

Notes to the Accounts

帳目附註

1 Principal accounting policies

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

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted 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.

In the current year, the Group adopted SSAP 12 "Income Taxes" issued by the HKSA, which is effective for accounting periods commencing on or after 1st January 2003.

The changes to the Group's accounting policy and the effect of adopting this new policy are set out in note 1(m) below.

(b) Group accounting

(i) Consolidation

The consolidated accounts include the accounts of the Company and all its subsidiaries made up to 31st December. Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power, has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast the majority of votes at the meetings of the board of directors.

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 which was not previously charged or recognised in the consolidated profit and loss account.

1. 主要會計政策

編製該等帳目採納之主要會計政策載列如下：

(a) 編製基準

該等帳目乃根據香港普遍採納之會計準則及香港會計師公會頒佈之會計準則編製。該等帳目乃按歷史成本法編製。

於本年度，本集團採納由香港會計師公會頒佈之下列會計準則第12號「利得稅」，該項會計準則於二零零三年一月一日開始之會計期間生效。

採納此等新準則對本集團之影響詳見附註1(m)。

(b) 集團會計

(i) 綜合帳目

綜合帳目包括本公司及其所有附屬公司截至十二月三十一日止之帳目。附屬公司指本公司直接或間接控制一半以上投票權，有權控制其財務及營運政策、委任或免任多數董事會成員或在其董事會會議上投多數票之實體。

年內收購或出售之附屬公司由其收購生效日期起或截至其出售生效日期止（如適用）之業績已載於綜合損益帳內。

所有集團內公司間之重大交易及結餘均已於編製綜合帳目時抵銷。

出售一間附屬公司產生之收益或虧損乃指出售所得收入與本集團所佔該公司之淨資產連同未從損益表中扣除或確認未經攤銷之商譽之差額。

1 Principal accounting policies (Continued)

(b) Group accounting (Continued)

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

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

(ii) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The balance sheets of subsidiaries and jointly controlled entities expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss accounts are translated at an average rate. Exchange differences are dealt with as a movement in reserves. Upon disposal of a foreign entity the accumulated related exchange difference is taken to the consolidated profit and loss account as part of the gain or loss on disposal.

(c) Jointly controlled entities

A jointly controlled entity is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated profit and loss account includes the Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities.

The Group recognizes the portion of gains or losses on the sale of assets by the Group to the jointly controlled entities that is attributable to the other venturers.

1 主要會計政策 (續)

(b) 集團會計 (續)

少數股東權益乃指外部股東在附屬公司內應佔經營業績及淨資產之權益。

在本公司之資產負債表內，於附屬公司之投資乃按成本值減去減值虧損撥備列帳。附屬公司之業績由本公司按已收及應收股息入帳。

(ii) 外幣換算

外幣交易乃按交易日之適用匯率進行換算。於結算日，以外幣列帳之貨幣資產及負債乃按結算日之適用匯率換算入帳。因換算而產生之差額撥入損益帳內處理。

附屬公司及共同控制實體以外幣列值之資產負債表乃按結算日之適用匯率換算，而盈利及虧損則按平均匯率換算。因換算而產生之差額在儲備帳內列作變動處理。當本集團出售此類海外經濟實體時，相關累計之兌換差額，應入出售權益產生之盈利或虧損，並於損益表內確認。

(c) 共同控制實體

共同控制實體為一合約安排，透過此安排本集團及其他方可共同從事經濟活動，且任一參與方均無權獨立控制該等經濟活動。

綜合損益帳包括本集團分佔共同控制實體本年度之業績，而綜合資產負債表則包括本集團分佔共同控制實體之資產淨值。

當本集團出售資產予共同控制實體時，本集團將體現合營者應佔之收益或虧損。



1 Principal accounting policies (Continued)

(c) Jointly controlled entities (Continued)

In the Company's balance sheet, the investment in a jointly controlled entity is stated at cost less provision for impairment losses. The results of the jointly controlled entity is accounted for by the Company on the basis of dividends received and receivable.

(d) Fixed assets

(i) Fixed assets

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

Fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straightline basis. The principal annual rates are as follows:

Leasehold improvements	Over the terms of the lease
Furniture and fixtures	18% to 30%
Office equipment	18% to 25%
Network equipment and toolings	25% to 33.3%
Motor vehicles	18% to 33.3%

The cost of the network comprises assets and equipment of the digital broadcasting systems purchased at cost, together with direct payroll and overhead attributable to the cost of construction and installation of the system. Depreciation of the network commenced from the date of commencement of the network.

Network under construction is stated at cost less accumulated impairment losses. No depreciation is provided for that part of the network under construction, including equipment therein.

Improvements are capitalised and depreciated over their expected useful lives to the Group.

(ii) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in 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.

1 主要會計政策（續）

(c) 共同控制實體（續）

在本公司之資產負債表內，於控制實體之投資乃按成本值減去減值虧損撥備列帳。共同控制實體之業績由本公司按已收及應收股息入帳。

(d) 固定資產

(i) 固定資產

固定資產包括租賃物業裝修、傢俬及裝置、辦公設備、網絡設備及模具以及汽車，按成本值減累計折舊及累計減值虧損列帳。

固定資產乃按估計可使用年限以直線法撇銷其成本（已減去累計減值虧損）計提折舊。主要折舊年率如下：

租賃物業裝修	按租約年期
傢俬及裝置	18% 至 30%
辦公設備	18% 至 25%
網絡設備及模具	25% 至 33.3%
汽車	18% 至 33.3%

網絡成本包括按成本購買之數碼廣播系統之資產及設備，及應歸入系統建設及安裝成本之直接工資與管理費用。網絡折舊自網絡開始運作之日起計。

在建網絡以成本減累計減值虧損列帳。在建網絡（包括其設備）並無作出任何折舊。

物業裝修乃於其預計對本集團可使用年期撥充資本及作出折舊。

(ii) 減值及出售之盈利或虧損

於各結算日，所有內部及外部信息資源均已用作評估否是有跡象表明固定資產所包含之資產已減值。倘有任何該等跡象存在，則評估有關資產之可收回金額，並相應確認減值虧損以將資產減至其可收回金額。該等減值虧損乃於損益表內確認。

1 Principal accounting policies (Continued)

(d) Fixed assets (Continued)

(ii) Impairment and gain or loss on sale (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.

(e) Intangibles

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions is included in intangible assets and is amortised using the straight-line method over its estimated useful life.

(ii) Research and development costs

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

(iii) Film rights

Expenditure incurred for the acquisition of film rights is capitalised. The film rights is included in intangible assets and is amortised either using the sum-of-digit method over the terms of the licencing period or on a straight-line basis over 20 years for the perpetual film rights.

(iv) Impairment of intangible assets

Where an indication of impairment exists, the carrying amount of any intangible asset, is assessed and written down immediately to its recoverable amount.

(f) Investments securities

Investment securities are stated at cost less any provision for 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 will be reduced to the 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.

1 主要會計政策 (續)

(d) 固定資產 (續)

(ii) 減值及出售之盈利或虧損 (續)

出售固定資產產生之盈利或虧損乃指有關資產之出售所得收益淨額與面值之差額，並於損益表內確認。

(e) 無形資產

(i) 商譽

商譽乃指收購成本超逾收購當日本集團應佔所收購附屬公司淨資之公平價值之部份。收購商譽乃包括在無形資產並按估計可使用年限以直線法攤銷。

(ii) 研究和開發成本

研究成本於產生時作為費用入帳。就開發項目而言，若已表明技術上具可行性，具完成所開發產品之明確目標，且擁有可完成此項目之可動用資源，開支可清楚界定，並可售出或使用該資產，而該資產日後有望產生經濟利益，則可將開發項目成本確認為無形資產。該等開發成本可確認為一項資產，並可按直線法於不超逾五年之期間攤銷，以反映有關經濟利益獲確認之情況。未能符合上述標準之開發成本於產生時作為費用入帳。先前確認為費用之開發成本不可在期後確認為一項資產。

(iii) 影片權益

購買影片權益產生之開支撥充資本。影片權益計入無形資產，並按使用年數合計法於電影版權期限內攤銷。或按直線法基準於影視權二十年（不限電影版權期限）內攤銷。

(iv) 無形資產減值

如有跡象顯示出現減值，則無形資產之帳面值，均需評估及即時撇減至可收回價值。

(f) 投資證券

投資證券按成本減去任何減值虧損撥備列帳。

個別投資之帳面金額每次於結算日期均須覆核，以評估其公允價值是否已跌至帳面值以下。若發生非短期性質之減值，則該等證券之帳面值須減至其公允價值。減值虧損列入損益表。當出現導致撇減或撇銷之情況或事件不再存在，而且有具說服力之證據顯示新情況或事件將會在可見未來持續存在，則是項減值虧損將撥回損益表。



1 Principal accounting policies (Continued)

- (g) Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the first-in, first-out basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.
- (h) Work in progress
Work in progress is recorded at the amount of cost incurred to date less net foreseeable loss after netting off attributable profit.
- (i) Accounts receivable
Provision is made against accounts receivable to the extent they are considered to be doubtful. Accounts receivable in the balance sheet are stated net of such provision.
- (j) Cash and cash equivalents
Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and bank balances.
- (k) 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.
- (l) Employees' benefits
- (i) Employee leave entitlements
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 leave are not recognised until the time of leave.
- (ii) Profit sharing and bonus plans
The expected cost of profit sharing and bonus payments are recognised as a liability 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.
- Liabilities for profit sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

1 主要會計政策 (續)

- (g) 存貨
存貨按成本及可變現淨值兩者中較低者入帳。成本以先進先出基準計算。可變現淨值以預期銷售所得款項減去估計銷售費用計算。
- (h) 在建工程
在建工程按當日產生之成本值減去在抵銷應佔溢利之後可預見之淨虧損。
- (i) 應收貿易款
凡被視為屬呆帳之應收貿易款均需提撥備。在資產負債表內列帳之應收貿易款已扣除有關之撥備。
- (j) 現金及現金等價物
現金及現金等價物按成本列入資產負債表。就為編製現金流量表之目的而言，現金及現金等價物包括手頭現金及銀行帳目餘額。
- (k) 撥備
若本集團因過往事項須承擔現時法定或推定責任，且可能需要資源流出履行該等責任，並可就有關金額作出準確估算時，則可確認為撥備。
- (l) 僱員福利
- (i) 僱員休假權利
僱員享受之年假及長期服務假期於僱員獲得該等權利時確認。直至結算日，僱員服務所產生之年假及長期服務假期之估計負債已作出撥備。
- 僱員享有之病假及產假於休假時方確認。
- (ii) 溢利分成及紅利計劃
當本集團因僱員提供服務而擁有現有合法或建設性責任且該責任能可靠估計時確認溢利分成及紅利支付之預期成本。
- 溢利分成及紅利計劃之負債將於12個月內清償，按預期於清償時支付之數額計算。

1 Principal accounting policies (Continued)

(l) Employees' benefits (Continued)

(iii) Pension obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all those employees who are eligible to participate in the Scheme. The Scheme became effective from 1st December 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the Scheme. The assets of the 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 Scheme except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the Scheme.

