

## 43. CONTINGENT LIABILITIES

## 43. 或然負債

	THE GROUP		THE COMPANY	
	本集團		本公司	
	2003	2002	2003	2002
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Guarantees given to banks and financial institutions in respect of credit facilities extended to				
– subsidiaries	–	–	683	8,033
– a jointly controlled entity	–	9,500	–	9,500
	–	9,500	683	17,533

## 44. PLEDGE OF ASSETS

## 44. 資產抵押

At 31st March, 2003, the Group's investment properties amounting to HK\$135,400,000 (2002: HK\$9,250,000) and the rights and benefits to the existing and future leases in respect of those investment properties were pledged for certain loan facilities and the convertible bonds due 2006 of the Group. In addition, investment in securities amounting to HK\$6,600,000 (2002: Nil) were pledged for other loan facilities granted to the Group.

於二零零三年三月三十一日，賬面值為135,400,000港元（二零零二年：9,250,000港元）之本集團投資物業以及該等投資物業之現有及未來租約之所有權利及利益已作本集團若干信貸及於二零零六年到期之可換股債券之抵押。此外，賬面值為6,600,000港元（二零零二年：無）之投資證券已作本集團獲批之其他信貸之抵押。

## 45. RETIREMENT BENEFITS SCHEME

## 45. 退休福利計劃

The Group operates a mandatory provident fund (the "MPF") scheme for all eligible employees. The assets of the MPF scheme are held separately from those of the Group, in funds under the control of trustees. The retirement benefit cost charged to the consolidated income statement represents contributions payable to the MPF scheme by the Group at rates specified in the rules of the MPF scheme.

本集團為所有合資格僱員設立強制性公積金（「強積金」）計劃。強積金計劃之資產由受託人控制之基金持有，並獨立於本集團之資產。退休福利成本自綜合收入報表扣除，有關款額相當於本集團按強積金計劃規則訂明之比率向強積金計劃應付之供款。

## 46. RELATED PARTY TRANSACTIONS AND BALANCES

## 46. 有關連人士交易及結餘

(a) During the year, the Group paid legal and professional fees totalling HK\$500,000 (2002: HK\$62,000) for services rendered by a firm of solicitors, P.C. Woo & Co., in which Mr. Lai Hin Wing, Henry, the independent non-executive director of the Company, is a partner of the firm. Mr. Lai Hin Wing, Henry resigned during the year.

(a) 年內，本集團就胡百全律師事務所提供之服務支付合共500,000港元（二零零二年：62,000港元）之法律及專業費用。本公司獨立非執行董事賴顯榮先生為該律師行之合夥人。賴顯榮先生已於年內辭任。

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2003

## 財務報告附註

截至二零零三年三月三十一日止年度

### 46. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

- (b) During the year, the Group also sold goods totalling HK\$55,000 (2002: HK\$2,451,000) to Legend Power System Inc., an associate of the Group. These transactions were carried out at cost plus a percentage of profit mark-up.
- (c) During the year, the Group paid interest totalling HK\$4,841,000 (2002: HK\$734,000) to Koga Limited, a minority shareholder of a subsidiary of the Group. These interests were charged at prevailing market rates based on outstanding balance during the year.
- (d) During the year ended 31st March, 2002, the Group issued HK\$67,000,000 non-interest bearing convertible bonds at a discount of 5% to Hutchison International Limited, a fellow subsidiary of a minority shareholder of certain subsidiaries of the Company.
- (e) Details of balances with related parties as at the balance sheet date are set out in the balance sheets and in notes 20, 21, 28 and 36.
- (f) Details of contingent liabilities in respect of guarantees given to financial institutions to secure credit facilities granted to related companies are set out in note 43.

