

1. CORPORATE INFORMATION

The head office and principal place of business of South East Asia Wood Industries Holdings Limited is located at Room 2602, 26th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

During the year, the Group was involved in the manufacture and sale of plywood.

The directors consider United Star International Inc., a company incorporated in the British Virgin Islands, to be the Company's ultimate holding company.

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPs”)

The following recently-issued and revised SSAPs and related Interpretation are effective for the first time for the current year's financial statements:

- SSAP 9 (Revised): “Events after the balance sheet date”
- SSAP 14 (Revised): “Leases”
- SSAP 26: “Segment reporting”
- SSAP 30: “Business combinations”
- SSAP 31: “Impairment of assets”
- SSAP 32: “Consolidated financial statements and accounting for investments in subsidiaries”

1. 公司資料

東南亞木業集團有限公司之總辦事處及主要營業地點為香港中環夏慤道12號美國銀行中心26樓2602室。

年內，本集團從事製造及銷售膠合板。

董事認為，於英屬處女群島註冊成立之United Star International Inc.乃本公司之最終控股公司。

2. 新增及經修訂會計實務準則（「會計實務準則」）之影響

以下為於本年度之綜合財務報表首次生效之最新頒佈及經修訂之會計實務準則及相關詮釋：

- 會計實務準則第9號（經修訂）：「結算日後事項」
- 會計實務準則第14號（經修訂）：「租賃」
- 會計實務準則第26號：「分類報告」
- 會計實務準則第30號：「業務合併」
- 會計實務準則第31號：「資產減值」
- 會計實務準則第32號：「附屬公司之綜合財務報表及投資會計」

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPs”) (continued)

- Interpretation 13: “Goodwill – continuing requirements for goodwill and negative goodwill previously eliminated against/credited to reserves”

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group’s accounting policies and on the amounts disclosed in these financial statements of adopting these SSAPs and Interpretation are summarised as follows:

SSAP 9 (Revised) prescribes which type of events occurring after the balance sheet date require adjustment to the financial statements, and which require disclosure, but no adjustment. Its principal impact on these financial statements is that a proposed final dividend which is not declared and approved until after the balance sheet date, is no longer recognised as a liability at the balance sheet date, but is disclosed as an allocation of retained earnings on a separate line within the capital and reserves section of the balance sheet. The disclosure changes under this SSAP have resulted in restatement of the amounts for 1998 and 1997 as disclosed under “Summary financial information” in the Report of the Directors.

SSAP 14 (Revised) prescribes the basis for lessor and lessee accounting for finance and operating leases, and the required disclosures in respect thereof. Certain amendments have been made to the previous accounting measurement treatments, which may be accounted for retrospectively or prospectively, in accordance with the requirements of the SSAP. The disclosure changes under this SSAP have resulted in changes to the detailed information disclosed for operating leases, which is further detailed in note 27 to the financial statements.

2. 新增及經修訂會計實務準則（「會計實務準則」）之影響（續）

- 詮釋13：「商譽－先前已於儲備撇銷／計入之商譽及負商譽之持續規定」

此等會計實務準則訂明新制訂會計計量及披露慣例。以下為採納此等會計實務準則及詮釋對本集團之會計政策及於財務報表內披露之各項金額產生之主要影響之概要：

會計實務準則第9號（經修訂）訂明該等發生於結算日後事項須於財務報表內作出調整及該等予以披露但毋須作出調整。其於此等財務報表內之主要影響乃於結算日後方宣派及批准之建議末期股息不再被確認為結算日之負債，而會在資產負債表股本及儲備一項中以分派保留盈利另作披露。由於此會計實務準則下之披露轉變引致予以重列之一九九八年及一九九七年度賬目已於董事會報告內「財務資料摘要」中披露。

會計實務準則第14號（經修訂）訂明出租人及承租人之融資及經營租賃會計基準以及其須予披露事宜。已根據會計實務準則之規定對先前之會計計量處理作出若干修改（或會被追溯或往後應用）。此會計實務準則下之披露轉變引致就經營租賃而披露之詳細資料有所轉變，有關詳情見財務報表附註27。

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPs”) (continued)

SSAP 26 prescribes the principles to be applied for reporting financial information by segment. It requires that management assesses whether the Group's predominant risks or returns are based on business segments or geographical segments and determines one of these bases to be the primary segment information reporting format, with the other as the secondary segment information reporting format. The impact of this SSAP is the inclusion of significant additional segment reporting disclosures which are set out in note 4 to the financial statements.

SSAP 30 prescribes the accounting treatment for business combinations, including the determination of the date of acquisition, the method for determining the fair values of the assets and liabilities acquired, and the treatment of goodwill or negative goodwill arising on acquisition. The SSAP requires the disclosure of goodwill and negative goodwill in the non-current assets section of the consolidated balance sheet. It requires that goodwill is amortised to the consolidated profit and loss account over its estimated useful life. Negative goodwill is recognised in the consolidated profit and loss account depending on the circumstances from which it arose, as further described in the accounting policy for negative goodwill disclosed in note 3 to the financial statements. Interpretation 13 prescribes the application of SSAP 30 to goodwill arising from acquisitions in previous years which remains eliminated against consolidated reserves. The adoption of the SSAP and Interpretation has resulted in a prior year adjustment, further details of which included in note 23 to the financial statements.

2. 新增及經修訂會計實務準則(「會計實務準則」)之影響(續)

會計實務準則第26號訂明適用於分類呈報財務資料之準則。會計實務準則規定管理層須評估本集團之主要風險或回報是以業務分類抑或是以地理分類劃分，並且取其一作為主要分類資料申報形式而以另一作為輔助分類資料申報形式。此會計實務準則之影響乃載入重大額外分類申報披露事宜(載於財務報表附註4)。

會計實務準則第30號訂明業務合併會計處理，包括釐定收購日期、決定所收購資產及負債之公平值之方法以及處理收購時產生之商譽或負商譽。會計實務準則規定在綜合資產負債表非流動資產一項中披露商譽或負商譽，亦規定商譽按其估計可使用年期於綜合損益賬內攤銷。負商譽乃視乎其發生之情況於綜合損益賬中確認，有關詳情見財務報表附註3中披露有關負商譽之會計政策。詮釋13訂明會計實務準則第30號對過往年度因收購而產生但仍於綜合儲備撇銷之商譽之適用情況。採納會計實務準則及詮釋導致往年度調整，有關詳情見財務報表附註23。

2. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE (“SSAPs”) (continued)

SSAP 31 prescribes the recognition and measurement criteria for impairments of assets. The SSAP is required to be applied prospectively and therefore, has had no effect on amounts previously reported in prior year financial statements.

