

## Notes to the Financial Statements

### 財務報表附註

31 December 2003 二零零三年十二月三十一日

#### 1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liabilities and its shares are listed on The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. Its subsidiaries are principally engaged in property development, property management and investment holding.

#### 2. BASIS OF PREPARATION

##### Going concern basis

At 31 December 2003, the Group had net current liabilities of approximately of HK\$1,075,900,000 (2002: HK\$1,224,050,000). In addition, the Group had overdue short term borrowings together with relevant interest of HK\$100,234,000 (2002: HK\$77,487,000). The directors have been (i) in negotiations with new or existing bankers and third parties with a view to obtaining new facilities and/or renewals of the existing facilities granted to the Group; and (ii) closely monitoring the disposal of properties to raise funds.

The directors have considered the liquidity of the Group in light of the above and the funding requirements of the Group for the foreseeable future. The directors believe that the Group will be able to raise sufficient funds to meet its financial obligations and liabilities and funding requirements for the development of the Group's property projects. The directors expect that the Group will be able to generate moderate profit and sufficient cash flow from the aforesaid projects to support the Group's financial requirement. Accordingly, the financial statements have been prepared on a going concern basis.

#### 3. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investment properties and in accordance with all applicable Hong Kong Financial Reporting Standards (which includes all applicable Statements of Standard Accounting Practice ("SSAPs") and Interpretations) issued by the Hong Kong Society of Accountants ("HKSA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

#### 1. 一般資料

本公司在百慕達註冊成立為一間獲豁免有限公司，其股份在香港聯合交易所有限公司上市。

本公司為一間投資控股公司。其附屬公司主要從事物業發展、物業管理及投資控股等業務。

#### 2. 編製基準

##### 持續經營基準

於二零零三年十二月三十一日，本集團之流動負債淨額約為1,075,900,000港元(二零零二年：1,224,050,000港元)。此外，本集團有逾期短期貸款加上有關利息合共100,234,000港元(二零零二年：77,487,000港元)。董事已(i)與新或現有銀行及第三者進行磋商，藉以獲取新增信貸及／或更新本集團獲授之現有信貸；及(ii)密切監察出售物業以籌集資金。

董事們對於上述對本集團的資金流動狀況及資金需求量曾作考量，董事們相信本集團可籌集足夠資金應付其財務承擔及負債以及本集團物業項目發展的資金需求。董事們期望上述地盤能產生適量之溢利及足夠現金流量以支持本集團之財務需求。因此，本財務報表已按持續經營基準進行編製。

#### 3. 主要會計政策

本財務報表乃按歷史成本慣例(經重估投資物業作出修訂)，並根據由香港會計師公會頒佈之所有適用香港財務報告準則(包括全部適用之會計實務準則及詮釋)、香港公認會計原則及香港公司條例之披露規則編製。該等財務報表亦符合聯交所證券上市規則之適用披露條文。

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### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

In the current year, the Group has adopted, for the first time, the following Statement of Standard Accounting Practice ("SSAP") issued by the Hong Kong Society of Accountants which is effective for accounting periods commencing on or after 1 January 2003:

SSAP 12 (revised) : Income taxes

The adoption of this standard has had no material effect on the results for the current or prior accounting periods and, accordingly, no prior period adjustment is required.

The principal accounting policies adopted are set out below.

#### (a) Basis of Consolidation

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

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

#### (b) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill arising on acquisition is capitalised and amortised on a straight-line basis over its useful economic life.

On disposal of a subsidiary, the attributable amount of unamortised goodwill is included in the determination of profit or loss on disposal.

### 3. 主要會計政策(續)

本年度，本集團首次採納下列由香港會計師公會頒佈之會計實務準則，由二零零三年一月一日起計之會計期間生效：

會計實務準則第12號(經修訂)：所得稅

採納此標準對本會計期間或過往會計期間概無構成任何重大影響，因此毋須作出任何前期調整。

所採用之主要會計政策載列如下。

#### (a) 綜合賬目基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。於本年度購入或出售之附屬公司，其業績會分別由購入生效日期起或截至出售生效日期止(按適用)列入綜合損益表內。

所有重大之集團內公司間交易及結餘，乃於綜合賬目時對銷。

#### (b) 商譽

商譽乃指於收購附屬公司時，收購代價高於本集團應佔收購當日附屬公司之可識別資產及負債之公平價值之差額。

因收購產生之商譽撥充資本，並在其可用經濟年期內以直線法攤銷。

出售附屬公司時，應佔而尚未攤銷之商譽計算入出售損益之中。

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### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (c) Negative Goodwill

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition over the cost of acquisition.

Negative goodwill is presented as deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the period in which those losses or expenses arise. The remaining negative goodwill is recognised as income on a straight-line basis over the remaining average useful life of the identifiable acquired depreciable assets. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognised as income immediately.

On the disposal of a subsidiary, the attributable amount of unreleased negative goodwill is included in the determination of the profit or loss on disposal.

#### (d) Subsidiaries

A subsidiary is a company in which the Company directly or indirectly, controls more than half of its voting power or issued share capital or controls the composition of its board of directors. A subsidiary is considered to be controlled if the Company has the power directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

Investments in subsidiaries are included in the Company's balance sheet at cost less provision for impairment loss, if necessary. The results of subsidiaries are accounted for by the Company to the extent of dividends received and receivable during the year.

### 3. 主要會計政策(續)

#### (c) 負商譽

負商譽乃指收購代價低於本集團應佔收購當日附屬公司之可識別資產及負債之公平價值之差額。

負商譽會於資產中扣減方式呈報，並按結存情況分析而撥歸收入。

倘若負商譽源於收購日預期會出現之虧損或開支，則該負商譽會在該等虧損或開支出現期內撥歸收入。其餘之負商譽會按被收購並可識別之應計折舊資產之餘下平均可使用年期，以直線法確認為收入。倘若該負商譽超出被收購並可識別之非貨幣性資產之公平總值，則該負商譽會即時確認為收入。

出售附屬公司時，應佔而尚未解除負商譽計算入出售損益之中。

#### (d) 附屬公司

附屬公司乃指本公司直接或間接控制其超過一半之投票權或已發行股本或控制其董事局組成之公司。倘本公司有權直接或間接控制附屬公司之財政及營運決策以從其業務中取得利益，則該附屬公司被視作受控制。

於附屬公司之投資按成本值減減值虧損撥備(如有需要)於本公司資產負債表中列出。附屬公司之業績乃就本公司年內所收取及應予收取之股息入賬。

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### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (e) Revenue Recognition

- (i) The recognition of revenue and profits from the sale of properties under development in advance of completion commences when a legally binding contract of sale has been executed. The revenue and profits recognised in a year are a proportion of the total revenue and profits expected on completion. The proportion used being the percentage of the construction costs incurred at the end of the year to the estimated total construction costs on completion (with due allowances for contingencies). The profit so recognised is restricted to the amount of installments received.

When purchasers fail to pay the balances of the purchase price on completion and the Group exercises its right to resell the property, sales deposits received in advance of completion are forfeited and credited to profits from operations or withheld until re-sale of the property; any profits recognised so far are reversed.

- (ii) Revenue in respect of sale of completed properties is recognised upon completion of sale agreements.
- (iii) Rental revenue and other revenue incidental to the letting of properties are recognised on a straight-line basis over the periods of the respective leases.
- (iv) Interest income is recognised on a time-proportion basis on the principal outstanding and at the rate applicable.

