

## REVIEW OF OPERATIONS

During the reporting period, the Group continued to be engaged principally in its core business of trading of building materials and engineering equipment. On 21 December 2001, the Company announced its intention to discontinue the business of investment in the technology sector.

The financial performance of the Group is highly correlated to the activity levels in the construction sector in Hong Kong. The real estate market sentiment remained sluggish in 2001 and this had adversely affected our financial performance. The Group's turnover amounted to HK\$521 million in 2001, representing a decline of approximately 9.9% compared with 2000 (2000: HK\$578 million). Group loss attributable to shareholders for the year was HK\$53.5 million compared with a profit of HK\$2.0 million in 2000. The current year's loss included the additional cost provision of HK\$18.6 million for our contracting business, deficit of revaluation of other leasehold properties of HK\$5.1 million, cost of closing down the office for the investment operations at HK\$1.8 million and HK\$15.8 million one-off charge on the Group's technology investments.

Despite the scaling down of our contracting business, the Group has achieved some growth in the trading operations. Outstanding orders on hand as at end of the period amounted to HK\$447 million, representing a slight increase of approximately 3% over last year (At 31 December 2000: HK\$435 million).

Starcase Limited, a subsidiary of the Company, which made an investment in the Wit Soundview Dawntreader Fund II (Dawntreader Fund) has entered into creditor's voluntary liquidation. HK\$15.8 million of the Group's investment in Dawntreader Fund, represented by the revaluation deficit previously kept in the reserve account (representing 85% of the total investment of HK\$18.5 million), has been charged to

## 業務回顧

於申報期間，本集團依然主力經營其核心業務，即買賣建材及工程設備。本公司並於二零零一年十二月二十一日宣佈計劃終止其科技投資業務。

本集團之財務表現主要與香港建築業之行情掛鉤。地產市道於二零零一年仍瀰漫低迷氣氛，對本集團之財務表現帶來不利影響。本集團二零零一年之營業額達約港幣521,000,000元，與二零零零年（二零零零年：約港幣578,000,000元）比較，下降約9.9%，而本集團年內之股東應佔虧損為約港幣53,500,000元，二零零零年則錄得溢利約港幣2,000,000元。現年度之虧損已計入以下各項：有關承建業務之額外成本撥備約港幣18,600,000元、其他租賃物業之重估虧絀約港幣5,100,000元、關閉投資業務辦公室之費用約港幣1,800,000元及本集團科技投資之一次過減值約港幣15,800,000元。

即使本集團縮減承建業務之規模，惟在貿易業務方面仍取得若干增長。截至有關期間結束為止，手頭之未付貨訂單達約港幣447,000,000元，較去年微升約3%（二零零零年十二月三十一日：約港幣435,000,000元）。

本公司之附屬公司達崎有限公司曾投資於Wit Soundview Dawntreader Fund II（「Dawntreader Fund」），惟該公司已進行債權人自動清盤。本集團於Dawntreader Fund之投資其中之約港幣15,800,000元（佔總投資額約港幣18,500,000元之85%）意指過往存於儲備賬之重估虧絀，已自二零零一年之損益表扣除。本集團另一項位於北京之科

the profit and loss account in 2001. China Interactive Media Group (CIMG), the Group's other technology sector investment located in Beijing, is in the process of developing into a multi-media Company with core business in publication of magazines. Consistent with the Group's prudent approach, full provision of HK\$7.8 million has already been set aside into the revaluation reserve for CIMG in June 2001.

In view of the unfavourable conditions of construction projects, the Group has also scaled down its marble and air conditioning contracting operations. In the past, the Group was able to negotiate with the main contractors and developers to settle variation orders, claims and contra-charges reasonably. However, the situation changed recently and the Group found it more difficult to reach reasonable settlement with its customers on contracting works. Also as part of the divestment strategy, the Group has taken a conservative approach to set aside HK\$18.6 million additional cost provision for contracting business. The Group believes that the chance of further provision with similar magnitude would be remote in the future because of the reducing size of contracting operations.

#### LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy balance sheet at the end of the period with cash in hand of HK\$413.8 million, most of which have been placed in time deposits with reputable financial institutions. The Group had no bank borrowing as at end of the reporting period and thus maintained zero gearing (at 31 December 2000: 0.74% — a calculation based on short and long term interest bearing bank/other borrowings of HK\$5.1 million and shareholders' fund of HK\$693 million). As disclosed in the Post Balance Sheet Event section below, the Group used HK\$387.1 million of the surplus fund to repurchase 395,000,000 shares of the Company. After this share repurchase exercise, the Group still maintains a healthy working capital structure to finance its traditional business. In

技投資 China Interactive Media Group (「CIMG」) 現正發展成一家多媒體公司，專注於出版雜誌。為秉承本集團一貫之審慎態度，已於二零零一年六月為 CIMG 在重估儲備預留約港幣7,800,000元作全數撥備。

由於建築工程面對不利環境，本集團已縮減天然石材及空調承建業務之規模。本集團過往能夠與主要承建商及發展商洽商，以就出現後加工程、索償及對應收費達成合理之和解。然而，有關情況於近期有所改變，本集團與客戶就承建工程達成合理和解之難度更高。此外，本集團並抱保守態度，為承建業務預留約港幣18,600,000元作額外成本撥備之用，作為其削減投資之策略之一部份。本集團深信，由於承建業務之規模已經縮減，日後再作相近數額撥備之可能性不大。

