

NOTES TO THE ACCOUNTS

賬目附註

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability. The principal place of business of the Company is located at 34/F, COSCO Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong.

Pursuant to a group reorganisation scheme to rationalise the structure of the Group in preparing for the listing of the Company's shares on the Stock Exchange, the Company became the holding company of the Group in Hong Kong on 15 August 2000 and its shares were listed on the Main Board of the Stock Exchange with effect from 28 September 2000.

During the year, the Company is an investment holding company and its subsidiaries are principally engaged in the provision of financial services including broking, securities margin financing, corporate finance and asset management, money lending and investment trading and holding.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated accounts are set out as below:

(a) Basis of preparation

The accounts have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They have been prepared under the historical cost convention as modified by revaluation of certain investments in securities.

1. 公司資料

本公司於百慕達註冊成立為受豁免有限公司。本公司之主要營業地點位於香港皇后大道中183號新紀元廣場中遠大廈34樓。

根據集團重組計劃，本集團重整架構以備本公司股份在聯交所上市，本公司於二零零零年八月十五日成為本集團之控股公司，而其股份由二零零零年九月二十八日起在聯交所主板上市。

年內，本公司為一間投資控股公司，而其附屬公司主要提供經紀業務、證券孖展融資、企業融資與資產管理、貸款、投資買賣及控股等金融服務。

2. 主要會計政策

在編製綜合賬目時所採用之主要會計政策載列如下：

(a) 編製基準

賬目乃根據香港公認之會計準則，並遵照香港會計師公會（「會計師公會」）頒佈之會計準則編製。賬目乃以歷史成本成規法編製，並就若干證券投資重估作出修訂。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

In the current year, the Group has adopted the following Statement of Standard Accounting Practice ("SSAP") issued by the HKSA which is effective for accounting periods commencing on or after 1 January 2003:

SSAP 12 (revised) : Income taxes

The change to the Group's accounting policy and the effect of adopting this revised standard are set out in notes 2(i), 9 and 17 to the accounts.

(b) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31 December. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal as appropriate. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or negative goodwill or goodwill/negative goodwill taken to reserves and which was not previously charged to or recognised in the consolidated profit and loss account.

2. 主要會計政策(續)

(a) 編製基準(續)

本集團於本年度採納下列由會計師公會頒佈並於二零零三年一月一日或之後開始之會計期間生效之會計實務準則(「會計實務準則」)：

會計實務準則
第12號(修訂版) : 所得稅

本集團會計政策之變動及採納此項經修訂準則之影響載於賬目附註2(i)、9及17。

(b) 綜合賬目

綜合賬目包括本公司及各附屬公司截至十二月三十一日之賬目。於年內所收購或出售之附屬公司業績分別自收購生效日期起或截至出售生效日期止(視乎情況而定)計入綜合損益表內。所有集團內公司之重大交易及結餘均已於綜合賬目內對銷。

出售附屬公司之盈虧指出售所得款項與本集團應佔其資產淨值之差額加上未攤銷商譽或負商譽或任何之前未曾自綜合損益表內扣除或確認而記在儲備之商譽／負商譽。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the Year ended 31 December 2003

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Subsidiaries

Subsidiaries are those entities in which the Group, directly or indirectly, controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

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

(d) Revenue recognition

(i) Interest income

Interest income is recognised when there is no uncertainty as to the ultimate collection on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

(ii) Commission income and handling fee income, asset management and advisory fees

Income arising from broking, corporate finance and asset management are recognised when the relevant services are rendered and the amount can be reliably estimated and it is probable that it will be received.

(iii) Realised gains and losses on disposal of investments in securities

Realised gains or losses on disposal of investments in securities are dealt with through the profit and loss account on a trade date basis when a sales contract is entered into.

2. 主要會計政策 (續)

(c) 附屬公司

附屬公司乃指本集團能直接或間接控制其董事會之組成，或控制其一半以上投票權，或持有其一半以上已發行股本之公司。

在本公司資產負債表中，附屬公司權益按成本減任何減值虧損入賬。附屬公司業績按本公司已收及應收股息入賬。

(d) 收益確認

(i) 利息收入

利息收入乃參照尚餘本金金額及適用利率在確定最終能收取時按時間比例確認。

(ii) 佣金收入及手續費收入、資產管理及顧問費

經紀業務、企業融資及資產管理之收入在提供相關服務、能可靠估計以及將可收取時確認入賬。

(iii) 出售證券投資之已實現盈虧

出售證券投資之已實現盈虧在訂立銷售合約時於交易日計入損益表內。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Revenue recognition (continued)

(iv) Income from trading of listed securities

Income from trading of listed securities is recognised as revenue on a trade date basis.

(e) Turnover

Turnover represents commission income and handling fee income, interest income, revenues from trading of listed securities and revenues from asset management and advisory fees.

(f) Fixed assets

Fixed assets, comprising leasehold improvements, furniture and fixtures and office equipment, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Fixed assets are depreciated at the following annual rates sufficient to write off their costs less any accumulated impairment losses over their estimated useful lives, on a straight line basis:

Leasehold improvements	16 – 50%
Furniture and fixtures	25%
Office equipment	25%

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

2. 主要會計政策(續)

(d) 收益確認(續)

(iv) 買賣上市證券之收入

買賣上市證券之收入於交易日確認為收入。

(e) 營業額

營業額指佣金收入及手續費收入、利息收入、買賣上市證券收益以及資產管理及顧問費收益。

(f) 固定資產

固定資產包括租賃物業裝修、傢俬及裝置及辦公室設備，按成本減累計折舊及任何累計減值虧損入賬。

固定資產按下列足以撇銷其成本減任何累計減值虧損之年率，以直線法於其估計可使用年期提供折舊：

租賃物業裝修	16-50%
傢俬及裝置	25%
辦公室設備	25%

在每年結算日，均就內部及外間所獲資料作出評估，衡量有否跡象顯示固定資產所包括之資產出現減值。倘有任何該等跡象出現，則估計資產之可收回數額，並於適當時確認減值虧損至可收回數額。減值虧損於損益表確認入賬，惟資產乃按估值入賬而減值虧損不超過同一資產之重估增值則除外。在此情況下，資產減值則視作重估減值處理。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Fixed assets (continued)

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to the profit and loss account and is shown as a movement in reserves.

(g) Intangible assets

Intangible assets represent trading rights in the Stock Exchange and the Hong Kong Futures Exchange Limited (the "HKFE") which are stated at cost less accumulated amortisation and any impairment losses. Intangible assets are amortised over their estimated useful lives, based on directors' assessments, from the date of acquisition. Where an indication of impairment exists, the carrying amount of any intangible asset is reassessed and written down immediately to its recoverable amount.

(h) Investments in securities

(i) Held-to-maturity securities

Held-to-maturity securities are stated in the balance sheet at cost plus/less any discount/premium amortised to date, less any impairment losses recognised to reflect irrecoverable amounts. The discount or premium is amortised over the period to maturity and aggregated with other investment income, interest income/expense included in the profit and loss account so that the revenue recognised in each period represents a constant yield on the investment. Provision is made when there is a diminution in value other than temporary.

2. 主要會計政策(續)

(f) 固定資產(續)

出售固定資產之盈虧指出售所得款項淨額與有關資產賬面值之差額，並於損益表確認。有關資產應佔之任何餘下重估儲備將轉撥至損益表，並列作儲備變動。

(g) 無形資產

無形資產指在聯交所及香港期貨交易所有限公司(「期交所」)之交易權，按成本減累計攤銷及任何減值虧損入賬。無形資產按董事所評估之可使用期限由收購日期起計攤銷。倘有跡象顯示出現減值時，則會重估無形資產之賬面值，並即時撇減至其可收回數額。

(h) 證券投資

(i) 持有至到期證券

持有至到期證券於結算日按成本加／減任何截至該日已攤銷之折讓／溢價，減任何已確認之減值虧損列於資產負債表。有關折讓或溢價會於截至到期日期間攤銷，並與其他投資收入、利息收入／開支一併計入損益表內，使在每個期間確認的收益均有固定投資回報。當出現非暫時性之減值時將會作出撥備。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Investments in securities (continued)

(i) Held-to-maturity securities (continued)

The carrying amounts of individual held-to-maturity securities or holdings of the same securities are reviewed at each balance sheet date in order to assess the credit risk and whether the carrying amounts are expected to be recovered. Provisions are made when carrying amounts are not expected to be recovered and are recognised in the profit and loss account as an expense immediately.

