

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise stated)

財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

1. ORGANISATION AND OPERATIONS

GZITIC Hualing Holdings Limited (the "Company") was incorporated in Hong Kong on 23 December 1992, and its shares are listed on The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the manufacture and sale of household electrical appliances, which include refrigerators, air-conditioners and mini-refrigerators.

The directors of the Company consider Guangzhou International Trust and Investment Corporation ("GZITIC"), a company incorporated in the People's Republic of China (the "PRC"), to be the ultimate holding company.

2. PRINCIPAL ACCOUNTING POLICIES

a. Adoption of new/revised Statements of Standard Accounting Practice

Effective from 1 January 2001, the Group has adopted, for the first time, the following Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants:

SSAP9 (revised)	Event after the balance sheet date
SSAP14 (revised)	Leases
SSAP17 (revised)	Property, plant and equipment
SSAP18 (revised)	Revenue
SSAP26	Segment reporting
SSAP28	Provisions, contingent liabilities and contingent assets
SSAP29	Intangible assets
SSAP30	Business combination
SSAP31	Impairment of assets
SSAP32	Consolidated financial statements and accounting for investments in subsidiaries

The Group has disclosed segment information in Note 34 to the financial statements. Except for this change, the adoption of the above new/revised SSAPs has no material effect on amounts reported in prior year.

1. 組織和業務

國信華凌集團有限公司(「本公司」)於一九九二年十二月二十三日於香港註冊成立，其股份於香港聯合交易所有限公司上市。

本公司為一間投資控股公司。本公司及其各附屬公司(以下統稱「本集團」)之主要業務為生產及銷售家庭電器，包括冰箱、空調機及小型冰箱。

本公司董事認為廣州國際信託投資公司(「廣州信託」)，一間於中華人民共和國(「中國」)成立的公司為本公司的最終控股公司。

2. 主要會計政策

a. 採用新／修訂會計實務準則

自二零零一年一月一日起，本集團首次採納香港會計師公會頒佈之以下會計實務準則(「準則」)：

準則第9條 (經修訂)	資產負債表日後事項
準則第14條 (經修訂)	租賃
準則第17條 (經修訂)	物業、廠房和設備
準則第18條 (經修訂)	收入
準則第26條	分部報告
準則第28條	撥備、或然負債和或然資產
準則第29條	無形資產
準則第30條	企業合併
準則第31條	資產減值
準則第32條	綜合財務報表及於附屬公司投資之會計處理

本集團於財務報表附註34披露了分部報告。除該變更外，採用新／修訂準則對以前年度報告的數字無重大影響。

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2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

b. Basis of presentation

The financial statements are prepared under historical cost convention as modified by the revaluation of investment properties, and in accordance with the Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong ("HK GAAP"), the disclosure requirements of the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This basis of accounting differs from that used in the financial statements of the group companies not incorporated in Hong Kong, which are prepared in accordance with the accounting standards of their respective countries. Adjustments have been made to these financial statements for compliance with HK GAAP.

c. Basis of consolidation

The consolidated financial statements of the Group include the accounts of the GZITIC Hualing Holdings Limited and the enterprises that it controls. This control is normally evidenced when the Group has the power to govern the financial and operating policies of an enterprise so as to benefit from its activities. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal. The equity and net income attributable to minority shareholders' interests are shown separately in the Group's balance sheet and income statement, respectively.

Significant intra-group transactions and balances have been eliminated on consolidation. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In the Company's financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. The results of the subsidiaries are included in the income statement to the extent of dividends received and receivable.

2. 主要會計政策 (續)

b. 呈報基準

本會計報表使用歷史成本法編製，並就投資物業之重估值進行調整。本財務報表是按照香港會計師公會頒佈的會計實務準則及香港公認會計準則、公司條例的披露要求及香港聯合交易所有限公司證券上市規則而編製。此會計基準與於香港以外地點註冊成立的集團公司的財務報表所採用者不同，其財務報表乃按照當地的會計準則而編製。因此有關的財務報表已被適當地調整以符合香港公認會計準則。

c. 綜合賬目基準

本集團的綜合財務報表包括國信華凌集團有限公司及其所控制的公司之賬目。控制是指本公司能控制其公司之財務和經營決策，並藉此從該公司的經營活動中獲取利益的權力。附屬公司之業績，只分別自其收購生效日起或至出售生效日止計入本年度之綜合利潤表內。歸屬於少數股東權益的權益和淨收入分別於本集團之綜合資產負債表和綜合利潤表中單獨列示。

編製綜合財務報表時，集團間的重大結餘及交易均予以抵銷。編製綜合財務報表時，對於類似交易，或類似情況下發生其它事件，均採用統一的會計政策。

在本公司的財務報表中，於附屬公司投資以成本減累計減值損失入賬。附屬公司的業績以應收和已收股息為限計入利潤表。

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2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

d. Turnover

Turnover represents the gross invoiced sales, net of discounts and returns.

e. Revenue recognition

Provided it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue and costs, if applicable, can be measured reliably, turnover and other revenues are recognised on the following basis:

(i) Sale of goods

Sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to customers.

(ii) Interest income

Interest income from bank deposits is recognised on a time proportion basis that takes into account the effective yield on the assets.

(iii) Rental income

Rental income under operating leases is recognised on a straight-line basis over the period of the relevant leases.

2. 主要會計政策 (續)

d. 營業額

營業額指已售貨品之發票價值扣除折扣及退貨後之淨額。

e. 收入之確認

倘若與交易相聯繫之經濟利益很可能流入本集團，並且收入的金額及交易中發生的成本能夠可靠地計量時，按以下基準確認收入：

(i) 貨品銷售收入

貨品銷售收入於將貨品所有權的主要風險和報酬移交客戶時確認。

(ii) 利息收入

銀行存款利息收入根據存款期按存款餘額及其相應利息率以時間比例基準計算。

(iii) 租賃收入

經營租賃之收入按直線法於有關租賃期間確認。

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2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

f. Fixed assets and depreciation

Fixed assets, other than investment properties, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the consolidated income statement in the period in which they are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed assets, the expenditures are capitalised as additional costs of the fixed asset.

Depreciation is calculated on the straight-line basis at annual rates estimated to write off the cost, after taking into account of the estimated residual value of 10%, of each asset over its expected useful life. The expected useful lives are as follows:

Land use rights	50 years
Buildings	10 - 20 years
Plant and machinery	10 - 20 years
Furniture, fixtures and electronic equipment	5 years
Motor vehicles	5 years
Moulds and other equipment	2 - 5 years

The costs incurred in the acquisition of land use rights in the PRC are amortised over the duration of the land use rights which is approximately 50 years.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated income statement.

The useful lives of assets and depreciation method are reviewed periodically.

2. 主要會計政策 (續)

f. 固定資產及折舊

除投資物業外，固定資產按成本值減累計折舊及累計減值損失入賬。資產之原值包括購買價及使資產達致運作狀況及運往現址作擬定用途之直接成本。在固定資產投入運作後產生之支出，如維修保養及經常費用等，一般自費用發生時於綜合利潤表中扣除。倘當時之情況清楚顯示該項支出導致未來因使用該項固定資產而獲得之經濟效益增加，則將該項支出撥作固定資產之額外成本。

固定資產折舊乃按估計可使用期限，並扣除固定資產的殘值(10%)後以直線法撇銷其成本。各項資產之估計可使用年限如下：

土地使用權	50年
樓宇	10-20年
廠房及機器	10-20年
傢俬、裝置及電子設備	5年
汽車	5年
模具及其他設備	2-5年

於中國購入土地使用權之成本乃按土地使用權之年期攤銷，有關年期約為50年。

當資產售出或停用時，其成本及累計折舊從賬目中撇銷，出售資產所發生之盈利或虧損，計入綜合利潤表內。

對資產的使用年限和折舊方法定期予以覆核。

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g. Investment properties

Investment properties are interests in buildings in respect of which construction work and development have been completed and which are held for their long-term investment potential.

Investment properties are stated at open market value determined every three years by independent valuers.

Increases in the carrying amount of investment properties are credited to the revaluation reserve in shareholders' equity. Decreases are first offset against increases on earlier valuations in the revaluation reserve, unless the total of this reserve is insufficient to cover a deficit on a portfolio basis, in which case the amount by which the deficit exceeds the total amount in the investment property revaluation reserve should be charged to the consolidated income statement. Where a deficit has previously been charged to the consolidated income statement and a revaluation surplus subsequently arises, this surplus should be credited to the consolidated income statement to the extent of the deficit previously charged.

Upon the disposal of an investment property, the realised portion of the revaluation reserve is credited to the consolidated income statement as part of the profit or loss on disposal of the investment property.

h. Construction-in-progress

Construction-in-progress represents plant and properties under construction and is stated at cost less accumulated impairment losses. This includes cost of construction, plant and equipment and other direct costs (plus borrowing costs which include interest charges and exchange differences arising from foreign currency borrowings used to finance these projects during the construction period, to the extent these are regarded as an adjustment to interest costs).

Construction-in-progress is not depreciated until such time as the assets are completed and ready for their intended use.

g. 投資物業

投資物業指因其長期投資潛力而持有之土地及樓宇權益，此等土地及樓宇的建築及開發已完成。

投資物業乃根據獨立專業估值師按每三年進行之估值釐定之的公開市值列賬。

投資物業賬面價值之增加貸記股東權益項下的物業價值重估儲備。賬面價值的減少首先沖減物業價值重估儲備中以前重估值的增加，但是，當該儲備不足以彌補該減值時，減值中大於投資物業價值重估儲備總額的部分計入當年綜合利潤表。如果以前在綜合利潤表中確認了減值而之後又發生了重估盈餘，則盈餘首先作為收益沖減以前確認的減值部分。

倘出售投資物業，與物業價值重估儲備有關的已變現部分計入綜合利潤表，以出售投資物業的收益或虧損列報。

h. 在建工程

在建工程指建造中的廠房和物業，在建工程按成本值減累計減值損失列賬。包括工地成本、廠房及設備及其他直接成本(加上借貸成本，包括於施工期間的利息費用及為該等項目所借之外幣借款所產生之滙兌差額，倘該等費用被視作利息成本的調整)。

於該等資產竣工並可投入使用前，概不就在建工程計提折舊。

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2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

i. Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise, and the cost of the asset can be measured reliably.

Internally generated intangible assets are charged against income in the period incurred except for development costs which comply with the following criteria:

- the product or process is clearly defined and the costs are separately identified and measured reliably;
- the technical feasibility of the product or process is demonstrated;
- the product or process will be sold or used in-house;
- a potential market exists for the product or process or its usefulness in the case of internal use is demonstrated; and
- adequate technical, financial and other resources required for completion of the product or process are available.

Subsequent expenditure on an intangible asset after its purchase or its completion is recognised as an expense when it is incurred unless it is probable that expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and can be measured and attributed to the asset reliably in which case it will be added to the cost of the intangible asset.

After initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

2. 主要會計政策 (續)

i. 無形資產

無形資產最初按成本計算，倘若預期與資產相關的應佔日後經濟利益將很可能流入企業，而資產成本能夠可靠地計算，無形資產則予以確認。

開發費用符合下述所有標準時，可確認為資產，而其餘自行研究及開發生成的無形資產在其發生的當期確認為費用：

- 產品或工序可以清楚的確定，而有關的費用可以單獨確認及計算；
- 產品或工序在技術上的可行性可以被證實；
- 企業打算銷售或者使用這種產品或工序；
- 這種產品或工序存在潛在市場，如果是為內部使用而不是出售，其對企業的有用性可以被證實；及
- 存在足夠的技術、財務及其他資源以完成此項目。

在無形資產被購入或開發完成後所產生的開支予發生時確認為費用，除非能夠清楚證明該等開支可以增加日後使用無形資產所帶來的經濟效益，則該等開支應作為該項固定資產的額外成本予以資本化。

無形資產被確認後，以其初始成本減去累計攤銷及累計損失列賬。

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2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

i. Intangible assets (Cont'd)

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed annually at each financial year end. The estimated useful lives are as follows:

Taxi licences	20 years
Computer software	5 years

j. Associates

Investments in associates where significant influence is exercised by the Group are accounted for using the equity method in the consolidated financial statements, whereby the investment is initially recorded at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associates, distributions received from the associates and other necessary alterations in the Group's proportionate interest in the associates arising from changes in the equity of the associates that have not been included in the consolidated income statement and less any accumulated impairment losses. The Group's share of post-acquisition results of associates is included in the consolidated income statement.

In the Company's financial statements, investments in associates are carried at cost less any accumulated impairment losses. The results of the associates are included in the income statement to the extent of dividends received and receivable.

2. 主要會計政策 (續)

i. 無形資產 (續)

無形資產按其估計可使用年限以直線法攤銷。攤銷期間及攤銷方法於財政年度結束時審核。其估計可使用年限如下：

出租車執照	20年
電腦軟件	5年

j. 聯營公司

聯營公司乃本集團能夠對其發揮重大影響力之公司。於綜合財務報表中，於聯營公司之投資乃按權益法核算。於聯營公司投資首先按成本入賬，其後就本集團佔聯營公司之淨資產於收購後的變動作調整已確認集團應佔聯營公司之盈虧，聯營公司的利潤分配及其他不計入綜合利潤表中的聯營公司權益變動所引起的集團應佔聯營公司權益的變動並扣除任何累計減值損失。綜合利潤表反映本集團佔聯營公司之經營成果。

於本公司之財務報表中，於聯營公司之投資乃按賬面成本減累計減值損失列賬。聯營公司之業績於利潤表中以已收及應收之股息為限確認。

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2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

k. Goodwill

The excess of the cost of an acquisition over the Group's interest in the fair value of the net identifiable assets and liabilities acquired as at the date of the acquisition is recorded as goodwill and recognised as an asset in the consolidated balance sheet. With respect to investments in associates and interests in joint venture accounted for under the equity method of accounting, goodwill is included in the carrying amount of the investments. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over its useful life of 10 years.

l. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, 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.

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 in which 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.

2. 主要會計政策 (續)

k. 商譽

收購成本高於本公司在收購當日所購買可辨認資產淨額之公平價值的部份確認為商譽，並在綜合資產負債表上反映為一項資產。就以權益法核算的於聯營公司及合營公司投資而言，商譽被包括在投資的賬面價值中。商譽以成本減累計攤銷及累計減值損失列賬。商譽在其估計可使用期限十年內以直線法攤銷。

l. 存貨

存貨乃按成本及可變現淨值兩者孰低值列賬。成本以加權平均法計算，包括採購成本、生產成本及將存貨運至現有地點及達致現狀所需之開支。可變現淨值乃按估計正常商業情況下售價減去其估計生產成本及有關估計銷售必須產生之費用。

當存貨已出售，該存貨之賬面值會在有關收益入賬期間，以支出入賬。將存貨撇減至可變現淨值之數額及所有存貨虧損則在撇減或虧損出現時以支出入賬。因可變現淨值增加而產生之存貨撇減撥回出現時，當作支出入賬之存貨金額減少而入賬。

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2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

m. Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in consolidated income statement for items of fixed assets and intangibles carried at cost and treated as a revaluation decrease for buildings that are carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same building. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit. Reversal of impairment losses recognised in prior year is recorded when the impairment losses recognised for the asset no longer exist or has decreased. The reversal is recorded as income or as a revaluation increase.

n. Taxation

Individual companies comprising the Group provide for profits tax on the basis of their profits for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for profits tax purposes.

Deferred taxation is provided under the liability method, in respect of the timing differences between profit as computed for taxation purposes and profit as stated in the consolidated financial statements to the extent that it is probable that a liability or asset will crystallise.

2. 主要會計政策 (續)

m. 資產減值

當情況發生變化令資產的賬面價值可能遭受損失時，要對資產的賬面金額加以覆核。當賬面價值超過其可收回金額時，對於以成本列賬的固定資產及無形資產，損減金額在綜合利潤表中確認，確認為費用的金額不超過以前的價值重估的金額。對於以重估價值列賬的資產，損減金額作為重估價值的減少，所確認的重估價值損減額不超過同一資產的重估價值增加額。可收回金額按淨售價與使用價值兩者孰高者確認。淨售價指以公平原則銷售資產所取得的收入，使用價值指由於持續使用該資產及使用年限結束後清理該資產所產生的可估量的未來現金流量的現值。可收回金額按單項資產估計，若該種估計不可行，則按現金產生單元估計。倘有證據顯示該項資產已確認的減值損失不再出現或已經減少，則轉回往年已確認的減值損失。資產損減轉回作為收入或作為重估升值列賬。

n. 稅項

組成集團的各公司的稅項根據財務報表所載的收入計算，並就毋須課稅或不得用於扣減所得稅的收入及支出項目作出調整。

遞延稅項是根據負債法就因課稅計算的溢利與綜合財務報表所列示的重大時差的撥備，若認為在可見將來不會產生任何負債或資產則無需撥備。

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(除另有說明者外，所有金額均以港幣為單位)

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

o. Warranty

Provision for warranty is accrued based on the estimated costs of fulfilling the total obligations, including handling and transportation costs. The costs are estimated by the directors based on historical experience and industry information. The assumptions used to estimate warranty accruals are evaluated periodically in light of actual experience.

p. Operating leases

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

q. Borrowing costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds, including amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arranging borrowings and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except when they are directly attributable to the acquisition, construction or production of the property that necessarily takes a substantial period of time to prepare for its intended use in which case they are capitalised as part of the cost of that asset. Capitalisation of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and the activities to prepare the asset for its intended use are in progress. Borrowing costs are capitalised at the weighted average cost of the related borrowings until the asset is ready for its intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

2. 主要會計政策 (續)

o. 產品保養準備

產品保養準備乃根據估計履行全部責任之成本(包括處理及運輸成本)計算。上述成本乃由董事根據以往經驗及行業資料而估計，並定期按實際經驗重新評定應計提保養準備之假設。

p. 經營租賃

經營租賃乃指資產擁有權之絕大部份風險及收益仍由出租公司承擔及享有之租賃。於租約年期內之租金支出乃以直線法列為費用。

q. 借貸成本

借款費用包括利息費用及有關借款所產生的其他費用，其中包括攤銷借款的折讓或溢價及攤銷安排借款的附帶成本及外幣借款所產生之滙兌差額，若該等費用被視作利息成本的調整。

借款費用乃作費用支出列賬，但直接因收購、興建或製造長期在建工程並在必要的時期內使其達到使用狀態的資產而產生的借款利息將作為資產成本的一部分予以資本化。借款費用的資本化自資本支出及借款費用發生，為使相關資產達到其預定使用狀態前發生的相關借款的加權平均成本予以資本化。如果借款費用資本化後的資產賬面價值大於可收回價值，超出部分列作資產減值損失。

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(除另有說明者外，所有金額均以港幣為單位)

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

r. Pension scheme

Contribution to pension schemes are charged to the consolidated income statement as incurred.

s. Cash and cash equivalents

Cash represents cash on hand and deposits with banks or other financial institutions which are repayable on demand.

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

t. Provisions

A provision is recognised when an enterprise has a present obligation, legal or constructive, as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

u. Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

2. 主要會計政策 (續)

r. 退休金計劃

支付給退休金計劃的養老保險費用在計提時記入當期損益。

s. 現金和現金等價物

現金指持有的現金及於銀行或其他金融機構的活期存款或其他能即時支付的存款。

現金等價物指短期高流通性投資、能於取得日起三個月內轉換為已知數額現金、且價值變動風險很小的投資。

t. 撥備

當企業因過去事項而承擔一項現時的法定或推定義務，結算該義務很可能要求含經濟利益的資源流出企業且該義務的金額可以可靠地估計時，撥備才可被確認。撥備應在每個資產負債表日加以覆核及調整以反映當前最佳的估計。如果貨幣時間價值的影響重大，撥備的數額應是結算義務預期所要求支出的現值。

u. 或然事項

財務報表中並未確認任何或然負債。除非體現經濟利益的資本流出的可能性較低，否則或然負債需予以披露。或然資產不會被確認，但當經濟利益很可能流入時則或然資產需予應在財務報表中披露。

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(Expressed in Hong Kong dollars unless otherwise stated)

財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

v. Foreign currency

(i) Foreign currency transactions

Individual companies comprising the Group maintain their books and records in the primary currencies of their respective operations ("functional currencies"). Transactions in other currencies are translated into the reporting currency at exchange rates prevailing at the time of the transactions. Monetary assets and liabilities denominated in other currencies at the balance sheet date are re-translated at exchange rates prevailing at that date. All exchange differences, other than those capitalised as a component of borrowing costs, are recognised in the consolidated income statement in the period in which they arise.

(ii) Foreign entities

The majority of foreign consolidated subsidiaries are regarded as foreign entities since they are financially, economically and organisationally autonomous. Their reporting currencies are the respective local currencies. Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the balance sheet, and at an average rate for the year with respect to the income statement. All resulting translation differences are included in the translation reserve included in equity.

Exchange differences on transactions which hedge the Group's net investment in a foreign entity are charged or credited directly to the translation reserve in equity.

2. 主要會計政策 (續)

v. 外幣

(i) 外幣交易

組成本集團的各個公司以其各自經營所用之主要貨幣為記賬本位幣(「記賬本位幣」)。年內以非記賬本位幣計價的交易按交易當日的適用匯率折算為記賬本位幣入賬。以非記賬本位幣計價的貨幣性資產和負債按照編製資產負債表日的適用匯率折合成記賬本位幣。所有滙兌損益，除已資本化為借款費用的部分，均於發生當期於綜合利潤表內確認。

(ii) 外國實體

因其財務、經濟及組織上自主，國外合併附屬公司大部分被視為國外實體。其記賬本位幣為各當地貨幣。國外合併附屬公司財務報表內的資產負債表按年末市場匯率折算；利潤表按年內平均的適用匯率折算。此等貨幣折算產生之滙兌差額作為累積換算調整包括於權益內。

與本集團於外國實體之投資對沖的滙兌差額直接計入或轉回權益內之累積換算調整。

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(Expressed in Hong Kong dollars unless otherwise stated)

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(除另有說明者外，所有金額均以港幣為單位)

2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

w. Segment reporting

Business segment is the distinguishable component that is engaged in providing a group of related products and that is subject to risks and returns that are different from those of other business segments. For management purposes the Group is organised into three major operating businesses.

