

1. GENERAL

The Company is incorporated in Hong Kong with limited liability and its securities are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Chinese Estates, a company incorporated in Bermuda with its securities listed on the Stock Exchange.

The Company acts as an investment holding company and its subsidiaries are principally engaged in property investment and development. The principal activities and other particulars of its principal subsidiaries are set out in note 36.

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In 2004, the Hong Kong Institute of Certified Public Accountants issued a number of new or revised Hong Kong Accounting Standards ("HKASs") and Hong Kong Financial Reporting Standards ("HKFRSs") (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1st January, 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st December, 2004.

The Group anticipated that the adoption of these new HKFRSs would significantly affect the reported results but without any impact on cash flow since any revaluation surplus or deficit of investment properties, under the new HKFRSs, will have to be recognized in the income statement instead of the revaluation reserve. This changes would resulted in non-operational fluctuations in the Group's reported results.

1. 簡介

本公司為一間在香港註冊成立而其證券在香港聯合交易所有限公司（「聯交所」）上市之有限公司。其最終控股公司為於百慕達註冊成立，其證券在聯交所上市之華人置業。

本公司乃投資控股公司，其附屬公司主要從事物業投資及發展。其主要附屬公司之主要業務及其他資料載於附註36。

2. 最近頒布的會計準則產生的潛在影響

於二零零四年，香港會計師公會發出了新或已修改的香港會計準則及香港財務報告準則（在此統稱「新香港財務報告準則」），並於二零零五年一月一日或以後開始的會計期間生效。本集團沒有提早採納這些新香港財務報告準則於截至二零零四年十二月三十一日止年度之財務報表上。

本集團預期新香港財務報告準則的採納將大幅影響業績報告，但對現金流量沒有任何影響，因為在新香港財務報告準則下，任何重估投資物業之盈餘或虧絀將被計入收益表，而非重估儲備。這轉變將導致本集團業績報告產生非營運波動。

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain properties.

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:

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 between the group enterprises are eliminated on consolidation.

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 consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates add goodwill (negative goodwill) less any identified impairment loss.

The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year. In the Company's balance sheet, investments in associates are stated at cost, as reduced by any identified impairment loss.

3. 主要會計政策

本財務報表乃按歷史成本法編製，並就重估若干物業作出修訂。

本財務報表乃按照香港公認之會計原則而編製。所採納之主要會計政策載列如下：

綜合賬目基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止之財務報表。

年內收購或出售之附屬公司業績，乃由實際收購日期起或直至實際出售日期止（按適當情況）計入綜合收益表內。

所有本集團內公司間之重大交易及往來結餘均於綜合賬目時對銷。

附屬公司投資

於附屬公司之投資乃按成本減任何可辨認減值虧損而列入本公司資產負債表內。

聯營公司權益

綜合收益表包括本集團於年內應佔聯營公司之收購後業績。綜合資產負債表所列之聯營公司權益按本集團應佔聯營公司資產淨值加商譽（負商譽）減任何可辨認減值虧損呈列。

聯營公司之業績乃按年內已收及應收股息基準入賬。本公司資產負債表所示之聯營公司投資乃按成本減任何可辨認減值虧損呈列。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value, based on independent professional valuations at the balance sheet date. Any surplus or deficit arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a deficit, in which case the excess of the deficit over the balance on the investment property revaluation reserve is charged to the income statement. Where a deficit has previously been charged to the income statement and a revaluation surplus subsequently arises, this surplus is credited to the income statement to the extent of the deficit previously charged.

On disposal of investment properties, the balance on the investment property revaluation reserve attributable to that properties disposed of is transferred to the income statement.

No depreciation or amortisation are provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

Property and other fixed assets

Property and other fixed assets are stated at cost less depreciation and amortisation and accumulated impairment losses.

Depreciation and amortisation are provided to write off the cost of property and other fixed assets over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, at the following rates per annum:

Type	Basis
Leasehold land	Over the term of the lease
Buildings	Over the shorter of the unexpired period of the lease and 20 years
Furniture, fixtures and equipment	10% and 20%

3. 主要會計政策(續)

投資物業

投資物業乃指因其投資潛力而長期擁有之已落成物業，其任何租金收入乃按公平原則磋商釐定。

投資物業乃根據於結算日之獨立專業估值按其公開市值入賬。任何因投資物業重估所產生之盈餘或虧絀均撥入投資物業重估儲備或自該儲備中扣除，惟倘此項儲備結餘不足以彌補虧絀，則超逾投資物業重估儲備結餘之虧絀乃於收益表中扣除。倘虧絀已於年前自收益表中扣除，而後出現重估盈餘，則該項盈餘以經已扣除之虧絀為限計入收益表。

在出售投資物業時，出售物業應佔之投資物業重估儲備結餘乃轉撥入收益表內。

除租約之剩餘年期為二十年或以下者外，投資物業並無撥備折舊或攤銷。

物業及其他固定資產

物業及其他固定資產按成本減折舊及攤銷以及累計減值虧損列賬。

物業及其他固定資產之折舊及攤銷，乃按其估計可使用年期並計及估計剩餘價值以直線法攤銷成本如下：

種類	基準
租賃土地	按租約年期
樓宇	按租約尚餘年期與二十年兩者中較短者
傢俬、裝置及設備	10%及20%

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property and other fixed assets (cont'd)

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.

Properties held for development

Land and buildings in the course of development for production, rental or administrative purposes or for purposes not yet determined, are carried at cost, less any identified impairment loss. Cost includes professional fees and borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation or amortisation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property interests held for development

Property interests held for development represent a right to develop properties on a piece of land upon payment of a final amount or land acquired pending any definite intention, and are carried at cost, less any identified impairment loss.

Properties held for sale

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

Other asset

Other asset representing club memberships, is stated at cost less any identified impairment loss.

3. 主要會計政策(續)

物業及其他固定資產(續)

資產出售或廢置時產生之盈虧乃按銷售所得款項與資產之賬面值兩者間之差額計算，並於收益表確認入賬。

持作發展物業

在重建中作生產、租賃或行政用途或尚未決定用途之土地及樓宇，乃按成本扣除任何可辨認減值虧損列賬。成本包括按本集團會計政策撥充資本之專業費用及借貸成本。當資產可投入作其擬定用途時，此等資產乃按其他物業資產之相同基準開始折舊或攤銷。

持作發展之物業權益

持作發展之物業權益指於支付最後款項後在土地上發展物業之權利或已購入而未有任何具體意向之土地，乃按成本扣除任何可辨認減值虧損列賬。

持作出售物業

持作出售物業乃按成本與可變現淨值兩者中之較低者入賬。

其他資產

其他資產包括俱樂部會籍，乃按成本扣除任何可辨認減值虧損列賬。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible 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. An 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.

Revenue recognition

Rental income from properties under operating leases is recognised on a straight-line basis over the term of the relevant lease.

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

Revenue from properties held for sale is recognised on the execution of a binding sales agreement. Payments received from the purchasers prior to this stage are recorded as deposits received on sales of properties and are grouped under current liabilities.

Foreign currencies

Transactions in foreign currencies are initially recorded 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. Gains and losses arising on exchange are included in the income statement for the year.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

3. 主要會計政策(續)

減值

每達結算日，本集團會審核其有形資產之賬面值，以釐定該等資產有否出現虧損之現象。倘資產之可收回金額估計將低於其賬面值，則將該資產之賬面值減至其可收回金額。有關虧損則即時確認為開支。

倘虧損其後撥回，則有關資產之賬面值會增至其估計之可收回金額，惟已增加之賬面值不得超過假設有關於資產於過往年度並無確認虧損而釐定之賬面值。虧損撥回將即時確認為收入。

收入確認

營業租約物業之租金收入乃就有關租約年期按直線法確認。

利息收入乃就本金結餘按適用利率及時間比例計算。

持作出售物業之收益乃按簽署具約束力之銷售協議時確認。在此階段之前收取自買家之款項，均作為流動負債項目下出售物業所收取之訂金。

外幣

以外幣結算之交易初步按交易日之匯率入賬。以該等貨幣結算之貨幣資產及負債則按結算日之匯率折算為港元。匯兌產生之溢利與虧損撥入年度收益表中處理。

在綜合賬目時，本集團海外業務之資產與負債概按結算日之匯率折算。收支項目乃按年內之平均匯率折算。所產生之匯兌差額(如有)概列作股東權益並撥入本集團之匯兌儲備。該等匯兌差額乃於有關業務出售之期間確認為收入或支出。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Operating leases

Leases of assets in respect of which substantially all the rewards and risks of ownership remain with the lessor are accounted for as operating leases. Rental expenses paid or payable under operating leases are charged to the income statement on a straight-line basis over the relevant lease term.

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.

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 year when the liability is settled or the asset realised. Deferred tax is charged or credited in 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.