(ii) Investment securities

Investment securities are stated at cost less any impairment losses.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such securities should be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to the profit and loss account when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

2. 主要會計政策 (續)

(h) 證券投資 (續)

(i) 持有至到期證券 (續)

每逢結算日將檢討個別持有至到期證券或所持之相同證券之賬面值，以評估信貸風險及賬面值能否收回。當賬面值預期未能收回時將作出撥備，並即時於損益表列作開支。

(ii) 投資證券

投資證券按成本減任何減值虧損入賬。

每逢結算日均會檢討個別投資之賬面值，以評估公平值有否降至低於賬面值。當公平值出現非暫時性下降時，有關證券之賬面值應降至其公平值。減值虧損於損益表確認為開支。倘若出現任何情況及事件導致撇減或撤銷不再出現，加上有證據顯示該新情況及事件於可見將來仍然存在時，則該減值虧損會撥回至損益表。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Investments in securities (continued)

(iii) Other investments

Other investments are carried at fair value. At each balance sheet date the net unrealised gains or losses arising from the changes in fair value of the investments are recognised in the profit and loss account. Profits or losses on disposal of other investments representing the difference between the net sales proceeds and the carrying amounts are recognised in the profit and loss account as they arise.

(i) Income tax

Income tax for the year comprises current and deferred taxes. Current tax is the expected tax payable on the taxable income for the year using the tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

2. 主要會計政策(續)

(h) 證券投資(續)

(iii) 其他投資

其他投資按公平值入賬。每逢結算日，因投資公平值改變而產生之未變現盈虧淨額於損益表確認。出售其他投資之盈虧指售出所得款項淨額與賬面值之差額，並於產生時在損益表確認。

(i) 所得稅

本年度所得稅包括當期稅項及遞延稅項。當期稅項為年內按結算日規定稅率就應課稅收入計算之預期應付稅項，及就以往年度應付稅項所作出調整。

遞延稅項是指根據資產負債表之資產及負債之賬面值及其用於計算應課稅溢利的相應稅基之間的差額所產生之預期應付及可收回稅項，並以資產負債表負債法計算。一般情況之下，所有因應課稅暫時差異而產生之遞延稅項負債均予確認，而遞延稅項資產則按將來應課稅溢利可用作抵銷可扣稅之臨時差額之限額內計算。如暫時性差異是由某交易初次確認其他資產或負債而產生，又不影響應課稅溢利及會計溢利，則不予以確認此等資產及負債。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Income tax (continued)

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 profits will be available to allow all or part of the assets to be recovered. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Deferred tax assets and liabilities are not discounted. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

In prior years, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or receivable in the foreseeable future. The adoption of the SSAP 12 (revised) represents a change in accounting policy, which has been applied retrospectively, so that the comparatives presented have been restated to conform to the changed policy.

As detailed in note 17 to the accounts, opening retained profit and accumulated losses at 1 January 2002 and 2003 have been increased and decreased by HK\$3,088,675 and HK\$2,191,491 respectively, which represent the unprovided deferred tax asset. This change has resulted in an increase in deferred tax asset at 31 December 2002 by HK\$2,191,491 and an increased charge to taxation in the current year of HK\$1,980,405 (2002: HK\$897,184).

2. 主要會計政策 (續)

(i) 所得稅 (續)

遞延稅項資產之賬面值需於每年之結算日作檢討，預期將來沒有足夠應課稅溢利作抵銷之差異，則其相關遞延稅項資產需作相應之扣減。若將可能具有足夠之應課稅溢利，則所作之任何扣減均須進行回撥。

遞延稅項資產及負債均不作貼現。遞延稅項是根據預期資產兌現及負債償還時之所得稅稅率計算，並於損益表中列入或回撥。若有關項目直接於股東資金中列入或回撥，其遞延稅項亦計入於股東資金中。

於以往年度，為課稅而計算之盈利與賬目所示之盈利兩者間之時差，若預期將於可見將來導致資產與負債之交付，即按現行稅率計算遞延稅項。採納會計實務準則第12號(修訂版)涉及會計政策之改變，此項改變已追溯以往年度，故此比較數字已重列以符合改變之政策。

誠如賬目附註17所詳述，於二零零二及二零零三年一月一日之年初保留溢利及累計虧損已就未作撥備之遞延稅項資產分別增加及減少3,088,675港元及2,191,491港元。此項變動導致二零零二年十二月三十一日之遞延稅項資產增加2,191,491港元及本年度之稅項支出增加1,980,405港元(二零零二年：897,184港元)。

NOTES TO THE ACCOUNTS (continued)

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Accounts receivable

Provision is made against accounts receivable to the extent that they are considered to be doubtful. Accounts receivable in the balance sheets are stated net of such provision.

(k) Operating leases

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

(l) Foreign currencies

Monetary assets and liabilities in foreign currencies at the year end date are translated into Hong Kong Dollars at approximately the market rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Hong Kong Dollars at exchange rates ruling at the transaction dates. Differences arising on exchange are dealt with in the profit and loss account.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2. 主要會計政策(續)

(j) 應收賬款

凡被視為呆賬之應收賬款，均對此作出撥備。資產負債表之應收賬款乃在扣除該等撥備後入賬。

(k) 經營租約

凡資產擁有權之絕大部份風險及回報仍由出租公司承擔之租約，均視作經營租約。經營租約租金在扣除來自出租公司之任何優惠後，按租期以直線法自損益表內扣除。

(l) 外幣

於年結日以外幣計算之貨幣資產及負債按結算日之概約市場匯率換算為港元。以外幣計算之交易按交易日之匯率換算為港元。匯兌差額計入損益表內。

(m) 撥備

當本集團因過往事件而須承擔法律或推定責任，且可能導致資源流失以履行該責任及其有關數額能可靠估計時，則會確認為撥備。倘若本集團預期撥備將獲償付，則有關償付金僅會於實質上能肯定時確認為一項單獨資產。

NOTES TO THE ACCOUNTS (continued)

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For the Year ended 31 December 2003

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Employee benefits

(i) Bonus plans

Provision for bonus plans due wholly within twelve months after balance sheet date is recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(ii) Accumulating compensated absences (unused paid annual leave)

Employee entitlements to paid annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for "Accumulating compensated absences" (unused paid annual leave) which can be carried forward indefinitely as a result of services rendered by employees up to the balance sheet date.

(iii) Retirement benefit costs

The Group's contributions to a defined contribution retirement scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance (the "MPF") are expensed as incurred. The Group's employer contributions vest fully with the employees when contributed into the MPF.

(iv) Share option scheme

When the Group grants qualifying employee options to acquire shares of the Company, the options can be exercised at a price and under certain conditions as indicated in note 24 to the accounts and no employee benefit cost or obligation is recognised at that time. When the options are exercised, equity is increased by the amount of the proceeds received (net of any transaction costs).

2. 主要會計政策(續)

(n) 僱員福利

(i) 獎金計劃

當本集團因僱員提供服務而產生現有法律或推定責任時，此等責任須於結算日後十二個月內全數解除及能可靠地估計時確認為獎金計劃撥備。

(ii) 累計補償休假(未動用有薪年假)

僱員享有有薪年假之權利在僱員應得時確認。本公司會就僱員於截至結算日提供服務且可無限期結轉之「累計補償休假」(未動用有薪年假)之估計責任作出撥備。

(iii) 退休福利成本

本集團根據香港強制性公積金計劃條例對定額供款退休計劃(「強積金」)作出之供款於產生時列作開支。本集團之僱主供款在向強積金作出供款時全數歸僱員所有。

(iv) 購股權計劃

當本集團向合資格僱員授出可認購本公司股份之購股權時，該等購股權可按賬目附註24所指明之價格及若干條件行使，而任何僱員福利成本或責任不在當時獲確認。行使購股權時，資本權益會按已收所得款項(扣除任何交易成本)相應增加。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

(p) Discontinuing operations

The Group has adopted SSAP 33 for the reporting of information about discontinuing operations as stipulated in the SSAP in the current financial period where an initial disclosure event has taken place. Since this SSAP relates effectively to disclosures it has no effect on the results for the current or prior accounting periods. The adoption of SSAP 33 has resulted in the identification of the Group's broking, securities margin financing and corporate finance and asset management business as discontinuing operations in the current period, details of which are set out in note 7 to the accounts.

