

財務報表附註

Notes to Financial Statements

二零零三年三月三十一日
31 March 2003

1. 公司資料

香港藥業集團有限公司(「本公司」)之總辦事處及主要營業地址位於香港干諾道中200號信德中心招商局大廈26樓2603室。

於本年度內，本集團從事下列主要業務：

- 批發及零售中藥及其他藥物、健康產品及海味產品
- 生產及銷售生物科技產品
- 物業投資
- 提供中醫診療服務

董事認為，最終控股公司為Welcome Success Worldwide Ltd.，該公司乃於英屬處女群島註冊成立。

2. 編列基準

於二零零三年三月三十一日，本集團的綜合流動負債淨額約107,763,000港元(二零零二年：綜合流動資產淨額約1,051,000港元)，而綜合資產淨額約8,466,000港元(二零零二年：65,377,000港元)。截至二零零三年三月三十一日止年度，本集團之股東應佔日常業務虧損淨額約為59,263,000港元(二零零二年：19,559,000港元)，及截至二零零三年三月三十一日止年度，現金及現金等值項目則減少約16,213,000港元(二零零二年：32,326,000港元)。

於本年度及截至批准本財務報表當日，本集團未能償還若干銀行貸款及其他借款。本集團已與銀行及其他貸款人展開商議以安排債務重組及／或再融資(「債務重組安排」)。截至批准本財務報表當日，已達成或已簽訂關於債務重組安排之若干固定條款或具有約束力之協議的進一步詳情如下。

1. CORPORATE INFORMATION

The head office and principal place of business of Hong Kong Pharmaceutical Holdings Limited (the “Company”) is located at Room 2603, 26th Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.

During the year, the Group was involved in the following principal activities:

- wholesale and retail of Chinese and other medicines, health products and dried seafood products
- production and sale of biotechnological products
- property investment
- provision of Chinese clinical services

In the opinion of the directors, the ultimate holding company is Welcome Success Worldwide Ltd., which is incorporated in the British Virgin Islands.

2. BASIS OF PRESENTATION

At 31 March 2003, the Group had consolidated net current liabilities of approximately HK\$107,763,000 (2002: consolidated net current assets of approximately HK\$1,051,000) and consolidated net assets of approximately HK\$8,466,000 (2002: HK\$65,377,000). The Group also incurred a net loss from ordinary activities attributable to shareholders for the year ended 31 March 2003 of approximately HK\$59,263,000 (2002: HK\$19,559,000) and reported a decrease in cash and cash equivalents for the year ended 31 March 2003 of approximately HK\$16,213,000 (2002: HK\$32,326,000).

During the current year and up to the date of approval of these financial statements, the Group defaulted on the repayments of certain bank and other borrowings. The Group has initiated discussions with the banks and other lenders with a view to arranging a rescheduling and/or refinancing of its bank and other borrowings (the “Debt Restructuring Arrangements”). Up to the date of approval of these financial statements, certain fixed terms or binding agreements in respect of the Debt Restructuring Arrangements have been agreed upon or executed as further explained below.

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2. 編列基準 (續)

與銀行及其他貸款人之債務重組安排條款詳情如下：

(a) 按本公司之全資附屬公司華宏有限公司(「華宏」)及新華銀行有限公司，現稱中國銀行(香港)有限公司(「該銀行」)於二零零零年三月二十九日簽訂之貸款協議條款第7條，一筆約3,999,000港元之分期還款已於二零零三年四月二十七日到期。華宏未能償還該期款項。按前述貸款協議條款第17條，若未能償還款項，該銀行可宣佈根據貸款協議應付之餘額合共約39,987,000港元為立即到期及須予支付。華宏其後與該銀行商討，首先放棄其於前述條款第17條之權利，其次把該期還款與及於二零零四年四月二十七日到期之另一期還款，金額約為7,997,000港元，延期至二零零四年六月三十日。由於商討延期事宜尚未得到該銀行同意，貸款餘額約39,987,000港元已變成立即到期及須予支付，故此其於資產負債表被列為流動負債。

(b) 按本公司於二零零零年四月二十七日發行予該銀行之40,000,000港元可換股票據(「票據」)條款第5(a)條，第二及第三期還款本金額2,000,000港元及4,000,000港元已分別於二零零三年四月二十七日及二零零三年十月二十七日到期。本公司亦未償還該兩期款項。按照票據條款第10條，若發生拖欠事件，該銀行可宣佈票據當時應付之餘額共38,000,000港元為立即到期並須予支付。本公司其後與該銀行商討，首先放棄其根據前述條款第10條之權利，其次把第二及第三期還款與及於二零零四年四月二十七日到期，金額為4,000,000港元之第四期還款延期至二零零四年六月三十日。由於商討延期事宜尚未得到該銀行同意，合共38,000,000港元之餘額已變成立即到期及須予支付，故此其於資產負債表被列為流動負債。

2. BASIS OF PRESENTATION (continued)

The details of the terms of the Debt Restructuring Arrangements with banks and other lenders are as follows:

(a) Pursuant to clause 7 of the loan agreement dated 29 March 2000 entered into between China Vantage Limited (“China Vantage”), a wholly-owned subsidiary of the Company, and Sin Hua Bank Limited, now known as Bank of China (Hong Kong) Limited (the “Bank”), an instalment repayment of approximately HK\$3,999,000 was due on 27 April 2003. China Vantage defaulted on the repayment of such instalment. In accordance with clause 17 of the aforementioned loan agreement, in the event of default, the Bank can declare the total outstanding sum payable under the loan agreement of approximately HK\$39,987,000 as immediately due and payable. China Vantage has subsequently been negotiating with the Bank firstly, to waive its rights under clause 17 and secondly, to defer the repayment of such instalment, together with another instalment, amounting to approximately HK\$7,997,000 that falls due on 27 April 2004, to 30 June 2004. As the negotiation to obtain the extension has not yet been agreed by the Bank, the total loan balance of approximately HK\$39,987,000 becomes immediately due and payable and, accordingly, it is classified as a current liability in the balance sheet.

(b) Pursuant to clause 5(a) of the HK\$40,000,000 convertible note (the “Note”) issued by the Company in favour of the Bank on 27 April 2000, the second and third instalment repayments of the principal amount of HK\$2,000,000 and HK\$4,000,000 fell due on 27 April 2003 and 27 October 2003, respectively. The Company defaulted on the repayments of both instalments. In accordance with clause 10 of the Note, in the event of default, the Bank can declare the then total outstanding sum payable under the Note of HK\$38,000,000 as immediately due and payable. The Company has subsequently been negotiating with the Bank firstly, to waive its rights under clause 10 and secondly, to defer the repayments of the second and third instalments, together with the fourth instalment, amounting to HK\$4,000,000 that falls due on 27 April 2004, to 30 June 2004. As the negotiation to obtain the extension has not yet been agreed by the Bank, the total balance of HK\$38,000,000 is immediately due and payable and, accordingly, it is classified as a current liability in the balance sheet.

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2. 編列基準 (續)

- (c) 於二零零三年十月二十九日，本公司之附屬公司上海華新生物高技術有限公司(「華新」)未能償還拖欠深圳發展銀行有限公司(「深圳發展銀行」)共約28,200,000港元之全數貸款。於二零零三年十月三十一日，深圳發展銀行已書面同意，批准把還款期延至二零零四年五月八日。
- (d) 於二零零三年十一月十一日，華新未能償還向上海銀行股份有限公司(「上海銀行」)取得之全數貸款金額約7,520,000港元。於二零零三年十一月十一日、十二日及二十日，未償還金額已由華新及上述貸款之擔保人，深圳市緯基投資發展有限公司(「深圳緯基」)分別償還978,000港元及6,542,000港元。
- (e) 本公司於上年度就收購一國內附屬公司向獨立第三者發行了12,254,400港元之另一批可換股票據(「其他票據」)。按照其他票據之條款，於二零零三年三月三十日，票據持有人可要求本公司贖回其他票據本金額三分之一約4,085,000港元；或行使換股權以兌換同等金額本公司之新普通股。於二零零四年三月三十日，票據持有人將有權利要求本公司贖回其他票據本金額三分之二約8,169,000港元；或行使換股權以兌換同等金額本公司之新普通股。於二零零三年十一月二十日，其他票據持有人已書面向本公司表示同意，把第一期本金額約4,085,000港元之贖回日期延至二零零四年四月一日。由於該項延期之安排，此金額將不會於一年內償還，故此，其於資產負債表中被列為非流動負債。除上述以外，第二期之還款時間將保持不變。

2. BASIS OF PRESENTATION (continued)

- (c) On 29 October 2003, Shanghai Hua Xin High Biotechnology Inc. (“Hua Xin”), a subsidiary of the Company, defaulted on the full repayment of a loan from Shenzhen Development Bank Co., Ltd. (“Shenzhen Dev. Bank”), amounting to approximately HK\$28,200,000. On 31 October 2003, Shenzhen Dev. Bank agreed, in writing, its approval to defer the repayment to 8 May 2004.
- (d) On 11 November 2003, Hua Xin defaulted on the full repayment of a loan from the Bank of Shanghai Co., Ltd. (“Bank of Shanghai”), amounting to approximately HK\$7,520,000. On 11, 12 and 20 November 2003, the defaulted amount was fully repaid by Hua Xin and the guarantor of the aforementioned loan, Shenzhen Weiji Investment & Development Co., Ltd. (“Shenzhen Weiji”), amounting to HK\$978,000 and HK\$6,542,000, respectively.
- (e) The Company has issued HK\$12,254,400 of other convertible notes (the “Other Notes”) to independent third parties in the prior year as a consideration for the acquisition of a subsidiary in Mainland China. According to the terms of the Other Notes, on 30 March 2003, the noteholders were entitled to require the Company to redeem one-third of the principal amounts of the Other Notes amounting to approximately HK\$4,085,000; or to exercise the conversion rights to convert the same amounts into new ordinary shares of the Company. On 30 March 2004, the noteholders would then be entitled to require the Company to redeem the remaining two-thirds of the principal amounts of the Other Notes amounting to approximately HK\$8,169,000; or to exercise the conversion rights to convert the same amounts into new ordinary shares of the Company. On 20 November 2003, the holders of the Other Notes agreed, in writing, with the Company to defer the redemption of the first instalment of the principal amounts of approximately HK\$4,085,000 to 1 April 2004. As a result of this extension arrangement, this amount will not be repayable within one year, and, accordingly, they are classified as non-current liabilities in the balance sheet. Save as the above, the repayment schedule of the second instalment otherwise remains unchanged.

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2. 編列基準 (續)

- (f) 華新未能償還於本年度及以前年度到期之若干其他貸款，金額約7,341,000港元。於二零零三年三月三十一日，貸款餘額1,974,000港元之貸款人已書面同意，批准把還款期延至二零零四年十二月三十一日。由於貸款延期之安排，餘款1,974,000港元將不會於一年內償還，故此，於資產負債表被列為非流動負債。
- (g) 華新有合共約10,574,000港元之其他貸款於二零零三年十二月三十一日到期。於二零零三年三月三十一日，該等其他貸款之貸款人已書面同意，批准把還款期延至二零零四年十二月三十一日。由於貸款延期之安排，餘款10,574,000港元將不會於一年內償還，故此，於資產負債表被列為非流動負債。
- (h) 本公司之附屬公司貴州一樹醫藥有限公司(「一樹醫藥」)有其他貸款金額約2,820,000港元於二零零三年六月九日到期。於二零零三年三月三十一日，該等其他貸款之貸款人已書面同意，批准把還款期延至二零零四年十二月三十一日。由於該項延期之安排，此金額將不會於一年內償還，故此，其於資產負債表被列為非流動負債。

董事以持續經營基準編製本財務報表，因他們相信：

- (a) 本集團之銀行及其他貸款人將繼續提供財務支持；
- (b) 將有獨立第三者投入新資金；及
- (c) 本集團將會有足夠之營運資金以應付其營運需要。

若本集團未能達成上述各點及以持續經營基準繼續營業，資產價值須作調整以把其重列為可收回金額，對可能發生之任何進一步負債作撥備，以及把非流動資產及負債分別重列為流動資產及負債。

2. BASIS OF PRESENTATION (continued)

- (f) Hua Xin defaulted on the repayments of certain other loans, amounting to approximately HK\$7,341,000, that were due both during the current and prior years. On 31 March 2003, the lenders of loan balances of HK\$1,974,000 agreed, in writing, their approval to defer the repayments to 31 December 2004. As a result of the loan extension arrangements, the balances of HK\$1,974,000 will not be repayable within one year and, accordingly, are classified as non-current liabilities in the balance sheet.
- (g) Hua Xin had other loans amounting to approximately HK\$10,574,000 falling due on 31 December 2003. On 31 March 2003, the lenders of such other loans agreed, in writing, their approval to defer the repayments to 31 December 2004. As a result of the loan extension arrangements, the balances of HK\$10,574,000 will not be repayable within one year and, accordingly, are classified as non-current liabilities in the balance sheet.
- (h) Guizhou Ensure Medical Company Limited (“Ensure Medical”), a subsidiary of the Company, had an other loan amounting to approximately HK\$2,820,000 falling due on 9 June 2003. On 31 March 2003, the lender of such other loan agreed, in writing, its approval to defer the repayments to 31 December 2004. As a result of this extension arrangement, this amount will not be repayable within one year and, accordingly, it is classified as a non-current liability in the balance sheet.

The directors have prepared these financial statements on a going concern basis as they believe that:

- (a) there will be continuing financial support from the Group's banks and other lenders;
- (b) there will be new capital injected by independent third parties; and
- (c) the Group will have sufficient working capital for its operational requirements.

Should the Group be unable to achieve the above and continue in business as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. 經修訂之會計實務準則(「會計實務準則」)之影響

於本年度財務報表首次採納之經修訂之會計實務準則如下：

- 會計實務準則
第1號(經修訂)：「財務報表之呈報」
- 會計實務準則
第11號(經修訂)：「外幣折算」
- 會計實務準則
第15號(經修訂)：「現金流量表」
- 會計實務準則
第34號(經修訂)：「僱員福利」

該等會計實務準則規定了新的會計核算及披露方式。採納該等會計實務準則對本集團之會計政策及財務報表所披露數額之主要影響概述如下：

會計實務準則第1號訂明財務報表之呈報基準，並載列有關其結構及內容之最低要求的指引。修訂是項會計實務準則之主要影響乃於財務報表第26頁呈報綜合權益變動摘要表，以取代先前規定之綜合已確認收益及虧損表。

會計實務準則第11號訂明外幣交易及財務報表之折算基準。修訂是項會計實務準則對綜合財務報表之主要影響為海外附屬公司及聯營公司之損益表現按年內之加權平均滙率折算為港元，而修訂前則是按結算日適用之滙率折算。採納經修訂之會計實務準則第11號對財務報表並無重大影響。

3. IMPACT OF REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPs”)

The following revised SSAPs are effective for the first time for the current year’s financial statements:

- SSAP 1 (Revised) : “Presentation of financial statements”
- SSAP 11 (Revised) : “Foreign currency translation”
- SSAP 15 (Revised) : “Cash flow statements”
- SSAP 34 (Revised) : “Employee benefits”

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group’s accounting policies and on the amounts disclosed in these financial statements of adopting these SSAPs are summarised as follows:

SSAP 1 prescribes the basis for the presentation of the financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The principal impact of the revision of this SSAP is that a consolidated summary statement of changes in equity is now presented on page 26 of the financial statements in place of the consolidated statement of recognised gains and losses that was previously required.

SSAP 11 prescribes the basis for the translation of foreign currency transactions and financial statements. The principal impact of the revision of this SSAP on the consolidated financial statements is that the profit and loss accounts of overseas subsidiaries and associates are now translated into Hong Kong dollars at the weighted average exchange rates for the year, whereas previously they were translated at the exchange rates ruling at the balance sheet date. The adoption of the revised SSAP 11 has had no material effect on the financial statements.

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3. 經修訂之會計實務準則(「會計實務準則」)之影響 (續)

會計實務準則第15號訂明現金流量表之經修訂格式。修訂是項會計實務準則之主要影響為綜合現金流量表現時分為三個項目呈列現金流量－經營業務、投資活動及融資活動之現金流量，而並非過往規定之五個項目。此外，於年內產生來自海外附屬公司之現金流量現時按交易日(或其接近日期)之匯率折算為港元，先前則按結算日之匯率折算，而就現金流量表而言之現金等值項目之定義亦已修訂。該會計實務準則所導致之變動及上年度調整之進一步詳情分別載於財務報表附註4「現金及現金等值項目」及「外幣」之會計政策中及附註34(a)。

會計實務準則第34號訂明適用於僱員福利之確認及核算準則以及所需作出之有關披露。採納是項會計實務準則並無改變先前採納之僱員福利會計處理方法。此外，現時需就本公司之購股權計劃作出披露，詳情載於財務報表附註32。該等購股權計劃之披露與先前載於董事會報告內，根據香港聯合交易所有限公司證券上市規則(「上市規則」)規定披露之資料類似，現時則由於採納該會計實務準則而須包括於財務報表附註內。

3. IMPACT OF REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPs”) (continued)

SSAP 15 prescribes the revised format for the cash flow statement. The principal impact of the revision of this SSAP is that the consolidated cash flow statement now presents cash flows under three headings, cash flows from operating, investing and financing activities, rather than the five headings previously required. In addition, cash flows from overseas subsidiaries arising during the year are now translated to Hong Kong dollars at the exchange rates at the dates of the transactions, or at an approximation thereto, whereas previously they were translated at the exchange rates at the balance sheet date, and the definition of cash equivalents for the purpose of the consolidated cash flow statement has been revised. Further details of these changes and the prior year adjustments that have resulted from them are included in the accounting policies for “Cash and cash equivalents” and “Foreign currencies” in note 4 and in note 34(a) to the financial statements.