### 3. 主要會計政策(續)

#### (e) 收益之確認

- (i) 於落成前銷售發售中物業所得之收益及溢利乃於簽訂具有法律約束力之銷售合約時確認。於同一個年度內確認之收益及溢利乃落成時預期總收益及溢利之一個比例，所用比例為年終時已產生之建築成本與落成時估計總建築成本(連同就或然負債作出之適當撥備)之百分比。如此確認之溢利以已收之分期款項為限。

倘買方於落成時未能支付購買價之餘額而本集團行使其權力重售物業，則於落成前已預收之銷售訂金會被沒收，並入賬作為經營溢利或保留至重售該物業；至令任何已確認溢利將予轉回。

- (ii) 出售已落成物業所得收入於銷售協議完成時予以確認。
- (iii) 租金收入及其他因出租物業隨之而來之收入乃按其各自之租期以直線法確認。
- (iv) 利息收益按未償還本金額及以適用利率，按時間分配基準確認。

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### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (f) Segment Reporting

In accordance with the Group internal financial reporting, the Group has determined that business segments be presented as the reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of fixed assets, receivables and operating cash and mainly exclude non-operating cash and corporate properties. Segment liabilities comprise operating liabilities and exclude items such as corporate borrowings.

#### (g) Staff Retirement Benefits

Costs of staff retirement benefits are recognised as an expense in the period in which they are incurred.

#### (h) Co-operative Joint Ventures in the PRC

Co-operative joint ventures are Sino-foreign joint ventures in respect of the partners' profit sharing ratios and share of net assets upon the expiration of the joint venture periods are not necessarily in proportion to their capital contribution ratios but are as defined in the joint venture contracts. The Group's investments in co-operative joint ventures are accounted for as if they are subsidiaries of the Company by virtue of the fact that the Group has control over the boards of directors of the joint ventures and/or undertakes the rights and obligations in terms of the business operations.

### 3. 主要會計政策(續)

#### (f) 分類報告

根據本集團之內部財務申報，本集團將業務分類列作申報方式。

未分配成本指公司開支。分類資產包括固定資產、主要應收款項、及經營現金，但主要不包括非經營現金及公司物業。分類負債指經營負債，但不包括例如公司借貸等項目。

#### (g) 員工退休福利

員工退休福利成本確認為發生期間之支出。

#### (h) 於中國之合作經營企業

合作經營企業乃中外合營企業其合營各方分佔溢利之比率及於合營期屆滿時佔合營企業之資產淨值，並未必按合營各方之出資的比例計算，而是按各營合同所定比例分派。基於本集團能控制合營企業之董事會及／或承擔其業務運作之權利與義務，故本集團於合營企業之投資乃視作為附屬公司列賬。

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### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (i) Investment Properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed, and are held for their long-term investment potential, any rental income being negotiated at arm's length. Investment properties are stated at annual professional valuation at the balance sheet date. Changes in the value of investment properties are dealt with as movements in the investment properties revaluation reserve. If the total of this reserve is insufficient to cover a deficit on a portfolio basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. On disposal of an investment property, the balance on the investment properties revaluation reserve attributable to that property is transferred to the income statement.

Investment properties are not depreciated except where the unexpired term of the lease is 20 years or less, in which case depreciation is provided on the carrying amount over the remaining term of the lease.

#### (j) Properties Held For/Under Development

Properties held for/under development for long-term purposes are stated at cost less impairment losses.

Properties held for/under development for sale, the pre-sale of which has not commenced, are included in current assets at the lower of cost and net realisable value.

Properties held for/under development for sale, the pre-sale of which has been executed, are included in current assets at cost plus attributable profits less sales installments received and receivable and provision for any foreseeable losses.

### 3. 主要會計政策(續)

#### (i) 投資物業

投資物業指建築及發展工程經已完成，並因其具有長遠投資潛力而持有之土地及樓宇權益，而有關之租金收益乃經公平磋商而釐定。投資物業按每年結算日之專業估值列值。投資物業價值之改變乃視作投資物業重估儲備之變動處理。倘按整體組合之基準計算儲備總額不足以抵銷虧絀，超出之虧絀數額則於損益表內扣除。若過往曾將虧絀撥入損益表而後出現重估盈餘，則應將此盈餘撥回損益表，但最多不得超過該項曾從損益表中扣除的虧損之數額。於出售一項投資物業時，該物業之應佔投資物業重估儲備轉撥至收益表。

投資物業不作折舊，惟倘若契約尚餘年期為二十年或以下，則投資物業將按賬面價值及其租約尚餘年期計算折舊準備。

#### (j) 持有作發展／發展中物業

長期持有作發展／發展中物業，按成本扣除減值列值。

以供出售(但未開始預售)之持有作發展／發展中物業，按成本及可變現淨值之較低者計入流動資產內。

以供出售(已開始預售)之持有作發展／發展中物業按成本，加應佔溢利，減已收及應收銷售供款，及任何可預見之虧損撥備列於流動資產內。

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#### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

##### (j) Properties Held For/Under Development (Continued)

Cost of properties in the course of development comprises land cost, fees for land use rights and development costs including attributable interest and professional charges capitalised during the development period.

Net realisable value is determined by reference to sales proceeds of properties sold in the ordinary course of business less all estimated selling expenses after the balance sheet date, or by management estimates based on prevailing market conditions.

No depreciation is provided on properties held for/under development.

##### (k) Inventory Of Completed Properties

Inventory of completed properties are included in current assets at the lower of cost and net realisable value. Cost comprises land cost, fees for land use rights and development costs including attributed interest and charges capitalised during the development period, and is determined by apportionment of the total costs attributable to the unsold properties.

##### (l) Fixed Assets And Depreciation

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Fixed assets are depreciated at rates sufficient to write off their cost less residual value over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Office equipment, furniture and fixtures	20% to 25%
Motor vehicles	15% to 20%

Major costs incurred in restoring fixed assets to their normal working condition are charged to the income statement. Improvements are capitalised and depreciated over their expected useful lives to the company.

The gain or loss on disposal of fixed assets is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

#### 3. 主要會計政策 (續)

##### (j) 持有作發展／發展中物業 (續)

發展中之物業之成本為土地成本，土地使用權費用及發展成本，包括發展期間已撥充資本之應佔利息成本及專業費用。

可變現淨值乃參照結算日後正常業務中物業銷售收入減所有估計銷售開支，或由管理層根據當時市場情況所作估計而定。

持有作發展／發展中物業不作折舊準備。

##### (k) 現存已落成物業

待售之現存已落成物業按成本及可變現淨值之較低者計入流動資產內。成本包括土地使用權之土地成本及發展成本，包括發展期間已撥充資本之應佔利息成本及專業費用，並按未出售物業所應佔土地及發展總成本之比例作分配。

##### (l) 固定資產及折舊

固定資產按成本減累積折舊及累積減值(如有)列值。固定資產按其預計可使用之年期以直線法計算折舊足以撇除其成本；或減剩餘價值。為此而採用之主要年率為：

辦公室設備、傢俬及裝修	20%—25%
汽車	15%—20%

將固定資產整修至正常運作狀況所產生之主要成本均自損益表內扣除。裝修支出均撥充資本，並按彼等在本集團之預期可使用年期予以攤銷。

出售固定資產之收益或虧損，指出售所得款項淨額及有關資產之賬面金額之差額，並於損益表內確認。

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#### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

##### (m) Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that these 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. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so 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.

##### (n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use.

All other borrowing costs are charged to the income statement in the year in which they are incurred.

