

Notes to the Financial Statements

For the year ended 31st December, 2003

1. 一般資料

本公司為於百慕達註冊成立之受豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）及新加坡證券交易所有限公司上市，其最終控股公司為天安中國投資有限公司（「天安」）。天安乃於香港註冊成立之公眾公司，其股份於聯交所上市。

於二零零一年五月十五日，本集團已完成收購上海聯合水泥有限公司（「上海水泥」）之60%權益，而上海水泥則成為本集團之一間共同控制機構。於二零零二年三月十四日，由於有關政府監管機關批准對上海水泥之合營合同及合營細則作出之修訂，上海水泥成為本公司之附屬公司。

於二零零一年五月十五日至二零零二年三月十三日之整段期間內，本集團採用會計權益法於本集團綜合財務報表內報告其上海水泥之權益。由二零零二年三月十四日起，上海水泥之業績、資產及負債乃綜合於本集團之業績、資產及負債內，詳細資料載於附註28。

本公司為投資控股公司，其主要附屬公司、共同控制機構及聯營公司之主要業務分別載於附註36、15及16。

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and The Singapore Exchange Securities Trading Limited. Its ultimate holding company is Tian An China Investments Company Limited ("Tian An"), a public company incorporated in Hong Kong and which shares are listed on the Stock Exchange.

On 15th May, 2001, the acquisition of a 60% interest in Shanghai Allied Cement Co., Ltd. ("Shanghai SAC") by the Group was completed and Shanghai SAC became a jointly controlled entity of the Group. On 14th March, 2002, as a result of the approval of the amendments to the joint venture contract and joint venture articles of Shanghai SAC by the relevant government regulatory authority, Shanghai SAC became a subsidiary of the Company.

Throughout the period from 15th May, 2001 to 13th March, 2002, in its consolidated financial statements, the Group reported its interest in Shanghai SAC using the equity method of accounting. With effect from 14th March, 2002, the results, assets and liabilities of Shanghai SAC are consolidated into those of the Group, details of which are set out in note 28.

The Company is an investment holding company. The principal activities of its principal subsidiaries, jointly controlled entity and associate are set out in notes 36, 15 and 16 respectively.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

2. 採納會計實務準則

本集團於本年度首次採納香港會計師公會頒佈的會計實務準則(「會計準則」)第12號(經修訂)「所得稅」。實施會計準則第12號(經修訂)的主要影響與遞延稅項有關。於過往年度，本集團採用收益表負債法就遞延稅項作出部份撥備，即按照所產生時差確認負債，惟預期不可於可見將來撥回之該等時差則除外。會計準則第12號(經修訂)規定採用資產負債表負債法，除有限的例外情況外，財務報表的資產及負債的賬面值，與用以計算應課稅盈利的相應稅基兩者的所有暫時性差異，均須確認為遞延稅項。由於會計準則第12號(經修訂)並無特定過渡性規定，此新會計政策已被追溯應用。二零零二年之比較數字已據此重列。採納會計準則第12號(經修訂)之財務影響為本年度溢利減少港幣171,000元(二零零二年：港幣278,000元)。

2. ADOPTION OF STATEMENT OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted, for the first time, Statement of Standard Accounting Practice ("SSAP") No. 12 (Revised) "Income taxes" issued by the Hong Kong Society of Accountants. The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transactional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. Comparative amounts for 2002 have been restated accordingly. The financial effect of the adoption of SSAP 12 (Revised) has reduced the profit for the year by HK\$171,000 (2002: HK\$278,000).

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

**2. 採納會計實務
準則 (續)**

採納會計準則第12號
(經修訂)之主要財務影
響概列如下:

**2. ADOPTION OF STATEMENT OF STANDARD
ACCOUNTING PRACTICE (Continued)**

The financial effect of the adoption of SSAP 12 (Revised) is summarised below:

	商譽	於共同控制 機構擁有權益 Interests in jointly controlled entities	累計 溢利(虧絀) Accumulated profits (deficit)	少數 股東權益 Minority interests	遞延 稅項負債 Deferred tax liabilities
	Goodwill				
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於二零零三年一月一日結餘					
- 原先呈列					
- 採納會計準則第12號 (經修訂)所產生					
- 重列					
於二零零二年一月一日結餘					
- 原先呈列					
- 採納會計準則第12號 (經修訂)所產生					
- 重列					

3. 主要會計政策

財務報表乃按歷史成本
常規及根據香港普遍採
用之會計準則編製, 主
要採用之會計政策如
下:

綜合財務報表之基準

綜合財務報表包括本公
司及其附屬公司截至資
產負債表日之財務報
表。年內收購或出售之
附屬公司業績由收購生
效日期起計或計至出售
/失去實際控制權生效
日期止(如適用)計入綜
合收益表內。

3. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the balance sheet date. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal/loss of effective control, as appropriate.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

3. 主要會計政策 (續)**商譽**

綜合賬目時產生之商譽指收購代價高於本集團所佔附屬公司、聯營公司或共同控制機構於收購日可識別之資產及負債項目之公平價值之差額。

因收購而產生之商譽，乃作資本化並以直線法按其可使用年期攤銷。因收購聯營公司或共同控制機構而產生之商譽則計入聯營公司或共同控制機構之賬面值。因收購附屬公司而產生之商譽在資產負債表獨立呈列。

於附屬公司之投資

於附屬公司之投資乃按成本減任何可識別之減值虧損計入本公司資產負債表。

於共同控制機構之權益

由合營者成立一間各自擁有權益的獨立企業的合營安排視為共同控制機構。

本集團所佔共同控制機構之權益，乃以本集團所佔共同控制機構資產淨值，連同已付溢價／減任何收購折讓(溢價及折讓均未撇銷或攤銷或撥作收入)及減去任何可識別之減值虧損後計入綜合資產負債表。本集團所佔共同控制機構收購後業績則計入綜合收益表內。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill

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

Goodwill arising on acquisitions is capitalised and amortised on a straight line basis over its useful economic life. Goodwill arising on the acquisition of an associate or a jointly controlled entity is included within the carrying amount of the associate or jointly controlled entity. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

Investments in subsidiaries

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

Interests in jointly controlled entities

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group's interests in jointly controlled entities are included in the consolidated balance sheet at the Group's share of the net assets of the jointly controlled entities plus the premium paid/less any discount on acquisition in so far as it has not already been written off or amortised or released to income, less any identified impairment loss. The Group's share of post-acquisition results of its jointly controlled entities is included in the consolidated income statement.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

3. 主要會計政策(續)

於聯營公司之權益

綜合收益表包括本集團年內所佔聯營公司收購後之業績。在綜合資產負債表上，於聯營公司之權益乃以本集團所佔聯營公司資產淨值，連同已付溢價減任何收購折讓(溢價或折讓均未撇銷或攤銷或撥作收入)及減去任何可識別之減值虧損入賬。

營業額

營業額指年內銷售貨品及提供服務之已收及應收款項淨額(扣除退貨及減免額)。

收入確認

銷售貨品之收入於貨品出售及權益轉至客戶時入賬。

安裝服務之收入於提供服務時入賬。

銀行存款應可收貸款之利息收入根據未償還本金及適用利率按時間比例入賬。

租金收入，包括經營租約資產預先所發出票據之租金，在租期內按直線法入賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates plus the premium paid less any discount on acquisition in so far as it has not already been written off or amortised or released to income, less any identified impairment loss.

Turnover

Turnover represents the net amounts received and receivable for goods sold and for services provided, less returns and allowances, during the year.

Revenue recognition

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

Installation service income is recognised when services are provided.

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

Rental income, including rental invoiced in advance from assets under operating leases, is recognised on a straight line basis over the duration of the leases.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

3. 主要會計政策 (續)**物業、廠房及設備**

物業、廠房及設備(在建工程除外)按成本減折舊及累計減值虧損入賬。在建工程按成本減累計減值虧損入賬。

物業、廠房及設備以直線法計算折舊，並按估計可使用期及估計剩餘價值撇銷其成本，所採用之年率如下：

租賃土地及樓宇	有關租約 年期或40年 (以較短者為準)
租賃裝修	4.5% – 10%
廠房及機器	9% – 15%
傢俬、裝置及設備	15% – 20%
汽車	18% – 25%

根據融資租約持有之資產按已擁有資產之相同準則以其估計可使用期或有關租約年期(以較短者為準)計算折舊。

出售或棄用資產所得收益或虧損指出售所得款項與有關資產賬面值之差額，並計入收益表。

減值

於各資產負債表日，本集團審核有形及無形資產之賬面值，衡量是否有跡象顯示該等資產會出現減值虧損。倘估計資產之可收回數額低於其賬面值，則會將資產賬面值降至可收回數額。減值虧損隨即確認為開支。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less depreciation and accumulated impairment losses. Construction in progress are stated at cost less accumulated impairment losses.

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

Leasehold land and buildings	Shorter of the relevant lease term or 40 years
Leasehold improvements	4.5% – 10%
Plant and machinery	9% – 15%
Furniture, fixtures and equipment	15% – 20%
Motor vehicles	18% – 25%

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, where shorter, the lease term.

