

1 Principal accounting policies

The principal accounting policies adopted in the preparation of these consolidated accounts are set out below:

(a) Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of investment properties, in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants.

(b) Consolidation

- (i) The consolidated accounts include the accounts of the Company and its subsidiaries (the "Group") made up to 30th June. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. All significant intercompany transactions and balances within the Group are eliminated on consolidation.
- (ii) Subsidiaries are companies in which the Company, directly or indirectly, controls more than half of the voting power or issued share capital or controls the composition of the board of directors.
- (iii) The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or capital reserve which was not previously charged or recognised in the consolidated profit and loss account.

1 主要會計政策

編製綜合賬目所採用之主要會計政策列示如下：

(a) 編製基準

本賬目乃依據歷史成本常規法編製，惟就若干投資物業重估予以修訂，並按香港普遍採納之會計原則及香港會計師公會頒佈之會計準則編製。

(b) 綜合

- (i) 綜合賬目包括本公司及其附屬公司（「本集團」）於截至六月三十日止之賬目。於本年度內收購或出售之附屬公司之業績自收購生效日期起或截至出售生效日期止計入綜合損益表內。公司間之一切重大交易及結餘已於綜合賬目時對銷。
- (ii) 附屬公司乃本公司直接或間接控制其過半數投票權或已發行股本或控制其董事會組成之公司。
- (iii) 出售附屬公司之收益或虧損乃指出售收益與本集團攤佔其資產淨值之差額，連同過往並未於綜合損益表內扣除或確認之任何商譽或資本儲備。

1 Principal accounting policies (Cont'd)

(b) Consolidation (Cont'd)

- (iv) In the Company's balance sheet the investments in subsidiaries are stated at cost less provision, if necessary, for any diminution in value other than temporary in nature. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.
- (v) Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.
- (vi) Goodwill, which represents the excess of purchase consideration over the fair values ascribed to the net assets of subsidiaries and is taken to reserves in the year of acquisition.

Any surplus arising on consolidation, representing the excess of fair values ascribed to the net assets of subsidiaries acquired over the cost of investment at the dates of acquisition, is credited directly to reserves in the year of acquisition.

(c) Revenue recognition

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Rental income is recognised on a straight-line basis.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

1 主要會計政策 (續)

(b) 綜合 (續)

- (iv) 於本公司之資產負債表中附屬公司之投資乃以成本值減任何非短期性之減值撥備(如有需要)入賬。附屬公司之業績由本公司按已收及應收股息之基準入賬。
- (v) 少數股東權益乃指外界股東於附屬公司之經營業績及資產淨值之權益。
- (vi) 商譽乃指購買代價超逾附屬公司資產淨值之公平價值，超出之款項在收購年度撥入儲備。

因綜合賬目而產生之盈餘乃指所購入附屬公司資產淨值之公平價值超逾收購日期之投資成本，並於收購年度直接撥入儲備。

(c) 收入確認

銷貨收入於擁有權之風險及回報轉移(即通常為貨品付運予顧客及所有權移交時)時入賬。

租金收入乃按直線法入賬。

利息收入乃按時間比例基準，計入尚餘本金額及適用利率後入賬。

1 Principal accounting policies (Cont'd)**(d) Fixed assets****(i) Investment properties**

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties held on leases with unexpired periods of greater than 20 years are valued at intervals of not more than three years by independent valuers; in each of the intervening years valuations are undertaken by professionally qualified valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases on a straight-line basis.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

1 主要會計政策 (續)**(d) 固定資產****(i) 投資物業**

投資物業指建築及發展工程經已完成，並因其具有投資潛力而長期持有之土地及樓宇權益，任何租金收入乃經公平磋商釐定。

租賃尚餘年期逾二十年之投資物業每隔最多三年，由獨立估值師進行估值，於相隔之每個年度內，則由合資格專業估值師進行估值。個別物業之估值乃按公開市值基準進行，而土地及樓宇並無進行任何獨立估值。有關估值均列入年度賬目內。估值增加乃撥入投資物業重估儲備內，而估值減少會先按組合基準與早前之估值增加抵銷，餘額則自經營溢利中扣除。隨後之任何估值增加，將撥作經營溢利，惟以早前所扣除之款額為限。

租賃尚餘年期為二十年或以下之投資物業會按租賃尚餘年期以直線法計算折舊。

出售投資物業時，於早前估值時變現之重估儲備有關部分乃自投資物業重估儲備轉撥入損益表中。

1 Principal accounting policies (Cont'd)

(d) Fixed assets (Cont'd)

- (ii) Properties under construction
Properties under construction are investments in land and buildings where their construction work have not been completed. The investments are carried at cost which includes development and construction expenditure incurred and other direct costs attributable to the development. On completion, the properties are transferred to other properties.
- (iii) Other properties
Other properties are interests in land and buildings other than investment properties and are stated at cost less accumulated amortisation or depreciation and any provisions required to reflect recoverable amount. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use.
- (iv) Amortisation of leasehold land
Amortisation of leasehold land is calculated to write off its cost on a straight-line basis over the unexpired period of the lease. The principal annual rate used for this purpose is 2%.
- (v) Depreciation of leasehold buildings
Depreciation of leasehold buildings is calculated to write off their cost on a straight-line basis over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter. The principal annual rates used for this purpose is 2-2.5%.

