



## NOTES ON THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31st December, 2003  
(Expressed in Hong Kong dollars)

截至二零零三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 Hong Kong Financial Reporting Standards (which includes 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 ("the Listing Rules"). 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《香港財務報告準則》(包括所有適用的《會計實務準則》及解釋)、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》(「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

於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人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, 2003  
(Expressed in Hong Kong dollars)

截至二零零三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)

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

##### (b) 財務報表的編製基準 (續)

###### (i) Going concern basis *(continued)*

###### (i) 持續經營基準 (續)

On 27th August, 2002, the group entered into a restructuring agreement with the bank creditors and the FRN holders in respect of an aggregate indebtedness of \$1.6 billion to the bank creditors and US\$25.4 million to the FRN holders as of 31st July, 2002, with a view to restructure and settle the outstanding indebtedness. However, as of December 2003, the group and the bank creditors and the FRN holders failed to reach any conclusion for the settlement of the outstanding indebtedness.

於二零零二年八月二十七日，本集團與債權銀行及浮息票據持有人就於二零零二年七月三十一日分別結欠債權銀行及浮息票據持有人之債務1,600,000,000元及25,400,000美元訂立重組協議，以重組及清付尚欠債項。然而，截至二零零三年十二月，本集團與債權銀行及浮息票據持有人未就清付尚欠債項達成任何結論。

On 20th December, 2003, the bank creditors and the FRN holders entered into a conditional debt transfer and exchange agreement ("the Debt Transfer Agreement") with Creator Holdings Limited ("Creator"), an unrelated third party, under which Creator would purchase from the bank creditors and the FRN holders substantially all of the indebtedness owing by the company and certain of its subsidiaries to them except for loans amounting to \$221.9 million, of which \$150.0 million has been refinanced and the balance of \$71.9 million was settled prior to the completion of the Debt Transfer Agreement.

於二零零三年十二月二十日，非關連第三者 Creator Holdings Limited (創達集團有限公司\* (「創達」))、債權銀行及浮息票據持有人訂立有條件債務轉讓及交換協議 (「債務轉讓協議」)。根據債務轉讓協議，創達將自債權銀行及浮息票據持有人購買本公司及其若干附屬公司結欠之絕大部分債務，惟一筆221,900,000元的貸款除外。該筆貸款其中的150,000,000元已再融資，而剩下的71,900,000元貸款，已於債務轉讓協議完成前悉數償還。

\*僅供識別



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

For the year ended 31st December, 2003  
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截至二零零三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)

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

#### (b) 財務報表的編製基準 (續)

##### (i) *Going concern basis (continued)*

##### (i) 持續經營基準 (續)

The group was informed by the bank creditors and the FRN holders that the Debt Transfer Agreement was completed on 16th January, 2004. In accordance with the terms of the Debt Transfer Agreement, the group's indebtedness amounting to approximately \$1.6 billion owed to the bank creditors and the FRN holders were assigned to Creator ("the Indebtedness"). Accordingly, the restructuring agreement dated 27th August, 2002 together with other related standstill documents, other than a guarantee and debenture dated 3rd December, 2001 ("the Debenture"), would cease to have any further force and effect upon the completion of the Debt Transfer Agreement. The Debenture executed by the company and certain of its subsidiaries in respect of certain of their undertakings, rights, properties and assets would continue in force and effect and Creator has been assigned the right, title and interest of the bank creditors and the FRN holders.

本集團獲債權銀行及浮息票據持有人知會，債務轉讓協議已於二零零四年一月十六日完成。根據該債務轉讓協議條款，本集團欠債權銀行及浮息票據持有人約1,600,000,000元之債務已轉讓予創達（「債務」）。因此，除於二零零一年十二月三日訂立之擔保及債券（「債券」）外，於二零零二年八月二十七日訂立之重組協議及其他有關的暫緩還款協議於債務轉讓協議完成時將終止效力及失效。本公司及其若干附屬公司就按債券執行的若干承擔、權利、物業及資產將繼續具有效力及生效。債權銀行及浮息票據持有人於債務之權利、所有權及利息已轉讓予創達。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

For the year ended 31st December, 2003  
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截至二零零三年十二月三十一日止年度  
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#### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

###### (i) *Going concern basis (continued)*

On 11th February, 2004, the company and Creator entered into a debt conversion and share subscription agreement ("the Debt Conversion Agreement"), and a sale and purchase agreement ("the Yangpu Agreement") relating to Hainan Yangpu Development (H.K.) Limited ("HYD(HK)"), an associate of the group, to repay approximately \$1,640.5 million of the Indebtedness. The Indebtedness owed to Creator is estimated to be approximately \$1,670.5 million, representing principal and interest accrued and to be accrued thereon up to 31st March, 2004. The remaining balance of the Indebtedness of \$30.0 million is expected to be repaid within one year. At 31st December, 2003, the group owned 30 ordinary shares (representing 46.15% interest) in HYD (HK) which owned 65% interest in Hainan Yangpu Land Development Co Ltd ("HYLD"). HYLD owns and develops a property development project in the Hainan Yangpu Economic Development Zone, Hainan Island, the PRC.

#### 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)

於二零零四年二月十一日，本公司與創達就清償一筆合共約1,640,500,000元之債務訂立債務轉讓及股本認購協議（「債務轉換協議」）及有關於本集團一家聯營公司－海南洋浦開發（香港）有限公司（「洋浦開發」）之買賣協議（「洋浦協議」）。尚欠創達之債務估計約為1,670,500,000元，即本金連同計至二零零四年三月三十一日之應計利息。餘下之30,000,000元債務預期於一年內清還。於二零零三年十二月三十一日，本集團擁有洋浦開發30股普通股，即46.15%股權，而洋浦開發則擁有海南洋浦土地開發有限公司（「洋浦土發」）之65%股權。洋浦土發擁有及發展中國海南島海南洋浦經濟開發區一項物業發展項目。



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

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1. 主要會計政策 (續)

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

(b) 財務報表的編製基準 (續)

(i) Going concern basis (continued)

(i) 持續經營基準 (續)

The Debt Conversion Agreement involves:

債務轉換協議涉及：

- i the issue and allotment by the company to Creator of 1,340,555,276 new ordinary shares of the company credited as fully paid at \$1.00 per share ("the Subscription Shares");
- ii the granting of an option by the company to Creator to subscribe for an aggregate of up to 380,000,000 ordinary shares credited as fully paid at \$1.00 each at any time in whole or in part during the period of 5 years from the date of completion of the Debt Conversion Agreement; and
- iii Creator agreed to release and waive all its rights, interests and title of and to the amount owed by the group in the amount of approximately \$1,340.5 million and the Debenture against the group and the waiver of all default interests accrued on the amount owed by the group.

- i 本公司向創達發行及配發本公司1,340,555,276股每股1.00元之新普通股，並入賬列作繳足股份（「認購股份」）；
- ii 本公司向創達授出期權，以按每股1.00元之價格認購最多合共380,000,000股普通股入賬列作繳足股份。創達可於債務轉換協議完成日期起計五年期間內任何時間全面或局部行使該期權；及
- iii 創達同意解除及豁免所有其就本集團結欠債務約1,340,500,000元及債券對本集團之權利、權益及所有權，並豁免所有就本集團結欠數額應計之逾期利息。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

*For the year ended 31st December, 2003  
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截至二零零三年十二月三十一日止年度  
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#### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 1. 主要會計政策 (續)

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

##### (b) 財務報表的編製基準 (續)

###### (i) *Going concern basis (continued)*

###### (i) 持續經營基準 (續)

The Yangpu Agreement involves the disposal of 55 ordinary shares (representing 84.62% interest) in HYD (HK) to Creator for a consideration of \$300.0 million to be satisfied by setting off the same amount against the Indebtedness. As the group only held 30 ordinary shares in HYD(HK) at the year end, the group had subsequent to 31st December, 2003 entered into two sale and purchase agreements with two of the HYD(HK)'s shareholders to acquire a total of 25 ordinary shares in HYD(HK).

The Debt Conversion Agreement and the Yangpu Agreement were approved at the extraordinary general meeting of the shareholders on 3rd April, 2004 and completed on 13th April, 2004. As a result of the issuance of the Subscription Shares to Creator, Creator became the company's ultimate holding company.

洋浦協議涉及以300,000,000元之價格出售55股洋浦開發普通股，即84.62%股權予創達。該出售價格將以抵銷相同數額之債務來支付。由於本集團於年結時只持有洋浦開發30股普通股，本集團於二零零三年十二月三十一日後，與洋浦開發兩名股東訂立買賣協議從而購入洋浦開發共25股普通股。

債務轉換協議及洋浦協議於二零零四年四月三日股東特別大會中通過，並於二零零四年四月十三日完成。因發行認購股份予創達，創達已成為本公司最終控股公司。



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

For the year ended 31st December, 2003  
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截至二零零三年十二月三十一日止年度  
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### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### 1. 主要會計政策 (續)

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

#### (b) 財務報表的編製基準 (續)

##### (i) *Going concern basis (continued)*

##### (i) 持續經營基準 (續)

In preparing the financial statements, the directors have taken into consideration the completion on 13th April, 2004 of the Debt Conversion Agreement and the Yangpu Agreement which effectively converted most of the group's bank and FRN indebtedness into equity. The directors are of the opinion that the group will be able to meet its financial obligations and as a result of the completion of these agreements, the financial position of the group will be significantly improved. Accordingly, the financial statements have been prepared on a going concern basis, notwithstanding the group's financial position as at 31st December, 2003. Should the group be unable to continue in business as a going concern, adjustments would have to be made to restate the value 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. The effects of these adjustments have not been reflected in the financial statements.

在編製財務報表時，董事已考慮到於二零零四年四月十三日完成的債務轉換協議及洋浦協議能實際上將本集團大部份銀行及浮息票據債務轉換成股東權益。董事認為本集團將能償還其財務負擔及本集團之財務狀況在完成這些協議後將顯著地改善。有鑑於此，儘管本集團於二零零三年十二月三十一日的財政狀況未如理想，財務報表仍以持續經營基準編製。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。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

For the year ended 31st December, 2003  
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#### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

(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.

