

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants (the "HKSA"). They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, certain other properties and investment properties are stated at valuation and trading investments are stated at fair value.

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2001:

SSAP 9 (revised)	:	Events after the balance sheet date
SSAP 14 (revised)	:	Leases (effective for accounting periods commencing on or after 1st July 2000)
SSAP 26	:	Segment reporting
SSAP 28	:	Provision, contingent liabilities and contingent assets
SSAP 30	:	Business combinations
SSAP 31	:	Impairment of assets
SSAP 32	:	Consolidated financial statements and accounting for investments in subsidiaries

The effects of adopting these new or revised accounting standards are set out below:

- (i) In accordance with the SSAP 9 (revised), the Group no longer recognises dividends proposed or declared after the balance sheet date as a liability at the balance sheet date. This change in accounting policy has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy. As a result, the retained profits at 1st January 2001 and 2000 have been increased by HK\$21,928,000 and HK\$17,542,000 respectively and the proposed dividends of HK\$21,928,000 for 2000 and HK\$17,542,000 for 1999 which were previously recorded as liabilities as at 31st December 2000 and 1999 respectively have been reversed (note 21).
- (ii) SSAP 31 requires that the carrying amount of an asset is reduced to reflect the decline in value when the recoverable amount of an asset has declined below its carrying amount. In determining the recoverable amount of assets, expected cashflows are discounted to their present values. The assessment on the carrying amounts of assets has indicated an impairment loss of fixed assets of HK\$1,534,000 which was charged to the profit and loss accounts (note 11).

Notes to the Accounts

For the year ended 31st December 2001

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(b) Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December. Subsidiaries are those entities in which the Group controls the composition of the board of directors, controls more than half of the issued share capital.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill, including goodwill previously taken to reserves, which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

In the Company's balance sheet the investments in subsidiaries are stated at cost less any provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends income.

(c) Goodwill

Goodwill represents the excess of purchase consideration over the fair value of the Group's share of the net assets of subsidiaries, associated companies and jointly controlled entities acquired at the date of acquisition.

In accordance with SSAP 30, goodwill on acquisitions occurring on or after 1st January 2001 is included in intangible assets and is amortised using the straight line method over its estimated useful life. Goodwill on acquisitions that occurred prior to 1st January 2001 was taken directly to reserves. Where the fair values ascribed to the net assets of subsidiaries, associated companies and jointly controlled entities acquired exceed the purchase consideration, such differences are taken directly to capital reserves on acquisitions prior to 1st January 2001. This accounting policy has been changed to conform with SSAP 30. The Group has adopted the transitional provisions in SSAP 30 and such change has no effect to the accounts for the year.

Where an indication of impairment exists, the carrying amount of goodwill, including goodwill previously taken to reserves, is assessed and written down immediately to its recoverable amount.

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(d) Fixed assets

(i) *Investment properties*

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties held on leases with unexpired periods greater than 20 years are valued annually by independent valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

(ii) *Construction-in-progress*

Construction-in-progress represents building under construction and is stated at cost, which includes construction expenditures incurred and other direct costs capitalised during the construction period. No depreciation is provided in respect of construction-in-progress until the construction work is completed.

(iii) *Other properties, plant and equipment*

Other properties are interests in land and buildings other than investment properties as mentioned in note 1(d)(i). Plant and equipment and other properties excluding freehold land are stated at cost or valuation less accumulated depreciation and impairment losses.

Freehold land is not amortised whereby leasehold land is amortised on a straight line basis over the unexpired period of the lease.

Notes to the Accounts

For the year ended 31st December 2001

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(d) Fixed assets *(continued)*

(iii) *Other properties, plant and equipment (continued)*

Other tangible fixed assets are depreciated at rates sufficient to write off their cost over their estimated useful lives on a straight line basis. The principal annual rates are as follows:

Buildings on freehold and leasehold land	2% to 5%
Plant and machinery	10% to 20%
Furniture and fixtures	20%
Computers	30%
Motor vehicles	20%

Improvements are capitalised and depreciated over their expected useful lives to the Group.

(iv) *Impairment and gain or loss on sale*

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in construction-in-progress, other properties and other fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sale proceed and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any remaining revaluation reserve balance attributable to the relevant asset is transferred to retained profits and is shown as a movement in reserves.

(e) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Payment obligations in respect of operating leases on properties with fixed rentals are accounted for on a straight line basis over the periods of the respective leases. Payment obligations in respect of operating leases on properties with rentals which vary with gross revenues of the Group are charged to the profit and loss account as incurred.

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(f) Trading investments

Trading investments are carried at fair value. Fair value represents the quoted market price for securities which are listed or actively traded in a liquid market. For securities which are unlisted and not actively traded, fair value is determined with reference to recent transaction prices and estimated net realisable value. At each balance sheet date, the net unrealised gains and losses arising from the changes in fair value of trading investments are recognised in the profit and loss account. Profits and losses on disposal of trading investments, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

(g) Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises materials, direct labour and an appropriate proportion of all production overhead expenditures. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(h) Trade debtors

Provision is made against trade debtors to the extent that they are considered to be doubtful. Trade debtors in the balance sheet is stated net of such provision.

(i) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, short term bank loans with original maturity less than three months and bank overdrafts.

(j) Deferred taxation

Deferred taxation is accounted for at the current tax rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

Notes to the Accounts

For the year ended 31st December 2001

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(k) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The accounts of subsidiaries expressed in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising are dealt with as a movement in reserves.

