



Notes to the Accounts

1 ORGANISATION AND PRINCIPAL ACTIVITIES

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

The Company is an investment holding company. The Company’s subsidiaries (together with the Company referred to as “the Group”) are principally engaged in the trading of motor trucks, coaches and vehicle accessories, provision of motor vehicle repairs and maintenance services, sale of fuel, provision of other motor vehicle related services, assembling of motor vehicles, motor vehicle financing business, development of smart card system and investment holding.

2 PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of presentation

In February 2004, the Group issued certain convertible bonds and raised US\$15 million (equivalent to HK\$117 million) of which approximately HK\$77,000,000 was utilised to repay the Group’s long-term syndicated loans. On 7th April 2004, the Company received a redemption notice, as originally granted under the bond issuance agreement, which requested the Company to redeem the bond at issue price of US\$6 million (equivalent to HK\$47 million) on 3rd May 2004. Management intends to repay the US\$6 million from its existing bank facilities (Note 31). In addition, management believes that the group will be able to obtain adequate fundings from the remaining bank facilities and cash inflow from operations. Accordingly, the accounts as at 31st December 2003 have been prepared on a going concern basis.

帳目附註

1 組織及主要業務

福方國際控股有限公司（「本公司」）於一九九八年九月十日在開曼群島根據開曼群島公司法（經修訂）註冊成立為獲豁免有限公司。本公司的股份已於二零零一年七月十二日在香港聯合交易所有限公司上市。

本公司為一間投資控股公司，其附屬公司（連同本公司統稱為「本集團」）主要從事貨車、旅遊巴士及汽車零配件的貿易、提供汽車維修保養服務、銷售燃油、提供其他汽車相關服務、汽車組裝、汽車融資、發展「智慧卡」系統及投資控股等業務。

2 主要會計政策

編製帳目所採納的主要會計政策載列如下：

(a) 呈報基準

於二零零四年二月，本集團發行若干可換股債券籌措1,500萬美元（等值1.17億港元）。部份發行債券所得款項償還了總值約7,700萬港元的長期銀團貸款。於二零零四年四月七日，本公司按照原債券發行協議所授予之權利收到一贖回通知要求本公司於二零零四年五月三日贖回已發行可換股債券本金額中的600萬美元（等值4,700萬港元）。管理層擬用其現有銀行備用額之600萬美元償還此部份可換股債券金額（附註31）。此外，管理層相信本集團將可從其餘銀行備用額及從營運之現金流入獲取足夠資金。因此，截至二零零三年十二月三十一日止之帳目乃按持續經營基準編製。



Notes to the Accounts

帳目附註

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(b) Basis of preparation

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

In the current year, the Group adopted the Statement of Standard Accounting Practice (“SSAP”) No. 12 “Income Taxes” issued by the HKSA which is effective for accounting periods commencing on or after 1st January 2003. The adoption of SSAP 12 had no material effect on amounts reported in prior years.

2 主要會計政策 (續)

(b) 編製基準

帳目乃按香港公認會計原則編製，符合香港會計師公會頒佈的會計準則。除了下文會計政策所披露，若干物業及證券投資是按公允值列帳以外，帳目乃按歷史成本基準編製。

本集團於本年度採納了香港會計師公會頒佈的會計實務準則第12號「入息稅」，此項會計實務準則對二零零三年一月一日或以後開始的會計期間有效。採納會計實務準則第12號對過往年度所報的帳目並無重大影響。



Notes to the Accounts

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(b) Group accounting

(i) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December.

Subsidiaries are those entities in which the company, directly or indirectly, controls more than half the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors or to cast majority of votes at the meetings of the board of directors.

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

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

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

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

帳目附註

2 主要會計政策 (續)

(b) 集團之會計處理

(i) 綜合入帳

綜合帳目包括本公司及其附屬公司截至十二月三十一日為止的帳目。

附屬公司乃指本公司在其中直接或間接控制超過一半投票權、有權掌管其財政及營運決策、可委任或罷免董事會大多數成員或可於其董事會會議上投大多數票的實體。

年內購入或出售的附屬公司之業績，由收購生效日期起或截至出售之生效日期止（如適用）於綜合損益帳內綜合入帳。

本集團內公司間的所有重大交易及結餘已於綜合帳目內抵銷。

出售附屬公司的收益或虧損乃指出售所得的收入與本集團應佔該公司資產淨值的差額，連同任何未經攤銷的商譽或負商譽，或撥入儲備內但以往並未在綜合損益帳扣除或確認的商譽／負商譽，以及任何相關的累計匯兌儲備。

少數股東權益指外界股東於附屬公司經營業績及資產淨值中所佔的權益。



Notes to the Accounts

帳目附註

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(b) Group accounting (continued)

(i) Consolidation (continued)

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

(ii) Joint ventures

A joint venture is an entity established between the Group and one or more other parties for a pre-determined period of time, with the rights and obligations of the joint venture partners being governed by a contract. If the Group is able to control and govern the financial and operating policies of the joint venture so as to obtain benefits from its activities, such joint venture is accounted for as a subsidiary. If the Group is only be able to exercise significant influence over the joint venture, such joint venture is accounted for as an associate.

(iii) Associated companies

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of associated companies for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associated companies and also goodwill/ negative goodwill (net of accumulated amortisation) on acquisition.

2 主要會計政策 (續)

(b) 集團之會計處理 (續)

(i) 綜合入帳 (續)

在本公司的資產負債表內，於附屬公司的投資乃按成本值扣除減值虧損撥備後列帳。附屬公司的業績由本公司根據已收及應收的股息入帳。

(ii) 合營企業

合營企業乃指本集團與另外一方或多方成立並在一段預定期間內經營的企業，而合營伙伴的權責須受合約規管。倘本集團能控制及監管合營企業的財政及營運決策，以從業務當中獲益，則該合營企業列為附屬公司入帳。倘本集團只能對合營企業行使重大影響力，則該合營企業會列為聯營公司。

(iii) 聯營公司

聯營公司乃指本集團在其中長期持有股權，且對其管理有重大影響力但並非附屬公司的公司。

綜合損益帳包括本集團應佔聯營公司於年內的業績，而綜合資產負債表則包括本集團應佔聯營公司的資產淨值以及收購時產生的商譽／負商譽（扣除累計攤銷）。



Notes to the Accounts

帳目附註

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(b) Group accounting (continued)

(iii) Associated companies (continued)

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

No loss of associated companies will be equity accounted for when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

(iv) Translation of foreign currencies

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

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

2 主要會計政策 (續)

(b) 集團之會計處理 (續)

(iii) 聯營公司 (續)

在本公司的資產負債表內，於聯營公司的投資乃按成本值扣除減值虧損撥備列帳。聯營公司的業績由本公司根據已收及應收的股息入帳。

倘聯營公司投資的帳面值為零，則聯營公司的虧損不會以權益會計法入帳，惟若本集團就該聯營公司產生責任或擔保責任則作別論。

(iv) 外幣換算

以外幣進行的交易乃按交易日適用的匯率換算。於結算日以外幣計值的貨幣資產及負債乃按結算日適用的匯率換算。由此產生的匯兌差額於損益帳內處理。

附屬公司及聯營公司以外幣計值的資產負債表乃以結算日適用的匯率換算，而盈利及虧損則按平均匯率換算。由此產生的匯兌差額列作儲備變動處理。



Notes to the Accounts

帳目附註

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(c) Property and equipment and depreciation

Property and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Major expenditures on modifications and betterments of property and equipment which will increase their future economic benefits are capitalised, where expenditures on maintenance and repairs are expensed when incurred. Properties are subject to independent valuations on a regular basis, with the last valuation performed on 31st December 2003. Any increase in valuation on properties is credited to the property revaluation reserve; and any decrease is firstly offset against any earlier increase in valuation in respect of the same asset and is thereafter charged to the profit and loss account.

Freehold land is not depreciated. Leasehold land is depreciated over the period of the lease while other fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold land	2%
Buildings	4%
Leasehold improvements	20% to 25%
Furniture and office equipment	10% to 50%
Motor vehicles	20% to 30%

2 主要會計政策 (續)

(c) 物業及設備與折舊

物業及設備乃按成本值或估值減累計折舊及累計減值虧損列帳。可增加未來經濟效益之物業及設備改造及修葺的主要開支則資本化，而保養及維修物業及設備之開支於產生時列作支出。物業須進行定期獨立估值，而最近一次的估值已於二零零三年十二月三十一日進行。物業的增值會入帳列為物業重估儲備，而減值則先抵銷該項資產先前的增值，之後才在損益帳內扣除。

擁有永久業權的土地不會計提折舊；批租土地乃按租期計提折舊；其他固定資產乃於估計可使用年期內，以直線法按足以撇銷其成本減累計減值虧損的比率計提折舊。主要年率如下：

批租土地	2%
樓宇	4%
租賃物業裝修	20%至25%
傢具及辦公室設備	10%至50%
汽車	20%至30%



Notes to the Accounts

帳目附註

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(c) Property and equipment and depreciation (continued)

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

Gains and losses on disposals of property and equipment are recognised in the profit and loss account based on the net disposal proceeds less the then carrying amount of the assets. Upon disposal of revalued properties, the relevant portion of revaluation reserve recognised in respect of previous revaluations is released from the property revaluation reserve to retained profit.

(d) Investments in securities

(i) Investment securities

Investment securities are stated at cost less any provision for impairment losses.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such securities will be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to profit and loss when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

2 主要會計政策 (續)

(c) 物業及設備與折舊 (續)

於每個結算日均會考慮內部及外來訊息，以評定物業及設備當中的資產是否有減值的跡象。倘發現有減值跡象，即會估計資產的可收回金額，並（如有關）確認減值虧損，以便將資產減至其可收回金額。減值虧損乃於損益帳內確認，惟若資產乃按估值列帳，而且減值虧損不超過該項資產的重估盈餘，則視作重估盈餘減少。

出售物業及設備之盈虧，按出售所得款項淨額減該項資產當時之帳面值，於損益帳中確認。當出售重估物業時，重估儲備內就先前重估物業確認的有關部份，會由物業重估儲備轉撥往保留溢利。

(d) 證券投資

(i) 投資證券

投資證券乃按成本值減任何減值虧損撥備列帳。

個別項目投資的帳面值會於每個結算日檢視，以釐定其公允值是否已低於帳面值。倘發生非暫時性的減值，則該等證券的帳面值將會撇減至其公允值。減值虧損乃於損益帳確認為開支。倘導致撇減或撇銷減值虧損的情況及事件不再存在，並有充足證明顯示新情況及事件於可見未來會持續，則於損益帳內撤回減值虧損。



Notes to the Accounts

帳目附註

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(d) Investments in securities (continued)

(ii) Other investments

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

(e) Finance leases

A lease is classified as a finance lease where substantially all the risks and rewards of ownership of the underlying assets are transferred to the lessee. The amount due from the lessee under a finance lease is recorded in the balance sheet as receivable at the amount of the Group's net investments in the lease, being the total of the minimum lease rentals less earnings allocated to future periods, less bad and doubtful rental receivable. The total gross earnings (interest income) under a finance lease is allocated to accounting periods to give a constant periodic rate of return on the Group's net investment in the lease in each period. Initial direct costs are recognised as expense at the commencement of the lease.

(f) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired business at the date of acquisition.

Goodwill is amortised using the straight-line method over its estimated useful life of 10 years.

Where an indication of impairment exists, the carrying amount of the goodwill is assessed and written down immediately to its recoverable amount.

