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Notes to the Accounts 賬目附註

1. Basis of preparation

Although the Group incurred a consolidated net loss attributable to the shareholders of HK\$76,976,000 for the year ended 31st December 2003, and had net current liabilities of HK\$337,251,000 as at 31st December 2003, the going concern basis has been adopted by the directors in the preparation of these accounts after considering the following:

- (a) The adoption of various measures to continue to improve the Group's operational performance, including expansion into new markets and the implementation of cost controls.
- (b) As disclosed in Note 21 to the accounts, certain bank loans, with which the Group largely finances its day-to-day working capital requirements, are due for repayment in 2004. The Group is currently negotiating with its bankers to roll over these loans and/or to extend their repayment terms and for additional financing to meet its estimated needs. Bank loans of approximately HK\$196,000,000 outstanding as at 31st December 2003, which matured before the date of approval of these accounts, have subsequently been rolled over for a further year and no loan facilities have been withdrawn by the banks during this same period.
- (c) The Group is also actively exploring the availability of alternative sources of financing should its negotiations with its current bankers not be fully successful. As disclosed in Note 30 to the accounts, in February 2004, the Company issued 200,000,000 shares to third-party investors at a price of HK\$0.40 per share through a placing and subscription arrangement. The net proceeds from the subscription of HK\$77,000,000 have been received by the Company and will be used to increase the production capacity of and as general working capital of the Group.

2. Principal accounting policies

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

1. 編製基準

截至二零零三年十二月三十一日止年度，本集團錄得股東應佔綜合虧損淨值為港幣76,976,000元，及於當日之淨流動負債為港幣337,251,000元。賬目乃假設本集團將繼續經營之基準，並計及下列各項後編製而成：

- (a) 本集團採用了多種有效的方法繼續提升其經營業績，包括開拓新的市場及施行成本控制。
- (b) 如賬目附註二十一所述，以維持本集團日常營運資金之銀行貸款即將在二零零四年到期。為了保持足夠的資金支持，本集團正在與銀行方面溝通以續簽及／或延長貸款期限，及取得額外融資。於二零零三年十二月三十一日尚未償還且在本賬目簽署日之前已到期之銀行貸款約港幣196,000,000元，已於期後續簽了一年，並在此期間，無任何貸款額度被銀行撤回。
- (c) 倘若本集團與現有之銀行之協商不盡成功，本集團將積極拓展其他融資渠道。如賬目附註三十所述，於二零零四年二月，本公司透過一股份配售及認購協議按每股0.40港元之價格發行200,000,000股予第三方投資者。本公司已收到認購之所得款項淨額約為港幣77,000,000元，該款項將用以提升本集團之生產力及作為本集團之一般營運資金。

2. 主要會計政策

本賬目乃按照香港公認會計原則及香港會計師公會頒布之會計標準編製。賬目並依據歷史成本常規法編製，惟若干物業乃按公平值列賬（見下文會計政策）。

2. Principal accounting policies (Cont'd)

In current year, the Group adopted Statement of Standard Accounting Practice (“SSAP”) No. 35 “Government Grants and Disclosure of Government Assistance” and SSAP No. 12 “Income Taxes” issued by the HKSA which are effective for accounting periods commencing on or after 1st July 2002 and 1st January 2003, respectively.

The adoption of these new policies had no material effect on amounts reported in the prior year.

(a) Group accounting

(i) Consolidation

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

Subsidiaries are those entities in which the Company, directly or indirectly, controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

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

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

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

(ii) Associated companies

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

2. 主要會計政策 (續)

於本年度，本集團採納由香港會計師公會頒布之會計準則第35號「政府補貼及政府資助之披露」及會計準則第12號「所得稅」，分別於二零零二年七月一日及二零零三年一月一日或以後開始之會計期間生效。

採納上述新會計準則對以前年度呈報之金額無重要影響。

(a) 集團會計

(i) 綜合賬目

綜合賬目包括本公司及各附屬公司截至十二月三十一日止之賬目。

附屬公司指本公司直接或間接控制董事會之組成、超過半數投票權或持有過半數發行股本之實體。

所有集團內公司間之重大交易及結餘已於綜合賬目時對銷。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

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

(ii) 聯營公司

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



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Notes to the Accounts 賬目附註

2. Principal accounting policies (Cont'd)

(a) Group accounting (Cont'd)

(ii) Associated companies (Cont'd)

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

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

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(iii) Translation of foreign currencies

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

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

2. 主要會計政策 (續)

(a) 集團會計 (續)

(ii) 聯營公司 (續)

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

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

本集團與其聯營公司間交易之未變現盈利按集團應佔該等聯營公司之權益撇銷；除非交易提供所轉讓資產減值之憑證，否則將未變現虧損撇銷。

(iii) 外幣換算

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

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

2. Principal accounting policies (Cont'd)

(b) Intangible assets

(i) Goodwill

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

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

Goodwill on acquisitions occurring on or after 1st January 2001 is included in intangible assets and is amortised using the straight-line method over its estimated useful life. For all goodwill on acquisition is generally amortised over 10 years.

(ii) Taxi licenses

Expenditure on acquired taxi licenses is capitalised and amortised using the straight-line method over their useful lives, but not exceeding 20 years. Taxi licenses are not revalued as there is no active market for these assets.

(iii) Research and development costs

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over a period of not more than 5 years to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

2. 主要會計政策 (續)

(b) 無形資產

(i) 商譽

商譽指收購成本超出於收購日集團應佔所收購附屬公司／聯營公司之淨資產之數額。

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

於二零零一年一月一日或以後產生之收購商譽計入無形資產，並於其估計可用年期以直線法攤銷。所有收購產生之商譽按十年攤銷。

(ii) 出租車牌照

購入出租車牌照之開支將予資本化，並以直線法按不超過20年之可使用年期攤銷。由於出租車牌照並無活躍市場，故其價值不會被進行重估。

(iii) 研究及開發成本

研究成本在發生時作為費用支銷。當能夠證明開發中產品技術之可行性及有意完成該產品，而亦有資源協助、成本可予識別，及有能力出售或使用該資產而能賺取盈利，則將新產品或改良產品之設計及測試之開發所涉及之成本確認為無形資產，並以直線法按不超過5年之期間攤銷，以反映將相關經濟效益確認之模式。不符合上述條件之開發成本在發生時作為費用支銷。已入賬為支出之開發成本不會在往後期間確認為資產。



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Notes to the Accounts 賬目附註

2. Principal accounting policies (Cont'd)

(b) Intangible assets (Cont'd)

(iv) Impairment of intangible assets

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

(c) Property, plant and equipment

(i) Investment properties

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

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

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

2. 主要會計政策 (續)

(b) 無形資產 (續)

(iv) 無形資產減值

如有跡象顯示出現減值，則無形資產之賬面值，包括之前已在儲備記賬之商譽，均需評估及即時撇減至可收回價值。其產生之任何減值均記入綜合損益表。

(c) 物業、廠房及設備

(i) 投資物業

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

投資物業皆由獨立估值師最少每隔三年估值一次。估值是以個別物業之公開市值為計算基準，而土地及樓宇並不分開估值。估值會用於年度賬目內。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從經營盈利中扣除。其後任何增值將撥入經營盈利，惟最高以先前扣減之金額為限。

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

2. Principal accounting policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(ii) Construction-in-progress

Construction-in-progress represents plant and properties under construction and is stated at cost less accumulated impairment losses. This includes cost of construction, plant and equipment and other direct costs as well as interest charges and exchange differences arising from foreign currency borrowings used to finance these projects during the construction, installation and testing periods.

Construction-in-progress is not depreciated until such time as the assets are completed and ready for their intended use.

(iii) Other property, plant and equipment

Property, plant and equipment, other than investment properties and construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the profit and loss account in the period in which they are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditures are capitalised as additional costs of the property, plant and equipment.

2. 主要會計政策 (續)

(c) 物業、廠房及設備 (續)

(ii) 在建工程

在建工程指建造中的廠房和物業，在建工程按成本值減累計減值損失列賬。包括工地成本、廠房及設備及其他直接成本加上於建造，安裝，測試期間的利息費用及為該等項目所借之外幣貸款所產生之匯兌差額。

於該等資產竣工並可投入使用前，概不在建工程計提折舊。

(iii) 其他物業、廠房及設備

除投資物業及在建工程外，其他物業、廠房及設備按成本值減累計折舊及累計減值損失入賬。資產之原值包括購買價及使資產達致運作狀況及運往現址作擬定用途之直接成本。在物業，廠房及設備投入運作後產生之支出，如維修保養及經常費用等，一般自費用發生時於損益表中扣除。倘當時之情況清楚顯示該項支出導致未來因使用該項物業、廠房及設備而獲得之經濟效益增加，則將該項支出撥作物業、廠房及設備之額外成本。



Notes to the Accounts 賬目附註

2. Principal accounting policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(iv) Depreciation

Leasehold land of other property, plant and equipment is depreciated over the period of the lease while other property, plant and equipment are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis after taking into account of the estimated residual value. The expected useful lives are as follows:

	Estimated useful lives
Land use rights	50 years
Buildings	10 years to 30 years
Plant and machinery	10 years to 20 years
Furniture, fixture and electronic equipment	5 years to 10 years
Motor vehicles	5 years to 10 years
Computer equipment	5 years
Moulds and other equipment	2 years to 10 years

(v) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets, including construction-in-progress and other property, plant and equipment, are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the consolidated profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

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

2. 主要會計政策 (續)

(c) 物業、廠房及設備 (續)

(iv) 折舊

其他物業之租約土地按租約年期折舊，其他物業，廠房及設備則於扣除估計殘值後，以直線法於其估計可用年限內將其成本值減累計減值虧損撇銷。各項資產之估計可使用年限如下：

	估計可使用年限
土地使用權	50年
樓宇	10-30年
廠房及機器傢俬、裝置及電子設備	10-20年
汽車	5-10年
電腦設備	5年
模具及其他設備	2-10年

(v) 減值與出售盈虧

在每年結算日，在建工程、其他物業、廠房及設備皆透過集團內部及外界所獲得的資訊，評核該等資產有否減值。如有跡象顯示該等資產出現減值，則估算其可收回價值，及在合適情況下將減值虧損入賬以將資產減至其可收回價值。此等減值虧損在綜合損益表入賬，但假若某資產乃按估值列賬，而減值虧損不超過該資產之重估盈餘，此等虧損則當作估值減少。

除出售投資物業之收益或虧損外，出售物業、廠房及設備之收益或虧損將列算於綜合損益表內。出售物業，廠房及設備之收益或虧損乃出售所得收入淨額與資產賬面值之差額。

2. Principal accounting policies (Cont'd)

(d) Government grants

A government grant is recognised, when there is a reasonable assurance that the Group will comply with the conditions attaching with it and that the grant will be received.

Grants relating to income are deferred and recognised in the profit and loss account over the period necessary to match them with the costs they are intended to compensate.

