



星島 SING TAO
新聞集團

星島新聞集團有限公司
SING TAO NEWS CORPORATION LIMITED

中期報告

INTERIM REPORT 2005

貳 零 零 伍

Condensed Consolidated Income Statement

簡明綜合收益表

For the six months ended 30 June 2005
截至二零零五年六月三十日止六個月

The Board of Directors (the “Board”) of Sing Tao News Corporation Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th June 2005 together with the comparative figures for the corresponding period in 2004 as follows:

星島新聞集團有限公司(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(「本集團」)截至二零零五年六月三十日止六個月之未經審核簡明綜合業績，連同二零零四年同期之比較數字如下：

		For the six months ended 30 June 截至六月三十日止六個月		
		2005 二零零五年 (Unaudited) (未經審核)	2004 二零零四年 (Restated) (經重列)	
		HK\$'000 千港元	HK\$'000 千港元	
Notes 附註				
	REVENUE	3	854,940	678,218
	Cost of sales		(622,718)	(493,103)
	Gross profit		232,222	185,115
	Other income and gains	4	27,833	18,440
	Selling and distribution costs		(91,749)	(83,345)
	Administrative expenses		(141,320)	(138,614)
	Other expenses, net		(8,984)	(8,887)
	Gain on waiver of a payable	5	25,238	-
	Gain on disposal of an unconsolidated subsidiary	6	-	18,400
	Finance costs	7	(567)	(183)
	Provisions for amounts due from jointly-controlled entities		(1,629)	(1,497)
	Share of profits and losses of:			
	Jointly-controlled entities		6,097	2,682
	Associates		(6)	(2)
	Amortization of goodwill on acquisition of a jointly-controlled entity		-	(1,945)
	PROFIT/(LOSS) BEFORE TAX	8	47,135	(9,836)
	Tax	9	(3,671)	(2,316)
	PROFIT/(LOSS) FOR THE PERIOD		43,464	(12,152)
	ATTRIBUTABLE TO:			
	Equity holders of the Company		43,464	(11,745)
	Minority interests		-	(407)
			43,464	(12,152)
	Earnings/(loss) per share – (HK cents)			
	Basic	10	2.37	(0.64)
	Diluted		2.37	(0.64)
	DIVIDEND PER SHARE – (HK cents)	11	0.5	-

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

30 June 2005

二零零五年六月三十日

			30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核)	31 December 2004 二零零四年 十二月三十一日 (Restated) (經重列)
	Notes 附註		HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS				
非流動資產				
Fixed assets		固定資產		
Property, plant and equipment		物業、廠房及設備	413,912	387,553
Investment properties		投資物業	3,995	3,995
Intangible assets		無形資產	19,265	19,854
Goodwill:		商譽:		
Goodwill		商譽	-	-
Negative goodwill		負商譽	-	(124,592)
Interests in jointly-controlled entities		於共同控制公司之權益	259,803	297,272
Interests in associates		於聯營公司之權益	4	(1)
Available-for-sale investments	12	可出售投資	9,692	40,598
Other assets		其他資產	1,146	1,146
Deferred tax assets		遞延稅項資產	4,348	4,285
Deposits paid		已付按金	13,146	18,399
			725,311	648,509
CURRENT ASSETS				
流動資產				
Inventories		存貨	68,440	57,051
Financial assets at fair value through profit or loss	13	按溢利或虧損釐定公平值之金融資產	218,759	117,911
Trade and bills receivables	14	應收賬款及票據	256,047	243,953
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	42,121	50,626
Tax recoverable		可收回稅項	884	-
Pledged time deposits	15	已抵押定期存款	148,914	41,729
Cash and cash equivalents		現金及現金等值項目	264,671	437,899
			999,836	949,169
CURRENT LIABILITIES				
流動負債				
Trade and bills payables	16	應付賬款及票據	121,094	100,775
Other payables and accruals		其他應付款項及應計款項	154,792	262,938
Tax payable		應付稅款	68,204	68,410
Short term bank loans		短期銀行貸款	59,713	9,713
Finance lease payables		融資租約應付款項	479	451
			404,282	442,287
NET CURRENT ASSETS		流動資產淨值	595,554	506,882
TOTAL ASSETS LESS CURRENT LIABILITIES		已減流動負債之資產總值	1,320,865	1,155,391
NON-CURRENT LIABILITIES				
非流動負債				
Finance lease payables		融資租約應付款項	1,095	1,290
Provision for long service payments		長期服務金撥備	5,847	4,694
Deferred tax liabilities		遞延稅項負債	36,175	36,189
			43,117	42,173
			1,277,748	1,113,218
CAPITAL AND RESERVES				
資本及儲備				
Equity attributable to equity holders of the Company		本公司股本持有人應佔權益		
Share capital	17	股本	183,454	183,454
Other reserves		其他儲備	661,125	666,296
Retained earnings		保留溢利	433,169	263,468
			1,277,748	1,113,218
Minority interests		少數股東權益	-	-
			1,277,748	1,113,218

Condensed Consolidated Statement of Changes In Equity

簡明綜合權益變動表

For the six months ended 30 June 2005
截至二零零五年六月三十日止六個月

		Unaudited 未經審核							Minority interest 少數 股東權益	Total 合計
		Attributable to equity holders of the Company 本公司股本持有人應佔								
		Issued ordinary share capital	Share premium account	Contributed surplus	Capital reserve	Land and building revaluation reserve	Exchange fluctuation reserve	Retained earnings		
		已發行 普通股股本	股份 溢價賬	繳入盈餘	資本儲備	土地及 樓宇 重估儲備	匯兌 波動儲備	保留溢利		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2005:	於二零零五年一月一日結餘:									
As previously reported as equity	以往作股本呈報	183,454	4,504	480,648	125,631	7,954	42,775	268,252	-	1,113,218
As previously reported as minority interest	以往作少數股東權益呈報	-	-	-	-	-	-	-	-	-
Prior period and opening adjustments	前期及期初調整	-	-	-	4,783	-	-	119,809	-	124,592
As restated	經重列	183,454	4,504	480,648	130,414	7,954	42,775	388,061	-	1,237,810
Exchange differences on translating foreign operations and net expense recognized directly in equity	直接於股本確認之換算海外業務之匯兌差額及開支淨額	-	-	-	-	-	(5,095)	-	-	(5,095)
Profit for the period	期內溢利	-	-	-	-	-	-	43,464	-	43,464
Total recognized income and expense for the period	期內已確認之收支總額	-	-	-	-	-	(5,095)	43,464	-	38,369
Employee share option scheme	僱員購股權計劃	-	-	-	(75)	-	-	1,644	-	1,569
Balance at 30 June 2005	於二零零五年六月三十日結餘	183,454	4,504	480,648	130,339	7,954	37,680	433,169	-	1,277,748
Balance at 1 January 2004:	於二零零四年一月一日結餘:									
As previously reported as equity	以往作股本呈報	183,386	4,192	480,648	125,631	6,403	28,804	263,551	-	1,092,615
As previously reported as minority interest	以往作少數股東權益呈報	-	-	-	-	-	-	-	625	625
Prior period adjustments	前期調整	-	-	-	1,185	-	-	(1,185)	-	-
As restated	經重列	183,386	4,192	480,648	126,816	6,403	28,804	262,366	625	1,093,240
Exchange differences on translating foreign operations and net expense recognized directly in equity	直接於股本確認之換算海外業務之匯兌差額及開支淨額	-	-	-	-	-	(7,903)	-	-	(7,903)
Loss for the period	期內虧損	-	-	-	-	-	-	(11,745)	(407)	(12,152)
Total recognized income and expense for the period	期內已確認之收支總額	-	-	-	-	-	(7,903)	(11,745)	(407)	(20,055)
Employee share option scheme	僱員購股權計劃	-	-	-	1,613	-	-	326	-	1,939
Issue of ordinary shares	發行普通股	68	311	-	-	-	-	-	-	379
		68	311	-	1,613	-	-	326	-	2,318
Balance at 30 June 2004	於二零零四年六月三十日結餘	183,454	4,503	480,648	128,429	6,403	20,901	250,947	218	1,075,503

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

For the six months ended 30 June 2005

截至二零零五年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2005 二零零五年 (Unaudited) (未經審核)	2004 二零零四年 (Unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	經營業務之現金流入／(流出)淨額	23,057	(56,949)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	投資業務之現金流出淨額	(244,182)	(16,986)
NET CASH INFLOW FROM FINANCING ACTIVITIES	融資活動之現金流入淨額	49,266	94
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 減少淨額	(171,859)	(73,841)
Cash and cash equivalents at beginning of period	於期初之現金及現金等值項目	437,899	496,761
Effects of foreign exchange rate changes, net	匯率變動影響淨額	(1,369)	(4,340)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	於期終之現金及現金等值項目	264,671	418,580
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目給餘分析		
Cash and bank balances	現金及銀行結餘	264,671	418,580

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2004, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period’s financial statements:

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share

1. 會計政策

本簡明綜合中期財務報表乃根據香港會計準則（「香港會計準則」）第34號「中期財務申報」編製。編製本中期財務報表時所採納之會計政策及呈列基準與截至二零零四年十二月三十一日止年度全年財務業績所採用者相同，惟有關下列對本集團構成影響及就本期間之財務報表首次採納之新訂及經修訂香港財務申報準則（「香港財務申報準則」，亦包括香港會計準則及詮釋）則除外：

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計之變動及誤差
香港會計準則第10號	結算日後事項
香港會計準則第12號	所得稅
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第18號	收益
香港會計準則第19號	僱員福利
香港會計準則第21號	匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	有關連人士之披露事宜
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第28號	聯營公司投資
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES (continued)

HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK(SIC)-Int 21	Income Taxes – Recovery of Revalued Non-depreciable Assets
HK-Int 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

The adoption of HKASs 1, 2, 7, 8, 10, 12, 16, 17, 18, 19, 21, 23, 24, 27, 28, 33, 37, 38, 40, HK(SIC)-Int 21 and HK-Int 4 has had no material impact on the accounting policies of the Group and the methods of computation in the Group's condensed consolidated financial statements. The impact of adopting the other HKFRSs is summarised as follows:

(a) HKAS 32 and HKAS 39 – Financial Instruments

Available-for-sale investments

In prior periods, the Group classified its investments in certain equity and debt securities as long term investments which were held for non-trading purposes and were stated at cost less any impairment losses.

