

# Notes to the financial statements

31 December 2001

26

notes  
to the  
financial  
statements

## 1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The subsidiaries of the Group are mainly engaged in the extraction, refining, blending and distribution of edible oils and ancillary activities.

## 2. IMPACT OF NEW/REVISED HONG KONG STATEMENTS OF STANDARD ACCOUNTING PRACTICE

The following recently-issued and revised Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants are effective for the first time in the preparation of the current year's financial statements, except for SSAP 29 as further explained below.

- SSAP 9 (Revised): "Events after the balance sheet date"
- SSAP 14 (Revised): "Leases"
- SSAP 18 (Revised): "Revenue"
- SSAP 26: "Segment reporting"
- SSAP 28: "Provisions, contingent liabilities and contingent assets"
- SSAP 29: "Intangible assets"
- SSAP 30: "Business combinations"
- SSAP 31: "Impairment of assets"
- SSAP 32: "Consolidated financial statements and accounting for investments in subsidiaries"

These SSAPs prescribe new accounting measurement and disclosure practices. Except for SSAP 14 (Revised), SSAP 26, and SSAP 29, all the above SSAPs have no major impact on these financial statements. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of SSAP 14 (Revised), SSAP 26, and SSAP 29 are summarised as follows:

SSAP 14 (Revised) prescribes the basis for lessor and lessee accounting for finance and operating leases, and the required disclosures in respect thereof. The revised SSAP requirements have not had a material effect on the amounts previously recorded in the financial statements. The change in disclosure requirements under this SSAP has resulted in changes to the detailed information disclosed for operating leases, which are further detailed in note 30 to the financial statements.

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 additional segment reporting disclosures which are set out in note 4 to the financial statements.

## 2. IMPACT OF NEW/REVISED HONG KONG STATEMENTS OF STANDARD ACCOUNTING PRACTICE (continued)

SSAP 29 prescribes the recognition and measurement criteria for intangible assets, together with the disclosure requirements. The major impact of the SSAP for these financial statements is that deferred expenditure of a jointly controlled entity of the Group which was recognised as a non-current asset in previous years, no longer qualifies for recognition as an asset under SSAP 29. This has resulted in a prior year adjustment, further details of which are included in note 16 to the financial statements. As further explained in note 13 to the financial statements, the Group has not provided for any amortisation for the trademarks.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of accounting

These consolidated financial statements have been prepared in accordance with the SSAPs and 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, except for the periodic remeasurement of investment property and investments in securities, as further explained below.

### 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 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 are eliminated on consolidation.

### 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 investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses. Details of the principal subsidiaries are set out in note 14 to the financial statements.

### Associates

An associate is a company, not being a subsidiary or a joint venture, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Details of the principal associates are set out in note 15 to the financial statements.

The Group's share of the post-acquisition results of associates is included in the consolidated profit and loss account. The Group's interests in the associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting less any provisions for impairment losses.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Jointly controlled entity

Jointly controlled entity is a joint venture company which is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly controlled entity.

The Group's share of the post-acquisition results of the jointly controlled entity is calculated based on the audited results after making appropriate adjustments to conform to the Group's accounting policies and is included in the consolidated profit and loss account. The Group's interest in a jointly controlled entity is stated in the consolidated balance sheet at the Group's share of net assets of the joint venture company less any impairment loss.

### Goodwill on consolidation

Goodwill arising on the acquisition of subsidiaries represents the excess of purchase consideration paid for the subsidiaries over the Group's share of the fair value of the identifiable assets and liabilities as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life.

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 acquisition which occurred prior to 1 January 2001, to remain eliminated against consolidated reserves. Goodwill on subsequent acquisitions is treated according to the new accounting policy above.

Upon disposal of such 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.

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.

### 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.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Impairment of assets (continued)**

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, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of 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, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for the revalued asset.

**Fixed assets and depreciation**

Fixed assets, other than investment properties, are stated at cost or valuation 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 including borrowing costs. In situations where it can be clearly demonstrated that the expenditure incurred after an asset has been put into operation, has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land	Over the remaining terms of the leases
Buildings	2% to 2.5% or over the terms of the leases if shorter
Barges, vehicles, leasehold improvements, machinery and equipment	5% to 20%

The transitional provisions set out in paragraph 80 of SSAP17 "Property, plant and equipment" have been adopted for fixed assets stated at valuation. As a result, those assets stated at revalued amounts based on revaluations which were reflected in the financial statements for the year ended 31 December 1993 have not been revalued by class at the balance sheet date.

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the sales proceeds and the carrying amount of the relevant asset. On disposal or retirement, the attributable revaluation surplus not previously dealt with in retained profits is transferred directly to retained profits.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investment property

Investment property is an interest in land and buildings which are intended to be held on a long term basis for their investment potential. Such property is stated at their open market values on the basis of annual professional valuations and are not depreciated except where the unexpired terms of the leases are 20 years or less, in which case the then carrying amounts are amortised on the straight-line basis over the respective remaining lease terms. Changes in the value of the investment property is dealt with as movements in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on a portfolio basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged.

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

### Trademarks

Trademarks are stated at cost less impairment losses and are not amortised.