Inter-segment transfers: segment revenue, segment expenses and segment result include transfers between business segments and between geographical segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods. Those transfers are eliminated in consolidation.

x. Subsequent events

Post balance sheet date events that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate, are reflected in the financial statements. Post balance sheet date events that are not adjusting events are disclosed in the notes when material.

y. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in Hong Kong requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. 主要會計政策 (續)

w. 分部報告

業務分部是本集團內可區分的組成部分，它們提供一組相關的產品，並且承擔著不同於其它業務分部所承擔的風險和回報。根據管理需要，本集團共有三個主要業務分部。

分部間交易：分部收入、分部費用和分部業績包括各地理分部和各業務分部之間的轉移。該轉移是按對非聯營客戶出售類似商品的競爭性市場價格核算的。該等轉移於綜合時抵銷。

x. 資產負債表日後事項

就資產負債表日之本集團狀況提供額外信息或表明可持續經營假設不適當之期後事項，乃在財務報表中予以反映。日後事項中的非調整項目如果重大將在附註中予以披露。

y. 估計的使用

按照香港公認會計準則編製會計報表要求管理層對特定金額及披露作出估計及假設。因此，實際結果可能與估計存在差異。

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財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

3. TURNOVER

Substantially all turnover of the Group is attributable to the sales of household electrical appliances.

The Group's turnover by products and by region are summarized as follows:

		2001	2000
		\$'000	\$'000
		千元	千元
Sales of refrigerators (Note I)	冰箱銷售 (附註 I)	283,624	378,840
Sales of air-conditioners (Note II)	空調銷售 (附註 II)	1,138,884	1,271,140
Sales of mini-refrigerators (Note III)	小型冰箱銷售 (附註 III)	228,240	165,267
Others	其它	240	—
		1,650,988	1,815,247

Note I: Analysis of sales of refrigerators into domestic sales in the PRC by region and export sales outside the PRC is as follows:

		2001	2000
		\$'000	\$'000
		千元	千元
Domestic sales in the PRC	中國國內銷售	265,881	359,505
Export sales outside the PRC	對中國以外地區出口		
Europe	歐洲	3,806	—
Asia-Pacific	亞太	13,937	18,811
Africa	非洲	—	524
Total export sales	總出口銷售	17,743	19,335
Total	合計	283,624	378,840

Note II: Analysis of sales of air-conditioners into domestic sales in the PRC by region and export sales outside the PRC is as follows:

		2001	2000
		\$'000	\$'000
		千元	千元
Domestic sales in the PRC	中國國內銷售	965,318	1,111,797
Export sales outside the PRC	對中國以外地區出口		
Europe	歐洲	85,868	102,433
America	美洲	39,579	22,534
Asia-Pacific	亞太	48,119	32,066
Africa	非洲	—	2,310
Total export sales	總出口銷售	173,566	159,343
Total	合計	1,138,884	1,271,140

3. 營業額

本集團營業額主要來自於銷售家用電器。

本集團的營業額按產品和地區匯總如下：

附註 I：按地區劃分的在中國國內和對國外出口的冰箱銷售分析如下：

附註 II：按地區劃分的在中國國內和對國外出口的空調銷售分析如下：

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(除另有說明者外，所有金額均以港幣為單位)

3. TURNOVER (Cont'd)

Note III: Analysis of sales of mini-refrigerators into domestic sales in the PRC by region and export sales outside the PRC is as follows:

		2001	2000
		\$'000	\$'000
		千元	千元
Domestic sales in the PRC	中國國內銷售	72,859	34,413
Export sales outside the PRC	對中國以外地區出口		
Europe	歐洲	—	504
America	美洲	75,439	43,475
Asia-Pacific	亞太	79,942	86,875
Total export sales	總出口銷售	155,381	130,854
Total	合計	228,240	165,267

Details of segment information were set out in Note 34.

分部資料詳情載於附註34。

4. OTHER REVENUE

		2001	2000
		\$'000	\$'000
		千元	千元
Rental income	租賃收入	3,044	5,194
Write-back of provisions for doubtful receivables	呆賬準備撥回	8,771	9,415
Write-back of non-recovery of rental receivable from GZITC	撥回已作壞賬之應收廣州信托之租賃收入	—	8,253
Value Added Tax ("VAT") refund	增值稅退稅	—	3,933
Government subsidies *	政府補貼收入 *	9,829	—
Sales of scrap materials	廢料銷售	8,320	604
Others	其他	2,884	1,198
		32,848	28,597

* During the year, the Group had set up a research and development center for the purpose of developing more advanced models of electrical appliances. Several one-off subsidies were granted by the government authorities of Guangdong Province to the Group to finance such development.

* 本年度，本集團建立研發中心開發更先進的電器產品。廣東省的政府機構給予本集團數筆一次性補貼，作為對新產品開發的財政支持。

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(除另有說明者外，所有金額均以港幣為單位)

5. PROFIT BEFORE TAX

Profit before tax is determined after crediting and charging the following:

5. 稅前利潤

稅前利潤已計入及扣除以下各項：

		2001	2000
		\$'000	\$'000
		千元	千元
			(Note 38)
			(附註38)
Crediting:	計入：		
Rental income (less outgoings)	租賃收入 (減有關開支)	3,044	5,194
Write-back of non-recovery of rental receivable from GZITIC	收回已作壞賬之應收 廣州信託之租賃收入	—	8,253
		3,044	13,447
Write-back of provision for doubtful receivables	呆賬準備撥回	8,771	9,415
Interest income from banks	銀行利息收入	9,428	1,560
Exchange gain	滙兌收益	1,046	2,779
Charging:	扣除：		
Interest expenses in respect of bank loans repayable within five years	須於五年內償還之銀行 貸款的利息支出	43,281	38,709
Less: Interest capitalised	減：資本化利息	—	(2,827)
		43,281	35,882
Cost of inventories	存貨成本	1,216,590	1,342,884
Staff costs, excluding directors' emoluments	僱員支出，不包括董事酬金		
- Salaries wages and other benefits	— 工資及津貼	80,890	74,106
- Contribution to retirement schemes	— 退休金計劃供款	6,658	5,292
Depreciation of fixed assets	固定資產折舊	64,479	60,764
Amortisation of intangible assets other than goodwill, included in administrative expenses	除商譽外，包括於管理費用中的 無形資產攤銷	685	83
Amortisation of goodwill, included in administrative expenses	包括於管理費用中的商譽攤銷	680	680
Provision for inventory obsolescence	存貨殘次準備	8,966	—
Provision for warranty	產品保養準備	10,122	4,591
Provision for staff welfare and bonus	職員福利及獎勵準備	6,658	7,160
Auditors' remuneration	核數師酬金	1,367	1,507
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租賃租金	14,111	11,359
Exchange loss	滙兌虧損	2,986	3,522
Research and development expenses	研究及開發費用	3,471	3,889
Loss of disposal of fixed assets	出售固定資產損失	2,172	58,237

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(除另有說明者外，所有金額均以港幣為單位)

6. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS 6. 董事及最高薪酬五位人士薪金

a. Details of directors' emoluments are as follows:

a. 董事薪酬詳情如下：

		2001	2000
		\$'000	\$'000
		千元	千元
Fees for executive directors	執行董事袍金	—	—
Fees for non-executive directors	非執行董事袍金	224	250
Other emoluments for executive directors	執行董事其他薪酬		
- Salaries, allowances and benefits in kind	—薪金、津貼及實物福利	4,380	4,987
- Bonus paid and payable	—已付及應付獎金	—	—
- Pension scheme contribution	—退休金計劃供款	133	109
		4,737	5,346

None of the directors waived the right to receive emoluments during the year.

於本年度，各董事均無放棄任何薪酬。

During the year, no emolument was paid to the directors as an inducement to joint or upon joining the Group or as compensation for loss of office.

於本年度，無任何薪酬付予董事作為其加入本集團之獎勵或離職之補償。

b. Analysis of directors' emoluments by number of directors and emolument ranges is as follows:

b. 按董事人數及薪酬金額分析之董事薪酬詳情如下：

		2001	2000
Executive directors	執行董事		
- Nil to \$1,000,000	—零至1,000,000元	3	3
- \$1,000,001 to \$1,500,000	—1,000,001元至1,500,000元	1	1
- \$1,500,001 to \$2,000,000	—1,500,001元至2,000,000元	—	1
- \$2,000,001 to \$2,500,000	—2,000,001元至2,500,000元	1	—
		5	5
Non-executive directors	非執行董事		
- Nil to \$1,000,000	—零至1,000,000元	7	6
		12	11

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(除另有說明者外，所有金額均以港幣為單位)

6. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Cont'd)

- c. Details of emoluments paid to the five highest paid individuals (including directors and employees) are as follows:

		2001	2000
		\$'000	\$'000
		千元	千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	5,017	5,933
Bonus paid and payable	已付及應付獎金	—	—
Pension scheme contribution	退休金計劃供款	189	116
		5,206	6,049
Number of directors	董事人數	3	3
Number of employees	僱員人數	2	2
		5	5

During the year, no emolument was paid to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office other than statutory compensation.

- d. Analysis of emoluments paid to the five highest paid individuals (including directors and employees) by number of individuals and emolument ranges is as follows:

		2001	2000
- Nil to \$1,000,000	— 零至 1,000,000 元	3	3
- \$1,000,001 to \$1,500,000	— 1,000,001 元至 1,500,000 元	1	1
- \$1,500,001 to \$2,000,000	— 1,500,001 元至 2,000,000 元	—	1
- \$2,000,001 to \$2,500,000	— 2,000,001 元至 2,500,000 元	1	—
		5	5

6. 董事及最高薪酬五位人士薪金 (續)

- c. 最高薪酬之五位人士 (包括董事及僱員) 的薪酬詳情如下：

於本年度，除法定補償以外無任何薪酬付予此五位最高薪人士 (包括董事及僱員)，作為其加入本集團之獎勵或離職之補償。

- d. 按人數及薪酬金額分析之最高薪酬五位人士 (包括董事及僱員) 的薪酬如下：

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(Expressed in Hong Kong dollars unless otherwise stated)

財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

7. FINANCE COST

7. 財務費用

		2001 \$'000 千元	2000 \$'000 千元
Interest expenses on	利息支出		
- bank loans wholly repayable within five years	- 銀行透支及須於五年內 全額償還之銀行貸款	43,281	35,882
- Others	- 其他	2,056	—
Interest income	利息收入	(9,428)	(1,560)
Others	其他	704	1,034
		<u>36,613</u>	<u>35,356</u>

8. TAXATION

8. 稅項

No Hong Kong profits tax has been provided as the Group did not have any assessable income under Hong Kong profits tax. PRC enterprise income tax has been calculated on the estimated assessable profit for the year at the rates prevailing in the respective jurisdictions.

