

1 Principal accounting policies

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

(a) Basis of preparation

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

(b) Group accounting

(i) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are those entities in which the Group controls the composition of the board of directors, controls more than one half of the voting power or holds more than half of the issued share capital.

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.

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

The gain or loss on 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 goodwill taken to reserves and which was not previously charged or recognised in the consolidated income statement.

1 主要會計政策

編製此等財務報告所採用之主要會計政策如下：

(a) 編製基準

本財務報告乃按照香港普遍採納之會計原則及香港會計師公會頒佈之會計準則編製。財務報告並依據歷史成本常規法編製，惟若干投資物業及證券投資乃按公平值列賬（載於以下之會計政策）。

(b) 集團會計

(i) 綜合財務報告

綜合財務報告包括本公司及其附屬公司截至十二月三十一日止之財務報告。附屬公司指本集團控制董事會之組成超過半數投票權或持有過半數已發行股本之公司。

在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止（取其適用者）列入綜合收益表內。

所有集團內公司間之重大交易及結餘已於綜合財務報告時對銷。

出售附屬公司之收益或虧損指出售所得之收入與本集團應佔該公司資產淨值之差額，連同之前並未在綜合收益表內支銷或入賬之任何未攤銷商譽，或已在儲備記賬之商譽。

1 Principal accounting policies (continued)**(b) Group accounting (continued)***(i) Consolidation (continued)*

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

In the Company's balance sheet the interests 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 a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. A joint venture which involves the establishment of a separate entity in which each venturer has an interest is referred to as a jointly controlled entity.

The consolidated income statement includes the Group's share of the results of the jointly controlled entity for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entity and goodwill (net of accumulated amortisation) on acquisition.

(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.

1 主要會計政策 (續)**(b) 集團會計 (續)***(i) 綜合財務報告 (續)*

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

在本公司之資產負債表，附屬公司權益以成本值扣除減值虧損準備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

(ii) 合營企業

合營企業指本集團與其他人士以合約安排方式共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單方面之控制權。任何合營企業倘涉及成立一間獨立企業（於當中各企業經營者均擁有權益），皆被視為共同控制企業。

綜合收益表包括本集團應佔共同控制企業本年度業績，而綜合資產負債表則包括本集團應佔共同控制企業之資產淨值及收購產生之商譽（扣除累計攤銷）。

(iii) 聯營公司

聯營公司為附屬公司以外，本集團持有其股權作長期投資，並對其管理具有重大影響力之公司。

1 Principal accounting policies (continued)**(b) Group accounting (continued)***(iii) Associated companies (continued)*

The consolidated income statement 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 goodwill (net of accumulated amortisation) on acquisition.

(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 income statement.

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

(c) Fixed assets*(i) Investment properties*

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

1 主要會計政策 (續)**(b) 集團會計 (續)***(iii) 聯營公司 (續)*

綜合收益表包括本集團應佔聯營公司之本年度業績，而綜合資產負債表則包括本集團應佔聯營公司之資產淨值及收購產生之商譽(扣除累計攤銷)。

(iv) 外幣換算

以外幣為本位之交易，均按交易當日之匯率折算。於結算日以外幣顯示之貨幣資產與負債則按結算日之匯率折算。由此產生之匯兌差額均計入收益表。

附屬公司、共同控制企業及聯營公司以外幣顯示之資產負債表均按結算日之匯率折算，而收益表則按平均匯率折算。由此產生之匯兌差額作為儲備變動入賬。

(c) 固定資產*(i) 投資物業*

投資物業乃在土地及樓宇中所佔之權益，而該等土地及樓宇之建築工程及發展經已完成，因其具有投資價值而持有，任何租金收入按公平原則磋商。

1 Principal accounting policies (continued)**(c) Fixed assets (continued)****(i) Investment properties (continued)**

Investment properties held on leases with unexpired periods of greater than 20 years are valued at intervals of not more than three years by independent valuers; in each of the intervening years valuations are undertaken by professionally qualified executives of the Group. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual financial statements. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the income statement.

(ii) Properties held for development

Properties held for development are investments in land and buildings on which construction work has not been completed and which, upon completion, management intend to hold for investment purposes. These properties are carried at cost which includes development and construction expenditure incurred and interest and other direct costs attributable to the development less any accumulated impairment losses. On completion, the properties are transferred to investment properties at cost less accumulated impairment losses.

1 主要會計政策 (續)**(c) 固定資產 (續)****(i) 投資物業 (續)**

持有之投資物業，若其租約尚餘年期超過20年，皆由獨立估值師最少每隔三年估值一次；相隔期間每年由本集團內具專業資格之高級職員負責估值。估值是以個別物業之公開市值為計算基準，而土地及樓宇並不分開估值。估值會用於年度財務報告內。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從經營溢利中扣除。其後任何增值將撥入經營溢利，惟最高以先前扣減之金額為限。

租約尚餘20年或以下年期之投資物業均按租約尚餘年期折舊。

在出售投資物業時，重估儲備中與先前估值有關之已變現部分，將從投資物業重估儲備轉撥至收益表。

(ii) 持有作發展用途之物業

持有作發展用途之物業指建築工程仍未完成之土地及樓宇之投資，而管理層有意在工程完成後持有作投資用途。此等物業以成本值列賬，包括發展及建築及屬於發展項目之費用、利息及其他直接成本，扣除任何累積減值虧損。物業於落成後將轉撥為投資物業，按成本扣除任何累積減值虧損列賬。

1 Principal accounting policies (continued)**(c) Fixed assets (continued)****(iii) Other fixed assets**

Other fixed assets are stated at costs less accumulated depreciation and accumulated impairment losses. Depreciation is provided at rates sufficient to write off the costs of fixed assets less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings in China	Over the remaining term of the lease or 5% whichever is higher
Motor vehicles	12% to 20%
Office equipment, furniture and fixtures	19.2% to 33.33%
Leasehold improvements	20%

Improvements are capitalised and depreciated over their expected useful lives to the Group.

(iv) Impairment and gain or loss on sale

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 properties held for development and other fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

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

1 主要會計政策 (續)**(c) 固定資產 (續)****(iii) 其他固定資產**

其他固定資產以成本值減累積折舊及累積減值虧損列賬。折舊乃以直線法於固定資產之估計可用年限內將其成本值減累積減值虧損撇銷。主要之折舊年率如下：

位於中國之樓宇	按租約剩餘使用期限或5%，以較高者為準
汽車	12%至20%
辦公室設備、傢俬及裝置	19.2%至33.33%
租約物業裝修	20%

裝修改良支出均資本化，並按其對本集團之預計可用年期折舊。

(iv) 減值與出售盈虧

在每年結算日，均須研究內外資訊以評估持有作發展用途之物業及其他固定資產項內之資產是否出現減值。如有跡象顯示資產出現減值，則估計資產之可收回價值，及(如適用)將減值虧損入賬以將資產減至其可收回價值。此等減值虧損在收益表內入賬，但假若某資產乃按估值列賬，而減值虧損不超過該資產之重估盈餘，此等虧損則當作重估減值。

出售固定資產(投資物業除外)之收益或虧損指出售所得收入淨額與有關資產賬面值之差額，並於收益表內入賬。

1 Principal accounting policies (continued)**(d) 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 income statement on a straight-line basis over the lease periods.

(e) Intangibles**(i) Goodwill/negative 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 subsidiary, jointly controlled entity or associated company at the date of acquisition.

Goodwill on acquisitions occurring on or after 1 January 2001 is included in intangible assets and is amortised using the straight-line method over its estimated useful life not exceeding 20 years.

Goodwill on acquisitions that occurred prior to 1 January 2001 was eliminated against reserves. Any impairment arising on such goodwill is accounted for in the income statement.

Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition.

1 主要會計政策 (續)**(d) 經營租賃**

經營租賃是指擁有資產之風險及回報基本上全部由出租公司保留之租賃。根據經營租賃作出之付款在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在收益表中支銷。

(e) 無形資產**(i) 商譽／負商譽**

商譽指收購成本超出於收購日本集團應佔所收購附屬公司、共同控制企業或聯營公司之資產淨值之數額。

於二零零一年一月一日或以後產生之收購商譽計入無形資產，並於其不超過20年之估計可用年期以直線法攤銷。

於二零零一年一月一日前產生之收購商譽於儲備中撇銷。該商譽所產生之任何減值均計入收益表。

負商譽指本集團應佔所收購資產淨值公平值超出收購成本之數額。

1 Principal accounting policies (continued)**(e) Intangibles (continued)****(i) Goodwill/negative goodwill (continued)**

For acquisitions after 1 January 2001, negative goodwill is presented in the same balance sheet classification as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, that portion of negative goodwill is recognised in the income statement when the future losses and expenses are recognised. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the income statement over the remaining weighted average useful life of those assets; negative goodwill in excess of the fair values of those non-monetary assets is recognised in the income statement immediately.

The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of or, for pre 1 January 2001 acquisitions, the related goodwill written off against reserves to the extent it has not previously been realised in the income statement.

(ii) Research and development costs

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over the expected useful life to the Group. Development costs that do not meet the above criteria are expensed as incurred.

1 主要會計政策 (續)**(e) 無形資產 (續)****(i) 商譽／負商譽 (續)**

於二零零一年一月一日後進行之收購，負商譽於資產負債表內之分類方式與商譽一樣。涉及本集團收購計劃內已識別之預期未來虧損及開支並能可靠地量度之負商譽，於未來虧損及開支可予確認時在收益表確認，惟此等負商譽不代表收購日之可予識別負債。任何剩餘負商譽，以不超過購入非貨幣性資產之公平值為限，按該等資產餘下之加權平均可用年期在收益表內確認；而超出該等非貨幣性資產公平值之負商譽乃即時於收益表內確認。

出售某實體之損益包括與所出售實體有關商譽之未攤銷結餘，或倘若於二零零一年一月一日前進行有關收購，則包括已於儲備中撇銷但之前並未於收益表變現之有關商譽。

(ii) 研究及開發成本

研究成本作為費用支銷。假若能夠證明開發中產品技術上可行及有意完成產品，而亦有資源協助、成本可予識別，及有能力出售或使用該資產而能賺取盈利，則將新產品或改良產品之設計及測試之開發成本確認為無形資產。此等開發成本確認為資產，並於其估計可用年限內按直線法將其攤銷。不符合上述條件之開發成本作費用支銷。

1 Principal accounting policies (continued)**(e) Intangibles (continued)****(iii) Impairment of intangible assets**

Where an indication of impairment exists, the carrying amount of any intangible asset, including goodwill previously written off against reserves, is assessed and written down immediately to its recoverable amount.

(f) Investments in equity securities

Investments which are held for non-trading purpose are stated at fair value at the balance sheet date. Changes in the fair value of individual securities are credited or debited to the investment revaluation reserve until the security is sold, or is determined to be impaired. Upon disposal, the cumulative gain or loss representing the difference between the net sales proceeds and the carrying amount of the relevant security, together with any surplus/deficit transferred from the investment revaluation reserve, is dealt with in the income statement.

Where there is objective evidence that individual investments are impaired, the cumulative losses recorded in the revaluation reserve are taken to the income statement.

(g) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value.

Cost is determined by apportionment of the total development costs, including capitalised borrowing costs, attributable to the unsold units. Net realisable value is determined on the basis of anticipated sales proceeds, or management estimates based on the prevailing market conditions, less all estimated costs to completion and selling expenses.

1 主要會計政策 (續)**(e) 無形資產 (續)****(iii) 無形資產之減值**

如有跡象顯示出現減值，則無形資產之賬面值，包括之前已在儲備記賬之商譽，均需評估及即時撇減至可收回價值。

(f) 股本證券投資

持作非買賣用途之投資按結算日之公平值入賬。個別證券公平值之變動在投資重估儲備中貸記或支銷，直至有關證券售出或釐定為價值耗蝕為止。出售證券之累計收益或虧損指出售所得款項淨額與有關證券賬面值之差額，連同轉撥自投資重估儲備之任何盈餘／虧蝕，並在收益表處理。

假若有客觀證據顯示個別投資之價值已下降，則在重估儲備中記錄之累積虧損須撥往收益表。

(g) 待出售物業

待出售物業乃按成本值與可變現淨值兩者中之較低者列賬。

成本乃按未出售單位之應佔總發展成本(包括已撥充資本之借貸成本)而釐定。可變現淨值乃按預計銷售所得款項或按管理層就當時市況而作出之估計減除直至完成時之所有估計成本及營銷費用計算。

1 Principal accounting policies (continued)**(h) Properties under development**

Properties under development for sale are classified under current assets and stated at the lower of cost and net realisable value.

