

1. GENERAL

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

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 29 to the financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs")

(a) Going concern

For the year ended 31 December 2002, the Group incurred a net loss attributable to shareholders of HK\$188,083,000. At the balance sheet date, the Group had overdue short term borrowings together with relevant interest of HK\$77,487,000.

The directors have considered the liquidity of the Group in light of the above and the funding requirements of the Group for the foreseeable future. The directors believe that the Group will be able to raise sufficient funds from the disposal of properties to meet its financial obligations and liabilities and funding requirements for the development of the Yue Xiu Plaza project. The directors expect that the Group will be able to generate moderate profit and sufficient cash flow from the aforesaid project to support the Group's financial requirement. On this basis, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

1. 一般資料

本公司在百慕達註冊成立為一間公眾有限公司,其股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司之主要業務為投資控股,其主要附屬公司之業務載於財務報告附註29。

2. 財務報告目之編制基準及採納新及修訂會計實務準則

(a) 持續經營

截至二零零二年十二月三十一日止年度,本集團錄得股東應佔虧損188,083,000港元。於結算日期,本集團有逾期短期銀行貸款加上有關利息合共77,487,000港元。

董事們對於上述對本集團的資金流動狀況及資金需求量曾作考量,董事們相信藉著出售集團物業可籌集足夠資金應付其財務承擔及負債以及越秀廣場項目發展的資金需求。董事們期望越秀廣場項目能產生適量之盈利及足夠現金流量以支持集團之財務需求。基於此董事們認為以持續經營基準編制財務報告屬適當。

截至二零零二年十二月三十一日止年度

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs") (Cont'd)

(b) Adoption of new and revised SSAPs

In the current year, the Group adopted the following new or revised SSAPs which became 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 statement
SSAP 34 (revised)	:	Employee benefits

A summary of their major effects is as follows:

SSAP 1 (revised) prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The main revision to this SSAP is to change the requirements from presenting a statement of recognised gains and losses to a statement of changes in equity. The statement of changes in equity for the current year and the comparative figures have been presented in accordance with the revised SSAP.

2. 財務報告目之編制基準及採納新及修訂會計實務準則(續)

(b) 採用新頒佈及經修訂之會計實務準則

於本年度，本集團採納以下新訂及經修訂並於二零零二年一月一日或以後開始之會計期生效之會計實務準則：

會計實務準則	:	財務報告之
第1號(經修訂)	:	呈報
會計實務準則	:	外幣換算
第11號(經修訂)	:	
會計實務準則	:	現金流量表
第15號(經修訂)	:	
會計實務準則	:	僱員福利
第34號(經修訂)	:	

其主要影響概述如下：

會計實務準則第1號(經修訂)規定財務報告呈報之基準及列出內容結構及最低要求之指引。該會計實務準則之主要修訂，是將呈報已確認損益表之規定改為呈報股權變動表。本年度之股權變動表及其比較數字已根據經修訂之會計實務準則呈報。

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs") (Cont'd)

(b) Adoption of new and revised SSAPs (Cont'd)

SSAP 11 (revised) prescribes the basis for the translation of foreign currency transactions and financial statements. The principal impact of this revised SSAP on the consolidated financial statements is that the income statements of subsidiaries operating in the PRC are translated at an average rate for the year on consolidation, rather than translated at the applicable rates of exchange ruling at the balance sheet date as was previously required. This SSAP is required to be applied retrospectively. The Group has adopted the transitional provision of this SSAP that where the calculation of a prior year adjustment is impractical, these changes in accounting policy are applied only to current and future financial statements and the effect on the results of the current year is not significant.

SSAP 15 (revised) prescribes the provision of information about the changes in cash and cash equivalents of an enterprise by means of a cash flow statement which classifies cash flows during the year into those from operating, investing and financing activities. The format of consolidated cash flow statement for the current year and the comparative figures is presented in accordance with the revised SSAP 15.

SSAP 34 (revised) prescribes the recognition and measurement criteria to apply to employee benefits, together with the required disclosures in respect thereof. Additional disclosures are now required in respect of the Company's share option scheme. These disclosures are similar to those required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and which are now included in the notes to the financial statements as a consequence of this SSAP.

2. 財務報告目之編制基準及採納新及修訂會計實務準則(續)

(b) 採用新頒佈及經修訂之會計實務準則(續)

會計實務準則第11號(經修訂)規定換算外幣交易及財務報告之基準。該經修訂之會計實務準則對綜合財務報告之主要影響為於國內經營之附屬公司之收益表以綜合賬目年度之平均匯率換算,而非以往之要求以結算日適用之匯率換算。該會計實務準則追溯應用於以前會計期間。本集團已採納此會計實務準則之過渡性安排,倘計算去年之調整屬不可行時,該等之會計政策上之變動僅應用於現行及日後之財務報告,而對本年度業績之影響並不重大。

會計實務準則第15號(經修訂)規定透過現金流量表提供有關一間企業之現金及現金等價物之變動資料,現金流量表將年內之現金流量分類為經營、投資及融資活動。本年度之綜合現金流量表及比較數字之形式已根據經修訂之會計實務準則第15號呈報。

會計實務準則第34號(經修訂)規定應用於僱員福利之確認及計量準則,並須連同有關之披露。惟現須就本公司之購股權計劃作出額外披露。此等披露與上市規則之要求相類似。現因會計實務準則之影響載入財務報告附註內。

截至二零零二年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investment properties. The financial statements have been prepared in accordance with all applicable Statements of Standard Accounting Practice and Interpretations issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December each year. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Company, directly or indirectly, controls more than half of its voting power or issued share capital or controls the composition of its board of directors or equivalent or governing body.

All significant inter-company transactions and balances within the Group are eliminated in full 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 goodwill or negative goodwill which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

3. 主要會計政策

本財務報告按歷史成本慣例並對投資物業重估進行修訂後予以編制。本財務報告按照香港會計師公會頒佈的所適用的會計實務準則及詮釋、香港公認會計原則及香港公司法例之披露規定。本財務報告同時符合上市規則的披露。本集團採納有關重大的會計政策提撮要如下。

(a) 綜合基準

綜合財務報告包括本公司及所有附屬公司每年截至十二月三十一日止之財務報告。年內收購或出售之附屬公司業績，自收購生效日期起或截至出售日期止計入綜合損益表。

根據香港公司法例，附屬公司是指本公司直接或間接控制其一半以上的投票權或已發行股本或控制其董事會或等同組織之公司。

集團內包括本公司及其附屬公司之間之一切重大交易於綜合時對銷。

出售附屬公司之盈利或虧損，是指出售所得款項及本集團所佔資產淨值，當中包括未於綜合損益表扣除或確認之商譽或負商譽兩者之差額及有關之累積外匯波動儲備。

3. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

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

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

(b) Co-operative joint ventures in the PRC

Co-operative joint ventures are Sino-foreign joint ventures in respect of the partners' profit sharing ratios and share of net assets upon the expiration of the joint venture periods are not necessarily in proportion to their capital contribution ratios but are as defined in the joint venture contracts. The Group's investments in co-operative joint ventures are accounted for as if they are subsidiaries of the Company by virtue of the fact that the Group has control over the boards of directors of the joint ventures and/or undertakes the rights and obligations in terms of the business operations.

3. 主要會計政策 (續)

(a) 綜合基準 (續)

少數股東權益是指本集團外之股東於附屬公司之經營業績及資產淨值中之權益。

在本公司之資產負債表內，於附屬公司之投資按原值扣除減值列值。附屬公司之業績由本公司按已收及應收股息入賬。

(b) 於中國之合作經營企業

合作經營企業乃中外合營企業其合營各方分佔溢利之比率及於合營期屆滿時佔合營企業之資產淨值，並未必按合營各方之出資的比例計算，而是按各營合同所定比例分派。基於本集團能控制合營企業之董事會及／或承擔其業務運作之權利與義務，故本集團於合營企業之投資乃視作為附屬公司列賬。

截至二零零二年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(c) Properties and other 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 are held for their long-term investment potential, any rental income being negotiated at arm's length. Investment properties are stated at annual professional valuation at the balance sheet date. Changes in the value of investment properties are dealt with as movements in the investment properties revaluation reserve. If the total of this reserve is insufficient to cover a deficit on a portfolio basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. Investment properties are not depreciated except where the unexpired term of the lease is 20 years or less, in which case depreciation is provided on the carrying amount over the remaining term of the lease.