A discontinuing operation is a clearly distinguishable component of the Group's business that is disposed of or abandoned pursuant to a single plan, and which represents a separate major line of business or geographical area of operations.

2. 主要會計政策(續)

(o) 或然負債

或然負債乃因過去事件而可能產生之責任，而其存在僅視乎日後一項或多項非本集團可控制之事件是否出現才能確認。亦包括因過去事件而產生，但由於不大可能出現資源流出或不能可靠估計該責任之數額而未有確認之現有責任。

或然負債並無確認入賬但已於賬目附註中披露。倘資源流出之可能性出現變動，致使可能出現資源流出，則該或然負債會確認為撥備。

(p) 終止中業務

本集團已採納會計實務準則第33號，於出現初次披露事件時按會計實務準則規定披露本財政年度之終止中業務之有關資料。因此項會計實務準則乃針對披露事項，其對當年或以往會計期間之業績並無影響。採納會計實務準則第33號導致本集團之經紀業務、證券孖展融資及企業融資與資產管理業務被歸類為本期間之終止中業務，其詳情載於賬目附註7。

終止中業務乃可自本集團業務明顯區分之部份及已按照一項單一計劃出售或予以放棄，並代表於一門獨立的主要業務或區域性業務。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(q) Segment reporting

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

The Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment and those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

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

Unallocated items mainly comprise corporate assets and corporate expenses.

2. 主要會計政策(續)

(q) 分部報告

分部指本集團提供服務(業務分部)或在特定經濟環境提供服務(地區分部)之個別組成部份，其所承擔之風險及回報亦與其他分部不同。

本集團選定業務分部資料為主要呈報方式，而地區分部資料為次要呈報方式。

分部收益、開支、業績、資產與負債包括直接與該分部有關之項目，亦包括可合理列作有關分部之項目。分部收益、開支、資產與負債乃於合併賬目過程中撇銷集團內公司間之結餘及交易前計算，惟屬同一分部之集團公司間之結餘及交易則除外。分部間之定價按給予其他外界各方之相同條款釐定。

分部資本開支即本年度購入預期使用超過一年之分部資產(有形或無形資產)之成本總額。

未分類項目主要包括企業資產及企業支出。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(r) Cash and cash equivalents

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

(s) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2. 主要會計政策(續)

(r) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他財務機構之活期存款，以及短期而易於套現之投資，而該等投資並無重大轉變價值之風險，可毋須通知而兌換成已知數額之現金，且於購入後三個月內到期。就現金流量表而言，現金及現金等價物亦包括須於通知時償還及為本集團現金管理主要部份之銀行透支。

(s) 關連人士

倘一方有能力直接或間接控制另一方，或對其財務及經營決策有重大影響力，或雙方均共同受控制或重大影響下，則該等人士亦被視為關連人士。關連人士可為個人或公司。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

3. TURNOVER, REVENUE AND SEGMENT INFORMATION

3. 營業額、收益及業務分部資料

Revenue recognised during the year is as follows:

年內確認之收益如下：

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
TURNOVER	營業額		
Commission income and handling fee income	佣金收入及手續費收入	29,428,702	29,849,242
Interest income from:	來自以下各項之利息收入：		
– Banks	– 銀行	80,895	1,967,256
– Margin clients	– 孖展客戶	10,885,855	6,145,309
– Loan receivables	– 應收貸款	17,552,940	5,601,275
Trading of listed securities	買賣上市證券	266,213,460	–
Asset management and advisory fees	資產管理及顧問費	531,466	571,176
		324,693,318	44,134,258
OTHER REVENUE	其他收益		
Reversal of impairment losses on investment securities	投資證券減值虧損撥回	–	474,368
Realised gain on disposal of other investments and futures trading	出售其他投資及期貨買賣之已實現收益	–	1,893,545
Doubtful debts written back	呆賬撥回	–	210,000
Dividend income from listed investments	上市投資之股息收入	–	258,957
Loan commitment fee income	貸款承擔費收入	450,000	135,000
Other interest income	其他利息收入	70,174	33,988
Other income	其他收入	966,302	357,612
		1,486,476	3,363,470
TOTAL TURNOVER AND REVENUE	總營業額及收益	326,179,794	47,497,728

BUSINESS SEGMENTS

業務分部

The Group is principally organised into five main operating divisions, namely broking, securities margin financing, corporate finance and asset management, money lending and investment trading and holding. These divisions are the basis on which the Group reports its primary segment information. There are no sales or other transactions between the business segments, except that management fee of HK\$6 million (2002: Nil) is paid from the money lending division to the broking division.

本集團基本上分為五個主要營業分部，計有經紀業務、證券孖展融資、企業融資與資產管理、貸款以及投資買賣及控股。本集團根據該等分類呈報主要分部資料。除貸款分部向經紀業務分部支付管理費6,000,000港元(二零零二年：無)外，業務分部之間並無進行銷售或其他交易。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

3. TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

3. 營業額、收益及業務分部資料(續)

BUSINESS SEGMENTS (continued)

業務分部(續)

(i) Turnover and profit/(loss) attributed to the business segments for the year are as follows:

(i) 本年度各業務分部之營業額及溢利／(虧損)如下：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
TURNOVER	營業額		
Discontinuing operations:	終止中業務：		
Broking	經紀業務	28,512	29,365
Securities margin financing	證券孖展融資	10,886	6,145
Corporate finance and asset management	企業融資與資產管理	1,448	1,056
Continuing operations:	持續經營業務：		
Money lending	貸款	17,553	5,601
Investment trading and holding	投資買賣及控股	266,294	1,967
		324,693	44,134

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

3. TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

3. 營業額、收益及業務分部資料(續)

BUSINESS SEGMENTS (continued)

業務分部(續)

		2003 二零零三年 HK\$'000 千港元	As restated 重列 2002 二零零二年 HK\$'000 千港元
SEGMENT RESULTS	分部業績		
Discontinuing operations:	終止中業務：		
Broking	經紀業務	(10,207)	(37,387)
Securities margin financing	證券孖展融資	4,647	659
Corporate finance and asset management	企業融資與資產管理	196	(89)
Continuing operations:	持續經營業務：		
Money lending (note)	貸款(附註)	9,310	5,736
Investment trading and holding (note)	投資買賣及控股(附註)	3,508	4,572
		7,454	(26,509)
NET UNALLOCATED EXPENSES	未分類開支淨額	(1,445)	(2,616)
PROFIT/(LOSS) BEFORE TAXATION	除稅前溢利／(虧損)	6,009	(29,125)
TAXATION	稅項	(1,978)	(884)
PROFIT/(LOSS) FOR THE YEAR	本年度溢利／(虧損)	4,031	(30,009)

Note: In 2002, the money lending segment and the investment trading and holding segment included other revenue of approximately HK\$135,000 and approximately HK\$2,627,000 respectively.

附註：於二零零二年，貸款分部及投資買賣及控股分部包括其他收益分別約135,000港元及約2,627,000港元。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

3. TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

3. 營業額、收益及業務分部資料(續)

BUSINESS SEGMENTS (continued)

業務分部(續)

(ii) Assets and liabilities analysed by business segments are as follows:

(ii) 資產與負債按業務分部劃分之分析如下：

		2003 二零零三年 HK\$'000 千港元	As restated 重列 2002 二零零二年 HK\$'000 千港元
ASSETS	資產		
Discontinuing operations:	終止中業務：		
Broking	經紀業務	107,133	75,499
Securities margin financing	證券孖展融資	169,988	43,895
Corporate finance and asset management	企業融資與資產管理	220	26
Continuing operations:	持續經營業務：		
Money lending	貸款	158,196	168,960
Investment trading and holding	投資買賣及控股	28,419	27,131
TOTAL SEGMENT ASSETS	分部資產合計	463,956	315,511
UNALLOCATED ASSETS	未分類資產	300	15
TOTAL ASSETS	資產總值	464,256	315,526
LIABILITIES	負債		
Discontinuing operations:	終止中業務：		
Broking	經紀業務	69,767	49,560
Securities margin financing	證券孖展融資	118,803	11,160
Corporate finance and asset management	企業融資與資產管理	28	585
Continuing operations:	持續經營業務：		
Money lending	貸款	37,624	16
Investment trading and holding	投資買賣及控股	-	-
TOTAL SEGMENT LIABILITIES	分部負債合計	226,222	61,321
UNALLOCATED LIABILITIES	未分類負債	2,129	22,330
TOTAL LIABILITIES	負債總額	228,351	83,651

