

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2000

1. GENERAL

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

The principal activities of the Group are property investment, property management and development, trading of optical and sound equipment, provision of management and agency services, and investment holding.

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted, for the first time, the following Statements of Standard Accounting Practice ("SSAP(s)") issued by the Hong Kong Society of Accountants.

SSAP 1 (Revised)	Presentation of financial statements
SSAP 2 (Revised)	Net profit or loss for the period, fundamental errors and changes in accounting policies
SSAP 24	Accounting for investments in securities

The revised SSAPs 1 and 2 are concerned with the presentation and disclosure of financial information. The presentation in the current year's financial statements has been modified in order to conform with the requirements of those standards. Comparative amounts have been restated in order to achieve a consistent presentation.

In particular:

- additional analyses of income and expenditure have been presented; and
- expense items that were separately identified on the face of the income statement as 'exceptional items' in the prior year have been reclassified within an appropriate cost classification.

In addition, the description of various components in the financial statements and the terminology used have been updated to reflect the terminology of the new standards.

None of the amendments outlined above has affected the results for the current or prior periods.

財政報告表附註

截至二零零零年九月三十日止年度

1. 一般資料

本公司為一間於香港註冊成立之公眾有限公司，其股份於香港聯合交易所有限公司上市。

本集團之主要業務為物業投資、物業管理及發展、視聽器材買賣、提供管理及代理服務、及控股投資。

2. 採納會計實務準則

本集團於本年度首次採納下列由香港會計師公會頒佈之會計實務準則（「SSAP」）：

SSAP 1 (經修訂)	財政報告表之呈列方式
SSAP 2 (經修訂)	當期淨損益、基本錯誤及會計政策之變更
SSAP 24	證券投資的會計處理

經修訂SSAPs 1及2涉及財務資料之呈列及披露，本年度財政報告表之編制已作修改以符合該準則之要求，比較數字已作重列以符合一致性呈列基準。

特別而言：

- 收益及支出之額外分析已予陳述；及
- 上年度於收益賬中獨立列為「特殊項目」之開支項目已於適當之成本類別中重新分類。

此外，財政報告表中各部份之敘述及所用詞彙已更改以反映新準則所用詞彙。

上文所列之修改對本會計期間及過去會計期間之業績並無影響。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 2000

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE (Continued)

SSAP 24 has introduced a new framework for the classification of investments in securities and the adoption of the standard has had a significant effect on the treatment adopted by the Group for its investments in securities. In adopting SSAP 24, the Group has selected the benchmark treatment for securities other than held-to-maturity securities.

Under SSAP 24, investments in securities are now classified as investment securities (carried at cost less impairment) and trading securities (carried at fair value, with valuation movements dealt with in the income statement). In prior years, the Group's investments were classified either as long-term (carried at cost less provision for permanent diminution in value) or short-term (carried at the lower of cost and market value). The accounting treatment specified by SSAP 24 has been applied retrospectively – resulting in an increase in retained profits at 1st October, 1998 of HK\$13,842,502, and a decrease in profit in the current year of HK\$439,110 (1999: HK\$5,544,970). Comparative amounts have been restated in line with the new accounting policy.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the balance sheet date. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal respectively.

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

財政報告表附註(續)

截至二零零零年九月三十日止年度

2. 採納會計實務準則(續)

SSAP 24為證券投資的分類制定新架構，而採納該實務準則對本集團就證券投資所採用的處理方式有重大影響。在採納SSAP 24時，本集團已就除持有至到期日證券以外之證券選擇以基準處理方法入賬。

根據SSAP 24，證券投資目前分類為投資證券(按成本扣除減值)及持作買賣證券(按公平價值，估值變動於收益賬內處理)。於前期年度，本集團之投資分類為長期(按成本減永久減值準備)或短期(按成本及市值之較低者)。SSAP 24指定之會計處理已作追溯應用一使一九九八年十月一日之保留溢利增加港幣13,842,502元及本年度溢利減少港幣439,110元(一九九九年：港幣5,544,970元)。比較數字已作重列以符合新會計政策。

3. 主要會計政策

本財政報告表乃根據歷史成本慣例而編製，並就投資物業及證券投資的重估而作出相應之修訂。

本財政報告表乃根據一般香港普遍採納之會計原則而編製。採用之主要會計政策載列如下：

綜合賬目之基準

綜合賬目包括每年截至結算日本公司及其附屬公司之財政報告表。年內收購或出售之附屬公司之業績均由收購之有效日期起或計至出售之有效日期止計入綜合收益賬內。

所有在本集團內各公司間之重要交易及結餘已在綜合賬目內對銷。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 2000

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value ascribed to the Group's share of the separable net assets at the date of acquisition of a subsidiary and is written off to reserves immediately on acquisition. Negative goodwill represents the excess of the fair value ascribed to the Group's share of the separable net assets at the date of acquisition of a subsidiary over the purchase consideration and is credited to reserves.

