

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its securities are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 15 and 16 respectively.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE

During the year, the Group has adopted, for the first time, a number of new and revised Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants, which has resulted in the adoption of the following new and revised accounting policies. The adoption of these SSAPs has resulted in a change in the format of presentation of the cash flow statement and the statement of changes in equity but has had no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

Foreign Currencies

The revisions to SSAP 11 "Foreign Currency Translation" have eliminated the choice of translating the income statements of overseas subsidiaries at the closing rate for the year, the policy previously followed by the Group. They are now required to be translated at an average rate. This change in accounting policy has not had any material effect on the results for the current or prior accounting periods.

Employee Benefits

In the current year, the Group has adopted SSAP 34 "Employee Benefits", which introduces measurement rules for employee benefits, including retirement benefit plans. Because the Group participates only in defined contribution retirement benefit schemes, the adoption of SSAP 34 has not had any material impact on the financial statements.

1. 一般資料

本公司於百慕達註冊成立為獲豁免有限公司，其證券於香港聯合交易所有限公司（「聯交所」）上市。

本集團乃一間投資控股公司。主要附屬公司及聯營公司之業務分別載於附註15及16。

2. 採納新訂及經修訂會計實務準則

於本年度內，本集團首次採納數項由香港會計師公會頒佈之新訂及經修訂會計實務準則（「會計實務準則」），致使採納下例新訂及經修訂會計政策。採納該等會計實務準則引致現金流量表及權益變動報表之呈報格式出現變動，但對本或上一會計期間之業績並無重大影響。因此，毋須作出上一期間之調整。

外幣

會計實務準則第11號「外幣換算」之修訂版已刪除將海外附屬公司之收益表按當年度之收市利率換算之選項（本集團過往採納之政策）。收益表現時須按平均滙率換算。此項會計政策之變動對本期間及上一會計期間之業績並無任何重大影響。

僱員福利

於本年度，本集團採納會計實務準則第34號「僱員福利」，引入僱員福利之量度規則，包括退休福利計劃。由於本集團僅參與定額供款退休福利計劃，採納會計實務準則第34號對財務報表並無任何重大影響。

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments in securities.

The financial statements have been prepared in accordance with the accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March 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.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate at the date of acquisition.

Goodwill arising on acquisition prior to 1 April 2001 continues to be held in reserves, and will be charged to the income statement at the time of disposal of the relevant subsidiary or an associate or at such time as the goodwill is determined to be impaired.

Goodwill arising on acquisition since 1 April 2001 is capitalised and amortised on a straight-line basis over its useful economic life. Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary or an associate, the attributable amount of unamortised goodwill/goodwill previously eliminated against reserve is included in the determination of the profit or loss on disposal.

3. 主要會計政策

財務報表乃根據歷史成本慣例編製，並就證券投資重估而修訂。

財務報表乃按香港普遍接納之會計原則而編製。所採納之主要會計政策如下：

綜合基準

綜合財務報表包括本公司及其附屬公司每年截至三月三十一日止年度之財務報表。

於本年度內收購或出售之附屬公司之業績由收購生效日期起或直至其出售生效日期止（如適用）計入綜合收益表內。

商譽

在綜合賬目時出現之商譽乃指於收購當日收購成本超出本集團於附屬公司或聯營公司之可識別資產及負債之公平價值中應佔權益之數額。

於二零零一年四月一日前因收購出現之商譽將繼續持作儲備，並於出售有關附屬公司或聯營公司或當商譽減值時於收益報表內扣除。

於二零零一年四月一日後出現之商譽會撥充資本，並按直線法於其可使用年期內攤銷。因收購聯營公司出現之商譽已計入聯營公司之賬面金額。因收購附屬公司出現之商譽則以獨立之無形資產呈列於資產負債表。

於出售附屬公司或聯營公司時，未攤銷商譽之應佔金額或先前於儲備內撇銷或入賬之商譽會用作計算出售時之溢利或虧損。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Negative goodwill

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate at the date of acquisition over the cost of acquisition.

Negative goodwill arising on acquisition prior to 1 April 2001 continues to be held in reserves and will be credited to income at the time of disposal of the relevant subsidiary or associate.

Negative goodwill arising on acquisition since 1 April 2001 is presented as deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the period in which those losses or expenses arise. The remaining negative goodwill is recognised as income on a straight-line basis over the remaining average useful life of the identifiable acquired depreciable assets. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognised in income immediately.

Negative goodwill arising on the acquisition of an associate is deducted from the carrying value of that associate. Negative goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a deduction from assets.

On disposal of a subsidiary or an associate, the attributable amount of negative goodwill not released to income/negative goodwill held in reserve is included in the determination of the profit or loss on disposal.

Investments in subsidiaries

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

Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interest in associates is stated at the Group's share of the net assets of the associates less any identified impairment loss.

3. 主要會計政策(續)

負商譽

負商譽指於有關收購當日，本集團於附屬公司或聯營公司可辨認資產及負債之權益公平值超出收購成本之差額。

於二零零一年四月一日前因收購所出現之負商譽繼續以儲備之方式持有，並於出售有關附屬公司或聯營公司時列作收入。

自二零零一年四月一日起因收購所出現之負商譽列作資產之扣減項目，並將根據出現結餘之情況分析解除至收入。

倘負商譽歸屬收購當日預期之虧損或開支，則負商譽將解除至出現該等虧損或開支期間之收入。其餘負商譽則以直線法就可辨認已收購可貶值資產之剩餘平均可用期確認為收入。倘該負商譽超出已收購可辨認非貨幣資產之總面值，則會立即確認為收入。

因收購聯營公司出現之負商譽將自該聯營公司之賬面值扣減。因收購附屬公司出現之負商譽乃於資產負債表另行呈列為資產扣減項目。

於出售附屬公司或聯營公司時，儲備中不獲解除至收入／負商譽之負商譽應佔金額已於釐定出售溢利或虧損時計入。

於附屬公司之投資

於附屬公司之投資按成本值減任何已確認減值列入本公司之資產負債表。

於聯營公司之權益

綜合收益表包括本集團本年度內應佔其聯營公司之收購後業績。於綜合資產負債表，聯營公司之權益乃按本集團應佔聯營公司之資產淨值，減去任何已識別之減值虧損列賬。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition

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

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

Sales proceeds on dealing of listed trading securities are recognised on trade date.

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

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and any accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

Land	Over the remainder of lease terms
Buildings	
– Long lease in Hong Kong and the People's Republic of China (the "PRC")	2%
– Medium-term lease in Hong Kong	2% or the term of the lease, if shorter
– Medium-term lease in the PRC	4.5%
Plant and machinery	9% – 15%
Leasehold improvements	
– Owned premises	15%
– Leased premises	Over the unexpired term of the lease
Furniture, fixtures and equipment	15% – 20%
Motor vehicles	18% – 30%
Computer software	15% – 33.33%

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

3. 主要會計政策 (續)

收入確認

貨品銷售額於貨品付運及所有權轉移後確認。

利息收入參考未償還本金及以適用利率按時間基準計算。

買賣衍生工具所得收益於結算日確認。

經營租賃之租金收入以直線法按有關租賃年期確認。

物業、廠房及設備

物業、廠房及設備乃按成本值減折舊及任何累積減值虧損列賬。

折舊乃按物業、廠房及設備之估計可使用年期，計及其估計尚餘價值後以直線法按以下年率撇銷其成本值：

土地	按租賃尚餘年期計算
樓宇	
– 在香港及中華人民共和國(「中國」)以長期租賃持有	2%
– 在香港以中期租賃持有	2%或租賃期(以較短者為準)
– 在中國以中期租賃持有	4.5%
廠房及機器	9% – 15%
租賃物業裝修	
– 自置物業	15%
– 租賃物業	按租賃未屆滿年期計算
傢俬、固定裝置及設備	15% – 20%
汽車	18% – 30%
電腦軟件	15% – 33.33%

出售或退廢資產所得收益或虧損指有關資產之出售所得款項與其賬面值兩者之差額，並於收益表內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**Impairment**

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

Investments in securities

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

At subsequent reporting dates, investments in securities are measured at fair value. Where securities are held for trading purposes, unrealised gains and losses are included in net profit or loss for the period. For other securities, unrealised gains and losses are dealt with in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss is included in net profit or loss for the period.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Properties under development held for sale

Properties under development held for sale are stated at the lower of cost and net realisable value. Cost is determined by apportionment of the total development costs, including borrowing costs capitalised, attributable to unsold units. Net realisable value represents the estimated selling price less direct selling expenses, if any.

3. 主要會計政策(續)**減值**

於每個結算日，本集團會審核資產之賬面金額，以決定資產是否有跡象已蒙受減值虧損。倘估計資產之可收回金額較賬面金額為少，資產之賬面金額會減至可收回金額。減值虧損會即時確認為支出。

倘減值虧損於其後逆轉，資產之賬面金額會增加至經修訂之估計可收回金額，惟因此而增加之賬面金額不得超過往年年度確認資產並無減值時釐定之賬面金額。減值虧損之逆轉會即時確認為收入。

證券投資

證券投資按交易日基準確認，並初步按成本計算。

於其後報告日期，證券投資乃按公平價值計算。倘證券持作交易用途，未實現損益計入該期間之溢利或虧損淨額。其他證券之未實現損益於股本中處理，直至證券出售或確定已減值為止，屆時累積損益計入該期間之溢利或虧損淨額。

存貨

存貨按成本值及可變現淨值兩者中較低者列賬。成本值以加權平均成本法計算。

持作出售用途之發展中物業

持作出售用途之發展中物業按成本值及可變現淨值兩者中較低者列賬。成本值以總發展成本(包括已撥充資金之借貸成本)應佔未出售單位之部分計算。可變現淨值指估計出售價格減直接出售開支(如有)之差額。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is calculated at the actual or estimated selling price less related costs of marketing and selling.

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract costs are charged to the income statement by reference to the stage of completion of the contract activity at the balance sheet date, as measured by reference to the value of work carried out to date bears the estimated total value of work carried out for each contract.

When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When a contract covers a number of assets, the construction of each asset is treated as a separate contract when separate proposals have been submitted for each asset, each asset has been separately negotiated and the costs and revenues of each asset can be separately identified. A group of contracts, performed concurrently or in a continuous sequence, is treated as a single construction contract when they were negotiated as a single package and are so closely inter-related that they constitute a single project with an overall profit margin.

Operating leases

Rentals receivable and payable under operating leases are credited and charged respectively to the income statement on a straight-line basis over the term of the relevant lease.

Retirement benefit schemes

The retirement benefit costs charged in the income statement represent the contributions payable in respect of the current year to the Group's defined contribution schemes or Mandatory Provident Fund Scheme in Hong Kong and the Central Pension Scheme in the PRC.

3. 主要會計政策 (續)

持作出售用途之物業

持作出售用途之物業按成本值及可變現淨值兩者中較低者列賬。可變現淨值按實際或估計出售價格減相關市場推廣及出售成本計算。

建造合約

在建造合約之成果能可靠估計時，合約成本會參考合約工程於結算日之完成進度（參考期間各合約之估計工程總值與已進行工程之價值之差額計算），於收益表中扣除。

在建造合約之成果未能可靠估計時，合約成本會於產生期間確認為開支。

在總合約成本可能超過總合約收入時，預期產生之虧損會即時確認為開支。

倘合約中包括若干資產，而各項資產之個別建議書已經呈交，並已分別就各項資產進行磋商，而各項資產之成本及收入亦可獨立分開，則各項資產之建造工程將視為一項獨立合約。如一組同時進行或連續進行之合約經商議為一單項工程，各項目互相緊扣以及各項合約構成一單項工程並取得整體邊際盈利時，該組合約會被視為一項單項建造工程合約。

經營租賃

經營租賃之應收及應付租金按有關租賃期限，分別以直線法計入收益表及於收益表扣除。

退休福利計劃

於收益表內扣除之退休福利成本乃指就本年度支付之本集團定額供款計劃或香港強制性公積金計劃及中國之中央退休金計劃供款。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**Taxation**

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, computed using the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are translated at the rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

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

Convertible loans

Convertible loans are separately disclosed and regarded as liabilities until conversion actually occurs. The finance cost, including the premium payable upon the final redemption of the convertible loans, recognised in the income statement in respect of the convertible loans is calculated so as to produce a constant periodic rate of charge on the remaining balances of the convertible loans for each accounting period.

