

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

財務報表附註

截至二零零三年十二月三十一日止年度

24. INTERESTS IN ASSOCIATES (cont'd)

The following details have been extracted from the financial statements of the Group's significant associates, as realigned with the Group's accounting policies.

24. 聯營公司權益 (續)

以下詳情乃摘錄自本集團主要聯營公司之財務報表 (經就本集團之會計政策作出調整)。

		Power Jade Capital Limited		Oriental Arts Building Co. Ltd.		Finedale Industries Limited	
		2003 (audited) (經審核) HK\$'000 千港元	2002 (audited) (經審核) HK\$'000 千港元	2003 (audited) (經審核) HK\$'000 千港元	2002 (audited) (經審核) HK\$'000 千港元	2003 (unaudited) (未經審核) HK\$'000 千港元	2002 (unaudited) (未經審核) HK\$'000 千港元
Operating results for the year ended 31st December	截至十二月 三十一日止 年度之經營業績						
Turnover	營業額	<u>144,956</u>	<u>47,121</u>	<u>100,390</u>	<u>129,081</u>	<u>24,986</u>	<u>31,693</u>
Profit (loss) attributable to shareholders	股東應佔溢利 (虧損)	<u>15,419</u>	<u>(56,949)</u>	<u>1,301</u>	<u>16,558</u>	<u>3,086</u>	<u>3,653</u>
Group's share of profit (loss) attributable to shareholders	本集團所佔股東 應佔溢利 (虧損)	<u>7,710</u>	<u>(28,475)</u>	<u>650</u>	<u>8,279</u>	<u>757</u>	<u>1,218</u>
Financial position at 31st December, 2003	於二零零三年十二月 三十一日之財務狀況						
Non-current assets	非流動資產	<u>852,595</u>	<u>1,679,357</u>	<u>935,109</u>	<u>930,462</u>	<u>608,000</u>	<u>536,300</u>
Current assets	流動資產	<u>1,068,922</u>	<u>174,644</u>	<u>72,081</u>	<u>65,236</u>	<u>3,156</u>	<u>7,699</u>
Current liabilities	流動負債	<u>(998,122)</u>	<u>(976,762)</u>	<u>(160,063)</u>	<u>(162,673)</u>	<u>(10,194)</u>	<u>(12,116)</u>
Non-current liabilities	非流動負債	<u>(280,771)</u>	<u>(201,343)</u>	<u>(201,689)</u>	<u>(186,297)</u>	<u>(349,662)</u>	<u>(354,555)</u>
Minority interests	少數股東權益	<u>(702,688)</u>	<u>(735,008)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (liabilities) assets	(負債) 資產淨值	<u>(60,064)</u>	<u>(59,112)</u>	<u>645,438</u>	<u>646,728</u>	<u>251,300</u>	<u>177,328</u>
Net assets attributable to the Group	本集團應佔 資產淨值	<u>-</u>	<u>-</u>	<u>322,719</u>	<u>323,364</u>	<u>61,644</u>	<u>59,109</u>
Advances to associates (net of allowance)	墊付聯營公司之款項 (扣除準備)	<u>419,338</u>	<u>358,339</u>	<u>46,802</u>	<u>46,802</u>	<u>116,539</u>	<u>118,185</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

24. INTERESTS IN ASSOCIATES (cont'd)

A legal action against a subsidiary of Power Jade Capital Limited, The Kwong Sang Hong International Limited (“KSH”), was taken by a China joint venture partner. On 17th May, 1996, Hubei Provincial High Court (“Hubei Court”) imposed a judgment against KSH in favour of the China joint venture partner in relation to the former joint development of Shuohu Court in Wuhan (the “Development”). The judgment, which KSH has appealed against, in effect nullified the joint development agreement for the Development. On 28th May, 1998, the Supreme People’s Court of the People’s Republic of China dismissed the appeal of KSH but, inter alia, reduced the amount of the judgment sum of the Hubei Court issued on 17th May, 1996. Based on the judgment, the judgment sum of approximately HK\$13,400,000 which includes unpaid contract sums, damages, legal costs and interest charges, would have to be paid. However, KSH disputes the quantification and has lodged an appeal for re-trial. The appeal was formally accepted on 14th March, 2002 and hearing was twice conducted on 23rd May and 14th June, 2002. At present, KSH is waiting for the judgement to be delivered from the Supreme Court on re-trial. As a result of the foregoing, a total provision of HK\$64,800,000 was made in 1998 of which HK\$51,400,000 was made against the investment cost paid. The remaining HK\$13,400,000 was provided against damages, legal costs and interest charges up to 1998. The directors of KSH believe that no further provision is required at this stage.

