



Detergent



Hong Kong Top Ten Brands

AXE Brand detergent was elected as one of the winners in 2000 by the Chinese Manufacturers' Association of Hong Kong.



Employee, Training and Remuneration Policy

The Group has approximately 1,500 employees as at 31st December, 2000. Employees are remunerated according to nature of the job and market trend, with built-in merit component incorporated in the annual increment to reward and motivate individual performance. During the year, the Group continued to remain committed to its staff training and development programme. Total staff costs for the year ended 31st December, 2000 was HK\$100 million (1999: HK\$96 million).

Charges on Group Assets

At 31st December, 2000, the amount of the Group's assets pledged as security for liabilities was HK\$788 million (1999: HK\$903 million).

Outlook

We expect the conditions of the markets that we are in will continue to improve with the gradual recovery of the economy and the imminence of China's entry to the World Trade Organization. The Group will continue to expand its core brands, distribution networks and development in information technologies to support its growth strategies in the food business.

Flour Division

The Division continues to show double-digit volume growth in the China market. Its production facility at Shekou (next to Shenzhen City) is undergoing an expansion plan, which will increase the current daily capacity from 800 metric tons to 1,000 metric tons. It is expected to be completed by March 2001.

During the year 2000, the Division also managed to maintain its profit growth despite of price competition. It was accomplished through significant improvement in operating productivity in the areas of procurement, production and distribution.



Flour