3. 主要會計政策(續)**稅項**

稅項支出乃根據本年度業績就免課稅或不獲寬減之項目作出調整後計算。若干收入及開支項目在稅務上所確認之會計期間與財務報表有所不同，即會產生時差。受時差影響之稅項會根據負債法計算，並於財務報表內確認為遞延稅項，惟數額以可見將來可能出現之負債或資產為限。

外幣

外幣交易按交易日當日之匯率換算。以外幣結算之貨幣資產及負債均按結算日之匯率換算。滙兌產生之盈虧於收益表內處理。

於綜合賬目時，本集團香港以外業務之資產及負債按結算日當時之匯率換算。本年度收入及開支項目均按平均匯率換算。所出現之匯率差異(如有)均列為資本並撥入本集團之滙兌儲備。該等匯率差異於出售有關業務之本年度確認為收入或開支。

可換股貸款

可換股貸款分開披露及視作負債，直至貸款實際兌換為股份為止。可換股貸款之融資成本包括最後贖回可換股貸款時之應付溢價，於收益表中確認。計算融資成本，以就可換股貸款結餘在各會計期間得出一定期支出率。

4. TURNOVER

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers less discounts allowed and goods returned, interest income on money lending and sale proceeds of short-term listed securities during the year.

4. 營業額

營業額乃指年內本集團向外間各客戶銷貨之已收及應收款項淨額(減折扣及退貨)、借貸之利息收入及出售短期上市交易證券之所得款項。

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Trading of building materials	買賣建築材料	134,400	257,110
Trading of marketable securities	買賣有價證券	1,796	970
Interest income on money lending	借貸之利息收入	-	185
		136,196	258,265

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

The Group is mainly engaged in trading of building materials and securities trading and investment holding. These divisions are the basis on which the Group reports its primary segment information.

For the year ended 31 March 2003

5. 業務及地區分類

業務分類

本集團主要從事買賣建築材料、買賣證券及投資控股業務。此業務劃分乃本集團呈報其主要分項資料之基礎。

截至二零零三年三月三十一日止年度

		Trading of building materials HK\$'000 買賣 建築材料 千港元	Securities trading and investment holding HK\$'000 證券買賣及 投資控股 千港元	Consolidated HK\$'000 綜合 千港元
TURNOVER	營業額			
External sales	對外銷售	134,400	1,796	136,196
RESULT	業績			
Segment results	分項業績	(66,013)	(6)	(66,019)
Other operating income	其他經營收入			15,163
Unallocated corporate expenses	未分配之公司開支			(6,369)
Loss from operations	經營虧損			(57,225)
Finance cost	融資成本			(29,429)
Loss on disposal of subsidiaries	出售附屬公司之虧損	(6,554)	—	(6,554)
Loss on disposal of associates	出售聯營公司之虧損	(691)	—	(691)
Allowance for amounts due from associates	應收聯營公司款項 之撥備	(28,363)	—	(28,363)
Allowances for amount due from a minority shareholder	應收少數股東款項 之撥備	(1,664)	—	(1,664)
Share of loss of associates	應佔聯營公司虧損	(2,129)	—	(2,129)
Loss before taxation	除稅前虧損			(126,055)
Taxation charge	稅項開支			(161)
Loss before minority interests	未計少數股東權益前虧損			(126,216)
Minority interests	少數股東權益			13,002
Net loss for the year	本年度虧損淨額			(113,214)

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

Assets and liabilities as at 31 March 2003

Assets	資產
Segment assets	分項資產
Unallocated corporate assets	未分配公司資產
Consolidated total assets	綜合總資產
Liabilities	負債
Segment liabilities	分項負債
Unallocated corporate liabilities	未分配公司負債
Consolidated total liabilities	綜合總負債

5. 業務及地區分類(續)

業務分類(續)

於二零零三年三月三十一日之資產及負債

Trading of building materials HK\$'000 買賣 建築材料 千港元	Securities trading and investment holding HK\$'000 證券買賣及 投資控股 千港元	Consolidated HK\$'000 綜合 千港元
115,674	481	116,155
		522,822
		<u>638,977</u>
215,614	–	215,614
		223,339
		<u>438,953</u>

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

Other information for the year ended 31 March 2003

5. 業務及地區分類(續)

業務分類(續)

截至二零零三年三月三十一日止年度
之其他資料

		Trading of building materials HK\$'000 買賣 建築材料 千港元	Securities trading and investment holding HK\$'000 證券買賣及 投資控股 千港元	Consolidated HK\$'000 綜合 千港元
Additions of property, plant and equipment	添置物業、廠房及設備	1,137	2,050	3,187
Depreciation of property, plant and equipment	物業、廠房及設備折舊	23,649	217	23,866
Allowance for bad and doubtful debts	呆壞賬撥備	23,179	-	23,179
Allowance for amounts due from associates	應收聯營公司款項之撥備	28,363	-	28,363
Allowance for amount due from a minority shareholder	應收一名少數股東款項之撥備	1,664	-	1,664
Allowance for inventories	存貨撥備	3,550	-	3,550

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

For the year ended 31 March 2002

		Securities Trading of building materials HK\$'000 買賣 建築材料 千港元	trading and investment holding HK\$'000 證券買賣及 投資控股 千港元	Consolidated HK\$'000 綜合 千港元
TURNOVER	營業額			
External sales	對外銷售	257,110	1,155	258,265
RESULT	業績			
Segment results	分項業績	(205,487)	(5,512)	(210,999)
Other operating income	其他經營收入			6,085
Unallocated corporate expenses	未分配公司開支			(2,592)
Impairment loss recognised in respect of properties under development held for sale	持作出售用途之發展中物業之已確認減值虧損			(43,326)
Provision for an onerous contract	繁苛合約撥備			(23,400)
Loss from operations	經營虧損			(274,232)
Finance cost	融資成本			(33,712)
Gain on disposal of subsidiaries	出售附屬公司之收益	189	—	189
Gain on deemed disposal of an associate	視為出售聯營公司之收益	2,928	—	2,928
Loss on disposal of associates	出售聯營公司之虧損	(11,325)	—	(11,325)
Allowance for amounts due from associates	應收聯營公司款項之撥備	(60,499)	—	(60,499)
Impairment loss recognised on interest in an associate	所佔聯營公司權益之已確認減值虧損	(24,433)	—	(24,433)
Share of loss of associates	應佔聯營公司虧損	(88,227)	—	(88,227)
Loss before taxation	除稅前虧損			(489,311)
Taxation credit	稅項抵免			9,854
Loss before minority interests	未計少數股東權益前虧損			(479,457)
Minority interests	少數股東權益			20,463
Net loss for the year	本年度虧損淨額			(458,994)

5. 業務及地區分類(續)

業務分類(續)

截至二零零二年三月三十一日止年度

	Securities Trading of building materials HK\$'000 買賣 建築材料 千港元	trading and investment holding HK\$'000 證券買賣及 投資控股 千港元	Consolidated HK\$'000 綜合 千港元
--	--	--	---------------------------------------

TURNOVER	營業額			
External sales	對外銷售	257,110	1,155	258,265
RESULT	業績			
Segment results	分項業績	(205,487)	(5,512)	(210,999)
Other operating income	其他經營收入			6,085
Unallocated corporate expenses	未分配公司開支			(2,592)
Impairment loss recognised in respect of properties under development held for sale	持作出售用途之發展中物業之已確認減值虧損			(43,326)
Provision for an onerous contract	繁苛合約撥備			(23,400)
Loss from operations	經營虧損			(274,232)
Finance cost	融資成本			(33,712)
Gain on disposal of subsidiaries	出售附屬公司之收益	189	—	189
Gain on deemed disposal of an associate	視為出售聯營公司之收益	2,928	—	2,928
Loss on disposal of associates	出售聯營公司之虧損	(11,325)	—	(11,325)
Allowance for amounts due from associates	應收聯營公司款項之撥備	(60,499)	—	(60,499)
Impairment loss recognised on interest in an associate	所佔聯營公司權益之已確認減值虧損	(24,433)	—	(24,433)
Share of loss of associates	應佔聯營公司虧損	(88,227)	—	(88,227)
Loss before taxation	除稅前虧損			(489,311)
Taxation credit	稅項抵免			9,854
Loss before minority interests	未計少數股東權益前虧損			(479,457)
Minority interests	少數股東權益			20,463
Net loss for the year	本年度虧損淨額			(458,994)

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

Assets and liabilities as at 31 March 2002

5. 業務及地區分類(續)

業務分類(續)

於二零零二年三月三十一日之資產及負債

		Trading of building materials HK\$'000 買賣 建築材料 千港元	Securities trading and investment holding HK\$'000 證券買賣及 投資控股 千港元	Consolidated HK\$'000 綜合 千港元
Assets	資產			
Segment assets	分項資產	321,489	247	321,736
Interests in associates	所佔聯營公司 之權益			3,920
Unallocated corporate assets	未分配公司資產			15,566
Consolidated total assets	綜合總資產			341,222
Liabilities	負債			
Segment liabilities	分項負債	189,514	3,989	193,503
Unallocated corporate liabilities	未分配公司負債			267,473
Consolidated total liabilities	綜合總負債			460,976

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

Other information for the year ended 31 March 2002

		Trading of building materials HK\$'000 買賣 建築材料 千港元	Securities trading and investment holding HK\$'000 證券買賣及 投資控股 千港元	Unallocated HK\$'000 未分配 千港元	Consolidated HK\$'000 綜合 千港元
Additions of property, plant and equipment	添置物業、廠房及設備	5,338	—	—	5,338
Depreciation of property, plant and equipment	物業、廠房及設備折舊	31,340	4	48	31,392
Impairment losses recognised on interest in associates	聯營公司權益之已確認減值虧損	—	—	24,433	24,433
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	7,720	—	—	7,720
Allowance for bad and doubtful debts	呆壞賬撥備	90,340	3,359	—	93,699
Allowance for amounts due from associates	應收聯營公司款項之撥備	—	—	60,499	60,499
Allowance for inventories	存貨撥備	18,554	—	—	18,554
Provision for an onerous contract	繁苛合約撥備	—	—	23,400	23,400
Impairment loss recognised	已確認減值虧損	59,558	—	43,326	102,884

5. 業務及地區分類(續)

業務分類(續)

截至二零零二年三月三十一日止年度之其他資料

		Trading of building materials HK\$'000 買賣 建築材料 千港元	Securities trading and investment holding HK\$'000 證券買賣及 投資控股 千港元	Unallocated HK\$'000 未分配 千港元	Consolidated HK\$'000 綜合 千港元
Additions of property, plant and equipment	添置物業、廠房及設備	5,338	—	—	5,338
Depreciation of property, plant and equipment	物業、廠房及設備折舊	31,340	4	48	31,392
Impairment losses recognised on interest in associates	聯營公司權益之已確認減值虧損	—	—	24,433	24,433
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	7,720	—	—	7,720
Allowance for bad and doubtful debts	呆壞賬撥備	90,340	3,359	—	93,699
Allowance for amounts due from associates	應收聯營公司款項之撥備	—	—	60,499	60,499
Allowance for inventories	存貨撥備	18,554	—	—	18,554
Provision for an onerous contract	繁苛合約撥備	—	—	23,400	23,400
Impairment loss recognised	已確認減值虧損	59,558	—	43,326	102,884

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Geographical segments

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

		Turnover 營業額	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Hong Kong	香港	4,977	150,288
Other regions of the PRC	中國其他地區	81,361	79,165
USA	美國	49,858	28,812
		136,196	258,265

The following is an analysis of the carrying amount of segment assets, and capital additions analysed by the geographical area in which the assets are located:

		Carrying amount of segment assets At 31 March 分項資產賬面金額 於三月三十一日		Capital additions For the year ended 31 March 資本添置 截至三月三十一日止年度	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元
Hong Kong	香港	299,609	112,051	10	838
The PRC	中國	339,368	229,171	3,177	4,500
		638,977	341,222	3,187	5,338

5. 業務及地區分類(續)

地區分類

下表載列本集團按市場地區劃分之銷售額分析，惟並無計及貨品／服務原產地：

下文為分項資產資本賬面金額，以及資本添置之分析，分析乃按照資產所在地之地區劃分：

6. OTHER OPERATING INCOME

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Interest income	利息收入	7,091	322
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備之收益	3,807	-
Rental income, net of outgoings of HK\$2,000 (2002: HK\$2,000)	租金收入, 已扣除支銷2,000港元 (二零零二年: 2,000港元)	378	298
Write back of unclaimed dividends	未領取股息撥回	273	-
Gain on disposal of other securities	出售其他證券之收益	50	145
Commission income	佣金收入	-	1,007
Transportation income	運輸收入	-	1,248
Sundry income	雜項收入	3,564	3,065
		15,163	6,085

7. PROVISION FOR AN ONEROUS CONTRACT

On 20 April 2000, the Company entered into an agreement with a third party ("Purchaser") pursuant to which the Company granted to the Purchaser an option to require the Company to purchase certain shares of Skynet Limited ("Shares of Skynet") for a consideration of US\$3,000,000 during the period commencing on 15 May 2000 and ending on 15 May 2003. The put option was lapsed on 15 May 2003.

