

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They have been prepared under the historical cost convention modified by the revaluation of investment properties and other properties, and the marking to market of certain investments in securities as explained in the accounting policies set out below.

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which are effective for accounting periods commencing on or after 1 January 2001:

SSAP 14 (revised): Leases (effective for periods commencing on or after 1 July 2000)

SSAP 26: Segment reporting
SSAP 28: Provisions, contingent liabilities and contingent assets
SSAP 30: Business combinations

The effect of adopting these new standards is set out in the accounting policies below.

1. 主要會計政策

編製本賬目時採納之主要會計政策載列如下：

(a) 編製基準

賬目乃根據香港普遍採納之會計原則編製，並符合香港會計師公會（「會計師公會」）頒佈之會計準則。賬目乃按歷史成本法（已因應投資物業及其他物業之重估及若干證券投資按市值列賬而修訂，詳情見下文載列之會計政策）編製。

本集團於本年度採納會計師公會頒佈之會計實務準則（「會計準則」）如下，此等準則由二零零一年一月一日起或以後開始生效：

會計準則第14條
（經修訂）：租約（適用於二零零零年七月一日或以後開始之會計期間）

會計準則第26條：分類呈報
會計準則第28條：撥備、或然負債及或然資產

會計準則第30條：業務合併

採納此等新準則之影響載於下文之會計政策。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Group accounting

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31 December. Subsidiaries are those entities in which the Group controls the composition of the Board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(c) Investments in subsidiaries

A subsidiary is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the Board of directors.

1. 主要會計政策(續)

(b) 集團會計入賬

綜合賬項包括本公司及其附屬公司截至十二月三十一日止結算的賬項。附屬公司為由本集團控制其董事會組成、控制過半數投票權或持有過半數已發行股本之公司。

於本年度收購或出售的附屬公司的業績由收購當日起或至出售生效當日止計入綜合損益表(視情況而定)。

本集團內公司間的重大交易及結存，均於編製綜合賬項時予以抵銷。

在本公司之資產負債表中，於附屬公司的投資按成本減減值撥備列賬。附屬公司業績乃由本公司以按已收及應收股息之基準入賬。

(c) 於附屬公司的投資

附屬公司為本集團直接或間接持有其過半數已發行股本，或控制過半數投票權或控制董事會組成之公司。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Investments in subsidiaries (continued)

Investments in subsidiaries in the Company's balance sheet are stated at valuation which represents the net asset value as at the date of acquisition pursuant to the reorganisation of the Company and its subsidiaries in connection with the listing of the Company on the Stock Exchange of Hong Kong Limited less any provisions for diminution in value which is other than temporary as determined by the directors for each subsidiary individually. Any such provisions are recognised as an expense in the profit and loss account.

(d) Associate

An associate is a company, not being a subsidiary, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of an associate for the year, and the consolidated balance sheet includes the Group's share of the net assets of an associate and also goodwill (net of accumulated amortisation) on acquisition.

In the Company's balance sheet, the investment in an associate is stated at cost less provision for impairment losses. The results of an associate are accounted for by the Company on the basis of dividends received and receivable.

1. 主要會計政策 (續)

(c) 於附屬公司的投資 (續)

本公司資產負債表內於附屬公司的投資是按估值(即根據本公司及其附屬公司為本公司在香港聯合交易所有限公司上市而進行之重組作出收購當日之資產淨值之估值),再減董事會認為在投資出現非暫時性減值時按各附屬公司個別提撥的撥備入賬。任何這些撥備均會在損益表內確認為支出。

(d) 聯營公司

聯營公司為附屬公司以外,本集團持有其股權作長期投資,並可對其管理發揮重大影響力之公司。

綜合損益表包括本集團於本年度內應佔聯營公司之業績,而綜合資產負債表則包括本集團應佔之聯營公司淨資產及收購時之商譽(扣除累積攤銷)。

在本公司之資產負債表中,於聯營公司的投資按成本減減值撥備列賬。聯營公司業績乃由本公司按已收及應收股息之基準入賬。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Associate (continued)

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

(e) Fixed assets

(i) Fixed assets are carried in the balance sheets on the following bases:

- investment properties with an unexpired lease term of more than 20 years are stated in the balance sheet at their open market value which is assessed annually by external qualified valuers;
- other properties are stated in the balance sheet at their revalued amount, being their fair value on the basis of their existing use at the date of revaluation less any subsequent accumulated depreciation. Revaluations are performed by qualified valuers every three years and carrying value is reviewed by directors in the intervening years to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date; and

1. 主要會計政策 (續)

(d) 聯營公司 (續)

於聯營公司的投資的賬面值為零之時，不再使用股本會計法，除非本集團已就聯營公司承擔責任或擔保承擔責任則作別論。

(e) 固定資產

(i) 固定資產是按下列基準記入資產負債表內：

- 租賃期尚餘超過二十年的投資物業按每年由外聘的合資格估值師所評估的公開市值入賬；
- 其他物業是以其重估值，即根據其在重估日的既有用途定出的公平價值，減重估後的累計折舊記入資產負債表。重估工作是由合資格的估值師每三年進行一次，而在估值年間，董事會檢討其他物業之賬面值，以確保該等資產的賬面值與採用結算日公平價值釐定的數額不會出現重大差異；及

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Fixed assets (continued)

- plant, machinery and other fixed assets are stated in the balance sheet at cost less accumulated depreciation.
- (ii) Changes arising on the revaluation of investment and other properties are generally dealt with in reserves. The only exceptions are as follows:
 - when a deficit arises on revaluation, it will be charged to the profit and loss account, if and to the extent that it exceeds the amount held in the reserve in respect of that same asset, or, solely in the case of investment properties, the portfolio of investment properties, immediately prior to the revaluation; and
 - when a surplus arises on revaluation, it will be credited to the profit and loss account, if and to the extent that a deficit on revaluation in respect of that same asset, or, solely in the case of investment properties, the portfolio of investment properties, had previously been charged to the profit and loss account.

1. 主要會計政策(續)

(e) 固定資產(續)

- 廠房、機器及其他固定資產是以成本減累計折舊入賬。
- (ii) 重估投資和其他物業所產生的變動一般會撥入儲備，但下列情況則除外：
 - 如重估產生虧損，而有關虧損額又超過該項資產或該投資組合（只適用於投資物業）在是次重估前撥入儲備的金額，則超額部份虧損便會自損益表扣除；及
 - 如重估產生盈餘，而有關資產或該投資組合（只適用於投資物業）曾經有重估虧損自損益表扣除，則會按曾扣減之虧損額將盈餘撥入損益表。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Fixed assets (continued)

(iii) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in other properties and other fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

- (iv) Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

1. 主要會計政策 (續)

(e) 固定資產 (續)

(iii) 減值及出售損益

於每個結算日，內部及外界之資料來源均會視作評估是否有跡象顯示列為其他物業及其他固定資產類別之資產出現減值。如出現任何該等跡象，會估算資產之可收回款額，而在適當情況下，會確認減值虧損以將資產價值降至其可收回款額。有關減值虧損會在損益表確認，惟倘資產乃按估值置存而減值虧損不超逾該項資產之重估增值，則在此情況下視作重估減值。

- (iv) 如固定資產的期後開支可以令該項資產為企業帶來較原先估計更多的經濟效益，則固定資產的期後開支便會計入該項資產的賬面值。所有其他期後支出則在產生期間確認為開支。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Fixed assets (continued)

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

(f) Depreciation

- (i) No depreciation is provided on investment properties with an unexpired lease term of over 20 years.
- (ii) Depreciation is calculated to write-off the cost or valuation of other fixed assets over their estimated useful lives as follows:
 - leasehold land is depreciated on a straight-line basis over the remaining term of the lease;
 - buildings are depreciated on a straight-line basis over the shorter of their estimated useful lives, being 50 years from the date of completion, and the unexpired terms of the leases; and

1. 主要會計政策(續)

(e) 固定資產(續)

出售固定資產(不計投資物業)所產生的損益,以估計淨出售所得與資產的賬面值之間的差額釐定,並在損益表內確認。有關資產仍然應佔之重估儲備結餘會轉撥保留盈利,列為儲備變動。

(f) 折舊

- (i) 租賃期尚餘超過二十年的投資物業不計提任何折舊。
- (ii) 其他固定資產的折舊是按其預計可用年限以直線法攤銷其成本或估值,計算如下:
 - 租賃土地按尚餘租賃期以直線法計算折舊;
 - 樓宇是按其預計可用年限(即完工日起計五十年)或租賃剩餘年期兩者中的較短者以直線法計算折舊;及

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Depreciation (continued)

- other fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Leasehold land	50 years – 57 years
Buildings	46 years – 50 years
Leasehold improvements	20% – 50%
Furniture and equipment	20% – 33⅓%
Plant and machinery	20%
Motor vehicles	20%

(g) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(h) Revenue recognition

Revenue from the sale of goods is recognised when the goods are delivered at customers' premises which is taken to be the point in time when customer has accepted the goods and the related risks and rewards of ownership.

1. 主要會計政策 (續)

(f) 折舊 (續)

- 其他固定資產是按其下列的預計可用年限以直線法計算折舊：

租約土地	50年 – 57年
樓宇	46年 – 50年
租賃物業裝修	20% – 50%
傢俬及設備	20% – 33⅓%
廠房及機器設備	20%
汽車	20%

(g) 經營租約

資產擁有權涉及之絕大部份風險及回報仍歸出租公司之租約，均以經營租約方式入賬。經營租約的應付租金（不計出租公司支付之任何獎勵）按個別租賃期以直線法記入損益表。

(h) 收入確認

銷售貨品之收入在貨品送至客戶場地（假定客戶已接納貨品及其擁有權相關的風險及回報）時確認。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Revenue recognition (continued)

Revenue from individual construction contracts is recognised using the percentage of completion method, measured by reference to the revenue earned to date as determined by surveyors compared with the total estimated revenue of the contracts.

