1. FUNDAMENTAL ACCOUNTING CONCEPT

The Group sustained a consolidated net loss of HK$959,225,000 for the year ended 31 March 2002 and had net current liabilities of HK$324,603,000 as at 31 March 2002. Subsequent to 31 March 2002, the Group defaulted on the scheduled repayment of certain bank loans aggregating approximately HK$271 million and received notices of various lawsuits against the Group from a number of trade creditors aggregating approximately HK$9 million. The directors have been in negotiation with the Group's major bankers with a view to converting the Group's existing bank borrowings into long term loans. Although no bank has indicated to the directors that they will not convert the Group's bank borrowings into long-term loans, the Group has received no written confirmation of the proposed conversions as of the date on which these financial statements were approved.

The directors have prepared these financial statements on a going concern basis as the directors consider that there will be continuing financial support from the Group's bankers and trade creditors, and the attainment of profitable and positive cash flow operations in the future.

Should the Group be unable to obtain continued financial support of its bankers and trade creditors, and continue in business as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current.

2. CORPORATE INFORMATION

The registered office of Great Wall Cybertech Limited is located at Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda.

During the year, the Group was involved in the manufacture and sale of consumer electronic products.

3. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs")

The following recently-issued and revised SSAPs and related Interpretations are effective for the first time for the current year's financial statements:

• SSAP 9 (Revised):	"Events after the balance sheet date"
• SSAP 14 (Revised):	"Leases"
• SSAP 18 (Revised):	"Revenue"
• SSAP 26:	"Segment reporting"
• SSAP 28:	"Provisions, contingent liabilities and contingent assets"
• SSAP 29:	"Intangible assets"
• SSAP 30:	"Business combinations"
• SSAP 31:	"Impairment of assets"
• SSAP 32:	"Consolidated financial statements and accounting for investments in subsidiaries"
• Interpretation 12:	"Business combinations — subsequent adjustment of fair values and goodwill initially reported"
• Interpretation 13:	"Goodwill — continuing requirements for goodwill and negative goodwill previously eliminated against/credited to reserves"

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of those SSAPs and Interpretations which have had a significant effect on the financial statements, are summarised as follows:

SSAP 9 (Revised) prescribes which type of events occurring after the balance sheet date require adjustment to the financial statements, and which require disclosure, but no adjustment. Its principal impact on these financial statements is that any proposed final dividend which is not declared and approved until after the balance sheet date, is no longer recognised as a liability at the balance sheet date, but is disclosed as an allocation of retained earnings on a separate line within the capital and reserves section of the balance sheet. Since the Company has not declared any final dividends since 31 March 2000, this SSAP has not had a material impact on these financial statements.

SSAP 14 (Revised) prescribes the basis for lessor and lessee accounting for finance and operating leases, and the required disclosures in respect thereof. Certain amendments have been made to the previous accounting measurement treatments, which may be accounted for retrospectively or prospectively, in accordance with the requirements of the SSAP. The revised SSAP requirements have not had a material effect on the amounts previously recorded in the financial statements, and therefore no prior year adjustment has been required. The disclosure changes under this SSAP have resulted in changes to the detailed information disclosed for finance leases and operating leases, which are further detailed in notes 29 and 35 to the financial statements.

3. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs") *(Continued)*

SSAP 18 (Revised) prescribes the recognition of revenue and was revised as a consequence of the revisions to SSAP 9 described above. Proposed final dividends from subsidiaries that are declared and approved by the subsidiaries after the balance sheet date are no longer recognised in the Company's own financial statements for the year. The adoption of the SSAP has resulted in prior year adjustments, further details of which are included in note 5 to the financial statements.

SSAP 26 prescribes the principles to be applied for reporting financial information by segment. It requires that management assesses whether the Group's predominant risks or returns are based on business segments or geographical segments and determines one of these bases to be the primary segment information reporting format, with the other as the secondary segment information reporting format. The impact of this SSAP is the inclusion of significant additional segment reporting disclosures which are set out in note 6 to the financial statements.

SSAP 28 prescribes the recognition criteria and measurement bases to apply to provisions, contingent liabilities and contingent assets, together with the required disclosures in respect thereof. This SSAP has not had a material impact on these financial statements.

