

Notes to the Financial Statements

財務報表附註

For the Year Ended December 31, 2003
截至二零零三年十二月三十一日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company acts as an investment holding company. The principal activities of the Group are the sale and distribution of liquefied petroleum gas and leasing of property, plant and equipment.

The financial statements for the current period cover the 12-month ended December 31, 2003. The corresponding amounts shown for the income statement, statement of changes in equity, cash flows and related notes cover a 15-month period from October 1, 2001 to December 31, 2002 and therefore may not be comparable with amounts shown for the current period. The period covered by the 2001/2002 financial statements was longer than 12 months because the directors determined to bring the balance sheet date in line with that of the majority of the overseas principal subsidiaries. No further changes to reporting dates are anticipated.

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Company has adopted, for the first time, the Statement of Standard Practice No. 12 (Revised) Income taxes, (“SSAP 12 (Revised)”). The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific transitional requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. The adoption of SSAP 12 (Revised) has resulted in the adoption of the revised accounting policy which is set out in note 3 but has had no material effect on the results for the current year or prior accounting period. Accordingly, no prior period adjustment has been required.

1. 概述

本公司乃於百慕達註冊成立之受豁免有限責任公司，公司股份在香港聯合交易所有限公司（「聯交所」）上市。

本公司乃投資控股公司。本集團之主要業務為銷售和分銷液化石油氣，以及物業、機器及設備之租賃。

本財務報表覆蓋截至2003年12月31日止12個月期間。收益表、權益變動表、現金流動表及有關附註之比較數字覆蓋由2001年10月1日至2002年12月31日止15個月期間；因此或者不能與本期數額直接比較。由於董事議決將本公司之結算日與大多數海外主要附屬公司統一，故2001/2002年財務報表覆蓋期多於12個月。並無預期再有結算日日期之變更。

2. 採用會計實務準則

於本年度，本公司已首次採用會計實務準則（「實務準則」）第12號（經修訂）-利得稅。採用實務準則第12號（經修訂）之主要影響乃與遞延稅有關。實務準則第12號（經修訂）規定採用資產負債表負債法。據此，遞延稅項會按財務報表所載資產及負責之賬面值與用作計算稅項溢利之相關稅基之間的所有暫時差額確認，惟有少數例外情況。實務準則第12號（經修訂）並無任何特定之過渡規定，本公司現已追溯採用此項新會計政策。採用實務準則第12號（經修訂）導致本公司須採用經修訂之會計政策（有關詳情載於附註3），但對本年度或之前會計期間之業績並無重大影響，故無須作出前期調整。

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investment properties and certain properties and plant and machinery.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to December 31 each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Company.

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition.

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

Goodwill

Goodwill arising on consolidation represents excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition. Goodwill is recognised as an asset and is amortised using the straight-line method over its useful economic life.

Investments in subsidiaries

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

3. 主要會計政策

財務報表乃根據過往成本會計法而編撰，並已就投資物業及若干物業、機器及設備之重估作出調整。

財務報表乃根據香港普遍採納之會計準則而編撰。本公司採納之主要會計政策如下：

綜合基準

綜合財務報表乃綜合本公司及各附屬公司截至每年12月31日止之財務報表。

年內所收購或所出售附屬公司之業績自收購日期起或至出售日期止(視乎情況而定)已計入綜合收益表。為使所用會計政策與集團內其他成員公司使用之會計政策相一致，在適當時已對附屬公司財務報表作出了調整。

收購時，相關附屬公司之資產及負債均按收購當日之公平市價量算。

本集團內公司間之所有重要交易及結餘已於綜合賬目時抵銷。

商譽

綜合賬目時產生之商譽乃收購成本超出本集團於收購日所佔該附屬公司或聯營公司之可確認之資產及負債之公平價值。商譽以資產確認並於其可使用期以直線法攤銷。

於附屬公司之投資

於附屬公司之投資以成本扣減已確認之減值計入本公司之資產負債表。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Interest in an associate

The consolidated income statement includes the Group's share of post-acquisition results of its associate for the year. In the consolidated balance sheet, interest in an associate is stated at the Group's share of net assets of the associate, less any identified impairment loss.

Revenue recognition

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

Interest income from bank deposits is accrued on a timely basis, by reference to the principal outstanding and at the interest rate applicable.

Rental income under operating leases is recognised on a straight-line basis over the respective lease terms.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and amortisation and accumulated impairment losses, if any.

Land and buildings, plant and machinery are stated in the balance sheet at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and amortisation and impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on revaluation of land and buildings, plant and machinery is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

3. 主要會計政策(續)

於一聯營公司之權益

綜合收益表已計入本集團年內分佔其聯營公司於收購後之業績。於綜合資產負債表所述之聯營公司之權益以本集團分佔聯營公司之淨資產扣減任何已確認之減值。

收入確認

貨物銷售乃於貨物已付運及所有權已移交時確認。

銀行存款利息收入根據本金結餘及適用利率按時間比例計算入賬。

經營租約之租金收入按有關租期以直線基準計算入賬。

物業、機器及設備

除在建工程外，物業、機器及設備乃按成本值或估值扣減累計折舊、攤銷及累積減值入賬(如有)。

土地、樓宇及機器設備按有關重估價值計入資產負債表。重估價值乃按有關資產於重估當日之公平價值扣減其後任何之累計折舊、攤銷及減值。資產將定期進行重估，以免其賬面值與按資產負債表日期之公平值出現重大差異。

重估土地、樓宇與機器設備時出現之任何增值將撥入資產重估儲備，惟倘該項資產曾出現重估減值而以開支入賬，則有關增值將抵銷先前之減值後才撥入資產重估儲備。倘重估資產而導致其賬面淨值下降，則有關減值會在抵銷該項資產先前之重估儲備結餘(如有)後當作開支入賬。倘其後出售或停用已重估之資產，則有關重估增值會撥入保留溢利。

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, plant and equipment (cont'd)

Depreciation and amortisation is provided to write off the cost or valuation of property, plant and equipment, other than construction in progress, over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold land	Over the term of the lease
Buildings	2%
Leasehold improvements	20% to 33 $\frac{1}{3}$ %
Toolings	33 $\frac{1}{3}$ %
Plant and machinery	10% to 33 $\frac{1}{3}$ %
Gas plant and facilities	Over the lease term of plant
Gas pumps and equipment	10% to 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	15% to 16 $\frac{2}{3}$ %
Motor vehicles	16 $\frac{2}{3}$ % to 33 $\frac{1}{3}$ %

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

Construction in progress

Construction in progress represents construction cost of factory and is stated at cost less impairment loss identified. Cost includes development expenditure and other attributable expenses capitalised.

When the construction is completed, the factory and plant will be transferred to appropriate asset categories and depreciated in accordance with the Group's accounting policies.

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

3. 主要會計政策(續)

物業、機器及設備(續)

除在建工程外，物業、機器及設備按估計可使用年期以直線法按下列年率撇銷成本或估值而作出折舊及攤銷撥備：

租賃土地	按租約年期
樓宇	2%
租賃物業裝修	20%至33 $\frac{1}{3}$ %
工具	33 $\frac{1}{3}$ %
機器及設備	10%至33 $\frac{1}{3}$ %
氣庫及設施	按氣庫租約年期
氣泵及設備	10%至33 $\frac{1}{3}$ %
傢俬、裝置及設備	15%至16 $\frac{2}{3}$ %
汽車	16 $\frac{2}{3}$ %至33 $\frac{1}{3}$ %

出售或停用資產之損益按出售所得款項與資產賬面值之差額而釐定，並計入收益表。

在建工程

在建工程指工廠建築成本，以成本扣減已確認減值入賬。成本包括開發經費和其他經資本化之有關開支。

當建築工程完成後，有關工廠和機器將轉入適當的資產類別並根據集團的會計政策折舊。

投資物業

投資物業乃指已落成物業因其具有投資潛力而持有，任何租金收入均按公平原則磋商釐定。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment properties (cont'd)

Investment properties are stated at their open market value. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged.

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to retained profit.

No depreciation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another SSAP, in which case the impairment loss is treated as a revaluation decrease under that SSAP.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another SSAP, in which case the reversal of the impairment loss is treated as a revaluation increase under that SSAP.

3. 主要會計政策(續)

投資物業(續)

投資物業以公開市值為基準列賬。重估投資物業時產生之增減在投資物業重估儲備入賬或扣除，除非有關儲備結餘不足以填補重估減值，在此情況下，重估投資物業時之減值超過重估投資物業增值之差額，則於損益表中扣除。倘若先前已在損益表扣除重估投資物業減值，但其後又出現投資物業重估增值，則增加之金額將撥入損益表(以先前扣減的金額為限)。

在出售投資物業時，該物業應佔重估物業儲備餘額，將從投資物業重估儲備撥至保留溢利。

租賃期尚餘20年或以下年期的投資物業均按租賃尚餘年期折舊。

減值

於每個結算日，本集團重審其有形及無形資產之賬面值以決定該等資產是否已出現減值虧損之預示。如某一項資產之可回收值低於其賬面值，該項資產之賬面值將降至其可回收值。減值虧損將即時以支出計算入賬，除非有關資產已按另一項實務準則以重估值入賬而該減值虧損則根據該實務準則已視作重估值減少。

當減值虧損日後逆轉，該資產之賬面值將增加至其經修訂之估計可回收值，但賬面值之增加不能超過該資產有如於過往年度未有確認減值虧損之賬面值。減值虧損之逆轉將即時以收入計算入賬，除有關資產已按另一項實務準則以重估值入賬而該減值虧損之逆轉則根據該實務準則已視作重估值增加。

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Foreign currencies

Transactions in currencies other than Hong Kong dollars are initially recorded at the rates of exchange prevailing on the dates of the transactions or at the contracted settlement rate, if applicable. Monetary assets and liabilities denominated in currencies other than Hong Kong dollars are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit and loss for the year/period.

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

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3. 主要會計政策 (續)

存貨

存貨按成本值及可變現淨值兩者之較低者入賬。成本以先入先出方法計算。

外幣

除港元外，以外幣結算之交易初步按交易日期之當時匯率或合約訂立之結算匯率(如適用)換算。以外幣結算之貨幣資產及負債均按結算日之當時匯率換算。匯兌盈虧計入期內之淨溢利及虧損。

於綜合賬目時，本集團海外業務之資產及負債按結算日當時之匯率換算。收入及支出項目按期內平均匯率換算。匯兌差額(如有)，以股本分類並轉入本集團之外匯儲備。已出售業務之匯兌差額以年內收入或支出確認。

稅項

所得稅支出為當期應付稅項加上遞延稅項的總和。

當期應付稅項按年度應課稅溢利計算。應課稅溢利由於不包括其他年度的應課稅收入或可扣稅支出項目，亦不計入毋須課稅或不獲扣稅的收益表項目，因而與收益表所示純利數額不同。本集團當期稅項負債是按結算日已制定或大致上已制定之稅率計算。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Taxation (cont'd)

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

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

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

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

Operating leases

Rental expenses under operating leases are charged to the income statement on a straight-line basis over the lease terms.

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are charged as an expense as they fall due.

