



## NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2004

### 1. GENERAL

The Company is an exempted company incorporated under the Companies Act 1981 of Bermuda (as amended). Its ultimate holding company is J&A, which is incorporated in the British Virgin Islands.

The Company is an investment holding company. The principal activities of the Group are the provision of financial services, including stockbroking, futures and options broking, mutual funds and insurance-linked investment plans and products broking, securities margin financing and corporate finance advisory services.

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARD

In the current year, the Group has adopted, for the first time, the following Hong Kong Financial Reporting Standard (“HKFRS”) issued by the Hong Kong Society of Accountants (“HKSA”). The term HKFRS is inclusive of Statements of Standard Accounting Practice (“SSAP(s)”) and Interpretations approved by the HKSA.

SSAP 12 (Revised)

Income Taxes

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. The adoption of SSAP 12 (Revised) has had no effect on the results for the current or prior accounting years. Accordingly, no prior year adjustment has been required.

## 財務報表附註

截至二零零四年三月三十一日止年度

### 1. 一般事項

本公司乃根據百慕達1981年公司法(修訂本)註冊成立為受豁免公司。本公司之最終控股公司為於英屬處女群島註冊成立之J&A。

本公司為投資控股公司。本集團之主要業務為提供金融服務，包括證券買賣、期貨與期權買賣、互惠基金、保險掛鈎投資計劃及產品買賣、證券保證金融資及企業融資顧問服務。

### 2. 採納香港財務報告準則

於本年度，本集團首次採納以下由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)。香港財務報告準則包括由香港會計師公會頒佈之會計實務準則(「會計實務準則」)及詮釋。

會計實務準則第12號(「經修訂」) 所得稅

採納會計實務準則第12號(經修訂)之主要影響是有關遞延稅項。會計實務準則第12號(經修訂)規定須採納資產負債表負債法，據此，除少數例外情況外，須就財務報表內資產及負債賬面值與計算應課稅溢利所用之相關稅基產生之一切暫時差異來確認遞延稅項。採納會計實務準則第12號(經修訂)並無對本年度及過往會計年度之業績構成影響，因此，毋須作出以前年度調整。



### 3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investments in securities and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

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

#### Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill arising on acquisitions prior to 1 April 2001 continues to be held in reserves, and will be charged to the income statement at the time of disposal of the relevant subsidiary, or at such time as the goodwill is determined to be impaired.

Goodwill arising on acquisitions after 1 April 2001 is capitalised and amortised on a straight-line basis over its useful economic life. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a separate intangible assets.

#### Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

### 3. 主要會計政策

本財務報表乃根據歷史成本法(而就若干證券投資價值重估作出調整)及香港普遍採納之會計準則而編製，有關主要會計政策如下：

#### 綜合基準

綜合財務報表包括本公司及其附屬公司截至每年三月三十一日止之財務報表。

年度內所購入或售出之附屬公司之業績，乃由購入生效日期起或截至售出生效日期止(如適用)計入綜合損益計數表。

#### 商譽

綜合賬目產生之商譽指收購附屬公司所支付之成本，超出收購當日本集團應佔有關公司可辨認資產與負債之公平價值之差額。

二零零一年四月一日前進行之收購而產生之商譽繼續列入儲備，並會於售出有關附屬公司時，或已知商譽出現減值時在損益計數表扣除。

二零零一年四月一日以後進行之收購而產生之商譽乃作資本化並按其可使用經濟年期以直線基準攤銷。收購附屬公司而產生之商譽在資產負債表上乃另外列作無形資產。

#### 附屬公司投資

附屬公司投資乃按成本扣除任何已辨認減值虧損後列入本公司之資產負債表。



### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition

All transactions in securities trading are recorded on a trade date basis.

Commission and brokerage income as well as advisory fee income are recognised when the services are rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Advertising income is recognised when the service is provided.

#### Intangible assets

Intangible assets are stated at cost and amortised on a straight-line basis over their estimated useful lives.

#### Fixed assets

Fixed assets are stated at cost less depreciation and accumulated impairment losses, if any.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, at the following rates per annum:

Leasehold improvements	租賃物業裝修	20% - 33 $\frac{1}{3}$ %
Computer equipment	電腦設備	20% - 50%
Furniture and fixtures	傢俬及裝置	20% - 40%
Motor vehicles	汽車	20% - 30%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

### 3. 主要會計政策 (續)

#### 收入確認

證券買賣之所有交易乃按有關買賣日期予以記錄。

佣金及經紀收入與及顧問費收入在提供服務時確認入賬。

利息收入乃參考尚餘本金及適用利率按時間基準確認。

廣告收入在提供服務時確認入賬。

#### 無形資產

無形資產乃按成本及按其可使用年期以直線基準攤銷。

#### 固定資產

固定資產乃按成本值減折舊及累計減值虧損(如有)入賬。

售出或棄用資產所產生之盈虧乃按售出該項資產所得款項與其賬面值之差額而衡量，並於損益計數表確認入賬。

固定資產乃按其估計可使用年期及計入估計剩餘價值，以直線基準按以下年率撇除成本計算折舊：

以融資租約持有之資產乃按其估計可使用年期，按所擁有資產之上述基準或有關租期兩者之較短者計算折舊。



### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalised at their fair values at the date of acquisition. The corresponding liabilities to the lessors, net of interest charges, are included in the balance sheet as obligations. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the consolidated income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting year.

All other leases are classified as operating leases and the annual rental is charged to consolidated income statement on a straight-line basis over the term of the relevant lease.

#### Investments in securities

Investments in securities are recognised on a trade date basis and are initially measured at cost.

All securities other than held-to-maturity debt securities are measured at fair value at subsequent reporting dates.

Where securities are held for trading purposes, unrealised gains and losses are included in net profit or loss for the year. For other securities, unrealised gains and losses are dealt with in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss is included in net profit or loss for the year.

#### Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

### 3. 主要會計政策 (續)

#### 租賃資產

凡將資產擁有權之絕大部份風險及報酬轉由本集團承擔及享有之租約，均列作融資租約。融資租約乃於租賃生效時按彼等之公平值撥充資本。應付出租人之負債在扣除利息費用後，將於資產負債表列作承擔。財務費用相等於租賃總承擔及所收購資產之公平值之差額，將按有關租期於綜合損益計數表扣除，以便就各會計年度之剩餘負債結算出固定之定期扣除比率。

所有其他租約均列作經營租約，其年租乃以直線基準按有關租期於綜合損益計數表扣除。

#### 證券投資

證券投資乃根據買賣日期基準確認，並於開始進行買賣時按成本值計算。

除持至到期日之債務證券外，所有其他證券於其後之呈報日期均以公平值計算。

以買賣用途持有之證券之未變現盈虧乃計入年內之溢利或虧損淨額。而其他證券之未變現盈虧則計入股東資金，惟於年內售出之證券或曾作出減值撥備之證券，其累計盈虧則計入年內之溢利或虧損淨額。

#### 減值

本集團於每個結算日審閱其有形資產及無形資產之賬面值，以決定該等資產是否有減值虧損之跡象。倘資產之可收回金額估計低於其賬面值，則資產之賬面值必須扣減至其可收回價值。減值虧損須即時確認為費用。



### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items of income or expense that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxation profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

### 3. 主要會計政策 (續)

#### 減值 (續)

倘上述減值虧損於其後撥回，資產之賬面值會增加至估計可收回金額，而增加後之賬面值不得超過在往年並無確認減值虧損時之賬面值。撥回之減值虧損須即時確認為收入。

#### 稅項

所得稅開支指現時應付稅項及遞延稅項。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與收益表中所報溢利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收入或開支，並且不包括收益表內從未課稅及扣稅之收入或開支。

遞延稅項為就財務報表資產及負債賬面值及計算應課稅溢利相應稅基差額而須支付或收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產乃按可能出現可利用臨時時差扣稅之應課稅溢利時提撥。若於一項交易中，因商譽（或負商譽）或因業務合併以外原因開始確認其他資產及負債而引致之臨時時差既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司之權益而引致之應課稅臨時差異而確認，惟若本集團可令臨時差額對沖及臨時差額有可能未必於可見將來對沖之情況除外。



### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation (Continued)

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity in which case the deferred tax is also dealt with in equity.

#### Foreign currencies

Transactions in currencies other than Hong Kong dollars are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in currencies other than Hong Kong dollars are re-translated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

On consolidation, the assets and liabilities of the Group's operations outside Hong Kong are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's reserve. Such translation differences are recognised as an income or as an expense in the year in which the operation is disposed of.

#### Retirement benefits costs

Payments to the defined contribution retirement benefits scheme are charged as an expense as they fall due.

### 3. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項資產之賬面值於每個結算日作檢討，並在沒可能於會有足夠應課稅溢利恢復全部或部份資產價值時作調減。

遞延稅項乃按預期於負債清償或資產變現年度適用之稅率計算。遞延稅項於收益表中扣除或計入收益表。惟倘遞延稅項直接在股本權益中扣除或計入股本權益之情況（在此情況下遞延稅項亦會於股本權益中處理）除外。

#### 外幣換算

港元以外之貨幣交易乃按交易日之兌換率折算，而以港元以外之貨幣為單位之貨幣資產及負債則按結算日之現行匯率折算。所有滙兌差額均計入損益計數表。

於綜合賬目內，本集團在香港以外經營業務之資產與負債，均按結算日之匯率換算。收入及開支項目，乃按年度之平均滙率換算。產生之滙兌差額（如有）乃歸類為股本，並轉撥至本集團之儲備內。有關換算差額，乃於售出業務之年度內確認為收入或費用。

#### 退休福利計劃成本

定額供款退休福利計劃之款項，乃於到期時作為費用予以扣除。





#### 4. TURNOVER

Commission and brokerage	經紀佣金
Interest income from:	來自以下項目之利息收入：
Clients	客戶
Authorised institutions	認可機構
Other	其他
Advisory fee income	顧問費收入
Advertising income	廣告收入

#### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS

##### Business segments

For management purposes, the Group is currently organised into two operating divisions, namely, broking and securities margin financing. These divisions are the basis on which the Group reports its primary segment information. The principal activities of these divisions are as follows:

Broking — provision of stockbroking, futures and options broking and mutual funds as well as insurance-linked investment plans and products broking

Securities margin financing — provision of securities margin financing

#### 4. 營業額

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
	40,222	19,737
	5,349	7,500
	204	517
	36	143
	1,220	1,337
	—	8
	<u>47,031</u>	<u>29,242</u>

#### 5. 業務及地區分類

##### 業務分類

因管理目的，本集團目前由兩個經營類別組成，分別為經紀業務及證券保證金融資。本集團以該等類別作為呈報主要分類資料之基準，該等類別之基本業務如下：

經紀業務 — 提供證券、期貨與期權買賣、互惠基金、保險掛鉤投資計劃及產品買賣

證券保證金融資 — 提供證券保證金融資



5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Segment information about these businesses is presented below:

Income statement for the year ended 31 March 2004

5. 業務及地區分類 (續)

上述業務之分類資料載於下文：

截至二零零四年三月三十一日止年度之損益計數表

		Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益				
Segment turnover	分類營業額	41,289	2,713	3,029	47,031
RESULTS	業績				
Segment profit (loss)	分類溢利 (虧損)	7,971	(796)	1,296	8,471
Unallocated expenses	未劃撥開支				293
Profit before taxation	除稅前溢利				8,178
Taxation credit	稅項計入				6
Profit after taxation and before minority interests	除稅後及未計少數股東 權益之溢利				8,184





## 5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Balance sheet as at 31 March 2004

## 5. 業務及地區分類 (續)

於二零零四年三月三十一日之資產負債表

		<b>Broking</b> 經紀業務 HK\$'000 千港元	<b>Securities margin financing</b> 證券 保證金融資 HK\$'000 千港元	<b>Others</b> 其他 HK\$'000 千港元	<b>Consolidated</b> 綜合 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>				
Segment assets	分類資產	156,421	32,293	8,631	197,345
Unallocated corporate assets	未劃撥公司資產				1,062
Consolidated total assets	綜合資產總額				198,407
<b>LIABILITIES</b>	<b>負債</b>				
Segment liabilities	分類負債	78,379	3,122	53	81,554
Unallocated corporate liabilities	未劃撥公司負債				154
Consolidated total liabilities	綜合負債總額				81,708



5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Other information for the year ended 31 March 2004

5. 業務及地區分類 (續)