1. 會計政策 (續)

香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計算
香港會計準則第40號	投資物業
香港財務申報準則第2號	以股份為基礎之付款
香港財務申報準則第3號	業務合併
香港會計準則第21號	所得稅－收回重估不可折舊之資產
香港詮釋第4號	租賃－釐定香港土地租賃之租期期限

採納香港會計準則第1、2、7、8、10、12、16、17、18、19、21、23、24、27、28、33、37、38、40號、香港會計準則第21號詮釋及香港詮釋第4號並無對本集團之會計政策及本集團簡明綜合財務報表之計算方法造成重大影響。採納其他香港財務申報準則帶來之影響概述如下：

(a) 香港會計準則第32號及香港會計準則第39號－金融工具

可出售投資

於過往期間，本集團將其若干股本及債務證券之投資歸類為持作非買賣用途之長期投資，並以成本減任何減值虧損後列入賬。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES (continued)

(a) HKAS 32 and HKAS 39 – Financial Instruments (continued)

Available-for-sale investments (continued)

Upon the adoption of HKASs 32 and 39, these securities are classified as available-for-sale investments. Available-for-sale investments are those non-derivative investments in listed and unlisted equity and debt securities that are designated as available-for-sale or are not classified in any of the other categories of financial assets as defined in HKAS 39. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognized as a separate component of equity until the investment is sold, collected or otherwise disposed of or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

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

1. 會計政策 (續)

(a) 香港會計準則第32號及香港會計準則第39號 – 金融工具 (續)

可出售投資 (續)

於採納香港會計準則第32號及香港會計準則第39號後，該等證券均歸類為可出售投資。可出售投資乃指上市及非上市股本及債務證券中指定可供銷售之非衍生投資，而不會歸類為按香港會計準則第39號所界定之任何其他財務資產類別。於首次確認後，可出售投資乃以公平值計算，而盈利或虧損將確認為獨立的股本項目，直至該項投資已出售、收回或以其他方式處置，或直至該項投資釐定須予減值為止，而於該時先前以股本呈列之累計盈利或虧損乃計入收益表。

在具組織化之金融市場積極進行買賣之投資項目之公平值乃參考於結算日營業時間結束時之所報市場買入價釐定。就並無存在活躍市場之投資項目而言，公平值乃採用估值方法予以釐定。該等方法包括採用近來在市場上以公平基準達成之交易、參考大致上相同之另一項工具之現時市值，以及貼現現金流分析及期權定價模型。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES (continued)

(a) HKAS 32 and HKAS 39 – Financial Instruments (continued)

Available-for-sale investments (continued)

When the fair value of unlisted equity securities cannot be reliably measured because (1) the variability in the range of reasonable fair value estimates is significant for that investment, or (2) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost.

The Group assesses at each balance sheet date whether there is any objective evidence that an available-for-sale investment is impaired as a result of one or more events that occurred after the initial recognition of the assets (“loss events”), and that the loss event has an impact on the estimated future cash flows that can be reliably estimated.

If there is objective evidence of impairment, the cumulative loss that had been recognized directly in equity shall be removed from equity and recognized in the income statement. The amount of the loss recognized in the income statement shall be the difference between the acquisition cost and current fair value, less any impairment loss on that available-for-sale investment previously recognized in the income statement.

In accordance with the transitional provisions of HKAS 39, comparative amounts have not been restated.

1. 會計政策 (續)

(a) 香港會計準則第32號及香港會計準則第39號 – 金融工具 (續)

可出售投資 (續)

由於(1)合理估計之公平值波幅對該項投資而言屬重大，或(2)在波幅範圍內不同估計不能得以合理地評估或使用作估計公平值，而令非上市股本證券之公平值不能合理計算時，該等證券以成本入賬。

本集團於各結算日評估可出售投資是否出現因一項或多項於資產首次確認後發生之事件（「虧損事件」）而導致有所減值之主觀證據，而虧損事件對可靠地作出估計之未來現金流量之估計構成影響。

倘出現有所減值之主觀證據，經已直接確認為股本之累計虧損將自股本中扣除並於收益表中確認入賬。在收益表中確認入賬之虧損金額指收購成本與目前公平值之差額減去該可出售投資先前於收益表確認之任何減值虧損。

按照香港會計準則第39號之過渡性條文，比較數字並無重列。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES (continued)

(b) HKFRS 2 – Share-based Payment

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

Upon the adoption of HKFRS 2, when employees (including directors) render services as consideration for equity instruments (“equity-settled transactions”), the cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which the instruments are granted. The fair value is determined by the Black Scholes valuation model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company, if applicable.

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

1. 會計政策 (續)

(b) 香港財務申報準則第2號 – 以股份為基礎之付款

於過往期間，涉及僱員（包括董事）獲授購股權以認購本公司股份之以股份為基礎之交易，該等購股權在僱員行使前在不予確認及計算，而在當時股本及股份溢價以已收取之收益入賬。

在採納香港財務申報準則第2號後，當僱員（包括董事）提供服務作為股本工具之代價（「股本清償交易」），與僱員進行股本清償交易之成本乃參考有關工具獲授出當日之公平值計算。該公平值乃以柏力克舒爾期權評估模式計算。在計算股本清償交易之價值時，並無考慮任何表現條件，惟不包括與本公司股份價格掛鉤之條件（如適用）。

股本清償交易之成本連同股本之相應上調於表現及／或服務條件得以達成之期間內確認入賬，直至有關僱員可獲全數金額時（「歸屬日期」）為止。於各結算日直至歸屬日期為止就股本清償交易確認入賬之累計開支反映歸屬已屆滿程度及本集團對將最終歸屬之股本工具數目作出之最佳估計。於某一階段在收益表中扣除或進賬指於該期間初及終已確認之累計開支。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES (continued)

(b) HKFRS 2 – Share-based Payment (continued)

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

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

The effects of adopting HKFRS 2 on the Group's share options granted to employees after 7 November 2002 but had not vested by 1 January 2005 are summarized in note 2 to the condensed consolidated financial statements. Comparative amounts have been restated in accordance with HKFRS 2.

(c) HKFRS 3 – Business Combinations and HKAS 36 – Impairment of Assets

In prior periods, goodwill/negative goodwill arising on acquisitions prior to 1 January 2001 was eliminated against consolidated capital reserve in the year of acquisition and was not recognized in the income statement until disposal or impairment of the acquired business.

1. 會計政策 (續)

(b) 香港財務申報準則第2號 – 以股份為基礎之付款 (續)

就並無最終歸屬之金額之開支將不予確認，惟須待某項市場條件達成後方可歸屬之有關金額則除外，而該等金額將作為已歸屬處理，不論該項市場條件是否得以達成，條件為所有其他表現條件均已達成。

未獲行使之購股權之攤薄效應乃反映作為計算每股盈利時之額外股份攤薄效應。

採納香港財務申報準則第2號對本集團已於二零零二年十一月七日之後授予僱員但並未於二零零五年一月一日之前歸屬之購股權而帶來之影響概述於本簡明綜合財務報表附註2。比較金額已按照香港財務申報準則第2號重列。

(c) 香港財務申報準則第3號 – 業務合併及香港會計準則第36號 – 資產減值

於過往期間，於二零零一年一月一日之前因收購產生之商譽／負商譽乃於收購年內與綜合股本儲備對銷，且在該已收購業務獲出售或減值前不會於收益表內確認。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES (continued)

(c) HKFRS 3 – Business Combinations and HKAS 36 – Impairment of Assets (continued)

Goodwill arising on acquisitions on or after 1 January 2001 was capitalized and amortized on the straight-line basis over its estimated useful life and was subject to impairment testing when there was any indication of impairment. Negative goodwill was carried in the balance sheet and was recognized in the consolidated income statement on a systematic basis over the remaining average useful life of the acquired depreciable/amortizable assets, except to the extent it related to expectations of future losses and expenses that were identified in the acquisition plan and that could be measured reliably, in which case, it was recognized as income in the consolidated income statement when the future losses and expenses were recognized.

Upon the adoption of HKFRS 3 and HKAS 36, goodwill arising on acquisitions is no longer amortized but subject to an annual impairment review (or more frequently if events or changes in circumstances indicate that the carrying value may be impaired). Any impairment loss recognized for goodwill is not reversed in a subsequent period.

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

1. 會計政策 (續)

(c) 香港財務申報準則第3號 – 業務合併及香港會計準則第36號 – 資產減值 (續)

於二零零一年一月一日或之後因收購產生之商譽乃撥充資本，並按其估計可使用年期以直線法攤銷，並須於在任何減值跡象出現時進行減值測試。負商譽乃在資產負債表列賬，並按所收購可予折舊／攤銷之資產之剩餘平均可使用年期以具有系統之基準在綜合收益表中確認，惟倘其有關預期在未來可能產生在收購計劃中予以識辨且能可靠地予以計算之虧損及開支則除外，而在該情況下，負商譽在未來產生之虧損及開支獲確認後在綜合收益表中確認為收入。

採納香港財務申報準則第3號及香港會計準則第36號，因收購產生之商譽不再須予攤銷，惟須進行年度減值審核（倘有事件或變動顯示賬面值可能出現減值之情況下須進行較頻密之審核）。任何就商譽確認之減值虧損在結算日後期間不予撥回。

本集團在被收購公司之可予識辨資產、負債及或然負債之公平淨值中應佔之權益高於附屬公司及聯營公司之收購成本之金額（先前稱為「負商譽」）在重新進行審核後，即時於收益表中確認。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES (continued)

(c) HKFRS 3 – Business Combinations and HKAS 36 – Impairment of Assets (continued)

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

The effects of the above changes are summarized in note 2 to the condensed consolidated financial statements. In accordance with the transitional provisions of HKFRS 3, comparative amounts have not been restated.

2. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES

Following the adoption of the HKFRSs, the opening balances of the following accounts were adjusted retrospectively. The details of the prior period adjustments and opening adjustments are summarized as follows:

1. 會計政策 (續)

(c) 香港財務申報準則第3號 – 業務合併及香港會計準則第36號 – 資產減值 (續)

香港財務申報準則第3號之過渡性條文規定本集團於二零零五年一月一日撇減累計攤銷之賬面金額，並於商譽成本作出相關記錄，且須將負商譽之賬面金額（包括在綜合資本儲備中剩餘之金額）在保留盈利中取銷確認。先前在綜合資本儲備中撇減之商譽仍舊在綜合資本儲備中撇減，且當與該項商譽有關之全部或部分業務獲出售或當該項商譽有關之現金產生單位出現減值時不會於收益表中確認。

以上變動之影響概述於本簡明綜合財務報表附註2。按照香港財務申報準則第3號之過渡性條文，比較金額並無重列。

2. 會計政策變動影響之概要

於採納香港財務申報準則後，下列賬目之期初結餘已獲追溯調整。前期調整及期初調整之詳情概述如下：

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

2. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (continued)

2. 會計政策變動影響之概要 (續)

(a) Effect on opening balance of total equity at 1 January 2005

(a) 對二零零五年一月一日股本總額之期初結餘之影響

Effect of new policies Increase/(decrease) 新政策之影響 增加/(減少)	Notes 附註	Capital reserve (Unaudited) 資本儲備 (未經審核) HK\$'000 千港元	Retained earnings (Unaudited) 保留溢利 (未經審核) HK\$'000 千港元	Total (Unaudited) 總額 (未經審核) HK\$'000 千港元
Prior period adjustment:	前期調整:			
HKFRS 2 – Employee share option scheme	香港財務申報準則第2號 — 僱員購股權計劃 1(b)	4,783	(4,783)	-
Opening adjustment:	期初調整:			
HKFRS 3 – Derecognition of negative goodwill	香港財務申報準則第3號 — 取銷確認負商譽 1(c)	-	124,592	124,592
Total effect at 1 January 2005	於二零零五年 一月一日之總影響	4,783	119,809	124,592

(b) Effect on opening balance of total equity at 1 January 2004

(b) 對二零零四年一月一日股本總額之期初結餘之影響

Effect of new policies Increase/(decrease) 新政策之影響 增加/(減少)	Note 附註	Capital reserve (Unaudited) 資本儲備 (未經審核) HK\$'000 千港元	Retained earnings (Unaudited) 保留溢利 (未經審核) HK\$'000 千港元	Total (Unaudited) 總額 (未經審核) HK\$'000 千港元
Prior period adjustment:	前期調整:			
HKFRS 2 – Employee share option scheme	香港財務申報準則第2號 — 僱員購股權計劃 1(b)	1,185	(1,185)	-

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

2. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (continued)

The following tables summarize the impact on profit after tax, income or expenses recognized directly in equity and capital transactions with equity holders for the six-month periods ended 30 June 2005 and 2004 upon the adoption of the new HKFRSs. As no retrospective adjustments have been made for the adoption of HKFRS 3, the amounts shown for the six months period ended 30 June 2004 may not be comparable to the amounts shown for the current interim period.

