

1. ORGANISATION AND OPERATIONS

WellNet Holdings Limited (the "Company") is incorporated as an exempted company in Bermuda with limited liability. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited since 1983, and have a secondary listing on Singapore Exchange Securities Trading Limited since 1990.

The Company is an investment holding company. Its subsidiaries are principally engaged in steel trading, warehousing and distribution, steel manufacturing and processing, property development and investment.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, certain properties and investments in securities are stated at fair value.

In the current year, the Group adopted the Statement of Standard Accounting Practice ("SSAP") No. 12 (revised) "Income Taxes" issued by the HKSA which is effective for accounting periods commencing on or after 1 January 2003.

The changes to the Group's accounting policies and the effect of adopting this revised policy are set out in Note 2(p) below.

1. 組成及業務

WellNet Holdings Limited (創新發展集團有限公司) (「本公司」) 於百慕達註冊成立為獲豁免有限公司。本公司股份自一九八三年起於香港聯合交易所有限公司上市，及一九九零年起於新加坡證券交易所有限公司作第二上市。

本公司為一間投資控股公司。其附屬公司主要業務為鋼鐵貿易、倉儲及分銷、鋼鐵加工製造、房地產開發及投資。

2. 主要會計政策

編製此等帳目所採用之主要會計政策列載如下：

(a) 編製基準

本帳目乃按照香港公認會計原則及香港會計師公會頒佈之會計標準編製。帳目並依據歷史成本常規法編製，惟若干物業及證券投資乃按公平值列帳（見下文會計政策）。

於本年度，本集團採納由香港會計師公會頒佈之會計準則第12號（經修訂）「所得稅」，於二零零三年一月一日或以後開始之會計期間生效。

本集團會計政策之變更及採納此等新政策之影響載列於下文附註2(p)。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting

(i) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31 December.

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to 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 unamortised goodwill or negative goodwill or goodwill/negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account.

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

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2. 主要會計政策 (續)

(b) 集團會計

(i) 綜合帳目

綜合帳目包括本公司及各附屬公司截至十二月三十一日止之帳目。

附屬公司指本公司直接或間接控制過半數投票權；有權控制財政及營運決策；委任或撤換董事會大多數成員；或在董事會會議上有大多數投票權之公司。

在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止列入綜合損益帳內。

所有集團內公司間之重大交易及結餘已於綜合帳目時對銷。

出售附屬公司之溢利或虧損指出售所得之收入與集團應佔該公司資產淨值之差額，連同之前並未在綜合損益帳內支銷或入帳之任何未攤銷商譽或負商譽，或已在儲備記帳之商譽／負商譽。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

在本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損準備入帳。本公司將附屬公司之業績按已收及應收股息入帳。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting (continued)

(ii) Associates

An associate is a company, not being a subsidiary or a joint venture, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of associates for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associates and goodwill/negative goodwill (net of accumulated amortisation) on acquisition.

In the Company's balance sheet the investments in associates are stated at cost less provision for impairment losses. The results of associates are accounted for by the Company on the basis of dividends received and receivable.

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

2. 主要會計政策 (續)

(b) 集團會計 (續)

(ii) 聯營公司

聯營公司為附屬公司或合營企業以外，集團持有其股權作長期投資，並對其管理具有重大影響力之公司。

綜合損益帳包括集團應佔聯營公司之本年度業績，而綜合資產負債表則包括集團應佔聯營公司之資產淨值及收購產生之商譽／負商譽（扣除累計攤銷）。

在本公司之資產負債表內，聯營公司之投資以原值減去減值虧損準備列帳。本公司將聯營公司之業績按已收及應收股息入帳。

當聯營公司之投資帳面值已全數撇銷，便不再採用權益會計法，除非集團就該聯營公司已產生承擔或有擔保之承擔。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting (continued)

(iii) Translation of foreign currencies

Transactions in foreign currencies are translated at rates of exchange ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The balance sheet of subsidiaries and associates expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss account is translated at an average rate. Exchange differences are dealt with as a movement in reserves.

(c) Intangibles

(i) Goodwill/negative 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/associate at the date of acquisition.

Goodwill on acquisitions occurring on or after 1 January 2001 is included in intangible assets and is amortised using the straight-line method over its estimated useful life.

Goodwill on acquisitions that occurred prior to 1 January 2001 was eliminated against reserves. Any impairment arising on such goodwill is accounted for in the profit and loss account.

2. 主要會計政策 (續)

(b) 集團會計 (續)

(iii) 外幣換算

以外幣為本位之交易，均按交易當日之匯率折算。於結算日以外幣顯示之貨幣資產與負債則按結算日之匯率折算。由此產生之匯兌盈虧均計入損益帳。

附屬公司及聯營公司以外幣顯示之資產負債表均按結算日之匯率折算，而損益帳則按平均匯率折算。由此產生之匯兌盈虧作為儲備變動入帳。

(c) 無形資產

(i) 商譽／負商譽

商譽指收購成本超出於收購日集團應佔所收購附屬公司／聯營公司之淨資產之數額。

於二零零一年一月一日或以後產生之收購商譽計入無形資產，並於其估計可用年期以直線法攤銷。

於二零零一年一月一日前產生之收購商譽已於儲備中對銷。若該商譽有耗蝕，所產生之任何減值均記入損益帳。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Intangibles (continued)

(i) Goodwill/negative goodwill (continued)

Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition.

For acquisitions after 1 January 2001, negative goodwill is presented in the same balance sheet classification as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, that portion of negative goodwill is recognised in the profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss account over the remaining weighted average useful life of those assets; negative goodwill in excess of the fair values of those non-monetary assets is recognised in the profit and loss account immediately.

For acquisitions prior to 1 January 2001, negative goodwill was taken directly to reserves on acquisition.

(ii) Impairment of intangible assets

Where an indication of impairment exists, the carrying amount of any intangible asset, including goodwill previously written off against reserves, is assessed and written down immediately to its recoverable amount.

2. 主要會計政策 (續)

(c) 無形資產 (續)

(i) 商譽／負商譽 (續)

負商譽指本集團應佔所購淨資產之公平值超出收購成本之數額。

於二零零一年一月一日後進行之收購，負商譽於資產負債表內之分類方式與商譽一樣。涉及本集團收購計劃內已識別之預期未來虧損及開支並能可靠地量度之負商譽，會於未來虧損及開支可予確認時在損益帳確認，惟此等負商譽不代表收購日之可予識別負債。任何剩餘負商譽，以不超過購入非貨幣性資產之公平值為限，按該等資產餘下之加權平均可用年期在損益帳內確認；而超出該等非貨幣性資產公平值之負商譽乃即時於損益帳內確認。

在二零零一年一月一日前進行之收購，負商譽已直接計入收購儲備。

(ii) 無形資產耗蝕

如有跡象顯示出現耗蝕，則無形資產之帳面值，包括之前已在儲備記帳之商譽，均需評估及即時撇減至可收回價值。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Fixed assets

(i) Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are valued annually by independent valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

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

(ii) Property, plant and equipment

Property, plant and equipment, comprising leasehold land and buildings, leasehold improvements, plant and machinery, furniture and equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

2. 主要會計政策 (續)

(d) 固定資產

(i) 投資物業

投資物業乃在土地及樓宇中所佔之權益，而該等土地及樓宇之建築工程及發展經已完成，因其具有投資價值而持有，任何租金收入均按公平原則磋商。

投資物業皆由獨立估值師每年進行估值一次。估值是以個別物業之公開市值為計算基準，而土地及樓宇並不分開估值。估值會用於年度帳目內。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從經營溢利中扣除。其後任何增值將撥入經營溢利，惟最高以先前扣減之金額為限。

在出售投資物業時，重估儲備中與先前估值有關之已變現部份，將從投資物業重估儲備轉撥至損益帳。

(ii) 物業、廠房及設備

物業、廠房及設備，(包括租賃土地及樓宇、租賃樓宇裝修、廠房機械、傢俬設備及汽車)以成本值減累積折舊及累積減值虧損列帳。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Fixed assets (continued)

(iii) Depreciation

Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Leasehold land is depreciated over the period of leases. Fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold land	2%
Buildings	2 to 5% (over the period of leases)
Leasehold improvements	10 to 50% (over the period of leases)
Plant and machinery	10%
Furniture and equipment	10 to 25%
Motor vehicles	10 to 25%

The plant components are depreciated over the period to overhaul. Major costs incurred in restoring the plant components to its normal working condition to allow continued use of the overall asset are capitalised and depreciated over the period to the next overhaul.

Improvements are capitalised and depreciated over their expected useful lives to the Group.

2. 主要會計政策 (續)

(d) 固定資產 (續)

(iii) 折舊

租約尚餘20年或以下年期之投資物業均按租約尚餘年期折舊。

租賃土地按租約年期折舊，固定資產則以直線法於其估計可用年限內將其成本值減累積減值虧損撇銷。主要之折舊年率如下：

租賃土地	2%
樓宇	2至5% (按租約年期)
租賃樓宇裝修	10至50% (按租約年期)
廠房機械	10%
傢俬設備	10至25%
汽車	10至25%

機械零件按維修期折舊。將機械零件重修至其正常運作狀態使整體資產可繼續使用之重大支出均資本化，並按零件下次維修期限折舊。

資產改良支出均資本化，並按其對本集團之預計可用年期折舊。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Fixed assets (continued)

(iv) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

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

(e) Assets under leases

(i) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. The finance charges are charged to the profit and loss account over the lease periods.

A finance lease gives rise to depreciation expense for the asset as well as a finance cost for each accounting period. The depreciation policy for leased assets is the same as that for depreciable assets that are owned.

2. 主要會計政策 (續)

(d) 固定資產 (續)

(iv) 減值與出售盈虧

在每年結算日，透過集團內部及外界所獲得的資訊，評核固定資產有否耗蝕。如有跡象顯示固定資產出現耗蝕，則估算其可收回價值，及在合適情況下將減值虧損入帳以將資產減至其可收回價值。此等減值虧損在損益帳入帳。

除出售投資物業之溢利或虧損外，出售固定資產之溢利或虧損將列算於損益帳內。出售固定資產之溢利或虧損乃出售所得收入淨額與資產帳面值之差額。

(e) 租賃資產

(i) 融資租賃

融資租賃是指將擁有資產之風險及回報實質上轉讓予集團之租賃。融資租賃之資產在開始時按租賃資產之公平值或最低租賃付款之現值，以較低者入帳。每期租金均分攤為資本性支出及財務費用，以達到資本結欠額之常數比率。相應租賃承擔在扣除財務費用後計入長期負債內。財務費用於租約期內在損益帳中支銷。

以融資租賃持有之資產會於每個會計年度產生折舊及財務費用。租賃資產之折舊政策與自有之資產相同。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Assets under leases (continued)

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(f) Investments in securities

(i) Held-to-maturity securities

Held-to-maturity securities are investment in debt securities which the Group has the expressed intention and ability to hold to maturity. They are stated in the balance sheet at cost plus/less any discount/premium amortised to date. The discount or premium is amortised over the period to maturity and included as interest income/expense in the profit and loss account. Provision is made when there is a diminution in value other than temporary.

The carrying amounts of individual held-to-maturity securities or holdings of the same securities are reviewed at the balance sheet date in order to assess the credit risk and whether the carrying amounts are expected to be recovered. Provisions are made when carrying amounts are not expected to be recovered and are recognised in the profit and loss account as an expense immediately.

2. 主要會計政策 (續)

(e) 租賃資產 (續)

(ii) 營業租賃

營業租賃是指擁有資產之風險及回報實質上由出租公司保留之租賃。租賃款額在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在損益帳中支銷。

(f) 證券投資

(i) 持至到期日之證券

持至到期日之證券乃本集團已表明有持至到期日的意向，並有能力一直持有的債務證券投資。在資產負債表內按成本值加／減任何截至該日止已攤銷之折讓／溢價列帳。折讓或溢價按截至到期日止之期間攤銷，並在損益帳中列作利息收益／支出項目。如出現非短期性之減值，則作出撥備。

個別持至到期日之證券或持有同類證券之帳面值均於結算日檢討，以評估有關之信貸風險及其帳面值能否收回。倘若預期帳面值無法收回，則作出撥備，並即時在損益帳列作開支。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Investments in securities (continued)

(ii) Investment securities

Investment securities are stated at cost less any provision for impairment losses.