由於本集團並無賺取任何應課香港利得稅收入，故此並無提取任何香港利得稅準備。中國企業所得稅乃根據本年之估計應課稅利潤按當地之現行稅率計算。

		2001 \$'000 千元	2000 \$'000 千元
Enterprise income tax	企業所得稅	13,689	895

Pursuant to the PRC Laws of Enterprise Income Tax for Enterprises with Foreign Investment and Foreign Enterprises ("EIT law") and an approval document (No.259) from Panyu State Tax Bureau, Guangzhou Hualing Air-conditioning and Equipment Co., Ltd. ("Hualing Air-conditioning") is entitled to full exemption from EIT for two years starting from the first year of profitable operation and a 50% tax reduction at a rate of 12% in the next three years. Hualing Air-conditioning started its profitable year from 1999 and is therefore subject to EIT at a rate of 12% for the year ended 31 December 2001.

Pursuant to the EIT law and an approval document (No. 199) from Hefei State Tax Bureau, Hefei Hualing Electrics Co., Ltd. ("Hefei Hualing") is entitled to full exemption from EIT for two years starting from the year ended 31 December 2000.

There was no significant unprovided deferred taxation as at 31 December 2001 (2000: nil).

廣州華凌空調設備有限公司(「華凌空調」)符合《中華人民共和國外商投資企業和外國企業所得稅法》(「企業所得稅法」)的規定，經番禺市國家稅務局第259號文件批准，可以享受由第一個獲利年度起兩年內免繳企業所得稅，其後三年減半以12%的稅率繳納企業所得稅。華凌空調的首個獲利年度是一九九九年，因此於截至二零零一年十二月三十一日止年度應按12%的稅率繳納企業所得稅。

根據企業所得稅法和合肥國家稅務局的第199號批准文件，合肥華凌電器有限公司(「合肥華凌」)可自截至二零零零年十二月三十一日止年度起的兩年內享受免繳企業所得稅的待遇。

於二零零一年十二月三十一日，本集團並無重大未撥備遞延稅項(二零零零年：零)。

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9. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders for the year ended 31 December 2001 included a loss of approximately \$13,118,000 (2000: profit of approximately \$119,861,000) dealt with in the financial statements of the Company. A profit of approximately \$70,000 (2000: loss of approximately \$1,742,000) was attributable to the associates.

10. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 December 2001 (2000: nil).

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the consolidated profit attributable to shareholders for the year of approximately \$10,759,000 (2000: \$90,389,000) divided by the weighted average of 1,297,519,287 shares (2000: 1,176,374,216 shares) in issue during the year.

The calculation of diluted earnings per share is based on the consolidated profit attributable to shareholders for the year of approximately \$10,759,000 (2000: \$90,389,000) adjusted for the income effect of approximately \$67,000 (2000: \$507,000) of the assumed conversions of all dilutive potential ordinary shares and divided by 1,300,472,306 shares (2000: 1,187,602,210 shares) which is the weighted average number of shares in issue during the year plus the weighted average of 2,953,019 shares (2000: 11,227,994 shares) deemed to be issued at the agreed exercise prices as if all outstanding share options had been exercised.

9. 股東應佔利潤

截至二零零一年十二月三十一日止年度，股東應佔利潤包括本公司財務報表內約為13,118,000元虧損(二零零零年：利潤約為119,861,000元)。應佔聯營公司利潤約為70,000元(二零零零年：虧損約為1,742,000元)。

10. 股息

截至二零零一年十二月三十一日止年度內，本公司並無宣派任何股息(二零零零年：零)。

11. 每股盈利

每股盈利乃按本年度股東應佔綜合利潤約10,759,000元(二零零零年：90,389,000元)及年內按加權平均數計算之已發行股份1,297,519,287股(二零零零年：1,176,374,216股)計算。

攤薄每股利潤乃按本年股東應佔綜合利潤約10,759,000元(二零零零年：90,389,000元)，加上假設已轉換為具備攤薄效應之普通股之收入效應約67,000元(二零零零年：507,000元)。除以1,300,472,306股(二零零零年：1,187,602,210股)，此乃年內已發行之加權平均股數加上所有未行使認股權證假設已完全行使之加權平均股數合共2,953,019股(二零零零年：11,227,994股)計算。

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財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

12. FIXED ASSETS, NET

12. 固定資產淨值

		Group 本集團						2000	
		Land use rights 土地 使用權 \$'000 千元	Buildings 樓宇 \$'000 千元	Plant and machinery 廠房及機器 \$'000 千元	2001 Furniture, fixtures and electronic equipment 傢俬、裝置 及電子設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Moulds and other equipment 模具及 其他設備 \$'000 千元	Total 總數 \$'000 千元	Total 總數 \$'000 千元
COST		成本							
Beginning of year	年初餘額	60,731	127,773	419,343	53,394	20,157	135,896	817,294	821,463
Additions	添置	3,250	9,213	12,344	3,380	1,788	15,725	45,700	93,379
Transfer from construction-in-progress (Note 14)	轉撥自 在建工程 (附註 14)	—	19,560	86,288	14,312	—	11,338	131,498	20,125
Disposals	出售	—	(470)	(1,979)	(980)	(1,039)	(167)	(4,635)	(120,991)
Translation differences	滙兌差額	—	—	—	—	—	—	—	3,318
End of year	年末餘額	63,981	156,076	515,996	70,106	20,906	162,792	989,857	817,294
ACCUMULATED DEPRECIATION		累積折舊							
Beginning of year	年初餘額	(5,502)	(38,232)	(207,923)	(24,033)	(13,766)	(67,437)	(356,893)	(357,443)
Charge for the year	本年度計提	(1,604)	(7,428)	(29,456)	(7,135)	(2,101)	(16,755)	(64,479)	(60,764)
Disposals	出售	—	293	589	721	707	153	2,463	62,754
Translation differences	滙兌差額	—	—	—	—	—	—	—	(1,440)
End of year	年末餘額	(7,106)	(45,367)	(236,790)	(30,447)	(15,160)	(84,039)	(418,909)	(356,893)
NET BOOK VALUE		賬面淨值							
End of year	年末餘額	56,875	110,709	279,206	39,659	5,746	78,753	570,948	460,401
Beginning of year	年初餘額	55,229	89,541	211,420	29,361	6,391	68,459	460,401	464,020

All the land use rights of the Group have lease terms of 50 years and are related to land located in the PRC where no individual land ownership rights exist.

As at 31 December 2001, fixed assets of the Group with net book value of approximately \$116,967,000 (2000: \$194,000,000) were pledged as security for the Group's banking facilities (see Note 33).

本集團擁有土地使用權之全部土地均在中國。由於國內個人並無土地所有權，故本集團只擁有該等土地之使用權，年期為五十年。

於二零零一年十二月三十一日，賬面淨值約116,967,000元(二零零零年：194,000,000元)之固定資產已用作抵押作為本集團信用額度之擔保(見附註33)。

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財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

12. FIXED ASSETS, NET (Cont'd)

12. 固定資產淨值(續)

		Company 本公司			2000
		2001			
		Furniture, fixtures and electronic equipment 傢俬、裝置 及電子設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Total 總數 \$'000 千元	Total 總數 \$'000 千元
COST	成本				
Beginning of year	年初餘額	586	1,869	2,455	2,220
Additions	添置	113	—	113	235
Disposals	出售	(46)	—	(46)	—
End of year	年末餘額	<u>653</u>	<u>1,869</u>	<u>2,522</u>	<u>2,455</u>
ACCUMULATED DEPRECIATION	累計折舊				
Beginning of year	年初餘額	(219)	(1,411)	(1,630)	(1,400)
Charge for the year	本年度計提	(103)	(113)	(216)	(230)
Disposals	出售	38	—	38	—
End of year	年末餘額	<u>(284)</u>	<u>(1,524)</u>	<u>(1,808)</u>	<u>(1,630)</u>
NET BOOK VALUE	賬面淨值				
End of year	年末餘額	<u>369</u>	<u>345</u>	<u>714</u>	<u>825</u>
Beginning of year	年初餘額	<u>367</u>	<u>458</u>	<u>825</u>	<u>820</u>

13. INVESTMENT PROPERTIES

13. 投資物業

The investment properties represent 11 floors and 12 car parking spaces in Guo Xin Building, located in Guangzhou, the PRC, with the lease terms of 50 years.

The investment properties were revalued every 3 years. The investment properties were revalued on 31 December 2001 by Vigers Hong Kong Limited, independent qualified valuers at approximately \$168,000,000 (2000: \$181,000,000). The deficit on revaluation was offset against the property revaluation reserve.

The directors are of the opinion that the carrying value of the investment properties as at 31 December 2001 approximated the open market value.

該投資物業為位於中國廣州市的國信大廈之11個樓層及12個車位，租約年期為50年。

投資物業每三年評估一次。該物業於二零零一年十二月三十一日由獨立專業估值師威格斯香港有限公司評估價值為約168,000,000元(二零零零年：181,000,000元)。重估減值在物業價值重估儲備中沖銷。

董事會認為該等投資物業於二零零一年十二月三十一日之賬面價值與市值相近。

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(除另有說明者外，所有金額均以港幣為單位)

14. CONSTRUCTION-IN-PROGRESS

14. 在建工程

		Group 本集團	
		2001	2000
		\$'000	\$'000
		千元	千元
Beginning of year	年初餘額	67,561	51,400
Additions	添置	75,979	36,286
Transfer to fixed assets (Note 12)	轉撥至固定資產 (附註 12)	(131,498)	(20,125)
End of year	年末餘額	12,042	67,561

Construction-in-progress as at 31 December 2001 mainly represented machinery under installation in the PRC. No interest (2000: \$2,827,000) was capitalised into construction-in-progress.

於二零零一年十二月三十一日之在建工程主要指在中國之安裝中之機器設備。在建工程中並未含資本化利息(二零零零年: 2,827,000元)。

15. INVESTMENTS IN SUBSIDIARIES

15. 於附屬公司之投資

In the balance sheet of the Company, investments in subsidiaries comprised:

於附屬公司之投資在本公司之資產負債表中包括:

		Company 本公司	
		2001	2000
		\$'000	\$'000
		千元	千元
Unlisted equity interests, at cost	非上市股份，按成本值	20,997	20,997
Due from subsidiaries	應收附屬公司款項	603,563	523,668
		624,560	544,665
Less: Provision for impairment in value	減：減值準備	(2,817)	—
		621,743	544,665

Amounts due from subsidiaries were unsecured, non-interest bearing and with no fixed repayment terms.

應收附屬公司款項均為無抵押、免息且無固定還款期。

The directors are of the opinion that the underlying value of investments in subsidiaries is not less than the carrying value as at 31 December 2001.

