

Review of Operations

業務回顧

A strategic change

策略性變動

In February 2000, 357.24 million newly issued shares of Arnhold Holdings Limited were offered. Upon completion of the subscription, the Company was renamed i-Onyx Limited in May 2000 with the intent to participate in the rapidly expanding technology sector, whilst running the existing building materials and engineering equipment business of the Arnhold Group as a separate subsidiary.

於二零零零年二月，357,240,000股安利控股有限公司之新發行股份獲提呈發售。完成認購事項後，本公司於二零零零年五月易名為i-Onyx Limited，計劃以獨立附屬公司之方式經營安利集團現有建築材料及工程設備業務之同時，亦參與發展迅速之科技行業。

Since May 2000, i-Onyx' major strategic investors now include GEMS Oriental and General Fund Limited, a regional private equity investment vehicle, managed by General Enterprise Management Services Limited and whose investments range from technology, telecommunications, media, to energy and natural resources, real estate and finance; and the Usaha Tegas Group, a conglomerate whose activities include media, satellite communications and broadcasting, fixed and wireless telecommunications, real estate, and power.

自二零零零年五月，i-Onyx之主要策略性投資者現包括一項地區性及私人股本投資工具GEMS Oriental and General Fund Limited，其由General Enterprise Management Services Limited所管理，投資項目涉及科技、電訊、傳媒至能源與天然資源、房地產及金融等領域；及跨行業企業集團Usaha Tegas Group，其業務包括傳媒、人造衛星通訊與廣播、有線與無線電訊、房地產及電力。

In August 2000 a further 37.8 million new shares were placed with several investors led by the Israel Corporation and the Ofer family; an Israel technology, finance, real estate, tourism, chemicals, shipping and oil conglomerate.

於二零零零年八月，額外37,800,000股新股獲配售予以Israel Corporation及Ofer 家族為首之數位投資者，其為一家以色列的多元化集團，業務遍及科技、金融、房地產、旅遊、化工、船務及石油等方面。

Prudence in a year of valuation changes

在估值變動的一年中力求審慎

In a period that has seen the Nasdaq index reduce 50% from over 5,000 in March 2000 to 2,500 in December (and subsequently fall below the 2,000 level in March 2001), all but a lucky few have made investments in technology companies that have not seen a substantial valuation decrease.

期內納斯達克指數已由二零零零年三月的高位逾五千點下調50%，十二月時為二千五百點，（其後於二零零一年三月更跌破二千點之水平），只有少數投資者幸能避過其於科技公司的投資的估值大幅下調。

i-Onyx has, through its immense network of contacts, examined a large number of potential investments (over 200), and whilst many were deemed to be good long-term companies, the conservative investment approach suggested that these were over-priced.

i-Onyx通過其龐大的關係網絡，已審閱大量有潛質的投資項目（超過200項），當中不少似能作為長期投資的良好公司，但保守的投資策略卻反映出這些公司作價太高。

As a result i-Onyx has not invested significantly, and has maintained a healthy cash balance of approximately US\$53 million.

Prior to July 2000, i-Onyx made two investments. A US\$5 million commitment has been made to the Wit Soundview Dawntreader Fund II (for which US\$1.75 million had been called-up as at December 2000). The other investment is for US\$1 million in the Beijing based multi-media company and publisher, China Interactive Media Group. Although there is no requirement to write down these investments, and both remain in a sound position, in line with the company's prudent investment approach approximately US\$1.5 million has been set aside into an investment revaluation reserve recognizing the abnormal events in the valuation of technology stocks.

Outlook

Looking forward we will continue with our prudent investment strategy that focuses on opportunities which offer significant upside potential but structured in a way to give us adequate downside protection.

Timing will be critical and whilst we believe, from the deals received over the last few months, that valuations are coming into line with cash flow projections we will not invest unless there is an excellent case to do so. In general, the outlook for many industries and businesses remains uncertain given a weaker global economy, and we will be highly cautious and patient before we make any further significant commitment.

We are also more likely to target larger and later stage deals with their inherently lower risk profile. This will enable a closer relationship between i-Onyx and the investee company and give us greater ability to add real value. Whilst technology stocks continue to be a focus of the investment community, i-Onyx will consider potential opportunities in other sectors as well, again reflecting market conditions and the broad industry knowledge and base of our Strategic Investors.

因此，i-Onyx並未作出大額投資，並保持穩健的現金結餘約53,000,000美元。

早於二零零零年七月以前，i-Onyx作出了兩項投資。其一為對Wit Soundview Dawntreader Fund II 作出五百萬美元的投資承諾（截至二零零零年十二月為止，已繳付其中1,750,000美元），另一為投資於以北京為本的多媒體公司及出版商 China Interactive Media Group 之1,000,000美元。雖然兩者現況良好，亦無須要對其作出撥備，惟公司仍採取謹慎的投資策略，知悉科技股票估值可隨時有變，故將約1,500,000美元轉撥至投資重估儲備。

前瞻

展望未來，我們將繼續採取審慎的投資策略，留意具備龐大升值潛力之投資機會，惟我們將謹慎安排投資策略，以保障投資出現減值時本公司之利益。

從近幾個月我們看到的項目來說，把握機遇雖極為重要，縱使看到預期現金流量與估值相近，除非我們相信方案極其優越，否則便不會作出投資。整體來說，不少行業及業務之前景仍因環球經濟疲弱而不甚明朗，在未作出進一步重大承擔時，我們將極為謹慎，以待投資機會出現。

此外，我們將會傾向尋找較大型的和較成熟的項目，原因為此等項目本身之風險較低。i-Onyx更可藉此與接受投資公司建立更緊密的關係，並使我們可為有關公司增值。在科技股票仍為投資界焦點的同時，i-Onyx將考慮其它界別的潛在投資機會，這正好突顯市場現況和我們策略投資者的廣泛行業知識和雄厚基礎之不同之處。

Finally, we intend to minimise administrative expenses using the existing network and managerial resources of the three major shareholders.

