

NOTES TO THE ACCOUNTS

賬目附註

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. PRINCIPAL ACTIVITIES

China Everbright Limited (the "Company") is incorporated in Hong Kong with its shares being listed on The Stock Exchange of Hong Kong Limited. The directors of the Company consider China Everbright Holdings Company Limited, a company incorporated in Hong Kong, to be the ultimate holding company of the Company.

The Company is an investment holding company and, through its subsidiaries and associates, is principally engaged in investment holding and provision of financial services.

2. SIGNIFICANT EFFECT OF ADOPTION OF NEW ACCOUNTING STANDARDS

During the year, the Hong Kong Institute of Certified Public Accountants ("HKICPA") issued a number of new Hong Kong Financial Reporting Standards ("HKFRS") and revised Hong Kong Accounting Standards ("HKAS") (together "new HKFRSs") which are effective for accounting periods beginning on or after 1st January 2005. The Company and its subsidiaries (collectively the "Group") have early adopted the following three new HKFRSs prospectively from 1st January 2004:

HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKFRS 3	Business Combinations

The early adoption of the above new HKFRSs has resulted in a prospective change in the accounting policies for consolidation, goodwill and trading rights.

1. 主要業務

中國光大控股有限公司（「本公司」）是一間在香港註冊成立的公司。本公司之股份於香港聯合交易所有限公司上市。本公司董事認為在香港註冊成立的中國光大集團有限公司為本公司之最終控股公司。

本公司為投資控股公司，並透過其附屬公司及聯營公司，主要經營投資控股及提供金融服務。

2. 採納新會計準則之主要影響

本年度香港會計師公會已頒佈新的香港財務報告準則（「香港財務報告準則」）及經修訂的香港會計準則（「香港會計準則」）（統稱「新香港財務報告準則」），適用於由二零零五年一月一日或以後開始之會計年度。本公司及其附屬公司（統稱「集團」）決定於二零零四年一月一日起提早採納以下三項新香港財務報告準則：

香港會計準則第36號	資產減值
香港會計準則第38號	無形資產
香港財務報告準則第3號	業務合併

提前採納上列之新香港財務報告準則令本集團之綜合帳目，商譽及交易權之會計政策將有所改變。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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

2. SIGNIFICANT EFFECT OF ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

Adoption of HKFRS 3

Prior to the adoption of HKFRS 3, goodwill on acquisitions occurring on or after 1st January 2001 was included in intangible assets and was carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill was amortised using the straight-line method over its estimated useful life of 10 years. Goodwill on acquisitions that occurred prior to 1st January 2001 was eliminated against reserves. According to Interpretation 13 "Goodwill – continuing requirements for goodwill and negative goodwill previously eliminated against/credited to reserves" issued by HKICPA, any impairment loss identified in respect of goodwill previously eliminated against reserves should be recognised in the profit and loss account.

Upon the adoption of HKFRS 3, the Group ceased amortisation of goodwill recorded as intangible assets from 1st January 2004, accumulated amortisation as at 1st January 2004 had been eliminated with a corresponding decrease in the cost of goodwill. Goodwill recorded as intangible assets is tested annually for impairment.

In accordance with HKFRS 3, impairment loss identified in respect of goodwill previously eliminated against reserves shall not be recognised in the profit and loss account. Had HKFRS 3 not been early adopted, the Group would have recorded an impairment loss on goodwill relating to investment in China Everbright Bank Company Limited and Everbright Securities Company Limited previously eliminated against reserves of HK\$3,412 million. The Group's net loss for 2004 would have been increased by the same amount. The net assets of the Group would have remained unchanged had the above-mentioned impairment loss been recognised in the profit and loss account.

2. 採納新會計準則之主要影響 (續)

採納香港財務報告準則第3號

在未採納香港財務報告準則第3號前，於二零零一年一月一日或以後產生之收購商譽計入無形資產，其賬面值是按成本減累計攤銷額及累計減值虧損計算，並於其估計可用之10年期內以直線法攤銷。於二零零一年一月一日前產生之收購商譽已於儲備中對銷。根據香港會計師公會頒佈之詮釋第13號「Goodwill – continuing requirements for goodwill and negative goodwill previously eliminated against/credited to reserve」，以往在儲備中對銷之商譽，其減值需要在損益表內入賬。

於採納香港財務報告準則第3號後，本集團從二零零四年一月一日起已停止把記入無形資產的商譽進行攤銷，截至二零零四年一月一日止之累計攤銷額已相對地沖減商譽成本。記賬於無形資產之商譽需每年進行一次減值評估。

根據香港財務報告準則第3號，若早前已於儲備中對銷之商譽有減值虧損，所產生之任何減值均無需記入損益表。如香港財務報告準則第3號未被提早採納，本集團需於損益表上記入因中國光大銀行股份有限公司及光大證券有限責任公司投資而產生之商譽減值虧損港幣34.12億元，使本集團二零零四年度之淨虧損有相等額的增加。即使於損益表上確認上述之減值虧損，本集團截至二零零四年十二月三十一日止之淨資產值亦保持不變。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

2. SIGNIFICANT EFFECT OF ADOPTION OF NEW ACCOUNTING STANDARDS (continued)**Adoption of HKAS 38**

Prior to the adoption of HKAS 38, the trading rights allocated on 6th March 2000, the effective day of the merger of The Stock Exchange of Hong Kong Limited, Hong Kong Futures Exchange Limited and Hong Kong Securities and Clearing Corporation Limited, were stated at nominal value of HK\$1 each. Trading rights subsequently acquired were stated at amortised cost less any provision for impairment in value, where appropriate. Amortisation was calculated on a straight line basis at an annual rate of 20%.

Upon the adoption of HKAS 38, trading rights are stated at cost upon initial recognition. Subsequently, they are carried at cost less any accumulated impairment losses. The accumulated amortisation of trading rights as at 1st January 2004 had been eliminated with a corresponding decrease in the cost of trading rights. Trading rights are tested annually for impairment.

Had HKAS 38 not been early adopted, amortisation charge for trading rights of HK\$342,000 would have been recorded for the year ended 31st December 2004.

Adoption of HKAS 36

The early adoption of HKS 36 does not have a material impact on the accounts of the Group.

2. 採納新會計準則之主要影響 (續)**採納香港會計準則第38號**

在未採納香港會計準則第38號前，於二零零零年三月六日，即香港聯合交易所有限公司、香港期貨交易所有限公司和香港交易及結算所有限公司合併之生效日，分派的交易權以每單位港幣1元的名義價值列賬。以後收購的交易權以成本減累計攤銷額及減值虧損撥備（如適用）列賬，並按直線法每年攤銷20%。

於採納香港會計準則第38號後，交易權以最初的成本列賬。隨後以成本減累計減值虧損撥備列賬。截至二零零四年一月一日止，交易權之累計攤銷會於成本中沖銷。交易權於日後每年進行一次減值評估。

如香港會計準則第38號未被提早採納，交易權攤銷額港幣342,000元將記入截至二零零四年十二月三十一日止之損益表上。

採納香港會計準則第36號

提前採納香港會計準則第36號對本集團之綜合帳目並無重大的影響。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

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3. PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of presentation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the HKICPA. They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, properties and investments in securities are stated at fair values.

Except for the three new HKFRSs mentioned above, the Group has not early adopted other new HKFRSs in the accounts for the year ended 31st December 2004. The Group has already commenced an assessment of the impact of other new HKFRSs but is not in a position to state whether these other new HKFRSs would have a significant impact on its results of operations and financial position.

(b) Group accounting*(i) Consolidation*

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

Subsidiaries are those entities in which the Company, directly or indirectly, controls the composition of the board of directors, controls more than half the voting power or holds more than half of the issued share capital.

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

3. 主要會計政策

編製此等賬目所採用之主要會計政策列載如下：

(a) 編製基準

本賬目乃按照香港公認會計原則及香港會計師公會頒佈之會計標準編製。賬目並依據歷史成本常規法編製，惟物業及證券投資乃按公平值列賬。

除以上所列之三項新香港財務報告準則外，本集團並無提早在截至二零零四年十二月三十一日止年度之賬目內採納其他新香港財務報告準則。本集團已開始評估其他未被提早採納之新香港財務報告準則對本集團之影響，惟尚未能定案該等新香港財務報告準則對本集團之業績及財務狀況會否有重大影響。

(b) 集團會計*(i) 綜合賬目*

綜合賬目包括本公司及各附屬公司截至十二月三十一日止之賬目。

附屬公司指本公司直接或間接控制董事會之組成、超過半數投票權或持有過半數發行股本之公司。

在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止列入綜合損益表內。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting (continued)

(i) Consolidation (continued)

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the subsidiary's net assets together with any goodwill or negative goodwill and which was not previously charged or recognised in the consolidated profit and loss account. In accordance with the provisions of HKFRS 3, goodwill previously eliminated against reserve will not be recognised in the profit and loss accounts when all or part of the business to which the goodwill relates is disposed.

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

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

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

(ii) Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

3. 主要會計政策 (續)

(b) 集團會計 (續)

(i) 綜合賬目 (續)

出售附屬公司之收益或虧損指出售所得之收入與集團應佔該公司資產淨值之差額及並未在綜合損益表內支銷或入賬之任何商譽或負商譽。根據香港財務報告準則第3號規定，當出售部份或全部業務時，如與該業務相關之商譽早前已在儲備沖銷，將不會入賬於損益表內。

所有集團內公司間之重大交易及結餘已於綜合賬目時對銷。

少數股東權益指外界股東在附屬公司之經營業績及淨資產中擁有之權益。

在本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損撥備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

(ii) 合營業務

合營業務指集團與其他人士以合約協議方式共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單方面之控制權。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting (continued)

(ii) Joint ventures (continued)

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

In the Company's balance sheet, the investment in jointly controlled entity is stated at cost less provision for impairment losses. The results of jointly controlled entity are accounted for by the Company on the basis of dividends received and receivable.

(iii) Associates

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

The consolidated profit and loss account includes the Group's share of the results of the associates for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associates and goodwill/negative goodwill (net of accumulated amortisation charge prior to 1st January 2004) on acquisition.

3. 主要會計政策 (續)

(b) 集團會計 (續)

(ii) 合營業務 (續)

綜合損益表包括集團應佔共同控制實體本年度業績，而綜合資產負債表則包括集團應佔合營企業之資產淨值及收購產生之商譽／負商譽（扣除累計攤銷）。

在本公司之資產負債表內，共同控制實體之投資以成本值減去減值虧損撥備入賬。本公司將共同控制實體之業績按已收及應收股息入賬。

(iii) 聯營公司

聯營公司為附屬公司或共同控制實體以外，集團持有其股權作長期投資，並對其管理具有重大影響力之公司。

綜合損益表包括集團應佔聯營公司之本年度業績，而綜合資產負債表則包括集團應佔聯營公司之資產淨值及收購產生之商譽／負商譽（扣除於二零零四年一月一日前產生之累計攤銷）。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting (continued)

(iii) Associates (continued)

The gain or loss on the disposal of an associate represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or negative goodwill and which was not previously charged or recognised in the consolidated profit and loss account. In accordance with the provisions of HKFRS 3, goodwill previously eliminated against reserve will not be recognised in the profit and loss accounts when all or part of the business to which the goodwill relates is disposed.

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

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

(iv) Translation of foreign currencies

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

3. 主要會計政策 (續)

(b) 集團會計 (續)

(iii) 聯營公司 (續)

出售聯營公司之收益或虧損指出售所得之收入與集團應佔該公司資產淨值之差額及並未在綜合損益表內支銷或入賬之任何商譽或負商譽。根據香港財務報告準則第3號規定，當出售部份或全部業務時，而與該業務相關之商譽早前已在儲備沖銷，將不會入賬於損益表內。

當聯營公司之投資賬面值已全數撇銷，便不再採用權益會計法，除非本集團就該聯營公司提供承擔或有擔保之承擔。

在本公司之資產負債表內，聯營公司之投資以成本值減去減值虧損撥備列賬。本公司將聯營公司之業績按已收及應收股息入賬。

(iv) 外幣換算

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

NOTES TO THE ACCOUNTS (continued)

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3. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting (continued)

(iv) Translation of foreign currencies (continued)

The balance sheet of subsidiaries, jointly controlled entity and associates expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss is translated at average rates. Exchange differences are dealt with as a movement in reserves.

(c) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary/joint venture/associate at the date of acquisition.

In accordance with the provisions of HKFRS 3, the Group ceased amortisation of goodwill from 1st January 2004; the accumulated amortisation as at 1st January 2004 has been eliminated against the cost of goodwill. Goodwill is tested annually for impairment. Goodwill previously eliminated against reserves will not be recognised in profit and loss accounts when all or part of the business to which the goodwill relates is disposed or when a cash-generating unit to which the goodwill relates becomes impaired.

3. 主要會計政策 (續)

(b) 集團會計 (續)

(iv) 外幣換算 (續)

附屬公司、共同控制實體及聯營公司以外幣顯示之資產負債表均按結算日之匯率折算，而損益表則按平均匯率折算。由此產生之匯兌盈虧作為儲備變動入賬。

(c) 無形資產

(i) 商譽

商譽指收購成本超出於收購日集團應佔所收購附屬公司／共同控制實體／聯營公司之淨資產之公平值。

根據香港財務報告準則第3號規定，本集團從二零零四年一月一日起已停止商譽攤銷，並把截至二零零四年一月一日止之累計攤銷額於商譽成本沖減。商譽需每年進行減值評估。當出售部份或全部業務時，如與該業務相關之商譽或當產生現金單位之商譽已被減值時，早前已在儲備沖銷之商譽，將無需入賬於損益表內。

NOTES TO THE ACCOUNTS (continued)

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3. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Intangible assets (continued)

(i) Goodwill (continued)

The new accounting policy for goodwill has been applied prospectively as at 1st January 2004. Prior to the adoption of HKFRS 3, goodwill on acquisitions occurring on or after 1st January 2001 was included in intangible assets and carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill was amortised using the straight-line method over its estimated useful life of 10 years. Goodwill on acquisitions that occurred prior to 1st January 2001 was eliminated against reserves and any impairment arising on such goodwill would have been accounted for in the consolidated profit and loss account.