董事認為附屬公司投資之實際價值不低於二零零一年十二月三十一日之賬面值。

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(除另有說明者外，所有金額均以港幣為單位)

15. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The following is a list of the principal subsidiaries:

15. 於附屬公司之投資 (續)

主要附屬公司包括：

Name 公司名稱	Place and date of incorporation/ establishment/ operation 註冊／成立／ 經營地點及日期	Company's equity interest held 應佔權益	Issued and paid-up capital 已發行及 繳足股本	Principal activities 主要業務
DIRECTLY HELD 直接持有				
China Refrigeration Industry Co., Ltd. ("China Refrigeration") 中國雪櫃實業有限公司 (「中雪公司」)	The PRC 25 March 1985 中國， 一九八五年三月二十五日	95%	US\$10,000,000 10,000,000 美元	Manufacture and sale of refrigerators 生產及銷售冰箱
Hualing Technology Limited 華凌科技有限公司	Hong Kong, 23 December 1992 香港， 一九九二年十二月二十三日	100%	\$10 10 元	Investment holding 投資控股
Hualing Investments Limited 華凌投資有限公司	Hong Kong 18 February 1993 香港， 一九九三年二月十八日	100%	\$2 2 元	Investment holding 投資控股
Hualing International Limited	Hong Kong 4 March 1993 香港， 一九九三年三月四日	100%	\$2 2 元	Trading 貿易
Hualing Refrigerant Engineering Limited 華凌製冷工程有限公司	Hong Kong 28 February 1995 香港， 一九九五年二月二十八日	100%	\$2 2 元	Investment holding 投資控股
Hualing (Far East) Limited 華凌(遠東)有限公司	The British Virgin Islands 10 September 1993 英屬處女群島， 一九九三年九月十日	100%	US\$1 1 美元	Investment holding 投資控股
INDIRECTLY HELD 間接持有				
Hualing Air-conditioning 華凌空調	The PRC 10 May 1993 中國， 一九九三年五月十日	100%	US\$20,000,000 20,000,000 美元	Manufacture and sale of air-conditioners and electronic appliances 生產及銷售空調機 及電器產品

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15. INVESTMENTS IN SUBSIDIARIES (Cont'd)

15. 於附屬公司之投資(續)

Name 公司名稱	Place and date of incorporation/ establishment 註冊/成立/經營地點及日期	Company's equity interest held 應佔權益	Issued and paid-up capital 已發行及繳足股本	Principal activities 主要業務
Guangzhou Hualing Electrical Household Appliance Enterprise Co., Ltd. ("Hualing Household") 廣州華凌家電企業有限公司 (「華凌家電」)	The PRC 28 March 1995 中國， 一九九五年三月二十八日	95.5%	RMB3,000,000 人民幣 3,000,000 元	Distributor of HUALING brand products in the PRC 在中國銷售華凌品牌之產品
Hefei Hualing 合肥華凌	The PRC 20 June 1993 中國， 一九九三年六月二十日	55%	\$35,000,000 35,000,000 元	Manufacture and sale of mini-refrigerators 生產及銷售小型冰箱
Guangzhou Hualing Refrigeration Co., Ltd. 廣州華凌雪櫃有限公司	The PRC 21 March 1996 中國， 一九九六年三月二十一日	96.25%	US\$1,441,715 1,441,715 美元	Manufacture and sale of refrigerators 生產及銷售冰箱
Growth Plus Properties Limited	The British Virgin Islands, 1 July 1997 英屬處女群島， 一九九七年七月一日	100%	US\$1 1 美元	Investment holding 投資控股
China Appliances.com Limited 中國家電網有限公司	The British Virgin Islands, 2 March 2000 英屬處女群島， 二零零零年三月二日	100%	US\$1 1 美元	Investment holding 投資控股
Chengdu Hualing Electrical Household Appliance Co., Ltd. 成都華凌家電有限公司 (「成都華凌」)	The PRC 1 August 2001 中國， 二零零一年八月一日	99.775%	RMB2,500,000 人民幣 2,500,000 元	Distributor of HUALING brand products in the PRC 在中國銷售華凌品牌之產品
Guangzhou Hualing Property Management Co., Ltd. ("Hualing Property") * 廣州華凌物業管理有限公司 (「華凌物業」)*	The PRC 3 August 2000 中國， 二零零零年八月三日	95.5%	RMB500,000 人民幣 500,000 元	Property management 物業管理
Guangzhou Hualing Shopping Mall Co., Ltd. ("Hualing Shopping Mall") ** 廣州市華凌商場有限公司 (「華凌商場」)**	The PRC 1 October 2000 中國， 二零零零年十月一日	95.5%	RMB500,000 in the PRC 人民幣 500,000 元	Distributor of HUALING brand products in the PRC 在中國銷售華凌品牌之產品
Guangzhou Ma Hui Hualing Taxi ("Hualing Taxi") *** 廣州馬會華凌出租車隊 (「華凌車隊」)***	The PRC 2 May 1995 中國， 一九九五年五月二日	57%	RMB2,000,000 人民幣 2,000,000 元	Taxi licence rental 出租車執照租賃

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(除另有說明者外，所有金額均以港幣為單位)

15. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Hualing Air-conditioning is a wholly foreign owned enterprise. Other subsidiaries established in the PRC are sino-foreign equity joint ventures.

- * Hualing Property was set up on 3 August 2000 with 50% equity interest held by Hualing Household with no material transaction with the Group subsequent to its establishment. Pursuant to a Declaration of Trust signed by the other shareholder dated 1 January 2001, the remaining 50% equity interest was held on trust for the beneficial interest of Hualing Household.
- ** Hualing Shopping Mall was set up on 1 October 2000 with 50% equity interest held by Hualing Property with no material transaction with the Group subsequent to its establishment. Pursuant to a Declaration of Trust signed by the other shareholder dated 1 January 2001, the remaining 50% equity interest was held on trust for the beneficial interest of Hualing Property.
- *** Pursuant to an agreement dated 1 January 2001 entered into between Guangzhou Huayang Industry Co., Ltd. ("Huayang"), an independent third party, and China Refrigeration on 1 January 2001, 60% equity interest of Hualing Taxi was transferred from Huayang to China Refrigeration.

As at 31 December 2001, the Group had banking facilities of approximately \$634,896,000 (2000: \$540,402,000) for overdrafts, bank borrowings and trade financing. These facilities were secured by corporate guarantees given by the subsidiaries of the Company, charges over certain fixed assets of China Refrigeration, Hualing Air-conditioning and Hefei Hualing with a total net book value of approximately \$116,967,000 (2000: \$194,000,000) as at 31 December 2001.

16. INVESTMENTS IN ASSOCIATES

15. 於附屬公司之投資 (續)

除華凌空調為外商獨資企業外，其他附屬公司均為在中國成立的中外合資經營企業。

- * 華凌物業成立於二零零零年八月三日，其中50%的股權由華凌家電持有。自其成立後與本集團沒有重大交易。根據另一股東於二零零一年一月一日簽訂的受託聲明書，剩餘的50%股權由華凌家電委託該股東持有。
- ** 華凌商場於二零零零年十月一日成立，其中50%的股權由華凌物業持有。自其成立後與本集團沒有重大交易。根據另一股東於二零零一年一月一日簽訂的受託聲明書，剩餘的50%股權由華凌物業委託該股東持有。
- *** 根據廣州華陽實業有限公司（「華陽實業」，獨立第三方）與中雪公司於二零零一年一月一日簽訂之協議，華陽實業將華凌車隊60%的股權轉讓予中雪公司。

於二零零一年十二月三十一日，本集團有關透支、貸款及貿易融資之銀行信用額度約為634,896,000元（二零零零年：540,402,000元）。上述信用額度由本公司之附屬公司提供公司擔保及以中雪公司、華凌空調及合肥華凌賬面淨值約為116,967,000元（二零零零年：194,000,000元）之若干固定資產作抵押。

16. 於聯營公司之投資

		Group 本集團	
		2001 \$'000 千元	2000 \$'000 千元
Unlisted equity interests, at cost	非上市股份，按成本值	27,173	24,641
Share of post-acquisition reserves	應佔收購後儲備	(1,110)	(1,180)
Less: Provision for impairment in value	減：減值準備	(467)	(467)
		<u>25,596</u>	<u>22,994</u>

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(Expressed in Hong Kong dollars unless otherwise stated)

財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

16. INVESTMENTS IN ASSOCIATES (Cont'd)

The directors are of the opinion that the underlying value of the associates is not less than the carrying amount of associates as at 31 December 2001.

The following is a list of the principal associates:

16. 於聯營公司之投資(續)

董事會認為於聯營公司之投資總額的實際價值不低於二零零一年十二月三十一日之賬面值。

主要聯營公司包括：

Name 公司名稱	Place and date of incorporation/ establishment/ operation 註冊/成立/ 經營地點 及日期	Company's equity interest held 應佔權益	Issued and paid-up capital 已發行及 繳足股本	Principal activities 主要業務
INDIRECTLY HELD 間接持有				
Xian Dongling Refrigerating Compressors Co., Ltd. ("Xian Dongling") * 西安東凌製冷壓縮機有限公司 (「西安東凌」) *	The PRC 27 September 1995 中國， 一九九五年九月二十七日	25%	US\$11,340,000 11,340,000 美元	Manufacture and sale of refrigerator compressors 生產及銷售冰箱壓縮機
Guangzhou Hualing Polyfoam Co., Ltd. ("Hualing Polyfoam") 廣州華凌泡沫塑料有限公司 (「華凌泡沫」)	The PRC 28 December 1991 中國， 一九九一年十二月二十八日	19%	US\$1,000,000 1,000,000 美元	Manufacture and sale of polyfoam products 生產及銷售泡沫塑料產品
Beijing Wide Vision Network Co., Ltd. ("Beijing Wide") ** 北京創源景家電網絡信息科技有限公司 (「北京創源景」) **	The PRC 18 December 2000 中國， 二零零零年十二月十八日	33%	RMB3,000,000 人民幣 3,000,000 元	Manufacture and sale of computer hardware and telecommunication equipment 生產和銷售計算機硬件和電訊設備

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財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

16. INVESTMENTS IN ASSOCIATES (Cont'd)

- * Pursuant to an approval document (No. 179) from Xian Ministry of Foreign Trade and Economic Committee, the issued and paid-up capital of Xian Dongling was increased from US\$10,400,000 to US\$11,340,000. During the year ended 31 December 2001, the Group contributed capital of \$1,834,000 to Xian Dongling.
- ** Pursuant to the shareholders' agreement of Beijing Wide, the Group paid up RMB990,000 (\$934,000) capital of Beijing Wide, being 33% of the total issued capital in January 2001.
- *** Hualing Property was set up on 3 August 2000 with 50% equity interest held by Hualing Household as an associate with no material transaction with the Group subsequent to its establishment. Pursuant to a Declaration of Trust signed by the other shareholder dated 1 January 2001, the remaining 50% equity interest was held on trust for the beneficial interest of Hualing Household and Hualing Property become a subsidiary of the Group (see Note 15).

All associates in the PRC are sino-foreign equity joint venture enterprises.