Commission income received and receivable from principals on distributorship agency business is recognised when services are rendered and goods are distributed to third parties by the principals.

Interest income is accrued on a time-apportioned basis on the principal amounts outstanding and at the rates applicable.

Dividend income is recognised when the Company's right to receive payment is established.

Rental income from investment properties is recognised in the profit and loss account in equal instalments over the accounting periods covered by the lease term.

(i) Non-trading securities

Non-trading securities are stated in the balance sheet at fair value. Changes in fair value are recognised in the investment revaluation reserve until the security is sold, collected or otherwise disposed of, or until there is objective evidence that the security is impaired, at which time the relevant cumulative gain or loss is transferred from the investment revaluation reserve to the consolidated profit and loss account.

1. 主要會計政策(續)

(h) 收入確認(續)

個別建築合約之收入乃以完成階段為基準確認，此乃參照測量師比較合約預計總收入後釐定迄今為止所得收入計算。

就分銷代理業務已收及應收自委託人之佣金收入乃於提供服務及委託人將貨品分銷予第三方時確認。

利息收入乃按時間比例基準，計入未償還本金及適用利率後確認。

股息收入乃於本公司確立可收取款項之權利後確認。

投資物業租金收入因應租賃期涵蓋之會計期間按等額方式以直線法記入損益表。

(i) 非買賣用途證券

非買賣用途證券乃按公允價值列入資產負債表。公允價值之變動均確認為投資重估儲備，直至售出、收回或以其他方式出售有關證券或客觀證據顯示有關證券出現減值為止，屆時有關之累積收益或虧損須自投資重估儲備轉撥至綜合損益表。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Non-trading securities (continued)

Fair value is estimated by the directors by reference to quoted market prices, where available, or, where there is no open market for the investment, following a number of general principles which are based upon the British Venture Capital Association guidelines as set out below.

The directors classify investments either as early stage or development stage. Early stage investments represent immature companies, which are typically not earning significant maintainable profits. Development stage investments are unquoted investments which are not early stage investments.

Securities are stated at amounts considered by the directors to be a fair assessment of their value, subject to overriding requirements of prudence. All securities are valued according to one of the following bases:

- Cost (less provision required);
- Earnings multiple;
- Net assets; or
- Third party transaction.

1. 主要會計政策 (續)

(i) 非買賣用途證券 (續)

公允價值乃由董事會參考市場報價 (指在可取得報價之情況) 作出估值。倘該投資並無公開市場，則依循多項一般性原則作出估值，此等原則乃以 British Venture Capital Association 之指引為基礎，並載列於下文。

董事會將投資分類為初期階段或發展階段。初期階段投資指發展尚未成熟之公司，通常未能賺得持久可觀之溢利。發展階段投資指並非處於初期階段之非上市投資。

證券乃按董事會認為足以公正評定其價值之金額列賬，惟須符合審慎原則。所有證券均按下列其中一項基準釐定價值：

- 成本 (減所需撥備)；
- 盈利倍數；
- 資產淨值；或
- 第三者交易。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Non-trading securities (continued)

Early stage investments and development stage investments which are acquired within one year of the valuation date are normally valued at cost. Provision against cost will be made in the light of adverse circumstances, i.e. if the investment performs significantly below expectations. Upward adjustments to cost may be made by reference to the price at which a subsequent issue of capital is made, or at which a transaction for cash in the relevant security takes place. This basis of valuation will only be used when the transaction involves a significant investment by a new investor.

Development stage investments held for more than one year are valued on one of the bases described above. Whenever possible, investments will be valued by reference to a third party transaction or quoted price.

Transfers from the investment revaluation reserve to the consolidated profit and loss account as a result of impairments are reversed when the circumstances and events that led to the impairment cease to exist and there is persuasive evidence that new circumstances and events will persist for the foreseeable future.

1. 主要會計政策(續)

(i) 非買賣用途證券(續)

自估值日起一年內購入之初期階段投資及發展階段投資通常按成本釐定價值。在不利環境(即倘投資表現遠較預期為差)下, 將就成本撥備。成本可參考日後發行資本或就有關證券進行現金交易所依據之價格而向上調整。此估值基準只在交易涉及新投資者作出重大投資之情況下始會採用。

持有超過一年之發展階段投資乃按上述其中一項基準進行估值。投資將盡可能參考第三者交易或市場報價進行估值。

如出現若干情況及事件導致減值不復存在, 且有具說服力之證據支持此等新情況及事件將於可預見將來仍持續出現, 則因減值而自投資重估儲備轉撥至綜合損益表之款額均予回撥。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Non-trading securities (continued)

Profits or losses on disposal of non-trading securities are determined as the difference between the estimated net disposal proceeds and the carrying amount of the securities and are recognised in the consolidated profit and loss account as they arise. On disposal of non-trading securities, the revaluation surplus or deficit previously taken to the investment revaluation reserve is also transferred to the consolidated profit and loss account for the year.

(j) Other investments

Other investments comprise club debentures and are stated in the balance sheet at fair value. Changes in fair value are recognised in the profit and loss account as they arise.

(k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1. 主要會計政策 (續)

(i) 非買賣用途證券 (續)

出售非買賣用途證券所得損益乃出售估計所得款項淨額與有關證券賬面值兩者間之差額，並在出現時在綜合損益表確認。在出售非買賣用途之證券時，以往撥入投資重估儲備之重估盈餘或虧絀亦轉撥至該年度之綜合損益表。

(j) 其他投資

其他投資指會所債券，以公平價值記入資產負債表。公平價值的變動在產生時在損益表內確認。

(k) 存貨

存貨乃以成本及可變現淨值兩者中的較低者入賬。

成本以加權平均法計算，其中包括所有採購成本、加工成本以及令存貨變成現狀和運輸的成本。

可變現淨值為正常業務的預期售價減去完成生產及銷售所需的估計成本。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(k) Inventories (continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(l) Construction contracts

Construction contracts in progress are valued at the cost of direct materials and other direct expenses plus estimated attributable profits recognised on the basis set out in note 1(h), less provision for foreseeable losses and progress payments received and receivable on individual contracts.

(m) Accounts receivable

Provision is made against accounts receivable to the extent that they are considered to be doubtful. Accounts receivable in the balance sheet are stated net of such provision.

1. 主要會計政策 (續)

(k) 存貨 (續)

存貨出售時，其賬面值會確認為相關收入確認期間的支出。存貨減值至可變現淨值的減值及所有存貨損失會確認為減值或損失發生期間的支出。因可變現淨值增加而需撥回的任何存貨減值，會確認為撥回發生期間列作存貨開支的減少。

(l) 建築合約

在進行之建築合約乃按直接原材料及其他直接開支另加按附註1(h)所載基準確認之估計應佔溢利，扣除可預見虧損撥備以及就個別合約已收及應收進度款項後列賬。

(m) 應收賬項

凡被視為屬呆賬之應收賬款均作出撥備。資產負債表上之應收賬項乃扣除該筆撥備後列出。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Deferred taxation

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

(o) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

(p) Retirement benefit costs

The Group's contributions to the defined contribution retirement scheme regulated under the Occupational Retirement Schemes Ordinance ("ORSO") and AIA-JF Premium MPF Scheme, are expensed as incurred. Contribution to the ORSO scheme may be reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the scheme are held separately from those of the Group in independently administered fund.

1. 主要會計政策 (續)

(n) 遞延稅項

遞延稅項乃按當時之稅率就報稅上所計算之溢利與賬目所列溢利兩者間之時差入賬，惟僅以預期於可見將來應繳或應收之稅項為限。

(o) 外幣換算

外幣交易按交易日滙率換算。以外幣為單位的貨幣性資產及負債則按結算日的滙率換算為港元。因上述情況出現之滙兌盈虧均撥入損益表處理。

(p) 退休金成本

本集團對職業退休計劃條例（「退休條例」）監管之界定供款退休計劃及 AIA-JF Premium 強積金計劃之供款於出現時列作開支。對退休條例計劃支付之供款可按照僱員在獲得全數供款前退出計劃所被沒收之供款而減少。該計劃之資產由獨立於本集團之管理基金持有，並與本集團之資產分開處理。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(q) Borrowing costs

Borrowing costs are charged to the profit and loss account in the year in which they are incurred.

(r) Related parties

For the purposes of these accounts, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(s) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, short-term deposits and bank loans with original maturity of three months or less and bank overdrafts.

1. 主要會計政策(續)

(q) 借貸成本

借貸成本於產生之年度在損益表中支銷。

(r) 有關連人士

就本賬目而言，如本集團有權直接或間接監控另一方人士或對另一方人士的財務及經營決策有重要影響，或另一方人士有權直接或間接監控本集團或對本集團的財務及經營決策有重要的影響，或本集團與另一方人士均受制於共同的監控或共同的重要影響，則被視為有關連人士。有關連人士可為個別人士或其他公司。

(s) 現金及現金等價物

現金及現金等價物乃按成本在資產負債表列賬。就編製現金流量表而言，現金及現金等價物包括手頭現金、短期存款及原有期限為三個月或以下之銀行貸款及銀行透支。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(t) Provisions

In accordance with SSAP 28, provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(i) Long service payments

Provision for long service payments is recognised for the best estimate of the long service payments that are required to be made to the employees of the Company in respect of their services to date less any amounts that would be expected to be met out of the Company's retirement schemes.