SSAP 34 prescribes the recognition and measurement criteria to apply to employee benefits, together with the required disclosures in respect thereof. The adoption of this SSAP has resulted in no material change to the previously adopted accounting treatments for employee benefits. In addition, disclosures are now required in respect of the Company’s share option schemes, as detailed in note 32 to the financial statements. These share option scheme disclosures are similar to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) disclosures previously included in the Report of the Directors, which are now required to be included in the notes to the financial statements as a consequence of the SSAP.

4. 主要會計政策摘要

編製基準

本財務報表乃根據香港會計實務準則、香港公認會計原則及香港公司條例之披露規定編製，本財務報表乃根據歷史成本慣例編製，惟投資物業及若干投資（詳情見下文）則重新估值入賬。

綜合基準

本綜合財務報表包括本公司及其附屬公司截至二零零三年三月三十一日止年度之財務報表。年內所收購或出售之附屬公司業績分別自收購生效日起綜合或綜合至出售生效日期。本集團內公司間之所有重大交易及往來賬結餘已於綜合時撇銷。

少數股東權益指外界股東於本公司附屬公司業績及資產淨額之應佔權益。

附屬公司

附屬公司為本公司能直接或間接控制其財務及營運政策，以從其業務獲取利益之公司。

附屬公司之業績乃就已收及應收之股息計入本公司之損益表。本公司佔附屬公司之權益乃按成本值減任何減值虧損入賬。

聯營公司

聯營公司並非附屬公司或共同控制公司，而是本集團長期擁有其不少於20%股份投票權，並可對其行使重大影響力之公司。

本集團分佔聯營公司於收購後之業績及儲備分別計入綜合損益表及綜合儲備。本集團佔聯營公司之權益乃根據權益會計法按本集團分佔之資產淨額減任何減值虧損後計入綜合資產負債表。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic remeasurement of investment properties and certain investments, as further explained below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2003. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Associates

An associate is a company, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

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4. 主要會計政策摘要 (續)

聯營公司 (續)

聯營公司之業績乃就已收及應收之股息計入本公司之損益表。本公司佔聯營公司之權益視為長期資產及按成本值減任何減值虧損入賬。

商譽

收購附屬公司所產生之商譽，乃指收購成本超出本集團於收購日期應佔所購入可識別資產及負債之公平價值之差額。

因收購而產生之商譽乃於綜合資產負債表確認為資產並按其估計可用年期分15年以直線法攤銷。

於二零零一年四月一日已採納會計實務準則第30號「企業合併」。於該日前，因收購產生之商譽乃於收購年度自綜合儲備抵銷。採納會計實務準則第30號時，本集團已引用會計實務準則第30號容許有關商譽仍在綜合儲備內抵銷之過渡性條文。於二零零一年四月一日後因收購產生之商譽乃根據上述會計實務準則第30號商譽之會計政策處理。

出售附屬公司時，出售之盈虧乃參照出售日期之資產淨額計算，包括應佔尚未攤銷之商譽數額及任何有關儲備(如適用)。先前於收購時自綜合儲備抵銷之任何應佔商譽予以撥回，並包括在出售盈虧之計算當中。

商譽之賬面值(包括仍於綜合儲備中抵銷之商譽)須每年檢討，並撇減必要之減值。先前就商譽確認之減值虧損不能撥回，除非有關減值虧損乃由一項性質特殊及預期不會再次發生之特別外在事件引起，而其後再發生外在事件扭轉上述事件之影響時，則減值虧損方可撥回。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Associates (continued)

The results of associates are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in associates are treated as long term assets and are stated at cost less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of 15 years.

SSAP 30 "Business combinations" was adopted as at 1 April 2001. Prior to that date, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to 1 April 2001 is treated according to the SSAP 30 goodwill accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserve, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

4. 主要會計政策摘要 (續)

負商譽

收購附屬公司所產生之負商譽是指本集團於收購日應佔可識別之收購資產及負債之公平價值超出收購成本之金額。

倘負商譽是與收購計劃中已訂明之可預計的未來虧損及相關費用，並能可靠地計量，而有關負商譽並不屬於收購日之可識別負債時，當將來確認虧損及費用時，該部份負商譽會在綜合損益賬中確認為收入。

倘該負商譽並不屬於收購日時可識別之未來虧損及費用，則該負商譽會以購入可折舊／可攤銷資產之餘下可使用年期於綜合損益表中作有系統之確認。任何負商譽較已收購非貨幣資產公平價值超出之金額即時確認為收入。

於二零零一年四月一日已採納會計實務準則第30號「企業合併」。於該日前，因收購所產生之負商譽乃於收購年度撥入資本儲備。採納會計實務準則第30號時，本集團已引用會計實務準則第30號容許有關負商譽仍然撥入資本儲備之過渡性條文。於二零零一年四月一日後因收購產生之負商譽乃根據上述會計實務準則第30號負商譽之會計政策處理。

出售附屬公司時，出售之盈虧乃參照出售日期之資產淨值計算，包括未在綜合損益表確認之負商譽的應佔金額及任何有關儲備(如適用)。先前於收購時撥入資本儲備之任何應佔負商譽予以撥回，並包括在出售盈虧之計算當中。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to the expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

SSAP 30 "Business combinations" was adopted as at 1 April 2001. Prior to that date, negative goodwill arising on acquisitions was credited to the capital reserve in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted such negative goodwill to remain credited to capital reserve. Negative goodwill on acquisitions subsequent to 1 April 2001 is treated according to the SSAP 30 negative goodwill accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to capital reserve at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

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4. 主要會計政策摘要 (續)

關連方

若某一方有能力直接或間接控制另一方，或對其財務及營運政策決定施予重大影響力，將被認為關連方。若一方與另外一方受到同一控制時或同一重大影響時，亦被認為關連方。關連方可為個人或法人團體。

資產減值

任何資產將於各結算日被評估，以決定是否有迹象顯示出現減值，或過往年度已確認之資產減值虧損不再存在或已減少。倘有任何該等顯示，則對該資產之可收回值予以評估。資產之可收回值乃指其使用價值及銷售淨值之較高者。

減值虧損僅於資產賬面值超出其可收回值時予以確認。減值虧損於其產生之期間在損益賬內扣除，除非該資產以重估值入賬，減值虧損則須按重估資產之有關會計政策入賬。

僅於資產之估計可收回值有所轉變時，過往已確認之減值虧損方予以撥回，然而，撥回金額不得超過該資產在以前年度不確認任何減值虧損之情況下之賬面值(扣除任何折舊／攤銷)。撥回之減值虧損列入當期之損益賬內，惟當該資產以重估值為其賬面值時，減值虧損則按重估資產之有關會計政策入賬。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated at the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

4. 主要會計政策摘要 (續)

固定資產及折舊

除投資物業及在建工程外，固定資產乃按成本值減累計折舊及任何減值虧損列示。資產之成本包括其購買價及任何使該資產達致營運狀況及運送至工作地點作擬定用途之直接費用。固定資產投產後產生之開支(如維修保養費用)在一般情況下於產生期間自損益表列示。倘該等開支明確導致預期使用固定資產在未來可獲得之經濟利益有所增加，該等開支將作為固定資產之額外成本。

折舊之計算為以直線法按每項資產之估計可使用年期及估計剩餘價值計算。各類全新固定資產所用之主要年率如下：

樓宇	4.75%
租賃物業裝修	按租約年期
傢俬、裝置及設備	9%至33-1/3%
汽車	12.5%至25%

在損益表中確認列示之出售或棄置固定資產盈虧乃指有關資產出售所得款項淨額與有關資產現存賬面值之差額。

在建工程指在興建中之工業樓宇、廠房、機器設備及其他固定資產，它們乃按成本值減任何減值虧損列示，且不予折舊。成本值包括建築之直接成本及於建築期內有關借貸成本。在建工程於完成及可作擬定用途時重新歸類，撥入適當之固定資產類別。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation

Fixed assets, other than investment properties and construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life, after taking into account its estimated residual value. The principal annual rates used for this purpose are as follows:

Buildings	4.75%
Leasehold improvements	Over the lease terms
Furniture, fixtures and equipment	9% to 33-1/3%
Motor vehicles	12.5% to 25%

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

Construction in progress represents factory buildings, plant and machinery and other fixed assets under construction. It is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of fixed assets when completed and ready for use.

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4. 主要會計政策摘要 (續)

投資物業

投資物業指建築工程及發展已完成之房地產權益，並因其投資潛力擬作長期持有，任何租金收入乃經公平磋商後釐定。該等物業不予折舊，其當時之賬面值則按各財務年度進行之專業估值以市值列示。

投資物業價值之變動均視作投資物業重估儲備之變動處理。惟倘若該儲備之結存總額按組合基準不足以抵銷虧損，該超逾儲備之虧損差額將於損益表內扣除。若其後出現重估盈餘，該盈餘將以早前扣除損益之虧損金額為上限撥回損益表內。

於出售投資物業時，早前估值變現之投資物業重估儲備中之有關部份則撥往損益表內。

無形資產

專利權

購入的專利權乃按成本值減去累計攤銷及任何減值虧損列示，並按10年之估計可使用年期以直線法攤銷。

技術知識

技術知識指於營業過程中購入之若干科技技術知識。其乃按成本值減去累計攤銷及任何減值虧損列示及於有關產品開始商業生產之日起，按其不超過15年之估計可使用年期以直線法攤銷。

研究及開發成本

所有研究成本於產生時在損益表內扣除。

開發新產品之支出須於該等項目有清晰定義，支出可以個別識別及可靠地計量，且項目在技術上乃合理，可行以及產品具商業價值之情況下才予以資本化及遞延處理。未能符合該等標準之開發支出於發生時在損益賬內扣除。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are intended to be held on a long term basis for their investment potential, any rental income being negotiated at arm's length. Such properties are not depreciated and are stated at their open market values on the basis of annual professional valuations performed at the end of each financial year.

Changes in the values of investment properties are dealt with as movements in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on a portfolio basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged.

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

Intangible assets

Patent

Purchased patent is stated at cost less accumulated amortisation and any impairment losses. Amortised is calculated on the straight-line basis over its estimated useful life of 10 years.

Know-how

Know-how represents certain technological know-how acquired during the course of the business. It is stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis, over its estimated useful life of not more than 15 years, commencing from the date when the related products are put into commercial production.

Research and development costs

All research costs are charged to the profit and loss account as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the projects are clearly defined; the expenditure is separately identifiable and can be measured reliably; there is reasonable certainty that the projects are technically feasible; and the products have commercial value. Product development expenditure which does not meet these criteria is expensed when incurred.

4. 主要會計政策摘要 (續)

無形資產 (續)

遞延開發成本乃按成本值減去累計攤銷及任何減值虧損列示，及於有關產品開始商業生產之日起，按其不超過15年之估計可使用年期以直線法計算攤銷。

租賃資產

凡將資產所有權之絕大部份回報與風險(除法定業權外)轉讓至本集團之租約均列為融資租賃處理。融資租賃生效時，租賃資產之原值乃按最低應付租賃金額之現值作為成本，並連同債務(不包括利息)列示，以反映購入及融資情況。根據資本化融資租賃持有之資產計入固定資產，並按資產之租期及估計可用年期之較短者予以折舊。該等租約之成本按定期劃一比率於租期內在損益表內扣除。

由出租方保留資產所有權之絕大部份回報與風險之租約均視為經營租約。倘本集團為出租者，該等按經營租約出租之資產將計入非流動資產，該等經營租約之適用租金按租期以直線法計入損益表。倘本集團為承租者，該等經營租約之適用租金按租期以直線法自損益表扣除。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Deferred development costs are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis over the commercial lives of the underlying products of not exceeding 15 years, commencing from the date when the products are put into commercial production.

Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

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4. 主要會計政策摘要 (續)

長期投資

長期投資乃指擬長期持有及非交易性的非上市股本證券，並按個別投資以成本值減去任何減值虧損列示。

如出現減值，證券之賬面價值會調減至董事估計之公平價值，而折減之金額會於減值出現之期間之損益表內扣除。如導致減值出現之情況及事件不再存在，並有有力證據顯示新的情況及事件會於可預見的將來持續，則先前已扣減之減值金額會撥入損益表，惟以過往扣除之金額為限。

短期投資

短期投資乃指以買賣為目的之上市證券投資，並按個別投資於結算日之市值為基準以其公平價值列示。因證券的公平價值變動而產生之收益或損失，則在其產生之時間內於損益表內列賬。

存貨

存貨按成本或可變現淨值兩者中較低者列示。成本乃按加權平均法之基準計算，如屬在製品及製成品之成本，包括直接原料、直接工資及適當比例計算之間接製造成本。可變現淨值按估計售價減進行銷售所需之任何估計成本計算。

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括庫存現金及活期存款，以及無需通知即可隨時兌換為已知數額現金、價值波動風險較微並一般於購入後三個月內到期之短期、高流動性之投資，減去於通知時需償還、並構成本集團現金管理之基本部份的銀行透支。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long term investments

Long term investments are non-trading investments in unlisted equity securities intended to be held on a long term basis. They are stated at cost less any impairment losses, on an individual investment basis.

When impairments in values have occurred, the carrying amounts of the securities are reduced to their fair values, as estimated by the directors, and the amounts of the impairments are charged to the profit and loss account for the period in which they arise. When the circumstances and events which led to the impairments in values cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amounts of the impairments previously charged are credited to the profit and loss account to the extent of the amounts previously charged.

Short term investments

Short term investments are investments in listed equity securities held for trading purposes and are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. The gains or losses arising from changes in the fair value of a security are credited or charged to the profit and loss account in the period in which they arise.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

4. 主要會計政策摘要 (續)

現金及現金等值項目 (續)

如財務報表附註3所述，於年內採納經修訂會計實務準則第15號前，綜合現金流量表之現金等值項目中包括須於墊支日期起計三個月內償還之銀行墊款以及銀行透支。有關定義之改變導致須就信託收據貸款作上年度調整，有關詳情載列於財務報表附註34(a)。

就資產負債表而言，現金及現金等值項目為用途不受限制之庫存及存放於銀行之現金，包括定期存款。

遞延稅項

遞延稅項乃以債務法就所有重大時差在可見之將來可能產生之負債作撥備。遞延稅項資產將不會入賬，除非此遞延稅項資產能毫無疑問地保證實現。

收入確認

收入會於本集團大有可能獲得經濟利益，而收入能可靠計算時確認入賬，有關基準如下：

- (a) 銷售貨品之收入會於擁有權之重大風險及回報轉移予買方時確認入賬，且本集團既不參與擁有權一般程度之管理，亦不擁有所售貨品之實際控制權；
- (b) 出售有價證券之收入會於交換有關交易票據時確認入賬；
- (c) 提供服務之收入會於提供服務時確認入賬；
- (d) 租金收入就租期按時間比例計算；
- (e) 利息收入就未償還本金金額及有關實際利率按時間比例計算；及
- (f) 股息收入會於確立股東收款權利時確認入賬。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents (continued)

Prior to the adoption of the revised SSAP 15 during the year, as explained in note 3 to the financial statements, cash equivalents in the consolidated cash flow statement also included advances from banks repayable within three months from the date of the advance, in addition to bank overdrafts. This change in definition has resulted in a prior year adjustment relating to trust receipt loans, further details of which are included in note 34(a) to the financial statements.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Deferred tax

Deferred tax is provided, using the liability method, on all significant timing differences to the extent it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the sale of marketable securities, when the relevant contract notes are exchanged;
- (c) from the rendering of services, when the services are rendered;
- (d) rental income, on a time proportion basis over the lease terms;
- (e) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (f) dividend income, when the shareholders' right to receive payment has been established.

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4. 主要會計政策摘要 (續)

僱員福利

結轉有薪假期

本集團根據僱傭合約向僱員提供有薪年假。在若干情況下，於結算日尚未享用之假期可予結轉及由有關僱員於翌年享用。僱員於本年度及以前年度賺取並結轉之有薪假期之預期日後成本於結算日列為應計款項。

如財務報表附註3所述，於年內採納會計實務準則第34號前，本集團並無預提於結算日結轉之有薪假期。該項會計政策之變動並無重大影響，故無須對前年度作出調整。

僱傭條例長期服務金

根據香港僱傭條例，若干僱員服務本集團的年期已屆指定年數，可於終止僱用時享有長期服務金。倘終止僱用時符合僱傭條例所規定之情況，本集團則須支付有關款項。

有關預期日後可能支付之長期服務金已確認撥備。該撥備乃按僱員自向本集團提供服務起計至結算日止所賺取之可能日後款項的最佳估計數字計算。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year and prior years by the employees and carried forward.

Prior to the adoption of SSAP 34 during the year, as explained in note 3 to the financial statements, the Group did not accrue for paid annual leave carried forward at the balance sheet date. This change in accounting policy has not resulted in any prior year adjustment as the impact is not material.

