

1 Principal accounting policies

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

(a) Basis of preparation

The financial statements 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 property, plant and equipment, investment properties and investments in securities are stated at fair value.

In the current year, the Group adopted the following Statements of Standard Accounting Practice (“SSAPs”) issued by the HKSA which are effective for accounting periods commencing on or after 1 January 2002:

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 34	:	Employee benefits

Certain presentation changes have been made upon the adoption of SSAP 1 (revised) and SSAP 15 (revised). Other changes to the Group’s accounting policies and the effect of adopting these new and revised standards is set out in the accounting policies below.

1 主要會計政策

編製此等財務報告所採用之主要會計政策如下：

(a) 編製基準

本財務報告乃按照香港普遍採納之會計原則及香港會計師公會頒佈之會計準則編製。財務報告並依據歷史成本常規法編製，惟若干物業、廠房及設備、投資物業及證券投資乃按公平值列賬（載於以下之會計政策）。

於本年度，本集團採納下列由香港會計師公會頒佈之會計實務準則（「會計實務準則」），該等會計實務準則於二零零二年一月一日或以後開始之會計期間生效：

會計實務準則第1號	:	財務報告之呈報 (經修訂)
會計實務準則第11號	:	外幣換算 (經修訂)
會計實務準則第15號	:	現金流量表 (經修訂)
會計實務準則第34號	:	僱員福利

採納會計實務準則第1號(經修訂)及會計實務準則第15號(經修訂)後已作出了若干呈報方面之變動。本集團會計政策之其他變動及採納此等新增及經修訂準則之影響載於以下之會計政策。

1 Principal accounting policies (continued)

(b) Group accounting

(i) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are those entities in which the Group 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.

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.

The gain or loss on disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or goodwill taken to reserves and which was not previously charged or recognised in the consolidated income statement.

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

In the Company's balance sheet the interests 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.

1 主要會計政策(續)

(b) 集團會計

(i) 綜合財務報告

綜合財務報告包括本公司及其附屬公司截至十二月三十一日止之財務報告。附屬公司指本集團控制董事會之組成、超過半數投票權或持有過半數已發行股本之公司。

在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止(取其適用者)列入綜合收益表內。

所有集團內公司間之重大交易及結餘已於綜合財務報告時對銷。

出售附屬公司之收益或虧損指出售所得之收入與本集團應佔該公司淨資產之差額，連同之前並未於綜合收益表內支銷或入賬之任何未攤銷商譽，或已在儲備記賬之商譽。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

在本公司之資產負債表，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。

1 Principal accounting policies (continued)

(b) Group accounting (continued)

(ii) Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. A joint venture which involves the establishment of a separate entity in which each venturer has an interest is referred to as a jointly controlled entity.

The consolidated income statement includes the Group's share of the results of jointly controlled entity for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entity and goodwill (net of accumulated amortisation) on acquisition.

(iii) 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.

The consolidated income statement 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 (net of accumulated amortisation) on acquisition.

1 主要會計政策(續)

(b) 集團會計(續)

(ii) 合營企業

合營企業指本集團與其他人士以合約協議方式共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單方面之控制權。任何合營企業倘涉及成立一間獨立企業(於當中各企業經營者均擁有權益)，皆被視為共同控制企業。

綜合收益表包括本集團應佔共同控制企業本年度業績，而綜合資產負債表則包括本集團應佔共同控制企業之資產淨值及收購產生之商譽(扣除累計攤銷)。

(iii) 聯營公司

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

綜合收益表包括本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本集團應佔聯營公司之資產淨值及收購產生之商譽(扣除累計攤銷)。

1 Principal accounting policies (continued)

(b) Group accounting (continued)

(iv) 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 income statement.

The balance sheet of subsidiaries, jointly controlled entity and associated companies expressed in foreign currencies is translated at rates of exchange ruling at the balance sheet date whilst the income statement is translated at an average rate. Exchange differences are dealt with as a movement in reserves.

In prior years, the income statement of foreign enterprises was translated at closing rate. This is a change in accounting policy, however, the translation of the income statement of foreign enterprises in prior years has not been restated as the effect of this change is not material to the current and prior years.

1 主要會計政策(續)

(b) 集團會計(續)

(iv) 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收益表。

附屬公司、共同控制企業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，而收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帳。

在以往年度，海外企業之收益表以結算日之匯率折算。這構成會計政策之變動，但由於此有關變動對本年度及上年度之影響不大，故並無將海外企業在以往年度之收益換算重列。

1 Principal accounting policies (continued)

(c) Fixed assets

(i) Investment properties

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

Investment properties held on leases with unexpired periods of greater than 20 years are valued at intervals of not more than three years by independent valuers; in each of the intervening years valuations are undertaken by professionally qualified executives of the Group. 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 financial statements. 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.

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

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 income statement.

1 主要會計政策(續)

(c) 固定資產

(i) 投資物業

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

持有之投資物業，若其租約尚餘年期超過20年，皆由獨立估值師最少每隔三年估值一次；相隔期間每年由本集團內具專業資格之高級職員負責估值。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。估值會用於年度財務報告內。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從經營溢利中扣除。其後任何增值將撥入經營溢利，惟最高以先前扣減之金額為限。

租約尚餘20年或以下年期之投資物業均按租約尚餘年期折舊。

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收益表。

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

1 Principal accounting policies (continued)**(c) Fixed assets (continued)***(ii) Properties under construction*

Properties under construction are investments in land and buildings on which construction work has not been completed and which, upon completion, management intend to hold for investment purposes. These properties are carried at cost which includes development and construction expenditure incurred and interest and other direct costs attributable to the development less any accumulated impairment losses. On completion, the properties are transferred to investment properties at cost less accumulated impairment losses.

(iii) Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided at rates sufficient to write off the cost of fixed assets less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings in China	Over the remaining term of the lease or 5% whichever is the higher
Motor vehicles	12% to 20%
Office equipment, furniture and fixtures	19.2% to 33.33%
Leasehold improvements	20%

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

1 主要會計政策 (續)**(c) 固定資產 (續)***(ii) 建築中物業*

建築中物業指建築工程仍未完成之土地及樓宇之投資，而管理層有意在工程完成後持有作投資用途。此等物業以成本值列賬，包括發展及建築及屬於發展項目之費用、利息及其他直接成本，扣除任何累積減值虧損。物業於落成後將轉撥為投資物業，按成本扣除任何累積減值虧損列賬。

(iii) 其他固定資產

其他固定資產以成本值減累積折舊及累積減值虧損列賬。折舊乃以直線法於固定資產之估計可用年限內將其成本值減累積減值虧損撇銷。主要之折舊年率如下：

位於中國之樓宇	按租約剩餘使用年限或5%，以較高者為準
汽車	12%至20%
辦公室設備、傢俬及裝置	19.2%至33.33%
租約物業裝修	20%

裝修改良支出均資本化，並按其對本集團之預計可用年期折舊。

1 Principal accounting policies (continued)

(c) Fixed assets (continued)

(iv) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in properties under construction and other fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the income statement 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 fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

(d) 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 income statement on a straight-line basis over the lease periods.

1 主要會計政策(續)

(c) 固定資產(續)

(iv) 減值與出售盈虧

在每年結算日，均須研究內外資訊以評估建築中物業及其他固定資產項內之資產是否出現減值。如有跡象顯示資產出現減值，則估計資產之可收回價值，及(如適用)將減值虧損入賬以將資產減至其可收回價值。此等減值虧損在收益表入賬，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，此等虧損則當作重估減值。

出售固定資產(投資物業除外)之收益或虧損指出售所得收入淨額與資產賬面值之差額，並於收益表入賬。

(d) 經營租賃

經營租賃是指擁有資產之風險及回報基本上全部由出租公司保留之租賃。根據經營租賃作出之付款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收益表中支銷。

1 Principal accounting policies (continued)

(e) Intangible assets

(i) Goodwill/negative goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture or associated company at the date of acquisition.

Goodwill on acquisitions occurring on or after 1 January 2001 is included in intangible assets and is amortised using the straight-line method over its estimated useful life not exceeding 20 years.

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

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

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

1 主要會計政策(續)

(e) 無形資產

(i) 商譽／負商譽

商譽指收購成本超出於收購日本集團應佔所收購附屬公司、合營企業或聯營公司之淨資產之數額。

於二零零一年一月一日或以後產生之收購商譽計入無形資產，並於其不超過20年之估計可用年期以直線法攤銷。

於二零零一年一月一日前產生之收購商譽於儲備中撇銷。若該商譽有耗蝕，所產生之任何減值均記入收益表。

負商譽指本集團應佔所購淨資產公平值超出收購成本之數額。

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

1 Principal accounting policies (continued)

(e) Intangible assets (continued)

(i) Goodwill/negative goodwill (continued)

The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of or, for pre 1 January 2001 acquisitions, the related goodwill written off against reserves to the extent it has not previously been realised in the income statement.

(ii) Research and development costs

Research costs are expensed as incurred. Cost 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 over the expected useful life to the Group. Development costs that do not meet the above criteria are expensed as incurred.

(iii) 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.

1 主要會計政策(續)

(e) 無形資產(續)

(i) 商譽／負商譽(續)

出售某實體之損益包括與所出售實體有關商譽之未攤銷結餘，或倘若於二零零一年一月一日前進行有關收購，則包括已於儲備中撇銷但之前並未於收益表變現之有關商譽。

(ii) 研究及開發成本

研究成本作為費用支銷。假若能夠證明開發中產品技術上可行及有意完成產品，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成本確認為無形資產。此等開發成本確認為資產，並於其估計可用年限內將其攤銷。不符合上述條件之開發成本作費用支銷。

(iii) 無形資產之減值

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。

1 Principal accounting policies (continued)

(f) Investments in equity securities

Investments which are held for non-trading purpose are stated at fair value at the balance sheet date. Changes in the fair value of individual securities are credited or debited to the investment revaluation reserve until the security is sold, or is determined to be impaired. Upon disposal, the cumulative gain or loss representing the difference between the net sales proceeds and the carrying amount of the relevant security, together with any surplus/deficit transferred from the investment revaluation reserve, is dealt with in the income statement.

Where there is objective evidence that individual investments are impaired the cumulative loss recorded in the revaluation reserve is taken to the income statement.

(g) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value.

Cost is determined by apportionment of the total development costs, including capitalised borrowing costs, attributable to unsold units. Net realisable value is determined on the basis of anticipated sales proceeds, or management estimates based on prevailing market conditions, less all estimated costs to completion and selling expenses.

(h) Properties under development

Properties under development for sale are classified under current assets and stated at the lower of cost and net realisable value.

Cost of properties under development comprises costs of acquisition to the Group, development costs, borrowing costs and other direct costs attributable to the development. Net realisable value is determined by reference to anticipated sales proceeds, or management estimates based on prevailing market conditions, less all estimated costs to completion and selling expenses.

1 主要會計政策(續)

(f) 股本證券投資

持作非買賣用途之投資按結算日之公平值入賬。個別證券公平值之變動在投資重估儲備中貸記或支銷，直至有關證券售出或釐定為價值耗蝕為止。出售證券之累計收益或虧損指出售所得款項淨額與有關證券賬面值之差額，連同轉撥自投資重估儲備之任何盈餘／虧蝕，並在收益表處理。

假若有客觀證據顯示個別投資之價值已下降，則在重估儲備中記錄之累積虧損須撥往收益表。

(g) 待出售物業

待出售物業乃按成本值與可變現淨值二者之較低者列賬。

成本乃按未出售單位之應佔總發展成本(包括已撥充資本之借貸成本)而釐定。可變現淨值乃按預計銷售所得款項或按管理層就當時市況而作出之估計減除直至完成時之所有估計成本及營銷費用計算。

(h) 發展中物業

待出售之發展中物業乃按成本值與可變現淨值二者之較低者列作流動資產。

發展中物業之成本包括本集團動用之收購成本、發展成本、財務費用及該等發展之其他應佔直接成本。可變現淨值乃按預計銷售所得款項或按管理層就當時市況而作出之估計減除直至完成時之所有估計成本及營銷費用計算。

1 Principal accounting policies (continued)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the weighted average cost method. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(j) Trade debtors

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

(k) 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, deposits held at call with banks and bank overdrafts.

(l) Provisions

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. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(m) Employee benefits

(i) Employee leave entitlements

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

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

1 主要會計政策 (續)

(i) 存貨

存貨按成本值與可變現淨值二者之較低者入賬。成本值以加權平均成本法計算。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。

(j) 應收賬款

凡被視為屬呆賬之應收賬款，均提撥準備。在資產負債表內列賬之應收賬款已扣除有關之準備。

(k) 現金及現金等值項目

現金及現金等值項目按成本在資產負債表內列賬。在現金流量表中，現金及現金等值項目包括庫存現金、銀行通知存款及銀行透支。

(l) 撥備

當本集團因過往事件須承擔現有之法律或推定責任，而在解除責任時有可能令到資源流出，同時責任金額能夠可靠地作出估計時，則會確認撥備。當本集團預計撥備可獲償付，則將償付金確認為一項獨立資產，惟只能在償付金可實質確定時確認。

(m) 僱員福利

(i) 僱員休假權益

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

僱員之病假及產假不作確認，直至僱員正式休假為止。

1 Principal accounting policies (continued)

(m) Employee benefits (continued)

(ii) Retirement benefit costs

The Group contributes to a defined contribution retirement scheme which is available to all relevant employees. Contributions to the scheme by the Group and employees are calculated as a percentage of employees' basic salaries.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

The assets of the scheme are held separately from those of the Group in an independently administered fund.

