

7. TAXATION

Hong Kong Profits Tax has not been provided as the Group's estimated assessable profits for the year is wholly absorbed by unrelieved tax losses brought forward from previous years.

Overseas taxation has been provided on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2001	2000
	<i>HK\$</i>	<i>HK\$</i>
The charge comprises:		
Hong Kong Profits Tax:		
Overprovision in prior year	—	(168,000)
PRC income tax	3,438,688	10,788,433
Share of associates' taxation	190,079	18,787
	<u>3,628,767</u>	<u>10,639,220</u>

The major components of deferred taxation not provided (credited) for the year are as follows:

	2001	2000
	<i>HK\$</i>	<i>HK\$</i>
(Reduction) Increase in excess of tax allowances		
over depreciation	(325,413)	605,803
Tax losses arising	(8,878,322)	(3,038,638)
	<u>(9,203,735)</u>	<u>(2,432,835)</u>

8. NET (LOSS) PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The net (loss) profit attributable to shareholders includes a loss of HK\$44,825,116 (2000: profit of HK\$60,717,373) which has been dealt with in the financial statements of the Company, and a profit of HK\$2,209,128 (2000: loss of HK\$48,297) is retained by the associates.

9. DIVIDENDS

	2001	2000
	<i>HK\$</i>	<i>HK\$</i>
Interim dividend paid at HK\$Nil (2000: HK\$0.01) per share	—	7,495,607
Final dividend proposed at HK\$0.01 (2000: HK\$0.01) per share	10,244,397	8,504,397
	<u>10,244,397</u>	<u>16,000,004</u>

10. (LOSS) EARNINGS PER SHARE

	2001	2000
	<i>HK\$</i>	<i>HK\$</i>
Net (loss) profit attributable to shareholders	(44,029,797)	141,625,862
Number of shares:		
Weighted average number of shares in issue for the purpose of basic (loss) earnings per share	852,724,224	678,433,959
Effects of dilutive potential ordinary shares:		
2001 warrants	N/A	42,004,561
Share options	N/A	1,712,706
Weighted average number of shares in issue for the purpose of diluted earnings per share	N/A	722,151,226
(Loss) Earnings per share		
Basic	(5.16 HK cents)	20.88 HK cents
Diluted	N/A	19.61 HK cents

There is no diluted loss per share for the year ended 31st March, 2001 as the potential ordinary shares issuable under the outstanding warrants and share options are anti-dilutive.

11. INVESTMENT PROPERTIES

	The Group	
	2001	2000
	<i>HK\$</i>	<i>HK\$</i>
At beginning of year	516,100,000	30,600,000
Acquisition of a subsidiary	—	480,000,000
Revaluation surplus	—	5,500,000
	<u>516,100,000</u>	<u>516,100,000</u>
At balance sheet date	<u>516,100,000</u>	<u>516,100,000</u>

The carrying value of investment properties held by the Group at the balance sheet date comprised:

	The Group	
	2001	2000
	<i>HK\$</i>	<i>HK\$</i>
Long leases:		
In Hong Kong	480,000,000	480,000,000
Outside Hong Kong	36,100,000	36,100,000
	<u>516,100,000</u>	<u>516,100,000</u>
	<u>516,100,000</u>	<u>516,100,000</u>

Investment properties in Hong Kong were revalued at their open market value at the balance sheet date by Sallmanns (Far East) Limited, Chartered Surveyors, on an open market existing use basis.

Investment properties outside Hong Kong were revalued at their open market value at the balance sheet date by DTZ Debenham Tie Leung Limited, Chartered Surveyors, on an open market existing use basis.

12. PROPERTY, PLANT AND EQUIPMENT

The Group	Land and buildings outside Hong Kong	Plant, machinery and moulds	Furniture, fixtures and equipment	Motor vehicles	Computer equipment	Total
	held on long leases HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Cost or valuation						
At beginning of year	14,240,000	18,670,013	5,400,393	2,539,655	7,801,511	48,651,572
Additions	—	975,516	5,194,142	1,185,203	2,479,531	9,834,392
Transfer to inventories	—	—	—	—	(1,640,482)	(1,640,482)
Disposals/Write off	—	—	(1,392,641)	(457,764)	(1,399,253)	(3,249,658)
At balance sheet date	14,240,000	19,645,529	9,201,894	3,267,094	7,241,307	53,595,824
Accumulated depreciation						
At beginning of year	—	13,909,310	2,963,741	2,121,171	2,334,220	21,328,442
Charge for the year	305,318	1,789,995	741,571	354,730	2,030,570	5,222,184
Write down to recoverable amount	—	—	366,260	—	1,559,907	1,926,167
Revaluation	(305,318)	—	—	—	—	(305,318)
Transfer to inventories	—	—	—	—	(441,512)	(441,512)
Eliminated on disposals/write off	—	—	(257,936)	(274,658)	(278,748)	(811,342)
At balance sheet date	—	15,699,305	3,813,636	2,201,243	5,204,437	26,918,621
Net book value						
At balance sheet date	14,240,000	3,946,224	5,388,258	1,065,851	2,036,870	26,677,203
At beginning of year	14,240,000	4,760,703	2,436,652	418,484	5,467,291	27,323,130

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group	Land and buildings outside Hong Kong	Plant, machinery and moulds	Furniture, fixtures and equipment	Motor vehicles	Computer equipment	Total
	held on long leases					
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Analysis of cost or valuation of property, plant and equipment at balance sheet date						
At professional valuation in 2001	14,240,000	—	—	—	—	14,240,000
At cost	—	19,645,529	9,201,894	3,267,094	7,241,307	39,355,824
Total cost or valuation	14,240,000	19,645,529	9,201,894	3,267,094	7,241,307	53,595,824

The Group's leasehold land and buildings were revalued at their open market value at the balance sheet date by DTZ Debenham Tie Leung Limited, Chartered Surveyors, on an open market existing use basis. The surplus of HK\$305,318 (2000: HK\$2,344,271) arising on revaluation, after netting off HK\$35,872 (2000: HK\$Nil) which is attributable to the minority shareholders, has been included in the assets revaluation reserve.

The net book value of the Group's property, plant and equipment includes an amount of HK\$1,740,185 (2000: HK\$Nil) in respect of assets held under hire purchase contracts.

The carrying amount of the Group's leasehold land and buildings at the balance sheet date would have been HK\$6,906,488 (2000: HK\$7,109,946) had they been stated at cost less accumulated depreciation.