直接列入年內之溢利或虧損淨額。

遠期貨幣合約之公平值參考自類似到期日之合約之現時遠期匯率而計算。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative financial instruments and hedging (applicable to the year ended 30 June 2005) (Continued)

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and gains and losses from both are taken to profit or loss.

2.5 主要會計政策概要 (續)

衍生金融工具及對沖 (適用於截至二零零五年六月三十日止年度) (續)

對沖有關一項確定的承擔的外幣風險按現金流量對沖列賬。

在設立對沖關係的開始時，本集團正式指定擬運用對沖會計法之對沖關係、風險管理目標及進行對沖之策略，並作出文件記錄。文件記錄包括對沖工具之確定、被對沖的項目或交易、進行對沖之風險之性質及本集團如何評估對沖工具抵銷對沖項目之公平值或現金流量變動之有效性。預期對沖在抵銷公平值或現金流量變動方面極為有效，並按持續基準進行評估，以釐定其實際上在指定之整個財務申報期間極為有效。

符合對沖會計法之嚴格標準之對沖按以下列賬：

公平值對沖

公平值對沖乃對沖本集團以下各項之公平值變動：已確認資產或負債或未確認但確定之承擔，或該資產或負債或確定之承擔已識別部份，變動乃特定風險的結果，並可影響盈虧。就公平值對沖而言，對沖項目之賬面值就所對沖風險應佔盈虧作出調整，而衍生工具按公平值重新計量，其盈虧均列入損益表。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative financial instruments and hedging (applicable to the year ended 30 June 2005)
(Continued)

Fair value hedges (Continued)

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised; the hedge no longer meets the criteria for hedge accounting; or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

2.5 主要會計政策概要 (續)

衍生金融工具及對沖 (適用於截至二零零五年六月三十日止年度)
(續)

公平值對沖 (續)

倘指定未確認但確定之承擔為對沖項目，對沖風險應佔確定之承擔之公平值其後累積變動確認為資產或負債，其相應盈虧於損益表內確認。對沖工具之公平值變動亦於損益表內確認。

倘對沖工具屆滿或獲出售、終止或行使；對沖不會符合對沖會計法之標準；或本集團撤銷該項指定，則本集團會終止公平值對沖會計法。就對沖金融工具賬面值（採用實際利率法）作出之任何調整於損益表內攤銷。出現調整後可盡快進行攤銷，並須不遲於對沖項目不再就進行對沖風險應佔公平值變動作出調整時開始。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in net profit or loss when the liabilities are derecognised as well as through the amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amount is recognised in profit or loss.

Inventories

Inventories represent trading merchandise and direct costs incurred for IT contract work in progress and are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less estimated costs expected to be incurred to disposal.

2.5 主要會計政策概要 (續)

計息貸款及借貸

所有貸款及借貸首次均按應收代價之公平值減直接應佔之交易成本確認。

首次確認後，計息貸款及借貸隨後按實際利息法以攤銷成本列值。

倘負債撤銷確認或在進行攤銷處理，則其盈虧按純利或淨損確認。

撤銷確認財務負債

債務被解除或取消或到期時，撤銷確認財務負債。

倘現有財務負債由同一貸方授予條款迥異之其他債項取代，或現有負債之條款經重大修訂，則該等變更或修訂視作撤銷確認原負債及確認新負債，各賬面值之差額於損益表確認。

存貨

存貨指待銷商品及進行之資訊科技合約工程所產生之直接成本，按成本值或可變現淨值兩者中較低者列賬。成本值按先入先出法計算。可變現淨值仍根據估計售價減去預期達致銷售時所產生之估計成本計算。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Deferred revenue

Deferred revenue represents service fees received in advance. Revenue is recognised and deferred revenue is released to the income statement when the corresponding services are rendered.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

2.5 主要會計政策概要 (續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物為手頭現金及活期存款，以及可隨時兌換為已知數額現金、無重大價值變動風險及購入後三個月內到期之短期及高流動性投資，扣除須按要求償還且構成本集團現金管理整體之部份之銀行墊款。

就資產負債表而言，現金及銀行結餘為手頭現金及銀行存款，包括用途不受限制之定期存款。

遞延收益

遞延收益指預先收取之服務費用。於提供相關服務時，收益將獲確認且該等遞延收益會於損益表中處理。

撥備

倘因過往事宜產生目前債務(法定或推定)及將來可能需要有資源流出，以償還債務，則撥備予以確認，惟該債務之金額可可靠估計。

倘折現之影響屬重大者，就撥備之已確認金額即為於結算日償還債務預期所需費用之現值。倘隨著時間過去，折現現值金額之增幅於收益表計入財務成本。

所得稅

所得稅包括即期稅項及遞延稅項。所得稅乃於收益表確認，或倘稅項與於相同或不同期間直接在股本權益中確認之項目有關，則於股本權益中確認。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2.5 主要會計政策概要 (續)

所得稅 (續)

本期間及過往期間之即期稅務資產及負債，按預期撥回自或繳付予稅務機構之金額計算。

遞延所得稅乃根據資產及負債之稅基及其就財務申報而言之賬面值，於結算日之臨時性差額按債務法作出撥備。

遞延稅務負債乃就所有應課稅臨時性差額而予以確認，惟下列者外：

- 倘遞延稅務負債乃因非業務合併之交易所涉及之首次確認資產或負債且進行該項交易時對會計溢利或應課稅溢利或虧損概無影響而產生者；及
- 就有關附屬公司及聯營公司權益之應課稅臨時性差額而言，撥回臨時性差額之時間可予控制而臨時性差額於可預見之將來不會撥回者。

遞延稅務資產乃就所有可扣減臨時性差額、結轉未動用稅務資產及未動用稅務虧損而予以確認，但按可動用以抵銷可扣減臨時性差額以及結轉未動用稅務資產及未動用稅務虧損之應課稅溢利為限，惟下列者外：

- 倘遞延稅務資產乃因非業務合併之交易所涉及之首次確認資產或負債且進行該項交易時對會計溢利或應課稅溢利或虧損概無影響而產生者；及

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue Recognition

Contract

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments arising from professional IT contract services. Contract costs incurred comprise equipment and material costs, subcontracting costs, direct labour and an appropriate proportion of variable and fixed overheads.

2.5 主要會計政策概要 (續)

所得稅 (續)

- 就有關附屬公司及聯營公司權益之可扣減臨時性差額而言，遞延稅務資產只可按於可預見之將來撥回之臨時性差額以及可動用以抵銷臨時性差額之應課稅溢利而予以確認。

遞延稅務資產之賬面值於各結算日予以檢討，並減至再無足夠應課稅溢利以抵銷全部或部份遞延稅務資產為止。相反，先前未確認之遞延稅務資產於各結算日按可能有足夠應課稅溢利以抵銷全部或部份遞延稅務資產而予以確認。

遞延稅務資產及負債乃根據於結算日已生效或大致生效之稅率（及稅務法例）而按預期於變現資產或清償負債之期間之稅率計算。

倘有合法權益動用即時稅務資產抵消即時稅務負債，且遞延稅項與相同稅務實體及相同稅務機構有關，則遞延稅務資產及負債可予沖銷。

收入確認

合約

合約收入包括協定合約金額及自修改訂單所得之適當數額、索償及因專業資訊科技合約服務產生之獎金。所產生之合約成本包括設備及物料費用、分包費用、直接人工及可變動與定額費用之適當數額。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Revenue Recognition (Continued)**Contract (Continued)*

Revenue from fixed price contracts is recognised on the percentage of completion method, measured by reference to the proportion of work completed to date to the estimated total work of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers.

Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Interest income

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

Management fee

Management fee income is accrued, when the services are rendered.

Rental income

Rental income is accrued, on a time proportion basis over the lease terms.

*Employee benefits**Paid leave carries forward*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

2.5 主要會計政策概要 (續)

*收入確認 (續)**合約 (續)*

自定價合約所得之收入乃按完成方法之百分比確認，乃參照現時已完成工程佔有關合約之估計工程總量之比例計算。

盡可能於管理層預計產生可預見虧損時作出提撥。

倘目前所產生之合約成本加已確認溢利減已確認虧損超出按進度付款，盈餘將被視作應收合約客戶款項處理。

倘按進度付款超出目前所產生之合約成本加已確認溢利減已確認虧損，盈餘將被視作應付合約客戶款項處理。

利息收入

利息收入乃根據本金結餘以適用利率按時間比例計算。

管理費收入

管理費收入於提供服務時確認入賬。

租金收入

租金收入乃按租賃期以時間比例基準確認。

*僱員福利**承前有薪假期*

僱員享有年假及長期服務假乃於僱員提取時確認。已就因僱員提供服務而預期產生截至結算日止之年假及長期服務假計提撥備。

僱員享有之病假或產假於該等假期提取方予確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

Retirement benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

2.5 主要會計政策概要 (續)

收入確認 (續)

僱傭條例長期服務金

本集團若干僱員已為本集團服務至指定年數，倘終止僱用根據香港僱傭條例彼等符合資格在離職時獲發長期服務金。本集團只須於僱員離職時符合僱傭條例所指定之情況才支付有關款項。

已就預期可能支付之未來長期服務款項確認計提撥備。撥備乃按照僱員自加入本集團服務至結算日為止所應享有之可能未來款項之最佳估計計算。

退休福利

本集團根據強制性公積金計劃條例之規定，為該等合資格參加強積金計劃之僱員設立定額供款之強制性公積金退休福利計劃（「強積金計劃」）。按照強積金計劃之條款，本集團根據有關僱員之基本薪金之某一百分點作出供款，並於作出供款時在損益表中扣除。強積金計劃之資產乃由獨立管理之基金與本集團之資產分開持有。本集團對強積金計劃作出之僱主供款乃全數歸入有關僱員。