SSAP 32 prescribes the accounting treatment and disclosures for the preparation and presentation of consolidated financial statements, and has had no significant impact on the preparation of these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2001. The results of the subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

2. 新增及經修訂會計實務準則（「會計實務準則」）之影響（續）

會計實務準則第31號訂明資產減值之確認及計量標準。按規定，會計實務準則必須應用於往後年度，故此不會影響先前於往年度財務報表申報之數字。

會計實務準則第32號訂明編製及呈列綜合財務報表之會計處理及披露事宜，對編製此等財務報表沒有任何重大影響。

3. 主要會計政策概要

編製基準

此等財務報表乃根據香港會計實務準則、香港公認會計準則及香港公司條例之披露規定而編製。它們乃根據歷史成本協定編製。

綜合基準

綜合財務報表包括本公司及其附屬公司截至二零零一年十二月三十一日止年度之財務報表。本年度內收購或出售之附屬公司之業績，在編製綜合賬目時乃各自其收購之生效日期計入或計至其出售之生效日期止。所有集團公司之間的重大交易及結餘均已於綜合賬目時對銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The Company's interests in subsidiaries are stated at cost less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

In prior years, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. The Group has adopted the transitional provision of SSAP 30 that permits goodwill on acquisitions which occurred prior to 1 January 2001, to remain eliminated against consolidated reserves.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

3. 主要會計政策概要 (續)

附屬公司

附屬公司乃一間由本公司直接或間接控制其財務及經營政策，從而自其業務中取利之公司。

本公司於附屬公司之權益乃以成本減任何減值虧損列賬。

商譽

收購附屬公司產生之商譽指收購成本超出本集團佔所收購之可識別資產及負債於收購當日之公平值之部分。

於往年度，收購產生之商譽乃於收購年度之綜合儲備中撇銷。本集團已採納會計實務準則第30號之過渡性條文，該條文允許於二零零一年一月一日前進行收購所產生之商譽仍維持於綜合儲備中撇銷。

出售附屬公司時，出售之盈虧乃參考出售當日之淨資產計算，淨資產包括仍未攤銷之應佔商譽及（如適用）任何相關儲備。任何於先前在收購時於綜合儲備中撇銷之應佔商譽會被撥回，並將於計算出售之盈虧時包括在內。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

3. 主要會計政策概要 (續)

商譽 (續)

商譽(包括維持於綜合儲備中撇銷之商譽)之賬面值每年檢討一次,並於有需要時就減值作出扣減。除非減值虧損因性質特殊,且預期不會再出現之特定外間事件導致減值虧損而其後已發生外間事件轉回該事件之影響,否則過往確認之商譽減值虧損將不予撥回。

負商譽

收購附屬公司產生之負商譽指本集團佔所收購之可識別資產及負債於收購當日之公平值超出收購成本之部分。

倘部分負商譽涉及收購計劃中已識別之預期未來虧損及開支,並能被可靠地估計,惟不代表收購當日之可予識別負債,則該負商譽會於未來虧損及開支被確認時於綜合損益賬被確認為收入。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Negative goodwill (continued)

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

In prior years, negative goodwill arising on acquisitions was credited to the capital reserve in the year of acquisition. The Group has adopted the transitional provision of SSAP 30 that permits negative goodwill on acquisitions which occurred prior to 1 January 2001, to remain credited to the capital reserve. Negative goodwill on subsequent acquisitions is treated according to the new accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to the capital reserve at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

3. 主要會計政策概要 (續)

負商譽 (續)

倘負商譽不涉及於收購當日之可予識別預期未來虧損及開支，負商譽會有系統地按已收購可折舊／可攤銷資產之剩餘平均可使用年期於綜合損益賬確認。任何超出已收購非金錢資產公平值之負商譽會即時被確認為收入。

於往年度，收購所產生之負商譽會計入收購年度之股本儲備內。本集團已採納會計實務準則第30號之過渡性條文，該條文允許於二零零一年一月一日前進行收購產生之負商譽維持計入股本儲備。其後進行收購產生之負商譽會根據上述新制訂會計政策處理。

出售附屬公司時，出售之盈虧乃參考出售當日淨資產計算，淨資產包括未於綜合損益賬確認之應佔負商譽及（如適用）任何相關儲備。任何於先前在收購時計入綜合儲備之應佔負商譽會被撥回，並將於計算出售之盈虧時包括在內。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises.

3. 主要會計政策概要 (續)

資產減值虧損

資產於各結算日進行評估，以決定是否有任何減值跡象，或決定是否有任何跡象顯示過往年度就一項資產確認之減值虧損是否不再存在或可能已有所減少。倘出現任何該等跡象，則估計該資產之可收回金額。一項資產之可收回金額按資產之使用價值或其售價淨額之較高者計算。

倘資產之賬面值超過其可收回款額，則確認為減值虧損。減值虧損乃於產生期間計入損益賬內。

先前確認之減值虧損，僅當用以釐定一項資產之可收回金額之估計出現變動時方予以撥回，惟倘過往年度並無就該項資產確認任何減值虧損則該金額不會高於可能會予釐定之賬面值（扣除任何折舊／攤銷）。減值虧損之撥回於其產生之期間記入損益表。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Depreciation is provided on the straight-line basis to write off the cost of each asset over the following estimated useful lives:

Leasehold improvements	10–12 years or over the unexpired lease terms, whichever is shorter
Machinery, tools and equipment	10–15 years
Furniture and fixtures	4–5 years
Motor vehicles	5 years

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

3. 主要會計政策概要 (續)

固定資產與折舊

固定資產乃按成本值減累積折舊及任何減值虧損入賬。一項資產之成本乃包括其購入價及任何使該項資產達致運作狀態及至交予有關地點供其計劃用途之直接應佔費用。固定資產運作後發生之開支如維修及保養費用一般會在發生之期間內，於損益賬中扣除。倘能明確地顯示出因該筆開支，預期使用該項資產會導致未來經濟利益有所增加者，該項開支會用作資本並作為該資產一項額外成本。

折舊乃就下列每項資產之估計可使用年期按直線基準撇銷其成本提撥：

租賃物業裝修	10年至12年或按尚未屆滿之租約年期(以較短者為準)
機器、工具及設備	10年至15年
傢俬及裝置	4年至5年
汽車	5年

一項固定資產於出售或報廢時，在損益賬確認所得之收益或虧損，是有關資產之出售所得款項淨額與賬面數額之差額。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any further costs expected to be incurred to completion and disposal.

3. 主要會計政策概要 (續)

有關連人士

凡有能力直接或間接地控制另一方，或對另一方在作出財務及經營決策時發揮重大影響力之人士乃屬有關連人士。凡共同受控制或共同受到重大影響之人士亦屬有關連人士。有關連人士可屬個人或公司實體。

經營租賃

凡資產擁有權之一切回報及風險絕大部份仍屬出租人之租賃均列為經營租賃。有關該等經營租賃之租金，均以直線基準按租期自損益賬中扣除。

存貨

存貨按成本及可變現淨值兩者中較低者入賬，成本以加權平均法釐定，在製品及製成品之成本包括直接原料、直接工資及適當比例之間接製造成本。可變現淨值按估計售價減預期達致完成及出售所牽涉之其他成本計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash equivalents

For the purpose of the consolidated cash flow statement, cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance. For the purpose of balance sheet classification, cash and bank balances represent assets which are not restricted as to use.