(ii) Properties held for/under development

Properties held for/under development for long-term purposes are stated at cost less impairment losses.

Properties held for/under development for sale, the pre-sale of which has not commenced, are included in current assets at the lower of cost and net realisable value.

3. 主要會計政策 (續)**(c) 物業及其他固定資產***(i) 投資物業*

投資物業指建築及發展工程經已完成，並因其具有長遠投資潛力而持有之土地及樓宇權益，而有關之租金收益乃經公平磋商而厘定。投資物業按每年結算日之專業估值列值。投資物業價值之改變乃視作投資物業重估儲備之變動處理。倘按整體組合之基準計算儲備總額不足以抵銷虧絀，超出之虧絀數額則於損益表內扣除。若過往曾將虧絀撥入損益表而其後出現重估盈餘，則應將此盈餘撥回損益表，但最多不得超過該項曾從損益表中扣除的虧損之數額。投資物業不作折舊，惟倘若契約尚餘年期為二十年或以下，則投資物業將按賬面價值及其租約尚餘年期計算折舊準備。

(ii) 持有作發展／發展中物業

長期持有作發展／發展中物業，按成本扣除減值列值。

以供出售（但未開始預售）之持有作發展／發展中物業，按成本及可變現淨值之較低者計入流動資產內。

3. PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(c) Properties and other fixed assets** (Cont'd)*(ii) Properties held for/under development* (Cont'd)

Properties held for/under development for sale, the pre-sale of which has commenced, are included in current assets at cost plus attributable profits less sales installments received and receivable and provision for any foreseeable losses.

Cost of properties in the course of development comprises land cost, fees for land use rights and development costs including attributable interest and professional charges capitalised during the development period.

Net realisable value is determined by reference to sales proceeds of properties sold in the ordinary course of business less all estimated selling expenses after the balance sheet date, or by management estimates based on prevailing market conditions.

No depreciation is provided on properties held for/under development.

(iii) Inventory of completed properties

Inventory of completed properties are included in current assets at the lower of cost and net realisable value. Cost comprises land and development costs, and is determined by apportionment of the total land and development costs attributable to the unsold properties.

3. 主要會計政策 (續)**(c) 物業及其他固定資產** (續)*(ii) 持有作發展／發展中物業* (續)

以供出售(已開始預售)之持有作發展／發展中物業按成本,加應佔溢利,減已收及應收銷售供款,及任何可預見之虧損撥備列於流動資產內。

發展中之物業之成本為土地成本,土地使用權費用及發展成本,包括發展期間已撥充資本之應佔利息成本及專業費用。

可變現淨值乃參照結算日後正常業務中物業銷售收入減所有估計銷售開支,或由管理層根據當時市場情況所作估計而定。

持有作發展／發展中物業不作折舊準備。

(iii) 現存已落成物業

待售之現存已落成物業按成本及可變現淨值之較低者計入流動資產內。成本包括土地成本及發展成本,並按未出售物業所應佔土地及發展總成本之比例作分配。

截至二零零二年十二月三十一日止年度

3. PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(c) Properties and other fixed assets (Cont'd)***(iv) Other fixed assets*

Other fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost represents the purchase price of the asset and other costs incurred to bring the asset into existing use.

Depreciation on other fixed assets is calculated to write off their cost on a straight line basis over their expected useful lives to the Group. The principal annual rates used for this purpose are:

Office equipment, furniture and fixtures	20% to 25%
Motor vehicles	15% to 20%

(v) Gain or loss on disposal of fixed assets

Gain or loss on disposal of a fixed asset other than investment properties represents the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement. Any revaluation reserve balance attributable to the relevant asset is transferred to accumulated profits and is shown as a movement in reserves.

Gain or loss on disposal of an investment property, representing the difference between the net sales proceeds and the carrying amount of the relevant asset together with any revaluation reserve balance attributable to the relevant asset, is recognised in the income statement.

3. 主要會計政策 (續)**(c) 物業及其他固定資產 (續)***(iv) 其他固定資產*

其他固定資產按成本減累積折舊及減值列值。成本為資產之購買價格及使資產投入現時運作狀況之其他成本。

其他固定資產按預計本集團可使用之年期以直線法計算折舊以撇除其成本。為此而採用之主要年率為：

辦公室設備， 傢俬及裝修	20%－25%
汽車	15%－20%

(v) 出售固定資產之收益或虧損

除投資物業以外，出售固定資產之收益或虧損，指出售所得款項淨額及有關資產之賬面金額之差額，並於損益表內確認。有關該資產之應佔重估儲備結餘轉撥至累積溢利，並於儲備列出變動。

出售投資物業之收益或虧損，指出售所得款項淨額與有關資產之賬面金額連同應佔之重估儲備餘額兩者之差額，並於損益表內確認。

3. PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(c) Properties and other fixed assets (Cont'd)***(vi) Cost of restoring and improving fixed assets*

Major costs incurred in restoring fixed assets to their normal working condition are charged to the income statement. Improvements are capitalised and depreciated over their expected useful lives to the Group.

(d) Impairment of assets

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

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

(e) Contingent liabilities and provisions

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 is not recognised as 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 financial statements.

3. 主要會計政策 (續)**(c) 物業及其他固定資產 (續)***(vi) 固定資產之整修及裝修之成本*

將固定資產整修至正常運作狀況所產生之主要成本均自損益表內扣除。裝修支出均撥充資本，並按彼等在本集團之預期可使用年期予以攤銷。

(d) 資產減值

於每個結算日，本集團評估其資產之賬面值，以確定該等資產有否減值之跡象。倘資產之可收回額估計低於其賬面值，則將資產之賬面值撇減至其可收回額。減值虧損隨即入賬列作支出。

倘其後減值虧損退減則將資產之賬面值增至經修訂之估計可收回額，惟因此而增加之賬面值不可超過假設往年度並無減值虧損下所釐定之賬面值。減值虧損退減隨即入賬列作收入。

(e) 或然負債及撥備

或然負債乃指因過去事項而可能須承擔之債務，而其存在僅能以一項或數項本集團未能全面控制之未來事項之發生或不發生來證實。由於有可能不需要付出經濟效益，或其數額未能可靠地計算，故未予確認。或然負債不會予以確認，惟於財務報告附註中披露。

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3. PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(e) Contingent liabilities and provisions (Cont'd)**

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. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(f) Deferred taxation

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements to the extent that a liability or an asset is expected to be payable or receivable in the foreseeable future.

(g) Operating leases

Payments made and due under operating lease agreements are charged to the income statement on a straight line basis over the periods of the respective leases.

(h) 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 leave are not recognised until the time of leave.

3. 主要會計政策 (續)**(e) 或然負債及撥備 (續)**

當本集團因過去事件須承擔現有法律或推定責任，而在承擔責任時有需要令資源流出，同時責任金額能夠可靠地估計，則會確認撥備。當本集團預期撥備事項將會獲得補償，應在非常肯定會得到補償之情況下，才將補償確認為一項個別資產。

(f) 遞延稅項

遞延稅項乃就報稅計算之溢利與列賬之溢利所產生之時差，就預期在可見之未來應付或應收之稅務負債或資產入賬。

(g) 經營租約

根據經營租約已付或應付之款項，按個別租約之年期以直線法從損益表中扣除。

(h) 僱員福利*(i) 僱員可享有假期*

年假及長期服務假期等僱員可享有之假期乃於僱員獲給予假期時確認。截至結算日由於僱員提供服務而構成年假及長期服務假期之估計負債已作出撥備。

僱員可享有之病假及產假假期乃於僱員請假時確認。

3. PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(h) Employee benefits (Cont'd)***(ii) Retirement benefits costs*

The Group's contributions to the mandatory provident fund scheme and state-managed retirement benefit scheme are defined contribution schemes and contribution to such schemes are expensed as incurred.