17. INTANGIBLE ASSETS, NET

Intangible assets of the Group comprised:

16. 於聯營公司之投資(續)

- * 根據西安對外貿易經濟委員會的第179號文件，西安東凌的已發行及繳足資本由10,400,000美元增加至11,340,000美元。於截至二零零一年十二月三十一日止年度，本集團向西安東凌出資1,834,000元。
- ** 根據北京創源景的股東協議，本集團向北京創源景出資人民幣990,000元(港幣934,000元)，為於二零零一年一月已發行股本的33%。
- *** 華凌物業於二零零零年八月三日成立，其中50%的股權由華凌家電持有。自其成立後與本集團沒有重大交易。根據另一股東於二零零一年一月一日簽訂的受託聲明書，剩餘的50%股權由華凌家電委託該股東持有，華凌物業成為本集團之附屬公司(參看附註15)。

於中國成立之聯營公司均為中外合資經營企業。

17. 無形資產淨值

本集團之無形資產包括：

		2001			2000	
		Goodwill	Software	Taxi	Total	
		商譽	軟件	出租車執照	總數	
		\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	
						(Note 38)
						(附註38)
Cost	成本					
Beginning of year	年初餘額	6,801	1,749	—	8,550	
Additions	本年度增加	—	8,949	6,506	15,455	
End of year	年末餘額	6,801	10,698	6,506	24,005	
Accumulated amortisation	累計攤銷					
Beginning of year	年初餘額	(680)	(83)	—	(763)	
Charge for the year	本年度計提	(680)	(571)	(114)	(1,365)	
End of year	年末餘額	(1,360)	(654)	(114)	(2,128)	
Net book value	賬面淨值					
End of year	年末餘額	5,441	10,044	6,392	21,877	
Beginning of year	年初餘額	6,121	1,666	—	7,787	

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(Expressed in Hong Kong dollars unless otherwise stated)

財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

18. INVENTORIES, NET

18. 存貨淨值

		Group 本集團	
		2001	2000
		\$'000	\$'000
		千元	千元
Raw materials	原材料	222,254	276,698
Work-in-progress	在產品	27,008	37,475
Finished goods	製成品	397,462	315,315
		646,724	629,488
Less: Provision for inventory obsolescence	減：存貨殘次準備	(11,483)	(2,517)
		635,241	626,971

Included above are raw materials, work-in-progress and finished goods of approximately \$82,159,000, \$5,479,000 and \$139,798,000 (2000: \$10,908,000, nil and \$81,821,000) respectively, carried at net realisable value.

以上包括按可變現淨值記賬之原材料、在產品及製成品分別約82,159,000元、5,479,000元和139,798,000元(二零零零年：10,908,000元、零及81,821,000元)。

19. ACCOUNTS RECEIVABLE, NET

No specific credit term policy was adopted by the Group as the credit terms granted by the Group's varies towards different customers. As of 31 December 2001, accounts receivable was analysed as follows:

19. 應收賬款淨值

本集團給予客戶的信用條款各不相同，因此本集團並無專門的信用政策。於二零零一年十二月三十一日，應收賬款分析如下：

		Group 本集團	
		2001	2000
		\$'000	\$'000
		千元	千元
Accounts receivable	應收賬款	372,359	281,519
Less : Provision for doubtful receivables	減：呆賬準備	(71,485)	(80,256)
		300,874	201,263

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(Expressed in Hong Kong dollars unless otherwise stated)

財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

19. ACCOUNTS RECEIVABLE, NET (Cont'd)

The aging analysis of accounts receivable was as follows:

19. 應收賬款淨值(續)

應收賬款之賬齡分析如下：

			Group 本集團	
			2001 \$'000 千元	2000 \$'000 千元
Within 1 year	一年內		327,695	187,618
Over 1 year but within 2 years	一年以上至兩年內		26,126	28,631
Over 2 years	兩年以上		18,538	65,270
			372,359	281,519

20. DUE FROM RELATED COMPANIES

20. 應收關聯公司

		Group 本集團			Company 本公司		
		2001 \$'000 千元	2000 \$'000 千元	Maximum balance outstanding during the year 年內最高 未償還金額 \$'000 千元	2001 \$'000 千元	2000 \$'000 千元	Maximum balance outstanding during the year 年內最高 未償還金額 \$'000 千元
Due from Yungang Plastic Company Ltd. ("Yungang Plastic"), a company in which the Group had 14.25% equity interest	應收雲港塑料有限公司 (「雲港塑料」)，本集團持有 14.25% 權益	223	223	223	—	—	—
Due from Hualing Polyfoam	應收華凌泡沫	10	37	37	—	—	—
Due from Guangzhou Finance Company Limited ("Guangzhou Finance"), a wholly-owned subsidiary of GZITIC	應收越信隆財務有限公司 (「越信隆」)，廣州信托的全資附屬公司	35	35	35	35	35	35
Due from Beijing Wide	應收北京創源景	2,766	—	2,766	6	—	6
Due from Hi-Q Investment Company Limited ("Hi-Q Investment"), a company with 31% interest held by Ng Cheong Lam, director	應收高美達投資有限公司 (「高美達」)，董事伍錫林持有 31% 權益	83	—	112	—	—	—
		3,117	295		41	35	

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財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

21. DUE TO RELATED COMPANIES

21. 應付關聯公司

		Group 本集團		Company 本公司	
		2001 \$'000 千元	2000 \$'000 千元	2001 \$'000 千元	2000 \$'000 千元
Due to Yungang Plastic	應付雲港塑料	8,494	8,201	—	—
Due to Xian Dongling	應付西安東凌	5,542	—	—	—
Due to Hualing Polyfoam	應付華凌泡沫	3,326	3,314	—	—
Due to Guangzhou Finance	應付越信隆	2,517	2,517	2,510	2,510
Due to Hi-Q Investment	應付高美達	238	—	—	—
Due to Anhui Huangshan Electrics Factory, shareholder of Hefei Hualing	應付安徽黃山電器 總廠， 合肥華凌之股東	57	—	—	—
		20,174	14,032	2,510	2,510

Amounts due to related companies arose in the ordinary course of business and were unsecured, non-interest bearing and repayable on demand.

應付關聯公司款項均在正常業務情況下產生，該等項款乃為無抵押、免息及需於通知時償還。

22. TAXES PAYABLE

22. 應付稅金

		Group 本集團	
		2001 \$'000 千元	2000 \$'000 千元
Value-added tax	增值稅	18,317	60,192
Enterprise income tax	企業所得稅	8,528	895
Others	其他	1,670	513
		28,515	61,600

23. ACCOUNTS PAYABLE

23. 應付賬款

The aging analysis of accounts payable was as follows:

應付賬款之賬齡分析如下：

		Group 本集團	
		2001 \$'000 千元	2000 \$'000 千元
Within 1 year	一年內	441,945	395,206
Over 1 year but within 2 years	一年以上至兩年內	7,479	26,534
Over 2 years	兩年以上	2,476	1,603
		451,900	423,343

Notes to the Financial Statements

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財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

24. ACCRUALS AND OTHER LIABILITIES

24. 預提費用及其它負債

		2001	2000
		\$'000	\$'000
		千元	千元
Accrual for	預提費用		
- Interest expense	- 利息支出	3,533	2,186
- Installation cost	- 安裝成本	2,984	5,770
- Sales discount	- 銷售折扣	38,870	22,964
- Advertising cost	- 廣告費用	6,370	13,637
Provision for warranty (see Note 27)	產品保養準備 (參看附註 27)	7,930	4,591
Advances from customers	預收客戶款項	92,155	73,297
Notes payable	應付票據	32,878	74,160
Payable for fixed assets	購置固定資產應付款	7,579	6,595
Others	其他	21,500	17,234
		213,799	220,434

25. BANK LOANS

25. 銀行貸款

		2001	2000
		\$'000	\$'000
		千元	千元
Short-term bank loans (secured)	短期銀行貸款 (抵押)	518,574	457,430
Long-term bank loans (secured)	長期銀行貸款 (抵押)	16,500	82,972
		535,074	540,402

The maturity of the above bank loans was as follows:

銀行貸款之到期情況如下：

		2001	2000
		\$'000	\$'000
		千元	千元
Total outstanding bank loans repayable:	須於以下期限內償還之銀行貸款：		
On demand or within one year	依通知或一年內	518,574	457,430
Over one year but within two years	一年以上至兩年內	16,500	82,972
		535,074	540,402
Less: Amount due within one year shown under current liabilities	減：已列入流動負債之一年內須償還款項	(518,574)	(457,430)
Long-term bank loans	長期銀行貸款	16,500	82,972

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(除另有說明者外，所有金額均以港幣為單位)

25. BANK LOANS (Cont'd)

As at 31 December 2001, approximately \$17,914,000 (2000: nil) short-term bank loans were repayable within three months from the dates of advances.

For the year ended 31 December 2001, no interest (2000: \$2,827,000) was capitalised. Details of the banking facilities are set out in Note 33.

Buildings and machinery with a net book value of approximately \$116,967,000 (2000: \$194,000,000) were pledged as security for the Group's short-term bank loans.

26. OTHER SHORT-TERM BORROWING

As at 31 December 2001, the Company had a short-term borrowing of \$30,000,000 (2000: nil) from an independent third party. The borrowing bore interest at 7.2% per annum and was guaranteed by Hualing Air-conditioning.

27. PROVISION FOR WARRANTY

The movement of provision for warranty is as follows:

		Group 本集團	
		2001 \$'000 千元	2000 \$'000 千元
Beginning of the year	年初餘額	4,591	—
Provisions made during the year	本年度撥備	10,122	4,591
Provisions utilised during the year	本年度使用	(6,783)	—
Ending of the year	年末餘額	<u>7,930</u>	<u>4,591</u>

Two subsidiaries of the Group, Hualing Household and Hualing Air-conditioning, provide free repair and replacement services ranging from one year to three years after sales. The cost of the warranty obligation under which Hualing Household and Hualing Air-conditioning agree to remedy defects in its products is accrued at the time the related sales are recognised. As at 31 December 2001, the Group had provided for expected warranty claims on household electrical appliance items sold during the last three years.

25. 銀行貸款 (續)

於二零零一年十二月三十一日，約17,914,000元短期銀行貸款由借出起計需在三個月內償還(二零零零年：零)。

於截至二零零一年十二月三十一日止年度，並無發生資本化利息(二零零零年：2,827,000元)。銀行融資的詳情見附註33。

賬面淨值約116,967,000元(二零零零年：194,000,000元)之樓宇及設備已用作抵押作為本集團短期銀行貸款之擔保。

26. 其他短期借款

於二零零一年十二月三十一日，本公司從獨立第三方取得之短期借款為30,000,000元(二零零零年：零)。該項借款之年利率為7.2%並由華凌空調提供擔保。

27. 產品保養準備

產品保養準備的變動情況如下：

本集團之兩間附屬公司(華凌家電及華凌空調)提供產品售後一至三年之免費維修及零件更換服務。華凌家電及華凌空調因提供產品維護服務而發生的成本於相關產品銷售確認時計提。於二零零一年十二月三十一日，本集團對過去三年間出售之家用電器計提了預期之保養準備。

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(除另有說明者外，所有金額均以港幣為單位)

28. SHARE CAPITAL

28. 股本

		Number of shares		Nominal value	
		股份數目		面值	
		2001	2000	2001	2000
		'000	'000	\$'000	\$'000
		千股	千股	千元	千元
Authorised:	法定股本：				
Ordinary shares of \$0.10 each	每股面值 0.10 元之普通股	1,600,000	1,600,000	160,000	160,000
Issued and fully paid:	已發行並繳足股本：				
Ordinary shares of \$0.10 each	每股面值 0.10 元之普通股	1,380,516	1,179,056	138,052	117,906

During the year, a total of 81,460,000 shares were issued upon the exercise of share options (see Note 30). These shares rank pari passu in all respects with the then existing shares issued.