(c) Effect on profit after tax for the six months ended 30 June 2005 and 2004

		For the six months ended 30 June 截至六月三十日止六個月			2004 二零零四年		
		2005 二零零五年			2004 二零零四年		
		Equity holders of the Company (Unaudited) 本公司之股本持有人 (未經審核)	Minority interests (Unaudited) 少數股東權益 (未經審核)	Total (Unaudited) 總額 (未經審核)	Equity holders of the Company (Unaudited) 本公司之股本持有人 (未經審核)	Minority interests (Unaudited) 少數股東權益 (未經審核)	Total (Unaudited) 總額 (未經審核)
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Effect of new policies							
Increase/(decrease)							
新政策之影響							
增加/(減少)							
Effect on profit after tax:	對除稅後溢利之影響:						
HKFRS 2 – Employee share option scheme (Note 1(b))	香港財務申報準則第2號 – 僱員購股權計劃 (附註1(b))	(1,569)	-	(1,569)	(1,939)	-	(1,939)
HKFRS 3 – discontinuation of recognition of negative goodwill (Note 1(c))	香港財務申報準則第3號 – 終止確認負商譽 (附註1(c))	(3,014)	-	(3,014)	-	-	-
Total effect for the period	期內總影響	(4,583)	-	(4,583)	(1,939)	-	(1,939)
Effects on earnings/(loss) per share – (HK cents):	對每股溢利/(虧損)之影響 – (港仙):						
Basic	基本	(0.25)			(0.11)		
Diluted	攤薄	(0.25)			(0.11)		

2. 會計政策變動影響之概要 (續)

下表概述於採納新香港財務申報準則後對截至二零零五年及二零零四年六月三十日止六個月期間之除稅後溢利、直接於股本中確認入賬之收支以及與股本持有人進行之股本及資本交易之影響。由於並無就採納香港財務申報準則第3號作出追溯調整，故截至二零零四年六月三十日止六個月期間所示之金額未必能與目前中期所示之金額相約。

(c) 對截至二零零五年及二零零四年六月三十日止六個月期間之除稅後溢利之影響

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

3. SEGMENT INFORMATION

The Group's operating business are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. The following table presents revenue and results for the Group's primary segments.

3. 分類資料

本集團之經營業務按各自業務之經營性質與所提供之產品和服務獨立地構成和管理。本集團每個業務類別代表一個策略業務單位，各單位所提供的產品和服務承受與其他業務類別不同之風險與回報。下表載列本集團之基本分類之收益及業績。

		For the six months ended 30 June 截至六月三十日止六個月							
		Media (Unaudited) 媒體 (未經審核)		Trading (Unaudited) 貿易 (未經審核)		Corporate and others (Unaudited) 公司及其他 (未經審核)		Consolidated (Unaudited) 綜合 (未經審核)	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		HK\$000 千港元	HK\$000 千港元	HK\$000 千港元	HK\$000 千港元	HK\$000 千港元	HK\$000 千港元	HK\$000 千港元	HK\$000 千港元
Revenue:	收益:								
External sales	對外界銷售	636,715	560,869	215,102	112,474	3,123	4,875	854,940	678,218
Inter-segment sales	分類業務間之銷售	172	74	-	-	150	150	-	-
Other income and gains	其他收入及收益	45	3,014	1,452	235	5,198	4,192	6,695	7,441
Inter-segment other income	分類業務間之其他收入	-	577	-	-	515	4,978	-	-
		636,932	564,534	216,554	112,709	8,986	14,195	861,635	685,659
Segment results	分類業績	21,348	(721)	6,088	1,755	(25,921)	(39,324)	1,515	(38,290)
Interest and dividend income	利息及股息收入							8,588	9,017
Gain on waiver of a payable	豁免一項應付款項之收益							25,238	-
Gain on disposal of an unconsolidated subsidiary	出售一間未有作合併賬處理之附屬公司之收益							-	18,400
Unallocated gains, net	未分類收益淨額							7,899	1,982
Finance costs	融資成本							(567)	(183)
Provisions for amounts due from jointly-controlled entities	應收共同控制公司款項之撥備	(1,629)	(2,370)	-	-	-	873	(1,629)	(1,497)
Share of profits and losses of:	應佔下列公司溢利及虧損:								
Jointly-controlled entities	共同控制公司	6,796	1,915	-	-	(699)	767	6,097	2,682
Associates	聯營公司	(4)	-	-	-	(2)	(2)	(6)	(2)
Amortization of goodwill on acquisition of a jointly-controlled entity	收購一間共同控制公司時之商譽攤銷	-	(1,945)	-	-	-	-	-	(1,945)
Profit/(loss) before tax	除稅前溢利/(虧損)							47,135	(9,836)
Tax	稅項							(3,671)	(2,316)
Profit/(loss) for the period	期內溢利/(虧損)							43,464	(12,152)

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

4. OTHER INCOME AND GAINS

4. 其他收入及收益

		For the six months ended 30 June 截至六月三十日止六個月	
		2005 二零零五年 (Unaudited) (未經審核)	2004 二零零四年 (Unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元
Interest income	利息收入	6,219	7,957
Investment income	投資收入	5,157	4,089
Dividend income from listed investments	上市投資之股息收入	1,317	564
Dividend income from unlisted investments	非上市投資之股息收入	1,052	496
Gain on disposal of financial assets at fair value through profit and loss	出售按溢利或虧損釐定公平值之金融資產之收益	-	1,073
Unrealized gain on changes in fair values of financial assets at fair value through profit and loss	按溢利或虧損釐定公平值之金融資產之公平值變動未變現收益	12,550	909
Recognition of negative goodwill as income	負商譽確認為收入	-	3,014
Others	其他	1,538	338
		27,833	18,440

5. GAIN ON WAIVER OF A PAYABLE

5. 豁免一項應付款項之收益

As disclosed in the Company's announcement made on 28 April 2005, the Group entered into a joint venture contract with Shandong Sanlian Electronics and Information Co., Ltd. ("Sanlian Electronics") and another independent third party in 2000 to acquire a 40% interest in Beelink Information Science & Technology Co., Ltd. ("Beelink"). Pursuant to the joint venture contract, the Group agreed to pay a sum of RMB160,000,000 to Sanlian Electronics in cash as consideration for Sanlian Electronics injecting certain intellectual property rights into Beelink. The Group already made part payment of RMB42,400,000 up to 31 December 2004.

誠如本公司於二零零五年四月二十八日刊發之公佈所披露，本集團與山東三聯電子信息有限公司（「三聯電子」）及另一名獨立第三方於二零零零年訂立一項合資經營合同，以收購百靈信息科技有限公司（「百靈」）之40%權益。根據該項合資經營合同，本集團同意向三聯電子以現金支付款項人民幣160,000,000元，作為三聯電子向百靈注入若干知識產權之代價。截至二零零四年十二月三十一日止，本集團已支付部分款項人民幣42,400,000元。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

5. GAIN ON WAIVER OF A PAYABLE (continued)

On 28 April 2005, the Group entered into an agreement with Sanlian Electronics and Sanlian Group Corporation (“Sanlian Group”). Pursuant to this agreement, it was agreed that by payment of RMB30,000,000 by the Group to Sanlian Electronics, Sanlian Electronics waived the remaining RMB87,600,000 owing by the Group, constituting full settlement of the Group’s payment obligations under the original joint venture contract.

In addition, as consideration for Sanlian Electronics to settle the outstanding amount owing by the Group, it was agreed that the Group will procure a loan to Sanlian Group in the amount of RMB60,000,000 for a term of one year. The loan is interest-free for the first six months and will be interest-bearing at 3% per annum until repayment on 29 April 2006. The loan is secured by a share charge over Sanlian Group’s and Sanlian Electronics’ interests of approximately 79.1% in aggregate in the registered capital of Shandong Economic Observer Press Co. Ltd.

The directors consider that the loan granted to Sanlian Group is an integral part of the settlement arrangement with Sanlian Electronics and the recoverability of the loan receivable is uncertain. Accordingly, the net gain on the waiver of the amount payable to Sanlian Electronics of HK\$25,238,000 is calculated net of the Group’s loan granted to Sanlian Group.

5. 豁免一項應付款項之收益 (續)

於二零零五年四月二十八日，本集團與三聯電子及山東三聯集團有限責任公司（「三聯集團」）訂立一項協議。根據此項協議，本集團同意向三聯電子支付人民幣30,000,000元，而三聯電子豁免本集團所欠之餘款人民幣87,600,000元（即全數清償本集團根據原合資經營合同之付款責任）。

此外，作為三聯電子清償本集團所欠之未償金額之代價，本集團同意向三聯集團批出一筆為期一年之貸款人民幣60,000,000元。該筆貸款於首六個月為免息，並於二零零六年四月二十九日償還前將以年息率3厘計息。該筆貸款乃由一項以三聯集團及三聯電子合共佔山東經濟觀察報報業有限公司註冊資本中約79.1%權益之股份抵押所擔保。

董事認為，該筆向三聯集團批出之貸款構成與三聯電子訂立之清償協議之不可分割的一部分，而現時未能確定是否可收回該筆應收貸款。因此，豁免應付三聯電子款項之淨收益25,238,000港元在計算時已扣除本集團向三聯集團批出之貸款。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

6. GAIN ON DISPOSAL OF AN UNCONSOLIDATED SUBSIDIARY

In prior years, the Group had an investment amounted to HK\$36 million representing 70% equity interest in an unconsolidated subsidiary (the "Subsidiary"). The Group had paid HK\$18 million of the total consideration of the investment with the remaining HK\$18 million included as a liability in other payables and accrual. Full provision of HK\$36 million was made against the Group's interest in the Subsidiary in prior years because the Group was unable to participate in the management of the Subsidiary's sole asset, which is a 50% equity interest in a joint venture in Mainland China. This was a result of the vendors' failure to honour certain agreed obligations. The Group commenced legal action against the vendors in prior years.

