

I. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong ("HK GAAP"), the disclosure requirements of the Hong Kong Companies Ordinance and the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited. Principal accounting policies are summarised below:

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and the Group's share of post-acquisition profit/loss and reserves of its associated companies under the equity method of accounting. Significant intra-group transactions and balances have been eliminated on consolidation.

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated income statement from or up to their effective dates of acquisition or disposal, as appropriate.

(b) Goodwill on consolidation

Goodwill represents the difference between the fair value of the consideration given and the Group's share of the aggregate fair values of the identifiable net assets acquired at the date of acquisition. Positive goodwill arises where the consideration given exceeds the Group's share of the aggregate fair values of the identifiable net assets acquired and is eliminated immediately against available reserves. Negative goodwill arises where the Group's share of the aggregate fair values of the identifiable net assets acquired exceeds the consideration given and is credited directly 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 gain or loss on disposal.

(c) Turnover

Turnover represents the gross invoiced sales by the Group to outside customers during the year, net of discounts and returns.

I. 主要會計政策

本財務報表乃按照香港一般慣用之會計準則（「HKGAAP」），香港公司條例及香港聯合交易所有限公司證券上市規則而編制。主要會計政策總結如下：

(a) 綜合基準

綜合財務報告表包括公司、附屬公司之財務報表及各聯營公司之收購後溢利／損益及儲備計算。集團內部主要交易及結餘均已在綜合報告中撇銷。

是年度購買或出售附屬公司之結果已按購買或出售的有效日期列入綜合損益表中。

(b) 綜合賬中商譽

商譽乃指收購代價與購入公司之個別資產合理淨值於收購日之合理價值之差價。並分別在儲備項目中撇銷或計入。商譽利益是指收購價比被收購公司之資產合理淨值為高者並撥入儲備中。商譽損失是指被收購公司之資產合理淨值比收購價為高者並撥入儲備中。

在出售附屬公司中所分配的商譽包括利潤或虧損已撥入儲備。

(c) 營業額

營業額為本年度集團銷貨扣除退貨所得收入淨額。

I. PRINCIPAL ACCOUNTING POLICIES (Continued)**(d) Revenue recognition**

Provided it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue and costs, if applicable, can be measured reliably, turnover and other revenue are recognised on the following bases:

(i) Sale of goods

Sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to customers.

(ii) Interest income

Interest income from bank deposits and third parties are recognised on a time proportion basis on the principal outstanding and at the rate applicable.

(iii) Dividend income

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

(e) Deferred taxation

Deferred taxation is provided under the liability method, at the current tax rate, in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements, except when it is considered that no liability will arise in the foreseeable future. A deferred tax asset is not recognised unless there is reasonable certainty that such assets will crystallise in the foreseeable future.

(f) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated 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 fixed assets, the expenditure is capitalised as an additional cost of the fixed asset.

I. 主要會計政策 (續)**(d) 收入確認**

凡有經濟效益的交易，收入及成本能適當和準確界定可在列入集團的營業額時按下列基礎計算。

(i) 銷貨

在貨物付運後風險及貨物所有權，已轉移至客戶之後，銷貨才能入賬。

(ii) 利息收入

銀行存款的利息收入根據存入本金，按時間比例及適用利率計算後入帳。

(iii) 股息收入

股息收入於確定收款權之後，才可入帳。

(e) 遞延稅項

遞延稅項乃以負債法就現行之稅率按計算應課稅溢利及財務報表中之溢利兩者間之重要時差作出準備，惟認為不會於不久將來出現之負債除外。除非確知遞延稅項資產會於可預見將來出現，否則將不予入賬。

(f) 固定資產及折舊

固定資產按成本減累計折舊列賬。資產之成本為其購買價及使資產達到現時營運狀態及地點以作其計劃用途之任何直接應佔成本。資產投入使用後所產生之支出如維修保養及大修費用，一般均在支出期間自綜合損益賬扣除。倘能清楚證明支出能令使用有關固定資產未來將獲得之經濟收益有所增加，則該項支出可作為固定資產附加成本。

I. PRINCIPAL ACCOUNTING POLICIES (Continued)

(f) Fixed assets and depreciation (Continued)

Depreciation is provided on a straight-line basis or reducing balance basis to write off the cost of each asset less estimated residual value, if any, over its estimated useful life. The annual rates of depreciation are as follows:

Leasehold land Properties	Over the remaining period of the lease 2.5%–4%	Straight line
Plant and machinery	3%–15%	Straight line
Furniture and fixtures	10%–18%	Straight line
Moulds	10%	Reducing balance
Motor vehicles	25%	Reducing balance

When assets are sold or retired, their cost and accumulated depreciation and amortisation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated income statement.

(g) Properties under construction

Properties under construction are stated at cost which includes borrowing costs. On completion, the properties are transferred to fixed assets. No depreciation is provided until the properties under construction are completed and used.

(h) Borrowing costs

Interest is expensed as incurred, except for interest directly attributable to the construction of the properties under development which is capitalised as part of the cost of the properties. Interest is capitalised at the weighted average cost of the related borrowings up to the date of completion of the properties.

(i) Subsidiaries

A company is a subsidiary company if more than 50% of the issued voting capital is held long-term, directly or indirectly. In the Company's financial statements, interest in subsidiaries is stated at cost less provision for impairment in value where considered necessary by the directors. The results of the subsidiaries are included in the income statement to the extent of dividends declared by the subsidiaries.

I. 主要會計政策 (續)

(f) 固定資產及折舊 (續)

固定資產以直線法或餘額遞減法按各資產的估計可用期計提折舊以攤銷減除殘值後的成本。折舊率如下：

租用地物業	餘下租用期限 每年百份之 二點五至四	直線法
廠房及機器	每年百份之三至十五	直線法
傢俬及裝置	每年百份之十至十八	直線法
工模	每年百份之十	餘額遞減法
汽車	每年百份之二十五	餘額遞減法

當資產出售或報廢時，其成本及累計折舊從賬目撇銷，而出售資產所產生之任何收益或虧損則計入綜合損益賬內。

(g) 在建工程

在建工程以成本列出，包括已付地價、有關建築成本及借貸成本。有關其折舊或分攤會於在建工程完成後才作提撥。

(h) 借貸成本

因在建工程而借貸的利息將轉入物業成本。利息按加權平均法而資本化，直至工程完畢。

(i) 附屬公司

附屬公司為本公司直接或間接長期持有其已發行股本百份之五十以上之公司。於本公司之附屬公司之權益乃按成本值減任何長期減值準備入賬。從附屬公司所得收入是以已收及應收股息記入本公司賬目內。

I. PRINCIPAL ACCOUNTING POLICIES (Continued)**(j) Associated companies**

An associated company is an enterprise in which the Group has significant influence, but not control or joint control, and thereby has the ability to participate in its financial and operating policy decisions.

In the consolidated financial statements, investment in associated companies is accounted for under the equity method of accounting, whereby the investment is initially recorded at cost and the carrying amount is adjusted to recognise the Group's share of the post-acquisition profits or losses of the associated companies, distributions received from the associated companies and other necessary alterations in the Group's proportionate interest in the associated companies arising from changes in the equity of the associated companies that have not been included in the consolidated income statement.

Goodwill arising on the acquisition of an associated company, being the excess of the cost over the fair value of the Group's share of separable net assets acquired, is written off against reserves upon acquisition. Where, in the opinion of the directors, there is an impairment in value of an associated company, or the market value has fallen below the carrying value over a sustained period, a provision is made for such impairment in value.

In the Company's financial statements, investment in an associated company is carried at cost less provision for impairment in value where considered necessary by the directors. The results of the associated company are included in the income statement to the extent of dividends declared.

(k) Stocks

Stocks are carried at the lower of cost and net realisable value.

Cost is based on the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Net realisable value is 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.