2 主要會計政策 (續)

(d) 證券投資 (續)

(ii) 其他投資

其他投資乃按公允值列帳。於每個結算日，其他投資的公允值出現變動而產生的未變現收益或虧損淨額，會於損益帳確認。出售其他投資的溢利或虧損，指銷售所得款項淨額與帳面值之間的差額，在產生時會於損益帳確認。

(e) 融資租賃

凡有關資產的所有權的絕大部分風險及回報已轉嫁予承租人的租賃乃被列為融資租賃。融資租賃項下應收承租人的款項，會於資產負債表內按本集團於租賃的淨投資額，入帳列為應收款項，即為最低應付租金總額減未來期間攤分的盈利減應收的呆壞帳租金。融資租賃項下的收入總額（利息收入）會於會計期間內攤分，令本集團在各個期間於租賃的淨投資所得回報有固定回報率。初步直接成本乃於租賃開始時確認為開支。

(f) 商譽

商譽指收購成本高出本集團於收購當日所佔被收購業務淨資產的公允值之數額。

商譽乃按估計可使用期限（十年）以直線法攤銷。

倘有跡象顯示會出現減值，則會評估商譽的帳面值，並隨即撇減至其可收回金額。



Notes to the Accounts

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. For motor vehicles, cost is determined on the specific identification basis, while for other inventories, cost is determined on the weighted average basis and in the case of work-in-progress, also direct labour and an appropriate proportion of production overheads. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(h) Accounts receivables

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

(i) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts.

(j) Operating leases

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

帳目附註

2 主要會計政策 (續)

(g) 存貨

存貨乃按成本及可變現淨值兩者中之較低者入帳。汽車的成本按特定確認基準釐定，其他存貨的成本按加權平均法計算，在製品則按直接人工成本及生產的經常費用之適當部分計算。可變現淨值乃按預期從銷售所得款項減估計銷售開支計算。

(h) 應收帳款

應收帳款凡被視為呆帳時即計提撥備。資產負債表內的應收帳款乃在扣除該項撥備後入帳。

(i) 現金及現金等值物

現金及現金等值物乃於資產負債表內按成本入帳。對現金流量表而言，現金及現金等值物包括手頭現金、活期銀行存款、自投資當日起計到期日不出三個月的現金投資，以及銀行透支。

(j) 經營租賃

凡租賃資產所有權之絕大部份風險及回報仍屬出租公司擁有之租約均為經營租賃。經營租賃之付款扣除出租公司收取的任何減租寬免後，按有關租約年期以直線法於損益帳扣除。



Notes to the Accounts

帳目附註

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(k) Provisions

A provision is recognised when there is a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligations. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

(l) Contingent liabilities and contingent assets

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

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2 主要會計政策 (續)

(k) 撥備

倘因過往發生之事件引致目前出現法律或推定責任，而該等責任可能導致資源流出（經濟利益外流），以清還負債，並能夠可靠估計負債金額時，則計提撥備。撥備金額予以定期檢視，並會不時調整以反映目前最準確之估計數額。假如金額時值影響重大，則撥備之金額將為預期清償債務所需開支之現值。

(l) 或然負債及或然資產

或然負債指因過往事件而可能產生的負債，其最終是否出現則要視乎一項或多項不確定的未來事件是否發生而定，而該等未來事件更非本集團控制之內。或然負債亦可能是因過往事件而產生但尚未確認的現有負債，尚未確認的原因是經濟資源流出的機會不大或未能可靠衡量負債金額。

或然負債不予確認，而是於帳目附註內披露。當經濟資源流出的可能性出現變動，導致經濟資源有機會流出，則將或然負債確認為撥備。

或然資產指因過往事件而可能產生的資產，其最終是否出現則要視乎一項或多項不確定的事件是否發生而定，而該等不確定事件並非本集團控制之內。

或然資產不予確認，而是當經濟利益有機會流入時，於帳目附註內披露。若經濟利益流入的機會幾近確定，則確認資產。



Notes to the Accounts

帳目附註

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(m) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity are not recognised until the time of leave.

(ii) *Pension obligations*

The Group operates a number of defined benefit and defined contribution plans in Hong Kong and Taiwan, the assets of which are generally held in separate trustee – administered funds. The pension plans are generally funded by payments from employees and by the relevant Group companies, taking account of the recommendations of independent qualified actuaries.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

2 主要會計政策 (續)

(m) 僱員福利

(i) *僱員可享的假期*

僱員可享的年假於僱員應可取得時確認入帳。本集團會就直至結算日為止，僱員提供服務而可享有的年假及長期服務假期的估計負債作出撥備。

僱員可享有的病假及產假於請假時方會確認。

(ii) *退休金責任*

本集團於香港及台灣設立多項界定福利及界定供款計劃，該等計劃的資產一般存於受託人管理的個別基金內。退休計劃通常於考慮獨立合資格精算師的推薦意見後，由僱員及有關集團公司供款。

本集團對界定供款退休計劃的供款於產生時列作開支，而僱員在全數取得供款前離開該計劃而被沒收的任何供款，會用作減少本集團的供款。



Notes to the Accounts

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(m) Employee benefits (continued)

(ii) Pension obligations (continued)

For defined benefit plans, pension costs are assessed using the projected unit credit cost method: the cost of providing pensions is charged to the profit and loss account so as to spread the regular cost over the service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the plans each year. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities. Actuarial gains and losses are recognised over the average remaining service lives of employees. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested.

The Group's contributions to defined benefits pension plans are charged to the profit and loss account in the period to which the contributions relate.

(n) Turnover and revenue recognition

Revenue is recognised when the outcome of a transaction can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Group. Sales revenue is recognised when the significant risks and rewards of ownership of the merchandise have been transferred to the buyers. Service fees are recognised when the services are rendered. Interest income is recognised on a time-proportion basis on the principal outstanding and at the rates applicable.

帳目附註

2 主要會計政策 (續)

(m) 僱員福利 (續)

(ii) 退休金責任 (續)

對於界定福利計劃而言，退休成本利用預計單位貸記法評估：提供退休福利的成本，會根據精算師每年對該等計劃進行全面評估後作出的建議，於損益帳內扣除，令退休成本於僱員服務年期內固定攤分。退休責任乃利用政府證券的息率，按估計未來現金流出量的現值計算。精算收益及虧損於僱員的平均餘下服務年期內確認。過往服務成本會按直線法於平均期間內確認為開支，直至給予有關福利為止。

本集團對界定退休福利計劃的供款，乃於供款相關的期間內在損益帳內扣除。

(n) 營業額及收入確認

收入乃於交易之結果得以可靠衡量且有關交易之經濟利益可能流入本集團時確認。銷售收入於商品的所有權的絕大部份風險及回報已轉予買方時確認。服務費用於提供有關服務時確認。利息收入以未到期本金按時間比例及適用利率確認。



Notes to the Accounts

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(o) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

In prior year, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the new SSAP 12 has no material impact on the Group's results and financial positions for the current and prior accounting periods.

(p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to prepare for its intended use or sale are capitalised as part of the cost of that asset at rates based on the actual cost of the specific borrowings. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(q) Segment reporting

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

帳目附註

2 主要會計政策 (續)

(o) 遞延稅項

遞延稅項乃就資產和負債的稅基與賬目中所示賬面值兩者的暫時差異，以負債法全數撥備。遞延稅項按結算日當日制定或實質制定的稅率計算。

倘若日後可望有應課稅溢利，使暫時差異可予抵扣，則確認遞延稅項資產。

上年度所用的基準，是倘若預計於可見將來會有負債須予支付或資產可予收回，則對用於計稅之溢利與帳面溢利之間的重大時差，按當期稅率計提遞延稅項撥備。採納新的會計實務準則第12號對本集團本期及過往會計期間的業績及財務狀況概無重大影響。

(p) 借貸成本

凡資產需要一段頗長時間始能達至擬定用途或出售，則直接屬於購入、建造或生產該項資產的借貸成本乃按該項特定借貸之實際成本撥充資本，作為資產成本之一部份。所有其他借貸成本均於產生之期間內確認為開支。

(q) 分類申報

根據本集團的內部財務申報，本集團決定將業務分類作為主要申報形式，而地區分類則為次要申報形式。



Notes to the Accounts

2 PRINCIPAL ACCOUNTING POLICIES

(continued)

(q) Segment reporting *(continued)*

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

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

3 RELATED PARTY TRANSACTIONS

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.

帳目附註

2 主要會計政策 (續)

(q) 分類申報 (續)

未分配成本乃指公司開支。分類資產主要包括無形資產、固定資產、存貨、應收款項、經營現金、證券投資及於聯營公司的投資。分類負債包括經營負債，但不包括稅項和若干公司借貸等項目。資本開支包括無形資產及固定資產之增加，當中包括因透過收購附屬公司而添置的無形資產及固定資產。

就地區分類申報而言，銷售額乃按客戶所在國家劃分，而總資產及資本開支則以資產所在地劃分。

3 有關連人士交易

倘一方有能力直接或間接控制另一方，或在另一方的財務及經營決策上發揮重大影響力者，則該等人士被視為有關連人士。倘任何人士受同一控制權或受同一重大影響，亦被視為有關連人士。

Notes to the Accounts

帳目附註

3 RELATED PARTY TRANSACTIONS

(continued)

(a) Particulars of significant transactions with related parties are summarised below:

3 有關連人士交易 (續)

(a) 與有關連人士進行的重大交易詳情摘要如下:

			2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Sales to	向以下公司進行銷售:			
- Forefront Motors (Hong Kong) Limited	- 福方汽車(香港)有限公司	(i)	138	157
- Ankor Services Limited	- 安佳汽車維修有限公司	(i)	384	351
- Todaytech Asia Limited	- Todaytech Asia Limited	(ii)	7	-
- Sunshine Finance Co., Ltd.	- 勝山實業股份有限公司	(i)	-	21,461
Interest income in respect of overdue accounts receivable from Sunshine Finance Co., Ltd.	應收勝山實業股份有限公司 過期應收帳款利息收入	(i)	-	761
Rental income received/receivable from	已收/應收下列公司的租金收入			
- Forefront Motors (Hong Kong) Limited	- 福方汽車(香港)有限公司	(i)	360	360
- Todaytech Asia Limited	- Todaytech Asia Limited	(ii)	150	-
Management fee income received/receivable from	已收/應收以下公司的管理費:			
- Sunshine Finance Co. Ltd.	勝山實業股份有限公司	(i)	100	37
- Fuyo Leasing Co. Ltd.	福友租賃股份有限公司	(iii)	82	32
- Achieve Leasing Co. Ltd.	福企租賃股份有限公司	(iii)	82	32
- Fully Leasing Co. Ltd.	福兆租賃股份有限公司	(iii)	82	32
- Forth Leasing Co. Ltd.	福之租賃股份有限公司	(iii)	82	32
- Free Leasing Co. Ltd.	福立租賃股份有限公司	(iii)	42	-
- Future Leasing Co. Ltd.	福昌租賃股份有限公司	(iii)	42	-
- Fortune Leasing Co. Ltd.	福川租賃股份有限公司	(iii)	42	-
- Fund Leasing Co. Ltd.	福采租賃股份有限公司	(iii)	8	-



Notes to the Accounts

帳目附註

3 RELATED PARTY TRANSACTIONS

(continued)

3 有關連人士交易 (續)

			2003 二零零三年	2002 二零零二年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Rental expense in respect of office premises paid/payable to Forefront International Limited	已付／應付福方股份有限公司的辦公室物業租金開支	(i)	5,397	4,320
Repair & maintenance charges paid/payable to – Ankor Services Ltd.	已付／應付下列公司之維修保養費用 – 安佳汽車維修有限公司	(i)	376	–
Purchase of motor vehicles from – Forefront International Limited – Forefront Motors (Hong Kong) Limited	從下列公司購入汽車 – 福方股份有限公司 – 福方汽車(香港)有限公司	(i) (i)	– –	139 998



Notes to the Accounts

帳目附註

3 RELATED PARTY TRANSACTIONS

(continued)

(b) Particulars of significant balances with related parties are summarised below:

3 有關連人士交易 (續)

(b) 與有關連人士的主要結餘摘要如下:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Accounts receivable from	應收下列公司的帳款		
– Forefront International Limited	– 福方股份有限公司	676	676
– Forefront Motors (Hong Kong) Limited	– 福方汽車(香港)有限公司	55	2,132
– Ankor Services Limited	– 安佳汽車維修有限公司	462	498
– Todaytech Asia Limited	– Todaytech Asia Limited	72	–
Finance lease receivables from Sunshine Finance Co., Ltd. (Note 3(c) & 3(d))	應收勝山實業股份有限公司的融資租賃款項(附註3(c)及3(d))	9,912	28,005
Other receivables from	應收以下公司的其他款項		
– Sunshine Finance Co., Ltd.	– 勝山實業股份有限公司	165	155
– Forefront Motors (Hong Kong) Limited	– 福方汽車(香港)有限公司	57	421
– Todaytech Asia Limited	– Todaytech Asia Limited	150	–

All the balances with related companies were unsecured, non-interest bearing and repayable within the granted credit terms.

