

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2004
二零零四年三月三十一日

1. CORPORATE INFORMATION

The head office and principal place of business of Digital China Holdings Limited in Hong Kong is located at Suite 2008, 20/F., Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

During the year, the Group was involved in the following principal activities:

- distribution of information technology ("IT") products
- provision of systems integration services
- development and distribution of networking products

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs")

The following new and revised SSAPs are effective for the first time for the current year's financial statements:

- SSAP 12 : "Income taxes"
(Revised)
- SSAP 35 : "Accounting for government grants and disclosure of government assistance"

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

SSAP 12 (Revised) prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and unused tax losses carried forward (deferred tax).

1. 公司資料

Digital China Holdings Limited (神州數碼控股有限公司)之香港總辦事處及主要營業地點位於香港鰂魚涌英皇道979號太古坊德宏大廈20樓2008室。

本集團於本年度內從事以下主要業務：

- 分銷資訊科技("IT")產品
- 提供系統集成服務
- 開發及分銷網絡產品

2. 新訂及經修訂會計實務準則(「會計實務準則」)之影響

下列新訂及經修訂之會計實務準則乃首次採納以編製本年度之財務報表：

- 會計實務準則 : 「所得稅」
第12號(經修訂)
- 會計實務準則 : 「政府撥款之會計方法及披露政府資助」
第35號

該等會計實務準則規定新會計計算準則及披露慣例。採取該等會計實務準則，其對本集團會計政策及於本財務報表披露之金額之主要影響概述如下：

會計實務準則第12號(經修訂)規定因本期應課稅溢利或虧損而產生之應付或可收回所得稅(本期稅項)，及主要由應課稅及可扣減暫時性差異及未動用稅項虧損的結轉產生未來期間之應付及可收回所得稅(遞延稅項)之會計方法。

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2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs") (cont'd)

The principal impact of the revision of this SSAP on these financial statements is described below:

Measurement and recognition:

- a deferred tax asset has been recognised for asset provisions made in the current/prior periods;
- a deferred tax asset has been recognised for tax losses arising in the current/prior periods to the extent that it is probable that there will be sufficient future taxable profits against which such losses can be utilised; and
- a deferred tax liability has been recognised for the unrealised losses in inventories from intragroup transactions not yet recognised at company level.

Disclosures:

- the related note disclosures are now more extensive than previously required. These disclosures are presented in notes 10 and 17 to the financial statements and include a reconciliation between the accounting profit and the tax expense/income for the year.

Further details of these changes and the prior year adjustments arising from them are included in the accounting policy for deferred tax in note 3 and in note 17 to the financial statements.

SSAP 35 prescribes the accounting for government grants and other forms of government assistance. The adoption of this SSAP has had no significant impact for these financial statements on the amounts recorded for government grants. However, additional disclosures are now required and are detailed in notes 3 and 6 to the financial statements.

2. 新訂及經修訂會計實務準則（「會計實務準則」）之影響（續）

該會計實務準則修訂對該等財務報表之主要影響概述如下：

計算及確認：

- 已就本期間／過往期間之資產撥備確認遞延稅項資產；
- 已就本期間／過往期間產生之稅項虧損確認遞延稅項資產，惟以將來可能有充裕之應課稅溢利抵銷相關虧損為限；及
- 就未於公司層面確認之集團內交易之未實現存貨虧損確認遞延稅項負債。

披露資料：

- 現時有關附註之披露資料較以往所規定者更為廣泛。該等披露資料載於財務報表附註10及17，並包括本年度會計溢利與稅項支出／收入之對帳。

該等變動之其他詳情及就此產生之往年調整載於財務報表附註3及附註17有關遞延稅項之會計政策。

會計實務準則第35號規定有關對政府撥款之會計方法及披露政府資助。採納此項會計實務準則對該等於財務報表記錄之政府撥款數額均無重大影響。然而，按現時規定須作出額外披露，並詳述於財務報表附註3及6。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2004. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Associates

An associate is a company, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

3. 主要會計政策概要

編製基準

本財務報表乃根據香港會計實務準則、香港普遍採納之會計原則及香港公司條例之披露規定，以歷史成本原則編製。

綜合基準

綜合財務報表包括本公司及其附屬公司截至二零零四年三月三十一日止年度的財務報表。年內購入或出售的附屬公司的業績，分別自收購日起或至出售日止綜合計算。本集團系內各公司之間的所有重大交易及結餘已於綜合時抵銷。

少數股東權益指外界股東佔本公司附屬公司業績和資產淨值的權益。

附屬公司

附屬公司乃本公司直接或間接控制其財務及經營政策從而令本集團因其活動而受益之公司。

附屬公司之業績按已收及應收之股息於本公司收益表內列帳。本公司於附屬公司之投資乃按成本減去任何減值損失列帳。

聯營公司

聯營公司為附屬公司或共同控制實體以外由本集團持有其一般不少於20%附有投票權之股本之長期權益並對其行使重大影響力之公司。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Associates (cont'd)

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. Goodwill or negative goodwill arising from the acquisition of associates is included as part of the Group's interests in associates.

Goodwill

Goodwill arising on the acquisition of subsidiaries and associates represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of 10 years. In the case of associates, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

On disposal of subsidiaries and associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate.

The carrying amount of goodwill is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

3. 主要會計政策概要(續)

聯營公司(續)

綜合收益表及綜合儲備分別包括本集團應佔聯營公司之收購後業績及儲備。本集團於聯營公司之權益乃根據權益會計法按本集團應佔淨資產減任何減值損失於綜合資產負債表列帳。因收購聯營公司而產生之商譽或負商譽會作為本集團於聯營公司之部份權益列帳。

商譽

因收購附屬公司及聯營公司而產生之商譽指收購成本高於本集團應佔已收購可辨別資產及負債於收購日期之公平價值之金額。

因收購而產生之商譽乃於綜合資產負債表確認為資產，並以直線法按預計可使用年期為十年內撇銷。倘屬聯營公司，任何未攤銷商譽會列入有關帳面值，而非另行於綜合資產負債表列作已辨別資產。

於出售附屬公司及聯營公司時，出售之盈虧乃參照出售日期之淨資產(包括尚未攤銷之商譽金額及任何相關儲備(如適用))計算。

本集團會每年檢討商譽之帳面值，並於有需要時就減值撇減帳面值。除非有關減值損失是因性質特殊而且預期不再發生之外在特別事件而產生，而且其後產生之外在事件亦消滅了該項事件之影響，否則過往已確認之商譽減值損失不得撥回。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries and associates represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated income statement when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated income statement on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

In the case of associates, any negative goodwill not yet recognised in the consolidated income statement is included in the carrying amount thereof, rather than as a separately identified item on the consolidated balance sheet.

On disposal of subsidiaries and associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated income statement and any relevant reserves as appropriate.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

3. 主要會計政策概要(續)

負商譽

因收購附屬公司及聯營公司而產生之負商譽指本集團應佔所收購可辨別資產及負債於收購日期之公平價值高於收購成本之金額。

倘負商譽與收購計劃已辨別之預期未來虧損及開支有關，並能可靠地計算時（但並非為於收購當日之可辨別負債），則該部份的負商譽會於未來虧損及開支確認時在綜合收益表確認為收入。

倘負商譽與於收購日之可辨別預期未來虧損及開支無關，則負商譽會於綜合收益表內有系統地按所收購可予折舊／攤銷資產之平均剩餘可使用年期內確認。負商譽超逾所收購之非貨幣資產之公平價值部份會即時確認為收入。

倘屬聯營公司，尚未於綜合收益表內確認之任何負商譽會計入有關賬面值，而並非於綜合資產負債表分開呈列。

出售附屬公司及聯營公司時，出售之損益乃參照出售日期之資產淨值（包括尚未於綜合收益表內確認之應佔負商譽及任何有關儲備（倘適用））計算。

有關連人士

有關連人士指有能力直接或間接控制對方或於其作出財務及經營決策時行使重大影響力者。倘受到共同控制或共同重大影響力，亦會被視為有關連人士。有關連人士可為個人或企業實體。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated at the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the income statement in the period in which it arises.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the income statement in the period in which it arises.

Fixed assets and depreciation

Fixed assets, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

3. 主要會計政策概要(續)

資產減值

本集團會於每個資產負債表結算日評估是否有任何跡象顯示資產出現減值，或往年已確認之資產減值損失是否不再存在或已減少。倘有任何該等跡象，則會估計資產之可收回值。資產之可收回值乃按資產使用價值或其淨售價之較高者計算。

減值損失僅於資產之帳面值超過其可收回值時方予以確認。減值損失乃於產生期間內自收益表扣除。

過往已確認之減值損失僅於釐定資產可收回值時使用之估計方法更改時撥回，然而，撥回之金額不得超過倘資產於往年並無確認減值損失時可釐定之帳面值（扣除任何折舊／撇銷）。減值損失之撥回乃於產生期間內記入收益表。

固定資產及折舊

在建工程以外之固定資產乃按成本值減累計折舊及任何減值損失列帳。資產之成本值包括其購買價及使其達致運作狀態及地點作擬定用途所付出之任何直接成本。固定資產投入運作後所產生之費用（例如維修費及保養費）一般會於產生期間內自收益表扣除。倘能清楚顯示有關費用已導致預計使用有關固定資產可得之未來經濟效益增加，則有關費用會資本化作為該資產之額外成本。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fixed assets and depreciation (cont'd)

Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land use rights, leasehold land and buildings	Over the lease terms or 2% to 5%, whichever is shorter
Leasehold improvements	Over the lease terms or 20%, whichever is shorter
Office equipment	10% to 20%
Motor vehicles	10% to 20%

The gain or loss on disposal or retirement of a fixed asset recognised in the income statement is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of fixed assets when completed and ready for use.

Intangible assets

Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the projects are clearly defined; the expenditure is separately identifiable and can be measured reliably; there is reasonable certainty that the projects are technically feasible; and the products have commercial value. Product development expenditure which does not meet these criteria is expensed when incurred.

3. 主要會計政策概要(續)

固定資產及折舊(續)

折舊乃以直線法按每項資產之預計可使用年期撇銷其成本值計算。所採用之主要折舊年率如下：

土地使用權、租賃土地及樓宇	按租約期間或2%至5%(以較短者為準)
租賃裝修	按租約期間或20%(以較短者為準)
辦公室設備	10%至20%
汽車	10%至20%

於收益表內確認出售或棄置固定資產之盈虧乃出售所得款項淨額與有關資產帳面值之差額。

在建工程指興建中之樓宇，乃按成本減任何減值損失列帳，惟不計提折舊。成本包括直接建築成本及於興建期間內與所借貸資金有關的已資本化之借貸成本。在建工程於竣工及投用時重新分類為適當之固定資產類別。

無形資產

研究及開發成本

所有研究成本於產生時自收益表中扣除。

進行開發新產品之項目時產生之費用僅於項目可清楚界定；有關費用可分開辨別及可靠地計算；可合理確定有關項目在技術上可行；及產品具有商業價值時，方予以資本化及遞延。並不符合該等準則之產品開發費用乃於產生期間列作支出。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Intangible assets (cont'd)

Research and development costs (cont'd)

Deferred development costs are stated at cost less any impairment losses and are amortised using the unit of production method, commencing from the date when the products are put into commercial production.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases are charged to the income statement on the straight-line basis over the lease terms.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted-average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

During the year, the rates used to determine the general provision of the inventories of a business segment were revised. In the opinion of the directors, the revised general provision rates would be more appropriate for the Group to determine the inventory value. The effect of this change of accounting estimate was not material to the results for the year.

Contract accounting

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise equipment and material costs, subcontracting costs, direct labour and an appropriate proportion of variable and fixed overheads.

Revenue from fixed price contracts is recognised on the percentage of completion method, measured by reference to the proportion of work completed to date to the estimated total work of the relevant contract.

