

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

1. GENERAL

The Company is an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its ultimate holding company is Honeylink Agents Limited, a company incorporated in the British Virgin Islands.

The Company is an investment holding company. The principal activities of the Group are the provision of financial services, including securities dealing and broking, futures and options broking, securities margin financing, corporate finance services, and brokerage of mutual funds and insurance-linked investment plans and products.

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In 2004, the Hong Kong Institute of Certified Public Accountants (“HKICPA”) issued a number of new and revised Hong Kong Accounting Standards (“HKASs”) and Hong Kong Financial Reporting Standards (“HKFRSs”) (herein collectively referred to as the “New HKFRSs”) which are effective for accounting periods beginning on or after 1st January, 2005 except for HKFRS 3 “Business Combinations”. The Group has not early adopted these New HKFRSs in the financial statements for the year ended 31st March, 2005.

HKFRS 3 is applicable to business combinations for which the agreement date is on or after 1st January, 2005. The Group has not entered into any business combination for which the agreement date is on or after 1st January, 2005. Therefore, HKFRS 3 did not have any impact on the Group for the year ended 31st March, 2005.

1. 一般事項

本公司根據開曼群島公司法第22章（一九六一年法例三，經綜合及修訂）為受豁免有限公司，而其最終控股公司為英屬處女群島註冊成立之公司Honeylink Agents Limited。

本公司為投資控股公司。本集團主要業務為提供金融服務，包括證券買賣及經紀服務、期貨及期權經紀服務、證券保證金融資、企業融資服務，以及互惠基金及保險相關投資計劃及產品之經紀服務。

2. 最近頒佈之會計準則可能產生之影響

於二零零四年，香港會計師公會（「會計師公會」）頒佈多項新增及經修訂之香港會計準則（「會計準則」）及香港財務報告準則（「財務報告準則」）（下文統稱「新財務報告準則」），並於二零零五年一月一日或以後開始之會計期間生效，惟財務報告準則第3號「企業合併」除外。本集團於截至二零零五年三月三十一日止年度之財務報表並無提早採納該等新財務報告準則。

財務報告準則第3號「企業合併」適用於協議日期為二零零五年一月一日或以後之任何企業合併。本集團並無進行協議日期為二零零五年一月一日或以後之任何企業合併。因此，財務報告準則第3號「企業合併」對本集團於截至二零零五年三月三十一日止年度並無任何影響。

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS (continued)

Management is still considering the potential impact of other New HKFRSs but is not yet in a position to determine whether other New HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. Other New HKFRSs may result in changes on how the results and financial position are prepared and presented in future.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of property, investment property and investments in securities, and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st March each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to effective date of disposal, as appropriate.

Goodwill

Goodwill arising on acquisition with agreement date before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill arising on acquisitions is capitalised and amortised on a straight-line basis over its useful economic life. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a separate intangible asset.

Goodwill arising on acquisition with agreement date on or after 1 January, 2005 is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is tested for impairment at least annually or more frequently when there is an indication that it may be impaired.

2. 最近頒佈之會計準則可能產生之影響（續）

管理層仍然研究其他新財務報告準則可能產生之影響，惟目前未能確定其他新財務報告準則是否將對其經營業績及財務狀況之編製及呈列方式產生重大影響。其他新財務報告準則可能導致日後之業績及財務狀況之編製及呈列方式出現改變。

3. 主要會計政策

財務報表乃按歷史成本常規，並就重估物業、物業投資及證券投資進行調整後根據香港普遍接納之會計原則編製。所採用主要會計政策如下：

綜合基準

綜合財務報表包括本公司及其附屬公司截至每年三月三十一日止之財務報表。

年內所收購或出售之附屬公司之業績乃分別由收購生效日期起計算或計算直至出售生效日期止（選適用者），列入綜合收益表。

商譽

於協議日期為二零零五年一月一日前之收購產生之商譽乃指收購成本超出於收購日期本集團應佔附屬公司可識別資產及負債之公平價值權益之數額。

於收購事項產生之商譽乃撥充資本及於其有效使用期內按直線法攤銷。於收購附屬公司產生之商譽乃於資產負債表內另行呈列作其他無形資產。

於協議日期為二零零五年一月一日或以後之收購產生之商譽初步按成本確認為資產，隨後按成本減任何累計減值虧損計算。商譽至少每年進行減值評估或當有跡象顯示可能出現減值時進行更頻密評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Interest in an associate

The consolidated income statement includes the Group's share of the post-acquisition result of its associate for the year. In the consolidated balance sheet, interest in an associate is stated at the Group's share of the net assets of the associate.

The results of an associate is accounted for by the Company on the basis of dividends received and receivable during the year. In the Company's balance sheet, investment in an associate is stated at cost, as reduced by any identified impairment loss.

Property and equipment

Property and equipment are stated at cost or valuation less depreciation and amortisation, and accumulated impairment losses.

Land and buildings are stated in the balance sheet at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and amortisation and any subsequent impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of land and buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

3. 主要會計政策(續)

於附屬公司之投資

於附屬公司之投資乃按成本減任何已識別之減值虧損列入本公司之資產負債表。

於聯營公司之權益

綜合收益表包括本集團攤佔其聯營公司之年度收購後業績。於綜合資產負債表內，於聯營公司之權益乃按本集團攤佔聯營公司之淨資產列賬。

本公司乃根據於年內已收及應收之股息將聯營公司業績入賬。於本公司之資產負債表，於聯營公司之投資乃按成本列賬（以任何已識別之減值虧損撇減）。

物業及設備

物業及設備乃按成本值或估值減折舊及攤銷及累計減值虧損後列賬。

土地及樓宇按其重估值（即於重估當日之公平值減去任何累積折舊及攤銷以及任何日後減值虧損後）於資產負債表列賬。重估乃定期進行，使有關賬面值與於結算日按公平值計算之價值不會有重大差異。

土地及樓宇重估產生之任何重估增值撥入重估儲備，惟倘儲備中出現先前確認作支出之相同資產重估減值，在此情況下，計入收益表之重估增值則以先前扣除之減值為限。重估資產產生之賬面淨值減少如超出該項資產就先前重估之重估儲備結餘（如有），則作為支出處理。於重估資產在日後出售或報廢時，乃將應佔重估盈餘轉撥至保留溢利。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation and amortisation is provided to write off the cost of property and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, on the following rates per annum:

Leasehold land	Over the terms of the lease
Buildings	Over the shorter of the terms of the lease or 50 years
Leasehold improvements	The shorter of the lease terms and 5 years
Motor vehicles	25%
Office equipment	20% - 33 $\frac{1}{3}$ %
Furniture and fixtures	15% - 20%

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Investment property

Investment property is completed property which is held for its investment potential, any rental income being negotiated at arm's length.

Investment property is stated at its open market value. Any revaluation increase or decrease arising on the revaluation of investment property is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged.

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement.

No depreciation is provided on investment property except where the unexpired term of the relevant lease is 20 years or less.

3. 主要會計政策(續)

物業及設備在其估計可使用年內，經計及其估計餘值後，以直線法按下列年率註銷成本計算折舊及攤銷：

租賃土地	按租賃期計算
樓宇	按租賃期或50年(以較短時期為準)計算
租賃物業裝修	按租賃期及5年(以較短時期為準)
汽車	25%
辦公室設備	20% - 33 $\frac{1}{3}$ %
傢具及裝置	15% - 20%

物業及設備因出售或報廢而產生之收益或虧損乃按出售該項資產所得款額與其賬面值之差額釐定，並於收益表中確認。

物業投資

物業投資為已完成並可作投資用途而持有之物業，其任何租金收入經公平磋商釐定。

物業投資乃以其公開市值列賬。因重估投資物業而產生之重估增減，則計入投資物業重估儲備或自該儲備扣除，除非儲備結餘不足以抵銷重估減值。若情況如此，重估減值高出投資物業重估儲備之部份則自收入表扣除。減值如先前已自收入表扣除，而其後產生重估增值，則此增值則計入收入表，惟數額以先前扣除之減值為限。

出售物業投資時，有關物業應佔物業投資重估儲備結餘之部份乃轉撥入收益表。

除非有關租約之未屆滿租期為20年或以下，否則物業投資將不就計提折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Trading rights in The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Futures Exchange Limited (the “Futures Exchange”) are stated at cost less amortisation. Amortisation is provided to write off the cost on a straight-line basis over their estimated useful lives.

Investments in securities

Investments in securities are recognised on a trade date basis and are initially measured at cost.

All securities, other than held-to-maturity debt securities, are measured at fair value at subsequent reporting dates.

For securities not for trading, unrealised gains and losses are dealt with in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net profit or loss for the year.

Club membership

Club membership is stated at cost less any identified impairment loss.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another Statements of Standard Accounting Practice (“SSAP”), in which case the impairment loss is treated as a revaluation decrease under that SSAP.

3. 主要會計政策（續）

無形資產

於香港聯合交易所有限公司（「聯交所」）及香港期貨交易所有限公司（「期交所」）之交易權按成本值減攤銷列賬。攤銷以直線法按估計可使用年期內註銷成本計算。

證券投資

證券投資乃根據買賣日期基準確認，最初以成本值計算。

持至到期之債務證券以外之所有證券於其後之呈報日以公平價值計算。

至於非作買賣用途證券，未變現損益於股本中處理，直至證券售出或確定為減損為止，屆時將累計損益（之前於股本中確認）包括在年內淨損益。

會所會籍

會所會籍乃按成本值減去任何已識別之減值虧損後列賬。

減值

於各結算日，本集團審核其有形及無形資產之賬面值，以釐定該等資產是否有任何跡象顯示錄得減值虧損。倘資產之估計可收回金額較其賬面值低，則資產之賬面值減至其可收回金額。除非有關資產按另一會計實務準則（「會計實務準則」）重估入賬，即減值虧損按該會計實務準則列作重估減值，否則減值虧損隨即確認為支出。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of any impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another SSAP, in which case the reversal of the impairment loss is treated as a revaluation increase under that SSAP.

