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The English text of this Annual Report shall prevail over the Chinese text.

CORPORATE INFORMATION

PLACE OF INCORPORATION

Hong Kong

BOARD OF DIRECTORS

Executive Directors:

Deacon Te Ken Chiu, J.P. *(Chairman)*

Duncan Chiu, B.Sc. *(Managing Director and Chief Executive Officer)*

Dennis Chiu, B.A.

Non-executive Directors:

Dato' David Chiu, B.Sc.

Daniel Tat Jung Chiu

Derek Chiu, B.A.

Desmond Chiu, B.A.

Margaret Chiu, LL.B.

Independent Non-executive Directors:

Chi Man Ma

Dr. Lee G. Lam

Ryan Yen Hwung Fong

COMPANY SECRETARY

Hung Kwong Lui, FCPA, FCCA, CGA

QUALIFIED ACCOUNTANT

Hung Kwong Lui, FCPA, FCCA, CGA

SOLICITORS

Woo, Kwan, Lee & Lo

Balkenende Chew & Siaw

AUDITORS

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

The Bank of East Asia Limited

Hang Seng Bank Limited

REGISTERED OFFICE

16th Floor, Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

PRINCIPAL OFFICE

Room 1802-1804, 18th Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited

Shops 1712-1716

17th Floor, Hopewell Centre

183 Queen's Road East

Hong Kong

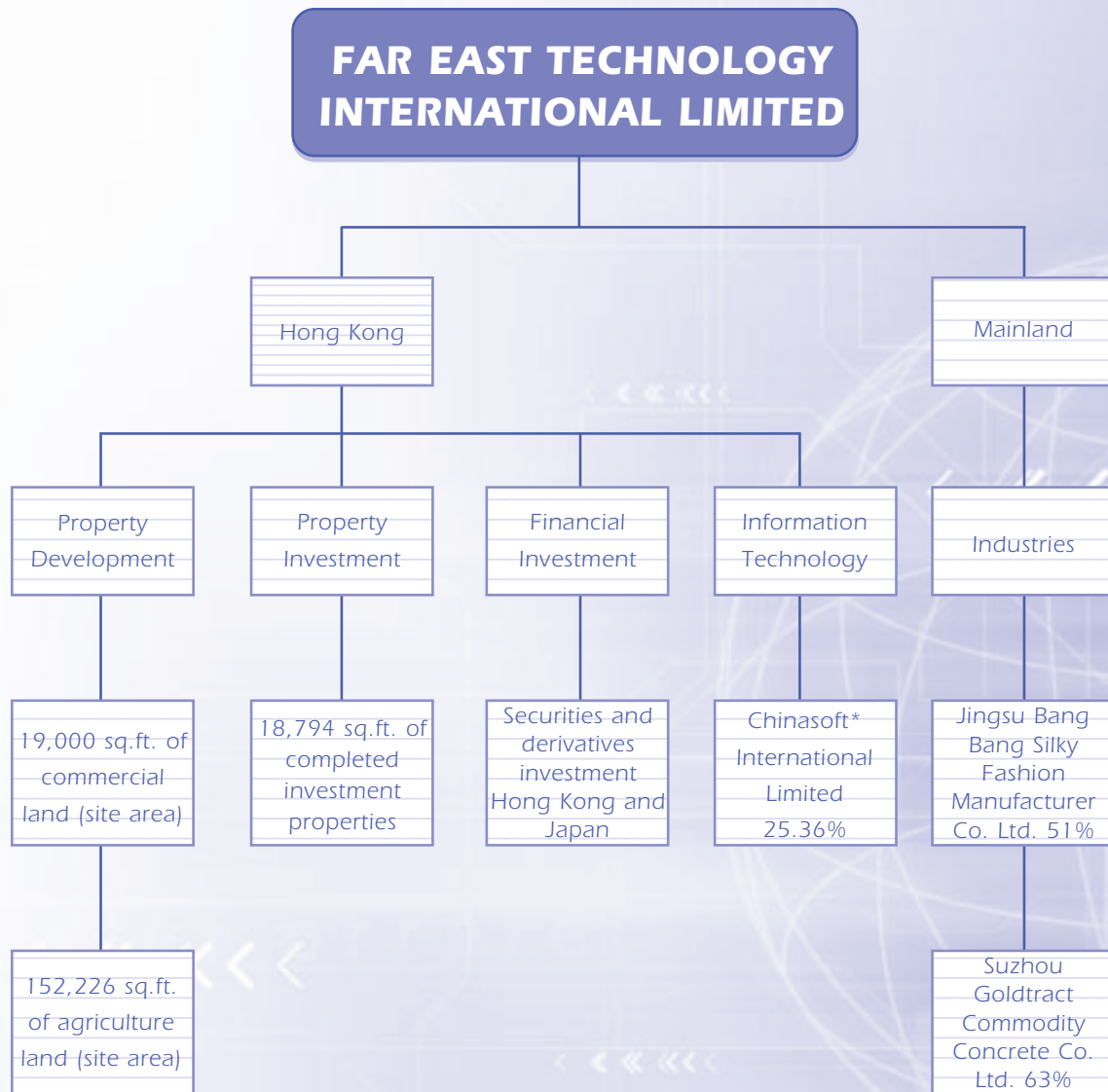
LISTING INFORMATION

Stock Exchange of Hong Kong ("SEHK"): 36

Board Lot Size: 3000

WEBSITE

<http://www.fet.com.hk>



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* Listed in Hong Kong
Stock Code: 8216

PROFILE OF THE DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Deacon Te Ken Chiu, J.P. (Chairman)

Mr. Chiu, aged 80, is the founder of the Far East Group and has been the Chairman of the Company since 1981. He is also the Chairman of Far East Consortium International Limited and Far East Hotels and Entertainment Limited. Mr. Chiu has more than 50 years of business experience in property investment and development; operation of entertainment and tourism related business; hotel ownership and management; financing and banking. He was a member of the Chinese People's Political and Consultative Conference; the founder of the Yan Chai Hospital; the founder and permanent Honorary Chairman of The New Territories General Chamber of Commerce; the founder and Chairman of the Ju Ching Chu Secondary School since 1966 and the Vice Patron of the Community Chest since 1968. Mr. Chiu is the father of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Desmond Chiu, Duncan Chiu and Miss Margaret Chiu.

Mr. Duncan Chiu, B.Sc. (Managing Director and Chief Executive Officer)

Mr. Chiu, aged 30, is the Managing Director and Chief Executive Officer of the Group. Mr. Chiu holds a bachelor's degree in business administration from Pepperdine University, U.S.A.. He has vast experience and excellent relationship in China's IT industry. He has also been serving as Vice Chairman of Hong Kong & Mainland Software Industry Cooperation Association. He is also a Non-executive Director of Far East Hotels & Entertainment Limited (SEHK: 37) as well as an Executive Director of Chinasoft International Limited (SEHK: 8216). Far East Hotels & Entertainment Limited principally engages in property and hotel business whereas Chinasoft International Limited principally engages in provision of solutions for information technology outsourcing, software development and information technology consulting services. He is the son of Mr. Deacon Te Ken Chiu and the brother of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Desmond Chiu and Miss Margaret Chiu.

Mr. Dennis Chiu, B.A.

Mr. Chiu, aged 46, was appointed an Executive Director of the Company in 1981. Mr. Chiu has been actively involved in the business development in the People's Republic of China ("P.R.C."), Singapore and Malaysia. He is an Executive Director of Far East Consortium International Limited and a Non-executive Director of Far East Hotels and Entertainment Limited. He is also a Non-executive Director of London-listing Fortune Oil Plc. He is the son of Mr. Deacon Te Ken Chiu and the brother of Messrs. David Chiu, Daniel Tat Jung Chiu, Derek Chiu, Desmond Chiu, Duncan Chiu and Miss Margaret Chiu.

NON-EXECUTIVE DIRECTORS

Y. Bhg Dato' David Chiu, B.Sc.

Dato' Chiu, aged 51, joined the Far East Group in 1975 and was appointed a Director of the Company in 1981. Since 1978, he had been the Managing Director of Far East Consortium Limited. He was appointed Deputy Chairman and Chief Executive Officer of Far East Consortium International Limited on 8th December, 1994 and 8th October, 1997 respectively. He is also a Non-executive Director of Far East Technology International Limited, Far East Hotels and Entertainment Limited and Chinasoft International Limited. He holds a double degree of Bachelor of Science in Business Administration and Economics from the University of Sophia, Japan.

Dato' Chiu is the Vice Chairman and a substantial shareholder of Malaysia Land Holdings Berhad, Malaysia. He is also the Chairman of Tokai Kanko Ltd, which is listed on the Tokyo Stock Exchange. Presently, Dato' Chiu is a member of the Guangxi Chinese People's Political and Consultative Conference in China and the Honorary Chairman of the Food, Biscuit and Beverage Association in Hong Kong. He has also been conferred an honorary award in Malaysia which carries the title Dato' by His Majesty, the King of Malaysia, in July 1997. Dato' Chiu actively participates in charitable activities. Currently, he is a Trustee Member of the Better of Hong Kong Foundation and Committee Member of the Chinese People's Liberation Army Force in Hong Kong. He is the second son of Mr. Deacon Te Ken Chiu and the brother of Messrs. Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Desmond Chiu, Duncan Chiu and Miss Margaret Chiu.

PROFILE OF THE DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTORS (Continued)

Mr. Daniel Tat Jung Chiu

Mr. Chiu, aged 44, was appointed a Director of the Company in 1983. He is also a Non-executive Director of Far East Consortium International Limited. He was appointed Vice Chairman (Non-executive) of Far East Hotels and Entertainment Limited in 1999. He is the major shareholder and Vice Chairman of London-listing Fortune Oil Plc. Mr. Chiu has extensive experience in China trade, petroleum trading and infrastructure investments. He also takes an active part in several kinds of projects in Hong Kong and the P.R.C.. He is the son of Mr. Deacon Te Ken Chiu and the brother of Messrs. David Chiu, Dennis Chiu, Derek Chiu, Desmond Chiu, Duncan Chiu and Miss Margaret Chiu.

Mr. Derek Chiu, B.A.

Mr. Chiu, aged 39, was appointed a Director of the Company in 1989. He is also the Managing Director and Chief Executive of Far East Hotels and Entertainment Limited. Mr. Chiu has extensive experience in the operation of amusement parks and entertainment business. He is the son of Mr. Deacon Te Ken Chiu and the brother of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Desmond Chiu, Duncan Chiu and Miss Margaret Chiu.

Mr. Desmond Chiu, B.A.

Mr. Chiu, aged 38, was appointed a Director of the Company in 1991. He graduated from the University of Cambridge, the United Kingdom and he was appointed as Deputy Managing Director of Far East Hotels and Entertainment Limited in 1999. He is the son of Mr. Deacon Te Ken Chiu and the brother of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Duncan Chiu and Miss Margaret Chiu.