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group to the balance sheet date.

4. 主要會計政策摘要 (續)

僱員福利 (續)

退休福利計劃

本集團根據香港強制性公積金計劃條例設立一項界定供款強制性公積金退休福利計劃(「強積金計劃」)，供合資格僱員參加。供款額為僱員基本薪金的若干百分比，並於根據強積金計劃之規則於應付時在損益表中扣除。強積金計劃的資產由本集團一個獨立行政基金持有。根據強積金計劃規定，本集團之僱主供款在注入該計劃後，全數歸於僱員；如僱員在歸屬期離職，則本集團僱主之自願供款，將按有關政策退還本集團。

本公司於中國營運之附屬公司的僱員須參與由地方政府運作之中央退休金計劃。附屬公司須向中央退休金計劃支付員工薪金成本若干百分比。該等退休金計劃供款按中央退休金計劃規定應支付時於損益表列賬。

購股權計劃

本公司設立購股權計劃為曾對本集團業務之成就有所貢獻之合資格參與人士給予獎勵及獎賞。直至購股權行使前，根據購股權計劃授出購股權所引致之財務影響並不會在本公司或本集團之資產負債表呈列。授出購股權之成本亦無計入損益表或資產負債表。因行使購股權而發行之股份會按股份面值列作本公司之額外股本，而每股行使價高於股份面值之差額則計入本公司之股份溢價賬。於行使前已註銷或失效之購股權會自尚未行使之購股權名冊內刪除。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Company’s subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal government. The subsidiaries are required to contribute certain percentage of the payroll costs to the central pension schemes. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension schemes.

Share option schemes

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The financial impact of share options granted under the share option schemes is not recorded in the Company’s or the Group’s balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

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4. 主要會計政策摘要 (續)

外幣

外幣交易乃按交易日之適用匯率入賬。於結算日以外幣為單位之貨幣資產及負債乃按該日之適用匯率換算。滙兌差額乃計入損益表。

於綜合賬目時，海外附屬公司及聯營公司之財務報表乃使用淨投資法換算為港元。海外附屬公司及聯營公司之損益表按年內之加權平均匯率換算為港元，其資產負債表則按結算日之匯率換算為港元。所產生之換算差額乃納入滙兌浮動儲備內。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率換算為港元。海外附屬公司本年度產生之經常性現金流量乃按年度加權平均匯率換算為港元。

如財務報表附註3所述，於年內採納經修訂之會計實務準則第11號及15號前，海外附屬公司及聯營公司之損益表及海外附屬公司之現金流量均按結算日之匯率換算為港元。該變更對財務報表並無重大影響。

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries and associates are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries and associates are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Prior to the adoption of the revised SSAPs 11 and 15 during the year, as explained in note 3 to the financial statements, the profit and loss accounts of overseas subsidiaries and associates and the cash flows of overseas subsidiaries were translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. These changes have had no material effect on the financial statements.

5. 分類資料

分類資料乃以兩種分類方式呈列：(i) 以業務分類作為主要分類申報基準；及(ii)以地區分類作為次要分類申報基準。

本集團之經營業務乃按其業務性質以及所提供之產品及服務獨立編排及管理。本集團各項業務類別乃指所提供產品及服務之策略性業務單位所涉及之風險及回報與其他業務類別者不同而分類。業務類別之詳情概述如下：

- (a) 參茸及藥品部份從事向零售商及批發商銷售中藥及其他藥物、藥品、健康產品及海味產品；
- (b) 生物科技及轉基因製品部份從事生產及銷售生物科技及轉基因製品；
- (c) 物業投資部份從事持有投資物業及於香港及國內之物業收取租金收入；及
- (d) 企業及其他部份包括從事提供中醫診療服務，買賣有價證券及企業收入及支出項目。

於釐訂本集團地區分類方面，收入及業績乃按客戶地點分類，資產則按資產地點分類。

業務單位之間之銷售及轉撥，乃按成本或參考當時現有市場價格售予第三者之售價而進行。

5. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the sum yung and pharmaceutical products segment sells Chinese and other medicines, pharmaceutical products, health products and dried seafood products to wholesalers and retailers;
- (b) the biotechnological and transgenic products segment engages in the production and sale of biotechnological and transgenic products;
- (c) the property investment segment engages in investment property holding and receives rental income from properties located in Hong Kong and Mainland China; and
- (d) the corporate and others segment comprises the provision of Chinese clinical services, the trading of marketable securities and corporate income and expense items.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Intersegment sales and transfers are transacted at cost or with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

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5. 分類資料 (續)

(a) 業務分類

下表呈列本集團按業務分類之收入、溢利／(虧損)及若干資產、負債及開支資料。

5. SEGMENT INFORMATION (continued)

(a) Business segments

The following table presents revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments.

本集團 Group		參茸及藥品 Sum yung and pharmaceutical products		生物科技及轉基因製品 Biotechnological and transgenic products		物業投資 Property investment		企業及其他 Corporate and others		抵銷 Eliminations		綜合 Consolidated	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
分類收入：	Segment revenue:												
售予對外客戶	Sales to external customers	99,179	53,953	5,426	12,989	2,396	2,356	1,320	1,765	-	-	108,321	71,063
業務分類間之銷售額	Intersegment sales	212	187	-	-	-	-	59	-	(271)	(187)	-	-
其他收入	Other revenue	544	11	470	156	-	159	-	8,137	-	-	1,014	8,463
總額	Total	99,935	54,151	5,896	13,145	2,396	2,515	1,379	9,902	(271)	(187)	109,335	79,526
分類業績	Segment results	(8,964)	(7,307)	(38,678)	(5,465)	77	1,951	(22,408)	(7,507)			(69,973)	(18,328)
利息及股息之收入	Interest and dividend income											2,090	2,840
不予分配之開支	Unallocated expenses											(4,342)	(1,736)
經營業務虧損	Loss from operating activities											(72,225)	(17,224)
融資成本	Finance costs											(6,683)	(6,385)
除稅前虧損	Loss before tax											(78,908)	(23,609)
稅項	Tax											(1)	433
未計少數股東權益	Loss before minority interests											(78,909)	(23,176)
少數股東權益	Minority interests											19,646	3,617
股東應佔日常業務虧損淨額	Net loss from ordinary activities attributable to shareholders											(59,263)	(19,559)
分類資產	Segment assets	34,597	37,886	100,005	130,057	42,846	44,385	68,010	97,557	-	(1,409)	245,458	308,476
於聯營公司之權益	Interests in associates	-	-	-	-	-	-	583	2,311	-	-	583	2,311
		34,597	37,886	100,005	130,057	42,846	44,385	68,593	99,868	-	(1,409)	246,041	310,787
不予分配之資產	Unallocated assets											3,895	4,175
資產總額	Total assets											249,936	314,962
分類負債	Segment liabilities	22,597	17,352	23,010	19,461	624	2,070	24,113	23,684	-	(1,409)	70,344	61,158
不予分配之負債	Unallocated liabilities											157,195	154,850
負債總額	Total liabilities											227,539	216,008
其他分類資料：	Other segment information:												
折舊	Depreciation	3,157	2,843	6,172	1,486	11	7	919	1,113	-	-	10,259	5,449
無形資產攤銷	Amortisation of intangible assets	172	-	1,899	786	-	-	-	-	-	-	2,071	786
商譽攤銷	Amortisation of goodwill	172	-	-	-	-	-	1,339	396	-	-	1,511	396
於損益表中之減值虧損	Impairment losses included in the profit and loss account	-	-	16,033	-	-	-	8,147	-	-	-	24,180	-
												38,021	6,631
資本開支	Capital expenditure	2,680	2,735	4,739	15,370	13	-	150	1,218	-	-	7,582	19,323
其他非現金支出	Other non-cash expenses	4,351	-	8,927	62	2,000	-	2,999	4,551	-	-	18,277	4,613

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5. 分類資料 (續)

(b) 地區分類

下表呈列本集團地區分類之收入及若干資產及開支資料。

5. SEGMENT INFORMATION (continued)

(b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments.

本集團	Group	香港		中國		抵銷		綜合	
		Hong Kong		Mainland China		Eliminations		Consolidated	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
分類收入：	Segment revenue:								
售予對外客戶	Sales to external customers	56,575	57,936	51,746	13,127	-	-	108,321	71,063
其他分類資料：	Other segment information:								
分類資產	Segment assets	125,597	161,626	124,339	153,336	-	-	249,936	314,962
資本開支	Capital expenditure	374	3,953	7,208	15,370	-	-	7,582	19,323

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6. 營業額及其他收入

營業額指年內出售貨品之發票淨值(扣除退貨及營業折扣準備)，已提供服務之價值，及投資物業已收及應收租金總收入。

營業額及其他收入分析如下：

6. TURNOVER AND OTHER REVENUE

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts; the value of services rendered; and gross rental income received and receivable from investment properties during the year.

An analysis of turnover and other revenue is as follows:

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
營業額	Turnover		
參茸及藥品之銷售	Sale of sum yung and pharmaceutical products	99,179	53,953
生物科技及轉基因 製品之銷售	Sale of biotechnological and transgenic products	5,426	12,989
物業投資－租金總收入	Property investment – gross rental income	2,396	2,356
其他	Others	1,320	1,765
		108,321	71,063
其他收入	Other revenue		
利息收入	Interest income	1,861	2,611
上市投資股息收入	Dividend income from listed investments	229	229
須支付予第三者之 購買代價餘額撥回	Write-back of residual purchase consideration payable to third parties	–	4,806
前董事宿舍須支付之 租金及雜費支出撥回	Write-back of rent and miscellaneous expenses payable for former director quarter	–	1,296
須支付予前董事之 酬金及支出撥回	Write-back of remuneration and disbursements payable to former directors	–	827
其他	Others	1,014	1,534
		3,104	11,303

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7. 經營業務虧損

本集團之經營業務虧損已扣除／(計入)下列項目：

7. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging/(crediting):

		本集團	
		Group	
		2003	2002
		千港元	千港元
		HK\$'000	HK\$'000
	附註 Notes		
出售存貨之成本	Cost of inventories sold	73,073	39,628
提供服務之成本	Cost of services provided	491	732
折舊	Depreciation	10,259	5,449
專利權攤銷	Amortisation of a patent	172	—
技術知識攤銷*	Amortisation of know-how*	1,899	786
技術知識減值	Impairment of know-how	9,696	—
遞延開發 成本減值**	Impairment of deferred development costs**	6,337	—
研究及開發支出**	Research and development expenditure**	2,049	639
商譽減值	Impairment of goodwill	5,147	—
商譽攤銷**	Amortisation of goodwill**	1,511	396
有關土地及樓宇之經營 租約最低租賃繳付金額	Minimum lease payments under operating leases in respect of land and buildings	13,247	11,135
核數師酬金	Auditors' remuneration	950	1,000
員工成本(不包括 董事酬金—附註9)：	Staff costs (excluding directors' remuneration — note 9)：		
薪金及工資	Wages and salaries	21,090	18,397
退休金計劃供款***	Pension scheme contributions***	1,880	676
		22,970	19,073

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7. 經營業務虧損 (續)

7. LOSS FROM OPERATING ACTIVITIES

(continued)

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
	附註 Notes		
出售固定資產虧損淨額	Loss on disposal of fixed assets, net	498	129
應收貿易賬款之呆賬撥備	Provision for doubtful trade receivables	5,674	1,974
預付款項及其他 應收款項撥備	Provision for prepayments and other receivables	3,086	-
應收關連公司 款項撥備	Provision for amount due from a related company	1,061	-
過時及滯銷 存貨撥備	Provision for obsolete and slow-moving inventories	1,266	569
應收聯營公司 款項撥備	Provision for amount due from an associate	1,728	1,034
長期非上市 投資減值**	Impairment of a long term unlisted investment**	3,000	-
重估短期上市投資 未變現虧損	Unrealised loss on revaluation of short term listed investments	1,687	1,736
出售短期上市投資 虧損	Loss on disposal of short term listed investments	1,279	-
重估投資物業減值	Deficit on revaluation of investment properties	2,000	200
滙兌虧損淨額	Exchange losses, net	3	18
須支付予第三者之 購買代價餘額撥回	Write-back of residual purchase consideration payable to third parties	-	(4,806)
前董事宿舍須支付之 租金及雜費支出撥回	Write-back of rent and miscellaneous expenses payable for former director quarter	-	(1,296)
須支付予前董事之 酬金及支出撥回	Write-back of remuneration and disbursements payable to former directors	-	(827)
租金收入淨額	Net rental income	(2,281)	(2,246)
上市投資股息收入	Dividend income from listed investments	6 (229)	(229)
利息收入	Interest income	6 (1,861)	(2,611)

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7. 經營業務虧損 (續)

- * 本年度技術知識攤銷已列入綜合損益表之「銷售成本」及「其他經營支出」內。
- ** 本年度商譽攤銷、長期非上市投資減值、遞延開發成本減值及研究及開發支出已包括在綜合損益表之「其他經營支出」內。
- *** 於二零零三年三月三十一日，本集團並無重大沒收供款可減低其於未來年度就退休金計劃之供款。(二零零二年：無)。

8. 融資成本

7. LOSS FROM OPERATING ACTIVITIES (continued)

- * The amortisation of know-how for the year is allocated between “Cost of sales” and “Other operating expenses” on the face of the consolidated profit and loss account.
- ** The amortisation of goodwill, impairment in value of long term unlisted investment, impairment of deferred development costs, and research and development expenditure for the year are included in “Other operating expenses” on the face of the consolidated profit and loss account.
- *** At 31 March 2003, the Group had no significant forfeited contributions available to reduce its contributions to the pension scheme in future years (2002: Nil).

8. FINANCE COSTS

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
銀行貸款及須於五年內悉數償還之其他借款之利息	Interest on bank loans and other borrowings wholly repayable within five years	6,639	6,349
融資租賃之利息	Interest on finance leases	32	36
其他	Others	12	-
		6,683	6,385

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9. 董事酬金

根據上市規則及香港公司條例第161條披露之董事酬金如下：

9. DIRECTORS' REMUNERATION

Directors' remuneration, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
袍金：	Fees:		
執行董事	Executive directors	—	—
獨立非執行董事	Independent non-executive directors	—	—
		—	—
執行董事之其他酬金：	Other emoluments for executive directors:		
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	1,224	1,129

於年內並沒有給予獨立非執行董事袍金或其他酬金。

No fees or other emoluments were paid to the independent non-executive directors during the year.

董事數目及其酬金範圍如下：

The number of directors whose remuneration fell within the following band is as follows:

		董事人數 Number of directors	
		2003	2002
零至1,000,000港元	Nil to HK\$1,000,000	8	6

於年內並無任何董事取消或同意取消任何酬金之安排。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

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10. 五名最高薪僱員

五名(二零零二年：五)非董事之最高薪人士之酬金詳情如下：

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	3,068	2,168
退休金計劃供款	Pension scheme contributions	81	45
		3,149	2,213

非董事之最高薪僱員數目及其酬金範圍如下：

		董事人數 Number of directors	
		2003	2002
零至1,000,000港元	Nil to HK\$1,000,000	5	5

10. FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the five (2002: five) non-director, highest paid employees are as follows:

The number of the non-director, highest paid employees whose remuneration fell within the following band is as follows:

11. 稅項

由於本集團於本年度在香港並無應課稅溢利，故並無就香港利得稅作出撥備(二零零二年：無)，其他地區之應課稅溢利乃按本集團經營所在地之現行稅率及根據其現有之法例、詮釋及慣例計算。

11. TAX

No Hong Kong profits tax has been provided for as the Group had no assessable profits arising in Hong Kong during the year (2002: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
本年度撥備－其他地區	Provision for the year – elsewhere	1	1
以前年度超額撥備	Overprovision in prior years	–	(434)
本年度稅項支出／(計入)	Tax charge/(credit) for the year	1	(433)

於年內概無重大尚未撥備之遞延稅項(二零零二年：無)。

There was no significant unprovided deferred tax in respect of the year (2002: Nil).

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12. 股東應佔日常業務虧損淨額

已計入本公司財務報表截至二零零三年三月三十一日止年度之股東應佔日常業務虧損淨額約17,828,000港元(二零零二年：28,712,000港元)。

13. 每股虧損

每股基本虧損乃根據年內股東應佔日常業務虧損淨額約59,263,000港元(二零零二年：19,559,000港元)及年內已發行普通股之加權平均數1,389,411,493股(二零零二年：1,374,136,424股)計算。

由於年內預期行使本公司之購股權及可換股票據有反攤薄影響，故並無呈列截至二零零三年及二零零二年三月三十一日止年度之每股攤薄虧損。

12. NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net loss from ordinary activities attributable to shareholders for the year ended 31 March 2003 dealt with in the financial statements of the Company is approximately HK\$17,828,000 (2002: HK\$28,712,000).

13. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to shareholders for the year of approximately HK\$59,263,000 (2002: HK\$19,559,000), and the weighted average number of 1,389,411,493 (2002: 1,374,136,424) ordinary shares in issue during the year.

Diluted loss per share amounts for the years ended 31 March 2003 and 2002 have not been presented because the effects of the assumed conversion of the share options and convertible notes of the Company during these years were anti-dilutive.