At the balance sheet date, KSH had provisions of HK\$13,354,000 (2002: HK\$13,354,000) in relation to the litigation.

財務報表附註

截至二零零三年十二月三十一日止年度

24. 聯營公司權益 (續)

中國一合營夥伴採取法律行動控告 Power Jade Capital Limited 之附屬公司 The Kwong Sang Hong International Limited (「廣生行」)。於一九九六年五月十七日，湖北省高級人民法院(「湖北法院」)為該中國合營夥伴就武漢市碩湖苑之前合營發展項目(「該發展項目」)而對廣生行作出判決。該項判決實際上令該發展項目之合營發展協議失效，廣生行已就該項判決提出上訴。中華人民共和國最高人民法院於一九九八年五月二十八日駁回廣生行上訴，但削減湖北法院於一九九六年五月十七日頒布之判決款項金額。根據有關判決，廣生行須支付之判決款項約為 13,400,000 港元，包括未支付之合約款項、賠償、法律費用及利息支出。然而，廣生行質疑有關之計算方法，並已申請覆核該項判決。該申請已於二零零二年三月十四日正式獲接納，並於二零零二年五月二十三日與六月十四日兩次聆訊。目前，廣生行正等待最高法院發出覆核之裁決。基於上述情況，廣生行於一九九八年已作出總達 64,800,000 港元之撥備，其中 51,400,000 港元乃就所付投資成本作出。餘下 13,400,000 港元乃就賠償、法律費用及計至一九九八年之利息支出而作出。廣生行董事相信，現階段毋須作進一步撥備。

於結算日，廣生行就該項訴訟之撥備為 13,354,000 港元(二零零二年：13,354,000 港元)。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

財務報表附註

截至二零零三年十二月三十一日止年度

25. INTERESTS IN JOINTLY CONTROLLED ENTITIES

Share of net assets 應佔資產淨值

Particulars of the Group's principal jointly controlled entities at 31st December, 2003 are set out in note 52.

26. INVESTMENTS IN SECURITIES

		Investment securities 投資證券		Other investments 其他投資		Total 合計	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元
Equity securities:	股本證券:						
Listed	上市	-	-	1,014,670	124,731	1,014,670	124,731
Unlisted	非上市	54,080	54,080	-	-	54,080	54,080
		<u>54,080</u>	<u>54,080</u>	<u>1,014,670</u>	<u>124,731</u>	<u>1,068,750</u>	<u>178,811</u>
Debt securities (note):	債務證券 (附註):						
Listed	上市	-	-	965,272	-	965,272	-
Unlisted	非上市	-	3,867	-	45,038	-	48,905
		<u>-</u>	<u>3,867</u>	<u>965,272</u>	<u>45,038</u>	<u>965,272</u>	<u>48,905</u>
Total:	合計:						
Listed	上市						
Hong Kong	香港	-	-	665,579	124,731	665,579	124,731
Elsewhere	其他地區	-	-	1,314,363	-	1,314,363	-
Unlisted	非上市	54,080	57,947	-	45,038	54,080	102,985
		<u>54,080</u>	<u>57,947</u>	<u>1,979,942</u>	<u>169,769</u>	<u>2,034,022</u>	<u>227,716</u>
Market value of listed securities	上市證券市值	<u>-</u>	<u>-</u>	<u>1,979,942</u>	<u>124,731</u>	<u>1,979,942</u>	<u>124,731</u>
Carrying amount analysed for reporting purposes as:	就報告用途之賬面值分析:						
Current	流動性質	-	-	1,014,670	124,731	1,014,670	124,731
Non-current	非流動性質	54,080	57,947	965,272	45,038	1,019,352	102,985
		<u>54,080</u>	<u>57,947</u>	<u>1,979,942</u>	<u>169,769</u>	<u>2,034,022</u>	<u>227,716</u>

Note: The debt securities with carrying value of approximately HK\$816,184,000 and HK\$149,088,000 are going to mature in June 2005 and September 2013, respectively.

25. 共同控制機構權益

THE GROUP

本集團

2003 2002
HK\$'000 HK\$'000
千港元 千港元

768 -

本集團於二零零三年十二月三十一日之主要共同控制機構詳情載於附註 52。

26. 證券投資

附註: 賬面值約為 816,184,000 港元及 149,088,000 港元之債務證券分別於二零零五年六月及二零一三年九月到期。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

27. ADVANCE TO AN INVESTEE COMPANY

Advances	墊款
Less: Allowance	減：準備

The advance made to an investee company, the principal purpose of which is for property development project, is unsecured, interest-free and has no fixed repayment terms. The advance is not repayable within one year and is therefore shown as non-current.