Miss Margaret Chiu, LL.B.

Miss Chiu, aged 47, was appointed a Director of the Company in 1995. She is also an Executive Director of Far East Hotels and Entertainment Limited. She graduated with law degree from the University of Buckingham, the United Kingdom and has extensive experience in entertainment, television and motion picture business in Hong Kong, the P.R.C. and overseas. She is the daughter of Mr. Deacon Te Ken Chiu and sister of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Desmond Chiu and Duncan Chiu.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chi Man Ma

Mr. Ma, aged 72, was appointed as an Independent Non-executive Director of the Company in 1998. He is also a Director of The Hong Kong Parkview Group Limited, a public listed company in Hong Kong. He has extensive working experience in the fields of travel, transport, economics and infrastructure development in Hong Kong and the PRC.

Dr. Lee G. Lam

Lee G. Lam, aged 45, has been an Independent Non-executive Director of the Company since 30th September, 2004. He is the President & Chief Executive Officer and Vice Chairman of Chia Tai Enterprises International Limited. He is a Director of True Corporation Public Company Limited, a Non-executive Director of Glorious Sun Enterprises Limited, and an Independent Non-executive Director of Rowsley Ltd., Hutchison Global Communications Limited, Hutchison Harbour Ring Limited, Capital Strategic Investment Limited, Shanghai Ming Yuan Holdings Limited, and Finet Group Limited. Dr. Lam has over 23 years of multinational operations and general management, strategy consulting, corporate governance, investment banking, and direct investment experience in the telecommunications, media and information technology and financial services sectors.

PROFILE OF THE DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTORS (Continued)

Mr. Ryan Yen Hwung Fong

Mr. Fong aged 31, has been an Independent Non-executive Director of the Company since 30th September, 2004. He has over 10 years of equities portfolio management, trading and international capital markets analysis management experience. He is currently a director of HSZ (Hong Kong) Limited.

SENIOR MANAGEMENT

Mr. Hung Kwong Lui, FCPA, FCCA, CGA

Mr. Lui aged 45, is the Qualified Accountant and Company Secretary of the Company and the Financial Controller of the Group. He is responsible for overseeing the accounting matters and financial functions of the Group. He has over 20 years experience in audit and finance function in various sizeable and multinational companies. He is a Fellow Member of the Hong Kong Institute of Certified Public Accountants as well as Fellow Member of The Association of Chartered Certified Accountants in the United Kingdom. He is also an Associate Member of the Certified General Accountants Association of Canada.

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER'S STATEMENT

RESULTS

For the year ended 31st December, 2004, the Company and its subsidiaries (the "Group") had recorded a turnover from operations of approximately HK\$73.39 million, a decrease of 13% from the previous year (2003: HK\$84.68 million) due primarily to the reduction of rental income after the disposal of two investment properties during the year, particulars of which were set out in Business Review and Prospects section below.

However, there was a dramatic improvement in the net profit attributable to shareholders approximately HK\$52.28 million (2003: net loss HK\$84.76 million). This significant improvement was achieved by disposal of investment properties and non-core assets as set out in Material Acquisitions and Disposals of Subsidiaries and Associated Companies section below. The earning per share for the year ended 31st December, 2004 was HK15.8 cents (2003: Loss per share HK25.6 cents).

DIVIDEND

No interim dividend was paid during the year and no final dividend was recommended by the directors.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's capital expenditures, investments and business activities were primarily financed by net cash inflow generated from operating activities.

As at 31st December, 2004, the Group's bank and other loans amounted to approximately HK\$6.5 million (2003: HK\$150 million) of which all repayable within one year (2003: HK\$141.4 million) and nil (2003: HK\$8.6 million) repayable after one year. The loans' interest rates were in line with the best lending rate either charged at the Prime Rate or the Hong Kong Inter-Bank Offer Rate. The Group did not have any financial instruments used for hedging purpose.

The Group's bank and other loans are primarily denominated in United States dollars. As the Group's business transactions, assets and liabilities were mainly denominated in Hong Kong dollars, Reminbi and United States dollars, the Group considered that the exposures to foreign exchange risks were minimal.

After the disposal of non-core assets, the liquidity of the Group had greatly improved as evidence by the current ratio (current assets to current liabilities) increased to 1.64 (2003: 0.31). The Group's gearing ratio (total bank and other loans to shareholders' equity) decreased to 5.6% (2003: 205%).

PLEDGE OF ASSETS

At 31 December 2004, the Group had mortgaged or pledged certain investment properties, plants, equipments, listed investments and bank deposits with an aggregate net book value of approximately HK\$44.2 million (2003: HK\$199.7 million) to banks, financial institutions and loan creditors for obtaining banking facilities, margin trading facilities, overdraft and revolving loan facilities, term loan facilities and loan facilities to the Group to the extent of approximately HK\$62.8 million (2003: HK\$182.3 million).

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MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER'S STATEMENT

CONTINGENT LIABILITIES

At 31st December, 2004, the Group had no significant contingent liabilities (2003: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 22nd December, 2003, a conditional sale and purchase agreement was entered into whereby, inter alia, the Company and Mr. Dennis Chiu, an executive director of the Company agreed to dispose of their entire interests in Tang City Properties Pte. Ltd. to a wholly-owned subsidiary of Far East Consortium International Limited. The disposal was completed on 16th February, 2004.

On 21st April, 2004, the Company and Mr. Deacon Chiu, Chairman of the Board and an Executive Director of the Company, entered into a conditional sale and purchase agreement pursuant to which the Company had agreed to sell Laichi Kok Amusement (Haimen) Co. Ltd., a wholly foreign owned enterprise incorporated in the People's Republic of China, that was wholly-owned by the Company, to Mr. Deacon Chiu. The disposal was completed on 21st June, 2004. Details of the disposal were set out in a circular of the Company dated 28th May, 2004.

On 19th November, 2004, the Company agreed to dispose of its entire interests in Tang Dynasty City Pte. Ltd. ("TDC") to Mr. Deacon Chiu, being chairman of the Board and an Executive Director of the Company, at a cash consideration of HK\$1. On the same day, the Company further agreed to dispose of its entire interests in RFC Far East Limited ("RFC Far East") to Mr. Dennis Chiu, being an Executive Director of the Company at a consideration of US\$1. These connected transactions, which were exempted from reporting, announcement and independent shareholders' approval requirements, were both completed on 19th November, 2004.

EMPLOYEES

At 31st December, 2004, the Group had approximately 600 employees. The Group offers its employees competitive remuneration packages based on industry's practices and performance of individual employee. Year-end discretionary bonus would be granted to reward and motivate those well-performed employees. The Group had not adopted any share option scheme to which employees might participate.

BUSINESS REVIEW AND PROSPECTS

The Board is pleased to report that the Chinasoft International Limited ("Chinasoft"), an associate of the Group listed in the Growth Enterprise Market, continued to deliver remarkable contribution to the Group's Information Technology business. The operational result of Chinasoft has recorded significant growth both in terms of turnover and net profit. Entrusted by the State Tobacco Control Bureau and the State Audit Office as strategic partner in software solutions provision, Chinasoft has further strengthened itself as the leading provider of e-government solutions. With Chinasoft's active participation in the research and development of state bureaus' projects including "e-Insurance" and "e-Quality", the Group is confident that Chinasoft will continue to generate steady growth and sustainable income to the Group in the coming year.

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER'S STATEMENT

BUSINESS REVIEW AND PROSPECTS (Continued)

For the industrial segment, Jiangsu Bang Bang Silky Fashion Manufacturer Company Limited has recorded a decrease in turnover by 11% from previous year. With the abolishment of textile and clothing quotas system, the impact of such changes in our export garment trade to Japan will depend on the market reaction.

Notwithstanding the economic control measures implemented in China on selective industries, Suzhou Goldtract Commodity Concrete Company Limited has only recorded a slight drop of 6% in turnover in comparison with last year. With China's economic growth remaining positive and the demand for housing steady, and the Group is confident about its long term investments in Mainland China.

For the property investment segment, two investment properties were disposed during the year; one at Hunghom Commercial Centre in June 2004 and the other at Wealthy Garden in September 2004. Particulars of the disposal of investment properties have been set out in circulars of the Company dated 28th May, 2004. Both properties were formerly used for cinema operation, an entertainment and leisure-related business.

On the other hand, lease modification from cinema usage to commercial usage for the cinema (known as Golden Flower Theatre) at Kwai Chung Fa Yuen, Kwai Chung had been approved by the District Lands Department. Upon completion of the modification works, the rental incomes and proceeds from possible sale of individual shopping arcade unit are expected to be promising with the upraising property market in Hong Kong.

The Group has continued to restructure its operations by disposing of its non-core assets since 2003. As a result, the Group had disposed of its entire interests in Tang Dynasty City in Singapore and Laichi Kok Amusement Park in China. Furthermore, two investment properties, as mentioned above, were disposed during the year.

With a relatively stable global environment and continued positive Central Government policies, following with the opening of the Hong Kong Disney theme park this year and increased consumer confidence would mean that Hong Kong's economy will see healthy growth this year. The board will continue to adopt a conservative but proactive approach in its investment in information technology, manufacturing industries and capture business opportunities in the Mainland China in the coming year.

SUBSEQUENT EVENTS

On 21st September, 2004, a special resolution was passed in an extraordinary general meeting pursuant to which and with the sanction of an Order of High Court of the Hong Kong Special Administrative Region dated 25th January, 2005, every five (5) issued shares of the Company are consolidated into one (1) consolidated share. The nominal value of each issued consolidated share was then reduced from HK\$1.00 each to HK\$0.01 each by way of a reduction of capital pursuant to sections 48B and 58 of the Companies Ordinance of Hong Kong. Accordingly, the issued share capital of the Company was reduced from an amount of HK\$331,668,905 to HK\$663,338 represented by 66,333,781 consolidated shares. Details of the capital reorganization have been set out in a circular and a supplemental circular of the Company dated 28th May, 2004 and 27th August, 2004 respectively.

Duncan Chiu

Managing Director and Chief Executive Officer

Hong Kong, 18th April, 2005

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st December, 2004.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries, associates and a jointly controlled entity are set out in notes 18 to 20 respectively to the financial statements.

RESULTS

The results of the Group for the year are set out in the consolidated income statement on page 17.

No interim dividend was paid during the year and no final dividend was recommended by the directors.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent HK\$4.8 million on land and buildings in the People's Republic of China.

Details of this and other movements during the year in property, plant and equipment of the Group are set out in note 14 to the financial statements.

INVESTMENT PROPERTIES

During the year, the Group disposed certain of its investment properties with an aggregate carrying value of HK\$150.3 million.

