

Notes to Financial Statements

財務報表附註

31 December 2006 二零零六年十二月三十一日

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

Venture International Investment Holdings Limited (formerly known as "Technology Venture Holdings Limited") ("the Company") and its subsidiaries (together "the Group") distribute and sell computer hardware and software products, provide computer technology and real estate consultancy service. The Group has its operation principally in Mainland China.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Room 3101, 31st Floor, 118 Connaught Road West, Hong Kong.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, the Group's consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000).

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the compilation of these consolidated financial statements are summarised below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving high degree of judgement or where assumptions and estimates are significant to the consolidated financial statements are summarised in Note 4.

1. 主要業務及一般資料

宏昌國際投資控股有限公司(前稱「宏昌科技集團有限公司」,「本公司」)及其附屬公司(統稱「本集團」)從事分銷及銷售電腦軟硬件產品以及提供電腦技術及地產代理顧問服務之業務。本集團主要於中國內地經營業務。

本公司為於百慕達註冊成立之有限公司,其註冊辦事處地址為香港干諾道西118號31樓3101室。

本公司以香港聯合交易所有限公司主板為第一上市地。

除另有註明者外,本集團綜合財務報表乃以千港元呈列。

2. 主要會計政策

下文概述編製此等綜合財務報表採用之主要會計政策。除另有註明者外,此等政策已於全部呈報年度貫徹應用。

2.1 編製基準

綜合財務報表乃根據香港財務報告準則(「香港財務報告準則」)按歷史成本法編製,並就重估按公平值列賬之可供出售金融資產修訂。

遵照香港財務報告準則編製財務報表必須應用若干關鍵會計估計,管理層亦須於應用本公司會計政策時自行作出判斷。涉及高度判斷或假設及估計對綜合財務報表屬重要之範圍概述於附註4。

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2. SIGNIFICANT ACCOUNTING POLICIES

(continued)

2.1 BASIS OF PREPARATION (continued)

Adoption of HKFRS

In 2006, the HKICPA has issued new and revised HKFRS that are effective or available for early adoption for the current accounting period of the Group. The Group adopts the standard, amendments and interpretation, which are relevant to its operation.

The adoption of these new and revised HKFRS did not result in changes to the Group's accounting policies.

The Group has not early adopted the following new and revised HKFRS that have been issued but not yet effective for the current accounting period. It is not expected to have any significant impact on the Group's financial statements.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating segment ²
HK(IFRIC)-int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³
HK(IFRIC)-int 8	Scope to HKFRS 2 ⁴
HK(IFRIC)-int 9	Reassessment of Embedded Derivatives ⁵
HK(IFRIC)-int 10	Interim Financial Reporting and Impairment ⁶

- ¹ Effective for annual period beginning on or after 1 January 2007
- ² Effective for annual period beginning on or after 1 January 2009
- ³ Effective for annual period beginning on or after 1 March 2006
- ⁴ Effective for annual period beginning on or after 1 May 2006
- ⁵ Effective for annual period beginning on or after 1 June 2006
- ⁶ Effective for annual period beginning on or after 1 November 2006

2. 主要會計政策 (續)

2.1 編製基準 (續)

採納香港財務報告準則

於二零零六年，香港會計師公會頒佈於本集團本會計期間生效或可供提早採納之新訂及經修訂香港財務報告準則。本集團採納與其業務相關之準則、修訂及詮釋。

採納此等新訂及經修訂香港財務報告準則並無導致本集團會計政策出現變動。

本集團並無提早採納下列已頒佈但於本會計期間尚未生效之新訂及經修訂香港財務報告準則，預期該等準則不會對本集團財務報表構成任何重大影響。

香港會計準則 第1號 (修訂本)	資本披露 ¹
香港財務報告 準則第7號	金融工具：披露 ¹
香港財務報告 準則第8號	經營分部 ²
香港 (國際財務 報告詮釋委員 會) - 詮釋 第7號	應用香港會計準 則第29號嚴重通 脹經濟中之財務 報告重列法 ³
香港 (國際財務 報告詮釋委員 會) - 詮釋第8號	香港財務報告準 則第2號之範圍 ⁴
香港 (國際財務 報告詮釋委員 會) - 詮釋第9號	重估內含衍生工 具 ⁵
香港 (國際財務 報告詮釋委員 會) - 詮釋 第10號	中期財務報告及 減值 ⁶

- ¹ 於二零零七年一月一日或之後開始之年度期間生效
- ² 於二零零九年一月一日或之後開始之年度期間生效
- ³ 於二零零六年三月一日或之後開始之年度期間生效
- ⁴ 於二零零六年五月一日或之後開始之年度期間生效
- ⁵ 於二零零六年六月一日或之後開始之年度期間生效
- ⁶ 於二零零六年十一月一日或之後開始之年度期間生效

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and all its subsidiaries.

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. 主要會計政策 (續)

2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司之財務報表。

附屬公司指本集團持有其過半數投票權，從而有權監控其整體財務及經營政策之實體。評估本集團是否控制另一實體時，會考慮現時可予行使或可轉換之潛在投票權是否存在及有效。

附屬公司自控制權轉移至本集團之日起全面綜合入賬，並於控制權終止時終止綜合入賬。

本集團按收購會計法就收購附屬公司入賬。收購成本為所給予資產、已發行股本工具及所產生或承擔負債於交易日之公平值，加收購直接應計成本。業務合併中購入之可識別資產及承擔之負債及或然負債，初步按收購日期之公平值計算，不計及任何少數股東權益。收購成本超出本集團應佔所收購可識別淨資產之公平值之差額列作商譽。倘收購成本低於所收購附屬公司之資產淨值公平值，則直接於收益表確認差額。

集團旗下公司間交易、結餘及交易未變現收益互相抵銷。除非交易提供所轉讓資產出現減值之證據，否則未變現虧損亦會對銷。附屬公司之會計政策已於需要時更改，以確保與本集團所採納政策一致。

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 CONSOLIDATION (continued)

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 dividend received and receivable.

2.3 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns which are different from segments operating in other economic environments.

2.4 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the exchange fluctuation reserve in equity.

2. 主要會計政策 (續)

2.2 綜合賬目 (續)

於本公司資產負債表內，於附屬公司之投資按成本扣除減值虧損撥備列賬。本公司按已收及應收股息基準將附屬公司之業績入賬。

2.3 分部報告

業務分部指從事提供產品或服務之一組資產及業務，而該組資產及業務之風險及回報與其他業務分部有別。地區分部乃在特定經濟環境下從事提供產品或服務，而該分部之風險及回報與其他經濟環境經營之分部有別。

2.4 外幣換算

(a) 功能及呈列貨幣

本集團每個實體於財務報表所列項目均以有關實體營運之主要經濟環境所用貨幣（「功能貨幣」）列值。綜合財務報表以本公司之功能及呈列貨幣港元列值。

(b) 交易及結餘

外幣交易按交易日期之適用匯率換算為功能貨幣。結算該等交易及按年結時匯率換算以外幣列值貨幣資產及負債所產生匯兌盈虧均於收益表確認，惟於權益遞延處理列作合資格現金流量對沖項目或合資格淨投資對沖項目者除外。

分類為可供出售金融資產之權益等非貨幣項目之換算差額，計入權益項下匯兌波動儲備。

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 FOREIGN CURRENCY TRANSLATION (continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2. 主要會計政策 (續)

2.4 外幣換算 (續)

(c) 集團旗下公司

集團旗下所有功能貨幣與呈列貨幣不同之實體 (均非嚴重通脹經濟之貨幣) 之業績及財務狀況, 按以下方式換算為呈列貨幣:

- (i) 各資產負債表所呈列資產及負債, 按結算日之收市匯率換算;
- (ii) 各收益表之收入及支出, 按平均匯率換算, 惟此平均值並非該等交易日期通行匯率具累積效果之合理約數除外。在此情況下, 收入及支出將於交易日期換算; 及
- (iii) 所有匯兌差額將確認為權益項下獨立項目。

編製綜合賬目時, 換算於海外實體之淨投資所產生匯兌差額及指定作對沖該等投資之借貸及其他貨幣工具之匯兌差額列入股東權益。出售海外業務時, 該等匯兌差額於收益表確認為出售收益或虧損之一部分。

收購海外實體所產生商譽及公平值調整當作海外實體之資產及負債處理, 並按收市匯率換算。

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 FIXED ASSETS

The assets are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expended in the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Leasehold improvements	33 1/3% or over the lease terms, whichever is lower
- Vehicles	33 1/3%
- Furniture, fittings and equipment	20% to 33 1/3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the amount of the asset's carrying amount is greater than its estimated recoverable amount.

2. 主要會計政策 (續)

2.5 固定資產

資產按歷史成本減折舊及減值虧損列賬。歷史成本包括收購項目直接應計開支。成本亦可能包括轉撥自權益之物業、廠房及設備外幣購置項目之合資格現金流量對沖所產生任何收益或虧損。

當與項目有關之未來經濟利益可能流入本集團，以及項目成本可靠計算時，其後成本方會計入資產之賬面值或確認為獨立資產（視適用情況而定）。所有其他維修及保養費於產生之財政期間於收益表支銷。

物業、廠房及設備之折舊以直線法於其估計可用年內分配其成本或重估金額至剩餘價值。所採用年率如下：

- 租賃物業裝修	33 1/3%或租賃期，以較短者為準
- 汽車	33 1/3%
- 傢俬、固定裝置及設備	20%至33 1/3%

資產之剩餘價值及可用年期會於各結算日審閱及調整（如適用）。

倘資產之賬面值超過其估計可收回金額，則將即時撇減賬面值至其可收回金額。

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 INTANGIBLE ASSETS

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill on acquisition of subsidiaries before 1 January 2005 is eliminated against reserves. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(b) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year; are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives not exceeding three years.

2. 主要會計政策 (續)

2.6 無形資產

(a) 商譽

商譽指收購成本超出本集團於收購日期應佔所收購附屬公司、聯營公司或共同控制實體可識別淨資產公平值之差額。於二零零五年一月一日前收購附屬公司所產生商譽於儲備抵銷。商譽每年檢測減值，並按成本減累計減值虧損列賬。出售實體產生之收益及虧損計入售出實體有關商譽之賬面值。

檢測減值時，商譽分配至各現金產生單位。

(b) 電腦軟件

購入之電腦軟件特許權按購入及將特定軟件達致用途所產生成本撥充資本。該等成本按其三年估計可用年期攤銷。

與開發或保養電腦軟件程式相關之成本於產生時確認為開支。與生產本集團所控制而可能於一年後產生超過成本之經濟利益的可識別獨有軟件產品直接相關之成本確認為無形資產。直接成本包括軟件開發僱員成本及有關生產成本應佔部分。

電腦軟件開發成本確認為資產，並按不超過三年之估計可用年期攤銷。

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.8 AVAILABLE-FOR-SALE INVESTMENTS

Investments are recognised on a trade-date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

Gains and losses of available-for-sale investments arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments can be objectively related to an event occurring after the recognition of the impairment loss.

2. 主要會計政策 (續)

2.7 資產減值

無限定可用年期之資產毋須攤銷，惟須最少每年檢測減值一次，並於發生事項或情況有變顯示或不能收回賬面值時評估減值。須予攤銷之資產，於發生事項或情況有變顯示或不能收回賬面值時評估減值。確認之減值虧損金額相當於資產賬面值超逾其可收回金額之差額。可收回金額為資產公平值減出售成本及使用價值中之較高者。評估減值時，資產按可獨立識別現金流量之最小單位（現金產生單位）分類。

2.8 可供出售投資

倘訂立合約買賣投資，而合約條款規定須於有關市場設定之期間內交付投資，則有關投資按交易日基準確認入賬，並初步按公平值加直接應計交易成本計算。

可供出售投資公平值變動產生之收益及虧損直接於權益確認，直至有關證券售出或評為減值為止，屆時之前於權益確認之累計收益或虧損將計入期內溢利或虧損。就可供出售股本投資於溢利或虧損確認之減值虧損，其後不得自溢利或虧損撥回。就債務工具於溢利或虧損確認之減值虧損，可客觀列作與確認減值虧損後發生之事件有關。

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contracts in question.