Deferred tax

Deferred tax is provided, using the liability method, on all significant timing differences in the recognition of revenue and expenses for tax and for financial reporting purposes, to the extent it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised unless its realisation is assured beyond reasonable doubt.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

3. 主要會計政策概要 (續)

現金等值項目

就綜合現金流量表而言，現金等值項目乃指現成可兌換為已知數目之現金，且於收購時起計三個月內屆滿之短期高流動性投資，減須於貸款日期起計三個月內償還之銀行貸款。就資產負債表內之項目分類而言，現金及銀行結存指沒有用途限制之資產。

遞延稅項

遞延稅項乃按負債法就於可見將來可能在稅務及財務報告出現確認收入及支出之所有重大時差而發生的負債提撥準備。除非遞延稅項資產可確保在毫無疑問之情況下可予變現，否則不會確認入賬。

收入確認

當經濟利益有可能流入本集團而收入數目能可靠地計算時，收入可按下列方式入賬：

- (a) 銷售貨品在擁有權之重大風險及回報已轉予買方後確認入賬，惟本集團並無維持一般與所有權方面有關之管理及所售出貨品之實際控制權；及

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (b) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

Foreign currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries are translated into Hong Kong dollars at the applicable rates of exchange ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

3. 主要會計政策概要 (續)

收入確認 (續)

- (b) 利息收益之確認乃按時間比例基準計入並已計及未償還本金及適用之實際利率。

外幣交易

外幣交易按於交易日之適用滙率入賬。於結算日以外幣為單位之貨幣資產及負債按該日之適用滙率換算，滙兌差額於損益賬內處理。

合併時，海外附屬公司之財務報表均按結算日之適用滙率換算為港元。由此產生之換算差額將納入滙率波動儲備。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. The MPF Scheme has operated since 1 December 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

4. SEGMENT INFORMATION

SSAP 26 was adopted during the year, as detailed in note 2 to the financial statements. Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

3. 主要會計政策概要 (續)

退休福利計劃

本集團已根據強制性公積金計劃條例設立一項界定供款強制性公積金退休福利計劃(「該計劃」)，並讓合資格僱員參與該計劃。該計劃自二零零零年十二月一日起生效。供款金額乃按僱員基本薪金某一個百分點計算，並根據該計劃之規則成為應付時，於損益賬中扣除。該計劃的資產與本集團資產分開，由一個獨立行政基金持有。本集團之僱主供款注入該計劃後便全歸僱員。

4. 分類資料

年內採納會計實務準則第26號，詳情載於財務報表附註2內。分類資料乃按兩種方式呈列：(i)第一項分類報告基準按業務分類；及(ii)第二項分類報告基準按地區分類。

選擇以業務分類資料為第一項分類報告方式，因為為此分類與本集團之內部財務報告更為切題。

4. **SEGMENT INFORMATION** (continued)

(a) **Business segments**

The Group has only one business segment, which is the manufacture and sale of plywood products. Therefore, no business segmentation analysis is presented.

(b) **Geographical segments**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets. The corporate and others segment includes general corporate income and expense items and unallocated items.

4. 分類資料 (續)

(a) 業務分類

本集團僅從事一項業務，即製造及銷售膠合板。因此，並無作出業務分類分析。

(b) 地區分類

按地區分類為基準呈列資料時，分類收入乃以客戶所在地區為基準。分類資產及資本開支則按資產所在地區為基準。企業及其他分類包括一般企業收入及開支項目以及未分配項目。

4. SEGMENT INFORMATION (continued)

4. 分類資料 (續)

(b) Geographical segments (continued)

(b) 地區分類 (續)

The following tables present revenue, profit/(loss) and certain asset and expenditure information for the Group's geographical segments.

下表呈列本集團地區分類之收入、溢利／(虧損)及若干資產及開支之資料。

		The PRC 中國		Thailand 泰國		Corporate and Others 企業及其他		Consolidated 綜合	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元	2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Segment revenue:	分類收入:								
Sales to external customers	銷售予外界客戶	52,050	57,579	703	872	-	-	52,753	58,451
Other revenue	其他收入	142	2,326	-	-	20,886	1,841	21,028	4,167
Total revenue	收入總額	<u>52,192</u>	<u>59,905</u>	<u>703</u>	<u>872</u>	<u>20,886</u>	<u>1,841</u>	<u>73,781</u>	<u>62,618</u>
Segment results	分類業績	<u>(14,413)</u>	<u>(14,996)</u>	<u>(117)</u>	<u>114</u>	<u>(15,543)</u>	<u>(15,312)</u>	<u>(30,073)</u>	<u>(30,194)</u>
Interest and unallocated gains	利息及未分配盈利							19,853	724
Waiver of indebtedness due to bank creditors	豁免欠債權銀行債項							-	59,591
Profit/(loss) from operating activities	經營業務之溢利／(虧損)							<u>(10,220)</u>	<u>30,121</u>
Other segment information:	其他分類資料:								
Segment assets	分類資產	<u>122,976</u>	<u>123,337</u>	<u>-</u>	<u>-</u>	<u>1,158,228</u>	<u>37,178</u>	<u>1,281,204</u>	<u>160,515</u>
Capital expenditure	資本開支	<u>2,735</u>	<u>1,160</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>2,414</u>	<u>2,754</u>	<u>3,574</u>

5. TURNOVER, REVENUE AND GAINS

Turnover represents the net invoiced value of goods sold during the year, after allowances for returns and trade discounts, but excludes intra-group transactions.

An analysis of the Group's turnover, other revenue and gains is as follows:

5. 營業額、收入及收益

營業額乃指扣除退貨及貿易折扣後年內出售貨物之發票淨額，惟不包括集團內部交易。

本集團之營業額、其他收入及收益分析如下：

		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Turnover	營業額		
Sale of goods	銷售貨品	52,753	58,451
Other revenue	其他收入		
Sale of scraps	銷售木屑	142	2,326
Interest income	利息收入	6,305	724
Others	其他	1,033	1,117
		7,480	4,167
Gains	收益		
Waiver of long term other loans (note 21)	豁免其他長期 貸款(附註21)	9,848	-
Write-back of accounts and other payables	撇銷應付賬款及 其他應付款	3,207	-
Others	其他	493	-
		13,548	-
		21,028	4,167

6. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

The Group's profit/(loss) from operating activities is arrived at after charging:

6. 經營業務之溢利／(虧損)

本集團之經營業務之溢利／(虧損)乃經計入：

		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Depreciation	折舊	3,760	3,520
Minimum lease payments under operating lease on land and buildings	土地及樓宇的 經營租約最低 租賃應付款項	3,763	3,605
Auditors' remuneration	核數師酬金	600	600
Provision for diminution in value of a long term investment	長期投資之減值 撥備	-	1,567
Loss on disposal of a long term investment (note 15)	出售長期投資之 虧損(附註15)	1,431	-
Loss on disposal of fixed assets	出售固定資產之 虧損	535	846
Provision for other receivables	其他應收款撥備	-	3,948
Staff costs (including directors' remuneration - note 7):	職員成本(包括 董事酬金 —附註7):		
Wages and salaries	工資及薪金	12,581	15,419
Pension contributions	退休金供款	185	-
		12,766	15,419

7. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to the Listing Rules and Section 161 of the Companies Ordinance is as follows:

7. 董事酬金

根據上市規則及公司條例第161條披露之董事酬金如下：

		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Fees:	酬金：		
Executive directors	執行董事	-	-
Independent non-executive directors	獨立非執行董事	-	-
Basic salaries, housing allowance, other allowances and benefits in kind:	基本薪金、房屋津貼、其他津貼及實物福利：		
Executive directors	執行董事	4,992	5,776
Independent non-executive directors	獨立非執行董事	240	-
		<u>5,232</u>	<u>5,776</u>
Pension scheme contributions:	退休金計劃供款：		
Executive directors	執行董事	93	-
Independent non-executive directors	獨立非執行董事	-	-
		<u>93</u>	<u>-</u>
		<u><u>5,325</u></u>	<u><u>5,776</u></u>

7. DIRECTORS' REMUNERATION (continued)

The number of directors whose remuneration fell within the following bands is set out below:

Nil – HK\$1,000,000	無 – 1,000,000港元
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals included four (2000: three) directors, details of whose remuneration are set out in note 7 above. The remaining one (2000: two) non-director, highest paid employee's remuneration is analysed as follows:

Basic salaries, housing allowance, other allowances and benefits in kind	基本薪金、房屋津貼、其他津貼及實物福利
Pension scheme contributions	退休金計劃供款

In prior year, the remuneration of the non-director, highest paid employees both fell within the band of nil to HK\$1,000,000.