The Company's subsidiaries in Mainland China are members of the state-managed retirement benefits scheme operated by the Government of Mainland China. The retirement scheme contributions, which are based on a certain percentage of the salaries of the subsidiaries' employees, are charged to the profit and loss account in the period to which they relate and represent the amount of contributions payable by these subsidiaries to the scheme.

(iv) Equity compensation benefits

Share options are granted to directors and to employees at a price determined in accordance to the Company's share option scheme on the date of the grant and are exercisable at that price, no compensation cost is recognised. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital and share premium.

(m) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

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

1 主要會計政策 (續)

(l) 僱員福利 (續)

(iii) 退休金負債

本集團根據強積金條例，為有資格之僱員設立定額供款強積金退休福利計劃（「計劃」）。該計劃自二零零零年十二月一日開始生效。強積金供款按照供款時僱員基本薪金某個百分比支付，於根據計劃之規則應付時於損益帳內扣除。該計劃之資產與本集團之資產分開持有，由獨立管理之基金保管。根據強積金計劃之規則，若僱員在到期有權領取全數供款前離任，僱主自願供款部份將歸還予本集團。

本公司在中國內地之附屬公司均參與當地方政府部門推行之退休福利計劃。退休計劃供款按附屬公司之僱員之某個百分比計算，於重列該等附屬公司應付予該計劃之供款數額期間內於損益帳內扣除。

(iv) 股權酬勞福利

購股權於授出日期按股份之市價授予董事及僱員且可按該市價行使。酬勞成本不予確認。當購股權獲行使時，已收款項扣除任何交易成本後計入股本及股份溢價。

(m) 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在帳目之帳面值兩者之間之臨時差額作全數撥備。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃按可使用未來應課稅溢利以抵臨時差額而予以確認。



1 Principal accounting policies (Continued)

(m) Deferred taxation (Continued)

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

In prior year, 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 recoverable in the foreseeable future. The adoption of the new SSAP 12 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 27 to the accounts, there is no net effect on opening accumulated losses of the Group as at 1st January 2002 and 1st January 2003. After offsetting the deferred tax liabilities and the deferred tax assets, the net balance of the deferred tax account of the Group is nil as at 31st December 2002 and 31st December 2003.

(n) Contingent liabilities and contingent assets

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 the outflow becomes probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

1 主要會計政策 (續)

(m) 遞延稅項 (續)

遞延稅項乃就於附屬公司、聯營公司及合營企業之投資所產生之臨時差額而予以確認，惟倘撥回時差之時間可予控制且臨時差額將不會於可預見將來撥回則除外。

於過往年度，遞延稅項乃就因稅務目的計算之溢利以及帳目中所示之溢利之間之時差，按當期稅率計算，惟以預期於可預見將來支付或收回者為限。採納新會計準則第12號涉及會計政策變動，且已作追溯應用，故比較數字已重列以配合所變動之會計政策。

如帳目附註27所示，在2002年1月1日及2003年1月1日之期初累積虧損沒有影響。當沖銷遞延資產及遞延負債後，在2003年及2002年12月31日之資產負債表中之遞延稅項帳目為零。

(n) 或然負債及或有資產

或然負債乃因過往事件可能產生之責任，其存在與否僅可根據一件或多件日後不確定事項是否發生而確定，且該等事項並不完全受本集團控制。或然負債亦可能因過往事項而引至現有責任，概因該事件可能不需要經濟資源流出或無法可靠計算有關責任所涉及之金額而未有記帳。

未確認之或然負債，惟於帳目附註內作出披露。若資源流出之可能性有所改變引致可能出現資源流出，則將獲確認為撥備。

或有資產乃過往事項可能產生之資產，其存在與否僅可根據一件或多件日後不確定事項是否發生而確定，且該等事項並不完全受本集團控制。

若一項經濟利益有可能流入時，未確認之或有資產，則於帳目附註中予以披露。若經濟利益流入獲實質確定，則可確認為資產。

1 Principal accounting policies (Continued)

(o) Assets under leases

(i) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The finance charges are charged to the profit and loss account over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

(ii) 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.

(p) Revenue recognition

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Revenue from the services and design, integration and installation of platforms for digital broadcasting systems is recognised upon the satisfactory completion of each installation and acceptance by the customers.

Service fee income for provision of international financial market information and selective consumer data is recognised on a straight-line basis over the period of the service contract.

Revenue from the leasing of digital broadcasting network equipment and technical know-how and related software is recognised on an agreed proportion of net subscription income received from ultimate customers of the lessee in accordance with the respective agreements.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Dividend income is recognised when the right to receive payment is established.

1 主要會計政策 (續)

(o) 租賃資產

(i) 融資租賃

所持資產之風險及回報幾乎全部轉移予本集團之租約視為融資租賃。融資租賃於設立時按租賃資產之公平價值或最低租金現值之較低者而予以資本化。每項租賃租金乃在資本及融資開支之間作出分配，以使在達致未償資本結餘之固定比率。相關之租金責任（扣除融資開支後）乃計入負債。融資開支於租約期內在損益帳中支銷。

以融資租賃持有之資產乃按估計可使用年期或租約期之較短者予以折舊。

(ii) 經營租賃

所持資產之風險及回報幾乎全部由租賃公司承擔之租約視為經營租約。根據經營租約支付之款項減除租賃公司應收之任何獎金，於租賃期間按直線法自損益表內支銷。

(p) 收入確認

貨品銷售收入乃於擁有權之風險及回報轉讓時（通常與貨品交付予顧客及所擁有權轉移時間一致）確認入帳。

服務、研發、集成及裝設數碼廣播系統產生之收入於各安裝工程完成並獲取客戶認可時予以確認入帳。

就提供國際市場資訊及精選消費者數據獲得之服務費收入於服務合約期間按直線法予以確認入帳。

租賃數碼廣播網絡設備、技術訣竅及有關軟件產生之收入乃根據有關協議按自承租人之最終客戶收取之淨收視費收入按協定比例確認入帳。

利息收入乃根據未償還本金及實際利率按時間比例基準確認入帳。

股息收入乃於確定有權收取股息派付時確認入帳。



1 Principal accounting policies (Continued)

(q) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

(r) Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Unallocated income and costs represent corporate income and expenses (including provision against investments). Segment assets consist primarily of intangible assets, fixed assets, inventories, receivables and operating cash, and mainly exclude investment securities and investment in a jointly controlled entity. Segment liabilities comprise operating liabilities. Capital expenditure comprises additions to fixed assets note 12 and intangible assets note 13.

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

2 Turnover and revenue

The Group is principally engaged in the services and design, integration and installation of digital broadcasting systems and development of related software and products and provision of international financial market information and selective consumer data.

1 主要會計政策 (續)

(q) 借貸成本

就直接與收購、建造或生產某項須經過頗長時間籌備以作擬定用途或出售之資產有關之借貸成本，均資本化為資產之部份成本。

所有其他借款費用均於發生年度於損益帳扣除。

(r) 分部報告

根據本集團內部財務申報程序，本集團決定業務分部資料作為主要報告格式，而地區分佈資料則以次要報告格式呈列。

未分配收入及開支即企業收入及費用（包括投資撥備）。分部資產主要為無形資產、固定資產、存貨、應收款及經營現金（不包括證券投資及共同控制實體投資）。分部負債包括經營負債。資本支出包括固定資產添置（附註12）及無形資產增加（附註13）。

就地理分部報告而言，銷售額以客戶所在國家為基準。總資產及資本支出以有關資產所在地計算。

2 營業額及收入

本集團主要從事數碼廣播服務，系統集成、研發、裝設及相關軟件及產品的開發，以及提供國際金融市場資訊及精選消費者數據服務。

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Turnover	營業額		
Sales of digital broadcasting systems and related software and products	銷售數碼廣播系統及有關軟件及產品	56,335	34,595
Leasing income	租賃收入	2,670	2,799
Provision of financial and consumer data	提供國際金融市場資訊及精選消費者數據	14,247	12,485
		73,252	49,879
Other revenues	其他收入		
Interest income from bank balances	銀行結餘之利息收入	910	623
Total revenues	總收入	74,162	50,502

3 Segment information

Primary reporting format - business segments

The Group is organised into two main business segments:

- (i) Services and design, integration and installation of digital broadcasting systems and development of related software and products; and
- (ii) Provision of international financial market information and selective consumer data

There are no sales between business segments.