During the year ended 31 March 2002, a provision of HK\$23,400,000, representing the full amount of the exercise price was made for the put option granted to the Purchaser in the prior year to require the Company to purchase the Shares of Skynet.

6. 其他經營收入

7. 繁苛合約撥備

於二零零零年四月二十日, 本公司與第三方(「買方」)訂立協議, 據此, 本公司向買方授出權利, 可要求本公司於二零零零年五月十五日開始至二零零三年五月十五日止期間以3,000,000美元代價購買Skynet Limited之若干股份(「Skynet之股份」)。該認沽權於二零零三年五月十五日失效。

於截至二零零二年三月三十一日止年度, 本公司已就作為於去年度授予買方認沽權以要求本公司購買Skynet之股份, 相等於行使價格全數之23,400,000港元, 而作出之撥備。

8. LOSS FROM OPERATIONS

8. 經營虧損

		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Loss from operations has been arrived at after charging:	經營虧損已扣除下列各項：		
Staff costs	職工成本		
– Directors' fee (note 10)	– 董事袍金 (附註10)	–	20
– Directors' other emoluments (note 10)	– 董事其他酬金 (附註10)	370	8,688
– Retirement benefits schemes contribution, net of forfeiture of HK\$73,000 (2002: HK\$868,000)	– 退休福利計劃供款 (已扣除沒收供款 73,000港元 (二零零二年: 868,000港元))	589	424
– Others	– 其他	12,929	26,199
		13,888	35,331
Allowance for inventories	存貨撥備	3,550	18,554
Auditors' remuneration	核數師酬金		
– Current year	– 本年度	794	1,422
– Underprovision in prior years	– 過往年度撥備不足	180	–
Depreciation	折舊		
– Owned assets	– 自置資產	23,866	31,370
– Asset held under a finance lease	– 經融資租賃合約持有之資產	–	22
Loss on disposal of club debentures	出售會所債券之虧損	–	125
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	–	7,720
Net foreign exchange loss	滙兌虧損淨額	1,412	512
and after crediting:	及計入：		
Rental income, net of outgoings of HK\$2,000 (2002: HK\$2,000)	租金收入，扣除支銷2,000港元 (二零零二年：2,000港元)	378	298

9. FINANCE COST

9. 融資成本

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Interest on:	支付利息：		
Bank and other borrowings wholly repayable within five years	須於五年內悉數償還之銀行及其他借貸	14,150	18,975
Bank and other borrowings not wholly repayable within five years	毋須於五年內悉數償還之銀行及其他借貸	-	86
Convertible loan	可換股貸款	15,279	14,647
Obligations under a finance lease	融資租賃合約債務	-	4
		29,429	33,712

10. DIRECTORS' EMOLUMENTS

10. 董事酬金

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Directors' fees:	董事袍金：		
Executive	執行	-	-
Independent non-executive	獨立非執行	-	20
		-	20
Other emoluments – Executive:	其他酬金 – 執行：		
Salaries and other benefits	薪金及其他福利	354	4,724
Contributions to retirement benefits scheme	退休福利計劃供款	16	104
		370	4,828
Emolument paid to former directors:	支付前任董事之酬金：		
Compensation for loss of office paid to former directors by a Company's subsidiary	本公司一家附屬公司向 前任董事作出之離職賠償	-	3,860
		370	8,688

10. DIRECTORS' EMOLUMENTS (cont'd)

The emoluments of the directors were within the following bands:

		2003 Number of directors 董事人數	2002 Number of directors 董事人數
HK\$Nil to HK\$1,000,000	零港元 – 1,000,000 港元	11	12
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元 – 1,500,000 港元	–	–
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元 – 2,000,000 港元	–	–
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元 – 2,500,000 港元	–	2
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元 – 3,000,000 港元	–	–
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元 – 3,500,000 港元	–	1
		11	15

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group. None of the directors has waived any emoluments during the year.

董事酬金介乎以下組別：

年內，本集團並無支付予董事任何酬金，作為鼓勵彼等加入本集團或加入本集團時之獎金。年內並無任何董事放棄支取任何酬金。

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2002: four) was a director of the Company whose emoluments are included in the disclosures in note 10 above. The emoluments of the remaining four (2002: one) individuals were as follows:

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	2,134	1,355
Contributions to retirement benefits scheme	退休福利計劃供款	108	36
		2,242	1,391

11. 僱員酬金

本集團五名最高薪酬人士中，有一名（二零零二年：四名）為本公司之董事，彼等之酬金已於上文附註10作出披露。下列為餘下四名（二零零二年：一名）人士之酬金：

11. EMPLOYEES' EMOLUMENTS (cont'd)

Their emoluments were within the following bands:

		2003 Number of individuals 個人人數	2002 Number of individuals 個人人數
HK\$Nil to HK\$1,000,000	零港元至1,000,000 港元	4	–
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至1,500,000 港元	–	1
		4	1

11. 僱員酬金(續)

彼等酬金介乎以下組別：

12. TAXATION (CHARGE) CREDIT

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
The (charge) credit comprises:	稅項(開支)抵免包括：		
Taxation in other jurisdictions	其他司法權區稅項		
– Current year	– 本年度	(161)	(968)
– Overprovision in prior years	– 過往年度超額撥備	–	7,919
		(161)	6,951
Deferred taxation	遞延稅項		
– Current year (note 35)	– 本年度(附註35)	–	2,584
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司稅項	(161)	9,535
Share of taxation attributable to associates	應佔聯營公司稅項	–	319
		(161)	9,854

12. 稅項(開支)抵免

12. TAXATION (CHARGE) CREDIT (cont'd)

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company and its subsidiaries had no assessable profit in either year. Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Details of the deferred taxation provided for in the year are set out in note 35.

13. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the year of HK\$113,214,000 (2002: HK\$458,994,000) and on the adjusted weighted average of 631,128,400 (2002: adjusted 36,265,314) ordinary shares in issue during the year, after adjustment for the effect of the share consolidation as set out in note 31(e).

No diluted loss per share for both years have been presented as the exercise of the potential ordinary shares under convertible loan would result in a reduction in loss per share.

12. 稅項(開支)抵免(續)

由於本公司及其附屬公司於各年均無應課稅溢利，故並無於財務報表中就香港利得稅作出撥備。其他司法權區之稅項按有關司法權區之適用稅率計算。

本年度撥備之遞延稅項詳情載於附註35。

13. 每股虧損

每股基本虧損乃根據本年度虧損淨額113,214,000港元(二零零二年: 458,994,000港元)及年內已發行經調整加權平均普通股631,128,400股(二零零二年: 經調整36,265,314股)計算，並誠如附註31(e)所載已調整股份合併之影響。

由於行使根據可換股債券可能發行之普通股將導致每股虧損減少，故並無呈列兩個年度之每股攤薄虧損。

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Land and buildings HK\$'000 土地及 樓宇 千港元	Plant and machinery HK\$'000 廠房及 機器 千港元	Leasehold improvements HK\$'000 租賃物業 裝修 千港元	Furniture, fixtures and equipment HK\$'000 傢俬、固定 裝置及設備 千港元	Motor vehicles HK\$'000 汽車 千港元	Computer software HK\$'000 電腦軟件 千港元	Total HK\$'000 總額 千港元
THE GROUP	本集團							
COST	成本值							
At 1 April 2002	於二零零二年 四月一日	140,917	277,291	6,703	13,023	7,863	308	446,105
Additions	添置	-	1,094	1,167	880	-	46	3,187
Reclassification	重新分類	19	(19)	-	-	-	-	-
Transfer to properties held for sale (note 21)	轉撥至持作出售 用途之物業 (附註21)	(24,558)	-	-	-	-	-	(24,558)
Disposal	出售	(59,560)	(91,974)	(3,807)	(2,740)	(1,528)	(308)	(159,917)
Disposal of subsidiaries	出售附屬公司	(1,678)	-	(2,896)	(2,227)	-	-	(6,801)
Exchange adjustment	滙兌調整	(2,575)	(2,295)	-	(107)	(291)	-	(5,268)
At 31 March 2003	於二零零三年 三月三十一日	52,565	184,097	1,167	8,829	6,044	46	252,748
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 April 2002	於二零零二年 四月一日	77,037	164,163	5,165	12,540	7,124	101	266,130
Provided for the year	本年度撥備	2,336	20,598	98	584	217	33	23,866
Reclassification	重新分類	-	-	-	71	(71)	-	-
Transfer to properties held for sale (note 21)	轉撥至持作出 售用途之物業 (附註21)	(18,058)	-	-	-	-	-	(18,058)
Eliminated on disposals	出售時抵銷	(44,611)	(88,670)	(3,783)	(2,717)	(1,528)	(128)	(141,437)
Eliminated on disposal of subsidiaries	出售附屬公司時 抵銷	(147)	-	(1,384)	(2,161)	-	-	(3,692)
Exchange adjustment	滙兌調整	(108)	(328)	-	(50)	(22)	-	(508)
At 31 March 2003	於二零零三年 三月三十一日	16,449	95,763	96	8,267	5,720	6	126,301
NET BOOK VALUE	賬面淨值							
At 31 March 2003	於二零零三年 三月三十一日	36,116	88,334	1,071	562	324	40	126,447
At 31 March 2002	於二零零二年 三月三十一日	63,880	113,128	1,538	483	739	207	179,975

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

14. 物業、廠房及設備(續)

		Land and buildings HK\$'000 土地及 樓宇 千港元	Plant and machinery HK\$'000 廠房及 機器 千港元	Leasehold improvements HK\$'000 租賃物業 裝修 千港元	Furniture, fixtures and equipment HK\$'000 傢俬、固定 裝置及設備 千港元	Motor vehicles HK\$'000 汽車 千港元	Computer software HK\$'000 電腦軟件 千港元	Total HK\$'000 總額 千港元
THE COMPANY	本公司							
COST	成本值							
Acquired during the year and balance at 31 March 2003	於年內收購及 於二零零三年 三月三十一日 之結餘	-	-	-	-	-	10	10
DEPRECIATION	折舊							
Provided for the year and balance at 31 March 2003	本年度撥備及 於二零零三年 三月三十一日 之結餘	-	-	-	-	-	2	2
NET BOOK VALUE	賬面淨值							
At 31 March 2003	於二零零三年 三月三十一日	-	-	-	-	-	8	8

The net book value of properties shown above comprises:

以上物業賬面淨值包括:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Land in Hong Kong:	香港土地:		
Long term lease	長期租賃	-	1,542
Medium-term lease	中期租賃	-	21,380
Land in PRC:	中國土地:		
Long term lease	長期租賃	2,658	2,658
Medium-term lease	中期租賃	33,458	38,300
		36,116	63,880

15. INVESTMENTS IN SUBSIDIARIES

15. 於附屬公司之投資

		The Company 本公司	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Investments in subsidiaries	於附屬公司之投資		
Unlisted shares, at cost	非上市股份，按成本值	286,876	286,876
Impairment loss recognised	已確認之減值虧損	(286,876)	(223,235)
		-	63,641

Amounts due from subsidiaries – due after one year

The amounts are unsecured, non-interest bearing and have no fixed terms of repayment. In the opinion of the directors, the amounts are unlikely to be repaid within one year from the balance sheet date and are therefore shown as non-current.

