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Follow-Up Materials

82- SUBMISSIONS FACING SHEET

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REGISTRANT'S NAME Tai Cheung Holdings Limited

\*CURRENT ADDRESS \_\_\_\_\_  
\_\_\_\_\_

\*\*FORMER NAME \_\_\_\_\_

\*\*NEW ADDRESS \_\_\_\_\_  
\_\_\_\_\_

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FISCAL YEAR 3-31-03

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Chuang Holdings Limited

(Incorporated in Bermuda with limited liability)

2009 Annual Report

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## Financial Highlights

	<b>2003</b>	2002	Percentage
	<b><i>HK\$Million</i></b>	<i>HK\$Million</i>	Change
Group (Loss)/Profit attributable to Shareholders	<b>(293.8)</b>	76.7	N/A
Dividends	<b>12.4</b>	24.7	-50%
Shareholders' Funds	<b>4,092.2</b>	4,571.3	-10%
(Loss)/Earnings Per Share	<b>(\$0.48)</b>	\$0.12	N/A
Dividends Per Share	<b>\$0.02</b>	\$0.04	-50%

## Corporate Information

### Board of Directors

David Pun CHAN *Chairman*  
Ivy Sau Ching CHAN  
\*Karl Chi Leung KWOK  
Wing Sau LI  
\*Benedict Cho Hung WOO

*\* Independent non-executive directors*

### Audit Committee

Karl Chi Leung KWOK *Chairman*  
Ivy Sau Ching CHAN  
Benedict Cho Hung WOO

### Secretary

Ivy Yee Har TAM

### Bankers

Citibank, N.A.  
Hang Seng Bank Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
UFJ Bank Limited

### Auditors

PricewaterhouseCoopers  
*Certified Public Accountants*

### Registered Office

Rosebank Centre,  
14 Bermudiana Road,  
Pembroke,  
Bermuda.

### Head Office

20th Floor, The Hong Kong Club Building  
3A Chater Road, Central,  
Hong Kong.  
Telephone: 2532 2688, 2522 3112  
Fax: 2810 4108  
2868 5230  
2877 2487  
Website: <http://www.taicheung.com>

### Principal Registrars

Butterfield Fund Services (Bermuda) Limit  
Rosebank Centre,  
14 Bermudiana Road,  
Pembroke,  
Bermuda.

### Registrars in Hong Kong

Computershare Hong Kong Investor  
Services Limited  
17th Floor, Hopewell Centre,  
183 Queen's Road East,  
Wanchai,  
Hong Kong.

### Depository

The Bank of New York  
American Depository Receipts  
101 Barclay Street,  
22nd Floor West,  
New York, NY 10286,  
U.S.A.

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shareholders of the Company will be held at the Chater Room I & II, Function Room Level, The Ritz-Carlton, Hong Kong, 3 Connaught Road, Central, Hong Kong on Wednesday, 3rd September 2003 at 10:00 a.m. for the following purposes:

1. To receive and consider the Statement of Accounts and the Reports of the Directors and Auditors for the year ended 31st March 2003.
2. To elect Directors and fix their remuneration.
3. To appoint Auditors and fix their remuneration.
4. To consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

(a) **“THAT:—**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved;

(ii) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (i) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution, and the said approval shall be limited accordingly; and

(iii) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:—

- (1) the conclusion of the next Annual General Meeting of the Company;
- (2) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
- (3) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

## Notice of Annual General Meeting

- (b) “**THAT** a general mandate be and is hereby unconditionally given to the Directors of the Company to issue and dispose of additional shares not exceeding 20% of the issued share capital of the Company as at the date of this Resolution until the next Annual General Meeting.”
- (c) “**THAT** the general mandate granted to the Directors to issue and dispose of additional shares pursuant to Ordinary Resolution (b) set out in item 4 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of any share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution (a) set out in item 4 of the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the existing issued share capital of the Company.”

By Order of the Board  
**Ivy Yee Har Tam**  
*Secretary*

Hong Kong, 26th June 2003

### Notes:

1. Any member entitled to attend and vote at meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The form of proxy must be deposited with the Company's Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the Meeting.
3. An explanatory statement containing further details regarding resolution 4(a) will be sent to shareholders together with the 2003 Annual Report.

## Biography of Directors and Senior Management

### Directors

#### **David Pun CHAN, SB HonLLD**

David Pun CHAN, 52, joined the group in 1973, appointed a director of its holding company in 1975 and Chairman in 1981. He has more than 25 years' experience in construction, property development and investment businesses. Currently, he is a member of the Dean's Advisory Council of MIT Sloan School of Management and Council of Lingnan University, a committee member of The Chinese General Chamber of Commerce and a director of The Hong Kong Real Estate Developers Association. He is the brother of Ivy Sau Ching Chan, another director of the Company.

#### **Ivy Sau Ching CHAN, BA**

Ivy Sau Ching CHAN, 50, has been a director of the group's holding company since 1981. She is currently a Partner with Messrs Woo, Kwan, Lee & Lo. She advises on legal matters of the businesses of the group. She is the sister of David Pun Chan, another director of the Company.

#### **Karl Chi Leung KWOK, BA MBA**

Karl Chi Leung KWOK, 54, has been a director of the group's holding company since 1983. He has more than 25 years' management experience in the banking and finance businesses. He is Chairman of Wing On International Holdings Limited, Wing On Company International Limited, Hong Kong Coaching Committee of Hong Kong Sports Development Board and the Board of Trustees of Chung Chi College of The Chinese University of Hong Kong, a member of University Council of The Chinese University of Hong Kong,

Council of City University of Hong Kong and Inland Revenue Board of Review, a trust member of The Outward Bound Trust of Hong Kong Limited, an adjudicator of Registration of Persons Tribunal, President of Hong Kong Yachting Association and Vice President of Sports Federation & Olympic Committee of Hong Kong, China.

#### **Wing Sau LI, BA DipMS**

Wing Sau LI, 50, joined the group in 1994, appointed a director of its holding company in 1997. Prior to joining the group, he worked as project manager of a project and construction management consultant company in Canada. He has more than 25 years' project management experience both in Hong Kong and Canada. He is also the Controller - Project and Construction of the group.

#### **Benedict Cho Hung WOO, BSc**

Benedict Cho Hung WOO, 65, appointed a director of the group's holding company in 2000. He is a consultant to Messrs T.S. Tong & Co. Solicitors.

### Senior Management

#### **Head of Construction**

Sun Yuen LEE, BSc MASc, 61, the Construction Manager of the group. He joined the group in 1991, prior to which he was construction manager of major listed property developers. He has more than 25 years' experience in the construction industry both in Hong Kong and Singapore.

## Biography of Directors and Senior Management

### Senior Management (continued)

#### **Head of Sales and Property Management**

Ting Wah YUEN, FCCA, 51, the Property Manager of the group. He joined the group in 1980 initially as accountant and subsequently transferred to the Sales and Property Management division in 1991. Prior to joining the group, he was an internal auditor with a listed company. He has more than 25 years' experience in commercial and public accounting, corporate auditing, property management and property sales.

#### **Head of US Operations**

Chi Hung POON, BA MSc MBA, 56, the Vice President of the US Operations. He joined the group in 1988. He has more than 25 years' experience in property development, civil engineering and construction in the United States. He is the cousin of David Pun Chan and Ivy Sau Ching Chan, the directors of the Company.

#### **Head of Accounts and Finance**

Wai Lim LAM, MBA FCCA AHKSA AICPA, 39, the Chief Accountant of the group. He joined the group in 1996. He has more than 15 years' experience in commercial and public accounting.

#### **Head of Secretarial**

Yee Har TAM, FCIS, 52, the Secretarial Manager of the group. She joined the group in 1981, prior to which she was a chartered secretary and legal officer of an international company. She has more than 25 years' company secretarial experience.

#### **Head of Information Technology**

Wing Ip TANG, MBA, 53, the I T Manager and also the Senior Manager of Corporate Affairs of the group. He joined the group in 1979 initially as accountant and subsequently transferred to the Information Technology division in 1982. Prior to joining the group, he was an internal auditor with a listed company. He has more than 20 years' experience in commercial accounting, corporate auditing and information technology.

#### **Head of Human Resources**

Kam Fung WONG, MBA, 38, the Human Resources Manager of the group. She joined the group in 1993, prior to which she was the assistant personnel manager of an international hotel group. She has more than 15 years' human resources management experience.

# Report of the Directors

The directors have pleasure in submitting their report together with the audited accounts for the year ended 31st March 2003.

## **Principal Activities**

The principal activity of the company is investment holding. The principal activities of its subsidiaries include property investment and development, investment holding and property management. Details are set out in note 30 to the accounts.

An analysis of the group's performance for the year by business and geographical segments is set out in note 2 to the accounts.

## **Results and Appropriations**

The results of the group for the year are set out in the consolidated profit and loss account on page 13.

The directors have declared an interim dividend of HK 2 cents per ordinary share, totalling HK\$12.4 million, which was paid on 21st February 2003.

The directors do not recommend the payment of a final dividend to the ordinary shareholders of the company for the year.

## **Reserves**

Movements in the reserves of the group and the company during the year are set out in note 21 to the accounts.

## **Fixed Assets**

Details of the movements in fixed assets of the group are set out in note 11 to the accounts.

## **Financial Summary**

A five years financial summary of the group is set out on page 44.

## **Long Term Liabilities**

Details of the long term liabilities of the group are set out in note 22 to the accounts.

## **Major Properties**

Particulars of major properties of the group are set out on page 43.

## **Directors**

The directors in office during the year and up to the date of this report are Messrs David Pun Chan, Karl Chi Leung Kwok\*, Wing Sau Li, Benedict Cho Hung Woo\* and Ms Ivy Sau Ching Chan.

## Report of the Directors

In accordance with Bye-law 84 of the company's Bye-laws, Mr Karl Chi Leung Kwok retires from the board by rotation and, being eligible, offers himself for re-election at the forthcoming annual general meeting.

None of the directors has a service contract with the company which is not determinable within one year without payment of compensation.

\* independent non-executive directors

### Biography of Directors and Senior Management

The biographical details of the directors and senior management are set out on pages 5 and 6.

### Directors' Interests

At 31st March 2003, the interests of the directors and chief executive in the shares of the company as recorded in the register maintained under section 29 of the Securities (Disclosure of Interests) Ordinance were as follows:

Name	Number of shares				Total
	Personal interests	Family interests	Corporate interests	Other interests	
David Pun Chan	106,537,971	–	*61,335,074	–	167,873,045
Ivy Sau Ching Chan	20,132,706	–	–	–	20,132,706
Karl Chi Leung Kwok	221,212	–	–	–	221,212
Wing Sau Li	37,000	–	–	–	37,000

\*Note: Such shares were held through a corporation wholly owned by Mr David Pun Chan.

During the year, the company did not grant to the directors or chief executive any right to subscribe for shares of the company.

No contracts of significance in relation to the group's business to which the company or any subsidiary was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the company or its subsidiaries a party to any arrangement which would enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures of, the company or any other body corporate.

# Report of the Directors

## Substantial Shareholders

At 31st March 2003, the register of substantial shareholders maintained under section 16(1) of the Securities (Disclosure of Interests) Ordinance showed that the company has been notified of the following interest, being 10% or more in the company's issued share capital. This interest is in addition to those disclosed above in respect of the directors and chief executive:

Name	Number of shares beneficially held
Chan Poon Wai Kuen	96,185,380

## Purchase, Sale or Redemption of Shares

The company has not redeemed any of its shares during the year. Neither the company nor any of its subsidiaries has purchased or sold any of the company's shares during the year.

## Pre-emptive Rights

No pre-emptive rights exist under Bermuda law in relation to issue of new shares by the company.

## Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

## Major Suppliers and Customers

For the year ended 31st March 2003, the five largest suppliers and the largest supplier of the group accounted for approximately 93% and 71% respectively of the group's total purchases and the five largest customers and the largest customer of the group accounted for approximately 25% and 9% respectively of the group's turnover.

At 31st March 2003, none of the directors, their associates or any shareholder (which to the knowledge of the directors owned more than 5% of the company's share capital) had any beneficial interest in the group's five largest suppliers or five largest customers.

# Report of the Directors

## Operational Review

### Liquidity and Financial Resources

The group's funding requirements are met with cash on hand, internally generated cash and, the extent required, by external floating rate bank borrowings. Other sources of funds include dividends received from associated companies.

At 31st March 2003, the group's borrowings net of cash, was HK\$165.3 million as compared with HK\$187.1 million last year. The group's borrowings were secured by certain investment property and other properties held by the group with a total carrying value of HK\$840.9 million. All the group's borrowings were denominated in Hong Kong dollars.

As at year end, approximately 59.3% of the group's borrowings were payable within one year and 40.7% were payable between two to five years.

The gearing ratio, which is calculated as the ratio of the bank borrowings to shareholders' funds, is maintained at a low level of 5.9% at 31st March 2003, when compared to 5.5% last year.

Committed borrowing facilities available to the group, but not drawn at 31st March 2003, amount to HK\$279.9 million. Together with the receipts over the next twelve months from tenants and purchasers of the group's properties, the liquid funds of the group is adequate to meet the anticipated working capital requirement in the coming year.

### Treasury Policies

The group's overall treasury and funding policy is that of risk management and control. The assets and liabilities of the group are denominated either in Hong Kong or United States dollars. Accordingly, the group has minimal exposure to foreign exchange fluctuation. However, the group will closely monitor the overall currency and interest rate exposures and, when considered appropriate, the group will take the necessary actions to ensure that such exposures are properly hedged.

### Human Resources

The group, excluding associated companies, employs a total of 239 people in Hong Kong and the United States. Employees' costs, excluding directors' emoluments, amounted to HK\$48.2 million for the year ended 31st March 2003. Remuneration packages are reviewed annually with other employee benefits including medical subsidies, a non-contributory provident fund scheme and mandatory provident fund scheme.

## Report of the Directors

### **Contingent Liabilities**

The company executed corporate guarantee as part of the securities for general banking facilities granted to certain wholly-owned subsidiaries.

### **Corporate Governance**

During the year, the company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except that the independent non-executive directors of the company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the company in accordance with the company's Bye-laws.

### **Connected Transactions**

No transactions entered by the group during the year ended 31st March 2003 constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### **Audit Committee**

An audit committee was established with written terms of reference which set out the authorities and duties of the audit committee. The function of the audit committee is to assist the Board by providing an independent review of the financial reporting processes and internal controls. The audit committee comprises three non-executive directors, namely Messrs Karl Chi Leung Kwok, Benedict Cho Hung Woo and Ms Ivy Sau Ching Chan.

### **Auditors**

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

**David P. Chan**

*Chairman*

Hong Kong, 26th June 2003

# Chairman's Statement

## Financial Results

The audited group loss attributable to shareholders for the year ended 31st March 2003 amounted to HK\$293.8 million, as compared with a profit of HK\$76.7 million last year. The loss is mainly due to a provision of HK\$361.5 million as a result of the continued weakness in the property market and economy here in Hong Kong. In view of the loss, the Directors do not recommend the payment of a final dividend.

The shareholders should be reminded that even after the loss for the past year, the group has retained earnings of over HK\$2,636 million and shareholders' funds of over HK\$4,092 million as at 31st March 2003. The net asset value is HK\$6.6 per share.

## Property Development

Your group has purchased San Clemente Technology Park II in California during the year. Construction work for the site is at a preliminary stage. Foundation work at the Chung Hum Kok luxury residential project (Rural Building Lot No. 1164) is progressing. Superstructure work for the project is expected to take place around mid-August this year.