On disposal of a subsidiary, the attributable amount of goodwill previously eliminated against or credited to reserves is included in the determination of the profit or loss on disposal of the subsidiary.

Investments in subsidiaries

A subsidiary is an enterprise in which the Company, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or where the Company controls the composition of its board of directors.

Investments in subsidiaries are included in the Company's balance sheet at cost, as reduced by any decline in the value of the subsidiary that is other than temporary. The results of the subsidiaries are accounted for in the financial statements of the Company only to the extent of dividends recognised during the year.

Jointly controlled entities

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

Joint venture arrangement which involves the establishment of a separate entity in which each venturer has an interest is referred to as a jointly controlled entity.

The Group's interest in the jointly controlled entity is included in the consolidated balance sheet at the Group's share of the net assets of the jointly controlled entity. The Group's share of post-acquisition results of the jointly controlled entity is included in the consolidated income statement.

When the Group transacts with its jointly controlled entity, unrealised profits and losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred.

財政報告表附註(續)

截至二零零零年九月三十日止年度

3. 主要會計政策(續)

商譽

商譽為收購價超逾於收購附屬公司日期本集團應佔其可分割淨資產之公平價之淨值，並於收購完成時立刻在儲備中撇銷。負商譽為於收購附屬公司日期本集團應佔其可分割淨資產之公平價超逾收購價之淨值，並計入儲備內。

在出售附屬公司，釐定出售之溢利或虧損時已包括之前在儲備中扣除或計入儲備內之應佔商譽。

投資附屬公司

附屬公司為本公司直接或間接持有其一半以上已發行股本，或控制一半以上投票權，或本公司控制其董事局組成之企業。

於本公司之資產負債表內，投資附屬公司乃按成本值減除非暫時性之附屬公司減值入賬。附屬公司之業績祇限於年內已確認之股息計算入公司之財政報告表內。

共同控制公司

合營公司乃一項合約性安排，根據安排，本集團與其他各方共同經營一項共同控制的商業業務，惟參與各方概無任何一方可單獨控制該項業務。

任何涉及成立一間各企業經營者均擁有權益的獨立企業的合營安排可列為共同控制公司。

本集團於共同控制公司的權益按本集團應佔該公司的資產淨值列入綜合資產負債表內。本集團應佔共同控制公司的收購後業績則計入綜合收益賬內。

本集團與其共同控制公司進行交易時，未變現的損益乃按本集團於有關公司所佔之權益沖銷，惟可證實已轉讓資產耗損之未變現的虧損除外。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 2000

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

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

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

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

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

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

Where the recoverable amounts of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected future cash flows are not discounted to their present values.

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

財政報告表附註(續)

截至二零零零年九月三十日止年度

3. 主要會計政策(續)

投資物業

投資物業乃完成興建之物業，並因其投資潛力而持有，而有關租金收入是在正常交易下議定。

投資物業乃於結算日根據獨立專業估值之公開市值入賬。重估投資物業價值而產生之任何重估增加或減少乃計入投資物業重估儲備或自該儲備中扣除，除非該儲備之結餘不足以彌補重估減少，在此情況下，超出投資物業重估儲備結餘之重估減少則計入收益賬內。當先前重估投資物業之減少從收益賬中扣除，及其後重估所產生之增加，此增加乃按先前於收益賬中扣除之減少為上限而撥入收益賬中。

在出售投資物業時，該物業應佔之投資物業重估儲備結餘將撥入收益賬內。

除年期尚餘二十年或以下之投資物業外，投資物業並不提折舊。

物業、裝置及設備

物業、裝置及設備按成本減折舊列賬，資產成本包括其購買價，以及使資產達致現行運作狀況和地點以用於其原定用途之任何有關費用。資產開始運作後的開支例如保養及維修等，一般撥入產生費用期間之收益賬。如可清楚顯示開支使資產的預期經濟效益有所增加，有關開支將撥作資產的額外成本。

倘資產之可收回款額下跌至低於其賬面值，則賬面值會減少，以反映價值下跌。於釐定資產之可收回款額時，預期日後現金流量不會折算至其現時價值。

出售資產所得收益或虧損為出售資產所得款項及資產賬面值之差額，並在收益賬中確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 2000

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives on a straight line basis at the following annual rates:

Leasehold land	Over the unexpired term of the lease
Buildings	Over the shorter of the term of the lease, or 50 years
Furniture, fixtures and equipment	12% - 20%
Motor vehicles	15% - 25%

Properties for development

Properties for development are stated at cost less provision for impairment in value, where appropriate. Cost comprises land cost, development expenditure and other incidental costs.

