

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Directors' emoluments		
Fees:		
Executive directors	—	—
Independent non-executive directors	—	—
Other non-executive directors	—	—
	<u>—</u>	<u>—</u>
Other emoluments to executive directors:		
Salaries and other benefits	3,754	7,285
Compensation for loss of office	—	2,569
	<u>3,754</u>	<u>9,854</u>

Emoluments of the directors were within the following bands:

	Number of director(s)	
	2001	2000
Nil - HK\$1,000,000	13	5
HK\$1,000,001 - HK\$1,500,000	1	2
HK\$1,500,001 - HK\$2,000,000	1	3
HK\$2,000,001 - HK\$2,500,000	—	1
	<u>15</u>	<u>11</u>

The five highest paid individuals in both years were directors of the Company and details of their emoluments are included above.

11. FINANCE COSTS

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Interest on:		
Bank borrowings wholly repayable within five years	27,544	42,853
Obligations under finance leases	1	69
	<u>27,545</u>	<u>42,922</u>

12. DISCONTINUED OPERATIONS

During the previous year, the Group ceased the operation of the business of direct corporate sales of office supplies and stationery products in order to minimise the loss from ordinary activities before taxation. The effective date of discontinuance for accounting purposes was 21st July, 1999.

The gain on discontinued operations is analysed as follows:

	2001 HK\$'000	2000 <i>HK\$'000</i>
Gain on winding up of a subsidiary in Singapore net of the realisation of translation reserve of HK\$145,000 <i>(see note 29)</i>	—	3,852

No taxation charge or credit arose from the above transactions.

The results of the operation of the business of direct corporate sales of office supplies and stationery products for the period from 1st April, 1999 to 21st July, 1999, which have been included in the consolidated income statement for that period were as follows:

	1.4.1999 to 21.7.1999 <i>HK\$'000</i>
Turnover	719
Cost of sales	(432)
Gross profit	287
Other revenue	1,500
Distribution costs and administrative expenses	(1,189)
Net profit for the period	598

13. TAXATION

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
The charge (credit) comprises:		
Hong Kong Profits Tax calculated at 16% (2000: 16%) on the estimated assessable profit	61	33
(Over) underprovision in prior years	(33)	4
	28	37
Taxation in other jurisdictions	86	178
Deferred taxation (<i>note 25</i>)	(44)	(7)
	70	208

Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

14. NET LOSS FOR THE YEAR

Of the consolidated loss of HK\$32,766,000 (2000: HK\$51,164,000), a net loss of HK\$40,727,000 (2000: HK\$44,863,000) has been dealt with in the financial statements of the Company.

15. LOSS PER SHARE

The calculation of loss per share is based on the net loss for the year of HK\$32,766,000 (2000: HK\$51,164,000) and the weighted average of 1,085,901,551 (2000: 374,990,800) shares in issue during the year.

No diluted loss per share has been presented as the exercise price of the Company's outstanding share options was higher than the average market price of the Company's shares for both years and the exercise of the Company's outstanding warrants would result in a decrease in net loss per share.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Machinery and equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Moulds <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
THE GROUP							
COST							
At 1st April, 2000	66,228	32,410	178,108	11,074	1,209	24,190	313,219
Currency realignment	—	(10)	—	(15)	—	(7)	(32)
Additions	—	2,723	486	136	—	124	3,469
Disposals	(58,792)	(27,239)	(9,629)	(7,296)	(1)	(1,040)	(103,997)
At 31st March, 2001	<u>7,436</u>	<u>7,884</u>	<u>168,965</u>	<u>3,899</u>	<u>1,208</u>	<u>23,267</u>	<u>212,659</u>
DEPRECIATION AND AMORTISATION							
At 1st April, 2000	40,368	27,380	124,969	9,699	1,048	19,870	223,334
Currency realignment	—	(1)	—	(8)	—	(1)	(10)
Provided for the year	1,754	2,566	13,360	365	92	2,341	20,478
Eliminated on disposals	(40,672)	(25,473)	(9,422)	(6,665)	(1)	(930)	(83,163)
At 31st March, 2001	<u>1,450</u>	<u>4,472</u>	<u>128,907</u>	<u>3,391</u>	<u>1,139</u>	<u>21,280</u>	<u>160,639</u>
NET BOOK VALUES							
At 31st March, 2001	<u>5,986</u>	<u>3,412</u>	<u>40,058</u>	<u>508</u>	<u>69</u>	<u>1,987</u>	<u>52,020</u>
At 31st March, 2000	<u>25,860</u>	<u>5,030</u>	<u>53,139</u>	<u>1,375</u>	<u>161</u>	<u>4,320</u>	<u>89,885</u>