(l) Revenue recognition

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Operating lease rental income is recognised on a straight line basis over the periods of the respective leases.

Royalty income, building management fee income and membership fee income are recognised on an accrual basis.

Catering services income are recognised when services are rendered.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Dividend income is recognised when the right to receive payment is established.

(m) Retirement benefit costs

The Group operates defined contribution retirement schemes which are available for all qualified employees in Hong Kong and Singapore. The assets of the schemes are held separately from those of the Group in independently administered funds. The retirement schemes for Hong Kong and Singapore employees, monthly contributions made by the Group and the employees are calculated as a fixed percentage of the employees' basic salaries or a fixed sum for each employee where appropriate. Contributions to these schemes by the Group are expensed as incurred and are reduced by those employees who leave the schemes prior to vesting fully in the contributions.

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(m) Retirement benefit costs *(continued)*

The Group also participates in the employee pension schemes operated by the municipal governments of various cities in the Peoples' Republic of China (the "PRC") and is required to make annual contributions in the range of 2% to 28% of annual payroll costs to these schemes. The municipal governments are responsible for the entire pension obligations payable to retired employees. The only obligation of the Group is to pay the ongoing required contribution under these schemes. The contributions are charged to the profit and loss account as incurred.

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(o) Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Unallocated costs represent corporate expenses less interest income. Segment assets consist primarily of fixed assets, stocks, receivables and operating cash, and mainly exclude corporate cash funds and trading investments. Segment liabilities comprise operating liabilities and exclude items such as payable and accruals for corporate expenses. Capital expenditure comprises additions to fixed assets (note 11).

In respect of geographical segment reporting, sales are based on the countries in which the group company operates. Total assets and capital expenditure are where the assets are located.

(p) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Notes to the Accounts

For the year ended 31st December 2001

2. TURNOVER, REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in distribution and manufacturing of garments, leather goods and accessories, property investments, and operation of a commercial center with restaurants and business centre. Revenues recognised during the year are as follows:

	2001 HK\$'000	2000 HK\$'000
Turnover		
Sales of goods	445,507	408,467
Gross rental income from investment properties	29,681	21,861
Income from the operation of a commercial center (<i>note</i>)	3,512	–
Building management fee	3,190	1,433
Royalty income	5,478	2,483
	487,368	434,244
Other revenue		
Interest income	7,523	13,902
Total revenues	494,891	448,146

Note:

The income from operation of a commercial center included membership fee income, catering services income and facilities leasing income.

Primary reporting format – business segments

The Group is organised into two main business segments:

Apparel – Distribution and manufacturing of garments, leather goods and accessories.

Commercial Network – Property investments and operation of a commercial center with restaurants and business centre.

There are no material transactions between the business segments except for office rental charge.

Notes to the Accounts

For the year ended 31st December 2001

2. TURNOVER, REVENUE AND SEGMENT INFORMATION *(continued)*

An analysis of the Group's segment information by business segments is set out as follows:

	2001				2000			
	Apparel HK\$'000	Commercial network HK\$'000	Eliminations HK\$'000	Group HK\$'000	Apparel HK\$'000	Commercial network HK\$'000	Eliminations HK\$'000	Group HK\$'000
Results								
Turnover	450,985	36,383	-	487,368	410,950	23,294	-	434,244
Inter-segment sales	-	821	(821)	-	-	-	-	-
	<u>450,985</u>	<u>37,204</u>	<u>(821)</u>	<u>487,368</u>	<u>410,950</u>	<u>23,294</u>	<u>-</u>	<u>434,244</u>
Segment results	<u>73,505</u>	<u>(12,455)</u>		<u>61,050</u>	<u>(85,139)</u>	<u>(1,518)</u>		<u>(86,657)</u>
Unallocated costs				<u>(27,523)</u>				<u>(34,116)</u>
Operating profit/(loss)				<u>33,527</u>				<u>(120,773)</u>
Finance costs				<u>(201)</u>				<u>(536)</u>
Profit/(loss) before taxation				<u>33,326</u>				<u>(121,309)</u>
Taxation				<u>(203)</u>				<u>(3,391)</u>
Profit/(loss) after taxation				<u>33,123</u>				<u>(124,700)</u>
Minority interests				<u>(840)</u>				<u>387</u>
Profit/(loss) attributable to shareholders				<u>(32,283)</u>				<u>(124,313)</u>
Assets								
Segment assets	557,934	1,060,462		1,618,396	591,814	1,021,383		1,613,197
Unallocated assets				<u>215,178</u>				<u>260,503</u>
Total assets				<u>1,833,574</u>				<u>1,873,700</u>
Liabilities								
Segment liabilities	68,652	24,949		93,601	119,349	1,890		121,239
Unallocated liabilities				<u>14,129</u>				<u>9,364</u>
Total liabilities				<u>107,730</u>				<u>130,603</u>
Other information								
Capital expenditure	2,485	57,820		60,305	4,849	46,241		51,090
Depreciation	13,532	16,427		29,959	14,530	9,904		24,434
Fixed assets written-off	-	-		-	12,950	-		12,950
Impairment loss on fixed assets	1,534	-		1,534	-	-		-
(Write-back)/provision for slow moving inventory	(35,766)	-		(35,766)	22,214	-		22,214

Notes to the Accounts

For the year ended 31st December 2001

2. TURNOVER, REVENUE AND SEGMENT INFORMATION *(continued)*

Secondary reporting format – geographical segments

The Group mainly operates in the following three geographical areas:

China mainland – Apparel, property investments and commercial center operation

Hong Kong SAR – Apparel and property investments

Singapore and Malaysia – Apparel and property investments

An analysis of the Group's segment information by geographical segments is as follows:

	2001			
	Turnover <i>HK\$'000</i>	Segment results <i>HK\$'000</i>	Segment assets <i>HK\$'000</i>	Capital expenditure <i>HK\$'000</i>
Geographical segments				
China mainland	374,951	62,267	1,087,154	58,778
Hong Kong SAR	52,210	(5,768)	691,786	637
Singapore and Malaysia	57,774	6,197	44,082	885
Other countries	2,433	(1,646)	10,552	5
	<u>487,368</u>	<u>61,050</u>	<u>1,833,574</u>	<u>60,305</u>
Unallocated costs		<u>(27,523)</u>		
Operating profit		<u>33,527</u>		
	2000			
	Turnover <i>HK\$'000</i>	Segment results <i>HK\$'000</i>	Segment assets <i>HK\$'000</i>	Capital expenditure <i>HK\$'000</i>
Geographical segments				
China mainland	319,904	(67,992)	1,033,778	1,916
Hong Kong SAR	54,846	(23,328)	780,248	48,279
Singapore and Malaysia	53,572	5,224	47,804	875
Other countries	5,922	(561)	11,870	20
	<u>434,244</u>	<u>(86,657)</u>	<u>1,873,700</u>	<u>51,090</u>
Unallocated costs		<u>(34,116)</u>		
Operating loss		<u>(120,773)</u>		

Notes to the Accounts

For the year ended 31st December 2001

3. OPERATING PROFIT/(LOSS)

	2001 HK\$'000	2000 <i>HK\$'000</i>
Operating profit/(loss) is stated after charging/(crediting) the following:		
Cost of stocks sold	249,598	253,303
(Write back)/provision for slow moving stocks	(35,766)	22,214
Outgoings in respect of investment properties	5,934	10,432
Operating lease rentals – land and buildings	17,371	17,160
Depreciation (<i>note</i>)	27,560	19,350
Fixed assets written off	–	12,950
Impairment loss of fixed assets	1,534	–
Staff costs (including directors' remuneration)	75,674	66,322
Compensation for loss of office of a senior staff	–	25,117
Auditors' remuneration	1,569	1,364
Provision for doubtful debts	4,036	8,755
Loss on disposal of investment properties	–	816
Loss on disposal of fixed assets	3,208	–
Retirement benefit costs (<i>note 9</i>)	3,373	2,100
Unrealised losses on trading investments	335	363
	<hr/>	<hr/>
<i>Note:</i>		
Depreciation	29,959	24,434
Less: amount included in stocks	(2,399)	(5,084)
	<hr/>	<hr/>
	27,560	19,350

4. FINANCE COSTS

	2001 HK\$'000	2000 <i>HK\$'000</i>
Interest expense on bank loans and overdrafts	201	536
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Notes to the Accounts

For the year ended 31st December 2001

5. TAXATION

No provision for Hong Kong profits tax has been made for the year as the Group has no estimated assessable profit arising from Hong Kong. Hong Kong profits tax was provided at the rate of 16% on the estimated assessable profit for the year ended 31st December 2000. Taxation on profits arising outside Hong Kong has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation (charged)/credited to the profit and loss account represents:

	2001 HK\$'000	2000 <i>HK\$'000</i>
Hong Kong profits tax		
Current year charge	–	(100)
Over provision in prior years	–	51
	<u>–</u>	<u>51</u>
	–	(49)
Taxation outside Hong Kong		
Current year charge	(203)	(916)
Under provision in prior years	–	(3,867)
Tax rebate on re-investment of retained profits in a subsidiary in the PRC	–	1,441
	<u>–</u>	<u>1,441</u>
	(203)	(3,342)
	<u>(203)</u>	<u>(3,342)</u>
	(203)	(3,391)
	<u>(203)</u>	<u>(3,391)</u>
Deferred tax (credit)/charge for the year not provided for in respect of:		
Tax losses	(10,898)	(6,480)
Other timing differences	409	2,215
	<u>409</u>	<u>2,215</u>
	(10,489)	(4,265)
	<u>(10,489)</u>	<u>(4,265)</u>
The deferred tax assets at the end of the year not provided for in respect of:		
Tax losses	33,120	22,222
Other timing differences	6,982	7,391
	<u>6,982</u>	<u>7,391</u>
	40,102	29,613
	<u>40,102</u>	<u>29,613</u>

5. TAXATION *(continued)*

The revaluation of the Group's investment properties in Hong Kong does not constitute a timing difference for deferred tax purposes as realisation of the revaluation surplus would not result in a tax liability for Hong Kong profits tax.

Realisation of the revaluation surplus of the Group's investment properties in the PRC would give rise to a taxation liability in the PRC. No provision has been made in the accounts for this liability as these properties are held for the long term and management has no intention to dispose of these properties in the foreseeable future.

6. PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

The profit/(loss) attributable to shareholders include a profit of the Company to the extent of HK\$97,184,000 (2000: loss of HK\$1,756,000).