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

3. TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

3. 營業額、收益及業務分部資料(續)

BUSINESS SEGMENTS (continued)

業務分部(續)

(iii) Other information

(iii) 其他資料

	Depreciation and amortisation 折舊與攤銷		Provision for doubtful debts 呆賬撥備		Capital expenditure 資本開支	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 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	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Discontinuing operations: 終止中業務:						
Broking 經紀業務	4,248	5,451	-	11	343	6,772
Securities margin financing 證券孖展融資	-	-	6,000	1,854	-	-
Corporate finance and asset management 企業融資與資產管理	3	14	-	-	11	-
Continuing operations: 持續經營業務:						
Money lending 借貸	-	-	-	-	-	-
Investment trading and holding 投資買賣及控股	-	-	-	-	-	-
Unallocated 未分類	18	-	-	-	22	-
	4,269	5,465	6,000	1,865	376	6,772

GEOGRAPHICAL SEGMENT

地區分部

The Group's principal markets are located in Hong Kong. For both 2003 and 2002, more than 90% of the Group's turnover and carrying amount of assets were respectively generated from and located in Hong Kong, and therefore no geographical segment information is presented.

香港為本集團之主要市場。於二零零三及二零零二年兩年，本集團90%以上營業額及資產賬面值分別來自及位於香港，因此並無呈報地區分部資料。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

4. STAFF COSTS

4. 僱員成本

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	11,639,109	28,482,032
Discretionary bonuses	酌定花紅	-	1,078,630
MPF contributions	強積金供款	350,697	764,927
Provision for short-term accumulating compensated absences	短期累計補償 休假撥備	-	353,476
		11,989,806	30,679,065

Note: Included in commission expenses are amounts paid to staff for securities and futures dealing amounting to approximately HK\$2.6 million (2002: HK\$4.2 million)

附註：佣金開支包括就證券及期貨買賣而付予職員之款項約2,600,000港元(二零零二年：約4,200,000港元)。

5. OPERATING PROFIT/(LOSS)

5. 經營溢利/(虧損)

Operating profit/(loss) is stated after charging the following:

經營溢利/(虧損)已扣除下列項目：

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Amortisation of trading rights	交易權攤銷	1,292,257	1,292,255
Auditors' remuneration	核數師酬金	263,000	351,250
Loss on disposal of fixed assets	出售固定資產之虧損	549,572	3,788,364
Operating lease rentals in respect of office premises and staff quarters	辦公室物業及員工宿舍之 經營租約租金	4,928,072	7,246,696

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

6. FINANCE COSTS

6. 融資成本

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Interest on bank loans and overdrafts	銀行貸款及透支利息	5,308,292	202,723
Interest on client payables with no fixed repayment terms	無既定還款期之 應付客戶款項利息	2,964	56,687
Interest on other loan wholly repayable within five years	須於五年內全數償還 之其他貸款利息	1,546,670	–
Borrowing costs	借貸成本	250,000	–
Other interest	其他利息	849	451
		7,108,775	259,861

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

7. DISCONTINUING OPERATIONS

As detailed in note 31 to the accounts, the Group entered into a conditional agreement to dispose of certain subsidiaries which carry on the business of broking, securities margin financing and corporate finance and asset management. The results, cash flows and net assets of these discontinuing business segments are as follows:

7. 終止中業務

誠如賬目附註31所詳述，本集團訂立了一項有條件協議，出售若干經營經紀業務、證券孖展融資及企業融資與資產管理之附屬公司。該等終止中業務分部之業績、現金流量及資產淨值如下：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Turnover	營業額	40,846	36,566
Loss before taxation	除稅前虧損	(5,364)	(36,817)
Taxation	稅項	-	13
Loss for the year	本年度虧損	(5,364)	(36,804)
Net operating cash outflow	經營現金流出淨額	(79,645)	(110,582)
Net investing cash (outflow)/inflow	投資現金(流出)/流入淨額	(350)	40,281
Net cash outflow	現金流出淨額	(79,995)	(70,301)
Total assets	總資產	277,341	119,420
Total liabilities	總負債	(188,598)	(61,305)
		88,743	58,115

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

8. DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID INDIVIDUALS

8. 董事酬金及五名最高薪酬人士

Directors' remuneration disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance is as follows:

董事酬金根據上市規則及香港《公司條例》第161條披露如下：

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Fees:	袍金：		
Executive	執行董事	-	-
Independent non-executive	獨立非執行董事	200,000	153,438
		200,000	153,438
Other emoluments for executive directors:	執行董事之其他酬金：		
Salaries, housing, other allowances and benefits in kind	薪金、房屋津貼、其他津貼及實物利益	-	2,771,908
Discretionary bonuses	酌定花紅	-	724,750
MPF contributions	強積金供款	-	20,603
		200,000	3,670,699

The remuneration of the Directors fell within the following bands:

董事酬金範圍如下：

		Number of directors 董事人數	
		2003 二零零三年	2002 二零零二年
Nil to HK\$1,000,000	零至1,000,000港元	5	9
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	1
		5	11

There was no arrangement under which a Director waived or agreed to waive any remuneration during the year (2002: Nil).

年內並無訂立任何董事藉以放棄或同意放棄任何酬金之安排(二零零二年：無)。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

8. DIRECTORS REMUNERATION AND THE FIVE HIGHEST PAID INDIVIDUALS (continued)

8. 董事酬金及五名最高薪酬人士(續)

Five highest paid individuals

五名最高薪酬人士

There were no (2002: two) executive directors whose emoluments were among the five highest paid individuals in the Group.

本集團五名最高薪酬人士並無包括(二零零二年：兩名)執行董事。

Details of the emoluments paid to five individuals who were not directors (2002: three), and whose emoluments were among the five highest paid individuals in the Group are as follows:

付予本集團五名最高薪酬人士中非董事(二零零二年：三名)人士之酬金詳情如下：

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,996,661	3,809,472
MPF contributions	強積金供款	55,400	36,000
		4,052,061	3,845,472

The remuneration of the non-director, highest paid employees fell within the following bands:

非董事最高薪酬僱員之酬金範圍如下：

		Number of employees 僱員人數	
		2003 二零零三年	2002 二零零二年
Nil to HK\$1,000,000	零至1,000,000港元	4	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	-	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	1	1
		5	3

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

9. TAXATION

No provision for Hong Kong profits tax is made in the accounts as the Group has no estimated assessable profits for the year (2002: Nil). In 2003, the government enacted a change in the profits tax rate from 16% to 17.5% for the fiscal year 2003/2004.

The amount of taxation charged/(credited) to the consolidated profit and loss account represents:

9. 稅項

由於本年度並無估計應課稅溢利，故此本集團賬目並無香港利得稅撥備(二零零二年：無)。於二零零三年，政府提高二零零三／二零零四財政年度利得稅率，由16%改為17.5%。

綜合損益表內支銷／(進賬)之稅項包括：

		2003 二零零三年 HK\$ 港元	As restated 重列 2002 二零零二年 HK\$ 港元
Hong Kong profits tax	香港利得稅		
– Overprovision for prior years	– 以往年度超額撥備	(2,191)	(12,730)
Deferred taxation relating to the origination and reversal of temporary differences	有關產生及撥回暫時差異之遞延稅項	2,185,857	897,184
Deferred taxation resulting from an increase in tax rate	因稅率增加而產生之遞延稅項	(205,452)	–
Taxation charge	稅項支出	1,978,214	884,454

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

9. TAXATION (continued)

The reconciliations of taxation on the Group's profit/(loss) before taxation differing from the theoretical amount that would arise using the applicable taxation rate of the Group are as follows:

9. 稅項(續)

本集團除稅前溢利／(虧損)之稅項與採用適用於本集團之稅率計算之理論數額之差別調節如下：

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Profit/(loss) before taxation	除稅前溢利／(虧損)	6,009,170	(29,124,543)
Calculated at a taxation rate of 17.5% (2002: 16%)	按稅率17.5% (二零零二年：16%)計算	1,051,605	(4,659,927)
Tax effect of income not subject to taxation	毋須課稅之收入之稅項影響	(1,036,098)	(1,217,298)
Tax effect of expenses not deductible for taxation purposes	不可就稅項理由扣減之 開支之稅項影響	1,429,702	1,130,308
Tax effect of utilisation of previously unrecognised tax losses	動用未曾確認稅務虧損 之稅項影響	(871,734)	—
Tax effect of increase in opening deferred tax asset resulting from an increase in tax rate	稅率上升導致遞延稅項 資產年初數額上升 之稅項影響	(205,452)	—
Tax effect of tax losses not recognised	未確認之稅務虧損之稅項影響	280,338	4,355,860
Tax effect of temporary differences not recognised	未確認暫時差異之稅項 影響	1,332,044	1,288,241
Overprovision of Hong Kong profits tax in prior years	以往年度香港利得稅超額 撥備	(2,191)	(12,730)
Taxation charge	稅項支出	1,978,214	884,454

10. PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

The profit/(loss) attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$2,924,811 (2002: loss of HK\$29,183,017).

