



Interim Report 2001

PEAKTOP
GROUP

Peaktop International Holdings Limited

(Incorporated in Bermuda with Limited Liability)

MANAGEMENT DISCUSSION AND ANALYSIS

Financial results

For the six months ended 30 June 2001, the Group recorded an unaudited turnover of HK\$403,776,000 and a profit attributable to shareholders of HK\$4,010,000, representing decreases of approximately 29% and 89% respectively when compared with the same period in the previous year. The decrease in turnover was mainly attributed to the slowdown in the U.S. economy. During the period, the U.S. and the European markets remained the Group's largest markets and accounted for approximately 50% and 43% of the Group's turnover respectively. Sales to the U.S. market dropped to HK\$203,452,000, which was 46% less than that of the previous year. Sales to the European market increased to HK\$172,040,000, which was 1% more than that of the corresponding period in the previous year.

Liquidity and financial resources

The Group generally finances its operation with internally generated cash flows and banking facilities. As at 30 June 2001, the Group had aggregate banking facilities of approximately HK\$442,245,000 of which HK\$230,440,000 was utilized. The Group's cash and bank balance at that date amounted to approximately HK\$35,268,000. This together with the unutilized banking facilities, enable the Group to discharge its debts and to fund its operation expenditure.

As at 30 June 2001, the Group's current ratio and quick ratio were 0.98 and 0.54 respectively. The Group's financial flexibility remained healthy.

Employees and remuneration policies

As at 30 June 2001, the Group employed a workforce of 7,985. Total staff costs incurred during the 6-month period ended 30 June 2001 amounted to approximately HK\$75,986,000. The Group offers a comprehensive remuneration and benefit package to its employees and remuneration policies are reviewed by the management on a regular basis. The Group also adopts a share option scheme which is structured to take into account the comparable remuneration level of the market.

Gearing ratio

As at 30 June 2001, the ratio of total bank borrowings to total equity was 0.97. The aggregate amount of bank borrowings, denominated in Hong Kong dollars, Renminbi, United States dollars, and Deutsch mark, was HK\$230,440,000.

Business Review

The turnover of the Group for the first half of the year was unsatisfactory compared with the corresponding period last year. This was mainly due to the decline of the US market; the major market of the Group that represented about 69% of the Group's turnover. Since the fourth quarter of last year, the US economy playing a pivotal role in global economy has suddenly slowed down. Most enterprises took a wait-and-see attitude and became very conservative and cautious in placing orders.

For the purpose of risk diversification and vertical integration, the Group has been actively expanding its sales channels and acquiring reputable brand names in the past two years. As a result, capital expenditure and thus finance costs both increased. These investments in the US and European markets were unable to yield profits in the short term, and in fact certain subsidiaries even registered losses. These were the two major reasons for the Group's unsatisfactory operating profit for the first half of the year. In particular, our German subsidiary confronted a very keen competitor in the European market after its being acquired by the Group. Its outdoor gardening business was further hampered by the exceptionally cold and rainy Spring in Europe between March and May, high season of the year. In view of this, the German subsidiary immediately formulated and implemented a reengineering project for the purpose of reducing stock level, improving sales power and enhancing competitiveness. It is expected that the business performance of this subsidiary will ameliorate next year. Other subsidiaries also show gradual improvements following proper adjustments to their positioning and operation policies.

The retail market begins to perk up after the customers' gradual stock clearing and the stabilization of the global economy early this year. Meanwhile, our sales orders have been on the rise since June, as a result of our streamlining efforts in the overseas subsidiaries merged, acquired or established during last year, as well as our incessant efforts in launching new products and exploring new markets. Our sales will see certain increase from July to October and sales performance is expected to become more satisfactory in the latter half of the year.

Operation Prospects

The Group has emerged from a gift manufacturer in early years to an international group specializing in gift and garden decorative products nowadays. In view of the intensifying competition in the polyresin gift industry, we have been investing in research and development in recent years. To reduce plagiarism practices and to ward off cutthroat competition in the industry, we have embarked on the following dual directions for our gift business:

a. Development of Functional Products

We will focus on the development of functional products that involve advanced technology, such as those composed of mechanical and/or electronic parts that produce revolving, illuminating or sound effects.

b. Development of Composite Material Products

We will develop composite material products by utilizing such materials as self-made resin, candles, plastics and water pumps and other materials that include metal, wood and ceramics.