##### (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 share 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.

#### 1. 主要會計政策 (續)

##### (b) 財務報表的編製基準 (續)

(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。

##### (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。





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

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### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### (c) Subsidiaries *(continued)*

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.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet separately from liabilities and the shareholders' equity. Minority interests in the results of the group for the year are also separately presented in the profit and loss account.

Where losses attributable to the minority exceed the minority interest in the net assets of a subsidiary, the excess, and any further losses attributable to the minority, are charged against the group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. All subsequent profits of the subsidiary are allocated to the group until the minority's share of losses previously absorbed by the group has been recovered.

### 1. 主要會計政策 (續)

#### (c) 附屬公司 (續)

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。

於結算日之少數股東權益為附屬公司資產淨值的一部份，該部份為非本公司擁有的股東權益（不論透過附屬公司直接或間接持有），並且在綜合資產負債表中與負債及股東權益分開呈列。在本集團年度業績之少數股東權益亦在損益表中分開呈列。

倘少數股東應佔虧損超出少數股東於附屬公司資產淨值之權益，除少數股東有具約束力之責任且有能力彌補虧損，否則該虧損均自本集團權益中扣除。該附屬公司之一切其後盈利均分配予本集團，直至本集團過往所吸納之少數股東應佔虧損已全部收回。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 1. 主要會計政策 (續)

##### (c) Subsidiaries *(continued)*

##### (c) 附屬公司 (續)

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 which is still in progress as of the date of approval of these financial statements. Accordingly, the financial statements of HKCW have not been consolidated into the consolidated financial statements for the year. The directors consider that the winding-up of HKCW will have no significant adverse effect on the state of affairs of the group.

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。截止本財務報表核准通過日，清盤程序仍在進行中。有鑑於此，本年度綜合財務報表並不包括香港建設（營造）的財務報表。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。

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.

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。



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

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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.

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). When the group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred obligations in respect of the associate.

### 1. 主要會計政策 (續)

#### (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。

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。倘本集團所佔虧損超出聯營公司之賬面價值，本集團將該賬面值減至零，並不再確認進一步之虧損，惟本集團對聯營公司作出承擔則除外。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 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)

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.

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。

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.

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。



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

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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 recognised in the consolidated profit and loss account (see note 1(k)); and
- 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.

### 1. 主要會計政策 (續)

#### (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，並且在綜合損益表內減去減值虧損（見附註1(k)）之數；及
- 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。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 1. 主要會計政策 (續)

##### (e) Goodwill *(continued)*

##### (e) 商譽 (續)

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:

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：

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

- 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
- 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。



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

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1. 主要會計政策 (續)

(e) Goodwill (continued)

(e) 商譽 (續)

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

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：

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

- 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

- 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。

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.

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。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 1. 主要會計政策 (續)

##### (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.
- (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.

##### (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。公允價值的變動於產生時在損益表中確認。
- (ii) 非買賣證券是以公允價值記入資產負債表。公允價值的變動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。





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

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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)

- (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.

- (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。

(g) Fixed assets

(g) 固定資產

- (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 accumulated depreciation (see note 1(j)) and impairment losses (see note 1(k)).

- (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。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 1. 主要會計政策 (續)

##### (g) Fixed assets *(continued)*

##### (g) 固定資產 (續)

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

(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：

- 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
- 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.

- 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

- 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) 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.

(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, 2003  
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### 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 )

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#### 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 represents 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。可變現淨值為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)  
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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 )

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#### 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 estimated 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，按其預算可用年限四至十年以直線法計算折舊。



NOTES ON THE FINANCIAL STATEMENTS (continued)  
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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 in the profit and loss account whenever the carrying amount of such an asset (including positive goodwill taken directly to reserves) 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。當該資產的賬面金額（包括直接與儲備抵銷的正商譽）高於可收回數額時，便會在損益表內確認減值虧損。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 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 (i.e. a cash-generating unit).

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（即產生現金單位）來釐定可收回數額。





NOTES ON THE FINANCIAL STATEMENTS (continued)  
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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 )

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#### 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 expense 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)

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### 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 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 )

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#### 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)

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### 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) 當本集團不用價款授予僱員認購本公司股份的購股權，在授予日期不會確認為僱員福利成本或義務。當購股權被行使時，股東權益按所收取款項的數額增加。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 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.

- (v) 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) Income tax

##### (o) 所得稅

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the profit and loss account except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

- (i) 是年度所得稅包括當期稅項及遞延稅項資產及負債之變動。當期稅項及遞延稅項資產及負債之變動於損益表中確認，若部份之當期稅項及遞延稅項資產及負債之變動與直接於股本中確認之項目有關，則該部份於股本中確認。
- (ii) 當期稅項乃按是年度應稅所得，以於結算日採用或實質上採用之稅率計算之預期應繳稅項，及任何有關往年應繳稅項之調節。



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

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 1. 主要會計政策 (續)

#### (o) Income tax (continued)

#### (o) 所得稅 (續)

- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

- (iii) 遞延稅項資產及負債分別由資產及負債按財務報表之帳面值及課稅值兩者之間可予扣減及應稅暫時性差異所產生。遞延稅項資產亦可由未經使用之稅務虧損及未經使用之稅項優惠所產生。

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

除若干有限之例外情況，所有遞延稅項負債，及所有遞延稅項資產（只限於將來可能取得應稅所得而令該等資產得以運用之部份）均予確認。容許確認由可予扣減暫時性差異所產生之遞延稅項資產之未來應稅所得包括其將由目前之應稅暫時性差異回撥之部份，而此等應稅暫時性差異應由同一稅務當局向同一應稅單位徵收及預期在可予扣減暫時性差異預期回撥之同一週期內回撥或在由遞延稅項資產產生之稅務虧損能轉回或轉入之週期內回撥。在評定目前之應稅暫時性差異是否容許確認由未經使用之稅務虧損及優惠所產生之遞延稅項資產時採用上述相同之標準（即該等暫時性差異由同一稅務當局向同一應稅單位徵收及預期在稅務虧損或優惠能應用之週期內回撥方可計算在內）。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

For the year ended 31st December, 2003  
(Expressed in Hong Kong dollars)

截至二零零三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)

##### (o) Income tax *(continued)*

##### (o) 所得稅 (續)

- (iii) The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, negative goodwill treated as deferred income, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

- (iii) 該等確認遞延稅項資產及負債之有限例外情況，包括不可在稅務方面獲得扣減之商譽所引致之暫時性差異、作遞延收益處理之負商譽、首次確認但並不影響會計溢利及應稅所得之資產或負債（惟其不可為企業合併之部份）、以及有關於附屬公司投資所引致之暫時性差異（如為應課稅差異，只限於本集團可控制回撥之時間，並且不大可能在可見未來回撥之差異；或如為可予扣減差異，則只限於可能在未來回撥之差異）。

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

應確認之遞延稅項數額是按資產及負債帳面值之預期變現或清償方式，以於結算日採用或實質上採用之稅率計算。遞延稅項資產及負債均無作貼現計算。

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

遞延稅項資產於每個結算日之帳面值須予以審閱，如不再可能取得足夠之應稅所得以運用有關之稅務利益，帳面金額則予以調低。如日後可能取得足夠之應稅所得時，已扣減金額則予以撥回。

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

因派發股息而產生之額外所得稅在付出該股息時確認。





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

For the year ended 31st December, 2003  
(Expressed in Hong Kong dollars)

截至二零零三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)

#### (o) Income tax (continued)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the company or the group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the company or the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

#### (o) 所得稅 (續)

(iv) 現行稅項結餘及遞延稅項結餘及其變動，乃各自分開表述及並無相互抵銷。若（及只若）本公司或本集團在法律上擁有抵銷現行稅項資產及當期稅項負債之行使權利及符合下列額外之條件，則當期稅項資產可抵銷當期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 若為當期稅項資產及負債，本公司及本集團欲以淨額清償或欲同時變現資產及清償負債；或
- 若為遞延稅項資產及負債，如其有關同一稅務當局徵收所得稅：
  - 向同一應稅單位；或
  - 如為不同之應稅單位，預期在未來每一週期將清償或追償顯著數額之遞延稅項負債或資產及欲以淨額基礎清償當期稅項資產及當期稅項負債或欲同時變現當期稅項資產及清償當期稅項負債。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

*For the year ended 31st December, 2003  
(Expressed in Hong Kong dollars)*

截至二零零三年十二月三十一日止年度  
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#### 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, 2003  
(Expressed in Hong Kong dollars)

截至二零零三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, 2003  
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#### 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, 2003  
(Expressed in Hong Kong dollars)

截至二零零三年十二月三十一日止年度  
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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元。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元。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, 2003  
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#### 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, 2003  
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### 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, 2003  
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#### 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 investment properties, properties held for development or 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.

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.