### Stocks

Stocks are stated at the lower of cost, on the weighted average method, and net realisable value. Cost comprises direct materials and the related purchase costs. In the case of finished goods and work in progress, cost also includes direct labour and an appropriate proportion of manufacturing overheads. Net realisable value is based on estimated selling prices less all costs to be incurred to completion and on disposal.

### Investments in securities

Investments in securities represent investments in listed equity securities and are stated at fair value at the balance sheet date. Realised and unrealised holding gains or losses arising on revaluation of securities to fair value are dealt with in the profit and loss account.

### Deferred tax

Provision is made for deferred tax, using the liability method, on all significant timing differences to the extent it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt.

### 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 gains and losses are dealt with in the profit and loss account.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Foreign currencies (continued)

On consolidation, the financial statements of subsidiaries and associates denominated in foreign currencies are translated to Hong Kong dollars at the applicable rates of exchange ruling at the balance sheet date. All translation differences arising on consolidation are dealt with in reserves.

### Recognition of revenue

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:

- (i) income from the sale of goods, on delivery of the goods to the customers;
- (ii) revenue from management, marketing and testing services, in the period in which the services are rendered;
- (iii) rental income, on the straight-line basis over the lease terms;
- (iv) royalties, in the period in which the related products are sold; and
- (v) interest income, in proportion to time taking into account the principal outstanding and the effective interest rate applicable.

### Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained earnings within capital and reserves in the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are recognised immediately as a liability when they are proposed and declared.

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation.

# Notes to the financial statements

31 December 2001

32

notes  
to the  
financial  
statements

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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 applicable to such operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

### 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 or 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.

### 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 balance represents amounts which are not restricted to use.

## 4. SEGMENT INFORMATION

The Group's primary segment is the edible oils and food related business segment. Since this is the only business segment of the Group, no further analysis thereof is presented.

Segment information is presented below in respect of the Group's geographical segment, which is regarded as the secondary segment. In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

	People's Republic of China		Hong Kong		Consolidated	
	2001	2000	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from						
external customers	<u>462,112</u>	<u>685,354</u>	<u>135,929</u>	<u>161,812</u>	<u>598,041</u>	<u>847,166</u>
Segment results	<u>6,487</u>	<u>5,036</u>	<u>19,521</u>	<u>46,844</u>	<u>26,008</u>	<u>51,880</u>
Segment assets	539,820	618,823	409,783	492,204	949,603	1,111,027
Unallocated assets					<u>58,228</u>	<u>52,834</u>
					<u>1,007,831</u>	<u>1,163,861</u>
Capital expenditure						
incurred during						
the year	<u>2,358</u>	<u>8,993</u>	<u>422</u>	<u>2,621</u>	<u>2,780</u>	<u>11,614</u>

# Notes to the financial statements

31 December 2001

33

notes  
to the  
financial  
statements

## 5. TURNOVER

Turnover represents the aggregate of the net invoiced value of goods sold, services rendered, rental and laboratory and testing fees income, but excludes intra-group transactions.

	2001 HK\$'000	2000 HK\$'000
Sales of goods and services	579,512	827,136
Rental and other income	18,529	20,030
	<u>598,041</u>	<u>847,166</u>

## 6. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after crediting:

	2001 HK\$'000	2000 HK\$'000
Rental income:		
Investment property	8,120	9,504
Leasehold land and buildings	4,353	3,673
	<u>12,473</u>	<u>13,177</u>
Less: Outgoings	<u>(2,600)</u>	<u>(2,592)</u>
Net rental income	<u>9,873</u>	<u>10,585</u>
Royalties	23,190	24,443
Realised and unrealised gains on investments in listed securities classified as other revenue and gains	624	24,867
Gain on liquidation of a subsidiary	51	-
and after charging:		
Cost of stocks sold (including write-back of accounts payable provision of HK\$10,206,000 (2000: HK\$13,000,000))	418,974	643,838
Staff costs (including directors' emoluments):		
Wages and salaries	45,726	50,356
Pension scheme contributions	1,297	1,348
Less: Unvested contributions forfeited*	<u>(263)</u>	<u>(464)</u>
	<u>1,034</u>	<u>884</u>
	<u>46,760</u>	<u>51,240</u>
Depreciation	29,068	30,551
Minimum lease payments under operating leases in respect of land and buildings	2,946	5,558
Loss on disposal of fixed assets	985	905
Loss on disposal of subsidiaries	-	1,080
Auditors' remuneration	<u>800</u>	<u>1,000</u>

\* At 31 December 2001, the amount of forfeited contributions available to the Group to reduce its future contributions to the Exempted Scheme as defined in the Report of Directors under the heading "Retirement Scheme" amounted to HK\$95,000 (2000: HK\$109,000).



# Notes to the financial statements

31 December 2001

34 notes  
to the  
financial  
statements

## 7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

### (a) Directors' emoluments

Directors' emoluments disclosed pursuant to Section 161 of the Companies Ordinance are as follows:

	Group	
	2001	2000
	HK\$'000	HK\$'000
Non-executive directors' fees	560	340
Salaries and allowances*	8,549	8,654
Discretionary/performance related bonuses	300	1,074
Retirement fund contributions	334	259
	<u>9,743</u>	<u>10,327</u>

\* Including fees paid to a management company in which a director is indirectly interested.