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

Impairment

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

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

3. 主要會計政策(續)

減值(續)

倘其後減值虧損好轉，則資產之賬面值將增至經修訂之估計可收回數額，惟已增加之賬面值不得超過過往年度並無確認減值虧損之賬面值。減值虧損之撥回隨即確認為收入。

租約

租約條款在實際上將有關資產擁有權的絕大部份風險及回報轉讓予本集團之租約，均列為融資租約。根據融資租約持有之資產按收購日期之公平價值撥作資本。承租人之相應負債(已扣減利息支出)則於資產負債表列作融資租約承擔。融資費用(即租賃承擔總額與所收購資產公平價值之差額)按有關租約年期自收益表扣除，將承擔餘額在每個會計期定額扣除。

所有其他租約均列作經營租約，而每年租金支出按有關租期以直線法自收益表扣除。

待售物業

待售物業按成本與可變現淨值兩者中較低者入賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment (Continued)

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

Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalised at their fair value at the date of acquisition. The corresponding liability to the lessor, net of interest charges, is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the period of the relevant lease so as to produce a constant periodic rate of charge on the remaining balances of the obligations for each accounting period.

All other leases are classified as operating leases and the annual rental expenses are charged to the income statement on a straight line basis over the relevant lease term.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

3. 主要會計政策 (續)**存貨**

存貨按成本與可變現淨值兩者中較低者入賬。成本包括直接材料及(倘適用)直接勞工成本及將存貨運送至其現有地點及具備其現時情況之該等間接開支。成本按加權平均基準計算。可變現淨值乃指估計售價扣除一切估計完成成本及就製造、銷售及分銷而產生之成本後之價值。

稅項

利得稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括以往其他年度之應課稅或應扣減之收入及開支項目，亦不包括作免稅或不可作稅項扣減之收益表項目，故與收益表所列純利不同。

遞延稅項指預期從財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額所應付或可收回之稅項，並以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則只能在未來應納稅利潤足以用作抵銷暫時性差異的限度內，才予以確認。如果暫時性差異是由商譽或就對稅務溢利或會計溢利並無影響之交易中之其他資產及負債初步確認(以業務綜合計算除外)下產生，有關資產及負債則不予確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is computed on a weighted average basis. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in making, selling and distribution.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

3. 主要會計政策(續)

稅項(續)

遞延稅項負債乃按於附屬公司及聯營公司之投資、以及於合營企業之權益產生應課稅暫時差額時確認，惟本集團可以控制撥回暫時差額，而暫時差額於可見未來可能不會撥回時，則另作別論。

遞延稅項資產之賬面值於各資產負債表日覆核，並且在未來不再可能讓足夠應納稅所得以轉回部份或全部遞延稅項資產時，按不能轉回的部份扣減遞延稅項資產。

遞延稅項按預期適用於負債清償或資產變現期間之稅率計算。遞延稅項從收益表扣除或計入收益表，除非遞延稅項關乎直接從股本扣除或直接計入權益之項目，在該情況下，遞延稅項亦於權益中處理。

外幣

以外幣進行之交易初步按交易日之匯率換算。以外幣為單位之貨幣資產及負債按資產負債表日之匯率重新換算。換算產生之盈虧計入期內之溢利或虧損淨額。

綜合賬目時，本集團海外業務之資產及負債按資產負債表日之匯率換算。收支項目按期內平均匯率換算。所產生之匯兌差額(倘有)列作權益並轉撥至本集團之匯兌儲備。該項換算差額於出售業務之期間內入賬列作收入或開支。

退休福利計劃

自收益表扣除之退休金費用指須向強制性公積金計劃及國家管理之退休福利計劃所支付之供款。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the period.

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

Retirement benefit schemes

The retirement benefit costs charged in the income statement represent the amount of contributions payable to the mandatory provident fund scheme and state-managed retirement benefit schemes.



Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

4. 分類資料

就管理而言，本集團之業務目前由兩項經營業務組成一分銷及製造水泥及熟料，以及分銷瓷磚、花崗石及雲石產品。本集團之業務主要集中在香港及中華人民共和國其他地區(「中國大陸」或「中國」)。按業務劃分之本集團收入及分類業績分析如下：

業務分類

4. SEGMENT INFORMATION

For management purposes, the Group is currently organised into two operating divisions – distribution and manufacturing of cement and clinker, and distribution of ceramic tiles, granite and marble products. The Group's operations are principally located in Hong Kong and other areas in the People's Republic of China ("Mainland China" or the "PRC"). An analysis of the Group's revenue and segment results by business segments are as follows:

BUSINESS SEGMENTS

		分銷瓷磚、 花崗石及雲石產品 Distribution of ceramic tiles, granite and marble products			總額 Total 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
		分銷及製造 水泥及熟料 Distribution and manufacturing of cement and clinker 港幣千元 HK\$'000	銷售貨品 Sales of goods 港幣千元 HK\$'000	安裝服務 Installation services 港幣千元 HK\$'000		
二零零三年	2003					
分類收入	Segment revenue	<u>344,120</u>	<u>38,759</u>	<u>-</u>	<u>38,759</u>	<u>382,879</u>
分類業績	Segment result	<u>99,302</u>			<u>8,631</u>	<u>107,933</u>
間接開支	Indirect overheads					<u>(5,246)</u>
經營溢利	Profit from operations					<u>102,687</u>
融資成本	Finance costs					<u>(7,006)</u>
除稅前溢利	Profit before taxation					<u>95,681</u>
						(重列) (as restated)
二零零二年	2002					
分類收入	Segment revenue	<u>239,361</u>	<u>17,670</u>	<u>980</u>	<u>18,650</u>	<u>258,011</u>
分類業績	Segment result	<u>51,430</u>			<u>2,573</u>	54,003
間接開支	Indirect overheads					(8,016)
不再綜合計算附屬公司之 收益	Gain on deconsolidation of subsidiaries					27,838
經營溢利	Profit from operations					73,825
融資成本	Finance costs					(7,087)
分佔一間共同控制機構 業績	Share of results of a jointly controlled entity	<u>3,483</u>				3,483
除稅前溢利	Profit before taxation					<u>70,221</u>

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

4. 分類資料(續)

4. SEGMENT INFORMATION (Continued)

		二零零三年 2003			二零零二年 2002		
		分銷瓷磚、 分銷及製造 水泥及熟料	花崗石 及雲石產品	總額	分銷瓷磚、 分銷及製造 水泥及熟料	花崗石 及雲石產品	總額
		Distribution and manufacturing of cement and clinker	Distribution of ceramic tiles, granite and marble products	Total	Distribution and manufacturing of cement and clinker	Distribution of ceramic tiles, granite and marble products	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
		(重列) (as restated)					
(a) 資產負債表	(a) BALANCE SHEET						
資產	ASSETS						
分類資產	Segment assets	566,415	33,007	599,422	541,770	11,348	553,118
商譽	Goodwill	88,724	-	88,724	93,830	-	93,830
未分配公司 資產	Unallocated corporate assets			10,028			40,251
綜合資產 總值	Consolidated total assets			698,174			687,199
負債	LIABILITIES						
分類負債	Segment liabilities	60,242	4,796	65,038	41,916	1,101	43,017
未分配公司 負債	Unallocated corporate liabilities			129,690			185,983
綜合負債 總值	Consolidated total liabilities			194,728			229,000

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

4. 分類資料(續)

其他資料

4. SEGMENT INFORMATION (Continued)

OTHER INFORMATION

	二零零三年 2003		二零零二年 2002	
	分銷瓷磚、 分銷及製造 水泥及熟料	花崗石 及雲石產品	分銷瓷磚、 分銷及製造 水泥及熟料	花崗石 及雲石產品
	Distribution of Distribution and manufacturing of cement and clinker 港幣千元 HK\$'000		Distribution of ceramic tiles, granite and marble products and clinker products 港幣千元 HK\$'000	
增購物業、廠房及 設備				
– 綜合計算一間前共同 控制機構			285,289	–
– 其他	6,921	32	3,539	–
折舊及攤銷	19,428	30	16,154	40
				(重列) (as restated)

地區分類

按資產所屬地區劃分之
分類資產賬面值以及增
購物業、廠房及設備之
分析如下。

GEOGRAPHICAL SEGMENTS

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by geographical area in which the assets are located.

	分類資產賬面值 Carrying amount of segment assets		增購物業、廠房及設備 Additions to property, plant and equipment	
	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
中國大陸	680,574	664,866	6,953	3,539
香港	17,600	22,333	18	569
	698,174	687,199	6,971	4,108

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

5. 不再綜合計算附屬公司之收益

該款額乃指不再綜合往年已進行清盤之附屬公司之收益。

5. GAIN ON DECONSOLIDATION OF SUBSIDIARIES

The amount represented gain on deconsolidation of subsidiaries which were put into liquidation in prior year.