所有與有關連公司之間的結餘均屬無抵押、免息及須於獲授的信貸期內償還。



Notes to the Accounts

3 RELATED PARTY TRANSACTIONS

(continued)

- (c) During the year ended 31st December 2002, the Group acquired the motor vehicle and equipment financing businesses from Sunshine Finance Co., Ltd. In connection with such acquisition, Forefront International Limited and Sunshine Finance Co., Ltd. have agreed to indemnify the Group against any default of the related finance lease receivables acquired by the Group.
- (d) During the year ended 31st December 2003, Sunshine Finance Co., Ltd. paid to the Group interest income of approximately HK\$1,055,000 (2002: HK\$777,000) in respect of the finance lease receivables.
- (e) Forefront International Limited and Sunshine Finance Co., Ltd. have agreed to indemnify the Group against any shortfall in respect of the Group's obligations under the defined benefits retirement plans for employees transferred from these two companies to the Group up to an amount of approximately HK\$6,293,000 (2002: HK\$6,906,000).

Notes:

- (i) Forefront International Limited is a substantial shareholder of the Company, and Sunshine Finance Co., Ltd., Forefront Motors (Hong Kong) Limited and Ankor Services Limited are subsidiaries of Forefront International Limited.
- (ii) Todaytech Asia Limited is owned by a director of the Company.
- (iii) Certain directors and a former director have interests in these companies.

In the opinion of the Directors, the above related party transactions were conducted in accordance with the respective arrangements entered into between the Group and the related parties.

帳目附註

3 有關連人士交易 (續)

- (c) 在截至二零零二年十二月三十一日止年度內，本集團從勝山實業股份有限公司收購汽車及設備融資業務。在該項收購中，福方股份有限公司及勝山實業股份有限公司已經同意，若本集團所購入相關融資租賃應收款項不能收回，會向本集團賠償。
- (d) 在截至二零零三年十二月三十一日止年度內，勝山實業股份有限公司已經就該等融資租賃應收款項，向本集團支付約1,055,000港元（二零零二年：777,000港元）的利息收入。
- (e) 福方股份有限公司和勝山實業股份有限公司已經同意，向本集團賠償關於從這兩家公司轉職到本集團的僱員而須支付之退休金（界定福利）款項的任何差額，款項最高約達6,293,000港元（二零零二年：6,906,000港元）。

附註：

- (i) 福方股份有限公司為本公司的主要股東，而勝山實業股份有限公司、福方汽車（香港）有限公司及安佳汽車維修有限公司則為福方股份有限公司的附屬公司。
- (ii) Todaytech Asia Limited由本公司一位董事擁有。
- (iii) 若干董事及一位前任董事在此等公司中擁有權益。

董事認為，上述有關連人士交易乃按本集團與該等有關連人士各自訂立的安排而進行。



Notes to the Accounts

帳目附註

4 TURNOVER, REVENUE AND SEGMENT INFORMATION

Analysis of turnover and revenue in the consolidated income statement is as follows:

4 營業額、收益及分類資料

綜合損益帳內營業額及收益之分析如下：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Sale of motor trucks, coaches and vehicle accessories	銷售貨車、旅遊巴士及汽車零配件	427,252	428,235
Provision of motor vehicle repairs and maintenance services	提供汽車維修保養服務	133,210	136,473
Sale of fuel	銷售燃油	64,767	71,883
Provision of other vehicle related services	提供其他汽車相關服務	1,177	2,459
Interest income in respect of financing business	融資業務的利息收入	15,049	3,002
Total turnover	總營業額	641,455	642,052
Interest income – others	利息收入 – 其他	504	6,883
Others	其他	3,961	4,964
Total revenue	總收益	645,920	653,899

Notes to the Accounts

帳目附註

4 TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

Business segments

The Group is principally engaged in the trading of motor trucks, coaches and vehicle accessories, provision of motor vehicle repairs and maintenance services, sale of fuel, provision of other motor vehicle related services, assembling of motor vehicles services, motor vehicle financing business, development of smart card system and investment holding. An analysis by business segment is as follows:

4 營業額、收益及分類資料 (續)

業務分類

本集團主要從事貨車、旅遊巴士及汽車零配件的貿易；提供汽車維修及保養服務；銷售燃油；提供其他汽車相關服務；組裝汽車；汽車融資業務；發展「智慧卡」系統及投資控股。按業務劃分的分析如下：

		2003 二零零三年									
		Trading of trucks, coaches and vehicle accessories	Provision of repairs and maintenance services	Sale of fuel	Provision of other motor vehicle related services	Assembling of motor vehicles	Motor vehicle financing	Development of smart card system	Investment holding	Elimination	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		貨車、旅遊巴士及汽車零配件的貿易	提供汽車維修及保養服務	銷售燃油	提供其他汽車相關服務	組裝汽車	汽車融資業務	發展「智慧卡」系統	投資控股	對銷	總計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Turnover	營業額										
Sales to external customers	對外間客戶銷售	427,252	133,210	64,767	1,177	-	15,049	-	-	-	641,455
Inter-segment sales	分類業務間銷售	250	16,356	329	13	8,815	-	-	-	(25,763)	-
Total turnover	總營業額	427,502	149,566	65,096	1,190	8,815	15,049	-	-	(25,763)	641,455
Operating results	經營業績										
Segment result	分類業績	(14,581)	8,970	(292)	(799)	(1,301)	(8,063)	(35,450)	1,429	5,160	(44,927)
Unallocated corporate expense	未分配公司開支										(10,191)
Unallocated corporate interest expense	未分配公司利息開支										(3,334)
Gain on disposal of interest in a subsidiary	出售附屬公司權益收益										10,961
Share of loss of an associated company	所佔聯營公司虧損										(1,852)
Taxation	稅項										(7,396)
Loss after taxation but before minority interests	稅後但未計少數股東權益前虧損										(56,739)

Notes to the Accounts

帳目附註

4 TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

Business segments (continued)

4 營業額、收益及分類資料 (續)

業務分類 (續)

		2003 二零零三年									
		Trading of trucks, coaches and vehicle accessories	Provision of repairs and maintenance services	Sale of fuel	Provision of other motor vehicle related services	Assembling of motor vehicles	Motor vehicle financing	Development of smart card system	Investment holding	Elimination	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		貨車、旅遊巴士及汽車零件的貿易	提供汽車維修及保養服務	銷售燃油	提供其他汽車相關服務	組裝汽車	汽車融資業務	發展「智慧卡」系統	投資控股	對銷	總計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Other information	其他資料										
Assets	資產										
Segment assets	分類資產	256,518	88,986	11,083	2,783	103,896	244,739	1,142	52,168	-	761,315
Unallocated corporate assets	未分配公司資產										57,157
											<u>818,472</u>
Liabilities	負債										
Segment liabilities	分類負債	(174,496)	(39,702)	(9,985)	(1,519)	(78,851)	(180,189)	(247)	-	-	(484,989)
Unallocated corporate liabilities	未分配公司負債										(99,918)
											<u>(584,907)</u>
Capital expenditures	資本開支										
Segment capital expenditures	分類資本開支	6,236	1,996	25	3	10,084	-	6,414	-	-	24,758
Unallocated corporate capital expenditures	未分配公司資本開支										4,054
											<u>28,812</u>
Depreciation and amortisation	折舊及攤銷										
Segment depreciation and amortisation	分類折舊及攤銷	3,709	2,411	295	4	97	964	1,633	-	-	9,113
Unallocated corporate depreciation and amortisation	未分配公司折舊及攤銷										3,963
											<u>13,076</u>
Impairment charge on fixed assets	固定資產減值虧損	-	-	-	-	-	-	26,857	-	-	26,857
Non-cash expenditures other than depreciation and amortisation	折舊及攤銷以外之非現金開支	8,203	5,046	275	(15)	51	13,559	76	-	-	27,195

Notes to the Accounts

帳目附註

4 TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

Business segments (continued)

4 營業額、收益及分類資料 (續)

業務分類 (續)

		2002 二零零二年								
		Trading of trucks, coaches and vehicle accessories	Provision of repairs and maintenance services	Sale of fuel	Provision of other motor vehicle related services	Motor vehicle financing	Development of smart card system	Investment holding	Elimination	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		貨車、旅遊巴士 及汽車零配件 的貿易	提供 汽車維修及 保養服務	銷售燃油	提供 其他汽車 相關服務	汽車 融資業務	發展 「智慧卡」系統	投資控股	對銷	總計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Turnover	營業額									
Sales to external customers	對外間客戶銷售	428,235	136,473	71,883	2,459	3,002	-	-	-	642,052
Inter-segment sales	分類業務間銷售	480	14,735	341	105	-	-	-	(15,661)	-
Total turnover	總營業額	428,715	151,208	72,224	2,564	3,002	-	-	(15,661)	642,052
Operating results	經營業績									
Segment result	分類業績	(21,339)	7,730	(4,048)	(326)	(1,490)	(6,306)	5,435	5,160	(15,184)
Unallocated corporate expenses	未分配公司開支									(8,450)
Unallocated corporate interest expense	未分配公司利息開支									(1,022)
Share of loss of an associated company	所佔聯營公司虧損									(50)
Taxation	稅項									(6,663)
Loss after taxation but before minority interests	稅後但未計少數股東權益前虧損									(31,369)

Notes to the Accounts

帳目附註

4 TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

4 營業額、收益及分類資料 (續)

Business segments (continued)

業務分類 (續)

		2002 二零零二年								
		Trading of trucks, coaches and vehicle accessories	Provision of repairs and maintenance services	Sale of fuel	Provision of other motor vehicle related services	Motor vehicle financing	Development of smart card system	Investment holding	Elimination	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		貨車、旅遊巴士及汽車零件的貿易	提供汽車維修及保養服務	銷售燃油	提供其他汽車相關服務	汽車融資業務	發展「智慧卡」系統	投資控股	對銷	總計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Other information	其他資料									
Assets	資產									
Segment assets	分類資產	254,976	101,395	14,207	4,634	114,546	35,826	72,543	-	598,127
Unallocated corporate assets	未分配公司資產									57,034
										<u>655,161</u>
Liabilities	負債									
Segment liabilities	分類負債	163,359	40,442	7,222	2,202	48,728	291	15	-	262,259
Unallocated corporate liabilities	未分配公司負債									104,355
										<u>366,614</u>
Capital expenditures	資本開支									
Segment capital expenditures	分類資本開支	7,448	2,916	582	-	119	22,664	-	-	33,729
Unallocated corporate capital expenditures	未分配公司資本開支									1,453
										<u>35,182</u>
Depreciation and amortisation	折舊及攤銷									
Segment depreciation and amortisation	分類折舊及攤銷	3,936	2,478	237	241	385	386	-	-	7,663
Unallocated corporate depreciation and amortisation	未分配公司折舊及攤銷									3,617
										<u>11,280</u>
Non-cash expenditures other than depreciation and amortisation	折舊及攤銷以外之非現金開支	1,120	3,227	886	38	880	-	-	-	6,151

Notes to the Accounts

帳目附註

4 TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

Geographical segments

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

4 營業額、收益及分類資料 (續)

地區分類

本集團的業務主要在台灣、香港及中華人民共和國(「中國內地」)進行。以地區劃分的分析如下:

		2003 二零零三年				
		Taiwan 台灣 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Mainland China 中國內地 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Turnover	營業額	410,339	193,316	37,800	-	641,455
Segments result	分類業績	(7,474)	(32,204)	(5,249)	-	(44,927)
Loss from operations	經營虧損	(3,403)	(38,351)	(5,229)	-	(46,983)
Assets	資產	587,387	128,190	45,738	57,157	818,472
Capital expenditures	資本開支	24,378	312	68	4,054	28,812

		2002 二零零二年				
		Taiwan 台灣 HK\$'000 千港元	Hong Kong 香港 HK\$'000 千港元	Mainland China 中國內地 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Turnover	營業額	358,690	239,632	43,730	-	642,052
Segments result	分類業績	21,962	(33,603)	(3,543)	-	(15,184)
Profit/(Loss) from operations	經營溢利/(虧損)	23,203	(34,029)	(3,332)	-	(14,158)
Assets	資產	421,517	141,152	35,458	57,034	655,161
Capital expenditures	資本開支	31,458	1,388	883	1,453	35,182

Turnover by geographical location is determined on the basis of the destination of shipment of merchandise.

