

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Group during the year were investment holding, property development and investment.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted, for the first time, the following Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Society of Accountants ("HKSA"), the term of HKFRS is inclusive of Statements of Standard Accounting Practice ("SSAP(s)") and Interpretations approved by the HKSA.

SSAP12 (revised) Income Taxes

SSAP12 (revised) became effective for accounting periods commencing on or after 1st January, 2003. The adoption of the SSAP 12 (revised) has no material impact on the Group's financial statements. Accordingly, no prior period adjustment has been required.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments in securities.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below.

1. 一般資料

本公司為香港註冊成立之公眾有限公司，股份於香港聯合交易所有限公司（「聯交所」）上市。

本集團於本年度內之主要業務為投資控股、物業發展及物業投資。

2. 採用香港財務報告準則

於本年度，本集團首次採納下列由香港會計師公會頒佈之《香港財務報告準則》，《香港財務報告準則》包括香港會計師公會批准之《會計實務準則》及詮釋。

《會計實務準則》第12號(經修訂) 所得稅

《會計實務準則》第12號(經修訂)於二零零三年一月一日或之後之會計期間開始生效。採納《會計實務準則》第12號(經修訂)對本集團之賬項並無重大影響，因此，毋須作前期調整。

3. 主要會計政策概要

本賬項乃以歷史成本記賬法編製，並就證券投資之重估作出修訂。

本賬項乃根據香港普遍採納之會計原則編製。所採納之主要會計政策如下。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st December each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate at the date of acquisition. Goodwill arising on acquisitions prior to 1st January, 2001 continues to be held in reserves, and will be charged to the income statement at the time of disposal of the relevant subsidiary, or at such time as the goodwill is determined to be impaired. Goodwill arising on acquisitions since 1st January, 2001 is capitalised and amortized on a straight-line basis over its useful economic life.

3. 主要會計政策概要 (續)

綜合基礎

綜合賬項包括本公司及其附屬公司截至各年度十二月三十一日止之賬項。

於年內收購或出售之附屬公司之業績由收購生效當日起計入綜合利潤表或計至出售生效當日(如適用)為止。

本集團內公司間所有重要交易及結餘均已於綜合計算時撇銷。

商譽

綜合所產生之商譽乃指收購成本高於本集團於收購之日在一間附屬公司或一間聯營公司可確定資產及負債公平值之權益之數額。於二零零一年一月一日前因收購產生之商譽繼續於儲備中持有，並於出售相關附屬公司或商譽被確定為減損時於利潤表中扣除。於二零零一年一月一日後因收購產生之商譽則撥充資本並根據其預計之可用年期以直線法攤銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Negative goodwill

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate, at the date of acquisition over the cost of acquisition. Negative goodwill arising on acquisitions prior to 1st January, 2001 continues to be held in reserves and will be credited to income at the time of disposal of the relevant subsidiary, or associate. Negative goodwill arising on acquisitions since 1st January, 2001 is presented as deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted. To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the period in which those losses or expenses arise. The remaining negative goodwill is recognised as income on a straight-line basis over the remaining average useful life of the identifiable acquired depreciable assets. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognised in income immediately.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the balance sheet, interests in associates are stated at the Group's share of net assets of the associates plus premium paid less any discount on acquisition in so far as it has not already been written off/amortised/released to income, less any identified impairment loss.

3. 主要會計政策概要 (續)

負商譽

負商譽乃指本集團於收購之日在一間附屬公司或一間聯營公司可確定資產及負債公平值之權益高於收購成本之數額。於二零零一年一月一日前因收購產生之負商譽繼續於儲備中持有，並於出售相關附屬公司或相關聯營公司被確定為減損之時計入收入。於二零零一年一月一日後因收購產生之負商譽則從資產中扣除並依據結餘產生條件分析計入收入中。倘負商譽於收購之日劃歸預計虧損或支出，則於該等虧損或支出產生期間計入收入。其餘負商譽則根據所購入可確定、可折舊之資產之剩餘平均使用年期以直線法確認為收入。倘負商譽高於所購入可確定非貨幣資產之公平值，則可即時於收入中確認。

於附屬公司之投資

於附屬公司之投資按成本減任何已確定減值虧損列入本公司資產負債表。

於聯營公司之權益

綜合利潤表包括年內本集團應佔其聯營公司收購後業績。於資產負債表中，於聯營公司權益按本集團應佔聯營公司資產淨值加上已付溢價減任何購買折扣(在其未被撤銷/攤銷/免除為收入的情況下)減任何已確定減值虧損列值。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in securities

Investments in securities are recognised on a trade date basis and are initially measured at cost.

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investment securities, which are securities held for an identified long term strategic purpose, are measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in net income for the year.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

3. 主要會計政策概要 (續)

證券投資

證券投資按交易日期確認，最初乃按成本計算。

除持有至到期之債務證券外，投資被劃歸為投資證券及其他投資。

投資證券即為已確定長期策略目的而持有之證券，乃於隨後申報日按成本扣除任何非暫時性減值虧損計算。

其他投資按公平值，未變現收益及虧損計算則於年度內計入淨收益。

減值

於各結算日，本集團審核其資產之賬面值以確定該等資產是否出現減值虧損跡象。若估計某項資產之可收回金額低於其賬面值，則該項資產之賬面值將調低至其可收回金額。減值虧損將即時確認為一項開支。

若隨後撥回減值虧損，則該項資產之賬面值將增至調整後之估計可收回金額，惟因此增加之賬面值不得超過以往年度確認減值虧損前已釐定之賬面值。減值虧損撥回將即時確認為收入。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Obligations under warrants

Obligations under warrants are initially measured at cost, which is the fair value of the consideration received. At the balance sheet date, the obligations under warrants are remeasured to fair value and those changes in fair value are dealt with in the income statement. The carrying value of obligations under warrants is charged to the income statement upon the exercise or the expiry of the warrants.

Turnover

Turnover represents gross amounts received and receivable on car parking fees.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

No depreciation is provided in respect of freehold land.

Buildings on freehold land are depreciated over 40 years by equal annual installments.

In the current year, the Group has changed the depreciation method for furniture and equipment from reducing balance method to straight-line method upon a remeasurement of its estimated useful life. Depreciation for furniture and equipment is then charged over the remaining estimated useful lives, using the straight-line method at 10% to 20% per annum.

3. 主要會計政策概要 (續)

認股權證責任

認股權證責任最初按成本計算，即已收代價之公平值。於結算日，認股權證責任按公平值進行重算，該等公平值之變動則於利潤表中處理。認股權證責任之賬面值於認股權證行使或到期時於利潤表扣除。

營業額

營業額指已收及應收之停車場收費總額。

物業、廠房及設備

物業、廠房及設備乃以成本值減累計折舊及累計減值虧損列賬。

出售或退棄資產產生之收益或虧損決定於銷售所得款項及資產賬面值之間差額，並於利潤表中確認。

以永久業權持有之土地並無作折舊準備。

以永久業權持有之土地之樓宇的折舊乃以四十年每年分期平均計算。

於本年度，本集團重估傢俬及設備之尚可使用年期，使其折舊方式由餘額遞減法改為直線法。就傢俬及設備之折舊，按直線法以每年10%至20%之比率就尚餘估計可使用年期扣除。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

In prior years, furniture and equipment are depreciated, using the reducing balance method, at the following rates per annum:

In the year of acquisition	40%
Thereafter	20%

The effect of the change of depreciation rate for furniture and equipment was immaterial.