3 分部資料

主要申報格式—按業務劃分

本集團業務主要分為以下兩類：

- (i) 數碼廣播服務、系統集成、研發、裝設及相關軟件及產品的開發；及
- (ii) 提供國際金融市場資訊及精選消費者數據服務

業務分部之間並無任何銷售。

		2003 二零零三年		
		Services and design, integration and installation of digital broadcasting systems and development of related software and products HK\$'000 數碼廣播服務， 系統集成、研發、 裝設及相關軟件及 產品的開發 千港元	Provision of international financial market information and selective consumer data HK\$'000 提供國際 金融市場資訊 及精選 消費者數據服務 千港元	Total HK\$'000 總計 千港元
Turnover	營業額	59,005	14,247	73,252
Segment results	分部業績	(113,330)	(2,063)	(115,393)
Unallocated costs	未分配成本			(20,280)
Operating loss	經營虧損			(135,673)
Finance costs	融資成本			(1,087)
Share of loss of a jointly controlled entity	分佔共同控制實體虧損			(1,340)
Loss before minority interests	扣除少數股東前虧損			(138,100)
Minority interests	少數股東權益			3,847
Loss for the year	年內虧損			(134,253)
Preference dividends	優先股股息			(5,812)
Loss attributable to ordinary shareholders	普通股股東應佔虧損			(140,065)
Segment assets	分部資產	246,018	1,724	247,742
Unallocated assets	未分配資產			7,717
Total assets	資產總額			255,459
Segment liabilities	分部負債	105,453	4,355	109,808
Total liabilities	負債總額			109,808
Capital expenditure	資本支出	16,317	68	16,385
Depreciation	折舊	17,529	282	17,811
Amortisation	攤銷	5,261	—	5,621
Impairment charge-allocated	減值費用—分配	50,561	—	50,561
Impairment charge-unallocated	減值費用—未分配			20,280
Other non-cash expenses	其他非現金費用	10,756	—	10,756

3 Segment information (Continued)

3 分部資料 (續)

		2002 二零零二年		Total
		Services and design, integration and installation of digital broadcasting systems and development of related software and products HK\$'000 數碼廣播服務、 系統集成、研發、 裝設及相關軟件及 產品的開發 千港元	Provision of international financial market information and selective consumer data HK\$'000 提供國際 金融市場資訊 及精選 消費者數據服務 千港元	HK\$'000 總計 千港元
Turnover	營業額	37,394	12,485	49,879
Segment results	分部業績	(96,342)	(3,810)	(100,152)
Unallocated costs	未分配成本			(35,000)
Operating loss	經營虧損			(135,152)
Finance costs	融資成本			(1,164)
Share of loss of a jointly controlled entity	分佔共同控制實體虧損			(837)
Loss before minority interests	扣除少數股東權益前虧損			(137,153)
Minority interests	少數股東權益			943
Loss for the year	年內虧損			(136,210)
Preference dividends	優先股股息			(6,089)
Loss attributable to ordinary shareholders	普通股股東應佔虧損			(142,299)
Segment assets	分部資產	258,994	1,631	260,625
Unallocated assets	未分配資產			29,337
Total assets	資產總額			289,962
Segment liabilities	分部負債	56,124	3,064	59,188
Total liabilities	負債總額			59,188
Capital expenditure	資本支出	21,794	1,207	23,001
Depreciation	折舊	16,077	494	16,571
Amortisation	攤銷	4,750	1,973	6,723
Impairment charge-unallocated	減值費用—未分配			35,000
Other non-cash expenses	其他非現金費用	38,041	—	38,041

3 Segment information (Continued)

Secondary reporting format - geographical segments

The Group's two business segments operate in three main geographical areas:

- (i) Mainland China – Services and design, integration and installation of digital broadcasting systems and development of related software and products;
- (ii) Hong Kong - Provision of international financial market information and selective consumer data; and
- (iii) Other Southeast Asian countries - Services and design, integration and installation of digital broadcasting systems and development of related software and products and provision of international financial market information and selective consumer data

There are no sales between geographical segments.

3 分部資料 (續)

次要申報格式—按地區劃分

本集團兩類業務於三個主要地區經營：

- (i) 中國內地—數碼廣播服務，系統集成、研發、裝設平台及相關軟件及產品的開發；
- (ii) 香港—提供國際金融市場資訊及精選消費者數據；及
- (iii) 其他東南亞國家—數碼廣播系統集成、研發、裝設平台及相關軟件及產品的開發及提供國際金融市場資訊及精選消費者數據。

該等地區之間並無進行銷售往來。

		2003 二零零三年			
		Turnover HK\$'000 營業額 千港元	Segment results HK\$'000 分部業績 千港元	Total assets HK\$'000 資產總額 千港元	Capital expenditure HK\$'000 資本支出 千港元
Mainland China	中國內地	58,996	(113,340)	160,201	8,469
Hong Kong	香港	11,008	(2,217)	86,935	7,916
Other Southeast Asian countries	其他東南亞國家	3,248	164	606	—
		<u>73,252</u>	<u>(115,393)</u>	<u>247,742</u>	<u>16,385</u>
Unallocated costs	未分配成本		<u>(20,280)</u>		
Operating loss	經營虧損		<u>(135,673)</u>		
Unallocated assets	未分配資產			<u>7,717</u>	
Total assets	資產總額			<u>255,459</u>	

3 Segment information (Continued)

3 分部資料 (續)

		2002 二零零二年			
		Turnover HK\$'000 營業額 千港元	Segment results HK\$'000 分部業績 千港元	Total assets HK\$'000 資產總額 千港元	Capital expenditure HK\$'000 資本支出 千港元
Mainland China	中國內地	36,322	(95,864)	211,828	12,302
Hong Kong	香港	9,266	(3,276)	48,367	10,661
Other Southeast Asian countries	其他東南亞國家	4,291	(1,012)	430	38
		<u>49,879</u>	<u>(100,152)</u>	260,625	<u>23,001</u>
Unallocated costs	未分配成本		<u>(35,000)</u>		
Operating loss	經營虧損		<u>(135,152)</u>		
Unallocated assets	未分配資產			<u>29,337</u>	
Total assets	資產總額			<u>289,962</u>	

4 Operating loss

Operating loss is stated after crediting and charging the following:

4 經營虧損

經營虧損乃經計入及扣除以下項目後入帳：

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
<u>Crediting</u>	計入		
Other operating income including:	其他經營收益，包括：		
Write-back of provision against doubtful debts	呆帳撥備回撥	—	474
Net gain on disposal of fixed assets	出售固定資產淨收益	—	155
<u>Charging</u>	扣除		
Cost of inventories sold	出售存貨成本	48,218	24,555
Cost of provision of financial and consumer data	提供金融市場資訊及消費者數據成本	5,323	3,953
Depreciation	折舊	17,811	16,571
Auditors' remuneration	核數師酬金	870	850
Staff costs (including directors' emoluments) (note 5)	員工成本（包括董事酬金）（附註5）	24,150	34,149
Operating lease rentals on land and buildings	土地及樓宇經營租賃租金	5,411	6,323
Other operating expenses including:	其他經營開支包括：		
Amortisation of deferred development costs	遞延開發成本攤銷	2,727	3,082
Amortisation of film rights	影片權益攤銷	2,534	3,641
Provision for impairment loss on investment securities	證券投資減值撥備	20,280	35,000
Provision for impairment loss on long-term deposits (note 15)	長期按金減值撥備（附註15）	18,692	—
Provision for impairment loss on intangible assets (note 13)	無形資產減值撥備（附註13）	31,869	—
Provision against inventories	存貨撥備	3,263	3,623
Provisions against trade and other receivables	應收貿易款及其他應收款項撥備	4,774	1,308
Write-off of trade receivables (note 31(d))	應收貿易款撇銷（附註31(d)）	2,524	33,110
Write-off of of deferred development costs	遞開發成本撇銷	14	74
Net loss on disposal of fixed assets	出售固定資產淨虧損	181	—

5 Staff costs

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Wages and salaries	工資及薪金	37,209	43,599
Unutilised annual leave	未使用之年假撥備	207	717
Contributions to the defined contribution schemes	退休成本— 界定供款計劃	1,934	2,882
Termination benefits	離職福利	417	723
Less: costs capitalised	減：資本化之成本	(15,617)	(13,772)
		24,150	34,149

5 員工成本**6 Finance costs**

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Interest on bank loans	銀行貸款利息	1,082	1,108
Finance lease expenses	融資租賃支出	5	56
		1,087	1,164

6 融資成本**7 Taxation**

No provision for Hong Kong and overseas profits tax has been made in the accounts as the Group did not have any assessable profit 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.

7 稅項

由於本集團年內並無任何應課稅溢利（二零零二年：無），故於帳目上未就香港及海外利得稅作出撥備。於二零零三年，政府將二零零三/二零零四財政年度之利得稅率由16%調整至17.5%。

7 Taxation (Continued)

The taxation on the Company's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Loss before taxation	除稅前虧損	(138,100)	(137,153)
Notional tax calculated at the rates applicable in the countries concerned	以不同國家稅率計算之名義稅金	(15,353)	(16,000)
Tax at preferential rate	稅務優惠	6,268	3,071
Income not subject to taxation	毋須繳稅之收入	(1)	(558)
Expenses not deductible for taxation purposes	不可作寬免稅項之開支	392	472
Temporary difference not recognised	未確認之臨時差額	4,816	7,710
Utilisation of previously unrecognised tax losses	動用之前未確認之稅務虧損	(1,479)	(237)
Tax losses not recognised	未確認之稅務虧損	5,357	5,542
Taxation charge	稅項開支	—	—

8 Preference dividends

		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
The Company	本公司		
Dividends on 5% redeemable, convertible preference shares (note 24(b))	5%可贖回、可換股優先股之股息 (附註 24(b))	—	277
DVN (Group) Limited, a wholly-owned subsidiary of the Company	天地數碼(集團)有限公司，本公司之全資附屬公司		
Dividends on 5% exchangeable preference shares (note 28)	5%可交換股優先股之股息 (附註28)	5,812	5,812
		5,812	6,089

9 Loss attributable to ordinary shareholders

The loss attributable to ordinary shareholders is dealt with in the accounts of the Company to the extent of HK\$93,393,000 (2002: HK\$156,062,000).