3. 主要會計政策(續)

營業租約

凡出租人仍保留資產擁有權絕大部份之回報及風險之租約稱為營業租約。營業租約已付或應付之租金開支按有關租約年期以直線法列入收益表內。

稅項

所得稅支出指當期應付稅項及遞延稅項。

當期應付稅項按年度應課稅溢利計算。應課稅溢利與收入報表所報純利不同，此乃由於其不包括在其他年度應課稅或可扣減之收入或支出項目，亦不包括收入報表內永不課稅或扣減之項目。

遞延稅項指就財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之差異而預期須支付或可收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時差異確認，而遞延稅項資產則限於較可能於日後取得應課稅溢利，並可用以抵銷可扣減暫時差異時確認。若暫時差異因商譽(或負商譽)或因於一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中開始確認其他資產及負債而引致，則不會確認該等資產及負債。

遞延稅項負債乃就附屬公司及聯營公司投資產生之應課稅暫時差異而確認，惟倘本集團能夠控制該等暫時差異之回轉及該等暫時差異預料不會在可見將來回轉則屬例外。

遞延稅項資產之賬面值於每個結算日均作檢討，並在不大可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項乃按預期於負債償還或資產變現年度之適用稅率計算。遞延稅項會扣自或計入收益表，惟有關直接扣自或計入股本之項目，則有關之遞延稅項亦會於股本中處理。

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Borrowing costs

Borrowing costs directly attributable to the construction of properties under development for sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

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

Retirement benefit costs

The retirement benefit costs charged in the income statement represent the contributions payable in respect of the current year to the Group's defined contribution scheme.

4. TURNOVER

Turnover represents the aggregate amounts received and receivable from property rental income and sales of properties held for sale, analysed as follows:

Sales of properties held for sale	持作出售物業之銷售額
Property rental income	物業租金收入

3. 主要會計政策(續)

借貸成本

建造發展中待售物業之直接應佔借貸成本，均撥充資本，作為此等資產成本之一部份。當此等資產大體上可作其擬定用途或出售時，即停止將該等借貸成本撥充資本。

所有其他借貸成本於其產生期間確認為支出。

退休金費用

在收益表中扣除之退休金費用指本年度向本集團之界定供款計劃應付之供款。

4. 營業額

營業額指已收及應收之物業租金收入及持作出售物業之銷售額，分析如下：

	2004	2003
	HK\$	HK\$
	千港元	千港元
	13,155	—
	5,715	890
	<u>18,870</u>	<u>890</u>

5. SEGMENTAL INFORMATION

Business Segments

For management purposes, the Group is currently organised into two operating divisions – property development and property leasing. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property development – Property development and sales of properties
Property leasing – Property rental

Segment information about these businesses is presented below:

INCOME STATEMENT

For the year ended 31st December, 2004

5. 分類資料

按業務劃分

就業務管理而言，本集團之業務目前可分為兩個經營部份－物業發展及物業租賃。該等部份為本集團申報其主要分類資料之基準。

主要業務活動如下：

物業發展 – 物業發展及物業銷售
物業租賃 – 物業租賃

該等業務之分類資料如下：

收益表

截至二零零四年十二月三十一日止年度

		Property development 物業發展 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Consolidated 綜合賬目 HK\$'000 千港元
SEGMENT REVENUE	分類收入	13,155	5,715	18,870
SEGMENT RESULT	分類業績	(183,501)	8,977	(174,524)
Unallocated corporate expenses	未分攤之公司開支			(9,122)
Loss from operations	經營虧損			(183,646)
Write-back of allowance for amounts due from associates, net	聯營公司欠款準備 之撥回淨額	–	1,441	1,441
Write-back of allowance for amounts due from former associates, net	前聯營公司欠款 準備之撥回淨額	–	7,788	7,788
Share of results of associates	應佔聯營公司業績	–	7,972	7,972
Loss before taxation	稅前虧損			(166,445)
Taxation	稅項			(1,233)
Loss after taxation	稅後虧損			(167,678)

5. SEGMENTAL INFORMATION (cont'd)

BALANCE SHEET

At 31st December, 2004

ASSETS	資產
Segment assets	分類資產
Interests in associates	聯營公司權益
Unallocated corporate assets	未分攤之公司資產
Consolidated total assets	綜合資產總值
LIABILITIES	負債
Segment liabilities	分類負債
Unallocated corporate liabilities	未分攤之公司負債
Consolidated total liabilities	綜合負債總值

5. 分類資料(續)

資產負債表

於二零零四年十二月三十一日

Property development	Property leasing	Consolidated
物業發展	物業租賃	綜合賬目
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
54,322	165,036	219,358
–	320,965	320,965
		276
		540,599
91	1,911	2,002
		62,398
		64,400

OTHER INFORMATION

For the year ended 31st December, 2004

其他資料

截至二零零四年十二月三十一日止年度

Property development	Property leasing	Others	Consolidated
物業發展	物業租賃	其他	綜合賬目
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
750	–	–	750
38	37	–	75
183,381	–	–	183,381
–	–	8,427	8,427

5. SEGMENTAL INFORMATION (cont'd)

INCOME STATEMENT

For the year ended 31st December, 2003

SEGMENT REVENUE	分類收入
SEGMENT RESULT	分類業績
Unallocated corporate income	未分攤之公司收入
Unallocated corporate expenses	未分攤之公司開支
Loss from operations	經營虧損
Loss on disposal of a subsidiary	出售附屬公司之虧損
Write-back of allowance for amounts due from former associates, net	前聯營公司欠款 準備之撥回淨額
Share of results of associates	應佔聯營公司業績
Finance costs	財務費用
Loss before taxation	稅前虧損
Taxation	稅項
Loss after taxation	稅後虧損

5. 分類資料(續)

收益表

截至二零零三年十二月三十一日止年度

Property development 物業發展	Property leasing 物業租賃	Consolidated 綜合賬目
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
–	890	890
(874)	1,166	292
		475
		(1,843)
		(1,076)
–	(826)	(826)
–	1,177	1,177
–	125	125
		(162)
		(762)
		558
		(204)

5. SEGMENTAL INFORMATION (cont'd)

BALANCE SHEET

At 31st December, 2003

ASSETS	資產
Segment assets	分類資產
Interests in associates	聯營公司權益
Unallocated corporate assets	未分攤之公司資產
Consolidated total assets	綜合資產總值
LIABILITIES	負債
Segment liabilities	分類負債
Unallocated corporate liabilities	未分攤之公司負債
Consolidated total liabilities	綜合負債總值

5. 分類資料(續)

資產負債表

於二零零三年十二月三十一日

Property development	Property leasing	Consolidated
物業發展	物業租賃	綜合賬目
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
253,506	113,552	367,058
–	276,471	276,471
		409
		<u>643,938</u>
119	3,459	3,578
		57,498
		<u>61,076</u>

OTHER INFORMATION

For the year ended 31st December, 2003

其他資料

截至二零零三年十二月三十一日止年度

Property development	Property leasing	Others	Consolidated
物業發展	物業租賃	其他	綜合賬目
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
223,409	62,154	–	285,563
–	–	128	128

5. SEGMENTAL INFORMATION (cont'd)

Geographical Segments

The Group's operations are located in Hong Kong and the People's Republic of China, other than Hong Kong, (the "PRC"). The Group's revenue are all derived from Hong Kong in both years.

The following is an analysis of the carrying amount of segment assets at balance sheet date, and capital additions during the year analysed by the geographical area in which the assets are located:

		Carrying amount of segment assets		Capital additions	
		分類資產賬面值		資本增加	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	540,494	456,258	750	98,326
PRC	中國	105	187,680	-	187,237
		540,599	643,938	750	285,563

6. OTHER OPERATING INCOME

Included in other operating income are:

Interest income from banks
Interest income from associates
Gain on disposal of investment properties

5. 分類資料 (續)

按地區市場劃分

本集團在香港及中華人民共和國(香港除外)(「中國」)經營業務。在兩個年度本集團之收入全部來自香港。

以下為結算日分類資產賬面值之分析及年內的資產增加按資產所在地所作之分析：

		Carrying amount of segment assets		Capital additions	
		分類資產賬面值		資本增加	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	540,494	456,258	750	98,326
PRC	中國	105	187,680	-	187,237
		540,599	643,938	750	285,563

6. 其他經營收入

其他經營收入包括：

	2004	2003
	HK\$'000	HK\$'000
	千港元	千港元
銀行利息收入	177	70
聯營公司利息收入	3,295	820
出售投資物業收益	2,529	-

7. OTHER OPERATING EXPENSES

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Loss on disposal of property held for development	出售持作發展物業 之虧損	-	835
Surplus on revaluation of investment properties	重估投資物業盈餘	-	(20)
Others	其他	-	68
		-	883

8. LOSS FROM OPERATIONS

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Loss from operations has been arrived at after charging (crediting):	經營虧損已扣除(計入):		
Auditors' remuneration:	核數師酬金:		
Current year	本年度	282	260
Under(over) provision in previous years	過往年度不足(超額)撥備	21	(80)
Depreciation and amortisation	折舊及攤銷	75	128
Staff costs, including Directors' emoluments	員工成本(包括董事酬金)	888	290
Gross rental income from properties under operating leases	根據營業租約而持有之物業 之租金收入總額	(5,715)	(890)
Less: Outgoings	減: 開支	943	55
Net rental income	租金收入淨額	(4,772)	(835)

7. 其他經營開支

8. 經營虧損

9. FINANCE COSTS

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Interest and charges	利息及支出	-	162

10. DIRECTORS' EMOLUMENTS

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Fees:	袍金：		
Executive Directors	執行董事	-	-
Independent non-executive Directors	獨立非執行董事	122	60
Other emoluments:	其他酬金：		
Executive Directors	執行董事		
- Salaries and other emoluments	- 薪金及其他酬金	-	-
- Retirement benefit scheme contributions	- 退休福利計劃供款	-	-
Total emoluments	酬金總額	122	60