截至二零零四年三月三十一日止年度之其他資料

		Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Additions of fixed assets (Written back of allowance) allowance for bad and doubtful debts	固定資產增添 (呆壞賬回撥) 呆壞賬撥備	1,360	—	—	1,360
Amortisation of intangible assets	無形資產攤銷	(1,891)	2,767	(463)	413
Depreciation	折舊	6	—	—	6
Loss on disposal of fixed assets	售出固定 資產虧損	2,183	—	235	2,418
		—	—	5	5
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Income statement for the year ended 31 March 2003

5. 業務及地區分類 (續)

截至二零零三年三月三十一日止年度之損益計數表

		Continuing operations 持續經營業務			Discontinued operation 已終止業務	
		Securities margin financing		Others	Operation of distribution platforms	Consolidated
		Broking 經紀業務	證券 保證金融資	其他	經營 分銷平台	綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
REVENUE	收益					
Segment turnover	分類營業額	21,403	5,862	1,969	8	29,242
RESULTS	業績					
Segment loss	分類虧損	(18,454)	(11,054)	(5,833)	(25,014)	(60,355)
Unallocated expenses	未劃撥開支					(759)
Loss before taxation	除稅前虧損					(61,114)
Taxation credit	稅項計入					125
Loss after taxation and before minority interests	除稅後及未計少數 股東權益之虧損					(60,989)



5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Balance sheet as at 31 March 2003

5. 業務及地區分類 (續)

於二零零三年三月三十一日之資產負債表

		Continuing operations 持續經營業務			Discontinued operation 已終止業務	
		Securities margin financing			Operation of distribution platforms	Consolidated
		Broking 經紀業務 HK\$'000 千港元	證券 保證金融資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	經營 分銷平台 HK\$'000 千港元	綜合 綜合 HK\$'000 千港元
ASSETS	資產					
Segment assets	分類資產	74,932	67,985	2,395	—	145,312
Unallocated corporate assets	未劃撥公司資產					1,304
Consolidated total assets	綜合資產總額					146,616
LIABILITIES	負債					
Segment liabilities	分類負債	36,202	1,334	31	—	37,567
Unallocated corporate liabilities	未劃撥公司負債					534
Consolidated total liabilities	綜合負債總額					38,101



## 5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Other information for the year ended 31 March 2003

## 5. 業務及地區分類 (續)

截至二零零三年三月三十一日止年度之其他資料

	Continuing operations 持續經營業務			Discontinued operation 已終止業務	Consolidated 綜合 HK\$'000 千港元
	Broking 經紀業務 HK\$'000 千港元	Securities margin financing 證券 保證金融資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Operation of distribution platforms 經營 分銷平台 HK\$'000 千港元	
Additions of fixed assets	2,818	—	311	—	3,129
Allowance for bad and doubtful debts	2,324	11,847	5,164	—	19,335
Amortisation of intangible assets	534	—	—	1,310	1,844
Bad debts written off	166	622	—	8	796
Depreciation	1,882	—	100	187	2,169
Impairment losses recognised in respect of intangible assets	6,362	—	—	22,690	29,052
Loss on disposal of fixed assets	—	—	—	334	334

### Geographical segments

All of the activities of the Group are based in Hong Kong and all of the Group's turnover and profit (loss) before taxation are derived from Hong Kong. In addition, the Group's assets are located in Hong Kong.

### 地區分類

本集團之所有業務均在香港經營，而本集團之所有營業額及除稅前溢利(虧損)均來自香港。此外，本集團之資產均位於香港。



6. FINANCE COSTS

6. 財務費用

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Interest on borrowings wholly repayable within five years:	於五年內償清之 貸款利息：		
Bank overdrafts	銀行透支	1	1
Finance leases	融資租約	17	88
Other bank borrowings	其他銀行貸款	27	17
		<u>45</u>	<u>106</u>

7. PROFIT (LOSS) BEFORE TAXATION

7. 除稅前溢利(虧損)

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Profit (loss) before taxation has been arrived at after charging (crediting):	除稅前溢利(虧損)已扣除 (計入)下列各項：		
Auditors' remuneration	核數師酬金	722	703
Contributions to retirement benefits scheme (including in staff costs)	退休福利計劃供款 (包括僱員成本)	321	242
Loss from error trades	錯誤交易虧損	52	24
Loss on disposal of fixed assets	售出固定資產虧損	5	334
Operating lease rentals in respect of rented premises	有關租賃物業之 經營租約租金	4,093	4,384
(Gain) loss on trading securities	買賣證券(收益)虧損	(1,443)	1,405
Negative goodwill released to income statement (included in other operating income)	負商譽撥往損益 計數表(包括在 其他經營收入)	—	(27)
		<u>—</u>	<u>(27)</u>



## 8. DIRECTORS' REMUNERATION

Fees paid to Independent Non-executive Directors	已付獨立非執行董事之袍金	100	100
Other emoluments paid to Executive Directors:	已付執行董事之其他酬金：		
Salaries and other benefits	薪金及其他福利	1,288	1,325
Contributions to retirement benefits scheme	退休福利計劃供款	24	24
Discretionary bonus	酌定花紅	220	—
		<u>1,632</u>	<u>1,449</u>

The aggregate emoluments of each of the Directors for both years were less than HK\$1,000,000.

During the year, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group. None of the Directors has waived any emoluments during the year.

## 9. EMPLOYEES' EMOLUMENTS

The five individuals with the highest emoluments in the Group included two (2003: two) directors of the Company for the year, details of whose emoluments are included in note 8. The emoluments of the remaining three (2003: three) individuals were as follows:

Salaries and other benefits	薪金及其他福利	1,558	1,948
Contributions to retirement benefits scheme	退休福利計劃供款	36	36
		<u>1,594</u>	<u>1,984</u>

The aggregate emoluments of these of the remaining three (2003: three) highest paid individuals were less than HK\$1,000,000.

During the year, no emoluments were paid by the Group to the above-mentioned individuals as an inducement to join the Group or as compensation for loss of office.