10. 股東應佔溢利／(虧損)

計入本公司賬目之股東應佔溢利／(虧損)為2,924,811港元(二零零二年：虧損29,183,017港元)。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

11. EARNINGS/(LOSS) PER SHARE

The Company has no diluted potential shares in 2003 and 2002.

The earnings/(loss) per share is calculated based on the profit for the year of HK\$4,030,956 (2002: loss of HK\$30,008,997 as restated) and the weighted average number of 3,000,000,000 (2002: 3,000,000,000 as restated) ordinary shares in issue during the year.

The weighted average numbers of shares outstanding for the year ended 31 December 2003 and 31 December 2002 have been adjusted in light of the capital restructuring as referred to in note 23 to the accounts.

Loss per share for 2002 has been adjusted to reflect the retrospective application of the change in the Group's accounting policy for adoption of SSAP 12 (revised).

11. 每股盈利/(虧損)

本公司於二零零三年及二零零二年並無具潛在攤薄影響之股份。

每股盈利/(虧損)乃按年度溢利4,030,956港元(二零零二年:虧損30,008,997港元(重列))及年內已發行普通股之加權平均數3,000,000,000股(二零零二年:3,000,000,000股(重列))之基準計算。

由於進行賬目附註23所述之股本重組,故截至二零零三年十二月三十一日及二零零二年十二月三十一日止年度已發行股份之加權平均數已作出調整。

二零零二年每股虧損已作調整,以反映本集團採納會計實務準則第12號(修訂版)後會計政策變動所產生之可追溯影響。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

12. FIXED ASSETS

12. 固定資產

The Group

本集團

		Leasehold improvements	Furniture and fixtures	Office equipment	Total
		租賃物業裝修	傢俬及裝置	辦公室設備	合計
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
COST	成本				
At 1 January	於二零零三年				
2003	一月一日	7,374,872	1,088,660	10,953,184	19,416,716
Additions	添置	18,000	17,152	340,546	375,698
Disposals	出售	(943,874)	-	(41,023)	(984,897)
At 31 December	於二零零三年				
2003	十二月三十一日	6,448,998	1,105,812	11,252,707	18,807,517
DEPRECIATION	折舊				
At 1 January	於二零零三年				
2003	一月一日	1,001,325	170,506	8,268,547	9,440,378
Provided for the year	年度撥備	1,167,257	263,560	1,545,758	2,976,575
Written back on					
disposals	出售時撥回	(401,412)	-	(29,912)	(431,324)
At 31 December	於二零零三年				
2003	十二月三十一日	1,767,170	434,066	9,784,393	11,985,629
NET BOOK VALUE	賬面淨值				
At 31 December	於二零零三年				
2003	十二月三十一日	4,681,828	671,746	1,468,314	6,821,888
At 31 December	於二零零二年				
2002	十二月三十一日	6,373,547	918,154	2,684,637	9,976,338

The Company

本公司

The Company has no fixed assets as at 31 December 2003 (2002: Nil).

本公司於二零零三年十二月三十一日(二零零二年：無)並無固定資產。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

13. INTERESTS IN SUBSIDIARIES

13. 附屬公司權益

		The Company 本公司	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Unlisted shares, at cost	非上市股份，成本值	286,338,117	286,338,109
Impairment losses	減值虧損	(81,000,000)	(85,000,000)
		205,338,117	201,338,109
Amounts due from subsidiaries	應收附屬公司款項	141,350,253	29,813,723
Amount due to a subsidiary	應付附屬公司款項	(112,809,820)	-
		233,878,550	231,151,832

Amounts due from/(to) subsidiaries were unsecured, interest-free and with no fixed repayment terms.

應收/(應付)附屬公司款項為無抵押及不計息，且無設定還款期。

Details of the Company's principal subsidiaries as at 31 December 2003 are as follows:

本公司於二零零三年十二月三十一日之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及營業地點	Class of shares held 所持股份類別	Percentage of nominal value of issued share capital held by the Company 本公司所持已發行之股本面值百分比		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
REXCAPITAL Financial Group Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島/香港	Ordinary 普通股	100	-	Investment holding 投資控股

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

13. INTERESTS IN SUBSIDIARIES (continued)

13. 附屬公司權益(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及 營業地點	Class of shares held 所持股份 類別	Percentage of nominal value of issued share capital held by the Company 本公司所持已發行 股本面值百分比		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
REXCAPITAL Financial Management Limited	British Virgin Islands/ Hong Kong 英屬維爾京 群島/香港	Ordinary 普通股	100	—	Investment holding 投資控股
# REXCAPITAL Financial Investment Limited 御泰金融投資有限公司	Hong Kong 香港	Ordinary 普通股	—	100	Investment holding 投資控股
# REXCAPITAL Asset Management Limited 御泰資產管理有限公司	Hong Kong 香港	Ordinary 普通股	—	100	Investment holding, provision of advisory and fund management services 投資控股、提供 投資顧問及基金 管理服務
REXCAPITAL Finance Limited 御泰信貸有限公司	Hong Kong 香港	Ordinary 普通股	—	100	Money lending 貸款
# REXCAPITAL Futures Limited 御泰期貨有限公司	Hong Kong 香港	Ordinary 普通股	—	100	Futures and commodities dealing 期貨及商品買賣
# REXCAPITAL Securities Limited 御泰證券有限公司	Hong Kong 香港	Ordinary 普通股	—	100	Securities dealing and margin financing 證券買賣及孖展融資

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

13. INTERESTS IN SUBSIDIARIES (continued)

13. 附屬公司權益(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及 營業地點	Class of shares held 所持股份 類別	Percentage of nominal value of issued share capital held by the Company		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
# REXCAPITAL Corporate Services Limited 御泰企業服務有限公司	Hong Kong 香港	Ordinary 普通股	—	100	Arrangement of leases for group companies 為集團成員公司 安排租約
# Ibrosers Company Limited	Hong Kong 香港	Ordinary 普通股	—	100	Arrangement of leases for group companies 為集團成員公司 安排租約

None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

各附屬公司於本年度年結日及年內任何時間均無任何未償還之借貸資本。

Statutory audits of these entities for the year ended 31 December 2003 were not performed by Ting Ho Kwan & Chan. The net assets of these entities at 31 December 2003 and their turnover and results for the year are summarised as follows:

該等實體之法定審核工作並非由丁何關陳會計師行進行。該等實體於二零零三年十二月三十一日之資產淨值及於年內之營業額及業績概述如下：

		Amount HK\$'000 金額 千港元	Percentage to the Group 佔本集團 百分比
Net assets	資產淨值	117,068	49.6%
Turnover	營業額	40,912	12.6%
Loss for the year	本年度虧損	11,603	N/A 不適用

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

14. INTANGIBLE ASSETS

14. 無形資產

The Group

本集團

		Three trading rights in the Stock Exchange 三項聯交所 交易權 HK\$ 港元	One trading right in the HKFE 一項期交所 交易權 HK\$ 港元	Total 合計 HK\$ 港元
COST	成本			
At 1 January 2003 and at 31 December 2003	於二零零三年一月一日及 二零零三年十二月三十一日	4,042,800	149,600	4,192,400
AMORTISATION	攤銷			
At 1 January 2003	於二零零三年一月一日	1,539,739	68,151	1,607,890
Provided for the year	本年度撥備	1,251,533	40,724	1,292,257
At 31 December 2003	於二零零三年十二月三十一日	2,791,272	108,875	2,900,147
NET BOOK VALUE	賬面淨值			
At 31 December 2003	於二零零三年十二月三十一日	1,251,528	40,725	1,292,253
At 31 December 2002	於二零零二年十二月三十一日	2,503,061	81,449	2,584,510