During the period ended 30 June 2004, the Group sold the 70% equity interest in the Subsidiary for an aggregate consideration of HK\$400,000. Upon completion of the disposal, the remaining HK\$18 million of the original purchase consideration was waived by the vendors and the amount was written back to the profit and loss account and included in the gain on disposal of an unconsolidated subsidiary amounted to HK\$18,400,000.

7. FINANCE COSTS

6. 出售一間未有作合併賬處理之附屬公司之收益

於往年，本集團作出36,000,000港元之投資，即一間未有作合併賬處理之附屬公司之70%股本權益（「該附屬公司」）。本集團已支付投資代價總額之18,000,000港元，而餘下18,000,000港元則以負債計入其他應付款項及應計項目。由於本集團於往年未能預測該附屬公司唯一資產（即中國大陸一間合營企業之50%股本權益）之管理，故已就本集團於該附屬公司之權益作36,000,000港元全數撥備，亦為賣方未能履行若干協定責任之原因。本集團已於往年對賣方展開法律行動。

截至二零零四年六月三十日止期間，本集團已出售該附屬公司70%股本權益，總代價為400,000港元。完成出售後，原訂收購代價餘下之18,000,000港元已獲賣方豁免，而該數額已撥回損益賬，並以出售一間未有作合併賬處理之附屬公司之收益18,400,000港元列賬。

7. 融資成本

For the six months ended 30 June 截至六月三十日止六個月

		2005 二零零五年 (Unaudited) (未經審核)	2004 二零零四年 (Unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元
Interest on bank loans wholly repayable within five years	須於五年內悉數償還之 銀行貸款利息	513	120
Interest on finance leases	融資租約利息	54	63
		567	183

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

8. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax was determined after charging/
(crediting) the following:

8. 除稅前溢利／（虧損）

除稅前溢利／（虧損）於扣除／（計入）下列各
項後釐定：

		For the six months ended 30 June 截至六月三十日止六個月	
		2005 二零零五年 (Unaudited) (未經審核)	2004 二零零四年 (Unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元
Amortization of goodwill	攤銷商譽	-	2,937
Amortization of intangible assets	攤銷無形資產	589	573
Depreciation	折舊	19,955	20,509
Negative goodwill recognized as income	確認為收入之負商譽	-	(3,014)
Loss/(gain) on disposal of financial assets at fair value through profit or loss	出售按溢利或虧損釐定公平值 之金融資產之虧損／（收益）	2,683	(1,073)
Loss on disposal of available-for- sale investments	出售可出售 投資之虧損	1,969	-

9. TAX

9. 稅項

		For the six months ended 30 June 截至六月三十日止六個月	
		2005 二零零五年 (Unaudited) (未經審核)	2004 二零零四年 (Unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元
Current	即期		
- Hong Kong profits tax	- 香港利得稅	2,405	(443)
- PRC corporate income tax	- 中國企業所得稅	-	726
- Overseas tax	- 海外稅項	1,345	2,046
Deferred	遞延	(79)	(13)
Total tax charge for the period	期內扣除之稅款總額	3,671	2,316

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

9. TAX (continued)

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Share of tax attributable to jointly-controlled entities amounting to HK\$6,168,000 (2004: HK\$4,476,000) is included in "Share of profits and losses of jointly-controlled entities" on the face of the condensed income statement.

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share for the period is based on the profit attributable to equity holders of the Company of HK\$43,464,000 (six months ended 30 June 2004: loss of HK\$11,745,000 (as restated)) and the weighted average of 1,834,535,074 (2004: 1,834,340,378) ordinary shares in issue during the period.

The calculation of diluted earnings/(loss) per share for the period is based on the profit attributable to equity holders of the Company of HK\$43,464,000 (six months ended 30 June 2004: loss of HK\$11,745,000 (as restated)), as used in the basic earnings/(loss) per share calculation. The weighted average number of ordinary shares used in the calculation is the 1,834,535,074 (2004: 1,834,340,378) ordinary shares in issue during the period, as used in the basic earnings/(loss) per share calculation; and the weighted average of 512,271 (2004: 1,815,228) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

9. 稅項 (續)

香港利得稅乃按期內於香港產生之估計應課稅溢利以17.5% (二零零四年: 17.5%) 稅率撥備。於其他地區之應課稅溢利之稅項乃按本集團有業務經營之國家之現行稅率，並按當地現行法例、詮釋及慣例計算。

共同控制公司應佔之稅項為6,168,000港元 (二零零四年: 4,476,000港元) 乃計入簡明收益表上「共同控制公司應佔之溢利及虧損」一欄。

10. 每股溢利 / (虧損)

期內之每股基本溢利 / (虧損) 乃按期內本公司股本持有人應佔溢利43,464,000港元 (截至二零零四年六月三十日止六個月: 虧損11,745,000港元 (經重列)) 及期內已發行普通股之加權平均數1,834,535,074股 (二零零四年: 1,834,340,378股) 計算。

期內之每股攤薄溢利 / (虧損) 乃按用於計算每股基本溢利 / (虧損) 之本公司股本持有人應佔溢利43,464,000港元 (截至二零零四年六月三十日止六個月: 虧損11,745,000港元 (經重列)) 計算。用作計算普通股之加權平均數為期內已發行之普通股1,834,535,074股 (二零零四年: 1,834,340,378股) ; 並假設普通股之加權平均數512,271股 (二零零四年: 1,815,228股) 乃於期內在所有購股權視為以無償形式已發行。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

11. DIVIDEND

At a meeting of the Board held on 14 September 2005, an interim dividend of HK cent 0.5 per share was declared for the year ending 31 December 2005. This proposed dividend is not reflected as a dividend payable in these condensed financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2005.

11. 股息

本公司於二零零五年九月十四日舉行之董事會會議上宣佈截至二零零五年十二月三十一日止年度派發中期股息每股0.5港仙。此擬派發之股息並未於本簡明財務報表中以應付股息反映，惟將於截至二零零五年十二月三十一日止年度之保留溢利撥款中反映。

12. AVAILABLE-FOR-SALE INVESTMENTS

12. 可出售投資

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核)	31 December 2004 二零零四年 十二月三十一日
		HK\$'000 千港元	HK\$'000 千港元
Listed elsewhere equity investments, at fair value	其他地方之上市股本投資，按公平值	569	569
Unlisted equity investments, at cost	非上市股本投資，按成本	7,633	7,633
Club debentures with no interest and maturity date	免息及無到期日之會所債權證	1,490	1,490
Unlisted debt investments, at amortized cost	非上市債務投資，按攤銷成本	-	30,906
		9,692	40,598

Certain unlisted equity investments are stated at cost because their fair values could not be reliably measured as at the balance sheet date.

由於若干非上市股本投資之公平值未能於結算日可靠計算，故有關項目按成本列賬。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

13. 按溢利或虧損釐定公平值之金融資產

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核)	31 December 2004 二零零四年 十二月三十一日
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Listed equity securities, at fair value:	上市股本證券·按公平值:		
Hong Kong	香港	117,642	42,198
Elsewhere	其他地區	3,817	4,621
		121,459	46,819
Unlisted debt securities, at fair value	非上市債務證券·按公平值	53,140	60,961
Commodities, at fair value	商品·按公平值	44,160	10,131
		218,759	117,911

14. TRADE AND BILLS RECEIVABLES

14. 應收賬款及票據

The Group allows an average credit period of 30 to 90 days to its trade customers. An aged analysis of trade and bills receivables, as at the balance sheet date, based on the payment due date, is as follows:

本集團向其貿易客戶給予平均30日至90日不等之信貸期。於結算日，應收貿易賬款及票據根據款項到期日之賬齡分析載列如下：

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核)	31 December 2004 二零零四年 十二月三十一日
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Current to 30 days	即期至30日	182,518	170,206
31 – 60 days	31 – 60日	35,839	38,495
61 – 90 days	61 – 90日	20,588	21,670
91 – 120 days	91 – 120日	8,568	7,164
Over 120 days	超過120日	21,553	17,400
		269,066	254,935
Less: Provisions for bad and doubtful debts	減：呆壞賬撥備	(13,019)	(10,982)
		256,047	243,953

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

15. PLEDGED TIME DEPOSITS

The pledged time deposits were used to secure general banking facilities granted to the Group, certain jointly-controlled entities and an available-for-sale investment of the Group.

16. TRADE AND BILLS PAYABLES

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

15. 已抵押定期存款

已抵押定期存款已用作本集團、若干共同控制公司及本集團一項可出售投資獲授一般銀行融資之擔保。

16. 應付賬款及票據

於結算日，應付貿易賬款及票據根據款項到期日之賬齡分析載列如下：

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核)	31 December 2004 二零零四年 十二月三十一日
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Current to 30 days	即期至30日	105,147	93,943
31 – 60 days	31 – 60日	8,906	2,596
61 – 90 days	61 – 90日	3,705	2,566
91 – 120 days	91 – 120日	630	313
Over 120 days	超過120日	2,706	1,357
		121,094	100,775

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

17. SHARE CAPITAL

17. 股本

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核)	31 December 2004 二零零四年 十二月三十一日
		HK\$'000 千港元	HK\$'000 千港元
<i>Authorised:</i>	<i>法定股本:</i>		
4,708,513,092 ordinary shares of HK\$0.10 each	4,708,513,092 股每股面值 0.10港元之普通股	470,851	470,851
1,291,486,908 5% redeemable cumulative convertible preference shares of HK\$0.10 each	1,291,486,908 股每股面值 0.10港元之5%累積可贖回 可轉換優先股	129,149	129,149
		600,000	600,000
<i>Issued and fully paid:</i>	<i>已發行及繳足股本:</i>		
1,834,535,074 (31 December 2004: 1,834,535,074) ordinary shares of HK\$0.10 each	1,834,535,074 股 (二零零四年十二月三十一日: 1,834,535,074股) 每股面值 0.10港元之普通股	183,454	183,454

18. SHARE OPTION SCHEME

18. 購股權計劃

Share options are granted to certain directors and employees. The exercise price of the granted options is equal to the highest of the closing price of the shares and the nominal value of the shares. Options are conditional on the employee completing three year's service (the vesting period). The contractual life of the options is ten years and the Group has no legal or constructive obligation to repurchase or settle the options in cash.

The expense recognized in the condensed consolidated income statement for employee services received during the period is HK\$1,569,000 (six months ended 30 June 2004: HK\$1,939,000 (as restated)).