(e) Operating leases

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

(f) Inventories

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

(g) Trade receivable

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

(h) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

2. 主要會計政策 (續)

(d) 政府補貼

當能夠合理地保證集團會符合附帶條件以及補貼將可收取時，政府補貼確認入賬。

與收入有關之補貼遞延及按擬補償之成本配合所需期間在損益表中記賬。

(e) 經營租賃

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

(f) 存貨

存貨包括製成品及在製品，按成本值與可變現淨值二者之較低者入賬。成本值以先進先出法計算，並包括原材料、直接人工及所有生產經常開支之應佔部份。可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。

(g) 貿易應收賬款

凡被視為呆賬之貿易應收賬款，均提撥準備。在資產負債表內列賬之貿易應收賬款已扣除有關之準備金。

(h) 現金及現金等價物

現金及現金等價物按成本在資產負債表內列賬。在現金流量表中，現金及現金等價物包括庫存現金及銀行通知存款。



Notes to the Accounts 賬目附註

2. Principal accounting policies (Cont'd)

(i) Provisions for warranty

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

The Group recognises a provision for repairs or replacement of products still under warranty period at the balance sheet date. This provision is calculated based on past history of the level of repairs and replacements.

(j) Employee benefits

(i) Employee leave entitlements

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

(ii) Retirement benefits obligation

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. The Group's subsidiaries incorporated in Mainland China make contributions to a state-sponsored defined contribution scheme for the Group's local staff on a monthly basis pursuant to laws of the Peoples' Republic of China (the "PRC") and relevant regulations issued by local social security authorities.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

2. 主要會計政策 (續)

(i) 產品保養撥備

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

本集團為結算日仍在保用期產品之維修或更換確立撥備。此項撥備乃按照過往維修及更換產品之程度而計算。

(j) 僱員福利

(i) 僱員應享假期

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

(ii) 退休金責任

本集團已安排本集團之香港僱員參加一項由獨立受托人管理的既定供款計劃，強制性公積金計劃（「強積金計劃」）。按照中華人民共和國（「中國」）法規，本集團設於中國大陸之附屬公司為本集團當地僱員向政府資助之既定供款計劃按月供款。

集團之供款於供款相關期內在損益表支銷。

2. Principal accounting policies (Cont'd)

(j) Employee benefits (Cont'd)

(iii) Equity compensation benefits

Share options are granted to directors and employees. If the options are granted at the market price of the shares on the date of the grant and are exercisable at the price, no compensation cost is recognised. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital (nominal value) and share premium.

(k) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

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

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

In prior year, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the revised SSAP 12 represents a change in accounting policy. The change in the accounting policy on deferred taxation did not have material impact on the consolidated accounts for the years ended 31st December 2003 and 2002.

2. 主要會計政策 (續)

(j) 僱員福利 (續)

(iii) 權益補償福利

本集團向董事及僱員授出購股權。假若該等購股權按授出日期股份之市價授出並按該價格行使，則不會確認補償成本。購股權被行使時，所得款項扣除任何交易成本後撥入股本(面值)及股份溢價。

(k) 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在賬目之賬面值兩者之短暫時差作全數撥備。遞延稅項採用在結算日前已頒布或實質頒布之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項乃就附屬公司及聯營公司之短暫時差而撥備，但假若可以控制時差之撥回，並有可能在可預見未來不會撥回則除外。

往年度，遞延稅項乃因應就課稅而計算之盈利與賬目所示之盈利二者間之時差，根據預期於可預見將來支付或可收回之負債及資產而按現行稅率計算。採納經修訂之會計準則第12號為會計政策之變動。遞延稅項會計政策之變動對截至二零零三年及二零零二年十二月三十一日止綜合賬目呈報之金額無重要影響。



Notes to the Accounts 賬目附註

2. Principal accounting policies (Cont'd)

(l) Contingent liabilities and contingent assets

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

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

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

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

(m) Revenue recognition

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Operating lease rental income is recognised on a straight-line basis over the terms of the lease.

2. 主要會計政策 (續)

(l) 或然負債及或然資產

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

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

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

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

(m) 收益確認

銷貨收益在擁有權之風險及回報轉移時確認，通常亦即為貨品付運予客戶及所有權轉讓時。

利息收入依據未償還本金額及適用利率按時間比例確認。

經營租賃之租金收入於租賃期間內按直線法確認。

2. Principal accounting policies (Cont'd)

(n) Borrowing costs

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

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

(o) Segment reporting

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

Unallocated costs represent corporate expenses. Segment assets consist primarily of intangible assets, property, plant and equipment, inventories, receivables and bank balances and cash, and mainly exclude investment properties. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to intangible assets and property, plant and equipment.

In respect of geographical segment reporting, sales are based on the countries in which the customers are located. Total assets and capital expenditure are where the assets are located.

2. 主要會計政策 (續)

(n) 借貸成本

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

所有其他借貸成本均於發生年度內在綜合損益表支銷。

(o) 分部報告

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

未分配成本指集團整體性開支。分部資產主要包括無形資產、物業、廠房及設備、存貨、應收款項及銀行結餘與現金；主要排除投資物業在外。分部負債指經營負債，而不包括例如稅項及若干集團整體性之貸款等項目。資本性開支包括購入無形資產及物業、廠房及設備的費用。

至於地區分部報告，銷售額乃按照客戶所在國家計算。總資產及資本性開支按資產所在地計算。



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Notes to the Accounts 賬目附註

3. Turnover, revenue and segment information

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of household electrical appliances, which include refrigerators, air-conditioners and mini-refrigerators. Revenues recognised during the year are as follows:

Turnover	營業額	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Sales of refrigerators	冰箱銷售	303,524	314,400
Sales of air-conditioners	空調機銷售	1,005,654	745,207
Sales of mini-refrigerators	小型冰箱銷售	264,144	201,465
		1,573,322	1,261,072
Other revenue	其他業務收入		
Rental income	租賃收入	5,091	4,277
Less: outgoing in respect of the above rental income	減：租賃收入 之成本	(351)	(209)
		4,740	4,068
Government grants	政府補貼收入	4,847	3,026
Sales of scrap materials	廢料銷售	2,807	5,261
Others	其他	2,761	1,405
		15,155	13,760
Total revenue	總收益	1,588,477	1,274,832

Primary reporting format – business segments

The Group is organised into three main business segments:

- Refrigerator business – manufacture and distribution of a broad range of refrigerators
- Air-conditioner business – manufacture and distribution of a broad range of air-conditioners
- Mini-refrigerator business – manufacture and distribution of a broad range of mini-refrigerators

Other businesses of the Group mainly comprise holding of investment properties and renting of cars and properties, neither of which are of a sufficient size to be reported separately.

3. 營業額、收益及分部資料

本公司為一間投資控股公司。本集團之主要業務為生產及銷售家庭電器，包括冰箱、空調機及小型冰箱。本年度列賬之收益如下：

主要分部報告形式—業務分部

集團經營三項主要業務分部：

- 冰箱業務 – 製造及分銷廣泛類別之冰箱
- 空調機業務 – 製造及分銷廣泛類別之空調機
- 小型冰箱業務 – 製造及分銷廣泛類別之小型冰箱

集團其他業務主要為持有投資物業及出租小汽車及物業，兩者的規模皆不足以作獨立分部報告。

Notes to the Accounts 賬目附註

3. Turnover, revenue and segment information (Cont'd)

3. 營業額、收益及分部資料(續)

Primary reporting format – business segments (Cont'd)

主要分部報告形式—業務分部(續)

		Refrigerator business	Air- conditioner business	Mini- refrigerator business 小型冰箱 業務	Other businesses 其他業務	Elimination	Group
		2003	2003	2003	2003	2003	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Turnover	營業額	303,524	1,005,654	264,144	–	–	1,573,322
Segment results	分部業績	(40,355)	11,038	10,415	(4,803)	–	(23,705)
Unallocated costs	未分配成本						(10,442)
Operating loss	經營虧損						(34,147)
Finance costs	財務費用	(11,981)	(22,939)	(2,741)	(20)	5,357	(32,324)
Finance cost unallocated	未分配財務費用						42
Share of losses of associated companies	應佔聯營公司 虧損						(1,197)
Loss before taxation	稅前虧損						(67,626)
Taxation	稅項	(1,148)	(3,112)	(1,795)	(451)	–	(6,506)
Loss after taxation	稅後虧損						(74,132)
Minority interests	少數股東權益						(2,844)
Loss attributable to shareholders	股東應佔虧損						(76,976)
Segment assets	分部資產	674,491	911,513	243,543	10,687	–	1,840,234
Interests in associated companies	聯營公司權益						29,063
Unallocated assets	未分配資產						144,129
Total assets	總資產						2,013,426
Segment liabilities	分部負債	653,001	790,297	134,540	5,317	–	1,583,155
Unallocated liabilities	未分配負債						25,381
Total liabilities	總負債						1,608,536
Capital expenditure	資本性支出	9,948	16,662	13,861	44	–	40,515
Depreciation	折舊	25,800	37,082	11,800	470	–	75,152
Amortisation of intangible assets other than goodwill	除商譽外之 無形資產攤銷	–	–	–	351	–	351
Amortisation of goodwill	商譽之攤銷						680
Other non-cash (income)/ expenses	其他非現金性 (收入)/支出						
– (Reversal of)/write-down of inventories	– 存貨跌價 (撥回)/準備	(9,684)	3,232	–	–	–	(6,452)
– (Write-back of provision)/ provision for inventory obsolescence	– 存貨殘次 (撥回)/ 準備	(3,138)	(1,150)	709	–	–	(3,579)
– Write-back of provision for doubtful receivables	– 呆賬 撥回	(1,872)	(14,672)	(15)	–	–	(16,559)
– Provision for other receivables	– 其他應收款 呆賬準備	–	–	1,988	–	–	1,988



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Notes to the Accounts 賬目附註

3. Turnover, revenue and segment information (Cont'd)

3. 營業額、收益及分部資料(續)

Primary reporting format – business segments (Cont'd)

主要分部報告形式—業務分部(續)