The remaining investment properties were revalued at 31st December, 2004. The net revaluation increase arising on the revaluation, which had been credited directly to the investment property revaluation reserve and consolidated income statement, amounting to HK\$1,950,000 and HK\$460,000 respectively.

Details of these and other movements during the year in investment properties of the Group are set out in note 15 to the financial statements.

PROPERTIES

Details of the properties held by the Group at 31st December, 2004 are set out on page 61.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES IN THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Deacon Te Ken Chiu, *Chairman*

Mr. Duncan Chiu, *Managing Director and Chief Executive Officer*

Mr. Dennis Chiu

Non-executive Directors

Dato' David Chiu

Mr. Daniel Tat Jung Chiu

Mr. Derek Chiu

Mr. Desmond Chiu

Ms. Margaret Chiu

Independent Non-executive Directors

Mr. Chi Man Ma

Dr. Lee G Lam

Mr. Ryan Yen Hwung Fong

Mr. Siu Hong Chow

(appointed on 30th September, 2004)

(appointed on 30th September, 2004)

(resigned on 30th September, 2004)

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In accordance with Articles 76, 79 and 80 of the Company's Articles of Association, one-third of the Directors except Mr. Duncan Chiu shall retire from office, and being eligible, offer themselves for re-election. Mr. Duncan Chiu remains in office.

The term of office for each non-executive director is the period up to his or her annual retirement by rotation in accordance with the Company's Articles of Association.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and Senior Management of the Group are set out on pages 4 to 6 of the annual report.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES

At 31st December, 2004, the interests of the Directors and their associates in the shares of the Company or any of its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Name of director	Number of ordinary shares of the Company held				%
	Personal interests	Family interests	Corporate interests	Total interests	
Mr. Deacon Te Ken Chiu	7,548,000	6,110,000 (Note i)	6,228,600	19,886,600	6.00%
Dato' David Chiu	–	–	28,040,000 (Note ii)	28,040,000	8.45%
Ms. Margaret Chiu	5,000,000	–	–	5,000,000	1.51%
Mr. Dennis Chiu	25,110,200	–	30,400,000 (Note iii)	55,510,200	16.74%
Mr. Daniel Tat Jung Chiu	11,000,000	–	72,400,200 (Note iv)	83,400,200	25.15%
Mr. Derek Chiu	201,000	–	–	201,000	0.06%
Mr. Desmond Chiu	5,000,000	–	–	5,000,000	1.51%
Mr. Duncan Chiu	30,642,211	–	–	30,642,211	9.24%

Notes:

- (i) The shares are held by Madam Ching Lan Ju Chiu, wife of Mr. Deacon Te Ken Chiu.
- (ii) The shares are held by Rocket High Investments Limited, a company wholly-owned by Dato' David Chiu.
- (iii) The shares are held by Cape York Investments Limited ("Cape York"), a company owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu equally.
- (iv) Of the 72,400,200 shares, 30,400,000 shares are held by Cape York and the remaining 42,000,200 shares are held by Gorich Holdings Limited, a company wholly-owned by Mr. Daniel Tat Jung Chiu.

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares or debentures or underlying shares of the Company or any of its associated corporations at 31st December, 2004.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the heading "Connected transactions" below, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company has a contract of service with the Company or any of its subsidiaries not determinable by the Group within one year without payment of compensation (other than statutory compensation).

CONNECTED TRANSACTIONS

- (a) On 22nd December, 2003, the Group entered into conditional sale and purchase agreements, pursuant to which, inter alia, the Company and Mr. Dennis Tat Shing Chiu agreed to dispose of their entire interests in Tang City Properties Pte. Ltd. ("TCP") to a wholly-owned subsidiary of Far East Consortium International Limited ("FEC") at a consideration of S\$1, and FEC agreed to procure the refinancing of the bank loan facility of S\$25 million obtained by TCP and to take over the net external trade and non-trade creditors of TCP of S\$1.1 million. TCP and its subsidiaries were incorporated in Singapore and held all of the Group's investment properties in Singapore. The transaction was completed in February 2004. Details of the transaction are set out in a circular of the Company dated 16th January, 2004.
- (b) In April 2004, the Company disposed of its entire equity interest in Laichi Kok Amusement (Haimen) Company Limited, a wholly-owned subsidiary registered in the People's Republic of China, to Mr. Deacon Te Ken Chiu at a consideration of HK\$8.8 million which was satisfied by partially offsetting an amount owing by the Company to Mr. Deacon Te Ken Chiu. Details of the transaction are set out in a circular of the Company dated 28th May, 2004.
- (c) On 19th November, 2004, the Company disposed of its entire 95% equity interest in Tang Dynasty City Pte. Ltd. ("TDC"), a company incorporated in Singapore, to Mr. Deacon Te Ken Chiu, at a consideration of HK\$1.

On the same date, the Company disposed of its entire 100% equity interest in RFC Far East Limited ("RFC Far East"), a company incorporated in the British Virgin Islands and operated in Singapore, to Mr. Dennis Tat Shing Chiu, at a consideration of US\$1.

In view of the net liabilities position of TDC and RFC Far East, the Board including the Independent Non-executive Directors considered the terms to be fair and reasonable and was in the interests of the Group and its shareholders.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS

At 31st December, 2004, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain Directors under the section headed "Directors' interests in shares", the following shareholders had notified the Company of any interest, directly or indirectly, in 5% or more of the issued share capital of the Company:

Name of shareholder	Number of ordinary shares held	%
Gorich Holdings Limited ("Gorich") (Note 1)	42,000,200	12.66
Cape York Investments Limited ("Cape York") (Note 2)	30,400,000	9.17
Rocket High Investments Limited ("Rocket") (Note 3)	28,040,000	8.45
Virtual Dragon International Limited ("Virtual Dragon") (Note 4)	25,508,000	7.69
Tricom Cyberworld Holdings Limited	19,282,000	5.81

Notes:

1. Gorich is wholly-owned by Mr. Daniel Tat Jung Chiu. The interest of Mr. Daniel Tat Jung Chiu in the Company is stated under the section headed "Directors' interests in shares" above.
2. The interests of Mr. Daniel Tat Jung Chiu and Mr. Dennis Chiu in the Company are stated under the section headed "Directors' interests in shares" above.
3. Rocket is wholly-owned by Mr. David Chiu. The interest of Mr. David Chiu in the Company is stated in the section headed "Directors' interests in share" above.
4. The shares are held by Peace View Company Limited ("Peace View"), a wholly owned subsidiary of Far East Consortium Limited ("FEC"). On 28th March 2001, FEC had entered into a Sale of Shares Agreement with Virtual Dragon International Limited ("Virtual Dragon") to dispose of its entire equity interests in Peace View to Virtual Dragon.

Save as disclosed above, the Company has not been notified of any other interests or short positions representing 5% or more of the Company's issued share capital at 31st December, 2004.

MAJOR CUSTOMERS AND SUPPLIERS

Aggregate sales of the Group's five largest and the top largest customers accounted for approximately 67% and 39% of total turnover, respectively.

Aggregate purchases of the Group's five largest and the top largest suppliers accounted for approximately 23% and 6% of total purchases, respectively.

At no time during the year did a Director, an associate of a Director or a shareholder of the Company (which to the knowledge of the Director owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

EMPLOYEES

The total number of employees of the Group at 31st December, 2004 was approximately 600. Employees are remunerated according to nature of the job and market conditions. The Group has not adopted any share option scheme or share trading scheme for the employees during the year.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st December, 2004 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange, except that the Independent Non-executive Directors are not appointed for a specific term.

AUDIT COMMITTEE

The Company's audit committee comprising Independent Non-executive Directors and Non-executive Director.

The principal duties of the audit committee are reviewing the internal controls and the financial reporting requirements of the Group. The audit committee is satisfied with the Company's internal control procedures and the financial reporting disclosures.

POST BALANCE SHEET EVENT

Details of significant post balance sheet event are set out in note 40 to the financial statements.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Duncan Chiu

Managing Director and Chief Executive Officer

Hong Kong, 18th April, 2005

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AUDITORS' REPORT



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TO THE MEMBERS OF FAR EAST TECHNOLOGY INTERNATIONAL LIMITED
遠東科技國際有限公司
(incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 17 to 59 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with Section 141 of the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st December, 2004 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
18th April, 2005

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December, 2004

	Notes	2004 HK\$	2003 HK\$
Turnover	4	73,394,521	84,678,252
Cost of sales		(65,576,647)	(71,313,072)
Gross profit		7,817,874	13,365,180
Other operating income	6	5,000,441	3,160,200
Distribution costs		(460,238)	(552,814)
Administrative expenses		(6,158,693)	(6,301,300)
Other operating expenses	7	(191,394)	(1,352,895)
Unrealised holding gain on listed other investments		4,545,221	6,239,799
Gain on disposal of listed investment securities		3,089,802	5,275,613
Impairment loss on investment securities reversed		1,843,838	3,089,978
Impairment loss on property, plant and equipment (recognised) reversed		(3,185,376)	654,354
Surplus (deficit) on revaluation of investment properties		460,000	(45,451,938)
Gain on disposal of investment properties		2,376,620	—
Profit (loss) from operations	8	15,138,095	(21,873,823)
Finance costs	9	(1,653,146)	(5,693,260)
Impairment loss on interest in leisure-entertainment complex		—	(68,499,999)
Gain on disposal of subsidiaries and discontinued operations	10 & 33	27,851,326	—
Gain on deemed disposal of an associate	19	7,663,747	3,278,482
Share of results of associates		9,873,233	7,692,350
Share of results of a jointly controlled entity		(4,269,793)	7,500
Profit (loss) before taxation		54,603,462	(85,088,750)
Taxation	12	(1,284,569)	2,691,694
Profit (loss) before minority interests		53,318,893	(82,397,056)
Minority interests		(1,042,695)	(2,362,852)
Profit (loss) for the year		52,276,198	(84,759,908)
Earnings (loss) per share			
Basic	13	15.8 cents	(25.6 cents)

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CONSOLIDATED BALANCE SHEET

At 31st December, 2004

	Notes	2004 HK\$	2003 HK\$
Non-current Assets			
Property, plant and equipment	14	20,585,977	27,708,927
Investment properties	15	25,700,000	168,811,952
Land held for development	16	2,734,382	2,734,382
Leisure-entertainment complex	17	–	1
Interests in associates	19	47,583,384	32,661,084
Interest in a jointly controlled entity	20	2,799,189	7,068,982
Investments in securities	21	8,179,693	12,436,432
		107,582,625	251,421,760
Current Assets			
Investments in securities	21	20,845,373	14,357,749
Inventories	22	5,275,451	6,539,656
Trade and other receivables	23	14,342,234	18,919,306
Amounts due from minority shareholders		6,193,745	6,692,183
Amounts due from associates	24	685,529	4,727
Pledged bank deposits		5,216,006	14,335,487
Bank balances and cash		14,466,764	7,082,948
		67,025,102	67,932,056
Current Liabilities			
Trade and other payables	25	25,613,688	56,275,581
Amounts due to directors	26	5,752,598	15,904,179
Amounts due to related companies	27	1,557,088	5,752,548
Amount due to a minority shareholder		982,870	968,462
Amount due to a jointly controlled entity	28	507,550	507,550
Tax payable		6,690	403,031
Bank and other loans – due within one year	29	6,531,658	141,372,463
		40,952,142	221,183,814
Net Current Assets (Liabilities)		26,072,960	(153,251,758)
		133,655,585	98,170,002