SSAP 29 prescribes the recognition and measurement criteria for intangible assets, together with the disclosure requirements. This SSAP has not had a material impact on these financial statements.

SSAP 30 prescribes the accounting treatment for business combinations, including the determination of the date of acquisition, the method for determining the fair values of the assets and liabilities acquired, and the treatment of goodwill or negative goodwill arising on acquisition. The SSAP requires the disclosure of goodwill in the non-current assets section of the consolidated balance sheet. It requires that goodwill is amortised to the consolidated profit and loss account over its estimated useful life. Interpretation 13 prescribes the application of SSAP 30 to goodwill arising from acquisition in previous years which remains eliminated against consolidated reserves. The Group has adopted the transitional provisions of SSAP 30 and the Interpretation. A prior year adjustment has been applied retrospectively in accordance with SSAP 2 "Net profit or loss for the period, fundamental errors and changes in accounting policies", further details of which are included in note 5 to the financial statements.

SSAP 31 prescribes the recognition and measurement criteria for impairment of assets, together with disclosure requirements. Interpretation 12 prescribes the application of SSAP 31 to subsequent adjustment of fair values and goodwill initially reported. The adoption of SSAP 31 and the Interpretation in conjunction with the transitional provisions of SSAP 30 have resulted in a prior year adjustment regarding the impairment of goodwill described above. The impact of this SSAP is set out in note 5 to the financial statements.

3. IMPACT OF NEW AND REVISED STATEMENTS OF STANDARD ACCOUNTING PRACTICE ("SSAPs") *(Continued)*

SSAP 32 prescribes the accounting treatment and disclosures for the preparation and presentation of consolidated financial statements, and has had no significant impact on the preparation of these financial statements.

In addition to the above new and revised SSAPs and related Interpretations, certain minor revisions to the following SSAPs are effective for the first time for the current year's financial statements:

- SSAP 10: "Accounting for investments in associates"
- SSAP 17: "Property, plant and equipment"
- SSAP 21: "Accounting for interests in joint ventures"

The revisions to these SSAPs have had no material impact on these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for the periodic remeasurement of certain fixed assets, as further explained below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2002. The results of the subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The Company's interests in subsidiaries are stated at cost less any impairment losses.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Joint venture companies
A joint venture company is a company set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture company is treated as:

(a) a subsidiary, if the Company has unilateral control over the joint venture company;

(b) a jointly-controlled entity, if the Company does not have unilateral control, but has joint control over the joint venture company;

(c) an associate, if the Company does not have unilateral or joint control, but holds generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or

(d) a long term investment, if the Company holds less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

Jointly-controlled entities
A jointly-controlled entity is a joint venture company which is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's share of the post-acquisition results and reserves of jointly-controlled entities is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in jointly-controlled entities are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. Goodwill or negative goodwill arising from the acquisition of jointly-controlled entities, which was not previously eliminated or recognised in consolidated reserves, is included as part of the Group's interests in jointly-controlled entities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Associates

An associate is a company, not being a subsidiary, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and the reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting less any impairment losses. Goodwill or negative goodwill arising from the acquisition of associates, which was not previously eliminated or recognised in consolidated reserves, is included as part of the Group's interests in associates.

Goodwill

Goodwill arising on the acquisition of subsidiaries, associates and jointly-controlled entities represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of 10 years. In the case of associates and jointly-controlled entities, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

In prior years, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of the acquisition. On the adoption of SSAP 30 and SSAP 31 in conjunction with Interpretation 13, a prior year adjustment, which represents a change in accounting policy, has been applied retrospectively in accordance with SSAP 2 "Net profit or loss for the period, fundamental errors and changes in accounting policies", further details of which are included in note 5 to the financial statements.

On disposal of subsidiaries, associates or jointly-controlled entities, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate.

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries, associates and jointly-controlled entities represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

In the case of associates and jointly-controlled entities, any negative goodwill not yet recognised in the consolidated profit and loss account is included in the carrying amount thereof, rather than as a separately identified item on the consolidated balance sheet.

