

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1st April, 2003 to 31st December, 2003

35. SHARE OPTION SCHEMES (cont'd)

(c) 2002 Scheme (cont'd)

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and the other schemes shall not exceed 10% of the shares in issue at the date on which the 2002 Scheme becomes unconditional (the "Mandate Limit"). Options lapsed will not be counted for the purpose of calculating the Mandate Limit. For the avoidance of doubt, the share underlying the options which have been cancelled and have not lapsed will be counted as part of the Mandate Limit.

The Mandate Limit may be refreshed at any time by the approval of the shareholders in general meeting provided that the total number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and the other share option schemes must not exceed 10% of the shares in issue at the date of such shareholders' approval. For the avoidance of doubt, options previously granted under the 2002 Scheme and the other share option schemes (including those outstanding, cancelled, lapsed in accordance with the 2002 Scheme and the other share option schemes of the Company or exercised options) will not be counted for the purpose of calculating the refreshed 10%.

The Company may, by the approval of the shareholders in general meeting, grant options beyond the 10% limit provided that the options in excess of the 10% limit are granted only to employees specifically identified by the Company before shareholders' approval is sought.

Unless approved by the shareholders as set out herein, the total number of shares issued and to be issued upon exercise of the options granted to each employee (including both exercised and outstanding options) in any twelve month period must not exceed 1% of the shares of the Company in issue. Where any further grant of options to an employee would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the twelve month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by the shareholders in general meeting with such employee and his associates abstaining from voting.

財務報告附註

二零零三年四月一日至二零零三年十二月三十一日期間

35. 購股權計劃 (續)

(c) 二零零二年計劃 (續)

因行使按二零零二年計劃及其他計劃將予獲授之所有購股權而可予發行之股數上限，不得超過於二零零二年計劃成為無條件當日已發行股份之10%（「授權限額」）。於計算授權限額時，作廢之購股權不會計入。為免混淆，已註銷但未有作廢之購股權涉及之股份，將計入作為授權限額之一部份。

授權限額經股東在股東大會上批准後可隨時更新，惟因行使按二零零二年計劃及其他購股權計劃授出之所有購股權可予發行之股份總數，不得超過取得上述股東批准當日之已發行股份之10%。為免混淆，過往按二零零二年計劃及其他購股權計劃授出之購股權（包括未行使、已註銷、按二零零二年計劃及本公司其他購股權計劃作廢之購股權或已行使之購股權），於計算更新之10%時不會計入。

本公司可在股東於股東大會批准之情況下，授出超過10%限額之購股權，惟超過10%限額之購股權只可授予本公司於尋求股東批准前列明之僱員。

除非按本文所述獲得股東批准，否則，因行使於任何十二個月期間內向各僱員授出之購股權（包括已行使及未行使購股權）而已獲及將獲發行之股份總數，不得超過本公司已發行股份之1%。如向任何僱員進一步授出購股權會導致因其行使於截至進一步授出購股權之日期（該日期包括在內）止之任何十二個月期間內經已及將會獲授之所有購股權（包括已行使、已註銷及未行使之購股權）而已獲及將獲發行之股份，合共超過已發行股份之1%，則進一步授出購股權之事宜須在股東大會上獲股東另行批准，而有關僱員及其聯繫人士均不得投票。

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For the period from 1st April, 2003 to 31st December, 2003

35. SHARE OPTION SCHEMES (cont'd)

(c) 2002 Scheme (cont'd)

However, the overall limit on the number of shares which may be issued upon exercise of all options granted under all share option schemes of the Company must not exceed 30% of the shares in issue from time to time.