## Hotel

Major renovation work of the hotel rooms at Sheraton-Hong Kong Hotel, in which your group has a 35% interest, has completed. However, due to the SARS crisis, occupancy rates had dropped to historical low levels. It is expected that occupancy rates would not return to more normal levels before the end of 2003.

## High-tech Investments

We have not committed any new high-tech investments during the year. As the economy is showing signs of recovery, it is expected that our investments will generate a satisfactory return to the shareholders over the next few years.

## Prospects

The Hong Kong economy is suffering from deflation and anaemic economic growth. The SARS crisis is making a recovery even more distant. Your group is expecting that the current economic situation will last for a few more years before a genuine recovery can take place. Our strategy for the past few years was based upon this economic scenario; it will continue to be so for the foreseeable future.

Your group's low gearing and conservative policies will help us emerge from the current economic downturn as a much stronger company than many of our competitors.

Finally, I would like to thank all staff for their loyal support and hard work.

**David P. Chan**

*Chairman*

Hong Kong, 26th June 2003

## Consolidated Profit and Loss Account

(For the year ended 31st March 2003)

	Note	2003 HK\$Million	2002 HK\$Million
Turnover	2	197.7	284.2
Cost of property sales		(86.8)	(177.1)
Property expenses		(30.2)	(35.6)
Gross profit		80.7	71.5
Administrative expenses		(37.0)	(40.1)
Provision against properties for sale		(361.5)	-
Provision for investment securities		(15.6)	(15.6)
Operating (loss)/profit	3	(333.4)	15.8
Finance costs	6	(4.8)	(13.2)
Share of profits of associated companies		54.5	89.3
(Loss)/profit before taxation		(283.7)	91.9
Taxation	7	(10.1)	(15.2)
(Loss)/profit attributable to shareholders	8	(293.8)	76.7
Dividends	9	12.4	24.7
(Loss)/earnings per share	10	(\$0.48)	\$0.12

# Consolidated Balance Sheet

(As at 31st March 2003)

	Note	2003 HK\$Million	HK\$Mill.
Fixed assets	11	150.4	1
Associated companies	13	1,187.5	1,3
Investment securities	14	47.1	
Mortgage loans receivable	15	20.9	
Current assets			
Properties for sale	16	2,770.6	3,1
Properties under development	17	129.6	
Tax recoverable		1.0	
Debtors, deposits and prepayments	18	15.6	
Bank balances and cash		75.8	
		2,992.6	3,2
Current liabilities			
Creditors, deposits and accruals	19	63.8	
Bank loans – secured		69.0	1
Bank loans – unsecured		70.0	
Current portion of long term liabilities	22	4.0	
Taxation		–	
		206.8	2
Net current assets		2,785.8	3,0
<b>Total assets less current liabilities</b>		<b>4,191.7</b>	<b>4,6</b>
Financed by:			
Share capital	20	61.7	0
Reserves	21	4,030.5	4,4
Proposed final dividend	21	–	
<b>Shareholders' funds</b>		<b>4,092.2</b>	<b>4,5</b>
Long term liabilities	22	98.1	5
Deferred taxation	23	1.4	
<b>Funds employed</b>		<b>4,191.7</b>	<b>4,6</b>

Approved by the Board of Directors on 26th June 2003

**David P. Chan**

**Wing Sau Li**

*Directors*

# Balance Sheet

(As at 31st March 2003)

	Note	2003 HK\$Million	2002 HK\$Million
Subsidiaries	12	2,894.8	2,894.3
Current assets			
Bank balances and cash		1.8	1.8
Current liabilities			
Creditors, deposits and accruals	19	2.4	2.4
Net current liabilities		(0.6)	(0.6)
<b>Total assets less current liabilities</b>		<b>2,894.2</b>	<b>2,893.7</b>
Financed by:			
Share capital	20	61.7	61.7
Reserves	21	2,832.5	2,819.7
Proposed final dividend	21	–	12.3
<b>Shareholders' funds</b>		<b>2,894.2</b>	<b>2,893.7</b>

Approved by the Board of Directors on 26th June 2003

**David P. Chan**

**Wing Sau Li**

*Directors*

## Consolidated Statement of Changes in Equity

(For the year ended 31st March 2003)

	Note	2003 HK\$Million	2002 HK\$Million
Shareholders' funds at the beginning of the year		4,571.3	4,521.3
Deficit on revaluation of properties	21	(28.1)	
Deficit on revaluation of associated companies	21	(132.5)	(132.5)
Net losses not recognised in the consolidated profit and loss account		(160.6)	(160.6)
(Loss)/profit for the year	21	(293.8)	7.0
Dividends	21	(24.7)	(1.9)
<b>Shareholders' funds at the end of the year</b>		<b>4,092.2</b>	<b>4,571.3</b>

# Consolidated Cash Flow Statement

(For the year ended 31st March 2003)

	Note	2003 HK\$Million	2002 HK\$Million
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	29(a)	(20.1)	217.6
Interest paid		(7.8)	(14.8)
Hong Kong profits tax paid		(2.1)	(3.1)
<b>Net cash (used in)/from operating activities</b>		<b>(30.0)</b>	<b>199.7</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(0.3)	(0.2)
Interest received		0.6	0.5
Dividends received from associated companies		89.1	49.1
Investment in investment securities		(15.6)	(23.5)
Increase in mortgage loans receivable		(0.8)	(20.1)
Repayment of amounts advanced to associated companies		3.5	10.0
<b>Net cash from investing activities</b>		<b>76.5</b>	<b>15.8</b>
<b>Cash flows from financing</b>			
New bank loans		74.2	109.6
Repayments of bank loans		(85.7)	(322.9)
Dividends paid		(24.7)	(12.4)
<b>Net cash used in financing activities</b>		<b>(36.2)</b>	<b>(225.7)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>10.3</b>	<b>(10.2)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>65.5</b>	<b>75.7</b>
<b>Cash and cash equivalents at the end of the year</b>	29(b)	<b>75.8</b>	<b>65.5</b>

## Notes to the Accounts

### 1. Principal Accounting Policies

The principal accounting policies adopted in the preparation of the accounts are set out below:

#### (a) Basis of Preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). The accounts are prepared under the historical cost convention as modified by revaluation of investment properties and investments in associated companies.

In the current year, the group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which are effective for the current financial year:

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 33	:	Discontinuing operations
SSAP 34 (revised)	:	Employee benefits

The adoption of these SSAPs has no significant effect to the accounts of the group except for reclassification of cash flows presented in the consolidated cash flow statement and the presentation of consolidated statement of changes in equity.

#### (b) Basis of Consolidation

- (i) The consolidated accounts include the accounts of the company and its subsidiaries for the year ended 31st March 2003 and the group's share of results of its associated companies and the relevant share of their post-acquisition reserves. The accounts of the associated companies used for this purpose cover a year ended not more than six months before the company's year end. Where a significant event occurs between the associates' year end and that of the group, adjustments are made in the consolidated accounts for the effect of the event.
- (ii) Subsidiaries are those entities in which the group, directly or indirectly, controls more than half of the voting power, has the power to govern the financial and operating policies, appoint or remove a majority of the members of the board of directors or to cast majority votes at the meetings of the board of directors.
- (iii) The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.
- (iv) In the company's balance sheet the investments in subsidiaries are stated at cost less provisions for impairment losses. The results of subsidiaries are accounted for by the company on the basis of dividend income.

# Notes to the Accounts

## 1. Principal Accounting Policies (continued)

### (c) Associated Companies

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long term and significant influence is exercised in its management.

Investments in associated companies are stated in the consolidated balance sheet at the group's share of net assets adjusted to reflect directors' valuation of properties held by the associated companies.

### (d) Investment Securities

Investment securities are stated at cost less any provision.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such securities will be reduced to their fair value. The provision is recognised as an expense in the profit and loss account.

### (e) Properties for Sale and under Development

Properties for sale and under development are stated at the lower of cost, which includes interest and financial charges on loans obtained for the development of properties, and estimated net realisable value. Net realisable value is determined by reference to the price ultimately expected to be realised in the ordinary course of business less all anticipated costs.

### (f) Investment Properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential.

Investment properties held on leases with unexpired periods greater than twenty years are valued annually by independent valuers. The valuations are on an open market value basis, related to individual properties, and separate values are not ascribed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties valuation reserve; decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

Investment properties held on leases with unexpired periods of twenty years or less are depreciated over the remaining portion of the leases.

Upon the disposal of an investment property, the relevant portion of the valuation reserve realised in respect of previous valuations is released from the investment properties valuation reserve to the profit and loss account.

## Notes to the Accounts

### 1. Principal Accounting Policies (continued)

#### (g) Other Fixed Assets

Other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Other fixed assets are depreciated at an annual rate of 20% to write off their cost less accumulated impairment losses over their estimated useful lives on a straight line basis.

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised in the profit and loss account to reduce the asset to its recoverable amount.

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

#### (h) Operating Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor company are accounted for as operating leases. Rentals applicable to such operating leases are charged or credited to the profit and loss account on a straight line basis over the lease term.

#### (i) Revenue Recognition

##### (i) Sales of properties

Revenue on sales of properties is recognised, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the properties sold. The group considers that the significant risks and rewards of ownership are transferred when the buildings or the portions thereof contracted for sale are complete and the relevant occupation permits have been issued by the authorities.

##### (ii) Rental income

Rental income from letting the group's portfolio of investment properties and other properties is recognised on a straight-line basis over the lease term.

##### (iii) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

##### (iv) Dividend income

Dividend income is recognised when the group's right to receive payment is established.

##### (v) Property management fee

Property management fee is recognised when the services are rendered.

# Notes to the Accounts

## 1. Principal Accounting Policies (continued)

### (j) Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks with original maturity period of 3 months and bank overdrafts.

### (k) Employee Benefits

#### (i) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (ii) *Provident fund scheme*

For the non-contributory defined contribution provident fund scheme ("the scheme"), regular monthly contributions payable by the group at the rate specified in the trust deed are expensed as incurred. Contributions to the scheme by the group are calculated as a percentage of employee's basic salaries. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the group are reduced by the amount of forfeited contributions. The assets of the scheme are held separately from those of the group in funds under the control of a professional trustee and are managed by an independent fund manager.

For the mandatory provident fund scheme ("MPF Scheme"), the group's contributions are at 5% of the employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK\$1,000 per employee per month. The employees also contribute a corresponding amount to the MPF Scheme. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid.

## Notes to the Accounts

### 1. Principal Accounting Policies (continued)

#### (l) Foreign Currencies

Transactions in foreign currencies are translated into Hong Kong dollars at exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are included in the determination of operating profit.

The balance sheet of subsidiaries expressed in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date whilst the profit and loss accounts are translated at an average rate. Exchange differences are dealt with as a movement in exchange fluctuation reserve.

#### (m) Deferred Taxation

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be crystallised in the foreseeable future.

#### (n) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

#### (o) Segment Reporting

In accordance with the group's internal financial reporting the group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of properties for sale, properties under development, investment securities, fixed assets, receivables and operating cash. Segment liabilities comprise operating liabilities and exclude taxation. Capital expenditure comprises additions to fixed assets.

In respect of geographical segment reporting, turnover, operating results, total assets and capital expenditure are based on the country in which the assets are located.

## Notes to the Accounts

### 2. Turnover, Revenues and Segment Information

The group is principally engaged in property investment and development, investment holding and property management. Revenues and turnover recognised during the year comprise:

	<b>2003</b>	2002
	<i>HK\$Million</i>	<i>HK\$Million</i>
Gross proceeds from sales of properties	<b>97.5</b>	188.1
Gross rental income from		
– investment properties	<b>12.7</b>	16.2
– other properties	<b>79.9</b>	71.5
Interest income	<b>0.6</b>	0.5
Property management fees	<b>7.0</b>	7.9
	<b>197.7</b>	284.2

Segment information is presented in respect of the group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the nature of the operation of the group.

## Notes to the Accounts

### 2. Turnover, Revenues and Segment Information (continued)

#### (a) Primary reporting format – business segments

	Property development 2003 HK\$Million	Property leasing 2003 HK\$Million	Property management 2003 HK\$Million	Hotel operation 2003 HK\$Million	Investment holding 2003 HK\$Million	Gro 2003 HK\$Milli
Turnover	97.5	92.6	7.0	–	0.6	197.7
Segment results						
before provision	(40.7)	82.5	2.9	–	(0.1)	44.6
Provision for properties	(161.3)	(200.2)	–	–	–	(361.5)
Provision for investment securities	–	–	–	–	(15.6)	(15.6)
Segment results	(202.0)	(117.7)	2.9	–	(15.7)	(332.5)
Unallocated costs						(0.1)
Operating loss						(332.6)
Finance costs						(4.0)
Share of profits/(losses) of associated companies	0.1	–	–	56.3	(1.9)	54.5
Loss before taxation						(282.0)
Taxation						(10.0)
Loss attributable to shareholders						(292.0)
Segment assets	1,386.3	1,701.0	30.7	–	92.0	3,210.0
Associated companies	50.8	–	–	1,138.7	(2.0)	1,187.5
Unallocated assets						1.0
Total assets						4,398.5
Segment liabilities	198.8	73.2	29.5	–	3.4	304.9
Unallocated liabilities						1.0
Total liabilities						305.9
Capital expenditure	0.3	–	–	–	–	0.3
Depreciation	0.2	–	–	–	–	0.2

## Notes to the Accounts

### 2. Turnover, Revenues and Segment Information (continued)

#### (a) Primary reporting format – business segments (continued)

	Property development 2002 HK\$Million	Property leasing 2002 HK\$Million	Property management 2002 HK\$Million	Hotel operation 2002 HK\$Million	Investment holding 2002 HK\$Million	Group 2002 HK\$Million
Turnover	188.1	87.7	7.9	–	0.5	284.2
Segment results						
before provision	(46.5)	75.0	3.8	–	–	32.3
Provision for investment securities	–	–	–	–	(15.6)	(15.6)
Segment results	(46.5)	75.0	3.8	–	(15.6)	16.7
Unallocated costs						(0.9)
Operating profit						15.8
Finance costs						(13.2)
Share of profits of associated companies	13.1	–	–	76.2	–	89.3
Profit before taxation						91.9
Taxation						(15.2)
Profit attributable to shareholders						76.7
Segment assets	1,620.9	1,787.6	18.9	–	105.5	3,532.9
Associated companies	56.7	–	–	1,310.3	–	1,367.0
Total assets						4,899.9
Segment liabilities	237.7	81.6	4.5	–	3.5	327.3
Unallocated liabilities						1.3
Total liabilities						328.6
Capital expenditure	0.2	–	–	–	–	0.2
Depreciation	0.2	–	–	–	–	0.2

## Notes to the Accounts

### 2. Turnover, Revenues and Segment Information (continued)

#### (b) Secondary reporting format – geographical segments

	Turnover 2003 <i>HK\$Million</i>	Operating loss 2003 <i>HK\$Million</i>	Total assets 2003 <i>HK\$Million</i>	Capi expenditu 20 <i>HK\$Milli</i>
Hong Kong	117.7	(321.1)	4,311.5	(
United States of America	80.0	(12.3)	87.0	(
	197.7	(333.4)	4,398.5	(

  

	Turnover 2002 <i>HK\$Million</i>	Operating profit/(loss) 2002 <i>HK\$Million</i>	Total assets 2002 <i>HK\$Million</i>	Capi expenditu 20 <i>HK\$Milli</i>
Hong Kong	283.9	37.2	4,792.2	(
United States of America	0.3	(21.4)	107.7	(
	284.2	15.8	4,899.9	(

### 3. Operating (Loss)/Profit

	2003 <i>HK\$Million</i>	20 <i>HK\$Milli</i>
Operating (loss)/profit is stated after charging the following:		
Auditors' remuneration	0.8	(
Depreciation	0.2	(
Loss on disposal of fixed assets	0.1	(
Operating lease rentals		
– land and buildings	5.5	5
Outgoings in respect of		
– investment properties	3.5	3
– other properties	3.3	4

## Notes to the Accounts

### 4. Staff Costs

The amount of staff costs (excluding directors' emoluments as disclosed in note 5), charged to the consolidated profit and loss account represents:

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Salaries and allowances	45.4	46.1
Provident fund contributions less forfeitures (note (a))	2.8	2.7
<i>Less:</i> Recharge of staff costs to building management funds (note (b))	(21.7)	(22.5)
	<b>26.5</b>	<b>26.3</b>

Note:

- (a) Forfeited contributions totalling HK\$Nil (2002: HK\$0.1 million) arising from employees leaving the scheme were utilised to offset contributions during the year. At the balance sheet date, there was no forfeited contribution (2002: HK\$Nil) which is available to reduce the contributions payable in future years. Contributions payable at the year end was HK\$0.2 million (2002: HK\$0.2 million).
- (b) Recharge of staff costs are reimbursed for property management services rendered.

