

1. ORGANISATION AND OPERATIONS

WellNet Holdings Limited (the "Company") is incorporated as an exempted company in Bermuda with limited liability. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited since 1983, and have a secondary listing on Singapore Exchange Securities Trading Limited since 1990.

The Company is an investment holding company. Its subsidiaries are principally engaged in steel trading, warehousing and distribution, steel manufacturing and processing, property development and investment.

2. PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, certain properties and investments in securities are stated at fair value.

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAP") issued by the HKSA which are effective for accounting periods commencing on or after 1 January 2002:

SSAP 1 (revised):	Presentation of financial statements
SSAP 11 (revised):	Foreign currency translation
SSAP 15 (revised):	Cash flow statements
SSAP 34 (revised):	Employee benefits

The Directors consider that there was no material impact on the accounts of the Group as a result of adopting these revised SSAPs.

1. 組成及業務

WellNet Holdings Limited (創新發展集團有限公司) (「本公司」) 於百慕達註冊成立為獲豁免有限公司。本公司股份自一九八三年起於香港聯合交易所有限公司上市，及一九九零年起於新加坡證券交易所有限公司作第二上市。

本公司為一間投資控股公司。其附屬公司主要業務為鋼鐵貿易、倉儲及分銷、鋼鐵加工製造、房地產開發及投資。

2. 主要會計政策

編製此等帳目所採用之主要會計政策列載如下：

(a) 編製基準

本帳目乃按照香港公認會計原則及香港會計師公會頒佈之會計標準編製。帳目並依據歷史成本常規法編製，惟若干物業及證券投資乃按公平值列帳（見下文會計政策）。

於本年度，本集團採納下列由香港會計師公會頒佈之會計準則，該等會計準則於二零零二年一月一日或以後開始之會計期間生效：

會計準則第1號 (經修訂)：	財務報表之呈報
會計準則第11號 (經修訂)：	外幣換算
會計準則第15號 (經修訂)：	現金流量表
會計準則第34號 (經修訂)：	僱員福利

董事認為採納此等新政策對本集團帳目並無重大影響。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting

(i) Consolidation

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

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors.

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

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

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or negative goodwill or goodwill/negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account.

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

2. 主要會計政策 (續)

(b) 集團會計

(i) 綜合帳目

綜合帳目包括本公司及各附屬公司截至十二月三十一日止之帳目。

附屬公司指本公司直接或間接控制過半數投票權；有權控制財政及營運決策；委任或撤換董事會大多數成員；或在董事會會議上有大多數投票權之公司。

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

所有集團內公司間之重大交易及結餘已於綜合帳目時對銷。

出售附屬公司之收益或虧損指出售所得之收入與集團應佔該公司資產淨值之差額，連同之前並未在綜合損益帳內支銷或入帳之任何未攤銷商譽或負商譽，或已在儲備記帳之商譽／負商譽。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting (continued)

(i) Consolidation (continued)

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

(ii) Associates

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

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

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

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

2. 主要會計政策 (續)

(b) 集團會計 (續)

(i) 綜合帳目 (續)

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

(ii) 聯營公司

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

綜合損益帳包括集團應佔聯營公司之本年度業績，而綜合資產負債表則包括集團應佔聯營公司之資產淨值及收購產生之商譽／負商譽（扣除累計攤銷）。

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

當聯營公司之投資帳面值已全數撇銷，便不再採用權益會計法，除非集團就該聯營公司已產生承擔或有擔保之承擔。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting (continued)

(iii) Translation of foreign currencies

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

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

(c) Intangibles

(i) Goodwill/negative goodwill

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

Goodwill on acquisitions occurring on or after 1 January 2001 is included in intangible assets and is amortised using the straight-line method over its estimated useful life.

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

2. 主要會計政策 (續)

(b) 集團會計 (續)

(iii) 外幣換算

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

附屬公司及聯營公司以外幣顯示之資產負債表均按結算日之匯率折算，而損益帳則按平均匯率折算。由此產生之匯兌盈虧作為儲備變動入帳。

(c) 無形資產

(i) 商譽／負商譽

商譽指收購成本超出於收購日集團應佔所收購附屬公司／聯營公司之淨資產之數額。

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

於二零零一年一月一日前產生之收購商譽已於儲備中對銷。若該商譽有耗蝕，所產生之任何減值均記入損益帳。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Intangibles (continued)

(i) Goodwill/negative goodwill (continued)

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

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

For acquisitions prior to 1 January 2001, negative goodwill was taken directly to reserves on acquisition.

2. 主要會計政策 (續)

(c) 無形資產 (續)

(i) 商譽／負商譽 (續)

負商譽指本集團應佔所購淨資產之公平值超出收購成本之數額。

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

在二零零一年一月一日前進行之收購，負商譽已直接計入收購儲備。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Intangibles (continued)

(ii) Impairment of intangible assets

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

(d) Fixed assets

(i) Investment properties

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

Investment properties are valued annually by independent valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

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

2. 主要會計政策 (續)

(c) 無形資產 (續)

(ii) 無形資產耗蝕

如有跡象顯示出現耗蝕，則無形資產之帳面值，包括之前已在儲備記帳之商譽，均需評估及即時撇減至可收回價值。

(d) 固定資產

(i) 投資物業

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

投資物業皆由獨立估值師每年進行估值一次。估值是以個別物業之公開市值為計算基準，而土地及樓宇並不分開估值。估值會用於年度帳目內。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從經營溢利中扣除。其後任何增值將撥入經營溢利，惟最高以先前扣減之金額為限。

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

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Fixed assets (continued)

(ii) Property, plant and equipment

Property, plant and equipment, comprising leasehold land and buildings, leasehold improvements, plants and machinery, furniture and equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation

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

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

Leasehold land	2%
Buildings	2 to 5%
	(over the period of leases)
Leasehold improvements	10 to 50%
	(over the period of leases)
Plant and machinery	10%
Furniture and equipment	10 to 25%
Motor vehicles	10 to 25%

The plant components are depreciated over the period to overhaul. Major costs incurred in restoring the plant components to its normal working condition to allow continued use of the overall asset are capitalised and depreciated over the period to the next overhaul.

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

2. 主要會計政策 (續)

(d) 固定資產 (續)

(ii) 物業、廠房及設備

物業、廠房及設備，(包括租賃土地及樓宇、租賃樓宇裝修、廠房機械、傢俬設備及汽車)以成本值減累積折舊及累積減值虧損列帳。

(iii) 折舊

租約尚餘20年或以下年期之投資物業均按租約尚餘年期折舊。

租賃土地按租約年期折舊，固定資產則以直線法於其估計可用年限內將其成本值減累積減值虧損撇銷。主要之折舊年率如下：

租賃土地	2%
樓宇	2-5%
	(按租約年期)
租賃樓宇裝修	10-50%
	(按租約年期)
廠房機械	10%
傢俬設備	10-25%
汽車	10-25%

機械零件按維修期折舊。將機械零件重修至其正常運作狀態使整體資產可繼續使用之重大支出均資本化，並按零件下次維修期限折舊。

資產改良支出均資本化，並按其對本集團之預計可用年期折舊。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Fixed assets (continued)

(iv) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

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

(e) Assets under leases

(i) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. The finance charges are charged to the profit and loss account over the lease periods.

2. 主要會計政策 (續)

(d) 固定資產 (續)

(iv) 減值與出售盈虧

在每年結算日，透過集團內部及外界所獲得的資訊，評核固定資產有否耗蝕。如有跡象顯示固定資產出現耗蝕，則估算其可收回價值，及在合適情況下將減值虧損入帳以將資產減至其可收回價值。此等減值虧損在損益表入帳。

除出售投資物業之收益或虧損外，出售固定資產之收益或虧損將列算於損益帳內。出售固定資產之收益或虧損乃出售所得收入淨額與資產帳面值之差額。

(e) 租賃資產

(i) 融資租賃

融資租賃是指將擁有資產之風險及回報實質上轉讓予集團之租賃。融資租賃之資產在開始時按租賃資產之公平值或最低租賃付款之現值，以較低者入帳。每期租金均分攤為資本性支出及財務費用，以達到資本結欠額之常數比率。相應租賃承擔在扣除財務費用後計入長期負債內。財務費用於租約期內在損益帳中支銷。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Assets under leases (continued)

(i) Finance leases (continued)

A finance lease gives rise to depreciation expense for the asset as well as a finance cost for each accounting period. The depreciation policy for leased assets is the same as that for depreciable assets that are owned.

(ii) Operating leases

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

(f) Investments in securities

(i) Held-to-maturity securities

Held-to-maturity securities are investment in debt securities which the Group has the expressed intention and ability to hold to maturity. They are stated in the balance sheet at cost plus/less any discount/premium amortised to date. The discount or premium is amortised over the period to maturity and included as interest income/expense in the profit and loss account. Provision is made when there is a diminution in value other than temporary.

2. 主要會計政策 (續)

(e) 租賃資產 (續)

(i) 融資租賃 (續)

融資租賃持之資產會於每個會計年度產生折舊及財務費用。租賃資產之折舊政策與自有之資產相同。

(ii) 營業租賃

營業租賃是指擁有資產之風險及回報實質上由出租公司保留之租賃。租賃款額在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在損益帳中支銷。

(f) 證券投資

(i) 持至到期日之證券

持至到期日之證券乃本集團已表明有持至到期日的意向，並有能力一直持有的債務證券投資。在資產負債表內按成本值加／減任何截至該日止已攤銷之折讓／溢價列帳。折讓或溢價按截至到期日止之期間攤銷，並在損益帳中列作利息收益／支出項目。如出現非短期性之減值，則作出撥備。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Investments in securities (continued)

(i) Held-to-maturity securities (continued)

The carrying amounts of individual held-to-maturity securities or holdings of the same securities are reviewed at the balance sheet date in order to assess the credit risk and whether the carrying amounts are expected to be recovered. Provisions are made when carrying amounts are not expected to be recovered and are recognised in the profit and loss account as an expense immediately.

(ii) Investment securities

Investment securities are stated at cost less any provision for impairment losses.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such securities will be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to profit and loss account when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

2. 主要會計政策 (續)

(f) 證券投資 (續)

(i) 持至到期日之證券 (續)

個別持至到期日之證券或持有同類證券之帳面值均於結算日檢討，以評估有關之信貸風險及其帳面值能否收回。倘若預期帳面值無法收回，則作出撥備，並即時在損益帳列作開支。

(ii) 投資證券

投資證券按成本值減任何耗蝕虧損準備入帳。

個別投資之帳面值在每年結算日均作檢討，以評估其公平值是否已下跌至低於其帳面值。假如下跌並非短期性，則有關證券之帳面值須削減至其公平值。耗蝕虧損在損益表中列作開支。當引致撇減或撇銷之情況及事件不再存在，而有可信證據顯示新的情況和事件會於可預見將來持續，則將此項減值虧損撥回損益帳。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Investments in securities (continued)

(iii) Other investments

Other investments are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of other investments are recognised in the profit and loss account. Profits or losses on disposal of other investments, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

(g) Inventories

Inventories comprise stocks and work in progress and are stated at the lower of cost and net realisable value. Cost, calculated on the first-in, first-out basis, comprises materials, direct labour and an appropriate portion of production overheads expenditures. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(h) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes the original costs of land and buildings, development and construction expenditures incurred, and interests and other direct costs attributable to such properties. Net realisable value is the estimated price at which a property can be realised less related expenses.

(i) Accounts receivable

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

2. 主要會計政策 (續)

(f) 證券投資 (續)

(iii) 其它投資

其它投資按公平值列帳。在每年結算日，其它投資之公平值變動而引致之未變現盈虧淨額均在損益帳記帳。出售其它投資之盈利或虧損指出售所得款項淨額與帳面值之差額，並在產生時於損益表記帳。

(g) 存貨

存貨包括製成品及在製品，按成本值與可變現淨值二者之較低者入帳。成本值以先進先出法計算，並包括原材料、直接人工及生產經常開支之應佔部份。可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。

(h) 待售物業

待售物業按成本值與可變現淨值兩者的較低者入帳。成本包括土地及樓宇之原成本，所產生的發展和建築費用及利息和物業有關的其它直接成本。可變現淨值乃物業可實現之估計價值扣減相關費用。

(i) 應收帳款

凡被視為呆帳之應收帳款，均提撥準備。在資產負債表內列帳之應收帳款已扣除有關之準備金。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Cash and cash equivalents

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

(k) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(l) Employee benefits

(i) Employee leave entitlements

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

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(ii) Bonus plans

Provisions for bonus plans due wholly within twelve months after balance sheet date are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

2. 主要會計政策 (續)

(j) 現金及現金等價物

現金及現金等價物按成本在資產負債表內列帳。在現金流量表中，現金及現金等價物包括庫存現金、銀行通知存款、由投資日起三個月或以內到期之現金投資及銀行透支。

(k) 撥備

當集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。

(l) 僱員福利

(i) 僱員應享假期

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

僱員之病假及產假或陪妻分娩假不作確認，直至僱員正式休假為止。

(ii) 獎金計劃

當本集團因為僱員已提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，則將在結算日後十二個月內應付之獎金計劃作撥備入帳。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(l) Employee benefits (continued)

(iii) Pension obligations

The Group operates a number of defined contribution plans, the assets of which are generally held in separate trustee - administered funds.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. When the contributions do not fall due wholly within twelve months after the end of period in which the employees render the related service, the contributions are discounted using the discount rate determined by reference to market yields at the balance sheet date on high quality investments.