I. 主要會計政策 (續)**(j) 聯營公司**

聯營公司是本集團對該企業有重大影響力，有能力參予其財政和經營政策的決策，但沒有控制或聯合控制權。

在綜合財務報告中，聯營公司的投資按股權方法入賬，即投資記錄是按成本及經調整後集團所佔收購後聯營公司的溢利或虧損，收購聯營公司的分配及集團從股份變換而按比例所得的利益並不包括在綜合損益賬中。

收購聯營公司時所得的商譽和已超出收購時集團所佔資產淨值，會在有收購行動時從儲備中抵扣。按照董事會的意見，如果聯營公司減值或市場價值持續低於現值時，將為減值作出賬目準備。

在公司財務報告，董事認為所列出的聯營公司投資應以成本減減值賬目準備的淨額列出。聯營公司業績已包括在收入報告中而影響股息派發。

(k) 存貨

存貨乃根據成本或可變現淨值二者之較低值列出。

成本值按加權平均法計算，並計算購買成本及其他使其達到現時地點及狀態的成本。

可變現淨值按估計銷售價減產品製成前之估計成本及銷售費用計算。

I. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Stocks (Continued)

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of stocks, arising from an increase in net realisable value, is recognised as a reduction in the amount of stocks recognised as an expense in the period in which the reversal occurs.

(l) Operating leases

Leases where substantially all the rewards and risks of ownership remain with the leasing company are accounted for as operating leases. Rental payments under operating leases are charged to the consolidated income statement on a straight-line basis over the period of the relevant leases.

(m) Foreign currencies

Companies within the Group maintain their books and records either in Hong Kong dollars, United States dollars or Chinese Renminbi ("functional currencies"). In the financial statements of the individual companies, transactions in other currencies during the year are translated into the respective functional currencies at the applicable rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in other currencies are translated into the respective functional currencies at the applicable rates of exchange in effect at the balance sheet date. All such exchange differences are dealt with in the income statements of the individual companies.

The Group prepares consolidated financial statements in Hong Kong dollars. For the purpose of consolidation, all the assets and liabilities of those subsidiaries with functional currencies other than Hong Kong dollars are translated into Hong Kong dollars at the applicable rates of exchange in effect at the balance sheet date. All income and expense items are translated into Hong Kong dollars at the average exchange rate during the year. Exchange differences arising from such translation are dealt with as movements in cumulative translation adjustments.

I. 主要會計政策 (續)

(k) 存貨 (續)

存貨銷售時，存貨現值將計算成該期的費用，而存貨減值至可變現淨值及存貨損失將列入當期費用賬項。而當其可變現淨值回升時，將在該會計期間減少存貨的進費用賬項。

(l) 營業租約

營業租約指所出租之資產之利益及風險均由出租人承擔之租約。租金支出已直接由綜合損益賬中按直線法在租約期內列支。

(m) 外幣

集團內個別公司之賬簿及記錄均以港元、美元或人民幣為記賬貨幣(基本貨幣)。各公司的個別財務報表有外幣交易均按交易時之匯率折算基本幣值。所有用外幣結算之貨幣性資產及負債需於資產負債表結算日作出基本幣值結算。其結算所得的利潤及損失將在各公司損益賬中計算。

集團以港元編製綜合財務報表，因此在編製綜合報告時，所有附屬公司資產及負債均採用結算日兌換率結算各基本幣值至港元。所有收入及支出用該年度平均兌換率換算至港元。兌換差額撥至外幣換算儲備。

2. RELATED PARTY TRANSACTIONS

A related party is a company in which one or more of the directors or shareholders of the Group have direct or indirect beneficial interests in the company or are in a position to exercise significant influence on the company. Parties are also considered to be related if they are subject to common control or common significant influence. Significant transactions and balances with related companies were summarized below:

- (a) All outstanding balances with related companies were unsecured, interest-free and had no fixed terms of repayment.
- (b) There was no auditors' remuneration for a subsidiary (1999 — HK\$280,000) borne by a related company during the year.
- (c) During the year, the Group disposed 12.69% of its interests in a subsidiary, Victory Will Limited ("Victory Will") and its subsidiary to Delight International Limited, a related company, at a consideration of approximately HK\$27,403,000 (see Note 11(c)i).
- (d) During the year, Victory Will, a subsidiary, was involved in a share swap with two related companies, Cheung Fung Technology (Holdings) Limited ("Cheung Fung") and Giant Target Investment Limited ("Giant Target") (see Note 11(c)ii).

3. TURNOVER

An analysis of turnover was set out below:

Sale of electrical home appliances	銷售家庭電器產品
Sale of cigarette paper	銷售煙紙

2. 關聯公司項目

關聯公司定義是指該公司會受集團的股東或一至多名董事可直接或間接權益影響。或該公司受控制或重要地影響其財務和營運決策。主要關聯公司事項如下：

- (a) 所有關聯公司與少數股東欠款，均無抵押，不計息，無確定償還期。
- (b) 集團一間附屬公司本年度沒有核數師酬金(1999年為港元280,000)由關聯公司代支。
- (c) 本年度，集團以約HKD27,403,000(見附註11(c)i)出售附屬公司凱心有限公司("凱心")12.69%權益與一關聯公司 — Delight International Ltd。
- (d) 本年度附屬公司凱心涉及與二間關聯公司祥豐科技(集團)有限公司("祥豐")和關聯公司鉅標投資有限公司("鉅標")之股權交換計劃(見附註11(c)ii)。

3. 營業額

營業額分析如下：

	2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
	347,076,968	350,853,677
	112,144,601	140,262,540
	459,221,569	491,116,217

4. PROFIT BEFORE TAX AND SHARE OF RESULTS OF ASSOCIATED COMPANIES

4. 除稅前及所佔聯營公司業績

Profit before tax and share of results of associated companies was determined after charging and crediting the following:

除稅前及所佔聯營公司業績已扣除及計入下列各項：

		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
After charging:	已扣除：		
Depreciation of fixed assets	固定資產折舊	22,656,012	26,513,099
Amortisation of land use rights	土地使用權分攤	78,540	104,220
Amortisation of pre-operating expenses	籌辦費分攤	—	322,539
Cost of sales (see Note a below)	銷售成本(見以下附註a)	309,343,431	327,464,093
Staff (including directors) costs (see Note b below)	員工(包括董事)成本(見以下附註b)	35,055,975	30,652,355
Interest on bank borrowings wholly repayable within five years	五年內還款之貸款利息	18,303,496	22,178,925
Less: Amount capitalised and included in properties under construction	減：已化作資本及包括在建工程在內的利息	(560,355)	(1,313,212)
		<u>17,743,141</u>	<u>20,865,713</u>
Provision for bad debts (see Note c below)	壞賬準備(見以下附註c)	931,782	1,494,837
Auditors' remuneration	核數師酬金	800,000	792,820
Operating lease rentals in respect of land and buildings	營業租約費用開支	190,320	262,080
Exchange loss, net	兌換損失，淨值	996,422	1,725,748
Loss on disposal of fixed assets	出售固定資產損失	13,237	—
Provident fund scheme contributions	公積金供款	1,330,611	1,456,639
After crediting:	已計入：		
Gain on disposal of fixed assets	出售固定資產溢利	—	84,791
Interest income from bank deposits	銀行存款利息	2,652,325	3,933,591
Other interest income	其他利息收入	4,267,072	—

Notes:

附註：

- a. Included in cost of sales are obsolete stocks written off amounting to approximately HK\$5,000,000 (1999 — HK\$1,301,000).
- b. Staff (including directors) costs include a bonus paid to a director amounting to approximately HK\$5,400,000 (1999 — Nil) for his past performance in managing a subsidiary in Sichuan of the PRC from the date of acquisition of this subsidiary to 28 January 2000. The subsidiary was partially disposed during the year.
- c. The bad debt provision represents a provision recorded by the subsidiary partially disposed during the year.