7 稅項 (續)

本公司除稅前溢利之稅項與利用公司本土國家之稅率計算產生之理論金額之差額如下：

8 優先股股息

9 普通股股東應佔虧損

已計入本公司帳目中之普通股股東應佔虧損為93,393,000港元(二零零二年：156,062,000港元)。



10 Loss per share

The calculation of the basic loss per share is based on the Group's loss attributable to ordinary shareholders of HK\$140,065,000 (2002: HK\$142,299,000) and on the weighted average number of 395,227,977 (2002:368,522,092) ordinary shares in issue during the year.

No diluted loss per share is shown for the two years ended 31st December 2003 and 2002 as the share options, convertible and exchangeable preference shares outstanding had an anti-dilutive effect on the basic loss per share for both years.

11 Directors' and senior management's emoluments

(a) Directors' emoluments

The aggregate amounts of emoluments payable to directors of the Company during the year are as follows:

		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Fees:	袍金：		
Independent non-executive directors	獨立非執行董事		
Other emoluments:	其他酬金：	—	72
Executive directors	執行董事		
Basic salaries, housing benefits, other allowances and benefits in kind	基本薪金、住房福利、 其他津貼及實物利益	2,025	3,780
Discretionary bonus	酌情花紅	80	—
Contributions to defined contribution Mandatory Provident Fund	定額供款強制性公積金供款	12	80
		2,117	3,932

During the year ended 31st December 2003, 7,500,000 (2002: 6,000,000) share options were granted to directors of the Company under the Share Option Scheme approved by the shareholders at a Special General Meeting on 26th June 2002.

The emoluments of the directors fell within the following bands:

Emolument bands 酬金幅度		Number of directors 董事人數	
		2003 二零零三年	2002 二零零二年
Nil - HK\$1,000,000	零至1,000,000港元	7	7
HK\$1,000,001 to HK\$2,500,000	1,000,001 港元至2,500,000 港元	1	—
HK\$2,500,001 - HK\$3,000,000	2,500,001 港元至3,000,000 港元	—	—
HK\$3,000,001 - HK\$3,500,000	3,000,001 港元至3,500,000 港元	—	1

10 每股虧損

每股基本虧損乃根據本集團普通股股東應佔虧損140,065,000港元（二零零二年：142,299,000港元）及年內已發行普通股之加權平均數（即395,227,977股）（二零零二年：368,522,092股）計算。

由於年內未行使之購股權及可換股優先股對每股基本虧損沒有攤薄作用，故未有列出截至二零零三年及二零零二年十二月三十一日止兩個年度之每股攤薄虧損。

11 董事及高級管理人員酬金

(a) 董事酬金

年內本公司應向董事支付之酬金總額如下：

於截至二零零三年十二月三十一日止年度，本公司根據股東於二零零二年六月二十六日召開之特別股東大會上通過之購股權計劃，向本公司若干董事授予7,500,000份購股權。（二零零二年：6,000,000份）

董事酬金介乎下列幅度：

11 Directors' and senior management's emoluments (Continued)

During the year, no directors of the Company waived any emoluments. There was no arrangement under which a director waived or agreed to waive any remuneration.

No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2002: one) director, whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2002: four) individuals during the year are as follows:

		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	3,086	5,346
Discretionary bonus	酌情花紅	119	-
Contributions to defined contribution Mandatory Provident Fund	定額供款強制性公積金供款	47	166
		3,252	5,512

The emoluments fell within the following bands:

Emolument bands 酬金幅度		Number of individuals 人數	
		2003 二零零三年	2002 二零零二年
Nil - HK\$1,000,000	零至1,000,000港元	4	1
HK\$1,000,001 - HK\$1,500,000	1,000,001 港元至1,500,000港元	-	2
HK\$1,500,001 - HK\$2,000,000	1,500,001 港元至2,000,000港元	-	1

No emoluments were paid by the Group to the four (2002: four) individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

During the year ended 31st December 2003, an aggregate of 8,000,000 (2002: 5,085,000) share options were granted to the highest paid, non-director employees. None of the share options granted has been exercised during the year.

11 董事及高級管理人員酬金 (續)

於本年內，本公司各董事均無放棄任何酬金，亦無有關董事放棄或同意放棄任何酬金之安排。

本集團概無於董事加入本集團時向董事支付酬金作為其加入本集團之獎勵金或作為離職補償。

(b) 五位最高薪人士

年內本集團五位最高薪人士包括一位董事 (二零零二年：一位)，其酬金分析載於上文。年內應付予其餘四位 (二零零二年：四位) 人士之酬金如下：

酬金介乎下列幅度：

本集團概無於該四位人士 (二零零二年：四位) 支付酬金，作為其加入本集團時之獎勵金或離職補償。

截至二零零三年十二月三十一日止年度，合共向非董事之最高薪僱員授予8,000,000份購股權 (二零零二年：5,085,000份)。年內並無人行使授出之購股權。

12 Fixed assets

12 固定資產

		Group 本集團						
		Network under construction HK\$'000 在建網絡 千港元	Leasehold improvements HK\$'000 租賃物業裝修 千港元	Network equipment and toolings HK\$'000 網絡設備及模具 千港元	Office equipment HK\$'000 辦公設備 千港元	Furniture and fixtures HK\$'000 傢俬及裝置 千港元	Motor vehicles HK\$'000 汽車 千港元	Total HK\$'000 總計 千港元
Cost:	成本：							
At 1st January 2003	於二零零三年一月一日	17,986	3,936	52,787	11,834	2,444	4,545	93,532
Additions	添置	11,350	220	2,762	694	14	—	15,040
Transfer	轉讓	—	—	1,014	(984)	(30)	—	—
Disposals	出售	—	(1,268)	(477)	(21)	(171)	(241)	(2,178)
At 31st December 2003	於二零零三年 十二月三十一日	29,336	2,888	56,086	11,523	2,257	4,304	106,394
Accumulated depreciation:	累計折舊：							
At 1st January 2003	於二零零三年一月一日	—	2,024	17,229	6,292	800	2,114	28,459
Charge for the year	本年度扣除	—	731	13,702	2,277	393	708	17,811
Disposals	出售	—	(921)	(447)	(14)	(49)	(213)	(1,644)
At 31st December 2003	於二零零三年 十二月三十一日	—	1,834	30,484	8,555	1,144	2,609	44,626
Net book value:	帳面淨值：							
At 31st December 2003	於二零零三年 十二月三十一日	29,336	1,054	25,602	2,968	1,113	1,695	61,768
At 31st December 2002	於二零零二年 十二月三十一日	17,986	1,912	35,558	5,542	1,644	2,431	65,073
Net book value of leased assets:	租賃資產賬面淨值：							
At 31st December 2003	於二零零三年 十二月三十一日	—	—	—	145	—	—	145
At 31st December 2002	於二零零二年 十二月三十一日	—	—	—	—	—	—	—

As at 31st December 2003, the net book value of fixed assets pledged as security in relation to the Group's bank loan amounted to HK\$18,479,000 (2002: Nil).

於二零零三年十二月三十一日，就作為本集團銀18,479,000港元（二零零二年：無）。

12 Fixed assets (Continued)

12 固定資產 (續)

		Company 本公司		
		Office equipment HK\$'000 辦公設備 千港元	Network equipment HK\$'000 網絡設備 千港元	Total HK\$'000 總計 千港元
Cost :	成本 :			
At 1st January 2003	於二零零三年一月一日	33	1,400	1,433
Disposals	出售	(15)	(461)	(476)
At 31st December 2003	於二零零三年十二月三十一日	18	939	957
Accumulated depreciation:	累計折舊 :			
At 1st January 2003	於二零零三年一月一日	28	1,113	1,141
Charge for the year	本年度扣除	3	263	266
Disposals	出售	(13)	(437)	(450)
At 31st December 2003	於二零零三年十二月三十一日	18	939	957
Net book value:	帳面淨值 :			
At 31st December 2003	於二零零三年十二月三十一日	—	—	—
At 31st December 2002	於二零零二年十二月三十一日	5	287	292

13 Intangible assets

13 無形資產

		Group 本集團			
		Goodwill HK\$'000 商譽 千港元	Deferred development costs HK\$'000 遞延開發成本 千港元	Film rights HK\$'000 影片權益 千港元	Total HK\$'000 總計 千港元
Year ended 31st December 2003	截至二零零三年 十二月三十一日止年度				
At 1st January 2003	於二零零三年一月一日	—	22,241	15,670	37,911
Additions	添置	—	8,252	—	8,252
Transfer from long-term deposits	由長期按金轉撥	—	—	18,733	18,733
Amortisation charge	攤銷支出	—	(2,727)	(2,534)	(5,261)
Write-off/provision for impairment loss	撇銷/ 減值虧損	—	(14)	(31,869)	(31,883)
At 31st December 2003	於二零零三年 十二月三十一日	—	27,752	—	27,752
At 31st December 2003	於二零零三年 十二月三十一日				
Cost	成本	95,905	43,965	49,309	189,179
Accumulated amortisation and impairment losses	累計攤銷及 減值虧損	(95,905)	(16,213)	(49,309)	(161,427)
Net book value	帳面淨值	—	27,752	—	27,752
At 31st December 2002	於二零零二年 十二月三十一日				
Cost	成本	95,905	35,727	32,773	164,405
Accumulated amortisation and impairment losses	累計攤銷及 減值虧損	(95,905)	(13,486)	(17,103)	(126,494)
Net book value	帳面淨值	—	22,241	15,670	37,911

14 Investments in subsidiaries

14 於附屬公司之投資

		Company 本公司	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Unlisted investments, at cost	非上市投資，按原值計	67,732	67,732
Provision for impairment loss	減值撥備	(67,732)	(67,732)
		—	—
Loan to a subsidiary	向一間附屬公司作出之貸款	25,284	25,284
Amounts due from subsidiaries	應收多間附屬公司款項	396,840	375,163
Amounts due to subsidiaries	應付多間附屬公司款項	—	(310)
Provision for amounts due from subsidiaries	應收附屬公司欠款撥備	(422,124)	(330,973)
		—	69,164

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

附屬公司欠款結餘均為無抵押及免息，且並無固定還款期限。

Particulars of the principal subsidiaries are set out in note 34.