During the year, no emoluments were paid by the Group to the Directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

9. 財務費用

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Interest and charges	利息及支出	-	162

10. 董事酬金

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Fees:	袍金：		
Executive Directors	執行董事	-	-
Independent non-executive Directors	獨立非執行董事	122	60
Other emoluments:	其他酬金：		
Executive Directors	執行董事		
- Salaries and other emoluments	- 薪金及其他酬金	-	-
- Retirement benefit scheme contributions	- 退休福利計劃供款	-	-
Total emoluments	酬金總額	122	60

年內，本集團並無向本公司董事支付任何酬金作為加入本集團之獎金或失去職位之賠償。

11. EMPLOYEES' EMOLUMENTS

During the year, the five individuals with the highest emoluments in the Group, did not include any Directors (2003: two Directors of the Company whose emoluments were included in note 10 above). The emoluments of the five highest paid individuals (2003: three individuals) disclosed pursuant to the Rules Governing The Listing of Securities on the Stock Exchange were as follows:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Salaries and other benefits	薪金及其他利益	448	221
Retirement benefit scheme contributions	退休福利計劃供款	22	9
		<u>470</u>	<u>230</u>

12. TAXATION

The charge (credit) comprises:

Taxation of the Company and its subsidiaries:

Hong Kong Profits Tax

– Current year

– Under(over)provision in prior year

PRC

– Underprovision in prior year

Share of taxation attributable to associates

Deferred taxation (note 26)

支出(撥回)包括:

本公司及附屬公司

之稅項:

香港利得稅

– 本年度

– 過往年度不足(超額)撥備

中國

– 過往年度不足撥備

攤佔聯營公司稅項

遞延稅項(附註26)

11. 僱員酬金

年內本集團五位最高薪酬人士中並無包括任何董事(二零零三年:兩名本公司董事,其酬金已載於上文附註10)。五位最高薪酬人士(二零零三年:三名)之酬金按聯交所證券上市規則之規定披露如下:

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
	448	221
	22	9
	<u>470</u>	<u>230</u>

12. 稅項

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
	6	106
	20	(156)
	<u>26</u>	<u>(50)</u>
	222	–
	<u>248</u>	<u>(50)</u>
	253	74
	732	(582)
	<u>1,233</u>	<u>(558)</u>

12. TAXATION (cont'd)

Hong Kong Profits Tax is calculated at 17.5% on estimated assessable profit for both years. Taxation in any other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The taxation charge (credit) can be reconciled to loss before taxation per the income statement as follows:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Loss before taxation	稅前虧損	(166,445)	(762)
Tax at Hong Kong Profits Tax rate of 17.5%	按香港利得稅稅率17.5%計算之稅項	(29,128)	(133)
Tax effect of share of results of associates	攤佔聯營公司稅項之稅務影響	(1,142)	52
Tax effect of expenses not deductible for tax purpose	計算應課稅溢利時不可扣稅支出之稅務影響	34,616	341
Tax effect of income not taxable for tax purpose	計算應課稅溢利時毋須課稅收入之稅務影響	(2,123)	(283)
Tax effect of tax losses not recognised	不予確認之稅務虧損之稅務影響	(1,101)	(379)
Under(over)provision in prior year	過往年度不足(超額)撥備	242	(156)
Others	其他	(131)	-
Taxation charge (credit) for the year	本年度之稅項支出(撥回)	1,233	(558)

13. DIVIDENDS

No dividend was paid or proposed during both years, nor has any dividend been proposed since the balance sheet date.

14. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to shareholders of approximately HK\$167,678,000 (2003: HK\$204,000) and on 282,305,987 (2003: weighted average number of 93,010,746) ordinary shares in issue during the year.

12. 稅項(續)

香港利得稅乃就兩個年度之估計應課稅溢利按稅率17.5%計算。其他司法權區之稅項乃按有關司法權區之適用稅率計算。

稅項支出(撥回)與收益表之稅前虧損對賬如下：

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
稅前虧損	(166,445)	(762)
按香港利得稅稅率17.5%計算之稅項	(29,128)	(133)
攤佔聯營公司稅項之稅務影響	(1,142)	52
計算應課稅溢利時不可扣稅支出之稅務影響	34,616	341
計算應課稅溢利時毋須課稅收入之稅務影響	(2,123)	(283)
不予確認之稅務虧損之稅務影響	(1,101)	(379)
過往年度不足(超額)撥備	242	(156)
其他	(131)	-
本年度之稅項支出(撥回)	1,233	(558)

13. 股息

兩個年度均無派付或建議派付任何股息，自結算日以來亦概無建議派付任何股息。

14. 每股虧損

每股基本虧損乃根據股東應佔虧損約167,678,000港元(二零零三年：204,000港元)及年內已發行普通股282,305,987股(二零零三年：加權平均數93,010,746股)計算。

15. INVESTMENT PROPERTIES

15. 投資物業

		HK\$'000 千港元
THE GROUP	本集團	
VALUATION	估值	
At 1st January, 2004	於二零零四年一月一日	65,720
Disposal	出售	(35,665)
Surplus on revaluation	重估盈餘	3,695
		<hr/>
At 31st December, 2004	於二零零四年十二月三十一日	33,750
		<hr/> <hr/>

The investment properties of the Group were revalued at 31st December, 2004 on an open market value basis by Norton Appraisals Limited, independent professional surveyors. This valuation gave rise to a revaluation surplus of approximately HK\$3,695,000 (2003: HK\$4,020,000), which has been credited to the investment property revaluation reserve.

本集團之投資物業於二零零四年十二月三十一日由獨立專業測計師行普敦國際評估有限公司按公開市值基準進行重估。該項重估產生重估盈餘約3,695,000港元(二零零三年: 4,020,000港元), 已撥入投資物業重估儲備。

Almost all of the investment properties are rented out under operating leases.

絕大部份投資物業按營業租約租出。

The carrying amounts of investment properties shown above comprises:

上述投資物業之賬面值包括:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Properties in Hong Kong held under:	於香港按以下租約持有之物業:		
Long lease	長期租約	2,750	2,520
Medium-term lease	中期租約	31,000	63,200
		<hr/>	<hr/>
		33,750	65,720
		<hr/> <hr/>	<hr/> <hr/>

16. PROPERTY AND OTHER FIXED ASSETS

16. 物業及其他固定資產

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
THE GROUP	本集團			
COST	成本值			
At 1st January and 31st December, 2004	於二零零四年一月一日 及十二月三十一日	1,840	1,121	2,961
DEPRECIATION AND AMORTISATION	折舊及攤銷			
At 1st January, 2004	於二零零四年一月一日	1,303	1,036	2,339
Provided for the year	本年度撥備	38	37	75
At 31st December, 2004	於二零零四年 十二月三十一日	1,341	1,073	2,414
NET BOOK VALUE	賬面淨值			
At 31st December, 2004	於二零零四年 十二月三十一日	499	48	547
At 31st December, 2003	於二零零三年 十二月三十一日	537	85	622

16. PROPERTY AND OTHER FIXED ASSETS (cont'd)

The Group's leasehold land and buildings are situated in Hong Kong and held under medium-term leases.

16. 物業及其他固定資產 (續)

本集團之租賃土地及樓宇均位於香港，並按中期租約持有。

Furniture,
fixtures and
equipment
傢俬、裝置
及設備
HK\$'000
千港元

THE COMPANY	本公司	
COST	成本值	
At 1st January and 31st December, 2004	於二零零四年一月一日 及十二月三十一日	1,117
DEPRECIATION	折舊	
At 1st January, 2004	於二零零四一月一日	1,036
Provided for the year	本年度撥備	36
At 31st December, 2004	於二零零四年十二月三十一日	1,072
NET BOOK VALUE	賬面淨值	
At 31st December, 2004	於二零零四年十二月三十一日	45
At 31st December, 2003	於二零零三年十二月三十一日	81

17. PROPERTIES HELD FOR DEVELOPMENT

17. 持作發展物業

		HK\$'000 千港元
THE GROUP	本集團	
COST	成本值	
At 1st January, 2004	於二零零四年一月一日	12,000
Addition	添置	750
At 31st December, 2004	於二零零四年十二月三十一日	12,750
IMPAIRMENT	減值	
At 1st January and 31st December, 2004	於二零零四年一月一日及十二月三十一日	2,500
NET BOOK VALUE	賬面淨值	
At 31st December, 2004	於二零零四年十二月三十一日	10,250
At 31st December 2003	於二零零三年十二月三十一日	9,500

The carrying amount of properties held for development shown above comprises:

上述持作發展物業之賬面值包括：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Properties in Hong Kong held under:	於香港按以下租約持有之物業：		
Long lease	長期租約	9,500	9,500
Medium-term lease	中期租約	750	-
		10,250	9,500

18. PROPERTY INTERESTS HELD FOR DEVELOPMENT

18. 持作發展之物業權益

		HK\$'000 千港元
THE GROUP	本集團	
COST	成本值	
At 1st January, 2004	於二零零四年一月一日	197,551
Exchange difference	匯兌差額	330
		<hr/>
At 31st December, 2004	於二零零四年十二月三十一日	197,881
IMPAIRMENT	減值	
Provided for the year and at 31st December, 2004 (Note)	本年度撥備及 於二零零四年十二月三十一日(附註)	(183,381)
		<hr/>
NET BOOK VALUE	賬面淨值	
At 31st December, 2004	於二零零四年十二月三十一日	14,500
		<hr/>
At 31st December, 2003	於二零零三年十二月三十一日	197,551
		<hr/> <hr/>

