

## 1 PRINCIPAL ACCOUNTING POLICIES

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

### (a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, certain leasehold land and buildings, trading investments and club debentures are stated at fair value.

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which are effective for accounting periods commencing on or after 1st January, 2002:

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 33	:	Discontinuing operations
SSAP 34	:	Employee benefits

The effect of adopting these new or revised standards is as follows:

#### SSAP 1 (revised)

A statement of changes in equity is presented in the current year's accounts. In the previous year, a statement of recognised gains and losses was presented.

#### SSAP 15 (revised)

This revised statement requires changes in the presentation of the cash flow statement and its related disclosures.

#### SSAP 33

This new statement requires the separate disclosure of major discontinuing operations. Pursuant to the adoption of this new standard, a more extensive disclosure of the Group's discontinuing operations has been included in note 5 to current year's accounts.

#### SSAP 34

SSAP 34 prescribes the recognition, measurement and disclosure requirements for employee benefits. Pursuant to the adoption of this statement, a provision of the estimated liability for annual leave has been made in current year's accounts. No such provision was made in previous year's accounts. Apart from the above, there are no material effects on the results of the current accounting period. Hence, no prior period adjustment is required.

## 1 PRINCIPAL ACCOUNTING POLICIES (cont'd)

### (b) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 30th September. Subsidiaries are those entities in which the Group controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

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

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

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

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

### (c) Joint ventures

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

The consolidated profit and loss account includes the Group's share of the results of a jointly controlled entity for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entity, less any provision for impairment losses.

Equity accounting is discontinued when the carrying amount of the jointly controlled entity reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the jointly controlled entity.

### (d) Fixed assets

#### (i) Leasehold land and buildings

Leasehold land and buildings are stated at valuation less accumulated depreciation and accumulated impairment losses. Independent valuations are performed on a regular basis. In the intervening years, the directors of the Group review the carrying value of the leasehold land and buildings and adjustment is made where there has been a material change. Increases in valuation are credited to the revaluation reserve. Decreases in valuation are first offset against increases on earlier valuations in respect of the same property and are thereafter debited to the profit and loss account.

## 1 PRINCIPAL ACCOUNTING POLICIES (cont'd)

### (d) Fixed assets (cont'd)

#### (ii) Depreciation of leasehold land and buildings

Leasehold land and buildings are depreciated over the period of the leases or their expected useful lives to the Group, whichever is shorter, to write off their valuation less accumulated impairment losses on a straight-line basis. The principal annual rate used for this purpose is 2%.

#### (iii) Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Other fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their expected useful lives to the Group on the straight-line basis. The principal annual rates used for this purpose are:

Leasehold improvements	20%
Furniture and fixtures	20%
Computers and equipment	20 to 30%
Motor vehicles	30%

#### (iv) Impairment of fixed assets

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

#### (v) Gain or loss on disposal of fixed assets

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

#### (vi) Cost of restoring and improving fixed assets

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group.

## 1 PRINCIPAL ACCOUNTING POLICIES (cont'd)

### (e) Leased assets

#### (i) Hire purchase contracts

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

Assets held under hire purchase contracts are depreciated over the shorter of their estimated useful lives or the lease periods.

#### (ii) Operating leases

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

### (f) Trading investments

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

### (g) Club debentures

Club debentures are carried at fair value.

### (h) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost represents the invoiced cost of inventories. In general, costs are assigned to individual items on a weighted average basis. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation.

### (i) Trade receivables

Provision is made against trade receivables to the extent which they are considered to be doubtful. Trade receivables in the balance sheet are stated net of such provision.

### (j) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

## 1 PRINCIPAL ACCOUNTING POLICIES (cont'd)

### (k) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

### (l) Contingent liabilities

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

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

### (m) Deferred taxation

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

### (n) Translation of foreign currencies

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

The balance sheets of subsidiaries expressed in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, whilst the profit and loss accounts are translated at an average rate. Exchange differences are dealt with as a movement in reserves.

### (o) Revenue recognition

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

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

Service and commission income are recognised when the services are rendered.

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

## 1 PRINCIPAL ACCOUNTING POLICIES (cont'd)

### (p) Employee benefits

#### (i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

#### (ii) Retirement benefits costs

The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by an independent trustee. Under the MPF scheme, the Group and its employees are each required to make mandatory contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. The Group also makes voluntary contributions, with equivalent voluntary contributions by the employees, for employees of certain management levels or above. Total mandatory and voluntary contributions for each employee are capped at 5% of that employee's relevant income. Mandatory contributions to the scheme vest immediately while voluntary contributions made by the Group are subject to a vesting scale. All contributions to the scheme are charged to the profit and loss account as incurred and reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

The Group also undertakes mandatory labour insurance schemes covering retirement benefits for its Taiwan employees as required by the Taiwan Employment Ordinance.

### (q) Borrowing costs

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

### (r) Segment reporting

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

Unallocated costs represent corporate expenses. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment assets consist primarily of fixed assets, inventories, receivables, deposits, prepayments and operating cash, and mainly exclude investments in jointly controlled entities and club debentures. Segment liabilities comprise mainly of operating liabilities and exclude items such as deferred taxation and certain corporate provisions and borrowings. Capital expenditure comprises additions to fixed assets.