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

15. INVESTMENT SECURITY

15. 投資證券

		The Group 本集團	
		2003 二零零三年	2002 二零零二年
		HK\$ 港元	HK\$ 港元
Equity security, at cost	股票證券，按成本		
Listed investment in Hong Kong	香港上市投資	50,000	50,000
Market value of listed investment	上市投資市值	123,552	280,566

16. STATUTORY DEPOSITS

16. 法定按金

		The Group 本集團	
		2003 二零零三年	2002 二零零二年
		HK\$ 港元	HK\$ 港元
The Stock Exchange	聯交所		
– compensation fund	– 賠償基金	153,490	153,490
– fidelity fund	– 互保基金	150,000	150,000
– teletext deposit	– 大利市按金	2,400	2,400
– stamp duty deposit	– 印花稅按金	30,000	75,000
The HKFE	期交所		
– compensation fund deposit	– 賠償基金按金	100,000	100,000
Hong Kong Securities Clearing Company Limited	香港中央結算有限公司		
– guarantee fund deposit	– 保證基金按金	150,000	150,000
– admission fee	– 入會費	150,000	150,000
The Stock Exchange Options Clearing House Limited	聯交所期權結算所有限公司		
– reserve fund initial contribution	– 儲備基金首筆供款	1,500,000	1,500,000
HKFE Clearing Corporation Limited	香港期貨交易結算有限公司		
– reserve fund deposit	– 儲備基金按金	1,500,000	1,500,000
		3,735,890	3,780,890

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

17. DEFERRED TAXATION

(i) Deferred tax asset recognised

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2002: 16%).

The following is the major component of deferred tax asset recognised by the Group and movements thereon during the current and prior years:

17. 遞延稅項

(i) 已確認遞延稅項資產

遞延稅項採用負債法就暫時差異按主要稅率17.5%(二零零二年:16%)作全數撥備。

以下為本集團所確認遞延稅項資產之主要部份及其於本年度及以往年度之變動:

		Tax losses
		稅務虧損
		HK\$
		港元
At 31 December 2001	於二零零一年十二月三十一日	
– as previously reported	– 較早前申報	–
– adjustment on adoption of SSAP 12 (revised)	– 採納會計實務準則第12號(修訂版)所作調整	(3,088,675)
– as restated	– 重列	(3,088,675)
Charged to the consolidated profit and loss account	在綜合損益表內支銷	897,184
At 31 December 2002	於二零零二年十二月三十一日	(2,191,491)
Charged to consolidated profit and loss account	在綜合損益表內支銷	2,185,857
Effect of increase in tax rate – credited to	稅率上升之影響 –	
the consolidated profit and loss account	在綜合損益表內進賬	(205,452)
At 31 December 2003	於二零零三年十二月三十一日	(211,086)

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

17. DEFERRED TAXATION (continued)

- (ii) Deferred tax assets/(liabilities) have not been recognised in respect of the following items:

		2003 二零零三年 HK\$ 港元	As restated 重列 2002 二零零二年 HK\$ 港元
Taxable temporary differences	應課稅暫時差異	(131,655)	(1,981,638)
Deductible temporary differences	可扣減暫時差異	7,927,774	3,782,738
Tax losses	稅務虧損	65,527,033	68,659,552
		73,323,152	70,460,652

The deductible temporary differences and tax losses do not expire under current tax legislation.

17. 遞延稅項(續)

- (ii) 遞延稅項資產/(負債)並未就以下項目進行確認：

根據現行稅務條例，可扣減暫時差異及稅務虧損並無到期日。

18. TRADE RECEIVABLES

		The Group 本集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Margin client receivables, net	應收孖展客戶款項淨額	169,988,599	43,895,097
Other client receivables	應收其他客戶款項	15,406,023	2,389,947
Broker receivables	應收經紀款項	4,407,597	4,327,512
Amounts due from clearing houses	應收結算所款項	9,761,119	19,151,330
Loan receivables	應收貸款	151,934,686	162,067,911
Loan interest receivables	應收貸款利息	6,050,158	4,700,413
		357,548,182	236,532,210

18. 應收賬款

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

18. TRADE RECEIVABLES (continued)

Margin client receivables are repayable on demand, bear interest at prevailing market rates and are secured by clients' securities listed on the Stock Exchange with a market value of approximately HK\$542 million as at 31 December 2003 (2002: HK\$150 million). No aged analysis is disclosed for margin client receivables as, in the opinion of the Directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

The settlement terms of other client receivables, broker receivables and amounts due from clearing houses are one or two days after the trade date. The age of these balances is within 30 days.

Included in the above client receivables as at 31 December 2003 are the accounts of associates of certain Directors of approximately HK\$12,898,000 (2002: HK\$4,047,000). The amounts due from the associates are of similar trading terms as the other clients.

The remaining maturity of loan receivables as at 31 December 2003 is as follows:

18. 應收賬款(續)

應收孖展客戶款項須隨時按要求償還，按當時市場利率計息，並以客戶於聯交所上市之證券抵押，該等證券於二零零三年十二月三十一日之市值約542,000,000港元(二零零二年：約150,000,000港元)。由於董事認為就孖展證券融資業務性質而言，賬齡分析意義不大，因此並無披露應收孖展客戶款項之賬齡分析資料。

應收其他客戶款項，應收經紀款項及應收結算所款項須於交易日後一日或兩日內償還，而該等款項賬齡均少於30日。

上述於二零零三年十二月三十一日之應收客戶款項包括應收若干董事之聯繫人士之貸款約12,898,000港元(二零零二年：4,047,000港元)。應收聯繫人士之款項所適用之交易條款與其他客戶相若。

於二零零三年十二月三十一日，應收貸款餘下之年期如下：

		The Group 本集團	
		2003 二零零三年	2002 二零零二年
		HK\$ 港元	HK\$ 港元
Three months or less	三個月或以內	38,816,295	98,342,911
One year or less but over three months	一年以下但三個月以上	113,118,391	63,725,000
		151,934,686	162,067,911

Included in the above loan receivables as at 31 December 2002 was a loan due from a company, in which certain Directors are common directors, of HK\$725,000. This loan has been fully repaid during the year ended 31 December 2003.

上述於二零零二年十二月三十一日之應收貸款包括應收一間若干董事為共同董事之公司之貸款約725,000港元。該項貸款於截至二零零三年十二月三十一日止之年度已全數償還。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

19. OTHER INVESTMENTS

19. 其他投資

	The Group 本集團	
	2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Listed securities in Hong Kong, at market value 香港上市證券·按市值	34,560	87,750

20. BANK BALANCES AND CASH

20. 銀行結餘及現金

	The Group 本集團		The Company 本公司	
	2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Bank balances 銀行結餘				
- general accounts 一般賬戶	28,305,263	26,882,343	45,655	38,687
- segregated accounts 獨立賬戶	61,298,590	32,298,717	-	-
Cash in hand 手頭現金	23,500	20,000	-	-
	89,627,353	59,201,060	45,655	38,687

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

21. TRADE PAYABLES

21. 應付賬款

		The Group 本集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Margin client payables	應付孖展客戶款項	28,363,543	11,159,662
Other client payables	應付其他客戶款項	64,750,520	36,825,597
Broker payables	應付經紀款項	196,332	–
Amount due to a clearing house	應付結算所款項	–	18,511,406
		93,310,395	66,496,665

Margin client payables are repayable on demand and bear interest at prevailing market rates. No aged analysis is disclosed for margin client payables as, in the opinion of the Directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

The settlement term of other client payables, broker payables and amount due to a clearing house is one or two days after the trade date. The age of these balances is within 30 days.

22. AMOUNT DUE TO A RELATED COMPANY

The amount was unsecured, interest-free and with no fixed repayment terms.

