



NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Statements of Standard Accounting Practice and Interpretations issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the group is set out below.

(b) Basis of preparation of the financial statements

(i) Going concern basis

On 1st December, 2000, the company requested an informal standstill arrangement with its bankers on the payment of all Hong Kong bank loan principal and interest totalling approximately \$1.9 billion, pending negotiation and agreement on a formal debt restructuring plan. The company has also requested a similar standstill arrangement with the holders of the floating rate notes ("the FRNs") with an outstanding balance of US\$37 million issued by Hong Kong Construction (Capital) Limited, a wholly-owned subsidiary of the company. The FRNs were due for repayment on 13th December, 2000. In accordance with the terms of the issue of the FRNs and the bank facility agreements, the group was in default of the FRNs and all its bank borrowings.

1. 主要會計政策

(a) 遵例聲明

本財務報表是按照香港會計師公會頒布的所有適用的《會計實務準則》及詮釋、香港公認會計原則及香港《公司條例》的規定編製。本財務報表同時符合適用的《香港聯合交易所有限公司證券上市規則》披露規定。以下是本集團採用的主要會計政策概要。

(b) 財務報表的編製基準

(i) 持續經營基準

二零零零年十二月一日，本公司要求本集團的往來銀行就所有香港貸款本金及利息（約1,900,000,000元）的付款，在正式的債務重組計劃尚待磋商及達成協議前作出非正式的暫緩還款安排。此外，本公司亦要求持有本公司一家全資附屬公司—Hong Kong Construction (Capital) Limited所發行的浮息票據持有者作出類似的暫緩還款安排，該浮息票據的結餘為37,000,000美元。浮息票據於二零零零年十二月十三日到期付款。根據發行浮息票據及銀行融資協議的條款，本集團已對這些票據及所有其銀行借款違約。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Basis of preparation of the financial statements *(continued)*

(i) Going concern basis *(continued)*

On 3rd December, 2001, the group executed a guarantee and debenture incorporating fixed and floating charges over all of the undertaking, property and assets of the company and certain of its subsidiaries ("the Guarantee and Debenture") as security for the bank indebtedness in Hong Kong and the FRNs.

On 27th August, 2002, the company and its wholly-owned subsidiaries entered into a restructuring agreement ("the Restructuring Agreement") with its bank creditors setting out the general terms and principles that will form the basis of the formal restructuring of the group's Hong Kong bank indebtedness. The holders of the FRNs have also been offered similar terms. The documentation and closing of the formal restructuring, which will be subject to certain conditions precedent, was expected to occur on or before 31st December, 2002 or such later date as the bank creditors may agree with the company ("Long Stop Date"). The Long Stop Date was extended to 31st March, 2003 in December 2002 and subsequently again in March 2003, the majority of the bank creditors' steering committee has agreed to further extend the Long Stop Date to 30th June, 2003. The outstanding principal and interest of the Hong Kong bank indebtedness and the FRNs subject to restructuring totalled approximately \$2,076.6 million as at 31st December, 2002 (2001: \$1,985.9 million). In January 2003, pledged deposits of \$147.3 million were distributed to the bank creditors and the holders of the FRNs as partial repayment in proportion to their outstanding principal and interest.

1. 主要會計政策 (續)

(b) 財務報表的編製基準 (續)

(i) 持續經營基準 (續)

本集團於二零零一年十二月三日執行一項擔保及債券；據此，本集團以固定及浮動抵押形式將公司及部分附屬公司名下全部資產及物業作為香港銀行債務及浮息票據之抵押。

本公司及其全資附屬公司已於二零零二年八月二十七日與其債權銀行訂立重組協議（「重組協議」）。該重組協議為正式重組本集團的香港銀行債務訂立了一般條款及原則。本公司已向浮息票據持有人提呈相若的條款。正式重組協議的完成及有關文件期望於二零零二年十二月三十一日或本公司與債權銀行協定的其後日期以前落實（「最後期限」），但取決於若干先決條件的完成。於二零零二年十二月，最後期限順延至二零零三年三月三十一日。其後再於二零零三年三月，銀行指導委員會已以多數票同意順延最後期限至二零零三年六月三十日。於二零零二年十二月三十一日，須作重組的香港銀行債務及浮息票據的未償本金及利息共約2,076,600,000元（二零零一年：1,985,900,000元）。於二零零三年一月，147,300,000元的抵押存款已按銀行債權人及浮息票據持有人未償本金及利息的比例作為部份償還。



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Basis of preparation of the financial statements *(continued)*

(i) *Going concern basis (continued)*

The directors are currently taking active steps with a view to achieve closing of the formal debt restructuring as soon as practicable and continue to implement the proposed property asset disposal strategy included in the Restructuring Agreement. The directors believe that the ongoing support from its bankers will continue and the measures to be taken under the debt restructuring plan will enable the group to continue in operational existence for the foreseeable future.

Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis, notwithstanding the group's financial position as at 31st December, 2002. Should the group be unable to continue in business as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effect of these adjustments have not been reflected in the financial statements.

(ii) The measurement basis used in the preparation of the financial statements is historical cost modified by the revaluation of investment properties, and the marking to market of certain investments in securities as explained in the accounting policies set out below.

1. 主要會計政策 (續)

(b) 財務報表的編製基準 (續)

(i) 持續經營基準 (續)

董事現正為落實正式的債務重組及繼續執行包括在重組協議內所建議的物業資產出售策略作出積極的行動。董事會相信，其往來銀行將會提供持續的支持及債務重組計劃的進行會有助本集團在可見的將來持續經營。

有鑑於此，董事會認為，儘管本集團於二零零二年十二月三十一日的財政狀況未如理想，但以持續經營基準編製財務報表仍是適當的。假如本集團未能以持續經營狀況下繼續經營業務，則本財務報表需要作出調整以重報資產價值為可收回數額，就任何其他可能出現的負債提撥準備，以及將非流動資產及負債分別重新分類為流動資產及負債。這些調整的影響並未在財務報表中反映出來。

(ii) 除投資物業按重估值，以及部份證券投資按市值入賬（見下文所載的會計政策）外，本財務報表是以歷史成本作為編製基準。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(c) Subsidiaries

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the group, directly or indirectly, holds more than half of the issued capital, or controls more than half of the voting power, or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

An investment in a controlled subsidiary is consolidated into the consolidated financial statements, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the group, in which case, it is stated in the consolidated balance sheet at fair value with changes in fair value recognised in accordance with the accounting policy for non-trading securities as stated under note 1(f)(ii) below.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) 附屬公司

按照香港《公司條例》規定，附屬公司是指本集團直接或間接持有其過半數已發行股本，或控制其過半數投票權，或控制其董事會組成的公司。當本公司有權直接或間接支配附屬公司的財務及經營政策，並藉此從其業務中取得利益，均視為受本公司控制。

集團於受控制附屬公司的投資均在綜合財務報表中綜合計算。然而，如購入並持有這些投資的唯一目的是在短期內將之出售，或受控制附屬公司是長期在嚴格限制條件下經營，以致其向本集團轉移資金的能力嚴重受損，則這些投資會按公允價值記入綜合資產負債表。公允價值的變動於產生時根據財務報表附註1(f)(ii)提及非買賣證券之會計政策處理。

集團內部往來的餘額和集團內部交易及其產生的未變現溢利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生的未變現虧損的抵銷方法與未變現溢利相同，但抵銷額只限於沒有證據顯示已轉讓資產已出現減值。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries (continued)

On 13th January, 2003, one of the company's wholly-owned subsidiaries, Hong Kong Construction (Works) Limited ("HKCW"), received a court winding-up order ("the order") as a result of a claim by a former sub-contractor in relation to the non-payment of construction work done. Pursuant to the order, provisional liquidators have been appointed to administer the winding-up and consequently the company was unable to obtain access to the books and records of HKCW. Accordingly, the following unaudited financial statements of HKCW for the year ended 31st December, 2002 have been used for consolidation purpose:

1. 主要會計政策 (續)

(c) 附屬公司 (續)

於二零零三年一月十三日,本公司其中一間全資附屬公司—香港建設(營造)有限公司(「香港建設(營造)」),因被一前分包商指拖欠已完成工程涉及款項一事所提出的索償要求,收到法庭清盤令。根據該清盤令,臨時清盤人已被委派負責執行清盤,故此本公司未能取得香港建設(營造)的帳目和記錄。有鑑於此,下列香港建設(營造)截至二零零二年十二月三十一日止年度未經審核的財務報表已被用作編制綜合財務報表:

		\$ Million 百萬元
Profit and loss account	損益賬	
Turnover	營業額	—
Loss from ordinary activities after taxation	除稅後正常業務虧損	(20.1)
Balance sheet	資產負債表	
Non-current assets	非流動資產	1.6
Current assets	流動資產	
Gross amount due from customers for contract work	應收客戶合約工程總額	140.0
Other current assets	其他流動資產	11.4
		151.4
Current liabilities	流動負債	
Advances received from a jointly controlled entity	已收合營公司預付款	(181.0)
Other current liabilities	其他流動負債	(27.9)
		(208.9)
Total assets less current liabilities	資產總值減流動負債	(55.9)
Non-current liabilities	非流動負債	(14.8)
Net liabilities	負債淨值	(70.7)

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(c) Subsidiaries *(continued)*

The directors consider that the winding-up of HKCW will have no significant adverse effect on the state of affairs of the group.

In the company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (see note 1(k)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the company, in which case, it is stated at fair value with changes in fair value recognised in accordance with the accounting policy for non-trading securities as stated under note 1(f)(ii) below.

(d) Associates and jointly controlled entities

An associate is an entity in which the group or company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the group or company and other parties, where the contractual arrangement establishes that the group or company and one or more of the other parties share joint control over the economic activity of the entity.

(c) 附屬公司 (續)

董事會認為香港建設(營造)的清盤對本集團的財政狀況無重大不利影響。

本公司資產負債表所示於附屬公司的投資,是按成本減去任何減值虧損(見附註1(k))後入賬。然而,如購入並持有這些投資的唯一目的是在短期內將之出售,或附屬公司是長期在嚴格限制條件下經營,以致其向本公司轉移資金的能力嚴重受損,則這些投資會按公允價值入賬。公允價值的變動會在產生時根據財務報表附註1(f)(ii)提及非買賣證券之會計政策處理。

(d) 聯營公司及合營公司

聯營公司是指本集團或本公司可以對其管理層發揮重大影響力的實體,包括參與其財務及經營決策,但不是控制或聯合控制其管理層。

合營公司是指本集團或本公司與其他方根據合約安排經營的實體。有關的合約安排確定,本集團或本公司與一名或以上的其他方共同控制該實體的經濟活動。



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(d) Associates and jointly controlled entities *(continued)*

(d) 聯營公司及合營公司 (續)

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the group's share of the associate's or the jointly controlled entity's net assets, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor or venturer, in which case it is stated at fair value with changes in fair value recognised in accordance with the accounting policy for non-trading securities as stated under note 1(f)(ii) below. The consolidated profit and loss account reflects the group's share of the post-acquisition results of the associates and jointly controlled entities for the year, including any amortisation of positive or negative goodwill charged or credited during the year in accordance with note 1(e).

Unrealised profits and losses resulting from transactions between the group and its associates and jointly controlled entities are eliminated to the extent of the group's interest in the associate or jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the profit and loss account.

於聯營公司或合營公司的投資是按權益法記入綜合財務報表，並且先以成本入賬，然後就本集團佔該聯營公司或合營公司淨資產在收購後的變動作出調整。然而，如購入並持有這些投資的唯一目的是在短期內將之出售，或聯營公司或合營公司是長期在嚴格限制條件下經營，以致其向本集團轉移資金的能力嚴重受損，則這些投資會按公允價值入賬。公允價值的變動會於產生時根據財務報表附註1(f)(ii)提及非買賣證券之會計政策處理。綜合損益表反映出年內本集團所佔聯營公司及合營公司於收購後的業績，包括按照附註1(e)於本年度列支或計入的正商譽或負商譽的任何攤銷。

本集團與聯營公司及合營公司之間交易所產生的未變現損益，均按本集團於聯營公司或合營公司所佔的權益比率抵銷；但假如未變現虧損顯示已轉讓資產出現減值，則這些未變現虧損會即時在損益表內確認。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(d) Associates and jointly controlled entities *(continued)*

In the company's balance sheet, its investments in associates and jointly controlled entities are stated at cost less impairment losses (see note 1(k)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor or venturer, in which case, it is stated at fair value with changes in fair value recognised in accordance with the accounting policy for non-trading securities as stated under note 1(f)(ii) below.

(e) Goodwill

Positive goodwill arising on consolidation represents the excess of the cost of the acquisition over the group's share of the fair value of the identifiable assets and liabilities acquired. In respect of controlled subsidiaries, associates and jointly controlled entities:

- for acquisitions before 1st January, 2001, positive goodwill is eliminated against reserves and is reduced by impairment losses (see note 1(k)); and

(d) 聯營公司及合營公司 (續)

本公司資產負債表所示於聯營公司及合營公司的投資，是按成本減去減值虧損（見附註1(k)）後入賬。然而，如購入並持有這些投資的唯一目的是在短期內將之出售，或聯營公司或合營公司是長期在嚴格限制條件下經營，以致其向本集團轉移資金的能力嚴重受損，則這些投資會按公允價值入賬。公允價值的變動會於產生時根據財務報表附註1(f)(ii)提及非買賣證券之會計政策處理。

(e) 商譽

編製綜合財務報表時產生的正商譽是指投資成本超過本集團佔所收購可分資產及負債公允價值的數額。就控制附屬公司、聯營公司及合營公司而言：

- 對於二零零一年一月一日前作出的收購，正商譽與儲備抵銷，並且減去減值虧損（見附註1(k)）之數；及



NOTES ON THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1. 主要會計政策 (續)

(e) Goodwill (continued)

- for acquisitions on or after 1st January, 2001, positive goodwill is amortised to the consolidated profit and loss account on a straight-line basis over its estimated useful life. Positive goodwill for controlled subsidiaries is stated in the consolidated balance sheet at cost less any accumulated amortisation and any impairment losses (see note 1(k)). The cost of positive goodwill less any accumulated amortisation and any impairment losses (see note 1(k)) for associates and jointly controlled entities is included in the carrying amount of the interest in associates or jointly controlled entities.