Cost of properties under development comprises costs of acquisition to the Group, development costs, capitalised borrowing costs and other direct costs attributable to the development. Net realisable value is determined by reference to anticipated sales proceeds, or management estimates based on prevailing market conditions, less all estimated costs to completion and selling expenses.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the weighted average cost method. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(j) Trade debtors

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

(k) 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 and bank overdrafts.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

1 主要會計政策 (續)**(h) 發展中物業**

待出售之發展中物業乃按成本值與可變現淨值兩者中之較低者列作流動資產。

發展中物業之成本包括本集團動用之收購成本、發展成本、資本化借貸成本及該等發展之其他應佔直接成本。可變現淨值乃按預計銷售所得款項或按管理層就當時市況而作出之估計減除直至完成時之所有估計成本及營銷費用計算。

(i) 存貨

存貨按成本值與可變現淨值兩者之較低者入賬。成本值以加權平均成本法計算。可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。

(j) 應收貿易賬款

凡被視為屬呆賬之應收貿易賬款，均提撥準備。在資產負債表內列賬之應收貿易賬款已扣除有關之準備。

(k) 現金及現金等值項目

現金及現金等值項目按成本在資產負債表內列賬。在現金流量表中，現金及現金等值項目包括庫存現金、銀行通知存款及銀行透支。

(l) 撥備

當本集團因過往事件須承擔現有之法律或推定責任，而在解除責任時有可能令到資源流出，同時責任金額能夠可靠地作出估計時，則會確認撥備。當本集團預計撥備可獲償付，則將償付金確認為一項獨立資產，惟只能在償付金可實質確定時確認。

1 Principal accounting policies (continued)**(m) Employee benefits***(i) Employee leave entitlements*

Employee entitlements to annual leave and long service 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 leave are not recognised until the time of leave.

(ii) Retirement benefit costs

The Group contributes to a defined contribution retirement scheme which is available to all relevant employees. Contributions to the scheme by the Group and employees in Hong Kong are calculated as a percentage of employees' basic salaries.

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.

The assets of the scheme are held separately from those of the Group in an independently administered fund.

In addition, the Group's contributions to local municipal government retirement schemes in China are expensed as incurred while the local municipal government undertakes to assume the retirement benefit obligations of all qualified employees in China.

(iii) Equity compensation benefits

Share options are granted to certain directors and to eligible persons. No compensation cost is recognised. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital and share premium.

1 主要會計政策 (續)**(m) 僱員福利***(i) 僱員休假權益*

僱員在年假及長期服務休假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(ii) 退休福利成本

本集團向一項界定供款退休計劃供款，所有有關香港僱員均可參與。本集團與僱員之供款按僱員基本薪金之百分比計算。

本集團向該項界定供款退休計劃作出之供款作為費用支銷，並會以僱員全數取得供款利益前退出計劃而被沒收之供款扣減。

退休計劃之資產與本集團之資產分開持有，由獨立管理基金保管。

此外，本集團亦參加中國各地方市政府設立之退休計劃，供款乃於產生時列作支出。地方市政府承諾負擔所有國內合資格僱員之退休福利責任。

(iii) 權益補償福利

若干董事及合資格人士可獲授認股權。並無確認任何補償成本。當行使認股權時，所得款項在扣除任何交易成本後計入股本及股份溢價。

1 Principal accounting policies (continued)

(n) Contingent liabilities

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

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

(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 financial statements. 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.

Deferred taxation is provided on temporary differences arising on interests in subsidiaries, associated companies and jointly controlled entity, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

1 主要會計政策(續)

(n) 或然負債

或然負債指因已發生之事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因為發生事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會在財務報告附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確立為撥備。

(o) 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在財務報告之賬面值兩者之暫時差異作全數撥備。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之暫時差異抵銷而確認。

遞延稅項乃就附屬公司、聯營公司及共同控制企業投資產生之暫時差異而撥備，但假若可以控制暫時差異之撥回，並有可能在可預見未來不會撥回則除外。

1 Principal accounting policies (continued)**(p) Revenue recognition**

Revenue from the sale of properties is recognised on the completion of transactions. When properties under development for sale are pre-sold prior to completion, income is recognised on the execution of a binding sales agreement or when the relevant building occupation permit is issued by the relevant authority, whichever is the later. Payments received prior to this stage are recorded as deposits received and included in current liabilities.

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

Operating lease rental income and license income is recognised on a straight-line basis.

Revenue from the provision of services comprises course fee income and systems integration service income. Course fee income is recognised on an accrual basis. Unearned course fee income is treated as revenue received in advance. Systems integration service income is recognised when the services are rendered.

Property management fee income is recognised when the services are rendered.

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

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

1 主要會計政策(續)**(p) 收益確認**

出售物業之收益在交易完成時確認。倘待出售之發展中物業於竣工前預售，收益則在有約束力銷售協議履行時或有關部門發出有關之樓宇入伙紙時兩者中之較後者確認。在此階段前收取之款項記賬為已收取現金並列於流動負債。

銷貨收益在擁有權之風險及回報轉移時確認，通常亦即為貨品付運予客戶及所有權轉讓時。

經營租賃之租金收入及牌照收入按直線法確認。

提供服務之收益包括課程費收入及系統集成服務收入。課程費收入以應計法確認。未賺取之課程費收入作為預收收益處理。系統集成服務收入於提供服務時確認。

物業管理費收入於提供服務時確認。

利息收入依據未償還本金額及適用利率按時間比例確認。

股息收入在收取股息之權利確定時確認。

1 Principal accounting policies (continued)**(q) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the income statement in the year in which they are incurred.

(r) Segment reporting

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

Segment assets consist primarily of fixed assets, investment properties, intangible assets, properties held for sale and under development, receivables and operating cash. Segment liabilities comprise operating liabilities and exclude corporate borrowings. Capital expenditure comprises additions to fixed assets (Note 13) and intangible assets (Note 14), 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. Total assets and capital expenditure are where the assets are located.

(s) Recently issued accounting standards

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

1 主要會計政策 (續)**(q) 借貸成本**

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以作預定用途或出售)有關之借貸成本，均資本化為資產之部分成本。

所有其他借貸成本均於發生年度內在收益表支銷。

(r) 分部報告

按照本集團之內部財務報告，本集團已決定將業務分部資料作為主要報告形式，而地區分部資料則以次要報告形式呈列。

分部資產主要包括固定資產、投資物業、無形資產、待出售物業、發展中物業、應收賬款及經營現金。分部負債指經營負債，而不包括企業貸款。資本開支包括購入固定資產(附註13)及無形資產(附註14)之費用，當中包括因收購附屬公司添置之資產。

至於地區分部報告，銷售額乃按照客戶所在國家計算。總資產及資本開支按資產所在地計算。

(s) 最近頒佈之會計準則

香港會計師公會已頒佈多項新增及經修訂之香港財務報告準則及香港會計準則(「新香港財務報告準則」)，並於二零零五年一月一日或之後開始之會計期間生效。本集團並無於截至二零零四年十二月三十一日止年度之財務報告中提早採納此等新香港財務報告準則。本集團已開始評估此等新香港財務報告準則之影響，惟目前尚未適宜說明此等新香港財務報告準則對本集團之經營業績及財政狀況會否構成重大影響。

2 Turnover, revenues and segment information

The Group is principally engaged in property development, investment and management, business parks development and management, and infocomm technology investment. Revenues recognised during the year are as follows:

(In HK\$'000)	2004	2003
Turnover		
Sales of properties	525,869	160,800
Sales of goods	727	4,620
Gross rental income	15,360	12,358
Rendering of services	4,689	6,344
Property management fee	751	867
	<u>547,396</u>	<u>184,989</u>
Other revenues		
Interest income	618	1,730
Others	2,462	1,717
	<u>3,080</u>	<u>3,447</u>
Total revenues	<u>550,476</u>	<u>188,436</u>

Primary reporting format – business segments

The Group is organised into four main business segments:

Property development	–	development, investment and management of properties
Business park	–	development and management of business parks
Infocomm technology	–	investment in info-communication and education projects, as well as provision of technology services
Other operations	–	infrastructure investment and securities investment

2 營業額、收益及分部資料

本集團主要從事物業發展、投資及管理、商業園之開發及管理以及資訊科技投資。年內經確認之收益如下：

(以港幣千元為單位)

營業額
出售物業
出售貨品
租金收入總額
提供服務
物業管理費

其他收益

利息收入
其他

總收益

主要報告形式 – 業務分部

本集團主要從事四類業務：

物業發展	–	物業發展、投資及管理
商業園	–	商業園之發展及管理
資訊科技	–	資訊及教育項目投資，以及提供科技服務
其他業務	–	基建投資及證券投資

2 Turnover, revenues and segment information (continued)

Secondary reporting format – geographical segments

The Group's four business segments operate in two main geographical areas:

- | | |
|-----------|--|
| Hong Kong | – property investment, development and management, investment in info-communication and education projects, provision of technology services, as well as securities investment |
| China | – property investment, development and management, development and management of business parks, investment in info-communication and education projects, provision of technology services, as well as infrastructure investment |

2 營業額、收益及分部資料 (續)

次要報告形式 – 地區分部

本集團四類業務主要在兩個地區經營：

- | | |
|----|--|
| 香港 | – 物業投資、發展及管理、資訊及教育項目投資、提供科技服務，以及證券投資 |
| 中國 | – 物業投資、發展及管理、商業園之發展及管理、資訊及教育項目投資、提供科技服務，以及基建投資 |

2 Turnover, revenues and segment information (continued)

Primary reporting format – business segments

2004

	Property development	Business park	Infocomm technology	Other operations	Corporate services	Eliminations 對銷	Group 本集團
	物業發展	商業園	資訊科技	其他業務	企業服務	對銷	本集團
(In HK\$'000)							
Turnover							
External	527,835	14,145	5,416	-	-	-	547,396
Inter-segment	-	16	-	-	-	(16)	-
	<u>527,835</u>	<u>14,161</u>	<u>5,416</u>	<u>-</u>	<u>-</u>	<u>(16)</u>	<u>547,396</u>
Segment results (before revaluation surplus and gain on sale of discontinuing operation)	36,081	347	(6,460)	(957)	(24,389)	-	4,622
Revaluation surplus	-	19,523	-	-	-	-	19,523
Gain on sale of discontinuing operation	-	-	6,385	-	-	-	6,385
Segment results	<u>36,081</u>	<u>19,870</u>	<u>(75)</u>	<u>(957)</u>	<u>(24,389)</u>	<u>-</u>	<u>30,530</u>
Finance costs							(6,933)
Non-operating provisions made							(5,092)
Share of results of associated companies	581	-	-	-	-	-	581
Share of results of a jointly controlled entity	-	-	-	(3,920)	-	-	(3,920)
Profit before taxation							15,166
Taxation charge							(1,292)
Profit after taxation							13,874
Minority interests							2,524
Profit attributable to shareholders							<u>16,398</u>
Segment assets	861,769	538,547	9,571	25	-	-	1,409,912
Interests in associated companies	193	-	-	-	-	-	193
Corporate assets							128,811
Total assets							<u>1,538,916</u>
Segment liabilities	404,222	264,183	959	13	-	-	669,377
Corporate liabilities							148,803
Total liabilities							<u>818,180</u>
Capital expenditure	319	158,046	14	-	4	-	158,383
Depreciation	1,326	271	621	-	841	-	3,059
Other non-cash expenses/(income)	(801)	(19,587)	(2,312)	4,850	(8)	-	(17,858)

2 營業額、收益及分部資料 (續)

主要報告形式 – 業務分部

二零零四年

(以港幣千元為單位)

營業額

外部

跨部

分部業績

(未計重估

盈餘及出售終止

經營業務

收益前)

重估盈餘

出售終止經營業務收益

分部業績

財務費用

就非經營業務

作出撥備

應佔聯營

公司業績

應佔共同

控制企業業績

除稅前溢利

稅項支銷

除稅後溢利

少數股東權益

股東應佔

溢利

分部資產

聯營公司

權益

企業資產

總資產

分部負債

企業負債

總負債

資本開支

折舊

其他非現金

開支/(收入)

2 Turnover, revenues and segment information (continued)

Primary reporting format – business segments

2003

	Property development	Business park	Infocomm technology	Other operations	Corporate services	Eliminations	Group
(In HK\$'000)	物業發展	商業園	資訊科技	其他業務	企業服務	對銷	本集團
Turnover							
External	162,392	11,621	10,976	-	-	-	184,989
Inter-segment	-	151	-	-	-	(151)	-
	<u>162,392</u>	<u>11,772</u>	<u>10,976</u>	<u>-</u>	<u>-</u>	<u>(151)</u>	<u>184,989</u>
Segment results (before revaluation deficit)	(38,653)	5,255	(26,417)	(369)	(46,761)	-	(106,945)
Revaluation deficit	-	(19,523)	-	-	-	-	(19,523)
Segment results	<u>(38,653)</u>	<u>(14,268)</u>	<u>(26,417)</u>	<u>(369)</u>	<u>(46,761)</u>	<u>-</u>	<u>(126,468)</u>
Finance costs							(10,221)
Non-operating provisions made							(739,082)
Share of results of associated companies	4,340	-	-	-	-	-	4,340
Share of results of a jointly controlled entity	-	-	-	2,299	-	-	2,299
Loss before taxation							(869,132)
Taxation credit							2,793
Loss after taxation							(866,339)
Minority interests							20,236
Loss attributable to shareholders							<u>(846,103)</u>
Segment assets	1,018,359	363,554	19,801	58	-	-	1,401,772
Interests in associated companies	1,152	-	-	-	-	-	1,152
Interest in a jointly controlled entity	-	-	-	105,089	-	-	105,089
Corporate assets							164,808
Total assets							<u>1,672,821</u>
Segment liabilities	565,321	101,382	29,262	9,610	-	-	705,575
Corporate liabilities							266,203
Total liabilities							<u>971,778</u>
Capital expenditure	127	175,450	23	-	1,551	-	177,151
Depreciation	1,136	812	4,247	-	1,081	-	7,276
Other non-cash expenses	13,238	602,254	146,132	40,000	523	-	802,147

