

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2003

財務報表附註

截至二零零三年六月三十日止年度

1. BASIS OF PREPARATION

(a) PRINCIPAL ACTIVITIES

The Company is an investment holding company.

The principal activities of the subsidiaries are stated at note 32 to the financial statements.

(b) RESTRUCTURING

During the year, the Group implemented a restructuring plan in order to strengthen the capital base of the Company, to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern. Details of the restructuring plan are set out in the Company's circulars dated 2 August 2002 and 28 November 2002 and mainly involved the following:

(i) *Subscription agreement*

On 30 January 2002, the Company entered into a subscription agreement with Mr Ke Jun Xiang (a director of the Company) and Trade Honour Limited ("Trade Honour"), a company wholly and beneficially owned by Mr Ke, under which Trade Honour agreed to subscribe 3,500,000,000 shares in the Company at HK\$0.01 each.

1. 編製基準

(a) 主要業務

本公司乃投資控股公司。

附屬公司之主要業務已載於財務報表附註32。

(b) 重組

年內，本集團實施重組計劃，以強化本公司之資本基礎，改善本集團之財務狀況、直接流動資金及現金流量，並以其他方式維持本集團之持續經營。有關重組計劃之詳情載於本公司於二零零二年八月二日及二零零二年十一月二十八日刊發之通函，內容主要包括：

(i) 認購協議

本公司於二零零二年一月三十日與本公司董事柯俊翔先生及 Trade Honour Limited (「Trade Honour」) (柯先生實益全資擁有之公司) 訂立認購協議，據此，Trade Honour 同意以每股 0.01 港元之價格認購本公司 3,500,000,000 股股份。

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截至二零零三年六月三十日止年度

1. BASIS OF PREPARATION (continued)

(b) RESTRUCTURING (continued)

(ii) Scheme of arrangement

On 20 December 2002, the majority of the Scheme Creditors approved a scheme of arrangement ("the Scheme") under Section 166 of the Hong Kong Companies Ordinance and Section 99 of the Companies Act 1981 of Bermuda for debt restructuring under which all the secured and unsecured indebtedness (including any interest accrued thereon) owed by the Group to the Scheme Creditors were to be released, discharged and fully settled.

The Scheme was sanctioned by the High Court of Hong Kong and the Supreme Court of Bermuda on 2 and 4 April 2003 respectively. Based on the final assessment of the Scheme Administrator in respect of the disputed claims of the creditors, further contingent liabilities of approximately HK\$75 million will be taken up by the Company before the total indebtedness of approximately HK\$206 million was arrived at. Total indebtedness admitted under the Scheme was approximately HK\$206 million, of which approximately HK\$15 million was paid out from the proceeds, and approximately HK\$21 million was settled by the issue of 2,100,000,000 ordinary shares of the Company at HK\$0.01 each. The remaining indebtedness of approximately HK\$170 million was waived by the Scheme Creditors and discharged pursuant to Section 166 of the Hong Kong Companies Ordinance and Section 99 of Bermuda Companies Act 1981.

The restructure plan (including the subscription agreement and the scheme of arrangement) was completed on 16 May 2003.

1. 編製基準 (續)

(b) 重組 (續)

(ii) 償債計劃

根據香港公司條例第166條及百慕達一九八一年公司法第99條，有關計劃債權人於二零零二年十二月二十日以多數票通過償債計劃(「該計劃」)，據此，本集團結欠計劃債權人之所有有抵押及無抵押債項(包括任何應計利息)一律獲解除，免除及悉數償還。

於二零零三年四月二日及四日，香港高等法院及百慕達最高法院已分別批准償債計劃。基於計劃管理人就債權人所爭議索償之最後評估，在達致約206,000,000港元之總債項前，本公司所產生之其他或然負債約為75,000,000港元。償債計劃所涉及之總債項約為206,000,000港元，當中約15,000,000港元乃以所得款項撥付，約21,000,000港元透過以每股0.01港元之價格發行本公司2,100,000,000股普通股之方式支付。餘下約170,000,000港元之負債已獲計劃債權人豁免，並根據香港公司條例第166條及百慕達一九八一年公司法第99條獲免除。

重組計劃(包括認購協議及償債計劃)已於二零零三年五月十六日完成。

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截至二零零三年六月三十日止年度

1. BASIS OF PREPARATION (continued)

(c) GOING CONCERN BASIS

As at 30 June 2003, the Group had contingent liabilities approximately HK\$93 million in respect of the disputed claims against the Group for outstanding loans and service fees. In addition, the Company also has other contingent liabilities in respect of legal proceedings commenced by Goldhill Holdings in respect of damages claimed for fraudulent misrepresentation. Details of the Group's contingent liabilities are set out in note 30 to the financial statements. There is possibility for some or all the contingent liabilities to crystallize within one year in the event that the matters giving rise thereto are not resolved to the Group's favour.

In preparing the financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the above contingent liabilities and net current liabilities of approximately HK\$24 million as at 30 June 2003. In the opinion of the directors of the Company, the Group would be able to obtain adequate funds to meet the debts as and when they fall due and to carry on the business on a going concern basis

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to restate the value 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. The effects of these adjustments have not been reflected in the financial statements.

1. 編製基準 (續)

(c) 持續經營

截至二零零三年六月三十日，本集團因未償還貸款及服務費面臨爭議索償而有或然負債約93,000,000港元。此外，本公司因Goldhill Holdings就有欺詐成份的失實陳述所導致之損失而提出法律訴訟而另有其他或然負債。本集團之或然負債詳情載於財務報表附註30。倘事件以不利於本集團之方式解決，則部份或全部或然負債可能在一年內成為真正負債。

於編製財務報表時，本公司董事已因應上述或然負債及於二零零三年六月三十日為數約24,000,000港元之流動負債淨額，認真考慮本集團未來之資金流通性。本公司董事認為本集團能取得足夠基金，應付到期債務，並以持續經營方式開展業務。

倘本集團無法以持續基準繼續經營業務，則會將資產價值重列為可收回款項，為可能產生之任何其他負債或非流動資產及負債分別重新分類為流動資產及負債提供撥備。財務報表並無反映該等調整之影響。

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截至二零零三年六月三十日止年度

1. BASIS OF PREPARATION (continued)

(d) BASIS OF CONSOLIDATION

- (i) The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June 2003. 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 issue date of the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or capital reserve which has not been previously charged or recognised in the consolidated income statement.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

1. 編製基準 (續)

(d) 綜合基準

- (i) 綜合財務報表包括本公司及其附屬公司截至二零零三年六月三十日止年度之財務報表。於本年度收購或出售之附屬公司之業績在列入綜合收益表時乃分別自其收購之生效日期起計算或結算至其出售生效日期(倘適用)止。

本集團內各公司間之重大交易及結餘均於綜合賬目時抵銷。

出售附屬公司之收益或虧損指出售所得款項與本集團所佔資產淨額(包括之前未計入或確認於綜合收益表之商譽或資本儲備)之差額。

少數股東權益指外界股東於附屬公司之經營業績及資產淨值之權益。

NOTES TO FINANCIAL STATEMENTS

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截至二零零三年六月三十日止年度

1. BASIS OF PREPARATION (continued)

(d) BASIS OF CONSOLIDATION (continued)

- (ii) Notwithstanding (1)(d)(i) above, the consolidated financial statements included the unaudited balance sheet of Goldhill Merchandising Inc. as at 30 June 2002 as set out below:

Property, plant and equipment
Goodwill
Inventories
Accounts receivable
Prepayment, deposits and other receivables
Bank overdrafts
Accounts payable
Accruals, other payable and deposits received
Provision for taxation
Net assets

1. 編製基準 (續)

(d) 綜合基準 (續)

- (ii) 即使有上述(1)(d)(i)，綜合財務報表所計入Goldhill Merchandising Inc.於二零零二年六月三十日之未經審核資產負債表載列如下：

	HK\$'000
	千港元
物業、廠房及設備	3,611
商譽	28,000
存貨	222
應收賬款	567
預付款項、按金及其他 應收賬款	25,160
銀行透支	(233)
應付賬款	(5,771)
應計費用、其他應付賬款 及已收按金	(12,305)
稅項撥備	(1,290)
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資產淨值	37,961

NOTES TO FINANCIAL STATEMENTS

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截至二零零三年六月三十日止年度

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with Statements of Standard Accounting Practice ("SSAP") issued by the Hong Kong Society of Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain properties, plant and equipment and investments in securities. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

In the current year, the Group has adopted, for the first time, the following SSAPs issued by the HKSA:

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 34 (revised)	:	Employee benefits
SSAP 12 (revised)	:	Income taxes

The adoption of these standards had had no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

(a) GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition.