(n) Contingent liabilities

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 financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

(o) Deferred taxation

Deferred taxation is 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 financial statements to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

1 主要會計政策 (續)

(m) 僱員福利 (續)

(ii) 退休金成本

本集團向一項界定供款退休計劃供款，所有有關僱員均可參與。集團與僱員之供款按僱員基本薪金之百分比計算。

本集團向該項界定供款退休計劃作出之供款作為費用支銷，並會以僱員全數取得供款利益前退出計劃而被沒收之供款扣減。

退休計劃之資產與集團之資產分開持有，由獨立管理基金保管。

(n) 或然負債

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為發生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。

(o) 遞延稅項

為課稅而計算之盈利與財務報告所示之盈利二者間之時差，若預期將於可預見將來支付或收回負債或資產，即按現行稅率計算遞延稅項。

1 Principal accounting policies (continued)

(p) Revenue recognition

Revenue from the sale of properties is recognised on the completion of transactions. When properties under development for sale are pre-sold prior to completion, income is recognised on the execution of a binding sales agreement or when the relevant building occupation permit is issued by the relevant authority, whichever is the later. Payments received prior to this stage are recorded as deposits received and included in current liabilities.

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.

Operating lease rental income and license income is recognised on a straight-line basis.

Revenue from the provision of services comprises course fee income and systems integration service income. Course fee income is recognised on an accrual basis. Unearned course fee income is treated as revenue received in advance. Systems integration service income is recognised when the services are rendered.

Property management fee income is recognised when the services are rendered.

Sale of trading securities is recognised on trade day or contract date basis, where appropriate.

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

Dividend income is recognised when the right to receive payment is established.

1 主要會計政策(續)

(p) 收益確認

出售物業之收益在交易完成時確認。倘待出售之發展中物業於竣工前預售，收益則在有約束力銷售協議履行時或有關部門發出有關之樓宇入伙紙時兩者中之較後者確認。在此階段前收取之款項記賬為已收取按金並列於流動負債。

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。

經營租賃之租金收入及牌照收入按直線法確認。

提供服務之收益包括課程費收入及系統集成服務收入。課程費收入以應計法確認。未賺取之課程費收入作為預收收益處理。系統集成服務收入於提供服務時確認。

物業管理費收入於提供服務時確認。

出售買賣證券按交易日或訂約日期基準(倘適用)確認。

利息收入依據未償還本金額及適用利率按時間比例確認。

股息收入在收取股息之權利確定時確認。

1 Principal accounting policies (continued)

(q) 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 income statement in the year in which they are incurred.

(r) 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.

Segment assets consist primarily of fixed assets, investment properties, intangible assets, properties held for sale and under development, receivables and operating cash. Segment liabilities comprise operating liabilities and exclude corporate borrowings. Capital expenditure comprises additions to fixed assets (note 12) and intangible assets (note 13), including additions resulting from acquisitions through purchases of subsidiaries.

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

1 主要會計政策(續)

(q) 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收益表支銷。

(r) 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報告形式，而地區分部資料則以次要報告形式呈列。

分部資產主要包括固定資產、投資物業、無形資產、待出售物業、發展中物業、應收賬款及經營現金。分部負債指經營負債，而不包括企業貸款。資本開支包括購入固定資產(附註12)及無形資產(附註13)的費用，當中包括因收購附屬公司而添置之資產。

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

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

2 Turnover, revenues and segment information

The Group is principally engaged in property development, investment and management, business parks development and management, infocomm technology investment. Revenues recognised during the year are as follows:

(In HK\$'000)	2002	2001
Turnover		
Sales of properties	413,013	361,095
Sales of goods	8,526	—
Gross rental income	14,488	11,663
Rendering of services	6,235	—
Property management fee	1,036	1,285
Sales of trading securities	133	9,005
	<u>443,431</u>	<u>383,048</u>
Other revenues		
Realised gain on sales of non-trading securities	422	12,059
Interest income	3,261	2,456
Dividend income from listed securities	385	1,059
Others	3,074	1,963
	<u>7,142</u>	<u>17,537</u>
Total revenues	<u>450,573</u>	<u>400,585</u>

Primary reporting format – business segments

The Group is organised into four main business segments:

Property	–	development, investment and management of properties
Business park	–	development and management of business parks

2 營業額、收益及分部資料

本集團主要從事物業發展、投資及管理、商業園之開發及管理、資訊科技投資。年內經確認之收益如下：

(以港幣千元為單位)

營業額
出售物業
出售貨品
租金收入總額
提供服務
物業管理費
出售買賣證券
其他收益
出售非買賣證券之已變現收益
利息收入
上市證券之股息收入
其他
總收益

主要報告形式 – 業務分部

本集團主要從事四類業務：

物業	–	物業發展、投資及管理
商業園	–	商業園之發展及管理

2 Turnover, revenues and segment information (continued)

Primary reporting format – business segments (continued)

Infocomm technology – investment in info-communications and education projects, as well as provision of technology services

Other operations – infrastructure investment and securities investment

Secondary reporting format – geographical segments

The Group's four business segments operate in two main geographical areas:

Hong Kong – property investment, development and management, investment in info-communications and education projects, provision of technology services, as well as securities investment

China – property investment, development and management, development and management of business parks, investment in info-communications and education projects, provision of technology services, as well as infrastructure investment

2 營業額、收益及分部資料 (續)

主要報告形式 – 業務分部 (續)

資訊科技 – 資訊及教育項目投資，以及提供科技服務

其他業務 – 基建投資及證券投資

次要報告形式 – 地區分部

本集團四類業務主要在兩個地區經營：

香港 – 物業投資、發展及管理、資訊及教育項目投資、提供科技服務，以及證券投資

中國 – 物業投資、發展及管理、商業園之發展及管理、資訊及教育項目投資、提供科技服務，以及基建投資

Notes To The Financial Statements

For the year ended 31 December 2002

財務報告附註

截至二零零二年十二月三十一日止年度

2 Turnover, revenues and segment information (continued)

Primary reporting format – business segments
2002

	Property	Business park	Infocomm technology	Other operations	Corporate	Eliminations	Group
(HK\$'000)	物業	商業園	資訊科技	其他業務	企業服務	對銷	本集團
Turnover							
External	416,199	12,338	14,761	133	-	-	443,431
Inter-segment	-	270	9	-	-	(279)	-
	<u>416,199</u>	<u>12,608</u>	<u>14,770</u>	<u>133</u>	<u>-</u>	<u>(279)</u>	<u>443,431</u>
Segment results	<u>(4,055)</u>	<u>6,283</u>	<u>(40,157)</u>	<u>(166)</u>	<u>(44,370)</u>	<u>-</u>	<u>(82,465)</u>
Finance costs							(21,991)
Non-operating provisions made							(142,301)
Share of results of associated companies	(26,065)	-	(290)	-	-	-	(26,355)
Share of results of a jointly controlled entity	-	-	-	(3,909)	-	-	(3,909)
Loss before taxation							(277,021)
Taxation							(780)
Loss after taxation							(277,801)
Minority interests							10,782
Loss attributable to shareholders							<u>(267,019)</u>
Segment assets	935,821	966,348	160,864	3,085	186,078	-	2,252,196
Interests in associated companies	56,814	-	-	-	-	-	56,814
Interest in a jointly controlled entity	-	-	-	145,286	-	-	145,286
Total assets							<u>2,454,296</u>
Segment liabilities	359,267	120,141	23,452	9,678	391,524	-	904,062
Total liabilities							<u>904,062</u>
Capital expenditure	1,357	7,968	45,494	-	427	-	55,246
Depreciation	379	750	4,686	-	2,102	-	7,917
Other non-cash expenses	67,366	107,492	36,829	-	800	-	<u>212,487</u>

2 營業額、收益及分部資料 (續)

主要報告形式 – 業務分部
二零零二年

(以港幣千元為單位)

營業額
外部
跨部
分部業績
財務費用
就非經營業務作出撥備
應佔聯營公司業績
應佔共同控制企業業績
除稅前虧損
稅項
除稅後虧損
少數股東權益
股東應佔虧損
分部資產
聯營公司權益
共同控制企業權益
總資產
分部負債
總負債
資本開支
折舊
其他非現金開支

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

2 Turnover, revenues and segment information (continued)

Primary reporting format – business segments

2001

(HK\$'000)	Property 物業	Business park 商業園	Infocomm technology 資訊 科技	Other operations 其他 業務	Corporate 企業 服務	Eliminations 對銷	Group 本集團
Turnover							
External	367,156	6,887	-	9,005	-	-	383,048
Inter-segment	-	-	-	-	-	-	-
	<u>367,156</u>	<u>6,887</u>	<u>-</u>	<u>9,005</u>	<u>-</u>	<u>-</u>	<u>383,048</u>
Segment results	<u>(253,407)</u>	<u>(1,151)</u>	<u>(2,180)</u>	<u>10,004</u>	<u>(55,000)</u>	<u>-</u>	<u>(301,734)</u>
Finance costs							(41,613)
Non-operating provisions made							(17,245)
Share of results of associated companies	(39,962)	-	(1,871)	-	-	-	(41,833)
Share of results of a jointly controlled entity	-	-	-	(456)	-	-	(456)
Loss before taxation							(402,881)
Taxation							(846)
Loss after taxation							(403,727)
Minority interests							7,074
Loss attributable to shareholders							<u>(396,653)</u>
Segment assets	1,296,166	828,882	73	12,966	56,147	-	2,194,234
Interests in associated companies	86,880	-	8,726	-	-	-	95,606
Interest in a jointly controlled entity	-	-	-	150,773	-	-	150,773
Total assets							<u>2,440,613</u>
Segment liabilities	621,825	124,678	20,815	45,868	405,832	-	1,219,018
Total liabilities							<u>1,219,018</u>
Capital expenditure	7,911	68,569	-	-	1,960	-	78,440
Depreciation	1,090	625	18	-	1,135	-	2,868
Other non-cash expenses	236,230	-	7,194	17,526	671	-	261,621

2 營業額、收益及分部資料 (續)

主要報告形式 – 業務分部

二零零一年

(以港幣千元為單位)

營業額

外部

跨部

分部業績

財務費用

就非經營業務

作出撥備

應佔聯營公司

業績

應佔共同控制

企業業績

除稅前虧損

稅項

除稅後虧損

少數股東權益

股東應佔

虧損

分部資產

聯營公司

權益

共同控制企業

權益

總資產

分部負債

總負債

資本開支

折舊

其他非現金

開支

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

2 Turnover, revenues and segment information (continued)

Secondary reporting format – geographical segments
2002

(In HK\$'000)	Turnover 營業額	Operating loss 經營虧損	Total assets 總資產	Capital expenditure 資本開支
Hong Kong	417,032	(44,473)	474,285	3,446
China	26,399	(37,992)	1,980,011	51,800
	<u>443,431</u>	<u>(82,465)</u>	<u>2,454,296</u>	<u>55,246</u>

2001

(In HK\$'000)	Turnover 營業額	Operating loss 經營虧損	Total assets 總資產	Capital expenditure 資本開支
Hong Kong	376,161	(295,467)	884,663	2,829
China	6,887	(6,267)	1,555,950	75,611
	<u>383,048</u>	<u>(301,734)</u>	<u>2,440,613</u>	<u>78,440</u>

2 營業額、收益及分部資料 (續)

次要報告形式 – 地區分部
二零零二年

(以港幣千元為單位)

二零零一年

(以港幣千元為單位)

3 Provisions made for operations

(In HK\$'000)

2002

2001

(以港幣千元為單位)

Provisions made in relation to:

Property projects	29,390	235,682
Long-term investment in equity securities	–	7,475
Fixed assets	22,337	–
Inventories	3,731	–
Doubtful debts	3,327	236
	<u>58,785</u>	<u>243,393</u>

就以下項目作出撥備：

物業項目
於股本證券之
長期投資
固定資產
存貨
呆賬

3 就經營業務作出撥備

For the year ended 31 December 2002

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4 Operating loss

Operating loss is stated after crediting and charging the following:

(In HK\$'000)	2002	2001
Crediting		
Rental income from		
– investment properties		
Gross income	12,338	6,887
Less: direct outgoings	(1,378)	(1,237)
	<u>10,960</u>	<u>5,650</u>
– properties held for sale and under development	2,150	4,776
Realisation of negative goodwill	6,378	–
Gain on disposal of fixed assets	1,136	–
Gain on disposal of a subsidiary	–	868
	<u> </u>	<u> </u>
Charging		
Depreciation of fixed assets	9,810	3,404
Less: amounts capitalised to properties under construction	(51)	(192)
amounts capitalised to properties under development	(1,842)	(344)
	<u>7,917</u>	<u>2,868</u>
Unrealised holding loss on non-trading securities	705	–
Amortisation of goodwill	5,390	–
Amortisation of development costs	4,576	–
Loss on disposal of fixed assets	–	983
Loss on disposal of subsidiaries	730	–
Operating lease rentals in respect of land and buildings	4,359	5,184
Auditors' remuneration		
– current year	1,367	928
– (over)/underprovision for previous years	(146)	107
Staff costs (including directors' remuneration)	50,735	38,182
Retirement benefit costs	903	740

4 經營虧損

經營虧損已計入及扣除下列項目：

(以港幣千元為單位)
計入
租金收入
– 投資物業
收入總額
減：直接費用
– 待出售及發展中物業
負商譽變現
出售固定資產之收益
出售一間附屬公司之收益
扣除
固定資產之折舊
減：撥作建築中物業資本之數額
撥作發展中物業資本之數額
持有非買賣證券之未變現虧損
商譽攤銷
開發成本攤銷
出售固定資產之虧損
出售附屬公司之虧損
土地及樓宇之經營租賃支出
核數師酬金
– 本年度
– 以往年度(剩餘)撥備不足
員工成本 (包括董事酬金)
退休福利成本

For the year ended 31 December 2002

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5 Finance costs

(In HK\$'000)	2002	2001
Interest on bank and other borrowings wholly repayable within five years	26,077	54,883
Other borrowing costs	5,017	2,447
Total borrowing costs incurred	31,094	57,330
Less: amounts capitalised to properties under construction	(2,317)	(3,543)
amounts capitalised to properties under development	(6,786)	(12,174)
Total borrowing costs capitalised	(9,103)	(15,717)
	21,991	41,613

5 財務費用

(以港幣千元為單位)
須於五年內全部償還之銀行及其他貸款利息
其他借貸費用
產生之借貸成本總額
減：撥作建築中物業成本之數額
撥作發展中物業成本之數額
撥作資本之借貸成本總額

6 Non-operating provisions made

(In HK\$'000)	2002	2001
Provisions made for impairment in values of:		
Goodwill arising on acquisition of a subsidiary (Note)	106,694	—
Interest in a jointly controlled entity	—	17,245
Provision for property project due to contract frustration	24,700	—
Provision for a contractual claim	10,907	—
	142,301	17,245

6 就非經營業務作出撥備

(以港幣千元為單位)
就下列項目之減值作出撥備：
收購一間附屬公司產生之商譽(附註)
共同控制企業權益
物業項目因合約受挫失效而產生之撥備
合約索償之撥備

Note:

This represents the goodwill previously written off against reserves prior to 1 January 2001. According to the Group's accounting policies as set out in Note 1 (e), the amount was written off to the income statement due to impairment.