Negative goodwill arising on acquisitions of controlled subsidiaries, associates and jointly controlled entities represents the excess of the group's share of the fair value of the identifiable assets and liabilities acquired over the cost of the acquisition. Negative goodwill is accounted for as follows:

- for acquisitions before 1st January, 2001, negative goodwill is credited to a capital reserve; and

(e) 商譽 (續)

- 對於二零零一年一月一日或之後作出的收購, 正商譽是按其預計可用年限, 以直線法在綜合損益表內攤銷。受控制附屬公司的正商譽是以成本減去任何累計攤銷及任何減值虧損 (見附註1(k)) 後, 記入綜合資產負債表。對於聯營公司及合營公司而言, 正商譽是以成本減去任何累計攤銷及任何減值虧損 (見附註1(k)) 後, 計入聯營公司或合營公司權益中。

收購受控制附屬公司、聯營公司及合營公司所產生的負商譽是指本集團佔所收購可分資產及負債公允價值超過收購成本的數額。負商譽的入賬方法如下:

- 對於二零零一年一月一日前作出的收購, 負商譽計入資本儲備; 及

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(e) Goodwill *(continued)*

(e) 商譽 (續)

- for acquisitions on or after 1st January, 2001, to the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the consolidated profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the consolidated profit and loss account over the weighted average useful life of those non-monetary assets that are depreciable/amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the consolidated profit and loss account.

In respect of any negative goodwill arising on or after 1st January, 2001 not yet recognised in the consolidated profit and loss account:

- for controlled subsidiaries, such negative goodwill is shown in the consolidated balance sheet as a deduction from assets in the same balance sheet classification as positive goodwill; and

- 對於二零零一年一月一日或之後作出的收購，假如負商譽關乎在收購計劃中確定及可以可靠地計算，但尚未確認的預計未來虧損及支出，便會在未來虧損及支出確認時，在綜合損益表內確認。任何尚餘的負商譽（但以所收購非貨幣資產公允價值為限）則按應計折舊／攤銷的非貨幣資產的加權平均可用年限，在綜合損益表內確認。然而，如尚餘的負商譽數額高於所收購非貨幣資產公允價值，這部份負商譽便會立即在綜合損益表內確認。

對於任何在二零零一年一月一日或以後產生而尚未在綜合損益表內確認的負商譽：

- 如為受控制附屬公司，有關的負商譽會在綜合資產負債表內列示為資產的減項，與正商譽屬於同一個資產負債表類別；及



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(e) Goodwill *(continued)*

- for associates and jointly controlled entities, such negative goodwill is included in the carrying amount of the interests in associates or jointly controlled entities.

On disposal of a controlled subsidiary, an associate or a jointly controlled entity during the year, any attributable amount of purchased goodwill not previously amortised through the consolidated profit and loss account or which has previously been dealt with as a movement on group reserves is included in the calculation of the profit or loss on disposal.

(f) Other investments in securities

The group's and the company's policies for investments in securities other than investments in subsidiaries, associates and jointly controlled entities are as follows:

- (i) Trading securities are stated in the balance sheet at fair value. Changes in fair value are recognised in the profit and loss account as they arise.

(e) 商譽 (續)

- 如為聯營公司及合營公司，有關的負商譽會計入聯營公司或合營公司權益中。

如於年內出售受控制附屬公司、聯營公司或合營公司，以往未在綜合損益表中攤銷或以往作為集團儲備變動處理的應佔購入商譽的數額，均在計算出售的溢利或虧損時包括在內。

(f) 其他證券投資

本集團及本公司就證券投資(於附屬公司、聯營公司及合營公司的投資除外)的政策如下：

- (i) 買賣證券是以公允價值記入資產負債表。公允價值的變更，在產生時會在損益表中確認。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(f) Other investments in securities *(continued)*

(f) 其他證券投資 (續)

- (ii) Non-trading securities are stated in the balance sheet at fair value. Changes in fair value are recognised in the investment revaluation reserve until the security is sold, collected, or otherwise disposed of, or until there is objective evidence that the security is impaired, at which time the relevant cumulative gain or loss is transferred from the investment revaluation reserve to the profit and loss account.
- (iii) Transfers from the investment revaluation reserve to the profit and loss account as a result of impairments are reversed when the circumstances and events that led to the impairment cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- (iv) Profits or losses on disposal of investments in securities are accounted for in the profit and loss account as they arise. In the case of non-trading securities, the profit or loss includes any amount previously held in the investment revaluation reserve in respect of that security.

- (ii) 非買賣證券是以公允價值記入資產負債表。公允價值的變更均在投資重估儲備內確認，直至出售及贖回該證券後或有客觀根據指該證券減值時，期間所累積盈利或虧損會由投資重估儲備轉至損益表中確認。
- (iii) 當某情況及事件下令到減值不再存在，並有具說服力的憑證顯示新的情況及事件將持續下去，因減值而由投資重估儲備撥入損益表均需撥回。
- (iv) 出售投資證券之損益在其產生時於損益表內確認。而出售非買賣證券之損益則包括任何於以往年度該證券記入投資重估儲備的數額。



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(g) Fixed assets

(i) Fixed assets are carried in the balance sheets on the following basis:

- investment properties with an unexpired lease term of more than 20 years are stated in the balance sheet at their open market value which is assessed annually by external qualified valuers; and
- properties held for own use and other fixed assets are stated in the balance sheet at cost less aggregate depreciation (see note 1(j)) and impairment losses (see note 1(k)).

(ii) Changes arising on the revaluation of investment properties are generally dealt with in investment properties revaluation reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to the profit and loss account, if and to the extent that it exceeds the amount held in the reserve in respect of the portfolio of investment properties immediately prior to the revaluation; and

(g) 固定資產

(i) 固定資產是按下列基準記入資產負債表內：

- 尚餘租賃期超過二十年的投資物業按每年經由外聘的合資格估值師所評估的公開市值記入資產負債表；及
- 持作自用的物業及其他固定資產以成本減去累計折舊(參閱附註1(j))及減值虧損(參閱附註1(k))後記入資產負債表。

(ii) 重估投資物業所產生的變動一般是撥入儲備，但下列情況則除外：

- 如果出現重估虧損，而且有關的虧損額超過就該投資物業組合在截至重估前計入儲備的數額，便會在損益表列支；及

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(g) Fixed assets *(continued)*

(g) 固定資產 (續)

- when a surplus arises on revaluation, it will be credited to the profit and loss account, if and to the extent that a deficit on revaluation in respect of the portfolio of investment properties had previously been charged to the profit and loss account.
 - (iii) Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.
- 如果以往曾將投資物業組合的重估虧損在損益表列支，則在出現重估盈餘時，便會撥入損益表計算。
 - (iii) 在超過現有資產原先評估的表現水平的未來經濟效益很可能流入企業時，則與固定資產有關而且已獲確認的其後支出便會加入資產的賬面金額。所有其他其後支出則在產生的期間確認為支出。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1. 主要會計政策 (續)

(g) Fixed assets (continued)

(g) 固定資產 (續)

(iv) Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the fixed asset and are recognised in the profit and loss account on the date of retirement or disposal. On disposal of an investment property, the related portion of surpluses or deficits previously taken to the investment properties revaluation reserve is also transferred to the profit and loss account for the year. For all other fixed assets, any related revaluation surplus is transferred from the revaluation reserve to retained profits.

(iv) 報廢或出售固定資產所產生的損益以估計淨出售所得淨額與資產的賬金額之間的差額釐定，並於報廢或出售日在損益表內確認。出售投資物業時，早前記入投資物業重估儲備的有關盈餘或虧損部分亦會轉入該年度的損益表內。就所有其他固定資產而言，任何相關的重估盈餘會由重估儲備轉入保留溢利。

(h) Other properties

(h) 其他物業

(i) Properties held for development

Properties held for development are stated at cost less any impairment losses (see note 1(k)).

(i) 作發展用途的物業

作發展用途的物業是按成本減去任何減值虧損後入賬(見附註1(k))。

(ii) Properties under development

Properties under development are stated at specifically identified cost, including borrowing costs capitalised, aggregate cost of development, material and supplies, wages and other direct expenses, less any impairment losses (see note 1(k)).

(ii) 發展中物業

發展中物業是按成本(包括資本化借貸成本、累計發展成本、物料及供應品、工資及其他直接開支)減去任何減值虧損後入賬(見附註1(k))。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(h) Other properties *(continued)*

(h) 其他物業 (續)

(iii) Properties held for sale

(iii) 作銷售用途的物業

Properties held for sale are stated at the lower of cost and the estimated net realisable value. In the case of properties developed by the group, cost is determined by apportionment of the total development costs for that development project, including borrowing costs capitalised, attributable to the unsold properties. Net realisable value is the estimated selling price less costs to be incurred in selling the property.

作銷售用途的物業按成本及估計可變現淨值兩者中的較低者入賬。就本集團發展的物業而言，成本按未售出物業應佔該發展項目的總發展成本（包括資本化借貸成本）的比例釐定。可變現淨值是以估計售價減去將於出售物業時產生的成本後所得之數。

(iv) Profit recognition on pre-sales of properties under development

(iv) 預售發展中物業的溢利確認

The estimated profit on pre-sales of properties under development is recognised over the course of development when the outcome of the development can be reasonably foreseen. The profit recognised on the pre-sold properties is determined by the apportionment of the estimated profit over the entire period of construction to reflect the progress of the development and is calculated by reference to the proportion of development costs incurred up to the accounting date to the estimated total development costs to completion, but is limited to the amount of sales deposits received and due allowances are made for contingencies.

預售發展中物業的估計溢利是在發展項目成果可合理預計時在發展期內確認。預售物業確認的溢利是按整段建築期間估計溢利的分配比例來釐定，以反映物業發展的進度，並參考截至該會計日期止所產生的發展成本估計完工時總發展成本的份額而計算，但以所收銷售訂金並計及或有負債的金額為限。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1. 主要會計政策 (續)

(i) Operating lease charges

Where the group has the use of assets under operating leases, payments made under the leases are charged to the profit and loss account in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the profit and loss account as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the profit and loss account in the accounting period in which they are incurred.

(i) 經營租賃費用

假如本集團透過經營租賃使用資產，則根據租賃作出的付款在租賃期所涵蓋的會計期間內，以等額在損益表扣除；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的激勵措施均在損益表中確認為租賃淨付款總額的組成部份。或有租金在其產生的會計期內在損益表中扣除。

(j) Depreciation

- (i) No depreciation is provided on investment properties with an unexpired lease term of over 20 years.
- (ii) No depreciation is provided on properties under/held for development.

(j) 折舊

- (i) 尚餘租賃期超過二十年的投資物業不計提任何折舊。
- (ii) 發展中／作發展用途的物業不計提任何折舊。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(j) Depreciation *(continued)*

(j) 折舊 (續)

(iii) Depreciation is calculated to write off the cost of other fixed assets over their estimated useful lives as follows:

(iii) 其他固定資產的折舊是按其預計可用年限沖銷其成本；計算方法如下：

- leasehold land is depreciated on a straight-line basis over the remaining term of the lease;
- buildings are depreciated on a straight-line basis over the shorter of their estimated useful lives, being 50 years from the date of completion, and the unexpired terms of the leases; and
- other fixed assets, comprising machinery and equipment, vehicles, vessels, and fixtures and fittings are depreciated on a straight-line basis over their anticipated useful lives of 4 to 10 years.

- 租賃土地按尚餘租賃期以直線法計算折舊；
- 建築物按預計可用年限(即落成日期起計五十年)或尚餘租賃期兩者中的較短期間，以直線法計算折舊；及
- 其他固定資產包括機器及設備、汽車、船隻、裝修及裝置，按其預計可用年限四至十年以直線法計算折舊。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1. 主要會計政策 (續)

(k) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- investments in subsidiaries, associates and joint ventures (except for those accounted for at fair value under notes 1(c)&(d));
- properties under/held for development; and
- positive goodwill (whether taken initially to reserves or recognised as an asset).

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(k) 資產減值

董事在每個結算日審閱內部和外來的信息以確定下列資產有否出現減值跡象,或是以往確認的減值虧損不復存在或已經減少:

- 物業、機器及設備;
- 於附屬公司、聯營公司及合營公司的投資(根據附註1(c)及(d)所述,以公允價值列賬的公司除外);
- 發展中/作發展用途的物業;及
- 正商譽(不論是在產生時與儲備抵銷或確認為資產)。

如果發現有減值跡象,便會估計該資產的可收回數額。當資產的賬面金額高於可收回數額時,便會確認減值虧損。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

*For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)*

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(k) Impairment of assets *(continued)*

(k) 資產減值 (續)

(i) Calculation of recoverable amount

(i) 計算可收回數額

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently.

資產的可收回數額以其銷售淨價和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折讓率將估計未來現金流量折讓至現值。該折讓率應是反映市場當時所評估的貨幣時間價值和該資產的獨有風險。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別來釐定可收回數額。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1. 主要會計政策 (續)

(k) Impairment of assets (continued)

(k) 資產減值 (續)

(ii) Reversals of impairment losses

(ii) 減值虧損轉回

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the profit and loss account in the year in which the reversals are recognised.

倘若用以釐定可收回數額的估計發生有利變化，便會將資產減值虧損轉回；但商譽除外。至於商譽的減值虧損是由性質獨特及預計不會出現的特殊外界因素所造成，而且可收回數額的增加明顯是與該特殊因素轉回有關，才會將減值虧損轉回。

所轉回的減值虧損以假設沒有在往年確認減值虧損而應已釐定的資產賬面金額為限。所轉回的減值虧損在確認轉回的年度內計入損益表。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(I) Construction contracts

The accounting policy for contract revenue is set out in note 1(q)(ii). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the balance sheet date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the balance sheet date are recorded in the balance sheet at the net amount of costs incurred plus recognised profits less recognised losses and progress billings, and are presented in the balance sheet as the "Gross amount due from customers for contract work" (as an asset) or the "Gross amount due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customer are included in the balance sheet under "Debtors, deposits and prepayments". Amounts received before the related work is performed are included in the balance sheet, as a liability, as "Advances received".

1. 主要會計政策 (續)

(I) 建築合約

合約收入的會計政策載列於附註1(q)(ii)。如果能夠可靠地估計建築合約的結果，合約成本會參照結算日的合約完成程度確認為支出。如果合約總成本可能超過總收入，便會即時將預期損失確認為支出。如果不能可靠地估計建築合約的結果，則合約成本在其產生的期間內確認為支出。

結算日的在建工程合約所產生的成本淨額加上已確認溢利，再減去已確認虧損及按進度開列的賬單數額，記入資產負債表，並按適用的情況在資產負債表中以「應收客戶合約工程總額」（作為資產）或「應付客戶合約工程總額」（作為負債）列示。客戶尚未償付的進度付款則記入資產負債表的「應收賬款、按金及預付款」內。已在進行相關工程前收取的款項，記入資產負債表的「已收預付款」（作為負債）內。



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(m) Cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(m) 現金等價物

現金及現金等價物包括銀行結存及現金、銀行及其他財務機構之存款，及短期而高流動性的投資，即於購入時三個月內到期而沒有涉及重大價值轉變的風險下可以容易地轉換為已預知金額的投資。現金流量表中的現金及現金等價物亦包括須即期償還，並構成集團資金管理一部分的銀行透支。

(n) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the profit and loss account as incurred, except to the extent that they are included in the cost of intangible assets and inventories not yet recognised as an expense.