2. 主要會計政策

財務報表已根據香港公認之會計準則而編製，並符合香港會計師公會頒佈之會計實務準則（「會計實務準則」）及香港公司條例之披露規定。財務報表乃按歷史成本常規編製，並根據若干物業、機器及設備以及投資證券之重估作出調整。該等財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露條文規定。本集團所採納之主要會計政策概述如下。

於本年度，本集團已首次採納下列由香港會計師公會頒佈之會計實務準則：

會計實務準則	:	財務報表
第1號(經修訂)	:	之呈列
會計實務準則	:	外幣換算
第11號(經修訂)	:	
會計實務準則	:	現金流量表
第15號(經修訂)	:	
會計實務準則	:	僱員福利
第34號(經修訂)	:	
會計實務準則	:	所得稅
第12號(經修訂)	:	

採納此一準則對本期間或過往會計期間之業績並無任何重大影響，因此，毋須作出前期調整。

(a) 商譽

商譽指於收購日收購成本高於於本集團應佔所收購附屬公司資產淨值公平值之部份。

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截至二零零三年六月三十日止年度

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(a) GOODWILL (continued)

Goodwill on acquisition occurring after 1 January 2001 is included in the intangible assets and amortised on a straight-line basis over its estimated useful life of 10 years.

Goodwill on acquisitions prior to 1 January 2001 was eliminated against reserves. Any impairment arising on such goodwill is accounted for in the income statement.

(b) SUBSIDIARIES

A subsidiary is a company in which the Company holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's financial statements, the investments in subsidiaries are stated at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(c) ASSOCIATES

An associate is a company which the Group has significant influence and which is neither a subsidiary nor a joint venture of the Group.

Investments in associates are stated at the Group's share of the net assets of the associates less any identified impairment loss. The results of the associates are accounted for in the consolidated income statement to the extent of the Group's share of the associates' results of operations.

2. 主要會計政策 (續)

(a) 商譽 (續)

於二零零一年一月一日後進行之收購所產生之商譽計入無形資產，並按直線法於其估計可使用年期10年內攤銷。

於二零零一年一月一日前進行之收購所產生之商譽與儲備對銷。有關商譽產生之任何減值列入收益表內。

(b) 附屬公司

附屬公司乃本公司持有過半數已發行股本、控制其過半數投票權或控制其董事會之組成之公司。

於本公司財務報表中，附屬公司之投資乃按成本減任何已辨識減值虧損列賬。附屬公司之業績則由本公司按已收及應收股息入賬。

(c) 聯營公司

聯營公司乃本集團對其有重大影響力之公司，既非本集團之附屬公司亦非合資企業。

於聯營公司之投資乃本集團應佔聯營公司之資產淨值減任何已辨識減值虧損列賬。聯營公司之業績乃按本集團應佔聯營公司之經營業績列入綜合收益表。

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2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(d) JOINTLY CONTROLLED ENTITIES

A jointly controlled entity is a joint venture which involves the establishment of a separate entity in which the joint venture partners' profit-sharing ratios and share of net assets upon the expiration of the joint venture period are in proportion to their equity interests as set out in the joint venture agreement. A jointly controlled entity is accounted for as (i) a subsidiary if the Group owns more than 50% of the joint venture and is able to govern and control its financial and operating policies and the composition of the board of directors; (ii) an associate if the Group owns 20% or more of the joint venture and is able to exercise significant influence over its management.

(e) INVESTMENTS IN SECURITIES

The Group's policies for investments in securities other than investments in subsidiaries and associates are as follows:

- (i) Investments held for identified long-term strategic purpose are classified as investment securities. Investment securities are stated at cost less provision for diminution in value.

2. 主要會計政策 (續)

(d) 共同控制企業

共同控制企業乃單獨設立之合營公司，其合營夥伴之溢利分佔率及應佔資產淨值於合營期間完結前須按載於合營協定之股權按比例分配。共同控制企業將界定為(i)本集團之附屬公司，倘本集團擁有合營公司過半數股權及可支配及控制其財務、經營政策及董事會之組成；(ii)本集團之聯營公司，倘本集團擁有合營公司百分之二十或以上之股權及能對其管理層行使重大影響力。

(e) 投資證券

本集團處理投資證券(不包括於附屬公司及聯營公司之投資)之政策如下：

- (i) 就一明確長遠目的而持有之投資歸類為投資證券。投資證券乃按成本減任何減值撥備列賬。

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2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(e) INVESTMENTS IN SECURITIES (continued)

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such investments will be reduced to its fair value. The amount of the reduction is recognised as expenses in the income statement.

- (ii) All other securities (whether held for trading or otherwise) are stated in the balance sheet at fair value. Changes in fair value are recognised in the income statement as they arise.
- (iii) Profits or losses on disposal of investments in securities are determined as the difference between the net disposal proceeds and the carrying amount of the investments and are accounted for in the income statement as they arise.

2. 主要會計政策 (續)

(e) 投資證券 (續)

個別投資之賬面值於每一結算日會作檢討，以評估公平價值有否降至低於賬面值。倘出現非暫時性下降，該等投資之賬面值將削減至其公平價值。削減數額於收益表內確認為開支。

- (ii) 所有其他投資(包括持有作買賣或其他用途)均按公平值列賬資產負債表。公平值之變化須於產生時於收益表確認。
- (iii) 出售投資證券之溢利或虧損指出售所得款項淨額與投資賬面值之差額，並須於產生時計入收益表。

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2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(f) PROPERTY, PLANT AND EQUIPMENT

(i) Land and buildings

Land and buildings are stated at cost or valuation, being the open market value for existing use at the date of revaluation, less accumulated depreciation and impairment loss. The Group has adopted the transitional provisions of SSAP 17 "Property, plant and equipment" issued by the Hong Kong Society of Accountants of not making regular revaluations by class of those assets which were revalued prior to the introduction of SSAP 17. These assets are stated at revalued amounts based on revaluations which were reflected in the prior years' financial statements. Upon the disposal of land and buildings, the relevant portion of the realised revaluation reserve in respect of previous valuations is transferred from the revaluation reserve to the income statement.

Depreciation of land is provided on a straight-line basis to write off its cost or valuation over the unexpired periods of the leases.

Depreciation of buildings is provided on a straight-line basis to write off their costs or valuation over the unexpired periods of the leases or their estimated useful lives whichever is shorter. The annual rates used for this purpose are 2% to 5%.

2. 主要會計政策 (續)

(f) 物業、機器及設備

(i) 土地及樓宇

土地及樓宇按成本或估值(即重估當日作現有用途之公開市值),減其後之累積折舊及減值虧損入賬。本集團已採納香港會計師公會頒佈之會計實務準則第17條「物業、機器及設備」之過渡條文,並無為於發出會計準則第17條之前已加以重估之資產按資產類別作定期重估。此等資產乃按重估金額(以上年度之財務報表所列重估價值為依據)列賬。於出售土地及樓宇時,有關之前估值之變現重估儲備之相關部份將由重估儲備轉撥至收益表。

土地之折舊乃按餘下租約期以直線法撇銷其成本或估值。

樓宇之折舊乃按餘下租約期或估計可使用年期(以較短者為準)以直線法撇銷其成本或估值。所使用之年率為百分之二至百分之五。

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2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(f) PROPERTY, PLANT AND EQUIPMENT

(continued)

(ii) *Other property, plant and equipment*

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment loss. Depreciation is provided on a straight-line basis to write off the cost less residual value of each asset over its estimated useful life. The annual rates are as follows:

Leasehold improvements
Furniture and fixtures
Machinery and equipment
Motor vehicles

(iii) *Cost of restoring and improving property, plant and equipment*

Major expenditures on modifications and betterments of property, plant and equipment which will result in future economic benefits are capitalised, while expenditures on maintenance and repairs are expensed when incurred.

2. 主要會計政策 (續)

(f) 物業、機器及設備 (續)

(ii) 其他物業、機器及設備

其他物業、機器及設備按成本減累積折舊及減值虧損入賬。折舊乃按每項資產之估計可使用年期以直線法撇銷其成本減該資產之餘值。折舊年率載列如下：

租賃物業裝修	25% – 30%
傢俬及裝置	25% – 30%
機械及設備	10% – 30%
汽車	20% – 25%

(iii) 修整及改良物業、機器及設備之成本

修整及改良物業、機器及設備而有助產生未來經濟利益之主要開支一概撥作資本，而保養及維修費用則於產生時列作開支。

NOTES TO FINANCIAL STATEMENTS

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2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(f) PROPERTY, PLANT AND EQUIPMENT

(continued)

(iv) *Impairing of property, plant and equipment*

The carrying amounts of property, plant and equipment are reviewed regularly to assess whether their recoverable amounts have declined below their carrying amounts. Expected future cash flows have not been discounted in determining the recoverable amount.

