

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2002

財務報表附註

截至二零零二年六月三十日止年度

25. SHARE CAPITAL

25. 股本

		Group and Company 本集團及本公司			
		2002 二零零二年		2001 二零零一年	
		No. of shares 股份數目 (‘000) (千股)	HK\$‘000 千港元	No. of shares 股份數目 (‘000) (千股)	HK\$‘000 千港元
Authorised:	法定：				
Beginning of year, ordinary shares of HK\$0.01 each	年初，每股 面值0.01港元 普通股	60,000,000	600,000	4,000,000	400,000
Increase in authorised capital (b)	增加法定 股本(b)	-	-	2,000,000	200,000
Subdivided each unissued share capital into 10 shares of HK\$0.01 each (c)(ii)	將每股未發行股本 分拆為10股每股 面值0.01港元之 股份(c)(ii)	-	-	54,000,000	-
Capital reduction of par value of HK\$0.01 each had been reduced to HK\$0.0002 each (j)	削減股本， 由每股面值 0.01港元減 至每股0.0002 港元(j)	-	(588,000)	-	-
Consolidation of every 50 shares to 1 share (i)	每50股合併為 1股股份(i)	(58,800,000)	-	-	-
End of year, ordinary shares of HK\$0.01 each	年終，每股 面值0.01港元	1,200,000	12,000	60,000,000	600,000
Issued and fully paid:	已發行並繳足股款：				
Beginning of year	年初	26,094,701	260,947	3,002,615	300,262
Issue of shares for acquisition of an associate (h)	因收購一間 聯營公司而 發行股份(h)	2,100,000	21,000	-	-
Consolidation of every 50 shares to 1 share (i)	每50股合併為 1股股份(i)	(27,630,807)	-	-	-
Issued upon settlement of convertible note (a)	因結算可換股 票據而發行(a)	-	-	125,000	12,500
Issued upon share placements (d)	因股份配售 而發行(d)	-	-	900,000	9,000
Issued upon settlement of debts (e)	因償還債務 而發行(e)	-	-	13,793,086	137,930
Issued at HK\$0.10 as consideration shares (f)	按0.10港元作為 代價股份發行(f)	-	-	1,374,000	137,400
Issued at HK\$0.01 as consideration shares (g)	按0.01港元作為代 價股份發行(g)	-	-	6,900,000	69,000
Capital reduction (c), (j)	削減股本(c)、(j)	-	(276,308)	-	(405,145)
End of year	年終	563,894	5,639	26,094,701	260,947



NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2002

25. SHARE CAPITAL (continued)

The following changes in the share capital of the company took place during the years ended 30 June 2001 and 2002:

- (a) On 19 July 2000, 125 million ordinary shares of HK\$0.10 each were converted by the convertible note holder, Mr. Lee Bing Kwong, at a price of HK\$0.10 per share.
- (b) On 22 September 2000, the authorised share capital of the company was increased from HK\$400,000,000 to HK\$600,000,000 by creation of an additional 2,000,000,000 new ordinary shares of HK\$0.10 each ranking pari passu in all respects with the existing ordinary shares of the company.
- (c) A special resolution was passed at a special general meeting of shareholders on 9 November 2000. It was resolved to:
 - (i) reduce the par value of the 4,502 million shares which were in issue up to 9 November 2000 in the company from HK\$0.10 to HK\$0.01 each by the cancellation of HK\$0.09 paid up on each issued share. On the basis of 4,501,614,739 ordinary shares in issue at the date of capital deduction, a credit of HK\$405,145,000 was raised;
 - (ii) subdivide each authorised but unissued share capital of the company into 10 subdivided shares of HK\$0.01 each;

財務報表附註

截至二零零二年六月三十日止年度

25. 股本 (續)

本公司之股本於截至二零零一年及二零零二年六月三十日止年度期間之變動詳情如下：

- (a) 於二零零零年七月十九日，可換股票據持有者 Lee Bing Kwong 先生按每股 0.10 港元之價格轉換 125,000,000 股每股面值 0.10 港元之普通股。
- (b) 於二零零零年九月二十二日，本公司透過增設 2,000,000,000 股每股面值 0.10 港元之新普通股，將本公司之法定股本由 400,000,000 港元增至 600,000,000 港元。該等新普通股於各方面與本公司當時現有普通股享有同等權益。
- (c) 於二零零零年十一月九日在股東特別大會上通過一項特別決議案。決議如下：
 - (i) 藉註銷每股已發行股份繳足股款 0.09 港元將本公司截至二零零零年十一月九日止已發行之 4,502,000,000 股股份面值由每股 0.10 港元削減至每股 0.01 港元。按削減股本當日已發行之 4,501,614,739 股普通股股份計算，入賬 405,145,000 港元；