Properties held for sale

Properties held for sale are stated at the lower of cost and estimated net realisable value. Net realisable value is determined by reference to professional valuations or directors' estimates based on prevailing market conditions.

Properties under development

Properties under development are stated at cost less any identified impairment loss. Cost includes interest and other direct costs attributable to the development.

Properties under development which are intended for sale or expected to be completed within one year from the balance sheet date are classified as current assets.

Capitalisation of borrowing costs

Borrowing costs incurred in connection with property under development are capitalised until the relevant property is completed, save for projects the development activities of which are suspended temporarily. Borrowing costs are not capitalised during the period of suspension.

物業、廠房及設備 (續)

於往年度，傢俬及設備採用餘額遞減法依照以下年率折舊：

於收購之年度	40%
其後	20%

傢俬及設備之折舊率之變動對集團並無重大影響。

待售物業

待售物業以成本值及估計可變現淨值兩者中之較低者列賬。可變現淨值參照專業估值或董事局根據現行市況所作之估計而釐定。

發展中物業

發展中物業乃成本值減任何已確認減值虧損列賬。成本值包括利息及其他與發展有關之直接成本。

擬作銷售用途或預期於結算日起計一年內落成之發展中物業已列為流動資產。

借貸成本資本化

與發展中物業有關之借貸成本均資本化，直至有關物業落成為止，惟項目暫停發展時除外。於暫停期內借貸成本不會資本化。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capitalisation of borrowing costs (continued)

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Recognition of income

When properties are developed for sale, income is recognised only when the sale agreement is unconditional or when the relevant building occupation permit is issued by the relevant building authorities, whichever is the later. Payments received from purchasers prior to this stage are recorded as deferred revenue under current liabilities.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Other property related services fees are recognised when the services are rendered.

Foreign currencies

Transactions in currencies other than Hong Kong dollars are initially translated at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

Translation of financial statements

On consolidation, the balance sheets of the subsidiaries which are denominated in foreign currencies are translated at the exchange rates prevailing on the balance sheet date whereas the income statements are translated at an average rate. Differences arising on translation are dealt with in the reserves. Such translation differences are recognised as income or as expenses in the period in which the operation is disposal of.

3. 主要會計政策概要 (續)

借貸成本資本化 (續)

所有其他借貸成本均於其產生期間確認為開支。

收入之確認

待售物業之收入須在買賣協議成為無條件或有關的建築事務監管機構發出有關樓宇入伙紙後(以較後者為準)始能確認入賬。此階段前買家所支付之款項概列於流動負債項下作為遞延收益。

利息收入按根據未償還本金及適用利率以時間比例計算。

其他物業相關服務收入於提供該等服務後確認。

外幣

除港幣外之外幣交易最初按交易日期之匯率換算。以外幣結算之貨幣資產及負債則按結算日之匯率重新換算。因匯率而產生之損益均列入利潤表處理。

賬項之換算

於綜合計算時，以外幣為本位之附屬公司之資產負債表乃按結算日期之匯率換算，而利潤表則按平均匯率換算。因換算而產生之差額乃於儲備內處理。該換算差額則於業務出售期間被確認為收入或開支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

稅項

所得稅開支指即期應付稅項及遞延稅項。

即期應付稅項乃按年度之應課稅溢利計算。由於應課稅溢利不包括於其他年度應課稅收入或可扣稅之開支項目，亦不包括無需課稅或不可作稅項扣減之開支，故應課稅溢利與於利潤表所報之溢利淨額有所不同。

應付或可收回之遞延稅項乃根據賬項內資產及負債賬面值與計算應課稅盈利所採用相應稅基之差額，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差異予以確認，而遞延稅項資產則於暫時差異有可能用於抵銷應課稅溢利時予以確認。倘暫時差異因商譽(或負商譽)或初次確認一項不影響應課稅溢利或會計溢利之交易中之其他資產及負債(業務合併除外)而產生，該等資產及負債不會予以確認。

遞延稅項負債乃就投資於附屬公司及聯營公司產生應課稅暫時差異時確認，惟本集團可控制暫時差異之撥回及暫時差異將不會於可見將來撥回時除外。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Retirement benefits schemes

Contributions payable by the Group to its defined contribution retirement benefits schemes are charged as an expense to the income statement as they fall due.

3. 主要會計政策概要 (續)

稅項 (續)

遞延稅項資產之賬面值乃於各個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供全部或部分遞延稅項資產可予應用為止。

遞延稅項乃按預期於負債獲清償或資產獲變現期間之稅率計算。遞延稅項乃於利潤表中扣除或計入，惟遞延稅項倘直接從權益中扣除或直接計入權益之項目，則遞延稅項亦於權益中處理。

退休福利計劃

本集團對界定供款退休福利計劃之應付供款於到期時計入利潤表列為開支。

For the year ended 31st December, 2003 截至二零零三年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS 4. 業務及營業地區分類

Geographical Segment

The Group's operations in 2003 were located in Macau and the People's Republic of China (the "PRC"), other than Hong Kong and Macau. These locations are the bases on which the Group reports its primary segment information.

地區分類

本集團於二零零三年之所有業務均為位於澳門及中華人民共和國(「中國」)(不包括香港及澳門)，故本集團以該等地區為基礎呈報其主要分類資料。

		The PRC, other than Hong Kong		Total
		Macau	and Macau	
		澳門	中國(不包括香港及澳門)	合計
		2003	2003	2003
		二零零三年	二零零三年	二零零三年
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
For the year ended	截至二零零三年十二月			
31st December, 2003	三十一日止年度			
Revenue	收入			
External sales	對外銷售	272	—	272
Segment result	分類業績	39	—	39
Dividend income, listed	股息收入，上市證券			51,040
Other operating income	其他經營收入			218
Gain on release of obligations under warrants upon their expiry	認股權證到期後解除責任之收益			9,285
Gain on disposal of other investments	出售其他投資收益			47
Unrealised holding gain on other investments	持有其他投資未變現收益			82,940
Unallocated corporate expenses	不予分類企業開支			(6,054)
Profit from operations	經營溢利			137,515
Finance costs	融資費用			(1,799)
Share of results of an associate	應佔聯營公司業績	—	4,523	4,523
Profit before taxation	除稅前溢利			140,239
Taxation	稅項			(168)
Profit before minority interests	未計少數股東權益前溢利			140,071

4. BUSINESS AND GEOGRAPHICAL SEGMENTS 4. 業務及營業地區分類 (續)

(continued)

Geographical Segment (continued)

地區分類 (續)