(v) *Gain or loss on disposal of property, plant and equipment*

The gain or loss on disposal of a property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to the income statement and is shown as a movement in reserves.

(g) OPERATING LEASES

Leases where substantially all the risks and rewards of ownership of the leased assets remain with the lessors are accounted for as operating leases. Rental payments under operating leases are charged to the income statement on a straight-line basis over the period of the relevant leases.

2. 主要會計政策 (續)

(f) 物業、機器及設備 (續)

(iv) 物業、機器及設備之減值

物業、機器及設備之賬面值會作定期檢討，以評估可收回款項有否降至低於賬面值。在釐定可收回款項時，不會將預期日後出現之現金流入折算為現值。

(v) 出售物業、機器及設備之收益或虧損

出售物業、機器及設備之收益或虧損指出售所得款項淨額與有關資產賬面值兩者間之差額，並於收益表中確認。有關資產應佔之重估儲備結餘會轉撥至收益表，並列作儲備變動。

(g) 經營租約

租用資產擁有權之所有重大報酬及風險實質上仍由出租公司持有之租約列作經營租約。此等經營租約之租金按租約期以直線法計入收益表內。

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) IMPAIRMENT OF ASSETS

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment ;
- investments in subsidiaries, associates and joint ventures;
- intangible assets; and
- positive goodwill

If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, or are amortised over more than 20 years from the date when the asset is available for use the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

2. 主要會計政策 (續)

(h) 資產減值

在每個結算日均會審閱內部及外來之資料來源以鑒定下列資產是否有任何減值迹象，或以往已確認之任何減值虧損是否已不再存在或已經減少：

- 物業、機器及設備；
- 於附屬公司、聯營公司及合營企業之投資；
- 無形資產；及
- 正商譽。

倘存在任何上述迹象，則須估計有關資產之可收回款額。就尚未可供使用或自資產可供使用日期起計分二十年期攤銷之無形資產而言，其可收回款項在各結算日估計。減值虧損在一項資產之賬面值超逾其可收回款額時予以確認。

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2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(h) IMPAIRMENT OF ASSETS (continued)

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

2. 主要會計政策 (續)

(h) 資產減值 (續)

(i) 計算可收回款額

一項資產之可收回款額乃其售價淨額與其使用值兩者之較高者。在評估使用值時，估計未來現金流量乃採用稅前貼現率（反映當時市場對金錢時值的評估及有關資產之特有風險）貼現計算彼等之現值。當一項資產並不產生現金流入額（大部份與其他資產之現金流入額無關），則須為獨立地產生現金流入額之最小資產組別（即一個能產生現金的單位）釐定可收回款額。

(ii) 撥回減值虧損

除商譽以外之資產之減值虧損在釐定其可收回款額所採用之估計準則出現變動時，可撥回其減值虧損。

減值虧損之撥回僅限於資產之賬面值（在以往年度內並無確認任何減值虧損之情況下原應已經釐定者）。減值虧損之撥回在確認撥回之年度內撥入收益表內處理。

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截至二零零三年六月三十日止年度

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(i) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis, and includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is based on estimated normal selling prices, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

(j) ACCOUNTS RECEIVABLE

Provision is made against accounts receivable to the extent they are considered to be doubtful. Accounts receivable in the balance sheet is stated net of such provision.

(k) REVENUE RECOGNITION

(i) Sales revenue is recognised when the merchandise is shipped and title has passed.

(ii) Commission income is recognised when services are provided.

2. 主要會計政策 (續)

(i) 存貨

存貨乃按成本或可變現淨值中之較低者列賬，成本並採用先入先出法釐定，並包括所有採購成本、轉換成本及令存貨達至現有地點及條件所產生之其他費用。

可變現淨值乃按估計售價減預期於完成及出售時所產生之任何額外成本計算。存貨亦會就陳舊、過時或滯銷之存貨作出適當撥備。

出售存貨時，該等存貨之賬面值將於有關收益入確認期間確認為支出。

(j) 應收款項

應收款項於被認為有機會成為呆賬時作出撥備。應收款項扣除該撥備後於資產負債表中列賬。

(k) 收入之確認

(i) 銷售收入乃於貨物付運及所有權轉移後確認。

(ii) 佣金收入乃於提供服務後確認。

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2003

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截至二零零三年六月三十日止年度

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(l) PENSION COSTS

The Group's contributions to pension costs in respect of the defined contribution provident fund scheme and the mandatory provident fund scheme are charged directly to the income statement when incurred.

(m) SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

2. 主要會計政策 (續)

(l) 退休金開支

本集團就定額供款公積金計劃及強制性公積金計劃之退休金開支供款於產生時直接自收益表中扣除。

(m) 分部呈報

所謂一個分部，乃指本集團之一個可清楚界定的組成部份，經營提供產品或服務的業務（按業務劃分），或在某一個特定經濟環境經營提供產品或服務的業務（按地區劃分），其風險與收益亦與其他分部不同。

根據本集團的內部財務報告，本集團已選擇業務分部資料作為主要呈報模式，而地區分部資料則作為次要呈報模式。

分部收入、支出、業績、資產及負債包括一個分部直接應佔之專案，與及可按合理基準向有關分部劃撥之專案。舉例而言，分部資產可包括存貨、應收貿易賬款及物業、機器及設備。分部收入、支出、資產及負債在集團成員公司間的結餘款額及集團成員公司間的交易互相對銷（此乃綜合賬目過程之一部份）前釐定，惟倘此等集團成員公司間之結餘款額及交易乃在集團成員公司間某單一分部內產生者，則作別論。各分部之間的交易定價乃根據各分部向集團外其他人士提供之類似交易條款釐定。

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2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(m) SEGMENT REPORTING (continued)

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses and minority interests.

(n) DEFERRED TAX

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized.

Deferred assets are recognized to the extent that it is probable that future taxable profit will be available against the temporary differences can be utilized.

Deferred tax is provided on temporary differences arising on the investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

2. 主要會計政策 (續)

(m) 分部呈報 (續)

分部資金支出乃本集團內購入且預期可使用一年以上之分部資產(包括有形及無形資產)所引致之總成本額。

未劃撥專案主要包括財務及企業資產、計息貸款、借貸、企業及融資費用及少數股東權益。

(n) 遞延稅項

遞延稅項採用負債法就因資產及負債之稅基與其於財務報表中之賬面值之臨時時差作全數撥備。遞延稅項按預計負債獲償還或資產變現期間之適用稅率計算。

遞延資產於存在未來應課稅溢利，而臨時時差可動用情況下予以確認。

遞延稅項按投資附屬公司、聯營公司及合資企業所產生之臨時時差作出撥備，惟臨時時差復歸之時間可予控制及臨時時差不能於可見未來復歸之情況除外。

NOTES TO FINANCIAL STATEMENTS

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2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(o) CASH EQUIVALENTS

Cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which are within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance.

(p) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised for liabilities of uncertain timing or amount when the company or group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. 主要會計政策 (續)

(o) 現金等值專案

現金等值專案指短期而流動性極高之投資(可隨時轉換為已知數額之現金,且於購入當日起計三個月內到期),減去須於提供墊款日起計三個月內償還之銀行墊款。

(p) 撥備及或然負債

倘因已發生的事件而導致本公司或本集團須對若干負債(時間或款額無法確定)承擔一項法律責任或推定責任,並可能引致經濟利益流出以解決有關責任,及能可靠地估計就此涉及的款額,為此等負債作出之撥備將予以確認。若金錢時值乃屬重大因素,有關之撥備須按預期為解決有關責任而支付之款額之現值列賬。

在未能肯定是否會導致經濟利益流出,或有關款額未能可靠地估量的情況下,有關責任則列作或然負債並予以披露,除非導致經濟利益流出之可能性極低,則作別論。可能承擔的責任(其存在與否只能藉一項或多項未來事件之發生與否而確定)亦列作或然負債並予以披露,除非導致經濟利益流出之可能性極低,則作別論。

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截至二零零三年六月三十日止年度

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(q) FOREIGN CURRENCY TRANSLATION

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. Gains and losses arising on exchange are included in the income statement 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 are dealt with as movement in exchange fluctuation reserve.

(r) RELATED PARTIES

Two 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 or vice versa. Parties are also considered to be related if they are subject to common control or common significant influence.

