

二零零零年十二月三十一日 (除非另有註明，否則所有金額以港元為單位)
December 31, 2000 (Amounts expressed in Hong Kong dollars unless otherwise stated)

2. 主要會計政策 (續)

n. 遞延稅項

遞延稅項就應課稅溢利與財務報表所載溢利之重要時差按負債法撥出準備，惟認為不會於可見未來因時差而出現之負債除外。除非確知遞延稅項資產會於可見將來出現，否則將不予入賬。

o. 外幣

本集團內個別公司之賬簿及記錄均以其本國之主要貨幣作為記賬單位(「記賬貨幣」)。

在個別公司之財務報表中，於本年內之外幣交易均按照交易當日之適用匯率折算為各自之記賬貨幣。年結時，以外幣結算之貨幣性資產及負債則按結算日之適用匯率折算為各自之記賬貨幣。由此產生之匯兌差額均撥入個別公司之損益表計算。

為了綜合賬目，各附屬公司之財務報表(包括所有資產、負債及收支項目)均按結算日之適用匯率折算為港元。由此而產生之匯兌差額均記入匯兌儲備賬內。

簽訂遠期外匯合約旨在將外幣結算之已落實銷售訂單及營運資金淨額承受之外匯風險進行對沖。該等合約減低本集團就貨幣有利及不利變動所面對之風險。

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

n. Deferred taxation

Deferred taxation is provided using the liability method, at the current tax rate, in respect of significant 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. Deferred tax assets are not recognized unless the related benefits are expected to crystallize in the foreseeable future.

o. Foreign currencies

Individual companies in the Group maintain their books and records in the primary currencies of their respective countries ("functional currencies").

In the financial statements of 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 exchange differences are dealt with in the individual companies' income statements.

For the purpose of consolidation, the financial statements of the subsidiaries (including all the assets, liabilities, income and expense items) are translated into Hong Kong dollars at the applicable rates of exchange in effect at the balance sheet date. Exchange differences arising on such translation are credited or charged to the exchange reserve.

Forward exchange contracts are entered into as a hedge against foreign currency exposures related to firmly committed sales orders and net working capital positions denominated in foreign currencies. These contracts limit the Group's exposure to both favourable and unfavourable currency fluctuations.

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2. 主要會計政策 (續)

o. 外幣 (續)

就指定作為公司對沖外幣結算之營運資金淨額之合約而言，該對沖項目及遠期合約均按資產負債表日之市場匯率記賬。

就指定作為公司承擔對沖工具之合約而言，於承擔期內，並無將收益或虧損入賬。於結算時，任何收益或虧損會列入該對沖交易之計算內。

3. 營業額

按主要業務及市場劃分，本集團的營業額分析如下：

按主要業務分析：

製衣 _____
零售及貿易 _____

按主要市場分析：

美國 _____
亞洲 _____
歐洲 _____

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

o. Foreign currencies (Cont'd)

For contracts which are designated as a hedge of a net foreign currency working capital position, both the hedge item and the forward contract are marked to market for changes in the spot rate as of the balance sheet date.

For contracts which are designated as a hedge of a firm commitment, no gain or loss is recognized during the commitment period. Any gain or loss will be included in the measurement of the hedged transaction upon settlement of the firm commitment.

3. TURNOVER

An analysis of the Group's turnover by principal activities and markets is as follows:

	本集團 Group	
	2000	1999
By principal activities:		
Garment manufacturing	1,791,508,123	1,507,304,561
Retail and trading	640,383,061	566,340,303
	<u>2,431,891,184</u>	<u>2,073,644,864</u>
By principal markets:		
The United States	1,491,133,328	1,405,184,826
Asia	609,531,235	359,132,031
Europe	331,226,621	309,328,007
	<u>2,431,891,184</u>	<u>2,073,644,864</u>

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4. 關連人士交易

如本集團能夠直接或間接地控制某一方、或對其財務和經營決策有重大影響、或反之亦然的情形、或本集團和該方受到共同管理或共同的重大影響，則該方為本集團的關連人士。關連人士可以是個人或實體。

本集團在正常經營過程中與關連人士進行的重大交易摘要如下：

4. RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common control or common significant influence. Related parties may be individuals or entities.