- (ii) 將每股本公司法定但未發行股本拆細為 10 股每股面值 0.01 港元已拆細股份；

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2002

財務報表附註

截至二零零二年六月三十日止年度

25. SHARE CAPITAL (continued)

- (c) (continued)
- (iii) utilise the entire credit arising from the capital reorganisation to eliminate part of the accumulated losses of the company (*note 27*); and
- (iv) increase the board lot from 2,000 to 100,000 upon completion of the capital reorganisation. The reduction of the par value of the shares of the company and share subdivision gave the company greater flexibility in pricing any new issue of its shares.
- (d) During the year ended 30 June 2001, the company entered into a placing agreement with Kingsway SW Securities Limited for placing of 900 million ordinary shares of HK\$0.01 each at a price of HK\$0.011 each. The premium on issue of shares of HK\$900,000 was credited to the share premium account. The net proceeds of approximately HK\$9.5 million were used as the Group's additional working capital.
- (e) During the year ended 30 June 2001, 13,793 million ordinary shares of HK\$0.01 each were issued at HK\$0.01 to various creditors for the settlement of the outstanding loans and payables of approximately HK\$137,930,000 owed by the group to these creditors.
- (f) During the year ended 30 June 2001, 1,374 million ordinary shares of HK\$0.10 each were issued at HK\$0.10 to various vendors not associated with the company as consideration for acquisition of interests in certain associates and investment securities.

25. 股本 (續)

- (c) (續)
- (iii) 動用因股本重組而產生之全部進賬，以撇銷本公司之部分累積虧損 (附註27)；及
- (iv) 於股本重組完成後將買賣單位由2,000股增至100,000股。削減本公司股份面值及拆細股份可讓本公司更靈活地釐訂其任何發行新股份之價格。
- (d) 截至二零零一年六月三十日止年度，本公司與滙富証券有限公司訂立一項配售協議，以每股面值0.011港元之價格配售合共900,000,000股每股面值0.01港元之普通股。發行股份之溢價900,000港元已計入股份溢價賬。配售所得款項約9,500,000港元，用作本集團之額外營運資金。
- (e) 截至二零零一年六月三十日止年度，向若干債權人以0.01港元之價格發行13,793,000,000股每股面值0.01港元之普通股，用於償還本集團結欠若干債權人之未償還貸款及應付款項約137,930,000港元。
- (f) 截至二零零一年六月三十日止年度，向多間與本公司無關連之賣家以0.10港元之價格發行1,374,000,000股每股面值0.10港元之普通股，作為收購於若干聯營公司及投資證券之權益之代價。

NOTES TO FINANCIAL STATEMENTS*For the year ended 30 June 2002***財務報表附註***截至二零零二年六月三十日止年度***25. SHARE CAPITAL** (continued)

- (g) During the year ended 30 June 2001, 6,900 million ordinary shares of HK\$0.01 each were issued at HK\$0.01 to various vendors not associated with the company as part of consideration for acquisition of interests in a subsidiary and an associate.
- (h) On 5 September 2001, 2,100 million ordinary shares of HK\$0.01 each were issued at HK\$0.01 to an independent party as the consideration of acquisition of interest in an associate. These shares rank *pari passu* in all respects with the existing ordinary shares of the company.
- (i) A special resolution passed on 24 June 2002, the issued share capital of the company had been consolidated for every fifty shares of HK\$0.0002 each into one share of HK\$0.01 each following the capital reduction mentioned in note (j).
- (j) By a special resolution passed on 24 June 2002, the issued share capital of the company was reduced from an amount of HK\$281,947,002 being 28,194,700,246 ordinary shares of HK\$0.01 each to an amount of HK\$5,638,940 being 28,194,700,246 ordinary shares of HK\$0.0002 each through cancellation of the par value by HK\$0.0098 of each ordinary shares in issue as at 24 June 2002.

The reduction in paid up capital derived an credit amount of HK\$276,308,062 in the book of the company. This amount was credited to accumulated loss of the company.