有關附屬公司之主要業務詳情載於附註34。

15 Long-term deposits

15 長期按金

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Deposits for of film rights	影片權益之按金	18,692	37,425
Provision for impairment loss	減值撥備	(18,692)	—
		—	37,425
Deposit in relation to film distribution rights (note 20)	有關影片發行權之按金 (附註 20)	—	10,000
		—	47,425



16 Investment securities

16 投資證券

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Unlisted shares outside Hong Kong, at cost	香港以外地區非上市股本證券，按原值計		
Ordinary shares	普通股	35,000	35,000
Preference shares	優先股	—	20,280
Provision for impairment loss	減值撥備	(35,000)	(35,000)
		—	20,280

As at 31st December 2003, the Group held 990 ordinary shares, representing approximately 9.9% equity interest in the investee company.

二零零三年十二月三十一日，本集團持有990股普通股股份，乃上述間被投資公司股權之9.9%。

Particulars of the investee company are as follows:

被投資公司詳情如下：

Name 名稱	Place of incorporation 註冊地點	Nominal value of issued ordinary share 已發行普通股之 面值	Principal activities 主要業務
Broad Communication Company Limited	British Virgin Islands ("BVI") 英屬處女群島 (「BVI」)	US\$10,000	Services and design, integration and installation of digital broadcasting equipment and sales of related products 數碼廣播服務， 系統集成、 研發、裝設及 相關軟件產品開發

The convertible non-voting preference shares are convertible into ordinary shares of the investee company at any time during the 2-year period commencing from 21st September 2001. No shares have been converted or redeemed upon the expiry date. Full provision for impairment loss has been made after having considered the financial position of the investee company by directors.

此可換股無投票權優先股可自二零零一年九月二十一日起計兩年內隨時轉換為被投資公司之普通股。在優先股到期日，本集團之優先股投資並沒有轉換被投資公司之普通股或被贖回，在考慮被投資公司之財務狀況，依董事意見將全數投資作出減值撥備。

In the opinion of the directors, the Group does not have any significant influence over the investee company's operations.

依董事意見，本集團對被投資公司之經營並無任何重大影響。

17 Investment in a jointly controlled entity

17 於一間共同控制實體之投資

		Group 本集團	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Share of net assets	應佔資產淨值	7,717	9,057

		Company 本公司	
		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Unlisted investment outside Hong Kong, at cost	香港以外地區非上市投資，按原值計	14,200	14,200

Particulars of the jointly controlled entity are as follows:

該共同控制實體詳情如下：

Name 名稱	Business structure 業務架構	Place of operation and incorporation 註冊成立及 經營地點	Percentage 百分比			Principal activities 主要業務
			Ownership interest 所有權權益	Voting power 投票權	Profit sharing 溢利分成	
Jiangsu Hongtian Broad Communication Co., Ltd 江蘇宏天寬頻視訊有限公司	Corporate 法團	People's Republic of China ("PRC") 中華人民共和國 〔中國〕	50%	50%	50%	Services and design, integration and installation of digital broadcasting systems and sales of related products 數碼廣播服務， 系統集成、 研發、裝設及 相關軟件產品開發

**18 Inventories**

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Raw materials	原材料	5,906	3,570
Finished goods	製成品	18,604	29,219
		24,510	32,789

At 31st December 2003, the carrying amount of inventories that are carried at net realisable value amounted to HK\$4,044,000 (2002: HK\$7,797,000).

於二零零三年十二月三十一日，以可變現淨值列帳之存貨之帳面值合共4,044,000港元（二零零二年：7,797,000港元）。

19 Trade receivables

At 31st December 2003, the aging analysis of the trade receivables is as follows:

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
0 - 30 days	0至30天	7,787	2,737
31 - 60 days	31至60天	59	575
61 - 90 days	61至90天	—	—
Over 90 days (note 31(c) & (d))	超過90天（附註31(c) & (d)）	8,923	21,243
		16,769	24,555

Credit period of 30 to 60 days is normally granted to customers except for sales of digital broadcasting systems and related software and products to a jointly controlled entity and an investee company, details of which are set out in notes, 31(c) & (d) respectively.

除在附註31(c) & (d)列出有關銷售數碼廣播系統及相關軟件及產品與一間共同控制實體及一被投資公司外，通常給予客戶30至60天之信貸期。

20 Prepayments, deposits and other receivables

Prepayments, deposits and other receivables include the following:

(i) a deposit of RMB 20 million (equivalent to HK\$18,957,000) placed with Sichuan New Tech Digital Equipment Co., Ltd ("NTC"), an independent third party company incorporated in the PRC, for acquisition of technical know-how to be developed by NTC; and

(ii) a deposit of HK\$10 million, in relation to film distribution rights.

20 預付款，按金及其他應收款

在預付款、按金及其他應收款包括：

(i) 一筆為數人民幣2000萬（即港幣18,957,000）為向四川新泰克設備有限責任公司，一獨立第三方公司，收購技術技能之按金；及

(ii) 另一筆港幣1000萬有關影片按金。

21 Trade payables

21 應付貿易帳款

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
0 - 30 days (note 31(c))	0至30天(附註31(c))	6,543	2,366
31 - 60 days	31至60天	277	—
61 - 90 days	61至90天	580	48
Over 90 days	超過90天	12,783	17,321
		20,183	19,735

22 Long-term liabilities

22 長期負債

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Obligations under finance leases	融資租賃之責任	152	—
Current portion of long-term liabilities	長期負債即期部份	(36)	—
		116	—

At 31st December 2003, the Group's finance lease liabilities were repayable as follows:

於二零零三年十二月三十一日，本集團須於下列期間償還之融資租賃負債如下：

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Within one year	一年內	43	—
In the second year	第二年	43	—
In the third to fifth year	第三至第五年	97	—
		183	—
Future finance charges on finance leases	融資租賃之未來融資開支	(31)	—
Present value of finance lease liabilities	融資租賃負債現值	152	—

22 Long-term liabilities (Continued)

The present value of finance lease liabilities is as follows:

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Within one year	一年內	36	—
In the second year	第二年	36	—
In the third to fifth year	第三至第五年	80	—
		152	—

23 Bank loans, secured

Short-term bank loans 短期銀行貸款

At 31st December 2003, the Group had a bank loan of RMB40 million (equivalent to HK\$37,915,000) which was guaranteed by a third party company (the "Guarantor"). The Group pledged the digital broadcasting system located in Suzhou as the security for the guarantee provided by the Guarantor. At 31st December 2002, the Group's bank loans were secured by bank deposits amount to US\$250,000 (equivalent to HK\$1,950,000).

22 長期負債 (續)

融資租賃負債現值如下：

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Within one year	一年內	36	—
In the second year	第二年	36	—
In the third to fifth year	第三至第五年	80	—
		152	—

23 有抵押銀行貸款

		Group 本集團	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Short-term bank loans	短期銀行貸款	42,645	1,896

於二零零三年十二月三十一日，本集團之銀行貸款人民幣40,000,000（相當於37,915,000港元）乃由第三者公司提供擔保（「擔保人」）。本集團已將位於蘇州之數碼廣播系統作抵押，以取得第三者提供之擔保。於二零零二年十二月三十一日，本集團以銀行存款作抵押之銀行貸款合共為250,000美元（相當於1,950,000港元）。

24 Share capital

24 股本

		Authorised 法定股本			
		5 % redeemable preference shares 5 %可贖回優先股		Ordinary shares of HK\$0.10 each 面值港0.10港元普通股	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
At 1st January 2002 and 31st December 2002	於二零零二年一月一日及 二零零二年十二月三十一日	83,250,000	124,875	800,000,000	80,000
At 31st January 2003 and 31st 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	83,250,000	124,875	800,000,000	80,000
		Issued and fully paid 已發行及已繳足			
		5 % redeemable preference shares 5 %可贖回優先股		Ordinary shares of HK\$0.10 each 面值0.10港元普通股	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
At 1st January 2002	於二零零二年一月一日	47,116,091	70,674	310,510,512	31,051
Issue of shares	發行股份	–	–	18,571,429	1,857
Conversion during the year (note (b))	年內兌換 (附註(b))	(46,699,829)	(70,050)	47,652,885	4,765
Redemption during the year (note (b))	年內贖回 (附註(b))	(416,262)	(624)	–	–
At 31st December 2002	於二零零二年十二月三十一日	–	–	376,734,826	37,673
At 1st January 2003	於二零零三年一月一日	–	–	376,734,826	37,673
Issue of shares (note (a))	發行股份 (附註(a))	–	–	75,000,000	7,500
At 31st December 2003	於二零零三年十二月三十一日	–	–	451,734,826	45,173



24 Share capital (Continued)

(a) Ordinary shares

On 19th September 2003, Prime Pacific International Limited ("Prime Pacific") sold 75,000,000 existing ordinary shares in the Company at the price of HK\$0.82 each to more than six independent investors through DBS Vickers (Hong Kong) Limited as the placing agent. Prime Pacific has then subscribed for 75,000,000 new ordinary shares in the Company at HK\$0.82 per share. The net proceeds of approximately HK\$57.5 million are used (i) as to approximately HK\$42.5 million for general working capital of the Group mainly for marketing and research and development costs; and (ii) as to approximately HK\$15.0 million for capital expenditure for the expansion of the Group's digital business in the PRC. The excess of the net proceeds over the par value of the share issued was credited to the share premium account.

(b) Preference shares

Upon 29th January 2002, the expiry date of the conversion, 46,699,829 preference shares were converted into 47,652,885 ordinary shares of HK\$0.10 each in the Company. The Company redeemed the remaining 416,262 preference shares at HK\$1.50 each on 4th February 2002.