6. 經營溢利

6. PROFIT FROM OPERATIONS

	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
經營溢利乃經扣除 以下項目後計算：		
員工成本		
董事酬金(附註7)	2,435	2,081
退休福利計劃 供款	2,004	144
其他員工成本	18,684	13,315
	<u>23,123</u>	<u>15,540</u>
核數師酬金		
本年度	854	814
過往年度撥備不足	-	80
物業、廠房及設備 之折舊		
自置資產	14,552	11,212
根據融資租約持有之資產	8	8
根據經營租約所租用 物業之租金	809	1,313
根據經營租約所租用 廠房及機器之租金	2,987	3,082
出售及撇銷物業、 廠房及設備之虧損	473	13
並已計入：		
利息收入	1,692	611
出售證券投資之 收益	-	1,253
已退回增值稅	24,818	23,308

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

7. 董事及僱員酬金

董事及五名最高薪人士之酬金概要如下：

(a) 董事酬金

董事袍金：
獨立非執行董事

其他酬金：
執行董事
薪金及其他福利
按表現計算之
花紅
退休福利計劃
供款

董事酬金範圍如下：

零至港幣 1,000,000 元
港幣 1,000,001 元至
港幣 1,500,000 元
港幣 1,500,001 元至
港幣 2,000,000 元

並無董事於這兩年內放棄任何酬金。

7. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments of the directors and the five highest paid individuals are summarised as follows:

(a) Directors' emoluments

二零零三年
2003
港幣千元
HK\$'000

二零零二年
2002
港幣千元
HK\$'000

Directors' fees:		
Independent non-executive directors	120	120
Other emoluments:		
Executive directors		
Salaries and other benefits	2,006	1,733
Performance related bonuses	254	191
Contributions to retirement benefit schemes	55	37
	2,315	1,961
	2,435	2,081

The directors' emoluments are within the following bands:

二零零三年
2003
董事數目
Number of directors

二零零二年
2002
董事數目
Number of directors

Nil to HK\$1,000,000	5	5
HK\$1,000,001 to HK\$1,500,000	-	1
HK\$1,500,001 to HK\$2,000,000	1	-

No director waived any emoluments during both years.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

7. 董事及僱員酬金(續)

(b) 僱員酬金

五名最高薪人士當中兩名為本公司董事(二零零二年:兩名董事),有關酬金詳情載於上文(a)。其餘三名最高薪人士(二零零二年:三名)之酬金(港幣1,000,000元以下)如下:

7. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(Continued)

(b) Employees' emoluments

The five highest paid individuals included two directors (2002: two directors) of the Company, whose emoluments are included in (a) above. The emoluments of the remaining three highest paid individuals (2002: three), which were individually less than HK\$1,000,000, were as follows:

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
薪金及其他福利	Salaries and other benefits	1,036	828
按表現計算之花紅	Performance related bonuses	21	5
退休福利計劃 供款	Contributions to retirement benefit schemes	51	39
		1,108	872

於這兩年內,本集團並無支付任何酬金予該五名最高薪之人士及董事,作為鼓勵彼等加入本集團之報酬或離職之賠償。

During both years, no emoluments were paid by the Group to the five highest paid individuals and directors as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

8. 融資成本

8. FINANCE COSTS

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
以下項目之利息：	Interest on:		
須於五年內悉數 償還之銀行借款	Bank borrowings wholly repayable within five years	7,002	7,082
融資租約承擔	Finance leases obligations	4	5
		7,006	7,087

9. 稅項

9. TAXATION

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000 (重列) (as restated)
本年度稅項	Current tax		
中國所得稅	PRC income tax	10,626	5,550
遞延稅項(附註27)	Deferred tax (note 27)	2,454	803
		13,080	6,353
分佔一間共同 控制機構稅項	Share of tax of a jointly controlled entity	-	640
本集團應佔稅項	Taxation attributable to the Group	13,080	6,993

由於在香港經營之集團公司在本年度並無任何應課稅溢利，故並無就香港利得稅撥備。

No provision for Hong Kong Profits Tax is made as the group companies operated in Hong Kong do not have any assessable profit for the year.

中國所得稅乃按分別適用於各附屬公司之稅率計算。根據適用於外資企業之稅務法例，中國若干附屬公司可由首個經營獲利年度起計兩年內獲豁免繳付中國所得稅，而其後三年則獲寬減50%中國所得稅。

PRC income tax is calculated at the rates applicable to respective subsidiaries. In accordance with the tax legislations applicable to foreign investment enterprises, certain subsidiaries in the PRC are entitled to exemptions from PRC income tax for the two years commencing from the first profit-making year of operation and thereafter, entitled to a 50% relief from PRC income tax for the following three years.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

9. 稅項(續)

本年度稅項支出可被調節至綜合收益表內溢利之詳情如下：

9. TAXATION (Continued)

The tax charge for the year can be reconciled to the profit per the consolidated income statement as follows:

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000 (重列) (as restated)
除稅前溢利	Profit before taxation	95,681	70,221
以國內所得稅稅率27% (二零零二年：27%) 計算之稅項	Tax at the domestic income tax rate of 27% (2002: 27%)	25,834	18,959
不可用作扣除稅項 支出之稅項影響	Tax effect of expenses not deductible for tax purpose	2,716	2,207
不可用作應課稅收入之 稅項影響	Tax effect of income not taxable for tax purpose	(17)	(8,018)
尚未予以確認之稅項虧損 之稅項影響	Tax effect of tax losses not recognised	2,060	2,262
按優惠稅率計算之所得稅 附屬公司之不同 稅率影響	Income tax on concessionary rate Effect of different tax rates of subsidiaries	(16,266)	(8,542)
其他	Others	40	125
本年度稅項	Taxation for the year	13,080	6,993

附註：國內稅率指於中國經營之主要集團公司之法定稅率。

Note: The domestic tax rate represents the statutory tax rate of the major group companies operated in the PRC.



Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

10. 股息

10. DIVIDEND

	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
建議末期息每股港幣4仙 (二零零二年：港幣3仙)	Final, proposed – HK 4 cents per share (2002: HK 3 cents) 29,176	21,882

董事已建議派發末期股息每股港幣4仙(二零零二年：港幣3仙)，並須待股東於應屆股東週年大會上批准。

The final dividend of HK 4 cents (2002: HK 3 cents) per share has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

11. 每股盈利

11. EARNINGS PER SHARE

每股基本盈利乃根據本年度溢利淨額港幣50,023,000元(二零零二年：港幣44,804,000元(重列))及729,395,043股股份(二零零二年：729,395,043股)計算，而股份數目已就於二零零二年十二月二十日之本公司股份合併作出調整。

The calculation of the basic earnings per share is based on the net profit for the year of HK\$50,023,000 (2002: HK\$44,804,000 as restated) and on 729,395,043 (2002: 729,395,043, which shares have been adjusted for the consolidation of the Company's share on 20th December, 2002) shares in issue throughout the year.

由於本公司購股權之行使價超過二零零三年股份之平均市價及二零零二年並無尚未行使之購股權，因此這兩年均無每股攤薄盈利呈列。

No diluted earnings per share has been presented for both years because the exercise price of the Company's shares options was higher than the average market price of shares for 2003 and there was no share option outstanding for 2002.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

12. 物業、廠房
及設備

12. PROPERTY, PLANT AND EQUIPMENT

		租賃土地 及樓宇	租賃裝修	廠房及 機器	在建工程	傢俬、 裝置及設備	汽車	總額
		Leasehold land and buildings	Leasehold improvements	Plant and machinery	Construction in progress	Furniture, fixtures and equipment	Motor vehicles	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
本集團	THE GROUP							
成本	COST							
於二零零三年一月一日	At 1st January, 2003	164,325	935	278,452	956	1,926	4,566	451,160
添置	Additions	690	-	1,992	2,727	397	1,165	6,971
出售及撇銷	Disposals and write-offs	(989)	-	-	-	(5)	(849)	(1,843)
重新分類	Reclassifications	1,413	-	1,047	(2,652)	192	-	-
		<u>165,439</u>	<u>935</u>	<u>281,491</u>	<u>1,031</u>	<u>2,510</u>	<u>4,882</u>	<u>456,288</u>
於二零零三年十二月三十一日	At 31st December, 2003							
折舊及減值	DEPRECIATION AND IMPAIRMENT							
於二零零三年一月一日	At 1st January, 2003	39,067	61	130,013	-	1,115	1,242	171,498
年內撥備	Provided for the year	5,218	210	8,148	-	209	775	14,560
出售時對銷及 撇銷	Eliminated on disposals and write-offs	(74)	-	-	-	(4)	-	(78)
		<u>44,211</u>	<u>271</u>	<u>138,161</u>	<u>-</u>	<u>1,320</u>	<u>2,017</u>	<u>185,980</u>
於二零零三年十二月三十一日	At 31st December, 2003							
賬面淨值	NET BOOK VALUES							
於二零零三年十二月三十一日	At 31st December, 2003	<u>121,228</u>	<u>664</u>	<u>143,330</u>	<u>1,031</u>	<u>1,190</u>	<u>2,865</u>	<u>270,308</u>
於二零零二年十二月三十一日	At 31st December, 2002	<u>125,258</u>	<u>874</u>	<u>148,439</u>	<u>956</u>	<u>811</u>	<u>3,324</u>	<u>279,662</u>

Notes to the Financial Statements (Continued)
For the year ended 31st December, 2003

12. 物業、廠房
及設備(續)

根據中期租約持有之租賃土地及樓宇之賬面淨值包括：

香港之土地
香港以外之土地

傢俬、裝置及設備之賬面淨值包括根據融資租約持有之資產約港幣21,000元(二零零二年：港幣29,000元)。

本公司於資產負債表日並無任何物業、廠房及設備。

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

The net book value of leasehold land and buildings which are under medium-term leases comprises:

		本集團	
		THE GROUP	
		二零零三年	二零零二年
		2003	2002
		港幣千元	港幣千元
		HK\$'000	HK\$'000
香港之土地	Land in Hong Kong	268	278
香港以外之土地	Land outside Hong Kong	120,960	124,980
		<u>121,228</u>	<u>125,258</u>

The net book value of furniture, fixtures and equipment includes an amount of approximately HK\$21,000 (2002: HK\$29,000) in respect of assets held under finance leases.

