

## NOTES TO CONDENSED INTERIM ACCOUNTS 簡明中期賬目附註

**1. Basis of preparation and accounting policies**

These unaudited consolidated condensed interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice 25, Interim Financial Reporting, issued by the Hong Kong Society of Accountants.

These condensed interim accounts should be read in conjunction with the 2003 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed interim accounts are consistent with those used in the annual accounts for the year ended 31st December, 2003.

In addition, the Group acquired held-to-maturity securities during the period and adopts the following accounting policy:

*Held-to-maturity securities*

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

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

**1. 編製基準及會計政策**

此未經審核之綜合簡明中期賬目乃按照香港會計師公會頒布之香港會計實務準則第25號「中期財務報告」而編製。

此簡明中期賬目應與二零零三年之年度財務報表一併參閱。

編製簡明中期賬目時所採用之會計政策及計算方法與編製截至二零零三年十二月三十一日止年度全年賬目所採用者一致。

此外，本集團於本期間內購入持至到期日之證券並採納下列會計政策：

*持至到期日之證券*

持至到期日之證券以成本加減任何折扣或溢價攤銷計入資產負債表內。折扣或溢價按到期日期限攤銷，並包括在損益賬之利息收入或支出內。如遇永久減值則作撥備準備。

結算日會檢討各項持至到期日之證券之賬面值及持有量，以評估信貸風險及預期是否可收回其賬面值。如預期不可收回其賬面值則作撥備準備，並即時於損益賬列作支出。

**2. Turnover**

The principal activity of the Company and its subsidiaries is the holding of listed and unlisted securities.

**2. 營業額**

本公司及其附屬公司之主要業務為持有上市及非上市證券。

		<b>Unaudited</b> 未經審核	
		<b>Six months ended 30th June,</b> 截至六月三十日止六個月	
		<b>2004</b>	2003
		<b>HK\$</b>	HK\$
		港元	港元
Interest income on held-to-maturity securities	持至到期日之證券之利息收入	<b>8,601,567</b>	-
Interest income on debt securities	債務證券之利息收入	<b>388,273</b>	1,922,216
Interest income on bank deposits	銀行利息收入	<b>1,630,565</b>	1,774,263
Dividend income	股息收入		
– from listed investments	– 來自上市投資	-	107,600
– from unlisted investments	– 來自非上市投資	-	282,324
		<b>10,620,405</b>	4,086,403

The Group considers that it operates in a single business segment of investments holding. No geographical analysis is provided as less than 10% of the consolidated turnover and less than 10% of the consolidated trading results of the Group are attributable to operations outside Hong Kong.

本集團認為其所經營為投資控股一項單一業務分類。由於本集團綜合營業額及綜合經營業績少於10%源自海外業務，故無按地域分析本集團之綜合營業額及綜合經營業績。

**3. Operating profit****3. 經營溢利**

		<b>Unaudited</b> 未經審核	
		<b>Six months ended 30th June,</b> 截至六月三十日止六個月	
		<b>2004</b>	2003
		<b>HK\$</b>	HK\$
		港元	港元
Operating profit is stated after (crediting)/charging the following:	經營溢利已(計入)/扣除下列各項：		
Staff cost (excluding directors' emoluments)	員工成本(董事酬金除外)	<b>160,294</b>	231,332
Exchange (gain)/loss	滙兌(收益)/虧損	<b>(1,198,118)</b>	393,160

**4. Taxation**

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits for the period.

The amount of taxation charged to the consolidated profit and loss account represents:

		<b>2004</b>	2003
		<b>HK\$</b>	HK\$
		港元	港元
Current taxation	本年度稅項		
– Under provision in prior years	– 過往年度撥備不足	<b>23,018</b>	–
Share of taxation attributable to: Associated companies	攤佔下列公司之稅項： 聯營公司	<b>1,896,552</b>	–
Taxation charge	稅項支出	<b>1,919,570</b>	–

Deferred tax is not recognised as the temporary differences between the tax bases of assets and liabilities and their carrying amounts are not material to the Group. Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 30th June, 2004, the Group has unrecognised estimated tax losses of HK\$2,145,217 (2003: HK\$2,145,217) to carry forward against future taxable income. These tax losses have no expiry date.