- a. 銷售成本包括積壓存貨撇銷港幣五百萬元(1999年 — 港幣一百三十萬一千元)。
- b. 職員(包括董事)支出包括約港幣五百四十萬元(1999年 — 無)獎金支付與一名董事。因他幾年來管理在中國四川的附屬公司有突出表現，並於二零零零年一月二十八日部份出售該附屬公司。
- c. 壞賬準備顯示已在本年度部份出售附屬公司作出準備記錄。

5. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

5. 董事及高級職員酬金

(a) Details of directors' emoluments are:

(a) 董事酬金如下：

		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Independent non-executive directors	非執行董事	100,000	100,000
Other directors:	其他董事		
Fees	袍金	350,000	350,000
Salaries, bonus and other benefits	薪金及其他	7,866,350	2,658,900
Provident fund scheme contributions	公積金供款	86,000	162,000
		8,302,350	3,170,900
		8,402,350	3,270,900

(b) Analysis of directors' emoluments by number of directors and emolument range is as follows:

(b) 董事酬金按人數及金額範圍分析如下：

		2000 二零零零年 Number of directors 董事人數	1999 一九九九年 Number of directors 董事人數
Up to HK\$1,000,000	至港幣一百萬元	7	8
HK\$1,000,001–HK\$1,500,000	由港幣一百萬零一元至一百五十萬元	1	1
HK\$5,000,001–HK\$5,500,000	由港幣五百萬零一元至五百五十萬元	1	—

The five highest paid employees of the Group included three directors (1999 — three), whose remuneration is included above, and two other employees (1999 — two). Details of emoluments paid to the two highest paid employees are as follows:

董事及高級職員酬金集團中收入最高的五位員工中包括三位(1999 — 三位)董事，其酬金已包括在上表中，及二位(1999 — 二位)其他僱員。此二位其他僱員的詳細收入如下：

		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Salaries and other benefits	薪金及其他福利	1,358,268	1,174,100
Provident fund scheme contributions	公積金供款	56,700	81,000
		1,414,968	1,255,100

5. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Continued)

(b) Analysis of directors' emoluments by number of directors and emolument range is as follows: (Continued)

Analysis of emoluments paid to the five highest paid employees by number of employees and emolument range is as follows:

Up to HK\$1,000,000	至港幣一百萬元
HK\$1,000,001–HK\$1,500,000	由港幣一百萬零一元至一百五十萬元
HK\$5,000,001–HK\$5,500,000	由港幣五百萬零一元至五百五十萬元

(c) During the year, no emolument of the five highest paid employees (including directors and other employees) was incurred as inducement to join or upon joining the Group or as compensation for loss of office.

6. TAXATION

Taxation charges comprised:

Current taxation:	是年度稅項：
Hong Kong profits tax	香港利得稅
— current year taxation	— 是年度稅項
Overseas taxation	海外稅項
Share of overseas taxation attributable to an associated company (see Note 12c)	應佔聯營公司是年度海外利得稅準備 (附註12c)

5. 董事及高級職員酬金 (續)

(b) 董事酬金按人數及金額範圍分析如下：(續)

最高薪金的五位職員及薪酬範圍分析如下：

2000 二零零零年 Number of employees 僱員人數	1999 一九九九年 Number of employees 僱員人數
3	4
1	1
1	—

(c) 本年度，最高薪酬的五位職員(包括董事及其他職員)沒有支取導致集團有損失之酬金。

6. 稅項

稅項包括：

2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
3,120,786	2,618,201
285,486	2,910,215
3,406,272	5,528,416
98,872	—
3,505,144	5,528,416

6. TAXATION (Continued)

Hong Kong profits tax was provided at the rate of 16% (1999 — 16%) on the estimated assessable profits arising in or derived from Hong Kong. Overseas taxation has been calculated on the estimated assessable profit for the year at the rates prevailing in the respective jurisdictions.

7. NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS FOR THE YEAR

The consolidated profit attributable to shareholders included a profit of HK\$18,975,975 (1999 — HK\$12,706,046) dealt with in the financial statements of the Company.

8. DIVIDENDS

Dividends comprised:

Interim dividend paid of HK2¢ (1999 — HK2¢) per share	已派發之中期股息每股港幣二仙 (1999 — 二仙)
Proposed final dividend of HK6¢ (1999 — HK6¢) per share	建議派發末期股息每股港幣六仙 (1999 — 六仙)

9. EARNINGS PER SHARE

Earnings per share is calculated based on the consolidated net profit attributable to shareholders of HK\$43,142,913 (1999 — consolidated profit of HK\$41,626,251) divided by the weighted average number of 314,300,804 shares (1999 — 314,300,804) in issue during the year.

The diluted earnings per share is not shown as there are no potential dilutive shares.

6. 稅項(續)

香港利得稅按是年應稅溢利之16%計算(1999—16%)，海外稅項是根據個別管轄地區之應課稅率計算。

7. 股東應佔溢利

綜合股東應佔溢利已包括本公司之溢利港幣一千八百九十七萬五千九百七十五元(1999 — 港幣一千二百七十萬六千零四十六元)。

8. 股息

股息包括：

2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
6,286,016	6,286,016
18,858,048	18,858,048
25,144,064	25,144,064

9. 每股溢利

每股溢利之計算是以股東應佔溢利港幣四千三百一十四萬二千九百一十三元(1999年 — 綜合溢利四千一百六十二萬六千二百五十一元)按是年度已發行之三億一千四百三十萬八百零四股(1999年 — 三億一千四百三十萬八百零四股)計算。

由於沒有具攤薄效果的潛在普通股，已攤薄每股溢利並沒有加以顯示。

10. FIXED ASSETS

Movements in fixed assets were as follows:

The Group	集團
Cost	成本
Beginning of year	期初
Additions	添置
Disposal	變賣
Attributable to partial disposal of subsidiaries	出售部份附屬公司之分配
Transfer upon completion of properties under construction	由在建工程轉賬
Effect of changes in exchange rate	貨幣匯率調整
End of year	期末
Accumulated depreciation	累計折舊
Beginning of year	期初
Provision for the year	是年提撥準備
Disposal	變賣撥回
Attributable to partial disposal of subsidiaries	出售部份附屬公司之分配
Effect of changes in exchange rate	貨幣匯率調整
End of year	期末
Net book value	賬面淨值
End of year	期末
Beginning of year	期初

10. 固定資產

固定資產變動如下：

Medium-term leasehold properties in Hong Kong	Properties outside Hong Kong
在本港之中期租約之物業	香港以外物業
HK\$	HK\$
港元	港元
37,411,769	167,152,075
—	—
—	—
—	(49,191,322)
—	297,128
—	767,556
37,411,769	119,025,437
13,187,260	25,158,199
1,810,640	5,881,292
—	—
—	(2,719,874)
—	97,061
14,997,900	28,416,678
22,413,869	90,608,759
24,224,509	141,993,876

2000 二零零零年						1999 一九九九年
Plant and machinery	Furniture and fixtures	Moulds	Motor vehicles	Properties under construction	Total	Total
廠房及機器 HK\$ 港元	傢俬及裝置 HK\$ 港元	工模 HK\$ 港元	汽車 HK\$ 港元	在建工程 HK\$ 港元	合計 HK\$ 港元	合計 HK\$ 港元
373,686,637	19,895,471	11,414,187	11,503,430	22,841,061	643,904,630	619,665,825
260,204	515,414	1,230,908	1,221,264	30,532,127	33,759,917	24,225,097
—	(1,216,767)	—	(619,554)	—	(1,836,321)	(1,194,532)
(297,424,082)	(4,055,186)	—	(3,789,215)	(16,123,060)	(370,582,865)	—
292,595	1,319,508	—	—	(1,909,231)	—	—
1,628,917	120,182	1,574	48,506	47,073	2,613,808	1,208,240
78,444,271	16,578,622	12,646,669	8,364,431	35,387,970	307,859,169	643,904,630
59,570,012	18,995,032	4,998,910	6,592,754	—	128,502,167	102,401,456
9,901,437	2,536,005	731,040	1,795,598	—	22,656,012	26,513,099
—	(1,083,644)	—	(313,842)	—	(1,397,486)	(537,606)
(18,690,042)	(4,048,977)	—	(1,879,966)	—	(27,338,859)	—
354,501	180,206	—	28,733	—	660,501	125,218
51,135,908	16,578,622	5,729,950	6,223,277	—	123,082,335	128,502,167
27,308,363	—	6,916,719	2,141,154	35,387,970	184,776,834	515,402,463
314,116,625	900,439	6,415,277	4,910,676	22,841,061	515,402,463	517,264,369