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 securities will be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to profit and loss account when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

(iii) Other investments

Other investments are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of other investments are recognised in the profit and loss account. Profits or losses on disposal of other investments, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

(g) Inventories

Inventories comprise stocks and work in progress and are stated at the lower of cost and net realisable value. Cost, calculated on the first-in, first-out basis, comprises materials, direct labour and an appropriate portion of production overheads expenditures. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

2. 主要會計政策 (續)

(f) 證券投資 (續)

(ii) 投資證券

投資證券按原值減任何減值虧損撥備入帳。

個別投資之帳面值在每年結算日均作檢討，以評估其公平值是否已下跌至低於其帳面值。假如下跌並非短期性，則有關證券之帳面值須削減至其公平值。減值虧損在損益帳中列作開支。當引致撇減或撇銷之情況及事件不再存在，而有可信證據顯示新的情況和事件會於可預見將來持續，則將此項減值虧損撥回損益帳。

(iii) 其它投資

其它投資按公平值列帳。在每年結算日，其它投資之公平值變動而引致之未變現盈虧淨額均在損益帳入帳。出售其它投資之盈利或虧損指出售所得款項淨額與帳面值之差額，並在產生時於損益帳入帳。

(g) 存貨

存貨包括製成品及在製品，按成本值與可變現淨值兩者之較低者入帳。成本值以先進先出法計算，並包括原材料、直接人工及生產經常開支之應佔部份。可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes the original costs of land and buildings, development and construction expenditures incurred, and interests and other direct costs attributable to such properties. Net realisable value is the estimated price at which a property can be realised less related expenses.

(i) Accounts receivable

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

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts.

(k) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2. 主要會計政策 (續)

(h) 待售物業

待售物業按成本值與可變現淨值兩者的較低者入帳。成本包括土地及樓宇之原值、所產生的發展和建築費用及利息和物業有關的其它直接成本。可變現淨值乃物業可實現之估計價值扣減相關費用。

(i) 應收帳項

凡被視為呆帳之應收帳項，均提撥備。在資產負債表內列帳之應收帳項已扣除有關之撥備。

(j) 現金及現金等值

現金及現金等值按成本在資產負債表內列帳。在現金流量表中，現金及現金等值包括庫存現金、銀行通知存款、由投資日起三個月或以內到期之現金投資及銀行透支。

(k) 撥備

當集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(I) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(ii) Bonus plans

Provisions for bonus plans due wholly within twelve months after balance sheet date are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Pension obligations

The Group operates a number of defined contribution plans, the assets of which are generally held in separate trustee - administered funds.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. When the contributions do not fall due wholly within twelve months after the end of period in which the employees render the related service, the contributions are discounted using the discount rate determined by reference to market yields at the balance sheet date on high quality investments.

2. 主要會計政策 (續)

(I) 僱員福利

(i) 僱員應享假期

僱員在年假和長期服務休假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假或陪妻分娩假不作確認，直至僱員正式休假為止。

(ii) 獎金計劃

當本集團為僱員已提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，則將在結算日後十二個月內應付之獎金計劃作撥備入帳。

(iii) 退休金責任

集團營運多項界定供款退休計劃，計劃之資產一般由獨立管理之基金持有。

集團向該退休計劃作出之供款在發生時作為費用支銷，而員工在全數取得既得之利益前退出計劃而被沒收之僱主供款將會用作扣減此供款。倘供款無需在僱員提供有關服務期末後十二個月內全數支付，則供款採用折讓率折讓，該折讓率參考高質投資項目於結算日之市場收益率釐定。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(n) Revenue recognition

Revenue is recognised when the outcome of a transaction can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue is recognised on the following bases:

- (i) Sale of goods – income from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to customers.
- (ii) Sale of properties – sale of completed properties held for sale is recognised when a legally-binding agreement has been executed.

2. 主要會計政策 (續)

(m) 或然負債及或然資產

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件是否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未入帳。

或然負債不會被確認，但會在帳目附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確立為撥備。

或然資產指因已發生的事件而可能產生之資產，此等資產需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。

或然資產不會被確認，但會於可能收到經濟效益時在帳目附註中披露。若實質確定有收到經濟效益時，此等效益才被確立為資產。

(n) 收益確認

當交易之結果得以可靠地衡量及當本集團可能會收到該交易的經濟效益時，便會確認收益。收益按以下基準確認：

- (i) 銷貨 – 銷貨收益在擁有權之重大風險及回報轉移至客戶時確認。
- (ii) 出售物業 – 出售待售物業之收益於已經簽立具法律效力的協議時確認。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Revenue recognition (continued)

- (iii) Commission income – commission income from the operation of metal exchange portals is recognised when the related services are rendered.
- (iv) Consultancy and other service income – service income is recognised when the related services are rendered.
- (v) Rental income – rental income is recognised on a straight line basis over the lease term.
- (vi) Dividend income – dividend income is recognised when the right to receive payment is established.
- (vii) Interest income – interest income from bank deposits is recognised on a time proportion basis on the principal outstanding and at the rates applicable. Interest income from other investments is accounted for to the extent of interest received and receivable.
- (viii) Sale of investments – gain on sale of investments is recognised on the transaction date when the relevant contract notes are executed.

(o) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

Fees paid for the arrangement of syndicated loan facilities are deferred and amortised on a straight-line basis over the period of the loans.

2. 主要會計政策 (續)

(n) 收益確認 (續)

- (iii) 佣金收入 – 經營金屬電子交易所佣金收入在提供相關服務時確認。
- (iv) 顧問及其它服務收入 – 服務收入在提供相關服務時確認。
- (v) 租金收入 – 租金收入按租約年期以直線法確認。
- (vi) 股息收入 – 股息收入乃於收款權利確立時確認。
- (vii) 利息收入 – 銀行存款利息收入根據相關本金和息率按存期計算。其它投資利息收入按應計基準確認。
- (viii) 出售投資 – 出售投資收益在執行有關之買賣合約時確認。

(o) 借貸成本

凡直接與購置、興建或生產某項資產（該資產必須經過頗長時間籌備以作預定用途或出售）有關之借貸成本，均資本化為資產之部分成本。

所有其它借貸成本均於發生年度內在損益帳支銷。

安排銀團貸款所支付的費用均會遞延，並按貸款期以直線法攤銷。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(p) Deferred taxation

Deferred taxation 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 accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

In prior years, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the revised SSAP 12 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

As detailed in note 32 to the accounts, opening retained earnings at 1 January 2002 and 2003 have been reduced by HK\$515,000 and HK\$1,847,000, respectively as a result of such change in accounting policy. In addition, this change has resulted in an increase in deferred tax assets and deferred tax liabilities at 31st December 2002 by HK\$2,478,000 and HK\$36,615,000 respectively. The profit and amount charged to equity for the year ended 31 December 2002 have been decreased by HK\$1,332,000 and increased by HK\$4,147,000 respectively.

2. 主要會計政策 (續)

(p) 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在帳目之帳面值兩者之短暫時差作全數撥備。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

往年度，遞延稅項乃因應就課稅而計算之盈利與帳目所示之盈利二者間之時差，根據預期於可預見將來支付或可收回之負債及資產而按現行稅率計算。採納新訂之會計準則第12號構成會計政策之變動並已追溯應用，故比較數字已重列以符合經修訂之政策。

如帳目附註32所詳述，基於此會計政策之變更，二零零二年及二零零三年一月一日之期初保留溢利已分別減少港幣515,000元及港幣1,847,000元。此外，是項調整亦導致二零零二年十二月三十一日之遞延稅項資產及遞延稅項負債分別增加港幣2,478,000元及港幣36,615,000元。截至二零零二年十二月三十一日止年度之溢利及計入權益之金額分別已減少港幣1,332,000元及增加港幣4,147,000元。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(q) Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Unallocated expenses represent corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories, receivables and operating cash, and mainly exclude investments in securities. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment.

In respect of geographical segment reporting, sales are determined on the basis of the destination of delivery of merchandise. Total assets and capital expenditure are where the assets are located.

2. 主要會計政策 (續)

(q) 分部報告

按照本集團之內部財務報告，本集團已決定將業務分部資料作為主要分部報告，而地區分佈資料則作為從屬形式呈列。

未分配支出指集團整體性開支。分部資產主要包括物業、廠房及設備、存貨、應收款項及經營現金，不包括之項目主要為證券之投資。分部負債指經營負債，而不包括例如稅項及部份集團整體性之借款等項目。資本性開支包括購入物業、廠房及設備的費用。

至於地區分部報告，銷售額乃按照貨物運送之目的地計算。總資產及資本性開支按資產所在地計算。

3. TURNOVER AND REVENUE

Revenues recognised during the year are as follows:

3. 營業額及收益

本年度確認之收益如下：

		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Turnover	營業額		
Sale of goods	銷貨	3,857,343	3,692,932
Sale of properties held for sale	出售待售物業	15,435	29,248
Rental income from investment properties	投資物業租金收入	11,969	11,566
Commission income from metal exchange portals	金屬電子交易所佣金收入	-	3,425
Service income	服務收入	4,352	8,650
		3,889,099	3,745,821
Other revenue	其它收益		
Interest income	利息收入	462	1,167
Dividend income	股息收入	3	18
Others	其它	6,848	5,493
		7,313	6,678
Total revenue	收益總額	3,896,412	3,752,499

4. SEGMENT INFORMATION

(a) Primary segment

The Group is organised into four major operating units: (i) steel trading, warehousing and distribution; (ii) steel manufacturing and processing; (iii) property development, and (iv) property investment. An analysis by business segment is as follows:

4. 分部資料

(a) 主要分部

本集團由四個主要營運單位組成：(i)鋼鐵貿易、倉儲及分銷；(ii)鋼鐵加工製造；(iii)房地產開發；及(iv)房地產投資。按業務劃分的分析如下：

		2003		2002	
		External sales 對外銷售 HK\$'000 港幣千元	Internal segment sales 內部銷售 HK\$'000 港幣千元	External sales 對外銷售 HK\$'000 港幣千元	Internal segment sales 內部銷售 HK\$'000 港幣千元
Turnover	營業額				
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	3,486,966	603,789	3,426,376	76,188
- Steel manufacturing and processing	- 鋼鐵加工製造	354,433	-	249,170	6,669
- Property development	- 房地產開發	15,435	-	29,248	-
- Property investment	- 房地產投資	11,969	280	11,566	-
- Others	- 其它	20,296	1,429	29,461	3,097
		3,889,099	605,498	3,745,821	85,954
Inter-segment elimination	內部撇銷	-	(605,498)	-	(85,954)
		3,889,099	-	3,745,821	-

4. SEGMENT INFORMATION (continued)

4. 分部資料 (續)

(a) Primary segment (continued)

(a) 主要分部 (續)

		2003 HK\$'000 港幣千元	As restated 經重列 2002 HK\$'000 港幣千元
Operating (loss)/profit	經營(虧損)/溢利		
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	(21,805)	94,453
- Steel manufacturing and processing	- 鋼鐵加工製造	11,428	32,350
- Property development	- 房地產開發	3,009	6,274
- Property investment	- 房地產投資	5,881	10,119
- Others	- 其它	(2,435)	2,866
- Unallocated expenses	- 未分配支出	(66,484)	(42,287)
		(70,406)	103,775
Depreciation and amortisation	折舊及攤銷		
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	739	383
- Steel manufacturing and processing	- 鋼鐵加工製造	8,028	6,585
- Property development	- 房地產開發	159	152
- Property investment	- 房地產投資	35	-
- Others	- 其它	870	940
- Unallocated depreciation and amortisation	- 未分配折舊及攤銷	3,365	5,694
		13,196	13,754
Capital expenditures	資本開支		
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	1,574	1,356
- Steel manufacturing and processing	- 鋼鐵加工製造	15,031	10,397
- Property development	- 房地產開發	449	401
- Property investment	- 房地產投資	29	-
- Others	- 其它	5,328	21
- Unallocated capital expenditures	- 未分配資本開支	76	1,219
		22,487	13,394

4. SEGMENT INFORMATION (continued)

4. 分部資料 (續)

(a) Primary segment (continued)

(a) 主要分部 (續)

		2003 HK\$'000 港幣千元	As restated 經重列 2002 HK\$'000 港幣千元
Assets	資產		
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	1,200,236	1,139,906
- Steel manufacturing and processing	- 鋼鐵加工製造	321,058	197,862
- Property development	- 房地產開發	63,988	64,738
- Property investment	- 房地產投資	428,553	497,790
- Others	- 其它	12,624	1,561
- Unallocated assets	- 未分配資產	167,326	197,612
		2,193,785	2,099,469
Liabilities	負債		
- Steel trading, warehousing and distribution	- 鋼鐵貿易、倉儲及分銷	728,625	625,754
- Steel manufacturing and processing	- 鋼鐵加工製造	267,148	135,836
- Property development	- 房地產開發	29,646	77,044
- Property investment	- 房地產投資	175,396	172,789
- Others	- 其它	15,653	1,728
- Unallocated liabilities	- 未分配負債	185,051	176,573
		1,401,519	1,189,724