Cash and cash equivalents

Cash on hand, demand deposits, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, as well as bank borrowings which are repayable within three months and form an integral part of the Group's cash management are classified as cash and cash equivalents in the consolidated cash flow statement. All other bank borrowings are classified as financing activities in the consolidated cash flow statement.

Revenue recognition

All transactions in securities trading are recorded on a trade-date basis.

Commission and brokerage income, clearing and handling fees income and advisory fee income are recognised when the services are rendered.

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

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income under operating leases is recognised in the income statement on a straight-line basis over the relevant lease term.

3. 主要會計政策(續)

減值(續)

倘減值虧損其後撥回，資產之賬面值增加至經修訂之估計可收回金額，惟增幅不得超過往年度該資產並無已確認減值虧損下應已釐定之賬面值。除非有關資產按另一會計實務準則重估入賬，即減值虧損撥回按該會計實務準則列作重估增值，否則撥回之任何減值虧損隨即確認為收入。

現金及現金等值項目

手頭現金、活期存款、短期、流通率極高的投資(此等投資可隨時轉換為既定金額的現金、其價值變動風險有限)及於三個月內償還並構成本集團現金管理中不可分割部分的銀行借貸，皆分類為綜合現金流量表內的現金及現金等值項目。所有其他銀行借貸於綜合現金流量表內則分類為融資業務。

收益確認

所有證券買賣交易按有關買賣日期記錄。

佣金及經紀佣金收入、結算及手續費收入及顧問費收入於提供服務後確認。

利息收入乃參照尚欠本金並以適用利率按時間基準應予累算。

投資項目之股息收入於股東有權收取款項時確認。

租金收入以直線基準按有關租約年期於收益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items of income or expense that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements 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 difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. 主要會計政策(續)

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按本年度應課稅盈利計算。應課稅盈利與收入表中所報盈利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收入及開支，並且不包括從未課稅或扣稅之收入或支出項目。

遞延稅項為就財務報表資產及負債賬面值及計算應課稅盈利相應稅基差額而須支付或收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產乃按可能出現可利用臨時時差扣稅之應課稅盈利時提撥。若於一項交易中，因商譽(或負商譽)或因業務合併以外原因開始確認其他資產及負債而引致之臨時時差既不影響應課稅務盈利，亦不影響會計盈利，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司之投資而引致之應課稅臨時差異而確認，惟若本集團可令臨時差額對沖及臨時差額有可能未必於可見將來對沖之情況除外。

遞延稅項資產之賬面值於每個結算日作檢討，並於沒可能會有足夠應課稅盈利收回全部或部分資產價值時作調減。

遞延稅項乃按預期於負債清償或資產變現年度適用之稅率計算。遞延稅項於收益表中扣除或計入收益表。惟倘遞延稅項直接在股本權益中扣除或計入股本權益之情況(在此情況下遞延稅項亦會於股本權益中處理)除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating leases expense

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the terms of the relevant lease.

Retirement benefits scheme

Payments to the Mandatory Provident Fund Scheme are charged as an expense as they fall due.

Allowance for bad and doubtful debts

Allowance is made for doubtful debts as and when they are considered necessary by the directors. Factors under consideration include the net realisable value of the securities pledged by the clients, the financial condition and repayment records of the clients and the general economic conditions. When the directors consider that the chances of debt recovery are remote, the outstanding debt will be written off.

3. 主要會計政策(續)

經營租約支出

應付經營租約之租金以直線基準按有關租約年期於收益表中扣除。

退休福利計劃

強制性公積金計劃之供款於到期繳付時列作支出扣除。

呆壞賬撥備

董事若認為有需要時可作出呆壞賬撥備。考慮因素包括客戶所抵押證券之可變現淨值、客戶之財務狀況及還款紀錄以及一般經濟狀況。董事若認為追討欠款機會渺茫，則將撇銷欠款。

4. TURNOVER

4. 營業額

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Commission and brokerage	佣金及經紀佣金	40,318	45,430
Underwriting and placing commission	包銷及配售佣金	6,358	2,638
Interest income from:	利息收入來源：		
– clients	– 客戶	29,828	24,837
– financial institutions	– 財務機構	53	98
– clearing house	– 結算公司	1	2
Clearing and handling fees income	結算及手續費收入	1,752	2,470
Advisory fee income	顧問費收入	375	1,162
Property rental income	物業租金收入	360	240
		79,045	76,877

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into four operating divisions, namely, broking, securities margin financing, corporate finance and investments. These divisions are the basis on which the Group reports its primary segment information. The principal activities of these divisions are as follows:

Broking 經紀	– provision of stockbroking, futures and options broking, and mutual funds and insurance-linked investment plans and products broking 提供股票經紀、期貨及期權經紀，及互惠基金及保險相關投資計劃及產品經紀服務
Securities margin financing 證券保證金融資	– provision of securities margin financing 提供證券保證金融資
Corporate finance 企業融資	– provision of corporate advisory services 提供企業顧問服務
Investments 投資	– holding of investments 持有投資項目

Segment information about these businesses is presented below.

5. 業務及地域分類

業務分類

就管理目的，本集團現時分成四個經營部門，即經紀、證券保證金融資、企業融資及投資。該等部門是本集團匯報其基本分類資料之基準。該等部門之主要業務如下：

此等業務之分類資料謹呈如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

5. 業務及地域分類(續)

Income statement for the year ended 31st March, 2005

截至二零零五年三月三十一日止年度
收益表

		Broking	Securities margin financing	Corporate finance	Investments	Consolidated
		經紀	證券保證 金融資	企業融資	投資	綜合
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
REVENUE	收入					
Turnover	營業額	46,204	29,446	3,035	360	79,045
RESULTS	業績					
Segment profit	分類溢利	15,408	21,522	2,309	1,624	40,863
Unallocated income and expenses	未分配收入 及費用					(1,444)
Share of result of associate	攤佔聯營 公司業績					(4)
Profit before taxation	稅前溢利					39,415
Taxation	稅項					(6,009)
Profit for the year	本年溢利					33,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

5. 業務及地域分類(續)

Balance sheet as at 31st March, 2005

於二零零五年三月三十一日之資產負債表

		Broking	Securities margin financing	Corporate finance	Investments	Consolidated
		經紀	證券保證金融資	企業融資	投資	綜合
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
ASSETS	資產					
Segment assets	分類資產	185,151	481,613	8,984	22,277	698,025
Unallocated corporate assets	未分配企業資產					135,861
Consolidated total assets	綜合資產總值					833,886
LIABILITIES	負債					
Segment liabilities	分類負債	266,824	31,287	144	-	298,255
Unallocated corporate liabilities	未分配企業負債					47,316
Consolidated total liabilities	綜合負債總額					345,571

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

5. 業務及地域分類(續)

Other information for the year ended 31st March, 2005

截至二零零五年三月三十一日止年度其他資料

		Securities margin financing 證券保證 金融資	Corporate finance 企業融資	Investments 投資	Consolidated 綜合
	Broking 經紀	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Additions of property and equipment	增購物業及設備	66	4	-	70
Amortisation of intangible assets	無形資產之攤銷	201	-	-	201
Amortisation of goodwill	商譽之攤銷	328	-	-	328
Depreciation and amortisation of property and equipment	物業及設備之折舊及攤銷	1,757	19	-	1,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Income statement for the year ended 31st March, 2004

5. 業務及地域分類(續)

截至二零零四年三月三十一日止年度收益表

		Broking	Securities margin financing 證券保證金融資	Corporate finance 企業融資	Investments 投資	Consolidated 綜合
		經紀 \$'000 千元	金融資 \$'000 千元	企業融資 \$'000 千元	投資 \$'000 千元	綜合 \$'000 千元
REVENUE	收入					
Turnover	營業額	50,457	24,538	1,642	240	76,877
RESULTS	業績					
Segment profit	分類溢利	20,586	16,137	916	417	38,056
Unallocated income and expenses	未分配收入及費用					(553)
Profit before taxation	稅前溢利					37,503
Taxation	稅項					(7,364)
Profit for the year	本年溢利					30,139

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

5. 業務及地域分類(續)

Balance sheet as at 31st March, 2004

於二零零四年三月三十一日之資產負債表

		Broking	Securities margin financing	Corporate finance	Investments	Consolidated
		經紀	證券保證金融資	企業融資	投資	綜合
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
ASSETS	資產					
Segment assets	分類資產	65,434	469,106	4,952	15,617	555,109
Unallocated corporate assets	未分配企業資產					5,500
Consolidated total assets	綜合資產總值					560,609
LIABILITIES	負債					
Segment liabilities	分類負債	34,265	239,149	3	60	273,477
Unallocated corporate liabilities	未分配企業負債					5,467
Consolidated total liabilities	綜合負債總額					278,944

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Other information for the year ended 31st March, 2004

	Broking	Securities margin financing 證券保證金融資	Corporate finance 企業融資	Investments 投資	Consolidated 綜合
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Allowance for loans to securities margin clients		2,100			2,100
Additions of property and equipment	1,147				1,147
Amortisation of intangible assets	127				127
Depreciation and amortisation of property and equipment	1,781		18		1,799

Geographical segments

All of the activities of the Group are based in Hong Kong and all of the Group's turnover and profit before taxation are derived from Hong Kong. In addition, the Group's assets are located in Hong Kong.