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14. 固定資產

14. FIXED ASSETS

本集團	Group	傢俬、 租賃物業裝修 裝置及設備						總額 Total
		投資物業 Investment properties 千港元 HK\$'000	樓宇 Buildings 千港元 HK\$'000	租賃物業裝修 Leasehold improve- ments 千港元 HK\$'000	傢俬、 裝置及設備 Furniture, fixtures and equipment 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction in progress 千港元 HK\$'000	
成本值或估值：		Cost or valuation:						
於年初	At beginning of year	44,150	49,095	13,299	32,237	3,080	5,775	147,636
添置	Additions	-	-	446	1,241	50	2,224	3,961
出售	Disposals	-	(113)	(2,144)	(233)	-	-	(2,490)
重估減值	Deficit on revaluation	(2,000)	-	-	-	-	-	(2,000)
轉撥	Transfers	-	5,721	-	331	-	(6,052)	-
於二零零三年 三月三十一日		42,150	54,703	11,601	33,576	3,130	1,947	147,107
成本值或估值分析：		Analysis of cost or valuation:						
按成本	At cost	-	54,703	11,601	33,576	3,130	1,947	104,957
於二零零三年 三月三十一日 之估值	At 31 March 2003 valuation	42,150	-	-	-	-	-	42,150
		42,150	54,703	11,601	33,576	3,130	1,947	147,107
累計折舊：		Accumulated depreciation:						
於年初	At beginning of year	-	317	8,778	7,806	1,426	-	18,327
本年度撥備	Provided during the year	-	3,387	2,721	3,691	460	-	10,259
出售	Disposals	-	(2)	(1,782)	(106)	-	-	(1,890)
於二零零三年 三月三十一日		-	3,702	9,717	11,391	1,886	-	26,696
賬面淨值：		Net book value:						
於二零零三年 三月三十一日	At 31 March 2003	42,150	51,001	1,884	22,185	1,244	1,947	120,411
於二零零二年 三月三十一日	At 31 March 2002	44,150	48,778	4,521	24,431	1,654	5,775	129,309

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14. 固定資產 (續)

14. FIXED ASSETS (continued)

本公司	Company	租賃物業裝修 Leasehold improvements 千港元 HK\$'000
成本值：	Cost:	
於年初及於二零零三年 三月三十一日	At beginning of year and at 31 March 2003	812
累計折舊：	Accumulated depreciation:	
於年初	At beginning of year	270
本年度撥備	Provided during the year	271
於二零零三年三月三十一日	At 31 March 2003	541
賬面淨值：	Net book value:	
於二零零三年三月三十一日	At 31 March 2003	271
於二零零二年三月三十一日	At 31 March 2002	542

(a) 本集團之投資物業以下列租期持有：

(a) The Group's investment properties are held under the following lease terms:

	香港 Hong Kong 千港元 HK\$'000	中國 Mainland China 千港元 HK\$'000	總額 Total 千港元 HK\$'000	
長期租約	Long term leases	16,400	–	16,400
中期租約	Medium term leases	24,550	1,200	25,750
		40,950	1,200	42,150

本集團之投資物業於二零零三年三月三十一日由合資格獨立專業估值師簡福飴測量行按現有用途基準以公開市值重估。所有投資物業按經營租約出租予第三者，有關詳情載於財務報表附註37。

The Group's investment properties were revalued on 31 March 2003 by Knight Frank Hong Kong Limited, independent professionally qualified valuers, on an open market value, existing use basis. All investment properties are leased to third parties under operating leases, further details of which are included in note 37 to the financial statements.

於二零零三年三月三十一日，本集團之若干投資物業之賬面價值共40,950,000港元(二零零二年：42,950,000港元)均用作為授予本集團銀行融資之抵押(附註28)。

At 31 March 2003, certain of the Group's investment properties with a total carrying value of HK\$40,950,000 (2002: HK\$42,950,000) were pledged to secure banking facilities granted to the Group (note 28).

本集團之投資物業詳情載於本年報內第100至101頁。

Further particulars of the Group's investment properties are included on pages 100 to 101 of the Annual Report.

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14. 固定資產 (續)

- (b) 於二零零三年三月三十一日，本集團之樓宇之賬面價值約45,868,000港元(二零零二年：無)均用作為授予本集團銀行融資之抵押(附註28)。
- (c) 於二零零三年三月三十一日本集團以融資租賃方式持有之辦公室設備及汽車之賬面淨值分別約105,000港元(二零零二年：58,000港元)及約292,000港元(二零零二年：556,000港元)。

14. FIXED ASSETS (continued)

- (b) At 31 March 2003, a building of the Group with a carrying value of approximately HK\$45,868,000 (2002: Nil) was pledged to secure banking facilities granted to the Group (note 28).
- (c) The net book value of the Group's office equipment and motor vehicles held under finance lease as at 31 March 2003 amounted to approximately HK\$105,000 (2002: HK\$58,000) and approximately HK\$292,000 (2002: HK\$556,000), respectively.

15. 無形資產

15. INTANGIBLE ASSETS

本集團	Group	遞延開發成本			總額
		專利權	技術知識	Deferred development costs	Total
		Patent	Know-how		
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
成本：	Cost:				
於年初	At beginning of year	–	25,915	7,936	33,851
添置	Additions	1,880	–	1,741	3,621
於二零零三年三月三十一日	At 31 March 2003	1,880	25,915	9,677	37,472
累計攤銷及減值：	Accumulated amortisation and impairment:				
於年初	At beginning of year	–	5,802	–	5,802
本年度攤銷	Amortisation provided during the year	172	1,899	–	2,071
本年度於損益表確認之減值	Impairment during the year recognised in the profit and loss account	–	9,696	6,337	16,033
於二零零三年三月三十一日	At 31 March 2003	172	17,397	6,337	23,906
賬面淨值：	Net book value:				
於二零零三年三月三十一日	At 31 March 2003	1,708	8,518	3,340	13,566
於二零零二年三月三十一日	At 31 March 2002	–	20,113	7,936	28,049

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16. 商譽及負商譽

因收購附屬公司而產生並已資本化之商譽如下：

本集團

Group

		商譽 Goodwill 千港元 HK\$'000
成本：	Cost:	
於年初及二零零三年三月三十一日	At beginning of year and 31 March 2003	21,582
累計攤銷及減值：	Accumulated amortisation and impairment:	
於年初	At beginning of year	396
本年度攤銷	Amortisation provided during the year	1,511
本年度於損益表中確認之減值	Impairment during the year recognised in the profit and loss account	5,147
於二零零三年三月三十一日	At 31 March 2003	7,054
賬面淨值：	Net book value:	
於二零零三年三月三十一日	At 31 March 2003	14,528
於二零零二年三月三十一日	At 31 March 2002	21,186

根據本集團採納會計實務準則第30號之過渡條文(詳情見財務報表附註4)，於二零零一年四月一日前因收購產生之商譽及負商譽可分別繼續於綜合儲備中抵銷或計入資本儲備內。

於二零零一年四月一日前因收購附屬公司產生而仍然於綜合儲備列賬之負商譽金額於二零零二年四月一日及二零零三年三月三十一日約13,051,000港元。

16. GOODWILL AND NEGATIVE GOODWILL

The amounts of the goodwill capitalised as an asset, arising from the acquisition of subsidiaries, are as follows:

As detailed in note 4 to the financial statements, on the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted goodwill and negative goodwill in respect of acquisitions which occurred prior to 1 April 2001, to remain eliminated against consolidated reserves or credited to capital reserve, respectively.

The amounts of negative goodwill remaining in consolidated reserves, arising from the acquisition of subsidiaries prior to 1 April 2001 was approximately HK\$13,051,000 as at 1 April 2002 and 31 March 2003.

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31 March 2003

17. 於附屬公司之權益

17. INTERESTS IN SUBSIDIARIES

		本公司 Company	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
非上市股份，按成本值	Unlisted shares, at cost	39,445	39,445
應收附屬公司款項	Due from subsidiaries	368,088	360,628
		407,533	400,073
減：減值撥備	Less: Provisions for impairment	(32,427)	(26,593)
應收附屬公司款項撥備	Provisions for amounts due from subsidiaries	(368,088)	(360,628)
		7,018	12,852

應收附屬公司款項乃無抵押、免息及無固定還款期。

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

主要附屬公司之詳情如下：

Particulars of the principal subsidiaries are as follows:

名稱 Name	成立／註冊 及營業地點 Place of incorporation/ registration and operations	已發行普通股 之面值／ 註冊股本 Nominal value of issued ordinary/ registered share capital	本公司 應佔股權 百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
華宏有限公司 China Vantage Limited	香港 Hong Kong	2港元 HK\$2	—	100%	融資業務 Financing activities
中國基因工程有限公司 China Genetic Limited	香港 Hong Kong	2港元 HK\$2	—	100%	投資控股 Investment holding
華銀有限公司 China Silver Limited	香港 Hong Kong	3港元 HK\$3	—	100%	物業投資 Property holding
Forever Good Investments Limited	英屬處女群島 British Virgin Islands	1美元 US\$1	—	100%	投資控股 Investment holding
福置企業有限公司 Forever Wealth Enterprises Limited	香港 Hong Kong	2港元 HK\$2	—	100%	物業投資 Property holding
Gain Success Investments Limited	英屬處女群島／香港 British Virgin Islands/ Hong Kong	1美元 US\$1	—	100%	證券買賣 Securities dealing

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17. 於附屬公司之權益 (續)

17. INTERESTS IN SUBSIDIARIES (continued)

名稱 Name	成立／註冊 及營業地點 Place of incorporation/ registration and operations	已發行普通股 之面值／ 註冊股本 Nominal value of issued ordinary/ registered share capital	本公司 應佔股權 百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
貴州一樹連鎖藥業有限公司 (「一樹連鎖」) † (附註i) Guizhou Ensure Chain Pharmacy Co., Ltd. ("Ensure Chain") † (note i)	中國 Mainland China	10,000,000人民幣 RMB10,000,000	—	51%	藥品零售 Retail of pharmaceutical products
Joinbest Investment Limited ("Joinbest")	英屬處女群島 British Virgin Islands	50,000美元 US\$50,000	—	100%	投資控股 Investment holding
南北行(集團)有限公司 Nam Pei Hong (Holding) Limited	香港 Hong Kong	113,942,339港元 HK\$113,942,339	—	100%	投資控股 Investment holding
南北行投資有限公司 Nam Pei Hong Investments Limited	香港 Hong Kong	10,000港元 HK\$10,000	—	100%	物業投資 Property holding
南北行管理有限公司 Nam Pei Hong Management Limited	香港 Hong Kong	300,000港元 HK\$300,000	—	100%	提供管理服務 Provision of management services
Nam Pei Hong Nominees Limited	香港 Hong Kong	2港元 HK\$2	—	100%	提供代理人 服務 Provision of nominee services
南北行參茸藥材有限公司(「參茸」) Nam Pei Hong Sum Yung Drugs Company Limited ("Sum Yung")	香港 Hong Kong	1,200,000港元 HK\$1,200,000	—	100%	零售及批發 中藥、海味及 健康產品 Wholesale and retail of Chinese medicines, dried seafood and health products

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17. 於附屬公司之權益 (續)

17. INTERESTS IN SUBSIDIARIES (continued)

名稱 Name	成立／註冊 及營業地點 Place of incorporation/ registration and operations	已發行普通股 之面值／ 註冊股本 Nominal value of issued ordinary/ registered share capital	本公司 應佔股權 百分比 Percentage of equity attributable to the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
N P H International (B.V.I.) Limited	英屬處女群島 British Virgin Islands	4美元 US\$4	100%	—	投資控股 Investment holding
南北行中醫藥有限公司 N P H Sino-Meditech Limited	香港 Hong Kong	2港元 HK\$2	—	100%	提供中醫 診療服務 Provision of Chinese clinical services
上海華新生物高技術 有限公司 (附註ii) Shanghai Hua Xin High Biotechnology Inc. (note ii)	中國 Mainland China	9,620,000美元 US\$9,620,000	—	57%	生產及銷售 生物科技製品 Production and sale of biotechnological products
滿溢資產有限公司 Well Gain Assets Limited	香港 Hong Kong	2港元 HK\$2	—	100%	物業投資 Property holding
揚州揚大港葯基因 工程有限公司 (「揚州基因」) (附註iii) Yangzhou Genetic Engineering Ltd. ("YZ Genetic") (note iii)	中國 Mainland China	25,600,000人民幣／ 30,500,000人民幣 RMB25,600,000/ RMB30,500,000	34.43%	—	研究及生產 轉基因葯物 及其他生物製品 Research and development of transgenic drugs and other biological products

† 公司之英文名稱乃由其中文註冊名稱直接翻譯。

† The English name of the company is a direct translation of its Chinese registered name.

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17. 於附屬公司之權益 (續)

附註：

- (i) 一樹連鎖乃於中國成立之中外合資合營公司及於二零零二年被本集團收購，其經營期由一九九九年三月十一日開始起計43年。
- (ii) 華新乃於中國成立之中外合資合營公司及於二零零一年被本集團收購，其經營期由一九九三年一月十九日開始起計45年。
- (iii) 按照揚州基因之公司章程及由持有揚州基因16.39%之少數股東揚州市能源交通投資公司(「揚州能源」)簽訂之授權書，揚州能源已把其於揚州基因董事會之投票權授予本公司，使本公司能於揚州基因董事會之7名代表中佔4席位。故此本公司能控制揚州基因之財務及營運政策。

揚州基因乃於中國成立之中外合資合營公司，其經營期由二零零一年二月五日開始起計30年。

於二零零三年十一月二十六日，本公司與一家於上海上市之公司—江蘇聯環藥業股份有限公司(「江蘇聯環」)訂立買賣協議，據此，本公司同意以代價7,000,000人民幣出售揚州基因34.43%股權予江蘇聯環。

上表列出本公司之附屬公司，董事認為該等公司乃主要影響本集團於本年度之業績或構成本集團資產淨值之主要部份。董事認為，若列出其他附屬公司之詳情會流於冗長。

18. 於聯營公司之權益

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
所佔資產淨值	Share of net assets	818	818
應收聯營公司款項	Due from associates	4,332	4,332
		5,150	5,150
減：減值撥備	Less: Provisions for impairment	(235)	(235)
應收聯營公司款項撥備	Provisions for amounts due from associates	(4,332)	(2,604)
		583	2,311

應收聯營公司款項乃無抵押、免息及無固定還款期。

17. INTERESTS IN SUBSIDIARIES (continued)

Notes:

- (i) Ensure Chain is a Sino-foreign co-operative joint venture company established in Mainland China and acquired by the Group in 2002, with an operating period of approximately 43 years commencing from 11 March 1999.
- (ii) Hua Xin is a Sino-foreign co-operative joint venture company established in Mainland China and acquired by the Group in 2001, with an operating period of 45 years commencing from 19 January 1993.
- (iii) In accordance with YZ Genetic's articles of association and an authorisation letter signed by Yang Zhou Energy & Transportation Investment Co., Ltd. ("YZ Energy"), a 16.39% minority shareholder of YZ Genetic, YZ Energy has delegated its voting rights in the board of directors of YZ Genetic to the Company, hence enabling the Company to have 4 out of the 7 representatives on YZ Genetic's board of directors. Therefore the Company can exercise control over the financial and operating policies of YZ Genetic.

YZ Genetic is a Sino-foreign co-operation joint venture established in Mainland China with an operating period of 30 years commencing from 5 February 2001.

On 26 November 2003, the Company entered into a sales and purchase agreement with Jiangsu Lianhuan Pharmaceutical Co., Ltd. ("Jiangsu Lianhuan"), a company listed in Shanghai, whereby the Company agreed to dispose of its entire 34.43% equity interest in YZ Genetic to Jiangsu Lianhuan for a consideration of RMB7,000,000.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

18. INTERESTS IN ASSOCIATES

The amounts due from associates are unsecured, interest-free and have no fixed terms of repayment.

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18. 於聯營公司之權益 (續)

聯營公司之詳情如下：

名稱 Name	業務架構 Business structure	成立／註冊 及營業地點 Place of incorporation/ registration and operations	本集團應佔 之股權百分比 Percentage of ownership interest attributable to the Group	主要業務 Principal activities
福建省新閩生物高技術有限公司 Fujian Province Xinmin High Biotechnology Co. Ltd.	企業 Corporate	中國 Mainland China	19%	生產及銷售 基因藥物及 醫療設備 Production and sale of genetic medicines and medical equipment
上海生物技術工業園區聯合 發展有限公司 Shanghai Biotechnology Industrial Zone United Development Co. Ltd.	企業 Corporate	中國 Mainland China	17.67%	提供樓宇管理 及環境支援服務 Provision of building management and environmental support services

國內聯營公司之英文名稱，乃按其中
文註冊名稱直接翻譯。

所有於聯營公司之權益乃本公司透過
一非全資附屬公司持有。

Particulars of the associates are as follows:

The English names of these associates in Mainland China
are direct translations of their Chinese registered names.

The shareholdings in the associates all comprise equity
shares held through a non wholly-owned subsidiary of the
Company.

19. 長期投資

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
非上市股權投資， 按成本值	Unlisted equity investments, at cost	21,415	21,415
減：減值撥備	Less: Provisions for impairments	(20,240)	(17,240)
		1,175	4,175

19. LONG TERM INVESTMENTS

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20. 存貨

20. INVENTORIES

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
原材料	Raw materials	380	176
在製品	Work in progress	1,078	1,369
製成品	Finished goods	625	296
商品	Merchandised goods	16,473	16,389
		18,556	18,230

上述餘額中並無存貨以可變現淨值入賬。

No inventory included in the above balance was carried at net realisable value.