2 營業額、收益及分部資料 (續)

主要報告形式 – 業務分部

二零零三年

(以港幣千元為單位)

營業額
外部
跨部
分部業績 (未計重估 虧蝕前)
重估虧蝕
分部業績
財務費用
就非經營業務 作出撥備
應佔聯營 公司業績
應佔共同 控制企業業績
除稅前虧損
稅項抵免
除稅後虧損
少數股東權益
股東應佔 虧損
分部資產
聯營公司 權益
共同控制企業 權益
企業資產
總資產
分部負債
企業負債
總負債
資本開支
折舊
其他非現金開支

2 Turnover, revenues and segment information (continued)

Secondary reporting format – geographical segments

2004

	Operating	Total	Capital	
(In HK\$'000)	Turnover	assets	expenditure	
	營業額	總資產	資本開支	
Hong Kong	82,119	13,944	157,242	4
China	465,277	16,586	1,381,674	158,379
	547,396	30,530	1,538,916	158,383

2003

	Operating	Total	Capital	
(In HK\$'000)	Turnover	assets	expenditure	
	營業額	總資產	資本開支	
Hong Kong	83,262	(44,111)	240,811	1,551
China	101,727	(82,357)	1,432,010	175,600
	184,989	(126,468)	1,672,821	177,151

2 營業額、收益及分部資料 (續)

次要報告形式 – 地區分部

二零零四年

(以港幣千元為單位)

香港

中國

二零零三年

(以港幣千元為單位)

香港

中國

3 Discontinuing operation

On 30 June 2004, the Group entered into various sale and purchase agreements to sell Nova Network Holdings Limited (“Nova”), CC-Edu Holdings Limited (“CC-Edu”) and Campusall Company Limited (“Campusall”). Nova, CC-Edu and Campusall together constituted the Infocomm business segment. The sale is reported in the financial statements as a discontinuing operation. The sales, results, cash flows and net assets of the Infocomm business segment were as follows:

(In HK\$'000)	2004	2003
Turnover	5,416	8,047
Cost of sales	(2,983)	(1,940)
Direct operating expenses	(6,180)	(16,855)
Gross loss	(3,747)	(10,748)
Other revenues	568	684
Provisions made for operations	(3,111)	(21,649)
Operating loss	(6,290)	(31,713)
Finance costs	(1,213)	(2,578)
Loss before taxation	(7,503)	(34,291)
Taxation	-	-
Loss after taxation	(7,503)	(34,291)
Net operating cash outflow	(310)	(20,015)
Net investing cash (outflow)/inflow	(732)	565
Net financing cash inflow	8,620	13,684
Total net cash inflow/(outflow)	7,578	(5,766)
Non-current assets	1,213	2,710
Current assets	15,395	15,601
Total assets	16,608	18,311
Total liabilities	(20,076)	(28,709)
Minority interests	(1,094)	(906)
Net liabilities	(4,562)	(11,304)
Net liabilities sold	4,562	
Proceeds from sale	1,823	
Gain on sale of discontinuing operation	6,385	
Taxation	-	
Profit after taxation	6,385	
The net cash outflow on sale is determined as follows:		
Proceeds from sale	1,823	
Less: cash disposed of	(14,530)	
	(12,707)	

3 終止經營業務

於二零零四年六月三十日，本集團訂立若干買賣協議，出售Nova Network Holdings Limited（「Nova」）、CC-Edu Holdings Limited（「CC-Edu」）及全校網有限公司（「全校網」）。Nova、CC-Edu及全校網共同組成資訊科技業務分部之業務。出售事項於財務報告中列為終止經營業務。資訊科技業務分部之銷售、業績、現金流量及資產淨值如下：

(以港幣千元為單位)
營業額
銷售成本
直接經營開支
虧損
其他收益
就經營業務作出撥備
經營虧損
財務費用
除稅前虧損
稅項
除稅後虧損
經營現金流出淨額
投資現金（流出）／流入淨額
融資現金流入淨額
總現金流入／（流出）淨額
非流動資產
流動資產
總資產
總負債
少數股東權益
負債淨額
所出售負債淨額
出售所得款項
出售終止經營業務收益
稅項
除稅後溢利
出售現金流出淨額釐定如下：
出售所得款項
減：已出售現金

4 Provisions made for operations

(In HK\$'000)	2004	2003
Provisions made/(written back) in relation to:		
Property projects	–	10,571
Fixed assets	14	7,230
Inventories	(18)	185
Doubtful debts (Note)	2,988	18,933
	<u>2,984</u>	<u>36,919</u>

Note:

The provision for doubtful debts was mainly made for the operating losses incurred by the China operation of Infocomm Technology Group.

4 就經營業務作出撥備

(以港幣千元為單位)

就以下項目

作出撥備／(撥回)：

物業項目

固定資產

存貨

呆賬(附註)

附註：

呆賬撥備主要就資訊科技部之中國業務產生之經營虧損而作出。

5 Operating profit/(loss)

Operating profit/(loss) is stated after crediting and charging the following:

(In HK\$'000)	2004	2003
Crediting		
Rental income from		
– investment properties		
Gross income	14,145	11,621
Less: direct outgoings	(3,213)	(1,036)
	10,932	10,585
– properties held for sale and under development	1,215	737
Realisation of negative goodwill	517	431
Gain on disposal of fixed assets	–	94
Waiver of loan from a minority shareholder	–	15,600
Net gain on disposal of subsidiaries	5,612	3,711
Surplus on revaluation of investment properties	19,523	–
Charging		
Depreciation of fixed assets	4,545	9,381
Less: amounts capitalised to properties held for development amounts capitalised to properties under development	(197) (1,289)	(203) (1,902)
	3,059	7,276
Amortisation of goodwill	–	3,135
Loss on disposal of fixed assets	1	–
Operating lease rentals in respect of land and buildings	1,371	4,271
Auditors' remuneration		
– current year	1,270	1,266
– under/(over) provision for previous years	52	(81)
Staff costs (including directors' remuneration)	25,868	49,964
Retirement benefit costs	228	857
Deficit on revaluation of investment properties	–	19,523

5 經營溢利／（虧損）

經營溢利／（虧損）已計入及扣除下列項目：

(以港幣千元為單位)
計入
租金收入
– 投資物業
收入總額
減：直接費用
– 待出售及發展中 物業
負商譽變現
出售固定資產之收益
應付一個少數股東貸款豁免
出售附屬公司之收益淨額
投資物業
重估盈餘
扣除
固定資產之折舊
減：撥作持有作發展用途之物業 資本之數額
撥作發展中物業資本 之數額
商譽攤銷
出售固定資產之虧損
土地及樓宇之經營租賃 支出
核數師酬金
– 本年度
– 以往年度撥備不足／（超額撥備）
員工成本 （包括董事酬金）
退休福利成本
投資物業
重估虧絀

6 Finance costs

(In HK\$'000)	2004	2003
Interest on bank and other borrowings wholly repayable within five years	25,467	18,905
Other borrowing costs	4,537	3,507
Total borrowing costs incurred	30,004	22,412
Less: amounts capitalised to properties held for development	(7,924)	(2,191)
amounts capitalised to properties under development	(15,147)	(10,000)
Total borrowing costs capitalised	(23,071)	(12,191)
	6,933	10,221

7 Non-operating provisions made

(In HK\$'000)	2004	2003
Provisions made for impairment in values of:		
Property held for development	–	583,166
Goodwill arising on acquisition of a subsidiary	–	109,378
Interest in a jointly controlled entity	4,077	40,000
Provision for consideration receivable	1,015	6,538
	5,092	739,082

6 財務費用

(以港幣千元為單位)
須於五年內全部償還之銀行及其他貸款利息
其他貸款成本
產生之貸款成本總額
減：撥作持有作發展用途之物業資本之數額
撥作發展中物業資本之數額
撥作資本之貸款成本總額

7 就非經營業務作出撥備

(以港幣千元為單位)
就下列項目之減值
作出撥備：
持有作發展用途之物業
收購一間附屬公司產生之商譽
共同控制企業權益
應收代價之撥備

8 Taxation (charge)/credit

No provision for Hong Kong profits tax has been made in the financial statements as the Group has no assessable profit for the year (2003: Nil). Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation (charged)/credited to the consolidated income statement represents:

(In HK\$'000)	2004	2003
Current taxation – overseas	(1,986)	–
Deferred taxation (Note 26)	694	2,793
	<u>(1,292)</u>	<u>2,793</u>

The taxation on the Group's profit/(loss) before taxation differs from the theoretical amount that would arise using the Hong Kong taxation rates as follows:

(In HK\$'000)	2004	2003
Profit/(loss) before taxation	15,166	(869,132)
Calculated at a taxation rate of 17.5% (2003: 17.5%)	2,654	(152,098)
Effect of different taxation rates in other countries	540	(1,312)
Income not subject to taxation	(10,075)	(7,378)
Expenses not deductible for taxation purposes	2,637	141,038
Utilisation of previously unrecognised tax losses	(3,860)	(683)
Unrecognised tax losses	9,396	17,640
Taxation charge/(credit)	<u>1,292</u>	<u>(2,793)</u>

8 稅項(支銷)/抵免

由於本集團於年內並無應課稅溢利，故並無就香港利得稅於財務報告作出撥備(二零零三年：無)。海外溢利之稅款，則按照本年度估計應課稅溢利依本集團經營業務地區之現行稅率計算。

在綜合收益表中(支銷)/抵免之稅項如下：

(以港幣千元為單位)

本期稅項—海外
遞延稅項(附註26)

本集團有關除稅前溢利/(虧損)之稅項與假若採用香港之稅率而計算之理論稅額之差額如下：

(以港幣千元為單位)

除稅前溢利/(虧損)
按稅率17.5%
(二零零三年：17.5%)計算之稅項
其他國家不同稅率之
影響
毋須課稅之收入
不可扣稅之
支出
動用過往未確認稅項
虧損
未確認稅項虧損
稅項支銷/(抵免)

9 Profit/(loss) attributable to shareholders

The profit/(loss) attributable to shareholders is dealt with in the financial statements of the Company to the extent of a loss of HK\$867,000 (2003: a loss of HK\$848,582,000).

10 Earnings/(loss) per share

The calculation of basic earnings/(loss) per share was based on the Group's profit attributable to shareholders of HK\$16,398,000 (2003: loss of HK\$846,103,000).

The basic earnings/(loss) per share was based on the weighted average of 2,836,188,944 (2003: 2,836,188,944) ordinary shares in issue during the year.

Diluted earnings/(loss) per share has not been shown as there was no dilutive potential ordinary shares.

11 Retirement benefit costs

Forfeited contributions totalling HK\$1,091,000 (2003: HK\$941,000) were utilised during the year to reduce contributions.

Contributions totalling HK\$122,000 (2003: HK\$189,000) were payable to the fund at the year end and are included in creditors and accruals.

12 Directors' and senior management's emoluments**(a) Directors' emoluments**

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

(In HK\$'000)	2004	2003
Fees	1,098	420
Salaries, allowances and other benefits	2,618	8,999
Contributions to retirement benefit schemes	104	258
	3,820	9,677

Directors' fees disclosed above included HK\$440,000 (2003: HK\$420,000) paid to independent non-executive directors.

9 股東應佔溢利／（虧損）

計入本公司財務報告之股東應佔溢利／（虧損）為虧損港幣867,000元（二零零三年：虧損港幣848,582,000元）。

10 每股盈利／（虧損）

每股基本盈利／（虧損）是根據本集團之股東應佔溢利港幣16,398,000元（二零零三年：虧損港幣846,103,000元）計算。

每股基本盈利／（虧損）是按年內已發行普通股之加權平均股數2,836,188,944股（二零零三年：2,836,188,944股）計算。

由於並無潛在攤薄普通股，故無呈列每股攤薄盈利／（虧損）。

11 退休福利成本

沒收之供款合共港幣1,091,000元（二零零三年：港幣941,000元）已於年內應用來減低供款。

須於年結日支付予基金之供款總額為港幣122,000元（二零零三年：港幣189,000元），並列於應付賬款及應計賬項內。

12 董事及高級管理人員酬金**(a) 董事酬金**

年內本公司向董事支付之酬金總額如下：

（以港幣千元為單位）

袍金
薪金、津貼及其他福利
退休福利計劃
之供款

上述披露之董事袍金包括向獨立非執行董事支付港幣440,000元（二零零三年：港幣420,000元）。

12 Directors' and senior management's emoluments (continued)

(a) Directors' emoluments (continued)

The emoluments of the directors fell within the following bands:

	Number of directors 董事人數
2004	
Nil – HK\$1,000,000	9
Dr. Han Cheng Fong	
Ms. Chong Siak Ching	
Mr. Goh Yong Chian, Patrick	
Mr. Lai Seck Khui	
Mr. Lew Syn Pau	
Mr. Hui Chiu Chung, J.P.	
Mr. Alan Howard Smith, J.P.	
Mr. Kwong Che Keung, Gordon	
Ms. Wang Poey Foon, Angela	
HK\$2,500,001 – HK\$3,000,000	1
Mr. Ang Ah Lay	
2003	
Nil – HK\$1,000,000	9
Dr. Han Cheng Fong *	
Ms. Chong Siak Ching *	
Mr. Lai Seck Khui *	
Mr. Lew Syn Pau *	
Mr. Zheng Hongqing *	
Mr. Kuan Chao, Michael	
Mr. Alan Howard Smith, J.P.	
Mr. Kwong Che Keung, Gordon	
Ms. Wang Poey Foon, Angela	
HK\$2,500,001 – HK\$3,000,000	2
Mr. Ang Ah Lay	
Mr. Chan Wing Ming, Charles	
HK\$4,500,001 – HK\$5,000,000	1
Dr. Jiang Xiaoming, Simon	

* These directors did not receive any directors' emoluments during the year.