On disposal of subsidiaries, associates or jointly-controlled entities, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Property development projects

Property development projects are stated at cost, which comprises the cost of land, development expenditure and financial expenses, less any impairment losses.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Fixed assets

Fixed assets are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Changes in the values of fixed assets are dealt with as movements in the revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land	Over the unexpired lease terms
Buildings	2% - 4%
Plant and machinery	10% - $33^1/_3$%
Moulds	20% - 30%
Furniture, fixtures and equipment	20% - $33^1/_3$%
Motor vehicles and vessels	$12^1/_2$% - $33^1/_3$%

Freehold land is not depreciated. No depreciation is provided on properties under development until they are completed and put into use.

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Intangible assets

Trademarks

The Group's trademarks are held on a long term basis and are stated at cost less accumulated amortisation and any impairment losses.

The trademarks are amortised on the straight-line basis over the estimated commercial life of 15 years.

Deferred development expenditure

Expenditure incurred on projects to develop new products is capitalised and deferred only when the projects are clearly defined; the expenditure is separately identifiable and can be measured reliably; there is reasonable certainty that the projects are technically feasible; and the products have commercial value. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five years, commencing from the date when the products are put into commercial production.

Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and depreciated over the estimated useful lives of the assets on the same basis as owned fixed assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any further costs expected to be incurred to completion and disposal.

Cash equivalents

For the purpose of the consolidated cash flow statement, cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance. For the purpose of balance sheet classification, cash equivalents represent assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Deferred tax

Deferred tax is provided, using the liability method, on all significant timing differences to the extent that it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) from the rendering of services, as the underlying services are provided;

(c) rental income, on a time proportion basis over the lease terms; and

(d) interest income, on a time proportion basis, taking into account the principal outstanding and the effective interest rate applicable.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. Apart from this, all borrowing costs are charged to the profit and loss account when incurred.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained earnings within capital and reserves in the consolidated balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

In previous years, the Company recognised the proposed final dividends of subsidiaries, which were declared and approved after the balance sheet date, as income in its profit and loss account for the year. The revised accounting treatment for dividends resulting from the adoption of SSAP 18 (Revised), has given rise to a prior year adjustment in the Company's financial statements, further details of which are included in note 5 to the financial statements.

Foreign currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries, jointly-controlled entities and associates are translated into Hong Kong dollars at the applicable rates of exchange ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement benefits scheme

The Group operates defined contribution retirement benefits schemes under the Mandatory Provident Fund Schemes Ordinance, for its employees who are eligible to participate. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. When an employee leaves the Group prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions. In respect of the Mandatory Provident Fund Retirement Benefits Scheme (the "MPF Scheme"), the Group's employer contributions vest fully with the employees when contributed into the MPF Scheme except for the Group's voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully.

As stipulated by the regulations of the PRC government, each of the Group's subsidiaries in the PRC participates in the Central Pension Scheme operated by the PRC government for all of their staff. These PRC subsidiaries are required to contribute a certain percentage of their covered payroll to the scheme to fund the benefits. The only obligation of the Group with respect to the scheme is to pay the ongoing required contributions under the scheme. Contributions under the scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

5. PRIOR YEAR ADJUSTMENTS

Dividends

SSAP 18 (Revised) "Revenue" was adopted during the year. At the Company level, final dividends receivable from subsidiaries are not recognised as income in the profit and loss account until the dividends proposed by the subsidiaries have been approved by the shareholders in a general meeting. Accordingly, a prior year adjustment has been made to reverse such proposed dividends from prior year retrospectively. The retained profits of the Company as at 1 April 2000 and 1 April 2001 were decreased by HK$20,114,000 and HK$90,000,000, respectively (note 32). Accordingly, the loss of the Company for the year ended 31 March 2002 has been decreased by HK$90,000,000. The effect of this change in respect of the year ended 31 March 2001 has changed the result of the Company for that year from profit of HK$1,657,000 to loss of HK$68,229,000.

5. PRIOR YEAR ADJUSTMENTS *(Continued)*

Goodwill

SSAP 30 "Business Combinations" and Interpretation 13 "Goodwill — continuing requirements for goodwill and negative goodwill previously eliminated against/credited to reserves" were adopted during the year. In accordance with the transitional provisions of SSAP 30 and the provision of Interpretation 13, an adjustment has been made concerning the impairment of goodwill arising prior to the adoption of SSAP 30 which was eliminated against reserves. The adjustment, which represents a change in accounting policy, has been applied retrospectively in accordance with SSAP 2 "Net profit or loss for the period, fundamental errors and changes in accounting policies". Accordingly, goodwill in the amount of HK$104,512,000 which was impaired in the prior years has been charged to the Group's retained profits brought forward as at 1 April 2000.