7. DIVIDENDS

	2001 HK\$'000	2000 HK\$'000
2001 interim dividend, paid, of 1.5 HK cents (2000 interim dividend: nil) per ordinary shares	13,157	–
2001 final dividend, proposed of 1.5 HK cents (2000 final dividend: 2.5 HK cents) per ordinary share <i>(note (ii))</i>	13,157	21,928
	26,314	21,928

Note:

- (i) The previously recorded final dividends proposed and declared after the balance sheet date but accrued in the accounts for the years ended 31st December 2000 and 1999 were HK\$21,928,000 and HK\$17,542,000 respectively. Under the Group's new accounting policy as described in note 1(a)(i), these have been adjusted to opening retained profits as at 1st January 2001 and 2000 in note 21 and are now charged in the year in which they were proposed.
- (ii) At a meeting held on 11th April 2002, the directors declared a final dividend of 1.5 HK cents per share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained profits for the year ending 31st December 2002.

Notes to the Accounts

For the year ended 31st December 2001

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share is based on the profit attributable to shareholders of HK\$32,283,000 (2000: loss of HK\$124,313,000).

The basic earnings per share is based on the weighted average number of 877,114,035 (2000: 877,114,035) shares in issue during the year. The diluted earnings per share is based on 887,697,243 (2000: 877,114,035) ordinary shares which is the weighted average number of ordinary shares in issue during the year plus the weighted average number of 10,583,208 (2000: nil) ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

9. RETIREMENT BENEFIT COSTS

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Retirement schemes for:		
The Hong Kong employees (<i>note a</i>)	765	238
The Singaporean employees (<i>note b</i>)	1,709	1,087
The PRC employees (<i>note c</i>)	899	775
	<hr/> 3,373 <hr/>	<hr/> 2,100 <hr/>

- (a) The Group operated a retirement scheme for all Hong Kong employees (the “Old Scheme”) prior to 1st December, 2000. With effective from 1st December 2000, all Hong Kong employees joined Mandatory Provident Fund (“MPF”) which replaced the Old Scheme. Under the MPF scheme, both the employer and employee have to contribute 5% of the employee’s relevant income or HK\$1,000, whichever is lower, as mandatory contribution. The employer and employee may further contribute certain percentage of the employee’s relevant income, as voluntary contribution.

The amount represents contributions paid and payable by the Group to the MPF scheme totalling HK\$1,032,000, less forfeited contributions from the Old Scheme refunded of HK\$267,000. The amount for the year ended 31st December 2000 represented contributions to the Old Scheme and MPF of HK\$953,000 less forfeited contributions utilised totalling HK\$715,000. Contributions totalling HK\$167,000 (2000: HK\$3,000) payable to the MPF scheme at the year end are included in other payables. There was no unutilised forfeited contribution at year end.

- (b) This represents gross contributions paid and payable by the Group to the schemes totalling HK\$1,709,000 (2000: HK\$1,087,000). Contributions totalling HK\$534,000 (2000: HK\$639,000) payable to the schemes at the year end are included in other payables. There was no unutilised forfeited contribution at year end.
- (c) This represents gross contributions made by the Group to employees pension schemes operated by the municipal governments of various cities in the PRC. There was no contributions (2000: nil) payable to the municipal governments at the year end.

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

- (a) The aggregate amounts of emoluments payable to the Directors of the Company during the year are as follows:

	2001	2000
	HK\$'000	HK\$'000
Fees	360	360
Basic salaries, housing and other allowances, and benefits in kind	12,395	8,564
Contributions to retirement scheme	36	1
	<u>12,791</u>	<u>8,925</u>

The emoluments of the Directors fell within the following bands:

	Number of Directors	
	2001	2000
Emolument bands		
HK\$nil – HK\$1,000,000	3	3
HK\$1,000,001 – HK\$1,500,000	–	1
HK\$1,500,001 – HK\$2,000,000	3	–
HK\$7,000,001 – HK\$7,500,000	1	1
	<u>1</u>	<u>1</u>

Directors' fees include HK\$240,000 (2000: HK\$240,000) paid to two independent non-executive Directors.

Notes to the Accounts

For the year ended 31st December 2001

10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(continued)*

- (b) The five individuals whose emoluments were the highest in the Group for the year included four Directors whose emoluments are reflected in the analysis presented in 10(a) above. The emoluments payable to the remaining 1 (2000: 3) individual during the year are as follows:

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Basic salaries, housing and other allowances, and benefits in kind	2,412	4,415
Contributions to retirement schemes	–	41
Compensation for loss of office	–	25,117
	<u>2,412</u>	<u>29,573</u>

The emoluments fell within the following bands:

	Number of individuals	
Emolument bands	2001	2000
HK\$500,001 – HK\$1,000,000	–	1
HK\$1,000,001 – HK\$1,500,000	–	1
HK\$2,000,001 – HK\$2,500,000	1	–
HK\$27,000,001 – HK\$27,500,000	–	1
	<u>–</u>	<u>1</u>

- (c) Other than disclosed above, no emoluments have been paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. No Directors waived or agreed to waive any emoluments during the year.