The carrying amount of property interests held for development shown above comprises:

上述持作發展之物業權益之賬面值包括：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Land in PRC under long leases	於中國按長期租約持有之土地	-	183,051
Land in Hong Kong held under medium-term leases	於香港按中期租約持有之土地	14,500	14,500
		<hr/>	<hr/>
		14,500	197,551
		<hr/> <hr/>	<hr/> <hr/>

Note:

Impairment loss recognised in respect of property interests held for development

附註：

就持作發展之物業權益確認之減值虧損

18. PROPERTY INTERESTS HELD FOR DEVELOPMENT (cont'd)

Note: (cont'd)

The Group through a wholly-owned subsidiary ("SPV") has a property interest held for development in Chenghai Royal Garden ("Development Project"). The site with an area of approximately 466,662 sq.m. (5,023,150 sq.ft.) ("Land") is situated at the estuary of Xinjin River, Longhu District, Shantou, Guangdong Province, the People's Republic of China ("PRC"). Pursuant to a Contract for Pre-registration of Grant of State-owned Land Use Rights dated 5th August, 1992 ("Contract"), SPV has been granted a pre-registered land use rights of the Land by Shantou City Chenghai District Planning and State-owned Land Resources Bureau ("Chenghai Bureau"). The carrying amount of the Development Project as recorded by the Group ("Carrying Amount") is approximately HK\$183.4 million (equivalent to RMB195.1 million). Included in the Carrying Amount is a payment of approximately HK\$49.8 million (equivalent to RMB53 million) to the Chenghai Bureau under the Contract ("Amount Paid"). After submitting the application for the land requisition to the Chenghai Bureau and upon the land use rights of the Land being granted, SPV has to make a final payment of approximately HK\$23.4 million (equivalent to RMB24.9 million) ("Final Payment"). The deadline of application for the land requisition was 4th August, 1993 which had been extended four times at the request of SPV to 16th July, 2004 ("Deadline"). In view of the Deadline, the Group considered that, under the Contract, SPV may: (i) proceed to apply for the land requisition of the Land on or before the Deadline and settle the Final Payment; (ii) apply for an extension of the Deadline; or (iii) terminate the Contract and claim for a refund of approximately HK\$46.2 million (equivalent to RMB49.1 million), being part of the Amount Paid ("Amount Claimed").

The Group considered that it was not the suitable time to proceed with the land requisition and determined to request an extension of time. SPV therefore delivered a letter dated 19th April, 2004 to the Chenghai Bureau to request for an extension of the Deadline but the Chenghai Bureau refused to receive the letter and advised that such request should be diverted to Shantou City Longhu District Planning and State-owned Land Resources Bureau ("Longhu Bureau") and their supervisory bureau, Shantou City Planning and State-owned Land Resources Bureau ("Shantou Bureau"), since the authority and administrative power over the Land had already been transferred to the Longhu Bureau by that time. SPV then delivered letters of the same request to the Longhu Bureau and the Shantou Bureau. Both bureaus however insisted that they would not consider the request either and advised SPV to go back to the Chenghai Bureau for resolving the matter. Given the insistence of the three bureaus in refusing SPV's request of extension, SPV sought advices and assistance from Shantou governmental authorities, but to no avail.

In early July 2004, the Deadline became imminent and having considered that (i) extension of the Deadline is unlikely in view of the unexpected and undesirable replies from the bureaus; and (ii) the slowdown of the luxury residential market in Shantou, the Group determined not to proceed with the application of the land requisition and instead terminated the Contract and requested the Chenghai Bureau to refund the Amount Claimed.

18. 持作發展之物業權益 (續)

附註：(續)

本集團透過一全資附屬公司("SPV")於澄海海麗花園("發展項目")擁有物業發展權益。該地盤面積約為466,662平方米(5,023,150平方呎)("該土地")，位於中華人民共和國("中國")廣東省汕頭市龍湖區新津河河口。根據一九九二年八月五日訂立之國有土地使用權預約合同("該合同")，SPV獲汕頭市澄海區規劃與國土資源局("澄海當局")就發展項目授予該土地的預約土地使用權。本集團錄得發展項目之帳面值("帳面值")約為183,400,000港元(等同人民幣195,100,000元)。在帳面值中，約49,800,000港元(等同人民幣53,000,000元)之款項已付予澄海當局("已付金額")。向澄海當局遞交徵地申請後並獲授予該土地的土地使用權時，SPV須支付23,400,000港元(等同人民幣24,900,000元)之最後付款("最後付款")。徵地申請的最後限期曾為一九九三年八月四日，後應SPV之要求，四度延期至二零零四年七月十六日("該限期")。顧及該限期，本集團根據該合同，認為SPV可：(i)在該限期屆滿或以前進行土地的徵地申請及付清最後付款；(ii)申請延長該限期；(iii)終止該合同及要求退還已付金額其中約46,200,000港元(等同人民幣49,100,000元)("索償金額")。

本集團認為現時並非適當時候進行徵地，並決定申請延長限期。SPV因此於二零零四年四月十九日向澄海當局發出函件，要求延長該限期。但澄海當局拒絕接受函件，並建議這要求應向汕頭市龍湖區規劃與國土資源局("龍湖當局")及其上級機構汕頭市規劃與國土資源局("汕頭當局")提出，因為其時土地管理及行政權已被轉移至龍湖當局。SPV接著分別向龍湖當局及汕頭當局提出相同要求。然而，兩局堅持不會考慮該要求，並建議SPV轉返澄海當局尋求解決。面對三局堅拒接納SPV之延期要求，SPV遂向汕頭政府部門尋求建議及協助，但沒有實效。

於二零零四年七月初，該限期已臨近，並考慮到(i)基於以上當局的意外及不理想回應，申請延長該限期難以達致，以及(ii)汕頭豪宅市場的冷卻，本集團決定不進行徵地，並終止該合同及要求澄海當局退還索償金額。

18. PROPERTY INTERESTS HELD FOR DEVELOPMENT (cont'd)

Note: (cont'd)

Between July 2004 and February 2005, SPV issued four letters of demand to the Chenghai Bureau to notify the termination of the Contract and requested a refund of the Amount Claimed. SPV received three reply letters by which the Chenghai Bureau denied its obligation for the refund on the allegation that the pre-registration relationship between the parties under the Contract still exists. The Chenghai Bureau suggested the following three alternatives for SPV's consideration:

1. SPV proceeds to apply for land requisition of the Land and settles the Final Payment pursuant to the Contract despite of the Deadline; or
2. SPV applies for a portion of the Land with area equivalent to the Amount Paid; or
3. The Chenghai Bureau, upon the application from SPV for the termination of the Contract, refunds the Amount Paid without interest after successfully selling the Land to third parties by the Chenghai Bureau.

Based on the opinion from a legal firm in the PRC, which has taken into consideration the recent PRC policy for the granting of land issued by the Ministry of Land Resources, the Group is in doubt as to whether the Chenghai Bureau can perform any of the alternatives (2) and (3). Further if SPV accepts any alternatives as suggested, then SPV will be deemed to have waived its rights in the Amount Claimed.

The Group, after seeking advice from the legal firm, prepares not to accept any of the above alternatives as suggested by the Chenghai Bureau and has instructed the legal firm to initiate legal action against the Chenghai Bureau for its entitlements under the Contract including but not limited to the Amount Claimed.

Having considered the uncertainty in the recoverability of the Amount Claimed and any other entitlements under the Contract, the Group decides to make a full provision for an impairment loss of HK\$183,381,000 in the financial statements for the year ended 31st December, 2004.

18. 持作發展之物業權益 (續)

附註：(續)

於二零零四年七月及二零零五年二月間，SPV發出四封函件，通知澄海當局該合同的終止並要求退還索償金額。SPV收到三封回函，澄海當局於信函中否認其退還款項責任，聲稱雙方在該合同下的預約關係仍然存在。澄海當局提供三個選擇，供SPV考慮：

1. 不管該限期，SPV按該合同進行該土地的徵地申請並清付最後付款；或
2. 根據已付金額，SPV申請該土地中等量面積；或
3. 按SPV終止該合同的申請，澄海當局在成功售出該土地予第三者後，不計利息退還已付金額。

根據一中國律師事務所之意見(該律師事務所已了解國土資源部最近頒發的土地出讓政策)，本集團質疑澄海當局能否履行選擇(2)或(3)。此外，假如SPV接受以上任何選擇，SPV將被視為放棄對索償金額的權利。

經諮詢該律師事務所的意見後，本集團擬不接受澄海當局建議的以上任何選擇，並已指示該律師事務所採取法律行動控告澄海當局，以取回該合同授予之權利(包括但不限於索償金額)。

因考慮到追討索償金額及該合同授予之其他權利涉及的不明朗情況，本集團決定於截至二零零四年十二月三十一日止年度之財務報表作出183,381,000港元之全數減值虧損撥備。

19. INTERESTS IN SUBSIDIARIES

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
THE COMPANY	本公司		
Unlisted shares, at cost	非上市股份，成本值	10,391	10,391
Less: impairment loss recognised	減：已確認之減值虧損	(10,391)	(10,391)
		-	-
Advances to subsidiaries, net of allowances	向附屬公司提供墊款 (扣除準備)	401,104	567,649
		401,104	567,649

The advances are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of the Directors, the advances are unlikely to be repaid within one year from the balance sheet date and are therefore shown in the balance sheet as non-current.

