

## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 1. GENERAL

The Company is incorporated in Bermuda under The Companies Act 1981 of Bermuda as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 16.

In March 2004 and April 2004, the directors disposed of the Group's entertainment production and wet processing equipment businesses respectively. Details of the discontinued operations are set out in note 5.

The financial statements for the current year cover the year ended 31st December, 2004. The corresponding amounts shown for the income statement, statement of changes in equity, cash flows and related notes cover a 9-month period from 1st April, 2003 to 31st December, 2003 due to a change of balance sheet date in 2003 and therefore may not be comparable with amounts shown for the current year.

#### 2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In year 2004, the Hong Kong Institute of Certified Public Accountants issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1st January, 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st December, 2004.

The Group has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

#### 1. 一般事項

本公司乃根據百慕達一九八一年公司法案在百慕達註冊成立之一間豁免公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。

本公司為一家投資控股公司，其附屬公司之主要業務詳情載於財務報表附註16。

於二零零四年三月及二零零四年四月，董事分別出售了集團之娛樂製作及濕式處理設備業務。有關已終止經營業務的詳情，載於附註5。

本年度之財務報表涵蓋截至二零零四年十二月三十一日止。於收益表、權益變動表、現金流量表及有關附註所示的相關款項涵蓋由二零零三年四月一日至二零零三年十二月三十一日止九個月，因此，未必能與顯示於本年度的金額作比較。

#### 2. 最近頒佈會計準則帶來的潛在影響

於二零零四年，香港會計師公會已發出多項新訂及經修訂香港財務報告準則及香港會計準則（「新香港財務報告準則」）。該等準則於二零零五年一月一日或之後開始的會計期間生效。本集團並無於截至二零零四年十二月三十一日止期間財務報表提前採納該等新香港財務報告準則。

本集團已開始評估該等新香港財務報告準則的潛在影響，但現時仍未能說明該等香港財務報告準則會否對其營運業績及財務狀況造成重大影響。該等新香港財務報告準則將會給將來的業績及財務狀況的編製與披露帶來變化。

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#### 3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain properties and investments in securities.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out as follows:

##### Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year/period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

On acquisition, the assets and liabilities of the relevant subsidiary are measured at their fair values at the date of acquisition.

All significant inter-company transactions and balances within the Group have been eliminated on consolidation.

##### 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 or an associate at the date of acquisition.

#### 3. 主要會計政策

財務報表是依歷史成本法(已就重估部份物業及證券投資作出修訂)編制。

本財務報表是依據香港普遍採納的會計原則編制。所採用的主要會計政策詳列如下：

##### 綜合賬目基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。

於本年度/期間購入或售出之附屬公司之業績，由其收購生效日期起或截至出售生效日期止(如適用)列入綜合收益賬內。為使所用會計政策與集團內其他成員公司使用之會計政策一致，在適當時已對附屬公司財務報表作出調整。

在購入有關附屬公司時，其資產和負債以收購日的公平值計算。

本集團內各公司之間所有重大交易及往來結餘於綜合賬目時抵銷。

##### 商譽

因綜合賬目所產生之商譽指收購成本超過本集團於收購當日所佔附屬公司或聯營公司個別資產與負債的公平值的權益。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Goodwill (Continued)

Goodwill is capitalised and amortised on a straight-line basis over its estimated useful economic life. Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a business, including a subsidiary or an associate, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal of the business.

#### Investments in subsidiaries

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

#### Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year/period. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates plus goodwill arising from acquisition of associates in so far as it has not already been amortised, less any identified impairment loss.

The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year. In the Company's balance sheet, investments in associates are stated at cost, as reduced by any identified impairment loss.

#### Properties held for development

Properties are included in the balance sheet as non-current assets and are stated at cost, less any identified impairment loss. Cost includes land costs and professional fees attributable to the development of the properties.

### 3. 主要會計政策 (續)

#### 商譽 (續)

商譽將撥充資本，並以直線法按其可使用年期攤銷。因收購聯營公司所產生之商譽將計入有關聯營公司之賬面值。因收購一附屬公司所產生的商譽則載於資產負債表內。

在出售附屬公司或聯營公司的業務時，未攤銷之商譽應佔金額會計入出售業務時的收益或虧損內。

#### 於附屬公司之投資

於附屬公司之投資以成本撇除任何已確定的減值，計入本公司資產負債表。

#### 於聯營公司之權益

綜合收益賬包括本集團本年度／期間內應佔其聯營公司之收購後業績。於綜合資產負債表，聯營公司之權益乃按本集團應佔聯營公司之資產淨值，加尚未攤銷於收購聯營公司時所產生的商譽，再減去任何已確定之減值。

本公司以於年內收到應佔聯營公司的股息的應收賬為基準計算聯營公司業績。於本公司之資產負債表，聯營公司之投資從成本值減任何已確定減值虧損列示。

#### 持作發展物業

物業會按其成本撇除任何已確定的減值計入資產負債表的非流動資產內。成本包括土地成本及用作發展物業之專業費用。

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is calculated as the estimated selling price less all costs to completion, if applicable, and costs of marketing and selling.

##### Intangible assets

Patents are measured initially at cost and are amortised on a straight line basis over their estimated useful lives.

##### Investments in securities

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

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. The annual amortisation of any discount or premium arising on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investment securities, which are securities held for an identified long-term strategic purpose, are measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in net profit or loss for the year/period.

#### 3. 主要會計政策 (續)

##### 持作出售物業

持作出售物業乃按成本或可變現淨值兩者之較低值入賬。可變現淨值以估計出售價格減至完成的所有成本(若適用)，亦包括市場推廣及銷售成本。

##### 無形資產

專利權的成本乃按其估計於最短期間收取的有關利益，用直線法攤銷。

##### 證券投資

證券投資之價值乃以交易日為確認基準及以成本入賬。

於隨後的報表結算日，本公司所持有的債權證券，若為擬持有至到期日的，以已攤銷之成本值扣除任何足以反映其不可收回金額而確認之損失列示。於購入該等持有至到期日之證券時所產生之折讓或溢價的年度攤銷額，應與該投資工具的餘下期間內的其他應收之投資收入合計，以使該項投資於各期間確認的收入能反映出固定的收益。

除持有至到期日之債權證券以外，其他證券投資分類為證券投資及其他投資。

證券投資乃持有作長期策略性目的，並於隨後的報表結算日以成本值減非暫時性之減值虧損列示。

其他投資以公平值列示，其未變現收益及虧損，均計入本年度／期間之淨溢利或虧損。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Construction contracts

When the outcome of a construction contract can be estimated reliably, contract costs are charged to the income statement by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that costs incurred to date to estimated total costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

#### Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less depreciation or amortisation and accumulated impairment losses.

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

Advantage has been taken of the transitional relief provided by paragraph 80 of Statement of Standard Accounting Practice ("SSAP") 17 "Property, plant and equipment" from the requirement to make revaluation on a regular basis of the Group's land and buildings which had been carried at revalued amounts prior to 30th September, 1995 and accordingly, no further revaluation of land and buildings is carried out. On the subsequent sale of assets, the attributable revaluation surplus not yet transferred to retained profits in prior years is transferred to retained profits.

### 3. 主要會計政策 (續)

#### 建造合約

在可以可靠地預測建造合約成果時，合約成本乃按於結算日合約活動之完成階段計入於收益賬內，有關完成階段乃根據當時已發生成本佔該合約之預測總成本之比例計算。

在不可以可靠地預測建造合約成果時，合約成本於其產生之期間確認為開支。

在總合約成本有可能超逾總合約收入時，預期之虧損須即時確認為開支。

#### 存貨

存貨乃按成本或可變現淨值兩者之較低值入賬。成本以加權平均法計算。

#### 物業、廠房及設備

物業、廠房及設備乃按原值或估值減折舊及攤銷及累計減值虧損入賬。

倘若資產出售或不再使用時，其收益或虧損在收益賬中以出售所得及有關資產之賬面價值之差額確認。

本集團採納會計實務準則第17條「物業、廠房及設備」內80段所提供之過渡性豁免規定，不需定期重估本集團於一九九五年九月三十日前已按估值入賬之土地及樓宇。因此本集團並無重估任何土地及樓宇之價值。當出售資產時，任何往年仍未轉入保留溢利之應佔重估儲備盈餘將轉撥保留溢利。

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Property, plant and equipment (Continued)

The cost or valuation of freehold land is not amortised.

The cost or valuation of leasehold land is amortised over the term of the lease.

The cost or valuation of buildings is amortised over their estimated useful lives of 20 to 50 years using the straight line method.

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

Furniture and fixtures	25%
Leasehold improvements	25%
Plant, machinery and equipment	12½% to 33⅓%
Motor vehicles	33⅓%
Audio equipment	12½%
Lighting equipment	12½%
Antenna and antenna control equipment	10% to 12½%

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

##### Impairment

At each balance sheet date, the Group reviews the carrying amounts of its 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. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another SSAP in which case the impairment loss is treated as revaluation decrease under that SSAP.

#### 3. 主要會計政策 (續)

##### 物業、廠房及設備 (續)

永久業權土地之原值或估值不予攤銷。

長期租約土地之原值或估值乃按租約年期作出攤銷。

樓宇之原值或估值則於其估計可使用年限(20至50年)以直線法攤銷。

廠房及設備乃按其估計可使用年限並計及其估計尚餘價值後以直線法按以下年率撇銷其成本值：

傢俬及裝置	25%
租約物業裝修	25%
廠房、機械及設備	12½%至33⅓%
汽車	33⅓%
音響設備	12½%
燈光設備	12½%
衛星天線及其控制設備	10%至12½%

以融資租賃持有之資產，乃於其估計可使用年限內按與集團自置資產相同之基準或相關租賃年期計算折舊，以較短者為準。

##### 減值

於每一結算日，本集團審閱其資產之賬面值，釐定是否有跡象顯示該等資產會有所減值。倘資產估計之變現值低於賬面值，則會將資產賬面值降至變現值。減值虧損發生時即時確認為費用，惟該等資產根據另一會計實務準則以重估金額列賬除外，而在此情況下，則根據該會計實務準則將減值虧損則列為重估減值。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment (Continued)

Where an impairment loss subsequently reverse, 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, unless the relevant asset is carried at a revalued amount under another SSAP in which case the impairment loss is treated as revaluation increase under that SSAP.

#### Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risk and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalised at their fair value at the dates of acquisition. The corresponding liability to the lessor is included in the balance sheet as obligations under finance leases. The finance costs, which represent the difference between the total finance leases commitments and the fair value of the assets acquired, are charged to the 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 period.

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

### 3. 主要會計政策 (續)

#### 減值 (續)

倘其後減值虧損逆轉，則會將資產之賬面值計入經修訂之估計變現值，惟已增加之賬面值不得超過假設資產於過往年度並無減值虧損而計算之賬面值。減值虧損逆轉隨即確認為收入，惟將有關資產根據另一會計實務準則以重估金額列賬除外，而在此情況下，會根據該會計實務準則將減值虧損逆轉列為重估增值。

#### 租賃

倘租賃條文規定有關資產擁有權之大部份風險及回報均轉讓予本集團，則租賃分類為融資租賃。根據融資租賃持有之資產於收購日期按其公平價值撥充資本。出租人之相應負債根據融資租賃在資產負債表中列為責任。融資成本(指融資租賃總承擔及收購資產公平價值之差額)已根據有關租賃年期，自收益賬按照責任餘額於各會計期間以固定定期扣除比率作扣除。

所有其他租賃歸類為經營租賃，而租金則以直線法按有關租賃年期自收益賬扣除。

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Revenue recognition

When the outcome of a construction contract can be estimated reliably, revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to the proportion that costs incurred to date bear to estimated total costs for each contract. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers. When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Sales of goods are recognised when goods are delivered and title has passed.

Revenue from services rendered is recognised when the services are rendered, the revenue can be reliably estimated and it is probable that the revenue will be received.

Interest income from loans is recognised in the income statement as it accrues except in the case of receivables which are deemed to be doubtful at which stage interest accrual ceases.

Interest income from bank deposits is recognised on a time proportion basis, by reference to the principal outstanding and at the interest rates applicable.

Dividend income from investments is recognised when the Group's right to receive payment has been established.

##### Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions or at the contracted settlement rate, if applicable. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the year/period.

#### 3. 主要會計政策 (續)

##### 收入確認

在可以可靠地預測建造合約成果時，定價建造合約之收入可按完成階段之百分比確認，其計算乃根據每張合約之當時已發生成本佔該合約之預測總成本比例。所有合約變更、賠款要求及激勵獎賞祇可在客戶同意後計入上述收入。在不可以可靠地預測建造合約成果時，祇有必定可收回之合約成本才可計算為收入。

貨品之銷售乃在貨品經已付運及擁有權已轉移之情況下加以確認。

提供服務之收益乃在已提供服務，而該等收益是根據可靠之方法估計及極可能收取之情況下加以確認。

貸款利息收入，除呆賬外，以產生時間確認應計利息列於收益賬內。在呆賬產生時，即暫停有關應計利息之計算。

銀行存款之利息收入乃按餘下之本金及合適之利率，以時間計算應收利息。

投資之股息收入乃於本集團收款之權利已確定之情況下加以確認。

##### 外幣

外幣交易先以交易日所通行之匯率或以已訂約之結算匯率記賬(如適用)。以外幣為單位之貨幣資產及負債以結算日所通行之匯率再折算。匯兌盈虧已包括在本年度/期間之純利或虧損淨額內。



## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies (Continued)

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

#### 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/period. 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 periods and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount 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 taxable profit nor the accounting profit.

### 3. 主要會計政策 (續)

#### 外幣 (續)

綜合賬目時，本集團海外業務之資產及負債按結算日通行之匯率折算。收入及開支項目以本年度／期間之平均匯率折算。匯兌差額(如有)歸類為股本及轉撥本集團折算儲備。該等折算差額已於出售業務期間確認為收入或開支。

#### 稅項

所得稅開支指現時應繳稅款及遞延稅款的總和。

現時應繳稅款乃根據本年度期間應課稅溢利計算。應課稅溢利與收入報表升的純利有分別，乃由於應課稅溢利不計入其他年度的應課稅或應扣稅收支項目，並且不計入收入報表內部份永不須課稅或可扣稅的項目。

遞延稅款預期就財務報表內的資產和負債項目的帳面金額，與用以計算應課稅溢利的相應稅基金額之間差額，所須支付或可收回的稅款。所有應課稅暫時性差額一般均確認為遞延稅項負債，而當可扣稅的暫時性差額有機會供應課稅溢利使用時，則把有關可扣稅金額確認為遞延稅項資產。倘商譽(或負商譽)或就一項交易之其他資產及負債進行之初步確認(除業務合併外)產生之暫時性差異並無對應課稅溢利及會計溢利構成影響，則該等資產及負債將不會予以確認。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to 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.

##### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

##### Retirement benefit costs

Payments to defined contribution retirement benefits scheme/state-managed retirement benefits schemes/the Mandatory Provident Fund Scheme ("MPF Scheme") are charged as an expense as they fall due.

#### 3. 主要會計政策 (續)

##### 稅項 (續)

於附屬公司和聯營公司的投資所產生的應課稅暫時性差額均確認為遞延稅項負債，惟倘本集團可控制該暫時性差額的逆轉而該暫時性差額於可見將來亦不會逆轉的情況則例外。

遞延稅項資產的帳面值於每個結算日作出檢討，並於應課溢利可能不足以供收回全部或部份有關資產的情況下，把有關資產按相應程度扣減。

遞延稅款按預期有關負債了結或有關資產確認期間的稅率計算。遞延稅款在收入報表計入或扣除，但直接在股本計入或扣除的項目則除外，在該情況下亦會在股本處理有關的遞延稅款。

##### 借貸成本

因收購、建造或生產合資格資產而直接產生之借貸成本一概撥充資本，作為該等資產之部份成本，直至該等資產大致可作擬定使用或出售用途。

所有其他借貸成本一概於產生期間確認為開支。

##### 退休福利計劃

本集團對定額退休福利供款計劃／國家管理退休福利計劃／強制性公積金計劃(「強積金計劃」)所作出之供款於到期時支銷。

## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Retirement benefit costs (Continued)

For defined benefit retirement benefits scheme, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses which exceed 10 per cent. of the greater of the present value of the Group's defined benefits obligation and the fair value of scheme assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the balance sheet represents the present value of the defined benefits obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions.

### 3. 主要會計政策 (續)

#### 退休福利計劃 (續)

有關定額福利退休福利計劃，提供福利之成本按照精算師於每個結算日之估值使用預計單位基數法釐訂。精算盈虧超出本集團定額福利責任之現值或計劃資產之公平值之較高者10%時，於有關參與僱員預計尚餘服務年期內攤銷。過往服務成本在福利歸屬計劃成員時，立即確認，否則以直線攤銷法在直到經更改之福利歸屬計劃成員之平均所需年期攤銷。

於資產負債表確認之數額指定額福利責任之現值，並且已就未確認精算盈虧及未確認過往服務成本作出調整，經按計劃公平值削減。由此計算產生之任何資產限於未確認精算盈虧及過往成本，另加可動用退回款項及日後供款跌幅之現值。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 4. TURNOVER

The Group's turnover for the year ended 31st December, 2004 analysed by principal activity is as follows:

#### 4. 營業額

以下為截至二零零四年十二月三十一日止，本集團按主要業務劃分之營業額明細分析：

	1.1.2004 to 31.12.2004 二零零四年一月一日至 二零零四年十二月三十一日			1.4.2003 to 31.12.2003 二零零三年四月一日至 二零零三年十二月三十一日		
	Continuing operations 持續經營 業務	Discontinued operations 不持續經營 業務	Total 總額	Continuing operations 持續經營 業務	Discontinued operations 不持續經營 業務	Total 總額
	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Revenue from construction contracts in respect of:	建造合約之收入：					
- design, manufacture and sale of custom-built electroplating machinery and other industrial machinery	- 設計、製造及銷售 因應客戶要求之 電鍍機械及其他 工業用機械					
	489,241,915	53,924,096	543,166,011	173,654,658	122,512,321	296,166,979
- arts performance and social functions	- 策劃藝術演出及 社團活動					
	-	4,301,800	4,301,800	-	12,535,395	12,535,395
Sale of goods	貨品銷售					
	41,264,785	-	41,264,785	23,433,928	-	23,433,928
Interest income from money lending	放款業務之利息收入					
	89,960	-	89,960	51,299	-	51,299
Provision of services - repairs and maintenance	服務提供 - 維修 及保養					
	18,003,333	-	18,003,333	8,074,915	-	8,074,915
	548,599,993	58,225,896	606,825,889	205,214,800	135,047,716	340,262,516

## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS

##### Business segments

The Group is mainly engaged in electroplating equipment business, timber trading, wet processing equipment business, entertainment production business and satellite communication business. These businesses are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Electroplating equipment	–	design, manufacturing and sale of custom-built electroplating equipment
電鍍設備	–	設計，生產及銷售因應客戶需求之電鍍設備
Timber trading	–	trading of logged timber
木材業務	–	木材貿易
Wet processing equipment	–	design, manufacturing and sale of custom-built horizontal wet processing and automation machinery
濕式處理設備	–	設計，生產及銷售因應客戶需求之水平濕式處理及自動化機械
Entertainment production	–	provision of arts productions
娛樂製作	–	提供藝術製作
Satellite communication	–	provision of satellite communication services
衛星通訊	–	提供衛星通訊服務

The Group has discontinued its entertainment production and wet processing equipment operation during the year. The Group had discontinued its satellite communication and stage construction operations during the nine months ended 31st December, 2003.

#### 5. 業務及地區市場分類

##### 業務分類

本集團主要從事電鍍設備業務，木材業務、濕式處理設備業務、娛樂製作業務及衛星通訊業務，該等業務乃本集團呈報主要分類資料所按之基準。

主要業務概述如下：

於本年內，本集團已終止其娛樂製作及濕式處理設備業務。於截至二零零三年十二月三十一日止九個月期間，本集團亦已終止其衛星通訊和舞台建造業務的運作。



## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

##### Business segments (Continued)

##### OTHER INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER, 2004

#### 5. 業務及地區市場分類 (續)

##### 業務分類 (續)

截至二零零四年十二月三十一日止年度之  
其他資料

	Continuing operations 持續經營業務			Discontinued operations 終止經營業務		Consolidated		
	Electroplating equipment	Timber trading	Other operations	Wet processing equipment	Entertainment production			
	電鍍設備	木材貿易	其他業務	濕式處理 設備	娛樂製作	綜合		
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$		
	港元	港元	港元	港元	港元	港元		
Allowance for bad and doubtful debts		呆壞賬撥備	2,294,482	-	773,880	-	-	3,068,362
Bad debts recovered		追回壞賬	3,679,092	-	2,800,000	-	-	6,479,092
Capital and goodwill additions		資本及商譽增添	10,862,131	-	531,386	1,240,813	-	12,634,330
Depreciation and amortisation		折舊及攤銷	4,623,828	264,000	729,722	1,227,836	2,014	6,847,400
Impairment loss recognised in respect of property, plant and equipment		物業、廠房及設備之確認減值虧損	-	-	639,586	-	-	639,586
Allowance for properties held for sale		持作發展物業之撥備	-	-	105,800	-	-	105,800
Impairment loss recognised in respect of goodwill arising on acquisition of subsidiaries		收購附屬公司所產生	-	264,000	-	-	-	264,000
Impairment loss recognised on investment in securities		商譽之已確認減值虧損	-	-	2,340,000	-	-	2,340,000

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

##### Business segments (Continued)

BALANCE SHEET  
AT 31ST DECEMBER, 2004

#### 5. 業務及地區市場分類 (續)

##### 業務分類 (續)

於二零零四年十二月三十一日  
之資產負債表

		Continuing operations			Discontinued operations		Consolidated
		持續經營業務			終止經營業務		
		Electroplating equipment	Timber trading	Other operations	Wet processing equipment	Entertainment production	
		電鍍設備	木材貿易	其他業務	濕式處理 設備	娛樂製作	綜合
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元
ASSETS	資產						
Segment assets	分類資產	315,073,214	3,007,199	84,353,165	-	-	402,433,578
Interests in associates	於聯營公司權益	-	-	21,342	27,288,672	2,522,792	29,832,806
Amounts due from associates	應收聯營公司款項	-	-	2,480,500	5,059	521,379	3,006,938
Unallocated corporate assets	未分配企業資產						824,627
Consolidated total assets	綜合總資產						436,097,949
LIABILITIES	負債						
Segment liabilities	分類負債	170,702,994	25,000	4,751,046	-	-	175,479,040
Amounts due to associates	應付聯營公司款項	-	-	-	301,568	189,286	490,854
Unallocated corporate liabilities	未分配企業負債						21,866,473
Consolidated total liabilities	綜合總負債						197,836,367





## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

##### Business segments (Continued)

##### OTHER INFORMATION

FOR THE PERIOD FROM 1ST APRIL, 2003 TO 31ST  
DECEMBER, 2003

#### 5. 業務及地區市場分類 (續)

##### 業務分類 (續)

截至二零零三年四月一日至二零零三年十二月三十一日止期間之其他資料

	Continuing operations			Discontinued operations			Consolidated
	持續經營業務			終止經營業務			
	Electroplating equipment	Timber trading	Other operations	Wet processing equipment	Entertainment production	Satellite communication	
	電鍍設備	木材貿易	其他業務	濕式處理設備	娛樂製作	衛星通訊	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	港元	港元	港元	港元	港元	港元	港元
Allowance for bad and doubtful debts	呆壞賬撥備	3,791,483	-	-	-	-	3,791,483
Allowance for slow moving inventories	呆貨撥備	2,470,521	-	-	-	-	2,470,521
Bad debts recovered	追回壞賬	3,763,942	-	3,054,130	4,087,607	-	10,905,679
Capital and goodwill additions	資本及商譽增添	1,105,652	-	21,979	840,209	1,310	2,427,072
Depreciation and amortisation	折舊及攤銷	3,674,547	290,323	499,548	4,292,058	1,330,739	10,087,215
Impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備之已確認減值虧損	-	-	-	-	1,761,751	1,761,751
Impairment loss recognised in respect of properties held for development	持作發展物業之已確認減值虧損	-	-	10,756,761	-	-	10,756,761
Impairment loss recognised in respect of goodwill arising on acquisition of subsidiaries	收購附屬公司所生商譽之已確認減值虧損	-	1,181,677	-	-	-	1,281,677
Impairment loss recognised on investment in securities	證券投資之已確認減值虧損	-	-	2,390,550	-	-	2,390,550

## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

##### Business segments (Continued)

##### BALANCE SHEET

AT 31ST DECEMBER, 2003

#### 5. 業務及地區市場分類 (續)

##### 業務分類 (續)

於二零零三年十二月三十一日之資產負債表

		Continuing operations 持續經營業務			Discontinued operations 終止經營業務			Consolidated
		Electroplating equipment	Timber trading	Other operations	Wet processing equipment	Entertainment production	Satellite communication	
		電鍍設備 HK\$ 港元	木材貿易 HK\$ 港元	其他業務 HK\$ 港元	濕式處理 設備 HK\$ 港元	娛樂製作 HK\$ 港元	衛星通訊 HK\$ 港元	綜合 HK\$ 港元
ASSETS	資產							
Segment assets	分類資產	215,746,427	6,785,040	19,703,916	191,056,281	9,442,873	97,804	442,832,341
Interests in associates	於聯營公司之權益	-	-	-	-	250,253	-	250,253
Amount due from an associate	應收聯營公司之款項	-	-	-	-	483,863	-	483,863
Unallocated corporate assets	未分配之企業資產							10,398,842
Consolidated total assets	綜合總資產							453,965,299
LIABILITIES	負債							
Segment liabilities	分類負債	106,643,233	232,718	9,037,542	65,560,686	2,759,123	110,000	184,343,302
Unallocated corporate liabilities	未分配企業負債							90,724,893
Consolidated total liabilities	綜合總負債							275,068,195

#### Discontinued operations

In January 2004, the Group entered into sale agreements to partially dispose of its interests in the subsidiaries as disclosed in note 35. Subsequent to the disposal, the subsidiaries became associates of the Group and the Group ceased the entertainment production business and wet processing equipment business which were carried out by these former subsidiaries. The entertainment production business has been permanently ceased in March 2004 and the wet processing equipment business has been permanently ceased in April 2004.

#### 終止經營業務

於二零零四年一月，本集團簽訂協議出售其部份附屬公司的權益，詳情載於附註35。出售之後，附屬公司變為本集團之聯營公司，而本集團亦因此終止該等附屬公司所進行的娛樂製作業務及濕式處理設備業務。娛樂製作業務已於二零零四年三月全面停止，而濕式處理設備業亦於二零零四年四月全面停止。

## NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

## 5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

### Discontinued operations (Continued)

In March 2003, the directors determined to abandon the Group's satellite communication and stage construction businesses. The satellite communication operation had been permanently ceased in July 2003 and the stage construction operation had been permanently ceased in September 2003.

The results of entertainment production business and wet processing equipment business have been included in above.

The carrying amounts of the assets and liabilities of entertainment production business and wet processing equipment business at the date of disposal and 31st December, 2003, are as follows:

## 5. 業務及地區市場分類 (續)

### 終止經營業務 (續)

於二零零三年三月董事決定放棄本集團之衛星通訊及舞台建造業務，衛星通訊業務已於二零零三年七月停止運作，而舞台建造業務亦於二零零三年九月停止運作。

娛樂製作業務及濕式處理業務之業績已包括在上表。

於出售當日及二零零三年十二月三十一日，娛樂製作業務及濕式處理業務之資產與負債之賬面值如下：

		Entertainment production 娛樂製作		Wet processing equipment 濕式處理設備	
		5.3.2004 二零零四年 三月五日 HK\$ 港元	31.12.2003 二零零三年 十二月三十一日 HK\$ 港元	1.4.2004 二零零四年 四月一日 HK\$ 港元	31.12.2003 二零零三年 十二月三十一日 HK\$ 港元
Total assets	總資產	228,656	9,442,873	197,696,705	191,056,281
Total liabilities	總負債	227,876	2,759,123	126,902,576	65,560,686

During the year/period, the entertainment production operation contributed HK\$890,958 (1.4.2003 to 31.12.2003: utilised HK\$113,252) to the Group's net operating cash flows. During the period ended 31st December, 2003, the entertainment production operation paid HK\$1,047 and received HK\$820,722 in respect of investing activities and financing activities respectively.

於本年內/期間，娛樂製作業務為本集團之經營淨現金貢獻890,958港(二零零三年四月一日至二零零三年十二月三十一日：已動用113,252港元)。於截至二零零三年十二月三十一日止期間，娛樂製作業務已就投資和融資活動分別支付了1,047港元及收取820,722港元。

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#### 5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

##### Discontinued operations (Continued)

During the year/period, the wet processing equipment operation contributed HK\$17,421,279 (1.4.2003 to 31.12.2003: HK\$12,676,055) to the Group's net operating cash flows, used HK\$1,275,593 (1.4.2003 to 31.12.2003: HK\$458,048) in respect of investing activities and paid HK\$17,572,990 (1.4.2003 to 31.12.2003: HK\$9,808,772) in respect of financing activities.

A gain of HK\$2,499,548 and HK\$127,781 arose on the disposal of entertainment production business and wet processing equipment business respectively, being the proceeds of partial disposal less the carrying amount of the net assets disposed of.