(ii) Trading rights

Trading rights are stated at cost upon initial recognition. Prior to 1st January 2004, they were carried at cost less any accumulated impairment losses, and amortised on a straight-line basis over their estimated useful lives. With the adoption of HKAS 38 as at 1st January 2004, trading rights are deemed to have indefinite lives and are not amortised but are tested for impairment annually.

3. 主要會計政策 (續)

(c) 無形資產 (續)

(i) 商譽 (續)

新的商譽會計準則會於二零零四年一月一日起被採納。未採納香港財務報告準則第3號前，於二零零一年一月一日或以後產生之收購商譽計入無形資產，其賬面值是按成本減累計攤銷額及累計減值損失計算，並於其估計可用之10年期內以直線法攤銷。於二零零一年一月一日前產生之收購商譽已於儲備中對銷。若該商譽有耗蝕，所產生之任何減值均記入綜合損益表。

(ii) 交易權

交易權以最初的成本列賬。於二零零四年一月一日前，交易權以成本減累計減值虧損撥備列賬，並以估計的可用年期按直線法攤銷。於二零零四年一月一日採納香港會計準則第38號後，交易權被認為有無限的使用期而無需攤銷，但每年需進行減值評估。

NOTES TO THE ACCOUNTS (continued)

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截至二零零四年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Fixed assets

(i) Investment properties

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

Investment properties are valued every year by an independent valuer. The valuations are on an open market value basis related to individual properties and values are not separately attributed to land and buildings. The valuations are incorporated in the accounts. Increases in valuation are credited to the asset revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to the profit and loss account. Any subsequent increases are credited to the profit and loss account up to the amount previously debited.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the asset revaluation reserve to the profit and loss account.

3. 主要會計政策 (續)

(d) 固定資產

(i) 投資物業

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

投資物業每年皆由獨立估值師每年估值一次。估值是以個別物業之公開市值為計算基準，而土地及房產並不分開估值。估值會計入賬目內。重估之增值撥入資產重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從損益表中扣除。其後任何增值將撥入損益表，惟最高以先前扣減之金額為限。

在出售投資物業時，重估儲備中與先前估值有關之已變現部分，將從資產重估儲備轉撥至損益表。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Fixed assets (continued)

(ii) Other properties

Other properties are interests in leasehold land and buildings other than investment properties and are valued every year by an independent valuer. The valuations are on an open market basis related to individual properties and values are not separately attributed to land and buildings. Increases in valuation are credited to the asset revaluation reserve. Decreases in valuation are first offset against increases on earlier valuations in respect of the same property and are thereafter debited to the profit and loss account. Any subsequent increases are credited to the profit and loss account up to the amount previously debited.

(iii) Other fixed assets

Other fixed assets, comprising leasehold improvements, furniture, fixtures, equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

(iv) Depreciation

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

3. 主要會計政策 (續)

(d) 固定資產 (續)

(ii) 其他物業

其他物業指除投資物業外，在土地及房產中所佔之權益，並由獨立估值師每年估值一次。估值是以個別物業之公開市值為計算基準，而土地及房產並不分開估值。重估之增值撥入資產重估儲備，減值則首先與同一物業早前之增值對銷，然後在損益表中扣除。其後任何增值將撥入損益表中，惟最高以早前扣減之金額為限。

(iii) 其他固定資產

其他固定資產（即租賃物業裝修、傢俬、裝置、設備及汽車）以成本值減累積折舊及累積減值虧損列賬。

(iv) 折舊

租約尚餘20年或以下年期之投資物業均按租約尚餘年期折舊。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Fixed assets (continued)

(iv) Depreciation (continued)

Leasehold land and buildings of other properties is depreciated over the period of the lease while other fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold land and buildings	Over the shorter of the term of the lease, or 50 years
Leasehold improvements	20%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their estimated useful lives to the Group.

3. 主要會計政策 (續)

(d) 固定資產 (續)

(iv) 折舊 (續)

其他物業之租約土地及房產按租約年期折舊，其他固定資產則以直線法於其估計可用年限內將其成本值減累積減值虧損撇銷。主要之折舊年率如下：

租賃土地及房產	以租約年期或五十年較短者計算
租賃物業裝修	20%
傢具、裝置及設備	20%
汽車	20%

將固定資產回復至正常營運狀況所用之開支，於損益表列賬，而改良固定資產之開支則會資本化，並按其對本集團之估計可使用年期折舊。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Fixed assets (continued)

(v) Impairment and gain or loss on sale

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

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

(e) Operating leases

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

3. 主要會計政策 (續)

(d) 固定資產 (續)

(v) 減值與出售盈虧

在每年結算日，集團皆透過內部及外界所獲得的資訊，評核固定資產有否耗蝕。如有跡象顯示該等資產出現耗蝕，則估算其可收回價值，及在合適情況下將減值虧損列入損益表以將資產減至其可收回價值。此等減值虧損在損益表入賬，但假若某資產乃按估值列賬，而減值虧損不超過該資產之重估盈餘，此等虧損則當作重估減值。

出售固定資產除投資物業之收益或虧損乃出售所得收入淨額與資產賬面值之差額列入損益表內。任何屬於被出售的資產之重估儲備結餘均轉撥至保留盈利，並列作儲備變動。

(e) 經營租賃

經營租賃是指擁有資產之風險及回報實質上由出租者保留之租賃。租賃款額在扣除自出租者收取之任何獎勵金後，於租賃期內以直線法在損益表中支銷。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Investments in securities

(i) Non-trading securities

Investments which are held for non-trading purpose are stated at fair value at the balance sheet date. Fair value represents the quoted market price for securities that are actively traded in a liquid market. For securities which are not actively traded or are unlisted, fair value is estimated by way of various pricing techniques including discounted cash flow and dividend yield analysis.

Changes in fair value of non-trading securities are recognised in the investment revaluation reserve until the security is sold, or is determined to be impaired, at which time the cumulative gain or loss representing the difference between the net sales proceeds/net recoverable amount and the carrying amount of the relevant security, together with any surplus/deficit transferred from the investment revaluation reserve, is dealt with in the profit and loss account.

(ii) Trading securities

Trading securities are carried at fair value. At each balance sheet date, the net unrealised gain or loss arising from the changes in fair value of trading securities are recognised in the profit and loss account as they arise. Gain or loss on disposal of trading securities, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

3. 主要會計政策 (續)

(f) 證券投資

(i) 非交易證券

持作非交易用途之投資按結算日之公平值入賬。對於在市場中活躍交易的證券，公平值為市場報價。對無活躍交易市場或非上市的證券，公平值根據各種定價方法確定，包括貼現法和股息收益分析法。

非交易證券公平價值之變動在投資重估儲備中列賬，直至有關證券售出或確定已耗蝕為止。出售證券之累計收益或虧損代表出售所得款項淨額／可回收淨額與有關證券賬面值之差額，連同轉撥自投資重估儲備之任何盈餘／虧損，在損益表處理。

(ii) 交易證券

交易證券按公平值列賬。在每次結算日，交易證券之公平值變動而引致之未變現盈虧淨額均在損益表記賬。出售交易證券之盈利或虧損指出售所得款項淨額與賬面值之差額，並在產生時於損益表記賬。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Accounts receivable

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

(h) Cash and cash equivalents

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

(i) Provisions

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

(j) Employee benefits

(i) Employee leave entitlements

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

Employee entitlements to annual leave, sick leave and maternity leave are recognised when the absences occur.

3. 主要會計政策 (續)

(g) 應收賬款

凡被視為呆賬之應收賬款，均提撥準備。在資產負債表內列賬之應收賬款已扣除有關之準備金。

(h) 現金及現金等價物

現金及現金等價物按成本在資產負債表內列賬。在現金流量表中，現金及現金等價物包括庫存現金、銀行通知存款、現金投資及定期存款由投資日起相等或少於三個月到期的可變現投資及銀行透支。

(i) 撥備

當集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。當集團預計撥備款可獲償付，則將償付款確認為一項獨立資產，惟只能在償付款可實質地確定時確認。

(j) 僱員福利

(i) 僱員應享假期

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

僱員之年假、病假及產假不作確認，直至僱員正式休假為止。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Employee benefits (continued)

(ii) Bonus plans

The expected cost of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iii) Pension obligations

The Group offers a mandatory provident fund scheme and defined contribution schemes, the assets of which are held in separate trustee – administered funds. These pension schemes are funded by payments from employees and by the Group.

The Group's contributions to the mandatory provident fund scheme and the defined contribution schemes are expensed as incurred. Contributions to the defined contribution schemes forfeited in respect of those employees who leave the scheme prior to vesting fully in the contributions is recognised as other income in the profit and loss account.

3. 主要會計政策 (續)

(j) 僱員福利 (續)

(ii) 獎金計劃

當本集團因為僱員已提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，則將獎金計劃之預計成本確認為負債入賬。

獎金計劃之負債預期須在十二個月內償付，並根據在償付時預期會支付之金額計算。

(iii) 退休金責任

本集團提供強積金及界定供款計劃，其資產由不同的信託基金管理。退休金計劃由集團與員工共同供款。

本集團向強積金及界定供款計劃作出之供款在發生時作為費用支銷，而員工在全數取得既得之利益前退出界定供款計劃而被沒收之僱主供款則會在損益表內確認為其他收入。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Employee benefits (continued)

(iv) Share options

The Group operates share option schemes where directors or employees are granted with options to acquire shares of the Company at specified exercised price. No compensation cost is recognised in the profit and loss account.

(k) Trust accounts

Trust accounts maintained by the company to hold clients' monies are treated as off balance sheet items and disclosed in the notes to the accounts.

(l) Deferred taxation

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

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

Deferred income taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

3. 主要會計政策 (續)

(j) 僱員福利 (續)

(iv) 認股權

本集團設有數個認股權計劃向董事及僱員授予認股權以讓其以特定行使價購買本公司之股份，補償成本不會在損益表確認。

(k) 信託賬戶

本集團在信託賬戶中保管之客戶款項列作為資產負債表外項目在賬目附註中披露。

(l) 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在賬目之賬面值兩者之短暫時差作全數撥備。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項乃就附屬公司、聯營公司及合營企業之短暫時差而撥備，但假若可控制時差之回撥，並有可能在可預見未來不會回撥則除外。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Contingent liabilities and contingent assets

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

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

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

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

(n) Turnover

Turnover represents the aggregate of investment returns from trading securities, interest income, dividend income, rental income, brokerage commission and service income.

3. 主要會計政策 (續)

(m) 或然負債及或然資產

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

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

或然資產指因已發生的事件而可能產生之資產，此等資產需就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。

或然資產不會被確認，但會於可能收到經濟效益時在賬目附註中披露。若實質確定有收到經濟效益時，此等效益才被確立為資產。

(n) 營業額

營業額包括累計交易證券之投資回報、利息收入、股息收入、租金收入、經紀佣金及服務收入。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(o) Revenue recognition

Brokerage commission and realised gains and losses from disposal of trading and non-trading securities are recognised in the profit and loss account on a trade date basis when the relevant transactions are executed.

Unrealised gains and losses on trading securities are recognised in the profit and loss account on any change in fair values of trading securities.

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

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

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

Service income is recognised when the related service is provided.

(p) Borrowing costs

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

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

3. 主要會計政策 (續)

(o) 收益確認

經紀佣金及出售交易證券與非交易證券產生之已實現盈利和虧損，於有關交易執行時，按交易日基準於損益表內確認。

買賣證券產生之未實現盈利和虧損於交易證券之公平值變動時於損益表內確認。

利息收入依據未償還本金額及適用利率按時間比例確認。

股息收入在收取股息之權利確定時確認。

經營租賃之租金收入按直線法確認。

服務收入在提供相關服務時確認。

(p) 借貸成本

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

所有其他借貸成本均於發生年度內在損益賬支銷。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(q) Segment reporting

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

Unallocated costs represent corporate expenses. Segment assets consist primarily of intangible assets except goodwill arising on investment in associates, fixed assets, investments in securities, receivables and operating cash and exclude item such as deferred tax assets, investment on associates and jointly controlled entity. Segment liabilities comprise operating liabilities and exclude items such as provision for taxation and certain corporate borrowings. Capital expenditure comprises additions to intangible assets and fixed assets, including additions resulting from acquisitions through purchases of subsidiaries. In respect of geographical segment reporting, revenues are based on the country in which the operating activities are carried out. Segment assets and capital expenditure are based on where the assets are located.

3. 主要會計政策 (續)

(q) 分項報告

按照本集團之內部財務報告，本集團已決定將業務分項資料作為主要分項報告，而地區分佈資料則作為從屬形式呈列。

未分配成本指集團整體性開支。分項資產主要包括無形資產（除因聯營公司投資產生之商譽）、固定資產、證券之投資、應收款項及經營現金，而不包括例如遞延稅項資產、聯營公司及共同控制實體權益之投資。分項負債指經營負債，而不包括例如稅項準備及若干集團整體性之借款等項目。資本性開支包括購入無形資產及固定資產的費用，當中包括因收購附屬公司而添置之資產。至於地區分項報告，銷售額乃按照營業活動所在的國家計算。分項資產及資本性開支按資產所在地計算。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. PRINCIPAL ACCOUNTING POLICIES (continued)

(r) Derivative financial instruments

Derivative financial instruments arise from swaps, options and futures contracts transactions undertaken by the Group in the equity markets for trading purposes.