(ii) Annual leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

1. 主要會計政策(續)

(t) 撥備

根據會計準則第28條，當本集團因過往事件而有現存之法定或推定責任並可能須動用資源以完成責任及可就有關款額作可靠估算時，須確認撥備。如本集團預計撥備將獲償付（如受保險合約保障），償付款只有在可實際確定之情況下確認為另一項獨立資產。

(i) 長期服務金

長期服務金乃按須就本公司僱員迄今之服務年期所作之長期服務金最佳估算，再減預計可從本公司退休計劃中支付之任何款額後列賬。

(ii) 應享年假

僱員應享年假會於僱員可獲休假時確認，並須就因應僱員截至結算日之服務年期而享有之年假之估計責任作撥備。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(t) Provisions (continued)

The adoption of SSAP 28 has meant that certain provisions which meet the recognition and measurement criteria prescribed in the new standard are recognized at 31 December 2001. In accordance with the transitional provisions of SSAP 28, these provisions have been made and these adjustments have been made to the opening retained earnings at 1 January 2001 only. No adjustment has been made to the opening retained earnings at 1 January 2000 and the comparative accounts for the year ended 31 December 2000 have not been restated.

As detailed in Note 23, opening retained earnings for 2001 have been decreased by HK\$2,299,000 which represents provision relating to periods prior to 2001.

(u) Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

1. 主要會計政策 (續)

(t) 撥備 (續)

採納會計準則第28條後，凡符合新準則所定之確認及衡量條件之若干撥備會於二零零一年十二月三十一日確認。根據會計準則第28條之過渡性條文，經已作出此等撥備，惟只曾就二零零一年一月一日之期初保留盈利作以上調整。二零零零年一月一日之期初保留盈利未有調整，而截至二零零零年十二月三十一日止年度之比較賬目亦未有重列。

如附註23所詳述，二零零一年之期初保留盈利已減少港幣2,299,000元，有關款項為涉及二零零一年以前期間之撥備。

(u) 分類呈報

根據本集團之內部財務呈報方式，本集團已決定將業務分類作首要呈報方式，而地區則作次要呈報方式。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Segment reporting (continued)

Unallocated costs represent corporate expenses. Segment assets consist primarily of investment and other properties, fixed assets, non-trading securities, other investments, inventories, construction contracts and receivables, and mainly exclude operating cash. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to fixed assets (note 11).

In respect of geographical segments reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

(v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

1. 主要會計政策 (續)

(u) 分類呈報 (續)

未分類費用意指公司開支。分類資產主要包括投資及其他物業、固定資產、非買賣用途證券、其他投資、存貨、建築合約及應收款項，惟主要不包括經營現金。分類負債指經營負債，惟不包括稅項及若干公司借款等項目。資本開支包括添置之固定資產(附註11)。

銷售額乃以顧客所在之國家作地區分類，而總資產及資本開支則以資產所在地分類。

(v) 或然負債

或然負債為過往事件引致之潛在責任，其存在與否只可由日後一件或多件非本集團所能完全控制之不確定事件之出現與否而落實。此外，或然負債亦可能是過往事件引致之現有責任，而此等事件則因未能確定是否需要流出經濟資源或責任之款額未能以可靠方式衡量而未有確認。

或然負債不予確認，惟會在賬目之附註內披露。如出現流出款項之可能性有變以致可能出現流出款項，則會確認為撥備。

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(w) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired associate at the date of acquisition.

Goodwill on acquisition that occurred prior to 1 January 2001 was amortised on a straight line basis to the consolidated profit and loss account over its estimated useful economic life of 10 years.

1. 主要會計政策(續)

(w) 商譽

商譽為收購成本超逾本集團應佔所收購聯營公司資產淨值於收購日期之公平價值。

於二零零一年一月一日以前進行之收購帶來之商譽按估計可使用經濟年期10年以直線法在綜合損益表攤銷。

2. TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION

The principal activities of the Group are investing in technology companies and trading in, and the supply and installation, of building products and engineering equipment and a distributorship agency business. The principal activities of the subsidiaries are set out in note 12 of the accounts.

2. 營業額、其他收入及分類資料

本集團主要從事投資於科技公司、建築產品及工程設備之銷售、供應及安裝，以及分銷代理業務。各附屬公司之主要業務列載於賬目附註12。

		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Turnover	營業額		
Sales of inventories	銷售存貨收入	421,066	371,756
Revenue from construction contracts (Note)	建築合約收入 (附註)	93,276	198,448
Commission income	佣金收入	6,999	8,180
		521,341	578,384
Other revenues	其他收入		
Interest income from bank deposits	來自銀行存款之 利息收入	15,617	15,731
Administration fee received from the associate (note 29(a))	向一間聯營公司收取之 行政費用(附註29(a))	930	840
Gross rental income from investment properties	投資物業之總租金收入	498	317
Write back of provision for doubtful debts	呆賬撥備撥回	528	572
Write back of provision for stock obsolescence	過時存貨撥備撥回	365	—
Sundry income	雜項收入	323	209
		18,261	17,669
Total revenue	總收入	539,602	596,053

Note: Based on the latest assessment of total contract revenue for the contracting business, a net amount of HK\$665,000 has been credited to turnover to reflect a change in estimate of contract revenue for the year ended 31 December 2001.

附註：基於就承包業務合約收益總額所作之最新評估，款項淨額港幣665,000元已撥入營業額，以反映截至二零零一年十二月三十一日止年度合約收益估算之變動。

2. TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (continued)

Primary reporting format — business segments

The analysis of the Group's performance for the year by business and geographical segments is set out below.

The Group is organised into two main business segments, being the trading in and the supply and installation of building products and engineering equipment.

Other operations of the Group mainly comprise holding of investment properties and other properties and investment in technology companies, neither of which are of a sufficient size to be reported separately.

Secondary reporting format — geographical segments

The operation of the business is mainly carried in two main geographical areas, Hong Kong and Mainland China.

2. 營業額、其他收入及分類資料(續)

首要呈報方式 — 業務分類

本集團年內表現按業務及地區所作之分析載列如下。

本集團之主要業務分為兩項 — 建築產品及工程設備之買賣及供應與安裝。

本集團之其他業務主要為持有投資物業與其他物業及投資於科技公司，惟以上各項之規模不足以作獨立呈報。

次要呈報方式 — 地區分類

業務主要在兩地經營，分別為香港及中國內地。

2. TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (continued)

2. 營業額、其他收入及分類資料(續)

Primary reporting format — business segments

首要呈報方式 — 業務分類

		Building products 建築產品 2001 二零零一年 HK\$'000 港幣千元	Engineering equipment 工程設備 2001 二零零一年 HK\$'000 港幣千元	Other operations 其他業務 2001 二零零一年 HK\$'000 港幣千元	Elimination 對銷 2001 二零零一年 HK\$'000 港幣千元	Group 本集團 2001 二零零一年 HK\$'000 港幣千元
Turnover	營業額					
External sales	外界銷售	345,664	175,677	—	—	521,341
Inter-segment sales	業務間之銷售	83,427	—	—	(83,427)	—
		429,091	175,677	—	(83,427)	521,341
Segment results	分類業績	(15,604)	2,465	(18,889)*	—	(32,028)
Unallocated costs	未分配成本					(21,005)
Operating loss	經營虧損					(53,033)
Finance costs	財務費用					(982)
Share of profit of an associate	應佔聯營公司溢利	—	—	264	—	264
Loss before taxation	除稅前虧損					(53,751)
Taxation	稅項					231
Loss attributable to shareholders	股東應佔虧損					(53,520)
Segment assets	分類資產	187,965	81,137	99,980	—	369,082
Interest in an associate	聯營公司權益	—	—	9,538	—	9,538
Unallocated assets	未分配資產					416,270
Total assets	總資產					794,890
Segment liabilities	分類負債	(112,253)	(46,695)	(7)	—	(158,955)
Unallocated liabilities	未分配負債					(4,343)
Total liabilities	總負債					(163,298)
Capital expenditure	資本開支	(768)	(54)	(702)	—	(1,524)
Other non-cash expenses	其他非現金開支					
Depreciation	折舊	(3,315)	(199)	(3,995)	—	(7,509)
Amortization of goodwill	商譽攤銷	—	—	(91)	—	(91)
Write-off of fixed assets	撇銷固定資產	—	—	(1,689)	—	(1,689)
Specific provision for doubtful debts	呆賬特殊撥備	(2,217)	(536)	—	—	(2,753)
Write-off of stock obsolescence	撇銷過時存貨	(414)	—	—	—	(414)
Unrealised losses on investment properties and other properties	投資物業及其他物業之未變現虧損	—	—	(5,063)	—	(5,063)
Provision for long service payments	長期服務金撥備	(236)	(23)	(128)	—	(387)
Provision for annual leave entitlement	應享年假撥備	(201)	(12)	(17)	—	(230)
Impairment loss on non-trading securities	非買賣用途證券減值虧損	—	—	(15,789)	—	(15,789)

* Included in the segment results of other operations, there is an impairment loss on non-trading securities amounts to HK\$15,789,000

* 其他業務之分類業績已計入非買賣證券減值港幣15,789,000元。

2. TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (continued)

2. 營業額、其他收入及分類資料(續)