##### Geographical segments

The Group's operations are mainly located in Hong Kong, the People's Republic of China (excluding Hong Kong) (the "PRC"), Taiwan, Europe, North America and other Asia countries.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods/services:

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元	1.4.2003 to 31.12.2003 二零零四年 四月一日至 二零零三年 十二月三十一日 HK\$ 港元
Hong Kong	香港	62,022,865	21,522,812
PRC	中國大陸	212,566,305	118,042,446
Taiwan	台灣	177,611,184	112,654,262
Europe	歐洲	19,152,628	7,999,698
North America	北美洲	29,746,209	4,447,117
South East Asia (other than Korea)	東南亞地區 (韓國除外)	50,832,541	33,002,721
Japan and Korea	日本及韓國	47,798,616	39,427,956
Others	其他	7,095,541	3,165,504
		<b>606,825,889</b>	<b>340,262,516</b>

#### 5. 業務及地區市場分類 (續)

##### 終止經營業務 (續)

於本年內/期間，濕式處理設備業務已為本集團之經營淨現金貢獻17,421,279港元(二零零三年四月一日至二零零三年十二月三十一日：12,676,055港元)，以及就投資活動支付了1,275,593港元(二零零三年四月一日至二零零三年十二月三十一日：458,048港元)和融資活動支付17,572,990港元(二零零三年四月一日至二零零三年十二月三十一日：9,808,772港元)。

於出售娛樂製作業務及濕式處理設備業務分別產生2,499,548港元及127,781港元之收益。即為部份出售所得款減出售資產淨值之賬面值。

##### 地區市場分類

本集團之業務主要位於香港、中華人民共和國(不包括香港)、「中國大陸」、台灣、歐洲、北美洲及其他亞洲地區。

下表為本集團按地區市場劃分(不論貨品/服務之原產地)之銷售分析：

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## 5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

### Geographical segments (Continued)

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located:

		Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
		增購的物業、分類資產賬面值		廠房、設備及無形資產	
		2004	2003	1.1.2004 to 31.12.2004	1.4.2003 to 31.12.2003
		二零零四年	二零零三年	二零零四年一月一日至二零零四年十二月三十一日	二零零三年四月一日至二零零三年十二月三十一日
		HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元
Hong Kong	香港	267,933,458	144,446,117	4,280,234	603,860
PRC	中國大陸	127,694,935	120,685,251	6,912,415	966,296
Taiwan	台灣	27,288,672	181,288,749	1,240,813	840,209
Others	其他	13,180,884	7,545,182	200,868	16,707
		436,097,949	453,965,299	12,634,330	2,427,072

The assets of the Group's discontinued entertainment production and wet processing equipment operations were mainly located in Hong Kong and Taiwan respectively.

## 5. 業務及地區市場分類 (續)

### 地區市場分類 (續)

分類資產賬面值以及物業、廠房及設備及無形資產增購，按資產之所屬地區分析如下：

本集團終止經營的娛樂製作和濕式處理設備業務的營運資產主要分別在香港及台灣。

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#### 6. PROFIT (LOSS) FROM OPERATIONS 4. 經營溢利(虧損)

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元	1.4.2003 to 31.12.2003 二零零三年 一月一日至 二零零三年 十二月三十一日 HK\$ 港元
Profit (loss) from operations has been arrived at after charging (crediting):	經營溢利(虧損)已扣除和(撥回)下列各項:		
Auditors' remuneration	核數師酬金	1,339,056	1,060,480
Depreciation and amortisation	折舊及攤銷		
Depreciation and amortisation of property, plant and equipment on:	物業、廠房及設備之折舊及攤銷:		
Owned assets	自置資產	6,360,000	9,278,644
Assets held under finance leases	根據融資租賃持有資產	212,507	510,078
Amortisation of goodwill arising on acquisitions of subsidiaries (included in administrative expenses)	收購附屬公司所產生商譽之攤銷(計入行政費用)	264,000	290,323
Amortisation of intangible assets (included in administrative expenses)	無形資產之攤銷(計入行政費用)	10,893	8,170
		<b>6,847,400</b>	<b>10,087,215</b>
Operating lease payments in respect of:	有關之經營租約款項:		
Rented premises	租用物業	312,224	601,195
Plant and machinery	廠房及設備	-	27,963
Net exchange loss	對換的淨虧損	371,633	391,442
Staff costs:	職員費用:		
Directors' remuneration (note 7)	董事酬金(附註7)	10,419,816	5,600,448
Salaries and allowances	薪金及津貼	81,998,967	56,843,638
Contributions to retirement benefits schemes, excluding directors	退休福利計劃供款, 不包括董事	2,082,757	1,206,995
		<b>94,501,540</b>	<b>63,651,081</b>
(Reversal) allowance for slow moving inventories	呆貨(回撥)準備	(822,631)	2,470,521
Interest earned on bank deposits	銀行存款所得利息	(41,907)	(50,334)
Other interest income	其他利息收入	(9,583)	(1,240,390)
Dividend income	股息收入		
- Listed	- 上市	(443,915)	-
- Unlisted	- 非上市	(132,339)	(15,082)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	(642,872)	(2,103,774)
Bad debts recovered (Note)	追回壞賬(附註)	(6,479,092)	(10,905,679)

Note: The amount represented the collection from the trade debtors and loan borrowers written off in prior periods.

附註: 追回壞賬指向貿易客戶及借貸人收回以往年度呆壞賬撥備之款項

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#### 7. EMOLUMENTS OF DIRECTORS AND EMPLOYEES

#### 7. 董事及僱員酬金

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元	1.4.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日 HK\$ 港元
<b>Directors</b>	<b>董事</b>		
Directors' fees:	董事袍金：		
Executive	執行董事	-	-
Non-executive director	非執行董事	-	45,000
Independent non-executive directors	獨立非執行董事	180,000	90,000
Other emoluments to executive directors:	執行董事之其他酬金：		
Salaries and other benefits	薪金及其他福利	10,215,816	5,447,448
Contributions to retirement benefits schemes	退休福利計劃供款	24,000	18,000
		<b>10,419,816</b>	<b>5,600,448</b>

No compensation was paid to any directors of the Company during the year/period for the loss of office as director of the Company. None of the directors of the Company has waived any emoluments during the year/period.

本公司於本年內或期間概無向任何本公司董事支付因辭任本公司及附屬公司董事職責之補償。本年內／期間並無董事放棄任何酬金。

Emoluments of the directors were within the following bands:

董事酬金之級別如下：

		Number of directors 董事人數	
		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日	1.4.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日
Nil – HK\$1,000,000	零港元 – 1,000,000 港元	3	3
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元	-	2
HK\$3,500,001 – HK\$4,000,000	3,500,001 港元 – 4,000,000 港元	1	-
HK\$6,500,001 – HK\$7,000,000	6,500,001 港元 – 7,000,000 港元	1	-



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#### 7. EMOLUMENTS OF DIRECTORS AND EMPLOYEES (Continued)

##### Employees

Of the five individuals with the highest emoluments in the Group, two (1.4.2003 to 31.12.2003: two) were directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining three (1.4.2003 to 31.12.2003: three) individuals were as follows:

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元	1.4.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日 HK\$ 港元
Salaries and other benefits	薪金及其他福利	4,213,592	2,636,285
Contributions to retirement benefits schemes	退休福利計劃供款	36,000	27,000
		<b>4,249,592</b>	<b>2,663,285</b>

Their emoluments were within the following bands:

#### 7. 董事及僱員酬金 (續)

##### 僱員

本集團五名最高薪僱員包括兩位本公司董事(二零零三年四月一日至二零零三年十二月三十一日：兩位)，有關酬金詳情載於上文。餘下三位最高薪僱員(二零零三年四月一日至二零零三年十二月三十一日：三位)之酬金詳情如下：

上述餘下三位最高薪僱員之薪酬級別如下：

		僱員人數 Number of employees	
		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日	1.4.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日
Nil – HK\$1,000,000	零港元 – 1,000,000 港元	–	2
HK\$1,000,001 – HK\$1,500,000	1,000,001 港元 – 1,500,000 港元	2	1
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元 – 2,000,000 港元	1	–

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#### 8. FINANCE COSTS

#### 8. 融資成本

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元	1.4.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日 HK\$ 港元
Interest on:	利息支出：		
Bank borrowings wholly repayable within five years	須於五年內全數償還之銀行借貸	1,655,681	1,669,900
Bank borrowings with instalments repayable beyond five years	於五年後須償還之分期銀行借貸	-	991,225
Finance leases	融資租賃	32,688	53,224
Loan from a director	董事貸款	-	93,973
Other loan	其他貸款	-	630,982
		<b>1,688,369</b>	<b>3,439,304</b>
Less: Interest capitalised to construction in progress	扣除：於在建工程資本化利息	-	(357,922)
		<b>1,688,369</b>	<b>3,081,382</b>

#### 9. GAIN ON PARTIAL DISPOSAL OF AN ASSOCIATE

Subsequent to the partial disposal of the Group's interests in Intech Machines Company, Limited ("IML") as disclosed in note 35. The Group has further disposed of approximately 2% interest in IML for a consideration of HK\$4,028,732 resulting in a gain of HK\$2,031,847.

#### 9. 出售一間聯營公司之部份所得收益

繼於附註35所披露本集團出售部份亞智科技股份有限公司(「亞智」)後，本集團再以總代價4,028,732港元出售約2%亞智之權益，從而產生2,031,847港元之收益。

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#### 10. TAXATION

The taxation charge comprises:

#### 10. 稅項支出

該稅項支出包括：

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元	1.4.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日 HK\$ 港元
Hong Kong Profits Tax	香港利得稅		
Charge for the year/period	本年度／期間支出	142,207	31,289
(Over)underprovision in prior years	以往年度（超額）不足額撥備	(44,807)	416,555
		<b>97,400</b>	<b>447,844</b>
Overseas taxation	海外稅項		
Charge for the year/period	本年度／期間支出	955,751	580,639
Underprovision in prior years	以往年度不足額撥備	4,665	25,293
		<b>960,416</b>	<b>605,932</b>
Deferred taxation (note 33)	遞延稅項（附註33）		
Current year	本年度	(105,836)	(107,445)
Attributable to a change in tax rate	稅率變動所致	-	18,281
		<b>(105,836)</b>	<b>(89,164)</b>
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司應佔稅項	<b>951,980</b>	<b>964,612</b>
Share of taxation of associates	聯營公司應佔稅項	<b>(16,648)</b>	<b>53,084</b>
		<b>935,332</b>	<b>1,017,696</b>

Hong Kong Profits Tax is calculated at 17.5% (1.4.2003 to 31.12.2003: 17.5%) of the estimated assessable profit for the year/period.

香港利得稅是根據該年度／期間之估計應課稅溢利按17.5%計算（二零零三年四月一日至二零零三年十二月三十一日：17.5%）。

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#### 10. TAXATION (Continued)

Pursuant to the relevant laws and regulations in the PRC, one of the Company's PRC subsidiaries is entitled to exemption from PRC enterprise income tax for the first two years commencing from its first profit-making year of operation and thereafter, the PRC subsidiary will be entitled to a 50% relief from PRC enterprise income tax for the following three years. The reduced tax rate for the relief period is 7.5%. The charge of PRC enterprise income tax for the year has been provided for after taking these tax incentives into account.

Overseas taxation is calculated at the rates prevailing in the relevant jurisdiction.

#### 10. 稅項支出 (續)

根據相關中國法律及條例，本公司其中一間於中國成立之附屬公司可享有“兩免三減半”之稅務優惠。即從首年有盈利開始計算起兩年，其中國企業所得稅可獲豁免，而其後三年則可獲50%之中國企業所得稅優惠減免。於優惠減免期間，稅率為7.5%。中國企業所得稅之支出撥備，已將此稅務優惠計算在內。

海外稅項則按有關司法權區各自之稅率計算。

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#### 10. TAXATION (Continued)

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

#### 10. 稅項支出 (續)

本年度／期間支出與收益表內除稅前溢利 (虧損) 對賬如下：

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元	1.4.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日 HK\$ 港元
Profit (loss) before taxation	除稅前溢利 (虧損)	61,424,742	(35,053,084)
Tax at the income tax rate of 17.5% (1.4.2003 to 31.12.2003: 17.5%)	按本地所得稅 17.5% 計算之稅項 (二零零三年四月一日至二零零三年十二月三十一日：17.5%)	10,749,330	(6,134,290)
Tax effect of share of results of an associate	應佔聯營公司之業績之稅務影響	(1,435,338)	-
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	635,533	3,240,634
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(2,378,302)	(1,757,375)
(Over)underprovision in respect of prior years	過往年度 (超額) 不足額撥備	(40,142)	441,848
Tax effect of deferred tax asset in respect of tax losses not recognised	未獲確認遞延資產稅務虧損之稅務影響	3,302,860	2,141,865
Tax effect of deferred tax asset in respect of other temporary differences not recognised	未獲確認遞延資產其他暫時差額之稅務影響	-	4,031,475
Utilisation of tax losses previously not recognised	動用之前未確認之稅務虧損	(8,893,557)	-
Effect of tax exemption granted to a PRC subsidiary	向於中國大陸附屬公司授出稅務額免影響	(838,400)	(557,553)
Increase in opening deferred tax liability resulting from an increase in applicable tax rate	適用稅率增加導致期初遞延稅項負債增加	-	18,281
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營附屬公司適用之不同稅率之影響	(192,883)	(407,666)
Others	其他	26,231	477
Taxation for the year/period	本年度／期間稅項	935,332	1,017,696

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
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#### 11. EARNINGS (LOSS) PER SHARE

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

#### 11. 每股盈利(虧損)

每股基本盈利(虧損)乃按以下數據計算：

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元	1.4.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日 HK\$ 港元
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share	計算每股基本及攤薄盈利(虧損)之溢利(虧損)	58,766,095	(29,075,462)
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	計算每股基本盈利(虧損)之普通股份之加權平均股數	340,572,989	276,463,400
Effect of dilutive potential ordinary shares for convertible note	攤薄潛在普通股： 可換股債券	29,178,082	
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股份之加權平均股數	369,751,071	

The computation of diluted earnings per share for the year ended 31st December, 2004 does not assume the exercise of the Company's share options as the exercise price of those options was higher than the average market price for shares for the year.

No diluted loss per share for the nine months ended 31st December, 2003 was presented as the exercise of the potential dilutive ordinary shares would result in reduction in loss per share.

The weighted average number of shares for the year/period for the purpose of basic earnings (loss) per share has been adjusted for the effect of share consolidation approved on 23rd April, 2004.