本集團於中國內地經營之附屬公司之僱員，須參與由當地市政府設立之中央退休計劃。該等中國附屬公司須將薪酬成本若干百分比作為中央退休計劃之供款。供款於根據中央退休金計劃規則須支付時在損益表內扣除。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Employee benefits (Continued)**Share-based payment transactions*

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

2.5 主要會計政策概要 (續)

*僱員福利 (續)**以股份基礎支付之交易*

本公司實施購股權計劃，為對本集團業務成功作出貢獻之合資格參與者，提供激勵與獎勵。本集團僱員（包括董事）以股份基礎支付交易之方式收取報酬，僱員提供服務作為收取股權工具之代價（「以股權支付之交易」）。

與僱員進行以股權支付之交易成本，乃參照授出日期之公平值而計量。評定以股權支付之交易價值時，除了對本公司股份價格有影響之條件（「市場條件」）（如適用）外，並無將任何績效條件計算在內。

以股權支付之交易成本，連同權益相應增加部分，在績效及／或服務條件獲得履行期間（於有關僱員完全有權獲得授予之日（「歸屬日期」）結束）內確認。在歸屬日期前，每屆結算日確認以股權支付之交易之累計開支，反映歸屬期已到期部分及本集團對最終將會歸屬之股權工具數目之最佳估計。在某一期間內在收益表內扣除或進賬，乃反映累計開支於期初與期終確認時之變動。

對於已授出但尚未歸屬之購股權，不會確認任何開支，但視乎市場條件而決定歸屬與否之已授出購股權則除外，對於該類購股權而言，只要所有其他績效條件已經達成，不論市場條件是否達成，均會被視為已歸屬。

倘若以股權支付之購股權之條款有所變更，所確認之開支最少須達到猶如條款並無任何變更之水平。此外，倘若按變更日期之計量，任何變更導致以股份支付之安排之總公平值有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

Share-based payment transactions (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 26 July 2000 that had not vested on 1 July 2005 and to those granted on or after 1 July 2005.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.5 主要會計政策概要 (續)

僱員福利 (續)

以股份基礎支付之交易 (續)

倘若以股權支付之購股權被註銷，應被視為已於註銷日期歸屬，任何尚未確認之授予購股權之開支，均應立刻確認，然而，若授予新購股權代替已註銷之購股權，並於授出日期指定為替代購股權，則已註銷之購股權及新購股權，均應被視為原購股權的變更，一如前段所述。

未行使購股權之攤薄影乃作為計算每股盈利時之額外股份攤薄予以反映。

本集團已採納香港財務報告準則第2號有關以股權支付之購股權之過渡性條文，香港財務報告準則第2號僅應用於二零零零年七月二十六日之後授出但於二零零五年七月一日尚未歸屬之以股權支付之購股權，以及二零零五年七月一日或之後授出之購股權。

外幣

財務報表乃以港元(即本公司之功能及呈列貨幣)呈列。本集團內之各實體自行釐定其功能貨幣，計入各實體財務報表之項目乃以功能貨幣列值。外幣交易首次按交易當日適用之功能貨幣匯率入帳。以外幣列值之貨幣資產及負債按結算日適用之功能貨幣匯率重新換算。所有差額會計入收益表。以外幣歷史成本計算之非貨幣項目按首次交易當日之匯率換算。以外幣公平值計算之非貨幣項目則按釐定公平值當日之匯率換算。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries are currencies other than Hong Kong dollars. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in a separate component of the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgments

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Provision for impairment of trade and bills receivables

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

2.5 主要會計政策概要 (續)

外幣 (續)

若干海外附屬公司之功能貨幣為非香港貨幣。於結算日，該等實體之資產及負債已按結算日之匯率換算為本公司之呈列貨幣，彼等之收益表已按年內加權平均匯率換算為港元。產生之匯兌差額計入單獨部份外匯波動儲備。出售海外實體時，與該海外實體營運有關且已於股本中確認之遞延累計金額於收益表確認。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量當日之匯率換算為港元。海外附屬公司年內經常產生之現金流量按年內之加權平均匯率換算為港元。

3. 主要會計判斷及估計

判斷

在應用本集團會計政策的過程中，管理層曾作出以下判斷（涉及估算者除外），有關判斷對在財務報表確認的款額構成最主要的影響。

應收賬款減值準備

本集團應收賬款減值準備政策以可收回性評估、賬齡分析及管理層判斷為基礎。評估該等應收賬款之最終變現能力需要進行大量判斷，包括客戶之現時信譽及過往收款歷史記錄。倘本集團客戶財務狀況日趨惡化，削弱其付款能力，則須提撥額外準備。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimated fair value of financial assets

The estimation of fair value of financial assets required the Group to estimate the future market value expected to be received from the disposal of the financial assets and a suitable discount rate in order to calculate the present value.

4. SEGMENT INFORMATION

The directors consider that the Group's primary segment reporting basis is by business segment. During the current and the prior year, the Group's operations related solely to the provision of professional IT contract services and accordingly, no further business segment information is presented.

Geographical segments

The following table presents revenue, certain asset and capital expenditure information for the Group's geographical segments.

Group

	Hong Kong		People's Republic of China except Hong Kong ("PRC")		Singapore		Japan		Consolidated	
	香港		香港除外(「中國」)		新加坡		日本		綜合	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue: 分部收入:										
Sales to external customers 集團外客戶之銷售額	32,239	17,874	48,490	31,482	4,001	4,344	1,748	1,122	86,478	54,822
Segment assets 分部資產	31,189	39,192	12,031	17,532	1,797	1,779	-	-	45,017	58,503
Capital expenditure 資本開支	18	354	250	237	31	46	-	-	299	637

3. 主要會計判斷及估計 (續)

財務資產之估計公允價值

為對財務資產公平值進行估計，本集團須就出售財務資產之可收回未來市值作出預測，並推測合適之折現率以作計算現值之用。

4. 分部資料

董事認為，本集團以業務類別作為主要分部呈報基準。於本年度及上年度，本集團之業務只與提供專業資訊科技合約服務有關，因此並無呈列進一步之業務分部資料。

地區分部

下表呈列本集團按地區分部之收入、若干資產及資本開支之資料。

本集團

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of IT professional services.

An analysis of the Group's revenue, other income and gains is as follows:

5. 收入，其他收入及收益

收入(亦為本集團之營業額)指所提供之專業資訊科技服務之發票淨值。

本集團之收入，其他收入及收益分析如下：

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Revenue:	收入：		
Professional IT contract services	專業資訊科技合約服務	<u>86,478</u>	<u>54,822</u>
Other income and gains:	其他收入及收益：		
Interest income	利息收入	462	140
Management fee income	管理費收入	-	134
Gross rental income	租金收入總額	-	206
Gain on disposal of leasehold land and building and investment properties	出售租賃土地及樓宇及投資物業之收益	-	6,283
Gain on deemed disposal of a subsidiary	被視為出售一間附屬公司之收益	840	-
Gain on disposal of an associate	出售一間聯營公司之收益	313	-
Exchange gain, net	外匯收益，淨額	411	-
Others	其他	<u>272</u>	<u>-</u>
		<u>2,298</u>	<u>6,763</u>
Revenue, other income and gains	收入、其他收入及收益	<u>88,776</u>	<u>61,585</u>

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/ (crediting):

6. 除稅前虧損

本集團之除稅前虧損乃於扣除／(計入)下列各項後計算：

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Depreciation	折舊	562	1,069
Minimum lease payments under operating leases in respect of land and buildings	根據土地及樓宇之經營租約之最低租約款項	1,973	1,733
Write off of property, plant and equipment	撇銷物業、廠房及設備之虧損	15	184
Impairment of investment in non-consolidated subsidiary	於未合併附屬公司之投資減值撥備	-	1,788
Impairment of other receivables	其他應收款項撥備	713	-
Reversal of Impairment of inventories	存貨撥備撥回	-	(112)
Auditors' remuneration	核數師酬金	380	460
Staff costs (including directors' remuneration in note 7):	員工成本(包括附註7所述之董事酬金):		
Wages and salaries	工資及薪金	9,892	8,518
Pension scheme contributions	退休金計劃供款	1,411	1,448
Less: Forfeited contributions	減: 被沒收供款	(10)	(35)
Net pension contributions	退休金供款淨額	1,401	1,413
Exchange gains, net	外匯收益, 淨額	(411)	(10)
Unrealised profit on foreign exchange forward contract	外匯遠期合約之未變現溢利	-	(65)
Net rental income	租金收入淨額	-	(206)
Impairment of trade and bills receivable	應收貿易賬款及票據減值	-	27
Write back of impairment of trade and bills receivables	撥回應收貿易賬款及票據減值	(692)	(354)

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

7. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the GEM Listing Rules and section 161 of Companies Ordinance is as follows:

7. 董事酬金

根據聯交所創業板證券上市規則及公司條例第161條須予披露之本年度董事酬金如下：

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Fees	袍金	60	40
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	基本薪金、其他津貼 及實物利益	1,215	379
Pension scheme contributions	退休金計劃供款	12	-
		1,227	379
		1,287	419

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

7. DIRECTORS' REMUNERATION (Continued)

(a) Executive directors

2006	二零零六年
Mr. HUANG Shaokang	黃少康先生
Mr. CHOW Siu Kwong	周兆光先生
Mr. LIU Lin	柳林先生
Mr. ZENG Weiren	曾為人先生
Mr. XIN Yi	辛毅先生