Investments in securities

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

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

Trading securities are measured at market value, with unrealised gains and losses included in net profit or loss for the period.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Foreign currencies

Transactions in foreign currencies during the year are translated at the rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

財政報告表附註(續)

截至二零零零年九月三十日止年度

3. 主要會計政策(續)

物業、裝置及設備(續)

折舊乃按物業、裝置及設備之估計可用年期，以直線法撇銷其成本值，詳情如下：

契約土地	按土地契約尚餘年期
房產	土地契約年期，或50年之較短者
傢俬、裝修及設備	12%-20%
車輛	15%-25%

待發展物業

待發展物業乃按成本扣除減值準備入賬。此等物業之成本值包括地價、發展費用和其他有關成本開支。

投資證券

投資證券乃以交易日為基礎及其開始時是以成本計算。

投資證券乃指確定為作長期持有用途之證券，於其後來之報告日期以成本值減除任何非暫時性之減值虧損計算。

作為買賣之證券乃按市值計算，而期內純利或虧損包括未變現之收益及虧損。

存貨

存貨按成本值及可變現淨值之較低者入賬。成本值包括購買之成本及如適用，轉變之成本及將存貨轉移至現時地點及狀況所產生之其他成本。成本值以加權平均之基準計算。可變現淨值乃指於正常業務下之估計銷售價扣除到完工時所需之估計成本及至銷售前所需估計成本計算。

外幣

年內進行之外幣交易按交易日之兌換率兌換。以外幣為單位之貨幣資產及負債乃按結算日之兌換率伸算。匯兌溢利及虧損乃撥入收益賬處理。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 2000

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, computed using the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable a liability or asset will crystallise in the foreseeable future.

Cash equivalents

Cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the dates of the advances.

Revenue recognition

Rental income in respect of properties rented out under operating leases, where substantially all the risks and rewards of ownership of assets remain with the lessor, is recognised over the term of the respective tenancy on a straight line basis.

Sale of goods is recognised when goods are delivered and title has passed.

Revenue from the provision of management and agency services is recognised when the relevant services are provided.

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

Dividend income is recognised when the Group's right to receive payment has been established.

財政報告表附註(續)

截至二零零零年九月三十日止年度

3. 主要會計政策(續)

稅項

稅項乃根據年內業績計算，並經就不必課稅或不獲寬減項目作出調整。若干收入和開支項目在稅務上和財政報告表內的確認時間有所不同，遂產生時間差異。因時間差異所引起之稅務影響，若於可見將來成為負債或資產，則按負債法作出準備，於財政報告表內確認為遞延稅項。

現金等額

現金等額指自購入起於三個月內到期並可隨時兌換為已知現金金額之高度流通短期投資，惟須扣除自貸款日期起三個月內償還之銀行貸款。

收入確認

根據營業租賃(即絕大部份資產擁有權之風險及回報均保留於出租人之租賃)而出租之物業之租金收入在其個別租賃期內按直線法之基準入賬。

銷售貨品之收入按貨品付運及已將貨品權益轉至客戶時確認入賬。

提供管理及代理服務之收入按有關服務提供時確認入賬。

銀行存款利息收入乃經參考未償還本金並按時間基準及適用利率確認。

股息收入於本集團收取股息之權利成立時確認。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 2000

財政報告表附註(續)

截至二零零零年九月三十日止年度

4. TURNOVER AND CONTRIBUTION

4. 營業額及溢利貢獻

		Turnover		Contribution to profit (loss) before taxation	
		營業額		對除稅前之溢利(虧損)之貢獻	
		2000 HK\$	1999 HK\$	2000 HK\$	1999 HK\$
The Group's turnover and contribution analysed by principal activity are as follows:	本集團之營業額及溢利貢獻按主要業務分析如下：				
Property rental	物業租金	61,451,777	67,513,100	20,817,651	16,695,861
Sale of goods	銷售貨品	31,376,977	39,662,368	3,353,018	2,413,785
Management and agency services	管理及代理服務	9,129,286	9,480,547	2,345,949	2,994,550
Investment holding	控股投資	880,891	867,056	222,141	(5,546,099)
Property development	物業發展	—	—	—	(17,000,000)
		<u>102,838,931</u>	<u>117,523,071</u>	<u>26,738,759</u>	<u>(441,903)</u>
Share of results of a jointly controlled entity	應佔共同控制公司業績			(3,500)	(5,233)
				<u>26,735,259</u>	<u>(447,136)</u>

More than 90% of the Group's turnover and contribution to operating profit were derived from Hong Kong.

