

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements ("financial statements") are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 25, "Interim Financial Reporting", issued by the Hong Kong Society of Accountants (the "HKSA"), and Appendix 16 of the Rules Governing the Listing of Securities ("Listing Rules") of the Stock Exchange of Hong Kong Limited.

The annual depreciation rates adopted by the Group for the period have been consistent with prior financial years and as set out in the Company's annual report to its shareholders for the year ended 30 June 2000, except for the rate applicable for the depreciation of moulds, which has been revised from 6.25% for the preceding financial year to 12.5% for the current period.

In the opinion of the directors, the useful lives of these assets are more accurately reflected by the revised estimate. Had the depreciation rate remained unchanged from the previous year, the depreciation charge for the period would have been reduced by approximately HK\$1.3 million.

Save as disclosed above, the accounting policies adopted and methods of computation used in the preparation of these financial statements are consistent with those used in the Group's annual financial statements for the year ended 30 June 2000.

簡明財務報表之附註

1. 會計政策

此等未經審核簡明綜合財務報表（「財務報表」）乃根據香港會計師公會頒佈之香港會計實務準則（「會計準則」）第25號「中期財務報告」及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16而編製。

本集團在本期間所採用之全年折舊率與過往財政年度所採用者及本公司致其股東截至二零零零年六月三十日止年度之年報所載者符合一致，唯一例外者為，模具之適用折舊率已由上一個財政年度之6.25%修訂為本期間之12.5%。

董事認為，經修訂估計能更準確地反映此等資產之使用壽命。倘折舊率維持去年之數，則本期間之折舊支出將會減少約1,300,000港元。

除上文所披露者外，編製此等財務報表時所採用之會計政策及計算方式與本集團於截至二零零零年六月三十日止年度之全年財務報表所採用者符合一致。

2. SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of aluminum and stainless steel products and provision of e-business services.

An analysis of the Group's turnover and contribution to operating profit from ordinary activities by principal activity and geographical area of operations for the six months ended 31 December 2000 is as follows:

Business Segments

2. 分類資料

本集團主要從事製造及銷售鋁型材及不銹鋼產品，以及提供電子業務服務。

本集團截至二零零零年十二月三十一日止六個月按主要業務及經營地區劃分之營業額及日常活動經營溢利貢獻分析如下：

按主要業務劃分：

		Revenue		Segment Result	
		Six months ended		Six months ended	
		收入		分類業績	
		截至下列日期止六個月		截至下列日期止六個月	
		31/12/00	31/12/99	31/12/00	31/12/99
		二零零零年	一九九九年	二零零零年	一九九九年
		十二月三十一日	十二月三十一日	十二月三十一日	十二月三十一日
		HK'000	HK'000	HK'000	HK'000
		千港元	千港元	千港元	千港元
Manufacture and sale of aluminium extrusion products	製造及銷售 鋁型材產品	868,821	801,124	131,656	134,856
Manufacture and sale of stainless steel products	製造及銷售 不銹鋼產品	128,252	83,244	4,475	2,074
Manufacture, processing and sale of aluminium panels	製造、加工處理 及銷售鋁板	96,301	47,259	61,267	20,759
E-commerce business	電子商貿業務	5,199	-	648	-
		1,098,573	931,627	198,046	157,689
Unallocated corporate expenses	未分配之公司 開支			(22,154)	(3,150)
Profit from operations	經營溢利			175,892	154,539

Geographical Segments

按地區劃分：

		Revenue		Segment Result	
		Six months ended		Six months ended	
		收入		分類業績	
		截至下列日期止六個月		截至下列日期止六個月	
		31/12/00	31/12/99	31/12/00	31/12/99
		二零零零年	一九九九年	二零零零年	一九九九年
		十二月三十一日	十二月三十一日	十二月三十一日	十二月三十一日
		HK'000	HK'000	HK'000	HK'000
		千港元	千港元	千港元	千港元
The People's Republic of China, other than Hong Kong (the "PRC")	中華人民共和國 (「中國」) · 香港除外	786,910	610,710	158,054	105,414
Asia Pacific other than the PRC and Hong Kong	亞太區 · 中國及香港除外	210,963	180,830	21,323	21,659
The United States of America	美國	30,007	87,897	12,241	16,931
Hong Kong	香港	66,028	46,678	5,563	12,623
Others	其他	4,665	5,512	865	1,062
		1,098,573	931,627	198,046	157,689
Unallocated corporate expenses	未分配之公司開支			(22,154)	(3,150)
Profit from operations	經營溢利			175,892	154,539

