

1. CORPORATE INFORMATION

Forefront International Holdings Limited ("the Company") was incorporated in the Cayman Island on 10 September 1998 as an exempted company with limited liability under the Companies Law (Revised). Its shares have been listed on the Stock Exchange of Hong Kong Limited since 12 July 2001.

The Company is an investment holding company. The Company's subsidiaries (together with the Company referred to as "the Group") are principally engaged in the trading of motor trucks, coaches and vehicle accessories, provision of motor vehicle repairs and maintenance services and provision of other motor vehicle related business.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKAS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance except for the unconsolidation of Taiwan Subsidiaries as set out below. The measurement basis used in the preparation of these financial statements is historical cost, except for the land and buildings which were measured at revalued amount.

1. 公司資料

福方國際控股有限公司（「本公司」）於一九九八年九月十日於開曼群島註冊成立，根據公司法（經修訂）為獲豁免有限公司，其股份自二零零一年七月十二日起於香港聯合交易所有限公司上市。

本公司為一家投資控股公司，其附屬公司（連同本公司統稱「本集團」）主要從事貨車、旅遊巴士及汽車配件貿易、提供汽車維修保養服務及提供其他汽車相關業務。

2. 主要會計政策

編製基準

財務報表乃按香港會計師公會（「**香港會計師公會**」）頒佈之「**香港財務報告準則**」及「**香港會計準則**」、香港公認會計原則及香港公司條例之披露規定編製。惟未經綜合「台灣附屬公司」除外。除土地及物業以估值方式計算之外，財務報表乃採用歷史成本計算基準編製。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Taiwan Subsidiaries

As explained above, the Group has been involved in a dispute concerning control of its subsidiaries operating in Taiwan, namely Forefront International Automotive Limited, Sunshine Credit Limited ("SSC") and U-Drive Smart Card Company Limited (collectively referred to as "Taiwan Subsidiaries") and certain former members of the Board are actively obstructing the Group's legitimate exercise of control over the Taiwan Subsidiaries and resulting in losing its control over the Taiwan Subsidiaries' operations for a couple of months until March 2005. The Group has also been denied access to information relevant to its residual 38% investment in Forefront Automobile Industry Limited ("FAIL"), which operates an assembly plant in Taiwan.

On taking control of the Taiwan Subsidiaries in March 2005, it was apparent that operating assets were used illegally and without authorisation by the former management of the Taiwan Subsidiaries. Multiple litigation, both civil and criminal, has been initiated against the former management of these subsidiaries to recover of the assets. Given the situation in Taiwan, it has been difficult to form a view with any accuracy and reliability on the management accounts.

As a result, the financial statements of these subsidiaries have not been included in the consolidated financial statements of the Group as, in the opinion of the directors, the inclusion of these financial statements may result in an inaccurate picture of the Group's financial position and performance for the year. Whilst the directors consider that the exclusion of these subsidiaries is the best way of presenting the Group's financial position and results for the year in the circumstances, the reason for the exclusion is not one of the reasons for exclusion provided for in Hong Kong Accounting Standard 27 "Consolidated and separate Financial Statements" issued by the Hong Kong Institute of Certified Public Accountants ("HKAS 27") and, in this respect, the financial statements are not in compliance with HKAS 27. For this reason, and the uncertainties impacting the Group's operations in Taiwan, the Company's auditors have disclaimed their opinion on the financial statements.

2. 主要會計政策 (續)

台灣附屬公司

誠如上文所闡釋，本集團涉及一宗有關於台灣經營之附屬公司控制權之紛爭，該等附屬公司即為福方國際汽車股份有限公司、勝山財務股份有限公司（「勝山」）及任我行智慧卡有限公司（統稱「台灣附屬公司」），而若干前董事會成員積極阻撓本集團對於其於台灣附屬公司行使合法控制權。致本集團對台灣附屬公司於二零零五年三月前並無全面控制權。本集團亦被拒絕查閱有關其於福方汽車工業股份有限公司（「福方工業」）（於台灣經營一家組裝廠）其餘38%投資之資料。

董事會於二零零五年三月取得對台灣附屬公司之控制權後，經營資產明顯遭台灣附屬公司前管理層非法及在未經授權下使用。本集團已向該等附屬公司前管理層提出多項民事及刑事訴訟，以追討有關資產。鑑於台灣之情況，本集團難以作出有關管理賬目之準確性及可靠性之意見。

因此，該等附屬公司之財務報表並無計入本集團之綜合財務報表，皆因董事認為，計入該等財務報表或會導致本集團本年度之財務狀況及表現有欠準確。儘管董事認為不將此等附屬公司綜合入帳是在此情況下呈報本集團在本年度之財務狀況及業績之最佳做法，惟不將此等附屬公司綜合入帳之原因，並非香港會計師公會頒佈之（「香港會計準則第27號」）「綜合及獨立財務報表」所定之原因之一，而就此而言，財務報表並不符合香港會計準則第27號。基於此原因及影響本集團台灣業務營運之不明朗因素，本公司的核數師就財務報表不發表意見。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Taiwan Subsidiaries (Continued)

The Group's share of the net assets of its Taiwan subsidiaries, based on latest audited financial information as at 31 December 2003 was HK\$149,054,000. After reviewing the latest financial position in Taiwan, an amount of HK\$100,880,000 impairment loss was recognised as at 31 December 2005 and the remaining balance of HK\$48,174,000 of the Group's share of the net assets has been included in the consolidated balance sheet as interests in unconsolidated subsidiaries. More information of investment in Taiwan Subsidiaries is set out in note 11 to the financial statements.

Despite the issue with the Taiwan Subsidiaries, most of the major legacy issues have now been resolved and the Company now has a clear picture of the situation in Taiwan. The agreement reached with Scania to issue new licences with respect to the Group in the territories of Hong Kong, Macau, Shenzhen and Zhuhai has brought certainty to the Group's immediate future and provides a platform from which to grow and develop a profitable Southern-China business. It is the opinion of the directors that it is appropriate to apply the going concern basis in preparing the consolidated financial statements.

Impact of new HKFRSs and HKASs

In the current year, the Group adopted the following new HKASs and interpretations (hereinafter collectively referred to as "New HKFRSs") issued by HKICPA which are effective for the accounting period commencing on or after 1 January, 2005. The effects of adoption of the New HKFRSs are detailed below:

HKAS 1	Presentation of financial statements
HKAS 17	Leases
HKAS 32	Financial instruments: disclosure and presentation
HKAS 39	Financial instruments: recognition and measurement

2. 主要會計政策 (續)

台灣附屬公司 (續)

根據於二零零三年十二月三十一日的最新近之經審核財務資料，本集團分佔台灣附屬公司之資產淨值合共149,054,000港元，在審視於台灣之最後財務狀況，本集團已於二零零五年十二月三十一日確認一筆為數100,880,000港元之減值虧損，而本集團攤佔之資產淨值之剩餘結餘48,174,000港元亦已包括於綜合資產負債表之於未綜合附屬公司之權益中。有關台灣附屬公司投資的更多資料，詳見附註11。

雖然發生有關台灣附屬公司之事宜，但是主要之遺留事項現已獲解決，而本公司現已對台灣之情況有清晰的了解，亦已與Scania達成香港、澳門、深圳及珠海代理權之協議，於未來短期為本集團提供明朗前景，亦為其發展及開發有盈利之南中國業務提供平台。董事之意見認為以持續營運基礎編制綜合財務報表是適當的。

新香港財務報告準則及香港會計準則之影響

於本期間，本集團首次採用香港會計師公會頒佈之多項新訂香港會計準則及詮釋（以下統稱「新香港財務報告準則」），該等準則於二零零五年一月一日或之後開始之會計期間生效。採納新香港財務報告準則之影響詳述如下：

香港會計準則第1號	財務報表之呈報
香港會計準則第17號	租賃
香港會計準則第32號	財務工具：披露及呈報
香港會計準則第39號	財務工具：確認及計量

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Impact of new HKFRSs and HKASs (Continued)

These HKASs prescribe new accounting measurement and disclosure practices. The major and significant effects of the adoption of these HKASs on the Group's accounting policies and on amounts disclosed in the financial statements are summarized as follows:

- (a) Leasehold land and buildings were previously carried at their revalued amount. In accordance with the provisions of HKAS 17, where the total payment at the inception of the lease can be allocated reliably into the land element and building element, the payment for the land element is treated as an operating lease and amortised over the term of the lease. If the land and building elements cannot be allocated reliably at the inception of the lease, both elements will continue to be treated as a finance lease and carried at valuation under HKAS 16.

The revaluation reserve on the leasehold land is de-recognised and related deferred taxation reversed. The cost of the land premium/lease paid is reflected as a prepayment under non-current assets and amortised over the remaining lease term. The change in accounting policy is adopted retrospectively and reflected by way of a prior year adjustment and restatement of comparative figures. During the year, the Group has disposed of all the land and buildings.

2. 主要會計政策 (續)

新香港財務報告準則及香港會計準則之影響 (續)

此等香港會計準則訂明新會計計量及披露慣例。採納此等香港會計準則對本集團會計政策及於財務報表所披露金額之主要及重大影響概述如下：

- (a) 租賃土地及樓宇以往按重估金額列帳。根據香港會計準則第17號之條文，倘租賃開始時之總付款額能可靠地分配至土地部份及樓宇部份，則土地部份之付款額會被當作經營租賃處理，並按租賃年期攤銷。倘土地及樓宇不可能於租賃開始時可靠地分配，則根據香港會計準則第16號，土地及樓宇部份將繼續當作融資租賃處理及按估值模式列帳。

租賃土地之重估儲備已不再確認，而相關之遞延稅項已經撥回。土地溢價之成本／已付租賃反映作非流動資產項下之預付款項，並按餘下租賃年期攤銷。會計政策之變動已追溯應用，並以上年度調整及重列比較數字之方式作出反映，於年內，本集團已出售所有土地及樓宇。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Impact of new HKFRSs and HKASs (Continued)

- (b) In prior periods, the Group's convertible bonds were stated in the balance sheet at face value. With effect from 1 January 2005, in accordance with HKAS 39, convertible bonds issued are split into their liability and equity components at initial recognition by recognising the liability component at its fair value and attributing to the equity component the difference between the proceeds from the issue and the fair value of the liability component. The liability component is subsequently carried at amortised cost. The equity component is recognised in the capital reserve until the bonds are either converted (in which case these are transferred to share premium) or the bonds are redeemed (in which case these are released directly to retained profits).

After taking into account an independent valuation conducted by Grant Sherman Appraisal Limited, the directors consider the equity component of the convertible bonds are immaterial to the financial statements and therefore no adjustment to the opening balance of the capital reserve or to the carrying value of the liability component of the convertible bonds is made in this respect.

- (c) In prior periods, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as a deduction from net assets. Minority interests in the results of the Group were also separately presented in the consolidated income statement as a deduction before arriving at the profit attributable to shareholders.

