

Notes on the Accounts

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Statement of Standard Accounting Practice (“SSAP”) No. 25 “Interim Financial Reporting”.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention and the accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2001, except as described below.

In the current period, the Group has adopted, for the first time, a number of new and revised SSAP issued by the Hong Kong Society of Accountants, which has resulted in the adoption of the following new/revised accounting policy.

Dividends proposed or declared after the balance sheet date

In accordance with SSAP 9 (Revised) “Events after the Balance Sheet Date”, dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date, but are disclosed as a separate component of equity on the face of the balance sheet to the financial statements. This change in accounting policy has been applied retrospectively, resulting in a prior period adjustment (see note 14).

Segment reporting

In the current period, the Group has changed the basis of identification of reportable segments to that required by SSAP 26 “Segment Reporting”. Segment disclosures for the six months ended 30 September 2000 have been amended so that they are presented on a consistent basis.

3. SEGMENT INFORMATION

Business Segments

	Six months ended 30.9.2001		Six months ended 30.9.2000	
	Consolidated turnover HK\$’000	Contribution to operating profit HK\$’000	Consolidated turnover HK\$’000	Contribution to operating profit HK\$’000
Sales of furniture and fixtures	104,455	10,762	67,775	16,962
Interior building works	141,509	2,339	53,221	(9,126)
Total	<u>245,964</u>	<u>13,101</u>	<u>120,996</u>	<u>7,836</u>
Other revenue		1,030		1,736
Other group expenses		(3,520)		(2,186)
		<u>10,611</u>		<u>7,386</u>

1. 編製基準

此簡明財務報表已按香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十六披露要求及香港會計師公會頒佈之會計實務準則（「會計實務準則」）第25號「中期財務報告」編製。

2. 主要會計政策

此簡明財務報表是按照過往成本法編制，而所採用的會計政策，除下列另有說明外，亦與截至二零零一年三月三十一日止年度的財務報表所採用者一致。

期內因本集團首次採用了一些香港會計師公會所頒佈新的及修訂後的會計實務準則，而採用了以下新／修訂的會計政策。

於資產負債表結算日以後建議或宣佈的股息

根據會計實務準則第9號（修訂本）「資產負債表結算日以後事項」要求，於資產負債表結算日後建議或宣佈的股息不作負債處理，而會在資產負債表資本欄下分別披露。上一期度的賬目亦因應此會計政策修改而調整（見附註14）。

劃分披露

期內本集團修改了按會計實務準則第26號「劃分披露」要求而訂定的分列的準則，截至二零零零年九月三十日止六個月期內的劃分披露亦相應作出修改，務求表達一致。

3. 業務及地區劃分資料

業務劃分

	截至九月三十日止六個月			
	二零零一年		二零零零年	
	綜合 營業額 千港元	經營業務 溢利 千港元	綜合 營業額 千港元	經營業務 溢利 千港元
傢俬及裝置銷售	104,455	10,762	67,775	16,962
室內裝飾工程	141,509	2,339	53,221	(9,126)
合計	<u>245,964</u>	<u>13,101</u>	<u>120,996</u>	<u>7,836</u>
其他收益		1,030		1,736
其他集團開支		(3,520)		(2,186)
		<u>10,611</u>		<u>7,386</u>

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3. SEGMENT INFORMATION (continued)

Geographical Segments

	Consolidated turnover Six months ended	
	30.9.2001 HK\$'000	30.9.2000 HK\$'000
Mainland China	147,970	29,850
The Hong Kong SAR	68,738	53,086
Other countries in Asia	9,810	7,689
Others	19,446	30,371
Total	<u>245,964</u>	<u>120,996</u>

Contribution to operating profit by geographical market has not been presented as the contribution to operating profit from each market is closely proportional to the turnover attributable to that market.

4. PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging (crediting):

	Six months ended	
	30.9.2001 HK\$'000	30.9.2000 HK\$'000
Depreciation and amortisation	9,181	6,907
Loss on disposal of property plant and equipment	—	912
Interest income	<u>(220)</u>	<u>(1,856)</u>

5. FINANCE COSTS

	Six months ended	
	30.9.2001 HK\$'000	30.9.2000 HK\$'000
Interest on:		
Bank borrowings wholly repayable within five years	802	651
Obligations under finance leases	<u>697</u>	<u>121</u>
	<u>1,499</u>	<u>772</u>

3. 業務及地區劃分資料 (續)

地區劃分

	綜合營業額	
	截至九月三十日止六個月 二零零一年 千港元	二零零零年 千港元
中國內地	147,970	29,850
香港特別行政區	68,738	53,086
其他亞洲國家	9,810	7,689
其他地區	19,446	30,371
合計	245,964	120,996

每一個別地區市場之經營溢利貢獻大致與其所佔營業額成比例，因此按地區劃分之經營溢利貢獻並未分列。

4. 經營溢利已扣除及計入下列項目

	截至九月三十日止六個月 二零零一年 千港元	二零零零年 千港元
折舊及攤分	9,181	6,907
出售設備之虧損	—	912
利息收入	(220)	(1,856)

5. 財務成本

	截至九月三十日止六個月 二零零一年 千港元	二零零零年 千港元
於五年內到期償還之銀行貸款利息	802	651
租購合約承擔之財務費用	697	121
	1,499	772

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6. TAXATION

Hong Kong Profits Tax is calculated at 16% (2000: 16%) of the estimated assessable profit for the period.