7. 董事酬金 (續)

介乎下列酬金組別之董事數目：

Number of directors 董事人數	
2001 二零零一年	2000 二零零零年
3	10
4	1
7	11

年內並無作出關於任何董事放棄或同意放棄收取任何酬金之安排。

8. 五位最高薪僱員

五位最高薪僱員包括四位(二零零零年:三位)董事,彼等之酬金詳情載於上文附註7。餘下一位(二零零零年:兩位)非董事級最高薪僱員之酬金分析如下:

2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
532	1,333
13	–
545	1,333

上年度,非董事級最高薪僱員之酬金介乎無 – 1,000,000港元之組別。

9. FINANCE COSTS

Interests on bank loans and
overdrafts

銀行貸款及透支
利息

2001
二零零一年
HK\$'000
千港元

24

2000
二零零零年
HK\$'000
千港元

6,233

10. TAX

Overprovision in prior years

以往年度之超額撥備

2001
二零零一年
HK\$'000
千港元

-

2000
二零零零年
HK\$'000
千港元

17,183

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong for the year (2000: Nil).

A Group company operating in the People's Republic of China (the "PRC") is exempt from income tax for two years starting from its first profitable year of operations and is entitled to 50% relief from income tax for the following three years under the Income Tax Law of the PRC. No provision for tax has been made as this Group company did not generate any assessable profits arising in the PRC during the year.

9. 融資成本

10. 稅項

由於本集團於年內在香港並無應課稅溢利，故並無提撥香港利得稅準備（二零零零年：無）。

根據中華人民共和國（「中國」）所得稅法，一間在中國經營之集團公司，自首個獲利年度起豁免繳交所得稅兩年，並於其後三年獲寬減一半所得稅。由於該集團公司於年內在中國並無賺取任何應課稅溢利，因此毋須作出稅項撥備。

10. TAX (continued)

The principal components of the Group's net deferred tax asset position not recognised in the financial statements are as follows:

Accelerated depreciation allowances	加速折舊準備
Tax losses	稅項虧損

No provision has been made for taxes which would arise on the remittance to Hong Kong of retained profits of overseas companies as it is not anticipated that these amounts will be remitted in the near future.

The Company had no unprovided deferred tax at the balance sheet date (2000: Nil).

11. NET PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

The net loss attributable to shareholders dealt with in the financial statements of the Company is HK\$10,244,000 (2000: HK\$26,958,000).

10. 稅項 (續)

本集團未於財務報表中確認之遞延稅項資產淨額之主要項目如下：

2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
1,215	1,473
(3,463)	(2,053)
<u>(2,248)</u>	<u>(580)</u>

由於並不預期海外公司之保留溢利將於短期內匯寄，故並無就匯款往香港之金額所產生之稅項作出撥備。

於結算日，本公司並無任何未撥備之遞延稅項（二零零零年：無）。

11. 股東應佔溢利／（虧損）淨額

計入本公司財務報表內之股東應佔虧損淨額為10,244,000港元（二零零零年：26,958,000港元）。

12. EARNINGS/(LOSS) PER SHARE

The calculation of the basic loss per share is based on the net loss attributable to shareholders for the year of HK\$10,244,000 (2000: profit of HK\$41,224,000) and the weighted average of 2,059,726,027 shares (2000: 724,918,033 shares) in issue during the year, adjusted to reflect the five-to-one share consolidation during the year. The earnings per share for the year ended 31 December 2000 has been adjusted accordingly.

Diluted earnings/(loss) per share amounts for the years ended 31 December 2001 and 2000 have not been shown because there were no dilutive events existing during these years.

12. 每股盈利／（虧損）

每股基本虧損乃根據年內股東應佔虧損淨額10,244,000港元（二零零零年：溢利41,224,000港元）及年內已發行股份加權平均股數2,059,726,027股（二零零零年：724,918,033股）計算，加權平均股數已調整以反映年內五股股份合併為一股。截至二零零零年十二月三十一日止年度之每股盈利亦已相應調整。

由於截至二零零一年及二零零零年十二月三十一日止年度並無攤薄事件，故並無列出攤薄後之每股盈利／（虧損）。

13. FIXED ASSETS

13. 固定資產

Group

本集團

		Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Machinery, tools and equipment 機器、工具 及設備 HK\$'000 千港元	Furniture and fixtures 傢俬及 裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總值 HK\$'000 千港元
Cost:	按成本值：					
At beginning of year	於年初	5,219	118,559	891	1,825	126,494
Additions	添置	18	2,540	53	143	2,754
Disposals	出售	(29)	(838)	-	(986)	(1,853)
At 31 December 2001	於二零零一年 十二月 三十一日	5,208	120,261	944	982	127,395
Accumulated depreciation:	累積折舊：					
At beginning of year	於年初	682	8,610	120	701	10,113
Provided during the year	年內撥備	384	2,872	149	355	3,760
Disposals	出售	(9)	(327)	-	(845)	(1,181)
At 31 December 2001	於二零零一年 十二月 三十一日	1,057	11,155	269	211	12,692
Net book value:	賬面淨值：					
At 31 December 2001	於二零零一年 十二月 三十一日	4,151	109,106	675	771	114,703
At 31 December 2000	於二零零零年 十二月 三十一日	4,537	109,949	771	1,124	116,381

14. INTERESTS IN SUBSIDIARIES

14. 佔附屬公司之權益

		Company 本公司	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	173,133	173,133
Due from subsidiaries	應收附屬公司之款項	280,092	279,801
Due to subsidiaries	應付附屬公司之款項	(1,467)	(2,775)
Provisions for impairment	減值撥備	(355,544)	(345,770)
		96,214	104,389

The balances with subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

與附屬公司之收支結餘為無抵押、免息及無固定還款期限。

Particulars of the subsidiaries are as follows:

附屬公司之詳情列載如下：

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立／登記 及營運地點	Nominal value of paid-up share/ registered capital 繳足股本／註冊 資本面值	Percentage of effective equity interest 實際股本 權益百分比	Principal activities 主要業務
Directly held 直接持有				
SEA Wood Investment Holdings Limited	British Virgin Islands 英屬處女群島	US\$10,000 10,000美元	100	Investment holding 投資控股
Indirectly held 間接持有				
Feston Manufacturing Limited	British Virgin Islands 英屬處女群島	US\$10,000 10,000美元	100	Dormant 暫無業務
Global Enterprises (HK) Limited (formerly known as Feston Manufacturing (HK) Limited) (前稱 Feston Manufacturing (HK) Limited)	Hong Kong 香港	HK\$2 2港元	100	Dormant 暫無業務

14. INTERESTS IN SUBSIDIARIES (continued)

14. 佔附屬公司之權益 (續)

Name 公司名稱	Place of incorporation/ registration and operations 註冊成立／登記 及營運地點	Nominal value of paid-up share/ registered capital 繳足股本／註冊 資本面值	Percentage of effective equity interest 實際股本 權益百分比	Principal activities 主要業務
Indirectly held 間接持有				
Nusoil Manufacturing Limited	British Virgin Islands/ PRC	US\$100	100	Investment holding and trading of plywood
新瑞木業有限公司	英屬處女群島 ／中國	100美元	100	投資控股 及買賣膠 合板
Wing Lam (International) Timber Limited	Hong Kong	HK\$60,000,000	100	Investment holding
永霖(國際)木業 有限公司	香港	60,000,000港元	100	投資控股
Dongguan Xinlian Timber Products Company Limited	PRC	HK\$60,000,000	100	Manufacture of plywood
東莞新聯木業制品 有限公司	中國	60,000,000港元	100	製造膠合板
Starbest Venture Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100 100	Investment holding 投資控股
Maxpower Resources Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100 100	Investment holding 投資控股

Except for the disposals of Poly Accord Limited and Dongguan Xingtai Wood Products Company Limited which were dormant or had not yet commenced operation, there were no changes in the Company's shareholding in the subsidiaries during the year.