The following tables disclose details of the Company's share options held by employees (including directors) and movements in such holdings during the period:

(a) 1990 Scheme

一九九零年計劃

| Date of grant 授出日期 | Exercise price per share 每股行使價 HK\$ 港元 | Exercisable period 行使期 | Number of share options 購股權數目 | | |
|-----------------------|--|---------------------------|--|---|---|
| | | | Outstanding at 1.4.2002 於二零零二年 四月一日 尚未行使 | Lapsed on expiry during the year 於年內期滿 而作廢 | Outstanding at 31.3.2003 and 31.12.2003 於二零零三年 三月三十一日及 二零零三年十二月 三十一日尚未行使 |
| 30.10.1999 | 16.920 | 30.10.1999 – 30.10.2002 | 584,259 | (584,259) | – |
| 4.1.2000 | 29.150 | 4.1.2000 – 4.1.2003 | 264,806 | (264,806) | – |
| 5.1.2000 | 31.560 | 5.1.2000 – 5.1.2003 | 12,831 | (12,831) | – |
| 6.1.2000 | 33.100 | 6.1.2000 – 6.1.2003 | 65,299 | (65,299) | – |
| 20.1.2000 | 37.360 | 20.1.2000 – 20.1.2003 | 557,910 | (557,910) | – |
| 24.3.2000 | 17.170 | 24.3.2000 – 24.3.2003 | 562,493 | (562,493) | – |
| | | | <u>2,047,598</u> | <u>(2,047,598)</u> | <u>–</u> |

(b) 2000 Scheme

二零零零年計劃

| Date of grant 授出日期 | Exercise price per share 每股行使價 HK\$ 港元 | Exercisable period 行使期 | Number of share options 購股權數目 | | |
|-----------------------|--|---------------------------|--|--|---|
| | | | Outstanding at 1.4.2002 於二零零二年 四月一日 尚未行使 | Lapsed on resignation during the year* 於年內辭職 而作廢* | Outstanding at 31.3.2003 於二零零三年 三月三十一日 尚未行使 |
| 26.8.2000 | 8.790 | 26.8.2000 – 25.8.2010 | 2,400,046 | (1,432,009) | 968,037 |
| 28.8.2000 | 8.790 | 28.8.2000 – 27.8.2010 | 372,322 | (372,322) | – |
| 21.2.2001 | 1.740 | 21.2.2001 – 20.2.2011 | 876,389 | (114,560) | 761,829 |
| | | | <u>3,648,757</u> | <u>(1,918,891)</u> | <u>1,729,866</u> |

財務報告附註

二零零三年四月一日至二零零三年十二月三十一日期間

35. 購股權計劃 (續)

(c) 二零零二年計劃 (續)

然而，因行使本公司所有購股權計劃授出之全部購股權而可予發行之股份之整體限制，不得超過不時之已發行股份之 30%。

下表披露由僱員（包括董事）持有之本公司購股權及該等購股權於期內之變動詳情：

NOTES TO THE FINANCIAL STATEMENTS

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財務報告附註

二零零三年四月一日至二零零三年十二月三十一日期間

35. SHARE OPTION SCHEMES (cont'd)

35. 購股權計劃 (續)

(b) 2000 Scheme (cont'd)

二零零零年計劃 (續)

| Date of grant 授出日期 | Exercise price per share 每股行使價 HK\$ 港元 | Exercisable period 行使期 | Number of share options 購股權數目 | | |
|-----------------------|--|---------------------------|---|---|--|
| | | | Outstanding at 1.4.2003 於二零零三年 四月一日 尚未行使 | Wavied during the period 於期內放棄 | Outstanding at 31.12.2003 於二零零三年 十二月三十一日 尚未行使 |
| 26.8.2000 | 8.790 | 26.8.2000 – 25.8.2010 | 968,037 | (968,037) | — |
| 21.2.2001 | 1.740 | 21.2.2001 – 20.2.2011 | 761,829 | (761,829) | — |
| | | | <u>1,729,866</u> | <u>(1,729,866)</u> | <u>—</u> |

* The outstanding options are declared lapsed by the board of directors of the Company upon the resignation of the directors or employees holding the share options.