4. SEGMENT INFORMATION (continued)

(b) Secondary segment

The Group has business operations in Mainland China, Hong Kong, Asia (other than Mainland China and Hong Kong) and other regions. An analysis by geographical location is as follows:

4. 分部資料 (續)

(b) 從屬分部

本集團於中國、香港、亞洲(不包括中國及香港)及其它地區有業務運作。按地區劃分的分析如下:

		2003 HK\$'000 港幣千元	As restated 經重列 2002 HK\$'000 港幣千元
Turnover	營業額		
- Mainland China	- 中國	3,465,537	3,367,863
- Hong Kong	- 香港	90,397	76,546
- Asia (other than Mainland China and Hong Kong)	- 亞洲(不包括中國及香港)	262,343	270,124
- Others	- 其它	70,822	31,288
		3,889,099	3,745,821
Operating (loss)/profit	經營(虧損)/溢利		
- Mainland China	- 中國	(13,564)	131,482
- Hong Kong	- 香港	8,841	10,107
- Asia (other than Mainland China and Hong Kong)	- 亞洲(不包括中國及香港)	631	4,285
- Others	- 其它	170	188
- Unallocated expenses	- 未分配支出	(66,484)	(42,287)
		(70,406)	103,775
Capital expenditures	資本開支		
- Mainland China	- 中國	19,930	11,008
- Hong Kong	- 香港	1,927	2,063
- Others	- 其它	630	323
		22,487	13,394
Assets	資產		
- Mainland China	- 中國	618,053	534,488
- Hong Kong	- 香港	1,553,184	1,557,181
- Others	- 其它	22,548	7,800
		2,193,785	2,099,469

5. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is determined after charging and crediting the following:

5. 經營(虧損)/溢利

經營(虧損)/溢利已扣除及計入下列各項:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
After charging -	已扣除:		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊		
- owned assets	- 自置資產	11,673	11,841
- assets held under finance leases	- 融資租賃資產	1,523	442
Net loss on disposals of property, plant and equipment	出售物業、廠房及設備之淨虧損	870	1,278
Amortisation of intangible assets	無形資產攤銷	-	1,471
Operating lease rentals for land and buildings	土地及樓宇營業租賃租金	9,974	3,692
Staff costs (including directors' emoluments) (Note 7)	員工成本(包括董事酬金)(附註7)	69,895	62,362
Loss on disposals of investments	出售投資虧損	7	545
Net unrealised loss on other investments	未變現其它投資淨虧損	-	691
Loss on disposal of investment properties	出售投資物業虧損	1,817	-
Provision for impairment loss of investments	投資減值虧損撥備	20,419	6,807
Provision for doubtful debts	壞帳撥備	5,345	-
Net exchange loss	匯兌淨虧損	320	4,720
Auditors' remuneration	核數師酬金	790	750
After crediting -	已計入:		
Dividend income	股息收入		
- listed investments	- 上市投資	3	18
Interest income	利息收入		
- bank deposits	- 銀行存款	462	775
- other investments	- 其它投資	-	392
Gross rental income	租金總收入	11,969	11,566
Less: outgoings	減: 支出	(467)	(521)
Net rental income	租金淨收入	11,502	11,045
Net unrealised gain on other investments	未變現其它投資淨溢利	833	-
Gain on disposals of investment properties	出售投資物業溢利	-	117
Gain on deemed disposal of a subsidiary	視為出售附屬公司溢利	-	505

6. FINANCE COSTS

6. 財務成本

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Interest on:	利息：		
- Bank loans repayable within five years	- 於五年內償還的銀行貸款	28,487	17,642
- Bank loans repayable after five years	- 於五年後償還的銀行貸款	3,169	4,652
- Other loans from a minority shareholder of a subsidiary and an associate	- 附屬公司少數股東及聯營公司的其它貸款	61	308
- Obligations under finance leases	- 融資租賃承擔	332	57
Total interest incurred during the year	本年內產生的利息總額	32,049	22,659
Amortisation of deferred borrowing costs	遞延借貸成本攤銷	1,405	104
		33,454	22,763

7. STAFF COSTS

7. 員工成本

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Wages and salaries	薪金工資	63,508	56,220
Unutilised annual leave	未用年假	830	1,500
Pension costs - defined contribution plans (Note 36)	退休成本 - 界定供款計劃 (附註 36)	2,415	1,824
Staff welfare	員工福利	3,142	2,818
		69,895	62,362

8. EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

8. 董事及高層管理人員之酬金

(a) Details of emoluments paid/payable to directors of the Company are as follows:

(a) 公司董事酬金之資料如下：

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Directors' fees	袍金給予		
- independent non-executive directors	- 獨立非執行董事	432	432
- other non-executive directors	- 其它非執行董事	120	120
Other emoluments payables to executive directors	支付予執行董事之其它酬金		
- basic salaries, allowances and other benefits in kind	- 基本薪金、津貼及其它實物利益	18,225	21,307
- contribution to retirement scheme	- 退休計劃供款	672	695
		19,449	22,554

During the year, no directors waived any emoluments. No incentive payment for joining the Group or compensation for loss of office was paid or payable to any director during the year.

於年內，無董事放棄任何酬金。集團在本年內沒有支付或應付加盟酬金或離職補償予任何董事。

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

按董事人數及酬金範圍分析董事酬金如下：

		Number of directors 董事人數	
		2003	2002
HK\$Nil - HK\$1,000,000	港幣零元 - 港幣1,000,000元	5	4
HK\$1,000,001 - HK\$1,500,000	港幣1,000,001元 - 港幣1,500,000元	5	5
HK\$1,500,001 - HK\$2,000,000	港幣1,500,001元 - 港幣2,000,000元	1	2
HK\$4,000,001 - HK\$4,500,000	港幣4,000,001元 - 港幣4,500,000元	1	1
HK\$5,500,001 - HK\$6,000,000	港幣5,500,001元 - 港幣6,000,000元	1	-
HK\$6,000,001 - HK\$6,500,000	港幣6,000,001元 - 港幣6,500,000元	-	1

8. EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

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

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Basic salaries, allowances and other benefits in kind	基本薪金、津貼及其它實物利益	12,189	12,863
Discretionary bonuses	酌情花紅	2,566	2,458
Contribution to retirement scheme	退休計劃供款	485	510
		15,240	15,831

The emoluments paid/payable to the five highest paid individuals included 3 (2002: all) executive directors of the Company, details of whose emoluments have been included in Note 8(a) above.

五位最高收入人士中三位(二零零二年:全部)為公司執行董事,其酬金資料已包括於上述附註8(a)。

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

按人數及酬金範圍分析五位最高收入人士(包括董事及其它員工)之酬金,如下:

		Number of individuals 人數	
		2003	2002
HK\$1,000,001 - HK\$1,500,000	港幣 1,000,001元 - 港幣 1,500,000元	-	1
HK\$1,500,001 - HK\$2,000,000	港幣 1,500,001元 - 港幣 2,000,000元	3	2
HK\$4,000,001 - HK\$4,500,000	港幣 4,000,001元 - 港幣 4,500,000元	1	1
HK\$5,500,001 - HK\$6,000,000	港幣 5,500,001元 - 港幣 6,000,000元	1	-
HK\$6,000,001 - HK\$6,500,000	港幣 6,000,001元 - 港幣 6,500,000元	-	1

9. TAXATION

The Company is exempted from taxation in Bermuda until 2016. The Company's subsidiaries established in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income taxes. Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profit for the year. In 2003, the Hong Kong Government enacted a change in the profit tax rate from 16% to 17.5% for the fiscal year 2003/2004. Subsidiaries of the Group in Mainland China are subject to Mainland China enterprise income tax ranging from 15% to 33% (2002: 15% to 33%) on their taxable income determined according to Mainland China tax laws. Other overseas taxation has been calculated on the estimated assessable profits for the year at the rates prevailing in the respective jurisdictions.

Under the relevant tax rules in Mainland China, a subsidiary of the Group is subject to Mainland China land appreciation tax ("LAT"). However, up to the year ended 31 December 2003, the Group had not been required by the local tax bureau to make any tax payments in respect of the LAT. Taking into account the common practice of the levy of LAT in various cities in Mainland China, the Company's directors consider it is unlikely that the Group will be required to make any payment in respect of Mainland China LAT, and, accordingly, no provision on any LAT was made in the accompanying accounts (2002: Nil).

9. 稅項

本公司可免繳百慕達稅項直至二零一六年。按英屬處女群島國際商業公司法，於英屬處女群島成立之附屬公司可免繳英屬處女群島所得稅。香港利得稅按本年預計應課稅溢利之17.5%（二零零二年：16%）撥備。二零零三年，香港政府將二零零三／零四年財政年度的利得稅稅率由16%提高至17.5%。本集團於中國之附屬公司須繳交中國企業所得稅，按中國稅法確定應課稅所得之15%至33%（二零零二年：15%至33%）計算。其它海外稅項按本年度預計應課稅溢利以有關司法權區適用之稅率計算。

在中國相關稅例下，集團一附屬公司或須繳交中國土地增值稅。但截至二零零三年十二月三十一日止年度，地稅局從未要求本集團繳納任何土地增值稅稅款。經考慮中國各城市徵收土地增值稅之普遍慣例，公司董事認為本集團應不會被要求繳納任何中國土地增值稅，因此，本帳目並沒有為任何土地增值稅撥備（二零零二年：無）。

9. TAXATION (continued)

The amount of taxation charged/(credited) to the consolidated profit and loss account represents:

9. 稅項 (續)

於綜合損益帳扣除／(記帳)之稅金如下：

		2003 HK\$'000 港幣千元	As restated 經重列 2002 HK\$'000 港幣千元
Current taxation	本年稅項		
- Hong Kong profits tax	- 香港利得稅	-	954
- Overseas taxation	- 海外稅項		
- Mainland China	- 中國	-	2,905
- Others	- 其它	-	71
		-	3,930
Under/(over) provision in prior years	前年度撥備不足／ (超額撥備)		
- Hong Kong profits tax	- 香港利得稅	401	(1,254)
- Mainland China taxation	- 中國稅項	(3,055)	(801)
		(2,654)	(2,055)
		(2,654)	1,875
Deferred taxation relating to the origination and reversal of temporary differences	遞延稅項暫時差異的 產生及轉回	(6,112)	2,323
Deferred taxation resulting from increase in tax rate	稅率提高產生之 遞延稅項	(79)	-
		(8,845)	4,198
Share of taxation attributable to associates	所佔聯營公司稅項	1,074	633
		(7,771)	4,831

9. TAXATION (continued)

The taxation on the Group's (loss)/profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
(Loss)/profit before taxation	除稅前(虧損)/溢利	(102,862)	83,207
Calculated at a taxation rate of 17.5% (2002: 16%)	按稅率17.5%(二零零二年: 16%)計算之稅項	(18,001)	13,313
Effect of different taxation rates in other countries	其它國家不同稅率之影響	2,629	1,216
Income not subject to taxation	無須課稅之收入	(6,339)	(14,294)
Expenses not deductible for taxation purposes	不可扣稅之支出	9,820	2,126
Unrecognised tax loss	未確認稅損	5,727	4,316
Overprovision in prior years	前年度超額撥備	(2,654)	(2,055)
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(140)	-
Decrease in opening net deferred tax liabilities resulting from an increase in tax rate	稅率提高產生之期初遞延稅項負債淨額之減少	(79)	-
Other items	其它	1,266	209
Taxation	稅項	(7,771)	4,831

9. 稅項(續)

本集團有關除稅前(虧損)/溢利之稅項與假若採用本公司本土國家之稅率而計算之理論稅額之差額如下:

10. (LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The (loss)/profit attributable to shareholders is dealt with in the accounts of the Company to the extent of a profit of HK\$24,387,000 (2002: a loss of HK\$10,601,000).

11. DIVIDENDS

Final, proposed, of Nil (2002: HK4 cents) per ordinary share

10. 股東應佔(虧損)/溢利

已於本公司帳目反映之股東應佔(虧損)/溢利達溢利港幣24,387,000元(二零零二年:虧損港幣10,601,000元)。

11. 股息

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Final, proposed, of Nil (2002: HK4 cents) per ordinary share	建議末期股息每普通股港幣零仙(二零零二年:港幣4仙)	-	42,157

12. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the consolidated loss attributable to shareholders of approximately HK\$89,710,000 (2002: a profit of HK\$76,851,000 as restated) and the weighted average number of 1,054,579,281 (2002: 992,805,972) shares in issue during the year.

The diluted loss per share for the year ended 31 December 2003 is not presented because the exercise of employee share options granted by the Company would have an anti-dilutive effect on the loss per share for the year.