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

## 2 TURNOVER, REVENUES AND SEGMENT INFORMATION

The Company is engaged in investment holding and its subsidiaries are principally engaged in trading of telecommunications products. Revenues recognised during the year are as follows:

	<b>Group</b> <b>2003</b> <b>HK\$'000</b>	2002 HK\$'000
Turnover		
Sales of goods	<b>2,670,478</b>	5,190,767
Other operations income	<b>7,854</b>	5,255
	<b>2,678,332</b>	5,196,022
Other revenues		
Interest income	<b>10,405</b>	19,004
Commission income	<b>168</b>	475
Dividend income from trading investments	<b>8</b>	200
Others	<b>1,865</b>	—
	<b>12,446</b>	19,679
Total revenues	<b>2,690,778</b>	5,215,701

### Primary reporting format - business segments

The Group is principally engaged in the trading of telecommunications products. Other operations of the Group mainly comprise provision of repair services of telecommunications products and television programme syndication and events management. During the year, the Group ceased to operate its businesses on television programme syndication and events management, details of which are set out in note 5 to the accounts.

The Group's inter-segment transactions mainly consist of provision of repair services of telecommunications products between different business segments. The transactions were entered into at similar terms as that contracted with independent third parties and were eliminated on consolidation.

**2 TURNOVER, REVENUES AND SEGMENT INFORMATION (cont'd)****Primary reporting format - business segments (cont'd)**

	Trading of telecommunications products 2003 HK\$'000	Other operations 2003 HK\$'000	Inter-segment elimination 2003 HK\$'000	Group 2003 HK\$'000
Turnover from external customers	2,667,484	10,848		2,678,332
Inter-segment turnover	35	702	(737)	—
Total turnover	2,667,519	11,550	(737)	2,678,332
Segment result	(106,384)	(19,703)		(126,087)
Finance costs				(4,516)
Gain on discontinuance of television programme syndication and events management				17,944
Loss before taxation				(112,659)
Taxation				(2,073)
Loss after taxation				(114,732)
Loss attributable to shareholders				(114,732)
Segment assets	905,032	18,226		923,258
Jointly controlled entity				—
Club debentures				12,301
Other unallocated assets				—
Total assets				935,559
Segment liabilities	77,906	2,528		80,434
Unallocated liabilities				145,171
Total liabilities				225,605
Capital expenditure	2,632	1,080		3,712
Depreciation	3,501	283		3,784
Other non-cash expenses				141,703



**2 TURNOVER, REVENUES AND SEGMENT INFORMATION (cont'd)****Primary reporting format - business segments (cont'd)**

	Trading of telecommunications products 2002 HK\$'000	Other operations 2002 HK\$'000	Inter-segment elimination 2002 HK\$'000	Group 2002 HK\$'000
Turnover from external customers	5,190,767	5,255		5,196,022
Inter-segment turnover	—	—	—	—
Total turnover	5,190,767	5,255	—	5,196,022
Segment result	(115,554)	(37,599)		(153,153)
Finance costs				(11,003)
Share of loss of a jointly controlled entity				(835)
Provision for receivables from minority shareholders of a subsidiary		(39,615)		(39,615)
Loss before taxation				(204,606)
Taxation				(29,987)
Loss after taxation				(234,593)
Loss attributable to shareholders				(234,593)
Segment assets	2,171,559	12,227		2,183,786
Jointly controlled entity				1,168
Club debentures				12,301
Other unallocated assets				262,101
Total assets				2,459,356
Segment liabilities	1,159,222	12,001		1,171,223
Unallocated liabilities				463,447
Total liabilities				1,634,670
Capital expenditure	5,158	2,528		7,686
Depreciation	3,711	1,504		5,215
Impairment charges in the profit and loss account				59,878
Other non-cash expenses				469,445

## 2 TURNOVER, REVENUES AND SEGMENT INFORMATION (cont'd)

### Secondary reporting format - geographical segments

The Group has operated mainly in the following geographical areas:

Hong Kong and Macau - trading of telecommunications products, provision of repair services of telecommunications products and television programme syndication and events management.

Taiwan - trading of telecommunications products and provision of repair services of telecommunications products.

Mainland China - trading of telecommunications products and television programme syndication and events management.

In presenting geographical segments information of the Group, shown below are the turnover from external customers, total assets and capital expenditure of each geographical segment that comprises 10% or more of the Group's respective total of turnover from external customers, total assets and capital expenditure. There are no sales or other transactions between the geographical segments.

	Turnover from external customers 2003 HK\$'000	Total assets 2003 HK\$'000	Capital expenditure 2003 HK\$'000
Hong Kong and Macau	1,788,979	752,449	1,492
Taiwan	735,088	170,809	2,220

  

	Turnover from external customers 2002 HK\$'000	Total assets 2002 HK\$'000	Capital expenditure 2002 HK\$'000
Hong Kong and Macau	3,413,234	2,098,996	7,108
Mainland China	1,484,784	—	—