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

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，分部資產可能包括投資物業、作發展用途或銷售用途的物業、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。

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。

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)

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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：

		2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
Revenue from construction contracts	建築合約收入	1,224.9	1,297.7
Rental income	租金收入	18.4	19.8
Proceeds from sale of properties	出售物業所得款項	22.2	4.8
		<u>1,265.5</u>	<u>1,322.3</u>

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財務報表附註 (續)

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### 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)

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3. SEGMENTAL REPORTING (continued)

3. 分部報告 (續)

		Hong Kong 香港		The PRC 中國		Unallocated 未能分類		Consolidated 綜合	
		2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年 restated 重報	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年 restated 重報
		\$ 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	\$ Million 百萬元
<b>Location of customers</b>	<b>客戶所在地</b>								
Revenue from external customers	外間客戶之收入	735.6	1,163.5	529.9	158.8	-	-	1,265.5	1,322.3
Other revenue	其他收入	-	-	11.1	11.4	6.9	13.7	18.0	25.1
Total revenue	總收入	<u>735.6</u>	<u>1,163.5</u>	<u>541.0</u>	<u>170.2</u>	<u>6.9</u>	<u>13.7</u>	<u>1,283.5</u>	<u>1,347.4</u>
Segment profit/(loss)	分部利潤/(虧損)	18.8	(122.8)	3.6	2.2			22.4	(120.6)
Unallocated operating income and expenses	未能分類之經營收入及支出							(140.0)	(181.7)
Loss from operations	經營虧損							(117.6)	(302.3)
Finance costs	融資成本							(128.4)	(125.0)
Impairment loss on properties held for development	作發展用途的物業減值虧損							(168.0)	-
Surplus/(deficit) on revaluation of investment properties	投資物業重估盈餘/(虧蝕)							0.1	(17.7)
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	41.2	1.9	(29.1)	(13.0)			12.1	(11.1)
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	-	-	(18.5)	(12.8)			(18.5)	(12.8)
Income tax	所得稅							10.4	(30.3)
Minority interests	少數股東權益							0.5	1.5
Loss attributable to shareholders	股東應佔虧損							<u>(409.4)</u>	<u>(497.7)</u>
Depreciation & amortisation for the year	本年度折舊及攤銷	0.6	0.8	-	-				
Significant non-cash expenses (other than depreciation & amortisation)	重大非現金支出(折舊及攤銷除外)	<u>14.2</u>	<u>218.6</u>	<u>41.1</u>	<u>21.7</u>				

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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### 3. SEGMENTAL REPORTING *(continued)*

### 3. 分部報告 (續)

	Hong Kong		The PRC		Unallocated		Consolidated	
	香港		中國		未能分類		綜合	
	2003	2002	2003	2002	2003	2002	2003	2002
	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
				restated				restated
				重報				重報
	\$ 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	300.1	651.4	816.3	1,301.0			1,116.4	1,952.4
Interests in associates and jointly controlled entities	130.9	69.1	1,596.1	1,583.7			1,727.0	1,652.8
Unallocated assets							829.6	982.7
Total assets							<u>3,673.0</u>	<u>4,587.9</u>
Segment liabilities	(402.2)	(666.9)	(217.0)	(227.2)			(619.2)	(894.1)
Amounts due to associates and jointly controlled entities	(8.5)	(190.7)	(23.6)	(21.9)			(32.1)	(212.6)
Unallocated liabilities							<u>(2,806.9)</u>	<u>(2,769.4)</u>
Total liabilities							<u>(3,458.2)</u>	<u>(3,876.1)</u>



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

For the year ended 31st December, 2003  
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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		Unallocated		Consolidated	
		建築	物業租賃	物業發展及銷售	未能分類	綜合					
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
		二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年	二零零三年	二零零二年
		\$ Million	\$ Million	\$ 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	百萬元	百萬元
Revenue from external customers	外間客戶之收入	1,224.9	1,297.7	18.4	19.8	22.2	4.8	-	-	1,265.5	1,322.3
Other revenue	其他收入	-	-	11.1	11.4	-	-	6.9	13.7	18.0	25.1
Total revenue	總收入	1,224.9	1,297.7	29.5	31.2	22.2	4.8	6.9	13.7	1,283.5	1,347.4
Segment profit/(loss)	分部利潤/(虧損)	(4.4)	(151.8)	29.5	31.2	(2.7)	-			22.4	(120.6)
Segment assets	分部資產	453.9	816.8	365.6	429.5	296.9	706.1			1,116.4	1,952.4

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 4. OTHER REVENUE

#### 4. 其他收入

		2003	2002
		二零零三年	二零零二年
		\$ Million	\$ Million
		百萬元	百萬元
Interest income	利息收入	3.0	7.8
Property fee income	物業收費收入	11.1	11.4
Other income	其他收入	3.9	5.9
		18.0	25.1
		18.0	25.1

#### 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)：

		2003	2002
		二零零三年	二零零二年
		\$ Million	\$ Million
		百萬元	百萬元
<b>(a) Other net loss/(income)</b>	<b>(a) 其他虧損／(收益)淨額</b>		
Loss on disposal of a subsidiary	出售附屬公司虧損	16.6	-
Provision for loss on disposal of an associate	出售聯營公司虧損準備	14.1	-
Net loss/(profit) on sale of fixed assets	出售固定資產虧損／ (溢利)淨額	10.1	(12.3)
Gain on liquidation of subsidiaries and an associate	附屬公司及一間聯營 公司清盤收益	(5.9)	(7.0)
Exchange loss	滙兌虧損	2.1	9.9
Others	其他	(0.1)	2.0
		36.9	(7.4)
		36.9	(7.4)



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

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5. LOSS FROM ORDINARY ACTIVITIES BEFORE  
TAXATION (continued)

5. 除稅前正常業務虧損 (續)

		2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
<b>(b) Other operating expenses</b>	<b>(b) 其他經營費用</b>		
Provision for properties held for sale	銷售物業準備	14.7	14.9
(Recovery of)/provision for bad and doubtful debts	呆壞賬(收回)/準備	(8.9)	35.4
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
Impairment loss on fixed assets	固定資產減值虧損	-	3.3
Impairment loss on non-trading securities	非買賣證券減值虧損	-	3.3
Tendering costs and other unallocated contract costs	投標成本及其他工程成本	13.0	23.2
Others	其他	14.0	21.6
		<u>32.8</u>	<u>114.3</u>
<b>(c) Finance costs</b>	<b>(c) 融資成本</b>		
Interest on bank advances 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	128.4	125.0

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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

#### 5. 除稅前正常業務虧損 (續)

		2003	2002
		二零零三年	二零零二年
		\$ Million	\$ Million
		百萬元	百萬元
<p><b>(d) Staff costs*</b></p> <p>Contributions to defined contribution plan</p> <p>Increase in liability for defined benefit plan (notes 30(a)(i) and (ii))</p> <p>Retirement costs</p> <p>Salaries, wages and other benefits</p>	<p><b>(d) 員工成本*</b></p> <p>界定供款計劃之供款</p> <p>界定利益計劃負債增加 (附註30(a)(i)及(ii))</p> <p>退休成本</p> <p>薪金、工資及其他福利</p>	<p><b>0.3</b></p> <p>—</p> <p><b>0.3</b></p> <p><b>32.5</b></p> <p><b>32.8</b></p>	<p>0.4</p> <p>4.7</p> <p>5.1</p> <p>32.6</p> <p><b>37.7</b></p>
<p><b>(e) Other items</b></p> <p>Cost of properties sold</p> <p>Auditors' remuneration</p> <p>Depreciation*</p> <p>Operating lease charges in respect of property</p> <p>Rentals receivable from investment properties less direct outgoings of \$1.1 million (2002: \$2.2 million)</p>	<p><b>(e) 其他項目</b></p> <p>物業出售成本</p> <p>核數師酬金</p> <p>折舊*</p> <p>物業經營租賃費用</p> <p>應收投資物業租金減直接支出1,100,000元 (二零零二年: 2,200,000元)</p>	<p><b>24.9</b></p> <p><b>4.1</b></p> <p><b>1.6</b></p> <p><b>0.6</b></p> <p><b>(17.3)</b></p>	<p>4.8</p> <p>4.4</p> <p>2.6</p> <p>1.3</p> <p><b>(17.6)</b></p>

\* In addition to the amounts disclosed above, staff costs and depreciation of \$61.2 million (2002: \$83.8 million) and \$0.6 million (2002: \$0.8 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61,200,000元(二零零二年: 83,800,000元)及600,000元(二零零二年: 800,000元)。





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

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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：

		2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
Fees	袍金	0.4	0.4
Salaries and other emoluments	薪金及其他酬金	10.4	12.4
		<u>10.8</u>	<u>12.8</u>

Included in the directors' remuneration were fees of \$0.2 million (2002: \$0.2 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(二零零二年:200,000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：

		2003 二零零三年 Number of directors 董事人數	2002 二零零二年 Number of directors 董事人數
\$ Nil – 1,000,000	無 – 1,000,000元	6	6
\$ 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
\$ 2,000,001 – 2,500,000	2,000,001元 – 2,500,000元	2	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

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 7. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2002: three) are directors of the company, whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other one (2002: two) individual are as follows:

Salaries and other emoluments

薪金及其他酬金

	<b>2003</b>	2002
	二零零三年	二零零二年
	<b>\$ Million</b>	\$ Million
	百萬元	百萬元
<b>2.2</b>	<b>2.2</b>	3.7

The emoluments of the one (2002: two) individual with the highest emoluments are within the following bands:

\$1,500,001 – 2,000,000	1,500,001元 – 2,000,000元	-
\$2,000,001 – 2,500,000	2,000,001元 – 2,500,000元	1

#### 7. 最高酬金人士

五名酬金最高人士中，四名（二零零二年：三名）為公司董事，其酬金已在附註6披露。其餘一位（二零零二年：兩位）人士的酬金總額如下：

該一位（二零零二年：兩位）酬金最高人士的酬金在以下範圍內：

	<b>2003</b>	2002
	二零零三年	二零零二年
	<b>Number of</b>	Number of
	<b>individuals</b>	individuals
	人數	人數
<b>-</b>	-	2
<b>1</b>	1	-



NOTES ON THE FINANCIAL STATEMENTS (continued)  
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8. INCOME TAX

8. 所得稅

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

(a) 綜合損益表所列的稅項為：

		2003 二零零三年	2002 二零零二年 restated 重報
		\$ Million 百萬元	\$ Million 百萬元
Current tax – PRC foreign enterprise income tax	當期稅項 – 中國外商投資企業所得稅		
Tax for the year	本年度稅項	5.7	6.7
Over-provision in respect of prior years	以往年度準備過剩	(45.4)	–
		<u>(39.7)</u>	6.7
Share of associates' taxation	應佔聯營公司稅項	29.3	23.6
Tax (credit)/expense	稅項(扣減) / 支出	<u>(10.4)</u>	<u>30.3</u>

In March 2003, the Hong Kong Government announced an increase in the Hong Kong profits tax rate applicable to the group's operations in Hong Kong from 16% to 17.5%. This increase is taken into account in the preparation of the group's 2003 financial statements. No provision has been made for Hong Kong profits tax as the group's operations in Hong Kong sustained losses for taxation purposes during the year. Taxation for PRC subsidiaries is charged at the appropriate current rates of taxation ruling in the PRC.