因購股權之行使價較年內之市場平均價為高，故在計算之每股攤薄盈利(截至二零零四年度十二月三十一日止)時沒有假設行使本公司尚未行使之購股權。

由於行使攤薄潛在普通股將令每股虧損減少，故無須呈列每股攤薄虧損(截至二零零三年十二月三十一日九個月止)。

計算本年度/期間每股基本盈利(虧損)之股份加權平均數已根據於二零零四年四月二十三日已通過之股份合併之影響作出調整。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
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#### 12. PROPERTY, PLANT AND EQUIPMENT

#### 12. 物業、廠房及設備

		Land and buildings	Furniture and fixtures	Leasehold improvements	Plant, machinery and equipment	Motor vehicles	Audio equipment	Lighting equipment	Antenna and antenna control equipment	Total
		土地及樓宇	傢俬及裝置	租約物業裝修	廠房、機械及設備	汽車	音響設備	燈光設備	衛星天線及其控制設備	合計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元	港元
<b>THE GROUP</b>	<b>本集團</b>									
<b>COST OR VALUATION</b>	<b>成本或估值</b>									
At 1st January, 2004	於二零零四年一月一日	183,296,700	13,232,341	3,493,474	67,222,465	11,437,739	7,766,486	5,931,067	15,556,587	307,936,859
Currency realignment	幣值調整	246,070	14,891	-	3,262	13,268	-	-	-	277,491
Additions	增購	157,597	954,606	1,983,483	6,363,560	687,120	-	-	-	10,146,366
Acquired on acquisition of a subsidiary	收購附屬公司	-	34,891	-	-	-	-	-	-	34,891
Disposals	出售	-	(241,567)	-	(2,164,552)	(691,634)	-	-	-	(3,097,753)
Eliminated on disposal of subsidiaries	於出售附屬公司時撇賬	(82,593,120)	(6,332,284)	(146,708)	(19,922,345)	(1,567,234)	-	-	(7,309,979)	(117,871,670)
At 31st December, 2004	於二零零四年十二月三十一日	101,107,247	7,662,878	5,330,249	51,502,390	9,879,259	7,766,486	5,931,067	8,246,608	197,426,184
<b>COMPRISING</b>	<b>包括</b>									
At cost	成本	16,607,247	7,662,878	5,330,249	51,502,390	9,879,259	7,766,486	5,931,067	8,246,608	112,926,184
At valuation -	估值									
31st March, 1992	一九九二年三月三十一日	43,000,000	-	-	-	-	-	-	-	43,000,000
31st March, 1994	一九九四年三月三十一日	41,500,000	-	-	-	-	-	-	-	41,500,000
		101,107,247	7,662,878	5,330,249	51,502,390	9,879,259	7,766,486	5,931,067	8,246,608	197,426,184
<b>DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>	<b>折舊、攤銷及減值</b>									
At 1st January, 2004	於二零零四年一月一日	25,563,649	10,344,096	3,356,779	54,272,271	10,093,591	6,216,444	4,747,340	15,556,587	130,150,757
Currency realignment	幣值調整	46,675	10,788	-	32,293	9,878	-	-	-	99,634
Provided for the year	本年度準備	2,412,493	549,230	85,182	981,999	449,420	1,203,483	890,700	-	6,572,507
Impairment loss recognised for the year	本年度已確認減值虧損	-	-	-	-	-	346,559	293,027	-	639,586
Eliminated on disposals	於出售時攤銷	-	(219,664)	-	(2,025,067)	(536,239)	-	-	-	(2,780,970)
Eliminated on disposal of subsidiaries	於出售附屬公司時攤銷	(6,214,260)	(4,333,866)	(27,485)	(11,960,969)	(903,136)	-	-	(7,309,979)	(30,749,695)
At 31st December, 2004	於二零零四年十二月三十一日	21,808,557	6,350,584	3,414,476	41,300,527	9,113,514	7,766,486	5,931,067	8,246,608	103,931,819
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>									
At 31st December, 2004	於二零零四年十二月三十一日	79,298,690	1,312,294	1,915,773	10,201,863	765,745	-	-	-	93,494,365
At 31st December, 2003	於二零零三年十二月三十一日	157,733,051	2,888,245	136,695	12,950,194	1,344,148	1,550,042	1,183,727	-	177,786,102

During the year, due to the stagnant development of the equipment leasing business, the directors reassessed the recoverable amount of the assets of this business with reference to the net recoverable amount at the date of reassessment. Based on this reassessment, the directors considered impairment of approximately HK\$640,000 was required to be recognised for the current year.

於年內，由於設備租賃業務發展停滯不前，董事根據於重估日之可收回淨額重估其業務主要資產之可收回款額。基於以上重估，董事認為須於本年度確認該等設備租賃資產約640,000港元之減值。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 12. PROPERTY, PLANT AND EQUIPMENT (Continued)

The net book value of land and buildings shown above comprises:

#### 12. 物業、廠房及設備 (續)

上列土地及樓宇之賬面淨值包括：

		Land and buildings 土地及樓宇	
		2004 港元 HK\$	2003 港元 HK\$
Medium-term leasehold land and buildings in Hong Kong	在香港之中期租約土地及樓宇	33,408,101	34,198,824
Medium-term leasehold land in the PRC	於中華人民共和國之中期租約土地	45,890,589	46,758,219
Freehold land and buildings in Taiwan	於台灣之永久業權土地及樓宇	-	76,776,008
		<b>79,298,690</b>	<b>157,733,051</b>

The net book value of property, plant and equipment includes an amount of HK\$295,389 (2003: HK\$195,407) in respect of assets held under finance leases.

物業、廠房及設備之賬面淨值包括根據融資租賃所購資產295,389港元(二零零三年：195,407港元)。

Had the land and buildings been carried at cost less accumulated depreciation and amortisation, the carrying value of the land and buildings would have been stated at HK\$48,284,865 (2003: HK\$130,841,235).

若土地及樓宇皆以原值減除累積折舊及攤銷入賬，土地及樓宇之賬面價值約48,284,865港元(二零零三年：130,841,235港元)。



## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 13. PROPERTIES HELD FOR DEVELOPMENT

#### 13. 持作發展物業

		THE GROUP	
		本集團	
		2004	2003
		HK\$	HK\$
		港元	港元
Properties held for development, at cost	持作發展物業，按成本值	<b>11,835,761</b>	16,435,761
Less: Impairment loss recognised	減：已確認減值虧損	<b>(7,455,761)</b>	(13,305,761)
		<b>4,380,000</b>	3,130,000

In the opinion of the directors of the Company, as at 31st December, 2004, there was no significant difference in the carrying amount and the estimated recoverable amount of the properties held for development.

本公司董事認為，持作發展物業於二零零四年十二月三十一日之賬面淨值和估計可收回款項之間沒有重大的差距。

The land is situated in Hong Kong and is held under a medium-term lease.

土地位於香港並以中期租賃持有。

No interest expense was capitalised in the properties held for development up to the balance sheet date.

截至結算日，持作發展物業並無包括由利息開支撥充資本之部分。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 14. GOODWILL

#### 14. 商譽

THE GROUP  
本集團  
HK\$  
港元

COST		成本	
At 1st January, 2004		於二零零四年一月一日	45,807,438
On acquisition of a subsidiary		收購附屬公司	2,487,964
Eliminated on disposal of a subsidiary		出售附屬公司時撇賬	(629,679)
At 31st December, 2004		於二零零四年十二月三十一日	47,665,723
AMORTISATION AND IMPAIRMENT LOSS		攤銷及減值虧損	
At 1st January, 2004		於二零零四年一月一日	45,279,438
Charge for the year		本年度支出	264,000
Impairment loss recognised for the year		本年度已確認減值虧損	264,000
Eliminated on disposal of a subsidiary		出售附屬公司時撇賬	(629,679)
At 31st December, 2004		於二零零四年十二月三十一日	45,177,759
NET BOOK VALUES		賬面淨值	
At 31st December, 2004		於二零零四年十二月三十一日	2,487,964
At 31st December, 2003		於二零零三年十二月三十一日	528,000

The amortisation period adopted for goodwill is from 7 to 10 years.

商譽之攤銷期為7-10年。

As a consequence of a change to the original business plan, the Group reassessed the recoverable amount of its investment in the timber trading business based on the present value of the expected future revenue arising from trading of timber, which was derived from discounting the projected cash flows by an implicit rate of return of 4.3%. Based on this reassessment, the directors consider a further impairment of approximately HK\$264,000 (1.4.2003 to 31.12.2003: HK\$1,200,000) was required to be recognised for the goodwill arising from the acquisition of the subsidiary engaged in the timber trading business.

由於原來業務計劃有所改動，本集團以木材貿易業務產生之預期未來收益現值（以內含回報率為4.3%自預計現金流量貼現）為基準，重估其投資木材貿易業務之可收回款額。基於以上重估，董事認為，須就因收購從事木材貿易業務附屬公司所得之商譽確認進一步減值約264,000港元（於二零零三年四月一日至二零零三年十二月三十一日：1,200,000港元）。

## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 15. INTANGIBLE ASSETS

#### 15. 無形資產

		Patents 專利權 HK\$ 港元
<hr/>		
<b>THE GROUP</b>	<b>本集團</b>	
<b>COST</b>	<b>成本</b>	
At 1st January, 2004 and 31st December, 2004	於二零零四年一月一日及 於二零零四年十二月三十一日	217,866
<hr/>		
<b>AMORTISATION</b>	<b>攤銷</b>	
At 1st January, 2004	於二零零四年一月一日	130,407
Provided for the year	本年度準備	10,893
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At 31st December, 2004	於二零零四年十二月三十一日	141,300
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<b>NET BOOK VALUES</b>	<b>賬面淨值</b>	
At 31st December, 2004	於二零零四年十二月三十一日	76,566
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At 31st December, 2003	於二零零三年十二月三十一日	87,459
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The amortisation period adopted for patents is 20 years.

專利權之攤銷年期為20年。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
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#### 16. INTERESTS IN SUBSIDIARIES

#### 16. 附屬公司權益

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
<b>THE COMPANY</b>	本公司		
Quoted shares, at cost (note a)	上市公司股份之成本值 (附註 a)	–	19,702,937
Unlisted shares, at cost less impairment loss	非上市公司股份之成本值扣除減值虧損	8	600,008
Unlisted shares (note b)	非上市公司股份 (附註 b)	47,285,952	47,285,952
Loan to a subsidiary	予一間附屬公司之貸款	65,000,000	65,000,000
		<b>112,285,960</b>	<b>132,588,897</b>
Market value of quoted shares	上市公司股份之市值	–	37,755,301

During the year, the directors reviewed the carrying value of the unlisted shares and determined to recognise an impairment loss of HK\$600,000 (1.4.2003 to 31.12.2003: HK\$1,400,000).

The loan to a subsidiary is unsecured, non-interest bearing and in the opinion of the directors, will not be repaid within the next twelve months.

*Notes:*

- (a) During the year, the Company has partially disposed of its interests in IML. The Company's remaining interests in IML was classified as interests in associate. The details of the disposal are disclosed in note 35.
- (b) The carrying value of the unlisted shares is based on the values of the underlying net assets of the subsidiaries attributable to the Group as at the date on which the Company became the ultimate holding company of the Group under the group reorganisation in 1991, less dividends subsequently distributed from pre-reorganisation reserves of the subsidiaries.

於本年度，董事檢討了非上市公司股份之價值並決定確認減值虧損600,000港元(二零零三年四月一日至二零零三年十二月三十一日：1,400,000港元)。

予一間附屬公司之貸款為無抵押及免息貸款及董事認為該筆貸款將不會於未來12個月償還。

*附註：*

- (a) 於年內，本公司出售了亞智的部份權益。本公司於亞智的餘下權益被界定為於聯營公司之權益，有關出售詳情載於附註35。
- (b) 非上市公司股份之價值乃根據本公司一九九一年集團重組而本公司成為最終控股公司時，附屬公司有形淨資產為基礎扣除重組前由附屬公司儲備中分派之股息計算。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 16. INTERESTS IN SUBSIDIARIES

(Continued)

Details of the Company's principal subsidiaries as at 31st December, 2004 are as follows:

#### 16. 附屬公司權益 (續)

以下為本公司主要附屬公司於二零零四年十二月三十一日之詳情:

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊/ 成立地點	Issued and fully paid up ordinary share capital/ registered capital 已發行及 繳足普通股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行 股本面值/ 註冊資本之比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
AVP Equipment Limited (Formerly known as Asia Vigour Productions Limited) 亞洲演藝器材有限公司 (前稱恒藝亞洲綜合 製作有限公司)	Hong Kong 香港	HK\$2 2港元	-	100	Equipment leasing 器材租賃
ATNT Global Investments Company Limited 亞洲聯網環球投資 有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Securities trading 證券買賣
ATNT Group Management Limited 亞洲聯網集團管理 有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Management services 管理服務

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

For the year ended 31st December, 2004  
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#### 16. INTERESTS IN SUBSIDIARIES

(Continued)

#### 16. 附屬公司權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊/ 成立地點	Issued and fully paid up ordinary share capital/ registered capital 已發行及 繳足普通股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行 股本面值/ 註冊資本之比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Beijing Golden PAL Plating Equipment Company Limited (Sino-foreign equity joint venture) 北京金朋電鍍器材 有限公司 (中外合營)	PRC 中華人民共和國	US\$1,291,500 1,291,500 美元	-	52	Design, manufacture and sale of electroplating machines and other automated equipment 設計、製造及銷售電鍍機械 及其他自動設備
Dragon Will Investment Limited	British Virgin Islands 英屬維爾京群島	US\$1 1 美元	-	100	Investment holding 投資控股
Fairway Int'l Limited	British Virgin Islands 英屬維爾京群島	US\$1 1 美元	-	100	Investment holding 投資控股
Gold Beat Investments Limited 金賓投資有限公司	Hong Kong 香港	HK\$2 2 港元	-	100	Property investment 物業投資
Golden Rainbow Investments Limited	British Virgin Islands 英屬維爾京群島	US\$1 1 美元	-	100	Property investment 物業投資

## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
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#### 16. INTERESTS IN SUBSIDIARIES

(Continued)

#### 16. 附屬公司權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊/ 成立地點	Issued and fully paid up ordinary share capital/ registered capital 已發行及 繳足普通股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行 股本面值/ 註冊資本之比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Happy Treasure Limited 喜富有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Timber trading 木材貿易
Happy Win Resources Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	100	-	Investment holding 投資控股
Hovington Agents Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Investment holding 投資控股
Longfaith Holdings Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Investment holding 投資控股
Palcon International Limited	British Virgin Islands 英屬維爾京群島	US\$100 100美元	-	60	Investment holding 投資控股
PAL Control Sdn. Bhd	Malaysia 馬來西亞	MYR2 2馬幣	-	60	Software development 軟件開發
PAL Europe Limited	Hong Kong 香港	HK\$2 2港元	-	100	Sale of electroplating machines 銷售電鍍機械

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

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#### 16. INTERESTS IN SUBSIDIARIES

(Continued)