3. 主要會計政策概要(續)

無形資產(續)

研究及開發成本(續)

遞延開發成本乃按成本減任何減值損失列帳，並自有關產品投入商業生產之日起按產量單位法攤銷。

經營租賃

資產擁有權之大部份回報及風險仍歸於出租人之租賃列為經營租賃。倘本集團為承租人，根據經營租賃應付之租金以直線法於租約期間自收益表中扣除。

存貨

存貨乃按成本值及可變現淨值兩者中之較低者列帳。成本值乃以加權平均基準釐定。可變現淨值按預算售價扣減於完成及出售時將產生之任何預算成本計算。

於年內，用作釐定一業務分部之存貨一般撥備比率已作出修訂。董事認為，經修訂之一般撥備比率將更適合本集團以釐定存貨價值。此項會計估算變動對本年度之業績並無重大影響。

合約會計

合約收入包括已訂約之合約價值及適當之更改訂單款、賠償款及獎金。合約成本包括設備及物料成本、分包成本、直接勞工成本及適當比例之非固定和固定費用。

來自固定價值合約之收入按完工百份比方法確認入帳，而完工百份比則按個別合約計至資產負債表結算日之完工部份佔有關合約之估計整項工作之比例計算。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contract accounting (cont'd)

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers.

Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

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 for financial reporting purposes.

3. 主要會計政策概要(續)

合約會計(續)

管理層一旦預期有任何虧損時，將對該等虧損即時作出撥備。

當計至資產負債表結算日之合約成本加已確認溢利減已確認虧損超出進度款額，超出部份列為應收合約客戶款。

當進度款額超出計至資產負債表結算日之合約成本加已確認溢利減已確認虧損數額時，超出部份列為應付合約客戶款。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭上現金及活期存款，以及可隨時兌換為已知數額現金、價值變動風險並不重大及一般於收購後三個月內到期之短期高流動性投資，減按通知償還之銀行透支，並為本集團現金管理之主要部份。

就資產負債表而言，現金及銀行結餘包括手頭現金及銀行結存，包括並無限制用途之定期存款。

所得稅

所得稅包括現時稅項及遞延稅項。所得稅乃於收益表中確認，惟其與在同一期間或不同期間直接確認於權益之項目有關者則於權益中確認。

遞延稅項乃以負債法就於資產負債表結算日之資產及負債之稅項基礎及其用作財務申報之帳面值之間之所有暫時差額作撥備。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax (cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax assets and unused tax losses carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the unused tax assets and unused tax losses carried forward can be utilised:

- except where the deferred tax asset relating to the deductible temporary differences arises from negative goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3. 主要會計政策概要(續)

所得稅(續)

遞延稅項負債乃就所有應課稅暫時差額予以確認：

- 除非遞延稅項負債源於商譽或初次確認於一項交易(並非一項業務組合)之資產及負債，且於該項交易進行時不影響會計溢利或應課稅溢利或虧損；及
- 對源於附屬公司及聯營公司投資之應課稅暫時差額予以確認，惟可予控制撥回時間之暫時差額及暫時差額不可能於可見之未來撥回者除外。

遞延稅項資產就所有可扣減暫時差額、承前未使用稅項資產及未使用稅項虧損予以確認，惟僅限於可能有應課稅溢利以對沖可扣減暫時差額、承前未使用稅項資產及未使用稅項虧損時才予確認：

- 除非有關可扣減暫時差額之遞延稅項資產源於負商譽或初次確認於一項交易(並非一項業務組合)之其他資產及負債，且於該項交易進行時不影響會計溢利或應課稅溢利或虧損；及
- 遞延稅項資產對源於附屬公司及聯營公司之投資之可扣減暫時差額予以確認，惟僅限於在可見之未來可撥回暫時差額及將可能有應課稅溢利以對銷暫時差額時才予確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income tax (cont'd)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Government grants

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) contract revenue, on the percentage of completion basis, as further explained in the accounting policy for "Contract accounting" above;
- (c) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and

3. 主要會計政策概要(續)

所得稅(續)

遞延稅項資產之帳面值乃於各個資產負債表結算日進行檢討，並作扣減直至並無足夠應課稅溢利可供全部或部分遞延稅項資產可予應用為止。反之，之前未予確認之遞延稅項資產限於可能有足夠應課稅溢利可供全部或部分遞延稅項資產可予應用之部份而予以確認。

遞延稅項資產及負債依據以資產負債表結算日已頒佈或實質上已頒佈之稅率(及稅務法例)，以預期適用於資產變現及負債清償期間之稅率計算。

政府撥款

政府撥款於有理由相信能予以收取以及符合所有附帶條件後，按公平價值確認。當撥款涉及開支項目，則以有系統方式，將撥款在有關期間內確認為收入，以抵銷擬作補償之成本。

收入確認

收入於經濟效益將可能流入本集團及能可靠地計算收入時方按以下基準確認：

- (a) 銷售貨物所得收入乃於所有權之重大風險及回報已轉讓予買方時確認，惟本集團並無參與一般與擁有權有關之管理，亦無售出貨物之有效控制權；
- (b) 合約收入按完工百分比之基準確認，詳情見上文「合約會計」之會計政策；
- (c) 利息收入以未償還之本金及適用之實際利率按時間比例計算；及

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition (cont'd)

- (d) dividend income, when the shareholders' right to receive payment has been established.

Employee benefits

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Hong Kong Employment Ordinance.

A contingent liability is disclosed in respect of possible future long service payments to employees, as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Hong Kong Employment Ordinance if their employment is terminated in the circumstances specified. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are partially refunded to the Group when the employee leaves employment prior to the contributions vesting fully.

3. 主要會計政策概要(續)

收入確認(續)

- (d) 股息收入於股東收取股息之權利確立時確認。

員工福利

僱傭條例長期服務金

若干本集團僱員已完成所需為本集團服務年數，以符合資格在離職時領取香港僱傭條例項下之長期服務金。倘僱員離職之原因符合香港僱傭條例所列明之情況，則本集團須支付有關款項。

由於在資產負債表結算日，一些現有僱員已達到所需為本集團服務的年數，以符合資格在特定之離職情況下領取香港僱傭條例項下之長期服務金，因此，將可能須支付予僱員之未來長期服務金披露為或然負債。由於認為有關情況將不會導致未來有重大資源的流出，因此並未就該等可能性款項確認撥備。

退休金計劃

本集團根據強制性公積金計劃條例，為合資格參與定額供款強制性公積金退休福利計劃（「強積金計劃」）之僱員營辦該計劃。供款乃按僱員薪金之某一百分比計算，並於根據強積金計劃之規則規定應付時自收益表中扣除。強積金計劃之資產以獨立管理基金形式持有，與本集團其他資金分開管理。本集團之僱主供款於向強積金計劃供款時，即全數撥歸僱員，惟本集團之僱主自願性供款部份，倘僱員於合資格取得全數供款前離職，則部份僱主自願性供款會退還予本集團。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee benefits (cont'd)

Pension schemes (cont'd)

The employees of the Group's subsidiaries which operate in the Mainland of the People's Republic of China ("Mainland China") are required to participate in a central pension scheme operated by the local municipal government. Contributions are made based on a percentage of the participating employees' salaries and are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

Share option schemes

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the income statement or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

3. 主要會計政策概要(續)

員工福利(續)

退休金計劃(續)

本集團於中華人民共和國內地(「中國大陸」)經營業務之附屬公司之僱員須參與由中國地方政府營辦之中央退休金計劃。供款乃根據參與僱員之薪金的一定百份比計算，並於根據中央退休金計劃之規則規定應付時自收益表中扣除。

購股權計劃

本公司為了向對本集團業務之成功作出貢獻之合資格參與者提供獎勵及回報而營辦購股權計劃。根據購股權計劃授出之購股權之財務影響於購股權獲行使後，方會於本公司或本集團之資產負債表內記錄，而其成本不會於收益表或資產負債表記錄為費用。於購股權獲行使時，本公司會按股份面值記錄因此發行之股份，作為額外股本，而本公司會於股份溢價帳記錄每股行使價總額高於股份面值之金額。於行使日期前已註銷或已告失效之購股權會於尚未行使購股權之登記冊內刪除記錄。

貸款成本

與收購、建築或生產合資格資產(即需要長時間方可作擬定用途或出售之資產)而直接產生之借貸成本將被資本化，作為有關資產成本之一部份。待有關資產大致上可投入其擬定用途或出售時，該等借貸成本將會停止資本化，等待作為合資格資產支出之特定貸款之暫時性投資所賺取之投資收入從資本化之借貸成本中扣除。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the capital and reserves section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the income statement.

On consolidation, the financial statements of overseas subsidiaries and associates are translated into Hong Kong dollars using the net investment method. The income statement of overseas subsidiaries and associates are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. 主要會計政策概要(續)

股息

董事建議派發之末期股息另行於資產負債表分類為資本及儲備項下之保留溢利分配，直至於股東大會上獲得股東批准為止。股息於獲得股東批准及宣派後即會確認為負債。

外幣

外幣交易乃按交易日之適用匯率記錄。於資產負債表結算日以外幣定值之貨幣資產及負債均按該日之適用匯率折算。滙兌差額於收益表處理。

於綜合帳目時，海外附屬公司及聯營公司之財務報表使用投資淨額法折算為港幣。海外附屬公司及聯營公司之收益表按年內之加權平均匯率折算為港幣，而彼等之資產負債表按資產負債表結算日之匯率折算為港幣。由此所產生之換算差額列入滙兌波動儲備。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率折算為港幣。海外附屬公司於整個年度內經常產生之現金流量按年內之加權平均匯率折算為港幣。

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4. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No further geographical segment information is presented as over 90% of the Group's customers and operations are located in Mainland China.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) distribution of IT products segment engages in the sale of computers, servers, notebook computers, printers and peripherals;
- (b) provision of systems integration services segment engages in the provision of technical support services and training, IT outsourcing services and the sale of hardware and software; and
- (c) development and distribution of networking products segment engages in the development and sales of network interface cards, hubs, switches, routers, network security products, remote access servers and network software.

4. 分部資料

分部資料乃以本集團基本分部列報基準，即業務分部之方式呈報。於釐定本集團之地域分部時，收入乃按客戶所在地計入分部，而資產則按資產所在地計入分部。本集團超過90%之客戶及業務均位於中國大陸，故並無額外列報地域分部資料。

本集團之經營業務乃根據經營性質及所提供之產品及服務來分開組織及管理。每個本集團業務分部指所提供產品及服務面對之風險及回報與其他業務分部有所不同之策略性業務單位。業務分部之概要詳情如下：

- (a) 分銷資訊科技產品分部從事銷售電腦、伺服器、筆記本電腦、打印機及周邊產品；
- (b) 提供系統集成服務分部從事提供技術支援服務及培訓、資訊科技外判服務及銷售硬件和軟件；及
- (c) 開發及分銷網絡產品分部從事開發及銷售網絡界面卡、集線器、交換機、路由器、網絡保安產品、遙距接達伺服器及網絡軟件。

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4. SEGMENT INFORMATION (cont'd)

Business segments

The following table present revenue, profit and certain asset and liability information for the Group's business segments:

4. 分部資料 (續)

業務分部

下表呈列本集團業務分部之收入、溢利及若干資產及負債資料：

Group	本集團	Distribution of IT products 分銷IT產品		Provision of systems integration services 提供系統集成服務		Distribution of networking products 分銷網絡產品		Consolidated 綜合	
		2004	2003	2004	2003	2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
									(Restated) (重列)
Segment revenue	分部收入	12,165,163	10,765,691	1,880,510	1,552,778	231,635	192,284	14,277,308	12,510,753
Segment results	分部業績	626,507	748,120	255,575	214,872	58,058	38,057	940,140	1,001,049
Interest income	利息收入							3,126	3,436
Unallocated expenses	未分類開支							(868,916)	(778,894)
Profit from operating activities	經營溢利							74,350	225,591
Finance costs	融資成本							(46,751)	(34,785)
Share of losses of associates	應佔聯營公司虧損							(3,498)	(5,034)
Profit before tax	除稅前溢利							24,101	185,772
Tax	稅項							2,441	(6,517)
Profit before minority interests	除少數股東權益前溢利							26,542	179,255
Minority interests	少數股東權益							7,388	(212)
Net profit from ordinary activities attributable to shareholders	股東應佔日常業務之溢利淨額							33,930	179,043
Segment assets	分部資產	1,913,724	1,725,251	699,170	739,256	102,329	85,774	2,715,223	2,550,281
Unallocated assets	未分類資產							1,322,993	1,369,379
Total assets	總資產							4,038,216	3,919,660
Segment liabilities	分部負債	1,029,680	1,181,942	135,499	218,944	34,651	28,713	1,199,830	1,429,599
Unallocated liabilities	未分類負債							1,462,746	1,089,982
Total liabilities	總負債							2,662,576	2,519,581

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5. TURNOVER

Turnover represents invoiced value of goods sold and services rendered to customers, net of business tax, value-added tax and government surcharges, and after allowances for goods returned and trade discounts.