(m) Contingent liabilities and contingent assets

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

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

2. 主要會計政策 (續)

(l) 僱員福利 (續)

(iii) 退休金責任

集團營運多項界定供款退休計劃，計劃之資產一般由獨立管理之基金持有。

集團向該退休計劃作出之供款在發生時作為費用支銷，而員工在全數取得既得之利益前退出計劃而被沒收之僱主供款將會用作扣減此供款。倘供款無需在僱員提供有關服務期末後十二個月內全數支付，則供款採用折讓率折讓，該折讓率參考高質投資項目於結算日之市場收益率釐定。

(m) 或然負債及或然資產

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

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

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Contingent liabilities and contingent assets (continued)

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

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

(n) Revenue recognition

Revenue is recognised when the outcome of a transaction can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue is recognised on the following bases:

- (i) Sale of goods – income from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to customers.
- (ii) Sale of properties – sale of completed properties held for sale is recognised upon completion of sales agreement.
- (iii) Commission income – commission income from the operation of metal exchange portals is recognised when the related services are rendered.
- (iv) Consultancy service fees – consultancy service fees are recognised when technical, marketing and logistics consultancy services are rendered.
- (v) Rental income – rental income is recognised on a straight-line basis over the lease term.

2. 主要會計政策 (續)

(m) 或然負債及或然資產 (續)

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

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

(n) 收益確認

當交易之結果得以可靠地衡量及當本集團可能會收到該交易的經濟效益時，便會確認收益。收益按以下基準確認：

- (i) 銷貨 – 銷貨收益在擁有權之重大風險及回報轉移至客戶時確認。
- (ii) 出售物業 – 出售待售物業之收益於銷售協議完成時確認。
- (iii) 佣金收入 – 經營金屬電子交易所佣金收入在提供相關服務時確認。
- (iv) 顧問服務收入 – 顧問服務收入在提供技術、市場及物流顧問服務時確認。
- (v) 租金收入 – 租金收入按租約年期以直線法確認。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Revenue recognition (continued)

(vi) Dividend income – dividend income is recognised when the right to receive payment is established.

(vii) Interest income – interest income from bank deposits is recognised on a time proportion basis on the principal outstanding and at the rates applicable. Interest income from other investments is accounted for to the extent of interest received and receivable.

(viii) Sale of investments – gain on sale of investments is recognised on the transaction date when the relevant contract notes are executed.

(o) Borrowing costs

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

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

Fees paid for the arrangement of syndicated loan facilities are deferred and amortised on a straight-line basis over the period of the loans.

(p) Deferred taxation

Deferred taxation is provided under the liability method, at the current tax rate, in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that it is probable that a liability or an asset will crystallise.

2. 主要會計政策 (續)

(n) 收益確認 (續)

(vi) 股息收入 – 股息收入乃於收款權利確立時確認。

(vii) 利息收入 – 銀行存款利息收入根據相關本金和息率按存期計算。其它投資利息收入按應計基準確認。

(viii) 出售投資 – 出售投資收益在執行有關之買賣合約時確認。

(o) 借貸成本

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

所有其它借貸成本均於發生年度內在損益帳支銷。

安排銀團貸款所支付的費用均會遞延，並按貸款期以直線法攤銷。

(p) 遞延稅項

遞延稅項乃按負債法和現行稅率以應課稅溢利及帳目所示溢利間之時差作出撥備，但僅限於債務或資產有可能出現時才撥備。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(q) Segment reporting

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

Unallocated expenses represent corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories, receivables and operating cash, and mainly exclude investments in securities and investment properties. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment.

In respect of geographical segment reporting, sales are determined on the basis of the destination of delivery of merchandise. Total assets and capital expenditure are where the assets are located.

2. 主要會計政策 (續)

(q) 分部報告

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

未分配支出指集團整體性開支。分部資產主要包括物業、廠房機器、存貨、應收款項及經營現金，不包括之項目主要為在證券之投資及投資物業。分部負債指經營負債，而不包括例如稅項及若干集團整體性之借款等項目。資本性開支包括購入物業及廠房機器的費用。

至於地區分部報告，銷售額乃按照貨物運送之目的地計算。總資產及資本性開支按資產所在地計算。

3. TURNOVER AND REVENUE

Revenues recognised during the year are as follows:

3. 營業額及收益

本年度確認之收益如下：

		2002	2001
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Turnover	營業額		
Sale of goods	銷貨	3,692,932	2,831,474
Sale of properties held for sale	出售待售物業	29,248	103,034
Rental income from investment properties	投資物業租金收入	11,566	9,404
Commission income from metal exchange portals	金屬電子交易所佣金收入	3,425	25,944
Consultancy service income	顧問服務收入	8,650	4,661
		3,745,821	2,974,517
Other revenue	其它收益		
Interest income	利息收入	1,167	5,063
Dividend income	股息收入	18	15
Others	其它	5,493	3,675
		6,678	8,753
Total revenue	收益總額	3,752,499	2,983,270

4. SEGMENT INFORMATION

(a) Primary segment

The Group is organised into five major operating units: (i) steel trading, warehousing and distribution; (ii) steel manufacturing and processing; (iii) property development; (iv) property investment; and (v) metal exchange portals. An analysis by business segment is as follows:

4. 分部資料

(a) 主要分部

本集團由五個主要營運單位組成：(i)鋼鐵貿易、倉儲及分銷；(ii)鋼鐵加工製造；(iii)房地產開發；(iv)房地產投資；及(v)金屬電子交易所。按業務劃分的分析如下：

		2002		2001	
		External sales 對外銷售 HK\$'000 港幣千元	Internal segment sales 內部銷售 HK\$'000 港幣千元	External sales 對外銷售 HK\$'000 港幣千元	Internal segment sales 內部銷售 HK\$'000 港幣千元
Turnover	營業額				
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	3,426,376	76,188	2,622,021	26,636
- Steel manufacturing and processing	- 鋼鐵加工製造	249,170	6,669	208,603	-
- Property development	- 房地產開發	29,248	-	103,034	-
- Property investment	- 房地產投資	11,566	-	9,404	-
- Metal exchange portals	- 金屬電子交易所	28,237	3,097	30,605	12,062
- Others	- 其它	1,224	-	850	-
		3,745,821	85,954	2,974,517	38,698
Inter-segment elimination	內部撇銷	-	(85,954)	-	(38,698)
		3,745,821	-	2,974,517	-

4. SEGMENT INFORMATION (continued)

4. 分部資料 (續)

(a) Primary segment (continued)

(a) 主要分部 (續)

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Operating profit	經營溢利		
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	94,453	27,215
- Steel manufacturing and processing	- 鋼鐵加工製造	32,350	17,652
- Property development	- 房地產開發	6,274	47,242
- Property investment	- 房地產投資	10,119	6,594
- Metal exchange portals	- 金屬電子交易所	3,664	11,559
- Others	- 其它	(798)	(2,792)
- Unallocated expenses	- 未分配支出	(42,287)	(37,067)
		103,775	70,403
Depreciation and amortisation	折舊及攤銷		
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	383	386
- Steel manufacturing and processing	- 鋼鐵加工製造	6,585	7,280
- Property development	- 房地產開發	152	117
- Metal exchange portals	- 金屬電子交易所	1,940	3,876
- Others	- 其它	940	1,178
- Unallocated depreciation and amortisation	- 未分配折舊及攤銷	3,754	4,472
		13,754	17,309
Capital expenditures	資本開支		
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	1,356	998
- Steel manufacturing and processing	- 鋼鐵加工製造	10,397	2,865
- Property development	- 房地產開發	401	59
- Property investment	- 房地產投資	-	118,285
- Metal exchange portals	- 金屬電子交易所	865	791
- Others	- 其它	21	10
- Unallocated capital expenditures	- 未分配資本開支	354	192
		13,394	123,200

4. SEGMENT INFORMATION (continued)

4. 分部資料 (續)

(a) Primary segment (continued)

(a) 主要分部 (續)

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Assets	資產		
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	1,138,554	690,095
- Steel manufacturing and processing	- 鋼鐵加工製造	196,785	167,450
- Property development	- 房地產開發	64,738	107,355
- Property investment	- 房地產投資	497,783	466,157
- Metal exchange portals	- 金屬電子交易所	-	71,718
- Others	- 其它	1,561	2,287
- Unallocated assets	- 未分配資產	197,570	199,994
		2,096,991	1,705,056
Liabilities	負債		
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	625,752	364,542
- Steel manufacturing and processing	- 鋼鐵加工製造	135,516	126,110
- Property development	- 房地產開發	41,586	59,252
- Property investment	- 房地產投資	171,985	227,983
- Metal exchange portals	- 金屬電子交易所	-	5,858
- Others	- 其它	1,728	1,655
- Unallocated liabilities	- 未分配負債	176,542	52,479
		1,153,109	837,879

4. SEGMENT INFORMATION (continued)

(b) Secondary segment

The Group has business operations in Mainland China, Hong Kong, Asia (other than Mainland China and Hong Kong), Europe, Australia and other regions. An analysis by geographical location is as follows:

4. 分部資料 (續)

(b) 次要分部

本集團於中國、香港、亞洲(不包括中國及香港)、歐洲、澳洲及其它地區有業務運作。按地區劃分的分析如下:

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Turnover	營業額		
- Mainland China	- 中國	3,367,863	2,750,814
- Hong Kong	- 香港	76,546	41,825
- Asia (other than Mainland China and Hong Kong)	- 亞洲(不包括 中國及香港)	270,124	74,259
- Europe	- 歐洲	1,306	62,504
- Australia	- 澳洲	-	30,068
- Others	- 其它	29,982	15,047
		3,745,821	2,974,517
Operating profit	經營溢利		
- Mainland China	- 中國	131,482	82,093
- Hong Kong	- 香港	10,107	10,776
- Asia (other than Mainland China and Hong Kong)	- 亞洲(不包括 中國及香港)	4,285	5,946
- Europe	- 歐洲	(462)	2,381
- Australia	- 澳洲	-	6,057
- Others	- 其它	650	217
- Unallocated expenses	- 未分配支出	(42,287)	(37,067)
		103,775	70,403

4. SEGMENT INFORMATION (continued)

4. 分部資料 (續)

(b) Secondary segment (continued)

(b) 次要分部 (續)

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Capital expenditures	資本開支		
- Mainland China	- 中國	11,008	121,975
- Hong Kong	- 香港	2,063	481
- Asia (other than Mainland China and Hong Kong)	- 亞洲 (不包括 中國及香港)	323	20
- Europe	- 歐洲	-	724
		13,394	123,200
Assets	資產		
- Mainland China	- 中國	532,667	505,973
- Hong Kong	- 香港	1,556,524	1,156,542
- Asia (other than Mainland China and Hong Kong)	- 亞洲 (不包括 中國及香港)	-	23,111
- Europe	- 歐洲	-	5,059
- Australia	- 澳洲	-	6,503
- Others	- 其它	7,800	7,868
		2,096,991	1,705,056

5. OPERATING PROFIT

Operating profit is determined after charging and crediting the following:

5. 經營溢利

經營溢利已扣除及計入下列各項：

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
After charging:	已扣除：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊		
– owned assets	– 自置資產	11,841	13,329
– assets held under finance leases	– 融資租賃資產	442	1,387
Net loss on disposals of property, plant and equipment	出售物業、廠房及設備之淨虧損	1,278	1,327
Amortisation of intangible assets	無形資產攤銷	1,471	2,593
Operating lease rentals for land and buildings	土地及樓宇營業租賃租金	3,692	4,341
Staff costs (including directors' emolument) (Note 8)	員工成本(包括董事報酬)(附註8)	62,362	59,640
Loss on disposal of long-term investments	出售長期投資虧損	545	952
Loss on short-term investments	短期投資虧損	691	1,969
Provision for deemed disposal of WorldMetal Holdings Limited	視為出售WorldMetal Holdings Limited之撥備	–	2,535
Provision for impairment loss of long-term investments	長期投資減值虧損撥備	6,807	–
Net exchange loss	滙兌淨虧損	4,720	1,266
Auditors' remuneration	核數師酬金	750	750
After crediting:	已計入：		
Dividend income from listed investments	上市投資股息收入	18	15
Interest income from	利息收入		
– bank deposits	– 銀行存款	775	4,331
– other investments	– 其它投資	392	732
Gross rental income	租金總收入	11,566	9,404
Less: outgoings	減：支出	(521)	(335)
Net rental income	租金淨收入	11,045	9,069
Gain on deemed disposal of WorldMetal Holdings Limited	視為出售WorldMetal Holdings Limited溢利	505	–