### 3 OPERATING LOSS

	Group 2003 HK\$'000	2002 HK\$'000
Operating loss is stated after crediting and charging the following:		
<u>Crediting</u>		
Net gain on disposals of fixed assets	250	—
Gain on the early redemption of a bank loan	—	5,980
Gain on the early settlement of a hire purchase contract	72	—
Net unrealised gain on trading investments	1	252
Realised exchange gain on investments in foreign currencies	—	6,968
<u>Charging</u>		
Auditors' remuneration - current year	1,408	2,628
- prior years	1,020	403
Cost of trading inventories sold	2,457,632	4,502,065
Provision for slow moving and net realisable values of inventories	22,874	256,754
Deficit on revaluation of leasehold land and buildings	364	569
Depreciation of owned fixed assets	3,753	5,156
Depreciation on fixed assets held under hire purchase contracts	31	59
Net exchange loss	26	1,303
Impairment on investment securities	—	57,380
Written off of a jointly controlled entity	1,168	—
Impairment of fixed assets	—	2,498
Loss on disposals of trading investments	2,902	56
Loss on disposals of fixed assets	—	2,087
Operating lease on land and buildings	19,403	16,773
Provision for bad and doubtful debts	114,395	209,979
Retirement benefit costs (including directors' retirement benefit costs)	1,964	1,656
Staff costs including directors' emoluments (note 10)	65,431	89,798

### 4 FINANCE COSTS

	Group 2003 HK\$'000	2002 HK\$'000
Interest on bank loans and overdrafts wholly repayable within five years	4,497	10,980
Interest element of hire purchase contracts	19	23
	4,516	11,003

## 5 DISCONTINUING OPERATION

During the year ended 30th September, 2003, the Group ceased to operate its television programme syndication and events management businesses. Procedures on winding up the operating subsidiaries of this segment have commenced during the year. The Group reported the ceased business segment as a discontinuing operation in the accounts. The sales, results, cash flows and net assets of the television programme syndication and events management businesses are as follows:

	<b>Year ended 30th September</b>	
	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
Turnover	<b>528</b>	3,430
Cost of sales	<b>(12,630)</b>	(20,329)
Gross loss	<b>(12,102)</b>	(16,899)
Other revenues	<b>106</b>	91
Selling and distribution expenses	<b>(192)</b>	(350)
Administrative expenses	<b>(7,708)</b>	(15,707)
Other operating expenses	<b>(616)</b>	(4,227)
Operating loss	<b>(20,512)</b>	(37,092)
Finance costs	<b>(6)</b>	(12)
Provision for receivables from minority shareholders	<b>—</b>	(39,615)
Loss before taxation	<b>(20,518)</b>	(76,719)
Taxation	<b>—</b>	—
Loss after taxation	<b>(20,518)</b>	(76,719)
Loss attributable to shareholders	<b>(20,518)</b>	(76,719)
Net operating cash outflow	<b>(1,655)</b>	(11,050)
Net investing cash inflow/(outflow)	<b>11</b>	(996)
Net financing cash outflow	<b>(17)</b>	(22)
Total net cash outflow	<b>(1,661)</b>	(12,068)

**5 DISCONTINUING OPERATION (cont'd)**

	<b>As at 30th September</b>	
	<b>2003 HK\$'000</b>	<b>2002 HK\$'000</b>
Fixed assets (note 11)	—	—
Current assets	<b>3,858</b>	6,612
<b>Total assets</b>	<b>3,858</b>	6,612
Total liabilities	<b>(21,802)</b>	(11,146)
<b>Net liabilities</b>	<b>(17,944)</b>	(4,534)

The gain on discontinuance of the television programme syndication and events management businesses is as follows:

	<b>Year ended 30th September 2003 HK\$'000</b>
Net liabilities discontinued	<b>17,944</b>
Proceeds from discontinuance of operation	—
<b>Gain on discontinuance of operation</b>	<b>17,944</b>
Taxation thereon	—
<b>After-tax gain on discontinuance of operation</b>	<b>17,944</b>

## 6 TAXATION

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

	<b>Group</b>	
	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
Hong Kong profits tax (note (i))	<b>371</b>	24,698
Overseas taxation (note (ii))	<b>1,702</b>	5,289
	<b>2,073</b>	29,987

- (i) Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profits of subsidiaries operating in Hong Kong for the year.
- (ii) Overseas taxation includes Taiwan Income Tax, PRC Tax and Macau Complementary Income Tax. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the taxation rates prevailing in the countries in which the subsidiaries of the Group operate.
- (b) Taxation payable in the balance sheet represents liabilities of the Group in respect of Hong Kong profits tax and overseas taxation provided for the current and prior years less provisional tax paid.
- (c) In October, 2002, the IRD issued estimated assessments to certain subsidiaries of the Group in respect of their potential taxation liabilities for the years of assessment from 1996/1997 to 2001/2002. The concerned subsidiaries have formally objected to the estimated assessments as, in the opinion of the Directors of the Company, these estimated assessments are incorrect. The Directors of the Company consider appropriate provision for taxation has already been made in the accounts (note 26(c)).

At the request of the IRD, the Company has agreed to pay deposits totalling HK\$108 million by way of purchase of tax reserve certificates and payment of instalments in cash. The outcome of the objection has yet to be determined. Such deposits shall be refunded to the Company in the event that the objection is successful.

## 7 LOSS ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to shareholders dealt with in the accounts of the Company is approximately HK\$639,000 (2002: profit of HK\$58,461,000).

## 8 DIVIDENDS

	<b>Group</b>	
	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
Interim dividend declared and paid of Nil (2002: HK\$0.018) per ordinary share	—	93,000

## 9 LOSS PER SHARE - GROUP

The calculation of basic and fully diluted loss per share are based on the Group's loss attributable to shareholders of approximately HK\$114,732,000 (2002: HK\$234,593,000).