Particulars of the Group's principal subsidiaries at 31st December, 2004 are set out in note 36.

19. 附屬公司權益

上述墊款為無抵押、免息及無固定還款期。董事認為，上述墊款不大可能於結算日後一年內償還，因此於資產負債表內列為非流動性質。

本集團主要附屬公司於二零零四年十二月三十一日之詳情載於附註36。

20. INTERESTS IN ASSOCIATES

		THE GROUP 本集團		THE COMPANY 本公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Share of net assets of associates	應佔聯營公司 資產淨值	184,657	121,092	-	-
Advances to associates, net of allowances	向聯營公司提供 墊款(扣除準備)	136,308	155,379	9,500	9,500
		320,965	276,471	9,500	9,500

20. 聯營公司權益

20. INTERESTS IN ASSOCIATES (cont'd)

The advances are unsecured and have no fixed repayment terms. Except for the amounts of HK\$9,500,000 (2003: HK\$9,500,000) and approximately HK\$99,712,000 (2003: HK\$116,539,000) advanced to two associates by the Group, which bear interest at 6.75% (2003: 6.75%) and 2.25% (2003: 2.25%) per annum, respectively, the remaining balances are non-interest bearing. The Group will not demand repayment of the advances within one year from the balance sheet date and the advances are therefore shown in the balance sheet as non-current.

The investment properties of the Group's principal associates were revalued at 31st December, 2004 on an open market value basis by Norton Appraisals Limited, independent professional surveyors. The share of net assets of associates includes the Group's attributable share of the investment property revaluation reserve.

Particulars of the Group's principal associates at 31st December, 2004 are set out in note 37.

The following details have been extracted from the financial statements of the Group's significant associates, as realigned with the Group's accounting policies.

20. 聯營公司權益 (續)

該等墊款為無抵押及無固定還款期。除本集團墊付予兩間聯營公司之9,500,000港元(二零零三年: 9,500,000港元)及約99,712,000港元(二零零三年: 116,539,000港元)分別按年利率6.75%(二零零三年: 6.75%)及2.25%(二零零三年: 2.25%)計算外,其餘墊款為免息。本集團不會於結算日起一年內要求還款,故該等墊款乃於資產負債表列作非流動性質。

本集團主要聯營公司之投資物業已於二零零四年十二月三十一日由獨立專業測計師行普敦國際評估有限公司以公開市值為基準進行重估。應佔聯營公司資產淨值包括了本集團應佔之投資物業重估儲備。

本集團主要聯營公司於二零零四年十二月三十一日之詳情載於附註37。

以下資料乃摘錄自本集團主要聯營公司之財務報表,並已就本集團之會計政策作出配合。

20. INTERESTS IN ASSOCIATES (cont'd)

20. 聯營公司權益(續)

		Finedale Industries Limited 廣坤實業有限公司		Healthy Point Limited 強邦有限公司	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Operating results for the year ended 31st December	截至十二月三十一日止年度之經營業績				
Turnover	營業額	23,425	24,992	3,593	3,967
Profit attributable to shareholders	股東應佔溢利	19,766	2,296	1,913	2,691
Group's share of profit (loss) attributable to shareholders (Note)	本集團應佔之股東應佔溢利(虧損)(附註)	6,589	(168)	957	219
Financial position at 31st December	於十二月三十一日之財政狀況				
Non-current assets	非流動資產	688,000	608,000	85,000	48,900
Current assets	流動資產	4,842	3,156	883	977
Current liabilities	流動負債	(19,599)	(10,194)	(1,338)	(1,304)
Non-current liabilities	非流動負債	(299,137)	(349,662)	25,819	23,778
Net assets	資產淨值	374,106	251,300	110,364	72,351
Net assets attributable to the Group	本集團應佔資產淨值	124,702	83,767	55,182	36,175
Advances to associates	墊付聯營公司之款項	99,712	116,539	-	-

Note: The Group shares the profit (loss) of the above associates since the completion of the Asset Transaction on 7th November, 2003.

附註：本集團應佔上述聯營公司之溢利(虧損)，自二零零三年十一月七日完成資產交易以後。

21. DEBTORS, DEPOSITS AND PREPAYMENTS

THE GROUP

Included in debtors, deposits and prepayments are trade debtors of approximately HK\$62,000 (2003: HK\$27,000) comprising mainly rental receivables. The following is an aged analysis of trade debtors at the balance sheet date:

	2004	2003
	HK\$'000	HK\$'000
	千港元	千港元
0 – 30 days	零至三十日	4
31 – 60 days	三十一日至六十日	4
Over 60 days	六十日以上	19

22. CREDITORS AND ACCRUALS

THE GROUP

In 2003 and 2004, there were no trade payables included in creditors and accruals of the Group.

21. 應收賬項、按金及預付款項

本集團

應收賬項、按金及預付款項包括應收貿易賬項約 62,000 港元 (二零零三年: 27,000 港元), 主要為應收租金。於結算日應收貿易賬項之賬齡分析如下:

	2004	2003
	HK\$'000	HK\$'000
	千港元	千港元
	24	4
	–	4
	38	19
	62	27

22. 應付賬項及應計費用

本集團

於二零零三年及二零零四年, 本集團之應付賬項及應計費用並無包括應付貿易賬項。

23. PROVISION FOR A LITIGATION CLAIM

THE GROUP AND THE COMPANY

A creditor of the Company, C.A. Pacific Finance Limited (in liquidation) (the "C.A. Pacific"), has served a writ and claimed against the Company for an amount of approximately HK\$8,427,000. The claim related to a margin loan granted to the Company by C.A. Pacific for the dealing of listed securities of Capital Asia Ltd (Stock code #283) (the "Capital Asia") (now called Matsunichi Communication Holdings Limited). The amount of claim comprises of the aggregate principal sum as at 19th January, 1998 and accrued interest thereon up to 15th October, 2004 of approximately HK\$4,905,000 and HK\$3,522,000 respectively.

The Company has filed a Defence and Counterclaim on 9th December, 2004 to deny its liability to pay the said sums while C.A. Pacific has filed their Reply and Defence to Counterclaim on 6th January, 2005.

As a result of the foregoing, the Group made a provision of approximately HK\$8,427,000 for the above litigation claim.

24. LOANS FROM MINORITY SHAREHOLDERS OF SUBSIDIARIES

THE GROUP

The loans are unsecured, non-interest bearing and have no fixed repayment terms.

25. ADVANCE FROM AN ASSOCIATE

THE GROUP

The amount is unsecured, non-interest bearing and has no fixed repayment terms. The advance is unlikely to be repaid within one year from the balance sheet date and is therefore shown in the balance sheet as non-current.

23. 索償訴訟撥備

本集團及本公司

本公司之債款人(清盤中) – C.A. Pacific Finance Limited (「C.A. Pacific」) – 已提交令狀及向本公司追討約8,427,000港元。該追討事宜關於一個被C.A. Pacific授予本公司以作Capital Asia Ltd(股票代號283) (「Capital Asia」) (現稱作 Matsunichi Communication Holdings Limited) 上市證券交易之孖展貸款，追討總額包括於一九九八年一月十九日之本金約4,905,000港元及截至二零零四年十月十五日止之利息3,522,000港元。

本公司已於二零零四年十二月九日提交抗辯書及反申索，否認其交付以上金額之責任，而C.A.Pacific於二零零五年一月六日提交答辯書及反申索的抗辯書。

由於以上原因，本集團為此訴訟作出約8,427,000港元之撥備。

24. 附屬公司少數股東貸款

本集團

該等貸款為無抵押、免息及無固定還款期。

25. 聯營公司墊款

本集團

該筆款項為無抵押、免息及無固定還款期。上述墊款不大可能於結算日後一年內償還，因此於資產負債表內列為非流動性質。

26. DEFERRED TAXATION LIABILITIES

THE GROUP

The following are the major deferred taxation (liabilities) and assets recognised by the Group and movements thereon during the current and prior reporting periods:

26. 遞延稅項負債

本集團

以下為本集團於本個及過往申報期間確認之主要遞延稅項(負債)與資產及其變動:

		Revaluation of investment properties 投資物業 重估 HK\$'000 千港元	Accelerated tax depreciation 加速稅務 折舊 HK\$'000 千港元	Tax losses 稅務虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Acquisition of a subsidiary during 2003	於二零零三年收購附屬公司	(1,223)	—	1,223	—
Credit to the income statement for the year (note 12)	撥入本年度收益表 (附註12)	—	39	543	582
Charge to investment property revaluation reserve for the year	自本年度投資物業 重估儲備扣除	(683)	—	—	(683)
At 31st December, 2003 and 1st January, 2004	於二零零三年 十二月三十一日及 二零零四年一月一日	(1,906)	39	1,766	(101)
Credit (charge) to the income statement for the year (note 12)	撥入(扣自)本年度 收益表(附註12)	—	97	(829)	(732)
Charge to investment property revaluation reserve for the year	自本年度投資物業 重估儲備扣除	(606)	—	—	(606)
Released on disposal of investment properties	出售投資物業時解除	1,013	—	—	1,013
At 31st December, 2004	於二零零四年 十二月三十一日	(1,499)	136	937	(426)

At the balance sheet date, the Group has unused taxation losses of approximately HK\$217,270,000 (2003: HK\$228,299,000) available for offset against future profits. A deferred taxation asset has been recognised in respect of approximately HK\$5,353,000 (2003: HK\$10,093,000) of such losses. No deferred taxation asset has been recognised in respect of the remaining tax losses of approximately HK\$211,917,000 (2003: HK\$218,206,000) due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely.