The Group has also devoted enormous resources and efforts in developing our strategic businesses. To this end, the Group has formulated two major development policies. These policies, which will be realized by the latter half of the year, are expected to benefit the future development of the Group.

a. Industrialized Production of Artistic Products

Premised on our giftware and garden products, we will further develop automated production techniques utilizing both resin and plastic injection, thereby aiming at the bulk production of large, low cost and high-value products in an industrialized way.

b. Industrialized Products Made Artistic

By developing such consumer goods as stationery and household items, we will extend our product range from giftware and garden products to household items and office stationery. These new products will be manufactured mainly with injection-based techniques giving the best play to our core competency — the ability to integrate artistic design into our giftware and garden products, for the purpose of surpassing traditional plastic injection factories.

Peaktop International Holdings Limited

As to our outdoor garden products, the Group plans to establish a strategic venture with a renowned US garden product company in the latter half of the year. This is expected to bring about satisfactory benefits in the sales of this product category and the expansion of our sales channels in USA.

The Group also plans to make strategic investments in upper-stream raw materials in the production process. We will form a closer partnership with major raw material suppliers. With this strategic alliance, we will be able to cooperate with them on the technical development of innovative raw materials, and to secure better prices in the procurement of raw materials for the enhancement of our competitive edge.

In addition to the above income-generating plans, the Group has also recruited several top managers with different specialties to reinforce its management team. Improvement plans are now underway not only to minimize costs but also to streamline operations with efficiency enhancement as the principal target.

All these coordinated efforts in improving the Group's operation and management will serve to enhance our overall quality, strengthen our competitiveness and boost our results and profitability. With the continued support of our shareholders, the management will surely strive its very best to generate even greater return for the Group and all its shareholders.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2001, the interests of the directors and their associates in the share capital of the Company or its associated corporations within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance, were as follows:

Directors	Number of ordinary shares in which interested		
	Personal	Family	Corporate
Mr. Andree Halim (Note 1)	—	—	93,000,000
Dr. Gunter M. Denk (Note 2)	29,760,000	3,968,000	—
Mr. He Jing Guang	7,285,200	—	—
Mr. Lin Chun Fu	30,628,000	—	—
Mr. Lin Chun Kuei	32,612,000	—	—

Notes:

1. The 93,000,000 shares are owned by KMP Atlantic Limited, 90% of the issued share capital of which is owned by KMP Equities Holding Ltd.. The issued share capital of KMP Equities Holding Ltd. is owned as to 50% by Mr. Andree Halim. Mr. Andree Halim is therefore deemed to be interested in the 93,000,000 shares of the Company.
2. 2,976,000 shares and 992,000 shares are held by Miss Corinna Denk and Madam Angelika Denk, daughter under 18 years of age and wife of Dr. Gunter M. Denk respectively.

In addition to the above, certain directors hold shares in certain subsidiaries, in a non-beneficial capacity, solely for the purpose of complying with minimum company membership requirements.

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other beneficial interest in the equity of the Company or any of its associated corporations as at 30 June 2001, as recorded in the register required to be kept under Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

The subscription rights attaching to the warrants to subscribe for shares during the period from 3 March 1999 up to and including 3 June 2001 had expired on 1 June 2001 (being the business day immediately proceeding 3 June 2001). None of the warrants were exercised during the said period.

Peaktop International Holdings Limited

Under the terms of a share option scheme adopted by the Company on 20 December 1997, the directors may, at their absolute discretion, grant options to employees and directors of the Company or any of its subsidiaries to subscribe for shares in the Company.

At no time during the period ended 30 June 2001 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or chief executive or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors or chief executive or their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

Information of the Company's share option scheme is set out in note 12 to the condensed financial statements.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2001, the following interests of 10% or more in the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	Number of ordinary shares in which interested	Percentage of total issued ordinary share capital
KMP Atlantic Limited (Note 1)	93,000,000	27.88%
KMP Equities Holding Ltd. (Note 1)	93,000,000	27.88%
Mr. Anthoni Salim (Note 1)	93,000,000	27.88%
Mr. Andree Halim (Note 1)	93,000,000	27.88%
Dr. Gunter M. Denk (Note 2)	33,728,000	10.11%

Notes:

1. The 93,000,000 shares are held in the name of OCBC Securities (Hong Kong) Ltd. which is the nominee for KMP Atlantic Limited. The issued share capital of KMP Atlantic Limited is owned as to 90% by KMP Equities Holding Ltd.. The issued share capital of KMP Equities Holding Ltd. is owned as to 50% by each of Messrs. Anthoni Salim and Andree Halim. Accordingly, the interests disclosed by these parties are in respect of the same shareholding.
2. 2,976,000 shares and 992,000 shares are held by Miss Corinna Denk and Madam Angelika Denk, daughter under 18 years of age and wife of Dr. Gunter M. Denk respectively.