2. 主要會計政策 (續)

(q) 外幣換算

以外幣進行之交易初步以交易日期之通行匯率記錄。以外幣計算之貨幣資產及負債則按結算日之適用匯率換算。匯兌收益及虧損一概計入該期間之收益表。

就綜合賬目而言，本集團海外業務之資產及負債按結算日之通行匯率換算。收入及開支按期間之平均匯率換算。所產生之匯兌差額一概作為變動於外匯波動儲備內處理。

(r) 關連人士

倘一方有能力直接或間接控制另一方人士，或可在制訂財務及經營決策上對另一方行使重大影響力，則雙方視作有關連，相反亦然。倘雙方受制於共同控制或共同重大影響力，則雙方亦被視作有關連。

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2003

財務報表附註

截至二零零三年六月三十日止年度

3. TURNOVER AND REVENUE

Analysis of turnover and revenue is as follows:

3. 營業額及收入

營業額及收入之分析如下：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Turnover	營業額		
Trading of multi-media and communication products	多媒體及通訊產品貿易	45,705	56,635
Other revenue	其他收入		
Commission income	佣金收入	1,515	1,846
Guaranteed income from a management company	管理公司之保證收入	-	4,167
Gain on disposal of subsidiary	出售附屬公司收益	-	1,221
Written back of accruals	應計款項撥回	-	9,422
Provision for bad and doubtful debts written back	呆壞賬撥備撥回	-	158
Others	其他	4	660
		1,519	17,474
Total revenue	總收入	47,224	74,109

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2003

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截至二零零三年六月三十日止年度

3. TURNOVER AND REVENUE (continued)

Analysis of turnover and contribution to profit/(loss) from operations by principal activities and geographical locations is as follows:

3. 營業額及收入 (續)

按主要業務及地區劃分之營業額及經營溢利／(虧損)貢獻分析如下：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
By principal activities:	按主要業務劃分：				
Trading of multi-media and communication products	多媒體及通訊產品貿易	45,705	56,635	2,211	247
		45,705	56,635	2,211	247
Other group expenses net of other income	其他集團開支，扣除其他收入			(26,570)	(145,420)
Gain arising from debts discharged under scheme of arrangement	根據償債計劃解除債務所產生之收益			86,151	-
Gain arising from disposal of a jointly controlled entity	出售共同控制企業所產生之收益			10,753	-
Gain arising from winding up subsidiary	清盤附屬公司所產生之收益			-	2,539
				72,545	(142,634)
By geographical locations:	按地區劃分：				
The Hong Kong Special Administrative Region ("Hong Kong")	香港特別行政區(「香港」)	18,719	13,144	906	57
Other parts in the People's Republic of China ("PRC")	中華人民共和國(「中國」)其他地區	26,986	43,491	1,305	190
		45,705	56,635	2,211	247
Other group expenses net of other income	其他集團開支，扣除其他收入			(26,570)	(145,420)
Gain arising from debts discharged under scheme of arrangement	根據償債計劃解除債務所產生之收益			86,151	-
Gain arising from disposal of a jointly controlled entity	出售共同控制企業所產生之收益			10,753	-
Gain arising from winding up subsidiary	清盤附屬公司所產生之收益			-	2,539
				72,545	(142,634)

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4. GAIN ARISING FROM DEBTS DISCHARGED UNDER SCHEME OF ARRANGEMENT

The gain of HK\$86,151,000 represented the indebtedness and the accrued interest payable of the Group waived by the Scheme Creditors upon the completion of the Scheme of Arrangement as detailed in note 1 (b) to the financial statements.

5. GAIN ARISING FROM DISPOSAL OF A JOINTLY CONTROLLED ENTITY

The gain of HK\$10,753,000 arose from the disposal of the equity interest in a jointly controlled entity, Nanning Haiqi Real Estate Development Co Ltd in PRC to a disputed claimant, Power Forward Finance Limited to set off against a loan of HK\$4,000,000 due from Power Forward.

4. 根據償債計劃解除債項所產生之收益

為數約86,151,000港元之收益乃該計劃債權人於償債計劃完成後豁免本集團應付之債務及應計利息(詳情載於財務報表附註1(b))。

5. 出售共同控制企業所產生收益

向爭議之原告 Power Forward Finance Limited出售於中國之共同控制企業Nanning Haiqi Real Estate Development Co Ltd之股權，用以抵銷 Power Forward 到期貸款 4,000,000港元，產生收益10,753,000港元。

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6. PROFIT/(LOSS) FROM OPERATIONS

Profit/(Loss) from operations is stated after crediting and charging the following:

6. 經營溢利／（虧損）

經營溢利／（虧損）已計入及扣除下列各項：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Crediting:	已計入：		
Gain arising from winding up subsidiary	清盤附屬公司所產生之收益	-	2,539
Gain on disposal of subsidiary	出售附屬公司之收益	-	1,221
Charging:	已扣除：		
Cost of goods sold and services provided	出售貨品及提供服務之成本	43,494	56,388
Staff costs (including directors' emoluments)	員工開支 (包括董事酬金)	4,657	6,496
Pension scheme contribution	退休金供款	32	74
Auditors' remuneration	核數師酬金	431	671
Depreciation	折舊	136	1,738
Provision for bad and doubtful debts	呆壞賬撥備	-	15,563
Amortisation of goodwill	商譽攤銷	4,000	4,000
Provision for diminution in value of investments in securities	投資證券減值撥備	-	75,900
Impairment loss of property, plant and equipment	物業、機器及設備之減值虧損	-	4,174
Impairment loss of investment in associates and jointly controlled entity	於聯營公司及共同控制企業之投資減值虧損	-	53,904
Plant and equipment written off	機器及設備撇銷	430	209
Operating lease rentals in respect of land and buildings	有關土地及樓宇之經營租約租金	3,041	595
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	26	-
Stocks written off	已撇銷存貨	596	-

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For the year ended 30 June 2003

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截至二零零三年六月三十日止年度

7. FINANCE COSTS

7. 融資成本

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Interests on:	利息：		
Bank loans, bills and overdrafts wholly repayable within five years	須於五年內悉數償還之 銀行貸款、票據及透支	660	666
Obligations under finance leases and hire purchase contracts	根據融資租賃及租購合約 之承擔	-	181
Other borrowing costs	其他借款成本	320	1,259
		<u>980</u>	<u>2,106</u>

8. TAXATION

8. 稅項

No provision for Hong Kong profits tax and overseas income tax has been made in the financial statements since there is no estimated assessable profit derived from Hong Kong and overseas for the year.

由於年內並無香港及海外估計應課稅溢利，故並無於財務報表內就香港利得稅及海外所得稅作出撥備。

9. PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

9. 股東應佔溢利／(虧損)

The net profit attributable to shareholders includes a profit of approximately HK\$29,513,000 (2002: loss of HK\$79,754,000) which has been dealt with in the financial statements of the Company for the year ended 30 June 2003.

計入本公司截至二零零三年六月三十日止年度財務報表之股東應佔溢利淨額佔約29,513,000 港元(二零零二年：虧損79,754,000港元)之溢利。

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2003

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10. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 30 June 2003 is based on the profit attributable to shareholders of approximately HK\$71,565,000 (2002: loss of HK\$144,740,000) and the weighted average number of 1,271,036,618 (2002: 555,788,348) ordinary shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share was based on the profit attributable to shareholders of approximately HK\$71,565,000 and the weighted average number of 1,274,187,303 ordinary shares after adjusting for the effect of all dilutive potential ordinary shares.

Diluted loss per share was not shown for the year ended 30 June 2002 as the effect of the potential ordinary shares outstanding during the year would be anti-dilutive.

11. DIVIDENDS

No dividend was paid or proposed for the year ended 30 June 2003, nor has any dividend been proposed since the balance sheet date.

10. 每股盈利／(虧損)

(a) 每股基本盈利

截至二零零三年六月三十日止年度之每股基本盈利乃按股東應佔溢利約71,565,000港元(二零零二年：虧損144,740,000港元)及年內已發行普通股加權平均數為1,271,036,618股(二零零二年：555,788,348股)計算。

(b) 每股攤薄盈利

每股攤薄盈利乃按股東應佔溢利約71,565,000港元及年內已發行普通股加權平均數為1,274,187,303股(已就所有具潛在攤薄影響之普通股作出調整)計算。

由於年內已發行潛在普通股具有反攤薄影響，故並無呈列截至二零零二年六月三十日止年度之每股攤薄虧損。

11. 股息

截至二零零三年六月三十日並無已派付或擬派股息，自結算日後亦無任何擬派股息。

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12. PENSION SCHEME

Prior to 1 December 2000, the Group operated a defined contribution provident fund scheme for its employees. Employees of the Group were entitled to join the scheme upon fulfilling certain conditions. The Group contributes an amount equal to a fixed percentage of the salary of each participating employee. Forfeited contributions in respect of unvested benefits of employees leaving the scheme were used to reduce the Group's ongoing contributions. Net contributions were charged to the income statement in the year to which they relate.