6. SEGMENT INFORMATION

As further explained in note 3 to the financial statements, segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products sold. Each of the Group's business segments represents a business unit that offers products which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

(a) the manufactures and sales of television products;

(b) the manufactures and sales of audio visual products; and

(c) the manufactures and sales of components for the manufacture of television and audio visual products.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Intersegment sales and transfers are transacted based on mutually agreed terms with reference to those offered to other customers in the ordinary course of business.

6. SEGMENT INFORMATION *(Continued)*

(a) Business segments

The following table presents the revenue, results and certain assets, liabilities and expenditure information for the Group's business segments.

Group	Television		Audio visual		Component		Others		Eliminations		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue:												
Sales to external customers	1,505,215	2,312,224	308,776	152,301	95,028	141,260	1,195	—	—	—	1,910,214	2,605,785
Intersegment sales	—	—	—	—	171,363	213,457	—	—	(171,363)	(213,457)	—	—
Total revenue	1,505,215	2,312,224	308,776	152,301	266,391	354,717	1,195	—	(171,363)	(213,457)	1,910,214	2,605,785
Segment results	(784,896)	(38,670)	(49,989)	(43,995)	(2,274)	(3,664)	(69,798)	(5,446)	—	—	(906,957)	(91,775)
Interest income											3,311	6,814
Unallocated expenses											(14,272)	(7,594)
Loss from operating activities											(917,918)	(92,555)
Finance costs											(53,967)	(49,030)
Share of profits and losses of:												
Jointly-controlled entities											(33,896)	(1,310)
Associates											(11,955)	(25,923)
Loss before tax											(1,017,736)	(168,818)
Tax											8,189	(795)
Loss before minority interests											(1,009,547)	(169,613)
Minority interests											50,322	(1,478)
Net loss from ordinary activities attributable to shareholders											(959,225)	(171,091)

6. SEGMENT INFORMATION *(Continued)*

(a) Business segments *(Continued)*

Group	Television 2002 HK$'000	Television 2001 HK$'000	Audio visual 2002 HK$'000	Audio visual 2001 HK$'000	Component 2002 HK$'000	Component 2001 HK$'000	Others 2002 HK$'000	Others 2001 HK$'000	Eliminations 2002 HK$'000	Eliminations 2001 HK$'000	Consolidated 2002 HK$'000	Consolidated 2001 HK$'000
Segment assets	**1,172,543**	1,864,904	**505,571**	536,817	**461,259**	417,659	**88,364**	96,203	**(217,804)**	(157,600)	**2,009,933**	2,757,983
Interests in associates	**–**	102,093	**–**	–	**4,113**	2,308	**–**	–	**–**	–	**4,113**	104,401
Interests in jointly-controlled entities	**–**	–	**–**	–	**844**	–	**18,900**	49,641	**–**	–	**19,744**	49,641
Unallocated assets											**81,081**	94,629
Total assets											**2,114,871**	3,006,654
Segment liabilities	**1,210,623**	1,250,813	**434,713**	300,921	**130,141**	147,686	**16,399**	2,715	**(217,804)**	(157,600)	**1,574,072**	1,544,535
Unallocated liabilities											**66,621**	56,433
Total liabilities											**1,640,693**	1,600,968
Other segment information:												
Depreciation and amortisation	**38,353**	38,961	**8,913**	11,456	**16,973**	17,695	**4,307**	4,805	**–**	–	**68,546**	72,917
Impairment losses recognised in the profit and loss account	**36,964**	–	**–**	–	**–**	–	**9,638**	–	**–**	–	**46,602**	–
Non-cash expenses	**526,380**	71,000	**4,524**	2,000	**–**	–	**51,017**	7,642	**–**	–	**581,921**	80,642
Capital expenditure	**60,007**	96,187	**3,308**	1,788	**7,110**	5,151	**20,464**	5,807	**–**	–	**90,889**	108,933

6. SEGMENT INFORMATION *(Continued)*

(b) Geographical segments

The following table presents revenue, results and certain assets and expenditure information for the Group's geographical segments.