Transactions undertaken for trading purposes are marked to fair value. For exchange traded contracts, fair value is based on quoted market prices. For non-exchange traded contracts, fair value is based on dealer quotes, pricing models or quoted prices for instruments with similar characteristics. The gain or loss arising from change in fair value is recognised in the profit and loss account.

Fair value assets/liabilities arising from marking to fair value trading equity derivatives are included in "Debtors, deposits and prepayments" and "Creditors, deposits received and accrued charges" respectively.

Assets and liabilities arising from derivatives transactions are netted off only when the Group has entered into master netting agreements or other legally enforceable arrangements, which assures beyond doubts, the Group's right to insist on settlement with the same counterparty on a net basis in all situations of default by the other party or parties including insolvency of any parties to the contract.

Derivative transactions are not offset unless the related settlement currencies are the same, or are denominated in freely convertible currencies for which quoted exchange rates are available in an active market.

3. 主要會計政策 (續)

(r) 衍生金融工具

衍生金融工具乃來自本集團為買賣而在股票市場進行之掉期、期權及期貨交易合約。

用作買賣而進行之交易均以公平價值列賬。交易所掛牌買賣之合約之公平價值按市場報價釐定。非交易所掛牌買賣之合約之公平價值按交易員之報價、定價模型或具相似性質金融工具之報價釐定。因公平價值變動而產生之盈虧列入損益表內。

因按市值列賬之交易股票衍生工具而產生之公平值資產／負債分別列賬於「應收賬款、按金及預付款」及「應付賬款、已收按金及預提費用」。

若集團訂立了淨額結算總協議或其他具有法律約束力之協議，而該等協議能毫無疑問地令集團在其他個別或多個交易對手因任何原因而不能履行付款責任，包括合約內任何一方破產時具有堅持以淨額與同一交易對手進行結算之權力，則衍生交易產生之資產及負債才可以用淨值列賬。

除非結算用之貨幣相同，或屬可於活躍市場取得報價之可自由兌換貨幣，衍生交易才能對銷。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

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 AND OTHER REVENUES

The Company is an investment holding company and, through its subsidiaries and associates, is principally engaged in investment holding and provision of financial services. Turnover and other revenues recognised during the year are as follows:

4. 營業額和其他收入

本公司為投資控股公司，並透過其附屬公司及聯營公司，從事投資控股及提供金融服務。本年度列賬之營業額與其他收益如下：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Turnover	營業額		
Net realised gain on disposal of trading investments	出售交易投資之實現淨收益		
– trading securities	– 交易證券	29,215	48,027
– equity derivatives	– 股票衍生工具	1,133	6,119
Net unrealised gain on trading investments	交易投資之未實現淨收益		
– trading securities	– 交易證券	22,553	56,275
– equity derivatives	– 股票衍生工具	–	4,381
Interest income	利息收入		
– bank deposits	– 銀行存款	10,966	3,144
– advances to customers	– 客戶借款	22,081	14,116
– others	– 其他	3,302	7,797
Dividend income	股息收入		
– listed investments	– 上市投資	36,599	52,062
– unlisted investments	– 非上市投資	1,381	490
Gross rental income from investment properties	來自投資物業租金總收入	1,414	1,659
Brokerage commission and service income	經紀佣金與服務收入	95,308	112,630
		223,952	306,700
Other revenues	其他收入		
Net gain on disposal of non-trading securities	出售非交易證券之淨收益	203,924	70,933
Recovery of doubtful debts previously written off	回撥以前年度呆賬準備	91	130
Gain on disposal of a jointly controlled entity	出售共同控制實體權益溢利	1,806	–
Gain on disposal of fixed assets	出售固定資產收益	378	1,872
Compensation from legal claim	訴訟賠償	–	2,241
Increase in valuation of properties which have previously been written down and charged to the profit and loss account	之前曾在損益表支銷減值之房產的增值	57,428	–
Others	其他	4,027	107
		267,654	75,283
Total revenues	總收入	491,606	381,983

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. OPERATING PROFIT

Operating profit is stated after charging the following:

Exchange loss, net	匯兌虧損·淨額
Depreciation on owned assets	自置固定資產折舊
Revaluation deficit on fixed assets	重估固定資產減值
Amortisation of goodwill	商譽攤銷
Amortisation of trading rights	交易權攤銷
Operating lease rentals in respect of rented premises	土地及房產經營租賃租金
Operating lease rentals in respect of rented equipment	機器設備經營租賃租金
Auditors' remuneration	核數師酬金
Provision and write-off of bad and doubtful debts	呆壞賬準備及撇除

6. FINANCE COSTS

Interest expenses on bank loans	銀行貸款之利息
Interest expenses to ultimate holding company (note 26(a))	最終控股公司貸款利息 (附註26(a))

5. 經營盈利

經營盈利已扣除下列項目：

2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
554	20
4,817	4,739
-	4,759
-	13,200
-	250
2,811	2,925
22	107
1,160	1,160
-	10,363

6. 財務費用

2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
2,170	1,002
5,755	6,021
7,925	7,023

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

7. STAFF COSTS

Salaries and allowances	薪酬工資及津貼
Staff welfare and insurance	員工福利及保險
Staff training and recruitment	員工培訓及招聘
Pension costs – mandatory provident fund and defined contribution plans	退休成本－強積金及界定供款計劃

7. 員工費用

2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
65,554	54,697
2,552	2,866
758	381
1,195	1,030
70,059	58,974

Staff costs include directors' remuneration (note 8).

員工費用包括董事酬金(附註8)。

8. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

(a) Directors' emoluments

Details of directors' emoluments pursuant to Section 161 of the Hong Kong Companies Ordinance are set out below:

8. 董事及最高酬金之五名人員的酬金

(a) 董事酬金

依照香港公司條例第161條之董事酬金詳列如下:

	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Fees for executive directors	執行董事袍金	800
Fees for non-executive directors	非執行董事袍金	387
Other emoluments for executive directors	執行董事之其他酬金	
– Basic salaries and allowances	– 基本薪金及津貼	4,740
– Bonus	– 花紅	4,288
	790	
	400	
	4,960	
	6,100	
	12,250	10,215

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

8. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

The emoluments of the directors analysed by the number of directors and emolument ranges were as follows:

Executive directors	執行董事
- HK\$Nil to HK\$1,000,000	- 港幣零元至港幣1,000,000元
- HK\$1,000,001 to HK\$1,500,000	- 港幣1,000,001元至港幣1,500,000元
- HK\$1,500,001 to HK\$2,000,000	- 港幣1,500,001元至港幣2,000,000元
- HK\$2,000,001 to HK\$2,500,000	- 港幣2,000,001元至港幣2,500,000元
- HK\$2,500,001 to HK\$3,000,000	- 港幣2,500,001元至港幣3,000,000元
- HK\$3,500,001 to HK\$4,000,000	- 港幣3,500,001元至港幣4,000,000元
	4 2 1 1 - 1
	<hr/> 9 <hr/>
Non-executive directors	非執行董事
- HK\$Nil to HK\$1,000,000	- 港幣零元至港幣1,000,000元
	3
	<hr/> 3 <hr/>

No directors waived the right to receive emoluments during the year.

The above analysis has taken into account the aggregate benefits realised by the directors on the exercise of share options if any.

Benefits in kind include the difference between the market price of the Company's shares upon exercise of share options and the exercise price of share options granted to the directors and employees. During 2003 and 2004, no options were exercised by directors. Details of options granted and exercised by employees during the year are described in note 25 to the accounts.

8. 董事及最高酬金之五名人員的酬金 (續)

(a) 董事酬金 (續)

按董事人數及酬金金額分析之董事酬金詳情如下：

Number of directors	
董事人數	
2004	2003
二零零四年	二零零三年
	4
	-
	1
	2
	1
	-
	1
	-
	<hr/> 8 <hr/>
	<hr/> 3 <hr/>

於本年度，各董事均無免收酬金。

上述分析也考慮了董事們行使認股權所實現的利潤合計數 (如有)。

實物利益包括發放給董事或僱員的認股權行使價和於認股權行使當日公司股票市價的差額。於二零零三年及二零零四年，董事並未行使任何認股權。關於本年度授出及行使認股權的詳情請參見賬目附註25。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

8. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (continued)

(b) Five highest paid individuals' emoluments

Basic salaries and allowances	基本薪金及津貼
Bonus	花紅

Number of directors	董事人數
Number of employees	僱員人數

Their emoluments were within the following bands:

HK\$1,500,001 to HK\$2,000,000	港幣1,500,001元至港幣2,000,000元
HK\$2,000,001 to HK\$2,500,000	港幣2,000,001元至港幣2,500,000元
HK\$2,500,001 to HK\$3,000,000	港幣2,500,001元至港幣3,000,000元
HK\$3,000,001 to HK\$3,500,000	港幣3,000,001元至港幣3,500,000元

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

8. 董事及最高酬金之五名人員的酬金 (續)

(b) 最高酬金之五名人員

2004	2003
二零零四年	二零零三年
HK\$'000	HK\$'000
港幣千元	港幣千元

7,097	6,381
5,680	6,078
12,777	12,459

2004	2003
二零零四年	二零零三年

3	3
2	2
5	5

支付酬金組別如下:

Number of individual	
人數	
2004	2003
二零零四年	二零零三年
2	-
1	3
1	2
1	-
5	5

於本年度，最高酬金的五名人士（包括董事及僱員）所取得的酬金並不包括吸引其加入公司的高薪或對離職損失的賠償。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

9. TAXATION

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated profit and loss account represents:

9. 稅項

香港利得稅已根據估計應課稅之溢利按稅率17.5%(二零零三年:17.5%)作出準備。海外盈利之稅款,則按照本年度估計應課稅盈利依集團經營業務地區之現行稅率計算。

在綜合損益表之稅項費用如下:

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Company and subsidiaries	公司及附屬公司		
Current taxation	本年準備		
– Hong Kong profits tax	– 香港利得稅	5,215	20,456
– Overseas taxation	– 海外稅項	413	–
– Under/(over)provision in respect of prior years	– 往年不足(多計提)之準備數	3,312	(218)
Deferred taxation	遞延稅項		
– Deferred taxation relating to the origination and reversal of temporary differences	– 遞延稅項暫時差異的產生及回撥	2,446	(2,805)
– Deferred taxation credit resulting from an increase in tax rate	– 遞延稅項稅率增加產生的收益	–	(684)
		<u>11,386</u>	<u>16,749</u>
Share of taxation attributable to associates	應佔聯營公司之稅項		
– Current taxation	– 本年稅項	–	6,944
– Deferred taxation	– 遞延稅項	2,093	73,203
		<u>2,093</u>	<u>80,147</u>
Taxation charge	稅項費用	<u>13,479</u>	<u>96,896</u>

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

9. TAXATION (continued)

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

9. 稅項 (續)

本集團除稅前(虧損)/盈利之稅項，與按香港利得稅率計算的理論稅額之差異如下：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Profit before taxation prior to share of (losses)/profits less losses of associates	應佔聯營公司(虧損)/盈利減虧損前之稅前盈利	235,143	82,612
Calculated at a taxation rate of 17.5% (2003: 17.5%)	按稅率17.5% (二零零三年: 17.5%)		
	計算之稅項	41,150	14,457
Income not subject to taxation	無須課稅之收入	(60,673)	(22,605)
Expenses not deductible for taxation purposes	不可扣稅之支出	21,490	35,619
Utilisation of previously unrecognised tax losses	使用以前未有確認之稅損	(96)	(760)
Recognition of previously unrecognised tax losses	確認以前年度未有確認之稅損	-	(13,051)
Tax effect of tax losses and other deductible temporary differences not recognised	未確認之稅損及其他未確認之可扣減暫時差異的稅務影響	5,404	6,558
Under/(over) provision in respect of prior years	往年不足(多計提)之準備數	3,312	(218)
Increase in opening net deferred tax assets resulting from an increase in tax rate	稅率提高產生之期初遞延稅項資產淨額的增加	-	(684)
Effect of different tax rates of overseas subsidiaries	海外附屬公司稅率差異	799	(2,567)
		11,386	16,749
Share of taxation attributable to associates	應佔聯營公司之稅項	2,093	80,147
Taxation charge	稅項費用	13,479	96,896

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

10. (LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Net loss for the year of approximately HK\$4,450,155,000 (2003: net profit of approximately HK\$34,336,000) has been dealt with in the accounts of the Company.

11. DIVIDENDS

Dividend declared before the balance sheets date	於結算日前公佈股息
– Interim dividend, of HK\$0.015 (2003: HK\$0.01) per ordinary share	– 中期股息： 每股港幣1.5仙 (二零零三年： 港幣1仙)
Dividend proposed after the balance sheets date	於結算日後建議之股息
– Final dividend, of HK\$Nil (2003: HK\$0.033) per ordinary share	– 末期股息： 每股港幣零仙 (二零零三年： 港幣3.3仙)

The directors do not propose any final dividends for the year ended 31st December 2004.

12. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share for the year is based on the loss attributable to shareholders of approximately HK\$215,192,000 (2003: profit attributable to shareholders of approximately HK\$223,713,000) divided by the weighted average number of ordinary shares outstanding during the year of 1,563,525,234 shares (2003: 1,563,350,712 shares).