3. 主要會計政策(續)

稅項(續)

遞延稅項為基於資產負債在財務報表的帳面值與計算應課稅溢利的相關稅基之間的差額，而須繳付或可獲退回的數額，按資產負債表負債法入帳。如出現應課稅暫時差額，一般一律確認為遞延暫時負債，而遞延稅務資產則於有可能出現應課稅溢利及應用可扣稅暫時差額時確認。然而，若暫時差額是基於商譽(或負商譽)或因一項既不影響應課稅亦不影響會計溢利的交易(業務合併除外)而首次確認其他資產及負債所導致，則不會確認有關遞延稅務資產和負債。

遞延稅項負債乃按附屬公司及聯營公司之投資，以及於合營公司之權益所產生之應繳稅項暫時差額而確認，除非本集團可控制暫時差額之撥回，且該等差額於可見將來可能不會撥回的情況下，則不會確認遞延稅項負債。

遞延稅務資產的帳面值定期在結算日檢討。如應課稅溢利大不可能足以對銷全部或部份遞延稅務資產，則會作出撇減。

遞延稅項於清償負債或變賣資產時，按預計有關期間適用稅率計算。遞延稅項在收益表中入賬或扣除。然而，若遞延稅項關乎直接在資本帳中入賬或扣除的項目，則會在資本帳中處理。

經營租約

經營租約之租金支出乃以直線法按租約年期在收益帳中扣除。

退休福利成本

國營退休福利計劃及強制性公積金計劃之支出按其到期支付日以支出入賬。

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4. TURNOVER

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances, for the year/period, and is analysed as follows:

4. 營業額

營業額乃指年內／期內本集團向外界客戶出售貨品收取及應收取之淨金額減退貨及津貼，其分析如下：

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Sale and distribution of liquefied petroleum gas	銷售及分銷液化石油氣	428,714	279,106
Leasing of property, plant and equipment	租賃物業、機器及設備	3,319	—
Manufacture, sale and distribution of electronic products	製造、銷售及分銷電子產品	14,769	138,641
		446,802	417,747

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group is principally engaged in sale and distribution of liquefied petroleum gas and leasing of property, plant and equipment. These businesses are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

Business segments

Income statement

For the year ended December 31, 2003:

		Liquefied petroleum gas	Leasing of property, plant and equipment	Others	Unallocated	Consolidated
		液化石油氣	物業、機器及 設備之租賃	其他	未分配	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Segment revenues	分類收益	428,714	3,319	14,769	—	446,802
Segment results	分類業績	39,255	(5,496)	(1,689)	2,692	34,762
Amortisation of goodwill	商譽攤銷	(1,406)	(206)	—	—	(1,612)
Recognition of impairment loss in property, plant and equipment	確認物業、機器及設備之減值虧損	—	(1,574)	—	—	(1,574)
Recognition of impairment loss in goodwill arising on acquisition of a subsidiary	確認收購一附屬公司時產生商譽之減值虧損	(6,316)	—	—	—	(6,316)
Unallocated corporate expenses	未分配企業開支	—	—	—	(4,683)	(4,683)
Profit (loss) from operations	經營溢利(虧損)	31,533	(7,276)	(1,689)	(1,991)	20,577
Finance costs	融資成本	—	—	—	(3,430)	(3,430)
Profit (loss) before taxation	除稅前溢利(虧損)	31,533	(7,276)	(1,689)	(5,421)	17,147

5. 業務及地區分類資料

本集團主要從事液化石油氣的銷售和分銷，以及物業、機器及設備之租賃業務，本集團呈報第一分類資料時，以該等業務為呈報基礎。

該等業務之分類資料呈列如下：

業務分類

收益表

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

Balance sheet

At December 31, 2003:

		Liquefied petroleum gas 液化石油氣 HK\$'000 千港元	Leasing of property, plant and equipment 物業、機器及 設備之租賃 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產				
Segment assets	分類資產	158,179	70,351	455	228,985
Unallocated corporate assets	未分配企業資產				3,737
Consolidated total assets	綜合總資產				232,722
Liabilities	負債				
Segment liabilities	分類負債	3,481	5,101	1,057	9,639
Unallocated corporate liabilities	未分配企業負債				48,930
Consolidated total liabilities	綜合總負債				58,569

Other information

For the year ended December 31, 2003:

5. 業務及地區分類資料(續)

業務分類(續)

資產負債表

2003年12月31日：

		Liquefied petroleum gas 液化石油氣 HK\$'000 千港元	Leasing of property, plant and equipment 物業、機器及 設備之租賃 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital and goodwill additions	資本及商譽增加	30,236	999	—	4	31,239
Depreciation and amortisation	折舊及攤銷	4,511	5,834	—	153	10,498
Allowances for bad debts	壞賬撥備	9	—	647	—	656

其他資料

截至2003年12月31日止年度：

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

Income statement

For the period from October 1, 2001 to December 31, 2002:

5. 業務及地區分類資料(續)

業務分類(續)

收益表

由2001年10月1日至2002年12月31日止期間：

		Continuing operations- Liquefied petroleum gas 持續業務— 液化石油氣 HK\$'000 千港元	Discontinuing operations- Electronic products 非持續業務— 電子產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenues	分類收益	279,106	138,641	—	417,747
Segment results	分類業績	46,619	(5,219)	2,686	44,086
Amortisation of goodwill	商譽攤銷	(1,053)	(910)	—	(1,963)
Loss on disposals and write-offs of property, plant and equipment	出售及撇銷物業、機器及設備之虧損	—	(6,319)	—	(6,319)
Deficit on revaluation of property, plant and equipment	重估物業、機器及設備之虧絀	—	(3,529)	—	(3,529)
Recognition of impairment loss in property, plant and equipment	確認物業、機器及設備之減值虧損	—	(2,300)	—	(2,300)
Recognition of impairment loss in goodwill arising on acquisition of a subsidiary	確認收購一附屬公司時產生商譽之減值虧損	—	(9,227)	—	(9,227)
Unallocated corporate expenses	未分配企業開支	—	—	(5,732)	(5,732)
Profit (loss) from operations	經營溢利(虧損)	45,566	(27,504)	(3,046)	15,016
Finance costs	融資成本	—	—	(4,025)	(4,025)
Profit (loss) before taxation	除稅前溢利(虧損)	45,566	(27,504)	(7,071)	10,991

Notes to the Financial Statements (Con't)

財務報表附註(續)

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

Balance sheet

At December 31, 2002:

5. 業務及地區分類資料(續)

業務分類(續)

資產負債表

於2002年12月31日

		Continuing operations- Liquefied petroleum gas 持續業務 — 液化石油氣 HK\$'000 千港元	Discontinuing operations- Electronic products 非持續業務 — 電子產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產			
Segment assets	分類資產	86,819	81,598	168,417
Unallocated corporate assets	未分配企業資產			1,603
Consolidated total assets	綜合總資產			170,020
Liabilities	負債			
Segment liabilities	分類負債	1,729	13,333	15,062
Unallocated corporate liabilities	未分配企業負債			46,400
Consolidated total liabilities	綜合總負債			61,462

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

Other information

For the period from October 1, 2001 to December 31, 2002:

		Continuing operations- Liquefied petroleum gas 持續業務 — 液化石油氣 HK\$'000 千港元	Discontinuing operations- Electronic products 非持續業務 — 電子產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital and goodwill additions	資本及商譽增加	22,637	25,273	78	47,988
Depreciation and amortisation	折舊及攤銷	1,497	7,685	185	9,367
Allowances for bad debts	壞賬撥備	—	1,713	—	1,713

Geographical segments

The Group's operations, by the geographical location of its customers, are located in Hong Kong, other regions in the People's Republic of China (the "PRC"), Europe, United States of America and Africa, South East Asia, Korea, Japan and Australia. The Group's sale and distribution of liquefied petroleum gas and leasing of property, plant and equipment are carried out in the PRC. The Group's manufacturing and sale of electronic products were located in Hong Kong and the PRC.

5. 業務及地區分類資料(續)

業務分類(續)

其他資料

由2001年10月1日至2002年12月31日止期間：

地區分類

本集團之經營業務按客戶所在地區劃分，位於香港、中華人民共和國(「中國」)其他地區、歐洲、美利堅合眾國及非洲、東南亞、韓國、日本以及澳洲。本集團銷售及分銷液化石油氣，以及物業、機器及設備之租賃業務均於中國進行。本集團製造及銷售之電子產品業務則位於香港及中國。

Notes to the Financial Statements (Con't)
財務報表附註(續)

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Geographical segments (cont'd)

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods:

		1.1.2003 to 至 12.31.2003 HK\$'000 千港元	10.1.2001 to 至 12.31.2002 HK\$'000 千港元
PRC	中國	446,121	381,194
Europe, United States of America and Africa	歐洲、美利堅合眾國及非洲	681	26,279
South East Asia, Korea, Japan and Australia	東南亞、韓國、日本及澳洲	—	9,796
Hong Kong	香港	—	478
		446,802	417,747

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

		Carrying amount of segment assets 分類資產之賬面值		Additions to property, plant and equipment and intangible assets 物業、機器及設備及 無形資產添置	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元	1.1.2003 to 至 12.31.2003 HK\$'000 千港元	10.1.2001 to 至 12.31.2002 HK\$'000 千港元
PRC	中國	220,335	156,589	31,235	47,910
Hong Kong	香港	12,387	13,431	4	78
		232,722	170,020	31,239	47,988

5. 業務及地區分類資料(續)

地區分類(續)

下表所列為本集團之收益按地區市場分析，而不論貨物來源地：

		1.1.2003 to 至 12.31.2003 HK\$'000 千港元	10.1.2001 to 至 12.31.2002 HK\$'000 千港元
PRC	中國	446,121	381,194
Europe, United States of America and Africa	歐洲、美利堅合眾國及非洲	681	26,279
South East Asia, Korea, Japan and Australia	東南亞、韓國、日本及澳洲	—	9,796
Hong Kong	香港	—	478
		446,802	417,747

下表列示分類資產之賬面值及物業、機器及設備及無形資產之添置，按資產所在地按地區分類之分析：

		Carrying amount of segment assets 分類資產之賬面值		Additions to property, plant and equipment and intangible assets 物業、機器及設備及 無形資產添置	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元	1.1.2003 to 至 12.31.2003 HK\$'000 千港元	10.1.2001 to 至 12.31.2002 HK\$'000 千港元
PRC	中國	220,335	156,589	31,235	47,910
Hong Kong	香港	12,387	13,431	4	78
		232,722	170,020	31,239	47,988

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6. OTHER OPERATING INCOME

6. 其他經營收入

		1.1.2003 to 12.31.2003 HK\$'000 千港元	10.1.2001 to 12.31.2002 HK\$'000 千港元
Rental income from property, plant and equipment (note)	出租物業、機器及設備之收入(註)	—	3,233
Interest earned on bank deposits	銀行存款利息	15	50
Waiver of outstanding debts by vendors	賣方豁免未償還債款	635	2,735
Other	其他	2,042	865
		2,692	6,883

Note: For the year ended December 31, 2003, the leasing of property, plant and equipment is determined by the director as one of the Group's business segments, details of which are disclosed in note 5. For the period from October 1, 2001 to December 31, 2002 the outgoings attributable to the leasing of these property, plant and equipment amounted to HK\$880,000.

註：截至2003年12月31日止年度期間，董事釐定物業、機器及設備之租賃作為本集團分類業務之一，有關詳情已於附註5披露。由2001年10月1日至2002年12月31日止期間，因出租該等物業、機器及設備而支出的費用為880,000港元。

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For the Year Ended December 31, 2003
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7. PROFIT FROM OPERATIONS

7. 經營溢利

		1.1.2003 to 至 12.31.2003 HK\$'000 千港元	10.1.2001 to 至 12.31.2002 HK\$'000 千港元
Profit from operations has been arrived at after charging:	經營溢利已扣除下列項目：		
Auditors' remuneration	核數師酬金	750	803
Allowances for bad debts	壞賬撥備	656	1,713
Depreciation and amortisation	折舊及攤銷		
Owned assets	自置資產	8,886	7,404
Goodwill included in administrative expenses	已計入行政支出之商譽	1,612	1,963
		10,498	9,367
Net exchange loss	外匯淨虧損	31	444
Rental payments under operating leases in respect of premises	樓宇經營租約租金	2,107	2,061
Staff costs	僱員薪金		
Directors' fees (note 10)	董事袍金(附註10)	200	297
Directors' other emoluments (note 10)	董事其他酬金(附註10)	1,738	3,189
Contributions to retirement benefits schemes excluding HK\$40,000 (10.1.2001 to 12.31.2002: HK\$47,000) included in directors' emoluments	除40,000港元已計入董事酬金之退休福利計劃供款(10.1.2001至12.31.2002: 47,000港元)	115	277
Others	其他	5,614	11,912
		7,667	15,675

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8. FINANCE COSTS

The amount represents interest on bank and other borrowings wholly repayable within five years.

9. DISCONTINUING OPERATIONS

In December 2002, the directors determined to terminate the Group's operations in the manufacture, sale and distribution of electronic products. The Group entered into an agreement, with an independent third party company and subsequently, also with a then senior management of the Group, under which the operations were sub-contracted to both the afore-mentioned company and individual. Pursuant to the agreements, the Group will be entitled to a fixed monthly income and share a percentage of profits if certain conditions are met. The Group ceased to operate, by its own, the electronic product manufacturing business on January 1, 2003.

The results of the discontinuing business for the period from October 1, 2001 to December 31, 2002 and the carrying amounts of the assets and liabilities of the discontinuing business are set out in note 5.

During the period from October 1, 2001 to December 31, 2002, the Group's electronic products manufacturing business contributed HK\$3,751,000 to the Group's net operating cash flows, paid HK\$14,195,000 in respect of investing activities and paid HK\$1,016,000 in respect of financing activities.