Notes
附註

Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
袍金	薪金、 其他津貼 及實物利益	退休金 計劃供款	總酬金
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
-	-	-	-
(a) -	836	12	848
-	379	-	379
(b) -	-	-	-
(b) -	-	-	-
-	1,215	12	1,227
-	-	-	-
-	-	-	-
-	-	-	-
-	379	-	379
-	379	-	379

Notes:

(a) appointed on 12 August 2005

(b) resigned on 28 October 2005

附註：

(a) 於二零零五年八月十二日委任

(b) 於二零零六年十月二十八日辭任

(b) Non-executive director

Mr. YIP Sam Lo

葉三閻先生

7. 董事酬金 (續)

(a) 執行董事

Group
本集團

Salaries,
allowances
and benefits
in kind

Pension
scheme
contributions

Total
remuneration

薪金、

其他津貼

退休金

及實物利益

計劃供款

總酬金

HK\$'000

千港元

HK\$'000

千港元

HK\$'000

千港元

2006
二零零六年
HK\$'000
千港元

Group
本集團

2005
二零零五年
HK\$'000
千港元

-

-

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

7. DIRECTORS' REMUNERATION (Continued)

(c) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

Ms. CHEN Yen Yung	陳燕雲女士
Mr. LU Wei	魯煒先生
Ms. SHI Shu Su	時述蘇女士

There were no other emoluments payable to the independent non-executive directors during the year (2005: Nil).

No further emoluments were paid by the Group to the executive and non-executive directors, either as an inducement upon joining or to join the Group, or as compensation for loss of office.

During the year, there were no share options granted to the directors in respect of their services to the Group.

7. 董事酬金 (續)

(c) 獨立非執行董事

獨立非執行董事之本年度酬金如下：

Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
20	15
20	20
20	5
60	40

年內並無任何其他應付獨立非執行董事之酬金(二零零五年：無)。

本集團概無向此等執行董事及非執行董事支付任何其他酬金，以作為其加入或於加入本集團時之獎勵或作為離職之賠償。

年內，概無向董事就彼等服務於本集團而授予購股權。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included 1 (2005: Nil) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining 4 (2005: 5) non-director, highest paid employees are as follows:

Salaries, allowances and benefits in kind	薪金、其他津貼及實物利益
Pension scheme contributions	退休金計劃供款

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

Nil to HK\$1,000,000	零至1,000,000港元
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9. FINANCE COSTS

Interest expenses on bank loans and overdrafts	銀行貸款及透支之利息開支
Interest expenses on other loans	其他貸款之利息開支
Total finance costs	融資成本總額

8. 五名最高薪員工

年內五名最高薪僱員包括一名(二零零五年：無)董事，彼等之酬金詳情載於上文附註7。年內餘下四名(二零零五年：五名)非董事最高薪酬僱員之酬金詳情如下：

Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
3,234	3,447
131	82
3,365	3,529

酬金介乎下列範圍內之最高薪非董事僱員之數目載於下文：

Number of employees 僱員人數	
2006 二零零六年	2005 二零零五年
4	5

9. 融資成本

Group 本集團	
2006 二零零六年 HK\$'000 千元	2005 二零零五年 HK\$'000 千元
283	587
515	365
798	952

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

10. TAXATION

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2005: Nil).

Taxes on profits in respect of Group companies operating elsewhere have been calculated at the rates of tax prevailing in the respective tax jurisdictions in which they operate based on existing legislation, interpretations and practices in respect thereof.

During the year, a PRC subsidiary of the Group was eligible for the exemption from corporate income tax ("CIT") for the two years starting from the first year in which assessable profits were generated, and a 50% exemption from CIT for the following three years expiring on 31 December 2006. In addition, another PRC subsidiary was eligible for a concessionary CIT rate of 15% for the three years ended 31 December 2005.

10. 稅項

由於本集團年內並無在香港產生任何應課稅溢利，因此並無作出香港利得稅撥備(二零零五年：無)。

本集團於其他地區經營之公司之溢利稅項，已根據所在地之現行法例、詮釋及慣例，按各自稅務司法權區之現行稅率計算。

於年內，本集團之一間中國附屬公司可於首個錄得應課稅溢利年度開始，首兩年獲豁免繳付企業所得稅(「企業所得稅」)，並於其後三個年度獲寬減50%，直至二零零六年十二月三十一日止。此外，截至二零零五年十二月三十一日止三個年度，另一間中國附屬公司享有優惠企業所得稅率15%。

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current - charge for the year:	即期－本年度支出：		
PRC	中國	345	-
		345	-
Share of tax attributable to:	應佔之稅項：		
An associate	一間聯營公司	-	45
Total tax charge for the year	年內稅項支出總額	345	45

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

10. TAXATION (Continued)

A reconciliation of the tax expense applicable to loss before tax using the statutory rates for the countries in which the Company and its subsidiaries and associates are domiciled to the tax expenses at the effective rates for the year is as follows:

Loss before tax	除稅前虧損
Tax at the domestic tax rates applicable to losses in the countries concerned	按適用於有關國家之虧損之國內稅率計算之稅項
Income not subject to tax	免稅收入
Expenses not deductible for tax	不准扣稅之開支
Tax losses utilised from previous periods	動用以往期間之稅務虧損
Unrecognised deferred tax assets	未確認遞延稅項資產
Tax charge at the Group's effective tax rate of (7%) (2005: (1%))	按本集團實際稅率(7%) (二零零五年: (1%)) 計算之稅項支出

10. 稅項 (續)

適用於除稅前虧損以本公司及其附屬公司及聯營公司所註冊國家之法定稅率計算之稅項開支與年內實際稅率計算者之對賬如下:

Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(5,066)	(4,352)
(368)	(614)
(222)	(1,653)
1,002	430
(1,353)	-
1,286	1,882
345	45

11. NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The Company's net loss from ordinary activities attributable to equity shareholders of the Company for the year dealt with in the financial statements of the Company was HK\$14,239,000 (2005: HK\$5,647,000) (note 25(b)).

11. 本公司權益股東應佔日常業務中之虧損淨額

於年內本公司之財務報表中處理之權益股東應佔日常業務之虧損淨額為14,239,000港元(二零零五年: 5,647,000港元)(附註25(b))。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY SHAREHOLDERS OF THE COMPANY

The calculations of basic loss per share are based on:

12. 本公司普通股權益股東應佔之每股虧損

每股基本虧損按以下基準計算：

Net loss attributable to ordinary equity shareholders of the Company 本公司普通權益股東應佔虧損

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(5,411)	(4,397)

Shares 股份
Weighted average number of ordinary shares in issue during the year, as adjusted, used in the basic loss per share calculation 用以計算每股基本虧損之經調整年內已發行普通股加權平均數

Numbers of shares 股份數目	
2006 二零零六年	2005 二零零五年
202,365,856	163,985,982

The weighted average number of ordinary shares in issue used in the basic loss per share calculation for the year ended 30 June 2006 is determined by adjusting the effect of the ten-to-one share consolidation exercise (note 23) and the additional 80,040,000 new ordinary shares issued pursuant to the one-for-two rights issue (note 23) completed during the year.

用於計算每股基本虧損截至二零零六年六月三十日止年度已發行股份數目的加權平均數，乃調整每十股合併為一股股份合併行動（附註23）並根據每持有兩股獲發一股進行供股因而額外發行80,400,000股新普通股（附註23）之影響而釐定。

The weighted average number of ordinary shares in issue used in the basic loss per share calculation for the year ended 30 June 2005 is determined by adjusting the effect of the ten-to-one share consolidation exercise (note 23) completed during the year.

用於計算每股基本虧損的截至二零零五年六月三十日止年度已發行股份數目的加權平均數，乃調整於年內完成之每十股合併為一股股份合併行動（附註23）而釐定。

No diluted loss per share has been disclosed as the share options outstanding during the year had anti-dilutive effect on the basic loss per share during the year (2005: Nil).

於年內尚未行使購股權對每股基本虧損構成反攤薄影響，因此並無披露任何每股攤薄虧損。（二零零五年：無）。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

13. PROPERTY PLANT AND EQUIPMENT

Group

13. 物業、廠房及設備

本集團

		Leasehold land and building 租賃 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Computer equipment and software 電腦 設備及軟件 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
30 June 2006	二零零六年六月三十日						
At 1 July 2005:	於二零零五年七月一日：						
Cost	成本值	-	833	2,320	12,063	157	15,373
Accumulated depreciation and impairment	累計折舊及減值	-	(406)	(2,063)	(11,481)	(61)	(14,011)
Net carrying amount	賬面淨值	-	427	257	582	96	1,362
At 1 July 2005, net of accumulated depreciation and impairment	於二零零五年七月一日， 已扣除累計折舊及減值	-	427	257	582	96	1,362
Additions	添置	-	31	27	241	-	299
Write off	撇銷	-	(8)	(7)	-	-	(15)
Depreciation provided during the year	年內折舊撥備	-	(124)	(98)	(308)	(32)	(562)
Exchange realignment	匯兌調整	-	-	4	8	2	14
At 30 June 2006, net of accumulated depreciation and impairment	於二零零六年六月三十日， 已扣除累計折舊及減值	-	326	183	523	66	1,098
At 30 June 2006:	於二零零六年六月三十日：						
Cost	成本值	-	800	1,775	7,290	160	10,025
Accumulated depreciation and impairment	累計折舊及減值	-	(474)	(1,592)	(6,767)	(94)	(8,927)
Net carrying amount	賬面淨值	-	326	183	523	66	1,098