香港政府於二零零三年三月宣佈，適用於本集團在香港之營運之利得稅稅率由百分之十六增加至百分之十七點五。本集團於編製二零零三年財務報表時已計及有關稅率之增加。由於本集團在香港之營運於本年度為虧損(在稅務方面而言)，因此沒有對香港利得稅作出準備。中國附屬公司之稅項則乃按中國稅收政策之合適現行稅率計算。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 8. INCOME TAX *(continued)*

#### 8. 所得稅 (續)

##### (b) Reconciliation between tax (credit)/expense and accounting loss at applicable tax rates:

##### (b) 稅項 (扣減) / 支出和會計虧損以適用稅率計算的調節:

		2003 二零零三年	2002 二零零二年 restated 重報
		\$ Million 百萬元	\$ Million 百萬元
Loss before tax	除稅前虧損	<u>(420.3)</u>	<u>(468.9)</u>
Notional tax on loss before tax, calculated at the rates applicable to losses in the countries concerned	按有關國家之適用 稅率及除稅前虧損 計算之名義稅項	(74.9)	(80.3)
Tax effect of non-deductible expenses	不可扣除費用的 稅務影響	54.7	43.7
Tax effect of non-taxable revenue	非課稅收入的稅務影響	(5.3)	(13.7)
Tax effect of unused tax losses not recognised	未予確認未用稅務虧損 的稅務影響	67.5	80.1
Tax effect of prior year's tax losses utilised this year	過往年度之稅務虧損 於本年運用的 稅務影響	(7.0)	-
Tax effect of temporary differences not recognised	未予確認暫時性差異 的稅務影響	-	0.5
Over-provision in prior years	以往年度準備過剩	<u>(45.4)</u>	<u>-</u>
Actual tax (credit)/expense	實際稅項 (扣減) / 支出	<u>(10.4)</u>	<u>30.3</u>



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

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8. INCOME TAX (continued)

8. 所得稅 (續)

(c) Current taxation in the balance sheets  
represents:

(c) 資產負債表內的當期稅項為：

	The group		The company	
	本集團		本公司	
	2003	2002	2003	2002
	二零零三年	二零零二年	二零零三年	二零零二年
	\$ Million	\$ Million	\$ Million	\$ Million
	百萬元	百萬元	百萬元	百萬元
Balance of Hong Kong profits tax provision relating to prior years	2.9	2.9	-	-
PRC taxation	24.7	63.4	8.3	50.3
	<b>27.6</b>	66.3	<b>8.3</b>	50.3

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 8. INCOME TAX *(continued)*

#### 8. 所得稅 (續)

##### (d) Deferred tax assets not recognised

The group has not recognised deferred tax assets in respect of tax losses of \$991.3 million (2002: \$756.7 million) as the directors consider it is not probable that taxable profits will be available against which the tax losses can be utilised. The tax losses do not expire under current tax legislation.

##### (d) 未被確認之遞延稅項資產

由於董事認為不可能有應稅所得能利用稅務虧損作抵銷，本集團並未就991,300,000元（二零零二年：756,700,000元）之稅務虧損確認為遞延稅項資產。按現行稅法，稅務虧損不會屆滿。

#### 9. LOSS ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to shareholders includes a loss of \$288.7 million (2002: loss of \$317.2 million) which has been dealt with in the financial statements of the company.

#### 9. 股東應佔虧損

股東應佔虧損包括一筆已列入本公司財務報表的288,700,000元虧損（二零零二年：317,200,000元虧損）。

#### 10. LOSS PER SHARE

#### 10. 每股虧損

##### (a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to shareholders of \$409.4 million (2002 restated: \$497.7 million) and on 607.9 million (2002: 607.9 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the year.

##### (a) 每股基本虧損

每股基本虧損是按照409,400,000元（二零零二年（重報）：497,700,000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（二零零二年：607,900,000股）計算。

##### (b) Diluted loss per share

There were no dilutive potential ordinary shares in existence during the years 2003 and 2002.

##### (b) 每股攤薄虧損

在二零零三年及二零零二年度均沒有潛在攤薄性的普通股。



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

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### 11. CHANGE IN ACCOUNTING POLICY

In prior years, deferred tax liabilities were 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 were expected with reasonable probability to crystallise in the foreseeable future. Deferred tax assets were not recognised unless their realisation was assured beyond reasonable doubt. With effect from 1st January, 2003, in order to comply with Statement of Standard Accounting Practice 12 (revised) issued by the Hong Kong Society of Accountants, the group adopted a new policy for deferred tax as set out in note 1(o). As a result of the adoption of this accounting policy, the group's loss for the year has been increased by \$27.0 million (2002: \$1.5 million) and the net assets as at the year end have been decreased by \$83.1 million (2002: \$56.1 million).

The new accounting policy has been adopted retrospectively, with the opening balances of accumulated losses and reserves and the comparative information adjusted for the amounts relating to prior periods as disclosed in the consolidated statement of changes in equity.

### 11. 會計政策的修訂

於往年，遞延稅項負債乃以負債法，就合理地估計於可預見之將來，因應收入與支出按會計及稅務制度不同處理方法之間出現之所有重大時差所產生之稅務影響作出撥備。遞延稅項資產只在合理地肯定可以實現時才會確認。由二零零三年一月一日起，為符合香港會計師公會頒布之會計實務準則第12號(經修訂)之規定，本集團已採納列載於附註1(o)有關遞延稅項之新政策。由於採納此會計政策，本集團年內之虧損增加27,000,000元(二零零二年：1,500,000元)，而於年結時之資產淨值則減少83,100,000元(二零零二年：56,100,000元)。

新採納之會計政策已追溯至過往，而期始累計虧損結餘及儲備及其比較數字已按往期之數值作出調整並披露於綜合股東權益變動表內。

## NOTES ON THE FINANCIAL STATEMENTS (continued)

### 財務報表附註 (續)

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#### 12. FIXED ASSETS

#### 12. 固定資產

		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 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
<b>(a) The group</b>	<b>(a) 本集團</b>				
<b>Cost or valuation:</b>	<b>成本或估值:</b>				
At 1st January, 2003	於2003年1月1日	429.5	39.1	37.4	506.0
Exchange adjustments	滙兌調整	(1.0)	-	-	(1.0)
Additions	增置	-	-	1.8	1.8
Transfer from properties held for sale	由作銷售用途的物業轉入	5.7	-	-	5.7
Disposals	出售				
- through disposal of a subsidiary	- 透過出售一間附屬公司	(18.2)	-	(0.5)	(18.7)
- others	- 其他	(50.5)	(4.9)	(2.3)	(57.7)
Revaluation surplus	重估盈餘	0.1	-	-	0.1
<b>At 31st December, 2003</b>	<b>於2003年12月31日</b>	<b>365.6</b>	<b>34.2</b>	<b>36.4</b>	<b>436.2</b>
<b>Representing:</b>	<b>代表:</b>				
Cost	成本	-	34.2	36.4	70.6
Valuation - 2003	估值 - 2003年	365.6	-	-	365.6
		<b>365.6</b>	<b>34.2</b>	<b>36.4</b>	<b>436.2</b>
<b>Aggregate depreciation:</b>	<b>折舊總額:</b>				
At 1st January, 2003	於2003年1月1日	-	12.0	34.2	46.2
Charge for the year	本年度折舊	-	0.7	1.5	2.2
Written back on disposal	出售時撥回				
- through disposal of a subsidiary	- 透過出售一間附屬公司	-	-	(0.4)	(0.4)
- others	- 其他	-	(2.3)	(2.1)	(4.4)
<b>At 31st December, 2003</b>	<b>於2003年12月31日</b>	<b>-</b>	<b>10.4</b>	<b>33.2</b>	<b>43.6</b>
<b>Net book value:</b>	<b>賬面淨值:</b>				
<b>At 31st December, 2003</b>	<b>於2003年12月31日</b>	<b>365.6</b>	<b>23.8</b>	<b>3.2</b>	<b>392.6</b>
At 31st December, 2002	於2002年12月31日	429.5	27.1	3.2	459.8





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

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12. FIXED ASSETS (continued)

12. 固定資產 (續)

		Investment properties	Properties held for own use	Other fixed assets 其他	Total
		投資物業	自用物業	固定資產	總額
		\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元
(b) The company	(b) 本公司				
<b>Cost or valuation:</b>	<b>成本或估值:</b>				
At 1st January, 2003	於2003年1月1日	9.7	30.8	31.4	71.9
Additions	增置	-	-	1.4	1.4
Disposals	出售	(9.7)	(4.9)	(2.3)	(16.9)
<b>At 31st December, 2003</b>	<b>於2003年12月31日</b>	<b>-</b>	<b>25.9</b>	<b>30.5</b>	<b>56.4</b>
<b>Aggregate depreciation:</b>	<b>折舊總額:</b>				
At 1st January, 2003	於2003年1月1日	-	7.9	29.5	37.4
Charge for the year	本年度折舊	-	0.5	1.1	1.6
Written back on disposal	出售時撥回	-	(2.3)	(2.1)	(4.4)
<b>At 31st December, 2003</b>	<b>於2003年12月31日</b>	<b>-</b>	<b>6.1</b>	<b>28.5</b>	<b>34.6</b>
<b>Net book value:</b>	<b>賬面淨值:</b>				
<b>At 31st December, 2003</b>	<b>於2003年12月31日</b>	<b>-</b>	<b>19.8</b>	<b>2.0</b>	<b>21.8</b>
At 31st December, 2002	於2002年12月31日	9.7	22.9	1.9	34.5

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

*For the year ended 31st December, 2003  
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#### 12. FIXED ASSETS *(continued)*

(c) Investment properties of the group were revalued at 31st December, 2003 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 (2002: \$130.0 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 \$365.6 million (2002: \$429.5 million) and \$Nil (2002: \$9.7 million) respectively.