地域分類

本集團全部業務以香港為根據地，而本集團全部營業額及稅前溢利來自香港。此外，本集團之資產均位於香港。

6. OTHER OPERATING INCOME

6. 其他營運收入

	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Surplus on revaluation of property and equipment (note 14)	704	-
Dividend income	-	51
Net realised gain on securities not for trading	1,263	125
Net gains on error trades	-	42
Sundry income	361	2
	2,328	220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

7. FINANCE COSTS

7. 融資成本

	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Interest on:		
– bank loans and overdrafts wholly repayable within five years	5,173	3,517
– convertible note	92	–
Bank charges	746	44
	6,011	3,561

8. STAFF COSTS

8. 員工成本

	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Salaries and other benefits	9,707	8,085
Contributions to retirement benefits scheme	325	288
	10,032	8,373

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

9. PROFIT FROM OPERATIONS

9. 經營溢利

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Profit from operations has been arrived at after charging (crediting):	經營溢利經已扣除 (計入) 下列各項:		
Allowance for loans to securities margin clients	證券保證金客戶貸款之撥備	-	2,100
Auditors' remuneration	核數師酬金	780	450
Loss on disposal of property and equipment	出售物業及設備之虧損	776	-
Operating lease rentals in respect of rented premises	租賃物業之經營租約租金	1,961	2,344
Rental income from investment property net of outgoings of HK\$56,000 (2004: HK\$45,000)	由物業投資租金收入, 扣除支出56,000港元 (二零零四年: 45,000港元)	(304)	(195)
Write back of allowance for loans to securities margin clients	撥回證券保證金客戶貸款之撥備	(249)	-

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

10. 董事及僱員酬金

Directors' emoluments

董事酬金

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Fees:	袍金:		
Executive directors	執行董事	-	-
Independent non-executive directors	獨立非執行董事	60	65
		60	65
Other emoluments (executive directors):	其他酬金 (執行董事):		
Salaries and other benefits	薪金及其他福利	1,281	1,265
Commission received	已收佣金	1,434	1,554
Contributions to retirement benefits scheme	退休福利計劃供款	53	53
		2,768	2,872
		2,828	2,937

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度（金額以港元計算）

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

Directors' emoluments (continued)

The remuneration of the directors fell within the following bands:

		Number of directors 董事人數	
		2005 二零零五年	2004 二零零四年
HK\$1,000,000 or less	1,000,000港元或以下	7	7
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-
		8	7

During the year, the directors were entitled on a priority basis to the use of the Group's motor vehicles. The cost of these motor vehicles at 31st March, 2005 was approximately HK\$2,110,000 (2004: HK\$2,110,000) and has been fully depreciated in 2003.

None of the directors has waived any emoluments during the year.

Employees' emoluments

The five highest paid individuals of the Group included two (2004: one) directors of the Company, details of whose emoluments are set out above. The details of the emoluments of the remaining three (2004: four) individuals are as follows:

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Salaries and other benefits	薪金及其他福利	2,119	1,893
Contributions to retirement benefits scheme	退休福利計劃供款	11	59
		2,130	1,952

10. 董事及僱員酬金(續)

董事酬金(續)

董事酬金介乎以下範圍：

年內，董事有權優先使用本集團之汽車。於二零零五年三月三十一日，上述汽車成本約為2,110,000港元（二零零四年：2,110,000港元），並已於二零零三年全數折舊。

年內，概無董事放棄任何酬金。

僱員酬金

本集團五位最高薪個別人士包括兩位（二零零四年：一位）本公司董事，其薪金詳情載於上文。其餘三位（二零零四年：四位）最高薪個別人士之酬金如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

Employees' emoluments (continued)

Their emoluments were within the following bands:

		Number of employees 僱員人數	
		2005 二零零五年	2004 二零零四年
HK\$1,000,000 or less	1,000,000港元或以下	3	5
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	–
		5	5

During the year, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

10. 董事及僱員酬金 (續)

僱員酬金 (續)

酬金介乎以下範圍：

年內，本集團並無向五位最高薪酬個別人士 (包括董事及僱員) 支付任何酬金，作為彼等加盟本集團之誘金或入職獎金，或作為離職補償金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

11. TAXATION

11. 稅項

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Hong Kong Profits Tax	香港利得稅		
Current year	本年度	6,467	6,756
Underprovision in prior years	往年度不足撥備	13	608
Deferred taxation (note 26)	遞延稅項 (附註26)	6,480 (471)	7,364 -
		6,009	7,364

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profit for both years.

香港利得稅乃按兩個年度之估計應課稅溢利以17.5%之稅率計算。

The taxation charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

本年度稅項支出與綜合收益表內稅前溢利之調節如下：

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Profit before taxation	稅前溢利	39,415	37,503
Taxation at the domestic income tax rate of 17.5%	本地所得稅稅率17.5%計算之稅項	6,898	6,563
Underprovision in prior years	往年度不足撥備	13	608
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	95	97
Tax effect of income not taxable for tax purpose	不應課稅收入之稅務影響	(12)	(26)
Tax effect of estimated tax losses not recognised	未確認預計稅務虧損之稅務影響	88	11
Tax effect of utilisation of estimated tax losses previously not recognised	過往未確認之可使用預計稅務虧損之稅務影響	(52)	(70)
Utilisation of deferred tax assets previously not recognised	使用過往未確認之遞延稅項資產	(1,072)	-
Others	其他	51	181
Taxation charge for the year	本年度稅務支出	6,009	7,364

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

12. DIVIDENDS

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Interim, paid – HK2.5 cents (2004: HK2.5 cents) per share	已付，中期 – 每股2.5港仙 (二零零四年：2.5港仙)	7,500	7,500
Final, proposed – HK2.5 cents (2004: HK5 cent) per share	擬派，末期 – 每股2.5港仙 (二零零四年：5港仙)	12,538	15,000
		20,038	22,500

12. 股息

13. EARNINGS PER SHARE

The calculation of the basic and dilutive earnings per share is based on the following data:

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Earnings for the purposes of both basic and diluted earnings per share	就計算每股基本 及攤薄盈利 之盈利	33,406	30,139
Weighted average number of ordinary shares for the purposes of both basic and diluted earnings per share	就計算每股基本及 攤薄盈利之普通股 加權平均數	317,205,479	300,000,000

13. 每股盈利

每股基本及攤薄盈利乃根據以下數據計算：

The computation of diluted earnings per share does not assume the conversion of the Group's outstanding convertible note since its exercise would result in an increase in net profit per share from ordinary operations.

於計算每股攤薄盈利時並無假設兌換本集團之尚未償還可換股票據，皆因行使有關權利將增加來自日常業務之每股純利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

14. PROPERTY AND EQUIPMENT

14. 物業及設備

		Leasehold land and buildings 租賃土地 及樓宇 \$'000 千元	Leasehold improvements 租賃 物業裝修 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Office equipment 辦公室 設備 \$'000 千元	Furniture and fixtures 傢具及 裝置 \$'000 千元	Total 合計 \$'000 千元
THE GROUP	本集團						
COST OR VALUATION	成本或估值						
At 1st April, 2004	於二零零四年 四月一日	900	7,554	2,110	8,887	1,161	20,612
Acquired on acquisition of subsidiaries	收購附屬公司時 所收購	128,000	346	–	941	131	129,418
Additions	添置	–	–	–	60	10	70
Surplus on revaluation	重估盈餘	650	–	–	–	–	650
Disposals	出售	–	(6,659)	–	–	(465)	(7,124)
At 31st March, 2005	於二零零五年 三月三十一日	129,550	1,241	2,110	9,888	837	143,626
Comprising:	包括:						
At cost	按成本	–	1,241	2,110	9,888	837	14,076
At valuation – 2005	按重估值 – 二零零五年	129,550	–	–	–	–	129,550
		129,550	1,241	2,110	9,888	837	143,626
DEPRECIATION AND AMORTISATION	折舊及攤銷						
At 1st April, 2004	於二零零四年 四月一日	36	6,478	2,110	5,770	1,101	15,495
Provided for the year	年度撥備	231	331	–	1,189	25	1,776
Eliminated on revaluation	重估時撇銷	(54)	–	–	–	–	(54)
Eliminated on disposals	出售時撇銷	–	(5,883)	–	–	(465)	(6,348)
At 31st March, 2005	於二零零五年 三月三十一日	213	926	2,110	6,959	661	10,869
NET BOOK VALUES	賬面淨值						
At 31st March, 2005	於二零零五年 三月三十一日	129,337	315	–	2,929	176	132,757
At 31st March, 2004	於二零零四年 三月三十一日	864	1,076	–	3,117	60	5,117

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

14. PROPERTY AND EQUIPMENT (continued)

The leasehold land and buildings are held under medium-term lease in Hong Kong.

The leasehold land and buildings from acquisition of subsidiaries were valued at their open market value at 28th February, 2005 by Vigers Appraisal & Consulting Limited ("Vigers Appraisal"), an independent firm of professional valuers. The carrying value of the leasehold land and buildings at 28th February, 2005 was approximately equal to the open market value. In the opinion of the directors, the fair value of the leasehold land and buildings as at 31st March, 2005 would not be significantly different from the valuation of the leasehold land and buildings at 28th February, 2005.