Notes to the Accounts

For the year ended 31st December 2001

11. FIXED ASSETS – GROUP

	Investment properties <i>HK\$'000</i>	Other properties <i>HK\$'000</i>	Construction- in-progress <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Computers <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost or valuation								
At 1st January 2001	982,929	512,878	1,313	31,944	60,595	10,277	18,798	1,618,734
Translation differences	(908)	(453)	-	-	(43)	(60)	(134)	(1,598)
Additions	6,885	-	10,784	-	39,108	3,044	484	60,305
Disposals	-	(586)	-	(8,499)	(4,572)	(27)	(634)	(14,318)
Transfers	(194,000)	195,313	(1,313)	-	-	-	-	-
Revaluation <i>(note 11(a))</i>	(12,963)	-	-	-	-	-	-	(12,963)
At 31st December 2001	<u>781,943</u>	<u>707,152</u>	<u>10,784</u>	<u>23,445</u>	<u>95,088</u>	<u>13,234</u>	<u>18,514</u>	<u>1,650,160</u>
Accumulated depreciation and impairment losses								
At 1st January 2001	-	84,655	-	20,338	52,667	7,060	14,984	179,704
Translation differences	-	(126)	-	-	(9)	(43)	(83)	(261)
Depreciation charge	-	19,570	-	819	6,871	1,270	1,429	29,959
Impairment charge	-	-	-	1,534	-	-	-	1,534
Disposals	-	(275)	-	(3,583)	(4,221)	(24)	(626)	(8,729)
At 31st December 2001	<u>-</u>	<u>103,824</u>	<u>-</u>	<u>19,108</u>	<u>55,308</u>	<u>8,263</u>	<u>15,704</u>	<u>202,207</u>
Net book value								
At 31st December 2001	<u>781,943</u>	<u>603,328</u>	<u>10,784</u>	<u>4,337</u>	<u>39,780</u>	<u>4,971</u>	<u>2,810</u>	<u>1,447,953</u>
At 31st December 2000	<u>982,929</u>	<u>428,223</u>	<u>1,313</u>	<u>11,606</u>	<u>7,928</u>	<u>3,217</u>	<u>3,814</u>	<u>1,439,030</u>
The analysis of the cost or valuation at 31st December 2001 of the above assets is as follows:								
At cost	-	513,152	10,784	23,445	95,088	13,234	18,514	674,217
At 2000 professional valuation	-	194,000	-	-	-	-	-	194,000
At 2001 professional valuation	<u>781,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>781,943</u>
	<u>781,943</u>	<u>707,152</u>	<u>10,784</u>	<u>23,445</u>	<u>95,088</u>	<u>13,234</u>	<u>18,514</u>	<u>1,650,160</u>

Notes to the Accounts

For the year ended 31st December 2001

11. FIXED ASSETS – GROUP (continued)

- (a) Investment properties were revalued at 31st December 2001 on an open market value basis by Mr. Ng Sai Hee, an independent professional valuer, for properties located in Hong Kong and the PRC, and Knight Frank Pte Limited, an independent professional valuer, for properties located in Singapore. The net revaluation deficit of HK\$12,963,000 (2000: HK\$68,229,000) has been taken to investment properties revaluation reserve (note 21(a)).

During the year, investment properties of HK\$194,000,000 were transferred to other properties which were stated at valuation as at 31st December 2000. The relevant properties were valued by Mr. Ng Sai Hee, an independent professional valuer on an open market value basis as at 31st December 2000.

- (b) The Group's interests in investment properties and other properties are analysed at their net book values as follows:

	2001		2000	
	Investment properties HK\$'000	Other properties HK\$'000	Investment properties HK\$'000	Other properties HK\$'000
In Hong Kong, held on:				
Leases of over 50 years	43,000	–	46,400	–
Leases of between 10 to 50 years	207,500	245,425	206,700	251,141
	<u>250,500</u>	<u>245,425</u>	<u>253,100</u>	<u>251,141</u>
Outside Hong Kong, held on:				
Freehold	10,703	13,895	13,549	14,596
Leases of over 50 years	10,740	4,874	12,280	5,396
Leases of between 10 to 50 years	510,000	339,134	704,000	157,090
	<u>531,443</u>	<u>357,903</u>	<u>729,829</u>	<u>177,082</u>
	<u>781,943</u>	<u>603,328</u>	<u>982,929</u>	<u>428,223</u>

- (c) Included in investment properties and other properties are properties with aggregate net book value of HK\$767,334,000 as at 31st December 2001 (2000: HK\$827,859,000) located in the PRC in respect of which title documents have not been issued by the relevant government authorities.

11. FIXED ASSETS – GROUP *(continued)*

- (d) Included in investment properties and other properties is a property with total net book value of HK\$699,861,000 as at 31st December 2001 (2000: HK\$704,000,000) which represents the Group's interests of approximately 53% of the gross floor area and the car parking spaces of a commercial complex, named as Goldlion Digital Network Centre, situated at Ti Yu Dong Road, Tianhe District, the city of Guangzhou, the Peoples' Republic of China (the "Designated Property").

On 22nd July 1994, Goldlion (Guangdong) Limited ("Goldlion Guangdong"), a wholly owned subsidiary of the Group, entered into a contract (the "Contract") with Goldlion Property Development Limited ("GPDL") to acquire 53% of GPDL's capital contribution to, and the right and obligation to contribute 53% of the capital requirement of Guangzhou Goldlion City Properties Company Limited ("GGCP"). The entire issued share capital of GPDL is owned by four Directors, Dr. Tsang Hin Chi, Mdm. Wong Lei Kuan, Mr. Tsang Chi Hung and Mr. Tsang Chi Ming, Ricky, and the Tsang family trust. The principal activity of GGCP is to develop, construct, market, let and manage Goldlion Digital Network Centre. In consideration of the capital contribution to GGCP, Goldlion Guangdong, on completion of Goldlion Digital Network Centre, is entitled to receive, free of further payment to GGCP or any other partner thereto, approximately 53% of the Designated Property. The construction of Goldlion Digital Network Centre was practically completed as at 31st March 1999.

In accordance with GGCP's Articles of Association, Goldlion Guangdong, other than receiving the Designated Property as mentioned above, will not participate in any profit or loss of GGCP and will not be entitled to the distribution of GGCP's assets on liquidation.