The carrying amount of the advance to an investee company is reduced to its recoverable amount which is determined by reference to the fair value of the underlying assets of the investee company. Accordingly, an allowance of approximately HK\$42,406,000 was reversed for the year ended 31st December, 2003 (2002: HK\$42,406,000 was recognised).

28. OTHER ASSETS

THE GROUP

The carrying value of other assets is reduced to their recoverable amounts which is determined by reference to the market selling price of similar assets. At 31st December, 2003, impairment losses of approximately HK\$2,044,000 were recognised (2002: Nil).

財務報表附註

截至二零零三年十二月三十一日止年度

27. 墊付接受投資公司款項

THE GROUP	
本集團	
2003	2002
HK\$'000	HK\$'000
千港元	千港元
154,393	147,131
—	(42,406)
<u>154,393</u>	<u>104,725</u>

墊付接受投資公司款項主要用於物業發展項目，乃無抵押、免息及無固定還款期。墊款不會於一年內償還，故列作非流動性質。

墊付接受投資公司款項之賬面值已減至其可收回金額。可收回金額乃根據接受投資公司相關資產之公平價值而釐定。據此，於截至二零零三年十二月三十一日止年度撥回之準備約為 42,406,000 港元（二零零二年：確認 42,406,000 港元）。

28. 其他資產

本集團

其他資產之賬面值已減至其可收回金額。可收回金額乃參考類似資產之市場售價而釐定。於二零零三年十二月三十一日，確認之減值虧損約為 2,044,000 港元（二零零二年：無）。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

財務報表附註

截至二零零三年十二月三十一日止年度

29. LOANS RECEIVABLE

29. 應收貸款

		THE GROUP	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Long term loans receivable, secured	應收長期貸款，有抵押		
Non-current	非流動	21,708	21,552
Current	流動	194	3,148
		<hr/>	<hr/>
		21,902	24,700
		<hr/>	<hr/>
Other loans and advances	其他貸款及墊款		
– secured	– 有抵押	–	50,444
– unsecured	– 無抵押	1,044	170,182
		<hr/>	<hr/>
		1,044	220,626
		<hr/>	<hr/>
		22,946	245,326
Less: Amount due within one year shown under current assets	減：列作流動資產於一年內 到期之數額	(1,238)	(223,774)
		<hr/>	<hr/>
Amount due after one year	一年後到期之數額	21,708	21,552
		<hr/> <hr/>	<hr/> <hr/>

All of the loans receivable are advances to third parties and bear interest at Prime rate per annum.

In 2002, the secured other loans and advances were advances to third parties and bore interest at 4% per annum and HIBOR +1% per annum. The unsecured other loans and advances were advances to third parties and bore interest with interest rates ranging from Prime rate -2% to Prime rate +2% per annum.

所有應收貸款為給予第三者之墊款，按最優惠年利率計息。

於二零零二年，有抵押之其他貸款及墊款為給予第三者之墊款，按年利率4厘及香港銀行同業拆息加1厘計息。無抵押之其他貸款及墊款為給予第三者之墊款，按最優惠年利率減2厘至加2厘計息。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

30. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade receivables of approximately HK\$34,798,000 (2002: HK\$31,659,000) comprising mainly rental receivables which are billed in advance and settlements are expected upon receipts of billings.

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

0-30 days	零至三十日
31-60 days	三十一日至六十日
61-90 days	六十一日至九十日
Over 90 days	九十日以上

31. UNITED STATES CURRENCY TREASURY BILLS

Investments in United States currency treasury bills are measured at fair value and matured in January, 2004 and February, 2005, amounting to HK\$304,000,000 and HK\$302,804,000, respectively, with unrealised gains and losses included in the income statement for the year.

32. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade payables of approximately HK\$16,739,000 (2002: HK\$15,219,000).

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

0 – 90 days	零至九十日
Over 90 days	九十日以上

財務報表附註

截至二零零三年十二月三十一日止年度

30. 應收賬項、按金及預付款項

應收賬項、按金及預付款項包括應收貿易賬項約34,798,000港元(二零零二年: 31,659,000港元), 主要為預先開單而預期於收到租單後會支付之應收租金。

應收貿易賬項於結算日之賬齡分析如下:

THE GROUP	
本集團	
2003	2002
HK\$'000	HK\$'000
千港元	千港元
6,385	7,792
3,150	2,340
1,243	1,806
24,020	19,721
34,798	31,659

31. 美國貨幣國庫券

美國貨幣國庫券的投資乃按公平價值入賬並於二零零四年一月及二零零五年二月到期, 金額分別為304,000,000港元及302,804,000港元, 其未變現之收益及虧損已於本年度收益表處理。