The directors' emoluments are analysed as follows:

Band	Group	
	2001	2000
	Number of directors	Number of directors
Nil to HK\$1,000,000	6	7
HK\$1,000,001 to HK\$1,500,000	2	2
HK\$1,500,001 to HK\$2,000,000	1	1
HK\$4,000,001 to HK\$4,500,000	1	-
HK\$5,000,001 to HK\$5,500,000	-	1

As at the balance sheet date, certain directors held share options of the Company, which were granted in 2000, the details of which are set out in the section "Directors' right to acquire shares" in the Report of the Directors and in note 26 to the financial statements. No value in respect of the share options granted in the prior year had been charged to the profit and loss account or included in the disclosure of directors' emoluments.

## 7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

## (b) Senior executives' emoluments

The five highest paid individuals' (including four directors for both years whose emoluments have been included in "Directors' emoluments" above) aggregate emoluments are as follows:

	Group	
	2001	2000
	HK\$'000	HK\$'000
Salaries and allowances	8,843	8,915
Discretionary/performance related bonuses	350	1,074
Retirement fund contributions	401	317
	<u>9,594</u>	<u>10,306</u>

The above emoluments are analysed as follows:

Band	Group	
	2001	2000
	Number of individuals	Number of individuals
Nil to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	2	2
HK\$1,500,001 to HK\$2,000,000	1	1
HK\$4,000,001 to HK\$4,500,000	1	-
HK\$5,000,001 to HK\$5,500,000	-	1
	<u>-</u>	<u>1</u>

## 8. FINANCE COSTS, NET

	Group	
	2001	2000
	HK\$'000	HK\$'000
Interest on bank borrowings	25,676	37,686
Interest on other loans wholly repayable within five years	161	161
	<u>25,837</u>	<u>37,847</u>
Total finance costs	25,837	37,847
Less: Interest income	(2,809)	(4,426)
	<u>23,028</u>	<u>33,421</u>

# Notes to the financial statements

31 December 2001

36

notes  
to the  
financial  
statements

## 9. TAX

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profits arising in Hong Kong during the year. Overseas taxes have been provided for at the applicable tax rates, if required.

	Group	
	2001	2000
	HK\$'000	HK\$'000
Tax in the profit and loss account represents:		
Provision for Hong Kong profits tax	(923)	(1,113)
Provision for tax elsewhere	(71)	-
Underprovision in respect of prior years	(86)	(297)
	<u>(1,080)</u>	<u>(1,410)</u>
Deferred tax – note 25	254	555
	<u>(826)</u>	<u>(855)</u>
Share of tax charges of a jointly controlled entity		
– Hong Kong	(751)	(534)
	<u>(1,577)</u>	<u>(1,389)</u>

## 10. NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The net profit attributable to shareholders dealt with in the financial statements of the Company is HK\$50,000 (2000: HK\$22,000).

## 11. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated based on the profit attributable to shareholders of HK\$7,341,000 (2000: HK\$20,591,000 (restated)); and 409,113,021 shares (2000: 409,113,021 shares) in issue during the year.

### (b) Diluted earnings per share

Diluted earnings per share for both years are not presented as the share options outstanding during the years had an anti-dilutive effect on the basic earnings per share.

# Notes to the financial statements

31 December 2001

37

notes  
to the  
financial  
statements

## 12. FIXED ASSETS

### Group

	Investment property HK\$'000	Leasehold land and buildings HK\$'000	Barges, vehicles, leasehold improvements, machinery and equipment HK\$'000	Total HK\$'000
Cost/valuation:				
At 1 January 2001	68,000	326,130	331,231	725,361
Additions	-	1,257	1,523	2,780
Disposals	-	(1,125)	(6,319)	(7,444)
Deficit on revaluation (note 27)	(2,400)	-	-	(2,400)
<b>At 31 December 2001</b>	<b>65,600</b>	<b>326,262</b>	<b>326,435</b>	<b>718,297</b>
Accumulated depreciation:				
At 1 January 2001	-	28,021	111,840	139,861
Provided during the year	-	7,471	21,597	29,068
Disposals	-	(1,019)	(3,808)	(4,827)
<b>At 31 December 2001</b>	<b>-</b>	<b>34,473</b>	<b>129,629</b>	<b>164,102</b>
Net book value:				
<b>At 31 December 2001</b>	<b>65,600</b>	<b>291,789</b>	<b>196,806</b>	<b>554,195</b>
<b>At 31 December 2000</b>	<b>68,000</b>	<b>298,109</b>	<b>219,391</b>	<b>585,500</b>

The investment property, which is situated at Lot. 2024 in D.D. 121, Tong Yan San Tsuen, Yuen Long, New Territories, Hong Kong, is stated on the basis of a professional valuation performed by DTZ Debenham Tie Leung Limited, Chartered Surveyors, using an open market, existing use basis at 31 December 2001. The investment property is currently used for industrial purposes.

The revaluations of certain leasehold land and buildings situated in Hong Kong in 1993 were performed by Chesterton Petty Limited, Chartered Surveyors, on an open market, existing use basis at 31 December 1993.