2. 主要會計政策 (續)

新香港財務報告準則及香港會計準則之影響 (續)

- (b) 於往期間，本集團之可換股債券乃按面值於資產負債表內列帳。由二零零五年一月一日起，根據香港會計準則第39號，已發行之可換股債券透過按公平值確認負債部份及股本部份應佔發行所得款項與負債部份公平值之差額，於初次確認時分為彼等之負債及股本部份。負債部份最終按攤銷成本入帳。股本部份則在資本儲備中確認，直至債券被兌換（在其被轉移至股份溢價之情況下）或債券被贖回（在其被直接解除至保留溢利之情況下）為止。

經考慮由中證評估有限公司進行之獨立估值報告後，董事認為可換股債券之股本部份對財務報表並不重要，故並無對資本儲備之期初餘額或可換股債券之負債部份之帳面值就此方面作出任何調整。

- (c) 在往期間，少數股東權益在資產負債表內獨立於負債呈列及用作扣減資產淨值。而少數股東權益在集團年度業績內亦獨立呈列於收益計算表中及用作扣減股東應佔盈利。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Impact of new HKFRSs and HKASs (Continued)

With effect from 1 January 2005, in order to comply with HKAS 1, minority interests at the balance sheet date is presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the parent, and minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between the minority interests and the equity holders of the parent.

The presentation of the minority interests in the consolidated balance sheet, consolidated income statement and consolidated statement of changes in equity for the comparative period has been restated accordingly.

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of accounting standards and interpretations that are not yet effective. The Group has not early adopted these new HKFRSs and the directors anticipate that the adoption of these new HKFRSs in the future periods will have no material impact on the results of the Group.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December each year. All inter-company transactions and balances have been eliminated on consolidation.

2. 主要會計政策 (續)

新香港財務報告準則及香港會計準則之影響 (續)

自二零零五年一月一日起，為符合香港會計準則第1號，在結帳日，於綜合資產負債表內少數股東權益乃歸入權益，並與母公司股權持有人應佔權益分別呈列，而集團期內業績，少數股東權益則與母公司股權持有人一同分配期內盈利或虧損總額及呈列在綜合損益表內。

綜合資產負債表、綜合損益表及綜合權益變動表之少數股東權益之呈列已分別重列於比較期內。

香港財務報告準則未來改變

在授權此財務報表當日，香港會計師公會已頒佈一系列未生效的新／經修訂準則及詮釋，本集團並無提早採納這些香港財務報告準則，董事預期採納這些新香港財務報告準則對本集團未來業績並無重大影響。

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十二月三十一日為止之財務報表。本集團內公司間之所有交易及結餘已於綜合帳目時對銷。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Subsidiaries

A subsidiary is an entity, in which the Company, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's balance sheet, investment in subsidiaries are stated at cost less accumulated impairment losses. The carrying amount of the investment is reduced to its recoverable amount on an individual basis. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Financial instruments

Financial assets and financial liabilities are recognised on the trade date basis, when the Group becomes a party to the contractual provisions of the instruments. The derecognition of a financial asset takes place when the Group's contractual rights to future cash flows from the financial asset expire or the Group transfers the contractual rights to future cash flows to third party. The Group derecognises financial liability when, and only when the liability is extinguished.

Bank borrowings

Bank borrowings are initially recognised at cost, being the fair value of the consideration received, net of transaction costs incurred and are subsequently measured at amortised cost using effective interest method.

2. 主要會計政策 (續)

附屬公司

附屬公司指本公司有權直接或間接監管其財務及營運政策以自其業務中獲取利益之實體。

於本公司之資產負債表中，附屬公司之投資乃按成本減累計減值虧損入帳。投資之帳面金額按個別基準扣減至其可收回金額。本公司按已收及應收股息基準將附屬公司之業績入帳。

財務工具

財務資產及財務負債乃按貿易日期基準於本集團成為該等工具之合約條文之一方時確認。當本集團於財務資產未來現金流入之合約權利屆滿，或本集團將未來現金流入之合約權利轉移予第三方，則終止確認財務資產。本集團僅於負債消除時終止確認財務負債。

銀行借貸

銀行借款首次按成本確認，成本指已收代價之公允值扣除所產生之交易成本，並於期後按實際利率法按攤銷成本計量。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Trade receivables and payables

Trade receivables and payables are recognised at cost which approximates their fair values, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flow, discounted at the effective interest rate. The amount of provision is recognised in the income statement.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are charged to the income statement during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

Building	4%
Leasehold improvement	20%-25%
Furniture and fixture	10%-25%
Motor vehicles	20%-30%

2. 主要會計政策 (續)

應收及應付貿易帳款

應收及應付貿易帳款乃按其概約公允價值減去減值撥備的成本確認。應收貿易帳款之減值撥備於有客觀證據顯示本集團將不能按應收帳之原來條款收回所有金額時提備。撥備金額指資產帳面值與按實際利率折價之估計未來現金流現值間之差額。撥備金額於損益表確認。

物業、廠房及設備

物業、廠房及設備按成本值減累計折舊及累計減值虧損列帳。

物業、廠房及設備項目之成本包括其購買價及令資產達致其現時營運狀況及運送至其運作地點作擬定用途之任何直接應佔費用。期後成本僅於該項目相關之未來經濟利益可能流入本集團，而該項目之成本能可靠地計量時，方計入資產帳面值或確認為獨立資產。所有其他維修及保養開支於其所產生年度於損益表扣除。

折舊乃自物業、廠房及設備可使用日期起，並計入彼等之估計尚餘價值後，就彼等之估計可用年期攤銷成本減累計減值虧損，以直線法按下列折舊年率計算折舊：

樓宇	4%
租賃物業裝修	20%-25%
傢具及辦公室設備	10%-50%
汽車	20%-30%

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition. For motor vehicles, cost is determined on the specific identification basis, while for other inventories, cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Impairment loss

At each balance sheet date, the Group reviews internal and external sources of information to determine whether the carrying amounts of its tangible and intangible assets have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment losses is recognised as income immediately.

2. 主要會計政策 (續)

存貨

存貨以成本值與可變現淨值兩者中之較低者列帳。成本包括所有採購成本及(如適用)轉換成本及將存貨運至現時地點及處於現況所需之其他成本、汽車成本按特定辨識基準釐定,而其他存貨之成本則按加權平均法計算。可變現淨值指於一般業務過程中之估計售價減估計完成成本及進行銷售必需之估計成本。

減值虧損

於各結算日,本集團評估內部及外部所得資料,以決定其有形及無形資產之帳面值有否任何減值虧損或先前已確認之減值虧損是否不再存在或有所減少。倘有任何該等顯示存在,該資產之可收回數額須根據其公允值減銷售成本及可使用價值兩者之較高者作估計。倘無法估計個別資產之可收回數額,本集團則估計可獨立產生現金流量之最小資產組別(即現金產生單位)之可收回數額。

倘資產或現金產生單位之可收回數額估計低於其面值,則資產或現金產生單位之面值將減至其可收回數額。減值虧損隨即確認為開支。

撥回之減值虧損以假設過往年度並無確認減值虧損情況下而釐定的資產或現金產生單位之帳面值為限。撥回之減值虧損隨即確認為收入。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the expenditures expected to require settling the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably.

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

Service fee income is recognised when the services are rendered.

2. 主要會計政策 (續)

撥備

倘本集團因過往事件而產生目前之法定或推定責任，而有可能耗用包含經濟利益之資源以履行責任，以及能可靠地估計責任涉及之款額，則須就此確認撥備。已確認撥備之支出乃於支出產生之年度於相關撥備扣除。撥備乃於各結算日審閱及調整以反映目前之最佳估計款額。倘貨幣之時間值會產生重大影響，則作出撥備之款額乃預期需要履行責任之支出之現值。倘本集團預期該撥備可補償，則此款額於幾乎肯定將補償之情況下確認為獨立資產。

收益

收益乃於經濟利益將會流入本集團且收益能夠可靠衡量時予以確認。

貨品銷售是在風險及回報擁有權轉移（一般與有關貨品付運及所有權移交客戶之時間相同）時予以確認。

服務費收入是在提供有關服務後予以確認。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Foreign currencies

Items included in the financial statements of each of the Groups entities are measured using currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Group's functional and presentation currency.

Transactions involving foreign currencies are translated into functional currency at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates prevailing on the balance sheet date. Translation differences are included in the income statement.

On consolidation, the balance sheets of overseas subsidiaries denominated in currencies other than Hong Kong dollars are translated at the rates of exchange ruling at the balance sheet date while the income statement is translated at average rates for the year. All exchange differences arising on consolidation are dealt with in the exchange reserve.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss, it is not accounted for.

2. 主要會計政策 (續)

外幣

本集團各實體之財務報表項目依各自實體營運所在的主要經濟環境通行之貨幣(「記帳貨幣」)計量。本綜合財務報表以港元為本集團之功能及呈列貨幣呈列。

外幣交易均按交易日之匯率換算為記帳貨幣。於結算日以外幣列值之貨幣資產及負債均按當日之匯率重新換算。換算差額計入損益帳。

於綜合帳目時，海外附屬公司按港元以外之貨幣列值之資產負債表，乃按結算日之匯率換算，而損益表則按全年平均匯率換算。因綜合帳目而產生之所有匯兌差額均在匯兌儲備內處理。

稅項

現行所得稅支出乃按年內經非應課稅或非准予抵扣項目調整之業績計算，並使用於結算日已實行或大致上已實行之稅率計算。

遞延稅項乃使用負債法，就資產與負債之稅基以及該等資產與負債於財務報表內所列之帳面值間之暫時差額作出全數撥備。然而，倘遞延稅項因首次確認業務合併以外之交易之資產或負債產生，而進行交易時對會計溢利或應課稅溢利或虧損均無影響，則不予入帳。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Cash equivalents

Cash equivalents in the consolidated cash flow statement represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdrafts.

Operating leasing

Rentals payable and receivable under operating leases are recognised as an expense and revenue on the straight-line basis over the lease terms. Lease incentives received are recognised in the consolidated income statement as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.

Related parties

A party is related to the Group if (a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group; (b) the party is an associate of the Group; (c) the party is a joint venture in which the Group is a venturer; (d) the party is a member of the key management personnel of the Group or its parent; (e) the party is a close member of the family of any individual referred to in (a) or (d); (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

2. 主要會計政策 (續)

稅項 (續)

遞延稅項負債或資產乃按照於結算日已實行或大致上實行之稅率及稅務法律，按照預期將於變現資產或償還負債之期間適用之稅率計算。遞延稅項資產乃在未來應課稅溢利可抵扣暫時差額、稅項虧損及稅項抵免時予以確認。

現金等價物

就綜合現金流量表而言，現金等價物指扣除銀行透支後可隨時轉換為可知數額現金，而所承受之價值變動風險並不重大之短期高流動性投資項目。

經營租賃

經營租賃的應付及應收租金按直線法於租期內確認為開支及收益。已收租賃優惠於綜合損益帳中確認為協定使用租賃資產代價淨額之一部份。或然租金於產生的會計期間內確認為開支。

關連人士

在以下情況下，一方將被視為本集團之關連人士：(a)其透過一名或多名中間人直接或間接控制、受控於，或共同授控於本集團；或於本集團擁有權益使其對集團有重大影響；或對本集團有共同控制權；(b)該方為本集團之聯繫人士；(c)該方為本集團合營夥伴之合營公司；(d)該方為本集團或其母公司之主要管理層成員；(e)該方與(a)或(d)所述任何人士之親密家族成員；(f)該方為受(d)或(e)所述任何人士控制、共同控制或受重大影響之實體，或(d)或(e)所述任何人士於該實體擁有重大投票權；或(g)該方為一職後福利計劃而受益人為本集團僱員或任何為本集團關連人士之實體。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements

Estimates and judgements are currently evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Apart from information disclosed elsewhere in these financial statements, the following summarise estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for inventories

The Group reviews an aging analysis of inventories at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items identified that are no longer recoverable or suitable for use. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowances for obsolete items.