## 8. 董事酬金

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Fees paid to Independent Non-executive Directors	100	100
Other emoluments paid to Executive Directors:		
Salaries and other benefits	1,288	1,325
Contributions to retirement benefits scheme	24	24
Discretionary bonus	220	—
	<u>1,632</u>	<u>1,449</u>

兩年內，各董事各自之酬金總額不超過1,000,000港元。

年度內，本集團概無向任何董事支付任何酬金，以吸引其加入本集團。各董事年度內並無放棄任何酬金。

## 9. 僱員酬金

年度內，本集團之五名最高薪酬人士包括兩名(二零零三年：兩名)本公司董事，其薪酬詳情載於附註第8項。其餘三名(二零零三年：三名)人士之酬金如下：

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Salaries and other benefits	1,558	1,948
Contributions to retirement benefits scheme	36	36
	<u>1,594</u>	<u>1,984</u>

其餘三名(二零零三年：三名)最高薪酬人士各自之酬金總額不超過1,000,000港元。

年度內，本集團概無向上述人士支付任何酬金，以吸引其加入本集團或作為離職賠償。





## 10. TAXATION CREDIT

## 10. 稅項計入

		<b>2004</b>	2003
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Hong Kong Profits Tax	香港利得稅		
Overprovision in prior years	上年度超額撥備	<b>6</b>	125

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company and its subsidiaries either had no assessable profits arising in Hong Kong or the assessable profits were wholly absorbed by estimated tax losses brought forward.

由於本公司及其附屬公司均無應課稅溢利或該等應課稅溢利已全數計入承前估計稅項虧損，故並無於財務報表內就香港利得稅作撥備。

The taxation credit for the year can be reconciled to the profit (loss) before taxation per the consolidated income statement as follows:

本年度之稅項與綜合收益表之除稅前溢利（虧損）之對賬如下：

		<b>2004</b>	2003
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Profit (loss) before taxation	除稅前溢利（虧損）	<b>8,178</b>	(61,114)
Taxation (charge) credit at domestic income tax rate of 17.5% (2003: 16%)	以當地所得稅率 17.5%（二零零三年：16%）計算之稅款	<b>(1,431)</b>	9,778
Tax effect of income not taxable for tax purpose	毋須就稅項而課稅之收入之稅務影響	<b>36</b>	92
Tax effect of estimated tax losses not recognised	未確認估計稅務虧損之稅務影響	<b>(567)</b>	(5,472)
Overprovision in prior years	過往年度撥備過多	<b>6</b>	125
Tax effect of expenses not deductible for tax purpose	不能就稅項作扣減開支之稅務影響	<b>(157)</b>	(4,544)
Tax effect of utilisation of estimated tax loss previously not recognised	未有就以往之估計稅務虧損作確認之稅務影響	<b>1,934</b>	78
Others	其他	<b>185</b>	68
Taxation credit for the year	年內之稅務計入	<b>6</b>	125



## 10. TAXATION CREDIT (Continued)

At 31 March 2004, the Group had unused estimated tax losses of approximately HK\$35,834,000 (2003: HK\$43,645,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

## 11. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share is based on the following data:

Net profit (loss) for the year

本年度溢利（虧損）淨額

Number of ordinary shares

for the purpose of basic and diluted earnings  
(loss) per share

計算每股基本及攤薄  
盈利（虧損）之普通股

The computation of diluted earnings (loss) per share for both years did not assume the exercise of the Company's share options as their exercise prices were higher than the average market price for shares for the year.

## 10. 稅項計入（續）

於二零零四年三月三十一日，本集團有未動用估計稅務虧損約35,834,000港元（二零零三年：43,645,000港元）可供抵銷未來應課稅溢利。由於難以預測未來溢利流量，故未有確認遞延稅項資產。

## 11. 每股盈利（虧損）

每股基本及攤薄盈利（虧損）乃按下列數據計算：

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
	<b>8,148</b>	<b>(42,731)</b>
	Number of shares 股份數目	
	'000 千股	'000 千股
	<b>460,000</b>	<b>460,000</b>

由於本公司認股權之行使價高於股份於年度內之平均市價，因此在計算兩個年度之每股攤薄盈利（虧損）時假設該等認股權未獲行使。



12. FIXED ASSETS

12. 固定資產

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合共 HK\$'000 千港元
<b>THE GROUP</b>	<b>本集團</b>					
<b>COST</b>	<b>成本值</b>					
At 1 April 2003	於二零零三年 四月一日	571	4,200	3,977	2,116	10,864
Additions	增添	129	1,112	84	35	1,360
Disposals	售出	—	—	—	(19)	(19)
At 31 March 2004	於二零零四年 三月三十一日	700	5,312	4,061	2,132	12,205
<b>DEPRECIATION</b>	<b>折舊</b>					
At 1 April 2003	於二零零三年 四月一日	206	2,075	2,715	1,205	6,201
Provided for the year	本年度撥備	256	1,094	561	507	2,418
Eliminated on disposals	售出時抵銷	—	—	—	(14)	(14)
At 31 March 2004	於二零零四年 三月三十一日	462	3,169	3,276	1,698	8,605
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>					
At 31 March 2004	於二零零四年 三月三十一日	238	2,143	785	434	3,600
At 31 March 2003	於二零零三年 三月三十一日	365	2,125	1,262	911	4,663

The Group's computer equipment with a net book value of approximately HK\$404,000 (2003: HK\$922,000) and motor vehicles with a net book value of nil (2003: HK\$672,000) are held under finance leases.

本集團按融資租約持有之電腦設備及汽車之賬面淨值分別約為404,000港元(二零零三年：922,000港元)及無(二零零三年：672,000港元)。



### 13. INTANGIBLE ASSETS

### 13. 無形資產

		Trading rights 交易權 HK\$'000 千港元	License and right to use a website and trademark 許可權及 網站和商標 之使用權 HK\$'000 千港元	License to use technical knowhow and Webtrade products 使用專業 技術及網上 交易產品 之許可權 HK\$'000 千港元	Total 合共 HK\$'000 千港元
<b>THE GROUP</b>	<b>本集團</b>				
<b>COST</b>	<b>成本值</b>				
At 1 April 2003 and 31 March 2004	於二零零三年 四月一日及 二零零四年 三月三十一日	50	120,978	7,420	128,448
<b>AMORTISATION AND IMPAIRMENT LOSSES</b>	<b>攤銷及減值虧損</b>				
At 1 April 2003	於二零零三年 四月一日	11	120,978	7,420	128,409
Provided for the year	本年度撥備	6	—	—	6
At 31 March 2004	於二零零四年 三月三十一日	17	120,978	7,420	128,415
<b>CARRYING VALUES</b>	<b>賬面值</b>				
At 31 March 2004	於二零零四年 三月三十一日	33	—	—	33
At 31 March 2003	於二零零三年 三月三十一日	39	—	—	39



### 13. INTANGIBLE ASSETS (Continued)

Trading rights represent two trading rights in the Stock Exchange and one trading right in the Hong Kong Futures Exchange Limited (the "Futures Exchange").