CONSOLIDATED BALANCE SHEET

At 31st December, 2004

	Notes	2004 HK\$	2003 HK\$
Capital and Reserves			
Share capital	30	331,668,905	331,668,905
Reserves		(214,342,313)	(258,491,919)
		117,326,592	73,176,986
Minority Interests		16,328,993	16,410,692
Non-current Liability			
Bank and other loans – due after one year	29	–	8,582,324
		133,655,585	98,170,002

The financial statements on pages 17 to 59 were approved and authorised for issue by the Board of Directors on 18th April, 2005 and are signed on its behalf by:

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Deacon Te Ken Chiu
DIRECTOR

Duncan Chiu
DIRECTOR

BALANCE SHEET

At 31st December, 2004

	Notes	2004 HK\$	2003 HK\$
Non-current Assets			
Property, plant and equipment	14	311,473	–
Land held for development	16	1,994,382	1,994,382
Interests in subsidiaries	18	55,143,320	91,453,885
Interests in associates	19	16,020,274	16,020,034
		73,469,449	109,468,301
Current Assets			
Investments in securities	21	20,062,713	13,894,846
Other receivables		1,779,735	781,015
Amounts due from associates	24	685,529	4,727
Pledged bank deposits		5,216,006	14,335,487
Bank balances and cash		1,231,722	1,166,520
		28,975,705	30,182,595
Current Liabilities			
Other payables		2,608,858	6,341,862
Amounts due to directors	26	4,545,299	13,200,290
Amounts due to related companies	27	1,557,088	5,357,088
Amounts due to subsidiaries		15,605,011	669,601
Bank and other loans – due within one year	29	5,996,635	26,075,416
		30,312,891	51,644,257
Net Current Liabilities		(1,337,186)	(21,461,662)
		72,132,263	88,006,639
Capital and Reserves			
Share capital	30	331,668,905	331,668,905
Reserves	31	(259,536,642)	(249,662,266)
		72,132,263	82,006,639
Non-current Liability			
Bank and other loans – due after one year	29	–	6,000,000
		72,132,263	88,006,639

Deacon Te Ken Chiu
DIRECTOR

Duncan Chiu
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2004

	Share capital HK\$	Share premium HK\$	Investment property revaluation reserve HK\$	Exchange reserve HK\$	Accumulated losses HK\$	Total HK\$
At 1st January, 2003	331,668,905	282,892,010	491,191	8,181,485	(467,307,085)	155,926,506
Revaluation decrease, net of minority interests	-	-	(491,191)	-	-	(491,191)
Exchange differences arising on translation of overseas subsidiaries, net of minority interests	-	-	-	3,055,222	-	3,055,222
Share of post-acquisition reserve movement of associates	-	-	-	(553,643)	-	(553,643)
Net (losses) gains not recognised in the consolidated income statement	-	-	(491,191)	2,501,579	-	2,010,388
Loss for the year	-	-	-	-	(84,759,908)	(84,759,908)
At 31st December, 2003	331,668,905	282,892,010	-	10,683,064	(552,066,993)	73,176,986
Revaluation increase	-	-	1,950,000	-	-	1,950,000
Exchange differences arising on translation of overseas subsidiaries, net of minority interests	-	-	-	(288,508)	-	(288,508)
Share of post-acquisition reserve movement of associates	-	-	-	136,281	-	136,281
Net gain (losses) not recognised in the consolidated income statement	-	-	1,950,000	(152,227)	-	1,797,773
Realised on disposal of subsidiaries	-	-	-	(9,924,365)	-	(9,924,365)
Profit for the year	-	-	-	-	52,276,198	52,276,198
At 31st December, 2004	331,668,905	282,892,010	1,950,000	606,472	(499,790,795)	117,326,592

The accumulated losses of the Group include retained profits of HK\$21,038,244 (2003: HK\$13,916,212) and accumulated losses of HK\$4,186,586 (2003: retained profits of HK\$83,207) retained by associates and a jointly controlled entity, respectively.

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CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2004

	Note	2004 HK\$	2003 HK\$
OPERATING ACTIVITIES			
Profit (loss) from operations		15,138,095	(21,873,823)
Adjustments for:			
Depreciation		3,714,426	3,857,958
Loss on disposal of property, plant and equipment		63,849	138,586
Gain on disposal of investment properties		(2,376,620)	–
Gain on disposal of listed investment securities		(3,089,802)	(5,275,613)
(Surplus) deficit on revaluation of investment properties		(460,000)	45,451,938
Impairment loss on investment securities reversed		(1,843,838)	(3,089,978)
Impairment loss on property, plant and equipment recognised (reversed)		3,185,376	(654,354)
Unrealised holding gain on listed other investments		(4,545,221)	(6,239,799)
Interest income		(271,336)	(154,127)
Operating cash flows before movements in working capital		9,514,929	12,160,788
Decrease in inventories		1,225,176	975,436
Increase in other investments		(1,942,403)	(51,018)
Decrease in trade and other receivables		3,302,685	2,203,387
Decrease in amounts due from minority shareholders		498,438	398,907
(Increase) decrease in amounts due from associates		(680,802)	602,474
(Decrease) increase in trade and other payables		(12,582,610)	8,990,651
Increase in amount due to a minority shareholder		14,408	968,462
Increase (decrease) in amounts due to directors		187,093	(13,925,348)
Increase in amount due to a jointly controlled entity		–	209,161
Decrease in amounts due to related companies		(3,789,396)	(960,131)
Cash (used in) generated from operations		(4,252,482)	11,572,769
Overseas tax paid		(362,941)	(612,584)
Hong Kong Profits Tax paid		(42,849)	(684,000)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES		(4,658,272)	10,276,185
INVESTING ACTIVITIES			
Interest received		271,336	154,127
Proceeds on disposal of property, plant and equipment		6,315	1,367
Net proceeds on disposal of investment properties		30,176,620	–
Proceeds on disposal of investment securities		9,190,379	12,658,660
Net cash outflow arising on disposal of subsidiaries	33	(69,960)	–
Expenditure spent on of investment properties		(3,290,000)	–
Investment in an associate		(240)	–
Acquisition of property, plant and equipment		(5,455,253)	(3,410,946)
Dividend received from an associate		1,768,898	–
Decrease (increase) in pledged bank deposits		9,119,481	(7,702,653)
NET CASH FROM INVESTING ACTIVITIES		41,717,576	1,700,555

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2004

	2004 HK\$	2003 HK\$
FINANCING ACTIVITIES		
Dividend paid to minority shareholders	(1,171,599)	(1,881,842)
Repayment of bank and other loans	(54,969,523)	(27,343,306)
Repayment of obligations under finance leases	–	(23,827)
New bank and other loans	28,126,671	21,555,149
Interest paid on bank and other loans	(1,653,146)	(5,693,260)
NET CASH USED IN FINANCING ACTIVITIES	(29,667,597)	(13,387,086)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,391,707	(1,410,346)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	7,082,948	8,548,753
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(7,891)	(55,459)
CASH AND CASH EQUIVALENTS CARRIED FORWARD represented by bank balances and cash	14,466,764	7,082,948

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

1. GENERAL

The Company is a public limited company incorporated in Hong Kong with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is engaged in investment holding and securities trading. Its subsidiaries are principally engaged in the manufacture and sales of garments and commodity concrete, securities investment, property investment and sale. Its principal associate is engaged in the provision of information technology services in the People's Republic of China (the "PRC").

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill represents the excess of the cost of acquisition and the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

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

Investments in subsidiaries

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

Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates.

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

Interests in jointly controlled entities

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group's interests in jointly controlled entities are included in the consolidated balance sheet at the Group's share of the net assets of the jointly controlled entities. The Group's share of post-acquisition results of jointly controlled entities is included in the consolidated income statement.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and any identified impairment loss.

Depreciation is provided to write off the cost of the assets over their estimated useful lives from the date on which they become fully operational and after taking into account their estimated residual value, using the straight-line method, at the following rates per annum:

Land and buildings in the PRC	over the lease term
Amusement equipment	20%
Leasehold improvements	10%
Exhibits, display items and costumes	6% – 20%
Lifts, electrical and office equipment	10% – 20%
Trams, coaches and motor vehicles	20% – 30%

Land and buildings in the PRC consist of land use rights and buildings in the PRC.

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

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

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value based on independent professional valuations at the balance sheet date. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance of the investment property revaluation reserve is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged.

On disposal of an investment property, the balance of the investment property revaluation reserve attributable to that property is transferred to the income statement.

No depreciation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land held for development

Land held for development for purposes not yet determined is stated at cost less any identified impairment loss.

Leisure-entertainment complex

The carrying amount of the leisure-entertainment complex includes land cost, construction costs, other direct development expenditure, overheads and other associated costs attributable to the development project less any identified impairment loss.

Investments in securities

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

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

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

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

Impairment

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using first-in, first-out method.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

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

Sales of investments are recognised when title to the investments is transferred and the buyer takes legal possession of the investments.

Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.

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

Revenue from amusement park operation is recognised upon receipt from theme park operation, sales of tickets and services rendered.

Revenue from restaurant operation is recognised when services are rendered.

Income from sales of completed properties is recognised upon completion of the sales agreement and when the risks and rewards of ownership are passed to the buyers.

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

Operating leases

Rental payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

Transactions in currencies other than Hong Kong dollars are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in currencies other than Hong Kong dollars are re-translated at the rates prevailing on the balance sheet date. Gains and losses arising on exchange are included in net profit or loss for the period.

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

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

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

4. TURNOVER

	2004 HK\$	2003 HK\$
Continuing operations		
Sales of goods	67,445,889	74,177,924
Securities trading	3,611,797	887,175
Property rental income	1,723,902	8,926,389
Dividend income from listed securities	541,003	492,202
	73,322,591	84,483,690
Discontinued operation		
Revenue from amusement park operation	71,930	194,562
	73,394,521	84,678,252

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into four operating divisions – securities investment and trading, property development and investment, entertainment and leisure, and industrial. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Securities investment and trading	–	investment and trading in securities.
Property development and investment	–	properties development, investment and sale.
Entertainment and leisure	–	operation of amusement park.
Industrial	–	manufacture and sales of garments and commodity concrete.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

Segment information about these businesses is presented below.