10. FIXED ASSETS (Continued)

10. 固定資產 (續)

		Medium-term leasehold properties in Hong Kong 在本港之中期 租約之物業 HK\$ 港元	Properties outside Hong Kong 香港以外物業 HK\$ 港元
The Company	公司		
Cost	成本		
Beginning of year	期初	9,861,000	—
Additions	添置	—	—
Transfer to a subsidiary	轉撥附屬公司	—	—
Disposal	變賣	—	—
End of year	期末	9,861,000	—
Accumulated depreciation	累計折舊		
Beginning of year	期初	9,330,282	—
Provision for the year	是年提撥準備	—	—
Transfer to a subsidiary	轉撥附屬公司	—	—
Disposal	變賣	—	—
End of year	期末	9,330,282	—
Net book value	賬面淨值		
End of year	期末	530,718	—
Beginning of year	期初	530,718	—

		2000 二零零零年				1999 一九九九年	
Plant and machinery	Furniture and fixtures	Moulds	Motor vehicles	Properties under construction	Total	Total	
廠房及機器	傢俬及裝置	工模	汽車	在建工程	合計	合計	
HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
港元	港元	港元	港元	港元	港元	港元	港元
12,851,326	8,551,494	10,997,408	1,793,601	9,617,330	53,672,159	46,305,258	
—	—	1,230,908	579,000	24,674,859	26,484,767	7,610,926	
—	—	—	(305,073)	—	(305,073)	—	
—	—	—	(619,554)	—	(619,554)	(244,025)	
12,851,326	8,551,494	12,228,316	1,447,974	34,292,189	79,232,299	53,672,159	
12,424,428	7,837,930	4,917,916	727,517	—	35,238,073	33,573,600	
334,000	279,319	731,040	277,642	—	1,622,001	1,859,889	
—	—	—	(76,268)	—	(76,268)	—	
—	—	—	(313,842)	—	(313,842)	(195,416)	
12,758,428	8,117,249	5,648,956	615,049	—	36,469,964	35,238,073	
92,898	434,245	6,579,360	832,925	34,292,189	42,762,335	18,434,086	
426,898	713,564	6,079,492	1,066,084	9,617,330	18,434,086	12,731,658	

II. INTERESTS IN SUBSIDIARIES

(a) Interests in subsidiaries comprised:

The Company

Unlisted shares, at cost	非上市股份按成本入賬
Less: Provision for impairment in value	減：減值準備
Amounts due from subsidiaries	應收附屬公司賬款
Amounts due to subsidiaries	應付附屬公司賬款

II. 附屬公司權益

(a) 附屬公司權益包括：

公司

	2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
	62,503,847	62,121,080
	(880,567)	—
	134,599,185	206,518,284
	(74,562,451)	(98,140,030)
	<u>121,660,014</u>	<u>170,499,334</u>

The amounts due from and to subsidiaries were unsecured, non-interest bearing and without predetermined repayment terms.

附屬公司應收及應付賬款均無抵押，無計算利息及無確定償還期限。

The directors were of the opinion that the underlying value of the subsidiaries was not less than the carrying value at 31 December 2000.

董事認為附屬公司確實價值不少於二零零零年十二月三十一日賬面價值。

(b) Details of the Company's subsidiaries as at 31 December 2000 were as follows:

(b) 於二零零零年十二月三十一日附屬公司詳情如下：

Name of subsidiaries 附屬公司名稱	Place of incorporation 成立地點	Place of operation 營業地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足之 普通股股本/ 註冊股本	Attributable equity interest held by the Company 公司持有 股權比率		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Broad Ocean Company 正穎有限公司	Hong Kong 香港	Hong Kong 香港	HK\$20 二十港元	100%	—	Inactive 無營業
Electrical Tubular Elements Limited 精密電熱(中國)有限公司	Hong Kong 香港	PRC 中國	HK\$100,000 十萬港元	100%	—	Inactive 無營業
Fairplay Investments Limited	British Virgin Islands 英屬處女島	PRC 中國	US\$1 一美元	100%	—	Investment holding 投資控股

II. INTERESTS IN SUBSIDIARIES (Continued)

II. 附屬公司權益 (續)

(b) Details of the Company's subsidiaries as at 31 December 2000 were as follows: (Continued)

(b) 於二零零零年十二月三十一日附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation 成立地點	Place of operation 營業地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足之 普通股股本/ 註冊股本	Attributable equity interest held by the Company 公司持有 股權比率		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Good Nature Company Limited 海雲有限公司	Hong Kong 香港	PRC 中國	HK\$20 二十港元	—	100%	Inactive 無營業
Good Nature International Limited	Cook Islands 科克群島	PRC 中國	US\$8 八美元	100%	—	Investment holding 投資控股
Guangzhou Fairplay Moulds Development Co. Ltd. 廣州公平模具發展有限公司	PRC 中國	PRC 中國	HK\$3,500,000 三百五十萬 港元	—	100%	Manufacturing of moulds 生產模具
Raymond Electric (China) Limited 利民電機製造(中國)有限公司	Hong Kong 香港	Hong Kong 香港	HK\$20 二十港元	100%	—	Investment holding 投資控股
Raymond (Guangzhou) Industrial Limited 廣州利民電器實業有限公司	PRC 中國	PRC 中國	RMB14,461,326 一千四百四十六 萬一千三百二十 六元人民幣	—	99%	Manufacturing of electrical home appliances 生產家庭電器
Raymond International Marketing Corp.	British Virgin Islands 英屬處女島	PRC 中國	US\$10 十美元	100%	—	Inactive 無營業
Raymond Marketing Corporation of North America	United States of America 美國	United States of America 美國	US\$1,000 一千美元	100%	—	Provision of market research and customer liaison services 統籌市場研究 及客戶聯絡
Raymond Nansha Development Co. Ltd.	British Virgin Islands 英屬處女島	PRC 中國	US\$2 二美元	100%	—	Property investment 物業投資

II. INTERESTS IN SUBSIDIARIES (Continued)

II. 附屬公司權益 (續)

(b) Details of the Company's subsidiaries as at 31 December 2000 were as follows: (Continued)

(b) 於二零零零年十二月三十一日附屬公司詳情如下：(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation 成立地點	Place of operation 營業地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足之普通股股本/ 註冊股本	Attributable equity interest held by the Company 公司持有股權比率		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Raymond (Panyu Nansha) Electrical Appliances Development Co. Ltd. 利民(番禺南沙)電器發展有限公司	PRC 中國	PRC 中國	US\$7,894,602 七百八十九萬四千六百零二美元	100%	—	Manufacturing of electrical home appliances 生產家庭電器
Airborne Holdings Limited	British Virgin Islands 英屬處女島	PRC 中國	US\$1 一美元	100%	—	Investment holding 投資控股
Mass Top Corporation	British Virgin Islands 英屬處女島	Hong Kong 中國	US\$1 一美元	100%	—	Property holding 物業投資
Appliance Science Corporation	United States of America 美國	United States of America 美國	US\$9,585 九千五百八十五美元	—	83.51%	Development and trading of electrical home appliances 開發及經營家庭電器貿易

None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

各附屬公司於年結日期或是年任何時間均無借貸資本。

(c) Details of the disposal of controlling interests in subsidiaries during the year:

(c) 本年度出售附屬公司權益詳情：

i. During the year, the Group disposed 12.69% of its interests in Victory Will and its subsidiary ("Victory Will Group"), subsidiaries of the Group, to Delight International Limited ("Delight"), a related company, at a consideration of approximately HK\$27,403,000 and recognised a gain of approximately HK\$6,055,000. This disposal of the Group's interests in Victory Will Group to Delight (the "Delight Subscription") has reduced the Group's interests in Victory Will Group from 63.35% to 50.66% (see Note 2c).

i. 本年度，集團以約HK\$27,403,000出售附屬公司凱心及其附屬公司(凱心集團)12.69%之權益與一關聯公司 Delight International Ltd ("Delight")及獲得利潤HK\$6,055,000。因集團出售凱心集團的權益與 Delight ("Delight 項目")令集團在凱心之權益由63.35%減持至50.66%。(見附註2c)

11. INTERESTS IN SUBSIDIARIES (Continued)

(c) Details of the disposal of controlling interests in subsidiaries during the year: (Continued)

- ii. During the year, Victory Will underwent a reorganisation (the "Cheung Fung Reorganisation") with two related companies, Cheung Fung Technology (Holdings) Limited ("Cheung Fung") and Giant Target Investment Limited ("Giant Target") (see Note 2d).