5. 營業額

營業額指向客戶出售貨品及提供服務之發票值（扣除營業稅、增值稅及政府徵費，以及退貨與貿易折扣）。

6. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

6. 經營溢利

本集團之經營溢利已經扣除／（計入）：

		Notes 附註	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Auditors' remuneration	核數師酬金		1,250	900
Goodwill:	商譽：	15		
Amortisation for the year*	本年度攤銷*		2,208	952
Impairment arising during the year*	本年度減值*		4,512	-
			6,720	952
Amortisation of intangible assets**	無形資產攤銷**	16	865	-
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇之最低經營租賃租金		30,933	36,305
Provisions and write-off of doubtful trade receivables*	應收貿易帳款呆帳撥備及撇銷*		34,678	12,181
Provisions and write-off of obsolete inventories*	陳舊存貨撥備及撇銷*		11,492	32,426
Pension scheme contributions***	退休金計劃供款***		19,932	16,494
Exchange losses/(gains), net	滙兌虧損／（收益）淨額		(182)	1,663
Loss on disposal of fixed assets	出售固定資產虧損		1,626	1,685
Negative goodwill recognised as income*	負商譽確認為收入*	30(b)	-	(6,585)
Government grants****	政府撥款****		(11,678)	(4,677)

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6. PROFIT FROM OPERATING ACTIVITIES (cont'd)

- * The amortisation and impairment of goodwill, the provisions and write-off of obsolete inventories, the provisions and write-off of doubtful trade receivables and negative goodwill recognised as income are included in "Other operating expenses, net" on the face of the consolidated income statement.
- ** The amortisation of intangible assets is included in "Cost of inventories sold and services provided" on the face of the consolidated income statement.
- *** At 31 March 2004, the Group had no material forfeited contributions available to reduce its contributions to the pension schemes in future years (2003: Nil).
- **** Various government grants have been received for the sales of self-developed software approved by PRC tax authority, the development of software in Mainland China, and the investment in specific provinces in Mainland China. The government grants received for the investment in specific provinces in Mainland China were recognised upon the receipt of the grants, whereas that received for the sales of self-developed software and the development of software in Mainland China were recognised upon the sales of approved self-developed software and completion of the development of related software respectively. These government grants are included in "Other operating expenses, net" on the face of the consolidated income statement. There are no unfulfilled conditions or contingencies relating to these grants.

7. FINANCE COSTS

6. 經營溢利(續)

- * 商譽攤銷及減值、陳舊存貨撥備及撇銷、應收貿易帳款呆帳撥備及撇銷，及確認為收入的負商譽已計入綜合收益表中的「其他營運費用淨額」內。
- ** 無形資產攤銷已計入綜合收益表中的「售出存貨及提供服務之成本」內。
- *** 於二零零四年三月三十一日，本集團並無重大可供扣減未來年度之退休金計劃供款之被沒收供款（二零零三年：無）。
- **** 本集團已就銷售中國稅務部門認可之自行開發軟件、於中國大陸開發軟件及於中國大陸特定省份進行投資而收取若干政府撥款。已收取用作於中國大陸特定省份進行投資之政府撥款已於收取該等撥款時確認；至於就銷售自行開發軟件及於中國大陸開發軟件而收取之撥款，則分別於銷售獲認可之自行開發軟件及完成開發相關軟件後確認。該等政府撥款計入綜合收益表中的「其他營運費用淨額」內。該等撥款概無未達成之條件或或然事項。

7. 融資成本

		Group 本集團
		2004 二零零四年 HK\$'000 港幣千元
		2003 二零零三年 HK\$'000 港幣千元
Interest on bank borrowings	銀行貸款利息	20,209
Interest on discounted bills	已貼現票據利息	26,542
Total interest	利息總額	46,751
Less: Interest capitalised	減：已資本化利息	-
		34,785

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8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

8. 董事酬金

根據香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司法第161條披露之本年度董事酬金如下：

		2004 二零零四年 HK\$'000 港幣千元	Group 本集團 2003 二零零三年 HK\$'000 港幣千元
Fees*	袍金*	300	300
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	7,104	7,706
Performance related bonuses	與表現掛鈎之花紅	8,502	8,254
Pension scheme contributions	退休金計劃供款	634	542
		16,240	16,502
		16,540	16,802

* Directors' fees include HK\$300,000 (2003: HK\$300,000) payable to the independent non-executive directors of the Company. There were no other emoluments payable to the independent non-executive directors of the Company during the year (2003: Nil).

* 董事袍金包括支付予本公司獨立非執行董事的袍金港幣300,000元（二零零三年：港幣300,000元）。本集團於本年度內並無支付予本公司獨立非執行董事任何其他酬金（二零零三年：無）。

The number of directors whose remuneration fell within the following bands is as follows:

擁有以下酬金幅度之董事人數如下：

		Number of directors 董事人數	
		2004 二零零四年	2003 二零零三年
Nil to HK\$1,000,000	無至港幣1,000,000元	5	4
HK\$1,000,001 to HK\$1,500,000	港幣1,000,001元至港幣1,500,000元	–	1
HK\$1,500,001 to HK\$2,000,000	港幣1,500,001元至港幣2,000,000元	1	1
HK\$2,000,001 to HK\$2,500,000	港幣2,000,001元至港幣2,500,000元	1	1
HK\$4,500,001 to HK\$5,000,000	港幣4,500,001元至港幣5,000,000元	–	1
HK\$5,000,001 to HK\$5,500,000	港幣5,000,001元至港幣5,500,000元	1	1
HK\$5,500,001 to HK\$6,000,000	港幣5,500,001元至港幣6,000,000元	1	–
		9	9

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8. DIRECTORS' REMUNERATION (cont'd)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

During the year, 9,500,000 share options were granted to the directors in respect of their services to the Group, further details of which are set out in note 28 to the financial statements. No value in respect of the share options granted during the year has been charged to the consolidated income statement, or is otherwise included in the above directors' remuneration disclosures.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2003: five) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining one (2003: Nil) non-director, highest paid employee for the year are as follows:

		Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	655	-
Performance related bonuses	與表現掛鈎之花紅	1,882	-
Pension scheme contributions	退休金計劃供款	12	-
		2,549	-

During the year, 2,000,000 share options were granted to the above non-director, highest paid employee in respect of his service to the Group, further details of which are included in the disclosures in note 28 to the financial statements. No value in respect of the share options granted during the year has been charged to the consolidated income statement, or is otherwise included in the above non-director, highest paid employees' remuneration disclosures.

8. 董事酬金(續)

董事並無於本年度內訂立放棄或同意放棄任何酬金之安排。

本年內，董事因向本集團提供服務而獲授9,500,000份購股權，進一步詳情載於財務報表附註28。於年內授出之購股權價值概無綜合收益表內扣除或以其他方式計入上述董事酬金披露內。

9. 最高薪五位僱員

本年度之最高薪五位僱員包括四名(二零零三年：五名)董事，彼等之酬金詳情載於上文附註8內。餘下一名非董事之最高薪僱員(二零零三年：無)本年度之酬金詳情載述如下：

本年度內，上述非董事之最高薪僱員因向本集團提供服務而獲授2,000,000份購股權，進一步詳情載於財務報表附註28。於年內授出之購股權價值概無綜合收益表內扣除或以其他方式計入上述非董事最高薪僱員酬金披露內。

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10. TAX

10. 稅項

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元 (Restated) (重列)
Group:	本集團：		
Current – PRC	本年度 — 中國	5,727	4,398
Deferred (note 17)	遞延 (附註17)	(8,168)	2,119
Total tax charge/(credit) for the year	本年度稅項支出／(稅益) 總額	(2,441)	6,517

- | | |
|--|---|
| <p>(a) PRC corporate income tax represented tax charges on the estimated assessable profits of the PRC subsidiaries of the Group. In general, the PRC subsidiaries of the Group are subject to the PRC corporate income tax rate of 33% except for certain subsidiaries which are entitled to tax holidays and preferential tax rates.</p> | <p>(a) 中國企業所得稅指就本集團中國附屬公司估計應課稅溢利之稅項支出。除若干附屬公司享有免稅期及稅務優惠外，本集團之中國附屬公司一般須繳納稅率為33%之中國企業所得稅。</p> |
| <p>(b) No provision for Hong Kong profits tax had been made as the Group had no estimated assessable profits arising in Hong Kong or has tax losses brought forward from prior years to set off assessable profits for the years ended 31 March 2003 and 2004.</p> | <p>(b) 由於本集團在截至二零零三及二零零四年三月三十一日止年度均無在香港產生估計應課稅溢利，或承自過往年度可抵銷應課稅溢利之稅務虧損，是以並無就香港利得稅作出撥備。</p> |
| <p>(c) No provision for Hong Kong profits tax and PRC corporate income tax has been made for the associates as the associates had no estimated assessable profits for the years ended 31 March 2003 and 2004.</p> | <p>(c) 由於聯營公司於截至二零零三年及二零零四年三月三十一日止年度均無估計應課稅溢利，是以並無為聯營公司就香港利得稅及中國企業所得稅作出撥備。</p> |

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10. TAX (cont'd)

A reconciliation of the tax expense applicable to the profit/(loss) before tax using the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax expense of the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

Group – 2004

本集團 — 二零零四年

		Hong Kong 香港		Mainland China 中國大陸		Total 總計	
		HK\$'000 港幣千元	%	HK\$'000 港幣千元	%	HK\$'000 港幣千元	%
Profit/(loss) before tax	除稅前溢利／ (虧損)	92,623		(68,522)		24,101	
Tax at the applicable tax rate	按適用稅率計算之 稅項	16,209	17.5	(22,612)	33.0	(6,403)	(26.5)
Lower tax rate for specific provinces or local authority	特定省份或地方 機關較低稅率	–	–	4,544	(6.6)	4,544	18.9
Tax effect of unused tax losses not recognised	未確認之未動用稅項 虧損之稅務影響	41	0.1	9,173	(13.4)	9,214	38.2
Income not subject to tax	無須課稅之收入	(9)	(0.0)	(1,382)	2.0	(1,391)	(5.8)
Expenses not deductible for tax	不可扣稅之開支	215	0.2	7,836	(11.4)	8,051	33.4
Profit not subject to tax	無須課稅之溢利	(16,456)	(17.8)	–	–	(16,456)	(68.3)
Tax credit at the Group's effective rate	按本集團實際稅率 計算之稅益	–	–	(2,441)	3.6	(2,441)	(10.1)

10. 稅項 (續)

根據本公司及其附屬公司所在國家之法定稅率計算除稅前溢利／(虧損)之稅項開支，與實際稅率計算之稅項開支對賬，以及適用稅率(即法定稅率)與實際稅率對賬如下：

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10. TAX (cont'd)

10. 稅項 (續)

Group – 2003

本集團 — 二零零三年

		Hong Kong 香港		Mainland China 中國大陸		Total 總計	
		HK\$'000 港幣千元	%	HK\$'000 港幣千元	%	HK\$'000 港幣千元	%
Profit before tax	除稅前溢利	31,040		154,732		185,772	
Tax at the applicable tax rate	按適用稅率計算之稅項	4,966	16.0	51,062	33.0	56,028	30.2
Lower tax rate for specific provinces or local authority	特定省份或地方機關較低稅率	–	–	(43,361)	(28.0)	(43,361)	(23.4)
Tax effect of unused tax losses not recognised	未確認之未動用稅項虧損之稅務影響	6,398	20.6	496	0.3	6,894	3.7
Income not subject to tax	無須課稅之收入	–	–	(1,147)	(0.8)	(1,147)	(0.6)
Expenses not deductible for tax	不可扣稅之開支	–	–	2,009	1.3	2,009	1.1
Profit not subject to tax	無須課稅之溢利	(11,364)	(36.6)	–	–	(11,364)	(6.1)
Tax losses utilised from previous periods	利用過往期間之稅項虧損	–	–	(2,542)	(1.6)	(2,542)	(1.4)
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	–	–	6,517	4.2	6,517	3.5

11. NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 March 2004 dealt with in the financial statements of the Company, was HK\$58,920,000 (2003: HK\$70,007,000) (note 29).