The calculation of diluted earnings per share for the year ended 31 December 2002 was based on the consolidated profit attributable to shareholders of approximately HK\$76,851,000 as restated and the weighted average number of 992,805,972 shares in issue during the year plus the weighted average number of 21,633,886 shares deemed to be issued at no consideration if all outstanding options had been exercised.

A reconciliation of the weighted average number of shares used in calculating the basic earnings per share and the diluted earnings per share for the year ended 31 December 2002 is as follows:

		Number of shares 股份數目
Weighted average number of shares used in calculating basic earnings per share	用以計算每股基本盈利之普通股加權平均數	992,805,972
Adjustment for potential dilutive effect in respect of outstanding employee share options	就未行使員工購股權之潛在攤薄影響作出調整	21,633,886
Weighted average number of shares used in calculating diluted earnings per share	用以計算每股攤薄後盈利之普通股加權平均數	1,014,439,858

12. 每股(虧損)/盈利

每股基本(虧損)/盈利乃根據股東應佔綜合虧損約港幣89,710,000元(二零零二年:經重列溢利港幣76,851,000元)及年內已發行普通股加權平均數1,054,579,281股(二零零二年:992,805,972股)計算。

由於行使本公司授予之員工購股權對本年度每股虧損為反向攤薄影響,故未有呈列截至二零零三年十二月三十一日止年度之每股攤薄後虧損。

截至二零零二年十二月三十一日止年度之每股攤薄後盈利乃根據股東應佔綜合溢利約港幣76,851,000元(經重列)及年內已發行普通股加權平均數992,805,972股,加上假設所有未行使之購股權皆已行使並當作無償發行之加權平均數21,633,886股計算。

用於計算截至二零零二年十二月三十一日止年度之每股基本盈利及每股攤薄後盈利之普通股加權平均數計算如下:

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Group 集團					Total 總數
		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 港幣千元	Leasehold improvements 租賃樓宇 裝修 HK\$'000 港幣千元	Plant and machinery 廠房機械 HK\$'000 港幣千元	Furniture and equipment 傢俬設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	
Cost	原值						
At 1 January 2003	於二零零三年 一月一日	166,727	4,203	54,978	13,570	13,232	252,710
Additions	新增	6,222	4,638	7,955	1,414	2,258	22,487
Disposals	出售	-	(860)	(499)	(2,073)	(610)	(4,042)
Transfers	轉撥	-	(46)	-	46	-	-
Translation adjustments	匯兌調整	-	(55)	-	(9)	34	(30)
At 31 December 2003	於二零零三年 十二月三十一日	172,949	7,880	62,434	12,948	14,914	271,125
Accumulated depreciation	累計折舊						
At 1 January 2003	於二零零三年 一月一日	35,386	3,430	35,355	9,654	7,534	91,359
Charge for the year	本年度提計	4,607	781	4,300	1,183	2,325	13,196
Disposals	出售	-	(528)	(42)	(1,675)	(422)	(2,667)
Translation adjustments	匯兌調整	-	(1)	-	28	1	28
At 31 December 2003	於二零零三年 十二月三十一日	39,993	3,682	39,613	9,190	9,438	101,916
Net book value	帳面淨值						
At 31 December 2003	於二零零三年 十二月三十一日	132,956	4,198	22,821	3,758	5,476	169,209
At 31 December 2002	於二零零二年 十二月三十一日	131,341	773	19,623	3,916	5,698	161,351

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The geographical location and tenure of leasehold land and buildings are analysed at their net book values as follows:

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Hong Kong – held on leases of over 50 years	香港 – 以超過五十年之租約持有	76,747	79,111
Mainland China – held on leases of between 10 and 50 years	中國 – 以十至五十年之租約持有	56,209	52,230
		132,956	131,341

Land and buildings in Mainland China are held under two land use rights for a period of 50 years up to November 2043 and June 2047, respectively.

13. 物業、廠房及設備 (續)

租賃土地及樓宇之地區及年期按其帳面淨值之分析如下：

在中國之土地及樓宇以兩個土地使用權持有，年期分別為五十年至二零四三年十一月及二零四七年六月。

As at 31 December 2003, certain leasehold land and buildings with a net book value of approximately HK\$105,300,000 (2002: HK\$108,028,000) were pledged to secure certain of the Group's banking facilities (Note 35).

於二零零三年十二月三十一日，部份租賃土地及樓宇帳面淨值約港幣105,300,000元（二零零二年：港幣108,028,000元）已為部份集團銀行融資作抵押（附註35）。

Certain motor vehicles and machinery were purchased under finance leases. Details of these assets are as follows:

部份汽車及機械以融資租賃方法購買。該資產的資料如下：

		Motor vehicles 汽車 HK\$'000 港幣千元	Machinery 機械 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Cost	原值	3,062	9,641	12,703
Less: Accumulated depreciation	減：累計折舊	(1,034)	(932)	(1,966)
		2,028	8,709	10,737
Depreciation for the year	本年度折舊	653	871	1,524

14. INVESTMENT PROPERTIES

14. 投資物業

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
At valuation	估值		
Beginning of year	年初	433,841	464,954
Transfer from property, plant and equipment	從物業、廠房及設備轉入	-	12,929
Transfer to properties held for sale	轉撥至待售物業	(6,709)	-
Disposals	出售	(13,404)	(4,330)
Surplus/(deficit) on revaluation	重估盈餘/(虧損)	12,415	(39,712)
End of year	年末	426,143	433,841

The geographical location and tenure of investment properties are analysed as follows:

投資物業之地區及年期分析如下：

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Hong Kong	香港		
- held on leases of over 50 years	- 以超過五十年之 租約持有	155,000	145,400
Mainland China	中國		
- held on leases of over 50 years	- 以超過五十年之 租約持有	10,050	9,850
- held on leases of between 10 and 50 years	- 以十至五十年之 租約持有	261,093	278,591
		426,143	433,841

14. INVESTMENT PROPERTIES (continued)

Investment properties in Mainland China are held under land use rights for a period of 40 years up to April 2039 and 64 years up to December 2062.

Investment properties in Mainland China were stated at open market value as at 31 December 2003 as determined by 江蘇鼎信會計師事務所有限公司, independent qualified valuers. Investment properties in Hong Kong were stated at open market value at 31 December 2003 as determined by LCH (Asia-Pacific) Surveyors Limited, independent qualified valuers.

As at 31 December 2003, investment properties of approximately HK\$362,980,000 (2002: HK\$261,752,000) were pledged as collateral for the Group's banking facilities (see Note 35).

The Group leased out certain investment properties under operating leases, for an initial period of one to fifteen years, with an option to renew after all terms are renegotiated. During the year ended 31 December 2003, the gross rental income from investment properties amounted to approximately HK\$11,969,000 (2002: HK\$11,566,000), including contingent rentals of approximately HK\$2,077,000 (2002: HK\$ 2,158,000). As at 31 December 2003, the Group's future aggregate minimum lease receipts under non-cancellable operating leases were as follows:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Not later than one year	不超過一年	5,566	10,275
Later than one year and not later than five years	一年後但不超過五年	5,942	6,526
Later than five years	五年後	6,187	4,486
		17,695	21,287

14. 投資物業 (續)

在中國之投資物業乃按四十年期直至二零三九年四月及六十四年期至二零六二年十二月之土地使用權持有。

在中國之投資物業是以獨立合資格估值師江蘇鼎信會計師事務所有限公司所測定於二零零三年十二月三十一日之公開市值列報。在香港之投資物業是以獨立合資格估值師利駿行測量師有限公司所測定於二零零三年十二月三十一日之公開市值列報。

於二零零三年十二月三十一日，投資物業約港幣362,980,000元（二零零二年：港幣261,752,000元）已予抵押，作為本集團之銀行融資抵押品（見附註35）。

本集團以營業租賃方式出租部份投資物業，為一至十五年期，並於條款重新洽商後有續約權。於二零零三年十二月三十一日止年度，投資物業之總租金收入達約港幣11,969,000元（二零零二年：港幣11,566,000元），包括或然租金約港幣2,077,000元（二零零二年：港幣2,158,000元）。於二零零三年十二月三十一日，本集團根據不可撤銷之營業租賃而於未來收取之最低租賃款項總額如下：

15. INVESTMENTS IN SUBSIDIARIES

15. 於附屬公司投資

		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份·原值	42,415	42,415
Due from subsidiaries	附屬公司欠款	958,032	1,064,277
Due to subsidiaries	欠附屬公司款	(132,085)	(224,422)
		868,362	882,270
Less: Provision for doubtful debts	減:壞帳撥備	(133,393)	(133,393)
		734,969	748,877

The underlying value of the investments in subsidiaries is, in the opinion of the Directors, not less than its carrying value as at 31 December 2003.

董事認為於附屬公司投資之潛在價值並不少於在二零零三年十二月三十一日之帳面值。

The outstanding balances with subsidiaries are unsecured, non-interest bearing, and are not repayable within one year.

與附屬公司結欠均無抵押、免利息及不須於一年內還款。

15. INVESTMENTS IN SUBSIDIARIES (continued)

The following is a list of the principal subsidiaries as at 31 December 2003:

Name of company 公司名稱	Place of incorporation/ operations and kind of legal entity 註冊成立/經營 地點及法定地位	Issued and fully paid capital 已發行及 已繳足股本	Percentage of equity interest/voting capital attributable to the Group 本集團擁有之權益/ 有投票權股本百分比	Principal activities 主要業務性質
<i>Directly held:</i> 直接持有:				
Burwill & Company Limited	Hong Kong limited liability company 香港有限責任公司	HK\$50,000,000 and £50,000 港幣50,000,000元及50,000英鎊	100%	Investment holding 投資控股
Burwill HK Portfolio Limited	The British Virgin Islands limited liability company 英屬處女群島有限責任公司	US\$2 2美元	100%	Investment holding 投資控股
<i>Indirectly held:</i> 間接持有:				
Burwill Resources Limited 寶威物料供應有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$1,000,000 港幣1,000,000元	100%	Steel trading 鋼鐵貿易
Burwill Steel Pipes Limited 寶威鋼管有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$15,000,000 港幣15,000,000元	100%	Steel manufacturing and processing 鋼鐵加工製造
Burwill Warehousing (Shanghai) Limited (i) 寶威倉儲(上海)有限公司(i)	Mainland China 中國	US\$400,000 400,000美元	100%	Steel warehousing and distribution 鋼鐵倉儲及分銷
寶威(廣州)物料供應有限公司(i)	Mainland China 中國	US\$500,000 500,000美元	100%	Steel trading 鋼鐵貿易

15. 於附屬公司投資 (續)

於二零零三年十二月三十一日之主要附屬公司如下:

15. INVESTMENTS IN SUBSIDIARIES (continued)

15. 於附屬公司投資 (續)

Name of company 公司名稱	Place of incorporation/ operations and kind of legal entity 註冊成立/經營 地點及法定地位	Issued and fully paid capital 已發行及 已繳足股本	Percentage of equity interest/voting capital attributable to the Group 本集團擁有之權益/ 有投票權股本百分比	Principal activities 主要業務性質
<i>Indirectly held: (continued)</i> 間接持有: (續)				
Camety Company Limited	Hong Kong limited liability company 香港有限責任公司	HK\$20 港幣20元	100%	Property holding 持有物業
寶威鋼鐵製品(東莞)有限公司 (Formerly known as 東莞東城寶威鋼管有限公司) (i) (前稱東莞東城寶威鋼管 有限公司) (i)	Mainland China 中國	HK\$17,399,860 港幣17,399,860元	100%	Steel manufacturing and processing 鋼鐵加工製造
Dongguan Hingwah Metals Factory Limited (i) 東莞謙華五金廠有限公司(i)	Mainland China 中國	HK\$60,357,430 港幣60,357,430元	100%	Steel manufacturing and processing 鋼鐵加工製造
ETP (Asia) Limited 馬口鐵(亞州)有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$8,000,000 港幣8,000,000元	60%	Steel trading 鋼鐵貿易
Goldenbridge Services Limited 瑞僑服務有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$2 港幣2元	100%	Property holding 持有物業
上海織絡馬口鐵板材有限公司(i)	Mainland China 中國	US\$200,000 200,000美元	60%	Steel trading 鋼鐵貿易
揚州時代實業有限公司(ii)	Mainland China 中國	RMB60,000,000 人民幣60,000,000元	69%	Property holding and development 持有物業及房地產開發

15. INVESTMENTS IN SUBSIDIARIES (continued)

Notes:-

- (i) Burwill Warehousing (Shanghai) Limited, Dongguan Hingwah Metals Factory Limited, 寶威鋼鐵製品(東莞)有限公司, 寶威(廣州)物料供應有限公司 and 上海纖絡馬口鐵板材有限公司 are wholly foreign owned enterprises established in Mainland China to be operated for 50 years up to March 2050, 20 years up to July 2013, 12 years up to December 2013, 50 years up to September 2052 and 50 years up to March 2053, respectively.
- (ii) 揚州時代實業有限公司 is a sino-foreign equity joint venture established in Mainland China to be operated for a period of 40 years up to April 2039.