The Cheung Fung Reorganisation involved a share swap of Cheung Fung, Victory Will and Giant Target. Cheung Fung acquired the entire issued ordinary share capital of Victory Will and Giant Target by allotting Cheung Fung's shares to the then existing shareholders of Victory Will and Giant Target. As a result, Cheung Fung became the ultimate holding company of Victory Will and Giant Target. Following the completion of the Cheung Fung Reorganisation, Cheung Fung effectively holds a 90% interest in Sichuan Jinfeng Paper Company Limited ("Jinfeng") through Victory Will and Giant Target. Jinfeng is the principal operating arm of Cheung Fung. The Cheung Fung Reorganisation was completed in preparation for a proposed listing of Cheung Fung on the Hong Kong Stock Exchange.

As part of the Cheung Fung Reorganisation, the Group also disposed of its remaining direct interests of 50.66% in Victory Will Group (after the Delight Subscription as mentioned in (c)i above) in exchange for a 33.83% interest in Cheung Fung which became an associated company of the Group. The loss to the Group as a result of the Cheung Fung Reorganisation was approximately HK\$1,065,000.

12. INTERESTS IN ASSOCIATED COMPANIES

(a) Interests in associated companies comprised:

The Group

Share of net assets of associated companies other than goodwill 除商譽外資產分擔

11. 附屬公司權益 (續)

(c) 本年度出售附屬公司權益詳情：(續)

- ii. 本年度，附屬公司凱心集團與關聯公司祥豐科技(集團)有限公司("祥豐")和關聯公司鉅標投資有限公司("鉅標")參與重組("祥豐重組")。(見附註2d)

祥豐重組涉及祥豐，凱心及鉅標股份交換。祥豐以分配祥豐股份與凱心股東及鉅標股東而持有凱心及鉅標股份。最終，祥豐變成凱心及鉅標之控股公司。祥豐重組完成後，祥豐透過凱心及鉅標持有四川錦豐紙業有限公司("錦豐")90%權益。祥豐重組將於祥豐在香港聯合交易所上市前完成。

祥豐重組過程中，集團出售其在凱心集團餘下直接權益之50.66%((c)i中提及 Delight項目後)與祥豐換取33.83%祥豐權益使其成為集團之聯營公司。在祥豐重組後集團約錄得HK\$1,065,000損失。

12. 聯營公司權益

(a) 聯營公司權益包括：

集團

2000	1999
二零零零年	一九九九年
HK\$	HK\$
港元	港元

82,947,135	1,368,623
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12. INTERESTS IN ASSOCIATED COMPANIES
(Continued)(a) Interests in associated companies comprised:
(Continued)

During the year, as part of the Cheung Fung Reorganisation, the Group disposed of its interest in Victory Will in exchange for a 33.83% interest in Cheung Fung which became an associated company of the Group (see Note 11(c)ii).

The Company

Unlisted shares, at cost

非上市股份按成本入賬

12. 聯營公司權益 (續)

(a) 聯營公司權益包括：(續)

本年度，祥豐重組過程中，集團以凱心權益換取祥豐33.83%權益。祥豐變成集團聯營公司(見附註11(c)ii)。

公司

2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
100	100

(b) Details of the associated companies as at 31 December 2000 were as follows:

(b) 聯營公司詳情如下：

Name of associated companies 聯營公司名稱	Place of incorporation and operation 註冊及經營地點	Attributable equity interest held by the Company 公司持有股權比例		Principal activities 主要業務
		Directly 直接	Indirectly 間接	
Breville Far East Limited	Hong Kong 香港	33 $\frac{1}{3}$ %	—	Provision of agency services 提供代理服務
Shenzhen Liyuan Electric Company Limited 深圳利源電器實業有限公司	PRC 中國	—	50%	Manufacturing of transformers 製造變壓器
Cheung Fung Technology (Holdings) Limited 祥豐科技(集團)有限公司	Hong Kong 香港	—	33.83%	Investment holding 投資控股
Victory Will Limited 凱心有限公司	Hong Kong 香港	—	33.83%	Investment holding 投資控股
Sichuan Jinfeng Paper Company Limited 四川錦豐紙業有限公司	PRC 中國	—	30.45%	Manufacturing and sale of cigarette papers 製造及銷售煙紙

12. INTERESTS IN ASSOCIATED COMPANIES
(Continued)

12. 聯營公司權益 (續)

(c) Supplemental financial information of the associated companies:

(c) 聯營公司財務資料補充

		2000 二零零零年				1999 一九九九年			
		Breville	Liyuan	Cheung Fung*	Total	Breville	Liyuan	Cheung Fung	Total
		Breville	利源	祥豐	合計	Breville	利源	祥豐	合計
		HK\$				HK\$			
		港元				港元			
Balance sheet	資產負債表								
Share of net assets	淨資產分攤	15,605	1,289,909	81,641,621	82,947,135	22,506	1,346,117	—	1,368,623
Goodwill	商譽	—	—	—	—	—	—	—	—
		15,605	1,289,909	81,641,621	82,947,135	22,506	1,346,117	—	1,368,623
Profit and loss	損益表								
Share of (loss) profit before taxation	除稅利益分攤	(6,901)	(56,208)	7,322,687	7,259,578	(7,528)	(225,166)	—	(232,694)
Share of taxation	稅項分攤	—	—	(98,872)	(98,872)	—	—	—	—
Share of net (loss) profit	淨(虧損)溢利分攤	(6,901)	(56,208)	7,223,815	7,160,706	(7,528)	(225,166)	—	(232,694)

* This column contains the Group's share of net assets, profit before taxation and taxation of Cheung Fung Technology (Holdings) Limited and its subsidiaries as at 31 December 2000 and for the period from its date of acquisition to the year ended 31 December 2000.

* 此行包括在二零零零年十二月三十一日及由購買日期至二零零零年十二月三十一日集團所佔祥豐科技(集團)有限公司及其附屬公司資產淨值, 除稅前溢利及稅項。

13. LAND USE RIGHTS

Movements of land use rights were as follows:

The Group

		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Cost	成本		
Beginning of year	期初數	5,202,310	5,189,013
Attributable to partial disposal of subsidiaries	出售部份附屬公司之分配	(5,227,264)	—
Effect of changes in exchange rate	貨幣匯率調整	24,954	13,297
End of year	期末	—	5,202,310
Accumulated amortisation	累計分攤		
Beginning of year	期初數	208,444	103,958
Provision for the year	是年度提撥	78,540	104,220
Attributable to partial disposal of subsidiaries	出售部份附屬公司之分配	(288,022)	—
Effect of changes in exchange rate	貨幣匯率調整	1,038	266
End of year	期末	—	208,444
Net book value	賬面淨值		
End of year	期末	—	4,993,866
Beginning of year	期初數	4,993,866	5,085,055

13. 土地使用權

土地使用權變動如下：

集團

14. PRE-OPERATING EXPENSES

Movements in pre-operating expenses were as follows:

The Group

14. 籌辦費

籌辦費變動如下：

集團

		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Cost	成本		
Beginning of year	期初數	1,021,750	1,019,140
Attributable to partial disposal of subsidiaries	出售部份附屬公司之分配	(1,021,750)	—
Effect of changes in exchange rate	貨幣匯率調整	—	2,610
End of year	期末	—	1,021,750
Accumulated amortisation	累計分攤		
Beginning of year	期初數	645,456	322,093
Provision for the year	是年度提撥	—	322,539
Attributable to partial disposal of subsidiaries	出售部份附屬公司之分配	(645,456)	—
Effect of changes in exchange rate	貨幣匯率調整	—	824
End of year	期末	—	645,456
Net book value	賬面淨值		
End of year	期末	—	376,294
Beginning of year	期初數	376,294	697,047