Group	PRC		Asia and Middle East (excluding PRC)		Europe		America		Oceania and Africa		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue:												
Sales to external customers	**852,773**	1,625,097	**226,976**	293,048	**356,165**	284,898	**184,414**	139,680	**289,886**	263,062	**1,910,214**	2,605,785
Segment results	**(643,701)**	(89,138)	**(59,288)**	(5,466)	**(53,243)**	1,039	**(74,817)**	725	**(75,908)**	1,065	**(906,957)**	(91,775)
Other segment information:												
Segment assets	**1,292,643**	1,926,724	**617,608**	714,874	**99,682**	116,385	**–**	–	**–**	–	**2,009,933**	2,757,983
Capital expenditure	**89,286**	106,856	**743**	974	**860**	1,103	**–**	–	**–**	–	**90,889**	108,933

7. TURNOVER, REVENUE AND GAINS

Turnover represents the net invoiced value of goods sold during the year, after allowances for returns and trade discounts.

An analysis of turnover, other revenue and gains is as follows:

	2002 HK$'000	2001 HK$'000
Turnover		
Sale of consumer electronic products	**1,910,214**	2,605,785
Other revenue and gains		
Interest income	**3,311**	6,814
Net rental income	**710**	1,545
Management fee income	**1,200**	4,016
Gain on disposal of fixed assets, net	**—**	101
Gain on disposal of subsidiaries, net	**2,891**	—
Others	**545**	1,623
	8,657	14,099

8. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging/(crediting):

	Group	
	2002	2001
	HK$'000	HK$'000
Depreciation	**66,564**	71,203
Impairment of fixed assets	**36,964**	—
Amortisation of trademarks *	**1,291**	1,218
Amortisation of deferred development expenditure *	**464**	496
Minimum lease payments under operating leases in respect of land and buildings	**2,893**	1,213
Auditors' remuneration	**2,415**	2,502
Staff costs (including directors' remuneration (note 10)):		
Wages and salaries	**177,819**	167,851
Pension contributions **	**2,283**	1,598
	180,102	169,449
Loss/(gain) on disposal of fixed assets, net	**2,027**	(101)
Gain on disposal of subsidiaries, net	**(2,891)**	—
Loss on disposal of interest in a property development project	**12,543**	—
Provision against interest in a property development project	**9,000**	7,642
Provisions against trade receivables from jointly-controlled entities and associates	**353,782**	73,000
Provision against interest in an associate	**127,917**	—
Amortisation of goodwill for the year ***	**227**	—
Impairment of goodwill	**9,638**	—
Negative goodwill recognised as income during the year ****	**(48)**	—

* The amortisation of trademarks and deferred development expenditure for the year are included in "Administrative expenses" on the face of the consolidated profit and loss account.

** At 31 March 2002, there were forfeited contributions of HK$380,337 available to the Group to reduce its contributions to the pension scheme in future years (2001: Nil).

*** The amortisation of goodwill for the year is included in "Other operating expenses" on the face of the consolidated profit and loss account.

**** The movements in negative goodwill recognised in the consolidated profit and loss account for the year are included in "Other revenue and gains" on the face of the consolidated profit and loss account.

9. FINANCE COSTS

	Group 2002 HK$'000	Group 2001 HK$'000
Interest on:		
Bank loans and overdrafts wholly repayable within five years	**51,601**	46,086
Finance leases	**2,366**	2,944
	53,967	49,030

10. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Section 161 of the Companies Ordinance is as follows:

	Group 2002 HK$'000	Group 2001 HK$'000
Executive directors:		
Fees	**—**	—
Bonuses	**—**	623
Salaries, allowances, benefits in kind and pension costs	**11,804**	9,459
	11,804	10,082
Independent non-executive directors:		
Fees	**360**	360
Salaries and allowances	**—**	—
	360	360
	12,164	10,442

10. DIRECTORS' REMUNERATION *(Continued)*

The number of directors whose remuneration fell within the following bands is as follows:

	Number of directors 2002	2001
Nil - HK$1,000,000	**5**	4
HK$1,000,001 - HK$1,500,000	**3**	2
HK$1,500,001 - HK$2,000,000	**—**	—
HK$2,000,001 - HK$2,500,000	**1**	—
HK$2,500,001 - HK$3,000,000	**—**	1
HK$3,000,001 - HK$3,500,000	**1**	1
	10	8

There was no arrangement under which a director waived or agreed to waive remuneration during the year.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year were five (2001: five) executive directors of the Company, details of whose remuneration are set out in note 10 above.