* 因持有該等未行使購股權之董事或僱員辭職，本公司董事會宣布該等購股權作廢。

(c) 2002 Scheme

二零零二年計劃

| Date of grant 授出日期 | Exercise price per share 每股行使價 HK\$ 港元 | Exercisable period 行使期 | Number of share options 購股權數目 | | | | | Outstanding at 31.3.2003 and 31.12.2003 於二零零三年 三月三十一日及 二零零三年 十二月三十一日 尚未行使 |
|-----------------------|--|---------------------------|---|---------------------------------------|---|---|--|--|
| | | | Outstanding at 1.4.2002 於二零零二年 四月一日 尚未行使 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Lapsed on expiry during the year 於年內期滿 而作廢 | Lapsed on resignation during the year* 於年內辭職 而作廢* | |
| 21.3.2002 | 0.086 | 21.3.2002 – 30.9.2002 | 20,648,000 | — | — | (18,448,000) | (2,200,000) | — |
| 22.8.2002 | 0.027 | 22.8.2002 – 28.2.2003 | — | 10,000,000 | (10,000,000) | — | — | — |
| 25.10.2002 | 0.011 | 25.10.2002 – 30.4.2003 | — | 6,500,000 | (6,500,000) | — | — | — |
| 29.11.2002 | 0.010 | 29.11.2002 – 30.6.2003 | — | 16,900,000 | (16,900,000) | — | — | — |
| 2.12.2002 | 0.010 | 2.12.2002 – 30.6.2003 | — | 4,000,000 | (4,000,000) | — | — | — |
| | | | <u>20,648,000</u> | <u>37,400,000</u> | <u>(37,400,000)</u> | <u>(18,448,000)</u> | <u>(2,200,000)</u> | <u>—</u> |

* The outstanding options were declared lapsed by the board of directors of the Company upon resignation of the directors or employees holding the options.

* 因持有該等未行使購股權之董事或僱員辭職，本公司董事會宣布該等購股權作廢。

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1st April, 2003 to 31st December, 2003

財務報告附註

二零零三年四月一日至二零零三年十二月三十一日期間

36. SHARE PREMIUM AND RESERVES

36. 股份溢價及儲備

| | | Share premium 股份溢價 HK\$'000 千港元 | Share capital deemed to be issued 被視為 已發行之 股本 HK\$'000 千港元 | Contributed surplus 繳入盈餘 HK\$'000 千港元 | (Deficit) retained profit (虧絀) 保留溢利 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|--|-----------------------------------|---|--|---|--|--------------------------------|
| THE COMPANY | 本公司 | | | | | |
| At 1st April, 2002 | 於二零零二年四月一日 | 142,029 | — | 392,480 | (706,092) | (171,583) |
| Premium arising on issue of shares | 發行股份之溢價 | 21,433 | — | — | — | 21,433 |
| Expenses in connection with the issue of shares | 發行股份 之開支 | (863) | — | — | — | (863) |
| Loss for the year | 年度虧損 | — | — | — | (236,987) | (236,987) |
| At 1st April, 2003 | 於二零零三年四月一日 | 162,599 | — | 392,480 | (943,079) | (388,000) |
| Effect of capital reduction (note) | 削減股本之影響 (附註) | (162,599) | — | 175,114 | — | 12,515 |
| Transfer to deficit | 撥往虧絀 | — | — | (567,594) | 567,594 | — |
| Premium arising on issue of shares | 發行股份之溢價 | 16,300 | — | — | — | 16,300 |
| Shares deemed to be issued under Restructuring and Settlement Deed (note 34) | 根據重組及償債契據 被視為已發行之股份 (附註 34) | — | 5,086 | — | — | 5,086 |
| Profit for the period | 期間溢利 | — | — | — | 438,007 | 438,007 |
| At 31st December, 2003 | 於二零零三年十二月三十一日 | 16,300 | 5,086 | — | 62,522 | 83,908 |

Note: The opening balance of the contributed surplus of the Company represented the difference between the nominal value of the share capital issued by the Company and the underlying net assets of subsidiaries which were acquired by the Company pursuant to the group reorganisation in 1990; and the credit arising from the reduction of share capital and cancellation of share premium, net of application towards elimination of the deficit of the Company.