The remaining leasehold land and buildings of the Group in Hong Kong were valued at 31st March 2005 by Vigers Appraisal, an independent firm of professional valuers, on an open market value basis. The valuation gave rise to a revaluation increase of approximately HK\$704,000 (2004: nil) which has been credited to the income statement.

If leasehold land and buildings had not been revalued, they would have been included in these financial statements at historical cost less accumulated depreciation of approximately HK\$129,924,000 (2004: HK\$2,188,000).

14. 物業及設備 (續)

香港之租賃土地及樓宇乃以中期租約持有。

來自收購附屬公司之租賃土地及樓宇經由獨立專業估值師 Vigers Appraisal & Consulting Limited (「Vigers Appraisal」) 於二零零五年二月二十八日按公開市場基準估值。租賃土地及樓宇於二零零五年二月二十八日之賬面值約相等於公開市場價值。董事認為，租賃土地及樓宇於二零零五年三月三十一日之公平價值與租賃土地及樓宇於二零零五年二月二十八日之估值將不會有顯著分別。

本集團之其餘香港租賃土地及樓宇經由獨立專業估值師 Vigers Appraisal 於二零零五年三月三十一日按公開市場基準估值。該估值產生重估增值約 704,000 港元 (二零零四年：零)，有關增值已計入收益表。

倘租賃土地及樓宇重未予以重估，則原應按歷史成本減累計折舊約 129,924,000 港元 (二零零四年：2,188,000 港元) 計入財務報表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

15. INVESTMENT PROPERTY

THE GROUP

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
At 1st April	於四月一日	7,050	-
Transfer from property and equipment	由物業及設備轉至	-	6,474
Surplus on revaluation	重估盈餘	6,950	576
At 31st March	於三月三十一日	14,000	7,050

Investment property was valued at their open market value at 31st March, 2005 by Vigers Appraisal, an independent firm of professional valuers. This valuation gave rise to a revaluation increase of approximately HK\$6,950,000 (2004: HK\$576,000) which has been credited to investment property revaluation reserve.

The investment property is held under a long lease in Hong Kong and is rented out under an operating lease.

16. INVESTMENTS IN SUBSIDIARIES

THE COMPANY

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Unlisted shares, at cost	非上市股份，按成本	440,839	194,749

15. 物業投資

本集團

物業投資乃由獨立專業估值師 Vigers Appraisal 於二零零五年三月三十一日按公開市值進行估值。該估值將引致重估增值約 6,950,000 港元（二零零四年：576,000 港元），並已計入物業投資儲備內。

香港之物業投資以長期租約持有及以經營租約租出。

16. 附屬公司之投資

本公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

16. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the subsidiaries of the Company, which are wholly-owned, at 31st March, 2005 are as follows:

16. 附屬公司之投資（續）

於二零零五年三月三十一日，本公司之全資擁有附屬公司之詳情如下：

Name of company 公司名稱	Place of incorporation 註冊成立地點	Class of shares held 股份類別	Issued and fully paid share capital 已發行及繳足股本	Principal activities 主要業務
Get Nice Incorporated	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$10,000 Ordinary shares 10,000美元 普通股	Investment holding 投資控股
Get Nice Investment Limited ("GNI")	Hong Kong	Ordinary	HK\$40,000,003 3 ordinary shares and 40,000,000 non-voting deferred shares (Note ii)	Securities dealing and broking and securities margin financing
結好投資有限公司 （「結好投資」）	香港	普通股	40,000,003港元 3股普通股及 40,000,000股 無投票權 遞延股（附註ii）	證券買賣及 經紀業務及 證券保證金 融資
Get Nice Futures Company Limited 結好期貨有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000,000 Ordinary shares 10,000,000港元 普通股	Futures and options broking 期貨及期權 經紀業務
Get Nice Capital Limited 結好融資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000,000 Ordinary shares 10,000,000港元 普通股	Corporate finance services 企業融資服務
Get Nice Asset Management Limited 結好資產管理有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2,000,000 Ordinary shares 2,000,000港元 普通股	Brokerage of mutual funds and insurance-linked investment plans and products 互惠基金及 保險相關投資 計劃及產品之 經紀業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

16. INVESTMENTS IN SUBSIDIARIES (continued)

16. 附屬公司之投資(續)

Name of company 公司名稱	Issued and Place of incorporation 註冊成立 地點	Class of shares held 股份類別	fully paid share capital 已發行及 繳足股本	Principal activities 主要業務
Quality Champion Limited 可權有限公司	Hong Kong 香港	Ordinary 普通股	HK\$9,000 Ordinary shares 9,000港元 普通股	Property holding 物業持有
Get Nice Finance Company Limited 結好財務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 Ordinary shares 2港元 普通股	Investment holding 投資控股
Get Nice Development Limited 結好發展有限公司	Hong Kong 香港	Ordinary 普通股	HK\$100 Ordinary shares 100港元 普通股	Dormant 暫無營業
Alex International Limited 藝業國際有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 Ordinary shares 10,000港元 普通股	Holding of a motor vehicle 持有汽車
Steppington Holdings Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$78,000 Ordinary shares 78,000港元 普通股	Investment holding 投資控股
Pacific Challenge Securities Limited 太平洋興業證券有限公司	Hong Kong 香港	Ordinary 普通股	HK\$60,000,000 Ordinary shares 60,000,000港元 普通股	Securities dealing, broking and securities margin financing 證券買賣、 經紀業務及 證券保證金融資
Pacific Challenge Futures Hong Kong Limited 太平洋興業期貨有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000,000 Ordinary shares 10,000,000港元 普通股	Futures and options broking 期貨及期權 經紀業務
Pacific Challenge Corporate Finance Limited 太平洋興業財務顧問 有限公司	Hong Kong 香港	Ordinary 普通股	HK\$5,000,000 Ordinary shares 5,000,000港元 普通股	Corporate advisory services 企業顧問服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

16. INVESTMENTS IN SUBSIDIARIES (continued)

16. 附屬公司之投資 (續)

Name of company 公司名稱	Issued and Place of incorporation 註冊成立 地點	Class of shares held 股份類別	fully paid share capital 已發行及 繳足股本	Principal activities 主要業務
Pacific Challenge Management Services Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 Ordinary shares 2港元普通股	Provision of management services 提供管理服務
Grace Field Limited 捷田有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 Ordinary shares 2港元普通股	Property holding 物業持有
Pacific Challenge Secretarial Services Limited	Hong Kong 香港	Ordinary 普通股	HK\$10,000 Ordinary shares 10,000港元 普通股	Provision of company secretarial services 提供公司 秘書服務
NobleNet Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$7.8 Ordinary shares 7.8港元普通股	Dormant 暫無營業
Superior Capital Assets Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$7.8 Ordinary shares 7.8港元普通股	Dormant 暫無營業
Pacific Challenge On-Line Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$0.3 Ordinary shares 0.3港元普通股	Dormant 暫無營業
Pacific Challenge Nominees Limited 太平洋興業代理人有限公司	Hong Kong 香港	Ordinary 普通股	HK\$20 Ordinary shares 20港元普通股	Dormant 暫無營業
eCapitalist.com (Asia) Limited 富財投資(亞洲)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$19,500,000 Ordinary shares 19,500,000港元 普通股	Dormant 暫無營業
Capital Mind Securities Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 Ordinary shares 2港元普通股	Dormant 暫無營業

**16. INVESTMENTS IN SUBSIDIARIES
(continued)***Notes:*

- (i) Get Nice Incorporated and Steppington Holdings Limited are directly wholly-owned subsidiaries of the Company. All other interests shown above are indirectly wholly-owned by the Company. The principal place of operation of the companies within the Group is Hong Kong.
- (ii) The non-voting deferred shares, which are held by two directors of the Company, carry practically no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of GNI and on liquidation, the assets of GNI available for distribution among the holders of ordinary shares and the holders of non-voting deferred shares shall be applied first in paying to the holders of ordinary shares the sum of HK\$1,000,000,000,000 per ordinary share and secondly in repaying to the holders of non-voting deferred shares the nominal amount paid up or credited as paid up on such shares, and the balances of the GNI's assets shall belong to and be distributed among the holders of ordinary shares in proportion to the amount paid up or credited as paid up on such ordinary shares respectively.

16. 附屬公司之投資(續)*附註：*

- (i) Get Nice Incorporated及 Steppington Holdings Limited乃本公司之直接全資附屬公司。上述所示之所有其他權益均由本公司間接全資擁有。本集團內之公司營業地點均為香港。
- (ii) 由本公司兩名董事持有之無投票權遞延股於實際上無權收取股息，亦無權接收結好投資任何股東大會通告或出席大會或於會上投票。於清盤時，結好投資可供分派予普通股持有人及無投票權遞延股持有人之資產應先用以支付每股普通股1,000,000,000,000港元之款項予普通股持有人，繼而用以償還有關股份之已繳足或入賬列為繳足面值予無投票權遞延股持有人，而結好投資之資產餘額應屬於普通股持有人，並分別按彼等就有關普通股之繳足或入賬列為繳足股款之比例分派。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

17. INTANGIBLE ASSETS

THE GROUP

17. 無形資產

本集團

		\$'000 千元
<hr/>		
COST	成本	
At 1st April, 2004	於二零零四年四月一日	1,258
Acquired on acquisition of subsidiaries	於收購附屬公司時所收購	5,296
<hr/>		
At 31st March, 2005	於二零零五年三月三十一日	6,554
<hr/>		
AMORTISATION	攤銷	
At 1st April, 2004	於二零零四年四月一日	503
Charged for the year	年內扣除	201
<hr/>		
At 31st March, 2005	於二零零五年三月三十一日	704
<hr/>		
NET BOOK VALUES	賬面淨值	
At 31st March, 2005	於二零零五年三月三十一日	5,850
<hr/>		
At 31st March, 2004	於二零零四年三月三十一日	755
<hr/>		

The intangible assets represent seven (2004: three) trading rights in the Stock Exchange and two (2004: one) trading rights in the Futures Exchange which are stated at cost less amortisation. They are amortised over a period of 10 years.

