

FINANCIAL REVIEW

財務回顧

		Year ended 31 December 截至十二月三十一日止年度		Increase/ (decrease) 增加/(減少) %
		2001 二零零一年 HK\$ million 百萬港元	2000 二零零零年 HK\$ million 百萬港元	
		Notes 附註		百分比
Group's financial results:	本集團之財務業績:			
Operating Results	營運業績			
• Turnover	• 營業額	1	52.8	58.5 (9.7)
• Net profit/(loss) attributable to shareholders	• 股東應佔溢利/(虧損)淨額	2	(10.2)	41.2 N/A 不適用
• Earnings/(loss) per share	• 每股盈利/(虧損)		HK (0.50 cent) (0.50)港仙	HK 5.69 cents 5.69港仙
Financial Position	財務狀況			
• Cash & bank balances	• 現金及銀行結餘	3	141.9	20.5 592.2
• Total assets	• 總資產	4	1,281.2	160.5 698.3
• Shareholders' equity	• 股東權益	5	239.6	104.4 129.5
Financial Ratios	財務比率			
• Gross loss margin *1	• 虧損毛率 *1	6	6.8%	10.9%
• Stock turnover *2	• 存貨周轉 *2	7	6.9 times倍	5.8 times倍
• Debtors payment period *3	• 應收賬款之付款期 *3	8	16 days日	9 days日
• Creditors payment period *4	• 應付賬款之付款期 *4	8	44 days日	25 days日
• Current ratio *5	• 流動比率 *5	9	1.13 times倍	1.06 times倍
• Total liabilities to total capital *6	• 總負債與總股本之比率 *6	9	14.8%	35.0%

- *1 gross loss/turnover
- *2 costs of sales/[(opening stock + closing stock)/2]
- *3 account receivable/turnover x 365 days
- *4 account payable/cost of sales x 365 days
- *5 current assets/current liabilities
- *6 liabilities/(shareholders' equity + liabilities) [Note: excluding the loan pledged by bank deposit]

Notes:

- the decrease was caused by the aggressive market competition in plywood products, coupled with the unexpected continuous decline in demand since 2000
- if the waiver of indebtedness due to bank creditors of HK\$59.6 million in 2000 was excluded to compare the operating results, the net off result showed that there was an improvement in 2001

- *1 虧損總額/營業額
- *2 銷售成本/[(期初存貨+期末存貨)/2]
- *3 應收賬款/營業額×365日
- *4 應付賬款/銷售成本×365日
- *5 流動資產/流動負債
- *6 負債/(股東權益+負債) [附註:以銀行存款抵押之貸款除外]

附註:

- 營業額下跌乃由於膠合板產品市場競爭激烈及未能預計自二零零零年以來市場需求持續下滑所致
- 倘不計二零零零年59,600,000港元之豁免欠債權銀行債項來比較營運業績,抵銷後的業績顯示二零零一年的業績已有所改善

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|---|---|
| <p>3. the increase was a result of new equity, which invited cash inflow of HK\$145.5 million</p> <p>4. the substantial increase was attributable to new equity and the pledged bank deposit of HK\$1,000 million</p> <p>5. the increase was a result of new equity</p> <p>6. the improvement to loss margin was mainly attributable to the better control on cost and improvement to productivity</p> <p>7. there was improvement to the turnover period</p> <p>8. the credit tenor of both sides was lengthened, yet it was under control</p> <p>9. liquidity and gearing remained at healthy level</p> | <p>3. 現金及銀行結餘增加乃由於新股本導致現金流入145,500,000港元所致</p> <p>4. 總資產大幅增加因有新股本及抵押銀行存款1,000,000,000港元所致</p> <p>5. 股東權益增加是由於新股本所致</p> <p>6. 虧損毛率有所改善主要由於更嚴格控制成本及生產力有所改善</p> <p>7. 在週轉期有所改善</p> <p>8. 應付及應收賬款之付款期均已延長，但仍受控制之內</p> <p>9. 流動資金及資產負債比率保持穩健</p> |
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During the year, the Group has substantially reduced the production of fancy plywood as the selling price of the products dropped dramatically in the past two years. The reduction could at least minimize the negative results to the Group. Focus has been put on plywood, representing 90% of the total production. The directors are in the hope that the market will pick up gradually in the coming year. For the time being, the Group still focuses on its manufacturing activities in PRC.