#### 16. 附屬公司權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊/ 成立地點	Issued and fully paid up ordinary share capital/ registered capital 已發行及 繳足普通股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行 股本面值/ 註冊資本之比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
PAL Finance Limited 亞洲企業財務有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Money lending 放款業務
PAL Properties Investment Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Investment holding 投資控股
PAL SEA Limited	British Virgin Islands 英屬維爾京群島	US\$100 100美元	-	60	Investment holding 投資控股
PAL (Sea) Sdn. Bhd.	Malaysia 馬來西亞	MYR300,000 300,000馬幣	-	60	Sale of electroplating machines 銷售電鍍機械
PAL Service Sdn. Bhd.	Malaysia 馬來西亞	MYR50,002 50,002馬幣	-	60	Sale of electroplating machines and spare parts 銷售電鍍機械及零件
Process Automation (BVI) Limited	British Virgin Islands 英屬維爾京群島	HK\$110,000 110,000港元	100	-	Investment holding 投資控股



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#### 16. INTERESTS IN SUBSIDIARIES

(Continued)

#### 16. 附屬公司權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊/ 成立地點	Issued and fully paid up ordinary share capital/ registered capital 已發行及 繳足普通股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行 股本面值/ 註冊資本之比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Process Automation (China) Limited (Wholly foreign-owned enterprise ("WFOE")) 寶盈科技(深圳) 有限公司 (外資全資企業)	PRC 中華人民共和國	HK\$1,500,000 1,500,000 港元	-	100	Design, manufacture and sale of electroplating machines 設計、製造及 銷售電鍍機械
Process Automation (Europe) Limited	The United Kingdom 英國	GBP1 1 英鎊	-	100	Sale of electroplating machines 銷售電鍍機械
Process Automation International Limited ("PAIL") 亞洲電鍍器材有限公司 (「亞洲電鍍」)	Hong Kong 香港	HK\$2 (note) 2 港元 (附註)	-	100	Design, manufacture and sale of electroplating machines 設計、製造及銷售 電鍍機械設備
Process Automation (Shenzhen) Limited ("WFOE") 寶龍自動機械(深圳) 有限公司 (外資全資企業)	PRC 中華人民共和國	HK\$18,000,000 18,000,000 港元	-	100	Design, manufacture and sale of electroplating machines 設計、製造及銷售 電鍍機械設備

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

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#### 16. INTERESTS IN SUBSIDIARIES

(Continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 註冊/ 成立地點	Issued and fully paid up ordinary share capital/ registered capital 已發行及 繳足普通股本/ 註冊資本	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行 股本面值/ 註冊資本之比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Prosmart Developments Limited 信騰發展有限公司	Hong Kong 香港	HK\$2 2 港元	–	100	Property investment 物業投資
Rich Town Properties Limited	British Virgin Islands 英屬維爾京群島	US\$2 2 美元	–	100	Property investment 物業投資
Strength Hope Limited	British Virgin Islands 英屬維爾京群島	US\$1 1 美元	100	–	Investment holding 投資控股

All active subsidiaries operate in their places of incorporation.

所有進行商業運作之附屬公司均在本身之註冊成立所在地營業。

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

於本年度終結或年內任何時間，各附屬公司概無任何借貸資本。

The above 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.

上表載列董事會認為主要影響本公司業績或資產之本公司附屬公司。董事會認為列出其他附屬公司之資料會過於冗長。

## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
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#### 16. INTERESTS IN SUBSIDIARIES

(Continued)

Note: At 31st December, 2004, PAIL had outstanding 11,000,000 non-voting deferred shares of HK\$1 each which were held by Process Automation (BVI) Limited. The deferred shares carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of PAIL and practically carry no rights to participate in any distribution on winding up.

#### 16. 附屬公司權益 (續)

附註：於二零零四年十二月三十一日，亞洲電鍍已發行每股面值1港元之無投票權遞延股份11,000,000股，該等股份現由Process Automation (BVI) Limited持有。該等無投票權遞延股份之持有人無權向亞洲電鍍收取任何股息或獲得該公司任何股東大會之通告或出席股東大會或在大會上投票，以及無權在公司清盤時獲分配任何資產。

#### 17. INTERESTS IN ASSOCIATES

#### 17. 於聯營公司之權益

		THE GROUP 本集團		THE COMPANY 本公司	
		2004 HK\$ 港元	2003 HK\$ 港元	2004 HK\$ 港元	2003 HK\$ 港元
Quoted shares at cost	上市公司股份之成本值	–	–	11,254,729	–
Share of net assets	應佔資產淨值	29,832,806	250,253	–	–
		29,832,806	250,253	11,254,729	–
Market value of quoted shares	上市公司股份之市值	44,853,757	–	44,853,757	–

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### 財務報表附註

For the year ended 31st December, 2004  
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#### 17. INTERESTS IN ASSOCIATES

(Continued)

Details of the Group's associates as at 31st December, 2004 are as follows:

#### 17. 於聯營公司之權益 (續)

以下為本集團聯營公司於二零零四年十二月三十一日之詳情：

Name of associate	Form of business structure	Place of incorporation	Proportion of nominal value of issued capital held by the Group	Principal activities
聯營公司名稱	已發行業務形式	註冊／成立地點	本集團持有已發行股本面值之比例	主要業務
Sunlit Resources Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	25%	Investment holding 投資控股
IML (note) 亞智科技股份 有限公司 (「亞智」)	Incorporated 註冊成立	Taiwan 台灣	28.6%	Design, manufacture and sale of wet processing equipment 設計、製造和銷售濕式處理設備
Asia Vigour (Holdings) Limited ("AVPH")	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	42.0%	Investment holding 投資控股

**Note:** During the year, the Company's interest in associate was reclassified from the interest in subsidiary after the partial disposal of the interest in IML as disclosed in note 35.

**附註：**於年內，本公司自出售亞智之部份權益(詳情載於附註35)後，本公司於亞智之權益由附屬公司權益被重新介定為於聯營公司之權益。

## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
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#### 17. INTERESTS IN ASSOCIATES

(Continued)

The following details have been extracted from the audited financial statements of the Group's significant associate, IML.

##### Results for the year

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元
Turnover	營業額	334,398,400
Profit from ordinary activities before taxation	除稅前日常業務之溢利	24,929,336
Profit from ordinary activities before taxation attributable to the Group	除稅前本集團應佔日常業務之溢利	5,441,037

#### 17. 於聯營公司之權益 (續)

以下為摘錄自本集團重要聯營公司亞智之已審核財務報表之詳情：

##### 本年度業績

##### Financial position

##### 財務狀況

		2004 二零零四年 HK\$ 港元
Non-current assets	非流動資產	107,845,931
Current assets	流動資產	190,991,509
Current liabilities	流動負債	(180,092,701)
Non-current liabilities	非流動負債	(23,216,613)
Net assets	資產淨值	95,528,126
Net assets attributable to the Group	本集團應佔資產淨值	27,288,672

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### 財務報表附註

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#### 18. INVESTMENTS IN SECURITIES

#### 18. 證券投資

		THE GROUP 本集團	
		2004 HK\$ 港元	2003 HK\$ 港元
Investment securities shown as non-current assets:	呈列為非流動資產之證券投資：		
Unlisted shares, at cost less impairment loss recognised	非上市股份，成本 值扣除減值準備	524,370	524,370
Other investments shown as current assets:	呈列為流動資產之其他投資：		
Listed shares, at market value	上市股份，市值	12,947,310	9,315,130

During the year, the directors reviewed the carrying value of the investment securities with reference to their fair value and determined to recognise an impairment loss of approximately HK\$2,340,000 (1.4.2003 to 31.12.2003: HK\$2,390,550).

於本年內，董事以公平值作參考檢討投資證券之賬面價值，並決定確認約2,340,000港元之減值虧損(二零零三年四月一日至二零零三年十二月三十一日：2,390,550港元)。

#### 19. LOANS RECEIVABLE

The following is the maturity profile of loans receivable at the balance sheet date:

#### 19. 應收貸款

以下為於結算日應收貸款到期概況：

		THE GROUP 本集團	
		2004 HK\$ 港元	2003 HK\$ 港元
Repayable within 3 months	於三個月內償還	3,256,631	9,297,816
Repayable after 3 months but within 6 months	於三個月後但於六個月內償還	59,205	57,269
Repayable after 6 months but within 1 year	於六個月後但於一年內償還	119,703	115,786
Total repayable within 1 year	於一年內償還之總額	3,435,539	9,470,871
Repayable after 1 year	於一年後償還	2,301,545	1,778,043
Total	總額	5,737,084	11,248,914

## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

For the year ended 31st December, 2004  
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#### 20. OTHER ASSET

The amount, which represented the advance to an investee company, was unsecured and non-interest bearing. The advance was shown as current and included in "debtors, deposits and prepayments" as at 31st December, 2004 because the investment and the related advance have been sold subsequent to the balance sheet date.

#### 21. AMOUNTS DUE FROM SUBSIDIARIES

Amounts due from subsidiaries      應收附屬公司之款項  
Allowance made                      撥備

#### 20. 其他資產

於被投資公司的一項預付款項為無抵押及無收取利息。於二零零四年十二月三十一日，該預付款項屬流動性，並包括於「應收賬項、訂金及預付款項」內，因為該投資及相關預付款項於結算日後已出售。

#### 21. 應收附屬公司之款項

		THE COMPANY	
		本公司	
		2004	2003
		HK\$	HK\$
		港元	港元
Amounts due from subsidiaries	應收附屬公司之款項	203,743,404	197,543,413
Allowance made	撥備	(137,316,000)	(135,865,000)
		66,427,404	61,678,413

The amounts are unsecured and have no fixed terms of repayment. Approximately HK\$13 million (2003: HK\$10 million) bears interest at Hong Kong prime rate. The remaining balance is non-interest bearing.

該款項為無抵押及不設固定還款期，當中包括約13,000,000港元以港元優惠利率計算利息(於二零零三年：10,000,000港元)，餘額則並無收取利息。

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#### 22. INVENTORIES

#### 22. 存貨

		本集團 THE GROUP	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Raw materials	原料	38,157,120	40,364,318
Work in progress	半成品	–	7,513,855
Finished goods	成品	1,728,334	6,513,270
		<b>39,885,454</b>	<b>54,391,443</b>

At 31st December, 2004, included above are raw materials of HK\$6,949,995 (2003: HK\$24,914,676) which are carried at net realisable values. Cost of inventories recognised as an expense during the year is HK\$367,527,604 (1.4.2003 to 31.12.2003: HK\$197,341,121).

於二零零四年十二月三十一日，包括上述原材料共 6,949,995 港元（二零零三年：24,914,676 港元）根據可變現淨值入賬。於本年內，367,527,604 港元（二零零三年四月一日至二零零三年十二月三十一日：197,341,121 港元）之存貨成本確認為開支。

#### 23. PROPERTIES HELD FOR SALE

#### 23. 持作出售物業

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Properties held for sale, at cost	持作出售物業，按成本值	3,504,275	–
Allowance made	撥備	(105,800)	–
		<b>3,398,475</b>	<b>–</b>

The land is situated in Hong Kong and is held under a medium-term lease. The cost of properties has been written down to their net realisable value, being the net sale proceeds from the disposal subsequent to 31st December, 2004.

該土地位於香港並以中期租約持有。物業成本已撇減至其估計可收回款額，即於二零零四年十二月三十一日隨後出售之所得款淨額。



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### 財 務 報 表 附 註

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#### 24. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

#### 24. 應收(應付)客戶之建造合約款項

		THE GROUP	
		本集團	
		2004	2003
		HK\$	HK\$
		港元	港元
Contracts in progress at the balance sheet date:	於結算日之在建工程合約：		
Contract costs incurred	合約成本	<b>73,748,684</b>	85,269,373
Recognised profits less recognised losses	已確認溢利減已確認溢利	<b>12,550,619</b>	14,975,625
		<b>86,299,303</b>	100,244,998
Progress billings	按進度付款項	<b>(67,692,879)</b>	(66,303,266)
		<b>18,606,424</b>	33,941,732
Represented by:	包括：		
Due from customers included in current assets	呈列為流動資產之應收客戶款項	<b>28,379,228</b>	45,673,781
Due to customers included in current liabilities	呈列為流動負債之應付客戶款項	<b>(9,772,804)</b>	(11,732,049)
		<b>18,606,424</b>	33,941,732

At the balance sheet date, there were no retention monies held by customers for contract work performed. At 31st December, 2004, advances received from customers for contract work performed amounted to HK\$8,084,909 (2003: HK\$6,398,056) which were included in creditors, bills payable and accrued charges.

於結算日，並無客戶就合約工程而持有保留金。於二零零四年十二月三十一日，客戶工程合約之預付款為8,084,909港元(二零零三年：6,398,056港元)，乃列為「應付賬項，應付票據及預提費用」。

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## 財務報表附註

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## 25. DEBTORS, DEPOSITS AND PREPAYMENTS

## 25. 應收賬項、訂金及預付款項

		THE GROUP 本集團	
		2004 HK\$ 港元	2003 HK\$ 港元
Trade debtors	貿易應收賬款	125,338,583	102,807,871
Bills receivable	應收票據	–	11,105,467
Other debtors and prepayments	其他賬款及預付款項	16,284,806	11,078,041
		<b>141,623,389</b>	<b>124,991,379</b>

The Group allows a general credit period of one month to its trade customers except construction contracts where the Group allows stage payments. In general, credit will only be offered to customers in accordance with their financial creditabilities and an established payment records.