Financial assets

- (a) Trade receivables, deposits, other receivables and prepayments

Trade receivables, deposits, other receivables and prepayments are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Depending on the nature of the product or service and the background of the customer, payment term ranges from advance payment to 90-day credit.

2. 主要會計政策 (續)

2.9 存貨

存貨按成本與可變現淨值中之較低者入賬。成本按先入先出法計算。製成品及在製品之成本包括設計成本、原材料、直接勞工、其他直接成本及相關生產雜費(按正常營運能力計算),但不包括借貸成本。可變現淨值為於日常業務中估計售價減適用可變動出售費用。

2.10 金融工具

當本集團就金融工具訂約時,有關金融資產及金融負債於本集團資產負債表確認。

金融資產

- (a) 應收貿易賬項、按金、其他應收款及預付款項

應收貿易賬項、按金、其他應收款及預付款項初步按公平值確認,其後按以實際利率法計算之攤銷成本入賬。當有客觀證據顯示資產減值,則於溢利或虧損就估計不可收回金額作出適當撥備。確認之撥備金額,相當於資產賬面值與估計未來現金流量按初步確認時所用實際利率折算之現值間差額。

本公司視乎產品或服務性質及客戶背景,給予客戶介乎預先付款至90日信貸期之付款期。

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

- (b) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, deposits and other short-term highly liquid investments (normally with maturities of 3 months or less) that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

- (a) Trade payables
Trade payables, other payable and amount due to an investee company are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.
- (b) Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2. 主要會計政策 (續)

2.10 金融工具 (續)

金融資產 (續)

- (b) 現金及現金等價物
現金及現金等價物包括手頭現金、存款以及其他一般於三個月或以內到期、可隨時轉換為已知金額現金且價值變動風險不大之高度流通短期投資。

金融負債及股本

本集團所發行金融負債及股本工具，按所訂合約安排之內容以及金融負債及股本工具之定義分類。股本工具為證明本集團資產於扣除所有負債後剩餘權益之合約。就特定金融負債及股本工具採納之會計政策載於下文。

- (a) 應付貿易賬項
應付貿易賬項、其他應付款及應付被投資公司款項初步按公平值計算，其後按以實際利率法計算之攤銷成本入賬。
- (b) 股本工具
本公司所發行股本工具，按已收所得款項減直接發行成本入賬。

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 EMPLOYEE BENEFITS

(a) *Post-employment benefits*

Group companies operate various mandatory post-employment benefit schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds in Hong Kong and pertinent state organizations in Mainland China. All schemes are defined contribution plans which are pension plans under which the Group pays fixed contributions. The Group has no legal or constructive obligations to pay further contributions if the funds in question do not hold sufficient assets to pay to the employees the benefits relating to their services in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expended over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2. 主要會計政策 (續)

2.11 僱員福利

(a) 退休後福利

本集團旗下公司設有多項強制性退休後福利計劃。該等計劃一般透過供款予保險公司或託管人管理之香港基金及中國內地相關國家機構營運。所有計劃均為定額供款計劃，本集團向該等退休金計劃支付定額供款。即使有關基金並無足夠資產向僱員支付與彼等於目前及以往期間服務有關之福利，本集團亦無法定或推定責任支付額外供款。

供款於到期繳付時確認為僱員福利開支。預付供款確認為資產，惟以將退回現金或未來付款減少金額為限。

(b) 股份付款

本集團設有以股本結算並以股份支付之補償計劃。就僱員所提供服務授出之購股權之公平值確認為開支。歸屬期內支銷之總額乃參考所授出購股權之公平值釐定，不包括任何非市場性質歸屬條件所產生影響，如盈利能力及銷售額增長指標。

已收所得款項扣除任何直接應計交易成本後，於購股權獲行使時撥入股本（面值）及股份溢價。

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財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 EMPLOYEE BENEFITS (continued)

(c) Termination benefits

Termination benefits are payable, at the discretion of the directors, when employment is terminated before normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognised termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(d) Profit-sharing and bonus plans

The Group provides bonus to employees at the discretion of the directors. When the bonus is declared, the Group recognises a liability and an expense. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.12 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be minimal.

2. 主要會計政策 (續)

2.11 僱員福利 (續)

(c) 終止聘用福利

在僱傭關係於正常退休日期前終止或僱員自願離職以換取利益之情況下，董事可酌情給予終止聘用福利。當有證據顯示本集團將根據不可撤回之詳盡正式計劃終止聘用現有僱員或因鼓勵僱員自願離職而提供終止聘用福利時，則會確認終止聘用福利。於結算日起計十二個月後到期之福利會折算至現值。

(d) 溢利分享及花紅計劃

本集團董事酌情給予僱員花紅。宣佈派發花紅時，本集團會確認負債及開支。倘合約有所規定或過往慣例引致推定責任，本集團便須確認撥備。

2.12 撥備

當本集團因過往事件承擔現有法律或推定責任，而解除責任很有可能導致資源流出，且金額已可靠計算之情況下，便會確認撥備。本集團不會就日後經營虧損作出撥備。

倘本集團承擔若干類似責任，於釐定解除責任是否需要流出資源時，將考慮整類責任。即使同類責任當中任何一個項目有導致資源流出可能性甚低，亦會確認撥備。

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 REVENUE RECOGNITION

Revenue comprises the fair values of sales of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) *Sale of goods*

Sale of goods is recognised when a Group entity has delivered products to the customer, who has accepted the products and collectibility of the related receivables is reasonably assured.

Products may be sold with a right of return under individual contracts. Accumulated experience is used to estimate and provide for such returns at the time of sale.

(b) *Rendering of service*

Provision of service is recognised in the accounting period in which the service is completed.

(c) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method.

2.14 LEASES

(a) *Operating lease*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expended in the income statement on a straight-line basis over the period of the lease.

2. 主要會計政策 (續)

2.13 收入確認

收入包括銷售貨品及服務之公平值，已扣除增值稅、回扣及折扣並抵銷本集團內公司間之銷售。收入確認如下：

(a) *銷售貨品*

貨品銷售於本集團向客戶交付產品而客戶已接納產品，且有關應收款合理確定可以收回之時確認。

產品可根據個別合約出售，並附帶退貨權利。於銷售時會根據過往累積經驗為退貨作出估計及撥備。

(b) *提供服務*

提供服務於服務完成之會計期間確認。

(c) *利息收入*

利息收入以實際利息法按時間分配基準確認。

2.14 租賃

(a) *經營租賃*

凡出租人保留擁有權大部分風險及回報之租賃，均列為經營租賃。根據經營租賃所作付款經扣除自出租人收取之任何優惠後，於租賃期內按直線法在收益表支銷。

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 LEASES (continued)

(b) Finance lease

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The investment properties acquired under finance leases are carried at their fair value.

2.15 INCOME TAX

Income tax for the year comprises current tax and deferred tax. Current tax and movements in deferred tax liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of the assets and liabilities for financial reporting purposes and the amount used for taxation purposes (tax base).

2. 主要會計政策 (續)

2.14 租賃 (續)

(b) 融資租賃

凡本集團擁有資產絕大部分風險及回報之租賃，均列為融資租賃。融資租賃於租賃開始時按租賃物業公平值與最低租賃付款現值之較低者撥充資本。每項租賃付款均分為負債及融資費用，以就尚未償還融資結餘得出穩定比率。相關租賃承擔在扣除融資費用後計入流動及非流動借貸。融資成本之利息部分於租賃期在收益表確認，以就每個期間之負債餘額得出穩定期間利率。根據融資租賃購入之投資物業按公平值列賬。

2.15 所得稅

年內所得稅包括即期稅項及遞延稅項。即期稅項及遞延稅項負債變動於收益表確認，惟與直接於權益確認之項目有關者除外。

即期稅項為就年內應課稅收入，按結算日已頒布稅率計算之預期應付稅項，並就過往期間應付稅項作出調整。

遞延稅項採用資產負債表負債法，就資產與負債用於財務申報之賬面值與用於報稅之金額（稅基）之間短暫時差作撥備。

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財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 INCOME TAX (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Deferred tax asset is not recognised when there is uncertainty about whether sufficient taxable profit will be made in the future to allow the related tax benefit to be utilised.

2.16 RELATED PARTIES

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

3. FINANCIAL RISK MANAGEMENT

Activities of the Group expose it to a variety of financial risks. Group's management monitors on an ongoing basis the movements and trends in foreign exchanges, interest rates, inventory and product prices. Where significant, the Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the operating companies and the head offices in Hong Kong. Group management identifies, evaluates and, where necessary, hedges financial risks in co-operation with the Group's operating units.

(a) MARKET RISK

(i) Currency risk

The Group operates principally in Mainland China and is mainly exposed to foreign exchange risk arising from changes in exchange rate of the Renminbi, primarily with respect to the Hong Kong dollar.

2. 主要會計政策 (續)

2.15 所得稅 (續)

遞延稅項金額根據資產與負債賬面值預期變現或結算方式，按結算日已頒布稅率確認。遞延稅項資產與負債不予貼現。

倘不能確定未來會否有足夠應課稅溢利以動用相關稅務利益，則不會確認遞延稅項資產。

2.16 有關連人士

倘一方有能力直接或間接控制另一方或於作出財務及經營決策時對該方行使重大影響力，則有關各方將被視為有關連。倘有關各方受共同控制或受制於共同重大影響力，則有關人士亦被視為有關連。有關連人士可為個別人士或公司實體。

3. 財務風險管理

本集團業務須面對多項財務風險。本集團管理層持續監察外匯、利率、存貨及產品價格之變動及走勢，並於有關變動屬重大時，應用衍生金融工具對沖若干風險。

風險管理由香港之營運公司及總公司進行。本集團之管理層聯同本集團營運單位識別、評估及於需要時對沖財務風險。

(a) 市場風險

(i) 貨幣風險

本集團主要於中國內地經營，主要面對人民幣兌港元匯率變動之外匯風險。

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3. FINANCIAL RISK MANAGEMENT (continued)

(a) MARKET RISK (continued)

(i) Currency risk (continued)

To manage their foreign exchange risk arising from future commercial transactions, and recognised assets and liabilities, entities in the Group use forward contracts on a discretionary basis. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group has its principal investment in Mainland China which, for financial reporting purpose, is treated as foreign operations, whose net assets are exposed to foreign currency transaction risk. Currency exposure arising from the net assets of the Group's foreign operations is not hedged as the currency risk is not deemed significant.

(ii) Price risk

The Group is exposed to risk of equity securities because the Group holds available-for-sale financial assets.

(b) CREDIT RISK

The Group has no significant concentrations of credit risk. It also has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

(c) LIQUIDITY RISK

The Group manages the risk of funding problem by maintaining sufficient cash, marketable securities and committed credit facilities during periods of low cash position.

(d) CASH FLOW AND FAIR VALUE INTEREST RATE RISK

As the Group has no significant interest-bearing assets and liabilities, the Group's income and operating cash flows are relatively unaffected by ordinary changes in market interest rates.