25. 股本 (續)

- (g) 截至二零零一年六月三十日止年度，向多間與本公司無關連之賣家以0.01港元之價格發行6,900,000,000股每股面值0.01港元之普通股，作為收購於一間附屬公司及一間聯營公司之權益之部份代價。
- (h) 於二零零一年九月五日，向一獨立人士以每股0.01港元發行2,100,000,000股每股面值0.01港元之普通股，作為收購一間聯營公司權益之代價。該等股份於各方面與本公司現有普通股享有同等權益。
- (i) 於二零零二年六月二十四日通過一項特別決議案，根據附註(j)所述之削減股本，將本公司已發行股本以每50股每股面值0.0002港元之股份合併為1股每股面值0.01港元之股份為基準合併。
- (j) 藉於二零零二年六月二十四日通過之決議案，於二零零二年六月二十四日透過將每股已發行普通股面值註銷0.0098港元，以將本公司已發行股本由281,947,002港元（即28,194,700,246股每股面值0.01港元之普通股）削減至5,638,940港元（即28,194,700,246股每股面值0.0002港元之普通股）。

削減繳足股本致使本公司賬面產生276,308,062港元之進賬額。該等額已計入本公司之累計虧損。

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2002

26. SHARE OPTIONS

On 1 July 1993, the company approved a share option scheme under which the directors may, at their discretion, at any time during ten years from the date of approval, invite any eligible employee of the group to take up options to subscribe for shares of the company. Such options will lapse on the voluntary resignation or termination of any eligible employee's employment in accordance with the termination provision of his contract of employment other than by reason of redundancy. The maximum number of shares on which options may be granted may not exceed 10% of the share capital in issue at the time of grant. The aforesaid share option scheme became effective upon the listing of the company's shares and warrants on The Stock Exchange of Hong Kong Limited on 21 July 1993.

On 19 March 2002, the company entered an option agreement with a related company. On the same date, a resolution passed and resolved that there were 2,000 million of share options with the exercise price HK\$0.01 per share had granted to the related company only if the related company fulfilled certain conditions specified in the agreement. Director of the company, Mr. Ke Jun Xiang is the beneficial owner of the related company.

The option agreement would be valid on the date of fulfilment of conditions specified in the agreement. The specified conditions were fulfilled and completed on 16 May 2003.

The 2,000 million options were exercisable at HK\$0.01 per share within twelve months from 16 May 2003.

財務報表附註

截至二零零二年六月三十日止年度

26. 購股權計劃

於一九九三年七月一日，本公司批准一項購股權計劃；據此，董事會可由批准計劃當日起計十年內隨時酌情邀請本集團任何符合資格之僱員接受購股權，以便認購本公司之股份。該等購股權將在合資格僱員主動辭職或根據其僱傭合約所規定之解僱條款遭解僱（裁員除外）時失效。授予購股權所能認購之股份數目最高限額不得超過授予購股權時之已發行股本之百分之十。上述購股權計劃於一九九三年七月二十一日本公司股份及認股權證上市後隨即生效。

於二零零二年三月十九日，本公司與一間關連公司訂立一項購股權協議。並於同日通過一項決議案，議決僅於關連公司履行協議之所定之若干條件後向其授予2,000,000,000份購股權，行使價為每股0.01港元。本公司董事柯俊翔先生為關連公司之實益擁有人。

購股權協議將於協議所定之條件獲履行之日生效。特定條件已於二零零三年五月十六日獲履行及完成。

2,000,000,000份購股權可自二零零三年五月十六日起十二個月內以每股0.01港元之價格予以行使。

NOTES TO FINANCIAL STATEMENTS*For the year ended 30 June 2002***26. SHARE OPTIONS** (continued)

At 30 June 2002, the company had 23,500,000 share options outstanding, of which 6,300,000 and 17,200,000 options were exercisable at HK\$0.320 and HK\$0.626 per share (subject to adjustments), respectively, at any time during the period of ten years from the date of grant of the options. The exercise in full of such share options would, under the present capital structure of the company, result in the issue of 23,500,000 additional shares.

None of these share options were exercised during the year ended 30 June 2002.

Following the termination of employment contracts of employees, options granted to these employees were lapsed on 28 March 2002. The total number of these options lapsed was 74,300,000.

財務報表附註*截至二零零二年六月三十日止年度***26. 購股權計劃** (續)

於二零零二年六月三十日，本公司尚有23,500,000股購股權仍未行使，其中6,300,000股及17,200,000股購股權可分別由授出購股權當日起計十年內隨時分別按每股0.320港元及0.626港元(可予以調整)行使。根據本公司之現有股本結構，全面行使此等購股權將導致發行額外23,500,000股股份。