(i) Share option scheme

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the income statement or balance sheet for their cost. Upon exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled or which lapse prior to their exercise date are deleted from the register of outstanding options and have no impact on the income statement or balance sheet.

(j) Translation of foreign currencies

(i) Foreign currency transactions are translated into Hong Kong dollars at the rates of exchange ruling at the dates of the transactions. 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 income statement.

3. 主要會計政策 (續)**(h) 僱員福利 (續)***(ii) 退休福利計劃*

本集團之強制性公積金計劃及國家管理退休福利計劃為定額供款退休福利計劃，此供款於產生時列作開支。

(i) 購股權計劃

授出購股權之財務影響於行使購股權時方記錄在本公司或本集團之資產負債表，惟不會在損益表或資產負債表扣除其成本。當行使購股權時，本公司會將其已發行股份按其股份面值列作新增股本；當每股行使價高於股份面值時，則本公司會將每股行使價與股份面值之差額計入股份溢價帳。在行使期屆滿前已註銷或失效之購股權會在尚未行使購股權登記冊內刪去，對損益表或資產負債表並無影響。

(j) 外幣換算

(i) 外幣交易按交易日之匯率換算為港元。於結算日以外幣為單位之貨幣資產及負債按結算日之適用匯率換算，所產生之匯兌差額在損益表中處理。

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3. PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(j) Translation of foreign currencies (Cont'd)**

- (ii) On consolidation, the assets and liabilities of the Group's subsidiaries are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange fluctuation reserve. Such translation differences are recognised in the income statement in the period in which the subsidiary is disposed of.

(k) Revenue and profit recognition

- (i) The recognition of revenue and profits from the sale of properties under development in advance of completion commences when a legally binding contract of sale has been executed. The revenue and profits recognised in a year are a proportion of the total revenue and profits expected on completion, the proportion used being the percentage of the construction costs incurred at the end of the year to the estimated total construction costs on completion (with due allowances for contingencies). The profit so recognised is restricted to the amount of installments received.

Where purchasers fail to pay the balances of the purchase price on completion and the Group exercises its right to resell the property, sales deposits received in advance of completion are forfeited and credited to profits from operations or withheld until re-sale of the property; any profits recognised so far are reversed.

3. 主要會計政策 (續)**(j) 外幣換算 (續)**

- (ii) 於編製綜合賬目時，本集團之附屬公司之資產及負債乃按結算日當時之匯率換算。收支項目則按期內之平均匯率換算，於編製綜合賬目時產生之滙兌差額（如有）分類為股東權益並轉撥往本集團外匯波動儲備。該等換算差額在出售有關附屬公司時於損益表中確認。

(k) 收入及溢利確認

- (i) 倘具法律約束力之買賣合約已經簽訂，則發展中物業在落成前出售所得收入及溢利將可開始予以確認。年內確認之收入及溢利相當於預期落成時總收入及溢利之某個比例，而該比例為至年終時已產生之建築成本估計總建築成本（連同或然項目之適當準備）之百分比。以此方式確認之溢利以已收取之售樓款為限。

倘買方未能於物業落成時繳付購買價餘款，本集團可行使轉售物業之權利，落成前收取之售樓訂金將予沒收，並計入經營溢利內或保留至物業轉售為止，任何已確認之溢利將予撥回。

3. PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(k) Revenue and profit recognition (Cont'd)**

- (ii) Revenue in respect of sale of completed properties is recognised upon completion of sale agreements.
- (iii) Rental revenue and other revenue incidental to the letting of properties are recognised on a straight line basis over the periods of the respective leases.
- (iv) Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective interest rate applicable.

(l) Segment reporting

In accordance with the Group's internal financial reporting the Group has decided that business segments be presented by the nature of business activities. Unallocated costs represent corporate expenses. Segment assets consist primarily of fixed assets, receivables and operating cash, and mainly exclude certain non-operating cash, corporate properties and trading investments. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to fixed assets.

3. 主要會計政策 (續)**(k) 收入及溢利確認 (續)**

- (ii) 出售已落成物業之收入於買賣協議完成時予以確認。
- (iii) 租金收入及其他與出租物業有關之收入，根據各有關租約之年期按直線法為基準予以確認。
- (iv) 利息收入以未償還本金及實際適用利率按時間比例之基準計算予以確認。

(l) 分類報告

根據本集團之內部財務申報程序，本集團決定以業務分類作分類報告呈列。未予分配成本指企業支出。分類資產主要包括固定資產、應收款項及營運現金，及主要撇除若干非營運現金、公司物業及交易投資。分類負債包括營運負債及撇除稅項及若干公司借貸等項目。資本開支包括添置固定資產。

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4. TURNOVER, REVENUES AND SEGMENT INFORMATION

4. 營業額、收入及分類資料

(a) Turnover and revenues

(a) 營業額及收入

		The Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Turnover:	營業額:		
Proceeds from sales of properties	出售物業所得款項		
Completed properties	已落成物業	9,136	5,401
Investment properties	投資物業	3,692	49,187
		12,828	54,588
Rental income	租金收入	25,232	29,140
		38,060	83,728
Other revenue	其他收入		
Interest income	利息收入	83	162
Exchange gain, net	匯兌收益淨額	-	2,031
Reversal of provision for doubtful debts	呆賬撥備回撥	4,985	13,160
Others	其他	1,670	207
		6,738	15,560
		44,798	99,288

4. TURNOVER, REVENUES AND SEGMENT INFORMATION (Cont'd)

4. 營業額、收入及分類資料(續)

(b) Segment information

(b) 分類資料

A segmental analysis of the Group's principal activities is as follows:

本集團以主要業務作分類資料載列如下：

		Group					
		Property sales		Property rental		Total	
		物業出售		物業出租		總額	
		2002	2001	2002	2001	2002	2001
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
By principal activities	以主要業務						
TURNOVER	營業額						
External revenue	對外收益	12,828	54,588	25,232	29,140	38,060	83,728
RESULTS	業積						
Segment result	分類業積	(69,064)	(25,819)	9,818	(10,486)	(59,246)	(36,305)
Other revenue	其他收入					1,753	15,560
Unallocated corporate expenses	未分攤公司開支					(130,078)	(423,412)
Finance costs	融資費用					(512)	(28,783)
Loss before tax	除稅前虧損					(188,083)	(472,940)
Taxation	稅項					-	-
Net loss attributable to shareholders	股東應佔虧損					(188,083)	(472,940)
ASSETS	資產						
Segment assets	分類資產	11,629	27,256	873,503	963,144	885,132	990,400
Unallocated corporate assets	未分攤公司資產					498,884	603,481
Consolidated total assets	綜合總資產					1,384,016	1,593,881
LIABILITIES	負債						
Segment liabilities	分類負債	158,056	83,887	51,112	37,943	209,168	121,830
Unallocated corporate liabilities	未分攤公司負債					1,037,771	1,065,365
Consolidated total liabilities	綜合總負債					1,246,939	1,187,195
OTHER INFORMATION	其他資料						
Capital expenditure	資本開支					11,488	112,660
Depreciation	折舊					339	1,082

No geographical analysis is shown as all the Group's assets, liabilities, turnover and loss from operations are derived from activities in the PRC.