1 主要會計政策 (續)

(d) 固定資產 (續)

- (ii) 建築中物業
建築中物業指建築工程未完成之土地及樓宇之投資。有關投資以成本值列賬，包括發展與建築費用，及屬於發展項目之利息與其他直接成本。物業於落成後將轉撥為其他物業。
- (iii) 其他物業
其他物業乃投資物業以外之土地及樓宇權益，乃按成本減累計攤銷或折舊及任何反映可收回款項所需之撥備列賬。成本乃指資產之購入價及使有關資產達致現時用途所涉及之其他費用。
- (iv) 租賃土地攤銷
租賃土地之攤銷乃按其租賃尚餘年期以直線法攤銷其成本計算。所採用之主要年率為百分之二。
- (v) 租賃樓宇折舊
租賃樓宇之折舊乃按其租賃尚餘年期或對本集團之預計使用年期(以較短者為準)以直線法攤銷其成本計算。所採用之主要年率為百分之二至百分之二點五。

1 Principal accounting policies (Cont'd)

(d) Fixed assets (Cont'd)

(vi) Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation of other fixed assets is calculated to write off their cost over their estimated useful lives on a straight-line basis. The principal annual rate used for this purpose is 20%.

(vii) Cost of restoring and improving fixed assets

Major costs incurred in restoring fixed assets to their normal working conditions are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group.

(viii) Impairment of fixed assets

The carrying amounts of fixed assets are reviewed regularly to assess whether their recoverable amounts have declined below their carrying amounts. Expected future cash flows have not been discounted in determining the recoverable amount. When such a decline has occurred, their carrying amount is reduced to their recoverable amount. Recoverable amount is the amount which the Group expects to recover from the future use of the asset, including its residual value on disposal. The amount of the reduction to recoverable amount is charged to the profit and loss account.

1 主要會計政策 (續)

(d) 固定資產 (續)

(vi) 其他固定資產

其他固定資產乃按成本減累計折舊入賬。其他固定資產之折舊乃按其預計使用年期以直線法撇銷其成本計算。所採用之主要年率為百分之二十。

(vii) 修復及改善固定資產之成本

修復固定資產至正常運作情況所引致之主要費用於損益表內扣除。改善資產所引致之費用均撥充資本，並按其對本集團之預計使用年期予以折舊。

(viii) 固定資產之損耗

固定資產之賬面值會定期檢討，以評估其可收回金額是否已跌至低於其賬面值。預計中之將來現金流量於釐定其可收回金額時未有折算為現值。如出現該等減值，資產之賬面值會減至其可收回金額。可收回金額乃本集團預期將來動用資產時可收回之金額（包括出售時之餘值）。削減至可收回金額所涉及之數額於損益表內扣除。

1 Principal accounting policies (Cont'd)**(d) Fixed assets (Cont'd)****(ix) Gain or loss on disposal of fixed assets**

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

(e) Assets under leases**(i) Finance leases**

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in long-term liabilities. The finance charges are charged to the profit and loss account over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

1 主要會計政策 (續)**(d) 固定資產 (續)****(ix) 出售固定資產之收益或虧損**

出售固定資產(不包括投資物業)之收益或虧損乃有關資產之出售所得收益淨額與賬面值之差額，並於損益表內確認。

(e) 租賃資產**(i) 融資租賃**

融資租賃是指將擁有資產之風險及回報基本上全部轉讓予本集團之租賃。融資租賃在開始時按租賃資產之公平值或最低租賃付款之現值(以較低者為準)撥充資本。每期租金均以資本及財務費用分配，以達到固定之資本結欠額。相應租賃承擔在扣除財務費用後計入長期負債內。財務費用於租約期內在損益賬中支銷。

以融資租賃持有之資產按租約期或資產之估計可用年限(以較短者為準)計算折舊。

1 Principal accounting policies (Cont'd)

(e) Assets under leases (Cont'd)

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses and, where appropriate, the cost of conversion from their existing state to a finished condition.