附註：

指於二零零一年一月一日前已在儲備中撇銷之商譽。根據本集團之會計政策(已載於附註1(e))，基於減值理由，此數額已從收益表中撇銷。

7 Taxation

Hong Kong profits tax has been provided at the rate of 16% (2001: 16%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

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

(In HK\$'000)	2002	2001
Hong Kong profits tax	780	13
Overseas taxation	—	833
	<u>780</u>	<u>846</u>

There was no material unprovided deferred taxation for the year.

8 Loss attributable to shareholders

The loss attributable to shareholders is dealt with in the financial statements of the Company to the extent of HK\$155,802,000 (2001: HK\$328,766,000).

9 Loss per share

The calculation of basic loss per share is based on the Group's loss attributable to shareholders of HK\$267,019,000 (2001: HK\$396,653,000).

The basic loss per share is based on the weighted average of 2,365,686,867 (2001: 1,667,935,487) ordinary shares in issue during the year.

Diluted loss per share is not shown as there were no dilutive potential ordinary shares.

7 稅項

香港利得稅乃按照本年度估計應課稅溢利依稅率16% (二零零一年：16%) 提撥準備。海外溢利之稅款，則按照本年度估計應課稅溢利依本集團經營業務地區之現行稅率計算。

在綜合收益表中支銷之稅項如下：

(以港幣千元為單位)

香港利得稅
海外稅項

本年度並無重大未撥準備之遞延稅項。

8 股東應佔虧損

計入本公司財務報告之股東應佔虧損為港幣155,802,000元 (二零零一年：港幣328,766,000元)。

9 每股虧損

每股基本虧損是根據本集團之股東應佔虧損港幣267,019,000元 (二零零一年：港幣396,653,000元) 計算。

每股基本虧損是按年內已發行普通股之加權平均股數2,365,686,867股 (二零零一年：1,667,935,487股) 計算。

由於並無潛在攤薄普通股，故無呈列每股攤薄虧損。

10 Retirement benefit costs

Forfeited contributions totalling HK\$672,000 (2001: HK\$481,000) were utilised during the year to reduce future contributions.

Contributions totalling HK\$252,000 (2001: HK\$169,000) were payable to the fund at the year end and are included in creditors and accruals.

11 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:

(In HK\$'000)	2002	2001
Fees	510	602
Salaries, allowances and other benefits	9,487	8,800
Contributions to retirement benefit schemes	330	210
	<u>10,327</u>	<u>9,612</u>

Directors' fees disclosed above include HK\$390,000 (2001: HK\$119,000) paid to independent non-executive directors.

The emoluments of the directors fell within the following bands:

Emolument bands	Number of directors 董事人數	
	2002	2001
Nil – HK\$1,000,000	14	17
HK\$1,000,001 – HK\$1,500,000	1	2
HK\$2,000,001 – HK\$2,500,000	1	3
HK\$2,500,001 – HK\$3,000,000	1	–
HK\$3,000,001 – HK\$3,500,000	1	–
	<u>18</u>	<u>22</u>

10 退休福利成本

沒收之供款合共港幣672,000元(二零零一年：港幣481,000元)已於年內應用，以減低日後之供款。

須於年結日支付予基金之供款總額為港幣252,000元(二零零一年：港幣169,000元)，並列於應付賬款及應計賬項內。

11 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：

(以港幣千元為單位)

袍金
薪金、津貼及其他福利
退休福利計劃
之供款

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390,000元(二零零一年：港幣119,000元)。

支付予董事之酬金組別如下：

酬金組別
零至港幣1,000,000元
港幣1,000,001元至港幣1,500,000元
港幣2,000,001元至港幣2,500,000元
港幣2,500,001元至港幣3,000,000元
港幣3,000,001元至港幣3,500,000元

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11 Directors' and senior management's emoluments (continued)**11 董事及高級管理人員酬金 (續)****(b) Five highest paid individuals****(b) 五名最高薪酬人士**

The five individuals whose emoluments were the highest in the Group for the year include three (2001: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2001: two) highest paid individuals during the year are as follows:

本年度本集團內五名最高薪酬人士包括三名(二零零一年:三名)董事,其酬金已載於上文分析。其餘兩名(二零零一年:兩名)最高薪酬人士之酬金分析如下:

(In HK\$'000)	2002	2001
Salaries, allowances and other benefits	3,261	3,346
Contributions to retirement benefit schemes	76	122
	<u>3,337</u>	<u>3,468</u>

(以港幣千元為單位)

薪金、津貼及其他福利
退休福利計劃
供款

The emoluments fell within the following bands:

酬金之組別如下:

Emolument bands	Number of directors 董事人數	
	2002	2001
HK\$1,500,001 – HK\$2,000,000	<u>2</u>	<u>2</u>

酬金組別

港幣 1,500,001 元至港幣 2,000,000 元

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12 Fixed assets

Group

(In HK\$'000)	Buildings in China under		Motor vehicles	Office equipment	Furniture and fixtures	Leasehold improvements	Properties under construction	Total
	Investment properties	medium-term lease						
	投資 物業	中國之中期 契約樓宇	汽車	辦公室 設備	傢俬及 裝置	租約 物業裝修	建築中 物業	總值
Cost or valuation								
At 1 January 2002	160,128	16,988	5,559	4,573	1,096	4,393	601,101	793,838
Exchange difference	-	-	(2)	-	(2)	(2)	-	(6)
Acquisition of subsidiaries (Note 27(b))	-	-	2,937	58,417	2,896	5,448	-	69,698
Additions	-	546	994	2,583	800	991	7,166	13,080
Revaluation deficit	(20,605)	-	-	-	-	-	-	(20,605)
Disposals	-	-	(2,104)	(734)	(221)	-	-	(3,059)
Impairment loss	-	-	(1,901)	(30,370)	(1,215)	(1,598)	-	(35,084)
At 31 December 2002	139,523	17,534	5,483	34,469	3,354	9,232	608,267	817,862
Accumulated depreciation and impairment								
At 1 January 2002	-	2,234	2,625	2,219	436	1,591	-	9,105
Acquisition of subsidiaries (Note 27(b))	-	-	767	27,189	1,946	2,206	-	32,108
Charge for the year	-	1,788	1,237	2,844	358	3,583	-	9,810
Disposals	-	-	(1,403)	(501)	(97)	-	-	(2,001)
Impairment loss	-	-	(599)	(11,045)	(314)	(789)	-	(12,747)
At 31 December 2002	-	4,022	2,627	20,706	2,329	6,591	-	36,275
Net book value								
At 31 December 2002	139,523	13,512	2,856	13,763	1,025	2,641	608,267	781,587
At 31 December 2001	160,128	14,754	2,934	2,354	660	2,802	601,101	784,733
The analysis of cost or valuation of the above assets is as follows:								
At cost	-	17,534	5,483	34,469	3,354	9,232	608,267	678,339
At professional valuation - 2002	139,523	-	-	-	-	-	-	139,523
	139,523	17,534	5,483	34,469	3,354	9,232	608,267	817,862

The Group's interest in investment properties is situated in China under medium term lease.

Investment properties were revalued at 31 December 2002 on the basis of their open market value by DTZ Debenham Tie Leung Limited, an independent qualified valuer.

12 固定資產

本集團

(以港幣千元為單位)

成本值或估值
於二零零二年一月一日
匯兌差額
收購附屬公司(附註27(b))
增添
重估虧蝕
出售
減值虧損

於二零零二年十二月三十一日

累積折舊及
減值
於二零零二年一月一日
收購附屬公司(附註27(b))
本年度折舊
出售
減值虧損

於二零零二年十二月三十一日

賬面淨值
於二零零二年十二月三十一日

於二零零一年十二月三十一日

上述資產之成本值或估值分析如下：

按成本
按專業估值－二零零二年

本集團於中國之投資物業權益乃以中期租約持有。

投資物業於二零零二年十二月三十一日按公開市值基準由獨立合資格估值師戴德梁行有限公司進行重估。

12 Fixed assets (continued)

At 31 December 2002, no investment properties (2001: HK\$89,454,000) were pledged to secure bank loan granted to the Group.

At 31 December 2002, total borrowing costs of HK\$2,317,000 (2001: HK\$3,543,000) were capitalised to properties under construction.

13 Intangible assets

(In HK\$'000)	Group 本集團			Total 總額
	Goodwill 商譽	Negative goodwill 負商譽	Development costs 發展成本	
Net book value at 1 January 2002	-	-	-	-
Acquisition of subsidiaries (Note 27(b))	117,631	(6,378)	4,411	115,664
Additions	-	-	165	165
Amortisation	(5,390)	-	(4,576)	(9,966)
Realisation	-	6,378	-	6,378
Net book value at 31 December 2002	<u>112,241</u>	<u>-</u>	<u>-</u>	<u>112,241</u>
At 31 December 2002				
Cost	117,631	(6,378)	68,555	179,808
Accumulated amortisation and impairment loss	(5,390)	-	(68,555)	(73,945)
Realisation	-	6,378	-	6,378
	<u>112,241</u>	<u>-</u>	<u>-</u>	<u>112,241</u>
At 31 December 2001				
Cost	-	-	63,979	63,979
Accumulated amortisation and impairment loss	-	-	(63,979)	(63,979)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12 固定資產 (續)

於二零零二年十二月三十一日，概無投資物業用作本集團獲授之銀行貸款抵押品(二零零一年：港幣89,454,000元)。

於二零零二年十二月三十一日，總額達港幣2,317,000元(二零零一年：港幣3,543,000元)之借貸成本已撥作建築中物業成本。

13 無形資產

(以港幣千元為單位)

於二零零二年一月一日賬面淨值
收購附屬公司
(附註27(b))
增添
攤銷
變現

於二零零二年十二月三十一日
賬面淨值

於二零零二年十二月三十一日
成本
累計攤銷及減值
虧損
變現

於二零零一年十二月三十一日
成本
累計攤銷及減值
虧損

13 Intangible assets (continued)

- (a) In May 2002 the Group acquired the entire issued share capital of CyberCity Investments Limited (“CCI”) which is principally engaged in infocomm technology business. The consideration of HK\$140,400,000 (equivalent to approximately US\$18 million) was satisfied by way of allotment and issue of 334,285,714 ordinary shares of HK42 cents per share.

The consideration is subject to an upward adjustment of HK\$14,973,000 (equivalent to approximately US\$1,920,000) pursuant to the terms of a put options scheme (“Campusall Put Options”) dated 26 September 2000 between CCI and nine former shareholders of CampusAll Limited (“Put Options Holders”), a subsidiary of CCI, under which the latter has an option to require CCI to purchase their respective shareholdings in another subsidiary of CCI. Prior to the completion of the acquisition, one of the Put Options Holders exercised its options for US\$550,000. Consideration for exercising the remaining Campusall Put Options in full amounted to HK\$10,683,000 (equivalent to approximately US\$1,370,000).

During the year, the Group acquired the remaining Campusall Put Options at a total consideration of HK\$8,214,000. Given the fair value of the net identifiable assets of CCI at the date of the acquisition was HK\$41,078,000, the resulting goodwill was adjusted to HK\$115,947,000 and will be amortised on a straight-line basis over its estimated useful life in accordance with the Group’s accounting policy.

As a result of the above acquisition, the Group’s loss for the year has been increased by HK\$28,770,000 and the Group’s net assets were decreased accordingly.