應收附屬公司之款項－須於一年後償還
該等款項為無抵押、不計息及無固定還款期。董事認為，該等款項應該未能於結算日後一年內償還，故此列為非流動項目。

Amounts due from (to) subsidiaries – due within one year

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

應收(應付)附屬公司之款項－須於一年內償還
該等款項為無抵押、不計息及須於要求時償還。

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the principal subsidiaries of the Company as at 31 March 2003 are as follows:

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration 成立/註冊 地點/國家	Class of shares held 所持股份 類別	Paid up issued/ registered ordinary share capital 繳足已發行/ 註冊普通 股本	Proportion of nominal value of issued capital/ registered capital by the Company 本公司所持 已發行股本/ 註冊資本面值比例		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Operate in Hong Kong; 於香港經營:						
Companion Building Material (Holdings) Limited 友聯建築材料(集團)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$490,385,924 490,385,924港元	-	100	Investment holding and trading of ceramic tiles and sundry building materials 投資控股及 買賣瓷磚及 其他建築材料
Companion-China Limited 友聯中國有限公司	Hong Kong 香港	Ordinary 普通股	HK\$137,839,000 137,839,000港元	-	100	Investment holding and trading of ceramic tiles 投資控股及買賣瓷磚
Companion-China (Supplies) Limited 友聯中國(建材供應)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	-	100	Investment holding 投資控股
Companion Finance Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$100 100美元	-	100	Money lending 借貸
Crown Rise Investments Limited 高陞投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	-	100	Property investment 物業投資
Dong Fang Gas Limited 東方燃氣有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	-	100	Investment holding 投資控股

15. 於附屬公司之投資(續)

本公司於二零零三年三月三十一日主要附屬公司之詳情如下:

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

15. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration 成立/註冊 地點/國家	Class of shares held 所持股份 類別	Paid up issued/ registered ordinary share capital 繳足已發行/ 註冊普通 股本	Proportion of nominal value of issued capital/ registered capital by the Company 本公司所持 已發行股本/ 註冊資本面值比例		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Operate in Hong Kong: (cont'd) 於香港經營:(續)						
Dong Fang Gas (B.V.I.) Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$1 1美元	100	–	Investment holding 投資控股
Dong Fang Gas Management Limited 東方燃氣管理有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100	Investment holding and service agent 投資控股及提供 代理服務
Ellca Company Limited 雅爾嘉有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	–	100	Property investment 物業投資
King Unity Investments Limited 興盟投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$20,000 20,000港元	–	80	Investment holding 投資控股
Placemakers Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$100 100美元	–	100	Investment holding 投資控股
Saint Galerie Trading Company Limited	Hong Kong 香港	Ordinary 普通股	HK\$4,000 4,000港元	–	100	Provision of agency services 提供代理服務
Saint Galerie Tiles Limited 新嘉利瓷磚有限公司	Hong Kong 香港	Ordinary 普通股	HK\$13,750,000 13,750,000港元	–	100	Manufacturing and trading of ceramic tiles 瓷磚生產及買賣
Super Trend Limited	Republic of Liberia 利比里亞共和國	Ordinary 普通股	US\$4 4美元	–	100	Investment holding 投資控股
Success Trinity Limited	British Virgin Islands 英屬處女群島	Ordinary 普通股	US\$1 1美元	–	100	Investment holding 投資控股

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

15. 於附屬公司之投資(續)

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration 成立/註冊 地點/國家	Class of shares held 所持股份 類別	Paid up issued/ registered ordinary share capital 繳足已發行/ 註冊普通 股本	Proportion of nominal value of issued capital/ registered capital by the Company 本公司所持 已發行股本/ 註冊資本面值比例		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Operate in PRC: 於中國經營:						
Chongqing Golden Unity Ceramics Co., Ltd. 重慶金聯陶瓷有限公司	PRC 中國	Registered capital 註冊資本	RMB46,750,000 人民幣 46,750,000元	-	56 (note a and b) (附註a及b)	Manufacturing of ceramic tiles 瓷磚生產
Wenzhou Xishan United Ceramics Company Limited 溫州西山聯合陶瓷有限公司	PRC 中國	Registered capital 註冊資本	RMB46,360,148 人民幣 46,360,148元	-	73.5 (note b) (附註b)	Manufacturing of ceramic tiles 瓷磚生產
新會友聯專業陶瓷有限公司 (現稱為「江門市新會友聯專業 陶瓷有限公司」)	PRC 中國	Registered capital 註冊資本	RMB14,280,640 人民幣 14,280,640元	-	100 (note c) (附註c)	Polishing of ceramic tiles 瓷磚打磨

Notes:

- (a) The subsidiary was an equity joint venture company established by the Group and an independent third party in the PRC. Under the management agreements with the Chinese party, the Group is responsible for all of the assets and liabilities of the equity joint venture company and is entitled to all of the net profit or loss of the operation (after payment of fixed amount as management fee to the Chinese party) each year during the term of the management agreement.
- (b) This is a PRC sino-foreign equity joint venture.
- (c) This is a PRC subsidiary established as wholly foreign owned enterprise.

The above table lists the subsidiaries of the Company at 31 March 2003 which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of exercise length.

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

附註:

- (a) 該附屬公司乃本集團與中國一名獨立第三方設立之合資合營企業。根據與中方簽訂之管理協議，本集團負責該合資合營企業所有資產及負債，並有權享有該管理協議期限內，該企業每年扣除付予中方固定金額管理費後之經營溢利或虧損淨額。
- (b) 該公司乃中國一家中外合資企業。
- (c) 該公司乃中國一家以外商獨資企業方式成立之附屬公司。

上表列出本公司於二零零三年三月三十一日且董事認為原則上可對本集團之業績或資產構成影響之附屬公司。董事認為，提供其他附屬公司之詳情未免過於冗長。

於年內及年終時概無附屬公司有任何未償還之債務證券。

16. INTERESTS IN ASSOCIATES

16. 所佔聯營公司之權益

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Share of net assets	應佔資產淨值	-	28,353
Impairment loss recognised	已確認之減值虧損	-	(24,433)
		-	3,920

Details of the principal associates of the Group as at 31 March 2003 are as follows:

於二零零三年三月三十一日，本集團主要聯營公司詳情如下：

Name of associate 聯營公司名稱	Form of business structure 公司結構	Place/country of registration 註冊地點/ 國家	Principal place of operation 主要 經營地點	Class of shares held 所持 股份類別	Proportion of nominal value of issued capital/registered capital by the Company 本公司所持 已發行股本/ 註冊資本面值比例		Nature of business 主要業務
					Directly 直接 %	Indirectly 間接 %	
Asean Fortune Corporation	Incorporated 註冊成立	British Virgin Islands 英屬處女群島	Hong Kong 香港	Ordinary 普通股	-	50	Investment holding 投資控股
Yixing United Ceramics Co., Ltd. 宜興聯合陶瓷有限公司	Incorporated 註冊成立	PRC 中國	PRC 中國	Capital 資本	-	47.56	Manufacturing of ceramic tiles 瓷磚生產

The above table lists the associates of the Group at 31 March 2003 which, in the opinion of the directors, principally affected the results and assets of the Group. To give details of other associates would in the opinion of directors, result in particulars of exercise length.

上表列出本集團於二零零三年三月三十一日且董事認為原則上可對本集團之業績或資產構成影響之聯營公司。董事認為，提供其他聯營公司之詳情未免過於冗長。

17. DEPOSIT PAID FOR ACQUISITION OF AN ASSOCIATE

During the year, China Crystal Investment Limited ("China Crystal"), an indirect wholly-owned subsidiary of the Company, entered into an agreement ("Acquisition Agreement") with a third party ("Vendor") to acquire 63% of the entire issued share capital of WIT International Group Limited ("WIT") at a consideration of HK\$120,000,000. WIT shall hold 49% equity interest in Nanning City Gas Co. Ltd., which is mainly engaged in the business of the construction and operation of the gas pipelines in Nanning, the PRC, and the provision of the related equipment, apparatus and other ancillary services. During the year, deposit of HK\$10,000,000 was made by the Group.

On 2 January 2003, the Company announces that there have been certain disputes between the Vendor and China Crystal relating to the satisfaction of the conditions of the Acquisition Agreement and the Company received a notice dated 20 December 2002 from the solicitors acting for the Vendor purporting to rescind the Acquisition Agreement and forfeit the deposit of HK\$10,000,000 paid by the Group upon signing of the Acquisition Agreement on 8 November 2002. China Crystal has, through its solicitors, issued written reply denying any breach of the Acquisition Agreement on the part of China Crystal and reiterated the right of China Crystal to receive the refund of the deposit in full under the terms of the Acquisition Agreement.

The Group will continue its attempt to negotiate with the Vendor to resolve the disputes and is considering appropriate action to take. Details of these are set out in the announcement of the Company dated on 2 January 2003. The acquisition has not yet completed up to the report date.

17. 收購一家聯營公司之已付按金

年內，本公司之間接全資附屬公司 China Crystal Investment Limited (「China Crystal」) 與第三方(「賣方」) 訂立收購協議(「收購協議」)，藉以按 120,000,000 港元之代價，收購 WIT International Group Limited (「WIT」) 全部已發行股本之 63%。WIT 將會持有南寧管道燃氣有限責任公司之 49% 股權。南寧管道燃氣有限責任公司之主要業務為在中國南寧城市燃氣管道之建設及營運，以及提供有關設備、儀器和和其他配套服務。年內，本集團支付按金 10,000,000 港元。

於二零零三年一月二日，本公司宣佈賣方與 China Crystal 就履行收購協議條件方面出現爭議，本公司接獲賣方律師於二零零二年十二月二十日發出之通知，宣稱撤銷收購協議，並沒收本集團於二零零二年十一月八日簽訂收購協議時支付之 10,000,000 港元定金。China Crystal 已透過其律師發出書面回覆，否認 China Crystal 有任何違反收購協議之行為，並重申根據收購協議之條款，China Crystal 有權收回全數定金。

本集團將繼續與賣方協商以調解爭議，並考慮須要採取之適當行動。該等事項之詳情載於本公司於二零零三年一月二日刊發之公佈內。截止本報告日期收購尚未完成。

18. INVESTMENTS IN SECURITIES

18. 證券投資

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Trading securities	交易證券		
Equity securities Listed in Hong Kong, at market price	股本證券 於香港上市(按市價)	14	7
Club debenture	會所債券	467	467

19. INVENTORIES

19. 存貨

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Raw materials	原料	10,154	13,581
Work in progress	在製品	240	511
Finished goods	製成品	14,320	27,627
		24,714	41,719

Included above are finished goods of HK\$14,137,000 (2002: HK\$16,343,000) carried at net realisable value.

上述包括製成品可變現淨值14,137,000港元(二零零二年: 16,343,000港元)。

20. PROPERTIES UNDER DEVELOPMENT HELD FOR SALE

20. 持作出售用途之發展中物業

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
At 1 April	於四月一日	13,380	55,000
Additions	添置	-	1,706
Disposal of subsidiaries	出售附屬公司	(13,380)	-
Impairment loss recognised	已確認減值虧損	-	(43,326)
At 31 March	於三月三十一日	-	13,380

The properties were situated in Hong Kong and held under medium-term leases and were disposed of during the year as a result of the disposal of subsidiaries.

該等物業位於香港，以中期租賃持有，因出售附屬公司而於本年度售出。

21. PROPERTIES HELD FOR SALE

21. 持作出售用途之物業

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
At 1 April	於四月一日	-	-
Transfer from property, plant and equipment (note 14)	轉撥自物業、廠房及設備 (附註14)	6,500	-
At 31 March, at net realisable value	於三月三十一日，按可變現淨值	6,500	-

The properties held for sale were situated in Hong Kong under medium-term leases. The properties held for sale were pledged to banks to secure general banking facilities to the Group.

持作出售用途之物業均位於香港，乃根據中期租賃持有。持作出售用途之物業已抵押予銀行，以獲取授予本集團之一般銀行融資。

22. LOANS RECEIVABLE

22. 應收貸款

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Unsecured	無抵押	-	2,250
Less: Allowance for doubtful debts	減：呆壞賬撥備	-	(2,028)
		-	222

Loans receivable bore interest ranging from 6% to 7.125% per annum.

應收貸款乃按年息6厘至7.125厘之間計息。

23. AMOUNTS DUE FROM ASSOCIATES

23. 應收聯營公司款項

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Amounts due from associates	應收聯營公司款項	88,363	72,776
Less: Allowance	減：撥備	(88,363)	(60,000)
		-	12,776

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

該等金額為無抵押、免息及須於通知時償還。

24. AMOUNTS DUE FROM (TO) MINORITY SHAREHOLDERS

24. 應收(應付)少數股東款項

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Amounts due from minority shareholders	應收少數股東款項	1,664	1,924
Less: Allowance	減:撥備	(1,664)	-
		-	1,924
Amounts due to minority shareholders	應付少數股東款項	(6,599)	(5,635)

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

該等金額為無抵押、免息及須於通知時償還。

25. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

25. 應收(應付)合約工程客戶款項

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Contracts in progress at the balance sheet date:	於結算日進行之合約:		
Contract costs incurred	已產生之合約成本	-	23,092
Recognised profits less recognised losses	確認盈利減確認虧損	-	1,161
		-	24,253
Progress billings	進度賬單	-	(24,569)
		-	(316)
Analysed for reporting purposes as:	為呈報目的作出分析如下:		
Due from customers included in current assets	列入流動資產之應收客戶款項	-	246
Due to customers included in current liabilities	列入流動負債之應付客戶款項	-	(562)
		-	(316)

26. TRADE RECEIVABLES

The Group does not have a fixed credit policy.