At the balance sheet date, the net book values of the Group's leasehold properties comprise:

	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Properties held outside Hong Kong, under long leases	5,986	8,332
Properties held in Hong Kong, under a medium term lease	—	17,528
	<u>5,986</u>	<u>25,860</u>

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

At the balance sheet date, the net book values of property, plant and equipment of the Group held under finance leases are as follows:

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Furniture and fixtures	—	397
Motor vehicles	—	132
	<u>—</u>	<u>529</u>
	<u><u>—</u></u>	<u><u>529</u></u>

17. INTEREST IN SUBSIDIARIES

	THE COMPANY	
	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Unlisted shares:		
At carrying value	124,438	124,438
At cost	53,664	53,664
	<u>178,102</u>	<u>178,102</u>
Amounts due from subsidiaries	668,805	419,287
	<u>846,907</u>	<u>597,389</u>
Less: Provision for impairment in value	(636,907)	(597,389)
	<u>210,000</u>	<u>—</u>
	<u><u>210,000</u></u>	<u><u>—</u></u>

The carrying value of the unlisted shares is based on the book values of the underlying separable net assets of the subsidiaries attributable to the Group as at the date on which the Company became the holding company of the Group pursuant to the group reorganisation in 1992.

Details of the Company's principal subsidiaries at 31st March, 2001 are set out in note 40.

18. PREPAID RENTALS

	THE GROUP	
	2001	2000
	HK\$'000	<i>HK\$'000</i>
Amount to be utilised within one year	2,240	2,239
Amount to be utilised after one year	39,745	41,985
	41,985	44,224
Less: Amount to be utilised within one year included in debtors, deposits and prepayments	(2,240)	(2,239)
	39,745	41,985

Prepaid rentals represent the amounts advanced by the Group to a third party for the construction of production and related facilities in Baoan, the PRC. Pursuant to the original and supplementary agreements signed between a subsidiary of the Company and the third party, the Group is entitled to use the production and related facilities for a term of 30 years up to 31st December, 2019 free of charge as consideration for the settlement of the advances. The amount charged to the income statement as consideration for the settlement for the year was approximately HK\$2,239,000 (2000: HK\$2,239,000). The advances are unsecured and interest free.

19. INVENTORIES

	THE GROUP	
	2001	2000
	HK\$'000	<i>HK\$'000</i>
Raw materials	39,735	35,338
Work in progress	22,611	13,931
Finished goods	9,644	13,861
	71,990	63,130

At the balance sheet date, the inventories carried at net realisable value are as follows:

	2001	2000
	HK\$'000	<i>HK\$'000</i>
Raw materials	3,665	4,854
Finished goods	2,449	3,241
	6,114	8,095

20. DEBTORS, DEPOSITS AND PREPAYMENTS

At 31st March, 2001, the balance of debtors, deposits and prepayments included trade debtors of approximately HK\$27,793,000 (2000: HK\$27,003,000). The aged analysis of trade debtors at the reporting date is as follows:

	THE GROUP	
	2001 HK\$'000	2000 HK\$'000
0 - 30 days	19,588	16,342
31 - 60 days	3,684	2,958
61 - 90 days	1,944	4,995
91 - 120 days	793	1,104
Over 120 days	1,784	1,604
	<u>27,793</u>	<u>27,003</u>

The Group allows an average credit period of 33 days to its trade customers.

21. MARKETABLE SECURITIES

	THE GROUP	
	2001 HK\$'000	2000 HK\$'000
Listed overseas shares, at cost	—	201
Less: Provision for impairment in value	—	(95)
	<u>—</u>	<u>106</u>
Market value of listed overseas shares at 31st March	<u>—</u>	<u>106</u>