賬目附註 (續)

15. STOCKS

Stocks comprised:

Raw materials 原料
Work-in-progress 在製品
Finished goods 製成品
Packing materials 包裝原料

15. 存貨

存貨包括：

The Group 集團		The Company 公司	
2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元	2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
38,021,137	75,669,629	429,721	508,905
17,839,459	20,284,337	49,925	—
9,879,940	15,923,346	238,867	47,908
2,828,201	2,310,358	13,584	74,198
68,568,737	114,187,670	732,097	631,011

16. DEBTORS

Accounts receivable 應收賬款
Less: Provision for bad and doubtful debts 減：壞賬準備

16. 應收賬項

The Group 集團		The Company 公司	
2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元	2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
51,042,570	121,887,208	48,393,343	38,708,040
(2,426,619)	(1,494,837)	—	—
48,615,951	120,392,371	48,393,343	38,708,040

Aging analysis of accounts receivable after provision for bad and doubtful debts was as follows: 應收賬款減除壞賬準備後賬齡分析如下：

The Group 集團		The Company 公司	
2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元	2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
44,101,125	80,180,808	43,878,517	37,570,977
1,856,881	23,531,510	1,856,881	902,010
1,962,535	13,167,357	1,962,535	206,357
695,410	3,512,696	695,410	28,696
48,615,951	120,392,371	48,393,343	38,708,040

17. BANK LOANS

Bank loans comprised:

The Group

		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Short-term bank loans	短期銀行貸款	37,712,000	124,461,813
Current portion of long-term bank loans	長期銀行貸款之即期部分	—	139,936,020
		37,712,000	264,397,833

17. 銀行貸款

銀行貸款包括：

集團

		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Short-term bank loans	短期銀行貸款	37,712,000	124,461,813
Current portion of long-term bank loans	長期銀行貸款之即期部分	—	139,936,020
		37,712,000	264,397,833

18. CREDITORS AND ACCRUED CHARGES

Included in creditors and accrued charges were accounts payable, accrued charges and other payables as follows:

		The Group 集團		The Company 公司	
		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元	2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Accounts payable	應付賬款	19,621,008	20,883,522	17,481,983	12,370,739
Accrued charges and other payables	應付未付費用及其他應付賬款	29,001,272	60,296,661	11,487,683	15,171,935
		48,622,280	81,180,183	28,969,666	27,542,674

18. 應付賬項及應計項目

應付賬項及應計項目包括應付賬款，應付未付費用及其他應付賬款：

		The Group 集團		The Company 公司	
		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元	2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Accounts payable	應付賬款	19,621,008	20,883,522	17,481,983	12,370,739
Accrued charges and other payables	應付未付費用及其他應付賬款	29,001,272	60,296,661	11,487,683	15,171,935
		48,622,280	81,180,183	28,969,666	27,542,674

Aging analysis of accounts payable was as follows:

		The Group 集團		The Company 公司	
		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元	2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Within 3 months	3個月內	19,198,510	18,621,252	17,059,485	11,909,469
Between 4 to 6 months	由4月至6個月	37,755	1,478,256	37,755	103,256
Between 6 to 12 months	由6月至12個月	384,743	245,559	384,743	132,559
Over 12 months	超過12個月	—	538,455	—	225,455
		19,621,008	20,883,522	17,481,983	12,370,739

應付賬款賬齡分析如下：

		The Group 集團		The Company 公司	
		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元	2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Within 3 months	3個月內	19,198,510	18,621,252	17,059,485	11,909,469
Between 4 to 6 months	由4月至6個月	37,755	1,478,256	37,755	103,256
Between 6 to 12 months	由6月至12個月	384,743	245,559	384,743	132,559
Over 12 months	超過12個月	—	538,455	—	225,455
		19,621,008	20,883,522	17,481,983	12,370,739

19. DEFERRED TAXATION

Deferred taxation represented the effect of timing differences relating to the accelerated depreciation of fixed assets. There was no significant unprovided deferred taxation as at 31 December 2000.

20. SHARE CAPITAL

Share capital comprised:

The Group and the Company

Authorised:
500,000,000 (1999 — 500,000,000)
ordinary shares of HK\$0.50 each

Issued and fully paid:
314,300,804 (1999 — 314,300,804)
ordinary shares of HK\$0.50 each

法定股本：
每股面值港幣五角之五億股
普通股 (1999 — 五億股)

已發行及繳足股本：
每股面值港幣五角之三億一千
四百三十萬八百零四股
(1999 — 三億一千四百三十萬
八百零四股) 普通股

2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
-----------------------------	-----------------------------

250,000,000	250,000,000
-------------	-------------

157,150,402	157,150,402
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21. SHARE OPTION SCHEME

Pursuant to the share option scheme for employees, the Board of Directors of the Company may grant options to eligible employees of the Group, including directors, to subscribe for ordinary shares of the Company. Any options granted can be exercised within a period of six to sixty months after the date of grant and acceptance. The subscription price is the higher of the nominal value of the ordinary shares or 80% of the average of the last trading prices of the Company's ordinary shares on the five trading days immediately preceding the offer of the option. The maximum number of shares in respect of which options may be granted under the share option scheme cannot exceed 10% of the issued share capital of the Company from time to time.

No options were granted or exercised during the year and 1999.

19. 遞延稅項

遞延稅項為固定資產在課稅上加速計算折舊之時差的稅務影響。於二零零零年十二月三十一日本集團並無未提撥之重大遞延稅項。

20. 股本

股本包括：

集團及公司

21. 認股計劃

依據僱員認股計劃，董事會可授權任何符合資格之僱員包括董事認購本公司股份選擇權。任何已認購之認股權可於認購日期之後六個月至六十個月期間內行使。認購價格按票面值或授予選擇權之前五天之平均收市價之百分之八十，取其較高者訂定。有關授予認股選擇權之最高認購股數限額，無論何時均不得超過本公司已發行股本百分之十。

一九九九年及是年度內並無授與或行使任何認股權。

22. RESERVES

22. 儲備

Movements of reserves were as follows:

儲備變動如下：

		2000 二零零零年					1999 一九九九年	
		Share premium account	Cumulative translation adjustments	Capital reserve	Retained profit	General reserve	Total	Total
		股本溢價帳	外幣換算儲備	資本儲備	滾存溢利	普通儲備	合計	合計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元
The Group	集團							
Beginning of year	期初	62,669,173	(9,145,576)	3,193,917	119,527,054	3,909,775	180,154,343	162,235,820
Warranted profit	保證利潤	—	—	—	—	—	—	733,046
Reinstatement of goodwill previously charged to retained earnings resulting from the Delight Subscription	Delight 項目 商譽重整 結果	—	—	—	2,592,563	—	2,592,563	—
Exchange differences arising from translation of financial statements of subsidiaries denominated in foreign currencies	外兌換算之 附屬公司賬目 結算所產生之 外匯差價	—	1,595,198	—	—	—	1,595,198	703,290
Appropriation to general reserve	撥入普通儲備	—	—	—	(1,794,010)	1,794,010	—	—
Profit attributable to shareholders	股東應佔溢利	—	—	—	43,142,913	—	43,142,913	41,626,251
Dividends	股息	—	—	—	(25,144,064)	—	(25,144,064)	(25,144,064)
End of year	期末	62,669,173	(7,550,378)	3,193,917	138,324,456	5,703,785	202,340,953	180,154,343
The Company	公司							
Beginning of year	期初	62,669,173	—	—	26,131,611	—	88,800,784	101,238,802
Profit attributable to shareholders	股東應佔溢利	—	—	—	18,975,975	—	18,975,975	12,706,046
Dividends	股息	—	—	—	(25,144,064)	—	(25,144,064)	(25,144,064)
End of year	期末	62,669,173	—	—	19,963,522	—	82,632,695	88,800,784

22. RESERVES (Continued)

The laws and regulations of the PRC require enterprises with foreign investment in the PRC to provide for certain statutory reserves namely general reserve, enterprise expansion fund and staff welfare and bonus fund which are appropriated from net profit as reported in the statutory accounts.