The following is an aged analysis of trade receivables at the reporting date:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Within 60 days	60日內	15,469	23,131
61 – 90 days	61 – 90日	8,179	6,437
Over 90 days	超過90日	25,494	24,727
		49,142	54,295

27. TRADE PAYABLES

The following is an aged analysis of trade payables at the reporting date:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Within 60 days	60日內	4,433	9,096
61 – 90 days	61 – 90日	1,280	1,904
Over 90 days	超過90日	36,041	24,090
		41,754	35,090

26. 應收貿易賬款

本集團並無固定信貸政策。

於呈報日期之應收貿易賬款之賬齡分析如下：

27. 應付貿易賬款

於呈報日期之應付貿易賬款之賬齡分析如下：

28. AMOUNTS DUE TO RELATED COMPANIES

Details of the amounts due to related companies are as follows:

		Notes 附註	The Group 本集團	2002 HK\$'000 千港元
			2003 HK\$'000 千港元	
Hanny Magnetics Limited	錦興磁訊有限公司	(i)	244	—
Hong Kong Wing On Travel Service Limited	香港永安旅遊有限公司	(ii)	36	—
Mass Success International Limited ("Mass Success")	Mass Success International Limited (「Mass Success」)	(iii)	766	—
Paul Y. – Building Management Limited	保華物業管理有限公司	(i)	18	—
Paul Y. – ITC Management Limited	保華德祥管理有限公司	(i)	1	—
			1,065	—

28. 應付關連公司款項

應付關連公司款項之詳情如下：

All amounts are unsecured, non-interest bearing and repayable on demand.

Notes:

- (i) The companies are wholly-owned subsidiaries of the substantial shareholders of the Company's substantial shareholder.
- (ii) The company is a wholly-owned subsidiary of an associate of the Company's substantial shareholder.
- (iii) Mass Success is a company in which a director of the Company is a director of Mass Success.

所有款項均為無抵押、免息及須於通知時償還。

附註：

- (i) 該等公司均為本公司主要股東之主要股東之全資附屬公司。
- (ii) 該公司為本公司主要股東一家聯營公司之全資附屬公司。
- (iii) Mass Success其中一名董事亦為本公司之董事。

29. BANK BORROWINGS

29. 銀行借貸

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Bank overdraft	銀行透支	9,166	4,334
Bank loans	銀行貸款	82,531	72,809
		91,697	77,143
Secured	有抵押	74,417	54,331
Unsecured	無抵押	17,280	22,812
		91,697	77,143
Repayable as follows:	須於下列期間償還:		
Within one year	一年內	91,697	71,073
Between one to two years	一至兩年	-	2,996
Between two to five years	二至五年	-	2,964
Over five years	五年以上	-	110
		91,697	77,143
Less: Amount due within one year shown under current liabilities	減: 列為流動負債並須 於一年內償還之金額	(91,697)	(71,073)
		-	6,070

The Group was in breach of a covenant in respect of certain banking facilities. As event of default had arisen under the loan agreements, certain amount of the loans had become repayable on demand and classified under current liabilities.

本集團違反若干銀行融資之一項契約條款，由於貸款協議出現違約事件，若干部分貸款已變成須於提出要求時償還，並歸類為流動負債。

30. OTHER BORROWINGS

30. 其他借貸

		The Group 本集團		The Company 本公司	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元
		Notes 附註			
Convertible loan	可換股貸款	(i)	92,302	92,302	-
- unsecured	- 無抵押				-
Loan from a financial institution in the PRC	來自中國一間財務機構之貸款	(ii)	34,729	40,238	-
Loans from employees	來自僱員之貸款	(iii)	751	-	-
Other short-term loans	其他短期貸款	(iv)	3,860	63,860	-
			131,642	196,400	60,000
Secured	有抵押		34,729	100,238	60,000
Unsecured	無抵押		96,913	96,162	-
			131,642	196,400	60,000

All amounts are repayable within one year or repayable on demand.

所有款項須於一年內償還，或於提出要求時償還。

Notes:

- (i) In 1997, an unsecured convertible loan of US\$12,000,000 ("Loan") which is repayable on demand and carries interest at the rate of 9.8% per annum compounded annually for a term of six years was advanced by Simonson International Development Limited ("Simonson"), a wholly-owned subsidiary of ING Beijing Investment Company Limited ("ING"), an independent third party, to Companion-China Limited, a wholly-owned subsidiary of the Company. The Loan and the accrued interest thereon will, at the option of the convertible noteholder, be convertible into fully paid ordinary shares of the Company at a conversion price calculated at 90% of the average closing price of the shares of the Company quoted on the Stock Exchange for the twenty trading days immediately preceding the date of the notice under the terms and conditions of the convertible loan deed, details of which are set out in the circulars to the shareholders of the Company dated 13 May 1997 and 20 December 2000.

By an assignment executed on 18 February 2002, Simonson assigned to Perfect Master Limited ("PML"), a wholly-owned subsidiary of ING, an independent third party, the Loan and all related rights and interest. On the same date, the entire issued share capital of PML and the Loan were then sold to Galaxy Time Limited, a company held by New World Enterprise Holdings Limited. Details of which are set out in the announcement of Company dated 18 February 2002.

附註:

- (i) 於一九九七年，獨立第三者(ING北京投資有限公司)(「ING」)全資附屬公司Simonson International Development Limited(「Simonson」)向本公司之全資附屬公司友聯中國有限公司借出須於提出要求時償還、為期六年，每年按9.8厘計算複合利息之無抵押可換股貸款12,000,000美元(「該項貸款」)。該可換股貸款持有人有權選擇按可換股貸款契據之條款及條件，以本公司股份在緊接發出有關通知書前二十個交易日在聯交所所報之平均收市價90%計算之轉換價，將該項貸款及其應計利息全部轉換為本公司已繳足普通股份。有關詳情載於本公司於一九九七年五月十三日及二零零零年十二月二十日致股東之通函內。

根據於二零零二年二月十八日簽立之轉讓協議，Simonson已將該項貸款及所有相關權益及利息轉讓予一獨立第三方Perfect Master Limited(「PML」)(為ING之全資附屬公司)。於當日，PML全部已發行股本及該項貸款已隨後售予新世界實業控股有限公司持有之公司Galaxy Time Limited，有關詳情載於日期為二零零二年二月十八日本公司刊發之公佈內。

30. OTHER BORROWINGS (cont'd)

The Group failed to repay certain part of the Loan, resulting in whole outstanding principal sum of US\$11.9 million repayable on demand. The conversion option to convert the Loan and the accrued interest into fully paid ordinary share of the Company lapsed on 25 June 2003 but all other rights attaching to the Loan continue to subsist.

- (ii) The amounts were secured, interest bearing at 10.8% per annum and repayable on demand.
- (iii) The amounts were unsecured, interest bearing at 0.8% per month and repayable on demand.
- (iv) The amounts were unsecured, interest bearing at 2% plus prime rate per annum and repayable on demand.

30. 其他借貸 (續)

本集團未能償還若干部分貸款，致使未償還本金總額變為11,900,000美元，須於提出要求時償還。將貸款及應計利息兌換為本公司繳足股款普通股之換股權已於二零零三年六月二十五日失效，惟該項貸款所附帶之所有其他權利則繼續生效。

- (ii) 該等款項乃有抵押，按每年10.8%計息且須於提出要求時償還。
- (iii) 該等款項乃無抵押，按每月0.8%計息且須於提出要求時償還。
- (iv) 該等款項乃無抵押，按每年2%加最優惠利率計息且須於提出要求時償還。

31. SHARE CAPITAL

31. 股本

		Number of shares 股份數目	Value HK\$'000 價值 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each at 1 April 2001 and 1 April 2002	於二零零一年四月一日及二零零二年 四月一日每股面值0.01港元之普通股	30,000,000,000	300,000
Additions (note a)	增加 (附註a)	30,000,000,000	300,000
Share consolidation (note e)	股份合併 (附註e)	(58,500,000,000)	-
Ordinary share of HK\$0.40 each at 31 March 2003	於二零零三年三月三十一日 每股面值0.40港元之普通股	1,500,000,000	600,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.01 each at 1 April 2001 and 1 April 2002	於二零零一年四月一日及二零零二年 四月一日每股面值0.01港元之普通股	1,450,612,577	14,506
Issue of shares (note b)	股份發行 (附註b)	45,000,000,000	450,000
Exercise of warrants (note c)	行使認股權證 (附註c)	3,658	-
Exercise of share options (note d)	行使購股權 (附註d)	5	-
Share consolidation (note e)	股份合併 (附註e)	(45,289,350,834)	-
Ordinary shares of HK\$0.40 each at 31 March 2003	於二零零三年三月三十一日 每股面值0.40港元之普通股	1,161,265,406	464,506

31. SHARE CAPITAL (cont'd)

During the year ended 31 March 2003, the movement of share capital is as follows:

Notes:

- (a) Pursuant to an ordinary resolution passed at a special general meeting of the Company held on 15 August 2002, the authorised share capital of the Company was increased from HK\$300,000,000 to HK\$600,000,000 by the creation of an additional 30,000,000,000 ordinary shares of HK\$0.01 each.
- (b) The Company issued and allotted 20,000,000,000 and 25,000,000,000 ordinary shares of HK\$0.01 each in the Company for cash at HK\$0.01 per share pursuant to a subscription agreement and a placing agreement both dated 4 June 2002 respectively. The shares issued rank pari passu with the then existing shares in issue in all respects. The total net proceeds of approximately HK\$441,600,000 will be used for funding suitable investments in natural gas or energy-related products or other appropriate investment projects which may offer growth and development potential to the Group in the long run and additional working capital of the Group.
- Details are set out in the announcement of the Company dated 7 June 2002.
- (c) Certain registered warrant holders exercised their rights to subscribe for 3,658 ordinary shares of HK\$0.01 each in the Company at HK\$0.20 per share.
- (d) The Company issued and allotted 5 ordinary shares of HK\$0.01 each in the Company for cash at HK\$0.012 per share as a result of the exercise of share options.
- (e) Pursuant to an ordinary resolution passed at a special general meeting of the Company held on 17 March 2003, every forty ordinary shares of HK\$0.01 each in the issued and unissued share capital was consolidated into one ordinary share of HK\$0.40 each. The nominal value of the issued and unissued shares after the consolidation of shares were increased from HK\$0.01 to HK\$0.40 each. Details of these were set out in the announcement and circular of the Company dated 22 January 2003 and 21 February 2003 respectively.

31. 股本(續)

於截至二零零三年三月三十一日止年度，股本變動如下：

附註：

- (a) 根據本公司於二零零二年八月十五日舉行之股東特別大會所通過之普通決議案，本公司藉增設30,000,000,000股每股面值0.01港元之普通股，將法定股本由300,000,000港元增至600,000,000港元。
- (b) 本公司分別根據兩份於二零零二年六月四日訂立之認購協議及配售協議按每股0.01港元之價格，發行及配發本公司每股面值0.01港元之普通股20,000,000,000股及25,000,000,000股以換取現金。所發行之股份在各方面均與當時既有股份享有同等地位。總所得款項淨額約441,600,000港元，將用作資助天然氣或能源相關產品之適當投資或其他合適投資項目，該等項目或會為本集團帶來長遠增長及發展潛力，及撥作本集團額外營運資金。
- 有關詳情載於本公司於二零零二年六月七日刊發之公佈內。
- (c) 若干登記認股權證持有人行使彼等之權利按每股0.20港元認購本公司3,658股每股面值0.01港元之普通股。
- (d) 因購股權獲行使，本公司按每股0.012港元之價格，發行及配發每股面值0.01港元之普通股5股以換取現金。
- (e) 根據本公司於二零零三年三月十七日舉行股東特別大會上通過之普通決議案，本公司已發行及未發行股本中每四十股每股面值0.01港元之普通股被合併為一股面值0.40港元之普通股。股份合併後，已發行及未發行股份之面值由每股0.01港元增至每股0.40港元。該等詳情分別載於本公司於二零零三年一月二十二日刊發之公佈及於二零零三年二月二十一日刊發之通函內。

32. WARRANTS

On 14 August 2000, the Company issued 2,490,973,075 unit of warrants to the shareholders on the basis of one bonus warrant for every five existing shares held on 14 August 2000 conferring rights to subscribe in cash for new shares of HK\$0.01 each at the initial subscription price of HK\$0.02 per share at any time from 14 August 2001 up to and including 13 August 2002.