10. 股東應佔(虧損)/盈利

於本公司賬上之淨虧損約為港幣4,450,155,000元(二零零三年:約港幣34,336,000元之淨利潤)。

11. 股息

2004	2003
二零零四年	二零零三年
HK\$'000	HK\$'000
港幣千元	港幣千元

23,453

15,634

–

51,591

23,453**67,225**

截至二零零四年十二月三十一日止年度，董事們不建議派發末期股息。

12. 每股(虧損)/盈利

每股基本(虧損)/盈利按股東應佔虧損約港幣215,192,000元(二零零三年:盈利約港幣223,713,000元)及本年內已發行股份之加權平均股數1,563,525,234股(二零零三年:1,563,350,712股)計算。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. (LOSS)/EARNINGS PER SHARE (continued)

The diluted loss per share for the year ended 31st December 2004 is the same as the basic loss per share, as all potential ordinary shares are anti-dilutive.

The calculation of diluted earnings per share for the year ended 31st December 2003 is based on the profit for the year attributable to shareholders after adjusting for the number of dilutive potential ordinary shares under the share option schemes.

Reconciliation of the number of ordinary shares for calculation of basic and diluted (loss)/earnings per share:

12. 每股(虧損)/盈利(續)

截至二零零四年十二月三十一日止年度的每股攤薄虧損與每股基本虧損相同，因所有潛在的普通股均具反攤薄影響。

截至二零零三年十二月三十一日止年度的每股攤薄盈利按調整後股東應佔淨盈利及經調整行使購股權而產生有潛在攤薄性股份之加權平均股數計算。

每股基本及攤薄後(虧損)/盈利乃根據下列數據計算：

		2004 二零零四年	2003 二零零三年
Computation of adjusted weighted average number of shares	調整後加權平均股數的計算		
Weighted average number of shares in issue during the year	本年內已發行股份之加權平均股數	1,563,525,234	1,563,350,712
Number of shares that would have been issued if the outstanding share options were exercised during the year	假設年內未行使之認股權被行使而發行之新股份	Not applicable 不適用	2,040,621
Adjusted weighted average number of shares	調整後加權平均股數	1,563,525,234	1,565,391,333

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

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. FIXED ASSETS

13. 固定資產

		Consolidated 綜合				
		Leasehold land and buildings 租賃土地 及房產 HK\$'000 港幣千元	Investment properties 投資物業 HK\$'000 港幣千元	Leasehold improve- ments 租賃物業 裝修 HK\$'000 港幣千元	Furniture, fixtures, equipment and motor vehicles 傢具、裝置、 設備及汽車 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Cost or valuation	成本或估值					
Beginning of year	年初餘額	65,430	28,745	9,738	36,886	140,799
Additions	添置	-	-	1,157	3,451	4,608
Disposal	出售	(5,129)	(6,417)	-	(2,239)	(13,785)
Surplus on revaluation	重估增值	43,345	12,767	-	-	56,112
		<u>103,646</u>	<u>35,095</u>	<u>10,895</u>	<u>38,098</u>	<u>187,734</u>
End of year	年末餘額	103,646	35,095	10,895	38,098	187,734
The analysis of cost or valuation is as follows:	成本或估值 分析如下:					
At cost	成本	-	-	10,895	38,098	48,993
At professional valuation	專業估值	103,646	35,095	-	-	138,741
		<u>103,646</u>	<u>35,095</u>	<u>10,895</u>	<u>38,098</u>	<u>187,734</u>
Accumulated depreciation and impairment	累積折舊及減值					
Beginning of year	年初餘額	-	-	8,349	31,467	39,816
Charge for the year	本年度計提	1,454	-	677	2,686	4,817
Write-back on disposal	出售時回撥	(17)	-	-	(2,239)	(2,256)
Write-back on revaluation	重估時回撥	(1,437)	-	-	-	(1,437)
		<u>-</u>	<u>-</u>	<u>9,026</u>	<u>31,914</u>	<u>40,940</u>
End of year	年末餘額	-	-	9,026	31,914	40,940
Net book value	賬面淨值					
End of year	年末餘額	<u>103,646</u>	<u>35,095</u>	<u>1,869</u>	<u>6,184</u>	<u>146,794</u>
Beginning of year	年初餘額	<u>65,430</u>	<u>28,745</u>	<u>1,389</u>	<u>5,419</u>	<u>100,983</u>

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

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. FIXED ASSETS (continued)

13. 固定資產(續)

		Company 公司				
		Furniture, fixtures and equipment			Motor vehicles	Total 合計
		Leasehold Improvement 租賃物業裝修	傢具、裝置 及設備	汽車		
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
Cost	成本					
Beginning and end of year	年初及年末餘額	–	1,843	884	2,727	
Additions	添置	95	169	1,348	1,612	
End of year	年末結餘	95	2,012	2,232	4,339	
Accumulated depreciation	累積折舊					
Beginning of year	年初餘額	–	1,843	884	2,727	
Charge for the year	本年度計提	11	18	22	51	
End of year	年末餘額	11	1,861	906	2,778	
Net book value	賬面淨值					
End of year	年末餘額	84	151	1,326	1,561	
Beginning of year	年初餘額	–	–	–	–	

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

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. FIXED ASSETS (continued)

The analysis of net book value of leasehold land and buildings and investment properties is as follows:

13. 固定資產(續)

租賃土地及房產與投資物業的賬面淨值分析如下:

		Consolidated 綜合			
		Leasehold land and buildings 租賃土地及房產		Investment properties 投資物業	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Held in Hong Kong	於香港的土地及房產				
– on long lease (over 50 years)	– 以長期租約持有 (超過五十年)	82,617	42,413	10,883	5,586
– on medium lease (10 to 50 years)	– 以中期租約持有 (十至五十年)	9,800	6,780	24,212	16,742
Held outside Hong Kong	於香港以外的土地及房產				
– on long lease (over 50 years)	– 以長期租約持有 (超過五十年)	924	16,237	–	6,417
– on medium lease (10 to 50 years)	– 以中期租約持有 (十至五十年)	10,305	–	–	–
		103,646	65,430	35,095	28,745

The Group's leasehold land and buildings and investment properties at 31st December 2004 were appraised by Messrs. S.H. Ng & Co. Limited, an independent professional valuer in Hong Kong and Mainland China. These properties were appraised on an open market basis and are carried in the balance sheet at market value.

As at year end, had the leasehold land and buildings been carried at cost less accumulated depreciation and impairment losses, their carrying amount would have been approximately HK\$103,133,000 (2003: approximately HK\$65,430,000).

本集團於香港及中國大陸之租賃土地及房產與投資物業由香港的獨立專業評估師S.H. Ng & Co. Ltd.按二零零四年十二月三十一日之價值重估。這些物業均以公開市值重估並以市價入賬。

於年末，財務報告書之租賃土地及房產的價值若按購入成本減累積折舊及累計減值虧損列賬，則其賬面值應約港幣103,133,000元(二零零三年：約港幣65,430,000元)。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. FIXED ASSETS (continued)

Investment properties of approximately HK\$33,353,000 (2003: HK\$20,587,000) of the Group are rented out under operating leases, of which approximately HK\$10,883,000 (2003: HK\$5,587,000) are rented to an associate and approximately HK\$5,000,000 (2003: HK\$3,200,000) are rented to the ultimate holding company.

14. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES

(a) Investments in subsidiaries

Investments, at cost	投資·按成本值:
Unlisted shares	非上市股份
Less: provision for impairment in value	減:投資減值撥備

The directors are of the opinion that the underlying value of the subsidiaries is not less than their carrying value at 31st December 2004.

13. 固定資產 (續)

本集團價值約港幣33,353,000元(二零零三年:約港幣20,587,000元)之投資物業已根據經營租約租出,其中約港幣10,883,000元(二零零三年:約港幣5,587,000元)已出租與一間聯營公司及約港幣5,000,000元(二零零三年:約港幣3,200,000元)已出租與最終控股公司。

14. 附屬公司投資及與附屬公司的往來賬款

(a) 附屬公司投資

2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
1,523,120	1,523,120
<u>(2,000)</u>	<u>(2,000)</u>
<u>1,521,120</u>	<u>1,521,120</u>

董事們認為附屬公司的價值並不低於其二零零四年十二月三十一日的賬面價值。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

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. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES (continued)

(a) Investments in subsidiaries (continued)

As at 31st December 2004, particulars of the principal subsidiaries of the Company are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation and kind of legal entity 註冊/經營地點 及法定地位	Class of shares 股份類別	Particulars of issued share capital 已發行 股本面值	Percentage of equity interest held 本公司 所佔資本 權益百分比	Principal activities 主要業務
CEL Venture Capital (Shenzhen) Limited 光大控股創業投資(深圳) 有限公司	The PRC, wholly foreign owned enterprise 中國·外資獨資企業	Not applicable 不適用	HK\$50,000,000 港幣50,000,000元	100%	Provision of investment advisory services and investment holding 提供投資顧問服務及 投資控股
CEL Management Services Limited 光大控股管理服務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100%	Provision of management services 提供管理服務
CEL (Secretaries) Limited 光大控股(秘書)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100%	Provision of secretarial services 提供秘書服務
China Everbright Assets Management Limited 中國光大資產管理有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000,000 港幣1,000,000元	100% ¹	Investment 投資
China Everbright Capital Limited 中國光大融資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$100,000 港幣100,000元	100% ¹	Provision of corporate finance and investment advisory services 提供企業融資及 投資顧問服務
China Everbright Finance Limited 中國光大財務有限公司	Hong Kong 香港	Ordinary 普通股	HK\$100,000,000 港幣100,000,000元	100% ¹	Money lending 放款業務

14. 附屬公司投資及與附屬公司的往來賬款(續)

(a) 附屬公司投資(續)

本公司於二零零四年十二月三十一日擁有下列主要附屬公司：

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

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. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES (continued)

14. 附屬公司投資及與附屬公司的往來賬款(續)

(a) Investments in subsidiaries (continued)

(a) 附屬公司投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation and kind of legal entity 註冊/經營地點 及法定地位	Class of shares 股份類別	Particulars of issued share capital 已發行 股本面值	Percentage of equity interest held 本公司 所佔資本 權益百分比	Principal activities 主要業務
China Everbright Financial Holdings Limited 中國光大金融控股有限公司	Hong Kong 香港	Ordinary 普通股	HK\$100 港幣100元	100% ¹	Investment holding 投資控股
		Non-voting deferred shares 無投票權遞延股份	HK\$200,000,000 港幣200,000,000元		
China Everbright Financial Investments Limited 中國光大財務投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100% ¹	Investment 投資
China Everbright Forex Limited 中國光大外匯有限公司	Hong Kong 香港	Ordinary 普通股	HK\$38,000,000 港幣38,000,000元	100% ¹	Provision of leveraged foreign exchange trading services 提供槓桿式外匯交易 服務
China Everbright Forex & Futures (HK) Limited (previously known as China Everbright Futures Limited) 中國光大外匯、期貨(香港)有限公司(前稱「中國光大期貨有限公司」)	Hong Kong 香港	Ordinary 普通股	HK\$35,000,000 港幣35,000,000元	100% ¹	Provision of futures brokerage and leveraged foreign exchange trading services 提供期貨經紀及槓桿式 外匯交易服務
China Everbright Insurance Agency Limited 中國光大保險代理有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100%	Provision of insurance agency services 提供保險代理服務
China Everbright Insurance Brokers Limited 中國光大保險顧問有限公司	Hong Kong 香港	Ordinary 普通股	HK\$500,000 港幣500,000元	100%	Provision of insurance brokerage services 提供保險經紀服務
China Everbright Research Limited 中國光大資料研究有限公司	Hong Kong 香港	Ordinary 普通股	HK\$5,500,000 港幣5,500,000元	100% ¹	Investment research 投資研究

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

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. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES (continued)

14. 附屬公司投資及與附屬公司的往來賬款(續)

(a) Investments in subsidiaries (continued)

(a) 附屬公司投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation and kind of legal entity 註冊/經營地點 及法定地位	Class of shares 股份類別	Particulars of issued share capital 已發行 股本面值	Percentage of equity interest held 本公司 所佔資本 權益百分比	Principal activities 主要業務
China Everbright Securities (HK) Limited 中國光大證券(香港)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$150,000,000 港幣150,000,000元	100% ¹	Provision of stock brokerage services 提供證券經紀服務
China Everbright Securities (Nominees) Limited 中國光大證券(代理人)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100% ¹	Provision of nominee services 提供代理人服務
China Everbright Strategic Holdings Limited	British Virgin Islands 英屬維京群島	Ordinary 普通股	US\$2 2美元	100%	Investment 投資
China Everbright Bullion Investment Limited 中國光大金業投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000 港幣1,000元	100% ¹	Provision of bullion trading services 提供黃金交易服務
Everbright Wisdom Fund Management Limited 光大智盛基金管理有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000,000 港幣1,000,000元	51% ¹	Fund Management 基金管理
Dial Eight Investments Limited	British Virgin Islands 英屬維京群島	Ordinary 普通股	US\$1 1美元	100% ¹	Investment in telecommunication business 投資電訊業務
Double Fortune Assets Limited 倍富資產有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100% ¹	Investment 投資
Haiford Company Limited 向豐有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100% ¹	Property investment 物業投資
Hairich Enterprises Limited	Hong Kong 香港	Ordinary 普通股	HK\$10,000 港幣10,000元	100% ¹	Property investment 物業投資
IHD (Malaysia) Sdn. Bhd. ²	Malaysia 馬來西亞	Ordinary 普通股	M\$25,000 25,000馬元	100%	Investment holding 投資控股

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

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. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES (continued)

14. 附屬公司投資及與附屬公司的往來賬款(續)

(a) Investments in subsidiaries (continued)