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

		<b>2004</b>	2003
		<b>HK\$</b>	HK\$
		港元	港元
Profit before taxation (excluding share of profits less losses of associated companies)	除稅前溢利(不包括所佔聯營公司溢利減虧損)	<b>1,391,028</b>	69,749,817
Calculated at a taxation rate of 17.5% (2003: 17.5%)	按稅率17.5%(二零零三年: 17.5%)計算	<b>243,430</b>	12,206,218
Income not subject to taxation	毋須課稅之收入	<b>(1,755,376)</b>	(13,838,461)
Expenses not deductible for taxation purposes	就課稅而言不可扣減之開支	<b>1,511,946</b>	1,632,243
Under provision in prior years	過往年度撥備不足	<b>23,018</b>	–
Taxation charge before share of taxation of associated companies	除所佔聯營公司稅項之稅項支出	<b>23,018</b>	–
Share of taxation of associated companies	所佔聯營公司稅項	<b>1,896,552</b>	–
Taxation charge	稅項支出	<b>1,919,570</b>	–

**4. 稅項**

香港利得稅乃按本期間之估計應課溢利以稅率17.5% (二零零三年: 17.5%) 提撥準備。

於綜合損益賬扣除之稅項款額乃指:

	<b>2004</b>	2003
	<b>HK\$</b>	HK\$
	港元	港元
Current taxation		
– Under provision in prior years	<b>23,018</b>	–
Share of taxation attributable to: Associated companies	<b>1,896,552</b>	–
Taxation charge	<b>1,919,570</b>	–

由於資產及負債之課稅基礎及其賬面值之暫時差異對本集團並無重大影響，故毋須確認遞延稅項。遞延收入稅項資產乃就所結轉之稅項虧損而予以確認，惟以有可能透過日後之應課稅溢利變現之相關稅項利益為限。於二零零四年六月三十日，本集團之未確認估計稅項虧損為2,145,217港元(二零零三年: 2,145,217港元)，可予以結轉以抵銷日後之應課稅收入。此等稅項虧損並無屆滿日期。

本集團之除稅前溢利稅項與採用本公司所在國家之稅率計算之理論款額之差異如下:



## 8. Held-to-maturity securities

		Unaudited 未經審核 30th June, 2004 二零零四年 六月三十日 HK\$ 港元	Audited 經審核 31st December, 2003 二零零三年 十二月三十一日 HK\$ 港元
At amortised cost	按攤銷值		
– listed outside Hong Kong	– 香港以外上市	86,681,041	–
– Unlisted	– 非上市	117,767,578	–
		<u>204,448,619</u>	<u>–</u>
At market value	按市值	<u>207,305,474</u>	<u>–</u>

## 8. 持至到期日之證券

## 9. Debt securities

		Unaudited 未經審核 30th June, 2004 二零零四年 六月三十日 HK\$ 港元	Audited 經審核 31st December, 2003 二零零三年 十二月三十一日 HK\$ 港元
Convertible notes	可換股票據	2,000,000	4,000,000
Bonds	債券	6,417,294	101,889,934
		<u>8,417,294</u>	<u>105,889,934</u>

## 9. 債務證券

## 10. Accounts receivable

Trade receivables	經營應收款項
Other receivables	其他應收款項

## 10. 應收款項

Unaudited 未經審核 30th June, 2004 二零零四年 六月三十日 HK\$ 港元	Audited 經審核 31st December, 2003 二零零三年 十二月三十一日 HK\$ 港元
-	-
<b>48,234,781</b>	<b>103,943,040</b>
<b>48,234,781</b>	<b>103,943,040</b>

## 11. Pledged bank fixed deposits and loan from a financial institution

Fixed deposits of approximately HK\$56 million were pledged against the loan from a financial institution obtained for financing the Group's investments in held-to-maturity securities.

Fixed deposits of approximately HK\$108 million were pledged against letters of credit issued by licensed banks for the Group's investments in jointly controlled entities.

## 11. 作抵押銀行定期存款及財務機構貸款

本集團已將定期存款約56,000,000港元抵押予一間財務機構，以取得該機構貸款為於持至到期日之證券之投資作融資。

本集團已將定期存款約108,000,000港元抵押予持牌銀行，以供該等銀行為本集團於共同控權合資公司之投資開具信用證。

## 12. Accounts payable

Trade payables	經營應付款項
Other payables	其他應付款項

## 12. 應付款項

Unaudited 未經審核 30th June, 2004 二零零四年 六月三十日 HK\$ 港元	Audited 經審核 31st December, 2003 二零零三年 十二月三十一日 HK\$ 港元
2,829,937	-
<b>10,666,448</b>	<b>11,020,341</b>
<b>13,496,385</b>	<b>11,020,341</b>