13 無形資產(續)

- (a) 於二零零二年五月，本集團收購 CyberCity Investments Limited (「CCI」) 全部已發行股本。CCI 主要從事資訊科技業務。代價為港幣 140,400,000 元 (相等於約 18,000,000 美元)，已透過配發及發行 334,285,714 股每股作價港幣 42 仙之普通股支付。

根據 CCI 與 CampusAll Limited (CCI 之附屬公司) 九名前股東 (「認沽期權持有人」) 於二零零零年九月二十六日訂立之認沽期權計劃 (「Campusall 認沽期權」) 之條款，代價可予上調港幣 14,973,000 元 (相等於約 1,920,000 美元)。根據 Campusall 認沽期權，認沽期權持有人有權要求 CCI 購買彼等於 CCI 另一附屬公司之股權。在完成收購前，其中一名認沽期權持有人行使其期權，金額為 550,000 美元。全數行使餘下 Campusall 認沽期權之代價為港幣 10,683,000 元 (相等於約 1,370,000 美元)。

於年內，本集團以總代價港幣 8,214,000 元收購 Campusall 尚有之認沽期權餘額。於收購日 CCI 之可辨別淨資產之公平值為港幣 41,078,000 元，故商譽調整至港幣 115,947,000 元及將會根據本集團之會計政策於其估計可使用年內按直線法攤銷。

本集團於年內的虧損因上述收購增加港幣 28,770,000 元，本集團淨資產亦相應減少。

13 Intangible assets (continued)

- (b) In September 2002 the Group acquired 12% of the registered capital in Vision Century Real Estate Development (Dalian) Co., Ltd. (formerly known as Dalian Wanguo Amenity Centre Company Limited), a then 88% subsidiary of the Group at a total consideration of approximately HK\$8,371,000. The resulting goodwill will be amortised on a straight-line basis over its estimated useful life in accordance with the Group's accounting policy.
- (c) Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition upon the 35% increase in shareholdings in Beijing Golden Voyage Electronic Technology Co., Ltd., a then 50% associated company of the Group.

14 Interests in subsidiaries

(In HK\$'000)	Company 本公司	
	2002	2001
Amounts due from subsidiaries	2,930,335	2,645,135
Less: provision	(1,334,552)	(1,177,590)
	1,595,783	1,467,545
Amounts due to subsidiaries	(129,073)	(598)
	1,466,710	1,466,947

13 無形資產 (續)

- (b) 於二零零二年九月，本集團以總代價約港幣8,371,000元收購威新房地產開發(大連)有限公司(前稱大連萬國娛樂中心有限公司)註冊資本之12%，該公司乃本集團當時之88%附屬公司。所產生之商譽將會根據本集團之會計政策以直線法在其估計可使用年內攤銷。
- (c) 負商譽指本集團增持北京金海航電子技術有限責任公司(本集團當時的50%聯營公司)35%股權分佔所收購淨資產之公平值高於增持成本之差額。

14 附屬公司權益

(In HK\$'000)	2002	2001	(以港幣千元為單位)
Amounts due from subsidiaries	2,930,335	2,645,135	應收附屬公司款項
Less: provision	(1,334,552)	(1,177,590)	減：撥備
	1,595,783	1,467,545	
Amounts due to subsidiaries	(129,073)	(598)	應付附屬公司款項
	1,466,710	1,466,947	

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14 Interests in subsidiaries (continued)

- (a) Particulars of the principal subsidiaries as at 31 December 2002 which were incorporated and are operating in Hong Kong except otherwise stated are as follows:

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料 普通股股數	每股面值	本集團所持有 已發行普通股/ 註冊資本面值比例	主要業務
Directly held by the Company:				
直接由本公司持有：				
Vision Century Secretaries Limited 威新秘書有限公司	2	HK\$1 港幣1元	100%	Secretarial and nominee services 秘書及代名人服務
Indirectly held by the Company:				
間接由本公司持有：				
Beijing Gang Lu Real Estate Development Co., Ltd. (i) (iv)(vii) 北京港旅房地產開發有限公司(i)(iv)(vii)	–	US\$11,200,000 (registered capital) 11,200,000美元 (註冊資本)	65%	Property development in China 中國物業發展
Beijing Golden Voyage Electronic Technology Co., Ltd. (i) (iv)(v) 北京金海航電子技術有限責任公司(i) (iv)(v)	–	HK\$18,000,000 (registered capital) 港幣18,000,000元 (註冊資本)	85%	Development and sale of education software 教育軟件開發及銷售
Best Keeping Resources Limited 啟福資源有限公司	2	HK\$1 港幣1元	100%	Property and golf club membership holding 持有物業及高爾夫球會會籍

14 附屬公司權益 (續)

- (a) 除特別註明外，所有於二零零二年十二月三十一日之主要附屬公司皆在香港註冊成立及經營業務，其有關資料如下：

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14 Interests in subsidiaries (continued)

14 附屬公司權益(續)

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料 普通股股數	每股面值	本集團所持有 已發行普通股/ 註冊資本面值比例	主要業務
Billion Property Limited (ii)	1	US\$1 1美元	100%	Investment holding 投資控股
Campusall Company Limited (i) (iv)	10,000	HK\$1 港幣1元	97.34%	Investment holding 投資控股
CC-Edu Holdings Limited (ii)	112,504	US\$0.1 0.1美元	60.37%	Investment holding 投資控股
Century Nova Cyber Technology (Shenzhen) Co., Ltd. (formerly known as Shenzhen CyberCity E-Commerce Co., Ltd.) (i) (iv)(v) 世紀南凌數碼科技有限公司(前稱賽博韋爾電子商務(深圳)有限公司)(i)(iv)(v)	-	RMB10,000,000 (registered capital) 人民幣10,000,000元 (註冊資本)	90%	Computer networking services 電腦網絡服務
Com.Com Learning Technology (Shenzhen) Co., Ltd. (i) (iv)(v) 康達康信息技術(深圳)有限公司(i)(iv)(v)	-	US\$300,000 (registered capital) 300,000美元 (註冊資本)	60.37%	English training services 英語培訓服務
Cursor Media IT (Shenzhen) Co., Ltd. (i) (iv)(v) 智慧之泉信息技術(深圳)有限公司(i)(iv)(v)	-	US\$1,500,000 (registered capital) 1,500,000美元 (註冊資本)	60.37%	Sales of educational software and web-based education services 銷售教育軟件及依托網路提供之教育服務
CyberCity Cursor Media Co. Ltd (i)(iv)(v) 賽博智慧源信息技術(深圳)有限公司(i)(iv)(v)	-	RMB5,000,000 (registered capital) 人民幣5,000,000元 (註冊資本)	60.37%	Development of education hardware and software/ consultancy services 教育硬件及軟件開發/ 顧問服務

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

14 Interests in subsidiaries (continued)

14 附屬公司權益(續)

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料 普通股股數	每股面值	本集團所持有 已發行普通股/ 註冊資本面值比例	主要業務
CyberCity Investments Limited (ii)	40,000,000	US\$0.01 0.01美元	100%	Investment holding 投資控股
CyberCity Investments (SZ) Limited (i) (iv)(v) 賽合投資諮詢(深圳)有限公司(i) (iv)(v)	–	US\$250,000 (registered capital) 250,000美元 (註冊資本)	100%	Business consulting services 商業顧問服務
E-Commerce Technology Limited (ii)	1	US\$1 1美元	100%	Investment holding 投資控股
Glory Honour Development Limited 港忠發展有限公司	10,000	HK\$1 港幣1元	100%	Property development 物業發展
Great Project Property Limited 大捷物業有限公司	100	HK\$1 港幣1元	65%	Investment holding 投資控股
Ideal Investment Holdings Limited (ii)	50,000	US\$1 1美元	100%	Investment holding 投資控股
Limbo Enterprises Limited (ii)	1	US\$1 1美元	100%	Property development 物業發展
Million Wealth Development Limited 百財發展有限公司	2	HK\$1 港幣1元	100%	Property development 物業發展
New Digital Associates Limited (ii)	14,286	US\$1 1美元	85%	Investment holding 投資控股
Nova Network Holdings Limited (iii)	25,000,000	US\$0.25 0.25美元	90%	Computer networking services 電腦網絡服務
Nova Network Limited	2	HK\$1 港幣1元	90%	Computer networking services 電腦網絡服務

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截至二零零二年十二月三十一日止年度

14 Interests in subsidiaries (continued)

14 附屬公司權益(續)

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料 普通股股數	每股面值	本集團所持有 已發行普通股/ 註冊資本面值比例	主要業務
Jubilee Success Limited (ii)	1	US\$1 1美元	90%	Investment holding 投資控股
Maxwin Holdings Limited	100	US\$1 1美元	100%	Investment holding 投資控股
Prosper Advance Investments Limited 昌毅投資有限公司	2	HK\$1 港幣1元	100%	Property development 物業發展
Readworld.com Corporation (iii)	1,000,000	US\$0.1 0.1美元	97.34%	Investment holding 投資控股
Rich Ocean Development Limited 裕海發展有限公司	10,000	HK\$1 港幣1元	100%	Property development 物業開發
Tenways Investments Limited (ii)	1	US\$1 1美元	100%	Investment holding 投資控股
The 8th Network Corporation (iii)	2	US\$1 1美元	100%	Investment holding 投資控股
The 8th Network Corp. (HK) Limited	2	HK\$1 港幣1元	100%	Business consulting services 商業顧問服務
8th Network China Co Ltd. (i) (iv)(v) 慧科管理諮詢有限公司(i) (iv)(v)	-	US\$6,500,000 (registered capital) 6,500,000美元 (註冊資本)	97.34%	Consultancy and translation service 顧問及翻譯服務

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截至二零零二年十二月三十一日止年度

14 Interests in subsidiaries (continued)

14 附屬公司權益(續)

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料 普通股股數	每股面值	本集團所持有 已發行普通股/ 註冊資本面值比例	主要業務
VCC iCapital Limited (ii)	2	US\$1 1美元	100%	Investment holding 投資控股
Victory Great Investment Limited 好本利投資有限公司	2	HK\$1 港幣1元	100%	Property development 物業發展
Vision Business Park (TH) Limited (ii)	1	US\$1 1美元	100%	Investment holding 投資控股
Vision Business Park Marketing Services Limited (ii)	1	US\$1 1美元	100%	Marketing services 市場推廣服務
Vision Century Administration Limited	500,000	HK\$1 港幣1元	100%	Management consultancy services 管理顧問服務
Vision Century Capital Limited 威新融資有限公司	2	HK\$1 港幣1元	100%	Group financing 集團融資
Vision Century Estate Agents Limited 威新物業代理有限公司	2	HK\$1 港幣1元	100%	Real estate agency 房地產經紀
Vision Century Investments (Dalian) Limited 威新投資(大連)有限公司	2	HK\$1 港幣1元	100%	Investment holding 投資控股

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截至二零零二年十二月三十一日止年度

14 Interests in subsidiaries (continued)

14 附屬公司權益(續)

Name of subsidiaries	Particulars of issued share capital		Proportion of nominal value	Principal activities
	Number of ordinary shares	Par value per share	of issued ordinary share capital/registered capital held by the Group	
附屬公司名稱	已發行股本資料 普通股股數	每股面值	本集團所持有 已發行普通股/ 註冊資本面值比例	主要業務
Vision Century Property Consultancy Services Limited (ii)	1	US\$1 1 美元	100%	Property consultancy services 物業顧問服務
Vision Century Property Management Limited 威新物業管理有限公司	2	HK\$1 港幣1元	100%	Property management 物業管理
Vision Century Real Estate Development (Dalian) Co., Ltd. (formerly known as Dalian Wanguo Amenity Centre Company Limited) (i) (iv)(v) 威新房地產開發(大連)有限公司 (前稱大連萬國娛樂中心有限公司) (i) (iv)(v)	–	US\$10,000,000 (registered capital) 10,000,000 美元 (註冊資本)	100%	Property development in China 中國物業發展
Vision Huaqing (Beijing) Development Co., Ltd. (i) (iv) 威新華清(北京)置業發展有限公司(i)(iv)	–	RMB130,000,000 (registered capital) 人民幣130,000,000元 (註冊資本)	60%	Business park development in China 中國商業園發展
Vision (Shenzhen) Business Park Co., Ltd. (i) (iv) (vi) 深圳威新軟件科技園有限公司(i) (iv)(vi)	–	RMB100,000,000 (registered capital) 人民幣100,000,000元 (註冊資本)	95%	Business park development in China 中國商業園發展
Wide Best Development Limited 偉宏發展有限公司	2	HK\$1 港幣1元	100%	Property development 物業發展

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

14 Interests in subsidiaries (continued)

Notes:

- (i) Registered and with place of business in China
- (ii) Incorporated in the British Virgin Islands
- (iii) Incorporated in the Cayman Islands
- (iv) Not audited by PricewaterhouseCoopers
- (v) Wholly foreign-owned enterprise
- (vi) Sino-foreign equity joint venture enterprise
- (vii) Sino-foreign cooperative joint venture enterprise

15 Interests in associated companies**Group**

(In HK\$'000)	2002	2001
Share of net liabilities	(200,382)	(136,872)
Capital reserve on acquisition of an associated company	—	(28,917)
	<u>(200,382)</u>	<u>(165,789)</u>
Amounts due from associated companies	257,196	261,395
	<u>56,814</u>	<u>95,606</u>
Investment at cost		
Unlisted shares	156	40,156

- (a) The Group's share of results of associated companies includes a provision of HK\$34,802,000 (2001: HK\$48,000,000) representing the Group's share of deficit on revaluation of an investment property held by an associated company.