The basic loss per share is based on the weighted average of 5,165,973,933 (2002: 4,963,574,523) ordinary shares in issue during the year.

The computation of fully diluted loss per share for 2003 has not assumed the exercise of the Company's options and warrants since the exercise prices were higher than the average market price of the Company's shares for 2003. The calculation of fully diluted loss per share for 2002 was based on 5,057,264,545 ordinary shares which was the weighted average number of ordinary shares in issue during the year plus the weighted average of 93,690,022 ordinary shares deemed to be issued at no consideration if all outstanding warrants and options had been exercised.

## 10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

### (a) Directors' emoluments

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

	Group 2003 HK\$'000	2002 HK\$'000
Independent Non-executive Directors' fees	381	315
Executive Directors		
Basic salaries and allowances	28,661	16,523
Contributions to retirement fund	1,394	791
Discretionary bonuses	5,751	—
Commitment fees for existing Executive Directors entering into new service contracts	—	41,000
	36,187	58,629

During the year, none of the Directors of the Company had exercised their share options to subscribe ordinary shares of the Company.

As at 30th September, 2003, the outstanding options granted by the Company to an Executive Director of the Company were as follows:

Date of grant	Exercise price HK\$	Exercisable period	Number of ordinary shares eligible for subscription under the share options
26th April, 1999	0.150	25th May, 1999 to 24th May, 2009	100,000,000

The closing market price of the Company's shares as at 30th September, 2003 was HK\$0.099 per share.

Apart from the aforesaid, no other emoluments have been paid to the Directors for the years ended 30th September, 2003 and 2002.



**10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (cont'd)****(a) Directors' emoluments (cont'd)**

The emoluments of the Directors fell within the following bands:

Emolument bands	Number of Directors	
	2003	2002
Nil to HK\$1,000,000	6	3
HK\$1,000,001 to HK\$1,500,000	1	—
HK\$1,500,001 to HK\$2,000,000	2	1
HK\$2,000,001 to HK\$2,500,000	1	—
HK\$2,500,001 to HK\$3,000,000	1	—
HK\$3,000,001 to HK\$4,500,000	—	—
HK\$4,500,001 to HK\$5,000,000	—	1
HK\$5,000,001 to HK\$8,000,000	—	—
HK\$8,000,001 to HK\$8,500,000	—	—
HK\$8,500,001 to HK\$11,000,000	—	—
HK\$11,000,001 to HK\$11,500,000	—	—
HK\$11,500,001 to HK\$12,500,000	—	—
HK\$12,500,001 to HK\$13,000,000	—	1
HK\$13,000,001 to HK\$25,000,000	—	—
HK\$25,000,001 to HK\$25,500,000	1	—
HK\$25,500,001 to HK\$38,500,000	—	—
HK\$38,500,001 to HK\$39,000,000	—	1

No Directors have waived emoluments for the years ended 30th September, 2003 and 2002.

During the year, no amounts have been paid by the Group to the Directors as inducement to join the Group, as compensation for loss of office or as commitment fees to existing Executive Directors for entering into new service contracts with the Company (2002: HK\$ 41,000,000).

**10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (cont'd)****(b) Five highest paid individuals**

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

	<b>Group</b> <b>2003</b> <b>HK\$'000</b>	2002 HK\$'000
Basic salaries and allowances	2,199	1,262
Contributions to retirement fund	46	41
Bonuses	—	169
	2,245	1,472

The emoluments of the individual fall within the following bands:

	<b>Number of individuals</b> <b>2003</b>	2002
Nil to HK\$1,000,000	—	—
HK\$1,000,001 to HK\$1,500,000	—	1
HK\$1,500,001 to HK\$2,000,000	—	—
HK\$2,000,001 to HK\$2,500,000	1	—

## 11 FIXED ASSETS

## Group

	Leasehold land and buildings HK\$'000	Leasehold improve- ments HK\$'000	Furniture and fixtures HK\$'000	Computers and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost or valuation						
At 1st October, 2002	6,800	5,128	4,167	9,358	4,952	30,405
Additions	—	1,160	756	1,796	—	3,712
Revaluation	(500)	—	—	—	—	(500)
Discontinued operation (note 5)	—	(1,007)	(373)	(3,349)	—	(4,729)
Disposals/Write off	—	(330)	(211)	(521)	(2,201)	(3,263)
At 30th September, 2003	6,300	4,951	4,339	7,284	2,751	25,625
Accumulated depreciation						
At 1st October, 2002	—	1,215	2,917	6,276	3,813	14,221
Charge for the year	136	961	456	1,384	847	3,784
Revaluation	(136)	—	—	—	—	(136)
Discontinued operation (note 5)	—	(1,007)	(373)	(3,349)	—	(4,729)
Disposals/Write off	—	(40)	(59)	(170)	(2,011)	(2,280)
At 30th September, 2003	—	1,129	2,941	4,141	2,649	10,860
<b>Net book value</b>						
<b>At 30th September, 2003</b>	<b>6,300</b>	<b>3,822</b>	<b>1,398</b>	<b>3,143</b>	<b>102</b>	<b>14,765</b>
At 30th September, 2002	6,800	3,913	1,250	3,082	1,139	16,184