#### 3. 主要會計政策(續)

##### (m) 資產減值

於每個結算日，本集團評估其資產之賬面值，以確定該等資產有否減值之跡象。倘資產之可收回額估計低於其賬面值，則將資產之賬面值撇減至其可收回額。減值虧損隨即入賬列作支出。

倘其後減值虧損退減則將資產之賬面值增至經修訂之估計可收回額，惟因此而增加之賬面值不可超過假設往年度並無減值虧損下所釐定之賬面值。減值虧損退減隨即入賬列作收入。

##### (n) 借貸成本

直接用於購買、建造或生產該等資產之借貸成本將撥充為該等資產之部份成本。該等借貸成本於有關資產大致上可作預期用途時不再撥充作資本。

所有其他借貸成本乃於產生之期間內作為費用確認入賬。



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#### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

##### (o) Provision And Contingencies

A provision is recognised when there is a present obligation, legal or constructive, as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

##### (p) Operating Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payables under such operating leases are accounted for in the income statement on a straight-line basis over the periods of the respective lease.

#### 3. 主要會計政策(續)

##### (o) 撥備及或然債項

倘本集團由於一項過去事項而承擔法定或推定責任，而履行該責任可能(即很大機會)要求經濟利益流出本集團且能可靠估計履行該責任之金額，撥備方可予以確認。撥備會定期檢討及調整以反映當時之最佳估計。倘貨幣時間價值之影響屬重大，則撥備將為預期履行該責任所需費用之現值。

或然債項不會於財務報表確認。除非經濟利益流出本集團之可能性甚微，否則將會予以披露。或然資產不會於財務報表確認，惟將於經濟利益有可能流入本集團時予以披露。

##### (p) 經營租約

凡租賃資產所有權之絕大部份回報及風險仍屬出租公司所有之租約均為經營租約。經營租約之應付租金於其各自之租約期內以直線法列入收益表。

## Notes to the Financial Statements

### 財務報表附註

31 December 2003 二零零三年十二月三十一日

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (q) Foreign Currency Translation

Foreign currency transactions are translated into Hong Kong dollars at the rates of exchange ruling at the dates of the transactions. 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 income statement.

On consolidation, the assets and liabilities of the Group's subsidiaries 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 fluctuation reserve. Such translation differences are recognised in the income statement in the period in which the subsidiary is disposed of.

#### (r) Related Party

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

#### (s) Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

Deferred tax liabilities are provided in full on all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

### 3. 主要會計政策(續)

#### (q) 外幣換算

外幣交易按交易日之匯率換算為港元。於結算日以外幣為單位之貨幣資產及負債按結算日之適用匯率換算，所產生之匯兌差額在損益表中處理。

於編製綜合賬目時，本集團之附屬公司之資產及負債乃按結算日當時之率換算。收支項目則按年內之平均率換算，於編製綜合賬目時產生之兌差額(如有)分類為股東權益並轉撥往本集團外匯波動儲備。該等換算差額在出售有關附屬公司時於損益表中確認。

#### (r) 有關連人士

如某一方就財務和經營決策上能直接或間接地控制或施加重大影響予另一方，則雙方均被視為有關連人士。如果雙方同時受到另一方的控制或重大影響，亦被視為有關連人士。

#### (s) 所得稅

所得稅包括現行及遞延稅項。所得稅乃於收益表中予以確認，或倘所得稅於相同或不同期間間接於股本中予以確認之項目，則於股本中確認。

遞延稅項乃就資產及負債之稅務基礎及其就財務申報計算之賬面值兩者之間所產生於結算日之全部暫時差異使用負債法作出撥備。於結算日所頒佈或大致上頒佈之稅率乃用作釐定遞延稅項。

遞延稅項負債乃就所有應課稅暫時差異全數作出撥備，而遞延稅項資產則於很可能暫時差額可對銷未來應課溢利時予以確認。

## Notes to the Financial Statements

### 財務報表附註

31 December 2003 二零零三年十二月三十一日

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (t) Employee Benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and a state-sponsored retirement plan organized by municipal government as stipulated by the regulations of the People's Republic of China (the "PRC") are recognized as an expense in the income statement as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.
- (iii) Termination benefits are recognised when, and only when, the group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

#### (u) Share Option Scheme

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time the options are exercised, and no charge is recorded in the income statement or balance sheet for their cost. Upon exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled or which lapsed prior to their exercise date are deleted from the register of outstanding options and have no impact on the income statement or balance sheet.

### 3. 主要會計政策(續)

#### (t) 僱員福利

- (i) 薪金、年度花紅、有薪年假及本集團非金錢福利成本均於本集團僱員提供相關服務之年度計算。倘上述款項或福利遞延支付或提供，而有關影響重大，則該等款項均按現值入賬。
- (ii) 香港強制性公積金計劃條例規定之強制性公積金供款及中華人民共和國(「中國」)規定由市政府組織之國家公積金計劃供款均於產生時在損益賬列作開支，惟指包括在存貨成本及未予確認之開支之金額。
- (iii) 終止僱傭福利僅於本集團具備正式而詳細的方案及不可能撤回方案的情況下，明確顯示終止聘用或因採取自願離職措施而提供福利時，方予確認。

#### (u) 購股權計劃

授出購股權之財務影響於行使購股權時方記錄在本公司或本集團之資產負債表，惟不會在損益表或資產負債表扣除其成本。當行使購股權時，本公司會將其已發行股份按其股份面值列作新增股本；當每股行使價高於股份面值時，則本公司會將每股行使價與股份面值之差額計入股份溢價帳。在行使期屆滿前已註銷或失效之購股權會在尚未行使購股權登記冊內刪去，對損益表或資產負債表並無影響。

## Notes to the Financial Statements

## 財務報表附註

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## 4. TURNOVER AND REVENUE

Turnover and revenue consisted of:

Turnover:	營業額：
Proceeds from sales of properties	銷售物業所得款項
Completed properties	已落成物業
Investment properties	投資物業
Rental income	租金收入
<b>Other revenue:</b>	<b>其他收入</b>
Reversal of provision for doubtful debts	呆賬撥備回撥
Interest income	利息收入
Reversal of impairment loss on properties held under development	持有作發展中物業減值虧損回撥
Others	其他

## 4. 營業額及收入

營業額及收入包括：

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
1,823	9,136
-	3,692
10,236	25,232
<b>12,059</b>	<b>38,060</b>
-	4,985
3	83
33,100	-
4,051	1,670
<b>37,154</b>	<b>6,738</b>
<b>49,213</b>	<b>44,798</b>

## Notes to the Financial Statements

### 財務報表附註

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#### 5. SEGMENT INFORMATION

A segmental analysis of the Group's principal activities is as follows:

#### 5. 分類資料

本集團以主要業務作分類資料載列如下：

		The Group 集團					
		Property sales 物業銷售		Property rental 物業出租		Total 總額	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
By principal activities	以主要業務						
<b>Turnover</b>	<b>營業額</b>						
External revenue	對外收益	1,823	12,828	10,236	25,232	12,059	38,060
<b>Results</b>	<b>業績</b>						
Segment result	分類業績	(38,402)	(69,064)	(2,743)	9,818	(41,145)	(59,246)
Gain on disposal of investment subsidiaries	出售投資附屬公司收益					40,358	-
Other revenue	其他收入					3,822	1,753
Unallocated corporate expenses	未分攤公司開支					(14,877)	(130,078)
Finance costs	融資費用					(2,965)	(512)
Loss before tax	除稅前虧損					(14,807)	(188,083)
Taxation	稅項					9,105	-
Net loss attributable to shareholders	股東應佔虧損淨額					(5,702)	(188,083)
<b>Assets</b>	<b>資產</b>						
Segment assets	分類資產	390,508	11,629	853,826	873,503	1,244,334	885,132
Unallocated corporate assets	未分攤公司資產					2,522	498,884
Consolidated total assets	綜合總資產					1,246,856	1,384,016
<b>Liabilities</b>	<b>負債</b>						
Segment liabilities	分類負債	539,940	158,056	57,873	51,112	597,813	209,168
Unallocated corporate liabilities	未分攤公司負債					492,094	1,037,771
Consolidated total liabilities	綜合總負債					1,089,907	1,246,939
<b>Other information</b>	<b>其他資料</b>						
Capital expenditure	資本開支					14,180	11,488
Depreciation	折舊					84	339

No geographical analysis is shown as all the Group's assets, liabilities, turnover and loss from operations are derived from activities in the PRC.