(n) 僱員福利

- (i) 薪金、年終花紅、年度有薪假期、假期旅遊津貼及非現金性福利之成本，均在本集團有關僱員提供服務之年度內以應計基準支銷。當支付及結算的款項被遞延，及其影響是重大的，此等數額是按現值入賬。
- (ii) 根據香港《強制性公積金計劃條例》的規定作出的強制性公積金供款，均於產生時在損益表內確認為支出，但若該等供款已包括在無形資產和存貨成本內而並未被確認為支出則除外。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(n) Employee benefits *(continued)*

(n) 僱員福利 (續)

- (iii) The group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the profit and loss account on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the profit and loss account.

- (iii) 本集團的界定利益退休計劃之債務淨額乃按僱員於現時及過往所提供之服務估計其賺取之未來收益而為每一計劃個別計算；該等收益以貼現計算其現值，並扣除所有計劃內資產之公允價值。而貼現率則為期限與本集團債務相若之優質企業債券於結算日之孳息率。其計算由合格之精算師以預計單位基數法進行。

當計劃之福利有所改善時，有關僱員過往服務的利​​益增值部份，在直至該利益變為既得前，按直線法在損益表內列支。若既得利益即時悉數歸於僱員，則即時在損益表內確認為支出。



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(n) Employee benefits *(continued)*

(n) 僱員福利 (續)

- (iii) In calculating the group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the profit and loss account over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation of the group's net obligation results in a negative amount, the asset recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

- (iv) When the group grants employees options to acquire shares of the company at nil consideration, no employee benefit cost or obligation is recognised at the date of grant. When the options are exercised, equity is increased by the amount of the proceeds received.

- (iii) 在計算本集團就該計劃之債務時，當任何未經確認之累積精算收益或虧損超出界定利益責任之現值或該計劃內資產之公允價值(二者之較大者)之百分之十，則有關之超出部份按參與該計劃員工之預計平均餘下工齡在損益表中確認。除此以外，該等精算收益或虧損不被確認。

當計算本集團之債務淨額得出負數時，確認之資產僅限於任何累積未確認之精算損失淨額及過往服務成本及未來由退休計劃之退款或未來減少就退休計劃供款之現值。

- (iv) 當集團以無償價給予僱員認購公司股份之認購權，於賦予日期概不會確認為僱員福利成本或責任。當認購權被行使時，股權將根據收到之款項而增加。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(n) Employee benefits *(continued)*

(n) 僱員福利 (續)

(v) Termination benefits are recognised when, and only when, the group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

終止僱傭福利僅於集團具備正式而詳細的方案及不可能撤回方案的情況下，明確顯示終止聘用或因採取自願離職措施而提供福利時，方予確認。

(o) Deferred taxation

(o) 遞延稅項

Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to crystallise in the foreseeable future.

遞延稅項是就收益及支出的會計與稅務處理方法之間，由所有重大時差產生而相當可能於可見未來實現的稅項影響，以負債法計提準備。

Future deferred tax benefits are not recognised unless their realisation is assured beyond reasonable doubt.

未來的遞延稅項利益只會在合理保證可實現時才會確認。



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the company or group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) 準備及或有負債

倘若本公司或本集團須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益的資源外流，並可作出可靠的估計，便會就該時間或數額不定的負債計提準備。如果貨幣時間價值重大，則按預計履行義務所需資源的現值計列準備。

倘若含有經濟效益的資源外流的可能性不大，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債；但假如這類資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會披露為或有負債；但假如這類資源外流的可能性極低則除外。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(q) Revenue recognition

Provided it is probable that the economic benefits will flow to the group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit and loss account as follows:

(i) Sale of properties

Revenue arising from properties held for sale is recognised upon the signing of the sale and purchase agreements or the issue of an occupation permit by the relevant government authorities, whichever is the later. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the balance sheet under "Creditors and accrued expenses".

(ii) Contract revenue

When the outcome of a construction contract can be estimated reliably:

- revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract; and

(q) 收入確認

收入是在經濟效益可能會流入本集團，以及能夠可靠地計算收入和成本（如適用）時，根據下列方法在損益表內確認：

(i) 銷售物業

持作銷售用途的物業所產生的收入在簽訂買賣協議或有關政府部門發出入伙紙（以較後的日期為準）時確認。在確認收入當日前就出售物業所收取的訂金及分期付款則記入資產負債表的「應付賬款及應計費用」內。

(ii) 合約收入

當建築合約的結果能夠可靠地估計時：

- 固定價格合約的收入會以完工百分比法確認，並根據有關合約截至結算日已產生的成本所佔合約估計總成本的百分比計算；及



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1. 主要會計政策 (續)

(q) Revenue recognition (continued)

(q) 收入確認 (續)

(ii) Contract revenue (continued)

(ii) 合約收入 (續)

- revenue from a cost plus contract is recognised by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

- 成本加成合約的收入是按期內已產生的可收回成本，加上根據有關合約截至本期間已產生的成本佔合約估計總成本的比率計算的收費收入來確認。

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

如果不能可靠地估計建築合約的結果，則只會根據已產生的合約成本可能收回的程度來確認收入。

(iii) Rental income from operating leases

(iii) 經營租賃的租金收入

Rental income receivable under operating leases is recognised in the profit and loss account in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the profit and loss account as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

經營租賃的應收租金收入在租賃期所涵蓋的會計期間內，以等額在損益表確認；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的激勵措施均在損益表中確認為應收租賃淨付款總額的組成部分。或有租金在其產生的會計期間內確認為收入。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(q) Revenue recognition *(continued)*

(q) 收入確認 (續)

(iv) Dividends

(iv) 股息

- dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

- 非上市投資的股息收入在股東收取款項的權利確立時確認。
- 上市投資的股息收入在投資項目的股價除息時確認。

- (v) Interest income from bank deposits and other advances is accrued on a time-apportioned basis by reference to the principal outstanding and at the rate applicable.

- (v) 銀行存款及其他預付款的利息收入以時間比例為基準，按尚餘本金及適用利率計算。

(r) Translation of foreign currencies

(r) 外幣換算

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the profit and loss account.

年內的外幣交易按交易日的匯率換算為港幣。以外幣為單位的貨幣性資產及負債則按結算日的匯率換算為港幣。滙兌盈虧均撥入損益表處理。

The results of foreign enterprises are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

海外企業的業績按本年平均匯率換算為港幣，資產負債表項目按結算日匯率換算為港幣。所產生的滙兌差額作為儲備變動處理。



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Translation of foreign currencies *(continued)*

On disposal of a foreign enterprise, the cumulative amount of the exchange differences which relate to that foreign enterprise is included in the calculation of the profit or loss on disposal.

(s) Borrowing costs

Borrowing costs are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditures for the asset are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

1. 主要會計政策 (續)

(r) 外幣換算 (續)

在出售海外企業時，與該海外企業有關的累計滙兌差額在計算出售的溢利或虧損時包括在內。

(s) 借貸成本

除直接用作收購、建設或生產需要相當長時間才可投入原定用途或銷售的資產的借貸成本予以資本化外，借貸成本均在產生的期間內在損益表列支。

屬於合資格資產成本一部分的借貸成本在資產產生開支、借貸成本產生及使資產投入原定用途或銷售所必須的準備工作進行期間開始資本化。在使合資格資產投入原定用途或銷售所必須的絕大部分準備工作終止或完成時，借貸成本便會暫停或停止資本化。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(t) Related parties

For the purposes of these financial statements, parties are considered to be related to the group if the group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(u) Segment reporting

A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the group's internal financial reporting system, the group has chosen geographical segment information as the primary reporting format and business segment information as the secondary reporting format for the purposes of these financial statements.

1. 主要會計政策 (續)

(t) 關連人士

就本財務報表而言，如果本集團能夠直接或間接監控另一方人士或對另一方人士的財務及經營決策發揮重大的影響力，或另一方人士能夠直接或間接監控本集團或對本集團的財務及經營決策發揮重大的影響力，或本集團與另一方人士均受制於共同的監控或共同的重大的影響下，有關人士即被視為本集團的關連人士。關連人士可以是個別人士或其他實體。

(u) 分部報告

分部指本集團內可明顯區分的組成部分，並且負責提供單項產品或服務（業務分部），或在一個特定的經濟環境中提供產品或服務（地區分部）。每個分部所承擔的風險和所獲享的回報，均與其他分部有別。

按照本集團的內部財務報告模式，為編制此財務報表，本集團選擇以地區分部為報告分部信息的主要形式，而業務分部則是次要的分部報告形式。



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1. 主要會計政策 (續)

(u) Segment reporting *(continued)*

(u) 分部報告 (續)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets include properties held for sale, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

分部收入、支出、經營成果、資產及負債包含直接歸屬某一分部，以及可按合理的基準分配至該分部的項目的數額。例如，分部資產可能包括作銷售用途的物業、應收賬款及物業、機器及設備。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷的集團內部往來的餘額和集團內部交易；但同屬一個分部的集團企業之間的集團內部往來的餘額和交易則除外。

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

分部資本開支指期內購入預計可於超過一個會計期間使用的分部資產（包括有形及無形資產）所產生的成本總額。

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses and minority interests.

未能分配至分部的項目主要包括財務及企業、帶息貸款、借款、企業和融資支出及少數股東權益。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

2. TURNOVER

The principal activities of the group are construction and property development and investment.

Turnover represents revenue from construction contracts, rental income and proceeds from sale of properties. The amount of each significant category of revenue recognised in turnover during the year is as follows:

2. 營業額

本集團的主要業務是建築工程及物業發展和投資。

營業額包括來自建築合約收入、租金收入和出售物業所得款項。年內營業額中各項已確認的重要收入類別的數額如下：

		2002	2001
		二零零二年	二零零一年
		\$ Million	\$ Million
		百萬元	百萬元
Revenue from construction contracts	建築合約收入	1,297.7	1,814.0
Rental income	租金收入	19.8	18.8
Proceeds from sale of properties	出售物業所得款項	4.8	0.6
		1,322.3	1,833.4



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

3. SEGMENTAL REPORTING

Segmental information is presented in respect of the group's geographical and business segments. Information relating to geographical segment based on the location of customers is chosen as the primary reporting format because this is more relevant to the group in making operating and financial decisions.

Geographical segments by the location of customers and by the location of assets

The group's business is managed on a geographical basis and participates in two principal economic environments namely the People's Republic of China ("the PRC") and Hong Kong.

When presenting information on the basis of geographical segments, segment information is based on the geographical location of customers unless otherwise stated. Segment assets analysed by the geographical location of the assets are the same as segment assets analysed by the geographical location of customers, accordingly this information is not separately disclosed.

3. 分部報告

分部資料是按本集團的地區和業務分部作出呈述。由於以客戶的所在地為劃分基準的地區分部資料對本集團的經營及財務決策意義較大，故已選為報告分部資料的主要形式。

以客戶所在地及資產所在地為劃分基準的地區分部

本集團之業務以地區性劃分，並主要在中華人民共和國（「中國」）及香港經營。

以地區分部呈報資料時，除非特別註明，否則分部資料是以客戶所在地呈報。因以資產所在地分析和以客戶所在地分析的分部資產相同，有關的資料並未分別呈報。

NOTES ON THE FINANCIAL STATEMENTS (continued)

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

3. SEGMENTAL REPORTING (continued)

3. 分部報告 (續)

		Hong Kong		The People's Republic of China		Unallocated		Consolidated	
		香港		中國		未能分類		綜合	
		2002	2001	2002	2001	2002	2001	2002	2001
		二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年
		\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元
Location of customers	客戶所在地								
Revenue from external customers	外間客戶之收入	1,163.5	1,736.9	158.8	96.5	-	-	1,322.3	1,833.4
Other revenue	其他收入	-	-	11.4	10.0	13.7	20.9	25.1	30.9
Total revenue	總收入	<u>1,163.5</u>	<u>1,736.9</u>	<u>170.2</u>	<u>106.5</u>	<u>13.7</u>	<u>20.9</u>	<u>1,347.4</u>	<u>1,864.3</u>
Segment profit/(loss)	分部利潤/(虧損)	(122.8)	(130.7)	2.2	24.1			(120.6)	(106.6)
Unallocated operating income and expenses	未能分類之經營收入及支出							(181.7)	(187.3)
Loss from operations	經營虧損							(302.3)	(293.9)
Finance costs	融資成本							(125.0)	(217.8)
Discount on auction of bank loans and floating rate notes	銀行貸款及浮息票據拍賣折讓							-	123.4
Deficit on revaluation of investment properties	投資物業重估虧蝕							(17.7)	(76.4)
Share of profits less losses of associates and jointly controlled entities	應佔聯營公司及合營公司溢利減虧損	1.9	55.3	(13.0)	(191.7)			(11.1)	(136.4)
Share of impairment losses and property revaluation deficits of associates	應佔聯營公司減值虧損及物業重估虧蝕	-	-	(12.8)	(199.5)			(12.8)	(199.5)
Taxation	稅項							(28.8)	(35.5)
Minority interests	少數股東權益							1.5	-
Loss attributable to shareholders	股東應佔虧損							<u>(496.2)</u>	<u>(836.1)</u>
Depreciation & amortisation for the year	本年度折舊及攤銷	0.8	1.1	-	-				
Significant non-cash expenses (other than depreciation & amortisation)	重大非現金支出(折舊及攤銷除外)	<u>218.6</u>	<u>67.3</u>	<u>21.7</u>	<u>25.3</u>				



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

3. SEGMENTAL REPORTING (continued)

3. 分部報告 (續)

		Hong Kong		The People's Republic of China		Unallocated		Consolidated	
		香港	中國	未能分類	綜合				
		2002	2001	2002	2001	2002	2001	2002	2001
		二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年
		\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元
Segment assets	分部資產	651.4	633.4	1,301.0	1,116.5			1,952.4	1,749.9
Interests in associates and jointly controlled entities	聯營公司及合營公司權益	69.1	53.9	1,639.8	2,260.3			1,708.9	2,314.2
Unallocated assets	未能分類投資							982.7	889.9
Total assets	總資產							4,644.0	4,954.0
Segment liabilities	分部負債	(666.9)	(650.6)	(227.2)	(215.1)			(894.1)	(865.7)
Amounts due to associates and jointly controlled entities	應付聯營公司及合營公司款項	(190.7)	(192.2)	(21.9)	(38.4)			(212.6)	(230.6)
Unallocated liabilities	未能分類負債							(2,769.4)	(2,703.3)
Total liabilities	總負債							(3,876.1)	(3,799.6)

NOTES ON THE FINANCIAL STATEMENTS (continued)

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

3. SEGMENTAL REPORTING (continued)

3. 分部報告 (續)

Business segments

業務分部

The group comprises the following main business segments:

集團之主要業務分部如下：

Construction: The construction work, including civil and building works, for external customers.