3. DEPRECIATION

During the period, depreciation of HK\$26.8 million (1999: HK\$21.1 million) was charged in respect of the Group's property, plant and equipment.

3. 折舊

於本期間內，本集團之物業、廠房及設備之折舊額為26,800,000港元（一九九九年：21,100,000港元）。

4. TAXATION

Current tax	本年度稅項
Overseas	海外
Deferred tax	遞延稅項
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司應佔稅項

Hong Kong profits tax has not been provided as the Group has not generated any assessable profits arising from its operations in Hong Kong during the six months period ended 31 December 2000 (1999: Nil). Taxes on profits assessable elsewhere have been calculated at the appropriate rates of taxation in the jurisdictions in which the Group operates.

During the six months ended 31 December 2000, provisions for PRC income tax have been made at the applicable rate for the PRC subsidiaries.

5. DIVIDEND

The directors have determined that an interim dividend of HK1.0 cents per share (1999:Nil) should be paid to the shareholders of the Company whose names appear in the register of members on 17 April 2001. In addition, a bonus issue of shares, in the proportion of one bonus issue for every share held by the shareholders, will be issued by way of capitalisation of part of the Company's contributed surplus account.

4. 稅項

Six months ended 截至下列日期止六個月	
31/12/00 十二月三十一日 HK\$'000 千港元	31/12/99 十二月三十一日 HK\$'000 千港元
28,898	15,310
(650)	—
28,248	15,310

由於本集團在香港經營之公司於截至二零零零年十二月三十一日止六個月期間內並無應課稅溢利，因此並無就香港利得稅作出撥備（一九九九年：無）。其他地區之應課稅溢利之稅項乃按本集團營業所在之司法權區之適用稅率計算。

於截至二零零零年十二月三十一日止六個月期間內，中國附屬公司已按適用稅率作出中國所得稅撥備。

5. 股息

董事已決定派付中期股息每股1.0港仙（一九九九年：無）予於二零零一年四月十七日名列股東名冊之本公司股東。此外，本公司將發行紅股，並透過將本公司部份繳入盈餘化作資本之方式繳足股款列賬，派送基準為股東每持有一股股份可獲派一股紅股。

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

6. 每股盈利

每股基本及攤薄盈利乃根據下列數據計算：

		Six months ended	
		截至下列日期止六個月	
		31/12/00	31/12/99
		十二月三十一日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Earnings	盈利		
Earnings for the purpose of basic earnings per share (net profit for the period)	用以計算每股基本盈利之盈利 (本期間純利)	110,781	106,375
Effect of dilutive convertible bonds	可換股債券之影響	1,022	—
		<hr/>	<hr/>
Earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利之盈利	111,803	106,375
		<hr/>	<hr/>
Number of shares	股份數目		
Weighted average number of ordinary shares for the period	期內普通股加權平均數	1,066,524,485	714,070,217
Effect of dilutive share options	購股權之攤薄影響	—	6,997,194
Effect of dilutive warrants	認股權證之攤薄影響	17,366,805	—
Effect of dilutive convertible bonds	可換股債券之攤薄影響	78,922,634	—
		<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利之普通股加權平均數	1,162,813,924	721,067,411
		<hr/>	<hr/>

7. TRADE RECEIVABLES

The Group maintained a defined credit policy and the credit terms range from 30 to 90 days. The following is an aged analysis of accounts receivables at the reporting date:

Current to 90 days	即期至90日	326,947
91 to 180 days	91至180日	76,616
Over 180 days	180日以上	62,656
		<hr/>
		466,219
Less: provision	減：撥備	(35,806)
		<hr/>
		430,413
		<hr/>

8. TRADE PAYABLES

The following is an aged analysis of accounts payables at the reporting date:

Current to 90 days	即期至90日	185,931
91 to 180 days	91至180日	5,825
Over 180 days	180日以上	613
		<hr/>
		192,369
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7. 應收貿易帳款

本集團維持一個規定的信貸政策，而信貸期由30日至90日不等。以下為於報告日期之應收貿易帳款齡分析：

31/12/00
二零零零年
十二月三十一日
HK\$'000
千港元

8. 應付貿易帳款

以下為於報告日期之應付貿易帳款齡分析：

31/12/00
二零零零年
十二月三十一日
HK\$'000
千港元

9. CONVERTIBLE BONDS

(a) In September 2000, the Company has issued an aggregate principal amount of US\$16.0 million 3% unsecured convertible bonds due 2003 to certain independent investors. The convertible bonds carry the rights of conversion into ordinary shares of the Company at any time from 15 October 2000 up to the day falling one week prior to 1 September 2003, when any outstanding principal portion of these convertible bonds not previously redeemed, converted or cancelled will be redeemed by the Company at 108% of the underlying principal amount. The conversion price payable for the subscription of shares in the Company is determined, at the option of the relevant bondholder, to be either (a) HK\$2.75; or (b) 93 per cent of the average of any three closing prices per share as selected by the bondholders during the 30 business day immediately preceding the date of conversion. In addition, the convertible bonds have "spin-off option" and various provisions for safeguarding the interests of the bondholders as detailed in the Company's announcement dated 30 August 2000.

(b) On 2 September 2000, options to acquire an aggregate of 12,500,000 new ordinary shares of HK\$0.10 each in the Company were granted to the holders of the convertible bonds. The options are exercisable during the period from 2 September 2000 up to 1 September 2003 at an exercise price of HK\$2.84. As at the date of these financial statements, these options to acquire shares are still outstanding and have not been exercised.

9. 可換股債券

(a) 於二零零零年九月，本公司發行了本金總額為16,000,000美元於二零零三年到期之3%無抵押可換股債券予若干獨立投資者。可換股債券附有換股權，持有人可於二零零零年十月十五日至二零零三年九月一日前一星期之期間內隨時將之轉換為本公司普通股。在到期時，除之前已贖回、換股或註銷者外，此等債券之尚未轉換本金額將由本公司按其金額之108%贖回。認購本公司股份應付之換股價乃按有關債券持有人所選擇之下列其中一項釐定：(a)2.75港元；或(b)緊接換股前30個營業日內有關債券持有人所選定任何三個每股收市價之93%。此外，可換股債券具有「分拆權」及多項保障債券持有人權利之條文（詳見本公司於二零零零年八月三十日所作之公佈）。

(b) 於二零零零年九月二日，可認購合共12,500,000股本公司每股面值0.10港元之新普通股之購股權獲授予可換股債券持有人。上述購股權可於二零零零年九月二日至二零零三年九月一日期內按行使價2.84港元行使。於此等財務報表刊發日期，上述可認購股份之購股權仍然存在及尚未獲行使。

(c) Subsequent to the interim reporting period, options to acquire an aggregate of 33,513,329 new ordinary share of HK\$0.10 each in the Company were granted to the convertible bonds holders by converting US\$4.2 million bonds. The options were fully exercised in March 2001.