### 13. Contingent liabilities

- (a) The Company has given a guarantee to a bank to secure the outstanding indebtedness due by an associated company holding the Argyle Centre, for an amount attributable to the Group's equity interests. The amount of outstanding indebtedness due by the associated company to this bank as at 30th June, 2004 was approximately HK\$262 million (at 31st December, 2003: approximately HK\$393 million).
- (b) The Company has given a guarantee to a financial institution to secure borrowing facilities available to a wholly-owned subsidiary in the amount not exceeding US\$15 million. The outstanding indebtedness at 30th June, 2004 was approximately Euro 8.4 million (at 31st December, 2003: approximately Euro 7.4 million).
- (c) In September 2001, the Company, together with Chow Tai Fook Nominee Limited and Fung Wing Cheung, Tony together referred to as the "Plaintiffs", issued a statement of claim against three independent third parties (the "Defendants") for the refund of a deposit made to the Defendants and related damages as a result of a breach of terms in an offer (the "Offer") relating to the sale and purchase of shares in Kowloon Development Company Limited. The deposit attributable to the Company amounts to approximately HK\$17 million and is included in "Trade and other receivables" on the consolidated balance sheet. Subsequently, in October 2001, the Defendants served a counterclaim on the Plaintiffs for loss and damages as a result of the non-completion of the Offer. At this stage, the directors have not made any provision against the deposit and the counterclaim because they believe the Company have meritorious claims against the Defendants, however the directors and the Company's legal advisor are unable to assess the outcome and the effect of the above legal proceedings on the Company.

Save as disclosed above, the directors are not aware of any litigation or claims of material importance pending or threatened against the Company or any of its subsidiaries.

### 13. 或然負債

- (a) 本公司就持有旺角中心之聯營公司所欠之未償還債項向一間銀行提供相當於本集團股本權益應佔數額之擔保。該聯營公司於二零零四年六月三十日欠該銀行之未償還債項約為262,000,000港元(於二零零三年十二月三十一日：約為393,000,000港元)。
- (b) 本公司為一間全資附屬公司所獲一間財務機構提供之不超過15,000,000美元之信貸額提供擔保。於二零零四年六月三十日之未償還債務約為8,400,000歐羅(於二零零三年十二月三十一日：約為7,400,000歐羅)。
- (c) 於二零零一年九月，本公司與周大福代理人有限公司及馮永祥作為原告人(下稱「原告人」)向三名獨立第三方(下稱「被告人」)提出訴訟，追索被告人退回訂金和違反買賣九龍建業有限公司股份(下稱「建議收購」)之條款所造成之損失。涉及應收回本公司之訂金金額約為17,000,000港元(包括在綜合資產負債表之「經營及其他應收款項目」中)。隨後，於二零零一年十月，被告人向原告人提起反訴訟，追索原告人賠償未完成建議收購所造成之損失。目前階段，董事們並無對該訂金和反訴訟作出撥備，因為董事們相信本公司對被告人的訴訟有合理的根據，但董事們及本公司之法律顧問都無法評估上述之訴訟對本公司之影響。

除上文所披露者外，就董事所知，本公司及其附屬公司並無尚未了結或可能提出或面臨威脅的重大訴訟或索償要求。

## 14. Commitments

## 14. 承擔

		<b>Unaudited</b> 未經審核 <b>30th June,</b> <b>2004</b> 二零零四年 六月三十日 <b>HK\$</b> 港元	Audited 經審核 31st December, 2003 二零零三年 十二月三十一日 <b>HK\$</b> 港元
Capital commitments for investments in investment securities	投資於投資證券之資本承擔		
Authorised but not contracted for	已批准但未簽約	<b>11,893,750</b>	12,221,625
Capital commitments for investments in jointly controlled entities	投資於共同控權合資公司之資本承擔		
Contracted but not provided for	已簽約但未撥備	<b>106,716,157</b>	123,917,598

## 15. Related party transactions

Significant related party transactions entered by the Group for the six months ended 30th June, 2004, which constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") were:

## 15. 與有關連人士之交易

本集團於截至二零零四年六月三十日止六個月進行之重大與有關連人士交易(即據香港聯合交易所有限公司證券上市規則「上市規則」)而構成關連交易如下:

		<b>Unaudited</b> 未經審核 <b>Six months ended 30th June,</b> 截至六月三十日止六個月 <b>2004</b> <b>HK\$</b> 港元	2003 <b>HK\$</b> 港元
Management fee expenses to a related company	給予一間有關連公司之投資管理費用	<b>5,107,952</b>	4,521,984