超過百分之九十之本集團營業額及經營溢利之貢獻均來自香港。

5. PROFIT FROM OPERATIONS

5. 營業溢利

		THE GROUP	
		2000 HK\$	1999 HK\$
Profit from operations has been arrived at after charging (crediting):	營業溢利已扣除(計入)下列項目：		
Auditors' remuneration	核數師酬金	336,500	342,500
Depreciation of property, plant and equipment	物業、裝置及設備折舊	2,959,501	2,719,544
Staff costs	僱員開支		
Directors' emoluments (note 11)	董事酬金(附註11)	2,697,424	2,697,424
Other staff costs	其他僱員支出	15,363,706	18,307,065
Rental income in respect of investment properties under operating leases less outgoings of HK\$9,895,241 (1999: HK\$7,103,923)	投資物業之營業租賃租金收入減支銷港幣9,895,241元(一九九九年：港幣7,103,923元)	(51,556,536)	(60,409,177)
Interest income	利息收入	(95,609)	(54,385)
Dividend income from listed shares	上市公司股息收入	(880,891)	(867,056)
		<u>(95,609)</u>	<u>(54,385)</u>
		<u>(880,891)</u>	<u>(867,056)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 2000

6. FINANCE COSTS

Interest on:	利息：
Bank loans and overdrafts	銀行貸款及透支
Other loans wholly repayable within five years	須於五年內償還之其他貸款
Other financial expenses	其他財政費用
Exchange losses on foreign currency borrowings	外幣貸款兌換虧損

7. TAXATION

Company and subsidiaries	本公司及附屬公司
Hong Kong Profits Tax	香港利得稅
Current year's provision	本年度準備
Less: Prior year's tax refunded	減：上年度退還稅款
Deferred tax (note 27)	遞延稅項 (附註27)

Hong Kong Profits Tax is calculated at 16% (1999: 16%) on the estimated assessable profits for the year.

8. NET PROFIT FOR THE YEAR

Of the Group's net profit for the year, a loss of HK\$99,555,520 (1999: profit of HK\$12,454,658) is dealt with in the financial statements of the Company.

財政報告表附註 (續)

截至二零零零年九月三十日止年度

6. 財務支出

	THE GROUP 集團	
	2000 HK\$	1999 HK\$
17,870,270	17,870,270	21,883,384
4,151,355	4,151,355	1,018,836
1,417,936	1,417,936	1,562,671
—	—	7,817,635
	<u>23,439,561</u>	<u>32,282,526</u>

7. 稅項

	THE GROUP 集團	
	2000 HK\$	1999 HK\$
5,538,075	5,538,075	5,785,716
—	—	(1,197,129)
5,538,075	5,538,075	4,588,587
(83,640)	(83,640)	(1,056,185)
	<u>5,454,435</u>	<u>3,532,402</u>

香港利得稅乃以年內估計之應課稅溢利按16% (一九九九年：16%) 之稅率計算撥備。

8. 本年度純利

於本集團之本年度純利包括來自本公司財政報告表之虧損為港幣99,555,520元 (一九九九年：溢利為港幣12,454,658元)。

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER, 2000

9. DIVIDENDS

Interim dividend, paid	已付中期股息
2 cents (1999: 2 cents) per share	每股2仙(一九九九年：2仙)
Final dividend, proposed	擬派末期股息
7 cents (1999: 5 cents) per share	每股7仙(一九九九年：5仙)

The final dividend of 7 cents (1999: 5 cents) per share has been proposed by the directors and is subject to approval by the shareholders in general meeting.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the net profit for the year of HK\$19,644,091 (1999: HK\$6,911,020) and on 110,179,385 (1999: 110,179,385) ordinary shares in issue during the year.

The adjustment to comparative earnings per share, arising from the change in accounting policy referred to in note 2 above, is as follows:

Reconciliation of 1999's earnings per share:

Reported figure before adjustment	未調整之報告數字
Adjustment arising from adoption of SSAP 24	採用會計實務準則第24號而產生之調整
Restated	調整後

財政報告表附註(續)

截至二零零零年九月三十日止年度

9. 股息

THE GROUP AND THE COMPANY 集團及公司

	<u>2000</u>	<u>1999</u>
	HK\$	HK\$
	2,203,588	2,203,588
	7,712,557	5,508,969
	<u>9,916,145</u>	<u>7,712,557</u>

董事會建議派發末期股息每股7仙(一九九九年：5仙)，及須於股東週年大會內股東通過才可作實。

10. 每股盈利

每股基本盈利之計算法乃根據本年度純利港幣19,644,091元(一九九九年：港幣6,911,020元)，並按本年度已發行普通股110,179,385(一九九九年：110,179,385)股計算。

根據上述附註2而更改之會計政策所產生之比較每股盈利調整如下：

一九九九年每股盈利之調節：

	<i>HK cents</i>
	11.3
	(5.0)
	<u>6.3</u>