	The PRC, other than Hong Kong			Total
	Macau	and Macau		
	中國(不包括			
	澳門	香港及澳門)		合計
	2003	2003		2003
	二零零三年	二零零三年		二零零三年
	HK\$'000	HK\$'000		HK\$'000
	千港元	千港元		千港元
Balance sheet	資產負債表			
At 31st December, 2003	於二零零三年			
	十二月三十一日			
ASSETS	資產			
Segment assets	分類資產	19,683	322,142	341,825
Interest in an associate	於聯營公司權益	—	216,068	216,068
Unallocated corporate assets	不予分類企業資產			244,107
Consolidated total assets	綜合總資產			802,000
LIABILITIES	負債			
Segment liabilities	分類負債	11,004	131,960	142,964
Taxation payable	應付稅項			796
Bank loan, secured	銀行貸款，有抵押			65,685
Unallocated corporate liabilities	不予分類企業負債			518
Consolidated total liabilities	綜合總負債			209,963
Other information	其他資料			
For the year ended	截至二零零三年十二月			
31st December, 2003	三十一日止年度			
Capital additions	資產添置	—	45	
Depreciation	折舊	35	—	
Write-off of property, plant and equipment	撇銷物業、廠房及設備	1	—	

For the year ended 31st December, 2003 截至二零零三年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS 4. 業務及營業地區分類 (續)

(continued)

Geographical Segment (continued)

地區分類 (續)

		Macau 澳門 2002 二零零二年 HK\$'000 千港元	The PRC, other than Hong Kong and Macau 中國(不包括 香港及澳門) 2002 二零零二年 HK\$'000 千港元	Total 合計 2002 二零零二年 HK\$'000 千港元
For the year ended 31st December, 2002	截至二零零二年 十二月三十一日止年度			
Revenue	收入			
External sales	對外銷售	254	-	254
Segment result	分類業績	21	-	21
Other operating income	其他經營收入			251
Gain on remeasurement to fair value of obligations under warrants	認股權證責任 之公平值 重算收益			10,659
Loss on disposal of other investments	出售其他投資虧損			(122)
Unrealised holding loss on other investments	持有其他投資 未變現虧損			(28,816)
Unallocated corporate expenses	不予分類企業開支			(7,885)
Loss from operations	經營虧損			(25,892)
Finance costs	融資費用			(1,690)
Share of results of an associate	應佔聯營公司業績	-	(1,083)	(1,083)
Loss before taxation	除稅前虧損			(28,665)
Taxation	稅項			(2)
Loss before minority interests	未計少數股東權益前虧損			(28,667)

4. BUSINESS AND GEOGRAPHICAL SEGMENTS 4. 業務及營業地區分類 (續)

(continued)

Geographical Segment (continued)

地區分類 (續)

		Macau	The PRC, other than Hong Kong and Macau	Total
		澳門	中國(不包括 香港及澳門)	合計
		2002	2002	2002
		二零零二年	二零零二年	二零零二年
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Balance sheet	資產負債表			
At 31st December, 2002	於二零零二年 十二月三十一日			
ASSETS	資產			
Segment assets	分類資產	19,699	128,437	148,136
Interest in an associate	於聯營公司權益	—	213,141	213,141
Unallocated corporate assets	不予分類企業資產			129,152
Consolidated total assets	綜合總資產			490,429
LIABILITIES	負債			
Segment liabilities	分類負債	10,503	103	10,606
Taxation payable	應付稅項			796
Other loan, unsecured	其他貸款，無抵押			6,000
Bank loan, secured	銀行貸款，有抵押			9,426
Unallocated corporate liabilities	不予分類企業負債			10,521
Consolidated total liabilities	綜合總負債			37,349
Other information	其他資料			
For the year ended 31st December, 2002	截至二零零二年十二月 三十一日止年度			
Capital additions	資產添置	6	16	
Depreciation	折舊	23	—	
Loss on disposal and write-off of property, plant and equipment	出售及撇銷物業 廠房及設備之虧損	544	—	

For the year ended 31st December, 2003 截至二零零三年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS 4. 業務及營業地區分類 (續)

(continued)

Business Segment

The Group's operation was attributable to the property development and investment. Accordingly, no analysis on business segments is presented.

業務分類

本集團所有業務均為物業發展及物業投資，故並無呈列按業務分類之分析。

5. OTHER OPERATING INCOME

Interest on bank deposits of HK\$218,000 (2002: HK\$241,000) was included in other operating income.

5. 其他經營收入

在其他經營收入中包括銀行存款利息218,000港元(二零零二年：241,000港元)。

6. PROFIT (LOSS) FROM OPERATIONS

6. 經營溢利(虧損)

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Profit (Loss) from operations has been arrived at after charging:	經營溢利(虧損)已扣除：		
Directors' remuneration (Note):-	董事酬金(附註)：		
- Fees	- 袍金	-	-
- Other emoluments	- 其他酬金	718	70
- Provident fund scheme contributions	- 公積金計劃供款	12	1
		730	71
Other staff costs	其他員工成本	540	543
Provident fund scheme contributions	公積金計劃供款	140	-
		1,410	614
Auditors' remuneration	核數師酬金	539	400
Depreciation	折舊	44	29
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	539
Write-off of property, plant and equipment	撇銷物業、廠房及設備	1	5
		1	5

6. PROFIT (LOSS) FROM OPERATIONS (continued)

Note:—

The directors' remuneration above was paid to an executive director of the Company for both years and their ranges are not exceeding HK\$1,000,000.

No directors have waived any emoluments in either the current or prior years.

For the year ended 31st December, 2002 and 2003, one of the highest paid individuals of the Group was a Director of the Company and the remaining four were employees of the Group. The emoluments paid to the Director are set out above. The aggregate amounts of emoluments paid to these four (2002: four) individuals are as follows:—

Basic salaries 基本薪金

6. 經營溢利 (虧損) (續)

附註：

上文之董事酬金於兩個年度付予本公司一名執行董事，其範圍不超過1,000,000港元。

於本年度或往年並無董事放棄任何酬金。

於截至二零零二年及二零零三年十二月三十一日止年度，本集團其中一名最高薪金人士為本公司董事，其餘四名為本集團之員工。已付董事酬金已載於上文。支付予該四名(二零零二年：四名)個別人士之薪金總額如下：

The Group 本集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
495	407

7. FINANCE COSTS

7. 融資費用

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Interest on borrowings wholly repayable within five years	於五年內須全部償還借款之利息		
Bank loans	銀行貸款	2,079	189
Other loans	其他貸款	700	1,592
		2,779	1,781
Less: capitalised interest (Note 12)	減：資本化利息 (附註12)	(980)	(91)
		1,799	1,690

Interest capitalised during the year arose out of the borrowings directly used to finance the construction of properties under development.