Allowance for bad and doubtful debts

The provisioning policy for bad and doubtful debts of the Group is based on the evaluation of collectability and aging analysis of the accounts receivables and on management's judgement. At the balance sheet date, the accounts receivables was stated net of provision. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance will be required.

2. 主要會計政策 (續)

關鍵會計估計及判斷

估計及判斷按現況並根據歷史經驗及其他因素進行評估，包括按當時情況相信為合理而對未來事件之期望。除了於本財務報表其他地方披露之資料外，以下為有重大風險於下一財政年度導致資產及負債之帳面值出現重大調整之估計及假設概要。

存貨撥備

本集團於各結算日檢討存貨之帳齡分析，並就已辨識且無法收回或適合使用之過時及滯銷存貨項目作出撥備。管理層主要根據最新發票價及現時市場狀況估計存貨之可變現價值。本集團於各結算日按個別產品基準進行存貨檢討，並就過時項目撥備。

呆壞帳撥備

本集團之呆壞帳撥備政策乃根據應收帳之可收回性評估及帳齡分析以及管理層之判斷釐定。於結算日，應收帳扣除撥備入帳。於評估該等應收帳之最終變現能力時，須從多方判斷，包括各名客戶之現時信譽及過往收帳記錄。倘該等客戶之財務狀況惡化，導致其還款能力出現減值，將須作出額外撥備。

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Employee benefits

Defined contribution plans

The obligations for contributions to defined contribution retirement schemes are recognised as expenses in the income statement as incurred. The assets of the schemes are held separately from those of the Group in an independently administered fund.

Long service payment

The Company's net obligation in respect of long service payment under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets, including retirement scheme benefit, is deducted.

Segment reporting

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

Unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories, receivables, operating cash and investments in securities. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment, including additions resulting from acquisitions through purchases of subsidiaries.

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

2. 主要會計政策 (續)

僱員福利

界定供款計劃

界定供款退休計劃之責任及貢獻於產生時於損益表確認為費用。計劃資產與本集團之資產分開，於獨立管理之基金持有。

長期服務金

本公司根據香港僱傭條例之長期服務金責任淨額，乃指僱員於本期間及過往期間提供服務所賺取之未來福利金額。有關責任乃以估計單位基數法計算，並折現至其現值，而扣除任何相關資產（包括退休金計劃的利益）之公平值。

分部呈報

根據本集團之內部財務申報，本集團決定將業務分類按主要呈報方式呈列，並以地域分佈作為次要呈報方式。

未分類成本指公司開支。分類資產主要包括物業、廠房及設備、存貨、應收帳、經營現金、證券投資。分類負債包括經營負債，並不包括稅項及若干公司借貸等項目。資本開支包括物業、廠房及設備之添加，包括因透過購入附屬公司進行收購之添加。

就地區分類呈報而言，銷售乃按客戶所在國家和地區及資產所在地方之資產總值及資本開支劃分。

Notes to the Financial Statements

財務報表附註

3. TURNOVER AND REVENUE

Turnover and revenue recognised by category are analysed as follows:

3. 營業額及收益

按分類確認之營業額及收益分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
(a) Turnover	(a) 營業額		
Sale of motor trucks, coaches and vehicle accessories	銷售貨車、旅遊巴士及汽車配件	105,985	128,390
Provision of motor vehicle repairs and maintenance services	提供汽車維修及保養服務	27,010	41,660
Fuel commission income	燃料佣金收入	4,754	6,054
Provision of other vehicle related services	提供其他汽車相關服務	230	745
Interest income in respect of financing business	融資業務之利息收入	-	47
		137,979	176,896
(b) Other income	(b) 其他收入		
Interest income	利息收入	167	15
Gain on disposal of interest in a subsidiary (note 4(d))	出售附屬公司權益之收益 (附註4(d))	7,953	-
Gain on disposal of property, plant and equipment and land lease prepayment	出售物業、廠房及設備及土地租賃預付款項之收益	6,985	288
Others	其他	1,561	2,562
		16,666	2,865

4. LOSS BEFORE TAXATION

This is stated after charging (crediting):

(a) Finance costs

Interest on bank borrowings wholly repayable within five years	須於五年內全數償還之銀行借貸之利息	698	1,775
Zero coupon convertible bonds	零息票可換股債券	2,780	-
Interest paid to supplier	已付供應商之利息	713	-
		4,191	1,775

(b) Other items

Auditors' remuneration	核數師酬金	940	750
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,335	6,419
Amortisation on land lease prepayment	土地租賃預付款項攤銷	46	53
Allowance on inventories	存貨撥備	1,193	4,645
Operating lease charges on premises	物業經營租賃支出	987	4,064
Settlement of legal claim	法律訴訟和解	7,000	-
Impairment loss on interest in unconsolidated subsidiaries (note c)	於未綜合附屬公司之權益減值(附註c)	100,880	-
Provision on amounts due from unconsolidated subsidiaries	應收未綜合附屬公司款項撥備	1,133	-
Impairment loss in respect of investment securities	有關證券投資之減值虧損	-	6,908
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	-	606
Allowance on trade and other receivables	應收貿易帳款及其他應收款項撥備	(4,398)	7,463
Staff costs, including directors' emoluments:	員工成本, 包括董事酬金:		
- Salaries and other allowances	- 薪金及其他津貼	19,161	25,466
- Contributions to pension schemes	- 退休計劃供款	647	856
(Gain) Loss on exchange	滙兌(收益)虧損	(170)	386

4. 除稅前虧損

此乃經扣除(計入)下列各項:

(a) 融資成本

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
698	1,775
2,780	-
713	-
4,191	1,775

(b) 其他項目

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
940	750
4,335	6,419
46	53
1,193	4,645
987	4,064
7,000	-
100,880	-
1,133	-
-	6,908
-	606
(4,398)	7,463
19,161	25,466
647	856
(170)	386

Notes to the Financial Statements

財務報表附註

4. LOSS BEFORE TAXATION (Continued)

(c) Impairment on interest in unconsolidated subsidiaries

An amount of approximately HK\$100,880,000 impairment loss on interest in unconsolidated Taiwan subsidiaries was recognised and was included in the administrative expenses, as per note (b) above.

(d) Disposal of interest in a subsidiary

During the year, the Company disposed of the whole interest in Griffin Automotive Limited, a wholly owned subsidiary incorporated on 17 May 2005 in Taiwan, to Scania CV AB, the principal supplier of the Group and the holding company of Scania Trade Development AB, a substantial shareholder of the Company since 12 May 2005, at a consideration of US\$1,004,140 equivalent approximately to HK\$7,798,000 and a gain of approximately HK\$7,953,000 was recognised.

4. 除稅前虧損 (續)

(c) 於未綜合附屬公司之權益減值

於附錄(b)內提及之於未綜合台灣附屬公司款項減值為約100,880,000港元已包含在行政開支之內。

(d) 出售附屬公司之權益

年內，本公司向本集團主要供應商 Scania CV AB (自二零零五年五月十二日起為本公司主要股東 Scania Trade Development AB之控股公司) 出售於二零零五年五月十七日於台灣註冊成立之全資附屬公司－永德福汽車股份有限公司之全部權益。代價為1,004,140美元(相等於約7,798,000港元)，並確認約7,953,000港元之收益。

		2005 二零零五年 HK\$'000 千港元
Net assets disposed of:	已出售資產淨值:	
Property, plant and equipment	物業、廠房及設備	205
Inventories	存貨	3,518
Trade and other receivables	應收貿易帳及其他應收帳項	2,931
Bank balances and cash	銀行結餘及現金	428
Trade and other creditors	應付貿易帳及其他應付帳項	(7,237)
		(155)
Gain on disposal	出售收益	7,953
Total consideration	總代價	7,798
Satisfied by:	以下列方式支付:	
Cash consideration	現金代價	7,798
Cash consideration	現金代價	7,798
Cash and cash equivalent disposed of	已出售現金及現金等價物	(428)
Net inflow of cash and cash equivalent	現金及現金等價物流入淨額	7,370

4. LOSS BEFORE TAXATION (Continued)

(e) Settlement of legal claim

Reference is made to the Company's 2004 Annual Report, the 2005 Interim Report and related circular. As disclosed therein, during the year ended 31 December 2004, the Group received a claim from **Wise Dynasty** for approximately HK\$9,000,000 and an order that it be granted vacant possession of the Group's headquarters and Hong Kong service center site located in the Cyber Centre Limited (an indirect wholly-owned subsidiary of the Company) ("**CCL**") property. The claims relate to a HK\$20,000,000 loan that Wise Dynasty alleges it advanced to CCL on 9 March 2004. Wise Dynasty further claimed that the loan is secured by alleged legal charge over the CCL Property, and that the Company had issued a cheque in the sum of HK\$8,000,000 ("Alleged Cheque") for the repayment of the outstanding principal balance of the Alleged Loan. The Company and the CCL disputed these claims, and defended themselves in proceedings brought by Wise Dynasty seeking to recover the amount of the Alleged Cheque and to be granted vacant possession of the CCL Property. The Company has reached an agreement with Wise Dynasty in relation to the Disputes. A claim settlement of HK\$7,000,000 has been paid to Wise Dynasty as consideration of its agreeing to settle the disputes and the release of the alleged legal charge dated 9 March 2004 over the CCL Property given by CCL as chargor in favour of Wise Dynasty as lender.