On 25 August 2000, registered holders of the warrants exercised their rights to subscribe for 51,260,400 ordinary shares of HK\$0.01 each in the Company at HK\$0.02 per share.

As a consequence of the share consolidation on 26 February 2001, the subscription price for new shares of HK\$0.01 each under the terms of the warrants was adjusted upwards to HK\$0.20 per new share.

During the year, 3,658 warrants were exercised. At 31 March 2003, the Company had no outstanding warrants after the expiry date on 13 August 2002. At 31 March 2002, the Company had outstanding 2,439,712,675 units of warrants carrying rights to subscribe for 243,971,267 ordinary shares.

32. 認股權證

於二零零零年八月十四日，本公司發行 2,490,973,075 份認股權證予股東，基準為於二零零零年八月十四日每持有 5 股現有股份獲派 1 份紅利認股權證。每份紅利認股權證賦予持有人權利自二零零一年八月十四日至二零零二年八月十三日（包括當日）期間隨時按初步認購價每股 0.02 港元以現金認購每股面值 0.01 港元之新股份。

於二零零零年八月二十五日，認股權證之註冊持有人行使其權利，按每股 0.02 港元認購本公司 51,260,400 股每股面值 0.01 港元之普通股。

鑑於二零零一年二月二十六日之股份合併，每股面值 0.01 港元新股份之認購價按照認股權證之條款予以上調至每股新股份 0.20 港元。

年內，3,658 份認股權證獲行使。於二零零三年三月三十一日，本公司於二零零二年八月十三日之到期日後並無尚未行使之認股權證。於二零零二年三月三十一日，本公司有 2,439,712,675 份尚未行使之認股權證，附有權利可認購 243,971,267 股普通股。

33. SHARE OPTIONS

1998 Scheme

The Company's share option scheme ("1998 Scheme") was adopted pursuant to a resolution passed on 13 October 1998 and became effective on 24 December 1999 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 27 August 2003. The 1998 Scheme was terminated on 17 March 2003. Under the 1998 Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares of the Company in respect of which options may be granted under the 1998 Scheme is not permitted to exceed 10% in nominal amount of the issued share capital of the Company from time to time less: (i) the aggregate number of shares of the Company which have been duly allotted and issued pursuant to the 1998 Scheme; (ii) the number of shares of the Company which would be issued on the exercise in full of the options granted but not exercised on that date pursuant to the 1998 Scheme; and (iii) the number of shares of Companion Building Material (Holdings) Limited ("CBM") which have been duly allotted and issued pursuant to the share option scheme of CBM. The shares of CBM were previously listed on Hong Kong Stock Exchange. Pursuant to a scheme of arrangement between CBM and its shareholders, CBM became an indirectly wholly owned subsidiary of the Company and its shares were withdrawn from listing on the Hong Kong Stock Exchange and the shares of the Company are listed on the Hong Kong Stock Exchange with effect from 24 December 1999. The number of shares of the Company in respect of which options may be granted under the 1998 Scheme to any eligible employee (together with (i) the number of shares of the Company issued in respect of options of the Company which have been exercised by that eligible employee; (ii) any shares of the Company which would be issued upon the exercise of outstanding options of the Company granted to that eligible employee; and (iii) the number of shares of CBM issued in respect of options of CBM which have been exercised by that eligible employee), is not permitted to exceed 25% of the maximum aggregate number of shares of the Company subject to the 1998 Scheme at the time it is proposed to grant the relevant option to such eligible employee.

33. 購股權

一九九八年計劃

本公司乃根據一九九八年十月十三日通過之決議案採納購股權計劃(「一九九八年計劃」),並於一九九九年十二月二十四日生效,主要目的為向董事及合資格僱員提供鼓勵。一九九八年計劃將於二零零三年八月二十七日屆滿。一九九八年計劃於二零零三年三月十七日終止。根據一九九八年計劃,董事會可向合資格僱員(包括本公司及其附屬公司之董事)授出購股權,以認購本公司之股份。

根據一九九八年計劃可能授出之購股權所涉及之本公司股份總數不得超過本公司不時已發行股本面值之10%減:(i)根據一九九八年計劃正式配發及發行之本公司股份總數;(ii)因悉數行使所獲授但於該日尚未根據一九九八年計劃行使購股權而可能將予發行之本公司股份數目;及(iii)根據友聯建築材料(集團)有限公司(「友聯建材」)購股權計劃正式配發及發行之友聯建材股份數目。友聯建材股份早前曾於香港聯交所上市。根據友聯建材與其股東訂立之一項協議安排,友聯建材成為本公司之間接全資附屬公司,而其股份則已撤銷於香港聯交所上市,本公司股份則自一九九九年十二月二十四日起在聯交所上市。根據一九九八年計劃可能授予任何合資格僱員之購股權所涉及之本公司股份數目,連同(i)該合資格僱員已行使之本公司購股權所涉及之本公司已發行股份數目;(ii)因行使授予該合資格僱員之尚未行使本公司購股權而可能將予發行之本公司任何股份;及(iii)已獲該合資格僱員行使之友聯建材購股權所涉及之友聯建材已發行股份數目,不得超過於提呈授出有關購股權予該合資格僱員時,一九九八年計劃項下之本公司股份總數最高數目之25%。

33. SHARE OPTIONS (cont'd)

1998 Scheme (cont'd)

Consideration to be paid on each grant of option is HK\$10 and an offer for an option must be accepted by the eligible employee not later than 28 days after the offer date of option. Options granted may be exercised at any time from the date of grant of the share option to the third anniversary of the date of grant. The exercise price is determined by the directors of the Company, and shall not be less than the greater of (i) 80% of the average closing price of the Company's shares for the five trading days immediately preceding the offer date of the option; and (ii) the nominal value of the Company's share.

No options were granted under 1998 Scheme to the directors during the year and no options were held by the directors as at 31 March 2003. No options under 1998 Scheme were outstanding as at 31 March 2002.

A summary of movement of share options under 1998 Scheme for the year ended 31 March 2003 is as follows:

Employees 僱員		Exercise* price HK\$	Number of share under option 根據購股權可認購之股份數目			
Date of grant 授出日期	Exercisable period 行使期		Outstanding at 1.4.2002 於二零零二年 四月一日 未獲行使	Granted during the year 年內授出	Exercised during the year 年內獲行使	Outstanding at 31.3.2003 於二零零三年 三月三十一日 未獲行使
14.2.2003 二零零三年 二月十四日	14.2.2003 – 13.8.2003 二零零三年二月十四日至 二零零三年八月十三日	0.012	–	5	(5)	–

The closing price of the shares of the Company on 13 February 2003 immediately before the date on which the options were granted was HK\$0.01. The closing price of the shares of the Company on the date of exercise was HK\$0.01.

Total consideration received during the year from employee for taking up the options granted was HK\$10. No charge is recognised in the income statement in respect of the value of options granted during the year.

* As the options were granted and exercised before the share consolidation of the Company became effective, no adjustments were required to be made on the exercise price.

33. 購股權(續)

一九九八年計劃(續)

每次獲授購股權須支付之代價為10港元，合資格僱員須於購股權授出日期後起計28日內接納授出購股權之建議。所授之購股權可於授出購股權日期起至授出日期三週年期間內隨時行使。行使價由本公司董事釐定，且價格不得低於(i)本公司股份於緊接購股權授出日期前五個交易日之平均收市價80%；及(ii)本公司股份面值(以較高者為準)。

年內並無根據一九九八年計劃向董事批授任何購股權，董事於二零零三年三月三十一日亦無持有任何購股權。於二零零二年三月三十一日，一九九八年計劃項下並無任何尚未行使之購股權。

一九九八年計劃項下之購股權於截至二零零三年三月三十一日止年度之變動概述如下：

本公司股份於二零零三年二月十三日緊接購股權授出日期前之收市價為0.01港元。本公司股份於行使日之收市價為0.01港元。

年內，來自僱員認購獲授之購股權之總代價為10港元。收益表內概無就年內授出之購股權價值確認任何金額。

* 由於購股權乃於本公司股份合併生效前授出及行使，故毋須對行使價作出任何調整。

33. SHARE OPTIONS (cont'd)

2003 Scheme

A new share option scheme ("2003 Scheme") was approved and adopted on 17 March 2003. The 2003 Scheme is valid and effective for a period of 10 years after the date of adoption.

The purpose of the 2003 Scheme is to enable the Company to grant options to any directors (including executive directors, non-executive directors and independent non-executive directors) of the Group and full-time or part-time employees (including executives or officers) of the Group and any advisors and consultants providing advisory, consultancy or other services to the Group, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group and those staff under secondment to the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group ("Participant") as incentives or rewards for their contribution to the Group and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

The maximum number of shares of the Company in respect of which options may be granted under the 2003 Scheme and other share option schemes of the Company is not permitted to exceed 30% in nominal amount of the issued share capital of the Company from time to time. The maximum number of shares in respect of which options may be granted to a specifically identified single grantee under the 2003 Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) in any 12 month period exceed 1 per cent. of the shares in issue.

33. 購股權(續)

二零零三年計劃

本公司已於二零零三年三月十七日批准及採納一項新購股權計劃(「二零零三年計劃」)。二零零三年計劃於採納日期後10年內有效。

採納二零零三年計劃之目的為讓公司向本集團任何董事(包括執行董事、非執行董事及獨立非執行董事)及本集團全職或兼職僱員(包括行政人員或高級職員)及任何向本集團、分銷商、承辦商、供應商、代理人、客戶、業務夥伴、合營企業業務夥伴、宣傳人員、本集團任何成員公司之服務供應商及董事會全權認為曾經、現正或將會對本集團作出貢獻之本集團借調員工(「參與人士」)提供顧問、諮詢或其他服務之任何顧問或諮詢人授出購股權,作為彼等對本集團作出貢獻之獎賞或獎勵,及鼓勵參與人士為提高本公司之價值及分佔本公司及其股東整體利益而努力。

根據二零零三年計劃及本公司其他購股權計劃可能授出之購股權而發行之本公司股份最高數目,不得超過本公司不時已發行股本面值之30%。根據向二零零三年計劃特別指明之單一承授人授出之購股權而發行之最高股份數目,於任何12個月期間內,連同本公司任何其他購股權計劃項下之任何股份,均不得超過已發行股份之1%。

33. SHARE OPTIONS (cont'd)

2003 Scheme (cont'd)

Where any grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled or outstanding) to such person in the 12 month period up to and including the date of grant:-

- (i) representing in aggregate over 0.1 per cent. of the shares in issue; and
- (ii) having an aggregate value, based on the closing price of the shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange on the date of grant, in excess of HK\$5 million.

such grant of options shall be subject to prior approval by resolution of the shareholders who are not connected persons of the Company pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange ("Listing Rules").

Consideration to be paid on each grant of option is HK\$1 and an offer remains open for acceptance by Participant concerned for a period of 28 days from date of grant or otherwise stated in the offer letter. The option period is a period to be notified by the board to each grantee at the time of making an offer which shall not expire later than ten years from the date of grant. The exercise price is determined by the directors of the Company, and shall not be less than the greater of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange on the date of grant; (ii) the average closing price of the shares of Company for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share of Company.

No options have been granted since the adoption of the 2003 Scheme.

33. 購股權 (續)

二零零三年計劃 (續)

倘向本公司一名主要股東或一名獨立非執行董事或彼等各自之聯繫人士授出購股權，可致使因行使向該名人士於截至授出日期前12個月（包括當日）已授出或將予授出之所有購股權（包括已行使、已註銷或未行使之購股權）而已發行或將予發行之股份：

- (i) 總數超過已發行股份之0.1%；及
- (ii) 根據股份於授出日期在聯交所所報之日報表所列之收市價計算，總值超過5,000,000港元，

則根據聯交所證券上市規則（「上市規則」）規定，授出購股權須取得並非為本公司關連人士之股東以決議案之方式事先批准。

每授出一份購股權應付之代價為1港元，認購建議於授出日期起計28天或認購建議函件所列明之任何其他期間內可由參與人士接納認購。認購期為於作出認購建議時董事會通知各承授人之期間，而該期間不得超過授出日期當日起計十年。行使價由本公司董事釐定，不得少於下列較高者：(i)股份於授出日期當日在聯交所所報之日報表所列之收市價；(ii)本公司股份緊接於授出日期前五個營業日之平均收市價；及(iii)本公司股份面值。

自採納二零零三年計劃以來概無授出任何購股權。

34. RESERVES

34. 儲備

		Share premium HK\$'000 股份溢價 千港元	Capital redemption reserve HK\$'000 資本贖回 儲備 千港元	Contributed surplus HK\$'000 繳入盈餘 千港元	Accumulated profits (losses) HK\$'000 累積溢利 (虧損) 千港元	Total HK\$'000 合計 千港元
THE COMPANY	本公司					
At 1 April 2001	於二零零一年四月一日	47,140	572	392,912	8,251	448,875
Net loss for the year	本年度虧損淨額	-	-	-	(488,943)	(488,943)
At 31 March 2002	於二零零二年三月三十一日	47,140	572	392,912	(480,692)	(40,068)
Net loss for the year	本年度虧損淨額	-	-	-	(78,645)	(78,645)
At 31 March 2003	於二零零三年三月三十一日	47,140	572	392,912	(559,337)	(118,713)

The contributed surplus of the Company represents the difference between the fair value of the share capital of Companion Building Material (Holdings) Limited whose shares were exchanged for the Company's shares and the nominal amount of the share capital issued by the Company pursuant to the scheme of arrangement on 24 December 1999.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- it is, or would after the payment be, unable to pay its liabilities as they become due; or
- the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

At the balance sheet date, the Company had no reserves available for distribution to shareholders.