14 附屬公司權益 (續)

附註：

- (i) 於中國註冊及經營
- (ii) 於英屬處女群島註冊成立
- (iii) 於開曼群島註冊成立
- (iv) 非由羅兵咸永道會計師事務所審核
- (v) 外商獨資企業
- (vi) 中外合資合營企業
- (vii) 中外合作合營企業

15 聯營公司權益**本集團**

(以港幣千元為單位)

應佔負債淨額
收購一間聯營公司 之資本儲備
應收聯營公司 款項
投資，按成本值 非上市股份

- (a) 本集團應佔聯營公司業績包括港幣34,802,000元(二零零一年：港幣48,000,000元)之撥備，作為本集團應佔一間聯營公司所持投資物業之重估虧絀。

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

15 Interests in associated companies (continued)

- (b) Particulars of the principal associated companies as at 31 December 2002 which were incorporated and are operating in Hong Kong except otherwise stated are as follows:

15 聯營公司權益 (續)

- (b) 除特別註明外，於二零零二年十二月三十一日之主要聯營公司皆在香港註冊成立及經營業務，其有關資料如下：

Name of associated companies indirectly held by the Company 間接由本公司持有之 聯營公司名稱	Proportion of nominal value of issued ordinary share capital held by the Group 本集團所佔已發行 普通股面值之比例	Principal activities 主要業務
Fortune Top Properties Limited 福高置業有限公司	40.002%	Property investment 物業投資
Longshine Assets Limited (i) (ii)	40.002%	Investment holding 投資控股
Poly-Strong Development Limited 澎健發展有限公司	50%	Property trading 物業買賣

Notes:

- (i) Incorporated in the British Virgin Islands
(ii) Not audited by PricewaterhouseCoopers

附註：

- (i) 於英屬處女群島註冊成立
(ii) 非由羅兵咸永道會計師事務所審核

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

15 Interests in associated companies (continued)

- (c) Extracts of financial information of a significant associated company are set out as follows:

(In HK\$'000)	Unaudited 未經審核 2002	Unaudited 未經審核 2001
Operating results		
Turnover	<u>25,394</u>	<u>28,614</u>
Loss attributable to shareholders	<u>(85,259)</u>	<u>(100,098)</u>
Financial position		
Investment property	193,000	280,000
Current assets	6,286	10,754
Current liabilities	(10,910)	(26,534)
Shareholders' loans	(642,958)	(652,958)
Other non-current liabilities	<u>(47,500)</u>	<u>(48,000)</u>
Shareholders' deficit	<u>(502,082)</u>	<u>(436,738)</u>

15 聯營公司權益 (續)

- (c) 一間主要聯營公司之財務資料摘錄如下：

(以港幣千元為單位)

經營業績

營業額

股東應佔虧損

財務狀況

投資物業

流動資產

流動負債

股東貸款

其他非流動負債

股東虧絀

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

16 Interest in a jointly controlled entity Group

(In HK\$'000)	2002	2001
Share of net assets	21,395	26,882
Amount due from a jointly controlled entity	141,136	141,136
	<u>162,531</u>	<u>168,018</u>
Less: provision	(17,245)	(17,245)
	<u>145,286</u>	<u>150,773</u>
Investment at cost		
Unlisted shares	<u>23,827</u>	<u>23,827</u>

- (a) Interest in a jointly controlled entity represents the Group's 50% interest in Wuhu Baoda Electric-Power Development Company Limited, a corporation which is registered and operating in Wuhu, China, which in turn has a 50% interest in a power plant in Wuhu, China.
- (b) Extracts of financial information of the jointly controlled entity are set out as follows:

(In HK\$'000)	Unaudited 未經審核 2002	Unaudited 未經審核 2001
Operating results		
Turnover	<u>97,672</u>	<u>88,992</u>
Loss attributable to shareholders	<u>(7,819)</u>	<u>(912)</u>
Financial position		
Fixed assets	256,879	277,138
Current assets	68,796	59,793
Current liabilities	(607)	(890)
Shareholders' loans	(282,278)	(282,278)
Shareholders' funds	<u>42,790</u>	<u>53,763</u>

16 共同控制企業權益 本集團

(以港幣千元為單位)

應佔資產淨額
共同控制企業
欠款

減：撥備

投資，按成本值
非上市股份

- (a) 共同控制企業權益乃指本集團於蕪湖保達電力開發有限公司之50%權益，該公司為一間於中國蕪湖註冊及經營之企業，並擁有一間位於中國蕪湖之發電廠之50%權益。
- (b) 該共同控制企業之財務資料摘錄如下：

(以港幣千元為單位)

經營業績

營業額

股東應佔虧損

財務狀況

固定資產

流動資產

流動負債

股東貸款

股東基金

17 Investments in equity securities

(In HK\$'000)	Group 本集團		Company 本公司	
	2002	2001	2002	2001
Non-trading securities, at fair value				
Listed in Hong Kong	–	5,318	–	–
Unlisted	16,847	6,465	6,465	6,465
	<u>16,847</u>	<u>11,783</u>	<u>6,465</u>	<u>6,465</u>

18 Properties held for sale

At 31 December 2002, the carrying amount of properties held for sale of the Group that are carried at net realisable value amounted to HK\$122,647,000 (2001: HK\$452,733,000).

19 Properties under development

At 31 December 2002, the carrying amount of properties under development of the Group that are carried at cost and net realisable value amounted to HK\$457,833,000 (2001: HK\$471,153,000) and HK\$57,315,000 (2001: HK\$87,615,000) respectively.

For the current year, payment for lands of which formal land use right certificates have not yet been obtained by the Group is excluded as part of properties under development and is presented as debtors, deposits and prepayment. This change is made for better presentation of the operating assets of the Group and the comparative figures have been restated accordingly.

20 Inventories

At 31 December 2002, the carrying amount of inventories that are carried at net realisable value amounted to HK\$184,000 (2001: Nil).

17 股本證券投資

(以港幣千元為單位)

非買賣證券，
按公平值
香港上市
非上市

18 待出售物業

於二零零二年十二月三十一日，本集團以可變現淨值列賬之待出售物業之賬面值為港幣122,647,000元（二零零一年：港幣452,733,000元）。

19 發展中物業

於二零零二年十二月三十一日，本集團以成本及可變現淨值列賬之發展中物業之賬面值分別為港幣457,833,000元（二零零一年：港幣471,153,000元）及港幣57,315,000元（二零零一年：港幣87,615,000元）。

於本年度，本集團就尚未取得正式土地使用權證書之土地所支付之款項，並不計入發展中物業，只作為應收賬款、按金及預付款項呈列。此改動能更佳地呈列本集團之營運資產，因此比較數字亦相應重列。

20 存貨

於二零零二年十二月三十一日，以可變現淨值列賬之存貨賬面值為港幣184,000元（二零零一年：無）。

21 Debtors, deposits and prepayments

Payment for lands of which formal land use right certificates have not yet been obtained by the Group in aggregate amounts of HK\$120,171,000 which was included in properties under development as at 31 December 2001 are reclassified as debtors, deposits and prepayment (Note 19).

Included in debtors, deposits and prepayments are trade debtors and its ageing analysis is as follows:

(In HK\$'000)	Group 本集團		Company 本公司	
	2002	2001	2002	2001
Within 3 months	690	9,158	—	—
3 months to 6 months	485	279	—	—
Over 6 months	17	—	—	—
	<u>1,192</u>	<u>9,437</u>	<u>—</u>	<u>—</u>

Trade debtors represent considerations in respect of sold properties, rental receivables and receivables from sales of goods.

Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Rental receivables are billed in advance and are payable by tenants upon receipts of billings. For sales of goods, the Group granted credit terms to each customer ranging from 60 to 120 days.

21 應收賬款、按金及預付款項

本集團就尚未取得正式土地使用權證書之土地所支付之款項總額為港幣120,171,000元於二零零一年十二月三十一日列為發展中物業。此款項已重新列作應收賬款、按金及預付款項(附註19)。

應收賬款、按金及預付款項中包括應收貿易賬款，其賬齡分析如下：

(以港幣千元為單位)

三個月以內

三至六個月

六個月以上

應收貿易賬款指已出售物業之代價、應收租金及銷售貨品之應收款項。

已出售物業之代價均按買賣協議之條款由買方支付。應收租金乃預先記賬，租客於收到賬單時支付。對於銷售貨品，本集團給予每位客戶由60日至120日不等的賒賬期。

Notes To The Financial Statements

For the year ended 31 December 2002

財務報告附註

截至二零零二年十二月三十一日止年度

22 Creditors and accruals

Included in creditors and accruals are trade creditors and its ageing analysis is as follows:

(In HK\$'000)	Group 本集團		Company 本公司	
	2002	2001	2002	2001
Within 3 months	62,046	108,953	–	–
3 months to 12 months	88,944	5,285	–	–
	<u>150,990</u>	<u>114,238</u>	<u>–</u>	<u>–</u>

22 應付賬款及應計賬項

應付賬款及應計賬項中包括應付貿易賬款，其賬齡分析如下：

(以港幣千元為單位)

三個月以內
三至十二個月

23 Bank and other borrowings

Group

(In HK\$'000)	Bank loans and overdrafts 銀行貸款及透支		Other loans 其他貸款		Total 總額	
	2002	2001	2002	2001	2002	2001
Secured	368,123	564,641	9,000	101,478	377,123	666,119
Unsecured	10,000	8,265	–	–	10,000	8,265
	<u>378,123</u>	<u>572,906</u>	<u>9,000</u>	<u>101,478</u>	<u>387,123</u>	<u>674,384</u>
Current portion of bank and other borrowings	<u>(214,014)</u>	<u>(423,673)</u>	<u>(9,000)</u>	<u>(65,600)</u>	<u>(223,014)</u>	<u>(489,273)</u>
	<u>164,109</u>	<u>149,233</u>	<u>–</u>	<u>35,878</u>	<u>164,109</u>	<u>185,111</u>

23 銀行及其他貸款

本集團

(以港幣千元為單位)

有抵押
無抵押

銀行及其他貸款
之一年內應償還額

Company

(In HK\$'000)	Bank loans and overdrafts 銀行貸款及透支		Other loans 其他貸款		Total 總額	
	2002	2001	2002	2001	2002	2001
Secured	–	101,044	–	–	–	101,044
Unsecured	10,000	8,265	–	–	10,000	8,265
	<u>10,000</u>	<u>109,309</u>	<u>–</u>	<u>–</u>	<u>10,000</u>	<u>109,309</u>
Current portion of bank and other borrowings	<u>(10,000)</u>	<u>(109,309)</u>	<u>–</u>	<u>–</u>	<u>(10,000)</u>	<u>(109,309)</u>
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

本公司

(以港幣千元為單位)

有抵押
無抵押

銀行及其他貸款
之一年內應償還額

23 Bank and other borrowings (continued)

At 31 December 2002, the bank loans, overdrafts and other loans were repayable as follows:

Group

(In HK\$ '000)	Bank loans and overdrafts 銀行貸款及透支		Other loans 其他貸款		Total 總額	
	2002	2001	2002	2001	2002	2001
Within one year	214,014	423,673	9,000	65,600	223,014	489,273
In the second year	42,009	149,233	-	35,878	42,009	185,111
In the third to fifth year	122,100	-	-	-	122,100	-
	<u>378,123</u>	<u>572,906</u>	<u>9,000</u>	<u>101,478</u>	<u>387,123</u>	<u>674,384</u>

Company

(In HK\$ '000)	Bank loans and overdrafts 銀行貸款及透支		Other loans 其他貸款		Total 總額	
	2002	2001	2002	2001	2002	2001
Within one year	10,000	109,309	-	-	10,000	109,309
In the second year	-	-	-	-	-	-
In the third to fifth year	-	-	-	-	-	-
	<u>10,000</u>	<u>109,309</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>109,309</u>

The bank loans, overdrafts and other loans were secured by certain completed properties held for sale and under development with carrying values of HK\$604,743,000 (2001: HK\$752,244,000) and bank balances of HK\$121,617,000 (2001: HK\$44,077,000). In 2001, the shareholders of the ultimate holding company also issued letters of undertaking to secure a bank loan of HK\$150,000,000 granted to the Company, of which HK\$100,000,000 was utilised as at 31 December 2001. The related bank loan was fully repaid in 2002.

23 銀行及其他貸款 (續)

於二零零二年十二月三十一日，銀行貸款、透支及其他貸款之還款期如下：

本集團

(以港幣千元為單位)

一年以內
第二年
第三至
第五年

本公司

(以港幣千元為單位)

一年以內
第二年
第三至
第五年

銀行貸款、透支及其他貸款乃由賬面值港幣604,743,000元(二零零一年：港幣752,244,000元)之若干待出售已完成之物業及發展中物業以及銀行結餘港幣121,617,000元(二零零一年：港幣44,077,000元)作為抵押。於二零零一年最終控股公司之股東亦發出擔保函，以擔保本公司獲授之銀行貸款港幣150,000,000元，其中港幣100,000,000元已於二零零一年十二月三十一日動用。相關銀行貸款於二零零二年全數清還。

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

24 Share capital

24 股本

	Authorised 法定股本			
	2002		2001	
	No. of shares 股份數目	HK\$'000 港幣千元	No. of shares 股份數目	HK\$'000 港幣千元
Ordinary shares of HK10 cents each				
At 1 January	2,200,000,000	220,000	2,200,000,000	220,000
Increase in authorised share capital	7,800,000,000	780,000	-	-
At 31 December	10,000,000,000	1,000,000	2,200,000,000	220,000

每股面值港幣10仙
之普通股
於一月一日
法定股本之增加
於十二月三十一日

	Issued and fully paid 已發行及繳足			
	2002		2001	
	No. of shares 股份數目	HK\$'000 港幣千元	No. of shares 股份數目	HK\$'000 港幣千元
At 1 January	1,667,935,487	166,794	1,667,935,487	166,794
Issue of shares	1,168,253,457	116,825	-	-
At 31 December	2,836,188,944	283,619	1,667,935,487	166,794

於一月一日
發行股份
於十二月三十一日

(a) By an ordinary resolution passed at a special general meeting of the Company on 3 May 2002, the authorised share capital of the Company was increased from HK\$220,000,000 to HK\$1,000,000,000 by the creation of 7,800,000,000 new shares of HK10 cents each.