On 29th May 1999, Goldlion Guangdong entered into a supplemental contract and a memorandum with GPDL and the other PRC joint venture partner of GGCP to amend certain terms of the Contract for the purpose of minimising tax liabilities of GGCP. Simultaneously, Dr. Tsang Hin Chi and GPDL had executed an indemnity in favour of Goldlion Guangdong as an additional measure to safeguard Goldlion Guangdong's interest in the Designated Properties. The Directors are of the opinion that the entitlements and the rights of the Group in the Designated Property before and after the amendment of the terms of the Contract remain unchanged.

Notes to the Accounts

For the year ended 31st December 2001

12. SUBSIDIARIES – COMPANY

	2001 HK\$'000	2000 <i>HK\$'000</i>
Unlisted investments, at cost	10	10
Amounts due from subsidiaries, net of provision	1,106,127	1,044,148
Amount due to a subsidiary	(827)	(827)
	<u>1,105,310</u>	<u>1,043,331</u>

The amounts with subsidiaries are unsecured, interest free and have no fixed terms of repayment.

The following is a list of principal subsidiaries which in the opinion of the Directors, are significant to the results and net assets of the Group:

Name	Place of incorporation/ operation	Principal activities	Issued share capital/ paid-up capital	Class of shares held	Group equity interest	
					2001	2000
China Silverlion Limited	PRC	Distribution and manufacturing of garments	RMB3,613,724	–	90%	90%
Goldlion (China) Clothing and Leatherware Limited	PRC	Distribution and manufacturing of garments	RMB103,640,175	–	99.25%	99.25%
Goldlion Clothes Making Company Limited	PRC	Distribution and manufacturing of garments	US\$6,330,110	–	98.82%	98.82%
≠ Goldlion Enterprise (Singapore) Pte Limited	Singapore	Distribution of garments	S\$1,000,000	Ordinary	100%	100%
≠ Goldlion Distribution (M) Sdn. Bhd.	Malaysia	Distribution of garments	MYR1,200,000	Ordinary	100%	–
Goldlion (Europe) GmbH	Germany	Europe buying office	DM250,000	Ordinary	90%	90%
Goldlion (Far East) Limited	Hong Kong	Distribution and manufacturing of garments	HK\$200 HK\$50,000,000 (non-voting deferred shares)	Ordinary	100%	100%
* Goldlion Group (BVI) Limited	British Virgin Islands/ Hong Kong	Investment holding	US\$10,000	Ordinary	100%	100%
Goldlion (Guangdong) Limited	Hong Kong/ PRC	Property holding	HK\$2	Ordinary	100%	100%
Guangzhou Goldlion Commercial Network Limited	PRC	Commercial center operation	RMB10,609,000	–	100%	–

Notes to the Accounts

For the year ended 31st December 2001

12. SUBSIDIARIES – COMPANY (continued)

Name	Place of incorporation/ operation	Principal activities	Issued share capital/paid-up capital	Class of shares held	Group equity interest	
					2001	2000
Hallman Properties Limited	British Virgin Islands/ Hong Kong	Property holding	US\$50,000	Ordinary	100%	100%
Renard Investments Limited	British Virgin Islands/ Hong Kong	Property holding	HK\$2 HK\$59,999,998 (redeemable shares)	Ordinary	100%	100%
Shenyang Goldlion Commercial Mansion Limited	PRC	Property holding	RMB70,000,000	–	100%	100%
Rich Smart Resources Limited	Hong Kong	Property investment	HK\$2	Ordinary	100%	100%
Smart View Investment Limited	Hong Kong	Investment holding	HK\$2	Ordinary	100%	100%

* Subsidiary held directly by the Company

Subsidiaries not audited by PricewaterhouseCoopers

The aggregate net assets and turnover of subsidiaries not audited by PricewaterhouseCoopers accounted for approximately 2% and 12% (2000: 1% and 12%) of the Group's net assets and turnover respectively.

13. STOCKS – GROUP

	2001 HK\$'000	2000 <i>HK\$'000</i>
Raw materials	14,541	49,743
Work in progress	29,464	2,637
Finished goods	182,621	256,662
	<hr/>	<hr/>
	226,626	309,042
Less: provision	(101,474)	(208,479)
	<hr/>	<hr/>
	125,152	100,563

At 31st December 2001, the carrying amount of stocks that are carried at net realisable value amounted to HK\$96,314,000 (2000: HK\$87,756,000).

Notes to the Accounts

For the year ended 31st December 2001

14. TRADE DEBTORS – GROUP

The majority of the Group's turnover is on letter of credit or cash on delivery. At 31st December 2001, the age analysis of the trade debtors, net of provision, was as follows:

	2001 HK\$'000	2000 <i>HK\$'000</i>
Within 30 days	13,112	26,595
31-90 days	5,269	8,879
Over 90 days	774	–
	19,155	35,474

15. TRADING INVESTMENTS – GROUP

	2001 HK\$'000	2000 <i>HK\$'000</i>
Equity securities listed in Hong Kong at fair value	860	1,195

16. BANK BALANCES AND CASH – GROUP

Included in bank balances and cash of the Group are Renminbi cash and bank deposits of HK\$70,167,000 (2000: HK\$74,083,000) held in the People's Republic of China. Renminbi is not a freely convertible currency.

17. CREDITORS AND BILLS PAYABLES – GROUP

At 31st December 2001, the age analysis of the creditors and bills payable was as follows:

	2001 HK\$'000	2000 <i>HK\$'000</i>
Within 30 days	5,307	13,536
31-90 days	4,837	10,806
Over 90 days	6,082	1,730
	16,226	26,072

18. AMOUNTS DUE TO RELATED COMPANIES – GROUP

The amounts due to related companies are unsecured, interest-free and repayable on demand.