8. 融資成本

融資成本指須於5年內全數償還之銀行貸款及其他借款之利息。

9. 非持續業務

於2002年12月，董事議決終止本集團之電子產品生產、銷售及分銷業務，並與獨立第三者公司且其後亦與集團前高級管理人員訂立承包協議，據此，電子業務發包予前述公司及人士經營。根據該等協議，本集團可以每月固定收入及符合若干條件情況下可分佔盈利之若干百分比。本集團已於2003年1月1日起自願終止經營其電子產品生產業務。

由2001年10月1日至2002年12月31日止期間非持續業務之業績及其資產及負債之賬面值載於附註5。

由2001年10月1日至2002年12月31日止期間，本集團之電子產品生產業務對本集團之經營現金流量貢獻淨額為3,751,000港元；就有關投資活動支付14,195,000港元，並就有關融資活動支付1,016,000港元。

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10. DIRECTORS' EMOLUMENTS

10. 董事酬金

		1.1.2003	10.1.2001
		to	to
		至	至
		12.31.2003	12.31.2002
		HK\$'000	HK\$'000
		千港元	千港元
Directors' fees:	董事袍金：		
Executive	執行董事	—	—
Independent non-executive	獨立非執行董事	200	297
		200	297
Other emoluments (executive directors):	其他酬金(執行董事)：		
Salaries and other benefits	薪金及其他福利	1,698	3,142
Contributions to retirement benefits schemes	退休福利計劃供款	40	47
		1,738	3,189
Total emoluments	酬金總額	1,938	3,486

The emoluments of the directors were within the following band:

董事酬金介乎下列金額範圍之人數如下：

		1.1.2003	10.1.2001
		to	to
		至	至
		12.31.2003	12.31.2002
		Number of	Number of
		directors	directors
		董事人數	董事人數
Nil to HK\$1,000,000	零至1,000,000港元	9	12

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10. DIRECTORS' EMOLUMENTS (cont'd)

The above emoluments included the emoluments received during the directorship by a director who had appointed during the year. Together with the emoluments received by him as employee of the Group during the year, he is one of the five individuals with highest emoluments in the Group. The total amount received by him during the year was less than HK\$1,000,000.

No director waived any emoluments during either the year ended December 31, 2003 or the period from October 1, 2001 to December 31, 2002.

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (10.1.2001 to 12.31.2002: two) were directors of the Company whose emoluments are included in the disclosures in note 10 above. The emoluments of the remaining highest paid individual is a director who resigned during the year and remains as an employee of the Group (2002: nil) following his resignation as a director of the Company. Details of the emoluments received by him during his directorship for the year are disclosed in note 10. The total amounts received by him (2002: three) during the year were as follows:

		1.1.2003 to 至 12.31.2003 HK\$'000 千港元	10.1.2001 to to 12.31.2002 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	470	1,730
Contributions to retirement benefits schemes	退休福利計劃供款	10	30
		480	1,760

10. 董事酬金(續)

上述酬金包括年內獲委任之一名董事於任期內收取之酬金。該名董事連同年內其本身兼任本集團僱員而收取之酬金，為本集團5名最高薪僱員之一，年內收取之酬金總額低於1,000,000港元。

截至2003年12月31日止年度內或由2001年10月1日至2002年12月31日止期間，並無董事放棄任何酬金。

11. 僱員酬金

本集團5名最高薪人士包括4名本公司董事(10.1.2001至12.31.2002: 2名)，有關酬金詳情已於上文附註10作出披露。其餘1名最高薪人士為本集團年內請辭之董事(2002: 無)，彼辭任本公司董事職務後仍為本集團之僱員。有關年內該名董事擔任董事一職所得酬金詳情，已於附註10披露。年內，該名最高薪人士(2002: 3名)收取之酬金總額如下：

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11. EMPLOYEES' EMOLUMENTS (cont'd)

Their emoluments were within the following band:

		1.1.2003 to 至 12.31.2003 Number of employees 僱員人數	10.1.2001 to 至 12.31.2002 Number of employees 僱員人數
Nil to HK\$1,000,000	零至1,000,000港元	1	3

No emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office during either the year ended December 31, 2003 or the period from October 1, 2001 to December 31, 2002.

12. TAXATION

The amount of taxation charged to the consolidated income statement represents:

		1.1.2003 to 至 12.31.2003 HK\$'000 千港元	10.1.2001 to 至 12.31.2002 HK\$'000 千港元
Current tax:	即期稅項：		
Overseas taxation	海外稅項	(685)	(313)
Deferred tax (note 30)	遞延稅項(附註30)	471	—
		(214)	(313)

11. 僱員酬金 (續)

僱員酬金介乎下列金額範圍：

	1.1.2003 to 至 12.31.2003 Number of employees 僱員人數	10.1.2001 to 至 12.31.2002 Number of employees 僱員人數
Nil to HK\$1,000,000	1	3

截至2003年12月31日止年度內或由2001年10月1日至2002年12月31日止期間，本集團概無向該5位最高薪人士(包括董事)支付酬金作為促使其加入或於加入本集團之獎勵或作為離職補償。

12. 稅項

於綜合損益表內扣除之稅項包括：

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12. TAXATION (cont'd)

The overseas taxation represents PRC enterprise income tax, which is calculated at the rates prevailing, in respect of the Company's subsidiaries operating in the PRC.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company's subsidiaries operating in Hong Kong incurred a tax loss for the year/period.

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

		1.1.2003 to 至 12.31.2003		10.1.2001 to 至 12.31.2002	
		HK\$'000 千港元	%	HK\$'000 千港元	%
Profit before taxation	除稅前溢利	17,147		10,991	
Tax at the average income tax rate	按平均所得稅率計算之稅項	2,112	12.3	2,241	20.4
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅項影響	2,922	17.0	1,807	16.4
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(6,887)	(40.2)	(7,476)	(68.0)
Tax effect of tax losses/deferred tax assets not recognised	未確認之稅項虧損/遞延稅務資產之稅務影響	2,067	12.2	3,741	34.0
Tax expense and effective tax rate for the year	年內稅項支出及實際稅率	214	1.3	313	2.8

Details of the deferred tax asset not recognised are set out in note 30.

12. 稅項(續)

海外稅項乃指有關本公司於中國營運之附屬公司按適用稅率計算之中國企業所得稅。

由於本公司於香港營運之附屬公司於年內/期內出現稅務虧損，因此本財務報表並無就香港利得稅作出撥備。

年內/期內產生可與綜合收益表之溢利對賬之稅項支出如下：

未確認之遞延稅務資產詳情載於附註30。

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13. DIVIDEND

	1.1.2003 to 至 12.31.2003 HK\$'000 千港元	10.1.2001 to 至 12.31.2002 HK\$'000 千港元
Final proposed — HK0.08 cents (2002: nil) per share	3,853	—

Subsequent to December 31, 2003, the directors proposed a final dividend of HK0.08 cents (2002: nil) per share be paid to the shareholders of the Company whose names appear on the register of members on June 4, 2004. This final dividend is subject to approval by the shareholders at the forthcoming annual general meeting. At April 23, 2004, the number of shares issued and fully paid is 4,816,766,873.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	1.1.2003 to 至 12.31.2003 HK\$'000 千港元	10.1.2001 to 至 12.31.2002 HK\$'000 千港元
Profit for the purposes of basic and diluted earnings per share	17,051	10,970
Weighted average number of shares for the purposes of basic earnings per share	3,272,887,229	3,220,002,519
Effect of dilutive potential shares:		
Options	—	16,652,504
Weighted average number of shares for the purpose of diluted earnings per share	3,272,887,229	3,236,655,023

13. 股息

	1.1.2003 to 至 12.31.2003 HK\$'000 千港元	10.1.2001 to 至 12.31.2002 HK\$'000 千港元
Final proposed — HK0.08 cents (2002: nil) per share	3,853	—

於2003年12月31日後，董事建議向於2004年6月4日名列本公司股東名冊之本公司股東派發末期股息每股0.08港仙（2002：無）。末期股息須待股東於來屆股東週年大會上通過方會作實。於2004年4月23日，已發行及繳足股份數目為4,816,766,873股。

14. 每股盈利

每股基本及攤薄盈利乃按下列數據計算：

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14. EARNINGS PER SHARE (cont'd)

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for the year ended December 31, 2003.

14. 每股盈利(續)

於截至2003年12月31日止年度，因本公司購股權之行使價高於有關股份之平均市價，故該年度計算每股攤薄盈利時，並無假設本公司年內行使尚未行使之購股權。

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、機器及設備

		Construction in progress 在建工程	Land and buildings 土地及樓宇	Leasehold improvements 租賃物業裝修	Toolings 工具	Plant and machinery 機器及設備	Gas plant and facilities 氣庫及設施	Gas pumps and equipment 氣泵及設備	Furniture, fixtures and equipment 傢俬、 裝置及設備	Motor vehicles 汽車	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
THE GROUP	本集團										
COST OR VALUATION	成本或估值										
At January 1, 2003	於2003年1月1日	1,823	35,800	5,929	13,223	13,466	19,504	5,320	2,207	657	97,929
Acquired on acquisition of subsidiaries	收購附屬公司	—	—	—	—	—	7,810	6,412	2,676	900	17,798
Additions	添置	383	—	100	289	—	199	467	666	98	2,202
Disposals and write-offs	出售及撇銷	(146)	—	—	(2)	(375)	—	—	(2)	—	(525)
Transfer to investment properties	轉撥往投資 物業	—	(35,800)	—	—	—	—	—	—	—	(35,800)
At December 31, 2003	於2003年12月31日	2,060	—	6,029	13,510	13,091	27,513	12,199	5,547	1,655	81,604
Comprising:	包括：										
At cost	按成本值	2,060	—	6,029	13,510	10,247	27,513	12,199	5,547	1,655	78,760
At valuation — 1999	按估值 — 1999	—	—	—	—	2,844	—	—	—	—	2,844
		2,060	—	6,029	13,510	13,091	27,513	12,199	5,547	1,655	81,604
DEPRECIATION, AMORTISATION AND IMPAIRMENT	折舊、攤銷及 減值										
At January 1, 2003	於2003年1月1日	—	—	4,576	5,450	4,461	169	216	801	117	15,790
Provided for the year	年內撥備	—	775	282	3,033	1,523	639	1,284	936	414	8,886
Impairment loss recognised	於收益表已確認 減值虧損	—	—	—	1,335	239	—	—	—	—	1,574
Eliminated on disposals and write-offs	於出售及撇銷時 抵銷	—	—	—	—	(287)	—	—	(1)	—	(288)
Transfer to investment properties	轉撥往投資物業	—	(775)	—	—	—	—	—	—	—	(775)
At December 31, 2003	於2003年12月31日	—	—	4,858	9,818	5,936	808	1,500	1,736	531	25,187
NET BOOK VALUES	賬面淨值										
At December 31, 2003	於2003年12月31日	2,060	—	1,171	3,692	7,155	26,705	10,699	3,811	1,124	56,417
At December 31, 2002	於2002年12月31日	1,823	35,800	1,353	7,773	9,005	19,335	5,104	1,406	540	82,139

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15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

During the year, the directors conducted a review of the Group's manufacturing assets and determined that a number of those assets were impaired. Accordingly, impairment losses of HK\$1,335,000 (10.1.2001 to 12.31.2002: HK\$1,065,000) and HK\$239,000 (10.1.2001 to 12.31.2002: HK\$1,235,000), respectively, have been recognised in respect of toolings and, plant and machinery. The assets have been written down to their recoverable amounts, being the present value of the cash flows anticipated to be generated by the assets. The value in use has been calculated using a discount rate of 8.0% (2002: 10.5%).

The gas plant under construction is situated in the PRC and is held under medium term leases.

The land and buildings shown above represent properties held outside Hong Kong under medium term leases which were transferred to investment properties during the year.

The plant and machinery purchased before February 28, 1999 and have been kept in use by the Group at December 31, 2003 was valued at February 28, 1999 by American Appraisal China Limited (formerly known as American Appraisal Hongkong Limited) ("American Appraisal"), appraisal and property consultants, under the premise of continued use basis at HK\$2,844,000 (12.31.2002: HK\$3,219,000). American Appraisal is not connected with the Group. In the opinion of the directors, the fair value of the above revalued plant and machinery at December 31, 2003 would not be significantly different from their carrying values. Accordingly, these plant and machinery were stated at valuation in February 1999 less subsequent depreciation and impairment loss. If plant and machinery has not been revalued, they would have been included in these financial statements at historical cost less accumulated depreciation of HK\$626,000 (2002: HK\$1,109,000).

In addition, the directors also consider that the fair values of plant and machinery purchased during the period from February 28, 1999 to December 31, 2003 and have been kept in use by the Group would not be significantly different from their net book value at December 31, 2003. Accordingly, these assets were stated at cost less depreciation.

