

## Liquidity and financial resources

The Group's cash and bank balances as at 31 December 2000 amounted to HK\$25,622,000. The Group's total borrowings amounted to HK\$88,056,000 representing a decrease of HK\$130,059,000 as compared to that of last year. The gearing ratio, expressed as the percentage of long-term debt to equity, was 3.2% as at 31 December 2000. The comparative gearing ratio as at 31 December 1999 was 1.2%.

The maturity profile of the total borrowings of 31 December 2000 was spread over a period of five years with HK\$62,591,000 repayable within one year, HK\$7,928,000 repayable between one to two years and HK\$17,537,000 repayable between to five years.

The Group's bank borrowings were mainly in HK\$, US\$ and VND (Vietnamese Dong) with a proportion of 58%, 4% and 38% respectively. As most of the VND borrowings were utilized in local Vietnam's operational expenses and working capital, the exchange risk was thus minimized. Of the total borrowings, about 42% were at fixed interest rates.

As at 31 December 2000, certain investment properties valuing at HK\$74,150,000 and certain fixed assets with a net book value of HK\$200,609,000 have been pledged to banks to secure facilities granted to the Group.

## Foreign exchange risk

The Group is exposing to the risk of exchange rate's fluctuation in Vietnamese Dong for its investments in Vietnam. The Vietnamese Dong to HK\$ had a 3% devaluation as at 31 December 2000 when it was compared to the previous year's exchange rate, resulting in a foreign exchange loss of HK\$9,061,000

## 資產流動性及財務資源

本集團之現金和銀行結餘於二零零零年十二月三十一日止為港幣25,622,000元。本集團的總借貸為港幣88,056,000元，與去年同期下降了港幣130,059,000元。於二零零零年十二月三十一日資本負債比率（以長期債項相對總資本計算之百分比率）為3.2%。其於一九九九年十二月三十一日之對比資本負債比率為1.2%。

於二零零零年十二月三十一日的總借貸分為五年到期攤還，其中在一年內付還為港幣62,591,000元，在一至兩年內付還為港幣7,928,000元，及在兩至五年內付還為港幣17,537,000元。

本集團的主要銀行借貸以港幣，美元和越南盾計算分別為58%、4%和38%。因主要的越南盾借款是用作越南當地的營運費用和流動資金，所以匯率的風險可減至最低。所有借貸中，有42%是按固定利率計算的。

於二零零零年十二月三十一日止，某些投資物業總值為港幣74,150,000元及某些固定資產帳面淨值為港幣200,609,000元已按揭予銀行以獲取本集團之貸款設施。

## 外匯風險

本集團於越南之投資須面對越南盾匯率波動之風險。因越南盾兌港元於二零零零年十二月三十一日之匯率相比一年前之匯率有約3%之貶值，所以導致本集團錄得港幣9,061,000元之外匯虧損及港幣9,633,000元因演譯外國附屬公司及共同控制公司財務報表所帶來之外匯差距。因越南盾並非一種自

and an exchange difference on translation of the financial statements of foreign subsidiaries and jointly-controlled entities of HK\$9,633,000. As Vietnamese Dong is not a freely exchangeable currency, hedging instruments are in lack of and have not been used by the Group.

### Major investments

As at 31 December 2000, the Group held 100,000,000 ordinary shares of TCL International Holdings Ltd. ("TCL"), representing a total value of HK\$178,000,000 based on its closing price as at 31 December 2000 of HK\$1.78 each. Besides, the Group also held 31,405,954 B shares in Shenzhen Huafa Electronics Co. Ltd., a listed company in Shenzhen Stock Exchange, the PRC. As the shares held by the Group were founder shares and disposal thereof would be subject to restrictions. The Group is in the process of applying for uplifting of the restrictions to the authorities according to the relevant regulations in the PRC. In addition, the Group also held 1,000,000 shares of Lotus Pacific Inc., a company with its shares trading on the OTC Bulletin Board in the USA. Since Lotus Pacific Inc. is engaged in high-tech business, its share price has dropped dramatically along with most of other high-tech stocks in the US stock market. The value of the Group's holding of the shares was US\$1,500,000 as at 31 December 2000, with its closing price as at 31 December 2000 of US\$1.50 each.