建築：為外間客戶提供包括土木及屋宇建造工程。

Property leasing: The leasing of office premises and residential properties to generate rental income and to gain from the appreciation in the properties' values in the long term.

物業租賃：出租辦公室及住宅物業以收取租金收入及在長遠而言，因物業升值而賺取的溢利。

Property development and sales: The development, purchase and sale of commercial and residential properties.

物業發展及銷售：發展及買賣商住樓宇。

		Construction		Property leasing		Property development and sales	
		建築	物業租賃	物業發展及銷售			
		2002	2001	2002	2001	2002	2001
		二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年
		\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元	百萬元	百萬元
Revenue from external customers	外間客戶之收入	1,297.7	1,814.0	19.8	18.8	4.8	0.6
Other revenue	其他收入	-	-	11.4	10.0	-	-
Total revenue	總收入	1,297.7	1,814.0	31.2	28.8	4.8	0.6
Segment profit/(loss)	分部利潤／(虧損)	(151.8)	(134.1)	31.2	28.8	-	(1.3)
Segment assets	分部資產	816.8	763.6	429.5	455.1	706.1	531.2



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

4. OTHER REVENUE

4. 其他收入

		2002	2001
		二零零二年	二零零一年
		\$ Million	\$ Million
		百萬元	百萬元
Interest income	利息收入	7.8	11.6
Property fee income	物業收費收入	11.4	10.0
Other income	其他收入	5.9	9.3
		<u>25.1</u>	<u>30.9</u>

5. LOSS FROM ORDINARY ACTIVITIES BEFORE
TAXATION

5. 除稅前正常業務虧損

Loss from ordinary activities before taxation is arrived
at after charging/(crediting):

除稅前正常業務虧損已扣除/(計入):

		2002	2001
		二零零二年	二零零一年
		\$ Million	\$ Million
		百萬元	百萬元
(a) Other net income	(a) 其他收益淨額		
Net (profit)/loss on sale of fixed assets	出售固定資產(收益)/ 虧損淨額	(12.3)	0.8
Exchange loss/(gain)	匯兌虧損/(收益)	9.9	(35.2)
Loss on disposal of a subsidiary	出售附屬公司虧損	-	16.6
Gain on liquidation of a subsidiary	附屬公司清盤收益	(7.0)	-
Others	其他	2.0	(3.4)
		<u>(7.4)</u>	<u>(21.2)</u>

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

5. LOSS FROM ORDINARY ACTIVITIES BEFORE TAXATION *(continued)*

5. 除稅前正常業務虧損 (續)

		2002	2001
		二零零二年	二零零一年
		\$ Million	\$ Million
		百萬元	百萬元
(b) Other operating expenses	(b) 其他經營費用		
Provision for bad and doubtful debts	呆壞賬準備	35.4	3.9
Provision for properties held for sale	銷售物業準備	14.9	46.8
Impairment loss on fixed assets	固定資產減值虧損	3.3	2.6
Impairment of goodwill on acquisition of further interest in an associate	收購聯營公司權益所產生的商譽減值	12.6	4.7
Impairment loss of non-trading securities	非買賣證券減值虧損	3.3	20.0
Tendering costs and other unallocated contract costs	投標成本及其他工程成本	23.2	20.9
Others	其他	21.6	16.6
		<u>114.3</u>	<u>115.5</u>
(c) Finance costs	(c) 融資成本		
Interest on bank advance and other borrowings repayable within five years	須於五年內償還的銀行貸款及其他借款的利息	125.0	217.8
		<u>125.0</u>	<u>217.8</u>



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

5. LOSS FROM ORDINARY ACTIVITIES BEFORE
TAXATION (continued)

5. 除稅前正常業務虧損 (續)

		2002 二零零二年 \$ Million 百萬元	2001 二零零一年 \$ Million 百萬元
(d) Staff costs*	(d) 員工成本*		
Contributions to defined contribution plan	界定供款計劃之供款	0.4	
Increase in liability for defined benefit plan (notes 30(a)(ii) and (iii))	界定利益計劃負債增加(附註30(a)(ii)及(iii))	4.7	
Retirement costs	退休成本	5.1	7.5
Salaries, wages and other benefits	薪金、工資及其他福利	32.6	51.1
		<u>37.7</u>	<u>58.6</u>
		2002 二零零二年 \$ Million 百萬元	2001 二零零一年 \$ Million 百萬元
(e) Other items	(e) 其他項目		
Cost of properties sold	物業出售成本	4.8	1.9
Auditors' remuneration	核數師酬金	4.4	7.5
Depreciation*	折舊*	2.6	2.7
Operating lease charges in respect of property	物業經營租賃費用	1.3	1.9
Rentals receivable from investment properties less direct outgoings of \$2.2 million (2001: \$1.4 million)	應收投資物業租金減直接支出2,200,000元(二零零一年: 1,400,000元)	(17.6)	(17.4)

* In addition to the amounts disclosed above, staff costs and depreciation of \$83.8 million (2001: \$76.1 million) and \$0.8 million (2001: \$1.1 million) respectively were charged to cost of construction contracts.

* 除以上呈報的資料外, 記入建築合約成本的員工成本及折舊費用分別為83,800,000元(二零零一年: 76,100,000元)及800,000元(二零零一年: 1,100,000元)。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

6. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

6. 董事酬金

根據香港《公司條例》第161條列報的董事酬金如下：

		2002 二零零二年 \$ Million 百萬元	2001 二零零一年 \$ Million 百萬元
Fees	袍金	0.4	0.1
Salaries and other emoluments	薪金及其他酬金	12.4	17.3
Retirement scheme contributions	退休金計劃供款	-	0.2
Compensation for loss of office paid by the company	由本公司支付的離職補償金	-	11.0
		12.8	28.6

Included in the directors' remuneration were fees of \$0.2 million (2001: \$0.1 million) paid to the independent non-executive directors during the year.

董事酬金中包括本年度內支付予獨立非執行董事200,000元(二零零一年:100,000元)的袍金。

The remuneration of the directors is within the following bands:

酬金在以下範圍內的董事人數如下：

		2002 二零零二年 Number of directors 董事人數	2001 二零零一年 Number of directors 董事人數
\$ Nil – 1,000,000	無 – 1,000,000元	6	12
\$ 1,000,001 – 1,500,000	1,000,001元 – 1,500,000元	2	2
\$ 1,500,001 – 2,000,000	1,500,001元 – 2,000,000元	1	1
\$ 2,000,001 – 2,500,000	2,000,001元 – 2,500,000元	1	1
\$ 2,500,001 – 3,000,000	2,500,001元 – 3,000,000元	1	1
\$ 3,000,001 – 3,500,000	3,000,001元 – 3,500,000元	1	-
\$ 6,500,001 – 7,000,000	6,500,001元 – 7,000,000元	-	1
\$ 8,000,001 – 8,500,000	8,000,001元 – 8,500,000元	-	1



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

7. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2001: all) are directors of the company, whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other two (2001: Nil) individuals are as follows:

Salaries and other emoluments 薪金及其他酬金

The emoluments of the two (2001: Nil) individuals with the highest emoluments are within the following bands:

\$1,500,001 – 2,000,000

1,500,001元 – 2,000,000元

7. 最高酬金人士

五名酬金最高人士中，三名(二零零一年：所有)為公司董事，其酬金已在附註6披露。其餘兩位(二零零一年：無)人士的酬金總額如下：

2002	2001
二零零二年	二零零一年
\$ Million	\$ Million
百萬元	百萬元
3.7	-

該兩位(二零零一年：無)酬金最高人士的酬金在以下範圍內：

2002	2001
二零零二年	二零零一年
Number of individuals	Number of individuals
人數	人數
2	-

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

8. TAXATION

8. 稅項

(a) Taxation in the consolidated profit and loss account represents:

(a) 綜合損益表所列的稅項為：

		The group	
		本集團	
		2002	2001
		二零零二年	二零零一年
		\$ Million	\$ Million
		百萬元	百萬元
PRC taxation	中國稅項	6.7	12.1
Under-provision of Hong Kong profits tax in respect of prior years	以往年度香港利得稅準備不足	-	2.9
		6.7	15.0
Share of associates' taxation	應佔聯營公司稅項	22.1	20.5
		28.8	35.5

No provision has been made for Hong Kong profits tax as the company and its subsidiaries in Hong Kong sustained losses for taxation purposes during the year.

由於本公司和本公司在香港的附屬公司於本年度為虧損（在稅務方面而言），因此沒有對香港利得稅作出準備。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

8. TAXATION (continued)

8. 稅項 (續)

(b) Taxation in the balance sheets represents:

(b) 資產負債表內的稅項為：

	The group		The company	
	本集團		本公司	
	2002	2001	2002	2001
	二零零二年	二零零一年	二零零二年	二零零一年
	\$ Million	\$ Million	\$ Million	\$ Million
	百萬元	百萬元	百萬元	百萬元
Hong Kong profits tax				
– balance of profits tax				
provision relating to				
prior years	2.9	2.9	–	–
PRC taxation	63.4	63.4	50.3	50.3
	66.3	66.3	50.3	50.3

(c) There are no significant potential deferred tax liabilities for which provision has not been made.

(c) 本集團因無重大潛在遞延稅項負債，故不作出準備。

9. LOSS ATTRIBUTABLE TO SHAREHOLDERS

9. 股東應佔虧損

The loss attributable to shareholders includes a loss of \$317.2 million (2001: loss of \$557.6 million) which has been dealt with in the financial statements of the company.

股東應佔虧損包括一筆已列入本公司財務報表的317,200,000元虧損(二零零一年：557,600,000元虧損)。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to shareholders of \$496.2 million (2001: \$836.1 million) and on 607.9 million (2001: 555.2 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the year.

(b) Diluted loss per share

There were no dilutive potential ordinary shares in existence during the years 2002 and 2001.

11. CHANGES IN ACCOUNTING POLICIES

(i) Employee benefits

In prior years, the regular cost of providing retirement benefits under the defined benefit retirement schemes was charged to the profit and loss account over the expected service lives of the members of the schemes on the basis of level percentages of pensionable pay. With effect from 1st January, 2002, in order to comply with Statement of Standard Accounting Practice 34 issued by the Hong Kong Society of Accountants, the group adopted a new policy for defined benefit plans as set out in note 1(n).

10. 每股虧損

(a) 每股基本虧損

每股基本虧損是按照496,200,000元(二零零一年: 836,100,000元)的股東應佔虧損及本年度已發行普通股的加權平均數607,900,000股(二零零一年: 555,200,000股)計算。

(b) 每股攤薄虧損

在二零零二年及二零零一年度均沒有潛在攤薄性的普通股。

11. 會計政策的修訂

(i) 僱員福利

以往年度, 界定利益退休計劃之定期退休福利成本以應計退休金的平均百分比為基礎, 在退休計劃成員的預計服務年期內計入損益表列支。由二零零二年一月一日起, 為了符合香港會計師公會頒布的《會計實務準則》第34號, 本集團採用了一項對該界定利益退休計劃的新會計政策, 並於附註1(n)列示。



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

11. CHANGES IN ACCOUNTING POLICIES *(continued)*

(i) Employee benefits *(continued)*

As a result of the new accounting policy, the group's loss for the year has been increased by \$0.7 million and the net assets as at the year end have been increased by \$13.3 million. The effect of adopting the new accounting policy relating to prior periods has been adjusted to the opening balances of accumulated losses for the year. No restatement of the comparative information has been made.

(ii) Translation of financial statements of foreign enterprises

In prior years, the results of foreign enterprises were translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. With effect from 1st January, 2002, in order to comply with Statement of Standard Accounting Practice 11 (revised) issued by the Hong Kong Society of Accountants, the group translates the results of foreign enterprises at the average exchange rate for the year. The effect of this change in accounting policy is not material and, therefore, the opening balances have not been restated.