2004

	Continuing operations			Discontinued operation	
	Securities investment and trading HK\$	Property development and investment HK\$	Industrial	Entertainment and leisure HK\$	Consolidated HK\$
			HK\$		
TURNOVER					
External sales	<u>4,152,800</u>	<u>1,723,902</u>	<u>67,445,889</u>	<u>71,930</u>	<u>73,394,521</u>
RESULTS					
Segment results	<u>7,653,562</u>	<u>2,641,993</u>	<u>(438,832)</u>	<u>280,931</u>	<u>10,137,654</u>
Other operating income	<u>4,627,530</u>	<u>125,397</u>	<u>194,320</u>	<u>53,194</u>	<u>5,000,441</u>
Profit from operations					<u>15,138,095</u>
Finance costs					<u>(1,653,146)</u>
Gain on disposal of subsidiaries and discontinued operations	-	<u>(3,213,856)</u>	-	<u>31,065,182</u>	<u>27,851,326</u>
Gain on deemed disposal of an associate					<u>7,663,747</u>
Share of results of associates					<u>9,873,233</u>
Share of results of a jointly controlled entity	-	<u>(4,269,793)</u>	-	-	<u>(4,269,793)</u>
Profit before taxation					<u>54,603,462</u>
Taxation					<u>(1,284,569)</u>
Profit before minority interests					<u>53,318,893</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

2004

	Continuing operations			Discontinued operation	
	Securities investment and trading HK\$	Property development and investment HK\$	Industrial HK\$	Entertainment and leisure HK\$	Consolidated HK\$
ASSETS					
Segment assets	31,118,779	28,508,996	38,029,875	–	97,657,650
Interests in associates					47,583,384
Interest in a jointly controlled entity	–	2,799,189	–	–	2,799,189
Unallocated corporate assets					26,567,504
Consolidated total assets					174,607,727
LIABILITIES					
Segment liabilities	3,467,778	524,862	21,605,048	–	25,597,688
Tax payable					6,690
Bank and other loans					6,531,658
Unallocated corporate liabilities					8,816,106
Consolidated total liabilities					40,952,142
OTHER INFORMATION					
Capital additions	402,998	8,342,255	–	–	8,745,253
Depreciation	91,525	–	3,541,321	81,580	3,714,426
Impairment loss on property, plant and equipment	–	–	3,185,376	–	3,185,376

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

2003

	Continuing operations			Discontinued operation	Consolidated HK\$
	Securities investment and trading HK\$	Property development and investment HK\$	Industrial HK\$	Entertainment and leisure HK\$	
TURNOVER					
External sales	<u>1,379,377</u>	<u>8,926,389</u>	<u>74,167,825</u>	<u>204,661</u>	<u>84,678,252</u>
RESULTS					
Segment results	<u>8,352,227</u>	<u>(41,939,353)</u>	<u>4,787,392</u>	<u>(64,734,288)</u>	<u>(93,534,022)</u>
Other operating income	83,902	68,746	1,571,458	1,436,094	<u>3,160,200</u>
Loss from operations after impairment loss on interest in leisure-entertainment complex					(90,373,822)
Finance costs					(5,693,260)
Gain on deemed disposal of an associate					3,278,482
Share of results of associates					7,692,350
Share of results of a jointly controlled entity	-	7,500	-	-	<u>7,500</u>
Loss before taxation					(85,088,750)
Taxation					<u>2,691,694</u>
Loss before minority interests					<u>(82,397,056)</u>

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For the year ended 31st December, 2004

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

2003

	Continuing operations			Discontinued operation	Consolidated HK\$
	Securities investment and trading HK\$	Property development and investment HK\$	Industrial HK\$	Entertainment and leisure HK\$	
ASSETS					
Segment assets	27,575,196	172,200,356	52,437,929	5,987,107	258,200,588
Interests in associates					32,661,084
Interest in a jointly controlled entity	–	7,068,982	–	–	7,068,982
Unallocated corporate assets					21,423,162
Consolidated total assets					<u>319,353,816</u>
LIABILITIES					
Segment liabilities	2,358,863	6,924,054	19,345,764	27,629,100	56,257,781
Tax payable					403,031
Bank and other loans					149,954,787
Unallocated corporate liabilities					23,150,539
Consolidated total liabilities					<u>229,766,138</u>
OTHER INFORMATION					
Capital additions	–	–	3,410,946	–	3,410,946
Depreciation	–	16,395	3,266,520	575,043	3,857,958
Deficit on revaluation of investment properties	–	45,451,938	–	–	45,451,938
Impairment loss on interest in leisure-entertainment complex	–	–	–	68,499,999	68,499,999

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Geographical segments

The Group's operations are located in Hong Kong, PRC and Singapore.

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

	Sales revenue by geographical market	
	2004 HK\$	2003 HK\$
Hong Kong	15,408,031	16,791,262
Singapore	841,844	7,294,512
PRC	28,376,213	30,615,590
Japan	28,768,433	29,976,888
	<u>73,394,521</u>	<u>84,678,252</u>

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

	Carrying amount of segment assets		Additions to property, plant and equipment and investment properties	
	2004 HK\$	2003 HK\$	2004 HK\$	2003 HK\$
Hong Kong	66,797,771	93,842,405	3,692,998	—
Singapore	—	121,732,641	—	—
PRC	<u>57,427,383</u>	<u>64,048,704</u>	<u>5,052,255</u>	<u>3,410,946</u>
	<u>124,225,154</u>	<u>279,623,750</u>	<u>8,745,253</u>	<u>3,410,946</u>

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For the year ended 31st December, 2004

6. OTHER OPERATING INCOME

Other operating income included interest income of HK\$271,336 (2003: HK\$154,127)

7. OTHER OPERATING EXPENSES

	2004 HK\$	2003 HK\$
Loss on disposal of property, plant and equipment	63,849	138,586
Net exchange loss	–	1,048,880
Others	127,545	165,429
	191,394	1,352,895

8. PROFIT (LOSS) FROM OPERATIONS

	2004 HK\$	2003 HK\$
Profit (loss) from operations has been arrived at after charging:		
Auditors' remuneration	763,144	785,875
Depreciation	3,714,426	3,857,958
Directors' remuneration and other staff costs, including retirement benefits schemes contributions of HK\$1,040,244 (2003: HK\$1,574,681)	12,064,753	13,814,813
Minimum lease payments for operating lease in respect of rented premises	75,250	–
and after crediting:		
Rental income from investment properties, less outgoings of HK\$862,370 (2003: HK\$3,353,708)	861,532	5,572,681

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For the year ended 31st December, 2004

9. FINANCE COSTS

	2004 HK\$	2003 HK\$
Interest on:		
Bank loans wholly repayable within five years	1,592,981	5,291,122
Bank loans not wholly repayable within five years	–	144,092
Other loans	60,165	258,046
	1,653,146	5,693,260

10. DISCONTINUED OPERATIONS

- (a) In June 2004, the Group disposed its entire 100% equity interest in Laichi Kok Amusement (Haimen) Co. Ltd. ("LKA"), a company registered and carried out the Group's amusement park operation in the PRC, to Mr. Deacon Te Ken Chiu at a consideration of HK\$8.8 million. The disposal was effected in order to generate the working capital for the Group.

The results of LKA up to the date of disposal, which have been included in the consolidated financial statements, were as follows:

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	2004 HK\$	2003 HK\$
Turnover	71,930	204,661
Cost of sales	(145,507)	(562,407)
Gross loss	(73,577)	(357,746)
Other operating income	–	60,050
Administrative expenses	(47,975)	(208,063)
Other operating expenses	–	(1,130)
Loss for the period/year	(121,552)	(506,889)

LKA has no significant contributions to the Group's operating, investing and financing cash flows for both years.

The carrying amounts of the assets and liabilities of LKA at the date of disposal were approximately HK\$5.8 million (2003: HK\$5.9 million) and HK\$0.5 million (2003: HK\$0.5 million), respectively.

A gain of approximately HK\$3.5 million arose on the disposal of LKA, being the proceeds of disposal less the carrying amount of the subsidiary's net assets and the realisation of exchange reserve. No tax charge or credit arose from the transaction.

The net assets of LKA at the date of disposal were disclosed in note 33(b).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

10. DISCONTINUED OPERATIONS (Continued)

- (b) In November 2004, the Group disposed of its entire 95% equity interest in Tang Dynasty City Pte. Ltd. ("TDC"), a company incorporated and carried out the Group's leisure-entertainment business in Singapore, to Mr. Deacon Te Ken Chiu at a consideration of HK\$1. The disposal was effected in order to generate the working capital for the Group.

Except for operating loss of HK\$56.8 million, which was mainly attributable to the impairment loss on interest in leisure-entertainment complex charged to the income statement, during the year ended 31st December, 2003, TDC has no significant contributions to the Group's turnover, profit from operations and net operating, investing and financing cash flows for both years.

The carrying amounts of the assets and liabilities of TDC at the date of disposal, were approximately HK\$0.07 million (2003: HK\$0.07 million) and HK\$4.6 million (2003: HK\$4.7 million), respectively.

A gain of approximately HK\$22.1 million arose on disposal of TDC and its subsidiaries, being the proceeds of disposal less the carrying amount of the subsidiaries' net liabilities and the realisation of exchange reserve. No tax charge or credit arose from the transaction.

The net liabilities of TDC and its subsidiaries at the date of disposal were disclosed in note 33(b).

- (c) In November 2004, the Group disposed of its entire 100% equity interest in RFC Far East Ltd. ("RFC Far East"), a company incorporated in the British Virgin Islands and carried out the Group's restaurant operation in Singapore, to Mr. Dennis Tat Shing Chiu at a consideration of US\$1. RFC Far East had ceased its operations previously since July 2002.

Except for operating loss of HK\$6 million during the year ended 31st December, 2003 and HK\$10.3 million used in the Group's operating activities during the year, RFC Far East has no significant contributions to the Group's turnover, profit from operations and net operating, investing and financing cash flows for both years.

The carrying amounts of the assets and liabilities of RFC Far East and its subsidiaries at the date of disposal, were approximately HK\$0.1 million (2003: 0.1 million) and HK\$7.5 million (2003: HK\$17.8 million), respectively.

A gain of approximately HK\$5.4 million arose on disposal of RFC Far East and its subsidiaries, being the sales proceeds of disposal less the carrying amount of the subsidiaries' net liabilities and the realisation of exchange reserve. No tax charge or credit arose from the transaction.

The net liabilities of RFC Far East and its subsidiaries at the date of disposal were disclosed in note 33(b).

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For the year ended 31st December, 2004

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

	2004 HK\$	2003 HK\$
Fees	235,000	190,000
Other emoluments:		
Salaries and other benefits	654,516	933,676
Retirement benefits schemes contributions	27,000	72,392
	916,516	1,196,068

The emoluments disclosed above include directors' fees of HK\$115,000 (2003: HK\$70,000) payable to independent non-executive directors and the emoluments of each of the directors were less than HK\$1 million in both years.