Save as disclosed above, the directors are not aware of any person (except those directors as disclosed under the paragraph "Directors' interests in shares") who was, directly or indirectly, interested in 10% or more of the issued share capital of the Company as at 30 June 2001 that was required to be recorded under Section 16(1) of the SDI Ordinance.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2001.

CODE OF BEST PRACTICE

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by this interim report, in compliance with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, except that the non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's bye-laws.

AUDIT COMMITTEE

The Company established an audit committee in accordance with paragraph 14 of the Code of Best Practice. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited interim report.

APPRECIATION

The Board would like to express its sincere appreciation to the bankers, suppliers, customers, shareholders and staff for their continued support to the Group.

On behalf of the Board

Lin Chun Kuei

Chairman

Hong Kong, 21 September 2001

RESULTS

The Board of Directors (the "Directors") of Peaktop International Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2001, together with the comparative figures for the corresponding period in 2000 as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2001

		Six months ended	
		30 June	
		2001	2000
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
TURNOVER	3	403,776	569,432
Cost of sales		(255,528)	(352,360)
Gross profit		148,248	217,072
Other revenue		5,255	2,520
Selling and distribution expenses		(78,140)	(72,886)
General and administrative expenses		(53,564)	(89,833)
Other operating expenses		(1,540)	(2,835)
PROFIT FROM OPERATING ACTIVITIES	4	20,259	54,038
Finance costs	5	(11,774)	(9,004)
PROFIT BEFORE TAX		8,485	45,034
Tax	6	(3,857)	(9,402)
PROFIT BEFORE MINORITY INTERESTS		4,628	35,632
Minority interests		(618)	(580)
NET PROFIT FROM ORDINARY ACTIVITIES			
ATTRIBUTABLE TO SHAREHOLDERS		4,010	35,052
Dividend	7	—	—
RETAINED PROFIT FOR THE PERIOD		4,010	35,052
EARNINGS PER SHARE	8		
Basic		HK1.3 cents	HK11.4 cents
Diluted		N/A	HK11.2 cents

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2001

	Notes	30 June 2001 (Unaudited) HK\$'000	31 December 2000 (Audited) HK\$'000
NON-CURRENT ASSETS			
Fixed assets		272,829	268,720
Intangible assets		15,311	8,087
Interests in associates		724	804
Long term investments		6,557	6,598
		295,421	284,209
CURRENT ASSETS			
Inventories		162,374	188,749
Accounts and bills receivable	9	100,301	129,800
Prepayments, deposits and other receivables		60,030	57,651
Cash and bank balances		35,268	37,171
		357,973	413,371
CURRENT LIABILITIES			
Bank overdrafts	10	2,270	12,041
Bank loans	10	143,361	132,412
Trust receipt loans		39,457	86,394
Finance lease payables		4,808	3,402
Accounts and bills payable	11	117,560	106,773
Other payables and accruals		46,467	58,860
Tax		10,274	9,850
		364,197	409,732
NET CURRENT (LIABILITIES)/ASSETS		(6,224)	3,639
TOTAL ASSETS LESS CURRENT LIABILITIES		289,197	287,848
NON-CURRENT LIABILITIES			
Long term portion of bank loans	10	45,352	52,934
Finance lease payables		4,460	5,611
Deferred tax		92	111
		49,904	58,656
MINORITY INTERESTS		1,043	392
		238,250	228,800
CAPITAL AND RESERVES			
Issued capital	12	33,355	31,525
Reserves	13	204,895	197,275
		238,250	228,800

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

For the six months ended 30 June 2001

	Six months ended	
	30 June	
	2001	2000
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Exchange differences on translation of financial statements of foreign entities	(3,226)	(1,950)
Net losses not recognised in the consolidated profit and loss account	(3,226)	(1,950)
Net profit from ordinary activities attributable to shareholders	4,010	35,052
Total recognised gains and losses	784	33,102