11. 會計政策的修訂 (續)

(i) 僱員福利 (續)

在新會計政策下，集團本年度之虧損增加了700,000元，而年結時之資產淨值則增加了13,300,000元。採用是項新會計政策的影響已在累計虧損的期初結餘作出調整。比較數字並未作出重報。

(ii) 海外企業財務報表之換算

在以往年度，海外企業之業績乃按資產負債表結算日之滙率換算為港幣。由二零零二年一月一日起，為了符合香港會計師公會頒布的《會計實務準則》第11號（經修訂），本集團將海外企業之業績按是年度平均滙率換算為港幣。基於此會計政策之改動沒有重大影響，故此，期初餘額不作出相應調整。

NOTES ON THE FINANCIAL STATEMENTS (continued)

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

12. FIXED ASSETS

12. 固定資產

(a) The group	(a) 本集團	Investment properties	Properties held for own use	Other fixed assets	Total
		投資物業	自用物業	其他 固定資產	總額
		\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元
Cost or valuation:	成本或估值:				
At 1st January, 2002	於2002年1月1日	454.3	39.1	42.8	536.2
Exchange adjustments	滙兌調整	(1.0)	-	(0.1)	(1.1)
Additions	增置				
- through acquisition of a subsidiary	- 透過收購一間 附屬公司	18.2	-	0.5	18.7
- others	- 其他	-	-	0.4	0.4
Transfer from properties held for sale	由作銷售用途的 物業轉入	3.8	-	-	3.8
Reclassification	重新分類	4.5	-	(5.3)	(0.8)
Disposals	出售	(32.6)	-	(0.9)	(33.5)
Revaluation deficit	重估虧絀	(17.7)	-	-	(17.7)
		429.5	39.1	37.4	506.0
At 31st December, 2002	於2002年12月31日	429.5	39.1	37.4	506.0
Representing:	代表:				
Cost	成本	-	39.1	37.4	76.5
Valuation - 2002	估值 - 2002年	429.5	-	-	429.5
		429.5	39.1	37.4	506.0
Aggregate depreciation:	折舊總額:				
At 1st January, 2002	於2002年1月1日	-	11.1	29.6	40.7
Through acquisition of a subsidiary	透過收購一間 附屬公司	-	-	0.4	0.4
Charge for the year	本年度折舊	-	0.6	2.8	3.4
Impairment loss	減值虧損	-	0.3	3.0	3.3
Reclassification	重新分類	-	-	(0.8)	(0.8)
Written back on disposal	出售時撥回	-	-	(0.8)	(0.8)
		-	12.0	34.2	46.2
At 31st December, 2002	於2002年12月31日	-	12.0	34.2	46.2
Net book value:	賬面淨值:				
At 31st December, 2002	於2002年12月31日	429.5	27.1	3.2	459.8
At 31st December, 2001	於2001年12月31日	454.3	28.0	13.2	495.5



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

12. FIXED ASSETS (continued)

12. 固定資產 (續)

		Investment properties	Properties held for own use	Other fixed assets 其他 固定資產	Total 總額
		\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
(b) The company	(b) 本公司				
Cost or valuation:	成本或估值:				
At 1st January, 2002	於2002年1月1日	12.8	30.8	31.8	75.4
Additions	增置	-	-	0.2	0.2
Disposals	出售	-	-	(0.6)	(0.6)
Revaluation deficit	重估虧絀	(3.1)	-	-	(3.1)
At 31st December, 2002	於2002年12月31日	9.7	30.8	31.4	71.9
Representing:	代表:				
Cost	成本	-	30.8	31.4	62.2
Valuation - 2002	估值 - 2002年	9.7	-	-	9.7
		9.7	30.8	31.4	71.9
Aggregate depreciation:	折舊總額:				
At 1st January, 2002	於2002年1月1日	-	7.5	25.0	32.5
Charge for the year	本年度折舊	-	0.4	2.1	2.5
Impairment loss	減值虧損	-	-	3.0	3.0
Written back on disposal	出售時撥回	-	-	(0.6)	(0.6)
At 31st December, 2002	於2002年12月31日	-	7.9	29.5	37.4
Net book value:	賬面淨值:				
At 31st December, 2002	於2002年12月31日	9.7	22.9	1.9	34.5
At 31st December, 2001	於2001年12月31日	12.8	23.3	6.8	42.9

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

12. FIXED ASSETS *(continued)*

(c) Investment properties of the group and the company were revalued at 31st December, 2002 by an independent firm of surveyors, RHL Appraisal Limited, on an open market value basis calculated by reference to net rental income allowing for reversionary income potential. At the year end date, the legal title of certain investment properties situated in the PRC acquired from an associate in previous year amounting to \$130.0 million (2001: \$156.0 million) has not yet been formally transferred to the group.

(d) The group leases out investment properties under operating leases. The leases typically run for an initial period of up to 3 years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

The gross carrying amounts of investment properties of the group and the company held for use in operating leases were \$429.5 million (2001: \$454.3 million) and \$9.7 million (2001: \$12.8 million) respectively.

(e) At 31st December, 2002, the group and the company has pledged certain fixed assets having a net book value of approximately \$35.9 million (2001: \$39.9 million) and \$32.6 million (2001: \$36.1 million) respectively in accordance with the terms of the Guarantee and Debenture to provide security for the bank indebtedness and the FRNs.

12. 固定資產 (續)

(c) 本集團及本公司之投資物業已於二零零二年十二月三十一日經由獨立測量師行－永利行評估顧問有限公司進行重估。該測量師行是以租金收入淨額並且考慮到物業市場潛在租金變化作為計算公開市值的評估基準。於年結日，以往年度收購聯營公司位於國內的130,000,000元（二零零一年：156,000,000元）投資物業的法定所有權仍未正式轉入本集團。

(d) 本集團以經營租賃出租投資物業。這些租賃一般初步為期至最高三年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。各項經營租賃均不包含或有租金。

本集團及本公司用作經營租賃的投資物業的賬面總額分別為429,500,000元（二零零一年：454,300,000元）及9,700,000元（二零零一年：12,800,000元）。

(e) 於二零零二年十二月三十一日，本集團及本公司按擔保及債券條款，已分別將賬面淨值合共約35,900,000元（二零零一年：39,900,000元）及32,600,000元（二零零一年：36,100,000元）的固定資產作為銀行債務及浮息票據的抵押。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

12. FIXED ASSETS (continued)

12. 固定資產 (續)

(f) The analysis of net book value of properties is as follows:

(f) 物業賬面淨值的分析如下：

The group

本集團

		2002		2001	
		二零零二年		二零零一年	
		Properties		Properties	
		Investment	held for	Investment	held for
		properties	own use	properties	own use
		投資物業	自用物業	投資物業	自用物業
		\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元
In Hong Kong	在香港				
- medium-term leases	- 中期租賃	42.4	23.5	61.8	24.4
Outside Hong Kong	在香港以外地區				
- long-term leases	- 長期租賃	18.2	0.9	-	0.9
- medium-term leases	- 中期租賃	368.9	2.7	392.5	2.7
		429.5	27.1	454.3	28.0

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

12. FIXED ASSETS *(continued)*

12. 固定資產 (續)

(f) The analysis of net book value of properties is as follows: *(continued)*

(f) 物業賬面淨值的分析如下: (續)

The company

本公司

		2002 二零零二年		2001 二零零一年	
		Properties held for own use		Properties held for own use	
		Investment properties 投資物業 \$ Million 百萬元	Investment properties 自用物業 \$ Million 百萬元	Investment properties 投資物業 \$ Million 百萬元	Investment properties 自用物業 \$ Million 百萬元
In Hong Kong	在香港				
– medium-term leases	– 中期租賃	9.7	20.2	12.8	20.6
Outside Hong Kong	在香港以外地區				
– medium-term leases	– 中期租賃	–	2.7	–	2.7
		<u>9.7</u>	<u>22.9</u>	<u>12.8</u>	<u>23.3</u>



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

13. PROPERTIES HELD FOR DEVELOPMENT

The properties held for development are in respect of the land use rights of the two medium-term leasehold land sites located at Jiangmen and Zhuhai in the PRC.

13. 作發展用途的物業

作發展用途的物業是兩幅位於中國江門及珠海以中期租賃持有土地的土地使用權。

		The group	
		本集團	
		2002	2001
		二零零二年	二零零一年
		\$ Million	\$ Million
		百萬元	百萬元
At cost	按成本	411.7	411.7
Less: impairment loss	減: 減值虧損	(14.7)	(14.7)
		397.0	397.0
		397.0	397.0

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

14. GOODWILL

14. 商 譽

		Positive goodwill	Negative goodwill carried in reserves
		正商譽	撥入儲備的負商譽
		\$ Million	\$ Million
		百萬元	百萬元
Cost:	成本:		
At 1st January, 2002	於二零零二年一月一日	4.7	175.7
Addition arising on acquisition of further interest in an associate	因收購一間聯營公司 權益的增加	12.6	-
		<hr/>	<hr/>
At 31st December, 2002	於二零零二年十二月三十一日	17.3	175.7
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Accumulated amortisation:	累計攤銷:		
At 1st January, 2002	於二零零二年一月一日	4.7	-
Impairment loss	減值虧損	12.6	-
		<hr/>	<hr/>
At 31st December, 2002	於二零零二年十二月三十一日	17.3	-
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Carrying amount:	賬面金額:		
At 31st December, 2002	於二零零二年十二月三十一日	-	175.7
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
At 31st December, 2001	於二零零一年十二月三十一日	-	175.7
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

15. INVESTMENTS IN SUBSIDIARIES

15. 於附屬公司的投資

		2002 二零零二年 \$ Million 百萬元	2001 二零零一年 \$ Million 百萬元
Unlisted shares, at cost	非上市股份, 按成本	20.9	20.1
Capital contributions, at cost	資本投入, 按成本	231.5	125.8
Less: impairment loss	減: 減值虧損	<u>(187.1)</u>	<u>(129.8)</u>
		65.3	16.1
Amounts due from subsidiaries	應收附屬公司款項	2,262.6	2,141.1
Less: provision	減: 準備	<u>(1,428.0)</u>	<u>(1,466.1)</u>
		899.9	691.1
Amounts due to subsidiaries	應付附屬公司款項	<u>(423.8)</u>	<u>(322.5)</u>
		<u>476.1</u>	<u>368.6</u>

The balances with subsidiaries are unsecured and not expected to be settled within one year.

與附屬公司的結餘並無抵押, 並不預期可於一年內結算。

Details of the subsidiaries are set out on pages 156 to 159.

附屬公司詳情列於第156頁至第159頁。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

16. INTEREST IN ASSOCIATES

16. 聯營公司權益

		The group 本集團		The company 本公司	
		2002	2001	2002	2001
		二零零二年	二零零一年	二零零二年	二零零一年
		\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元
Unlisted shares, at cost	非上市股份, 按成本	-	-	190.0	153.3
Capital contributions	資本投入	-	-	21.8	21.8
		-	-	211.8	175.1
Share of net deficits	應佔虧絀淨值	(374.1)	(513.2)	-	-
Amounts due from associates	應收聯營公司款項	2,067.5	2,605.7	1,653.1	2,006.5
Less: impairment loss	減: 減值虧損	(23.6)	(22.8)	(610.5)	(656.3)
		1,669.8	2,069.7	1,254.4	1,525.3
Amounts due to associates	應付聯營公司款項	(31.6)	(37.7)	(31.6)	(37.7)
		1,638.2	2,032.0	1,222.8	1,487.6

The balances with associates are unsecured and not expected to be settled within one year.

與聯營公司的結餘並無抵押, 並不預期可於一年內結算。

The balance of amounts due from associates includes \$54.4 million (2001: \$50.0 million) which is interest-bearing.

應收聯營公司結餘包括54,400,000元(二零零一年: 50,000,000元)為帶息款項。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

16. INTEREST IN ASSOCIATES (continued)

- (a) The group is involved in various PRC infrastructure, property investment and development projects through its interest in associates. Listed below are the material associates and their principal activities.

16. 聯營公司權益 (續)

- (a) 本集團透過在聯營公司的權益參與多項中國基建、物業投資及發展工程。下列為部分該等主要聯營公司及其主要業務。

Associate	% interest attributable to the group	Principal activities	Share of net assets/ (deficits)	Net amounts due from associates, after provisions		2002	2001
				應收聯營公司款項淨額	應收	Total	Total
聯營公司	本集團應佔權益百分率	主要業務	應佔資產/ (虧絀) 淨值	應收聯營公司款項淨額	應收	二零零二年總額	二零零一年總額
			\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
Karbyon Investment Limited ("Karbyon")	50%	Karbyon holds a commercial, residential and retail complex, Shun Hing Square, in Shenzhen, for investment and resale purposes. Karbyon在深圳擁有一座商住及商場綜合大樓－信興廣場，作投資及轉售用途。	(37.7)	683.0		645.3	650.2

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

16. INTEREST IN ASSOCIATES *(continued)*

16. 聯營公司權益 (續)

Associate	% interest attributable to the group 本集團應佔權益百分率	Principal activities 主要業務	Share of net assets/ (deficits) 應佔資產/ (虧絀)淨值 \$ Million 百萬元	Net amounts due from associates, after provisions 應收聯營公司款項淨額 \$ Million 百萬元	2002 Total 總額 \$ Million 百萬元	2001 Total 總額 \$ Million 百萬元
Quick Wealth Investments Limited ("Quick Wealth")	50%	Quick Wealth holds 64% interest of the hotel section of the Beijing Jing Guang Centre.	(161.4)	434.9	273.5	261.8
快富投資有限公司 ("快富")		快富擁有北京京廣中心酒店物業64%的權益。				
Hong Kong Construction SMC Development Limited ("SMC")	40%	SMC holds a commercial, residential and retail complex, CITIC Plaza, in Guangzhou, for investment and resale purposes.	147.2	106.3	253.5	306.4
香港建設蜆壳發展有限公司 ("蜆壳")		蜆壳在廣州擁有一座商住及商場綜合大樓—中信廣場,作投資及轉售用途。				



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

16. INTEREST IN ASSOCIATES (continued)

16. 聯營公司權益 (續)

Associate	% interest attributable to the group 本集團應佔權益百分率	Principal activities 主要業務	Share of net assets/ (deficits) 應佔資產/ (虧絀)淨值 \$ Million 百萬元	Net amounts due from associates, after provisions	2002	2001
				應收聯營公司款項淨額 \$ Million 百萬元	Total 總額 \$ Million 百萬元	Total 總額 \$ Million 百萬元
Right Choice International Limited ("Right Choice")	27.5%	Right Choice holds the office and apartment sections of the Beijing Jing Guang Centre. Right Choice擁有北京京廣中心辦公及公寓大樓。	(39.0)	240.0	201.0	205.4
Dorboy Investment Limited ("Dorboy")	50%	Dorboy developed the Shenzhen Jing Guang Centre for investment and resale purposes. 禧發已發展深圳京廣中心,作投資及轉售用途。	(294.3)	399.6	105.3	122.3
Hong Kong Construction Kam Lung Limited ("Kam Lung")	*	Kam Lung had a 40% interest in The Palace Hotel Beijing. * Kam Lung擁有北京王府飯店40%的權益。	-	-	-	416.2

NOTES ON THE FINANCIAL STATEMENTS (continued)

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

16. INTEREST IN ASSOCIATES (continued)

16. 聯營公司權益 (續)

Associate	% interest attributable to the group	Principal activities	Net amounts due from associates,		2002 Total	2001 Total
			Share of net assets/ (deficits)	after provisions		
聯營公司	本集團 應佔權益 百分率	主要業務	應佔資產/ (虧絀)淨值	應收 聯營公司 款項淨額	二零零二年 總額	二零零一年 總額
			\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
Others			11.1	148.5	159.6	164.7
其他						
Total balance at 31st December			(374.1)	2,012.3	1,638.2	2,127.0
於十二月三十一日結餘總額						
Receivable included under current assets (note 22)			-	-	-	(95.0)
流動資產包括的應收款項 (附註22)						
			(374.1)	2,012.3	1,638.2	2,032.0

* Kam Lung previously held a 40% interest in The Palace Hotel Co Ltd ("TPH"), an equity joint venture company incorporated in the PRC to own and operate The Palace Hotel Beijing. In December 2000, the company entered into a conditional sale and purchase agreement with the fellow shareholder of Kam Lung to dispose of 5% of its interest in Kam Lung to the fellow shareholder and Kam Lung entered into an agreement to restructure Kam Lung's investment in TPH, which included: (i) the restructure of TPH from a sino-foreign equity joint venture into a sino-foreign co-operative joint venture; (ii) an increase of Kam Lung's interest to 76.6% of the registered capital of TPH; and (iii) an extension of the joint venture term to 11th November, 2033.