於年內資本化之利息全部均源自用於發展中物業之貸款。

For the year ended 31st December, 2003 截至二零零三年十二月三十一日止年度

8. TAXATION

8. 稅項

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Current tax:	本年度稅項：		
Macau	澳門	—	2
Deferred tax credit:	遞延稅項抵免：		
Current year (Note 16)	本年度 (附註16)	(361)	—
Taxation attributable to the Company and its subsidiaries	本公司及其附屬 公司應佔稅項	(361)	2
Share of taxation attributable to an associate	應佔聯營公司稅項	529	—
		168	2

8. TAXATION (continued)

The charge for the year can be reconciled to the profit (loss) before taxation per consolidated income statement as follows:

8. 稅項 (續)

本年度之稅項開支與綜合利潤表之除稅前溢利(虧損)之對賬如下：

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Profit (Loss) before taxation	除稅前溢利(虧損)	140,239	(28,665)
Tax at PRC Enterprise Income Tax rate at Pudong New Area, Shanghai of 15% (2002: 15%)	按上海浦東新區之中國企業所得稅稅率15% (二零零二年：15%) 計算之稅項	21,036	(4,300)
Tax effect of share of results of an associate	應佔聯營公司業績之稅務影響	(149)	162
Tax effect of income that is not taxable in determining taxable profit	毋須課稅收入之稅務影響	(22,671)	(2,304)
Tax effect of expenses that are not deductible in determining taxable profit	不可作扣稅開支之稅務影響	527	4,694
Tax effect of utilization of tax losses previously not recognised	動用先前未確認之稅項虧損之稅務影響	(67)	-
Tax effect of tax losses for the year not recognised	本年度未確認之稅項虧損之稅務影響	1,492	1,750
Tax expense for the year	本年度稅項開支	168	2
Effective tax rate	實際稅率	0.1%	nil

No provision for Hong Kong Profits Tax has been made as the profit neither arose in, nor was derived from Hong Kong.

由於本集團並無在香港產生或獲得任何溢利，故並無作出香港利得稅撥備。

9. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings per share is based on the Group's net profit for the year ended 31st December, 2003 of approximately HK\$140,175,000 (2002: net loss of HK\$28,638,000) and on the number of 2,608,546,511 shares (2002: the weighted average number of 1,762,178,825 shares) in issue during the year.

There were no dilution on the Group's profit for the year ended 31st December, 2003 and the loss for the year ended 31st December, 2002 as there were no dilutive potential shares outstanding during both years.

9. 每股盈利(虧損)

每股基本盈利乃根據本集團截至二零零三年十二月三十一日止年度內之溢利淨額約140,175,000港元(二零零二年：虧損淨額28,638,000港元)及年內已發行股數2,608,546,511股(二零零二年：加權平均股數1,762,178,825股)計算。

由於截至二零零三年十二月三十一日止年度及截至二零零二年十二月三十一日止年度並無已發行潛在可攤薄股份，故於並無就截至二零零三年十二月三十一日止年度本集團之溢利及於截至二零零二年十二月三十一日止年度之虧損進行攤薄。

10. PROPERTY, PLANT AND EQUIPMENT

10. 物業、廠房及設備

		Land and building 土地及樓宇 HK\$'000 千港元	Furniture and equipment 傢俬及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
THE GROUP	本集團			
COST	成本			
At 1st January, 2003	於二零零三年一月一日	599	209	808
Additions	添置	—	51	51
Written off	撇銷	—	(5)	(5)
At 31st December, 2003	於二零零三年 十二月三十一日	599	255	854
DEPRECIATION	折舊			
At 1st January, 2003	於二零零三年一月一日	236	158	394
Provided for the year	年內撥備	15	29	44
Written off	撇銷	—	(4)	(4)
At 31st December, 2003	於二零零三年 十二月三十一日	251	183	434
NET BOOK VALUES	賬面淨值			
At 31st December, 2003	於二零零三年 十二月三十一日	348	72	420
At 31st December, 2002	於二零零二年 十二月三十一日	363	51	414
THE COMPANY	本公司			
COST	成本			
At 1st January, 2003	於二零零三年一月一日	—	21	21
Additions	添置	—	6	6
At 31st December, 2003	於二零零三年 十二月三十一日	—	27	27
DEPRECIATION	折舊			
At 1st January, 2003	於二零零三年一月一日	—	16	16
Provided for the year	年內撥備	—	3	3
At 31st December, 2003	於二零零三年 十二月三十一日	—	19	19
NET BOOK VALUES	賬面淨值			
At 31st December, 2003	於二零零三年 十二月三十一日	—	8	8
At 31st December, 2002	於二零零二年 十二月三十一日	—	5	5

For the year ended 31st December, 2003 截至二零零三年十二月三十一日止年度

10. PROPERTY, PLANT AND EQUIPMENT

(continued)

The land and building are located in Macau and are held freehold.

10. 物業、廠房及設備 (續)

土地及樓宇位於澳門並以永久業權持有。

11. INTEREST IN SUBSIDIARIES

11. 於附屬公司之權益

The Company

本公司

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	8,191	8,191
Less: Impairment loss recognised	減：已確認減值虧損	(6,091)	(6,091)
		<u>2,100</u>	<u>2,100</u>
Amounts due from subsidiaries	附屬公司欠款	997,479	1,059,822
Less: Allowance	減：減值撥備	(483,987)	(626,097)
		<u>513,492</u>	<u>433,725</u>
		<u>515,592</u>	<u>435,825</u>

11. INTEREST IN SUBSIDIARIES (continued)

Details of principal subsidiaries at 31st December, 2003 are as follows:

11. 於附屬公司之權益 (續)

各主要附屬公司於二零零三年十二月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及經營地點	Paid up issued ordinary share capital / registered capital 繳足已發行普通股股本 / 註冊資本	Proportion of nominal value of issued capital / registered capital held by the Company		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Advance Investments Limited 飛躍投資有限公司	Hong Kong 香港	HK\$2 2港元	100		Investment holding 投資控股
Chiefast Development Limited 傲捷發展有限公司	Hong Kong 香港	HK\$2 2港元	100		Investment holding 投資控股
Forty Enterprises Company Limited 富義企業有限公司	Hong Kong 香港	HK\$20,000 20,000港元	100		Investment holding 投資控股
Joker Investments Company Limited 百搭投資有限公司	Hong Kong 香港	HK\$20,000 20,000港元	100		Investment holding 投資控股
Parklane Industries Limited 百龍實業有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100		Investment holding 投資控股
Rivera Holdings (Macau) – Sociedade de Investimentos e Fomento Predial, Limitada 川河集團(澳門)有限公司	Macau 澳門	PTC100,000 100,000澳門幣	60		Property development 物業發展
Shine Trip Limited 瑞展有限公司	Hong Kong 香港	HK\$4,000,000 4,000,000港元	100		Investment holding 投資控股
SOFIL – Sociedade de Fomento Industrial de Macau, Limitada 澳門工業發展有限公司	Macau 澳門	PTC2,500,000 2,500,000澳門幣	60	40	Property development and investment 物業發展及投資
上海大道置業有限公司 (Note) (附註)	PRC 中國	US\$16,290,000 16,290,000美元	93.53		Property development and management 物業發展及管理

11. INTEREST IN SUBSIDIARIES (continued)

Note: The subsidiary is an equity joint venture.

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

The amounts due from/to subsidiaries are unsecured, interest free and have no fixed terms of repayment. In the opinion of the Directors, the amounts will not be repayable/payable within twelve months of the balance sheet date.

The Directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the above list contains only the particulars of those subsidiaries which significantly affect the results or assets/liabilities of the Group.