Certain of the Group's PRC subsidiaries, which are wholly foreign-owned enterprises, are required to allocate at least 10% of their after-tax profit to the general reserves until the reserves have reached 50% of their registered capital. General reserve can only be used, upon approval by the relevant authority, to offset accumulated losses or increase capital. The enterprise expansion fund can only be used to increase capital upon approval by the relevant authority. Appropriation to enterprise expansion fund is at the discretion of the Board of Directors of the PRC subsidiaries.

The staff welfare and bonus fund can only be used for the welfare of the PRC subsidiaries' employees. Appropriation to the staff welfare and bonus fund is at the discretion of the Board of Directors of the PRC subsidiaries. For Hong Kong reporting purposes, this appropriation is charged to expenses and included in creditors and accrued charges in the consolidated financial statements.

22. 儲備 (續)

中華人民共和國之法律及規定要求中華人民共和國之全外資企業提取若干法定儲備，也就是法定賬目中匯報，從淨溢利分配出之普通儲備、企業發展基金及職工福利及花紅基金。

本集團之中華人民共和國附屬公司，全外資擁有企業，須把稅後溢利之最少百分之十配到普通儲備，直至該儲備達註冊資本百分之五十為止。普通儲備只可經有關當局批准用於抵銷累積虧損或增加資本。企業發展基金只可經有關當局批准用以增加資本。分配到企業發展基金之撥款由中華人民共和國附屬公司之董事會決定。

職工福利及花紅基金只可用作中華人民共和國附屬公司員工之福利。分配到職工福利及花紅基金之撥款由中華人民共和國附屬公司之董事會決定。為香港報告所需，上述撥款入賬為銷售、一般及行政費用，並包括在綜合財務報表中之應付賬項及應計項目。

23. NOTES TO THE CASH FLOW STATEMENT

23. 現金變動表賬目附註

(a) Reconciliation of profit before tax and share of results of associated companies to net cash inflow from operating activities

(a) 經營溢利與經營活動之現金收入淨值之對數表

		2000 二零零零年 HK\$ 港元	1999 一九九九年 HK\$ 港元
Profit before tax and share of results of associated companies	除稅及佔聯營公司業績前溢利	57,233,216	68,976,874
Gain from the Delight Subscription	Delight 項目利潤	(6,055,163)	—
Loss from the Cheung Fung Reorganisation	祥豐重組損失	1,064,569	—
Interest income	利息收入	(6,919,397)	(3,933,591)
Interest expense	利息支出	17,743,141	20,865,713
		63,066,366	85,908,996
Depreciation of fixed assets	固定資產折舊	22,656,012	26,513,099
Amortisation of land use rights	土地使用權分攤	78,540	104,220
Amortisation of pre-operating expenses	籌辦費分攤	—	322,539
Loss (Gain) on disposal of fixed assets	變賣固定資產損失(利潤)	13,237	(84,791)
Increase in stocks	存貨增加	(24,556,376)	(10,421,961)
Increase in debtors	應收賬項增加	(14,707,706)	(22,419,205)
Increase in notes receivable	票據賬款增加	(20,000,000)	—
Decrease in deposits, prepayments and other receivables	訂金，預付款項及其他應收賬減少	2,757,437	723,114
Decrease (Increase) in amount due from a minority shareholder	應收少數股東減少(增加)	10,975,156	(9,123,347)
Increase in amount due from a related company	應收關營公司增加	(4,526,672)	(2,499,427)
(Decrease) Increase in creditors and accrued charges	應付賬項及應計項目(減少)增加	(9,705,219)	6,734,888
Increase (Decrease) in amounts due to related companies	應付關聯公司增加(減少)	10,340,750	(1,501,242)
Increase (Decrease) in amount due to a minority shareholder	應付少數股東增加(減少)	1,805,212	(5,711,257)
Net cash inflow from operating activities	經營活動之現金收入淨值	38,196,737	68,545,626

23. NOTES TO THE CASH FLOW STATEMENT
(Continued)

(b) Analysis of changes in financing during the year

23. 現金變動表賬目附註(續)

b. 是年度融資變動分析

		2000 二零零零年			1999 一九九九年		
		Short-term bank loans 短期 銀行貸款 HK\$ 港元	Long-term bank loans 長期 銀行貸款 HK\$ 港元	Minority interests 少數 股東權益 HK\$ 港元	Short-term bank loans 短期 銀行貸款 HK\$ 港元	Long-term bank loans 長期 銀行貸款 HK\$ H港元	Minority interests 少數 股東權益 HK\$ 港元
Beginning of year	期初	124,461,813	174,831,292	137,985,473	94,010,805	191,638,076	117,915,773
New loans raised	新貸款	175,825,208	32,964,194	—	128,217,413	31,001,770	—
Repayment of loans	償還貸款	(138,507,582)	(41,365,440)	—	(98,007,330)	(48,259,693)	—
Profit for the year attributable to minority shareholders	本年度少數股東應佔溢利	—	—	17,844,737	—	—	21,589,513
Dividends paid by subsidiaries to minority shareholders	附屬公司派發予少數股東之股息	—	—	(20,550,029)	—	—	(14,260,275)
Capital contributions to a subsidiary from minority shareholders	由少數股東給與附屬公司股本供款	—	—	—	—	—	12,740,462
Attributable to partial disposal of subsidiaries	應佔出售部份附屬公司	(124,528,302)	(167,267,283)	(136,851,007)	—	—	—
Effect of changes in exchange rate	貨幣匯率調整	460,863	837,237	—	240,925	451,139	—
End of year	期末	37,712,000	—	(1,570,826)	124,461,813	174,831,292	137,985,473

23. NOTES TO THE CASH FLOW STATEMENT
(Continued)

23. 現金變動表賬目附註(續)

(c) Details of the partial disposal of subsidiaries (see Note 11(c))

(c) 出售附屬公司資料(見附註11(c))

During the year, the Group disposed 12.69% interest in its subsidiaries, Victory Will Group. Details of the net assets disposed as at the date of disposal were as follows:

本年度，集團出售附屬公司部份權益12.69%淨資產值在出售日期詳情如下：

		HK\$ 港元
Land use rights	土地使用權	4,939,242
Fixed assets	固定資產	343,244,006
Pre-operating expenses	籌辦費	376,294
Stocks	存貨	70,175,309
Debtors	應收賬項	86,484,126
Notes receivable	應收票據	20,000,000
Deposits, prepayments and other receivable	訂金，預付款項及其他收賬	13,400,795
Amount due from related companies	應收關聯公司	7,759,145
Amount due from a minority shareholder	應收少數股東	647,618
Cash and bank deposits	現金及銀行存款	28,236,848
Creditors and accrued charges	應付賬目及應計賬目	(22,852,684)
Amount due to a related company	應付關聯公司	(10,831,272)
Amount due to a minority shareholder	應付少數股東	(1,805,212)
Dividend payable	應付股利	(16,666,667)
Tax payable	應付稅項	(223,107)
Short-term bank loans (including the current portion of long-term bank loans)	短期銀行貸款(包括長期銀行貸款即期部份)	(228,973,283)
Long-term bank loans	長期銀行貸款	(62,822,302)
Minority interests	少數股東權益	(83,291,586)
Net assets as at the date of disposal	出售日期淨資產	147,797,270
Effective equity interests disposed	出售比率	12.69%
Group's share of net assets disposed	集團股權出售佔淨資產	18,755,474
Share of goodwill (arose from the acquisition of the subsidiaries by the Group) recognised and written off against retained earnings of the Group in prior year	商譽攤分(集團購買附屬公司所得)已在往年集團滾存溢利中扣除	2,592,563
Gain on disposal	出售利潤	6,055,163
Consideration received	成交價收入	27,403,200

23. NOTES TO THE CASH FLOW STATEMENT (Continued)

(c) Details of the partial disposal of subsidiaries (see Note 11(c)) (Continued)

Net cash outflow in respect of the disposal of 12.69% interest in the subsidiaries was as follows:

	HK\$ 港元
Cash consideration	27,403,200
Cash and bank deposits disposed	(28,236,848)
	<u>(833,648)</u>

(d) Major non-cash transaction

As mentioned in Note 11(c)ii above, the Group disposed of its remaining direct interests in Victory Will Group in exchange for a 33.83% interest in Cheung Fung which became an associated company of the Group as part of the Cheung Fung Reorganisation, resulting in a loss of approximately HK\$1,065,000.