15. 物業、機器及設備 (續)

年內，董事重審了本集團之製造資產，認為部份資產價值已減少，據此，已確認有關工具和機器及設備之減值虧損分別為1,335,000港元(10.1.2001至12.31.2002: 1,065,000港元)及239,000港元(10.1.2001至12.31.2002: 1,235,000港元)。該等資產已撇銷至其可回收值，即資產之預計可產生現金流量現值。使用價值以折現率8.0%(2002: 10.5%)計算。

在建氣庫乃位於中國並以中期租約持有。

上述所示土地及樓宇位於香港以外地區之物業，以中期租約持有並於年內轉撥往投資物業。

本集團於1999年2月28日前購置且於2003年12月31日仍然使用之機器及設備由估值及物業顧問美國評估有限公司(「美國評估」)，於1999年2月28日按持續使用基準評估，評估價值為2,844,000港元(12.31.2002: 3,219,000港元)。美國評估與本集團並無關連。董事認為，上述經重估之機器及設備於2003年12月31日之公平值與其賬面值並無重大差異。因此，該等機器及設備按1999年2月進行之估值減其後之折舊及減值入賬。假設機器及設備並無重估，則應按歷史成本法減累計折舊626,000港元(2002: 1,109,000港元)計入本財務報表內。

此外，董事認為，由1999年2月28日至2003年12月31止期間所購置及繼續使用之機器及設備之公平值與該等資產於2003年12月31日之賬面淨值並無重大差異。因此，該等資產按成本減折舊入賬。

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15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The following table discloses details of certain property, plant and equipment of the Group which were held for use under operating leases:

		Cost or valuation		Accumulated depreciation, amortisation and impairment		Net book values		Depreciation amortisation and impairment charged for the year/period	
		2003	2002	2003	2002	2003	2002	2003	2002
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Land and buildings	土地及樓宇	—	20,629	—	1,588	—	19,041	—	596
Leasehold improvements	租賃物業裝修	6,029	—	4,858	—	1,171	—	282	—
Toolings	工具	13,510	—	9,818	—	3,692	—	4,368	—
Plant and machinery	機器及設備	13,091	1,649	5,936	1,046	7,155	603	1,762	305
Gas plant and facilities	氣庫及設施	—	8,653	—	122	—	8,531	—	122
Gas pumps and equipment	氣泵及設備	—	1,020	—	129	—	891	—	129
Furniture, fixtures and equipment	傢俬、裝置及設備	1,666	—	592	—	1,074	—	206	—
Motor vehicles	汽車	74	167	40	41	34	126	13	41
Total	合計	34,370	32,118	21,244	2,926	13,126	29,192	6,631	1,193

The Group has pledged gas plant and facilities, and plant and machinery having an aggregate net book value of HK\$2,183,000 (2002: HK\$2,236,000) and nil (2002: HK\$2,932,000) respectively to secure general banking facilities granted to the Group.

15. 物業、機器及設備(續)

下表披露本集團以經營租約持有之若干物業、機器及設備之詳情：

年內／期內計入折舊、攤銷及減值

為取得給予本集團之一般銀行貸款，本集團已抵押賬面淨值分別為2,183,000港元(2002: 2,236,000港元)及無(2002: 2,932,000港元)之氣庫及設施與機器及設備。

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16. INVESTMENT PROPERTIES

16. 投資物業

		The Group 本集團 HK\$'000 千港元
At January 1, 2003	於2003年1月1日	—
Transfer from property, plant and equipment	轉撥自物業、機器及設備	35,025
At December 31, 2003	於2003年12月31日	35,025

Investment properties were valued at their open market value at November 30, 2003 by Norton Appraisals Limited ("Norton Appraisals"), a professional valuer. Norton Appraisals is not connected with the Group. The carrying value of the investment properties at November 30, 2003 was approximately equal to the open market value. In the opinion of the directors, the fair value of the investment properties as at December 31, 2003 would not be significantly different from the valuation of the investment properties at November 30, 2003.

Most of the Group's investment properties are rented out under operating leases.

The carrying amount of investment properties comprises land held outside Hong Kong under medium term leases.

投資物業由一專業估值師普敦國際評估有限公司(「普敦」)按公開市值基準於2003年11月30日進行估值。普敦與本集團並無關連。董事認為，該等投資物業於2003年11月30日之公平值與公開市值相若，亦即該等投資物業於2003年12月31日之公平值與2003年11月30日進行之估值相差不大。

本集團大部分投資物業已根據經營租約租出。

投資物業之賬面值包括在香港境外根據中期租約持有之土地。

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17. GOODWILL

17. 商譽

The Group
本集團
HK\$'000
千港元

COST	成本	
At January 1, 2003	於2003年1月1日	97,125
Acquired during the year	年內收購	11,239
At December 31, 2003	於2003年12月31日	108,364
AMORTISATION AND IMPAIRMENT	攤銷及減值	
At January 1, 2003	於2003年1月1日	78,390
Provided for the year	年內撥備	1,612
Impairment loss recognised	已確認減值虧損	6,316
At December 31, 2003	於2003年12月31日	86,318
NET BOOK VALUES	賬面淨值	
At December 31, 2003	於2003年12月31日	22,046
At December 31, 2002	於2002年12月31日	18,735

The amortisation period adopted for goodwill is 20 years.

攤銷商譽之採納年期為20年。

During the year, the Group entered into a letter of intent with an independent third party under which the Group will transfer its equity interest in one of its subsidiaries, Well Jade Limited ("Well Jade"), at a consideration of approximately HK\$8,887,000, to that independent third party. The directors were satisfied that the selling price represented the market value of the equity interest in Well Jade as at December 31, 2003 which is less than the aggregate carrying amount of the goodwill arising on acquisition of Well Jade and the related net assets of Well Jade. Thus, an impairment loss of approximately HK\$6,316,000 is recognised in the income statement in respect of the goodwill arising on acquisition of Well Jade.

年內，本集團與一獨立第三方訂立一份意向書，據此，本集團將會向該獨立第三方轉讓集團旗下一家附屬公司—好井有限公司(「好井」)由本集團持有之股權，代價約為8,887,000港元。董事相信股份售價相當於好井股權於2003年12月31日之市值，亦即低於收購好井所產生之商譽賬面總值與好井相關資產淨值兩者總和。因此，就收購好井產生之商譽於收益表確認之減值虧損約為6,316,000港元。

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18. INVESTMENTS IN SUBSIDIARIES

18. 於附屬公司投資

		The Company 本公司	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	19,056	19,056
Less: Impairment loss recognised	減：已確認減值虧損	(19,056)	(19,056)
		—	—

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

本公司於2003年12月31日之主要附屬公司資料如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立／註冊／ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本／註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本／ 註冊資本面值比例	Principal activities 主要業務
Claymore Developments Limited	British Virgin Islands/PRC 英屬處女島／ 中國	Ordinary 普通股	US\$1 1美元	100	Holding of property, plant and equipment 持有物業、機器及設備
Environmental Energy Investment Limited ("Environmental Energy") 環保能源投資有限公司 〔「環保能源」〕	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding 投資控股
Sound Electronics (Shenzhen) Co., Ltd. 海溢電子(深圳)有限公司	PRC # 中國#	Registered capital 註冊資本	HK\$10,000,000 10,000,000港元	100	Leasing of property, plant and equipment 物業、機器及設備 之租賃

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

18. 於附屬公司投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本/ 註冊資本面值比例	Principal activities 主要業務
Sound Green Energy Limited 新海環保能源有限公司	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding and sale of liquefied petroleum gas 投資控股及銷售 液化石油氣
Sound Hong Kong Limited 新海香港有限公司	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding 投資控股
Sound Industrial Limited ("Sound Industrial") 新海實業有限公司 (「新海實業」)	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Trading of electronic products 買賣電子產品
Sound Management Services Limited ("Sound Management") 新海管理服務有限公司 (「新海管理」)	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Providing management services to group companies 向集團公司提供 管理服務
Sound Technologies Limited 新海科技有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Investment holding 投資控股
Shunde Sound Electronic Co., Ltd. 順德新海電子有限公司 (「順德新海」)	PRC # 中國#	Registered capital 註冊資本	HK\$7,100,000 7,100,000港元	100	Leasing of property, plant and equipment 物業、機器及設備 之租賃
Well Jade Limited 好井有限公司(「好井」)	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$10,000 10,000美元	70	Investment holding 投資控股

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

18. 於附屬公司投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本/ 註冊資本面值比例	Principal activities 主要業務
桂林綠環能源發展有限公司	PRC # 中國#	Registered capital 註冊資本	HK\$6,000,000 6,000,000港元	100	Sale and distribution of liquefied petroleum gas 銷售及分銷液化石油氣
桂林荔浦新海燃氣有限公司	PRC * 中國*	Registered capital 註冊資本	HK\$1,400,000 1,400,000港元	95	Sale and distribution of liquefied petroleum gas 銷售及分銷液化石油氣
梧州綠環科技有限公司	PRC # 中國#	Registered capital 註冊資本	HK\$5,600,000 5,600,000港元	100	Sale and distribution of liquefied petroleum gas 銷售及分銷液化石油氣
梧州市新海燃氣有限公司 ("Wuzhou NewOcean") (note a) 〔梧州新海〕(註a)	PRC * 中國*	Registered capital 註冊資本	RMB500,000 500,000人民幣	60	Sale and distribution of liquefied petroleum gas 銷售及分銷液化石油氣
Qingxin Bai Fu Yang Petrol Chemical Company Limited ("BFY") (note b) 清新縣百富洋石油化工 有限公司(「百富洋」)(註b)	PRC # 中國#	Registered capital 註冊資本	RMB5,000,000 5,000,000人民幣	100	Sale and distribution of liquefied petroleum gas 銷售及分銷液化石油氣

* Sino-Foreign equity joint ventures

* 中外合資企業

Wholly owned foreign enterprises

全資外資企業

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

Notes:

- (a) Prior to the formal establishment of Wuzhou NewOcean, the Group entered into an agreement ("Shareholders Agreement") with the now minority shareholder of Wuzhou NewOcean ("PRC Investor") under which the operation of Wuzhou NewOcean was sub-contracted to that PRC Investor with a sub-contracting period of 5 years subject to renewal. The PRC Investor was responsible for the daily operation of Wuzhou NewOcean and accountable for all the liabilities and obligations arising from any agreements or contracts entered into in the name of Wuzhou NewOcean and the operating losses, if any, during the sub-contracting period.

Pursuant to the original terms of the Shareholders Agreement, the Group was entitled to a fixed sum of sub-contracting fee payable by Wuzhou NewOcean and the PRC Investor was entitled to the profit of Wuzhou NewOcean limited to a fixed sum ("Limited Profit"). Any profit in excess of the Limited Profit ("Super Profit") will be appropriated to the shareholders, namely the Group and the PRC Investor, in proportion to the capital contributed by the respective parties. The Group was entitled to 60% of the Super Profit.

Pursuant to another agreement ("Leasing Agreement") entered into by the parties, the Group leased certain plant and equipment to Wuzhou NewOcean at a pre-determined rental payable by Wuzhou NewOcean. Subsequently, the parties entered into a new agreement under which the Group waived the sub-contracting fees but increased the pre-determined rental stipulated in the Leasing Agreement. During the period from October 1, 2001 to December 31, 2002, the aggregate amount of rental income receivable by the Group amounted to HK\$547,000.

In the opinion of the directors, the Group has the ultimate power to control the assets of Wuzhou NewOcean but did not have the power to govern its operation during the period since the date of the above-mentioned establishment to December 31, 2002. Accordingly, the results of Wuzhou NewOcean for the period were not consolidated in the results of the Group.

Subsequent to December 31, 2002, the parties terminated the Shareholders Agreement and entered into an agreement under which the parties will operate Wuzhou NewOcean commencing January 1, 2003. Accordingly, the results of Wuzhou NewOcean for the year ended December 31, 2003 have been consolidated in the results of the Group.

- (b) BFY is indirectly held by the Company through the declarations of trust executed by Cen Ziniu and Li Canyuan who held the interest of 90% and 10% on behalf of the Group, respectively.