### 5. Directors' and Senior Management's Emoluments

#### (a) Directors' emoluments

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Fees	0.2	0.2
Salaries and other emoluments	2.9	2.9
Bonuses	0.2	0.2
Provident fund contributions	0.3	0.3
	<b>3.6</b>	<b>3.6</b>

The emoluments of the directors are analysed as follows:

	Number of directors	
	2003	2002
HK\$Nil – HK\$1,000,000	3	3
HK\$1,000,001 – HK\$1,500,000	1	1
HK\$2,000,001 – HK\$2,500,000	1	1

Emoluments paid to independent non-executive directors amounted to HK\$60,000 during the year (2002: HK\$60,000).

## Notes to the Accounts

### 5. Directors' and Senior Management's Emoluments (continued)

#### (b) Five highest paid individuals

The five highest paid individuals of the group included two (2002: two) directors of the compar details of whose emoluments are set out above. The emoluments of the remaining three (200 three) highest paid employees of the group are as follows:

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Salaries and other emoluments	3.0	2.2
Bonuses	0.2	(0.1)
Provident fund contributions	0.2	(0.1)
	<b>3.4</b>	<b>2.0</b>

The above emoluments are analysed as follows:

	2003	2002
HK\$Nil – HK\$1,000,000	–	–
HK\$1,000,001 – HK\$1,500,000	3	2

### 6. Finance Costs

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Finance costs comprise the following:		
Interest on bank loans and overdrafts wholly repayable within five years	7.7	13.1
<i>Less:</i> Amount capitalised to properties under development	(2.9)	(0.1)
	<b>4.8</b>	<b>13.0</b>

## Notes to the Accounts

### 7. Taxation

Hong Kong profits tax has been provided at the rate of 16% (2002: 16%) on the estimated assessable profits for the year.

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Company and subsidiaries:		
Hong Kong profits tax	0.9	1.6
Deferred taxation (note 23)	0.3	1.1
	<b>1.2</b>	2.7
Associated companies:		
Hong Kong profits tax	8.9	12.5
	<b>10.1</b>	15.2

### 8. (Loss)/Profit Attributable to Shareholders

The (loss)/profit attributable to shareholders for the year includes a profit of the company to the extent of HK\$25.2 million (2002: HK\$20.6 million).

### 9. Dividends

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Interim, paid, of HK 2 cents (2002: HK 2 cents) per ordinary share	12.4	12.4
Final, proposed, of Nil cents (2002: HK 2 cents) per ordinary share	–	12.3
	<b>12.4</b>	24.7

### 10. (Loss)/Earnings Per Share

The calculation of (loss)/earnings per share is based on the loss attributable to shareholders of HK\$293.8 million (2002: profit of HK\$76.7 million) and ordinary shares in issue of 617,531,425 (2002: 617,531,425).

## Notes to the Accounts

### 11. Fixed Assets

#### Group

	Investment properties <i>HK\$Million</i>	Other fixed assets <i>HK\$Million</i>	<b>Tot</b> <b><i>HK\$Millio</i></b>
<b>Cost or valuation</b>			
At 1st April 2002	177.3	36.6	<b>213</b>
Additions	–	0.3	<b>0</b>
Disposals	–	(0.6)	<b>(0)</b>
Deficit on revaluation (note 21)	(28.1)	–	<b>(28)</b>
At 31st March 2003	149.2	36.3	<b>185</b>
<b>Accumulated depreciation</b>			
At 1st April 2002	–	35.4	<b>35</b>
Charge for the year	–	0.2	<b>0</b>
Disposals	–	(0.5)	<b>(0)</b>
At 31st March 2003	–	35.1	<b>35</b>
<b>Net book value</b>			
At 31st March 2003	149.2	1.2	<b>150</b>
At 31st March 2002	177.3	1.2	<b>178</b>

Investment properties are held in Hong Kong as follows:

	<b>2003</b> <b><i>HK\$Million</i></b>	2002 <i>HK\$Millio</i>
On long term leases of over 50 years	<b>5.2</b>	5
On medium term leases of between 20 to 50 years	<b>144.0</b>	172
	<b>149.2</b>	177

The investment properties were revalued on 31st March 2003 by CB Richard Ellis Limited, an independent firm of professional valuers, on an open market value basis.

All other fixed assets are stated at cost.

## Notes to the Accounts

### 12. Subsidiaries

#### Company

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Unlisted shares, at cost	2,349.2	2,349.2
Amount due from a subsidiary	545.6	545.1
	<b>2,894.8</b>	<b>2,894.3</b>

The amount due from a subsidiary is unsecured, interest free and has no fixed terms of repayment. Details of subsidiaries are shown in note 30 to the accounts.

### 13. Associated Companies

#### Group

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Share of net assets	1,127.4	1,303.4
Amounts due from associated companies less provision	60.1	63.6
	<b>1,187.5</b>	<b>1,367.0</b>

The group's share of profits of associated companies and share of net assets are mainly contributed from the group's 35% effective interests in a hotel in Hong Kong through its investments in Shepherd Investments Limited and Consolidated Hotels Limited. The hotel was revalued by the directors as at 31st March 2003 based on a valuation performed by CB Richard Ellis Limited using an existing use basis. The deficit on revaluation of HK\$132.5 million (2002: HK\$19.9 million) has been debited to capital reserve (note 21).

Dividends from associated companies during the year amounted to HK\$89.1 million (2002: HK\$49.1 million).

The amounts due from associated companies are unsecured, interest free and have no fixed terms of repayment.

Other details of associated companies are shown in note 30 to the accounts.

## Notes to the Accounts

### 14. Investment Securities

#### Group

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Unlisted equity securities, at cost less provision	47.1	47

### 15. Mortgage Loans Receivable

Mortgage loans receivable carries interest at 1% p.a. over Hong Kong dollars prime rate with interest free periods of 18 months or 3 years from the respective date when the mortgage loans were drawn. Repayment will commence after the expiry of the interest free period and will be by instalments over a period of 10 years to 22 years thereafter.

### 16. Properties for Sale

At 31st March 2003, the carrying amount of properties for sale of the group that are carried at net realisable value amounted to HK\$2,715.7 million (2002: HK\$924.3 million).

### 17. Properties under Development

At 31st March 2003, the carrying amount of properties under development of the group that are carried at net realisable value amounted to HK\$Nil (2002: HK\$15.7 million).

### 18. Debtors, Deposits and Prepayments

#### Group

Ageing analysis

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
0-3 months	3.6	6
	3.6	6
Deposits and prepayments	12.0	13
	15.6	20

The credit terms given to the customers vary and are generally within 3 months.

## Notes to the Accounts

### 19. Creditors, Deposits and Accruals

Ageing analysis

	Group		Company	
	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
0-3 months	2.1	–	–	–
Over 3 months	0.1	1.0	–	–
	2.2	1.0	–	–
Deposits and accruals	61.6	73.7	2.4	2.4
	63.8	74.7	2.4	2.4

### 20. Share Capital

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Authorised:		
1,000,000,000 (2002: 1,000,000,000) ordinary shares of HK\$0.1 each	100.0	100.0
Issued and fully paid:		
617,531,425 (2002: 617,531,425) ordinary shares of HK\$0.1 each	61.7	61.7

## Notes to the Accounts

### 21. Reserves

	Investment properties valuation reserve <i>HK\$Million</i>	Capital reserve <i>HK\$Million</i>	Exchange fluctuation reserve <i>HK\$Million</i>	Retained profits <i>HK\$Million</i>	Contributed surplus <i>HK\$Million</i>	<b>Total</b> <b><i>HK\$Millio</i></b>
<b>Group</b>						
At 1st April 2001	32.0	1,193.3	0.8	2,891.1	348.0	<b>4,465.</b>
Deficit on revaluation of associated companies (Note 13)	-	(19.9)	-	-	-	<b>(19.)</b>
Profit for the year	-	-	-	76.7	-	<b>76.</b>
2002 interim dividend paid	-	-	-	(12.4)	-	<b>(12.)</b>
At 31st March 2002	32.0	1,173.4	0.8	2,955.4	348.0	<b>4,509.</b>
Representing:						
Final dividend proposed						<b>12.</b>
Reserves at 31st March 2002						<b>4,497.</b>
						<b>4,509.</b>
Company and subsidiaries	32.0	1,173.4	0.8	2,866.4	348.0	<b>4,420.</b>
Associated companies	-	-	-	89.0	-	<b>89.</b>
	32.0	1,173.4	0.8	2,955.4	348.0	<b>4,509.</b>
<b>Company</b>						
At 1st April 2001	-	-	-	880.5	1,943.3	<b>2,823.8</b>
Profit for the year	-	-	-	20.6	-	<b>20.6</b>
2002 interim dividend paid	-	-	-	(12.4)	-	<b>(12.4)</b>
At 31st March 2002	-	-	-	888.7	1,943.3	<b>2,832.0</b>
Representing:						
Final dividend proposed						<b>12.4</b>
Reserves at 31st March 2002						<b>2,819.6</b>
						<b>2,832.0</b>

## Notes to the Accounts

### 21. Reserves (continued)

	Investment properties valuation reserve <i>HK\$Million</i>	Capital reserve <i>HK\$Million</i>	Exchange fluctuation reserve <i>HK\$Million</i>	Retained profits <i>HK\$Million</i>	Contributed surplus <i>HK\$Million</i>	<b>Total</b> <i>HK\$Million</i>
<b>Group</b>						
At 1st April 2002	32.0	1,173.4	0.8	2,955.4	348.0	<b>4,509.6</b>
Deficit on revaluation of properties (Note 11)	(28.1)	–	–	–	–	<b>(28.1)</b>
Deficit on revaluation of associated companies (Note 13)	–	(132.5)	–	–	–	<b>(132.5)</b>
Loss for the year	–	–	–	(293.8)	–	<b>(293.8)</b>
2002 final dividend paid	–	–	–	(12.3)	–	<b>(12.3)</b>
2003 interim dividend paid	–	–	–	(12.4)	–	<b>(12.4)</b>
<b>At 31st March 2003</b>	<b>3.9</b>	<b>1,040.9</b>	<b>0.8</b>	<b>2,636.9</b>	<b>348.0</b>	<b>4,030.5</b>
Company and subsidiaries	3.9	1,040.9	0.8	2,591.4	348.0	<b>3,985.0</b>
Associated companies	–	–	–	45.5	–	<b>45.5</b>
	<b>3.9</b>	<b>1,040.9</b>	<b>0.8</b>	<b>2,636.9</b>	<b>348.0</b>	<b>4,030.5</b>
<b>Company</b>						
At 1st April 2002	–	–	–	888.7	1,943.3	<b>2,832.0</b>
Profit for the year	–	–	–	25.2	–	<b>25.2</b>
2002 final dividend paid	–	–	–	(12.3)	–	<b>(12.3)</b>
2003 interim dividend paid	–	–	–	(12.4)	–	<b>(12.4)</b>
<b>At 31st March 2003</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>889.2</b>	<b>1,943.3</b>	<b>2,832.5</b>

The distributable reserves of the company at 31st March 2003 amounted to HK\$2,832.5 million (2002 HK\$2,832.0 million). The contributed surplus is related to the group's restructuring in prior year.

## Notes to the Accounts

### 22. Long Term Liabilities

#### Group

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Secured bank loans		
– wholly repayable within five years	102.1	61
Less: Amounts repayable within one year included under current liabilities	(4.0)	(4)
	<b>98.1</b>	<b>57</b>

The maturity of the group's long term liabilities is as follows:

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Secured bank loans		
Within one year	4.0	4
In the second year	47.0	4
In the third to fifth years	51.1	53
	<b>102.1</b>	<b>61</b>

### 23. Deferred Taxation

#### Group

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
At the beginning of the year	1.1	
Transfer from profit and loss account (note 7)	0.3	1.
At the end of the year	<b>1.4</b>	<b>1.</b>

Deferred taxation is provided for in respect of the timing difference arising from accelerated depreciation allowances.

The group and the company have no other material timing differences for deferred taxation purposes.

The surpluses on revaluation of investment properties and investments in associated companies do not constitute timing differences for deferred taxation purposes.

## Notes to the Accounts

### 24. Pledge of Assets

Certain properties of the group with a carrying value of HK\$840.9 million (2002: HK\$865.5 million) have been pledged to banks as security for facilities granted to the extent of HK\$348.0 million (2002: HK\$277.8 million) against which HK\$171.1 million (2002: HK\$193.6 million) has been utilised at the balance sheet date.