由於本集團的資產、負債、營業額及經營虧損均由中國業務引致及所得，因此並無載列以地域劃分的分析。

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5. LOSS FROM OPERATIONS

5. 經營虧損

		The Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Loss from operations is stated after charging and crediting the following:	經營虧損已計入及扣除下列各項：		
Charging:	扣除：		
Auditors' remuneration	核數師酬金	450	490
Cost of properties sold	物業銷售成本	10,556	69,791
Depreciation:	折舊：		
Owned assets	自置固定資產	339	453
Assets held under finance leases	融資租賃之固定資產	-	629
		339	1,082
Exchange loss, net	匯兌損失淨額	669	-
Operating leases rentals in respect of land and buildings	有關土地及樓宇之經營租賃租金	3,934	3,054
Staff costs (excluding directors' emoluments)	員工成本(不含董事酬金)		
Salaries and benefits	薪津及福利	6,142	5,395
Retirement benefits costs	公積金計劃供款	833	1,052
		6,975	6,447
Crediting:	計入：		
Exchange gain, net	匯兌收益淨額	-	2,031
Gross rental income	租金收入	25,232	29,140
Less: Outgoings	減：直接支出	(14,830)	(39,626)
		10,402	(10,486)

(a) Included in the loss from operations of the Group for the year ended 31 December 2002 were claims from a bank in relation to default payment from first buyers of certain properties of the Group in the Liwan Plaza totalling HK\$74,098,000, of which the Group has executed guarantees to the bank for mortgage facilities granted to first buyers. The buyers defaulted payments to the bank and the court in the PRC ordered the Group to repay the loan on behalf of the buyers. In 2001, claims of approximately HK\$8,010,000 were included in the selling and distribution costs. In view of the abnormal amount in size, the claims in 2002 were separately disclosed in the income statement in accordance with SSAP 2.

(a) 本集團截至二零零二年十二月三十一日止年度的經營虧損包含由一間銀行向本集團在荔灣廣場之若干物業一手買家就不履行付款總額74,098,000港元之申索。本集團就銀行向一手買家提供之按揭貸款作出擔保。該等買家不向銀行履行付款而中國法院頒令本集團應代該等買家償還貸款。在二零零一年，申索額約8,010,000港元包含在銷售成本。基於金額量之不正常，在二零零二年之申索已根據會計準則第2號在損益表中披露。

6. FINANCE COSTS

6. 融資費用

		The Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Interest payable on:	利息關乎：		
Bank loans	銀行貸款		
Wholly repayable within five years	須於五年內全部償還	8,047	25,613
Waiver of interest expense (note a)	豁免利息支出 (附註a)	(10,109)	-
		(2,062)	25,613
Other loans	其他貸款		
Wholly repayable within five years	須於五年內全部償還	2,574	3,133
Obligations under finance leases	融資租賃承擔	-	37
		512	28,783

(a) It was related to an accrued interest expense of a bank loan as at 31 December 2001 which was waived by the bank in 2002 as a result of compromise reached between the bank and the Group.

(a) 此數額為於二零零一年十二月三十一日的銀行貸款之應計利息支出，有關銀行已於二零零二年遵照與本集團之協議，豁免該項利息。

7. TAXATION

7. 稅項

(a) No provision for Hong Kong profits tax is required since there is no assessable profit for the year and the Group's income is derived from sources outside Hong Kong, which is not liable to Hong Kong profits tax.

(a) 本年度內並無應課香港利得稅之收入。因本集團之收入源自香港以外，不須繳付香港利得稅。

(b) No provision for PRC tax is required since there is no assessable profit generated by the PRC subsidiaries during the year.

(b) 本年度內於中國經營之附屬公司並無應課稅溢利，故並無作出中國利得稅撥備。

8. NET LOSS ATTRIBUTABLE TO SHAREHOLDERS

8. 股東應佔虧損

Included in the net loss attributable to shareholders of the Company of HK\$188,083,000 (2001: HK\$472,940,000) is a loss of HK\$363,496,000 (2001: HK\$867,132,000) which is dealt with in the Company's financial statements.

在公司股東應佔虧損188,083,000港元(二零零一年: 472,940,000港元)中，本公司本身之財務報告已包括虧損363,496,000港元(二零零一年: 867,132,000港元)。

9. LOSS PER SHARE – THE GROUP

9. 每股虧損 – 集團

The calculation of loss per share is based on the Group's net loss attributable to shareholders of HK\$188,083,000 (2001: HK\$472,940,000) and 1,360,000,000 shares (2001: 1,360,000,000 shares) in issue during the year.

每股虧損乃按照本集團股東應佔虧損188,083,000港元(二零零一年: 472,940,000港元)及年內已發行之1,360,000,000股股份(二零零一年: 1,360,000,000股股份)計算。

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10. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS**10. 董事及最高薪人員酬金****(a) Directors****(a) 董事**

Directors' emoluments are as follows:

董事酬金如下:

		The Group	
		集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Fees	袍金	-	150
For management	管理		
Basic salaries, allowances and other benefits in kind	基本薪金、津貼及其他實物福利	1,740	3,485
Retirement benefits costs	公積金計劃供款	10	13
Past directors' pensions	前任董事公積金		
As directors	擔任董事	28	28
For other offices	擔任其他職務	-	-
		1,778	3,676

For the year ended 31 December 2002, no directors' fees were payable to any director. For the year ended 31 December 2001, the directors' fees of HK\$150,000 were payable to two independent non-executive directors.

公司在二零零二年十二月三十一日並無向任何董事支付董事袍金。在二零零一年十二月三十一日公司支付15萬港元予兩位非執行董事。

The emoluments of the directors fell within the following bands:

董事酬金範圍如下:

		Number of directors	
		董事數目	
		2002	2001
HK\$Nil – HK\$1,000,000	零港元至1,000,000港元	12	19
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	-	1
		12	20

10. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (Cont'd)**(b) Others**

Amongst the five highest paid individuals in the Group, two (2001: three) are directors of the Company. The amount of emoluments of the remaining three (2001: two) highest paid individual whose emoluments have not been disclosed in note (a) above is as follows:

		The Group	
		集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Basic salaries, allowances and other benefits in kind	基本薪金、津貼及其他實物福利	1,419	1,183
Retirement benefits costs	公積金計劃供款	29	24
		1,448	1,207

The emoluments of these three individuals fell within the band of HK\$Nil to HK\$1,000,000 for the years ended 31 December 2002 and 2001.

During the years ended 31 December 2002 and 2001, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, during the years ended 31 December 2002 and 2001, no directors waived any emoluments.

10. 董事及最高薪人員酬金 (續)**(b) 其他**

本集團五位最高薪人士中有兩位(二零零一年:三位)為本公司董事。酬金並未於以上附註(a)中披露的餘下三位(二零零一年:兩位)最高薪人士的酬金額如下:

此三位人士之酬金於截至二零零二年及二零零一年十二月三十一日止年度之酬金範圍為零港元至1,000,000港元。

截至二零零二年及二零零一年十二月三十一日止年度,本集團並無向五名最高薪酬人士(包括董事)支付任何酬金,以作為邀請加入本集團或加入後離職之賠償金。此外,於二零零二年及二零零一年十二月三十一日止年度內,並無董事放棄收取其酬金。

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11. FIXED ASSETS

11. 固定資產

		The Group 集團		
		Office equipment, furniture and fixtures 辦公室設備、 傢俬及裝修	Motor vehicles 汽車	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost	原值			
Brought forward	承前結餘	1,621	6,233	7,854
Exchange realignment	匯兌差額	(10)	(15)	(25)
Additions, at cost	按原值添置	106	-	106
Disposal	出售	(10)	-	(10)
Carried forward	結轉	1,707	6,218	7,925
Aggregate depreciation	累積折舊			
Brought forward	承前結餘	1,241	5,596	6,837
Exchange realignment	匯兌差額	(11)	(11)	(22)
Charge for the year	本年度折舊	132	207	339
Disposal	出售	(2)	-	(2)
Carried forward	結轉	1,360	5,792	7,152
Net book value as at 31 December 2002	於二零零二年十二月 三十一日之賬面淨值	347	426	773
Net book value as at 31 December 2001	於二零零一年十二月 三十一日之賬面淨值	380	637	1,017

12. INVESTMENT PROPERTIES

12. 投資物業

		The Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Valuation	估值		
Brought forward	承前結餘	962,319	1,425,300
Exchange realignment	匯兌差額	(300)	270
Additions, at cost	按原值添置	232	1,482
Transfer from property held for/ under development	轉自持有作發展／發展中物業	-	71,206
Disposal	出售	(5,306)	(138,977)
Revaluation deficit	重估虧損	(83,945)	(396,962)
Carried forward	結轉	873,000	962,319