(a) 附屬公司投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation and kind of legal entity 註冊/經營地點 及法定地位	Class of shares 股份類別	Particulars of issued share capital 已發行 股本面值	Percentage of equity interest held 本公司 所佔資本 權益百分比	Principal activities 主要業務
Janco Development Limited 青高發展有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100%	Property investment 物業投資
Land City Company Limited 凌業有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100%	Property investment 物業投資
Mindson Investment Limited ²	British Virgin Islands 英屬維京群島	Ordinary 普通股	US\$1 1美元	100% ¹	Investment 投資
Mutiplus (Warehouse) Limited 民迪(貨倉)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100%	Property investment 物業投資
Poseidon Treasure Limited	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100% ¹	Provision of debt recovery services 提供呆賬追收服務
Solidpole Limited 億捷有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100%	Investment holding 投資控股
SeaBright Asset Management Limited 光大海基資產管理有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000,000 港幣1,000,000元	65%	Asset management 資產管理
Seabright China Absolute Return Macro Fund Limited	Cayman Islands 開曼群島	Non-participating shares 無參與權股 Participating redeemable preference shares 有參與權可贖回優先股	US\$5 5美元 US\$193.23 193.23美元	100% ¹	Investment 投資
Seabright China Special Opportunities (I) Limited	British Virgin Islands 英屬維京群島	Non-participating shares 無參與權股 Participating redeemable preference shares 有參與權可贖回優先股	US\$5 5美元 US\$50 50美元	79% ¹	Investment 投資

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

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. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES (continued)

14. 附屬公司投資及與附屬公司的往來賬款(續)

(a) Investments in subsidiaries (continued)

(a) 附屬公司投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation and kind of legal entity 註冊/經營地點 及法定地位	Class of shares 股份類別	Particulars of issued share capital 已發行 股本面值	Percentage of equity interest held 本公司 所佔資本 權益百分比	Principal activities 主要業務
Tankey Management Services Limited 得基有限公司	Hong Kong 香港	Ordinary 普通股	HK\$20 港幣20元	100%	Property investment 物業投資
Tendai Limited 天大有限公司	Hong Kong 香港	Ordinary 普通股 Non-voting deferred shares 無投票權遞延股份	HK\$2 港幣2元 HK\$445,000,000 港幣445,000,000元	100%	Investment in banking operations 投資銀行業務
Trycom Management Limited	British Virgin Islands 英屬維京群島	Ordinary 普通股	US\$1 1美元	100%	Investment 投資
Well Logic Investment Limited 威萊投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 港幣2元	100% ¹	Property investment 物業投資
深圳市光控投資諮詢 有限公司	The PRC, domestic enterprise 中國·內資企業	Not applicable 不適用	RMB1,000,000 人民幣1,000,000元	95% ¹	Provision of consultancy services 提供諮詢服務
1	<i>Subsidiaries held indirectly.</i>				1 間接持有之附屬公司。
2	<i>Subsidiaries not audited by PricewaterhouseCoopers. The aggregate net assets of subsidiaries not audited by PricewaterhouseCoopers is less than 0.1% of the Group's total assets.</i>				2 非經羅兵咸永道會計師事務所審核之附屬公司。非經羅兵咸永道會計師事務所審核的附屬公司之淨資產佔本集團總資產少於0.1%。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES (continued)**(b) Amounts due from subsidiaries**

Amounts due from subsidiaries, other than an amount of approximately HK\$752,630,000 (2003: HK\$571,548,000) which bears interest at an average of 0.02342% per annum (2003: average of 0.03625% per annum) and two subordinated loans each of HK\$50,000,000 which are repayable in 2005 and 2006 respectively (2003: a subordinated loan of HK\$50,000,000 which is repayable in 2005), are unsecured, interest free and have no fixed terms of repayment.

A provision of HK\$719,437,000 was established against the amount due from a subsidiary as a result of the impairment loss on the Group's investment in Everbright Securities Company Limited directly by this subsidiary (Note 15(c)).

(c) Amounts due to subsidiaries

Amounts due to subsidiaries are unsecured, interest free and have no fixed terms of repayment.

14. 附屬公司投資及與附屬公司的往來賬款 (續)**(b) 應收附屬公司款項**

應收附屬公司款項，除約港幣752,630,000元（二零零三年：約港幣571,548,000元）需按平均年息0.02342%付息（二零零三年：平均年息0.03625%）外，及兩筆各港幣50,000,000元之後償貸款，分別於二零零五及二零零六年到期（二零零三年：港幣50,000,000元之後償貸款，於二零零五年到期），其餘款項均無抵押、無須計息及無固定償還日期。

在應收附屬公司款項中，包括港幣719,437,000元之準備，以反映本集團一附屬公司對光大證券有限責任公司直接投資成本之減值虧損（附註15(c)）。

(c) 應付附屬公司款項

應收附屬公司款項均無須計息，無抵押及無固定償還日期。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

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15. INVESTMENTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE 15. 聯營公司投資及應付聯營公司款項

(a) Investments in associates:

(a) 聯營公司投資:

		Consolidated		Company	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Investments, at cost	投資·按成本值:				
Unlisted shares in	非上市股份				
– Hong Kong	– 香港	40,458	40,458	40,390	40,390
– Overseas	– 海外	5,500,755	5,500,755	3,751,184	3,751,184
Listed shares in Hong Kong	香港上市股份	–	904,411	–	–
Share of post-acquisition reserves	應佔收購後儲備	(801,887)	(184,095)	–	–
		<u>4,739,326</u>	<u>6,261,529</u>	<u>3,791,574</u>	<u>3,791,574</u>
Provision for impairment charged against investment costs (Note 15(c)(i))	投資成本減值準備 (附註15(c)(i))	(165,548)	(165,548)	(3,791,574)	(40,931)
Provision for impairment charged against goodwill reserve ¹	商譽儲備減值準備 ¹	–	(119,118)	–	–
		<u>(165,548)</u>	<u>(284,666)</u>	<u>(3,791,574)</u>	<u>(40,931)</u>
Premium on acquisition	收購溢價	(3,544,429)	(3,710,943)	–	–
Carrying amount, net	帳面值·淨額	<u>1,029,349</u>	<u>2,265,920</u>	<u>–</u>	<u>3,750,643</u>
Quoted market value of listed shares	上市公司股份市值	–	860,365	–	–

¹ The provision for impairment charged against goodwill reserve in 2003 represents an impairment loss of carrying value of International Bank of Asia Limited ("IBA") (subsequently renamed as Fubon Bank (Hong Kong) Limited) based on the general offer made by an independent third party at HK\$3.68 per share. The investment in IBA was disposed in March 2004 at \$3.68 per share. No gain or loss was recognised in 2004 as a result of the disposal.

¹ 二零零三年之商譽儲備減值準備代表港基國際銀行有限公司(「港基銀行」)(後改稱為富邦銀行(香港)有限公司)被獨立第三者以每股作價港幣3.68元提出全面收購所引起之減值虧損。港基銀行之投資於二零零四年三月以每股作價港幣3.68元出售。該投資出售並無任何收益或虧損於二零零四年入賬。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

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15. INVESTMENTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)**(a) Investments in associates:** (continued)

The directors are of the opinion that the underlying value of the associates is not less than the carrying amount of the associates at 31st December 2004.

(b) As at 31st December 2004, particulars of the principal associates of the Group are as follows:**15. 聯營公司投資及應付聯營公司款項** (續)**(a) 聯營公司投資:** (續)

董事們認為聯營公司的價值則不低於二零零四年十二月三十一日的賬面值。

(b) 本集團於二零零四年十二月三十一日，主要聯營公司資料如下：

Name of associate 聯營公司名稱	Place of Incorporation/ operation 註冊／經營地點	Principal activities 主要業務	Percentage of equity interest held 本公司所佔資本 權益百分比	
			Directly 直接	Indirectly 間接
China Everbright Bank Company Limited ("Everbright Bank") 中國光大銀行股份有限公司 (「光大銀行」)	The PRC 中國	Banking operations 銀行業務	21.39%	—
Everbright Securities Company Limited ("Everbright Securities") (i) 光大證券有限責任公司 (「光大證券」) (i)	The PRC 中國	Securities operations 證券業務	—	49%
(i) Pursuant to a proposed capital restructuring plan of Everbright Securities, the Group's shareholding in Everbright Securities would be diluted from 49% to 45.46%. The capital restructuring plan was not finalised as at 31st December 2004.		(i) 根據光大證券之股份重組計劃，本集團之控股比率將由49%下降至45.46%。截至二零零四年十二月三十一日，此建議之股份重組計劃尚未完成。		

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. INVESTMENTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

(c) Supplementary unaudited financial information of principal associates

Supplementary unaudited financial information of principal associates extracted from their management accounts after making necessary adjustments to conform to the Group's accounting policies and prepared under accounting principles generally accepted in Hong Kong is as follows:

15. 聯營公司投資及應付聯營公司款項 (續)

(c) 主要聯營公司之補充財務資料

主要聯營公司之未經審計補充財務資料是摘錄自各聯營公司之管理報表，並經相關調整以合乎本集團之會計政策及香港會計準則：

		China	Everbright
		Everbright Bank	Securities
		光大銀行	光大證券
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(note (i))	(note (ii))
		(附註(i))	(附註(ii))
Profit and loss account for the year ended 31st December 2004	截至二零零四年十二月三十一日之損益表		
Turnover	營業額	15,930,000	638,984
Loss before taxation	除稅前虧損	(6,196,000)	(219,296)
Current taxation expense	本年度稅項	-	-
Deferred taxation credit/(expense)	遞延稅項收益/(費用)	1,614,000	(4,532)
Minority interests	少數股東權益	-	7,496
Loss attributable to shareholders	股東應佔虧損	(4,582,000)	(216,332)

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. INVESTMENTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)

(c) Supplementary financial information of principal associates (continued)

15. 聯營公司投資及應付聯營公司款項 (續)

(c) 主要聯營公司之補充財務資料 (續)

		China Everbright Bank 光大銀行 RMB'000 人民幣千元 (note (i)) (附註(i))	Everbright Securities 光大証券 RMB'000 人民幣千元 (note (ii)) (附註(ii))
Balance sheet as at 31st December 2004	於二零零四年十二月 三十一日之資產負債表		
Total assets	總資產	423,690,000	3,034,159
Total liabilities	總負債	(421,948,000)	(779,794)
		1,742,000	2,254,365
Goodwill previously eliminated against reserves	已於儲備中對銷之商譽	(4,657,000)	-
Minority interests	少數股東權益	-	(25,504)
Net (liabilities)/assets	淨(負債)/資產	<u>(2,915,000)</u>	<u>2,228,861</u>

Note (i):

The directors of the Group understand that the major shareholders of Everbright Bank and the relevant regulatory authorities are in the process of devising a financial restructuring plan for Everbright Bank to enhance its capital position and competitiveness. The directors of the Group are also aware that Everbright Bank is taking active measures to secure financial support for its operations including the introduction of strategic investors.

附註(i):

本集團之董事們理解到光大銀行之主要股東與有關監管機構正為提升光大銀行之資本情況及競爭能力而進行財務改組計劃。本集團之董事們也關注到光大銀行正採取積極的措施去保障其營運財務狀況，包括引入策略投資者。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

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. INVESTMENTS IN ASSOCIATES AND AMOUNT DUE TO AN ASSOCIATE (continued)**(c) Supplementary financial information of principal associates** (continued)

Note (i): (continued)

At the date of this report, the Group does not have any plan nor obligation, constructive or otherwise, to inject further capital to Everbright Bank or make payments or extend guarantees on behalf of Everbright Bank beyond the Group's original investment. Any future restructuring plan for Everbright Bank would need to be assessed by the directors of the Group, and the terms and merit of the plan to the Company would require shareholders' consideration and approval.

Based on the unaudited financial results of Everbright Bank for the year ended 31st December 2004, the Group's share of loss in Everbright Bank amounted to HK\$924 million. Before accounting for the Group's share of loss from Everbright Bank for the year ended 31st December 2004, the Group's carrying value of its investment in Everbright Bank was HK\$331 million.

The attributable loss from Everbright Bank in 2004 reduced the Group's carrying value of its investment in Everbright Bank of HK\$331 million to zero as at 31st December 2004. The remaining portion of attributable loss of HK\$592 million was not recorded by the Group.

The investment cost in Everbright Bank in the Company's balance sheet of HK\$ 3.75 billion was also fully provided for during the year ended 31st December 2004.

Note (ii):

The Company holds 49% equity interest in Everbright Securities indirectly through a subsidiary. For the year ended 31st December 2004, an impairment loss of HK\$719 million was made against the investment of Everbright Securities, in form of provision against the amount due from the subsidiary to the Company of the same amount (Note 14(b)).

(d) Amount due to an associate

The amount due to an associate is unsecured, interest free and has no fixed terms of repayment.

15. 聯營公司投資及應付聯營公司款項 (續)**(c) 主要聯營公司之補充財務資料** (續)

附註 (i) : (續)

於此報告公佈當日，本集團並無任何計劃或責任，無論是推定與否，對光大銀行作出超過本集團原投資成本的注資、代付費用或提供擔保。光大銀行將來任何重組計劃均需由本集團之董事評估，有關條款及對本公司之利弊亦均需通過股東考慮及批准。

根據截至二零零四年十二月三十一日止光大銀行未經審計之財務業績，本集團應佔光大銀行之虧損為港幣9.24億元。本集團於未計入應佔光大銀行截至二零零四年十二月三十一日止之虧損時，本集團賬上之光大銀行投資餘額為港幣3.31億元。

二零零四年度應佔光大銀行之虧損會把本集團截至二零零四年十二月三十一日止之光大銀行投資由港幣3.31億元減低至零，餘下部份的應佔虧損港幣5.92億元不會被記入本集團賬上。

截至二零零四年十二月三十一日止，本公司資產負債表上的光大銀行投資成本港幣37.5億元已全數被注銷。

附註 (ii) :

公司是透過其附屬公司間接持有光大證券49%股權。截至二零零四年十二月三十一日止，光大證券於本公司賬上的減值虧損為港幣7.19億元，以撥備形式減少公司應收附屬公司款項(附註14(b))。

(d) 應付聯營公司款項

應付聯營公司款項均為無抵押、免息及無固定償還日期。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

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. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

16. 共同控制實體權益

		Consolidated	
		綜合	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Investment, at cost	投資成本		
Unlisted shares	非上市股份	-	457
Share of post-acquisition reserves	應佔收購後儲備	-	1,782
		<u> </u>	<u> </u>
Share of net assets	應佔淨資產	-	2,239
		<u> </u>	<u> </u>

The jointly controlled entity was liquidated during the year at a net gain of approximately HK\$1,806,000.