* Kam Lung以往持有經營北京王府飯店的王府飯店有限公司(以下簡稱「TPH」)(一家在中華人民共和國註冊之合資企業)的百分之四十股權。在二零零零年十二月,本集團和Kam Lung的其他股東訂立一項有附帶條件的買賣協議,從而出售本集團Kam Lung百分之五股權予其他股東;而Kam Lung訂立另一項協議,重組Kam Lung在TPH之投資,當中包括(i)將TPH由中外合資企業重組至中外合作企業;(ii)將Kam Lung在TPH之股權增加至註冊資本之百分之七十六點六;及(iii)合作企業之經營期限延續至二零三三年十一月十一日。



NOTES ON THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

16. INTEREST IN ASSOCIATES (continued)

Completion of the above agreements was conditional upon fulfillment of certain conditions including the obtaining by TPH of an extension or a new grant of land use rights in respect of the site on which The Palace Hotel building is situated, such that the terms of such land use rights would expire on 11th November, 2033. These conditions were completed and the restructuring effected in December 2002.

Upon completion of the restructuring, Kam Lung is no longer treated as interest in an associate as the group ceased to be in a position to exercise any significant influence over Kam Lung as well as the financial and operating policies of TPH.

Pursuant to the agreements, TPH's future cash distributions are to be applied to repay the original shareholders' loans made by Kam Lung. Following repayment of the original shareholders' loans, the group will be entitled to 18% of TPH's cash distributions. The carrying value of the group's interest in Kam Lung, after deducing a partial repayment of \$95.0 million pursuant to the above agreements, amounting to \$321.2 million has been reclassified under "Non-current receivables" (note 18).

16. 聯營公司權益 (續)

以上協議須在達成若干條件後才生效。條件包括TPH使王府飯店所在地之土地使用權獲得續期或新批土地使用權，而有關之土地使用權之年期延展至二零三年十一月十一日屆滿。以上條件已達成，而重組亦於二零零二年十二月完成。

重組完成後，由於本集團不再控制Kam Lung及對TPH之財務及營運政策沒有重大的影響力，故此Kam Lung不再視作聯營公司權益。

根據有關協議，TPH將來所分配得的現金將用作償還Kam Lung的原始股東貸款。當償還所有Kam Lung的原始股東貸款後，本集團將獲得TPH百分之十八的現金分配。根據以上協議，在扣除95,000,000元之部份還款後，本集團在Kam Lung的權益帳面價值總額為321,200,000元，而此款項已重新分類為「非流動應收款」（附註18）。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

16. INTEREST IN ASSOCIATES *(continued)*

(b) Additional information in respect of certain of the group's material associates listed above is given as follows:

16. 聯營公司權益 (續)

(b) 若干以上所列本集團主要聯營公司的額外資料如下：

		Karbony		SMC		Quick Wealth	
		2002	2001	2002	2001	2002	2001
		二零零二年	二零零一年	二零零二年	二零零一年	二零零二年	二零零一年
		\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元	百萬元	百萬元
Profit and loss account	損益表						
Turnover	營業額	46.4	71.3	1,001.3	112.2	89.5	96.7
Profit/(loss) attributable to shareholders	股東應佔溢利/(虧損)	4.9	(89.0)	(122.9)	(144.9)	(7.2)	(19.6)
Balance sheet	資產負債表						
Non-current assets	非流動資產						
Investment properties	投資物業	930.6	923.8	1,033.3	1,936.8	-	-
Hotel properties	酒店物業	-	-	-	-	745.0	745.0
Others	其他	284.2	294.3	26.8	49.8	16.3	19.5
		1,214.8	1,218.1	1,060.1	1,986.6	761.3	764.5
Current assets	流動資產	86.9	108.5	182.2	1,088.4	47.0	52.4
Current liabilities	流動負債	(313.0)	(325.5)	(460.3)	(1,326.4)	(231.1)	(293.7)
Non-current liabilities	非流動負債	(1,043.3)	(1,075.3)	(378.3)	(1,218.8)	(892.7)	(831.5)
Net assets/(liabilities)	淨資產/(負債)	(54.6)	(74.2)	403.7	529.8	(315.5)	(308.3)
Contingent liabilities	或有負債	87.4	46.0	272.8	197.8	-	-

Other details of the associates are set out on pages 160 to 162.

聯營公司其他詳情載於第160頁至第162頁。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

17. INTEREST IN JOINTLY CONTROLLED ENTITIES

17. 合營公司權益

		The group 本集團		The company 本公司	
		2002 二零零二年	2001 二零零一年	2002 二零零二年	2001 二零零一年
		\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
Share of net deficits	應佔虧絀	(103.6)	(193.3)	-	-
Capital contribution, at cost	資本投入, 按成本	-	-	-	96.8
Amounts due from jointly controlled entities	應收合營公司 款項	142.7	342.8	141.2	329.3
Less: impairment loss	減: 減值虧損	-	-	(91.9)	(297.4)
		39.1	149.5	49.3	128.7
Amounts due to jointly controlled entities	應付合營公司 款項	-	(11.9)	-	-
		39.1	137.6	49.3	128.7

The balances with jointly controlled entities are unsecured and not expected to be settled within one year.

與合營公司結餘並無抵押, 並不預期可於一年內結算。

The balance of amounts due from jointly controlled entities includes \$Nil million (2001: \$193.3 million) which is interest-bearing.

應收合營公司款項結餘沒有帶息款項(二零零一年: 193,300,000元為帶息款項)。

Details of the jointly controlled entities are set out on pages 163 to 164.

合營公司的詳情載於第163頁至第164頁。

NOTES ON THE FINANCIAL STATEMENTS (continued)

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

18. NON-CURRENT RECEIVABLES

Included in non-current receivables of the group is the net investment in Kam Lung of \$321.2 million after the disposal of 5% interest during the year (note 16(a)).

18. 非流動應收款

本集團之非流動應收款包括在本年度出售 Kam Lung 的 5% 權益後，於 Kam Lung 的投資淨額 321,200,000 元（附註 16(a)）。

19. OTHER NON-CURRENT FINANCIAL ASSETS

19. 其他非流動財務資產

	The group 本集團		The company 本公司	
	2002 二零零二年 \$ Million 百萬元	2001 二零零一年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元	2001 二零零一年 \$ Million 百萬元
Non-trading securities – equity securities				
Unlisted	12.7	12.7	12.7	12.7
Listed in Hong Kong	5.4	9.4	–	0.7
	18.1	22.1	12.7	13.4
Market value of listed securities	5.4	9.4	–	0.7
	5.4	9.4	–	0.7

20. PROPERTIES HELD FOR SALE

Included in properties held for sale of the group are amounts of \$298.0 million (2001: \$123.0 million), stated net of a provision, made in order to state these properties at the lower of their cost and estimated net realisable value.

20. 作銷售用途的物業

本集團作銷售用途的物業包括已扣除準備的物業 298,000,000 元（二零零一年：123,000,000 元），以求按成本或估計可變現淨值兩者中的較低數額列示這些物業。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

21. TRADING SECURITIES

21. 作買賣用途的證券

		The group 本集團	
		2002	2001
		二零零二年	二零零一年
		\$ Million	\$ Million
		百萬元	百萬元
Equity securities listed in Hong Kong (at market value)	在香港上市的 股本證券 (按市值)	0.3	0.3

22. TRADE AND OTHER RECEIVABLES

22. 應收賬款及其他應收款

		The group 本集團		The company 本公司	
		2002	2001	2002	2001
		二零零二年	二零零一年	二零零二年	二零零一年
		\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元
Gross amount due from customers for contract work (note 23)	應收客戶合約 工程總額 (附註23)	338.5	268.2	198.5	89.2
Amount due from an associate (note 16(a))	應收聯營公司款項 (附註16(a))	-	95.0	-	95.0
Debtors, deposits and prepayments	應收賬款、按金及 預付款	607.9	622.7	498.0	511.1
		946.4	985.9	696.5	695.3

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

22. TRADE AND OTHER RECEIVABLES *(continued)*

Included in trade and other receivables are trade debtors and bills receivable (net of specific provisions for bad and doubtful debts) with the following ageing analysis:

0 to less than 2 months	零至少於2個月
2 to less than 6 months	2至少於6個月
6 to less than 12 months	6至少於12個月
12 months and more	超過12個月

Retention monies receivable due within one year	一年內到期應收保留款額
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22. 應收賬款及其他應收款 (續)

應收賬款及其他應收款包括應收賬款及應收票據(已扣除呆壞賬特別準備),其賬齡分析如下:

		The group 本集團		The company 本公司	
		2002	2001	2002	2001
		二零零二年	二零零一年	二零零二年	二零零一年
		\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元
		169.5	186.7	160.2	176.8
		4.3	23.8	4.1	23.7
		9.9	14.2	9.8	12.7
		103.7	106.3	102.2	100.1
		287.4	331.0	276.3	313.3
		132.9	103.4	132.9	103.4
		420.3	434.4	409.2	416.7

The group's credit terms for contracting business are negotiated with and entered into under normal commercial terms with its trade customers. Interim applications for progress payments in construction contracts are normally on a monthly basis and settled within one month with retention monies withheld but released on the issuance of relevant certificates.

本集團建築合約業務的信貸條件是按照一般商業條件與客戶商議及簽定,建築合約之中期工程賬款申請一般是按月計算,扣除保留款額後,並於一個月內結算,而保留款額則留待有關證明書簽發後發還。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

23. CONSTRUCTION CONTRACTS

23. 建築合約

		Gross amount due from customers for contract work 應收客戶 合約工程總額 \$ Million 百萬元	Gross amount due to customers for contract work 應付客戶 合約工程總額 \$ Million 百萬元	Total 總額 \$ Million 百萬元
The group	本集團			
Aggregate amount of costs incurred plus recognised profits less recognised losses to date	累計成本加已確認溢利及扣除已確認虧損	1,184.7	111.7	1,296.4
Progress payments received and receivable	已收及應收進度付款	(846.2)	(148.7)	(994.9)
At 31st December, 2002	於2002年12月31日	<u>338.5</u>	<u>(37.0)</u>	<u>301.5</u>
At 31st December, 2001	於2001年12月31日	<u>268.2</u>	<u>(164.2)</u>	<u>104.0</u>
The company	本公司			
Aggregate amount of costs incurred plus recognised profits less recognised losses to date	累計成本加已確認溢利及扣除已確認虧損	1,044.7	111.7	1,156.4
Progress payments received and receivable	已收及應收進度付款	(846.2)	(148.7)	(994.9)
At 31st December, 2002	於2002年12月31日	<u>198.5</u>	<u>(37.0)</u>	<u>161.5</u>
At 31st December, 2001	於2001年12月31日	<u>89.2</u>	<u>(159.8)</u>	<u>(70.6)</u>

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

23. CONSTRUCTION CONTRACTS *(continued)*

Included in the gross amount due from customers for construction contracts of the group is \$140.0 million (2001: \$139.9 million) relating to contract work of which one of the company's subsidiaries, HKCW, was a sub-contractor. Advances received from the employer amounted to \$181.0 million as at 31st December, 2002 (2001: \$181.0 million). The balances as at 31st December, 2002 are derived from unaudited financial statements. Details of the circumstances relating to this matter are described in note 1(c) on the financial statements.

In respect of construction contracts in progress at the balance sheet date, the amount of retention receivable from customers recorded within the following categories is detailed below:

23. 建築合約 (續)

本集團應收客戶合約工程總額包括 140,000,000元 (二零零一年: 139,900,000元) 就本公司一間附屬公司—香港建設(營造), 作為分包商的建築合約。於二零零二年十二月三十一日, 已收該僱主預付款共 181,000,000元 (二零零一年: 181,000,000元)。於二零零二年十二月三十一日的結餘取自其未經審核的財務報表。其詳情已於本財務報表的附註1(c)內敘述。

於結算日的在建工程合約, 記入下列類別的應收客戶保留款額的詳情如下:

	The group		The company	
	本集團		本公司	
	2002	2001	2002	2001
	二零零二年	二零零一年	二零零二年	二零零一年
	\$ Million	\$ Million	\$ Million	\$ Million
	百萬元	百萬元	百萬元	百萬元
Non-current receivables	38.8	48.3	38.8	48.3
Amounts due from jointly controlled entities	1.6	13.6	-	-
	40.4	61.9	38.8	48.3



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

24. CASH AND CASH EQUIVALENTS

24. 現金及現金等價物

		The group 本集團		The company 本公司	
		2002 二零零二年	2001 二零零一年	2002 二零零二年	2001 二零零一年
		\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
Deposits with banks and other financial institutions	銀行及其他 財務機構存款	32.4	23.9	-	10.0
Cash at bank and on hand	銀行存款及現金	228.7	409.3	175.4	280.9
		261.1	433.2	175.4	290.9

25. PLEDGED DEPOSITS

25. 抵押存款

(a) At 31st December, 2002, deposits of the group and the company included amounts of \$13.8 million (2001: \$18.9 million) and \$4.7 million (2001: \$6.1 million) respectively pledged to certain banks to secure banking facilities granted to certain buyers of properties of the group and its associates to the extent of \$63.9 million (2001: \$63.9 million) and \$27.2 million (2001: \$27.2 million) respectively.

(a) 於二零零二年十二月三十一日,本集團及本公司分別將合共13,800,000元(二零零一年:18,900,000元)及4,700,000元(二零零一年:6,100,000元)的存款抵押予若干銀行,作為授予本集團及聯營公司部分物業買方分別達63,900,000元(二零零一年:63,900,000元)及27,200,000元(二零零一年:27,200,000元)銀行貸款的抵押。

(b) At 31st December, 2002, pledged deposits of the group and the company were used to secure bank loans of the group and the company which were included under current liabilities.