Trading rights are amortised over nine years.

### 14. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份，按成本值
Less: Impairment loss recognised	減：已確認之減值虧損

The cost is based on the value of the underlying net tangible assets of the subsidiaries attributable to the Group as at the date on which the Company became the holding company of the Group under the reorganisation.

### 13. 無形資產 (續)

交易權指於聯交所之兩個交易權及香港期貨交易所有限公司(「期交所」)之一個交易權。

交易權乃按九年攤銷。

### 14. 附屬公司投資

2004	2003
<i>HK\$'000</i>	<i>HK\$'000</i>
千港元	千港元
<b>89,827</b>	89,827
<b>(29,000)</b>	(29,000)
<hr/>	<hr/>
<b>60,827</b>	60,827
<hr/> <hr/>	<hr/> <hr/>

成本乃按照本公司於根據重組而成為本集團控股公司當日，本集團應佔附屬公司之有關有形資產淨值之價值而計算。



#### 14. INVESTMENTS IN SUBSIDIARIES (Continued)

The following table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

#### 14. 附屬公司投資 (續)

下表載列董事認為對本集團業績或資產有主要影響之本公司各附屬公司。董事認為，提供其他附屬公司之詳情會令篇幅過於冗長。

Name 名稱	Country/ place of incorporation 註冊成立 國家/地點	Class of shares held 所持股份類別	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued share capital held by the Company 本公司持有 已發行股本 面值比例 %	Principal activities 主要業務
Karl Thomson (B.V.I.) Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	HK\$10 10 港元	100	Investment holding 投資控股
Karl-Thomson Securities Company Limited 高信證券有限公司	Hong Kong 香港	Ordinary 普通股	HK\$5,000,000 5,000,000 港元	100	Securities dealing and broking 證券交易及買賣
Karl-Thomson Commodities Company Limited 高信商品期貨有限公司	Hong Kong 香港	Ordinary 普通股	HK\$5,000,000 5,000,000 港元	100	Futures and options broking 期貨及期權買賣
Karl Thomson Finance Limited 高信財務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$20,000,000 20,000,000 港元	100	Securities margin financing 證券保證金融資
Karl Thomson Credit Limited 高信理財有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000 港元	100	Money lending 借貸



14. INVESTMENTS IN SUBSIDIARIES (Continued)

14. 附屬公司投資 (續)

Name 名稱	Country/ place of incorporation 註冊成立 國家/地點	Class of shares held 所持股份類別	Issued and fully paid share capital 已發行及 繳足股本	Proportion of nominal value of issued share capital held by the Company 本公司持有 已發行股本 面值比例 %	Principal activities 主要業務
Karl Thomson Investment Consultants Limited 高信投資顧問有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000,000 1,000,000 港元	100	Broking of mutual funds and insurance-linked investment plans and products 互惠基金、保險掛鈎 投資計劃及產品買賣
Karl Thomson Financial Advisory Limited 高信融資服務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$600,000 600,000 港元	51	Corporate finance advisory 企業融資顧問
Access Way Investments Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$1 1 美元	100	Holding of computer equipment 持有電腦設備
Karfun Investments Limited 佳帆投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$100,000 100,000 港元	100	Investment holding 投資控股

The principal place of operation of the subsidiaries is Hong Kong.

各附屬公司主要在香港經營。

The Company directly holds the interest in Karl Thomson (B.V.I.) Limited. All other subsidiaries shown above are indirectly held by the Company.

本公司直接持有 Karl Thomson (B.V.I.) Limited 之權益，而上述所有其他附屬公司之權益則由本公司間接持有。

None of the subsidiaries had any debt securities outstanding at end of the year or at any time during the year.

於年底或年度內任何時間，附屬公司概無任何尚未清償之債務證券。





## 15. OTHER ASSETS

Deposits with:	於下列公司之按金：
The Stock Exchange	聯交所
The Futures Exchange	期交所
The SFC	證監會
Hong Kong Securities Clearing Company Limited ("HKSCC")	香港中央結算有限公司 (「中央結算」)
Reserve Fund Contribution to HKFE Clearing Corporation Limited ("HKFECC")	期貨交易結算有限公司 (「期交結算」) 之 儲備金供款

## 15. 其他資產

THE GROUP		2004	2003
本集團		HK\$'000	HK\$'000
		千港元	千港元
		278	278
		—	100
		2,100	2,100
		200	200
		1,500	1,500
		<b>4,078</b>	<b>4,178</b>

## 16. LOANS RECEIVABLE

The maturity of the loans receivable is as follows:

Matured within 90 days	於 90 日內到期
Matured between 91 days and 180 days	於 91 日至 180 日內到期
Matured between 181 days and 365 days	於 181 日至 365 日內到期
Matured over 1 year	一年後到期

## 16. 應收貸款

應收貸款之到期日載列如下：

THE GROUP		2004	2003
本集團		HK\$'000	HK\$'000
		千港元	千港元
		5,734	—
		33	600
		25	—
		5,792	600
		1,076	—
		<b>6,868</b>	<b>600</b>



## 17. ACCOUNTS RECEIVABLE

## 17. 應收賬款

		THE GROUP 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Accounts receivable arising from the business of dealing in securities:	買賣證券所產生之應收賬款：		
Cash clients	現金客戶	15,117	10,927
HKSCC	中央結算	2,158	—
Brokers	經紀	—	20
Accounts receivable from HKFECC arising from the business of dealing in futures contracts	買賣期貨合約所產生之應收期交結算賬款	4,128	2,850
Loans to securities margin clients	證券保證金融資客戶貸款	22,456	44,705
Accounts receivable arising from the business of providing corporate advisory services	提供企業顧問服務所產生之應收賬款	623	—
		<b>44,482</b>	<b>58,502</b>

The settlement terms of accounts receivable from cash clients, HKSCC, brokers and HKFECC are one to four days after the trade date.