12 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

支付予董事之酬金組別如下：

二零零四年	
零至港幣1,000,000元	9
韓禎豐博士	
張雪倩女士	
吳榮鈿先生	
黎錫駒先生	
劉信保先生	
許照中先生，太平紳士	
Alan Howard Smith先生，太平紳士	
鄭志強先生	
王培芬女士	
港幣2,500,001元至港幣3,000,000元	1
洪亞歷先生	
二零零三年	
零至港幣1,000,000元	9
韓禎豐博士*	
張雪倩女士*	
黎錫駒先生*	
劉信保先生*	
鄭洪慶先生*	
關新先生	
Alan Howard Smith先生，太平紳士	
鄭志強先生	
王培芬女士	
港幣2,500,001元至港幣3,000,000元	2
洪亞歷先生	
陳永明先生	
港幣4,500,001元至港幣5,000,000元	1
蔣小明博士	

* 此等董事於年內並無收取任何酬金。

12 Directors' and senior management's emoluments (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2003: three) director whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2003: two) highest paid individuals during the year are as follows:

(In HK\$'000)	2004	2003
Salaries, allowances and other benefits	4,551	3,775
Contributions to retirement benefit schemes	126	139
	<u>4,677</u>	<u>3,914</u>

The emoluments fell within the following bands:

Emolument bands	Number of individuals	
	2004	2003
Nil – HK\$1,000,000	1	–
HK\$1,000,001 – HK\$1,500,000	2	–
HK\$1,500,001 – HK\$2,000,000	1	1
HK\$2,000,001 – HK\$2,500,000	–	1
	<u>4</u>	<u>2</u>

12 董事及高級管理人員酬金 (續)

(b) 五名最高薪酬人士

本年度本集團內五名最高薪酬人士包括一名(二零零三年：三名)董事，其酬金已載於上文分析。其餘四名(二零零三年：兩名)最高薪酬人士之酬金分析如下：

(以港幣千元為單位)
薪金、津貼及 其他福利
退休福利計劃 供款

酬金之組別如下：

酬金組別
零至港幣1,000,000元
港幣1,000,001元至港幣1,500,000元
港幣1,500,001元至港幣2,000,000元
港幣2,000,001元至港幣2,500,000元

13 Fixed assets

Group

	Buildings in		Motor	Office	Furniture	Leasehold	Properties	Total
	Investment	medium-term						
(In HK\$'000)	properties	lease	vehicles	equipment	and fixtures	improvements	held for	
	中國之中期	租約樓宇	汽車	辦公室	傢俬及	租約	持有作發展	
	投資物業	租約樓宇	汽車	設備	裝置	物業裝修	用途之物業	總值
Cost or valuation								
At 1 January 2004	120,000	17,489	3,066	6,827	1,589	6,053	199,986	355,010
Exchange difference	-	43	13	22	7	4	1,111	1,200
Additions	-	-	244	116	16	-	158,007	158,383
Transfer	337,077	-	-	-	-	-	(337,077)	-
Revaluation surplus	35,394	-	-	-	-	-	-	35,394
Disposals of assets	-	-	(152)	(387)	(43)	(1)	-	(583)
Disposals of subsidiaries	-	-	(721)	(1,293)	(480)	(1,666)	-	(4,160)
At 31 December 2004	492,471	17,532	2,450	5,285	1,089	4,390	22,027	545,244
Accumulated depreciation and impairment								
At 1 January 2004	-	5,791	1,677	4,966	849	3,399	-	16,682
Exchange difference	-	17	7	17	3	1	-	45
Charge for the year	-	1,788	468	938	235	1,116	-	4,545
Impairment loss	-	-	-	14	-	-	-	14
Disposals of assets	-	-	(92)	(388)	(15)	-	-	(495)
Disposals of subsidiaries	-	-	(446)	(1,016)	(218)	(1,267)	-	(2,947)
At 31 December 2004	-	7,596	1,614	4,531	854	3,249	-	17,844
Net book value								
At 31 December 2004	492,471	9,936	836	754	235	1,141	22,027	527,400
At 31 December 2003	120,000	11,698	1,389	1,861	740	2,654	199,986	338,328
The analysis of cost or valuation of the above assets is as follows:								
At cost	-	17,532	2,450	5,285	1,089	4,390	22,027	52,773
At professional valuation - 2004	492,471	-	-	-	-	-	-	492,471
	492,471	17,532	2,450	5,285	1,089	4,390	22,027	545,244

13 固定資產

本集團

(以港幣千元為單位)

成本值或估值

於二零零四年一月一日

匯兌差額

增添

轉撥

重估盈餘

出售資產

出售附屬公司

於二零零四年十二月三十一日

累積折舊及減值

於二零零四年一月一日

匯兌差額

本年度折舊

減值虧損

出售資產

出售附屬公司

於二零零四年十二月三十一日

賬面淨值

於二零零四年十二月三十一日

於二零零三年十二月三十一日

上述資產之成本值或估值分析如下：

按成本

按專業估值

- 二零零四年

13 Fixed assets (continued)

The Group's investment properties are situated in China under medium term lease.

Investment properties were revalued at 31 December 2004 on the basis of their open market value by independent qualified valuers, DTZ Debenham Tie Leung Limited and CB Richard Ellis Limited.

At 31 December 2004, investment properties of HK\$492,471,000 (2003: HK\$120,000,000) were pledged to secure bank loans granted to the Group.

At 31 December 2004, total borrowing costs of HK\$7,924,000 (2003: HK\$2,191,000) was capitalised to properties held for development.

14 Intangible assets

	Goodwill 商譽	Group 本集團 Negative goodwill 負商譽	Total 總額
(In HK\$'000)			
Net book value at 1 January 2004	–	(1,550)	(1,550)
Realisation	–	517	517
Net book value at 31 December 2004	<u>–</u>	<u>(1,033)</u>	<u>(1,033)</u>
At 31 December 2004			
Cost	–	(1,981)	(1,981)
Realisation	–	948	948
	<u>–</u>	<u>(1,033)</u>	<u>(1,033)</u>
At 31 December 2003			
Cost	117,903	(1,981)	115,922
Accumulated amortisation and impairment loss	(117,903)	–	(117,903)
Realisation	–	431	431
	<u>–</u>	<u>(1,550)</u>	<u>(1,550)</u>

13 固定資產(續)

本集團於中國之投資物業乃以中期租約持有。

投資物業於二零零四年十二月三十一日按公開市值基準由獨立合資格估值師戴德梁行有限公司及世邦魏理仕有限公司進行重估。

於二零零四年十二月三十一日，用作本集團獲授之銀行貸款抵押品之投資物業為港幣492,471,000元(二零零三年：港幣120,000,000元)。

於二零零四年十二月三十一日，總額達港幣7,924,000元(二零零三年：港幣2,191,000元)之貸款成本已撥作持有作發展用途之物業成本。

14 無形資產

(以港幣千元為單位)

於二零零四年一月一日
賬面淨值
變現
於二零零四年十二月三十一日
賬面淨值
於二零零四年十二月三十一日
成本
變現
於二零零三年十二月三十一日
成本
累積攤銷及
減值虧損
變現

15 Interests in subsidiaries

(In HK\$'000)	Company	
	2004	2003
Amounts due from subsidiaries	2,980,935	2,956,447
Less: provision	(2,180,655)	(2,180,655)
	800,280	775,792
Amounts due to subsidiaries	(116,178)	(67,681)
	684,102	708,111

(a) Particulars of the principal subsidiaries as at 31 December 2004 which were incorporated and are operating in Hong Kong except otherwise stated are as follows:

15 附屬公司權益

(以港幣千元為單位)

應收附屬公司款項
減：撥備

應付附屬公司款項

(a) 除特別註明外，於二零零四年十二月三十一日之主要附屬公司皆在香港註冊成立及經營業務，其有關資料如下：

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料 普通股股數	每股面值	本集團所持有 已發行普通股股本/ 註冊資本面值比例	主要業務
Directly held by the Company:				
直接由本公司持有：				
Vision Century Secretaries Limited 威新秘書有限公司	2	HK\$1 港幣1元	100%	Secretarial and nominee services 秘書及代名人服務
Indirectly held by the Company:				
間接由本公司持有：				
Beijing Gang Lu Real Estate Development Co., Ltd. (i) (iv) (vii) 北京港旅房地產開發有限公司(i) (iv) (vii)	—	US\$11,200,000 (registered capital) 11,200,000美元 (註冊資本)	100%	Property development in China 中國物業發展

15 Interests in subsidiaries (continued)

15 附屬公司權益(續)

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料		本集團所持有	主要業務
	普通股股數	每股面值	已發行普通股股本／註冊資本面值比例	
Best Keeping Resources Limited	2	HK\$1	100%	Property and golf club membership holding
啟福資源有限公司		港幣1元		持有物業及高爾夫球會會籍
Billion Property Limited (ii)	1	US\$1 1美元	100%	Investment holding 投資控股
Vision Century Infocomm Investments Ltd. (ii)	40,000,000	US\$0.01 0.01美元	100%	Investment holding 投資控股
Vision Century Investments Co. Ltd. (i) (iv) (v)	–	US\$250,000 (registered capital)	100%	Business consulting services
威新世紀投資諮詢(深圳)有限公司(i) (iv) (v)		250,000美元 (註冊資本)		商業顧問服務
E-Commerce Technology Limited (ii)	1	US\$1 1美元	100%	Investment holding 投資控股
Glory Honour Development Limited 港忠發展有限公司	10,000	HK\$1 港幣1元	100%	Property development 物業發展
Great Project Property Limited 大捷物業有限公司	100	HK\$1 港幣1元	100%	Investment holding 投資控股
Ideal Investment Holdings Limited (ii)	50,000	US\$1 1美元	100%	Investment holding 投資控股
Limbo Enterprises Limited (ii)	1	US\$1 1美元	100%	Property development 物業發展

15 Interests in subsidiaries (continued)

15 附屬公司權益(續)

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料 普通股股數	每股面值	本集團所持有 已發行普通股股本/ 註冊資本面值比例	主要業務
Million Wealth Development Limited 百財發展有限公司	2	HK\$1 港幣1元	100%	Property development 物業發展
Bestday Assets Limited (ii)	1	US\$1 1美元	100%	Investment holding 投資控股
Prosper Advance Investments Limited 昌毅投資有限公司	2	HK\$1 港幣1元	100%	Property development 物業發展
Readworld.com Corporation (iii)	1,000,000	US\$0.1 0.1美元	97.77%	Investment holding 投資控股
ReadWorld.com Limited “看世界”股份有限公司	2	HK\$1 港幣1元	100%	Club membership holding 持有會所會籍
Rich Ocean Development Limited 裕海發展有限公司	10,000	HK\$1 港幣1元	100%	Property development 物業發展
Tenways Investments Limited (ii)	1	US\$1 1美元	100%	Investment holding 投資控股
The 8th Network Corporation (iii)	2	US\$1 1美元	100%	Investment holding 投資控股
The 8th Network Corp. (HK) Limited	2	HK\$1 港幣1元	100%	Business consulting services 商業顧問服務
VCC iCapital Limited (ii)	2	US\$1 1美元	100%	Investment holding 投資控股

15 Interests in subsidiaries (continued)

15 附屬公司權益(續)

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料 普通股股數	每股面值	本集團所持有 已發行普通股股本/ 註冊資本面值比例	主要業務
Victory Great Investment Limited 好本利投資有限公司	2	HK\$1 港幣1元	100%	Property development 物業發展
Vision Business Park (TH) Limited (ii)	1	US\$1 1美元	100%	Investment holding 投資控股
Vision Business Park Marketing Services Ltd (ii) 威新市場推廣服務有限公司(ii)	1	US\$1 1美元	100%	Marketing services 市場推廣服務
Vision Century Administration Limited	500,000	HK\$1 港幣1元	100%	Management consultancy services 管理顧問服務
Vision Century Capital Limited 威新融資有限公司	2	HK\$1 港幣1元	100%	Group financing 集團融資
Vision Century Estate Agents Limited 威新物業代理有限公司	2	HK\$1 港幣1元	100%	Real estate agency 房地產經紀
Vision Century Investments (Dalian) Limited 威新投資(大連)有限公司	2	HK\$1 港幣1元	100%	Investment holding 投資控股
Vision Century Property Consultancy Services Ltd (ii)	1	US\$1 1美元	100%	Property consultancy services 物業顧問服務
Vision Century Property Management Limited 威新物業管理有限公司	2	HK\$1 港幣1元	100%	Property management 物業管理