18. 於附屬公司投資(續)

註:

- (a) 梧州新海正式成立以前，本集團與梧州新海現時少數股東(「中方投資者」)訂立一項協議(「股東協議」)，據此，梧州新海之營運發包予該中方投資者，為期5年，可予續期。中方投資者於發包期間負責梧州新海之日常運作，並負責承擔以梧州新海名義訂立之任何合同或合約之負債及責任和經營虧損(如有)。

根據股東協議之原訂條款，本集團可得到由梧州新海支付之固定承包費，而中方投資者可分佔梧州新海之盈利，但數目只限於一個固定上限(「上限盈利」)。任何超出於上限盈利之部份(「超額盈利」)將按各股東之出資比例分派股東，即本集團及中方投資者。本集團可取得超額盈利之60%。

根據上述雙方另一項協議(「租賃協議」)，本集團以一既定租金向梧州新海租出若干機器及設備。其後，雙方訂立另一份協議，據此，本集團放棄收取承包費，但提高租賃協議之既定租金金額。由2001年10月1日至2002年12月31日止期間，本集團收取之租金收入合共547,000港元。

董事認為，期內本集團擁有控制梧州新海之最終權力但未擁有其經營權。據此，梧州新海由成立日期至2002年12月31日止期間之業績並無納入本集團之綜合業績。

於2002年12月31日後，上述雙方終止股東協議及訂立一項合作協議，據此，自2003年1月1日起，雙方共同經營梧州新海。因此，梧州新海截至2003年12月31日止年度之業績已納入本集團之綜合業績。

- (b) 百富洋透過由岑子牛及李燦元訂立的信託聲明書由本公司間接持有。岑子牛及李燦元分別代本集團持有百富洋90%及10%權益。

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18. INVESTMENTS IN SUBSIDIARIES (cont'd)

The above principal subsidiaries are owned indirectly by the Company with the exception of Sound Hong Kong Limited which is owned directly by the Company.

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

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

19. INTEREST IN AN ASSOCIATE

Share of net asset of an associate 應佔一聯營公司資產淨額

As at December 31, 2003, the Group had interest in the following associate:

Name of entity 公司名稱	Form of business structure 業務架構類別	Country of incorporation 註冊地	Principal place of operation 主要營業地	Issued and fully paid up share capital 已發行及繳足股本	Proportion of nominal value of issued capital held by the Group 本集團所持已發行股本面值比例	Nature of business 業務性質
Clear Network Limited	Incorporated 註冊公司	British Virgin Islands 英屬處女島	Hong Kong 香港	US\$1,000 1,000美元	40%	Internet website operation 經營互聯網網站

18. 於附屬公司投資(續)

除本公司直接擁有之新海香港有限公司外，上述各主要附屬公司均由本公司間接擁有。

各附屬公司於年終或年內任何時間概無任何未償還債務證券。

上表載列董事會認為主要影響本集團業績或資產之本公司附屬公司。董事會認為列出其他附屬公司之資料會過於冗長。

19. 所佔一聯營公司權益

The Group 本集團	
2003 HK\$'000 千港元	2002 HK\$'000 千港元

— —

於2003年12月31日，本集團擁有下列聯營公司之權益：

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20. OTHER ASSET

At December 31, 2003, the balance represents the cash consideration and related costs paid for the acquisition of the entire equity interest in Zhuhai Iwatani LPG Co., Ltd. ("Zhuhai Iwatani"), a wholly foreign-owned enterprise registered in Zhuhai, the PRC. On December 15, 2003, the Company and a wholly owned subsidiary entered into a sale and purchase agreement with Iwatani International Corporation and Iwatani (China) Limited for the acquisition of the entire equity interest of Zhuhai Iwatani ("Purchase Agreement") at a total consideration of HK\$140,000,000, subject to adjustment. This proposed acquisition as contemplated under the Purchase Agreement constituted a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. Accordingly, completion of the Purchase Agreement is conditional upon, amongst other things, the approval by the shareholders at the Special General Meeting, thus the financial statements of Zhuhai Iwatani were not consolidated into the Group's financial statements for the year ended December 31, 2003 and the cash consideration and related costs paid were recorded as a non-current asset. Details of the acquisition were set out in the Company's circular dated February 13, 2004.

At December 31, 2002, the balance represented the consideration paid for the acquisition of the entire equity interest in BFY, a company incorporated in the PRC engaged in the sales of liquefied petroleum gas pressurised in bottled cylinders in the PRC. The acquisition was completed on January 10, 2003, details of the acquisition were set out in note 31 to the financial statements.

20. 其他資產

於2003年12月31日，有關結餘乃指本公司就收購中國珠海市內一家註冊外商獨資企業珠海岩谷液化石油氣有限公司(「珠海岩谷」)之全部股權已付之現金代價及相關費用。2003年12月15日，本公司及一家全資附屬公司與岩谷產業株式會社及岩谷(中國)有限公司訂立一份買賣協議(「收購協議」)，以收購珠海岩谷之全部股權，總代價為140,000,000港元(可予調整)。根據上市規則第14章規定，收購協議下擬進行此項收購建議，構成本公司一項非常重大收購事項。因此，收購協議須待(其中包括)股東在股東特別大會上批准後，方為完成，故珠海岩谷之財務報表並未納入本集團截至2003年12月31日止年度之財務報表內，而支付之有關現金代價及相關費用則以非流動資產入賬。有關收購詳情，載於本公司2004年2月13日刊發之通函內。

於2002年12月31日，有關結餘乃指本公司就收購百富洋全部股權所支付之代價。百富洋於中國註冊成立，於中國從事銷售瓶裝液化石油氣。有關收購已於2003年1月10日完成，收購詳情已載於財務報表附註31。

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21. INVENTORIES

21. 存貨

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Liquefied petroleum gas	液化石油氣	1,234	576
Electronic products:	電子產品：		
Raw materials	原材料	1,679	2,853
Work in progress	在製品	88	674
Finished goods	成品	420	2,910
		2,187	6,437
		3,421	7,013

At December 31, 2003, finished goods of HK\$248,000 (2002: nil) are carried at net realisable value.

於2003年12月31日，248,000港元之成品(2002:無)以可變現淨值入賬。

The cost of inventories charged to the income statement for the year amounted to HK\$384,578,000 (10.1.2001 to 12.31.2002: HK\$342,861,000).

年內計入收益表之存貨成本為384,578,000港元(10.1.2001至12.31.2002: 342,861,000港元)。

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22. TRADE DEBTORS

The credit terms of the Group range from 0 to 90 days. The aging analysis of trade debtors is as follows:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
0 to 30 days	0至30天	18,588	1,068
31 to 60 days	31至60天	1,420	6,559
61 to 90 days	61至90天	102	101
91 to 120 days	91至120天	68	1,595
More than 120 days	超過120天	1,545	1,749
		21,723	11,072

23. AMOUNTS DUE FROM MINORITY SHAREHOLDERS OF SUBSIDIARIES/A FORMER SHAREHOLDER OF A SUBSIDIARY

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

24. PLEDGED BANK DEPOSITS

The amounts represent deposits pledged to banks to secure banking facilities granted to the Group. The deposits have been pledged to secure short-term bank loans, and are therefore classified as current assets.

22. 應收貿易賬款

本集團之信貸期介乎0至90天。應收貿易賬款按賬齡分析如下：

23. 應收附屬公司少數股東/一附屬公司前股東之款項

有關款項並無抵押、免息及無特定還款期。

24. 已抵押銀行存款

有關款項乃指本集團為取得銀行貸款而抵押予銀行之銀行存款。因已抵押之銀行存款乃為取得短期銀行貸款，故以流動資產入賬。

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25. TRADE CREDITORS AND BILLS PAYABLE

The aging analysis of trade creditors is as follows:

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
0 to 30 days	0至30天	1,524	3,511
31 to 60 days	31至60天	439	1,068
61 to 90 days	61至90天	541	1,385
91 to 120 days	91至120天	249	1,284
More than 120 days	超過120天	965	1,858
		3,718	9,106
Bills payable	應付票據	170	1,302
		3,888	10,408

25. 應付貿易賬款及應付票據

應付貿易賬款按賬齡分析如下：

26. BORROWINGS, SECURED

26. 借款－有抵押

		The Group 本集團		The Company 本公司	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元
Bank overdrafts	銀行透支	396	—	—	—
Bank packing loans	銀行打包借款	—	1,332	—	—
Bank trust receipt loans	銀行信託收據借款	1,610	651	—	—
Other bank loans	其他銀行借款	1,604	3,432	—	—
Other short-term loan	其他短期借款	37,500	37,500	37,500	37,500
		41,110	42,915	37,500	37,500
Less: Amount due within one year shown under current liabilities	減：流動負債下所示須 於一年內償還 之款項	(39,506)	(42,915)	(37,500)	(37,500)
		1,604	—	—	—

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26. BORROWINGS, SECURED (cont'd)

During the period from October 1, 2001 to December 31, 2002, the Company entered into a loan agreement with an independent financial institution (the "Lender") under which a loan with principal sum of HK\$37,500,000 ("other short term loan") was granted to the Company at a pre-agreed interest rate. In connection with the loan agreement, the Company granted options to the Lender enabling it to subscribe for 150,000,000 shares of the Company at an exercise price of HK\$0.25 per share ("Option Arrangement"). The other short term loan is also secured by way of first floating charge over the assets of the Group with negative pledge given to the Lender, and the proceeds from the Option Arrangement. Details of the share options are set out in note 28. On April 1, 2004, the other short term loan was fully settled by cash and the options were lapsed on the same date.

27. SHARE CAPITAL

Ordinary shares of HK\$0.01 each
(2002: HK\$0.10 each) (note a)
每股面值為0.01港元
之普通股(2002:
每股0.10港元)(註a)

		Number of shares		Amount	
		2003	2002	2003	2002
				HK\$'000	HK\$'000
				千港元	千港元
Authorised share capital	法定股本	200,000,000	20,000,000	2,000,000	2,000,000
Issued and fully paid share capital:	已發行及繳足股本：				
At the beginning of the year/period	年初／期初	3,248,936,873	2,675,936,873	324,894	267,594
Capital reduction (note a)	削減股本(註a)	—	—	(292,405)	—
Placing of shares (note b)	配售股份(註b)	416,280,000	—	4,163	—
Issue of shares as consideration for the acquisition of Environmental Energy	發行股份作為收購環保能源之代價	—	100,000,000	—	10,000
Issue of shares upon conversion of mandatory convertible notes	兌換強制性可換股票據時發行股份	—	460,000,000	—	46,000
Exercise of share options	行使購股權	—	13,000,000	—	1,300
At the end of the year/period	年終／期終	3,665,216,873	3,248,936,873	36,652	324,894

26. 借款－有抵押(續)

由2001年10月1日至2002年12月31日止期間，本公司與一獨立財務機構(「貸款人」)訂立借款協議，據此，本公司取得本金為37,500,000港元之貸款(「其他短期借款」)。貸款利息率按先前協定之息率計算。與貸款協議相關，本公司向貸款人發授購股權，使其可以每股0.25港元行使價認購本公司150,000,000股股份(「購股權安排」)。另外，其他短期借款是以本公司資產作第一手浮動按揭形式，向貸款人發出不抵押保證以及購股權安排所得款項而抵押。有關購股權詳情載於附註28。2004年4月1日，本公司以現金全數清還其他短期借款，有關購股權於同日宣告失效。

27. 股本

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27. SHARE CAPITAL (cont'd)

Notes:

- (a) Pursuant to the special resolution passed on June 18, 2003, the Company:
- (i) reduced the nominal value of the issued and fully paid share capital from HK\$0.10 to HK\$0.01 each by the cancellation of HK\$0.09 of the paid-up capital on each issued share (the "Capital Reduction");
 - (ii) sub-divided every authorised but unissued shares (including the unissued shares arising from the Capital Reduction) into 10 new shares; and
 - (iii) transferred the credit amount arising from the Capital Reduction to the contributed surplus account of the Company where it was utilised by the directors in accordance with the Bye-laws of the Company to eliminate the accumulated deficit of the Company.
- (b) Pursuant to the announcement on November 28, 2003, the Company issued 416,280,000 new shares of HK\$0.01 each at a placing price of HK\$0.12 per share. The placing price represented a discount of approximately 6.98 percent to the closing price of the Company's shares on the Stock Exchange of HK\$0.129 on November 26, 2003 and a discount of approximately 8.4 percent to the average closing price of the shares for the last 10 trading days up to November 26, 2003 of HK\$0.131 per share. The placement was completed on December 11, 2003 and the net proceeds of approximately HK\$48 million were used as part of the cash consideration for the acquisition of the Zhuhai Iwatani.

All shares issued during the year by the Company rank pari passu with the existing shares in all respects.