32. 應付賬項及應計款項

應付賬項及應計款項包括應付貿易賬項約16,739,000港元(二零零二年: 15,219,000港元)。

應付貿易賬項於結算日之賬齡分析如下:

THE GROUP	
本集團	
2003	2002
HK\$'000	HK\$'000
千港元	千港元
13,937	14,540
2,802	679
16,739	15,219

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

財務報表附註

截至二零零三年十二月三十一日止年度

33. OBLIGATIONS UNDER FINANCE LEASES

33. 財務租約承擔

		THE GROUP			
		Minimum lease payments		Present value of minimum lease payments	
		租金最低款額		租金最低款額之現值	
		2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
The maturity of obligations under finance leases is as follows:	財務租約承擔之到期日如下:				
Within one year	一年內	1,013	—	971	—
Less: Future finance charges	減: 日後財務租約支出	(42)	—	—	—
Present value of lease obligations	租約承擔現值	<u>971</u>	<u>—</u>	<u>971</u>	<u>—</u>
Less: Amount due within one year included in current liabilities	減: 一年內到期並列作流動負債之款額			(971)	—
Amount due after one year	一年後到期之款額			<u>—</u>	<u>—</u>

The average lease term is three years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

租期平均為三年。所有租約均屬定期還款性質，亦無就或然租金訂立任何安排。

The Group's obligations under finance leases are secured by the lessors' charge over the leased assets.

本集團之財務租約承擔由出租人以租賃資產所作之抵押作擔保。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

財務報表附註

截至二零零三年十二月三十一日止年度

34. BORROWINGS

		THE GROUP 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Secured bank loans repayable within a period of:	須於下列期間償還之有抵押銀行貸款：		
Less than 1 year	一年以下	835,765	320,572
More than 1 year but within 2 years	一年以上但不超逾兩年	1,391,125	580,655
More than 2 years but within 5 years	兩年以上但不超逾五年	3,350,950	3,734,048
Over 5 years	逾五年	66,095	17,760
		<u>5,643,935</u>	<u>4,653,035</u>
Secured other loans repayable within 1 year	須於一年內償還之其他有抵押貸款	1,408,029	—
		<u>7,051,964</u>	<u>4,653,035</u>
Less: Amount due within one year	減：於一年內到期之款項	(2,243,794)	(320,572)
Amount due after one year	一年後到期之款項	<u>4,808,170</u>	<u>4,332,463</u>

35. PROVISIONS

		THE GROUP 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
At 1st January	於一月一日	16,017	16,094
Written back of provisions no longer required	撥回毋須再作出之撥備	—	(77)
At 31st December	於十二月三十一日	<u>16,017</u>	<u>16,017</u>

The provision represents construction cost determined by the management's best estimate of the Group's liability on contingency claims by a third party to whom a property under development project was previously disposed of.

撥備指按管理層就一名第三者對早前售出之發展中物業項目作出或然索償而產生之本集團負債所作出之最佳估計而釐定之建築成本。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

財務報表附註

截至二零零三年十二月三十一日止年度

36. AMOUNTS DUE TO ASSOCIATES AND MINORITY SHAREHOLDERS

The amounts are unsecured, interest free and have no fixed repayment terms. The amounts are not repayable within one year from the balance sheet date and are therefore shown as non-current.

37. AMOUNTS DUE TO SUBSIDIARIES

The amounts are unsecured and have no fixed repayment terms. Of the advances, approximately HK\$1,218,500,000 (2002: HK\$801,200,000) bears interest at prevailing market rates. The amounts are not repayable within one year from the balance sheet date and are therefore shown as non-current.

38. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the year and prior years:

		Accelerated book depreciation 加速賬面折舊 HK\$'000 千港元	Revaluation of properties 物業重估 HK\$'000 千港元	Tax losses 稅務虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
THE GROUP	本集團				
At 1st January, 2002	於二零零二年一月一日				
– as previously stated	– 原列	–	–	–	–
– adjustment on adoption of SSAP 12 (Revised)	– 因採納會計實務準則第 12 條 (經修訂)而作出之調整	(10,179)	35,950	(121,968)	(96,197)
– as restated	– 重列	(10,179)	35,950	(121,968)	(96,197)
Charge to income statement	自收益表扣除	967	5,624	8,963	15,554
Credit to equity	撥入股本	–	(2,537)	–	(2,537)
At 31st December, 2002 and 1st January, 2003	於二零零二年十二月三十一日 及二零零三年一月一日	(9,212)	39,037	(113,005)	(83,180)
Charge to income statement	自收益表扣除	6,656	14,061	328	21,045
Charge to equity	自股本扣除	–	8,006	–	8,006
Acquisition of subsidiary	收購附屬公司	2,758	–	(2,322)	436
Effect of change in tax rate	稅率變動之影響				
– (credit) charge to income statement	– (撥入收益表) 自收益表扣除	(864)	3,288	(10,594)	(8,170)
– credit to equity	– 撥入股本	–	(339)	–	(339)
At 31st December, 2003	於二零零三年十二月三十一日	(662)	64,053	(125,593)	(62,202)