		Refrigerator business	Air- conditioner business	Mini- refrigerator business 小型冰箱 業務	Other businesses 其他業務	Elimination	Group
		2002 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Turnover	營業額	314,400	745,207	201,465	–	–	1,261,072
Segment results	分部業績	(135,307)	(159,509)	18,708	96,925	–	(179,183)
Unallocated costs	未分配成本						(20,639)
Operating loss	經營虧損						(199,822)
Finance costs	財務費用	(21,676)	(18,117)	(191)	(251)	6,839	(33,396)
Finance cost unallocated	未分配財務費用						(2)
Share of losses of associated companies	應佔聯營公司虧損						(6,663)
Loss before taxation	稅前虧損						(239,883)
Taxation	稅項	–	(221)	(2,677)	(339)	–	(3,237)
Loss after taxation	稅後虧損						(243,120)
Minority interests	少數股東權益						(7,239)
Loss attributable to shareholders	股東應佔虧損						(250,359)
Segment assets	分部資產	407,170	768,713	261,517	13,975	–	1,451,375
Interests in associated companies	聯營公司權益						30,260
Unallocated assets	未分配資產						194,675
Total assets	總資產						1,676,310
Segment liabilities	分部負債	423,784	587,529	165,163	4,028	–	1,180,504
Unallocated liabilities	未分配負債						23,012
Total liabilities	總負債						1,203,516
Capital expenditure	資本性支出	10,347	26,404	64,619	744	–	102,114
Depreciation	折舊	34,518	36,306	5,267	482	–	76,573
Amortisation of intangible assets other than goodwill	除商譽外之無形 資產攤銷	–	–	–	537	–	537
Amortisation of goodwill	商譽之攤銷						680
Other non-cash (income)/ expenses	其他非現金性 (收入)/支出						
– Reversal of write-down of inventories	– 存貨跌價 撥回	(4,257)	(786)	–	–	–	(5,043)
– (Write-back of provision)/ provision for inventory obsolescence	– 存貨殘次 (撥回)/ 準備	(927)	11,389	–	–	–	10,462
– Provision/(write-back of provision) for doubtful receivables	– 呆賬 準備/ (撥回)	14,054	8,667	(20)	–	–	22,701
– Provision for other receivables	– 其他應收款呆賬 準備	–	10,376	–	–	–	10,376
– Impairment of property, plant and equipment	– 物業、廠房及 設備減值準備	8,321	–	–	–	–	8,321

3. Turnover, revenue and segment information (Cont'd)

Secondary reporting format – geographical segments

The Group's three business segments are operated in five main geographical areas:

Mainland China	– manufacture and sale of household electrical appliances
Europe	– sale of household electrical appliances
Other Asia-Pacific countries	– sale of household electrical appliances
America	– sale of household electrical appliances
Africa	– sale of household electrical appliances

There are no sales between the geographical segments. Analysis of financial information by geographical segment is as follows:

Analysis of sales of refrigerators into domestic sales in Mainland China and export sales outside Mainland China by region is as follows:

3. 營業額、收益及分部資料 (續)

從屬分部報告形式—地區分部

集團三項業務分部在以下五個主要地區經營：

中國大陸	– 家用電器製造及分銷
歐洲	– 家用電器分銷
其他亞太地區	– 家用電器分銷
美洲	– 家用電器分銷
非洲	– 家用電器分銷

地區分部之間並無買賣活動。對地區分部之財務信息分析如下：

按地區劃分的在中國國內和對國外出口的冰箱銷售分析如下：

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Domestic sales	國內銷售	238,660	272,552
Export sales	出口銷售		
Europe	歐洲	36,380	17,865
Asia-Pacific	亞太	27,958	23,001
Africa	非洲	278	352
America	美洲	248	630
Total export sales	出口銷售總額	64,864	41,848
Total	合計	303,524	314,400



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Notes to the Accounts 賬目附註

3. Turnover, revenue and segment information (Cont'd)

Secondary reporting format – geographical segments (Cont'd)

Analysis of sales of air-conditioners into domestic sales in Mainland China and export sales outside Mainland China by region is as follows:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Domestic sales	國內銷售	585,735	501,801
Export sales	出口銷售		
Europe	歐洲	151,909	109,928
America	美洲	118,184	69,137
Asia-Pacific	亞太	149,069	59,324
Africa	非洲	757	5,017
Total export sales	出口銷售總額	419,919	243,406
Total	合計	1,005,654	745,207

Analysis of sales of mini-refrigerators into domestic sales in Mainland China and export sales outside Mainland China by region is as follows:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Domestic sales	國內銷售	73,578	45,060
Export sales	出口銷售		
Europe	歐洲	23,106	10,958
America	美洲	69,319	47,808
Asia-Pacific	亞太	92,172	95,248
Africa	非洲	5,969	2,391
Total export sales	出口銷售總額	190,566	156,405
Total	合計	264,144	201,465

No geographical segment analysis on total assets and capital expenditure is prepared as over 90% of the Group's total assets and capital expenditures were located/incurred in Mainland China.

3. 營業額、收益及分部資料(續)

從屬分部報告形式—地區分部(續)

按地區劃分的在中國國內和對國外出口的空調銷售分析如下：

按地區劃分的在中國國內和對國外出口的小型冰箱銷售分析如下：

由於本集團百分之九十之資產總額及資本支出皆位於／發生在中國大陸，因此，並無呈列。資產總額及資本支出之地區分部資料分析。

Notes to the Accounts 賬目附註

4. Operating loss

Operating loss is stated after charging and crediting the following:

4. 經營虧損

經營虧損已計入及扣除下列項目：

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Charging:	扣除：		
Depreciation – owned property, plant and equipment	折舊－自有物業、廠房及設備	75,152	76,573
Loss on disposal of property, plant and equipment	處置物業、廠房及設備損失	2,331	8,312
Impairment of property, plant and equipment	物業、廠房及設備之減值準備	–	8,321
Staff costs including directors' emoluments (Note 10)	包括董事酬金在內之僱員支出(附註十)	88,828	89,212
Contributions to retirement schemes (Note 22)	退休金計劃供款(附註二十二)	8,181	8,323
Cost of inventories	存貨成本	1,120,471	945,481
Provision for inventory obsolescence	存貨殘次準備	–	10,462
Provision for doubtful trade receivables	貿易應收款項之呆賬準備	–	22,701
Provision for doubtful other receivables	其他應收款項之呆賬準備	1,988	10,376
Operating leases rental for land and buildings	土地及樓宇經營租賃租金	7,838	12,218
Auditors' remuneration	核數師酬金	1,334	1,411
Provisions for warranty (Note 20)	產品保養準備(附註二十)	19,415	18,137
Research and development costs	研究及開發費用	7,779	10,224
Amortisation of intangible assets (Note 11)	無形資產攤銷(附註十一)		
– Goodwill	– 商譽	680	680
– Taxi Licenses	– 出租車執照	351	537
Crediting:	計入：		
Net exchange gains	匯兌淨收益	3,161	3,433
Reversal of provision for doubtful receivables	呆賬撥回	16,559	–
Reversal of write-down of inventories	存貨跌價撥回	6,452	5,043
Reversal of provision for inventory obsolescence	存貨殘次撥回	3,579	–



Notes to the Accounts 賬目附註

5. Finance costs, net

Interest on short-term bank loans 短期銀行貸款之利息
Interest income 利息收入
Bank handling charges 銀行收費

5. 財務費用，淨值

	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Interest on short-term bank loans	33,308	39,205
Interest income	(2,969)	(7,216)
Bank handling charges	1,943	1,409
	<u>32,282</u>	<u>33,398</u>

6. Taxation

No Hong Kong profits tax has been provided as the Group did not have any assessable profit under Hong Kong profits tax. PRC enterprise income tax has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the respective jurisdictions.

6. 稅項

由於本集團並無賺取任何應課香港利得稅收入，故此並無提取任何香港利得稅準備。中國企業所得稅乃根據本年之估計應課稅利得按當地之現行稅率計算。

Enterprise income tax 企業所得稅

	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Enterprise income tax	<u>6,506</u>	<u>3,237</u>

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

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

Loss before taxation 除稅前虧損
Calculated at the PRC statutory tax rate of 33% (2002: 33%) 按中國法定稅率33%計算 (二零零二年：33%)
Effect of different tax rates 稅率差異影響
Expenses not deductible for taxation purposes 稅前不可抵扣之費用
Unrecognised deferred tax assets 未確認遞延稅項資產
Taxation charge 稅項支出

	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Loss before taxation	<u>(67,626)</u>	<u>(239,883)</u>
Calculated at the PRC statutory tax rate of 33% (2002: 33%)	(22,316)	(79,161)
Effect of different tax rates	15,382	14,781
Expenses not deductible for taxation purposes	7	13
Unrecognised deferred tax assets	<u>13,433</u>	<u>67,604</u>
Taxation charge	<u>6,506</u>	<u>3,237</u>

The unprovided deferred taxation as at 31st December 2003 was detailed in Note 25.

於二零零三年十二月三十一日之未撥備遞延稅項詳情見附註二十五。

7. Loss attributable to shareholders

The loss attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$61,124,000 (2002: HK\$261,658,000).

8. Dividends

The directors do not recommend the payment of a dividend for the year ended 31st December 2003 (2002: Nil).

9. Loss per share

The calculations of basic and diluted loss per share are based on Group's loss attributable to shareholders of HK\$76,976,000 (2002: HK\$250,359,000)

The basic loss per share is based on the weighted average number of 1,382,030,711 (2002: 1,381,727,588) ordinary shares in issue during the year.

The diluted loss per share is based on 1,383,854,099 (2002: 1,383,094,294) ordinary shares which is the weighted average number of ordinary shares in issue during the year plus the weighted average number of 1,823,388 (2002: 1,366,706) ordinary shares deemed to be issued at the agreed exercise prices as if all outstanding share options had been exercised.

10. Directors' and senior management's emoluments

(a) Directors' emoluments

The aggregate amounts of emoluments payable to directors of the Company during the year are as follows:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Fees	袍金	150	177
Other emoluments:	其他酬金：		
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼、 其他津貼及實物利益	3,301	4,405
Discretionary bonuses	酌情發放之花紅	—	82
Contributions to pension schemes for directors (and past directors)	為董事(及前任董事)作出之 退休金供款	93	71
		<u>3,544</u>	<u>4,735</u>

7. 股東應佔虧損

計入本公司賬目之虧損為港幣61,124,000元(二零零二年：港幣261,658,000元)。

8. 股息

截至二零零三年十二月三十一日止年度，本公司並無宣派任何股息(二零零二年：無)。

9. 每股虧損

每股基本及攤薄虧損是根據股東應佔集團虧損港幣76,976,000元(二零零二年：港幣250,359,000元)計算。

每股基本虧損是按年內已發行普通股之加權平均數1,382,030,711(二零零二年：1,381,727,588)股計算。

每股攤薄虧損根據1,383,854,099(二零零二年：1,383,094,294)股普通股計算，即年內已發行普通股之加權平均數，加上假設所有未行使之認股權證及購股權皆已行使而被視作無償發行之加權平均數1,823,388(二零零二年：1,366,706)股普通股計算。

10. 董事及高級管理人員酬金

(a) 董事酬金

年內本公司向董事支付之酬金總額如下：



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Notes to the Accounts 賬目附註

10. Directors' and senior management's emoluments (Cont'd)

(a) Directors' emoluments (Cont'd)

Directors' fees disclosed above include HK\$150,000 (2002: HK\$150,000) paid to independent non-executive directors.