The Company had no property, plant and equipment at the balance sheet date.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

13. 商譽

13. GOODWILL

		本集團 THE GROUP 港幣千元 HK\$'000
成本	COST	
於二零零三年一月一日	At 1st January, 2003	
– 原先呈列	– as originally stated	93,611
– 前期調整	– prior period adjustment	8,517
		<hr/>
於二零零三年一月一日(重列) 及二零零三年十二月三十一日	At 1st January, 2003 (as restated) and 31st December, 2003	102,128
		<hr/>
攤銷	AMORTISATION	
於二零零三年一月一日	At 1st January, 2003	
– 原先呈列	– as originally stated	7,606
– 前期調整	– prior period adjustment	692
		<hr/>
– 重列	– as restated	8,298
本年度支出	Charge for the year	5,106
		<hr/>
於二零零三年十二月三十一日	At 31st December, 2003	13,404
		<hr/>
賬面淨值	NET BOOK VALUE	
於二零零三年十二月三十一日	At 31st December, 2003	88,724
		<hr/> <hr/>
於二零零二年十二月三十一日	At 31st December, 2002	93,830
		<hr/> <hr/>
商譽按二十年攤銷。	Goodwill is amortised over 20 years.	

14. 所佔附屬公司權益／
應付附屬公司款項

14. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE TO
SUBSIDIARIES

		本公司 THE COMPANY	
		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
非上市投資	Unlisted investments	16,003	251,394
應收附屬公司款項 減撥備	Amounts due from subsidiaries less allowances	289,808	45,623
		<u>305,811</u>	<u>297,017</u>
應付附屬公司款項	Amounts due to subsidiaries	<u>4,629</u>	<u>6,271</u>

本公司主要附屬公司於二零零三年十二月三十一日之詳情載於附註36。

Particulars of the principal subsidiaries of the Company at 31st December, 2003 are set out in note 36.

應收／應付附屬公司款項乃無抵押、免息及無固定還款期。由於董事認為不會在資產負債表日後十二個月內償還該款項，故該等款項列為非流動。

The amounts due from/to subsidiaries are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, amounts will not be repayable in the next twelve months from the balance sheet date and the amounts are therefore shown as non-current.

各附屬公司於年終或年內任何時間概無任何未償還之債務證券。

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

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

15. 所佔一間共同控制機構權益 **15. INTEREST IN A JOINTLY CONTROLLED ENTITY**

		本集團 THE GROUP	
		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
所佔資產淨值	Share of net assets	-	-
應收一間共同控制機構款項	Amount due from a jointly controlled entity	13,230	13,230
減：撥備	Less: Allowance	(13,230)	(13,230)
		<u>-</u>	<u>-</u>

於二零零三年十二月三十一日，於中國大陸成立及經營之共同控制機構詳情如下：

Particulars of the jointly controlled entity at 31st December, 2003, which is established and operates in Mainland China, are as follows:

共同控制機構名稱	註冊資本	本集團所持 註冊資本之比例 Proportion of registered capital held by the Group %	主要業務
Name of jointly controlled entity	Registered capital		Principal activities
佛山市亨達陶瓷有限公司 Foshan Hunter Ceramic Co., Ltd.	5,012,500美元 US\$5,012,500	60	生產及銷售陶瓷產品 Manufacture and sale of ceramic products

應收共同控制機構之款項乃無抵押、免息及無固定還款期。

The amount due from the jointly controlled entity is unsecured, interest-free and has no fixed terms of repayment.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

16. 所佔一間聯營公司權益

16. INTEREST IN AN ASSOCIATE

		本集團 THE GROUP	
		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
分佔資產淨值	Share of net assets	-	-
應收一間聯營公司款項	Amount due from an associate	41,479	41,479
減：撥備	Less: Allowance	(41,479)	(41,479)
		-	-

於二零零三年十二月三十一日，本集團於中國大陸成立之聯營公司詳情如下：

Particulars of the Group's associate at 31st December, 2003, which is established in Mainland China, are as follows:

聯營公司名稱	註冊資本	本集團所持註冊資本之比例 Proportion of registered capital held by the Group %	主要業務
Name of associate	Registered capital		Principal activities
佛山市三聯陶瓷有限公司 Foshan Three Union Ceramic Co., Ltd.	6,652,800美元 US\$6,652,800	48	生產及銷售陶瓷產品 Manufacture and sale of ceramic products

17. 待售物業

17. PROPERTIES HELD FOR SALE

結餘乃指上海水泥之貿易債務人轉讓多項物業以代替現金還款，而有關物業已登記至上海水泥名下。

The balance represents properties transferred from trade debtors of Shanghai SAC in lieu of cash settlement and registered in the name of Shanghai SAC.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

18. 存貨

18. INVENTORIES

		本集團 THE GROUP	
		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
存貨(按成本)	Inventories, at cost, consist of		
包括下列項目:	the following:		
原料	Raw materials	18,830	19,353
在製品	Work in progress	1,585	1,693
製成品	Finished goods	9,284	5,444
		<u>29,699</u>	<u>26,490</u>

19. 貿易及其他應收款項

19. TRADE AND OTHER RECEIVABLES

本集團給予其貿易客戶之信貸期一般由30日至120日不等。於二零零三年十二月三十一日之貿易及其他應收款項乃包括貿易應收款項約港幣164,270,000元(二零零二年:港幣151,434,000元),其賬齡分析如下:

The Group has a policy of allowing its trade customers credit periods normally ranging from 30 days to 120 days. Included in trade and other receivables at 31st December, 2003 are trade receivables of HK\$164,270,000 (2002: HK\$151,434,000) and their aged analysis is as follows:

		本集團 THE GROUP	
		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
零 - 90日	0 - 90 days	130,907	87,940
91 - 180日	91 - 180 days	12,905	40,315
181 - 365日	181 - 365 days	6,466	9,963
超過1年	Over 1 year	13,992	13,216
		<u>164,270</u>	<u>151,434</u>

Notes to the Financial Statements (Continued)
For the year ended 31st December, 2003

19. 貿易及其他應收款項(續)

貿易及其他應收款項包括：

- (i) 概無(二零零二年：港幣11,651,000元)可收回貸款按中國大陸銀行定出之優惠貸款利率加5%計算年息，並以應收款項(包括應收本集團一家同系附屬公司之款項)及借款人之多項物業為抵押品，已於本年內償還。
- (ii) 港幣12,954,000元(二零零二年：港幣12,997,000元)之商業票據，並可以貼現方式向金融機構換取現金。

20. 已抵押短期銀行存款

該金額指已抵押予銀行作為本集團所獲短期銀行信貸擔保之存款，並因此歸類為流動資產。

19. TRADE AND OTHER RECEIVABLES (Continued)

Included in the trade and other receivables are:

- (i) Loan receivable of Nil (2002: HK\$11,651,000) which carried interest at prime rate set by the bank in Mainland China plus 5% per annum, was secured on the receivables, including receivable from a fellow subsidiary of the Group, and properties of the borrower and was repaid during the year.
- (ii) Commercial bills of HK\$12,954,000 (2002: HK\$12,997,000), which can be discounted for cash with financial institutions.

20. PLEDGED SHORT-TERM BANK DEPOSITS

The amount represents deposits pledged to banks to secure short-term banking facilities granted to the Group and are therefore classified as current assets.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

**21. 貿易及其他應付款項
與按金**

於二零零三年十二月三十一日之貿易及其他應付款項與按金乃包括貿易應付款項為港幣18,943,000元(二零零二年:港幣32,018,000元),其賬齡分析如下:

21. TRADE AND OTHER PAYABLES AND DEPOSITS

Included in trade and other payables and deposits at 31st December, 2003 are trade payables of HK\$18,943,000 (2002: HK\$32,018,000) and their aged analysis is as follows:

		本集團	
		THE GROUP	
		二零零三年	二零零二年
		2003	2002
		港幣千元	港幣千元
		HK\$'000	HK\$'000
零 – 90 日	0 – 90 days	15,424	29,657
91 – 180 日	91 – 180 days	1,064	609
181 – 365 日	181 – 365 days	1,929	1,286
超過1年	Over 1 year	526	466
		18,943	32,018

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

22. 融資租約承擔

22. OBLIGATIONS UNDER A FINANCE LEASE

		支付之最低租金		支付之最低租金現值	
		Minimum lease payments		Present value of minimum lease payments	
		二零零三年	二零零二年	二零零三年	二零零二年
		2003	2002	2003	2002
		港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
根據一項融資租約所須支付之金額	Amounts payable under a finance lease				
一年內	Within one year	11	11	8	7
第二年至第五年(包括首尾年)	In the second to fifth years inclusive	18	29	16	24
		29	40	24	31
減：日後融資費用	Less: Future finance charges	(5)	(9)	-	-
租約承擔之現值	Present value of lease obligations	24	31	24	31
減：須於一年內償還之金額(已列作流動負債)	Less: Amount due for settlement within one year (shown under current liabilities)			(8)	(7)
須於一年後償還之金額	Amount due for settlement after one year			16	24

本集團乃根據一項融資租約租用設備。租期為五年，並設固定還款期。截至二零零三年十二月三十一日止年度之平均實質借貸利率為11%(二零零二年：11%)。利率於訂立合約之日期釐定。

The Group holds an equipment under a finance lease. The lease term is 5 years with fixed repayment schedule. For the year ended 31st December, 2003, the average effective borrowing rate was 11% (2002: 11%). Interest rates are fixed at the contract date.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

23. 銀行借款

23. BANK BORROWINGS

		本集團 THE GROUP	
		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
銀行借款(須於要求時 或一年內償還) 包括下列各項:	Bank borrowings, which are repayable on demand or within one year, comprise the following:		
銀行貸款	Bank loans	87,315	133,730
銀行透支	Bank overdrafts	221	216
信託收據貸款	Trust receipt loans	1,927	-
		89,463	133,946
分析如下:	Analysed as:		
有抵押	Secured	2,148	216
無抵押	Unsecured	87,315	133,730
		89,463	133,946