The above list includes only those subsidiaries which in the opinion of the directors are material to the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2003.

16. INVESTMENTS IN ASSOCIATES

15. 於附屬公司投資 (續)

附註:-

- (i) 寶威倉儲(上海)有限公司、東莞謙華五金廠有限公司、寶威鋼鐵製品(東莞)有限公司、寶威(廣州)物料供應有限公司及上海纖絡馬口鐵板材有限公司均為於中國成立之全資外國企業，營業期分別為五十年至二零五零年三月、二十年至二零一三年七月、十二年至二零一三年十二月、五十年至二零五二年九月及五十年至二零五三年三月。
- (ii) 揚州時代實業有限公司是於中國成立之中外合資企業，營業期為四十年至二零三九年四月。

以上所列僅包括董事認為對本集團具重要性之附屬公司。董事認為倘載列其它附屬公司之詳情，將會令篇幅過於冗長。

於二零零三年十二月三十一日止年度間任何時間，附屬公司均沒有任何已發借貸資本。

16. 於聯營公司投資

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Share of net assets	所佔淨資產		
- Unlisted shares	- 非上市股份	34,506	29,306
- Shares listed in Hong Kong	- 於香港上市股份	18,172	24,646
		52,678	53,952

16. INVESTMENTS IN ASSOCIATES (continued)

16. 於聯營公司投資 (續)

		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Shares listed in Hong Kong – at cost	於香港上市股份 – 原值	13,010	13,010
Market value of listed shares	上市股份市值	40,817	86,273

The underlying values of the investments in the associates are, in the opinion of the Directors, not less than its carrying value as at 31 December 2003.

董事認為於聯營公司投資之潛在價值並不少於在二零零三年十二月三十一日之帳面值。

Details of the associates as at 31 December 2003 are as follows:

於二零零三年十二月三十一日，聯營公司資料如下：

Name of company 公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Issued and fully paid capital 已發行及 已繳足股本	Percentage of equity interest attributable to the Group 本集團持股權百分比	Principal activity 主要業務性質
<i>Directly held:</i> 直接持有：				
WorldMetal Holdings Limited	Bermuda 百慕達	HK\$10,000,000 港幣 10,000,000元	46%	Investment holding 投資控股
<i>Indirectly held:</i> 間接持有：				
Nam Wah Precision Product (BVI) Limited	The British Virgin Islands/ Mainland China 英屬處女群島/中國	US\$12,500 12,500美元	20%	Trading and manufacturing of precision products and metal parts 金屬產品及零件貿易及製造
SteelMetal.com Limited	Korea 韓國	Won1,000,000,000 1,000,000,000南韓圓	23%	Operation of a metal exchange portal and metal trading 經營金屬電子交易所 及金屬貿易

16. INVESTMENTS IN ASSOCIATES (continued)

16. 於聯營公司投資 (續)

Name of company 公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Issued and fully paid capital 已發行及 已繳足股本	Percentage of equity interest attributable to the Group 本集團持股權百分比	Principal activity 主要業務性質
<i>Indirectly held: (continued)</i> 間接持有: (續)				
WorldMetal.com Limited 金屬電子交易所有限公司	Hong Kong 香港	US\$500,000 500,000美元	46%	Operation of a metal exchange portal 經營金屬電子交易所
北京威銘商網資訊技術有限公司	Mainland China 中國	US\$4,080,000 4,080,000美元	23%	Technology and marketing consultant 科技及市場顧問

The outstanding balances with associates are unsecured, non-interest bearing and has no fixed terms of repayment.

與聯營公司結欠均無抵押、免利息及無固定還款期。

17. LONG-TERM INVESTMENTS

17. 長期投資

		Group 集團		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Held-to-maturity securities, unlisted	持至到期日之證券， 非上市	21,840	7,800	-	-
Club debentures, at cost	會所債券·原值	1,509	1,268	90	144
Other unlisted shares, at cost (i)	其它非上市股份· 原值(i)	27,227	27,227	-	-
		50,576	36,295	90	144
Less: Provision for impairment losses (i)	減:減值虧損撥備(i)	(27,226)	(6,807)	-	-
		23,350	29,488	90	144

17. LONG-TERM INVESTMENTS (continued)

Note (i):-

In May 2001, the Group acquired a 15% equity interest in Best Praise Holdings Limited, a company incorporated in the British Virgin Islands, for an aggregate consideration of HK\$27,227,000. The consideration was satisfied by the issuance of 30,000,000 ordinary shares of the Company at HK\$0.9 per share. Best Praise Holdings Limited is principally engaged in the development of financial management computer software. During the year ended 31 December 2003, the Group determined to provide for impairment losses of approximately HK\$20,419,000 (2002: HK\$6,807,000).

The underlying value of long-term investments is, in the opinion of the Directors, not less than their carrying value as at 31 December 2003.

18. LOANS TO OFFICERS

17. 長期投資 (續)

附註(i)：—

於二零零一年五月，本集團以港幣27,227,000元總代價購買於英屬處女群島成立之公司Best Praise Holdings Limited 15%權益。該代價以發行30,000,000股本公司普通股每股作價港幣0.9元支付。Best Praise Holdings Limited 主要從事財務管理電腦軟件開發。於二零零三年十二月三十一日之年度內，本集團決定將港幣20,419,000元（二零零二年：港幣6,807,000元）之減值虧損撥備入帳。

董事認為長期投資之潛在價值並不少於在二零零三年十二月三十一日之帳面值。

18. 職員貸款

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Loans to officers	職員貸款	—	285
Less: Current portion of loans to officers included in deposits, prepayments and other receivables	減：包括於按金、預付款及其它應收款之職員貸款短期部份	—	(285)
Long-term portion of loans to officers	職員貸款長期部份	—	—

18. LOANS TO OFFICERS (continued)

Details of loans to officers of the Group, disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance, are as follows:

Name of borrower 借款人姓名	YIN Mark 尹虹
Position 職位	Executive Director 執行董事
Terms of the loan 貸款詳情	
- interest rate - 利率	4% per annum 年息四厘
- security - 抵押	unsecured 無抵押
- repayment term - 還款年期	5 years 五年
- borrowing date - 借款日	20 November 1998 一九九八年十一月二十日
Balance of loans in respect of principal and interest 貸款本金及利息結餘	
- as at 31 December 2002 - 於二零零二年十二月三十一日	HK\$285,500 港幣285,500元
- as at 31 December 2003 - 於二零零三年十二月三十一日	- -
Maximum balance outstanding during the year 年內最高欠款額	HK\$285,500 港幣285,500元

18. 職員貸款 (續)

根據香港公司條例第161B條而須披露本集團職員貸款之詳情如下：

19. INVENTORIES

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Raw materials	原料	90,184	41,465
Work-in-progress	在製品	3,754	2,723
Finished goods	製成品	15,735	3,923
Consumables	消耗品	3,552	1,119
		113,225	49,230

At 31 December 2003, no inventories are carried at net realisable value (2002: Nil).

At 31 December 2003, the carrying amount of inventories held under trust receipts bank loans amounted to HK\$21,822,000 (2002: HK\$17,678,000) (see Notes 24 and 35).

20. PROPERTIES HELD FOR SALE

Properties held for sale are located in Mainland China and are held under land use right for a period of 40 years up to April 2039.

As at 31 December 2003, properties held for sale with net book value of approximately HK\$27,220,000 (2002: HK\$2,910,000) were pledged to secure banking facilities of the Group (see Note 35).

19. 存貨

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Raw materials	原料	90,184	41,465
Work-in-progress	在製品	3,754	2,723
Finished goods	製成品	15,735	3,923
Consumables	消耗品	3,552	1,119
		113,225	49,230

於二零零三年十二月三十一日，無存貨以可變現淨值列報（二零零二年：無）。

於二零零三年十二月三十一日，於銀行信託貸款項下持有之存貨之帳面值為港幣21,822,000元（二零零二年：港幣17,678,000元）（見附註24及35）。

20. 待售物業

待售物業均位於中國境內，並以四十年期至二零三九年四月之土地使用權持有。

於二零零三年十二月三十一日，待售物業帳面淨值約港幣27,220,000元（二零零二年：港幣2,910,000元）已為集團銀行融資作抵押（見附註35）。

21. SHORT-TERM INVESTMENTS

		Group 集團		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Equity securities	股份證券				
- listed in Hong Kong	- 於香港上市	392	5,871	3	3
- listed outside Hong Kong	- 於香港以外上市	230	213	-	-
Market value of listed equity securities	上市股份證券市值	622	6,084	3	3

21. 短期投資

22. BILLS AND ACCOUNTS RECEIVABLE

The Group normally grants to its customers credit periods for sales of goods ranging from 30 days to 120 days. Consideration in respect of sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreement. Rental in respect of leased properties are payable by the tenants on a monthly basis.

Aging analysis of bills and accounts receivable as at 31 December 2003 is as follows:

22. 應收票據及應收帳項

本集團普遍就銷貨收入給予其客戶三十日至一百二十日之信用期。買家應付銷售物業的作價乃根據銷售合約中條款支付。租賃物業之租金收入由租戶按月支付。

於二零零三年十二月三十一日，應收票據及應收帳項帳齡分析如下：

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within three months	三個月內	816,436	962,579
Over three months but within six months	超過三個月而不超過六個月	271,860	4,678
Over six months but within twelve months	超過六個月而不超過十二個月	372	1,401
Over twelve months	超過十二個月	2,124	-
		1,090,792	968,658
Less: Provision for doubtful debts	減：壞帳撥備	(1,682)	(236)
		1,089,110	968,422

23. CASH AND BANK BALANCES

As at 31 December 2003, the Group had no bank deposits pledged with the banks in Hong Kong (2002: HK\$12,480,000) and had bank deposits of approximately HK\$3,961,000 (2002: HK\$28,023,000) pledged with the banks in Mainland China.

As at 31 December 2003, pledged bank deposits and other cash and bank balances of approximately HK\$41,817,000 (2002: HK\$50,926,000) are denominated in Chinese Renminbi and placed with banks in Mainland China. The remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the Chinese Government.

24. SHORT-TERM BANK BORROWINGS

Short-term bank loans	短期銀行貸款
Current portion of long-term bank loans (Note 26)	長期銀行貸款之短期部份 (附註26)

Short-term bank loans of approximately HK\$446,578,000 (2002: HK\$287,341,000) were secured by inventories released under such loans (see Note 19).

23. 現金及銀行結餘

於二零零三年十二月三十一日，集團並無銀行存款（二零零二年：港幣12,480,000元）抵押予香港之銀行，但有銀行結餘約港幣3,961,000元（二零零二年：港幣28,023,000元）抵押予中國之銀行。

於二零零三年十二月三十一日，已抵押銀行存款及其它現金及銀行結餘約港幣41,817,000元（二零零二年：港幣50,926,000元）是以人民幣為貨幣單位並存放於中國之銀行。從中國匯出該些資金會受限於中國政府實施之外匯管制規條。

24. 短期銀行貸款

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Short-term bank loans	短期銀行貸款	544,877	355,936
Current portion of long-term bank loans (Note 26)	長期銀行貸款之短期部份 (附註26)	43,029	12,752
		587,906	368,688

短期銀行貸款約港幣446,578,000元（二零零二年：港幣287,341,000元）以該貸款項下存貨作抵押（見附註19）。

25. BILLS AND ACCOUNTS PAYABLE

Aging analysis of bills and accounts payable is as follows:

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within three months	三個月內	464,418	468,840
Over six months but within twelve months	超過六個月但不超過 十二個月	225	242
		464,643	469,082

25. 應付票據及應付帳項

應付票據及應付帳項帳齡分析如下：

26. LONG-TERM BANK LOANS

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Loans	貸款		
Unsecured	無抵押	132,879	134,483
Secured	有抵押	101,370	112,718
		234,249	247,201
Less: Current portion of long-term bank loans (Note 24)	減：長期銀行貸款之短期 部份 (附註24)	(43,029)	(12,752)
		191,220	234,449

26. 長期銀行貸款

26. LONG-TERM BANK LOANS (continued)

At 31 December 2003, the Group's long-term bank loans were repayable as follows:

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within one year	於一年內	43,029	12,752
In the second year	於第二年內	114,262	42,472
In the third to fifth year	於第三至五年內	38,114	138,933
After the fifth year	第五年後	38,844	53,044
		234,249	247,201

27. OTHER LOANS

Other loans represent loans from minority shareholders of certain subsidiaries of the Group, and are not repayable before 1 January 2005.