21. 應收貿易賬款

21. TRADE RECEIVABLES

本集團給予中藥及其他藥物，健康產品及海味產品之客戶之信貸期為30至90天。給予生物科技及醫葯製品之客戶之信貸期為60至180天。

The Group's credit terms granted to customers of Chinese and other medicines, health products and dried seafood products range between 30 and 90 days. The credit terms granted to customers of biotechnological and pharmaceutical products range between 60 and 180 days.

於結算日應收貿易賬款扣除撥備後之淨額之賬齡分析如下：

An aged analysis of the trade receivables as at the balance sheet date, net of provisions, is as follows:

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
3個月內	Within 3 months	4,117	7,733
4至6個月	4 to 6 months	109	504
7至12個月	7 to 12 months	407	341
13至24個月	13 to 24 months	11	1,117
超過24個月	Over 24 months	25	6
		4,669	9,701

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22. 應收中間控股公司款項

22. DUE FROM INTERMEDIATE HOLDING COMPANIES

		附註 Notes	本集團 Group		本公司 Company	
			2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
應收Tin Ming款項	Due from Tin Ming	(a)	11,472	6,120	11,472	6,120
應收Hong Tau款項	Due from Hong Tau	(b)	1,906	2,118	1,906	2,118
			13,378	8,238	13,378	8,238

附註：

Notes:

(a) 應收Tin Ming Management Limited (「Tin Ming」) 之款項6,082,000港元及5,390,000港元(包括利息金額分別約為574,000港元及290,000港元)並無抵押及年息為最優惠利率加1厘。金額為6,082,000港元之款項原於二零零二年三月二十八日到期，已延期至二零零三年三月三十一日；而金額為5,390,000港元之款項則於二零零三年四月二十三日到期。年內，本公司同意進一步把此等餘額連同應計利息之還款期延期至二零零四年三月三十一日。

(a) The amounts of HK\$6,082,000 and HK\$5,390,000 (including interest amounting to approximately HK\$574,000 and HK\$290,000, respectively) due from Tin Ming Management Limited (“Tin Ming”) are unsecured and bear interest at prime rate plus 1% per annum. The amount of HK\$6,082,000 was originally due on 28 March 2002 and was extended to 31 March 2003 while the amount of HK\$5,390,000 was due on 23 April 2003. During the year, the Company agreed to further extend the repayment dates of these balances together with the accrued interest to 31 March 2004.

(b) 應收Hong Tau Investment Ltd. (「Hong Tau」) 之款項約1,906,000港元乃Hong Tau分擔本公司之財務重組開支。該款項並無抵押及免息。該款項原於二零零二年三月二十八日到期及已延期至二零零三年三月三十一日。年內，本公司同意進一步把還款期延期至二零零四年三月三十一日。於二零零三年八月十四日，Hong Tau已償還約700,000港元，而餘額將於二零零四年三月三十一日償還。

(b) The amount of approximately HK\$1,906,000 due from Hong Tau Investment Ltd. (“Hong Tau”) represents the sharing of the Company’s financial restructuring costs by Hong Tau. The amount is unsecured and interest-free. The amount was originally due on 28 March 2002 and was extended to 31 March 2003. During the year, the Company agreed to further extend the repayment date to 31 March 2004. On 14 August 2003, Hong Tau settled approximately HK\$700,000 with the remaining balance to be settled on 31 March 2004.

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23. 短期投資

23. SHORT TERM INVESTMENTS

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
香港上市股權投資、 按市值：	Listed Hong Kong equity investments, at market value:	2,720	9,220
香港上市債券投資、 按市值：	Listed Hong Kong debt investment, at market value:	–	970
		2,720	10,190

於批准財務報表當日本集團之短期投資之市值約為3,666,000港元(二零零二年：8,506,000港元)。

The market value of the Group's short term investments at the date of approval of these financial statements was approximately HK\$3,666,000 (2002: HK\$8,506,000).

24. 現金及現金等值項目

24. CASH AND CASH EQUIVALENTS

		本集團 Group		本公司 Company	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
現金及銀行存款	Cash and bank balances	8,844	7,858	2,850	2,126
定期存款	Time deposits	30,000	49,154	30,000	47,199
		38,844	57,012	32,850	49,325

於結算日，本集團以人民幣結算之現金及銀行存款約為2,815,000港元(二零零二年：4,354,000港元)。人民幣不可自由兌換為其他貨幣，然而，根據中國外匯管制條例及結匯、售匯及付匯管理規定，本集團可透過特許進行外匯業務之銀行將人民幣兌換為其他貨幣。

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$2,815,000 (2002: HK\$4,354,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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25. 應付貿易賬款

於結算日應付貿易賬款之賬齡(以發票日期為基準)分析如下：

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
3個月內	Within 3 months	9,401	4,860
4至6個月	4 to 6 months	4,618	4,120
7至12個月	7 to 12 months	362	436
13至24個月	13 to 24 months	854	177
超過24個月	Over 24 months	6,799	6,812
		22,034	16,405

25. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on invoice date, is as follows:

26. 其他應付款項及應計款項

會計實務準則第34號於年內被採納，詳情載於財務報表附註3及附註4「僱員福利」一節內。因此，僱員於本年度及以前年度賺取之有薪年假之預期日後成本於結算日已列為應計款項，而僱員於結算日尚未享用之假期可予結轉及於翌年享用。

此項會計政策之變動導致於二零零三年三月三十一日，本集團應計款項中包括約172,000港元作為有薪假期之結轉。由於影響並不重大故沒有作出上年度調整。

26. OTHER PAYABLES AND ACCRUALS

SSAP 34 was adopted during the year, as explained in note 3 and under the heading “Employee benefits” in note 4 to the financial statements. As a result, an accrual has been made at the balance sheet date for the expected future cost of paid annual leave earned during the year and prior years by employees, which remains untaken by the employees at the balance sheet date and is permitted to be carried forward and utilised in the following year.

This change in accounting policy has resulted in approximately HK\$172,000 being included in the balance of the Group's accruals in respect of the paid leave carried forward as at 31 March 2003. No prior year adjustment has been made because the impact is not material.

27. 銀行及其他借款

		本集團 Group		本公司 Company		
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	
銀行及其他借款之 即期部份	Current portion of bank and other borrowings	28	137,507	68,389	46,169	6,084
應付融資租賃之 即期部份	Current portion of finance lease payables	29	121	135	–	–
			137,628	68,524	46,169	6,084

27. BANK AND OTHER BORROWINGS

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28. 銀行及其他借款

28. BANK AND OTHER BORROWINGS

		本集團 Group		本公司 Company	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
信託收據貸款， 有抵押－附註(a)	Trust receipts loans, secured – note (a)	1,976	2,065	–	–
銀行貸款：	Bank loans:				
有抵押－附註(b)	Secured – note (b)	47,507	43,085	–	–
無抵押－附註(c)	Unsecured – note (c)	31,020	31,960	–	–
		80,503	77,110	–	–
可換股票據：	Convertible notes:				
銀行可換股票據， 有抵押－附註(d)	Bank convertible note, secured – note (d)	38,000	40,000	38,000	40,000
其他可換股票據， 無抵押－附註(e)	Other convertible notes, unsecured – note (e)	12,254	12,254	12,254	12,254
		50,254	52,254	50,254	52,254
其他貸款， 無抵押－附註(f)	Other loans, unsecured – note (f)	26,203	25,181	–	–
		156,960	154,545	50,254	52,254
須償還之銀行及 信託收據貸款：	Bank and trust receipts loans repayable:				
須於一年內或按 通知即時償還	Within one year or on demand	80,503	37,124	–	–
於第二年	In the second year	–	3,998	–	–
於第三至第五年 (首尾兩年包括在內)	In the third to fifth years, inclusive	–	35,988	–	–
五年以上	Beyond five years	–	–	–	–
		80,503	77,110	–	–

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31 March 2003

28. 銀行及其他借款 (續)

28. BANK AND OTHER BORROWINGS

(continued)

		本集團		本公司	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
須償還之可換股票據：	Convertible notes repayable:				
須於一年內或按	Within one year or				
通知即時償還	on demand	46,169	6,084	46,169	6,084
於第二年－附註(e)	In the second year – note (e)	4,085	14,170	4,085	14,170
於第三至第五年	In the third to fifth				
(首尾兩年包括在內)	years, inclusive	–	32,000	–	32,000
		50,254	52,254	50,254	52,254
須償還之其他貸款：	Other loans repayable:				
須於一年內或按	Within one year or				
通知即時償還	on demand	10,835	25,181	–	–
於第二年－附註(f)	In the second year – note (f)	15,368	–	–	–
		26,203	25,181	–	–
銀行及其他借款總計	Total bank and other borrowings	156,960	154,545	50,254	52,254
列作流動負債之部份	Portion classified as				
(附註27)	current liabilities				
	(note 27)	(137,507)	(68,389)	(46,169)	(6,084)
長期部份	Long term portion	19,453	86,156	4,085	46,170

附註：

- (a) 本集團之信託收據貸款是以於結算日賬面價值2,400,000港元(二零零二年：2,800,000港元)之本集團投資物業，及本公司簽訂之企業擔保作為抵押。
- (b) 於結算日，若干銀行給予本集團銀行貸款之詳情如下：

Notes:

- (a) The Group's trust receipts loans were secured by one of the Group's investment properties with a carrying value of HK\$2,400,000 (2002: HK\$2,800,000) at the balance sheet date and a corporate guarantee executed by the Company.
- (b) Details of the bank loans granted to the Group by certain banks as at the balance sheet date were summarised below:

		附註	2003 千港元 HK\$'000	2002 千港元 HK\$'000
新華銀行有限公司	Sin Hua Bank Limited			
(現稱中國銀行(香港)	(now known as Bank of China			
有限公司)	(Hong Kong) Limited)	(i)	39,987	43,085
上海銀行	Bank of Shanghai	(ii)	7,520	–
			47,507	43,085

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28. 銀行及其他借款 (續)

28. BANK AND OTHER BORROWINGS

(continued)

- (i) 華宏於二零零零年四月二十七日提取銀行貸款之主要條款概括如下：

- (i) The principal terms of the bank loans which were drawn down by China Vantage on 27 April 2000 are summarised below:

借款人：新華銀行有限公司
Lender: Sin Hua Bank Limited

本金：A部份貸款－39,986,711港元
Principal amount: Tranche A facility – HK\$39,986,711
B部份貸款－5,498,607港元
Tranche B facility – HK\$5,498,607

利率：A部份信貸年息相等於香港優惠利率減1.5厘。利息每月支付。
Interest: The Tranche A facility bears an interest rate equal to the Hong Kong prime lending rate minus 1.5% per annum. The interest is payable each month.

B部份信貸不計利息。
The Tranche B facility bears no interest.

還款：A部份信貸於提取後36個月後分4年償還，償還金額分別為本金之10%、20%、30%及40%
Repayment: The Tranche A facility is repayable in 4 annual instalments commencing 36 months after drawdown in the respective amounts of 10%, 20%, 30% and 40% of the principal amount.

B部份信貸乃分2期償還，2,400,000港元於提取後12個月償還，餘款於其後12個月償還。
The Tranche B facility is repayable in 2 instalments, HK\$2,400,000 on the date falling 12 months after drawdown and the residual balance repayable 12 months thereafter.

28. 銀行及其他借款 (續)

(b) (i) 本集團之銀行貸款乃以下列各項作為抵押：

- 於結算日賬面價值38,550,000港元之本集團若干投資物業；
- 轉讓本集團位於香港之若干投資物業之租金；
- 本公司若干附屬公司之股份、業務、物業、資產及權利之固定及浮動抵押；
- 本公司若干附屬公司之股本抵押；及
- 本公司及其若干附屬公司簽訂之企業擔保。

按貸款協議條款第7條，A部份貸之首次還款本金額3,999,000港元已於二零零三年四月二十七日期。華宏未能償還該期款項。按前述貸款協議條款第17條，若未能償還款項，該銀行可宣佈根據貸款協議應付之餘額合共約39,987,000港元為立即到期及須予支付。華宏其後與該銀行商討，首先放棄其於前述條款第17條之權利，其次把該期還款與及於二零零四年四月二十七日期之另一期還款，金額約為7,997,000港元，延期至二零零四年六月三十日。由於商討延期事宜尚未得到該銀行同意，貸款餘額合共約39,987,000港元已變成立即到期及須予支付，故此其於資產負債表被列為流動負債。

B部份貸款已全數於二零零二年四月二十七日期償還。

28. BANK AND OTHER BORROWINGS

(continued)

(b) (i) The bank loans were secured by:

- certain of the Group's investment properties with an aggregate carrying value of HK\$38,550,000 at the balance sheet date;
- assignment of rentals over certain of the Group's investment properties situated in Hong Kong;
- fixed and floating charges over the shares, undertakings, properties, assets and rights of certain of the Company's subsidiaries;
- charge over the share capital of certain of the Company's subsidiaries; and
- corporate guarantees executed by the Company and certain of its subsidiaries.

Pursuant to clause 7 of the loan agreement, the first repayment of the principal amount of the Tranche A facility of approximately HK\$3,999,000 was due on 27 April 2003. China Vantage defaulted on the repayment of such instalment. In accordance with clause 17 of the aforementioned loan agreement, in the event of default, the Bank can declare the total outstanding sum payable under the loan agreement of approximately HK\$39,987,000 as immediately due and payable. China Vantage has subsequently been negotiating with the Bank firstly, to waive its rights under the aforementioned clause 17 and secondly, to defer the repayment of such instalment together with another instalment, amounting to approximately HK\$7,997,000 that falls due on 27 April 2004, to 30 June 2004. As the negotiation to obtain the extension has not been agreed by the Bank, the total loan balance of approximately HK\$39,987,000 becomes immediately due and payable, and, accordingly, it is classified as a current liability in the balance sheet.

The Tranche B facility was fully repaid on 27 April 2002.

財務報表附註

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28. 銀行及其他借款 (續)

(ii) 於本年度，華新向上海銀行取得銀行貸款，金額約為7,520,000港元(8,000,000人民幣)作為營運資金。銀行貸款之利率為年息5.84厘及須於二零零三年十一月十一日償還。銀行貸款乃由華新於結算日賬面價值約45,868,000港元(48,796,000人民幣)之房產及一家由本公司董事孫曉路先生為其董事及股東之公司—深圳緯基提供企業擔保作抵押。進一步詳情載於財務報表附註39(e)。

於二零零三年十一月十一日，華新未能償還全數貸款。於二零零三年十一月十一日、十二日及二十日，尚欠款項已由華新及深圳緯基悉數償還，金額分別為978,000港元及6,542,000港元。

(c) 本集團之無抵押銀行貸款之年息為5.04厘至6.37厘。其中深圳發展銀行授予華新一筆為數約28,200,000港元(30,000,000人民幣)之銀行貸款乃由一家由孫曉路先生為其董事之公司—深圳市德廬投資發展有限公司(「深圳德廬」)提供擔保。進一步詳情載於財務報表附註39(d)。

於二零零三年十月二十九日，華新未能償還全數貸款。於二零零三年十月三十一日，深圳發展銀行已書面同意，批准把還款期延至二零零四年五月八日。

(d) 銀行可換股票據(「票據」)之主要條款概括如下：

發行人：	本公司
Issuer:	The Company
票據持有人：	該銀行
Noteholder:	The Bank
本金：	40,000,000港元
Principal amount:	HK\$40,000,000

28. BANK AND OTHER BORROWINGS

(continued)

(ii) During the year, Hua Xin obtained a bank loan amounting to approximately HK\$7,520,000 (RMB8,000,000) from Bank of Shanghai to finance its working capital. The bank loan bears interest at 5.84% per annum and is repayable on 11 November 2003. The bank loan is secured by a building of Hua Xin with a carrying value of approximately HK\$45,868,000 (RMB48,796,000) at the balance sheet date and a corporate guarantee given by Shenzhen Weiji, a company in which a director of the Company, Mr. Sun Hiu Lu, is both a director and shareholder. Further details are included in note 39(e) to the financial statements.

On 11 November 2003, Hua Xin defaulted on the full repayment of the loan. On 11, 12 and 20 November 2003, the defaulted amount was fully repaid by Hua Xin and Shenzhen Weiji, amounting to HK\$978,000 and HK\$6,542,000, respectively.

(c) The Group's unsecured bank loans bear interest at rates ranging from 5.04% to 6.37% per annum. Amongst which, a bank loan amounting to approximately HK\$28,200,000 (RMB30,000,000) granted to Hua Xin by Shenzhen Dev. Bank was guaranteed by Shenzhen Delu Investment & Development Co., Ltd. ("Shenzhen Delu"), a company in which Mr. Sun Hiu Lu is a director. Further details of which are included in note 39(d) to the financial statements.

On 29 October 2003, Hua Xin defaulted on the full repayment of the loan. On 31 October 2003, Shenzhen Dev. Bank agreed, in writing, its approval to defer the repayment to 8 May 2004.