無形資產為於聯交所之七個（二零零四年：三個）交易權及期交所之兩個（二零零四年：一個）交易權，均以成本值減攤銷列賬，並按十年攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)
截至二零零五年三月三十一日止年度 (金額以港元計算)

18. GOODWILL

THE GROUP

18. 商譽

本集團

		\$'000 千元
<hr/>		
COST	成本	
Arising on acquisitions of subsidiaries and at 31st March, 2005	於收購附屬公司時產生及 於二零零五年三月三十一日	15,769
<hr/>		
AMORTISATION	攤銷	
Charge for the year and at 31st March, 2005	年內扣除及於二零零五年三月三十一日	328
<hr/>		
NET BOOK VALUE	賬面淨值	
At 31st March, 2005	於二零零五年三月三十一日	15,441

The amortisation period adopted for goodwill is four years.

就商譽採用之攤銷期為四年。

19. INTEREST IN AN ASSOCIATE

THE GROUP

19. 聯營公司之權益

本集團

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Share of net assets	攤佔資產淨值	-	-
Amount due from an associate	聯營公司欠款	4,361	-
		<hr/> 4,361	<hr/> -

The Group has no obligation to contribute further capital into the associate or make any advance to the associate. Thus the loss from ordinary activities before taxation of the associate attributable to the Group was limited to the capital contributed by the Group.

本集團並無責任向聯營公司進一步出資或向聯營公司提供任何墊款。因此，本集團應佔聯營公司之稅前日常業務虧損僅限於本集團之出資額。

As at 31st March, 2005, the Group had interest in the following associate:

於二零零五年三月三十一日，本集團擁有下列聯營公司之權益：

Name of entity	Form of business structure	Place of incorporation	Principal place of operation	Class of shares held	Proportion of nominal value of issued capital 佔已發行股本 面值比例	Nature of business
公司名稱	業務架構形式	註冊成立地點	主要營業地點	所持股份類別		業務性質
Reality Profile Limited	Incorporated 註冊成立	British Virgin Islands 英屬處女群島	Hong Kong 香港	Ordinary 普通股	45% 45%	Development of Indigenous Small Houses 發展原居民丁屋

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

20. OTHER ASSETS

THE GROUP

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Admission fee paid to Hong Kong Securities Clearing Company Limited ("HKSCC")	支付香港中央結算有限 公司(「香港結算」) 入會費用	350	150
Contribution in cash to compensation fund	賠償基金現金供款	503	300
Guarantee fund contributed to HKSCC	香港結算保證基金供款	350	150
Reserve fund contribution to HKFE Clearing Corporation Limited ("HKFECC")	香港期貨結算有限公司 (「期貨結算」) 儲備金供款	3,542	1,871
Club membership	會所會籍	5,100	5,100
		9,845	7,571

20. 其他非流動資產

本集團

21. INVESTMENTS IN SECURITIES

THE GROUP

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Securities not for trading	非作買賣用途證券		
Quoted mutual funds	上市互惠基金		
Non-current assets	非流動資產	-	8,361
Current assets	流動資產	3,916	-
		3,916	8,361
Market value	按市場價值		
Quoted mutual funds	上市互惠基金	3,916	8,361

21. 證券投資

本集團

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

22. TRADE DEBTORS

22. 應收貿易賬款

THE GROUP

本集團

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Accounts receivable arising from the business of dealing in securities:	證券買賣業務運作中產生之應收賬項：		
– Cash clients	– 現金客戶	37,211	11,346
– HKSCC	– 香港結算	–	7,611
Loans to securities margin clients:	證券保證金客戶貸款：		
– Directors and their associates	– 董事及其聯繫人士	–	852
– Other margin clients	– 其他保證金客戶	432,861	446,203
Accounts receivable from HKFECC arising from the business of dealing in futures contracts	期貨買賣合約業務中產生來自期貨結算之應收賬項	13,212	2,937
Commission receivable from brokerage of mutual funds and insurance-linked investment plans and products	來自互惠基金及保險相關投資計劃及產品之經紀服務之應收佣金	457	432
Amounts receivable arising from the business of providing corporate advisory services	提供企業顧問服務業務中產生之應收款項	–	283
		483,741	469,664

The settlement terms of accounts receivable from cash clients and HKSCC are two days after trade date, and from HKFECC is one day after trade date.

應收現金客戶及香港結算之賬項結算期為交易日後兩日，而期貨結算方面則為交易日後一日。

Except for the loans to securities margin clients and commission receivables from brokerage of mutual funds and insurance-linked investment plans and products as mentioned below, all the above balances aged within 30 days.

除下文所述借予證券保證金客戶之貸款及有關互惠基金經紀服務及保險相關投資計劃及產品之應收佣金外，以上結存之賬齡均不超過30日。

Loans to securities margin clients are secured by clients' pledged securities, repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as in the opinion of directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

借予證券保證金客戶之貸款均以客戶之抵押證券作抵押、按通知還款，及以商業利率計息。鑑於證券保證金融資之業務性質，董事認為賬齡分析並無額外作用，因此並無披露任何賬齡分析。

Commission receivables from brokerage of mutual funds and insurance-linked investment plans and products are settled within 60 days after the Group has submitted the subscription application/policies to the fund managers/policy issuers. The age of this balance is within 60 days.

有關互惠基金及保險相關投資計劃及產品經紀服務之應收佣金乃於本集團向基金經理／保單發行人提交認購申請／保單後60日內清償。此等結餘額之賬齡為60日以內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

23. TRADE CREDITORS

THE GROUP

23. 應付貿易賬款

本集團

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Accounts payable arising from the business of dealing in securities:	於證券買賣業務日常運作中產生之應付賬項：		
– Cash clients	– 現金客戶	33,924	21,716
– HKSCC	– 香港結算	12,131	–
Accounts payable to clients arising from the business of dealing in futures contracts	於期貨合約買賣業務運作中產生之應付客戶賬項	16,580	8,942
Amounts due to securities margin clients	欠證券保證金客戶款項	97,619	36,184
Commission payables for brokerage of mutual funds and insurance-linked investment plans and products	有關互惠基金及保險相關投資計劃及產品經紀服務之應付佣金	307	308
		160,561	67,150

The settlement terms of accounts payable to cash clients and HKSCC are two days after trade date. The age of these balances is within 30 days.

應付現金客戶及香港結算之賬項結算期為交易日後兩日。該等結餘之賬齡均不超過30日。

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Futures Exchange. The excesses of the outstanding amounts over the required initial margin deposits stipulated by the Futures Exchange are repayable to clients on demand. No aged analysis is disclosed as in the opinion of directors, the aged analysis does not give additional value in view of the nature of business of futures contract dealing.

於期貨合約買賣業務運作中產生之應付客戶賬項指向客戶收取以在期交所買賣期貨合約之保證金按金。超過期交所規定所需之初步保證金按金之尚未退還款額須於客戶要求時償還。鑑於期貨合約買賣業務性質，董事認為賬齡分析並無額外作用，因此並無披露賬齡分析。

Amounts due to securities margin clients are repayable on demand. No aged analysis is disclosed as in the opinion of directors, the aged analysis does not give additional value in view of the nature of business of securities margin financing.

欠證券保證金客戶款項須於要求時償還。鑑於證券保證金融資業務性質，董事認為賬齡分析並無額外作用，因此並無披露賬齡分析。

Commission payables for brokerage of mutual funds and insurance-linked investment plans and products are settled immediately once the Group has received payments from fund managers/policy issuers. The age of this balance is within 60 days.

有關互惠基金及保險相關投資計劃及產品經紀服務之應付佣金乃於本集團從基金經理／保單發行人收取款項後隨即清繳。此等結餘額之賬齡為60日以內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

24. AMOUNT DUE TO A RELATED COMPANY

THE GROUP

The amount due to a related company in which Messrs. Hung Hon Man and Cham Wai Ho, Anthony have beneficial interests. Details of the amount due to the related company are as follows:

Name of company 公司名稱	Balance at 31st March, 2005 於二零零五年 三月三十一日之結餘	Balance at 1st April, 2004 於二零零四年 四月一日之結餘	Maximum amount outstanding during the year 年內未償還 之最高款額
	\$'000 千元	\$'000 千元	\$'000 千元
Fullink Developments Limited	450	–	450

The above balance is unsecured, interest free and has no fixed repayment terms.

24. 欠關連公司款項

本集團

欠關連公司之款項為洪漢文先生及湛威豪先生擁有實益權益之公司所有。欠關連公司款項詳情如下：

上述結餘為無抵押、免息及並無固定還款期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

25. BANK BORROWINGS

THE GROUP

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Bank overdrafts – secured	銀行透支 – 有抵押	48,642	186,783
Mortgage loan – secured	按揭貸款 – 有抵押	69,300	–
Other bank loans – secured	其他銀行貸款 – 有抵押	11,000	16,182
		128,942	202,965

THE COMPANY

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Mortgage loan – secured	按揭貸款 – 有抵押	69,300	–

The maturity of the borrowings is on demand or within one year.