購股權可授予若干董事及僱員。授出之購股權行使價相等於股份收市價與股份面值之較高者。購股權之條件為僱員須服務滿三年(歸屬期)。購股權之合約年期為十年,而本集團並無以現金購回或清償購股權之法律或推定責任。

期內就接納僱員服務而於簡明綜合收益表確認之開支為1,569,000港元(截至二零零四年六月三十日止六個月:1,939,000港元(經重列))。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

19. RELATED PARTY TRANSACTIONS

19. 關連人士交易

(a) Transactions with related parties

(a) 關連人士交易

		For the six months ended 30 June 截至六月三十日止六個月	
		2005 二零零五年 (Unaudited) (未經審核)	2004 二零零四年 (Unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元
Rental income received from a jointly-controlled entity	收取共同控制公司之租金收入	228	209
News service fee income received from a jointly-controlled entity	收取共同控制公司之新聞服務費收入	6,217	5,700
Printing service and storage charges paid and payable to a jointly-controlled entity	已付及應付共同控制公司之印刷服務及倉儲費	39,328	36,292
Reimbursement of expenses paid on behalf of the Company to an affiliate of the Company's controlling shareholder	向本公司控股股東之聯屬公司償還代本公司支付之開支	592	1,024
Rental expenses paid and payable to an affiliate of the Company's controlling shareholder	已付及應付本公司控股股東之聯屬公司之租金	95	-

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

19. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other short term employee benefits	薪金及其他短期僱員福利	12,582	11,607
Post-employment benefits	僱用後福利	44	45
Share-based payments	以股份為基礎之付款	687	834
Total compensation paid to key management personnel	已付主要管理人員之賠償總額	13,313	12,486

19. 關連人士交易 (續)

(b) 本集團主要管理人員之賠償

20. CONTINGENT LIABILITIES

		30 June 2005	31 December 2004
		二零零五年	二零零四年
		六月三十日	十二月三十一日
		(Unaudited)	
		(未經審核)	
		HK\$'000	HK\$'000
		千港元	千港元
Guarantees for banking facilities granted to a jointly-controlled entity	就一間共同控制公司獲授之銀行信貸作出之擔保	40,000	-

20. 或然負債

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

21. EVENT AFTER THE BALANCE SHEET DATE

As disclosed in the Company's announcement dated 12 July 2005, the Group entered into a provisional agreement with an independent third party to dispose of the Group's land and building with a carrying value of approximately HK\$181,238,000 as at 30 June 2005 for a consideration of HK\$370,000,000. Completion of the disposal is expected to take place in December 2005.

22. APPROVAL OF THE INTERIM FINANCIAL REPORT

These condensed consolidated interim financial statements were approved and authorized for issue by the Board on 14 September 2005.

21. 結算日後事項

誠如本公司於二零零五年七月十二日刊發之公佈所披露，本集團與一名獨立第三方訂立臨時協議，以370,000,000港元出售本集團於二零零五年六月三十日之賬面值約為181,238,000港元之土地及樓宇。預期該項出售可於二零零五年十二月完成。

22. 批核本中期財務報告

董事會於二零零五年九月十四日批核此等簡明綜合中期財務報表。

Management Discussion and Analysis

管理層論述及分析

REVIEW OF OPERATIONS

The principal activities of the Group comprise Media and Media-related operations including Newspapers, Magazines, Recruitment Media, Media Services, Books and Content Services. In addition, the Group is also engaged in Trading, Broadband Content and Distribution, and E-learning and Corporate Training. In February 2005, the Company was renamed Sing Tao News Corporation Limited to better reflect the Group's focus on its core Media business.

During the first half of 2005, the Group enjoyed considerable growth across its key business segments in light of the continuing strength of the local economy. The consolidated revenue of the Group for the six months ended 30 June 2005 ("Period") increased by 26% to approximately HK\$854.9 million, as compared with approximately HK\$678.2 million for the six months ended 30 June 2004 ("Previous Period"), attributable to the revival in advertising spending in particular in the print media market. In addition, the Trading business of the Group also recorded substantial growth in turnover. Despite the increase in the price of newsprint, which represents a major component of cost of sales, gross profit for the Period increased by 25% as compared with the Previous Period. With the Media operations as a key profit contributor and the benefit of a one-off gain on waiver of a payable relating to a joint venture investment, the Group recorded a profit attributable to equity holders of approximately HK\$43.5 million, reversing the loss of approximately HK\$11.7 million for the Previous Period.

MEDIA AND MEDIA-RELATED OPERATIONS

Results of the Group's Media operations improved significantly, with an increase in revenue of 14%, from approximately HK\$560.9 million in the Previous Period to approximately HK\$636.7 million in the Period, and segment results achieved a turnaround from the Previous Period's loss to a profit of approximately HK\$21.3 million. The improvement in performance was mainly attributable to the Newspaper business of the Group.

營運回顧

本集團之主要業務為媒體及媒體相關業務，包括報章、雜誌、招聘媒體、媒體服務、圖書與內容服務。此外，本集團亦從事貿易、寬頻內容與服務和網上進修及企業培訓。於二零零五年二月，本公司已更名為星島新聞集團有限公司，以更有效地反映本集團對其核心媒體業務之專注。

於二零零五年上半年，鑒於本地經濟持續強勁，本集團之各項主要業務均有可觀的增長。截至二零零五年六月三十日止六個月（「本期內」），本集團之綜合收益約為854,900,000港元，相較於二零零四年六月三十日止六個月（「去年同期」）之約為678,200,000港元，上升26%；而收益的增加主要受惠於廣告開支回升，尤其是平面媒體市場之廣告開支。此外，本集團貿易業務之營業額亦錄得顯著增長。儘管佔銷售成本中主要部份之一的報紙紙張價格上升，本期內毛利仍較去年同期增加了25%。由於媒體業務的盈利情況良好，再加上從一項合營投資之應付款項獲豁免而錄得一次性收益，本集團於本期內錄得股本持有人應佔溢利約為43,500,000港元，扭轉了去年同期約為11,700,000港元的虧損。

媒體及媒體相關業務

本集團之媒體業務業績於本期內有顯著改善，其收入由去年同期約為560,900,000港元增加至本期內約為636,700,000港元，升幅為14%；其業績亦扭轉去年同期之虧損並錄得約為21,300,000港元之溢利。媒體業務表現得以改善主要有賴於本集團之報章業務的貢獻。

Newspapers

Sing Tao Daily, the flagship newspaper of the Group, achieved outstanding improvements in results during the Period, benefiting from the local economic growth and buoyant property market. The newspaper recorded sales growth across most of its advertising sectors and, in particular, reinforced its leadership position in property advertising where it surpassed its competitors by a major extent in terms of both display and classified advertisements. In addition, advertisements for the education and finance sectors also saw major advances, thanks to editorial improvements in these sections of the newspaper. Circulation continued its rising momentum, a testimony to the success of the newspaper's market positioning and brand image, which identifies with the middle class readers in Hong Kong. The Monday supplement Investment Weekly, which celebrated its first anniversary in April 2005, has become a well-recognised product in the segment and further drove up circulation.

In July 2005, the Group made its foray into the free newspaper market through the launch of a new publication, Headline Daily. A general newspaper distributed freely from Monday to Friday, Headline Daily has quickly become the number one free newspaper in Hong Kong in terms of circulation volume and distribution coverage. Under a wholly advertising-driven model, Headline Daily is tailored to advertisers who target the mass-market consumers. Response on the advertising front since launch has exceeded expectations, and operating costs have been controlled within budget.

報章

受惠於本地經濟增長及樓市活躍，本集團之旗艦報章《星島日報》業績於本期內顯著提升。《星島日報》各分類行業廣告之銷售額均錄得增長，尤其進一步鞏固了其於地產廣告市場之領導地位，無論在商業廣告及分類廣告方面皆明顯超越其競爭對手。此外，教育及財經類別廣告量亦大幅增加，這有賴於《星島日報》教育版及財經版在內容方面的改善。發行量持續上升，足以證明《星島日報》在市場定位及品牌形象方面取得成功，廣受香港中產階層讀者認同。另外，逢周一隨報附送之《投資王》周刊已成為業界廣泛認可的刊物，進一步刺激了報章的發行量，並於今年四月慶祝創刊一周年。

於二零零五年七月，本集團透過推出新刊物《頭條日報》首度進軍免費報章市場。《頭條日報》是一份綜合性報章，逢周一至五免費派發，並已迅速成為全港發行人第一及派發網絡覆蓋最廣的免費報章。《頭條日報》以廣告收入作為其商業模式，充份配合以普羅消費者為主要顧客群的廣告商之需要。自推出以來廣告反應比預期理想，而經營成本亦控制在預算之內。

Management Discussion and Analysis

管理層論述及分析

The Group's English-language business newspaper, The Standard, saw significant growth in circulation as a result of a number of marketing and editorial initiatives. The latter included the launch of a weekly Property section, a weekly Macau section, a Monday Money feature section as well as a re-launched version of Weekend Standard. In addition, a free supplement Leisure Standard has been introduced as a monthly publication in August 2005. The increased content quality not only served to lift the newspaper's average circulation for the Period, which went up by 18% as compared with the Previous Period, but also generated new sources of advertisements and helped to diversify the revenue base of the newspaper.

The overseas operations of Sing Tao Daily performed satisfactorily, registering growth in advertising and circulation revenue in all its major markets during the Period. In particular, in the US markets we continued to expand our market share despite intense competition. In San Francisco, we remained as the market leader notwithstanding the entry of new players, who have proven not to be a real threat to our position. In New York, we have strengthened our editorial offering and distribution network, and continued our upward trend in both circulation and advertising. In Los Angeles, we completed the construction of a brand new printing and production plant, which commenced full operations in August 2005. With our own printing facility, we shall be able to achieve lower cost of sales and be better positioned to develop our business in a more cost effective manner.

透過展開一系列的市場推廣及強化編採內容，本集團之英文商務及財經資訊報章《英文虎報》的發行量顯著增長。在加強編採內容方面，包括每週加插地產版、澳門版、Monday Money版及推出全新《周末虎報》。此外，《英文虎報》更於今年八月推出免費月刊《英文虎報消閑版》。由於內容質素的提升，《英文虎報》不但於本期內平均發行量相較去年同期上升18%，同時亦帶來新的廣告收入來源，有助分散其收入基礎。

《星島日報》之海外業務於本期內表現理想，其主要市場的廣告及發行收入均錄得增長。儘管競爭激烈，本集團仍然繼續擴大在美國市場的市場佔有率。在三藩市，縱使有新的競爭對手加入，但並未對《星島日報》在市場上的領導地位造成威脅。在紐約方面，《星島日報》已加強編採內容及發行網絡，發行量及廣告量均保持上升趨勢。在洛杉磯，全新之印刷及製作廠房經已建成，並已於二零零五年八月全面投入運作。由於擁有自設的印刷設施，《星島日報》於洛杉磯業務將能降低銷售成本，從而能更有成本效益地發展業務。

Magazines

The magazine market in Hong Kong experienced keen competition, with a proliferation of new titles hitting the market and imposing pressure on both the circulation and advertising fronts. In spite of this market environment, the Group's Magazine business made solid progress during the Period, following efforts on strengthening its titles in the three core topics of current affairs and entertainment, lifestyle, and IT and digital products. Advertising and circulation revenue rose considerably, and profit margins improved markedly. Most notably, the flagship magazine East Week achieved double-digit increases in advertising revenue and average circulation for the Period as compared with the Previous Period, whilst at the same time increasing its average advertising page rates. In addition, the magazine made successful in-roads into new advertising sectors, including high end and brand advertisers, through a number of highly regarded marketing events as well as editorial improvements. The lifestyle magazine East Touch enhanced its content targeting female readers, through a book B "Choco", and created a new advertising platform for fashion, cosmetics and other women's products. PC Market maintained its position as one of the most authoritative IT magazines in Hong Kong and achieved advances in circulation and advertising. The positive momentum of the magazine business is expected to continue into the second half, in particular with East Week's operations expected to turn profitable, although market competition will likely remain intense and increasing pressure will result from rising paper price.