3. 財務風險管理 (續)

(a) 市場風險 (續)

(i) 貨幣風險 (續)

就管理因未來商業交易及已確認資產及負債產生之外匯風險，本集團旗下實體會酌情應用遠期合約。外匯風險因未來商業交易、已確認資產及負債以非該實體功能貨幣列值而產生。

本集團主要投資位於中國內地，就財務報告而言，視作海外業務處理，而其資產淨值面對外幣換算風險。由於本集團海外業務之資產淨值產生之貨幣風險並不重大，故並無就有關貨幣風險作對沖。

(ii) 價格風險

本集團因持有可供出售金融資產而面對股本證券風險。

(b) 信貸風險

本集團並無嚴重集中之信貸風險，且已推行政策確保產品銷售予具適當信貸記錄之客戶。

(c) 流動資產風險

本集團以維持充裕現金以及於現金狀況偏低期間維持有價證券及獲承諾信貸融資管理其資金風險。

(d) 現金流量及公平值利率風險

由於本集團並無重大計息資產及負債，故本集團收入及營運現金流量相對不受市場利率普遍變動之影響。

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4. IMPORTANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates significant to the Group included those relating to fair value of financial assets and liabilities, useful lives of computer software and bad debts.

5. SEGMENT INFORMATION

Segment information is presented primarily by business and secondarily by geographical locations of external customers.

Each segment represents a strategic business unit that offers products or services which are subject to risks and returns different from other segments. The Group's four principal segments are:

- (a) the banking and finance system integration services segment which provides system integration, software development, engineering, maintenance and professional outsourcing services for banking and finance, telecommunications and public sector clients;
- (b) the software solutions for banks and public sector segment which concentrates on the banking, e-commerce and public sectors with a business focus on e-business operations and online marketplaces;
- (c) IT management and support segment which provides IT services to small and medium-sized property agents;
- (d) the real estate consultancy service which serves the Shanghai property market.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

4. 重要會計估計及判斷

本集團持續按過往經驗及其他因素評估估計及判斷，包括預期於有關情況下相信屬合理日後事件。

對本集團屬重大之估計包括與金融資產及負債公平值、電腦軟件可用年期以及壞賬有關之估計。

5. 分部資料

分部資料以業務分部作為主要申報方式及以外部客戶之地區分部作為次要申報方式。

本集團各業務分部均代表一個提供產品或服務的策略業務單位，其有關風險及回報與其他業務分部均不同。本集團四個主要業務分部為：

- (a) 銀行及金融系統集成服務分部從事提供系統集成、軟件發展、工程、保養及專門為銀行業及金融業、電訊業及公用事業客戶提供專業外判服務；
- (b) 銀行及公用事務界別適用之軟件解決方案分部專注於以電子商業業務及網上市場為業務主導之銀行業、電子商貿及公用事業界別；
- (c) 資訊科技管理及支援分部向中小型物業代理提供資訊科技服務；
- (d) 房地產顧問服務分部向上海物業市場提供服務。

在釐定本集團之地區分部時，收入按顧客所在地計入分部，而資產按資產所在地計入分部。

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5. SEGMENT INFORMATION (continued)

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

(i) BUSINESS SEGMENTS

The following tables present revenue, result and certain asset, liability and expenditure information for the Group's business segments.

5. 分部資料 (續)

分部間的銷售及轉讓乃按當時市價參考向第三方銷售所用售價進行。

(i) 業務分部

下表載列本集團業務分部之收入、業績、若干資產、負債及開支之資料。

		Banking and finance systems integration services 銀行及金融系統集成服務		Software solutions for banks and the public sector 銀行及公用事務界別適用之軟件解決方案		IT management and support 資訊科技管理及支援		Real estate consultancy service 房地產顧問服務		Eliminations 抵銷		Consolidated 綜合	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		二零零六年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零六年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零六年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零六年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零六年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零六年 HK\$'000 千港元	二零零五年 HK\$'000 千港元
Segment revenue:	分部收入:												
Sales to external customers	向外部客戶作出之銷售	51,867	124,899	644	3,462	3,440	523	2,789	-	-	-	58,740	128,884
Inter-segment sales	分部間之銷售	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	利息收入	452	550	-	-	1	2	-	-	-	-	453	552
Other income	其他收益	407	5,514	270	12	-	-	-	-	-	-	677	5,526
Total	總額	52,726	130,963	914	3,474	3,441	525	2,789	-	-	-	59,870	134,962
Segment results	分部業績	(7,991)	(2,017)	536	1,527	1,433	141	(2,828)	-	-	-	(8,850)	(349)
Unallocated interest income	未分配利息收入											94	41
Unallocated gains	未分配收益											9,691	2,783
Unallocated expenses	未分配開支											(12,543)	(14,314)
Loss from continuing operations	持續經營業務之虧損											(11,608)	(11,839)
Finance costs	融資成本											(25)	(567)
Loss before tax	除稅前虧損											(11,633)	(12,406)
Income tax	所得稅											1,642	2,413
Loss for the year from continuing operations	持續經營業務年度虧損											(9,991)	(9,993)

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財務報表附註

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5. SEGMENT INFORMATION (continued)

(i) BUSINESS SEGMENTS (continued)

5. 分部資料 (續)

(i) 業務分部 (續)

		Banking and finance systems integration services 銀行及金融系統集成服務		Software solutions for banks and the public sector 銀行及公用事務界別適用之軟件解決方案		IT management and support 資訊科技管理及支援		Real estate consultancy service 房地產顧問服務		Eliminations 抵銷		Consolidated 綜合	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Segment assets	分部資產	149,819	152,434	150	77	18,408	14,206	35,976	-	(47,707)	(58,392)	156,646	108,325
Unallocated assets:	未分配資產:												
Available-for-sale investments	可供出售投資											66,591	91,700
Others	其他											16,162	2,843
Total assets	資產總值											239,399	202,868
Segment liabilities	分部負債	(98,779)	(89,919)	(469)	(1,118)	(1,526)	(589)	(5,305)	-	47,707	58,392	(58,372)	(33,234)
Unallocated liabilities	未分配負債											(10,017)	(13,699)
Bank overdrafts included in segment liabilities	計入分部負債之銀行透支											(18)	(62)
Total liabilities	負債總額											(68,407)	(47,559)
Other segment information:	其他分部資料:												
Cash and bank balances included in segment assets	計入分部資產之現金及銀行結餘	56,452	51,616	2	28	33	489	105	-	-	-	56,592	52,133
Unallocated amounts	未分配金額											38	40
												56,630	52,173
Pledged time deposits included in segment assets	計入分部資產之已抵押定期存款	15,624	139	-	-	-	-	-	-	-	-	15,624	139
Depreciation and amortisation	折舊及攤銷	1,189	1,310	-	500	24	-	159	-	-	-	1,372	1,810
Unallocated amounts	未分配金額											148	445
												1,520	2,255
Provision for doubtful debts, net	呆賬撥備淨額	273	1,042	-	3	-	-	255	-	-	-	528	1,045
Other non-cash expenses	其他非現金開支	(1)	-	-	(2)	-	-	(148)	-	-	-	(149)	(2)
Unallocated amounts	未分配金額											(2)	(56)
												(151)	(58)
Capital expenditure	資本開支	4	322	-	388	112	62	390	-	-	-	506	772
Unallocated amounts	未分配金額											31	295
												537	1,067

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5. SEGMENT INFORMATION (continued)

(ii) GEOGRAPHICAL SEGMENTS

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments.

5. 分部資料 (續)

(ii) 地區分部

下表載列本集團地區分部之收入及若干資產與開支之資料。

		Hong Kong 香港		Elsewhere in the PRC 中國其他地區		Eliminations 抵銷		Consolidated 綜合	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue:	分部收入:								
Sales to external customers	向外部客戶作出之銷售	540	524	58,200	128,360	-	-	58,740	128,884
Segment assets	分部資產	593,508	569,409	128,147	95,673	(548,847)	(553,914)	172,808	111,168
Unallocated amounts:	未分配金額:								
Available-for-sale investments	可供出售投資							66,591	91,700
								239,399	202,868
Other segment information:	其他分部資料:								
Capital expenditure	資本開支	31	295	506	772	-	-	537	1,067

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6. REVENUE AND OTHER INCOME

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and services. All significant intra-group transactions have been eliminated on consolidation.

An analysis of revenue and other income is as follows:

6. 收入及其他收益

收入指已售貨品(已扣除退貨及貿易折扣)與所提供服務之發票淨值。本集團屬下各公司間之一切重大交易已於綜合賬目時抵銷。

收入及其他收益分析如下:

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
CONTINUING OPERATIONS:	持續經營業務:		
Revenue	收入		
Sale of goods	銷售貨品	34,181	110,958
Rendering of computer technology services	提供電腦技術服務	21,770	17,926
Rendering of real estate consultancy services	提供房地產顧問服務	2,789	-
		58,740	128,884
Other income	其他收益		
Interest income	利息收入	547	594
Reversal of over-provision of business tax in previous years	撥回過往年度營業稅超額撥備	195	5,285
Excess of interest in the net fair value of acquiree's identifiable assets and liabilities over cost of acquisition of a subsidiary	被收購公司可識別資產及負債淨公平值中權益超出收購一家附屬公司成本之差額	-	2,234
Gain on disposal of listed available-for-sales investment	出售上市可供出售投資之收益	9,290	-
Gain on disposal of fixed asset	出售固定資產之收益	400	-
Government tax subsidies	政府稅項資助	401	453
Sundry income	雜項收入	82	336
		10,915	8,902
		69,655	137,786

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7. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

The Group's loss from continuing operations has been arrived at after charging (crediting):

7. 持續經營業務年度虧損

本集團之持續經營業務虧損已扣除(計入):

			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		Notes 附註		
Costs of inventories sold and services rendered	已售出存貨及所提供服務之成本		46,069	119,990
Depreciation	折舊	12	1,520	1,754
Amortisation of computer software	電腦軟件攤銷	13	97	-
Impairment loss recognised in respect of goodwill	已確認商譽減值虧損		-	602
Impairment loss of an unlisted investment – Beijing Dongshi Shuangwei Education Technology Co., Limited	非上市投資減值虧損 – 北京東師雙威教育技術開發有限公司		3,200	-
Equity settled share-based payments	股本結算股份付款		1,505	-
Payments under operating leases in respect of land and buildings	土地及樓宇經營租賃付款		2,328	3,171
Auditor's remuneration	核數師酬金		850	897
Staff costs, excluding directors' remuneration:	員工成本(不包括董事酬金):			
Salaries	薪金		11,432	10,750
Contribution to defined benefit retirement plans:	向定額福利退休計劃供款:			
Mainland China	中國內地		1,499	1,394
Hong Kong	香港		112	115
Other benefits	其他福利		2,588	1,405
			15,631	13,664
Net exchange gains	匯兌收益淨額		(455)	(747)
Provision for doubtful debts	呆賬撥備		528	1,045
Write-off of fixed assets	撇銷固定資產		151	56

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8. REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID EMPLOYEES

(a) DIRECTORS

The remuneration of the Company's directors disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance are as follows:

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Independent non-executive directors:	獨立非執行董事：		
Fees	袍金	499	550
Share-based payments	股份付款	102	-
		<u>601</u>	<u>550</u>
Executive directors:	執行董事：		
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	5,446	6,424
Contributions to mandatory provident fund	向強制性公積金供款	30	37
		<u>5,476</u>	<u>6,461</u>
		<u>6,077</u>	<u>7,011</u>

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

		Number of directors 董事人數	
		2006 二零零六年	2005 二零零五年
Nil to HK\$1,000,000	零港元至1,000,000港元	5	5
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	-	-
HK\$2,000,001 to HK\$3,000,000	2,000,001港元至3,000,000港元	2	2
		<u>7</u>	<u>7</u>

8. 董事及五名最高薪僱員酬金

(a) 董事

根據上市規則及香港公司條例第161條披露之本公司董事酬金如下：

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Independent non-executive directors:	獨立非執行董事：		
Fees	袍金	499	550
Share-based payments	股份付款	102	-
		<u>601</u>	<u>550</u>
Executive directors:	執行董事：		
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	5,446	6,424
Contributions to mandatory provident fund	向強制性公積金供款	30	37
		<u>5,476</u>	<u>6,461</u>
		<u>6,077</u>	<u>7,011</u>