Primary reporting format — business segments

首要呈報方式 — 業務分類

		Building products 建築產品 2000 二零零零年 HK\$'000 港幣千元	Engineering equipment 工程設備 2000 二零零零年 HK\$'000 港幣千元	Other operations 其他業務 2000 二零零零年 HK\$'000 港幣千元	Elimination 對銷 2000 二零零零年 HK\$'000 港幣千元	Group 本集團 2000 二零零零年 HK\$'000 港幣千元
Turnover	營業額					
External sales	外界銷售	393,997	184,387	—	—	578,384
Inter-segment sales	業務間之銷售	109,508	—	—	(109,508)	—
		503,505	184,387	—	(109,508)	578,384
Segment results	分類業績	15,309	8,605	2,519	—	26,433
Unallocated costs	未分配成本					(22,328)
Operating profit	經營溢利					4,105
Finance costs	財務費用					(2,099)
Share of profit of an associate	應佔聯營公司溢利	—	—	81	—	81
Profit before taxation	除稅前溢利					2,087
Taxation	稅項					(75)
Profit attributable to shareholders	股東應佔溢利					2,012
Segment assets	分類資產	218,814	95,536	126,781	—	441,131
Interest in an associate	聯營公司權益	—	—	10,943	—	10,943
Unallocated assets	未分配資產					419,163
Total assets	總資產					871,237
Segment liabilities	分類負債	(107,490)	(61,442)	—	—	(168,932)
Unallocated liabilities	未分配負債					(9,468)
Total liabilities	總負債					(178,400)
Capital expenditure	資本開支	(2,855)	(649)	(4,152)	—	(7,656)
Other non-cash expenses	其他非現金開支					
Depreciation	折舊	(3,314)	(292)	(4,296)	—	(7,902)
Amortization of goodwill	商譽攤銷	—	—	(91)	—	(91)
Specific provision for doubtful debts	呆賬特殊撥備	(1,476)	(430)	—	—	(1,906)
Write-off of stock obsolescence	撇銷過時存貨	(135)	(116)	—	—	(251)
Unrealised losses on investment properties and other properties	投資物業及其他物業之未變現虧損	—	—	(106)	—	(106)

2. TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (continued)

2. 營業額、其他收入及分類資料(續)

Secondary reporting format — geographical segments

次要呈報方式 — 地區分類

		Turnover	Segment results	Total assets	Capital expenditure
		營業額	分類業績	總資產	資本開支
		2001	2001	2001	2001
		二零零一年	二零零一年	二零零一年	二零零一年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Hong Kong	香港	493,816	48,031	357,462	1,027
Mainland China	中國內地	27,525	3,557	11,620	497
		521,341	51,588		1,524
Unallocated costs	未分配成本		(104,621)		
Operating loss	經營虧損		(53,033)		
Interest in an associate	聯營公司權益			9,538	
Unallocated assets	未分配資產			416,270	
Total assets	總資產			794,890	

2. TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (continued) 2. 營業額、其他收入及分類資料(續)

Secondary reporting format — geographical segments

次要呈報方式 — 地區分類

		Turnover 營業額	Segment results 分類業績	Total assets 總資產	Capital expenditure 資本開支
		2000 二零零零年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Hong Kong	香港	567,449	89,787	365,220	6,675
Mainland China	中國內地	10,935	2,582	14,209	981
		578,384	92,369		7,656
Unallocated costs	未分配成本		(88,264)		
Operating profit	經營溢利		4,105		
Interest in an associate	聯營公司權益			10,943	
Unallocated assets	未分配資產			480,865	
Total assets	總資產			871,237	

3. COST OF SALES

3. 銷售成本

		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Cost of inventories sold	銷售存貨成本	364,496	314,808
Cost of construction contracts (Note)	建築合約成本(附註)	102,641	166,449
Sub-contracting fee on construction contracts	建築合約之分包費用	494	1,988
Cost of consumable stocks	消耗存貨成本	2,122	2,770
		469,753	486,015

Note: Based on the latest assessment of total contract costs for the contracting business, a net amount of HK\$19,283,000 has been debited to cost of sales to reflect a change in estimate of contract costs for the year ended 31 December 2001.

附註：基於就承包業務中合約成本總額所作之最新評估，款項淨額港幣19,283,000元已自銷售成本扣除，以反映截至二零零一年十二月三十一日止年度合約成本估算之變動。

4. OPERATING EXPENSES

4. 經營開支

		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Administrative expenses:	行政費用：		
Salaries and wages	薪金及工資	57,261	58,334
Depreciation	折舊	7,509	7,902
Operating lease rentals on property paid to third parties	就樓宇已付第三者之 經營租約租金	5,790	5,379
Directors' remuneration (note 6(a))	董事酬金(附註6(a))	4,921	10,172
Retirement benefit costs (note 7)	退休福利費用(附註7)	2,472	1,451
Travelling expenses	交通費	1,808	2,571
Entertainment expenses	交際費	1,679	2,072
Auditors' remuneration	核數師酬金	1,417	1,415
Stamps, postage and telephone	郵票、郵資及電話費	1,335	1,523
Legal and professional fees	法律及專業服務費	1,234	1,468
Advertising expenses	廣告費	726	1,049
Amortisation of goodwill	商譽攤銷	91	91
		86,243	93,427
Other operating expenses:	其他經營開支：		
Specific provision for doubtful debts	呆賬特殊撥備	2,753	1,906
Write-off of fixed assets	撇銷固定資產	1,689	—
Write-off of stock obsolescence	撇銷過時存貨	414	251
Provision for long service payments	長期服務金撥備	387	—
Loss on disposal of fixed assets	出售固定資產之虧損	249	106
Provision for annual leave entitlement	應享年假撥備	230	—
Sundry expenses	雜項開支	10,065	10,137
		15,787	12,400
		102,030	105,827

5. FINANCE COSTS

5. 財務費用

		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Interest expenses	利息開支		
Short-term bank loans and overdrafts	短期銀行貸款及透支	974	1,766
Bank loans wholly repayable within five years	須於五年內全數 清還的銀行貸款	8	333
		982	2,099

6. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

6. 董事及高級管理人員之酬金

(a) Directors' remuneration

(a) 董事酬金

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

根據香港公司條例第161條披露的董事酬金如下：

		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Fees	袍金	450	485
Salaries and other emoluments	薪金及其他酬金	4,235	8,490
Retirement scheme contributions	退休金計劃供款	168	378
Discretionary bonuses	酌情花紅	68	819
		4,921	10,172

**6. DIRECTORS' AND SENIOR MANAGEMENT'S
EMOLUMENTS (continued)**

(a) Directors' remuneration (continued)

Included in the directors' remuneration were fees of HK\$450,000 (2000: HK\$485,000) paid to non-executive director and independent non-executive directors during the year.

The emoluments of directors fell within the following bands:

6. 董事及高級管理人員之酬金(續)

(a) 董事酬金(續)

董事酬金中包括本年度內支付予非執行董事及獨立非執行董事之袍金港幣450,000元(二零零零年：港幣485,000元)。

董事酬金之範圍如下：

		Number of directors 董事人數	
		2001 二零零一年	2000 二零零零年
Emoluments' band	酬金之範圍		
Nil – \$1,000,000	零元 – 1,000,000元	7	8
\$1,000,001 – \$1,500,000	1,000,001元 – 1,500,000元	—	—
\$1,500,001 – \$2,000,000	1,500,001元 – 2,000,000元	—	2
\$2,000,001 – \$2,500,000	2,000,001元 – 2,500,000元	—	1
\$2,500,001 – \$3,000,000	2,500,001元 – 3,000,000元	—	1
\$3,000,001 – \$3,500,000	3,000,001元 – 3,500,000元	—	—
\$3,500,001 – \$4,000,000	3,500,001元 – 4,000,000元	1	—

6. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2000: four) director whose emoluments are disclosed in note (a) above. The highest emoluments payable to the remaining four (2000: one) individuals during the year are as follows:

Salaries and other emoluments	薪金及其他酬金
Discretionary bonuses	酌情花紅
Retirement scheme contribution	退休金計劃供款

6. 董事及高級管理人員之酬金(續)

(b) 五位最高酬金之人士

五位最高酬金人士包括一位(二零零零年：四位)董事，彼等之酬金已於上文附註(a)披露。年內，應付其餘四位(二零零零年：一位)最高酬金人士如下：

2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
6,161	1,042
1,245	180
313	8
7,719	1,230

The emoluments of the four (2000: one) individuals with the highest emoluments are within the following bands:

四位(二零零零年：一位)最高酬金人士之酬金範圍如下：

Number of individuals 人數		2001 二零零一年	2000 二零零零年
Emoluments' band	酬金之範圍		
\$1,000,001 – \$1,500,000	1,000,001元 – 1,500,000元	1	1
\$1,500,001 – \$2,000,000	1,500,001元 – 2,000,000元	1	—
\$2,000,001 – \$2,500,000	2,000,001元 – 2,500,000元	2	—

7. RETIREMENT BENEFIT COSTS

Contributions to the ORSO scheme and AIA-JF Premium MPF scheme by the Group and the employees are calculated as a percentage of the employees' basic salaries.

The retirement benefit scheme cost charged to the profit and loss account represents contributions payable by the Company to the scheme.

The Group's contributions are reduced by contributions forfeited by those employees who leave the ORSO scheme prior to vesting fully in the contributions. Forfeited contributions totalling HK\$420,000 (2000: HK\$484,000) were fully utilised during the year.

No contributions were payable to the scheme at the year-end (2000: Nil). The assets of the scheme are held separately from those of the Group in independently administered fund.