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

13. PROPERTY PLANT AND EQUIPMENT

(Continued)

Group

13. 物業、廠房及設備 (續)

本集團

		Leasehold land and building 租賃 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Computer equipment and software 電腦 設備及軟件 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
30 June 2005	二零零五年六月三十日						
At 1 July 2004:	於二零零四年七月一日:						
Cost	成本值	6,850	3,657	2,793	21,422	586	35,308
Accumulated depreciation and impairment	累計折舊及減值	-	(3,039)	(2,397)	(20,630)	(446)	(26,512)
Net carrying amount	賬面淨值	<u>6,850</u>	<u>618</u>	<u>396</u>	<u>792</u>	<u>140</u>	<u>8,796</u>
At 1 July 2004, net of accumulated depreciation and impairment	於二零零四年七月一日， 已扣除累計折舊及減值	6,850	618	396	792	140	8,796
Additions	添置	-	269	97	271	-	637
Disposals	出售	(6,609)	(207)	(4)	(11)	-	(6,831)
Write off	撇銷	-	(127)	(17)	(40)	-	(184)
Depreciation provided during the year	年內折舊撥備	(241)	(126)	(215)	(443)	(44)	(1,069)
Exchange realignment	匯兌調整	-	-	-	13	-	13
At 30 June 2005, net of accumulated depreciation and impairment	於二零零五年六月三十日， 已扣除折舊及減值	<u>-</u>	<u>429</u>	<u>257</u>	<u>582</u>	<u>96</u>	<u>1,362</u>
At 30 June 2005:	於二零零五年六月三十日:						
Cost	成本值	-	833	2,320	12,063	157	15,373
Accumulated depreciation and impairment	累計折舊及減值	-	(406)	(2,063)	(11,481)	(61)	(14,011)
Net carrying amount	賬面淨值	<u>-</u>	<u>427</u>	<u>257</u>	<u>582</u>	<u>96</u>	<u>1,362</u>

During the previous year, the Group's leasehold land and buildings and its investment property (as disclosed in note 14) were disposed to an independent third party at a gain of HK\$6,283,000.

於去年度，本集團將若干租賃土地及樓宇以及其投資物業（如附註14所披露）售予獨立第三方，相關交易所產生之溢利為6,283,000港元。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

14. INVESTMENT PROPERTY

14. 投資物業

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
At valuation:	按估值：		
At beginning of year	年初	-	3,150
Disposal	出售	-	(3,150)
		<hr/>	<hr/>
At 30 June	於六月三十日	-	-
		<hr/>	<hr/>

15. INTERESTS IN SUBSIDIARIES

15. 附屬公司中之權益

		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	45,459	45,459
Impairment	減值撥備	(45,459)	(45,459)
		<hr/>	<hr/>
Investment in subsidiaries	附屬公司之投資	-	-
		<hr/>	<hr/>
Due from subsidiaries	應收附屬公司款項	89,256	75,498
Impairment of amounts due from subsidiaries	應收附屬公司款項減值撥備	(89,256)	(75,498)
		<hr/>	<hr/>
Due from subsidiaries, net of impairment provision	應收附屬公司款項已撇除減值撥備	-	-
		<hr/>	<hr/>
Due to a subsidiary	應付一間附屬公司款項	(538)	(143)
		<hr/>	<hr/>
		(538)	(143)
		<hr/>	<hr/>

The balances with subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

附屬公司結餘為無抵押、免息及無固定還款期。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

15. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries are as follows:

Name 名稱	Place of incorporation registration/and operations 註冊成立/ 註冊及經營 業務之地點	Nominal value of issued and fully paid share capital/registered share capital 已發行及繳足 股本/註冊 股本之面值	Percentage of issued capital/registered capital held by the Company 由本公司持有之 已發行股本/ 註冊資本百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
ePRO (BVI) Limited	British Virgin Island 英屬處女群島	Nil 無	100	-	Investment holding 投資控股
EPRO Computer Systems (Beijing) Company Limited (notes a & b) 易寶電腦系統(北京)有限公司 (附註a及b)	Mainland China 中國內地	US\$700,000 700,000美元	-	100	Provision of professional IT contract services 提供專業資訊科技合約服務
EPRO Systems (China) Limited 易寶系統(中國)有限公司	Hong Kong 香港	HK\$925,000 925,000港元	-	100	Investment holding and provision of professional IT contract services 投資控股及提供專業資訊科技合約服務
EPRO Systems (HK) Limited 易寶系統(香港)有限公司	Hong Kong 香港	HK\$100,000 100,000港元	-	100	Investment holding and provision of professional IT contract services 投資控股及提供專業資訊科技合約服務
EPRO Systems Limited 易寶系統有限公司	Hong Kong 香港	Ordinary HK\$2; Non-voting deferred HK\$15,099,769 2港元普通股; 15,099,769港元 無投票權遞延股	-	100	Investment holding and provision of management services 投資控股及 提供管理服務
EPRO Systems (S) Pte. Limited (note b)(附註b)	Singapore 新加坡	S\$400,000 400,000新加坡元	-	90	Provision of professional IT contract services 提供專業資訊科技合約服務

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

15. INTERESTS IN SUBSIDIARIES (Continued)

Name	Place of incorporation registration/and operations	Nominal value of issued and fully paid share capital/registered share capital
名稱	註冊成立/ 註冊及經營 業務之地點	已發行及繳足 股本/註冊 股本之面值

EPRO Technology Limited 易寶科技有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元
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Shanghai EPRO Software Company Limited (notes b & c) 上海易寶軟件有限公司 (附註b及c)	Mainland China 中國內地	US\$200,000 200,000美元
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Notes:

- (a) These subsidiaries are registered as wholly-foreign owned enterprises under the PRC law.
- (b) Not audited by Cachet Certified Public Accountants Limited.
- (c) This subsidiary is registered as a foreign investment enterprise under the PRC law.
- (d) EPRO Computer Systems (Shanghai) Company Limited had commenced a deregistration process in September 2005 and was not included in the above list.

15. 附屬公司中之權益 (續)

Percentage of issued capital/registered capital held by the Company	Principal activities
由本公司持有之 已發行股本/ 註冊資本百分比	主要業務
Direct Indirect 直接 間接	

-	100	Provision of professional IT contract services 提供專業資訊科技合約服務
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-	90	Provision of professional IT contract services 提供專業資訊科技合約服務
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附註：

- (a) 該等附屬公司乃根據中國法律註冊為外商獨資企業。
- (b) 並非由德揚會計師事務所有限公司審核。
- (c) 此附屬公司根據中國法律登記為外商投資企業。
- (d) 易寶電腦系統(上海)有限公司於二零零五年九月正進行註銷程序及並不包括在上列表中。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

16. INTERESTS IN ASSOCIATES

16. 聯營公司中之權益

Group

本集團

Share of net assets

分佔資產淨值

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
37	682

The following table illustrates the summarised financial information of the Group's associates extracted from their management accounts/financial statements:

下表闡述本集團之聯營公司之財務資料概要
摘自其管理賬目／財務報表：

Assets	資產
Liabilities	負債
Revenues	收益
(Loss)/profit for the year	本年度(虧損)/盈利

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
6,294	29,540
(9,840)	(31,778)
28,330	74,777
(96)	2,515

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

16. INTERESTS IN ASSOCIATES (Continued)

Particulars of the principal associates are as follows:

Name 名稱	Business structure 業務架構	Place of incorporation/ registration and operations 註冊成立/ 註冊及經營 業務之地點	Percentage of ownership interest attributable to the Group 本集團所佔持股量 權益百分比		Principal activities 主要業務
			2006 二零零六年	2005 二零零五年	
Eprosonic Solutions Limited 公司	Corporate 公司	Hong Kong 香港	38	38	Provision of professional IT contract services 提供專業資訊科技合約服務
EPRO Computer Systems (Guangzhou) Company Limited 易寶電腦系統(廣州)有限公司	Corporate 公司	Mainland China 中國內地	-	25	Provision of professional IT contract services 提供專業資訊科技合約服務
ePROlogistics Limited 易寶物流科技有限公司	Corporate 公司	Hong Kong 香港	30	30	Provision of logistic IT contract services 提供物流資訊科技合約服務
eTradeGo Limited 公司	Corporate 公司	British Virgin Islands 英屬處女群島	30	30	Investment holding 投資控股
2GoTrade Limited 易高科技有限公司	Corporate 公司	Hong Kong 香港	30	30	Provision of application services provider services 提供應用程式服務及供應商服務

The Group's interests in the associates are indirectly held through wholly-owned subsidiaries. The Group is entitled to the same percentage of voting power and profit sharing as denoted in the ownership percentage.

16. 聯營公司中之權益 (續)

主要聯營公司之詳情載列如下：

本集團於聯營公司之權益乃透過全資附屬公司間接持有。本集團擁有同一百分比之投票權及如擁有權百分比所示攤分溢利。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

17. INVENTORIES

17. 存貨

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Contract work in progress	進行中之合約工程	628	1,888
Goods in transit	在運輸途中之存貨	-	4,843
Merchandise for sale	待銷商品	237	770
		<u>865</u>	<u>7,501</u>
Contract work in progress:	進行中之合約工程：		
Contract costs incurred plus	目前所產生合約成本加		
recognised profits less	已確認溢利減已確認虧損	666	5,878
recognised losses to date		(38)	(3,990)
Less: Progress billings	減：按進度付款		
Gross amount due from	應收合約客戶款項總額	<u>628</u>	<u>1,888</u>
contract customers			

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

18. TRADE AND BILLS RECEIVABLES

An aged analysis of trade and bills receivables as at the balance sheet date, based on due date, is as follows:

Current to 3 months	即期至3個月
4 to 6 months	4至6個月
7 to 9 months	7至9個月
10 to 12 months	10至12個月
Over 1 year	一年以上
Less: Impairment allowance on trade and bills receivables	減：應收貿易賬款及票據減值準備

The credit terms given to the customers vary, and are generally around three months and granted based on the financial strength of the individual customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically by management.