按地區劃分的營業額以貨品付運之目的地而釐定。

Notes to the Accounts

帳目附註

5 LOSS BEFORE TAXATION

Loss before taxation is stated after charging and crediting the following:

5 稅前虧損

稅前虧損乃於扣除及計入下列各項後列帳：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Charging		
Staff costs (include directors' emoluments)	63,450	75,689
Operating lease rental of premises	16,104	16,279
Provision for obsolete and slow-moving inventories	3,081	-
Provision for/write-off of bad and doubtful receivables	24,444	3,935
Depreciation of property and equipment	12,148	10,914
Amortisation of goodwill (included in general and administrative expenses)	928	366
Loss on disposal of equipment	31	65
Interest expense on bank borrowings wholly repayable within five years	11,469	10,498
Impairment loss on fixed assets	26,857	-
Auditors' remuneration	1,195	922
	111,961	118,678
Crediting		
Interest income from		
- financing business	15,049	3,002
- bank deposits	252	165
- government debt security	-	2,061
- overdue accounts receivables	252	4,657
Dividend income from unlisted long-term investments	168	167
Dividend income from other investments	82	46
Gain on disposal of other investments	1,176	866
Unrealised gain on other investments	4	1,689
Net exchange gain	920	1,613
Gain on disposal of interest in a subsidiary (note a)	10,961	-
Write back of provision for obsolete and slow-moving inventories	-	212
	28,362	12,145
	140,323	130,823



Notes to the Accounts

帳目附註

5 LOSS BEFORE TAXATION (continued)

Note:

- (a) During the year, the Group disposed of 1.3% interest in U-Drive Company Limited ("U-Drive"), a subsidiary, to an independent party (who is also a vendor of U-Drive) at a consideration of HK\$10,612,000 (2002: Nil) and recognised a gain of approximately HK\$10,961,000 (2002: Nil).

6 STAFF COSTS

Staff costs, including directors' emoluments (consolidated) consisted of:

5 稅前虧損 (續)

附註:

- (a) 年內，本集團按10,612,000港元(二零零二年：無)之代價，向一家獨立第三方出售任我行有限公司(「任我行」)的1.3%權益(該獨立第三方亦是任我行的供應商)，並確認為數約10,961,000港元(二零零二年：無)之收益。

6 員工成本

員工成本(包括綜合入帳的董事酬金)包括：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Wages and salaries	工資及薪金	55,855	65,941
Unutilised annual leave	未動用年假	-	1,348
Other staff benefits	其他的員工福利	6,260	5,765
Pension costs – defined contribution plans (Note 23(a))	退休成本—界定供款計劃 (附註23(a))	935	1,392
Pension costs – defined benefits plans (Note 23(b))	退休成本—界定福利計劃 (附註23(b))	400	1,243
		63,450	75,689

Notes to the Accounts

帳目附註

7 DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

(a) Details of emoluments of the Company's directors are:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Fees for executive directors	執行董事袍金	95	43
Fees for non-executive directors	非執行董事袍金	100	100
Fees for independent non-executive directors	獨立非執行董事袍金	200	273
Other emoluments for executive directors	執行董事其他酬金		
– Basic salaries and allowances	– 基本薪金及津貼	4,980	4,425
– Pension scheme contributions	– 退休計劃供款	84	93
		5,459	4,934

No directors waived any emoluments during the year. No incentive payment nor compensation for loss of office was paid or payable to any directors for the year ended 31st December 2003.

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

		2003 二零零三年	2002 二零零二年
Executive directors	執行董事		
– Nil to HK\$1,000,000	– 零至1,000,000港元	2	3
– HK\$1,000,001 to HK\$1,500,000	– 1,000,001港元至1,500,000港元	1	1
– HK\$1,500,001 to HK\$2,000,000	– 1,500,001港元至2,000,000港元	2	1
Non-executive directors	非執行董事		
– Nil to HK\$1,000,000	– 零至1,000,000港元	3	3
		8	8

7 董事及高級行政人員酬金

(a) 本公司董事的酬金詳情如下：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Fees for executive directors	執行董事袍金	95	43
Fees for non-executive directors	非執行董事袍金	100	100
Fees for independent non-executive directors	獨立非執行董事袍金	200	273
Other emoluments for executive directors	執行董事其他酬金		
– Basic salaries and allowances	– 基本薪金及津貼	4,980	4,425
– Pension scheme contributions	– 退休計劃供款	84	93
		5,459	4,934

年內並無董事放棄任何酬金。於截至二零零三年十二月三十一日止年度，本集團概無向董事支付或應付任何款項作為獎金或離職補償。

酬金介乎以下範圍的董事人數如下：

		2003 二零零三年	2002 二零零二年
Executive directors	執行董事		
– Nil to HK\$1,000,000	– 零至1,000,000港元	2	3
– HK\$1,000,001 to HK\$1,500,000	– 1,000,001港元至1,500,000港元	1	1
– HK\$1,500,001 to HK\$2,000,000	– 1,500,001港元至2,000,000港元	2	1
Non-executive directors	非執行董事		
– Nil to HK\$1,000,000	– 零至1,000,000港元	3	3
		8	8



Notes to the Accounts

帳目附註

7 DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

- (b) The five individuals whose emoluments were the highest in the Group for the year included three (2002: three) directors whose emoluments are reflected in the analysis presented above.

The emoluments payable to the remaining two (2002: two) individuals during the year are as follows:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	1,418	1,560
Pension scheme contributions	退休計劃供款	24	24
		1,442	1,584

The emoluments fell within the following band:

		Number of individual 人數	
		2003 二零零三年	2002 二零零二年
Nil to HK\$1,000,000	零至1,000,000港元	2	2

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

7 董事及高級行政人員酬金 (續)

- (b) 本集團本年度五位最高薪人士包括三位董事 (二零零二年: 三位), 其酬金已於上文所述分析中反映。

本年度其餘兩位最高薪人士 (二零零二年: 兩位) 的酬金如下:

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Basic salaries and allowances	1,418	1,560
Pension scheme contributions	24	24
	1,442	1,584

酬金介乎以下範圍:

	Number of individual 人數	
	2003 二零零三年	2002 二零零二年
Nil to HK\$1,000,000	2	2

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



Notes to the Accounts

帳目附註

8 TAXATION

The Company is incorporated in the Cayman Islands and is exempt from taxation in the Cayman Islands. Hong Kong profits tax was provided at the rate of 17.5% (2002 – 16%) on estimated assessable profit arising in or derived from Hong Kong. Taiwan income tax was provided at the rate of 25% (2002 – 25%) on estimated taxable profit in Taiwan.

Taxation in the consolidated profit and loss account consisted of:

8 稅項

本公司於開曼群島註冊成立，並獲豁免繳納開曼群島稅項。香港利得稅乃根據於香港產生或源自香港的估計應課稅溢利，按稅率17.5%（二零零二年：16%）提呈撥備。台灣所得稅乃根據台灣估計應課稅溢利，按稅率25%（二零零二年：25%）提呈撥備。

綜合損益帳內的稅項包括：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Hong Kong profits tax	香港利得稅		
– Current taxation	– 本年度稅項	–	91
– (Over)/under-provision in prior year	– 上年度(超額撥備)/撥備不足	(27)	4
Taiwan income tax	台灣所得稅		
– Current taxation	– 本年度稅項	8,845	6,568
– Under-provision in prior year	– 上年度撥備不足	127	–
Deferred tax credit (note 25)	遞延稅項抵免(附註25)	(1,549)	–
Total taxation	稅項總額	7,396	6,663



Notes to the Accounts

帳目附註

8 TAXATION (continued)

The reconciliation between the Group's actual tax charge and the amount which is calculated based on the statutory tax rate of Hong Kong is as follows:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Loss before taxation	稅前虧損	(49,343)	(24,706)
Tax at 17.5% (2002: 16%)	按17.5% (2002: 16%) 計算之稅項	(8,635)	(3,953)
Tax effect on income not subject to taxation	不計稅收入的稅務影響	(3,234)	(1,222)
Tax effect on expenses not deductible for taxation	不可扣稅開支的稅務影響	954	1,141
Under-provision in prior year	上年度撥備不足	100	4
Unrecognised tax losses	尚未確認稅項虧損	19,493	8,856
Utilisation of previously unrecognised tax losses	抵扣先前尚未確認稅項虧損	(617)	(260)
Effect of different taxation rates in other countries	按其他國家不同稅率計算之影響	(665)	2,097
Taxation charge	稅項支出	7,396	6,663

8 稅項 (續)

本集團實際的稅項支出與按照香港法定稅率計算所得的金額對賬如下：

9 LOSS ATTRIBUTABLE TO SHAREHOLDERS

The consolidated loss attributable to shareholders included a loss of approximately HK\$51,874,000 (2002: HK\$26,902,000) dealt with in the accounts of the Company.

9 股東應佔虧損

股東應佔綜合虧損包括虧損約51,874,000港元(二零零二年:26,902,000港元)·已於本公司帳目內處理。



Notes to the Accounts

10 LOSS PER SHARE

The calculation of loss per share for the year ended 31st December 2003 is based on the consolidated loss attributable to shareholders of approximately HK\$56,739,000 (2002: HK\$30,833,000) and on the weighted average number of approximately 441,700,000 shares (2002: 439,261,000 shares) in issue during the year.

No diluted loss per share is presented as there were no dilutive potential ordinary shares in existence during the years ended 31st December 2003 and 2002.

11 INVESTMENT IN SUBSIDIARIES

In the Company's balance sheet, investment in subsidiaries consisted of:

Unlisted shares, at cost	非上市股份·按成本
Due from subsidiaries	應收附屬公司款項
Due to subsidiaries	應付附屬公司款項
Less: Provision for amounts due from subsidiaries	減: 應收附屬公司款項的撥備

The balances with subsidiaries are unsecured, non-interest bearing and not repayable within the next twelve months.

The underlying value of investment in subsidiaries is, in the opinion of the Directors, not less than its carrying value as at 31st December 2003.

帳目附註

10 每股虧損

截至二零零三年十二月三十一日止年度之每股虧損，乃按股東應佔綜合虧損約56,739,000港元（二零零二年：30,833,000港元）及本年度內已發行之加權平均股數約441,700,000股（二零零二年：439,261,000股）計算。

由於截至二零零三年及二零零二年十二月三十一日止年度內並無任何具攤薄作用之潛在普通股，故此並無呈列每股攤薄虧損。

11 於附屬公司的投資

在本公司的資產負債表中，於附屬公司的投資包括：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
	74,934	74,934
	374,296	340,258
	(57,714)	(10,013)
	391,516	405,179
	(72,000)	(27,000)
	319,516	378,179

與附屬公司有關的結餘均為無抵押、免息及不需於未來十二個月內償還。

董事認為，於附屬公司的投資之相關價值不會低於其於二零零三年十二月三十一日之帳面值低。

Notes to the Accounts

帳目附註

11 INVESTMENT IN SUBSIDIARIES (continued)

Details of the subsidiaries as at 31st December 2003 were as follows:

11 於附屬公司的投資 (續)

於二零零三年十二月三十一日之附屬公司詳情如下：

Name	Place of incorporation/ operations 註冊 成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held (i) 所持股本 權益百分比 (i)	Principal activities 主要業務
Allen Motor Co. Limited 亞倫車行有限公司	Hong Kong 香港	HK\$2 2港元	93.7%	Provision of agency services for insurance and financing of motor vehicles 提供汽車保險及 融資代理服務
Cybergear Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	Investment holding 投資控股
Cyber Centre Holdings Limited 數碼中心控股有限公司	Hong Kong 香港	HK\$2 2港元	100%	Inactive 暫無業務
Cyber Centre Limited 數碼中心有限公司	Hong Kong 香港	HK\$2 2港元	100%	Property holding 持有物業
Digital Cyber Technologies Group Ltd	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	Property holding 持有物業
Forefront Automotive Services Company Limited 福方汽車服務有限公司	Hong Kong 香港	HK\$20 20港元	100%	Trading of motor vehicle accessories and provision of motor vehicle repairs and maintenance services 汽車零配件貿易及提供 汽車維修保養服務
Forefront Automotive Industry Limited 福方汽車工業股份有限公司	Taiwan 台灣	NT\$100,000,000 新台幣100,000,000元	100%	Assembling of motor vehicles 組裝汽車