6. GAIN ON DISPOSAL OF A SUBSIDIARY

6. 出售附屬公司溢利

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Gain resulting from distribution in specie of shares in WorldMetal Holdings Limited	以實物方式派送 WorldMetal Holdings Limited 股份之溢利	-	9,702
Dilution and disposal gain in respect of WorldMetal Holdings Limited and subsidiaries	WorldMetal Holdings Limited 及附屬公司之攤薄及出售溢利	-	16,792
		-	26,494

7. FINANCE COSTS

7. 財務成本

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Interest on:	利息：		
- Bank loans repayable within five years	- 於五年內償還的銀行貸款	17,642	26,462
- Bank loans repayable after five years	- 於五年後償還的銀行貸款	4,652	2,819
- Convertible bonds wholly repayable within five years	- 於五年內全數償還的可換股債券	-	404
- Other loans from a minority shareholder of a subsidiary and an associate	- 附屬公司少數股東及聯營公司的其它貸款	308	848
- Obligations under finance leases	- 融資租賃承擔	57	362
Total interest incurred during the year	本年內產生的利息總額	22,659	30,895
Less: amounts capitalised and included in properties held for sale	減：利息撥充資本計入待售物業	-	(2,270)
		22,659	28,625
Amortisation and write-off of deferred borrowing costs	遞延借貸成本攤銷及撇銷	104	1,764
Cost for early redemption of convertible bonds	提早贖回可換股債券的成本	-	12,282
		22,763	42,671

8. STAFF COSTS

8. 員工成本

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Wages and salaries	薪金工資	56,220	57,149
Unutilised annual leave	未用年假	1,500	-
Pension costs – defined contribution plans (Note 38)	退休成本 – 界定供款計劃 (附註38)	1,824	1,368
Staff welfare	員工福利	2,818	1,123
		62,362	59,640

9. EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

9. 董事及高層管理人員之酬金

(a) Details of emoluments paid/payable to directors of the Company are as follows:

(a) 公司董事酬金之資料如下:

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Directors' fees	袍金給予		
- independent non-executive directors	- 獨立非執行董事	432	432
- other non-executive directors	- 其它非執行董事	120	170
Other emoluments payable to executive directors	支予執行董事之其它酬金		
- basic salaries, allowances and other benefits in kind	- 基本薪金、津貼及其它實物利益	21,307	14,710
- contribution to retirement scheme	- 退休計劃供款	695	688
		22,554	16,000

During the year, no directors waived any emoluments. No incentive payment for joining the Group or compensation for loss of office was paid or payable to any director during the year.

於年內，無董事放棄任何酬金。集團在本年內沒有支付或待付加盟酬金或離職補償予任何董事。

9. EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

9. 董事及高層管理人員之酬金 (續)

(a) (continued)

(a) (續)

Analysis of directors' emoluments by number of directors and emolument ranges is as follows:

按董事人數及酬金範圍分析董事酬金如下：

		Number of directors 董事人數	
		2002	2001
HK\$Nil - HK\$1,000,000	無 - 港幣 1,000,000元	4	6
HK\$1,000,001 - HK\$1,500,000	港幣 1,000,001元 - 港幣 1,500,000元	5	6
HK\$1,500,001 - HK\$2,000,000	港幣 1,500,001元 - 港幣 2,000,000元	2	-
HK\$3,500,001 - HK\$4,000,000	港幣 3,500,001元 - 港幣 4,000,000元	-	1
HK\$4,000,001 - HK\$4,500,000	港幣 4,000,001元 - 港幣 4,500,000元	1	-
HK\$4,500,001 - HK\$5,000,000	港幣 4,500,001元 - 港幣 5,000,000元	-	1
HK\$6,000,001 - HK\$6,500,000	港幣 6,000,001元 - 港幣 6,500,000元	1	-

(b) Details of emoluments of the five highest paid individuals (including directors and other employees) are:

(b) 五位最高收入人士(包括董事及其它員工)之酬金資料,如下:

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Basic salaries, allowances and other benefits in kind	基本薪金、津貼及其它實物利益	12,863	11,448
Discretionary bonuses	酌情花紅	2,458	-
Contribution to retirement scheme	退休計劃供款	510	565
		15,831	12,013

The emoluments paid/payable to the five highest paid individuals included all (2001: all) executive directors of the Company, details of whose emoluments have been included in Note 9(a) above.

五位最高收入人士全部(二零零一年:全部)為公司董事,其酬金資料已包括於上述附註9(a)。

9. EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

(b) (continued)

Analysis of emoluments of the five highest paid individuals (including directors and other employees) by number of individuals and emolument ranges is as follows:

		Number of individuals 人數	
		2002	2001
HK\$1,000,001 – HK\$1,500,000	港幣 1,000,001元 – 港幣 1,500,000元	1	3
HK\$1,500,001 – HK\$2,000,000	港幣 1,500,001元 – 港幣 2,000,000元	2	-
HK\$3,500,001 – HK\$4,000,000	港幣 3,500,001元 – 港幣 4,000,000元	-	1
HK\$4,000,001 – HK\$4,500,000	港幣 4,000,001元 – 港幣 4,500,000元	1	-
HK\$4,500,001 – HK\$5,000,000	港幣 4,500,001元 – 港幣 5,000,000元	-	1
HK\$6,000,001 – HK\$6,500,000	港幣 6,000,001元 – 港幣 6,500,000元	1	-

10. TAXATION

The Company is exempted from taxation in Bermuda until 2016. The Company's subsidiaries established in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income taxes. Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profit for the year. Subsidiaries of the Group in Mainland China are subject to Mainland China enterprise income tax ranging from 15% to 33% (2001: 33%) on their taxable income determined according to Mainland China tax laws. Other overseas taxation has been calculated on the estimated assessable profits for the year at the rates prevailing in the respective jurisdictions.

9. 董事及高層管理人員之酬金 (續)

(b) (續)

按人數及酬金範圍分析五位最高收入人士(包括董事及其它員工)之酬金,如下:

10. 稅項

本公司可免繳百慕達稅項直至二零一六年。按英屬處女群島國際商業公司法,於英屬處女群島成立之附屬公司可免繳英屬處女群島所得稅。香港利得稅按本年預計應課稅溢利之16%(二零零一年:16%)撥備。本集團於中國之附屬公司須繳交中國企業所得稅,按中國稅法確定應課稅所得之15%-33%(二零零一年:33%)計算。其它海外稅項按本年度預計應課稅溢利以有關司法權區適用之稅率計算。

10. TAXATION (continued)

Under the relevant tax rules in Mainland China, a subsidiary of the Group is subject to Mainland China land appreciation tax ("LAT"). However, up to the year ended 31 December 2002, the Group had not been required by the local tax bureau to make any tax payments in respect of the LAT. Taking into account the common practice of the levy of LAT in various cities in Mainland China, the Company's directors consider it is unlikely that the Group will be required to make any payment in respect of Mainland China LAT, and, accordingly, no provision on any LAT was made in the accompanying accounts (2001: HK\$Nil).

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

10. 稅項 (續)

在中國相關稅例下，集團一附屬公司或須繳交中國土地增值稅。但截至二零零二年十二月三十一日止年度，地稅局從未要求本集團繳納任何土地增值稅稅款。經考慮中國各城市徵收土地增值稅之普遍慣例，公司董事認為本集團應不會被要求繳納任何中國土地增值稅，因此，本帳目並沒有為任何土地增值稅撥備（二零零一年：無）。

於綜合損益帳支銷之稅金如下：

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Current taxation	本年稅項		
- Hong Kong profits tax	- 香港利得稅	954	702
- Overseas taxation	- 海外稅項		
- Mainland China	- 中國	2,905	14,123
- Others	- 其它	71	726
		<u>3,930</u>	<u>15,551</u>
(Over)/under provision in prior years	前年度(超額撥備)/ 撥備不足		
- Hong Kong profits tax	- 香港利得稅	(1,254)	500
- Overseas taxation	- 海外稅項	(801)	-
		<u>(2,055)</u>	<u>500</u>
		1,875	16,051
Deferred taxation	遞延稅項		
- Write-back of net timing differences (Note 31)	- 時差回撥淨額 (附註31)	-	(578)
		1,875	15,473
Share of taxation attributable to associates	所佔聯營公司稅項	633	(197)
		<u>2,508</u>	<u>15,276</u>

11. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of a loss of HK\$10,601,000 (2001: a profit of HK\$4,551,000).

12. DIVIDENDS

Special dividend in specie of shares in WorldMetal Holdings Limited	以實物方式派送WorldMetal Holdings Limited股份之特別股息	-	11,201
Final, proposed, of HK 4 cents (2001: HK 2 cents) per ordinary share	建議末期股息每股港幣4仙 (二零零一年: 港幣2仙)	42,157	18,781

2002	2001
HK\$'000	HK\$'000
港幣千元	港幣千元

42,157	29,982
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At a meeting held on 9 April 2003, the directors proposed a final dividend of HK 4 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained profit for the year ending 31 December 2003.

11. 股東應佔溢利

已於本公司帳目反映之股東應佔溢利達虧損港幣10,601,000元(二零零一年: 溢利港幣4,551,000元)。

12. 股息

於二零零三年四月九日舉行之會議上, 董事建議派發末期股息每普通股港幣4仙。此項擬派股息並無於本帳目中列作應付股息, 惟將於截至二零零三年十二月三十一日止年度列作保留溢利分派。

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the consolidated profit attributable to shareholders of approximately HK\$78,183,000 (2001: HK\$30,133,000) and the weighted average number of 992,805,972 (2001: 924,985,160) shares in issue during the year. The calculation of diluted earnings per share is based on the consolidated profit attributable to shareholders of approximately HK\$78,183,000 (2001: HK\$30,133,000) and the weighted average number of 992,805,972 (2001: 924,985,160) shares in issue during the year plus the weighted average number of 21,633,886 (2001: 14,998,165) shares deemed to be issued at no consideration if all outstanding options had been exercised.

13. 每股盈利

每股基本盈利乃根據股東應佔綜合溢利約港幣78,183,000元(二零零一年: 港幣30,133,000元)及年內已發行普通股加權平均數992,805,972股(二零零一年: 924,985,160股)計算。每股攤薄後盈利乃根據股東應佔綜合溢利約港幣78,183,000元(二零零一年: 港幣30,133,000元)及年內已發行普通股加權平均數992,805,972股(二零零一年: 924,985,160股), 加上假設所有未行使之購股權皆已行使而被視作無償發行之加權平均數21,633,886股(二零零一年: 14,998,165股)計算。

13. EARNINGS PER SHARE (continued)

A reconciliation of the weighted average number of shares used in calculating the basic earnings per share and the diluted earnings per share is as follows:

13. 每股盈利 (續)

用於計算每股基本盈利及每股攤薄後盈利之普通股加權平均數計算如下：

		Company 公司	
		2002	2001
		Number of shares 股份數目	Number of shares 股份數目
Weighted average number of shares used in calculating basic earnings per share	用以計算每股基本盈利之普通股加權平均數	992,805,972	924,985,160
Adjustment for potential dilutive effect in respect of outstanding employee share options	就未行使員工購股權之潛在攤薄影響作出調整	21,633,886	14,998,165
Weighted average number of shares used in calculating diluted earnings per share	用以計算每股攤薄後盈利之普通股加權平均數	1,014,439,858	939,983,325

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Group 集團					Total
		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 港幣千元	Leasehold improvements 租賃樓宇 裝修 HK\$'000 港幣千元	Plant and machinery 廠房機械 HK\$'000 港幣千元	Furniture and equipment 傢俬設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	HK\$'000 港幣千元
Cost	原值						
At 1 January 2002	於二零零二年 一月一日	181,479	5,965	47,180	20,048	10,730	265,402
Additions	新增	151	554	7,798	1,308	3,304	13,115
Deemed disposal of subsidiaries	視為出售附屬公司	-	(1,319)	-	(7,724)	(293)	(9,336)
Other disposals	其它出售	(931)	(997)	-	(40)	(509)	(2,477)
Transfer to investment properties	轉入投資物業	(13,977)	-	-	-	-	(13,977)
Translation adjustments	滙兌調整	5	-	-	(22)	-	(17)
At 31 December 2002	於二零零二年 十二月三十一日	166,727	4,203	54,978	13,570	13,232	252,710
Accumulated depreciation	累積折舊						
At 1 January 2002	於二零零二年 一月一日	32,029	3,944	31,835	11,221	6,084	85,113
Charge for the year	本年度提計	4,546	440	3,515	2,052	1,730	12,283
Deemed disposal of subsidiaries	視為出售附屬公司	-	(596)	-	(3,589)	(65)	(4,250)
Other disposals	其它出售	(142)	(358)	-	(16)	(215)	(731)
Transfer to investment properties	轉入投資物業	(1,048)	-	-	-	-	(1,048)
Translation adjustments	滙兌調整	1	-	5	(14)	-	(8)
At 31 December 2002	於二零零二年 十二月三十一日	35,386	3,430	35,355	9,654	7,534	91,359
Net book value	帳面淨值						
At 31 December 2002	於二零零二年 十二月三十一日	131,341	773	19,623	3,916	5,698	161,351
At 31 December 2001	於二零零一年 十二月三十一日	149,450	2,021	15,345	8,827	4,646	180,289

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The geographical location and tenure of leasehold land and buildings are analysed at their net book values as follows:

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Hong Kong – held on leases of over 50 years	香港 – 以超過五十年之租約持有	79,111	95,202
Mainland China – held on leases of between 10 and 50 years	中國 – 以十至五十年之租約持有	52,230	54,248
		131,341	149,450

Land and buildings in Mainland China are held under two land use rights for a period of 50 years up to November 2043 and June 2047, respectively.