**11 FIXED ASSETS (cont'd)****Group (cont'd)**

The analysis of the cost or valuation at 30th September, 2003 of the above assets is as follows:

	<b>Leasehold land and buildings</b> HK\$'000	<b>Leasehold improve- ments</b> HK\$'000	<b>Furniture and fixtures</b> HK\$'000	<b>Computers and equipment</b> HK\$'000	<b>Motor vehicles</b> HK\$'000	<b>Total</b> HK\$'000
At Cost	—	4,951	4,339	7,284	2,751	19,325
At 2003 professional revaluation	6,300	—	—	—	—	6,300
	6,300	4,951	4,339	7,284	2,751	25,625

- (a) Leasehold land and buildings are situated in Hong Kong under long-term leases.
- (b) Leasehold land and buildings were revalued on an open market value basis as at 30th September, 2003 by DTZ Debenham Tie Leung, an independent firm of professional valuers. The deficit on revaluation of approximately HK\$364,000 (2002: HK\$569,000) was charged to the consolidated profit and loss account (note 3 to the accounts). The revaluation of the leasehold land and buildings does not constitute a timing difference for tax purposes.
- (c) The carrying amount of the leasehold land and buildings that would be included in the accounts had they been carried at cost less depreciation is approximately HK\$9,727,000 (2002: HK\$9,953,000).
- (d) At 30th September, 2003, net book value of fixed assets held by the Group under hire purchase contracts amounted to approximately HK\$172,000 (2002: HK\$98,000).

## 11 FIXED ASSETS (cont'd)

## Company

	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Computers and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost					
At 1st October, 2002	298	40	228	1,794	2,360
Additions	—	3	42	—	45
Disposals	—	—	—	(1,794)	(1,794)
At 30th September, 2003	298	43	270	—	611
Accumulated depreciation					
At 1st October, 2002	50	4	56	1,166	1,276
Charge for the year	56	9	80	449	594
Disposals	—	—	—	(1,615)	(1,615)
At 30th September, 2003	106	13	136	—	255
<b>Net book value</b>					
<b>At 30th September, 2003</b>	<b>192</b>	<b>30</b>	<b>134</b>	<b>—</b>	<b>356</b>
At 30th September, 2002	248	36	172	628	1,084

## 12 SUBSIDIARIES

	<b>Company</b>	
	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
Unlisted shares, at cost	<b>191,093</b>	191,093
Due from subsidiaries, net (note b)	<b>416,980</b>	719,274
Due to a subsidiary (note c)	<b>—</b>	(46,000)
	<b>608,073</b>	864,367

- (a) Details of the principal subsidiaries are set out in note 28 to the accounts.
- (b) The amounts due to or from subsidiaries are unsecured, interest-free and have no fixed terms of payment.
- (c) The amount due to a subsidiary for year ended 30th September, 2002 of approximately HK\$46,000,000 was unsecured, interest bearing at HIBOR plus 1.5% and has no fixed terms of repayment.
- (d) During the year ended 30th September, 2003, the Company wound up two of its subsidiaries, SMG and CIC pursuant to resolutions passed in an Extraordinary General Meeting of SMG and a Directors' Meeting of CIC on 6th January, 2003. RSM Nelson Wheeler did not audit the accounts of these subsidiaries, the aggregate net liabilities of which were not material to the Group's total net assets.

## 13 JOINTLY CONTROLLED ENTITY

	<b>Group</b>	
	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
Unlisted investment, at cost	<b>—</b>	2,797
Share of post-acquisition loss and exchange differences	<b>—</b>	(1,629)
Share of net assets	<b>—</b>	1,168

As at 30th September, 2003, the Group has 30% equity interests in a joint venture company principally engaged in the research and development of mobile phone technologies. Due to the unsatisfactory performance of this joint venture, the Directors of the Company have fully written off this investment during the current year.

## 14 INVENTORIES

	Group 2003 HK\$'000	2002 HK\$'000
Merchandise, at cost	219,749	674,742
Less: provision	(82,059)	(266,754)
	137,690	407,988

At 30th September, 2003, the carrying amount of inventories that are carried at net realisable value amounted to approximately HK\$42,421,000 (2002: HK\$180,583,000).

## 15 TRADING INVESTMENTS

	Group 2003 HK\$'000	2002 HK\$'000
Listed equity securities, at fair value:		
Hong Kong	—	648
Unlisted debt securities, at fair value:		
Hong Kong	—	261,453
	—	262,101
Market value of Hong Kong listed equity securities	—	648

## 16 TRADE RECEIVABLES

As at 30th September, 2003, the ageing analysis of the trade receivables (net of specific provisions) is analysed as follows:

	<b>Group</b> <b>2003</b> <b>HK\$'000</b>	2002 HK\$'000
Current	182,780	596,596
1 to 3 months overdue	158,560	38,110
More than 3 months overdue but less than 12 months overdue	160,009	56,278
Over 12 months overdue	1,276	1,092
Less: general provision	(83,881)	(17,495)
	418,744	674,581

The credit terms granted to the Group's customers vary and are generally the results of negotiations between the Group and individual customers.