From 1 December 2000 onwards, the Group participates in the Mandatory Provident Fund Scheme (the "MPF Scheme") for those employees who are eligible to participate in the MPF Scheme. Contributions are made by the Group at 5 per cent of the employee's relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance. The Group's employer contributions are fully and immediately vested in the employees as accrued benefits once they are paid. Contributions are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme.

12. 退休金計劃

於二零零零年十二月一日前，本集團為僱員提供定額供款退休金計劃。本集團之僱員可於符合若干條件之情況下參與該計劃。本集團將就每名參與之僱員按其薪金之固定百分比供款。僱員提早離職而未能獲得有關利益部份之沒收供款將用作減低本集團日後之供款。供款淨額將列入有關年度之收益表。

從二零零零年十二月一日起，本集團為符合強制性公積金計劃（「強積金計劃」）之合資格僱員加入了強積金計劃。本集團所作出之供款為香港強制性公積金計劃條例所規定之僱員有關收入之百分之五。本集團僱主供款於僱員獲得有關付款後悉數及隨即作為應計福利撥歸僱員所有。按照強積金計劃規則，供款於支付時於收益表中扣除。

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For the year ended 30 June 2003

財務報表附註

截至二零零三年六月三十日止年度

13. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

(a) Details of directors' emoluments are:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Fees for executive directors	執行董事袍金	-	-
Fees for non-executive directors	非執行董事袍金	-	-
Other emoluments for executive directors:	執行董事之其他酬金：		
- Basic salaries, allowances and benefits in kind	- 基本薪金、津貼及實物利益	3,377	2,377
- Contribution to pension scheme	- 退休金計劃供款	-	4
		3,377	2,381

Included in the above-mentioned emoluments, the Group provided residential apartments to some executive directors, the monetary value of the accommodation so provided to the executive directors is HK\$Nil (2002: HK\$1,205,000) for the year.

In the absence of a readily available market value for options on the shares of the Company, the emoluments disclosed above do not include the estimated monetary value of the share options granted to the directors. Details of the share option schemes of the Company are set out in note 28 and the report of the directors under the heading "Directors' interests in equity".

13. 董事及高級行政人員之酬金

(a) 董事酬金之詳情如下：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Fees for executive directors	-	-
Fees for non-executive directors	-	-
Other emoluments for executive directors:		
- Basic salaries, allowances and benefits in kind	3,377	2,377
- Contribution to pension scheme	-	4
	3,377	2,381

上述酬金包括本集團為一位董事提供之住屋福利。年內為一名執行董事提供之住宿合共估計價值零港元(二零零二年：1,205,000港元)。

由於並無本公司股份購股權之市值可供參考，以上披露之酬金並不包括授予董事之購股權之估計價值。本公司之購股權計劃詳情載於附註28及董事會報告「董事之證券權益」一節。

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財務報表附註

截至二零零三年六月三十日止年度

13. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

(b) Analysis of directors' emoluments by number of directors and emolument ranges is as follows:

Nil to HK\$1,000,000	零至 1,000,000 港元
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至 4,000,000 港元
HK\$4,000,001 to HK\$4,500,000	4,000,001 港元至 4,500,000 港元

(c) Details of emoluments paid to the five highest paid individuals (including directors and other employees) are:

Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益
Contributions to pension scheme	退休金計劃供款

13. 董事及高級行政人員之酬金 (續)

(b) 執行董事酬金按董事數目及酬金範圍之分析如下：

	2003 二零零三年 Number of directors 董事人數	2002 二零零二年 Number of directors 董事人數
	3	8
	1	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	4	8

(c) 五位最高薪人士(包括董事及其他僱員)之酬金詳情如下：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
	3,653	3,453
	12	22
	3,665	3,475

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13. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

(c) Details of emoluments paid to the five highest paid individuals (including directors and other employees) are: (continued)

In the absence of a readily available market value for options on the shares of the company, the emoluments disclosed above do not include the estimated monetary value of the share options granted to certain employees. Details of the share option schemes of the company are set out in note 28 and the report of the directors under the heading "Directors' interests in equity".

The five highest paid individuals included four (2002: three) executive directors of the company, details of whose emoluments have been included in note 13(a) above.

During the year, no emoluments of the five highest paid individuals (including directors and other employees) were incurred as inducement to join or upon joining the Group.

13. 董事及高級行政人員之酬金 (續)

(c) 五位最高薪人士(包括董事及其他僱員)之酬金詳情如下：
(續)

由於並無本公司股份購股權之市值可供參考，以上披露之酬金並不包括授予若干僱員之購股權之估計價值。本公司之購股權計劃詳情載於附註28及董事會報告「董事之證券權益」一節。

五位最高薪人士包括四位(二零零二年：三位)本公司執行董事，彼等之酬金詳情載於附註13(a)。

年內，本集團概無向五位最高薪人士(包括董事及其它僱員)支付任何酬金，作為加入本集團或於加入本集團時之報酬。

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For the year ended 30 June 2003

財務報表附註

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13. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

- (c) Details of emoluments paid to the five highest paid individuals (including directors and other employees) are: (continued)

Analysis of emoluments of the five highest paid individuals (including directors and other employees) by number of individuals and emolument range is as follows:

		2003 二零零三年 Number of individuals 董事人數	2002 二零零二年 Number of individuals 董事人數
Nil to HK\$1,000,000	零至 1,000,000 港元	4	5
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	–
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	–	–
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	–	–
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	–	–
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	–	–
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至 4,000,000 港元	–	–
HK\$4,000,001 to HK\$4,500,000	4,000,001 港元至 4,500,000 港元	–	–
		5	5

13. 董事及高級行政人員之酬金 (續)

- (c) 五位最高薪人士 (包括董事及其他僱員) 之酬金詳情如下: (續)

五位最高薪人士 (包括董事及其他僱員) 之酬金按人數及酬金範圍之分析如下:

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

Group		本集團					
		Other	Leasehold	Furniture	Machinery	Motor	Total
		property	improvements	and	and	vehicles	
		其他物業	租賃物業裝修	傢俬及裝置	機械及設備	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Cost or valuation	成本或估值						
At 1 July 2002	於二零零二年七月一日	13,851	2,448	2,312	765	1,844	21,220
Additions	添置	-	134	-	-	-	134
Disposals	出售	(13,851)	(57)	-	-	(1,780)	(15,688)
At 30 June 2003	於二零零三年六月三十日	-	2,525	2,312	765	64	5,666
Accumulated depreciation	累積折舊						
At 1 July 2002	於二零零二年七月一日	7,401	663	599	385	1,362	10,410
Charge for the year	本年度支出	-	6	44	86	-	136
Disposals	出售	(7,401)	(31)	-	-	(1,350)	(8,782)
At 30 June 2003	於二零零三年六月三十日	-	638	643	471	12	1,764
Net book value	賬面淨值						
At 30 June 2003	於二零零三年六月三十日	-	1,887	1,669	294	52	3,902
At 30 June 2002	於二零零二年六月三十日	6,450	1,785	1,713	380	482	10,810

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截至二零零三年六月三十日止年度

14. PROPERTY, PLANT AND EQUIPMENT

(continued)

Details of other properties, at carrying value, of the Group are:

Geographical locations and tenure of titles:

Hong Kong	香港
- medium-term leases	- 中期租約

Pursuant to the Scheme of Arrangement, the bank took possession of the property and disposed of it on 13 August 2003. The net proceeds was approximately HK\$6.4 million. The carrying value of the property had been reduced by an impairment loss of approximately HK\$13,823,000 of which HK\$4,174,000 was charged to income statement and HK\$9,649,000 was charged to revaluation reserve in 2002.

At 30 June 2003 and 2002, the Company had no property, plant and equipment.