於結算日，本集團有未運用之稅務虧損約217,270,000港元(二零零三年：228,299,000港元)可用作抵銷未來溢利。已就該等虧損其中約5,353,000港元(二零零三年：10,093,000港元)確認遞延稅項資產。由於難以預測未來溢利多寡，故無就其餘之稅務虧損約211,917,000港元(二零零三年：218,206,000港元)確認遞延稅項資產。未確認之稅務虧損可能會永久結轉。

27. SHARE CAPITAL

27. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Authorised:	法定：		
At 1st January, 2003, ordinary shares of HK\$0.1 each	於二零零三年一月一日， 每股面值0.1港元之普通股	5,000,000,000	500,000
Share consolidation	股份合併	(4,900,000,000)	—
		100,000,000	500,000
Capital reduction	削減股本	—	(499,000)
		100,000,000	1,000
Increase in authorised share capital	增加法定股本	49,900,000,000	499,000
At 1st January, 2004 and 31st December, 2004, ordinary shares of HK\$0.01 each	於二零零四年一月一日及 十二月三十一日， 每股面值0.01港元之普通股	50,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
At 1st January, 2003, ordinary shares of HK\$0.1 each	於二零零三年一月一日， 每股面值0.1港元之普通股	2,971,305,343	297,131
Share consolidation	股份合併	(2,911,879,237)	—
		59,426,106	297,131
Capital reduction	削減股本	—	(296,536)
Issue of shares	發行股份	222,879,881	2,228
At 1st January, 2004 and 31st December, 2004, ordinary shares of HK\$0.01 each	於二零零四年一月一日及 十二月三十一日， 每股面值0.01港元之普通股	282,305,987	2,823

27. SHARE CAPITAL (cont'd)

The number of shares and share capital of the Company remain unchanged during the year.

During 2003, the following changes in the share capital of the Company (the "Capital Reorganisation") took place:

- (i) Pursuant to a special resolution at the extraordinary general meeting of the Company held on 28th March, 2003, the shareholders approved the following:
1. Every 50 shares of HK\$0.10 each in the share capital of the Company be consolidated ("Share Consolidation") into a share of HK\$5.00 each ("Consolidated Share");
 2. Immediately following the Share Consolidation, the par value of each of the Consolidated Share be reduced from HK\$5.00 to HK\$0.01 ("Capital Reduction");
 3. The credit arising as a result of the Capital Reduction, to the extent permitted by the Court and subject to any conditions which the Court may impose, applied towards the elimination of the accumulated losses of the Company; and
 4. Subject to the forth with upon the Capital Reduction taking effect, the authorised share capital of the Company be increased to HK\$500,000,000 by the creation of such number of new shares of HK\$0.01 each the aggregate nominal amount of which was equal to the amount by which the capital of the Company is reduced pursuant to the Capital Reduction.

An order was issued by the Court dated 7th October, 2003 to approve the Capital Reorganisation as resolved on and proposed to be effected by the resolution duly passed at the above extraordinary general meeting.

27. 股本 (續)

年內，本公司股份數目及股本並無變動。

於二零零三年，本公司股本有下列變動（「股本重組」）：

- (i) 根據於二零零三年三月二十八日舉行之本公司股東特別大會之特別決議案，股東批准以下事項：
1. 本公司股本中每50股每股面值0.10港元之股份合併（「股份合併」）為一股面值5.00港元之股份（「合併股份」）；
 2. 緊隨股份合併後，將每股合併股份之面值由5.00港元削減至0.01港元（「削減股本」）；
 3. 削減股本產生之進賬在法院批准之情況及符合法院施加之任何條件下用於撇銷本公司之累計虧損；及
 4. 當削減股本生效後，藉增設每股面值為0.01港元，總額相當於本公司因削減股本而削減之股本之新股份，將本公司之法定股本增至500,000,000港元。

法院於二零零三年十月七日發出命令，批准於上述股東特別大會上正式通過之決議案所議決及建議生效之股本重組。

27. SHARE CAPITAL (cont'd)

- (ii) On 7th November, 2003, the Company issued 222,879,881 shares of HK\$0.01 each to Chinese Estates as part of the consideration for the Asset Transaction.

The new shares were issued under the general mandate granted to the Directors of the Company at the extraordinary general meeting held on 28th March, 2003.

In order to maintain sufficient public float of the Company on completion of the Asset Transaction, Chinese Estates had made a special dividend by way of distribution in specie of 62,989,870 shares (representing 22.3% of the issued shares of the Company) to its shareholders other than major shareholders. At 31st December, 2003, Chinese Estates owned 73.59% equity interest in the Company.

All the shares issued during 2003 rank pari passu with the then existing ordinary shares in all aspects.

27. 股本 (續)

- (ii) 於二零零三年十一月七日，本公司向華人置業發行222,879,881股每股面值0.01港元之股份，作為資產交易之部份代價。

該等新股乃根據本公司董事會於二零零三年三月二十八日舉行之股東特別大會上獲授之一般授權而發行。

為使本公司於資產交易完成後有足夠之公眾持股量，華人置業以實物分派方式向主要股東以外之股東派發特別股息62,989,870股股份(佔本公司已發行股份22.3%)。於二零零三年十二月三十一日，華人置業擁有本公司73.59%股權。

所有於二零零三年內發行之股份在各方面與當時現有普通股享有同等權利。

28. RESERVES

28. 儲備

		Contribution from shareholders 股東注資 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Investment property revaluation reserve 投資物業 重估儲備 HK\$'000 千港元	Special capital reserve I & II 特別股本 儲備I及II HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Accumulated (losses) profits 累計 (虧損)溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE GROUP	本集團							
At 1st January, 2003	於二零零三年一月一日	-	66,250	-	-	-	(243,120)	(176,870)
Exchange difference on translation of overseas operations	換算海外業務 之匯兌差額	-	-	-	-	(311)	-	(311)
Surplus on revaluation	重估盈餘	-	-	4,000	-	-	-	4,000
Share of increase in associates' reserves for the year	本年度應佔聯營 公司儲備增加	-	-	5,934	-	-	-	5,934
Deferred taxation liability arising on revaluation of investment properties	重估投資物業時產生 之遞延稅項負債	-	-	(683)	-	-	-	(683)
Net gain not recognised in the income statement	未於收益表確認 之收益淨額	-	-	9,251	-	(311)	-	8,940
Capital reduction (Note b)	削減股本(附註b)	-	-	-	51,511	-	245,025	296,536
Shares issued at premium	以溢價發行股份	-	376,667	-	-	-	-	376,667
Expenses of the Asset Transaction (Note a)	資產交易之開支(附註a)	(2,061)	-	-	-	-	-	(2,061)
Arising on acquisition and disposal of subsidiaries under the Asset Transaction	根據資產交易收購及 出售附屬公司所產生	122,131	-	-	-	-	-	122,131
Arising on realisation of reduced capital on disposal of subsidiaries (Note c)	出售附屬公司後變現已削減 股本所產生(附註c)	(3,209)	-	-	3,209	-	-	-
Loss for the year	本年度虧損	-	-	-	-	-	(204)	(204)
		116,861	376,667	-	54,720	-	244,821	793,069
At 31st December, 2003	於二零零三年 十二月三十一日	116,861	442,917	9,251	54,720	(311)	1,701	625,139

28. RESERVES (cont'd)

28. 儲備 (續)

		Contribution from shareholders 股東注資 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Investment property revaluation reserve 投資物業 重估儲備 HK\$'000 千港元	Special capital reserve I & II 特別股本 儲備I及II HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Accumulated (losses) profits 累計 (虧損)溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE GROUP	本集團							
At 1st January, 2004	於二零零四年一月一日	116,861	442,917	9,251	54,720	(311)	1,701	625,139
Exchange difference on translation of overseas operations	換算海外業務之匯兌差額	-	-	-	-	311	-	311
Surplus on revaluation	重估盈餘	-	-	3,695	-	-	-	3,695
Share of increase in associates' reserves for the year	本年度應佔聯營公司儲備增加	-	-	56,014	-	-	-	56,014
Deferred taxation liability arising on revaluation of investment properties	重估投資物業產生之遞延稅項負債	-	-	(606)	-	-	-	(606)
Net gain not recognised in the income statement	未於收益表確認之收益淨額	-	-	59,103	-	311	-	59,414
Revaluation reserve released on disposal of investment properties	出售投資物業時解除之重估儲備	-	-	(3,454)	-	-	-	(3,454)
Revaluation reserve released on disposal of associates' properties	出售聯營公司物業時解除之重估儲備	-	-	(168)	-	-	-	(168)
Deferred tax liability released on disposal of investment properties	出售投資物業時解除之遞延稅項負債	-	-	1,013	-	-	-	1,013
Tax adjustment on disposal of properties held for development prior to the acquisition of the subsidiaries in the Asset Transaction (Note e)	在資產交易中收購附屬公司前出售持作發展物業之稅項調整(附註e)	(578)	-	-	-	-	-	(578)
Loss for the year	本年度虧損	-	-	-	-	-	(167,678)	(167,678)
		(578)	-	(2,609)	-	-	(167,678)	(170,865)
At 31st December, 2004	於二零零四年十二月三十一日	116,283	442,917	65,745	54,720	-	(165,977)	513,688

The accumulated (losses) profits of the Group include profits of approximately HK\$7,769,000 (2003: HK\$51,000) attributable to associates.