The emoluments of the directors fell within the following bands:

Emolument bands	酬金組別	Number of directors 董事人數	
		2003	2002
Nil – HK\$1,000,000	港幣0元 – 港幣1,000,000元	7	7
HK\$1,000,001 – HK\$1,500,000	港幣1,000,001元 – 港幣1,500,000元	1	–
HK\$1,500,001 – HK\$2,000,000	港幣1,500,001元 – 港幣2,000,000元	1	1
HK\$2,000,001 – HK\$2,500,000	港幣2,000,001元 – 港幣2,500,000元	–	1

None of the directors waived the right to receive emoluments during the years ended 31st December 2002 and 2003.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2002: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2002: two) individuals during the year are as follows:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Basic salaries, housing allowances, other allowances and benefits in kind	基本薪金、房屋津貼、其他津貼及實物利益	1,359	1,061
Contribution to pension schemes	退休金供款	259	138
		<u>1,618</u>	<u>1,199</u>

10. 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

上述披露之董事袍金包括向獨立非執行董事支付之款項港幣150,000元(二零零二年: 港幣150,000元)。

支付予董事之酬金組別如下:

截至二零零二年及二零零三年十二月三十一日止年度, 各董事均無放棄任何薪酬。

(b) 五位最高薪酬人士

本年度集團內五位最高薪酬人士包括兩名(二零零二年: 三名)董事, 其酬金已載於上文分析。其餘三名(二零零二年: 兩名)最高薪人士之酬金分析如下:

10. Directors' and senior management's emoluments
(Cont'd)

(b) Five highest paid individuals (Cont'd)

The emoluments of the remaining three (2002: two) individuals fell within the following bands:

Emolument bands	酬金組別	Number of individuals 人數	
		2003	2002
Nil – HK\$1,000,000	港幣0元 – 港幣1,000,000元	3	2

11. Intangible assets

10. 董事及高級管理人員酬金 (續)

(b) 五位最高薪酬人士 (續)

其餘三名(二零零二年：兩名)最高薪人士之酬金組別如下：

11. 無形資產

		Group 集團		
		Goodwill 商譽 HK\$'000 港幣千元	Taxi licences 出租車執照 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Year ended 31st December 2003	截至二零零三年 十二月三十一日止年度			
Opening net book amount	期初賬面淨值	4,761	5,855	10,616
Amortisation charges (Note 4)	本年度攤銷(附註四)	(680)	(351)	(1,031)
Closing net book amount	期末賬面淨值	4,081	5,504	9,585
At 31st December 2003	於二零零三年 十二月三十一日			
Cost	成本	6,801	6,506	13,307
Accumulated amortisation	累計攤銷	(2,720)	(1,002)	(3,722)
Net book amount	賬面淨值	4,081	5,504	9,585
At 31st December 2002	於二零零二年 十二月三十一日			
Cost	成本	6,801	6,506	13,307
Accumulated amortisation	累計攤銷	(2,040)	(651)	(2,691)
Net book amount	賬面淨值	4,761	5,855	10,616



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Notes to the Accounts 賬目附註

12. Property, plant and equipment

12. 物業，廠房及設備

(a) Group

(a) 集團

		Investment properties	Construction-in-progress	Land and buildings	Plant and machinery	Furniture, fixtures and electronic equipment 傢俬、裝置及電子設備	Motor vehicles	Computer equipment	Moulds and other equipment 模具及其他設備	Total
		投資物業 HK\$'000 港幣千元	在建工程 HK\$'000 港幣千元	土地及樓宇 HK\$'000 港幣千元	廠房及機器 HK\$'000 港幣千元	HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	電腦設備 HK\$'000 港幣千元	HK\$'000 港幣千元	總額 HK\$'000 港幣千元
Cost or valuation:	成本值/估值:									
	於二零零三年									
At 1st January 2003	一月一日	168,000	1,789	259,297	564,674	62,595	19,049	15,490	177,226	1,268,120
Additions	添置	-	13,260	9,267	8,540	2,593	1,319	521	5,015	40,515
Transfers	轉撥	-	(12,635)	(82)	4,073	7,700	160	-	784	-
Disposals	處置	-	-	(122)	(41,071)	(516)	(2,947)	-	-	(44,656)
Foreign exchange adjustments	匯兌調整	-	(61)	(1,205)	(2,710)	(228)	(92)	(107)	(959)	(5,362)
	於二零零三年									
At 31st December 2003	十二月三十一日	168,000	2,353	267,155	533,506	72,144	17,489	15,904	182,066	1,258,617
Representing:	代表:									
At cost	成本值	-	2,353	267,155	533,506	72,144	17,489	15,904	182,066	1,090,617
At valuation	估值	168,000	-	-	-	-	-	-	-	168,000
		168,000	2,353	267,155	533,506	72,144	17,489	15,904	182,066	1,258,617
Accumulated depreciation and impairment:	累計折舊及減值:									
	於二零零三年									
At 1st January 2003	一月一日	-	(550)	(62,288)	(280,753)	(35,031)	(12,956)	(3,138)	(103,742)	(498,458)
Charge for the year	本年計提	-	-	(12,274)	(37,580)	(5,459)	(1,342)	(3,060)	(15,437)	(75,152)
Disposals	處置	-	-	7	39,765	393	2,160	-	-	42,325
Foreign exchange adjustments	匯兌調整	-	-	178	664	432	75	56	445	1,850
	於二零零三年									
At 31st December 2003	十二月三十一日	-	(550)	(74,377)	(277,904)	(39,665)	(12,063)	(6,142)	(118,734)	(529,435)
Net book value:	賬面淨值:									
	於二零零三年									
At 31st December 2003	十二月三十一日	168,000	1,803	192,778	255,602	32,479	5,426	9,762	63,332	729,182
	於二零零二年									
At 31st December 2002	十二月三十一日	168,000	1,239	197,009	283,921	27,564	6,093	12,352	73,484	769,662

12. Property, plant and equipment (Cont'd)

12. 物業，廠房及設備(續)

(b) Company

(b) 公司

		Furniture, fixtures and electronic equipment 傢俬、裝置及 電子設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Cost:	成本：			
At 1st January 2003	於二零零三年一月一日	686	1,869	2,555
Additions	添置	13	—	13
Disposals	處置	(28)	—	(28)
	於二零零三年 十二月三十一日	<u>671</u>	<u>1,869</u>	<u>2,540</u>
Accumulated depreciation:	累計折舊：			
At 1st January 2003	於二零零三年 一月一日	(394)	(1,637)	(2,031)
Charge for the year	本年計提	(105)	(113)	(218)
Disposals	處置	14	—	14
	於二零零三年 十二月三十一日	<u>(485)</u>	<u>(1,750)</u>	<u>(2,235)</u>
Net book value:	賬面淨值：			
At 31st December 2003	於二零零三年 十二月三十一日	<u>186</u>	<u>119</u>	<u>305</u>
At 31st December 2002	於二零零二年 十二月三十一日	<u>292</u>	<u>232</u>	<u>524</u>

(c) The Group's land and buildings were held under leases of 50 years and were located outside Hong Kong.

(c) 本集團之土地使用權及樓宇於五十年租約期內持有，該土地使用權位於香港以外地區。

(d) Investment properties

(d) 投資物業

The investment properties represent 11 floors and 12 car parking spaces in Guo Xin Building, located in Guangzhou, the PRC, with lease terms of 50 years.

該投資物業為位於中國廣州市國信大廈之十一個樓層及十二個車位，租約年期為50年。



Notes to the Accounts 賬目附註

12. Property, plant and equipment (Cont'd)

(d) Investment properties (Cont'd)

The investment properties were revalued every 3 years. The investment properties amounted to approximately \$168,000,000 (2002: \$168,000,000) were revalued at 31st December 2001 by Vigers Hong Kong Limited, independent qualified valuers. The deficit on revaluation was offset against the property revaluation reserve.

The directors are of the opinion that the carrying value of the investment properties as at 31st December 2003 approximated the open market value.

At 31st December 2003, property, plant and equipment with net book value of approximately HK\$245,975,000 (2002: HK\$95,916,000) were pledged as security for the Group's short-term bank loans.

13. Investments in subsidiaries

Unlisted equity interests, at cost	非上市股份，按成本值
Due from subsidiaries	應收附屬公司款項
Less: Provision	減：準備

The amounts due from subsidiaries are interest-free and are not repayable within the next twelve months.

12. 物業，廠房及設備（續）

(d) 投資物業（續）

投資物業每三年評估一次。該投資物業約值168,000,000元（二零零二年：168,000,000元），於二零零一年十二月三十一日由獨立專業估值師威格斯香港有限公司評估。重估減值在物業價值重估儲備中衝銷。

董事會認為該等投資物業於二零零三年十二月三十一日之賬面價值與市值相近。

賬面淨值約港幣245,975,000元（二零零二年：95,916,000元）之物業、廠房及設備已用作抵押作為本集團短期銀行貸款之擔保。

13. 附屬公司投資

		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Unlisted equity interests, at cost	非上市股份，按成本值	30,997	20,997
Due from subsidiaries	應收附屬公司款項	583,000	586,843
		613,997	607,840
Less: Provision	減：準備	(302,225)	(248,160)
		311,772	359,680

應收附屬公司款項均為免息且無需在未來十二個月內還款。

13. Investments in subsidiaries (Cont'd)
13. 附屬公司投資 (續)

The particulars of the significant subsidiaries at 31st December 2003 are:

重要附屬公司於二零零三年十二月三十一日之詳情如下：

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立地點及 公司類型	Principal activities and place of operation 主要業務	Particulars of issued share capital/ registered capital 已發行及繳足股本	Effective interest held 所持有有效 權益
DIRECTLY HELD: 直接持有：				
China Refrigeration Industry Co., Ltd. ("China Refrigeration") 中國雪櫃實業有限公司 (「中雪公司」)	PRC, limited liability company 中國，有限責任公司	Manufacture and sale of refrigerators in the PRC 於中國製造及分 銷冰箱	Registered capital US\$10,000,000 註冊資本 10,000,000美元	95% 95%
Hualing Technology Limited 華凌科技有限公司	Hong Kong, limited liability company 香港，有限責任公司	Investment holding in Hong Kong 於香港投資控股	10 ordinary shares of HK\$1 each 普通股10股 每股港幣1元	100% 100%
Hualing Investments Limited 華凌投資有限公司	Hong Kong, limited liability company 香港，有限責任公司	Investment holding in Hong Kong 於香港投資控股	2 ordinary shares of HK\$1 each 普通股2股 每股港幣1元	100% 100%
Hualing International Limited 華凌國際有限公司	Hong Kong, limited liability company 香港，有限責任公司	Trading in Hong Kong 於香港貿易	2 ordinary shares of HK\$1 each 普通股2股 每股港幣1元	100% 100%
Hualing Refrigerant Engineering Limited 華凌製冷工程有限公司	Hong Kong, limited liability company 香港，有限責任公司	Investment holding in Hong Kong 於香港投資控股	2 ordinary shares of HK\$1 each 普通股2股 每股港幣1元	100% 100%
Hualing (Far East) Limited 華凌(遠東)有限公司	British Virgin Islands, limited liability company 英屬處女群島， 有限責任公司	Investment holding in Hong Kong 於香港投資控股	1 ordinary share of US\$1 普通股1股 每股1美元	100% 100%
Hualing (Guangzhou) Electrical Appliances Co., Ltd. ("Hualing Appliances") 華凌(廣州)電器有限公司 (「華電公司」)	PRC, limited liability company 中國，有限責任公司	Distribution of HUALING brand products in the PRC 於中國銷售華凌 品牌之產品	Registered capital HK\$10,000,000 註冊資本 港幣10,000,000元	100% 100%