Arnhold

As the Group's technology investments only began in May 2000, the financial results in the Profit and Loss Account largely reflect the performance of the Arnhold Group, which continued over the last year to be managed as a separate subsidiary by Mr. Michael Green. Segmental information about the Group's turnover and operating profit is disclosed in the Report of the Directors.

Both turnover and profit were adversely affected by the sustained economic downturn in Hong Kong. However, the Arnhold business remains in a solid position with outstanding order book as at end of 31 December 2000 of approximately HK\$435 million, representing an increase of 2.2% over last year.

In general the year 2000 was another difficult year for the construction and property sector. The sluggish demand and fierce competition has continued to drive down prices which has in turn reduced profit margins. However, the Group's continuous effort to control costs and improve efficiency has helped to minimise the impact, to the extent that on a consolidated basis i-Onyx Ltd remains profitable.

At year-end, Arnhold has retained its leading position within the Hong Kong market in conglomerate marble and plumbing fixtures. With a sound financial base, and a strong market position we believe, looking forward, that Arnhold is well prepared to benefit from the improving economic environment.

最後，我們將善用三大主要股東的現有網絡和管理資源，將行政開支降至最低。

安利

由於本集團於二零零零年五月方開始進行科技投資，因此損益賬之財務業績主要反映由米高葛林先生以個別附屬公司方式管理的安利集團之表現。本集團營業額及經營溢利的分類資料在董事會報告中披露。

香港經濟持續低迷對營業額及溢利均構成不利影響。然而，安利的業務依然穩健，於二零零零年底十二月三十一日止的未付運訂單約達435,000,000港元，較去年上升2.2%。

總括而言，二零零零年仍是建築和地產界困難的一年。需求疲弱及激烈競爭繼續令價格下調，邊際利潤亦因而減少。但因本集團不斷嚴控成本和提升效率，所受之影響已減至最低，並能於綜合基準上使i-Onyx Ltd保持盈利。

於年結時，安利仍保持其於香港的人造雲石和衛浴潔具市場中的領導位置，憑著穩固的財政基礎和穩厚市場地位，我們相信展望將來，安利已準備充裕，從經濟改善中得益。

Liquidity and Financial Resources

For the period under review, the Group issued 395,040,000 ordinary shares to strategic investors. The net proceeds after expenses were approximately HK\$406 million.

It was intended that the net proceeds would be used to expand the business of the Group to include investments in the technology sector. However, the Group has adopted a conservative investment strategy and only committed around HK\$47 million to technology related investments. Given the recent reduction in the valuation of technology companies, the Group has set aside HK\$12 million as an investment revaluation reserve. The Group has also continued with its prudence-based approach in hedging Arnhold business foreign currency exposure through forward foreign exchange contracts.

The Group has placed most of its surplus funds in time deposits with reputable financial institutions. As at the end of 2000, the Group maintained a healthy balance sheet with a cash balance of around HK\$416 million and a gearing ratio of 0.7% (1999: 2.1%) – a calculation based on short and long term interest bearing bank/other borrowings of HK\$5 million (1999: HK\$6 million), and the shareholders fund of HK\$693 million (1999: HK\$295 million). As detailed in note 25 to the accounts, certain assets of the Group have been used to secure bank loans. The Group also has contingent liabilities as at the end of the year for which details are set out in note 27 to the Accounts.

Employees

As at 31 December 2000, the Group employed around 390 employees in both Hong Kong and the Mainland. The Group continues to provide remuneration packages, including share options, to employees with reference to prevailing market practices. Information on the share option scheme and the Group's remuneration expenses are set out in the Report of the Directors and note 4 to the accounts respectively.

流動資金及財政資源

在回顧期內，本集團發行合共395,040,000股普通股予策略性投資者。經扣除開支後的所得款項淨額約為406,000,000港元。

所得款項淨額本擬用於擴充本集團業務至涵蓋科技界別的投資。然而，因本集團採取保守的投資策略，故僅作出約47,000,000港元的科技相關投資。鑑於近來科技公司的價值大幅下跌，本集團已撥出12,000,000港元作為投資重估儲備。此外，本集團亦繼續採取審慎態度，透過遠期外匯合約對沖安利業務的外匯風險。

本集團已把大部份盈餘資金存放於信譽超著的財務機構作定期存款。截至二零零零年底，本集團的資產負債狀況穩健，現金結餘約為416,000,000港元、按短期及長期計息銀行／其他借貸5,000,000港元（一九九九年：6,000,000港元）及股東資金為693,000,000港元（一九九九年：295,000,000港元）計算的負債比率為0.7%（一九九九年：2.1%）。銀行貸款由本集團若干資產作抵押，詳情載於財政報告附註25。此外，本集團於本年度結束時亦承擔或然負債，詳情載於財政報告附註 27。

僱員

於二零零零年十二月三十一日，本集團在香港及中國兩地僱用了約390名僱員。本集團提供予僱員之整套薪酬福利計劃（包括購股權）乃經參考現行市場慣例後釐定。有關購股權計劃及本集團的薪酬開支之資料分別載於董事會報告及財政報告附註4。