Notes to the Accounts

帳目附註

11 INVESTMENT IN SUBSIDIARIES (continued)

11 於附屬公司的投資 (續)

Name 名稱	Place of incorporation/ operations 註冊 成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held (i) 所持股本 權益百分比 (i)	Principal activities 主要業務
Forefront (China) Company Limited 福方(中國)有限公司	Hong Kong 香港	HK\$20 20 港元	100%	Investment holding 投資控股
Forefront Finance Co. Limited 福方財務有限公司	Hong Kong 香港	HK\$2,000,000 2,000,000 港元	93.7%	Provision of hire purchase financing 提供租購融資
Forefront International Automotive Limited 福方國際汽車股份有限公司	British Virgin Islands/ Taiwan 英屬處女群島/台灣	US\$3,254,681 3,254,681 美元	100%	Trading of motor trucks, coaches and vehicle accessories and provision of motor vehicle repairs and maintenance services 貨車、旅遊巴士及汽車零 配件貿易以及提供汽車 維修保養服務
Forefront International (Hong Kong) Limited 福方(香港)有限公司	Hong Kong 香港	HK\$100,000 ordinary shares HK\$6,000,000 non-voting deferred shares (ii) 100,000 港元普通股 6,000,000 港元無投票 權遞延股份 (ii)	100% -	Trading of motor trucks and coaches 貨車及旅遊巴士貿易
Forefront International Management Limited	British Virgin Islands 英屬處女群島	US\$10 10 美元	100%	Inactive 暫無業務

Notes to the Accounts

帳目附註

11 INVESTMENT IN SUBSIDIARIES (continued)

11 於附屬公司的投資 (續)

Name 名稱	Place of incorporation/ operations 註冊 成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held (i) 所持股本 權益百分比 (i)	Principal activities 主要業務
Forefront International Trading (Shanghai) Co., Ltd. (iii) 福方國際貿易(上海)有限公司(iii)	Mainland China 中國內地	US\$200,000 200,000 美元	100%	Trading of motor trucks and vehicle accessories 貨車及汽車零配件貿易
Forefront Investment Holdings Limited	British Virgin Islands 英屬處女群島	US\$47,252 47,252 美元	100%	Investment holding 投資控股
Forefront (Macau) Automotive Limited 福方(澳門)汽車有限公司	Macau 澳門	MOP25,000 澳門幣25,000 元	100%	Trading of coaches and vehicle accessories and provision of motor vehicle repairs and maintenance services 旅遊巴士與汽車零配件貿易及提供汽車維修保養服務
Forefront Science and Technology Company Limited	Hong Kong 香港	HK\$2 2 港元	100%	Inactive 暫無業務
Forerunner (China) Development Co. Limited 福倫(中國)發展有限公司	Hong Kong 香港	HK\$10,000 10,000 港元	63.75%	Investment holding 投資控股
Pureland Development Corporation	British Virgin Islands 英屬處女群島	US\$1 1 美元	100%	Investment holding 投資控股
Prime Wish Development Limited 志大發展有限公司	Hong Kong 香港	HK\$2 2 港元	93.7%	Investment holding 投資控股
Scantle Management Limited	British Virgin Islands 英屬處女群島	US\$2 2 美元	100%	Investment holding 投資控股

Notes to the Accounts

帳目附註

11 INVESTMENT IN SUBSIDIARIES (continued)

11 於附屬公司的投資 (續)

Name 名稱	Place of incorporation/ operations 註冊 成立/經營地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Percentage of equity interest held (i) 所持股本 權益百分比 (i)	Principal activities 主要業務
Shenzhen Forerunner Automotive Services Limited (iv) 深圳福聯通汽車修配有限公司 (iv)	Mainland China 中國內地	RMB2,000,000 人民幣2,000,000元	51%	Provision of motor vehicle repairs and maintenance services 提供汽車維修及保養服務
Stareast International Limited	British Virgin Islands 英屬處女群島	US\$2 2 美元	100%	Investment holding 投資控股
Sunshine Credit Limited 勝山財務股份有限公司	Taiwan 台灣	NT\$201,000,000 新台幣201,000,000元	93.7%	Provision of hire purchase financing 提供租購融資
U-Drive Company Limited 任我行有限公司	Hong Kong 香港	HK\$1,000 1,000 港元	93.7%	Provision of chain services to vehicle customers 向汽車客戶提供連鎖服務
U-Drive Smart Card Company Limited 任我行智慧卡有限公司	Taiwan 台灣	NT\$360,000,000 新台幣360,000,000元	93.7%	Development and operation of multi-application smart card system 研發及經營多用途智慧卡系統
U-Drive Company (B.V.I.) Limited	British Virgin Islands 英屬處女群島	US\$10 10 美元	93.7%	Investment holding 投資控股
V-Guard Technology Limited	Hong Kong 香港	HK\$100 100 港元	93.7%	Provision of telematics services 提供遙距傳訊服務



Notes to the Accounts

11 INVESTMENT IN SUBSIDIARIES (continued)

Note –

- (i) Cybergear Limited, Forefront International Automotive Limited, Forefront International Management Limited, Forefront Investment Holdings Limited and Scantle Management Limited are held directly by the Company, while the other subsidiaries are held indirectly.
- (ii) Holders of deferred shares have no rights to vote at general meetings or receive any dividend. Upon winding-up, they are entitled to one half of the balance of the company's assets after HK\$100,000,000,000 has been distributed to holders of ordinary shares.
- (iii) Forefront International Trading (Shanghai) Co., Ltd. is a wholly foreign owned enterprise established in Mainland China to be operated for a period of 50 years up to May 2050.
- (iv) Shenzhen Forerunner Automotive Services Limited is a sino-foreign equity joint venture established in Mainland China to be operated for a period of 20 years up to September 2019.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31st December 2003.

帳目附註

11 於附屬公司的投資 (續)

附註一

- i. Cybergear Limited、福方國際汽車股份有限公司、Forefront International Management Limited、Forefront Investment Holdings Limited及Scantle Management Limited由本公司直接持有，而其他附屬公司則由本公司間接持有。
- ii. 遞延股份的持有人無權在股東大會上投票或收取任何股息。在清盤時，首筆剩餘資產100,000,000,000港元將首先用於分派予普通股的持有人，然後該筆資產餘額的一半才分派予遞延股份的持有人。
- iii. 福方國際貿易(上海)有限公司為在中國內地成立的全外資企業，經營期限將直至二零零五年五月，為期五十年。
- iv. 深圳福聯通汽車修配有限公司為在中國內地成立的中外合資合營企業，經營期限將直至二零一九年九月，為期二十年。

各附屬公司於截至二零零三年十二月三十一日止年度內的任何時間並無任何已發行借貸資本。

Notes to the Accounts

帳目附註

12 INVESTMENT IN AN ASSOCIATED COMPANY

Investment in an associated company (consolidated) consist of:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·按成本	22,800	22,800
Share of losses	應佔虧損	(1,902)	(50)
Translation adjustments	匯兌調整	(104)	-
Share of net assets	應佔資產淨值	20,794	22,750

The underlying value of investment in an associated company is, in the opinion of the Directors, not less than its carrying value as at 31st December 2003.

Details of the associated company as at 31st December 2003 were as follows:

Name	Place of incorporation/ operations	Issued and fully paid share capital	Percentage of equity interest held indirectly 間接所持	Principal activities
名稱	註冊成立／經營地點	已發行及繳足股本	股本權益百分比	主要業務
清美國際股份有限公司	Taiwan 台灣	NT\$350,000,000 新台幣350,000,000元	28.57%	Property investment and management 物業投資及管理

12 於聯營公司的投資

於聯營公司的投資(經綜合入帳)包括:

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted shares, at cost	22,800	22,800
Share of losses	(1,902)	(50)
Translation adjustments	(104)	-
Share of net assets	20,794	22,750

本公司董事認為，於聯營公司的投資之相關價值不會比其於二零零三年十二月三十一日的帳面值低。

於二零零三年十二月三十一日之聯營公司詳情如下:

Notes to the Accounts

帳目附註

13 PROPERTY AND EQUIPMENT

Movements of property and equipment (consolidated) were:

13 物業及設備

物業及設備(經綜合入帳)之變動如下:

		2003 二零零三年				
		Land and buildings HK\$'000 土地及樓宇 千港元	Leasehold improvements HK\$'000 租賃物業裝修 千港元	Furniture and equipment HK\$'000 傢具及設備 千港元	Motor vehicles HK\$'000 汽車 千港元	Total HK\$'000 總計 千港元
Cost or valuation	成本或估值					
Beginning of year	年初	57,680	18,380	49,315	4,874	130,249
Additions	添置	3,741	13,740	10,842	489	28,812
Surplus on revaluation, net	重估盈餘淨額	17	-	-	-	17
Disposals	出售	-	-	(866)	(123)	(989)
Translation adjustments	匯兌調整	(21)	(64)	(145)	(12)	(242)
End of year	年終	61,417	32,056	59,146	5,228	157,847
Representing –	呈報方式 –					
At cost	按成本	-	32,056	59,146	5,228	96,430
At professional valuation in December 2003	按二零零三年十二月 之專業估值	61,417	-	-	-	61,417
		61,417	32,056	59,146	5,228	157,847
Accumulated depreciation and impairment	累計折舊及減值					
Beginning of year	年初	-	6,249	15,772	2,328	24,349
Charge for the year	本年度支出	1,885	3,401	5,876	986	12,148
Disposals	出售	-	-	(853)	(102)	(955)
Revaluation	重估	(1,885)	-	-	-	(1,885)
Impairment charge (note 5)	減值虧損(附註5)	-	-	26,857	-	26,857
Translation adjustments	匯兌調整	-	(19)	(17)	(5)	(41)
End of year	年終	-	9,631	47,635	3,207	60,473
Net book value	帳面淨值					
End of year	年終	61,417	22,425	11,511	2,021	97,374
Beginning of year	年初	57,680	12,131	33,543	2,546	105,900



Notes to the Accounts

帳目附註

13 PROPERTY AND EQUIPMENT (continued)

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

13 物業及設備 (續)

按地區分析之土地及樓宇如下:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Hong Kong	香港	54,000	50,800
Mainland China	中國內地	2,510	2,040
Taiwan	台灣	4,907	4,840
		61,417	57,680

Land and buildings in Hong Kong are held under leases of 50 years up to 2047 on the basis of the rights of extension provided by the New Territories Leases (Extension) Ordinance. Approximately HK\$430,000 (2002: HK\$370,000) of the land and buildings in Mainland China are held under land use rights for 70 years up to 2055, approximately HK\$1,100,000 (2002: HK\$850,000) of the land and buildings in Mainland China are held under land use rights for 45 years up to 2042, and approximately HK\$980,000 (2002: HK\$820,000) of land and buildings in Mainland China are held under land use rights without a specified land use period. Land in Taiwan is freehold and held by a director of the Company in trust of the Group.

Land and buildings were revalued as at 31st December 2003 on an open market value basis of approximately HK\$61,417,000 (2002: HK\$57,680,000) as determined by LCH (Asia-Pacific) Surveyors Limited, independent qualified valuers. Had all land and buildings been carried at cost less depreciation, the net book value of the Group's land and buildings as at 31st December 2003 would have been approximately HK\$57,504,000 (2002: HK\$59,418,000).