(e) At 31st December, 2003, the group and the company has pledged certain fixed assets having a net book value of approximately \$23.0 million (2002: \$35.9 million) and \$19.8 million (2002: \$32.6 million) respectively in accordance with the terms of the Debenture to provide security for the bank indebtedness and the FRNs.

#### 12. 固定資產 (續)

(c) 本集團之投資物業已於二零零三年十二月三十一日經由獨立測量師行－永利行評值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（二零零二年：130,000,000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365,600,000元（二零零二年：429,500,000元）及無（二零零二年：9,700,000元）。

(e) 於二零零三年十二月三十一日，本集團及本公司按債券條款，已分別將賬面淨值合共約23,000,000元（二零零二年：35,900,000元）及19,800,000元（二零零二年：32,600,000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)

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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

		2003		2002	
		二零零三年		二零零二年	
		Properties		Properties	
		Investment properties	held for own use	Investment properties	held for 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	-	23.0	42.4	23.5
Outside Hong Kong	在香港以外地區				
- long-term leases	- 長期租賃	-	0.8	18.2	0.9
- medium-term leases	- 中期租賃	365.6	-	368.9	2.7
		<b>365.6</b>	<b>23.8</b>	<b>429.5</b>	<b>27.1</b>

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 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

		2003 二零零三年		2002 二零零二年	
		Properties held for own use		Properties held for own use	
		Investment properties \$ Million 百萬元	Investment properties \$ Million 百萬元	Investment properties \$ Million 百萬元	Investment properties \$ Million 百萬元
In Hong Kong	在香港				
– medium-term leases	– 中期租賃	–	19.8	9.7	20.2
Outside Hong Kong	在香港以外地區				
– medium-term leases	– 中期租賃	–	–	–	2.7
		<u>–</u>	<u>19.8</u>	<u>9.7</u>	<u>22.9</u>



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

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**13. PROPERTIES HELD FOR DEVELOPMENT**

In prior years, the properties held for development were in respect of the land use rights of two medium-term leasehold land sites located at Jiangmen and Zhuhai in the PRC. The impairment loss of properties held for development is in respect of one of the parcels of land situated in Jiangmen, the PRC. The land use right of the land was granted by the government in Jiangmen in November 1992 although the group has not yet commenced construction work on this site in accordance with the terms of the grant of the land use right. In December 2003, the government in Jiangmen informed the group that they decided to take possession of the land due to the changes in town planning in Jiangmen but agreed to swap the land for another parcel of land. An impairment loss provision of \$168.0 million has been made in the financial statements representing the difference between the carrying value of the Jiangmen land and a professional valuation of the alternative land being offered.

**13. 作發展用途的物業**

於往年，作發展用途的物業是兩幅位於中國江門及珠海的中期租賃土地的土地使用權。作發展用途的物業減值虧損是與位於中國江門之土地有關。雖然該地塊之土地使用權由江門市政府於一九九二年十一月授出，但本集團仍未根據授出土地使用權之條款在該地塊展開建築工作。於二零零三年十二月，江門市政府通知本集團，基於江門市城市規劃的改變，江門市政府決定收回該地塊，但同意以另一幅地塊交換。江門地塊的賬面值與該幅提供作交換土地的專業估價之差額為168,000,000元的減值虧損，已在財務報表中撥備。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 14. GOODWILL

#### 14. 商 譽

		Positive goodwill	Negative goodwill carried in reserves <i>(note 28(a))</i> restated
		正商譽	撥入儲備的負商譽 <i>(附註28(a))</i>
		\$ Million	\$ Million
		百萬元	百萬元
<b>Cost:</b>	<b>成本:</b>		
At 1st January, and 31st December, 2003	於2003年1月1日 及12月31日	17.3	151.3
<b>Accumulated amortisation:</b>	<b>累計攤銷:</b>		
At 1st January, and 31st December, 2003	於2003年1月1日 及12月31日	17.3	-
<b>Carrying amount:</b>	<b>賬面金額:</b>		
<b>At 31st December, 2003</b>	<b>於2003年12月31日</b>	<b><u>-</u></b>	<b><u>151.3</u></b>
At 31st December, 2002	於2002年12月31日	<u>-</u>	<u>151.3</u>



NOTES ON THE FINANCIAL STATEMENTS (continued)  
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15. INVESTMENTS IN SUBSIDIARIES

15. 於附屬公司的投資

		2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
Unlisted shares, at cost	非上市股份, 按成本	20.9	20.9
Capital contributions, at cost	資本投入, 按成本	114.8	231.5
Less: impairment loss	減: 減值虧損	<u>(120.6)</u>	<u>(187.1)</u>
		15.1	65.3
Amounts due from subsidiaries	應收附屬公司款項	1,858.1	2,262.6
Less: provision	減: 準備	<u>(1,468.6)</u>	<u>(1,428.0)</u>
		404.6	899.9
Amounts due to subsidiaries	應付附屬公司款項	<u>(182.7)</u>	<u>(423.8)</u>
		<u>221.9</u>	<u>476.1</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 152 to 155.

附屬公司詳情列於第152頁至第155頁。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 16. INTEREST IN ASSOCIATES

#### 16. 聯營公司權益

		The group 本集團		The company 本公司	
		2003 二零零三年	2002 二零零二年 restated 重報	2003 二零零三年	2002 二零零二年
		\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
Unlisted shares, at cost	非上市股份·按成本	-	-	190.0	190.0
Capital contributions	資本投入	-	-	21.8	21.8
		-	-	211.8	211.8
Share of net deficits	應佔虧絀淨值	(506.3)	(430.2)	-	-
Amounts due from associates	應收聯營公司款項	2,013.6	2,067.5	1,624.4	1,653.1
Less: impairment loss	減:減值虧損	(40.2)	(23.6)	(723.7)	(610.5)
		1,467.1	1,613.7	1,112.5	1,254.4
Amounts due to associates	應付聯營公司款項	(32.1)	(31.6)	(32.1)	(31.6)
		<b>1,435.0</b>	1,582.1	<b>1,080.4</b>	1,222.8





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

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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	Net amounts due from associates,		2003 Total	2002 Total restated
			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	應收聯營公司應佔資產/ (虧絀) 淨值 (已扣除準備)	應收聯營公司款項淨額	二零零三年總額	二零零二年總額重報
			\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
Karboony Investment Limited ("Karboony")	50%	Karboony holds a commercial, residential and retail complex, Shun Hing Square, in Shenzhen, for investment and resale purposes.  Karboony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。	(55.3)	712.2	656.9	645.3

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

For the year ended 31st December, 2003  
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截至二零零三年十二月三十一日止年度  
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#### 16. INTEREST IN ASSOCIATES *(continued)*

#### 16. 聯營公司權益 (續)

Associate	% interest attributable to the group	Principal activities	Share of net assets/ (deficits)	Net amounts due from associates, after provisions	2003 Total	2002 Total restated
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 (已扣除準備)	應收 聯營公司 款項淨額	二零零三年 總額	二零零二年 總額 重報
			\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ 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.	(224.3)	437.1	<b>212.8</b>	217.4
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.	126.4	105.1	<b>231.5</b>	253.5
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)

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16. INTEREST IN ASSOCIATES (continued)

16. 聯營公司權益 (續)

Associate	% interest attributable to the group	Principal activities	Share of net assets/ (deficits)	Net amounts due from associates, after provisions	2003 Total	2002 Total restated
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 (已扣除準備)	應收聯營公司款項淨額 (已扣除準備)	二零零三年總額	二零零二年總額重報
			\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ 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)	228.3	189.3	201.0
Dorboy Investment Limited ("Dorboy")	50%	Dorboy holds the Shenzhen Jing Guang Centre for investment purposes.  禧發擁有深圳京廣中心，作投資用途。	(301.4)	401.4	100.0	105.3
Others 其他			(12.7)	215.5	202.8	159.6
Total balance at 31st December 於12月31日結餘總額			(506.3)	2,099.6	1,593.3	1,582.1
Receivables included under current assets (note 22) 流動資產包括的應收款項 (附註22)			-	(158.3)	(158.3)	-
			(506.3)	1,941.3	1,435.0	1,582.1

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

For the year ended 31st December, 2003  
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#### 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：

		Karbyny		SMC 蜆壳		Quick Wealth 快富	
		2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年
		\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	restated 重報 \$ Million 百萬元
<b>Profit and loss account</b>	<b>損益表</b>						
Turnover	營業額	36.8	46.4	41.6	1,001.3	64.1	89.5
Profit/(loss) attributable to shareholders	股東應佔溢利/(虧損)	(15.3)	4.9	(83.6)	(122.9)	(16.0)	(12.4)
<b>Balance sheet</b>	<b>資產負債表</b>						
Non-current assets	非流動資產						
Investment properties	投資物業	939.7	930.6	1,037.8	1,033.3	-	-
Hotel properties	酒店物業	-	-	-	-	745.0	745.0
Others	其他	234.8	284.2	10.9	26.8	20.5	16.3
		1,174.5	1,214.8	1,048.7	1,060.1	765.5	761.3
Current assets	流動資產	89.4	86.9	75.8	182.2	28.0	47.0
Current liabilities	流動負債	(433.3)	(313.0)	(405.9)	(460.3)	(311.6)	(231.5)
Non-current liabilities	非流動負債	(910.7)	(1,043.3)	(368.0)	(378.3)	(930.5)	(1,009.5)
Net assets/(liabilities)	淨資產/(負債)	(80.1)	(54.6)	350.6	403.7	(448.6)	(432.7)
Contingent liabilities	或有負債	66.8	87.4	230.5	272.8	-	-



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

For the year ended 31st December, 2003  
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16. INTEREST IN ASSOCIATES (continued)

(c) On 31st December, 2003, the company entered into a conditional sale and purchase agreement with China Everbright Holdings Company Limited ("CEHCL"), a related company, to dispose all its 20% interest in and shareholder's loan to Greenway Venture Limited ("Greenway") at a consideration of RMB70.0 million (equivalent to approximately \$65.6 million). The above sale and purchase agreement was completed on 19th January, 2004.