由於本集團的資產、負債、營業額及經營虧損均由中國業務引致及所得，因此並無載列以地域劃分的分析。

## Notes to the Financial Statements

## 財務報表附註

31 December 2003 二零零三年十二月三十一日

## 6. FINANCE COSTS

Interest payable on:	利息關乎：
Bank loans	銀行貸款
Wholly repayable within five years	須於五年內全部償還
Waiver of interest expenses (note a)	豁免利息支出 (附註a)
Other loans	其他貸款
Wholly repayable within five years	須於五年內全部償還

Note (a): It was related to an accrued interest expense of a bank loan as at 31 December 2001 which was waived by the bank in 2002 as a result of compromise reached between the bank and the Group.

## 7. LOSS BEFORE TAXATION

Loss before taxation is stated after crediting and charging the following:

<b>Crediting</b>	<b>計入</b>
Gross rental income	租金總收入
Less: Outgoings	減：直接支出
<b>Charging</b>	<b>扣除</b>
Auditors' remuneration	核數師酬金
Staff costs (excluding directors' emoluments)	員工成本 (不含董事酬金)
Salaries and benefits	薪金及福利
Retirement benefits costs	公積金計劃供款
Operating lease rentals of premises	有關物業之經營租賃租金
Cost of properties sold	銷售物業成本
Net exchange loss	匯兌虧損淨額
Loss on disposal of fixed assets	出售固定資產虧損
Depreciation of fixed assets	固定資產折舊
Loss on disposal of investment properties	出售投資物業虧損

## 6. 融資費用

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
6,381	8,047
-	(10,109)
<b>6,381</b>	<b>(2,062)</b>
2,964	2,574
<b>9,345</b>	<b>512</b>

附註(a): 此數額為於二零零一年十二月三十一日的銀行貸款之應計利息支出，有關銀行已於二零零二年遵照與本集團之協議，豁免該項利息。

## 7. 除稅前虧損

除稅前虧損已計入及扣除下列各項：

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
10,236	25,232
(4,010)	(14,830)
<b>6,226</b>	<b>10,402</b>
350	450
3,822	6,142
102	833
<b>3,924</b>	<b>6,975</b>
5,569	3,934
3,157	10,556
134	669
1	8
84	339
-	1,473

## Notes to the Financial Statements

## 財務報表附註

31 December 2003 二零零三年十二月三十一日

## 7. LOSS BEFORE TAXATION (Continued)

Note: Included in the loss before taxation of the Group for the year ended 31 December 2003 were claims totalling HK\$51,876,000 (2002: HK\$74,098,000), from a bank in relation to default payment from first buyers of certain properties of the Group in the Liwan Plaza of which the Group has executed guarantees to the bank for mortgage facilities granted to first buyers. The buyers defaulted payments to the bank and the court in the PRC ordered the Group to repay the loan on behalf of the buyers.

## 8. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

(a) Directors' emoluments are as follows:

Fees	袍金
Other emoluments	其他酬金
– Basic salaries and allowances	– 基本薪金及津貼
– Retirement benefits costs	– 公積金計劃供款
Part directors' pensions	前任董事公積金
– As directors	– 擔任董事
– For other offices	– 擔任其他職務

No director has waived any emoluments during the year (2002: Nil). No incentive payment for joining the Group or compensation for loss of office was paid or payable to any director during the year (2002: Nil).

The emoluments of the three directors for the year ended 31 December 2003 (2002: two) fall within the band of nil to HK\$1,000,000.

No emolument was paid to non-executive directors during the year (2002: Nil).

## 7. 除稅前虧損(續)

附註：本集團截至二零零三年十二月三十一日止年度的除稅前虧損包含由一間銀行向本集團在荔灣廣場之若干物業一手買家就不履行付款總額 51,876,000 港元 (二零零二年：74,098,000 港元) 之申索。本集團就銀行向一手買家提供之按揭貸款作出擔保。該等買家不向銀行履行付款而中國法院頒令本集團應代該等買家償還貸款。

## 8. 董事及高級行政人員酬金

(a) 董事酬金如下：

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
–	–
685	1,740
12	10
–	28
–	–
<b>697</b>	<b>1,778</b>

於年內概無董事放棄任何酬金 (二零零二年：無)，亦無付予或應付予任何董事酬金以吸引其加入本集團或作為離職補償。

截至二零零三年十二月三十一日止年度，三位 (二零零二年：兩位) 董事酬金介乎零港元至 1,000,000 港元之範圍內。

本年度概無向非執行董事支付任何酬金 (二零零二年：無)。

## Notes to the Financial Statements

### 財務報表附註

31 December 2003 二零零三年十二月三十一日

#### 8. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Continued)

##### (b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2002: two) is directors of the Company whose emoluments are disclosed in (a) above. The aggregate of the emolument in respect of the other four (2002: three) individuals are as follows:

Basic salaries and allowances	基本薪金及津貼
Retirement benefits costs	公積金計劃供款

During the year, no emoluments were paid to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation for loss of office (2002: Nil)

The emoluments of all of the four (2002: three) individuals with the highest emoluments are within the band of nil to HK\$1,000,000.

#### 9. TAXATION

No provision for Hong Kong profits tax is required since there is no assessable profit for the year and the Group's income is derived from sources outside Hong Kong, which is not liable to Hong Kong profits tax (2002: Nil).

No provision for PRC tax is required since there is no assessable profit generated by the PRC subsidiaries during the year (2002: Nil).

There was no significant unprovided deferred taxation for the year (2002: Nil).

#### 8. 董事及高級行政人員酬金(續)

##### (b) 最高薪人員酬金

五位最高薪人士中有一位(二零零二年: 兩位)為本公司董事。其酬金於以上附註(a)中披露。其餘四位(二零零二年: 三位)最高薪人士的酬金額如下:

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
1,222	1,419
41	29
<b>1,263</b>	<b>1,448</b>

年內本集團並無向五名最高薪酬人士(包括董事及其他僱員)支付任何酬金,以作為邀請加入本集團或加入後離職之賠償金(二零零二年: 無)。

所有四位(二零零二年: 三位)最高薪人士之酬金範圍為零港元至1,000,000港元。

#### 9. 稅項

本年度內並無應課香港利得稅之收入。因本集團之收入源自香港以外,不須繳付香港利得稅(二零零二年: 無)。

本年度內於中國經營之附屬公司並無應課稅溢利,故並無作出中國利得稅撥備(二零零二年: 無)。

本年度概無任何重大未撥備遞延稅項(二零零二: 無)。



## Notes to the Financial Statements

## 財務報表附註

31 December 2003 二零零三年十二月三十一日

## 9. TAXATION (Continued)

The reconciliation between the Group's profit for the year and the amount which is calculated based on the applicable tax rate in the PRC is as follows:

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Loss before taxation for the year	本年度之除稅前虧損	(14,807)	(188,083)
Tax calculated at the applicable tax rate	按適用稅率計算之稅項	(14,236)	(40,881)
Exempted income for taxation purposes	計算稅項時獲豁免之收益	(17,606)	(1,078)
Expenses not deductible for taxation purposes	計算稅項時不可扣減之支出	42,527	41,959
Others	其他	(1,580)	-
Taxation	稅項	9,105	-

## 10. LOSS ATTRIBUTABLE TO SHAREHOLDERS

The consolidated loss attributable to shareholders included a loss of approximately HK\$65,078,000 (2002: HK\$363,496,000) dealt with in the financial statements of the Company.