(c) 於中期業績報告期間後，透過轉換4,200,000美元債券，可認購合共33,513,329股本公司每股面值0.10港元之新普通股之購股權獲授予可換股債券持有人。上述購股權已於二零零一年三月獲全數行使。

10. SHARE CAPITAL

10. 股本

		31/12/00 二零零零年十二月三十一日		30/6/00 二零零零年六月三十日	
		Number of shares 股份數目	Amount 金額 HK\$'000 千港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定:				
Ordinary shares of HK\$0.10 each	每股面值0.10港元 之普通股	3,000,000,000	300,000	3,000,000,000	300,000
Issued and fully paid:	已發行及繳足:				
Ordinary shares of HK\$0.10 each	每股面值0.10港元 之普通股				
At 1 July 2000	二零零零年 七月一日	941,326,210	94,133	650,000,000	65,000
Issue of new shares for acquisition of a new subsidiary (a)	因收購一間新的附屬 公司而發行新股(a)	94,500,001	9,450	-	-
Exercise of share options (b)	行使購股權(b)	38,250,000	3,825	38,238,000	3,824
Exercise of warrants (c)	行使認股權證(c)	3,674,000	367	88,210	9
Issue upon private placement	根據私人配售發行股份	-	-	253,000,000	25,300
At 31 December 2000	二零零零年 十二月三十一日	1,077,750,211	107,775	941,326,210	94,133

The following changes in the share capital of the Company took place during the interim reporting period and subsequent to 31 December 2000:

- (a) On 5 July 2000, 94,500,001 new shares of 0.10 each were issued at HK\$2.82 per share as partial consideration for the acquisition of a 65% equity interests in Hamington International Limited ("Hamington"), a company incorporated in the British Virgin Islands which, through its subsidiaries, is engaged in development of design and technologies with applications in environment protection products.
- (b) During the interim reporting period, a total of 38,250,000 ordinary shares of HK\$0.10 each were issued and credited as fully paid on exercise of share options granted to certain directors and employees at an exercise price of HK\$1.12 or HK\$0.73 per share.
- (c) During the interim reporting period, 3,674,000 shares of HK\$0.10 each in the Company were issued for cash at a subscription price of HK\$1.38 per share pursuant to the exercise of the Company's warrants for a total cash consideration, before issue expenses, of HK\$5,070,120.

本公司股本於中期報告期間內及於二零零零年十二月三十一日後曾出現下列變動：

- (a) 於二零零零年七月五日，本公司按每股2.82港元之價格，發行94,500,001股每股面值0.10港元之新股份，作為收購Hamington International Limited（「Hamington」）65%股權之部份代價。Hamington乃於英屬維爾京群島註冊成立之公司，透過其附屬公司從事開發應用於環保產品之設計及科技。
- (b) 於中期業績報告期間內，合共38,250,000股每股面值0.10港元之普通股，因授予若干董事及僱員之購股權以每股1.12港元或0.73港元之行使價獲行使而發行及入帳列作繳足股本。
- (c) 於中期業績報告期間內，3,674,000股每股面值0.10港元之本公司股份因本公司之認股權證獲行使而按每股股份1.38港元之現金認購價發行，總現金代價（未扣除發行開支）為5,070,120港元。

11. SHARE PREMIUM

11. 股份溢價

		31/12/00 二零零零年 十二月三十一日 HK\$'000 千港元	30/6/00 二零零零年 六月三十日 HK\$'000 千港元
At 1 July 2000	於二零零零年 七月一日	484,342	103,919
Arising on exercise of options to acquire shares in the Company (note 10(b))	來自行使購股權以 購買本公司股份 (附註10(b))	38,391	25,770
Arising on exercise of warrants to acquire shares in the Company (note 10(c))	來自行使認股權證 以購買本公司股份 (附註10(c))	4,703	113
Arising on issue of new shares to acquire a new subsidiary	來自發行新股以收購 一間新的附屬公司	257,040	—
Arising on placement of new shares	來自配售新股	—	367,330
Amount offset against share issue expenses	抵銷股份發行開支 之金額	(456)	(12,790)
At 31 December 2000	二零零零年 十二月三十一日	784,020	484,342