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

The balance of amounts due from associates includes \$57.2 million (2002: \$54.4 million) which is interest-bearing.

Other details of the associates are set out on pages 156 to 158.

16. 聯營公司權益 (續)

(c) 於二零零三年十二月三十一日，本公司與一家關連公司－中國光大集團有限公司（「中國光大集團」）就以70,000,000人民幣（約相等於65,600,000元）出售於Greenway Venture Limited（「Greenway」）之20%全部股權及股東貸款訂立有條件買賣協議。上述買賣協議於二零零四年一月十九日完成。

(d) 與聯營公司的結餘並無抵押，並不預期可於一年內結算。

應收聯營公司結餘包括57,200,000元（二零零二年：54,400,000元）為帶息款項。

聯營公司其他詳情載於第156頁至第158頁。

## NOTES ON THE FINANCIAL STATEMENTS (continued)

### 財務報表附註 (續)

For the year ended 31st December, 2003  
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#### 17. INTEREST IN JOINTLY CONTROLLED ENTITIES

#### 17. 合營公司權益

		The group		The company	
		本集團		本公司	
		2003	2002	2003	2002
		二零零三年	二零零二年	二零零三年	二零零二年
		\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元
Share of net deficits	應佔虧絀	(67.6)	(103.6)	-	-
Amounts due from jointly controlled entities	應收合營公司款項	159.5	142.7	159.5	141.2
Less: impairment loss	減:減值虧損	(5.3)	-	(82.2)	(91.9)
		<b>86.6</b>	39.1	<b>77.3</b>	49.3

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

與合營公司結餘並無抵押及免息，並不預期可於一年內結算。

Details of the jointly controlled entities are set out on pages 159 to 160.

合營公司的詳情載於第159頁至第160頁。

#### 18. NON-CURRENT RECEIVABLES

#### 18. 非流動應收款

Included in non-current receivables of the group is the net investment in Hong Kong Construction Kam Lung Limited ("Kam Lung") of \$321.2 million (2002: \$321.2 million).

本集團之非流動應收款包括於Hong Kong Construction Kam Lung Limited (「Kam Lung」) 的投資淨額321,200,000元(二零零二年: 321,200,000元)。



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

For the year ended 31st December, 2003  
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### 18. NON-CURRENT RECEIVABLES (continued)

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.

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.

### 18. 非流動應收款 (續)

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,從而出售本集團在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。

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的原有股東貸款。當償還所有Kam Lung的原有股東貸款後,本集團將獲得TPH百分之十八的現金分配。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 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	
	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
<b>Non-trading securities – equity securities</b>				
Unlisted	12.7	12.7	12.7	12.7
Listed in Hong Kong	5.7	5.4	–	–
	<b>18.4</b>	<b>18.1</b>	<b>12.7</b>	<b>12.7</b>
Market value of listed securities	5.7	5.4	–	–

Since 31st December, 2003, the listed equity securities have been disposed at a total consideration of \$5.7 million, which is taken as the fair value as at 31st December, 2003.

二零零三年十二月三十一日後，上市股本證券以總共5,700,000元代價出售。此出售代價亦視為該股本證券於二零零三年十二月三十一日之公允價值。

#### 20. PROPERTIES HELD FOR SALE

Included in properties held for sale of the group are amounts of \$58.5 million (2002: \$298.0 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58,500,000元（二零零二年：298,000,000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)

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21. TRADING SECURITIES

21. 作買賣用途的證券

	The group 本集團	
	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
Equity securities listed in Hong Kong (at market value)	0.1	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	
	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
Gross amount due from customers for contract work (note 23)	20.1	338.5	20.1	198.5
Amounts due from subsidiaries	-	-	182.5	-
Amounts due from associates (note 16(a))	158.3	-	158.3	-
Amount due from a jointly controlled entity	15.0	-	15.0	-
Debtors, deposits and prepayments	451.0	607.9	381.9	498.0
	<b>644.4</b>	<b>946.4</b>	<b>757.8</b>	<b>696.5</b>

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 22. TRADE AND OTHER RECEIVABLES *(continued)*

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

#### 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(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	
		2003	2002	2003	2002
		二零零三年	二零零二年	二零零三年	二零零二年
		\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元
0 to less than 2 months	零至少於2個月	128.2	169.5	120.0	160.2
2 to less than 6 months	2至少於6個月	0.7	4.3	-	4.1
6 to less than 12 months	6至少於12個月	4.2	9.9	3.8	9.8
12 months and more <i>(note)</i>	超過12個月 <i>(附註)</i>	108.0	103.7	107.5	102.2
		<b>241.1</b>	287.4	<b>231.3</b>	276.3
Retention monies receivable due within one year	一年內到期應收保留款額	103.1	132.9	103.1	132.9
		<b>344.2</b>	420.3	<b>334.4</b>	409.2

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。

Note: The balance includes \$107.5 million (2002: \$98.0 million) in respect of the construction contracts of Fuzhou Qingzhou Min Jiang Bridge and Shanghai 21st Century Tower. Since 31st December, 2003, this amount has been fully settled.

附註: 結餘包括107,500,000元(二零零二年: 98,000,000元)與福州青州閩江大橋及上海廿一世紀大樓之建築合約有關。此筆款項已於二零零三年十二月三十一日後全數清償。



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

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23. CONSTRUCTION CONTRACTS

23. 建築合約

		<b>Gross amount due from customers for contract work 應收客戶 合約工程總額 \$ Million 百萬元</b>	<b>Gross amount due to customers for contract work 應付客戶 合約工程總額 \$ Million 百萬元</b>	<b>Total 總額 \$ Million 百萬元</b>
<b>The group</b>	<b>本集團</b>			
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	1,045.9	986.8	2,032.7
Progress payments received and receivable	已收及應收進度付款	(1,025.8)	(1,063.4)	(2,089.2)
<b>At 31st December, 2003</b>	<b>於2003年12月31日</b>	<b><u>20.1</u></b>	<b><u>(76.6)</u></b>	<b><u>(56.5)</u></b>
At 31st December, 2002	於2002年12月31日	<u>338.5</u>	<u>(37.0)</u>	<u>301.5</u>
<b>The company</b>	<b>本公司</b>			
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	1,045.9	986.8	2,032.7
Progress payments received and receivable	已收及應收進度付款	(1,025.8)	(1,063.4)	(2,089.2)
<b>At 31st December, 2003</b>	<b>於2003年12月31日</b>	<b><u>20.1</u></b>	<b><u>(76.6)</u></b>	<b><u>(56.5)</u></b>
At 31st December, 2002	於2002年12月31日	<u>198.5</u>	<u>(37.0)</u>	<u>161.5</u>

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 23. CONSTRUCTION CONTRACTS *(continued)*

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)

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 本集團		The company 本公司	
	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
Non-current receivables	141.8	38.8	141.8	38.8
Amounts due from jointly controlled entities	-	1.6	-	-
	<b>141.8</b>	<b>40.4</b>	<b>141.8</b>	<b>38.8</b>

非流動應收款  
應收合營公司款項

#### 24. CASH AND CASH EQUIVALENTS

#### 24. 現金及現金等價物

	The group 本集團		The company 本公司	
	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
Deposits with banks and other financial institutions	9.9	32.4	-	-
Cash at bank and in hand	154.7	228.7	78.6	175.4
	<b>164.6</b>	<b>261.1</b>	<b>78.6</b>	<b>175.4</b>

銀行及其他  
財務機構存款  
銀行存款及現金



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

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25. PLEDGED DEPOSITS

- (a) At 31st December, 2003, deposits of the group and the company were pledged to certain banks to secure banking facilities granted to certain buyers of properties of the group and its associates to the extent of \$51.1 million (2002: \$63.9 million) and \$23.8 million (2002: \$27.2 million) respectively.
- (b) At 31st December, 2003, these deposits were used to secure bank loans of the group and of the company which were included under current liabilities.

25. 抵押存款

- (a) 於二零零三年十二月三十一日,本集團及本公司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51,100,000元(二零零二年:63,900,000元)及23,800,000元(二零零二年:27,200,000元)銀行貸款的抵押。
- (b) 於二零零三年十二月三十一日,這些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。

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			
	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元		
Advances received from a jointly controlled entity		已收合營公司 預付款	-	181.0	-	-
Creditors and accrued expenses		應付賬款及 應計費用	1,006.6	1,269.0	817.5	1,088.4
Gross amount due to customers for contract work (note 23)		應付客戶合約工程 總額(附註23)	76.6	37.0	76.6	37.0
Other loan (note 32)		其他貸款(附註32)	120.0	120.0	120.0	120.0
Amount due to a subsidiary		應付附屬公司款項	-	-	205.5	-
			<b>1,203.2</b>	<b>1,607.0</b>	<b>1,219.6</b>	<b>1,245.4</b>

## NOTES ON THE FINANCIAL STATEMENTS (continued)

### 財務報表附註 (續)

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#### 26. TRADE AND OTHER PAYABLES (continued)

Included in trade and other payables are trade creditors 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 payable due within one year	一年內到期應付 保留款額

#### 26. 應付賬款及其他應付款 (續)

應付賬款及其他應付款包括應付賬款，其賬齡分析如下：

		The group 本集團		The company 本公司	
		2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年
		\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元	\$ Million 百萬元
		108.4	150.6	108.4	150.6
		7.4	42.9	7.4	42.9
		6.5	60.3	6.5	60.1
		68.9	48.9	68.9	43.3
		<u>191.2</u>	<u>302.7</u>	<u>191.2</u>	<u>296.9</u>
		84.9	150.7	84.9	150.7
		<u>276.1</u>	<u>453.4</u>	<u>276.1</u>	<u>447.6</u>