## 11. LOSS PER SHARE

The calculation of loss per share is based on the consolidated loss attributable to shareholders of HK\$5,702,000 (2002: HK\$188,083,000) and the weighted average number of 1,360,000,000 shares (2002: 1,360,000,000 shares) in issue during the year.

No diluted loss per share is presented as there were no potential dilutive ordinary shares in issue during the year (2002: Nil).

## 9. 稅項 (續)

本集團於年內之溢利與按中國適用稅率計算之數額之間之對賬如下：

		The Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Loss before taxation for the year	本年度之除稅前虧損	(14,807)	(188,083)
Tax calculated at the applicable tax rate	按適用稅率計算之稅項	(14,236)	(40,881)
Exempted income for taxation purposes	計算稅項時獲豁免之收益	(17,606)	(1,078)
Expenses not deductible for taxation purposes	計算稅項時不可扣減之支出	42,527	41,959
Others	其他	(1,580)	-
Taxation	稅項	9,105	-

## 10. 股東應佔虧損

在股東應佔綜合虧損中已包含本公司財務報表內之虧損約65,078,000港元(二零零二年：363,496,000港元)。

## 11. 每股虧損

每股虧損乃按照年內股東應佔綜合虧損5,702,000港元(二零零二年：188,083,000港元)及已發行之加權平均股數1,360,000,000股股份(二零零二年：1,360,000,000股股份)計算。

由於本年度並無具攤薄潛力之已發行普通股(二零零二年：無)，故此並無呈列每股攤薄虧損。

## Notes to the Financial Statements

## 財務報表附註

31 December 2003 二零零三年十二月三十一日

## 12. FIXED ASSETS

## The Group

At 31/12/2003

At 31/12/2002

## 12. 固定資產

## 本集團

於二零零三年

於二零零二年

		Office equipment, furniture and fixtures 辦公室設備， 傢俬及裝修 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost</b>	<b>原值</b>			
At 1/1/2003	於二零零三年 一月一日	1,707	6,218	7,925
Exchange realignment	匯兌差額	(13)	(17)	(30)
Additions, at cost	添置，原值	11	—	11
Disposals	出售	(69)	(458)	(527)
At 31/12/2003	於二零零三年 十二月三十一日	1,636	5,743	7,379
<b>Accumulated depreciation</b>	<b>累積折舊</b>			
At 1/1/2003	於二零零三年 一月一日	1,360	5,792	7,152
Exchange realignment	匯兌差額	(11)	(15)	(26)
Charge for the year	本年度折舊	84	—	84
Disposals	出售	(54)	(181)	(235)
At 31/12/2003	於二零零三年 十二月三十一日	1,379	5,596	6,975
<b>Net book value</b>	<b>賬面淨值</b>			
At 31/12/2003	於二零零三年 十二月三十一日	257	147	404
At 31/12/2002	於二零零二年 十二月三十一日	347	426	773

## Notes to the Financial Statements

## 財務報表附註

31 December 2003 二零零三年十二月三十一日

## 13. INVESTMENT PROPERTIES

## 13. 投資物業

		The Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Valuation	估值		
At 1 January 2003	於二零零三年一月一日	873,000	962,319
Exchange realignment	匯兌差額	-	(300)
Additions, at cost	按原值添置	-	232
Disposal of subsidiaries	出售附屬公司	(25,000)	(5,306)
Revaluation surplus/(deficit)	重估盈餘/(虧絀)	1,000	(83,945)
		<u>849,000</u>	<u>873,000</u>
At 31 December 2003	於二零零三年十二月三十一日		

## Notes:

- (a) All investment properties are held under medium term leases in the PRC and were revalued at 31 December 2003 by Greater China Appraisal Limited, an independent firm of professional valuers, on an open market value basis.
- (b) Investment properties with valuation of approximately HK\$74,996,000 (2002: HK\$61,233,000) have been pledged to a bank and a finance company for loans granted to the Company and a subsidiary (note 19 to the financial statements).
- (c) The Group leases out investment properties under operating leases. The leases typically run for an initial period of one to thirteen years, with an option to renew the lease after that date at which time all terms are renegotiated.

The Group's total future minimum lease payments under operating leases are receivable as follows:

## 附註：

- (a) 所有投資物業均於中國按中期租約持有。並由獨立專業估值師行漢華評值有限公司於二零零三年十二月三十一日按現有用途之公開市值基準重估。
- (b) 估值約74,996,000港元(二零零二年：61,233,000港元)之投資物業已作為本公司及一附屬公司的銀行及融資貸款公司之抵押品(財務報表附註19)。
- (c) 本集團依經營租約已出租之投資物業，一般起始期為一年至十三年，並於租約完成時再重訂新協議。

本集團依經營租約之未來最低租賃應收總額如下：

		The Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Within one year	一年內	24,682	25,798
In the second to fifth year, inclusive	第二年至第五年(含首末兩年)	66,980	56,521
After five years	超過五年	13,655	17,316
		<u>105,317</u>	<u>99,635</u>

## Notes to the Financial Statements

## 財務報表附註

31 December 2003 二零零三年十二月三十一日

## 14. PROPERTIES HELD FOR/UNDER DEVELOPMENT

## 14. 持有作發展／發展中物業

		The Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
At cost/valuation	原值／估值		
At 1 January 2003	於二零零三年一月一日	487,354	587,557
Exchange realignment	匯兌差額	(4,427)	(4,488)
Additions, at cost	按原值添置	14,169	11,150
Reversal of impairment losses	減值虧損撥回	33,100	—
		<b>530,196</b>	<b>594,219</b>
Less: Disposal of subsidiaries	減：出售附屬公司	(38,132)	—
Impairment losses	減值虧損	—	(106,865)
Contracts cost variation	合約成本調整	(108,619)	—
		<b>383,445</b>	<b>487,354</b>
At 31 December 2003	於二零零三年十二月三十一日	<b>383,445</b>	<b>487,354</b>
Medium term leases (less than 50 years but not less than 10 years)	中期租約 (少於50年但不少於10年)	264,962	265,661
Long term leases (not less than 50 years)	長期租約 (不少於50年)	118,483	221,693
		<b>383,445</b>	<b>487,354</b>

## Notes:

- (a) All the properties held for/under development are located in the PRC.
- (b) Properties held for/under development relate to the acquisition of the land use rights for a number of land sites within the Guangdong Province with total carrying value of HK\$383,445,000. The status of the major property development projects is as follows:

The total purchase consideration of the other land sites in Guangzhou amounted to HK\$149,805,000 (2002: HK\$149,805,000) of which a sum of HK\$143,123,000 was overdue as at 31 December 2003. The total carrying value of these projects, which included the land costs and other development costs, as at 31 December 2003 amounted to HK\$383,445,000 (2002: HK\$449,222,000) and no substantial construction work has commenced on these sites.