7. 退休福利費用

本集團及僱員向退休條例計劃及 AIA-JF Premium 強職金計劃所作之供款乃按僱員基本薪酬之某個百分比計算。

計入損益表內之退休福利計劃費用乃指本公司應付予該計劃之供款。

倘僱員於可全數取得供款前退出退休條例計劃，則彼等被沒收之供款將用作減低本集團之供款。被沒收之供款合共港幣 420,000 元（二 零 零 零 年：港 幣 484,000 元）全部已於年內動用。

於年結時，並無應付予該計劃之供款（二 零 零 零 年：港 幣 零 元）。該計劃之資產乃與本集團之資產分開，由獨立管理之基金持有。

8. TAXATION

Taxation in the consolidated profit and loss accounts represents:

8. 稅項

綜合損益表所列的稅項為：

		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Provision for Hong Kong profits tax for the year	本年度香港利得稅撥備	(430)	(365)
Overprovision in prior years	往年度超額撥備	61	242
		(369)	(123)
Overseas taxation	海外稅項	(111)	(68)
Deferred taxation (note 25)	遞延稅項(附註25)	720	94
		240	(97)
Share of associate's taxation	應佔聯營公司稅項	(9)	22
		231	(75)

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

香港利得稅乃就年內估計應課稅溢利按16%(二零零零年:16%)之稅率撥備。海外溢利稅項乃根據年內之估計應課稅溢利按本集團經營業務所在國家之適用稅率計算。

8. TAXATION (continued)

Deferred taxation (credit)/charge for the year has not been accounted for in respect of the following:

Depreciation allowances in excess of related depreciation	超逾有關折舊之 免稅額
Other timing differences	其他時差

8. 稅項 (續)

本年度遞延稅項(入賬)/支出並未就下列各項入賬：

2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
(182)	(73)
(5,307)	(2,148)
(5,489)	(2,221)

9. (LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The (loss)/profit attributable to shareholders includes a profit of HK\$13,105,000 (2000: profit of HK\$12,772,000) which has been dealt with in the accounts of the Company.

9. 股東應佔(虧損)/溢利

股東應佔(虧損)/溢利已列入本公司賬項內為數港幣13,105,000元的溢利(二零零零年：港幣12,772,000元溢利)。

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the Group's loss attributable to shareholders of HK\$53,520,000 (2000: Group's profit attributable to shareholders of HK\$2,012,000) and the weighted average of 615,896,000 (2000: 471,620,000) ordinary shares in issue during the year.

10. 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利乃根據股東應佔集團虧損港幣53,520,000元(二零零零年：股東應佔本集團溢利港幣2,012,000元)及年內已發行普通股之加權平均數615,896,000股(二零零零年：471,620,000股)計算。

10. (LOSS)/EARNINGS PER SHARE (continued)

(b) Diluted (loss)/earnings per share

The diluted loss per share for the year is not presented as the potential ordinary shares in respect of outstanding share options would have no diluting effect. The calculation of diluted earnings per share for the last corresponding year is based on the profit attributable to shareholders of HK\$2,012,000 and the weighted average of 488,078,000 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

(c) Reconciliation

10. 每股(虧損)/盈利(續)

(b) 每股攤薄(虧損)/盈利

由於未行使購股權涉及之潛在普通股並無攤薄效應，故未有呈列年內之每股攤薄虧損。上年度之每股攤薄盈利乃根據股東應佔溢利港幣2,012,000元及就所有具攤薄效應之影響作出調整後之普通股之加權平均數488,078,000股計算。

(c) 對賬

		2001 二零零一年 Number of shares 股份數目	2000 二零零零年 Number of shares 股份數目
Weighted average number of ordinary shares used in calculating basic earnings per share	用作計算每股基本盈利的普通股加權平均數	—	471,619,902
Deemed issue of ordinary shares for no consideration	設定發行無代價普通股	—	16,458,173
Weighted average number of ordinary shares used in calculating diluted earnings per share	用作計算每股攤薄盈利的普通股加權平均數	—	488,078,075

11. FIXED ASSETS

The Group

		Investment properties 投資物業 HK\$'000 港幣千元	Other properties 其他物業 HK\$'000 港幣千元	Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furniture and equipment 傢俬及設備 HK\$'000 港幣千元	Plant and machinery 廠房及機器設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
Cost or valuation	成本或估值							
At 1 January 2001	於二零零一年一月一日	6,800	104,800	15,536	27,533	11,974	555	167,198
Additions	添置	—	—	596	632	296	—	1,524
Transfer	轉撥	10,701	(11,000)	—	—	—	—	(299)
Disposals	出售	—	—	(139)	(571)	—	(73)	(783)
Write-off	撇銷	—	—	(2,488)	(178)	—	—	(2,666)
Revaluation	重估	—	(18,000)	—	—	—	—	(18,000)
At 31 December 2001	於二零零一年十二月三十一日	17,501	75,800	13,505	27,416	12,270	482	146,974
Aggregate amortisation and depreciation	攤銷及折舊總額							
At 1 January 2001	於二零零一年一月一日	—	2,264	11,549	22,563	5,613	540	42,529
Charge for the year	本年折舊	—	1,735	2,073	2,052	1,649	—	7,509
Transfer	轉撥	—	(299)	—	—	—	—	(299)
Disposals	出售	—	—	(47)	(235)	—	(58)	(340)
Write-off	撇銷	—	—	(945)	(32)	—	—	(977)
Revaluation	重估	—	(3,320)	—	—	—	—	(3,320)
At 31 December 2001	於二零零一年十二月三十一日	—	380	12,630	24,348	7,262	482	45,102
Net book value	賬面淨值							
At 31 December 2001	於二零零一年十二月三十一日	17,501	75,420	875	3,068	5,008	—	101,872
At 31 December 2000	於二零零零年十二月三十一日	6,800	102,536	3,987	4,970	6,361	15	124,669

The analysis of the cost or valuation at 31 December 2001 of the above assets of the Group is as follows:

上述之本集團資產於二零零一年十二月三十一日之成本或估值分析如下：

		Investment properties 投資物業 HK\$'000 港幣千元	Other properties 其他物業 HK\$'000 港幣千元	Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furniture and equipment 傢俬及設備 HK\$'000 港幣千元	Plant and machinery 廠房及機器設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At cost	成本	—	—	13,505	27,416	12,270	482	53,673
At 2001 valuation	二零零一年估值	17,501	75,800	—	—	—	—	93,301
		17,501	75,800	13,505	27,416	12,270	482	146,974

11. FIXED ASSETS (continued)

The analysis of the cost or valuation at 31 December 2000 of the above assets of the Group is as follows:

11. 固定資產(續)

上述之本集團資產於二零零零年十二月三十一日之成本或估值分析如下：

		Investment properties 投資物業 HK\$'000 港幣千元	Other properties 其他物業 HK\$'000 港幣千元	Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furniture and equipment 傢俬及設備 HK\$'000 港幣千元	Plant and machinery 廠房及機器設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At cost	成本	—	—	15,536	27,533	11,974	555	55,598
At 2000 valuation	二零零零年估值	6,800	—	—	—	—	—	6,800
At 1999 valuation	一九九九年估值	—	104,800	—	—	—	—	104,800
		6,800	104,800	15,536	27,533	11,974	555	167,198

The Group's interest in investment properties and other properties at their net book values are analysed as follows:

本集團於投資物業及其他物業所擁有之權益按賬面淨值分析如下：

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
In Hong Kong, held on:	香港，按下列租約持有：		
Leases of over 50 years	逾50年之租約	53,000	65,739
Leases of between 10 to 50 years	10年至50年之租約	19,000	22,540
Outside Hong Kong, held on:	香港以外，按下列租約持有：		
Leases of over 50 years	逾50年之租約	5,420	5,496
Leases of between 10 to 50 years	10年至50年之租約	15,501	15,561
		92,921	109,336

11. FIXED ASSETS (continued)

Investment properties and other properties of the Group were revalued at 31 December 2001 on the basis of their open market value by A.G. Wilkinson & Associates, an independent firm of chartered surveyors, employed by the Group. Revaluation deficits of HK\$5,063,000 (2000: HK\$106,000) were charged to the profit and loss account.

The carrying amount of the other properties would have been HK\$91,011,000 (2000: HK\$103,477,000) had they been stated at cost less accumulated depreciation.

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.

The titles to those investment properties located in Guangzhou, China are still in the process of being transferred to the Group.

11. 固定資產(續)

投資物業及其他物業已於二零零一年十二月三十一日經由本集團委聘之獨立特許測量師行韋堅信測量師行以公開市值為基準進行重估。為數港幣5,063,000元(二零零零年：港幣106,000元)之重估虧絀已自損益表扣除。

如其他物業按成本減累計折舊入賬，有關該等物業的賬面金額為港幣91,011,000元(二零零零年：港幣103,477,000元)。

一項於截至二零零一年止年度之賬面淨值為港幣53,000,000元，並由本集團附屬公司持有之物業已押予一家銀行，以取得銀行信貸。

位於中國廣州之投資物業之業權轉讓手續現正辦理當中，以將業權轉歸本集團。

12. INVESTMENTS IN SUBSIDIARIES

12. 於附屬公司的投資

		The Company 本公司	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Unlisted shares, at valuation	非上市股份，按估值	86,131	86,131
Amount due from subsidiaries	附屬公司欠款	122,853	111,232
		208,984	197,363

The amount due from subsidiaries are unsecured, interest free and has no fixed terms of repayment.