As at 31 December 2002, certain leasehold land and buildings with a net book value of approximately HK\$108,028,000 (2001: HK\$124,662,000) were pledged to secure certain of the Group's banking facilities (Note 37).

Certain motor vehicles and plant and machinery were purchased under finance leases. Details of these assets are as follows:

14. 物業、廠房及設備 (續)

租賃土地及樓宇之地區及年期按其帳面值之分析如下：

在中國之土地及樓宇以兩個50年期之土地使用權持有，分別至二零四三年十一月及二零四七年六月。

於二零零二年十二月三十一日，集團將帳面淨值約港幣108,028,000元（二零零一年：港幣124,662,000元）之若干租賃土地及樓宇抵押，作為若干銀行融資抵押品（附註37）。

若干汽車及廠房機械以融資租賃方法購買。該資產的資料如下：

		Motor vehicles 汽車 HK\$'000 港幣千元	Plant and machinery 廠房機械 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Cost	原值	1,456	7,382	8,838
Less: Accumulated depreciation	減：累積折舊	(381)	(61)	(442)
		1,075	7,321	8,396

15. INVESTMENT PROPERTIES

15. 投資物業

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
At valuation	估值		
Beginning of year	年初	464,954	173,500
Transfer from properties held for sale	從待售物業轉入	-	180,893
Transfer from property, plant and equipment	從物業、廠房及設備轉入	12,929	-
Disposals	出售	(4,330)	-
(Deficit)/surplus on revaluation	重估(虧損)/盈餘	(39,712)	110,561
End of year	年末	433,841	464,954

The geographical location and tenure of investment properties are analysed as follows:

投資物業之地區及年期分析如下：

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Hong Kong	香港		
- held on leases of over 50 years	- 以超過五十年之租約持有	145,400	156,000
Mainland China	中國		
- held on leases of over 50 years	- 以超過五十年之租約持有	9,850	9,656
- held on leases of between 10 and 50 years	- 以十至五十年之租約持有	278,591	299,298
		433,841	464,954

Investment properties in Mainland China are held under land use rights for a period of 40 to 64 years up to April 2039 to December 2062.

在中國之投資物業乃按40至64年期之土地使用權持有，直至二零三九年四月及至二零六二年十二月。

Investment properties in Mainland China were stated at open market value as at 31 December 2002 as determined by 江蘇鼎信會計師事務所有限公司, independent qualified valuers. Investment properties in Hong Kong were stated at open market value at 31 December 2002 as determined by LCH (Asia-Pacific) Surveyors Limited, independent qualified valuers.

在中國之投資物業是以獨立合資格估值師江蘇鼎信會計師事務所有限公司所測定於二零零二年十二月三十一日之公開市值列報。在香港之投資物業是以獨立合資格估值師利駿行測量師有限公司所測定於二零零二年十二月三十一日之公開市值列報。

15. INVESTMENT PROPERTIES (continued)

As at 31 December 2002, investment properties of approximately HK\$261,752,000 (2001: HK\$350,881,000) were pledged as collateral for the Group's banking facilities (see Note 37).

The Group leased out certain investment properties under operating leases, for an initial period of one to ten years, with an option to renew after all terms are renegotiated. During the year ended 31 December 2002, the gross rental income from investment properties amounted to approximately HK\$11,566,000 (2001: HK\$9,404,000), including contingent rentals of approximately HK\$2,158,000 (2001: HK\$2,922,000). As at 31 December 2002, the Group's future aggregate minimum lease receipts under non-cancellable operating leases were as follows:

15. 投資物業 (續)

於二零零二年十二月三十一日，投資物業約港幣261,752,000元（二零零一年：港幣350,881,000元）已予抵押，作為本集團之銀行融資抵押品（見附註37）。

本集團以營業租賃方式出租若干投資物業，為一至十年期，並於條款重新洽商後有續約權。於二零零二年十二月三十一日止年度，投資物業之總租金收益達約港幣11,566,000元（二零零一年：港幣9,404,000元），其中包括或然租金約港幣2,158,000元（二零零一年：港幣2,922,000元）。於二零零二年十二月三十一日，本集團根據不可撤銷之營業租賃而於未來收取之最低租賃款項總額如下：

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Not later than one year	不超過一年	10,275	5,452
Later than one year and not later than five years	一年後但不超過五年	6,526	5,253
Later than five years	五年後	4,486	-
		21,287	10,705

16. INVESTMENTS IN SUBSIDIARIES

16. 於附屬公司投資

		Company 公司	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Investments at cost	投資成本		
– Unlisted shares	– 非上市股份	42,415	49,626
– Shares listed in Hong Kong	– 於香港上市股份	–	13,010
Due from subsidiaries	附屬公司欠款	1,064,277	786,248
Due to subsidiaries	欠附屬公司款	(224,422)	(12,549)
		882,270	836,335
Less: Provision for doubtful debts	減：壞帳撥備	(133,393)	(133,393)
		748,877	702,942
Market value of listed shares	上市股份市值	–	210,630

The underlying value of the investments in subsidiaries is, in the opinion of the Directors, not less than its carrying value as at 31 December 2002.

董事認為，於附屬公司投資於二零零二年十二月三十一日之潛在價值並不少於其帳面值。

The outstanding balances with subsidiaries are unsecured, non-interest bearing, and are not expected to be repayable within one year.

附屬公司之未償還結餘均無抵押、免利息及不須於一年內還款。

16. INVESTMENTS IN SUBSIDIARIES (continued)

16. 於附屬公司投資 (續)

The following is a list of the principal subsidiaries as at 31 December 2002:

於二零零二年十二月三十一日之主要附屬公司如下：

Name of company 公司名稱	Place of incorporation/ operations and kind of legal entity 註冊成立／經營 地點及法定地位	Issued and fully paid capital 已發行及 已繳足股本	Percentage of equity interest/voting capital attributable to the Group 本集團擁有之權益／ 有投票權股本百分比	Principal activities 主要業務性質
<i>Directly held:</i> 直接持有：				
Burwill & Company Limited	Hong Kong limited liability company 香港有限責任公司	HK\$50,000,000 and £50,000 港幣50,000,000元 及50,000英鎊	100%	Investment holding 投資控股
Burwill HK Portfolio Limited	The British Virgin Islands limited liability company 英屬處女群島 有限責任公司	US\$2 2美元	100%	Investment holding 投資控股
<i>Indirectly held:</i> 間接持有：				
Burwill Resources Limited 寶威物料供應有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$1,000,000 港幣1,000,000元	100%	Steel trading 鋼鐵貿易
Burwill Steel Pipes Limited 寶威鋼管有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$15,000,000 港幣15,000,000元	100%	Steel manufacturing and processing 鋼鐵加工製造
Burwill Warehousing (Shanghai) Limited (i) 寶威倉儲(上海)有限公司(i)	Mainland China 中國	US\$400,000 400,000美元	100%	Steel warehousing and distribution 鋼鐵倉儲及分銷
Camety Company Limited	Hong Kong limited liability company 香港有限責任公司	HK\$20 港幣20元	100%	Property holding 持有物業

16. INVESTMENTS IN SUBSIDIARIES (continued)

16. 於附屬公司投資 (續)

Name of company 公司名稱	Place of incorporation/ operations and kind of legal entity 註冊成立/經營 地點及法定地位	Issued and fully paid capital 已發行及 已繳足股本	Percentage of equity interest/voting capital attributable to the Group 本集團擁有之權益/ 有投票權股本百分比	Principal activities 主要業務性質
<i>Indirectly held: (continued)</i> 間接持有: (續)				
東莞東城寶威鋼管有限公司(i)	Mainland China 中國	HK\$10,000,000 港幣10,000,000元	100%	Steel manufacturing and processing 鋼鐵加工製造
Dongguan Hingwah Metals Factory Limited (i) 東莞謙華五金廠有限公司(i)	Mainland China 中國	HK\$60,357,430 港幣60,357,430元	100%	Steel manufacturing and processing 鋼鐵加工製造
Goldenbridge Services Limited 瑞僑服務有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$2 港幣2元	100%	Property holding 持有物業
揚州時代實業有限公司 (ii)	Mainland China 中國	RMB60,000,000 人民幣60,000,000元	69%	Property holding and development 持有物業及房地產開發

Notes :-

- (i) Burwill Warehousing (Shanghai) Limited, Dongguan Hingwah Metals Factory Limited and 東莞東城寶威鋼管有限公司 are wholly foreign owned enterprises established in Mainland China to be operated for 50 years up to March 2050, 20 years up to July 2013, and 12 years up to December 2013 respectively.
- (ii) 揚州時代實業有限公司 is a sino-foreign equity joint venture established in Mainland China to be operated for a period of 40 years up to April 2039.

The above list includes only those subsidiaries which in the opinion of the directors are material to the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2002.

附註: -

- (i) 寶威倉儲(上海)有限公司、東莞謙華五金廠有限公司及東莞東城寶威鋼管有限公司均為於中國成立之全資外國企業，營業期分別為五十年至二零五零年三月、二十年至二零一三年七月及十二年至二零一三年十二月。
- (ii) 揚州時代實業有限公司是於中國成立之中外合資企業，營業期為四十年至二零三九年四月。

以上所列僅包括董事認為對本集團具重要性之附屬公司。董事認為倘載列其它附屬公司之詳情，將會令篇幅過於冗長。

於二零零二年十二月三十一日止年度間任何時間，附屬公司均沒有任何已發借貸資本。

17. INVESTMENTS IN ASSOCIATES

17. 於聯營公司投資

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Share of net assets	所佔淨資產		
- Unlisted shares	- 非上市股份	29,306	26,842
- Shares listed in Hong Kong	- 於香港上市股份	24,646	-
		53,952	26,842
		Company 公司	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Shares listed in Hong Kong	於香港上市股份		
- at cost	- 成本	13,010	-
		86,273	-

The underlying values of the investment in the associates are, in the opinion of the Directors, not less than its carrying value as at 31 December 2002.

董事認為，於聯營公司投資於二零零二年十二月三十一日之潛在價值並不少於其帳面值。

17. INVESTMENTS IN ASSOCIATES (continued)

17. 於聯營公司投資 (續)

Details of the associates as at 31 December 2002 are as follows:

於二零零二年十二月三十一日，聯營公司資料如下：

Name of company 公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Issued and fully paid capital 已發行及 已繳足股本	Percentage of equity interest attributable to the Group 本集團持股權 百分比	Principal activity 主要業務性質
<i>Directly held:</i> 直接持有：				
WorldMetal Holdings Limited	Bermuda 百慕達	HK\$10,000,000 港幣10,000,000元	46%	Investment holding 投資控股
<i>Indirectly held:</i> 間接持有：				
Nam Wah Precision Product (BVI) Limited	The British Virgin Islands/ Mainland China 英屬處女群島/ 中國	US\$12,500 12,500美元	20%	Trading and manufacturing of precision products and metal parts 金屬產品及零件 貿易及製造
SteelMetal.com Limited	Korea 韓國	Won1,000,000,000 1,000,000,000南韓圓	23%	Operation of a metal exchange portal 經營金屬電子交易所
WorldMetal.com Limited 金屬電子交易所有限公司	Hong Kong 香港	US\$500,000 500,000美元	46%	Operation of a metal exchange portal 經營金屬電子交易所
北京威銘商網資訊技術有限公司	Mainland China 中國	US\$4,080,000 4,080,000美元	23%	Technology and marketing consultant 科技及市場顧問

The outstanding balance with associate is unsecured, non-interest bearing and has no fixed terms of repayment.