25 Share options

Pursuant to a share option scheme of the Company adopted on 12th May 1999 ("Old Scheme"), the board of directors of the Company may grant options to eligible employees of the Group, including executive directors, to subscribe for shares in the Company. The Old Scheme was terminated at a Special General Meeting held on 26th June 2002 ("SGM"). All options granted prior to the termination continue to be valid and exercisable except for 2,500,000 share options which were cancelled immediately prior to the adoption of a new share scheme described below.

The Company has adopted a new share option scheme ("New Scheme") at the SGM. Pursuant to the New Scheme, the Company may grant options to Qualified Persons as defined in the New Scheme.

The exercise in full of the share options, under present capital structure of the Company, would result in the issue of an additional 52,055,000 (2002: 22,775,000) ordinary shares.

24 股本 (續)

(a) 普通股

於二零零三年九月十九日，Prime Pacific International Limited (「Prime Pacific」) 透過配售代理DBS唯高達(香港)有限公司以每股0.82港元之價格向六名以上之獨立投資者出售公司75,000,000股現普通股。Prime Pacific而以每股0.82港元之價格認購本公司75,000,000股新股份。所得款項淨額約57,500,000港元，其中(i)約42,500,000港元用於本集團營運資金，主要作為市場推廣及研發成本；(ii)約15,000,000港元用作資本開支，以擴張本集團在中國之數碼業務。所得款項淨額超過已發行股份面值之數，乃計入股本溢價帳中。

(b) 優先股

於二零零二年一月二十九日(即兌換之屆滿日)，共46,699,829股優先股兌換為本公司47,652,885股每股面值0.10港元之普通股。本公司於二零零二年二月四日以每股1.50港元之價格贖回剩餘之416,262股優先股。

25 購股權

根據本公司於一九九九年五月十二日採納之購股權計劃(「舊計劃」)，本公司董事會可向本集團之合資格僱員(包括執行董事)授出可認購本公司股份之購股權。舊計劃已於二零零二年六月二十六日召開之特別股東大會中被終止。除於終止前被註銷之可認購本公司2,500,000股購股權外，終止前所授出之所有購股權均繼續合法有效。

本公司並於特別股東大會上採納新購股權計劃(「新計劃」)。根據新計劃，本公司可將購股權授予新計劃中所限定之合資格人士。

根據本公司現行股本架構，已授出之購股權將導致額外發行52,055,000股(二零零二年：22,775,000股)普通股。

25 Share options (Continued)

Details of options granted under both the Old Scheme and New Scheme are described below:

Date of share options granted 購股權授出日期	Number of share options outstanding as at 1st January 2003 於二零零三年一月一日尚未行使之購股權數目	Number of share options granted during the year 年內授出之購股權數目	Number of share options lapsed during the year 年內失效之購股權數目	Number of share options outstanding as at 31st December 2003 於二零零三年十二月三十一日之尚未行使之購股權數目	Exercise period 行使期	Exercise price per share 每股行使價格 HK\$ 港元
1st September 2000 二零零零年九月一日	2,300,000	–	2,300,000	–	1/1/2001 - 31/12/2003	2.62
2nd November 2000 二零零零年十一月二日	5,900,000	–	5,900,000	–	1/1/2001 - 31/12/2003	1.50
23rd July 2002 二零零二年七月二十三日	14,575,000	–	–	14,575,000	24/7/2002 - 23/7/2005	1.47
10th December 2003 二零零三年十二月十日	–	37,480,000	–	37,480,000	1/1/2004 - 31/12/2006	0.824

25 購股權 (續)

根據舊計劃及新計劃已授出之購股權詳情如下：

26 Reserves

26 儲備

		Group 本集團				
		Share premium HK\$'000 股本溢價 千港元	Contributed surplus HK\$'000 實繳盈餘 千港元	Exchange reserve HK\$'000 匯兌儲備 千港元	Accumulated losses HK\$'000 累計虧損 千港元	Total HK\$'000 總計 千港元
At 1st January 2002	於二零零二年一月一日	280	222,122	899	(110,833)	112,468
Issue of ordinary shares	發行普通股	37,143	–	–	–	37,143
Share issue expenses	股份發行費用	(585)	–	–	–	(585)
Conversion of preference shares (note 24 (b))	優先股兌換 (附註24(b))	65,285	–	–	–	65,285
Exchange difference	匯兌差額	–	–	(1,021)	–	(1,021)
Loss for the year	年內虧損	–	–	–	(142,299)	(142,299)
At 31st December 2002	於二零零二年 十二月三十一日	102,123	222,122	(122)	(253,132)	70,991
At 1st January 2003	於二零零三年一月一日	102,123	222,122	(122)	(253,132)	70,991
Issue of ordinary shares (note 24(a))	發行普通股 (附註24(a))	54,000	–	–	–	54,000
Share issue expenses	股份發行費用	(4,026)	–	–	–	(4,026)
Exchange difference	匯兌差額	–	–	1,315	–	1,315
Loss for the year	年內虧損	–	–	–	(140,065)	(140,065)
At 31st December 2003	於二零零三年 十二月三十一日	152,097	222,122	1,193	(393,197)	(17,785)
At 31st December 2003	於二零零三年 十二月三十一日					
Company and subsidiaries	本公司及附屬公司	152,097	222,122	1,193	(391,020)	(15,608)
Jointly controlled entity	共同控制實體	–	–	–	(2,177)	(2,177)
		152,097	222,122	1,193	(393,197)	(17,785)
At 31st December 2002	於二零零二年 十二月三十一日					
Company and subsidiaries	本公司及附屬公司	102,123	222,122	(122)	(252,295)	71,828
Jointly controlled entity	共同控制實體	–	–	–	(837)	(837)
		102,123	222,122	(122)	(253,132)	70,991

26 Reserves (Continued)

26 儲備 (續)

		Company 本公司			
		Share premium HK\$'000 股本溢價 千港元	Contributed surplus HK\$'000 實繳盈餘 千港元	Accumulated losses HK\$'000 累計虧損 千港元	Total HK\$'000 總計 千港元
At 1st January 2002	於二零零二年一月一日	280	152,786	(52,578)	100,488
Issue of ordinary shares	發行普通股	37,143	-	-	37,143
Share issue expenses	股份發行費用	(585)	-	-	(585)
Conversion of preference shares	優先股兌換	65,285	-	-	65,285
Loss for the year	年內虧損	-	-	(156,062)	(156,062)
At 31st December 2002	於二零零二年 十二月三十一日	102,123	152,786	(208,640)	46,269
At 1st January 2003	於二零零三年一月一日	102,123	152,786	(208,640)	46,269
Issue of ordinary shares	發行普通股	54,000	-	-	54,000
Share issue expenses	股份發行費用	(4,026)	-	-	(4,026)
Loss for the year	年內虧損	-	-	(93,393)	(93,393)
At 31st December 2003	於二零零三年 十二月三十一日	152,097	152,786	(302,033)	2,850

The contributed surplus of the Company and of the Group arose from a scheme of arrangement that took place on 31st October 1989. Pursuant to section 54 of the Companies Act 1981 of Bermuda (the "Act"), a company incorporated in Bermuda is not permitted to pay dividends while there are reasonable grounds for believing that the Company is, or would after the payment be, unable to pay its liabilities as they become due; or 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. Under the Act (as amended), the Company's contributed surplus may be distributed to shareholders upon fulfilment of the aforementioned condition of the Act.

本公司及本集團之實繳盈餘由於一九八九年十月三十一日生效之協議計劃而產生。根據百慕達一九八一年百慕達公司法（「公司法」）第54條，於百慕達註冊成立之公司在下述情況下不將派發股息：如有足夠理由相信有關公司於派發股息後將會或可能未能償還到期債務，或有關公司資產之可變現值會因此低於其負債、已發行股本及股份溢價帳之總額。根據百慕達公司法（修訂版），本公司之實繳盈餘可根據上述所載情況下分派予股東。

27 Deferred taxation

(a) Deferred tax assets

The movements in the deferred tax assets are as follows:

		2003 HK\$'000 二零零三年 千港元	2002 HK \$'000 二零零二年 千港元
At 1st January	於一月一日	7,223	8,051
Credited/(charged) to profit and loss account (note c)	於損益表撥回/(支銷) (附註c)	399	(828)
At 31st December	於十二月三十一日	7,622	7,223
Amount to be recovered after more than one year	逾一年後將收回之數額	7,622	7,223

(b) Deferred tax liabilities

The movements in the deferred tax liabilities are as follows:

		2003 HK\$'000 二零零三年 千港元	2002 HK \$'000 二零零二年 千港元
At 1st January	於一月一日	7,223	8,051
Charged/(credited) to profit and loss account (note c)	於損益表支銷/(撥回) (附註c)	399	(828)
At 31st December	於十二月三十一日	7,622	7,223
Amount to be recovered after more than one year	逾一年後將收回之數額	7,622	7,223

(c) Deferred taxation (credited)/ charged to profit and loss account

27 遞延稅項

(a) 遞延稅項資產

遞延稅項資產之變動如下：

		2003 HK\$'000 二零零三年 千港元	2002 HK \$'000 二零零二年 千港元
At 1st January	於一月一日	7,223	8,051
Credited/(charged) to profit and loss account (note c)	於損益表撥回/(支銷) (附註c)	399	(828)
At 31st December	於十二月三十一日	7,622	7,223
Amount to be recovered after more than one year	逾一年後將收回之數額	7,622	7,223

(b) 遞延稅項負債

遞延稅項負債之變動如下：

		2003 HK\$'000 二零零三年 千港元	2002 HK \$'000 二零零二年 千港元
At 1st January	於一月一日	7,223	8,051
Charged/(credited) to profit and loss account (note c)	於損益表支銷/(撥回) (附註c)	399	(828)
At 31st December	於十二月三十一日	7,622	7,223
Amount to be recovered after more than one year	逾一年後將收回之數額	7,622	7,223

(c) 於損益表 (撥回) / 支銷之遞延稅項

		2003 HK\$'000 二零零三年 千港元	2002 HK \$'000 二零零二年 千港元
Deferred tax assets (note a)	遞延稅項資產(附註a)	(399)	828
Deferred tax liabilities (note b)	遞延稅項負債(附註b)	399	(828)
Deferred taxation credit to profit and loss account (note 7)	於損益表撥回之遞延稅項(附註7)	—	—

27 Deferred taxation (Continued)

- (d) Movements in deferred tax assets and liabilities (prior to offsetting of balances within the same jurisdiction) during the year
Deferred tax assets

		Tax losses 稅務虧損	
		2003	2002
		HK\$'000	HK \$'000
		二零零三年	二零零二年
		千港元	千港元
At 1st January	於一月一日	7,223	8,051
Credited/(charged) to profit and loss account	於損益表撥回/(支銷)	399	(828)
At 31st December	於十二月三十一日	7,622	7,223

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses at 31 December 2003 of HK\$288,962,000 (2002: HK\$349,037,000) to carry forward against future taxable income.