附屬公司欠款為無抵押、免息及無固定還款期償還貸款。

12. INVESTMENTS IN SUBSIDIARIES (continued)

12. 於附屬公司的投資(續)

The following is a list of the subsidiaries as at 31 December 2001:

於二零零一年十二月三十一日，本公司旗下附屬公司之詳情如下：

Name of company 公司名稱	Place of incorporation/ operations 註冊成立／ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		Company 本公司 %	Subsidiaries 附屬公司 %		
i-Onyx (HK) Limited	Hong Kong 香港	100	—	HK\$2 港幣2元	Investment holding 投資控股
i-Onyx Investment Holdings Limited	British Virgin Islands 英屬處女群島	100	—	US\$1 1美元	Investment holding 投資控股
Starcase Limited* 達崎有限公司*	Hong Kong 香港	—	100	HK\$2 港幣2元	Investment holding 投資控股
Anagram Company Limited	British Virgin Islands 英屬處女群島	—	100	US\$1 1美元	Investment holding 投資控股
Potent Star Limited 寶運達有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Investment holding 投資控股
Arnhold (B.V.I.) Limited	British Virgin Islands/ Hong Kong 英屬處女群島／ 香港	100	—	US\$1,000 1,000美元	Investment holding 投資控股

* In creditors' voluntary liquidation with effect from 9 February 2002

* 由二零零二年二月九日起進行債權人自動清盤

12. INVESTMENTS IN SUBSIDIARIES (continued)

12. 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ operations 註冊成立/ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		Company 本公司 %	Subsidiaries 附屬公司 %		
Arnhold Investments Limited 安利投資有限公司	Hong Kong 香港	—	100	Ordinary HK\$1 Non-voting deferred HK\$1,000,000 普通股 港幣1元 無投票權 遞延股份 港幣1,000,000元	Investment holding 投資控股
Arnhold & Company, Limited 安利有限公司	Shanghai/ Hong Kong 上海/香港	—	100	HK\$20,000,000 港幣 20,000,000元	Trading and engineering 貿易及工程
Bain d'Or Company Limited 安法有限公司	Hong Kong 香港	—	100	HK\$200,000 港幣200,000元	Trading 貿易
Arnhold Marble Limited 安利雲石有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Supply and installation of natural stones 供應及安裝 天然石材
Arnhold Stone Works Limited 安利石材有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Dormant 暫無營業

12. INVESTMENTS IN SUBSIDIARIES (continued)

12. 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ operations 註冊成立/ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		Company 本公司 %	Subsidiaries 附屬公司 %		
Arnhold Kitchens Limited 安利廚櫃有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Supply and installation of fitted kitchen cabinets 供應及安裝廚櫃
Arnhold Asia Limited 安利亞洲有限公司	British Virgin Islands 英屬處女群島	—	100	US\$50,000 50,000美元	Trading 貿易
Arnhold Design Centres Limited 安利家麗有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Retailing 零售
Arnhold Distributors Limited	Bermuda 百慕達	—	100	HK\$100,000 港幣100,000元	Distributorship agent 經銷商
Arnhold China Limited 安利中國有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Provision of management services to fellow subsidiaries 提供管理服務 予集團 附屬公司

12. INVESTMENTS IN SUBSIDIARIES (continued)

12. 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ operations 註冊成立/ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		Company 本公司 %	Subsidiaries 附屬公司 %		
Arnhold Properties (B.V.I.) Limited	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	—	100	US\$1 1美元	Property holding 物業持有
Palatial Properties Limited	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	—	100	US\$1 1美元	Property holding 物業持有
Diction Limited 的信有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property holding 物業持有
Grandful Limited 津福有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property investment 物業投資
Tradebond Investments Limited 貿邦投資有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property investment 物業投資
Worldpole Investments Limited 滙柱投資有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property investment 物業投資

12. INVESTMENTS IN SUBSIDIARIES (continued)

12. 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ operations 註冊成立/ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		Company 本公司 %	Subsidiaries 附屬公司 %		
Arnhold Marble China Limited 安利雲石中國 有限公司	Hong Kong 香港	—	100	HK\$10 港幣10元	Trading and management services 貿易及管理服務
Dongguan Arnhold Marble Limited 東莞安利石材 有限公司	Dongguan 東莞	—	100	HK\$9,045,016 港幣9,045,016元	Natural stones cutting and polishing 天然石材切割 及加工
Arnhold Air- Conditioning Limited 安利空調工程 有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Dormant 暫無營業
D M (F.E.) Limited 大連重工(遠東) 有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Dormant 暫無營業

13. INTEREST IN AN ASSOCIATE

13. 聯營公司權益

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Share of net assets	應佔資產淨值	9,151	10,450
Unamortised goodwill	未攤銷商譽	269	360
		9,420	10,810
Amount due from the associate	聯營公司之欠款	118	133
		9,538	10,943

Interim dividend of HK\$1,470,000 (2000: Nil) was received during the year from the associate.

本年度有來自聯營公司之中期股息收入港幣1,470,000元（二零零零年：無）。

The amount due from the associate is unsecured, interest free and has no fixed terms of repayment.

聯營公司之欠款為無抵押、免息及無固定還款期。

The interest in the associate represents a 49% interest in the issued share capital of Kingspan China Limited, which is incorporated in Hong Kong and engaged in the thermal insulation business.

聯營公司權益指持有固溫中國有限公司之已發行股本之49%權益。該公司在香港註冊成立，從事保溫隔熱風喉系統業務。

14. NON-TRADING SECURITIES

14. 非買賣用途證券

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Unlisted equity securities, at cost	非上市證券投資，按成本值	26,325	21,449
Less: provision of diminution in value	減：減值撥備	(7,800)	(12,035)
Less: impairment loss	減：減值虧損	(15,789)	—
		2,736	9,414

15. OTHER INVESTMENTS

15. 其他投資

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Unlisted club debentures, at cost	非上市會籍債券， 按成本值	2,288	2,288

16. INVENTORIES

16. 存貨

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Merchandise	商品	14,359	21,301
Consumable inventories	消耗存貨	1,076	1,017
Raw materials	原材料	4,656	4,566
Work in progress	在製品	314	1,434
Finished goods	製成品	10	267
		20,415	28,585

17. CONSTRUCTION CONTRACTS

17. 建築合約

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Costs	成本	44,806	63,725
Attributable profit	應佔溢利	5,341	4,862
		50,147	68,587
Progress payments received and receivable	已收及應收之進度付款	(46,432)	(62,365)
		3,715	6,222

At 31 December 2001, retentions held by customers for contract works included in trade and other receivables of the Group as disclosed in note 18 amounted to HK\$30,969,000 (2000: HK\$31,383,000).

於二零零一年十二月三十一日，由客戶持有之合約工程保留金為港幣30,969,000元（二零零零年：港幣31,383,000元），已包括在附註18所披露之本集團應收賬款及其他應收款之內。

17. CONSTRUCTION CONTRACTS (continued)

At 31 December 2001, advances received from customers for contract works included in other payables of the Group as disclosed in note 20 amounted to HK\$2,394,000 (2000: HK\$1,767,000).

17. 建築合約(續)

於二零零一年十二月三十一日，附註20所披露之本集團其他應付款所計及就建築工程向客戶收取之預付款達港幣2,394,000元（二零零零年：港幣1,767,000元）。

18. TRADE AND OTHER RECEIVABLES

18. 應收賬款及其他應收款

		The Group 本集團		The Company 本公司	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元	2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Trade receivables	應收貿易賬款	202,212	232,444	—	—
Retention receivables	應收保留款項	31,720	32,468	—	—
Prepayments and other receivables	預付款項及 其他應收款	6,363	7,582	1,120	800
		240,295	272,494	1,120	800

18. TRADE AND OTHER RECEIVABLES (continued)

Included in trade and other receivables are trade debtors and retention receivables (net of specific provisions for doubtful debts) with the following aging analysis:

18. 應收賬款及其他應收款(續)

應收賬款及其他應收款包括應收賬款及保留金(已扣除呆賬特殊撥備)，其賬齡分析如下：

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Current	未逾期	102,592	108,995
One to three months overdue	逾期一至三個月	65,381	90,120
More than three months overdue but less than twelve months overdue	逾期超過三個月 但少於十二個月	43,554	39,052
Overdue more than twelve months	逾期超過十二個月	22,405	26,745
Total debtors and retention receivable	應收賬款及保留金總額	233,932	264,912
Prepayments and other receivables	預付款項及其他應收款	6,363	7,582
		240,295	272,494

Debts from construction contracts are due when architect certificates are issued and other debts are due normally from the date of billing. Debtors with balances that are long overdue are normally requested to settle all outstanding balances before any further credit is granted.

建築合約賬款在建築師證書發出時到期支付，其餘賬款通常在收費通知書發出當日起到期支付。如有逾期賬款餘額，有關的債務人須先行清償所有未付結餘，才可再給予信貸額。

19. CASH AND CASH EQUIVALENTS

19. 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元	2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Bank deposits with original maturity of three months or less	原有到期日為三個月或以下之銀行存款	404,677	404,519	391,807	391,220
Cash at bank and in hand	銀行存款及現金	9,131	11,903	777	18
		413,808	416,422	392,584	391,238

20. TRADE AND OTHER PAYABLES

20. 應付賬款及其他應付款

		The Group 本集團		The Company 本公司	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元	2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Trade payables	應付貿易賬款	65,757	75,684	—	—
Accruals and other accounts payables	應計費用及其他應付賬款	92,536	94,664	748	522
Advances received from customers	客戶預付款	2,394	1,767	—	—
		160,687	172,115	748	522

All of the above trade and other payables are expected to be settled within one year.