共同控制實體於年內清盤，產生約港幣1,806,000元淨收益。

17. NON-TRADING SECURITIES

17. 非交易證券

		Consolidated		Company	
		綜合		公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Listed equity securities at fair value:	上市證券按公平值：				
Listed in Hong Kong	於香港上市	854,073	1,472,319	-	1,450
Listed overseas	於海外上市	3,840	26,640	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		857,913	1,498,959	-	1,450
Unlisted equity securities	非上市證券	3,428	3,432	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		861,341	1,502,391	-	1,450
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

17. NON-TRADING SECURITIES (continued)

The Group held the following principal non-trading securities as at 31st December 2004:

Company name 公司名稱	Place of incorporation 註冊地點	Principal activities 主要業務	Effective equity interest held 本集團所佔 資本權益百分比
China Mobile (Hong Kong) Limited (i) 中國移動(香港)有限公司(i)	Hong Kong 香港	Provision of telecommunication services 提供通訊服務	0.16%

(i) At 31st December 2004, the carrying amount of interests in China Mobile (Hong Kong) Limited exceeds 10% of total assets of the Group.

Non-trading securities of aggregate carrying amount of approximately HK\$132 million (2003: HK\$120 million) have been pledged to secure bank loans and overdraft facilities of the Company and China Everbright Securities (HK) Limited (a subsidiary of the Company) respectively.

No non-trading securities was pledged as collateral to counterparties for derivatives transactions entered by the Group in 2004. In 2003, non-trading securities with carrying amount of HK\$348 million was pledged for similar purposes.

17. 非交易證券 (續)

於二零零四年十二月三十一日，本集團主要持有以下非交易證券投資：

Effective equity interest held 本集團所佔 資本權益百分比
0.16%

(i) 於二零零四年十二月三十一日，投資在中國移動(香港)有限公司的賬面值高於本集團總資產的10%。

總額約港幣1.32億元(二零零三年：港幣1.2億元)之非交易證券已作銀行抵押，為本公司及中國光大證券(香港)有限公司(本公司之附屬公司)獲取銀行貸款及透支額度。

本集團於二零零四年度內並無任何非交易證券用作衍生工具交易對手之抵押品。於二零零三年，賬面值約港幣3.48億元之非交易證券被用作同樣用途之抵押品。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

18. INTANGIBLE ASSETS

18. 無形資產

		Consolidated		
		Goodwill	Trading rights	Total
Cost	成本	商譽	交易權	合計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Beginning of year	年初餘額	132,000	2,450	134,450
Additions	添置	–	500	500
Transfer from accumulated amortisation and impairment loss upon adoption of HKFRS 3 and HKAS 38 (Note (a))	採納香港財務報告準則第3號及香港會計準則第38號後從累計攤銷及減值虧損轉入 (附註(a))	(29,700)	(1,700)	(31,400)
End of year	年末餘額	102,300	1,250	103,550
Accumulated amortisation and impairment loss	累計攤銷及減值虧損			
Beginning of year	年初餘額	29,700	1,700	31,400
Transfer to cost upon adoption of HKFRS 3 and HKAS 38 (Note (a))	採納香港財務報告準則第3號及香港會計準則第38號後轉入成本 (附註(a))	(29,700)	(1,700)	(31,400)
Impairment loss on goodwill attributable to the interests in associates (Note (b))	應佔聯營投資商譽減值虧損 (附註(b))	102,300	–	102,300
End of year	年末餘額	102,300	–	102,300
Net book value	賬面淨值			
End of year	年末餘額	–	1,250	1,250
Beginning of year	年初餘額	102,300	750	103,050

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

18. INTANGIBLE ASSETS (continued)

Note (a):

Upon adoption of HKFRS 3 and HKAS 38, intangible assets are no longer amortised, and the accumulated amortisation of goodwill and trading rights as at 1st January 2004 of HK\$29,700,000 and HK\$1,700,000 respectively were eliminated against their costs.

Note (b):

During the year, the Group recognised an impairment loss of HK\$102,300,000 on the goodwill for the Group's investment in associates in the profit and loss account. Refer to Note 2 for the accounting treatment of impairment of the goodwill previously eliminated against reserve.

19. ADVANCES TO CUSTOMERS

Amounts due from margin clients 孖展客戶借款
Less: provision for doubtful debts 減: 呆賬準備

Advances to customers are secured by listed securities of margin clients held as collateral.

18. 無形資產 (續)

附註(a):

因採納香港財務報告準則第三號及香港會計準則第三十八號，無形資產不再被攤銷，而商譽及交易權於二零零四年一月一日分別為港幣29,700,000元及港幣1,700,000元之累計攤銷已與其各自之成本抵扣。

附註(b):

年內，本集團於損益表內確認了港幣102,300,000元之應佔聯營公司投資商譽減值虧損。已沖銷至儲備之商譽的會計處理方法請見賬目附註2。

19. 客戶借款

		Consolidated 綜合	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
		339,277	275,211
		(10,581)	(10,581)
		328,696	264,630

客戶借款以孖展客戶持有之上市證券作抵押。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

20. DEBTORS, DEPOSITS AND PREPAYMENTS

20. 應收賬款、按金及預付款

		Consolidated 綜合		Company 公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Trade receivables, net	應收交易款·淨值	257,033	383,768	-	-
Deposits, prepayments and other receivables	按金·預付款及 其他應收賬款	56,664	197,268	5,459	5,361
		313,697	581,036	5,459	5,361

Details of the aging analysis on trade receivables are as follows:

應收交易款的賬齡分析如下:

		Consolidated 綜合	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Within 1 month	一個月以下	257,321	382,976
Within 1 to 2 months	一至二個月	376	1,058
Within 2 to 3 months	二至三個月	80	615
Within 3 to 6 months	三至六個月	8	99
Over 6 months	六個月以上	248	20
		258,033	384,768
Less: provision for doubtful debts	減: 呆賬準備	(1,000)	(1,000)
		257,033	383,768

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

20. DEBTORS, DEPOSITS AND PREPAYMENTS (continued)

Trade receivables mainly comprised amounts due from the brokerage clients, brokers and clearing houses. These receivables are normally due two days after trade date, and the extension of credit requires management's approval on a case-by-case basis. These receivables have excluded the brokerage client monies maintained in the trust accounts with Hong Kong Futures Exchange Clearing Corporation Limited of approximately HK\$8 million as at 31st December 2004 (2003: approximately HK\$5 million).

21. TRADING SECURITIES**20. 應收賬款、按金及預付款** (續)

應收交易款主要為本集團之經紀業務客戶、經紀商戶及結算所賬款，一般在交易後兩天到期，延期還款需由管理層個別批准。此類賬款並不包括於二零零四年十二月三十一日，約港幣800萬元（二零零三年：約港幣500萬元）保管於香港期貨交易所有限公司的信託帳戶之經紀業務客戶款項。

21. 交易證券

		Consolidated	
		綜合	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At fair value:	公平值：		
Debt securities:	債券：		
– listed overseas	– 海外上市	94,529	46,915
– unlisted	– 非上市	65,590	68,891
		<hr/> 160,119 <hr/>	<hr/> 115,806 <hr/>
Equity securities:	股本證券：		
– listed in Hong Kong	– 香港上市	26,785	253,540
– listed overseas	– 海外上市	38,504	135,312
– unlisted	– 非上市	8,892	2,739
		<hr/> 74,181 <hr/>	<hr/> 391,591 <hr/>
		<hr/> 234,300 <hr/>	<hr/> 507,397 <hr/>

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

22. BANK BALANCES AND CASH – GENERAL ACCOUNTS 22. 銀行結餘及現金——般賬戶

		Consolidated		Company	
		綜合		公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Cash on hand, savings and current accounts	現金·儲蓄及往來賬戶	1,212,761	500,414	181	—
Fixed deposits with banks	銀行定期存款	1,243,845	20,000	—	234
		2,456,606	520,414	181	234

The Group maintains trust accounts with authorized institutions as part of its normal business transactions. At 31st December 2004, trust accounts not otherwise dealt with in the accounts amounted to approximately HK\$416 million (2003: approximately HK\$793 million).

本集團在銀行開立信託賬戶，用以託管客戶在正常業務往來中產生之存款。於二零零四年十二月三十一日，未計入賬目內的信託賬戶餘額約港幣4.16億元（二零零三年：約港幣7.93億元）。

23. CREDITORS, DEPOSITS RECEIVED AND ACCRUED CHARGES 23. 應付賬款、已收按金及預提費用

		Consolidated		Company	
		綜合		公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Trade payables	應付交易款	194,268	382,192	—	—
Other creditors, deposits received and accrued charges	其他應付賬款、已收按金及預提費用	46,059	64,311	2,098	1,957
		240,327	446,503	2,098	1,957

Trade payables represent amounts due to brokerage clients, brokers and clearing houses, and are due within one month. Trade payables to clients exclude those payables placed in trust accounts amounted to approximately HK\$425 million as at 31st December 2004 (2003: approximately HK\$798 million).

應付交易款代表應付經紀業務客戶、經紀商戶及結算所的賬款，並在一個月之內到期。於二零零四年十二月三十一日，應付經紀業務客戶賬款不包括於信託賬戶的應付賬款約港幣4.25億元（二零零三年：約港幣7.98億元）。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

24. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2003: 17.5%).

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

Deferred tax assets 遞延稅項資產	General provisions 一般準備		Tax losses 稅項損失		Accelerated tax depreciation 加速折舊免稅額		Total 合計	
	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
At 1st January 餘額	613	320	10,070	6,904	105	75	10,788	7,299
Credited /(charged) to consolidated profit and loss account (note 9)	-	293	(2,442)	3,166	(4)	30	(2,446)	3,489
At 31st December 餘額	613	613	7,628	10,070	101	105	8,342	10,788

Deferred tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of HK\$364 million (2003: HK\$331 million) to carry forward against future taxable income. These tax losses have no expiry date.

24. 遞延稅項

遞延稅項採用負債法就短暫時差按主要稅率17.5%(二零零三年:17.5%)作全數撥備。

遞延稅項資產變動如下:

遞延稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅損作確認。本集團有未確認稅損港幣3.64億元(二零零三年:港幣3.31億元)可結轉以抵銷未來應課收入;此等稅損並無期限。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

25. SHARE CAPITAL

25. 股本

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Authorised:	法定股本:		
Ordinary shares of HK\$1.00 each	每股港幣1.00元之 普通股份	<u>2,000,000</u>	<u>2,000,000</u>
Issued and fully paid:	已發行及已繳足股本:		
Beginning of year	年初餘額	<u>1,563,351</u>	1,563,351
Exercise of share options	行使認股權	<u>250</u>	-
End of year	年末餘額	<u>1,563,601</u>	<u>1,563,351</u>

Share Option Scheme

認股權計劃

At the Extraordinary General Meeting of the Company held on 24th May 2002, an ordinary resolution was passed to adopt a Share Option Scheme (the "Scheme").

於二零零二年五月二十四日，本公司舉行之股東特別大會上，通過了一項普通決議以採納一認股權計劃（「該計劃」）。

Pursuant to the Scheme, the Company may grant options to the Directors and full time employees of the Group and its associated companies to subscribe for shares in the Company, subject to a maximum of 10% of the issued share capital of the Company as at 24th May 2002. The exercise price is determined by the Directors which shall be at least the highest of (i) the nominal value of the shares; (ii) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer; and (iii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer.

根據該計劃，本公司可酌情向本集團及其聯營公司的董事及全職僱員授予認股權，據此可認購最多為本公司於二零零二年五月二十四日已發行股本百分之十的股份。行使價將由董事會釐定，並至少須為下列三者中之最高者：(i) 股份面值；(ii) 於授出認股權當日，股份於聯交所每日報價表示之收市價；及(iii) 緊接授出認股權當日前五個交易日，股份於聯交所每日報價表所示之平均收市價。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

25. SHARE CAPITAL (continued)**Share Option Scheme** (continued)

Pursuant to the Scheme, options which are exercisable in prescribed portion for a period of three and a half year following the date of offer, to subscribe for 21,600,000 shares of HK\$1.00 each in the share capital of the Company at a subscription price of HK\$4.36 per share (subject to adjustment) were granted on 26th June 2002 to the Directors and employees of the Group.

Subsequently pursuant to the Scheme, options which are exercisable in prescribed portion for a period of three and a half year following the date of offer, to subscribe for shares of HK\$1.00 each in the share capital of the Company were granted at the respective subscription price (subject to adjustment) in the following manner: (i) 300,000 shares at a subscription price of HK\$2.265 per share were granted on 11th February 2003 to an employee; (ii) 500,000 shares at a subscription price of HK\$1.780 per share were granted on 2nd May 2003 to an employee; and (iii) 10,150,000 shares were granted to the Directors and employees of the Group at a subscription price of HK\$2.375 per share on 7th July 2003; (iv) 650,000 shares at a subscription price of HK\$4.39 per share were granted on 14th April 2004 to two employees and (v) 1,250,000 shares were granted to a Director and an employee of the Group at a subscription price of HK\$3.225 per share on 3rd September 2004.