酬金屬於下列範圍之董事人數如下：

		Number of directors 董事人數	
		2006 二零零六年	2005 二零零五年
Nil to HK\$1,000,000	零港元至1,000,000港元	5	5
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	-	-
HK\$2,000,001 to HK\$3,000,000	2,000,001港元至3,000,000港元	2	2
		<u>7</u>	<u>7</u>

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8. REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID EMPLOYEES (continued)

(b) The remuneration of every director for the year is set out below:

Name 姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Employer's contribution to pension scheme	Share-based payments	Total 總額 HK\$'000 千港元
			退休金計劃 僱主供款 HK\$'000 千港元	股份付款 HK\$'000 千港元	
(1) Executive 執行董事					
Chan Tze Ngon 陳子昂	-	2,686	12	-	2,698
Wu Emmy (resigned on 10 October 2006) 吳安敏 (於二零零六年十月十日辭任)	-	2,123	10	-	2,133
Tang Kin Hung (resigned on 26 May 2006 and reappointed on 10 October 2006) 鄧健洪 (於二零零六年五月二十六日辭任， 後於二零零六年十月十日獲重新委任)	-	637	8	-	645
(2) Independent Non-executive 獨立非執行董事					
Lo Siew Kiong, John (resigned on 23 June 2006) 羅肇強 (於二零零六年六月二十三日辭任)	95	-	-	-	95
Fu Yan Yan 傅欣欣	175	-	-	34	209
Wang Xi Ling 王希玲	150	-	-	34	184
Tai Benedict (appointed on 23 June 2006) 戴並達 (於二零零六年六月二十三日獲委任)	79	-	-	34	113
	<u>499</u>	<u>5,446</u>	<u>30</u>	<u>102</u>	<u>6,077</u>

8. 董事及五名最高薪僱員酬金 (續)

(b) 年內各董事之酬金載列如下：

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8. REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID EMPLOYEES (continued)

(c) FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees included three (2005: three) directors during the year, details of whose remuneration are set out above.

Details of the remuneration of the remaining two (2005: two) non-director, highest paid employees are as follows:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Basic salaries, other allowances and benefits in kind	1,401	1,241
Contributions to mandatory provident fund	24	24
	1,425	1,265

The remuneration of each of the non-director, highest paid employees for the year ended 31 December 2006 and 2005 fell within Nil to HK\$1,000,000 band.

During the year, no discretionary bonus, inducement to join and compensation for loss of office has been made.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

In the opinion of the directors of the Company, the Group had no significant obligations for long service payments to its employees pursuant to the requirements of the Hong Kong Employment Ordinance.

8. 董事及五名最高薪僱員酬金 (續)

(c) 五名最高薪僱員

於年內，五名最高薪僱員包括三名（二零零五年：三名）董事，彼等之酬金詳情載於上文。

最高薪僱員中餘下兩名（二零零五年：兩名）非董事僱員之酬金詳情如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
基本薪金、其他津貼及實物利益	1,401	1,241
向強制性公積金供款	24	24
	1,425	1,265

截至二零零六年及二零零五年十二月三十一日止年度，各非董事最高薪僱員之酬金介乎零港元至1,000,000港元。

年內並無發出任何酌情花紅或吸引加入本集團之獎勵及離職補償。

年內並無訂立任何董事豁免或同意豁免任何酬金之安排。

本公司董事認為，依據香港僱傭條例規定，本集團對其僱員並無重大長期服務金責任。

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9. FINANCE COSTS

9. 融資成本

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on bank and other borrowing wholly repayable within five years	須於五年內悉數償還之銀行及其他借貸之利息	1	532
Interest on finance leases	融資租賃利息	24	35
		<u>25</u>	<u>567</u>

10. GROUP INCOME TAX INCOME

10. 本集團所得稅收入

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current tax on continuing operations:	持續經營業務之即期稅項：		
Hong Kong	香港	-	-
Mainland China	中國內地	784	1,160
Overprovision in previous years	過往年度超額撥備	<u>(2,267)</u>	<u>(3,499)</u>
		(1,483)	(2,339)
Deferred tax (Note 26)	遞延稅項(附註26)	<u>(159)</u>	<u>(74)</u>
Tax income	稅項收入	<u>(1,642)</u>	<u>(2,413)</u>

The current tax charge principally relate to continuing operations of the following subsidiaries.

即期稅項支出主要與以下附屬公司之持續經營業務相關。

Companies 公司	Income tax rate 所得稅稅率
冠亞科技(上海)有限公司 (Topasia Tech (Shanghai) Limited)	27%
冠亞信息科技服務(上海)有限公司 (Topasia IT Service (Shanghai) Company Limited)	33%

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財務報表附註

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10. GROUP INCOME TAX INCOME (continued)

The tax income for the year can be reconciled to the loss per the consolidated income statement as follows:

10. 本集團所得稅收入(續)

年度稅項收入與綜合收益表之虧損對賬如下:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loss before tax	除稅前虧損	(11,633)	(12,406)
Tax credit at rates applicable to losses in the countries concerned	按有關國家虧損適用稅率計算之稅項抵免	(8,026)	(7,828)
Income not subject to tax	毋須課稅收入	(1,782)	(9,679)
Expenses not deductible for tax purpose	不可扣稅開支	10,452	18,663
Effect of tax loss carried forward	結轉稅項虧損之影響	-	4
Effect of utilisation of tax losses brought forward	動用結轉稅項虧損之影響	(19)	-
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	625	1,160
Overprovision of tax in previous years	過往年度稅項超額撥備	(2,267)	-
Adjustments in respect of current tax of previous years	過往年度即期稅項之調整	-	(3,573)
Tax income for the year	年度稅項收入	(1,642)	(2,413)

The Group has tax losses arising in Hong Kong of approximately HK\$18,000,000 (2005: HK\$18,000,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses due to uncertainty of future results.

本集團於香港產生稅項虧損約18,000,000港元(二零零五年:18,000,000港元),可供抵銷產生虧損公司之日後應課稅溢利。由於不能肯定將來業績,故並無就有關虧損確認任何遞延稅項資產。

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財務報表附註

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11. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

11. 每股虧損

每股基本虧損乃根據本公司普通股權益持有人應佔虧損除年內已發行普通股之加權平均數計算。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Loss attributable to equity holders of the Company:	本公司權益持有人應佔虧損：		
Continuing operations	持續經營業務	9,991	7,822
Discontinued operation	已終止業務	-	27,850
		9,991	35,672
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	606,667	516,048
Basic loss per share (HK\$ per share):	每股基本虧損(每股港元)：		
Continuing operations	持續經營業務	0.02	0.02
Discontinued operation	已終止業務	-	0.05
Total	總計	0.02	0.07

Diluted loss per share amounts are not presented as the share options outstanding during the years had an anti-dilutive effect on the basic loss per share.

由於有關年度內尚未行使之購股權對每股基本虧損造成反攤薄影響，故並無披露每股攤薄後虧損。

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12. FIXED ASSETS

Group

12. 固定資產

本集團

		Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		租賃 物業裝修	傢俬、固定 裝置及設備	汽車	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost:	成本值:				
At 1 January 2005	於二零零五年 一月一日	3,647	24,928	2,570	31,145
Additions	添置	250	660	91	1,001
Acquired on acquisition of subsidiaries	收購附屬公司時 所得成本	-	66	-	66
Eliminated on disposal of a subsidiary	出售一家附屬公司 時撇銷	(624)	(3,137)	(244)	(4,005)
Disposals	出售	-	(15)	-	(15)
Written off	撇銷	(1,716)	(1,819)	(277)	(3,812)
Exchange adjustments	匯兌調整	-	68	16	84
		<u>1,557</u>	<u>20,751</u>	<u>2,156</u>	<u>24,464</u>
At 31 December 2005	於二零零五年 十二月三十一日	1,557	20,751	2,156	24,464
Additions	添置	347	190	-	537
Acquired on acquisition of subsidiaries	收購附屬公司時 所得成本	-	600	-	600
Disposals	出售	-	-	(1,015)	(1,015)
Written off	撇銷	(505)	(5,614)	-	(6,119)
Exchange adjustments	匯兌調整	2	68	26	96
		<u>1,401</u>	<u>15,995</u>	<u>1,167</u>	<u>18,563</u>
At 31 December 2006	於二零零六年 十二月三十一日	1,401	15,995	1,167	18,563

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31 December 2006 二零零六年十二月三十一日

12. FIXED ASSETS (continued)

Group (continued)

12. 固定資產 (續)

本集團 (續)

		Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		租賃 物業裝修	傢俬、固定 裝置及設備	汽車	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Accumulated depreciation:	累積折舊:				
At 1 January 2005	於二零零五年 一月一日	3,529	21,258	1,757	26,544
Provided during the year	年內撥備	91	1,589	575	2,255
Eliminated on disposal of a subsidiary	出售一家附屬公司時 撇銷	(624)	(1,724)	(176)	(2,524)
Acquired on acquisition of subsidiaries	收購附屬公司時 所得累積折舊	-	1	-	1
Disposals	出售	-	(11)	-	(11)
Written off	撇銷	(1,660)	(1,819)	(277)	(3,756)
Exchange adjustments	匯兌調整	-	31	8	39
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2005	於二零零五年 十二月三十一日	1,336	19,325	1,887	22,548
Provided during the year	年內撥備	174	1,196	150	1,520
Acquired on acquisition of subsidiaries	收購附屬公司時 所得累積折舊	-	42	-	42
Disposals	出售	-	-	(1,015)	(1,015)
Written off	撇銷	(380)	(5,588)	-	(5,968)
Exchange adjustments	匯兌調整	-	38	19	57
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2006	於二零零六年 十二月三十一日	1,130	15,013	1,041	17,184
Carrying amounts:	賬面值:				
At 31 December 2006	於二零零六年 十二月三十一日	<u>271</u>	<u>982</u>	<u>126</u>	<u>1,379</u>
At 31 December 2005	於二零零五年 十二月三十一日	<u>221</u>	<u>1,426</u>	<u>269</u>	<u>1,916</u>
Carrying amounts of assets under finance lease:	融資租賃項下資產 之賬面值:				
At 31 December 2006	於二零零六年 十二月三十一日	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2005	於二零零五年 十二月三十一日	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>

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31 December 2006 二零零六年十二月三十一日

12. FIXED ASSETS (continued)

Company

12. 固定資產 (續)

本公司

		Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		租賃 物業裝修	傢俬、固定 裝置及設備	汽車	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost:	成本值:				
At 1 January 2005	於二零零五年 一月一日	1,715	1,047	1,295	4,057
Additions	添置	189	106	-	295
Written off	撇銷	(1,716)	-	-	(1,716)
At 31 December 2005	於二零零五年 十二月三十一日	188	1,153	1,295	2,636
Additions	添置	-	31	-	31
Disposals	出售	-	-	(1,015)	(1,015)
Written off	撇銷	-	(101)	-	(101)
At 31 December 2006	於二零零六年 十二月三十一日	188	1,083	280	1,551
Accumulated depreciation:	累積折舊:				
At 1 January 2005	於二零零五年 一月一日	1,614	1,015	968	3,597
Provided during the year	年內撥備	78	48	319	445
Eliminated on disposals	出售時撇銷	(1,660)	-	-	(1,660)
At 31 December 2005	於二零零五年 十二月三十一日	32	1,063	1,287	2,382
Provided during the year	年內撥備	94	45	8	147
Eliminated on disposals	出售時撇銷	-	-	(1,015)	(1,015)
Written off	撇銷	-	(99)	-	(99)
At 31 December 2006	於二零零六年 十二月三十一日	126	1,009	280	1,415
Carrying amounts:	賬面值:				
At 31 December 2006	於二零零六年 十二月三十一日	62	74	-	136
At 31 December 2005	於二零零五年 十二月三十一日	156	90	8	254