4. 除稅前虧損 (續)

(e) 法律訴訟和解

謹此提述本公司二零零四年年報、二零零五年中期報告及相關通函，誠如其中所披露，於二零零四年十二月三十一日，本集團收到 **Wise Dynasty** 一項為數約9,000,000港元之索償，以及指令本集團將數碼中心有限公司（本集團一家間接全資附屬公司）所擁有目前之總辦事處及香港服務中心之空置管有權（「**數碼中心物業**」）交出。有關索償涉及 Wise Dynasty 指稱於二零零四年三月九日向數碼中心借出為數20,000,000港元之貸款。Wise Dynasty 進一步指稱貸款由指稱法律押記作為抵押，而本公司已開出一張金額為8,000,000港元之支票（「指稱支票」）用作償還指稱貸款內之未償還餘額。本公司及數碼中心對該等索償提出爭議，並於Wise Dynasty提出欲尋求收回指稱支票金額，並要求交出數碼中心物業空置管有權之訴訟中自辯。本公司已與Wise Dynasty就有關爭議達成協議，已向Wise Dynasty支付7,000,000港元索償金，以換取其同意就爭議作出和解，並解除數碼中心被指稱於二零零四年三月九日作為押記人就數碼中心物業作出以Wise Dynasty為受益人之指稱法律押記。

Notes to the Financial Statements

財務報表附註

5. DIRECTORS' REMUNERATION

The remuneration of the Company's directors is as follows:

Name of Director 董事姓名	Year ended 31 December 2005 截至二零零五年十二月三十一日止年度				2004 二零零四年
	Fees 袍金 HK\$'000 千港元	Basic salaries, allowance and other benefits 基本薪金、 津貼及 其他福利 HK\$'000 千港元	Pension scheme contribution 退休 計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Mr. Lau Siu Ki, Kevin 劉紹基先生	300	-	-	300	190
Mr. Cheong Ying Chew, Henry 張英潮先生	300	-	-	300	190
Mr. Alistair Macleod Alistair Macleod先生	300	-	-	300	135
Mr. Paul Gerard Davies Paul Gerard Davies先生	200	-	-	200	135
Mr. Arne Karlsson (Note) Arne Karlsson先生 (附註)	175	-	-	175	-
Mr. Cosimo Borrelli Cosimo Borrelli先生	-	-	-	-	-
Mr. Kelvin Edward Flynn Kelvin Edward Flynn先生	-	-	-	-	-
	1,275	-	-	1,275	650

Note: Appointed on 1 June 2005

Directors' remuneration paid in 2004 was for director fees only and there were no other emoluments payable to the directors.

No director waived any emoluments during the year. No incentive payment nor compensation for loss of office was paid or payable to any director for the year ended 31 December 2005 (2004: Nil).

5. 董事酬金

本公司董事酬金載列如下：

附註：於二零零五年六月一日任命

於二零零四年董事酬金內只為袍金，並無其他酬金應付董事。

年內並無董事放棄任何酬金。於截至二零零五年十二月三十一日止年度，本集團概無向董事支付或應付任何款項作為獎金或離職補償。(2004年：無)

6 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Among the five individuals with the highest emoluments, none (2004: three) was executive directors whose emoluments are disclosed in note 5.

The emoluments paid to the five highest (2004: two) individuals during the year were as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	3,342	1,328
Pension scheme contributions	退休計劃供款	38	34
		3,380	1,362

The emoluments fell within the following band:

		Number of individuals 人數	
		2005 二零零五年	2004 二零零四年
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	4	2
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	1	-

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

6. 最高酬金人士

五位最高薪人士中並無執行董事（二零零四年：三位），執行董事酬金已於上文附註5披露。

本年度五位最高薪人士（二零零四年：兩位）的酬金如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	3,342	1,328
Pension scheme contributions	退休計劃供款	38	34
		3,380	1,362

酬金介乎以下範圍：

		Number of individuals 人數	
		2005 二零零五年	2004 二零零四年
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	4	2
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	1	-

年內，本集團並無向五位最高薪人士（包括董事及其他僱員）支付款項，作為鼓勵加盟或加盟本集團時的獎金或離職補償。

Notes to the Financial Statements

財務報表附註

7. TAXATION

The Company is incorporated in the Cayman Islands and is exempted from taxation in the Cayman Islands. Hong Kong Profits tax has not been provided in the financial statements as the Company and its subsidiaries either have no assessable profits or have unutilised tax losses to set off against current year's assessable profits both for the years of 2005 and 2004.

7. 稅項

本公司於開曼群島註冊成立，並獲豁免繳納開曼群島稅項。由於本公司及其附屬公司於二零零五年及二零零四年並無應課稅溢利或未動用稅項虧損以抵銷本年度之應課稅溢利，故本公司並無於財務報表中計提香港利得稅撥備。

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Income tax credited for the year	年內所得稅抵免		
- Over provision in prior years	- 上年度超額撥備	(1,261)	-

Reconciliation of effective tax expenses

實際稅項開支對帳

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(118,365)	(55,360)
Income tax at Hong Kong Profits Tax rate of 17.5%	按香港利得稅稅率 17.5% 計算之利得稅	(20,714)	(9,688)
Net effect of non-deductible expenses/tax-exempted revenue	不可扣稅收開支/ 免稅收入之影響淨額	20,980	4,697
Overprovision of income tax in prior years	上年度超額撥備	(1,261)	-
Unrecognised deferred tax assets in respect of tax losses	就稅項虧損之尚 未確認遞延稅項資產	(266)	4,991
Taxation as per income statement	收益表呈列之稅項	(1,261)	-

8. LOSS ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to shareholders includes a loss of HK\$123,354,000 (2004: HK\$53,995,000) which has been dealt with in the financial statements of the Company.

9. LOSS PER SHARE

The calculation of basic loss per share is based on the consolidated loss attributable to shareholders for the period of approximately HK\$117,104,000 (2004: HK\$55,360,000) and on the weighted average of 435,772,000 shares (2004: 436,886,262 shares) in issue during the period. No dilutive loss per share is presented as the effect of conversion of the convertible bonds into ordinary shares is not considered since the average market price of the Company's shares was substantially lower than the conversion price during both years of 2005 and 2004.

8. 股東應佔虧損

股東應佔虧損包括虧損123,354,000港元（二零零四年：53,995,000港元）已於本公司財務報表中處理。

9. 每股虧損

每股基本虧損乃按期內股東應佔綜合虧損117,104,000港元（二零零四年：55,360,000港元）及期內已發行普通股加權平均數435,772,000股（二零零四年：436,886,262股）計算。由於於二零零五年及二零零四年本公司股份之平均市價比換股價為低，故此並無考慮可換股債券之換股影響，亦並無呈列每股攤薄虧損。

Notes to the Financial Statements

財務報表附註

10. FIXED ASSETS

(a) Property plant and equipment

10. 固定資產

(a) 物業、廠房及設備

		Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and equipment 傢具及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At beginning of year 2004 (as previously reported)	二零零四年初 (如前呈報)	61,417	22,425	11,511	2,021	97,374
Effect of change in accounting policy	會計政策之影響	(2,300)	-	-	-	(2,300)
At beginning of year 2004 (restated)	二零零四年初 (重列)	59,117	22,425	11,511	2,021	95,074
Eliminated upon deconsolidation of subsidiaries	不再綜合計算 附屬公司時對銷	(4,907)	(19,895)	(5,999)	(1,057)	(31,858)
Additions	添置	-	216	585	532	1,333
Disposals	出售	(4,916)	(271)	(280)	(2)	(5,469)
Depreciation charged for the year	年內折舊支出	(1,827)	(1,299)	(2,722)	(571)	(6,419)
Revaluation credited to reserve	重估計入儲備	1,701	-	-	-	1,701
Impairment loss recognised	已確認減值虧損	(19)	(186)	(401)	-	(606)
Translation adjustments	匯兌調整	1	2	5	-	8
		<u>49,150</u>	<u>992</u>	<u>2,699</u>	<u>923</u>	<u>53,764</u>
As at 31 Dec 2004	於二零零四年 十二月三十一日					
Cost/valuation	成本/估值	49,150	5,488	13,584	3,396	71,618
Accumulated depreciation and impairment losses	累計折舊及 減值虧損	-	(4,496)	(10,885)	(2,473)	(17,854)
		<u>49,150</u>	<u>992</u>	<u>2,699</u>	<u>923</u>	<u>53,764</u>
At beginning of year 2005	二零零五年初	49,150	992	2,699	923	53,764
Additions	添置	-	-	270	-	270
Disposal upon disposal of interest in a subsidiary	出售附屬公司權益	-	-	(205)	-	(205)
Disposals	出售	(43,332)	(155)	(887)	(404)	(44,778)
Depreciation charged for the year	年內折舊支出	(1,402)	(837)	(1,603)	(493)	(4,335)
Deficit debited to reserve	減值於儲備扣除	(4,505)	-	-	-	(4,505)
Translation adjustments	虧蝕調整	89	-	15	(2)	102
		<u>-</u>	<u>-</u>	<u>289</u>	<u>24</u>	<u>313</u>
As at 31 December 2005	二零零五年 十二月三十一日					
Cost/valuation	成本/估值	-	-	8,308	1,959	10,267
Accumulated depreciation	累計折舊	-	-	(8,019)	(1,935)	(9,954)
		<u>-</u>	<u>-</u>	<u>289</u>	<u>24</u>	<u>313</u>

10. FIXED ASSETS (Continued)

(a) Property plant and equipment (Continued)

Analysis of land and buildings by geographical locations is as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Hong Kong	香港	-	48,510
Mainland China	中國內地	-	640
		-	49,150

(b) Land lease prepayment

Land lease prepayment represented cost paid for medium term leasehold land in Hong Kong and was amortised over the lease term. The leasehold land together with the buildings were disposed of during the year in a consideration of HK\$53,080,000 approximately.

10. 固定資產 (續)

(a) 物業、廠房及設備 (續)

按地區分析之土地及樓宇如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Hong Kong	香港	-	48,510
Mainland China	中國內地	-	640
		-	49,150

(b) 土地租賃預付款項

土地租賃預付款項為以香港中期土地租賃條款之已付成本及以租賃年期攤銷租賃，土地及樓宇已於年內以約53,080,000港元出售。

Notes to the Financial Statements

財務報表附註

11 INTEREST IN UNCONSOLIDATED SUBSIDIARIES

Interests in unconsolidated subsidiaries 於未綜合附屬公司之權益
Impairment loss 減值虧損

As explained in note 2 to the financial statements, the financial statements of the Group's Taiwan subsidiaries have not been included in the consolidated financial statements in accordance with the Hong Kong Accounting Standard 27 "Consolidated and separate financial statements" issued by the Hong Kong Institute of Certified Public Accountants as in the opinion of the Directors, the inclusion of these financial statements may result in an inaccurate picture of the Group's financial position and performance for the year.

The Group's share of the net assets of these entities, based on audited financial information as at 31 December 2003 was HK\$149,054,000. An impairment loss of HK\$100,880,000 has been recognised in the income statement. The impairment loss comprised of HK\$34,716,000 for U-Drive Smart Card Company Limited and SSC and HK\$66,164,000 for the residual 38% interest in FAIL which is held by the Group under Forefront International Automotive Limited BVI ("FIAL").

U-Drive Smart Card Company has liabilities that are almost exclusively to FIAL Taiwan with no bank debt or external trade and holds 100% shareholding in SSC. The Group had commissioned an independent valuation of SSC in October 2005 which showed that its assets may be just sufficient to fully cover its liabilities. Accordingly, in the opinion of Directors, this full investment value was recognised as impairment loss.