### 25. Commitments

#### Group

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Capital commitment in respect of investment securities	101.1	116.7
Development expenses contracted but not provided for in respect of properties under development	16.4	16.3
	<b>117.5</b>	<b>133.0</b>

### 26. Lease Commitments

The group had future aggregate minimum lease payments under non-cancellable operating leases in respect of properties as follows:

#### Group

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Not later than one year	5.9	5.5
Later than one year and not later than five years	18.9	22.5
Later than five years	-	2.3
	<b>24.8</b>	<b>30.3</b>

## Notes to the Accounts

### 27. Future Operating Lease Receivables

The group had future minimum lease receivables under non-cancellable operating leases in respect of properties as follows:

#### Group

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Not later than one year	55.8	58
Later than one year and not later than five years	41.7	27
Later than five years	0.1	
	<b>97.6</b>	<b>85</b>

### 28. Contingent Liabilities

	Group		Company	
	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Guarantees for credit facilities drawn down by subsidiaries	-	-	241.1	252

## Notes to the Accounts

### 29. Notes to the Consolidated Cash Flow Statement

(a) Reconciliation of (loss)/profit before taxation to cash (used in)/generated from operations:

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
(Loss)/profit before taxation	(283.7)	91.9
Share of profits of associated companies	(54.5)	(89.3)
Provision against properties for sale	361.5	-
Provision for investment securities	15.6	15.0
Loss on disposal of fixed assets	0.1	-
Depreciation	0.2	0.1
Interest expenses	4.8	13.1
Interest income	(0.6)	(0.9)
Operating profit before working capital changes	43.4	31.9
Decrease in properties for sale	19.1	178.1
Increase in properties under development	(76.2)	(19.1)
Decrease in debtors, deposits and prepayments	4.4	27.1
Decrease in creditors, deposits and accruals	(10.8)	(0.1)
Cash (used in)/generated from operations	(20.1)	217.0

(b) Analysis of balances of cash and cash equivalents:

	2003 <i>HK\$Million</i>	2002 <i>HK\$Million</i>
Bank balances and cash	75.8	65.1

## Notes to the Accounts

### 30. Particulars of Subsidiaries and Associated Companies

Subsidiaries	Principal Activities	Percentage of issued ordinary share capital held by		Issue of ordinary shares HK
		Group	Company	
Tai Cheung (B.V.I.) Company Limited	Investment holding	100	100	78
Tai Cheung Properties Limited	Investment holding and property development	100	—	386,633,75
Acura Enterprises Limited	Property development	100	—	
Alsoic Limited	Property development	100	—	
Antier Investment Company Limited	Property development	100	—	30
* Avanzado Technology Park, Inc.	Property development	100	—	7,99
Buruda Limited	Investment holding	100	—	
+ Centrax Limited	Property investment	100	—	
Cosmopolitan Estates Limited	Property investment	100	—	1,000,00
Denmore Limited	Investment holding	100	—	
Dumex Limited	Investment holding	100	—	3,000,00
* Edward Contractors, Inc.	Contracting services	100	—	77,24
Enrich Investments Limited	Property development	100	—	
Fliutshire Properties Limited	Property development	100	—	
Hoi Ka Company Limited	Property development	100	—	1,000,00
Jaco Limited	Property development	100	—	
Jumbo Realty Limited	Property development	100	—	36,000,00
Junco (Nominees) Limited	Nominee company	100	—	20
Karness Limited	Investment holding	100	—	
Kenic Properties Limited	Investment holding	100	—	20
Lee May Investments Limited	Property development	100	—	6
Maidstone Construction Company Limited	Construction	100	—	600,00
+ South Land Enterprises Limited	Property development	100	—	
Sum Lung Investment Company Limited	Property development	100	—	10,000,00
Tai Cheung Capital Limited	Investment holding	100	—	5,000,00
Tai Cheung Construction Company Limited	Property development	100	—	500,00
Tai Cheung Management Company Limited	Property management	100	—	4,500,00
Tai Cheung Properties (China) Limited	Property development	100	—	
Tai Cheung Secretaries Limited	Corporate secretary	100	—	
* Taico Properties, Inc.	Property development	100	—	109,359,74
* Talega Industrial Park, Inc.	Property development	100	—	14,821,76
* Talega Technology Park, Inc.	Property development	100	—	1,879,55
Tareau International Company Limited	Investment holding	100	—	
Tatrine Development Company Limited	Property development	100	—	20
Turnhouse Limited	Property development	100	—	
Walsmith Corporation Limited	Investment holding	100	—	
Wang Yip Construction Company Limited	Construction	100	—	5,000,00
Winfield Investments Limited	Property development	100	—	
Woodmont Investments Limited	Property development	100	—	
Y Lee Enterprises Limited	Property development	100	—	14,000,00
Yescott International Limited	Investment holding	100	—	
Zebrine Investments Limited	Property development	100	—	20

## Notes to the Accounts

### 30. Particulars of Subsidiaries and Associated Companies (continued)

Associated Companies	Principal Activities	Percentage of issued ordinary share capital held	
		by Group	by Company
** Consolidated Hotels Limited	Hotel investment	35	-
** Macfull Limited	Property development	20	-
** Macfull Finance Limited	Investment holding	20	-
** Shepherd Investments Limited	Investment holding	48	-

All subsidiaries and associated companies are incorporated in Hong Kong except Avanzado Technology Park, Inc., Edward Contractors, Inc., Taico Properties, Inc., Talega Industrial Park, Inc. and Talega Technology Park, Inc. which are incorporated in the U.S.A.; Alsoic Limited, Buruda Limited and Tai Cheung (B.V.I.) Company Limited which are incorporated in the British Virgin Islands, and Karness Limited which is incorporated in the Cook Islands. The principal country of operation is the same as the country of incorporation except for Tai Cheung (B.V.I.) Company Limited, Alsoic Limited, Buruda Limited and Karness Limited which operate internationally.

\* The accounts of these subsidiaries and associated companies have been audited by firms other than PricewaterhouseCoopers, Hong Kong. The aggregate net liabilities and profit before taxation of these subsidiaries and associated companies attributable to the group amounted to HK\$320.2 million and HK\$1.4 million (2002 HK\$148.5 million and HK\$84.1 million) respectively.

\*\* Associated companies with 31st December year ends.

+ The shares of the subsidiaries have been pledged to banks as security for banking facilities granted to the subsidiaries.

## Report of the Auditors

### **Auditors' Report to the Shareholders of Tai Cheung Holdings Limited**

(incorporated in Bermuda with limited liability)

We have audited the accounts on pages 13 to 41 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

#### **Respective responsibilities of directors and auditors**

The company's directors are responsible for the preparation of accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

#### **Basis of opinion**

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group as at 31st March 2003 and of the loss and cash flows of the group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 26th June 2003

## Schedule of Properties

The directors are of the opinion that a complete list of the properties held by the group will be of excessive length and therefore the following list contains only those properties which are material to the group as at 31st March 2003:-

### (I) Properties held for development or sale

Location	Stage of completion	Expected date of completion	Type	Group's ownership	Approximate floor area attributable to the group
<b>Peninsula Square</b> 18 Sung On St., Hung Hom	Completed	N/A	C	100%	23,388 s.f.
<b>Citimark</b> 28 Yuen Shun Circuit, Sha Tin	Completed	N/A	C	100%	35,841 s.f.
<b>Southmark</b> 11 Yip Hing St., Aberdeen	Completed	N/A	C/P	100%	475,735 s.f.
<b>Eastern Central Plaza</b> 3 Yiu Hing Road, Shau Kei Wan	Completed	N/A	C	100%	156,102 s.f.
<b>Metropole Square</b> 2 On Yiu St., Sha Tin	Completed	N/A	I	100%	429,483 s.f.
<b>Max Trade Centre</b> 23 Luk Hop St., San Po Kong	Completed	N/A	I	100%	118,734 s.f.
<b>Tuen Mun Parklane Square</b> 2 Tuen Hi Road, Tuen Mun	Completed	N/A	C/P	100%	315,909 s.f.
<b>Tuen Mun Central Square</b> 22 Hoi Wing Road, Tuen Mun	Completed	N/A	C/P	100%	489,976 s.f.
<b>Parkview Court</b> 8 Yuk Hong St., Tuen Mun	Completed	N/A	C/R	100%	45,278 s.f.
<b>Rural Building Lot No. 1164</b> 33 Cape Road, Chung Hom Kok	Foundation in progress	July 2004	R	100%	30,029 s.f.
<b>San Clemente Technology Park II</b> Talega, California, U.S.A.	Preliminary	End of 2003	I	100%	73,885 s.f.

### (II) Properties held for investment

Location	Terms of lease	Type	Group's ownership	Approximate floor area attributable to the group
<b>Cosmopolitan Estate</b> Tai Kok Tsui, Kowloon	999 years from 5/8/1871	C	100%	2,161 s.f.
<b>Concordia Plaza</b> Junction of Cheung Wan Road and Science Museum Road, Tsim Sha Tsui	30/6/2047	P	100%	99,562 s.f.

Note: I = Industrial R = Residential C = Commercial P = Public Carpark

## Five Years Financial Summary

	1999 <i>HK\$Million</i>	2000 <i>HK\$Million</i>	2001 <i>HK\$Million</i>	2002 <i>HK\$Million</i>	2003 <i>HK\$Million</i>
<b>Consolidated Profit and Loss Account</b>					
Turnover	68.8	104.4	244.3	284.2	197.
(Loss)/profit attributable to shareholders	(389.1)	4.3	(85.4)	76.7	(293.)
Dividends	6.2	6.2	12.4	24.7	12.
<b>Consolidated Balance Sheet</b>					
Fixed assets	189.2	188.8	178.5	178.5	150.
Associated companies	1,166.8	1,221.0	1,369.2	1,367.0	1,187.
Investment securities	–	29.6	39.2	47.1	47.
Mortgage loans receivable	–	–	–	20.1	20.
Net current assets	3,239.4	3,043.3	2,940.0	3,016.7	2,785.
Total assets less current liabilities	4,595.4	4,482.7	4,526.9	4,629.4	4,191.
Share capital	61.7	61.7	61.7	61.7	61.
Reserves	4,301.0	4,351.0	4,465.2	4,497.3	4,030.
Proposed final dividends	–	–	–	12.3	–
Shareholders' funds	4,362.7	4,412.7	4,526.9	4,571.3	4,092.
Long term liabilities	232.7	69.6	–	57.0	98.
Deferred taxation	–	0.4	–	1.1	1.
Funds employed	4,595.4	4,482.7	4,526.9	4,629.4	4,191.
<b>Performance Statistics</b>					
(Loss)/earnings per share	(\$0.63)	\$0.01	(\$0.14)	\$0.12	(\$0.4)
Dividends per share	\$0.01	\$0.01	\$0.02	\$0.04	\$0.0
Dividend cover	N/A	1.0	N/A	3.1	N/A
Net assets per share	\$7.1	\$7.2	\$7.3	\$7.4	\$6.0
Current ratio	13.2	6.4	6.4	12.2	14.5
Gearing	8.5%	12.2%	10.3%	5.5%	5.9%

## **IMPORTANT**

*If you are in any doubt about this circular, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.*

*If you have sold all your shares in Tai Cheung Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.*

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.*

# **TAI CHEUNG HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

### **Directors:**

David Pun CHAN (*Chairman*)

Ivy Sau Ching CHAN

\*Karl Chi Leung KWOK

Wing Sau LI

\*Benedict Cho Hung WOO

*\* Independent non-executive directors*

### **Registered Office:**

Rosebank Centre

14 Bermudiana Road

Pembroke

Bermuda

### **Head Office:**

20th Floor

The Hong Kong Club Building

3A Chater Road, Central

Hong Kong

2nd July 2003

*To the shareholders*

Dear Sir/Madam,

## **PROPOSALS INVOLVING GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES**

### **INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposed resolutions at the forthcoming 2003 Annual General Meeting of Tai Cheung Holdings Limited (the "Company") to be held on 3rd September 2003 on the general mandates to repurchase shares and to issue shares. Notice of the 2003 Annual General Meeting is contained in the 2003 annual report of the Company to be despatched to shareholders together with this circular.

## **GENERAL MANDATE TO REPURCHASE SHARES**

A general mandate for repurchase of the Company's own shares was granted by shareholders of the Company at the Company's annual general meeting held on 6th September 2002. This general mandate will lapse at the forthcoming 2003 Annual General Meeting unless the authority is renewed by ordinary resolution at that meeting. At the 2003 Annual General Meeting, an ordinary resolution will be proposed to grant a general mandate to the directors of the Company (the "Directors") to exercise the powers of the Company to repurchase shares of the Company up to a maximum of 10% of the issued share capital of the Company at the date of the resolution (the "Repurchase Mandate"). The Directors have no present intention to repurchase any shares.

Information in relation to the Repurchase Mandate as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") is set out in the appendix hereto.

## **GENERAL MANDATE TO ISSUE SHARES**

It will be proposed at the 2003 Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with shares not exceeding 20% of the issued share capital of the Company at the date of the resolution (the "Issue Mandate") and extending the Issue Mandate by adding to it the number of shares repurchased by the Company under the Repurchase Mandate. The Directors have no immediate plans to issue new shares. The Issue Mandate will provide the Company the flexibility to make such issue when appropriate and beneficial to the Company.

## **RECOMMENDATION**

The Directors consider the Repurchase Mandate and the Issue Mandate (together with its extension) are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders should vote in favour of the ordinary resolutions 5(a) to 5(c) to be proposed at the 2003 Annual General Meeting.

By Order of the Board

**David Pun Chan**

*Chairman*

## **APPENDIX**

## **EXPLANATORY STATEMENT**

Information required by the Listing Rules to be disclosed in an explanatory statement on repurchase of shares:

### **Share Capital**

As at 2nd July 2003, being the latest practicable date prior to the printing of this circular, the issued share capital of the Company comprised 617,531,425 shares of HK\$0.10 each.

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate and on the basis that no further shares are issued or repurchased prior to the 2003 Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 61,753,142 shares, being 10% of the entire issued share capital of the Company.

### **Shareholders' Approval**

All repurchase of shares must be approved by shareholders in advance by means of an ordinary resolution, either by way of a general mandate or by specific resolution in relation to specific transactions.

### **Reason for the Repurchase**

Repurchase of shares will only be made when the Directors consider that it will benefit the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share.

### **Source of Funds**

Repurchases must be financed out of funds legally available for the purpose including capital paid up on the shares to be repurchased, profits otherwise available for dividend and in the case of premiums payable on repurchase, sums standing to the share premium account or contributed surplus account of the Company and in accordance with the Bermuda law and Bye-laws of the Company. It is envisaged that any repurchase of shares by the Company would be financed out of the same sources of fund as above described.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated accounts contained in the annual report for the year ended 31st March 2003) in the event that the proposed Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **Trading Restrictions**

A maximum of 10% of the fully paid-up issued shares of a company at the date of the resolution authorising the repurchase mandate may be repurchased on market.

## Disclosure of Interests

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates have any present intention to sell any shares to the Company under the proposed Repurchase Mandate if such is approved by the shareholders of the Company.

The Company has not been notified by any "connected persons" (as defined in the Listing Rules) that they have a present intention to sell any shares to the Company, or that they have undertaken not to do so, in the event that the proposed Repurchase Mandate is approved by the shareholders of the Company.

## Effect of the Hong Kong Code on Takeovers and Mergers (the "Code")

As at the date of this circular, Madam Chan Poon Wai Kuen together with her parties acting in concert (i.e. including Mr. David Pun Chan and Ms. Ivy Sau Ching Chan) were interested in 284,642,131 shares, representing approximately 46.09% of the issued share capital of the Company. In the event that the Directors exercise in full the Repurchase Mandate, their collective shareholdings would be increased to approximately 51.22%, the resultant increase in voting rights held by Madam Chan Poon Wai Kuen and parties acting in concert with her will give rise to an obligation to make a mandatory offer in accordance with Rules 26 and 32 of the Code. However, the Directors have no present intention to exercise the Repurchase Mandate to such extent as would give rise to such an offer obligation. The Directors do not propose to repurchase shares to such an extent as to result in less than 25% of the shares in public hands.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the applicable laws of Bermuda and the Listing Rules.

## Repurchase made by the Company

The Company has not purchased any of its shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

## Share Prices

The highest and lowest prices at which the shares of the Company have traded on the Stock Exchange in the past twelve months were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Shares</b>	<b>Lowest</b> <i>HK\$</i>
July 2002	1.280		1.170
August 2002	1.200		1.100
September 2002	1.170		1.050
October 2002	1.200		1.060
November 2002	1.220		1.110
December 2002	1.160		1.120
January 2003	1.170		1.080
February 2003	1.160		1.070
March 2003	1.150		1.050
April 2003	1.210		0.930
May 2003	1.430		1.130
June 2003	1.330		1.170

華商銀行有限公司

(於香港註冊成立之有限公司)

二零一三年度年報

董事會報告

公司資料

聯吉輝生士丹地生

董事及高級管理人員

主要數據

主要經營數據

綜合股東權益變動表

康頤附註

收購附註

物業

五年財政摘要

## 財務摘要

	<b>2003</b>	2002	
	<b>港幣百萬元</b>	港幣百萬元	百分比轉
股東應佔集團(虧損)／溢利	<b>(293.8)</b>	76.7	N.
股息	<b>12.4</b>	24.7	-50
股東權益	<b>4,092.2</b>	4,571.3	-10
每股(虧損)／盈利	<b>(\$0.48)</b>	\$0.12	N.
每股股息	<b>\$0.02</b>	\$0.04	-50

## 公司資料

### 董事局

陳斌 主席

陳秀清

\* 郭志樑

李永修

\* 胡祖雄

\* 獨立非執行董事

### 審核委員會

郭志樑 主席

陳秀清

胡祖雄

### 秘書

譚綺霞

### 銀行

花旗銀行

恒生銀行

東亞銀行

香港上海滙豐銀行

UFJ Bank Limited

### 核數師

羅兵咸永道會計師事務所

執業會計師

### 註冊辦事處

Rosebank Centre,

14 Bermudiana Road,

Pembroke,

Bermuda.