#### 27. SHARE CAPITAL

#### 27. 股本

		2003 二零零三年		2002 二零零二年	
		No. of shares 股份數目	\$ Million 百萬元	No. of shares 股份數目	\$ Million 百萬元
<b>Authorised:</b>	法定：				
Ordinary shares of \$1 each	每股面值1元 的普通股	<u>800,000,000</u>	<u>800.0</u>	<u>800,000,000</u>	<u>800.0</u>
<b>Issued and fully paid:</b>	已發行及繳足：				
At 1st January and 31st December, 2003	於2003年1月1日及 12月31日	<u>607,853,996</u>	<u>607.9</u>	<u>607,853,996</u>	<u>607.9</u>



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

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28. RESERVES

28. 儲備

		Share premium	Capital	Capital reserve	Exchange reserve	Revaluation reserves		Accumulated losses	Total
			redemption reserve			Investment properties	Non-trading securities		
			Share redemption reserve			重估儲備	非買賣證券		
			資本贖回儲備			投資物業	證券	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
<b>(a) The group</b>	<b>(a) 本集團</b>								
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)	(1,069.1)	481.4
- prior period adjustment in respect of deferred tax (note 11)	- 有關遞延稅項的前期調整 (附註11)	-	-	(24.4)	-	-	-	(30.2)	(54.6)
- as restated	- 重報	1,369.6	14.6	151.3	(15.3)	6.3	(0.4)	(1,099.3)	426.8
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 deficit for the year	本年度重估虧絀	-	-	-	-	(5.9)	-	-	(5.9)
Realisation on:	變現:								
- liquidation of a subsidiary	- 一間附屬公司清盤	-	-	-	(2.7)	-	-	-	(2.7)
- disposal of non-trading securities	- 出售非買賣證券投資	-	-	-	-	-	0.4	-	0.4
Loss for the year (as restated)	本年度虧損 (重報)	-	-	-	-	-	-	(497.7)	(497.7)
At 31st December, 2002	於2002年12月31日	<u>1,369.6</u>	<u>14.6</u>	<u>151.3</u>	<u>(18.9)</u>	<u>0.4</u>	<u>-</u>	<u>(1,597.0)</u>	<u>(80.0)</u>
At 1st January, 2003	於2003年1月1日								
- as previously reported	- 以往呈報	1,369.6	14.6	175.7	(18.9)	0.4	-	(1,565.3)	(23.9)
- prior period adjustment in respect of deferred tax (note 11)	- 有關遞延稅項的前期調整 (附註11)	-	-	(24.4)	-	-	-	(31.7)	(56.1)
- as restated	- 重報	1,369.6	14.6	151.3	(18.9)	0.4	-	(1,597.0)	(80.0)
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	-	-	-	(0.7)	-	-	-	(0.7)
Revaluation surplus for the year	本年度重估盈餘	-	-	-	-	2.0	-	-	2.0
Realisation on:	變現:								
- liquidation of a subsidiary	- 一間附屬公司清盤	-	-	-	(0.4)	-	-	-	(0.4)
- disposal of a subsidiary	- 出售一間附屬公司	-	-	-	(3.0)	-	-	-	(3.0)
Loss for the year	本年度虧損	-	-	-	-	-	-	(409.4)	(409.4)
At 31st December, 2003	於2003年12月31日	<u>1,369.6</u>	<u>14.6</u>	<u>151.3</u>	<u>(23.0)</u>	<u>2.4</u>	<u>-</u>	<u>(2,006.4)</u>	<u>(491.5)</u>

## NOTES ON THE FINANCIAL STATEMENTS (continued)

### 財務報表附註 (續)

For the year ended 31st December, 2003  
(Expressed in Hong Kong dollars)

截至二零零三年十二月三十一日止年度  
(以港幣列示)

#### 28. RESERVES (continued)

Investment properties revaluation surplus for the year of \$2.0 million (2002: deficit of \$5.9 million) is attributable to associates.

Included in the figure for the accumulated losses is an amount of \$802.3 million (2002 restated: \$726.9 million) being attributable to associates; and an amount of \$67.6 million (2002: \$103.7 million) being attributable to jointly controlled entities.

#### 28. 儲備 (續)

本年度投資物業的重估盈餘2,000,000元(二零零二年:5,900,000元虧絀)是應佔聯營公司重估盈餘。

累計虧損中包括應佔聯營公司累計虧損802,300,000元(二零零二年(重報):726,900,000元)及應佔合營公司累計虧損67,600,000元(二零零二年:103,700,000元)。

		Share premium	Capital redemption reserve	Non- trading securities revaluation reserves	Accumu- lated losses	Total
		股份溢價	資本 贖回儲備	非買賣證券 重估儲備	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
<b>(b) The company</b>	<b>(b) 本公司</b>					
At 1st January, 2002	於2002年1月1日	1,369.6	14.6	(0.4)	(1,601.9)	(218.1)
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>(1,919.1)</u>	<u>(534.9)</u>
At 31st December, 2002	於2002年12月31日					
At 1st January, 2003	於2003年1月1日	1,369.6	14.6	-	(1,919.1)	(534.9)
Loss for the year	本年度虧損	-	-	-	(288.7)	(288.7)
		<u>1,369.6</u>	<u>14.6</u>	<u>-</u>	<u>(2,207.8)</u>	<u>(823.6)</u>
At 31st December, 2003	於2003年12月31日					

At 31st December, 2003, the aggregate amount of reserves available for distribution to shareholders of the company was \$Nil (2002: \$Nil).

於二零零三年十二月三十一日,沒有儲備可供分配予本公司股東(二零零二年:無)。





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

For the year ended 31st December, 2003  
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(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：

		2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
Minorities' share of net deficits	少數股東應佔虧絀淨額	(110.5)	(87.0)
Loans from minority shareholders	少數股東貸款	208.9	270.9
		<u>98.4</u>	<u>183.9</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, 2003  
(Expressed in Hong Kong dollars)*

截至二零零三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.

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。

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。成員的既有利益被轉移至本集團設立的強制性公積金計劃（見附註30(b)）。於計劃解散時，該計劃為數13,300,000元的未既有利益已退回本集團。



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

For the year ended 31st December, 2003  
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截至二零零三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) Movements in the net asset recognised  
in the balance sheets are as follows:

(i) 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	
		2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
At 1st January	於1月1日	13.3	14.0
Contributions paid to the scheme	付予計劃的供款	-	4.0
Expense recognised in the profit and loss account (note 5(d))	於損益表內確認的支出 (附註5(d))	-	(4.7)
Refund upon dissolution of the scheme	解散計劃退款	(13.3)	-
		<u>-</u>	<u>-</u>
At 31st December	於12月31日	<u>-</u>	<u>13.3</u>

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

For the year ended 31st December, 2003  
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截至二零零三年十二月三十一日止年度  
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#### 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) Expense recognised in the consolidated profit and loss account is as follows:

(ii) 於綜合損益表內確認之支出如下：

		2003	2002
		二零零三年	二零零二年
		\$ Million	\$ Million
		百萬元	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)
		-	(4.7)
		-	(4.7)

The expense is recognised in administrative expenses in the consolidated profit and loss account. The actual return on plan assets is \$Nil (2002: \$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。本年度無實際投資回報(二零零二年: 300,000元)。



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

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**30. EMPLOYEE RETIREMENT BENEFITS (continued)**

**30. 僱員退休福利 (續)**

**(b) Defined contribution retirement plan**

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.

**(b) 界定供款退休計劃**

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。

**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 is determined by the board in accordance with Chapter 17 of the Listing Rules. The options vest after 6 months and are exercisable for various periods of not exceeding 9 $\frac{1}{2}$  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.

**31. 權益計酬福利**

本公司於一九九八年一月二十二日（「採納日」）採納一項購股權計劃；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）接受購股權，以認購本公司股份。購股權的行使價由董事根據上市規則第17條釐定。購股權在授予六個月後開始生效，並可於授予購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。持有人有權憑每項購股權認購一股股份。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財務報表附註 (續)

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#### 31. EQUITY COMPENSATION BENEFITS *(continued)*

#### 31. 權益計酬福利 (續)

##### (a) Movements in share options

##### (a) 購股權變動

		2003 二零零三年 Number 股數	2002 二零零二年 Number 股數
At 1st January	於1月1日	18,670,000	31,470,000
Cancelled	取消	<u>(1,480,000)</u>	<u>(12,800,000)</u>
At 31st December	於12月31日	<u>17,190,000</u>	<u>18,670,000</u>
Options vested at 31st December	於12月31日為既有僱員 福利的購股權	<u>17,190,000</u>	<u>18,670,000</u>

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

##### (b) 於結算日未到期及未行使的購股權的條款

Date granted 授予日期	Exercise period 行使期間	Exercise price 行使價	2003 二零零三年 Number 數量	2002 二零零二年 Number 數量
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	11,240,000	12,720,000
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	2,950,000
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	3,000,000
			<u>17,190,000</u>	<u>18,670,000</u>



NOTES ON THE FINANCIAL STATEMENTS (continued)  
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32. INTEREST-BEARING BORROWINGS

32. 帶息借款

At 31st December, 2003, the interest-bearing borrowings were secured as follows:

於二零零三年十二月三十一日,帶息借款的抵押情況如下:

		The group 本集團		The company 本公司	
		2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元	2003 二零零三年 \$ Million 百萬元	2002 二零零二年 \$ Million 百萬元
<b>Current liabilities</b>	<b>流動負債</b>				
<i>Bank loans and overdraft</i>	銀行貸款及透支				
- secured (note (a))	- 有抵押 (附註(a))	1,625.0	1,765.7	1,500.1	1,625.4
- unsecured	- 無抵押	45.0	50.9	-	-
		<b>1,670.0</b>	1,816.6	<b>1,500.1</b>	1,625.4
<i>Other loan</i>	其他貸款				
- unsecured (note (b))	- 無抵押 (附註(b))	120.0	120.0	120.0	120.0
<i>Floating rate notes</i>	浮息票據				
- secured (note (a))	- 有抵押 (附註(a))	180.6	205.5	-	-
		<b>131.2</b>	-	<b>-</b>	-
<b>Non-current liabilities</b>	<b>非流動負債</b>				
<i>Bank loans</i>	銀行貸款				
- secured	- 有抵押	37.5	-	-	-
- unsecured	- 無抵押	93.7	-	-	-
		<b>131.2</b>	-	<b>-</b>	-

At 31st December, 2003, the bank loans and overdraft were repayable as follows:

於二零零三年十二月三十一日,銀行貸款及透支的還款期如下:

Within 1 year or on demand	1年內或接獲通知時	1,670.0	1,816.6	1,500.1	1,625.4
After 1 year but within 2 years	1年後但2年內	112.4	-	-	-
After 2 years but within 5 years	2年後但5年內	18.8	-	-	-
		<b>131.2</b>	-	<b>-</b>	-
		<b>1,801.2</b>	1,816.6	<b>1,500.1</b>	1,625.4

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 32. INTEREST-BEARING BORROWINGS *(continued)*

- (a) Under the 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.