### Material acquisitions and disposals

The Group, by a placement through Cazenove Asia Limited, disposed of 80,000,000 ordinary shares in TCL at a price of HK\$3.35 each on 12 June 2000 and thus raised a net proceeds of approximately HK\$261,000,000 (also refer to the Chairman's statement). By an agreement dated 19 September

由兌換之貨幣，所以對沖工具十分缺乏。本集團亦無採用任何對沖工具。

### 主要投資

於二零零零年十二月三十一日；本集團持有100,000,000股TCL國際控股有限公司(「TCL」)普通股股份，相等於總值港幣178,000,000元(以二零零零年十二月三十一日的收市價港幣1.78元計算)。此外，本集團亦持有於深圳交易所上市之深圳華發電子股份有限公司B股31,405,954股。本集團持有之股份為法人股並受到有關轉讓限制。本集團正向有關當局及根據有關中華人民共和國的規定申請豁免有關的限制。另外，本集團亦持有於美國場外市場交易之Lotus Pacific Inc.股份共1,000,000股。因Lotus Pacific Inc.是一間經營高科技業務之公司，所以股價亦隨著大部份高科技公司股份於美國股市的走勢一樣地急速下滑。於二零零零年十二月三十一日，以該日之收市價1.5美元計算，本集團所持股之總值為1,500,000美元。

### 重要收購及出售

本集團於二零零零年六月十二日透過嘉誠證券有限公司以每股港幣3.35元配售80,000,000股TCL股份，因而獲得約港幣261,000,000元之淨現金(可參考主席報告)。根據二零零零年九月十九日簽署的一份協議，本集團以港幣38,500,000元之公平交易價(參考－獨立專業估值)購得陸摯天先生和鄭孺女士位

2000, the Group acquired a luxurious residential property in Hong Kong from Mr. Luk King Tin and Madam Cheng Cheung, the chairman and a director of the Group respectively at the price of HK\$38,500,000, by reference to an independent professional valuation. The acquisition cost was funded by internal resources and a mortgage loan from a local bank. By an agreement dated 21 November 2000, the Group disposed of a wholly-owned subsidiary, Luks Technology Development Company Limited ("Luks Tech") to TCL Overseas Holdings Limited at a consideration of HK\$10,690,000. Luks Tech is a British Virgin Islands company established solely for holding a TV manufacturing and distributing subsidiary in Vietnam. After the disposal, the Group's activities in electronics manufacturing and distribution are at a minimal.

### **Contingent Liabilities**

No contingent liabilities for the Group as at 31 December 2000 was provided.

### **Future plan for investments**

The Group has plans to further expand the production facilities of the cement plant in Vietnam so that the total capacity can be upgraded to 800,000 tonnes per annum. The funding of the investment is expected to be financed by local bank borrowings and internal resources.

於香港的一間豪華住宅物業。陸擎天先生及鄭嬌女士分別為本集團之主席及董事。購買之款項分別由內部資源及由一間本地銀行之按揭貸款所提供。另外，根據二零零零年十一月二十一日之協議，本集團以港幣10,690,000元之代價轉讓陸氏科技發展有限公司(「陸氏科技」)給TCL Overseas Holding Limited。陸氏科技是一間BVI公司，主要資產為持有一間越南的電視機製造和分銷附屬公司。在轉讓後，本集團於電子生產和分銷的活動已減至最低。

### **或然債務**

本集團於二零零零年十二月三十一日並無或然債務。

### **未來投資計劃**

本集團計劃擴充其在越南水泥廠之生產設備，以令其年產量提高至800,000噸。預計投資所須之資金將來自當地銀行借貸及內部資源撥出。

## Employees and remuneration policies

The total number of employees of the Group was approximately 650 as at 31 December 2000. Most of the employees were located in Vietnam. The total remuneration of employees for the year was approximately HK\$12,190,000. Salary increment and bonus are rewarded on a performance related basis. The Company granted share options to directors and employees of the Group pursuant to a share option scheme approved on 23 June 1999 (also refer to note 35 of the financial statements). The Group participated to a MPF scheme for all staff in Hong Kong as at December 2000.

## 僱員及薪酬政策

於二零零零年十二月三十一日，本集團總僱員數目約650人。大部份僱員在越南當地。本財政年度僱員之總薪酬約港幣12,190,000元。另外，僱員會按其工作表現而獲得加薪或獲派發紅利。本公司根據一九九九年六月二十三日之認股期權計劃授予本集團員工及董事認股期權。(詳情參考財務報表附註第三十五項)於二零零零年十二月，本集團於香港的所有員工已參與一項強積金計劃。