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

24. 股本

24. SHARE CAPITAL

		普通股份數目 Number of ordinary shares	金額 Amount 港幣千元 HK\$'000
法定股本：	Authorised:		
於二零零二年一月一日每股 面值港幣0.01元之普通股	Ordinary shares of HK\$0.01 each at 1st January, 2002	40,000,000,000	400,000
增加每股面值港幣0.01元 之法定股本	Increase in authorised share capital of HK\$0.01 each	10,000,000,000	100,000
削減每股面值港幣0.01元之 已發行股份至每股面值 港幣0.005元	Reduction of the nominal value of issued shares of HK\$0.01 each to HK\$0.005 each	18,234,876,100	-
合併每股面值港幣0.005元之 50股普通股為每股面值 港幣0.25元之1股普通股	Consolidation of every 50 ordinary shares of HK\$0.005 each to 1 ordinary share of HK\$0.25 each	(66,234,876,100)	-
於二零零二年十二月三十一日及 二零零三年十二月三十一日 每股面值港幣0.25元之普通股	Ordinary shares of HK\$0.25 each at 31st December, 2002 and 31st December, 2003	<u>2,000,000,000</u>	<u>500,000</u>
已發行及繳足：	Issued and fully paid:		
於二零零二年一月一日每股面值 港幣0.01元之普通股	Ordinary shares of HK\$0.01 each at 1st January, 2002	36,469,752,178	364,697
削減每股面值港幣0.01元之 已發行股份至每股面值 港幣0.005元	Reduction of the nominal value of issued shares of HK\$0.01 each to HK\$0.005 each	-	(182,348)
合併每股面值港幣0.005元之 50股普通股為每股面值 港幣0.25元之1股普通股	Consolidation of every 50 ordinary shares of HK\$0.005 each to 1 ordinary share of HK\$0.25 each	(35,740,357,135)	-
於二零零二年十二月三十一日及 二零零三年十二月三十一日 每股面值港幣0.25元之普通股	Ordinary shares of HK\$0.25 each at 31st December, 2002 and 31st December, 2003	<u>729,395,043</u>	<u>182,349</u>

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

24. 股本 (續)

(a) 法定股本

截至二零零二年十二月三十一日止年度，本公司股本曾出現下列變動：

- (i) 根據股東於二零零二年五月二十三日舉行之股東週年大會上通過之特別決議案，法定股本由港幣400,000,000元增加至港幣500,000,000元，分為50,000,000,000股每股面值港幣0.01元之股份。
- (ii) 根據股東於二零零二年十一月十九日舉行之股東特別大會上通過之特別決議案，每股已發行股份之面值由港幣0.01元削減至港幣0.005元，與此同時，每50股每股面值港幣0.005元之股份合併為1股每股面值港幣0.25元之股份。

(b) 已發行股本

截至二零零二年十二月三十一日止年度內，由於上述削減面值及股份合併，本公司港幣364,697,000元之已發行股本（由36,469,752,178股每股面值港幣0.01元之股份組成），削減港幣182,348,000元至港幣182,349,000元（由729,395,043股每股面值港幣0.25元之股份組成）。所削減之已發行股份款額已轉撥至本公司之實繳盈餘賬。

24. SHARE CAPITAL (Continued)

(a) Authorised share capital

During the year ended 31st December, 2002, the following changes in the share capital of the Company took place:

- (i) Pursuant to a special resolution passed by the shareholders at the annual general meeting held on 23rd May, 2002, the authorised share capital was increased from HK\$400,000,000 to HK\$500,000,000 divided into 50,000,000,000 shares of HK\$0.01 each.
- (ii) Pursuant to a special resolution passed by the shareholders at the special general meeting held on 19th November, 2002, the nominal value of each issued share was reduced from HK\$0.01 to HK\$0.005 and at the same time, every 50 shares of HK\$0.005 each were consolidated into 1 share of HK\$0.25 each.

(b) Issued share capital

During the year ended 31st December, 2002, as a result of the aforesaid reduction of the nominal value and the consolidation of the shares, the Company's issued share capital of HK\$364,697,000 comprising 36,469,752,178 shares of HK\$0.01 each was reduced by HK\$182,348,000 to HK\$182,349,000 comprising 729,395,043 shares of HK\$0.25 each. The amount of issued shares so reduced was transferred to the contributed surplus account of the Company.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

25. 購股權計劃

本公司之購股權計劃(「購股權計劃」)已根據於二零零二年五月二十三日通過之決議案經由股東採納，採納該計劃之主要目的為向參與者提供購入本公司擁有權益之機會，鼓勵參與者朝著提升本公司及其股份之價值，使本公司及全體股東受惠。購股權計劃並將於二零一二年五月二十二日屆滿。

根據購股權計劃及任何其他購股權計劃授出之購股權涉及之股份總數不得超過股東批准購股權計劃之日期之本公司已發行股份10%(「計劃授權限額」)，或倘該10%限制重續，則為股東批准更新計劃授權限額當日之本公司已發行股份10%。根據購股權計劃及任何其他購股權計劃授出但尚未行使購股權及有待行使之所有購股權於行使時可發行之股份總數最多不得超過本公司不時之已發行股份總數之30%。除非獲得本公司股東事先批准，否則任何一年內向任何個人可能授出之購股權涉及之股份不得超過本公司當時已發行股份之1%。每次向任何董事、主要行政人員或主要股東授出購股權均須得到獨立非執行董事批准。倘於截至授出日期前12個月期間向主要股東或獨立非執行董事或彼等各自之聯繫人士授出之購股權將導致因行使已獲授及將獲授之購股權涉及之股份數目合共超過本公司已發行股本之0.1%及其價值超過港幣5,000,000元，則須先得到本公司股東批准。

25. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted by the shareholders pursuant to a resolution passed on 23rd May, 2002 for the primary purpose of providing the participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The Scheme will expire on 22nd May, 2012.

The total number of shares in respect of which options may be granted under the Scheme and any other schemes is not permitted to exceed 10% of the shares of the Company in issue at the date of shareholders' approval of the Scheme (the "Scheme Mandate Limit") or, if such 10% limit is refreshed, at the date of shareholders' approval of the renewal of the Scheme Mandate Limit. The maximum aggregate number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes, must not exceed 30% of the total number of shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company then in issue, without prior approval from the Company's shareholders. Each grant of options to any director, chief executive or substantial shareholder must be approved by independent non-executive directors. Where any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates would result in the shares of the Company issued and to be issued upon exercise of options already granted and to be granted in excess of 0.1% of the Company's issued share capital and with a value in excess of HK\$5,000,000 in the 12-month period up to the date of grant must be approved in advance by the Company's shareholders.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

25. 購股權計劃(續)

所授出購股權須於授出日期起計21日內獲接納，並須就每份購股權繳付港幣10元。購股權可於董事會指定之期間內隨時根據購股權計劃之條款行使，惟行使期不得超過獲授購股權後10年。行使價由本公司董事釐定，並不低於本公司股份於授出日期在聯交所之收市價及緊接授出日期前五個營業日股份之平均收市價(以較高者為準)。

下表披露本年內僱員持有本公司購股權及該等持有數目變動之詳情：

25. SHARE OPTION SCHEME (Continued)

Options granted must be taken up within 21 days from date of grant, upon payment of HK\$10 per option. An option may be exercised in accordance with the terms of the Scheme at any time during the period to be determined by the board of directors which shall not be later than 10 years from date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant, and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant.

The following table discloses details of the Company's share options held by employees and movements of such holdings during the year:

於年內授出及於二零零三年
十二月三十一日
尚未行使之數目
**Granted during the year
and outstanding
at 31st December, 2003**

董事持有	Held by directors	8,100,000
僱員持有	Held by employees	15,600,000
		<u>23,700,000</u>

購股權可於二零零四年一月二十八日至二零一三年七月二十七日期間，按港幣0.70元之行使價予以行使。

The options are exercisable from 28th January, 2004 to 27th July, 2013 with an exercise price of HK\$0.70.

截至二零零二年十二月三十一日止年度，本公司並無授出購股權。

No share option was granted by the Company during the year ended 31st December, 2002.



Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

26. 儲備

26. RESERVES

		股份 溢價賬	股本 贖回儲備	實繳盈餘	匯兌儲備	合併儲備	股本 儲備	其他儲備	累計溢利 (虧絀)	總額
		Share premium account	Capital redemption reserve	Contributed surplus	Translation reserve	Merger reserve	Capital reserve	Other reserves	Accumulated profit (deficit)	Total
		千港元	千港元	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	HK\$'000	HK\$'000
本集團	THE GROUP									
於二零零二年一月一日	At 1st January, 2002									
— 原呈列	— as originally stated	420,653	918	—	(3,638)	1,799	—	4,402	(522,935)	(98,801)
— 前期調整	— prior period adjustment	—	—	—	—	—	—	—	78	78
		<u>420,653</u>	<u>918</u>	<u>—</u>	<u>(3,638)</u>	<u>1,799</u>	<u>—</u>	<u>4,402</u>	<u>(522,857)</u>	<u>(98,723)</u>
— 重列	— as restated	420,653	918	—	(3,638)	1,799	—	4,402	(522,857)	(98,723)
削減普通股	Arising from capital reduction									
股本時產生	of ordinary shares	—	—	182,348	—	—	—	—	—	182,348
削減股份溢價時	Arising from reduction									
產生	of share premium	(420,653)	—	420,653	—	—	—	—	—	—
抵銷累計	Setting off of accumulated									
虧損	losses	—	—	(558,798)	—	—	—	—	558,798	—
換算香港以外	Translation deficit arising from									
地區業務賬目	translation of financial									
所產生但	statements of operations									
並無於收益表	outside Hong Kong									
內確認之	not recognised in									
匯兌虧絀	the income statement	—	—	—	(16)	—	—	—	—	(16)
年度溢利淨額	Net profit for the year									
(重列)	(as restated)	—	—	—	—	—	—	—	44,804	44,804
轉自儲備	Transfer from reserves	—	—	—	—	—	—	(4,402)	4,402	—
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4,402)</u>	<u>4,402</u>	<u>—</u>
於二零零二年十二月三十一日	At 31st December, 2002	—	918	44,203	(3,654)	1,799	—	—	85,147	128,413
已付二零零二年之股息	Dividend paid for 2002	—	—	—	—	—	—	—	(21,882)	(21,882)
年度溢利淨額	Net profit for the year	—	—	—	—	—	—	—	50,023	50,023
轉至儲備	Transfer to reserves	—	—	—	—	—	824	2,405	(3,229)	—
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>824</u>	<u>2,405</u>	<u>(3,229)</u>	<u>—</u>
於二零零三年十二月三十一日	At 31st December, 2003	—	918	44,203	(3,654)	1,799	824	2,405	110,059	156,554
歸於：	Attributable to:									
本公司及各附屬公司	The Company and subsidiaries	—	918	44,203	(3,654)	1,799	—	—	104,046	147,312
聯營公司	Associate	—	—	—	—	—	—	—	(18,899)	(18,899)
		<u>—</u>	<u>918</u>	<u>44,203</u>	<u>(3,654)</u>	<u>1,799</u>	<u>—</u>	<u>—</u>	<u>85,147</u>	<u>128,413</u>
於二零零二年十二月三十一日	At 31st December, 2002	—	918	44,203	(3,654)	1,799	—	—	85,147	128,413
本公司及各附屬公司	The Company and subsidiaries	—	918	44,203	(3,654)	1,799	824	2,405	128,958	175,453
聯營公司	Associate	—	—	—	—	—	—	—	(18,899)	(18,899)
		<u>—</u>	<u>918</u>	<u>44,203</u>	<u>(3,654)</u>	<u>1,799</u>	<u>824</u>	<u>2,405</u>	<u>110,059</u>	<u>156,554</u>
於二零零三年十二月三十一日	At 31st December, 2003	—	918	44,203	(3,654)	1,799	824	2,405	110,059	156,554
本公司	THE COMPANY									
於二零零二年一月一日	At 1st January, 2002	420,653	918	50,382	—	—	—	—	(555,773)	(83,820)
於削減普通股	Arising from capital reduction									
股本時產生	of ordinary shares	—	—	182,348	—	—	—	—	—	182,348
削減股份溢價時	Arising from reduction									
產生	of share premium	(420,653)	—	420,653	—	—	—	—	—	—
抵銷累計	Setting off of accumulated									
虧損	losses	—	—	(558,798)	—	—	—	—	558,798	—
年度溢利淨額	Net profit for the year	—	—	—	—	—	—	—	19,155	19,155
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>19,155</u>	<u>19,155</u>
於二零零二年十二月三十一日	At 31st December, 2002	—	918	94,585	—	—	—	—	22,180	117,683
年度溢利淨額	Net profit for the year	—	—	—	—	—	—	—	22,647	22,647
已付二零零二年之股息	Dividend paid for 2002	—	—	—	—	—	—	—	(21,882)	(21,882)
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(21,882)</u>	<u>(21,882)</u>
於二零零三年十二月三十一日	At 31st December, 2003	—	918	94,585	—	—	—	—	22,945	118,448

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

26. 儲備(續)

本集團之合併儲備指本集團收購附屬公司當日之附屬公司股本面值與本公司根據重組所發行作為收購代價之股本面值兩者之差額。

本公司之實繳盈餘指：

- (a) All Gold Investments Limited 及其附屬公司於公司重組生效日期之綜合股東資金與本公司根據重組所發行股份面值之差額；及
- (b) 削減已發行股本及抵銷本公司累計虧損之股份溢價而產生之結餘淨額港幣44,203,000元(二零零二年：港幣44,203,000元)。

根據百慕達一九八一年公司法(修訂本)，本公司之實繳盈餘可供分派。然而，倘出現下列情況，則本公司不得從實繳盈餘中宣派或派付股息或作出分派：

- (a) 本公司現時或於付款後無力償還到期債務；或
- (b) 本公司資產之可變現值將因此而低於其負債、已發行股本與股份溢價賬之總和。

26. RESERVES (Continued)

The merger reserve of the Group represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Group and the nominal amount of the share capital issued by the Company as consideration for the acquisition under the reorganisation.

The contributed surplus of the Company represents the aggregate of:

- (a) the difference between the consolidated shareholders' funds of All Gold Investments Limited and its subsidiaries at the date on which the corporate reorganisation became effective and the nominal amount of the Company's shares issued under the reorganisation; and
- (b) a net balance of HK\$44,203,000 (2002: HK\$44,203,000) arising from reduction of issued share capital and share premium after setting off accumulated losses of the Company.

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

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

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

26. 儲備 (續)

本公司可供分派予股東之儲備如下：

實繳盈餘
累計溢利

其他儲備歸屬為上海水泥之儲備資金及企業擴展資金。儲備資金乃用作擴展企業之營運資金。當企業出現虧損時，儲備資金可於特殊情況下用作填補不可收回之虧損。企業擴展資金乃用作擴展業務，並可在獲得批准之情況下用作增加資本。

在中國大陸成立之附屬公司將累計溢利匯出中國大陸須得到地方機關批准，以及須視乎此等附屬公司能否賺取及保留外匯。

26. RESERVES (Continued)

The Company's reserves available for distribution to shareholders are as follows:

	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
Contributed surplus	94,585	94,585
Accumulated profit	22,945	22,180
	117,530	116,765

Other reserves are attributable to reserve fund and enterprise expansion fund of Shanghai SAC. The reserve fund is to be used to expand the enterprise's working capital. When the enterprise suffers losses, the reserve fund may be used to make up unrecovered losses under special circumstances. The enterprise expansion fund is to be used for business expansion and, if approved, can also be used to increase capital.

The remittance outside Mainland China of accumulated profits of the subsidiaries established in Mainland China is subject to approval of the local authorities and the availability of foreign currencies generated and retained by these subsidiaries.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

27. 遞延稅項

於資產負債表日及往年內有關暫時差額之已確認遞延稅項負債(資產)詳情如下:

本集團

	物業、 廠房及設備 (附註)	呆賬準備	其他	總額
	Property, plant and equipment (note)	Allowance for doubtful debts	Others	Total
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於二零零二年一月一日	-	-	-	-
綜合計算一間前 共同控制機構	21,139	(3,390)	(114)	17,635
扣除(計入)本年內收入	2,175	(1,306)	(66)	803
於二零零二年十二月三十一日	23,314	(4,696)	(180)	18,438
扣除(計入)本年內收入	2,765	(479)	168	2,454
於二零零三年十二月三十一日	26,079	(5,175)	(12)	20,892

附註: 主要指有關All - Shanghai Inc.收購之物業、廠房及設備之公平價值調整及隨後之加速稅項折舊兩者間之臨時差額之稅務影響。

於二零零三年十二月三十一日, 本集團之港幣120,381,000元(二零零二年: 港幣113,137,000元)之尚未使用稅項虧損可予抵銷將來溢利。由於將來溢利流量難以估計, 因此並無確認遞延稅項資產。

本公司

於二零零三年十二月三十一日, 本公司之港幣110,095,000元(二零零二年: 港幣106,639,000元)之尚未使用稅項虧損可予抵銷將來溢利。由於將來應課稅溢利流量難以估計, 因此並無確認遞延稅項資產。

27. DEFERRED TAXATION

At the balances sheet date and during the year, deferred tax liabilities (assets) have been recognised in respect of the temporary differences attributable to the followings:

THE GROUP

	物業、 廠房及設備 (附註)	呆賬準備	其他	總額
	Property, plant and equipment (note)	Allowance for doubtful debts	Others	Total
	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
At 1st January, 2002	-	-	-	-
Consolidation of a former jointly controlled entity	21,139	(3,390)	(114)	17,635
Charge (credit) to income for the year	2,175	(1,306)	(66)	803
At 31st December, 2002	23,314	(4,696)	(180)	18,438
Charge (credit) to income for the year	2,765	(479)	168	2,454
At 31st December, 2003	26,079	(5,175)	(12)	20,892

Note: This mainly represents the tax effect of the temporary differences in relation to the fair value adjustments of property, plant and equipment in connection with the acquisition of All-Shanghai Inc. and the subsequent accelerated tax depreciation.