(d) The principal terms of the bank convertible note (the "Note") are summarised below:

28. 銀行及其他借款 (續)

28. BANK AND OTHER BORROWINGS

(continued)

投票權：	票據持有人不能出席本公司任何會議或於會上投票。
Voting:	The noteholder is not entitled to attend or vote at any meetings of the Company.
兌換價：	每股0.10港元，可予調整
Conversion price:	HK\$0.10 per share, subject to adjustment
利息：	年息4厘，須於票據發行日期起計6個月及1年到期之日，以及其後分別於每6個月到期之日直至期滿日為止，於每半年結束時支付。
Interest:	4% per annum, payable semi-annually in arrears on dates falling 6 months and 1 year after the date of issue of the Note and on the respective dates falling every 6 months thereafter until the maturity date.
還款：	本公司須於票據發行日期起計兩週年後每6個月及1年到期之日及其後每半年一期連續6期償還未償還本金額。償還金額分別為未償還本金額之5%、5%、10%、10%、35%及35%。
Repayment:	The Company is required to repay the principal amount outstanding by 6 semi-annual successive instalments on dates falling 6 months and 1 year after the second anniversary of the date of issue of the Note and on the anniversary of such dates of each year thereafter in the respective amounts of 5%, 5%, 10%, 10%, 35% and 35% of the principal amount outstanding.
到期：	本公司須於票據發行日期起計第五週年向票據持有人償還按有關票據未償還之本金連同未付之利息。
Maturity:	The Company is required to repay the principal monies outstanding under the relevant Note to the noteholder together with accrued interest on the fifth anniversary of the date of issue of the Note.
兌換權利：	票據持有人有權於到期日前隨時以全部或部份票據之本金額兌換本公司之新普通股。當以兌換價全數行使票據，按現時之股本結構，將會向票據持有人發行400,000,000股本公司新普通股。
Right of conversion:	The noteholder has the right to convert the whole or part of the principal amount of the Note into new ordinary shares of the Company at any time prior to maturity. Upon the full conversion of the Note at the conversion price, based on the existing capital structure, 400,000,000 new ordinary shares of the Company would be issued to the noteholder.

票據以下列各項作為抵押：

- 於結算日賬面價值38,550,000港元之本集團之若干投資物業；
- 轉讓本集團位於香港之若干投資物業之租金；
- 本公司若干附屬公司之股份、業務、物業、資產及權利之固定及浮動抵押；

The Note was secured by:

- certain of the Group's investment properties with an aggregate carrying value of HK\$38,550,000 at the balance sheet date;
- assignment of rentals over certain of the Group's investment properties situated in Hong Kong;
- fixed and floating charges over the shares, undertakings, properties, assets and rights of certain of the Company's subsidiaries;

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28. 銀行及其他借款 (續)

- 本公司若干附屬公司之股本抵押；及
- 本公司若干附屬公司簽訂之企業擔保。

股東於二零零零年四月二十五日舉行之本公司股東特別大會上通過發行票據之普通決議案，並於二零零零年四月二十七日把票據發行予該銀行。

於二零零二年十月二十七日，票據之第一期本金2,000,000港元及其應計利息已到期，但本公司並無還款。根據票據條款，該銀行可向本公司發出書面通知要求本公司即時償還全數票據金額。該銀行並未向本公司發出上述書面通知，並於二零零二年十二月十八日行使其換股權以兌換票據內本金2,000,000港元為每股面值0.10港元之20,000,000股本公司普通股。進一步詳情載於財務報表附註31(b)。

按票據條款第5(a)條，第二及第三期還款本金額2,000,000港元及4,000,000港元已分別於二零零三年四月二十七日及二零零三年十月二十七日到期。本公司亦未償還該兩期款項。按照票據條款第10條，若發生拖欠事件，該銀行可宣佈票據當時應付之餘額共38,000,000港元為立即到期並須予支付。本公司其後與該銀行商討，首先放棄其根據前述條款第10條之權利，其次把第二及第三期還款與及於二零零四年四月二十七日到期，金額為4,000,000港元之第四期還款延至二零零四年六月三十日。由於商討延期事宜尚未得到該銀行同意，合共38,000,000港元之餘額已變成立即到期及須予支付，故此，其於資產負債表被列為流動負債。

28. BANK AND OTHER BORROWINGS

(continued)

- charge over the share capital of certain of the Company's subsidiaries; and
- corporate guarantees executed by certain of the Company's subsidiaries.

The Note was issued to the Bank on 27 April 2000 following an ordinary resolution approving the issue of the Note passed by the shareholders at the Company's special general meeting held on 25 April 2000.

On 27 October 2002, the first repayment of the Note of HK\$2,000,000, together with accrued interest became due, but was not repaid by the Company. According to the terms of the Note, the Bank was entitled to pronounce the full amount of the Note as due and payable immediately upon the presentation of a written notice to the Company. The Bank did not present such written notice to the Company, but instead, the Bank exercised its conversion rights to convert the principal amount of HK\$2,000,000 into 20,000,000 ordinary shares of HK\$0.10 each in the Company on 18 December 2002. Further details are included in note 31(b) to the financial statements.

Pursuant to clause 5(a) of the Note, the second and third instalment repayments of the principal amount of HK\$2,000,000 and HK\$4,000,000 fell due on 27 April 2003 and 27 October 2003, respectively. The Company defaulted on the repayments of both instalments. In accordance with clause 10 of the Note, in the event of default, the Bank can declare the then total outstanding sum payable under the Note of HK\$38,000,000 as immediately due and payable. The Company has subsequently been negotiating with the Bank firstly, to waive its rights under clause 10 and secondly, to defer the repayments of the second and third instalments, together with the fourth instalment, amounting to HK\$4,000,000 that falls due on 27 April 2004, to 30 June 2004. As the negotiation to obtain the extension has not yet been agreed by the Bank, the total balance of HK\$38,000,000 is immediately due and payable and, accordingly, it is classified as a current liability in the balance sheet.

28. 銀行及其他借款 (續)

28. BANK AND OTHER BORROWINGS

(continued)

(e) 以前年度，本公司以代價15,254,400港元於國內收購一間附屬公司，其中12,254,400港元由本公司發行可換股票據支付。其他無抵押可換股票據之主要條款概括如下：

(e) In the prior year, the Company acquired a subsidiary in Mainland China for a consideration of HK\$15,254,400, of which HK\$12,254,400 was satisfied by the issue of convertible notes of the Company. The principal terms of the unsecured other convertible notes are summarised below:

發行人： 本公司
Issuer: The Company

本金： 12,254,000港元
Principal amount: HK\$12,254,000

投票權： 票據持有人不能出席本公司任何會議或於會上投票。
Voting: The noteholders are not entitled to attend or vote at any meetings of the Company.

兌換價： 每股1.38港元，可予調整
Conversion price: HK\$1.38 per share, subject to adjustment

利息： 可換股票據沒有利息須支付。
Interest: No interest is payable on the convertible notes.

兌換及贖回： 票據持有人可於可換股票據發行日期(即二零零二年三月三十日)起計第一週年開始1年內任何時間：(1)行使兌換權兌換可換股票據本金額三分之一為本公司之新普通股；或(2)要求本公司贖回可換股票據本金額三分之一。

Conversion and redemption: At any time within the period of 1 year commencing on the day falling on the first anniversary of the date of issue of the convertible notes (which was 30 March 2002), the noteholders may: (1) exercise the conversion right to convert an amount representing one-third of the principal amount of the convertible notes into new ordinary shares of the Company; or (2) require the Company to redeem one-third of the principal amount of the convertible notes.

票據持有人可於可換股票據發行日期起計第二週年開始1年內任何時間：(1)行使兌換權兌換可換股票據本金額三分之二為本公司之新普通股；或(2)要求本公司贖回可換股票據本金額三分之二。

At any time within the period of 1 year commencing on the day falling on the second anniversary of the date of issue of the convertible notes, the noteholders may: (1) exercise the conversion right to convert an amount representing two-thirds of the principal amount of the convertible notes into new ordinary shares of the Company; or (2) require the Company to redeem two-thirds of the principal amount of the convertible notes.

28. 銀行及其他借款 (續)

於二零零三年十一月二十日，其他可換股票據持有人已書面向本公司表示同意，把第一期本金額約4,085,000港元之贖回日期延至二零零四年四月一日。由於此項延期安排，此金額將不會於一年內償還，故此，其於資產負債表被列為非流動負債。

(f)

		附註 Notes	2003 千港元 HK\$'000	2002 千港元 HK\$'000
華新	Hua Xin	(i)	17,915	18,884
一樹連鎖	Ensure Chain	(ii)	5,468	6,297
一樹醫葯	Ensure Medical	(iii)	2,820	—
			26,203	25,181

(i) 華新之其他無抵押貸款包括應付予華新一位董事、深圳緯基、揚州能源及華新一位前股東款項分別約為2,256,000港元(二零零二年：2,256,000港元)，6,082,000港元(二零零二年：6,580,000港元)，2,820,000港元(二零零二年：2,820,000港元)及2,820,000港元(二零零二年：2,820,000港元)。而餘額約3,937,000港元(二零零二年：4,408,000港元)則應付予第三者。應付予華新董事之貸款中約470,000港元乃不計利息，餘額之年利率為7厘。應付予深圳緯基之貸款中約291,000港元乃不計利息，餘額之年利率為7厘。應付予揚州能源及華新之前股東貸款之年利率均為6厘。應付予第三者之其他貸款之年利率為6厘至10厘。向深圳緯基及揚州能源取得貸款之進一步詳情分別載於財務報表附註39(f)及39(g)。

28. BANK AND OTHER BORROWINGS

(continued)

On 20 November 2003, the holders of the other convertible notes agreed, in writing, with the Company to defer the redemption of the first instalment of the principal amounts of approximately HK\$4,085,000 to 1 April 2004. As a result of this extension arrangement, this amount will not be repayable within one year and, accordingly, they are classified as non-current liabilities in the balance sheet.

(i) Included in Hua Xin's unsecured other loans are amounts of approximately HK\$2,256,000 (2002: HK\$2,256,000), HK\$6,082,000 (2002: HK\$6,580,000), HK\$2,820,000 (2002: HK\$2,820,000) and HK\$2,820,000 (2002: HK\$2,820,000) due to a director of Hua Xin, Shenzhen Weiji, YZ Energy and a former shareholder of Hua Xin, respectively. The remaining balances of approximately HK\$3,937,000 (2002: HK\$4,408,000) were due to third parties. Of the loans due to a director of Hua Xin, approximately HK\$470,000 is interest-free, with the remaining balances bearing interest at 7% per annum. Of the loans due to Shenzhen Weiji, approximately HK\$291,000 is interest-free, with the remaining balance bearing interest at 7% per annum. Of the loans due to YZ Energy and a former shareholder of Hua Xin, both bear interest at 6% per annum. The other loans due to third parties bear interest ranging from 6% to 10% per annum. Further details of the loans obtained from Shenzhen Weiji and YZ Energy are set out in notes 39(f) and 39(g) to the financial statements, respectively.

28. 銀行及其他借款 (續)

於二零零三年三月三十一日，貸款人已書面表示同意，批准把於二零零三年三月三十一日前到期之其他貸款約1,974,000港元連同於二零零三年十二月三十一日到期之其他貸款約10,574,000港元之還款期延至二零零四年十二月三十一日。由於延長貸款安排，餘額共約12,548,000港元將不會於一年內償還，因此，於資產負債表被列為非流動負債。於結算日，貸款餘額約5,367,000港元已到期及截至批准本財務報表當日仍沒有償還，故此，其於資產負債表被列為流動負債。

- (ii) 一樹連鎖之其他無抵押貸款乃包括應付予第三者之款項約4,323,000港元(二零零二年：4,323,000港元)。貸款乃不計利息及於二零零三年四月十三日至二零零四年三月二十五日期間償還。於批准本財務報表當日，仍沒有償還貸款約2,632,000港元。應付第三者之其他貸款約1,145,000港元(二零零二年：1,974,000港元)乃不計利息及於二零零三年十月十六日至二零零三年十二月十六日償還。於批准本財務報表當日，仍沒有償還貸款約216,000港元。
- (iii) 一樹醫葯之其他無抵押貸款乃包括應付予深圳緯基之款項約2,820,000港元(二零零二年：無)。貸款之年利率為8厘。貸款原於二零零三年六月九日到期，但於二零零三年三月三十一日，一樹醫葯已與深圳緯基協議把還款期延至二零零四年十二月三十一日。由於延期安排，該款項將不會於一年內償還，故此，其於資產負債表被列為非流動負債。進一步詳情載於財務報表附註39(h)。

28. BANK AND OTHER BORROWINGS

(continued)

On 31 March 2003, lenders of approximately HK\$1,974,000 of the other loan balances that fell due before 31 March 2003, together with lenders of approximately HK\$10,574,000 of the other loans that falls due on 31 December 2003, have agreed, in writing, their approval to defer the repayments to 31 December 2004. As a result of the loan extension arrangements, the total balances of approximately HK\$12,548,000 will not be repayable within one year and, accordingly, are classified as non-current liabilities in the balance sheet. The remaining loan balances of approximately HK\$5,367,000 were due as at the balance sheet date and remained unsettled up to the date of approval of these financial statements, and, accordingly, are classified as current liabilities in the balance sheet.

- (ii) Included in Ensure Chain's unsecured other loans are amounts of approximately HK\$4,323,000 (2002: HK\$4,323,000) due to a third party. The loans are interest-free and repayable in the period between 13 April 2003 and 25 March 2004. As at the date of approval of these financial statements, loan repayments of approximately HK\$2,632,000 are in default and remained unsettled. Other loans of approximately HK\$1,145,000 (2002: HK\$1,974,000), due to third parties, are interest-free and repayable between 16 October 2003 and 16 December 2003. As at the date of approval of these financial statements, loan repayments of approximately HK\$216,000 are in default and remained unsettled.
- (iii) Included in Ensure Medical's unsecured other loan is an amount of approximately HK\$2,820,000 (2002: Nil) due to Shenzhen Weiji. The loan bears interest at 8% per annum. The loan was originally due on 9 June 2003, but, on 31 March 2003, Ensure Medical has agreed with Shenzhen Weiji to defer the repayment to 31 December 2004. As a result of this extension arrangement, this amount will not be repayable within one year and, accordingly, it is classified as non-current liability in the balance sheet. Further details are included in note 39(h) to the financial statements.

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29. 融資租賃應付款項

本集團就零售業務及日常業務運作用途之汽車及辦公室設備而簽訂租購合約。此等合約列作融資租賃及尚有1至4年之租期。

於結算日，按租購合約之未來最低應付租賃總額及其現時價值如下：

29. FINANCE LEASE PAYABLES

The Group enters into hire purchase contracts for certain of its motor vehicles and office equipment for its retail business and daily business operations. These contracts are classified as finance leases and have remaining lease terms ranging from 1 to 4 years.

At the balance sheet date, the total future minimum lease payments under hire purchase contracts and their present values were as follows:

本集團	Group	最低應付 租賃金額 Minimum lease payments 2003 千港元 HK\$'000	最低應付 租賃金額 Minimum lease payments 2002 千港元 HK\$'000	最低應付 租賃金額 之現時價值 Present value of minimum lease payments 2003 千港元 HK\$'000	最低應付 租賃金額 之現時價值 Present value of minimum lease payments 2002 千港元 HK\$'000
應付款項：	Amounts payable:				
一年內	Within one year	149	162	121	135
第二年	In the second year	90	123	68	102
第三至第五年 (首尾兩年包括在內)	In the third to fifth years, inclusive	69	88	46	68
最低應付融資租賃 金額總額	Total minimum finance lease payments	308	373	235	305
未來融資費用	Future finance charges	(73)	(68)		
應付融資租賃款項 淨額總計	Total net finance lease payables	235	305		
列作流動負債之部份 (附註27)	Portion classified as current liabilities (note 27)	(121)	(135)		
長期部份	Long term portion	114	170		

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30. 撥備

30. PROVISION

本集團	Group	長期服務金 Long service payments 千港元 HK\$'000
於年初	At beginning of year	801
仍未使用款項回轉	Reversal of unutilised amounts	(150)
於二零零三年三月三十一日	At 31 March 2003	651
列作流動負債之部份	Portion classified as current liabilities	(115)
長期部份	Long term portion	536

本集團根據香港僱傭條例預期日後對可能支付僱員之長期服務金作出撥備，有關詳情載於財務報表附註4「僱員福利」一節內。撥備乃按僱員於結算日因任職本集團所賺取之可能日後款項的最佳估計數字計算。

The Group provides for the probable future long service payments expected to be made to employees under the Hong Kong Employment Ordinance, as further explained under the heading "Employee benefits" in note 4 to the financial statements. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the balance sheet date.