11. 於附屬公司之權益 (續)

附註：此附屬公司為一間合資經營企業。

各附屬公司於年度終結日或年內任何時間概無未償還之債務證券。

應收／應付附屬公司款項為無抵押、免息及無固定還款期。董事認為，該款項將不須於結算日十二個月內償還／支付。

董事認為倘將所有附屬公司之資料完整載列，則會導致該等資料過分冗長。故上表僅列出該等對本集團業績或資產／負債構成重大影響之附屬公司資料。

12. PROPERTIES UNDER DEVELOPMENT

12. 發展中物業

		The Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Balance brought forward, at cost	承前結餘，按成本	163,124	35,403
Additions	添置	66,754	127,630
Capitalised interest	撥作資本利息	980	91
Exchange realignment	滙兌重整	(575)	-
		<u>230,283</u>	<u>163,124</u>
Less: Impairment losses recognised	減：已確認減值虧損	(25,403)	(25,403)
		<u>204,880</u>	<u>137,721</u>
Representing:	代表：		
Cost	成本	215,503	149,324
Capitalised interest	撥作資本利息	14,780	13,800
		<u>230,283</u>	<u>163,124</u>
Less: Impairment losses recognised	減：已確認減債虧損	(25,403)	(25,403)
		<u>204,880</u>	<u>137,721</u>
Less: Amount expected to be completed within one year and included in current assets	減：預期於一年內落成並計入流動資產之金額	(115,826)	-
		<u>89,054</u>	<u>137,721</u>
Properties on land held under long leases in PRC	於中國以長期租賃土地持有之物業	194,880	127,721
Properties on freehold land in Macau	於澳門以永久業權土地持有之物業	10,000	10,000
		<u>204,880</u>	<u>137,721</u>

For the year ended 31st December, 2003 截至二零零三年十二月三十一日止年度

12. PROPERTIES UNDER DEVELOPMENT

(continued)

Details of the properties under development, which are located in Macau and other areas of the PRC, are set out in the Schedule of Principal Properties attached to these financial statements.

12. 發展中物業 (續)

於澳門及中國其他地區持有之發展中物業之詳情載於本賬項所附之主要物業表內。

13. INTEREST IN AN ASSOCIATE

13. 於聯營公司之權益

		The Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Share of net assets	應佔資產淨值	216,068	213,141

Details of the associate of the Group at 31st December, 2003 are as follows:

本集團於二零零三年十二月三十一日之聯營公司之詳情如下：

Name of associate	Country of registration	Paid up registered capital	Percentage of interest in registered capital indirectly held by the Company 本公司間接持有註冊資本權益比率	Principal activities 主要業務
聯營公司名稱	註冊登記國家	繳足註冊資本	資本權益比率	主要業務
Shanghai Zhangjiang Micro-electronics Port Co. Ltd. ("ZMP") 上海張江微電子港有限公司 (「張江微電子港」)	PRC 中國	RMB370,830,000 人民幣370,830,000元	37%	Property development and management 物業發展及管理

The principal place of operations of ZMP is the PRC.

張江微電子港以中國為主要經營業務地點。

13. INTEREST IN AN ASSOCIATE (continued)

A summary of the results and financial position of ZMP, based on its management accounts prepared in accordance with accounting principles generally accepted in Hong Kong for equity accounting, is as follows:

(a) Results for the year ended 31st December, 2003

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Turnover	營業額	381,946	-
Profit (Loss) before taxation	除稅前溢利(虧損)	12,224	(3,328)
Taxation	稅項	(1,429)	-
Net profit (loss) for the year	年內溢利(虧損)淨額	10,795	(3,328)
Net profit (loss) for the year attributable to the Group	本年度本集團應佔溢利(虧損)淨額	3,994	(1,083)

(b) Financial position at 31st December, 2003

		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Non-current assets	非流動資產	1,337	1,712
Current assets	流動資產	1,028,347	956,536
Current liabilities	流動負債	(313,034)	(322,779)
Non-current liability	非流動負債	(132,683)	(59,412)
Net assets	資產淨值	583,967	576,057
Net assets attributable to the Group	本集團應佔資產淨值	216,068	213,141

13. 於聯營公司之權益 (續)

按香港普遍採納之會計原則編製以權益法納入之張江微電子港管理賬目，其業績及財務狀況概要如下：

(a) 截至二零零三年十二月三十一日止年度業績

(b) 於二零零三年十二月三十一日之財務狀況

14. OTHER INVESTMENTS**14. 其他投資**

		The Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Equity investments	權益投資	200,970	118,466

The investments are listed on the Stock Exchange and are carried at market value.

該等投資已於聯交所上市且按市場價值列賬。

Pursuant to Section 129(2) of the Companies Ordinance, details of investment having cost which exceeded one tenth of the total assets of the Company at 31st December, 2003, are as follows:

根據《公司條例》第129(2)條，於二零零三年十二月三十一日投資成本超出本公司總資產值十分之一之投資詳情如下：

Company name 公司名稱	Country of incorporation 註冊成立國家	Class of shares held 持有股份類別	Proportion of nominal value of issued capital held by the Group 本集團持有之 已發行股本面值比例
Tomson Group Limited ("TGL") 湯臣集團有限公司 (「湯臣集團」)	Cayman Islands 開曼群島	Ordinary 普通	14.33%

15. PROPERTIES HELD FOR SALE

Properties held for sale are stated at their net realisable value for both years of 2002 and 2003.

15. 待售物業

待售物業分別按其於二零零二年及二零零三年之可變現淨值列賬。

Details of the properties held for sale are set out in the Schedule of Principal Properties attached to these financial statements.

待售物業之詳情載於本賬項所附之主要物業表內。

16. DEFERRED TAX

At the balance sheet date, the Group has unused tax losses of HK\$90.55 million (2002: HK\$86.76 million) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$2.41 million (2002: nil) of such losses and a deferred tax credit of HK\$361,000 (2002: nil) has been recognised in 2003. No deferred tax asset has been recognised in respect of the remaining HK\$88.14 million (2002: HK\$86.76 million) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$22.73 million that will expire on or before 31st December, 2006 (2002: HK\$25.66 million that will expire on or before 31st December, 2005). Other losses may be carried forward indefinitely.

17. TRADE AND OTHER PAYABLES

Included in trade and other payables is trade payable of HK\$14,000 (2002: HK\$14,000) and is aged more than one year but less than two years from the balance sheet date (2002: aged less than three months from the balance sheet date).

18. OBLIGATIONS UNDER WARRANTS

During the year ended 31st December, 2002, the Group issued 134,045,542 warrants through a wholly-owned subsidiary of the Company by way of an open offer to all qualifying shareholders of the Company at an issue price of HK\$0.15 per warrant. Each warrant gave the holders thereof the right to purchase one ordinary share of TGL at an exercise price of HK\$0.75 at any time not later than 5th May, 2003. At 31st December, 2002, 133,233,285 shares of TGL, which were included in other investments, were covered by the outstanding warrants and stated at fair value.