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2001

	Six months ended 30 June	
	2001	2000
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	83,105	6,434
Net cash outflow from returns on investments and servicing of finance	(11,356)	(7,246)
Taxes paid	(3,236)	(12,830)
Net cash outflow from investing activities	(34,156)	(89,363)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	34,357	(103,005)
Net cash inflow from financing	20,880	52,647
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	55,237	(50,358)
Cash and cash equivalents at beginning of period	(82,007)	(783)
Effect of foreign exchange differences, net	(432)	(153)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(27,202)	(51,294)
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	35,268	41,934
Less: Bank overdrafts	(2,270)	(9,861)
Trust receipt loans	(39,457)	(57,367)
Bank loans	(20,743)	(26,000)
	(27,202)	(51,294)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS**For the six months ended 30 June 2001****1. PRINCIPAL ACCOUNTING POLICIES**

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the requirements of the Appendix 16 to Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, including compliance with the Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants. The accounting policies and basis of preparation used in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2000.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of subsidiaries comprise the design, manufacture and sales of a wide range of home and garden decorative products.

3. SEGMENTAL INFORMATION

An analysis of the Group's turnover and contribution to profit from operating activities by principal activity and geographical area of operations for the period ended 30 June 2001 is as follows:

	Six months ended 30 June			
	Turnover		Contribution to profit from operating activities	
	2001	2000	2001	2000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
By principal activity:				
Design, manufacture and sales of garden decorative products	184,762	259,779	12,577	22,409
Design, manufacture and sales of home decorative products	185,165	287,255	6,735	29,356
Sales of other products and raw materials	33,849	22,398	947	2,273
	403,776	569,432	20,259	54,038
By geographical area:				
United States of America	203,452	376,206	5,430	38,634
Europe	172,040	169,697	13,996	12,987
Asia	15,087	19,269	440	1,979
Australia	8,977	2,637	280	271
Others	4,220	1,623	113	167
	403,776	569,432	20,259	54,038

Peaktop International Holdings Limited

4. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging:

	Six months ended 30 June	
	2001	2000
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold and services provided	255,528	352,360
Depreciation:		
Owned fixed assets	14,582	8,204
Leased fixed assets	714	—
Amortisation of intangible assets	1,697	2,645
Loss on disposal of fixed assets	1,359	6

5. FINANCE COSTS

	Six months ended 30 June	
	2001	2000
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest expenses on:		
Bank loans and overdrafts wholly repayable within five years	11,329	9,004
Finance leases	445	—
Total finance costs	11,774	9,004

6. TAX

	Six months ended 30 June	
	2001	2000
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<hr/>		
Current year provision:		
Hong Kong	—	—
Elsewhere	3,857	9,402
	<hr/>	
	3,857	9,402
	<hr/>	

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising from Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

7. DIVIDEND

At a meeting of the board of directors held on 21 September 2001, the directors resolved not to pay any interim dividend to shareholders (six months ended 30 June 2000: Nil).

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the period of HK\$4,010,000 (six months ended 30 June 2000: HK\$35,052,000) and the weighted average of 317,578,906 (six months ended 30 June 2000: 307,114,857) ordinary shares in issue during the period of which includes weighted average of 2,324,906 ordinary shares as a result of the exercise of 18,296,000 share options on 8 June 2001.

The diluted earnings per share for the period ended 30 June 2001 has not been calculated as no diluting events existed during that period.

Peaktop International Holdings Limited

The calculation of diluted earnings per share for the period ended 30 June 2000 is based on the net profit attributable to shareholders of HK\$35,052,000 and 313,032,306 ordinary shares which is the weighted average number of ordinary shares in issue during the period plus the weighted average of 5,917,449 ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

9. ACCOUNTS AND BILLS RECEIVABLE

As at 30 June 2001, the ageing analysis of the accounts and bills receivable was as follows:

	30 June 2001 (Unaudited) HK\$'000	31 December 2000 (Audited) HK\$'000
Current to 30 days	54,622	96,150
31–60 days	17,897	14,411
61–90 days	7,889	6,086
Over 90 days	19,893	13,153
	100,301	129,800