### 總辦事處

香港中環遮打道三號A

香港會所大廈二十樓

電話: 2532 2688, 2522 3112

圖文傳真機: 2810 4108

2868 5230

2877 2487

網址: <http://www.taicheung.com>

### 股票登記過戶處

Butterfield Fund Services (Bermuda) Limited

Rosebank Centre,

14 Bermudiana Road,

Pembroke,

Bermuda.

### 香港股票登記過戶處

香港中央證券登記有限公司

香港皇后大道東一百八十三號

合和中心十七樓

### 預託證券機構

The Bank of New York

American Depositary Receipts

101 Barclay Street,

22nd Floor West,

New York, NY 10286,

U.S.A.

## 股東週年大會通告

**敬啟者：**本公司訂於二零零三年九月三日（星期三）上午十時假座香港干諾道中三號麗嘉酒店宴會樓層宴會廳I-II舉行股東週年大會，以便討論下列議案：

- (一) 省覽截至二零零三年三月三十一日止全年度之結算書及董事局與核數師報告書。
- (二) 選舉董事及釐定其酬金。
- (三) 委聘核數師並釐定其酬金。
- (四) 考慮及酌情通過下列議案為普通決議案：

(a) 「**動議：**

- (i) 在本決議案(ii)段之限制下，一般性及無條件批准本公司董事局可於有關期間(定義見下文)內行使本公司之一切權力，按照所適用之法例及香港聯合交易所有限公司之上市規則購回本公司每股面值港幣0.10元之股份；

(ii) 本公司根據本決議案(i)段而購回股份，其面值總額不得超過本公司於此項決議案通過當日之已發行股本面值總額百分之十，而上文之准亦應以此為限；及

(iii) 就本決議案而言，「有關期間」乃由本決議案通過之日期至下列三項中較早之日期：

- (1) 本公司下屆股東週年大會結束；
- (2) 按法律規定舉行下屆股東週年大會之期間屆滿時；及
- (3) 本決議案所授權力經由本公司股東在股東大會上以普通決議案撤銷或更改之日。

# 股東週年大會通告

(b) 「動議：

無條件授權董事局增發及處理不超過本公司於本決議案通過當日之已發行股本百分之二十之新股，此授權令有效至下屆股東週年大會為止。」

(c) 「動議：

本公司根據本大會通告第四項普通決議案(a)項授予董事之授權所購回本公司股本中之股份總面值，將加入本公司董事根據本大會通告第四項普通決議案(b)項增發及處理之股本面值，惟數額不得超過本公司於通過本決議案當日之已發行股本總面值百分之十。」

承董事局命

譚綺霞

秘書

香港，二零零三年六月二十六日

附註：

1. 凡有權出席上述會議並投票表決之股東即有權委任一位或多位代表出席會議，並於表決時代為投票，所委任之代表無須為本公司股東。
2. 委任代表表格最遲須於大會召開時間四十八小時前送達本公司在香港之股票登記過戶處香港灣仔皇后大道東一八三號合和中心十七樓香港中央證券登記有限公司，方為有效。
3. 一份載有關於上述第四(a)項決議案詳情之說明文件即將連同二零零三年度年報一併寄予各股東。

## 董事及高層管理人員之簡歷

### 董事

#### 陳斌, SB HonLLD

陳斌, 五十二歲, 一九七三年加入本集團, 一九七五年獲委任為本集團董事, 一九八一年晉升為主席。陳先生於建築界、地產發展及投資業務方面累積超過二十五年經驗, 現為 MIT Sloan School of Management Dean's Advisory Council 及嶺南大學校董會成員, 香港中華總商會會董及香港地產建設商會會董。陳先生乃本公司董事陳秀清小姐之兄。

#### 陳秀清, BA

陳秀清, 五十歲, 一九八一年起出任本集團董事。她現時為胡關李羅律師行合夥人, 為本集團提供法律顧問服務。陳小姐乃本公司主席陳斌先生之妹。

#### 郭志樑, BA MBA

郭志樑, 五十四歲, 一九八三年起出任本集團董事。郭先生於銀行及金融業務方面具有超過二十五年管理經驗。郭先生現為永安國際集團有限公司、永安國際有限公司、香港康體發展局香港教練培訓委員會及香港中文大學崇基學院書院校董會主席, 香港中文大學校董會校董, 香港城市大學校董會成員, 稅務上訴委員會委員, 香港外展信託基金會會員, 人事登記審裁處審裁員, 香港帆船協會會長及中國香港體育協會暨奧林匹克委員會副會長。

#### 李永修, BA DipMS

李永修, 五十歲, 一九九四年加入本集團, 一九九七年獲委任為本集團董事。加入本集團前彼為一加拿大地產建築策劃顧問公司之工程策劃經理, 在香港及加拿大積逾二十五年工程策劃之工作經驗。李先生亦為本集團工程策劃及建築控制總監。

#### 胡祖雄, BSc

胡祖雄, 六十五歲, 二零零零年獲委任為本集團董事。胡先生現為唐天樂律師行顧問。

### 高層管理人員

#### 建築部主管

李新元, BSc MASc, 六十一歲, 本集團建築部經理。於一九九一年加入本集團前彼為多間主要上市地產發展商之建築部經理, 在香港及新加坡之建築界積逾二十五年經驗。

## 董事及高層管理人員之簡歷

### 高層管理人員(續)

#### 營業及物業管理部主管

袁定華, FCCA, 五十一歲, 本集團之物業部經理。一九八零年加入本集團為會計主任。一九九一年調任營業及物業管理部主管。加入本集團前彼為一上市公司之內部核數師, 於商業會計及核數、物業管理及銷售業務方面具有超過二十五年經驗。

#### 美國業務之主管

潘志雄, BA MSc MBA, 五十六歲, 美國業務副總裁。彼於一九八八年加入本集團, 於美國之地產發展、土木工程及建築工程方面具有超過二十五年之工作經驗。潘先生為本公司董事陳斌先生及陳秀清小姐之表兄。

#### 會計及財務部主管

林威廉, MBA FCCA AHKSA AICPA, 三十九歲, 本集團總會計。彼於一九九六年加入本集團, 具有超過十五年商業及執業會計之工作經驗。

#### 公司秘書部主管

譚綺霞, FCIS, 五十二歲, 本集團公司秘書。於一九八一年加入本集團前彼為一間國際公司之特許秘書及法律事務主任。她於公司秘書服務方面具有超過二十五年之工作經驗。

#### 資訊技術部主管

鄧永業, MBA, 五十三歲, 本集團資訊技術部經理及機構事務部高級經理。一九七九年加入本集團為會計主任, 一九八二年調往資訊技術部。加入本集團前彼為一上市公司之內部核數師, 於商業會計、公司核數及資訊技術方面具有超過二十五年經驗。

#### 人力資源部主管

黃金鳳, MBA, 三十八歲, 本集團人力資源部經理。於一九九三年加入本集團前彼為一國際酒店集團之助理人事經理。彼於人力資源管理方面具有超過十五年之工作經驗。

## 董事局報告書

董事局謹向各股東提呈截至二零零三年三月三十一日止年度之董事報告及已審核賬項。

### 主要業務

本公司之主要業務為投資控股。附屬公司之主要業務包括物業投資及發展、投資控股及物業管理，詳列於賬項附註三十內。

本集團之業績按業務及地域分部詳列於賬項附註二內。

### 業績及分配

本集團截至二零零三年三月三十一日止年度之業績詳列於第十三頁之綜合損益表內。

董事局已於二零零三年二月二十一日派發中期股息每普通股港幣二仙，合共港幣一千二百四十萬元

董事局不建議派發末期股息予普通股之股東。

### 儲備金

本年度本集團與本公司儲備金之變動詳列於賬項附註二十一內。

### 固定資產

本年度本集團固定資產之變動詳列於賬項附註十一內。

### 財務概要

本集團之五年財務概要詳列於第四十四頁內。

### 長期債項

本集團長期債項詳列於賬項附註二十二內。

### 物業

本集團之主要物業列於第四十三頁內。

### 董事局

本公司於年內及本報告日期之董事為陳斌、郭志樑\*、李永修、胡祖雄\*及陳秀清。

## 董事局報告書

根據本公司規章第八十四則，郭志樑先生輪值告退，惟如再獲選，願繼續連任。

本公司各董事與公司並無訂立一年內終止即需就未屆滿期間作出賠償之服務合約。

• 獨立非執行董事

### 董事及高層管理人員之簡歷

董事及高層管理人員之簡歷詳列於第五及六頁內。

### 董事權益

於二零零三年三月三十一日，依證券（披露權益）條例第二十九條而設置之登記冊所載記錄，各董事及行政總裁在本公司股份之權益如下：

姓名	股份數目				總數
	個人權益	家族權益	法團權益	其他權益	
陳斌	106,537,971	—	*61,335,074	—	167,873,045
陳秀清	20,132,706	—	—	—	20,132,706
郭志樑	221,212	—	—	—	221,212
李永修	37,000	—	—	—	37,000

• 註 — 該等股份透過陳斌先生一間全資擁有公司持有。

於本年度內，本公司並無授予其董事或行政總裁任何可認購本公司股份之權利。

本年度內或年結時，本公司或各附屬公司並無訂立任何有關本集團之業務而本公司董事直接或間接佔有重大權益之重大合約。

本公司或各附屬公司在本年度內並無參與任何協議致令本公司董事取得本公司或其他公司之股份或債券而獲得利益。

## 董事局報告書

### 主要股東

於二零零三年三月三十一日，依證券(披露權益)條例第十六(一)條設置之主要股東登記冊，顯示本公司已接獲有關下列合共持有本公司發行股本百分之十或以上權益之通知。此等權益並不包括於以上透露之董事及行政總裁之權益：

姓名	實益持有股份數目
陳潘慧娟	96,185,38

### 股份購買、出售或贖回

本年度內，本公司並無贖回任何公司股份。另本公司或各附屬公司於年內均無購買或出售本公司任何股份。

### 優先購買權

對於有關發行公司新股，百慕達之法例並無優先購買權規定。

### 管理合約

本年度內本公司並無就全盤業務或其中重大部份簽訂或存有管理及行政合約。

### 主要供應商及客戶

本年度內，本集團首五大供應商及最大供應商佔集團採購總額分別約百分之九十三及百分之七十一，而首五大客戶及最大客戶則佔集團營業總額分別約百分之二十五及百分之九。

於二零零三年三月三十一日，本公司各董事及其聯繫人或任何股東(就董事所知擁有本公司股份百分之五或以上者)並無實益持有該五大供應商或五大客戶之權益。

## 業務回顧

### 流動資金狀況及財務資源

本集團所需之資金來自現有現金、內部產生之現金及部份按需要以浮息率向銀行借貸。其他資金來源包括來自聯營公司之股息收入。

於二零零三年三月三十一日，本集團在扣除現金後之貸款淨額為港幣一億六千五百三十萬元，而去年為港幣一億八千七百一十萬元。本集團之貸款以投資物業及本集團其他物業作抵押，物業賬面總值港幣八億四千零九十萬元。本集團所有貸款以港元結算。

於年結時，本集團之貸款中約百分之五十九點三須於一年內償還而百分之四十點七須於二至五年內償還。

資產負債比率（即銀行借貸佔股東權益之比率）於二零零三年三月三十一日維持於百分之五點九之低水平，而去年則為百分之五點五。

於二零零三年三月三十一日，本集團已獲批核但未動用之信貸額為港幣二億七千九百九十萬元。連同於未來十二個月內因出租及出售集團之物業而向租戶及買家收取之款項，本集團之流動資金將足夠應付預計來年營運資金之需求。

### 庫務政策

本集團之整體庫務及融資政策以風險管理及控制為主。集團之資產及負債均以港元或美元結算，因而將本集團面對之外匯波動風險減至最低。然而本集團仍會密切監察整體貨幣及利率風險，如認為適當時，會作貨幣風險對沖之措施。

### 人力資源

除聯營公司外，本集團於香港及美國兩地僱用共二百三十九名員工。於二零零三年三月三十一日止年度僱員開支（不包括董事酬金）達港幣四千八百二十萬元。本集團按年檢討僱員之薪酬，其他僱員福利包括醫療津貼、無需僱員供款之公積金計劃及強制性公積金計劃。

## 董事局報告書

### 或然負債

本公司提供貸款擔保予部份全資附屬公司以取得銀行貸款。

### 公司監管

本年度內，本公司一直遵守香港聯合交易所有限公司證券上市規則附錄十四之最佳應用守則，惟因根據本公司之細則規定，獨立非執行董事須在股東週年大會上輪值告退及重選連任，彼等之任期並無定明。

### 關連交易

本集團於截至二零零三年三月三十一日止年度沒有進行根據香港聯合交易所有限公司證券上市規則之有關連人士交易。

### 審核委員會

董事局已成立審核委員會，並以書面清楚列出其權力及權責範圍。審核委員會之功能是協助董事局提供獨立審核本集團之財務匯報程序及內部監管機制。審核委員會由三名非執行董事組成，包括郭志樑先生、胡祖雄先生及陳秀清女士。

### 核數師

本公司核數師羅兵咸永道會計師事務所審核本年度賬目完竣，彼等願意侯聘續任。

承董事局命

董事局主席

**陳斌**

香港，二零零三年六月二十六日

## 財政報告

截至二零零三年三月三十一日止年度已審核股東應佔集團虧損為港幣二億九千三百八十萬元，去年同期則有溢利港幣七千六百七十萬元。鑑於香港經濟不景及物業市道持續疲弱，集團為發展物業作出了港幣三億六千一百五十萬元減值撥備，故此出現虧損。由於出現虧損，董事局不建議派發末期股息。

在此敬告各股東，雖然經歷去年的虧損，截至二零零三年三月三十一日止，集團的保留盈餘仍有逾港幣二十六億三千六百萬元及股東資金逾港幣四十億零九千二百萬元。每股資產淨值為港幣六元六角。

## 地產發展

本年度集團購入位於加利福尼亞州之 San Clemente Technology Park II。地盤之建築工程在初步籌備階段。春坎角郊區地段1164號高級住宅發展物業之地基工程正在進行中，上蓋工程預計於今年八月中展開。

## 酒店

本集團擁有百分之三十五權益之喜來登酒店，房間重大翻新工程已完竣。然而，由於受到非典型肺炎疫情影响，酒店房間入住率已跌至歷史低位，預計入住率於二零零三年年終前仍未能回復較正常之水平。

## 高科技投資

於本年度內本集團並無承諾投資任何新高科技。由於有跡象顯示美國經濟會復甦，預期集團之高科技投資於未來數年將會為股東帶來滿意回報。

## 展望

香港現正面對通貨緊縮及疲弱經濟增長的困擾，非典型肺炎疫情出現使經濟復甦遙遙無期。集團預料目前的經濟狀況將會持續多數年才可望真正全面復甦過來。集團過往的投資策略都是基於這個經濟環境而訂定；在可見的未來，集團都會朝著這方向採取適當應對措施。

