

## 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS - *continued*

### (b) Information regarding employees' emoluments

The five highest paid individuals of the Group in both years included three executive directors. The emoluments of the remaining two highest paid individuals, not being directors, are as follows:

|  | 2001<br>HK\$'000 | 2000<br>HK\$'000 |
|--|------------------|------------------|
| Salaries and other benefits              | 1,184            | 1,109            |
| Retirement benefits scheme contributions | 37               | 51               |
|  | <hr/>            | <hr/>            |
| Total employees' emoluments              | <u>1,221</u>     | <u>1,160</u>     |

The aggregate emoluments of each of these two employees fall within HK\$1,000,000.

During both years, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss in office. In addition, during both years, no director waived any emoluments.

## 12. TAXATION

|   | 2001<br>HK\$'000 | 2000<br>HK\$'000 |
|---|------------------|------------------|
| The amounts comprises:  |                  |                  |
| Hong Kong Profits Tax calculated at 16% (2000: 16%)<br>on the estimated assessable profit of the year | 14,638           | 5,787            |
| Under(over)provision in prior years   | 12               | (19)             |
|   | <hr/>            | <hr/>            |
|   | <u>14,650</u>    | <u>5,768</u>     |

Details of the potential deferred taxation not provided for in the year are set out in note 32.

## 13. NET PROFIT FOR THE YEAR

Of the Group's net profit for the year, a loss of HK\$1,855,000 (2000: a profit of HK\$20,988,000) has been dealt with in the financial statements of the Company.

**14. EARNINGS PER SHARE**

The calculation of the basic and diluted earnings per share is based on the following data:

|  | 2001<br>HK\$'000   | 2000<br>HK\$'000 |
|--|--------------------|------------------|
| Earnings for the purposes of basic earnings per share                          | <b>143,311</b>     | 32,298           |
| <b>Number of shares</b>  |                    |                  |
|  | 2001               | 2000             |
| Weighted average number of shares for the purposes of basic earnings per share | <b>663,515,837</b> | 400,303,356      |
| Effect of dilutive potential shares in respect of share options                | <b>3,452,516</b>   | 6,408,615        |
|  | <b>666,968,353</b> | 406,711,971      |

**15. RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS**

- (a) During the year, the Group had the following transactions carried out at prices determined by reference to market prices for similar transactions with related parties/persons deemed to be “connected persons” by the Stock Exchange, being entities controlled by certain relatives of Koon Wing Yee and his spouse Lui Yuk Chu, both of whom are directors of the Company:

|                      | 2001<br>HK\$'000 | 2000<br>HK\$'000 |
|----------------------|------------------|------------------|
| Sales of garments    | <b>16,805</b>    | 13,963           |
| Purchase of garments | <b>214,248</b>   | 189,504          |

The Group, its principal shareholders and directors of the Company neither control these entities, nor, other than having significant business transactions with these entities, exercise significant influence over these entities in making financial and operating decisions.

- (b) Details of the shares transactions involving Magical Profits Limited, a substantial shareholder of the Company, are set out in note 29.
- (c) Details of the balance with a related party were set out in note 26.

## 16. PROPERTY, PLANT AND EQUIPMENT

|   | <b>Leasehold<br/>land and<br/>buildings</b> | <b>Properties<br/>under<br/>development</b> | <b>Furniture,<br/>fixtures<br/>and<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Total</b>        |
|---|---|---|--|---------------------------|---------------------|
|   | HK\$'000                                    | HK\$'000                                    | HK\$'000   | HK\$'000                  | HK\$'000            |
| <b>THE GROUP</b>  |   |   |  |                           |                     |
| <b>COST OR VALUATION</b>                                  |   |   |  |                           |                     |
| At 1 April 2000   | 106,292                                     | —   | 13,673   | 4,595                     | 124,560             |
| Transferred from<br>properties held for sale<br>(note 20) | —   | 67,000                                      | —  | —                         | 67,000              |
| Additions   | —   | 3,020                                       | 735  | 387                       | 4,142               |
| On deemed disposal of<br>a subsidiary                     | (64,908)                                    | —   | (1,129)  | (542)                     | (66,579)            |
| Disposal  | —   | —   | (387)  | (2,029)                   | (2,416)             |
|   | <hr/>                                       | <hr/>                                       | <hr/>  | <hr/>                     | <hr/>               |
| At 31 March 2001  | 41,384                                      | 70,020                                      | 12,892   | 2,411                     | 126,707             |
| Comprising:   |   |   |  |                           |                     |
| At cost   | 12,384                                      | 70,020                                      | 12,892   | 2,411                     | 97,707              |
| At valuation - 1995                                       | 29,000                                      | —   | —  | —                         | 29,000              |
|   | <hr/>                                       | <hr/>                                       | <hr/>  | <hr/>                     | <hr/>               |
|   | 41,384                                      | 70,020                                      | 12,892   | 2,411                     | 126,707             |
| <b>DEPRECIATION</b>                                       |   |   |  |                           |                     |
| At 1 April 2000   | 6,656                                       | —   | 9,942  | 3,592                     | 20,190              |
| Provided for the year                                     | 819   | —   | 1,152  | 407                       | 2,378               |
| On deemed disposal of<br>a subsidiary                     | (3,212)                                     | —   | (711)  | (461)                     | (4,384)             |
| Eliminated on disposal                                    | —   | —   | (360)  | (2,031)                   | (2,391)             |
|   | <hr/>                                       | <hr/>                                       | <hr/>  | <hr/>                     | <hr/>               |
| At 31 March 2001  | 4,263                                       | —   | 10,023   | 1,507                     | 15,793              |
| <b>NET BOOK VALUES</b>                                    |   |   |  |                           |                     |
| At 31 March 2001  | <hr/> <hr/> 37,121                          | <hr/> <hr/> 70,020                          | <hr/> <hr/> 2,869                                    | <hr/> <hr/> 904           | <hr/> <hr/> 110,914 |
| At 31 March 2000  | <hr/> <hr/> 99,636                          | <hr/> <hr/> —                               | <hr/> <hr/> 3,731                                    | <hr/> <hr/> 1,003         | <hr/> <hr/> 104,370 |