應付孖展客戶款項隨時按要求償還，按當時市場利率計息。由於董事認為就孖展證券融資業務性質而言，賬齡分析意義不大，因此並無披露應付孖展客戶款項之賬齡分析資料。

應付其他客戶款項、應付經紀款項及應付結算所款項須於交易日後一日或兩日內償還。而該等款項賬齡均少於30日。

22. 應付關連公司款項

有關款項為無抵押及不計息，且無設定還款期。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

23. SHARE CAPITAL

23. 股本

		Authorised 法定			
		Ordinary shares of HK\$ 0.01 each 每股面值0.01港元之普通股		Ordinary shares of HK\$ 0.1 each 每股面值0.1港元之普通股	
		Number of shares 股份數目	HK\$ 港元	Number of shares 股份數目	HK\$ 港元
At 31 December 2002	於二零零二年 十二月三十一日	-	-	2,000,000,000	200,000,000
Capital restructuring	股本重組	20,000,000,000	200,000,000	(2,000,000,000)	(200,000,000)
At 31 December 2003	於二零零三年 十二月三十一日	20,000,000,000	200,000,000	-	-

		Issued and fully paid 已發行及繳足			
		Ordinary shares of HK\$ 0.01 each 每股面值0.01港元之普通股		Ordinary shares of HK\$ 0.1 each 每股面值0.1港元之普通股	
		Number of shares 股份數目	HK\$ 港元	Number of shares 股份數目	HK\$ 港元
At 31 December 2002	於二零零二年 十二月三十一日	-	-	600,000,000	60,000,000
Capital restructuring	股本重組	3,000,000,000	30,000,000	(600,000,000)	(60,000,000)
At 31 December 2003	於二零零三年 十二月三十一日	3,000,000,000	30,000,000	-	-

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

23. SHARE CAPITAL (continued)

Note:

By a special resolution passed on 29 December 2003, a capital restructuring was undertaken on 30 December 2003 which involved:

- (i) share subdivision on the basis that every one issued ordinary share of HK\$0.1 each in the capital of the Company was subdivided into five shares of HK\$0.02 each;
- (ii) the nominal value of each of the subdivided shares was reduced from HK\$0.02 to HK\$0.01 each by cancelling HK\$0.01 paid up on each issued share. The credit of HK\$30,000,000 arising in the books of the Company from such capital reduction was credited to the contributed surplus account (note 25); and
- (iii) every ordinary share of HK\$0.1 each in the unissued share capital of the Company was subdivided into ten shares of HK\$0.01 each.

24. SHARE OPTION SCHEME

The Company's share option scheme was adopted by the Company on 22 November 2002 (the "Scheme") for the purpose of enabling the Company to grant share options to executives and employees of the Group and other persons who have made contributions to the Group as incentives and/or rewards for their contributions to the Company or its subsidiaries.

According to the Scheme, the Board may grant share options to the eligible participants as defined in the Scheme to subscribe for such number of shares as the Board may determine. Share options granted should be accepted within 30 days from the date of offer. Upon acceptance of the share options, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

23. 股本(續)

附註：

藉一項於二零零三年十二月二十九日通過之特別決議案，股本重組已於二零零三年十二月三十日進行，當中涉及：

- (i) 按本公司股本中每股面值0.1港元之已發行普通股每一股拆細為五股每股面值0.02港元之股份之基準進行股份分拆；
- (ii) 透過註銷每股已發行股份之已繳股款0.01港元，將每股分拆股份之面值由0.02港元減至0.01港元。因股本削減而產生之30,000,000港元在本公司賬目上計入實繳盈餘賬內(附註25)；及
- (iii) 本公司未發行股本中每股面值0.1港元之普通股拆細為十股每股面值0.01港元之股份。

24. 購股權計劃

本公司於二零零二年十一月二十二日採納購股權計劃(「該計劃」)，以向曾對本集團作出貢獻之本集團行政人員及僱員以及其他人士授出購股權，以表揚及／或酬謝彼等對本集團或其任何附屬公司所作出之貢獻。

根據該計劃，董事會可向該計劃所定義之合資格參與人士授出購股權以認購董事會可釐定之股份數目。承授人須就所授購股權支付1港元之代價，並於邀約日期起計30日內接納。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

24. SHARE OPTION SCHEME (continued)

The exercise price of share options shall be determined by the Board, save that such price will not be less than the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant, and (c) the nominal value of a share.

The maximum number of shares which may be issued upon exercise of all share options to be granted under the Scheme and any other share option scheme(s) of the Company must not exceed 10% of the issued share capital of the Company on the date of approval and adoption of the Scheme provided that the Company may at any time seek approval from its shareholders to refresh the limit to 10% of the shares in issue as at the date of approval by the shareholders in general meeting where such limit is refreshed. Share options previously granted under any share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised share options) will not be counted for the purpose of calculating the limit as refreshed.

The total number of shares issued and which may fall to be issued upon exercise of the share options granted under the Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding share options) to each eligible participant in any 12-month period up to and including the date of grant shall not exceed 1% of the shares in issue as at the date of grant. Share options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's issued share capital on the date of grant or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

24. 購股權計劃 (續)

購股權之行使價由董事會釐定，惟不得低於 (a) 本公司股份於授出日期 (必須為營業日) 在聯交所每日報價表上所報之收市價；(b) 本公司股份在緊接授出日期前五個營業日在聯交所每日報價表上所報之平均收市價，或(c) 股份面值 (以較高者為準)。

行使根據該計劃及本公司任何其他購股權計劃可能授出之所有購股權可發行之股份數目上限，不得超過批准及採納該計劃當日本公司之已發行股本10%，惟本公司可不時於股東大會，尋求股東批准重訂於批准該限制當日已發行股份10%之限制。於計算重訂之限制時，較早前根據本公司之任何購股權計劃所授出之購股權 (包括根據該等計劃而仍未行使、已註銷、已失效或已行使之購股權) 將不被計入內。

於截至授出購股權日期之前任何12個月期間 (包括授出當日)，因行使個別合資格人士根據該計劃及本公司任何其他購股權計劃可能授出之購股權 (包括已行使、已註銷及尚未行使購股權) 而已發行及可予發行之有關股份總數，不得超過授出當日已發行股份總數之1%。若向主要股東或獨立非執行董事授出之購股權之有關股份高於授出當日本公司已發行股本0.1%或其價值高於5,000,000港元，則必須經本公司股東事先批准。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

24. SHARE OPTION SCHEME (continued)

The period during which share options may be exercised will be determined by the Board at its absolute discretion, save that no share options can be exercised more than 10 years after they have been granted. There is no general requirement that share options must be held for any minimum period before they can be exercised. The Scheme will expire on 22 November 2012.

No share options have been granted under the Scheme since its adoption and during the year ended 31 December 2003.

The Company made an offer for the grant of share options to certain eligible participants on 11 December 2003, 300,000,000 share options at a subscription price of HK\$0.138 per share were accepted and granted on 3 January 2004. The share options are exercisable during the period from 3 January 2004 to 2 January 2014.

24. 購股權計劃(續)

董事會可全權酌情決定購股權之行使期限，惟授出購股權日期起計十年後不可行使該購股權。對於行使購股權前必須持有購股權之最短期限並無任何一般規定。該計劃將於二零一二年十一月二十二日屆滿。

自採納該計劃後及截至二零零三年十二月三十一日止年度內，並無根據該計劃授出任何購股權。

本公司於二零零三年十二月十一日向若干合資格參與人士作出邀約授出購股權。300,000,000份每股認購價為0.138港元之購股權已於二零零四年一月三日獲接納及授出。該等購股權於二零零四年一月三日至二零一四年一月二日期間可予行使。

25. RESERVES OF THE COMPANY

25. 本公司之儲備

		Share premium 股份溢價 HK\$ 港元	Retained profit/ (accumulated losses) 保留溢利/ (累計虧損) HK\$ 港元	Contributed surplus 實繳盈餘 HK\$ 港元	Total 總計 HK\$ 港元
At 31 December 2001	於二零零一年十二月三十一日	43,651,967	(59,273,380)	214,938,109	199,316,696
Loss for the year	年內虧損	-	(29,183,017)	-	(29,183,017)
At 31 December 2002	於二零零二年十二月三十一日	43,651,967	(88,456,397)	214,938,109	170,133,679
Capital restructuring	股本重組				
- notes (i) & (ii)	- 附註(i)及(ii)	(43,651,967)	88,985,546	(45,333,579)	-
- note 23 (ii)	- 附註23(ii)	-	-	30,000,000	30,000,000
Profit for the year	年內溢利	-	2,924,811	-	2,924,811
At 31 December 2003	於二零零三年十二月三十一日	-	3,453,960	199,604,530	203,058,490

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

25. RESERVES OF THE COMPANY (continued)

Notes:

Pursuant to a special resolution passed on 29 December 2003,

- (i) the amount of share premium account was reduced to zero and the credit arisen was transferred to the contributed surplus account; and
- (ii) an amount of HK\$88,985,546 standing to the credit of the contributed surplus account was applied to offset against the accumulated losses.