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Notes to the Accounts 賬目附註

13. Investments in subsidiaries (Cont'd)

十三 附屬公司投資(續)

Name	Place of incorporation/ establishment and kind of legal entity 註冊/成立地點及 公司類型	Principal activities and place of operation 主要業務	Particulars of issued share capital/ registered capital 已發行及繳足股本	Effective interest held 所持有有效 權益
INDIRECTLY HELD:				
間接持有：				
Hualing Air-conditioning & Equipment Co., Ltd.	PRC, limited liability company	Manufacture and sale of air-conditioners and electronic appliances in the PRC	Registered capital US\$20,000,000	100%
廣州華凌空調設備有限公司	中國，有限責任公司	於中國製造及分銷 空調及家電	註冊資本 20,000,000美元	100%
Guangzhou Hualing Electrical Household Appliance Enterprise Co., Ltd. ("Hualing Household")	PRC, limited liability company	Distribution of HUALING brand products in the PRC	Registered capital RMB3,000,000	95.5%
廣州華凌家電企業有限公司 〔華凌家電〕	中國，有限責任公司	於中國銷售華凌 品牌之產品	註冊資本 人民幣3,000,000元	95.5%
Hefei Hualing Electrics Co., Ltd.	PRC, limited liability company	Manufacture and sale of mini-refrigerators in the PRC	Registered capital HK\$74,260,000	50.05%
合肥華凌電器有限公司	中國，有限責任公司	於中國製造及 分銷小型冰箱	註冊資本 港幣74,260,000元	50.05%
Guangzhou Hualing Refrigeration Co., Ltd.	PRC, limited liability company	Manufacture and sale of refrigerators in the PRC	Registered capital US\$1,441,715	96.25%
廣州華凌雪櫃有限公司	中國，有限責任公司	於中國製造及 分銷冰箱	註冊資本 1,441,715美元	96.25%
Growth Plus Properties Ltd.	British Virgin Islands, limited liability company	Investment holding in the British Virgin Islands	1 ordinary share of US\$1	100%
Growth Plus Properties Ltd.	英屬處女群島， 有限責任公司	於英屬處女群島 投資控股	普通股1股 每股1美元	100%
China Appliances.com Limited	British Virgin Islands, limited liability company	Investment holding in the British Virgin Islands	1 ordinary share of US\$1	100%
中國家電網有限公司	英屬處女群島， 有限責任公司	於英屬處女群島 投資控股	普通股1股 每股1美元	100%
Chengdu Hualing Electrical Household Appliance Co., Ltd.	PRC, limited liability company	Distribution of HUALING brand products in the PRC	Registered capital RMB2,500,000	99.77%
成都華凌家電有限公司	中國，有限責任公司	於中國銷售華凌 品牌之產品	註冊資本 人民幣2,500,000元	99.77%

Notes to the Accounts 賬目附註

13. Investments in subsidiaries (Cont'd)

十三 附屬公司投資(續)

Name	Place of incorporation/ establishment and kind of legal entity 註冊/成立地點及 公司類型	Principal activities and place of operation	Particulars of issued share capital/ registered capital 已發行及繳足股本	Effective interest held 所持有有效 權益
INDIRECTLY HELD: (Cont'd) 間接持有：(續)				
Guangzhou Hualing Property Management Co., Ltd. 廣州華凌實業有限公司	PRC, limited liability company 中國，有限責任公司	Property management in the PRC 於中國物業管理	Registered capital RMB1,100,000 註冊資本 人民幣1,100,000元	95.5% 95.5%
Guangzhou Hualing Shopping Mall Co., Ltd. 廣州市華凌商場有限公司	PRC, limited liability company 中國，有限責任公司	Distribution of HUALING brand products in the PRC 於中國銷售華凌品牌之產品	Registered capital RMB500,000 註冊資本 人民幣500,000元	95.5% 95.5%
Guangzhou Ma Hui Hualing Taxi 廣州馬會華凌出租車隊	PRC, limited liability company 中國，有限責任公司	Taxi licence leasing in the PRC 於中國出租車執照租賃	Registered capital RMB2,000,000 註冊資本 人民幣2,000,000元	57% 57%
Hualing Technology (Investment) Limited 華凌科技(投資)有限公司	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	Investment holding in the British Virgin Islands 於英屬處女群島投資控股	1 ordinary share of US\$1 普通股1股 每股1美元	100% 100%
Henan Hualing Electrical Household Appliance Co., Ltd. 河南華凌電器銷售有限公司	PRC, limited liability company 中國，有限責任公司	Distribution of HUALING brand products in the PRC 於中國銷售華凌品牌之產品	Registered capital RMB5,000,000 註冊資本 人民幣5,000,000元	99.55% 99.55%
Chongqing Shuigang Hualing Electrical Household Appliance Co., Ltd. 重慶穗港華凌電器銷售有限公司	PRC, limited liability company 中國，有限責任公司	Distribution of HUALING brand products in the PRC 於中國銷售華凌品牌之產品	Registered capital RMB3,000,000 註冊資本 人民幣3,000,000元	99.77% 99.77%
Guangdong Hualing Commercial Air-conditioning Equipment Co., Ltd. 廣東華凌中央空調設備有限公司	PRC, limited liability company 中國，有限責任公司	Manufacture and sale of air-conditioners in the PRC 於中國製造及分銷空調	Registered capital RMB30,000,000 註冊資本 人民幣30,000,000元	100% 100%



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Notes to the Accounts 賬目附註

14. Interests in associated companies

14 聯營公司權益

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Share of net assets	應佔淨資產	29,063	30,260
Investments at cost:	投資，按成本值：		
Unlisted equity interests, at cost	非上市股份，按成本值	39,760	39,760

The particulars of the principal associated companies at 31st December 2003 are as follows:

主要聯營公司於二零零三年十二月三十一日之詳情如下：

Name 公司名稱	Place incorporation/ establishment and kind of legal entity 註冊／成立地點及 公司類型	Principal activities 主要業務	Particulars of registered capital 已發行及 繳足股本	Effective interest held indirectly 間接持有 有效權益
Xi'an Dongling Refrigerating Compressors Co., Ltd. ("Xi'an Dongling") 西安東凌製冷壓縮機有限公司 (「西安東凌」)	PRC, limited liability company 中國，有限責任公司	Manufacture and sale of refrigerator compressors 製造及分銷冰箱壓縮機	Registered capital US\$18,670,000 註冊資本 18,670,000美元	25% 25%
Guangzhou Hualing Polyfoam Co., Ltd. ("Hualing Polyfoam") 廣州華凌泡沫塑料有限公司 (「華凌泡沫」)	PRC, limited liability company 中國，有限責任公司	Manufacture and sale of polyfoam products 製造及分銷泡沫塑料產品	Registered capital US\$1,000,000 註冊資本 1,000,000美元	19% 19%
Beijing Wide Vision Network Co., Ltd. 北京創源景家電網絡 信息科技有限公司	PRC, limited liability company 中國，有限責任公司	Manufacture and sale of computer hardware and telecommunication equipment 製造及分銷計算機 硬件和電訊設備	Registered capital RMB3,000,000 註冊資本 人民幣3,000,000元	33% 33%

All associated companies in the PRC are sino-foreign equity joint ventures.

於中國成立之聯營公司均為中外合資經營。

15. Inventories

15. 存貨

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Raw materials	原材料	210,419	182,545
Work-in-progress	在製品	36,867	13,082
Finished goods	製成品	302,614	200,969
		<u>549,900</u>	<u>396,596</u>

At 31st December 2003, the carrying amount of inventories that are carried at net realisable value amounted to HK\$22,128,000 (2002: HK\$22,640,000).

於二零零三年十二月三十一日，存貨按可變淨現值記賬總額為港幣22,128,000元（二零零二年：港幣22,640,000元）。

16. Trade and other receivables

16. 貿易及其他應收款

		Group 集團		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Trade receivables (Note (a))	貿易應收款 (附註(a))	246,949	132,460	—	—
Notes receivable (Note (b))	應收票據 (附註(b))	31,490	48,283	—	—
Prepayments and other receivables	預付賬款及 其他應收款	92,065	68,311	409	445
		<u>370,504</u>	<u>249,054</u>	<u>409</u>	<u>445</u>



Notes to the Accounts 賬目附註

16. Trade and other receivables (Cont'd)

(a) No standard credit term policy was adopted by the Group as the credit terms granted by the Group varied towards different customers. At 31st December 2003, the ageing analysis of the trade receivables was as follows:

		Group 集團		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within 1 year	一年內	226,552	120,601	—	—
In the second year	一年以上至兩年內	14,750	11,859	—	—
Over 2 years	兩年以上	5,647	—	—	—
		<u>246,949</u>	<u>132,460</u>	<u>—</u>	<u>—</u>

(b) Notes receivable

The balance represents bank acceptance notes with maturity periods within six months.

16. 貿易及其他應收款 (續)

(a) 本集團給予客戶的信用條款各不相同，因此本集團並無標準的信用政策。於二零零三年十二月三十一日，貿易應收款之賬齡分析如下：

(b) 應收票據

該餘額為六個月內到期之銀行承兌匯票總額。

17. Prepaid value-added tax

Hualing Household and Hualing Appliances have paid input value-added taxes to the State Tax Bureau for the finished goods purchased from China Refrigeration. In accordance with the relevant PRC tax regulations, these value-added taxes can be offset with the output value-added taxes arising from the sales in the future but are not refundable.

17. 預付增值稅

華凌家電及華電公司為購自中雪公司的製成品向國家稅務局付了進項增值稅。根據中國稅收法規，這些增值稅可用於抵扣未來銷售產品的銷項增值稅，但不可返還。

Notes to the Accounts 賬目附註

18. Trade and other payables

18. 貿易和其他應付款

		Group 集團		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Trade payables (Note (a))	貿易應付款 (附註(a))	564,656	262,081	—	—
Provision for staff welfare and bonus	職工福利及 獎勵基金	8,398	12,688	8,163	7,712
Accruals	預提費用	25,662	107,331	—	—
Advances from customers	預收賬款	115,616	107,866	—	—
Notes payable (Note (b))	應付票據(附註(b))	280,234	60,550	—	—
Payable for property, plant and equipment	購置物業、廠房及 設備應付款	13,128	32,173	—	—
Others	其他	33,647	30,115	1,227	295
		<u>1,041,341</u>	<u>612,804</u>	<u>9,390</u>	<u>8,007</u>

(a) At 31st December 2003, the ageing analysis of the trade payables was as follows:

(a) 於二零零三年十二月三十一日，貿易應付款之賬齡分析如下：

		Group 集團		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within 1 year	一年內	543,774	235,266	—	—
In the second year	一年以上至兩年內	18,628	22,042	—	—
Over 2 years	兩年以上	2,254	4,773	—	—
		<u>564,656</u>	<u>262,081</u>	<u>—</u>	<u>—</u>

(b) Notes payable

(b) 應付票據

The balance represents bank acceptance notes issued by the Group with maturity periods of less than six months. At 31st December 2003, the notes payable were pledged by bank deposits of approximately HK\$128,059,000 (2002: Nil).