# Notes to the financial statements

31 December 2001

38

notes  
to the  
financial  
statements

## 12. FIXED ASSETS (continued)

The leasehold land and buildings included above are held on the following lease terms:

	Hong Kong, professional valuation at 31 December 1993 less accumulated depreciation HK\$'000	Hong Kong, at cost less accumulated depreciation HK\$'000	Elsewhere, at cost less accumulated depreciation HK\$'000	Total HK\$'000
Long term	1,162	-	5,096	6,258
Medium term	67,958	56,657	160,356	284,971
Short term	-	-	560	560
	<u>69,120</u>	<u>56,657</u>	<u>166,012</u>	<u>291,789</u>

Had the Group's land and buildings been carried at cost less accumulated depreciation, they would have been included in the financial statements at approximately HK\$244,374,000 (2000: HK\$253,375,000).

## 13. TRADEMARKS

In accordance with the requirements of SSAP 29 "Intangible Assets", the cost of the Group's trademarks should be amortised over their best estimate of their useful lives. SSAP 29 also states that there is a rebuttable presumption that the useful life of an intangible asset will not exceed twenty years from the date when the asset is available for use. In the opinion of the directors, to follow the requirements of SSAP 29 would give a misleading view of the results of the Group and its earnings per share for the following reasons:

- (i) The trademarks, which were acquired by the Group in 1988, have been in use for a very long time, some of them since the 1930s, and will continue to be used for the long term. The valuation of the Group's trademarks performed by Sallmanns (Far East) Limited, an independent professional appraiser, has confirmed that the market value of the trademarks exceeded the carrying value as at 31 December 2001; and
- (ii) The Group has incurred and intends to continue to incur significant advertising and promotion expenses, which are charged to the profit and loss account when incurred, to maintain and increase the market value of its trademarks and brands.

As a result, the Group has decided not to follow the requirements of SSAP 29 and to continue to adopt the accounting policy that trademarks are stated at cost and provision is made for any impairment in value. The Group intends to confirm the value of its trademarks by independent professional valuation periodically.

# Notes to the financial statements

31 December 2001

## 14. INTERESTS IN SUBSIDIARIES

notes  
to the  
financial  
statements

39

	Company	
	2001	2000
	HK\$'000	HK\$'000
Unlisted shares, at cost	260,476	260,476
Amounts due from subsidiaries	257,711	257,425
	<u>518,187</u>	<u>517,901</u>

The amounts due from the subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Details of the principal subsidiaries of the Company at the balance sheet date were as follows:

<u>Name of company</u>	<u>Place of incorporation/ registration and operations</u>	<u>Issued/ registered and fully paid share capital</u>	<u>Percentage of equity interest attributable to the Company</u>	<u>Principal activities</u>
Hop Hing Industrial Building Limited	Hong Kong	HK\$12	100%	Property holding
Hop Hing International Limited	British Virgin Islands	US\$1,000	100%	Investment holding
Hop Hing Management (China) Limited	Hong Kong	HK\$2	100%	Distribution of edible oils
Hop Hing Oil Factory Limited	Hong Kong	HK\$24,000,010	100%	Distribution of edible oils
Hop Hing Oil (Holdings) Limited	Hong Kong	HK\$88,241,505	100%	Investment holding
Hop Hing Oil Trading (2000) Limited	Hong Kong	HK\$2	100%	Distribution of edible oils
Hung's Sino Holdings Limited	Hong Kong	HK\$100,010	100%	Property holding

# Notes to the financial statements

31 December 2001

40

notes  
to the  
financial  
statements

## 14. INTERESTS IN SUBSIDIARIES (continued)

<u>Name of company</u>	<u>Place of incorporation/ registration and operations</u>	<u>Issued/ registered and fully paid share capital</u>	<u>Percentage of equity interest attributable to the Company</u>	<u>Principal activities</u>
Knight Investment Limited	Hong Kong	HK\$4	100%	Property holding
Lapidus (1985) Limited	Hong Kong	HK\$12	100%	Barge ownership
Literal Company Limited	Hong Kong	HK\$10,000	100%	Property holding
Monitor Ltd.	British Virgin Islands	US\$1	100%	Trademark holding
Panyu Hop Hing Oils & Fats Co. Ltd.	People's Republic of China	HK\$75,000,000	100%	Edible oil production
Panyu Kwong Hing Packaging Company, Limited	People's Republic of China	HK\$50,000,000	100%	Blending and distribution of edible oils
Pinghu Hop Hing Vegetable Oils Company, Limited*	People's Republic of China	US\$1,400,000	51%	Edible oil refinery
Sino Food Products Company (Holdings) Limited	Hong Kong	HK\$10	100%	Distribution of edible oils
Zhejiang Hop Hing Oils & Fats Company, Limited*	People's Republic of China	US\$1,400,000	61%	Edible oil refinery

\* Registered as equity joint venture under PRC law

Except for Hop Hing International Limited, all subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would result in particulars of excessive length.

# Notes to the financial statements

31 December 2001

41

notes  
to the  
financial  
statements

## 15. INTERESTS IN ASSOCIATES

	Group	
	2001	2000
	HK\$'000	HK\$'000
Share of net assets, other than goodwill	24,645	24,645
Due to associates	(26,070)	(26,070)
	<u>(1,425)</u>	<u>(1,425)</u>

The amounts due to the associates are unsecured, interest-free and have no fixed terms of repayment.