(a) 根據二零零二年五月三日本公司股東特別大會通過之一項普通決議案，本公司增設7,800,000,000股每股面值港幣10仙之新股，將法定股本由港幣220,000,000元增至港幣1,000,000,000元。

(b) On 28 May 2002, the issued share capital of the Company was increased by the allotment and issue of 833,967,743 new shares ("Rights Shares") at a price of HK42 cents per share. The Rights Shares were issued by way of rights issue on the basis of one Rights Share for every two existing shares held by the shareholders. These shares rank pari passu with the existing shares.

(b) 於二零零二年五月二十八日，本公司按每股作價港幣42仙配發及發行833,967,743股新股（「供股股份」）增加已發行股本。本公司乃以二供一之基準，以供股方式發行供股股份。此等供股股份與現有股份享有同等地位。

24 Share capital (continued)

- (c) In addition, 334,285,714 ordinary shares of HK42 cents per share were issued on 28 May 2002 as consideration for the acquisition of a subsidiary. These shares rank pari passu with the existing shares.

25 Employee share option scheme

On 10 January 2000, the shareholders approved a share option scheme under which the directors may, at their discretion, invite any full-time employees or executive directors of any members of the Group to take up options at HK\$1 per option to subscribe for shares of HK10 cents each in the issued share capital of the Company at any time during the ten years from the date of approval. The subscription price will be determined by the board of directors of the Company and will not be less than 80% of the average of the closing prices of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five trading days immediately preceding the date on which an option is granted or the nominal value of the Company's share, whichever is the higher. The maximum number of shares in which options can be granted may not exceed 10% of the issued shares of the Company, excluding any shares issued on the exercise of options, from time to time. No options were offered to any full-time employees or executive directors of any members of the Group under the share option scheme since its adoption.

24 股本(續)

- (c) 此外，334,285,714股每股作價港幣42仙之普通股於二零零二年五月二十八日發行，作為收購一間附屬公司之代價。此等股份與現有股份享有同等地位。

25 僱員認股權計劃

於二零零零年一月十日，股東批准一項認股權計劃，據此，董事可酌情邀請本集團任何成員公司之任何全職僱員或執行董事接納認股權計劃，於獲批准日期十年內任何時間認購本公司每股面值港幣10仙之已發行股份，每份購股權之代價為港幣1元。認購價將由本公司董事局釐定並不少於緊接授予購股權之日期前五個交易日本公司股份於香港聯合交易所有限公司（「聯交所」）之平均收市價80%或本公司股份之面值（以較高者為準）。購股權最多可授予之股份數目不可超過本公司不時已發行股本（因行使購股權而發行之股份除外）之10%。自該計劃生效後，概無根據認股權計劃出售任何購股權予本集團任何成員公司之任何全職僱員或執行董事。

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

26 Reserves Group

26 儲備本集團

(In HK\$'000)	Share premium 股份溢價	Investment properties revaluation reserve 投資物業重估儲備	Goodwill reserve 商譽儲備	Capital redemption reserve 資本贖回儲備	Exchange reserve 匯兌儲備	Accumulated losses 累積虧損	Total 總額	(以港幣千元為單位)
At 1 January 2002	1,898,780	19,575	(126,694)	196	2,745	(740,634)	1,053,968	於二零零二年一月一日
Issue of shares	373,841	-	-	-	-	-	373,841	發行股份
Share issue expenses	(2,060)	-	-	-	-	-	(2,060)	股份發行費用
Impairment of goodwill	-	-	106,694	-	-	-	106,694	商譽減值
Adjustment to goodwill	-	-	20,000	-	-	-	20,000	商譽調整
Deficit on revaluation of investment properties	-	(19,575)	-	-	-	-	(19,575)	投資物業估值虧絀
Exchange differences	-	-	-	-	(67)	-	(67)	匯兌差額
Loss for the year	-	-	-	-	-	(267,019)	(267,019)	年內虧損
At 31 December 2002	2,270,561	-	-	196	2,678	(1,007,653)	1,265,782	於二零零二年十二月三十一日
Representing:								以下公司應佔：
Company and subsidiaries	2,270,561	-	-	196	2,397	(805,980)	1,467,174	本公司及其附屬公司
Associated companies	-	-	-	-	-	(200,538)	(200,538)	聯營公司
Jointly controlled entity	-	-	-	-	281	(1,135)	(854)	共同控制企業
	2,270,561	-	-	196	2,678	(1,007,653)	1,265,782	
At 1 January 2001	1,898,780	-	(126,694)	196	2,800	(343,981)	1,431,101	於二零零一年一月一日
Surplus on revaluation of investment properties	-	19,575	-	-	-	-	19,575	投資物業重估盈餘
Exchange differences	-	-	-	-	(55)	-	(55)	匯兌差額
Loss for the year	-	-	-	-	-	(396,653)	(396,653)	年內虧損
At 31 December 2001	1,898,780	19,575	(126,694)	196	2,745	(740,634)	1,053,968	於二零零一年十二月三十一日
Representing:								以下公司應佔：
Company and subsidiaries	1,898,780	19,575	(126,694)	196	2,465	(566,380)	1,227,942	本公司及其附屬公司
Associated companies	-	-	-	-	-	(177,029)	(177,029)	聯營公司
Jointly controlled entity	-	-	-	-	280	2,775	3,055	共同控制企業
	1,898,780	19,575	(126,694)	196	2,745	(740,634)	1,053,968	

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

26 Reserves (continued)**Company**

(In HK\$'000)	Share premium 股份溢價	Capital redemption reserve 贖回資本 儲備	Accumulated losses 累積虧損	Total 總額
At 1 January 2001	1,898,780	196	(445,485)	1,453,491
Loss for the year	-	-	(328,766)	(328,766)
At 1 January 2002	1,898,780	196	(774,251)	1,124,725
Issue of shares	373,841	-	-	373,841
Share issue expenses	(2,060)	-	-	(2,060)
Loss for the year	-	-	(155,802)	(155,802)
At 31 December 2002	2,270,561	196	(930,053)	1,340,704

At 31 December 2002 and 2001, the Company had no distributable reserves.

26 儲備 (續)**本公司**

(以港幣千元為單位)

於二零零一年一月一日

年內虧損

於二零零二年一月一日

發行股份

股份發行費用

年內虧損

於二零零二年十二月三十一日

於二零零二年及二零零一年十二月三十一日，本公司並無可分派儲備。

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

27 Notes to the consolidated cash flow statement

27 綜合現金流量表附註

(a) Reconciliation of operating loss to net cash inflow generated from operations

(a) 經營虧損與經營產生之現金流入淨額對賬表

(In HK\$ '000)	2002	2001	(以港幣千元為單位)
Operating loss	(82,465)	(301,734)	經營虧損
Interest income	(3,261)	(2,456)	利息收入
Dividend income	(385)	(1,059)	股息收入
Depreciation	7,917	2,868	折舊
Realisation of negative goodwill	(6,378)	–	負商譽變現
Amortisation of goodwill	5,390	–	商譽攤銷
Amortisation of development costs	4,576	–	開發成本攤銷
Loss/(gain) on disposal of subsidiaries	730	(868)	出售附屬公司之虧損／(收益)
Realised gain on sales of non-trading securities	(422)	(12,059)	出售非買賣證券之已變現收益
(Gain)/loss on disposal of fixed assets	(1,136)	983	出售固定資產之(收益)／虧損
Provision for properties held for sale and properties under development	29,390	235,682	就待出售物業及發展中物業作出撥備
Provision for investments in equity securities	–	7,475	就投資股本證券作出撥備
Provision for fixed assets	22,337	–	就固定資產作撥備
Provision for inventories	3,731	–	就存貨作撥備
Provision for doubtful debts	3,327	236	就呆賬作出撥備
Operating loss before working capital changes	(16,649)	(70,932)	營運資金變動前經營虧損
Decrease in investments in equity securities	705	4,106	投資股本證券之減少
Decrease in amount due from a related company	82,381	–	應收關連公司款項之減少
Decrease/(increase) in properties held for sale and properties under development	274,357	(13,842)	待出售物業及發展中物業之減少／(增加)
Increase in inventories	(760)	–	存貨增加
(Increase)/decrease in debtors, deposits and prepayments	(215,880)	197,757	應收賬款、按金及預付款項之(增加)／減少
(Decrease)/increase in amount due to ultimate holding company	(50,000)	50,000	應付最終控股公司款項之(減少)／增加
Increase in creditors and accruals	63,072	50,845	應付賬款及應計賬項之增加
Decrease in retention money	(1,927)	(12,371)	保留金之減少
Net cash inflow generated from operations	135,299	205,563	經營產生之現金流入淨額

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

27 Notes to the consolidated cash flow statement
(continued)

27 綜合現金流量表附註(續)

(b) Acquisition of subsidiaries

(b) 收購附屬公司

(In HK\$'000)	2002	2001	(以港幣千元為單位)
Net assets acquired			收購之淨資產：
Fixed assets	37,590	—	固定資產
Intangible assets	4,411	—	無形資產
Investments in equity securities	10,382	—	投資股本證券
Inventories	3,155	—	存貨
Debtors, deposits and prepayments	14,750	—	應收賬款、按金及預付款項
Bank balances and cash	15,517	—	銀行結餘及現金
Creditors and accruals	(20,597)	—	應付賬款及應計賬項
Bank and other borrowings	(2,827)	—	銀行及其他貸款
Minority interests	43,679	—	少數股東權益
	<u>106,060</u>	<u>—</u>	
Goodwill	111,253	—	商譽
	<u>217,313</u>	<u>—</u>	
Satisfied by			支付方式：
Allotment of shares	140,400	—	配發股份
Cash consideration	25,591	—	現金代價
Interest in an associated company			收購前於一間聯營公司
held prior to acquisition	8,122	—	持有之權益
Others (Note 30 (f))	43,200	—	其他(附註30(f))
	<u>217,313</u>	<u>—</u>	

The major subsidiaries acquired during the year contributed HK\$9,043,000 (2001: Nil) to the Group's net operating cash outflows, paid HK\$415,000 (2001: Nil) in respect of the investing activities and contributed HK\$10,009,000 (2001: Nil) for financing activities.

年內收購之主要附屬公司動用經營現金流出淨額港幣9,043,000元(二零零一年：無)，並就投資業務繳付港幣415,000元(二零零一年：無)及為融資活動帶來港幣10,009,000元(二零零一年：無)。

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

27 Notes to the consolidated cash flow statement (continued)**27 綜合現金流量表附註(續)****(b) Acquisition of subsidiaries (continued)**

Analysis of the net cash outflow in respect of the acquisition of subsidiaries:

(In HK\$'000)	2002	2001
Cash consideration	(25,591)	—
Bank balances and cash acquired	15,517	—
Net cash outflow in respect of the acquisition of subsidiaries	10,074	—

(c) Sale of subsidiaries

(In HK\$'000)	2002	2001
Net assets disposed of		
Property held for sale	53,938	—
Property under development	—	10,909
Debtors, deposits and prepayments	1,374	164
Creditors and accruals	(1,666)	(116)
Minority interests	(9,716)	—
	43,930	10,957
(Loss)/gain on disposal	(730)	868
	43,200	11,825
Satisfied by		
Cash received	—	11,825
Others (Note 30 (f))	43,200	—
	43,200	11,825

The cash flows contributed and utilised by the subsidiaries disposed of during the two years were not significant to the Group.

(b) 收購附屬公司(續)

收購附屬公司產生之現金流出淨額分析：

(以港幣千元為單位)
現金代價
購入之銀行結餘及現金
收購附屬公司產生之現金流出淨額

(c) 出售附屬公司

(以港幣千元為單位)
出售之淨資產：
待出售物業
發展中物業
應收賬款、按金及預付款項
應付賬款及應計賬項
少數股東權益
出售所得之(虧損)/收益
支付方式：
現金支付
其他(附註30(f))

兩年內，出售之附屬公司並沒有對本集團帶來及動用重大之現金流量。

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

27 Notes to the consolidated cash flow statement
(continued)

27 綜合現金流量表附註(續)

(d) Analysis of changes in financing during the year

(d) 年內融資變動分析

(In HK\$'000)	Share capital and premium 股本及 股份溢價	Bank and other borrowings 銀行及 其他貸款	Convertible bonds 可換 股債券	Minority interests 少數 股東權益	Total 總額	(以港幣千元為單位)
At 1 January 2001	2,065,574	656,176	66,000	185,422	2,973,172	於二零零一年一月一日
Net cash inflows/(outflows)						融資之現金流入／(流出)
from financing	-	8,899	-	(8,621)	278	淨額
Share of loss	-	-	-	(7,074)	(7,074)	所佔虧損
Share of reserves	-	-	-	1,037	1,037	所佔儲備
At 1 January 2002	2,065,574	665,075	66,000	170,764	2,967,413	於二零零二年一月一日
Net cash inflows/(outflows)						融資之現金流入／(流出)
from financing	348,206	(280,779)	(66,000)	103,707	105,134	淨額
Acquisition of subsidiaries	140,400	2,827	-	(43,679)	99,548	收購附屬公司
Sale of subsidiaries	-	-	-	(9,716)	(9,716)	出售附屬公司
Share of loss	-	-	-	(10,782)	(10,782)	所佔虧損
Share of reserves	-	-	-	(1,603)	(1,603)	所佔儲備
At 31 December 2002	2,554,180	387,123	-	208,691	3,149,994	於二零零二年十二月三十一日

28 Contingent liabilities

At 31 December 2002, the Company issued guarantees to the extent of HK\$271,378,000 (2001: HK\$393,346,000). HK\$202,791,000 (2001: HK\$382,546,000) was utilised in respect of bank and other borrowings granted to its subsidiaries and HK\$1,470,000 (2001: Nil) was utilised in respect of the lease of fixed assets taken up by a subsidiary.