除出售Poly Accord Limited及東莞興泰木業制品有限公司(暫無業務或尚未開業)外,年內,本公司佔附屬公司之權益並無變動。

15. LONG TERM INVESTMENT

The prior year's long term unlisted investment represented the Group's interest in Shantou Yi Fat Woods Manufacturing Co., Ltd. ("Shantou Yi Fat"), which was stated at its carrying value as at 30 September 1998, when the Group forfeited its control over this former subsidiary, less any impairment losses. During the year, the Group disposed of all of its interests in Shantou Yi Fat at a consideration of HK\$8,000,000 which resulted in a loss of HK\$1,431,000.

16. INVENTORIES

Raw materials	原料
Work in progress	在製品
Finished goods	製成品

The carrying amount of inventories carried at net realisable value included in the above balance was HK\$3,721,000 (2000: Nil) as at the balance sheet date.

15. 長期投資

上年度之長期未上市投資為本集團於汕頭市宜發木業有限公司(「汕頭宜發」)之權益，乃按其於一九九八年九月三十日之賬面值(當時本集團放棄其於此前附屬公司之控制權)減任何減值虧損列賬。年內，本集團出售其於汕頭宜發之全部權益，代價為8,000,000港元，導致虧損1,431,000港元。

16. 存貨

		Group 本集團	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
		3,367	1,382
		1,070	922
		3,721	5,799
		8,158	8,103

於結算日，以上存貨之賬面總值中包括3,721,000港元(二零零零年：無)以可變現值列賬。

17. ACCOUNTS RECEIVABLE

An aged analysis of the accounts receivable as at the balance sheet date, based on invoice date, is as follows:

Within one month	一個月內
One to two months	一個月至兩個月
Two to three months	兩個月至三個月
Over three months	超過三個月

The normal credit terms granted to debtors range from 30 to 45 days.

18. ACCOUNTS PAYABLE

An aged analysis of the accounts payable as at the balance sheet date, based on invoice date, is as follows:

Within one month	一個月內
One to two months	一個月至兩個月
Two to three months	兩個月至三個月
Over three months	超過三個月

17. 應收賬款

於結算日，應收賬款之賬齡分析（以發票日期為基準）如下：

		Group 本集團	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
		1,606	1,224
		114	226
		132	-
		504	47
		2,356	1,497

給予賒賬人之一般賒賬期由30日至45日不等。

18. 應付賬款

於結算日，應付賬款之賬齡分析（以發票日期為基準）如下：

		Group 本集團	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
		4,947	1,335
		1,237	756
		-	74
		603	2,237
		6,787	4,402

19. ACCRUED LIABILITIES AND OTHER PAYABLES

Included in accrued liabilities and other payables are amounts due to directors of HK\$2,144,000 (2000: HK\$3,165,000) which are unsecured, interest-free and have no fixed terms of repayment.

20. OTHER LOANS

On 21 May 2001, pursuant to a loan agreement (the "Loan Agreement") entered between the Company, Maxpower Resources Limited ("Maxpower"), a wholly-owned subsidiary of the Company, and Keentech Group Limited ("Keentech"), a wholly-owned subsidiary of CITIC group, Keentech agreed to grant a loan of principal amount of HK\$1 billion (the "Facility") to Maxpower. Keentech became a shareholder of the Company upon the placing of the shares of the Company on 20 April 2001 as detailed in note 22(a) to the financial statements. The Facility is secured by a charge over the Group's deposit of HK\$1 billion (the "Deposit") and shall only be used for funding an investment opportunity by the Group as stated in the Loan Agreement. The Facility is interest-free and all interest to be accrued to the Deposit in respect of the period after 30 days from the date of the advance made to Maxpower up to either the full repayment or discharge of the Facility shall belong to Keentech.

On 27 November 2001, pursuant to a conditional subscription agreement (the "Subscription Agreement") entered between the Company and Keentech, Keentech agreed to subscribe for, and the Company agreed to issue, redeemable floating rate convertible loan notes (the "Notes") of HK\$1 billion. The Facility was subsequently discharged and settled upon the completion of the Subscription Agreement and the issue of the Notes on 25 January 2002, further details of which are disclosed as "Post balance sheet events" in note 28 to the financial statements.

19. 應計負債及其他應付款

應計負債及其他應付款包括欠董事之2,144,000港元(二零零零年: 3,165,000港元), 乃無抵押、免息及無固定還款期限。

20. 其他貸款

於二零零一年五月二十一日, 根據由本公司、本公司之全資附屬公司 Maxpower Resources Limited (「Maxpower」) 與中信集團之全資附屬公司 Keentech Group Limited (「Keentech」) 訂立之貸款協議, Keentech 同意借出本金額為 1,000,000,000 港元之貸款予 Maxpower (「融資」)。Keentech 在二零零一年四月二十日配售本公司股份時成為本公司之股東, 詳情載於財務報表附註 22(a)。融資乃由本集團之 1,000,000,000 港元存款 (「存款」) 作抵押, 並僅可由本集團用作支付於貸款協議中所述之投資機會中。融資乃免息貸款, 而於向 Maxpower 作出墊款之日起計 30 日後直至悉數償還或解除融資之期間內有關存款之所有應計利息歸 Keentech 所有。

於二零零一年十一月二十七日, 根據本公司與 Keentech 訂立之有條件認購協議 (「認購協議」), Keentech 同意認購而本公司同意發行價值 1,000,000,000 港元之可贖回浮息可換股貸款票據 (「票據」)。融資隨後予以解除, 並於認購協議完成時及於二零零二年一月二十五日發行票據時清償, 詳情於財務報表附註 28「結算日後事項」中披露。

21. LONG TERM OTHER LOANS

The other loans from the former shareholders of Wing Lam (International) Timber Limited (“Wing Lam”), a subsidiary of the Group, are unsecured, interest-free and have no fixed terms of repayment.

On 12 April 1999, the former shareholders of Wing Lam confirmed they would indemnify the Group against all monetary losses arising from the litigation detailed in note 26 to the financial statements, and further agreed that the loans from them could be used to settle such indemnity. Based on recent advice received from the Group’s legal advisors, the appeal judgement is not expected to be concluded in the next twelve months and, accordingly, such potential claim is not expected to be payable within one year from the balance sheet date. Such loan amounting to HK\$11,699,000 (2000: HK\$23,462,000) is therefore classified as a long term liability at the balance sheet date.