Details of the associates of the Group at the balance sheet date were as follows:

<u>Name of company</u>	<u>Business structure</u>	<u>Place of incorporation/ registration and operations</u>	<u>Percentage of ownership of interest attributable to the Group</u>	<u>Principal activities</u>
Kwong Hing Food Products Company Limited	Corporate	People's Republic of China	50%	Ceased operations during 1999 and currently under dissolution
Omeron Profits Limited	Corporate	British Virgin Islands	50%	Trademark licencing
Tepac Profits Limited	Corporate	British Virgin Islands	50%	Trademark licencing



# Notes to the financial statements

31 December 2001

42

notes  
to the  
financial  
statements

## 16. INTEREST IN A JOINTLY CONTROLLED ENTITY

	Group	
	2001	2000
	HK\$'000	HK\$'000 (Restated)
	<u>          </u>	<u>          </u>
Share of net assets	<u>57,919</u>	<u>52,834</u>

In order to conform with the provisions of SSAP 29 "Intangible assets", the jointly controlled entity of the Group (the "JCE") changed its accounting policy with respect to the treatment of deferred expenditures during the year. The JCE now expenses rather than capitalises and amortises such deferred expenditures.

This change in accounting policy has been made retrospectively and, accordingly, the comparative amounts for the year ended 31 December 2000, including earnings per share, retained profits brought forward as at 1 January 2000 and interests in the JCE have been restated. The effect of this change in respect of the year ended 31 December 2000 is to increase both share of profits of the JCE and the net profit attributable to shareholders by HK\$212,000. The retained profits brought forward as at 1 January 2000 have been reduced by HK\$863,000 which is the amount of the adjustment in respect of the Group's share of the write-off of the deferred expenditures of the JCE capitalised relating to the years prior to 1 January 2000.

Details of the JCE at the balance sheet date were as follows:

<u>Name of company</u>	<u>Business structure</u>	<u>Place of incorporation/ principal operation</u>	<u>Percentage of equity interest attributable to the Group</u>	<u>Principal activities</u>
Evergreen Oils & Fats Limited ("Evergreen")	Corporate	Cayman Islands/ Hong Kong	50%	Blending and distribution of edible oils, fats and shortenings

# Notes to the financial statements

31 December 2001

43

notes  
to the  
financial  
statements

## 16. INTEREST IN A JOINTLY CONTROLLED ENTITY (continued)

The state of affairs and income and profit of Evergreen are summarised as follows:

	2001 HK\$'000	2000 HK\$'000 (Restated)
	<u>          </u>	<u>          </u>
State of affairs		
Current assets	203,884	202,465
Non-current assets	31,330	36,947
Current liabilities	(116,321)	(129,032)
Long term liabilities	(1,857)	(2,516)
	<u>          </u>	<u>          </u>
Net assets attributable to venturers	<u>117,036</u>	<u>107,864</u>
Income and profit		
Turnover	<u>627,542</u>	<u>662,775</u>
Profit for the year	<u>9,172</u>	<u>5,415</u>

## 17. STOCKS

	Group	
	2001 HK\$'000	2000 HK\$'000
	<u>          </u>	<u>          </u>
Finished goods	9,625	23,532
Work in progress	1,000	1,031
Raw materials	49,030	54,702
	<u>          </u>	<u>          </u>
	<u>59,655</u>	<u>79,265</u>

The amount of stocks that are carried at net realisable value is HK\$13,862,000 (2000: HK\$14,081,000).

# Notes to the financial statements

31 December 2001

44

notes  
to the  
financial  
statements

## 18. ACCOUNTS RECEIVABLE

The aged analysis of accounts receivable as at the balance sheet date is as follows:

	Group	
	2001 HK\$'000	2000 HK\$'000
Current	35,792	69,589
Less than 60 days	5,192	39,709
Over 60 days	10,032	17,294
	<u>51,016</u>	<u>126,592</u>

The Group's products are sold either on a cash on delivery basis or on an open account basis ranging from 30 to 50 days of credit. Each customer has a maximum credit limit and overdue balances are regularly reviewed by senior management.

Accounts receivable of the Group include a trading balance due from a jointly controlled entity of HK\$6,845,000 (2000: HK\$22,007,000), which is unsecured and interest-free.

## 19. INVESTMENTS IN SECURITIES

	Group	
	2001 HK\$'000	2000 HK\$'000
Listed equity investment in Hong Kong, at market value	<u>-</u>	<u>24,944</u>

## 20. PLEDGED CASH DEPOSIT

The pledged cash deposit was pledged to a bank as security for certain bills payable.

# Notes to the financial statements

31 December 2001

45

notes  
to the  
financial  
statements

## 21. INTEREST-BEARING BANK LOANS

	Group	
	2001	2000
	HK\$'000	HK\$'000
Secured	291,227	329,738
Unsecured	5,616	32,176
	<u>296,843</u>	<u>361,914</u>
Portion due within one year included under current liabilities	<u>(140,335)</u>	<u>(153,910)</u>
Long term portion	<u><u>156,508</u></u>	<u><u>208,004</u></u>
The bank loans are repayable in various instalments within a period of:		
Less than 1 year or on demand	140,335	153,910
More than 1 year but less than 2 years	156,508	51,380
More than 2 years but less than 5 years	-	156,624
	<u><u>296,843</u></u>	<u><u>361,914</u></u>

The secured bank loans were secured by legal charges over certain stocks, accounts receivable, properties and plant and machinery of the Group.