11. 於未綜合附屬公司之權益

Year 2005 二零零五年 HK\$'000 千港元	Year 2004 二零零四年 HK\$'000 千港元
149,054 (100,880)	149,054 -
48,174	149,054

誠如財務報表附註2所說明，根據香港會計師公會頒佈之香港會計準則第27號「綜合及獨立財務報表」，本集團台灣附屬公司之財務報表並無計入本集團之綜合財務報表，皆因董事認為，計入該等財務報表或會導致本集團本年度之財務狀況及表現有欠準確。

根據於二零零三年十二月三十一日之最新近經審核財務資料，本集團分佔此等附屬公司之資產淨值合共149,054,000港元。減值虧損100,880,000港元已包含在損益表內，此數包括任我行智慧卡有限公司及勝山之34,716,000港元及本集團於福方國際汽車股份有限公司「(福方國際)」持有之福方工業剩餘38%權益。即為66,164,000港元。

任我行智慧卡有限公司之負債幾乎全部欠負於台灣福方國際，並無銀行債務或外在貿易，且持有勝山100%股權。本集團已於二零零五年十月委託進行獨立估值，顯示其資產可能僅足夠償還全部負債。因此，董事認為此投資值全部確認為減值虧損。

11 INTEREST IN UNCONSOLIDATED SUBSIDIARIES
(Continued)

In September 2005, FIAL sent a request to the Ministry of Economic Affairs ("MOEA") in Taiwan seeking to convene a FAIL extraordinary shareholders' meeting on its own in view of the non-compliance of the board of FAIL and was learned from MOEA that FIAL is no longer a shareholder in FAIL. FIAL was informed that its 38% shares of FAIL had been pledged to FAIL for an alleged debt of more than NT\$300 million and the shares had been auctioned for payment against the alleged debt by a former director of FIAL. The case of the loss of the FAIL shareholding was reported to the Investigation Bureau in Taiwan and both civil and criminal actions will be taken in the view to recoup the above mentioned shareholding and to claim any damages suffered by FIAL against the former director, subject to the legal advice of the Taiwan Attorney of FIAL. The Directors have taken a conservative view on recoveries of the shares and the investment value of HK\$66,146,000 on FAIL was fully recognised as impairment loss.

No impairment was recognised for the FIAL investment of HK\$48,174,000 since the Group has an amount of HK\$51,742,000 inter-company owing to FIAL that could be forgiven and offset the financial impact on the books. The Group is currently working on restatement of key balance sheet items in order to obtain a more accurate financial status of FIAL.

11. 於未綜合附屬公司之權益 (續)

於二零零五年九月，福方國際向台灣經濟事務委員會（「經委會」）作出要求，鑒於福方工業董事會違約，故欲自行召開福方工業股東特別大會，並自經委會得悉福方國際已不再為福方工業股東。福方國際獲告知，其38%福方工業股份已就超過300,000,000新台幣之指稱債務押質予福方工業，而股份已被拍買以支付一名福方國際前董事欠負之指稱債務。失去福方工業股權一案已匯報台灣檢察局，並將提出民事及刑事法律行動，以取回以上股權並就福方國際蒙受之損失向該名前董事提出索償，惟須取得福方國際台灣律師之法律意見。董事對收回股份持保守態度，而於福方工業之投資值66,146,000港元已全部確認為減值虧損。

由於本集團欠負福方國際一筆為數51,742,000港元之公司間款項將可撤銷及抵銷帳目上之影響，故並無就48,174,000港元之福方國際投資確認減值。本集團現正重列主要資產負債表項目，以知悉福方國際之更準確財務狀況。

Notes to the Financial Statements

財務報表附註

12 INVESTMENT SECURITIES

12. 投資證券

	The Group 本集團		The Company 本公司	
	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
At cost less impairment cost 按成本減減值虧損：				
Unlisted equity interest in Taiwan, at cost 於台灣之非上市股本權益·按成本	6,908	6,908	6,908	6,908
Impairment loss recognised 已確認之減值虧損	(6,908)	(6,908)	(6,908)	(6,908)
	-	-	-	-

13. INTERESTS IN SUBSIDIARIES

13. 於附屬公司之權益

	The Company 本公司	
	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Unlisted shares, at cost 非上市股份·按成本	74,934	74,934
Due from subsidiaries 應收附屬公司款項	313,279	380,083
Less: Provision for amounts due from subsidiaries 減：應收附屬公司款項之撥備	(215,600)	(105,600)
	172,613	349,417

The amounts due from/to subsidiaries are unsecured, non-interest bearing and have no fixed repayment terms.

應收／應付附屬公司之款項為無抵押、免息及無既定之償還條款。

13. INTERESTS IN SUBSIDIARIES (Continued)

Details of the subsidiaries as at 31 December 2005 were as follows:-

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Percentage of equity interest held by the Company		Principal activities
			Directly	Indirectly	
附屬公司名稱	註冊 成立/經營地點	已發行及繳足 股本/註冊資本	本公司所持股本 權益百分比		主要業務
			直接	間接	
Allen Motor Co, Limited 亞倫車行有限公司	Hong Kong 香港	HK\$2 2港元	-	93.7%	Provision of agency services for insurance and financing of motor vehicles 提供汽車保險及融資代理服務
Cybergear Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	-	Investment holding 投資控股
Cyber Centre Limited 數碼中心有限公司	Hong Kong 香港	HK\$2 2港元	-	100%	Property holding 持有物業
Digital Cyber Technologies Group Ltd	British Virgin Islands 英屬處女群島	US\$1 1美元	-	100%	Property holding 持有物業
Forefront Automotive Services Company Limited 福方汽車服務有限公司	Hong Kong 香港	HK\$20 20港元	-	100%	Trading of motor vehicle accessories and provision of motor vehicle repairs and maintenance 汽車零配件貿易及提供 汽車維修保養服務
Forefront (China) Company Limited 福方(中國)有限公司	Hong Kong 香港	HK\$20 20港元	-	100%	Investment holding 投資控股
Forefront Finance Co Limited 福方財務有限公司	Hong Kong 香港	HK\$2,000,000 2,000,000港元	-	93.7%	Provision of hire purchase financing 提供租購融資

13. 於附屬公司之權益 (續)

於二零零五年十二月三十一日之附屬公司詳情如下：

Notes to the Financial Statements

財務報表附註

13. INTERESTS IN SUBSIDIARIES (Continued)

13. 於附屬公司之權益 (續)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Percentage of equity interest held by the Company		Principal activities
			Directly	Indirectly	
附屬公司名稱	註冊 成立/經營地點	已發行及繳足 股本/註冊資本	本公司所持股本 權益百分比		主要業務
			直接	間接	
Forefront International Automotive Limited 福方國際汽車股份有限公司	British Virgin Islands/Taiwan 英屬處女群島 /台灣	US\$3,254,681 3,254,681美元	100%	-	Trading of motor trucks, coaches and vehicle accessories and provision of motor vehicle repairs and maintenance services 貨車、旅遊巴士及汽車零配件 貿易及提供汽車維修保養服務
Forefront International (Hong Kong) Limited 福方(香港)有限公司	Hong Kong 香港	HK\$100,000 Ordinary share HK\$6,000,000 Non-voting deferred shares (i) 100,000 港元普通股 6,000,000 港元無投票 權遞延股份 (i)	-	100%	Trading of motor trucks and coaches 貨車及旅遊巴士貿易
Forefront International Trading (Shanghai) Co Ltd. (ii) 福方國際貿易(上海)有限公司(ii)	Mainland China 中國內地	US\$200,000 200,000美元	-	100%	Trading of motor Trucks and vehicle accessories 貨車及汽車零配件貿易
Forefront Investment Holdings Limited	British Virgin Islands 英屬處女群島	US\$47,752 47,752美元	100%	-	Investment holding 投資控股
Forefront (Macau) Automotive Limited 福方(澳門)汽車有限公司	Macau 澳門	MOP25,000 澳門幣25,000元	-	100%	Trading of coaches and vehicle accessories and provision of motor vehicle repairs and maintenance service 旅遊巴士與汽車零配件 貿易及提供汽車維修保養服務

13. INTERESTS IN SUBSIDIARIES (Continued)

13. 於附屬公司之權益 (續)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Percentage of equity interest held by the Company		Principal activities
			Directly	Indirectly	
附屬公司名稱	註冊成立/經營地點	已發行及繳足股本/註冊資本	本公司所持股本權益百分比		主要業務
			直接	間接	
Forerunner (China) Development Co Ltd 福倫(中國)發展有限公司	Hong Kong 香港	HK\$10,000 10,000港元	—	63.75%	Investment holding 投資控股
Pureland Development Corporation	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100%	Investment holding 投資控股
Prime Wish Development Limited 志大發展有限公司	Hong Kong 香港	HK\$2 2港元	—	93.7%	Investment holding 投資控股
Scantle Management Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	100%	—	Investment holding 投資控股
Stareast International Limited	British Virgin Islands 英屬處女群島	US\$2 2美元	—	100%	Investment holding 投資控股
Sunshine Credit Limited 勝山財務股份有限公司	Taiwan 台灣	NT\$201,000,000 新台幣201,000,000元	—	93.7%	Provision of hire purchase financing 提供租購融資
U-Drive Company Limited 任我行有限公司	Hong Kong 香港	HK\$1,000 1,000港元	—	93.7%	Provision of chain services to vehicle customers 向汽車客戶提供連鎖服務
U-Drive Smart Card Company Limited 任我行智慧卡有限公司	Taiwan 台灣	NT\$360,000,000 新台幣360,000,000元	—	93.7%	Development and operation of multi-application smart card system 研發及經營多用途智慧卡系統

Notes to the Financial Statements

財務報表附註

13. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Percentage of equity interest held by the Company		Principal activities
			Directly	Indirectly	
附屬公司名稱	註冊成立/經營地點	已發行及繳足股本/註冊資本	本公司所持股本權益百分比		主要業務
			直接	間接	
V-Guard Technology Limited	Hong Kong 香港	HK\$100 100 港元	-	93.7%	Provision of telematics services 提供遙距傳訊服務

Notes

- (i) Holders of deferred shares have no rights to vote at general meetings or receive any dividend. Upon winding up, they are entitled to one half of the balance of the company's assets after HK\$100,000,000,000 has been distributed to holders of ordinary shares.
- (ii) Forefront International Trading (Shanghai) Co., Ltd. is a wholly foreign owned enterprise established in Mainland China to be operated for a period of 50 years up to May 2050. The company is presently in the process of voluntary winding up.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 Dec 2005.

13. 於附屬公司之權益 (續)

附註

- i. 遞延股份的持有人無權在股東大會上投票或收取任何股息。在清盤時，首筆剩餘資產 100,000,000,000 港元將首先用於分派予普通股的持有人，然後該筆資產餘額的一半才分派予遞延股份的持有人。
- ii. 福方國際貿易(上海)有限公司為在中國內地成立的全外資企業，經營期限將直至二零五零年五月，為期五十年。此公司正在自願性清盤程序。

各附屬公司於截至二零零五年十二月三十一日止年度內的任何時間並無任何已發行借貸資本。

14. INVENTORIES

14. 存貨

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Motor trucks and coaches	貨車及旅遊巴士	24,772	29,227
Vehicle accessories	車輛零配件	15,354	15,409
		40,126	44,636
Less: provision for obsolete and slow-moving inventories	減：陳舊及滯銷 存貨撥備	(6,018)	(8,789)
		34,108	35,847

As at 31 December 2005, the amount of inventories included in above carried at fair value less cost to sell totalled approximately HK\$5,750,000 (2004: HK\$23,322,000) and the balance of HK\$28,358,000 (2004: HK\$12,525,000) was at cost.