香港之土地及樓宇均按五十年租約持有直至二零四七年，並享有新界土地契約(續期)條例訂明之權利。在中國內地持有之土地及樓宇中，有價值約430,000港元(二零零二年:370,000港元)乃根據二零五五年到期為期七十年之土地使用權而持有；另有價值約1,100,000港元(二零零二年:850,000港元)的土地及樓宇乃根據二零四二年到期為期四十五年之土地使用權而持有；以及價值約980,000港元(二零零二年:820,000港元)之土地及樓宇乃根據無特定土地使用期之土地使用權持有。在台灣之土地乃按永久產權及由本公司一名董事以信託方式替本集團持有。

土地及樓宇於二零零三年十二月三十一日之公開市值重估為約61,417,000港元(二零零二年:57,680,000港元)，由獨立合資格估值師利駿行測量師有限公司進行估值。倘所有土地及樓宇均按成本減折舊列值，則本集團之土地及樓宇於二零零三年十二月三十一日之帳面淨值應約為57,504,000港元(二零零二年:59,418,000港元)。



Notes to the Accounts

帳目附註

14 GOODWILL

Movements of goodwill (consolidated) were:

14 商譽

商譽變動(經綜合入帳)包括:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
At 1st January	於一月一日	8,883	–
Additions	添置	–	9,283
Translation adjustment	匯兌調整	(28)	(34)
Amortisation during the year	年度攤銷	(928)	(366)
At 31st December	於十二月三十一日	7,927	8,883
Analysis of goodwill:	商譽分析:		
Cost	成本	9,283	9,249
Accumulated amortisation and translation adjustment	累計攤銷及匯兌調整	(1,356)	(366)
Net book value	帳面淨值	7,927	8,883

Notes to the Accounts

15 LONG-TERM INVESTMENTS

Long-term investments comprised:

		Consolidated 綜合		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted equity securities in Taiwan, at cost	台灣的非上市股本證券，按成本				
At 1st January	於一月一日	8,516	-	6,908	-
Additions	增加	21,125	8,516	-	6,908
Translation adjustments	滙兌調整	(6)	-		
At 31st December	於十二月三十一日	29,635	8,516	6,908	6,908

The underlying value of long-term investments is, in the opinion of the Directors, not less than its carrying value as at 31st December 2003.

During the year ended 31st December 2003, the Group acquired an additional 0.14% interest in 統聯汽車客運股份有限公司 (“統聯”), a company incorporated in Taiwan, at a cash consideration of approximately HK\$430,000. 統聯 is principally engaged in the operation of bus transportation business in Taiwan. As at 31st December 2003, the Group has an aggregate of 0.69% interest in 統聯.

During the year ended 31st December 2003, the Group acquired a 14.3% interest in Riez Technology Corporation (“Riez”), a company incorporated in Taiwan, at a cash consideration of HK\$20,695,000. Riez is principally engaged in the smart card system development and integration services in Taiwan.

During the year ended 31st December 2002, the Group acquired a 9.64% interest in Coventive Advance Technologies Limited (“CATL”; formerly known as Wahoo International Enterprise Co., Ltd.), a company incorporated in Taiwan, at a cash consideration of approximately HK\$6,908,000 from an independent third party. CATL is principally engaged in the development of software and provision of system integration services in Taiwan.

帳目附註

15 長期投資

長期投資包括:

		Consolidated 綜合		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted equity securities in Taiwan, at cost	台灣的非上市股本證券，按成本				
At 1st January	於一月一日	8,516	-	6,908	-
Additions	增加	21,125	8,516	-	6,908
Translation adjustments	滙兌調整	(6)	-		
At 31st December	於十二月三十一日	29,635	8,516	6,908	6,908

本公司董事認為，長期投資之相關價值不會比其於二零零三年十二月三十一日的帳面值低。

在截至二零零三年十二月三十一日止年度，本集團按約430,000港元之現金代價，購入統聯汽車客運股份有限公司（「統聯」）額外的0.14%權益。統聯在台灣註冊成立，主要在台灣從事巴士運輸業務，於二零零三年十二月三十一日，本集團合共持有統聯的0.69%權益。

在截至二零零三年十二月三十一日止年度，本集團按20,695,000港元之現金代價，購入鍊易科技股份有限公司（「鍊易」）的14.3%權益。鍊易在台灣註冊成立，主要在台灣從事智慧卡系統開發及整合服務。

在截至二零零二年十二月三十一日止年度，本集團按約6,908,000港元之現金代價，從獨立第三方購入Coventive Advance Technologies Limited（「CATL」，前稱網虎國際企業股份有限公司）的9.64%權益。CATL在台灣註冊成立，主要在台灣從事開發軟件和提供系統整合服務。



Notes to the Accounts

帳目附註

16 FINANCE LEASE RECEIVABLES

Finance lease receivables (consolidated) are analysed as follows:

16 融資租賃應收款項

融資租賃應收款項(經綜合入帳)分析如下:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Finance lease rental receivables within a period	融資租賃應收租金年期		
– not exceeding one year	– 一年內	104,023	54,156
– of more than one year but not exceeding five years	– 一年以上但在五年內	128,379	43,964
		232,402	98,120
Less: Earnings allocated to future periods	減: 分配至未來期間的盈利	(29,618)	(8,763)
Present value of minimum lease rental receivables	最低應收租金的現值	202,784	89,357
Less: Provision for doubtful rental receivables	減: 應收租金呆壞帳撥備	(11,467)	(190)
		191,317	89,167

Present value of minimum lease rental receivables, less provision for bad and doubtful amounts, is analysed as follows:

應收租金最低金額現值減呆壞帳撥備之分析如下:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
– not exceeding one year	– 一年內	80,821	49,213
– more than one year but not exceeding five years	– 一年以上但在五年內	110,496	39,954
		191,317	89,167

Certain finance lease receivables were pledged as collateral for the Group's banking facilities (Note 31).

若干融資租賃應收款項已質押作本集團銀行備用額的抵押品(附註31)。



Notes to the Accounts

帳目附註

17 INVENTORIES

Inventories (consolidated) consisted of:

17 存貨

存貨(經綜合入帳)包括:

		2003	2002
		二零零三年	二零零二年
		HK\$'000	HK\$'000
		千港元	千港元
Motor trucks and coaches	貨車及旅遊巴士	139,967	98,891
Vehicle accessories (including chassis and other accessories)	汽車零配件(包括汽車 底盤及其他配件)	106,274	49,396
		246,241	148,287
Less: Provision for obsolete and slow-moving inventories	減:陳舊及滯銷存貨撥備	(4,934)	(1,852)
		241,307	146,435

As at 31st December 2003, no inventories were stated at net realisable value.

於二零零三年十二月三十一日,沒有存貨以可變現淨值列帳。



Notes to the Accounts

帳目附註

18 ACCOUNTS RECEIVABLE

The Group grants to its customers credit terms ranging from 1 to 3 months. Aging analysis of accounts receivable (consolidated) is analysed as follows:

18 應收帳款

本集團給予客戶的信貸期介乎一至三個月不等。應收帳款(經綜合入帳)的帳齡分析如下:

		2003	2002
		二零零三年	二零零二年
		HK\$'000	HK\$'000
		千港元	千港元
0 to under 3 months	零至不超過三個月	102,355	60,234
3 to under 6 months	三至不超過六個月	28,561	27,090
6 to under 9 months	六至不超過九個月	8,065	9,557
9 to under 12 months	九至不超過十二個月	3,720	3,028
Over 12 months	超過十二個月	12,737	29,594
		155,438	129,503
Less: Provision for bad and doubtful debts	減: 呆壞帳撥備	(11,699)	(7,672)
		143,739	121,831



Notes to the Accounts

帳目附註

19 OTHER INVESTMENTS

19 其他投資

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Government debt securities in Taiwan	台灣政府債務證券	—	39,096
Equity securities listed in Taiwan	台灣上市股本證券	1,739	1,743
		1,739	40,839
Fair value of other investments	其他投資的公允值	1,739	40,839

Equity securities listed in Taiwan of approximately HK\$1,739,000 (2002: HK\$1,743,000) were pledged as collateral for the Group's banking facilities (Note 31).

約1,739,000港元(二零零二年:1,743,000港元)的台灣上市股本證券已經質押,作為本集團銀行備用額的抵押品(附註31)。

20 PLEDGED BANK DEPOSITS

As at 31st December 2003, the Group's bank deposits of approximately HK\$7,078,000 (2002: HK\$6,455,000) were pledged as collateral for the Group's banking facilities in Taiwan (Note 31).

20 已質押銀行存款

於二零零三年十二月三十一日,本集團約有7,078,000港元(二零零二年:6,455,000港元)的銀行存款已經質押,作為本集團台灣銀行備用額的抵押品(附註31)。



Notes to the Accounts

帳目附註

21 SHORT-TERM BORROWINGS

Short-term borrowings consisted of:

21 短期借貸

短期借貸包括：

	Consolidated 綜合		Company 本公司	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Trust receipts bank loans	47,626	40,470	-	-
Short-term bank loans				
– secured	204,589	51,998	-	-
– unsecured	96,860	111,865	-	-
Short-term loans from financial institutions	2,830	1,489	-	-
Long-term bank loans, current portion (Note 24)	65,500	11,000	61,600	11,000
	417,405	216,822	61,600	11,000

Refer to Note 31 for details of the Group's banking facilities.

有關本集團銀行備用額的詳情，請參閱附註31。



Notes to the Accounts

帳目附註

22 BILLS AND ACCOUNTS PAYABLE

Aging analysis of bills and accounts payable (consolidated) is analysed as follows:

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

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
42,814	21,574
6,377	2,176
72	19
718	–
165	116
50,146	23,885

22 應付票據及應付帳款

應付票據及應付帳款(經綜合入帳)之帳齡分析如下:

23 PENSIONS OBLIGATIONS

Obligations (included in accruals and other payables) on:
– pensions – defined contribution plans (note (a))
– pensions – defined benefits plans (note (b))

關於下列計劃的責任 (計入應計費用及其他應付款項):
– 退休金—界定供款計劃 (附註(a))
– 退休金—界定福利計劃 (附註(b))

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
176	214
719	783
895	997

23 退休金責任



Notes to the Accounts

帳目附註

23 PENSIONS OBLIGATIONS (continued)

(a) Pensions – defined contribution plans

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

Contributions of approximately HK\$176,000 (2002: HK\$214,000) were payable to the fund as at 31st December 2003.

(b) Pensions – defined benefits plans

As stipulated by laws in Taiwan, the Group’s operations in Taiwan have maintained defined benefits retirement plans for its employees in Taiwan. Under the plans, the Group has an obligation to make contributions as stipulated by the laws and to make payments to qualifying employees, upon retirement, in the manner stipulated by the laws. However, there is no requirement that the Group should ensure that there are sufficient funds in the plans.

The assets of the funded plans are held independently of the Group’s assets in separate trustee administered funds. The Group’s major plans are valued by qualified actuaries annually using the projected unit credit cost method. Defined benefit plans are valued by KPMG Consulting Co. Ltd., fellow member of Actuarial Institute in Taiwan.

23 退休金責任 (續)

(a) 退休金 – 界定供款計劃

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

於二零零三年十二月三十一日，本集團已向該基金支付的供款約為176,000港元(二零零二年：214,000港元)。

(b) 退休金 – 界定福利計劃

本集團已根據台灣法例的規定，為其台灣業務的僱員設立界定福利退休計劃。根據該等計劃，本集團有責任按法例規定作出供款，並按法例規定的方式於合資格僱員退休時向彼等支付款項。然而，法例並無規定本集團須確保該等計劃備有充盈的資金。

該等供款計劃的資產與本集團的資產分開持有，由獨立管理的基金受託人負責管理。本集團的主要計劃由合資格精算師按預計單位貸記法每年評估。界定福利計劃由安候企業管理股份有限公司(其為台灣精算師公會資深會員)進行估值。

Notes to the Accounts

帳目附註

23 PENSIONS OBLIGATIONS (continued)

(b) Pensions – defined benefits plans (continued)

The amounts recognised in the balance sheet are determined as follows:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Present value of funded obligations	供款責任的現值	9,166	9,362
Fair value of plan assets	計劃資產的公允值	(2,154)	(1,673)
Present value of unfunded obligations	未供款責任的現值	7,012	7,689
Less: Amount to be indemnified by related companies (note (i))	減：有關連公司將會賠償的金額 (附註(i))	(6,293)	(6,906)
Liability in the balance sheet (included in in accruals and other payables)	於資產負債表的負債 (計入應計費用及 其他應付款項)	719	783

Note:

- (i) Forefront International Limited, a substantial shareholder of the Company, and Sunshine Finance Co., Ltd., a subsidiary of Forefront International Limited, have agreed to indemnify the Group against any shortfall in respect of payments to employees who were transferred from these two companies to the Group up to an amount of approximately HK\$6,293,000 (2002: HK\$6,906,000).