12. TAX

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year. During the year ended 31 March 2001, Hong Kong profits tax has been provided at 16% on the estimated assessable profits arising in Hong Kong. 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.

	Group 2002 HK$'000	Group 2001 HK$'000
Group:		
Current year provision — Hong Kong and the PRC	**—**	795
Prior year overprovision	**(579)**	—
Deferred tax (note 30)	**(7,610)**	—
Tax charge/(credit) for the year	**(8,189)**	795

13. NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net loss from ordinary activities attributable to shareholders for the year ended 31 March 2002 dealt with in the financial statements of the Company was HK$912,022,000 (2001 (as restated): HK$68,229,000).

14. DIVIDEND

	2002 HK$'000	2001 HK$'000
Interim dividend — Nil (2001: HK0.5 cent) per ordinary share	—	8,159

15. LOSS PER SHARE

The calculation of the basic loss per share for the year ended 31 March 2002 is based on the net loss attributable to shareholders for the year of HK$959,225,000 (2001: HK$171,091,000) and the weighted average number of 3,107,678,466 ordinary shares in issue and adjusted to reflect the open offer during the year. The weighted average number of ordinary shares in issue for the year ended 31 March 2001 and hence the basic loss per share for that year have been adjusted for the effect of the open offer during the year to 2,430,108,116 and HK7.0 cents, respectively.

The diluted loss per share for each of the years ended 31 March 2002 and 2001 has not been shown as the effect of the dilutive potential ordinary shares for those years was anti-dilutive.

16. FIXED ASSETS

Group

	*Land and buildings HK$'000	Properties under development HK$'000	Plant and machinery HK$'000	Moulds HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles and vessels HK$'000	Total HK$'000
Cost or valuation:							
At beginning of year	661,017	1,505	374,680	134,960	67,609	19,939	1,259,710
Additions	1,689	37,656	31,859	13,036	4,527	2,122	90,889
Deemed disposal of a subsidiary	—	—	(2,336)	(10)	(3,649)	(910)	(6,905)
Disposals	(2,612)	—	(8,752)	(6,331)	(738)	(1,067)	(19,500)
Transfers	2,197	(2,197)	—	—	—	—	—
Exchange realignment	(1,734)	—	(2,154)	—	(381)	—	(4,269)
At 31 March 2002	**660,557**	**36,964**	**393,297**	**141,655**	**67,368**	**20,084**	**1,319,925**
Accumulated depreciation and impairment:							
At beginning of year	95,089	—	253,156	89,719	51,690	10,442	500,096
Provided during the year	15,551	—	27,500	16,299	5,064	2,150	66,564
Impairment during the year recognised in the profit and loss account	—	36,964	—	—	—	—	36,964
Deemed disposal of a subsidiary	—	—	(1,822)	(2)	(3,629)	(856)	(6,309)
Disposals	(2,602)	—	(5,120)	(3,660)	(573)	(890)	(12,845)
Exchange realignment	(573)	—	(1,832)	—	(291)	—	(2,696)
At 31 March 2002	**107,465**	**36,964**	**271,882**	**102,356**	**52,261**	**10,846**	**581,774**
Net book value:							
At 31 March 2002	**553,092**	**—**	**121,415**	**39,299**	**15,107**	**9,238**	**738,151**
At 31 March 2001	565,928	1,505	121,524	45,241	15,919	9,497	759,614
Analysis of cost and valuation:							
At cost	329,057	36,964	393,297	141,655	67,368	20,084	988,425
At valuation	331,500	—	—	—	—	—	331,500
	660,557	36,964	393,297	141,655	67,368	20,084	1,319,925

16. FIXED ASSETS *(Continued)*

* The titles to certain land and buildings with a net book value of HK$92,017,340 (2001: HK$92,463,971) were not registered in the Group's name. The Group has submitted applications to the relevant authority in the PRC to have the titles of such land and buildings to be registered in the Group's name. As at 31 March 2002 and the date on which these financial statements were approved by the directors, the approval of such applications had yet to be obtained.