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, one (2003: two) was executive director and one (2003: one) was non-executive director whose emoluments are included in the disclosures above. The emoluments of the remaining three (2003: two) individuals were as follows:

	2004 HK\$	2003 HK\$
Salaries and other benefits	676,645	389,186
Retirement benefits schemes contributions	27,288	18,250
	703,933	407,436

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For the year ended 31st December, 2004

12. TAXATION

	2004 HK\$	2003 HK\$
Current tax:		
PRC	302,266	367,680
(Over) underprovision in prior years:		
Hong Kong	–	(3,924,607)
Other jurisdictions	–	98,047
Taxation attributable to the Company and its subsidiaries	302,266	(3,458,880)
Share of taxation attributable to associates	982,303	767,186
	1,284,569	(2,691,694)

Taxation arising in PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company and its subsidiaries operating in Hong Kong have no assessable profits for both years.

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

	2004 HK\$	2003 HK\$
Profit (loss) before taxation	54,603,462	(85,088,750)
Tax at the domestic income tax rate of 17.5%	9,555,606	(14,890,531)
Tax effect of expenses not deductible for tax purpose	574,965	17,983,640
Tax effect of income not taxable for tax purpose	(9,745,959)	(1,340,383)
Tax effect of utilisation of tax losses previously not recognised	(4,969)	(65,644)
Tax effect of tax losses not recognised	983,552	45,853
Effect of tax relief granted to a subsidiary	(220,402)	(268,823)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	81,864	96,956
Share of tax effect of associates	(745,513)	(578,974)
Share of tax effect of a jointly controlled entity	747,214	1,313
Overprovision in prior years	–	(3,826,560)
Others	58,211	151,459
Taxation charge (credit) for the year	1,284,569	(2,691,694)

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For the year ended 31st December, 2004

13. EARNINGS (LOSS) PER SHARE

The calculation of basic earning (loss) per share is based on the profit for the year of HK\$52,276,198 (2003: loss of HK\$84,759,908) and on 331,668,905 (2003: 331,668,905) ordinary shares in issue during the year.

The effect of dilutive potential ordinary shares of an associate is considered to be insignificant to the Group.

14. PROPERTY, PLANT AND EQUIPMENT

THE GROUP

	Land and buildings in the PRC held under medium term lease HK\$	Amusement equipment HK\$	Lifts, electrical and office equipment HK\$	Exhibits, display items and costumes HK\$	Leasehold improvements HK\$	Trams, coaches and motor vehicles HK\$	Total HK\$
COST							
At 1st January, 2004	20,194,426	25,316,766	33,730,178	202,423	30,806,287	8,396,216	118,646,296
Currency realignment	91,139	77,404	170,440	2,199	950,237	32,378	1,323,797
Additions	4,755,483	–	348,310	–	272,328	79,132	5,455,253
Disposals	–	(11,096,000)	(337,336)	(26,769)	–	(196,770)	(11,656,875)
Disposal of subsidiaries	(7,668,685)	(14,298,170)	(1,459,135)	(177,853)	(31,756,524)	–	(55,360,367)
At 31st December, 2004	17,372,363	–	32,452,457	–	272,328	8,310,956	58,408,104
DEPRECIATION AND IMPAIRMENT							
At 1st January, 2004	6,160,120	25,316,766	20,374,273	189,901	30,806,287	8,090,022	90,937,369
Currency realignment	26,196	34,971	108,249	2,040	945,366	31,795	1,148,617
Provided for the year	668,655	–	2,901,946	–	53,526	90,299	3,714,426
Impairment loss recognised	–	–	3,185,376	–	–	–	3,185,376
Eliminated on disposals	–	(11,096,000)	(286,149)	(26,769)	–	(177,793)	(11,586,711)
Eliminated on disposal of subsidiaries	(1,945,640)	(14,255,737)	(1,458,741)	(165,172)	(31,751,660)	–	(49,576,950)
At 31st December, 2004	4,909,331	–	24,824,954	–	53,519	8,034,323	37,822,127
NET BOOK VALUES							
At 31st December, 2004	12,463,032	–	7,627,503	–	218,809	276,633	20,585,977
At 31st December, 2003	14,034,306	–	13,355,905	12,522	–	306,194	27,708,927

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14. PROPERTY, PLANT AND EQUIPMENT (Continued)

THE COMPANY

	Office equipment HK\$	Leasehold improvements HK\$	Total HK\$
COST			
At 1st January, 2004	18,466	–	18,466
Additions	130,670	272,329	402,999
At 31st December, 2004	149,136	272,329	421,465
DEPRECIATION			
At 1st January, 2004	18,466	–	18,466
Provided for the year	38,000	53,526	91,526
At 31st December, 2004	56,466	53,526	109,992
NET BOOK VALUES			
At 31st December, 2004	92,670	218,803	311,473
At 31st December, 2003	–	–	–

Notes:

1. Included in the carrying amount of the Group's land and buildings in the PRC is land use rights of HK\$2,442,684 (2003: HK\$4,941,113).
2. At December 31, 2004, the directors conducted a review of the Group's lifts, electrical and office equipment held by a subsidiary in the PRC and determined that the assets were impaired due to continuing operating loss incurred by the subsidiary. Accordingly, impairment loss of HK\$3,185,376 has been recognised in the income statement.

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For the year ended 31st December, 2004

15. INVESTMENT PROPERTIES

	THE GROUP HK\$
AT VALUATION	
At 1st January, 2004	168,811,952
Currency realignment	1,514,307
Expenditure incurred	3,290,000
Disposals	(27,800,000)
Disposal of subsidiaries	(122,526,259)
Revaluation increase	2,410,000
	<u>25,700,000</u>
At 31st December, 2004	<u>25,700,000</u>

The carrying amount of investment properties comprises:

	2004 HK\$	2003 HK\$
Properties in Hong Kong under medium-term leases	25,700,000	47,800,000
Properties in Singapore under long leases	–	121,011,952
	<u>25,700,000</u>	<u>168,811,952</u>

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All of the Group's investment properties are rented out under operating leases.

The investment properties in Hong Kong were revalued at 31st December, 2004 by DTZ Debenham Tie Leung, an independent firm of valuers, in existing state on an open market value basis. The net revaluation increase arising on the revaluation, which had been credited directly to the investment property revaluation reserve and consolidated income statement, amounting to HK\$1,950,000 and HK\$460,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

16. LAND HELD FOR DEVELOPMENT

	THE GROUP HK\$	THE COMPANY HK\$
AT COST		
At 1st January, 2004 and 31st December, 2004	<u>2,734,382</u>	<u>1,994,382</u>

The land held for development of the Group and the Company is situated in Hong Kong and is held under medium-term leases.

The title of the Company's land held for development has not been transferred to the Company and is still registered in the name of the vendor companies which are controlled by certain directors as trustee for the Company.

17. LEISURE-ENTERTAINMENT COMPLEX

	THE GROUP 2004 HK\$	2003 HK\$
At 1st January	1	68,500,000
Disposal of subsidiary	(1)	–
Impairment loss recognised	–	(68,499,999)
At 31st December	<u>–</u>	<u>1</u>

18. INTERESTS IN SUBSIDIARIES

	THE COMPANY 2004 HK\$	2003 HK\$
Unlisted shares, at cost	25,765,601	152,190,009
Amounts due from subsidiaries, net of amount written off	<u>112,604,383</u>	<u>432,033,722</u>
	138,369,984	584,223,731
Less: Impairment loss and allowance recognised	<u>(83,226,664)</u>	<u>(492,769,846)</u>
	<u>55,143,320</u>	<u>91,453,885</u>

The amounts due from subsidiaries are unsecured and interest-free. The Company has agreed that the amount will not be demanded for repayment within the next twelve months. Accordingly, the amount is shown as non-current.

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For the year ended 31st December, 2004

18. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the subsidiaries of the Company at 31st December, 2004 are as follows:

Name of subsidiary	Place of incorporation or registration/ operations	Paid up issued share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			Direct	Indirect	
Brentford Investments Inc.	Republic of Liberia/ Hong Kong	US\$200 Ordinary shares	100%	–	Securities investment
Cathay Motion Picture Studios Limited	Hong Kong/ Hong Kong	HK\$3,000,000 Ordinary shares	100%	–	Property investment
China Entertainment (Jiangsu) Development Ltd.	Hong Kong/ Hong Kong	HK\$2 Ordinary shares	100%	–	Investment holding
Epoch Sino Investments Limited	British Virgin Islands/ Hong Kong	US\$10 Ordinary shares	100%	–	Investment holding
Far East Art and Cultural Corporation Limited	Hong Kong/ Hong Kong	HK\$2 Ordinary shares	100%	–	Property investment
Far East Holdings China Limited	Hong Kong/ Hong Kong	HK\$2 Ordinary shares	100%	–	Investment holding
Panlong Investments (Holdings) Company Limited (formerly known as Fullwin Management Limited)	Hong Kong/ Hong Kong	HK\$1 Ordinary share	–	100%	Investment holding
Goldtrack Limited	Hong Kong/ Hong Kong	HK\$10,000 Ordinary shares	90%	–	Investment holding
Goodway Holdings Limited	British Virgin Islands/ Hong Kong	US\$1 Ordinary share	100%	–	Investment holding
HealthOnline.com Limited	Hong Kong	HK\$10,000 Ordinary shares	100%	–	Inactive

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For the year ended 31st December, 2004

18. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation or registration/ operations	Paid up issued share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			Direct	Indirect	
Panlong Asset Management Company Limited (formerly known as Hugo Management Limited)	Hong Kong/ Hong Kong	HK\$1 Ordinary share	–	100%	Inactive
Kwong Ming Amusement Company, Limited	Hong Kong/ Hong Kong	HK\$1,000 Ordinary shares HK\$448,000 Deferred shares	100%	–	Inactive
Panlong Far East Auction Company Limited (formerly known as Link Joy Limited)	Hong Kong/ Hong Kong	HK\$1 Ordinary share	–	100%	Inactive
Peterfame Company Limited	Hong Kong/ Hong Kong	HK\$10,000 Ordinary shares	100%	–	Property investment
Profess World Investments Limited	Hong Kong/ Hong Kong	HK\$10,000 Ordinary shares	100%	–	Inactive
Far East Holdings International Limited	Hong Kong	HK\$10,000 Ordinary shares	–	100%	Inactive
Far East Holdings (Jiangsu) Limited	Hong Kong/ Hong Kong	HK\$10,000 Ordinary shares	–	100%	Investment holding
Jiangsu Bang Bang Silky Fashion Manufacturer Co., Ltd.	PRC/PRC*	US\$3,940,000 Paid up registered capital	–	51%	Manufacture and sales of garment products
Suzhou Goldtract Commodity Concrete Company Limited	PRC/ PRC*	US\$1,840,000 Paid up registered capital	–	63%	Sales and production of commodity concrete

* Sino-foreign equity joint venture

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

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For the year ended 31st December, 2004

19. INTERESTS IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2004 HK\$	2003 HK\$	2004 HK\$	2003 HK\$
Listed shares, at cost	–	–	16,020,034	16,020,034
Unlisted shares, at cost	–	–	240	–
Share of net assets	47,583,384	32,661,084	–	–
	<u>47,583,384</u>	<u>32,661,084</u>	<u>16,020,274</u>	<u>16,020,034</u>
Market value of listed shares	<u>129,129,700</u>	<u>171,589,120</u>	<u>129,129,700</u>	<u>171,589,120</u>

Particulars of associates of the Group at 31st December, 2004 are as follows:

Name of associate	Place of incorporation/ operation	Proportion of nominal value of issued share capital held by the Group	Principal activity
Chinasoft International Limited ("Chinasoft")	Cayman Islands/ PRC	25.36%	Provision of information technology services
Fortex Investments Limited	British Virgin Islands/ Hong Kong	41.67%	Inactive

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The shares of Chinasoft are listed on the Growth Enterprise Market of the Stock Exchange with effective from 20th June, 2003.