21. 其他長期貸款

本集團附屬公司永霖(國際)木業有限公司(「永霖」)前股東之其他貸款乃無抵押、免息及無固定還款期之貸款。

於一九九九年四月十二日，永霖之前股東確認會彌償本集團因財務報表附註26所述訴訟所引起之一切金錢損失，並同意可用其貸款支付該等彌償。根據最近收到本集團法律顧問之意見，預計上訴在未來十二個月內還未有判決結果。據此，預計結算日起一年內不用支付此潛在賠償。因此，該筆11,699,000港元(二零零零年：23,462,000港元)貸款於結算日列為長期負債。

21. LONG TERM OTHER LOANS (continued)

On 28 June 2000, Nusoil Manufacturing Limited ("Nusoil"), a wholly-owned subsidiary of the Company, and the former shareholders of Wing Lam entered into an acquisition agreement whereby Nusoil agreed to purchase the other loans owing by Wing Lam to the former shareholders of Wing Lam at a consideration of US\$1,499,900 (equivalent to approximately HK\$11,699,000), resulting in the remaining amount of the other loans of approximately HK\$9,848,000 being waived, after setting-off of the legal costs incurred. According to a letter dated 5 March 2002 issued by the Group's legal advisors in connection with the litigation, which is further detailed in note 26 to the financial statements, the management of the Plaintiff was being sued under a criminal charge and investigated in respect of creating forged documents, which included those documents forgery created by the Plaintiff related to the Claim, the legal advisors and the directors therefore have strong evidence to believe that the Group can succeed in the litigation and no claims or liabilities will be made against the Group. Taking into account the above consideration, the waiver of other loans of HK\$9,848,000 has been accounted for in the current year's profit and loss account.

21. 其他長期貸款 (續)

於二零零零年六月二十八日，本公司之全資附屬公司新瑞木業有限公司（「新瑞」）與永霖之前股東訂立一項收購協議（「收購協議」），其中新瑞同意購入永霖欠其前股東之其他貸款，代價為1,499,900美元（相等於約11,699,000港元），而餘額約9,848,000港元之其他貸款在抵銷法律費用後因此而豁免。根據本集團法律顧問就該訴訟於二零零二年三月五日發出之函件（詳情載於財務報表附註26），原告之管理層被刑事起訴，並因偽造文件而接受調查，該等假文件包括原告就索償而偽造之文件，故此法律顧問及董事深信本集團可於訴訟中勝訴，且將不會為本集團帶來索償或負債。在考慮到上述因素後，已於本年度之損益賬中豁免9,848,000港元之其他貸款。

22. SHARE CAPITAL

22. 股本

Shares

股份

		Notes 附註	Number of ordinary shares 普通股數目	HK\$'000 千港元
Authorised:	法定股本：			
Ordinary shares of HK\$0.01 each as at 1 January 2001	於二零零一年一月一日 每股面值0.01港元之普通股		20,000,000,000	200,000
Consolidation of every five shares of HK\$0.01 each to one share of HK\$0.05 each	每五股每股面值0.01港元 之股份合併為一股每股 面值0.05港元之股份	(b)	(16,000,000,000)	-
Ordinary shares of HK\$0.05 each as at 31 December 2001	於二零零一年十二月三十一日 每股面值0.05港元之普通股		<u>4,000,000,000</u>	<u>200,000</u>
Issued and fully paid:	已發行及繳足股本：			
Ordinary shares of HK\$0.01 each as at 1 January 2001	於二零零一年一月一日 每股面值0.01港元之普通股		9,600,000,000	96,000
Issue of shares	發行股份	(a)	1,000,000,000	10,000
Consolidation of every five shares of HK\$0.01 each to one share of HK\$0.05 each	每五股每股面值0.01港元 之股份合併為一股每股 面值0.05港元之股份	(b)	(8,480,000,000)	-
Ordinary shares of HK\$0.05 each as at 31 December 2001	於二零零一年十二月三十一日 每股面值0.05港元之普通股		<u>2,120,000,000</u>	<u>106,000</u>

22. SHARE CAPITAL (continued)

- (a) Pursuant to a placing agreement dated 20 April 2001, a total of 1,000,000,000 ordinary shares of HK\$0.01 each were placed by United Star International Inc. ("United Star"), the controlling shareholder of the Company to Keentech, an independent investor, at a price of HK\$0.15 per placing share (the "Placing Price"). At the same time, United Star agreed to subscribe for an aggregate of 1,000,000,000 new ordinary shares at the Placing Price. The net proceeds of the subscription of approximately HK\$145.5 million were used for general working capital of the Group.
- (b) On 26 June 2001, an ordinary resolution was passed at a special general meeting to consolidate every five issued and unissued shares of HK\$0.01 each in the capital of the Company into one share of HK\$0.05 each (the "Consolidated Shares"). All of the Consolidated Shares rank pari passu in all respects with the previously existing share capital of the Company.

Share options

The Company operates a share option scheme (the "Scheme"), further details of which are set out under the heading "Share option scheme" in the Report of the Directors on page 24. As at 31 December 2001, no share options had been granted under the Scheme.

22. 股本 (續)

- (a) 根據於二零零一年四月二十日訂立之配售協議，本公司之控股股東 United Star International Inc. (「United Star」) 按每股配售股份 0.15 港元之價格 (「配售價」) 將合共 1,000,000,000 股每股面值 0.01 港元之普通股配售予獨立投資者 Keentech。同時，United Star 同意按配售價認購合共 1,000,000,000 股新普通股。認購之所得款項淨額約為 145,500,000 港元，用作本集團之一般營運資金。
- (b) 於二零零一年六月二十六日，一項普通決議案於股東特別大會上獲通過，將本公司股本中每五股每股面值 0.01 港元之已發行及未發行股份合併為一股每股面值 0.05 港元之股份 (「合併股份」)。所有合併股份在各方面與本公司較早前存在之股本中之股份享有同等權益。

購股權

本公司運作一個購股權計劃 (「計劃」)，進一步之資料載於第 24 頁之董事會報告「購股權計劃」內。於二零零一年十二月三十一日，概無根據計劃授出任何購股權。

23. RESERVES

23. 儲備

Group

本集團

		Share premium account 股份溢價賬 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Goodwill reserve 商譽儲備 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總數 HK\$'000 千港元
At 1 January 2000	誠如先前列賬於						
as previously reported	二零零零年一月一日	85,472	65,527	(20,952)	-	(262,510)	(132,463)
Prior year adjustment	上年度調整	-	-	20,952	-	(20,952)	-
At 1 January 2000	於二零零零年一月一日						
as restated	重新列賬	85,472	65,527	-	-	(283,462)	(132,463)
Net profit for the year	本年度純利	-	-	-	-	41,224	41,224
Premium arising on issue of shares, net of issuing expenses	發行股份產生溢價 (已扣除發行開支)	41,526	-	-	-	-	41,526
Arising from acquisition of the remaining shareholdings of an existing subsidiary	收購一現有附屬公司 其餘股權而 產生款項	-	-	-	4,104	-	4,104
Reduction of paid-up capital	削減繳足股本	-	-	-	-	54,000	54,000
At 31 December 2000 and 1 January 2001 as restated	於二零零零年 十二月三十一日 及二零零一年 一月一日重列	126,998	65,527	-	4,104	(188,238)	8,391
Net loss for the year	本年度虧損淨額	-	-	-	-	(10,244)	(10,244)
Premium arising on issue of shares, net of issuing expenses	發行股份產生溢價 (已扣除發行開支)	135,464	-	-	-	-	135,464
At 31 December 2001	於二零零一年 十二月三十一日	262,462	65,527	-	4,104	(198,482)	133,611

23. RESERVES (continued)**Group (continued)**

As detailed in note 3 to the financial statements, the Group has adopted the transitional provision of SSAP 30 which permits goodwill and negative goodwill in respect of acquisitions which occurred prior to 1 January 2001, to remain eliminated against consolidated reserves or credited to the capital reserve, respectively.