25. 股本 (續)**認股權計劃** (續)

根據該計劃，本公司於二零零二年六月二十六日向本集團董事及僱員授出認股權。該等認股權須於授出日期後三年半內，每年以特定數額並按每股港幣4.36元（可予以調整）的行使價，認購合共21,600,000股本公司股本中每股面值港幣1.00元之股份。

根據該計劃，本公司其後授出認股權以認購本公司股本中每股面值港幣1.00元之股份，該等認股權可於授出日期後三年半內分別以下列行使價（可予以調整）行使：(i)於二零零三年二月十一日向一位僱員授出之認股權可以每股港幣2.265元認購300,000股本公司股份；(ii)於二零零三年五月二日向一位僱員授出之認股權可以每股港幣1.780元認購500,000股本公司股份；(iii)於二零零三年七月七日向本集團董事及僱員授出之認股權可以每股港幣2.375元認購10,150,000股本公司股份；(iv)於二零零四年四月十四日向兩位僱員授出之認股權可以每股港幣4.39元認購650,000股本公司股份；及(v)於二零零四年九月三日向一位董事及一位僱員授出之認股權可以每股港幣3.225元認購1,250,000股本公司股份。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

25. SHARE CAPITAL (continued)

Share Option Scheme (continued)

Movements in share options during the year ended 31st December 2004 are as follows:

25. 股本 (續)

認股權計劃 (續)

截至二零零四年十二月三十一日止年度，根據認股權計劃而授出的認股權的變動如下：

Date of offer 授出日期	Subscription price per share 每股行使價	Number of share options 認股權數目					End of year 年末餘額
		Beginning of year 年初餘額	Offered during the year 年內授出	Lapsed during the year 年內失效	Exercised during the year 年內行使		
26th June 2002 二零零二年六月二十六日	HK\$4.360	20,000,000	-	1,650,000	150,000	18,200,000	
2nd May 2003 二零零三年五月二日	HK\$1.780	500,000	-	-	-	500,000	
7th July 2003 二零零三年七月七日	HK\$2.375	10,150,000	-	975,000	100,000	9,075,000	
14th April 2004 二零零四年四月十四日	HK\$4.390	-	650,000	500,000	-	150,000	
3rd September 2004 二零零四年九月三日	HK\$3.225	-	1,250,000	-	-	1,250,000	

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

26. RELATED PARTY TRANSACTIONS

26. 有關連人士交易

(a) The following transactions were entered into with related parties during the year:

(a) 本集團於年內與有關連人士之交易如下:

		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest income earned from associates on deposits placed	從聯營公司收取存款之利息收入	33	1,647
Rental income received from:	租金收入:		
– an associate (note (c))	– 聯營公司(附註(c))	453	453
– ultimate holding company (note (d))	– 最終控股公司(附註(d))	180	192
Securities brokerage commission received from	收取之經紀佣金		
– subsidiaries of ultimate holding company	– 最終控股公司持有之附屬公司	235	89
– a subsidiary of an associate of ultimate holding company	– 最終控股公司持有之聯營公司之附屬公司	–	2
Interest expenses paid to ultimate holding company:	向最終控股公司支付之利息支出:		
– on revolving loans	– 循環貸款	5,755	6,021
Rental expense paid to ultimate holding company (note (e), (f))	向最終控股公司支付租金(附註(e)、(f))	168	168
Rental expense paid to a wholly-owned subsidiary of ultimate holding company (note (g))	向最終控股公司持有之全資附屬公司支付租金(附註(g))	2,400	2,400
Referral and consultancy fee expenses paid to an associate	向聯營公司支付介紹及諮詢費	300	16,000

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

26. RELATED PARTY TRANSACTIONS (continued)

26. 有關連人士交易(續)

(b) Included in the balance sheets are the following balances with related parties:

(b) 於資產負債表內的有關連人士往來款包括:

		Consolidated		Company	
		綜合		公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Deposits placed with associates (included in bank balances and cash) (i)	於聯營公司之存款 (包括於銀行結餘及現金) (i)	17,780	36,108	-	-
Amount due from an associate (included in debtors, deposits and prepayment) (ii)	應收聯營公司款項 (包括於應收賬款、按金及預付款內) (ii)	35,119	9,350	-	-
Amount due from ultimate holding company (iii)	應收最終控股公司款項(iii)	2,613	-	-	-
Loans from ultimate holding company (iv)	應付最終控股公司之貸款(iv)	(436,490)	(436,490)	(436,490)	(436,490)
Interest payable on loans from ultimate holding company (iv)	應付最終控股公司貸款之利息(iv)	(243)	(311)	(243)	(311)

(i) Deposits placed with associates are unsecured, bear interest at commercial terms and will be repayable upon demand.

(i) 於聯營公司的存款為無抵押，按商業條款計息，並於要求時償還。

(ii) Amount due from an associate arose in the normal course of securities brokerage business, and is unsecured, interest free and repayable upon demand.

(ii) 應收聯營公司款項乃產生自與證券經紀商戶之正常證券交易，款項為無抵押，並於要求時償還。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

26. RELATED PARTY TRANSACTIONS (continued)

(b) (continued)

(iii) On 31st December 1998, the Company entered into a tax indemnity arrangement with its ultimate holding company China Everbright Holdings Company Limited ("CEHL"). Under the tax indemnity arrangement, the ultimate holding company will bear all the liabilities for taxation of China Everbright Financial Holdings Limited and its subsidiaries ("CEFH") prior to 1998. During the year, an amount of approximately \$2,613,000 was recoverable from the ultimate holding company for the taxes charged in relation to taxation prior to 1998 on CEFH net of tax refunds. The amount was unsecured, interest bearing and repayable upon demand.

(iv) During the year, the Company renewed three term loans with CEHL amounting to HK\$380 million and RMB60 million. These loans are due in various periods up to December 2005. The interest rates are computed based on Hong Kong Interbank Offer Rate ("HIBOR") plus 0.35-0.75% per annum for the Hong Kong dollar loans and 2.75% per annum for the Renminbi loan.

26. 有關連人士交易 (續)

(b) (續)

(iii) 於一九九八年十二月三十一日，本公司與其最終控股公司中國光大集團有限公司（「光大集團」）簽訂一份稅務保障協議書。根據稅務保障條款，最終控股公司需承擔中國光大金融控股有限公司及其附屬公司（「金融控股」）於一九九八年或以前產生之稅款。本年度應收最終控股公司稅款約港幣2,613,000元，此稅項費用是金融控股於一九九八年或以前產生及已扣減退稅後之淨額。應收款項計息，無抵押及並於要求時償還。

(iv) 本公司於年內與光大集團續期三份總額為港幣380,000,000元及人民幣60,000,000元之貸款協議。這些貸款於不同時間到期，最遲為二零零五年十二月。港幣貸款之年利率為香港銀行同業拆息（「HIBOR」）加0.35至0.75厘，人民幣貸款年利率則為2.75厘。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

26. RELATED PARTY TRANSACTIONS (continued)

- (c) On 22nd October 2003, the Group entered into a tenancy agreement with Everbright Bank in relation to the leasing of office premises to Everbright Bank for the period from 22nd October 2003 to 21st October 2004 with an option to renew for another term of one year. Pursuant to the exercise of such option, the lease has been renewed for one year from 22nd October 2004 to 21st October 2005 at the same rent. The rent payable to the Group amounted to HK\$452,520 per annum.
- (d) On 1st January 2004, the Group entered into a tenancy agreement with the ultimate holding company in relation to the leasing of residential premises to the ultimate holding company for the period from 1st January 2004 to 31st December 2004. The rent payable to the Group amounted to HK\$180,000 per annum.
- (e) From 8th April 2003, the Group has entered into a monthly tenancy agreement with the ultimate holding company in relation to the leasing of residential premises to the Group at a monthly rental of HK\$7,000.
- (f) From 3rd July 2003, the Group has entered into a monthly tenancy agreement with the ultimate holding company in relation to the leasing of residential premises to the Group at a monthly rental of HK\$7,000.

26. 有關連人士交易 (續)

- (c) 於二零零三年十月二十二日，本集團與光大銀行簽訂一項租約，本集團據此向光大銀行出租其一項辦公物業，租期由二零零三年十月二十二日至二零零四年十月二十一日止，光大銀行有權於該租約期滿時續租一年。而光大銀行已行使前述權利，該租約已予延期一年，由二零零四年十月二十二日至二零零五年十月二十一日止，租金維持不變。本集團應收年租金為港幣452,520元。
- (d) 於二零零四年一月一日，本集團與最終控股公司簽訂一項租約，本集團向其出租一項住宅物業，租期由二零零四年一月一日至二零零四年十二月三十一日止，年租金為港幣180,000元。
- (e) 自二零零三年四月八日起，本集團與最終控股公司達成一項月租租約，本集團據此向其租用一項住宅物業，月租為港幣7,000元。
- (f) 自二零零三年七月三日起，本集團與最終控股公司達成一項月租租約。本集團據此向其租用一項住宅物業，月租為港幣7,000元。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

26. RELATED PARTY TRANSACTIONS (continued)

- (g) On 22nd January 2003, a wholly-owned subsidiary of the ultimate holding company entered into a tenancy agreement with the Group in relation to the leasing of office premises to the Group for the period from 31st December 2002 to 30th December 2004. The rent payable by the Group amounted to HK\$2,400,000 per annum. On 8th January 2005, the said lease was renewed for a period of two years from 31st December 2004 to 30th December 2006. The rent payable by the Group has been revised to HK\$2,784,000 per annum.

26. 有關連人士交易 (續)

- (g) 於二零零三年一月二十二日，最終控股公司之全資附屬公司與本集團簽訂一項租約，本集團同意向其租用一項辦公物業，租期由二零零二年十二月三十一日至二零零四年十二月三十日止。年租金為港幣2,400,000元。於二零零五年一月八日，原租約到期日由二零零四年十二月三十一日展期至二零零六年十二月三十日，年租金調整為港幣2,784,000元。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

27. CONTINGENT LIABILITIES

Guarantee given to financial institutions in respect of banking facilities granted to subsidiaries

為附屬公司的銀行額度向金融機構提供擔保

As at 31st December 2004, the Group's subsidiaries had not utilised any of its banking facilities.

As at 31st December 2004, the Company had issued corporate guarantees to certain financial institutions for trading facilities granted to a subsidiary which engages in leveraged foreign exchange trading and other subsidiaries which carry out derivatives transactions. The guarantee amounts vary and are dependent on the volume of transactions effected with the financial institutions.

28. COMMITMENTS

(a) Capital commitments

The Group has no capital commitments as at 31st December 2004 (2003: Nil).

27. 或然負債

Company 公司	
2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
<u>80,000</u>	<u>100,000</u>

於二零零四年十二月三十一日，集團屬下之子公司並未有任何借款。

於二零零四年十二月三十一日，本公司為一間參與槓杆外匯交易之附屬公司及參與衍生工具買賣之其他附屬公司的交易額度向金融機構提供擔保。該擔保額度根據與金融機構產生之交易額而變動。

28. 承擔

(a) 資本承擔

於二零零四年十二月三十一日，本集團無資本承擔（二零零三年：無）。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

28. COMMITMENTS (continued)

(b) Operating lease commitments

Operating lease commitments as at 31st December 2004 amounted to approximately HK\$7,192,000 (2003: HK\$3,267,000) of which approximately HK\$4,030,000 (2003: approximately HK\$3,187,000) is payable in the next twelve months. The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

Not later than one year	一年內到期	3,070	960	2,827	360
Later than one year and not later than five years	二至五年內到期	2,922	240	80	-
		5,992	1,200	2,907	360

(c) Future operating lease arrangement

As at 31st December 2004, the Group had future aggregate minimum lease receipts under non-cancellable operating leases for investment properties as follows:

Not later than one year	一年內到期	964	821
Later than one year and not later than five years	二至五年內到期	-	283
		964	1,104

28. 承擔 (續)

(b) 經營租賃承擔

於二零零四年十二月三十一日，經營租賃承擔總額約為港幣7,192,000元（二零零三年：約港幣3,267,000元），其中約港幣4,030,000元（二零零三年：約港幣3,187,000元）為未來十二個月內須支付之承擔金額。本集團根據不可撤銷之經營租賃，於未來支付之最低租賃付款總額如下：

Consolidated
綜合

		2004 二零零四年		2003 二零零三年	
		Properties 房產	Others 其他	Properties 房產	Others 其他
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Not later than one year	一年內到期	3,070	960	2,827	360
Later than one year and not later than five years	二至五年內到期	2,922	240	80	-
		5,992	1,200	2,907	360

(c) 未來經營租賃安排

於二零零四年十二月三十一日，本集團根據不可撤銷的投資物業經營租約，於未來可收取之最低租賃款項總額如下：

Consolidated
綜合

	2004 二零零四年	2003 二零零三年
	HK\$'000 港幣千元	HK\$'000 港幣千元
Not later than one year	964	821
Later than one year and not later than five years	-	283
	964	1,104

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

28. COMMITMENTS (continued)

(d) Off-balance sheet financial instruments

The Group has no outstanding derivative contracts as at 31st December 2004. The fair values and the contractual or notional amounts of the Group's trading equity derivatives outstanding at 31st December 2003 are detailed as follows:

		Fair value assets/(liabilities) 公平值 資產/(負債)		Contractual/ notional amounts 合約/ 名義金額	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Equity call options written	售出股票認購期權	-	(4,437)	-	160,700
Equity Collars	股票固定波幅合約				
- Call options written	- 售出認購期權	-	(2,208)	-	43,500
- Put options	- 認沽期權	-	758	-	40,500
Equity swaps	股票互換合約	-	4,425	-	150,425
Hang Seng Index futures	恒生指數期貨	-	108	-	6,318

The financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market prices of the underlying instruments relative to their terms.