In August 2004, Chinasoft allotted and issued 57,500,000 new shares at an issue price of HK\$0.73 each to China National Computer Software & Technology Service Corporation as consideration for the acquisition of the remaining 15% of the registered capital of Beijing Chinasoft International Information Tech. Ltd.. Accordingly, the Company's shareholding in Chinasoft has decreased from 27.64% to 25.36%, resulting in a gain on deemed disposal of HK\$7,663,747 during the year.

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For the year ended 31st December, 2004

19. INTERESTS IN ASSOCIATES (Continued)

The following details have been extracted based on the consolidated financial statements of Chinasoft:

	2004 HK\$	2003 HK\$
Results for the year		
Turnover	276,850,000	156,424,000
Profit before taxation	39,994,000	25,295,000
Profit before taxation attributable to the Group	9,873,000	7,692,000
	2004 HK\$	2003 HK\$
Financial position		
Non-current assets	52,202,000	12,155,000
Current assets	259,575,000	159,426,000
Current liabilities	(122,997,000)	(39,742,000)
Non-current liabilities	(1,149,000)	(13,673,000)
Net assets	187,631,000	118,166,000
Net assets attributable to the Group	47,583,000	32,661,000

20. INTEREST IN A JOINTLY CONTROLLED ENTITY

	THE GROUP 2004 HK\$	2003 HK\$
Share of net assets	2,799,189	7,068,982

At 31st December, 2004, the Group held 65% interest in Wuxi Cheerman Property Co. Ltd. ("Wuxi Cheerman"), (formerly known as Wuxi Cheerman Recreation Centre Co. Ltd.), a joint venture registered and engaged in letting of properties in the PRC. Under a joint venture agreement, Wuxi Cheerman is jointly controlled by the Group and another PRC joint venture partner.

The Group's share of results of a jointly controlled entity was based upon its audited financial statements made up to 31st December, 2004.

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21. INVESTMENTS IN SECURITIES

	Investment securities		Other investments		Total	
	2004 HK\$	2003 HK\$	2004 HK\$	2003 HK\$	2004 HK\$	2003 HK\$
THE GROUP						
Listed equity securities:						
Hong Kong	8,179,693	12,436,432	10,427,227	5,804,640	18,606,920	18,241,072
Overseas	–	–	10,418,146	8,553,109	10,418,146	8,553,109
	<u>8,179,693</u>	<u>12,436,432</u>	<u>20,845,373</u>	<u>14,357,749</u>	<u>29,025,066</u>	<u>26,794,181</u>
Market value of listed equity securities	<u>12,624,788</u>	<u>12,436,432</u>	<u>20,845,373</u>	<u>14,357,749</u>	<u>33,470,161</u>	<u>26,794,181</u>
Carrying amount analysed for reporting purposes as:						
Current	–	–	20,845,373	14,357,749	20,845,373	14,357,749
Non-current	<u>8,179,693</u>	<u>12,436,432</u>	<u>–</u>	<u>–</u>	<u>8,179,693</u>	<u>12,436,432</u>
	<u>8,179,693</u>	<u>12,436,432</u>	<u>20,845,373</u>	<u>14,357,749</u>	<u>29,025,066</u>	<u>26,794,181</u>

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	Other investments	
	2004 HK\$	2003 HK\$
THE COMPANY		
Listed equity securities, at market value:		
Hong Kong	10,257,227	5,737,140
Overseas	<u>9,805,486</u>	<u>8,157,706</u>
	<u>20,062,713</u>	<u>13,894,846</u>

At 31st December, 2004, the directors reviewed the recoverable amount of the Group's investment securities by reference to their market values. As the market values of the investment securities exceeded their carrying values, part of the impairment loss recognised previously of HK\$1,843,838 (2003: HK\$3,089,978) has been reversed and credited to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

22. INVENTORIES

	THE GROUP	
	2004 HK\$	2003 HK\$
Raw materials	2,701,700	3,558,925
Work in progress	1,173,305	1,243,385
Finished goods	1,400,446	1,737,346
	5,275,451	6,539,656

All the inventories are carried at cost.

The cost of inventories recognised as an expense during the year was HK\$62,416,070 (2003: HK\$67,115,648).

23. TRADE AND OTHER RECEIVABLES

For sales of goods, the Group has a policy of allowing a credit period of 30 days to 90 days to its trade customers. Rentals receivable from tenants and service income from customers are payable on presentation of invoices. The aged analysis of trade receivable is as follows:

	THE GROUP	
	2004 HK\$	2003 HK\$
0 – 30 days	2,001,277	5,138,107
31 – 60 days	1,592,386	1,649,952
61 – 90 days	2,359,181	471,677
Over 90 days	6,626,276	3,766,526
Total trade receivables	12,579,120	11,026,262
Other receivables	1,763,114	7,893,044
	14,342,234	18,919,306

24. AMOUNTS DUE FROM ASSOCIATES

The amounts are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

25. TRADE AND OTHER PAYABLES

The aged analysis of trade payables is as follows:

	THE GROUP	
	2004 HK\$	2003 HK\$
0 – 30 days	2,010,307	4,196,817
31 – 60 days	692,900	1,801,377
61 – 90 days	1,651,082	688,124
Over 90 days	8,323,506	7,536,591
Total trade payables	12,677,795	14,222,909
Other payables	12,935,893	42,052,672
	25,613,688	56,275,581

26. AMOUNTS DUE TO DIRECTORS

The amounts are unsecured, interest-free and repayable on demand.

27. AMOUNTS DUE TO RELATED COMPANIES

The amounts are unsecured, interest-free and repayable on demand. The related companies are controlled by certain Directors of the Company.

28. AMOUNT DUE TO A JOINTLY CONTROLLED ENTITY

The amount is unsecured, interest-free and repayable on demand.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

29. BANK AND OTHER LOANS

	THE GROUP		THE COMPANY	
	2004 HK\$	2003 HK\$	2004 HK\$	2003 HK\$
Bank and other loans comprise:				
Bank loans	5,863,706	147,365,100	5,328,683	29,485,729
Other loans	667,952	2,589,687	667,952	2,589,687
	<u>6,531,658</u>	<u>149,954,787</u>	<u>5,996,635</u>	<u>32,075,416</u>
The above loans are secured and are repayable as follows:				
Within one year	6,531,658	141,372,463	5,996,635	26,075,416
More than one year, but not exceeding two years	–	2,411,001	–	2,000,000
More than two years, but not exceeding five years	–	4,197,833	–	4,000,000
More than five years	–	1,973,490	–	–
	<u>6,531,658</u>	<u>149,954,787</u>	<u>5,996,635</u>	<u>32,075,416</u>
Less: Amount due within one year shown under current liabilities	<u>(6,531,658)</u>	<u>(141,372,463)</u>	<u>(5,996,635)</u>	<u>(26,075,416)</u>
Amount due after one year	<u>–</u>	<u>8,582,324</u>	<u>–</u>	<u>6,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

30. SHARE CAPITAL

2004 & 2003

HK\$

Authorised:

700,000,000 ordinary shares of HK\$1 each	700,000,000
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Issued and fully paid:

331,668,905 ordinary shares of HK\$1 each	331,668,905
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Subsequent to the balance sheet date, the Company undertook a capital reorganisation resulting in reduction of capital, consolidation of shares, subdivision of shares and reduction of share premium. Details of this post balance sheet event are set out in note 40.

31. RESERVES

	Share premium HK\$	Accumulated losses HK\$	Total HK\$
THE COMPANY			
At 1st January, 2003	282,892,010	(497,468,090)	(214,576,080)
Loss for the year	—	(35,086,186)	(35,086,186)
At 31st December, 2003	282,892,010	(532,554,276)	(249,662,266)
Loss for the year	—	(9,874,376)	(9,874,376)
At 31st December, 2004	282,892,010	(542,428,652)	(259,536,642)

The Company did not have any distributable reserves at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

32. DEFERRED TAXATION

The followings are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior years:

	Accelerated tax depreciation HK\$	Tax losses HK\$	Total HK\$
THE GROUP			
At 1st January, 2003	549,634	(549,634)	–
Charge (credit) to income	124,413	(124,413)	–
Effect of change in tax rate			
– charge to income	51,528	(51,528)	–
At 31st December, 2003	725,575	(725,575)	–
(Credit) charge to income	(417,861)	417,861	–
At 31st December, 2004	307,714	(307,714)	–

For the purpose of balance sheet presentation, the above deferred tax assets and liabilities have been offset.

At 31st December, 2004, the Group has unused tax losses of approximately HK\$93.1 million (2003: HK\$115.8 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$1.8 million (2003: HK\$4.1 million) of such tax losses. No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$91.3 million (2003: HK\$111.7 million) due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

The Company has unused tax losses of approximately HK\$77.1 million (2003: HK\$75.9 million) at 31st December, 2004. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

33. DISPOSAL OF SUBSIDIARIES

During the year, the Group disposed of the following subsidiaries:

- (a) In February 2004, the Group disposed of its entire equity interest in Tang City Properties Pte. Ltd. ("TCP"), a company incorporated in Singapore in which the Company had a 90% interest and Mr. Dennis Tat Shing Chiu had a 10% interest. TCP and its subsidiaries were incorporated in Singapore and held all of the Group's investment properties in Singapore. Details of the transaction are set out in note 38.
- (b) In June and November 2004, the Group discontinued its amusement park operations, leisure-entertainment business and restaurant operation at the time of disposal of its entire equity interests in LKA, TDC and RFC Far East. Details of the discontinued operations are set out in note 10.