In June 2001, 120,000,000 ordinary shares of \$0.10 each were issued upon the placing of new shares with a premium of \$0.45 each.

Movement of share capital is as follows:

本年度因行使認股權共發行了81,460,000股(參看附註30)。該等股份與已發行股份於所有方面享受同等權利。

於二零零一年六月，以溢價每股0.45元新增發了每股面值0.10元的普通股120,000,000股。

股本變動情況如下：

		2001	2000
		\$'000	\$'000
		千元	千元
Beginning of year	年初餘額	117,906	117,446
Issuance upon exercise of share options	行使認股權發行	8,146	460
Issuance upon share placing	增發	12,000	—
End of year	年末餘額	138,052	117,906

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(除另有說明者外，所有金額均以港幣為單位)

29. RESERVES

29. 儲備

Group		Share	General	Enterprise	Exchange	Property	Accumulated	Total
		premium	reserve fund	expansion	reserve	revaluation		
		股份溢價	一般儲備	企業發展	滙兌儲備	物業價值	累計虧損	總數
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
Group	本集團							
Balances as of	二零零零年							
1 January 2000	一月一日餘額	446,081	25,315	16,726	27,449	13,000	(137,751)	390,820
Issue of ordinary shares	發行普通股	452	—	—	—	—	—	452
Profit appropriation	利潤分配	—	7,590	—	—	—	(7,590)	—
Share of post-acquisition reserves of associates	應佔聯營公司收購後儲備	—	239	232	—	—	—	471
Profit attributable to shareholders	股東應佔利潤	—	—	—	—	—	90,389	90,389
Translation differences during the year	本年度滙兌差異	—	—	—	1,048	—	—	1,048
Balances as of	二零零零年							
31 December 2000	十二月三十一日餘額	446,533	33,144	16,958	28,497	13,000	(54,952)	483,180
Balances as of	二零零一年							
1 January 2001	一月一日餘額	446,533	33,144	16,958	28,497	13,000	(54,952)	483,180
Issue of ordinary shares	發行普通股	64,702	—	—	—	—	—	64,702
Share issuance expenses	發行費用	(2,016)	—	—	—	—	—	(2,016)
Profit appropriation	利潤分配	—	333	—	—	—	(333)	—
Deficit on revaluation of investment properties	投資物業重估減值	—	—	—	—	(13,000)	—	(13,000)
Profit attributable to shareholders	股東應佔利潤	—	—	—	—	—	10,759	10,759
Balances as of	二零零一年							
31 December 2001	十二月三十一日餘額	509,219	33,477	16,958	28,497	—	(44,526)	543,625
Company	本公司							
Balances as of	二零零零年							
1 January 2000	一月一日餘額	446,081	—	—	—	—	(127,328)	318,753
Issue of ordinary shares	發行普通股	452	—	—	—	—	—	452
Profit for the year	本年利潤	—	—	—	—	—	119,861	119,861
Balances as of	二零零零年							
31 December 2000	十二月三十一日餘額	446,533	—	—	—	—	(7,467)	439,066
Balances as of	二零零一年							
1 January 2001	一月一日餘額	446,533	—	—	—	—	(7,467)	439,066
Issue of ordinary shares	發行普通股	64,702	—	—	—	—	—	64,702
Share issuance expenses	發行費用	(2,016)	—	—	—	—	—	(2,016)
Loss for the year	本年虧損	—	—	—	—	—	(13,118)	(13,118)
Balances as of	二零零一年							
31 December 2001	十二月三十一日餘額	509,219	—	—	—	—	(20,585)	488,634

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(除另有說明者外，所有金額均以港幣為單位)

29. RESERVES (Cont'd)

The Company had no reserves as at 31 December 2001 available for distribution to shareholders (2000: nil).

The Company's PRC subsidiaries are required to follow the laws and regulations of the PRC and their articles of association. These subsidiaries are required to provide for certain statutory funds, namely, general reserve fund, enterprise expansion fund, staff and workers' bonus and welfare fund which are appropriated from net profit after taxation but before dividend distribution. These PRC subsidiaries are required to allocate at least 10% of its net profit to the reserve fund until the balance of such fund has reached 50% of its registered capital. Appropriation to staff and workers' bonus and welfare fund is charged to expenses as incurred. Such appropriations are determined at the discretion of the directors. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated losses or increase capital. The staff and workers' bonus and welfare fund can only be used for special bonus or collective welfare of its employees, and assets acquired through this fund shall not be treated as assets.

30. SHARE OPTION SCHEME

Pursuant to the Company's share option scheme dated 26 November, 1993, the Company, for incentive purpose, is authorised to grant options to executive directors and employees of the Group to subscribe for shares in the Company, subject to a maximum of (i) 20% of the issued share capital of the Company in issue as at 25 June, 1999 plus (ii) the nominal amount of share capital of the Company repurchased by the Company subsequent to the amendments up to a maximum equivalent of 10% of the aggregate nominal amount of the share capital of the Company in issue, excluding shares issued on exercise of options. The subscription price would be determined by the directors, and would not be less than the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares quoted on The Stock Exchange of Hong Kong Limited on the five trading days immediately preceding the date of offer of the option. There is no limit as to the number of shares in respect of which options may be granted under the scheme to any one participant. The terms of the scheme provide that an option may be exercised under the scheme at any time during the period commencing on the date upon which such option is deemed to be granted and accepted.

29. 儲備 (續)

於二零零一年十二月三十一日，本公司並無可供分配之儲備(二零零零年：零)。

本公司在中國之附屬公司須遵循中國的法律和規定及彼等的公司章程細則。此等附屬公司須提供若干法定基金，分別為儲備基金、企業發展基金、員工獎勵及福利基金，均自除稅後但未計股息分派的純利中提取。此等中國之附屬公司從其純利中提取最少10%列入儲備基金，直至該儲備基金結餘達至其註冊資本的50%為止。員工獎勵及福利基金的撥款於產生時列為開支。此等撥款由董事的酌情釐定。儲備基金僅在有關當局批准後始可用作抵銷累積虧損或增加資本。員工獎勵及福利基金僅可用作其僱員的特殊獎勵或集體福利，而利用此基金所收購的資產不被視為資產。

30. 優先認股權計劃

根據本公司於一九九三年十一月二十六日採納，並於一九九九年六月二十五日修訂之優先認股權計劃，本公司有權授出優先認股權予本集團之執行董事及僱員以認購本公司之股份，惟最高多以(i)本公司於一九九九年六月二十五日已發行股本之20%為限，及(ii)在作出修訂後本公司購回之本公司股本面額，最多可相等於本公司已發行股本面值總額之10%(不包括因行使優先認股權而發行之股份)。認購價由董事釐定，惟不得低於股份之面值或緊接授出優先認股權日期前五個交易日股份在香港聯合交易所有限公司之平均收市價之80%(以較高者為準)。根據該計劃，並無對授予任何一名參與人之認購股權所涉及之股份數目設定上限。根據該計劃之條款規定，認購股權可於其被視作授出及接納之日期後隨時根據計劃行使。

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(除另有說明者外，所有金額均以港幣為單位)

30. SHARE OPTION SCHEME (Cont'd)

A summary of the movements of share options granted under the scheme during the year is as follows:

Subscription price per share 每股認購價格	\$0.93 0.93元	\$0.244 0.244元	\$0.225 0.225元	\$0.211 0.211元	Total 合計
Number of share options 認股權數目					
Beginning of year 年初	2,800,000	54,400,000	1,400,000	33,500,000	92,100,000
Granted during the year 年內授出	—	—	—	—	—
Exercised during the year 本年行使	—	(50,100,000)	(500,000)	(30,860,000)	(81,460,000)
Cancelled/lapsed during the year 年內註銷/ 失效	—	—	—	(160,000)	(160,000)
End of year 年末	<u>2,800,000</u>	<u>4,300,000</u>	<u>900,000</u>	<u>2,480,000</u>	<u>10,480,000</u>

The share options are exercisable over a period of ten years from the date of granting the options.

30. 優先股權計劃 (續)

於本年度優先認股權之變動如下：

該優先認股權可予授予日開始10年內行使。

31. RELATED PARTY TRANSACTIONS

Companies are considered to be related if one company has the ability, directly or indirectly, to control the other company or exercise significant influence over the other company in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

The Group had the following material transactions with related parties during the year, which the directors considered were in the normal course of business and under mutually agreed terms:

31. 關聯方交易

假如一間公司有能力和在財務及業務決定上直接或間接控制另一間公司或對另一間公司產生重大影響則被視為關聯公司。假如它們受相同的控制或相同的重大影響亦被視為有關聯。

本集團於本年度內與關聯公司進行下列重大交易，董事會認為該等交易均在正常業務中及按雙方擬定之條款進行：

		2001 \$'000 千元	2000 \$'000 千元
Purchases from Hualing Polyfoam	向華凌泡沫採購貨品	<u>6,942</u>	<u>8,773</u>
Purchases from and processing charges paid to Yungang Plastic	向雲港塑料採購貨品及支付加工費	<u>14,135</u>	<u>14,884</u>
Rental income receivable from GZITIC	應收廣州信託租金收入	<u>—</u>	<u>9,100</u>

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(除另有說明者外，所有金額均以港幣為單位)