24. PROVIDENT FUND SCHEME

The Group's employees, after completing half a year of service, have the option to join the Group's defined contribution provident fund scheme which is managed by an independent trustee. The Group makes monthly contributions of 5% — 10% of the employees' basic salaries to the scheme depending on the employees' years of service with the Group. The employees also make monthly contributions of 5% of the employees' basic salaries to the scheme. The employees are entitled to receive their entire contributions together with accrued interest thereon at any time upon leaving the Group, and 100% of the employer's contributions and the accrued interest upon retirement or leaving the Group after completing sixteen years of service or at a reducing scale of between 5% to 90% after completing three to fifteen years of service. The forfeited contributions made by the Group and related accrued interest can be used to reduce the employer's contributions. During the year, the aggregate amount of employer's contributions made by the Group was approximately HK\$1,331,000 (1999 — HK\$1,457,000). During the year, the total amount of forfeited contributions, which are available to reduce the contributions payable by the Group in future years, was approximately HK\$204,000 (1999 — HK\$385,000). As at 31 December 2000, the Group's contributions to the provident fund scheme and the interest accrued thereon amounted to approximately HK\$13,303,000 (1999 — HK\$12,788,000).

23. 現金變動表賬目附註 (續)

(c) 出售附屬公司資料 (見附註11(c)) (續)

出售附屬公司12.69%權益之淨現金支出如下：

	HK\$ 港元
現金成交價	27,403,200
出售附屬公司之現金及 銀行存款	(28,236,848)
	<u>(833,648)</u>

(d) 非主要現金項目

見附註11(c)ii，在祥豐重組過程中，集團將凱心集團餘下直接權益換取祥豐33.83%權益。祥豐變成集團聯營公司，而集團約損失HK\$1,065,000。

24. 公積金計劃

集團員工在替公司工作滿六個月後，可加入公司委托之獨立信託公司管理公積金計劃。集團按年資及薪金計提百份之五至十作為公司撥款，而員工按薪金計提百份之五作為員工撥款。當員工離職時可取回員工供款全部連應計利息及按年資計算取回公司供款連利息。凡工作滿十六年可取回公司供款全數，而工作滿三年至十五年則按百份之五至九十計算取回部分供款。離職後不合資格領用之公司供款及利息可抵扣公司之供款。本年度集團供款約港幣一百三十三萬一千元(1999年 — 一百四十五萬元)。本年度失效款項連利息而可在來年之集團供款中扣除之數額約為港幣二十萬四千元(1999年 — 港幣三十八萬五千元)。於二零零零年十二月三十一日集團在公積金計劃供款及利息滾存約為港幣一千三百三十萬三千元(1999年 — 港幣一千二百七十八萬八千元)。

24. PROVIDENT FUND SCHEME (Continued)

As at 31 December 2000, certain employees of the Group had completed the required number of years of service under the Hong Kong Employment Ordinance (the "Ordinance") and are eligible for long service payments on termination of their employment. The Group is only liable to make such payments when the termination meets the required circumstances specified in the Ordinance and the employees' entitlement is not covered by the aforesaid provident fund. If the termination of all these employees meets the circumstances required by the Ordinance, the Group's liabilities as at 31 December 2000 would be approximately HK\$10,288,000 (1999 — HK\$10,705,000), which have not been provided for in the consolidated financial statements as the payments under the Group's provident fund scheme would exceed that amount.

One of the Group's subsidiaries in the PRC also participates in a defined contribution retirement scheme covering its full-time PRC employees. The scheme is administered by the relevant government authorities in the PRC. The Group and the PRC employees are required to contribute 13.4% and 9% of the employees' average salaries respectively to the scheme.

25. BANKING FACILITIES

As at 31 December 2000, the Group had aggregate banking facilities of approximately HK\$78,296,000 (1999 — HK\$352,404,000) for trade financing, loans and overdrafts. Unused facilities as at the same date amounted to approximately HK\$11,045,000 (1999 — HK\$23,385,000). These facilities were secured by pledging the medium-term leasehold properties held by the Group in Hong Kong with aggregate net book value of approximately HK\$21,890,000 (1999 — pledge of buildings, machinery and the medium-term leasehold properties held by the Group with an aggregate net book value of approximately HK\$352,715,000).

24. 公積金計劃 (續)

在二零零零年十二月三十一日，集團的部份員工的服務年期已達至香港僱傭條例的規定，在其工作完結時可享有長期服務金，然而在此條例指定之情形下，集團須付之數額僅為該僱員可得之退休金不足支付其長服務金的差額。若所有符合此條例之員工離職，本集團於二零零零年十二月三十一日在賬上未有準備之數約為港幣一千零二十八萬八千元（1999年 — 港幣一千零七十萬五千元）。但在集團公積金計劃中滾存之款項已多於此筆款項。

集團一間在中國的附屬公司需要為中國國內全職僱員設立退休供款計劃。此計劃受中國政府有關部門監管。集團及僱員需按此計劃各按平均薪金之13.4%及9%供款。

25. 銀行信貸額度

在二零零零年十二月三十一日本集團向銀行獲得之信貸額度約為港幣七千八百二十九萬六千元（1999年 — 港幣三億五千二百四十萬四千元）以用作貿易融資、貸款及透支。同時期末用信貸額度約港幣一千一百零四萬五千元（1999年 — 二千三百三十八萬五千元）。集團用作抵押之設備淨值約為港幣二千一百八十九萬元（一九九九年集團用作抵押之設備淨值約為港幣三億五千二百七十一萬五千元）。

26. COMMITMENTS

Capital commitment not provided for in the financial statements was as follows:

Commitment for construction (authorised and contracted for) 建設承擔(授權及已簽合約)

2000 二零零零年	
Group 集團	Company 公司
\$104,130,775	\$104,130,775

The Group has no operating commitments as at 31 December 2000.

26. 承擔

資本承擔並無在綜合賬中作出準備：

集團於二零零零年十二月三十一日並無經營承擔。

27. CONTINGENT LIABILITY

The Group has a contingent liability in respect of a potential land premium payable to the Government of the Hong Kong Special Administrative Region ("HKSAR"). The Group will be required to pay a land premium to the Government of the HKSAR resulting from the Group's intention to change the use of a piece of land owned by the Group from industrial use to commercial use.

The final land premium amount payable is not determinable yet and the Directors consider that it is not practicable to estimate the amount with the available information as at the date of this report. As a result, no provision for this contingent liability has been made in the consolidated financial statements as at 31 December 2000.

28. SUBSEQUENT EVENTS

As at the date of this report, Cheung Fung has not completed its listing on the Hong Kong Stock Exchange yet. The listing of Cheung Fung is temporarily put on hold because of the current adverse market conditions. It is the intention of the Cheung Fung management to resume the listing project once the market condition has improved.

27. 或然負債

集團一項關於香港政府特別行政區補地價的或然負債。集團需要因改變集團其中一幅土地用途由工業更改為商業而補地價與香港政府特別行政區。

因補地價金額仍未落實，董事並無在此報告書中估計補地價金額。所以在二零零零年十二月三十一日綜合財務報告中並無作出賬項準備。

28. 結算日後事項

在此報告公佈當日，有關祥豐向香港聯合交易所申請上市仍未完成。而祥豐上市計劃亦因市場情況暫時停止。祥豐管理層會按市場情況再作安排。