該餘額為集團開出之銀行承兌匯票，均在六個月內到期。於二零零三年十二月三十一日，為應付票據作抵押的銀行存款約為港幣128,059,000元(二零零二年：無)。



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Notes to the Accounts 賬目附註

19. Taxes payable

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Value-added tax	增值稅	1,150	20,568
PRC enterprise income tax	中國企業所得稅	326	4,880
Others	其他	272	366
		<u>1,748</u>	<u>25,814</u>

19. 應付稅項

20. Provisions for warranty

The movement of warranty provision was analysed as follows:

		Group 本集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
At 1st January 2003	於二零零三年一月一日	16,110	7,930
Charges for the year (Note 4)	本年計提(附註四)	19,415	18,137
Less: Amounts utilised	減: 已動用款項	(18,126)	(9,957)
At 31st December 2003	於二零零三年十二月三十一日	<u>17,399</u>	<u>16,110</u>

20. 產品保養準備

對產品保養準備變動之分析如下:

Hualing Appliances, provides free repair and replacement services ranging from one year to three years after sales. The cost of the warranty obligation under which Hualing Appliances agrees to remedy defects in its products is accrued at the time the related sales are recognised. As at 31st December 2003, the Group had provided for expected warranty claims on household electrical appliance items sold.

華電公司提供產品售後一至三年之免費維修及零件更換服務。華電公司因提供產品維護服務而發生之成本於相關產品銷售確認時計提。於二零零三年十二月三十一日，本集團對已出售之家用電器計提了預期之保養準備。

21. Bank loans

21. 銀行貸款

Group
本集團

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Short-term bank loans, secured	短期銀行貸款，已擔保	510,637	491,876
Long-term bank loans	長期銀行貸款	28,151	38,592
		<u>538,788</u>	<u>530,468</u>

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

於二零零三年十二月三十一日，本集團銀行貸款償還情況如下：

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Within one year	一年以內	510,637	491,876
In the second year	第二年在內	28,151	38,592
		<u>538,788</u>	<u>530,468</u>

Interests of the bank loans are charged on the outstanding balances at interest rates ranging from 3.69% to 5.84% per annum (2002: 5.31% to 7.02% per annum).

銀行貸款之年利率在未償還餘額之3.69%至5.84%之間(二零零二年：年利率5.31%至7.02%)。

Property, plant and equipment with net book value of approximately HK\$245,975,000 (2002: HK\$95,916,000) have been pledged as security for the Group's short-term bank loans.

本集團已用作短期銀行貸款抵押的若干物業，廠房及設備的賬面淨值約為港幣245,975,000元(二零零二年：港幣95,916,000元)。

Subsequent to year-end, short-term bank loans of approximately HK\$196,000,000 have been renewed and will be due for repayments in 2005.

在二零零四年初，本集團續借了約港幣196,000,000元的短期銀行貸款，這些貸款將於二零零五年到期償還。



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Notes to the Accounts 賬目附註

22. Pensions

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the group companies (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The contributions from each of the employer and employees are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary. For the year ended 31st December 2003, no contribution was forfeited.

The Company's subsidiaries established in the PRC participate in the local retirement schemes of the PRC. Pursuant to the relevant regulations, the Group is currently required to make a monthly contribution equivalent to 15% to 28% of the monthly salaries in respect of its full-time and temporary employees. The aggregate amount of the Group's contributions (net of forfeited contributions) for the year ended 31st December 2003 amounted to approximately HK\$8,181,000 (2002: HK\$8,323,000).

23. Share capital and share options

(a) Share capital

22. 退休金

本集團已安排本集團之香港僱員參加一項由獨立受托人管理的既定供款計劃，強制性公積金計劃（「強積金計劃」）。根據強制性公積金法例規定，本集團（僱主）及本集團之僱員均須每月將僱員月薪的5%作為強積金供款，僱主及僱員作出強制性供款的上限為每月港幣1,000元，高於此金額所作之供款屬自願性質。截至二零零三年十二月三十一日，尚無強積金款被沒收。

本集團於中國成立的子公司參與中國本地退休金計劃。根據有關條款，本集團現須每月支付相當於全職及臨時員工月薪15%至28%之供款。於截至二零零三年十二月三十一日止年度，本集團之供款總額（已扣除沒收之供款）約為港幣8,181,000元（二零零二年：港幣8,323,000元）。

23. 股本及購股權

(a) 股本

		Authorised Ordinary shares of HK\$0.1 each 法定股本 普通股每股面值港幣0.1元	
		Number of shares ('000) 股份數目(千股)	HK\$'000 港幣千元
At 31st December 2003 and 2002	於二零零三及二零零二年 十二月三十一日	1,600,000	160,000

23. Share capital and share options (Cont'd)

23. 股本及購股權 (續)

(a) Share capital (Cont'd)

(a) 股本 (續)

		Issued and fully paid Ordinary shares of HK\$0.1 each 已發行及繳足股本 普通股每股面值港幣0.1元	
		Number of shares ('000) 股份數目 (千股)	HK\$'000 港幣千元
At 1st January 2002	於二零零二年一月一日	1,380,516	138,052
Exercise of share options	行使購股權	1,360	136
At 31st December 2002	於二零零二年十二月三十一日	1,381,876	138,188
Exercise of share options (Note 23(b))	行使購股權 (附註二十三(b))	160	16
At 31st December 2003	於二零零三年十二月三十一日	1,382,036	138,204

(b) Share options

(b) 購股權

The share option scheme adopted by the Company on 26th November 1993 ("1993 Share Option Scheme") expired on 25th November 2003. A new share option scheme ("2003 Share Option Scheme") was approved by the shareholders at the Extraordinary General Meeting on 27th June 2003 and was adopted thereafter. 1993 Share Option Scheme was terminated immediately upon the adoption of 2003 Share Option Scheme. The options granted under 1993 Share Option Scheme will remain in force and effect.

本公司於一九九三年十一月二十六日採納之購股權計劃(「一九九三年購股權計劃」)於二零零三年十一月二十五日期滿。新的購股權計劃(「二零零三年購股權計劃」)已經二零零三年六月二十七日的股東特別大會批准並即採納。二零零三年購股權計劃採納後一九九三年購股權計劃已隨即終止，而根據一九九三年購股權計劃授出之購股權仍具效力。



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23. Share capital and share options (Cont'd)

(b) Share options (Cont'd)

Pursuant to 1993 Share Option Scheme, for incentive purpose, the Company is authorised to grant options to executive directors and employees of the Group to subscribe for shares in the Company, subject to a maximum of (i) 20% of the issued share capital of the Company in issue as at 25th June 1999 plus (ii) the nominal amount of share capital of the Company repurchased by the Company subsequent to the amendments up to a maximum equivalent of 10% of the aggregate nominal amount of the share capital of the Company in issue, excluding shares issued on exercise of options. The subscription price would be determined by the directors, and would not be less than the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares quoted on The Stock Exchange of Hong Kong Limited ("HKSE") on the five trading days immediately preceding the date of offer of the option. An option may be exercised under 1993 Share Option Scheme at any time during the period commencing on the date upon which such option is deemed be granted and accepted.

Due to the expiration of 1993 Share Option Scheme, and to be in line with Chapter 17 (Share Option Schemes) of the Listing Rules, the Company terminated 1993 Share Option Scheme and adopted 2003 Share Option Scheme on 27th June 2003 as follows:

The purpose of the 2003 Share Option Scheme is for the Company to attract, retain and motivate talented participants to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants. Eligible participants of the 2003 Share Option Scheme include the directors (including executive directors and non-executive directors) or employees of the Group, consultants or advisors of the Group, substantial shareholders or employees of substantial shareholders of the Company, associates of directors or chief executives or substantial shareholders of the Company, employees or directors of suppliers or customers of the Group, discretionary objects of a discretionary trust established by employees or directors of the Group, as to be determined by the board at its absolute discretion within the above categories.

23. 股本及購股權 (續)

(b) 購股權 (續)

根據一九九三年購股權計劃，本公司有權授出購股權予本集團之執行董事及僱員以認購本公司之股份，惟最高多以(i)本公司於一九九九年六月二十五日已發行股本之20%為限，及(ii)在作出修訂後本公司購回之本公司股本面額最多可相等於本公司已發行股本面值總額之10%(不包括因行使優先認股權而發行之股份)。認股價由董事釐定，惟不得低於股份之面值或緊接授出購股權日期前五個交易日股份在香港聯合交易所有限公司(「聯交所」)之平均收市價之80%(以較高者為準)。根據一九九三年購股權計劃，購股權可於其被視作授出及接納之日期後隨時根據計劃行使。

由於一九九三年購股權計劃的期滿及為符合上市規則第十七章「購股權計劃」之規定，本公司於二零零三年六月二十七日終止了一九九三年購股權計劃並採納了二零零三年購股權計劃，詳情如下：

二零零三年購股權計劃之目的，是為讓本公司可吸引、挽留和鼓勵有才幹之參與者，竭力達致本集團日後之發展及擴充，以及讓本公司在獎賞、回饋、慰勞、補償及／給予參與者福利方面有更大靈活性。二零零三年購股權計劃之合資格參與人士包括本集團董事(包括執行董事及非執行董事)或僱員，本集團顧問或專業諮詢人士，本公司主要股東或其僱員、本公司之董事、高級行政人員或主要股東之任何聯繫人，本集團之任何供應商或客戶之任何僱員或董事，本集團之任何僱員、董事所設立之全權信託之任何全權受益人，按董事會在上述人士中全權酌情決定之人士。

23. Share capital and share options (Cont'd)

(b) Share options (Cont'd)

The maximum numbers of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under 2003 Share Option Scheme and any other share option schemes adopted by the Company must not in aggregate exceed 30% of the shares in issue from time to time. The total number of shares which may be issued upon the exercise of all options to be granted under the 2003 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue as at 27th June 2003, but the Company may seek approval of its shareholders in general meeting to refresh the 10% limit under 2003 Share Option Scheme. As at 31st December 2003, the Company had outstanding 6,960,000 share options which were all granted under 1993 Share Option Scheme and the total number of shares issuable for options was 138,203,640. It represented 10% of the Company's shares in issue as at 27th June 2003.

The total number of shares issued and to be issued upon exercise of the share options granted under 2003 Share Option Scheme and any other share option schemes of the Company to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares in issue at the date of grant. Any further grant of share options in excess of this limit is subject to the approval of shareholders in general meeting of the Company.