32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

32. 綜合現金流量表附註

a. Reconciliation of profit before tax to net cash inflow from operating activities:

a. 除稅前利潤與經營所得之淨現金流入調整：

		2001	2000
		\$'000	\$'000
		千元	千元
			(Note 38)
			(附註38)
Profit before tax	稅前利潤	36,600	96,920
Adjustments for:	調整如下：		
Share of (profit) loss of associated companies	應佔聯營公司 (利潤) 虧損	(70)	1,742
Write-back of provision for doubtful receivable	沖銷壞賬準備	(8,771)	(9,415)
Write-back of provision for non-recovery of rental income receivable from GZITIC	收回已作壞賬之應收廣州信托之租賃收入	—	(4,347)
Depreciation of fixed assets	固定資產折舊	64,479	60,764
Amortisation of intangible assets	無形資產攤銷	1,365	763
Loss on disposals of fixed assets	出售固定資產損失	2,172	58,237
Interest income	利息收入	(9,428)	(1,560)
Interest expenses	利息支出	43,281	35,882
Increase in inventories, net	存貨淨值增加	(8,270)	(172,213)
Increase in accounts receivable	應收賬款增加	(90,837)	(20,928)
Decrease (increase) in due from ultimate holding company	應收最終控股公司款項減少 (增加)	13,447	(9,100)
Decrease in prepayments and other current assets	預付款及 其他資產減少	10,681	43
Increase (decrease) in provision for staff welfare and bonus	應付僱員福利 增加 (減少)	1,863	(4,480)
Increase in due to related companies	應付關聯公司 款項增加	3,320	4,154
Increase in accounts payable	應付賬款增加	28,557	200,018
(Decrease) increase in accruals and other liabilities	預提費用及其他 負債 (減少) 增加	(6,650)	77,898
Decrease in other long-term liabilities	其他長期負債減少	—	(4,931)
Effect of foreign exchange translation	外幣匯兌影響	—	(648)
Net cash inflow from operating activities	營業運作所得 之淨現金流入	81,739	308,799

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(除另有說明者外，所有金額均以港幣為單位)

32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

b. Acquisition of subsidiary

On 1 January 2001 the Group acquired 60% equity interest of Hualing Taxi from Huayang, an independent third party (see Note 15). Details of the assets acquired and liabilities assumed were as follows:

32. 綜合現金流量表附註(續)

b. 收購附屬公司

於二零零一年一月一日，本集團自華陽實業(獨立第三方，參看附註15)收購華凌車隊60%的權益。所收購之資產及負債列示如下：

		2001
		\$'000
		千元
Cash and cash equivalents	現金及現金等價物	834
Fixed assets	固定資產	11
Intangible assets	無形資產	6,506
Accounts receivable	應收賬款	3
Provision for staff welfare and bonus	應付僱員福利	(16)
Taxes payable	應付稅金	(11)
Accruals and other liabilities	預提費用及其他負債	(15)
		<hr/>
Fair value of net assets acquired	收購淨資產之公允價值	7,312
Share of net asset value by minority interests	少數股東應佔之價值	(2,924)
		<hr/>
Total purchase consideration	支付收購總額	4,388
Less: consideration satisfied by offset of other receivables due from Huayang	減：通過沖銷應收華陽實業之其他應收款所支付額	(4,388)
		<hr/>
Cash consideration paid	支付之現金	—
Less: cash and cash equivalents acquired	減：收購所得的現金及現金等價物	834
		<hr/>
Net cash inflow	淨現金流入	<u>834</u>

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(Expressed in Hong Kong dollars unless otherwise stated)

財務報表附註

(除另有說明者外，所有金額均以港幣為單位)

32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

- c. Analysis of changes in financing during the year were as follows:

32. 綜合現金流量表附註(續)

- c. 本年度融資項目變動分析如下：

		2001				Total	2000
		Share capital and share premium	Long-term bank loans	Short-term bank loans	Other short-term borrowing		
	股份及股份溢價	長期銀行貸款	短期銀行貸款	其他短期借款	總額	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	千元	千元	千元	千元	千元	千元	
Beginning of year	年初餘額	564,439	82,972	457,430	—	1,104,841	1,085,892
Issue of ordinary shares	發行普通股份	82,832	—	—	—	82,832	912
New borrowings	新增貸款	—	—	61,144	30,000	91,144	82,972
Repayment of bank loans	償還之銀行貸款	—	(66,472)	—	—	(66,472)	(64,935)
End of year	年末餘額	647,271	16,500	518,574	30,000	1,212,345	1,104,841

(Note 38)
(附註38)

33. BANKING FACILITIES AND PLEDGE OF ASSETS

As at 31 December 2001, the Group had banking facilities of approximately \$634,896,000 (2000: \$540,402,000) for overdrafts, bank borrowings and trade financing. As at that date, \$535,074,000 was utilised (2000: all banking facilities were utilised).

These facilities were secured by:

- corporate guarantees given by the subsidiaries of the Company;
- charges over certain fixed assets of China Refrigeration, Hualing Air-conditioning and Hefei Hualing with a total net book value of approximately \$116,967,000 (2000: \$194,000,000) as at 31 December 2001.

33. 銀行融資和資產抵押

於二零零一年十二月三十一日，本集團有關透支、銀行貸款和貿易融資之銀行信用額度約 634,896,000 元（二零零零年：540,402,000 元）。截至該日已動用之銀行信用額度為 535,074,000 元（二零零零年：全部銀行信用額度均已動用）。

該等信用額度乃以下列各項作保證：

- 本公司附屬公司之公司擔保；
- 中雪公司、華凌空調及合肥華凌於二零零零年十二月三十一日賬面淨值約 116,967,000 元（二零零零年：194,000,000 元）之若干固定資產作抵押。

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(除另有說明者外，所有金額均以港幣為單位)

34. SEGMENT INFORMATION

Analysis of financial information by business segment is as follows:

34. 分部資料

按業務分部的財務資料如下：

		Refrigerator business		Air-conditioner business		Mini-refrigerator business		Others		Elimination		Consolidated	
		2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
TURNOVER	營業額												
External sales	對外銷售	283,624	378,840	1,138,884	1,271,140	228,240	165,267	240	—	—	—	1,650,988	1,815,247
Inter-segment sales	分部間銷售	1,464	—	632	20,845	—	2,599	—	—	(2,096)	(23,444)	—	—
Total turnover	營業總額	285,088	378,840	1,139,516	1,291,985	228,240	167,866	240	—	(2,096)	(23,444)	1,650,988	1,815,247
RESULTS	業績												
Segment results	分部業績	(39,971)	(30,416)	111,895	162,865	28,282	21,300	(7,782)	53,472	(18,093)	(70,686)	74,331	136,535
Unallocated corporate expenses	未分攤之公司費用											(1,188)	(2,517)
Profit from operating activities	營業利潤											73,143	134,018
Finance expense	財務支出											(46,041)	(36,916)
Interest income	利息收入											9,428	1,560
Share of net profits (losses) of associates	應佔聯營公司利潤 (虧損)	(35)	(249)	—	—	—	—	105	(1,493)	—	—	70	(1,742)
Taxation	稅項											(13,689)	(895)
Net profit	淨利潤											22,911	96,025
OTHER INFORMATION	其他資料												
Segment assets	分部資產	589,126	547,945	985,904	952,063	206,194	175,301	197,241	188,769	—	—	1,978,465	1,864,078
Investment in associates	於聯營公司之投資	3,383	3,654	—	—	—	—	22,213	19,340	—	—	25,596	22,994
Unallocated corporate assets	未分攤之公司資產											6,328	6,120
Total assets	總資產											2,010,389	1,893,192
Segment liabilities	分部負債	439,147	440,475	688,764	691,484	126,485	138,044	40,221	3,084	—	—	1,294,617	1,273,087
Total liabilities	總負債											1,294,617	1,273,087
Capital expenditure	資本性支出	21,866	26,918	87,636	97,835	8,083	4,677	4,094	235	—	—	121,679	129,665
Depreciation of fixed assets	固定資產折舊	29,051	30,690	30,639	26,074	4,207	3,770	582	230	—	—	64,479	60,764
Amortisation of intangible assets other than goodwill	除商譽外之無形資產攤銷	104	—	455	83	—	—	126	—	—	—	685	83
Other non-cash expenses - (Write-back of) provision for inventory obsolescence	其他非現金性支出 - 存貨殘次準備 (撥回)	11,424	—	(2,458)	—	—	—	—	—	—	—	8,966	—
- (Write-back of) provision for doubtful receivables	- 呆賬準備 (撥回)	2,027	(6,596)	(11,031)	(2,906)	233	87	—	—	—	—	(8,771)	(9,415)

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(除另有說明者外，所有金額均以港幣為單位)

35. COMMITMENTS

a. Capital commitments

As at 31 December 2001, the Group and the Company had the following capital commitments in relation to purchase of fixed assets:

		Group 本集團	
		2001 \$'000 千元	2000 \$'000 千元
Contracted	已訂約	43,893	49,411
Authorised but not contracted for	已授權但未訂約	—	—
		43,893	49,411

b. Operating lease commitments

As at 31 December 2001, the total future minimum lease payments payable under non-cancellable operating leases of the Group are as follows:

		Group 本集團		Company 本公司	
		2001 \$'000 千元	2000 \$'000 千元	2001 \$'000 千元	2000 \$'000 千元
		(Note 38) (附註38)		(Note 38) (附註38)	
Within 1 year	一年內	6,050	5,101	1,166	1,116
After 1 year but within 5 years	一年以上至五年內	6,320	10,363	—	1,166
		12,370	15,464	1,166	2,282

35. 承擔

a. 資本承擔

於二零零一年十二月三十一日，本集團和本公司與購買固定資產有關的資本承擔如下：

b. 經營租約承擔

於二零零一年十二月三十一日，根據不可撤銷之經營租賃租約，本集團需於未來支付的最低租金承擔總額如下：

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(除另有說明者外，所有金額均以港幣為單位)

36. PENSION SCHEME

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group (the employer) and its employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The contributions from each of the employer and employees are subject to a cap of \$1,000 per month and thereafter contributions are voluntary.

The Group participates in the local retirement schemes in the PRC. Pursuant to the relevant regulations, the Group is currently required to make a monthly contribution equivalent to 15% to 28% of the monthly salaries in respect of its full-time and temporary employees. The aggregate amount of the Group's contributions (net of forfeited contributions) for the year ended 31 December 2001 was approximately \$6,791,000 (2000: \$5,401,000).

36. 退休金計劃

本集團已安排本集團之香港僱員參加一項由獨立受托人管理的既定供款計劃，強制性公積金計劃（「強積金計劃」）。根據強制性公積金法例規定，本集團（僱主）及本集團之僱員均須每月將僱員月薪的5%作為強積金供款，僱主及僱員作出強制性供款的上限為每月1,000元，高於此金額所作之供款屬自願性質。

本集團參與中國本地退休金計劃。根據有關條款，本集團現須每月支付相當於全職及臨時員工月薪15%至28%之供款。於截至二零零一年十二月三十一日止年度，本集團之供款總額（已扣除沒收之供款）約為6,791,000元（二零零零年：5,401,000元）。

37. CONTINGENT LIABILITIES

37. 或然負債

	Group 本集團		Company 本公司	
	2001 \$'000 千元	2000 \$'000 千元	2001 \$'000 千元	2000 \$'000 千元
Notes receivable discounted with recourse 有追索權的已貼現應收票據	84,905	81,400	—	—
Discounted letters of credit with recourse 有追索權的已貼現信用證	14,751	—	—	—
	99,656	81,400	—	—

Certain of the 2000 comparative figures have been reclassified to conform to the current year's presentation in accordance with the new presentation and disclosure requirements under certain new Hong Kong SSAPs.

若干二零零零年之比較數字已按新的香港會計準則的披露要求重列以配合年內報表之表述。

39. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors on 10 April 2002.

39. 授權發表財務報表

董事會於二零零二年四月十日授權發表本財務報表。