14. 物業、廠房及設備 (續)

本集團其他物業 (按賬面值) 之詳情如下:

地區及租約年期:

2003	2002
二零零三年	二零零二年
HK\$'000	HK\$'000
千港元	千港元

-	6,450
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根據償債計劃，銀行已於二零零三年八月十三日取得物業之擁有權並進行出售，所得款項淨額約為6,400,000港元。物業之賬面值已扣除減值虧損約13,823,000港元，當中4,174,000港元於收益表中扣除，而9,649,000港元已於二零零二年於重估儲備中扣除。

於二零零三年及二零零二年六月三十日，本公司並無物業、廠房及設備。

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15. GOODWILL

		HK\$'000 千港元
Cost	成本	
At 1/7/2002	於二零零二年七月一日	40,039
Accumulated amortisation	累計攤銷	
At 1/7/2002	於二零零二年七月一日	8,039
Charge for the year	年內支出	4,000
At 30/6/2003	於二零零三年六月三十日	12,039
Net book value	賬面淨額	
At 30/6/2003	於二零零三年六月三十日	28,000
At 30/6/2002	於二零零二年六月三十日	32,000

16. INTERESTS IN SUBSIDIARIES

16. 於附屬公司之投資

		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	56,720	56,720
Due from subsidiaries	應收附屬公司之款項	440,528	446,978
Due to subsidiaries	應付附屬公司之款項	(489)	(489)
		496,759	503,209
Less: Impairment loss	減：減值虧損	(497,248)	(503,698)
		(489)	(489)

(a) The balances with subsidiaries are unsecured, non-interest bearing and have no fixed term of repayment.

(b) Details of the Company's principal subsidiaries at 30 June 2003 are set out in note 32.

(a) 與附屬公司之結餘為無抵押，不計利息及無指定還款期的款項。

(b) 本公司於二零零三年六月三十日之主要附屬公司詳情載於附註 32。

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For the year ended 30 June 2003

財務報表附註

截至二零零三年六月三十日止年度

16. INTERESTS IN SUBSIDIARIES (continued)

(d) Additional information on material subsidiaries

- (i) The following information is extracted from audited financial statements of a wholly owned subsidiary, Accrua Enterprises Limited, and unaudited financial statements of another wholly owned subsidiary, Goldhill Merchandising Inc.

16. 於附屬公司之投資(續)

(d) 主要附屬公司之其他資料

- (i) 以下資料摘錄自一間全資附屬公司Accrua Enterprises Limited之經審核財務報表及另一間全資附屬公司Goldhill Merchandising Inc.之未經審核財務報表。

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Income statement	收益表		
Turnover	營業額	-	-
Other income	其他收入	-	-
Other operating expenses	其他經營開支	(4,000)	(4,000)
Loss from operations	經營虧損	(4,000)	(4,000)
Finance cost	融資成本	-	-
Loss attributable to shareholders	股東應佔虧損	(4,000)	(4,000)
Balance sheet	資產負債表		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	3,611	3,611
Goodwill	商譽	28,000	32,000
		31,611	35,611
Current assets	流動資產		
Inventories	存貨	222	222
Accounts receivable	應收賬款	567	567
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	25,160	25,160
		25,949	25,949
Current liabilities	流動負債		
Bank overdraft	銀行透支	233	233
Accounts payable	應付賬款	5,771	5,771
Accruals, other payable and deposits received	應計費用、其他應付款項及已收按金	12,305	12,305
Provision for taxation	稅項撥備	1,290	1,290
Due to holding company	應付控股公司款項	50,000	50,000
		(69,599)	(69,599)
Net current liabilities	流動負債淨額	(43,650)	(43,650)
Net liabilities	負債淨額	(12,039)	(8,039)

Note: Goldhill Merchandising Inc. is not audited by Charles Chan, Ip & Fung CPA Ltd.

附註：Goldhill Merchandising Inc.並非由陳葉馮會計事務所有限公司審計。

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16. INTERESTS IN SUBSIDIARIES (continued)

(d) Additional information on material subsidiaries (continued)

(ii) The following information are extracted from the audited financial statement of Flaconwood Limited and AVT Electronics Limited.

16. 於附屬公司之投資 (續)

(d) 主要附屬公司之其他資料 (續)

(ii) 以下資料摘錄自 Flaconwood Limited 及 AVT Electronics Limited 之經審核財務報表。

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Income statement	收益表		
Turnover	營業額	45,705	56,635
Cost of sales	銷售成本	(43,494)	(56,388)
Gross profit	毛利	2,211	247
Other revenue	其他收入	1,519	1,847
General and administrative expenses	一般及行政開支	(907)	(5,948)
Other operating expenses	其他經營開支	(4,243)	-
Loss from operations	經營虧損	(1,420)	(3,854)
Finance costs	財務費用	(980)	(1,343)
Loss before taxation	除稅前虧損	(2,400)	(5,197)
Taxation	稅項	-	-
Loss after taxation	除稅後虧損	(2,400)	(5,197)
Minority interests	少數股東權益	-	-
Loss attributable to shareholders	股東應佔虧損	(2,400)	(5,197)

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16. INTERESTS IN SUBSIDIARIES (continued)

16. 於附屬公司之投資(續)

(d) Additional information on material subsidiaries (continued)

(d) 主要附屬公司之其他資料(續)

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Balance sheet	資產負債表		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	291	319
Current assets	流動資產		
Inventories	存貨	10,537	2,316
Accounts receivable	應收賬款	4,866	10,217
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	21,447	14,525
Due from ultimate holding	應收最終控股公司款項	182	182
Cash at bank and in hand	銀行現金及庫存現金	123	235
		37,155	27,475
Current liabilities	流動負債		
Bank overdraft	銀行透支	1,005	214
Bill payable, secured	應付票據，有抵押	8,381	12,766
Accounts payable	應付賬項	9,871	2,225
Accruals, other payable and deposits received	應計費用、其他應付款項及已收按金	8,487	2,197
Interest-bearing borrowings	計息借款	4,144	2,434
		(31,888)	(19,836)
Net current assets	流動資產淨額	5,267	7,639
Net assets	資產淨額	5,558	7,958

Note: AVT Electronics Limited is not audited by Charles Chan, Ip & Fung CPA Ltd.

附註：AVT Electronics Limited 並非由陳葉馮會計師事務所審計。

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17. INTERESTS IN ASSOCIATES

17. 於聯營公司之權益

		Group 本集團		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，按成本	77,451	77,451	77,001	77,001
Due to associates	應付聯營公司之款項	(1)	(1)	(1)	(1)
		77,450	77,450	77,000	77,000
Less: Impairment loss	減：減值虧損	(30,450)	(30,450)	(30,000)	(30,000)
		47,000	47,000	47,000	47,000
Share of net assets	應佔資產淨值	-	-	-	-
		47,000	47,000	47,000	47,000

No financial information of the three associates are available. The interests in these associates are stated at cost less impairment loss, thus the Group's share of the post-acquisition reserves of associates accumulated at the balance sheet date was not properly accounted for.

三間聯營公司之財務資料並未能提供。於該等聯營公司之權益乃以成本值減減值虧損列賬。因此，於結算日，本集團應佔聯營公司之收購後累計虧損未能妥善計賬。

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17. INTERESTS IN ASSOCIATES (continued)

Details of the principal associates of 30 June 2003 were:

Name	Business structure	Place of incorporation operations	Issued and fully paid/ registered capital	Percentage of equity interest attributable to the group	Principal activities
名稱	商業結構	註冊成立及營業地點	已發行及繳足/註冊資本	應佔股權百分比	主要業務
Hightor Enterprises Limited	Corporation 公司	British Virgin Islands 英屬處女群島	US\$30,000 30,000美元	33.3%	Dormant 暫無營業
廣州奧斯凱科技 有限公司	Co-operative joint venture 合作合營企業	PRC 中國	RMB1,500,000 人民幣1,500,000元	32.5%	Developing and selling of computer component, hardware and software, electrical parts, products and equipment 開發及銷售電腦零件、硬體及軟體、電子部件、產品及設備
廣州飛流電熱水器 有限公司	Co-operative joint venture 合作合營企業	PRC 中國	RMB500,000 人民幣500,000元	30%	Manufacturing and sub-contracting of water heaters and accessories, whole sales and retails 製造及分包電熱水器及配件；批發及零售

17. 於聯營公司之權益 (續)

於二零零三年六月三十日之主要聯營公司詳情如下：

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18. INTEREST IN A JOINTLY CONTROLLED ENTITY

18. 於共同控制企業之權益

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Share of net assets	應佔資產淨值	-	40,399
Less: Impairment loss	減：減值虧損	-	(40,399)
		-	-

Details of the jointly controlled entity as at 30 June 2003 were:

共同控制企業於二零零三年六月三十日之詳情如下：

Name 名稱	Business structure 商業 種類	Place of incorporation and operation 註冊成立及 營業地點	Percentage of equity interest held indirectly 間接持有 股權百分比	Principal activities 主要業務
南寧海奇房地產 開發有限公司	Corporation 公司	PRC 中國	52.7%	Property development 物業發展

The Group's interest in this company had not been accounted for as a subsidiary because the Group's control over this company was restricted by certain provisions in the joint venture agreement. In the opinion of the directors, this company was subject to joint control and none of the participating parties had unilateral control over this company. Accordingly, the equity method of accounting was used to account for the Group's investment in this company.