## 17 TRADE AND BILLS PAYABLES

	<b>Group</b> <b>2003</b> <b>HK\$'000</b>	2002 HK\$'000
Trade payables	57,154	28,523
Bills payables	—	1,026,407
	57,154	1,054,930

As at 30th September, 2003, the ageing analysis of the trade and bills payables is as follows:

	<b>Group</b> <b>2003</b> <b>HK\$'000</b>	2002 HK\$'000
Due within 1 month or on demand	57,154	222,486
Due after 1 month but within 3 months	—	596,185
Due after 3 months but within 6 months	—	236,259
	57,154	1,054,930



## 18 OTHER PAYABLES AND ACCRUED CHARGES

Included in other payables and accrued charges of the Group and the Company was an amount of approximately HK\$18,160,000 (2002: HK\$38,595,000) due to a Director of the Company. The amount was unsecured, interest free and has no fixed terms of repayment.

## 19 SHORT-TERM BANK LOANS

The Group's short-term bank loans of approximately HK\$3,878,000 are secured by trade receivables of approximately HK\$4,309,000 of one of the Group's subsidiaries (notes 16 and 25).

## 20 LONG-TERM LIABILITIES

	Group 2003 HK\$'000	2002 HK\$'000
Long-term bank loans repayable (note (a) and note 25):		
Within one year	—	78,634
In the second year	—	156,465
In the third to fifth year	—	—
	—	235,099
Obligations under hire purchase contracts repayable (note (b)):		
Within one year	49	73
In the second year	49	73
In the third to fifth year	141	82
Less: future finance charges on hire purchase contracts	(66)	(53)
	173	175
Deferred taxation (note (c))	131	131
Total long-term liabilities	304	235,405
Less: current portion of long-term liabilities	(26)	(78,688)
	278	156,717

**20 LONG-TERM LIABILITIES (cont'd)**

(a) As at 30th September, 2002, approximately HK\$402,000 and HK\$234,697,000 of the Group's long-term bank loans were secured by the leasehold land and buildings of the Group and a corporate guarantee given by a subsidiary of the Company respectively. These loans were fully settled during the year ended 30th September, 2003 and all related security and guarantee have been released accordingly.

(b) The present value of obligations under hire purchase contracts is as follows:

	<b>Group</b> <b>2003</b> <b>HK\$'000</b>	2002 HK\$'000
Within one year	26	54
In the second year	30	58
In the third to fifth year	117	63
	<b>173</b>	175

(c) The deferred taxation was provided for accelerated depreciation allowances of the Group. There was no material unprovided deferred taxation for the year.

	<b>Company</b> <b>2003</b> <b>HK\$'000</b>	2002 HK\$'000
Long-term bank loans repayable (note 25):		
Within one year	—	78,232
In the second year	—	156,465
In the third to fifth year	—	—
Total long-term liabilities	—	234,697
Less: current portion of long-term liabilities	—	(78,232)
	—	156,465

The Company's previous year balance of approximately HK\$234,697,000 was secured by a corporate guarantee given by a subsidiary of the Company.

## 21 SHARE CAPITAL

	<b>Authorised</b>	
	<b>Ordinary shares of HK\$0.01 each</b>	
	<b>No. of shares</b>	
	'000	HK\$'000
At 1st October, 2002 and 30th September, 2003	20,000,000	200,000
<hr/>		
	<b>Issued and fully paid</b>	
	<b>Ordinary shares of HK\$0.01 each</b>	
	<b>No. of shares</b>	
	'000	HK\$'000
At 1st October, 2001	4,751,873	47,518
Exercise of warrants	414,101	4,141
<hr/>		
At 30th September, 2002	5,165,974	51,659
<hr/>		
At 1st October, 2002 and 30th September, 2003	5,165,974	51,659
<hr/>		

During the year ended 30th September, 2002, 414,100,705 and 111 ordinary shares of HK\$0.01 each of the Company were issued at a price of HK\$0.23 and HK\$0.68 per share respectively to certain warrant holders on the exercise of their warrants at a total cash consideration of approximately HK\$95,243,000.

## 22 SHARE OPTIONS AND WARRANTS

### (a) Share options

Under the Old Share Option Scheme which was approved and adopted by an ordinary resolution of the shareholders at the extraordinary general meeting held on 16th March, 1999, and terminated and replaced by the New Share Option Scheme at the annual general meeting held on 27th March, 2003, the Directors might, at their discretion, invite employees, including Executive Directors of the Company, to take up options to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein.

Details of the share options outstanding as at 30th September, 2003 which were granted under the Old Share Option Scheme are as follows:

Date of grant	Exercise price HK\$	Exercisable period	Balance outstanding as at 1st October, 2002	Share options exercised during the year	Share options lapsed during the year	Balance outstanding as at 30th September, 2003
Executive Director, Mr. SY Ethan, Timothy						
26th April, 1999	0.150	25th May, 1999 to 24th May, 2009	100,000,000	—	—	100,000,000
Employees						
15th November, 2000	0.715	15th November, 2000 to 14th November, 2010	1,800,000	—	—	1,800,000

## 22 SHARE OPTIONS AND WARRANTS (cont'd)

### (a) Share options (cont'd)

Under the New Share Option Scheme, the Directors may, at their discretion, at any time following the date of the adoption of the New Share Option Scheme but before the tenth anniversary of that date, offer options to any full-time employees and directors (including non-executive directors and independent non-executive directors) of, any advisers, consultants, suppliers and agents to, and such other persons who, at the sole determination of the board of the Directors, have contributed to, the Company or any subsidiary of the Company, to subscribe for the shares of the Company subject to the terms and conditions stipulated therein, at a price not less than the higher of the nominal value of the share, the closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange on the date of grant and the average of the closing prices of the shares of the Company in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of grant. An offer of options may be accepted within 30 days from the date of offer of the options upon payment of a nominal consideration of HK\$1.00.