As at 31 December 2003, a loan from a minority shareholder of a subsidiary of approximately HK\$2,486,000 (2002: HK\$2,972,000) was unsecured and bore interest at 7.2% per annum. All the other loans from minority shareholders are unsecured and non-interest bearing.

26. 長期銀行貸款 (續)

於二零零三年十二月三十一日，本集團之長期銀行貸款還款期如下：

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within one year	於一年內	43,029	12,752
In the second year	於第二年內	114,262	42,472
In the third to fifth year	於第三至五年內	38,114	138,933
After the fifth year	第五年後	38,844	53,044
		234,249	247,201

27. 其它貸款

其它貸款指集團若干附屬公司之少數股東貸款，並不須於二零零五年一月一日前償還。

於二零零三年十二月三十一日，一附屬公司少數股東貸款約港幣2,486,000元（二零零二年：港幣2,972,000元）並無抵押，息率為每年7.2%。其餘少數股東貸款均無抵押及免利息。

28. OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2003, the Group's finance lease liabilities were repayable as follows:

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within one year	於一年內	2,836	1,923
In the second year	於第二年內	2,543	1,864
In the third to fifth year	於第三至五年內	5,066	4,413
After the fifth year	第五年後	99	-
		10,544	8,200
Less: Future finance charges on finance leases	減：融資租賃之未來 財務費用	(1,128)	(640)
		9,416	7,560
Less: Current portion	減：短期部份	(2,525)	(1,686)
		6,891	5,874

The present value of finance lease liabilities is as follows:

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within one year	於一年內	2,525	1,686
In the second year	於第二年內	2,277	1,677
In the third to fifth year	於第三至五年內	4,556	4,197
After the fifth year	第五年後	58	-
		9,416	7,560

28. 融資租賃承擔

於二零零三年十二月三十一日，集團之融資租賃負債之還款期如下：

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within one year	於一年內	2,836	1,923
In the second year	於第二年內	2,543	1,864
In the third to fifth year	於第三至五年內	5,066	4,413
After the fifth year	第五年後	99	-
		10,544	8,200
Less: Future finance charges on finance leases	減：融資租賃之未來 財務費用	(1,128)	(640)
		9,416	7,560
Less: Current portion	減：短期部份	(2,525)	(1,686)
		6,891	5,874

融資租賃負債之現值如下：

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within one year	於一年內	2,525	1,686
In the second year	於第二年內	2,277	1,677
In the third to fifth year	於第三至五年內	4,556	4,197
After the fifth year	第五年後	58	-
		9,416	7,560

29. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2002: 16%).

The movement on the deferred tax liabilities (net of deferred tax assets) is as follows:

29. 遞延稅項

遞延稅項採用負債法就短暫時差按主要稅率 17.5% (二零零二年: 16%) 作全數撥備。

遞延稅項負債 (扣除遞延稅項資產後) 之變動如下:

		Group 集團	
		As restated 經重列	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
At 1 January	於一月一日	34,137	38,159
Deferred taxation (credited)/charged to profit and loss account	遞延稅項在損益帳 (記帳) / 扣除	(6,191)	2,323
Taxation credited to equity due to investment property revaluation reserve	因投資物業重估儲備而在權益記帳	(2,376)	(6,024)
Disposal of subsidiaries	出售附屬公司	-	(321)
At 31 December	於十二月三十一日	25,570	34,137

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of approximately HK\$153,639,000 (2002: HK\$139,695,000) to carry forward against future taxable income with no expiry date.

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅損作確認。本集團有未確認稅損約港幣 153,639,000 元 (二零零二年: 港幣 139,695,000 元) 可結轉以抵銷未來應課收入, 此稅損並無期限。

29. DEFERRED TAXATION (continued)

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax liabilities

		遞延稅項負債							
		Accelerated tax depreciation 加速稅項折舊		Investment properties 投資物業		Others 其它		Total 總數	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
At 1 January	於一月一日	430	1,340	32,178	38,206	5,215	2,020	37,823	41,566
(Credited)/charged to profit and loss account	在損益帳(記帳)/扣除	(9)	(589)	602	(4)	(765)	3,195	(172)	2,602
Credited to equity	在權益記帳	-	-	(2,376)	(6,024)	-	-	(2,376)	(6,024)
Disposal of subsidiaries	出售附屬公司	-	(321)	-	-	-	-	-	(321)
At 31 December	於十二月三十一日	421	430	30,404	32,178	4,450	5,215	35,275	37,823

Deferred tax assets

		遞延稅項資產					
		Accelerated tax depreciation 加速稅項折舊		Tax losses 稅損		Total 總數	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
At 1 January	於一月一日	1,082	873	2,604	2,534	3,686	3,407
(Charged)/credited to profit and loss account	在損益帳(扣除)/記帳	(536)	209	6,555	70	6,019	279
At 31 December	於十二月三十一日	546	1,082	9,159	2,604	9,705	3,686

29. 遞延稅項 (續)

年內遞延稅項資產及負債之變動(與同一徵稅地區之結餘抵銷前)如下:

遞延稅項負債

		遞延稅項負債							
		Accelerated tax depreciation 加速稅項折舊		Investment properties 投資物業		Others 其它		Total 總數	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
At 1 January	於一月一日	430	1,340	32,178	38,206	5,215	2,020	37,823	41,566
(Credited)/charged to profit and loss account	在損益帳(記帳)/扣除	(9)	(589)	602	(4)	(765)	3,195	(172)	2,602
Credited to equity	在權益記帳	-	-	(2,376)	(6,024)	-	-	(2,376)	(6,024)
Disposal of subsidiaries	出售附屬公司	-	(321)	-	-	-	-	-	(321)
At 31 December	於十二月三十一日	421	430	30,404	32,178	4,450	5,215	35,275	37,823

遞延稅項資產

		遞延稅項資產					
		Accelerated tax depreciation 加速稅項折舊		Tax losses 稅損		Total 總數	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
At 1 January	於一月一日	1,082	873	2,604	2,534	3,686	3,407
(Charged)/credited to profit and loss account	在損益帳(扣除)/記帳	(536)	209	6,555	70	6,019	279
At 31 December	於十二月三十一日	546	1,082	9,159	2,604	9,705	3,686

29. DEFERRED TAXATION (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

29. 遞延稅項 (續)

當有法定權利可將現有稅項資產與現有稅務負債抵銷，而遞延所得稅涉及同一財政機關，則可將遞延稅項資產與遞延稅項負債互相抵銷。在計入適當抵銷後，下列金額在綜合資產負債表內列帳：

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	7,854	2,478
Deferred tax liabilities	遞延稅項負債	(33,424)	(36,615)
		(25,570)	(34,137)

30. SHARE CAPITAL

Movements in share capital were as follows:

30. 股本

股本變動如下：

		2003		2002	
		Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 港幣千元	Number of shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 港幣千元
<i>Authorised</i>					
- Ordinary shares of HK\$0.10 each		法定股本 — 每股面值港幣0.10元 之普通股			
At 1 January	於一月一日	1,800,000	180,000	1,200,000	120,000
Increase in authorised ordinary share capital	普通股法定股本增加	-	-	600,000	60,000
At 31 December	於十二月三十一日	1,800,000	180,000	1,800,000	180,000
<i>Issued and fully paid</i>					
- Ordinary shares of HK\$0.10 each		已發行及繳足股本 — 每股面值港幣0.10元 之普通股			
At 1 January	於一月一日	1,053,919	105,392	938,669	93,867
Issued upon exercise of employee share options (Note 31)	按行使員工購股權而 發行股份 (附註31)	1,200	120	19,138	1,914
Issuance of shares	發行股份	-	-	100,000	10,000
Shares repurchased	購回股份	-	-	(3,888)	(389)
At 31 December	於十二月三十一日	1,055,119	105,512	1,053,919	105,392

31. EMPLOYEE SHARE OPTIONS

At the Annual General Meeting of the Company held on 6 June 2002, shareholders of the Company approved the termination of the share option scheme adopted by the Company on 23 July 1999 (the "Old Scheme") and the adoption of a new share option scheme (the "New Scheme"). Under the New Scheme, the Company may grant options to employees (including executive directors) of the Group to subscribe for shares in the Company, subject to a maximum of 30% of the issued share capital of the Company from time to time excluding for this purpose shares issued on exercise of options. The subscription price will be determined by the directors, and will not be less than the highest of the nominal value of the shares, the closing price of the shares quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the trading day of granting the options and the average of the closing prices of the shares quoted on The Stock Exchange for the five trading days immediately preceding the date of granting the options.

Upon termination of the Old Scheme, no further options could be granted thereunder but in all other respects, the provisions of the Old Scheme will remain in force. All outstanding options which were granted under the Old Scheme will continue to be valid and exercisable.

31. 員工購股權

本公司於二零零二年六月六日舉行之股東週年大會上獲得股東批准終止公司於一九九九年七月二十三日採用之購股權計劃（「舊計劃」）及採用新購股權計劃（「新計劃」）。根據新計劃，本公司可授予集團之員工（包括執行董事）購股權以認購本公司之股份，但僅限於最多當時本公司已發行股本之30%（不計入因行使購股權而發行的股份）。每股之認購價由董事決定，並將不少於股份面值、在授出購股權當日於香港聯合交易所有限公司（「港交所」）匯報之收市價及在授出購股權前五個交易日內於港交所匯報之平均收市價三者之較高者。

終止舊計劃後，舊計劃之條款仍會維持執行，但不會再授出新購股權。所有在舊計劃下授出之未行使購股權將繼續有效並可行使。

31. EMPLOYEE SHARE OPTIONS (continued)

Movements of shares under employee share options were as follows:

Date of grant	Exercise period	Exercise price	At 1 January 2003	Number of shares under the options 購股權項下股份數目			At 31 December 2003
				Granted (a)	Exercised (b)	Lapsed	
授予日期	行使期間	行使價 HK\$ 港元	於二零零三 年一月一日 '000 千股	授出 (a) '000 千股	行使 (b) '000 千股	失效 '000 千股	於二零零三年 十二月 三十一日 '000 千股
29 March 2000 二零零零年三月二十九日	27 June 2000 to 26 June 2003 二零零零年六月二十七日至 二零零三年六月二十六日	0.6800	15,000	-	-	(15,000)	-
7 May 2001 二零零一年五月七日	5 August 2001 to 4 August 2004 二零零一年八月五日至 二零零四年八月四日	0.4610	23,200	-	(1,200)	-	22,000
			38,200	-	(1,200)	(15,000)	22,000

31. 員工購股權 (續)

員工購股權項下股份之變動如下：

31. EMPLOYEE SHARE OPTIONS (continued)

31. 員工購股權 (續)

Date of grant	Exercise period	Exercise price	Number of shares under the options 購股權項下股份數目				At 31 December 2002 於二零零二年 十二月 三十一日
			At 1 January 2002 於二零零二年 一月一日	Granted (a)	Exercised (b)	Lapsed	
授予日期	行使期間	行使價 HK\$ 港元	'000 千股	'000 千股	'000 千股	'000 千股	'000 千股
31 December 1998 一九九八年十二月三十一日	31 December 1999 to 30 December 2002 一九九九年十二月三十一日至 二零零二年十二月三十一日	0.3957	5,571	-	(4,416)	(1,155)	-
28 September 1999 一九九九年九月二十八日	27 December 1999 to 26 December 2002 一九九九年十二月二十七日至 二零零二年十二月二十六日	0.4988	17,219	-	(13,822)	(3,397)	-
29 March 2000 二零零零年三月二十九日	27 June 2000 to 26 June 2003 二零零零年六月二十七日至 二零零三年六月二十六日	0.6800	15,000	-	-	-	15,000
7 May 2001 二零零一年五月七日	5 August 2001 to 4 August 2004 二零零一年八月五日至 二零零四年八月四日	0.4610	24,100	-	(900)	-	23,200
			61,890	-	(19,138)	(4,552)	38,200

31. EMPLOYEE SHARE OPTIONS (continued)

- (a) No share options were granted during the year ended 31 December 2003 (2002: Nil).
- (b) Details of shares being issued on options exercised during the year ended 31 December 2002 and 2003 were as follows:

31. 員工購股權 (續)

- (a) 於截至二零零三年十二月三十一日止年度未有授出任何購股權(二零零二年:無)。
- (b) 截至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止年度,行使購股權而發行之股份詳情如下:

Exercise date	Exercise price	Market value		2003	
		at exercise date	per share	Proceeds received	Number of shares under the options
行使日	行使價	行使日之每股市價	每股市價	已收所得額	購股權項下股份數目
	HK\$	HK\$	HK\$	HK\$'000	'000
	港元	港元	港元	港幣千元	千股
13 June 2003	二零零三年六月十三日	0.4610	0.77	553	1,200
Exercise date	Exercise price	Market value		2002	
		at exercise date	per share	Proceeds received	Number of shares under the options
行使日	行使價	行使日之每股市價	每股市價	已收所得額	購股權項下股份數目
	HK\$	HK\$	HK\$	HK\$'000	'000
	港元	港元	港元	港幣千元	千股
29 May 2002 to 30 December 2002	二零零二年五月二十九日至二零零二年十二月三十日	0.3957	0.75 - 0.95	1,747	4,416
8 February 2002 to 13 May 2002	二零零二年二月八日至二零零二年五月十三日	0.4610	0.74 - 0.90	415	900
27 May 2002 to 23 December 2002	二零零二年五月二十七日至二零零二年十二月二十三日	0.4988	0.75 - 0.97	6,894	13,822
				9,056	19,138

31. EMPLOYEE SHARE OPTIONS (continued)

(c) Share options outstanding at the end of the year have the following terms:

Expiry date 到期日		Exercise price 行使價 HK\$ 港元	2003 Number of shares under the options 購股權項下股份數目 '000 千股	2002 '000 千股
Directors	董事			
26 June 2003	二零零三年六月二十六日	0.6800	-	15,000
4 August 2004	二零零四年八月四日	0.4610	22,000	22,000
			22,000	37,000
Other employees	其它員工			
4 August 2004	二零零四年八月四日	0.4610	-	1,200
			22,000	38,200

No share options were cancelled during the year (2002: Nil).