16. 遞延稅項

於結算日，本集團可用作抵銷未來溢利之未用稅項虧損為90,550,000港元（二零零二年：86,760,000港元）。本集團已就約2,410,000港元之虧損確認為遞延稅項資產（二零零二年：無），而於二零零三年已確認之遞延稅項抵免為361,000港元（二零零二年：無）。由於未來收入來源難以預測，故並無將剩餘88,140,000港元（二零零二年：86,760,000港元）確認為遞延稅項資產。未確認稅項虧損包括將於二零零六年十二月三十一日或之前到期之虧損22,730,000港元（二零零二年：25,660,000港元將於二零零五年十二月三十一日或之前到期）。其他虧損可予結轉，並無限期。

17. 應付貿易款項及其他應付賬款

應付貿易款項及其他應付賬款包括14,000港元（二零零二年：14,000港元）應付貿易款項，於結算日起計，賬齡為一年以上但於兩年以內（二零零二年：於由結算日起計，賬齡少於三個月內）。

18. 認股權證責任

於截至二零零二年十二月三十一日止年度，本集團透過本公司一間全資附屬公司發行134,045,542份認股權證，以每份認股權證0.15港元的發行價向本公司所有合資格股東公开发售。每份認股權證授予其持有人權利可於二零零三年五月五日之前的任何時間以0.75港元的行使價購買一股湯臣集團之普通股。於二零零二年十二月三十一日，133,233,285股受未行使認股權證所規限之湯臣集團股份已計入其他投資內，並以公平值列賬。

18. OBLIGATIONS UNDER WARRANTS*(continued)*

As at 31st December, 2002, the obligations under the warrants represented the fair value of 133,233,285 warrants, calculated by an independent financial adviser, which had not yet been exercised up to 31st December, 2002. Gain on remeasurement to fair value of the obligations under the warrants of HK\$10,659,000 was credited to the income statement for that year. The fair value of the warrants was arrived at after taking into account the exercise price of the warrants, the prevailing market prices of TGL shares, the volatility of TGL share price based on the then past twelve months' share performance, the length of exercisable period and the prevailing risk free rate.

On the expiry date of 5th May, 2003, 132,645,285 warrants expired. Upon expiry, the obligations under warrants were released and the carrying amount of HK\$9,285,000 was credited to the income statement.

19. BANK LOANS, SECURED

The bank loans are repayable as follows:

Due within one year	於一年內到期	–	9,426
In the second year	於第二年	65,685	–
		65,685	9,426
Less: amount due for settlement within 12 months (shown under current liabilities)	減：須於12個月內清償之款項 (列賬於流動負債項下)	–	(9,426)
Amount due for settlement after 12 months	須於12個月後清償之款項	65,685	–

18. 認股權證責任 (續)

於二零零二年十二月三十一日，認股權證之責任為獨立財務顧問計算之133,233,285份於二零零二年十二月三十一日尚未行使之認股權證之公平值。認股權證責任公平值之重算收益10,659,000港元已計入該年度利潤表。認股權證公平價值的釐定是經考慮認股權證之行使價、湯臣集團股份之市值、湯臣集團股價之波幅值(根據當時以往十二個月湯臣集團股價而推算出)、餘下可行使之日期及無風險下之利率等數據而運算得出。

於到期日二零零三年五月五日，132,645,285份認股權證到期。到期後，認股權證之責任隨之解除，而其賬面值9,285,000港元則計入利潤表。

19. 銀行貸款，有抵押

應償還銀行貸款如下：

		The Group 本集團	
		2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
		–	9,426
		65,685	–
		65,685	9,426
		–	(9,426)
		65,685	–

19. BANK LOANS, SECURED (continued)

The bank loans were secured by a piece of land in the PRC, which is grouped under properties under development, held by the Group.

19. 銀行貸款，有抵押 (續)

銀行貸款以一幅位於中國之土地作抵押，該土地為本集團持有之發展中物業。

20. SHARE CAPITAL

20. 股本

		Number of shares 股份數目		Value 價值	
		2003 二零零三年	2002 二零零二年	2003 二零零三年 千港元 HK\$'000	2002 二零零二年 千港元 HK\$'000
Ordinary shares of HK\$0.05	普通股每股 面值0.05港元				
- Authorised	- 法定股本	20,000,000,000	20,000,000,000	1,000,000	1,000,000
- Issued and fully paid	- 已發行及 繳足股本				
Balance at 1st January	於一月一日之結餘	2,608,546,511	1,340,455,426	130,427	67,023
Issue of shares	發行股份	-	1,268,091,085	-	63,404
Balance at 31st December	於十二月三十一日 之結餘	2,608,546,511	2,608,546,511	130,427	130,427

On 14th May, 2002, the Company issued and allotted 268,091,085 new ordinary shares of HK\$0.05 each for consideration of HK\$0.20 per share, to an independent investor, Best Central Developments Limited ("Best Central"), who became a substantial shareholder of the Company after the subscription. The proceeds were used to finance the acquisition of a land use right in the PRC as a capital injection in a subsidiary and further acquisition of 32.75% interest in the same subsidiary.

於二零零二年五月十四日，本公司以每股0.20港元之代價向一名獨立投資者 Best Central Developments Limited (「Best Central」) 發行並配發 268,091,085 股每股面值 0.05 港元之新普通股，於認購後，該投資者成為本公司一名主要股東。所得款項用於收購位於中國之一幅土地之使用權，作為對一間附屬公司之注資及進一步增購同一間附屬公司 32.75% 之權益。

20. SHARE CAPITAL (continued)

On 30th September, 2002, the Company issued and allotted 1,000,000,000 new ordinary shares of HK\$0.05 each, for consideration of HK\$0.25 per share, to three investors whereas one of them is Best Central. The proceeds were mainly used to finance the acquisition of 37% interest in ZMP. The balance of the proceeds were used to provide additional working capital for the Group.

20. 股本 (續)

於二零零二年九月三十日，本公司以每股0.25港元之代價向三名投資者發行並配發1,000,000,000股每股面值0.05港元之新普通股，其中一名投資者乃Best Central。所得款項主要用於收購張江微電子港之37%權益。所得款項餘額則提供本集團額外營運資金。

21. RESERVES

21. 儲備

		Share premium	Capital redemption reserve	Capital reduction reserve	Foreign currency translation reserve	Goodwill	Other non-distributable reserve	Accumulated profits (losses)	Total
		股份溢價賬	贖回儲備	股本儲備	兌換儲備	商譽	其他不可分派儲備	累計溢利(虧損)	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
THE GROUP	本集團								
Balance at 1st January, 2002	於二零零二年一月一日結餘	66,895	4,709	566,305	(148)	(870)	-	(533,474)	103,417
Exchange difference arising from translation of overseas operations for the year	本年度海外經營業務換算產生之滙兌差額	-	-	-	(35)	-	-	-	(35)
Premium arising on issue of shares	發行股份產生之溢價	240,213	-	-	-	-	-	-	240,213
Net loss for the year ended 31st December, 2002	截至二零零二年十二月三十一日止年度之虧損淨額	-	-	-	-	-	-	(28,638)	(28,638)
Balance at 31st December, 2002	於二零零二年十二月三十一日結餘	307,108	4,709	566,305	(183)	(870)	-	(562,112)	314,957
Exchange difference arising from translation of overseas operations for the year	本年度海外經營業務換算產生之滙兌差額	-	-	-	(510)	-	-	-	(510)
Share of net reserve movement of an associate for the year	本年度應佔聯營公司儲備之變動淨額	-	-	-	(942)	-	(125)	-	(1,067)
Transfer from retained earnings to other non-distributable reserve by an associate during the year	本年度聯營公司將保留盈利轉至其他不可分派儲備	-	-	-	-	-	1,501	(1,501)	-
Net profit for the year ended 31st December, 2003	截至二零零三年十二月三十一日止年度之溢利淨額	-	-	-	-	-	-	140,175	140,175
Balance at 31st December, 2003	於二零零三年十二月三十一日結餘	307,108	4,709	566,305	(1,635)	(870)	1,376	(423,438)	453,555

For the year ended 31st December, 2003 截至二零零三年十二月三十一日止年度

21. RESERVES (continued)

Other non-distributable reserve represents enterprise expansion fund and other PRC statutory reserves arising from share of reserves of an associate.