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13. INTANGIBLE ASSETS

Group

13. 無形資產

本集團

		Computer software 電腦軟件 HK\$'000 千港元	Goodwill 商譽 HK\$'000 千港元	Deferred development cost 遞延開發成本 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost:	成本值:				
At 1 January 2005	於二零零五年 一月一日	-	-	6,869	6,869
Additions	添置	-	12,772	-	12,772
Eliminated on disposal of a subsidiary	出售一家附屬 公司時抵銷	-	-	(2,636)	(2,636)
Written off	撇銷	-	-	(4,233)	(4,233)
At 31 December 2005	於二零零五年 十二月三十一日	-	12,772	-	12,772
Accumulated amortisation:	累積攤銷:				
At 1 January 2005	於二零零五年一月一日	-	-	5,482	5,482
Amortisation during the year	年內攤銷	-	-	811	811
Eliminated on disposal of a subsidiary	出售一家附屬 公司時抵銷	-	-	(2,060)	(2,060)
Written off	撇銷	-	-	(4,233)	(4,233)
At 31 December 2005	於二零零五年 十二月三十一日	-	-	-	-
Carrying amounts:	賬面值:				
At 31 December 2005	於二零零五年 十二月三十一日	-	12,772	-	12,772
Cost:	成本值:				
At 1 January 2006	於二零零六年 一月一日	-	12,772	-	12,772
Additions (Note 31)	添置 (附註31)	1,796	33,033	-	34,829
At 31 December 2006	於二零零六年 十二月三十一日	1,796	45,805	-	47,601
Accumulated impairment:	累積減值:				
At 1 January 2006	於二零零六年 一月一日	-	-	-	-
Amortisation during the year	年內攤銷	97	-	-	97
Exchange difference	匯兌差額	3	-	-	3
At 31 December 2006	於二零零六年 十二月三十一日	100	-	-	100
Carrying amounts:	賬面值:				
At 31 December 2006	於二零零六年 十二月三十一日	1,696	45,805	-	47,501

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財務報表附註

31 December 2006 二零零六年十二月三十一日

14. INTERESTS IN SUBSIDIARIES

14. 於附屬公司之權益

		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·按成本值	39,631	39,631
Due from subsidiaries	應收附屬公司之款項	327,452	328,639
Due to subsidiaries	應付附屬公司之款項	(2,011)	(2,041)
		365,072	366,229
Accumulated impairment	累積減值	(265,382)	(265,382)
		99,690	100,847

The balances with subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

附屬公司之結餘乃無抵押、免息及無固定還款期。

At the balance sheet date, the Company has interests in the following principal subsidiaries:

於結算日，本公司於下列主要附屬公司擁有權益：

Company 公司	Place of incorporation/ and operations 註冊成立/ 及營業地點	Nominal value of paid-up share/ registered capital 繳足股份/ 註冊資本之面值	Proportion of ownership interest 擁有 股權比例		Principal activities 主要業務
			2006 二零零六年	2005 二零零五年	
Held directly: 直接持有：					
Technology Venture Investments Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Ordinary US\$1,000 普通股1,000美元	100	100	Investment holding 投資控股
Held indirectly: 間接持有：					
Sequent China/ Hong Kong Limited	Hong Kong/ Mainland China 香港/中國內地	Ordinary HK\$10,000 普通股10,000港元	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及 提供電腦技術服務
Technology Venture (Software) Holdings Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	Ordinary US\$1,000 普通股1,000美元	100	100	Investment holding 投資控股
Topasia Computer Limited 冠亞電腦有限公司	Hong Kong/ Mainland China 香港/中國內地	Ordinary HK\$10,000 普通股10,000港元	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及 提供電腦技術服務

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14. INTERESTS IN SUBSIDIARIES (continued)

14. 於附屬公司之權益 (續)

Company 公司	Place of incorporation/ and operations 註冊成立/ 及營業地點	Nominal value of paid-up share/ registered capital 繳足股份/ 註冊資本之面值	Proportion of ownership interest 擁有 股權比例		Principal activities 主要業務
			2006	2005	
			二零零六年	二零零五年	
Held indirectly: (continued) 間接持有: (續)					
Topsoft Limited 宏昌軟件有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及 提供電腦技術服務
冠亞科技(上海)有限公司 (附註i) (Topasia Tech (Shanghai) Limited) (note i)	Mainland China 中國內地	Registered Capital US\$3,800,000 註冊資本 3,800,000美元	100	100	Distribution of information technology products and provision of computer technology services 分銷資訊科技產品及 提供電腦技術服務
冠亞信息科技服務(上海) 有限公司(附註ii) (Topasia IT Service (Shanghai) Company Limited) (note ii)	Mainland China 中國內地	Registered Capital US\$1,000,000 註冊資本 1,000,000美元	100	100	Provision of systems integration and maintenance services 提供系統集成及保養服務
Acacia Asia Partners Limited	British Virgin Islands/ Mainland China 英屬處女群島/中國內地	Ordinary US\$1 普通股1美元	100	100	Investment holding 投資控股
上海阿加斯網絡科技 有限公司(附註iii) (Acacia Asia Partners Limited) (note iii)	Mainland China 中國內地	Registered Capital US\$140,000 註冊資本 140,000美元	100	100	Network technology, software development and provision of technical support services 網絡技術、軟件開發及 提供技術支援服務

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31 December 2006 二零零六年十二月三十一日

14. INTERESTS IN SUBSIDIARIES (continued)

14. 於附屬公司之權益 (續)

Company 公司	Place of incorporation/ and operations 註冊成立/ 及營業地點	Nominal value of paid-up share/ registered capital 繳足股份/ 註冊資本之面值	Proportion of ownership interest 擁有 股權比例		Principal activities 主要業務
			2006 二零零六年	2005 二零零五年	
Held indirectly: (continued) 間接持有: (續)					
Grand Panorama Limited	British Virgin Islands/ Mainland China 英屬處女群島/中國內地	Ordinary US\$10,411 普通股10,411美元	100	-	Investment holding 投資控股
上海搏創投資諮詢 有限公司 (附註iv) (Conity Investment and Consultants (Shanghai) Company Limited) (note iv)	Mainland China 中國內地	Registered Capital US\$140,000 註冊資本 140,000美元	100	-	Provision of real estate consulting agency services 提供地產代理顧問服務

Notes:

附註:

- i. 冠亞科技(上海)有限公司 (Topasia Tech (Shanghai) Limited) is a wholly foreign owned enterprise established by Topasia Computer Limited in Mainland China for a period of 20 years commencing from the date of issuance of its business licence on 29 November 2001.
- ii. 冠亞信息科技服務(上海)有限公司 (Topasia IT Service (Shanghai) Company Limited) is a wholly foreign owned enterprise established by Topasia Computer Limited in Mainland China for a period of 20 years commencing from the date of issuance of its business licence on 28 January 2002.
- iii. 上海阿加斯網絡科技有限公司 (Acacia Asia Partners Limited) is a wholly foreign owned enterprise established by Acacia Asia Partners Limited in Mainland China for a period of 20 years commencing from the date of issuance of its business licence on 20 July 2005.
- iv. 上海搏創投資諮詢有限公司 (Conity Investment and Consultants (Shanghai) Company Limited) is a wholly foreign owned enterprise established by Grand Panorama Limited in Mainland China for a period of 20 years commencing from the date of issuance of its business licence on 20 July 2005.

- i. 冠亞科技(上海)有限公司為全外資企業,由冠亞電腦有限公司於中國內地成立,經營期由二零零一年十一月二十九日商業牌照發出日期起計為期20年。
- ii. 冠亞信息科技服務(上海)有限公司為全外資企業,由冠亞電腦有限公司於中國內地成立,經營期由二零零二年一月二十八日商業牌照發出日期起計為期20年。
- iii. 上海阿加斯網絡科技有限公司為全外資企業,由Acacia Asia Partners Limited於中國內地成立,經營期由二零零五年七月二十日商業牌照發出日期起計為期20年。
- iv. 上海搏創投資諮詢有限公司為全外資企業,由Grand Panorama Limited於中國內地成立,經營期由二零零五年七月二十日商業牌照發出日期起計為期20年。

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14. INTERESTS IN SUBSIDIARIES (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

15. GOODWILL PREVIOUSLY TAKEN DIRECTLY TO RESERVES

The balances of goodwill presented in the group statement of changes in equity are as follows:

14. 於附屬公司之權益 (續)

董事認為，上表所列本公司附屬公司均為主要影響本年度業績或構成本集團資產淨值重大部分之公司。董事認為，提供其他附屬公司之詳情將令篇幅過於冗長。

15. 過往直接撥入儲備之商譽

集團權益變動報表中呈列之商譽結餘如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Goodwill acquired in business combinations:	業務合併中收購之商譽：		
At beginning of the year	於年初	-	43,248
Eliminated on disposal of a subsidiary: Advanced Digital Technology Company Ltd (Note 32b(2))	出售一家附屬公司時抵銷： 北京先進數通信息技術有限公司 (附註32b(2))	-	(42,646)
Impairment losses: Sequent China/Hong Kong Limited	減值虧損： Sequent China/Hong Kong Limited	-	(602)
At end of the year	於年終	-	-

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16. AVAILABLE-FOR-SALE INVESTMENTS

16. 可供出售投資

		Notes	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		附註		
Current assets	流動資產			
Listed, outside Hong Kong	上市·香港境外	(i)		
7.48% (2005: 14.96%) in the share capital of ChinaCast Communication Holdings Limited	ChinaCast Communication Holdings Limited 7.48% (二零零五年: 14.96%) 股本		33,341	66,681
Revaluation surplus transferred to equity	撥入權益之重估盈餘		21,659	10,228
			55,000	76,909
Unlisted, outside Hong Kong	非上市·香港境外	(ii)		
20% in the registered capital of Beijing Dongshi Shuangwei Education Technology Company Limited	北京東師雙威教育技術開發有限公司20%註冊資本		11,591	14,791
			66,591	91,700

Notes:

- i. In September 2006, the Group disposed of half of the 14.96% of equity shareholdings in ChinaCast Communication Holdings Limited ("ChinaCast") to a director, Mr. Chan Tze Ngon, for a consideration of SGD9,250,000.
- ii. In October 2006, the Group entered into an agreement to dispose of its entire shareholding in Beijing Dongshi Shuangwei Education Technology Company Limited to an independent third party for a consideration of RMB12,000,000, payable by 4 installments.

附註:

- i. 於二零零六年九月，本集團向董事陳子昂先生出售 ChinaCast Communication Holdings Limited (「ChinaCast」) 14.96% 股本權益其中一半，代價 9,250,000 港元。
- ii. 於二零零六年十月，本集團就向一名獨立第三方出售其於北京東師雙威教育技術開發有限公司全部股權訂立協議，代價人民幣 12,000,000 元，分 4 期支付。

17. INVENTORIES

17. 存貨

		Group 本集團	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Information technology products held for resale, at cost	持作轉售之資訊科技產品·按成本		8,857	3,444

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18. TRADE RECEIVABLES

Trade receivables 應收貿易賬項
Less: Accumulated impairment 減：累計減值

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
63,925	70,720
(41,461)	(46,002)
22,464	24,718

The ageing analysis of the trade receivables at the balance sheet date, net of impairment losses, is as follows:

Current to 90 days 即期至90天
91 days to 180 days 91天至180天
181 days to 365 days 181天至365天
Over 365 days 365天以上

Group 本集團		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	10,430	13,865	
	2,986	6,994	
	6,540	3,289	
	2,508	570	
	22,464	24,718	

At the balance sheet date, the amount of trade receivables includes the balance due from a related company of HK\$156,525 (2005: Nil).

On average, the Group allows a credit period from one to six months to its trade customers.

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

There is no balance due from related parties included in the aggregate amount of prepayments, deposits and other receivables (2005: HK\$335,443).