(b) 於二零零二年十二月三十一日,本集團及本公司的抵押存款是用作抵押本集團及本公司包括在流動負債的銀行貸款。

NOTES ON THE FINANCIAL STATEMENTS (continued)

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

26. TRADE AND OTHER PAYABLES

26. 應付賬款及其他應付款

	The group 本集團		The company 本公司	
	2002 二零零二年 \$ Million 百萬元	2001 二零零一年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元	2001 二零零一年 \$ Million 百萬元
Advances received from a jointly controlled entity (note 23)	181.0	181.0	-	-
Creditors and accrued expenses	1,269.0	982.2	1,088.4	837.1
Gross amount due to customers for contract work (note 23)	37.0	164.2	37.0	159.8
Other loan (note 32)	120.0	120.0	120.0	120.0
	1,607.0	1,447.4	1,245.4	1,116.9

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis:

應付賬款及其他應付款包括應付賬款及應付票據，其賬齡分析如下：

	The group 本集團		The company 本公司	
	2002 二零零二年 \$ Million 百萬元	2001 二零零一年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元	2001 二零零一年 \$ Million 百萬元
0 to less than 2 months	150.6	130.1	150.6	118.4
2 to less than 6 months	42.9	16.7	42.9	16.7
6 to less than 12 months	60.3	30.7	60.1	30.7
12 months and more	48.9	25.5	43.3	20.3
	302.7	203.0	296.9	186.1
Retention monies payable due within one year	150.7	83.2	150.7	83.2
	453.4	286.2	447.6	269.3



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

27. SHARE CAPITAL

27. 股本

		2002		2001	
		二零零二年		二零零一年	
		No. of share	\$ Million	No. of share	\$ Million
		股份數目	百萬元	股份數目	百萬元
Authorised:	法定:				
Ordinary shares of \$1 each	每股面值1元的普通股	800,000,000	800.0	800,000,000	800.0
Issued and fully paid:	已發行及繳足:				
At 1st January	於1月1日	607,853,996	607.9	507,853,996	507.9
Shares issued according to share placing and underwriting agreement	根據股份配售及包銷協議發行的股份	-	-	65,000,000	65.0
Shares issued according to the share subscription agreement	根據股份認購協議發行的股份	-	-	35,000,000	35.0
At 31st December	於12月31日	607,853,996	607.9	607,853,996	607.9

NOTES ON THE FINANCIAL STATEMENTS (continued)

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

28. RESERVES

28. 儲備

		Revaluation reserves						Accumulated losses	Total
		Share premium	Capital redemption reserve	Capital reserve	Exchange reserve	Investment properties	Investment in non-trading securities		
		股份溢價	資本贖回儲備	資本儲備	滙兌儲備	投資物業	非買賣證券投資	累計虧損	總額
		\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元	百萬元
(a) The group	(a) 本集團								
At 1st January, 2001	於2001年1月1日	1,361.4	14.6	475.7	(13.0)	11.9	(16.6)	(247.0)	1,587.0
Exchange differences on translation of financial statements of foreign entities	海外公司財務報表的換算滙兌差額	-	-	-	0.1	-	-	-	0.1
Write off during the year	本年度註銷	-	-	(300.0)	-	-	-	-	(300.0)
Revaluation deficits for the year	本年度重估虧蝕	-	-	-	-	(24.6)	(3.8)	-	(28.4)
Impairment loss transferred to the profit and loss account	轉出損益表的減值虧損	-	-	-	-	-	20.0	-	20.0
Realisation on disposal	出售變現	-	-	-	(2.4)	19.0	-	-	16.6
Shares issued	發行股票	8.2	-	-	-	-	-	-	8.2
Loss for the year	本年度虧損	-	-	-	-	-	-	(836.1)	(836.1)
		<u>1,369.6</u>	<u>14.6</u>	<u>175.7</u>	<u>(15.3)</u>	<u>6.3</u>	<u>(0.4)</u>	<u>(1,083.1)</u>	<u>467.4</u>
At 31st December, 2001	於2001年12月31日								
At 1st January, 2002	於2002年1月1日								
- as previously reported	- 以往呈報	1,369.6	14.6	175.7	(15.3)	6.3	(0.4)	(1,083.1)	467.4
- prior year adjustment in respect of employee benefits (note 11(ii))	- 有關僱員福利的前期調整 (附註11(ii))	-	-	-	-	-	-	14.0	14.0
		<u>1,369.6</u>	<u>14.6</u>	<u>175.7</u>	<u>(15.3)</u>	<u>6.3</u>	<u>(0.4)</u>	<u>(1,069.1)</u>	<u>481.4</u>
- as restated	- 重報								
Exchange differences on translation of financial statements of foreign entities	海外公司財務報表的換算滙兌差額	-	-	-	(0.9)	-	-	-	(0.9)
Revaluation deficits for the year	本年度重估虧蝕	-	-	-	-	(5.9)	-	-	(5.9)
Realisation on liquidation of a subsidiary	一間附屬公司清盤的變現	-	-	-	(2.7)	-	-	-	(2.7)
Realisation on disposal of non-trading securities	出售非買賣證券投資變現	-	-	-	-	-	0.4	-	0.4
Loss for the year	本年度虧損	-	-	-	-	-	-	(496.2)	(496.2)
		<u>1,369.6</u>	<u>14.6</u>	<u>175.7</u>	<u>(18.9)</u>	<u>0.4</u>	<u>-</u>	<u>(1,565.3)</u>	<u>(23.9)</u>
At 31st December, 2002	於2002年12月31日								



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

28. RESERVES (continued)

Included in the figure of investment properties revaluation deficits for the year of \$5.9 million (2001: \$24.6 million) are \$5.9 million (2001: \$0.9 million) attributable to associates.

Included in the figure for the accumulated losses is an amount of \$695.2 million (2001: \$636.5 million) being attributable to associates; and an amount of \$103.7 million (2001: \$293.8 million) being attributable to jointly controlled entities.

28. 儲備 (續)

本年度投資物業的重估虧絀5,900,000元(二零零一年:24,600,000元)包括應佔聯營公司重估虧絀5,900,000元(二零零一年:900,000元)。

累計虧損中包括應佔聯營公司累計虧損695,200,000元(二零零一年:636,500,000元)及應佔合營公司累計虧損103,700,000元(二零零一年:293,800,000元)。

NOTES ON THE FINANCIAL STATEMENTS (continued)

財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

28. RESERVES (continued)

28. 儲備 (續)

		Revaluation reserves					Accumu- lated losses	Total
		Capital Share redemption premium	Capital reserve	Investment reserve	Investment properties	Investment in non- trading securities		
		資本 股份溢價	資本 贖回儲備	資本 儲備	投資物業	非買賣 證券投資	累計虧損	總額
		\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
(b) The company	(b) 本公司							
At 1st January, 2001	於2001年1月1日	1,361.4	14.6	300.0	1.0	(12.7)	(1,058.3)	606.0
Write off during the year	本年度註銷	-	-	(300.0)	-	-	-	(300.0)
Revaluation deficits for the year	本年度重估虧絀	-	-	-	(1.0)	(0.8)	-	(1.8)
Impairment loss transferred to the profit and loss account	轉出損益表的 減值虧損	-	-	-	-	13.1	-	13.1
Shares issued	發行股票	8.2	-	-	-	-	-	8.2
Loss for the year	本年度虧損	-	-	-	-	-	(557.6)	(557.6)
		<u>1,369.6</u>	<u>14.6</u>	<u>-</u>	<u>-</u>	<u>(0.4)</u>	<u>(1,615.9)</u>	<u>(232.1)</u>
At 31st December, 2001	於2001年12月31日							
At 1st January, 2002	於2002年1月1日							
- as previously reported	- 以往呈報	1,369.6	14.6	-	-	(0.4)	(1,615.9)	(232.1)
- prior year adjustment in respect of employees benefits (note 11(ii))	- 有關僱員福利的 前期調整 (附註11(ii))	-	-	-	-	-	14.0	14.0
		<u>1,369.6</u>	<u>14.6</u>	<u>-</u>	<u>-</u>	<u>(0.4)</u>	<u>(1,601.9)</u>	<u>(218.1)</u>
- as restated	- 重報							
Realisation on disposal of non-trading securities	出售非買賣證券 投資變現	-	-	-	-	0.4	-	0.4
Loss for the year	本年度虧損	-	-	-	-	-	(317.2)	(317.2)
		<u>1,369.6</u>	<u>14.6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,919.1)</u>	<u>(534.9)</u>
At 31st December, 2002	於2002年12月31日							

At 31st December, 2002, the aggregate amount of reserves available for distribution to shareholders of the company was \$Nil (2001: \$Nil).

於二零零二年十二月三十一日，沒有儲備可供分配予本公司股東（二零零一年：無）。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

28. RESERVES (continued)

- (c) The applications of the share premium account and capital redemption reserve account are governed by sections 48B and 49H of the Hong Kong Companies Ordinance respectively.

The capital reserve, exchange reserve and revaluation reserves have been set up and will be dealt with in accordance with the accounting policies adopted for negative goodwill arising on subsidiaries, associates and jointly controlled entities, foreign currency translation and the revaluation of investment properties and investment in non-trading securities (note 1).

29. MINORITY INTERESTS

Minority interests are analysed as follows:

Minorities' share of net deficits
Loans from minority shareholders

The share of net deficits by the minority shareholders are recognised in the consolidated balance sheet as they have provided financing to the subsidiaries.

28. 儲備 (續)

- (c) 股份溢價賬和資本贖回儲備賬的應用是分別受香港《公司條例》第48B條和第49H條所管轄。

本公司已經設立了資本儲備、滙兌儲備及重估儲備，並將會根據就附屬公司、聯營公司及合營公司所產生負商譽、外幣換算及重估投資物業和非買賣證券所採用的會計政策(附註1)處理這些儲備。

29. 少數股東權益

少數股東權益的分析如下：

		2002	2001
		二零零二年	二零零一年
		\$ Million	\$ Million
		百萬元	百萬元
Minorities' share of net deficits	少數股東應佔虧絀淨額	(87.0)	(110.5)
Loans from minority shareholders	少數股東貸款	270.9	189.6
		<u>183.9</u>	<u>79.1</u>

因少數股東提供融資予附屬公司，其應佔虧絀淨額於綜合資產負債表上被確認。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

*For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)*

截至二零零二年十二月三十一日止年度
(以港幣列示)

30. EMPLOYEE RETIREMENT BENEFITS

30. 僱員退休福利

(a) Defined benefit retirement plan

The group makes contributions to a defined benefit retirement scheme which cover about 38% of the group's employees. The scheme was administered by independent trustees with their assets held separately from those of the group.

The scheme was funded by contributions from the group in accordance with an independent actuary's recommendation based on triennial actuarial valuations. The latest independent actuarial valuation of the scheme was at 1st November, 2000 and was prepared by independent actuaries, Mr Calvin Wu and Ms Joyce Lam, who are members of the Society of Actuaries of the United States of America, using the projected unit credit method. The actuarial valuation indicates that the group's obligations under this defined benefit retirement scheme are 100% (2001: 100%) covered by the plan assets held by the trustees.

On 1st February, 2003, the group's defined benefit retirement scheme was dissolved. The vested benefits of the members were transferred to a Mandatory Provident Fund Scheme ("the MPF Scheme") operated by the group (see note 30(b)). The unvested benefits of the scheme amounting to \$13.3 million were refunded to the group upon dissolution of the scheme.

(a) 界定利益退休計劃

本集團為所設之界定利益退休計劃供款，該計劃涵蓋本集團僱員大約百分之三十八。此項計劃由獨立受托人管理，其資產與本集團的資產分開持有。

該計劃之供款是由本集團根據獨立精算師按照每三年對計劃評估後作出。計劃最近期的精算估值是由美國精算師協會成員的Calvin Wu先生和Joyce Lam女士採用預計單位基數法於二零零零年十一月一日計算提供的。據該精算估值顯示，受托人持有之福利計劃資產100%（二零零一年：100%）涵蓋本集團界定利益退休計劃的責任。

於二零零三年二月一日，本集團的界定利益退休計劃已解散。成員的既得福利被轉移至本集團設立的強制性公積金計劃（見附註30(b)）。於界定利益退休計劃解散時，該計劃的13,300,000元之非既得福利已退回本集團。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

30. EMPLOYEE RETIREMENT BENEFITS (continued)

30. 僱員退休福利 (續)

(a) Defined benefit retirement plan (continued)

(a) 界定利益退休計劃 (續)

(i) The amounts recognised in the balance sheets as at 31st December, 2002 are as follows:

(i) 於二零零二年十二月三十一日記入資產負債表的金額如下:

		The group and the company 本集團及本公司 2002 二零零二年 \$ Million 百萬元
Present value of the obligations	已履行的供款責任現值	(19.5)
Fair value of plan assets	計劃資產的公允價值	32.3
Net unrecognised actuarial losses	未確認的精算虧損淨值	0.5
		<hr style="border-top: 1px solid black;"/>
		13.3 <hr style="border-top: 3px double black;"/>

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

30. EMPLOYEE RETIREMENT BENEFITS *(continued)*

30. 僱員退休福利 (續)

(a) Defined benefit retirement plan *(continued)*

(a) 界定利益退休計劃 (續)

(ii) Movements in the net asset recognised
in the balance sheets are as follows:

(ii) 於資產負債表內確認的資產
淨值變動如下：

		The group and the company 本集團及本公司 2002 二零零二年 \$ Million 百萬元
At 1st January	於一月一日	14.0
Contributions paid to the scheme	付予計劃的供款	4.0
Expense recognised in the profit and loss account <i>(note 5(d))</i>	於損益表內確認的支出 (附註5(d))	(4.7)
		13.3
At 31st December	於十二月三十一日	13.3



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

30. EMPLOYEE RETIREMENT BENEFITS (continued)

30. 僱員退休福利 (續)

(a) Defined benefit retirement plan (continued)

(a) 界定利益退休計劃 (續)

(iii) Expense recognised in the consolidated profit and loss account is as follows:

(iii) 於綜合損益表內確認之支出如下：

		The group and the company 本集團及本公司 2002 二零零二年 \$ Million 百萬元
Current service cost	現時服務成本	(3.5)
Interest cost	利息成本	(1.5)
Expected return on plan assets	計劃資產的預期回報	2.2
Net actuarial losses recognised	已確認的精算虧損淨值	(1.9)
		<hr style="border-top: 1px solid black;"/>
		(4.7)

The expense is recognised in administrative expenses in the consolidated profit and loss account. The actual return on plan assets is \$0.3 million for the year.

該支出在綜合損益表內之行政費用中予以確認。本年度的實際投資回報為300,000元。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

30. EMPLOYEE RETIREMENT BENEFITS *(continued)*

30. 僱員退休福利 (續)

(a) Defined benefit retirement plan *(continued)*

(a) 界定利益退休計劃 (續)

(iv) The principal actuarial assumptions used as at 31st December, 2002 (expressed as weighted averages) are as follows:

(iv) 用於二零零二年十二月三十一日之主要精算假設(用加權平均法列示)如下:

Discount rate
Expected rate of return on plan assets
Future salary increases

貼現率
計劃資產的預期回報率
未來薪金升幅

The group and the company

本集團及
本公司

5.50%
5.00%
4.50%

(b) Defined contribution retirement plan

(b) 界定供款退休計劃

The group also operates the MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement scheme. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the scheme vest immediately.