31. 員工購股權 (續)

(c) 在年終時尚未行使之購股權條款如下:

本年內並無購股權被註銷(二零零二年:無)。

32. RESERVES

Movements in reserves were as follows:

32. 儲備

儲備變動如下：

		Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本回贖 儲備 HK\$'000 港幣千元	Investment property revaluation reserve 投資物業 重估儲備 HK\$'000 港幣千元	Cumulative translation reserve 累積 滙兌儲備 HK\$'000 港幣千元	Retained profit 保留溢利 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
At 1 January 2003, as previously reported	於二零零三年一月一日· 按上年度呈報	470,632	9,678	45,713	75	250,732	776,830
Effect of change in accounting policy (Note 2(p))	會計政策變更之影響 (附註2(p))	-	-	(21,306)	-	(1,847)	(23,153)
At 1 January 2003, as restated	於二零零三年一月一日· 經重列	470,632	9,678	24,407	75	248,885	753,677
Issue of shares	發行股份	433	-	-	-	-	433
Share issuance expenses	股份發行費用	(7)	-	-	-	-	(7)
Surplus on revaluation of investment properties attributable to the Group	集團投資物業 重估盈餘	-	-	-	-	-	-
- gross	- 總額	-	-	13,948	-	-	13,948
- taxation	- 稅項	-	-	1,629	-	-	1,629
Disposal of investment properties	出售投資物業	-	-	3,905	-	-	3,905
Translation adjustments	滙兌調整	-	-	-	530	-	530
Loss for the year	本年度虧損	-	-	-	-	(89,710)	(89,710)
Dividends paid	已付股息	-	-	-	-	(42,157)	(42,157)
At 31 December 2003	於二零零三年 十二月三十一日	471,058	9,678	43,889	605	117,018	642,248
Representing:- 2003 Final dividend proposed	代表:- 二零零三年建議 末期股息	-	-	-	-	-	-
Others	其它	-	-	-	-	117,018	117,018
Retained profit as at 31 December 2003	於二零零三年十二月 三十一日保留溢利	-	-	-	-	117,018	117,018
Company and subsidiaries Associates	本公司及附屬公司 聯營公司	471,058 -	9,678 -	43,889 -	605 -	96,813 20,205	622,043 20,205
At 31 December 2003	於二零零三年 十二月三十一日	471,058	9,678	43,889	605	117,018	642,248

32. RESERVES (continued)

32. 儲備 (續)

		Group 集團					
		Share premium	Capital redemption reserve	Investment property revaluation reserve	Cumulative translation reserve	Retained profit	Total
		股份溢價 HK\$'000 港幣千元	資本回贖 儲備 HK\$'000 港幣千元	投資物業 重估儲備 HK\$'000 港幣千元	滙兌儲備 累積 HK\$'000 港幣千元	保留溢利 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
At 1 January 2002, as previously reported	於二零零二年一月一日， 按上年度呈報	388,330	9,289	81,547	(4,793)	191,719	666,092
Effect of change in accounting policy (Note 2(p))	會計政策變更之影響 (附註2(p))	-	-	(25,453)	-	(515)	(25,968)
At 1 January 2002, as restated	於二零零二年一月一日， 經重列	388,330	9,289	56,094	(4,793)	191,204	640,124
Issue of shares	發行股份	87,142	-	-	-	-	87,142
Share issuance expenses	股份發行費用	(2,246)	-	-	-	-	(2,246)
Repurchase of shares (Note 30)	購回股份 (附註30)	(2,594)	389	-	-	(389)	(2,594)
Deficit on revaluation of investment properties attributable to the Group	集團投資物業 重估虧損						
- gross	- 總額	-	-	(34,584)	-	-	(34,584)
- taxation	- 稅項	-	-	4,147	-	-	4,147
Disposal of investment properties	出售投資物業	-	-	(1,250)	-	-	(1,250)
Translation adjustments	滙兌調整	-	-	-	4,868	-	4,868
Profit for the year	本年度溢利	-	-	-	-	76,851	76,851
Dividends paid	已付股息	-	-	-	-	(18,781)	(18,781)
At 31 December 2002	於二零零二年 十二月三十一日	470,632	9,678	24,407	75	248,885	753,677
Representing:-	代表:-						
2002 Final dividend proposed	二零零二年建議 末期股息					42,157	
Others	其它					206,728	
Retained profit as at 31 December 2002	於二零零二年十二月 三十一日保留溢利					248,885	
Company and subsidiaries Associates	本公司及附屬公司 聯營公司	470,632	9,678	24,407	75	226,004	730,796
		-	-	-	-	22,881	22,881
At 31 December 2002	於二零零二年 十二月三十一日	470,632	9,678	24,407	75	248,885	753,677

32. RESERVES (continued)

32. 儲備 (續)

		Company 公司				
		Share premium	Capital redemption reserve	Contributed surplus	Retained profit	Total
		股份溢價	資本回贖 儲備	繳入盈餘	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2003	於二零零三年一月一日	470,632	9,678	128,832	50,336	659,478
Issue of shares	發行股份	433	-	-	-	433
Share issuance expenses	股份發行費用	(7)	-	-	-	(7)
Profit for the year	本年度溢利	-	-	-	24,387	24,387
Dividends paid	已付股息	-	-	-	(42,157)	(42,157)
At 31 December 2003	於二零零三年十二月三十一日	471,058	9,678	128,832	32,566	642,134
Representing:-	代表:-					
2003 Final dividend proposed	二零零三年建議末期股息				-	
Others	其它				32,566	
Retained profit as at 31 December 2003	於二零零三年十二月 三十一日保留溢利				32,566	
At 1 January 2002	於二零零二年一月一日	388,330	9,289	128,832	80,107	606,558
Issue of shares	發行股份	87,142	-	-	-	87,142
Share issuance expenses	股份發行費用	(2,246)	-	-	-	(2,246)
Repurchase of shares	購回股份	(2,594)	389	-	(389)	(2,594)
Loss for the year	本年度虧損	-	-	-	(10,601)	(10,601)
Dividends paid	已付股息	-	-	-	(18,781)	(18,781)
At 31 December 2002	於二零零二年十二月三十一日	470,632	9,678	128,832	50,336	659,478
Representing:-	代表:-					
2002 Final dividend proposed	二零零二年建議末期股息				42,157	
Others	其它				8,179	
Retained profit as at 31 December 2002	於二零零二年十二月 三十一日保留溢利				50,336	

32. RESERVES (continued)

Contributed surplus represents the difference between the nominal amount of the shares issued and the book value of the underlying net assets of subsidiaries acquired. It can be utilised for issuance of bonus shares or for capital redemption upon repurchase of shares.

Under the Companies Act 1981 of Bermuda, contributed surplus is distributable to shareholders subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

The Company's reserves (excluding retained profit) as at 31 December 2003 available for distribution to shareholders were represented by the contributed surplus of approximately HK\$128,832,000 (2002: HK\$128,832,000).

32. 儲備 (續)

繳入盈餘乃股份發行之面值與購入附屬公司之淨資產帳面值之差額。繳入盈餘可供發行紅股或購回股份時作資本贖回使用。

根據百慕達一九八一年公司法，繳入盈餘可分派給股東，但如(i)於分派後，公司未能償還到期債務或(ii)其資產之可變現價值少於其負債、已發行股本及股份溢價帳之總和，本公司不能宣佈或支付股息或分派繳入盈餘。

於二零零三年十二月三十一日，可供分派給股東之本公司儲備（不包括保留溢利）為繳入盈餘約港幣128,832,000元（二零零二年：港幣128,832,000元）。

33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT 33. 綜合現金流量表附註

(a) Reconciliation of operating (loss)/profit to net cash outflow from operations		(a) 經營(虧損)/溢利與經營產生之現金流出淨額調整帳	
		2003	2002
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Operating (loss)/profit	經營(虧損)/溢利	(70,406)	103,775
Depreciation	折舊	13,196	12,283
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	870	1,278
Amortisation of intangible assets	無形資產攤銷	-	1,471
Provision for impairment loss of investments	投資減值撥備	20,419	6,807
Net unrealised (gain)/loss on other investments	未變現其它投資淨(溢利)/虧損	(833)	691
Loss on disposal of investments	出售投資虧損	7	545
Loss/(gain) on disposal of investment properties	出售投資物業虧損/(溢利)	1,817	(117)
Gain on deemed disposal of a subsidiary	視為出售附屬公司溢利	-	(505)
Dividends received from investments	收取投資股息	(3)	(18)
Interest income	利息收入	(462)	(1,167)
Effect of foreign exchange rate changes	外幣匯率變動之影響	538	4,903
Operating (loss)/profit before working capital changes	營運資金變更前之經營(虧損)/溢利	(34,857)	129,946
Increase in inventories	存貨增加	(63,995)	(22,612)
Decrease in properties held for sale	待售物業減少	4,118	11,202
Increase in bills and accounts receivable	應收票據及應收帳項增加	(120,688)	(319,654)
Increase in deposits, prepayments and other receivables	按金、預付款及其它應收款增加	(31,982)	(20,693)
(Increase)/decrease in bills and accounts payable	應付票據及應付帳項(增加)/減少	(4,439)	165,744
Increase in other payables and accruals	其它應付帳及應計費用增加	37,104	1,166
Net cash outflow from operations	經營產生之現金流出淨額	(214,739)	(54,901)

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

33. 綜合現金流量表附註 (續)

(b) Analysis of changes in financing during the year

(b) 本年度融資變動分析

		Share capital and share premium 股本及 股份溢價 HK\$'000 港幣千元	Bank loans 銀行貸款 HK\$'000 港幣千元	Other loans 其它貸款 HK\$'000 港幣千元	Finance lease obligations 融資 租賃承擔 HK\$'000 港幣千元	Minority interests 少數股東 權益 HK\$'000 港幣千元
At 1 January 2003, as previously reported	於二零零三年一月一日， 按上年度呈報	576,024	603,137	6,567	7,560	61,660
Effect of change in accounting policy	會計政策變更之影響	-	-	-	-	(10,984)
At 1 January 2003, as restated	於二零零三年一月一日，經重列	576,024	603,137	6,567	7,560	50,676
Issue of shares	發行股份	553	-	-	-	-
Share issuance expenses	股份發行費用	(7)	-	-	-	-
Increase in trust receipt bank loans	銀行信託貸款增加	-	159,238	-	-	-
Additions of other bank loans	新增其它銀行貸款	-	79,524	-	-	-
Repayment of other bank loans	償還其它銀行貸款	-	(62,698)	-	-	-
Repayment of other loans	償還其它貸款	-	-	(814)	-	-
Revaluation deficit of investment properties	投資物業重估虧損	-	-	-	-	(1,515)
Inception of finance leases	新增融資租賃	-	-	-	3,977	-
Repayment of capital element of finance leases	償還融資租賃資本部份	-	-	-	(2,121)	-
Capital injection by a minority shareholder	少數股東繳入股本	-	-	-	-	701
Share of loss	所佔虧損	-	-	-	-	(5,381)
Exchange differences	匯兌差額	-	(75)	-	-	25
At 31 December 2003	於二零零三年十二月三十一日	576,570	779,126	5,753	9,416	44,506