21. 儲備 (續)

其他不可分派儲備為應佔一間聯營公司之企業發展基金及其他中國法定儲備。

	Share premium	Capital redemption reserve	Capital reduction reserve	Foreign currency translation reserve	Goodwill	Other non-distributable reserve	Accumulated profits (losses)	Total
	股份溢價賬	資本贖回儲備	資本削減儲備	外幣兌換儲備	商譽	其他不可分派儲備	累計溢利(虧損)	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元

Attributable to: 來自:

As at 31st December, 2003 於二零零三年十二月三十一日

- Company and subsidiaries	- 公司及附屬公司	307,108	4,709	566,305	(693)	(870)	-	(424,848)	451,711
- Associate	- 聯營公司	-	-	-	(942)	-	1,376	1,410	1,844
		<u>307,108</u>	<u>4,709</u>	<u>566,305</u>	<u>(1,635)</u>	<u>(870)</u>	<u>1,376</u>	<u>(423,438)</u>	<u>453,555</u>

As at 31st December, 2002 於二零零二年十二月三十一日

- Company and subsidiaries	- 公司及附屬公司	307,108	4,709	566,305	(183)	(870)	-	(561,029)	316,040
- Associate	- 聯營公司	-	-	-	-	-	-	(1,083)	(1,083)
		<u>307,108</u>	<u>4,709</u>	<u>566,305</u>	<u>(183)</u>	<u>(870)</u>	<u>-</u>	<u>(562,112)</u>	<u>314,957</u>

At 31st December, 2002 and 31st December, 2003, the net amount of goodwill included a negative goodwill of HK\$23,000.

於二零零二年十二月三十一日及二零零三年十二月三十一日，商譽淨值包括負商譽23,000港元。

21. RESERVES (continued)

21. 儲備 (續)

	Share premium	Capital redemption reserve	Capital reduction reserve	Foreign currency translation reserve	Goodwill	Other non-distributable reserve	Accumulated profits (losses)	Total
	股份溢價賬	贖回儲備	股本儲備	兌換儲備	商譽	其他不可分派儲備	累計溢利 (虧損)	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
THE COMPANY	本公司							
Balance at 1st January, 2002	於二零零二年一月一日結餘							
	66,895	4,709	566,305	-	-	-	(562,109)	75,800
Premium arising on issue of shares	發行股份產生之溢價							
	240,213	-	-	-	-	-	-	240,213
Net loss for the year ended 31st December, 2002	截至二零零二年十二月三十一日止年度之虧損淨額							
	-	-	-	-	-	-	(15,058)	(15,058)
Balance at 31st December, 2002	於二零零二年十二月三十一日結餘							
	307,108	4,709	566,305	-	-	-	(577,167)	300,955
Net profit for the year ended 31st December, 2003	截至二零零三年十二月三十一日止年度之溢利淨額							
	-	-	-	-	-	-	124,070	124,070
Balance at 31st December, 2003	於二零零三年十二月三十一日結餘							
	307,108	4,709	566,305	-	-	-	(453,097)	425,025

At the balance sheet date, the Company has no distributable reserves.

於結算日，本公司並無可供分派儲備。

21. RESERVES (continued)**Capital Reduction Reserve**

On 21st July, 1998, the Court approved the Company, to reduce the capital of the Company from HK\$1,000,000,000 divided into 2,000,000,000 ordinary shares of HK\$0.50 each to HK\$100,000,000 divided into 2,000,000,000 ordinary shares of HK\$0.05 each and, following the reduction, to create an additional 18,000,000,000 ordinary shares of HK\$0.05 each. On 22nd July, 1998, the Companies Registry registered the Court order and the capital of the Company became HK\$1,000,000,000 divided into 20,000,000,000 ordinary shares of HK\$0.05 each, of which 1,258,455,426 ordinary shares have been issued and fully paid.

Pursuant to the undertaking given to the Court, the amounts equal to the credit arising from the reduction of capital of approximately HK\$566,305,000 have been credited to a Capital Reduction Reserve in the books of account of the Company and so long as there shall remain any debt of or claim against the Company outstanding at the date when the reduction of capital took effect which, if such date was the date of the commencement of the winding up of the Company, would have been admissible in proof against the Company and the person entitled to the benefit thereof shall not have agreed otherwise, such reserve:—

- (i) would not be treated as realised profit; and
- (ii) for so long as the Company shall remain a listed company (as defined in the Companies Ordinance), would be treated as an undistributable reserve of the Company for the purposes of Section 79C of the Companies Ordinance or any statutory re-enactment or modification thereof

provided that the amount standing to the credit of the Capital Reduction Reserve may be reduced by the aggregate of any increase in the issued share capital or in the share premium account of the Company resulting from an issue of shares for cash or other new consideration or upon a capitalisation of distributable reserves after the reduction takes effect.

21. 儲備 (續)**削減股本儲備**

法院於一九九八年七月二十一日批准本公司將股本由1,000,000,000港元拆分為2,000,000,000股每股面值為0.50港元之普通股，削減至100,000,000港元，拆分為2,000,000,000股每股面值為0.05港元之普通股，並於削減股本後增設18,000,000,000股每股面值0.05港元之普通股。本公司已於一九九八年七月二十二日在公司登記處登記法院指令，而本公司之股本已變為1,000,000,000港元，拆分為20,000,000,000股每股面值為0.05港元之普通股，其中1,258,455,426股普通股已發行及繳足。

依照向法院作出之保證，因削減股本所引致金額相當於約566,305,000港元之進賬款項已記入本公司帳目之削減股本儲備，且倘於股本削減生效之日（若該日為本公司清盤開始日）公司仍有任何未清償債務或未了結申索，而此等債務或申索為不利於本公司之可接納證據，且擁有權益之人士並無持相反意見，則儲備以下列方式處理：

- (i) 將不視為已變現溢利；及
- (ii) 只要本公司仍為上市公司（定義見《公司條例》），對《公司條例》第79C條或任何法定重新制定法例或任何修訂之法例而言應視為本公司之一項不可分配儲備。

惟倘因此等削減股本生效後發行股份換取現金或其他代價或將可分配儲備資本化，則可將削減股本儲備之進賬金額減少，減少幅度為本公司已發行股本或股份溢價賬內任何增加金額之總和。

22. RELATED PARTIES TRANSACTIONS

(a) The Company has entered into an arrangement with TGL pursuant to which the Group was allowed to use the office premises and administrative resources of TGL. In return, the Company is required to share an attributable portion of the administrative cost of TGL. During the year ended 31st December, 2003, the administrative cost of TGL shared by the Company amounted to HK\$2,124,000 (2002: HK\$1,539,000). As at 31st December, 2003, no outstanding balance (2002: HK\$531,000 which was included in the financial statements under trade and other payables) was owed to TGL.