## 22. OTHER LOANS

	Group	
	2001	2000
	HK\$'000	HK\$'000
Due to the controlling shareholder of the Group	-	11,202
Due to minority shareholders of subsidiaries		
Secured	2,293	2,293
Unsecured	2,884	2,884
	<u>5,177</u>	<u>5,177</u>
	<u><u>5,177</u></u>	<u><u>16,379</u></u>

# Notes to the financial statements

31 December 2001

46

notes  
to the  
financial  
statements

## 22. OTHER LOANS (continued)

The amount due to the controlling shareholder is unsecured, interest-free and was fully settled during the year.

The amounts due to the minority shareholders bear interest at 6% to 7% per annum. During the year, certain minority shareholders waived interest totalling HK\$173,025 (2000: HK\$346,000) on the loans due to them by the Group.

The secured other loans were secured by floating charges over certain stocks of the Group.

## 23. BILLS PAYABLE

Bills payable are secured by certain cash deposits, investment property and certain leasehold land and buildings of the Group.

## 24. ACCOUNTS PAYABLE

The aged analysis of accounts payable as at the balance sheet date is as follows:

	Group	
	2001	2000
	HK\$'000	HK\$'000
Current and less than 60 days	15,588	23,917
Over 60 days	7,865	32,331
	<u>23,453</u>	<u>56,248</u>

## 25. DEFERRED TAX

	Group	
	2001	2000
	HK\$'000	HK\$'000
Balance at beginning of year	9,854	10,409
Reversal for the year – note 9	(254)	(555)
Balance at end of year	<u>9,600</u>	<u>9,854</u>

The provision for deferred tax as shown in the balance sheet relates to timing differences arising from accelerated capital allowances. There were no other material timing differences at the balance sheet date.

No provision for deferred tax has been made for the revaluation surpluses of the investment property and other properties as they do not constitute timing differences.

## 26. ISSUED CAPITAL

## Shares

	Company	
	Number of shares	HK\$'000
Authorised:		
Shares of HK\$0.10 each		
At 1 January 2001 and 31 December 2001	<u>800,000,000</u>	<u>80,000</u>
Shares of US\$0.10 each		
At 1 January 2001 and 31 December 2001	<u>120,000</u>	<u>93</u>
		<u>80,093</u>
Issued and fully paid:		
Shares of HK\$0.10 each		
At 1 January 2001 and 31 December 2001	<u>409,113,021</u>	<u>40,911</u>

## Warrants

At 1 January 2001, the Company had 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 at an initial subscription price of HK\$1.25 per share. Such warrants were cancelled upon their expiration on 30 April 2001.

No warrants were exercised during the year.

## Share options

As at the balance sheet date, the Company had 23,492,677 share options outstanding under the Share Option Scheme of the Company, with exercise periods ranging from 17 November 2000 to 16 November 2010 and exercise prices ranging from HK\$0.1834 to HK\$0.2112. Further details of the share options outstanding are set out under the heading "Directors' right to acquire shares" in the Report of the Directors on page 16. No share options were exercised during the year.

The exercise in full of the share options would, under the capital structure of the Company at 31 December 2001, result in the issue of 23,492,677 additional shares of HK\$0.10 each and cash proceeds, before the related issue expenses, of approximately HK\$4,365,000.

# Notes to the financial statements

31 December 2001

48

notes  
to the  
financial  
statements

## 27. RESERVES Group

	Share premium HK\$'000	Revaluation reserves		Capital and other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000
		Investment property HK\$'000	Other properties HK\$'000			
Balance at 1 January 2000:						
As previously stated	374,364	9,919	56,265	58,117	(1,133)	497,532
Prior year adjustment	-	-	-	-	(863)	(863)
As restated	374,364	9,919	56,265	58,117	(1,996)	496,669
Net profit attributable to shareholders	-	-	-	-	20,591	20,591
Balance at 31 December 2000	<u>374,364</u>	<u>9,919</u>	<u>56,265</u>	<u>58,117</u>	<u>18,595</u>	<u>517,260</u>
Balance at 1 January 2001:						
As previously stated	374,364	9,919	56,265	58,117	19,246	517,911
Prior year adjustment	-	-	-	-	(651)	(651)
As restated	374,364	9,919	56,265	58,117	18,595	517,260
Deficit on revaluation (note 12)	-	(2,400)	-	-	-	(2,400)
Release on liquidation of a subsidiary	-	-	-	642	-	642
Net profit attributable to shareholders	-	-	-	-	7,341	7,341
Balance at 31 December 2001	<u>374,364</u>	<u>7,519</u>	<u>56,265</u>	<u>58,759</u>	<u>25,936</u>	<u>522,843</u>

## Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Total HK\$'000
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
Balance at 1 January 2000	231,754	231,383	13,712	476,849
Net profit attributable to shareholders	-	-	22	22
Balance at 31 December 2000 and 1 January 2001	231,754	231,383	13,734	476,871
Net profit attributable to shareholders	-	-	50	50
Balance at 31 December 2001	<u>231,754</u>	<u>231,383</u>	<u>13,784</u>	<u>476,921</u>

The Company's contributed surplus arose in 1990 as a result of the Group reorganisation and represented the difference between the nominal value of the Company's shares allotted under the reorganisation scheme and the then consolidated net asset value of the acquired subsidiaries, net of the subsequent distribution therefrom.