11. 股東應佔日常業務之溢利淨額

截至二零零四年三月三十一日止年度撥入本公司財務報表的股東應佔日常業務之溢利淨額為港幣 58,920,000 元 (二零零三年 : 港幣 70,007,000 元) (附註 29)。

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12. DIVIDEND

	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Proposed final dividend - Nil (2003: 7.38 HK cents per ordinary share)	擬派末期股息 — 無 (二零零三年：每股普通股港幣7.38仙) —	63,372

13. EARNINGS PER SHARE

The calculation of basic earnings per share was based on the net profit attributable to shareholders for the year ended 31 March 2004 of approximately HK\$33,930,000 (2003: (restated) HK\$179,043,000), and the weighted average of 858,935,014 (2003: 858,687,668) ordinary shares in issue during the year ended 31 March 2004.

The calculation of diluted earnings per share was based on the net profit attributable to shareholders for the year ended 31 March 2004 of approximately HK\$33,930,000 (2003: (restated) HK\$179,043,000) and 864,664,146 (2003: 867,074,361) ordinary shares, which was the weighted average of 858,935,014 (2003: 858,687,668) ordinary shares in issue during the year ended 31 March 2004 and the weighted average of 5,729,132 (2003: 8,386,693) ordinary shares deemed to have been issued at no consideration on the deemed exercise of all the outstanding share options during the year ended 31 March 2004.

12. 股息

13. 每股盈利

基本每股盈利乃按截至二零零四年三月三十一日止年度之股東應佔溢利淨額約港幣33,930,000元(二零零三年：(重列)港幣179,043,000元)，以及於截至二零零四年三月三十一日止年度內已發行普通股之加權平均數858,935,014股(二零零三年：858,687,668股)計算。

攤薄後每股盈利乃按截至二零零四年三月三十一日止年度之股東應佔溢利淨額約港幣33,930,000元(二零零三年：(重列)港幣179,043,000元)及864,664,146股(二零零三年：867,074,361股)普通股計算，此股份數目為於截至二零零四年三月三十一日止年度內已發行普通股之加權平均數858,935,014股(二零零三年：858,687,668股)，以及假設於截至二零零四年三月三十一日止年度內所有尚未行使之購股權被視為獲行使並被視為已無償發行普通股之加權平均數5,729,132股(二零零三年：8,386,693股)之總和。

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14. FIXED ASSETS

14. 固定資產

Group	本集團	Land use rights, leasehold land and buildings 土地使用權、 租賃土地及樓宇 HK\$'000 港幣千元	Leasehold improve- ments 租賃裝修 HK\$'000 港幣千元	Office equipment 辦公室設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost:	成本值：						
At beginning of year	於年初	127,290	29,554	197,982	21,525	37,519	413,870
Additions	添置	35,035	1,397	37,369	3,796	50,030	127,627
Disposals	出售	(3,219)	(388)	(9,189)	(316)	–	(13,112)
Transfers	轉撥	17,504	10,466	13,872	–	(41,842)	–
At 31 March 2004	於二零零四年 三月三十一日	176,610	41,029	240,034	25,005	45,707	528,385
Accumulated depreciation:	累計折舊：						
At beginning of year	於年初	3,803	9,326	64,057	12,851	–	90,037
Provided for the year	本年度折舊	4,267	7,572	39,799	2,779	–	54,417
Disposals	出售	(2,115)	(115)	(7,249)	(316)	–	(9,795)
At 31 March 2004	於二零零四年 三月三十一日	5,955	16,783	96,607	15,314	–	134,659
Net book value:	帳面淨值：						
At 31 March 2004	於二零零四年 三月三十一日	170,655	24,246	143,427	9,691	45,707	393,726
At 31 March 2003	於二零零三年 三月三十一日	123,487	20,228	133,925	8,674	37,519	323,833

The Group's land use rights, leasehold land and buildings included above are held under the following lease terms:

載於上文之本集團土地使用權、租賃土地及樓宇乃根據以下租約期持有：

							Mainland China 中國大陸 HK\$'000 港幣千元
At cost:	按成本：						
Medium term leases	中期租約						176,610

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14. FIXED ASSETS (cont'd)

At the balance sheet date, certificates of ownership in respect of certain Group's land and buildings in Mainland China with an aggregate net book value of HK\$83,461,000 had not been issued by the relevant government authorities. The directors represent that the Group is in the process of obtaining the relevant certificates.

14. 固定資產(續)

於資產負債表結算日，有關本集團帳面總值為港幣83,461,000元於中國大陸之土地及樓宇之擁有權證書尚未獲有關政府機關發出。董事表示，本集團正在申取有關證書。

Company	本公司	Leasehold improvements 租賃裝修 HK\$'000 港幣千元	Office equipment 辦公室設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost:	成本值：				
At beginning of year	於年初	2,764	1,506	985	5,255
Additions	添置	—	151	—	151
Disposals	出售	—	(154)	—	(154)
At 31 March 2004	於二零零四年 三月三十一日	2,764	1,503	985	5,252
Accumulated depreciation:	累計折舊：				
At beginning of year	於年初	654	528	197	1,379
Provided for the year	本年度折舊	553	317	197	1,067
Disposals	出售	—	(150)	—	(150)
At 31 March 2004	於二零零四年 三月三十一日	1,207	695	394	2,296
Net book value:	帳面淨值：				
At 31 March 2004	於二零零四年 三月三十一日	1,557	808	591	2,956
At 31 March 2003	於二零零三年 三月三十一日	2,110	978	788	3,876

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15. GOODWILL

The amount of the goodwill capitalised as an asset in the consolidated balance sheet, arising from the acquisition of subsidiaries, is as follows:

15. 商譽

因收購附屬公司產生而於綜合資產負債表內資本化為資產之商譽金額如下：

		Group 本集團 HK\$'000 港幣千元
Cost:	成本值：	
At beginning of year and at 31 March 2004	於年初及於二零零四年 三月三十一日	22,065
Accumulated amortisation and impairment:	累計攤銷及減值：	
At beginning of year	於年初	952
Amortisation provided during the year	本年度攤銷	2,208
Impairment provided during the year	本年度減值	4,512
At 31 March 2004	於二零零四年三月三十一日	7,672
Net book value:	帳面淨值：	
At 31 March 2004	於二零零四年三月三十一日	14,393
At 31 March 2003	於二零零三年三月三十一日	21,113

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16. INTANGIBLE ASSETS

16. 無形資產

		Group 本集團
		Deferred development costs 遞延開發成本 HK\$'000 港幣千元
Cost:	成本值：	
At beginning of year	於年初	6,044
Additions	增加	15,112
At 31 March 2004	於二零零四年三月三十一日	21,156
Accumulated amortisation:	累計攤銷：	
At beginning of year	於年初	—
Provided during the year	本年度攤銷	865
At 31 March 2004	於二零零四年三月三十一日	865
Net book value:	帳面淨值：	
At 31 March 2004	於二零零四年三月三十一日	20,291
At 31 March 2003	於二零零三年三月三十一日	6,044

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17. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

17. 遞延稅項

遞延稅項資產及負債年內變動如下：

Deferred tax assets

遞延稅項資產

Group	本集團	Loss available for offsetting against future taxable profit 可用於抵銷 未來應課稅 溢利之虧損 HK\$'000 港幣千元	2004 二零零四年		
			Asset provisions 資產撥備 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2003	於二零零三年四月一日				
As previously reported	以往呈報	-	-	-	-
Prior year adjustment:	往年調整：				
SSAP 12 – restatement of deferred tax	會計實務準則第12號 — 重列遞延稅項	1,775	6,737	4,605	13,117
As restated	重列	1,775	6,737	4,605	13,117
Deferred tax credited/(charged) to the income statement during the year	年內在收益表中計入／ (扣除)之遞延稅項	1,270	5,575	(431)	6,414
Gross deferred tax assets at 31 March 2004	於二零零四年 三月三十一日之 遞延稅項資產總額	3,045	12,312	4,174	19,531

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17. DEFERRED TAX (cont'd)

Deferred tax liabilities

17. 遞延稅項 (續)

遞延稅項負債

		2004 二零零四年		
		Unrealised losses from intragroup transactions 集團內交易 產生之未實現虧損 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Group	本集團			
At 1 April 2003	於二零零三年四月一日			
As previously reported	以往呈報	—	—	—
Prior year adjustment:	往年調整：			
SSAP 12 – restatement of deferred tax	會計實務準則第12號 — 重列遞延稅項	1,545	2,966	4,511
As restated	重列	1,545	2,966	4,511
Deferred tax charged/ (credited) to the income statement during the year	年內在收益表中扣除／(計入)之 遞延稅項	872	(2,626)	(1,754)
Gross deferred tax liabilities at 31 March 2004	於二零零四年三月三十一日之 遞延稅項負債總額	2,417	340	2,757
Net deferred tax credited to the income statement during the year (note 10)	年內在收益表中計入之 遞延稅項淨額 (附註10)			8,168
Net deferred tax assets at 31 March 2004	於二零零四年三月三十一日之 遞延稅項資產淨額			16,774

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17. DEFERRED TAX (cont'd)

Deferred tax assets

17. 遞延稅項 (續)

遞延稅項資產

Group	本集團	Loss available for offsetting against future taxable profit 可用於抵銷 未來應課稅 溢利之虧損 HK\$'000 港幣千元	2003 二零零三年		Total 總計 HK\$'000 港幣千元
			Asset provisions 資產撥備 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	
At 1 April 2002	於二零零二年四月一日				
As previously reported	以往呈報	—	—	—	—
Prior year adjustment:	往年調整：				
SSAP 12 – restatement of deferred tax	會計實務準則第12號 — 重列遞延稅項	2,989	5,259	3,143	11,391
As restated	重列	2,989	5,259	3,143	11,391
Deferred tax credited/ (charged) to the income statement during the year	年內在收益表中計入／ (扣除)之遞延稅項	(1,214)	1,478	1,462	1,726
Gross deferred tax assets at 31 March 2003	於二零零三年 三月三十一日之 遞延稅項資產總額	1,775	6,737	4,605	13,117

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17. DEFERRED TAX (cont'd)

Deferred tax liabilities

17. 遞延稅項 (續)

遞延稅項負債

Group	本集團	2003 二零零三年		
		Unrealised losses from intragroup transactions 集團內交易 產生之未實現虧損 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 April 2002	於二零零二年四月一日			
As previously reported	以往呈報	—	—	—
Prior year adjustment: SSAP 12 – restatement of deferred tax	往年調整： 會計實務準則第12號 — 重列遞延稅項	526	140	666
As restated	重列	526	140	666
Deferred tax charged to the income statement during the year	年內在收益表中扣除之 遞延稅項	1,019	2,826	3,845
Gross deferred tax liabilities at 31 March 2003	於二零零三年三月三十一日之 遞延稅項負債總額	1,545	2,966	4,511
Net deferred tax charged to the income statement during the year (note 10)	年內在收益表中扣除之 遞延稅項淨額 (附註10)			2,119
Net deferred tax assets at 31 March 2003	於二零零三年三月三十一日 遞延稅項資產淨額			8,606

The Group has tax losses arising in Mainland China of approximately HK\$51,570,000 (2003: HK\$12,934,000) which is due to expire within five years for offsetting against future taxable profits of the subsidiaries in which the losses arose. These tax losses and certain deductible temporary difference of approximately HK\$23,057,000 (2003: HK\$15,452,000) have not been recognised as deferred tax assets since they have arisen in subsidiaries that have incurred losses for some time.