**15. Related party transactions (continued)**

Under the management agreement (“Existing Investment Management Agreement”) approved by shareholders on 27th March, 1997 and dated 5th March, 1997 between the Group and Yu Ming Investment Management Limited (“YMIM”), in which Fung Wing Cheung, Tony and Fung Yiu Fai, Peter, jointly own 100% of the shares, YMIM agreed to assist the board of directors with the day-to-day management of the Group for a period of five years commencing 27th March, 1997. YMIM will be entitled to a management fee equal to 0.375% of the net asset value on each quarter date and an incentive fee equal to 20% of such amount (if any) by which the audited consolidated profit before tax for each financial year completed (before adjusting for the incentive fee) exceeds such amount as is equal to 6% of average monthly net asset value of the Group for each such financial year. For the calculation of management fee and incentive fee, the associated companies of the Group will not be equity accounted for the purpose of calculating such quarterly and average monthly net asset value and consolidated profit before tax but will be accounted for at cost instead.

On 4th March, 2002, a supplemental agreement (“Supplemental Agreement”) was approved by independent shareholders to extend the expiry date of the Existing Investment Management Agreement to 31st March, 2007. Under the Supplemental Agreement, the management fee remains unchanged. Pursuant to the Supplemental Agreement, YMIM will not be entitled to the incentive fee if the Group reports an accumulated loss during the term of the Supplemental Agreement at the time of the incentive fee computation. Therefore, the incentive fee will be equivalent to 20% of the amount by which the audited consolidated profit before tax for each year ending 31st December (before adjusting for the incentive fee), and after offsetting the accumulated losses during the term of the Supplemental Agreement, if any, exceeds 6% of the average monthly net asset value of the Group for such financial year. For the calculation of management fee and incentive fee, the associated companies of the Group will not be equity accounted for the purpose of calculating such quarterly and average monthly net asset value and consolidated profit before tax.

In addition, the Group occupies office space of YMIM and reimburses to YMIM 40% of its office and equipment expenses in accordance with the Existing Investment Management Agreement. Such expenses reimbursed to YMIM amounted to HK\$455,988 (2003: HK\$267,325). The Group utilise certain staff employed by YMIM and reimbursed staff costs of HK\$389,066 and HK\$352,734 to YMIM for 2004 and 2003 respectively.

**15. 與有關連人士之交易(續)**

根據本集團與馮永祥及馮耀輝共同全資擁有之禹銘投資管理有限公司(「禹銘投資管理」)於一九九七年三月五日訂立並經股東於一九九七年三月二十七日批准之管理協議(「現行管理協議」)，禹銘投資管理同意由一九九七年三月二十七日起計五年內協助董事會處理本集團之日常管理工作。禹銘投資管理有權收取投資管理費用，金額相等於每季最後一日之資產淨值之0.375%，以及獎金費用(如有)，金額相等於各財政年度完結後之經審核之除稅前綜合溢利(未計獎金費用前)減去本集團於該年度之每月平均資產淨值6%後之超出數額之20%。而計算投資管理費用及獎金費用時，本公司之聯營公司將不會按權益會計法計算入每季及每月平均資產淨值及綜合除稅前溢利，但將按成本列賬。

在二零零二年三月四日，獨立股東批准一份補充協議(「補充協議」)延長現行管理協議之到期日，直至二零零七年三月三十一日。補充協議中，管理費用維持不變。在補充協議中的有效期限內，如本集團錄得累計虧損時，禹銘投資管理將不收取獎金費用。因而，該項獎金費用金額為截至每年度十二月三十一日止經審核之除稅前綜合溢利(未計獎金費用前)，扣除補充協議中的有效期限內之累計虧損後，如有溢利，再減本集團每月平均綜合資產淨值6%後超出數額之20%。而計算投資管理費用及獎金費用時，本公司之聯營公司將不會按權益會計法計算入每季及每月平均資產淨值及綜合除稅前溢利。

此外，本集團佔用禹銘投資管理之辦公室空間，並按照現行管理協議補償禹銘投資管理之辦公室及設備開支之40%。該等補償禹銘投資管理開支之金額為455,988港元(二零零三年：267,325港元)。本集團徵用由禹銘投資管理僱用之若干名職員，並分別補償禹銘投資管理於二零零四年及二零零三年之職員成本389,066港元及352,734港元。