## 附註：

- (a) 所有持有作發展／發展中物業位於中國。
- (b) 持有作發展／發展中物業乃指位於廣東省內取得土地使用權用作物業發展的專案。其賬面值為383,445,000港元，下列為較大的物業發展專案的狀況：

廣州其他地盤的總出讓價為149,805,000港元(二零零二年：149,805,000港元)，其中143,123,000港元於二零零三年十二月三十一日到期。該等項目含土地成本及其他開發成本的總賬面值於二零零三年十二月三十一日為383,445,000港元(二零零二年：449,222,000港元)，該等地盤的建築工程尚未展開。

## Notes to the Financial Statements

## 財務報表附註

31 December 2003 二零零三年十二月三十一日

## 14. PROPERTIES HELD FOR/UNDER DEVELOPMENT (Continued)

(b) (Continued)

Pursuant to the terms of the purchase agreements regarding the aforesaid property development projects refer to in above, unless the costs of which are settled and the projects completed within a scheduled period, the land sites will be treated as idle sites which could result in forfeiture of payments made to the vendors, termination of the purchase agreements and late payments penalties. In addition, the vendors could take legal action against the Group for compensation. As at 31 December 2003, the total carrying value of these projects was HK\$383,445,000 (2002: HK\$449,222,000). The idle sites may be repossessed by the vendors, but an extension of the expiring schedule could be granted by the signing of supplementary agreements with the vendors with compensation payments.

## 15. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份，原值
Due from subsidiaries	應收附屬公司款項
Due to subsidiaries	應付附屬公司款項
Less: Impairment loss	減：減值

All balances with subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

Details of the subsidiaries as at 31 December 2003 are set out in note 29 to the financial statements.

## 14. 持有作發展／發展中物業(續)

(b) (續)

根據上文物業發展項目的收購協議，除非已於指定時間清付成本及完成項目，地盤將列為空置地盤，賣方可沒收獲付款項，並終止收購協議及追索延誤罰款。此外，賣方可就賠款向本集團採取法律行動。於二零零三年十二月三十一日，該等項目的總賬面值為383,445,000港元(二零零二年：449,222,000港元)。空置地盤可能遭賣方收回，惟可與賣方簽訂附賠款條款的補充協議押後期限。

## 15. 於附屬公司之投資

		The Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
		579,805	579,805
		989,912	1,092,132
		(13,995)	(109,846)
		<u>1,555,722</u>	<u>1,562,091</u>
		(1,520,000)	(1,460,014)
		<u>35,722</u>	<u>102,077</u>

有關附屬公司之所有結餘乃無抵押，免息及無固定償還條件。

於二零零三年十二月三十一日之附屬公司之詳情載於財務報告附註29。

## Notes to the Financial Statements

### 財務報表附註

31 December 2003 二零零三年十二月三十一日

#### 16. INVENTORY OF COMPLETED PROPERTIES

The carrying amount of inventory of completed properties held for sales carried at net realisable value is HK\$4,025,000 (2002: HK\$9,899,000). They are located in the PRC with medium lease term.

#### 17. ACCOUNTS RECEIVABLE

Accounts receivable	應收賬款
Less: Provision for doubtful debts	減：呆賬撥備

Ageing analysis of accounts receivable at the year end date is as follows:

Within 3 months	三個月內
4-6 months	四至六個月
7-12 months	七至十二個月
Over 1 year	超過一年

Less: Provision for doubtful debts	減：呆賬撥備
------------------------------------	--------

Accounts receivable are recognised and carried at their original contract sum less provision for doubtful debts which are made when collection of the full amount is no longer probable. Bad debts are written off as incurred. The Group does not have a uniform credit policy in relation to sales of properties and rental of investment properties.

#### 16. 現存已落成物業

現存已落成物業包含以可變現淨值為4,025,000港元列賬之物業(二零零二年：9,899,000港元)。所有現存已落成物業均於中國按中期租約持有。

#### 17. 應收賬款

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
9,196	118,771
(7,862)	(116,538)
<u>1,334</u>	<u>2,233</u>

於年結日，應收賬款的賬齡分析如下：

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
649	269
701	-
2,315	1,537
5,531	116,965
9,196	118,771
(7,862)	(116,538)
<u>1,334</u>	<u>2,233</u>

應收賬款乃按其原合同金額扣除無可能收回之呆賬撥備後列賬。壞賬則於產生時註銷。本集團對投資物業銷售及租賃並無統一之信貸政策。

## Notes to the Financial Statements

## 財務報表附註

31 December 2003 二零零三年十二月三十一日

## 18. ACCOUNTS PAYABLES

Ageing analysis of accounts payables at the year end date is as follows:

Within 3 months	三個月內
4 – 6 months	四至六個月
7 – 12 months	七至十二個月
Over 1 year	超過一年

## 18. 應付賬款

於年結日，應付賬款的賬齡分析如下：

The Group 本集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
-	-
-	1,795
-	9,668
<b>281,703</b>	<b>451,948</b>
<b>281,703</b>	<b>463,411</b>

## 19. SHORT-TERM BORROWINGS

Short-term borrowings comprise:

Bank loans	銀行貸款
Other loans	其他貸款
Analysed as:	分析如下：
Secured	有抵押
Unsecured	無抵押

## 19. 短期借貸

短期借貸包括：

		The Group 本集團		The Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Bank loans	銀行貸款	32,783	34,963	-	-
Other loans	其他貸款	34,502	11,459	8,959	11,459
		<b>67,285</b>	<b>46,422</b>	<b>8,959</b>	<b>11,459</b>
Analysed as:	分析如下：				
Secured	有抵押	41,442	44,242	8,659	11,459
Unsecured	無抵押	25,843	2,180	300	-
		<b>67,285</b>	<b>46,422</b>	<b>8,959</b>	<b>11,459</b>

## Notes to the Financial Statements

### 財務報表附註

31 December 2003 二零零三年十二月三十一日

#### 19. SHORT-TERM BORROWINGS (Continued)

Notes:

- (a) A bank loan of HK\$32,783,000 (2002: HK\$32,783,000) advanced by a bank to a subsidiary and the related accrued interest included in accruals and other payables of HK\$28,796,000 (2002: HK\$28,384,000) are secured by a corporate guarantee from the Company, personal guarantees issued by Mr. Wong Wah and Madam Wong Siu Mui, former directors of the Company, investment properties with valuation of approximately HK\$50,279,000 (2002: HK\$54,194,000) of the Group and bank deposit of HK\$451,000 (2002: HK\$451,000) of the Group.
- (b) Other loan of HK\$8,659,000 (2002: HK\$11,159,000) and its related accrued interest included in accruals and other payables of HK\$2,814,000 (2002: HK\$697,000) are also secured by personal guarantees issued by Mr. Wong Wah and Madam Wong Siu Mui, former directors of the Company and investment properties with valuation of approximately HK\$24,717,000 (2002: HK\$11,590,000) of the Group, and the balance of other loans of HK\$300,000 (2002: HK\$300,000) and its related accrued interest included in accruals and other payables of HK\$493,000 (2002: HK\$493,000) is secured by a personal guarantee issued by Mr. Wong Wah and the balance of other loan of HK\$25,543,000 (2002: Nil) and its related accrued interest included in accruals and other payables of HK\$846,000 (2002: Nil) is secured by a corporate guarantee issued by a subsidiary.

#### 20. TAXATION PAYABLE

Taxation represented liabilities of the Companies comprising the Group in respect of PRC tax as at 31 December 2003 less tax paid.

The Group has been in negotiation with the Tax Bureau of Guangzhou City, the PRC to conclude the business tax and income tax arising from the sales of properties and the project of Liwan Plaza. The directors considered that the taxation of the Group at 31 December 2003 was adequately provided for in the financial statements.