雜誌

由於有大量新刊物湧現市場，香港雜誌市場競爭激烈，並對發行量和廣告量構成壓力。儘管面對此市場環境，但隨著雜誌業務重點發展三個核心類別：時事財經和綜合娛樂、文化潮流與及科技資訊和數碼產品，本集團之雜誌業務於本期內仍有穩步增長。在廣告和發行收入方面均有相當升幅，而溢利率亦有顯著改善。其中以旗艦雜誌《東周刊》的表現最為突出，其於本期內之廣告收入和平均發行量相較去年同期有雙位數增長，同時其平均廣告頁收費亦有所上升。此外，本集團的雜誌亦透過多項備受好評之市場推廣活動以及編採內容的改善，成功打入新廣告領域，包括高檔及品牌廣告商。文化潮流雜誌《東Touch》透過B書《Choco》增強以女性讀者為對象之內容，並為時裝、化妝品及其他女性用品提供新廣告平台。另外，《電腦廣場》仍為香港最權威電腦科技雜誌之一，而其發行量及廣告量均錄得增長。縱然市場競爭將維持劇烈，以及紙張價格上升將繼續帶來壓力，本集團預計其雜誌業務的強勁勢頭將持續至下半年，尤其預期《東周刊》之業務將於下半年錄得利潤。

Management Discussion and Analysis

管理層論述及分析

Recruitment Media

The Group's Recruitment Media business comprises the recruitment advertising title JobMarket and the continuing education advertising title Education Plus. During the Period, the business delivered double-digit growth in revenue as compared with the Previous Period. JobMarket benefited from the recovery in the employment market, and from increase in page rates which in turn was the result of a strong product. The business also leveraged on its multi-media platform to capture the market's trend towards online recruitment and continuing education advertising, and to provide a one-stop solution to serve customers' varied and changing needs.

Media Services

The Group's print media distribution business in the PRC, Greater China Media Services Ltd. (大華媒體服務有限責任公司), progressed steadily during the Period. The magazine distribution business in Beijing and southern China focused on improving its operational efficiencies, and at the same time a new joint venture operation has been set up in Nanjing to extend the distribution capabilities to the eastern part of the country.

Books and Content Services

The Book publishing business remained its focus on parenting and educational topics and has increased the total number of titles published to over 285. The Group continued to provide Chinese-language financial content under licence from Dow Jones through its joint venture company in the PRC, and re-packaged information and content of the Group were also sold to media and other customers in Hong Kong, Mainland China as well as overseas.

招聘媒體

本集團之招聘媒體業務包括招聘廣告刊物《JobMarket求職廣場》及持續教育廣告刊物《EDUplus進修指南》。該業務於本期內收入相較去年同期有雙位數增長。由於就業市場復甦，加上平均廣告頁收費因產品日趨強勁而得以提升，均令《JobMarket求職廣場》受惠。同時，該業務亦憑藉其多媒體中介平台抓緊於網上刊登招聘及持續進修廣告之市場趨勢，並提供一站式解決方案，以配合客戶的不同和不斷變化的需求。

媒體服務

本集團於國內之平面媒體發行業務大華媒體服務有限責任公司，於本期內業績穩步進展。於北京及華南之期刊發行業務專注於提高經營效率，與此同時更在南京設立新的合資經營業務，以擴展華東地區之發行網絡。

圖書及內容服務

圖書出版業務繼續專注於親子及教育題材為主的書目，而其出版總書目已超過285本。另外，本集團繼續透過於國內的合資經營公司代理提供道瓊斯中文財經新聞內容。同時，透過重新整理及包裝，本集團繼續向香港、國內及海外的媒體及其他客戶提供本集團的資訊和內容。

Management Discussion and Analysis

管理層論述及分析

NON-MEDIA OPERATIONS

Trading

The Group's Trading business recorded a remarkable increase in revenue of 91%, from approximately HK\$112.5 million in the Previous Period to approximately HK\$215.1 million in the Period. This was largely attributable to the continued expansion in the demand for digital cameras in the PRC, as well as to persistent efforts on expanding the business' sales channels and improving its sales and marketing capabilities. Although competition was severe in the market, the Trading business was successful in maintaining its margins, and recorded an increase in operating profit to approximately HK\$6.1 million in the Period as compared with approximately HK\$1.8 million in the Previous Period. In addition, the business has continued to diversify its revenue base. Sales of the "Jeep" brand of camera and video bags were satisfactory and the sales network has been extended nationwide. Further ahead, a new line of watches is planned to be launched.

Broadband Content and Distribution

Results of the Broadband Content and Distribution business were stable during the Period. The subscriber base of Beelink Information Science & Technology Co., Ltd. (百靈信息科技有限公司) ("Beelink") reached over 108,000 as at the end of June 2005, with increases mainly in individual subscriptions. Although Beelink remained as the largest broadband service provider in Jinan, price competition has put a cap on revenue growth and margins. In response, Beelink has continued to broaden its businesses into value-added services as well as system integration and software development.

非媒體業務

貿易

本集團之貿易業務收入於本期內錄得明顯升幅，由去年同期約為112,500,000港元增至本期內約為215,100,000港元，升幅為91%。這全賴於國內對數碼相機需求不斷增加，以及集團持續擴大其貿易業務的銷售渠道和改善其銷售及市場策略所致。儘管市場競爭激烈，貿易業務的溢利率仍獲維持，其經營溢利更由去年同期約為1,800,000港元增長至本期內約為6,100,000港元。此外，貿易業務持續使其收入基礎更趨多元化。「Jeep」品牌之相機及攝錄機袋銷量理想，而銷售網絡亦已擴展至全國各地。於未來，貿易業務將計劃推出新的手錶系列。

寬頻內容及服務

寬頻內容及服務業務之業績於本期內保持平穩。百靈信息科技有限公司（「百靈」）的用戶人數於二零零五年六月底超越108,000名，而主要用戶增長均為個人用戶。儘管百靈仍為濟南市最大的寬頻服務供應商，但價格競爭限制了其收入增長及溢利率。有見及此，百靈會繼續拓闊其業務至增值服務以及系統集成和軟件開發等業務。

Management Discussion and Analysis

管理層論述及分析

E-learning and Corporate Training

During the Period, China Human Capital Management Company Limited (北京經華智業教育科技有限公司) recorded respectable increase in revenue and profit. The business focused on the provision of e-learning in co-operation with the University of International Business and Economics in Beijing, whilst seeking growth and diversification through corporate training programmes with renowned overseas education institutes such as the University of Toronto. As at June 2005, over 17,000 students were enrolled at the web-based distant learning university, eUIBE.

PROSPECTS

The existing Media operations of the Group have capitalised on the favourable operating environment during the first half to deliver respectable performance and, given the positive outlook on the local economy and the market's expectation of continued advertising growth, the Group is optimistic about the prospects for the remainder of the year. However, with the increase in commodity prices the economy is expected to enter an inflationary phase and increasing pressure will be felt on profit margins from escalations in materials as well as human capital costs. The Group will be rigorous in improving operational efficiencies to keep costs under control.

With the launch of Headline Daily, and the recently announced weekend newspaper leveraging on the MTR distribution channel, the Group will be able to access new market segments and new opportunities for growth and expansion. Results in the second half will be impacted by the start-up costs of these new ventures, but we are confident that the investments will yield promising returns in the medium and longer term. In July 2005, we announced the sale of our office building in Kowloon Bay. The transaction is expected to be completed in December 2005 and upon completion, a one-off profit will be booked into the Group's accounts for the 2005 financial year.

With the core Media operations turning around and gaining momentum, and the initial response to our new Media projects exceeding expectations, the Group is announcing an interim dividend for the Period. The Group is confident that its core operations will continue its upward trend and that it will continue to return value to shareholders through the distribution of dividends out of recurring profits.

網上進修及企業培訓

於本期內，北京經華智業教育科技有限公司的收入和溢利錄得可觀的增長。其業務以與北京對外經濟貿易大學合辦之遠程教育課程為核心，同時亦與海外著名教育機構如多倫多大學合辦企業培訓課程，以求達致業務增長及使之多元化。截至二零零五年六月，網上遠程大學「eUIBE」已有超過17,000名學生就讀。

展望

本集團之現有媒體業務於上半年因受惠於良好經營環境而表現理想，加上本地經濟前景樂觀及市場預期廣告量將持續增長，本集團對餘下年度之展望亦感到樂觀。然而，由於物價上漲，預期經濟將進入通脹期；而物料及人工成本的上升將對溢利率構成更大壓力。本集團將嚴格提高營運效率以控制成本。

透過推出《頭條日報》和近期宣佈出版以地鐵發行渠道派發的免費周報，本集團已進入新市場領域，並能帶來新的擴展業務機會。下半年之業績雖然將受這些新項目的前期開支所影響，但本集團對中、長遠期可獲得的投資回報充滿信心。於二零零五年七月，本集團宣佈出售位於九龍灣之辦公大樓。有關交易預料於二零零五年十二月完成，交易完成後，本集團之二零零五年財政年度帳目將記帳一筆一次性的利潤。

隨著核心媒體業務扭轉形勢及其上升勢頭之持續，加上本集團新媒體項目的初步反應超越預期，本集團宣佈於本期內派發中期股息。本集團深信其核心業務將繼續其升勢，並在未來會繼續努力從經常溢利中分派股息以回饋股東。

Management Discussion and Analysis

管理層論述及分析

LIQUIDITY AND FINANCIAL RESOURCES, GEARING RATIO, CHARGES ON THE GROUP'S ASSETS

The Group maintained a strong financial position with a net cash position throughout the Period under review. As at 30 June 2005, the Group had a net cash balance (calculated with reference to the Group's cash balances and total borrowings) of approximately HK\$352 million (31 December 2004: approximately HK\$468 million).

The gearing ratio, defined as long-term borrowings to equity, was zero as at 30 June 2005 (31 December 2004: zero). As at 30 June 2005, the Group had pledged time deposits of approximately HK\$149 million (31 December 2004: approximately HK\$42 million) to secure banking facilities granted to the Group.

CAPITAL STRUCTURE, EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group adopts a prudent approach in managing its treasury function and uses different hedging methods to minimize the impact of foreign exchange fluctuations on its financial performance.

EMPLOYEES

As at 30 June 2005, the Group had approximately 2,100 employees.

The Group remunerates its employees based on individual and business performance and competitive salaries and benefits are paid to attract and retain quality staff. Other employee benefits include medical insurance, discretionary bonus, share options and provident fund schemes.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK0.5 cents (Previous Period: Nil) per share for the Period payable on Tuesday, 25 October 2005 to shareholders whose names appear on the register of members of the Company on Tuesday, 18 October 2005.