本集團來自中國大陸之稅項虧損約港幣51,570,000元 (二零零三年：港幣12,934,000元)，可用於抵銷產生虧損之附屬公司之未來應課稅溢利，惟將於五年內屆滿。由於此等稅項虧損及若干可扣減暫時性差額約港幣23,057,000元 (二零零三年：港幣15,452,000元) 乃來自產生虧損一段時間之附屬公司，故並未確認為遞延稅項資產。

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17. DEFERRED TAX (cont'd)

At 31 March 2004, there was no significant unrecognised deferred tax liability (2003: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or associates as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

SSAP 12 (Revised) was adopted during the year as further explained in note 2 to the financial statements. This change in accounting policy has resulted in an increase in the Group's deferred tax assets as at 31 March 2004 and 2003 by HK\$16,774,000 and HK\$8,606,000, respectively. As a consequence, the consolidated net profits attributable to shareholders for the years ended 31 March 2004 and 2003 have been increased by HK\$8,168,000 and decreased by HK\$2,119,000, respectively, and the consolidated retained profits at 1 April 2003 and 2002 have been increased by HK\$8,606,000 and HK\$10,725,000, respectively, as detailed in the consolidated statement of changes in equity.

18. INVESTMENTS IN SUBSIDIARIES

17. 遞延稅項(續)

於二零零四年三月三十一日，就若干本集團附屬公司或聯營公司之未匯出盈利，由於該等款項匯出時，本集團並無責任承擔額外稅項，故並無相關之重大未確認遞延稅項負債(二零零三年：無)。

本公司向股東支付之股息，不會附有所得稅後果。

年內採納會計實務準則第12號(經修訂)，詳情載於財務報表附註2。該會計政策變動導致本集團於二零零四及二零零三年三月三十一日之遞延稅項資產分別增加港幣16,774,000元及港幣8,606,000元。因此，截至二零零四年及二零零三年三月三十一日止年度之股東應佔綜合溢利淨額已分別增加港幣8,168,000元及減少港幣2,119,000元，而於二零零三年及二零零二年四月一日之綜合保留溢利則分別增加港幣8,606,000元及港幣10,725,000元，詳情載於綜合權益變動表。

18. 於附屬公司之投資

		Company 本公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份，按成本	699,407	699,407

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

Particulars of the principal subsidiaries are as follows:

18. 於附屬公司之投資(續)

主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operations 註冊成立／ 登記及營運地點	Issued and fully paid share capital/ paid registered capital 已發行及繳足股本／ 已繳註冊資本	Percentage of equity attributable to the Company 本公司 應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Digital China (BVI) Limited	British Virgin Islands 英屬維爾京群島	Ordinary shares US\$5,125 普通股 5,125美元	100	—	Investment holding 投資控股
Alternate Agents Limited	British Virgin Islands/ Mainland China 英屬維爾京群島／ 中國大陸	Ordinary share US\$1 普通股 1美元	—	100	Provision of supporting services 提供後勤 支援服務
Digital China Limited 神州數碼有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股 港幣2元	—	100	Investment holding 投資控股
Digital China (China) Limited**	Mainland China	Registered capital HK\$50,000,000	—	100	Systems integration and distribution of IT products 系統集成及 分銷IT產品
神州數碼(中國) 有限公司*	中國大陸	註冊資本 港幣50,000,000元			
Chengdu Digital China Limited**	Mainland China	Registered capital HK\$5,000,000	—	100	Systems integration and distribution of IT products 系統集成及 分銷IT產品
成都神州數碼有限公司*	中國大陸	註冊資本 港幣5,000,000元			

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

18. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operations 註冊成立／ 登記及營運地點	Issued and fully paid share capital/ paid registered capital 已發行及繳足股本／ 已繳註冊資本	Percentage of equity attributable to the Company 本公司 應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Shenyang Digital China Limited**	Mainland China	Registered capital HK\$5,000,000	—	100	Systems integration and distribution of IT products
瀋陽神州數碼有限公司*	中國大陸	註冊資本 港幣5,000,000元			系統集成及 分銷IT產品
Shanghai Digital China Limited**	Mainland China	Registered capital HK\$10,000,000	—	100	Systems integration and distribution of IT products
上海神州數碼有限公司*	中國大陸	註冊資本 港幣10,000,000元			系統集成及 分銷IT產品
Digital China (Shenzhen) Limited**	Mainland China	Registered capital HK\$12,000,000	—	100	Systems integration and distribution of IT products
神州數碼(深圳)有限公司*	中國大陸	註冊資本 港幣12,000,000元			系統集成及 分銷IT產品
Xian Digital China Limited**	Mainland China	Registered capital HK\$5,000,000	—	100	Systems integration and distribution of IT products
西安神州數碼有限公司*	中國大陸	註冊資本 港幣5,000,000元			系統集成及 分銷IT產品

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

18. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operations 註冊成立／ 登記及營運地點	Issued and fully paid share capital/ paid registered capital 已發行及繳足股本／ 已繳註冊資本	Percentage of equity attributable to the Company 本公司 應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Wuhan Digital China Limited**	Mainland China	Registered capital HK\$5,000,000	—	100	Systems integration and distribution of IT products
武漢神州數碼有限公司*	中國大陸	註冊資本 港幣5,000,000元			系統集成及 分銷IT產品
Nanjing Digital China Limited**	Mainland China	Registered capital HK\$3,000,000	—	100	Systems integration and distribution of IT products
南京神州數碼有限公司*	中國大陸	註冊資本 港幣3,000,000元			系統集成及 分銷IT產品
Guangzhou Digital China Limited*~	Mainland China	Registered capital HK\$12,000,000	—	100	Systems integration and distribution of IT products
廣州神州數碼有限公司~	中國大陸	註冊資本 港幣12,000,000元			系統集成及 分銷IT產品
Jinan Digital China Limited**	Mainland China	Registered capital HK\$2,000,000	—	100	Systems integration and distribution of IT products
濟南神州數碼有限公司*	中國大陸	註冊資本 港幣2,000,000元			系統集成及 分銷IT產品

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

18. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operations 註冊成立／ 登記及營運地點	Issued and fully paid share capital/ paid registered capital 已發行及繳足股本／ 已繳註冊資本	Percentage of equity attributable to the Company 本公司 應佔權益百份比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Digital China Marketing & Services Ltd.	British Virgin Islands 英屬維爾京群島	Ordinary share US\$1 普通股 1美元	—	100	Investment holding 投資控股
Digital China Technology Limited 神州數碼科技發展 有限公司	Hong Kong/ Mainland China 香港／ 中國大陸	Ordinary shares HK\$1,000,000 普通股 港幣1,000,000元	—	100	Distribution of IT products 分銷IT產品
Digital China Advanced Systems Limited 神州數碼集成系統 有限公司	Hong Kong/ Mainland China 香港／ 中國大陸	Ordinary shares HK\$50,000,000 普通股 港幣50,000,000元	—	100	Systems integration and distribution of IT products 系統集成及 分銷IT產品
E-Olympic International Limited	British Virgin Islands 英屬維爾京群島	Ordinary share US\$1 普通股 1美元	—	100	Holding trademarks 持有商標

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

18. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operations 註冊成立／ 登記及營運地點	Issued and fully paid share capital/ paid registered capital 已發行及繳足股本／ 已繳註冊資本	Percentage of equity attributable to the Company 本公司 應佔權益百份比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Digital China Networks, Ltd. 神州數碼網絡有限公司▲	British Virgin Islands 英屬維爾京群島	Ordinary shares US\$10,000,000 普通股 10,000,000美元	—	99.1	Investment holding 投資控股
Digital China Networks (HK) Limited 神州數碼網絡(香港) 有限公司	Hong Kong/ Mainland China 香港／ 中國大陸	Ordinary shares HK\$2 普通股 港幣2元	—	99.1	Distribution of networking products 分銷網絡產品
Digital China (Shanghai) Networks Limited*#	Mainland China 中國大陸	Registered capital HK\$3,000,000 註冊資本 港幣3,000,000元	—	99.1	Development and distribution of networking products 研發及分銷 網絡產品
Talent Gain Developments Limited	British Virgin Islands 英屬維爾京群島	Ordinary share US\$1 普通股 1美元	—	100	Investment holding 投資控股

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

18. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operations 註冊成立／ 登記及營運地點	Issued and fully paid share capital/ paid registered capital 已發行及繳足股本／ 已繳註冊資本	Percentage of equity attributable to the Company 本公司 應佔權益百份比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Digital China Sinoray Technology Limited ("Sinoray") ⁺ ~	Mainland China	Registered capital US\$5,000,000	—	100	Consultancy, design, development, integration, application and maintenance of electronic financial systems
神州數碼新龍科技 有限公司(「新龍」)~	中國大陸	註冊資本 5,000,000美元			金融電子化系統 的諮詢、設計、 開發、集成、 應用及維護
Grace Glory Enterprises Limited	British Virgin Islands 英屬維爾京群島	Ordinary share US\$1 普通股 1美元	—	100	Investment holding 投資控股
Digital China Software (BVI) Limited 神州數碼軟件(BVI) 有限公司 [▲]	British Virgin Islands 英屬維爾京群島	Ordinary share US\$1 普通股 1美元	—	100	Investment holding 投資控股

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

18. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operations 註冊成立／ 登記及營運地點	Issued and fully paid share capital/ paid registered capital 已發行及繳足股本／ 已繳註冊資本	Percentage of equity attributable to the Company 本公司 應佔權益百份比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Digital China Software (Shanghai) Limited ^{†‡}	Mainland China	Registered capital US\$375,000	—	100	Development, design and consultancy of application software and systems
神州數碼軟件(上海) 有限公司 [‡]	中國大陸	註冊資本 375,000美元			應用軟件及 系統之開發、 設計及諮詢
Beijing Digital China SicTech Co., Ltd. ("SicTech") [†]	Mainland China	Registered capital RMB19,000,000	—	70	Application software development, systems integration and IT consultancy services
北京神州數碼國信信息 技術有限公司(「國信」)	中國大陸	註冊資本 人民幣19,000,000元			應用軟件 開發、系統 集成、IT 諮詢服務
Beijing Digital China Limited [†]	Mainland China	Registered capital RMB50,000,000	—	100	Systems integration and distribution of IT products
北京神州數碼有限公司	中國大陸	註冊資本 人民幣50,000,000元			系統集成及 分銷IT產品

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operations 註冊成立／ 登記及營運地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本／ 註冊資本	Percentage of equity attributable to the Company 本公司 應佔權益百份比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
DGT Information Systems Limited*	Hong Kong	Ordinary shares US\$2,250,000 普通股 2,250,000美元	—	55	Investment holding 投資控股
神州數碼通用軟件有限公司*	香港	Preference shares US\$750,000 優先股 750,000美元			
Beijing Instant Technology Logistics Co., Ltd.**	Mainland China	Registered capital RMB10,000,000	—	98.5	Provision of logistic services
北京科捷物流科技有限公司*	中國大陸	註冊資本 人民幣10,000,000元			提供物流服務

* These companies were newly established during the year.

* 該等公司乃於本年度內新成立。

+ The English names of these companies are direct transliterations of their Chinese registered names.

+ 該等公司之英文名稱乃直譯自註冊登記之中文名稱。

Registered as wholly-foreign-owned enterprises under the PRC law.

根據中國法律註冊成立為全外資企業。

~ Registered as Sino-foreign joint ventures under the PRC law.

~ 根據中國法律註冊成立為中外合資企業。

▲ The Chinese names are the trade names but not the official names of these companies.

▲ 該等公司之中文名稱乃貿易名稱，並非其正式名稱。

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

The above table lists 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.

19. DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayments.

20. INTERESTS IN ASSOCIATES

18. 於附屬公司之投資(續)

董事認為上表所載之本公司附屬公司為主要影響本集團本年度之業績或佔本集團資產淨值之重大部份。董事認為倘列出其他附屬公司資料，將使篇幅過於冗長。

19. 應收附屬公司款項

應收附屬公司款項乃無抵押、免息及無固定償還期。

20. 於聯營公司之權益

		Group 本集團
		2004 二零零四年 HK\$'000 港幣千元
		2003 二零零三年 HK\$'000 港幣千元
Share of net assets	應佔資產淨值	26,660
Amount due from an associate	應收聯營公司款項	4,891
Amount due to an associate	應付聯營公司款項	(1,882)
		29,669
		25,948

The amounts due from/(to) associates are unsecured, interest-free and have no fixed terms of repayment.