年內，由於裝飾用膠合板售價於過往兩年大幅下滑，故本集團大大減少生產該產品。削減生產量至少可將對本集團之負業績減至最低。本集團現已專注於生產膠合板，佔總生產量之90%。董事期望市場於來年將逐步復甦。現時，本集團將繼續專注於中國之生產業務。

LIQUIDITY AND FINANCIAL RESOURCES

During the year under review, the Group obtained new funds by issuing shares to United Star International Inc., the controlling shareholder of the Company, following its placement to Keentech Group Limited (“Keentech”), an indirect wholly owned subsidiary of China International Trust and Investment Corporation (“CITIC”). The net proceeds of the subscription of HK\$145.5 million were used for general working capital of the Group.

流動資金及資金來源

於回顧年內，本集團於本公司控股股東 United Star International Inc. 向中國國際信托投資公司（「中信」）之一家間接全資附屬公司 Keentech Group Limited（「Keentech」）配售後，向其發行股份以獲得新資金。認購所得款項淨額為 145,500,000 港元，用作本集團之一般營運資金。

Keentech subsequently made available to a wholly owned subsidiary of the Company a loan of HK\$1,000 million (the “Facility”). The Facility was guaranteed by the Company and secured by a charge over the deposit of HK\$1,000 million. The Facility was fully drawn and the proceeds would only be used for funding a specific investment opportunity (the “Proposed Investment”).

Keentech 隨後向本公司一家全資附屬公司 提供一筆 1,000,000,000 港元貸款（「貸款」）。貸款由本公司作擔保及以存款 1,000,000,000 港元作抵押。貸款已獲全數提取，所得款項將僅用作撥付一項特定投資機會（「建議投資」）。

Other than the Facility, the Group was free from bank borrowings at the end of the year. As at 31 December 2001, the cash balance (excluding the proceeds of the Facility) was HK\$141.9 million. The directors are comfortable that there is sufficient cash to satisfy the working capital needs and other financing requirements.

In January 2002, the Company issued to Keentech redeemable floating rate convertible loan notes (the "Notes") of HK\$1,000 million. The proceeds of the Notes were used to fully repay and discharge the Facility. Unless previously purchased and cancelled, redeemed or converted, the principal sum of the Notes is due for redemption on the first anniversary date of issue of the Notes.

The Notes carry the right to convert into ordinary shares of HK\$0.05 each of the Company at a conversion price of HK\$0.85 per share, as adjusted from time to time pursuant to certain adjustment events. They are convertible at any time during the tenor. In certain circumstances, all or part of the Notes shall be mandatory and automatically converted into shares. The fund is currently deposited in a designated bank account intact pending the Proposed Investment. The bank account was charged to Keentech.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2001, the Group had around 430 full time employees, including the management and administrative staff and the production workers. Most of them station in PRC while the remaining in Hong Kong.

The employees' remuneration, promotion and salary increment are assessed based on individual's performance, professional and working experience and are referred to the prevailing industry practice. Rent-free quarters are provided to the PRC employees. Following the adoption of the Mandatory Provident Fund Scheme ("MPF Scheme") in December 2000, the employees in Hong Kong joined the MPF Scheme.

除貸款外，本集團於年結日並無銀行借貸。於二零零一年十二月三十一日，現金結餘（不包括貸款所得款項）為141,900,000港元。董事認為本集團具備足夠現金應付一般營運支出及其他融資所需。

於二零零二年一月，本公司向Keentech發行1,000,000,000港元可贖回浮息可換股貸款票據（「票據」）。票據所得款項已全數用作償還及清償貸款。除非已於先前購入及註銷、贖回或轉換，票據之本金將於票據發行日期屆滿首週年當日期到期贖回。

票據賦有權利，可按換股價每股0.85港元（可按若干調整事項予以調整）轉換為本公司每股面值0.05港元之普通股。票據可於換股期內隨時轉換。在若干情況下，全部或部份票據須強制性及自動地轉換為股份。該筆資金目前完整地存放於指定銀行賬戶內以待建議投資之結果。銀行賬戶已抵押予Keentech。

僱員及酬金政策

於二零零一年十二月三十一日，本集團約有430名全職僱員，包括管理及行政人員及生產員工。彼等大部份駐中國，其餘則駐香港。

本集團主要根據個別員工表現、專業及工作經驗及現行行業慣例釐定僱員之薪酬、升職及加薪。本集團亦向中國之僱員提供免租宿舍。自強制性公積金計劃（「強積金計劃」）於二零零零年十二月獲採納後，香港之僱員已加入強積金計劃。