Loans to securities margin clients are secured by clients' pledged securities, repayable on demand and bear interest at prevailing market rates. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

The Group does not provide any credit term to its corporate advisory clients. The age of accounts receivable arising from the business of providing corporate advisory services is as follows:

應收現金客戶、中央結算、經紀及期交結算賬款之結算期限為交易日期後一至四日。

證券保證金融資客戶貸款，乃以客戶之有抵押證券擔保，須按通知償還及按現行市場利率計算利息。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

本集團並無為企業融資顧問客戶提供還款期條款。提供企業融資顧問服務業務之應收款賬齡如下：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
0 to 90 days	0 至 90 日	318	—
91 to 180 days	91 至 180 日	305	—
		<b>623</b>	<b>—</b>



## 18. INVESTMENTS IN SECURITIES

Trading securities: Equity shares listed in Hong Kong, at market value	買賣證券： 香港上市普通股， 按市值
--	--------------------------

## 19. PLEDGED FIXED DEPOSITS

The Group had pledged fixed deposits of HK\$7,598,000 (2003: HK\$7,548,000) to banks to secure general banking facilities granted to the Group.

## 20. ACCOUNTS PAYABLE

Accounts payable arising from the business of dealing in securities:	買賣證券所產生 之應付賬款：
Cash clients	現金客戶
HKSCC	中央結算
Accounts payable to clients arising from the business of dealing in futures contracts	買賣期貨合約 所產生應付 客戶之賬款
Amounts due to securities margin clients	應付證券保證金 融資客戶之款項

The settlement terms of accounts payable to cash clients and HKSCC are two to four days after the trade date.

## 18. 證券投資

THE GROUP	
本集團	
2004	2003
HK\$'000	HK\$'000
千港元	千港元

<b>156</b>	<b>92</b>
------------	-----------

## 19. 已抵押定期存款

本集團已將定期存款7,598,000港元(二零零三年：7,548,000港元)抵押予銀行，作為獲得一般銀行貸款之擔保。

## 20. 應付賬款

THE GROUP	
本集團	
2004	2003
HK\$'000	HK\$'000
千港元	千港元

<b>67,781</b>	25,724
<b>—</b>	1,724
<b>5,165</b>	6,329
<b>3,122</b>	1,180
<b>76,068</b>	<b>34,957</b>

應付現金客戶及中央結算之結算期限為交易日期後二至四日。



## 20. ACCOUNTS PAYABLE (Continued)

Accounts payable to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their tradings of futures contracts on the Futures Exchange. The excesses of the outstanding amounts over the required margin deposits stipulated by the Futures Exchange are repayable to clients on demand. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

Amounts due to securities margin clients are repayable on demand. In the opinion of the Directors, no aged analysis is disclosed as the aged analysis does not give additional value.

## 20. 應付賬款 (續)

買賣期貨合約所產生應付客戶之賬款，乃已收客戶買賣期交所期貨合約之保證金。應付款項超出期交所所要求之保證金，則須按通知向客戶償還。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

應付證券保證金融資客戶之款項，須按通知償還。董事認為，由於賬齡分析並無意義，因此並無就此作出任何披露。

## 21. OBLIGATIONS UNDER FINANCE LEASES

## 21. 融資租約承擔

		Minimum lease payments		Present value of minimum lease payments	
		最少須支付之租金	最少須支付之租金現值	最少須支付之租金	最少須支付之租金現值
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>THE GROUP</b>	<b>本集團</b>				
Amounts payable under finance leases:	融資租約之應付賬款：				
Within one year	一年內	34	488	33	472
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	—	34	—	33
		<u>34</u>	<u>522</u>	<u>33</u>	<u>505</u>
Less: Future finance charges	減：未來融資費用	(1)	(17)	—	—
Present value of obligations	承擔之現值	<u>33</u>	<u>505</u>	<u>33</u>	<u>505</u>
Less: Amounts due for payment within one year	減：一年內到期之款項			(33)	(472)
Amounts due for payment after one year	一年後到期之款項			<u>—</u>	<u>33</u>



## 21. OBLIGATIONS UNDER FINANCE LEASES (Continued)

The Group leased certain of its computer equipment under finance leases. The average lease term is three years. Interest rates are charged at commercial rates and fixed at the respective contract dates. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessors' charges over the leased assets.

## 22. SHARE CAPITAL

## 21. 融資租約承擔 (續)

本集團以融資租約租賃若干電腦設備，平均租約年期為三年。利率乃按商業利率而徵收，並於各合約日期制定有關利率。所有租約均以固定償還期為準，而且並無訂立有關或然租金付款之安排。

本集團之融資租約承擔由租賃資產作抵押。

## 22. 股本

		<b>Number of shares</b>	
		股份數目	
		'000	HK\$'000
		千股	千港元
<b>Ordinary shares of HK\$0.10 each</b>	<b>每股面值 0.10 港元之普通股</b>		
<i>Authorised:</i>	<i>法定股本：</i>		
At 31 March 2003 and	二零零三年三月三十一日及		
31 March 2004	二零零四年三月三十一日	<u>1,000,000</u>	<u>100,000</u>
<i>Issued and fully paid:</i>	<i>已發行及繳足股本：</i>		
At 31 March 2003 and	於二零零三年三月三十一日及		
31 March 2004	二零零四年三月三十一日	<u>460,000</u>	<u>46,000</u>

There was no movement in the share capital of the Company during the year.

於年度內本公司之股本並沒有變動。



## 23. RESERVES

## 23. 儲備

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合共 HK\$'000 千港元
<b>THE COMPANY</b>	<b>本公司</b>				
At 1 April 2002	於二零零二年四月一日	76,589	89,627	(61,674)	104,542
Net loss for the year	本年度虧損淨額	—	—	(42,517)	(42,517)
At 31 March 2003 and 1 April 2003	於二零零三年三月三十一日及 二零零三年四月一日	76,589	89,627	(104,191)	62,025
Net loss for the year	本年度虧損淨額	—	—	(356)	(356)
At 31 March 2004	於二零零四年三月三十一日	<u>76,589</u>	<u>89,627</u>	<u>(104,547)</u>	<u>61,669</u>

The contributed surplus of the Company arose as a result of the group reorganisation and represents the excess of the then combined net assets of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange thereof.

本公司之繳入盈餘，乃由集團重組而產生，並相當於所收購附屬公司於當時之合併資產淨額，乃超出本公司因收購而發行股本面值之款項。

### THE GROUP

### 本集團

Movements in the reserves of the Group are set out in the consolidated statement of changes in equity.