於二零零五年十二月三十一日，計入上文以公平值減出售成本列帳之存貨金額合共約為5,750,000港元（二零零四年：23,322,000港元），而餘額28,358,000港元（二零零四年：12,525,000港元）則以成本列帳。

15. TRADE AND OTHER RECEIVABLES

15. 應收貿易帳款及其他應收款項

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade receivables	應收貿易賬款	18,790	21,293	-	-
Other receivables	其他應收款項				
Deposits, prepayments and other debtors	按金、預付 款項及其他 應收款項	47,476	47,508	39,195	39,058
		66,266	68,801	39,195	39,058

Notes to the Financial Statements

財務報表附註

15. TRADE AND OTHER RECEIVABLES (Continued)

Included in deposits, prepayments and other debtors as at 31 December 2005 and 2004 was a receivable of approximately HK\$38,850,000 being part of the proceeds from the issue of the US\$15 million zero coupon convertible bond completed on 2 February 2004 (Note 19).

As at 31 December 2005 a deposit was paid and grouped under other receivables of approximately HK\$2,362,000 to Scania CV AB, the Group's principal supplier and the holding company of Scania Trade Development AB, a substantial shareholder of the Company.

The group grants to its customers credit terms ranging from 1 to 3 months. The aging analysis of the trade receivables at the balance sheet date is as follows:

0 to under 3 months	零至不超過三個月
3 to under 6 months	三至不超過六個月
6 to under 9 months	六至不超過九個月
9 to under 12 months	九至不超過十二個月
Over 12 months	超過十二個月

Less: allowance on bad and doubtful debts 減：呆壞帳撥備備抵

Included in trade receivables was approximately HK\$130,000 due from Griffin Automotive Limited, a wholly own subsidiary of Scania CV AB.

15. 應收貿易帳款及其他應收款項 (續)

於二零零五年及二零零四年十二月三十一日之按金、預付款項及其他應收款項包括一筆應收款項約38,850,000港元，乃於二零零四年二月二日完成發行15,000,000美元之零息票可換股債券之部份所得款項(附註19)。

於二零零五年十二月三十一日已支付一筆約2,362,000港元之按金予Scania CV AB(本集團主要供應商及本公司主要股東Scania Trade Development AB之控股公司)，並歸入其他應收款項。

本集團給予客戶的信貸期介乎一至三個月不等。應收貿易帳款於結算日帳齡分析如下：

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
		16,457	18,019
		2,342	2,599
		129	1,760
		88	1,727
		7,939	10,789
		26,955	34,894
		(8,165)	(13,601)
		18,790	21,293

應收貿易帳款包括應收Scania CV AB全資附屬公司永德福汽車股份有限公司之約130,000港元。

16. TRADE AND OTHER PAYABLES

16. 應付貿易帳款及其他應付款項

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade payables	應付貿易賬款	18,223	9,195	-	-
Other payables	其他應付款項				
Accrued charges and other creditors	應計費用及 其他應付款項	11,690	17,403	3,039	4,393
		29,913	26,598	3,039	4,393

The aging analysis of the trade payables as at the balance sheet date is as follows:

應付貿易帳款於結算日之帳齡分析如下：

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 to under 3 months	零至不超過三個月	15,126	7,649
3 to under 6 months	三至不超過六個月	1,059	1,320
6 to under 9 months	六至不超過九個月	1,747	3
9 to under 12 months	九至不超過十二個月	0	32
Over 12 months	超過十二個月	291	191
		18,223	9,195

Included in trade payables at 31 December 2005 was approximately HK\$9,333,000 due to Scania CV AB, the Group's principal supplier and the holding company of Scania Trade Development AB, a substantial shareholder of the Company.

於二零零五年十二月三十一日之應付貿易帳款包括應付Scania CV AB(本集團主要供應商及本公司主要股東Scania Trade Development AB之控股公司)之約9,333,000港元。

17. DEFINED CONTRIBUTION PLANS

The group companies in Hong Kong participate in the Mandatory Provident Fund (the "MPF Scheme") which is a defined contribution scheme managed by independent trustees. The assets of the fund are held separately from those of the Group and are managed by independent professional fund managers. Under the MPF Scheme, each of the group companies (the employer) and its employees make monthly contributions to the MPF Scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employees are subject to a cap of HK\$1,000 and thereafter contributions are voluntary.

Contributions of approximately HK\$106,000 (2004: HK\$120,000) were payable to the fund as at 31 December 2005.

17. 界定供款計劃

集團旗下在香港的公司參加了強制性公積金計劃(「強積金計劃」)，該計劃是一個由獨立受託人管理的界定供款計劃。該基金的資產與本集團的資產分開持有，並由獨立專業基金經理管理。根據強積金計劃，本集團(僱主)及其僱員須根據強積金法例之規定，各自每月向強積金計劃作出相等於僱員收入5%之供款。每名僱員之每月供款上限為1,000港元，超出的供款純屬自願性質。

於二零零五年十二月三十一日，本集團應付該基金之供款約為106,000港元(二零零四年：120,000港元)。

18. INTEREST-BEARING BORROWINGS

18. 計息借貸

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Unsecured bank loans	無抵押銀行貸款				
- Current portions	- 即期部份	9,366	5,854	9,366	5,854
- Non-current portions	- 非即期部份	-	9,756	-	9,756
		9,366	15,610	9,366	15,610

18. INTEREST-BEARING BORROWINGS (Continued)

18. 計息借貸 (續)

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The borrowings are repayable:	須於下列年期償還的借貸:				
Within one year	一年內	9,366	5,854	9,366	5,854
After one year but within two years	一年後但在兩年內	-	9,756	-	9,756
		9,366	15,610	9,366	15,610
Less: Amounts repayable within one year included under current liabilities	減:須於一年內償還並計入流動負債的金額	(9,366)	(5,854)	(9,366)	(5,854)
Amounts repayable after one year	一年後償還的金額	-	9,756	-	9,756

19. ZERO COUPON CONVERTIBLE BONDS DUE 2009

Reference is made to the Company's 2004 Annual Report and the 2005 Interim Report and certain related circulars and announcements. In February 2004, the Company announced that it had issued certain Zero Coupon Convertible Bonds due 2009 (the "**Bonds**") for a principal amount of US\$15 million to certain independent third parties.

In April 2004, Bonds with a face value of US\$6 million were redeemed by the Company.

The Company's Bonds outstanding as at 31 December 2004 and 2005 are analysed as follows:

		Year 2005 二零零五年 HK\$'000 千港元	Year 2004 二零零四年 HK\$'000 千港元
Principal	本金	69,930	69,930
Interest	利息	2,780	-
		72,710	69,930

As at 31 December 2005, Bonds with a face value of US\$9 million remained outstanding.

In January 2006, the Company received a redemption notice requiring the Company to redeem, and in February 2006 the Company did in fact redeem, Bonds with a face value of US\$4 million plus redemption premium interest of US\$438,000 (calculated at 109.5% of face value). As previously disclosed by the Company in the 2004 Annual Report, the 2005 Interim Report and certain related circulars and announcements, the Company did in fact only receive US\$10 million in subscription proceeds from the issuance of the Bonds. Mr. Michael Tsai ("**Mr. Tsai**") previously represented to the Company that he was the subscriber for the remaining US\$5 million Bonds (the "**Relevant Bonds**"). The Company signed an agreement with Mr. Tsai to repurchase the Relevant Bonds at US\$ Nil on 7 February 2006. The Company is in final discussions with the manager of the Bond issuance to finalise the repurchase and cancellation of the Relevant Bonds in accordance with the terms and conditions of the Bonds, following which there will be no Bonds outstanding.

19. 零息票可換股債券(二零零九年到期)

謹此提述本公司之二零零四年年報及二零零五年中期報告以及若干相關通函及公佈。於二零零四年二月，本公司宣佈已向若干名獨立第三方發行若干本金額為15,000,000美元之二零零九年到期之零息票可換股債券(「**債券**」)。

於二零零四年四月，本公司贖回面值6,000,000美元的債券。

本公司於二零零四年及二零零五年十二月三十一日之尚未贖回債券分析如下：

於二零零五年十二月三十一日，面值9,000,000美元之債券尚未贖回。

於二零零六年一月，本公司接獲一份贖回通知，要求本公司贖回(而本公司確實於二零零六年二月贖回)面值4,000,000美元之債券另加贖回溢價438,000美元(按面值之109.5%計算)。誠如本公司先前於二零零四年年報、二零零五年中期報告及若干相關通函及公佈中披露，本公司所收訖自發行債券之認購所得款項僅有10,000,000美元。蔡政敏先生(「**蔡先生**」)以前向本公司聲明，其為尚餘5,000,000美元債券(「**有關債券**」)的認購人。本公司已於二零零六年二月七日與蔡先生簽訂協議，按零美元購回相關債券。本公司現正與債券發行管理人進行最後磋商，以根據債券之條款及條件落實購回及註銷有關債券，此後將無任何未贖回債券。

20. DEFERRED TAXATION

Deferred taxation is calculated on temporary differences under liability method using applicable tax rate of 17.5% (2004: 17.5%) for Group companies incorporated in Hong Kong.

The Group has not recognised deferred tax asset in respect of unused tax losses of HK\$110,841,000 (2004: HK\$112,360,000) relating to certain Hong Kong incorporated subsidiaries. The tax losses have no expiry date under current tax legislation. The deferred tax asset has not been recognised due to uncertainty of its recoverability.

20. 遞延稅項

遞延稅項乃就暫時差異以負債法按適用稅率17.5%（二零零四年：17.5%）為香港註冊成立之集團公司計提撥備。

本集團並無就有關若干香港註冊成立之公司之未動用稅項虧損約110,841,000港元（二零零四年：112,360,000港元）確認遞延稅項資產。根據現行稅法，稅項虧損並無屆滿日期。遞延稅項資產因未能估計可收回性而未予確認。

21. SHARE CAPITAL

21. 股本

		2005 二零零五年		2004 二零零四年	
		No. of shares '000 千股	股份數目 HK\$'000 千港元	No. of shares '000 千股	股份數目 HK\$'000 千港元
Authorised:	法定：				
At beginning of year and at balance sheet date at HK\$0.10 (2004:HK\$0.10) each	年初及結算日，每股面值0.10港元（二零零四年：0.10港元）	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>	<u>100,000</u>
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股				
At beginning of year	年初	<u>435,772</u>	<u>43,577</u>	441,700	44,170
Shares repurchased and cancelled	購回及註銷之股份	<u>-</u>	<u>-</u>	(5,928)	(593)
At balance sheet date	於結算日	<u>435,772</u>	<u>43,577</u>	<u>435,772</u>	<u>43,577</u>

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財務報表附註

22. SHARE OPTIONS

The Company has a share option scheme, under which it may grant options to employees of the Group (including executive directors of the Company) to subscribe for shares in the Company, subject to a maximum of 30% of the nominal value of the issued share capital of the Company from time to time, excluding for this purpose any shares issued on the exercise of options granted under the scheme. The subscription price will be determined by the Company's Board of Directors, and will not be less than the highest of:

- the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer;
- the average closing price of the shares as stated in the Stock Exchange daily quotations sheets for the five business days immediately preceding the date of offer; and
- the nominal value of the shares.

At the balance sheet date, no option has been granted under the share option scheme.