18. 應收貿易賬項

於結算日，扣除減值虧損後之應收貿易賬項賬齡分析如下：

於結算日，應收貿易賬項金額包括應收一家有關連公司之結餘156,525港元（二零零五年：無）。

本集團向其貿易客戶平均給予一至六個月信貸期。

19. 預付款項、按金及其他應收款

預付款項、按金及其他應收款總額概無計入任何應收有關連人士之結餘（二零零五年：335,443港元）。

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20. IMPAIRMENT OF GOODWILL

The directors regard the carrying amounts of investment in and the goodwill arising from the acquisition of Grand Panorama Limited have not been impaired due to the profit guarantees given by the vendors and good business prospect of the Shanghai property market in the medium term.

21. BANK BALANCES AND CASH

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	16,723	52,173	31	30
Pledged time deposits	已抵押定期存款	15,624	139	-	-
Other time deposits with original maturity of more than three months when acquired	購入時原到期日超逾三個月之其他定期存款	39,907	-	-	-
		72,254	52,312	31	30
Less: Pledged time deposits	減：已抵押定期存款	(15,624)	(139)	-	-
Cash and cash equivalents	現金及現金等價物	56,630	52,173	31	30

At the balance sheet date, the balance of cash and cash equivalents denominated in Renminbi was about 90% of the total balance. Renminbi is not a freely convertible currency. The bank balances, pledged time deposits, and the other time deposits carried an average interest rate of approximately 3.75%.

The time deposits have been pledged to secure general banking facilities to a group company.

20. 商譽減值

董事認為，於Grand Panorama Limited之投資賬面值及收購該公司所產生商譽並無出現減值，原因為賣家提供溢利擔保及上海物業市場中期業務前景向好。

21. 銀行結餘及現金

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	16,723	52,173	31	30
Pledged time deposits	已抵押定期存款	15,624	139	-	-
Other time deposits with original maturity of more than three months when acquired	購入時原到期日超逾三個月之其他定期存款	39,907	-	-	-
		72,254	52,312	31	30
Less: Pledged time deposits	減：已抵押定期存款	(15,624)	(139)	-	-
Cash and cash equivalents	現金及現金等價物	56,630	52,173	31	30

於結算日，本集團以人民幣列值之現金及現金等價物餘額約佔總額之90%。人民幣為不可自由兌換之貨幣。銀行結餘、已抵押定期存款及其他定期存款按平均利率約3.75厘計息。

定期存款已抵押，作為本集團一家成員公司所獲一般銀行融資之擔保。

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22. TRADE PAYABLES

22. 應付貿易賬項

		Group 本集團	
		2006 二零零六年	2005 二零零五年
Notes 附註		HK\$'000 千港元	HK\$'000 千港元
Trade payables	應付貿易賬項	2,011	1,677
Amount due to certain minority shareholders	應付若干少數股東之款項	325	325
		2,336	2,002

The ageing analysis of trade payables as at the balance sheet date is as follows:

於結算日，應付貿易賬項之賬齡分析如下：

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Current to 90 days	即期至90天	234	-
91 days to 180 days	91天至180天	114	160
181 days to 365 days	181天至365天	200	8
Over 365 days	365天以上	1,788	1,834
		2,336	2,002

There is no balance due to related parties included in the above amounts.

上述金額並無包括應付有關連人士之結餘。

The range of credit period for payments of direct costs of products or services is from one to three months.

產品或服務直接成本付款之信貸期介乎一至三個月。

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23. ACCRUED LIABILITIES AND OTHER PAYABLES 23. 應計負債及其他應付款

Notes 附註	Group 本集團		Company 本公司	
	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Accrued expenses and other liabilities 應計費用及其他負債	59,115	35,525	2,167	4,037

24. BANK OVERDRAFTS

24. 銀行透支

	Group 本集團		Company 本公司	
	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank overdrafts repayable on demand: 須應要求償還之銀行透支:				
secured 有抵押	-	626	-	598
unsecured 無抵押	18	-	10	-
	18	626	10	598

As the balance sheet date, the Group's banking facilities were secured by the pledge of a group company's time deposits amounting to HK\$15,624,000 (2005: HK\$139,000). Corporate guarantees executed by the Company in favour of a bank had been cancelled (2005: HK\$20 million).

The average effective interest rate of overdrafts was approximately 17.75%.

於結算日，本集團銀行融資以本集團一家成員公司之定期存款15,624,000港元（二零零五年：139,000港元）作抵押。本公司向一家銀行簽立之公司擔保已獲註銷（二零零五年：20,000,000港元）。

透支之平均實際息率約為17.75厘。

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25. OBLIGATION UNDER FINANCE LEASE

Lease in respect of a motor vehicle:

25. 融資租賃承擔

一輛汽車之租賃：

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amounts payable:	應付款項：				
Not later than 1 year	一年內	-	232	-	232
In the 2nd to 5th years	第二至第五年	-	58	-	58
Total minimum finance lease payments	融資租賃最低租金總額	-	290	-	290
Future finance charges	未來融資費用	-	(36)	-	(36)
Total obligation under finance lease	融資租賃承擔總額	-	254	-	254
Classified into amounts payable:	分類為須於以下期間支付之款項：				
Not later than 1 year	一年內	-	203	-	203
In the 2nd to 5th years	第二至第五年	-	51	-	51
		-	254	-	254

26. DEFERRED TAX LIABILITIES

26. 遞延稅項負債

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
At beginning of the year	於年初	159	233
Written off to income statement (Note 10)	撥回收益表 (附註10)	(159)	(74)
At end of the year	於年終	-	159

The Group's deferred tax represented liabilities arising from accelerated depreciation allowances.

本集團之遞延稅項指源自加速折舊抵免之負債。

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27. SHARE CAPITAL

27. 股本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
<i>Authorised:</i>	<i>法定股本:</i>		
1,000,000,000 ordinary shares of HK\$0.10 each	1,000,000,000股每股面值 0.10港元之普通股	100,000	100,000
<i>Issued and fully paid:</i>	<i>已發行及繳足股本:</i>		
674,998,552 ordinary shares of HK\$0.10 each (2005: 557,351,493 shares)	674,998,552股每股面值0.10港元 之普通股(二零零五年: 557,351,493股)	67,500	55,735

During the year, 117,647,059 ordinary shares of the Company were issued at an issue price of HK\$0.102 per share to independent third parties for part of the consideration of HK\$30,000,000 for acquisition of 100% equity interest in Grand Panorama Limited.

年內，向獨立第三方發行本公司117,647,059股普通股，發行價每股0.102港元，作為收購Grand Panorama Limited 100%股本權益代價30,000,000港元之其中部份。

A summary of the movements of the Company's issued ordinary share capital is as follows:

本公司已發行普通股股本之變動概述如下：

		Number of shares in issue 已發行股份數目	Issued capital 已發行股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2005	於二零零五年一月一日	502,729,644	50,273	341,274	391,547
Issue of consideration shares	發行代價股份	54,621,849	5,462	1,038	6,500
At 31 December 2005 and 1 January 2006	於二零零五年 十二月三十一日及 二零零六年一月一日	557,351,493	55,735	342,312	398,047
Issue of consideration shares	發行代價股份	117,647,059	11,765	235	12,000
At 31 December 2006	於二零零六年 十二月三十一日	674,998,552	67,500	342,547	410,047

28. SHARE-BASED PAYMENT TRANSACTIONS

The Company's current share option scheme (the "Scheme") was adopted by the shareholders on 30 May 2002 for the primary purpose of providing incentives to directors, employees and persons providing services to the Group. It will expire on 29 May 2012. Under the Scheme, the Board may grant options to eligible employees, including directors of the Company and its subsidiaries, suppliers and service providers to subscribe for shares in the Company.

At the balance sheet date, the number of shares options granted and remained outstanding under the Scheme was 53,860,000 (2005: 9,365,000), representing 7.98% (2005: 1.68%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders and independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

HK\$1.00 is payable on each grant. Options may be exercised at any time from the date of grant of the share option during the Option Period ending on 29 May 2012. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the offer date of the options; (ii) the average closing price of the shares for the five business days immediately preceding the offer date; and (iii) the nominal value of the Company's shares.

28. 股份付款交易

本公司現有購股權計劃（「該計劃」）於二零零二年五月三十日獲股東採納，主要旨在向董事、僱員及服務本集團之人士提供獎勵，將於二零一二年五月二十九日屆滿。根據該計劃，董事會可向合資格僱員（包括本公司及其附屬公司董事）、供應商及服務供應商授出購股權，以認購本公司股份。

於結算日，根據該計劃授出及仍未行使之購股權為53,860,000份（二零零五年：9,365,000份），相當於當日本公司已發行股份之7.98%（二零零五年：1.68%）。於本公司股東並無事先批准之情況下，根據該計劃可能授出之購股權所涉及股份總數，於任何時間不得超逾本公司已發行股份10%。於本公司股東並無事先批准之情況下，任何一年內向任何個別人士已經及可能授出之購股權所涉及已經及將會發行之股份數目，於任何時間不得超逾本公司股份之1%。向主要股東及獨立非執行董事授出超逾本公司股本0.1%或價值超逾5,000,000港元之購股權，須事先經本公司股東批准。

須就每次授出之購股權支付1.00港元。購股權可由購股權授出日期起至二零一二年五月二十九日止購股權期間內隨時行使。行使價由本公司董事釐定，不得少於以下較高者：(i)購股權提呈日期本公司股份收市價；(ii)緊接提呈日期前五個營業日股份平均收市價；及(iii)本公司股份面值。

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28. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Details of share options outstanding at the balance sheet date, which are all of a call option type, are as follows:

Date of grant 授出日期	Exercise period 行使期	Exercise price 行使價	Fair value at grant date 授出日期之公平值
21 January 2000 二零零零年一月二十一日	From date of grant to 20 January 2010 由授出日期至二零一零年一月二十日	HK\$2.532 2.532港元	(Note) (附註)
27 November 2003 二零零三年十一月二十七日	From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日	HK\$0.233 0.233港元	HK\$0.05674 0.05674港元
16 August 2006 二零零六年八月十六日	From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日	HK\$0.100 0.100港元	HK\$0.05674 0.05674港元
29 November 2006 二零零六年十一月二十九日	From date of grant to 29 May 2012 由授出日期至二零一二年五月二十九日	HK\$0.150 0.150港元	HK\$0.05674 0.05674港元

In accordance with the terms of the share-based arrangement, options issued vest at the date of grant.

The fair value of the share options granted during the financial year is HK\$0.05674. The fair value of those granted in 2003 was estimated by the directors. Options were priced using the Black-Scholes-Merton Option Pricing Model. Expected volatility is based on extracts from the Bloomberg's information based on 400 trading days (around 1.5 years).