應收／(應付)聯營公司款項乃無抵押、免息及無固定償還期。

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20. INTERESTS IN ASSOCIATES (cont'd)

Particulars of the principal associates are as follows:

20. 於聯營公司之權益(續)

主要聯營公司之詳情如下：

Name 名稱	Business structure 業務架構	Place of incorporation/ registration and operations 註冊成立／ 登記及營運地點	Percentage of ownership interest attributable to the Group 本集團應佔擁有 權益百分比	Principal activities 主要業務
Digital China Management Systems (BVI) Limited	Corporate 企業	British Virgin Islands 英屬維爾京群島	40	Investment holding 投資控股
Digital China Management Systems Limited ⁺	Corporate	Mainland China	40	Provision of enterprise resources planning software and related services 提供企業資源系統 軟件及有關服務
神州數碼管理系統有限公司	企業	中國大陸		
Beijing Digital China Management Systems Limited ⁺	Corporate	Mainland China	40	Provision of enterprise resources planning software and related services 提供企業資源系統 軟件及有關服務
北京神州數碼管理系統 有限公司	企業	中國大陸		
Guangzhou Digital China Management Systems Limited ⁺	Corporate	Mainland China	40	Provision of enterprise resources planning software and related services 提供企業資源系統 軟件及有關服務
廣州神州數碼管理系統 有限公司	企業	中國大陸		
Nanjing Mercuries DC Financial Systems Ltd. ⁺	Corporate	Mainland China	30	Development and sale of automatic teller machines and related financial services 自助櫃員機及金融 相關產品之 開發及銷售
南京神州數碼三商信息 系統設備有限公司	企業	中國大陸		

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20. INTERESTS IN ASSOCIATES (cont'd)

Particulars of the principal associates are as follows:

Name 名稱	Business structure 業務架構	Place of incorporation/ registration and operations 註冊成立／ 登記及營運地點	Percentage of ownership interest attributable to the Group 本集團應佔擁有 權益百分比	Principal activities 主要業務
Beijing Digital China Wen Technology Limited**	Corporate	Mainland China	40	Application software development, systems integration and IT consultancy services
北京神州數碼緣成科技 有限公司*	企業	中國大陸		提供應用軟件開發、 系統集成及IT 諮詢服務

* This company was newly invested during the year.

* 該公司乃於本年度內新投資。

* The English names of these companies are direct transliterations of their Chinese registered names.

* 該等公司之英文名稱乃直譯自註冊登記之中文名稱。

All of the above associates are indirectly held by the Company.

所有上述聯營公司均由本公司間接持有。

The above table lists the associates of the Group 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 associates would, in the opinion of the directors, result in particulars of excessive length.

董事認為上表所載之本集團聯營公司對本集團本年度業績有重大影響或佔本集團資產淨值之重大部份。董事認為倘列出其他聯營公司資料，將使篇幅過於冗長。

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21. INVENTORIES

21. 存貨

		2004 二零零四年 HK\$'000 港幣千元	Group 本集團 2003 二零零三年 HK\$'000 港幣千元
Trading stock	貿易存貨	1,101,402	1,020,503

As at the balance sheet date, none of the inventories were carried at net realisable value (2003: HK\$39,222,000).

於資產負債表結算日，概無存貨以可變現淨值列帳（二零零三年：港幣39,222,000元）。

22. DUE FROM/(TO) CONTRACT CUSTOMERS

22. 應收／（應付）合約客戶之款項

		2004 二零零四年 HK\$'000 港幣千元	Group 本集團 2003 二零零三年 HK\$'000 港幣千元
Gross amount due from contract customers included in other receivables	已計入其他應收款項之應收合約客戶之款項總額	15,717	17,597
Gross amount due to contract customers included in other payables	已計入其他應付款項之應付合約客戶之款項總額	(5,035)	(5,571)
		10,682	12,026
Contract costs incurred plus recognised profits less recognised losses to date	資產負債表結算日前產生之合約成本加已確認溢利減已確認虧損	273,126	170,806
Less: Progress billings	減：進度款額	(262,444)	(158,780)
		10,682	12,026

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23. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of 30 days, extending up to 60 days, 90 days and 180 days for distribution business, networking products business and systems integration business respectively for major customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by the management.

An aged analysis of the trade and bills receivables as at the balance sheet date and net of provisions is as follows:

23. 應收貿易帳款及應收票據

本集團主要以信貸方式與其客戶訂定貿易條款，惟一般會要求新客戶預付款項。信貸期一般為30天，向分銷業務、網絡產品業務及系統集成業務之主要客戶提供之信貸期則分別可延長至多達60天、90天及180天。本集團對其未收回應收款項實施嚴謹之監控，並設有信貸監控部門，務求將信貸風險減至最低。管理層會定期檢討過期餘額。

於資產負債表結算日，扣除撥備後之應收貿易帳款及應收票據之帳齡分析詳情如下：

		Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Within 30 days	30天內	700,029	800,880
31 to 60 days	31天至60天	343,666	225,131
61 to 90 days	61天至90天	101,999	134,537
91 to 180 days	91天至180天	233,266	161,376
Over 180 days	超過180天	234,861	190,257
		1,613,821	1,512,181

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24. CASH AND BANK BALANCES

		Group 本集團		Company 本公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Cash and bank balances	現金及銀行結餘	521,071	667,097	489	684

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$488,552,000 (2003: HK\$579,264,000). The RMB is not freely convertible into other currencies, however, under PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

24. 現金及銀行結餘

於資產負債表結算日，本集團以人民幣（「人民幣」）定值之現金及銀行結餘合共港幣488,552,000元（二零零三年：港幣579,264,000元）。人民幣不得自由兌換為其他貨幣，然而，根據中國之外匯管理條例及結匯、付匯及售匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

25. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the balance sheet date is as follows:

25. 應付貿易帳款及應付票據

於資產負債表結算日，應付貿易帳款及應付票據之帳齡分析詳情如下：

		Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Within 30 days	30天內	576,741	711,060
31 to 60 days	31天至60天	491,577	446,339
61 to 90 days	61天至90天	35,847	140,647
Over 90 days	超過90天	95,665	125,982
		1,199,830	1,424,028

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26. INTEREST-BEARING BANK BORROWINGS, UNSECURED

26. 附息銀行貸款，無抵押

		Group 本集團		Company 本公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Bank loans repayable:	應償還銀行貸款：				
Within one year or on demand	一年內或按通知	463,014	448,986	-	-
In the second year	於第二年內	273,000	-	273,000	-
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	273,000	312,000	273,000	312,000
		1,009,014	760,986	546,000	312,000
Portion classified as current liabilities	列作流動負債部份	(463,014)	(448,986)	-	-
Long term portion	長期部份	546,000	312,000	546,000	312,000

The Company has guaranteed certain of the Group's bank loans of approximately HK\$463,014,000 (2003: HK\$448,986,000) as at the balance sheet date.

於資產負債表結算日，本公司已就若干本集團銀行貸款約港幣463,014,000元(二零零三年：港幣448,986,000元)作出擔保。

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27. SHARE CAPITAL

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Authorised:	法定：		
2,000,000,000	2,000,000,000股		
(2003: 2,000,000,000)	(二零零三年：2,000,000,000股)		
ordinary shares of HK\$0.1 each	每股面值港幣0.1元之普通股	200,000	200,000
Issued and fully paid:	已發行及繳足股款：		
859,746,331 (2003: 858,704,331)	859,746,331股 (二零零三年：858,704,331股)		
ordinary shares of HK\$0.1 each	每股面值港幣0.1元之普通股	85,975	85,870

During the year, the subscription rights attaching to 1,042,000 (2003: 24,000) share options were exercised at the subscription price of HK\$1.976 per share (note 28), resulting in the issue of 1,042,000 (2003: 24,000) ordinary shares of HK\$0.1 each for a total cash consideration, before expenses, of approximately HK\$2,060,000 (2003: HK\$47,424).

27. 股本

本年度內，1,042,000份（二零零三年：24,000份）附有認購權之購股權以每股港幣1.976元之認購價獲行使（附註28），因此，1,042,000股（二零零三年：24,000股）每股面值港幣0.1元之普通股份以總現金代價（未扣除開支）約港幣2,060,000元（二零零三年：港幣47,424元）予以發行。

28. SHARE OPTION SCHEMES

2001 Share Option Scheme

The old share option scheme of the Company was adopted on 14 May 2001 (the “2001 Share Option Scheme”) pursuant to which the board of directors of the Company may, at its discretion, grant options to full-time employees (including executive directors) of the Company or any of its subsidiaries (the “Employee(s)”) to subscribe for shares of the Company. The purpose of the 2001 Share Option Scheme is to provide the Employees with an opportunity to obtain equity interests in the Company and to reward them for contributing to the long-term success of the Group.

The maximum number of shares issued and to be issued upon exercise of options granted under the 2001 Share Option Scheme had not exceeded 10% of the issued share capital of the Company from time to time. The maximum entitlement of any Employee thereunder had not exceeded 25% of the aggregate number of shares subject to the 2001 Share Option Scheme. A consideration of HK\$1.00 was received on acceptance of each grant. A detailed summary of the 2001 Share Option Scheme had been disclosed in the 2001/02 annual report of the Company.

28. 購股權計劃

二零零一年購股權計劃

本公司之舊有購股權計劃於二零零一年五月十四日採納（「二零零一年購股權計劃」），據此，本公司董事會可酌情授予本公司或其任何附屬公司之全職僱員（包括執行董事）（「僱員」）可認購本公司股份之購股權。二零零一年購股權計劃旨在讓僱員有機會可獲得本公司之股份權益，以獎勵彼等對本集團之長期成功發展所作之貢獻。

根據二零零一年購股權計劃授出之購股權獲行使時已發行及將予發行之最高股份數目，並無超過本公司不時已發行股本之10%。在二零零一年購股權計劃下，任何僱員有權認購之最高股份數目並無超過該計劃下股份總數之25%。每項授出之購股權獲接納時已收取代價港幣1.00元。二零零一年購股權計劃之詳盡概要已於本公司之二零零一／零二年度年報內披露。

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28. SHARE OPTION SCHEMES (cont'd)

2001 Share Option Scheme (cont'd)

Due to the amendment of the requirements for share option schemes under Chapter 17 of the Listing Rules, some of the provisions of the 2001 Share Option Scheme are no longer applicable.

At the annual general meeting of the Company held on 18 July 2002, the shareholders of the Company approved the adoption of a new share option scheme (the "2002 Share Option Scheme") (details of which are set out below) and the termination of the operation of the 2001 Share Option Scheme. Despite the fact that no further options shall be granted under the 2001 Share Option Scheme, the provisions of the 2001 Share Option Scheme shall remain in full force and effect in all other respects to govern all outstanding options granted prior to termination.