23. RESERVES

The Company

		Share Premium 股份溢價 HK\$'000 千港元	Capital Contributed Surplus 繳入盈餘 HK\$'000 千港元	Capital Reserve 資本儲備 HK\$'000 千港元	Redemption Reserve 資本贖回儲備 HK\$'000 千港元	Accumulated Deficit 累計虧絀 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2004	於二零零四年一月一日	243,800	16,692	4,492	580	(76,162)	189,402
Repurchase of shares	購回股份	(8,309)	-	-	593	(593)	(8,309)
Loss for the year	本年度虧損	-	-	-	-	(53,995)	(53,995)
At 31 December 2004	於二零零四年十二月三十一日	235,491	16,692	4,492	1,173	(130,750)	127,098
At 1 January 2005	於二零零五年一月一日	235,491	16,692	4,492	1,173	(130,750)	127,098
Loss for the year	年度虧損	-	-	-	-	(123,354)	(123,354)
At 31 December 2005	於二零零五年十二月三十一日	235,491	16,692	4,492	1,173	(254,104)	3,744

22. 購股權

本公司設有一項購股權計劃，據此可向本集團僱員（包括本公司執行董事）授出購股權，認購最多達本公司不時已發行股本30% 面值（就此而言，並不包括行使根據該計劃所授出之購股權而發行之任何股份）之股份。認購價將由本公司董事會釐定，而且不會低於下列三者之最高價格：

- 股份在購股權提呈授出之日，於聯交所日報表所報之收市價；
- 股份在緊接購股權提呈授出之日前五個交易日，於聯交所日報表所報之平均收市價；及
- 股份面值。

於結算日，本公司並無根據購股權計劃授出任何購股權。

23. 儲備

本公司

24 CASH (USED IN) GENERATED FROM OPERATIONS

24. 經營業務(所用)所得現金

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Loss from operations	經營虧損	(114,174)	(53,585)
Interest income	利息收入	(167)	(15)
Depreciation of property, plant and equipment and land lease prepayment	物業、廠房及設備折舊及租賃預付款項	4,381	6,472
Gain on disposal of property, plant and equipment and land lease prepayment	出售物業、廠房及設備及土地租賃預付款項之收益	(6,985)	(288)
Gain on disposal of interest in a subsidiary	出售於附屬公司權益收益	(7,953)	-
Impairment loss on property, land lease prepayment, plant and equipment	物業、土地租賃預付款項、廠房及設備之減值虧損	-	606
Impairment loss on investment securities	投資證券之減值虧損	-	6,908
Impairment loss on interests in unconsolidated subsidiaries	於未綜合附屬公司權益之減值虧損	100,880	-
Provision on amounts due from unconsolidated subsidiaries	應收未綜合附屬公司之款項撥備	1,133	-
Changes in working capital:	營運資金之變動:		
Inventories	存貨	(1,779)	58,416
Trade and other receivables	應收貿易帳款及其他應收款項	(433)	17,689
Finance lease receivables	融資租賃應收款項	-	2,395
Trade and other payables	應付貿易帳款及其他應付款項	10,552	(28,640)
Amounts due to unconsolidated subsidiaries	應付未綜合附屬公司之款項	6,346	-
Cash (used in) generated from Operations	經營業務(所用)所得現金	(8,199)	9,958

25. CONTINGENT LIABILITIES

No information regarding the Taiwan Subsidiaries for the year ended 31 December 2005 and for the year ended 31 December 2004 has been presented due to the limitations and doubts as to the accuracy of the available information as explained in note 2 to the financial statements. The following positions regarding Taiwan Subsidiaries and an associate were obtained from information provided by a number of Taiwanese banks.

Guarantee in relation to Forefront International Automotive Limited ("FIAL") and Forefront Automobile Industry Limited ("FAIL")

During the period, no guarantee existed or was granted with respect to FIAL (2004: HK\$92,760,000 including HK\$30,008,000 relating to SSC) nor to FAIL (2004: HK\$25,410,000).

Guarantee in relation to SSC

As at 31 December 2005, the Company had outstanding guarantees amounting to approximately HK\$17,445,000 (31 December 2004: HK\$30,008,000, but incorrectly disclosed under FIAL) to Taiwanese banks in respect of facilities provided by the banks to SSC. The guarantees amount was subsequently reduced to approximately HK\$7,150,000 in March 2006.

Alleged agreement on investment in a customer

Reference is made to the Company's 2004 Annual Report and the 2005 Interim Report where it was disclosed that Mr. Lo Chia Yu ("Mr. Lo") had commenced proceedings in respect of an alleged agreement pursuant to which it was alleged that Forefront Automotive Services Company Limited ("FAS"), a wholly-owned subsidiary of the Company, agreed to purchase the issued share capital of Global Travel Holdings Limited ("Global Travel"). FAS continues to carry a contingent liability of HK\$5,800,020 (plus costs and interest) being the balance of the investment sum claimed by Mr. Lo/Global Travel to be unpaid. FAS has disputed this liability and has lodged a counter claim for return of HK\$2,000,000 paid by Forefront International (Hong Kong) Limited to Global Travel as a purported deposit. The matter has not progressed since a "checklist hearing" schedule for July 2005 was adjourned.

25. 或然負債

誠如綜合財務報表附註2所述，由於所獲資料之限制及對其準確性之質疑，因此並無呈列該等台灣附屬公司截至二零零五年十二月三十一日止年度及截至二零零四年十二月三十一日止年度之資料。下列有關台灣附屬公司及聯營公司之詳情乃經多間台灣銀行所提供資料而取得。

有關福方國際汽車股份有限公司（「福方國際」）及福方汽車工業股份有限公司（「福方工業」）之擔保

期內，並無已存在或就有關福方國際批出之擔保（二零零四年：92,760,000港元，包括有關勝山之30,008,000港元）及有關福方工業之擔保（二零零四年：25,410,000港元）。

有關勝山之擔保

於二零零五年十二月三十日，本公司就銀行向勝山提供之融資而向台灣銀行作出之未償還擔保約為17,445,000港元（二零零四年十二月三十一日：30,008,000港元，但錯誤地披露於福方國際）。該擔保金額其後已於二零零六年三月調低至約7,150,000港元。

於一名客戶之投資的指稱協議

謹此提述本公司之二零零四年年報及二零零五年中期報告，當中披露駱家雨先生（「駱先生」）就指稱訂立之協定展開法律訴訟，此項協定指稱本公司全資附屬公司福方汽車服務有限公司（「福方汽車服務」）已同意購入Global Travel Holdings Limited（「Global Travel」）之已發行股本，福方汽車服務一直未有支付為數5,800,020港元（另加成本及利息）之或然負債（即駱先生／Global Travel申索之投資額）。福方汽車服務已就此項負債提出爭議，並就退回福方（香港）有限公司支付之2,000,000港元予Global Travel作為本意屬按金提出反申索。由於原訂於二零零五年七月之「清單聆訊」已經押後，故事件並沒有任何進展。

26. COMMITMENTS

No information regarding the Taiwan Subsidiaries for the year ended 31 December 2005 and 2004 has been presented as there was no available information as explained in note 2 to the financial statements.

(a) Capital expenditure commitments

At the balance sheet date of 2005 and 2004, the Group had no capital expenditure committed.

(b) Operating leases commitments payable

At the balance sheet date, the Group had total outstanding commitments in respect of land and buildings under non-cancelable operating leases, which are payable as follows:

26. 承擔

誠如財務報表附註2所述，由於並無可供使用資料，因此並無呈列該等台灣附屬公司截至二零零五年及二零零四年於十二月三十一日止年度之資料。

(a) 資本開支承擔

於二零零五年及二零零四年之結算日，本集團並無資本開支承擔。

(b) 應付經營租賃承擔

於結算日，本集團就不可註銷經營租賃就土地及樓宇擁有尚未支付之承擔，應付的承擔總額如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	5,736	1,263
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	130	3,794
		5,866	5,057

Notes to the Financial Statements

財務報表附註

27. BANKING FACILITIES

At the balance sheet date, the Group had the following banking facilities for overdrafts, loans and trade financing:

		2005 二零零五年		2004 二零零四年	
		Amount available 可供動用 金額	Amount utilised 已動用 金額	Amount available 可供動用 金額	Amount Utilised 已動用 金額
Long-term banking facilities	長期銀行備用額	9,366	9,366	15,610	15,610

Notes:

Bank and other borrowings totaled represented a loan of US\$1.2 million. The US\$1.2 million loan is being repaid in two equal instalments, the first of which (US\$600,000) was paid on 3 February 2006 and the remaining instalments of US\$600,000 is due on 3 May 2006.

28. PLEDGED DEPOSIT

As at 31 December 2005, the Group's bank deposits of HK\$1,474,000 (2004: Nil) were pledged as collateral for the Group's bank facilities for performance bond as required for certain sale contracts mainly on warranty and delivery consideration.

27. 銀行備用額

於結算日，本集團有以下透支、貸款及貿易融資之銀行備用額：

附註：

銀行及其他借貸合共指為數1,200,000美元之貸款。該筆1,200,000美元之貸款已分兩期償還，第一期600,000美元已於二零零六年二月三日支付，而餘下600,000美元及於二零零六年五月三日期。

28. 有抵押存款

於二零零五年十二月三十一日，本集團1,474,000港元之銀行存款（二零零四年：無）已作抵押，以作為若干主要關於保固及交付代價之合約所規定本集團履約保證銀行備用額之抵押品。

29. RELATED PARTY TRANSACTIONS

29. 關連人士交易

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Sales to	向以下公司進行銷售		
- Forefront Motors (Hong Kong) Limited (in liquidation) (Note d)	- 福方汽車(香港)有限公司(清盤中)(附註d)	-	90
- Ankor Services Limited (in liquidation) (Note d)	- 安佳汽車維修有限公司(清盤中)(附註d)	-	187
- Todaytech Asia Limited (in liquidation) (Note e)	- Todaytech Asia Limited(清盤中)(附註e)	-	12
- Griffin Automotive Limited (Note c)	- 永德福汽車股份有限公司(附註c)	130	-
Purchase from and service provided by:	購貨及服務提供自:		
- Scania CV AB (Note a)	- Scania CV AB(附註a)	38,322	-
- Forefront International Automotive Ltd (Note f)	- 福方國際汽車股份有限公司(附註f)	6,345	-
- Forefront Automobile Industry Limited	- 福方汽車工業股份有限公司	3	-
Warranty claims received from Scania CV AB (Note a)	已收Scania CV AB之保固承擔(附註a)	1,499	-
Interest paid to Scania CV AB (Note a)	已付Scania CV AB利息(附註a)	565	-
Disposal of subsidiary to Scania CV AB (Note a)	出售附屬公司予Scania CV AB(附註a)	7,798	-
Rental income received/receivable from	已收/應收租金收入		
- Forefront Motors (Hong Kong) Limited (in liquidation) (Note d)	- 福方汽車(香港)有限公司(清盤中)(附註d)	-	120
Repair and maintenance services charges paid/payable to Ankor Services Limited (in liquidation) (Note d)	已付/應付安佳汽車維修有限公司(清盤中)(附註d)之維修及保養費	-	130
Sale of furniture and equipment to Forefront Motors (Hong Kong) Limited (in liquidation) (Note d)	銷售傢具及設備予福方汽車(香港)有限公司(清盤中)(附註d)	-	4
Professional fees paid to RSM Nelson Wheeler Corporate Advisory Services Limited (Note b)	已付羅申美企業顧問有限公司之專業費用(附註b)	3,113	2,040
Professional fees paid to Alvarez & Marsal Asia Limited. (Note b)	已付安邁顧問有限公司之專業費用(附註b)	2,887	-