The following is a summary of significant related party transactions which were carried out in the normal course of the Group's business:

	本集團 Group	
	2000	1999
向聯營公司購買製成品 和原材料 (a) _____	(249,416,706)	(227,567,806)
向聯營公司出售原材料 之手續費 (b) _____	26,403,803	11,839,955
已收聯營公司加工費 (c) _____	47,590	197,500
已付聯營公司加工費 (c) _____	(2,713,816)	—
已收聯營公司租金 (d) _____	102,492	—
已付關連公司租金 (e) _____	(4,992,084)	(3,744,063)
已收聯營公司利息 (f) _____	6,490,044	3,091,558
已付聯營公司利息 (f) _____	(2,007,612)	(1,195,010)
向聯營公司出售機器 (g) _____	212,100	—
已付聯營公司配額費 (h) _____	(60,992)	—

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4. 關連人士交易 (續)

- a. 向聯營公司 Hua Thai Manufacturing Public Company Limited (「Hua Thai」) 及其附屬公司(統稱「Hua Thai 集團」)購買的製成品和原材料是按成本加成的方法計算。
- b. 向 Hua Thai 集團出售原材料的手續費是根據為 Hua Thai 集團購買原材料的金額，並按照雙方商定的比率計算。
- c. 已收和已付 Hua Thai 集團的加工費是按成本加成的方法計算。
- d. 已收 Hua Thai 集團的租金是根據租用面積按正常的商業條款計算。
- e. 已付本公司一執行董事持有多數股份的公司的租金是用於租用廠房、辦公室和倉庫。租金費用是根據租賃協議內正常的商業條款計算。
- f. 已收和已付 Hua Thai 集團的利息是根據與有關公司的貿易結餘按年利率7%至7.8%計算。
- g. 向 Hua Thai 出售的機器是按成本加成的方法計算。
- h. 已付 Hua Thai 集團的配額費是按正常商業條款計算。

4. RELATED PARTY TRANSACTIONS (Cont'd)

- a. Purchases of finished goods and raw materials from Hua Thai Manufacturing Public Company Limited ("Hua Thai"), an associate, and its subsidiaries (collectively known as "Hua Thai Group") were determined on a cost plus markup basis.
- b. Handling charges on sales of raw materials to Hua Thai Group was determined based on the amount of purchases for Hua Thai Group and at a rate mutually agreed between the two parties.
- c. Processing income received from and processing charges paid to Hua Thai Group were determined on a cost plus markup basis.
- d. Rental income received from Hua Thai Group was calculated under normal commercial terms for the floor area occupied.
- e. Rental expenses paid to a company with majority shares held by a director of the Company was for the leasing of factory, office and warehouse space. Rental charges are calculated under normal commercial terms in accordance with the rental agreement.
- f. Interest received from and paid to Hua Thai Group were calculated at a rate ranging from 7% to 7.8% per annum on the trading balances with the companies.
- g. Sale of a machinery to Hua Thai was determined on a cost plus markup basis.
- h. Quota charges paid to Hua Thai Group were calculated under normal commercial terms.

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5. 非持續經營

於二零零零年三月二日，本公司一間全資附屬公司 Eurowide Investment N.V. (「Eurowide」) 與其中包括 Mervin Holding B.V. (「Mervin Holding」) 及 Mervin Marxx Europe B.V. (「MME」) 簽訂買賣協議。根據買賣協議，Eurowide 及 Mervin Holding 分別同意以價值1荷蘭盾(約等於\$4) 出售及購買在 MME 之60%已發行股權，本公司若干附屬公司並同意免除 MME 約1,691,000荷蘭盾(約等於\$6,800,000)之貸款。在此交易以前，Mervin Holding 是 MME 40%已發行股權之持有人。此交易於二零零零年三月九日完成。根據上市規則第十四章界定，此項交易構成一項關連交易並於董事會報告書反映。