12. RESERVES

12. 儲備

Group

		Contributed surplus	Capital reserve	Statutory surplus reserve	Exchange fluctuation reserve	Statutory public welfare fund	Retained profits	Total
		繳入盈餘	資本儲備	法定盈餘儲備	匯兌波動儲備	法定公益金	保留溢利	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 July 2000	二零零零年七月一日	115,356	101,151	51,989	(5,213)	12,840	321,416	597,539
Arising from acquisition of subsidiaries	來自收購附屬公司	—	(495,891)	—	—	—	—	(495,891)
Net profit for the period	期內純利	—	—	—	—	—	110,781	110,781
Transfer to statutory surplus reserve fund	撥向法定盈餘儲備	—	—	16,330	—	—	(16,330)	—
Dividend	股息	—	—	—	—	—	(11,113)	(11,113)
At 31 December 2000	二零零零年 十二月三十一日	115,356	(394,740)	68,319	(5,213)	12,840	404,754	201,316

The statutory surplus reserve and statutory Public Welfare fund represent appropriation of profits retained by the PRC Subsidiaries of the Company. In accordance with the PRC regulations and the respective articles of association of the PRC Subsidiaries, these companies are required to appropriate an amount equal to a minimum of 10% of their profit after taxation each year to statutory surplus reserve. In addition, a portion of the profits after taxation, as determined at the discretion of the Company, are transferred to the statutory public welfare fund.

Subject to certain restrictions set out in the PRC Company Law and the respective articles of associations of the PRC Subsidiaries, the statutory surplus reserve may be distributed to shareholders in the form of a share bonus issue and/or cash dividends.

The contributed surplus of the Group arose as a result of the Group reorganisation on 19 February 1999 and represents the difference between the nominal value of the aggregate share capital of the subsidiaries acquired pursuant to the Group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefor.

法定盈餘儲備乃位於中國附屬公司之指撥溢利。根據中國法規及有關位於中國之附屬公司各自之組織章程，位於中國之附屬公司須撥出相當於其每個年度除稅後溢利最少10%之款項至法定盈餘儲備。此外，部分除稅後溢利經本公司酌情釐定後撥往法定公益金。

在中國公司法及住於中國之附屬公司各自之組織章程載列之若干限制規限下，法定盈餘儲備可以發行紅股及／或現金股息方式分派予股東。

本集團於一九九九年二月十九日進行集團重組後產生之繳納盈餘，指根據集團重組所收購附屬公司之股本總面值超出本公司用作收購之已發行股本面值之差額。

13. CONTINGENCIES AND COMMITMENTS

Annual commitments payable in the following year in respect of non-cancellable operating leases for land and buildings expiring within one year:	有關土地及樓宇於一年內屆滿之不可註銷經營租約之每年應付承擔
In the second to fifth years, inclusive	第二至第五年（首尾兩年包括在內）
After five years	五年後

13. 或然負債或承擔

31/12/00 二零零零年 十二月三十一日 HK\$'000 千港元	30/6/00 二零零零年 六月三十日 HK\$'000 千港元
1,872	7,496
3,408	—
5,730	—
11,010	7,496
38,918	1,089
36,867	12,234

14. PLEDGE OF ASSETS

The Group's borrowings at 31 December 2000 were secured by fixed assets, mainly buildings in the PRC and plant and machinery, with a net book value of approximately HK\$12.0 million (30/6/00: HK\$19,017,000) and by bank deposits of HK\$17.0 million (30/6/00: HK\$26,134,000). All the bank deposits pledged were subsequently released subsequent to the interim period end.

14. 抵押資產

本集團於二零零零年十二月三十一日之借貸以帳面淨值約為12,000,000港元（二零零零年六月三十日：19,017,000港元）之固定資產（主要為位於中國之樓宇及廠房與機器）及金額達17,000,000港元（二零零零年六月三十日：26,134,000港元）之銀行存款作抵押。其後，所有已抵押之銀行存款已於中期業績報告期間結束後獲解除。

15. RELATED PARTY TRANSACTIONS

Principal transactions with related parties, which were carried out in the normal course of the Group business during the period are summarized as follows:

- (a) On 13 July 2000, the Group entered into an agreement for the acquisition from Mr. Zhong Jianqiu ("Mr. Zhong") of the remaining 9% equity interest in Pavillion Services Limited ("Pavillion"), a subsidiary in which the Company already held 91% equity interest prior to the acquisition, for a total cash consideration of HK\$23.0 million. Mr. Zhong is a substantial shareholder and director of Pavillion at the time of acquisition. The acquisition was completed on 9 November 2000. Further details of the connected transaction are set out in the Company's circular to the shareholders of 3 August 2000.
- (b) On 13 July 2000, the Group also entered into another agreement for the acquisition from Delion Holdings Limited ("Delion") for the acquisition of the remaining 45% equity interests in Majestic Holdings Limited ("Majestic") at a consideration of HK\$81.0 million. The acquisition was completed on 9 November 2000. Further details of the connected transaction are set out in the Company's circular to the shareholders of 3 August 2000.
- (c) Rentals were paid to Harbour Talent Limited, a company in which Mr. Kwong Wui Chun has beneficial interests in respect of the Group's leased office premises situated in Hong Kong. The directors of the Company confirmed that the monthly rental was calculated by reference to open market rentals.

15. 關連人士交易

期內，本集團在日常業務過程中曾與關連人士進行之主要交易概述如下：

- (a) 於二零零零年七月十三日，本集團訂立一項協議，以總現金代價23,000,000港元，向鍾健球先生（「鍾先生」）收購 Pavillion Services Limited（「Pavillion」）（本公司在收購事項進行前已擁有91%股權之附屬公司）餘下9%股權。於收購事項進行時，鍾先生乃 Pavillion 之主要股東兼董事。收購事項已於二零零零年十一月九日完成。是項關連交易之詳情載於本公司於二零零零年八月三日寄發予股東之通函內。
- (b) 於二零零零年七月十三日，本集團亦訂立了另一項協議，以81,000,000港元之代價，向 Delion Holdings Limited（「Delion」）收購美亞鋁板噴漆有限公司（「美亞」）餘下45%股權。收購事項已於二零零零年十一月九日完成。是項關連交易之詳情載於本公司於二零零零年八月三日寄發予股東之通函內。
- (c) 租金乃支付予鄭匯珍先生就本集團之香港租賃辦公室擁有實際權益之公司港麟有限公司。本公司董事確認月租乃參照公開市場之租金計算。

16. POST BALANCE SHEET EVENTS

Subsequent to the interim reporting date, on 26 February 2001, share options were granted under the share option scheme approved and adopted by the shareholders of the Company on 19 February 1998, to certain employees of the Group, not including directors of the Company, for the subscription of a maximum of 31,000,000 new shares in the Company at a subscription price of HK\$0.8624 per share. The share options are exercisable during the period from 27 February 2001 to 26 February 2002. All these share options are not exercised up to the date of this report.

17. COMPARATIVE AMOUNTS

Certain of the comparative figures for the six months ended 31 December 1999 have been restated to conform with the current year's presentation due to adoption of SSAP 1 "Preparation of Financial Statement" and SSAP 25 issued by the HKSA.

ON BEHALF OF THE BOARD

Kwong Wui Chun

Chairman

Hong Kong

22 March 2001

16. 結算日後事項

於中期報告刊發日期後，於二零零一年二月二十六日，本公司根據本公司股東於一九九八年二月十九日批准並採納之購股權計劃授出購股權予本集團若干僱員（不包括本公司董事），以按認購價每股0.8624港元認購最多達31,000,000股本公司新股份。上述購股權可於二零零一年二月二十七日至二零零二年二月二十六日期間內行使。直至此報告日，此等購股權仍未行使。

17. 比較數字

由於採用了香港會計師公會所頒佈之會計準則第1號「財務報告之編列方式」及會計準則第25號，故此截至一九九九年十二月三十一日止六個月之若干比較數字已重新歸類，以符合本年度之呈報方式。

承董事會命

主席

鄭匯珍

香港

二零零一年三月二十二日