**16. PROPERTY, PLANT AND EQUIPMENT - continued**

The net book value of the Group's leasehold land and buildings comprise properties situated:

|  | 2001<br>HK\$'000 | 2000<br>HK\$'000 |
|--|------------------|------------------|
| In Hong Kong held under medium-term leases | 37,121           | 40,341           |
| Outside Hong Kong held under:              |                  |                  |
| - Freehold                                 | —                | 7,952            |
| - Long leases                              | —                | 1,666            |
| - Medium-term leases                       | —                | 49,677           |
|  | <u>37,121</u>    | <u>99,636</u>    |

The properties under development at 31 March 2001 are situated in Hong Kong and are held under medium-term leases.

The valuation of certain leasehold land and buildings was carried out by Messrs. Jones Lang Wootton Ltd., a firm of independent professional property valuers, at 31 October 1994 on an open market value vacant possession basis. Had all leasehold land and buildings been carried at cost less accumulated depreciation, their carrying value would have been stated at HK\$30,050,000 (2000: HK\$92,428,000).

The net book value of property, plant and equipment of the Group included an amount of HK\$98,000 (2000: HK\$496,000) in respect of assets held under finance leases.

**17. INVESTMENT PROPERTIES**

|                                    | <b>THE GROUP</b><br>HK\$'000 |
|------------------------------------|------------------------------|
| <b>VALUATION</b>                   |                              |
| At 1 April 2000                    | 486,300                      |
| On deemed disposal of a subsidiary | (152,100)                    |
| Surplus arising on revaluation     | 4,300                        |
|                                    | <u>338,500</u>               |
| At 31 March 2001                   | <u>338,500</u>               |

The investment properties are held for rental purposes under operating leases. They were revalued at 31 March 2001 by Messrs. Knight Frank, a firm of independent professional property valuers, on an open market existing use basis. This revaluation gives rise to a revaluation surplus of HK\$4,300,000 which had been credited to the income statement.

**17. INVESTMENT PROPERTIES - continued**

The Group's investment properties comprise properties situated:

|   | 2001<br>HK\$'000 | 2000<br>HK\$'000 |
|---|------------------|------------------|
| In Hong Kong held under:                        |                  |                  |
| - Long leases                                   | 130,500          | 228,000          |
| - Medium-term leases                            | 208,000          | 244,800          |
|   | <u>338,500</u>   | <u>472,800</u>   |
| Outside Hong Kong held under medium-term leases | —                | 13,500           |
|   | <u>338,500</u>   | <u>486,300</u>   |

**18. PERMANENT TEXTILE QUOTA ENTITLEMENTS**

|                        | THE GROUP<br>HK\$'000 |
|------------------------|-----------------------|
| <b>COST</b>            |                       |
| At 1 April 2000        | 249,268               |
| Additions              | 4,538                 |
| Disposal               | <u>(5,015)</u>        |
| At 31 March 2001       | <u>248,791</u>        |
| <b>AMORTISATION</b>    |                       |
| At 1 April 2000        | 227,130               |
| Provided for the year  | 19,045                |
| Eliminated on disposal | <u>(4,781)</u>        |
| At 31 March 2001       | <u>241,394</u>        |
| <b>NET BOOK VALUE</b>  |                       |
| At 31 March 2001       | <u>7,397</u>          |
| At 31 March 2000       | <u>22,138</u>         |

The permanent textile quota entitlements held by the Group are for shipments principally to the United States of America.