### 47. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March, 2003 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation 成立地點	Nominal value of issued and fully paid ordinary share capital 已發行及繳足普通股之本面值	Attributable proportion of nominal value of issued share capital held by the Company 本公司所持已發行股本面值比率		Principal activity 主要業務
			Directly 直接	Indirectly 間接	
Boria Enterprises Limited 博永企業有限公司	Hong Kong 香港	HK\$20 20 港元	–	100%	Property investment 物業投資
Gold Concept Limited 金朗有限公司	Hong Kong 香港	HK\$2 2 港元	–	100%	Property investment 物業投資
G-Prop Management Limited	Hong Kong 香港	HK\$2 2 港元	–	100%	Provision of management services 提供管理服務

### 46. 有關連人士交易及結餘 (續)

- (b) 年內，本集團向本集團之聯營公司 Legend Power System Inc. 出售貨品合共 55,000 港元 (二零零二年：2,451,000 港元)。該等交易乃按成本另加若干比率之利潤進行。
- (c) 年內，本集團向本公司一間附屬公司之少數股東 Koga Limited 支付利息合共 4,841,000 港元 (二零零二年：734,000 港元)。該等利息乃按年內之尚欠款額以市場利率計算。
- (d) 於截至二零零二年三月三十一日止年度，本集團按 5% 之折讓向和記企業有限公司 (本集團若干附屬公司之少數股東之同系附屬公司) 發行 67,000,000 港元之不計息可換股債券。
- (e) 於結算日之關連人士交易結餘詳情載於資產負債表及附註 20、21、28 及 36。
- (f) 有關就關連公司獲批之信貸融資而向金融機構所作擔保之或然負債之詳情，載於附註 43。

### 47. 主要附屬公司

本公司主要附屬公司於二零零三年三月三十一日之詳情如下：

## 47. PRINCIPAL SUBSIDIARIES (cont'd)

## 47. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation 成立地點	Nominal value of issued and fully paid ordinary share capital 已發行及繳足 普通股本之面值	Attributable proportion of nominal value of issued share capital held by the Company 本公司所持 已發行股本 面值比率		Principal activity 主要業務
			Directly 直接	Indirectly 間接	
Great King Limited 東帝有限公司	Hong Kong 香港	HK\$2 2 港元	–	100%	Property investment 物業投資
Jenyear Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	–	100%	Investment holding 投資控股
Legend Power Ltd.	British Virgin Islands 英屬處女群島	US\$2,000 2,000 美元	–	50%*	Investment holding 投資控股
Shing Fai Management Limited	British Virgin Islands 英屬處女群島	US\$1 1 美元	–	100%	Investment holding 投資控股
Superkey Development Limited 利恩發展有限公司	Hong Kong 香港	HK\$2 2 港元	–	100%	Property investment 物業投資
Universe Dragon Limited 宙龍有限公司	Hong Kong 香港	HK\$2 2 港元	–	50%*	Manufacturing and leasing of energy saving machines 製造及租賃能源節省器
Universe Dragon Engineering Limited 宙龍工程有限公司	Hong Kong 香港	HK\$2 2 港元	–	50%*	Trading of energy saving machines 買賣能源節省器

\* Pursuant to a supplemental agreement entered into between the Group and the other shareholder of Legend Power Ltd. dated 5th December, 2000, the Group has been granted a casting vote on the meeting of the shareholders. Accordingly, Legend Power Ltd. and its subsidiaries are classified as subsidiaries of the Company.

\* 根據本集團與 Legend Power Ltd. 其他股東於二零零零年十二月五日訂立之補充協議，本集團獲授其股東大會之決定票。因此，Legend Power Ltd. 及其附屬公司列為本公司之附屬公司。

All the above subsidiaries operate in Hong Kong.

所有上述附屬公司均在香港營運。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表所列為董事認為主要影響本集團業績或資產淨值之本公司。董事認為，詳列其他附屬公司之資料將令篇幅冗長。

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

目前概無附屬公司於本年度終結時或本年度任何時間擁有任何未償還債務證券。

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2003

### 財務報告附註

截至二零零三年三月三十一日止年度

#### 48. PRINCIPAL ASSOCIATES

Details of the Group's principal associates which are held indirectly by the Company at 31st March, 2003 are as follows:

Name of associate 聯營公司名稱	Form of business structure 業務組建形式	Place of incorporation 成立地點	Proportion of nominal value of issued share capital held 所持已發行 股本面值比率	Principal activities 主要業務
Harvest Power Limited	Incorporated 註冊成立	British Virgin Islands 英屬處女群島	45%	Development of electronic books 開發電子書本
Legend Power System Inc.	Incorporated 註冊成立	Canada 加拿大	25%	Trading of energy saving machines 買賣能源節省器

Harvest Power Limited operates in Hong Kong and Legend Power System Inc. operates in Canada.