23 退休金責任 (續)

(b) 退休金 – 界定福利計劃 (續)

於資產負債表確認的金額如下：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Present value of funded obligations	供款責任的現值	9,166	9,362
Fair value of plan assets	計劃資產的公允值	(2,154)	(1,673)
Present value of unfunded obligations	未供款責任的現值	7,012	7,689
Less: Amount to be indemnified by related companies (note (i))	減：有關連公司將會賠償的金額 (附註(i))	(6,293)	(6,906)
Liability in the balance sheet (included in in accruals and other payables)	於資產負債表的負債 (計入應計費用及 其他應付款項)	719	783

附註：

- (i) 福方股份有限公司(本公司的主要股東)和勝山實業股份有限公司(福方股份有限公司的附屬公司)已經同意,向本集團賠償關於從這兩家公司轉職到本集團的僱員而須支付款項的任何差額,款項最高約達6,293,000港元(二零零二年:6,906,000港元)。



Notes to the Accounts

帳目附註

23 PENSIONS OBLIGATIONS (continued)

(b) Pensions – defined benefits plans (continued)

The amounts recognised in the profit and loss account (included in general and administrative expenses) are as follows:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Current service cost	現時的服務成本	496	364
Interest cost	利息成本	349	70
Expected return on plan assets	計劃資產的預期回報	(71)	(32)
Net actuarial (gain)/losses recognised	已確認的精算(收益)/虧損淨額	(374)	841
Total, included in staff costs (Note 6)	總額(已計入員工成本內)(附註6)	400	1,243

Movement in the liability recognised in the balance sheet:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
At 1st January	於一月一日	783	–
Total expense – as shown above	總開支 – 如上文所示	400	1,243
Exchange differences	匯兌差額	(3)	8
Contributions paid	已付供款	(461)	(468)
At 31st December	於十二月三十一日	719	783

23 退休金責任 (續)

(b) 退休金 – 界定福利計劃 (續)

於損益帳確認的金額(計入一般及行政開支項內)如下:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Current service cost	現時的服務成本	496	364
Interest cost	利息成本	349	70
Expected return on plan assets	計劃資產的預期回報	(71)	(32)
Net actuarial (gain)/losses recognised	已確認的精算(收益)/虧損淨額	(374)	841
Total, included in staff costs (Note 6)	總額(已計入員工成本內)(附註6)	400	1,243

於資產負債表確認的負債變動:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
At 1st January	於一月一日	783	–
Total expense – as shown above	總開支 – 如上文所示	400	1,243
Exchange differences	匯兌差額	(3)	8
Contributions paid	已付供款	(461)	(468)
At 31st December	於十二月三十一日	719	783

Notes to the Accounts

帳目附註

23 PENSIONS OBLIGATIONS (continued)

(b) Pensions – defined benefits plans (continued)

The principal actuarial assumptions used were as follows:

		2003 二零零三年 %	2002 二零零二年 %
Discount rate	折現率	3.5	3.75
Expected rate of return on plan assets	計劃資產的預期回報率	3.5	3.75
Expected rate of future salary increases	未來薪金的預期增幅	1.5	2

24 LONG-TERM BANK LOANS

Long-term bank loans consisted of:

24 長期銀行貸款

長期銀行貸款包括：

		Consolidated 綜合		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Amounts repayable within a period	須於下列年期償還的金額				
– not exceeding one year	– 一年內	65,500	11,000	61,600	11,000
– more than one year but not exceeding two years	– 一年以上但在兩年內	35,115	44,000	30,800	44,000
– more than two years but not exceeding five years	– 兩年以上但在五年內	19,128	45,000	–	45,000
		119,743	100,000	92,400	100,000
Less: Amounts repayable within one year included under current liabilities (Note 21)	減：須於一年內償還並已計入流動負債的金額（附註21）	(65,500)	(11,000)	(61,600)	(11,000)
		54,243	89,000	30,800	89,000

Refer to Note 31 for details of the Group's banking facilities.

有關本集團銀行備用額的詳情，請參閱附註31。



Notes to the Accounts

帳目附註

25 DEFERRED TAXATION

25. 遞延稅項

Deferred taxation are calculated on temporary differences under liability method using applicable tax rate of 17.5% (2002: 16%) for Group companies incorporated in Hong Kong and 25% (2002: 25%) for Group companies incorporated in Taiwan.

遞延稅項乃就暫時差異以負債法按香港適用稅率17.5% (二零零二年:16%) 為香港註冊成立之公司計提撥備, 及按25% (二零零二年:25%) 為台灣註冊成立之公司計提撥備。

Movement on the deferred tax assets is as follows:

遞延稅項資產變動如下:

		Consolidated	
		綜合	
		2003	2002
		二零零三年	二零零二年
		HK\$'000	HK\$'000
		千港元	千港元
At 1st January	於一月一日	-	-
Deferred taxation credited to profit and loss account (note 8)	計入損益帳的遞延稅項 (附註8)	1,549	-
At 31st December	於十二月三十一日	1,549	-
Provided for in respect of:	撥備:		
Provisions	撥備	1,063	-
Impairment of investments	投資減值	486	-
		1,549	-

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31st December 2003, the Group has unrecognised tax losses of approximately HK\$129 million (2002: HK\$77 million). Approximately HK\$13,768,000 of the tax losses will be expired by 2008, while the remaining balance can be carried forward indefinitely to offset against future taxable profit.

若日後可能有應課稅溢利可以兌現有關結轉稅項虧損的稅務利益, 則對結轉稅項虧損確認遞延稅項資產。於二零零三年十二月三十一日, 本集團有約129,000,000港元 (二零零二年: 77,000,000港元) 的未確認稅項虧損。約13,768,000港元稅項虧損將會於2008年到期, 餘額可以無限期結轉, 用以抵銷日後的應課稅溢利。



Notes to the Accounts

帳目附註

26 SHARE CAPITAL

Movements were:

26 股本

股本的變動如下:

		2003 二零零三年		2002 二零零二年	
		Number of shares 股數 '000 千股	Nominal value 面值 HK\$'000 千港元	Number of shares 股數 '000 千股	Nominal value 面值 HK\$'000 千港元
Authorised	法定				
- ordinary shares of HK\$0.10 each	- 每股面值0.10港元 之普通股				
At 31st December	於十二月三十一日	1,000,000	100,000	1,000,000	100,000
Issued and fully paid	已發行及繳足				
- ordinary shares of HK\$0.10 each	- 每股面值0.10 港元之普通股				
At 1st January	於一月一日	441,700	44,170	407,500	40,750
Issue of shares through placing	藉配售而發行股份	-	-	40,000	4,000
Repurchases of shares	購回股份	-	-	(5,800)	(580)
At 31st December	於十二月三十一日	441,700	44,170	441,700	44,170



Notes to the Accounts

27 SHARE OPTIONS

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

- (a) the closing price of the shares as stated in The Stock Exchange of Hong Kong Limited ("SEHK") daily quotations sheet on the date of offer;
- (b) the average closing price of the shares as stated in the SEHK daily quotations sheets for the five business days immediately preceding the date of offers; and
- (c) the nominal value of the shares.

As at 31st December 2003, no option has been granted under the share option scheme.

帳目附註

27 購股權

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

- (a) 股份在購股權授出之日，於香港聯合交易所有限公司（「聯交所」）日報表所報之收市價；
- (b) 股份在緊接購股權授出之前五個交易日，於聯交所日報表所報之平均收市價；及
- (c) 股份面值。

於二零零三年十二月三十一日，本公司並無根據購股權計劃授出任何購股權。

Notes to the Accounts

28 RESERVES

Movements of reserves were:

Consolidated –

		2003 二零零三年						
		Share premium	Capital reserve	Capital redemption reserve	Properties revaluation reserve	Cumulative translation adjustments	Accumulated deficit	Total
		股份溢價	資本儲備	贖回儲備	物業重估 儲備	累計匯兌 調整	累計虧蝕	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January 2003	於二零零三年一月一日	243,800	10,482	580	1,295	(4,689)	(6,135)	245,333
Translation adjustments	匯兌調整	-	-	-	-	(1,101)	-	(1,101)
Surplus on revaluation of properties	重估物業盈餘	-	-	-	1,902	-	-	1,902
Loss for the year	本年度虧損	-	-	-	-	-	(56,739)	(56,739)
At 31st December 2003	於二零零三年十二月三十一日	243,800	10,482	580	3,197	(5,790)	(62,874)	189,395
Representing:	包括:							
Company and subsidiaries	本公司與附屬公司	243,800	10,482	580	3,197	(5,686)	(60,972)	191,401
Associated company	聯營公司	-	-	-	-	(104)	(1,902)	(2,006)
		243,800	10,482	580	3,197	(5,790)	(62,874)	189,395

帳目附註

28 儲備

儲備變動如下:

綜合 –

Notes to the Accounts

帳目附註

28 RESERVES (continued)

Consolidated –

		2002 二零零二年							
		Share premium	Capital reserve	Capital redemption reserve	Properties revaluation reserve	Cumulative translation adjustments	Retained earnings/ (accumulated deficit)	Proposed dividends	Total
		股份溢價	資本儲備	贖回儲備	物業重估儲備	累計匯兌調整	保留溢利/ (累計虧絀)	擬派股息	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January 2002	於二零零二年一月一日	144,380	10,482	-	1,443	(8,183)	25,278	3,550	176,950
Translation adjustments	匯兌調整	-	-	-	-	3,494	-	-	3,494
Deficit on revaluation of properties	重估物業虧絀	-	-	-	(148)	-	-	-	(148)
Loss for the year	本年度虧損	-	-	-	-	-	(30,833)	-	(30,833)
Final dividends for the year ended 31st December 2001, paid (HK\$0.008 per share)	已付截至二零零一年十二月三十一日止年度之末期股息 (每股0.008港元)	-	-	-	-	-	-	(3,550)	(3,550)
Issue of shares through placing	透過配售發行股份	114,000	-	-	-	-	-	-	114,000
Share issue expenses	發行股份開支	(2,984)	-	-	-	-	-	-	(2,984)
Repurchases of shares	購回股份	(11,548)	-	580	-	-	(580)	-	(11,548)
Share repurchase expenses	股份購回開支	(48)	-	-	-	-	-	-	(48)
At 31st December 2002	於二零零二年十二月三十一日	243,800	10,482	580	1,295	(4,689)	(6,135)	-	245,333
Representing:	包括:								
Company and subsidiaries	本公司與附屬公司	243,800	10,482	580	1,295	(4,689)	(6,085)	-	245,383
Associated company	聯營公司	-	-	-	-	-	(50)	-	(50)
		243,800	10,482	580	1,295	(4,689)	(6,135)	-	245,333

Company –

本公司 –

		2003 二零零三年					
		Share premium	Contributed surplus	Capital reserve	Capital redemption reserve	Accumulated deficit	Total
		股份溢價	繳入盈餘	資本儲備	資本贖回儲備	累計虧絀	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January 2003	於二零零三年一月一日	243,800	16,692	4,492	580	(24,288)	241,276
Loss for the year	本年度虧損	-	-	-	-	(51,874)	(51,874)
At 31st December 2003	於二零零三年十二月三十一日	243,800	16,692	4,492	580	(76,162)	189,402

Notes to the Accounts

帳目附註

28 RESERVES (continued)

Company –

28 儲備 (續)