15 Interests in subsidiaries (continued)

15 附屬公司權益(續)

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料		本集團所持有	主要業務
	普通股股數	每股面值	已發行普通股股本／註冊資本面值比例	
Vision Century Real Estate Development (Dalian) Co. Ltd. (i) (iv) (v)	–	US\$10,000,000 (registered capital)	100%	Property development in China
威新房地產開發(大連)有限公司(i) (iv) (v)		10,000,000美元 (註冊資本)		中國物業發展
Vision Huaqing (Beijing) Development Co. Ltd. (i) (iv) (vi)	–	RMB130,000,000 (registered capital)	60%	Business park development in China
威新華清(北京)置業發展有限公司(i) (iv) (vi)		人民幣130,000,000元 (註冊資本)		中國商業園發展
Vision (Shenzhen) Business Park Co., Ltd. (i) (iv) (vi)	–	RMB100,000,000 (registered capital)	95%	Business park development in China
深圳威新軟件科技園有限公司(i) (iv) (vi)		人民幣100,000,000元 (註冊資本)		中國商業園發展
Vision Century PRC Investments Limited	2	HK\$1	100%	Property holding
威新中國投資有限公司		港幣1元		持有物業
Vision Property Management (Dalian) Co. Ltd. (i) (iv) (v)	–	US\$65,000 (registered capital)	100%	Property management in China
威新物業管理(大連)有限公司(i) (iv) (v)		65,000美元 (註冊資本)		中國物業管理
Beijing Vision Century Property Management Co. Ltd. (i) (iv) (v)	–	US\$150,000 (registered capital)	100%	Property management in China
北京威新世紀物業管理有限公司(i) (iv) (v)		150,000美元 (註冊資本)		中國物業管理

15 Interests in subsidiaries (continued)

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
	已發行股本資料		本集團所持有	
附屬公司名稱	普通股股數	每股面值	已發行普通股股本／註冊資本面值比例	主要業務
Wide Best Development Limited	2	HK\$1	100%	Property development
偉宏發展有限公司		港幣1元		物業發展

Notes:

- (i) Registered and with place of business in China
- (ii) Incorporated in the British Virgin Islands
- (iii) Incorporated in the Cayman Islands
- (iv) Not audited by PricewaterhouseCoopers
- (v) Wholly foreign-owned enterprises
- (vi) Sino-foreign equity joint venture enterprise
- (vii) Sino-foreign cooperative joint venture enterprise

附註：

- (i) 於中國註冊及經營
- (ii) 於英屬處女群島註冊成立
- (iii) 於開曼群島註冊成立
- (iv) 非由羅兵咸永道會計師事務所審核
- (v) 外商獨資企業
- (vi) 中外合資合營企業
- (vii) 中外合作合營企業

16 Interests in associated companies

(In HK\$'000)	Group	
	2004	2003
Share of net liabilities	(195,601)	(196,042)
Amounts due from associated companies	195,794	197,194
	<u>193</u>	<u>1,152</u>
Investment at cost		
Unlisted shares	<u>156</u>	<u>156</u>

16 聯營公司權益

(以港幣千元為單位)

應佔負債淨額
應收聯營公司
款項

投資，按成本值
非上市股份

16 Interests in associated companies (continued)

- (a) Particulars of the principal associated companies as at 31 December 2004 which were incorporated and are operating in Hong Kong except otherwise stated are as follows:

Name of associated companies indirectly held by the Company	Proportion of nominal value of issued ordinary share capital held by the Group	Principal activities
間接由本公司持有之 聯營公司名稱	本集團所持已發行 普通股股本面值之比例	主要業務
Fortune Top Properties Limited 福高置業有限公司	40.002%	Property investment 物業投資
Longshine Assets Limited (i) (ii)	40.002%	Investment holding 投資控股
Poly-Strong Development Limited 澎健發展有限公司	50%	Property trading 物業買賣

Notes:

- (i) Incorporated in the British Virgin Islands
(ii) Not audited by PricewaterhouseCoopers

16 聯營公司權益 (續)

- (a) 除特別註明外，於二零零四年十二月三十一日之主要聯營公司皆在香港註冊成立及經營業務，其有關資料如下：

附註：

- (i) 於英屬處女群島註冊成立
(ii) 非由羅兵咸永道會計師事務所審核

17 Investments in equity securities

	Group		Company	
	2004	2003	2004	2003
(In HK\$'000)				
Non-trading securities, at fair value				
Unlisted	16,387	16,387	6,465	6,465

18 Properties held for sale

At 31 December 2004, the carrying amount of properties held for sale of the Group that are carried at net realisable value amounted to HK\$320,328,000 (2003: HK\$119,316,000).

19 Properties under development

At 31 December 2004, the carrying amount of properties under development of the Group that are carried at cost and net realisable value amounted to HK\$62,351,000 (2003: HK\$507,804,000) and HK\$Nil (2003: HK\$5,419,000) respectively.

20 Debtors, deposits and prepayments

	Group		Company	
	2004	2003	2004	2003
(In HK\$'000)				
Trade debtors				
(Note a)	13,819	3,297	–	–
Deposits	310,091	272,356	–	–
Prepayments	18,206	18,846	591	336
Others	12,786	12,406	52	129
	354,902	306,905	643	465

(a) Included in debtors, deposits and prepayments are trade debtors and its ageing analysis is as follows:

	Group		Company	
	2004	2003	2004	2003
(In HK\$'000)				
Within 3 months	13,819	3,237	–	–
Over 6 months	–	60	–	–
	13,819	3,297	–	–

17 股本證券投資

(以港幣千元為單位)

非買賣證券，
按公平值
非上市

18 待出售物業

於二零零四年十二月三十一日，本集團以可變現淨值列賬之待出售物業之賬面值為港幣320,328,000元（二零零三年：港幣119,316,000元）。

19 發展中物業

於二零零四年十二月三十一日，本集團以成本及可變現淨值列賬之發展中物業之賬面值分別為港幣62,351,000元（二零零三年：港幣507,804,000元）及港幣零元（二零零三年：港幣5,419,000元）。

20 應收賬款、按金及預付款項

(以港幣千元為單位)

應收貿易賬款
(附註a)
按金
預付款項
其他

(a) 應收賬款、按金及預付款項中包括應收貿易賬款，其賬齡分析如下：

(以港幣千元為單位)

三個月以內
六個月以上

20 Debtors, deposits and prepayments (continued)

Trade debtors represent considerations in respect of sold properties, rental receivables and receivables from sales of goods.

Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Rental receivables are billed in advance and are payable by tenants upon receipts of billings.

- (b) Included in debtors, deposits and prepayments are payments for certain lands in China of which formal land use right certificates have not yet been obtained by the Group. Pursuant to a new regulation promulgated by the Beijing Land Bureau (the "Bureau") during the year, all the lands of which land use right certificates have not been obtained before 31 August 2004 may be put up for public auctions and the original owner will be compensated for the payments made.

The Group has certain lands with payments amounted to approximately HK\$307,885,000 (2003: HK\$269,583,000) which are now being reviewed by the Bureau for the application of land use right certificates. Based on the existing market condition and the information on hand, in the directors' opinion, the outcome of the above event, although uncertain at present, is unlikely to have a material impact on the Group's financial statements for the year.

20 應收賬款、按金及預付款項 (續)

應收貿易賬款指已出售物業之代價、應收租金及銷售貨品之應收款項。

已出售物業之代價均按買賣協議之條款由買方支付。應收租金乃預先記賬，租客於收到賬單時支付。

- (b) 應收賬款、按金及預付款項包括中國若干土地之付款，而本集團尚未取得有關之正式土地使用權證。根據北京土地管理局（「土地局」）於年內頒佈之新法規，所有尚未於二零零四年八月三十一日前取得土地使用權證之土地，或會提呈公開拍賣，而原擁有人將就其已付之款項獲得賠償。

本集團擁有款項約港幣307,885,000元（二零零三年：港幣269,583,000元）之若干土地，現正由土地局審核有關之土地使用權證申請。根據現時市況及現有資料，董事認為，雖然目前仍有不肯定因素，惟上述事項之結果不大可能對本集團於年內之財務報告構成重大影響。

21 Creditors and accruals

	Group		Company	
	本集團		本公司	
(In HK\$'000)	2004	2003	2004	2003
Trade creditors				
(Note a)	54,339	52,902	–	–
Receipts in advance	2,783	179,683	–	–
Accruals	102,683	31,034	3,747	2,205
Others	40,382	60,731	2,083	3,355
	200,187	324,350	5,830	5,560

(a) Included in creditors and accruals are trade creditors and its ageing analysis is as follows:

	Group		Company	
	本集團		本公司	
(In HK\$'000)	2004	2003	2004	2003
Within 3 months	28,100	41,242	–	–
3 months to 12 months	578	11,660	–	–
Over 1 year	25,661	–	–	–
	54,339	52,902	–	–

22 Bank and other borrowings

Group

	Bank loans and overdrafts		Other loans		Total	
	銀行貸款及透支		其他貸款		總額	
	2004	2003	2004	2003	2004	2003
(In HK\$'000)						
Secured	504,126	523,708	–	9,000	504,126	532,708
Unsecured	28,000	19,794	–	–	28,000	19,794
	532,126	543,502	–	9,000	532,126	552,502
Current portion of bank and other borrowings	(400,211)	(465,164)	–	(9,000)	(400,211)	(474,164)
	131,915	78,338	–	–	131,915	78,338

21 應付賬款及應計賬項

(以港幣千元為單位)

應付貿易賬款

(附註a)

預收款項

應計賬項

其他

(a) 應付賬款及應計賬項中包括應付貿易賬款，其賬齡分析如下：

(以港幣千元為單位)

三個月以內

三至十二個月

一年以上

22 銀行及其他貸款

本集團

(以港幣千元為單位)

有抵押

無抵押

銀行及其他

貸款之一年內應償還額

22 Bank and other borrowings (continued)**Company**

	Bank loans and overdrafts		Other loans		Total	
	銀行貸款及透支		其他貸款		總額	
	2004	2003	2004	2003	2004	2003
(In HK\$'000)						
Secured	-	60,000	-	-	-	60,000
Unsecured	28,000	19,794	-	-	28,000	19,794
	28,000	79,794	-	-	28,000	79,794
Current portion of bank and other borrowings	(28,000)	(79,794)	-	-	(28,000)	(79,794)
	-	-	-	-	-	-

At 31 December 2004, the bank loans, overdrafts and other loans were repayable as follows:

Group

	Bank loans and overdrafts		Other loans		Total	
	銀行貸款及透支		其他貸款		總額	
	2004	2003	2004	2003	2004	2003
(In HK\$'000)						
Within one year	400,211	465,164	-	9,000	400,211	474,164
In the second year	-	78,338	-	-	-	78,338
In the third to fifth year	131,915	-	-	-	131,915	-
	532,126	543,502	-	9,000	532,126	552,502

22 銀行及其他貸款 (續)**本公司**

(以港幣千元為單位)

有抵押

無抵押

銀行及其他

貸款之一年內應償還額

於二零零四年十二月三十一日，銀行貸款、透支及其他貸款之還款期如下：

本集團

(以港幣千元為單位)

一年以內

第二年

第三至第五年

22 Bank and other borrowings (continued)**Company**

(In HK\$'000)	Bank loans and overdrafts		Other loans		Total	
	銀行貸款及透支		其他貸款		總額	
	2004	2003	2004	2003	2004	2003
Within one year	28,000	79,794	-	-	28,000	79,794
In the second year	-	-	-	-	-	-
In the third to fifth year	-	-	-	-	-	-
	28,000	79,794	-	-	28,000	79,794

22 銀行及其他貸款(續)**本公司**

(以港幣千元為單位)

一年以內

第二年

第三至第五年

23 Share capital

	Authorised			
	法定股本			
	2004		2003	
No. of shares	HK\$'000	No. of shares	HK\$'000	
股份數目	港幣千元	股份數目	港幣千元	
Ordinary shares of HK10 cents each				
At 1 January and 31 December	10,000,000,000	1,000,000	10,000,000,000	1,000,000

23 股本

每股面值港幣10仙之普通股

於一月一日及十二月三十一日

	Issued and fully paid			
	已發行及繳足			
	2004		2003	
No. of shares	HK\$'000	No. of shares	HK\$'000	
股份數目	港幣千元	股份數目	港幣千元	
At 1 January and 31 December	2,836,188,944	283,619	2,836,188,944	283,619

於一月一日及十二月三十一日

24 Share option scheme

The share option scheme (the "Share Option Scheme") became effective on 20 May 2003 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The maximum number of shares in respect of which options may be granted must not exceed 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme. The offer of a grant may be accepted upon payment of a nominal consideration of HK\$1 per acceptance. The exercise period of the share options granted is determinable by the Board, and commences on a specified date and ends on a date which is not later than 10 years from the date of grant of the share options. The exercise price of the share options is determined by the Board, but shall not be less than the highest of (i) the closing prices of the Company's shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a trading day; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

