

This statement provides supplementary information to the Chairman's Statement

## FINANCIAL RESULTS

The Group's audited consolidated turnover for the year ended 31 December 2001 amounted to HK\$1,042,004,000 (2000: HK\$1,254,629,000). Profit attributable to shareholders for the year was HK\$44,637,000 (2000: HK\$200,343,000).

## MATERIAL EXPANSION PLAN

The construction work of new plant in Heyuan, Guangdong, PRC has been started and is expected to be completed by the end of 2002. The superstructure development contracts cost about HK\$40,000,000 and will be funded by internal resources.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group maintains a strong financial position. As at 31 December 2001, the total shareholders' equity of the Group was approximately HK\$1.3 billion. The Group's current ratio, being the proportion of total current assets against total liabilities, was 3.11 as at 31 December 2001 (2000: 2.83).

At the year end, the Group held a liquid portfolio of HK\$677 million (2000: HK\$509 million) of which HK\$368 million (2000: HK\$192 million) was in cash and cash equivalents and HK\$309 million (2000: HK\$317 million) in securities. The unsecured interest-bearing bank loans and overdrafts and bills payable increased to HK\$63.4 million (2000: HK\$27.7 million).

In the investment portfolio, non-trading securities decreased by HK\$22.6 million whilst trading securities increased by HK\$14.6 million. These portfolios are managed by professional asset management firms. During the year the interest income from debt securities decreased by 36% to HK\$12.6 million. It is expected that the interest income in 2002 will remain at a low level in line with the market trends.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2001, the Group employed approximately 3,900 persons around the world. The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group operates an employee share option scheme and provides rent-free quarters to its employees in the PRC. For details of the Directors' emoluments, please refer to note 7 to the financial statements.

## CONTINGENT LIABILITIES

Details of contingent liabilities are set out in note 28 to the financial statements.

## FOREIGN CURRENCY EXPOSURE

The Group continues to conduct most of its business to US dollar or HK dollar. That, together with a policy of keeping the majority of our assets also in these currencies, ensures that our exposure to exchange rate fluctuations is minimal.