流動資金及財務資源、資本負債比率、本集團資產抵押

本集團回顧於本期內維持穩健之財政狀況並有現金淨額。截至二零零五年六月三十日，本集團現金結餘淨額（根據本集團現金結餘及借貸總額計算）約為352,000,000港元（二零零四年十二月三十一日：約為468,000,000港元）。

截至二零零五年六月三十日，本集團之資本負債比率（即長期借貸除以股本）為零（二零零四年十二月三十一日：零）。截至二零零五年六月三十日，本集團已向銀行抵押定期存款約為149,000,000港元（二零零四年十二月三十一日：約為42,000,000港元），作為本集團所獲銀行信貸之擔保。

資本結構、外匯波動風險

本集團採取審慎方式管理其財資運作及使用各種對沖方法以減低因外匯波動而對其財務表現造成之影響。

僱員

於二零零五年六月三十日，本集團共有約2,100名員工。

本集團根據其僱員之個人表現及其業務之業績向其僱員給予具競爭性之薪酬及福利，以吸引及挽留優質員工。其他僱員福利包括醫療保險、酌情花紅、認股權及強積金計劃。

中期股息

董事會議決宣佈就本期內派發中期股息每股0.5港仙（去年同期：無），並於二零零五年十月二十五日（星期二）派予於二零零五年十月十八日（星期二）名列於本公司股東名冊內的股東。

Other Information

其他資料

DIRECTORS' INTERESTS

As at 30 June 2005, the interests and short positions of the Directors and chief executives of the Company in the share capital and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange were as follows:

Long positions in the ordinary shares of the Company:

Name of director	Notes	Number of shares held, capacity and nature of interest			Percentage of the Company's issued share capital
		Personal interests	Corporate interests	Total	
董事姓名	附註	個人權益	公司權益	總數	佔本公司已發行股本之百分比
Mr. Ho Tsu Kwok, Charles	何柱國先生 (1)	-	852,395,000	852,395,000	46.46%
Mrs. Sy Wong Chor Fong	施黃楚芳女士 (2)	1,250,000	163,919,000	165,169,000	9.00%

Notes:

- (1) Of these shares, 849,896,000 and 2,499,000 shares were held by Luckman Trading Limited ("Luckman") and Yosham Limited, respectively, which were beneficially owned by Mr. Ho Tsu Kwok, Charles.
- (2) The corporate interests of 163,919,000 shares were held by Stagelight Group Limited ("Stagelight"), which was beneficially owned by Mrs. Sy Wong Chor Fong and her family members.

董事權益

於二零零五年六月三十日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份中，擁有本公司根據證券及期貨條例第352條存置之登記冊所記錄或根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

於本公司普通股之好倉：

Name of director	Notes	Number of shares held, capacity and nature of interest			Percentage of the Company's issued share capital
		Personal interests	Corporate interests	Total	
董事姓名	附註	個人權益	公司權益	總數	佔本公司已發行股本之百分比
Mr. Ho Tsu Kwok, Charles	何柱國先生 (1)	-	852,395,000	852,395,000	46.46%
Mrs. Sy Wong Chor Fong	施黃楚芳女士 (2)	1,250,000	163,919,000	165,169,000	9.00%

附註：

- (1) 該等股份當中，849,896,000及2,499,000股分別由Luckman Trading Limited（「Luckman」）及Yosham Limited持有。該兩間公司均由何柱國先生實益擁有。
- (2) 公司權益之股份163,919,000股由Stagelight Group Limited（「Stagelight」）持有，該公司由施黃楚芳女士及其家庭成員實益擁有。

DIRECTORS' INTERESTS *(continued)*

The interests of the Directors in the shares options of the Company are separately disclosed under the section headed "Share Options" below.

In addition to the above, certain Directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Group solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 30 June 2005, none of the Directors and chief executives of the Company had registered an interest or short position in shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 30 June 2005, the following interests or short positions of 5% or more of the issued share capital of the Company were recorded in the registers required to be kept by the Company pursuant to Section 336 of the SFO:

董事權益 (續)

董事持有本公司購股權之權益另獨立披露於以下標題為「購股權」一節內。

除上述者外，若干董事為本集團之利益於若干附屬公司持有非實益個人股本權益，此舉僅為使公司符合最少股東要求之規定。

除上文所披露者外，於二零零五年六月三十日，概無本公司董事及最高行政人員擁有本公司或其任何相聯法團之股份中之權益或淡倉而須記錄於根據證券及期貨條例第352條存置之登記冊內或根據標準守則須知會本公司及聯交所。

主要股東及其他人士之權益

按本公司根據證券及期貨條例第336條存置之登記冊所紀錄，下列人士於二零零五年六月三十日擁有本公司已發行股本5%或以上之權益或淡倉：

Other Information

其他資料

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS (continued)

Long positions in the ordinary shares of the Company:

Name	Notes	Capacity or nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
名稱	附註	身份或權益性質	所持普通股數目	佔本公司已發行股本之百分比
Luckman	(1)	Beneficial owner 實益擁有人	849,896,000	46.33%
Hong Kong Tobacco Company Limited ("HK Tobacco") 香港煙草有限公司(「香港煙草」)	(2)	Deemed interest 視為擁有之權益	849,896,000	46.33%
Stagelight	(3)	Beneficial owner 實益擁有人	163,919,000	8.94%
Great Diamond Developments Limited		Beneficial owner 實益擁有人	137,919,000	7.52%

Notes:

- (1) The interests of Mr. Ho Tsu Kwok, Charles, held through a controlled corporation, duplicate to those disclosed under the section headed "Directors' Interests" above.
- (2) Pursuant to an option agreement dated 20 June 2001 and two supplemental agreements entered into between Luckman and HK Tobacco on 19 July 2002 and 19 July 2003, respectively, HK Tobacco was granted an option to purchase from Luckman 66,000,000 ordinary shares of the Company. Under Sections 317 and 318 of the SFO, HK Tobacco is deemed to be interested in all the 849,896,000 ordinary shares of the Company held by Luckman.
- (3) The interests of Mrs. Sy Wong Chor Fong, held through a controlled corporation, duplicate to those disclosed under the section headed "Directors' Interests" above.

Save as disclosed above, as at 30 June 2005, the Company has not been notified by any person, other than the Directors of the Company, who has interests or short positions in shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

主要股東及其他人士之權益 (續)

於本公司普通股之好倉:

Capacity or nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
身份或權益性質	所持普通股數目	佔本公司已發行股本之百分比
Beneficial owner 實益擁有人	849,896,000	46.33%
Deemed interest 視為擁有之權益	849,896,000	46.33%
Beneficial owner 實益擁有人	163,919,000	8.94%
Beneficial owner 實益擁有人	137,919,000	7.52%

附註:

- (1) 此與何柱國先生披露於上文標題為「董事權益」一節內其透過一控制法團持有之權益相同。
- (2) 根據Luckman與香港煙草於二零零一年六月二十日訂立之購股權協議及分別於二零零二年七月十九日及二零零三年七月十九日訂立之兩份補充協議，香港煙草獲授購股權，可向Luckman收購本公司普通股66,000,000股。根據證券及期貨條例第317及318條，香港煙草被視為擁有Luckman所持有之全部849,896,000股本公司普通股之權益。
- (3) 此與施黃楚芳女士披露於上文標題為「董事權益」一節內其透過一控制法團持有之權益相同。

除上文所披露者外，於二零零五年六月三十日，按本公司根據證券及期貨條例第336條存置之登記冊所紀錄，本公司並無任何人士（董事除外）擁有本公司股份或相關股份之權益或淡倉。

Other Information

其他資料

SHARE OPTIONS

As at 30 June 2005, details of share options granted to the directors or eligible employees under the share option schemes of the Company are as follows:

購股權

截至二零零五年六月三十日，各董事或合資格僱員根據本公司購股權計劃獲授之購股權詳情如下：

Name or category of participant	Number of share options					At 30 June 2005	Date of grant of share options	Exercise period of share options	Exercise price of share options	Price of the Company's shares****	
	At 1 January 2005	Granted	Exercised	Lapsed	Cancelled					At exercise date of options	At exercise date of options
參與者姓名或類別	於二零零五年一月一日	授出	行使	失效	註銷	於二零零五年六月三十日	購股權授出日期	購股權行使期	購股權行使價	購股權授出當日	購股權行使當日
									HKS 港元	HKS 港元	HKS 港元
Directors											
董事											
Under the Old Scheme:											
根據舊計劃：											
Mr. Jia Hongping 賈紅平先生	3,500,000	-	-	-	-	3,500,000	23-10-00 二零零零年十月二十三日	01-12-00 to 23-10-10 二零零零年十二月一日至二零零一年十月二十三日	0.8704	-	-
Mrs. Sy Wong Chor Fong 施黃楚芳女士	754,000	-	-	-	-	754,000	23-10-00 二零零零年十月二十三日	24-10-00 to 23-10-10 二零零零年十月二十四日至二零零一年十月二十三日	0.8704	-	-
	400,000	-	-	-	-	400,000	31-08-01 二零零一年八月三十一日	20-09-02 to 19-09-11 二零零二年九月二十日至二零零一年九月十九日	0.3528	-	-
	1,154,000	-	-	-	-	1,154,000					
Mr. Wong Wai Ming# 黃偉明先生#	30,000,000	-	-	(30,000,000)	-	-	23-10-00 二零零零年十月二十三日	24-10-00 to 23-10-10 二零零零年十月二十四日至二零零一年十月二十三日	0.8704	-	-
	6,000,000	-	-	(6,000,000)	-	-	31-08-01 二零零一年八月三十一日	20-09-02 to 19-09-11 二零零二年九月二十日至二零零一年九月十九日	0.3528	-	-
	36,000,000	-	-	(36,000,000)	-	-					
Mr. Yang Yiu Chong, Ronald Jeffrey 楊耀宗先生	1,960,000	-	-	-	-	1,960,000	24-09-00 二零零零年九月二十四日	01-12-00 to 24-09-10 二零零零年十二月一日至二零零一年九月二十四日	0.9184	-	-
	2,700,000	-	-	-	-	2,700,000	31-08-01 二零零一年八月三十一日	20-09-02 to 19-09-11 二零零二年九月二十日至二零零一年九月十九日	0.3528	-	-
	4,660,000	-	-	-	-	4,660,000					

Other Information

其他資料

SHARE OPTIONS (continued)

購股權 (續)