Share options granted under the 2003 Share Option Scheme to director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is also the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of such grant, are subject to shareholders' approval in general meeting of the Company.

23. 股本及購股權 (續)

(b) 購股權 (續)

因根據二零零三年購股權計劃及本公司任何其他購股權計劃已授出但尚未行使其所有尚未行使期權而可能發行之最高股份數目，不得超過本公司不時之已發行股本之30%。根據二零零三年購股權計劃及本公司任何其他購股權計劃將予授出購股權計劃將予授出購股權獲悉數行使時可予配發及發行之股份總數，不得超過本公司於二零零三年六月二十七日已發行股份10%，惟本公司可在股東大會徵求股東批准更新二零零三年購股權計劃下之10%限額。於二零零三年十二月三十一日，本公司有於一九九三年購股權計劃下授出的購股權6,960,000股尚未行使，同時可發行購股權股份總數為138,203,640。該數字為本公司於二零零三年六月二十七日已發行股份之10%。

於截至授出日期止任何十二個月期間，根據二零零三年購股權計劃及本公司任何其他購股權計劃向各參與人士授出之購股權獲行使時已經及將予發行之股份總數，不得超過於授出日期已發行股份之1%。進一步授出超出此限額之購股權須獲股東於本公司股東大會批准。

根據二零零三年購股權計劃向本公司董事，高級行政人員或主要股東或彼等任何聯繫人士授出購股權須獲本公司獨立非執行董事(不包括任何亦為購股權承授人之獨立非執行董事)批准。此外，於截至該授出日期止任何十二個月期間，倘若向本公司主要股東或獨立非執行董事或彼等任何聯繫人士授出之任何購股權涉及之股份總數，超過本公司任何時間已發行股份0.1%或按本公司股份於各授出日期收市價計算之總價值超過港幣5,000,000元，則須獲股東在本公司股東大會批准。



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23. Share capital and share options (Cont'd)

(b) Share options (Cont'd)

The exercise price of the share options will be at least the highest of (i) the closing price of the Company's shares as stated in daily quotations sheet of HKSE on the date of the offer for grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in HKSE's daily quotations sheet for the five business days immediately preceding the date of the offer for grant, which must be a business day; and (iii) the nominal value of the share.

The share options granted may be exercised at any time during the period commencing immediately after the date on which the option is deemed to be granted and accepted and expiring on a date to be determined and notified by the board of directors which shall not be more than 10 years from the date on which the share option is deemed to be granted and accepted. 2003 Share Option Scheme shall be valid and effective for a period of 10 years commencing on 27th June 2003.

No share options were granted, cancelled or lapsed under the share option schemes of the Company during the year.

23. 股本及購股權 (續)

(b) 購股權 (續)

認購股份之認購價，最低價為以下之最高者：
(i)於授出期權日期(該日必須為營業日)股份於聯交所每日報價表中所列之收市價；(ii)緊接授出期權之日期前五個營業日股份於聯交所每日報價表中之平均收市價；及(iii)股份之面值。

購股權可於其被視作授出及接納之日期後隨時行使，所授出購股權之行使期間由董事會釐定通知，最遲於購股權被視作授出及接納之日起不超過十年。二零零三年購股權計劃將由二零零三年六月二十七日起計後十年期間內有效及生效。

年內，概無購股權根據本公司購股權計劃獲授出、註銷或失效。

23. Share capital and share options (Cont'd)

23. 股本及購股權 (續)

(b) Share options (Cont'd)

(b) 購股權 (續)

Movements of the share options granted under the 1993 Share Option Scheme during the year are as follows:

年內，本公司根據一九九三年購股權計劃授出之購股權之變動如下：

Name	Options held at 1st January 2003	Options granted during the year	Options exercised during the year	Lapsed/cancelled during the year	Options held at 31st December 2003	Exercise price HK\$	Grant date	Exercisable from	Exercisable until
姓名	購股權數目於2003年1月1日	購股權數目年內授出	購股權數目年內行使	購股權數目年內失效/註銷	購股權數目於2003年12月31日	行使價港幣	授出日期	行使期由	行使期至
Directors: 董事:									
Zhang Xin Hua 張新華	800,000	-	-	-	800,000	0.930	30/9/1997	30/9/1997	30/9/2007
Lo Wing Sang, Vincent 羅榮生	2,000,000	-	-	-	2,000,000	0.244	17/2/2000	17/2/2000	17/2/2010
	1,000,000	-	-	-	1,000,000	0.211	5/7/2000	5/7/2000	4/7/2010
Chan Wai Dune 陳維端	2,000,000	-	-	-	2,000,000	0.244	17/2/2000	17/2/2000	17/2/2010
	1,000,000	-	-	-	1,000,000	0.211	5/7/2000	5/7/2000	4/7/2010
Employees 僱員	320,000	-	(160,000)	-	160,000	0.211	5/7/2000	5/7/2000	4/7/2010
	7,120,000	-	(160,000)	-	6,960,000				

Exercise date was 13th January 2003. At the date before the options were exercised, the market value per share was HK\$0.26.

行使日期為二零零三年一月十三日，在購股權行使前一日，每股市值為港幣0.26元。

Options exercised on 13th January 2003, resulted in 160,000 (2002: 1,360,000) shares being issued at HK\$0.211 (2002: HK\$0.244, HK\$0.211 and HK\$0.225 respectively), yielding proceeds after transaction costs (net of deferred income taxes) of HK\$31,000 (2002: HK\$300,000).

於二零零三年一月十三日行使之購股權，以發行價港幣0.211元(二零零二年：每股港幣0.244元，0.211元及0.225元)發行160,000(二零零二年：1,360,000)股。在扣除交易成本(扣除遞延所得稅)後之所得款項為港幣31,000元(二零零二年：港幣300,000元)。



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24. Reserves

24. 儲備

	Share premium	General reserve fund	Enterprise expansion fund	Exchange reserve	Accumulated losses	Total
	股份溢價	一般儲備基金	企業發展基金	匯兌儲備	累計虧損	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
(a) Group (a) 集團						
Balances as at 1st January 2002						
Issue of ordinary shares	173	-	-	-	-	173
Share issue expenses	(9)	-	-	-	-	(9)
Profit appropriation	-	3,884	-	-	(3,884)	-
Translation difference during the year	-	-	-	(158)	-	(158)
Loss attributable to shareholders	-	-	-	-	(250,359)	(250,359)
Balances as at 31st December 2002	509,383	37,361	16,958	28,339	(298,769)	293,272
Issue of ordinary shares	18	-	-	-	-	18
Share issue expenses	(3)	-	-	-	-	(3)
Translation difference during the year	-	-	-	(977)	-	(977)
Loss attributable to shareholders	-	-	-	-	(76,976)	(76,976)
Balances as at 31st December 2003	509,398	37,361	16,958	27,362	(375,745)	215,334
(b) Company (b) 公司						
Balances as at 1st January 2002						
Issue of ordinary shares	173	-	-	-	-	173
Share issue expenses	(9)	-	-	-	-	(9)
Loss for the year	-	-	-	-	(261,658)	(261,658)
Balances as at 31st December 2002	509,383	-	-	-	(282,243)	227,140
Issue of ordinary shares	18	-	-	-	-	18
Share issue expenses	(3)	-	-	-	-	(3)
Loss for the year	-	-	-	-	(61,124)	(61,124)
Balances as at 31st December 2003	509,398	-	-	-	(343,367)	166,031

24. Reserves (Cont'd)

(c) The Company's PRC subsidiaries are required to follow the laws and regulations of the PRC and their articles of association. These subsidiaries are required to provide for certain statutory funds, namely, general reserve fund and enterprise expansion fund, which are appropriated from net profit after taxation but before dividend distribution based on the local statutory accounts prepared in accordance with accounting principles and relevant financial regulations applicable to enterprises established in the PRC. These PRC subsidiaries are required to allocate at least 10% of its net profit to the reserve fund until the balance of such fund has reached 50% of its registered capital. Such appropriations are determined at the discretion of the directors. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated deficit or increase capital.

25. Deferred taxation

Deferred taxation is calculated in full on temporary differences under the liability method using taxation rates applicable to the companies comprising the Group.

Temporary differences are mainly arising from:

24. 儲備 (續)

(c) 本公司在中國之附屬公司須遵照中國的法律和規定及彼等的公司章程細則。此等附屬公司須提供若干法定基金，分別為儲備基金及企業發展基金，均自除稅後但未計股息分派的純利中提取，該純利取自按中國內地企業適用之會計準則及相關財務法規而製作之本地法定賬目。此等中國之附屬公司從其純利中提取最少10%列入儲備基金，直至該儲備基金結餘達至其註冊資本的50%為止。此等撥款由董事的酌情釐定。儲備基金僅在有關當局批准後始可用作抵銷累計虧損或增加資本。

25. 遞延稅項

遞延稅項全數採用負債法就短暫時差按本集團旗下公司適用之稅率計算所得。

短暫時差主要來自：

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Accumulated losses of some of the subsidiaries carried forward	部分附屬公司之累計虧損	381,227	294,889
Provisions for inventory obsolescence	存貨殘次準備	10,859	21,945
Write down of inventory to net realisable value	存貨跌價準備	7,006	13,458
Provisions for doubtful receivables	呆賬準備	46,646	104,562
Others	其他	28,142	24,898
		<u>473,880</u>	<u>459,752</u>



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25. Deferred taxation (Cont'd)

The potential deferred tax assets not provided for in the accounts were as follows:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Accumulated losses of some of the subsidiaries carried forward	部分附屬公司累計虧損	123,349	95,591
Provisions for inventory obsolescence	存貨殘次準備	1,801	3,389
Write down of inventory to net realisable value	存貨跌價準備	1,724	2,673
Provisions for doubtful receivables	呆賬準備	11,189	26,052
Others	其他	8,041	4,966
		146,104	132,671

At the balance sheet date, there was no material unprovided deferred tax liabilities. Deferred tax assets arising from above temporary differences have not been recognised as it is uncertain that future taxable profit will be available against which the temporary differences can be utilised.

The expired date of deferred tax assets not provided as at 31st December 2003 is as follows:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Expire within 1 year	一年內到期	8,481	3,183
Expire in 1 – 2 years	一至兩年到期	25,920	8,481
Expire in 2 – 3 years	兩至三年到期	24,977	25,920
Expire in 3 – 4 years	三至四年到期	30,682	24,977
Expire in 4 – 5 years	四至五年到期	30,517	30,682
No expire date	無到期日	25,527	39,428
		146,104	132,671

According to Provisional Regulations on PRC Enterprise Income Tax No.11, tax losses of the PRC subsidiaries of the Group can be carried forward to offset future assessable profit for a period of 5 years.