Notional amounts of these financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amount of future cash flows involved or the current fair value of the instruments and, therefore, are not a representation of the Group's exposure to the credit or price risks.

28. 承擔 (續)

(d) 資產負債表外金融工具

於二零零四年十二月三十一日，本集團無未平倉之衍生工具合約。下表提供本集團於二零零三年十二月三十一日未平倉之交易股票衍生工具之公平值及合約或名義金額之詳細分類：

金融工具可因所指定工具之市場價格波動而變得有利(資產)或不利(負債)。

該等金融工具之名義金額乃作為與已於資產負債表確認的工具比較之基準，惟不一定顯示所涉及未來現金流量之金額或該等工具之現時公平值。因此，並不代表本集團所面對之信貸或價格風險。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

29. LITIGATION

- (a) On 12th December 1995, the Company issued civil proceedings against Mr. Ch'ng Poh, a former Chief Executive Officer and Chairman of the Company, claiming damages for conspiracy and/or conversion and/or breach of fiduciary duty arising from his unlawful use of approximately HK\$127 million of the Company's funds in 1985 to finance a purchase of shares in the Company. The Company obtained a judgment for a sum amounting HK\$336,310,069 as at 27th February 2001. The judgment has been affirmed by the Hong Kong Court of Appeal and the Hong Kong Court of Final Appeal. The Company has since recovered HK\$270,918,527 in principal and HK\$2,241,000 in costs from Ch'ng Poh under the judgment. There was a sum of approximately HK\$85 million in principal and interest plus legal costs of approximately HK\$22 million outstanding under the judgment. On 24th September 2004, the Company entered into a settlement deed with Mr. Ch'ng Poh and his related parties. Pursuant to the settlement, a sum of HK\$12,310,000 has been placed in a stakeholder's custody, to be paid to the Company pending the satisfaction of several conditions. On satisfaction of the aforesaid conditions, several on-going disputes with Mr. Ch'ng Poh and his related parties would be settled and the aforesaid judgment would be treated by the Company as duly satisfied. The aforesaid conditions were subsequently fulfilled in 2005 and the amount of HK\$12,310,000 was recognised by the Company as other revenue in 2005.

29. 訴訟

- (a) 於一九九五年十二月十二日，本公司對本公司前主席及行政總裁莊寶先生提出民事訴訟，索取因其於一九八五年非法自本公司提取約港幣1.27億元作為購入本公司股份之資金有關之串謀及／或侵佔及／或違反誠信責任之損失。法院已於二零零一年二月二十七日就該訴訟做出判決（「該判決」）。根據該判決，法院裁定莊寶先生要向本公司賠償因其串謀、侵佔及違反誠信責任之損失。於二零零一年二月二十七日之賠償金額為港幣336,310,069元。該判決其後獲得上訴庭及終審庭確認。遵照該判決我司已取回一筆共港幣270,918,527元的欠款及港幣2,241,000元訴訟費。其時根據該判決之欠款為訴訟賠款連利息約港幣85,000,000元及訴訟費用約港幣22,000,000元。於二零零四年九月二十四日，本公司與莊寶先生及其他關連人仕簽訂和解協議。根據該和解協議，一筆約港幣12,310,000元的款項被置於一中間人保管，直至某些條件獲得滿足後，才可支付予本公司。在前述某些條件獲得滿足後，此和解協議亦解決本公司與莊寶先生及其關連人仕一直以來的糾紛而本公司亦將視此和解已滿足該判決的賠款要求。本公司在二零零五年完成上述之條件並把該港幣12,310,000元的款項於二零零五年作為其他收入入賬。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

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29. LITIGATION (continued)

- (b) In July 1998, the Company and I.H.D. Management Services Limited (now known as CEL Management Services Limited), a wholly owned subsidiary of the Company, were served with a Statement of Claim by one of its former senior executives claiming damages in the sum of approximately HK\$13.5 million for alleged failure by the Company and I.H.D. Management Services Limited to grant him certain share options pursuant to his employment contract. This matter was settled on 3rd July 2004 by the Company paying HK\$2,500,000 to the claimant pursuant to the settlement arrangement. Such amount was already provided for in the 2003 profit and loss account.
- (c) In August 2001, Avon Investments Limited ("Avon") commenced civil proceedings against the Company claiming damages in the sum of approximately HK\$37 million for alleged wrongful repudiation of a management agreement between the Company and Avon. The Company has filed a defence to rebut the allegations of Avon. This matter has been settled pursuant to the settlement deed dated 24th September 2004 referred to in paragraph (a).
- (d) In December 2002, Avon commenced civil action against the ex-directors, the independent directors and the current directors of the Group and the Company. The action is a derivative action in nature which action was brought in the name of Avon as a minority shareholder but partly for the benefit of the Company. This matter has been settled pursuant to the settlement deed dated 24th September 2004 referred to in paragraph (a).

29. 訴訟 (續)

- (b) 於一九九八年七月，本集團一名前高級職員向本公司及旗下一全資附屬公司明輝管理服務有限公司（現稱光大控股管理服務有限公司）提出民事訴訟，索取因本公司及明輝管理服務有限公司未能根據僱傭合約向其授予認股權而引致之損失約港幣一千三百五十萬元。現此案已於二零零四年七月三日由雙方和解。根據有關和解安排，本公司向有關申索人支付港幣250萬元。該款項已於二零零三年之損益表中計提。
- (c) 於二零零一年八月，Avon Investments Limited（「Avon」）向本公司提出民事訴訟，索取因公司不正當地解除與債權人間的協議而引致之損失。本公司已提交抗辯書以反駁回Avon的指控。此案件已根據第(a)段所述於二零零四年九月二十四日的和解協議了結。
- (d) 於二零零二年十二月，Avon向本集團的前董事、獨立董事及現屆董事及本公司提出訴訟。有關訴訟部份屬於衍生訴訟性質。是Avon以小股東身份為公司利益提出，此案件已根據第(a)段所述二零零四年九月二十四日的和解協議了結。

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT 30. 綜合現金流量附註

(a) Reconciliation of (loss)/profit before taxation to net cash inflow/(outflow) from operating activities

(a) 除稅前(虧損)/盈利與經營活動之現金流入/(流出)淨額對賬表

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
(Loss)/profit before taxation	除稅前(虧損)/盈利	(193,798)	320,430
Interest income	利息收入	(36,349)	(25,057)
Interest expenses	利息支出	7,925	7,023
Interest received on advances to customers	客戶借款所收利息	22,081	14,116
Other interest received	其他已收利息	3,700	7,109
Dividend income	股息收入	(37,980)	(52,552)
Share of (losses)/profits less losses of associates	應佔聯營公司(虧損)/盈利 減虧損	428,941	(237,818)
Depreciation	折舊	4,817	4,739
Amortisation of goodwill and trading rights	商譽及交易權之攤銷	-	13,450
Impairment loss on investment in an associate	聯營公司投資減值虧損	-	119,118
Impairment loss on goodwill attributable to the interests in associates	應佔聯營投資商譽減值虧損	102,300	-
Net gain on disposal of non-trading securities	出售非交易證券之淨收益	(203,924)	(70,933)
Gain on disposal of a jointly controlled entity	出售共同控制實體權益溢利	(1,806)	-
Gain on disposal of fixed assets	出售固定資產之收益	(378)	(1,872)
Revaluation (surplus)/deficit on properties	重估房產(增值)/減值	(57,428)	4,759
Operating profit before working capital changes	營運資金變動前之經營盈利	38,101	102,512
Increase in advances to customers	客戶借款增加	(64,066)	(152,083)
Increase in amount due from ultimate holding company	應收最終控股公司款項增加	(2,613)	-
Decrease/(increase) in debtors, deposits and prepayments	應收賬款、按金及預付款 減少/(增加)	270,009	(288,848)
Decrease/(increase) in trading securities	交易證券減少/(增加)	273,097	(203,467)
(Decrease)/increase in creditors, deposits received and accrued charges	應付賬款、已收按金及預提 費用(減少)/增加	(206,176)	369,754
Cash generated from/(used in) operations	經營活動產生/(使用)之現金	308,352	(172,132)
Hong Kong profits tax (paid)/refunded	(已付)/退回香港利得稅	(21,717)	2,085
Interest paid	已付利息	(7,993)	(8,289)
Net cash inflow/(outflow) from operating activities	經營活動產生之流入/(流出) 淨額	278,642	(178,336)

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

30. 綜合現金流量表附註 (續)

(b) Analysis of the balances of cash and cash equivalents

(b) 現金及現金等價物餘額分析

		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Bank balances and cash	銀行結餘及現金		
– general accounts	– 一般賬戶	2,456,606	520,414
Time deposits with maturity over three months	逾三個月到期之存款	(854,532)	(20,000)
		1,602,074	500,414

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

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31. SEGMENT INFORMATION

(a) Business segments

The Group conducts the majority of its business activities in three areas: short-term investments, financial services and long-term investments plus other operations. An analysis by business segment is as follows:

31. 分項資料

(a) 業務分項

本集團所經營之業務主要可分為三類：短期投資、金融服務和長期投資與其他業務。按業務分項之資料分析如下：

		Short-term investments		Financial services		Long-term investments plus others		Total	
		短期投資	金融服務	長期投資及其他	合計	2004	2003	2004	2003
		2004	2003	2004	2003	2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
REVENUE	收入								
Investment income	投資收入	70,668	127,323	-	-	225,943	110,964	296,611	238,287
Interest income	利息收入	1,384	4,832	22,731	18,391	12,234	1,834	36,349	25,057
Brokerage commission and service income	佣金與服務收入	188	1,217	94,835	111,347	285	66	95,308	112,630
Other income	其他收入	-	-	91	130	63,247	5,879	63,338	6,009
Total revenues	總收入	72,240	133,372	117,657	129,868	301,709	118,743	491,606	381,983
RESULTS	業績								
Segment results	分項業績	59,963	120,442	27,541	34,653	298,358	103,750	385,862	258,845
Unallocated corporate expenses	未分配的公司費用							(40,494)	(50,092)
Operating profit	經營盈利							345,368	208,753
Finance costs	財務費用							(7,925)	(7,023)
Share of (losses)/profits less losses of associates	應佔聯營公司(虧損)/盈利減虧損							(428,941)	237,818
Impairment loss on goodwill attributable to the interests in associates	應佔聯營投資商譽減值虧損							(102,300)	-
Impairment loss on investment in an associate	聯營公司投資減值虧損							-	(119,118)
Taxation charge	稅項費用							(13,479)	(96,896)
(Loss)/profit after taxation	除稅後(虧損)/盈利							(207,277)	223,534
Minority interests	少數股東權益							(7,915)	179
(Loss)/profit attributable to shareholders	股東應佔(虧損)/盈利							(215,192)	223,713

NOTES TO THE ACCOUNTS (continued)

賬目附註(續)

For the year ended 31st December 2004

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31. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

OTHER INFORMATION	其他資料	Short-term investments		Financial services		Long-term investments plus others		Total	
		2004	2003	2004	2003	2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Segment assets	分項資產	562,855	714,151	792,664	818,554	2,939,178	1,605,129	4,294,697	3,137,834
Investments in associates	聯營公司投資							1,029,349	2,265,920
Goodwill	商譽							-	102,300
Investments in a jointly controlled entity	共同控制實體權益							-	2,239
Unallocated corporate assets	未分配的公司資產							58,942	350,555
Total assets	總資產							5,382,988	5,858,848
Segment liabilities	分項負債	6,665	6,626	212,254	436,297	-	-	218,919	442,923
Unallocated corporate liabilities	未分配的公司負債							678,333	673,350
Total liabilities	總負債							897,252	1,116,273
Capital expenditure	資本性開支	-	-	500	-	4,608	18,179	5,108	18,179
Depreciation and amortisation of trading rights	折舊及交易權攤銷	-	118	-	307	4,817	4,564	4,817	4,989
Unallocated goodwill amortisation	未分配的商譽攤銷							-	13,200
Unallocated impairment loss for goodwill attributable to the interests in associates	未分配聯營公司投資商譽減值虧損							102,300	-
Unallocated impairment loss on investment in an associate	未分配聯營公司投資減值虧損							-	119,118

(b) Geographical segments

Most of the activities of the Group are based in Hong Kong from where it derives more than 90% of its revenues and operating results and where most of its segment assets are located.

(b) 區域分項

本集團絕大部分業務均在香港運作，而多於90%之收入與經營業績在香港產生及大部份的分項資產是處於香港。

NOTES TO THE ACCOUNTS (continued)

賬目附註 (續)

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

32. BANKING FACILITIES AND PLEDGE OF ASSETS

Aggregate banking facilities of the Group as at 31st December 2004 amounted to approximately HK\$80 million (2003: approximately HK\$130 million). None of these facilities were utilised (2003: None). These facilities were secured by approximately HK\$132 million (2003: HK\$120 million) of certain non-trading securities held by the Group and corporate guarantees issued by the Company.

33. APPROVAL OF ACCOUNTS

The accounts (on pages 47 to 124) were approved by the Board of Directors on 21st April 2005.

32. 銀行貸款額度及資產抵押

本集團於二零零四年十二月三十一日之銀行貸款額度約為港幣0.8億元(二零零三年:約港幣1.3億元)。本集團於年內並無使用任何貸款額度(二零零三年:無)。該等貸款額度由本集團持有之若干非交易證券約港幣1.32億元(二零零三年:港幣1.2億)作抵押及本公司作擔保。

33. 賬目批准

本年度賬目於第47至124頁已於二零零五年四月二十一日由董事會批准。