- (a) All investment properties are held under medium term leases in the PRC and were revalued at 31 December 2002 by Greater China Appraisal Limited, an independent firm of professional valuers, on an open market value basis.
- (a) 所有投資物業均於中國按中期租約持有。並由獨立專業估值師行漢華評值有限公司於二零零二年十二月三十一日按現有用途之公開市值基準重估。
- (b) Investment properties with valuation of approximately HK\$65,784,000 (2001: HK\$82,972,000) have been pledged to a bank and a finance company for loans granted to the Company and a subsidiary (note 18).
- (b) 估值約港元65,784,000之投資物業(二零零一年:82,972,000港元)已作為本公司及一附屬公司的銀行及融資貸款公司之抵押品(附註18)。
- (c) The Group leases out investment properties under operating leases. The leases typically run for an initial period of one to thirteen years, with an option to renew the lease after that date at which time all terms are renegotiated.
- (c) 本集團依經營租約已出租之投資物業,一般起始期為一年至十三年,並於租約完成時再重訂新協議。

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12. INVESTMENT PROPERTIES (Cont'd)

The Group's total future minimum lease payments under operating leases are receivable as follows:

		The Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Within one year	一年內	25,798	34,559
In the second to fifth year, inclusive	第二年至第五年 (含首末兩年)	56,521	92,778
After five years	超過五年	17,316	45,291
		99,635	172,628

12. 投資物業 (續)

本集團依經營租約之未來最低租賃應收總額如下：

13. PROPERTIES HELD FOR/UNDER DEVELOPMENT

		The Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
At cost/valuation	原值／估值		
Brought forward	承前結餘	587,557	960,075
Exchange realignment	匯兌差額	(4,488)	12,170
Additions, at cost	按原值添置	11,150	41,409
		594,219	1,013,654
Less:	減：		
Transfer to investment properties	轉至投資物業	-	(71,206)
Impairment losses	減值	(106,865)	(354,891)
Carried forward	結轉	487,354	587,557
Medium term leases (less than 50 years but not less than 10 years)	中期租約 (少於50年但不少於10年)	265,661	290,803
Long term leases (not less than 50 years)	長期租約 (不少於50年)	221,693	296,754
		487,354	587,557

13. 持有作發展／發展中物業

13. PROPERTIES HELD FOR/UNDER DEVELOPMENT

(Cont'd)

- (a) All the properties held for/under development are located in the PRC.
- (b) Properties held for/under development relate to the acquisition of the land use rights for a number of land sites within the Guangdong Province with total carrying value of HK\$487,354,000. The status of the major property development projects is as follows:

(i) Shenzhen project

The purchase consideration of the Shenzhen land site of HK\$4,192,000 (2001: HK\$4,224,000) has been fully settled. However, during the year, the joint venturer of a subsidiary, Shenzhen Haoye Properties Development Company Limited which holds this project, sued the Group to recover the default payment of HK\$34,120,000. On 17 July 2002, a settlement agreement was concluded with the joint-venturer. However, the Group did not fulfill the settlement arrangement; thus, the litigation has not been finalized and the continuous operation of the subsidiary would be determined by the finalization of the litigation. In addition, the land site held by this subsidiary for development has been seized by the vendor during the year. The Group has negotiated with the joint venturer to recover the land site. However, no progress has been made up to the date of this report. Full provision of impairment losses on the carrying value of this property held for development has been made in the financial statements as at 31 December 2002.

13. 持有作發展／發展中物業 (續)

- (a) 所有持有作發展／發展中物業位於中國。
- (b) 持有作發展／發展中物業乃指位於廣東省內取得土地使用權用作物業發展的專案。其賬面值為487,354,000港元，下列為較大的物業發展專案的狀況：

(i) 深圳項目

深圳地盤的出讓價4,192,000港元(二零零一年:4,224,000港元)已全數清償。然而，持有此項目之附屬公司—深圳豪業房地產開發有限公司之合作經營企業就追討欠款34,120,000港元控告本集團，惟已於二零零二年七月十七日與合作經營企業達成和解協議。然而，本集團並未履行和解協議，故訴訟尚未完結，而此附屬公司持續經營與否視訴訟結果而定。此外，此附屬公司持有作發展地盤已於年內遭賣方扣押。本集團已與合作經營企業商討，收回地盤。然而，截至本報告日期為止並無進展。此持有作發展物業的賬面值已於二零零二年十二月三十一日之財務報告作出全數減值。

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13. PROPERTIES HELD FOR/UNDER DEVELOPMENT

(Cont'd)

(b) (Cont'd)

(ii) Shaoguan project

The purchase consideration of the Shaoguan land site amounted to HK\$46,852,000 (2001: HK\$47,208,000), of which a sum of HK\$7,582,000 was overdue as at 31 December 2002. However, during the year, this land site held by the Group for development was forced to put on a public auction. The sales proceeds was concluded at approximately HK\$20,662,000 which would be applied to settle various expenses and accounts payable totalling approximately HK\$17,570,000. However, the Group sought to rescind the auction agreement. As a result, no recognition of this sales transaction and relevant expenses have been made in the financial statements for the year ended 31 December 2002. Full provision of impairment losses on the carrying value of this property held for development has been made in the financial statements as at 31 December 2002.

(iii) Shantou project

The purchase consideration of the Shantou land site of HK\$21,001,000 (2001: HK\$21,161,000) has been fully settled. As at 31 December 2002, the carrying value of this project, which included the land costs and other development costs, amounted to HK\$34,972,000 (2001: HK\$37,245,000) and no substantial construction work has commenced on this site.

13. 持有作發展／發展中物業 (續)

(b) (續)

(ii) 韶關項目

位於韶關的土地出讓價為46,852,000港元(二零零一年:47,208,000港元),其中7,582,000港元於二零零二年十二月三十一日到期。然而,於年內此持有作發展之地盤被強制性公開拍賣,所得款項約20,662,000港元,原應用於支付各項支出及應付賬款合共約17,570,000港元,惟本集團徵求撤銷拍賣協議。因此,並無於截至二零零二年十二月三十一日止年度之財務報告中確認此銷售交易及有關支出。該持有作發展物業的賬面值已於二零零二年十二月三十一日之財務報告作出全數減值。

(iii) 汕頭項目

位於汕頭的土地出讓價為21,001,000港元(二零零一年:21,161,000港元)並已全數支付。該項目於二零零二年十二月三十一日含土地成本及其他發展成本之賬面值為34,972,000港元(二零零一年:37,245,000港元),而該項目並未進行建築工程。

13. PROPERTIES HELD FOR/UNDER DEVELOPMENT

(Cont'd)

(b) (Cont'd)

(iv) Guangzhou projects

Except Yue Xiu Plaza in Guangzhou, the total purchase consideration of the other land sites in Guangzhou amounted to HK\$90,523,000 (2001: HK\$91,210,000) of which a sum of HK\$83,841,000 was overdue as at 31 December 2002. The total carrying value of these projects, which included the land costs and other development costs, as at 31 December 2002 amounted to HK\$229,813,000 (2001: HK\$243,525,000) and no substantial construction work has commenced on these sites.

Pursuant to the terms of the purchase agreements regarding the aforesaid property development projects refer to in (iii) and (iv) above, unless the costs of which are settled and the projects completed within a scheduled period, the land sites will be treated as idle sites which could result in forfeiture of payments made to the vendors, termination of the purchase agreements and late payments penalties. In addition, the vendors could take legal action against the Group for compensation. As at 31 December 2002, the total carrying value of these projects was HK\$264,785,000. The idle sites may be repossessed by the vendors, but an extension of the expiring schedule could be granted by the signing of supplementary agreements with the vendors with compensation payments.