At 31st March, 2005, bank overdrafts of approximately HK\$48,642,000 (2004: HK\$186,783,000) and bank loans of approximately HK\$11,000,000 (2004: HK\$16,182,000) were secured by clients' pledged securities and corporate guarantees provided by the Company. Mortgage loan of HK\$69,300,000 (2004: nil) was secured by one of the leasehold land and building amounting to HK\$127,787,000 of the Group and corporate guarantees provided by the Company. In addition, nil bank loans (2004: HK\$5,227,000) were secured by a personal guarantee given by Mr. Hung Hon Man and no fee was paid for the personal guarantee provided.

25. 銀行借貸

本集團

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Bank overdrafts – secured	銀行透支 – 有抵押	48,642	186,783
Mortgage loan – secured	按揭貸款 – 有抵押	69,300	–
Other bank loans – secured	其他銀行貸款 – 有抵押	11,000	16,182
		128,942	202,965

本公司

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Mortgage loan – secured	按揭貸款 – 有抵押	69,300	–

該等借貸乃按通知時或於一年內到期。

於二零零五年三月三十一日，銀行透支約48,642,000港元(二零零四年：186,783,000港元)及銀行貸款約11,000,000港元(二零零四年：16,182,000港元)乃以客戶之抵押證券及本公司之企業擔保作抵押。按揭貸款69,300,000港元(二零零四年：零)乃以本集團一項租賃土地及樓宇127,787,000港元及本公司提供之公司擔保作抵押。此外，並無銀行貸款(二零零四年：5,227,000港元)由洪漢文先生提供個人擔保作為擔保，而本公司並無就所提供個人擔保支付費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

26. DEFERRED TAXATION

The followings are the major deferred tax liabilities recognised and movements thereon during current and prior reporting periods:

THE GROUP

		\$'000 千元
At 1st April, 2003 and at 1st April, 2004	於二零零三年四月一日及 二零零四年四月一日	800
Credit for the year	年內計入	(471)
Acquisition of subsidiaries	收購附屬公司	4,078
At 31st March, 2005	於二零零五年三月三十一日	4,407

26. 遞延稅項

以下為於本報告期間及先前報告期間已確認之主要遞延稅項負債及其變動：

本集團

The followings are the major deferred tax liabilities recognised and movements thereon during the current and prior reporting periods:

以下為於本報告期間及先前報告期間之已確認主要遞延稅項負債以及其變動：

		Accelerated tax depreciation 加速稅項 折舊 \$'000 千元	Revaluation of leasehold land and building 重估租賃 土地及樓宇 \$'000 千元	Total 合計 \$'000 千元
At 1st April, 2003 and 31st March, 2004	於二零零三年四月一日及 二零零四年三月三十一日	800	-	800
Acquisition of subsidiaries	收購附屬公司	363	3,715	4,078
Credit to income statement for the year	撥入年度 收益表	(471)	-	(471)
At 31st March, 2005	於二零零五年三月三十一日	692	3,715	4,407

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

27. CONVERTIBLE NOTE

THE GROUP AND THE COMPANY

The convertible note of principal sum amounting to HK\$80,000,000 (“the note”) is issued on 11th March, 2005 and is payable to Sino Pearl Investment Limited (“Sino Pearl”) as part of the consideration for the acquisition of all issued shares of Steppington Holdings Limited and its subsidiaries (“Steppington Group”) as refer to note 31. On 14th March, 2005, the note has been transferred to Health Town Limited (which is also held by shareholders of Sino Pearl). The note is convertible to shares at a conversion price of HK\$1.30 per share upon issue. The note bears interest at a rate of 3% per annum and will be matured on 11th March, 2008. The holder of the note does not have the right to demand for repayment of any principal amount of the note prior to its maturity and the accrued interest of the note prior to the interest payment date, and is not entitled to vote at general meetings of the Company. The Company has the right to repay early part or all of the amount and the accrued interest of the note at any time prior to the maturity date. During the year, the principal of the note amounted to HK\$39,000,000 was converted into 30,000,000 ordinary shares of HK\$10 cents each at a conversion price of HK\$1.30 per share. Subsequent to the balance sheet date, the outstanding of the note amounted to HK\$41,000,000 as at 31st March, 2005 was converted into a total number of 31,538,461 shares at the initial conversion price of HK\$1.30 per share.

27. 可換股票據

本集團及本公司

如附註 31 所述，本金額為 80,000,000 港元之可換股票據（「票據」）於二零零五年三月十一日發行，並須支付予 Sino Pearl Investment Limited（「Sino Pearl」），作為收購 Steppington Holdings Limited 及其附屬公司（「Steppington 集團」）所有已發行股份之代價。於二零零五年三月十四日，票據已轉讓予 Health Town Limited（該公司亦由 Sino Pearl 之股東持有）。票據於發行後可按換股價每股 1.30 港元兌換為股份。票據按年息三厘計息，並將於二零零八年三月十一日到期。票據持有人無權於票據到期前要求償還任何本金額及於利息支付日期前要求償還票據之應計利息，亦無權於本公司之股東大會上投票。本公司有權於到期日前任何時間提早償還票據之任何或全部款額及應計利息。年內，票據之本金額 39,000,000 港元已按換股價每股 1.30 港元兌換為每股面值 10 港仙之 30,000,000 股普通股。於結算日後，於二零零五年三月三十一日之尚未償還票據金額為 41,000,000 港元，並已按初步換股價每股 1.30 港元兌換為合共 31,538,461 股股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

28. SHARE CAPITAL

28. 股本

		Number of shares 股份數目	
	附註 Notes	千股 '000	千元 \$'000
Ordinary shares of HK10 cents each	普通股每股面值 10港仙		
<i>Authorised:</i>	<i>法定：</i>		
At 31st March, 2004 and 31st March, 2005	於二零零四年三月三十一日 及二零零五年三月三十一日	2,000,000	200,000
<i>Issued:</i>	<i>已發行：</i>		
At 1st April, 2003 and 1st April, 2004	於二零零三年四月一日及 二零零四年四月一日	300,000	30,000
Issue of shares by top-up placement	以先舊後新方式 發行股份	(i) 60,000	6,000
Issue of shares by exercise of share options	以行使購股權方式 發行股份	(ii) 30,000	3,000
Issue of shares by conversion of convertible note	以兌換可換股票據方式 發行股份	(iii) 30,000	3,000
At 31st March, 2005	於二零零五年三月三十一日	420,000	42,000

Notes:

- (i) Pursuant to a top-up placing agreement dated 5th January, 2005, 60,000,000 shares of HK10 cents each were subscribed by Honeylink Agents Limited at a price of HK\$1.80 per share ("Top-up Placing") and the 60,000,000 new shares of HK10 cents each were placed to various independent investors, not connected with the Group, at the same price on 19th January, 2005 upon completion of the Top-up Placing. The proceeds, after expenses of approximately HK\$2,000,000, totalled approximately HK\$106,000,000 was intended to be used by the Company as general working capital.
- (ii) On 7th February, 2005, 30,000,000 share options were exercised at the exercise price of HK\$1.48 per share, resulting in the issue of 30,000,000 shares of HK10 cents each for a total consideration (before expenses) of HK\$44,400,000.
- (iii) In March 2005, convertible note amounted to HK\$39,000,000 was converted into 30,000,000 shares in the Company at a conversion price of HK\$1.30 per share.

附註：

- (i) 根據日期為二零零五年一月五日之先舊後新配售協議，Honeylink Agents Limited已按每股1.80港元之價格認購每股面值10港仙之60,000,000股股份（「先舊後新配售」），並於先舊後新配售完成後，於二零零五年一月十九日按相同價格配售每股面值10港仙之60,000,000股新股份予與本集團並無關連之多名獨立投資者。所得款項（於扣除開支約2,000,000港元後）合計約106,000,000港元，本公司計劃將有關款項用作一般營運資金。
- (ii) 於二零零五年二月七日，30,000,000份購股權已按行使價每股1.48港元予以行使，導致發行每股面值10港仙之30,000,000股股份，總代價（未計開支前）為44,400,000港元。
- (iii) 於二零零五年三月，面值為39,000,000港元之可換股票據已按換股價每股1.30港元兌換為30,000,000股本公司股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

29. RESERVES

THE COMPANY

29. 儲備

本公司

		Share premium 股份溢價 \$'000 千元	Special reserve 特別儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Total 總額 \$'000 千元
THE COMPANY	本公司				
At 1st April, 2003	於二零零三年 四月一日	33,094	194,549	430	228,073
Net profit for the year	本年純利	-	-	10,355	10,355
Dividends paid	已付股息	-	-	(10,500)	(10,500)
At 31st March, 2004 and 1st April, 2004	於二零零四年 三月三十一日及 二零零四年 四月一日	33,094	194,549	285	227,928
Net profit for the year	本年純利	-	-	22,526	22,526
Dividends paid	已付股息	-	-	(22,500)	(22,500)
Issue of shares by top-up placement (Note 28(i))	因先舊後新配售發行 股份 (附註28(i))	102,000	-	-	102,000
Issue of shares by exercise of share options (Note 28(ii))	因行使購股權 發行股份 (附註28(ii))	41,400	-	-	41,400
Issue of shares by conversion of convertible note (Note 28(iii))	因兌換可換股票據 發行股份 (附註28(iii))	36,000	-	-	36,000
Share issue expenses	股份發行開支	(2,061)	-	-	(2,061)
At 31st March, 2005	於二零零五年 三月三十一日	210,433	194,549	311	405,293

Under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium of the Company may be distributed subject to the provisions of the Company's Memorandum or Articles of Association and provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. This share premium account may also be distributed in the form of fully paid bonus shares.