本集團之累計(虧損)溢利包括聯營公司應佔溢利約7,769,000港元(二零零三年: 51,000港元)。

28. RESERVES (cont'd)

28. 儲備 (續)

		Contribution from shareholders 股東注資 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Investment property revaluation reserve 投資物業 重估儲備 HK\$'000 千港元	Special capital reserve I & II 特別股本 儲備I及II HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Accumulated (losses) profits 累計 (虧損)溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE COMPANY	本公司							
At 1st January, 2003	於二零零三年一月一日	-	66,250	-	-	-	(245,025)	(178,775)
Capital reduction (Note b)	削減股本 (附註b)	-	-	-	51,511	-	245,025	296,536
Shares issued at premium	以溢價發行股份	-	376,667	-	-	-	-	376,667
Expenses of the Asset Transaction (Note a)	資產交易之開支 (附註a)	(2,061)	-	-	-	-	-	(2,061)
Arising on acquisition and disposal of subsidiaries under the Asset Transaction	根據資產交易收購及出售附屬公司所產生	122,324	-	-	-	-	-	122,324
Arising on realisation of reduced capital on disposal of subsidiaries (Note c)	出售附屬公司後變現已削減股本所產生 (附註c)	(3,209)	-	-	3,209	-	-	-
Profit for the year	本年度溢利	-	-	-	-	-	5,349	5,349
At 31st December, 2003 and 1st January, 2004	於二零零三年十二月三十一日及二零零四年一月一日	117,054	442,917	-	54,720	-	5,349	620,040
Loss for the year	本年度虧損	-	-	-	-	-	(108,553)	(108,553)
At 31st December, 2004	於二零零四年十二月三十一日	117,054	442,917	-	54,720	-	(103,204)	511,487

28. RESERVES (cont'd)

Notes:

(a) Asset Transaction

On 11th February, 2003, the Company and Jumbo Legend Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Chinese Estates Holdings Limited ("Chinese Estates") relating to, among other things, the purchase of a group of wholly-owned subsidiaries of Chinese Estates, which held direct or indirect interests in various properties, and the sale of Super Series Limited ("Super Series"), a wholly-owned subsidiary of the Company which held 100% indirect interest in the development project of Manhattan Avenue (the "Asset Transaction"). The Asset Transaction was completed on 7th November, 2003 and resulted in the acquisition of seven investment properties interests located at Hung Hom; Mong Kok; Sha Tin; Tuen Mun; Kwun Tong; Kwai Chung and Tsim Sha Tsui in Hong Kong and six other properties interests located at Clear Water Bay; Ma Yau Tong; Hung Hom in Hong Kong and Tianjin; Panyu; Shantou in the People's Republic of China respectively.

(b) As part of the capital reorganisation, an order on petition dated 7th October, 2003 (the "Order") was issued by the High Court of Hong Kong Special Administrative Region of the People's Republic of China in connection with the reduction of the capital of the Company for an amount of HK\$296,536,273. Pursuant to the Order, the Company applied HK\$245,024,687 to eliminate its accumulated losses as at 31st December, 2003 while the remaining balance of HK\$51,511,586 was included in a "Special Capital Reserve I" account.

(c) The Order further stated the Company undertakes that any future recoveries of the advances to Super Series Limited, a former wholly owned subsidiary of the Company, which was disposed under the Asset Transaction, beyond their written down value has to be credited to "Special Capital Reserve II". Accordingly, the gain on disposal of Super Series was included in this reserve.

(d) The Company shall at liberty to apply the Special Capital Reserve I and II for the same purposes as share premium account may be applied.

(e) The amount represented adjustment on tax liability of a subsidiary acquired under the Asset Transaction from Chinese Estates in November 2003.

28. 儲備 (續)

附註：

(a) 資產交易

於二零零三年二月十一日，本公司及本公司之全資附屬公司Jumbo Legend Limited與Chinese Estates Holdings Limited(「華人置業」)訂立一份買賣協議，內容有關(其中包括)購買華人置業一組全資附屬公司(該等附屬公司持有各項物業之直接或間接權益)，以及出售本公司之全資附屬公司Super Series Limited(「Super Series」)(該公司持有Manhattan Avenue發展項目之100%間接權益)(「資產交易」)。資產交易已於二零零三年十一月七日完成，並因而分別收購位於香港紅磡、旺角、沙田、屯門、觀塘、葵涌及尖沙咀的七項投資物業權益，及位於香港清水灣、馬游塘、紅磡及中國之天津市、番禺市及汕頭市的六項其他物業權益。

(b) 作為股本重組一部份，中華人民共和國香港特別行政區高等法院於二零零三年十月七日就削減本公司股本296,536,273港元之呈請發出命令(「命令」)。根據命令，本公司運用245,024,687港元撇銷其於二零零三年十二月三十一日之累計虧損，餘下51,511,586港元撥入「特別股本儲備I」賬目。

(c) 命令並規定本公司日後若收回墊付予本公司已根據資產交易出售之前全資附屬公司Super Series Limited之款項超出其已撇減之數值，則多出之部份須撥入「特別股本儲備II」。因此，出售Super Series Limited之收益已撥入該項儲備。

(d) 本公司可選擇按與股份溢價賬相同之運用方式運用特別股本儲備I及II。

(e) 此款項指根據資產交易於二零零三年十一月向華人置業收購附屬公司對稅項負債所作之調整。

29. ACQUISITION AND DISPOSAL OF SUBSIDIARIES UNDER THE ASSET TRANSACTION

THE GROUP

Summary of the net effects of acquisition and disposal of subsidiaries under the Asset Transaction during 2003 was set out below.

29. 根據資產交易收購及出售附屬公司

本集團

下表概列二零零三年內根據資產交易收購及出售附屬公司之淨影響。

		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Net assets acquired:	收購資產淨值：		
Investment properties	投資物業	-	62,150
Property and other fixed assets	物業及其他固定資產	-	4
Property held for development	持作發展物業	-	3,800
Property interests held for development	持作發展之物業權益	-	197,937
Interests in associates	聯營公司權益	-	274,715
Properties held for sale	持作出售物業	-	41,100
Debtors, deposits and prepayments	應收賬項、按金及預付款項	-	4,040
Taxation recoverable	可收回稅項	-	15
Bank balances and cash	銀行結餘及現金	-	33,068
Creditors and accruals	應付賬項及應計費用	-	(3,005)
Advance from an associate	聯營公司墊款	-	(11,889)
		-	601,935
Arising on acquisition and disposal of subsidiaries under the Asset Transaction (Note)	根據資產交易收購及出售附屬公司所產生(附註)	-	(122,131)
		-	479,804

29. ACQUISITION AND DISPOSAL OF SUBSIDIARIES UNDER THE ASSET TRANSACTION (cont'd)

29. 根據資產交易收購及出售附屬公司(續)

THE GROUP (cont'd)

本集團(續)

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Satisfied by:	以下列方式支付：		
Net assets of subsidiaries disposed of:	出售之附屬公司資產淨值：		
Properties under development for sale	發展中待售物業	-	146,672
Debtors, deposits and prepayments	應收賬項、按金及預付款項	-	34,004
Bank balances and cash	銀行結餘及現金	-	75,136
Creditors and accruals	應付賬項及應計費用	-	(154,903)
		-	100,909
Issue of shares	發行股份	-	378,895
		-	479,804
Net cash outflow arising on acquisition and disposal of subsidiaries:	因收購及出售附屬公司產生之現金流出淨額：		
Bank balances and cash acquired	所收購之銀行結餘及現金	-	33,068
Bank balances and cash disposed of	所出售之銀行結餘及現金	-	(75,136)
Net outflow of cash and cash equivalents	現金及現金等同項目流出淨額	-	(42,068)

Note: The subsidiaries were acquired from Chinese Estates Group. The excess of the fair value of the net assets acquired over the consideration paid was treated as contribution from Chinese Estates Group and credited to equity as 'Contribution from shareholders'.

附註：該等附屬公司乃收購自華人置業集團。所收購之資產淨值之公平價值超過代價之部份視為華人置業集團之注資並撥作股東權益及歸入「股東注資」。

The subsidiaries acquired in November, 2003 under the Asset Transaction did not contribute significantly to the Group's results for 2003.

於二零零三年十一月根據資產交易收購之附屬公司對本集團之二零零三年業績並無重大貢獻。

The subsidiaries disposed of during 2003 contributed profits of HK\$193,000 to the Group's results for 2003 and these subsidiaries had no turnover in 2003.

於二零零三年內出售之附屬公司為本集團之二零零三年業績帶來溢利193,000港元；該等附屬公司在二零零三年並無錄得營業額。

30. DISPOSAL OF A SUBSIDIARY

THE GROUP

Summary of the effects of disposal of a subsidiary during 2003.