與聯營公司結欠均無抵押，免利息及無固定還款期。

18. LONG-TERM INVESTMENTS

18. 長期投資

		Group 集團		Company 公司	
		2002	2001	2002	2001
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Held-to-maturity securities	持至到期日之證券				
- Listed outside Hong Kong	- 於香港以外上市	-	5,011	-	-
- Unlisted	- 非上市	7,800	7,800	-	-
Club debentures, at cost	會所債券·按原值	1,268	1,268	144	144
Other unlisted shares, at cost (i)	其它非上市股份· 按原值(i)	27,227	27,227	-	-
Others	其它	-	390	-	-
		36,295	41,696	144	144
Less: Provision for impairment losses (i)	減:減值虧損撥備(i)	(6,807)	-	-	-
		29,488	41,696	144	144
Market value of listed held-to-maturity securities	上市持至到期日 證券之市值	-	3,081	-	-

Note (i):-

In May 2001, the Group acquired a 15% equity interest in Best Praise Holdings Limited, a company incorporated in the British Virgin Islands, for aggregate consideration of HK\$27,227,000. The consideration was satisfied by the issuance of 30,000,000 ordinary shares of the Company at HK\$0.9 per share. Best Praise Holdings Limited is principally engaged in the development of financial management computer software. As at 31 December 2002, the Directors evaluated the carrying value of the Group's investment in Best Praise Holdings Limited and determined to provide for impairment losses of approximately HK\$6,807,000 (2001: HK\$Nil).

The underlying value of long-term investments is, in the opinion of the Directors, not less than their carrying value as at 31 December 2002.

附註(i): -

於二零零一年五月，本集團以港幣27,227,000元總代價購買於英屬處女群島註冊之公司Best Praise Holdings Limited 15%權益。該代價由發行30,000,000股本公司普通股每股港幣0.9元支付。Best Praise Holdings Limited主要從事財務管理電腦軟件開發。於二零零二年十二月三十一日，董事評核集團於Best Praise Holdings Limited投資之帳面值，並決定將約港幣6,807,000元（二零零一年：無）之減值虧損撥備入賬。

董事認為長期投資之潛在價值並不少於該投資於二零零二年十二月三十一日之帳面值。

19. LOANS TO OFFICERS

19. 職員貸款

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Loans to officers	職員貸款	285	1,422
Less: Current portion of loans to officers included in deposits, prepayments and other receivables	減：包括於按金、 預付款及其它 應收款之職員 貸款短期部份	(285)	(1,137)
Long-term portion of loans to officers	職員貸款長期部份	-	285

Details of loans to officers of the Group, disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance, are as follows:

根據公司條例第161B條而須披露本集團職員貸款之詳情如下：

Name of borrower 借款人姓名	YIN Mark 尹虹	YAN Cheuk Yam 甄焯欽	WANG Ji Yuan 王紀元
Position 職位	Executive Director 執行董事	Director of a subsidiary 附屬公司董事	Director of a subsidiary 附屬公司董事
Terms of the loan 貸款詳情			
- interest rate - 利率	4% per annum 年息四厘	2% per annum 年息二厘	6% per annum 年息六厘
- security - 抵押	unsecured 無抵押	unsecured 無抵押	unsecured 無抵押
- repayment term - 還款年期	5 years 五年	5 years 五年	1 year 一年
- borrowing date - 借款日	20 November 1998 一九九八年 十一月二十日	8 December 1997 一九九七年 十二月八日	6 April 2001 二零零一年 四月六日

Balance of loans in respect of
principal and interest
貸款本金及利息結餘

- as at 31 December 2001 - 於二零零一年十二月三十一日	HK\$522,500 港幣522,500元	HK\$150,000 港幣150,000元	RMB800,000 人民幣800,000元
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- as at 31 December 2002 - 於二零零二年十二月三十一日	HK\$285,500 港幣285,500元	-	-
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Maximum balance outstanding during the year 年內最高欠款額	HK\$522,500 港幣522,500元	HK\$150,000 港幣150,000元	RMB800,000 人民幣800,000元
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20. INTANGIBLE ASSETS

20. 無形資產

		Portal development costs 網站開發成本 HK\$'000 港幣千元	Copyright 版權 HK\$'000 港幣千元	Group 集團 Domain names 域名 HK\$'000 港幣千元	Trademarks 商標 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
Year ended	二零零二年十二月					
31 December 2002	三十一日止年度					
Opening net book amount	年初帳面淨值	2,797	609	366	314	4,086
Additions	增加	7	-	-	272	279
Amortisation charge	攤銷費用	(844)	(609)	(9)	(9)	(1,471)
Deemed disposal of subsidiaries	視為出售 附屬公司	(1,960)	-	(357)	(577)	(2,894)
Closing net book amount	年末帳面淨值	-	-	-	-	-
At 31 December 2002	於二零零二年 十二月三十一日					
Cost	成本	-	-	-	-	-
Accumulated amortisation	累積攤銷	-	-	-	-	-
Net book value	帳面淨值	-	-	-	-	-
At 31 December 2001	於二零零一年 十二月三十一日					
Cost	成本	5,456	1,822	390	335	8,003
Accumulated amortisation	累積攤銷	(2,659)	(1,213)	(24)	(21)	(3,917)
Net book value	帳面淨值	2,797	609	366	314	4,086

21. INVENTORIES

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Raw materials	原料	41,465	19,943
Work-in-progress	在製品	2,723	2,007
Finished goods	製成品	3,923	3,622
Consumables	消耗品	1,119	1,046
		49,230	26,618

At 31 December 2002, no inventories are carried at net realisable value (2001: HK\$Nil).

At 31 December 2002, the carrying amount of inventories held under trust receipts bank loans amounted to HK\$17,678,000 (2001: HK\$9,751,000) (see Notes 26 and 37).

22. PROPERTIES HELD FOR SALE

Properties held for sale are located in Mainland China and are held under land use right for a period of 40 years up to April 2039.

As at 31 December 2002, properties held for sale with a net book value of approximately HK\$2,910,000 (2001: HK\$24,305,000) were pledged to secure banking facilities of the Group (see Note 37).

21. 存貨

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Raw materials	原料	41,465	19,943
Work-in-progress	在製品	2,723	2,007
Finished goods	製成品	3,923	3,622
Consumables	消耗品	1,119	1,046
		49,230	26,618

於二零零二年十二月三十一日，無存貨以可變現淨值列報（二零零一年：無）。

於二零零二年十二月三十一日，於銀行信託貸款項下持有之存貨之帳面值為港幣17,678,000元（二零零一年：港幣9,751,000元）（見附註26及37）。

22. 待售物業

位於中國之待售物業持有四十年期之土地使用權至二零三九年四月。

於二零零二年十二月三十一日，待售物業帳面淨值約港幣2,910,000元（二零零一年：港幣24,305,000元）已為集團銀行融資作抵押（見附註37）。

23. SHORT-TERM INVESTMENTS

	Group 集團		Company 公司	
	2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Equity securities 股份證券				
- listed in Hong Kong 於香港上市	5,871	478	3	3
- listed outside Hong Kong 於香港以外上市	213	244	-	-
Market value of listed equity securities 上市股份證券市值	6,084	722	3	3

As at 31 December 2002 certain short-term investments with a market value of approximately HK\$5,869,000 (2001: HK\$Nil) were pledged as collateral for the Group's banking facilities (see Note 37).

於二零零二年十二月三十一日，市值約港幣5,869,000元（二零零一年：無）之若干短期投資已予抵押，作為集團銀行融資之抵押品（見附註37）。

24. BILLS AND ACCOUNTS RECEIVABLE

The Group normally grants to its customers credit periods for sales of goods ranging from 30 days to 120 days. Consideration in respect of sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreement. Rental in respect of leased properties are payable by the tenants on a monthly basis.

Aging analysis of bills and accounts receivable as at 31 December 2002 is as follows:

24. 應收票據及應收帳項

本集團普遍就銷貨收入給予其客戶三十日至一百二十日之信用期。買家應付銷售物業的作價乃根據銷售合約中條款支付。租賃物業之租金收入由租戶按月支付。

於二零零二年十二月三十一日，應收票據及應收帳項帳齡分析如下：

	Group 集團	
	2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Within three months 三個月內	962,579	627,675
Over three months but within six months 超過三個月而 不超過六個月	4,678	36,725
Over six months but within twelve months 超過六個月而 不超過十二個月	1,401	10,777
	968,658	675,177
Less: Provision for doubtful debts 減：壞帳撥備	(236)	(1,891)
	968,422	673,286

25. CASH AND BANK BALANCES

As at 31 December 2002, approximately HK\$12,480,000 (2001: HK\$31,168,000) of the Group's bank deposits were pledged with the banks in Hong Kong and approximately HK\$28,023,000 (2001: HK\$9,622,000) were pledged with the banks in Mainland China.

As at 31 December 2002, pledged bank deposits and other cash and bank balances of approximately HK\$50,926,000 (2001: HK\$47,799,000) are denominated in Chinese Renminbi and placed with banks in Mainland China. The remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the Chinese government.

26. SHORT-TERM BANK BORROWINGS

Short-term bank loans	短期銀行貸款
Current portion of long-term bank loans (Note 28)	長期銀行貸款之短期部份 (附註28)

Short-term bank loans of approximately HK\$287,341,000 (2001: HK\$263,784,000) were secured by inventories released under such loans (see Note 21).

25. 現金及銀行結餘

於二零零二年十二月三十一日，集團銀行存款約港幣12,480,000元（二零零一年：港幣31,168,000元）已抵押予香港之銀行及約港幣28,023,000元（二零零一年：港幣9,622,000元）已抵押予中國之銀行。

於二零零二年十二月三十一日，約港幣50,926,000元（二零零一年：港幣47,799,000元）之已抵押銀行存款和其它現金及銀行結餘乃以人民幣為貨幣單位並存放於中國之銀行。從中國匯出該資金會受限於中國政府實施之外匯管制規條。

26. 短期銀行貸款

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Short-term bank loans	短期銀行貸款	355,936	332,720
Current portion of long-term bank loans (Note 28)	長期銀行貸款之短期部份 (附註28)	12,752	10,468
		368,688	343,188

短期銀行貸款約港幣287,341,000元（二零零一年：港幣263,784,000元）以該貸款項下存貨作抵押（見附註21）。

27. BILLS AND ACCOUNTS PAYABLE

Aging analysis of bills and accounts payable is as follows:

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Within three months	三個月內	468,840	299,810
Over three months but within six months	超過三個月而 不超過六個月	-	286
Over six months but within twelve months	超過六個月而 不超過十二個月	242	3,366
		469,082	303,462

27. 應付票據及應付帳項

應付票據及應付帳項帳齡分析如下：

28. LONG-TERM BANK LOANS

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Loans	貸款		
Unsecured	無抵押	134,483	-
Secured	有抵押	112,718	123,306
		247,201	123,306
Less: Current portion of long-term bank loans (Note 26)	減：長期銀行貸款之 短期部份 (附註26)	(12,752)	(10,468)
		234,449	112,838

28. 長期銀行貸款

28. LONG-TERM BANK LOANS (continued)

At 31 December 2002, the Group's long-term bank loans were repayable as follows:

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Within one year	於一年內	12,752	10,468
In the second year	於第二年內	42,472	10,879
In the third to fifth year	於第三至五年內	138,933	35,356
After the fifth year	第五年後	53,044	66,603
		247,201	123,306

29. OTHER LOANS

Other loans represent loans from minority shareholders of certain subsidiaries of the Group, and are analysed as follows:

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Other loans	其它貸款	6,567	19,375
Less: Amount due within one year included under other payables and accruals	減: 已包括於其它應付帳項 及應計費用的 一年內還款金額	-	(4,042)
		6,567	15,333

As at 31 December 2002, a loan from a minority shareholder of a subsidiary of approximately HK\$2,972,000 (2001: HK\$11,383,000) is unsecured, bears interest at 7.2% per annum and not repayable before 1 January 2004. All the other loans from minority shareholders are unsecured, non-interest bearing and not repayable before 1 January 2004.

28. 長期銀行貸款 (續)

於二零零二年十二月三十一日，本集團之長期銀行貸款還款期如下：

29. 其它貸款

其它貸款指集團若干附屬公司之少數股東貸款，其分析如下：

於二零零二年十二月三十一日，一附屬公司少數股東貸款約港幣2,972,000元（二零零一年：港幣11,383,000元）為無抵押，息率為每年7.2%及不須於二零零四年一月一日前還款。其餘少數股東貸款均無抵押、免利息及不須於二零零四年一月一日前還款。

30. OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2002, the Group's finance lease liabilities were repayable as follows:

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Within one year	於一年內	1,923	966
In the second year	於第二年內	1,864	188
In the third to fifth year	於第三至五年內	4,413	125
		8,200	1,279
Less: Future finance charges on finance leases	減: 融資租賃之 未來財務費用	(640)	(60)
		7,560	1,219
Less: Current portion	減: 短期部份	(1,686)	(1,120)
		5,874	99

The present value of finance lease liabilities is as follows:

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Within one year	於一年內	1,686	920
In the second year	於第二年內	1,677	177
In the third to fifth year	於第三至五年內	4,197	122
		7,560	1,219

30. 融資租賃承擔

於二零零二年十二月三十一日，集團之融資租賃負債之還款期如下：

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Within one year	於一年內	1,923	966
In the second year	於第二年內	1,864	188
In the third to fifth year	於第三至五年內	4,413	125
		8,200	1,279
Less: Future finance charges on finance leases	減: 融資租賃之 未來財務費用	(640)	(60)
		7,560	1,219
Less: Current portion	減: 短期部份	(1,686)	(1,120)
		5,874	99

融資租賃負債之現值如下：

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Within one year	於一年內	1,686	920
In the second year	於第二年內	1,677	177
In the third to fifth year	於第三至五年內	4,197	122
		7,560	1,219

31. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16% (2001: 16%).