Under the Company Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of the contributed surplus account, if:

- (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

In the opinion of the Directors, the Company's reserves available for distribution to shareholders as at the balance sheet date were as follows:

25. 本公司之儲備(續)

附註：

根據一項於二零零三年十二月二十九日通過之特別決議案，

- (i) 股份溢價賬全部金額將削減至零，所產生之進賬轉撥實繳盈餘賬；及
- (ii) 實繳盈餘賬中之為數88,985,546港元之貨項結餘用以抵銷累計虧損。

根據百慕達一九八一年公司法(經修訂)，本公司之實繳盈餘賬屬於可供分派之儲備。然而，若在下述情況下，本公司不得自實繳盈餘賬中宣派或派付股息或作出分派：

- (a) 本公司當時或於有關分派後無法償還到期之債務；或
- (b) 本公司資產之可變現價值將因此而降至低於本公司負債、已發行股本及股份溢價賬之總和。

董事認為，本公司於結算日可供分派予股東之儲備如下：

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Contributed surplus	實繳盈餘	199,604,530	214,938,109
Retained profit/(accumulated losses)	保留溢利/(累計虧損)	3,453,960	(88,456,397)
		203,058,490	126,481,712

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

26. RETIREMENT BENEFIT SCHEME

The Group operates the MPF for all qualifying employees. The retirement benefit costs charged to the profit and loss account represent contributions payable to the scheme by the Group at rates specified in the rules of the scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund.

27. CONTINGENT LIABILITIES

The Group

At 31 December 2003, the Group has no significant contingent liabilities (2002: Nil).

The Company

The Company has issued an unlimited corporate guarantee to a bank to secure general facilities granted to two subsidiaries. The Company has also issued guarantees to the extent of HK\$82,000,000 (2002: HK\$32,000,000) to another bank to secure general facilities granted to two subsidiaries. The facilities utilised by the subsidiaries as at 31 December 2003 amounted to approximately HK\$128.1 million (2002: HK\$8.9 million).

26. 退休福利計劃

本集團為全體合資格僱員安排強積金。在損益表列賬之退休福利成本，為本集團按照計劃規定比率須支付之供款。該計劃資產與本集團其他資產分開，並納入由信託人管理之基金內。

27. 或然負債

本集團

於二零零三年十二月三十一日，本集團並無重大或然負債(二零零二年：無)。

本公司

本公司已就兩間附屬公司所獲一般信貸向銀行發出無限額之公司擔保，亦已就兩間附屬公司所獲一般信貸而向另一間銀行發出82,000,000港元(二零零二年：32,000,000港元)擔保。於二零零三年十二月三十一日，附屬公司已動用信貸額約128,100,000港元(二零零二年：8,900,000港元)。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

28. COMMITMENTS

The Group

At 31 December 2003, the Group's future aggregate minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團	
		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Land and buildings	土地及樓宇		
Within one year	一年內	3,946,217	4,511,095
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	12,468,332	491,402
		16,414,549	5,002,497

The Group leases office premises under operating leases. The leases run for an initial period of one to six years. The leases do not include any contingent rentals.

The Company

At 31 December 2003, the Company did not have any commitments under non-cancellable operating leases (2002: Nil).

Other than the operating lease commitments, the Group and the Company did not have any other capital commitments as at 31 December 2003 (2002: Nil).

28. 承擔

本集團

於二零零三年十二月三十一日，本集團根據不可撤銷經營租約應付之未來最低租金總額如下：

本集團根據經營租約租用辦公室，而該等租約初步為期一至六年不等，並不包括任何或然租金。

本公司

於二零零三年十二月三十一日，本公司並無任何不可撤銷經營租約規定之承擔(二零零二年：無)。

除經營租約外，本集團及本公司於二零零三年十二月三十一日並無任何其他資本承擔(二零零二年：無)。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

29. PLEDGE OF ASSETS

At 31 December 2003, listed investments belonging to clients with total market value of approximately HK\$405,025,650 (2002: HK\$27,776,500) were pledged to a bank to secure overdraft facilities granted to two subsidiaries.

29. 資產抵押

於二零零三年十二月三十一日，屬於客戶所有總市值為405,025,650港元(二零零二年：27,776,500港元)之上市投資已抵押予銀行，作為兩間附屬公司所獲透支信貸額之擔保。

30. TRANSACTIONS WITH RELATED PARTIES

Details of the Group's significant transactions with the following related parties during the year are as follows:

30. 關連人士交易

本集團於本年度曾與以下關連人士進行之重大交易細節概述如下：

		2003 二零零三年 HK\$ 港元	2002 二零零二年 HK\$ 港元
Directors:	董事：		
Commission, fee and interest income	佣金、費用及利息收入	7,914	152,226
Shareholders and fellow subsidiaries:	股東及同系附屬公司：		
Commission, fee and interest income arising from futures and securities trading	來自期貨及證券買賣之佣金、費用及利息收入	-	387,968
Associates of Directors:	董事之聯繫人士：		
License fee paid for use of premises	已付使用房屋之許可證費用	743,219	241,538
Commission and interest income arising from futures and securities trading	來自期貨及證券買賣之佣金及利息收入	1,359,348	-
Commitment fee and interest paid	承諾費及已付利息	1,796,670	-
Sub-underwriting fee paid	已付分包銷費用	140,000	-

In the opinion of the Directors, including the independent non-executive directors, the above transactions were entered into in the Group's ordinary course of business and on normal commercial terms.

董事(包括獨立非執行董事)認為上述交易在本集團日常業務中按一般商業條款進行。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the Year ended 31 December 2003

截至二零零三年十二月三十一日止年度

30. TRANSACTIONS WITH RELATED PARTIES (Continued)

In last year, one of the subsidiaries, REXCAPITAL Corporate Management Limited, had entered into a license agreement with an associate of a Director (“licensor”), which became a subsidiary of the Company during the year, to use the office premises leased by the licensor for an initial period of one year. The license fee is calculated according to the proportion of floor area occupied by the Group without any mark-up.

31. SUBSEQUENT EVENT

After the balance sheet date, on 12 January 2004, a conditional sale and purchase agreement was entered into between the Company and REXCAPITAL Group Limited (the “Purchaser”), in which certain Directors are common directors, whereby the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire issued share capital of REXCAPITAL Financial Group Limited and all of its subsidiaries (the “Sale Group”) for an aggregate consideration of HK\$229 million, subject to adjustment with reference to the unaudited consolidated net asset value of the Sale Group as at the determination date in accordance with the terms of the sale and purchase agreement. The transaction has not yet been completed up to the date of this report.

32. COMPARATIVE FIGURES

In the current year, the Group has adopted the SSAP 12 (revised), as mentioned in note 2(a) to the accounts, for the first time. The presentation in the current year’s accounts has been modified in order to conform with the requirements of this standard. Comparative figures have been restated in order to achieve a consistent presentation.

30. 關連人士交易(續)

於上年度，本集團一間附屬公司御泰企業管理有限公司與一家公司(「許可證發出人」為一名董事之聯繫人，並且於年內成為本集團之附屬公司)訂立一項許可證協議，使用許可證發出人所租用之辦公室物業，初步為期一年，租金按本集團所佔用樓面比例以原租值計算。

31. 結算日後事項

結算日後，於二零零四年一月十二日，本公司與REXCAPITAL Group Limited(「買方」)訂立一項有條件買賣協議，其中若干董事亦為該公司之董事，據此本公司有條件同意出售，而買方有條件同意收購REXCAPITAL Financial Group Limited及其所有附屬公司(「出售集團」)，代價總額為229,000,000港元，惟須受根據買賣協議之條款經參考出售集團於釐定日之未經審核綜合資產淨值作調整。截至本報告日期，該項交易尚未完成。

32. 比較數字

按賬目附註2(a)所述，本集團於本年度首次採納會計實務準則第12號(修訂版)。本年度之賬目呈報方式已作出修改，以符合該等準則之要求。比較數字亦已重列，以符合一致之呈報方式。