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Net assets disposed of:	出售之資產淨值：		
Investment properties	投資物業	-	950
Creditors and accruals	應付賬項及應計費用	-	(4)
		-	946
Loss on disposal of a subsidiary	出售附屬公司之虧損	-	(826)
		-	120
Satisfied by:	以下列方式支付：		
Cash consideration	現金代價	-	120
Cash inflow arising on disposal:	出售產生之現金流入：		
Cash received	已收現金	-	120

The subsidiary disposed of during 2003 did not contribute significantly to the Group's results for 2003.

30. 出售附屬公司

本集團

於二零零三年內出售附屬公司之影響概要

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Net assets disposed of:	出售之資產淨值：		
Investment properties	投資物業	-	950
Creditors and accruals	應付賬項及應計費用	-	(4)
		-	946
Loss on disposal of a subsidiary	出售附屬公司之虧損	-	(826)
		-	120
Satisfied by:	以下列方式支付：		
Cash consideration	現金代價	-	120
Cash inflow arising on disposal:	出售產生之現金流入：		
Cash received	已收現金	-	120

於二零零三年內出售之附屬公司對本集團之二零零三年業績並無重大貢獻。

31. OPERATING LEASE COMMITMENTS

THE GROUP AS LESSEE

Minimum lease payments under operating leases
in respect of office premises during the year

於本年度有關辦公室物業
之營業租約最低租金

2004	2003
HK\$'000	HK\$'000
千港元	千港元

63	75
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At the balance sheet date, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

於結算日，本集團不可取消營業租約之未償還承擔於下列期間到期：

2004	2003
HK\$'000	HK\$'000
千港元	千港元

Within one year
In the second to fifth year inclusive

一年內
第二至第五年（包括首尾兩年）

58	15
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10	—
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68	15
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Operating lease payments represent rentals payable by the Group for certain of its office premises. Lease is negotiated for a fixed term of two years.

營業租約租金為本集團就其若干辦公室物業應付之租金。租約每兩年磋商一次。

THE GROUP AS LESSOR

Property rental income earned for the year was approximately HK\$5,715,000 (2003: HK\$890,000)*

本集團作為出租人
年內賺取之物業租金收入約5,715,000港元（二零零三年：890,000港元）。*

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

於結算日，本集團已就下列日後最低租金與租戶訂約：

2004	2003
HK\$'000	HK\$'000
千港元	千港元

Within one year
In the second to fifth year inclusive

一年內
第二至第五年（包括首尾兩年）

1,291	3,267
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839	522
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2,130	3,789
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31. OPERATING LEASE COMMITMENTS

* Certain of the Group's investment properties and properties held for sale, with carrying amounts of approximately HK\$35,665,000 and HK\$12,304,000, respectively were disposed of during the year. The remaining properties are expected to generate rental yields of 16.9% on an ongoing basis. Part of the properties held have committed tenants not exceeding approximately two and a half years.

32. COMMITMENTS

THE GROUP

Capital expenditure in respect of the acquisition of property interests held for development contracted for but not provided in the financial statements

Commitments in respect of development expenditure of properties held for development in Hong Kong contracted for but not provided in the financial statements

THE COMPANY

The Company did not have any significant capital commitments at 31st December, 2004 and 2003.

31. 營業租約承擔

* 年內，本集團若干賬面值分別約35,665,000港元及12,304,000港元之投資物業及持作出售物業已經出售。其餘物業預期將持續產生16.9%的租金回報率。部份持有之物業均已與租戶訂立不超過約2½年之租約。

32. 承擔

本集團

Capital commitments	
資本承擔	
2004	2003
HK\$'000	HK\$'000
千港元	千港元

已訂約但尚未於財務報表撥備，有關收購持作發展之物業權益之資本開支

— 23,563

已訂約但尚未於財務報表撥備，有關香港持作發展物業開支之承擔

506 —

506 23,563

本公司

於二零零四年及二零零三年十二月三十一日，本公司並無任何重大資本承擔。

33. RETIREMENT BENEFITS SCHEMES

THE GROUP

The Group operates a Mandatory Provident Fund Scheme (the 'MPF Scheme') for all qualifying employees. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by employees.

The total cost charged to the income statement of approximately HK\$41,000 (2003: HK\$9,000) represents contributions payable to the MPF Scheme by the Group in respect of the current accounting year.

34. POST BALANCE SHEET EVENT

On 24th January, 2005, the Company entered into a placing agreement with its placing agent to place 56,460,000 shares of the Company at HK\$0.95 each (the "Placing"). The Placing was completed on 2nd February, 2005 and the net proceeds of approximately HK\$52.8 million from the Placing.

35. RELATED PARTY TRANSACTION

THE GROUP AND THE COMPANY

By a sub-lease agreement dated 29th March, 2004 entered into between the Company and Chinese Estate, Limited ("CEL"), a wholly-owned subsidiary of Chinese Estates, CEL agreed to sub-lease to the Company the office premises at Room 103, 1st Floor, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong on normal commercial terms for two years commencing from 1st March, 2004 to 28th February, 2006 at a monthly rental of HK\$4,837.

This related party transaction also constituted continuing connected transaction-de minimis transaction, as defined in the Listing Rules.

33. 退休福利計劃

本集團

本集團為所有合資格僱員設立一項強制性公積金計劃(「強積金計劃」)。強積金計劃資產與本集團資產乃由受託人分開管理。本集團根據有關工資向強積金計劃作出5%供款，與僱員所作之供款相同。

於收益表扣除之總成本約為41,000港元(二零零三年：9,000港元)，乃本集團於本會計年度應付強積金計劃之供款。

34. 結算日後事宜

於二零零五年一月二十四日，本公司與其配售代理訂立配售協議，以每股0.95港元配售本公司56,460,000股股份(「配售」)。配售於二零零五年二月二日完成，而配售所得款項淨額約為52,800,000港元。

35. 關連人士交易

本集團及本公司

根據本公司與華人置業之全資附屬公司華人置業有限公司(「華置」)於二零零四年三月二十九日訂立之分租協議，華置同意按一般商業條款向本公司分租位於香港灣仔告士打道38號美國萬通大廈1樓103室之寫字樓物業，租期由二零零四年三月一日起至二零零六年二月二十八日止兩年，月租為4,837港元。

該關連人士交易按上市規則的定義亦構成持續關連人士交易及最低豁免規定交易。

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The Directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the following list discloses only the particulars of those subsidiaries as at 31st December, 2004 which principally affect the results or assets of the Group.

36. 主要附屬公司詳情

董事會認為列出全部附屬公司資料會令篇幅過於冗長。故此，下表只披露於二零零四年十二月三十一日對本集團之業績或資產有重要影響之附屬公司之詳情。

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立 或經營地點	Class of share /registered capital held 所持 股份/註冊 資本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持 繳足股本/註冊股本 面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Shantou Royal Garden Company Limited## 汕頭市海麗花園有限公司##	PRC 中國	Registered capital 註冊資本	RMB34,504,540 人民幣34,504,540元	–	100%	Property development 物業發展
Comford Tower Limited	Republic of Liberia 利比里亞共和國	Ordinary 普通股	US\$1 1美元	–	100%	Investment holding 投資控股
Country Homes Limited	Hong Kong 香港	Ordinary 普通股 Non-voting deferred ordinary 無投票權 遞延普通股 Non-voting deferred founder 無投票權 遞延創立人股	HK\$200 200港元 HK\$164,400 164,400港元	–	100%	Property development 物業發展
Country Honour Limited 國賢有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Property development 物業發展

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

36. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立 或經營地點	Class of share /registered capital held 所持 股份/註冊 資本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持 繳足股本/註冊股本 面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Farnell Venture Inc.	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	—	100%	Investment holding 投資控股
First Castle Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島/ 香港	Ordinary 普通股	US\$1 1美元	—	100%	Property investment 物業投資
Konshing Enterprises Limited 冠盛企業有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000 1,000港元	—	51%	Property development 物業發展
Lucky Guide International Limited 冠林國際有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	—	51%	Property investment 物業投資
Moregift Investments Limited	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	100%	—	Property holding 物業持有
Sanewing Investments Limited 先榮投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	—	100%	Property investment 物業投資
Union Spark Investment Limited 彩裕投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	—	100%	Investment holding 投資控股
View Success Investments Limited 景亨投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	—	100%	Property investment and trading 物業投資及買賣

Wholly foreign-owned enterprise

外商獨資企業

None of the subsidiaries had any loan capital subsisting at the end of the year or at anytime during the year.

概無任何附屬公司於年結時或本年度內任何時間存在任何借貸股本。

37. PARTICULARS OF PRINCIPAL ASSOCIATES

37. 主要聯營公司詳情

Name of associate 聯營公司名稱	Place of incorporation and operation 註冊成立 及經營地點	Percentage of equity attributable to the Group 本集團應佔 股權百分比	Principal activity 主要業務
Earn Elite Development Limited 盈才發展有限公司	Hong Kong 香港	50%	Property investment 物業投資
Finedale Industries Limited 廣坤實業有限公司	Hong Kong 香港	33 $\frac{1}{3}$ %	Property investment 物業投資
Healthy Point Limited 強邦有限公司	Hong Kong 香港	50%	Property investment 物業投資