Deferred tax liabilities

		Accelerated tax depreciation 加速稅項折舊		Deferred development costs 遞延開發成本		Total 合計	
		2003	2002	2002	2002	2002	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
		千港元	千港元	千港元	千港元	千港元	千港元
At 1st January	於一月一日	4,042	5,895	3,181	2,156	7,223	8,051
Charged/(credited) to profit and loss account	於損益表支銷/(撥回)	(731)	(1,853)	1,130	1,025	399	(828)
At 31st December	於十二月三十一日	3,311	4,042	4,311	3,181	7,622	7,223

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

		2003	2002
		HK\$'000	HK \$'000
		二零零三年	二零零二年
		千港元	千港元
Deferred tax assets	遞延稅項資產	7,622	7,223
Deferred tax liabilities	遞延稅項負債	(7,622)	(7,223)
		-	-

27 遞延稅項 (續)

- (d) 於年度內之遞延稅項資產及負債 (於抵銷同一司法權區結餘之前) 之變動

遞延稅項資產

		Tax losses 稅務虧損	
		2003	2002
		HK\$'000	HK \$'000
		二零零三年	二零零二年
		千港元	千港元
At 1st January	於一月一日	7,223	8,051
Credited/(charged) to profit and loss account	於損益表撥回/(支銷)	399	(828)
At 31st December	於十二月三十一日	7,622	7,223

遞延所得稅資產於有關稅務利益可透過未來應課稅溢利變現時，就承前之稅務虧損而予以確認。本集團於二零零三年十二月三十一日之未確認稅務虧損為288,962,000港元 (二零零二年：349,037,000港元)，以就未來應課稅收入進行結轉。

遞延稅項負債

		Accelerated tax depreciation 加速稅項折舊		Deferred development costs 遞延開發成本		Total 合計	
		2003	2002	2002	2002	2002	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
		千港元	千港元	千港元	千港元	千港元	千港元
At 1st January	於一月一日	4,042	5,895	3,181	2,156	7,223	8,051
Charged/(credited) to profit and loss account	於損益表支銷/(撥回)	(731)	(1,853)	1,130	1,025	399	(828)
At 31st December	於十二月三十一日	3,311	4,042	4,311	3,181	7,622	7,223

尚有權合法將流動稅項資產抵銷流動稅項負債，而遞延所得稅與同一稅務機構有關時，遞延所得稅資產及負債可予以對銷。以下為於綜合資產負債表列示並作出適當對銷後釐定之數額：

		2003	2002
		HK\$'000	HK \$'000
		二零零三年	二零零二年
		千港元	千港元
Deferred tax assets	遞延稅項資產	7,622	7,223
Deferred tax liabilities	遞延稅項負債	(7,622)	(7,223)
		-	-



28 Minority interests

Included in minority interests are preference shares of US\$15,000,000 (equivalent to HK\$116,250,000) issued by DVN (Group) Limited, a wholly-owned subsidiary of the Company. The preference shareholder has the right at any time starting from 1st July 2000 to exchange all (but not part) of its preference shares into ordinary shares of the Company at the exchange price which has been adjusted from HK\$4.80 per share to HK\$4.69 per share, pursuant to the announcement dated 10th October 2001. The board of directors of the Company has the right, at its discretion, to require the compulsory exchange of the preference shares at the exchange price at any time from 1st July 2001, provided that the average of the closing market prices of the Company's ordinary shares for the 20 trading days ending on the trading day immediately the date of giving notice of such compulsory exchange is not less than HK\$10.

For the year ended 31st December 2003, preference dividend payable was accrued at HK38.75cents (2002: HK38.75cents) per share totalling HK\$5,812,000 (2002: HK\$5,812,000).

29 Notes to the consolidated cash flow statement

(a) Reconciliation of operating loss to net cash outflow from operations

28 少數股東權益

包括在少數股東權益中有15,000,000美元（相等於116,250,000港元）之由本公司全資附屬公司，天地數碼（集團）有限公司，所發行之優先股在二零零零年七月一日後，優先股股東有權把全數優先股交換本公司之普通股股份（根據二零零一年十月十日公佈之公告，可交換優先股之兌換價已自每股4.8港元調整至每股4.69港元）。同時在二零零零年七月一日後，如本公司之普通股連續二十天平均收市價不低於10港元及立即提出申請，本公司之董事有權隨時要求強制交換上述之優先股。

於二零零三年十二月三十一日，應付優先股股息以每股38.75港仙（二零零二年：38.75港仙）計提總數為5,812,000港元（二零零二年：5,812,000港元）。

29 綜合現金流量表附註

(a) 經營虧損與經營業務之現金流出淨額調節表

		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Operating loss	經營虧損	(135,673)	(135,152)
Interest income	利息收入	(910)	(623)
Depreciation	折舊	17,811	16,571
Amortisation of intangibles	無形資產攤銷	5,261	6,723
Provisions for impairment losses	虧損減值	70,841	35,000
Unrealised profit	未變現溢利	-	4,382
Loss/(gain) on disposal of fixed assets	出售固定資產之虧損/（收益）	181	(155)
Write-off of deferred development costs	遞延開發成本撇銷	14	74
Exchange differences	匯兌差額	1,315	(1,097)
Operating loss before working capital change (increase)/decrease in inventories	營運資金變動前之經營虧損 （增加）/減少存貨	(41,160)	(74,277)
Decrease in trade receivables, prepayments, deposits and other receivables	應收貿易款、預付款、按金及 其他應收款之減少	(8,582)	7,143
Increase in trade payables, accruals and other payables	應付貿易款、應計負債及 其它應付款之增加	5,287	38,340
		2,534	9,251
Net cash outflow from operations	經營活動產生之現金流出淨額	(41,921)	(19,543)

29 Notes to the consolidated cash flow statement (Continued)

(b) Analysis of changes in financing during the year

		Share capital and share premium HK\$'000 股本及股本溢價 千港元	Minority interests HK\$'000 少數股東權益 千港元	Balances with related companies HK\$'000 關連公司之結餘 千港元	Pledged deposits HK\$'000 已抵押銀行存款 千港元	Bank loans HK\$'000 銀行貸款 千港元	Finance lease liabilities HK\$'000 融資租賃負債 千港元	Preference shares dividend payable HK\$'000 應付優先股股息 千港元
At 1st January 2002	於二零零二年一月一日	102,005	123,053	(2,258)	(51,321)	50,597	-	21,685
Net cash inflow/(outflow)	現金流入/(流出)淨額	38,358	-	1,365	49,371	(48,701)	-	(17,460)
Share of loss	分佔虧損	-	(943)	-	-	-	-	-
Provision for preference dividends	優先股股息撥備	-	-	-	-	-	-	6,089
Redemption of preference shares payable	贖回優先股應付款	(567)	-	-	-	-	-	-
At 31st December 2002	於二零零二年十二月三十一日	139,796	122,110	(893)	(1,950)	1,896	-	10,314
At 1st January 2003	於二零零三年一月一日	139,796	122,110	(893)	(1,950)	1,896	-	10,314
Net cash inflow	現金流入淨額	57,474	-	2,257	1,950	40,758	152	-
Share of loss	分佔虧損	-	(3,847)	-	-	-	-	-
Provision for preference dividends	優先股股息撥備	-	-	-	-	-	-	5,812
At 31st December 2003	於二零零三年十二月三十一日	197,270	118,263	1,364	-	42,654	152	16,126

(c) Major non-cash transactions

During the year, the Group transferred inventory to fixed assets in the amount of HK\$6,907,000 (2002: HK\$10,655,000) and had no transfer of fixed assets to inventory (2002: HK\$12,783,000).

(d) Included in bank balances and cash of the Group is HK\$14,615,000 (2002: HK\$11,562,000) which represent bank balances denominated in Renminbi and are placed with banks in the PRC. Renminbi is not a freely convertible currency.

29 綜合現金流量表附註 (續)

(b) 本年度融資變動分析表

(c) 主要非現金交易

年內，本集團將一批數額達6,907,000港元(2002: 港元10,655,000)之存貨轉入固定資產，本年並沒有(2002: 港元12,783,000)從固定資產轉入存貨。

(d) 在本集團現金及銀行結餘中包括一筆為數14,615,000之港元(2002: 港元11,562,000)，該筆款項以人民幣為單位存放於中國境內銀行。人民幣乃不能自由兌換之貨幣。

30 Commitments

(a) Commitments under operating leases

At 31st December 2003, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

		Land and buildings 土地及樓宇	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Not later than one year	一年以內	3,626	2,289
Later than one year and not later than five years	一年以後，五年以內	4,743	478
		8,369	2,767

The Company did not have any commitments under operating lease at 31st December 2002 and 31st December 2003.