The maximum number of shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme. The participants may exercise the options during the option period which shall not be more than 10 years from the date of grant of options.

No share option had been granted under the New Share Option Scheme since its adoption.

### (b) Warrants

On 27th August, 2001, the Company issued warrants ("2004 Warrants"), at nil consideration, to the Company's shareholders on that day conferring rights to subscribe for a total of 527,951,988 ordinary shares of HK\$0.01 each at the initial subscription price of HK\$0.68 per share. These 2004 Warrants are exercisable from 27th August, 2001 to 26th August, 2004, both dates inclusive. The total number of outstanding 2004 Warrants on 1st October, 2002 was 527,951,877. None of the 2004 Warrants were exercised up to 30th September, 2003.

As at 30th September, 2003, the Company had outstanding 527,951,877 2004 Warrants, amounting to approximately HK\$359,007,000. Exercise in full of such warrants would result in the issue of 527,951,877 additional ordinary shares of HK\$0.01 each in the Company.

## 23 RESERVES - GROUP

	Share premium HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange differences HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1st October, 2001	366,702	2,450	160	(418)	93	735,886	1,104,873
Issue of shares pursuant to the exercise of warrants	91,102	—	—	—	—	—	91,102
Investment revaluation reserve transferred to profit and loss account upon impairment of investment securities	—	—	—	418	—	—	418
Exchange differences	—	—	—	—	8	—	8
Loss for the year	—	—	—	—	—	(234,593)	(234,593)
Additional final dividend for previous year	—	—	—	—	—	(735)	(735)
2001 final dividend paid	—	—	—	—	—	(95,046)	(95,046)
2002 interim dividend paid	—	—	—	—	—	(93,000)	(93,000)
At 30th September, 2002	457,804	2,450	160	—	101	312,512	773,027
Company and subsidiaries	457,804	2,450	160	—	105	314,137	774,656
A jointly controlled entity	—	—	—	—	(4)	(1,625)	(1,629)
At 30th September, 2002	457,804	2,450	160	—	101	312,512	773,027
At 1st October, 2002	457,804	2,450	160	—	101	312,512	773,027
Exchange differences	—	—	—	—	—	—	—
Loss for the year	—	—	—	—	—	(114,732)	(114,732)
At 30th September, 2003	457,804	2,450	160	—	101	197,780	658,295
Company and subsidiaries	457,804	2,450	160	—	101	197,780	658,295
At 30th September, 2003	457,804	2,450	160	—	101	197,780	658,295

**23 RESERVES - COMPANY (cont'd)**

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Exchange differences HK\$'000	Retained earnings/ (Accumulated loss) HK\$'000	Total HK\$'000
At 1st October, 2001	557,795	160	—	28,029	585,984
Issue of shares pursuant to the exercise of warrants	91,102	—	—	—	91,102
Exchange differences	—	—	17	—	17
Profit for the year	—	—	—	58,461	58,461
Additional final dividend for previous year	—	—	—	(735)	(735)
2001 final dividend paid	—	—	—	(95,046)	(95,046)
2002 interim dividend paid	—	—	—	(93,000)	(93,000)
At 30th September, 2002	648,897	160	17	(102,291)	546,783
At 1st October, 2002	648,897	160	17	(102,291)	546,783
Exchange differences	—	—	—	—	—
Loss for the year	—	—	—	(639)	(639)
At 30th September, 2003	648,897	160	17	(102,930)	546,144

**Note:**

The Company has a distributable reserve, of approximately HK\$546 million as at 30th September, 2003 (2002: HK\$547 million), represented by share premium less accumulated losses of the Company. Under the Companies Law (2001 Second Revision) of the Cayman Islands, share premium of the Company is distributable to the members, subject to a solvency test.

## 24 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

## (a) Reconciliation of loss before taxation to net cash (outflow)/inflow from operating activities:

	2003 HK\$'000	2002 HK\$'000
Loss before taxation	(112,659)	(204,606)
Adjustments for:		
Deficit on revaluation of leasehold land and buildings	364	569
Depreciation of owned fixed assets	3,753	5,156
Depreciation of fixed assets held under hire purchase contracts	31	59
Effect of foreign exchange rate changes	—	8
Share of loss of a jointly controlled entity	—	835
Dividend income from trading investments	(8)	(200)
Realised exchange gain on investments in foreign currencies	—	(6,968)
Gain on the early redemption of a bank loan	—	(5,980)
Gain on the early settlement of a hire purchase contract	(72)	—
Provision for receivables from minority shareholders	—	39,615
Impairment on investment securities	—	57,380
Written off of a jointly controlled entity	1,168	—
Impairment of fixed assets	—	2,498
Net unrealised gain on trading investments	(1)	(252)
Loss on disposals of trading investments	2,902	56
(Gain)/Loss on disposals of fixed assets	(250)	2,087
Interest income	(10,405)	(19,004)
Interest expense	4,516	11,003
Operating loss before working capital changes	(110,661)	(117,744)
Decrease in inventories	270,298	187,617
Decrease in trade receivables, deposits, prepayments and other receivables	110,643	97,088
(Decrease)/Increase in trade and bills payables, other payables and accrued charges	(1,119,034)	384,754
Decrease in time deposits pledged for banking facilities	—	318,308
Cash (used in)/generated from operations	(848,754)	870,023
Interest expense	(4,516)	(11,003)
Tax paid	(60,881)	(24,556)
Net cash (outflow)/inflow from operating activities	(914,151)	834,464