附註：本公司繳入盈餘之期初結餘指本公司已發行股本之面值與本公司於一九九零年根據集團重組購入附屬公司基本資產淨值之差額以及削減股本及註銷股份溢價帶來之進賬，再扣除用以撇銷本公司虧絀之款額。

Pursuant to a resolution passed at the special general meeting on 13th October, 2003, the total credit arising from reduction of share capital of HK\$12,515,000 and cancellation of the entire amount standing to the credit to the share premium account of the Company of HK\$162,599,000 under the Restructuring has been credited to the contributed surplus accounts. The directors were authorised to apply appropriate sum from such contributed surplus accounts to set-off the deficit of the Company.

根據於二零零三年十月十三日之股東特別大會上通過之決議案，根據重組削減股本產生之全部進賬 12,515,000 港元及註銷本公司股份溢價賬之全部貸方數額而產生之全部進賬 162,599,000 港元，已撥入繳入盈餘賬。董事獲授權撥出上述繳入盈餘賬之有關數額，以抵銷本公司之虧絀。

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1st April, 2003 to 31st December, 2003

36. SHARE PREMIUM AND RESERVES (cont'd)

In addition to retained profit, under the Companies Act 1981 of Bermuda (as amended), contributed surplus is also available for distribution to shareholders. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus; if:

- (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the directors, the Company's reserves available for distribution comprise retained profit with an amount of HK\$62,522,000 at 31st December, 2003.

In the opinion of the directors, the Company had no reserves available for distribution to its shareholders at 31st March, 2003.

37. DEFERRED TAX LIABILITIES

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

| | |
|--|---------------|
| At 1st April, 2002 | 於二零零二年四月一日 |
| Charge (credit) to income for the year | 扣自(計入)年度收入 |
| – as restated | – 重列 |
| At 31st March, 2003 | 於二零零三年三月三十一日 |
| Charge (credit) to income for the period | 扣自(計入)期間收入 |
| At 31st December, 2003 | 於二零零三年十二月三十一日 |

財務報告附註

二零零三年四月一日至二零零三年十二月三十一日期間

36. 股份溢價及儲備(續)

除保留溢利外，根據百慕達一九八一年公司法(經修訂)，繳入盈餘亦可供分派予股東。然而，在下列情況下，本公司不得宣派或派付股息或自繳入盈餘作出分派：

- (a) 本公司現時或於支付後，當其負債到期時無力償付；或
- (b) 本公司資產之可變現值將較其負債及其已發行股本與股份溢價賬之總額為少。

董事認為，本公司於二零零三年十二月三十一日可供分派之儲備包括保留溢利62,522,000港元。

董事認為，於二零零三年三月三十一日，本公司並無可供分派予股東之儲備。

37. 遞延稅項負債

以下為本報告期間及上一個報告期間本集團提撥(確認)之主要遞延稅項負債(資產)及有關變動：

| Accelerated tax depreciation 加速稅項折舊 | Tax losses 稅項虧損 | Total 總額 |
|--|-----------------------|-----------------|
| HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1st April, 2002 | – | – |
| Charge (credit) to income for the year | – | – |
| – as restated | 2,758 | (2,323) |
| At 31st March, 2003 | 2,758 | (2,323) |
| Charge (credit) to income for the period | 865 | (717) |
| At 31st December, 2003 | 3,623 | (3,040) |

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1st April, 2003 to 31st December, 2003

37. DEFERRED TAX LIABILITIES (cont'd)

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been off set in accordance with the conditions set out in SSAP 12 (Revised).

Deferred tax assets have not been recognised in respect of the tax losses amounted to HK\$133,743,000 (31.3.2003: HK\$120,728,000). These deferred tax assets have not been recognised due to the unpredictability of future profit streams.