Since 31st December, 2003, substantially all of the bank loans and the FRNs have been fully settled as a result of the completion of the Debt Conversion Agreement and the Yangpu Agreement. Further details are disclosed in note 1(b)(i).

- (b) The other loan is a loan from CEHCL amounting to \$120.0 million (2002: \$120.0 million). The loan is unsecured, interest-bearing and repayable on demand.

Subsequent to the year end, the loan was applied against the proceeds from disposal of the group's interest in Greenway (see note 16(c)).

#### 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)

- (a) 根據本公司及其若干附屬公司所定立的債券，本公司及該若干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。

二零零三年十二月三十一日後，大部份的銀行貸款及浮息票據已在完成債務轉換協議及洋浦協議時悉數償還。進一步詳情已於附註1(b)(i)內披露。

- (b) 其他貸款結餘包括中國光大集團的120,000,000元貸款(二零零二年: 120,000,000元)。這項貸款並無抵押，帶息及在接獲通知時償還。

年結後，此貸款用以抵銷出售本集團於Greenway股權所收之款項(見附註16(c))。

#### 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)

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**33. FLOATING RATE NOTES** (continued)

Since 31st December, 2003, the FRNs have been fully settled as a result of the completion of the Debt Conversion Agreement and the Yangpu Agreement. Further details are disclosed in note 1(b)(i).

**34. CONTINGENT LIABILITIES**

(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:

Subsidiaries	附屬公司
Associates	聯營公司

**33. 浮息票據** (續)

二零零三年十二月三十一日後，浮息票據已在完成債務轉換協議及洋浦協議時悉數償還。進一步詳情已於附註1(b)(i)內披露。

**34. 或有負債**

(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		The company	
		本集團		本公司	
		2003	2002	2003	2002
		二零零三年	二零零二年	二零零三年	二零零二年
		\$ Million	\$ Million	\$ Million	\$ Million
		百萬元	百萬元	百萬元	百萬元
	Subsidiaries	-	-	240.7	288.5
	Associates	70.3	90.6	70.3	90.6
		<b>70.3</b>	90.6	<b>311.0</b>	379.1

(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 )

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#### 34. CONTINGENT LIABILITIES *(continued)*

#### 34. 或有負債 (續)

- (d) At 31st December, 2003, one of the group's associates has 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 ongoing.

- (e) Subsequent to the year end, the company has received claims from certain former subcontractors in relation to the alleged non-payment for construction work done amounting to \$62.4 million ("the alleged claims"). The company is in the process of preparing counterclaims to these former subcontractors for contra-charges and cost deductions.

Based on legal advice, the directors are confident that the alleged claims are unlikely to be enforced against the company. Accordingly, the directors consider that provision of \$7.3 million relating to these alleged claims made in the financial statements is adequate and no further provision is necessary at the balance sheet date.

- (d) 於二零零三年十二月三十一日，本集團其中一間聯營公司對與本集團的收費安排已進行審閱。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) 年結後，本公司已收到若干前分包商指其拖欠已完成工程涉及款項合共62,400,000元一事所提出的索償要求（「索償」）。本公司正向這些前分包商就反收費及成本降低提出反索償。

根據法律意見，董事認為可向本公司成功索償的機會很低。有鑑於此，董事認為於年結日在財務報表中有關於這些索償的7,300,000元準備已足夠並且無需再作進一步準備。



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

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### 35. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the disposal of Greenway to CEHCL, the settlement of balances in respect of the construction contracts of Fuzhou Qingzhou Min Jiang Bridge and Shanghai 21st Century Tower and the settlement arrangement with CEHCL as disclosed in notes 16(c), 22 and 32(b) on the financial statements respectively, the group has the following material related party transactions:

- (a) In prior years, the group had 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 were reduced by \$23.9 million during the year as a result of agreement of final settlements with the related group (2002: progress payments received and receivable from the related group of \$7.5 million).

The amount due from the related group at the year end amounted to \$107.8 million (2002: \$118.3 million).

- (b) Another related group provided construction services to the group and charged progress payment amounting to \$36.2 million (2002: \$100.3 million). The net amount due to this related group at the year end amounted to \$33.1 million (2002: \$44.1 million).

In addition, at the year end, the related group provided corporate guarantee to the group on bank loans amounted to \$93.8 million (2002: \$Nil) which were included under non-current liabilities.

### 35. 重大關連人士交易

除分別在財務報表附註16(c)、22及32(b)中披露有關於出售Greenway予中國光大集團、福州青洲閩江大橋及上海廿一世紀大樓相關建築合約款項的結算和與中國光大集團的結算安排外，本集團尚有下列重大關連人士交易：

- (a) 往年，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。因與關連集團達成最後結算協議，本年度已收及應收關連集團的進度付款減少23,900,000元（二零零二年：已收及應收關連集團的進度付款為7,500,000元）。

年結時應收關連集團款項合共為107,800,000元（二零零二年：118,300,000元）。

- (b) 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36,200,000元（二零零二年：100,300,000元）。年結時應付該關連公司款項合共為33,100,000元（二零零二年：44,100,000元）。

此外，於年結時，此關連集團亦替本集團包括在非流動負債內93,800,000元（二零零二年：無）銀行貸款提供公司擔保。

## NOTES ON THE FINANCIAL STATEMENTS *(continued)*

### 財 務 報 表 附 註 ( 續 )

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#### 35. MATERIAL RELATED PARTY TRANSACTIONS

#### 35. 重大關連人士交易 (續)

*(continued)*

- |   |   |
|---|---|
| <p>(c) At the year end, properties of an associate of \$334.7 million (2002: \$127.7 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 \$271.9 million (2002: \$215.9 million).</p>              | <p>(c) 年結時，一間聯營公司價值334,700,000元(二零零二年：127,700,000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271,900,000元(二零零二年：215,900,000元)。</p>     |
| <p>(d) The group provided construction services to certain of its joint ventures and charged progress payment amounting to \$15.0 million during the year (2002: \$32.7 million). The net amount due from these joint ventures at the year end amounted to \$9.2 million (2002: \$24.2 million).</p>          | <p>(d) 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15,000,000元(二零零二年：32,700,000元)。年結時，應收此等合營公司款項淨額合共為9,200,000元(二零零二年：24,200,000元)。</p>            |
| <p>(e) Included in other loan under trade and other payables is an amount advanced from a related party amounting to \$120.0 million (2002: \$120.0 million) at the year end (see note 32). Interest paid and payable to this related party amounted to \$3.6 million for the year (2002: \$9.3 million).</p> | <p>(e) 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(二零零二年：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3,600,000元(二零零二年：9,300,000元)。</p> |



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

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### 36. POST BALANCE SHEET EVENTS

The company entered into on 11th February, 2004 and completed on 13th April, 2004 the Debt Conversion Agreement and the Yangpu Agreement with Creator, an unrelated third party. Details of these agreements have been included in a circular to shareholders dated 11th March, 2004. The effects of these agreements are summarised as follows:

- (a) Issue of 1,340,555,276 new ordinary shares of the company credited as fully paid at \$1 per share and the elimination of the bank and FRN indebtedness of approximately \$1,340.5 million together with the waiver of defaulted interest thereon.
- (b) Disposal of the group's interests in HYD(HK) as partial settlement of the bank and FRN indebtedness of \$300.0 million.
- (c) The estimated gain arising from the Debt Conversion Agreement and the Yangpu Agreement to the group is approximately \$341.0 million and will be credited to the consolidated profit and loss account for the year ending 31st December, 2004.

### 37. COMPARATIVE FIGURES

Certain comparative figures have been adjusted as a result of the change in accounting policy for deferred taxation, details of which are set out in note 11.

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

### 36. 結算日後事項

本公司與一非關連第三者一創達於二零零四年二月十一日訂立債務轉換協議及洋浦協議，並於二零零四年四月十三日完成該等協議。這些協議的詳情已包括在二零零四年三月十一日的股東通函內。這些協議的影響總結如下：

- (a) 發行1,340,555,276股公司新普通股入賬列作繳足及抵銷約1,340,500,000元銀行及浮息票據債務及豁免其逾期利息。
- (b) 出售集團在洋浦開發的股權用以部份償還為數300,000,000元的銀行及浮息票據債務。
- (c) 本集團在完成債務轉換協議及洋浦協議後的預計收益約為341,000,000元，並將在二零零四年十二月三十一日年度內在綜合損益表中入賬。

### 37. 比較數字

若干比較數字已因應遞延稅項會計政策之變更作出調整，詳情見附註11。

部份比較數字亦已重新分類，以配合本年度之賬項編列。