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

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
At 1 January	於一月一日	321	899
Write-back of net timing differences	時差回撥淨額	-	(578)
Deemed disposal of subsidiaries	視為出售附屬公司	(321)	-
At 31 December	於十二月三十一日	-	321

There was no significant unprovided deferred taxation as at 31 December 2002. No deferred taxation was charged to equity during the year because the revaluation does not constitute a timing difference as the Group intends to hold the investment properties for long-term and management has no intention to dispose of these investment properties in the foreseeable future.

31. 遞延稅項

遞延稅項採用負債法就短暫時差按主要稅率 16% (二零零一年: 16%) 作全數撥備。

遞延稅項負債之變動如下:

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
At 1 January	於一月一日	321	899
Write-back of net timing differences	時差回撥淨額	-	(578)
Deemed disposal of subsidiaries	視為出售附屬公司	(321)	-
At 31 December	於十二月三十一日	-	321

於二零零二年十二月三十一日，本集團並無未撥備之重大遞延稅項。由於集團打算長期持有投資物業及管理層無打算於可預見將來出售該等投資物業，物業重估溢價並非稅務時差，故無於本年度將遞延稅項支銷於權益內。

32. SHARE CAPITAL

32. 股本

Movements in share capital were as follows:

股本變動如下：

		2002		2001	
		Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 港幣千元	Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 港幣千元
Authorised	法定股本				
- Ordinary shares of HK\$0.10 each	- 每股面值港幣0.10元 之普通股				
At 1 January	於一月一日	1,200,000	120,000	1,200,000	120,000
Increase in authorised ordinary share capital (i)	普通股法定股本增加(i)	600,000	60,000	-	-
At 31 December	於十二月三十一日	1,800,000	180,000	1,200,000	120,000
Issued and fully paid	已發行及繳足股本				
- Ordinary shares of HK\$0.10 each	- 每股面值港幣0.10元 之普通股				
At 1 January	於一月一日	938,669	93,867	911,676	91,167
Issued upon exercise of employee share options (Note 33)	按行使員工購股權而 發行股份(附註33)	19,138	1,914	10,849	1,085
Issuance of shares (ii)	發行股份(ii)	100,000	10,000	30,000	3,000
Issuance of shares upon conversion of convertible bonds	因兌換可換股 債券而發行股份	-	-	7,476	748
Shares repurchased (iii)	購回股份(iii)	(3,888)	(389)	(21,332)	(2,133)
At 31 December	於十二月三十一日	1,053,919	105,392	938,669	93,867

Notes:-

附註：-

(i) By an ordinary resolution passed by the shareholders of the Company on 6 June 2002, the authorised ordinary share capital of the Company was increased from HK\$120,000,000 to HK\$180,000,000 by the creation of 600,000,000 ordinary shares of HK\$0.10 each.

(i) 本公司股東於二零零二年六月六日通過普通決議案，藉增設600,000,000股每股面值港幣0.10元之普通股，將公司之法定股本由港幣120,000,000元增加至港幣180,000,000元。

(ii) Pursuant to the placing agreement dated 10 June 2002 entered into between a substantial shareholder (the "Vendor") of the Company and a placing agent, 100,000,000 existing shares held by the Vendor were placed to no fewer than six independent placees at HK\$0.90 per placing share. Further, pursuant to a subscription agreement dated 10 June 2002, the Company issued 100,000,000 new shares to the Vendor at HK\$0.90 per subscription share. These shares were issued to the Vendor on 21 June 2002.

(ii) 根據本公司之主要股東(「賣方」)與配售代理簽訂一份日期為二零零二年六月十日之配售協議，賣方持有之100,000,000股股份以每股配售股份港幣0.90元配售予不少於六個獨立承配人。另外，根據賣方與本公司簽訂一份日期為二零零二年六月十日之認購協議，本公司以每股港幣0.90元之認購價發行100,000,000股新普通股給賣方，本公司據此於二零零二年六月二十一日發行及配發共100,000,000股新普通股予賣方。

32. SHARE CAPITAL (continued)

(iii) During the year ended 31 December 2002, the Company repurchased, through The Stock Exchange of Hong Kong Limited, 3,888,000 shares (2001: 21,332,000 shares) at an aggregate consideration of approximately HK\$2,983,000 (2001: HK\$4,785,000). These shares were subsequently cancelled. Details of such repurchases are as follows:

Month of repurchase	Number of ordinary shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate consideration paid
購回月份	購回普通股數目	最高每股價格	最低每股價格	總代價
	'000 千股	HK\$ 港元	HK\$ 港元	HK\$'000 港幣千元
September 2002	3,888	0.79	0.70	2,983

32. 股本 (續)

(iii) 於截至二零零二年十二月三十一日止年度，本公司透過香港聯合交易所有限公司，以總代價約港幣2,983,000元（二零零一年：港幣4,785,000元）購回3,888,000股（二零零一年：21,332,000股）。該等股份已被註銷。購回股份資料如下：

33. EMPLOYEE SHARE OPTIONS

At the Annual General Meeting of the Company held on 6 June 2002, shareholders of the Company approved the termination of the share option scheme adopted by the Company on 23 July 1999 (the "Old Scheme") and the adoption of a new share option scheme (the "New Scheme"). Under the New Scheme, the Company may grant options to employees (including executive directors) of the Group to subscribe for shares in the Company, subject to a maximum of 30% of the issued share capital of the Company from time to time excluding for this purpose shares issued on exercise of options. The subscription price will be determined by the directors, and will not be less than the highest of the nominal value of the shares, the closing price of the shares quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the trading day of granting the options and the average of the closing prices of the shares quoted on The Stock Exchange for the five trading days immediately preceding the date of granting the options.

33. 員工購股權

本公司於二零零二年六月六日舉行之股東週年大會上獲得股東批准終止公司於一九九九年七月二十三日採用之購股權計劃（「舊計劃」）及採用新購股權計劃（「新計劃」）。根據新計劃，本公司可授予集團之員工（包括執行董事）購股權以認購本公司之股份，但僅限於最多當時本公司已發行股本之30%（不計入因行使購股權而發行的股份）。每股之認購價由董事決定，並將不少於股份面值、在授出購股權當日於香港聯合交易所有限公司（「港交所」）滙報之收市價及在授出購股權前五個交易日內於港交所滙報之平均收市價三者之較高者。

33. EMPLOYEE SHARE OPTIONS (continued)

Upon termination of the Old Scheme, no further options could be granted thereunder but in all other respects, the provisions of the Old Scheme will remain in force. All outstanding options which were granted under the Old Scheme and an earlier share option scheme of the Company which expired on 1 August 1999 will continue to be valid and exercisable.

Movements of shares under employee share options were as follows:

33. 員工購股權 (續)

終止舊計劃後，舊計劃之條款仍會維持執行，但不會再授出新購股權。所有在舊計劃及更早前購股權計劃（已於一九九九年八月一日終止）下授出之未行使購股權將繼續有效並可行使。

員工購股權項下股份之變動如下：

Date of grant	Exercise period	Exercise price	Number of shares under the options				
			At 1 January 2002	Granted (a)	Exercised (b)	Lapsed	At 31 December 2002
授予日期	行使期間	行使價	於 二零零二年 一月一日	授出 (a)	行使 (b)	失效	於二零零二年 十二月 三十一日
		HK\$ 港元	'000 千股	'000 千股	'000 千股	'000 千股	'000 千股
31 December 1998 一九九八年十二月 三十一日	31 December 1999 to 30 December 2002 一九九九年十二月三十一日至 二零零二年十二月三十日	0.3957	5,571	-	(4,416)	(1,155)	-
28 September 1999 一九九九年九月 二十八日	27 December 1999 to 26 December 2002 一九九九年十二月二十七日至 二零零二年十二月二十六日	0.4988	17,219	-	(13,822)	(3,397)	-
29 March 2000 二零零零年三月 二十九日	27 June 2000 to 26 June 2003 二零零零年六月二十七日至 二零零三年六月二十六日	0.6800	15,000	-	-	-	15,000
7 May 2001 二零零一年五月七日	5 August 2001 to 4 August 2004 二零零一年八月五日至 二零零四年八月四日	0.4610	24,100	-	(900)	-	23,200
			61,890	-	(19,138)	(4,552)	38,200

33. EMPLOYEE SHARE OPTIONS (continued)

33. 員工購股權 (續)

Date of grant	Exercise period	Exercise price	Number of shares under the options				At 31 December 2001
			At 1 January 2001	Granted (a)	Exercised (b)	Lapsed	
授予日期	行使期間	行使價	於 二零零一年 一月一日	授出 (a)	行使 (b)	失效	於二零零一年 十二月 三十一日
		HK\$	'000	'000	'000	'000	'000
		港元	千股	千股	千股	千股	千股
8 July 1997 一九九七年七月八日	8 July 1998 to 7 July 2001 一九九八年七月八日至 二零零一年七月七日	0.5441	2,219	-	(1,800)	(419)	-
31 December 1998 一九九八年十二月 三十一日	31 December 1999 to 30 December 2002 一九九九年十二月三十一日至 二零零二年十二月三十日	0.3957	7,936	-	(2,365)	-	5,571
28 September 1999 一九九九年九月 二十八日	27 December 1999 to 26 December 2002 一九九九年十二月二十七日至 二零零二年十二月二十六日	0.4988	23,403	-	(6,184)	-	17,219
29 March 2000 二零零零年三月 二十九日	27 June 2000 to 26 June 2003 二零零零年六月二十七日至 二零零三年六月二十六日	0.6800	15,000	-	-	-	15,000
7 May 2001 二零零一年五月七日	5 August 2001 to 4 August 2004 二零零一年八月五日至 二零零四年八月四日	0.4610	-	24,600	(500)	-	24,100
			48,558	24,600	(10,849)	(419)	61,890

(a) No share options were granted during the year ended 31 December 2002. Share options were granted on 7 May 2001 at the exercise price of HK\$0.4610 per share and expire on 4 August 2004. Consideration received in respect of those share options granted amounted to HK\$11.

(a) 於截至二零零二年十二月三十一日止年度未有授出任何購股權。於二零零一年五月七日授出行使價為港幣0.461元到期日為二零零四年八月四日之購股權。授出該些購股權取得之代價為港幣11元。

33. EMPLOYEE SHARE OPTIONS (continued)

(b) Details of shares being issued on options exercised during the year ended 31 December 2001 and 2002 were as follows:

Exercise date	Exercise price	Market value per share at exercise date	2002		
			Proceeds received	Number of shares under the options	
行使日	行使價	行使日之每股市價	已收所得額	購股權項下股份數目	
	HK\$	HK\$	HK\$'000	'000	
	港元	港元	港幣千元	千股	
29 May 2002 to 30 December 2002	二零零二年五月二十九日至二零零二年十二月三十日	0.3957	0.75 - 0.95	1,747	4,416
8 February 2002 to 13 May 2002	二零零二年二月八日至二零零二年五月十三日	0.4610	0.74 - 0.90	415	900
27 May 2002 to 23 December 2002	二零零二年五月二十七日至二零零二年十二月二十三日	0.4988	0.75 - 0.97	6,894	13,822
			9,056	19,138	
Exercise date	Exercise price	Market value per share at exercise date	2001		
行使日	行使價	行使日之每股市價	已收所得額	購股權項下股份數目	
	HK\$	HK\$	HK\$'000	'000	
	港元	港元	港幣千元	千股	
3 May 2001 to 14 September 2001	二零零一年五月三日至二零零一年九月十四日	0.3957	0.58 - 1.00	936	2,365
10 December 2001	二零零一年十二月十日	0.4610	0.67	231	500
3 May 2001 to 14 September 2001	二零零一年五月三日至二零零一年九月十四日	0.4988	0.58 - 1.06	3,085	6,184
7 July 2001	二零零一年七月七日	0.5441	0.84	979	1,800
			5,231	10,849	

33. 員工購股權 (續)

(b) 截至二零零一年十二月三十一日及二零零二年十二月三十一日止年度，行使購股權而發行之股份詳情如下：

33. EMPLOYEE SHARE OPTIONS (continued)

(c) Share options outstanding at the end of the year have the following terms:

Expiry date 到期日		Exercise price 行使價 HK\$ 港元	2002 Number of shares under the options 購股權項下股份數目 '000 千股	2001 Number of shares under the options 購股權項下股份數目 '000 千股
Directors	董事			
26 December 2002	二零零二年十二月二十六日	0.4988	-	13,096
30 December 2002	二零零二年十二月三十日	0.3957	-	4,668
26 June 2003	二零零三年六月二十六日	0.6800	15,000	15,000
4 August 2004	二零零四年八月四日	0.4610	22,000	22,000
			37,000	54,764
Other employees	其它員工			
26 December 2002	二零零二年十二月二十六日	0.4988	-	4,123
30 December 2002	二零零二年十二月三十日	0.3957	-	903
4 August 2004	二零零四年八月四日	0.4610	1,200	2,100
			1,200	7,126
			38,200	61,890

No share options were cancelled during the year (2001: Nil).