The special reserve of the Company arose as a result of the group reorganisation and represents the excess of the then combined net assets of the subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange thereof less dividends distributed from pre-reorganisation reserve of a subsidiary.

根據開曼群島公司法第二十二章(一九六一年法例三, 經綜合及修訂), 本公司之股份溢價可用作分派, 惟須按本公司章程大綱或章程細則之規定及如緊隨該股息被建議分派當日, 本公司將要處於可償還日常業務所產生之到期及應償還之債項狀況。此股份溢價賬亦可以繳足紅股方式派發。

本公司之特別儲備乃因集團重組而產生, 及指當時被收購之附屬公司之合併淨資產高出本公司為此換取所發行之股份面值款項, 減去從附屬公司重組前儲備分派之股息。

29. RESERVES (continued)**THE GROUP**

Movements in the reserves of the Group are set out in the consolidated statement of changes in equity.

The special reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries together with the net book value of a subordinated loan capitalised at the date on which they were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition at the time of the group reorganisation.

30. SHARE OPTIONS SCHEME

The share option scheme (the "Option Scheme") of the Company was adopted by the Company pursuant to a resolution passed on 16th May, 2002. The major terms of the Option Scheme are summarised as follows:

- (i) The purpose of the Option Scheme is to provide incentives or rewards to the participants for their contribution to the Group.
- (ii) The participants of the Option Scheme include: (a) any employee or director (including executive director, non-executive director and independent non-executive director) of any member of the Group; (b) supplier or potential supplier of goods and services; (c) customer or potential customer; (d) person or entity that provides research, development or other technological support; (e) shareholder of any member of the Group; and (f) adviser or consultant to or any joint venture partner or business alliance of any member of the Group or any counterparty to any transaction of any member of the Group.
- (iii) The maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the relevant class of securities of the issued share capital of the Company from time to time.
- (iv) The total number of shares which may be issued upon exercise of all share options to be granted under the Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares of the Company in issue.

29. 儲備(續)**本集團**

本集團之儲備變動載於綜合權益變動表內。

本集團特別儲備指於被本公司收購當日之附屬公司股本面值及一筆資本化後償貸款之賬面淨值，與集團重組時為此收購所發行公司股份面值之差額。

30. 購股權計劃

本公司根據一項於二零零二年五月十六日通過之決議案採納本公司之購股權計劃（「購股權計劃」）。購股權計劃之主要條款概述如下：

- (i) 購股權計劃旨在獎勵或酬謝參與者，以表揚彼等對本集團之貢獻。
- (ii) 購股權計劃之參與者包括：(a) 本集團任何成員公司之任何僱員或董事（包括執行董事、非執行董事及獨立非執行董事）；(b) 本集團之商品及服務供應商或潛在供應商；(c) 客戶或潛在客戶；(d) 提供研發或其他科技支援之人士或企業；(e) 本集團任何成員公司之股東；及(f) 本集團任何成員公司之顧問或專家顧問，或任何合營夥伴或業務聯盟或本集團任何成員公司之任何交易對手。
- (iii) 因可能行使根據購股權計劃及本集團之任何其他購股權計劃所授出及尚未行使之所有任何購股權須予發行之股數上限合計不得超過本公司不時已發行股本中任何有關證券類別之30%。
- (iv) 因行使根據購股權計劃及本集團之任何其他購股權計劃所授出之所有購股權須予發行之股份總數合計不得超過本公司已發行股份之10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

30. SHARE OPTIONS SCHEME

(continued)

- (v) The total number of shares issued and which may fall to be issued upon exercise of the share options granted under the Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any twelve month period shall not exceed 1% of the issued share capital of the Company for the time being.
- (vi) There is no minimum period required for the holding of a share option before it can be exercised.
- (vii) A share option may be exercised at any time during a period to be determined by the directors, which period may commence on a day after the date upon which the offer for the grant of share options is made but shall not later than ten years from the date of grant of the share option.
- (viii) The acceptance of a share option, if accepted, must be made within 21 days from the date of the offer of grant of the share option.
- (ix) The exercise price of a share option must be the higher of:
 - (a) the closing price of the share of the Company as stated in the Stock Exchange's daily quotations on the date of the offer of the grant;
 - (b) the average closing price of the share of the Company as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of the grant; and
 - (c) the nominal value of the share of the Company.

30. 購股權計劃(續)

- (v) 於任何12個月期間因行使根據購股權計劃及本集團任何其他購股權計劃所授出之購股權而已向各參予者發行及須向各參與者發行之股份總數(同時包括已行使或尚未行使購股權兩者)不得超過本公司當時已發行股本之1%。
- (vi) 購股權計劃並無規定在行使前所需持有購股權之最短期限。
- (vii) 購股權可於董事會釐定之期間內隨時行使，該期間須由授出購股權建議日期後之日起計，至授出購股權日期後10年內屆滿。
- (viii) 參與者如接納購股權，則須於授出購股權建議日期起計21日內接納購股權。
- (ix) 購股權之行使價須為下列三者中之最高者：
 - (a) 授出購股權建議日期在聯交所之每日報價表所示之本公司股份收市價；
 - (b) 緊接授出購股權建議日期前五個交易日在聯交所之每日報價表所示之本公司股份平均收市價；及
 - (c) 本公司股份面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

30. SHARE OPTIONS SCHEME

(continued)

(x) The Option Scheme will expire on 5th June, 2012.

The following table discloses details of the Company's share options held by employees and movements in such holdings:

Option grant date	Exercise price per share	Number of share option			Outstanding as at 31st March, 2005
		Outstanding as at 1st April, 2003 and 1st April, 2004	Granted during the year	Exercised during the year	
購股權授出日期	每股行使價	於二零零三年四月一日及二零零四年四月一日尚未行使	年內授出	年內行使	於二零零五年三月三十一日尚未行使
	HK\$ 港元		(附註)	(附註)	
7th February, 2005	於二零零五年二月七日	1.48	-	30,000,000	(30,000,000)

Note: The closing price of the Company's shares immediately before the date of grant of Share options and the date on which the share options were exercised during the year was HK\$1.39 per share.

No share options have been granted or held by directors during the year.

The exercise in full of the granted 30,000,000 share options has resulted in the issue of 30,000,000 shares of HK\$10 cents each for a total consideration (before expenses) of HK\$44,400,000.

Total consideration received during the year from employees for taking up the options granted is amounted to HK\$10 (2004: nil).

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account.

30. 購股權計劃(續)

(x) 購股權計劃將於二零一二年六月五日日期滿。

下表披露僱員持有之本公司購股權及該等購股權之變動：

Number of share option
購股權數目

Option grant date	Exercise price per share	Number of share option			Outstanding as at 31st March, 2005
		Outstanding as at 1st April, 2003 and 1st April, 2004	Granted during the year	Exercised during the year	
購股權授出日期	每股行使價	於二零零三年四月一日及二零零四年四月一日尚未行使	年內授出	年內行使	於二零零五年三月三十一日尚未行使
	HK\$ 港元		(附註)	(附註)	
7th February, 2005	於二零零五年二月七日	1.48	-	30,000,000	(30,000,000)

附註： 緊接授出購股權日期前及購股權於年內行使日期之本公司股份收市價為每股1.39港元。

董事於年內並無授出或持有購股權。

悉數行使所授出之30,000,000份購股權已導致發行30,000,000股每股面值10港仙之股份，總代價(未計開支)為44,400,000港元。

就接納所授購股權而於年內自僱員收到之總代價為10港元(二零零四年：零)。

授出購股權之財務影響僅會在購股權獲行使時列入本公司或本集團之資產負債表，且不會於年內就所授出購股權之價值於收益表內確認任何支出。於購股權獲行使時，本公司會將就此發行之股份按股份面值列作額外股本，而本公司亦會將超過股份面值之每股行使價列入股份溢價賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

31. ACQUISITION OF SUBSIDIARIES

As announced on 30th December, 2004, the Group has entered into a Sale and Purchase Agreement whereby the Group agreed to acquire 100% of the issued share capital of Steppington Holdings Limited and its subsidiaries ("Steppington Group") for consideration of HK\$246,090,000. The acquisition was completed on 11th March, 2005. This acquisition has been accounted for by the acquisition method of accounting. The amount of goodwill arising as a result of the acquisition was HK\$15,769,000.

31. 收購附屬公司

如於二零零四年十二月三十日所公佈，本集團已訂立買賣協議，據此本集團同意收購 Steppington Holdings Limited 及其附屬公司（「Steppington集團」）之100%已發行股本，代價為246,090,000港元。收購已於二零零五年三月十一日完成。該收購已根據收購會計法入賬。因收購產生之商譽款額為15,769,000港元。

		\$'000 千元
Net assets acquired	已收購淨資產	
Property and equipment	物業及設備	129,418
Intangible assets	無形資產	5,296
Other assets	其他資產	2,435
Trade debtors	應收貿易賬款	70,716
Prepayments and deposits	預付款項及按金	3,548
Amount due from a group company	集團公司欠款	30,180
Bank balances	銀行結餘	
– trust and segregated accounts	– 信託賬戶及分立賬戶	25,039
– general accounts and cash	– 一般賬戶及現金	34,227
Trade creditors	應付貿易賬款	(51,046)
Accrued charges and other accounts payable	應計費用及其他應付賬項	(2,418)
Taxation payable	應付稅項	(506)
Deferred taxation	遞延稅項	(4,078)
Bank borrowings	銀行借貸	(12,490)
		230,321
Goodwill	商譽	15,769
		246,090
Total consideration	總代價	246,090
Satisfied by:	支付方式：	
Convertible note	可換股票據	80,000
Novated debts	更替債務	30,180
Cash	現金	135,910
		246,090
Net cash outflow arising on acquisition:	因收購產生之現金流出淨額：	
Cash consideration	現金代價	(135,910)
Bank balances acquired	已購入之銀行結餘	34,227
Net outflow of cash and cash equivalents in respect of the purchase of Steppington Group	購入 Steppington 集團之現金及現金等值項目流出淨額	(101,683)

32. MAJOR NON-CASH TRANSACTIONS

Part of the consideration for the purchase of Steppington Group that occurred during the year comprised convertible note and novated debts. Further details of the acquisition is set out at note 31 above.