At 31st December, 2003, the Group has unused tax losses of HK\$120,381,000 (2002: HK\$113,137,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

THE COMPANY

At 31st December, 2003, the Company has unused tax losses of HK\$110,095,000 (2002: HK\$106,639,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future taxable profit streams.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

**28. 綜合計算一間前
共同控制機構**

按附註1所述，上海水泥自二零零二年三月十四日起已成為本集團之附屬公司。綜合計算上海水泥之資產及負債之影響概列如下：

**28. CONSOLIDATION OF A FORMER JOINTLY
CONTROLLED ENTITY**

As described in note 1, Shanghai SAC has become a subsidiary of the Group since 14th March, 2002. The effect of consolidation of the assets and liabilities of Shanghai SAC is summarised below:

		港幣千元 HK\$'000 (重列) (as restated)
綜合計算之資產淨值	NET ASSETS CONSOLIDATED	
物業、廠房及設備	Property, plant and equipment	285,289
待售物業	Properties held for sale	7,872
存貨	Inventories	22,640
貿易及其他應收款項	Trade and other receivables	164,863
按金及預付款項	Deposits and prepayments	293
銀行結存及現金	Bank balances and cash	8,863
貿易及其他應付款項及按金	Trade and other payables and deposits	(39,939)
應付關連公司款項	Amounts due to related companies	(21,976)
應付少數股東款項	Amount due to minority shareholder	(11,766)
稅項負債	Tax liabilities	(1,197)
銀行借款	Bank borrowings	(126,937)
遞延稅項	Deferred taxation	(17,635)
		270,370
減：歸屬少數股東權益款項	Less: amount attributable to minority interests	(108,148)
		162,222
歸屬本集團及先前列作所佔 共同控制機構權益之款額	Amount attributable to the Group and previously classified as interest in a jointly controlled entity	162,222
綜合計算上海水泥產生之 現金流入淨額	Net cash inflow arising from consolidation of Shanghai SAC	
已綜合計算之銀行結存 及現金	Bank balances and cash consolidated	8,863

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

29. 不再綜合計算附屬公司 **29. DECONSOLIDATION OF SUBSIDIARIES**

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
不再包括之淨負債：	Net liabilities excluded:		
貿易及其他應付款項 及按金	Trade and other payables and deposits	-	(27,838)
不再綜合計算附屬公司 之收益	Gain on deconsolidation of subsidiaries	-	(27,838)
不再綜合計算業績而產生 之現金流出淨額： 出售之銀行結存及現金	Net cash outflow arising on deconsolidation: Bank balances and cash disposed of	-	-

去年不再綜合計算附屬公司並無為本集團之營業額及經營溢利帶來重大貢獻。

The subsidiaries deconsolidated during last year did not have significant contributions to the Group's turnover and profit from operations.

30. 主要非現金交易 **30. MAJOR NON-CASH TRANSACTIONS**

截至二零零三年十二月三十一日止年度內，本集團從貿易債務人接收港幣1,537,000元(二零零二年：港幣3,280,000元)之物業，以代替現金還款。

During the year ended 31st December, 2003, the Group received properties of HK\$1,537,000 (2002: HK\$3,280,000) from trade debtors in lieu of cash settlement.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

31. 退休福利計劃

本集團為香港合資格僱員安排參與香港政府實施之強積金計劃。該計劃之資產與本集團資產分開持有，並以受託人控制之基金持有。本集團向該計劃按有關薪金成本作出5%供款，而僱員亦作出相同百分比之供款。

本集團之中國僱員乃當地政府運作之國家管理退休福利計劃之成員。本集團須向該退休福利計劃按僱員之薪金成本作定額百分比之供款。本集團就該退休福利計劃之承擔僅為作出定額供款。

32. 經營租約承擔

於二零零一年六月，本集團與中國大陸第三者訂立協議租用其水泥生產設施，為期二十年。根據與該中國大陸第三者訂立之補充協議，本集團有權於二零零三年六月及其後每兩年內終止上述租約。現時本集團並無意終止該租約。

截至首個兩年期間之租金支出乃固定不變。第二至第五年期間(包括首尾兩年)租金將每年固定增加港幣470,000元。由第六年起，租金將與第五年之條款一致而固定不變。

31. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

The PRC employees of the Group are members of a state-managed retirement benefit scheme operated by the local government. The Group is required to contribute a specified percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

32. OPERATING LEASE COMMITMENTS

In June, 2001, the Group entered into an arrangement with a third party in Mainland China to lease its production facilities for manufacture of cement with a term of twenty years. Under a supplemental agreement with the third party in Mainland China, the Group has an option to terminate the said lease in June 2003 and each of two years after June 2003. The Group has no current intention to terminate the lease.

The rental payments up to the end of the first two-year period were fixed. From the second year to the fifth year inclusive, the rental would be escalated by a fixed amount of HK\$470,000 per annum. Starting from the sixth year onwards, the rental is fixed at the same term as that of the fifth year.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

32. 經營租約承擔(續)

於二零零三年十二月三十一日，本集團根據上述安排及不可撤銷之物業經營租約而須支付之承擔如下：

32. OPERATING LEASE COMMITMENTS (Continued)

At 31st December, 2003, the Group had commitments for future minimum lease payments under the above arrangement and other non-cancellable operating leases for premises which fall due as follows:

		本集團		本公司	
		THE GROUP		THE COMPANY	
		二零零三年	二零零二年	二零零三年	二零零二年
		2003	2002	2003	2002
		港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
一年內	Not later than one year	4,561	1,990	-	-
超過一年但少於五年	Later than one year and not later than five years	1,900	504	-	-
超過五年	Later than five years	47	-	-	-
		6,508	2,494	-	-

33. 承擔

於二零零三年十二月三十一日，本集團與若干第三方已簽約成立合營企業，其中本集團將投資約港幣37,192,000元以發展中國之生產設施。

於資產負債表日，本集團及本公司並無其他重大資本承擔。

33. COMMITMENTS

At 31st December, 2003, the Group had contracted with certain third parties to establish joint ventures in which the Group would invest approximately HK\$37,192,000 to develop manufacturing facilities in the PRC.

At the balance sheet date, the Group and the Company had no other significant capital commitment.



Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

34. 或然負債

34. CONTINGENT LIABILITIES

	本集團		本公司	
	THE GROUP		THE COMPANY	
	二零零三年	二零零二年	二零零三年	二零零二年
	2003	2002	2003	2002
	港幣千元	港幣千元	港幣千元	港幣千元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
因以下事項而向銀行 與財務機構 作出擔保：				
Guarantees given to banks and financial institutions in respect of:				
因下列公司動用信貸：				
Banking facilities utilised by:				
附屬公司	-	-	2,148	216
Subsidiaries	-	-	2,148	216
同系附屬公司	75,377	56,604	-	-
Fellow subsidiaries	75,377	56,604	-	-
第三方	28,302	22,169	-	-
Third parties	28,302	22,169	-	-
附追索權之貼現 票據	50,061	35,577	-	-
Bills of exchange discounted with recourse	50,061	35,577	-	-
	<u>153,740</u>	<u>114,350</u>	<u>2,148</u>	<u>216</u>

35. 有關連人士交易

35. RELATED PARTY TRANSACTIONS

於二零零二年七月，本公司與天安就作出對應擔保安排訂立總協議。本集團向於中國大陸之天安附屬公司（「天安集團」）之若干借款提供若干擔保，而天安集團則向於中國大陸之本集團若干借款提供擔保。有關公司可按擔保本金總額收取年息1%之擔保費。於二零零三年十二月三十一日，上海水泥為天安集團於中國之借款提供港幣75,377,000元（二零零二年：港幣56,604,000元）之擔保，而天安集團則為上海水泥於中國之借款提供港幣16,981,000元（二零零二年：港幣38,900,000元）之擔保。上海水泥向天安集團收取港幣554,000元（二零零二年：港幣354,000元）之擔保費，而天安集團向上海水泥收取港幣244,000元（二零零二年：港幣561,000元）之擔保費。於年內，本公司兩名董事亦為天安之董事。

In July 2002, the Company entered into a master agreement with Tian An for a reciprocal arrangement of guarantee. Accordingly, the Group provides guarantees to secure certain borrowings of subsidiaries of Tian An (the "Tian An Group") in Mainland China and the Tian An Group provides guarantees to secure certain borrowings of the Group in Mainland China. A guarantee fee of 1% per annum on the principal amount of the guarantees is chargeable between the relevant parties. At 31st December, 2003, Shanghai SAC provided guarantees of HK\$75,377,000 (2002: HK\$56,604,000) to secure borrowings of the Tian An Group in the PRC and the Tian An Group provided guarantees of HK\$16,981,000 (2002: HK\$38,900,000) to secure borrowings of Shanghai SAC in the PRC. Shanghai SAC charged guarantee fees of HK\$554,000 (2002: HK\$354,000) to the Tian An Group and the Tian An Group charged guarantee fees of HK\$244,000 (2002: HK\$561,000) to Shanghai SAC. During the year, two directors of the Company were also directors of Tian An.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

35. 有關連人士交易(續)

於一九九五年十二月十六日，上海水泥與持有上海水泥40%權益之上海水泥廠(「上海水泥廠」)訂立租約。根據租約，上海水泥每年應向上海水泥廠支付租用費，其中包括(1)固定資產租用費(主要根據按租約租用之物業、廠房及設備之折舊另加約10%溢價計算)；及(2)使用費(主要根據訂約各方於簽署租約時同意出售之原料數量及有關原料之適當單價計算)。截至二零零三年十二月三十一日止年度內，上海水泥支付之租用費總額為港幣5,412,000元(二零零二年：港幣3,647,000元)。

截至二零零三年十二月三十一日止年度，本公司之全資附屬公司深圳市賽華順開建材有限公司(「賽華」)與天安多間附屬公司訂立銷售協議，提供各種建材產品，包括石材及瓷磚。截至二零零三年十二月三十一日止年度之交易總額達港幣1,555,000元(二零零二年：無)。於年內，本公司兩名董事亦為天安之董事。

35. RELATED PARTY TRANSACTIONS (Continued)

On 16th December, 1995, a leasing agreement was entered into between Shanghai SAC and Shanghai Cement Factory ("SCF"), which holds a 40% interest in Shanghai SAC. According to the leasing agreement, Shanghai SAC shall pay to SCF an annual leasing fee which consists of (1) a fixed asset leasing fee mainly based on the depreciation of the property, plant and equipment leased under the leasing agreement plus a mark-up of about 10%; and (2) a usage fee mainly based on the volume of raw materials off-load and the applicable unit rate for the relevant raw materials agreed by the parties when the leasing agreement was signed. During the year ended 31st December, 2003, Shanghai SAC paid a total leasing fee of HK\$5,412,000 (2002: HK\$3,647,000).