截至二零零二年六月三十日止年度期間，該等購股權概無獲行使。

繼僱員之僱傭合約終止後，授予該等僱員之購股權已於二零零二年三月二十八日失效。該等失效之購股權合共為74,300,000份。

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截至二零零二年六月三十日止年度

27. RESERVES

Group

本集團

27. 儲備

		2002 二零零二年					
		Share premium	Capital reserve	Asset revaluation adjustments	Exchange fluctuation reserve	Accumulated losses	Total
		股份 溢價	資本 儲備	資產 重估調整	滙兌 波動儲備	累計虧損	合計
		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
Beginning of year	年初	293,907	6,656	9,649	(124)	(501,950)	(191,862)
Impairment of land and buildings	土地及樓宇減值	-	-	(9,649)	-	-	(9,649)
Adjustment in nominal value of the company's shares (note 25(j))	本公司股份面值 調整(附註25(j))	-	-	-	-	276,308	276,308
Net loss for the year	本年度虧損淨額	-	-	-	-	(144,740)	(144,740)
End of year	年終	293,907	6,656	-	(124)	(370,382)	(69,943)
Reserves retained by:	保留儲備:						
Company and subsidiaries	本公司及 附屬公司	293,907	-	-	(124)	(366,679)	(72,896)
Associates	聯營公司	-	-	-	-	-	-
Joint venture	合營公司	-	6,656	-	-	(3,703)	2,953
		293,907	6,656	-	(124)	(370,382)	(69,943)

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27. RESERVES (continued)

27. 儲備(續)

Company

本公司

		2002 二零零二年			
		Share premium	Contributed surplus	Accumulated losses	Total
		股份溢價	繳入盈餘	累計虧損	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Beginning of year	年初	293,907	56,516	(540,984)	(190,561)
Adjustment in nominal value of the Company's shares (note 25(j))	本公司股份 面值調整 (附註25(j))	-	-	276,308	276,308
Net loss for the year	本年度虧損淨額	-	-	(79,754)	(79,754)
End of year	年終	293,907	56,516	(344,430)	5,993

Note:

The contributed surplus of the company represents the difference between the nominal value of the company's shares issued in exchange for the fair value of the shares of the subsidiaries acquired at the dates of acquisition. Under the companies Act 1981 of Bermuda (as amended), the company may make distributions to its members out of the contributed surplus under certain circumstances, which the company is currently unable to satisfy.

附註:

本公司之繳入盈餘指作為交換條件而發行之本公司普通股面值與所收購附屬公司股份於收購日期之公平值兩者間之差額。根據百慕達一九八一年公司法(經修訂),本公司可在若干情況下自繳入盈餘中撥款向其股東進行分派,惟目前本公司並未符合此等情況之規定。

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27. RESERVES (continued)

Group

本集團

27. 儲備(續)

		2001 二零零一年						
		Share premium	Capital reserve	Enterprise expansion and reserve funds	Asset revaluation adjustments	Exchange fluctuation reserve	Accumulated losses	Total
		股份 溢價	資本 儲備	企業發展 及儲備 基金	資產 重估調整	滙兌 波動儲備	累計虧損	總計
		HK\$'000	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	千港元
Beginning of year	年初	295,180	6,674	79	9,649	(193)	(902,888)	(591,499)
Issuance of new shares for working capital	發行新股為籌集 營運資金	900	-	-	-	-	-	900
Share issue expenses	發行股份費用	(2,173)	-	-	-	-	-	(2,173)
Adjustment for winding up subsidiaries	清盤附屬公司 調整	-	(18)	(79)	-	(78)	-	(175)
Adjustment for written off subsidiaries	附屬公司撇銷 調整	-	-	-	-	147	-	147
Adjustment in nominal value of the company's shares (note 25 (c)(iii))	本公司股份 面值調整 (附註25(c)(iii))	-	-	-	-	-	405,145	405,145
Net loss for the year	本年度虧損淨額	-	-	-	-	-	(4,207)	(4,207)
End of year	年終	293,907	6,656	-	9,649	(124)	(501,950)	(191,862)
Reserves retained by:	保留儲備:							
Company and subsidiaries Associates	本公司及附屬公司 聯營公司	293,907	-	-	9,649	(124)	(498,247)	(194,815)
Joint venture	合營公司	-	6,656	-	-	-	(3,703)	2,953
		293,907	6,656	-	9,649	(124)	(501,950)	(191,862)

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27. RESERVES (continued)**27. 儲備** (續)**Company**

本公司

		2001 二零零一年			
		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Beginning of year	年初	295,180	56,516	(696,785)	(345,089)
Issuance of new shares for working capital	發行新股為 籌集營運資金	900	-	-	900
Share issue expenses	發行股份費用	(2,173)	-	-	(2,173)
Adjustment in nominal value of the company's shares (note 25(c)(iii))	本公司股份面值調整 (附註25(c)(iii))	-	-	405,145	405,145
Net loss for the year	本年度虧損淨額	-	-	(249,344)	(249,344)
End of year	年終	293,907	56,516	(540,984)	(190,561)