(b) Financial commitments

At 31st December 2003, the Group and the Company had financial commitments in respect of registered capital contributions to one (2002: two) subsidiary and one (2002: one) jointly controlled entity in the PRC as described below:

		Group 本集團		Company 本公司	
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零三年	二零零二年	二零零三年	二零零二年
		千港元	千港元	千港元	千港元
Subsidiaries	附屬公司	8,830	11,830	-	-
Jointly controlled entity	共同控制實體	28,436	28,436	28,436	28,436
		37,266	40,266	28,436	28,436

Included in the related capital contributions, the amounts paid before balance sheet date but the capital verification process has not been completed are as follows:

		Group 本集團		Company 本公司	
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零三年	二零零二年	二零零三年	二零零二年
		千港元	千港元	千港元	千港元
Subsidiaries	附屬公司	5,039	6,889	-	-

30 承擔

(a) 經營租約承擔

於二零零三年十二月三十一日，本集團就下列不可撤銷經營租約日後須支付之最低租金合計如下：

		Land and buildings 土地及樓宇	
		2003	2002
		HK\$'000	HK\$'000
		二零零三年	二零零二年
		千港元	千港元
Not later than one year	一年以內	3,626	2,289
Later than one year and not later than five years	一年以後，五年以內	4,743	478
		8,369	2,767

本公司於二零零二年十二月三十一日及二零零三年十二月三十一日均無作出任何經營租約承擔。

(b) 財務承擔

於二零零三年十二月三十一日，本集團及本公司須就於中國投資一間（二零零二年：兩間）附屬公司及一間（二零零二年：一間）共同控制實體之財務承擔如下：

		Group 本集團		Company 本公司	
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零三年	二零零二年	二零零三年	二零零二年
		千港元	千港元	千港元	千港元
Subsidiaries	附屬公司	8,830	11,830	-	-
Jointly controlled entity	共同控制實體	28,436	28,436	28,436	28,436
		37,266	40,266	28,436	28,436

於結算日前，本集團已支付作為該等公司之註冊資本，唯有關驗資程序尚未完成的金額，詳情如下：

		Group 本集團		Company 本公司	
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		二零零三年	二零零二年	二零零三年	二零零二年
		千港元	千港元	千港元	千港元
Subsidiaries	附屬公司	5,039	6,889	-	-

30 Commitments (Continued)

The Group and the Company had no significant capital commitments at 31st December 2002 and 31st December 2003.

31 Related party transactions

(a) During the year, the Group has entered into the following related party transactions in addition to those disclosed elsewhere in these accounts:

30 承擔 (續)

本集團及本公司於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並無重大資本承擔。

31 有關連人士交易

(a) 年內，除本帳目其他處所作披露之外，本集團尚進行了訂立下列有關連人士交易：

		2003 HK\$'000 二零零三年 千港元	2002 HK\$'000 二零零二年 千港元
Sales of digital broadcasting equipment and related products to a jointly controlled entity (note (i))	向共同控制實體出售數碼廣播設備及相關產品(附註(i))	1,918	14,252
Purchase of digital broadcasting equipment and related products from a jointly controlled entity (note (i))	向共同控制實體購買數碼廣播設備及相關產品(附註(i))	1,882	-
Preference dividend paid to a related person	支付予有關連人士之優先股息	-	747
Preference dividend payable to a related company	應付予關聯公司之優先股股息	5,812	5,812

(i) The price and conditions in relation to the sales and the purchase were made under the same terms as it trades with other non-related customers and suppliers respectively.

(i) 有關出售及購買之價格及條件與其他非關連客戶及供應商進行交易之條款相同。

(b) The amounts due to related companies are unsecured, interest-free and have no fixed terms of repayment.

(b) 與關連公司之結餘為無抵押、免息及無固定還款期限。

(c) Included in the trade payables and the trade receivables of the Group are amounts due to and due from a jointly controlled entity of HK\$1,550,000 and HK\$1,378,000 respectively (2002: trade receivable of HK\$1,918,000)

(c) 在本集團應收及應付款中分別包括了一應收及應付一共同控制實體貨款1,550,000及1,378,000港元(二零零二：應收貿易款為1,918,000港元)。

The amounts are unsecured, interest-free and payable/receivable in accordance with the terms set out in the agreements.

上述之餘額均為無抵押、免息及根據合約條款歸還。

(d) Included in the trade receivables of the Group is an amount due from an investee company of HK\$2,524,000 (2002: HK\$48,111,000) against which a write-off of HK\$2,524,000 (2002: HK\$33,110,000) has been made

(d) 在本集團應收款中包括一應收被投資公司之貿易款2,524,000港元(二零零二：48,111,000港元)。同時本集團也為該應收貿易款作2,524,000港元之撇帳(二零零二：33,110,000港元)。

The amount is unsecured, interest-free and receivable in accordance with the terms set out in the agreements.

上述之餘額均為無抵押、免息及根據合約條款歸還。

32 Subsequent event

On 19th April 2004, Digital Video Networks (Shanghai) Company Limited ("DVN Shanghai"), a wholly-owned subsidiary in the PRC, was incorporated. The registered capital of DVN Shanghai is USD5,000,000. The principal activities of DVN Shanghai will be the service and design, integration and installation of digital broadcasting system and development of related software and products.

33 Approval of accounts

The accounts were approved by the board of directors on 27th April 2004.

34 Particulars of principal subsidiaries

The table below lists out the subsidiaries of the Company which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Name 名稱	Place of incorporation and kind of legal entity 註冊地點及 法定地位	Nominal value of ordinary share/ preference share/ registered capital 已發行普通股/ 優先股/註冊資本面值	Interest held 持有比例	Principal activities and place of operation 主要業務及經營地點
DVN (Group) Limited 天地數碼(集團)有限公司	BVI 英屬處女群島	US\$10 ordinary US\$15,000,000 preference 10美元之普通股 15,000,000美元之 優先股	* 100%	Investment holding 投資控股
DVN (Management) Limited 天地數碼(管理)有限公司	Hong Kong 香港	HK\$2 ordinary 2港元之普通股	* 100%	Provision of administrative services in Hong Kong 於香港提供行政服務
Dynamic Network Limited	BVI 英屬處女群島	US\$1 ordinary 1美元之普通股	* 100%	Investment holding 投資控股
DVN Technology Limited 天地數碼科技有限公司	Hong Kong 香港	HK\$2 ordinary 2港元之普通股	* 100%	Services and design, integration and installation of digital broadcasting systems and development of related software and products in Hong Kong and Southeast Asian countries 於香港及東南亞國家進行 數碼廣播服務, 系統集成、研發、 裝設及相關軟件及產品的開發

32 結算日後事項

天柏寬帶網絡科技(上海)有限公司(「天柏上海」), 一中國外商全資子公司, 於二零零四年四月十九日成立。天柏上海之註冊資本為5,000,000美元而其主要業務是進行數碼廣播服務, 系統集成, 研發、裝設及相關軟件及產品的開發。

33 帳目批准

該等帳目已於二零零四年四月二十七日獲董事會批准。

34 主要附屬公司詳情

董事會認為, 下表列出者均為對本年度業績構成主要影響或佔本集團大部份淨資產之本公司附屬公司。為避免資料過於冗長, 董事會認為無需列出其他附屬公司之詳情。

34 Particulars of principal subsidiaries (Continued)

34 主要附屬公司詳情 (續)

Name 名稱	Nominal value of Place of incorporation and kind of legal entity 註冊地點及 法定地位	ordinary share/ preference share/ registered capital 已發行普通股/ 優先股/註冊資本面值	Interest held 持有比例	Principal activities and place of operation 主要業務及經營地點
Cyber Cinema Technology Company Limited 天地數碼技術有限公司	Hong Kong 香港	HK\$2 ordinary 2港元之普通股	100%	Investment holding 投資控股
Campus.Net Technology Company Limited 天地三辰技術有限公司	Hong Kong 香港	HK\$2 ordinary 2港元之普通股	100%	Investment holding 投資控股
Whizz Kid Limited	BVI 英屬處女群島	US\$1 ordinary 1美元之普通股	100%	Investment holding 投資控股
DVB Technology (Suzhou) Company Limited 天地數碼技術(蘇州) 有限公司	PRC, equity joint venture 中國· 合營合資公司	RMB 100,000,000 registered capital 100,000,000元 人民幣 註冊資本	70%	Trading of digital broadcasting equipment and related products in the PRC 於中國之數碼廣播設備相關 產品之交易
DVN Technology (Shenzhen) Co. Limited 天地數碼科技(深圳) 有限公司	PRC, wholly-owned foreign investment enterprise 中國·外商獨資企業	HK\$6,000,000 registered capital 6,000,000港元 註冊資本	100%	Development of hardware and software in relation to digital broadcasting in the PRC 於中國之數碼廣播相關硬件及 軟件開發
Digital Video Networks Company Limited 天柏寬帶網絡科技 (蘇州)有限公司	PRC, wholly-owned foreign investment enterprise 中國·外商獨資企業	US\$8,000,000 registered capital 8,000,000美元 註冊資本	100%	Services and design, integration and installation of digital broadcasting systems and development of related software and products in the PRC 於中國進行數碼廣播服務·系統 集成、研發、裝設及相關軟件及 產品的開發
Telequote Data International Limited 電資訊國際有限公司	Hong Kong 香港	HK\$10,000 ordinary 10,000港元之普通股	100%	Provision of international financial market information and selective consumer data in Hong Kong 於香港提供國際金融市場 資訊及精選消費者數據服務

4 Particulars of principal subsidiaries (Continued)

34 主要附屬公司詳情 (續)

Name 名稱	Place of incorporation and kind of legal entity 註冊地點及 法定地位	Nominal value of ordinary share/ preference share/ registered capital 已發行普通股/ 優先股/註冊資本面值	Interest held 持有比例	Principal activities and place of operation 主要業務及經營地點
Telequote Network (Singapore) Pte. Limited	Singapore 新加坡	SGD2 ordinary 2新加坡元 之普通股	100%	Provision of international financial market information and selective consumer data in Singapore 於新加坡提供國際金融市場 資訊及精選消費者數據
Show Case International Limited	BVI 英屬處女群島	US\$1 ordinary 1 美元之普通股	100%	Holding of film rights in the PRC 於中國持有影片權
Victory Beat Limited	BVI 英屬處女群島	US\$1 ordinary 1 美元之普通股	100%	Investment holding 投資控股

* Shares held directly by the Company.

* 由本公司直接持有之股份