18. 應收貿易賬款及票據

應收貿易賬款及票據於結算日按收款到期日計之賬齡分析如下：

Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
8,386	10,901
2,746	4,270
2,294	674
484	260
7,508	8,717
21,418	24,822
(7,174)	(9,239)
14,244	15,583

給予客戶之信貸期各有不同，一般約為三個月，並按個別客戶之財務實力而給予。為有效管理與應收貿易賬款有關之信貸風險，管理層定期進行客戶之信貸評估。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

19. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

19. 現金及現金等值項目及已抵押存款

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	6,615	6,608	59	673
Time deposits	定期存款	20,705	21,706	11,994	16,367
		27,320	28,314	12,053	17,040
Less: Pledged time deposits for securing banking facilities (note 21)	減：為獲取就銀行融資而抵押之定期存款 (附註21)	(15,724)	(11,868)	(11,994)	(6,528)
Cash and cash equivalents	現金及現金等值項目	11,596	16,446	59	10,512

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$2,078,000 (2005: HK\$4,197,000). The RMB is not freely convertible into other currencies. However, under PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

於結算日，本集團以人民幣為單位之現金及銀行結餘為約2,078,000港元（二零零五年：4,197,000港元）。人民幣不可以自由兌換為其他外幣，然而，根據內地中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准通過獲授權進行外匯交易之銀行將人民幣兌換為其他外幣。

20. TRADE AND BILLS PAYABLES

An aged analysis of trade and bills payables as at the balance sheet date, based on payment due date, is as follows:

20. 應付貿易賬款及票據

應付貿易賬款及票據於結算日分別按付款到期日計之賬齡分析如下：

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 3 months	3個月內	3,185	10,666
4 to 6 months	4至6個月	384	9
7 to 12 months	7至12個月	208	7
Over 1 year	一年以上	1,111	1,391
		4,888	12,073

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

21. INTEREST-BEARING BANK AND OTHER BORROWINGS

21. 計息銀行及其他借款

	Effective interest rate (%) 有效利率(%)	Maturity 到期日	2006 二零零六年 HK\$'000 千港元	Group 本集團 2005 二零零五年 HK\$'000 千港元
Current 即期				
Bank loans and overdrafts - secured	Hong Kong dollar prime lending rate ("P") +1.5% to P -1.0%	On demand	23	6,566
銀行貸款及透支－有抵押	港元最優惠利率("P") +1.5%至P-1.0%	按要求		
Loan from a director - unsecured	Hong Kong dollar prime lending rate	Not repayable on or before 26 September 2006	7,169	-
一名董事貸款－無抵押	港元最優惠利率	二零零六年 九月二十六日前 毋須償還		
			7,192	6,566
Non-current 非即期				
Loan from a director - unsecured	Hong Kong dollar prime lending rate	Not repayable on or before 26 September 2006	-	5,169
一名董事貸款－無抵押	港元最優惠利率	二零零六年 九月二十六日 前毋須償還		
			7,192	11,735

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

21. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

21. 計息銀行及其他借款 (續)

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Analysed into:	分為：		
Bank loans and overdrafts repayable:	須於下列期間償還銀行貸款及透支：		
Within one year or on demand	一年內或按要求	<u>23</u>	<u>6,566</u>
Loan from a director repayable:	須於下列期間償還之一名董事貸款：		
Within one year	一年內	<u>7,169</u>	<u>-</u>
In the second year	第二年	<u>-</u>	<u>5,169</u>
		<u>7,169</u>	<u>5,169</u>
		<u>7,192</u>	<u>11,735</u>

The bank and other borrowings of the Group bear interest at floating interest rates.

本集團之銀行及其他借款按浮動利率計息。

The carrying amounts of the Group's bank and other borrowings approximate to their fair values, estimated at the present value of future cash flows, discounted at prevailing interest rates at 30 June 2006 and 2005, respectively.

本集團銀行及其他借款之賬面值與其公平值相若。銀行及其他借款之公平值乃按未來現金流量分別按二零零六年及二零零五年六月三十日之現行利率折現之現值估計。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

21. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes:

- (a) The banking facilities of the Group are secured by:
- (i) corporate guarantees amounting to an aggregate of HK\$28,300,000 executed by the Company (2005: HK\$28,300,000); and
 - (ii) the pledge of certain of the Group's time deposits amounting to HK\$15,724,000 (2005: HK\$11,868,000).
- (b) The loan from a director is unsecured, bears interest as Hong Kong dollar prime rate per annum, and is not repayable on or before 26 September 2006.

22. DEFERRED TAX

The principal components of the Group's deferred tax assets not provided for, calculated at deferred tax rates in Hong Kong, Singapore and the PRC of 17.5% (2005: 17.5%), 22% (2005: 22%) and 7.5% (2005: 7.5%), respectively, on the cumulative temporary differences at the balance sheet date, are as follows:

Tax losses	稅務虧損
Accelerated depreciation allowances	加速折舊免稅額

21. 計息銀行及其他借款 (續)

附註：

- (a) 本集團之銀行融資乃以下列各項作為抵押：
- (i) 本公司簽署總額為28,300,000港元(二零零五年：28,300,000港元)之公司擔保。
 - (ii) 本集團定期存款之若干抵押15,724,000港元(二零零五年：11,868,000港元)。
- (b) 一名董事貸款之款項為無抵押，按港元最優惠利率年息計算之利率計息，並於二零零六年九月二十六日或之前毋須償還。

22. 遞延稅項

按於結算日之累計臨時差異，根據香港、新加坡及中國之遞延稅率分別為17.5%(二零零五年：17.5%)、22%(二零零五年：22%)及7.5%(二零零五年：7.5%)，計算本集團未撥備之遞延稅項資產之主要成份如下：

Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
15,409	19,126
50	37
<u>15,459</u>	<u>19,163</u>

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

22. DEFERRED TAX (Continued)

At the balance sheet date, the Group had tax losses arising in Hong Kong and Singapore of approximately HK\$83,798,000 (2005: HK\$99,616,000) and HK\$2,758,000 (2005: HK\$3,128,000), respectively, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group's tax losses arising in the PRC that are available for offsetting against the following five years' taxable profits of the companies in which the losses arose are approximately HK\$2,739,000 (2005: HK\$5,600,000). Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

As 30 June 2006, there was no significant unrecognised deferred tax liability (2005: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or associates as the Group has no liability to additional tax should such amounts be remitted.

22. 遞延稅項 (續)

於結算日，本集團於香港及新加坡產生稅務虧損分別約83,798,000港元(二零零五年：99,616,000港元)及2,758,000港元(二零零五年：3,128,000港元)可用於抵銷公司日後之應課稅溢利。本集團於中國產生可用於抵銷該等公司往後五年應課稅溢利之稅務虧損約為2,739,000港元(二零零五年：5,600,000港元)。由於該等虧損來自已虧蝕一段時間之附屬公司，故並無就此確認遞延稅項資產進行確認。

於二零零六年六月三十日，本集團並無匯出若干附屬公司或聯營公司之未匯出盈利應付之稅項而承擔繳付額外稅項之責任，本集團因此並無重大有關之未確認遞延稅項負債(二零零五年：無)。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

23. SHARE CAPITAL

23. 股本

		Number of Shares 股份數目	Nominal Value 面值 HK\$'000 千港元
Authorized:	法定：		
Ordinary shares of HK\$0.01 each as at 1 July 2004 and 30 June 2005	於二零零四年七月一日及 二零零五年六月三十日之 每股面值0.01港元之普通股	100,000,000,000	1,000,000
Ordinary shares of HK\$0.01 each as at 1 July 2005	於二零零五年七月一日之每股面值 0.01港元之普通股	100,000,000,000	1,000,000
Ordinary shares of HK\$0.10 each: Effect of increase in nominal value of ordinary shares from HK\$0.01 each to HK\$0.10 each	每股面值0.10港元之普通股： 普通股股份面值從每股0.01港元 增加至每股0.10港元之影響	(90,000,000,000)	-
As at 30 June 2006	於二零零六年六月三十日	10,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.01 each as at 1 July 2004 and 30 June 2005	於二零零四年七月一日及 二零零五年六月三十日之 每股面值0.01港元之普通股	1,600,800,000	16,008
Ordinary shares of HK\$0.01 each as at 1 July 2005	於二零零五年七月一日之 每股面值0.01港元之普通股	1,600,800,000	16,008
Ordinary shares of HK\$0.10 each: Effect of increase in nominal value of ordinary shares from HK\$0.01 each to HK\$0.10 each	每股面值0.10港元之普通股： 普通股股份面值從每股0.01港元 增加至每股0.10港元之影響	(1,440,720,000)	-
Issue of shares pursuant to a rights issue	因供股而發行股票	80,040,000	8,004
As at 30 June 2006	於二零零六年六月三十日	240,120,000	24,012

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23. SHARE CAPITAL (Continued)

Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on 30 December 2005, every ten issued and unissued shares of HK\$0.01 each were consolidated into one new share of HK\$0.10 ("Consolidated Shares") with effect from 30 December 2005. Following the share consolidation exercise becoming effective on 30 December 2005, the authorized share capital of the Company is HK\$1,000,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.10 each, of which 160,080,000 ordinary shares were issued and fully paid. The ordinary shares after the share consolidation exercise rank pari passu in all respects with each other.