Notes to the Financial Statements

財務報表附註

29. RELATED PARTY TRANSACTIONS (Continued)

Notes

- (a) Scania CV AB is the principal supplier of the Group and a holding company of Scania Trade Development AB, a substantial shareholder since 12 May 2005.
- (b) RSM Nelson Wheeler Corporate Advisory Services Limited ("RSMNW"), is a connected person by virtue of it being an associate of Mr. Kelvin Edward Flynn and Mr. Cosimo Borrelli who are both directors of the Company. In addition, Mr. Flynn and Mr. Borrelli are the joint and several liquidators to a substantial shareholder and two other shareholders of the Company. In July 2005, RSMNW transferred its businesses to Alvarez & Marsal Asia Limited and is a connected person to the Company for the same reasons as RSMNW.
- (c) Griffin Automotive Limited, a subsidiary incorporated on 17 May, 2005 which was disposed to Scania CV AB, the Group's principal supplier and the holding company of Scania Trade Development AB, a major shareholder of the Company.
- (d) Forefront International Limited (in liquidation) ("FIL") is a substantial shareholders of the Company, and Forefront Motors (Hong Kong) Limited (in liquidation) and Ankor Services Limited (in liquidation) are subsidiaries of FIL.
- (e) Todaytech Asia Limited (in liquidation) is wholly-owned by Ever Wealth Management Limited (in Liquidation).
- (f) Forefront International Automotive Limited is a wholly owned subsidiary of the Company.
- (g) Sales and purchases were charged at market prices.
- (h) Rental income and expenses were charged at market prices.
- (i) Management fee income was charged at the pre-agreed rates.
- (j) Sales of furniture and equipment were determined by reference to the net book value of respective furniture and equipment.

29. 關連人士交易 (續)

附註：

- (a) Scania CV AB為本集團之主要供應商，其控股公司Scania Trade Development AB自二零零五年五月十二日起成為本公司主要股東。
- (b) 羅申美企業顧問服務有限公司（「羅申美」）乃本公司董事Kelvin Edward Flynn先生及Cosimo Borrelli先生之聯繫人士。故羅申美為本公司之關聯人士。此外，Flynn先生及Borrelli先生均為本公司一名主要股東及另外兩名股東之共同個別清盤人。於二零零五年七月，羅申美轉讓其業務予安邁顧問有限公司，而安邁顧問有限公司因與羅申美相同之理由而為本公司之關連人士。
- (c) 永德福汽車股份有限公司為於二零零五年五月十七日註冊成立之附屬公司，其已出售予Scania CV AB（本集團之主要供應商及本公司主要股東Scania Trade Development AB之控股公司）。
- (d) 福方股份有限公司（清盤中）（「福方股份」）為本公司之主要股東，而福方汽車（香港）有限公司（清盤中）及安佳汽車維修有限公司（清盤中）為福方股份之附屬公司。
- (e) Todaytech Asia Limited（清盤中）由Ever Wealth Management Limited（清盤中）全資擁有。
- (f) 福方國際汽車股份有限公司為本公司之全資附屬公司。
- (g) 銷售按市價計算。
- (h) 租金收入及開支按市價計算。
- (i) 管理費收入按預先協定的價格計算。
- (j) 家具及設備銷售乃參照其各自的帳面淨值計算。

30. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise bank loans, convertible bonds and cash and short-term deposits. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables, which arise directly from its business activities.

The main risks arising from the Group's financial instruments are credit risk, foreign currency risk, interest rate risk and liquidity risk. The Group does not have any written risk management policies and guidelines. However, the Board of Directors generally adopts conservative strategies on its risk management and limit the Group's exposure to these risks to a minimum. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group also monitors the market price risk arising from all financial instruments.

Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts due to the Group, resulting in a loss to the Group. The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The credit policy on extending credit terms to customers includes assessing and valuing of customers' creditworthiness and financial standing. Management also closely monitors all outstanding debts and reviews the collectability of trade debtors periodically. As at the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

30. 財務風險管理

本集團之主要財務工具包括銀行貸款、可換股債券及現金及短期存款。此等財務工具之主要用途乃為本集團之業務籌集融資。本集團有若干其他財務工具，如直接自其業務產生之貿易應收賬款及貿易應付賬款。

本集團財務工具所產生之主要風險為信貸風險、外匯風險、利率風險及流動資金風險。本集團並無明文之風險管理政策及指引。然而，董事會就其風險管理一般採納保守策略，並限制本集團承擔之風險減至最低。董事會更新及同意政策以管理以上各種風險，各風險之概要如下。本集團亦監督所有金融工具所產生之市場價格風險。

信貸風險

信貸風險指債務人未能履行償還結欠本集團款項的責任而出現的風險，導致本集團出現虧損。本集團已就長客戶之信貸期及監控信貸風險作出相應行動。客戶延長信貸措施包括評估客戶信用及財務狀況，管理層亦會密切監察所有未付應收款及定時檢應收貿易帳之情況。於結算日，信貸風險並無出現任何重大事件。本集團所承受的信貸風險上限為資產負債表內各金融資產的帳面金額。

30. FINANCIAL RISK MANAGEMENT (Continued)

Foreign exchange risk

The Group's foreign currency exposures arise mainly from the exchange rate movements of the United States Dollars. The Group has not historically incurred substantial foreign currency gain or loss as the relevant exchange rates have remained relatively stable.

Interest rate risk

The Group's interest rate risk relates to interest-bearing borrowings which includes bank loans and convertible bonds. The interest rates and terms of repayment have been disclosed in notes 18, 19 and 27 to the financial statements.

Liquidity risk

Liquidity risk refers to the risk in which the Group is unable to meet its short-term obligations. Liquidity risk is minimal and is managed by matching the payments and receipt cycles. The Group's operations are financed mainly through bank borrowings and convertible bonds.

30. 財務風險管理 (續)

外匯風險

本集團之外匯風險大多來自美元匯率波動。由於有關匯率保持相對穩定，故本集團在歷史上從無重大之外匯收益或損失。

利率風險

本集團之利率風險涉及計息借貸，包括銀行貸款及可換股債券。利率及還款期於財務報表附註18、19及27中披露。

流動資金風險

流動資金風險指本集團倘不能達成其短期責任之風險。流動資金風險為最低及以配合還款及收款循環來管理。本集團之營運主要透過銀行借貸及可換股債券來融資。

31. SEGMENT INFORMATION

(a) By business segments

31. 分類資料

(a) 按業務分類

		Year 2005 二零零五年					
	Trading of trucks, coaches and vehicles accessories	Provision of repairs and maintenance services	Provision of other motor vehicle related services	Investment holdings	Unallocated	Eliminations	Total
	貨車、旅遊巴士及汽車零件之貿易	提供汽車維修及保養服務	提供其他汽車相關服務	投資控股	未經分配	對銷	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Turnover	營業額						
Sales to external customers	對外間客戶銷售	105,985	27,010	4,984	-	-	137,979
Inter-segment sales	分類業務間銷售	-	8,063	-	-	(8,063)	0
Total turnover	總營業額	105,985	35,073	4,984	-	(8,063)	137,979
Operating results	經營業績						
Segment results	分類業績	(4,826)	(1,836)	4,502	(95,899)	(20,306)	(118,365)
Taxation	稅項						1,261
Loss attributable to the shareholders	股東應佔虧損						(117,104)
Other information	其他資料						
Assets	資產	75,944	17,544	13,953	48,174	57,525	213,140
Liabilities	負債	17,206	6,506	2,545	-	137,474	163,731
Capital expenditure	資本開支	21	249	-	-	-	270
Depreciation and other non-cash expenditures	折舊及其他非現金開支	(1,261)	(2,055)	(163)	101,501	3,129	101,151

Notes to the Financial Statements

財務報表附註

31. SEGMENT INFORMATION (Continued)

(a) By business segments (Continued)

31. 分類資料 (續)

(a) 按業務分類 (續)

		Year 2004 二零零四年						
		Trading of trucks, coaches and vehicles accessories	Provision of repairs and maintenance services	Provision of other motor vehicle related services	Investment holdings	Unallocated	Eliminations	Total
		貨車、 旅遊巴士 及汽車零配 件之貿易	提供 汽車維修 及保養服務	提供 其他汽車 相關服務	投資控股	未經分配	對銷	總計
		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
Turnover	營業額							
Sales to external customers	對外間客戶銷售	128,390	41,660	6,846	-	-	-	176,896
Inter-segment sales	分類業務間銷售	-	11,302	328	-	-	(11,630)	0
Total turnover	總營業額	128,390	52,962	7,174	-	-	(11,630)	176,896
Operating results	經營業績							
Segment results	分類業績	(21,162)	(12,451)	134	(6,908)	(14,973)		(55,360)
Loss attributable to the shareholders	股東應佔虧損							(55,360)
Other information	其他資料							
Assets	資產	45,694	22,173	14,617	150,184	92,689		325,357
Liabilities	負債	11,866	7,780	2,472	-	132,559		154,677
Capital expenditure	資本開支	1,091	242	-	-	-		1,333
Impairment on fixed assets	固定資產減值	19	587	-	-	-		606
Depreciation and other non-cash expenditures	折舊及其他非現金開支	4,815	6,819	2,357	-	4,080		18,071

31. SEGMENT INFORMATION (Continued)

(b) By geographical segments

The Group's activities are conducted predominantly in Taiwan, Hong Kong and People's Republic of China ("Mainland China"). An analysis by geographical segments is as follows:

31. 分類資料 (續)

(b) 按地區劃分

本集團之業務主要在台灣、香港及中華人民共和國(「**中國內地**」)進行。按地區分類分析如下:

		Year 2005 二零零五年				
		Taiwan 台灣	Hong Kong 香港	Mainland China 中國內地	Unallocated 未分配	Total 總計
		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
Turnover	營業額	544	125,534	11,901	-	137,979
Segment result	分類業績	(95,516)	367	(2,353)	-	(97,502)
Loss from operations	經營虧損	(95,582)	(14,802)	(3,790)	-	(114,174)
Assets	資產	48,174	98,825	9,022	57,119	213,140
Capital expenditure	資本開支	213	55	2	-	270

		Year 2004 二零零四年				
		Taiwan 台灣	Hong Kong 香港	Mainland China 中國內地	Unallocated 未分配	Total 總計
		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
Turnover	營業額	-	132,818	44,078	-	176,896
Segment result	分類業績	-	(27,449)	(8,882)	-	(36,331)
Loss from operations	經營虧損	-	(41,602)	(11,983)	-	(53,585)
Assets	資產	150,184	63,680	18,804	92,689	325,357
Capital expenditure	資本開支	-	460	873	-	1,333

32. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

32. 比較數字

若干比較數字已重新分類，以符合本年度的呈列方式。