以上所有應付賬款及其他應付款預期將於一年內償付。

20. TRADE AND OTHER PAYABLES (continued)

20. 應付賬款及其他應付款(續)

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Due within one month or on demand	一個月內或接獲通知時到期	51,761	62,116
Due after one month but within three months	一個月後但三個月內到期	12,747	11,688
Due after three months	三個月後到期	1,249	1,880
Total creditors and bills payable	應付賬款及應付票據	65,757	75,684
Accruals and other accounts payable	應計費用及其他應付賬款	92,536	94,664
Advances received from customers	客戶預付款	2,394	1,767
		160,687	172,115

21. PROVISIONS

The Group

21. 撥備

本集團

		Long service payment 長期服務金 HK\$'000 港幣千元	Annual leave entitlement 應享年假 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At 1 January 2001, as previously reported	於二零零一年 一月一日， 按過往呈報	—	—	—
Effect of adopting SSAP 28	採納會計準則 第28條之影響	1,002	1,211	2,213
At 1 January 2001, as restated	於二零零一年 一月一日， 按重列	1,002	1,211	2,213
Additional provisions	額外撥備	387	1,850	2,237
Less: Amounts utilized	減：已動用款項	—	(1,620)	(1,620)
Charge to profit and loss account	自損益表扣除	387	230	617
Less: Amounts settled	減：已交付款項	(187)	(462)	(649)
		200	(232)	(32)
As at 31 December 2001	於二零零一年 十二月三十一日	1,202	979	2,181

22. SHARE CAPITAL

22. 股本

		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Authorised	法定股本		
800,000,000 ordinary shares of HK\$0.10 each	800,000,000股每股面值 港幣0.10元普通股	80,000	80,000
Issued and fully paid	已發行及繳足股本		
615,896,000 ordinary shares of HK\$0.10 each	615,896,000股每股面值 港幣0.10元普通股	61,590	61,590

On 14 January 2002, 3,600,000 share options have been exercised by grantees at the price of HK\$0.592 per share. Details of the share option scheme of the Company is disclosed in the report of the directors.

於二零零二年一月十四日，獲授人按每股港幣0.592元之價格行使3,600,000份認股權。本公司認股權計劃之詳情在董事會報告披露。

On 29 January 2002, 395,000,000 shares of HK\$0.10 each were repurchased and cancelled pursuant to the cash offer. Details of the share repurchase by the Company is disclosed in note 30 to the accounts.

於二零零二年一月二十九日，根據現金購回建議購回及註銷395,000,000股每股面值港幣0.10元股份。本公司購回股份之詳情在賬目附註30披露。

23. RESERVES

The Group

		Share premium 股份溢價 HK\$'000 港幣千元	Other properties revaluation reserve 其他物業 重估儲備 HK\$'000 港幣千元	Investment revaluation reserve 投資重估 儲備 HK\$'000 港幣千元	Profit and loss account 損益表 HK\$'000 港幣千元	Contributed surplus 實繳盈餘 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At 1 January 2000	於二零零零年一月一日	69,813	11,389	—	190,811	808	272,821
Profit attributable to shareholders	股東應佔溢利	—	—	—	2,012	—	2,012
Deficit on revaluation	重估虧絀	—	—	(12,035)	—	—	(12,035)
Premium on issue of ordinary shares	發行普通股之溢價	375,036	—	—	—	—	375,036
Shares issue expenses	股份發行費用	(8,434)	—	—	—	—	(8,434)
Exercise of share options	行使認股權	1,847	—	—	—	—	1,847
At 31 December 2000, as previously reported	於二零零零年十二月三十一日，按過往呈報	438,262	11,389	(12,035)	192,823	808	631,247
Effect of adopting SSAP 28 (Note 1(t))	採納會計準則第28條之影響(附註1(t))	—	—	—	(2,299)	—	(2,299)
At 31 December 2000, as restated	於二零零零年十二月三十一日，按重列	438,262	11,389	(12,035)	190,524	808	628,948
Loss attributable to shareholders	股東應佔虧損	—	—	—	(53,520)	—	(53,520)
Deficit on revaluation	重估虧絀	—	(9,617)	(11,554)	—	—	(21,171)
Reserve realised upon recognition of impairment loss	確認減值虧損時變現之儲備	—	—	15,789	—	—	15,789
Shares issue expenses	股份發行費用	(44)	—	—	—	—	(44)
At 31 December 2001	於二零零一年十二月三十一日	438,218	1,772	(7,800)	137,004	808	570,002
Company and subsidiaries	本公司及附屬公司	438,262	11,389	(12,035)	183,476	808	621,900
Associate	聯營公司	—	—	—	7,048	—	7,048
At 31 December 2000 as restated	於二零零零年十二月三十一日，按重列	438,262	11,389	(12,035)	190,524	808	628,948
Company and subsidiaries	本公司及附屬公司	438,218	1,772	(7,800)	131,171	808	564,169
Associate	聯營公司	—	—	—	5,833	—	5,833
At 31 December 2001	於二零零一年十二月三十一日	438,218	1,772	(7,800)	137,004	808	570,002

23. 儲備

本集團

23. RESERVES (continued)

The Company

		Share premium 股份溢價 HK\$'000 港幣千元	Profit and loss account 損益表 HK\$'000 港幣千元	Contributed surplus 實繳盈餘 HK\$'000 港幣千元	Total 總數 HK'000 港幣千元
At 1 January 2000	於二零零零年一月一日	69,813	1,188	75,067	146,068
Profit for the year	本年度溢利	—	12,772	—	12,772
Premium on issue of ordinary shares	發行普通股之溢價	375,036	—	—	375,036
Shares issue expenses	股份發行費用	(8,434)	—	—	(8,434)
Exercise of share options	行使認股權	1,847	—	—	1,847
At 31 December 2000	於二零零零年十二月三十一日	438,262	13,960	75,067	527,289
Profit for the year	本年度溢利	—	13,105	—	13,105
Shares issue expenses	股份發行費用	(44)	—	—	(44)
At 31 December 2001	於二零零一年十二月三十一日	438,218	27,065	75,067	540,350

The Group loss for the year retained of HK\$53,520,000 (2000: profit of HK\$2,012,000) included a profit retained by an associate of HK\$255,000 (2000: HK\$103,000).

The distributable reserves of the Company at 31 December 2001, under the Companies Act 1981 of Bermuda, amounted to HK\$102,132,000 (2000: HK\$89,027,000).

The contributed surplus of the Group represents the excess of the nominal value of the shares of Arnhold (B.V.I.) Limited and the nominal value of the deferred shares of Arnhold Investments Limited acquired over the nominal value of the Company's shares issued in exchange therefor pursuant to the Group's reorganisation in December 1993.

23. 儲備 (續)

本公司

		Share premium 股份溢價 HK\$'000 港幣千元	Profit and loss account 損益表 HK\$'000 港幣千元	Contributed surplus 實繳盈餘 HK\$'000 港幣千元	Total 總數 HK'000 港幣千元
At 1 January 2000	於二零零零年一月一日	69,813	1,188	75,067	146,068
Profit for the year	本年度溢利	—	12,772	—	12,772
Premium on issue of ordinary shares	發行普通股之溢價	375,036	—	—	375,036
Shares issue expenses	股份發行費用	(8,434)	—	—	(8,434)
Exercise of share options	行使認股權	1,847	—	—	1,847
At 31 December 2000	於二零零零年十二月三十一日	438,262	13,960	75,067	527,289
Profit for the year	本年度溢利	—	13,105	—	13,105
Shares issue expenses	股份發行費用	(44)	—	—	(44)
At 31 December 2001	於二零零一年十二月三十一日	438,218	27,065	75,067	540,350

本年度集團之保留虧損為港幣53,520,000元 (二零零零年：保留溢利港幣2,012,000元)，包括一聯營公司之保留溢利港幣255,000元 (二零零零年：港幣103,000元)。

於二零零一年十二月三十一日，本公司依據百慕達一九八一年公司法可供分配儲備共達港幣102,132,000元 (二零零零年：港幣89,027,000元)。

本集團之實繳盈餘是指購入 Arnhold (B.V.I.) Limited 之股份面值與安利投資有限公司之遞延股份面值超逾本公司根據一九九三年十二月集團重組而發行之股份 (作為交換上述股份) 面值之盈餘。

23. RESERVES (continued)

The contributed surplus of the Company represents the undistributed excess of the net assets of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefor pursuant to the Group's reorganisation in December 1993. Under the Companies Act 1981 of Bermuda, the contributed surplus is distributable.

24. INTEREST BEARING BANK LOANS

Bank loans wholly repayable within five years — secured
Current portion of interest bearing bank loans

須於五年內全數償還之
有抵押銀行貸款之
帶息銀行貸款之
現期償還部份

The interest bearing bank loans are secured by the Group's leasehold land and buildings in Hong Kong with an aggregate carrying value of HK\$58,069,000 (2000:HK\$88,279,000).

23. 儲備(續)

本公司之實繳盈餘是指購入該等附屬公司之資產淨值超逾本公司根據一九九三年十二月集團重組發行之股份(以交換該等附屬公司之資產淨值)面值之未分派盈餘。根據百慕達一九八一年公司法，實繳盈餘可予分派。

24. 帶息銀行貸款

The Group 本集團	
2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
—	1,234
—	(1,234)
—	—

銀行貸款以本集團於香港持有之租約土地及樓宇賬面總值共港幣58,069,000元(二零零零年：港幣88,279,000元)作為抵押。

25. DEFERRED TAXATION

25. 遞延稅項

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
At 1st January	於一月一日	1,150	1,244
Transfer to profit and loss account (note 8)	轉入損益表(附註8)	(720)	(94)
At 31 December	於十二月三十一日	430	1,150

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Provided for in respect of:	就以下項目作出之備撥：		
Accelerated depreciation allowances	加速折舊免稅額	430	1,140
Other timing differences	其他時差	—	10
		430	1,150

25. DEFERRED TAXATION (continued)

The potential deferred tax assets which have not been accounted for in the accounts amount to:

25. 遞延稅項 (續)

並未計入財政報告內之潛在遞延稅務資產：

		The Group 本集團	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Accelerated depreciation allowances	加速折舊免稅額	(189)	(7)
Other timing differences	其他時差	(8,415)	(3,108)
		(8,604)	(3,115)

The revaluation of investment properties and other properties does not constitute a timing differences for deferred taxation purposes as realisation of the revaluation surplus would not result in a taxation liability.