38. CONVERTIBLE BONDS

Non-interest bearing convertible
bonds (Note)

Less: Unamortised issue costs and discount

- 5% discount allowed
- expenditure incurred
- accumulated amortisation
- written off on the conversion
of convertible bonds

不計息可換股
債券 (附註)

減：未攤銷發行成本及折讓

- 5% 折讓
- 應計開支
- 累積攤銷
- 可換股債券
換股時撇銷

| THE GROUP AND THE COMPANY 本集團及本公司 | |
|--|-----------|
| 31.12.2003 | 31.3.2003 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |
| – | 452,000 |
| – | 23,063 |
| – | 7,478 |
| – | (13,772) |
| – | (388) |
| – | 16,381 |
| – | 435,619 |

財務報告附註

二零零三年四月一日至二零零三年十二月三十一日期間

37. 遞延稅項負債 (續)

就資產負債表呈列方式而言，若干遞延稅項資產與負債已根據會計實務準則第 12 條 (經修訂) 所載之條件互相抵銷。

本公司並無將 133,743,000 港元 (二零零三年三月三十一日: 120,728,000 港元) 之稅項虧損確認為遞延稅項資產。該等遞延稅項資產因未能預測其日後溢利來源而不予確認。

38. 可換股債券

NOTES TO THE FINANCIAL STATEMENTS

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財務報告附註

二零零三年四月一日至二零零三年十二月三十一日期間

38. CONVERTIBLE BONDS (cont'd)

Notes:

Details of the non-interest bearing convertible bonds are as follows:

| | Initial conversion price per share 每股初步 換股價 HK\$ 港元 | Adjusted conversion price per share prior to settlement 贖回前 之經調整 每股換股價 HK\$ 港元 | Principal amount outstanding at 1.4.2003 於二零零三年 四月一日 之未償還 本金額 HK\$'000 千港元 | Principal amount settled under the Restructuring during the period 期內根據重組 償還之本金額 HK\$'000 千港元 | Principal amount outstanding at 31.12.2003 於二零零三年 十二月三十一日 之未償還 本金額 HK\$'000 千港元 |
|---|--|--|--|---|---|
| Non-interest bearing Convertible bonds | | | | | |
| 不計息可換股債券 | | | | | |

Convertible bonds due 2004 (unsecured)
於二零零四年到期之可換股債券（無抵押）

Issued between October
to December 2001
pursuant to the deed poll
dated 16th October, 2001

根據二零零一年十月十六日
訂立之平邊契據
於二零零一年十月至
十二月發行

| | | | | |
|-------|-------|---------|-----------|---|
| 0.280 | 0.267 | 237,000 | (237,000) | — |
|-------|-------|---------|-----------|---|

Issued in November 2001
pursuant to the deed poll
dated 15th November, 2001

根據二零零一年十一月十五日
訂立之平邊契據
於二零零一年十一月發行

| | | | | |
|-------|-------|--------|----------|---|
| 0.280 | 0.267 | 64,000 | (64,000) | — |
|-------|-------|--------|----------|---|

| | | | | |
|--|--|---------|-----------|---|
| | | 301,000 | (301,000) | — |
|--|--|---------|-----------|---|

Convertible bonds due 2006 (secured)
於二零零六年到期之可換股債券（有抵押）

Issued in August 2002
pursuant to the deed poll
dated 22nd March, 2002 and
the supplemental deed poll
dated 31st July, 2002

根據二零零二年三月二十二日訂立之
平邊契據及二零零二年七月三十一日
訂立之補充平邊契據於二零零二年
八月發行

| | | | | |
|-------|-------|---------|-----------|---|
| 0.065 | 0.036 | 151,000 | (151,000) | — |
|-------|-------|---------|-----------|---|

| | | | | |
|--|--|---------|-----------|---|
| | | 452,000 | (452,000) | — |
|--|--|---------|-----------|---|

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1st April, 2003 to 31st December, 2003

38. CONVERTIBLE BONDS (cont'd)

The non-interest bearing convertible bonds due 2004 were unsecured, non-interest bearing, issued at a discount of 5% and would be matured in October 2004. The bondholders had the rights, at any time within a period of three years from the date of issue, to convert part or all of the principal amount of the non-interest bearing convertible bonds outstanding into ordinary shares of the Company at the initial conversion prices as stated above, subject to adjustments.