19. BANK LOANS AND OVERDRAFTS – UNSECURED

At 31st December 2001, the Group's bank loans and overdrafts were repayable within one year.

20. SHARE CAPITAL

	2001	2000
	HK\$'000	HK\$'000
<i>Authorised:</i>		
1,200,000,000 (2000: 1,100,000,000) shares of HK\$0.10 each	120,000	110,000
<i>Issued and fully paid:</i>		
877,114,035 shares of HK\$0.10 each	87,711	87,711

By an ordinary resolution passed on 18th May 2001 the authorised ordinary share capital of the Company was increased from HK\$110,000,000 to HK\$120,000,000 by the creation of 100,000,000 shares of HK\$0.10 each.

At an extraordinary general meeting of the Company held on 26th August 1992, a share option scheme (the "Scheme") was approved and adopted. No share options were outstanding as at 31st December 2000.

On 8th March 2001, options to subscribe for 60,000,000 shares of HK\$0.10 in the Company were granted to certain Directors and selected executives. The grantees are entitled to exercise their options in whole or in part at a price of HK\$0.3136 per share at any time not less than six months from the date of acceptance to 25th August 2002. No share options were exercised during the year.

Notes to the Accounts

For the year ended 31st December 2001

21. RESERVES

(a) Group

	Share premium HK\$'000	Investment properties revaluation reserve HK\$'000	Other properties revaluation reserve HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Other reserves HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st January 2000 as previously reported	916,573	412,099	-	183,844	484	25,662	(8,436)	318,611	1,848,837
Effect of adopting SSAP 9 (revised) (note 1(a)(i))	-	-	-	-	-	-	-	17,542	17,542
At 1st January 2000 as restated	916,573	412,099	-	183,844	484	25,662	(8,436)	336,153	1,866,379
Deficit on revaluation of investment properties (note 11(a))	-	(68,229)	-	-	-	-	-	-	(68,229)
Reserve realised upon disposal of investment properties	-	526	-	-	-	-	-	-	526
Exchange translation differences	-	-	-	-	-	-	(1,435)	-	(1,435)
Transfers	-	-	-	-	-	2,139	-	(2,139)	-
Loss for the year	-	-	-	-	-	-	-	(124,313)	(124,313)
1999 final dividend	-	-	-	-	-	-	-	(17,542)	(17,542)
At 31st December 2000	<u>916,573</u>	<u>344,396</u>	<u>-</u>	<u>183,844</u>	<u>484</u>	<u>27,801</u>	<u>(9,871)</u>	<u>192,159</u>	<u>1,655,386</u>
Representing:									
Reserves	916,573	344,396	-	183,844	484	27,801	(9,871)	170,231	1,633,458
2000 final dividend proposed	-	-	-	-	-	-	-	21,928	21,928
	<u>916,573</u>	<u>344,396</u>	<u>-</u>	<u>183,844</u>	<u>484</u>	<u>27,801</u>	<u>(9,871)</u>	<u>192,159</u>	<u>1,655,386</u>
At 1st January 2001 as previously reported	916,573	344,396	-	183,844	484	27,801	(9,871)	170,231	1,633,458
Effect of adopting SSAP 9 (revised) (note 1(a)(i))	-	-	-	-	-	-	-	21,928	21,928
At 1st January 2001 as restated	916,573	344,396	-	183,844	484	27,801	(9,871)	192,159	1,655,386
Deficit on revaluation of investment properties (note 11(a))	-	(12,963)	-	-	-	-	-	-	(12,963)
Exchange translation differences	-	-	-	-	-	-	(1,488)	-	(1,488)
Transfers	-	(106,095)	106,095	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	32,283	32,283
2000 final dividend	-	-	-	-	-	-	-	(21,928)	(21,928)
2001 interim dividend	-	-	-	-	-	-	-	(13,157)	(13,157)
At 31st December 2001	<u>916,573</u>	<u>225,338</u>	<u>106,095</u>	<u>183,844</u>	<u>484</u>	<u>27,801</u>	<u>(11,359)</u>	<u>189,357</u>	<u>1,638,133</u>
Representing:									
Reserves	916,573	225,338	106,095	183,844	484	27,801	(11,359)	176,200	1,624,976
2001 final dividend proposed	-	-	-	-	-	-	-	13,157	13,157
	<u>916,573</u>	<u>225,338</u>	<u>106,095</u>	<u>183,844</u>	<u>484</u>	<u>27,801</u>	<u>(11,359)</u>	<u>189,357</u>	<u>1,638,133</u>

21. RESERVES *(continued)***(a) Group** *(continued)*

Other reserves are attributable to certain subsidiaries established in the PRC. These reserves, comprising a general reserve fund and an enterprise development fund, are set aside in accordance with the relevant statutory requirements in the PRC. The amount set aside is determined by the board of directors of these subsidiaries at their financial year end.