Inputs into the model

向模式輸入之數據

Weighted average share price 加權平均股價	
Exercise price 行使價	
Expected volatility 預期波幅	
Expected option period 預期購股權期間	
Dividend yield 股息率	
Risk-free interest rate 無風險利率	
Option type 購股權種類	

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

28. 股份付款交易 (續)

於結算日未行使全屬認購期權之購股權詳情如下：

根據股份安排條款，已發行購股權於授出日期歸屬。

於財政年度所授出購股權之公平值為0.05674港元。於二零零三年所授出購股權之公平值由董事估算。購股權採用「柏力克-舒爾斯」期權定價模式定價。預期波幅摘錄自根據400個交易日(近1.5年)計算之彭博資料。

2006

二零零六年

Weighted average share price 加權平均股價	HK\$0.138 0.138港元
Exercise price 行使價	HK\$0.100/0.150 0.100/0.150港元
Expected volatility 預期波幅	90.39%
Expected option period 預期購股權期間	1.5 years 1.5年
Dividend yield 股息率	0%
Risk-free interest rate 無風險利率	3.642%
Option type 購股權種類	Call 認購期權

計算購股權公平值所採用變數及假設乃按照董事最佳估算為準。購股權價值隨著若干客觀假設之不同變數改變。

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28. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Movements of the Company's share options held by employees, directors and business associates during the year are:

Grantee 承授人	Number of share options 購股權數目			At 31 December 2006 於二零零六年 十二月三十一日	Date of grant 授出日期	Share price of the Company at grant date 於授出 日期本公司 之股份價格	Exercise price 行使價	Exercise period of share options 購股權之 行使期
	At 1 January 2006 於二零零六年 一月一日	Granted during year 年內授出	Lapsed during the year 年內失效					
Directors 董事								
Mr. Tai Benedict 戴並達先生	-	600,000	-	600,000	29 November 2006 二零零六年 十一月二十九日	HK\$0.153 0.153港元	HK\$0.150 0.150港元	29 November 2006 to 29 May 2012 二零零六年 十一月二十九日 至二零一二年 五月二十九日
Mr. Fu Yan Yan 傅欣欣先生	-	600,000	-	600,000	29 November 2006 二零零六年 十一月二十九日	HK\$0.153 0.153港元	HK\$0.150 0.150港元	29 November 2006 to 29 May 2012 二零零六年 十一月二十九日 至二零一二年 五月二十九日
Ms. Wang Xi Ling 王希玲女士	-	600,000	-	600,000	29 November 2006 二零零六年 十一月二十九日	HK\$0.153 0.153港元	HK\$0.150 0.150港元	29 November 2006 to 29 May 2012 二零零六年 十一月二十九日 至二零一二年 五月二十九日
Other employees 其他僱員								
In aggregate 集體	8,045,000	-	(5,105,000)	2,940,000	27 November 2003 二零零三年 十一月二十七日	HK\$0.23 0.23港元	HK\$0.233 0.233港元	27 November 2003 to 29 May 2012 二零零三年 十一月二十七日 至二零一二年 五月二十九日
	-	8,000,000	-	8,000,000	29 November 2006 二零零六年 十一月二十九日	HK\$0.153 0.153港元	HK\$0.150 0.150港元	29 November 2006 to 29 May 2012 二零零六年 十一月二十九日 至二零一二年 五月二十九日
Sub-total 小計	<u>8,045,000</u>	<u>9,800,000</u>	<u>(5,105,000)</u>	<u>12,740,000</u>				

28. 股份付款交易 (續)

年內，僱員、董事及業務夥伴所持本公司購股權之變動如下：

Grantee 承授人	Number of share options 購股權數目			At 31 December 2006 於二零零六年 十二月三十一日	Date of grant 授出日期	Share price of the Company at grant date 於授出 日期本公司 之股份價格	Exercise price 行使價	Exercise period of share options 購股權之 行使期
	At 1 January 2006 於二零零六年 一月一日	Granted during year 年內授出	Lapsed during the year 年內失效					
Directors 董事								
Mr. Tai Benedict 戴並達先生	-	600,000	-	600,000	29 November 2006 二零零六年 十一月二十九日	HK\$0.153 0.153港元	HK\$0.150 0.150港元	29 November 2006 to 29 May 2012 二零零六年 十一月二十九日 至二零一二年 五月二十九日
Mr. Fu Yan Yan 傅欣欣先生	-	600,000	-	600,000	29 November 2006 二零零六年 十一月二十九日	HK\$0.153 0.153港元	HK\$0.150 0.150港元	29 November 2006 to 29 May 2012 二零零六年 十一月二十九日 至二零一二年 五月二十九日
Ms. Wang Xi Ling 王希玲女士	-	600,000	-	600,000	29 November 2006 二零零六年 十一月二十九日	HK\$0.153 0.153港元	HK\$0.150 0.150港元	29 November 2006 to 29 May 2012 二零零六年 十一月二十九日 至二零一二年 五月二十九日
Other employees 其他僱員								
In aggregate 集體	8,045,000	-	(5,105,000)	2,940,000	27 November 2003 二零零三年 十一月二十七日	HK\$0.23 0.23港元	HK\$0.233 0.233港元	27 November 2003 to 29 May 2012 二零零三年 十一月二十七日 至二零一二年 五月二十九日
	-	8,000,000	-	8,000,000	29 November 2006 二零零六年 十一月二十九日	HK\$0.153 0.153港元	HK\$0.150 0.150港元	29 November 2006 to 29 May 2012 二零零六年 十一月二十九日 至二零一二年 五月二十九日
Sub-total 小計	<u>8,045,000</u>	<u>9,800,000</u>	<u>(5,105,000)</u>	<u>12,740,000</u>				

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28. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Grantee 承授人	Number of share options 購股權數目				Date of grant 授出日期	Share price of the Company at grant date 於授出 日期本公司 之股份價格	Exercise price 行使價	Exercise period of share options 購股權之 行使期
	At 1 January 2006 於二零零六年 一月一日	Granted during the year 年內授出	Lapsed during the year 年內失效	At 31 December 2006 於二零零六年 十二月三十一日				
Business Associates 業務聯繫人士								
In aggregate 集體	1,320,000	-	-	1,320,000	21 January 2000 二零零零年 一月二十一日	HK\$3.175 3.175港元	HK\$2.532 2.532港元	21 January 2001 to 20 January 2010 二零零一年 一月二十一日 至二零零一年 一月二十日
	-	6,600,000	-	6,600,000	19 August 2006 二零零六年 八月十九日	HK\$0.093 0.093港元	HK\$0.100 0.100港元	19 August 2006 to 29 May 2012 二零零六年 八月十九日至 二零一二年 五月二十九日
	-	33,200,000	-	33,200,000	29 November 2006 二零零六年 十一月二十九日	HK\$0.153 0.153港元	HK\$0.150 0.150港元	29 November 2006 to 29 May 2012 二零零六年 十一月二十九日 至二零一二年 五月二十九日
Sub-total 小計	<u>1,320,000</u>	<u>39,800,000</u>	<u>-</u>	<u>41,120,000</u>				
Total 總額	<u>9,365,000</u>	<u>49,600,000</u>	<u>(5,105,000)</u>	<u>53,860,000</u>				

Note: The fair value of the options granted under the previous scheme has not been estimated as the directors believe that the likelihood of the exercise of the right is remote in view of the high value of the exercise price of such options relative to the current market price of the Company's shares.

附註: 鑑於根據過往計劃所授出購股權之行使價值大幅高於本公司股份現行市價，董事相信行使購股權可能性不大，因而並無估算其公平值。

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財務報表附註

31 December 2006 二零零六年十二月三十一日

29. RESERVES

(a) GROUP

The amounts of the Group's consolidated reserves and the movements therein are presented in the consolidated statement of changes in equity.

The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to a group re-organisation in 1999 over the nominal value of the share capital of the Company issued in exchange.

All components of equity other than retained earnings (accumulated losses) are not available for distribution to shareholders.

(b) COMPANY

29. 儲備

(a) 本集團

本集團之綜合儲備金額及其變動呈列於本集團綜合權益變動報表。

本集團之繳入盈餘指根據一九九九年進行之集團重組所收購附屬公司之股本面值與本公司作為交換已發行之股本面值間的差額。

留存盈利(累積虧損)以外之所有權益部分不得用作股東分派。

(b) 本公司

		Share premium account 股份溢價賬 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累積虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2005	於二零零五年一月一日	341,274	39,431	-	(326,741)	53,964
Issue of consideration shares (Note 27)	發行代價股份(附註27)	1,038	-	-	-	1,038
Net loss for the year	本年度淨虧損	-	-	-	(13,980)	(13,980)
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及二零零六年一月一日	342,312	39,431	-	(340,721)	41,022
Issue of consideration shares (Note 27)	發行代價股份(附註27)	235	-	-	-	235
Grant of share options	授出購股權	-	-	1,505	-	1,505
Net loss for the year	本年度淨虧損	-	-	-	(12,014)	(12,014)
At 31 December 2006	於二零零六年十二月三十一日	342,547	39,431	1,505	(352,735)	30,748

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財務報表附註

31 December 2006 二零零六年十二月三十一日

29. RESERVES (continued)

(b) COMPANY (continued)

The net loss from ordinary activities attributable to shareholders of the Company dealt with in the financial statements of the Company was HK\$12,014,000 (2005: HK\$13,980,000).

The contributed surplus of the Company represents the excess of the combined net asset value of the subsidiaries acquired pursuant to the same reorganisation as mentioned in note 29(a) above, over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda, the Company's contributed surplus is undistributable.

29. 儲備 (續)

(b) 本公司 (續)

於本公司財務報表處理之本公司股東應佔日常業務淨虧損為12,014,000港元(二零零五年: 13,980,000港元)。

本公司之繳入盈餘指如上文附註29(a)所述根據同一重組所收購附屬公司合併資產淨值超出本公司作為交換已發行之股份面值的金額。根據百慕達一九八一年公司法,本公司之繳入盈餘現時不得分派。

30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

30. 綜合現金流量表附註

Movement in working capital	營運資金變動	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(Increase) Decrease in inventories	存貨(增加)減少	(5,413)	13,036
Decrease in trade receivables	應收貿易賬項減少	3,274	3,368
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款增加	(3,472)	(7,831)
Increase (Decrease) in trade payables	應付貿易賬項增加(減少)	334	(11,781)
Increase (Decrease) in accrued liabilities and other payables	應計負債及其他應付款增加(減少)	19,742	(25,053)
		14,465	(28,261)

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財務報表附註

31 December 2006 二零零六年十二月三十一日

31. ACQUISITION OF A SUBSIDIARY

In August 2006, the Group acquired 100% of the share capital of Grand Panorama Limited ("GP") which in turn holds 100% of 上海搏創投資諮詢有限公司 (Conity Investment and Consultants (Shanghai) Company Limited). The relevant information about the acquisition is as follows:

31. 收購一家附屬公司

於二零零六年八月，本集團收購Grand Panorama Limited (「GP」) 100%股本，而該公司持有上海搏創投資諮詢有限公司100%權益。有關該項收購之相關資料如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(a) Detail of net liabilities (assets) acquired and goodwill: Total purchase consideration discharged by: Cash Fair value of the 117,647,059 shares of the Company issued based on published market price	(a) 所收購負債淨額(資產淨值)及商譽詳情: 總收購代價 以下列方式支付: 現金 本公司按已公布市價發行之117,647,059股股份之公平值	18,000	6,500
Total consideration of the acquisition	收購總代價	30,000	13,000
Transaction costs	交易成本	1,662	187
Add: Fair value of net (assets) liabilities acquired shown below	減: 下文列示所收購(資產淨值)負債淨額之公平值	1,371	(187)
Loan acquired	所收購貸款	-	(228)
Goodwill (Note 13)	商譽(附註13)	33,033	12,772

The factors that contribute to the recognition of the goodwill include profit guarantees made by the vendors of GP and potential for growth in the property market in Mainland China.

確認商譽之原因包括GP賣家作出溢利保證及中國內地物業市場之增長潛力。

Notes to Financial Statements

財務報表附註

31 December 2006 二零零六年十二月三十一日

31. ACQUISITION OF A SUBSIDIARY (continued)

(b) The net liabilities of GP on the date of acquisitions in August 2006 were as follows:

31. 收購一家附屬公司 (續)

(b) 於二零零六年八月收購日期，GP 之負債淨額如下：

		Fair value 公平值 HK\$'000 千港元	Acquiree's carrying amount 被收購公司 之賬面值 HK\$'000 千港元
Assets	資產		
Equipment	設備	559	559
Other intangible assets	其他無形資產	234	234
Trade receivables	應收貿易賬項	1,020	1,020
Other current assets	其他流動資產	641	641
Cash and cash equivalents	現金及現金等價物	23	23
		<u>2,477</u>	<u>2,477</u>
Liabilities	負債		
Amount due to related companies	應付有關連公司款項	1,940	1,940
Other payables	其他應付款	1,908	1,908
		<u>3,848</u>	<u>3,848</u>
Net liabilities acquired	所收購負債淨額	<u>(1,371)</u>	<u>(1,371)</u>
(c) Purchase consideration	(c) 收購代價	30,000	-
Less: Amount satisfied by the Company's shares	減：以本公司股份支付之款項	(12,000)	-
Purchase consideration paid in cash	以現金支付收購代價	18,000	-
Add: Transaction costs	加：交易成本	1,662	-
Less: Cash and cash equivalents in the subsidiary acquired	減：所收購附屬公司之現金及現金等價物	(23)	-
Net cash outflow on acquisition	收購時之現金流出淨額	<u>19,639</u>	<u>-</u>

GP contributed HK\$2,789,000 and HK\$2,847,000 to the Group's revenue and loss respectively for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1 January 2006, total group revenue for the year would have been approximately HK\$64,833,000 and loss for the year would have been approximately HK\$13,588,000. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 January 2006, nor are they a projection of future results.