The non-interest bearing convertible bonds due 2006 were secured, non-interest bearing, issued at a discount of 5% and would be matured in August 2006. As at 31st March, 2003, they were secured by certain of the Group's investment properties amounting to HK\$135,400,000 and the rights and benefits to the existing and future leases in respect of those pledged investment properties. The bondholders had the rights, at any time within a period of four years from the date of issue, to convert part or all of the principal amount of the non-interest bearing convertible bonds outstanding into ordinary shares of the Company at the initial conversion prices as stated above, subject to adjustments.

During the period, the above convertible bonds were fully settled and cancelled by payment of cash and issue of ordinary shares under the Restructuring.

39. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries of the Company are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, the amounts will not be repayable within the next twelve months from the balance sheet date and are therefore shown in the balance sheet as non-current.

財務報告附註

二零零三年四月一日至二零零三年十二月三十一日期間

38. 可換股債券 (續)

於二零零四年到期之不計息可換股債券並無抵押及不計息，按 5% 之折讓發行，並將於二零零四年十月到期。債券持有人有權於發行日期起計三年之期間隨時按上述之初步換股價（可予調整），將其全部或部份未償還不計息可換股債券之本金額轉換為本公司之普通股。

於二零零六年到期之不計息可換股債券為有抵押及不計息，按 5% 之折讓發行，並將於二零零六年八月到期。於二零零三年三月三十一日，該等債券乃按本集團賬面值為 135,400,000 港元之投資物業以及該等已抵押投資物業之現有及未來租約之權利及利益作抵押。持有人有權於發行日期起計四年之期間隨時按上述之初步換股價（可予調整），將其全部或部份未償還不計息可換股債券之本金額轉換為本公司之普通股。

期內，上述可換股債券根據重組以支付現金及發行普通股之方式全部贖回及註銷。

39. 應付附屬公司款項

應付本公司附屬公司款項並無抵押、免息及無固定還款期。董事認為，有關款項毋須於結算日後十二個月內償還，故在資產負債表列作非流動。

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1st April, 2003 to 31st December, 2003

財務報告附註

二零零三年四月一日至二零零三年十二月三十一日期間

40. PURCHASE OF SUBSIDIARIES

40. 購入附屬公司

| | | 1.4.2003 to 至 31.12.2003 HK\$'000 千港元 | 1.4.2002 to 至 31.3.2003 HK\$'000 千港元 |
|---|---------------------------------|---|--|
| Net assets acquired: | 收購淨資產: | | |
| Investment properties | 投資物業 | — | 177,551 |
| Trade and other receivables | 貿易及其他應收款項 | — | 1,501 |
| Bank balances and cash | 銀行結存及現金 | — | 532 |
| Trade and other payables | 貿易及其他應付款項 | — | (4,969) |
| Bank and other borrowings | 銀行及其他借款 | — | (24,515) |
| | | <u>—</u> | <u>150,100</u> |
| Satisfied by: | 按下列方式支付: | | |
| Convertible bonds | 可換股債券 | <u>—</u> | <u>150,100</u> |
| Net inflow of cash and cash equivalents in connection with the acquisition of subsidiaries: | 有關收購附屬公司之 現金及現金等值項目 流入淨額: | | |
| Bank balances and cash acquired | 購入銀行結存及現金 | <u>—</u> | <u>532</u> |

The subsidiaries acquired during the year ended 31st March, 2003 contributed HK\$3,478,000 to the Group's turnover, and HK\$689,000 to the Group's profit from operations for that year.

於截至二零零三年三月三十一日止年度內收購之附屬公司為本集團該年度之營業額及經營溢利分別帶來 3,478,000 港元及 689,000 港元之進賬。