本公司的董事(包括獨立非執行董事)已確定本交易之條款是按一般商業條款釐定，並屬公平與合理及符合本公司股東的利益。

作為結束其歐洲業務計劃的一部分，管理層已申請撤銷從事歐洲服裝貿易的一附屬公司 Tristate (Europe) Limited 的註冊。

出售MME及結束其歐洲業務產生的淨虧損總額約為\$6,250,000，已於去年作出全面撥備。該等附屬公司的經營業績在綜合損益表中以非持續經營之業務列賬。

5. DISCONTINUED OPERATIONS

On March 2, 2000, Eurowide Investment N.V. ("Eurowide"), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with, among others, Mervin Holding B.V. ("Mervin Holding") and Mervin Marxx Europe B.V. ("MME") pursuant to which Eurowide agreed to sell, and Mervin Holding agreed to purchase, 60% of the issued share capital of MME, at a consideration of NLG1 (equivalent to approximately \$4) and a waiver by certain of the Company's subsidiaries of approximately NLG1,691,000 (equivalent to approximately \$6,800,000) owed by MME to those subsidiaries. Prior to the transaction, Mervin Holding was the holder of 40% of the issued share capital of MME. Completion of the transaction took place on March 9, 2000. As defined under Chapter 14 of the Listing Rules, such transaction constitutes a connected transaction and is shown in the Report of the Directors.

The directors of the Company (including the independent non-executive directors) have confirmed that the terms of the transaction were normal commercial terms and were fair and reasonable and in the interests of the shareholders of the Company.

As part of the plan to close its European operations, management applied for deregistration of one of its subsidiaries, Tristate (Europe) Limited, which was engaged in garment trading in Europe.

The aggregate net losses arising from the disposal of MME and the closure of its European operations amounted to approximately \$6,250,000, which had been fully provided for in the prior year. The operating results of these subsidiaries are shown as discontinued operations in the consolidated income statement.

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6. 除稅及少數股東權益前溢利

除稅及少數股東權益前溢利已計入或扣除以下各項：

已計入：

利息收入：

— 銀行存款 _____

— 長期應收貸款 _____

— 與聯營公司貿易結餘 (附註4) _____

投資物業租金收入 _____

非上市投資股息收入 _____

配額收入 _____

匯兌收益淨額 _____

6. PROFIT BEFORE TAXATION AND MINORITY INTERESTS

Profit before taxation and minority interests is determined after crediting and charging the following:

Crediting :

Interest income in respect of:

- bank deposits 3,364,710 2,922,045

- long-term loans receivable 247,285 298,839

- trading balances with associates (Note 4) 6,490,044 3,091,558

Rental income from investment properties 540,000 120,000

Dividend income from unlisted investments — 125,720

Quota income 14,868,138 8,336,197

Exchange gain, net 32,988,089 5,031,114

本集團
Group

2000

1999

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6. 除稅及少數股東權益前溢利
(續)

6. PROFIT BEFORE TAXATION AND MINORITY
INTERESTS (Cont'd)

		本集團 Group	
		2000	1999
已扣除：	Charging：		
員工(包括董事)成本 _____	Staff (including directors) costs	475,672,224	397,220,631
固定資產折舊 _____	Depreciation on fixed assets	45,976,963	42,443,322
利息支出	Interest expenses in respect of:		
— 五年內應償還的	- bank loans and overdrafts		
銀行貸款和透支 _____	repayable within five years	13,903,433	13,132,387
— 與聯營公司貿易結餘 (附註4) _____	- trading balances with		
	associates (Note 4)	2,007,612	1,195,010
經營租賃租金支出：	Rental expenses under		
	operating leases:		
— 土地和樓宇 _____	- land and buildings	43,743,062	34,763,289
— 其他設備 _____	- other equipment	78,130	1,063,578
壞賬準備 _____	Provision for bad debts	8,287,013	2,514,800
核數師酬金 _____	Auditors' remuneration	3,603,893	3,115,369
重估減值：	Deficit on revaluation of:		
— 土地和樓宇 _____	- land and buildings	—	971,886
— 投資物業 (附註17) _____	- investment properties (Note 17)	437,500	—
遣散費用及退休金準備 _____	Provision for severance payment		
	and retirement benefits	37,621,186	11,455,371
出售附屬公司準備 (附註5) _____	Provision for disposal of a		
	subsidiary (Note 5)	—	6,249,700
出售固定資產損失淨額 _____	Loss on disposals of fixed assets, net	208,961	879,198
陳舊存貨準備 _____	Provision for inventory obsolescence	8,722,775	7,856,035
附屬公司減值準備 _____	Provision for impairment		
	of a subsidiary	8,006,538	—