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

29 Commitments

(a) Capital commitments Group

(In HK\$'000)	2002	2001
Contracted but not provided for		
– Investment in equity securities	9,423	–
– Purchase of property, plant and equipment	32,329	–
	<u>41,752</u>	<u>–</u>

The Company did not have any commitments at 31 December 2002.

28 或然負債

於二零零二年十二月三十一日，本公司所作出之擔保合共港幣271,378,000元（二零零一年：港幣393,346,000元），其中就授予附屬公司之銀行及其他貸款已動用港幣202,791,000元（二零零一年：港幣382,546,000元）及港幣1,470,000元（二零零一年：無）用於一間附屬公司之固定資產租賃。

管理層預期，上述於日常業務過程中產生之銀行及其他擔保將不會為集團帶來任何重大負債。

29 承擔

(a) 資本承擔 本集團

(以港幣千元為單位)

已簽約但未撥備
– 投資股本證券
– 收購物業、廠房 及設備

於二零零二年十二月三十一日，本公司並無任何承擔。

29 Commitments (continued)

(b) Commitments under operating leases

At 31 December 2002, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

Group

(In HK\$'000)	Land and buildings 土地及樓宇		Others 其他		Total 總額	
	2002	2001	2002	2001	2002	2001
Not later than						
one year	6,204	4,065	192	-	6,396	4,065
Later than one						
year and not						
later than						
five years	1,013	1,753	106	-	1,119	1,753
	<u>7,217</u>	<u>5,818</u>	<u>298</u>	<u>-</u>	<u>7,515</u>	<u>5,818</u>

The Company did not have any commitments at 31 December 2002.

29 承擔 (續)

(b) 經營租賃承擔

於二零零二年十二月三十一日，本集團根據不可撤銷經營租賃而須於未來支付之最低租賃付款總額如下：

本集團

(以港幣千元為單位)

第一年內

第二至第五年內

於二零零二年十二月三十一日，本公司並無任何承擔。

For the year ended 31 December 2002

截至二零零二年十二月三十一日止年度

29 Commitments (continued)**(c) Future minimum rental payments receivable**

At 31 December 2002, the Group had future minimum rental payments receivable under non-cancellable leases in respect of land and buildings as follows:

Group (In HK\$'000)	2002	2001
Not later than one year	12,085	15,809
Later than one year and not later than five years	9,632	20,873
Over five years	<u>—</u>	<u>215</u>
	<u>21,717</u>	<u>36,897</u>

The Group's operating leases are for terms ranging from one to six years.

The Company did not have any commitments at 31 December 2002.

29 承擔 (續)**(c) 未來最低應收租金款項**

於二零零二年十二月三十一日，本集團根據有關土地及樓宇之不可撤銷租約下之未來最低應收租金款項如下：

本集團
(以港幣千元為單位)

第一年內
第二至第五年內
五年後

本集團之經營租賃期限由一年至六年不等。

於二零零二年十二月三十一日，本公司並無任何承擔。

30 Related party transactions

During the year, the Group entered into the following transactions with related parties:

- (a) Billion Property Limited (“Billion”), a wholly-owned subsidiary of the Company, and China Travel Service (Holdings) Hong Kong Limited (“CTSH”) entered into an agreement on 19 August 1997 and a supplemental agreement on 10 September 1997 (collectively known as “1997 Tycoon Place Agreements”), pursuant to which Billion acquired from CTSH a 90% interest in Ideal Investment Holdings Limited (“Ideal”) and the remaining 10% interest in Ideal is owned by CTSH. Ideal had a one-third interest in the development project known as Tycoon Place at Wong Yue Tang, Tai Po (“Tycoon Place”). According to the 1997 Tycoon Place Agreements, CTSH undertook to finance and bear all costs attributable to Ideal in connection with the completion of Tycoon Place and if any disposal proceeds of Tycoon Place attributable to Ideal were used to discharge any liabilities of those companies which hold Tycoon Place, CTSH would pay to Billion an amount equivalent to 90% of such disposal proceeds to which Ideal would be entitled.

On 4 June 1999, Billion entered into a conditional agreement (the “1999 Tycoon Place Agreement”) with CTSH pursuant to which Billion acquired from CTSH of its 10% remaining equity interest in Ideal and the related loan outstanding and owing by Ideal to CTSH. Upon completion of the 1999 Tycoon Place Agreement, Ideal had become a wholly-owned subsidiary of Billion.

30 有關連人士交易

年內，本集團與有關連人士訂立之交易如下：

- (a) 本公司之全資附屬公司Billion Property Limited (「Billion」)與香港中旅(集團)有限公司(「中旅集團」)於一九九七年八月十九日訂立協議，並於一九九七年九月十日訂立補充協議(以下統稱「一九九七聚豪天下協議」)，據此，Billion向中旅集團收購其於Ideal Investment Holdings Limited (「Ideal」)擁有之90%權益，而Ideal餘下之10%權益由中旅集團擁有。Ideal擁有位於大埔黃魚灘之聚豪天下發展項目(「聚豪天下」)之三分之一權益。根據一九九七聚豪天下協議，中旅集團承諾就完成聚豪天下項目提供資金及承擔所有Ideal應佔之成本，倘任何Ideal應佔就出售聚豪天下所得之款項被用於償還該等持有聚豪天下之公司之負債，則中旅集團須向Billion支付相等於Ideal應佔出售所得款項之90%之金額。

於一九九九年六月四日，Billion與中旅集團訂立一項有條件協議(「一九九九聚豪天下協議」)，據此，Billion向中旅集團收購其於Ideal尚餘之10%股本權益，以及Ideal欠付中旅集團尚未清償之有關貸款。於完成一九九九聚豪天下協議後，Ideal成為Billion之全資附屬公司。

30 Related party transactions (continued)

As at 31 December 2002, a principal sum of approximately HK\$10.9 million (2001: HK\$103.6 million) was due and owing by CTSB to Billion pursuant to the 1997 Tycoon Place Agreements.

- (b) On 28 September 2001, the Company received a letter of offer of shareholder's loan facility of up to HK\$25,000,000 ("1st Shareholder's Loan") from Vision Century Limited ("VCL"), the ultimate holding company of the Company. Such shareholder's loan was for the general working capital of the Company. With an interest rate of 1% per annum over Hong Kong Interbank Offered Rate ("HIBOR"), the shareholder's loan has no fixed terms of repayment.

On 6 November 2001, the Company received a further letter of offer of shareholder's loan facility of up to a further HK\$25,000,000 ("2nd Shareholder's Loan") from VCL subject to the same terms as stipulated in the 1st Shareholder's Loan.

Interest expense of HK\$535,000 (2001: HK\$312,000) in respect of the shareholder's loans as mentioned above was payable to VCL by the Company during the year. The 1st Shareholder's Loan and 2nd Shareholder's Loan were repaid on 17 May 2002.

30 有關連人士交易 (續)

根據一九九七聚豪天下協議，於二零零二年十二月三十一日，中旅集團欠付Billion約港幣10,900,000元(二零零一年：港幣103,600,000元)之本金額已到期償還。

- (b) 於二零零一年九月二十八日，本公司接獲本公司最終控股公司Vision Century Limited ("VCL") 一份有關股東貸款融資達港幣25,000,000元(「第一項股東貸款」)之要約函件。該筆股東貸款會作為本公司之一般營運資金。股東貸款之年利率為香港銀行同業拆息(「HIBOR」)加1厘，且並無固定還款期。

於二零零一年十一月六日，本公司接獲VCL另一份有關股東貸款融資達港幣25,000,000元(「第二項股東貸款」)之要約函件。該筆股東貸款之條款與第一項股東貸款訂明之條款相同。

本公司於年度內應付VCL上述股東貸款之利息開支為港幣535,000元(二零零一年：港幣312,000元)。第一項股東貸款及第二項股東貸款已於二零零二年五月十七日償還。

30 Related party transactions (continued)

- (c) On 8 October 2001, Vision Century Real Estate Development (Dalian) Co. Ltd (formerly known as Dalian Wanguo Amenity Centre Company Limited) (“VC Dalian”), a wholly-owned subsidiary of the Company, entered into a project supervision agreement (the “PS Agreement”) with JTC International Consultants (Suzhou) Co. Ltd (“JTCI (Suzhou)”) whereby JTCI (Suzhou) agreed to provide certain project supervision and consultancy services relating to a development project of a property located at Xinglin Street, Zhongshan District, Dalian, Liaoning Province, China (the “Dalian Project”) during a 36-month period, for a consultancy fee of RMB1,900,000 (approximately HK\$1,792,000). If the actual supervision period is longer than 36 months, JTCI (Suzhou) will receive an additional consultancy fee for any additional services which will be calculated on the basis of time spent or may be mutually agreed between the parties as stipulated under the PS Agreement subject to a maximum cap of RMB500,000 (approximately HK\$472,000).

Besides, VC Dalian and JTCI (Suzhou) also entered into a M&E Agreement (the “M&E Agreement”) whereby JTCI (Suzhou) agreed to provide certain mechanical and electrical consultancy service relating to the Dalian Project for a consultancy fee of RMB1,100,000 (approximately HK\$1,038,000). JTCI (Suzhou) is indirectly wholly-owned by JTC Corporation, a statutory board incorporated in the Republic of Singapore and wholly-owned by the government of Singapore. JTC Consultancy Services Holding Pte Ltd., a wholly-owned subsidiary of JTC Corporation, is running the operation of JTCI (Suzhou). JTC Corporation, through its wholly-owned subsidiary Ascendas Land International Pte Limited, indirectly owns 100% of Riverbook Group Limited, which in turn holds 50% of VCL, the controlling shareholder of the Company.

30 有關連人士交易 (續)

- (c) 於二零零一年十月八日，本公司全資附屬公司威新房地產發展(大連)有限公司(前稱大連萬國娛樂中心有限公司)〔威新大連〕與裕廊國際顧問(蘇州)有限公司〔裕廊國際〔蘇州〕〕訂立一項項目監管協議〔項目監管協議〕，據此，裕廊國際(蘇州)同意於36個月期間就一項位於中國遼寧省大連中山區杏林街之物業發展項目〔大連項目〕提供若干項目監管及顧問服務，顧問費用為人民幣1,900,000元(約港幣1,792,000元)。倘實際監管期超過36個月，裕廊國際(蘇州)將可就任何額外服務收取額外顧問費，額外顧問費根據項目監管協議規定按所用時間或各訂約方均同意之基準計算，最高上限為人民幣500,000元(約港幣472,000元)。

此外，威新大連及裕廊國際(蘇州)亦訂立一項機電協議〔機電協議〕，據此，裕廊國際(蘇州)同意就大連項目提供若干機電顧問服務，顧問費用為人民幣1,100,000元(約港幣1,038,000元)。裕廊國際(蘇州)由裕廊集團間接全資擁有。裕廊集團乃於新加坡共和國註冊成立之法定委員會，並由新加坡政府全資擁有。裕廊集團全資附屬公司JTC Consultancy Services Holding Pte Ltd.負責經營裕廊國際(蘇州)。裕廊集團透過其全資附屬公司Ascendas Land International Pte Limited間接擁有Riverbook Group Limited全部權益，Riverbook Group Limited則持有本公司控股股東VCL 50%權益。

30 Related party transactions (continued)

- (d) On 28 March 2002, VCC iCapital Limited (formerly known as Ecapital Century Limited) (“VCC iCapital”), a wholly-owned subsidiary of the Company, entered into an acquisition agreement with CyberCity Holdings Limited (“CCH”) whereby VCC iCapital conditionally acquired the entire issued share capital of CCI from CCH at a total consideration of HK\$140.4 million (equivalent to approximately US\$18 million) which was satisfied by way of allotment and issue of 334,285,714 new shares at HK42 cents per share by the Company.
- (e) On 19 April 2002, Vision Business Park (TH) Limited (“Vision Business”), a wholly-owned subsidiary of the Company, and Beijing Tsinghua Science Park Construction Co. Ltd. (“Tsinghua”), entered into a conditional joint venture agreement (“JV Agreement”) for establishment of Vision Huaqing (Beijing) Development Co., Ltd. (“Vision Huaqing”) as a sino-foreign joint venture company. Pursuant to the JV Agreement, Vision Business and Tsinghua agreed to establish a joint venture company called Vision Huaqing in China for a term of 50 years from the date of the business licence of Vision Huaqing to engage in developing, managing and operating a business park and other related business park services mainly for companies engaged in technology related businesses. The first development project of Vision Huaqing will be Plot B14 located within Phase 2 of Tsinghua Science Park. Vision Huaqing are 60% and 40% owned by Vision Business and Tsinghua respectively. The total investment of Vision Huaqing under the JV Agreement was up to RMB390 million (equivalent to approximately HK\$367 million), including the registered capital of RMB130 million (equivalent to approximately HK\$122 million).