由於本集團在控制該公司上受合營協定之若干條文所規限，故本集團於該公司所持有權益並未以附屬公司形式列賬。董事認為該公司受共同控制規限，任何參股方對該公司均無單方面控制權。因此，本集團於該公司之投資乃採用權益會計法入賬。

Under a consent order issued by the Hong Kong High Court on 14 April 2003, the Group's equity interest in the jointly controlled entity was transferred to a disputed claimant, Power Forward Finance Limited to set off against the loan due from Power Forward.

香港高等法院於二零零三年四月十四日在同意下作出命令，將本集團於該共同控制企業之股權轉讓予爭議之原告Power Forward，用以抵銷Power Forward之貸款。

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19. INVESTMENTS IN SECURITIES

Under benchmark treatment:

19. 投資證券

根據標準方法計算：

		Group 本集團		Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Equity securities	股本證券				
Investment securities, at cost	投資證券，按成本				
Unlisted	非上市	-	145,900	-	96,000
Less: Provision for permanent diminution in value	減：永久減值 撥備	-	(145,900)	-	(96,000)
		-	-	-	-
Listed in overseas	於海外上市	6,204	6,204	-	-
Less: Provision for permanent diminution in value	減：永久減值 撥備	(4,148)	(4,148)	-	-
		2,056	2,056	-	-
Other investments, at fair value	其他投資， 按公平值				
Listed in Hong Kong	在香港上市	27	27	-	-
		2,083	2,083	-	-
Market value of listed investments	上市投資市值	3,464	936	-	-

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20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in prepayments, deposits and other receivables, is an amount of approximately HK\$14.2 million represented the consideration paid for the acquisition of a further 25% equity interest in a subsidiary, AVT Electronics Limited. The share transfer is in progress.

21. INVENTORIES

Finished goods 製成品

The above inventories are stated at cost.

20. 預付款項、按金及其他應收賬款

預付款項、按金及其他應收賬款為數約14,200,000港元，乃收購附屬公司AVT Electronics Limited另外25%股權而支付之代價。股份轉讓正在處理中。

21. 存貨

Group	
本集團	
2003	2002
二零零三年	二零零二年
HK\$'000	HK\$'000
千港元	千港元
10,759	2,538

上述存貨乃按成本值列賬。

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22. ACCOUNTS RECEIVABLE

All of the accounts receivable are stated net of provision of bad and doubtful debts and are expected to be recovered within one year. The aging analysis is as follows:

22. 應收賬款

所有應收賬款扣除呆壞賬撥備後列賬，並預期可於一年內收回。其賬齡分析如下：

		Group	
		本集團	
		2003	2002
		二零零三年	二零零二年
		HK\$'000	HK\$'000
		千港元	千港元
0-90 days	0至90天	1,895	1,550
91-180 days	91天至180天	-	1,207
Over 180 days	180天以上	3,538	758
		5,433	3,515

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23. CASH AT BANK, FROZEN

23. 銀行現金，已凍結

	Group 本集團		Company 本公司	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Cash at bank, frozen 銀行現金，已凍結	-	13	-	13

The cash at bank was frozen by the bank because a winding-up petition against the Company had been initiated by several creditors last year.

由於若干債權人已於上年度向本公司提出清盤呈請，銀行已凍結銀行現金。

At 30 June 2003, the bank balance was released and included in cash at banks and in hand upon the completion of the Scheme of Arrangement on 16 May 2003.

於二零零三年六月三十日，銀行結餘已於二零零三年五月十六日償債計劃完成後獲解除並計入銀行現金及庫存現金。

24. ACCOUNTS AND BILLS PAYABLE

24. 應付賬項及票據

		Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Accounts payable	應付賬項	17,752	10,106
Bills payable, secured	應付票據，有抵押	8,381	12,766
		26,133	22,872

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24. ACCOUNTS AND BILLS PAYABLE

(continued)

All of the accounts payable are expected to be settled within one year. The aging analysis is as follows:

24. 應付賬項及票據 (續)

所有應付賬項預期於一年內償還。其賬齡分析如下：

		Group	
		本集團	
		2003	2002
		二零零三年	二零零二年
		HK\$'000	HK\$'000
		千港元	千港元
0-90 days	0至90天	9,869	2,493
91-180 days	91天至180天	2	2,800
Over 180 days	180天以上	7,881	4,813
		17,752	10,106

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25. INTEREST-BEARING BORROWINGS

25. 計息借款

		Group		Company	
		本集團		本公司	
		2003	2002	2003	2002
		二零零三年	二零零二年	二零零三年	二零零二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Bank overdrafts	銀行透支	1,239	448	-	-
Other loans	其他貸款	28,251	66,366	23,689	59,535
		29,490	66,814	23,689	59,535
Secured	有抵押	-	51,205	-	49,691
Unsecured	無抵押	29,490	15,609	23,689	9,844
		29,490	66,814	23,689	59,535

Other loans bear interest at 12% per annum.

其他貸款按12%之年利率計息。

At 30 June 2003, the banking facilities of the Group were secured by the pledge of assets of a director of a subsidiary and personal guarantees executed by certain directors of the Company.

於二零零三年六月三十日，本集團之銀行融通額由質押一家附屬公司董事之資產及本公司若干董事簽署之個人擔保作為抵押。

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26. DUE TO DIRECTORS

The amounts due to directors are unsecured, interest free and have no fixed repayment terms.

27. DEFERRED TAXATION

The major components of the Group's provision for deferred taxation and the potential deferred tax liability/(asset) not provided for at the balance sheet date are as follows:

26. 應付董事款項

應付董事款項為無抵押、免息及無固定還款期。

27. 遞延稅項

並非於結算日提撥之本集團遞延稅項及潛在遞延稅項負債／(資產)撥備之主要組成部份如下：

		Group		Company	
		本集團		本公司	
		2003	2002	2003	2002
		二零零三年	二零零二年	二零零三年	二零零二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Accelerated capital allowances	提前轉歸資本之免稅額	(56)	-	-	-
Tax losses available for future relief	可於未來獲豁免之稅務虧損	(65,130)	(64,665)	(58,931)	(58,931)
		(65,186)	(64,665)	(58,931)	(58,931)

No deferred tax asset has been recognized in respect of tax losses as the crystallisation of the tax benefits is uncertain.

由於稅務利益並不明確，故不就稅務虧損確認遞延稅項資產。

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28. SHARE CAPITAL

28. 股本

		Group and Company 本集團及本公司			
		2003 二零零三年		2002 二零零二年	
		No. of shares 股份數目 (^{'000}) (千股)	HK\$ ^{'000} 千港元	No. of shares 股份數目 (^{'000}) (千股)	HK\$ ^{'000} 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	普通股每股 面值0.01港元	600,000,000	600,000	600,000,000	600,000
Issued and fully paid:	已發行及繳足：				
Beginning of year	年初	563,894	5,639	26,094,701	260,947
Issue of shares for acquisition of an associate	發行股份以 收購聯營公司	-	-	2,100,000	21,000
Consolidation of every 50 shares to 1 share	每50股合併為1股	-	-	(27,630,807)	(276,308)
Issued upon settlement of debts (a)	清償債務而發行(a)	2,111,023	21,110	-	-
Issue of shares (b)	發行股份(b)	3,500,000	35,000	-	-
End of year	年終	6,174,917	61,749	563,894	5,639

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28. SHARE CAPITAL (continued)

- (a) On 16 May 2003, 2,111,022,918 ordinary shares of HK\$0.01 each, ranking pari passu in all respects with the existing ordinary shares of the Company were issued to the Scheme Creditors for the settlement of the indebtedness owed by the Group to the Scheme Creditors. Further details of the transaction are set out in the Company's press announcement dated 16 May 2003.
- (b) On 16 May 2003, 3,500,000,000 ordinary shares of HK\$0.01 each, ranking pari passu in all respects with the existing ordinary shares of the Company were issued to Trade Honour Limited, a company wholly and beneficially owned by a director of the Company, for net cash proceeds of HK\$35 million. Further details of the transaction are set out in the Company's press announcement dated 16 May 2003.