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7. 董事酬金及首五名最高薪之僱員

a. 董事酬金

根據《公司條例》第161(1)條和香港聯合交易所有限公司的上市規則,對董事酬金的披露如下:

袍金 _____
薪金和其他酬金 _____

袍金包括支付予兩名(1999 - 兩名)獨立非執行董事的\$140,000 (1999 - \$70,000)。本年度沒有任何董事放棄收取酬金。

董事收取酬金的範圍如下:

\$1,000,000以下 _____
\$1,000,001 - \$1,500,000 _____
\$1,500,001 - \$2,000,000 _____
\$2,000,001 - \$2,500,000 _____
\$2,500,001 - \$3,000,000 _____
\$3,500,001 - \$4,000,000 _____
\$4,500,001 - \$5,000,000 _____
\$6,000,001 - \$6,500,000 _____

7. DIRECTORS' REMUNERATION AND FIVE TOP-PAID INDIVIDUALS

a. Directors' remuneration

Directors' remuneration, disclosed pursuant to Section 161(1) of the Companies Ordinance and the Listing Rules of The Stock Exchange of Hong Kong Limited, was as follows:

	本集團 Group	
	2000	1999
Fees	430,000	273,055
Salaries and other emoluments	16,394,685	12,821,268
	<u>16,824,685</u>	<u>13,094,323</u>

Fees include an amount of \$140,000 (1999 - \$70,000) paid to two (1999 - two) independent non-executive directors. None of the Directors waived any emoluments during the year.

The directors received remuneration in the following ranges:

	本集團 Group	
	2000 人數 Number	1999 人數 Number
Up to \$1,000,000	6	6
\$1,000,001 - \$1,500,000	1	1
\$1,500,001 - \$2,000,000	—	2
\$2,000,001 - \$2,500,000	2	—
\$2,500,001 - \$3,000,000	—	1
\$3,500,001 - \$4,000,000	1	—
\$4,500,001 - \$5,000,000	—	1
\$6,000,001 - \$6,500,000	1	—

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7. 董事酬金及首五名最高薪之僱員
(續)

b. 首五名最高薪之僱員

首五名最高薪酬之僱員中，四名(1999 - 三名)為董事，其酬金已在(a)中披露。根據香港聯合交易所有限公司的上市規則，另一名(1999 - 兩名)行政人員的薪酬披露如下：

薪金和其他酬金 _____
表現獎勵花紅 _____

該名(1999 - 兩名)行政人員收取的酬金範圍如下：

\$1,500,001 - \$2,000,000 _____
\$2,000,001 - \$2,500,000 _____

7. DIRECTORS' REMUNERATION AND FIVE TOP-PAID INDIVIDUALS (Cont'd)

b. Five top-paid individuals

Among the five top-paid individuals, four (1999 - three) are directors whose remuneration is disclosed in (a). The remuneration of the other one executive (1999 - two executives) disclosed pursuant to the Listing Rules of The Stock Exchange of Hong Kong Limited was as follows:

	本集團 Group	
	2000	1999
Salaries and other emoluments	1,273,105	2,860,000
Performance-related bonuses	890,000	940,000
	<u>2,163,105</u>	<u>3,800,000</u>

This executive (1999 - two executives) received remuneration in the following ranges:

	本集團 Group	
	2000 人數 Number	1999 人數 Number
\$1,500,001 - \$2,000,000	—	2
\$2,000,001 - \$2,500,000	1	—