The following table shows the movements in the share options under the 2001 Share Option Scheme during the year and the options outstanding at the beginning and end of the year:

Grantee 承授人	Number of share options 購股權數目				Outstanding as at 31/03/2004 於二零零四年 三月三十一日 尚未行使	Subscription price per share 每股認購價 (HK\$) (港幣元) (Note 2) (附註2)		Date of grant 授出日期	Exercisable period 行使期 (Note 1) (附註1)
	Outstanding as at 01/04/2003 於二零零三年 四月一日 尚未行使	Granted during the year 本年度 內獲授	Exercised during the year 本年度 內行使	Lapsed during the year 本年度 內失效					
Directors 董事									
GUO Wei 郭為	2,800,000	-	-	-	2,800,000	3.180	12/07/2001	12/07/2002-11/07/2009	
LIN Yang 林楊	1,500,000	-	-	-	1,500,000	3.180	12/07/2001	12/07/2002-11/07/2009	
HUA Zhinian 華祉年	1,100,000	-	-	-	1,100,000	3.180	12/07/2001	12/07/2002-11/07/2009	
Other employees 其他僱員	34,784,000	-	-	2,202,000	32,582,000	3.604	08/06/2001	08/06/2002-19/06/2009	
(Note 6) (附註6)	21,074,000	-	1,042,000	296,000	19,736,000	1.976	31/08/2001	31/08/2002-30/08/2009	

28. 購股權計劃(續)

二零零一年購股權計劃(續)

由於上市規則第17章有關購股權計劃之規定已作修訂，致使二零零一年購股權計劃之若干條文不再適用。

於二零零二年七月十八日舉行之本公司股東週年大會上，本公司股東批准採納一項新購股權計劃(「二零零二年購股權計劃」)(詳情載於下文)及終止實施二零零一年購股權計劃。雖然本公司不得再根據二零零一年購股權計劃進一步授出購股權，惟二零零一年購股權計劃之條文在其他所有方面仍然具有十足效力及作用，以監管所有在終止前已授出而尚未行使之購股權。

下表載列在二零零一年購股權計劃下購股權於本年度內之變動，以及於年初及年末尚未行使之購股權：

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28. SHARE OPTION SCHEMES (cont'd)

2001 Share Option Scheme (cont'd)

Notes:

1. All options granted are subject to a vesting period of 4 years with 25% becoming exercisable on the first anniversary, 25% on the second anniversary, 25% on the third anniversary and 25% on the fourth anniversary of the respective date of grant.
2. The subscription price of the options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
3. The weighted average of the closing prices of the Company's shares immediately preceding the dates on which the options were exercised was HK\$2.888.
4. No options were cancelled under the 2001 Share Option Scheme during the year.
5. At the balance sheet date, the Company had 64,218,000 share options outstanding under the 2001 Share Option Scheme. The exercise in full of these outstanding share options would, under the present capital structure of the Company, result in the issue of 64,218,000 additional ordinary shares of the Company and additional share capital of approximately HK\$6,422,000 and share premium of approximately HK\$181,342,000 (before issue expenses).
6. Included in the "Other employees" were 1,100,000 share options and 1,100,000 share options granted to Mr. Yu Lishan on 12 July 2001 and 31 August 2001, respectively. Mr. Yu Lishan retired as a director at the annual general meeting of the Company held on 8 August 2003.

28. 購股權計劃(續)

二零零一年購股權計劃(續)

附註：

1. 所有授出之購股權均受制於為期四年的歸屬期，其中25%可於各授出日期起計滿一週年之日開始行使，25%可於滿兩週年之日開始行使，25%可於滿三週年之日開始行使，及25%可於滿四週年之日開始行使。
2. 購股權的認購價於本公司配股或派發紅股或在股本中有其他類似轉變時可予調整。
3. 本公司股份於緊接購股權行使日期前之加權平均收市價為港幣2.888元。
4. 於本年度內概無購股權根據二零零一年購股權計劃被取消。
5. 於資產負債表結算日，本公司於二零零一年購股權計劃下尚有64,218,000份購股權未獲行使。根據本公司之現有資本架構，全面行使該等尚未行使之購股權將導致額外發行64,218,000股本公司之普通股，並額外產生股本約港幣6,422,000元及股份溢價約港幣181,342,000元(未計發行開支)。
6. 計入「其他僱員」包括分別於二零零一年七月十二日及二零零一年八月三十一日授予于立山先生之1,100,000份購股權及1,100,000份購股權。于立山先生於二零零三年八月八日舉行之本公司股東週年大會上退任董事一職。

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28. SHARE OPTION SCHEMES (cont'd)

2002 Share Option Scheme

The 2002 Share Option Scheme was adopted on 18 July 2002 and its principal terms are as follows:

1. Purpose

The 2002 Share Option Scheme seeks to recognise and acknowledge the contributions or potential contributions made or to be made by the qualified persons (as defined below) to the Group, to motivate the qualified persons to optimise their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the qualified persons whose contributions are or may be beneficial to the growth of the Group.

2. Qualified persons

Any part-time or full-time employee or officer or director (including executive, non-executive or independent non-executive) of any member of the Group or of any associated company, or any supplier, agent, customer, joint venture partner, strategic alliance partner, distributor, professional adviser of, or consultant or contractor to, any member of the Group, or the trustee of any trust pre-approved by the board of directors of the Company the beneficiary (or in case of discretionary trust, the discretionary objects) of which include any of the above-mentioned persons.

3. Maximum number of shares

At 31 March 2004, the maximum number of shares available for issue under the 2002 Share Option Scheme was 25,948,033, which represents 3% of the share capital of the Company in issue as at the date of this annual report.

4. Maximum entitlement of each qualified person

The maximum number of shares issued and to be issued upon exercise of the options granted under the 2002 Share Option Scheme and any other share option schemes of the Company to each qualified person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the shares of the Company then in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

28. 購股權計劃(續)

二零零二年購股權計劃

二零零二年購股權計劃乃於二零零二年七月十八日採納，其主要條款如下：

1. 目的

二零零二年購股權計劃旨在確認及答謝合資格人士(定義見下文)對本集團所作出或將作出之貢獻或可能之貢獻，藉以激勵合資格人士為本集團之利益精益求精及提高彼等之效率，並維持或招徠與合資格人士的業務關係，合資格人士的貢獻著實或會有助於本集團的發展。

2. 合資格人士

本集團任何成員公司或任何聯營公司之任何全職或兼職僱員或高級人員或董事(包括執行、非執行或獨立非執行董事)，或本集團任何成員公司之任何供應商、代理、客戶、合營夥伴、策略性聯盟夥伴、分銷商、專業諮詢人、顧問或承包商，或本公司董事會預先批准之任何信託(其受益人(或倘為全權信託，則為全權託管的對象)包括任何上述人士)之受託人。

3. 最高股份數目

於二零零四年三月三十一日，在二零零二年購股權計劃下可供發行之股份最高數目為25,948,033股，佔於本年報日期本公司已發行股本之3%。

4. 每名合資格人士可獲授之最高數目

每名合資格人士在任何十二個月期間根據二零零二年購股權計劃及本公司任何其他購股權計劃可獲授之購股權(包括已行使及尚未行使)，在行使後予以發行及將予發行之最高股份數目不得超過本公司當時已發行股份之1%。任何進一步授出超過此上限之購股權，均須待股東於本公司股東大會上批准後，方可作實。

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28. SHARE OPTION SCHEMES (cont'd)

2002 Share Option Scheme (cont'd)

4. Maximum entitlement of each qualified person (cont'd)

Any grant of options to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive directors of the Company (excluding the independent non-executive director who is the grantee of such options).

Any grant of options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates must, in addition to obtaining the approval of the independent non-executive directors of the Company, be approved by the shareholders of the Company in a general meeting if such proposed grant of share options, when aggregated with all options (whether exercised, cancelled or outstanding) already granted to such substantial shareholder or independent non-executive director during the 12-month period up to and including the date of such grant of options, would (i) entitle that relevant person to receive more than 0.1% of the total issued share capital of the Company for the time being; and (ii) represent an aggregate value in excess of HK\$5,000,000 based on the closing price of the shares of the Company on the Stock Exchange at the date of such grant.

5. Timing for exercise of options

The period during which an option may be exercised in accordance with the terms of the 2002 Share Option Scheme shall be the period set out in the relevant offer letter provided that such period must expire on the date falling on the tenth anniversary of the offer date.

6. Acceptance of offer

An offer of the grant of an option shall be accepted by the grantee on or before the last day for acceptance of such offer as set out in the offer letter, which must not be more than 28 business days from the relevant offer date. A consideration of HK\$1.00 shall be received by the Company on acceptance of each offer.

28. 購股權計劃(續)

二零零二年購股權計劃(續)

4. 每名合資格人士可獲授之最高數目(續)

任何向本公司董事、最高行政人員或主要股東或彼等各自之聯繫人士授出購股權，必須獲本公司之獨立非執行董事(不包括身為該等購股權承授人之獨立非執行董事)批准。

任何向本公司之主要股東或獨立非執行董事或彼等各自之聯繫人士授出購股權時，倘建議授出之購股權加上在直至該次授出購股權當日止(包括該日在內)十二個月期間內已授予該主要股東或獨立非執行董事之所有購股權(不論是已行使、註銷或尚未行使)將會：(i)使該有關人士有權收取的股數超過本公司當時已發行股本總數的0.1%；及(ii)按本公司股份於該授出日期在聯交所之收市價計算，其總值超過港幣5,000,000元，則除了須取得本公司獨立非執行董事之批准外，亦必須在股東大會上經由本公司股東批准。

5. 行使購股權之期限

根據二零零二年購股權計劃之條款，購股權可供行使之期限為有關購股權要約函件所載之期限，惟該期限須於要約日期之第十週年當日屆滿。

6. 接納要約

購股權之要約須於要約函件所載就接納該要約之最後限期或之前獲承授人接納，而該限期不得超過有關要約日期起計之28個營業日。每項要約獲接納時本公司須收取代價港幣1.00元。

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28. SHARE OPTION SCHEMES (cont'd)

2002 Share Option Scheme (cont'd)

7. Basis for determination of subscription price

The subscription price shall be the highest of (a) the closing price of the shares on the offer date; (b) the average of the closing prices of the shares for the five business days immediately preceding the offer date; or (c) the nominal value of a share.

8. Life of the 2002 Share Option Scheme

The 2002 Share Option Scheme shall remain valid and effective for a period of ten years commencing from 18 July 2002, the date on which such scheme is deemed to take effect in accordance with its terms.

The following table shows the movements in the share options under the 2002 Share Option Scheme during the year and the options outstanding at the beginning and end of the year:

Grantee 承授人	Number of share options 購股權數目				Subscription price per share 每股認購價				Exercisable period 行使期 (Note 1) (附註1)
	Outstanding as at 01/04/2003 於二零零三年 四月一日 尚未行使	Granted during the year 本年度 內獲授	Exercised during the year 本年度 內行使	Lapsed during the year 本年度 內失效	Outstanding as at 31/03/2004 於二零零四年 三月三十一日 尚未行使	price per share (HK\$) (港幣元) (Note 2) (附註2)		Date of grant 授出日期	
Directors 董事									
GUO Wei 郭為	-	5,000,000	-	-	5,000,000	2.750	13/10/2003	13/10/2004-12/10/2011	
LIN Yang 林楊	-	2,500,000	-	-	2,500,000	2.750	13/10/2003	13/10/2004-12/10/2011	
HUA Zhinian 華祉年	-	2,000,000	-	-	2,000,000	2.750	13/10/2003	13/10/2004-12/10/2011	
Other employees 其他僱員	-	50,420,000	-	110,000	50,310,000	2.750	13/10/2003	13/10/2004-12/10/2011	

28. 購股權計劃 (續)

二零零二年購股權計劃 (續)

7. 認購價之釐定基準

認購價將為下列中之最高者：(a)股份於要約日期之收市價；(b)股份於緊接要約日期前的五個營業日之平均收市價；或(c)股份之面值。

8. 二零零二年購股權計劃之有效期

二零零二年購股權計劃於二零零二年七月十八日(即該計劃根據其條款被視為已生效之日)起計之十年期間內維持有效及有作用。

下表載列在二零零二年購股權計劃下購股權於本年度內之變動，以及於年初及年末尚未行使之購股權：

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28. SHARE OPTION SCHEMES (cont'd)

2002 Share Option Scheme (cont'd)

Notes:

1. All options granted are subject to a vesting period of four years with 25% becoming exercisable on the first anniversary, 25% on the second anniversary, 25% on the third anniversary and 25% on the fourth anniversary of the respective date of grant.
2. The subscription price of the options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
3. The closing price of the Company's shares on The Stock Exchange of Hong Kong Limited (the "the Stock Exchange") on the business day immediately preceding 13 October 2003, the date of grant of options, was HK\$2.675 per share.
4. No options were cancelled under the 2002 Share Option Scheme during the year.
5. At the balance sheet date, the Company had 59,810,000 share options outstanding under the 2002 Share Option Scheme. The exercise in full of these outstanding share options would, under the present capital structure of the Company, result in the issue of 59,810,000 additional ordinary shares of the Company and additional share capital of approximately HK\$5,981,000 and share premium of approximately HK\$158,497,000 (before issue expenses).

Share options do not confer rights on the holders to dividends or to vote at general meetings.