重估投資物業及其他物業就遞延稅項而言不會構成時差，原因為重估盈餘變現不會導致出現稅務負擔。

26. CONTINGENT LIABILITIES

(a) At 31 December 2001, there were contingent liabilities in respect of the following:

26. 或然負債

(a) 於二零零一年十二月三十一日，或然負債如下：

		The Group 本集團		The Company 本公司	
		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元	2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
Guarantees for credit facilities granted by banks on behalf of subsidiaries	代表附屬公司向銀行提供貸款擔保	—	—	222,000	305,000

26. CONTINGENT LIABILITIES (continued)

- (b) The Company has given a guarantee to a bank that it will service the mortgage repayments of Arnhold Properties (B.V.I.) Limited, a subsidiary, should it fail to or have insufficient funds to meet its monthly repayments to the bank. At 31 December 2001, all mortgage loan have been repaid. (2000: the total amount due to the bank was HK\$1,234,000).
- (c) 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 (2000: HK\$18,042,000).
- (d) Starcase Limited, the subsidiary of the Company which made an investment in Wit Soundview Dawntreader Fund II (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.

26. 或然負債 (續)

- (b) 本公司曾向一銀行作出擔保，倘附屬公司 Arnhold Properties (B.V.I.) Limited 無法或資金不敷按月還款予該銀行，本公司將須代為償還其按揭貸款。於二零零一年十二月三十一日，所有按揭貸款已予償還(二零零零年：欠該銀行款項總額為港幣1,234,000元)。
- (c) 若干附屬公司已向銀行作出承諾，保證會向第三者履行若干訂約非財務責任。就此，該等銀行已代表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，結欠擔保額為港幣32,618,000元(二零零零年：港幣18,042,000元)。
- (d) 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。達崎有限公司曾承諾向 Dawntreader Fund 注資5,000,000美元(約相等於港幣39,000,000元)，並已繳付其中2,400,000美元(約相等於港幣18,500,000元)。本集團認為，清盤程序可限制本集團所需承受之進一步財務風險。

27. OPERATING LEASE COMMITMENTS

At 31 December 2001, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

Land and buildings	土地及樓宇
— Not later than one year	— 於一年內屆滿
— Later than one year and not later than five years	— 於第二至第五年屆滿

At 31 December 2001, the Group had future aggregate minimum lease payments receivable under non-cancellable operating leases as follows:

Land and buildings	土地及樓宇
— Not later than one year	— 於一年內屆滿

27. 經營租約承擔

於二零零一年十二月三十一日，本集團根據不可撤銷經營租約之日後最低租金總額如下：

The Group 本集團	
2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
1,706	5,190
89	3,261
1,795	8,451

於二零零一年十二月三十一日，本集團根據不可撤銷經營租約應收之日後最低租金總額如下：

The Group 本集團	
2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
201	139

28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

28. 綜合現金流量表附註

(a) Reconciliation of (loss)/profit from ordinary activities before taxation to net cash outflow from operating activities:

(a) 除稅前日常業務(虧損)/溢利與經營業務之現金流出淨額對賬：

		2001 二零零一年 HK\$'000 港幣千元	2000 二零零零年 HK\$'000 港幣千元
(Loss)/profit from ordinary activities before taxation	除稅前日常業務(虧損)/溢利	(53,751)	2,087
Depreciation	折舊	7,509	7,902
Amortisation of goodwill	商譽攤銷	91	91
Interest income	利息收入	(15,617)	(15,731)
Interest expenses	利息支出	982	2,099
Share of profit of an associate	應佔聯營公司溢利	(264)	(81)
Unrealised losses on investment properties and other properties	投資物業及其他物業之未變現虧損	5,063	106
Impairment loss on non-trading securities	非買賣用途證券之減值	15,789	—
Loss on disposal of fixed assets	出售固定資產之虧損	249	106
Write-off of fixed assets	撇銷固定資產	1,689	—
Decrease in amount due from an associate	應收聯營公司之欠款減少	13	200
Decrease/(increase) in inventories	存貨減少/(增加)	8,170	(1,740)
Decrease/(increase) in construction contracts	建築合約減少/(增加)	2,507	(115)
Decrease in trade and other receivable	應收賬款及其他應收款減少	32,199	30,270
Decrease in trade and other payables	應付賬款及其他應付款減少	(11,428)	(44,176)
Decrease in provisions	撥備減少	(32)	—
Net cash outflow from operating activities	經營業務之現金流出淨額	(6,831)	(18,982)

28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

28. 綜合現金流量表附註(續)

(b) Analysis of changes in financing during the year:

(b) 年內融資變動分析：

		Long-term liabilities		Current liabilities	
		Bank loans -		Short-term	
		Secured		bank loans	
		長期負債		流動負債	
		有抵押銀行貸款		短期銀行貸款	
		2001	2000	2001	2000
		二零零一年	二零零零年	二零零一年	二零零零年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Balance at 1 January	一月一日結存	1,234	6,148	3,901	—
Drawdown during the year	年度借貸額	—	—	37,490	116,318
Repayments during the year	年度還款額	(1,234)	(4,914)	(41,391)	(112,417)
Balance at 31 December	十二月三十一日結存	—	1,234	—	3,901

29. RELATED PARTY TRANSACTIONS

29. 與有關連人士之交易

Significant related party transactions which were carried out in the normal course of the Group's business are as follows:

以下所列為本集團與有關連人士在日常業務中進行之重大交易：

		2001	2000
		二零零一年	二零零零年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Administration fee received by Arnhold & Company, Limited from the associate (see note (a) below)	安利有限公司向聯營公司收取之行政費用(見下文附註(a))	930	840

29. RELATED PARTY TRANSACTIONS (continued)

- (a) Arnhold & Company, Limited provides management services to the associate for which it charges an administration fee at a fixed monthly amount.
- (b) In addition to transactions with related companies as disclosed above, professional fees of HK\$335,000 (2000: HK\$719,000) were paid to a firm in which an independent non-executive director is a partner. Besides, sales of customer goods of HK\$16,032,000 (2000: HK\$3,679,000) to a listed group of companies in which an independent non-executive director is also a director of the listed group.

It is the intention of the directors of the Company that the Group will continue its business relationships with related parties under similar bases as adopted in previous years. In the opinion of the directors of the Company, the transactions with the related companies were carried out in the ordinary course of business on normal commercial terms.

30. POST BALANCE SHEET EVENT

The Company announced a conditional cash offer (Offer) to repurchase up to 395,000,000 shares at the price of HK\$0.98 per share on 22 November 2001. The Offer was approved at the Special General Meeting on 14 January 2002 and became unconditional on 15 January 2002.

29. 與有關連人士之交易 (續)

- (a) 安利有限公司提供管理服務予其聯營公司，並每月收取固定之行政費用。
- (b) 除了上述與有關連公司之交易外，本集團向一家公司支付專業費用港幣335,000元（二零零零年：港幣719,000元），本公司之一名獨立非執行董事是該公司之合夥人。此外，並向一個上市公司集團銷售消費貨品港幣16,032,000元（二零零零年：港幣3,679,000元），本公司一名獨立非執行董事亦為該上市集團之董事。

根據本公司董事會之意向，本集團將按以往相近之基準與有關連人士維持業務關係。本公司之董事認為，與上述有關連公司進行之交易乃在日常業務過程中按正常商業條款進行。

30. 結算日後事項

本公司於二零零一年十一月二十二日宣佈有條件現金購回建議（「購回建議」），按每股港幣0.98元之價格購回最多395,000,000股股份。購回建議於二零零二年一月十四日舉行之股東特別大會上獲批准，並於二零零二年一月十五日成為無條件。

30. POST BALANCE SHEET EVENT (continued)

On 25 January 2002, being the time at which the Offer closed, valid tenders in respect of 463,138,461 shares had been received by the Company from accepting shareholders, representing approximately 74.76% of the total issued share capital of the Company. Pursuant to the Offer, 395,000,000 shares had been accepted based on pro-rata entitlement and repurchased by the Company at the Offer price of HK\$0.98 per share. The total consideration payable by the Company under the Offer was approximately HK\$387.10 million.

As a result of the repurchase, Michael John Green's and his family trust's interest in the Company was increased from 22.70% to 62.27%.

31. APPROVAL OF ACCOUNTS

The accounts were approved by the Board of directors on 13 March 2002.

30. 結算日後事項(續)

於二零零二年一月二十五日(購回建議之截止時間)，本公司接獲接納購回建議之股東有效交回之股份為463,138,461股，約佔本公司已發行股本總額之74.76%。根據購回建議，本公司按比例接納及按每股港幣0.98元之購回價購回395,000,000股股份。本公司根據購回建議應付之總代價約為港幣387,100,000元。

由於進行購回事宜，米高•葛林及其家族信託於本公司之權益由22.70%增至62.27%。

31. 批核財政報告

董事會已於二零零二年三月十三日批核本年度之賬目。