7. DIVIDEND

A dividend of 1.2 HK cents per share was paid to shareholders during the period as the final dividend for 2000/01.

The directors have determined that an interim dividend of 1.5 HK cents (2000: 1.0 HK cent) per share should be paid to the shareholders of the Company whose names appear in the Register of Members on 10 January 2002.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended	
	30.9.2001	30.9.2000
	HK\$'000	HK\$'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share (net profit for the period)	<u>10,611</u>	<u>7,386</u>
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>200,000</u>	<u>200,000</u>
Effect of dilutive share options	<u>167</u>	
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>200,167</u>	

9. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$7,414,000 on additions and approximately HK\$9,181,000 on depreciation and amortisation in respect of the Group's property, plant and equipment.

6. 稅項

香港利得稅準備乃根據稅率16%(二零零零年：16%)就本期之估計應課稅溢利計算。

7. 股息

本期內已派發股息每股1.2港仙，為作二零零零／二零零一年之末期股息。

董事會決定派發中期股息每股1.5港仙(二零零零年：1.0港仙)予二零零二年一月十日名列本公司股東名冊之股東。

8. 每股盈利

每股基本及攤薄盈利乃根據以下數據計算：

	截至九月三十日止六個月	
	二零零一年	二零零零年
	千港元	千港元
盈利：		
用以計算每股基本及攤薄盈利之盈利 (本期之純利)	10,611	7,386
	千股	千股
股份數量：		
用以計算每股基本盈利之加權平均股份數量	200,000	200,000
股份認購權之攤薄效果	167	
用以計算每股攤薄盈利之加權平均股份數量	200,167	

9. 物業、廠房及設備之添置

本期內，本集團用於添置的費用約為7,414,000港元，用於物業、廠房及設備之折舊及攤分約為9,181,000港元。

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10. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

	30.9.2001 HK\$'000	31.3.2001 HK\$'000
Contracts in progress at the balance sheet date		
Contract costs incurred plus recognised profits less recognised losses	153,337	80,047
Less: Progress billings	(98,872)	(51,699)
	<u>54,465</u>	<u>28,348</u>
Analysed for reporting purposes as:		
Due from customers incurred in current assets	<u>54,465</u>	<u>28,348</u>

At 30 September 2001 and 31 March 2001, there were no retention monies held by customers for contract works performed and there were no advances received from customers for contract work performed.

11. TRADE DEBTORS

The following is an aged analysis of trade debtors at the reporting date:

	30.9.2001 HK\$'000	31.3.2001 HK\$'000
0-90 days	57,143	38,211
> 90 days	35,951	29,902
	<u>93,094</u>	<u>68,113</u>

Debts are due within 30 days from the date of billing. Appropriate actions including but not limited to legal actions, will be taken for debtors with balances that are overdue for more than 90 days.

12. TRADE CREDITORS

The following is an aged analysis of trade creditors at the reporting date:

	30.9.2001 HK\$'000	31.3.2001 HK\$'000
0-90 days	6,230	14,037
> 90 days	6,878	7,451
	<u>13,108</u>	<u>21,488</u>

10. 應收客戶之建造合約款項

	二零零一年 九月三十日 千港元	二零零一年 三月三十一日 千港元
於結算日之在建中合約工程		
合約成本加已確認溢利及減已確認虧損	153,337	80,047
減：按進度付款項	(98,872)	(51,699)
	<u>54,465</u>	<u>28,348</u>
作報告之用的分析如下：		
呈列為流動資產之應收客戶款項	<u>54,465</u>	<u>28,348</u>

於二零零一年九月三十日及二零零一年三月三十一日，並無客戶就合約工程而持有保固金，亦無客戶就合約工程而預付款項。

11. 應收貿易賬項

於結算日之應收貿易賬項分析如下：

	二零零一年 九月三十日 千港元	二零零一年 三月三十一日 千港元
零至九十日	57,143	38,211
九十日以上	35,951	29,902
	<u>93,094</u>	<u>68,113</u>

貿易款項於發單後三十天內繳付，集團會對超過九十天之欠款之客戶採取適當行動，包括但不限於法律行動。

12. 應付貿易賬項

於結算日之應付貿易賬項分析如下：

	二零零一年 九月三十日 千港元	二零零一年 三月三十一日 千港元
零至九十日	6,230	14,037
九十日以上	6,878	7,451
	<u>13,108</u>	<u>21,488</u>