## 24 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (cont'd)

## (b) Analysis of changes in financing activities during the year

	Share capital including share premium HK\$'000	Minority interests HK\$'000	Bank loans HK\$'000	Obligations under hire purchase contracts HK\$'000
At 1st October, 2001	414,220	(39,615)	281,424	225
Provision for receivables from minority shareholders	—	39,615	—	—
Gain on the early redemption of a bank loan	—	—	(5,980)	—
Cash inflow/(outflow) from financing	95,243	—	(40,345)	(50)
At 30th September, 2002	509,463	—	235,099	175
At 1st October, 2002	509,463	—	235,099	175
Gain on early settlement of a hire purchase contract	—	—	—	(72)
Inception of a new hire purchase contract (note c)	—	—	—	175
Cash outflow from financing	—	—	(231,221)	(105)
<b>At 30th September, 2003</b>	<b>509,463</b>	<b>—</b>	<b>3,878</b>	<b>173</b>

- (c) During the year ended 30th September, 2003, the Group purchased HK\$175,000 of fixed assets by means of a hire purchase contract.

## 25 BANKING FACILITIES

As at 30th September, 2003, banking facilities of approximately HK\$181 million (2002: HK\$1,366 million) were granted by banks to the Group, of which approximately HK\$26 million (2002: HK\$1,350 million) have been utilised by the Group. The facilities were secured by charges on the Group's trade receivables of approximately HK\$4.3 million and corporate guarantees given by the Company and two of its subsidiaries.

In February 2003, the Company offered to accelerate the repayment of its transferable term loan of approximately HK\$281 million obtained from certain banks (the "Banks") in 2001. The Banks accepted the early repayment proposal and the entire outstanding balance of the loan was fully settled by 30th June, 2003.

## 26 CONTINGENT LIABILITIES

- (a) The Company and two of its subsidiaries provided corporate guarantees to several banks for securing banking facilities granted to certain subsidiaries of the Group.
- (b) Included in the terms of the sale and purchase agreement in connection with the acquisition of Calaview Assets Limited and SMG (the "Acquired Companies") in 2000, the Group is liable to pay the vendor HK\$35 million, contingent on the successful listing on any recognised stock exchange by any one of the Acquired Companies. SMG has already begun its statutory liquidation procedures and the Group has no plan to list any of the Acquired Companies.
- (c) As stated in note 6(c) to the accounts, the IRD issued estimated assessments to certain subsidiaries of the Group in respect of their potential taxation liabilities for the years of assessment from 1996/1997 to 2001/2002. However, no provision for tax penalty has been made in the accounts as in the opinion of the Directors of the Company, the estimated assessments were incorrect and it would be premature to endeavour to determine whether any tax penalty would arise.

## 27 OPERATING LEASE COMMITMENTS

As at 30th September, 2003, the Group had future aggregate minimum lease payments under non-cancellable operating lease as follows:

	<b>Group</b>	
	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
Not later than one year	<b>14,538</b>	23,939
Later than one year and not later than five years	<b>1,948</b>	11,654
	<b>16,486</b>	35,593

## 28 PRINCIPAL SUBSIDIARIES

As at 30th September, 2003, the principal subsidiaries of the Company are as follows:

Subsidiary	Country/place of incorporation/ establishment and operation	Issued/ registered and fully paid up capital	Percentage of equity held by the Company		Principal activities
			Direct %	Indirect %	
Advance Communication International Limited	Taiwan	Ordinary NT\$1,000,000	—	100	Trading of telecommunications products
Bright Advance Group Limited	British Virgin Islands/ Taiwan	Ordinary US\$1	—	100	Trading of telecommunications products
Eastjet Enterprises Limited	British Virgin Islands/ Taiwan	Ordinary US\$1	—	100	Trading of telecommunications products
Linktech Hong Kong Limited	Hong Kong	Ordinary HK\$2	—	100	Provision of repair services
New Eagle Technology Limited	Hong Kong	Ordinary HK\$10,000	—	100	Trading of telecommunications products
Sun Brilliant Development Limited	Hong Kong	Ordinary HK\$2	—	100	Trading of telecommunications products
Techglory International (China) Limited	British Virgin Islands/ Macau	Ordinary US\$3,000	—	100	Trading of telecommunications products
Techglory International Limited	Hong Kong	Ordinary HK\$1,388,000	—	100	Trading of telecommunications products
Wide Tech Communication Limited	Taiwan	Ordinary NT\$500,000	—	100	Provision of repair services

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

### 29 SUBSEQUENT EVENTS

Saved as disclosed in other notes to the accounts, there were no significant event after the balance sheet date.

### 30 ULTIMATE HOLDING COMPANY

The Directors regard Optimum Pace International Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

### 31 COMPARATIVE FIGURES

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

### 32 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 19th January, 2004.