The above table lists the associates of the Group which, in the opinion of the directors, principally affected the results of the year or form a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

#### 49. PRINCIPAL JOINTLY CONTROLLED ENTITIES

Details of the Group's principal jointly controlled entities which are held indirectly by the Company at 31st March, 2003 are as follows:

Name of jointly controlled entity 共同控制機構名稱	Form of business structure 業務組建形式	Place of incorporation 成立地點	Proportion of nominal value of issued share capital held 所持已發行 股本面值比率	Principal activities 主要業務
Golden Royce Investment Limited 金萊斯投資有限公司	Incorporated 註冊成立	Hong Kong 香港	40%	Property investment 物業投資
Top Grade Assets Limited	Incorporated 註冊成立	British Virgin Islands 英屬處女群島	50%	Property investment and agency services 物業投資及代理服務

#### 48. 主要聯營公司

本公司間接持有之本集團主要聯營公司於二零零三年三月三十一日之詳情如下：

Harvest Power Limited 在香港營運，而 Legend Power System Inc. 則在加拿大營運。

上表所列為董事認為主要影響本集團年內業績或構成本集團絕大部份資產淨值之本集團聯營公司。董事認為，詳列其他聯營公司之資料將令篇幅冗長。

#### 49. 主要共同控制機構

本公司間接持有之本集團主要共同控制機構於二零零三年三月三十一日之詳情如下：

**49. PRINCIPAL JOINTLY CONTROLLED ENTITIES (cont'd)**

All the above jointly controlled entities operate in the PRC.

The above table lists the jointly controlled entities of the Group which, in the opinion of the directors, principally affected the results of the year or form a substantial portion of the net assets of the Group. To give details of other jointly controlled entities would, in the opinion of the directors, result in particulars of excessive length.

**50. POST BALANCE SHEET EVENTS**

(a) On 17th April, 2003, Koga Limited (“Koga”), a minority shareholder of Legend Power Ltd., a subsidiary of the Company, has served a notice to the Group and the Company to exercise the put option to sell back its 50% equity interest in Legend Power Ltd. Pursuant to the share put option agreement entered in December 2000 and a supplement agreement entered in June 2002, the Group has to settle the outstanding loans and advances to and from Koga with the interests in arrear when Koga exercise the put option. The aggregate amount claimed by Koga under the put option is approximately HK\$37.3 million on the date of notice served by Koga.

(b) As announced by the Company on 15th July, 2003, the Company entered into an agreement (the “Agreement”) with Chinese Estates and its wholly-owned subsidiary, Million Point, which involves, inter alia, the followings:

(i) Capital reorganization: Every 100 existing shares of the Company of HK\$0.01 each will be consolidated and the nominal value of each of the consolidated shares will be reduced from HK\$1.00 to HK\$0.01 by cancelling the paid-up capital of HK\$0.99. The entire amount of share premium of the Company will be cancelled upon the approval of the shareholders.

The credit arising from the capital reduction of approximately HK\$12.5 million and the cancellation of share premium of HK\$162.6 million will be credited to set-off part of the deficit of the Company.

**49. 主要共同控制機構 (續)**

所有上述共同控制機構均在中國營運。

上表所列為董事認為主要影響本集團年內之業績或構成本集團絕大部份資產淨值之本集團共同控制機構。董事認為，詳列其他共同控制機構之資料將令篇幅冗長。

**50. 結算日後事項**

(a) 於二零零三年四月十七日，本公司附屬公司 Legend Power Ltd. 之少數股東 Koga Limited (「Koga」) 向本集團及本公司發出通知行使認沽權售回其於 Legend Power Ltd. 之 50% 股本權益。根據於二零零零年十二月訂立之股份認沽協議及於二零零二年六月訂立之補充協議，當 Koga 行使認沽權，本集團須償付向 Koga 提供及由 Koga 提供之未償還貸款及墊款以及應計利息。於 Koga 發出通知之日期，Koga 根據認沽權之索償總額約為 37,300,000 港元。