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

28. 股本 (續)

- (a) 於二零零三年五月十六日，2,111,022,918股每股面值0.01港元之普通股(在各方面與本公司現有普通股享有同等權益)發行予計劃債權人，以償還本集團結欠該等計劃債權人之債項。該交易之其他詳情載於本公司於二零零三年五月十六日刊登之新聞公佈。
- (b) 於二零零三年五月十六日，3,500,000,000股每股面值0.01港元之普通股(在各方面與本公司現有普通股享有同等權益)發行予Trade Honour Limited(本公司一名董事實益全資擁有之公司)，取得現金所得款項35,000,000港元。該交易之其他詳情載於本公司於二零零三年五月十六日刊登之新聞公佈。

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

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28. SHARE CAPITAL (continued)

On 19 March 2002, the Company entered into an option agreement with a related company, which is wholly and beneficially owned by Mr Ke Jun Xiang, a director of the Company. On the same date, the Company passed a resolution that 2,000 million of share options with exercise price of HK\$0.01 per share were granted to the related company, which are exercisable at the price of HK\$0.01 per share within twelve months from 16 May 2003.

29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Major non-cash transactions

- (a) Upon the completion of the Scheme of Arrangement on 16 May 2003, total indebtedness of HK\$86,151,000 was waived by the Scheme Creditors.
- (b) The Group's equity interest in a jointly controlled entity was transferred to a loan creditor for setting off against a loan of HK\$4,000,000 due from the loan creditor.

28. 股本 (續)

於二零零二年三月十九日，本公司與一間關連公司訂立一項購股權協定。並於同日通過一項決議案，議決授予關連公司2,000,000,000份購股權，行使價為每股0.01港元。本公司董事柯俊翔先生為關連公司之實益擁有人。該等購股權可於二零零三年五月十六日起計十二個月內行使。

29. 綜合現金流量表附註

主要非現金交易

- (a) 償債計劃於二零零三年五月十六日完成後，總債項86,151,000港元已獲計劃債權人豁免。
- (b) 本集團於共同控制企業之股本權益轉讓予貸款債權人，以抵銷欠貸款債權人之4,000,000港元貸款。

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截至二零零三年六月三十日止年度

30. CONTINGENT LIABILITIES

- (a) At 30 June 2003, the Group had contingent liabilities approximately HK\$93 million in respect of the disputed claims against the Group for outstanding loans and service fees. Details of the Group's contingent liabilities are set out in the Company's circulars dated 2 August 2002 and 28 November 2002.
- (b) At 30 June 2003, the Company also has contingent liabilities in respect of legal proceedings commenced by Goldhill Holdings for damages claim for fraudulent misrepresentation.

31. POST BALANCE SHEET EVENTS

On 19 March 2002, the Company and the vendor of Micky Enterprises Limited ("Micky") entered into a sales and purchase agreement for the purchase of 49% of the issued share capital of Micky at a consideration of HK\$25 million, the consideration was to be satisfied by the issue of 25,000,000 of convertible bonds at HK\$1 each. The agreement was subsequently terminated on 31 July 2003.

30. 或然負債

- (a) 截至二零零三年六月三十日，本集團有約93,000,000港元之或然負債，乃有關未償還貸款及未付服務費而針對本集團之爭議索償。本集團或然負債之詳情載於本公司於二零零二年八月二日及二零零二年十一月二十八日刊發之通函。
- (b) 截至二零零三年六月三十日，本公司因Goldhill Holdings就有欺詐成份的失實陳述所導致之損失而提出法律訴訟而另有其他或然負債。

31. 結算日後事項

本公司於二零零二年三月十九日與Micky Enterprises Limited (「Micky」)之賣方訂立買賣協議，內容有關以代價25,000,000港元購入Micky已發行股本之49%。代價支付方式為以每張1港元之價格發行25,000,000張可換股債券。該協議後於二零零三年七月三十一日終止。

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截至二零零三年六月三十日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES 32. 附屬公司詳情

Name 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊股本	Percentage of equity interest attributable to the Group 本集團應佔 股本權益 百分比	Principal activities 主要業務
Accura Enterprises Limited (Note b) (附註b)	British Virgin Islands 英屬處女群島	US\$1 1 美元	100%	Investment holdings 投資控股
AVT Electronics Limited (Note a) (附註a)	Hong Kong 香港	HK\$4,500,100 4,500,100港元	65%	Manufacturing of multi-media products 製造多媒體產品
Best Materials Supply Limited	Hong Kong 香港	HK\$2 2港元	100%	Investment holding 投資控股
Bravo Interior Products Limited 全威裝飾材料有限公司	Hong Kong 香港	HK\$2 2港元	100%	Trading of decorative products 裝修材料貿易
Bravoheart Property Limited	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	US\$1 1 美元	100%	Investment holding 投資控股

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截至二零零三年六月三十日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

32. 附屬公司詳情 (續)

Name 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊股本	Percentage of equity interest attributable to the Group 本集團應佔 股本權益 百分比	Principal activities 主要業務
Carpet Galley Company Limited 氈藝有限公司	Hong Kong 香港	Ordinary HK\$306,123 Non-voting deferred HK\$30,000 普通股 306,123港元 無投票權遞延股 30,000港元	100%	Carpet contracting services 承辦地氈服務
Carpet Galley (Overseas) Company Limited 氈藝(海外)有限公司	British Virgin Islands 英屬處女群島	US\$300 300美元	100%	Dormant 暫無營業
CIL Containers Limited (Note b) (附註b)	British Virgin Islands 英屬處女群島	US\$10 10 美元	100%	Investment holding 投資控股
CIL Group Limited (Note b) (附註b)	British Virgin Islands 英屬處女群島	US\$10,405 10,405 美元	100%	Investment holding 投資控股
CIL Investment Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	100%	Dormant 暫無營業
CIL Limited	Hong Kong 香港	HK\$2,480,000 2,480,000港元	100%	Dormant 暫無營業

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32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

32. 附屬公司詳情 (續)

Name 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊股本	Percentage of equity interest attributable to the Group 本集團應佔 股本權益 百分比	Principal activities 主要業務
Collection International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	Investment holding 投資控股
E-Development Limited (Note b) (附註b)	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	Investment holding 投資控股
Finemost Investments Limited 銳賢投資有限公司	Hong Kong 香港	HK\$2 2港元	100%	Property holding 持有物業
First Manor Inc. (Note b) (附註b)	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	Investment holding 投資控股
Flaconwood Ltd. (Note b) (附註b)	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	Investment holding 投資控股
Grace Decorative Materials Limited	Hong Kong 香港	HK\$2 2港元	100%	Dormant 暫無營業

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截至二零零三年六月三十日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) **32. 附屬公司詳情 (續)**

Name 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊股本	Percentage of equity interest attributable to the Group 本集團應佔 股本權益 百分比	Principal activities 主要業務
Goldhill Merchandising Inc. (Note a) (附註a)	Philippines 菲律賓	Peso25,000 25,000披索	100%	Trading of goods and merchandise and leasing of rental premises and facilities 貨品及商品 貿易及物業 及設施出租
I.D.C. Group and Co., Limited	Hong Kong 香港	HK\$100,000 100,000港元	100%	Dormant 暫無營業
Ka Cheong Holdings Limited	British Virgin Islands 英屬處女群島	US\$1,000 1,000美元	100%	Investment holding 投資控股
Leadway Contracting Co., Limited	Hong Kong 香港	HK\$2 2港元	100%	Dormant 暫無營業
Lucky Choice Assets Limited (Note b) (附註b)	British Virgin Islands 英屬處女群島	US\$1 1 美元	100%	Dormant 暫無營業
Modern Faith Limited (Note b) 煌信有限公司 (附註b)	Hong Kong 香港	HK\$2 2港元	100%	Dormant 暫無營業

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截至二零零三年六月三十日止年度

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

32. 附屬公司詳情 (續)

Name 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Issued and fully paid share/ registered capital 已發行及 繳足股份/ 註冊股本	Percentage of equity interest attributable to the Group 本集團應佔 股本權益 百分比	Principal activities 主要業務
Top Grand Investments Limited	Hong Kong 香港	HK\$2 2港元	100%	Dormant 暫無營業

Notes:

附註：

(a) These subsidiaries are not audited by Charles Chan, Ip & Fung CPA Ltd.

(a) 該等附屬公司並非由陳葉馮會計師事務所有限公司審核。

(b) These subsidiaries are directly held by the company.

(b) 該等附屬公司由本公司直接持有。

The above list summarises the principal subsidiaries of the company which, in the opinion of the directors, principally affected the results of the Group or formed a substantial portion of net assets of the Group as at 30 June 2003. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

董事會之意見認為以上列出之附屬公司，對本集團於截至二零零三年六月三十日之業績影響重大並構成本集團資產淨值之主要部份。董事會認為詳述其他附屬公司將令篇幅過於冗長。