13. 持有作發展／發展中物業 (續)

(b) (續)

(iv) 廣州項目

除廣州越秀廣場項目外，廣州其他地盤的總出讓價為90,523,000港元(二零零一年：91,210,000港元)，其中83,841,000港元於二零零二年十二月三十一日到期。該等項目含土地成本及其他開發成本的總賬面值於二零零二年十二月三十一日為229,813,000港元(二零零一年：243,525,000港元)，該等地盤的建築工程尚未展開。

根據上述(iii)及(iv)項物業發展項目的收購協議，除非已於指定時間清付成本及完成項目，地盤將列為空置地盤，賣方可沒收所獲付款項，並終止收購協議及追索延誤罰款。此外，賣方可就賠款向本集團採取法律行動。於二零零二年十二月三十一日，該等項目的總賬面值為264,785,000港元。空置地盤可能遭賣方收回，惟可與賣方簽訂附賠款條款的補充協議押後期限。

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14. SUBSIDIARIES

14. 附屬公司

		The Company 公司	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·原值	579,805	579,805
Amounts due from subsidiaries	應收附屬公司款項	1,092,132	1,101,071
Amounts due to subsidiaries	應付附屬公司款項	(109,846)	(108,986)
		1,562,091	1,571,890
Less: Impairment loss	減:減值	(1,460,014)	(1,103,792)
		102,077	468,098

(a) Details of subsidiaries are set out in note 29 to the financial statements.

(a) 附屬公司之詳情載於附註29。

(b) The amounts due from/(to) subsidiaries are unsecured, interest free, and have no fixed terms of repayments.

(b) 應收／(應付)附屬公司款項乃無抵押·免息及無固定償還條件。

15. INVENTORY OF COMPLETED PROPERTIES

15. 現存已落成物業

The carrying amount of inventory of completed properties held for sales carried at net realizable value is HK\$9,899,000 (2001: HK\$16,562,000). They are located in the PRC with medium lease term.

現存已落成物業包含以可變現淨值為9,899,000港元列賬之物業(二零零一年: 16,562,000港元)。所有現存已落成物業均於中國按中期租約持有。

16. ACCOUNTS RECEIVABLE

16. 應收賬款

		The Group 集團	
		2002 HK\$'000 千港元	2001 HK\$'000 千港元
Accounts receivable	應收賬款	2,233	11,519

16. ACCOUNTS RECEIVABLE (Cont'd)

The aged analysis of accounts receivable as at 31 December 2002 and 2001 was as follows:

		The Group 集團	
		2002 <i>HK\$'000</i> 千港元	2001 <i>HK\$'000</i> 千港元
Within 3 months	三個月內	269	3,137
4-6 months	四至六個月	-	27,735
7-12 months	七至十二個月	1,537	2,059
Over 1 year	超過一年	116,965	99,033
Total	總數	118,771	131,964
Less: Provision for doubtful debts	減: 呆賬撥備	(116,538)	(120,445)
		2,233	11,519

Accounts receivable are recognised and carried at their original contract sum less provision for doubtful debts which are made when collection of the full amount is no longer probable. Bad debts are written off as incurred. The Group does not have a uniform credit policy in relation to sales of properties and rental of investment properties.

16. 應收賬款 (續)

於二零零二年及二零零一年十二月三十一日，應收賬款的賬齡分析如下：

應收賬款乃按其原合同金額扣除無可能收回之呆賬撥備後列賬。壞賬則於產生時註銷。本集團對物業銷售及租賃並無統一之信貸政策。

17. ACCOUNTS PAYABLE

		The Group 集團	
		2002 <i>HK\$'000</i> 千港元	2001 <i>HK\$'000</i> 千港元
Accounts payable		463,411	480,643

17. 應付賬款

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17. ACCOUNTS PAYABLE (Cont'd)

The aged analysis of accounts payable as at 31 December 2002 and 2001 was as follows:

		The Group 集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Within 3 months	三個月內	-	3,447
4-6 months	四至六個月	1,795	-
7-12 months	七至十二個月	9,668	63,294
Over 1 year	超過一年	451,948	413,902
Total	總數	463,411	480,643

17. 應付賬款 (續)

於二零零二年及二零零一年十二月三十一日，應付賬款的賬齡分析如下：

18. SHORT TERM BORROWINGS

Short term borrowings comprise:

		The Group 集團		The Company 公司	
		2002	2001	2002	2001
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Bank loans	銀行貸款	34,963	35,490	-	-
Other loans	其他貸款	11,459	13,340	11,459	13,340
		46,422	48,830	11,459	13,340
Analysed as:	分析如下：				
Secured	有抵押	44,242	46,124	11,459	13,340
Unsecured	無抵押	2,180	2,706	-	-
		46,422	48,830	11,459	13,340

18. 短期貸款

短期貸款包括：

18. SHORT TERM BORROWINGS (Cont'd)

- (a) A bank loan of HK\$32,783,000 advanced by a bank to a subsidiary and the related accrued interest included in other payables and accruals of HK\$28,384,000 are secured by a corporate guarantee from the Company, personal guarantees issued by Mr. Wong Wah and Madam Wong Siu Mui, former directors of the Company, investment properties with valuation of approximately HK\$54,194,000 of the Group and bank deposit of HK\$451,000 of the Group.
- (b) Other loan of HK\$11,159,000 and its related accrued interest included in other payables and accruals of HK\$697,000 are also secured by personal guarantees issued by Mr. Wong Wah and Madam Wong Siu Mui and investment properties with valuation of approximately HK\$11,590,000 of the Group, and the balance of other loans of HK\$300,000 is secured by a personal guarantee issued by Mr. Wong Wah.

19. TAXATION

- (a) Taxation represented liabilities of the companies comprising the Group in respect of PRC tax as at 31 December 2002 less tax paid.
- (b) The Group has been in negotiation with the Tax Bureau of Guangzhou City, the PRC to conclude the business and income tax arising from the sales of properties and the project of Liwan Plaza. The directors considered that the taxation of the Group at 31 December 2002 was adequately provided for in the financial statements.

20. DEFERRED TAXATION

The Group did not have any material unprovided deferred taxation at the balance sheet date. The changes arising on revaluation of investment properties of the Group did not constitute a timing difference and accordingly there were no deferred tax implications.

18. 短期貸款 (續)

- (a) 銀行貸款32,783,000港元予一附屬公司及其包含於其他應付款項及應計費用內之利息28,384,000港元是以本公司作出擔保·加前董事黃華先生及王小梅女士提供個人擔保·並以本集團估值約54,194,000港元之投資物業及銀行存款451,000港元作抵押。
- (b) 其他貸款11,159,000港元及其包含於其他應付款項及應計費用內之利息697,000港元亦由黃華先生及王小梅女士提供個人擔保及本集團估值約11,590,000港元之投資物業作抵押。另外其他貸款餘額300,000港元由黃華先生提供個人擔保。

19. 稅項

- (a) 稅項指本集團於二零零二年十二月三十一日之中國稅項負債減已付之稅項。
- (b) 本集團一直與中國廣州市稅務局磋商·落實出售荔灣廣場之營業及所得稅。董事認為·本集團於二零零二年十二月三十一日之財務報告已就稅項作出充份撥備。

20. 遞延稅項

在結算日·本集團並無任何未撥備之重大遞延稅項。重估投資物業所產生之變動並不構成時差·因此並無遞延稅項影響。

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21. SHARE CAPITAL

21. 股本

(a)	(a)	The Company	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Authorised	法定股本		
2,000,000,000 ordinary shares of HK\$0.10 each	2,000,000,000股每股 面值0.10港元之普通股	200,000	200,000
Issued and fully paid	已發行及繳足股本		
1,360,000,000 ordinary shares of HK\$0.10 each	1,360,000,000股 每股面值0.10港元之普通股	136,000	136,000

(b) A share option scheme was approved by the Company. Apart from lapse of option as mentioned below, there was no movement of share options during the year. The details of the share option scheme were as follows:

(b) 本公司之認購股權計劃由股東批准成立，除卻以下所列注銷的認購股權以外，年度內認購權並無任何變動，認購股權計劃細節如下：

Date of grant	Exercise price	Balance at 1 January 2002	Exercised during the year	Lapsed during the year	Balance at 31 December 2002		Expiry date
					於二零零二年 十二月三十一日	結餘	
授予日期	每股行使價	於二零零二年 一月一日結餘	年度行使權 股數	年度內注銷 股數	於二零零二年 十二月三十一日	結餘	行使期限
	HK\$ 港元						
25 July 1997	每股3.20 per share	4,000,000 shares股	-	4,000,000 shares股	-	-	N/A不適用