集團的低負債比率及保守投資策略可助其經歷當前經濟衰退後，在眾多同行競爭者中顯得更具優勢。

最後本人謹對公司同寅之勤奮與忠誠深表感謝。

董事局主席

陳斌

香港，二零零三年六月二十六日

## 綜合損益表

(截至二零零三年三月三十一日止年度)

	附註	2003 港幣百萬元	2002 港幣百萬元
營業額	2	197.7	284.1
出售樓宇成本		(86.8)	(177.1)
物業開支		(30.2)	(35.1)
毛利		80.7	71.9
行政開支		(37.0)	(40.1)
就待售物業撥備		(361.5)	-
投資證券撥備		(15.6)	(15.1)
營業(虧損)/溢利	3	(333.4)	15.6
財務費用	6	(4.8)	(13.1)
攤佔聯營公司溢利		54.5	89.1
除稅前(虧損)/溢利		(283.7)	91.6
稅項	7	(10.1)	(15.1)
股東應佔(虧損)/溢利	8	(293.8)	76.5
股息	9	12.4	24.1
每股(虧損)/盈利	10	(\$0.48)	\$0.11

# 綜合資產負債表

(二零零三年三月三十一日結算)

	附註	2003 港幣百萬元	2002 港幣百萬元
固定資產	11	150.4	178.5
聯營公司	13	1,187.5	1,367.0
投資證券	14	47.1	47.1
應收按揭貸款	15	20.9	20.1
流動資產			
待售物業	16	2,770.6	3,151.2
發展中物業	17	129.6	50.5
應收退稅		1.0	—
應收賬款、按金及預付款項	18	15.6	20.0
銀行存款及現金		75.8	65.5
		2,992.6	3,287.2
流動負債			
應付賬款、按金及未付款項	19	63.8	74.7
銀行貸款—有抵押		69.0	132.6
銀行貸款—無抵押		70.0	59.0
長期債項一年內應還額	22	4.0	4.0
稅項		—	0.2
		206.8	270.5
流動資產淨值		2,785.8	3,016.7
<b>總資產減流動負債</b>		<b>4,191.7</b>	<b>4,629.4</b>
資金來源：			
股本	20	61.7	61.7
儲備金	21	4,030.5	4,497.3
擬派末期股息	21	—	12.3
<b>  股東權益</b>		<b>4,092.2</b>	<b>4,571.3</b>
長期債項	22	98.1	57.0
遞延稅項	23	1.4	1.1
<b>  已運用資金</b>		<b>4,191.7</b>	<b>4,629.4</b>

董事局於二零零三年六月二十六日通過上述賬項。

陳斌  
李永修  
董事

## 資產負債表

(二零零三年三月三十一日結算)

	附註	2003 港幣百萬元	20 港幣百萬
附屬公司	12	2,894.8	2,894
流動資產			
銀行存款及現金		1.8	1
流動負債			
應付賬款、按金及未付款項	19	2.4	2
流動負債淨值		(0.6)	(0)
<b>總資產減流動負債</b>		<b>2,894.2</b>	<b>2,894</b>
資金來源：			
股本	20	61.7	61
儲備金	21	2,832.5	2,819
擬派末期股息	21	—	1
<b>股東權益</b>		<b>2,894.2</b>	<b>2,894</b>

董事局於二零零三年六月二十六日通過上述賬項。

陳斌  
李永修  
董事

## 綜合股東權益變動表

(截至二零零三年三月三十一日止年度)

	附註	2003 港幣百萬元	2002 港幣百萬元
年初之股東權益		4,571.3	4,526.9
重估物業虧損	21	(28.1)	—
重估聯營公司虧損	21	(132.5)	(19.9)
未於綜合損益表確認之虧損淨額		(160.6)	(19.9)
本年度(虧損)/溢利	21	(293.8)	76.7
股息	21	(24.7)	(12.4)
年終之股東權益		4,092.2	4,571.3

## 綜合現金流量表

(截至二零零三年三月三十一日止年度)

	附註	2003 港幣百萬元	2002 港幣百萬元
<b>經營活動所得之現金流量</b>			
經營活動所得之現金(流出)／流入	29(a)	(20.1)	217
已付利息		(7.8)	(14)
已付香港利得稅		(2.1)	(3)
<b>經營活動所得之淨現金(流出)／流入</b>		<b>(30.0)</b>	<b>199</b>
<b>投資活動所得之現金流量</b>			
購買固定資產		(0.3)	(0)
已收利息		0.6	0
已收聯營公司股息		89.1	49
證券投資		(15.6)	(23)
應收按揭貸款增加		(0.8)	(20)
貸款償還自聯營公司		3.5	10
<b>投資活動之淨現金流入</b>		<b>76.5</b>	<b>15</b>
<b>融資所得之現金流量</b>			
新借銀行貸款		74.2	109
償還銀行貸款		(85.7)	(322)
已派股息		(24.7)	(12)
<b>融資之淨現金流出</b>		<b>(36.2)</b>	<b>(225)</b>
<b>現金及現金等價物淨增加／(減少)</b>		<b>10.3</b>	<b>(10)</b>
年初之現金及現金等價物		65.5	75
年終之現金及現金等價物		29(b) 75.8	65

## 1. 主要會計政策

編製本賬目所採用之主要會計政策列述如下：

### (a) 編製基準

本賬目乃按照符合香港普遍採納之會計原則及香港會計師公會所頒佈之香港會計實務準則而編製。本賬目按歷史成本慣例編製，惟投資物業及聯營公司經重估修訂後入賬。

本年度內，本集團採納以下由香港會計師公會頒佈之會計實務準則，該等會計準則於本財政年度生效：

會計實務準則第1號（經修訂）	:	財務報表之呈報方式
會計實務準則第11號（經修訂）	:	外幣折算
會計實務準則第15號（經修訂）	:	現金流量表
會計實務準則第33號	:	終止經營
會計實務準則第34號（經修訂）	:	員工福利

除綜合現金流量表中現金流量之重新歸類及綜合股東權益變動表之呈報外，採納以上會計準則對本集團賬目無重大影響。

### (b) 綜合賬之基本原則

- (i) 本集團綜合賬項，包括截至二零零三年三月三十一日止年度本公司與各附屬公司之賬項，及本集團所攤佔聯營公司之業績與所佔其自收購後之儲備金。合併入集團綜合賬之聯營公司，其賬項結算日期均不早於本公司結算日期六個月。若有重大事項於聯營公司結算日及本集團結算日期間發生，本集團之綜合賬項將就該事項予以調整。
- (ii) 附屬公司乃指本集團直接或間接控制其投票權百分之五十以上，能監管其財政及經營政策，能聘用或罷免其董事會之大部份成員或在董事會會議中投大部份選票之公司。
- (iii) 在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止列入綜合損益賬內。
- (iv) 在本公司之資產負債表內，附屬公司之投資以成本值減減值準備入賬。本公司將附屬公司之業績按股息收入入賬。

### 1. 主要會計政策(續)

#### (c) 聯營公司

聯營公司乃附屬公司以外，本集團持有其股權作為長期投資，並對其管理有重要影響力之公司。

聯營公司之投資在綜合資產負債表內是以集團攤佔其資產淨值(經就反映董事局對聯營公司持有物業之估值調整後)計算。

#### (d) 投資證券

投資證券是以成本值扣除撥備入賬。

個別投資按資產負債表結算日之公平值與面值比較。當非短暫性下調發生時，該投資面值將下調至公平值。撥備額在損益表中作為費用支銷。

#### (e) 供出售及發展中物業

供出售及發展中物業乃按成本值及估計可變現淨值之較低者入賬。成本值包括供物業發展用之貸款支出之利息及財務費用。可變現淨值乃根據在正常市況下估計物業可售得之價值扣除所有預測之支出。

#### (f) 投資物業

投資物業乃所持土地樓房之權益，而該等土地樓房之建築及發展工程業已完竣，並持作投資之用。

持有之投資物業，若其租約有效期尚餘超過二十年，皆每年由獨立專業測計師估值。估值是以有關物業之公開市值為計算基準，而土地跟樓房則不設分開列值，所得估值乃包括於年度賬項內。增值部撥入投資物業估值儲備金；減值部份首先以整個投資物業組合為基礎與先前增值之部份對銷，其後從營業溢利支銷。其後如有任何增值，最高按先前支銷之金額為限撥入營業溢利。

持有之投資物業，若其租約有效期尚餘二十年或以下，則於租約尚餘期內折舊。

當出售投資物業時，該有關重估儲備部份將從投資物業重估儲備轉入損益表內。

## 賬項附註

### 1. 主要會計政策(續)

#### (g) 其他固定資產

其他固定資產是以成本值減累積折舊及累積減值入賬。折舊乃採用直線攤銷法按折舊年率百分之二十就各項資產之估計可用年限內撇銷其成本值減累積減值。

於年結時，其他固定資產之賬面值均按外來與內部資料檢討，以評估是否有減值情況。如有減值情況，估計其可收回價值並將減值於損益表中入賬。

出售固定資產所得之收益或虧損乃該等資產之淨出售收入與面值之差額，並於損益表中入賬。

#### (h) 營業性租賃

資產擁有權之全部得益及風險實質地由出租公司保留之租約，皆作為營業性租賃入賬。營業性租賃之租金支出或收益，於租約期內在損益表中採用直線攤銷法支銷或記作收入。

#### (i) 收入確認

##### (i) 樓宇出售

在樓宇擁有權之主要風險及得益已轉給買家及本集團再沒有因擁有權而對該等已售物業維持管理及控制權後，出售樓宇之收益方計算入賬。本集團認為擁有權之主要風險及得益在該樓宇或其中已訂約出售之部份正式建成及有關入伙紙發出後方為轉妥。

##### (ii) 租金收入

來自出租投資物業及其他物業之租金收入根據租約期按直線法計算入賬。

##### (iii) 利息收入

利息收入根據本金及利率按時間比例入賬。

##### (iv) 股息收入

股息收入在本集團收取股息之權利確立後入賬。

##### (v) 物業管理收入

物業管理收入在提供服務後入賬。

## 賬項附註

### 1. 主要會計政策 (續)

#### (j) 現金及現金等價物

現金及現金等價物於資產負債表按成本值入賬。現金流量表中，現金及現金等價物包括現有現金、原到期日不超過三個月期之銀行存款及銀行透支。

#### (k) 僱員福利

##### (i) 僱員應有假期

僱員之應有年假按積累入賬。截至資產負債表結算日之僱員估計年假作出撥備。

僱員之病假及分娩假於放假時確認。

##### (ii) 公積金計劃

關於僱員無需供款之定額供款公積金計劃（「計劃」），本集團根據信託契約之條款就該計劃定期支付之每月供款於賬目中支銷。本集團之公積金供款按僱員薪金某百分比計算。倘僱員在未獲得所有既定供款前退出該計劃，該等供款將被沒收並作為減低集團未來需支付之供款額。該計劃之資產是與本集團之資產分開，並由專業受託人管轄及由獨立基金經理管理。

在強制性公積金計劃（「強積金計劃」）中，本集團之供款乃根據香港強制性公積金計劃條例所定之僱員有關入息之百分之五供款，每月供款額最高為港幣1,000元。僱員亦需向強積金計劃作相應金額之供款。已付之強積金供款即時全部歸屬於僱員成為累算權益。

1. 主要會計政策 (續)

(l) 外幣兌換

外幣交易按交易日期之匯率兌換為港幣。以外幣結算之貨幣資產與負債已按資產負債表結算日之兌換率伸算。所有匯兌差額已列入營業溢利賬項中。

以外幣結算之附屬公司資產負債表乃按資產負債表結算日之兌換率伸算為港幣，而損益表按平均兌換率伸算。匯兌差額已作為匯兌變動儲備金之變動處理。

(m) 遞延稅項

申報稅項之溢利與賬目內反映之溢利二者間之時差，若在短期內影響負債或資產之支收，即按現行稅率於賬內撥備遞延稅項。

(n) 借貸成本

凡直接與購置、興建或生產某項資產（該資產必須經過頗長時間籌備以作預定用途或出售）有關之借貸成本，均資本化為該資產之部分成本。

所有其他借貸成本均於發生之年度內在損益表支銷。

(o) 分部報告

按照本集團之內部財務報告，本集團將業務分部資料以主要報告形式呈列，而地域分部資料則以次要報告形式呈列。

未分配成本指集團整體性開支。分部資產主要包括待售物業、發展中物業、投資證券、固定資產、應收款項及經營現金。分部負債包括經營負債而不包括稅項。資本開支包括對固定資產的增加。

關於地域分部報告，營業額、營業業績、總資產及資本開支按照資產所在地區計算。

## 賬項附註

### 2. 營業額、收益及分部資料

本集團主要從事地產投資及發展、投資控股及物業管理業務。年中收益及營業額包括：

	2003 港幣百萬元	2002 港幣百萬元
出售樓宇之毛收入	97.5	188.1
租金毛收入		
— 投資物業	12.7	16.1
— 其他物業	79.9	71.1
利息收入	0.6	0.1
物業管理收入	7.0	7.1
	<b>197.7</b>	<b>284.1</b>

分部資料按本集團之業務及地域列出。業務分部被選擇為主要報告形式呈列，因此形式與本集團之運作模式較切合。

賬項附註

2. 營業額、收益及分部資料(續)

(a) 主要報告形式－業務分部

	地產發展 2003 港幣百萬元	物業出租 2003 港幣百萬元	物業管理 2003 港幣百萬元	酒店經營 2003 港幣百萬元	投資控股 2003 港幣百萬元	集團 2003 港幣百萬元
營業額	97.5	92.6	7.0	—	0.6	197.7
撥備前分部業績	(40.7)	82.5	2.9	—	(0.1)	44.6
物業撥備	(161.3)	(200.2)	—	—	—	(361.5)
投資證券撥備	—	—	—	—	(15.6)	(15.6)
分部業績	(202.0)	(117.7)	2.9	—	(15.7)	(332.5)
未分配成本						(0.9)
營業虧損						(333.4)
財務費用						(4.8)
攤佔聯營公司溢利/ (虧損)	0.1	—	—	56.3	(1.9)	54.5
除稅前虧損						(283.7)
稅項						(10.1)
股東應佔虧損						(293.8)
分部資產	1,386.3	1,701.0	30.7	—	92.0	3,210.0
聯營公司	50.8	—	—	1,138.7	(2.0)	1,187.5
未分配資產						1.0
總資產						4,398.5
分部負債	198.8	73.2	29.5	—	3.4	304.9
未分配負債						1.4
總負債						306.3
資本開支	0.3	—	—	—	—	0.3
折舊	0.2	—	—	—	—	0.2

## 賬項附註

### 2. 營業額、收益及分部資料(續)

#### (a) 主要報告形式－業務分部(續)

	地產發展 2002 港幣百萬元	物業出租 2002 港幣百萬元	物業管理 2002 港幣百萬元	酒店經營 2002 港幣百萬元	投資控股 2002 港幣百萬元	集團 2002 港幣百萬元
營業額	188.1	87.7	7.9	—	0.5	284.2
撥備前分部業績	(46.5)	75.0	3.8	—	—	32.3
投資證券撥備	—	—	—	—	(15.6)	(15.6)
分部業績	(46.5)	75.0	3.8	—	(15.6)	16.7
未分配成本						(0)
營業溢利						15
財務費用						(13)
攤佔聯營公司溢利	13.1	—	—	76.2	—	89.3
除稅前溢利						91
稅項						(15)
股東應佔溢利						76
分部資產	1,620.9	1,787.6	18.9	—	105.5	3,532.9
聯營公司	56.7	—	—	1,310.3	—	1,367
總資產						4,899.9
分部負債	237.7	81.6	4.5	—	3.5	327.3
未分配負債						1
總負債						328.3
資本開支	0.2	—	—	—	—	0.2
折舊	0.2	—	—	—	—	0.2