During the year ended 31st December, 2003, 深圳市賽華順升建材有限公司 ("TRIWA"), a wholly-owned subsidiary of the Company, entered into sales agreements with a number of subsidiaries of Tian An for the supply of a range of building material products including stones and ceramic tiles. The aggregate amount of this transaction for the year ended 31st December, 2003 amounted to HK\$1,555,000 (2002: Nil). During the year, two directors of the Company were also directors of Tian An.

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

35. 有關連人士交易(續)

於年內，本集團曾進行之其他關連交易如下：

35. RELATED PARTY TRANSACTIONS (Continued)

During the year, the Group has entered into other related party transactions as follows:

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
最終控股公司	Ultimate holding company		
辦公室租金開支、維修及保養	Office rental expenses, repairs and maintenance	-	1,072
同系附屬公司	Fellow subsidiaries		
銷售瓷磚、花崗石以及雲石產品	Sales of ceramic tiles, granite and marble products	1,555	-
保證費用收入	Guarantee fee income	554	270
已付保證費用	Guarantee fee paid	244	408
共同控制機構	Jointly controlled entities		
銷售水泥及熟料	Sales of cement and clinker	-	4,925
購買瓷磚	Purchase of ceramic tiles	-	1,571
持有本公司最終控股公司重大實益權益及擁有共同董事之公司	Companies which have significant beneficial interests in the Company's ultimate holding company and have common directors		
租金開支、冷氣費、維修及保養	Rental expenses, air conditioning charges, repairs and maintenance	542	388
持有本公司最終控股公司重大實益權益之公司	Companies which have significant beneficial interests in the Company's ultimate holding company		
保險支出	Insurance paid	221	159
獨立非執行董事為合夥人之律師行	A lawyers' firm in which an independent non-executive director is a partner		
法律及專業費用	Legal and professional fees	331	259
獨立非執行董事為合夥人之執業會計師行	A firm of certified public accountants in which an independent non-executive director is a partner		
專業費用	Professional fees	-	180

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

35. 有關連人士交易(續)

於年內，上海水泥向本公司之最終控股公司之一間附屬公司繳付約港幣794,000元(二零零二年：港幣589,000元)之管理費用。

上述交易乃按有關訂約方協定之條款進行。

與有關連人士於資產負債表日之其他結餘詳情載於綜合資產負債表及附註15及16。

35. RELATED PARTY TRANSACTIONS (Continued)

During the year, Shanghai SAC paid management fee of approximately HK\$794,000 (2002: HK\$589,000) to a subsidiary of the Company's ultimate holding company.

The above transactions were carried out at terms agreed between the relevant parties.

Details of other balances with related parties at the balance sheet date are set out in the consolidated balance sheet and in notes 15 and 16.

36. 主要附屬公司之詳情

於二零零三年十二月三十一日，本公司之主要附屬公司詳情如下：

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31st December, 2003 are as follows:

附屬公司名稱 Name of subsidiary	註冊成立/ 登記地點 Place of incorporation/ registration	已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	本公司所持 已發行股份/ 註冊資本之比例 Proportion of issued share capital/ registered capital held by the Company		主要業務 Principal activities
			直接 Directly %	間接 Indirectly %	
All - cement Limited	英屬處女群島 British Virgin Islands	普通股1 美元 Ordinary US\$1	-	100	投資控股 Investment holding
All - Shanghai Inc.	英屬處女群島 British Virgin Islands	普通股 15,376,500美元 Ordinary US\$15,376,500	-	83.3	投資控股 Investment holding



Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

36. 主要附屬公司之詳情

(續)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 登記地點 Place of incorporation/ registration	已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	本公司所持 已發行股份/ 註冊資本之比例 Proportion of issued share capital/ registered capital held by the Company		主要業務 Principal activities
			直接 Directly %	間接 Indirectly %	
Interform Building Material Supplies Limited	英屬處女群島 British Virgin Islands	普通股100美元 Ordinary US\$100	-	100	買賣建材 Trading of building materials
Interform Construction Supplies Limited	英屬處女群島 British Virgin Islands	普通股2美元 Ordinary US\$2	-	100	投資控股及買賣建材 Investment holding and trading of building materials
Interform Strategic Holdings Limited	英屬處女群島 British Virgin Islands	普通股2美元 Ordinary US\$2	-	100	投資控股 Investment holding
上聯建材集團有限公司 SAC Building Material Holdings Limited	香港 Hong Kong	普通股 港幣5,000,000元 Ordinary HK\$5,000,000	100	-	投資控股 Investment holding
SAC Engineering Limited	英屬處女群島 British Virgin Islands	普通股 50,000美元 Ordinary US\$50,000	-	100	投資控股 Investment holding

Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

36. 主要附屬公司之詳情

(續)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 登記地點 Place of incorporation/ registration	已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	本公司所持 已發行股份/ 註冊資本之比例 Proportion of issued share capital/ registered capital held by the Company		主要業務 Principal activities
			直接 Directly %	間接 Indirectly %	
上聯工程有限公司 SAC Engineering Company Limited	香港 Hong Kong	普通股 港幣100元 Ordinary HK\$100	-	100	買賣建材 Trading of building materials
SAC Enterprises Limited	香港 Hong Kong	普通股 港幣1,000元 Ordinary HK\$1,000	100	-	為集團公司提供管理服務 Provision of management services to group companies
上聯財務責任有限公司 SAC Finance Company Limited	香港 Hong Kong	普通股 港幣100元 Ordinary HK\$100	-	100	為集團公司提供財務服務 Provision of financing services to group companies
山東上聯水泥發展有限公司 Shandong Shanghai Allied Cement Co., Ltd.	中國大陸 Mainland China	註冊資本 1,000,000美元 Registered capital US\$1,000,000	-	100	生產及分銷水泥及熟料 Manufacture and distribution of cement and clinker
上海聯合水泥有限公司 Shanghai Allied Cement Co., Ltd.	中國大陸 Mainland China	註冊資本 24,000,000美元 Registered capital US\$24,000,000	-	60	生產及分銷水泥及熟料 Manufacture and distribution of cement and clinker



Notes to the Financial Statements (Continued)

For the year ended 31st December, 2003

36. 主要附屬公司之詳情

(續)

附屬公司名稱	註冊成立/ 登記地點	已發行及 繳足股本/ 註冊資本	本公司所持 已發行股份/ 註冊資本之比例		主要業務
			直接 Directly	間接 Indirectly	
Name of subsidiary	Place of incorporation/ registration	Issued and fully paid share capital/ registered capital	Proportion of issued share capital/ registered capital held by the Company		Principal activities
			直接 Directly %	間接 Indirectly %	
上聯水泥集團有限公司 Shanghai Allied Cement Holdings Limited	香港 Hong Kong	普通股 港幣10,000,000元 Ordinary HK\$10,000,000	100	–	投資控股 Investment holding
深圳市賽華順升建材 有限公司 (「賽華」)(附註) ("TRIWA") (Note)	中國大陸 Mainland China	註冊資本 人民幣1,500,000元 Registered capital RMB1,500,000	–	–	買賣建材 Trading of building materials

附註：賽華乃由三名人士擁有，本公司於賽華之註冊資本並無擁有任何實益權益。根據由賽華、賽華之擁有人與本集團訂立之若干協議，賽華之擁有人同意向本集團轉讓可委任及撤換賽華董事會全體董事之權力，以及可監察賽華之財務及經營政策權力。因此，賽華被視作本公司之附屬公司，而其業績、資產及負債均綜合計算入本集團之業績、資產及負債。賽華之註冊資本由本集團出資。

上表只載入董事認為主要影響本集團本年度業績或構成本集團大部份資產與負債之本公司附屬公司。董事認為，如載列其他附屬公司之詳情，則會導致資料過份冗長。

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

附屬公司名稱	註冊成立/ 登記地點	已發行及 繳足股本/ 註冊資本	本公司所持 已發行股份/ 註冊資本之比例		主要業務
			直接 Directly	間接 Indirectly	
Name of subsidiary	Place of incorporation/ registration	Issued and fully paid share capital/ registered capital	Proportion of issued share capital/ registered capital held by the Company		Principal activities
			直接 Directly %	間接 Indirectly %	
上聯水泥集團有限公司 Shanghai Allied Cement Holdings Limited	香港 Hong Kong	普通股 港幣10,000,000元 Ordinary HK\$10,000,000	100	–	投資控股 Investment holding
深圳市賽華順升建材 有限公司 (「賽華」)(附註) ("TRIWA") (Note)	中國大陸 Mainland China	註冊資本 人民幣1,500,000元 Registered capital RMB1,500,000	–	–	買賣建材 Trading of building materials

Note: The Company does not have any beneficial interest in the registered capital of TRIWA as it is owned by three individuals. Pursuant to certain agreements among TRIWA, the owners of TRIWA and the Group, the owners of TRIWA agreed to assign to the Group the power to appoint and remove all the members of the board of directors and to govern the financial and operating policies of TRIWA. Accordingly, TRIWA is treated as a subsidiary of the Company and its results, assets and liabilities are consolidated with those of the Group. The registered capital of TRIWA was contributed by the Group.

The above list includes the subsidiaries of the Company which, in the opinion of the directors, principally affect the results of the Group for the year or form a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.