GP於收購日期至結算日期間佔本集團之收入及虧損分別為2,789,000港元及2,847,000港元。

倘收購已於二零零六年一月一日完成，年內集團總收入將約為64,833,000港元，而年內虧損將約為13,588,000港元。該等備考資料僅供說明用途，不一定可顯示倘收購已於二零零六年一月一日完成，本集團實際達致之收入及業績，亦不能預測未來業績。

Notes to Financial Statements

財務報表附註

31 December 2006 二零零六年十二月三十一日

32. DISPOSAL OF A SUBSIDIARY

32. 出售一家附屬公司

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(a) Cash flow information:	(a) 現金流量資料:		
Disposal consideration:	出售代價:		
Cash received	已收現金	-	24,977
Direct costs relating to the disposal	有關出售之直接成本	-	(602)
		-	24,375
Amount of cash and cash equivalents of the subsidiary disposed of	所出售附屬公司之現金及現金等價物金額	-	(21,052)
Net cash received	已收現金淨額	-	3,323
Amount of non-cash net assets (liabilities) disposed of:	所出售非現金資產淨值(負債淨額)金額:		
Non-current assets	非流動資產	-	2,160
Current assets	流動資產	-	77,459
Current liabilities	流動負債	-	(78,114)
		-	1,505
(b) Loss for the year from discontinued operation:	(b) 已終止業務年度虧損:		
Post-tax loss from operation	業務產生之除稅後虧損	-	5,637
Loss on disposal of the discontinued operation	出售已終止業務之虧損	-	22,213
		-	27,850

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財務報表附註

31 December 2006 二零零六年十二月三十一日

32. DISPOSAL OF A SUBSIDIARY (continued)

(b(1)) Analysis of result of the discontinued operation during the year:

32. 出售一家附屬公司 (續)

(b(1)) 已終止業務年內業績分析:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Revenue:	收入:		
Sales of goods	銷售貨品	-	70,468
Rendering of computer technology services	提供電腦技術服務	-	25,756
		-	96,224
Cost of sales	銷售成本	-	(87,999)
Gross profit	毛利	-	8,225
Other income	其他收益	-	47
Selling and distribution expenses	銷售及分銷費用	-	(3,378)
Administrative expenses	行政費用	-	(8,707)
Other operating expenses	其他經營費用	-	(811)
Loss from operating activities	經營業務虧損	-	(4,624)
Finance costs	融資成本	-	(273)
Loss before tax	除稅前虧損	-	(4,897)
Income tax expense	所得稅開支	-	(740)
		-	(5,637)

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財務報表附註

31 December 2006 二零零六年十二月三十一日

32. DISPOSAL OF A SUBSIDIARY (continued)

(b(2)) Loss on disposal of the discontinued operation:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sale proceeds	出售所得款項	-	24,977
Waiver by the buyer of an amount due by the Group	買方豁免本集團應付款項	-	18,615
Less: Net asset value	減: 資產淨值	-	43,592
Goodwill at the date of purchase of the discontinued operation (Note 15)	於收購已終止業務日期之商譽 (附註15)	-	(22,557)
Transaction costs	交易成本	-	(42,646)
		-	(602)
		<u>-</u>	<u>(22,213)</u>

(c) Net cash flow of the discontinued operation:

32. 出售一家附屬公司 (續)

(b(2)) 出售已終止業務之虧損:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Operating activities	經營業務	-	(14,150)
Investing activities	投資活動	-	(749)
Financing activities	融資活動	-	360
		<u>-</u>	<u>(14,539)</u>

(c) 已終止業務之現金流量淨額:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Operating activities	經營業務	-	(14,150)
Investing activities	投資活動	-	(749)
Financing activities	融資活動	-	360
		<u>-</u>	<u>(14,539)</u>

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財務報表附註

31 December 2006 二零零六年十二月三十一日

33. COMMITMENTS

The Group leases certain of its office premises and property agency branches under operating lease arrangements. The leases are negotiated for terms ranging from half to two and half years. The terms of the leases generally require the tenants to pay security deposits and provide for periodical rent adjustments according to the then prevailing market conditions.

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases in respect of land and buildings falling due as follows:

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	793	1,046
In the second to fifth years, inclusive	第二至第五年 (首尾兩年包括在內)	377	837
		1,170	1,883

Save as aforesaid, the Company and the Group did not have any other significant commitments.

34. CONTINGENT LIABILITIES

Company and Group

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Guarantees given by the Company to banks in connection with banking facilities granted to certain subsidiaries	本公司就授予若干附屬公司之銀行融資給予銀行之擔保	-	20,000

33. 承擔

本集團根據經營租賃安排租賃其若干寫字樓物業及物業代理分行。物業租期洽定為半年至兩年半不等。租賃條款一般要求租戶支付保證金，並規定可根據當時市況定期調整租金。

於結算日，根據有關土地及樓宇之不可撤銷經營租賃，本集團在以下期間到期的未來最低租金總額如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	793	1,046
In the second to fifth years, inclusive	第二至第五年 (首尾兩年包括在內)	377	837
		1,170	1,883

除上述者外，本公司及本集團概無任何其他重大承擔。

34. 或然負債

本公司及本集團

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Guarantees given by the Company to banks in connection with banking facilities granted to certain subsidiaries	本公司就授予若干附屬公司之銀行融資給予銀行之擔保	-	20,000

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35. RELATED PARTY TRANSACTIONS

Ownership of the company's shares is widely held. The directors consider Venture International Investment Holdings Limited (incorporated in Bermuda) to be the ultimate parent of the Group.

(A) The following transactions were carried out with related parties:

35. 有關連人士交易

本公司股份之擁有權由多方人士持有。董事認為，於百慕達註冊成立之宏昌國際投資控股有限公司為本集團最終母公司。

(A) 與有關連人士進行之交易如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(i) Rendering of services	(i) 提供服務		
(a) Management services to an unlisted company classified as an available-for-sale investee company	(a) 向一家分類為可供出售被投資公司之非上市公司提供管理服務	312	309
(b) Provision of management services of two directors to an investee company for reimbursement of their remuneration	(b) 就付還酬金向一家被投資公司兩名董事提供管理服務	-	567
The service charge is based on market rate.			
(ii) Purchases from a related company	(ii) 自一家有關連公司採購		
Maintenance and consultancy services provided by a company controlled by a director	一家由一名董事控制之公司所提供保養及顧問服務	-	221
The service charge is based on market rate.			
(iii) Proceeds from sale of shares in an available-for-sale investment to a director	向一名董事出售可供出售投資所得款項	45,323	-

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35. RELATED PARTY TRANSACTIONS (continued)

(A) (continued)

35. 有關連人士交易 (續)

(A) (續)

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
(iv) Key management compensation	(iii) 主要管理人員補償		
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	8,801	6,636
Share-based payments	股份付款	102	-
(B) Amounts of outstanding balances due by (due to) the following related parties:		(B) 應收(應付)以下有關連人士之尚未償還款結餘:	
(i) Arising from sales of good/services An unlisted company classified as an available-for-sale investee company	(i) 源自銷售貨品/服務 一家分類為可供出售被投資公司之非上市公司	156	156
(ii) In the form of current accounts A significant investee group An investee company classified as an available-for-sale investee company	(ii) 以經常賬目方式 一家重大被投資公司 一家分類為可供出售被投資公司之被投資公司	-	(402)
A company of which a director of the Company is a director	一家本公司一名董事為其董事之公司	-	265
		-	70

Notes:

- (a) The directors of the Company consider that the related party transactions by group companies were made on normal commercial terms and in the ordinary course of business.
- (b) The balances are unsecured and without a fixed term of repayment.

附註:

- (a) 本公司董事認為，集團旗下公司所進行有關連人士交易乃按一般商業條款於日常業務中進行。
- (b) 該餘額為無抵押及無固定還款期。

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36. EVENTS AFTER THE BALANCE SHEET DATE

(i) Placing of new shares

On 22 January 2007, the Company entered into an agreement to place 110,000,000 new shares to six placees at a placing price of HK\$0.22 per share. The net proceeds from the placing received by the Company of approximately HK\$23,500,000 was applied towards the Company's general working capital.

(ii) Acquisition of Huge Value Development Ltd.

On 12 February 2007, Technology Venture Investments Limited ("TVI"), a wholly owned subsidiary of the Company, entered into an agreement to acquire 100% in the issued share capital of Huge Value Development Ltd. at a total consideration of HK\$78,000,000. Huge Value Development Ltd. is engaged in the provision of management and consultancy services for the cultivation of licorice roots in Inner Mongolia.

(iii) Extension of time for fulfillment of profit guarantee

On 22 February 2007, the shareholders approved a supplemental agreement entered into between TVI and vendors of the entire equity interest in Grand Panorama Limited to extend the time for fulfillment of the Profits Guarantee of RMB4,000,000 (approximately HK\$4,000,000) and RMB6,000,000 (approximately HK\$6,000,000) from the two years ending 31 December 2006 and 2007 to the two years ending 31 December 2007 and 2008 respectively.

(iv) Disposal of investment in ChinaCast Education Corporation

On 8 January 2007, TVI disposed of all of the 33,037,221 shares it owned in the capital of ChinaCast Communication Holdings Limited in exchange for 1,551,771 shares in the capital of ChinaCast Education Corporation (formerly known as Great Wall Acquisition Corporation), the shares of which are quoted on the NASDAQ over-the-counter ("OTC") Bulletin Board in the United States of America.

On 29 March 2007, TVI entered into an agreement to dispose of the said 1,551,771 shares for a consideration of HK\$55,000,000 to an independent third party.

36. 結算日後事項

(i) 配售新股

於二零零七年一月二十二日，本公司訂立協議，按配售價每股0.22港元，配售110,000,000股新股份予六名承配人。本公司配售所得款項淨額約為23,500,000港元，已用作本公司一般營運資金。

(ii) 收購 Huge Value Development Ltd.

於二零零七年二月十二日，本公司全資附屬公司 Technology Venture Investments Limited ("TVI") 訂立協議，以總代價78,000,000港元收購 Huge Value Development Ltd. 全部已發行股本。Huge Value Development Ltd. 從事提供管理及顧問服務以在內蒙古培植甘草。

(iii) 延遲達致溢利保證期限

於二零零七年二月二十二日，股東批准 TVI 與 Grand Panorama Limited 全部股本權益之賣方所訂立補充協議，以將達致溢利保證人民幣4,000,000元（約4,000,000港元）及人民幣6,000,000元（約6,000,000港元）之期限分別由截至二零零六年及二零零七年十二月三十一日止兩個年度延遲至截至二零零七年及二零零八年十二月三十一日止兩個年度。

(iv) 出售於 ChinaCast Education Corporation 之投資

於二零零七年一月八日，TVI 出售其於 ChinaCast Communication Holdings Limited 股本中所擁有全部33,037,221股股份，以交換 ChinaCast Education Corporation（前稱 Great Wall Acquisition Corporation）股本中1,551,771股股份。ChinaCast Education Corporation 股份於美國納斯達克場外交易議價板報價。

於二零零七年三月二十九日，TVI 訂立協議，按55,000,000港元代價向一名獨立第三方出售上述1,551,771股股份。