## 賬項附註

### 2. 營業額、收益及分部資料(續)

#### (b) 次要報告形式－地域分部

	營業額 2003 港幣百萬元	營業虧損 2003 港幣百萬元	總資產 2003 港幣百萬元	資本開支 2003 港幣百萬元
香港	117.7	(321.1)	4,311.5	0.2
美國	80.0	(12.3)	87.0	0.2
	197.7	(333.4)	4,398.5	0.2

  

	營業額 2002 港幣百萬元	營業溢利/ (虧損) 2002 港幣百萬元	總資產 2002 港幣百萬元	資本開支 2002 港幣百萬元
香港	283.9	37.2	4,792.2	0.2
美國	0.3	(21.4)	107.7	—
	284.2	15.8	4,899.9	0.2

### 3. 營業(虧損)/溢利

	2003 港幣百萬元	2002 港幣百萬元
營業(虧損)/溢利已扣除下列各項目:		
核數師酬金	0.8	0.9
折舊	0.2	0.2
出售固定資產虧損	0.1	—
營業性租賃之租金－房地產	5.5	5.4
物業之支出		
－投資物業	3.5	3.3
－其他物業	3.3	4.1

## 賬項附註

### 4. 僱員開支

僱員開支(不包括附註5之董事酬金)在綜合損益表支銷代表:

	2003 港幣百萬元	2002 港幣百萬元
薪金及津貼	45.4	46.7
公積金供款減沒收額(附註(a))	2.8	2.7
減:轉收物業管理基金之僱員開支(附註(b))	(21.7)	(22.5)
	26.5	26.9

註:

- (a) 於年內,沒有因僱員退出該計劃而令致供款被沒收之數額(二零零二年:港幣100,000元),用作減少集團年內需支付之供款額。於結算日,沒有被沒收之供款(二零零二年:無)可用作減少未來之應付供款。於結算日,應付供款為港幣200,000元(二零零二年:港幣200,000元)。
- (b) 僱員開支於提供物業管理服務時轉收。

### 5. 董事及高層管理人員之酬金

#### (a) 董事酬金

	2003 港幣百萬元	2002 港幣百萬元
袍金	0.2	0.
薪金及其他酬金	2.9	2.
花紅	0.2	0.
公積金計劃供款	0.3	0.
	3.6	3.

董事酬金分析如下:

	2003	董事數目	2002
港幣1,000,000元或以下	3		
港幣1,000,001元至港幣1,500,000元	1		
港幣2,000,001元至港幣2,500,000元	1		

於本年度內,獨立非執行董事之酬金為港幣60,000元(二零零二年:港幣60,000元)。

## 賬項附註

### 5. 董事及高層管理人員之酬金(續)

#### (b) 五名最高薪酬人士

集團五位薪酬最高僱員中兩名(二零零二年:兩名)為董事,其酬金詳情已在上述列出。其餘三名(二零零二年:三名)僱員酬金如下:

	2003 港幣百萬元	2002 港幣百萬元
薪金及其他酬金	3.0	2.1
花紅	0.2	0.1
公積金計劃供款	0.2	0.1
	<b>3.4</b>	<b>3.1</b>

以上酬金分析如下:

	2003 僱員數目	2002 僱員數目
港幣1,000,000元或以下	—	—
港幣1,000,001元至港幣1,500,000元	3	—

### 6. 財務費用

	2003 港幣百萬元	2002 港幣百萬元
財務費用包括以下:		
須於五年內全部償還之銀行貸款及透支利息	7.7	13.8
減:撥作發展中物業成本之金額	(2.9)	(0.6)
	<b>4.8</b>	<b>13.2</b>

## 賬項附註

### 7. 稅項

香港利得稅準備乃根據是年估計之應課稅溢利按照稅率百分之十六(二零零二年:稅率百分之十六)計算。

	2003 港幣百萬元	2002 港幣百萬元
本公司及附屬公司		
香港利得稅	0.9	1.0
遞延稅項(附註23)	0.3	1.1
	1.2	2.1
聯營公司		
香港利得稅	8.9	12.1
	10.1	15.2

### 8. 股東應佔(虧損)/溢利

是年股東應佔(虧損)/溢利包括本公司賬內之溢利港幣25,200,000元(二零零二年:港幣20,600,000元)。

### 9. 股息

	2003 港幣百萬元	2002 港幣百萬元
已派中期股息,每普通股港幣二仙(二零零二年:港幣二仙)	12.4	12.1
不擬派末期股息(二零零二年:港幣二仙)	—	12.1
	12.4	24.2

### 10. 每股(虧損)/盈利

每股(虧損)/盈利乃按股東應佔虧損港幣293,800,000元(二零零二年:溢利港幣76,700,000元)及已發行普通股617,531,425股(二零零二年:617,531,425股)計算。

附註項

11. 固定資產

集團

	投資物業 港幣百萬元	其他固定資產 港幣百萬元	總數 港幣百萬元
<b>成本值或估值</b>			
二零零二年四月一日結餘	177.3	36.6	213.9
年中增加	—	0.3	0.3
年中出售	—	(0.6)	(0.6)
重估虧損(附註21)	(28.1)	—	(28.1)
二零零三年三月三十一日結餘	149.2	36.3	185.5
<b>累積折舊</b>			
二零零二年四月一日結餘	—	35.4	35.4
年中折舊	—	0.2	0.2
年中出售	—	(0.5)	(0.5)
二零零三年三月三十一日結餘	—	35.1	35.1
<b>賬面淨值</b>			
二零零三年三月三十一日結餘	149.2	1.2	150.4
二零零二年三月三十一日結餘	177.3	1.2	178.5

香港之投資物業如下：

	2003 港幣百萬元	2002 港幣百萬元
五十年以上長期租約	5.2	5.3
二十至五十年中期租約	144.0	172.0
	149.2	177.3

投資物業已於二零零三年三月三十一日由獨立專業測計師世邦魏理仕物業顧問有限公司按公開市值基準予以重估。

所有其他固定資產均以成本值計算。

## 賬項附註

### 12. 附屬公司

#### 公司

	2003 港幣百萬元	200 港幣百萬元
非上市證券，成本值	2,349.2	2,349.
應收附屬公司款項	545.6	545.
	<b>2,894.8</b>	<b>2,894.</b>

應收附屬公司款項乃無抵押、免息及無固定還款期。附屬公司之詳情載於賬項附註30。

### 13. 聯營公司

#### 集團

	2003 港幣百萬元	200 港幣百萬元
攤佔資產淨值	1,127.4	1,303.
聯營公司貸款減撥備	60.1	63.
	<b>1,187.5</b>	<b>1,367.</b>

本集團之攤佔聯營公司溢利及攤佔資產淨值主要透過集寶投資有限公司及Consolidated Hotels Limited於一間香港酒店擁有百分之三十五權益所得。該酒店已由董事局於二零零三年三月三十一日根據世邦魏理仕物業顧問有限公司按現有用途重估。重估虧損港幣132,500,000元(二零零二年:港幣19,900,000元)已扣自資本儲備金(附註21)。

本年度聯營公司發放予本集團之股息為港幣89,100,000元(二零零二年:港幣49,100,000元)。

聯營公司貸款乃無抵押、免息及無訂明還款期。

聯營公司其他詳情載於賬項附註30。

## 賬項附註

### 14. 投資證券

#### 集團

	2003 港幣百萬元	2002 港幣百萬元
非上市權益證券按成本減撥備	47.1	47.1

### 15. 應收按揭貸款

應收按揭貸款年息率按港元最優惠利率加百分之一，並自按揭日起有十八個月或三年免息期。免息期後供款分期在十至二十二年內償還。

### 16. 待售物業

於二零零三年三月三十一日，本集團待售物業之賬面值當中以可變現淨值列值有港幣2,715,700,000元（二零零二年：港幣924,300,000元）。

### 17. 發展中物業

於二零零三年三月三十一日，本集團發展中物業之賬面值當中沒有以可變現淨值列值（二零零二年港幣15,700,000元）。

### 18. 應收賬款、按金及預付款項

#### 集團

#### 賬齡分析

	2003 港幣百萬元	2002 港幣百萬元
零至三個月	3.6	6.1
	3.6	6.1
按金及預付款項	12.0	13.9
	15.6	20.0

給予顧客之信貸條款各異，一般在三個月內。

## 賬項附註

### 19. 應付賬款、按金及未付款項

賬齡分析

	集團		公司	
	2003 港幣百萬元	2002 港幣百萬元	2003 港幣百萬元	2002 港幣百萬元
零至三個月	2.1	—	—	—
三個月以上	0.1	1.0	—	—
	2.2	1.0	—	—
按金及未付款項	61.6	73.7	2.4	2.4
	63.8	74.7	2.4	2.4

### 20. 股本

	2003 港幣百萬元	2002 港幣百萬元
法定股本：		
1,000,000,000股（二零零二年：1,000,000,000股）		
普通股每股面值港幣一角	100.0	100.0
已發行及實收股本：		
617,531,425股（二零零二年：617,531,425股）		
普通股每股面值港幣一角	61.7	61.7

賬項附註

21. 儲備金

	投資物業 估值儲備金 港幣百萬元	資本儲備金 港幣百萬元	匯兌變動 儲備金 港幣百萬元	保留盈餘 港幣百萬元	貢獻盈餘 港幣百萬元	總計 港幣百萬元
<b>集團</b>						
二零零一年四月一日結餘	32.0	1,193.3	0.8	2,891.1	348.0	4,465.2
重估聯營公司虧損(附註13)	—	(19.9)	—	—	—	(19.9)
本年度溢利	—	—	—	76.7	—	76.7
二零零二年已派中期股息	—	—	—	(12.4)	—	(12.4)
二零零二年三月三十一日結餘	32.0	1,173.4	0.8	2,955.4	348.0	4,509.6
代表：						
擬派末期股息						12.4
二零零二年三月三十一日儲備金						4,497.2
						4,509.6
<b>本公司及附屬公司</b>						
本公司及附屬公司	32.0	1,173.4	0.8	2,866.4	348.0	4,420.6
聯營公司	—	—	—	89.0	—	89.0
	32.0	1,173.4	0.8	2,955.4	348.0	4,509.6
<b>公司</b>						
二零零一年四月一日結餘	—	—	—	880.5	1,943.3	2,823.8
本年度溢利	—	—	—	20.6	—	20.6
二零零二年已派中期股息	—	—	—	(12.4)	—	(12.4)
二零零二年三月三十一日結餘	—	—	—	888.7	1,943.3	2,832.0
代表：						
擬派末期股息						12.4
二零零二年三月三十一日儲備金						2,819.6
						2,832.0

## 賬項附註

### 21. 儲備金 (續)

	投資物業 估值儲備金 港幣百萬元	資本儲備金 港幣百萬元	匯兌變動 儲備金 港幣百萬元	保留盈餘 港幣百萬元	貢獻盈餘 港幣百萬元	總數 港幣百萬元
<b>集團</b>						
二零零二年四月一日結餘	32.0	1,173.4	0.8	2,955.4	348.0	4,509.6
重估物業虧損 (附註11)	(28.1)	—	—	—	—	(28.1)
重估聯營公司虧損 (附註13)	—	(132.5)	—	—	—	(132.5)
本年度虧損	—	—	—	(293.8)	—	(293.8)
二零零二年已派末期股息	—	—	—	(12.3)	—	(12.3)
二零零三年已派中期股息	—	—	—	(12.4)	—	(12.4)
二零零三年三月三十一日結餘	3.9	1,040.9	0.8	2,636.9	348.0	4,030.5
本公司及附屬公司	3.9	1,040.9	0.8	2,591.4	348.0	3,985.0
聯營公司	—	—	—	45.5	—	45.5
	3.9	1,040.9	0.8	2,636.9	348.0	4,030.5
<b>公司</b>						
二零零二年四月一日結餘	—	—	—	888.7	1,943.3	2,832.0
本年度溢利	—	—	—	25.2	—	25.2
二零零二年已派末期股息	—	—	—	(12.3)	—	(12.3)
二零零三年已派中期股息	—	—	—	(12.4)	—	(12.4)
二零零三年三月三十一日結餘	—	—	—	889.2	1,943.3	2,832.5

本公司於二零零三年三月三十一日可分派之儲備為港幣2,832,500,000元 (二零零二年: 港幣2,832,000,000元)。貢獻盈餘為本集團於重組當年所產生之盈餘。

## 賬項附註

### 22. 長期債項

#### 集團

	2003 港幣百萬元	2002 港幣百萬元
有抵押之銀行貸款		
— 須於五年內全部償還	102.1	61.1
減：已包括在流動負債之一年內應還額	(4.0)	(4.0)
	98.1	57.1

本集團長期債項之到期日如下：

	2003 港幣百萬元	2002 港幣百萬元
有抵押之銀行貸款		
— 一年內	4.0	4.0
— 二年內	47.0	4.0
— 三至五年內	51.1	53.1
	102.1	61.1

### 23. 遞延稅項

#### 集團

	2003 港幣百萬元	2002 港幣百萬元
於年初	1.1	-
撥自損益表(附註7)	0.3	1.1
於年終	1.4	1.1

本集團就源自加速折舊免稅額之時間差距作出遞延稅項準備。

本集團及本公司在遞延稅項之原則下並無其他重大的時間差距。

另因重估本集團投資物業及聯營公司之投資而產生之盈餘，在遞延稅項之原則下，並不構成時間差距。

## 賬項附註

### 24. 資產之抵押

本集團以賬面值共約港幣840,900,000元(二零零二年:港幣865,500,000元)之物業作抵押,取得銀行授信額共港幣348,000,000元(二零零二年:港幣277,800,000元)。於資產負債表結算日,上述已動用之貸款計為港幣171,100,000元(二零零二年:港幣193,600,000元)。

### 25. 承擔

#### 集團

	2003 港幣百萬元	2002 港幣百萬元
投資證券資本承擔	101.1	116.7
就發展中物業已簽約但未撥備之發展開支	16.4	16.3
	<b>117.5</b>	<b>133.0</b>

### 26. 租約承擔

本集團根據不可撤銷之房地產經營租賃而須於未來支付之最低租賃付款如下:

#### 集團

	2003 港幣百萬元	2002 港幣百萬元
一年內	5.9	5.5
二至五年內	18.9	22.5
五年後	—	2.3
	<b>24.8</b>	<b>30.3</b>

## 賬項附註

### 27. 未來應收經營租賃

本集團根據不可撤銷之房地產經營租賃而於未來應收之最低租賃收入如下：

#### 集團

	2003 港幣百萬元	2002 港幣百萬元
一年內	55.8	58
二至五年內	41.7	27
五年後	0.1	
	97.6	85

### 28. 或然負債

	集團		公司	
	2003 港幣百萬元	2002 港幣百萬元	2003 港幣百萬元	2002 港幣百萬元
提供貸款擔保予附屬公司	—	—	241.1	252

## 賬項附註

### 29. 綜合現金流量表附註

(a) 除稅前(虧損)／溢利與經營活動所得之淨現金(流出)／流入對賬

	2003 港幣百萬元	2002 港幣百萬元
除稅前(虧損)／溢利	(283.7)	91.9
攤佔聯營公司溢利	(54.5)	(89.3)
就待售物業撥備	361.5	—
投資證券撥備	15.6	15.6
出售固定資產虧損	0.1	—
折舊	0.2	0.2
利息支出	4.8	13.2
利息收入	(0.6)	(0.5)
未計營運開支前之營業溢利	43.4	31.1
待售物業減少	19.1	178.8
發展中物業增加	(76.2)	(19.1)
應收賬款、按金及預付款項減少	4.4	27.2
應付賬款、按金及未付款項減少	(10.8)	(0.4)
經營活動所得之現金(流出)／流入	(20.1)	217.6