33. 員工購股權 (續)

(c) 在年終時尚未行使之購股權條款如下:

本年內並無購股權被註銷(二零零一年:無)。

34. RESERVES

34. 儲備

Movements in reserves were as follows:

儲備變動如下：

		Share premium 溢價 HK\$'000 港幣千元	Capital redemption reserve 資本回贖 儲備 HK\$'000 港幣千元	Contributed surplus 繳入盈餘 HK\$'000 港幣千元	Group Investment property revaluation reserve 投資物業 重估儲備 HK\$'000 港幣千元	Cumulative translation reserve 累積滙兌 儲備 HK\$'000 港幣千元	Retained profit 保留溢利 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2002	於二零零二年一月一日	388,330	9,289	-	81,547	(4,793)	191,719	666,092
Issue of shares	發行股份	87,142	-	-	-	-	-	87,142
Share issuance expenses	股份發行費用	(2,246)	-	-	-	-	-	(2,246)
Repurchase of shares (Note 32)	購回股份(附註32)	(2,594)	389	-	-	-	(389)	(2,594)
Deficit on revaluation of investment properties attributable to the Group	集團投資物業重估虧損	-	-	-	(34,584)	-	-	(34,584)
Disposal of investment properties	出售投資物業	-	-	-	(1,250)	-	-	(1,250)
Translation adjustments	滙兌調整	-	-	-	-	4,868	-	4,868
Profit for the year	本年度溢利	-	-	-	-	-	78,183	78,183
Dividends paid	已付股息	-	-	-	-	-	(18,781)	(18,781)
As 31 December 2002	於二零零二年十二月三十一日	470,632	9,678	-	45,713	75	250,732	776,830
Representing:-	代表:-							
2002 Final dividend proposed	二零零二年建議末期股息						42,157	
Others	其它						208,575	
Retained profit as at 31 December 2002	於二零零二年十二月三十一日 保留溢利						250,732	
Company and subsidiaries	本公司及附屬公司	470,632	9,678	-	45,713	75	227,851	753,949
Associates	聯營公司	-	-	-	-	-	22,881	22,881
At 31 December 2002	於二零零二年十二月三十一日	470,632	9,678	-	45,713	75	250,732	776,830
At 1 January 2001	於二零零一年一月一日	359,287	7,156	5,381	5,063	(2,961)	169,539	543,465
Issue of shares	發行股份	31,776	-	-	-	-	-	31,776
Share issuance expenses	股份發行費用	(81)	-	-	-	-	-	(81)
Repurchase of shares	購回股份	(2,652)	2,133	-	-	-	(2,133)	(2,652)
Transfer to retained profit	轉入保留溢利	-	-	(5,381)	-	-	5,381	-
Surplus on revaluation of investment properties attributable to the Group	集團投資物業重估盈餘	-	-	-	76,484	-	-	76,484
Translation adjustments	滙兌調整	-	-	-	-	(1,832)	-	(1,832)
Profit for the year	本年度溢利	-	-	-	-	-	30,133	30,133
Dividends	股息	-	-	-	-	-	(11,201)	(11,201)
As 31 December 2001	於二零零一年十二月三十一日	388,330	9,289	-	81,547	(4,793)	191,719	666,092
Representing:-	代表:-							
2001 Final dividend proposed	二零零一年建議末期股息						18,781	
Others	其它						172,938	
Retained profit as at 31 December 2001	於二零零一年十二月三十一日 保留溢利						191,719	
Company and subsidiaries	本公司及附屬公司	388,330	9,289	-	81,547	(4,793)	176,938	651,311
Associates	聯營公司	-	-	-	-	-	14,781	14,781
At 31 December 2001	於二零零一年十二月三十一日	388,330	9,289	-	81,547	(4,793)	191,719	666,092

34. RESERVES (continued)

34. 儲備 (續)

		Company 公司				Total
		Share premium 溢價 HK\$'000 港幣千元	Capital redemption reserve 資本回贖 儲備 HK\$'000 港幣千元	Contributed surplus 繳入盈餘 HK\$'000 港幣千元	Retained profit 保留溢利 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
At 1 January 2002	於二零零二年一月一日	388,330	9,289	128,832	80,107	606,558
Issue of shares	發行股份	87,142	-	-	-	87,142
Share issuance expenses	股份發行費用	(2,246)	-	-	-	(2,246)
Repurchase of shares	購回股份	(2,594)	389	-	(389)	(2,594)
Loss for the year	本年度虧損	-	-	-	(10,601)	(10,601)
Dividends paid	已付股息	-	-	-	(18,781)	(18,781)
At 31 December 2002	於二零零二年十二月三十一日	470,632	9,678	128,832	50,336	659,478
Representing: -	代表: -					
2002 Final dividend proposed	二零零二年建議末期股息				42,157	
Others	其它				8,179	
Retained profit as at 31 December 2002	於二零零二年十二月三十一日 保留溢利				<u>50,336</u>	
At 1 January 2001	於二零零一年一月一日	359,287	7,156	128,832	88,890	584,165
Issue of shares	發行股份	31,776	-	-	-	31,776
Share issuance expenses	股份發行費用	(81)	-	-	-	(81)
Repurchase of shares	購回股份	(2,652)	2,133	-	(2,133)	(2,652)
Profit for the year	本年度溢利	-	-	-	4,551	4,551
Dividends paid	已付股息	-	-	-	(11,201)	(11,201)
At 31 December 2001	於二零零一年十二月三十一日	388,330	9,289	128,832	80,107	606,558
Representing: -	代表: -					
2001 Final dividend proposed	二零零一年建議末期股息				18,781	
Others	其它				61,326	
Retained profit as at 31 December 2001	於二零零一年十二月三十一日 保留溢利				<u>80,107</u>	

34. RESERVES (continued)

Contributed surplus represents the difference between the nominal amount of the shares issued and the book value of the underlying net assets of subsidiaries acquired. It can be utilised for issuance of bonus shares or for capital redemption upon repurchase of shares.

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is distributable to shareholders subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

The Company's reserves (excluding retained profit) as at 31 December 2002 available for distribution to shareholders were represented by the contributed surplus of approximately HK\$128,832,000 (2001: HK\$128,832,000).

34. 儲備 (續)

繳入盈餘乃股份發行之面值與購入附屬公司之淨資產之帳面值之差額。繳入盈餘可供發行紅股或購回股份時作資本贖回使用。

根據百慕達一九八一年公司法(經修訂)，繳入盈餘可分派給股東，但如(i)於分派後，公司未能償還到期債務或(ii)其資產之可變現價值少於其負債、已發行股本及股份溢價帳之總和，本公司不能宣佈或支付股息或分派繳入盈餘。

於二零零二年十二月三十一日，可供分派給股東之本公司儲備(不包括保留溢利)為繳入盈餘約港幣128,832,000元(二零零一年：港幣128,832,000元)。

35. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

35. 綜合現金流量表附註

(a) Reconciliation of operating profit to net cash outflow from operations

(a) 經營溢利與經營產生之現金流出淨額調整帳

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Operating profit	經營溢利	103,775	70,403
Depreciation	折舊	12,283	14,716
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	1,278	1,327
Amortisation of intangible assets	無形資產攤銷	1,471	2,593
Amortisation of deferred borrowing costs	遞延借貸成本攤銷	104	-
Provision for impairment loss of long-term investments	長期投資減值撥備	6,807	-
Loss on disposal of investments	出售投資虧損	1,236	2,921
Gain on disposal of investment properties	出售投資物業溢利	(117)	-
Gain on deemed disposal of a subsidiary	視為出售附屬公司溢利	(505)	-
Dividends received from investments	收取投資股息	(18)	(15)
Interest income	利息收入	(1,167)	(5,063)
Effect of foreign exchange rate changes	外幣匯率變動之影響	4,799	(1,884)
Operating profit before working capital changes	營運資金變更前之經營溢利	129,946	84,998
(Increase)/decrease in inventories	存貨(增加)/減少	(22,612)	10,845
Decrease/(increase) in properties held for sale	待售物業減少/(增加)	11,202	(16,922)
Increase in properties under development for sale	發展中待售物業增加	-	(117,748)
Increase in bills and accounts receivable	應收票據及應收帳項增加	(319,654)	(28,870)
Increase in deposits, prepayments and other receivables	按金、預付款及 其它應收款增加	(20,693)	(13,690)
Increase/(decrease) in bills and accounts payable	應付票據及應付 帳項增加/(減少)	165,744	(99,978)
Increase in other payables and accruals	其它應付帳及應計 費用增加	1,166	8,331
Net cash outflow from operations	經營產生之現金流出淨額	(54,901)	(173,034)

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

35. 綜合現金流量表附註 (續)

(b) Analysis of changes in financing during the year

(b) 本年度融資變動分析

		Share capital and share premium 股本及 股份溢價 HK\$'000 港幣千元	Bank loans 銀行貸款 HK\$'000 港幣千元	Other loans 其它貸款 HK\$'000 港幣千元	Finance lease obligations 融資 租賃承擔 HK\$'000 港幣千元	Minority interests 少數 股東權益 HK\$'000 港幣千元
At 1 January 2002	於二零零二年一月一日	482,197	456,026	15,333	1,219	107,218
Issue of shares	發行股份	99,056	-	-	-	-
Share issuance expenses	股份發行費用	(2,246)	-	-	-	-
Repurchase of shares	購回股份	(2,983)	-	-	-	-
Increase in trust receipt bank loans	銀行信託貸款增加	-	23,557	-	-	-
Additions of other bank loans	新增其它銀行貸款	-	137,501	-	-	-
Repayment of other bank loans	償還其它銀行貸款	-	(13,947)	-	-	-
Additions of other loans	新增其它貸款	-	-	1,035	-	-
Revaluation deficit of investment properties	投資物業重估虧損	-	-	-	-	(5,690)
Capital injection by minority shareholders	少數股東繳入股本	-	-	(8,410)	-	11,610
Deemed disposal of a subsidiary	視為出售附屬公司	-	-	(1,391)	(308)	(46,975)
Acquisition of additional equity interest in a subsidiary	增購附屬公司權益	-	-	-	-	(7,019)
Inception of finance leases	融資租賃	-	-	-	7,603	-
Repayment of capital element of finance leases	償還融資租賃 資本部份	-	-	-	(954)	-
Share of profit	所佔利潤	-	-	-	-	2,516
At 31 December 2002	於二零零二年十二月三十一日	576,024	603,137	6,567	7,560	61,660

35. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued) 35. 綜合現金流量表附註 (續)

(b) Analysis of changes in financing during the year (continued) (b) 本年度融資變動分析 (續)

		Share capital and share premium	Convertible bonds	Bank loans	Other loans	Finance lease obligations	Minority interests
		股本及 股份溢價	可換股 債券	銀行貸款	其它貸款	租賃承擔	少數 股東權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2001	於二零零一年一月一日	450,454	31,200	249,891	17,984	4,580	47,012
Issue of shares	發行股份	5,230	-	-	-	-	-
Share issuance expenses	股份發行費用	(81)	-	-	-	-	-
Repurchase of shares	購回股份	(4,785)	-	-	-	-	-
Conversion of convertible bonds	可換股債券兌換股份	4,379	(4,680)	-	-	-	-
Redemption of convertible bonds	贖回可換股債券	-	(26,520)	-	-	-	-
Shares issued for acquisition of an investment	為購入投資發行股份	27,000	-	-	-	-	-
Increase in trust receipt bank loans	銀行信託貸款增加	-	-	77,539	-	-	-
Additions of other bank loans	新增其它銀行貸款	-	-	182,583	-	-	-
Repayment of other bank loans	償還其它銀行貸款	-	-	(53,987)	-	-	-
Additions of other loans	新增其它貸款	-	-	-	1,391	-	-
Reclassification of other loans	其它貸款重新分類	-	-	-	(4,042)	-	-
Repayment of capital element of finance leases	償還融資租賃 資本部份	-	-	-	-	(3,361)	-
Share of profit	所佔利潤	-	-	-	-	-	7,805
Revaluation surplus of investment properties	投資物業重估 盈餘	-	-	-	-	-	34,077
Partial disposal of a subsidiary to minority shareholders	出售部份附屬公司 予少數股東	-	-	-	-	-	11,482
Issuance of shares by a subsidiary to minority shareholders	附屬公司發行股份 予少數股東	-	-	-	-	-	22,135
Special dividend in specie of shares of a subsidiary paid to minority shareholders	以實物方式派送 附屬公司股份予少數 股東之特別股息	-	-	-	-	-	11,201
Gain on disposal of a subsidiary	出售附屬公司之溢利	-	-	-	-	-	(26,494)
At 31 December 2001	於二零零一年十二月三十一日	482,197	-	456,026	15,333	1,219	107,218

35. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(continued)*

(c) Major non-cash transactions

- (i) Pursuant to an agreement dated 5 July 2001, the Company granted an option to Hyundai Corporation, ("Hyundai") a minority shareholder of a subsidiary of WorldMetal Holdings Limited ("WorldMetal"), a then subsidiary of the Company, to acquire from the Company, at no consideration up to 49,900,000 ordinary shares of WorldMetal if Hyundai achieved certain trading volume with WorldMetal. During the year ended 31 December 2001, Hyundai achieved the aforementioned target and on 12 June 2002, exercised the option to acquire the 49,900,000 ordinary shares of WorldMetal from the company at zero consideration. The Group's interest in WorldMetal reduced from 51% to 46% and accordingly, WorldMetal became an associate of the Group from 12 June 2002 onwards.