本公司之繳入盈餘指友聯建築材料(集團)有限公司(其股份已換作本公司股份)股本公平價值與本公司於一九九九年十二月二十四日根據協議計劃發行之股本面值之差額。

根據百慕達一九八一年公司法(經修訂),本公司之繳入盈餘賬可供分派。然而,倘出現下列情況,本公司則不能宣派或派付股息,或自繳入盈餘中作出分派:

- 作出有關派付後無法或將會無法清償其到期之負債;或
- 有關分派會導致資產之可變現價值少於其負債及其已發行股本與股份溢價賬三者之總和。

於結算日,本公司並無儲備可供分派予股東。

35. DEFERRED TAXATION

35. 遞延稅項

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
At beginning of the year	年初	3	2,587
Disposal of subsidiaries	出售附屬公司	(3)	-
Credit for the year	本年度稅項抵免	-	(2,584)
At end of the year	年終	-	3

At the balance sheet date, the major components of the deferred taxation provided are as follows:

於結算日，已撥備遞延稅項包括下列主要項目：

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Tax effect of timing differences because of:	出現時差之稅務影響乃因：		
Excess of tax allowances over depreciation	免稅額多於折舊額	-	14
Tax effect of taxation losses	稅務虧損之稅務影響	-	(11)
		-	3

There were no material unprovided deferred taxation at the balance sheet date for the Group and the Company.

於結算日，本集團及本公司並無任何重大未撥備遞延稅項。

36. DISPOSAL OF SUBSIDIARIES

36. 出售附屬公司

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Net assets disposed of:	已出售資產淨值：		
Property, plant and equipment	物業、廠房及設備	3,109	-
Inventories	存貨	-	369
Properties under development held for sale	持作出售用途之發展中物業	13,380	-
Trade receivables, other debtors, deposits and prepayments	應收貿易賬款、其他應收賬款、 按金及預付款項	22,467	1,720
Amounts due from customers for contract work	應收合約工程客戶款項	246	-
Bank balances and cash	銀行結餘及現金	256	156
Rental deposits received	已收租賃定金	(580)	-
Trade payables, other creditors and accruals	應付貿易賬款、其他 應付賬款及預提費用	(2,549)	(2,158)
Amounts due to customers for contract work	應付合約工程客戶款項	(562)	-
Taxation payable	應付稅項	(20)	-
Minority interests	少數股東權益	-	(26)
Bank borrowings	銀行借貸	(740)	-
Deferred taxation	遞延稅項	(3)	-
		35,004	61
(Loss) gain on disposal	出售(虧損)收益	(6,554)	189
Release of capital reserve on consolidation	於合併時解除資本儲備	(10)	-
		28,440	250
Satisfied by:	支付方式：		
Cash	現金	28,440	250

36. DISPOSAL OF SUBSIDIARIES (cont'd)

Net cash inflow arising on disposal of a subsidiaries:

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Cash consideration	現金代價	28,440	250
Bank balances and cash disposal of	出售之銀行結餘及現金	(256)	(156)
		28,184	94

The subsidiaries disposed of did not make a significant contribution to the net cash flows or the results of the Group for both years.

36. 出售附屬公司 (續)

出售附屬公司產生之現金流入淨額：

已出售之附屬公司於該兩個年度內並未對本集團之現金流量淨額或業績作出重大貢獻。

37. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2003, property, plant and equipment with net book value of HK\$6,500,000 were transferred to properties held for sale.

During the year ended 31 March 2002, interests in associates had been reclassified to investments in securities. These investments in securities had been transferred to a trade creditor to set off an amount of HK\$17,327,000 due to such trade creditor based on the estimated fair value of these securities as at 31 March 2002.

37. 主要非現金交易

截至二零零三年三月三十一日止年度，賬面淨值為6,500,000港元之物業、廠房及設備轉為持作出售用途之物業。

截至二零零二年三月三十一日止年度，所佔聯營公司之權益已重新列作證券投資。該等證券投資已轉讓予一貿易債權人，根據該等證券於二零零二年三月三十一日之估計公平價值計算，藉以抵銷欠付該貿易債權人之17,327,000港元款項。

38. RELATED PARTY TRANSACTIONS

During the year, the Group had transactions with the related parties:

Company 公司	Nature of transactions 交易性質	Notes 附註	2003 HK\$'000 千港元	2002 HK\$'000 千港元
Yixing United Ceramics Co., Ltd. 宜興聯合陶瓷有限公司	Sale of ceramic tiles by the Group 本集團銷售瓷磚	(i)	4,332	127
	Disposal of plant and machinery by the Group 本集團出售廠房及機器	(i)	6,552	—
	Purchase of ceramic tiles by the Group 本集團購買瓷磚	(i)	41,582	24,583
Mass Success International Limited ("Mass Success")	Consultancy fee paid by the Group 本集團支付顧問費	(ii)	961	—
Cycle Company Limited and Gunnell Properties Limited 旋高有限公司及 Gunnell Properties Limited	Rental deposits paid by the Group 本集團支付租賃定金	(iii)	247	—
	Rental expenses paid by the Group 本集團支付租賃開支	(iii)	288	—
	Management fee paid by the Group 本集團支付管理費	(iii)	106	—
Paul Y. – ITC General Contractors Limited 保華德祥營造有限公司	Sale of ceramics tiles by the Group 本集團銷售瓷磚	(iii)	259	—

38. 關連人士交易

本年度內，本集團與以下各關連方進行交易：



38. RELATED PARTY TRANSACTIONS (cont'd)

Notes:

- (i) Yixing United Ceramics Co., Ltd. is an associate of the Group.
- (ii) Mass Success is a company in which a director of the company is a director of Mass Success.
- (iii) Cycle Company Limited and Gunnel Properties Limited and Paul Y. – ITC General Contractors Limited are wholly-owned subsidiaries of the substantial shareholders of the Company's substantial shareholders.

In the opinion of the directors, the above transactions were undertaken in the ordinary course of business and the terms were mutually agreed between the Group and the related parties with reference to the market price.

Details of balances with related parties at the balance sheet date are set out in notes 23, 24, and 28.

38. 關連人士交易 (續)

附註:

- (i) 宜興聯合瓷磚有限公司乃本集團之聯營公司。
- (ii) Mass Success乃本公司一名董事亦兼任其董事之公司。
- (iii) 旋高有限公司、Gunnel Properties Limited及保華德祥營造有限公司為本公司主要股東之主要股東旗下之全資附屬公司。

董事認為，上述交易乃於一般業務過程中按本集團與關連人士雙方議定之條款參照市價進行。

於結算日與關連人士之結餘詳情載於附註23、24及28。

39. CONTINGENT LIABILITIES

At balance sheet date, the contingent liabilities of the Group and the Company not provided for in the financial statements are set out as follows:

		The Group 本集團		The Company 本公司	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元
Corporate guarantee given to bankers in respect of banking facilities utilised by – an associate	為下列公司取得銀行融資而作出之公司擔保 – 聯營公司	10,268	10,268	–	–
– subsidiaries	– 附屬公司	–	–	92,302	126,026
Other corporate guarantee (in lieu of utility deposit)	其他公司擔保 (以代替公用事業保證金)	–	540	–	–
Interests on overdue loan unprovided	未撥備之逾期貸款利息	–	4,237	–	–

39. 或然負債

本集團及本公司於結算日並無在財務報表撥備之或然負債如下：

40. LEASE COMMITMENTS

The Group as lessee

The Group made approximately HK\$2,115,000 (2002: HK\$16,082,000) minimum lease payments under operating lease during the year in respect of office premises and warehouse.

At balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Within one year	一年內	1,551	13,281
In the second to fifth year	第二至第五年內	646	10,048
		2,197	23,329

40. 租賃承擔

本集團作為承租人

年內，本集團根據辦公室物業及倉庫經營租賃之最低租賃合約付款約為2,115,000港元(二零零二年：16,082,000港元)。

於結算日，本集團根據不可撤銷之租用物業經營租賃之未來最低租賃合約付款承擔於下列期間到期：

40. LEASE COMMITMENTS (cont'd)

The Group as lessee (cont'd)

Operating lease payments represent rentals payable by the Group for its office premises and warehouse. Leases are mainly negotiated for an average term of three years and rentals are fixed for an average term of three years.

The Group as lessor

Property rental income during the year was HK\$380,000 (2002: HK\$300,000). The properties have no committed tenants.

At balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

		The Group	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	—	300
In the second to fifth year	第二至第五年內	—	875
		—	1,175

40. 租賃承擔 (續)

本集團作為承租人 (續)

經營租賃付款指本集團就辦公室大樓及倉庫支付之租金。租約主要經磋商訂立，平均為期三年，而租金則平均於三年內保持不變。

本集團作為出租人

年內，物業租金收入為380,000港元（二零零二年：300,000港元）。物業並無固定租戶。

於結算日，本集團與租戶已訂立須支付以下未來最低租金之合約：

41. PLEDGE OF ASSETS

At the balance sheet date, the Group had pledged the following assets to secure bank and other borrowings facilities granted to the Group:

		Notes 附註	2003 HK\$'000 千港元	2002 HK\$'000 千港元
Bank deposits	銀行存款	(i)	26,593	—
Properties held for sale	持作出售用途之物業	(i)	6,500	—
Property, plant and equipment	物業、廠房及設備	(i)	96,744	110,779
Investment in securities	證券投資	(ii)	16,457	17,327
Trade receivables	應收貿易賬款	(iii)	14,292	—
			160,586	128,106

Notes:

- (i) The assets were pledged to secure the banking facilities and other borrowings of the Group.
- (ii) The investment in securities with market value of HK\$16,457,000 (2002: HK\$17,327,000) were pledged and transferred to margin loan payable included in other payable to set off the amount of margin loan payables of HK\$21,482,000 (2002: HK\$17,327,000)
- (iii) The trade receivables were pledged to a bank to secure the banking facilities granted to the Group.

41. 資產抵押

於結算日，本集團已抵押下列資產，以獲得授予本集團之銀行及其他借貸融資：

	Notes 附註	2003 HK\$'000 千港元	2002 HK\$'000 千港元
銀行存款	(i)	26,593	—
持作出售用途之物業	(i)	6,500	—
物業、廠房及設備	(i)	96,744	110,779
證券投資	(ii)	16,457	17,327
應收貿易賬款	(iii)	14,292	—
		160,586	128,106

附註：

- (i) 該等資產已抵押以獲取授予本集團之銀行融資及其他借貸。
- (ii) 該等市值為16,457,000港元(二零零二年：17,327,000港元)之證券投資乃抵押及撥入其他應付款項所包含之應付保證金貸款，以對銷應付之保證金貸款21,482,000港元(二零零二年：21,482,000港元)。
- (iii) 該等應收貿易賬款抵押予銀行，以獲取授予本集團之銀行融資。

42. RETIREMENT BENEFITS SCHEMES

- (a) The Group has maintained defined contribution provident fund schemes for its Hong Kong employees. The scheme assets of the first scheme are being held under a provident fund operated by The Prudential Assurance Company Limited with BOCI-Prudential Trustee Limited as Trustees (the "Old ORSO Scheme"). The second one is operated by CMG Asia Pensions and Retirement Limited with Butterfield Trust (Hong Kong) Limited as Trustees (the "New ORSO Scheme").