**27. RESERVES (continued)**

Under the Companies Act 1981 of Bermuda, the contributed surplus is distributable to shareholders in certain circumstances. As at 31 December 2001, the total amount of reserves distributable to shareholders, including the Company's retained profits, amounted to HK\$245,167,000 (2000: HK\$245,117,000).

**28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT****(a) Reconciliation of profit from operating activities to net cash inflow/(outflow) from operating activities:**

	2001	2000
	HK\$'000	HK\$'000
Profit from operating activities	26,008	51,880
Depreciation	29,068	30,551
Loss on disposal of fixed assets	985	905
Loss on disposal of subsidiaries	-	1,080
Gain on liquidation of a subsidiary	(51)	-
Write-back of accounts payable provision	(10,206)	(13,000)
Realised and unrealised holding gain on		
investments in listed securities	(624)	(24,867)
Decrease in stocks	19,610	44,603
Decrease/(increase) in accounts receivable	75,576	(43,256)
Decrease/(increase) in sundry receivables, deposits		
and prepayments	(19,200)	2,076
Decrease in bills payable	(29,960)	(90,680)
Increase/(decrease) in accounts payable	(22,589)	7,331
Decrease in other payables and accrued changes	(19,779)	(9,214)
	<u>48,838</u>	<u>(42,591)</u>
Net cash inflow/(outflow) from operating activities	<u>48,838</u>	<u>(42,591)</u>



# Notes to the financial statements

31 December 2001

50 notes  
to the  
financial  
statements

## 28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

### (b) Analysis of changes in financing:

	Interest-bearing bank and other loans* HK\$'000	Minority interests HK\$'000
	<u>                    </u>	<u>                    </u>
Balance at 1 January 2000	228,115	7,597
Net cash inflow from financing	92,486	-
Share of profits of subsidiaries for the year	-	(279)
	<u>                    </u>	<u>                    </u>
Balance at 31 December 2000 and 1 January 2001	320,601	7,318
Net cash outflow from financing	(38,329)	-
Liquidation of a subsidiary	-	(1,973)
Share of losses of subsidiaries for the year	-	(102)
	<u>                    </u>	<u>                    </u>
Balance at 31 December 2001	<u>282,272</u>	<u>5,243</u>

\* excluding bank loans maturing within 3 months from drawdown dates.

### (c) Disposals of subsidiaries:

	2001 HK\$'000	2000 HK\$'000
	<u>                    </u>	<u>                    </u>
Net assets/(liabilities) disposed of:		
Fixed assets, net	-	5,756
Trademarks	-	4,900
Stocks	-	789
Accounts receivable	-	17
Sundry receivables, deposits and prepayments	-	1,555
Cash and bank balances	-	1,767
Other payables and accrued charges	-	(4,016)
	<u>                    </u>	<u>                    </u>
	-	10,768
Loss on disposals	-	(1,080)
	<u>                    </u>	<u>                    </u>
	-	9,688
	<u>                    </u>	<u>                    </u>
Satisfied by:		
Cash	-	9,688
	<u>                    </u>	<u>                    </u>

## 28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

## (c) Disposals of subsidiaries: (continued)

Analysis of the net cash inflow of cash and cash equivalents in respect of the disposals of subsidiaries:

	2001	2000
	HK\$'000	HK\$'000
	<u>          </u>	<u>          </u>
Cash consideration	-	9,688
Cash and bank balances disposed of	-	(1,767)
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
	-	7,921
	<u>          </u>	<u>          </u>

The subsidiaries disposed of in prior year had no significant impact on the Group's cash flows. The results of the subsidiaries disposed of in the prior year had no significant impact on the consolidated turnover and the consolidated profit after tax for the prior year.

## (d) Liquidation of a subsidiary:

	2001	2000
	HK\$'000	HK\$'000
	<u>          </u>	<u>          </u>
Net liabilities disposed of:		
Fixed assets, net	1,280	-
Minority interest	(1,973)	-
	<u>          </u>	<u>          </u>
	(693)	-
Release of reserve	642	-
Gain on liquidation of a subsidiary	51	-
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

The subsidiary liquidated in the current year had no significant impact on the Group's cash flows. The results of the subsidiary liquidated during the year had no significant impact on the consolidated turnover and the consolidated profit after tax for the current year.

# Notes to the financial statements

31 December 2001

52

notes  
to the  
financial  
statements

## 29. PLEDGE OF ASSETS

At the balance sheet date, investment property, certain leasehold land and buildings and certain plant and machinery of the Group with an aggregate carrying value of approximately HK\$344,970,000 (2000: HK\$352,174,000), certain accounts receivable of the Group of approximately HK\$5,049,000 (2000: Nil), certain stocks of the Group with a carrying value of approximately HK\$22,096,000 (2000: Nil) and a cash deposit of the Group of approximately HK\$7,437,000 (2000: HK\$5,802,000) were pledged to banks to secure banking facilities granted to the Group. In addition, certain stocks with carrying value of approximately HK\$2,293,000 (2000: HK\$2,293,000) were pledged to secure certain other loans.