27. 股本(續)

註:

- (a) 據2003年6月18日舉行之股東特別大會所通過之特別決議案
- (i) 本公司藉註銷每股已發行股份之已繳股本0.09港元，將每股已發行股份之繳足股本及面值由每股0.10港元減至0.01港元(「削減股本」)；
 - (ii) 將每股法定但未發行股份(包括因削減股本而產生之未發行股份)拆細為10股新股；及
 - (iii) 從削減股本所得進賬轉撥往本公司之繳入盈餘儲備，由董事根據本公司之公司細則用作抵銷本公司之累計虧絀。
- (b) 根據2003年11月28日發出之公佈，本公司發行每股面值0.01港元新股共416,280,000股，每股配售價為0.12港元。配售價較本公司股份於2003年11月26日在聯交所所報之收市價0.129港元，折讓約6.98%，另較直至2003年11月26日止最後10個交易日股份在聯交所所報之平均收市價每股0.131港元，折讓約8.4%。是次配股已於2003年12月11日完成，所得款項淨額約48,000,000港元已撥作收購珠海岩谷所需支付部份現金代價之用。

本公司年內發行之股份在各方面均與現有股份享有同等權益。

28. SHARE OPTION SCHEMES

(i) Old Share Option Scheme

(a) Old Employee Share Option Scheme

The old employee share option scheme (the "Old Option Scheme"), was adopted by the Company on April 9, 1999 for the primary purpose of providing incentives to directors and eligible employees, and will expire on April 8, 2009. Under the Old Option Scheme, the Board of Directors of the Company may at their discretion grant options to directors or employees of the Company and its subsidiaries to subscribe for shares in the Company in accordance with the terms of the Old Option Scheme. The subscription price (subject to adjustments as provided therein) is the higher of the nominal value of the shares and an amount which is not less than 80 percent of the average of the closing price per share on the Stock Exchange for the five trading days immediately preceding the date the option is granted. The maximum number of option shares in respect of which options may be granted under the Old Option Scheme shall not exceed 10 percent of the share capital of the Company in issue from time to time. At December 31, 2003, the numbers of shares in respect of which options had been granted and remained outstanding under the Old Option Scheme was 262,050,000 (2002: 308,550,000), representing 7.1% (2002: 9.5%) of the shares of the Company in issue at that date.

28. 購股權計劃

(i) 原有購股權計劃

(a) 原有僱員購股權計劃

本公司原有僱員購股權計劃(「原有計劃」)於1999年4月9日採納，主要目的為向董事及合資格員工提供激勵。該計劃將於2009年4月8日期滿，根據原有計劃，本公司董事會可酌情決定向本公司及各附屬公司之董事或僱員授出可根據原有計劃條款認購本公司股份之購股權。認購價(或會作出按原有計劃規定之調整)為股份面值或不低於授出該購股權當日前5個交易日股份在聯交所之每股平均收市價80%(以較高者為準)。根據原有計劃所授出購股權可認購之股份總數不得超過本公司不時已發行股本10%。於2003年12月31日，根據原有計劃，有關已發授但仍未行使之購股權之股份數目為262,050,000(2002: 308,550,000)，為本公司於該日期已發行股份之7.1%(2002: 9.5%)。

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28. SHARE OPTION SCHEMES (cont'd)

(i) Old Share Option Scheme (cont'd)

(a) Old Employee Share Option Scheme (cont'd)

The following tables disclose details of the Company's share options held by employees (including directors) and movements in such holdings during the year/period:

Option type 購股權類別	Date of grant 發授日期	Exercisable period 行使期	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目				Outstanding at 12.31.2003 於12.31.2003 尚未行使 之數目
				Outstanding at 1.1.2003 於1.1.2003 尚未行使 之數目	Granted during the year 於年內 發授	Exercised during the year 於年內 行使	Lapsed upon resignation 離職時 失效	
2000A	3.3.2000	9.4.2000 to 9.2.2005	0.180	80,550,000	—	—	—	80,550,000
2000B	6.20.2000	12.21.2000 to 12.20.2005	0.112	20,000,000	—	—	(20,000,000)	—
2001	6.20.2001	12.21.2001 to 12.20.2006	0.100	85,000,000	—	—	—	85,000,000
2002A	3.14.2002	9.15.2002 to 9.14.2007	0.130	92,000,000	—	—	(26,500,000)	65,500,000
2002B	6.26.2002	12.26.2002 to 12.25.2007	0.112	31,000,000	—	—	—	31,000,000
				308,550,000	—	—	(46,500,000)	262,050,000

28. 購股權計劃(續)

(i) 原有購股權計劃(續)

(a) 原有僱員購股權計劃(續)

下表披露由僱員(包括董事)持有本公司購股權之詳情及年內/期內該等持有情況之變動:

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28. SHARE OPTION SCHEMES (cont'd)

(i) Old Share Option Scheme (cont'd)

(a) Old Employee Share Option Scheme (cont'd)

Option type 購股權類別	Date of grant 發授日期	Exercisable period 行使期	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目				Outstanding at 12.31.2002 於12.31.2002 尚未行使 之數目
				Outstanding at 10.1.2001 於10.1.2001 尚未行使 之數目	Granted during the year 於年內 發授	Exercised during the year 於年內 行使	Lapsed upon resignation 離職時 失效	
2000A	3.3.2000	9.4.2000 to 9.2.2005	0.180	147,050,000	—	—	(66,500,000)	80,550,000
2000B	6.20.2000	12.21.2000 to 12.20.2005	0.112	23,000,000	—	(3,000,000)	—	20,000,000
2001	6.20.2001	12.21.2001 to 12.20.2006	0.100	95,000,000	—	(10,000,000)	—	85,000,000
2002A	3.14.2002	9.15.2002 to 9.14.2007	0.130	—	94,000,000	—	(2,000,000)	92,000,000
2002B	6.26.2002	12.26.2002 to 12.25.2007	0.112	—	31,000,000	—	—	31,000,000
				265,050,000	125,000,000	(13,000,000)	(68,500,000)	308,550,000

28. 購股權計劃(續)

(i) 原有購股權計劃(續)

(a) 原有僱員購股權計劃(續)

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28. SHARE OPTION SCHEMES (cont'd)

(i) **Old Share Option Scheme (cont'd)**

(a) **Old Employee Share Option Scheme (cont'd)**

Details of the share options held by the directors included in the above table are as follows:

		Outstanding at beginning of the year/period 於年初/ 期初尚未 行使之數目	Granted during the year/period 於年內/ 期內發授	Exercised during the year/period 於年內/ 期內行使	Lapsed during the year/period 於年內/ 期內失效	Outstanding at ending of the year/period 於年終/ 期終尚未 行使之數目
1.1.2003 to 12.31.2003	1.1.2003至 12.31.2003	225,000,000	—	—	—	225,000,000
10.1.2001 to 12.31.2002	10.1.2001至 12.31.2002	244,000,000	60,000,000	(13,000,000)	(66,000,000)	225,000,000

Shum Siu Hung and Tong Shiu Ming resigned as directors on June 18, 2003 and March 10, 2003 respectively. As at December 31, 2003, the number of share options held by Shum Siu Hung and Tong Shiu Ming were 65,000,000 and 35,000,000 respectively.

During the period from October 1, 2001 to December 31, 2002, the Company issued an aggregate of 13,000,000 shares in the Company to certain directors pursuant to the share options granted to them. The aggregate fair value of shares at the dates of issue amounted to HK\$2,447,000.

No consideration was received in the period from October 1, 2001 to December 31, 2002 by the Group for options granted during the period.

28. 購股權計劃 (續)

(i) **原有購股權計劃 (續)**

(a) **原有僱員購股權計劃 (續)**

上表已包括下列由董事持有購股權之詳情：

岑少雄及唐小明分別於2003年6月18日及2003年3月10日辭任董事一職。於2003年12月31日，岑少雄及唐小明分別持有65,000,000份及35,000,000份購股權。

由2001年10月1日至2002年12月31日止期間，本公司根據發授予若干董事之購股權共發行13,000,000股股份。於發行日，該等股份之公平價值合共2,447,000港元。

由2001年10月1日至2002年12月31日止期間，本集團概無就發授之購股權收取代價。

28. SHARE OPTION SCHEMES (cont'd)

(i) Old Share Option Scheme (cont'd)

(a) Old Employee Share Option Scheme (cont'd)

No charge is recognised in the income statement in period from October 1, 2001 to December 31, 2002 in respect of the value of options granted in the period.

(b) Other Share Options

During the year ended September 30, 2001, the Company granted purchase option (2000C options) to subscribe for 25,000,000 shares of HK\$0.10 each in the capital of the Company at a price of HK\$0.138 per share exercisable within three years from December 12, 2000 to a minority shareholder of Well Jade, the then vendor of the 70% equity interest in Well Jade to the Company. The purchase option was not exercised during the year and lapsed on December 12, 2003.

As detailed in note 26, the Company granted option (2002C options) to the Lender to subscribe for 150,000,000 share of the Company at an exercise price of HK\$0.25 per share exercisable from July 4, 2002 to July 4, 2003. On July 10, 2003, the Company and the Lender executed a supplemental agreement whereby both parties agreed to extend the option exercise period to January 5, 2004. On January 15, 2004, the Company and the Lender executed a further supplemental agreement whereby both parties agreed to extend the option exercise period to July 5, 2004. The option was not exercised during the year ended December 31, 2003. On April 1, 2004, the loan was fully repaid to the lender and the option was lapsed on the same date.

28. 購股權計劃(續)

(i) 原有購股權計劃(續)

(a) 原有僱員購股權計劃(續)

由2001年10月1日至2002年12月31日止期間，本公司並無就已發授之購股權之價值作為支出計入收益表。

(b) 其他購股權

於截至2001年9月30日止年度，本公司向好井之一位少數股東(即當時向本公司出售好井70%股份權益之賣方)發授購股權(2000C項購股權)，使其可由2000年12月12日起計3年內以每股0.138港元作價認購本公司股本中每股面值0.10港元之股份共25,000,000股。年內，有關購股權未獲行使，並已於2003年12月12日失效。

如附註26所述，本公司向貸款人發授購股權(2002C項購股權)，使其可由2002年7月4日至2003年7月4日期間以每股0.25港元作價認購本公司150,000,000股股份。2003年7月10日，本公司與貸款人訂立一份補充協議，據此，訂約雙方均已同意將購股權行使期押後至2004年1月5日。2004年1月15日，本公司與貸款人再訂立另一份補充協議，據此，訂約雙方均已同意將購股權行使期押後至2004年7月5日。有關購股權於截至2003年12月31日止年度未獲行使。於2004年4月1日，本公司已向貸款人全數清償該筆借款，有關購股權亦已告失效。

28. SHARE OPTION SCHEMES (cont'd)

(ii) New Share Option Scheme

Pursuant to an ordinary resolution passed at the Special General Meeting of the Company held on June 18, 2003, the Company adopted a new option scheme ("New Option Scheme") to replace the Old Option Scheme. All the options granted under the Old Option Scheme shall remain valid and unchanged and shall be treated in accordance with the terms under the Old Option Scheme.

The purpose of the New Option Scheme is to provide incentives or rewards to participants including directors, employees, suppliers and customers etc. Under the New Option Scheme, the Board of Directors of the Company, may at their discretion grant options to participants to subscribe for shares in the Company in accordance with the terms of the New Option Scheme. The subscription price shall be a price determined by the directors, but shall not be less than the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotation sheet on the date of offer for grant of options, which must be a trading day; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the date of the offer for grant of options; and (iii) the nominal value of a share. The maximum number of shares to be issued upon exercise of all outstanding options granted but not yet to be exercised under the New Option Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the New Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue. Based on the 3,665,216,873 shares in issue as at December 31, 2003 and taking into account 262,050,000 options outstanding under the Old Option Scheme, the total number of shares which may be issued upon exercise of all options to be granted under the New Option Scheme and any other schemes must not in aggregate exceed 104,471,687 shares.