31. 股本

31. SHARE CAPITAL

股份	Shares	2003 千港元 HK\$'000	2002 千港元 HK\$'000
法定股本：	Authorised:		
3,000,000,000股每股面值 0.10港元之普通股	3,000,000,000 ordinary shares of HK\$0.10 each	300,000	300,000
已發行及繳足股本：	Issued and fully paid:		
1,403,796,698股(二零零二年： 1,383,396,698股) 每股面值0.10港元之普通股	1,403,796,698 (2002: 1,383,396,698) ordinary shares of HK\$0.10 each	140,379	138,339

於年內，已發行股本之變動如下：

During the year, the movements in share capital were as follows:

- (a) 個別購股權持有人以每股0.88港元之行使價行使400,000購股權(附註32)，致使本公司發行400,000股每股0.10港元之普通股，總現金代價為352,000港元；及

- (a) 400,000 share options were exercised by respective option holders at an exercise price of HK\$0.88 per share (note 32), resulting in the issue of 400,000 ordinary shares of HK\$0.10 each of the Company for a total cash consideration of HK\$352,000; and

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31. 股本 (續)

- (b) 於二零零二年十二月十八日，該銀行行使其換股權以換股價每股0.10港元兌換票據中本金2,000,000港元為20,000,000股普通股。詳情載於財務報表附註28(d)。

有關上述本公司之已發行普通股股本變動於年內之交易摘要如下：

31. SHARE CAPITAL (continued)

- (b) on 18 December 2002, the Bank exercised its conversion rights to convert a principal amount of HK\$2,000,000 under the Note into 20,000,000 ordinary shares at a conversion price of HK\$0.10 per share. Further details of which are set out in note 28 (d) to the financial statements.

A summary of the transactions during the year with reference to the above movements in the Company's issued ordinary share capital is as follows:

		已發行股本數目 Number of shares in issue	已發行股本 Issued share capital 千港元 HK\$'000	股份溢價賬 Share premium account 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零一年四月一日	At 1 April 2001	1,253,396,698	125,339	140,382	265,721
因兌換債權人可換股票 據而發行股份	Shares issued on conversion of creditor convertible note	130,000,000	13,000	–	13,000
於二零零二年三月 三十一日及四月一日	At 31 March and 1 April 2002	1,383,396,698	138,339	140,382	278,721
行使購股權—附註(a)	Share options exercised – note (a)	400,000	40	312	352
因兌換票據而 發行股份—附註(b)	Shares issued on conversion of the Note – note (b)	20,000,000	2,000	–	2,000
於二零零三年三月三十一日	At 31 March 2003	1,403,796,698	140,379	140,694	281,073

購股權

本公司之購股權詳情載於財務報表附註32。

Share options

Details of the Company's share option scheme are included in note 32 to the financial statements.

32. 購股權計劃

誠如財務報告附註3及附註4「僱員福利」一節所述，本集團於年內採納會計實務準則第34號。因此，有關本公司之購股權計劃之詳細披露現載於財務報表附註。於以前年度，由於上市規則亦要求作出該披露，故此，該等披露乃列入董事會報告內。

本公司設立購股權計劃為曾對本集團業務之成就有所貢獻之合資格參與人士給予獎勵及獎賞。本公司過往採納之購股權計劃（「原有計劃」）已根據其條款於二零零一年十一月五日屆滿。縱使再沒有購股權按照原有計劃發行，原有計劃之條款於其他方面將對屆滿前發行之尚未行使之購股權仍有效力。

本公司於二零零一年九月二十五日（「採納日」）舉行之股東週年大會上，批准及採納新購股權計劃（「新計劃」），新計劃於二零零一年十一月六日生效，除非遭註銷及修訂，其有效期由該日起計十年有效。新計劃之合資格參與人士包括符合新計劃之規則內指定的篩選準則的本集團任何執行董事、非執行董事、僱員、代理、顧問或代表。

根據新計劃而可授出之購股權有關之股份數目（與本公司任何其他購股權計劃有關股份數目合計）將不超過本公司於採納日已發行股份10%。於任何十二個月內按新計劃行使購股權（不論已行使或尚未行使）而向合資格人士發行或須予發行之股份總數不得超過本公司任何時間內不時已發行股份之1%。任何進一步授出超過上述限額之購股權，則須於股東大會上取得股東批准。

32. SHARE OPTION SCHEMES

SSAP 34 was adopted during the year, as explained in note 3 and under the heading “Employee benefits” in note 4 to the financial statements. As a result, the following detailed disclosures relating to the Company’s share option schemes are now included in the notes to the financial statements. In the prior year, these disclosures were included in the Report of the Directors, as their disclosure is also a requirement of the Listing Rules.

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The share option scheme previously adopted by the Company (the “Old Scheme”) expired on 5 November 2001. Despite that no further options shall be granted under the Old Scheme, the provisions of the Old Scheme shall remain in full force and effect in all other respects to govern all outstanding options granted prior to termination.

At the Company’s annual general meeting held on 25 September 2001 (the “Adoption Date”), a new share option scheme (the “New Scheme”) was approved and adopted and became effective on 6 November 2001 and, unless otherwise cancelled and amended, will remain in force for 10 years from that date. Eligible participants of the New Scheme include any executive director, non-executive director, employee, agent, consultant or representative of the Group who satisfies the selection criteria prescribed by the rules of the New Scheme.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the New Scheme and any other share option scheme of the Company must not exceed 10% of the shares of the Company in issue as at the Adoption Date. The total number of shares issued and to be issued upon exercise of the options (whether exercised or outstanding) under the New Scheme in any 12-month period granted to each eligible participant must not exceed 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

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32. 購股權計劃 (續)

凡向董事、行政總裁或本公司之主要股東或任何彼等各自之聯繫人士授出購股權均須事先取得獨立非執行董事之批准。此外，於任何十二個月內授予主要股東或本公司之獨立非執行董事，或彼等各自之聯繫人士之任何購股權若超過本公司當時之已發行股份之0.1%或總價值超逾5,000,000港元(按授出該日本公司股份在香港聯交所收市價為基準)，則須事先於股東大會上取得股東批准。

按新計劃提供授出之購股權可於提供日期起計二十八日內接納，而承授人於接納時須支付1港元之象徵式代價。董事有權決定授予購股權之持有人於某期間內認購股份，而該期間由發行該購股權之日期起計不得多於十年。

購股權之行使價由董事釐定，惟不得低於以下三項較高者：(i)於授出購股權當日股份在香港聯交所之收市價；(ii)於緊接授出購股權日期前五個交易日股份在香港聯交所之平均收市價；及(iii)每股股份之面值。

購股權並不賦予持有人收取股息或於股東大會上投票之權利。

32. SHARE OPTION SCHEMES (continued)

Share options granted under the New Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted under the New Scheme to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company then in issue or with an aggregate value (based on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options under the New Scheme may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. Options granted will entitle the holders to subscribe for shares during such period as may be determined by the directors, which shall not be more than 10 years from the date of issue of the relevant options.

The exercise price of the share options under the New Scheme is determinable by the directors, but may not be less than the higher of (i) the Hong Kong Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Hong Kong Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of a share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

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32. 購股權計劃 (續)

32. SHARE OPTION SCHEMES (continued)

於年內仍未行使之購股權如下：

The following share options were outstanding during the year:

參予者類別或名字	Name or category of participant	購股權數目			於二零零三年三月三十一日 At 31 March 2003	購股權授出日期 Date of grant of share options	購股權行使期 Exercise period of share options	購股權行使價* Exercise price of share options* 港元 HK\$	本公司之股價**	
		於二零零二年四月一日 At 1 April 2002	年內行使 Exercised during the year	年內作廢 Lapsed during the year					於授出 購股權日 At grant date of options 港元 HK\$	於行使 購股權日 At exercise date of options 港元 HK\$
董事	Directors									
黃淑云女士	Ms. Huang Shuyun	25,000,000	-	-	25,000,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81	-
		2,000,000	-	-	2,000,000	30-10-2000	30-10-2000 to 29-10-2010	0.460	0.61	-
		27,000,000	-	-	27,000,000					
朱均先生	Mr. Chu Kwan	25,200,000	-	-	25,200,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81	-
		1,000,000	-	-	1,000,000	30-10-2000	30-10-2000 to 29-10-2010	0.460	0.61	-
		26,200,000	-	-	26,200,000					
孫曉路先生	Mr. Sun Hiu Lu	27,000,000	-	-	27,000,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81	-
趙大可先生	Mr. Zhao Dake	27,000,000	-	-	27,000,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81	-
張珂先生	Mr. Zhang Ke, Winston	3,000,000	-	-	3,000,000	10-7-2001	10-7-2001 to 9-7-2011	1.00	1.20	-
		1,500,000	-	-	1,500,000	22-2-2002	22-2-2004 to 21-2-2012	0.88	0.88	-
		1,500,000	-	-	1,500,000	22-2-2002	22-2-2005 to 21-2-2012	0.88	0.88	-
		6,000,000	-	-	6,000,000					
其他僱員 總額	Other employees In aggregate	1,700,000	-	-	1,700,000	16-5-2000	16-5-2000 to 15-5-2010	0.639	0.81	-
		40,000	-	-	40,000	30-10-2000	30-10-2000 to 29-10-2010	0.460	0.61	-
		2,000,000	-	-	2,000,000	9-11-2001	9-11-2001 to 8-11-2011	1.06	1.06	-
		2,700,000	(400,000)	(200,000)	2,100,000	22-2-2002	22-2-2002 to 21-2-2012	0.88	0.88	1.23
		6,440,000	(400,000)	(200,000)	5,840,000					
		119,640,000	(400,000)	(200,000)	119,040,000					

* 購股權之行使價或會因應供股或發行紅股，或本公司股本有其他類似變動時須予調整。

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

32. 購股權計劃 (續)

** 所披露於授出購股權當日之本公司股份價格乃股份於授出購股權當日前一個交易日在香港聯交所之收市價。所披露之行使購股權當日本公司股份價格乃行使所有須披露類別之購股權在聯交所之收市價的加權平均數。

於年內，400,000份購股權已行使，導致發行400,000股本公司普通股，增加股本40,000港元及312,000港元股份溢價(未計發行開支)，詳情載於財務報表附註31(a)。

於結算日，根據原有計劃及新計劃，本公司分別有111,940,000份及7,100,000份購股權尚未行使。按本公司現時之股本結構，若全數行使尚未行使之購股權將導致發行額外119,040,000股本公司普通股及增加股本11,904,000港元及股份溢價66,772,500港元(未計發行開支)。

結算日後，於二零零三年五月二日，兩位獨立非執行董事因對本集團之貢獻，獲提供合共600,000份購股權。該購股權並無歸屬期，行使價為0.38港元，行使期由二零零三年五月二日至二零一三年五月一日。本公司於提供購股權當日之股價為0.38港元。

32. SHARE OPTION SCHEMES (continued)

** The price of the Company's shares disclosed as at the date of the grant of the share options is the Hong Kong Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Hong Kong Stock Exchange closing prices over all of the exercises of options within the disclosure category.

The 400,000 share options exercised during the year resulted in the issue of 400,000 ordinary shares of the Company and additional share capital of HK\$40,000 and share premium of HK\$312,000 (before issue expenses) as detailed in note 31(a) to the financial statements.

At the balance sheet date, the Company had 111,940,000 and 7,100,000 share options outstanding under the Old Scheme and the New Scheme, respectively. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 119,040,000 additional ordinary shares of the Company and additional share capital of HK\$11,904,000 and share premium of HK\$66,772,500 (before issue expenses).

Subsequent to the balance sheet date, on 2 May 2003, a total of 600,000 share options were offered to two independent non-executive directors of the Company in respect of their service to the Group. These share options, which have no vesting period, have an exercise price of HK\$0.38 and an exercise period between 2 May 2003 and 1 May 2013. The price of the Company's shares at the date of offer was HK\$0.38.

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33. 儲備

33. RESERVES

本集團	Group	股份溢價賬	資本贖回儲備	資本儲備	繳入盈餘	匯兌浮動儲備	累計虧損	總額
		Share premium account	Capital redemption reserve			Exchange fluctuation reserve		
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零一年四月一日	At 1 April 2001	140,382	297	13,051	80,933	6	(288,072)	(53,403)
本年度虧損淨額	Net loss for the year	-	-	-	-	-	(19,559)	(19,559)
於二零零二年三月三十一日及年初	At 31 March 2002 and beginning of year	140,382	297	13,051	80,933	6	(307,631)	(72,962)
發行股份	Issue of shares	312	-	-	-	-	-	312
本年度虧損淨額	Net loss for the year	-	-	-	-	-	(59,263)	(59,263)
於二零零三年三月三十一日	At 31 March 2003	140,694	297	13,051	80,933	6	(366,894)	(131,913)

本公司及其附屬公司保留本集團所有儲備。

All the reserves of the Group were retained by the Company and its subsidiaries.

本集團之繳入盈餘指本集團於以前年度重組所收購前控股公司之股份面值與兌換本公司所發行股份面值之差額。

The Group's contributed surplus represented the difference between the nominal value of the shares of the former holding company of the Group acquired pursuant to the Group reorganisation in the prior year, over the nominal value of the Company's shares issued in exchange therefor.

誠如財務報表附註16所述，於以前年度因收購附屬公司而產生之負商譽之若干金額仍於資本儲備中入賬。

Certain amount of negative goodwill arising on the acquisition of subsidiaries in prior years remain credited to the capital reserve, as explained in note 16 to the financial statements.

本公司	Company	股份溢價賬	資本贖回儲備	繳入盈餘	累計虧損	總額
		Share premium account	Capital redemption reserve			
		千港元	千港元	千港元	千港元	千港元
		附註	附註	附註	附註	附註
		Note	Note	Note	Note	Note
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零一年四月一日	At 1 April 2001	140,382	297	78,810	(311,690)	(92,201)
本年度虧損淨額	Net loss for the year	-	-	-	(28,712)	(28,712)
於二零零二年三月三十一日及年初	At 31 March 2002 and beginning of year	140,382	297	78,810	(340,402)	(120,913)
發行股份	Issue of shares	31	312	-	-	312
本年度虧損淨額	Net loss for the year	-	-	-	(17,828)	(17,828)
於二零零三年三月三十一日	At 31 March 2003	140,694	297	78,810	(358,230)	(138,429)

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33. 儲備 (續)

本公司之繳入盈餘乃指同次之重組而收購附屬公司股份之公平價值與兌換本公司所發行股份面值之差額。

34. 綜合現金流量表附註

(a) 以前年度調整

誠如財務報表附註3所詳述，本年度已採納會計實務準則第15號(經修訂)，導致綜合現金流量表之呈報格式有所更改。綜合現金流量表現時分為三個項目呈列現金流量：經營業務、投資活動及融資活動之現金流量。過往則分為五個項目，包括上述三個項目，以及投資回報及融資費用之現金流量和已付稅項之現金流量。因呈報方式之改變導致重大重新分類為已付稅項及已收股息現列入經營業務之現金流量，而已收利息則列入投資活動之現金流量。二零零二年比較綜合現金流量表之呈列方式已作出更改，以符合全新之呈報格式。

綜合現金流量表內若干項目之計算方法已根據經修訂之會計實務準則第15號而改變，詳情載於財務報表附註4「外幣」一節。海外附屬公司之現金流量現按現金流量日期之滙率換算為港元。海外附屬公司本年度產生之經常性現金流量乃按年度加權平均滙率換算為港元。而過往海外附屬公司之現金流量乃按結算日之滙率換算成港元。該變更並不對綜合現金流量表造成重大影響。

33. RESERVES (continued)

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the same reorganisation, over the nominal value of the Company's shares issued in exchange therefor.

34. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Prior year adjustments

SSAP 15 (Revised) was adopted during the current year, as detailed in note 3 to the financial statements, which has resulted in a change to the layout of the consolidated cash flow statement. The consolidated cash flow statement is now presented under three headings: cash flows from operating activities, investing activities and financing activities. Previously five headings were used, comprising the three headings listed above, together with cash flows from returns on investments and servicing of finance and from taxes paid. The significant reclassifications resulting from the change in presentation are that taxes paid and dividends received are now included in cash flows from operating activities and interest received are now included in cash flows from investing activities. The presentation of the 2002 comparative consolidated cash flow statement has been changed to accord with the new layout.

The method of calculation of certain items in the consolidated cash flow statement has changed under the revised SSAP 15, as explained under the heading "Foreign currencies" in note 4 to the financial statements. Cash flows of overseas subsidiaries are now translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year. Previously, the cash flows of overseas subsidiaries were translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. This change has had no material impact on the consolidated cash flow statements.

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34. 綜合現金流量表附註 (續)

(a) 以前年度調整 (續)

此外，經修訂之會計實務準則第15號已修訂之前會計實務準則第15號有關「現金等值項目」之定義，詳情載於財務報表附註4「現金及現金等值項目」一節。此項修訂導致信託收據貸款不再符合現金等值項目之釋義。於二零零二年三月三十一日綜合現金流量表之現金等值項目數額已作出調整，將過往於該日計入之信託收據貸款2,065,000港元撤除。信託收據貸款於年度變動現列入融資活動之現金流量，而比較現金流量表已作出相應變動。

(b) 主要非現金交易

年內發生之主要非現金交易如下：

- (i) 於二零零二年十二月十八日，該銀行兌換票據中本金金額2,000,000港元為每股0.10港元之20,000,000股本公司普通股。詳情見財務報表附註28(d)及31(b)。
- (ii) 年內，本集團一附屬公司就租賃生效時資本價值65,000港元之固定資產訂立融資租賃安排。

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

(a) Prior year adjustments (continued)

Also, the definition of “cash equivalents” under the revised SSAP 15 has been revised from that under the previous SSAP 15, as explained under the heading “Cash and cash equivalents” in note 4 to the financial statements. This has resulted in trust receipts loans no longer qualifying as cash equivalents. The amount of cash equivalents in the consolidated cash flow statement at 31 March 2002 has been adjusted to remove trust receipts loans amounting to approximately HK\$2,065,000, previously included at that date. This year’s movement in trust receipts loans is now included in cash flows from financing activities and the comparative cash flow statement has been changed accordingly.