集團給予貿易客戶之一般信貸限期為交易後一個月，而建造合約之客戶則可根據合約之完成進度付款。一般情況下，信貸只會根據客戶的在財務方面的信譽及以往還款紀錄而給予。

The following is an aged analysis of trade debtors and bill receivable as at the balance sheet date:

以下為於結算日貿易應收賬款及應收票據之到期分析表：

		2004 HK\$ 港元	2003 HK\$ 港元
Current	未到期	63,758,378	42,590,303
Overdue by:	過期：		
0 – 60 days	0 – 60 日	30,927,810	41,670,695
61 – 120 days	61 – 120 日	7,444,357	8,883,038
121 – 180 days	121 – 180 日	10,664,806	4,286,638
Over 180 days	超過 180 日	12,543,232	16,482,664
		<b>125,338,583</b>	<b>113,913,338</b>

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### 財 務 報 表 附 註

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#### 26. CREDITORS, BILLS PAYABLE AND ACCRUED CHARGES

#### 26. 應付賬項、應付票據及預提費用

		THE GROUP 本集團	
		2004 HK\$ 港元	2003 HK\$ 港元
Trade creditors	貿易應付賬款	76,954,400	88,466,004
Bills payable	應付票據	1,552,574	15,476,313
Other creditors and accrued charges	其他應付賬款及預提費用	86,635,262	67,711,936
		<b>165,142,236</b>	<b>171,654,253</b>

The following is an aged analysis of trade creditors as at the balance sheet date:

以下為於結算日貿易應付賬款之到期分析表：

		2004 HK\$ 港元	2003 HK\$ 港元
0 – 60 days	0 – 60 日	42,058,200	43,913,322
61 – 120 days	61 – 120 日	17,461,721	25,035,984
121 – 180 days	121 – 180 日	14,013,114	13,369,297
Over 180 days	超過 180 日	3,421,365	6,147,401
		<b>76,954,400</b>	<b>88,466,004</b>

#### 27. AMOUNTS DUE FROM ASSOCIATES/DUE TO SUBSIDIARIES

#### 27. 應收聯營公司／應付附屬公司之款項

##### THE GROUP AND THE COMPANY

The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

##### 本集團及本公司

該款項為無抵押、無收取利息及不設定固定還款期。

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#### 28. BORROWINGS

#### 28. 借貸

		THE GROUP	
		本集團	
		2004	2003
		HK\$	HK\$
		港元	港元
The borrowings comprise the following:	借貸包括：		
Bank overdrafts	銀行透支	–	408,132
Trust receipt loans	信託提貨貸款	1,186,142	13,459,433
Other bank loans	其他銀行貸款	15,637,200	72,347,370
		<b>16,823,342</b>	<b>86,214,935</b>
Secured	有抵押	15,637,200	67,047,576
Unsecured	無抵押	1,186,142	19,167,359
		<b>16,823,342</b>	<b>86,214,935</b>
The borrowings are repayable within a period:	借貸之還款期如下：		
Not exceeding one year or on demand	不超過一年或即期償還	16,823,342	62,126,871
More than one year but not exceeding two years	一年以上但不超過兩年	–	2,591,232
More than two years but not exceeding five years	兩年以上但不超過五年	–	7,773,696
More than five years	五年以上	–	13,723,136
Total	合計	16,823,342	86,214,935
Amount due within one year classified as current liabilities	於一年內到期償還之款項 (列為流動負債)	(16,823,342)	(62,126,871)
Balance due after one year	一年後到期償還之餘額	–	24,088,064

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#### 29. OBLIGATIONS UNDER FINANCE LEASES

#### 29. 融資租賃承擔

		THE GROUP 本集團			
		Minimum lease payments 最低 租賃付款		Present value of minimum lease payments 最低租賃 付款之現值	
		2004 HK\$ 港元	2003 HK\$ 港元	2004 HK\$ 港元	2003 HK\$ 港元
Amounts payable under finance leases:	根據融資租賃應付款項：				
Within one year	一年內	233,680	196,605	215,374	167,217
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	240,344	274,720	226,916	248,804
		474,024	471,325	442,290	416,021
Less: Future finance charges	減：日後融資費用	(31,734)	(55,304)	-	-
Present value of lease obligations	租賃承擔現值	442,290	416,021	442,290	416,021
Less: Amount due for settlement within one year (shown under current liabilities)	減：一年內應償還款項 (於流動負債下呈列)			(215,374)	(167,217)
Amount due for settlement after one year	一年後應償還款項			226,916	248,804

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 3 years. For the current year, the average effective borrowing rates was approximately 3% per annum. Interest rate is fixed at the contract date. All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments.

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

本集團政策是根據融資租賃租用若干廠房及設備。平均租期為3年。於本年內，平均實際借款利率約為年息三厘，利率於訂約當日釐定。所有租約均可有固定還款期，惟並無就或然租金訂立任何安排。

本集團融資租賃承擔均以出租人之租賃資產作為抵押。

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#### 30. SHARE CAPITAL

#### 30. 股本

		Number of shares 股份數目	Amount 總額 HK\$ 港元
Shares of HK\$0.01 each	每股面值 0.01 港元		
Authorised:	法定：		
At 1st April, 2003,	於二零零三年四月一日，		
31st December, 2003 and	二零零三年十二月三十一日		
31st December, 2004	及二零零四年十二月三十一日	20,000,000,000	200,000,000
Issued and fully paid:	已發行及繳足：		
At 1st April, 2003 and	於二零零三年四月一日		
31st December, 2003,	及二零零四年十二月三十一日		
shares of HK\$0.01 each	每股面值 0.01 港元	5,529,268,000	55,292,680
Share consolidation, shares	股份合併，每股		
of HK\$0.20 each	面值 0.02 港元	(5,252,804,600)	-
Capital reduction, shares	削減股本，每股		
of HK\$0.01 each	面值 0.01 港元	-	(52,528,046)
Conversion of convertible note,	轉換可換股票據，		
shares of HK\$0.01 each	每股面值 0.01 港元	150,000,000	1,500,000
At 31st December, 2004,	於二零零四年十二月三十一日，		
shares of HK\$0.01 each	每股面值 0.01 港元	426,463,400	4,264,634

Pursuant to a resolution passed at a special general meeting held on 23rd April, 2004, the Company carried out a capital reorganisation ("Capital Reorganisation") as follows:

根據於二零零四年四月二十三日特別股東大會通過的決議案，本公司進行了股本重組如下：

(a) consolidated every 20 issued shares of HK\$0.01 each in the capital of the Company into one share ("Consolidated Share") of HK\$0.20 each (the "Share Consolidation"). Accordingly, on the basis of 5,529,268,000 issued shares, the issued share capital of the Company comprised of 276,463,400 shares upon the Share Consolidation;

(a) 將每20股(每股面值港幣0.01元)已發行股份合併為一股(「合併股份」)，每股面值港幣0.20元(「股份合併」)。據此，以5,529,268,000股已發行股份計，當股份合併後，本公司之已發行股本為276,463,400股；

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#### 30. SHARE CAPITAL (Continued)

- (b) upon completion of Share Consolidation, the value of every issued Consolidated Share was reduced from HK\$0.20 into HK\$0.01 each by cancellation of HK\$0.19 paid up capital on each Consolidated Share. As a result of the capital reduction, on the basis of 276,463,400 issued shares, an amount of HK\$52,528,046 from the share capital account was transferred to the contributed surplus account of the Company;
- (c) cancelled the entire amount of HK\$353,061,566 standing to the credit to the share premium account of the Company ("Share Premium Cancellation");
- (d) the credit amount of HK\$353,061,566 arising from the Share Premium Cancellation was applied to the contributed surplus account of the Company; and
- (e) an amount of HK\$356,653,006 was transferred from the contributed surplus account to the deficit account of the Company to eliminate the deficit of the Company of HK\$356,653,006 at 26th April, 2004, being the effective date of the capital reorganisation, in accordance with the Bye-laws of the Company and all applicable laws.

On 29th July, 2004, Karfun Investments Limited ("Karfun"), a wholly-owned subsidiary of Karl Thomson Holdings Limited, a company in which Mr. Lam Kwok Hing, the Chairman, Executive Director and Managing Director of the Company, has a beneficial interest has converted the HK\$30,000,000 convertible note into 150,000,000 shares of HK\$0.01 each in the Company at a conversion price of HK\$0.2 per share (Note 34).

#### 30. 股本 (續)

- (b) 當完成股份合併後，每股已發行合併股份面值由港幣0.20元減至港幣0.01元，每股合併股份註銷港幣0.19元之已繳股本。於削減股本後，以276,463,400股已發行股份計，港幣52,528,046元從股本賬中轉入本公司之繳入盈餘賬；
- (c) 註銷本公司股份溢價賬中列作進賬之全部款項港幣353,061,566元（「註銷股份溢價」）；
- (d) 由註銷股份溢價所產生之進賬款項港幣353,061,566元撥入本公司之繳入盈餘賬；和
- (e) 根據本公司細則及所有適用法例，繳入盈餘賬之款項港幣356,653,006元將轉入本公司之虧損賬，以抵銷本公司於二零零四年四月二十六日（即股本重組生效日）之港幣356,653,006元虧損。

於二零零四年七月二十九日，高信集團控股有限公司之全資附屬公司佳帆投資有限公司（「佳帆」），本公司之主席、執行董事及董事總經理為該公司實益擁有人轉換了30,000,000港元之可換股票據為本公司每股面值0.01港元之150,000,000股。轉換價為每股0.2港元（附註34）。

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#### 31. SHARE OPTION SCHEMES

One of the Company's share options schemes adopted on 2nd January, 1991 (the "Original Scheme") was for the purpose of providing incentive to directors and eligible staff. Under the Original Scheme, the directors may grant options to executive directors and employees of the Company or any of its subsidiaries to subscribe for shares of the Company. The subscription price of shares under the Original Scheme shall be calculated at the discretion of the directors at an amount not more than a 20% discount to the average of the closing prices of the shares as stated in the daily quotation sheets of the Stock Exchange for one or more board lots of shares on the five trading days immediately preceding the date of grant of the option provided that in no circumstances shall the subscription price be less than the par value of a share. No consideration is payable on the acceptance of an option. The aggregate number of shares in respect of which options may be granted pursuant to the Original Scheme to any individual shall not exceed 10% of the maximum number of shares in respect of which options may be granted under the Original Scheme and any other schemes. The total number of shares in respect of which options may be granted under the Original Scheme (including shares issued pursuant to options exercised under the Original Scheme and shares in respect of which any options are outstanding) shall at all times when aggregated with any shares subject to other schemes be limited to 10% of the issued share capital of the Company from time to time.

The Original Scheme remained in force for a period of ten years from the date of its adoption and expired on 1st January, 2001.

#### 31. 購股權計劃

本公司之其中一項優先購股權計劃(「原計劃」)於一九九一年一月二日獲採納，旨在鼓勵董事及合資格員工。根據原計劃，董事可向本公司或其任何附屬公司之執行董事及僱員授出優先購股權，以認購本公司股份。原計劃涉及之股份認購價由董事酌情釐定，惟折讓不得多於緊接授出優先購股權日期前五個交易日，一手或以上之股份在聯交所每日報價表所報之股份平均收市價之20%，惟於任何情況下認購價不得低於股份面值。接納優先購股權時毋須支付任何代價。根據原計劃向任何個別人士授出之優先購股權涉及之股份總數不得多於根據原計劃及任何其他計劃最多可能授出之優先購股權股份數目之10%。根據原計劃可能授出之優先購股權涉及之股份總數(包括根據原計劃項下因行使優先購股權而發行之股份，及有關任何尚未行使之優先購股權之股份)連同其他計劃涉及任何股份於任何時間必須低於本公司已發行股份之10%。

原計劃由其採納日起計十年期間持續有效，並於二零零一年一月一日屆滿。



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#### 31. SHARE OPTION SCHEMES

(Continued)

Under the rules of the Original Scheme, options are exercisable from the date options are granted to the earlier of the third anniversary of the date of grant and the expiry date of the scheme. Pursuant to an ordinary resolution passed at a special general meeting held on 6th September, 2000 (the "Resolution"), the rule with regard to the exercisable period has amended under which options are exercisable before the third anniversary from the date of options are granted or the later date as the directors may determine but not being later than the tenth anniversary from the date the options are granted.

Pursuant to the revised Original Scheme, the Company had granted options on 14th November, 2000 to the following directors of the Company, exercisable at any time from 17th November, 2000 and during the employment with the Company and its subsidiaries to 16th November, 2003:

#### 31. 購股權計劃 (續)

根據原計劃，優先購股權可由授出之日期至授出日期第三周年及計劃之屆滿日(以較早者為準)內行使。根據於二零零零年九月六日召開之特別股東大會所通過之普通決議案(「決議案」)，有關行使期間之規則已作出修訂，據此購股權可由優先購股權授出之日期第三周年前或董事決定之較後日期(惟不可遲於授出購股權之第十周年)行使購股權。

根據經修訂原有計劃，本公司於二零零零年十一月十四日向以下本公司董事授出購股權，可由二零零零年十一月十七日起及直至二零零三年十一月十六日為止受僱於本公司及其附屬公司期間隨時予以行使：

Name 姓名	Number of share options 購股權數目							
	Exercise price per share		Outstanding at 1st April, 2003		Lapsed during the nine months ended 31st December, 2003		Outstanding at 31st December, 2003	
			於二零零三年四月一日 尚未行使		於截至二零零三年十二月三十一日止 九個月期間失效		於二零零三年 十二月三十一日 尚未行使	
	Before the share consolidation	After the share consolidation*	Before the share consolidation	After the share consolidation*	Before the share consolidation	After the share consolidation*	Before the share consolidation	After the share consolidation*
	HK\$ 港元	HK\$ 港元						
Lam Kwok Yan 藍國恩	0.056	1.12	43,000,000	2,150,000	(43,000,000)	(2,150,000)	-	-
Lam Kwok Hing 藍國慶	0.056	1.12	43,000,000	2,150,000	(43,000,000)	(2,150,000)	-	-
			86,000,000	4,300,000	(86,000,000)	(4,300,000)	-	-

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#### 31. SHARE OPTION SCHEMES

(Continued)

Apart from the above, no options had been granted to or exercised by any other directors or employees of the Group during the nine months ended 31st December, 2003 or outstanding at the balance sheet dates.

Pursuant to the Resolution, the Company also adopted a new share options scheme (the "New Scheme") which became effective on 1st January, 2001. The rules of the New Scheme are the same as the revised Original Scheme and will remain in force for a period of ten years from the date of its adoption.

Pursuant to the New Scheme, the Company had granted options on 30th August, 2001 to the following directors of the Company and the employees, exercisable at any time from 7th September, 2001 and during the employment with the Company and its subsidiaries to 6th September, 2004:

#### 31. 購股權計劃 (續)

除上文所述外，截至二零零三年十二月三十一日止九個月期間，本集團之任何其他董事或僱員並無獲授出或行使任何購股權，或於結算日有未行使之購股權。

根據決議案，本公司亦採納一項新購股權計劃(「新計劃」)，由二零零一年一月一日生效。新計劃之規則與修訂原有計劃相同，並由其採納日起計十年期間將持續有效。

根據新計劃，本公司於二零零一年八月三十日已授出優先購股權予下列本公司董事及僱員，該等優先購股權可於二零零一年九月七日起及直至二零零四年九月六日止受僱於本公司和其附屬公司之期間隨時予以行使：

Name 姓名	Exercise price per share 每股行使價	Number of share options 購股權數目															
		Before the share consolidation 股份合併前		After the share consolidation* 股份合併後*		Outstanding at 1st April, 2003 於二零零三年 四月一日 尚未行使		Lapsed during the nine months ended 31st December, 2003 截至二零零三年 十二月三十一日 九個月期間失效		Outstanding at 31st December, 2003 於二零零三年 十二月三十一日 尚未行使		Lapsed during the year ended 31st December, 2004 於二零零四年 十二月三十一日期間 年度失效		Outstanding at 31st December, 2004 於二零零四年 十二月三十一日 尚未行使			
		Before the share consolidation 股份合併前	After the share consolidation* 股份合併後*	Before the share consolidation 股份合併前	After the share consolidation* 股份合併後*	Before the share consolidation 股份合併前	After the share consolidation* 股份合併後*	Before the share consolidation 股份合併前	After the share consolidation* 股份合併後*	Before the share consolidation 股份合併前	After the share consolidation* 股份合併後*	Before the share consolidation 股份合併前	After the share consolidation* 股份合併後*	Before the share consolidation 股份合併前	After the share consolidation* 股份合併後*		
		HKS 港元	HKS 港元														
Directors 董事																	
Lam Kwok Yan 藍國恩	0.053	1.06	114,500,000	5,725,000	-	-	114,500,000	5,725,000	(5,725,000)	-							
Lam Kwok Hing 藍國慶	0.053	1.06	114,500,000	5,725,000	-	-	114,500,000	5,725,000	(5,725,000)	-							
Others 其他																	
Other employees 其他僱員	0.053	1.06	40,140,000	2,007,000	(7,000,000)	(350,000)	33,140,000	1,657,000	(1,657,000)	-							
			269,140,000	13,457,000	(7,000,000)	(350,000)	262,140,000	13,107,000	(13,107,000)	-							

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### 31. SHARE OPTION SCHEMES

(Continued)

\* The number of share options for the movement from 1st April, 2003 to 31st December, 2003 (after the share consolidation) has been retrospectively adjusted for the twenty-to-one Share Consolidation which took place in April 2004 by the Company.