24 認股權計劃

認股權計劃（「認股權計劃」）於二零零三年五月二十日起生效，除非另行註銷或修訂，認股權計劃將自該日起十年有效。可能授出之認股權之相關股份數目上限不得超過本公司於採納認股權計劃當日已發行股本之10%。每位承授人在接納邀請時須支付象徵式總代價港幣1元。授出之認股權之行使期由董事會釐定，由指定日期開始至終止該日不得超過授出認股權當日起計十年。認股權之行使價由董事會釐定，惟該價格不得低於下列各項中之最高者：(i)授出認股權當日（必須為交易日）本公司股份於聯交所發出之日報表所列之收市價；(ii)緊接授出認股權之日期前五個交易日本公司股份於聯交所發出之日報表所列之平均收市價；或(iii)本公司股份之面值。

24 Share option scheme (continued)

As at 31 December 2004, there were 25,340,000 (2003: 20,065,000) share options outstanding under the Share Option Scheme which have the following terms:

Category of participant	Outstanding as at 20/5/2003 (Date of adoption)	Number of share options 認股權數目		Exercised during the year	Lapsed/cancelled during the year	Outstanding as at 31/12/2004	Date of grant of share options	Exercise period of share options	Exercise price per share option HK\$	
		Granted during the period	Outstanding as at 1/1/2004							Granted during the year
參與者類別	於二零零三年五月二十日尚未行使 (採納日期)	於期內授出	於二零零四年一月一日尚未行使	於年內授出	於年內行使	於二零零四年十二月三十一日尚未行使	認股權授出日期	認股權行使期	每份認股權之行使價 港元	
Directors										
董事										
In aggregate	-	10,000,000	10,000,000	-	-	(1,000,000)	31/12/2003	31/12/2004 – 30/12/2013	0.1706	
合共								(Note 1) (附註1)		
	-	-	-	10,000,000	-	-	31/12/2004	31/12/2005 – 30/12/2014	0.1670	
								(Note 2) (附註2)		
	-	10,000,000	10,000,000	10,000,000	-	(1,000,000)			19,000,000	
Other employees										
其他僱員										
In aggregate	-	10,065,000	10,065,000	-	-	(5,725,000)	31/12/2003	31/12/2004 – 30/12/2013	0.1706	
合共								(Note 1) (附註1)		
	-	-	-	2,000,000	-	-	31/12/2004	31/12/2005 – 30/12/2014	0.1670	
								(Note 2) (附註2)		
	-	10,065,000	10,065,000	2,000,000	-	(5,725,000)			6,340,000	
	-	20,065,000	20,065,000	12,000,000	-	(6,725,000)			25,340,000	

24 認股權計劃 (續)

於二零零四年十二月三十一日，根據認股權計劃有25,340,000份(二零零三年：20,065,000份)尚未行使之認股權，有關詳情如下：

24 Share option scheme (continued)

Notes:

1. The vesting period of the share options is in the following manner:

Vesting Schedule	Percentage of shares over which a share option is exercisable (%)
Before the first anniversary of the date of grant	Nil
On or after the first but before the second anniversary of the date of grant	25
On or after the second but before the third anniversary of the date of grant	25
On or after the third but before the fourth anniversary of the date of grant	25
On or after the fourth anniversary of the date of grant	25

In relation to the share options, if the eligible participant, during any of the periods specified above, exercises that share options for such number of shares which, in aggregate, represents less than the number of shares for which the eligible participant may exercise in respect of such period, the balance of the shares comprised in that share option for which the eligible participant could have exercised (but did not exercise) in that period shall be carried forward and added to the number of shares which the eligible participant may exercise in the next succeeding period or periods.

24 認股權計劃 (續)

附註：

1. 認股權之歸屬期如下：

歸屬時間表	股份佔可行使 認股權之百分比 (%)
授出日期之一周年前	無
授出日期之一周年或之後但兩周年前	25
授出日期之兩周年或之後但三周年前	25
授出日期之三周年或之後但四周年前	25
授出日期之四周年或之後	25

就認股權而言，倘合資格參與者於上述任何指定期間行使涉及該等股份數目之認股權合共少於合資格參與者在該期間可行使認股權所涉及之股份數目，則合資格參與者於該期間可行使（但未行使）之該認股權涉及之股份數目差額將結轉及納入合資格參與者於下一個隨後期間可行使認購權所涉及之股份數目中。

24 Share option scheme (continued)

2. The vesting period of the share options is in the following manner:

Vesting Schedule	Percentage of shares over which a share option is exercisable (%)
Before the first anniversary of the date of grant	Nil
On or after the first but before the second anniversary of the date of grant	40
On or after the second but before the third anniversary of the date of grant	30
On or after the third anniversary of the date of grant	30

In relation to the share options, if the eligible participant, during any of the periods specified above, exercises that share options for such number of shares which, in aggregate, represents less than the number of shares for which the eligible participant may exercise in respect of such period, the balance of the shares comprised in that share option for which the eligible participant could have exercised (but did not exercise) in that period shall be carried forward and added to the number of shares which the eligible participant may exercise in the next succeeding period or periods.

24 認股權計劃(續)

2. 認股權之歸屬期如下：

歸屬時間表	股份佔可行使 認股權之百分比 (%)
授出日期之一周年前	無
授出日期之一周年或之後但兩周年前	40
授出日期之兩周年或之後但三周年前	30
授出日期之三周年或之後	30

就認股權而言，倘合資格參與者於上述任何指定期間行使涉及該等股份數目之認股權合共少於合資格參與者在該期間可行使認股權所涉及之股份數目，則合資格參與者於該期間可行使(但未行使)之該認股權涉及之股份數目差額將結轉及納入合資格參與者於下一個隨後期間可行使認購權所涉及之股份數目中。

25 Reserves Group

	Investment properties		Capital	Exchange reserve	Accumulated losses	Total
	Share premium	revaluation reserve	redemption reserve			
(In HK\$'000)	股份溢價	重估儲備	贖回儲備	匯兌儲備	累積虧損	總額
At 1 January 2004	2,270,561	–	196	423	(1,853,756)	417,424
Exchange differences	–	–	–	1,861	–	1,861
Revaluation surplus	–	1,714	–	–	–	1,714
Disposal of subsidiaries	–	–	–	(280)	–	(280)
Profit for the year	–	–	–	–	16,398	16,398
At 31 December 2004	2,270,561	1,714	196	2,004	(1,837,358)	437,117
Representing:						
Company and subsidiaries	2,270,561	1,714	196	2,004	(1,641,601)	632,874
Associated companies	–	–	–	–	(195,757)	(195,757)
	2,270,561	1,714	196	2,004	(1,837,358)	437,117

25 儲備 本集團

(以港幣千元為單位)

於二零零四年一月一日

匯兌差額

重估盈餘

出售附屬公司

年度溢利

於二零零四年十二月三十一日

以下公司應佔：

本公司及其附屬公司

聯營公司

25 Reserves (continued)

	Investment properties					Total
	Share premium	revaluation reserve	Capital		Accumulated losses	
			redemption reserve	Exchange reserve		
(In HK\$'000)	股份溢價	重估儲備	贖回儲備	匯兌儲備	累積虧損	總額
At 1 January 2003	2,270,561	-	196	2,678	(1,007,653)	1,265,782
Exchange differences	-	-	-	(2,255)	-	(2,255)
Loss for the year	-	-	-	-	(846,103)	(846,103)
At 31 December 2003	<u>2,270,561</u>	<u>-</u>	<u>196</u>	<u>423</u>	<u>(1,853,756)</u>	<u>417,424</u>
Representing:						
Company and subsidiaries	2,270,561	-	196	142	(1,658,722)	612,177
Associated companies	-	-	-	-	(196,198)	(196,198)
Jointly controlled entity	-	-	-	281	1,164	1,445
	<u>2,270,561</u>	<u>-</u>	<u>196</u>	<u>423</u>	<u>(1,853,756)</u>	<u>417,424</u>

Company

	Capital			Total
	Share premium	redemption reserve	Accumulated losses	
(In HK\$'000)	股份溢價	贖回儲備	累積虧損	總額
At 1 January 2004	2,270,561	196	(1,778,635)	492,122
Loss for the year	-	-	(867)	(867)
At 31 December 2004	<u>2,270,561</u>	<u>196</u>	<u>(1,779,502)</u>	<u>491,255</u>
At 1 January 2003	2,270,561	196	(930,053)	1,340,704
Loss for the year	-	-	(848,582)	(848,582)
At 31 December 2003	<u>2,270,561</u>	<u>196</u>	<u>(1,778,635)</u>	<u>492,122</u>

At 31 December 2004 and 2003, the Company had no distributable reserves.

25 儲備 (續)

(以港幣千元為單位)

於二零零三年一月一日

匯兌差額

年度虧損

於二零零三年十二月三十一日

以下公司應佔：

本公司及其附屬公司

聯營公司

共同控制企業

本公司

(以港幣千元為單位)

於二零零四年一月一日

年內虧損

於二零零四年十二月三十一日

於二零零三年一月一日

年度虧損

於二零零三年十二月三十一日

於二零零四年及二零零三年十二月三十一日，本公司並無可分派儲備。

26 Deferred taxation

Deferred taxation are calculated in full on temporary differences under the liability method at the rates of taxation prevailing in the countries in which the Group operates.

The movement on the deferred tax assets account is as follows:

	Group	
	本集團	
(In HK\$'000)	2004	2003
At 1 January	2,793	–
Deferred taxation credited		
to income statement (Note 8)	694	2,793
At 31 December	3,487	2,793

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK\$1,409,349,000 (2003: HK\$1,377,714,000) to carry forward against future taxable income, of which HK\$109,586,000 (2003: HK\$160,903,000) will expire within five years.

No deferred tax liabilities were recognised during the year (2003: Nil). The deferred tax assets for the year originated from losses and are recoverable within twelve months.

26 遞延稅項

遞延稅項就暫時差異以負債法按本集團業務所在國家之現行稅率全數計算。

遞延稅項資產賬之變動如下：

(以港幣千元為單位)

於一月一日
計入收益表
之遞延稅項(附註8)
於十二月三十一日

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作確認。本集團有未確認稅項虧損港幣1,409,349,000元(二零零三年：港幣1,377,714,000元)可結轉以抵銷未來應課稅收入，其中港幣109,586,000元(二零零三年：港幣160,903,000元)將於五年內到期。

本年度並無確認遞延稅項負債(二零零三年：無)。年內之遞延稅項資產乃來自虧損，且可於未來十二個月內收回。

27 Notes to the consolidated cash flow statement**(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) generated from operations**

(In HK\$'000)	2004	2003
Operating profit/(loss)	30,530	(126,468)
Interest income	(618)	(1,730)
Depreciation	3,059	7,276
Realisation of negative goodwill	(517)	(431)
Amortisation of goodwill	–	3,135
Net gain on disposal of subsidiaries	(5,612)	(3,711)
(Surplus)/deficit on revaluation of investment properties	(19,523)	19,523
Waiver of loan from a minority shareholder	–	(15,600)
Net loss/(gain) on disposal of fixed assets	1	(94)
Provision for properties held for sale and properties under development	–	10,571
Provision for fixed assets	14	7,230
(Written back)/provision made for inventories	(18)	185
Provision for doubtful debts	2,988	18,933
Operating profit/(loss) before working capital changes	10,304	(81,181)
Decrease in properties held for sale and properties under development	268,539	6,858
(Increase)/decrease in debtors, deposits and prepayments	(51,206)	50,991
(Decrease)/increase in creditors and accruals	(117,010)	14,039
Net cash inflow/(outflow) generated from operations	110,627	(9,293)

27 綜合現金流量表附註**(a) 經營溢利／(虧損)與經營產生之現金流入／(流出)淨額對賬表**

(以港幣千元為單位)

經營溢利／(虧損)
利息收入
折舊
負商譽變現
商譽攤銷
出售附屬公司之收益淨額
投資物業重估(盈餘)／虧絀
應付一個少數股東貸款豁免
出售固定資產之虧損／(收益)淨額
就待出售物業及發展中物業作出撥備
就固定資產作出撥備
就存貨(撥回)／作出撥備
就呆賬作出撥備
營運資金變動前
經營溢利／(虧損)
待出售物業及發展中物業之減少
應收賬款、按金及預付款項之(增加)／減少
應付賬款及應計賬項之(減少)／增加
經營產生之現金流入／(流出)淨額

27 Notes to the consolidated cash flow statement (continued)**(b) Sale of subsidiaries**

(In HK\$'000)	2004	2003
Net assets disposed of		
Cash	14,530	1,083
Fixed assets	1,213	–
Interests in equity securities	–	460
Investment in a jointly controlled entity	94,597	–
Debtors, deposits and prepayments	–	34
Creditors and accruals	(7,024)	(79)
Minority interests	(4)	2,490
Bank loan	(10,343)	–
Reserves	(280)	–
	<u>92,689</u>	<u>3,988</u>
Net gain on disposal	5,612	3,711
	<u>98,301</u>	<u>7,699</u>
Satisfied by		
Cash	96,478	703
Others	1,823	6,996
	<u>98,301</u>	<u>7,699</u>

The cash flows contributed and utilised by the subsidiaries disposed of during the two years were not significant to the Group.