10. INTEREST-BEARING BANK LOANS AND OVERDRAFTS

	30 June 2001 (Unaudited) HK\$'000	31 December 2000 (Audited) HK\$'000
Bank overdrafts repayable on demand		
Secured	—	6,422
Unsecured	2,270	5,619
	2,270	12,041
Bank loans		
Secured	91,657	128,664
Unsecured	97,056	56,682
	188,713	185,346
The maturity of the bank loans is as follows:		
Bank loans are wholly repayable:		
Within one year	143,361	132,412
In the second year	10,019	12,591
In the third to fifth years, inclusive	21,259	22,470
Beyond five years	14,074	17,873
	188,713	185,346
Portion classified as current liabilities	(143,361)	(132,412)
Long term portion	45,352	52,934

Peaktop International Holdings Limited

11. ACCOUNTS AND BILLS PAYABLE

As at 30 June 2001, the ageing analysis of the accounts and bills payable was as follows:

	30 June 2001 (Unaudited) HK\$'000	31 December 2000 (Audited) HK\$'000
Current to 30 days	63,430	56,854
31–60 days	18,695	18,188
61–90 days	15,370	9,310
Over 90 days	20,065	22,421
	117,560	106,773

12. SHARE CAPITAL

	Number of shares 30 June 2001 (Unaudited) '000	Nominal value 30 June 2001 (Unaudited) HK\$'000	Number of shares 31 December 2000 (Audited) '000	Nominal value 31 December 2000 (Audited) HK\$'000
Authorised:				
Ordinary share of HK\$0.10 each	1,000,000	100,000	1,000,000	100,000
Issued and fully paid:				
Ordinary share of HK\$0.10 each	333,550	33,355	315,254	31,525

Share Options

Under the terms of the Company's share option scheme adopted by the Company on 20 December 1997, the directors of the Company may, at their discretion, invite any employee, including any director, of the Company or any of its subsidiaries to take up options to subscribe for shares of the Company. The scheme became effective upon the listing of the Company's shares on the Stock Exchange on 15 January 1998 and will remain in force for a period of 10 years commencing on 12 January 1998, the date of adoption.

The subscription rights attaching to 18,296,000 share options were exercised at the subscription price of HK\$0.4736 per share, resulting in the issue of 18,296,000 shares of HK\$0.10 each for a total cash consideration, before expenses, of approximately HK\$8,665,000.

13. RESERVES

	Share premium	Contributed surplus	Exchange fluctuation reserve	Asset revaluation reserve	Statutory reserve	Capital reserve	Goodwill reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2001	50,177	18,528	(3,758)	2,115	11,398	7,108	(8,086)	119,793	197,275
Issue of shares	6,836	—	—	—	—	—	—	—	6,836
Translation differences arising on consolidation of overseas subsidiaries and on translating the financial statements of overseas branches	—	—	(3,226)	—	—	—	—	—	(3,226)
Transfer to statutory reserve	—	—	—	—	7,205	—	—	(7,205)	—
Net profit for the period	—	—	—	—	—	—	—	4,010	4,010
At 30 June 2001	57,013	18,528	(6,984)	2,115	18,603	7,108	(8,086)	116,598	204,895

Peaktop International Holdings Limited

14. CONTINGENT LIABILITIES

	Group		Company	
	30 June 2001 (Unaudited) HK\$'000	31 December 2000 (Audited) HK\$'000	30 June 2001 (Unaudited) HK\$'000	31 December 2000 (Audited) HK\$'000
Bill discounted with recourse	1,083	10,333	—	—
Guarantees of banking facilities granted to subsidiaries	—	—	343,584	263,800
Guarantees of finance leases granted to subsidiaries	—	—	44,000	49,000

In respect of the Company guarantees for banking facilities and finance lease facilities granted to the subsidiaries, the balance drawn down by the subsidiaries as at 30 June 2001 amounted to HK\$146,661,000 (31 December 2000: HK\$164,056,000) and HK\$9,268,000 (31 December 2000: HK\$9,013,000) respectively.

15. POST BALANCE SHEET EVENT

Pursuant to the resolution passed in the annual general meeting of the Company held on 28 June 2001 and the approval from the Stock Exchange of Hong Kong Limited in listing of and permission to deal in new shares on 9 July 2001, a total number of 33,355,000 new shares of HK\$0.10 each in the capital of the Company was allotted on the basis of one bonus share for every ten shares and issued on 20 July 2001 to the shareholders of the Company whose names appear on the register of members of the Company on 28 June 2001.