28. 購股權計劃(續)

(ii) 新購股權計劃

根據本公司於2003年6月18日舉行股東特別大會通過之普通決議案，本公司採納新購股權計劃（「新購股權計劃」），以取代原有購股權計劃。根據原有購股權計劃授出之所有購股權仍屬有效及保持不變，且須根據原有購股權計劃條款處置。

新購股權計劃主要目的為向董事、僱員、供應商及客戶等參與者提供激勵或回報。根據新購股權計劃，本公司董事會可酌情決定向參與者授出可根據新購股權計劃條款認購本公司股份之購股權。認購價須由董事釐定，惟不得低於(i)提出授予購股權之日(必須為交易日)，股份在聯交所每日報價表所報之每股收市價(ii)緊接提出授予購股權之前5個交易日，股份在聯交所每日報價表所報之平均收市價及(iii)股份面值(以較高者為準)。根據本公司新購股權計劃及任何其他購股權計劃所授出但未行使全部購股權獲行使時將予發行之股份總數，最多不得超過本公司不時已發行股本之30%。因全數行使新購股權計劃或本集團任何其他購股權計劃所授出購股權而將予發行之股份總數，不得超過本公司已發行股份之10%。按2003年12月31日之已發行股份為3,665,216,873股計算，並計入根據原有購股權計劃下尚未行使之262,050,000份購股權，本公司新購股權計劃及任何其他購股權計劃授出之全部購股權獲行使時，本公司可予發行之股份總數合共不得超過104,471,687股。

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29. SHARE PREMIUM AND RESERVES

29. 股份溢價及儲備

		Share premium	Special reserve	Asset revaluation reserve	Exchange reserve	Contributed surplus accounts	Deficit	Total
		股份溢價	特別儲備	資產 重估儲備	匯兌儲備	繳入盈餘賬	虧絀	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
THE GROUP	本集團							
At October 1, 2001	於2001年10月1日	461,757	122,085	1,331	1,436	—	(814,128)	(227,519)
Premium arising from exercise of share options	行使購股權之股份溢價	36	—	—	—	—	—	36
Released upon disposal of property, plant and equipment	出售物業、機器及設備時解除	—	—	(719)	—	—	719	—
Exchange differences arising from translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表時產生之匯兌差額	—	—	—	(211)	—	—	(211)
Premium utilised for shares issued at a discount	以折讓價發行股份抵銷股份溢價	(2,200)	—	—	—	—	—	(2,200)
Profit for the period	期內溢利	—	—	—	—	—	10,970	10,970
At December 31, 2002	於2002年12月31日	459,593	122,085	612	1,225	—	(802,439)	(218,924)
Capital reduction (note)	削減股本(註)	(459,593)	—	—	—	751,998	—	292,405
Elimination of deficit	抵銷虧絀	—	—	—	—	(750,331)	750,331	—
Released upon disposal of property, plant and equipment	出售物業、機器及設備時解除	—	—	(74)	—	—	74	—
Premium arising from placing of shares	配售股份產生之溢價	45,791	—	—	—	—	—	45,791
Share issue expenses	發行股份費用	(1,292)	—	—	—	—	—	(1,292)
Profit for the year	本年度溢利	—	—	—	—	—	17,051	17,051
At December 31, 2003	於2003年12月31日	44,499	122,085	538	1,225	1,667	(34,983)	135,031

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29. SHARE PREMIUM AND RESERVES (cont'd)

29. 股份溢價及儲備(續)

		Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Asset revaluation reserve 資產重估儲備 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Retained profits/ (Deficit) 保留溢利/ (虧絀) HK\$'000 千港元	Total 總額 HK\$'000 千港元
THE COMPANY	本公司							
At October 1, 2001	於2001年10月1日	461,757	—	—	—	—	(686,492)	(224,735)
Premium arising from exercise of share options	行使購股權之 股份溢價	36	—	—	—	—	—	36
Premium utilised for shares issued at a discount	以折讓價發行股份 抵銷股份溢價	(2,200)	—	—	—	—	—	(2,200)
Loss for the period	期內虧損	—	—	—	—	—	(63,839)	(63,839)
At December 31, 2002	於2002年12月31日	459,593	—	—	—	—	(750,331)	(290,738)
Capital reduction (note)	削減股本(註)	(459,593)	—	—	—	751,998	—	292,405
Elimination of deficit (note)	抵銷虧絀(註)	—	—	—	—	(750,331)	750,331	—
Premium arising from placing of shares	配售股份產生 之溢價	45,791	—	—	—	—	—	45,791
Share issue expenses	發行股份費用	(1,292)	—	—	—	—	—	(1,292)
Profit for the year	本年度溢利	—	—	—	—	—	4,351	4,351
At December 31, 2003	於2003年12月31日	44,499	—	—	—	1,667	4,351	50,517

Note: Pursuant to the special resolution passed on June 18, 2003, the Company cancelled the entire amount standing to the credit of the share premium account of the Company and the credit arising from the capital reduction of HK\$292,405,000 (as disclosed in note 27) and transferred the amounts to the contributed surplus account of the Company where it was utilised by the directors in accordance with the Bye-laws of the Company for the elimination of the entire accumulated deficit of approximately HK\$750,331,000 of the Company as at December 31, 2002.

註: 據2003年6月18日舉行之股東特別大會所通過之特別決議案, 本公司註銷股份溢價賬內全部進賬以及削減股本產生之進賬292,405,000港元(於附註27披露), 並將有關金額轉撥往本公司繳入盈餘賬內, 由董事根據本公司之公司細則用作抵銷本公司於2002年12月31日之全部累計虧絀約750,331,000港元。

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29. SHARE PREMIUM AND RESERVES (cont'd)

None of the deficit of the Group at December 31, 2003 and December 31, 2002 were attributable to the associate of the Group.

As at December 31, 2003, the reserves of the Company available for distribution to shareholders was HK\$6,018,000 being the contributed surplus of HK\$1,667,000 and the retained profits of HK\$4,351,000.

As at December 31, 2002, the Company had no reserves available for distribution to its shareholders.

The special reserve of the Group represents the difference between the share capital, share premium and capital redemption reserve of the Group's former ultimate holding company whose shares were exchanged for the Company's shares and the nominal amount of the share capital issued by the Company pursuant to a scheme of arrangement dated April 14, 1999.

29. 股份溢價及儲備 (續)

於2003年12月31日及2002年12月31日，本集團之虧絀未有屬本集團聯營公司之虧絀。

於2003年12月31日，本公司可供分派予股東之儲備為6,018,000港元，即繳入盈餘1,667,000港元及保留溢利4,351,000港元。

於2002年12月31日，本公司並無可供分派予股東之儲備。

本集團之特別儲備指本集團前任最終控股公司之股本、股本溢價及資本贖回儲備，與本公司根據1999年4月14日訂立之債務償還安排計劃而向該公司發行本公司股份之面值之差額。

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30. DEFERRED TAXATION

The following is the major deferred liability recognised by the Group and movements thereon during the year/period.

THE GROUP

		Accelerated tax depreciation 加速稅項折舊
		<i>HK\$'000</i> 千港元
At October 1, 2001 and December 31, 2002	於2001年10月1日及2002年12月31日	—
Acquired on acquisition of a subsidiary	收購一附屬公司時所得	4,509
Credit to the income statement for the year	於本年度收益表入賬	(471)
At December 31, 2003	於2003年12月31日	4,038

At the balance sheet date, the Group has estimated unused tax losses of approximately HK\$34,776,000 (2002: HK\$33,626,000) available for offset against future profits. No deferred tax asset has been recognised of the losses due to the unpredictability of future profit streams. The unrecognised tax losses of HK\$8,600,000 (2002: HK\$8,100,000) will expire in 2006. Other losses may be carried forward indefinitely.

At the balance sheet date, the Group has deductible temporary differences of approximately HK\$23,513,000 (2002: HK\$18,798,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

30. 遞延稅項

年內／期內，本集團已確認之主要遞延負債及相關變動如下：

本集團

		Accelerated tax depreciation 加速稅項折舊
		<i>HK\$'000</i> 千港元
At October 1, 2001 and December 31, 2002	於2001年10月1日及2002年12月31日	—
Acquired on acquisition of a subsidiary	收購一附屬公司時所得	4,509
Credit to the income statement for the year	於本年度收益表入賬	(471)
At December 31, 2003	於2003年12月31日	4,038

於結算日，本集團估計可供抵銷未來溢利之未動用稅項虧損約為34,776,000港元(2002:33,626,000港元)。由於未能預測日後之溢利來源，故並無確認遞延稅項資產。該筆未動用稅項虧損8,600,000港元(2002:8,100,000港元)將於2006年期滿，其他虧損可無限期予以結轉。

於結算日，本集團有可扣稅暫時差額約23,513,000港元(2002:18,798,000港元)。由於本公司可利用可扣稅暫時差額以抵銷日後出現的應課稅溢利之可能性不大，故並無就該等可扣稅暫時差額確認遞延稅項資產。

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30. DEFERRED TAXATION (cont'd)

No provision for deferred taxation has been recognised in the financial statements of the Company as the amount involved is insignificant.

31. ACQUISITION OF SUBSIDIARIES

On January 10, 2003, the Group acquired 100% of the registered capital of BFY for a cash consideration of HK\$24,528,000. The acquisition has been accounted for by the acquisition method of accounting.

30. 遞延稅項(續)

由於本公司遞延稅項撥備之金額不多，故並無在財務報表予以確認。

31. 收購附屬公司

2003年1月10日，本集團以現金代價24,528,000港元收購百富洋全部註冊資本。有關收購已按會計收購法入賬。

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Net assets acquired:	所得淨資產：		
Property, plant and equipment	物業、機器及設備	17,798	4,050
Other debtors, deposits and prepayments	其他應收賬款、按金及預付款項	14	614
Amount due from a former shareholder of a subsidiary	應收一附屬公司前股東款項	—	6,550
Bank balances and cash	銀行結餘及現金	171	202
Other creditors and accrued charges	其他應付賬款及應計費用	(185)	(4,639)
Deferred tax liabilities	遞延稅項負債	(4,509)	—
		13,289	6,777
Goodwill	商譽	11,239	1,023
		24,528	7,800
Satisfied by:	支付形式：		
Shares allotted	配售股份	—	10,000
Discount on shares issued	發行股份之折讓值	—	(2,200)
Cash paid (note)	支付現金(註)	24,528	—
		24,528	7,800

Note: During the period from October 1, 2001 to December 31, 2002, the cash consideration for the acquisition of BFY was fully paid and the amount was disclosed as other asset in the consolidated balance sheet. Details of the other asset are disclosed in note 20.

註：由2001年10月1日至2002年12月31日止期間，收購百富洋所需現金代價已全數支付，有關金額已於綜合資產負債表內披露列為其他資產。有關其他資產之詳情，已於附註20披露。

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31. ACQUISITION OF SUBSIDIARIES (cont'd)

Analysis of the net cash inflow of cash and cash equivalents in respect of the acquisition of subsidiaries for the year ended December 31, 2003 and the period from October 1, 2001 to December 31, 2002 is as follows:

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Bank balances and cash acquired	所得銀行結餘及現金	171	202
Net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries	收購附屬公司之現金及 等同現金項目之現金流入淨額	171	202

The subsidiary acquired during the year contributed HK\$16,424,000 to the Group's turnover and a loss of HK\$1,591,000 to the Group's profit from operations.

The subsidiaries acquired during the period from October 1, 2001 to December 31, 2002 did not make a significant contribution to the cash flows and results of the Group for the period ended December 31, 2002.

32. MAJOR NON-CASH TRANSACTIONS

The consideration for the acquisition of BFY in year 2003 was paid by the Group in year 2002 as disclosed in note 31.

During the period from October 1, 2001 to December 31, 2002, the Group had major non-cash transactions as follows:

- (i) 100,000,000 shares of HK\$0.10 each were issued by the Company at HK\$0.10 per share, as consideration for the acquisition of 100% of the issued share capital of Environmental Energy.
- (ii) Mandatory convertible notes with an aggregate amount of HK\$46 million were converted into 460,000,000 shares of HK\$0.10 each of the Company.

31. 收購附屬公司(續)

截至2003年12月31日止年度，以及由2001年10月1日至2002年12月31日止期間，收購附屬公司之現金及等同現金項目之現金流入淨額分析如下：

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Bank balances and cash acquired	所得銀行結餘及現金	171	202
Net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries	收購附屬公司之現金及 等同現金項目之現金流入淨額	171	202

年內收購附屬公司為本集團帶來16,424,000港元營業額，並於本集團經營溢利中出現虧損1,591,000港元。

收購附屬公司由2001年10月1日至2002年12月31日止期間，對本集團截至2002年12月31日止年度之現金淨流量或業績並無重大貢獻。

32. 重大非現金交易

於2003年，本集團收購百富洋所需代價已於2002年付清，詳情於附註31披露。

由2001年10月1日至2002年12月31日止期間，本集團曾進行重大非現金交易如下：

- (i) 以每股0.10港元發行每股面值0.10港元之股份100,000,000股，作為收購環保能源100%已發行股本之代價。
- (ii) 總額46,000,000港元之強制性可換股票據兌換為460,000,000股每股面值0.10港元之本公司股份。

33. CONTINGENT LIABILITIES

THE COMPANY

At December 31, 2003, the Company has given a corporate guarantee to the extent of HK\$1,000,000 to a financial institution and two unlimited guarantees to financial institutions in respect of general facilities granted to the Group. The facilities utilised by the Group at December 31, 2003 amounted to HK\$1,780,000 (2002: HK\$1,983,000).