The Group is required to make contributions to the above schemes calculated at 5% of the employees' basic salaries and commissions on a monthly basis. The Old ORSO Scheme was granted an exemption from the Mandatory Provident Fund Schemes Authority on 20 July 2000. Under the Old ORSO Scheme, the employees are entitled to 100% of the employers' contributions and the accrued interest after 12 years of completed service, or at a vesting scale of between 30% and 100% after completion of 5 to 12 years' service. With effect from 1 October 2000, the Group participates in the New ORSO Scheme, which was granted an exemption from the Mandatory Provident Fund Schemes Authority on 22 June 2001. Under the New ORSO Scheme, the employees are entitled to 100% of the employers' contributions and the accrued interest after 10 years of completed service, or at a vesting scale of between 30% to 100% after completion of 3 to 10 years' service. The forfeited contributions and related accrued interest can be used to reduce the employers' contributions. The principal deed and the rules of the above provident fund schemes were amended accordingly to comply with the rules of the Mandatory Provident Fund Scheme Ordinance.

The employees entitled to the defined contribution provident fund schemes before 1 December 2000 were allowed an option between joining the mandatory provident fund or continuing to making contributions to the New ORSO Scheme. All newly employed employees are required to join the mandatory provident fund scheme or the New ORSO Scheme. The Group is required to make contributions to either of the two schemes according to the employees' options.

42. 退休福利計劃

- (a) 本集團為香港僱員設有定額供款公積金計劃。首個計劃之計劃資產由英國保誠保險有限公司管理之公積金持有，並由BOCI-Prudential Trustee Limited擔任受託人(「舊職業退休計劃」)。第二個計劃由CMG Asia Pensions and Retirement Limited管理，受託人則為Butterfield Trust (Hong Kong) Limited(「新職業退休計劃」)。

本集團須每月按僱員底薪及佣金之5%就上述計劃供款。於二零零零年七月二十日，舊職業退休計劃獲強制性公積金計劃管理局豁免。根據舊職業退休計劃，僱員服務滿十二年後，可取回100%僱主供款及累計利息，倘服務年期為五年至十二年，則可按賦予比率30%至100%取回該等款項。本集團自二零零零年十月一日起參加新職業退休計劃，該計劃於二零零一年六月二十二日獲強制性公積金計劃管理局豁免。根據新職業退休計劃，僱員服務滿十年後，可取回100%僱主供款及累計利息，倘服務年期為三年至十年，則可按賦予比率30%至100%取回該等款項。被沒收之供款及有關累計利息可用作扣減僱主之供款額。上述公積金計劃之主要契據及規則已作相應修訂，以符合強制性公積金計劃條例之規則。

於二零零零年十二月一日前參加定額供款公積金計劃之僱員，可以選擇參加強制性公積金計劃或繼續向新職業退休計劃供款。所有新聘僱員均須參加強制性公積金計劃或新職業退休計劃。本集團須根據僱員之選擇向兩項計劃之其中一項供款。

42. RETIREMENT BENEFITS SCHEMES (cont'd)

With effect from 1 December 2000, the Group also participates in a mandatory provident fund scheme. The scheme assets are held under a mandatory provident fund operate by CMG Asia Pensions and Retirement Limited. Under the scheme, the Group is required to make contributions to the scheme calculated at 5% of the employees' relevant income (as defined in the Mandatory Provident Fund Scheme Ordinance) on a monthly basis.

Certain employees in Hong Kong joined another mandatory provident fund scheme, in which the assets of the MPF scheme are held separately from those of the Group, with funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

At both balance sheet dates, there were no forfeited contributions available to offset future employees' contributions to the schemes.

- (b) Employees in subsidiaries in the PRC are members of the Central Pension Scheme operated by the PRC government. These subsidiaries are required to contribute a certain percentage of their payroll to the Central Pension Scheme to fund the benefits. The only obligation of the Group with respect to the Central Pension Scheme is the required contribution under the Central Pension Scheme.

42. 退休福利計劃(續)

自二零零零年十二月一日起，本集團參加強制性公積金計劃。計劃資產由CMG Asia Pensions and Retirement Limited管理之強制性公積金持有。根據計劃，本集團須每月按僱員之有關收入（定義見強制性公積金計劃條例）之5%就計劃供款。

若干香港僱員參加另一項強制性公積金計劃，該計劃之強積金計劃資產在信託人控制下與本集團之資金分開持有。本集團就有關工資成本之5%向該計劃供款，與僱員之供款額相同。

於兩個年度之結算日，本集團並無沒收供款以扣減僱主日後向計劃作出之供款。

- (b) 中國附屬公司之僱員乃中國政府管理之中央退休計劃之成員。該等附屬公司須就中央退休計劃繳交若干百分比之薪金作為供款。本集團於中央退休計劃之唯一義務，就是按中央退休計劃之規定供款。

43. LITIGATION

- (a) Companion-China Limited ("Companion-China"), a wholly-owned subsidiary of the Company, entered into a supply contract with a raw tiles manufacturer in Shenzhen on 17 May 1997. The contract was finally terminated due to the sub-standard raw tiles. On 2 June 1999, legal action was instituted by the manufacturers in the High Court of Hong Kong against Companion-China demanding the payment of outstanding contract sum of HK\$2,349,000. On 7 August 1999, Companion-China made a counterclaim against the manufacturer for loss and damages as a result of the sub-standard raw tiles.

On 20 December 1999, summary judgement was entered against Companion-China for the payment of outstanding contract sum in the sum of approximately HK\$1,860,000 and interests thereon. Companion-China lodged an appeal against such summary judgement and an unconditional leave was granted to Companion-China on 3 March 2000 to defend the action. If final judgment is entered against Companion-China, Companion-China may be obliged to pay the manufacturer a sum of approximately HK\$1,860,000 plus interests and costs. At the date of this report, there has been no further progress in respect of such action. As the outstanding contract sum of approximately HK\$1,860,000 was provided for in prior year, the Directors are of the opinion that there is unlikely to be any material adverse financial impact on the Group in the event that the final judgement is not in favour of Companion-China.

- (b) On 22 January 2002, Companion Finance Limited ("Companion Finance"), a wholly-owned subsidiary of the Company, issued a writ against Pang Siu Chung ("Mr. Pang") and Kwok Mun Nei, Candy and Leung Wai Hon (as guarantors) claiming payment of a sum of HK\$322,097 and further interest on the sum of HK\$300,000 at the daily rate of HK\$78 from 29 November 2001 to the date of payment, being the unpaid amount due from Mr. Pang to Companion Finance pursuant to a loan agreement dated 16 February 2001 made between Companion Finance and Mr. Pang, plus cost. At the date of this report, there has been no further progress in respect of such action. As the total amount including interest due from Mr. Pang has already been written off, the Directors are of the opinion that there is unlikely to be any material adverse financial impact on the Group in the event that the final judgement is not in favour of Companion finance.

43. 訴訟

- (a) 本公司全資附屬公司友聯中國有限公司(「友聯中國」)於一九九七年五月十七日與深圳一間生磚製造商簽訂一份供應合約。該合約最終因生磚質量未符水準而終止。於一九九九年六月二日,該製造商入稟香港高等法院向友聯中國採取法律行動,追討未償還合約金額約2,349,000港元。於一九九九年八月七日,友聯中國向該製造商提出反索償,追討生磚質量未符水準之損失及損害賠償。

於一九九九年十二月二十日,友聯中國遭受簡易判決,須支付未償還合約金額共約1,860,000港元,及有關之利息。友聯中國就該簡易判決提出上訴,並於二零零零年三月三日獲授予一項無條件許可就訴訟提出抗辯。倘友聯中國遭受最終敗訴,友聯中國可能有責任向該製造商支付約1,860,000港元,並連同利息及訟費。於本報告日期,上述訴訟並無進一步進展。因該為數約1,860,000港元之未償還合約金額於去年已作撥備,董事認為倘最終判決對友聯中國不利,亦不甚可能對本集團之財政狀況構成重大不利影響。

- (b) 於二零零二年一月二十二日,本公司全資附屬公司Companion Finance Limited(「Companion Finance」)向Pang Siu Chung(「Pang先生」)及Kwok Mun Nei, Candy及Leung Wai Hon(作為擔保人)發出令狀,索償322,097港元,以及一筆300,000港元之金額(由二零零一年十一月二十九日至支付日期按日息78港元計算之利息),即根據Companion Finance與Pang先生於二零零一年二月十六日訂立之一項貸款協議Pang先生結欠Companion Finance之未付款項另加訟費。於本報告日期,該等法律行動並無進展。因Pang先生應付款項之總額(包括利息)已撇銷,董事認為倘最終判決對Companion Finance不利,對本集團之財政狀況應該不會構成重大不利影響。

43. LITIGATION (cont'd)

(c) On 3 June 2002, legal action was instituted against Wenzhou Xishan United Ceramics Company Limited (溫州西山聯合陶瓷有限公司) ("Wenzhou Xishan") and Chongqing Golden Unity Ceramics Co., Ltd. (重慶金聯陶瓷有限公司) ("Chongqing Golden") as guarantor (both are subsidiaries of the Company) by China Huarong Asset Management Corporation, Hangzhou Office (中國華融資產管理公司杭州辦事處) ("China Huarong") claiming payment of a sum of RMB12,049,781, being the outstanding principal sum and interest of a loan due from Wenzhou Xishan to Industrial and Commercial Bank of China, Wenzhou Branch, Lucheng Sub-branch (中國工商銀行溫州市分行鹿城支行), who has assigned the said loan to China Huarong. On 8 August 2002, the Intermediate People's Court in the Wenzhou Municipality (the "Court") ruled against Wenzhou Xishan and Chongqing Golden under which a sum of RMB5,000,000 plus interests and costs shall be paid to China Huarong. On 5 December 2002, the Court gave a final judgement against Wenzhou Xishan and Chongqing Golden under which a sum of RMB5,000,000 plus interest and costs of RMB1,581,311 shall be paid to China Huarong. At the date of this report, such amounts have not been paid and no demand for payment has been received by the Group so far. The amount of RMB6,581,311 has been included in the Group's financial statements in respect of sums claims, the Directors are of the opinion that there will not be any material adverse impact on the Group.

44. POST BALANCE SHEET EVENTS

On 1 June 2003, an indirect wholly owned subsidiary of the Company, Dong Fang Gas (China) Limited, entered into a conditional agreement for the acquisition of 73% interest in Top Power Holdings Limited ("Top Power") at a consideration of HK\$80,000,000.

Top Power is an investment holding company incorporated in the British Virgin Islands and owns 70% equity interest in Beijing Continental Gas Co. Ltd. ("Beijing Gas"). Beijing Gas is a sino-foreign equity joint venture engaged in the business of natural gas supply, storage and related services.

Further details are set out in the Company's announcement and circular dated 5 June 2003 and 26 June 2003 respectively. As at the date of this report, the acquisition has not completed.

43. 訴訟(續)

(c) 於二零零二年六月三日，中國華融資產管理公司杭州辦事處(「中國華融」)向溫州西山聯合陶瓷有限公司(「溫州西山」)及重慶金聯陶瓷有限公司(「重慶金聯」)作為擔保人(均為本公司之附屬公司)提出法律訴訟，索償人民幣12,049,781元，即溫州西山欠中國工商銀行溫州市分行鹿城支行一筆貸款之未償還本金及利息，該行已將上述款項轉予中國華融。於二零零二年八月八日，溫州市中級人民法院(「法院」)作出判決，裁定溫州西山及重慶金聯向中國華融償還人民幣5,000,000元之款項另加利息及訟費。於二零零二年十二月五日，法院作出最終判決，裁定溫州西山及重慶金聯向中國華融償還人民幣5,000,000元之款項另加人民幣1,581,311元之利息及訟費。於本報告日期，該款項尚未支付，而本集團至目前為止概無收到還款之要求。本集團已於其財務報表就該索償總額人民幣6,581,311元列賬，董事認為對本集團不會構成重大不利影響。

44. 結算日後事項

於二零零三年六月一日，本公司之間接全資附屬公司Dong Fang Gas (China) Limited訂立一份有條件協議，藉以按80,000,000港元之代價，收購Top Power Holdings Limited (「Top Power」)之73%權益。

Top Power乃於英屬處女群島註冊成立之投資控股公司，擁有北京大陸燃氣有限公司(「北京燃氣」)之70%股權。北京燃氣乃一間中外合資經營企業，從事天然氣供應、儲存及有關服務之業務。

有關北京燃氣收購之進一步詳情載於本公司分別於二零零三年六月五日及二零零三年六月二十六日發表之公佈及通函內。於本報告發表日期，北京燃氣收購尚未完成。