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13. SHARE CAPITAL

	Number of shares	Value HK\$'000
Ordinary shares of HK\$0.10 each, issued and fully paid:		
At 1 April 2001 and 30 September 2001	200,000,000	20,000

14. RESERVES

	Share premium account HK\$'000	Dividend reserve HK\$'000	Contributed surplus HK\$'000	Capital reserves HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
THE GROUP							
At 1 April 2000							
– as originally stated	47,918	–	18,865	8,662	316	142,105	217,866
– prior period adjustment	–	17,200	–	–	–	–	17,200
– as restated	47,918	17,200	18,865	8,662	316	142,105	235,066
Share issue expenses	(278)	–	–	–	–	–	(278)
Profit for the year	–	–	–	–	–	14,075	14,075
Dividends paid	–	4,400	–	–	–	(4,400)	–
Dividends proposed	–	(19,200)	–	–	–	–	(19,200)
Exchange difference on translation of overseas subsidiaries	–	–	–	–	809	–	809
At 31 March 2001	47,640	2,400	18,865	8,662	1,125	151,780	230,472
Profit for the period	–	–	–	–	–	10,611	10,611
Dividend paid	–	(2,400)	–	–	–	–	(2,400)
Dividend proposed	–	3,000	–	–	–	(3,000)	–
Exchange differences on translation of overseas operations	–	–	–	–	(849)	–	(849)
At 30 September 2001	47,640	3,000	18,865	8,662	276	159,391	237,834

15. PLEDGE OF ASSETS

At 30 September 2001, land and buildings of the Group situated in the Mainland China with net book value of HK\$8,460,757 (31.3.2001: HK\$8,717,144) were pledged with a bank to secure a loan granted to the Group.

13. 股本

	股票 數量	數目 千港元
普通股每股面值港幣一角，已發行及全數繳付： (於二零零一年四月一日及於二零零一年九月三十日)	200,000,000	20,000

14. 儲備

	股票溢價 千港元	股息儲備 千港元	繳入盈餘 千港元	資本儲備 千港元	外匯兌換 儲備 千港元	滾存溢利 千港元	總額 千港元
本集團							
於二零零零年							
四月一日							
— 原先呈報	47,918	—	18,865	8,662	316	142,105	217,866
— 上一期度賬目調整	—	17,200	—	—	—	—	17,200
— 調整後	47,918	17,200	18,865	8,662	316	142,105	235,066
股票發行支出	(278)	—	—	—	—	—	(278)
該年度溢利	—	—	—	—	—	14,075	14,075
建議股息	—	4,400	—	—	—	(4,400)	—
已派發股息	—	(19,200)	—	—	—	—	(19,200)
海外公司滙兌差額	—	—	—	—	809	—	809
於二零零一年							
三月三十一日	47,640	2,400	18,865	8,662	1,125	151,780	230,472
本期溢利	—	—	—	—	—	10,611	10,611
已派發股息	—	(2,400)	—	—	—	—	(2,400)
建議股息	—	3,000	—	—	—	(3,000)	—
海外公司滙兌差額	—	—	—	—	(849)	—	(849)
於二零零一年							
九月三十日	47,640	3,000	18,865	8,662	276	159,391	237,834

15. 資產抵押

於二零零一年九月三十日，本集團用作銀行貸款抵押之中國內地之土地及樓宇，其淨賬面值為8,460,757港元（二零零一年三月三十一日：8,717,144港元）。

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16. CAPITAL COMMITMENTS

	30.9.2001 HK\$'000	31.3.2001 HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the financial statements	1,018	1,660

17. CONTINGENT LIABILITIES

At 30 September 2001, there were contingent liabilities in respect of counter-guarantees, amounting to HK\$42,310,000 (31.3.2001: HK\$33,751,000) which were given by a subsidiary in favour of certain banks and insurance companies against any liabilities of these parties arising from non-compliance of the terms of interior building works being undertaken by the subsidiary.

18. RELATED PARTY TRANSACTIONS

During the period, the Group paid rental of HK\$1,357,470 (1.4.2000 - 30.9.2000: HK\$1,357,470) in respect of the Group's office premises, showrooms and warehouses on normal commercial terms to a company of which certain shareholders and directors of the Company are shareholders and directors.

16. 資本承擔

	二零零一年 九月三十日 千港元	二零零一年 三月三十一日 千港元
有關購買物業、廠房及設備之資本費用， 已訂約但未於財務報表中作出撥備	<u>1,018</u>	<u>1,660</u>

17. 或然負債

於二零零一年九月三十日，有保證之或然負債為42,310,000港元(二零零一年三月三十一日：33,751,000港元)，此乃由附屬公司給予銀行及保險公司，用以承擔因未能依據室內裝飾工程之條文而引發之負債。

18. 關連交易

於本期內按正常商業條文，集團已支付集團之辦公地方，陳列室、貨倉租金1,357,470港元(二零零零年四月一日至二零零零年九月三十日：1,357,470港元)給某公司，該公司之某些股東及董事乃本公司之股東及董事。