22. RESERVES

22. 儲備

		The Company			
		公司			
		Share	Contributed	Accumulated	Total
		premium	surplus	losses	
		股份溢價	(note)	累積虧損	總額
		HK\$'000	繳入盈餘	HK\$'000	HK\$'000
		千港元	(附註)	千港元	千港元
			HK\$'000	千港元	千港元
At 1 January 2001	於二零零一年一月一日	906,000	477,805	(230,776)	1,153,029
Net loss for the year	本年度虧損	-	-	(867,132)	(867,132)
At 31 December 2001 and at 1 January 2002	於二零零一年 十二月三十一日及 二零零二年一月一日	906,000	477,805	(1,097,908)	285,897
Net loss for the year	本年度虧損	-	-	(363,496)	(363,496)
At 31 December 2002	於二零零二年十二月 三十一日	906,000	477,805	(1,461,404)	(77,599)

Note:

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of companies being acquired, and represents the difference between the nominal value of the Company's shares issued and the value of the shares acquired. Under the Companies Act of 1981 of Bermuda (as amended), the Company may make distributions to its shareholders out of its contributed surplus in certain circumstances which the Company is currently unable to meet. At Group level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

附註:

繳入盈餘是由公司以發行的股份面值與購入其他公司之資產淨值的差異所產生。根據一九八一年百慕達公司法(經修訂),本公司目前未能就若干情況下向其股東分派繳入盈餘。編制集團賬目時,繳入盈餘已被重新列賬撥作各相關儲備。

23. MATERIAL RELATED PARTY AND CONNECTED TRANSACTIONS

23. 重要有關連人士及關連交易

Material related party transactions are disclosed in notes 18(a), (b) and 25(a).

重大關連交易事項載於附註18(a)、(b)及25(a)。

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24. PENSION SCHEME

The Group participates in the Mandatory Provident Fund Scheme (the "MPF Scheme") for Hong Kong employees. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid. Contributions are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme.

There were also pension scheme contributions made by the Group during the year amounted to HK\$742,000 (2001: HK\$895,000) in respect of employees of the Group in the PRC. There were no forfeited contributions during the year ended 31 December 2002 (2001: Nil). The pension scheme is operated by the PRC government whereby monthly contributions based on a percentage of the salaries of the eligible full time employees are made by the Group.

25. MATERIAL CONTINGENT LIABILITIES AND LITIGATION

(a) The Group has executed guarantees to banks for mortgage facilities granted to first buyers of certain properties of the Group in the PRC. The balances of loans covered by the Group's guarantees which also represented the financial exposure of the Group at the balance sheet date amounted to approximately HK\$93,665,000 (2001: HK\$84,277,000), including facilities of HK\$67,876,000 (2001: HK\$70,898,000) which are also covered by personal guarantees issued by Mr. Wong Wah and Madam Wong Siu Mui, former directors of the Company. The total amount of facilities covered by the Group's guarantees amounted to approximately HK\$357,533,000 (2001: HK\$357,533,000).

(b) The Company has executed a corporate guarantee in favour of a bank for securing a short term borrowings of HK\$32,783,000 (2001: HK\$32,784,000) granted to a subsidiary (note 18(a)).

24. 公積金

本集團為香港僱員參與強制性公積金計劃（「強積金計劃」）。強積金供款在繳付後全數即時歸僱員所有。據強積金計劃條例所定，集團應繳付之供款從損益表中扣除。

本集團在中國亦設有僱員公積金計劃並於本年度共支付742,000港元（二零零一年：895,000港元）。在二零零二年及二零零一年年度並無可沒收供款。公積金計劃是由中國政府監管並給予本集團合資格之全職僱員按月薪比率供款。

25. 重大或然負債及訴訟

(a) 本集團就數間銀行向本集團在中國之若干物業之一手買家提供之按揭貸款作出擔保。由本集團擔保之貸款餘額，亦即本集團於結算日須承擔之財務風險約共93,665,000港元（二零零一年：84,277,000港元），其中包括由本公司之前任董事黃華先生及王小梅女士發出個人擔保作抵押之67,876,000港元（二零零一年：70,898,000港元）。由本集團擔保之該等信貸總額約為357,533,000港元（二零零一年：357,533,000港元）。

(b) 本公司就一附屬公司之一項短期貸款32,783,000港元（二零零一年：32,784,000港元）作出公司擔保（附註18(a)）。

25. MATERIAL CONTINGENT LIABILITIES AND LITIGATION (Cont'd)

- (c) Other material contingent liabilities and litigation in connection with the Group's properties held for/under development are disclosed in note 13(b).
- (d) During the year, two writs had been served against the Company by a bank and a finance company for winding-up petition to the court, claiming the repayment of loans plus accrued interests totalling HK\$73,023,000 as at 31 December 2002.
- (e) A total of 22 writs had been served against a subsidiary by banks claiming the repayment of mortgage loans granted to certain buyers of the properties of the Group plus interest and legal costs totalling HK\$59,618,000 (2001: HK\$118,439,000) which were covered by the guarantees of the Group as set out in note (a) above.
- (f) A subsidiary of the Group was sued by a contractor for default payments of approximately HK\$17,060,000 in relation to construction work carried out in one of the property development projects in Guangzhou. The Group counter-claimed against the contractor for interior construction work performed on that site. The litigation is in the process of finalization, pending the decision from court in Guangzhou.

The directors are of the opinion that the outcome of the litigations and claims mentioned in notes (d) to (f) above will not have a material adverse effect on the Group and no provision has therefore been made for possible additional interest or legal costs and consequential damages in the financial statements.

Save as disclosed above, neither the Company nor any members of the Group are engaged in any litigation or arbitration of material importance and, so far as the directors are aware, no litigation or arbitration of material importance is pending or threatened against any members of the Group.

25. 重大或然負債及訴訟 (續)

- (c) 其它有關本集團持有作發展／發展中物業之或然負債及訴訟載於附註13(b)。
- (d) 年內，一間銀行及一間財務公司就本公司清盤之呈請向法院發出兩份傳票，追討償還於二零零二年十二月三十一日之貸款加應計利息合共73,023,000港元。
- (e) 數間銀行向一附屬公司發出共22宗訴訟追討償還本集團物業之若干買家之按揭貸款、利息及訴訟費共59,618,000港元(二零零一年：118,439,000港元)。該等貸款已包括於上文附註(a)所述本集團作出之擔保內。
- (f) 本集團附屬公司基於未能支付廣州其中一個物業發展項目約17,060,000港元而遭一名承建商控告。本集團就該地盤進行之室內建造工程向該承建商反索償。該訴訟仍在進行中，有待廣州法院裁決。

董事認為上述附註(d)至附註(f)的訴訟及索償之結果將不會對本集團造成重大不利影響，故沒有於財務報告內就可能須付之額外利息及訴訟費用及牽連之損失作出撥備。

除上文所述者外，本公司或本集團任何成員公司概無涉及任何重大之訴訟或仲裁，及據董事所知，並無任何重大之待決或威脅本集團任何成員公司之訴訟或仲裁。

截至二零零二年十二月三十一日止年度

26. MATERIAL EVENTS AFTER BALANCE SHEET DATE

Subsequent to the balance sheet date, the Company entered into a Letter of Undertaking with a finance company to compromise settlement of an outstanding loan amount plus accrued interest of approximately HK\$11,856,000 as at 31 December 2002 before 31 July 2003. In settlement of this loan and accrued interest, certain investment properties of the Group in the Liwan Plaza would be seized by the finance company for disposal.