本集團亦按照香港《強制性公積金計劃條例》的規定設立一項強積金計劃。該計劃是供根據香港《僱傭條例》受僱及沒有加入界定利益退休計劃的僱員而設。強積金計劃是由獨立的信託人管理的界定供款退休計劃。根據強積金計劃，僱主和僱員均須按照僱員相關入息的5%向計劃作出供款；但每月的相關入息上限為20,000元。此類計劃之供款悉數歸於僱員。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

31. EQUITY COMPENSATION BENEFITS

The company has a share option scheme which was adopted on 22nd January, 1998 ("the Adoption Date") whereby the directors of the company at any time within 10 years after the Adoption Date are authorised, at their discretion, to invite employees of the group, including directors of any company in the group, to take up options to subscribe for shares of the company. The exercise price of options was determined by the board and was the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on The Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of the grant. The options vest after 6 months and are exercisable for various periods of not exceeding 9¹/₂ years commencing 6 months after the date on which the grant of the option is accepted, or up to 21st January, 2008, whichever is earlier. Each option gives the holder the right to subscribe for one share.

(a) Movements in share options

At 1st January
Cancelled
At 31st December
Options vested at 31st December

於一月一日
取消
於十二月三十一日
於十二月三十一日
符合授出條件之期權

	2002 二零零二年 Number 股數	2001 二零零一年 Number 股數
	31,470,000	43,870,000
	(12,800,000)	(12,400,000)
	18,670,000	31,470,000
	18,670,000	31,470,000

31. 股權補償福利

本公司於一九九八年一月二十二日(「採納日」)採納一項優先認股計劃;據此,本公司董事可於採納日十年內獲授權酌情邀請本集團僱員(包括任何本集團公司的董事)接受認股權,以認購本公司股份。認購權的行使價由董事釐定,並以股份的票面值和股份於截至認股權授予日期前五個營業日在香港聯合交易所有限公司錄得的平均市價的80%兩者中的較高數額為準。認股權在授予六個月後開始生效,並可於授予認股權接受日期後六個月起計不多於九年六個月的期間內或至二零零八年一月二十一日行使,以較早者為準。持有人有權憑每項期權認購一股股份。

(a) 股票期權之變動

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

31. EQUITY COMPENSATION BENEFITS *(continued)*

31. 股權補償福利 (續)

(b) Terms of unexpired and unexercised share options at balance sheet date

(b) 於資產負債表結算日未過期及未行使的股票期權條款

Date granted 賦予日期	Exercise period 行使期間	Exercise price 行使價	2002	2001
			二零零二年 Number 股數	二零零一年 Number 股數
20th May, 1998 一九九八年五月二十日	20th November, 1998 to 19th May, 2005 一九九八年十一月二十日至 二零零五年五月十九日	\$3.48	12,720,000	20,520,000
18th June, 1998 一九九八年六月十八日	18th December, 1998 to 18th June, 2005 一九九八年十二月十八日至 二零零五年六月十八日	\$2.29	2,950,000	4,950,000
28th September, 1998 一九九八年九月二十八日	28th March, 1999 to 28th September, 2005 一九九九年三月二十八日至 二零零五年九月二十八日	\$1.48	3,000,000	6,000,000
			18,670,000	31,470,000



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

32. INTEREST-BEARING BORROWINGS

At 31st December, 2002, the interest-bearing borrowings, which are all repayable on demand or within 1 year, were secured as follows:

32. 帶息借款

於二零零二年十二月三十一日,全部帶息借款的還款期是在接獲通知時或1年內,其抵押情況如下:

		The group		The company	
		本集團		本公司	
		2002	2001	2002	2001
		二零零二年	二零零一年	二零零二年	二零零一年
		\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元
<i>Bank overdraft</i>	銀行透支				
- secured	- 有抵押	49.4	31.3	49.4	30.8
<i>Bank loans</i>	銀行貸款				
- secured	- 有抵押	1,716.3	1,749.0	1,576.0	1,599.1
- unsecured	- 無抵押	50.9	56.7	-	-
		1,816.6	1,837.0	1,625.4	1,629.9
<i>Other loan</i>	其他貸款				
- unsecured	- 無抵押	120.0	120.0	120.0	120.0
<i>Floating rate notes</i>	浮息票據				
- secured	- 有抵押	205.5	206.2	-	-

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

*For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)*

截至二零零二年十二月三十一日止年度
(以港幣列示)

32. INTEREST-BEARING BORROWINGS *(continued)*

Under the Guarantee and Debenture entered into by the company and certain of its subsidiaries, all of their undertaking, property and assets are charged by way of fixed and floating charges in favour of the bank creditors and the holders of the FRNs.

The other loan is a loan from a related party, China Everbright Holdings Company Limited, amounting to \$120.0 million (2001: \$120.0 million). The loan is unsecured, interest-bearing and repayable on demand.

33. FLOATING RATE NOTES

On 11th December, 1997, a wholly-owned subsidiary issued floating rate notes ("the FRNs") which are denominated in United States dollars and guaranteed by the company, with principal amount of US\$65.0 million. The notes bear interest at the rate of 0.875% per annum above the London Interbank Offered Rate for six month US dollars deposits payable semi-annually. The original redemption date of the FRNs is 13th December, 2000.

32. 帶息借款 (續)

根據本公司及其部份附屬公司所定立的擔保及債券，本公司及該部份附屬公司名下全部物業及資產是以固定及浮動抵押形式作為債權銀行及浮息票據持有人的抵押。

其他貸款結餘包括一間關連公司（中國光大集團有限公司）的120,000,000元貸款（二零零一年：120,000,000元）。這項貸款並無抵押，帶息及在接獲通知時償還。

33. 浮息票據

於一九九七年十二月十一日，一全資附屬公司發行了本金65,000,000美元，並由本公司作出擔保的美元浮息票據。這些票據須按六個月美元存款的倫敦銀行同業拆息加0.875%的年息率每半年支付利息，並應於二零零零年十二月十三日以面值贖回。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

34. CONTINGENT LIABILITIES

34. 或有負債

- (a) Contingent liabilities at the balance sheet date in respect of guarantees given to banks and other lenders to secure loans and advances to the indicated parties are as follows:

- (a) 於結算日，為下列各人士及公司向銀行及其他貸款人取得貸款作出擔保而承擔或有負債如下：

		The group 本集團		The company 本公司	
		2002 二零零二年	2001 二零零一年	2002 二零零二年	2001 二零零一年
		\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
Subsidiaries	附屬公司	-	-	288.5	303.5
Associates	聯營公司	90.6	1,162.4	90.6	108.7
		90.6	1,162.4	379.1	412.2

- (b) The group and the company have contingent liabilities in respect of performance bonds and guarantees under contracts and other agreements entered into in the normal course of business.
- (c) The group and the company have contingent liabilities in respect of banking facilities granted to certain buyers of properties of the group and its associates.

- (b) 本集團及本公司持有在一般業務中簽訂的合約及其他協議下履約擔保書及擔保有關的或有負債。
- (c) 本集團及本公司持有在給予本集團及其聯營公司部分物業買方的銀行備用信貸有關的或有負債。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

*For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)*

截至二零零二年十二月三十一日止年度
(以港幣列示)

34. CONTINGENT LIABILITIES *(continued)*

34. 或有負債 (續)

- (d) During the previous year, one of the group's associates conducted a review of certain billing arrangements with the group, and as of the date of approval of these financial statements, this associate is still in the process of assessing the validity of certain development costs charged in previous years by the group for the development of this associate's property in Guangzhou, the PRC.

No provision in respect of the above review is considered necessary in the financial statements by the directors as the review of development costs is still in progress.

- (e) At 31st December, 2002, one of the company's subsidiaries, HKCW, has received claims from former subcontractors in relation to the alleged non-payments for construction work done totalling \$75.3 million (2001: \$55.7 million). No provision is considered necessary by the directors at the balance sheet date as the directors are confident that the alleged claims are unlikely to be enforced against HKCW.

Subsequent to the year end, one of the subcontractors has presented a winding-up petition to the court against HKCW in respect of the above non-payments. Accordingly, a court winding-up order was issued to HKCW on 13th January, 2003 (see note 1(c)).

- (d) 於往年，本集團其中一間聯營公司對與本集團的收費安排進行審閱。截止本財務報表核准通過日，該聯營公司仍就本集團在以往年度對其位於中國廣州的物業發展所收取的開發成本的確實性進行評估。

由於開發成本的審閱仍在進行中，董事會認為毋須為上述的審閱作出準備。

- (e) 於二零零二年十二月三十一日，本公司的一間附屬公司－香港建設（營造）已收到前分包商指其拖欠已完成工程涉及款項合共75,300,000元（二零零一年：55,700,000元）一事所提出的索償要求。因董事會認為可向香港建設（營造）成功索償的機會很低，故於結算日毋須作出準備。

年結後，一分包商基於上述拖欠之款項而向法院提出對香港建設（營造）的清盤申請書。因此，於二零零三年一月十三日，法庭向香港建設（營造）發出清盤令（見附註1(c)）。



NOTES ON THE FINANCIAL STATEMENTS (continued)
財務報表附註 (續)

For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)

截至二零零二年十二月三十一日止年度
(以港幣列示)

35. MATERIAL RELATED PARTY TRANSACTIONS

35. 重大關連人士交易

- (a) During the year, the group entered into several construction contracts with a group ("the related group"), which can exercise significant influence over the group in making financial and operating decisions, for the provision of consulting and engineering services to the related group on a combination of cost plus basis and fixed price basis. Progress payments received and receivable from the related group amounted to \$7.5 million during the year ended 31st December, 2002 (2001: \$23.3 million).

The amount due from the related group at the year end amounted to \$118.3 million (2001: \$126.5 million).

- (b) During the year, another related group provided construction services to the group and charged progress payment amounting to \$100.3 million (2001: \$242.2 million). The net amount due to this related group at the year end amounted to \$44.1 million (2001: \$9.4 million).

- (c) At the year end, properties of an associate of \$127.7 million (2001: \$318.4 million) were used to secure the bank loans of the group which were included under current liabilities. The bank loans secured by these properties amounted to \$215.9 million (2001: \$91.7 million).

- (a) 年度內，本集團與一能夠對本集團的財務及經營決策作出重要影響的集團（「關連集團」）持有若干建築合約，按成本加成及固定價格兩種基準向關連集團提供顧問及工程服務。截至二零零二年十二月三十一日止年度，已收及應收關連集團的進度付款合共為7,500,000元（二零零一年：23,300,000元）。

年結時應收關連集團款項合共為118,300,000元（二零零一年：126,500,000元）。

- (b) 年度內，另一間關連集團向本集團提供建築服務及於年度收取進度付款合共100,300,000元（二零零一年：242,200,000元）。年結時應付該關連公司款項合共為44,100,000元（二零零一年：9,400,000元）。

- (c) 年結時，一間聯營公司價值127,700,000元（二零零一年：318,400,000元）的物業被用作抵押包括於流動負債的本集團銀行貸款之用。這些物業所抵押的銀行貸款為215,900,000元（二零零一年：91,700,000元）。

NOTES ON THE FINANCIAL STATEMENTS *(continued)*

財 務 報 表 附 註 (續)

*For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)*

截至二零零二年十二月三十一日止年度
(以港幣列示)

35. MATERIAL RELATED PARTY TRANSACTIONS

35. 重大關連人士交易 (續)

(continued)

- | | |
|--|---|
| <p>(d) During the year, certain employees of the group were seconded to certain jointly controlled entities and the group charged staff costs amounting to \$5.0 million (2001: \$20.3 million). The net amount due to these jointly controlled entities at the year end amounted to \$52.5 million (2001: \$69.3 million).</p> | <p>(d) 年度內，本集團委派若干僱員於若干合營公司工作並收取員工成本合共5,000,000元（二零零一年：20,300,000元）。年結時，應付該等合營公司款項淨額合共為52,500,000元（二零零一年：69,300,000元）。</p> |
| <p>(e) The group provided construction services to certain of its joint ventures and charged progress payment amounting to \$32.7 million during the year (2001: \$57.3 million). The net amount due from these joint ventures at the year end amounted to \$24.2 million (2001: net amount due to amounted to \$116.2 million).</p> | <p>(e) 本集團向若干合營公司提供建築服務及於年度內收取進度付款合共32,700,000元（二零零一年：57,300,000元）。年結時，應收此等合營公司款項淨額合共為24,200,000元（二零零一年：應付淨額為116,200,000元）。</p> |
| <p>(f) Included in other loan under trade and other payables is an amount advanced from a related party amounting to \$120.0 million (2001: \$120.0 million) at the year end (see note 32). Interest paid and payable to this related party amounted to \$9.3 million for the year (2001: \$8.4 million).</p> | <p>(f) 於年結時，應付賬款及其他應付款中的其他貸款包括來自一間關連公司的貸款120,000,000元（二零零一年：120,000,000元）（見附註32）。本年已付及應付予該關連人士的利息為9,300,000元（二零零一年：8,400,000元）。</p> |



NOTES ON THE FINANCIAL STATEMENTS *(continued)* 財 務 報 表 附 註 (續)

*For the year ended 31st December, 2002
(Expressed in Hong Kong dollars)*

截至二零零二年十二月三十一日止年度
(以港幣列示)

36. COMPARATIVE FIGURES

The presentation and classification of items in the consolidated cash flow statement have been changed due to the adoption of the requirements of Statement of Standard Accounting Practice 15 (revised 2001) "Cash flow statements". As a result, bank overdraft has been excluded from the definition of cash equivalents, cash flow items from taxation, returns on investments and servicing of finance have been classified into operating, investing and financing activities respectively and a detailed breakdown of cash flows from operating activities has been included on the face of the consolidated cash flow statement. Comparative figures have been reclassified to conform with the current year's presentation.

Certain comparative figures have also been reclassified to conform with the current year's presentation.

36. 比較數字

由於採用《會計實務準則》第15號(二零零一年經修訂)－「現金流量表」,綜合現金流量表之項目分類及列示方式已作出變更。因此,現金及現金等價物的定義已不包括銀行透支。稅項、投資回報及融資成本的現金量流項目已分別分類為經營、投資及融資業務,而來自經營業務的現金流量的詳細分析已包括在綜合現金流量表的表面。比較數字已重新分類,以配合本年度之賬項編列。

部份比較數字亦已重新分類,以配合本年度之賬項編列。