本集團之儲備變動，載於綜合權益變動表。

The special reserve of the Group represents the difference between the nominal value of shares of the acquired subsidiaries and the nominal value of the shares of the Company issued for the acquisition at the time of the reorganisation of the Group.

本集團之特殊儲備乃指所收購附屬公司之股份面值，與本公司在本集團進行重組時就收購而發行股份之面值之間之差額。



## 24. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)

Operating lease payments represent rentals payable by the Group for its office premises. Leases are mainly negotiated for an average term of two years and rentals are fixed for an average of two years.

The Company had no operating lease commitments at the balance sheet dates.

## 25. COMMITMENTS

### (a) Capital Commitment

The Group and the Company did not have any significant capital commitment at the balance sheet dates.

## 24. 經營租約承擔

於結算日，本集團須根據租賃物業之不可撤銷經營租約，在下列期間支付未來最低租金：

THE GROUP	
本集團	
2004	2003
HK\$'000	HK\$'000
千港元	千港元
2,580	3,319
3,444	920
<b>6,024</b>	<b>4,239</b>

經營租約款項指本集團就辦公室物業應付之租金。租約主要按平均兩年期磋商，而於平均兩年內之租金乃固定。

於結算日，本公司並無任何經營租約承擔。

## 25. 承擔

### (a) 資本承擔

於結算日，本集團及本公司並無任何重大資本承擔。





## 25. COMMITMENTS (Continued)

### (b) Other Commitments

On 6 February 2004, Karfun, a wholly-owned subsidiary of the Company, entered into a conditional subscription agreement (the "CN Subscription Agreement") with ATNT, a company in which Mr. Lam Kwok Hing has a beneficial interest and Messrs. Lam Kwok Hing and Ng Chi Kin David are also directors. Pursuant to the CN Subscription Agreement, Karfun would subscribe a convertible note in principal amount of HK\$30,000,000 to be issued by ATNT. The term of the convertible note is 2 years from the date of issue of the convertible note. The initial conversion price is HK\$0.24 (after adjustment of the share consolidation of ATNT on 26 April 2004) per a share of ATNT and the alternative conversion price is HK\$0.20 (after adjustment of the share consolidation of ATNT on 26 April 2004) if the average of any 7 closing prices for 25 consecutive trading days prior to the completion of the CN Subscription Agreement is below the initial conversion price. No interest is payable on the convertible note except in the case of the redemption of the convertible note by ATNT under which a rate of 5% over the prime lending rate will be paid by ATNT. Karfun is entitled to convert any of the convertible note at any time after 30 days following the issue of the convertible note.

The transactions contemplated under the CN Subscription Agreement were approved by the independent shareholders of the Company at a special general meeting on 23 March 2004.

Subsequent to 31 March 2004, the subscription of the convertible note issued by ATNT under the CN Subscription Agreement was completed.

## 26. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31 March 2004 (2003: nil).

The Company has given guarantees of HK\$80,000,000 (2003: HK\$80,000,000) to a bank in respect of general banking facilities granted to subsidiaries. At 31 March 2004, the subsidiaries did not utilise such general banking facilities.

## 25. 承擔 (續)

### (b) 其他承擔

於二零零四年二月六日，本公司之全資附屬公司佳帆與亞洲聯網(藍國慶先生於該公司擁有實益權益，而藍國慶先生及伍志堅先生為該公司董事)訂立有條件認購協議(「有條件認購協議」)。根據有條件認購協議，佳帆將認購亞洲聯網發行之可換股票據，本金額達30,000,000港元。可換股票據之年期為兩年，由可換股票據發行日期起計。初步換股價為每股亞洲聯網股份0.24港元(就亞洲聯網於二零零四年四月二十六日進行股份合併作出調整後)，而倘於有條件認購協議完成前25個連續交易日任何七個收市價之平均數低於初步換股價，則另一換股價為0.20港元(就亞洲聯網於二零零四年四月二十六日進行股份合併作出調整後)。可換股票據並沒設應付利息，惟倘亞洲聯網贖回可換股票據，則亞洲聯網將按最優惠利率加5厘付款。佳帆有權於可換股票據發行起計30日後，隨時轉換可換股票據。

於二零零四年三月二十三日舉行之股東特別大會上，本公司之獨立股東批准根據有條件認購協議預計進行之交易。

於二零零四年三月三十一日後，根據有條件認購協議認購ATNT發行之可換股票據已經完成。

## 26. 或然負債

於二零零四年三月三十一日，本集團並無任何重大或然負債(二零零三年：無)。

本公司已就授予附屬公司之一般銀行融資，向一間銀行提供80,000,000港元(二零零三年：80,000,000港元)之擔保。於二零零四年三月三十一日，附屬公司尚未動用該等一般銀行融資。



## 27. SHARE OPTION SCHEME

Pursuant to the Company's Share Option Scheme, the Board may, at its discretion, invite any employee including any Executive Director of any company in the Group, to take up share options to subscribe for shares in the Company. The purpose of the Share Option Scheme is to provide incentives to the participants. The Share Option Scheme will expire on 15 August 2010.

The subscription price for shares under the Share Option Scheme will be a price determined by the Board but will not be less than 80% of the average of the closing prices of the Company's shares on the Stock Exchange on the five trading days immediately preceding the date of offer of the share option granted to a grantee or the nominal value of the share, whichever is the higher.

There is no minimum period for which a share option must be held before it became exercisable. Share options granted are exercisable at any time during the exercisable period determined by the Board but in any case such exercisable period shall not exceed three years commencing on the six months after the date of the share option is accepted and expiring in the last day of such period or 15 August 2010, whichever is earlier.

The maximum number of shares in respect of which share options may be granted under the Share Option Scheme shall not exceed 10% of the issued share capital of the Company in issue from time to time and should be of maximum of 46,000,000 shares of the Company as at the end of the year under review. The maximum number of shares in respect of which share options may be granted to any one Executive Director or employee, when aggregated with the total number of shares already issued and issuable under any share option granted to the same person under the Share Option Scheme, must not exceed 25% of the aggregate number of shares for the time being issued and issuable under the Share Option Scheme.

The acceptance of a share option, if accepted, must be made within 28 days from the date of offer with a non-refundable payment of HK\$1 from the grantee to the Company.