32. 重大非現金交易

於年內購入 Steppington 集團之部份代價包括可換股票據及更替債務。收購事項之進一步詳情載列於上文附註31。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

33. RETIREMENT BENEFITS SCHEME

The Group has operated a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance (“MPF Scheme”) for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately in an independently managed fund. The Group has followed the minimum statutory contribution requirements of 5% of eligible employees’ relevant aggregate income. The contributions are charged to the income statement as incurred.

34. LEASE COMMITMENTS

The Group as lessee

At balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of leasehold land and buildings which fall due as follows:

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Within one year	一年內	362	1,861
In the second to fifth year inclusive	第二年至第五年內	-	362
		362	2,223

Operating lease payments represent rentals payable by the Group for its office premises. Leases are mainly negotiated for an average term of two years and rentals are fixed for an average of two years.

The Group as lessor

At the balance sheet date, the Group had contracted with tenants for the following minimum lease payments:

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Within one year	一年內	120	360
In the second to fifth year inclusive	第二年至第五年內	-	120
		120	480

Lease is negotiated for a term of two years.

33. 退休福利計劃

本集團已根據強制性公積金計劃條例之規則及規例為香港所有合資格僱員制定退休福利計劃（「強積金計劃」）。強積金計劃之資產由一個獨立管理基金所持有。本集團已根據最低法定供款規定，即合資格僱員每月有關收入之5%供款。供款時於收益表扣除。

34. 租約承擔

本集團為承租人

於結算日，本集團就不可撤銷之租賃土地及樓宇經營租約將來最少租賃付款之到期日如下：

經營租約付款指本集團就其辦公室物業須支付之租金。租約之平均年期大多定為兩年，而租金亦平均維持兩年不變。

本集團為出租人

於結算日，以下為本集團就租戶所簽訂之合約為租約最低款項：

租約為兩年租期磋商。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

35. COMMITMENTS

(a) Capital commitment

THE GROUP AND THE COMPANY

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
		2,000	-

(b) Loan finance commitment

At 31st March, 2005, the Group had provided fund proof amounted to HK\$133,000,000 to Asian Allied Limited for acquisition of all issued shares of Chinese People Gas Holdings Company Limited. The deal was completed on 11th April, 2005. The commitment of the Group was then fully discharged.

(c) Underwriting commitments

At 31st March, 2005, the Group had the following underwriting commitments under the requirement of a corporate finance business:

- (i) HK\$30,309,000 in respect of the subscription of 344,422,700 shares of Radford Capital Investment Limited. The deal is expected to complete on 16th September, 2005 and the commitment will then be fully discharged.
- (ii) HK\$27,000,000 in respect of the subscription of 540,000,000 convertible redeemable notes issued by Heritage International Holdings Limited. The deal was completed on 11th April, 2005. The underwriting commitment of the Group was then fully discharged.

35. 承擔

(a) 資本承擔

本集團及本公司

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
		2,000	-

(b) 貸款融資承擔

於二零零五年三月三十一日，本集團向Asian Allied Limited提供資金133,000,000港元，作為收購Chinese People Gas Holdings Company Limited之全部已發行股份。該項交易已於二零零五年四月十一日完成。本集團之承擔於當時已獲全面解除。

(c) 包銷承擔

於二零零五年三月三十一日，本集團根據企業融資業務之規定而擁有以下包銷承擔：

- (i) 30,309,000港元乃有關認購Radford Capital Investment Limited之344,422,700股股份。該項交易預期於二零零五年九月十六日完成，而該項擔於當時已獲全面解除。
- (ii) 27,000,000港元乃有關認購Heritage International Holdings Limited發行之本金額540,000,000港元之可換股可贖回票據。該項交易於二零零五年四月十一日完成。本集團之包銷承擔於當時已獲全面解除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度（金額以港元計算）

36. CONTINGENT LIABILITIES

The Group had no material contingent liabilities at 31st March, 2005.

The Company has given guarantees to banks in respect of general facilities and mortgage loan granted to its subsidiaries. The extent of such facilities and mortgage loan utilised by the subsidiaries at 31st March, 2005 amounted to approximately HK\$128,942,000 (2004: HK\$202,965,000).

37. RELATED PARTY TRANSACTIONS

During the year, the Group had the following related party transactions:

Name of related party 有關連人士名稱	Nature of transaction 交易性質	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Fullink Developments Limited 富協發展有限公司	Rental expense (Notes i & vi) 租金支出 (附註i及vi)	821	821
Liu Chong Hing Bank Limited 廖創興銀行有限公司	Interest expense (Notes ii & vii) 利息支出 (附註ii及vii)	4,993	3,281
	Bank charges (Notes iii & vii) 銀行費用 (附註iii及vii)	746	43
Messrs. Shum Kin Wai, Frankie, Cham Wai Ho, Anthony, Cheng Wai Ho and their associates 岑建偉先生、 湛威豪先生、鄭偉浩先生 以及彼等之聯繫人士	Commission income (Note iv) 佣金收入 (附註iv)	159	309
	Interest income (Note v) 利息收入 (附註v)	1	3

36. 或然負債

本集團於二零零五年三月三十一日沒有重大或然負債。

本公司為銀行給予其附屬公司一般信貸及按揭貸款作出擔保。於二零零五年三月三十一日，附屬公司已使用之該等信貸及按揭貸款為約128,942,000港元（二零零四年：202,965,000港元）。

37. 有關連人士交易

年內，本集團與有關連人士曾進行以下交易：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31st March, 2005 (Amounts expressed in Hong Kong dollars)

截至二零零五年三月三十一日止年度 (金額以港元計算)

37. RELATED PARTY TRANSACTIONS (continued)

Notes:

- (i) This transaction was transacted at a price agreed between the parties and in accordance with the agreement governing the transaction.
- (ii) Interest was charged at prime rate per annum.
- (iii) Bank charges was paid at commercial rates which were similar to the rates paid to other banks.
- (iv) Commission was charged at 0.125% on the value of transactions. The rate was similar to rates offered to other clients of the Group.
- (v) Interest was charged at 8% to 14.5% per annum.
- (vi) Messrs. Hung Hon Man and Cham Wai Ho, Anthony, directors of the Company, have beneficial interests in Fullink Developments Limited.
- (vii) Mr. Liu Chun Ning, Wilfred, an independent non-executive director of the Company, is also an executive director of Liu Chong Hing Bank Limited.

38. POST BALANCE SHEET EVENTS

- (a) On 22nd February, 2005, the Company has entered into subscription agreements with the subscribers, pursuant to which the Company has agreed to issue and the subscribers have agreed to subscribe for HK\$200,000,000 convertible notes due 2008, which bears interest at a rate of 3% per annum. Completion of the subscription agreements took place on 6th April, 2005.
- (b) On 22nd June, 2005, the Company and a placing agent have entered into a Placing Agreement to procure subscribers to subscribe for 50,000,000 new shares of the Company at a price of HK\$82 cents per share. The placing shares represent approximately 11.07% of the Company's existing issued share capital and approximately 9.97% of its issued share capital as enlarged by the placing. The gross proceeds from the placing will be HK\$41,000,000 and the net proceeds of approximately HK\$40,600,000 will be used as to HK\$6,000,000 for investment and the balance of HK\$34,600,000 for general working capital for the Group. Completion of the subscription agreements took place on 5th July 2005.

37. 有關連人士交易(續)

附註：

- (i) 此交易按雙方議定之價格進行，並按規限有關交易之協議進行。
- (ii) 利息乃按年度優惠利率計算。
- (iii) 銀行費用乃按商業水平支付，與支付予其他銀行之水平相若。
- (iv) 佣金按交易價值之0.125%收取，此佣金率與收取本集團其他客戶之佣金率相若。
- (v) 利息按年利率8%至14.5%收取。
- (vi) 本公司董事洪漢文先生及湛威豪先生於富協發展有限公司中實益擁有權益。
- (vii) 本公司獨立非執行董事廖俊寧先生亦為廖創興銀行有限公司之執行董事。

38. 結算日後事項

- (a) 於二零零五年二月二十二日，本公司與多名認購人訂立認購協議，據此本公司已同意發行及認購人已同意認購本金額200,000,000港元並於二零零八年到期的可換股票據，該票據按年息率三厘計息。認購協議已於二零零五年四月六日完成。
- (b) 於二零零五年六月二十二日，本公司與一名配售代理訂立配售協議，促使多名認購人認購50,000,000股本公司新股份，價格為每股82港仙。配售股份佔本公司現有已發行股本約11.07%及佔經配售事項擴大後之本公司已發行股本約9.97%。配售事項的所得款項總額將為41,000,000港元，而所得款項淨額約為40,600,000港元，其中6,000,000港元將用作投資，餘額34,600,000港元將用作本集團的一般營運資金。認購協議已於二零零五年七月五日完成。