Due to the adoption of SSAP 31, the Group has adopted a policy to assess goodwill eliminated against consolidated reserves for impairment. As a result, the Group has recognised an impairment of the goodwill previously eliminated against consolidated reserves of HK\$20,952,000. This change of accounting policy has been accounted for retrospectively as a prior year adjustment in accordance with the transitional provision of SSAP 30. In restating the results for prior years on the basis of the new policy, the goodwill reserve and accumulated losses as at 1 January 2000 have been decreased and increased by HK\$20,952,000, respectively. This prior year adjustment has had no effect on the current year's amounts.

23. 儲備 (續)**本集團 (續)**

誠如財務報表附註3所述，本集團採納會計實務準則第30號之過渡條款，以使於二零零一年一月一日前因收購產生之商譽及負商譽分別於維持綜合儲備中撇銷或計入資本儲備中。

在採納會計實務準則第31號時，本集團已採納一項政策，以評估已就減值於綜合儲備中撇銷之商譽。因此，本集團已確認先前於綜合儲備中撇銷之商譽減值20,952,000港元。會計政策之變動已計入以追溯上年度根據會計實務準則第30號之過渡條款而作出之調整。按新政策之基準重列往年度之業績時，於二零零零年一月一日之商譽儲備及累計虧損已分別減少及增加20,952,000港元。上年度之調整並無對本年度之賬目有任何影響。

23. RESERVES (continued)

23. 儲備 (續)

Company		本公司			
		Share premium account 股份溢價賬 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總數 HK\$'000 千港元
At 1 January 2000	於二零零零年一月一日	85,472	172,934	(318,583)	(60,177)
Premium arising on issue of shares, net of issuing expenses	發行股份產生溢價 (已扣除發行開支)	41,526	-	-	41,526
Reduction of paid-up capital	削減繳足股本	-	-	54,000	54,000
Net loss for the year	本年度虧損淨額	-	-	(26,958)	(26,958)
At 31 December 2000 and 1 January 2001	於二零零零年 十二月三十一日及 二零零一年一月一日	126,998	172,934	(291,541)	8,391
Premium arising on issue of shares, net of issuing expenses	發行股份產生溢價 (已扣除發行開支)	135,464	-	-	135,464
Net loss for the year	本年度虧損淨額	-	-	(10,244)	(10,244)
At 31 December 2001	於二零零一年 十二月三十一日	<u>262,462</u>	<u>172,934</u>	<u>(301,785)</u>	<u>133,611</u>

The contributed surplus of the Group represents the difference between the nominal value of the share capital of the former holding company of the Group acquired pursuant to the Group reorganisation prior to the listing of the Company's shares in 1997, over the nominal value of the share capital of the Company issued in exchange therefor.

The contributed surplus of the Company represents the excess of the then combined net assets of the subsidiaries acquired pursuant to the above Group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefor. In accordance with the laws of Bermuda, the Company's contributed surplus may be distributed in certain prescribed circumstances.

本集團之繳入盈餘指根據本公司股份於一九九七年上市前本集團重組所收購本集團前控股公司之股本面值與用作代價而發行之本公司股本面值之差額。

本公司之繳入盈餘指根據上述之集團重組所收購附屬公司於當時之合併資產淨值超出用作代價而發行之本公司股本面值之部分。根據百慕達法例，本公司之繳入盈餘可於若干指定情況下分派。

24. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

24. 綜合現金流量表附註

(a) Reconciliation of profit/(loss) from operating activities to net cash inflow/(outflow) from operating activities

(a) 經營業務溢利／(虧損)與營業所得之現金流入／(流出)淨額調節

		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元
Profit/(loss) from operating activities	經營業務溢利／(虧損)	(10,220)	30,121
Interest income	利息收入	(6,305)	(724)
Waiver of long term other loans	豁免其他長期貸款	(9,848)	-
Write-back of accounts and other payable	撤銷應付賬項及其他應付款	(3,207)	-
Loss on disposal of a long term investment	出售長期投資之虧損	1,431	-
Depreciation	折舊	3,760	3,520
Loss on disposal of fixed assets	出售固定資產之虧損	535	846
Provision for diminution in value of a long term investment	長期投資之減值撥備	-	1,567
Provision for other receivables	其他應收款撥備	-	3,948
Decrease/(increase) in accounts receivable	應收賬款減少／(增加)	(859)	1,085
Decrease/(increase) in inventories	存貨減少／(增加)	(55)	6,140
Decrease/(increase) in prepayments, deposits and other receivables	預付款、存款及其他應收款減少／(增加)	(3,488)	3,668
Increase/(decrease) in accounts payable	應付賬款增加／(減少)	5,036	(16,923)
Decrease in accrued liabilities and other payables	應計負債及其他應付款減少	(4,597)	(4,508)
Net cash inflow/(outflow) from operating activities	營業所得之現金流入／(流出)淨額	(27,817)	28,740

24. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

24. 綜合現金流量表附註 (續)

(b) Analysis of changes in financing during the year

(b) 本年度融資變動分析

		Issued capital and share premium account 已發行股本 及股份溢價賬 HK\$'000 千港元	Loans and finance lease obligations 貸款及融資 租約承擔 HK\$'000 千港元	Minority interests 少數股東 權益 HK\$'000 千港元	Other loans 其他貸款 HK\$'000 千港元
At 1 January 2000	於二零零零年一月一日	145,472	48,547	4,257	40,451
Cash inflow/(outflow) from financing	融資所得現金 流入/(流出)	131,526	(48,547)	-	-
Reduction of paid-up capital	削減繳足股本	(54,000)	-	-	-
Acquisition of the remaining shareholdings of an existing subsidiary	收購一家現有 附屬公司 剩餘股權	-	-	(4,104)	-
Set-off against other receivables	對銷其他應 收款	-	-	-	(16,989)
Share of loss for the year	本年度應佔虧損	-	-	(153)	-
At 31 December 2000 and 1 January 2001	於二零零零年 十二月三十一日及 二零零一年一月一日	222,998	-	-	23,462
Cash inflow from financing	融資所得現金流入	145,464	-	-	998,085
Waiver of long term other loans	豁免其他長期貸款	-	-	-	(9,848)
At 31 December 2001	於二零零一年 十二月三十一日	<u>368,462</u>	<u>-</u>	<u>-</u>	<u>1,011,699</u>

24. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

(c) Major non-cash transactions

- (i) During the year, the share capital of the Company was reorganised as detailed in note 22(b) to the financial statements.
- (ii) A waiver of long term other loans of HK\$9,848,000 was accounted for in the profit and loss account for the current year as detailed in note 21 to the financial statements.