The effect of the disposal are summarised as follows:

	Continuing operation HK\$ (Note (a) above)	Discontinued operations HK\$ (Note (b) above)	Total HK\$
NET ASSETS (LIABILITIES) DISPOSED OF:			
Property, plant and equipment	12,680	5,770,737	5,783,417
Investment properties	122,526,259	—	122,526,259
Leisure entertainment complex	—	1	1
Inventories	—	39,029	39,029
Trade and other receivables	1,095,154	179,233	1,274,387
Bank balances and cash	15,997	53,977	69,974
Trade and other payables	(6,914,914)	(11,627,863)	(18,542,777)
Amounts due to directors	(894,188)	(644,486)	(1,538,674)
Amounts due to related companies	—	(406,064)	(406,064)
Tax payable	(297,064)	—	(297,064)
Bank and other loans	(118,035,435)	—	(118,035,435)
	(2,491,511)	(6,635,436)	(9,126,947)
Exchange reserve realised	5,705,372	(15,629,737)	(9,924,365)
	3,213,861	(22,265,173)	(19,051,312)
(Loss) gain on disposals	(3,213,856)	31,065,182	27,851,326
	<u>5</u>	<u>8,800,009</u>	<u>8,800,014</u>
SATISFIED BY:			
Cash	5	9	14
Set-off amounts due to directors	—	8,800,000	8,800,000
	<u>5</u>	<u>8,800,009</u>	<u>8,800,014</u>
NET CASH INFLOW (OUTFLOW) ARISING ON DISPOSALS OF SUBSIDIARIES:			
Cash consideration	5	9	14
Bank balances and cash disposed of	(15,997)	(53,977)	(69,974)
	<u>(15,992)</u>	<u>(53,968)</u>	<u>(69,960)</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

33. DISPOSAL OF SUBSIDIARIES (Continued)

The subsidiaries disposed of contributed approximately HK\$0.9 million to the Group's turnover and incurred a loss of approximately HK\$0.1 million to the Group's profit from operations. No tax charge or credit arose from the transactions.

In addition, the subsidiaries contributed HK\$0.3 million to the Group's operating activities and used HK\$0.4 million in financing activities.

34. PLEDGE OF ASSETS

At the balance sheet date:

- (a) bank loan facilities to the extent of approximately HK\$16.2 million (2003: HK\$16.2 million) of which nil (2003: HK\$16.2 million) were utilised, are secured by the Group's investment properties in Hong Kong with an aggregate net book value of approximately HK\$25.7 million (2003: HK\$47.8 million).
- (b) margin trading facilities in respect of securities transactions to the extent of approximately HK\$5.5 million (2003: HK\$7.0 million), of which HK\$0.7 million (2003: HK\$2.6 million) were utilised, were secured by the listed investments of the Group and the Company of approximately HK\$11 million (2003: HK\$14 million) and HK\$10 million (2003: HK\$13.7 million), respectively;
- (c) overdraft and revolving loan facilities to the extent of approximately HK\$40.6 million (2003: HK\$40.3 million), of which HK\$5.3 million (2003: HK\$13.3 million) were utilised, were secured by time deposits held by the Company of approximately HK\$5.2 million (2003: HK\$14.3 million) and by a floating charge over the asset of the Company;
- (d) bank loan of approximately HK\$0.5 million (2003: HK\$0.9 million) were secured by a blending machine held by a subsidiary with net book value of approximately HK\$2.3 million (2003: HK\$2.5 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

35. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	2004 HK\$	2003 HK\$	2004 HK\$	2003 HK\$
Guarantees given to banks in respect of banking facilities utilised by subsidiaries	-	-	-	122,990,249

36. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2004 HK\$	2003 HK\$	2004 HK\$	2003 HK\$
Commitments in respect of capital contribution to a subsidiary contracted but not provided for in the financial statements	-	-	-	9,678,271

37. OPERATING LEASE ARRANGEMENTS

The Group as lessor

Property rental income earned during the year was HK\$1,723,902 (2003: HK\$8,926,389). The properties held have committed tenants for the next two years.

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

	2004 HK\$	2003 HK\$
Within one year	660,000	1,755,000
In the second to fifth year inclusive	852,500	1,512,000
	<u>1,512,500</u>	<u>3,267,000</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

37. OPERATING LEASE ARRANGEMENTS (Continued)

The Group and the Company as lessee

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

	2004 HK\$	2003 HK\$
Within one year	154,800	–
In the second to fifth year inclusive	64,500	–
	219,300	–

Operating lease payments represent rentals payable by the Group and the Company to a company controlled by certain directors of the Company for the use of its office premises. Lease is negotiated for a term of two years.

38. RELATED PARTY TRANSACTIONS

On 22nd December, 2003, the Group entered into conditional sale and purchase agreements, pursuant to which, inter alia, the Company and Mr. Dennis Tat Shing Chiu agreed to dispose of their entire interests in TCP to a wholly-owned subsidiary of FEC at a consideration of S\$1, and FEC agreed to procure the refinancing of the bank loan facility of S\$25 million obtained by TCP and to take over the net external trade and non-trade creditors of TCP of S\$1.1 million. Details of the transaction are set out in a circular of the Company dated 16th January, 2004. The transaction was completed in February 2004.

In addition, the Group disposed certain of its subsidiaries to certain of the directors of the Company during the year. Details of these transactions are disclosed in note 10(a), (b) and (c).

39. RETIREMENT BENEFITS SCHEMES

The Group participates in certain defined contribution schemes in Hong Kong and Singapore and make contributions for its eligible employees. The contributions borne by the Group are calculated at certain percentage of the salaries and wages. The retirement benefits cost charged to the income statement represents contributions paid and payable to the scheme.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2004

40. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, the Court has granted an order confirming the Company's capital reorganisation, details of the capital reorganisation are as follows:

- (i) every 5 shares of HK\$1.00 each in the share capital of the Company (whether issued or unissued) will be consolidated into one consolidated share;
- (ii) upon the share consolidation taking effect, the issued share capital of the Company be reduced from HK\$331,668,905 to HK\$663,338 by cancelling paid up capital to the extent of HK\$4.99 on each consolidated share in issue arising from the share consolidation so as to form fully-paid up adjusted shares;
- (iii) upon the capital reduction taking effect, each authorised but unissued consolidated share of HK\$5.00 each be subdivided into 500 adjusted shares; and
- (iv) upon the capital reduction taking effect, the credit amount arising from the capital reduction together with the credit amount standing in the share premium account be applied by the directors to eliminate the accumulated losses of the Company as at 31st December, 2003 in accordance with the Articles of Association of the Company and all applicable laws.

Details of the transaction are set out in a circular and a supplemental circular of the Company dated 28th May, 2004 and 27th August, 2004 respectively.

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FIVE YEARS FINANCIAL SUMMARY

At 31st December, 2004

	For the year ended 31st December,				
	2000	2001	2002	2003	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
RESULTS					
Turnover	<u>181,935</u>	<u>147,197</u>	<u>90,124</u>	<u>84,678</u>	<u>73,395</u>
(Loss) profit from operations before share of results of associates and a jointly controlled entity	(96,396)	(59,975)	(192,296)	(92,789)	49,000
Share of results of associates	–	1,695	6,777	7,692	9,873
Share of results of a jointly controlled entity	<u>(841)</u>	<u>92</u>	<u>824</u>	<u>8</u>	<u>(4,270)</u>
(Loss) profit before taxation	(97,237)	(58,188)	(184,695)	(85,089)	54,603
Taxation	<u>(844)</u>	<u>(1,031)</u>	<u>5,387</u>	<u>2,692</u>	<u>(1,284)</u>
(Loss) profit before minority interests	(98,081)	(59,219)	(179,308)	(82,397)	53,319
Minority interests	<u>5,337</u>	<u>2,544</u>	<u>66</u>	<u>(2,363)</u>	<u>(1,043)</u>
(Loss) profit for the year	<u>(92,744)</u>	<u>(56,675)</u>	<u>(179,242)</u>	<u>(84,760)</u>	<u>52,276</u>
(Loss) earnings per share	<u>(29.6 cents)</u>	<u>(17.1 cents)</u>	<u>(54.0 cents)</u>	<u>(25.6 cents)</u>	<u>15.8 cents</u>

	As at 31st December,				
	2000	2001	2002	2003	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS AND LIABILITIES					
Total assets	861,894	727,519	416,850	319,354	174,608
Total liabilities	(415,330)	(365,670)	(244,001)	(229,766)	(40,952)
Minority interests	(58,358)	(50,578)	(16,922)	(16,411)	(16,329)
Shareholders' funds	388,206	311,271	155,927	73,177	117,327

PARTICULARS OF PROPERTIES HELD BY THE GROUP

At 31st December, 2004

A. INVESTMENT PROPERTIES

Location	Group's interests	Approximate site area (sq.ft.)	Existing use	Term of lease
1. Lower G/F to 3/F Kwai Chung Fa Yuen 50 – 56 Wo Yi Hop Road Kwai Chung, New Territories (78/1015th Shares of and in KCTL 266) Hong Kong	100%	11,279	Commercial	Medium
2. G/F to 3/F, Tung Fai Court, 2 Shui Che Kwun Street, Yuen Long, New Territories (165/750th shares of and in YLTL 287 and 349) Hong Kong	100%	7,515	Commercial	Medium

B. LAND HELD FOR DEVELOPMENT

Location	Group's interests	Approximate site area (sq.ft.)	Existing use	Term of lease
1. Half share in Lots 5, 9, 10, 12, 14, 15, 17, 18, 19, 20, 33 and 72 in DD 447, Tsuen Wan, New Territories Hong Kong	100%	40,075	Agriculture	Medium
2. Lots 46, 47, 48, 49, 107, 108, 109 and 110 in DD279, Tuen Mun New Territories Hong Kong	100%	36,155	Agriculture	Medium
3. Lots 421 and 718 in DD 395, Tin Fu Tsai, Tuen Mun, New Territories Hong Kong	100%	22,216	Agriculture	Medium
4. Lots 968, 969, 970, 971, 972, 973, 975, 976, 977, 978 R.P., 980 R.P. and 981 R.P. in DD 82, Ta Kwu Ling, Fanling, New Territories Hong Kong	100%	53,070	Agriculture	Medium

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PARTICULARS OF PROPERTIES HELD BY THE GROUP

At 31st December, 2004

B. LAND HELD FOR DEVELOPMENT (Continued)

Location		Group's interests	site area (sq.ft.)	Approximate Existing use	Term of lease
5.	The Remaining Portion of Lot No. 445 in DD 360 Chuen Lung, Tsuen Wan, New Territories Hong Kong	100%	710	Agriculture	Medium
6.	13.075% Interest in Lot No. 389 Chuen Lung, Tsuen Wan, New Territories Hong Kong	100%	19,000	Commercial	Medium