

## RESULTS

Net profit attributable to shareholders for the year ended 31 December 2000 was HK\$20.4 million, as compared to a net loss attributable to shareholders of HK\$24.9 million for 1999. The profit from operating activities for the year under review was HK\$51.9 million compared to HK\$27.3 million for the previous year. The basic earnings per share for the year was 4.98 cents (1999: loss of 6.09 cents).

## EQUITY

The number of issued shares of HK\$0.10 each as at 31 December 2000 was 409,113,021. There was no movement in the share capital of the Company in the year under review. As at the year end date, there were outstanding 81,451,743 warrants carrying rights to subscribe for an aggregate of 81,451,743 new shares of HK\$0.10 each in the Company and outstanding share options granted to the certain eligible employees entitling them to subscribe for 23,492,677 shares of the Company. Details of the share capital and warrants of the Company and share options granted are set out in note 25 to the financial statements.

## LIQUIDITY AND GEARING

As at the balance sheet date, the Group had net current assets of HK\$25 million (1999: net current liabilities of HK\$127 million). The Group's total borrowings less cash and cash equivalents amount to HK\$337 million. The maturity profile of the Group's borrowings is set out in notes 20 and 22 to the financial statements. The net interest expense for the year was HK\$33 million (1999: HK\$31 million).

During the year, the rescheduling arrangements in respect of the Group's bank indebtedness were finalized and executed by all the banks. Repayments to the banks according to terms of the rescheduling agreements started during the year. As at 31 December 2000, the Group's gearing ratio (expressed as a percentage of long term bank borrowings over shareholders' funds and long term bank borrowings) was 27% (1999: 17%).

The Group's bank borrowings are denominated in Hong Kong dollars, US dollars and Renminbi. It is the Group's policy to hedge foreign currency liabilities with foreign currency assets.

## REMUNERATION POLICIES AND SHARE OPTION SCHEME

Remuneration packages comprised salary and bonuses based on individual merits. The total remuneration paid to the employees (including pension costs and the directors' emoluments) of the Group in 2000 was HK\$51 million (1999: HK\$85 million). As at 31 December 2000, the Group had 582 (1999: 750) employees.

Details of share options granted under the Share Option Scheme of the Company are set out in note 25 to the financial statements.

## DISPOSAL OF ASSETS

During the year, the Group disposed of certain properties in PRC and a bakery chain to companies associated with the controlling shareholders of the Group. The disposals were approved by the shareholders of the Company at a special general meeting held on 30 June 2000. Details of the disposals were set out in "Connected transactions" in the Report of the Directors.

## CONTINGENT LIABILITIES

Details of the contingent liabilities are set out in note 30 to the financial statements.

## PLEDGE OF ASSETS

Details of the pledge of assets are set out in note 28 to the financial statements.

## SEGMENTED INFORMATION

The Group continued to develop its business based on the Group's core skills. In the year under review, the Group's edible oil business in Mainland China continued to account for a substantial proportion of the Group's turnover. The disposal of the bakery chain and the decrease in bulk oil activities in Hong Kong contributed to the fluctuation of Group's turnover and contribution as compared with last year.

Details of the segmented information are set out in note 3 to the financial statements.