#### 19. 短期借貸 (續)

附註：

- (a) 銀行貸款32,783,000港元(二零零二年：32,783,000港元)予一附屬公司及其包含於應計費用及其他應付款項內之利息28,796,000港元(二零零二年：28,384,000港元)是以本公司作出擔保，加前董事黃華先生及王小梅女士提供個人擔保，並以本集團估值約50,279,000港元(二零零二年：54,194,000港元)之投資物業及銀行存款451,000港元(二零零二年：451,000港元)作抵押。
- (b) 其他貸款8,659,000港元(二零零二年：11,159,000港元)及其包含於應計費用及其他應付款項內之利息2,814,000港元(二零零二年：697,000港元)亦由本公司前董事黃華先生及王小梅女士提供個人擔保及本集團估值約24,717,000港元(二零零二年：11,590,000港元)之投資物業作抵押。另外其他貸款餘額300,000港元(二零零二年：300,000港元)以及計及於應計費用及其他應付款項之相關應計利息493,000港元(二零零二年：493,000港元)由黃華先生提供個人擔保及其他貸款結餘25,543,000港元以及計及於應計費用及其他應付款項之相關應計利息846,000港元(二零零二年：無)由附屬公司提供公司擔保作抵押。

#### 20. 應付稅項

稅項指本集團各公司於二零零三年十二月三十一日之中國稅項負債減已付之稅項。

本集團一直與中國廣州市稅務局磋商，落實出售荔灣廣場之營業稅及所得稅。董事認為，本集團於二零零三年十二月三十一日之財務報告已就稅項作出充份撥備。



## Notes to the Financial Statements

## 財務報表附註

31 December 2003 二零零三年十二月三十一日

## 21. SHARE CAPITAL

Authorised:	法定股本：
2,000,000,000 ordinary shares of HK\$0.10 each	2,000,000,000股每股面值0.10港元之普通股
Issued and fully paid:	已發行及繳足股本：
1,360,000,000 ordinary shares of HK\$0.10 each	1,360,000,000股每股面值0.10港元之普通股

## 21. 股本

The Company 本公司	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
<u>200,000</u>	<u>200,000</u>
<u>136,000</u>	<u>136,000</u>

## 22. EMPLOYEE SHARE OPTIONS

A share option scheme was approved by the Company, no share option was granted during the year and there is no outstanding share option at 31 December 2003 (2002: Nil).

## 22. 僱員之購股權

本公司之認購股權計劃由股東批准成立，年內概無授出任何購股權。於二零零三年十二月三十一日，概無任何未行使購股權（二零零二年：無）。

## 23. RESERVES

		Contributed surplus (Note) 繳入盈餘 (附註) HK\$'000 千港元
<b>The Company</b> At 1 January 2002	<b>本公司</b> 於二零零二年一月一日	477,805
Net loss for the year	本年度虧損淨額	-
At 31 December 2002 and 1 January 2003	於二零零二年十二月三十一日 及二零零三年一月一日	477,805
Net loss for the year	本年度虧損淨額	-
At 31 December 2003	於二零零三年十二月三十一日	<u>477,805</u>

## 23. 儲備

Share premium 股份溢價 HK\$'000 千港元	Accumulated losses 累積虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
906,000	(1,097,908)	285,897
-	(363,496)	(363,496)
906,000	(1,461,404)	(77,599)
-	(65,078)	(65,078)
<u>906,000</u>	<u>(1,526,482)</u>	<u>(142,677)</u>

Note:

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of companies being acquired, and represents the difference between the nominal value of the Company's shares issued and the value of the shares acquired. Under the Companies Act of 1981 of Bermuda (as amended), the Company may make distributions to its shareholders out of its contributed surplus in certain circumstances which the Company is currently unable to meet. At Group level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

附註:

本公司之繳入盈餘於本公司發行股份以換取所收購公司之股份時產生，乃指本公司已發行股份之面值與所收購股份價值之差異。根據一九八一年百慕達公司法（經修訂），本公司目前未能就若干情況下向其股東分派繳入盈餘。編製本集團賬目時，繳入盈餘已被重新列賬撥作各相關附屬公司之儲備部份。

## Notes to the Financial Statements

## 財務報表附註

31 December 2003 二零零三年十二月三十一日

## 24. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

## Disposal of subsidiaries

During the year the Group disposed of certain of its subsidiaries. The net liabilities of these subsidiaries at the date of disposal were as follows:

		HK\$'000 千港元
Net liabilities disposed of excluding cash and bank balances	出售負債淨額 (不包括現金及銀行結餘)	(30,563)
Cash and bank balances	現金及銀行結餘	205
		<u>(30,358)</u>
Gain on disposal	出售收益	40,358
Total consideration	代價總額	<u>10,000</u>
Satisfied by:	支付方式：	
Cash	現金	<u>10,000</u>
Net cash inflow arising on disposal:	出售事項產生之現金流入淨額：	
Cash consideration received	已接獲現金代價	10,000
Cash and bank balances	現金及銀行結餘	(205)
		<u>9,795</u>

The subsidiaries disposed of during the year contributed HK\$2,313,000 (2002: HK\$Nil) to the Group's turnover and loss of HK\$1,406,000 (2002: HK\$Nil) to the Group's loss from operations.

## 24. 綜合現金流量表附註

## 出售附屬公司

年內，本集團出售旗下部份附屬公司。該等附屬公司於出售日期之負債淨額如下：

		HK\$'000 千港元
Net liabilities disposed of excluding cash and bank balances	出售負債淨額 (不包括現金及銀行結餘)	(30,563)
Cash and bank balances	現金及銀行結餘	205
		<u>(30,358)</u>
Gain on disposal	出售收益	40,358
Total consideration	代價總額	<u>10,000</u>
Satisfied by:	支付方式：	
Cash	現金	<u>10,000</u>
Net cash inflow arising on disposal:	出售事項產生之現金流入淨額：	
Cash consideration received	已接獲現金代價	10,000
Cash and bank balances	現金及銀行結餘	(205)
		<u>9,795</u>

於本年度內出售之附屬公司佔本集團營業額2,313,000港元(二零零二年：無)，並為本集團之經營虧損帶來虧損1,406,000港元(二零零二年：無)。

## Notes to the Financial Statements

### 財務報表附註

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#### 25. COMMITMENTS

##### (a) Capital commitments

		The Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Authorised and contracted for	已授權及訂約之項目：		
- Construction in progress	- 在建工程	232,001	362,816
- Capital contributions to subsidiaries	- 對附屬公司之資本注資	-	360,157
		<u>232,001</u>	<u>722,973</u>

##### (b) Operating lease commitments

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

		The Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Within one year	一年內	4,612	4,028
Between two and five years	兩年至五年內	5,024	2,999
		<u>9,636</u>	<u>7,027</u>

#### 25. 承擔

##### (a) 資本承擔

		The Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
		-	-
		-	-
		<u>-</u>	<u>-</u>

##### (b) 經營租約承擔

於結算日，本集團根據不可撤銷經營租約就樓宇日後承擔之租約款項其到期日如下：

		The Company 本公司	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
		2,249	162
		750	-
		<u>2,999</u>	<u>162</u>

## Notes to the Financial Statements

### 財務報表附註

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#### 26. RETIREMENT BENEFIT SCHEME

The Group participates in the Mandatory Provident Fund Scheme (the "MPF Scheme") for Hong Kong employees. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid. Contributions are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme.

There were also pension scheme contributions made by the Group during the year amounted to HK\$164,000 (2002: HK\$742,000) in respect of employees of the Group in the PRC. There were no forfeited contributions during the year ended 31 December 2003 (2002: Nil). The pension scheme is operated by the PRC government whereby monthly contributions based on a percentage of the salaries of the eligible full time employees are made by the Group.

#### 27. RELATED PARTY TRANSACTIONS

Material related party transactions are disclosed in notes 19(a), (b) and 28(a) to the financial statements.