A rights issue of one Offer Share for every two Consolidated Shares held by members on the register of the Company on 30 December 2005 was made, at an issued price of HK\$0.13 per Offer Share, resulting in the issue of 80,040,000 ordinary shares of HK\$0.10 each for a total cash consideration, before expenses, of HK\$10,405,200 for general working capital.

24. SHARE OPTION

Details of the Company's share option schemes and the share options issued under the schemes are as follows:

(a) Pre-IPO share option plan

In recognising the contribution of certain directors of the Company to the growth of the Group and/or the listing of the shares of the Company on the GEM of the Stock Exchange, the shareholders adopted a Pre-IPO share option plan (the "Pre-IPO Plan") on 24 July 2000. Pursuant to the terms of the Pre-IPO Plan, 25,725,752 options to subscribe for shares of the Company were granted to three directors on 26 July 2000, at an exercise price of HK\$0.70 each, with a vesting period of six months from 2 August 2000. The options are exercisable from 2 February 2001 until 23 July 2010. However, each of the grantees is not allowed to exercise in aggregate in exceed of 25% of all the options granted within any six-month period. The Pre-IPO Plan expired on 2 August 2000, but the granted options remain exercisable.

23. 股本 (續)

根據在本公司於二零零五年十二月三十日舉行之股東特別大會上通過之普通決議案，每十股每股面值0.01港元之已發行及未發行股份合併為一每股面值0.10港元之新股（「合併股份」），自二零零五年十二月三十日起生效。於股份合併於二零零五年十二月三十日生效後，本公司之發行股本為1,000,000,000港元，分為10,000,000,000股每股面值0.10港元之普通股股份，其中160,080,000股普通股股份為已發行及繳足。於股份合併後之普通股股份彼此於所有方面享有同等權益。

於二零零五年十二月三十日名列本公司股東名冊之股東每持有兩股合併股份可獲發一股發售股，按每股發售股0.13港元之發行價進行供股。因而發行80,040,000股每股面值0.10港元之普通股股份而取得總現金代10,405,200港元（未扣除開支）作為一般營運資金用途。

24. 購股權計劃

本公司購股權計劃及根據該等計劃發行之購股權授購如下：

(a) 首次公開招股前購股權計劃

為嘉許本集團若干董事令本集團得以增長及／或令本公司股份得以在聯交所創業板上市所作之貢獻，遂於二零零零年七月二十四日採納首次公開招股前購股權計劃（「首次公開招股前計劃」）。根據首次公開招股前計劃之條款，本公司已於二零零零年七月二十六日向三位董事授出可認購本公司股份之購股權25,725,752份，每股行使價為0.70港元，歸屬期由二零零零年八月二日起計六個月後，購股權由二零零一年二月二日起至二零零一年七月二十三日止可以行使。然而，各承授人不得於任何六個月內行使合共超過全部獲授購股權25%之購股權。首次公開招股前計劃於二零零零年八月二日到期，惟已授出之購股權仍可予行使。

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(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

24. SHARE OPTION (Continued)

(a) Pre-IPO share option plan (Continued)

The following share options were outstanding under the Pre-IPO Plan during the year:

Name or category of participant	Number of share options 購股權數目			Exercisable period of share options	Data of grant of share options#	Exercise price of share options##
	At 1 July 2005	Lapsed during the year	At 30 June 2006 於二零零六年六月三十日			
參與者名稱及所屬類別	於二零零五年七月一日	本年度失效	於二零零六年六月三十日	購股權之行使期	授出購股權日期#	購股權之行使價## HK\$ 港元
Director 董事						
Mr. Yip Sam Lo	1,986,367	-	1,986,367	2 February 2001 to 23 July 2010 二零零一年二月二日 至二零零一年 七月二十三日	26 July 2000 二零零零年 七月二十六日	5.57
葉三閻先生						

No options were exercised under the Pre-IPO Plan during the year.

The vesting period of the share options is from the date of grant until the commencement of the exercise period.

The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

During the year, as a result of the ten-to-one share consolidation exercise (note 23) and the one-for-two rights issue on 30 December 2005 (note 23), the exercise price of the aforesaid outstanding share options was adjusted from HK\$0.557 to HK\$5.57 and the number of share options outstanding adjusted from 19,863,670 to 1,986,367 in accordance with the terms of the Pre-IPO Plan.

24. 購股權計劃 (續)

(a) 首次公開招股前購股權計劃 (續)

以下為本年度根據首次公開招股前計劃授出而未獲行使之購股權：

年內，並無購股權根據首次公開招股前計劃予以行使。

購股權之歸屬期是由授出日期至行使期開始為止。

購股權之行使價可視乎供股或發行紅股，或本公司股本之其他類似變動而可予調整。

於年內，基於每十股合併為一股股份合併行動(附註23)及於二零零五年十二月三十日以每持有兩股獲發一股進行供股(附註23)，上述尚未行使購股權之行使價已由0.557港元調整至5.57港元並根據首次公開招股前計劃之條款尚未行使購股權之數目已由19,863,670調整至1,986,367。

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24. SHARE OPTION (Continued)

(a) Pre-IPO share option plan (Continued)

At the balance sheet date, the Company had 1,986,367 outstanding share options under the Pre-IPO Plan, which represented approximately 0.82% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 1,986,367 additional new ordinary shares of HK\$0.10 each, with aggregate proceeds before related issue expenses of approximately HK\$11,064,000.

(b) Share option scheme

The Company adopted a share option scheme (the "Scheme") on 24 July 2000 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Pursuant to the Scheme, the board of directors of the Company is authorised, at its absolute discretion, to invite any employees, including any executive director of the Company or any of its subsidiaries, to take up options to subscribe for shares of the Company. The Scheme became effective for a period of 10 years commencing on the listing of the Company's shares on 2 August 2000. Further details of the Scheme are also set out in the Prospectus dated 27 July 2000.

The maximum number of shares in respect of which options may be granted under the Scheme, together with the options so granted under the Pre-IPO Plan, may not exceed 10% of the issued share capital of the Company or to a maximum of 30% should the shareholder renew the 10% limit from time to time which have been duly allotted and issued.

The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 25% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

24. 購股權計劃 (續)

(a) 首次公開招股前購股權計劃 (續)

於結算日，本公司根據首次公開招股前計劃有1,986,367份尚未行使購股權，相當於本公司於當日發行之股份約0.82%。根據本公司現時股本架構，悉數行使尚未行使購股權將導致發行1,986,367股每股面值0.10港元之額外普通股股份，所得款項總額(扣除相關發行開支前)約11,064,000港元。

(b) 購股權計劃

本公司於二零零零年七月二十四日採納一項購股權計劃(「該計劃」)，旨在向曾對本集團成功經營之業務作出貢獻之合資格參與者給予獎勵及回報。根據該計劃，本公司董事會獲授權酌情邀請任何僱員，包括本公司或其任何附屬公司任何執行董事接納購股權，以認購本公司股份。該計劃於二零零零年八月二日本公司股份上市時生效，有效期為十年。該計劃詳情亦載於二零零零年七月二十七日所刊發之招股章程。

本公司根據該計劃可能授出之購股權所涉及之最高股份數目，連同根據首次公開招股前計劃授出之購股權，不得超過本公司不時已發行股本面值10%；倘股東不時重續已正式配發及發行本公司股本10%上限，則最高為30%。

於任何12個月期間，根據購股權可發行之該計劃各合資格參與者之最高股份數目，概以本公司任何時候之已發行股份25%為限。如再授出超過此上限之購股權，必須經股東於本公司股東大會上批准。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

24. SHARE OPTION (Continued)

(b) Share option scheme (Continued)

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, whichever is earlier. The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer and (iii) the nominal value of the Company's shares.

The directors are aware that some of the terms of the Scheme do not comply with the requirements of Chapter 23 the GEM Listing Rules which became effective on 1 October 2001. If the Company intends to grant options under the Scheme, the directors will ensure that any of such grant of options complies with the requirements of the said Chapter 23 of the GEM Listing Rules.

As at 30 June 2006, there were no options outstanding under the Scheme. No options were granted under the Scheme for the year 2006.

24. 購股權計劃 (續)

(b) 購股權計劃 (續)

授出購股權之要約可供由要約日期起計28日內接納，而承授人須支付總數額1港元作為象徵式代價。已授出購股權之行使期由董事釐定，並於若干歸屬期後開始及最遲由購股權要約日期起計五年內或該計劃到期日（以較早者為準）。購股權之行使價乃由董事釐定，惟不得低於以下三者之較高者：(i)本公司股份於購股權要約日期在聯交所之收市價；及(ii)本公司股份於緊接購股權要約日期前五個交易日在聯交所之平均收市價及(iii)本公司股份之面值。

董事注意到，該計劃部份條款並不符合於二零零一年十月一日生效之創業板上市規則第23章之規定。倘本公司擬根據該計劃授出購股權，董事將確保授出購股權一事符合上述創業板上市規則第23章之規定。

於二零零六年六月三十日，本公司並無根據該計劃尚未行使之購股權。本公司於二零零六年並無根據該計劃授出購股權。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

25. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 47 of this annual report.