35. 綜合現金流量表附註 (續)

(c) 主要非現金交易

- (i) 根據於二零零一年七月五日訂立之協議，本公司將授予當時附屬公司WorldMetal Holdings Limited (「WorldMetal」) 之附屬公司少數股東 Hyundai Corporation (「Hyundai」) 購股權，以零代價向本公司認購達至49,900,000股WorldMetal股份。假若 Hyundai能經 WorldMetal完成若干數量交易。於截至二零零一年十二月三十一日止年度，Hyundai完成上述目標及於二零零二年六月十二日行使購股權向本公司以零代價認購49,900,000 WorldMetal普通股。本集團佔 WorldMetal之權益從51%減至46%，從二零零二年六月十二日起，WorldMetal變為本集團之聯營公司。

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

35. 綜合現金流量表附註 (續)

(c) Major non-cash transactions (continued)

(c) 主要非現金交易 (續)

(i) (continued)

(i) (續)

Details of the deemed disposal of WorldMetal were as follows:

視為出售WorldMetal之詳情如下：

		HK\$'000 港幣千元
Pledged bank deposits	已抵押銀行存款	153
Intangible assets	無形資產	2,894
Other cash and bank deposits	其它現金及銀行結餘	37,399
Long-term investments	長期投資	390
Property, plant and equipment	物業、廠房及設備	5,086
Accounts receivables	應收帳項	24,518
Deposits, prepayments and other receivables	按金、預付款及 其它應收款	2,361
Due from related companies	關連公司欠款	4,734
Accounts payable	應付帳項	(124)
Other payables and accruals	其它應付帳項及應計費用	(2,135)
Taxation payable	應付稅項	(619)
Obligations under finance leases	融資租賃承擔	(308)
Shareholders' loan	股東貸款	(1,391)
Deferred taxation	遞延稅項	(321)
Minority interests	少數股東權益	(18,816)
		53,821

Satisfied by:

以下列方式支付：

Disposal of 49,900,000 shares of WorldMetal Holdings Limited	出售WorldMetal Holdings Limited 49,900,000股	-
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35. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

35. 綜合現金流量表附註 (續)

(c) Major non-cash transactions (continued)

(c) 主要非現金交易 (續)

(i) (continued)

(i) (續)

Analysis of the net outflow in respect of the deemed disposal of WorldMetal Holdings Limited and subsidiaries:

視為出售WorldMetal Holdings Limited及其附屬公司之淨流出分析：

		HK\$'000 港幣千元
Cash consideration received	現金代價	-
Other cash and bank deposits disposed of	出售之其它現金及銀行結餘	(37,399)
<hr/>		
Net cash outflow in respect of the deemed disposal of subsidiaries	視為出售附屬公司之現金流出淨額	(37,399)

(ii) During the year, the Group entered into finance lease arrangements in respect of motor vehicles and plant and machinery with a total capital value at the inception of the leases of HK\$7,603,000 (2001: HK\$Nil).

(ii) 於本年內本集團就資本總值達港幣7,603,000元(二零零一年:無)之汽車及廠房機械訂立融資租賃安排。

(iii) During the year ended 31 December 2002, loan from a minority shareholder amounting to HK\$8,410,000 (2001: HK\$ Nil) was capitalised as capital of a subsidiary.

(iii) 於二零零二年十二月三十一日止年度,少數股東貸款約港幣8,410,000元(二零零一年:無)已資本化作為附屬公司資本。

36. COMMITMENTS AND CONTINGENT LIABILITIES

36. 承擔及或然負債

(a) Capital commitments for capital expenditure

(a) 資本開支之資本承擔

		Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未撥備	8,345	-

36. COMMITMENTS AND CONTINGENT LIABILITIES
(continued)

36. 承擔及或然負債 (續)

(b) Operating lease commitments

At 31 December 2002, the Group had future aggregate minimum lease payments in respect of rented premises under non-cancellable operating leases as follows:

(b) 營業租賃承擔

於二零零二年十二月三十一日，集團根據不可撤銷之營業租賃而於未來支付之最低租賃付款總額如下：

		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Not later than one year	不超過一年	1,786	1,642
Later than one year and not later than five years	一年後但不超過五年	592	686
		2,378	2,328

(c) Contingent liabilities

(c) 或然負債

		2002 HK\$'000 港幣千元	Group 集團 2001 HK\$'000 港幣千元
Guarantee for general banking facilities granted to an associate	為聯營公司銀行融資作出之擔保	21,730	21,730
Mainland China land appreciation tax	中國土地增值稅	14,891	11,872
Guarantees given to banks for mortgage facilities granted to the buyers of the Group's properties	為集團物業購買者按揭融資向銀行作出之擔保	21,220	9,337
		57,841	42,939

37. CHARGE OF ASSETS

At 31 December 2002, the following assets were pledged:

- (a) Certain leasehold land and buildings with a net book value of approximately HK\$108,028,000 (2001: HK\$124,662,000);
- (b) Certain motor vehicles and plant and machinery with a net book value of approximately HK\$8,396,000 (2001: HK\$3,290,000);
- (c) Certain investment properties of approximately HK\$261,752,000 (2001: HK\$350,881,000);
- (d) Certain properties held for sale of approximately HK\$2,910,000 (2001: HK\$24,305,000);
- (e) Certain short-term investments of approximately HK\$5,869,000 (2001: HK\$Nil);
- (f) Certain inventories of approximately HK\$17,678,000 (2001: HK\$9,751,000) released under trust receipts bank loans; and
- (g) Bank deposits of approximately HK\$40,503,000 (2001: HK\$40,790,000).

37. 資產抵押

於二零零二年十二月三十一日，以下資產已予抵押：

- (a) 部份租賃土地及樓宇帳面淨值約港幣108,028,000元（二零零一年：港幣124,662,000元）；
- (b) 部份汽車及廠房機械帳面淨值約港幣8,396,000元（二零零一年：港幣3,290,000元）；
- (c) 部份投資物業約港幣261,752,000元（二零零一年：港幣350,881,000元）；
- (d) 部份待售物業約港幣2,910,000元（二零零一年：港幣24,305,000元）；
- (e) 部份短期投資約港幣5,869,000元（二零零一年：無）；
- (f) 銀行信託貸款項下存貨約港幣17,678,000元（二零零一年：港幣9,751,000元）；及
- (g) 銀行存款約港幣40,503,000元（二零零一年：港幣40,790,000元）。

38. EMPLOYEES RETIREMENT BENEFITS

The Group has arranged for its Hong Kong employees to participate in a defined contribution retirement scheme (the "Original Scheme"), which is managed by independently administered funds. The Group's monthly contributions are based on 5% of employees' monthly salaries. The employees are entitled to receive 100% of the Group's contribution and the accrued interest thereon upon retirement or leaving the Group after completing ten years of service or at a reduced scale of 30% to 90% after completing three to nine years of services.

For the Hong Kong employees employed after 1 December 2000, the Group has arranged for these employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the employer's and the employees' contributions are subject to a maximum of HK\$1,000 per month per employee.

As stipulated by the rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group contributes to retirement plans at rates of approximately 9% to 22.5% of the basic salaries of its employees in Mainland China, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year, the aggregate amount of the Group's contributions to the aforementioned schemes was approximately HK\$1,824,000 (2001: HK\$1,368,000), after deducting HK\$210,000 (2001: HK\$187,000) deduction of forfeited contributions of the Original Scheme.

38. 僱員退休福利

本集團為香港僱員安排由獨立基金管理之界定供款退休計劃（「原計劃」）。本集團每月之供款按僱員月薪的5%計算。於退休或完成滿十年服務後離開本集團，僱員均有權收取全數集團的供款及應計利息，完成滿三至九年服務則可按30%至90%比例收取。

本集團為二零零零年十二月一日後入職香港僱員安排參與強制性公積金計劃（「強積金計劃」），一個由獨立受託人管理的界定供款計劃。根據強積金計劃，本集團及其僱員各自須按照強制性公積金條例的規定，每月將僱員薪金的5%供款。僱主及僱員的各自供款最高為每名僱員每月港幣1,000元。

根據中國法例規定，本集團為其中國僱員參與國家資助的退休計劃。本集團按其僱員基本薪金約9%至22.5%供款。除年度供款外，本集團毋須承擔其它實際退休金付款或退休後福利的責任。國家資助的退休計劃負責應付退休僱員的全部養老金責任。

於年內，本集團對上述計劃作出的供款總額約港幣1,824,000元（二零零一年：港幣1,368,000元），已扣減約港幣210,000元（二零零一年：港幣187,000元）沒收供款。

39. RELATED PARTY TRANSACTIONS

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

- (a) Significant transactions with related parties, which were carried out in the normal course of the Group's business are as follows:

39. 有關連人士交易

所謂有關連人士乃指有能力直接或間接控制另一方，或有能力就另一方之財務或經營決策行使重大影響力之人士。同時，倘該等人士受到共同控制或重大影響之人士亦被視作關連人士。

- (a) 按集團一般商業條款下進行之有關連人士之重大交易如下：

Nature of transactions	交易性質	Group 集團	
		2002 HK\$'000 港幣千元	2001 HK\$'000 港幣千元
Commission earned from a minority shareholder of a subsidiary	從附屬公司之少數股東收到佣金	-	17,542
Purchases from a minority shareholder of a subsidiary	從附屬公司之少數股東購貨	11,976	16,319
Consultancy service fee earned from an associate of a minority shareholder of a subsidiary	從附屬公司之少數股東之聯營公司收到顧問服務收入	-	4,907
Interest paid to a minority shareholder of a subsidiary	已付附屬公司之少數股東利息	273	820
Sales to fellow subsidiaries/ associates of a subsidiary's minority shareholder and a related company whose chairman is an executive director of the Company	銷售給附屬公司之少數股東的同系公司／關連公司及由公司執行董事出任主席之關連公司	204,647	471,495
Commission paid to an associate	已付聯營公司佣金	3,411	-
Management fee paid to an associate	已付聯營公司管理酬金	415	-

39. RELATED PARTY TRANSACTIONS (continued)

- (b) As at 31 December 2002, the Group had amounts receivable from certain related parties (included in bills and accounts receivable) of approximately HK\$100,059,000 (2001: HK\$120,118,000). The outstanding balances are unsecured and non-interest bearing.
- (c) The Group's banking facilities of approximately HK\$117,000,000 (2001: HK\$117,000,000) as at 31 December 2002 were secured by a letter of comfort issued by a related company.

40. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 9 April 2003.

41. PRIOR YEAR COMPARATIVE FIGURES

Comparative figures were audited by Messrs. Arthur Andersen & Co., whose report dated 18 April 2002 expressed an unqualified opinion.

Certain prior year comparative figures have been reclassified to conform with the current year's presentation.

39. 有關連人士交易 (續)

- (b) 於二零零二年十二月三十一日，集團有若干有關連人士之待收款（包括於應收票據及應收帳項）約港幣100,059,000元（二零零一年：港幣120,118,000元）。待收款結餘乃無抵押及免利息。
- (c) 集團於二零零二年十二月三十一日之銀行融資約港幣117,000,000元（二零零一年：港幣117,000,000元）乃以一間有關連公司發出之安慰函擔保。

40. 帳目通過

董事局於二零零三年四月九日通過本帳目。

41. 前期比較數字

比較數字由安達信公司審核，並於二零零二年四月十八日提交一份無意見的報告。

若干比較數字已就本年度列示形式重新分類。