25. CONTINGENT LIABILITIES

72

Guarantee for other loans granted to a subsidiary (note 20) 為附屬公司獲批之其他貸款作出擔保(附註20)

Company 本公司	
2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元

1,000,000	-
------------------	----------

At the balance sheet date, the Group did not have any significant contingent liabilities (2000: Nil).

24. 綜合現金流量表附註(續)

(c) 主要非現金交易

- (i) 年內本公司股本重組之詳情載於財務報表附註22(b)。
- (ii) 豁免其他長期貸款9,848,000港元計入本年度損益賬。詳情在財務報表附註21載述。

25. 或然負債

於結算日，本集團概無任何重大或然負債(二零零零年：無)。

26. LITIGATION

On 14 January 1999, China Foreign Trade Development Company (the "Plaintiff") issued a writ of summons against Dongguan Xinlian Timber Products Co., Ltd. ("Dongguan Xinlian"), a subsidiary held through Wing Lam, in respect of a claim for HK\$49,624,000 together with interest thereon, being the alleged amount due to the Plaintiff under various re-export contracts (the "Claim"). A judgement was issued in respect of the Claim and, pursuant thereto, Dongguan Xinlian is liable to pay an aggregate sum of approximately HK\$26,894,000. However, Dongguan Xinlian filed an appeal against the judgement.

On 23 April 1998, the former shareholders of Wing Lam gave an undertaking in relation to the Group's acquisition of a 51% equity interest in Wing Lam to indemnify the Group from all losses, liabilities and claims incurred or suffered in connection with the Claim and other prescribed matters arising on or before the completion of this acquisition. The Claim is in respect of contracts entered into by Dongguan Xinlian prior to the Group's acquisition of the 51% equity interest in Wing Lam. On 12 April 1999, the former shareholders of Wing Lam confirmed that they would indemnify all monetary losses arising from the Claim and agreed that the loan due from Dongguan Xinlian to them could be used to offset any such indemnity losses. According to a letter dated 5 March 2002 issued by the Group's legal advisors in connection with this litigation, the management of the Plaintiff was being sued under a criminal charge and investigated in respect of creating forged documents, including those documents forgery created by the Plaintiff related to the Claim found during the above appeal process.

26. 訴訟

於一九九九年一月十四日，中國對外貿易發展總公司（「原告」）向東莞新聯木業制品有限公司（「東莞新聯」，一家通過永霖持有之附屬公司）發出傳訊令狀，追討指稱根據多項再出口合同拖欠原告之款額49,624,000港元連利息（「索償」）。有關索償已獲判決，根據該判決，東莞新聯須支付總額約26,894,000港元。然而，東莞新聯已就該判決提出上訴。

於一九九八年四月二十三日，永霖前股東就本集團收購永霖51%股權承諾就索償及其他在收購完成時或以前訂明事項彌償本集團所有涉及或遭受之損失、責任及申索。索償涉及本集團收購永霖51%股權前由東莞新聯訂立之合同。於一九九九年四月十二日，永霖前股東確認會彌償索償所引起之所有金錢損失，並同意東莞新聯欠款可用作抵銷所有該等彌償損失。根據本集團法律顧問就此訴訟於二零零二年三月五日發出之函件，原告之管理層被刑事起訴，並就於上訴過程中被發現製造假文件（包括原告就索償製造之假文件）而被調查。

26. LITIGATION (continued)

The legal advisors therefore strongly believe that Dongguan Xinlian can succeed in its appeal and no claims or liabilities will be made against Dongguan Xinlian. Taking into account the above considerations, the directors of the Company believe that this litigation will have no impact on the financial results of the Group and no provision is considered necessary.

27. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office properties under operating lease arrangements. Leases for the properties are negotiated for terms ranging from 3 to 15 years.

At 31 December 2001, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

26. 訴訟 (續)

法律顧問因此有確實證據相信東莞新聯可於上訴中得值，且不會對東莞新聯帶來索償或負債。本公司董事在考慮到上述因素後，相信該訴訟對本集團之財務業績並無影響，故認為無須作出撥備。

27. 經營租賃安排

本集團根據經營租賃安排租用其若干寫字樓物業。該等物業之租約年期由三年至十五年不等。

於二零零一年十二月三十一日，本集團於不可註銷經營租賃下之日後最低應付租金總計如下：

		Group 本集團	
		2001 二零零一年 HK\$'000 千港元	2000 二零零零年 HK\$'000 千港元 (Restated) (重新列賬)
Within one year	一年內	3,952	4,230
In the second to fifth years, inclusive	第二年至第五年(首尾兩年 包括在內)	13,705	15,503
After five years	五年後	18,307	23,468
		35,964	43,201

27. OPERATING LEASE ARRANGEMENTS
(continued)

SSAP 14 (Revised), which was adopted during the year as detailed in note 2 to the financial statements, requires lessees under operating leases to disclose the total future minimum operating lease payments, rather than only the payments to be made during the next year as was previously required. Accordingly, the prior year comparative amounts for operating leases as lessee above have been restated to accord with the current year's presentation.

At the balance sheet date, neither the Group, nor the Company had other significant commitments (2000: Nil).

28. POST BALANCE SHEET EVENTS

- (a) On 22 January 2002, a special general meeting passed an ordinary resolution to increase the authorised share capital of the Company from HK\$200 million to HK\$300 million divided into 6,000 million shares of HK\$0.05 each by the creation of 2,000 million additional shares of HK\$0.05 each. On issue, all shares rank pari passu in all respects with existing issued shares.
- (b) As disclosed in note 20 to the financial statements, pursuant to the Subscription Agreement entered between the Company and Keentech, the Subscription Agreement and the issue of the Notes were completed subsequent to the balance sheet date on 25 January 2002. 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. 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.

27. 經營租賃安排 (續)

於年內採納之會計實務準則第14號(經修訂)不僅要求經營租賃之承租人披露先前要求在下一年度支付之款項,並披露日後最低總經營租賃租金。因此,上文之經營租賃於上年度之比較數字已重列,以符合本年度之呈列基準。會計實務準則第14號(經修訂)之詳情載於財務報表附註2。

於結算日,本集團及本公司概無其他重大承擔(二零零零年:無)。

28. 結算日後事項

- (a) 於二零零二年一月二十二日,股東特別大會通過一項普通決議案,透過額外增加20億股每股面值0.05港元之股份將本公司法定股本由200,000,000港元增至300,000,000港元,分為60億股每股面值0.05港元之股份。發行之所有股份於各方面與現有已發行股份享有同等權益。
- (b) 誠如財務報表附註20所披露,根據本公司與Keentech訂立之認購協議,認購協議及票據發行已於結算日後二零零二年一月二十五日完成。票據附有權利以轉換價每股0.85港元轉換為本公司每股面值0.05港元之普通股。除非先前已購入及註銷、贖回或轉換,票據之本金金額將於票據發行日期屆滿首週年當日期到期贖回。

29. COMPARATIVE AMOUNTS

As further explained in note 2 to the financial statements, due to the adoption of certain new and revised SSAPs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified to conform with the current year's presentation.

30. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the board of directors on 12 April 2002.

29. 比較數字

如財務報表附註2進一步說明，由於在本年度採納若干新制訂及經修訂會計實務準則，會計處理及財務報表內若干項目及結餘之呈列方式已予修訂以符合最新要求。因此，若干比較數字已予重列以符合本年度之呈列方式。

30. 財務報表之批准

本財務報表已於二零零二年四月十二日經董事會批准及授權刊發。