No share options were granted or exercised under the New Scheme during the year ended 31st December, 2004.

### 31. 購 股 權 計 劃 (續)

\* 由二零零三年四月一日至二零零三年十二月三十一日(股份合併後)之購股權數目之變動，已按本公司於二零零四年四月進行之股份合併(二十合一)作出調整。

於截至二零零四年十二月三十一日止期間，並無授出或行使於「新計劃」下之購股權。

### 32. RESERVES

### 32. 儲 備

		Property		Legal	Capital	Currency	(Accumulated Deficit)		Total
		Share premium	revaluation reserve	reserves	reserve	translation reserve	Contributed surplus	retained profits	
		物業	物業	法定儲備	資本儲備	貨幣折算	繳入盈餘	(累計虧損)	總計
		股份溢價	重估儲備	法定儲備	資本儲備	儲備	繳入盈餘	保留溢利	總計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元
<b>THE GROUP</b>	本集團								
Balance at 1st April, 2003	於二零零三年四月一日	353,061,566	35,742,998	16,195,446	-	(11,425,334)	-	(284,606,968)	108,967,708
Transfer	轉賬	-	-	-	37,716,809	-	-	(37,716,809)	-
Exchange difference arising on translation of operations of overseas subsidiaries	折算海外附屬公司之匯兌差額	-	-	-	-	358,806	-	-	358,806
Effect of change in tax rate on deferred tax charged to property revaluation reserve	改變稅率對物業重估儲備遞延之稅務影響	-	(318,918)	-	-	-	-	-	(318,918)
Net loss for the period	期內淨虧損	-	-	-	-	-	-	(29,075,462)	(29,075,462)
Balance at 31st December, 2003	於二零零三年十二月三十一日之結餘	353,061,566	35,424,080	16,195,446	37,716,809	(11,066,528)	-	(351,399,239)	79,932,134
Reduction of share capital (note 30)	削減股本 (附註 30)	-	-	-	-	-	52,528,046	-	52,528,046
Cancellation of share premium account and transfer to contributed surplus account (note 30)	股份溢價賬註銷及轉入繳入盈餘賬 (附註 30)	(353,061,566)	-	-	-	-	353,061,566	-	-
Transfer from contributed surplus account to deficit account (note 30)	由繳入盈餘賬轉入虧損賬 (附註 30)	-	-	-	-	-	(356,653,006)	356,653,006	-
Transfer upon the disposal of a subsidiary	出售一間附屬公司時之轉賬	-	-	(4,745,097)	(37,716,809)	-	-	42,461,906	-
Realised upon the disposal of a subsidiary	出售一間附屬公司時之變現	-	-	-	-	3,409,794	-	-	3,409,794
Realised upon the partial disposal of an associate	出售一間聯營公司部份權益時之變現	-	-	-	-	392,661	-	-	392,661
Conversion of convertible note	轉換可換股票據	28,500,000	-	-	-	-	-	-	28,500,000
Exchange difference arising on translation of operations of overseas subsidiaries and associate	折算海外附屬公司和聯營公司之匯兌差額	-	-	-	-	1,520,556	-	-	1,520,556
Net profit for the year	年內淨溢利	-	-	-	-	-	-	58,766,095	58,766,095
Balance at 31st December, 2004	於二零零四年十二月三十一日之結餘	28,500,000	35,424,080	11,450,349	-	(5,743,517)	48,936,606	106,481,768	225,049,286

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#### 32. RESERVES (Continued)

The contributed surplus of the Group arose as a result of the Capital Reorganisation as set out in note 30.

At 31st December, 2004, included in the above retained profits was a retained profit of HK\$250,796 (2003: deficit of HK\$7,872,447) representing the Group's share of post-acquisition profit of associates.

In prior years, IML, in accordance with its articles of incorporation, set aside 10% of its annual net income as a legal reserve until an amount equal to its paid up capital is reached. IML had been partially disposed of during the year ended 31st December, 2004 and the legal reserve was transferred to retained profits upon the disposal. In prior years, in accordance with statutory requirements in the PRC, a subsidiary registered in the PRC had transferred a certain per cent. of its annual net income from retained profits to legal reserves. No such transfer is required for the year ended 31st December, 2004 and the nine months ended 31st December, 2003 as that subsidiary incurred losses for the year/period. These legal reserves are not considered to be distributable.

#### 32. 儲備 (續)

本集團之繳入盈餘是因股本重組(載於附註30)所產生。

於二零零四年十二月三十一日，集團佔聯營公司收購之溢利250,796港元(二零零三年：7,872,447港元虧損)已包括在以上之保留溢利。

早於幾年前，亞智根據其公司組織章程，將全年收入淨額10%轉入法定儲備，直至此項儲備之金額相等於其繳足股本。部份亞智權益已於截至二零零四年十二月三十一日止期間出售，而於出售時法定儲備已轉為保留溢利。於前幾年，根據中國法例之規定，一間於中國登記之附屬公司將其每年淨收入的部分百分比從保留溢利轉為法定儲備。因這間附屬公司於本年度/期間也產生虧損，於二零零四年十二月三十一日止年度及二零零三年十二月三十一日止九個月均無利潤轉為法定儲備。法定儲備不予分派。

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### 財 務 報 表 附 註

For the year ended 31st December, 2004  
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#### 32. RESERVES (Continued)

#### 32. 儲備 (續)

		Share premium 股份溢價賬 HK\$ 港元	Contributed surplus 繳入盈餘 HK\$ 港元	Accumulated Deficit 累計虧損 HK\$ 港元	Total 合計 HK\$ 港元
<b>THE COMPANY</b>	本公司				
Balance at 1st April, 2003	於二零零三年四月一日				
	之結餘	353,061,566	29,510,207	(328,085,367)	54,486,406
Net loss for the period	期內淨虧損	-	-	(22,166,094)	(22,166,094)
Balance at 31st December, 2003	於二零零三年 十二月三十一日	353,061,566	29,510,207	(350,251,461)	32,320,312
Reduction of share capital (note 30)	削減股本 (附註 30)	-	52,528,046	-	52,528,046
Cancellation of share premium account and transfer to contributed surplus account (note 30)	股份溢價賬註銷 及轉入繳入盈餘賬 (附註 30)	(353,061,566)	353,061,566	-	-
Transfer from contributed surplus account to deficit account (note 30)	由繳入盈餘賬轉 入虧損賬 (附註 30)	-	(356,653,006)	356,653,006	-
Conversion of convertible note	轉換可換股票據	28,500,000	-	-	28,500,000
Net loss for the year	期內淨虧損	-	-	(13,307,187)	(13,307,187)
Balance at 31st December, 2004	於二零零四年十二月 三十一日之結餘	28,500,000	78,446,813	(6,905,642)	100,041,171

The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of the subsidiaries at the date on which they were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisition, less dividends distributed from pre-reorganisation reserves of the subsidiaries, and the results of Capital Reorganisation.

繳入盈餘乃附屬公司於其股份為本公司收購當日之綜合股東資金與本公司就收購而發行之股份面值間之差額，並扣除附屬公司在重組前由儲備分派之股息和股本重組之結果。

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## 33. DEFERRED TAXATION

## THE GROUP

The following is the deferred tax liabilities recognised and movements thereon during the current and prior reporting periods:

## 33. 遞延稅項

## 本集團

以下為於本年及以往報告期之已確認遞延稅項負債及變動：

		Accelerated tax depreciation 加速稅項折舊 HK\$ 港元	Tax losses 稅務虧損 HK\$ 港元	Revaluation of properties 物業重估 HK\$ 港元	Total 總計 HK\$ 港元
At 31st March, 2003	於二零零三年三月三十一日	195,000	-	3,401,793	3,596,793
Charge (credit) to income statement for the period	於本期間收益賬之費用 (撥回)	141,024	(230,188)	-	(89,164)
Effect of change in tax rate charged to property revaluation reserve	改變稅率對物業重估儲備開支之影響	-	-	318,918	318,918
At 31st December, 2003	於二零零三年十二月三十一日	336,024	(230,188)	3,720,711	3,826,547
Charge (credit) to income statement for the year	於本年度收益賬之費用 (撥回)	79,188	(185,024)	-	(105,836)
At 31st December, 2004	於二零零四年十二月三十一日	415,212	(415,212)	3,720,711	3,720,711

At 31st December, 2004, the Group has estimated unused tax losses of approximately HK\$162,305,000 (2003: HK\$243,278,000) and other temporary difference of nil (2003: HK\$23,037,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$2,373,000 (2003: HK\$1,315,000) of the tax losses. No deferred tax asset has been recognised of the remaining estimated tax losses of approximately HK\$159,932,000 (2003: HK\$241,963,000) and other temporary difference of nil (2003: HK\$23,037,000) due to the uncertainty of future profits streams. Included in unrecognised estimated tax losses are losses of nil (2003: HK\$27,357,000) that will expire within 5 years. Other losses may be carried forward indefinitely.

於二零零四年十二月三十一日，本集團估計未動用稅務虧損為162,305,000港元(二零零三年：243,278,000港元)及並無其他暫時差額(二零零三年：23,037,000港元)可用作抵銷日後盈利。因稅務虧損已確認之遞延稅務資產約為2,373,000港元(二零零三年：1,315,000)。由於將來溢利情況並不明朗，故未有就剩餘稅務虧損約為159,932,000港元(二零零三年：241,963,000港元)及並無其他暫時差額(二零零三年：23,037,000港元)已確認為遞延稅項資產。在未確認估計稅務虧損中並沒有(二零零三年：27,357,000港元)將於五年內到期的虧損。其他虧損將可無限期滾存下去。

## NOTES TO THE FINANCIAL STATEMENTS

### 財 務 報 表 附 註

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#### 33. DEFERRED TAXATION (Continued)

##### THE COMPANY

At 31st December, 2004, the Company has estimated unused tax losses of approximately HK\$24,606,000 (2003: HK\$13,079,000) available for offset against future profits. No deferred tax asset has been recognised due to uncertainty of future profits streams. Losses may be carried forward indefinitely.

#### 34. CONVERTIBLE NOTE

On 6th February, 2004, the Company entered into a subscription agreement (the "Agreement") with Karfun. On 20th May, 2004, the Company issued a convertible note in accordance with the Agreement for a consideration of HK\$30 million to Karfun. The term of the convertible note was 2 years from the date of issue and non-interest bearing.

On 29th July, 2004, the HK\$30 million convertible note was converted into 150,000,000 shares of HK\$0.01 each in the Company at a conversion price of HK\$0.2 per share.

The issue of convertible note constituted a connected transaction of the Company under the Rules Governing the Listing of Securities on the Stock Exchange. The details were disclosed in a circular issued by the Company on 31st March, 2004.

#### 35. DISPOSAL OF SUBSIDIARIES

On 19th January, 2004 and 27th January, 2004, the Group entered into agreements to partially dispose of its interests in the subsidiaries, AVPH and IML which carried out all the Group's entertainment production business and wet processing equipment business respectively. According to the agreement entered on 19th January, 2004, 18% interest in AVPH was disposed to a director of AVPH. The disposals were completed on 5th March, 2004 and 1st April, 2004 respectively, on which date control on the above subsidiaries was passed to acquirers. The Group's remaining interests in the above subsidiaries were classified as interests in associates.

#### 33. 遞延稅項 (續)

##### 本公司

於二零零四年十二月三十一日，本公司之未動用估計稅務虧損約為24,606,000港元(二零零三年：13,079,000港元)可用作抵銷未來溢利。由於將來溢利情況不明朗，故並無確認遞延稅項資產。稅務虧損可能會無限期限滾存。

#### 34. 可換股票據

於二零零四年二月六日，本公司與佳帆簽訂認購協議(「該協議」)。於二零零四年五月二十日，本公司根據該協議，以30,000,000港元作價，向佳帆發行可換股票據。可換股票據的年期為兩年(由發行票據日起計)以及無收取利息。

於二零零四年七月二十九日，30,000,000港元之可換股票據，已被轉換為本公司每股面值0.01港元之150,000,000股，轉換價為每股0.2港元。

根據聯交所上市證券規則，發行可換股票據構成本公司一項關連交易。有關詳情已於本公司二零零四年三月三十一日之通函內披露。

#### 35. 出售附屬公司

於二零零四年一月十九日及二零零四年一月二十七日，本集團簽定協議，出售其於附屬公司AVPH及亞智之部份權益，前者包括從事集團所有娛樂製作業務，而後者則從事濕式處理設備業務。根據於二零零四年一月十九日簽訂的協議，AVPH之18%權益轉讓予AVPH的一位董事。交易分別於二零零四年三月五日和二零零四年四月一日完成，並於當日將上述附屬公司的控制權移交給收購者。集團於上述附屬公司之餘下權益被界定為於聯營公司之權益。

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#### 35. DISPOSAL OF SUBSIDIARIES

(Continued)

The results of the entertainment production business and wet processing equipment business for the year were included in note 5.