25. 遞延稅項 (續)

未在賬目中撥備之潛在遞延稅項資產金額如下：

	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Accumulated losses of some of the subsidiaries carried forward	123,349	95,591
Provisions for inventory obsolescence	1,801	3,389
Write down of inventory to net realisable value	1,724	2,673
Provisions for doubtful receivables	11,189	26,052
Others	8,041	4,966
	146,104	132,671

於資產負債表日，並無重大的未撥備遞延稅項負債。由於不確定將來是否可獲應稅利得，而該利得為使用短暫時差之前提，所以從上述短暫時差中產生的遞延稅項資產未被確認。

於二零零三年十二月三十一日未撥備之遞延稅項資產到期日如下：

	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Expire within 1 year	8,481	3,183
Expire in 1 – 2 years	25,920	8,481
Expire in 2 – 3 years	24,977	25,920
Expire in 3 – 4 years	30,682	24,977
Expire in 4 – 5 years	30,517	30,682
No expire date	25,527	39,428
	146,104	132,671

據中國企業所得稅暫行條例第十一條，本集團設立於中國的附屬公司之虧損可結轉用以抵扣未來五年之應課稅利得。

26. Consolidated cash flow statement

26. 綜合現金流量表

(a) Reconciliation of operating loss to net cash inflow from operating activities:

(a) 經營虧損與經營活動之現金流入淨額對賬表

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Loss before taxation	稅前虧損	(67,626)	(239,883)
Adjustments:	調整：		
Depreciation	折舊	75,152	76,573
Amortisation of intangible assets	無形資產攤銷	1,031	1,217
Share of losses of associated companies	投資聯營公司之虧損	1,197	6,663
Impairment of property, plant and equipment	固定資產減值	—	8,321
Loss on disposals of property, plant and equipment	出售固定資產虧損	2,331	8,312
Provision for warranty	產品保養撥備	1,289	8,180
Provision for impairment in value for associated companies	對聯營公司投資之減值撥備	—	934
Government subsidies	政府補貼	(4,847)	(3,026)
Interest income	利息收入	(2,969)	(7,216)
Interest expense	利息支出	33,308	39,205
Bank handling charges	銀行手續費	1,943	1,409
Effect of foreign exchange translation	外幣匯兌影響	2,535	122
Operating profit/(loss) before working capital changes	營運資金變動前之經營盈利／(虧損)	43,344	(99,189)
(Increase)/decrease in inventories	存貨(增加)／減少	(153,304)	238,645
Decrease in due from related companies	應收關聯公司款項減少	477	2,441
(Increase)/decrease in trade and other receivables	貿易及其他應收款(增加)／減少	(121,450)	135,981
Increase in prepaid value-added taxes	預付增值稅增加	(19,021)	(18,574)
Decrease in due to related companies	應付關聯公司款項減少	(9,060)	(1,559)
Increase/(decrease) in trade and other payables	貿易及其他應付款增加／(減少)	428,537	(71,889)
Decrease in other taxes payable	其他應付稅款減少	(19,512)	(23,297)
Net cash inflow generated from operations	經營產生之現金流入淨額	150,011	162,559



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26. Consolidated cash flow statement (Cont'd)

(b) Analysis of changes in financing during the year

		Share capital including premium 股份及股份溢價		Bank loans 銀行貸款		Minority interests 少數股東權益	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
At 1st January	於一月一日	647,571	647,271	530,468	535,074	41,334	34,095
Minority interests' in share of loss and exchange reserves	少數股東應佔 虧損及匯兌 儲備	-	-	-	-	2,844	7,239
Issue of ordinary shares	發行普通股	34	309	-	-	-	-
Share issue expenses	發行股份費用	(3)	(9)	-	-	-	-
Proceeds from new borrowings	新借貸款	-	-	571,630	533,986	-	-
Repayment of loans	償還貸款	-	-	(563,310)	(538,592)	-	-
Cash injection by a minority shareholder	少數股東 現金注入	-	-	-	-	7,174	-
At 31st December	於十二月三十一日	647,602	647,571	538,788	530,468	51,352	41,334

26. 綜合現金流量表(續)

(b) 本年度融資項目變動分析如下：

27. Contingent liabilities

		Group 集團		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Guarantees for bank loans of subsidiaries	為附屬公司之 銀行貸款所作擔保	-	-	-	22,523
Discounted letters of credit with recourse	有追索權之已 貼現信用證	26,260	-	-	-
Bills of exchange discounted/ endorsed with recourse	有追索權之 已貼現/ 背書匯票	1,385	155,056	-	-
		27,645	155,056	-	22,523

27. 或然負債

Management anticipates that no material liabilities will arise from the above bank and other guarantees which arose in the ordinary course of business.

管理層預計上述來自日常業務之銀行擔保及其他擔保不會產生重大負債。

28. Commitments

- (a) Capital commitments for purchases of property, plant and equipment:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未撥備	4,140	6,802

- (b) Commitments under operating leases

As at 31st December 2003, the Group had future aggregate minimum lease payments under non-cancellable operating leases for land and buildings as follows:

		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Not later than one year	第一年內	8,837	4,012
Later than one year and not later than five years	第一年後至第五年內	—	5,935
		8,837	9,947

- (c) The Company itself did not have any material commitments as at 31st December 2002 and 2003.

28. 承擔

- (a) 購買物業、廠房及設備之資本承擔：

Group
集團

2003
HK\$'000
港幣千元

2002
HK\$'000
港幣千元

4,140

6,802

- (b) 經營租賃承擔

於二零零三年十二月三十一日，集團根據不可撤銷之土地及樓宇之經營租賃而於未來支付之最低租賃付款總額如下：

2003
HK\$'000
港幣千元

2002
HK\$'000
港幣千元

8,837

4,012

—

5,935

8,837

9,947

- (c) 本公司於二零零二年十二月三十一日及二零零三年十二月三十一日並無任何重大承擔。



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Notes to the Accounts 賬目附註

29. Related party transactions

Save as disclosed elsewhere in this set of accounts, the material related party transactions are as follows:

(a) Balances with related companies:

29. 關聯方交易

除在本賬目中其他附註披露之交易外，本集團重大關聯方交易詳情如下：

(a) 與關聯公司交易之餘額如下：

		Group 集團		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Due from related companies:	應收關聯公司：				
- Yungang Plastic Company Ltd. ("Yungang Plastic"), a company in which the Group had a 14.25% equity interest	- 雲港塑料有限公司 (雲港塑料) 本集團持有 14.25% 權益	116	583	-	-
- Hualing Polyfoam, an associated company	- 華凌泡沫，一聯營公司	-	10	-	-
		<u>116</u>	<u>593</u>	<u>-</u>	<u>-</u>
		Group 集團		Company 公司	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Due to related companies	應付關聯公司				
- Yungang Plastic	- 雲港塑料	1,497	8,124	-	-
- Xi'an Dongling, an associated company	- 西安東凌，一聯營公司	4,674	5,602	-	-
- Hualing Polyfoam	- 華凌泡沫	2,621	2,034	-	-
- Guangzhou Finance Company Limited ("Guangzhou Finance") *	- 越信隆財務有限公司 (越信隆) *	468	2,560	461	2,553
		<u>9,260</u>	<u>18,320</u>	<u>461</u>	<u>2,553</u>

* Guangzhou Finance, a wholly-owned subsidiary of Guangzhou International Trust and Investment Corporation ("GZITIC"), the former controlling shareholder of the Company.

* 越信隆是廣州國際信託投資公司(「廣州信託」)全資控股的子公司，廣州信託為本公司以前的控股股東。

The balances due from/to related companies are interest-free and are repayable on demand.

應收／應付關聯公司餘額免息且須按通知還款。

29. Related party transactions (Cont'd)

(b) Significant related party transactions, which were carried out in the normal course of the Group's business are as follows:

		Group 集團	
		2003 HK\$'000 港幣千元	2002 HK\$'000 港幣千元
Purchases from Hualing Polyfoam	向華凌泡沫採購貨品	4,612	5,638
Purchases from and processing charges paid to Yungang Plastic	向雲港塑料採購貨品及支付加工費	1,931	9,297
Purchases from Xi'an Dongling	向西安東凌採購貨品	278	1,018
		6,821	15,953
Sales to Yungang Plastic	向雲港塑料銷售	2,369	-

30. Subsequent events

On 30th January 2004, Able Profit Investment Limited. ("AP"), Profit Upsurge Limited ("PU"), a wholly owned subsidiary of AP, and the Company entered into a placing agreement with placing agents, pursuant to which AP and PU have agreed to place or procure the placing through the placing agents of 80,000,000 placing shares and 120,000,000 placing shares respectively, to not less than six third-party investors, at a placing price of HK\$0.40 per placing share. At the same time, AP, PU and the Company entered into a subscription agreement, pursuant to which AP and PU have conditionally agreed to subscribe, or procure whom they may direct, to subscribe for 80,000,000 and 120,000,000 subscription shares respectively at a price of HK\$0.40 per subscription share.

The placing shares and the subscription shares represent approximately 14.47% of the existing issued share capital of the Company or approximately 12.64% of the issued share capital of the Company as enlarged by the subscription. The placing and the subscription were completed on 13th February 2004. The net proceeds from the subscription of approximately HK\$77,000,000 have been received by the Company and will be used to increase production capacity and as general working capital of the Group.

29. 關聯方交易 (續)

(b) 正常業務範圍內中與關聯公司進行的重大交易如下：

30 結算日後事項

於二零零四年一月三十日，本公司，Able Profit Investment Limited (「AP」)，及AP之全資子公司Profit Upsurge Limited (「PU」) 與配售代理訂立配售協議，據此，AP及PU同意按每股配售股份0.40港元之配售價，分別配售或促使透過配售代理配售80,000,000股及120,000,000股配售股份予不少於六名第三方投資者。與此同時，AP、PU及本公司訂立認購協議，據此，AP及PU有條件地同意以每股認購股份0.40港元之價格，分別認購或促使可能由彼等指示之人士認購80,000,000股及120,000,000股認購股份。

配售股份及認購股份佔本公司現有已發行股本約14.47%或本公司經認購擴大後已發行股本約12.64%該發行及認購已於二零零四年二月十三日完成。本公司已收到認購之所得款項淨額約為港幣77,000,000元，該款項將用作提升本集團之生產力及作為本集團之一般營運資金。



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31. Ultimate holding company

The shares of the Company held by GZITIC, the former ultimate holding company, were transferred to Guangzhou International Group Co., Limited ("GIG") on 29th May 2003. The directors regard GIG, a company incorporated in the PRC, as being the ultimate holding company from 29th May 2003 onwards.

32. Approval of accounts

The accounts were approved by the board of directors on 22nd April 2004.

31. 最終控股公司

由原最終控股公司廣州信托所持之股份已於二零零三年五月二十九日轉讓予廣州國際集團有限公司(「廣州國際」)。董事認為自二零零三年五月二十九日始，本公司之最終控股公司為在中國註冊成立之廣州國際。

32. 賬目通過

本年度賬目已於二零零四年四月二十二日由董事會通過。