At 31 March 2004, the total number of shares available for issue under the Share Option Scheme was 25,000,000 representing 5.4% of the shares of the Company in issue at that date.

## 27. 認股權計劃

根據本公司認股權計劃，董事會可酌情授予任何僱員（包括本集團任何公司之執行董事）認股權，以認購本公司股份。認股權計劃之目的乃激勵參與者。認股權計劃將於二零一零年八月十五日屆滿。

根據認股權計劃，認購股份之價格將由董事會釐定，但不少於本公司股份於緊接授出認股權當日前五個交易日，在聯交所之平均收市價80%或股份面值（以較高者為準）。

現時並無規定在行使認股權前必須持有之最少期限。已授出之認股權可在董事會釐定之行使期限內隨時行使，但無論如何行使期限不得超過認股權獲接納日期六個月後起計三年，並須於該行使期限之最後一日或二零一零年八月十五日（以較早者為準）屆滿。

根據認股權計劃可能授出之認股權涉及之股份數目，最多不得超過本公司當時已發行股本之10%，且於回顧年度終結時最多為本公司股份46,000,000股。根據認股權計劃向任何一名執行董事或僱員授出之認股權所涉及之最多股份數目，當連同根據該名人士按認股權計劃獲授之認股權而已發行及可予發行之股份數目時，合共不得超過當時根據認股權計劃已發行及可予發行之股份總數之25%。

認股權必須由授出日期起計28日內接納，如接納，則獲授人必須向本公司支付不可退還款項1港元。

於二零零四年三月三十一日，根據認股權計劃可予發行之股份總數為25,000,000股，佔本公司於該日已發行股份之5.4%。



27. SHARE OPTION SCHEME (Continued)

The following table discloses movements in the number of the Company's share options granted under the Share Option Scheme:

27. 認股權計劃 (續)

下表披露根據認股權計劃授出之本公司認股權之數目變動：

Name of director 董事姓名	Exercise price per share 每股行使價	Date of grant 授出日期	Exercisable period 行使期限	Number of share options 認股權數目
				Outstanding at 1 April 2002, 31 March 2003 and 31 March 2004 於二零零二年四月一日， 二零零三年三月三十一日 及二零零四年三月三十一日 尚未行使
	HK\$ 港元 (Note i) (附註 i)			
Mr. Lam Kwok Hing 藍國慶先生	1.675	4 June 2001 二零零一年六月四日	7 June 2001-6 June 2004 二零零一年六月七日至 二零零四年六月六日	10,500,000
Mr. Nam Kwok Lun 藍國倫先生	1.675	4 June 2001 二零零一年六月四日	7 June 2001-6 June 2004 二零零一年六月七日至 二零零四年六月六日	10,500,000
				21,000,000



## 27. SHARE OPTION SCHEME (Continued)

*Notes:*

- (i) The initial exercise price was HK\$3.35. On 14 September 2001, the exercise price was adjusted to HK\$1.675 due to the bonus issue.
- (ii) There has been no share option granted to employees since the adoption of the Share Option Scheme.

The exercise in full of the outstanding 21,000,000 share options at 31 March 2004 would, under the present capital structure of the Company, result in the issue of 21,000,000 additional ordinary shares for a total cash consideration, before expenses, of approximately HK\$35,175,000.

## 28. RETIREMENT BENEFITS SCHEME

The Group has operated a pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") after the implementation of the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately in an independently managed fund. The Group has followed the minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income. The contributions are charged to the income statement as incurred.

## 27. 認股權計劃 (續)

*附註：*

- (i) 初步行使價為3.35港元。於二零零一年九月十四日，行使價已因應紅股發行調整為1.675港元。
- (ii) 自採納認股權計劃以來，本集團並無授出任何認股權予僱員。

根據本公司現有資本架構，於二零零四年三月三十一日，如尚未行使之21,000,000份認股權被悉數行使，會導致發行21,000,000股額外普通股，而其總現金代價約為35,175,000港元（未扣除開支）。

## 28. 退休福利計劃

於強制性公積金計劃條例實行後，本集團已根據強制性公積金計劃條例之規則及規例設立退休金計劃（「強積金計劃」）。強積金計劃之資產與本集團之資產分開獨立持有。本集團已遵守最低法定供款規定，就合資格僱員之有關總收入5%作出供款。供款於產生時計入損益計數表。



## 29. RELATED PARTY TRANSACTIONS

The Group had the following related party transactions:

- (i) During the year, the Group received commission income from securities dealings of approximately HK\$2,000 (2003: HK\$66,000), nil (2003: HK\$55,000) and HK\$95,000 (2003: HK\$60,000) from the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun and their associates respectively. The commissions were charged at rates similar to those rates offered to other clients.
- (ii) During the year, the Group received interest income from securities margin financing of approximately nil (2003: HK\$37,000), nil (2003: HK\$10,000) and HK\$91,000 (2003: HK\$6,000) from the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun and their associates respectively. The interest was charged at commercial rates which were similar to those rates offered to other clients.
- (iii) During the year ended 31 March 2003, the Group received advisory fee income of HK\$30,000 from ATNT. The price was charged in accordance with the agreement entered into between the parties.
- (iv) During the year ended 31 March 2003, the Group acquired the entire interest in Karfun from the Directors, Messrs. Lam Kwok Hing and Nam Kwok Lun at a consideration of approximately HK\$107,000.

## 29. 關連人士交易

本集團有以下關連人士交易：

- (i) 年度內，本集團向董事藍國慶先生、藍國倫先生及彼等之聯繫人收取之證券買賣佣金收入分別約為2,000港元（二零零三年：66,000港元）、無（二零零三年：55,000港元）及95,000港元（二零零三年：60,000港元）。佣金乃按向其他客戶收取之相若收費率計算。
- (ii) 年度內，本集團向董事藍國慶先生、藍國倫先生及彼等之聯繫人收取證券保證金融資之利息收入分別約為無（二零零三年：37,000港元）、無（二零零三年：10,000港元）及91,000港元（二零零三年：6,000港元）。利息乃按向其他客戶提供之相若利率而計算。
- (iii) 年度內，本集團向亞洲聯網收取顧問費30,000港元。該價格乃根據雙方訂立之協議而徵收。
- (iv) 於二零零三年三月三十一日止之年度內，本集團向董事藍國慶先生及藍國倫先生，收購佳帆之全部權益，代價約為107,000港元。