(g) Accounts receivable

Provision is made against accounts receivable to the extent that they are considered to be doubtful. Accounts receivable in the balance sheet are stated net of such provision.

(h) Deferred taxation

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

1 主要會計政策 (續)

(e) 租賃資產 (續)

(ii) 經營租賃

經營租賃是指擁有資產之風險及回報基本上全部由出租公司保留之租賃。根據經營租賃作出之付款在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在損益賬中支銷。

(f) 存貨

存貨以成本或可變現淨值兩者中較低者入賬。成本按加權平均法計算，包括原料、直接勞工及所有生產間接費用之適當比例部份。可變現淨值乃按估計銷售收益減去估計出售費用及(如適用)由現有狀況轉變為製成品之轉換成本而釐定。

(g) 應收賬款

凡被視為屬呆賬之應收賬款，均提撥準備。列於資產負債表之應收賬款乃於扣除該項撥備後入賬。

(h) 遞延稅項

為課稅而計算之盈利與賬目所示之盈利兩者間之時差，若預期將於可預見將來導致資產與負債之收付，即按現行稅率計算遞延稅項。

1 Principal accounting policies (Cont'd)**(i) Translation of foreign currencies**

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The accounts of subsidiaries expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences arising are dealt with as a movement in reserves.

(j) Retirement benefit costs

The Group's contributions to the retirement scheme are expensed as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions, where appropriate. The assets of the scheme are held separately from those of the Group in an independently administered fund.

(k) Borrowing costs

All borrowing costs are charged to the profit and loss account in the year in which they are incurred.

1 主要會計政策 (續)**(i) 外幣換算**

以外幣為本位之交易，均按交易當日之滙率折算。於結算日以外幣顯示之貨幣資產與負債則按結算日之滙率折算。由此產生之滙兌盈虧均計入損益表。

附屬公司之外幣賬目均按結算日之滙率折算。由此產生之滙兌盈虧作為儲備變動入賬。

(j) 退休福利成本

本集團向退休計劃所付之供款乃於產生時列作支出，於可獲得全數供款前離職之僱員，其被沒收之供款可用作減少本集團供款。該計劃之資產與本集團之資產分開，由一獨立管理基金持有。

(k) 借貸成本

所有借貸成本於其實際產生年度計入損益表。

1 Principal accounting policies (Cont'd)**(I) Comparatives**

Where necessary, comparatives figures have been adjusted to conform with changes in presentation in the current year. In particular, comparatives have been adjusted or extended to take into account the requirements of Statements of Standard Accounting Practice No. 2.114 (Revised) - Leases which became effective this year.

There are no changes in accounting policy that affect operating profit resulting from the adoption of the above standard in these accounts, as the Group was already following the recognition and measurement principles in that standard.

2 Revenues and turnover

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are set out in note 23 to the accounts. Revenues recognised during the year are as follows:

1 主要會計政策 (續)**(I) 比較數字**

比較數字已在適當情況下作出調整，以符合本年度之呈列方式。特別是為符合於本年生效之會計實務準則第2.114號(經修訂) — 租賃，比較數字已作出調整或增列。

由於本集團已遵循上述準則之確認及計量原則，因此本財務報表採納該等準則後，並無更改會計政策而影響經營盈利。

2 收益及營業額

本公司之主要業務為投資控股，其主要附屬公司之主要業務則載於賬目附註23。年內確認之收益如下：

		Group	
		本集團	
		2001	2000
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額		
Sale of goods, net of returns and discounts	銷售貨品 (扣除退貨及折扣)	804,210	703,593
Other revenues	其他收益		
Rental income	租金收入	599	562
Interest income	利息收入	461	255
		1,060	817
Total revenues	總收益	805,270	704,410

2 Revenues and turnover (Cont'd)

An analysis of the Group's turnover and contribution to operating profit for the year by principal market is as follows:

2 收益及營業額 (續)

本集團按主要市場劃分之營業額及經營溢利分析如下：

		Turnover 營業額		Operating profit 經營溢利	
		2001 HK\$'000 千港元	2000 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元
Principal markets	主要市場				
Hong Kong	香港	715,658	645,131	14,708	38,121
The People's Republic of China excluding Hong Kong ("PRC")	中華人民共和國 (不包括香港) (「中國」)	88,552	58,462	6,860	2,253
		804,210	703,593	21,568	40,374

All the Group's turnover and contribution to operating profit are attributable to the manufacturing and trading of plastic materials and accordingly no analysis of the Group's turnover and contribution to operating profit by principal activity is provided.

本集團所有之營業額及經營溢利皆源於塑膠原料之生產和貿易，所以並沒有提供按主要業務劃分營業額及經營溢利之分析。