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

33. 綜合現金流量表附註 (續)

(b) Analysis of changes in financing during the year (continued)

(b) 本年度融資變動分析 (續)

		Share capital and share premium 股本及 股份溢價 HK\$'000 港幣千元	Bank loans 銀行貸款 HK\$'000 港幣千元	Other loans 其它貸款 HK\$'000 港幣千元	Finance lease obligations 融資 租賃承擔 HK\$'000 港幣千元	Minority interests 少數股東 權益 HK\$'000 港幣千元
At 1 January 2002, as previously reported	於二零零二年一月一日· 按上年度呈報	482,197	456,026	15,333	1,219	107,218
Effect of change in accounting policy	會計政策變更之影響	-	-	-	-	(11,871)
At 1 January 2002, as restated	於二零零二年一月一日·經重列	482,197	456,026	15,333	1,219	95,347
Issue of shares	發行股份	99,055	-	-	-	-
Share issuance expenses	股份發行費用	(2,246)	-	-	-	-
Repurchase of shares	購回股份	(2,982)	-	-	-	-
Increase in trust receipt bank loans	銀行信託貸款增加	-	23,557	-	-	-
Additions of other bank loans	新增其它銀行貸款	-	137,501	-	-	-
Repayment of other bank loans	償還其他銀行貸款	-	(13,947)	-	-	-
Additions of other loans	新增其它貸款	-	-	1,035	-	-
Revaluation deficit of investment properties	投資物業重估虧損	-	-	-	-	(3,812)
Capital injection by minority shareholders	少數股東繳入股本	-	-	(8,410)	-	11,610
Deemed disposal of a subsidiary	被視為出售附屬公司	-	-	(1,391)	(308)	(46,975)
Acquisition of additional equity interest in a subsidiary	增購附屬公司股權	-	-	-	-	(7,019)
Inception of finance leases	新增融資租賃	-	-	-	7,603	-
Repayment of capital element of finance leases	償還融資租賃資本部份	-	-	-	(954)	-
Share of profit	所佔利潤	-	-	-	-	1,525
At 31 December 2002	於二零零二年十二月三十一日	576,024	603,137	6,567	7,560	50,676

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

(c) Major non-cash transactions

- (i) Pursuant to an agreement dated 5 July 2001, the Company granted an option to Hyundai Corporation, ("Hyundai") a minority shareholder of a subsidiary of WorldMetal Holdings Limited ("WorldMetal"), a then subsidiary of the Company, to acquire from the Company, at no consideration up to 49,900,000 ordinary shares of WorldMetal if Hyundai achieved certain trading volume with WorldMetal. During the year ended 31 December 2001, Hyundai achieved the aforementioned target and on 12 June 2002, exercised the option to acquire the 49,900,000 ordinary shares of WorldMetal from the company at zero consideration. The Group's interest in WorldMetal reduced from 51% to 46% and accordingly, WorldMetal became an associate of the Group from 12 June 2002 onwards.

33. 綜合現金流量表附註 (續)

(c) 主要非現金交易

- (i) 根據於二零零一年七月五日訂立之協議，本公司將授予當時附屬公司 WorldMetal Holdings Limited (「WorldMetal」) 之附屬公司少數股東 Hyundai Corporation (「Hyundai」) 購股權，以零代價向本公司認購達至 49,900,000 股 WorldMetal 股份。假若 Hyundai 能經 WorldMetal 完成若干數量交易。於截至二零零一年十二月三十一止年度，Hyundai 完成上述目標及於二零零二年六月十二日行使購股權向本公司以零代價認購 49,900,000 WorldMetal 普通股。本集團佔 WorldMetal 之權益從 51% 減至 46%，從二零零二年六月十二日起，WorldMetal 變為本集團之聯營公司。

33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued) 33. 綜合現金流量表附註 (續)

(c) Major non-cash transactions (continued)

(i) (continued)

Details of the deemed disposal of WorldMetal during 2002 were as follows:

(c) 主要非現金交易 (續)

(i) (續)

於二零零二年視為出售 WorldMetal 之詳情如下:

		HK\$'000 港幣千元
Pledged bank deposits	已抵押銀行存款	153
Intangible assets	無形資產	2,894
Other cash and bank balances	其它現金及銀行結餘	37,399
Long-term investments	長期投資	390
Property, plant and equipment	物業、廠房及設備	5,086
Accounts receivable	應收帳項	24,518
Deposits, prepayments and other receivables	按金、預付款及 其它應收款	2,361
Due from related companies	關連公司欠款	4,734
Accounts payable	應付帳項	(124)
Other payables and accruals	其它應付帳項及 應計費用	(2,135)
Taxation payable	應付稅項	(619)
Obligations under finance leases	融資租賃承擔	(308)
Shareholders' loan	股東貸款	(1,391)
Deferred tax liabilities	遞延稅項負債	(321)
Minority interests	少數股東權益	(18,816)
		53,821

Satisfied by: 支付方式:

Disposal of 49,900,000 shares of WorldMetal Holdings Limited	出售 WorldMetal Holdings Limited 49,900,000股	-
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33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

33. 綜合現金流量表附註 (續)

(c) Major non-cash transactions (continued)

(c) 主要非現金交易 (續)

(i) (continued)

(i) (續)

Analysis of the net outflow in respect of the deemed disposal of WorldMetal Holdings Limited and subsidiaries during 2002:

於二零零二年視為出售 WorldMetal Holdings Limited 及其附屬公司之淨流出分析：

		HK\$'000 港幣千元
Cash consideration received	已收現金代價	-
Other cash and bank balances disposed of	出售其它現金及銀行結餘	(37,399)
<hr/>		
Net cash outflow in respect of the deemed disposal of subsidiaries	視為出售附屬公司之現金流出淨額	(37,399)
<hr/>		

(ii) During the year the Group entered into finance lease arrangements in respect of motor vehicles and machinery with a total capital value at the inception of the leases of HK\$3,977,000 (2002: HK\$7,603,000).

(ii) 於本年內集團就資本總值達港幣3,977,000元(二零零二年:港幣7,603,000元)之汽車及機械訂立融資租賃安排。

34. COMMITMENTS AND CONTINGENT LIABILITIES

34. 承擔及或然負債

(a) Capital commitments for capital expenditure

(a) 資本開支之資本承擔

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未撥備	-	8,345

(b) Operating lease commitments

(b) 營業租賃承擔

At 31 December 2003, the Group had future aggregate minimum lease payments in respect of rented premises under non-cancellable operating leases as follows:

於二零零三年十二月三十一日，集團就租賃物業根據不可撤銷之營業租賃而於未來支付之最低租賃付款總額如下：

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Not later than one year	不超過一年	8,470	1,786
Later than one year and not later than five years	一年後但不超過五年	5,065	592
		13,535	2,378

(c) Contingent liabilities

(c) 或然負債

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Guarantee for general banking facilities granted to an associate	為聯營公司銀行融資作出之擔保	21,730	21,730
Mainland China land appreciation tax	中國土地增值稅	17,820	14,891
Guarantees given to banks for mortgage facilities granted to the buyers of the Group's properties	為集團物業購買者按揭貸款而向銀行作出之擔保	29,689	21,220
		69,239	57,841

35. CHARGE OF ASSETS

At 31 December 2003, the following assets were pledged:

- (a) Certain leasehold land and buildings with a net book value of approximately HK\$105,300,000 (2002: HK\$108,028,000);
- (b) Certain motor vehicles and machinery with a net book value of approximately HK\$10,737,000 (2002: HK\$8,396,000);
- (c) Certain investment properties of approximately HK\$362,980,000 (2002: HK\$261,752,000);
- (d) Certain properties held for sale of approximately HK\$27,220,000 (2002: HK\$2,910,000);
- (e) Certain inventories of approximately HK\$21,822,000 (2002: HK\$17,678,000) released under trust receipts bank loans; and
- (f) Certain bank deposits of approximately HK\$3,961,000 (2002: HK\$40,503,000).

36. EMPLOYEES RETIREMENT BENEFITS

The Group has arranged for its Hong Kong employees to participate in a defined contribution retirement scheme (the "Original Scheme"), which is managed by independently administered funds. The Group's monthly contributions are based on 5% of employees' monthly salaries. The employees are entitled to receive 100% of the Group's contribution and the accrued interest thereon upon retirement or leaving the Group after completing ten years of service or at a reduced scale of 30% to 90% after completing three to nine years of services.

35. 資產抵押

於二零零三年十二月三十一日，以下資產已予抵押：

- (a) 部份租賃土地及樓宇帳面淨值約港幣105,300,000元（二零零二年：港幣108,028,000元）；
- (b) 部份汽車及機械帳面淨值約港幣10,737,000元（二零零二年：港幣8,396,000元）；
- (c) 部份投資物業約港幣362,980,000元（二零零二年：港幣261,752,000元）；
- (d) 部份待售物業約港幣27,220,000元（二零零二年：港幣2,910,000元）；
- (e) 銀行信託貸款項下部份存貨約港幣21,822,000元（二零零二年：港幣17,678,000元）；及
- (f) 部份銀行存款約港幣3,961,000元（二零零二年：港幣40,503,000元）。

36. 僱員退休福利

本集團為香港僱員安排由獨立基金管理之界定供款退休計劃（「原計劃」）。本集團每月之供款按僱員月薪的5%計算。於退休或完成滿十年服務後離開本集團，僱員均有權收取全數集團的供款及應計利息，完成滿三至九年服務則可按30%至90%比例收取。

36. EMPLOYEES RETIREMENT BENEFITS (continued)

For the Hong Kong employees employed after 1 December 2000, the Group has arranged for these employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the employer's and the employees' contributions are subject to a maximum of HK\$1,000 per month per employee.

As stipulated by the rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group contributes to retirement plans at rates of approximately 9% to 22.5% of the basic salaries of its employees in Mainland China, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year, the aggregate amount of the Group's contributions to the aforementioned schemes was approximately HK\$2,415,000 (2002: HK\$1,824,000), after deducting HK\$8,000 (2002: HK\$210,000) deduction of forfeited contributions of the Original Scheme.

36. 僱員退休福利 (續)

本集團為二零零零年十二月一日後入職香港僱員安排參與強制性公積金計劃(「強積金計劃」)，一個由獨立受託人管理的界定供款計劃。根據強積金計劃，本集團及其僱員各自須按照強制性公積金條例的規定，每月將僱員薪金的5%供款。僱主及僱員的各自供款最高為每名僱員每月港幣1,000元。

根據中國法例規定，本集團為其中國僱員參與國家資助的退休計劃。本集團按其僱員基本薪金約9%至22.5%供款。除年度供款外，本集團毋須承擔其它實際退休金付款或退休後福利的責任。國家資助的退休計劃負責應付退休僱員的全部養老金責任。

於年內，本集團對上述計劃作出的供款總額約港幣2,415,000元(二零零二年：港幣1,824,000元)，已扣減約港幣8,000元(二零零二年：港幣210,000元)沒收供款。

37. RELATED PARTY TRANSACTIONS

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

- (a) Significant transactions with related parties, which were carried out in the normal course of the Group's business are as follows:

Nature of transactions	交易性質	Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Purchases from a minority shareholder of a subsidiary	從附屬公司之少數股東購貨	-	11,976
Interest paid to minority shareholders of subsidiaries	已付附屬公司之少數股東利息	61	273
Sales to fellow subsidiaries/ associates of a subsidiary's minority shareholder and a related company whose chairman is an executive director of the Company	銷售給附屬公司之少數股東的同系公司／關連公司及由公司執行董事出任主席之關連公司	-	204,647
Commission paid to an associate	已付聯營公司佣金	4,383	3,411
Management fee paid to an associate	已付聯營公司管理酬金	-	415

- (b) The Group's banking facilities of approximately HK\$117,000,000 (2002: HK\$117,000,000) as at 31 December 2003 were secured by a letter of comfort issued by a related company.

38. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 21 April 2004.

37. 有關連人士交易

所謂有關連人士乃指有能力直接或間接控制另一方，或有能力就另一方之財務或經營決策行使重大影響力之人士。同時，倘該等人士受到共同控制或重大影響之人士亦被視作關連人士。

- (a) 按集團一般商業條款下進行之有關連人士之重大交易如下：

- (b) 集團於二零零三年十二月三十一日之銀行融資約港幣117,000,000元(二零零二年：港幣117,000,000元)由一間關連公司發出之安慰函作擔保。

38. 帳目通過

董事局於二零零四年四月二十一日通過本帳目。