(b) 如本公司於二零零三年七月十五日所公布，本公司與華置及其全資附屬公司 Million Point 訂立協議 (「重組協議」)，涉及 (其中包括) 以下各項：

(i) 股本重組：每 100 股每股面值 0.01 港元之本公司現有股份將會合併，而每股合併後股份之面值將藉註銷繳足股本 0.99 港元由 1.00 港元削減至 0.01 港元。本公司股份溢價之全部數額將於股東批准後註銷。

因削減股本而產生之進賬約 12,500,000 港元及註銷之股份溢價 162,600,000 港元將用以對銷本公司之部份虧絀。

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2003

### 財務報告附註

截至二零零三年三月三十一日止年度

#### 50. POST BALANCE SHEET EVENTS (cont'd)

- (ii) Subscription of New Shares: Million Point will subscribe for 170,000,000 new shares of nominal value of HK\$0.01 each ("New Share") in the Company at HK\$0.1059 each for an aggregate consideration of HK\$18 million. The consideration will be satisfied by injection of cash to the Group to fund the payments to the creditors of the Group in accordance with the restructuring proposal, the costs incurred to complete the restructuring and provide working capital for the Group.
- (iii) Settlement of claim from Koga: Pursuant to a settlement deed entered on 15th July, 2003, the claim from Koga of approximately HK\$37.3 million as stated in (a) above would be settled by payment of approximately HK\$0.37 million in cash and allotment of 37,317,014 New Shares in the Company when the Agreement become unconditional. This would result on a reduction of the Group's indebtedness with Koga by approximately HK\$36.6 million. In addition, Koga will be granted a call option for acquisition of 50% interest in Legend Power Ltd. at a consideration of the higher of HK\$150,000 or 50% consolidated net assets to be exercised within the next 5 years.
- (iv) The restructuring of the Company's indebtedness: The Company's indebtedness, excluding the claim from Koga as mentioned in (iii) above, will be restructured such that a cash distribution of approximately HK\$5 million and a capitalisation issue of approximately 470.7 million New Shares representing approximately 68.2% of the enlarged issued share capital of the Company after the restructuring proposal will be repaid to the creditors on a pro-rate basis based on the amount owed by the Company. Creditors with preferential claims shall be discharged out of the scheme funds in priority to distribution to the other creditors with non-preferential claims. The restructuring will result in a reduction in the Company's indebtedness by approximately HK\$461.2 million.

The Agreement is conditional upon the relevant approvals being obtained from the regulatory authorities, and from the shareholders.

#### 50. 結算日後事項 (續)

- (ii) 認購新股: Million Point 將認購 170,000,000 股每股面值 0.01 港元之本公司新股(「新股」), 每股作價 0.1059 港元, 總代價為 18,000,000 港元。代價的支付方式為向本集團注入現金以應付本集團根據重組建議向債權人支付之款項、完成重組所產生之成本及本集團所需之營運資金。
- (iii) 了結 Koga 之索償: 根據於二零零三年七月十五日訂立之償債契據, 上文(a)所述 Koga 約 37,300,000 港元索償之了結方式為支付現金約 370,000 港元, 另於重組協議成為無條件時配發 37,317,014 股本公司新股。此方案令本集團欠 Koga 之債務削減約 36,600,000 港元。此外, Koga 將獲授予認購權, 可於未來五年內按 150,000 港元或 Legend Power Ltd. 綜合資產淨值之 50% (以較高者為準) 之代價購入 Legend Power Ltd. 之 50% 權益。
- (iv) 重組本公司債務: 本公司之債務(不包括上文(iii)所述之 Koga 索償)將會重組, 據此將根據本公司之欠款金額按比例派發現金約 5,000,000 港元及以債轉股形式向債權人發行約 470,700,000 股佔本公司於重組建議實行後之經擴大已發行股本約 68.2% 之新股。優先索償之債權人可優先於其他非優先索償之債權人自計劃資金解除債務。債務重組將導致本公司之債務削減約 461,200,000 港元。

重組協議須待(其中包括)監管機構及股東給予有關批准方可作實。