#### 流動資金及財政資源

本集團於期間終結時仍能維持穩健之資本負債狀況，手頭現金約港幣413,800,000元，大部份已存於信譽昭著之財務機構作為定期存款。於申報期間結束時，本集團並無銀行借款，故資本負債比率為零(二零零零年十二月三十一日：0.74%，計算基準為約港幣5,100,000元之短期及長期計息銀行／其他借款及約港幣693,000,000元之股東資金)。如下文結算日後事項一節所披露，本集團動用盈餘資金中之約港幣387,100,000元以購回395,000,000股本公司股份。於購回股份後，本集團仍能維持穩健之營運資金結構，以為其傳統業務提供資金。為管理外匯風

managing the foreign currency risk, the Group has continued with its hedging policy through booking of forward foreign exchange contracts.

## CONTINGENT LIABILITIES

Certain subsidiaries have given undertakings to the banks that they will perform certain contractual non-financial obligations to third parties. In return, the banks have provided performance bonds and letters of guarantee to third parties on behalf of the subsidiaries. As at 31 December 2001, the amount of guarantees outstanding was HK\$32,618,000 (At 31 December 2000: HK\$18,042,000).

Starcase Limited, the subsidiary of the Company which made an investment in Dawntreader Fund has gone into creditors' voluntary liquidation. Starcase Limited had a commitment to contribute US\$5 million, equivalent to HK\$39 million, to the Dawntreader Fund of which approximately US\$2.4 million, equivalent to approximately HK\$18.5 million, had been paid up. The Group considers that the liquidation process would limit further financial exposure to the Group.

## BANK FACILITIES WITH ASSET PLEDGED

A property with net book value of HK\$53 million at year ended 2001 held by a subsidiary of the Group is pledged to a bank to obtain banking facilities.

## EMPLOYEES

At the end of the period, the Group employed around 160 and 200 employees in Hong Kong and the Mainland respectively. The Group continues to provide remuneration packages to employees with reference to prevailing market practices. As a result of the share repurchase offer of the Company, the Group's share option scheme expired on 14 February 2002. The Company will consider a new share option scheme in

險，本集團會維持其利用遠期外匯合約進行對沖之措施。

## 或然負債

若干附屬公司曾向銀行承諾會向第三者履行若干非財務性質之合約責任。該等銀行已就此代表有關附屬公司向第三者提供履約保證及擔保書。於二零零一年十二月三十一日，擔保金額為約港幣32,618,000元（二零零零年十二月三十一日：約港幣18,042,000元）。

本公司之附屬公司達崎有限公司曾投資於Dawntreader Fund，惟該公司已進行債權人自動清盤。達崎有限公司曾承諾向Dawntreader Fund 注資5,000,000美元（相等於約港幣39,000,000元），並已繳付其中約2,400,000美元（相等於約港幣18,500,000元）。本集團認為，清盤程序可限制本集團所需承受進一步之財務風險。

## 以資產作押之銀行信貸

一項由本集團旗下附屬公司持有，於截至二零零一年止年度賬面淨值為約港幣53,000,000元之物業，已為取得銀行信貸而押予銀行。

## 僱員

於期間終結時，本集團在香港及內地分別僱用約160名及200名僱員。本集團繼續參考市場趨勢為僱員提供整套薪酬福利計劃。本集團之購股權計劃已因本公司之股份購回建議而於二零零二年二月十四日屆滿。本公司將

due course to compliment the remuneration packages of key employees.

考慮於適當時機採納全新之購股權計劃，以使主要僱員之薪償組合更具吸引力。

#### POST BALANCE SHEET EVENT

On 22 November 2001, the Company announced that a conditional cash offer (Offer) would be made by ICEA Capital Limited on behalf of the Company to repurchase up to 395,000,000 shares of the Company at a price of HK\$0.98 per share. All the conditions of the Offer were satisfied on 15 January 2002 and 395,000,000 shares were repurchased and cancelled by the Company. The pro forma unaudited consolidated net tangible assets of the Group, adjusted based on the audited consolidated net tangible assets of the Group as at 31 December 2001, is approximately HK\$240.6 million. This represents a pro forma unaudited adjusted consolidated net tangible assets per share of HK\$1.07 after the completion of the Offer. To reflect the strategic change of the Group, the name of the Company has been changed back to Arnhold Holdings Limited with effect from 16 January 2002.

#### 結算日後事項

於二零零一年十一月二十二日，本公司宣佈由工商東亞融資有限公司代表本公司提出有條件現金購回建議（「購回建議」），以按每股港幣0.98元之價格購回本公司股份最多395,000,000股。購回建議之所有條件已於二零零二年一月十五日達成，本公司已購回及註銷395,000,000股股份。本集團之備考未審核綜合有形資產淨值（已按本集團於二零零一年十二月三十一日之經審核綜合有形資產淨值作調整）為約港幣240,600,000元，意即於購回建議完成後之每股備考未審核經調整綜合有形資產淨值為約港幣1.07元。為反映本集團之策略性變動，本公司之名稱由二零零二年一月十六日起改回安利控股有限公司。