(b) Major non-cash transactions

During the year, the following major non-cash transactions took place:

- (i) On 18 December 2002, the Bank converted HK\$2,000,000 of the Note into 20,000,000 ordinary shares of HK\$0.10 each in the Company. Further details are set out in notes 28(d) and 31(b) to the financial statements.
- (ii) During the year, a subsidiary of the Group entered into a finance lease arrangement for a fixed asset with capital value of HK\$65,000 at the inception of the lease.

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34. 綜合現金流量表附註 (續)

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

(c) 收購附屬公司

(c) Acquisition of a subsidiary

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
收購之資產淨值：	Net assets acquired:		
固定資產	Fixed assets	–	1,764
商譽	Goodwill	–	1,507
現金及銀行存款	Cash and bank balances	–	897
存貨	Inventories	–	7,345
應收貿易賬款	Trade receivables	–	1,276
預付款項、按金及其他	Prepayments, deposits		
應收款項	and other receivables	–	5,656
應付貿易賬款	Trade payables	–	(2,318)
其他應付款項及	Other payables		
應計款項	and accruals	–	(9,991)
融資租賃應付款項	Finance lease payables	–	(79)
銀行貸款，無抵押	Bank loans, unsecured	–	(3,760)
少數股東權益	Minority interests	–	(1,179)
		–	1,118
收購產生之商譽	Goodwill on acquisition	–	14,136
代價	Consideration	–	15,254
支付方式：	Satisfied by:		
現金	Cash	–	3,000
可換股票據(附註28(e))	Convertible notes (note 28(e))	–	12,254
		–	15,254

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34. 綜合現金流量表附註 (續)

(c) 收購附屬公司 (續)

以前年度收購附屬公司之現金及現金等值項目之流出淨額分析如下：

	2003 千港元 HK\$'000	2002 千港元 HK\$'000
收購之現金及銀行存款	-	897
現金代價	-	(3,000)
收購附屬公司之現金及現金等值項目之流出淨額	-	(2,103)

35. 或然負債

於結算日，本集團及本公司有下列之重大或然負債：

- (a) 本公司就若干附屬公司之融資而向銀行作出約44,487,000港元(二零零二年：47,586,000港元)之擔保。有關融資額度已動用約41,962,000港元(二零零二年：45,150,000港元)。
- (b) 年內，本公司一附屬公司取得120,000港元(二零零二年：120,000港元)之銀行擔保作為給予若干承租物業業主之按金。
- (c) 於二零零三年七月七日，G. F. Promotion & Associates的東主王國輝先生向本公司之附屬公司一參茸，發出高等法院傳票，追討由一九九八年七月至二零零三年三月期間因向參茸提供服務而未獲支付費用約1,010,000港元。於二零零三年七月十九日，本集團之法律顧問代表參茸向高等法院遞交令狀送達認收書，並表示參茸將對訴訟提出抗辯。董事根據法律顧問提供之意見，相信附屬公司就訴訟具備有根據之抗辯理由，故此並無就訴訟引起之索償作出任何撥備。

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

(c) Acquisition of a subsidiary (continued)

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary in the prior year was as follows:

	2003 千港元 HK\$'000	2002 千港元 HK\$'000
Cash and bank balances acquired	-	897
Cash consideration	-	(3,000)
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	-	(2,103)

35. CONTINGENT LIABILITIES

At the balance sheet date, the Group and the Company had the following material contingent liabilities:

- (a) The Company had given guarantees of approximately HK\$44,487,000 (2002: HK\$47,586,000) to banks in connection with facilities granted to certain subsidiaries. The facilities were utilised to the extent of approximately HK\$41,962,000 (2002: HK\$45,150,000).
- (b) During the year, a subsidiary of the Company obtained bank guarantees of HK\$120,000 (2002: HK\$120,000) given in lieu of rental deposits to the landlord of certain leased properties.
- (c) On 7 July 2003, a Writ of Summons of the High Court was served to Sum Yung, a subsidiary of the Company, by Mr. Wong Kwok Fai, Timbo, the proprietor of G.F. Promotion & Associates, claiming approximately HK\$1,010,000 of unpaid fees in respect of services provided to Sum Yung during the period from July 1998 to March 2003. On 19 July 2003, the Group's legal counsel, on behalf of Sum Yung, submitted an Acknowledgement of Service of Writ of Summons to the High Court citing that Sum Yung will contest the proceedings. The directors, based on the advice from the Group's legal counsel, believe that the subsidiary has a valid defence to the litigation and, accordingly, have not provided for any claim arising from the litigation.

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35. 或然負債 (續)

附上文所披露外，於結算日本集團或本公司並無任何重大或然負債。

36. 資產抵押

有關本集團之銀行貸款及其他借款以本集團之資產作抵押的詳情載於財務報表附註28(a)、(b)及(d)。

37. 經營租約安排

(a) 作為出租人

本集團根據經營租約出租其投資物業(見財務報表附註14)，租約年期介乎2至5年。租約條款一般會要求租客支付保證金。

於結算日，本集團根據與租客訂立於下列期間到期之不可撤銷經營租約未來最低應收租金總額如下：

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
一年內	Within one year	1,908	1,966
第二至第五年 (首尾兩年包括在內)	In the second to fifth years, inclusive	416	1,524
		2,324	3,490

35. CONTINGENT LIABILITIES (continued)

Save as disclosed above, neither the Group nor the Company had any significant contingent liabilities as at the balance sheet date.

36. PLEDGE OF ASSETS

Details of the Group's bank loans and other borrowings, which are secured by assets of the Group, are included in notes 28(a), (b) and (d) to the financial statements.

37. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 14 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from 2 to 5 years. The terms of the leases generally also require the tenants to pay security deposits.

At the balance sheet date, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

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37. 經營租約安排 (續)

(b) 作為承租人

本集團根據經營租約安排承租若干辦公室物業，租約年期介乎1至20年。

於結算日，本集團及本公司根據於下列期間到期之不可撤銷經營租約之未來最低應付租金總額如下：

		本集團 Group		本公司 Company	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
一年內	Within one year	10,617	11,836	1,860	2,306
第二至第五年 (首尾兩年包括在內)	In the second to fifth years, inclusive	9,137	16,636	430	2,707
五年後	After five years	11,520	12,548	–	–
		31,274	41,020	2,290	5,013

38. 承擔

除上文附註37(b)所詳述之經營租約承擔外，本集團於結算日之資本承擔如下：

37. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 20 years.

At the balance sheet date, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

38. COMMITMENTS

In addition to the operating lease commitments detailed in note 37(b) above, the Group had the following capital commitments at the balance sheet date:

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
已訂約，但未作撥備：	Contracted, but not provided for:		
土地及樓宇	Land and building	–	445
國內一附屬公司之 注資	Capital contribution to a subsidiary in Mainland China	1,880	1,880
傢俬、裝置及設備	Furniture, fixture and equipment	–	120
		1,880	2,445
已授權，但未訂約：	Authorised, but not contracted for:		
各項研究基金之捐款	Donations to various research funds	8,420	8,420
		10,300	10,865

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39. 關連方交易

- (a) 如財務報表附註22所披露，於結算日，本集團向中間控股公司 Tin Ming及 Hong Tau分別提供 10,608,000港元（二零零二年：6,120,000港元）及1,906,000港元（二零零二年：2,118,000港元）之借款。
- (b) 截至結算日，應收本公司之附屬公司揚州基因之少數股東—揚州能源之無抵押貸款為3,000,000人民幣（二零零二年：3,000,000人民幣）。貸款之年息為6厘及於二零零二年十二月七日期到期。應收揚州能源該筆款項乃包括於財務報表中之預付款項、按金及其他應收款項。
- (c) 於結算日，應收揚州基因之少數股東—江蘇科陽轉基因工程研究中心有限責任公司（「科陽」）之無抵押及免息貸款為3,900,000港元（二零零二年：3,900,000港元）。應收科陽該筆款項乃包括於財務報表中之預付款項、按金及其他應收款項。

39. RELATED PARTY TRANSACTIONS

- (a) As disclosed in note 22 to the financial statements, as at the balance sheet date, the Group advanced HK\$10,608,000 (2002: HK\$6,120,000) and HK\$1,906,000 (2002: HK\$2,118,000) to Tin Ming and Hong Tau, the intermediate holding companies, respectively.
- (b) As at the balance sheet date, an unsecured loan of RMB3,000,000 (2002: RMB3,000,000) was due from YZ Energy, a minority shareholder of YZ Genetic, a subsidiary of the Company. The amount bears interest at 6% per annum and was due on 7 December 2002. Such amount due from YZ Energy is included in prepayments, deposits and other receivables in the financial statements.
- (c) As at the balance sheet date, an unsecured and interest-free loan of HK\$3,900,000 (2002: HK\$3,900,000) was due from Ke Yang Transgenic Engineering Research Centre Co., Ltd. (“Ke Yang”), a minority shareholder of YZ Genetic. The amount due from Ke Yang is included in prepayments, deposits and other receivables in the financial statements.

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39. 關連方交易 (續)

- (d) 於二零零三年三月三十一日，一家由孫曉路先生為董事之公司－深圳德廬，就本公司之附屬公司華新之30,000,000人民幣(二零零二年：30,000,000人民幣)銀行貸款作出企業擔保。
- (e) 於年內，一家由孫曉路先生為董事和股東之公司－深圳緯基，就華新之8,000,000人民幣銀行貸款作出企業擔保。
- (f) 於年內，深圳緯基提供額外3,470,000人民幣貸款予華新。於結算日，貸款合共6,470,000人民幣(二零零二年：7,000,000人民幣)乃無抵押及需於二零零三年三月三十一日償還。除總金額310,000人民幣(二零零二年：無)為免息外，餘額之利率為年息7厘。截至批准本財務報表當日，華新並未作出任何還款。
- (g) 於結算日，應付揚州能源之無抵押貸款為3,000,000人民幣(二零零二年：3,000,000人民幣)。貸款之年息為6厘及於二零零二年十二月七日期。
- (h) 於年內，深圳緯基提供一筆3,000,000人民幣(二零零二年：無)之貸款予本公司之附屬公司一樹醫葯。該筆貸款為無抵押及年息為8厘。
- (i) 結算日後，於二零零三年四月二十八日，深圳緯基就華新已取得及將會取得之銀行貸款與上海銀行簽訂協議以作出38,000,000人民幣為上限之企業擔保，期限由二零零三年四月三十日至二零零四年四月二十九日。

39. RELATED PARTY TRANSACTIONS

(continued)

- (d) As at 31 March 2003, Shenzhen Delu, a company in which Mr. Sun Hiu Lu is a director, has given a corporate guarantee in respect of a bank loan amounting to RMB30,000,000 (2002: RMB30,000,000) granted to Hua Xin, a subsidiary of the Company.
- (e) During the year, Shenzhen Weiji, a company in which Mr. Sun Hiu Lu is both a director and shareholder, gave a corporate guarantee in respect of a bank loan of RMB8,000,000 granted to Hua Xin.
- (f) During the year, Shenzhen Weiji advanced additional loans of RMB3,470,000 to Hua Xin. Loans with total outstanding balance of RMB6,470,000 (2002: RMB7,000,000) as at the balance sheet date are unsecured and repayable on 31 March 2003. Except for amounts of RMB310,000 (2002: Nil) in aggregate being interest-free, the remaining balance bears interests at 7% per annum. No repayment has been made by Hua Xin up to the date of approval of these financial statements.
- (g) As at the balance sheet date, an unsecured loan of RMB3,000,000 (2002: RMB3,000,000) was due to YZ Energy. The amount bears interest at 6% per annum and was due on 7 December 2002.
- (h) During the year, Shenzhen Weiji advanced a loan of RMB3,000,000 (2002: Nil) to Ensure Medical, a subsidiary of the Company. The loan is unsecured and bears interest at 8% per annum.
- (i) Subsequent to the balance sheet date, on 28 April 2003, Shenzhen Weiji has entered into an agreement with Bank of Shanghai to give a maximum corporate guarantee amounting to RMB38,000,000 for the period from 30 April 2003 to 29 April 2004, in respect of bank loans that were or will be granted to Hua Xin.

財務報表附註

Notes to Financial Statements

二零零三年三月三十一日

31 March 2003

40. 結算日後事項

- (a) 誠如財務報表附註28(b)至(f)披露，本集團未償還若干銀行及其他借款。若干銀行及其他貸款人其後同意延長未償還之借款的還款期。
- (b) 於二零零三年六月十八日，本公司董事宣布本公司與Super-Pharm (Israel) Limited (「Super-Pharm」) 已就其於中國發展連鎖藥業業務之策略性伙伴安排於二零零三年六月十二日簽訂條款概覽。根據被視為具有法律約束力之條款概覽之條款，Super-Pharm將以新股認購方式投資1,000,000美元於本公司。Super-Pharm將擁有權利，可於二零零六年底前行使以認購Joinbest (其現時持有一樹連鎖之51%權益) 不超過50%權益。

條款概覽列明待Super-Pharm就本公司之藥業網絡進行盡職調查及雙方協議估值後，首次行使權利將與上述認購本公司新股份同時進行，而首次行使權利牽涉之股本權益百份比將由雙方協議。Super-Pharm之控股公司將與Joinbest簽訂正式主要協議，據此，Super-Pharm將向一樹連鎖之藥業零售店舖提供顧問服務。

條款概覽列出預計雙方將不遲於二零零三年九月三十日簽訂上述文件。但截至批准本財務報表當日，雙方並未簽訂進一步文件。

40. POST BALANCE SHEET EVENTS

- (a) As disclosed in note 28(b) to (f) to the financial statements, the Group defaulted on the repayments of certain bank and other borrowings. Certain banks and other lenders have subsequently agreed to defer the repayments of the defaulted borrowings.
- (b) On 18 June 2003, the board of directors of the Company announced that the Company has signed a term sheet with Super-Pharm (Israel) Limited (“Super-Pharm”) on 12 June 2003 in relation to the proposed strategic partnership arrangement for the development of chain pharmacy business in Mainland China. Pursuant to the terms of the term sheet, Super-Pharm will invest USD1,000,000 in the Company by way of a new share subscription. Super-Pharm will also have an option, exercisable until the end of year 2006, to subscribe for up to 50% shareholding interest in Joinbest, which presently holds 51% of the equity interest in Ensure Chain.

The term sheet provides that subject to Super-Pharm's due diligence on the pharmacy chain of the Company and mutual agreement on its valuation, the first exercise of the option will take place with the above-mentioned new share subscription in the Company and the percentage of the shareholding interest in respect of the exercise of the option will be determined by mutual agreement. It is also agreed that the holding company of Super-Pharm will enter into a formal master agreement with Joinbest, pursuant to which Super-Pharm will provide consultancy services to Ensure Chain's retail pharmacy stores.

The term sheet envisages that the abovementioned documents will be signed by the parties by no later than 30 September 2003. However, up to the date of approval of these financial statement, no further document has been signed by the parties.

財務報表附註

Notes to Financial Statements

二零零三年三月三十一日
31 March 2003

40. 結算日後事項 (續)

- (c) 於二零零三年四月二十八日及二零零三年十一月二十八日，華新向一家銀行取得額外貸款，金額分別為3,000,000人民幣及7,000,000人民幣，以作營運資金。銀行貸款乃由華新於結算日賬面價值約48,800,000人民幣之房產及由深圳緯基提供企業擔保作抵押。
- (d) 於二零零三年十一月二十六日，本公司與一家於上海上市之公司，江蘇聯環訂立買賣協議，據此，本公司同意以代價7,000,000人民幣出售揚州基因34.43%股權予江蘇聯環。
- (e) 於二零零三年五月二日，本公司若干董事獲提供600,000購股權，詳情載於財務報表附註32。

41. 比較金額

誠如財務報表附註3之詳細解釋，由於本年度採納若干新訂及經修訂之會計實務準則，財務報表中若干項目及結餘之會計處理方法及呈列方式已作修改以符合新規定。因此，以前年度已作若干調整及若干比較數字經已重新分類以符合本年度之呈報方式。

42. 財務報表之批准

財務報表已於二零零三年十二月十二日獲董事會批准及授權發佈。

40. POST BALANCE SHEET EVENTS

(continued)

- (c) On 28 April 2003 and 28 November 2003, Hua Xin obtained additional loans, amounting to RMB3,000,000 and RMB7,000,000 respectively from a bank to finance its general working capital. The bank loan were secured by a building of Hua Xin with a carrying value of approximately RMB48,800,000 at the balance sheet date and corporate guarantees executed by Shenzhen Weiji.
- (d) On 26 November 2003, the Company entered into a sales and purchase agreement with Jiangsu Lianhuan, a company listed in Shanghai, whereby the Company agreed to dispose of its entire 34.43% equity interest in YZ Genetic to Jiangsu Lianhuan for a consideration of RMB7,000,000.
- (e) On 2 May 2003, 600,000 share options were offered to certain directors of the Company. Further details are set out in note 32 to the financial statements.

41. COMPARATIVE AMOUNTS

As further explained in note 3 to the financial statements, due to the adoption of certain new and revised SSAPs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made and certain comparative amounts have been reclassified to conform with the current year's presentation.

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 12 December 2003.