26. 重大結算日後事項

結算日後，本公司就重組於二零零三年七月三十一日前償還於二零零二年十二月三十一日之未償還貸款加應計利息約11,856,000港元，與一財務公司訂立諒解書。為清償貸款及應計利息，本集團於荔灣廣場之若干投資物業將由該財務公司出售。

27. COMMITMENTS

(a) At 31 December 2002, the Group had commitments not provided for in these financial statements as follows:

27. 承擔

(a) 於二零零二年十二月三十一日，本集團於本財務報告中並未撥備之承擔如下：

		The Group	
		集團	
		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Capital commitments in respect of construction in progress	對在建工程之資本承擔		
Contracted but not provided for	已訂約但未撥備	362,816	383,598
Capital contributions to subsidiaries	對附屬公司之資本注資	360,157	360,078
		722,973	743,676

27. COMMITMENTS (Cont'd)

(b) At 31 December 2002, the Group had future aggregate minimum lease payment under non-cancellable operating leases in respect of land and buildings as follows:

		2002	2001
		HK\$'000	HK\$'000
		千港元	千港元
Operating leases expired	租約期限		
Within one year	一年內	4,028	2,374
In the second to fifth year, inclusive	第二至第五年(含首末兩年)	2,999	1,781
		7,027	4,155

28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the board of directors on 24 May 2003.

27. 承擔(續)

(b) 於二零零二年十二月三十一日，本集團根據有關不可撤銷經營租約承擔之最低支付款如下：

28. 批准財務報告

董事會於二零零三年五月二十四日批准此財務報告。

截至二零零二年十二月三十一日止年度

29. GROUP STRUCTURE – SUBSIDIARIES

29. 集團結構 – 附屬公司

名稱 Name	成立／營業地點 Place of establishment/ operation	已發行／註冊股本 Issued/ registered capital	應佔權益百分比 Effective percentage holding		業務性質 Nature of business
			直接 Direct	間接 Indirect	
旭駿發展有限公司 Brilliant Champion Development Limited	香港 Hong Kong	普通股2港元 Ordinary HK\$2	–	100	暫無營業 Dormant
標昇有限公司 Buen Sang Enterprises Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	–	100	暫無營業 Dormant
創建投資有限公司 Chance King Investment Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	–	100	投資控股 Investment holding
金輝投資有限公司 Came Field Investments Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	–	100	暫無營業 Dormant
達利管理有限公司 D & L Management Limited	香港 Hong Kong	普通股10,000港元 Ordinary HK\$10,000	–	100	暫無營業 Dormant
Grand China Properties Company Limited	英屬處女群島 British Virgin Islands	普通股1美元 Ordinary US\$1	100	–	暫無營業 Dormant
*廣州廣華房產發展有限公司 *Guangzhou Guang Hua Property Development Limited	中華人民共和國 The People's Republic of China	4,799,000美元 US\$4,799,000	–	100	物業發展 Property development
*廣州建南房產發展有限公司 *Guangzhou Jiannan House Property Development Company Limited	中華人民共和國 The People's Republic of China	12,000,000美元 US\$12,000,000	–	98.75	物業發展 Property development
*廣州穗南房產發展有限公司 *Guangzhou Sui Nan Property Development Company Limited	中華人民共和國 The People's Republic of China	32,000,000美元 US\$32,000,000	–	86.36	物業發展 Property Development

29. GROUP STRUCTURE – SUBSIDIARIES (Cont'd)

29. 集團結構 – 附屬公司 (續)

名稱 Name	成立／營業地點 Place of establishment/ operation	已發行／註冊股本 Issued/ registered capital	應佔權益百分比 Effective percentage holding		業務性質 Nature of business
			直接 Direct	間接 Indirect	
*廣州秀南房產發展有限公司 *Guangzhou Xiunan Property Development Limited	中華人民共和國 The People's Republic of China	4,465,027美元 US\$4,465,027	-	68.32	物業發展 Property Development
南方國際廣場(汕頭)有限公司 International Plaza (Shantou) Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	投資控股 Investment holding
其創有限公司 Kei Chong Properties Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	暫無營業 Dormant
*梅州南方國際房地產開發有限公司 *Meizhou Nan Fong International Real Estate Development Company Limited	中華人民共和國 The People's Republic of China	10,400,000美元 US\$10,400,000	-	83	物業發展 Property Development
Nam Fong Capital Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	暫無營業 Dormant
南方越秀中廣場有限公司 Nam Fong Guangzhou Central Plaza Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	投資控股 Investment holding
南方越秀廣場有限公司 Nam Fong Guangzhou Plaza Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	投資控股 Investment holding
南方黃埔新城市有限公司 Nam Fong Huangpu New City Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	暫無營業 Dormant
南方國際集團有限公司 Nam Fong International Group Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	100	-	投資控股 Investment holding
南方國際廣場(河源)有限公司 Nam Fong International Plaza (Heyuan) Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	投資控股 Investment holding

截至二零零二年十二月三十一日止年度

29. GROUP STRUCTURE – SUBSIDIARIES (Cont'd)

29. 集團結構 – 附屬公司 (續)

名稱 Name	成立／營業地點 Place of establishment/ operation	已發行／註冊股本 Issued/ registered capital	應佔權益百分比 Effective percentage holding		業務性質 Nature of business
			直接 Direct	間接 Indirect	
南方國際廣場(韶關)有限公司 Nam Fong International Plaza (Shaoguan) Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	投資控股 Investment holding
*南方國際(韶關)房地產開發有限公司 *Nan Fong International (Shaoguan) Real Estate Development Company Limited	中華人民共和國 The People's Republic of China	4,659,940美元 US\$4,659,940	-	90	物業發展 Property Development
南方荔灣廣場有限公司 Nam Fong Liwan Plaza Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	投資控股 Investment holding
南方蛇口廣場有限公司 Nam Fong Shekou Plaza Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	暫無營業 Dormant
南方萬豪商業街(梅州)有限公司 Nam Fong Wanhao Bazaar (Meizhou) Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	投資控股 Investment holding
南方萬豪(深圳)有限公司 Nam Fong Wanhao Plaza (Shenzhen) Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	暫無營業 Dormant
新邦投資有限公司 News Point Investment Limited	英屬處女群島 British Virgin Islands	普通股10,000美元 Ordinary US\$10,000	-	100	投資控股 Investment holding
新峻企業有限公司 New Regent Enterprises Limited	香港 Hong Kong	普通股2港元 Ordinary HK\$2	-	100	暫無營業 Dormant
天海企業有限公司 Oceansky Enterprises Limited	香港 Hong Kong	普通股10,000港元 Ordinary HK\$10,000	-	100	暫無營業 Dormant
寶豪國際有限公司 Polyhero International Limited	香港 Hong Kong	普通股10,000港元 Ordinary HK\$10,000	-	100	物業管理 Property Management

29. GROUP STRUCTURE – SUBSIDIARIES (Cont'd)

29. 集團結構 – 附屬公司 (續)

名稱 Name	成立／營業地點 Place of establishment/ operation	已發行／註冊股本 Issued/ registered capital	應佔權益百分比 Effective percentage holding		業務性質 Nature of business
			直接 Direct	間接 Indirect	
新濤國際有限公司 Santos International Limited	香港 Hong Kong	普通股10,000港元 Ordinary HK\$10,000	-	100	物業管理 Property Management
*汕頭經濟特區宏亞廠房開發有限公司 *Shantou SEZ Hong Ya Factory Building Development Company Limited	中華人民共和國 The People's Republic of China	21,666,667港元 HK\$21,666,667	-	70	物業發展 Property Development
*深圳豪業房地產開發有限公司 *Shenzhen Haoye Properties Development Company Limited	中華人民共和國 The People's Republic of China	人民幣60,000,000元 RMB60,000,000	-	100	物業發展 Property Development
樹德投資有限公司 Stand-up Investments Limited	香港 Hong Kong	普通股10,000港元 Ordinary HK\$10,000	-	100	擁有車輛 Ownership of motor vehicles
豐深投資有限公司 Trisum Investment Limited	香港 Hong Kong	普通股5,000,000港元 Ordinary HK\$5,000,000	-	100	投資控股 Investment holding
宏亞企業有限公司 Wide Asia Enterprises Limited	香港 Hong Kong	普通股100港元 無投票權遞延股份 7,000,000港元 Ordinary HK\$100 Non-voting deferred HK\$7,000,000	-	100	投資控股 Investment holding

* Companies not audited by RSM Nelson Wheeler.

* 並非由羅申美會計師行所審核之公司

All companies operate principally in their places of establishment.

所有公司主要於彼等成立地點經營。