As detailed in note 2.2 to the financial statements, on the adoption of SSAP 30 in 2001, the Group applied the transitional provision of SSAP 30 that permitted negative goodwill in respect of acquisitions which occurred prior to the adoption of the SSAP, to remain credited to the capital reserve. The amount of the negative goodwill remaining in consolidated reserves, arising from acquisition of subsidiaries (one of which has become associate in last year) prior to the adoption of SSAP 30 is HK\$335,000 as at 30 June 2005, which is stated at cost.

The adoption of HKFRS3 has resulted in the Group's negative goodwill, after reassessment, is recognised immediately in the income statement. However, the Group applied the transitional provision of HKFRS3 that required the Group to derecognise the carrying amounts of negative goodwill at 1 July 2005 of HK\$335,000 against retained profits.

25. 儲備

(a) 本集團

本集團於現年及過往年度之儲備及其變動數額載於本年報47頁之綜合權益變動表。

誠如財務報表附註2.2所述，於二零零一年採納會計實務準則第30號後，本集團引用會計實務準則第30號之過渡性條文，准許於採納該會計實務準則前進行之收購所產生之負商譽仍於股本儲備入賬。於二零零五年六月三十日，在採納該會計實務準則第30號前收購附屬公司（其中一間已於去年變為聯營公司）而產生之負商譽為335,000港元，仍存於綜合儲備內並以成本值列賬。

採納香港財務報告準則第3號已導致本集團之負商譽經重新評估後，於損益表即時確認。然而，本集團按香港財務報告準則第3號之過渡條文規定，本集團須於二零零五年七月一日於保留溢利已終止確認負商譽之賬面值355,000港元。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

25. RESERVES (Continued)

(b) The Company

		Share premium account 股份溢價賬 HK\$'000 千港元	Accumulated losses 累積虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 July 2004	於二零零四年七月一日	24,094	(18,321)	5,773
Loss for the year	本年度虧損	-	(5,647)	(5,647)
At 30 June 2005 and 1 July 2005	於二零零五年六月三十日及 二零零五年七月一日	24,094	(23,968)	126
Issue of shares (note 23)	發行股票(附註23)	2,401	-	2,401
Share issue expenses	股份發行開支	(1,204)	-	(1,204)
Loss for the year	本年度虧損	-	(14,239)	(14,239)
At 30 June 2006	於二零零六年六月三十日	25,291	(38,207)	(12,916)

The share premium account of the Company includes (i) premium arising from the new issue of shares in the current and prior years netted of share issue expenses; and (ii) the difference between the consolidated net assets of the subsidiaries acquired pursuant to the group reorganisation upon listing in July 2000 over the nominal value of the share capital of the Company issued in exchange therefore.

In accordance with the Companies Law (2000 Revision) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

25. 儲備 (續)

(b) 本公司

		Share premium account 股份溢價賬 HK\$'000 千港元	Accumulated losses 累積虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 July 2004	於二零零四年七月一日	24,094	(18,321)	5,773
Loss for the year	本年度虧損	-	(5,647)	(5,647)
At 30 June 2005 and 1 July 2005	於二零零五年六月三十日及 二零零五年七月一日	24,094	(23,968)	126
Issue of shares (note 23)	發行股票(附註23)	2,401	-	2,401
Share issue expenses	股份發行開支	(1,204)	-	(1,204)
Loss for the year	本年度虧損	-	(14,239)	(14,239)
At 30 June 2006	於二零零六年六月三十日	25,291	(38,207)	(12,916)

本公司之股份溢價賬包括(i)本年度及上年度發行新股產生之溢價扣除股份發行開支；及(ii)根據於二零零零年七月上市時進行之集團重組所收購之附屬公司當時之綜合資產淨值與發行作為交換之本公司股本之面值之差額。

根據開曼群島之公司法(二零零零年修訂本)，倘本公司於緊隨擬派股息該日，本公司有能力償還其於日常業務之債項，則股份溢價賬可供分派予本公司股東。股份溢價亦可以繳足紅股形式分派。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

26. CONTINGENT LIABILITIES

- (a) The Company had contingent liabilities in respect of corporate guarantees for banking and finance lease facilities granted to certain subsidiaries in the aggregate amount of HK\$28,300,000 (2005: HK\$28,300,000). At the balance sheet date, such facilities were utilised by the subsidiaries to the extent of the aggregate amount of HK\$1,762,000 (2005: HK\$4,710,000).
- (b) At 30 June 2006, the Group had executed performance bonds of HK\$877,000 (2005: HK\$8,880,000) in respect of certain services provided by the Group.

27. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office properties and staff quarters under operating lease arrangements. Such leases are negotiated for terms ranging from one to three years.

At 30 June 2006, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)

26. 或然負債

- (a) 本公司就若干附屬公司獲批出之銀行及融資租約貸款作出之公司擔保方面而有或然負債總額達28,300,000港元(二零零五年: 28,300,000港元)。於結算日, 附屬公司已動用該等貸款中合共1,762,000港元(二零零五年: 4,710,000港元)。
- (b) 於二零零六年六月三十日, 本集團就本集團提供之若干服務已簽立履約保證877,000港元(二零零五年: 8,880,000港元)。

27. 經營租約安排

本集團根據經營租約安排租用若干辦公室物業及員工宿舍。經協商之物業租賃期介乎一至三年。

於二零零六年六月三十日, 根據不可撤銷經營租約, 本集團須按以下年期支付之未來最低應付租金總額如下:

Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
1,422	1,209
108	557
<u>1,530</u>	<u>1,766</u>

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Deemed disposal of a subsidiary

On 6 December 2004, the directors' meetings of the EPRO Shanghai approved the deregistration of EPRO Shanghai, a wholly owned subsidiary of the Company, which the deregistration was commenced on 14 September 2005. EPRO Shanghai was principally engaged in the provision of professional IT contract services. Since the relevant business licenses had expired and the board of directors had resolved not to provide any future resources for its operation, EPRO Shanghai was de-consolidated from the Group's consolidated financial statements for the year ended 30 June 2006.

28. 綜合現金流量報表附註

被視為出售附屬公司

於二零零四年十二月六日，易寶上海之董事會批准註銷易寶上海。易寶上海是本公司之全資擁有附屬公司。註銷於二零零五年九月十四日開始。易寶上海主要從事提供資訊科技合約服務。因相關營業執照已屆滿並董事會已議決未來不會為其運作提供任何資源。易寶上海並不予合併於本集團截至二零零六年六月三十日止年度之綜合財務報表。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Net assets disposed of:	出售以下各項之淨資產：		
Trade payables	應付貿易賬款	(329)	-
Other payables and accruals	其他應付款項及應計負債	(533)	-
		(862)	-
Reserves released upon deemed disposal	被視為出售之所解除儲備	22	-
Gain on deemed disposal of a subsidiary	被視為出售一間 附屬公司之收益	840	-
		-	-
Satisfied by Cash	現金支付	-	-

The deemed disposed subsidiary did not contribute to the Group's revenue but loss of HK\$58,000 to the Group's consolidated loss after tax for the year ended 30 June 2006.

被視為作出出售附屬公司並無為本集團之收益帶來貢獻，不過為本集團截至二零零六年六月三十日止年度之綜合除稅後虧損帶來58,000港元之虧損。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

29. COMMITMENTS

In addition to the operating lease arrangements detailed in note 27, the Group had the following capital commitments at the balance sheet date:

Contracted but not yet provided for	訂立合約但未撥備
- Motor vehicle	- 汽車

29. 承擔

除附註27所述之經營租約安排，本集團於結算日有以下資本承擔：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
108	-

30. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, during the year, the Group had the following transactions with an associate and a director:

		Notes 附註
Interest received from an associate	已收一名聯繫人士之利息	(a)
Interest paid to a director	支付予一名董事之利息	(a)
Sales to an associate	向一名聯繫人士之銷售額	
Due to a director	一名董事之尚未償還款項	

Notes:

- (a) Interest was charged at Hong Kong dollar prime lending rate per annum.

30. 關連人士交易

除此等財務報表所詳述之交易及結餘外，於本年度，本集團與一名聯繫人士及一名董事進行以下本公司若干董事擁有實益權益之交易：

Group 本集團	
2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
8	-
515	365
71	76
7,169	5,169

附註：

- (a) 利息按港元最優惠利率年息計算。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise overdrafts, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been during the year, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks as summarised below. The Group's accounting policies in relation to derivatives are set out in 2.5 to the financial statements.

Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's overdraft and unsecured loan from a director at market prevailing floating interest rate.

The Group currently does not have an interest rate hedging policy. However, management monitors the Group's interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

31. 財務風險管理目標及政策

除衍生工具外，本集團之主要財務工具包括銀行貸款、透支、現金及短期存款。該等財務工具之主要目的在於為本集團之營運集資。本集團有多項直接由營運產生之其他財務資產及負債，例如貿易應收款項及貿易應付款項。

本集團之政策為於年度內並無買賣財務工具。

本集團財務工具產生之主要風險為現金流量利率風險、外幣風險、信貸風險及流動資金風險。董事會審閱及同意管理該等風險之政策並概述如下。本集團就衍生工具之會計政策載於財務報表附註2.5。

現金流量利率風險

本集團主要涉及與浮動利率之透支及一名董事按市場利率計息無抵押貸款相關之市場利率變動之風險。

本集團現時並無採納利率對沖政策。然而，管理層持續監控利率風險，並於有需要時將考慮對沖重大利率風險。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

31. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (Continued)*Foreign currency risk*

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currency.