## 30. OPERATING LEASE ARRANGEMENTS

### (a) As lessor

The Group leases certain of its leasehold land and building and investment property under operating lease arrangements, with leases negotiated for terms ranging from 2 to 8 years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

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

	2001 HK\$'000	2000 HK\$'000
Within one year	9,623	7,341
In the second to fifth years, inclusive	23,587	1,547
After five years	13,940	-
	<u>47,150</u>	<u>8,888</u>

### (b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging between 1 to 25 years.

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

	2001 HK\$'000	2000 HK\$'000
Within one year	837	1,412
In the second to fifth years, inclusive	497	1,078
After five years	3,520	3,659
	<u>4,854</u>	<u>6,149</u>

**31. COMMITMENTS**

In addition to the operating lease commitments details in note 30(b) above, the Group had the following commitments at the balance sheet date:

	Group	
	2001	2000
	HK\$'000	HK\$'000
Capital commitments for the acquisition of property, plant and equipment:		
Contracted for	4,931	3,704
Authorised, but not contracted for	2,069	3,057
	<u>          </u>	<u>          </u>

The Company had no significant commitments at the balance sheet date (2000: Nil).

**32. CONTINGENT LIABILITIES****Group**

- (a) At the balance sheet date, 37 (2000: 49) employees had completed the required number of years of service under the Employment Ordinance to be eligible for long service payments on termination of their employment. The Group is only liable to make such payments where the termination meets the required circumstances specified in the Employment Ordinance. If the termination of all these employees met the circumstances required by the Employment Ordinance, the Group's liability at the balance sheet date would be approximately HK\$964,000 (2000: HK\$1,148,000). No provision has been made for this amount in the financial statements as the probability of an outflow of resources thereof is considered remote.
- (b) At the balance sheet date, the contingent liabilities in respect of guarantees given to banks to secure banking facilities utilised by the JCE of the Group amounted to HK\$15,333,000 (2000: HK\$10,131,000).

**Company**

At the balance sheet date, the contingent liabilities of the Company in respect of guarantees given to banks to secure banking facilities utilised by a subsidiary and the jointly controlled entity amounted to HK\$109,671,000 (2000: HK\$175,682,000).

# Notes to the financial statements

31 December 2001

54

notes  
to the  
financial  
statements

## 33. RELATED PARTY TRANSACTIONS

In addition to those transactions disclosed elsewhere in the financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2001 HK\$'000	2000 HK\$'000
Transactions with the JCE:			
Sales of goods	a	52,746	63,562
Purchases of goods/services	b	2,290	6,090
Oil refinement income	c	14,597	14,317
Royalty income	d	23,190	24,443
Property rental and tank farm income	e	12,552	13,506
Other property related income	f	4,174	4,340
Management and marketing fee income	g	7,000	2,050
Transactions with the controlling shareholders of the Company			
Sales of goods	a	569	920
Consideration received on disposal of subsidiaries	h	-	9,688
Consideration received on a disposal of property	h	-	2,012
Management fee expenses paid to a company in which a director of the Company has an indirect interest			
	i	<u>540</u>	<u>540</u>

### Notes:

- The sales of goods were at prices comparable to those offered to other unrelated customers of the Group.
- The purchases of goods/services were at prices comparable to those offered by other unrelated suppliers/providers.
- The oil refinement income was charged at rates comparable to those offered to other unrelated customers of the Group.
- Pursuant to a trademark licence agreement entered into between the Group and the JCE, the royalties received for the use of the trademarks is calculated based on a percentage as agreed between the parties from time to time, of the gross sales value of licensed products sold by the JCE within Hong Kong and Macau.

## 33. RELATED PARTY TRANSACTIONS (continued)

*Notes: (continued)*

- e. The property rental income related to the investment property and barges included in fixed assets. The property rental income and tank farm income were charged by reference to the relevant industry practice and was subject to review on a regular basis.
- f. The other property related income included air-conditioning charges and property management fee and were charged based on the cost incurred in managing the properties and providing air-conditioning service.
- g. The management and marketing fee income were charged based on the cost incurred for providing such services.
- h. The transactions were conducted according to the terms of contracts entered into between the Group and companies associated with the controlling shareholder. The transactions were approved by the shareholders at a special general meeting held on 30 June 2000, and the details of the contracts are summarised in a circular to the shareholders dated 13 June 2000.
- i. The management fee expenses represented payment of remuneration to a director of the Company through a company in which he has indirect interest therein.

At 31 December 2001, the Group had no outstanding balance due to the controlling shareholder of the Group (2000: HK\$11,202,000).

## 34. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, the directors propose a bonus issue of warrants (the "Bonus Warrants") to the shareholders on the basis of one Bonus Warrant for every five shares of HK\$0.10 each. Each Bonus Warrant entitles the warrant holder to subscribe for one new share of the Company at an initial subscription price of HK\$0.27 each in the period from 29 May 2002 to 30 April 2005. Based on 409,113,021 shares in issue as at the balance sheet date, the total number of Bonus Warrants to be issued will be up to 81,822,604 units, entitling the warrant holders thereof to subscribe for an aggregate of 81,822,604 shares of the Company, representing 20% of the issued share capital as at the balance sheet date.

## 35. COMPARATIVE AMOUNTS

As 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. A prior year adjustment has been made and certain comparative amounts have been reclassified to conform with the current year's presentation.

## 36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 23 April 2002.