30 有關連人士交易（續）

- (d) 於二零零二年三月二十八日，本公司之全資附屬公司VCC iCapital Limited（前稱Ecapital Century Limited）（「VCC iCapital」）與賽博控股有限公司（「賽博控股」）訂立一項收購協議，據此，VCC iCapital向賽博控股有條件收購CCI全部已發行股本，收購事項總代價為港幣140,400,000元（相等於約18,000,000美元），而本公司已透過配發及發行334,285,714股每股作價港幣42仙之新股償付。
- (e) 於二零零二年四月十九日，本公司之全資附屬公司Vision Business Park (TH) Limited（「Vision Business」）與北京清華科技園建設股份有限公司（「清華」）訂立下列一項有條件合營合同（「合營合同」），藉以成立一家名為威新華清（北京）置業發展有限公司（「威新華清」）之中外合營公司，根據合營合同，Vision Business及清華同意在中國成立威新華清，為期自威新華清獲發營業執照之日起計50年，以從事開發、管理及經營商業園及提供其他有關商業園的服務，主要對象為從事科技相關業務之公司。威新華清之首個發展項目將會是位於清華科技園二期之B14地塊。威新華清分別由Vision Business及清華各持有60%及40%權益。威新華清在合營合同項下之總投資最高金額將為人民幣390,000,000元（相等於約港幣367,000,000元），包括註冊資本人民幣130,000,000元（相等於約港幣122,000,000元）。

30 Related party transactions (continued)

Vision Business and Tsinghua also entered into a land development agreement for Plot B14 simultaneously with the JV Agreement. Tsinghua was responsible for the resettlement and site clearance of Plot B14 by 30 June 2002 or such other dates mutually agreed by both parties. Vision Business should procure Vision Huaqing to pay to Tsinghua the land development fee (including the costs for resettlement, site clearance and levelling and infrastructure such as connection of basic utilities), incurred by Tsinghua which was approximately RMB134 million (equivalent to approximately HK\$126 million).

- (f) On 19 April 2002, China Land Group Limited (“CLG”) and the Company entered into an exchange agreement, pursuant to which the Company agreed (i) to dispose to CLG Group of the 65% equity interest in Wintime Property Developments Limited (“Wintime”) owned by Continental Property Limited, which was a wholly-owned subsidiary of the Company, together with the shareholder’s loan of approximately HK\$131 million due and owing by Wintime to the Group and the rights and benefits relating to certain residential units for a total consideration of HK\$43.2 million; (ii) to acquire from CLG Group the entire equity interest in Tenways Investments Limited (“Tenways”), which was a wholly-owned subsidiary of CLG, together with the shareholder’s loan of approximately HK\$44.5 million due and owing by Tenways to CLG Group for a total consideration of HK\$43.2 million.

30 有關連人士交易（續）

除合營合同外，Vision Business亦同時與清華訂立一項有關B14地塊之地塊開發合同。清華負責在二零零二年六月三十日或經訂約方互相協定之其他日期前完成B14地塊之拆遷及安置。Vision Business應促使威新華清向清華支付土地開發費約為人民幣134,000,000元（相等於約港幣126,000,000元），以供清華進行拆遷、安置、地盤平整及基建（如接駁基本公用設施）之用。

- (f) 於二零零二年四月十九日，中國置地集團有限公司（「中國置地」）與本公司訂立一項交換合同，據此本公司同意進行下列兩項交易：(i)向中國置地集團出售Continental Property Limited（曾為本公司之全資附屬公司）在Wintime Property Developments Limited（「Wintime」）持有之65%股權連同Wintime結欠本集團之股東貸款約港幣131,000,000元，以及與部分住宅單位有關之權利及利益，總代價為港幣43,200,000元；(ii)向中國置地集團收購Tenways Investments Limited（「Tenways」）（中國置地的全資附屬公司）之全部股權連同Tenways結欠中國置地集團之股東貸款約港幣44,500,000元，總代價為港幣43,200,000元。

30 Related party transactions (continued)

(g) On 28 May 2002, the Group had completed the acquisition of the entire issued share capital of CCI from CCH. The Company has entered into various connected transactions involving CCI and its subsidiaries as follows:

(1) *Transactions with Shenzhen Cursor Software Technology Co. Ltd. ("SCST")*

(i) the agency agreement and supplemental agreement dated 7 December 2001 and 25 September 2002 respectively between CyberCity Cursor Media Co. Ltd. ("CCCM") and SCST, of which no fee was charged to SCST during the year;

(ii) the technical support agreement dated 13 October 2001 between CCCM and SCST, of which HK\$85,000 was charged to SCST during the year; and

(iii) the co-operative agreement dated 13 October 2001 between CCCM and SCST, of which HK\$979,000 was charged to SCST during the year.

30 有關連人士交易 (續)

(g) 於二零零二年五月二十八日，本集團完成向賽博控股購入CCI全部已發行股本。本公司曾訂立涉及CCI及其附屬公司之多項關連交易如下：

(1) 與深圳市智慧源軟件技術有限公司(「深圳市智慧源」)進行之交易

(i) 賽博智慧源信息技術(深圳)有限公司(「賽博智慧源」)與深圳市智慧源分別於二零零一年十二月七日及二零零二年九月二十五日訂立之代理協議書及補充協議，據此，於年內並無向深圳市智慧源收取任何款項；

(ii) 賽博智慧源與深圳市智慧源於二零零一年十月十三日訂立之技術支援協議書，據此，於年內向深圳市智慧源收取港幣85,000元；及

(iii) 賽博智慧源與深圳市智慧源於二零零一年十月十三日訂立之合作協議書，據此，於年內向深圳市智慧源收取港幣979,000元。

30 Related party transactions (continued)

(2) *Transaction with Shareholders of XiaoDong Global Technology Co. Ltd. ("XDT")*

XDT, a company incorporated in China and is beneficially owned as to 33% by Dr. Jiang Xiaoming, Simon, a director of the Company, and 34% by Mr. Zhai Pu, a director of various subsidiaries of the Company, and 33% by Mr. Yang Zhaohui, a director of CyberCity Investments (SZ) Ltd., a subsidiary of the Company. Therefore, Dr. Jiang Xiaoming, Simon, Mr. Zhai Pu and Mr. Yang Zhaohui (together called "Shareholders of XDT") are connected persons to the Group. The transactions with the Shareholders of XDT were entered into prior to the acquisition which was a loan agreement of HK\$6,417,000 dated 6 December 2001 made amongst Campusall Company Limited and the Shareholders of XDT.

Interest income of HK\$267,000 in respect of the loan as mentioned above was receivable from the Shareholders of XDT during the year.

30 有關連人士交易 (續)

(2) 與北京曉東環宇科技有限公司 (「曉東科技」) 股東進行之交易。曉東科技是一間於中國註冊成立之公司，由蔣小明博士 (本公司董事) 實益擁有33%權益、翟普先生 (本公司多間附屬公司之董事) 實益擁有34%權益及楊朝暉先生 (本公司一間附屬公司賽合投資諮詢 (深圳) 有限公司之董事) 實益擁有33%權益。因此，蔣小明博士、翟普先生及楊朝暉先生 (統稱「曉東科技股東」) 均為本集團之關連人士。本集團與曉東科技股東進行之交易乃於收購事項進行前訂立，即 Campusall Company Limited 與曉東科技股東於二零零一年十二月六日訂立港幣6,417,000元之貸款協議。

於年內，可就上述貸款向曉東科技股東收取港幣267,000元之利息收益。

30 Related party transactions (continued)

- (3) *Transaction with Shareholders of SZ Nova Science Technology Development Co. Ltd. ("SZ Nova")*

SZ Nova is owned as to 90% by Dr. Jiang Xiaoming, Simon, a director of the Company, and 10% by Mr. Chen Shulin, a director and shareholder of Nova Network Holdings Ltd ("Nova"). Therefore, Dr. Jiang Xiaoming, Simon, Mr. Chen Shulin (together called "Shareholders of SZ Nova") and SZ Nova are connected persons to the Group. The transaction with the Shareholders of SZ Nova which was a loan agreement of HK\$4,396,000 dated 11 December 2001 made amongst Jubilee Success Limited and the Shareholders of SZ Nova.

Interest income of HK\$183,000 in respect of the loan as mentioned above was receivable from the Shareholders of SZ Nova during the year.

30 有關連人士交易 (續)

- (3) 與深圳市南凌科技發展有限公司(「深圳市南凌」)股東進行之交易

深圳市南凌由蔣小明博士(本公司董事)擁有90%權益及陳樹林先生(Nova Network Holdings Ltd(「南凌」)之董事兼股東)擁有10%權益。因此,蔣小明博士、陳樹林先生(統稱「深圳市南凌股東」)及深圳市南凌均為本集團之關連人士。本集團與深圳市南凌股東進行之交易,即深圳市南凌股東與Jubilee Success Limited於二零零一年十二月十一日訂立港幣4,396,000元之貸款協議。

於年內,可就上述貸款向深圳市南凌股東收取港幣183,000元之利息收益。

30 Related party transactions (continued)*(4) Transactions with Nova and its subsidiaries (“Nova Group”)*

Nova is beneficially owned as to 90% by CCI and 8.1% by Mr. Chen Shulin, a director of Nova and 1.9% by independent parties not connected with any directors, chief executives or substantial shareholders of the Company or its subsidiaries or any of their respective associates. Nova Network Ltd. (“Nova HK”) and Century Nova Cyber Technology (Shenzhen) Co., Ltd. (“Nova Cyber”) are wholly-owned subsidiaries of Nova. Details of transactions with Nova Group are set out as follows:

- (i) A guarantee of HK\$7,539,000 provided to Nova Cyber by the Company as at 31 December 2002, of which a guarantee fee of HK\$108,000 was charged to Nova Cyber during the year;
- (ii) A loan of HK\$4,569,000 provided to Nova by the Company as at 31 December 2002, of which interest income of HK\$110,000 was charged to Nova during the year; and
- (iii) A corporate guarantee of HK\$1,470,000 provided to Nova HK by the Company as at 31 December 2002, of which a guarantee fee of HK\$9,000 was charged to Nova HK during the year.

30 有關連人士交易 (續)*(4) 與南凌及其附屬公司 (「南凌集團」) 進行之交易*

南凌由CCI實益擁有90%權益及陳樹林先生(南凌董事)實益擁有8.1%權益及獨立人士(與本公司或其附屬公司之董事、主要管理人員或主要股東或彼等各自之聯繫人概無關連)實益擁有1.9%權益。Nova Network Ltd. (「南凌香港」) 與世紀南凌數碼科技(深圳)有限公司(「世紀南凌」) 均為南凌之全資附屬公司。本集團與南凌集團之交易詳情如下：

- (i) 本公司於二零零二年十二月三十一日向世紀南凌提供港幣7,539,000元之擔保，就此，本公司於年內向世紀南凌收取港幣108,000元之擔保費；
- (ii) 本公司於二零零二年十二月三十一日向南凌提供港幣4,569,000元之貸款，就此，本公司於年內向南凌收取港幣110,000元之利息收益；及
- (iii) 本公司於二零零二年十二月三十一日向南凌香港提供港幣1,470,000元之公司擔保，就此，本公司於年內向南凌香港收取港幣9,000元之擔保費。

30 Related party transactions (continued)

(h) On 25 September 2002, Vision Century Investments (Dalian) Limited (“VCID”), a wholly-owned subsidiary of the Company, entered into (i) a conditional agreement with Dalian Guangxia Development Co. Ltd. (“Guangxia”) pursuant to which VCID agreed to acquire from Guangxia its 10% interest of the registered capital in VC Dalian for a consideration of approximately RMB5.9 million (equivalent to approximately HK\$5.5 million) (“Guangxia S&P Agreement”); and (ii) a conditional agreement with Dalian Bohai Group Co. Ltd. (“Bohai”) pursuant to which VCID agreed to acquire from Bohai its 2% interest of the registered capital in VC Dalian for a consideration of RMB3 million (equivalent to approximately HK\$2.8 million) (“Bohai S&P Agreement”). After the completion of the Guangxia S&P Agreement and the Bohai S&P Agreement, VC Dalian became a wholly foreign owned company under the PRC Law and was wholly-owned by the Group. In connection with the Guangxia S&P Agreement, VC Dalian entered into the settlement agreement with Guangxia to settle all the outstanding amount due and owing by VC Dalian to Guangxia for a consideration of RMB3 million (equivalent to approximately HK\$2.8 million).

31 Ultimate holding company

The directors regard Vision Century Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

32 Approval of financial statements

The financial statements were approved by the board of directors on 12 March 2003.

30 有關連人士交易 (續)

(h) 於二零零二年九月二十五日，本公司之全資附屬公司威新投資(大連)有限公司(「威新投資大連」)分別(i)與大連廣廈置業有限公司(「廣廈」)訂立一項有條件協議，據此，威新投資大連同意收購廣廈所擁有之威新大連10%註冊資本之股權，代價約為人民幣5,900,000元(約相等於港幣5,500,000元)(「廣廈轉讓協議書」)；及(ii)與大連渤海集團有限公司(「渤海」)訂立一項有條件協議，據此，威新投資大連同意收購渤海所擁有之威新大連2%註冊資本之股權，代價約為人民幣3,000,000元(約相等於港幣2,800,000元)(「渤海轉讓協議書」)。在完成廣廈轉讓協議書和渤海轉讓協議書後，威新大連在中國法律下成為外資公司，並由本集團全資擁有。就廣廈轉讓協議書而言，威新大連與廣廈訂立了廣廈結算協議，以繳清威新大連尚欠廣廈的全部到期欠款，代價為人民幣3,000,000元(相等於約港幣2,800,000元)。

31 最終控股公司

董事認為本公司之最終控股公司為在英屬處女群島註冊成立之公司Vision Century Limited。

32 財務報告通過

本年度財務報告已於二零零三年三月十二日由董事局通過。