Analysis of the net inflow/(outflow) in respect of the sale of subsidiaries

Cash disposed of	(14,530)	(1,083)
Cash consideration	96,478	703
	<u>81,948</u>	<u>(380)</u>

27 綜合現金流量表附註 (續)**(b) 出售附屬公司**

(以港幣千元為單位)

出售之資產淨值
現金
固定資產
股本證券權益
共同控制企業投資
應收賬款、按金及預付款項
應付賬款及應計賬項
少數股東權益
銀行貸款
儲備
出售所得之收益淨額
支付方式
現金
其他

兩年內，所出售之附屬公司並無對本集團帶來重大之現金流量，亦無動用本集團大量現金流量。

出售附屬公司之流入／(流出)淨額分析

已出售現金
現金代價

27 Notes to the consolidated cash flow statement (continued)**(c) Analysis of changes in financing during the year**

(In HK\$'000)	Bank and other borrowings 銀行及 其他借貸	Minority interests 少數 股東權益	Total 總額
At 1 January 2003	387,123	208,691	595,814
Net cash inflows/ (outflows) from financing	146,847	(14,224)	132,623
Acquisition of subsidiaries	–	(66,512)	(66,512)
Waiver of loan	–	(15,600)	(15,600)
Sale of subsidiaries	–	2,490	2,490
Share of loss	–	(20,236)	(20,236)
Share of reserves	–	317	317
Exchange differences	(1,262)	–	(1,262)
At 1 January 2004	532,708	94,926	627,634
Net cash inflows/ (outflows) from financing	7,396	(20,942)	(13,546)
Sale of subsidiaries	(10,343)	(4)	(10,347)
Share of loss	–	(2,524)	(2,524)
Share of revaluation reserve	–	14,158	14,158
Exchange differences	2,365	253	2,618
At 31 December 2004	532,126	85,867	617,993

27 綜合現金流量表附註 (續)**(c) 年內融資變動分析**

(以港幣千元為單位)

於二零零三年一月一日

融資之現金

流入／(流出)

淨額

收購附屬

公司

豁免之貸款

出售附屬公司

所佔虧損

所佔儲備

匯兌差額

於二零零四年一月一日

融資之現金

流入／(流出)

淨額

出售附屬公司

所佔虧損

所佔重估

儲備

匯兌差額

於二零零四年十二月三十一日

28 Pledge of assets

At 31 December 2004, the Group pledged certain investment properties, completed properties held for sale and under development with carrying values of HK\$812,800,000 (2003: HK\$752,539,000) and bank balances of HK\$105,900,000 (2003: HK\$152,869,000) to secure bank loans, overdrafts and other loans granted to the Group.

29 Contingent liabilities

At 31 December 2004, the Company issued guarantees to the extent of HK\$358,077,000 (2003: HK\$329,496,000). HK\$324,156,000 (2003: HK\$320,392,000) was utilised in respect of bank and other borrowings granted to its subsidiaries and HK\$Nil (2003: HK\$676,000) was utilised in respect of the lease of fixed assets taken up by a subsidiary.

Management anticipates that no material liabilities will arise from the above bank and other guarantees which arose in the ordinary course of business.

30 Commitments

(a) Capital commitments

(In HK\$'000)	Group	
	2004	2003
Contracted but not provided for		
– Investment in equity securities	–	9,365
– Properties held for development	5,418	123,121
– Properties under development	–	239,182
Authorised but not contracted for		
– Properties held for development	124,989	11,438
	130,407	383,106

The Company did not have any capital commitments at 31 December 2004.

28 資產抵押

於二零零四年十二月三十一日，本集團已抵押面值港幣812,800,000元（二零零三年：港幣752,539,000元）之若干投資物業、待出售已完成之物業及發展中物業以及銀行結餘港幣105,900,000元（二零零三年：港幣152,869,000元）作為本集團獲授之銀行貸款、透支及其他貸款之抵押。

29 或然負債

於二零零四年十二月三十一日，本公司所作出之擔保合共港幣358,077,000元（二零零三年：港幣329,496,000元），其中就授予附屬公司之銀行及其他貸款已動用港幣324,156,000元（二零零三年：港幣320,392,000元）及港幣零元（二零零三年：港幣676,000元）用於一間附屬公司之固定資產租賃。

管理層預期，上述於日常業務過程中產生之銀行及其他擔保將不會帶來任何重大負債。

30 承擔

(a) 資本承擔

(以港幣千元為單位)
已簽約但未撥備
– 投資股本證券
– 持有作發展用途之物業
– 發展中物業
已授權但未簽約
– 持有作發展用途之物業

於二零零四年十二月三十一日，本公司並無任何資本承擔。

30 Commitments (continued)**(b) Commitments under operating leases**

At 31 December 2004, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

Group

	Land and buildings		Other		Total	
	2004	2003	2004	2003	2004	2003
(In HK\$'000)						
Not later than						
one year	1,895	3,000	-	88	1,895	3,088
Later than one year						
and not later						
than five years	2,435	4,330	-	-	2,435	4,330
	<u>4,330</u>	<u>7,330</u>	<u>-</u>	<u>88</u>	<u>4,330</u>	<u>7,418</u>

The Company did not have any commitments under operating leases at 31 December 2004.

(c) Future minimum rental payments receivable

At 31 December 2004, the Group had future minimum rental payments receivable under non-cancellable leases in respect of land and buildings as follows:

	Group	
	2004	2003
(In HK\$'000)		
Not later than one year	24,137	11,743
Later than one year and		
not later than five years	41,076	8,325
Later than five years	16,681	-
	<u>81,894</u>	<u>20,068</u>

The Group's operating leases are for terms ranging from one to twenty years.

The Company did not have any future minimum rental payment receivable commitments at 31 December 2004.

30 承擔 (續)**(b) 經營租賃承擔**

於二零零四年十二月三十一日，本集團根據不可撤銷經營租賃而須於未來支付之最低租賃付款總額如下：

本集團

(以港幣千元為單位)

第一年內

第二至第五年內

於二零零四年十二月三十一日，本公司並無任何經營租賃承擔。

(c) 未來最低應收租金款項

於二零零四年十二月三十一日，本集團根據有關土地及樓宇之不可撤銷租賃之未來最低應收租金款項如下：

(以港幣千元為單位)

第一年內

第二至第五年內

五年後

本集團之經營租賃期限由一年至二十年不等。

於二零零四年十二月三十一日，本公司並無任何未來最低應收租金款項承擔。

31 Related party transactions

During the year, the Group entered into the following transactions with related parties:

- (a) On 7 May 2003, Vision Business Park Marketing Services Ltd. ("VBPMS"), a wholly-owned subsidiary of the Company, entered into a marketing agency agreement (the "Marketing Agency Agreement") with Ascendas Services Pte. Ltd. ("Ascendas Services"). Ascendas Services is an indirect wholly-owned subsidiary of Ascendas Pte. Ltd. which indirectly holds approximately 50% of Vision Century Limited, the controlling shareholder of the Company. Pursuant to the Marketing Agency Agreement, Ascendas Services agreed to provide non-exclusive marketing agency services to VBPMMS in respect of the marketing and solicitation for customers both inside and outside China for the units in the business parks built by the Company and its subsidiaries in China for a term of 36 months from the date of the Marketing Agency Agreement. The fee was calculated at rates on the monthly rental with reference to the lease period. During the year, HK\$17,000 has been charged to VBPMMS (2003: Nil).

- (b) Following the acquisition of the entire issued share capital of CyberCity Investments Limited ("CCI") (now known as Vision Century Infocomm Investments Ltd.), from CyberCity Holdings Limited ("CCH") on 28 May 2002, the Group has entered into various connected transactions involving CCI and its subsidiaries as follows:-

(1) *Transactions with Shenzhen Cursor Software Technology Co. Ltd. ("SCST")*

SCST, a company incorporated in China, is owned as to 85.75% by Mr Larry Chen, a director of a subsidiary of the Company called CC-Edu Holdings Limited.

31 有關連人士交易

年內，本集團與有關連人士訂立之交易如下：

- (a) 於二零零三年五月七日，本公司之全資附屬公司威新市場推廣服務有限公司（「威新市場推廣服務」）與 Ascendas Services Pte. Ltd.（「Ascendas Services」）訂立招商代理協議書（「招商代理協議書」）。Ascendas Services 為騰飛私人有限公司（間接持有 Vision Century Limited 約 50% 權益之本公司控股股東）之間接全資附屬公司。根據招商代理協議書，Ascendas Services 同意向威新市場推廣服務提供非獨家招商代理服務，為本公司及其中國附屬公司所建之商業園內之單位於國內外進行市場推廣及客戶招商服務，自招商代理協議書訂立日期起計為期 36 個月。收費乃按每月租金並參考租期而計算。於年內，已向威新市場推廣服務收取港幣 17,000 元（二零零三年：無）。

- (b) 本公司於二零零二年五月二十八日向賽博控股有限公司（「賽博控股」）購入 CyberCity Investments Limited（「CCI」）（現稱為 Vision Century Infocomm Investments Ltd.）全部已發行股本後，本集團曾訂立涉及 CCI 及其附屬公司之多項關連交易如下：-

(1) *與深圳市智慧源軟件技術有限公司（「深圳市智慧源」）進行之交易*

深圳市智慧源為一家於中國註冊成立之公司，並由本公司之附屬公司 CC-Edu Holdings Limited 之董事陳永銓先生擁有 85.75% 權益。

31 Related party transactions (continued)**(1) Transactions with Shenzhen Cursor Software Technology Co. Ltd. ("SCST") (continued)**

- (i) the agency agreement and supplemental agreement dated 7 December 2001 and 25 September 2002 respectively between CyberCity Cursor Media Co. Ltd. ("CCCM") and SCST, of which no fee was charged to SCST during the year (2003: Nil);
- (ii) the technical support agreement dated 13 October 2001 between CCCM and SCST, of which HK\$715,000 was charged to SCST during the year (2003: HK\$73,000); and
- (iii) the co-operative agreement dated 13 October 2001 between CCCM and SCST, no fee was charged to SCST during the year (2003: HK\$87,000).

31 有關連人士交易 (續)**(1) 與深圳市智慧源軟件技術有限公司 (「深圳市智慧源」) 進行之交易 (續)**

- (i) 賽博智慧源信息技術(深圳)有限公司(「賽博智慧源」)與深圳市智慧源分別於二零零一年十二月七日及二零零二年九月二十五日訂立之代理協議書及補充協議，據此，於年內並無向深圳市智慧源收取任何款項(二零零三年：無)；
- (ii) 賽博智慧源與深圳市智慧源於二零零一年十月十三日訂立之技術支援協議書，據此，於年內向深圳市智慧源收取港幣715,000元(二零零三年：港幣73,000元)；及
- (iii) 賽博智慧源與深圳市智慧源於二零零一年十月十三日訂立之合作協議書，據此，於年內並無向深圳市智慧源收取費用(二零零三年：港幣87,000元)。

31 Related party transactions (continued)**(2) Transaction with Shareholder of XiaoDong Global Technology Co. Ltd. (“XDT”)**

XDT, a company incorporated in China and is beneficially owned as to 33% by Dr. Jiang Xiaoming, Simon, a then director of the Company, and 34% by Mr. Zhai Pu, a then director of various subsidiaries of the Company, and 33% by Mr. Yang Zhaohui, a director of CyberCity Investments (SZ) Ltd. (now known as Vision Century Investments Co. Ltd.), a subsidiary of the Company. Therefore, Dr. Jiang Xiaoming, Simon, Mr. Zhai Pu and Mr. Yang Zhaohui (together called “Shareholders of XDT”) are connected persons to the Group. The transactions with the Shareholders of XDT were entered into prior to the acquisition which was a loan agreement of HK\$6,417,000 dated 6 December 2001 made amongst Campusall Company Limited and the Shareholders of XDT.

Interest income of HK\$223,000 in respect of the loan as mentioned above was receivable from the Shareholders of XDT during the year (2003: HK\$447,000).

31 有關連人士交易（續）**(2) 與北京曉東環宇科技有限公司（「曉東科技」）股東進行之交易**

曉東科技是一間於中國註冊成立之公司，由蔣小明博士（本公司當時董事）實益擁有33%權益、翟普先生（本公司多間附屬公司之當時董事）實益擁有34%權益及楊朝暉先生（本公司一間附屬公司賽合投資諮詢（深圳）有限公司（現稱為威新世紀投資諮詢（深圳）有限公司）之董事）實益擁有33%權益。因此，蔣小明博士、翟普先生及楊朝暉先生（統稱「曉東科技股東」）均為本集團之關連人士。本集團與曉東科技股東進行之交易乃於收購事項進行前訂立，即全校網有限公司與曉東科技股東於二零零一年十二月六日訂立港幣6,417,000元之貸款協議。

於年內，可就上述貸款向曉東科技股東收取港幣223,000元（二零零三年：港幣447,000元）之利息收益。

31 Related party transactions (continued)

(3) *Transaction with Shareholders of SZ Nova Science Technology Development Co. Ltd. ("SZ Nova")*

SZ Nova is owned as to 90% by Dr. Jiang Xiaoming, Simon, a then director of the Company, and 10% by Mr. Chen Shulin, a director and shareholder of Nova Network Holdings Limited ("Nova"). Therefore, Dr. Jiang Xiaoming, Simon, Mr. Chen Shulin (together called "Shareholders of SZ Nova") and SZ Nova are connected persons to the Group. The transaction with the Shareholders of SZ Nova which was a loan agreement of HK\$4,396,000 dated 11 December 2001 made amongst Jubilee Success Limited and the Shareholders of SZ Nova.