The Group requires all its operating units to use forward currency contracts to eliminate the foreign currency exposures for currencies other than United States dollars and on any individual transactions in excess of HK\$500,000 or equivalent, for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

The Group had no foreign currency contracts outstanding as 30 June 2006.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit evaluation procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the management.

31. 財務風險管理目標及政策
(續)*外幣風險*

本集團面對交易貨幣風險。該等風險乃因為經營單位以功能貨幣以外之貨幣進行銷售及採購而產生。

本集團規定所有經營單位，就超過500,000港元或同等金額並預期在一個月以後付款之個別交易於本集團訂立確實買賣承擔後使用遠期貨幣合約，以抵銷任何美元以外貨幣之外幣風險。遠期貨幣合約必須與所對沖項目之貨幣相同。本集團之政策為取得確實承諾前概不訂立遠期合約。

本集團之政策為商定對沖衍生工具之條款，以配合對沖項目之條款，從而取得最高之對沖效果。

於二零零六年六月三十日，任何未償付外幣合約。

信託風險

本集團僅與已確認及信譽超著之第三方交易。本集團之政策為所有欲以信貸期交易之客戶，必須先通過信貸評估程序。此外，貿易應收款項結餘以持續基準予以監控，故本集團之壞賬並不嚴重。就並非以相關營運單位之功能貨幣列值之交易而言，本集團於管理層批核前不會提供信貸期。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and available-for-sale financial assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Liquidity risk

Internally generated cash flow and bank borrowings are the general sources of funds to finance the operations of the Group. The majority of the Group's banking facilities are subject to floating rates and are renewable annually. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources to meet its financial obligations. The Group aims to maintain flexibility in funding by maintaining committed credit lines and sufficient bank deposits to meet its short term cash requirements. The Group's liquidity risk management includes making available standby banking facilities and diversifying the funding sources.

32. LEGAL PROCEEDINGS

In September 2003, a subsidiary of the Group, Epro Systems (China) Limited ("EPRO China"), and Linkfull Investment Group Limited ("Linkfull") entered into an agreement whereby EPRO China agreed to sell and Linkfull agreed to purchase 7,000 shares of HK\$1 each (the "Sale Shares") in EPROgistics Limited ("EPROgistics") at the consideration of HK\$1,750,000 (the "Consideration"), which was unconditionally and irrevocably guaranteed by Mr. Wong Tak ("Mr. Wong"), a then staff of the Group and a beneficial owner of Linkfull.

31. 財務風險管理目標及政策 (續)

信託風險 (續)

本集團由於對手違約而產生其他財務資產 (包括現金及現金等價物及可供銷售財務資產) 之信貸風險最高與該等工具之賬面值相同。

由於本集團僅與已確認及信譽超著之第三方交易，故並無抵押品之規定。

流動資金風險

內部產生之現金流量及銀行借貸為本集團業務資金之一般來源。本集團大部份銀行融資按浮動利率計息並於每年續期。本集團期檢討其主要資金狀況，以確保擁有足夠財務資源以應付其財務責任。本集團旨在透過維持可供動用之已承諾信貸額，以維持資金之靈活性，並具備充裕之銀行存款，以應付短期現金需要。本集團之流動性風險管理包括安排提供備用銀行融資及分散資金來源。

32. 法律訴訟

二零零三年九月，本集團一家附屬公司易寶系統(中國)有限公司(「易寶中國」)及Linkfull Investment Group Limited(「Linkfull」)訂立一份協議，據此，易寶中國同意出售而Linkfull同意購買易寶物流科技有限公司(「易寶物流科技」)7,000股每股面值1港元之股份(「銷售股份」)，代價為1,750,000港元(「代價」)，並獲本集團當時一名職員(亦為Linkfull之實益擁有人)Wong Tak先生(「Wong先生」)無條件而不可撤回地擔保。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

32. LEGAL PROCEEDINGS (Continued)

The Consideration for the sale and purchase of the Sale Shares shall be settled in two tranches as follows:

- (a) as to HK\$1 million, upon the signing of the agreement for sale and purchase dated 10 September 2003 (the "Agreement");
- (b) as to HK\$750,000, at anytime thereafter but in any event on or before 30 June 2005.

The first tranche of the HK\$1,000,000 was received by EPRO China on 10 September 2003 and pursuant to two supplemental deeds dated 30 August 2005 and 11 January 2006 respectively, the due date for settlement of the second tranche was extended to 30 June 2006.

As at the balance sheet date, apart from further HK\$37,000 was received by EPRO China, Linkfull failed/refused to pay the balance of the Consideration in the sum of approximately HK\$713,000 together with the interest thereon.

Despite of repeated extension and in view of the default in payment, EPRO China filed a claim against Mr. Wong on 8 August 2006 to the District Court of the Hong Kong Special Administrative Region in respect of the outstanding balance of the Consideration of approximately HK\$713,000 together with the interest from 1 July 2005 till payment.

Notwithstanding the confidence of the directors of the Company on successful claim of the said amount, a full provision for the receivable of the outstanding principal amount of HK\$713,000 had been made in the financial statements of the Group for the year ended 30 June 2006.

32. 法律訴訟 (續)

買賣銷售股份之代價將如下文所述分兩期支付：

- (a) 1,000,000港元於簽訂日期為二零零三年九月十日買賣協議(「協議」)時；
- (b) 750,000港元於此後隨時支付，惟無論如何須於二零零五年六月三十日或之前。

易寶中國已於二零零三年九月十日收取首期款項1,000,000港元。根據日期分別為二零零五年八月三十日及二零零六年一月十一日之兩份補充契約，支付第二期款項之限期已延長至二零零六年六月三十日。

於結算日，除易寶中國已收取另外37,000港元外，Linkfull未能／拒絕支付總數約713,000港元之代價餘款連有關利息。

儘管已多次延期，鑑於未能付款，易寶中國於二零零六年八月八日入稟香港特別行政區域法院，就未償還代價餘額713,000港元連同由二零零五年七月一日至還款當日止之利息向Wong先生發出申索。

即使本公司董事相信可順利追回上述款項，惟仍於截至二零零六年六月三十日止年度之本集團財務報表中就可收回之未償還本金額713,000港元作全數撥備。

Notes to Financial Statements 財務報表附註

(Year ended 30 June 2006 截至二零零六年六月三十日止年度)

33. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment.

33. 比較數字

若干比較數字已重新分類及重列以符合年內之呈列及會計事項。

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 September 2006.

34. 批准財務報表

董事會已以二零零六年九月二十五日批准及授權發行財務報表。

Five Year Financial Summary 五年財務資料概要

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

下文為本集團最近五個財政年度之業績與資產、負債及少數股東權益概要，乃摘錄自本集團之已公佈經審核財務報告，並經適當重列／重新分類。

		Year ended 30 June 截至六月三十日止年度				
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
RESULTS	業績					
CONTINUING OPERATIONS	持續經營業務					
REVENUE	收入	86,478	54,822	85,148	126,494	177,129
Cost of sales	貨品銷售成本	(62,623)	(33,562)	(54,664)	(78,472)	(151,130)
Gross profit	毛利	23,855	21,260	30,484	48,022	25,999
Other income and gains	其他收入及盈利	2,298	6,763	2,698	9,485	11,872
Selling and distribution costs	銷售及分銷成本	(949)	(906)	(1,423)	(2,591)	(7,365)
Technical expenses	技術費用	(9,406)	(11,489)	(14,305)	(22,892)	(23,795)
Administrative expenses	行政費用	(19,983)	(19,543)	(27,386)	(31,201)	(57,830)
Other expenses	其他費用	-	(19)	484	1,965	(17,968)
Finance costs	融資成本	(798)	(952)	(1,037)	(1,237)	(2,933)
Share of profits and losses of:	分佔下列公司之溢利及虧損：					
Associates	聯營公司	(83)	534	163	(138)	366
A jointly-controlled enterprise	一間共同控股合資公司	-	-	-	3,779	(1,378)
(LOSS)/PROFIT BEFORE TAX	除稅前(虧損)／盈利	(5,066)	(4,352)	(10,322)	5,192	(73,032)
Tax	稅項	(345)	(45)	(180)	(2,044)	(430)
(LOSS)/PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	來自持續經營業務之年度(虧損)／溢利	(5,411)	(4,397)	(10,502)	3,148	(73,462)
DISCONTINUED OPERATION	已終止經營業務					
Loss for the year from a discontinued operation	來自一項已終止經營業務之年度虧損	-	-	-	-	(4,581)
(LOSS)/PROFIT FOR THE YEAR	年度(虧損)／溢利	(5,411)	(4,397)	(10,502)	3,148	(78,043)

Five Year Financial Summary 五年財務資料概要

		Year ended 30 June 截至六月三十日止年度				
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Attributable to:	以下各方應佔：					
Equity shareholders of the Company	本公司權益股東	(5,411)	(4,397)	(10,750)	3,290	(71,871)
Minority interests	少數股東權益	-	-	248	(142)	(6,172)
		<u>(5,411)</u>	<u>(4,397)</u>	<u>(10,502)</u>	<u>3,148</u>	<u>(78,043)</u>
ASSETS, LIABILITIES AND MINORITY INTERESTS	資產、負債及 少數股東權益					
TOTAL ASSETS	資產總值	45,017	58,503	61,726	89,878	108,876
TOTAL LIABILITIES	負債總額	(33,634)	(50,590)	(49,120)	(70,745)	(89,440)
MINORITY INTERESTS	少數股東權益	-	-	(248)	-	(1,930)
		<u>11,383</u>	<u>7,913</u>	<u>12,358</u>	<u>19,133</u>	<u>17,506</u>

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