Name or category of participant	Number of share options					At 30 June 2005	Date of grant of share options	Exercise period of share options	Exercise price of share options	Price of the Company's shares****	
	At 1 January 2005	Granted	Exercised	Lapsed	Cancelled					At grant date of options	At exercise date of options
參與者姓名或類別	於二零零五年一月一日	授出	行使	失效	註銷	於二零零五年六月三十日	購股權授出日期	購股權行使期	購股權行使價	購股權授出當日	購股權行使當日
									HKS 港元	HKS 港元	HKS 港元
Under the New Scheme:											
根據新計劃:											
Mr. Jia Hongping 賈紅平先生	500,000	-	-	-	-	500,000	13-10-03 二零零三年十月十三日	13-10-04 to 12-10-13 二零零四年十月十三日至二零一三年十月十二日	0.710	0.700	-
Mr. Jim Sui Hing 詹瑞慶先生	6,000,000	-	-	-	-	6,000,000	13-10-03 二零零三年十月十三日	13-10-04 to 12-10-13 二零零四年十月十三日至二零一三年十月十二日	0.710	0.700	-
Mr. Lai Ting Yiu 黎廷搖先生	4,000,000	-	-	-	-	4,000,000	02-10-03 二零零三年十月二日	02-10-04 to 01-10-13 二零零四年十月二日至二零一三年十月一日	0.712	0.700	-
Mr. Lau Chung Man, Louis## 劉仲文先生##	-	6,000,000	-	-	-	6,000,000	01-06-05 二零零五年六月一日	23-05-06 to 22-05-15 二零零六年五月二十三日至二零一五年五月二十二日	0.388	0.380	-
Mr. Lo Wing Hung 盧永雄先生	7,000,000	-	-	-	(7,000,000)	-	13-10-03 二零零三年十月十三日	13-10-04 to 12-10-13 二零零四年十月十三日至二零一三年十月十二日	0.710	0.700	-
	-	36,000,000	-	-	-	36,000,000	04-05-05 二零零五年五月四日	04-05-06 to 03-05-15 二零零六年五月四日至二零一五年五月三日	0.385	0.385	-
	7,000,000	36,000,000	-	-	(7,000,000)	36,000,000					
Mr. Yang Yiu Chong, Ronald Jeffrey 楊耀宗先生	400,000	-	-	-	-	400,000	13-10-03 二零零三年十月十三日	13-10-04 to 12-10-13 二零零四年十月十三日至二零一三年十月十二日	0.710	0.700	-
Other employees											
其他僱員											
In aggregate (under the Old Scheme)	8,462,000	-	-	(36,000)	-	8,426,000	**	**	**	-	**
合共(根據舊計劃)											
In aggregate (under the New Scheme)	25,640,000	18,345,000	-	(3,400,000)	(4,000,000)	36,585,000	***	***	***	***	***
合共(根據新計劃)											
Total 總數	97,316,000	60,345,000	-	(39,436,000)	(11,000,000)	107,225,000					

SHARE OPTIONS (continued)

- * The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- ** These represent options granted to employees with exercise prices ranging from HK\$0.2820 to HK\$0.9184 per share, and an exercise period starting at the earliest on 20 October 2000 and ending at the latest on 21 March 2012. The weighted average price of the Company's shares at exercise date of options was HK\$0.64 per share.
- *** These represent options granted to employees with exercise prices ranging from HK\$0.3850 to HK\$0.7120 per share, and an exercise period starting at the earliest on 2 October 2004 and ending at the latest on 3 May 2015. The closing price of the Company's shares at grant date of options was HK\$0.3850 per share.
- **** The price of the Company's shares disclosed at grant date of options is the closing price on the Stock Exchange on the trading day immediately prior to the date of offer of the grant of the options. The price of the Company's shares disclosed at the exercise date of options is the weighted average of the closing price on the Stock Exchange over all of the exercises of options within the disclosure line.
- # Mr. Wong Wai Ming resigned as a director of the Company on 12 April 2005.
- ## Mr. Lau Chung Man, Louis was appointed as a director of the Company on 1 June 2005.

Save as disclosed above, there was no arrangement to which the Company or any of its subsidiaries was a party to enable the directors and their spouses to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

購股權 (續)

- * 購股權之行使價須就有關供股、發行紅股或本公司之股本出現類似變動而作出調整。
- ** 該等購股權為向僱員授出之購股權，行使價每股介乎0.2820港元至0.9184港元，行使期最早由二零零零年十月二十日開始，最遲於二零一二年三月三十一日屆滿。本公司股份於行使購股權日期當日之加權平均價格為每股0.64港元。
- *** 該等購股權為向僱員授出之購股權，行使價每股介乎0.3850港元至0.7120港元，行使期最早由二零零四年十月二日開始，最遲於二零一五年五月三日屆滿。本公司股份於授出購股權日期當日之收市價為每股0.3850港元。
- **** 於授出購股權日期所披露之本公司股份價格為緊接提議授出購股權當日前一個交易日在聯交所之收市價。於行使購股權日期披露之本公司股份價格，乃於披露範圍內有關行使所有購股權在聯交所之加權平均收市價。
- # 黃偉明先生於二零零五年四月十二日辭任本公司董事。
- ## 劉仲文先生於二零零五年六月一日獲委任為本公司董事。

除上文所披露者外，本公司或其任何附屬公司概無參與任何安排，使各董事及彼等之配偶可藉購入本公司或任何其他法人團體之股份或債券而獲益。

Other Information

其他資料

ADVANCES AND GUARANTEES TO AFFILIATED COMPANIES – DISCLOSURE PURSUANT TO RULES 13.13 TO 13.22 OF THE LISTING RULES

向聯屬公司提供之墊款及擔保 – 根據上市規則第13.13至13.22條予以披露

As at 30 June 2005, the Group had provided the following financial assistance and guarantees to affiliated companies, which, in aggregate, exceeded 8% of the market capitalization of the Company as at 30 June 2005:

於二零零五年六月三十日，本集團向聯屬公司提供以下財務援助及擔保，總額較本公司於二零零五年六月三十日之市值超出8%：

Name of affiliated companies	% attributable interest held by the Company	Advances as at 30 June 2005	Interest rate per annum	Guarantee given and loan drawn	Total
聯屬公司名稱	本公司所持權益應佔百分比	於二零零五年六月三十日之墊款	年利率	已出具擔保及已提取之貸款	總計
		HK\$'000 千港元		HK\$'000 千港元	HK\$'000 千港元
Sing Tao Daily Limited	25%	3,036	Interest-free 免息	–	3,036
Premier Printing Group Limited 出版之友印務集團有限公司	50%	26,513	Interest-free 免息	–	26,513
Beelink Information Science & Technology Co., Ltd. (“Beelink”) 百靈信息科技有限公司（「百靈」）	40%	(29,295)	Interest-free 免息	40,000	10,705
Greater China Media Services Ltd. 大華媒體服務有限責任公司	49%	45,296	Interest-free 免息	–	45,296
		45,550		40,000	85,550

Notes:

附註：

- (1) The above advances have no fixed terms of repayment.
 - (2) There were no committed capital injection made by the Group to the above affiliated companies.
 - (3) The above advances as stated are net of provisions made on the amounts due from affiliated companies. Provisions for amounts due from affiliated companies were HK\$31,716,000 as at 30 June 2005.
- (1) 上述墊款並無固定還款期。
 - (2) 本集團並無向上述聯屬公司承諾注資。
 - (3) 上述墊款已扣除應收聯屬公司款項之撥備。於二零零五年六月三十日，應收聯屬公司款項之撥備為31,716,000港元。

ADVANCES AND GUARANTEES TO AFFILIATED COMPANIES – DISCLOSURE PURSUANT TO RULES 13.13 TO 13.22 OF THE LISTING RULES (continued)

向聯屬公司提供之墊款及擔保 – 根據上市規則第13.13至13.22條予以披露 (續)

The information extracted from the balance sheets as at 30 June 2005 of the abovementioned affiliated companies to which the Group has granted advances and guarantee is as follows. The below amounts are stated before accounting for the Group's attributable interest.

以下資料乃摘錄自上述獲本集團提供墊款及擔保之聯屬公司於二零零五年六月三十日之資產負債表。下列數額並未計及本集團之應佔權益。

	% attributable interest held by the Company 本公司所持權益 應佔百分比	Total assets 總資產	Total liabilities 總負債	Minority interests 少數股東權益	Net assets/ (liabilities) 資產/ (負債)淨額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Sing Tao Daily Limited	25%	24,397	12,603	–	11,794
Premier Printing Group Limited 出版之友印務集團有限公司	50%	108,402	172,176	–	(63,774)
Beelink 百靈	40%	327,283	154,100	–	173,183
Greater China Media Services Ltd. 大華媒體服務有限責任公司	49%	187,653	104,849	23,483	59,321
		647,735	443,728	23,483	180,524

Attributable interests of the above affiliated companies to the Group as at 30 June 2005 amounted to HK\$109,016,000.

截至二零零五年六月三十日，本集團應佔上述聯屬公司之權益為109,016,000港元。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

購買、出售或贖回本公司之上市證券

The Company has not redeemed any of its listed securities during the period covered by this interim report. Neither the Company, nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period covered by this interim report.

本公司於本中期報告所涵蓋之期間並無贖回其任何上市證券。本公司或其任何附屬公司在本中期報告所涵蓋之期間並無購買或出售本公司任何上市證券。

Other Information

其他資料

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Listing Rules throughout the period from 1 January 2005 to 30 June 2005, save for a few exceptions specified and explained below:

With respect to Code Provision A.1.7, the Board has just resolved in August 2005 a procedure to enable directors to seek independent professional advice in appropriate circumstances, at the Company’s expense.

The Board has adopted the written guidelines for relevant employees in respect of their dealings in the securities of the Company in August 2005 which brings the Company into compliance with Code Provision A.5.4.

The Board has, in August 2005, adopted a schedule of matters reserved for the Board to which brings the Company into compliance with Code Provision D.1.2.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

On specific enquiries made, all Directors have confirmed that they have complied with the required standard set out in the Model Code in respect of the accounting period covered by this interim report.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with the management of the Company the accounting principles and accounting standards, and discussed matters relating to auditing, internal controls and financial reporting, including unaudited condensed consolidated financial statements for the six months ended 30 June 2005.

By Order of the Board
HO Tsu Kwok, Charles
Chairman

Hong Kong, 14 September 2005

企業管治

本公司於二零零五年一月一日至二零零五年六月三十日期間已遵守上市規則附錄14所載之企業管治常規守則（「企管守則」）之守則條文。惟下文列明及闡釋之數項除外：

就守則條文A.1.7而言，董事會剛於二零零五年八月議決通過制訂一套程序，從而使董事在適當情況下尋求獨立專業意見，有關開支由本公司承擔。

董事會已於二零零五年八月採納有關相關僱員買賣本公司證券之書面指引，使本公司符合守則條文A.5.4之規定。

董事會已於二零零五年八月接納一份列載保留予董事會作決定的事項之計劃表，使本公司符合守則條文之D.1.2之規定。

遵守董事進行證券交易的標準守則

經個別查詢後，所有董事確認於彼等於本中期報告所涵蓋之會計期間已遵守標準守則所列明之規定標準。

審閱中期財務報表

本公司審核委員會與本公司管理層已審閱會計原則及準則，並已討論有關審計、內部監管及財務報告之事宜，當中包括截至二零零五年六月三十日止六個月之未經審核簡明綜合財務報表。

承董事會命
主席
何柱國

香港，二零零五年九月十四日