(b) 現金及現金等價物結存之分析

	2003 港幣百萬元	2002 港幣百萬元
銀行存款及現金	75.8	65.5

賬項附註

30. 附屬公司及聯營公司資料

附屬公司	主要業務	擁有已發行普通股 股權之百分比 集團	已發行普通 股 公司	已發行普通 股 港幣
Tai Cheung (B.V.I.) Company Limited	投資控股	100	100	7
大昌地產有限公司	投資控股及物業發展	100	—	386,633.7
Acura Enterprises Limited	物業發展	100	—	
Alsoic Limited	物業發展	100	—	
Antier Investment Company Limited	物業發展	100	—	3
* Avanzado Technology Park, Inc.	物業發展	100	—	7,9
Buruda Limited	投資控股	100	—	
+ Centrax Limited	物業投資	100	—	
大同置業有限公司	物業投資	100	—	1,000,00
Denmore Limited	投資控股	100	—	
Dumex Limited	投資控股	100	—	3,000,00
* Edward Contractors, Inc.	建築合約服務	100	—	77,2
Enrich Investments Limited	物業發展	100	—	
Fliutshire Properties Limited	物業發展	100	—	
凱嘉有限公司	物業發展	100	—	1,000,00
Jaco Limited	物業發展	100	—	
大地投資有限公司	物業發展	100	—	36,000,00
Junco (Nominees) Limited	代理人	100	—	20
Karness Limited	投資控股	100	—	
Kenic Properties Limited	投資控股	100	—	20
利美企業有限公司	物業發展	100	—	(
美善同建築有限公司	建築	100	—	600,00
+ South Land Enterprises Limited	物業發展	100	—	
森龍置業有限公司	物業發展	100	—	10,000,00
大昌資本有限公司	投資控股	100	—	5,000,00
大昌建築有限公司	物業發展	100	—	500,00
大昌物業管理有限公司	物業管理	100	—	4,500,00
大昌地產(中國)有限公司	物業發展	100	—	
大昌秘書有限公司	公司秘書	100	—	
* Taico Properties, Inc.	物業發展	100	—	109,359,74
* Talega Industrial Park, Inc.	物業發展	100	—	14,821,76
* Talega Technology Park, Inc.	物業發展	100	—	1,879,55
Tareau International Company Limited	投資控股	100	—	
Tatrine Development Company Limited	物業發展	100	—	2
Turnhouse Limited	物業發展	100	—	
Walsmith Corporation Limited	投資控股	100	—	
宏業建築有限公司	建築	100	—	5,000,00
Winfield Investments Limited	物業發展	100	—	
Woodmont Investments Limited	物業發展	100	—	
華利企業有限公司	物業發展	100	—	14,000,00
Yescott International Limited	投資控股	100	—	
Zebrine Investments Limited	物業發展	100	—	2

## 賬項附註

### 30. 附屬公司及聯營公司資料 (續)

聯營公司	主要業務	擁有已發行普通股 股權之百分比	
		集團	公司
** Consolidated Hotels Limited	酒店投資	35	—
** Macfull Limited	物業發展	20	—
** Macfull Finance Limited	投資控股	20	—
** 集寶投資有限公司	投資控股	48	—

上列附屬公司及聯營公司，除Avanzado Technology Park, Inc.、Edward Contractors, Inc.、Taico Properties, Inc.、Talega Industrial Park, Inc.及Talega Technology Park, Inc.在美國註冊；Alsoic Limited、Buruda Limited及Tai Cheung (B.V.I.) Company Limited 在英屬處女群島註冊與及Karness Limited在科克群島註冊之外，其餘均在香港註冊。另外，除Tai Cheung (B.V.I.) Company Limited、Alsoic Limited、Buruda Limited及Karness Limited之經營地點屬國際性外，全部附屬公司及聯營公司之主要經營地點亦即其註冊地點。

上列有\* 之附屬公司及聯營公司之賬目並非由香港羅兵咸永道會計師事務所審核而由其他會計師行核數。本集團應佔該等附屬公司及聯營公司之總負債淨值及除稅前溢利分別為港幣320,200,000元及港幣1,400,000元（二零零二年：港幣148,500,000元及港幣84,100,000元）。

上列有\*\* 之聯營公司之年度結算日為十二月三十一日。

上列有+ 之附屬公司以其股份作抵押取得銀行貸款。

## 核數師報告書

致大昌集團有限公司全體股東  
(於百慕達註冊成立之有限公司)

本核數師已完成審核第十三頁至第四十一頁之賬目，該等賬目乃按照香港普遍採納之會計原則編製。

### 董事及核數師各自之責任

編製真實兼公平之賬目乃公司董事之責任。在編製該等真實兼公平之賬目時，董事必須採用並貫徹應用適當之會計政策。

本核數師之責任是根據審核之結果，對該等賬目作出獨立意見，並向股東報告。

### 意見之基礎

本核數師已按照香港會計師公會所頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與賬目所載數及披露事項有關之憑證，亦包括評審董事於編製賬目時所作之重大估計和判斷，所採用之會計政策是否適合 貴司與 貴集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，該等賬目是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等賬目所載之資料在整上是否足夠。本核數師相信我們之審核工作已為下列意見提供合理之基礎。

### 意見

本核數師認為，上述之賬目足以真實兼公平地顯示 貴公司與 貴集團於二零零三年三月三十一日結算時之財務狀況，及 貴集團截至該日止年度之虧損及現金流量，並按照香港公司條例之披露規定妥為編製。

羅兵咸永道會計師事務所  
香港執業會計師

香港，二零零三年六月二十六日

## 物業表

董事局認為將本集團所擁有之物業全部列出將會過於冗長，故此只將本集團於二零零三年三月三十一日結算日之重要物業列出如下：

### (I) 供發展或出售之物業

地點	完成階段	預計完成日期	類別	集團所佔權益	集團所佔樓面面積約數 (平方呎)
<b>半島廣場</b> 紅磡崇安街18號	完成	不適用	C	100%	23,388
<b>都會廣場</b> 沙田源順圍28號	完成	不適用	C	100%	35,841
<b>南匯廣場</b> 香港仔業興街11號	完成	不適用	C/P	100%	475,735
<b>東匯廣場</b> 筲箕灣耀興道3號	完成	不適用	C	100%	156,102
<b>新都廣場</b> 沙田安耀街2號	完成	不適用	I	100%	429,483
<b>萬昌中心</b> 新蒲崗六合街23號	完成	不適用	I	100%	118,734
<b>屯門栢麗廣場</b> 屯門屯喜道2號	完成	不適用	C/P	100%	315,909
<b>屯門中央廣場</b> 屯門海榮路22號	完成	不適用	C/P	100%	489,976
<b>慧景閣</b> 屯門育康街8號	完成	不適用	C/R	100%	45,278
<b>郊區地段1164號</b> 春坎角環角路33號	地基工程	2004年7月	R	100%	30,029
<b>San Clemente Technology Park II</b> Talega, California, U.S.A.	初步籌備中	2003年尾	I	100%	73,885

### (II) 投資物業

地點	契約年期	類別	集團所佔權益	集團所佔樓面面積約數 (平方呎)
<b>大同新邨</b> 九龍大角咀	由1871年8月5日起999年	C	100%	2,161
<b>康宏廣場</b> 尖沙咀暢運道與科學館道交界	2047年6月30日	P	100%	99,562

註： I = 工業樓宇      R = 住宅樓宇      C = 商業樓宇      P = 公眾停車場

## 五年財務概要

	1999 港幣百萬元	2000 港幣百萬元	2001 港幣百萬元	2002 港幣百萬元	2003 港幣百萬元
<b>綜合損益表</b>					
營業額	68.8	104.4	244.3	284.2	197.1
股東應佔(虧損)／溢利	(389.1)	4.3	(85.4)	76.7	(292.1)
股息	6.2	6.2	12.4	24.7	12.1
<b>綜合資產負債表</b>					
固定資產	189.2	188.8	178.5	178.5	150.1
聯營公司	1,166.8	1,221.0	1,369.2	1,367.0	1,187.1
投資證券	—	29.6	39.2	47.1	47.1
應收按揭貸款	—	—	—	20.1	20.1
流動資產淨值	3,239.4	3,043.3	2,940.0	3,016.7	2,785.1
總資產減流動負債	4,595.4	4,482.7	4,526.9	4,629.4	4,191.1
股本	61.7	61.7	61.7	61.7	61.1
儲備金	4,301.0	4,351.0	4,465.2	4,497.3	4,030.1
擬派末期股息	—	—	—	12.3	—
股東權益	4,362.7	4,412.7	4,526.9	4,571.3	4,092.1
長期債項	232.7	69.6	—	57.0	98.1
遞延稅項	—	0.4	—	1.1	1.1
已運用資金	4,595.4	4,482.7	4,526.9	4,629.4	4,191.1
<b>業績統計</b>					
每股(虧損)／盈利	(\$0.63)	\$0.01	(\$0.14)	\$0.12	(\$0.41)
每股股息	\$0.01	\$0.01	\$0.02	\$0.04	\$0.01
盈利派息比率	不適用	1.0	不適用	3.1	不適用
每股資產淨值	\$7.1	\$7.2	\$7.3	\$7.4	\$6.1
流動資產與流動負債比率	13.2	6.4	6.4	12.2	14.1
資本負債比率	8.5%	12.2%	10.3%	5.5%	5.9%

## 重要提示

閣下如對本文件有任何疑問，應諮詢閣下之股票經紀、銀行經理、律師、專業會計師或其他專業顧問。

閣下如已出售名下所有之大昌集團有限公司股份，應將本文件送交買主、或經手買賣之銀行、股票經紀或其他代理商，以便轉交買主。

香港聯合交易所有限公司對本文件內容概不負責，對其準確性或完整程度亦不發表任何聲明，並明確表示不會就本文全部或任何部份內容所產生或因倚賴該等內容而引致之任何損失承擔責任。

# 大昌集團有限公司

(於百慕達註冊成立之有限公司)

### 董事：

陳斌 (主席)

陳秀清

\*郭志樑

李永修

\*胡祖雄

\* 獨立非執行董事

### 註冊辦事處：

Rosebank Centre

14 Bermudiana Road

Pembroke

Bermuda

### 總辦事處：

香港中環遮打道三號A

香港會所大廈

二十樓

敬啟者：

## 授權購回股份 及發行股份

### 緒言

本文旨在向閣下提供有關擬定於二零零三年九月三日舉行之大昌集團有限公司(「本公司」)股東週年大會上提呈授權購回股份及發行股份建議之資料，股東週年大會通告載於二零零三年度年報內連同本通告一併寄予各股東。

## 授權購回股份

於二零零二年九月六日股東週年大會上，本公司董事局（「董事局」）已獲股東授權購回本公司股份。除非可於本年度股東週年大會上經普通決議案批准予以延續，否則此項授權有效至該會結束止。董事局擬於本年度股東週年大會上提呈一項普通決議案授權董事局根據本公司之權力購回股份總數不超過本公司於該決議案通過當日之已發行股本百分之十（「購回授權」）。董事局現時無意購回任何股份。

根據香港聯合交易所有限公司證券上市規則（「上市規則」）規定須於說明函件內刊載購回股份之所需資料載於本通告之附錄內。

## 授權發行股份

於股東週年大會上將提呈兩項普通決議案，分別授權董事局增發及處理不超過本公司於該決議案通過當日之已發行股本面值總額百分之二十之新股（「發行股份授權」）；及在該發行股份授權加入購回授權中之回購股份。董事局目前並無計劃發行新股份。發行股份授權可賦予公司靈活性，於適當時候進行對公司有利。

## 建議

董事局認為授權購回股份及發行股份（連同購回授權中的回購股份）之建議符合本公司及其股東之最佳利益，故推薦全體股東投票贊成擬於股東週年大會上提呈之第五(a)至第五(c)項普通決議案。

此致

列位股東 台照

主席  
陳 斌  
謹啟

香港，二零零三年七月二日

香港聯合交易所有限公司證券上市規則（「上市規則」）規定須於說明函件內刊載購回股份之所需資料如下：

### 股本

於二零零三年七月二日，即本通告印製前之最後可行日期，本公司有617,531,425股每股面值港幣0.10元之已發行股本。

如購回授權之普通決議案獲得通過及在召開二零零三年股東週年大會前並無發行或購回額外股份，則本公司根據購回授權將可購回股份數目最多可達61,753,142股，即本公司全部已發行股本百分之十。

### 股東批准

所有股份回購之交易，須事先以一項普通決議案或以授權方式或以特定議案，予以通過。

### 購回股份理由

董事局只在合符公司及股東利益等情況下才考慮進行購回股份計劃。董事局相信基於當時之市場情況及資金安排，該等購回可提高資產淨值及／或每股盈利。

### 資金來源

購回股份須運用可合法用於購回股份之資金，包括被購回股份之繳足股本、原可供派息用之溢利及於購回該等股份時所付之溢價則由本公司股份溢價賬或繳入盈餘賬中支付，並依據百慕達法例及本公司規章進行。預期用以購回本公司股份之資金將會由上述可作此用途之資金提供。

在建議之股份購回期間內，全部實施購回授權建議，可能對本公司之營運資金或資本與負債比率有重大之不利影響（相對於截至二零零三年三月三十一日止年度年報內之已審核綜合賬目所披露之情況而言）。然而，董事局倘認為購回股份對本公司所須營運資金或資本負債比率會有重大之不利影響時，則不會行使購回權力。

### 買賣之限制

於市場購回之股份總數以不超過本公司於購回授權決議案通過當日已發行繳足股本百分之十為限。

## 權益披露

目前並無任何董事或(於作出一切合理查詢後,就其所知)其聯繫人等表示,擬根據購回授權建議(如獲本公司股東批准)出售任何股份予本公司。

目前並無任何關連人士(按聯交所上市規則之定義)知會本公司,倘購回授權建議獲得批准,彼等擬出售股份予本公司,或作出不出售股份之承諾。

## 香港公司收購及合併守則之影響

於本通告之日,陳潘慧娟女士連同其一致行動人士(換言之包括陳斌先生及陳秀清女士)合共擁有284,642,131股,約佔本公司已發行股本百分之四十六點零九。倘董事局全面行使購回授權,彼等在本公司之已發行股本中的權益將增加至百分之五十一點二二,該項增加將可能導致須遵照香港公司收購及合併守則第二十六條及第三十二條之規定提出強制性全面收購股份建議。董事局目前無意行使購回授權而導致須承擔收購責任或引致公眾人士所持的股份低於百分之二十五。

董事局向聯交所作出承諾,彼等將根據百慕達法例及上市規則行使股份購回之授權。

## 本公司購回證券

在本函日期之前六個月內,本公司並無在聯交所或其他地方購回任何本公司股份。

## 股份價格

股份於過去十二個月於聯交所進行買賣之最高及最低價如下:

	最高價 港幣元	股份	最低價 港幣元
二零零二年七月	1.280		1.170
二零零二年八月	1.200		1.100
二零零二年九月	1.170		1.050
二零零二年十月	1.200		1.060
二零零二年十一月	1.220		1.110
二零零二年十二月	1.160		1.120
二零零三年一月	1.170		1.080
二零零三年二月	1.160		1.070
二零零三年三月	1.150		1.050
二零零三年四月	1.210		0.930
二零零三年五月	1.430		1.130
二零零三年六月	1.330		1.170