36. 欠負聯營公司及少數股東款項

該等款項為無抵押、免息及無固定還款期。該等款項不會於結算日起一年內償還，故列作非流動性質。

37. 欠負附屬公司款項

該等款項為無抵押及無固定還款期。墊款中，約 1,218,500,000 港元（二零零二年：801,200,000 港元）乃按當時市場利率計息。該等款項不會於結算日起一年內償還，故列作非流動性質。

38. 遞延稅項

以下為本集團於本年度及過往年度確認之主要遞延稅項負債（資產）及其變動：

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

38. DEFERRED TAXATION (cont'd)

For the purposes of balance sheet presentation, certain deferred tax liabilities (assets) have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

Deferred tax liabilities	遞延稅項負債
Deferred tax assets	遞延稅項資產

財務報表附註

截至二零零三年十二月三十一日止年度

38. 遞延稅項 (續)

為資產負債表之呈列，若干遞延稅項負債（資產）已經對銷。就財務報告用途之遞延稅項結餘分析如下：

		THE GROUP	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
			(as restated)
			(重列)
		35,774	21,014
		(97,976)	(104,194)
		<u>(62,202)</u>	<u>(83,180)</u>

At the balance sheet date, the Group has the following major unprovided deferred tax assets due to the unpredictability of the future profit streams.

於結算日，本集團有以下難以預料未來溢利而未撥備之主要遞延稅項資產。

Accelerated tax depreciation	加速稅項折舊
Tax losses	稅務虧損

		THE GROUP	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
			(as restated)
			(重列)
		(926)	(996)
		(420,107)	(404,798)
		<u>(421,033)</u>	<u>(405,794)</u>

The Company had no significant unprovided deferred taxation for the year or at the balance sheet date.

於本年度或結算日本公司並無重大之未撥備遞延稅項。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December, 2003

財務報表附註

截至二零零三年十二月三十一日止年度

39. SHARE CAPITAL

Movements in the share capital of the Company during the year were as follows:

39. 股本

於本年度內本公司股本變動如下:

		Number of shares		Share capital	
		2003	2002	2003	2002
				HK\$'000	HK\$'000
				千港元	千港元
Ordinary shares of HK\$0.10 each	每股面值 0.10 港元 之普通股				
Authorised:	法定股本:				
At 1st January and 31st December	於一月一日及 十二月三十一日	<u>3,100,000,000</u>	<u>3,100,000,000</u>	<u>310,000</u>	<u>310,000</u>
Issued and fully paid:	已發行及繳足股本:				
At 1st January	於一月一日	<u>2,294,146,212</u>	2,382,544,134	<u>229,415</u>	238,254
Repurchased and cancelled (note)	購回及註銷 (附註)	<u>(130,246,212)</u>	<u>(88,397,922)</u>	<u>(13,025)</u>	<u>(8,839)</u>
At 31st December	於十二月三十一日	<u>2,163,900,000</u>	<u>2,294,146,212</u>	<u>216,390</u>	<u>229,415</u>

Note: During the year, the Company repurchased on the Stock Exchange a total of 147,882,212 (2002: 88,387,922) shares of HK\$0.10 each of the Company, at an aggregate consideration after expenses of HK\$259,812,000 (2002: HK\$84,744,000), of which 130,246,212 shares were immediately cancelled during the year. The remaining 17,636,000 shares were subsequently cancelled in January 2004 and was included in treasury stocks. The nominal value of the cancelled shares was credited to capital redemption reserve and the aggregate consideration paid was debited to the share premium of the Group and the Company.

附註: 於年內,本公司在聯交所購回本公司合共 147,882,212 股(二零零二年: 88,387,922 股)每股面值 0.10 港元之股份,扣除支出後之總代價為 259,812,000 港元(二零零二年: 84,744,000 港元),該等股份其中 130,246,212 股於年內即時註銷,其餘 17,636,000 股於二零零四年一月註銷,於結算日列為庫存股票。註銷股份之面值已撥入資本贖回儲備內,而已付代價總額則自本集團及本公司之股份溢價賬內扣除。