28. 購股權計劃(續)

二零零二年購股權計劃(續)

附註：

1. 所有授出之購股權均受制於為期四年的歸屬期，其中25%可於各授出日期起計滿一週年之日開始行使，25%可於滿兩週年之日開始行使，25%可於滿三週年之日開始行使，及25%可於滿四週年之日開始行使。
2. 購股權的認購價於本公司配股或派發紅股或在股本中有其他類似轉變時可予調整。
3. 緊接二零零三年十月十三日(即授出購股權日期前之營業日)，本公司股份在香港聯合交易所有限公司(「聯交所」)之收市價為每股港幣2.675元。
4. 於本年度內概無購股權根據二零零二年購股權計劃被取消。
5. 於資產負債表結算日，本公司於二零零二年購股權計劃下尚有59,810,000份購股權未獲行使。根據本公司之現有資本架構，全面行使該等尚未行使之購股權將導致額外發行59,810,000股本公司之普通股，並額外產生股本約港幣5,981,000元及股份溢價約港幣158,497,000元(未計發行開支)。

購股權並無賦予持有人享有股息或於股東大會上投票的權利。

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29. RESERVES

Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 56 to 57 of this annual reports.

Reserve funds

Reserve funds are reserves set aside in accordance with the relevant PRC regulations as applicable to the Group's subsidiaries in Mainland China. These reserve funds can be used to offset accumulated losses but not be distributable in the form of cash dividends.

29. 儲備

本集團

本集團於本年度及以往年度之儲備及有關變動金額呈列於此年報第56頁至第57頁之綜合權益變動表內。

儲備基金

儲備基金為本集團於中國大陸之附屬公司按中國有關法規撥出之儲備。該等儲備基金可用以抵銷累計虧損，但不能以現金股息之方式分派。

Company		Share premium account 股份溢價帳 HK\$'000 港幣千元	Contributed surplus 繳入盈餘 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
	本公司				
Balance at 1 April 2002	於二零零二年四月一日	289,850	623,689	550	914,089
	之結餘				
Exercise of share options	行使購股權	45	—	—	45
Net profit for the year	本年度溢利淨額	—	—	70,007	70,007
Proposed 2003 final dividend – Note 12	擬派二零零三年度末期 股息 — 附註12	—	—	(63,372)	(63,372)
At 31 March 2003 and beginning of year	於二零零三年三月 三十一日及年初	289,895	623,689	7,185	920,769
Exercise of share options	行使購股權	1,955	—	—	1,955
Net profit for the year	本年度溢利淨額	—	—	58,920	58,920
At 31 March 2004	於二零零四年三月 三十一日	291,850	623,689	66,105	981,644

The contributed surplus of the Company represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to a corporate reorganisation in preparation for the listing of the Company's shares on the Main Board of the Stock Exchange, over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act of Bermuda (as amended) and the Bye-Laws of the Company, the contributed surplus can be distributed to the shareholders, provided that the Company will be able to pay its liabilities as they fall due and subsequent to the distribution, the aggregate amount of its total liabilities, as well as the issued share capital and premium, is less than the realisable value of its assets.

本公司之繳入盈餘指根據為籌備本公司股份在聯交所主板上市而進行之一項公司重組而收購附屬公司之股份其公平價值高於本公司作為交換而發行之股份面值之金額。根據百慕達公司法(可不時予以修訂)及本公司之公司細則，繳入盈餘可分派予股東，惟本公司必須有能力償還到期之債務，而在該項分派後，本公司之總債項以及已發行股本及溢價乃低於其資產的可變現值。

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30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Acquisition of subsidiaries

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Net assets acquired:	所收購之資產淨值：		
Fixed assets	固定資產	-	6,092
Cash and bank balances	現金及銀行結餘	-	37,787
Inventories	存貨	-	9,385
Trade receivables	應收貿易帳款	-	14,518
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	-	7,127
Trade payables	應付貿易帳款	-	(33)
Other payables and accruals	其他應付款項及預提費用	-	(8,555)
Short term bank borrowings	短期銀行貸款	-	(4,705)
Minority interests	少數股東權益	-	(6,319)
		-	55,297
Goodwill on acquisition	收購時產生之商譽	-	22,065
		-	77,362
Satisfied by:	支付方式：		
Cash	現金	-	77,362

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries is as follows:

30. 綜合現金流量表附註

(a) 收購附屬公司

收購附屬公司所耗現金及現金等價物淨額之分析如下：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Cash consideration	現金代價	-	77,362
Cash and bank balances acquired	所收購之現金及銀行結餘	-	(37,787)
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	收購附屬公司所耗現金及現金等價物淨額	-	39,575

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30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (cont'd)

(a) Acquisition of subsidiaries (cont'd)

On 26 December 2002, the Group acquired a 70% interest in SicTech at a consideration of approximately HK\$31,351,000. SicTech was principally engaged in the provision of electronic administration services. The purchase consideration for the acquisition was in the form of cash which was paid on the acquisition date.

On 10 July 2002, the Group acquired a 100% interest in Sinoray at a consideration of approximately HK\$46,011,000. Sinoray was principally engaged in the provision of automatic teller machine network services. The purchase consideration for the acquisition was in the form of cash which was paid on the acquisition date.

The subsidiaries acquired in the prior year contributed approximately HK\$53,880,000 to the Group's turnover and approximately HK\$4,164,000 to the consolidated profit after tax and before minority interests for the year ended 31 March 2003.

(b) Acquisition of minority interests

30. 綜合現金流量表附註(續)

(a) 收購附屬公司(續)

於二零零二年十二月二十六日，本集團以約港幣31,351,000元之代價收購國信之70%權益。國信主要從事提供電子行政服務。收購之購買代價以現金支付，並已於收購日期支付。

於二零零二年七月十日，本集團以約港幣46,011,000元之代價收購新龍之100%權益。新龍主要從事提供自動櫃員機網絡服務。收購之購買代價以現金支付，並已於收購日期支付。

去年度內收購之附屬公司於截至二零零三年三月三十一日止年度為本集團帶來貢獻約港幣53,880,000元之營業額及約港幣4,164,000元之除稅但未扣除少數股東權益前綜合溢利。

(b) 收購少數股東權益

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Net assets acquired:	所收購之資產淨值：		
Minority interests	少數股東權益	-	39,840
Negative goodwill arising on acquisition of minority interests (note 6)	因收購少數股東權益而產生之負商譽(附註6)	-	(6,585)
		-	33,255
Satisfied by:	支付方式：		
Cash	現金	-	33,255

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31. CONTINGENT LIABILITIES

(a) At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

		Group 本集團		Company 本公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Bills discounted with recourse	附有追索權之貼現票據	252,431	372,332	—	—
Guarantees given for banking facilities utilised by subsidiaries	為附屬公司已使用之銀行額度提供之擔保	—	—	886,648	1,120,869
Guarantees to suppliers for subsidiaries	為附屬公司提供予供應商之擔保	—	—	162,127	254,160
		252,431	372,332	1,048,775	1,375,029

31. 或然負債

(a) 於資產負債表結算日，並未於財務報表撥備之或然負債如下：

(b) The Company and the Group have a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of approximately HK\$1.7 million (2003: approximately HK\$1.9 million) as at 31 March 2004, as further explained under the heading "Employee benefits" in note 3 to the financial statements. The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

(b) 於二零零四年三月三十一日，本公司及本集團根據香港僱傭條例存在須向僱員支付之長期服務金之或然負債的可能最高金額約港幣1,700,000元（二零零三年：約港幣1,900,000元），詳情見財務報表附註3「員工福利」一節。或然負債產生，乃由於在資產負債表結算日，一些現有僱員已達到所需為本集團服務的年資，以符合資格在特定之離職情況領取香港僱傭條例項下之長期服務金。由於認為有關情況將不會導致未來有重大資源的流出，因此並未就該等可能性款項確認撥備。

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32. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office properties and warehouse under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years.

At 31 March 2004, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 本集團		Company 本公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Within one year	一年內	23,743	22,294	2,420	2,530
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	31,588	18,001	1,613	4,033
After five years	五年後	14,138	5,049	—	—
		69,469	45,344	4,033	6,563

32. 經營租賃安排

本集團根據經營租賃安排租賃其若干辦公室物業及貨倉。所議定物業租約期間界乎一年至十年。

於二零零四年三月三十一日，根據簽訂不可撤銷之經營租約，本集團及本公司到期須支付之未來最低租賃付款如下：

33. COMMITMENTS

In addition to the operating lease arrangements detailed in note 32 above, the Group had the following commitments at the balance sheet date:

33. 承擔

除上文附註32所詳述之經營租賃安排外，本集團於資產負債表結算日之承擔如下：

(a) Capital commitments

(a) 資本承擔

		Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Land use rights, leasehold land and buildings	土地使用權、租賃土地及樓宇	216,447	132,884
Capital contribution payable to an associate	對聯營公司之投資	—	6,552

At the balance sheet date, the Company did not have any significant capital commitments.

於資產負債表結算日，本公司並無任何重大資本承擔。

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33. COMMITMENTS (cont'd)

(b) Commitments under forward foreign exchange contracts

33. 承擔 (續)

(b) 遠期外匯合約承擔

	Group 本集團		Company 本公司	
	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Forward foreign exchange contracts 遠期外匯合約	153,665	38,864	153,665	38,864

34. RELATED PARTY TRANSACTIONS

(a) In addition to those transactions and balances presented elsewhere in the financial statements, the Group had the following material transactions with related parties during the year:

34. 有關連人士交易

(a) 除財務報表其他部份所呈列之該等交易及結餘外，本集團於本年度有以下重大之有關連人士交易：

			Group 本集團	
		Notes 附註	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Lenovo Group Limited (formerly known as Legend Group Limited) and its subsidiaries, the subsidiaries of the Company's controlling shareholder:	本公司控股股東之附屬公司 聯想集團有限公司 及其附屬公司：			
Sales of goods by the Group	本集團銷售之貨物	(i)	28,253	4,812
Purchases of goods by the Group	本集團購買之貨物	(ii)	-	965
Rental expenses paid by the Group	本集團支付之租金	(iii)	740	2,324
Right Lane Limited, a wholly-owned subsidiary of the Company's controlling shareholder:	本公司控股股東之全資擁有 附屬公司南明有限公司：			
Rental expenses paid by the Group	本集團支付之租金	(iii)	410	660
D-Link Corporation, a former shareholder of a subsidiary of the Company, and its subsidiaries:	本公司一家附屬公司之前 股東友訊科技股份 有限公司及其附屬公司：			
Sales of goods by the Group	本集團銷售之貨物	(i)	-	25,906
Purchases of goods by the Group	本集團購買之貨物	(ii)	-	36
Acquisition of minority interest	收購少數股東權益	(iv)	-	33,255

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34. RELATED PARTY TRANSACTIONS (cont'd)

34. 有關連人士交易 (續)

			Group 本集團	
			2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
	Notes 附註			
Digital China Management Systems (BVI) Limited and its subsidiaries, associates of the Group:		本集團之聯營公司 Digital China Management Systems (BVI) Limited 及其附屬公司：		
Sales of goods by the Group	(i)	本集團銷售之貨物	11,704	1,893
Purchases of goods by the Group	(ii)	本集團購買之貨物	2,586	—

Notes:

附註：

- | | |
|--|--|
| (i) The sales were made according to the listed prices and conditions offered to the major customers of the Group. | (i) 該等銷售乃根據本集團向其主要客戶提供之訂價及條件而進行。 |
| (ii) The purchases were made according to the listed prices and conditions offered by the related parties to their major customers. | (ii) 該等購買乃根據有關連人士向其主要客戶提供之訂價及條件而進行。 |
| (iii) The rental expenses were determined at rates mutually agreed between the Group and the corresponding related parties based on the prevailing market reference. | (iii) 租金乃根據本集團與相關有關連人士按當時市價為基準而由雙方協定之租值。 |
| (iv) The consideration was determined by a price mutually agreed between the two parties. | (iv) 代價乃根據雙方協定之價格釐定。 |

35. COMPARATIVE AMOUNTS

As further explained in note 2 to the financial statements, due to the adoption of a revised SSAP during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made and certain comparative amounts have been restated to conform with the current year's presentation.

35. 比較數字

如財務報表附註2所作之進一步詳述，由於本年度採納了一項經修訂會計實務準則，財務報表內若干項目及結餘之會計處理及呈報已經修訂，以符合新規定。因此，已作出若干以往年度調整，而若干比較數字已經重列，以符合本年度之呈報方式。

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 16 June 2004.

36. 財務報表之核准

本財務報表已於二零零四年六月十六日經董事會批准及授權刊發。