At December 31, 2003, the Company provides a guarantee to an agent for import of liquefied petroleum gas under an agency agreement entered into between a subsidiary of the Company and the agent.

THE GROUP

The Group had no significant contingent liabilities at December 31, 2003 and December 31, 2002.

34. LEASE COMMITMENTS

THE GROUP

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented land and factory premises which fall due as follows:

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Within one year	一年內	1,105	1,551
In the second to fifth years inclusive	二至五年內(包括首尾兩年)	3,665	3,863
Over five years	超過5年	29,175	29,860
		33,945	35,274

Operating lease payments mainly represent rentals payable by the Group for leasehold land and factory premises in the PRC. Leases are negotiated for terms ranged from 1 to 40 years. Rentals are fixed for an average of 5 years.

33. 或然負債

本公司

於2003年12月31日，本公司就本集團所獲一般信貸向財務機構作出一項限額為1,000,000港元之擔保以及兩項無上限數額之擔保。於2003年12月31日，本集團就該等信貸已動用之金額為1,780,000港元(2002：1,983,000港元)。

於2003年12月31日，本公司就一家附屬公司與代理訂立的一項代理協議，就有關進口液化氣事宜向該代理提供擔保。

本集團

於2003年12月31日及於2002年12月31日，本集團並無重大或然負債。

34. 租賃承擔

本集團

本集團為承租人

於結算日，本集團根據不可撤銷經營租賃須支付有關租賃土地及廠房物業之日後最少租金支出，到期日如下：

		The Group 本集團	
		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Within one year	一年內	1,105	1,551
In the second to fifth years inclusive	二至五年內(包括首尾兩年)	3,665	3,863
Over five years	超過5年	29,175	29,860
		33,945	35,274

經營租賃付款乃主要指本集團就中國租用土地及廠房物業應付之租金。協議租期平均為1至40年，在有關的租金固定期平均為5年。

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34. LEASE COMMITMENTS (cont'd)

THE GROUP (cont'd)

The Group as lessor

Rental income from investment properties and property, plant and equipment earned during the year was HK\$3,319,000 (10.1.2001 to 12.31.2002: HK\$3,233,000). Most of the investment properties held have committed tenants for the next two years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

		The Group	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	3,310	1,792
In the second to fifth year inclusive	二至五年(包括首尾兩年)	4,479	2,257
Over five years	超過五年	3,393	—
		11,182	4,049

THE COMPANY

The Company had no significant lease commitments at December 31, 2003 and December 31, 2002.

34. 租賃承擔 (續)

本集團 (續)

本集團為出租人

年內，投資物業及物業、機器及設備租金收入為3,319,000港元(10.1.2001至12.31.2002: 3,233,000,港元)。大部份投資物業於未來2年內已承諾出租。

於結算日，本集團與承租人簽訂下列日後最少租金收入：

		The Group	
		本集團	
		2003	2002
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	3,310	1,792
In the second to fifth year inclusive	二至五年(包括首尾兩年)	4,479	2,257
Over five years	超過五年	3,393	—
		11,182	4,049

本公司

於2003年12月31日及於2002年12月31日，本公司並無重大租賃承擔。

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35. OTHER COMMITMENTS

THE GROUP

Capital expenditure contracted for but not provided in the financial statements in respect of:

Investment in subsidiaries	附屬公司之投資	40,688	5,688
Investment in an investee company	於一公司之投資	1,885	1,885
Purchase of plant and machinery	購置機器及設備	13,442	274

2003	2002
HK\$'000	HK\$'000
千港元	千港元

已訂約但未於財務報表撥備之資本開支之承擔如下：

附屬公司之投資	40,688	5,688
於一公司之投資	1,885	1,885
購置機器及設備	13,442	274

56,015	7,847
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THE COMPANY

The Company had no significant other commitments at December 31, 2003 and December 31, 2002.

本公司

於2003年12月31日及於2002年12月31日，本公司並無其他重大承擔。

36. RETIREMENT BENEFITS PLANS

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

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute fixed percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

36. 退休福利計劃

本集團為其於香港之全體合資格僱員提供強制性公積金計劃。強積金計劃之資產與本集團資產分開持有，由信託人以基金形式控制。本集團每月按僱員有關薪金收入的5%作為強積金供款。而僱員則作出相同數額之供款。

本集團於中國附屬公司之僱員參加中國政府中央管理之退休金計劃。該等附屬公司按要求向退休金計劃以僱員收入的固定比例供款。本集團對退休金計劃的唯一責任是作指定供款。

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37. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2003 and the period from October 1, 2001 to December 31, 2002, the Group entered into the following transactions with related parties:

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Royalty fee paid to Gold Decade	向金紀元支付分特許權費	—	7
Rental expenses paid to Hunsworth	向坤泰支付租金	1,000	1,500

Shum Siu Hung is a director of Hunsworth. Both Shum Siu Hung and Tong Shiu Ming have beneficial interests in Hunsworth.

Shum Siu Hung is a director of and has a beneficial interest in Gold Decade.

On October 31, 2000, Sound Industrial, a wholly-owned subsidiary of the Company entered into an agreement with Gold Decade. Pursuant to the agreement, Gold Decade has granted to Sound Industrial an exclusive sub-licence to use the trademarks of “華寶” and “HUABAO” (the “Trademarks”), well-known brand names for electrical appliance in the PRC, on all the electronic products manufactured and sold by the Group for an initial term of one year. A royalty fee of 1.5% of the net sale proceeds of the Group’s products sold under the Trademarks shall be payable as sub-licence fee subject to a maximum annual payment of HK\$8,000,000 and a minimum annual payment of HK\$10,000. On October 30, 2001, the agreement was renewed for one year to October 30, 2002 at a fixed royalty fee of HK\$1. On October 31, 2002, the agreement was renewed for another two years to October 31, 2004 with the same terms.

37. 關連人士交易

截至2003年12月31日止年度，以及由2001年10月1日至2002年12月31日止期間，本集團與關連人士進行下列交易：

		2003 HK\$'000 千港元	2002 HK\$'000 千港元
Royalty fee paid to Gold Decade	向金紀元支付分特許權費	—	7
Rental expenses paid to Hunsworth	向坤泰支付租金	1,000	1,500

岑少雄乃坤泰之董事，岑少雄及唐小明均擁有坤泰之實際權益。

岑少雄是金紀元之董事，亦擁有金紀元之實際權益。

於2000年10月31日，本公司之全資附屬公司新海實業與金紀元訂立協議。根據協議，金紀元向新海實業授予使用中華人民共和國（「中國」）電器業著名商標「華寶」及「HUABAO」（「該等商標」）之獨家分特許權，許可本集團生產及出售之所有電子產品使用該等商標，年期初步定為一年。出售冠以該等商標產品所得銷售淨款項之1.5%作為分特許權費，惟該費用之上限為每年8,000,000港元，而下限則為10,000港元。於2001年10月30日，該協議以1港元固定分特許權費續期一年至2002年10月30日。於2002年10月31日，該協議按相同條款另續期兩年至2004年10月31日。

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37. RELATED PARTY TRANSACTIONS (cont'd)

On March 1, 2001, Sound Management, a wholly owned subsidiary of the Company, renewed an office tenancy agreement with Hunsworth for the use of office premises provided by Hunsworth located on the 8th Floor, Suite A, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong at HK\$100,000 per calendar month for a period of two years commencing March 1, 2001. On March 1, 2003, both parties entered into a new tenancy agreement, the agreed rental was HK\$80,000 per calendar month for one year commencing March 1, 2003.

In the opinion of the Company's directors, the rental amount were based on market rates at the time when the tenancy agreements were signed, and the royalty was calculated in accordance with the terms of agreement entered into with Gold Decade.

As at December 31, 2002, Shum Siu Hung, a director of the Company, had given a personal guarantee to secure loan facility of HK\$1,000,000 granted to the Group. The facility was terminated in March 2003.

Save as disclosed above and note 23, there were no other significant transactions with related parties during the year or significant balances with them at the end of the year.

37. 關連人士交易 (續)

於2001年3月1日，本公司全資附屬公司新海管理與坤泰續訂辦公室租約，以月租100,000港元租用坤泰位於香港灣仔告士打道56號東亞銀行港灣中心8A之辦公室物業。租期於2001年3月1日起，為期2年。於2003年3月1日，訂約雙方訂立一份新租約，議定租金為每月80,000港元，自2003年3月1日起計，為期1年。

本公司董事認為，租金乃以租約簽訂時之市場值為基準，而商標分特許權費則根據與金紀元之協議條款計算而得。

於2002年12月31日，岑少雄(本公司董事)曾就本集團所獲之1,000,000港元貸款作個人擔保。該貸款已於2003年3月停止。

除以上及於附註23所披露者外，期內與關連人士並無重大交易，或於期終時亦未有與彼等相關之重大結餘。

38. POST BALANCE SHEET EVENTS

- (i) On December 15, 2003, the Company and a wholly owned subsidiary entered into a sale and purchase agreement with Iwatani International Corporation and Iwatani (China) Limited for the acquisition of the entire equity interest of Zhuhai Iwatani at a total consideration of HK\$140,000,000, subject to adjustment ("Purchase Agreement"). The consideration of the acquisition would be satisfied as to HK\$80,000,000 in cash which will be subject to adjustment and as to HK\$60,000,000 by way of issue and allotment of 468,750,000 shares of the Company at a price of HK\$0.128 per share.

On December 15, 2003, the Company has entered into a subscription agreement with Uniocean Investments Limited ("Uniocean"), a substantial shareholder of the Company, pursuant to which Uniocean has conditionally agreed to subscribe and the Company has conditionally agreed to issue and allot of 82,800,000 new shares of the Company at a subscription price of HK\$0.128 per share ("Subscription Agreement").

The proposed acquisition and share subscription as contemplated under the Purchase Agreement and Subscription Agreement constituted a very substantial acquisition and a connected party transaction for the Company under chapter 14 of the Listing Rules. Accordingly completion of the Purchase Agreement and Subscription Agreement is conditional upon, amongst other things, the approval by the shareholders at the Special General Meeting. Details of the proposed acquisition and share subscription were set out in the Company's circular dated February 13, 2004.

Pursuant to the Special General Meeting held on March 1, 2004, the ordinary resolutions to approve the proposed acquisition and the subscription were passed by the shareholders.

38. 結算日後事項

- (i) 2003年12月15日，本公司及一家全資附屬公司與岩谷產業株式會社及岩谷(中國)有限公司訂立一份買賣協議(「收購協議」)，以收購珠海岩谷之全部股權，總代價為140,000,000港元(可予調整)。收購之代價將以現金80,000,000港元(可予調整)並以每股作價0.128港元發行及配發468,750,000股本公司股份支付60,000,000港元。

2003年12月15日，本公司與控股股東海聯控股有限公司(「海聯」)訂立一份認購協議，據此，海聯有條件同意認購而本公司則有條件同意發行及配發82,800,000股本公司新股，認購價為每股0.128港元(「認購協議」)。

根據上市規則第14章，收購協議及認購協議下擬進之收購及認購股份建議，構成非常重大交易，亦為本公司之關連人士交易。因此，收購協議及認購協議須待(其中包括)股東在股東特別大會上批准後，方為完成。有關收購及認購股份建議詳情，載於本公司2004年2月13日之通函內。

據本公司於2004年3月1日舉行之股東特別大會，股東已通過就批准收購及認購股份而提呈之普通決議案。

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38. POST BALANCE SHEET EVENTS (cont'd)

- (ii) On March 9, 2004, Uniocean and the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent would on a best effort basis procure purchasers to acquire, and Uniocean would sell 600,000,000 existing shares at a price of HK\$0.145 per share.

Pursuant to a subscription agreement entered into by Uniocean and the Company on March 9, 2004, Uniocean has conditionally agreed to subscribe and the Company has conditionally agreed to issue and allot of 600,000,000 new shares of the Company at a subscription price of HK\$0.145 per share.

The placement and subscription were completed on March 23, 2004.

38. 結算日後事項 (續)

- (ii) 2004年3月9日，海聯及本公司與一配售代理訂立一份配售協議，據此，該配售代理將會盡最大努力促使認購人認購，以及促使海聯出售600,000,000股每股面值0.145港元之現有股份。

根據海聯與本公司於2004年3月9日訂立之一份認購協議，海聯有條件同意認購而本公司則有條件同意發行及配發600,000,000股本公司新股，每股認購價為0.145港元。

配售事項及認購事項已於2004年3月23日完成。