(b) Company

	Share premium <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st January 2000 as previously reported	916,573	484	39,656	956,713
Effect of adopting SSAP 9 (revised) <i>(note 1(a)(i))</i>	–	–	17,542	17,542
At 1st January 2000 as restated	916,573	484	57,198	974,255
Loss for the year	–	–	(1,756)	(1,756)
1999 final dividend	–	–	(17,542)	(17,542)
At 31st December 2000	916,573	484	37,900	954,957
Representing:				
Reserves	916,573	484	15,972	933,029
2000 final dividend proposed	–	–	21,928	21,928
	916,573	484	37,900	954,957
At 1st January 2001 as previously reported	916,573	484	15,972	933,029
Effect of adopting SSAP 9 (revised) <i>(note 1(a)(i))</i>	–	–	21,928	21,928
At 1st January 2001 as restated	916,573	484	37,900	954,957
Profit for the year	–	–	97,184	97,184
2000 final dividend	–	–	(21,928)	(21,928)
2001 interim dividend	–	–	(13,157)	(13,157)
At 31st December 2001	916,573	484	99,999	1,017,056
Representing:				
Reserves	916,573	484	86,842	1,003,899
2001 final dividend proposed	–	–	13,157	13,157
	916,573	484	99,999	1,017,056

Notes to the Accounts

For the year ended 31st December 2001

22. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Operating profit/(loss)	33,527	(120,773)
Depreciation	29,959	24,434
Fixed assets written off	–	12,950
Interest income	(7,523)	(13,902)
Loss/(gain) on disposal of fixed assets	3,208	(48)
Loss on disposal of investment properties	–	816
Impairment losses of fixed assets	1,534	–
Unrealised losses on trading investments	335	363
(Increase)/decrease in stocks	(24,589)	91,022
Decrease in debtors and prepayments	25,394	67,540
Decrease in creditors, accruals and amounts due to related companies	<u>(11,958)</u>	<u>(41,346)</u>
Net cash inflow from operating activities	<u>49,887</u>	<u>21,056</u>

(b) Analysis of changes in financing during the year

	Bank loans		Minority interests	
	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Balance at 1st January	4,291	12,457	1,885	2,272
Minority interests in share of results	–	–	840	(387)
Repayment of bank loans	(4,291)	(8,166)	–	–
Dividends paid to minority shareholders	–	–	(840)	–
Balance at 31st December	<u>–</u>	<u>4,291</u>	<u>1,885</u>	<u>1,885</u>

22. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(continued)***(c) Analysis of balances of cash and cash equivalents**

	2001 HK\$'000	2000 <i>HK\$'000</i>
Bank balances and cash	224,029	271,938
Bank overdrafts	–	(23)
Trust receipt loans	–	(9,646)
Bank loans (maturity less than 3 months)	(3,371)	–
	220,658	262,269

23. CONTINGENT LIABILITIES – COMPANY

	2001 HK\$'000	2000 <i>HK\$'000</i>
Guarantees for credit facilities given to subsidiaries	205,000	284,000

The Company has executed guarantees to banks for facilities granted to certain subsidiaries. The utilised amount of such facilities covered by the Company's guarantees which also represented the financial exposure of the Company at the balance sheet date amounted to approximately HK\$3,371,000 (2000: HK\$4,291,000).

24. COMMITMENTS – GROUP**(a) Capital commitments**

	2001 HK\$'000	2000 <i>HK\$'000</i>
Contracted but not provided for	19,201	–

Notes to the Accounts

For the year ended 31st December 2001

24. COMMITMENTS – GROUP *(continued)*

(b) Commitments under operating leases – where a group company is the lessee

At 31st December 2001, the Group had future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	2001 HK\$'000	2000 HK\$'000 <i>(Restated)</i>
Land and buildings		
Not later than one year	7,807	5,787
Later than one year and not later than five years	4,103	6,838
	11,910	12,625

Payment obligations in respect of operating leases on properties with rentals vary with gross revenues are not included as future minimum lease payments.

(c) Commitments under operating leases – where a group company is the lessor

The future minimum rental payments receivable under non-cancellable leases are as follows:

	2001 HK\$'000	2000 HK\$'000
Land and buildings		
Not later than one year	19,813	32,772
Later than one year and not later than five years	26,102	40,797
Later than five years	12,317	17,353
	58,232	90,922

25. RELATED PARTY TRANSACTIONS – GROUP

Related party transactions, which were carried out in the normal course of the Group's business, are as follows:

	2001 HK\$'000	2000 HK\$'000
Administrative and conference fees received from related companies (<i>note i</i>)	904	–
Building management fees paid to a related company (<i>note ii</i>)	915	1,229

Notes:

- (i) Administrative and conference fees were received from Guangzhou Silver Disk Property Management Company Limited and Guangzhou Goldlion City Properties Company Limited at a fixed monthly rate of HK\$93,000 and HK\$88,000 respectively for regular use and lease of facilities of the Group's commercial center located at Goldlion Digital Commercial Centre. Mr. Tsang Chi Hung and Mr. Tsang Chi Ming, Ricky have direct beneficial interest in Guangzhou Silver Disk Property Management Company Limited and Dr. Tsang Hin Chi, Mdm. Wong Lei Kuan, Mr. Tsang Chi Hung and Mr. Tsang Chi Ming, Ricky have beneficial interest in Guangzhou Goldlion City Properties Company Limited.
- (ii) Guangzhou Silver Disk Property Management Company Limited provided building management services to certain subsidiaries of the Group. The fees were charged monthly at amounts ranged from HK\$11,000 to HK\$31,000. Mr. Tsang Chi Hung and Mr. Tsang Chi Ming, Ricky have direct beneficial interest in Guangzhou Silver Disk Property Management Company Limited.

26. COMPARATIVE FIGURES

Certain comparative figures of the profit and loss account for the year ended 31st December 2000 have been reclassified to conform with current's year presentation with no effect on the operating results.

27. APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 11th April 2002.