The net assets of above subsidiaries at the date of disposal were as follows:

#### 35. 出售附屬公司 (續)

娛樂製作業務和濕式處理設備業務於年內之業績已包括在附註5之內。

於出售上述附屬公司當日，該附屬公司之淨資產如下：

		HK\$ 港元
NET ASSETS DISPOSED OF	出售之淨資產	
Property, plant and equipment	物業、廠房及設備	87,121,975
Inventories	存貨	24,071,203
Amounts due from customers for contract work	應收客戶之建造合約款項	26,394,199
Debtors, deposits and prepayments	應收賬項、訂金及預付款項	55,776,967
Amount due from a group company	應收一間集團公司之款項	878,344
Taxation recoverable	可收回之稅項	2,895
Bank balances and cash	銀行結餘及現金	3,666,316
Creditors, bills payable and accrued charges	應付賬項、應付票據及預提費用	(84,060,922)
Borrowings	借貸	(42,965,888)
Obligations under finance leases	融資租賃承擔	(90,180)
Minority interests	少數股東權益	(35,364,784)
		35,430,125
Exchange loss realised	匯兌損失之變現	3,409,794
		38,839,919
Interests in associates	聯營公司權益	(21,797,840)
Gain on disposal	出售所得收益	2,627,329
Total consideration	總代價	19,669,408
Satisfied by:	支付方式：	
Cash	現金	19,669,408
Net cash inflow arising on disposals:	出售附屬公司所產生之淨現金流入：	
Cash consideration	現金代價	19,669,408
Bank balances and cash disposed of	出售銀行餘款和現金	(3,666,316)
		16,003,092



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#### 35. DISPOSAL OF SUBSIDIARIES

(Continued)

The subsidiaries disposed of during the year contributed approximately HK\$58,226,000 to the Group's turnover and approximately HK\$4,413,000 to the Group's profit from operations.

#### 36. ACQUISITION OF A SUBSIDIARY

On 1st October, 2004, the Group acquired 100% of the issued share capital of PAL Control Sdn. Bhd. for a consideration of HK\$1,538,172. This acquisition has been accounted for by the acquisition method of accounting.

During the nine months ended 31st December, 2003, the Group acquired 100% of the issued share capital of Dragan Will Investment Limited for a consideration of HK\$2,314,742. This acquisition had been accounted for by the acquisition method of accounting.

#### 35. 出售附屬公司 (續)

於本年度出售之附屬公司，為集團貢獻營業額 58,226,000 港元和經營溢利貢獻 4,413,000 港元。

#### 36. 收購附屬公司

於二零零四年十月一日，本集團收購 PAL Control Sdn. Bhd. 100% 已發行股本，作價 1,538,172 港元。此收購已按會計之收購方法入賬。

於截至二零零三年十二月三十一日止九個月期間，本集團收購了 Dragan Will Investment Limited 100% 已發行股本，作價 2,314,742 港元。此收購已按會計之收購方法入賬。

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元	1.1.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日 HK\$ 港元
NET (LIABILITIES) ASSETS ACQUIRED	已收購淨資產 (負債)		
Property, plant and equipment	物業、廠房及設備	34,891	-
Investments in securities	證券投資	-	14,742
Trade and other receivable	貿易及其他應收賬	273,718	2,300,000
Bank balances and cash	銀行結餘及現金	46,303	-
Creditors and accrued charges	應付款及預提費用	(1,304,704)	-
		(949,792)	2,314,742
Goodwill	商譽	2,487,964	-
Total consideration	總作價	1,538,172	2,314,742
Satisfied by cash	以現金支付	1,538,172	2,314,742
Net cash outflow arising on the acquisition of a subsidiary	就收購附屬公司產生之現金流出		
Cash consideration	現金作價	1,538,172	2,314,472
Bank balances and cash acquired	收購之銀行結餘及現金	(46,303)	-
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	就收購附屬公司流出之淨現金和現金等價物	1,491,869	2,314,472

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#### 36. ACQUISITION OF A SUBSIDIARY

(Continued)

The subsidiary acquired during the year had no significant contributions to the Group's turnover and profit from operations.

The subsidiary acquired during the nine months ended 31st December, 2003 did not contribute any turnover and loss from operations to the Group.

#### 37. NON-CASH TRANSACTIONS

During the year, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of HK\$409,000.

During the year, certain loan borrowers had transferred properties held for development and properties held for sale with values of HK\$3,000,000 and HK\$3,000,000 respectively to settle loans due to the Group.

#### 38. COMMITMENTS

##### (a) Capital commitments

#### 36. 收購附屬公司 (續)

於本年內收購的附屬公司對集團之營業額及經營溢利並無重大的貢獻。

於截至二零零三年十二月三十一日止九個月期間收購的附屬公司並沒有為集團帶來任何營業額和經營虧損。

#### 37. 非現金的交易

於本年內，本集團就資本值為409,000港元之資產安排融資租賃。

於本年內，部份借款人已將價值分別為3,000,000港元及3,000,000港元之持作發展物業和持作出售物業，轉讓至本集團作為清還借貸。

#### 38. 承擔

##### (a) 資本承擔

		THE GROUP	
		本集團	
		2004	2003
		二零零四年	二零零三年
		HK\$	HK\$
		港元	港元
Capital expenditure contracted for but not provided in the financial statements in respect of property, plant and equipment	有關物業、廠房及設備之已訂約但未於財務報表作出撥備之資本開支	-	95,481

At 31st December, 2003, the Group committed for a shareholder loan of HK\$2,800,000 to an investee company.

於二零零三年十二月三十一日，本集團在一間被投資公司已承擔了一筆2,800,000港元之股東貸款。

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#### 38.COMMITMENTS (Continued)

##### (b) Lease commitments

The Group as lessee

At the balance sheet date, the Group had commitment for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		THE GROUP 本集團	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Within one year	一年內	170,521	-

Operating lease payments represent rentals payable by the Group for its factory premises and staff quarters in the PRC. Leases are negotiated for an average term of five years and rentals are fixed for the leased period.

於結算日，本集團在不可撤銷經營租約下已承擔之最低付款到期詳情如下：

經營租約付款指本集團就其位於中華人民共和國之廠房和員工宿舍應付之租金。租期經磋商後為平均為期五年，而於租賃期內，租金保持不變。

#### THE COMPANY

The Company did not have any significant capital or operating lease commitments at the balance sheet date.

本公司

於結算日，本公司並無任何重大資本或經營租約之承擔。

#### 39.CONTINGENT LIABILITIES

#### 39.或然負債

		THE GROUP 本集團		THE COMPANY 本公司	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Extent of banking facilities utilised by subsidiaries and guaranteed by the Company	附屬公司已動用並由本公司擔保之銀行信貸額	-	-	4,886,838	9,598,488
Export bills discounted with recourse	附追索權之出口貼現票據	10,125,434	-	-	-

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#### 40. PLEDGE OF ASSETS

The Group has pledged its land and buildings in the PRC with an aggregate net book value of approximately HK\$44 million (2003: HK\$124 million) and bank deposits of approximately HK\$5.9 million (2003: HK\$3.6 million) to secure general banking facilities granted to the Group.

#### 41. RETIREMENT BENEFITS SCHEMES

Since 1st December, 2000, the Group has operated pension schemes under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately in an independently managed fund. The Group has followed the minimum statutory contribution requirements of 5% of eligible employees' relevant aggregate income. The contributions are charged to the income statement as incurred.

The relevant PRC subsidiaries are required to make contributions to the state-managed schemes in the PRC based on a certain percentage of the monthly salaries of their current employees to fund the benefits. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The PRC government is responsible for the pension liability to these retired staff.

In addition, a subsidiary operates funded defined benefits pension scheme (the "ORSO Scheme") for all its qualifying employees. The assets of the scheme are held separately from those of the Group in funds under the control of trustees.

#### 40. 資產抵押

本集團將其於中華人民共和國之土地及樓宇，合共賬面淨值44,000,000港元(二零零三年：124,000,000港元)，連同約達5,900,000港元(二零零三年：3,600,000港元)之銀行存款，抵押予銀行作為集團獲授予一般信貸額之擔保。

#### 41. 退休福利計劃

自二零零零年十二月一日開始，本集團根據強制性公積金計劃條例之規則及規例，為其所有香港合資格僱員參與退休金計劃。強積金計劃之資產由獨立管理基金分開持有。本集團按合資格僱員相關總收入之5%之最低法定供款規定作出供款。供款於產生時在收益賬扣除。

相關之中國附屬公司須按其現有僱員月薪之若干百分比向中國之中央管理計劃作出供款，作為福利資金。僱員有權根據相關的政府規例享有參考彼等退休時之基本薪金及服務年期而計算之退休金。中國政府須負責承擔該等退休員工之退休金。

此外，一家附屬公司為所有合資格僱員管理一項定額福利退休金計劃(「ORSO計劃」)。該計劃之資產與本集團之資產分開持有，該計劃之資產存入由受託人控制之基金內。

## NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31st December, 2004  
截至二零零四年十二月三十一日止年度

#### 41. RETIREMENT BENEFITS SCHEMES

(Continued)

The most recent actuarial valuation of plan assets and liabilities of the ORSO Scheme was carried out at 31st December, 2004 by qualified staff of HSBC Life (International) Limited, who are members of the Society of Actuaries of the United States of America. The present value of the ORSO Scheme and the related current service cost were measured using the projected unit credit method. The main actuarial assumptions used were as follows:

	2004 二 零 零 四 年	2003 二 零 零 三 年
Discount rate 折扣率	5.0% per annum 每年5.0%	5.5% per annum 每年5.5%
Expected return on ORSO Scheme assets ORSO計劃資產之預期回報	6.0% per annum 每年6.0%	7.0% per annum 每年7.0%
Expected salary increase rate 預期之薪金增長率	4.0% per annum 每年4.0%	4.5% per annum 每年4.5%

The actuarial valuation showed that the market value of ORSO Scheme assets was HK\$725,000 (2003: HK\$185,000) and that the actuarial value of these assets represented 60.3% (2003: 19.7%) of the benefits that had accrued to members. The shortfall of HK\$478,000 (2003: HK\$755,000) is to be cleared over the estimated remaining service period of the current membership.

#### 41. 退休福利計劃 (續)

於二零零四年十二月三十一日，由HSBC Life (International) Limited之合資格僱員（為Society of Actuaries of the United States of America之會員），對ORSO計劃內資產與負債作最新的估值。ORSO計劃的現值和相關之現有服務費用以「projected unit credit method」計算。以下為主要估值假設：

精算估值顯示ORSO計劃資產之市場價值為725,000港元（二零零三年：185,000港元），而這些資產之精算值佔應付成員福利之60.3%（二零零三年：19.7%）。478,000港元（二零零三年：755,000港元）之差額將根據現有成員之估計剩餘服務年期清除。

## NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31st December, 2004  
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## 41. RETIREMENT BENEFITS SCHEMES 41. 退休福利計劃 (續)

(Continued)

Amount recognised in the consolidated income statement in respect of the ORSO Scheme is as follows:

於綜合收益賬內就ORSO計劃所確認之數額如下:

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 HK\$ 港元	1.4.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日 HK\$ 港元
Current service cost	目前之服務成本	81,000	86,000
Interest cost	利息成本	52,000	39,000
Expected return on plan assets	計劃資產之預期回報	(26,000)	(5,000)
Net actuarial gain recognised in the year	於年內確認之精算淨收益	(7,000)	-
Administrative cost and group life premium deducted from contribution	從供款中扣除之行政成本及集團人壽保費	20,000	6,000
Expense recognised in the consolidated income statement	於綜合收益賬確認之開支	120,000	126,000

The charge for the year/period has been included in staff costs.

於本年度/期間之支出已包括在僱員成本。

The actual return on plan assets was approximately HK\$47,000 (2003: approximately HK\$14,000).

計劃資產之實際回報約為47,000港元(二零零三年: 約14,000港元)。

The amount included in the consolidated balance sheet arising from the Group's obligations in respect of the ORSO Scheme is as follows:

本集團就ORSO計劃之責任所產生, 並已計入綜合資產負債表之數額如下:

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Present value of the obligations	責任之現值	1,203,000	940,000
Fair value of plan assets	計劃資產之公允價值	(725,000)	(185,000)
Unrecognised actuarial gains	未確認之精算收益	86,000	202,000
Current liability recognised in the consolidated balance sheet	於綜合資產負債表確認之流動負債	564,000	957,000

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#### 41. RETIREMENT BENEFITS SCHEMES

(Continued)

Movements in the net liability in the current year/period were as follows:

#### 41. 退休福利計劃 (續)

本年度／期內負債淨額之變動如下：

		1.1.2004 to 31.12.2004 二零零四年 一月一日至 二零零四年 十二月三十一日 港元 HK\$	1.4.2003 to 31.12.2003 二零零三年 四月一日至 二零零三年 十二月三十一日 港元 HK\$
Opening net liability	期初負債淨額	957,000	983,000
Expense as above	上述開支	120,000	126,000
Contributions paid by employer, including administrative cost and group life premium that are deducted from contribution	僱主支付之供款，包括從供款中扣除 之行政成本及集團 人壽保費	(513,000)	(152,000)
Closing net liability	期末負債淨額	564,000	957,000

#### 42. POST BALANCE SHEET EVENTS

- (a) On 5th February, 2005, Mr. Lam Kwok Yan, the former Chairman of the Company has transferred 1,000 shares in Asia Nice Art Production Limited ("ANA") to the Group at nil consideration. The transfer represented 10% interest in the entire issued capital of ANA. The net assets of ANA at the date of transfer were approximately HK\$5,524,163 and therefore the deemed benefits transferred to the Group were HK\$52,416.
- (b) On 5th February, 2005, the Group disposed of its entire 2,500 ordinary shares in an associate, Sunlit Resources Limited, and the shareholder's loan to Sunlit Resources Limited at a consideration of HK\$3,000,000. The only asset in Sunlit Resources Ltd is 25% interest in Belmont Holdings Group Ltd.
- (c) On 5th February, 2005, the Group disposed of 1,150 ordinary shares in an investee company, Belmont Holdings Group Ltd, and the shareholder's loan to Belmont Holdings Group Ltd at a consideration of HK\$5,405,000. The only asset in Belmont Holdings Group Ltd is 50.56% interest in Alexis Resources Ltd which owns mining rights over certain mines situated in the PRC.

#### 42. 結算日後事項

- (a) 於二零零五年二月五日，藍國恩先生（本公司之前主席）已將其於矜藝亞洲廣告有限公司（「矜藝亞洲」）之1,000股股份，以零作價轉讓予本集團。該批股份佔矜藝亞洲全部已發行股本之10%。於股份轉讓日，矜藝亞洲之資產淨值約為5,524,163港元，因此，已轉讓至本集團之視作利益為52,416港元。
- (b) 於二零零五年二月五日，本集團出售其於一間聯營公司 Sunlit Resources Ltd之全部 2,500 股普通股份，作價3,000,000港元。Sunlit Resources Ltd之唯一資產為於 Belmont Holdings Group Ltd之25%權益。
- (c) 於二零零五年二月五日，本集團出售其於Belmont Holdings Group Ltd（一間為集團投資的公司）之1,150股普通股份以及股東貸款予 Belmont Holdings Group Ltd，作價5,405,000港元。Belmont Holdings Group Ltd之唯一資產是於Alexis Resources Ltd之50.56%權益，該公司於中華人民共和國的多個礦洞擁有開礦權。