#### 28. MATERIAL CONTINGENT LIABILITIES AND LITIGATION

- (a) The Group has executed guarantees to banks for mortgage facilities granted to first buyers of certain properties of the Group in the PRC. The balances of loans covered by the Group's guarantees which also represented the financial exposure of the Group at the balance sheet date amounted to approximately HK\$77,740,000 (2002: HK\$93,665,000), including facilities of HK\$65,301,000 (2002: HK\$67,876,000) which are also covered by personal guarantees issued by Mr. Wong Wah and Madam Wong Siu Mui, former directors of the Company. The total amount of facilities covered by the Group's guarantees amounted to approximately HK\$357,533,000 (2002: HK\$357,533,000).
- (b) The Company has executed a corporate guarantee in favour of a bank for securing a short term borrowings of HK\$32,783,000 (2002: HK\$32,783,000) granted to a subsidiary (note 19(a) to the financial statements).
- (c) Other material contingent liabilities and litigation in connection with the Group's properties held for/under development are disclosed in note 14(b) to the financial statements.

#### 26. 退休福利計劃

本集團為香港僱員參與強制性公積金計劃(「強積金計劃」)。強積金供款在繳付後全數即時歸僱員所有。據強積金計劃條例所定，集團應繳付之供款從損益表中扣除。

本集團在中國亦設有僱員公積金計劃並於本年度共支付164,000港元(二零零二年：742,000港元)。截至二零零三年十二月三十一日止年度並無可沒收供款(二零零二年度：無)。公積金計劃是由中國政府監管並給予本集團合資格之全職僱員按月薪比率供款。

#### 27. 關連人士交易

重大關連人士交易於財務報表附註19(a)、(b)及28(a)披露。

#### 28. 重大或然負債及訴訟

- (a) 本集團就數間銀行向本集團在中國之若干物業之一手買家提供之按揭貸款作出擔保。由本集團擔保之貸款餘額，亦即本集團於結算日須承擔之財務風險約共77,740,000港元(二零零二年：93,665,000港元)，其中包括由本公司之前任董事黃華先生及王小梅女士發出個人擔保作抵押之65,301,000港元(二零零二年：67,876,000港元)。由本集團擔保之該等信貸總額約為357,533,000港元(二零零二年：357,533,000港元)。
- (b) 本公司就一附屬公司之一項短期貸款32,783,000港元(二零零二年：32,783,000港元)作出公司擔保(財務報表附註19(a))。
- (c) 其它有關本集團持有作發展／發展中物業之或然負債及訴訟載於財務報告附註14(b)。

## Notes to the Financial Statements

### 財務報表附註

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#### 28. MATERIAL CONTINGENT LIABILITIES AND LITIGATION (Continued)

- (d) A subsidiary of the Group was sued by a contractor for default payments of approximately HK\$17,357,000 (2002: HK\$17,060,000) in relation to construction work carried out in one of the property development projects in Guangzhou. The Group counter-claimed against the contractor for inferior construction work performed on that site. The litigation is in the process of finalisation, pending the decision from court in Guangzhou.

The directors are of the opinion that the outcome of the litigations and claims mentioned in (c) to (d) above will not have a material adverse effect on the Group and no provision has therefore been made for possible additional interest or legal costs and consequential damages in the financial statements.

Save as disclosed above, neither the Company nor any members of the Group are engaged in any litigation or arbitration of material importance and, so far as the directors are aware, no litigation or arbitration of material importance is pending or threatened against any members of the Group.

#### 28. 重大或然負債及訴訟(續)

- (d) 本集團附屬公司基於未能支付廣州其中一個物業發展項目約17,357,000港元(二零零二年: 17,060,000港元)而遭一名承建商控告。本集團就該地盤進行之室內建造工程向該承建商反索償。該訴訟仍在進行中, 有待廣州法院裁決。

董事認為上述附註(c)至附註(d)的訴訟及索償之結果將不會對本集團造成重大不利影響, 故沒有於財務報表內就可能須付之額外利息及訴訟費用及牽連之損失作出撥備。

除上文所述者外, 本公司或本集團任何成員公司概無涉及任何重大之訴訟或仲裁, 及據董事所知, 並無任何重大之待決或威脅本集團任何成員公司之訴訟或仲裁。

## Notes to the Financial Statements

## 財務報表附註

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## 29. PARTICULARS OF SUBSIDIARIES

## 29. 附屬公司之詳情

Name 名稱	Place of establishment/ operations 成立/營業地點	Issued/ registered capital 已發行/註冊股本	Proportion of nominal value of issued/registered capital held by the Company 本公司持有 已發行/已註冊股本 面值百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Brilliant Champion Development Limited 旭駿發展有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	-	100	Dormant 暫無營業
Buen Sang Enterprises Limited 標昇有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	-	100	Dormant 暫無營業
Came Field Investments Limited 金輝投資有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	-	100	Dormant 暫無營業
D & L Management Limited 達利管理有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	-	100	Dormant 暫無營業
Grand China Properties Company Limited	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股1美元	100	-	Dormant 暫無營業
* Guangzhou Guang Hua Property Development Limited * 廣州廣華房產發展有限公司	The People's Republic of China 中華人民共和國	US\$4,799,000 4,799,000美元	-	100	Property development 物業發展
* Guangzhou Jiannan House Property Development Company Limited * 廣州建南房產發展有限公司	The People's Republic of China 中華人民共和國	US\$12,000,000 12,000,000美元	-	98.75	Property development 物業發展
* Guangzhou Sui Nan Property Development Company Limited * 廣州穗南房產發展有限公司	The People's Republic of China 中華人民共和國	US\$32,000,000 32,000,000美元	-	86.36	Property development 物業發展
* Guangzhou Xiunan Property Development Limited * 廣州市秀南房地產開發有限公司	The People's Republic of China 中華人民共和國	US\$4,465,000 4,465,000美元	-	68.32	Property development 物業發展
Nam Fong Capital Limited	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	-	100	Dormant 暫無營業
Nam Fong Guangzhou Central Plaza Limited 南方越秀中廣場有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	-	100	Investment holding 投資控股

## Notes to the Financial Statements

## 財務報表附註

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## 29. PARTICULARS OF SUBSIDIARIES (Continued)

## 29. 附屬公司之詳情(續)

Name 名稱	Place of establishment/ operations 成立/營業地點	Issued/ registered capital 已發行/註冊股本	Proportion of nominal value of issued/registered capital held by the Company 本公司持有 已發行/已註冊股本 面值百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Nam Fong Guangzhou Plaza Limited 南方越秀廣場有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	-	100	Investment holding 投資控股
Nam Fong International Group Limited 南方國際集團有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	100	-	Investment holding 投資控股
Nam Fong Liwan Plaza Limited 南方荔灣廣場有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	-	100	Investment holding 投資控股
Nam Fong Wanhao Plaza (Shenzhen) Limited 南方萬豪廣場(深圳)有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	-	100	Dormant 暫無營業
News Point Investment Limited 新邦投資有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	-	100	Investment holding 投資控股
New Regent Enterprises Limited 新峻企業有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	-	100	Dormant 暫無營業
Polyhero International Limited 寶豪國際有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	-	100	Dormant 暫無營業
Stand-up Investments Limited 樹德投資有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	-	100	Ownership of motor vehicles 擁有車輛
Trisum Investment Limited 豐深投資有限公司	Hong Kong 香港	Ordinary HK\$5,000,000 普通股5,000,000港元	-	100	Investment holding 投資控股

\* Companies not audited by Charles Chan, Ip &amp; Fung CPA Ltd.

\* 並非由陳葉馮會計師事務所有限公司所審核之公司

All companies operate principally in their places of establishment.

所有公司主要於彼等成立地點經營。