(b) As at 31st December, 2003, included in the consolidated financial statements under trade and other payables, a net amount of approximately HK\$10,274,000 (2002: HK\$9,739,000) was advanced by a minority shareholder of a subsidiary of the Company (the "Subsidiary"). The advance was unsecured and interest free (2002: bore interest at the rate of 1% over the Hong Kong Dollars prime rate per annum).

During the year ended 31st December, 2003, the Subsidiary accrued total interest of HK\$535,000 (2002: HK\$1,261,000) to the minority shareholder, which is included in other payables.

(c) On 2nd February, 2002, Mr. Tong Cun Lin ("Mr. Tong") agreed to grant an unsecured loan facility of HK\$6 million to the Company for the purpose of early repayment of a bank loan. The loan was renewed for another year commencing from 5th February, 2003 to 4th February, 2004, both days inclusive. The Company fully repaid the loan to Mr. Tong during the year ended 31st December, 2003. The loan facility was unsecured and bore interest at 1% over the Hong Kong Dollars prime rate per annum.

22. 關連人士交易

(a) 本公司與湯臣集團訂立一項安排，據此，本集團獲准使用湯臣集團之辦公室物業及行政資源。本公司須就此與湯臣集團分擔應佔比例之行政費用。於截至二零零三年十二月三十一日止年度，本公司分擔湯臣集團之行政費用為數2,124,000港元(二零零二年：1,539,000港元)。於二零零三年十二月三十一日，本公司並無欠付湯臣集團任何款項(二零零二年：531,000港元，此數額已計入應付貿易款項及其他應付賬款內)。

(b) 於二零零三年十二月三十一日，一筆淨額約10,274,000港元(二零零二年：9,739,000港元)之款項(已計入綜合賬項之應付貿易款項及其他應付賬款)由本公司一間附屬公司(「附屬公司」)之少數股東墊付。該筆墊款為無抵押及免息(二零零二年：年息為港元最優惠利率加一厘)。

於截至二零零三年十二月三十一日止年度，附屬公司應付予少數股東之利息總額為535,000港元(二零零二年：1,261,000港元)並已計入其他應付賬款。

(c) 於二零零二年二月二日，湯君年先生(「湯先生」)同意就提早償還一項銀行貸款向本公司提供一筆金額為6,000,000港元的無抵押貸款。其後，貸款獲更新一年，自二零零三年二月五日始至二零零四年二月四日止(包括首尾兩日)。本公司於截至二零零三年十二月三十一日止年度已全面償還貸款予湯先生。該貸款為無抵押，其年息為港元最優惠利率加一厘。

22. RELATED PARTIES TRANSACTIONS*(continued)*

During the year ended 31st December, 2003, the Company paid total interest of HK\$165,000 (2002: HK\$331,000) to Mr. Tong.

- (d) Pursuant to a subscription agreement dated 18th July, 2002, the Company issued and allotted 511,864,322 new ordinary shares (the "Shares") at HK\$0.25 per share to Best Central on 30th September, 2002 at gross proceeds of HK\$127,966,081 (the "Subscription"). Best Central is a substantial shareholder of the Company and was interested in 16.67% of the share capital of the Company before the allotment of the Shares. Upon completion of the Subscription, Best Central became the single largest shareholder of the Company holding 29.9% of the enlarged share capital.

23. CAPITAL COMMITMENTS

At the balance sheet date, the Group had capital commitments amounting to HK\$53,162,000 (2002: HK\$2,960,000) in respect of capital expenditure in construction of properties under development which had been contracted but not provided in the financial statements.

The Company did not have any outstanding capital commitments at the balance sheet date.

24. PLEDGE OF ASSETS

At 31st December, 2003, a subsidiary pledged a piece of land in the PRC, which was included in properties under development, with a carrying value of HK\$123,384,000 (2002: HK\$86,462,000) to a bank to secure a long-term bank loan of HK\$65,685,000 granted to that subsidiary (2002: short-term bank loan of HK\$9,426,000).

22. 關連人士交易 (續)

於截至二零零三年十二月三十一日止年度，本公司向湯先生支付利息總額165,000港元(二零零二年：331,000港元)。

- (d) 根據一項於二零零二年七月十八日訂立之認購協議，本公司於二零零二年九月三十日按每股作價0.25港元向Best Central發行及配發511,864,322股新普通股(「股份」)，所得款項總額127,966,081港元(「認購」)。Best Central乃本公司之主要股東，於配發股份前擁有本公司股本16.67%權益。完成認購後，Best Central已成為本公司單一最大股東，持有已擴大股本之29.9%權益。

23. 資本承擔

於結算日，本集團就發展中物業之建築工程(已訂約但賬項中未予撥備)而作之資本開支承擔為53,162,000港元(二零零二年：2,960,000港元)。

於結算日，本公司概無任何資本承擔。

24. 資產抵押

於二零零三年十二月三十一日，一間附屬公司向一間銀行抵押一幅位於中國之土地(計入發展中物業內)，賬面值為123,384,000港元(二零零二年：86,462,000港元)，以抵押一筆授予附屬公司65,685,000港元之長期銀行貸款(二零零二年：短期銀行貸款9,426,000港元)。

25. RETIREMENT BENEFITS SCHEMES

The Group participates in a Mandatory Provident Fund Scheme (“MPF Scheme”) established under the Mandatory Provident Fund Schemes Ordinance in November 2002. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and the employees are obliged to make contributions at the specified rate under the MPF Scheme. At the balance sheet date, there is no forfeited contribution for reducing contributions payable in the future years.

The contributions arising from the MPF Scheme charged to the income statement represent contributions payable to the MPF Scheme by the Group at rates specified in the rules of the MPF Scheme.

The employees in the PRC are members of respective state-managed defined contribution retirement benefits schemes operated by the local government. The employer and the employees are obliged to make contributions at a certain percentage of the payroll under rules of the schemes. At the balance sheet date, there is no forfeited contribution for reducing contributions payable in the future years.

25. 退休福利計劃

本集團於二零零二年十一月根據《強制性公積金計劃條例》參與一項強制性公積金計劃（「強積金計劃」）。強積金計劃之資產與本集團之資產分開持有，並以基金形式由一獨立信託人管理。根據強積金計劃之規則，僱主及僱員均有責任按強積金計劃訂明的比率作出供款。於結算日，本集團概無被沒收供款以作為減少往後年度應付供款。

於利潤表扣除之就強積金計劃之供款乃指本集團按強積金計劃規則訂明之比率應付予強積金計劃之供款。

本集團之中國僱員均為個別地方政府營辦之國家管理界定供款退休福利計劃之成員。根據計劃規則，僱主及僱員均有責任按薪金之若干百分比作出供款。於結算日，本集團概無被沒收供款以作為減少往後年度應付供款。