Interest income of HK\$153,000 (2003: HK\$306,000) in respect of the loan as mentioned above was receivable from the Shareholders of SZ Nova during the year.

31 有關連人士交易（續）

(3) 與深圳市南凌科技發展有限公司（「深圳市南凌」）股東進行之交易

深圳市南凌由蔣小明博士（本公司當時董事）擁有90%權益及陳樹林先生（Nova Network Holdings Limited（「南凌」）之董事兼股東）擁有10%權益。因此，蔣小明博士、陳樹林先生（統稱「深圳市南凌股東」）及深圳市南凌均為本集團之關連人士。本集團與深圳市南凌股東進行之交易，即深圳市南凌股東與Jubilee Success Limited於二零零一年十二月十一日訂立港幣4,396,000元之貸款協議。

於年內，可就上述貸款向深圳市南凌股東收取港幣153,000元（二零零三年：港幣306,000元）之利息收益。

31 Related party transactions (continued)**(4) Transactions with Nova and its subsidiaries (“Nova Group”)**

Nova is beneficially owned as to 90% by CCI and 8.1% by Mr. Chen Shulin, a director of Nova and 1.9% by independent parties not connected with any director, chief executive or substantial shareholder of the Company or its subsidiaries or any of their respective associates. Nova Network Limited (“Nova HK”) and Century Nova Cyber Technology (Shenzhen) Co., Ltd. (“Nova Cyber”) are wholly-owned subsidiaries of Nova. Details of transactions with Nova Group are set out as follows:—

- (i) During the year, a guarantee of HK\$7,522,000 (2003: HK\$7,492,000) provided to Nova Cyber by the Company, of which a guarantee fee of HK\$188,000 (2003: HK\$375,000) was charged to Nova Cyber.
- (ii) During the year, a loan of HK\$6,496,000 (2003: HK\$6,445,000) provided to Nova by the Company, of which interest income of HK\$227,000 (2003: HK\$415,000) was charged to Nova.
- (iii) During the year, a corporate guarantee of HK\$290,000 (2003: HK\$711,000) provided to Nova HK by the Company, of which a guarantee fee of HK\$6,000 (2003: HK\$27,000) was charged to Nova HK.

31 有關連人士交易（續）**(4) 與南凌及其附屬公司（「南凌集團」）進行之交易**

南凌由CCI實益擁有90%權益及陳樹林先生（南凌董事）實益擁有8.1%權益及獨立人士（與本公司或其附屬公司之董事、最高行政人員或主要股東或彼等各自之聯繫人概無關連）實益擁有1.9%權益。Nova Network Limited（「南凌香港」）與世紀南凌數碼科技（深圳）有限公司（「世紀南凌」）均為南凌之全資附屬公司。本集團與南凌集團之交易詳情如下：—

- (i) 本公司於年內向世紀南凌提供港幣7,522,000元（二零零三年：港幣7,492,000元）之擔保，就此，本公司向世紀南凌收取港幣188,000元（二零零三年：港幣375,000元）之擔保費。
- (ii) 本公司於年內向南凌提供港幣6,496,000元（二零零三年：港幣6,445,000元）之貸款，就此，本公司向南凌收取港幣227,000元（二零零三年：港幣415,000元）之利息收入。
- (iii) 本公司於年內向南凌香港提供港幣290,000元（二零零三年：港幣711,000元）之公司擔保，就此，本公司向南凌香港收取港幣6,000元（二零零三年：港幣27,000元）之擔保費。

31 Related party transactions (continued)*(4) Transactions with Nova and its subsidiaries (“Nova Group”) (continued)*

(iv) On 7 May 2003, Nova Cyber and SZ Nova entered into co-operative agreement (the “Co-operative Agreement”), pursuant to which both parties cooperate to provide integrated enterprise networking services to customers in certain cities in China for an initial term of 3 years and, upon expiration, will be renewable automatically annually for one year under the same terms. Nova Cyber will share its 50% of commission fee collected from customers with SZ Nova. During the year, no commission fee was receivable from SZ Nova (2003: Nil).

(v) On 7 May 2003, Nova Cyber and SZ Nova entered into a marketing arrangement agreement (the “Marketing Arrangement Agreement”) simultaneously with the Co-operative Agreement. Pursuant to the Marketing Arrangement Agreement, Nova Cyber agreed to provide exclusive business development support and sales marketing services of system integration solutions to SZ Nova for an initial term of 3 years and, upon expiration, will be renewable automatically every three years under the same terms. Nova Cyber will be entitled to 7% of the revenue recognized from system integration projects introduced by Nova Cyber to SZ Nova. During the year, no service fee was charged to SZ Nova (2003: HK\$452,000).

31 有關連人士交易 (續)*(4) 與南凌及其附屬公司 (「南凌集團」) 進行之交易 (續)*

(iv) 於二零零三年五月七日，世紀南凌與深圳市南凌訂立一項合作協議書 (「合作協議書」)，據此，訂約雙方合作向中國若干城市之客戶提供綜合企業網絡服務，為期3年，而合作協議書將於期滿後按相同條款每年自動續約一年。世紀南凌將與深圳市南凌分享其向客戶收取之佣金之50%。本公司於年內並無應收深圳市南凌之佣金 (二零零三年：無)。

(v) 於二零零三年五月七日，世紀南凌與深圳市南凌簽訂合作協議書同時訂立銷售協議書 (「銷售協議書」)。根據銷售協議書，世紀南凌同意向深圳市南凌提供有關系統集成方案之獨家業務開發支援及銷售市場推廣服務，為期3年，而銷售協議書將於期滿後按相同條款每次自動續約3年。世紀南凌將有權獲得其向深圳市南凌引薦之系統集成項目所確認收益之7%。本公司於年內並無向深圳市南凌收取服務費 (二零零三年：港幣452,000元)。

31 Related party transactions (continued)

- (c) On 8 October 2001, Vision Century Real Estate Development (Dalian) Co. Ltd. ("VC Dalian"), a wholly-owned subsidiary of the Company, entered into a project supervision agreement (the "PS Agreement") with JTC International Consultants (Suzhou) Co. Ltd. (now known as JURONG International Constructors (Suzhou) Co. Ltd.) ("JIC (Suzhou)") whereby JIC (Suzhou) agreed to provide certain project supervision and consultancy services relating to a development project of a property located at Xinglin Street, Zhongshan District, Dalian, Liaoning Province, China (the "Dalian Project") during a 36-month period, for a consultancy fee of RMB1,900,000 (approximately HK\$1,792,000). If the actual supervision period is longer than 36 months, JIC (Suzhou) will receive an additional consultancy fee for any additional services which will be calculated on the basis of time spent or may be mutually agreed between the parties as stipulated under the PS Agreement subject to a maximum cap of RMB500,000 (approximately HK\$472,000).

Besides, VC Dalian and JIC (Suzhou) also entered into a M&E Agreement (the "M&E Agreement") whereby JIC (Suzhou) agreed to provide certain mechanical and electrical consultancy service relating to the Dalian Project for a consultancy fee of RMB1,100,000 (approximately HK\$1,038,000). JIC (Suzhou) is indirectly wholly-owned by JTC Corporation, a statutory board incorporated in the Republic of Singapore and wholly-owned by the government of Singapore. JTC Consultancy Services Holding Pte. Ltd., a wholly-owned subsidiary of JTC Corporation, is running the operation of JIC (Suzhou). JTC Corporation, through its wholly-owned subsidiary Ascendas Land International Pte. Ltd., indirectly owns 100% of Riverbook Group Limited, which in turn holds 50% of VCL, the controlling shareholder of the Company.

31 有關連人士交易 (續)

- (c) 於二零零一年十月八日，本公司全資附屬公司威新房地產發展(大連)有限公司(「威新大連」)與裕廊國際顧問(蘇州)有限公司(現稱為裕廊國際工程(蘇州)有限公司)(「裕廊國際(蘇州)」)訂立一項項目監管協議(「項目監管協議」)，據此，裕廊國際(蘇州)同意於36個月期間就一項位於中國遼寧省大連中山區杏林街之物業發展項目(「大連項目」)提供若干項目監管及顧問服務，顧問費用為人民幣1,900,000元(約港幣1,792,000元)。倘實際監管期超過36個月，裕廊國際(蘇州)將可就任何額外服務收取額外顧問費，額外顧問費根據項目監管協議規定按所用時間或各訂約方均同意之基準計算，最高上限為人民幣500,000元(約港幣472,000元)。

此外，威新大連及裕廊國際(蘇州)亦訂立一項機電協議(「機電協議」)，據此，裕廊國際(蘇州)同意就大連項目提供若干機電顧問服務，顧問費用為人民幣1,100,000元(約港幣1,038,000元)。裕廊國際(蘇州)由裕廊集團間接全資擁有。裕廊集團乃於新加坡共和國註冊成立之法定委員會，並由新加坡政府全資擁有。裕廊集團全資附屬公司JTC Consultancy Services Holding Pte. Ltd.負責經營裕廊國際(蘇州)。裕廊集團透過其全資附屬公司Ascendas Land International Pte. Ltd.間接擁有Riverbook Group Limited全部權益，Riverbook Group Limited則持有Vision Century Limited 50%權益。

31 Related party transactions (continued)

(d) On 17 November 2004, Vision (Shenzhen) Business Park Co., Ltd. ("Vision (Shenzhen)"), a 95% owned subsidiary of the Company, entered into a Design Audit Contract and a Quantity Surveying Contract with JURONG International Constructors (Suzhou) Co., Ltd. ("JIC (Suzhou)"). JIC (Suzhou) is a wholly owned subsidiary of JTC Corporation. Pursuant to the Design Audit Contract, Vision (Shenzhen) appointed JIC (Suzhou) as consultant to provide design audit services for the construction of one block 6-storey and one block 7-storey buildings with half basement car park and one block 2-storey amenity centre at the Vision (Shenzhen) Business Park ("Project Phase 2A") for a consultancy fee of RMB175,000 (approximately HK\$165,000) during the estimated period of eight months. Pursuant to the Quantity Surveying Contract, Vision (Shenzhen) appointed JIC (Suzhou) as consultant to provide the quantity surveying services for Project Phase 2A for a consultancy fee of RMB780,000 (approximately HK\$736,000) and Project Phase 2B (The construction of two blocks 9-storey building with half basement car park and one block 5-storey building and one block 7-storey car park building at the Vision (Shenzhen) Business Park.) for a consultancy fee of RMB1,550,000 (approximately HK\$1,462,000) during the estimated period of 23 months and 26 months respectively. However, the services under Project Phase 2B shall be provided by JIC (Suzhou) only if Vision (Shenzhen) decides to avail itself of such services. For continual consultancy services to be rendered beyond the stipulated durations, if required, an additional monthly fee of RMB33,900 (approximately HK\$32,000) and RMB59,600 (approximately HK\$56,000) for Project Phase 2A and Project Phase 2B respectively will be payable by Vision (Shenzhen) to JIC (Suzhou). During the year, Vision (Shenzhen) was charged a consultancy fee of HK\$138,000 by JIC (Suzhou).

31 有關連人士交易 (續)

(d) 於二零零四年十一月十七日，本公司擁有95%權益之附屬公司深圳軟件科技園有限公司(「深圳威新」)與裕廊國際工程(蘇州)有限公司(「裕廊國際(蘇州)」)設計審核合約及估算顧問合約。裕廊國際(蘇州)乃裕廊集團之全資附屬公司。根據設計審核合約，深圳威新同意委任裕廊國際(蘇州)為顧問，為深圳威新軟件科技園興建一座六層高大廈、一座七層高連半層地下停車場之大廈及一座兩層高文娛中心(「第2A期項目」)提供設計審核服務，其顧問費於該八個月之估計期間為人民幣175,000元(約港幣165,000元)。根據估算顧問合約，深圳威新同意委任裕廊國際(蘇州)為顧問，為第2A期項目及深圳威新軟件科技園興建兩座九層高連半層地下停車場之大廈、一座五層高大廈及一座七層高停車場(「第2B期項目」)提供估算顧問服務，並分別於該23個月之估計期間就第2A期項目收取顧問費人民幣780,000元(約港幣736,000元)及於該26個月之估計期間就第2B期項目收取顧問費人民幣1,550,000(約港幣1,462,000元)。然而，僅在深圳威新決定採用第2B期項目估算顧問服務之情況下，裕廊國際(蘇州)才將提供該等服務。如需於指定期間後繼續提供顧問服務，深圳威新將須就第2A期項目及第2B期項目向裕廊國際(蘇州)分別支付人民幣33,900元(約港幣32,000元)及人民幣59,600元(約港幣56,000元)之額外月費。於年內，裕廊國際(蘇州)向深圳威新徵收港幣138,000元之顧問費。

32 Ultimate holding company

The directors regard Vision Century Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

33 Approval of financial statements

The financial statements were approved by the board of directors on 24 March 2005.

32 最終控股公司

董事認為本公司之最終控股公司為在英屬處女群島註冊成立之公司Vision Century Limited。

33 通過財務報告

本年度財務報告已於二零零五年三月二十四日由董事會通過。