本公司 –

		2002 二零零二年						
		Share premium	Contributed surplus	Capital reserve	Capital redemption reserve	Retained earnings/ (accumulated deficit)	Proposed dividends	Total
		股份溢價	繳入盈餘	資本儲備	資本贖回 儲備	保留溢利/ (累計虧絀)	擬派股息	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January 2002	於二零零二年一月一日	144,380	16,692	4,492	-	3,194	3,550	172,308
Loss for the year	本年度虧損	-	-	-	-	(26,902)	-	(26,902)
Final dividends for the year ended 31st December 2001, paid (HK\$0.008 per share)	已付截至二零零一年 十二月三十一日 止年度末期股息 (每股0.008港元)	-	-	-	-	-	(3,550)	(3,550)
Issue of shares through placing	透過配售發行股份	114,000	-	-	-	-	-	114,000
Share issue expenses	發行股份開支	(2,984)	-	-	-	-	-	(2,984)
Repurchases of shares	購回股份	(11,548)	-	-	580	(580)	-	(11,548)
Share repurchase expenses	股份購回開支	(48)	-	-	-	-	-	(48)
At 31st December 2002	於二零零二年 十二月三十一日	243,800	16,692	4,492	580	(24,288)	-	241,276



Notes to the Accounts

帳目附註

29 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

29 綜合現金流量表附註

(a) Reconciliation of loss from operations to net cash (outflow)/inflow generated from operations:

(a) 以下為經營虧損與經營業務的現金(流出)／流入淨額的對帳:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Loss from operations	經營虧損	(46,983)	(14,158)
Interest income	利息收入	(504)	(6,883)
Depreciation of property and equipment	物業及設備折舊	12,148	10,914
Amortisation of goodwill	商譽攤銷	928	366
Loss on disposal of equipment	出售設備虧損	31	65
Deficit on revaluation of properties	物業重估虧絀	-	532
Gain on disposal of other investments	出售其他投資之收益	(1,176)	(866)
Impairment charge on fixed assets	固定資產減值費用	26,857	-
Unrealised gain on other investments	其他投資之未變現收益	(4)	(1,689)
Dividend income unlisted from long-term investments	非上市長期投資之股息收入	(168)	(167)
Dividend income from other investments	其他投資之股息收入	(82)	(46)
Increase in finance lease receivables	融資租賃應收款項增加	(102,150)	(36,546)
(Increase)/ Decrease in inventories	存貨(增加)／減少	(94,872)	11,678
(Increase)/Decrease in accounts receivable	應收帳款(增加)／減少	(21,908)	87,920
Decrease/(Increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少／(增加)	6,635	(1,827)
Increase/(Decrease) in bills and accounts payable	應付票據及應付帳款增加／(減少)	26,261	(11,676)
Increase/(Decrease) in accruals and other payables	應計費用及其他應付款項增加／(減少)	22,207	(3,858)
Net cash (outflow)/inflow generated from operations	經營業務的現金(流出)／流入淨額	(172,780)	33,759

Notes to the Accounts

帳目附註

29 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

29 綜合現金流量表附註 (續)

(b) Analysis of changes in financing is as follows:

(b) 融資變動分析如下:

		Share capital and share premium	Bank loans	Loans from financial institutions
		股本及 股份溢價 HK\$'000 千港元	銀行貸款 HK\$'000 千港元	財務機構 貸款 HK\$'000 千港元
Balance as at 1st January 2002	於二零零二年 一月一日的結餘	185,130	260,549	12,341
Issue of shares	發行股份	118,000	-	-
Share issue expenses	發行股份開支	(2,984)	-	-
Repurchase of shares	購回股份	(12,128)	-	-
Share repurchase expenses	購回股份開支	(48)	-	-
New loans	新造貸款	-	304,333	-
Repayment of loans	償還貸款	-	(260,549)	(10,852)
Share of loss for the year	所佔本年度虧損	-	-	-
Balance as at 31st December 2002	於二零零二年十二月 三十一日的結餘	287,970	304,333	1,489
New loans	新造貸款	-	416,418	2,830
Repayment of loans	償還貸款	-	(251,933)	(1,489)
Attributable to disposal of interest in a subsidiary	來自出售附屬公司權益	-	-	-
Write-off of minority interests	撤銷少數股東權益	-	-	-
Balance as at 31st December 2003	於二零零三年十二月 三十一日的結餘	287,970	468,818	2,830



Notes to the Accounts

帳目附註

30 COMMITMENTS

(a) Capital commitments

The Group has the following capital commitments for purchases of properties and equipment:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Contracted but not provided for	已訂約但未撥備	10,123	10,651
Authorised but not contracted for	已經批准但未訂約	-	623
		10,123	11,274

(b) Operating lease commitments

The Group has operating lease commitments in respect of rented premises under non-cancellable operating lease agreements extending to December 2008. The total amount of commitments payable under these agreements is analysed as follows:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Amounts payable within a period	須於下列年內支付		
- within one year	- 一年內	10,924	7,952
- of between two to five years	- 二至五年內	11,614	11,932
- over five years	- 五年以上	-	642
		22,538	20,526

30 承擔

(a) 資本承擔

本集團就購入物業及設備有下列的資本承擔：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Contracted but not provided for	10,123	10,651
Authorised but not contracted for	-	623
	10,123	11,274

(b) 經營租賃承擔

本集團根據已續期至二零零八年十二月之不可撤銷經營租賃協議而有物業租金之經營租賃承擔。根據此等協議須付之承擔總額分析如下：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Amounts payable within a period		
- within one year	10,924	7,952
- of between two to five years	11,614	11,932
- over five years	-	642
	22,538	20,526

Notes to the Accounts

帳目附註

30 COMMITMENTS (continued)

(c) Foreign currency forward contracts

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Commitment to buy US\$2,077,246 (2002: US\$528,000 and EUR\$300,000)	16,126	6,385
承諾購入2,077,246美元 (二零零二年: 528,000美元及 300,000歐元)		

31 BANKING FACILITIES

As at 31st December 2003, the Group had the following banking facilities for overdrafts, loans, and trade financing:

31 銀行備用額

於二零零三年十二月三十一日，本集團有以下透支、貸款及貿易融資之銀行備用額：

		Notes 附註	2003 二零零三年		2002 二零零二年	
			Amount available 可供動用 金額 HK\$'000 千港元	Amount utilised 已動用 金額 HK\$'000 千港元	Amount available 可供動用 金額 HK\$'000 千港元	Amount utilised 已動用 金額 HK\$'000 千港元
Unsecured long-term syndicated loans	無抵押長期 銀團貸款	(a)	92,400	92,400	140,000	100,000
Long-term banking facilities	長期銀行備用額	(b)	40,963	27,343	-	-
Short-term banking facilities	短期銀行備用額	(c)	611,639	351,905	557,814	210,831
			745,002	471,648	697,814	310,831

Notes –

- (a) In February 2004, the entire unsecured long-term syndicated loans were settled, partly by proceeds from issuance of convertible bonds and partly by the Group's internal cash. Refer to Note 33 for details.

附註一

- (a) 於二零零四年二月，本集團已全數清還無抵押長期銀團貸款，款項部份來自發行可換股債券所得款項，部分來自本集團內部資金（詳情見附註33）。



Notes to the Accounts

帳目附註

31 BANKING FACILITIES (continued)

(b) These facilities were secured by:

- (i) Pledges over certain vehicles of the Group's customers which are pledged to the Group as security for finance leases granted by the Group;
- (ii) Pledge over certain finance lease receivable with a net book value of approximately HK\$193,249,000 (2002: Nil) (Note 16);
- (iii) Pledges of the Group's other investment in Taiwan with a net book value of approximately HK\$1,739,000 (2002: HK\$1,743,000) (Note 19);
- (iv) Pledges of the Group's bank deposits in Taiwan of approximately HK\$7,078,000 (2002: HK\$6,455,000) (Note 20);
- (v) Corporate guarantees provided by the Company.

In addition, the Group is required to comply with certain financial covenants imposed by the banks. The financial covenants include, among others, maintenance of consolidated net worth of not less than HK\$280,000,000, consolidated net tangible worth of not less than HK\$280,000,000 and consolidated net gearing ratio of not greater than 1.3:1. The Group has not fulfilled these covenants as at 31st December 2003 but have obtained waivers for compliance with those covenants from the relevant bankers in April 2004.

31 銀行備用額 (續)

(b) 此等備用額以下列為抵押:

- (i) 質押由客戶押予本集團作為獲授融資租約之抵押品的客戶汽車;
- (ii) 質押若干賬面淨值約為193,249,000港元(二零零二年:無)的融資租賃應收款項(附註16);
- (iii) 質押本集團於台灣之其他投資,其賬面淨值約1,739,000港元(二零零二年:1,743,000港元)(附註19);
- (iv) 質押本集團於台灣之銀行存款,存款額約7,078,000港元(二零零二年:6,455,000港元)(附註20);
- (v) 以本公司提供的公司擔保作押。

此外,本集團必須遵行若干由銀行實施的財務契諾,此等財務契諾當中包括必須維持綜合資產淨值不得少於280,000,000港元,綜合有形資產淨值不得少於280,000,000港元及綜合淨資本負債比率不得超過1.3:1。截至二零零三年十二月三十一日為止,本集團並未履行此兩項契諾,但在二零零四年四月,已獲有關銀行授予豁免,毋須遵守該等契諾。

Notes to the Accounts

帳目附註

32 CONTINGENT LIABILITIES

Details of contingent liabilities not provided for in the accounts are:

32 或然負債

未有在帳目中計提撥備之或然負債詳情如下:

		Consolidated 綜合		Company 本公司	
		2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Guarantees provided by the Company in respect of banking facilities granted to its subsidiaries	本公司就其附屬公司獲授之銀行備用額所提供之擔保	-	-	350,971	426,292
Guarantees provided in respect of banking facilities granted to customers	本公司就客戶獲授之銀行備用額所提供之擔保	4,259	68,495	-	-
Guarantees provided in favour of a subsidiary's supplier	本集團為一家附屬公司之供應商提供之擔保	-	-	5,000	7,000
		4,259	68,495	355,971	433,292

33 SUBSEQUENT EVENTS

- a. In February 2004, the Group issued certain redeemable convertible bonds with principal amount of US\$15 million (equivalent to HK\$117 million) to certain independent parties ("the bondholders"). The convertible bonds are unsecured and convertible into the Company's ordinary shares with a par value of HK\$0.1 each at a conversion price of HK\$2.7 per share at any time on or after 15th June 2004 and up to 19th January 2009.

33 結算日後事項

- (a) 本集團於二零零四年二月向若干獨立方(「債券持有人」)發行本金總額為1,500萬美元(相當於1.17億港元)之可換股債券。可換股債券為無抵押,及可以於二零零四年六月十五日或其後及直至二零零九年一月十九日為止,隨時按每股2.7港元之換股價,轉換為本公司每股面值0.1港元之普通股。



Notes to the Accounts

帳目附註

33 SUBSEQUENT EVENTS *(continued)*

In addition, under the bond issue agreement, the bondholders have the option to require the Company to redeem all or part of the convertible bonds on 2nd May 2004 at 100% or on 2nd February 2006 at 109.5% or on 2nd February 2007 at 116.9% ("Put Option Dates") of the principal amount. To exercise such right, the bondholders must provide written notice not earlier than 40 days and not later than 25 days prior to the Put Option Dates. As at the date of this report, the Company received one redemption notice to require the Company to redeem the convertible bonds of US\$6 million which will be repayable on 3rd May 2004.

Approximately HK\$77 million of the proceeds from such bond issuance have been used to repay the Group's unsecured long-term syndicated loans. The remaining balance will be used for general working capital purpose.

- b. In February and March 2004, the Company repurchased, through SEHK, 5,928,000 ordinary shares at an aggregate consideration of approximately HK\$8,869,000 (before expenses). These shares were subsequently cancelled.

33 結算日後事項 (續)

此外，根據債券發行協議，債券持有人有權要求本公司於二零零四年五月二日、二零零六年二月二日及二零零七年二月二日（「認沽權日期」），分別按本金額的100%、109.5%、116.9%，贖回全部或部分可換股債券。債券持有人如欲行使此項權利，必須在不早於認沽權日期前40天及不遲於認沽權日期前25天之期間內，提供書面通知書。截至本報告日期為止，本公司收到一贖回通知要求本公司贖回6,000,000美元之可換股債券，此項本金額須於二零零四年五月三日償還。

本公司已將發行可換股債券所得款項約77,000,000港元，用於償還本公司的無抵押長期銀團貸款，而餘下的則撥作一般營運資金用途。

- (b) 於二零零四年二月及三月，本公司透過港交所購回5,928,000股普通股，總代價約為8,869,000港元（未計開支）。此等股份已於其後註銷。