Certain of the Group's land and buildings situated outside Hong Kong were revalued on 31 March 1995 by Brooke Hillier Parker, independent professional qualified valuers, at HK$331,500,000, being their then open market value based on their existing use. No valuations have been carried out subsequently because the Group has adopted the transitional provisions of Statement of Standard Accounting Practice No. 17 "Property, plant and equipment" issued in September 1995, of not making regular future revaluations by the class of those assets stated at revalued amounts at that date. Had such land and buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been approximately HK$195,414,000 (2001: HK$197,277,000).

Certain properties of the Group with net book values of HK$355,390,000 (2001: HK$315,170,000) and HK$3,422,000 (2001: HK$4,379,000) are pledged to secure the Group's and an associate's borrowings, respectively (note 28).

An analysis of the cost or valuation of the land and buildings of the Group at the balance sheet date is as follows:

	Group	
	2002 HK$'000	2001 HK$'000
Leasehold land and buildings held under:		
Long term leases in Hong Kong	**78,168**	78,168
Medium term leases outside Hong Kong	**557,151**	555,877
Freehold properties outside Hong Kong	**25,238**	26,972
	660,557	661,017

The net book value of assets held under finance leases included in the total amount of fixed assets at 31 March 2002 amounted to HK$46,650,000 (2001: HK$48,337,000).

17. INTANGIBLE ASSETS

Group

	Trademarks HK$'000	Deferred development expenditure HK$'000	Total HK$'000
Cost:			
At beginning of year	11,377	1,488	12,865
Additions	725	—	725
Exchange realignment	—	(95)	(95)
At 31 March 2002	12,102	1,393	13,495
Accumulated amortisation:			
At beginning of year	1,523	992	2,515
Provided during the year	1,291	464	1,755
Exchange realignment	—	(63)	(63)
At 31 March 2002	2,814	1,393	4,207
Net book value:			
At 31 March 2002	9,288	—	9,288
At 31 March 2001	9,854	496	10,350

18. INTERESTS IN SUBSIDIARIES

	Company	
	2002	**2001**
	HK$'000	**HK$'000**
Unlisted shares, at cost	**9,246**	9,246
Due from subsidiaries	**1,260,452**	1,110,499
Due to subsidiaries	**(905)**	—
	1,268,793	1,119,745
Provision against amounts due from subsidiaries	**(1,000,000)**	—
	268,793	1,119,745

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

The consolidated financial statements include 100% of the results of certain partially-owned subsidiaries in the PRC, reflecting the substance of agreements reached with the minority shareholders of these subsidiaries whereby, in return for the payment of a fixed annual fee, the minority shareholders have agreed to forego their rights to participate in the results of the companies for certain agreed periods and are entitled only to a return of capital invested upon termination of the agreements. Such agreements operate for fixed periods, but are extendable by mutual agreements of the parties.

Summary particulars of the principal subsidiaries are set out in note 37 to the financial statements.

19. INTERESTS IN JOINTLY-CONTROLLED ENTITIES

	Group 2002 HK$'000	2001 HK$'000
Share of net assets	**21,219**	49,641
Goodwill on acquisition of additional interest in a jointly-controlled entity	**2,040**	—
Negative goodwill on acquisition of additional interest in a jointly-controlled entity	**(429)**	—
	22,830	49,641
Amount due to a jointly-controlled entity	**(1,046)**	—
	21,784	49,641
Impairment of goodwill	**(2,040)**	—
	19,744	49,641

The balance with the jointly-controlled entity is unsecured, interest-free and has no fixed terms of repayment.

Summary particulars of the principal jointly-controlled entities are set out in note 37 to the financial statements.

20. INTERESTS IN ASSOCIATES

	Group 2002 HK$'000	2001 HK$'000
Share of net assets	**113,610**	85,981
Loan to an associate	**18,420**	18,420
	132,030	104,401
Provision for impairment	**(127,917)**	—
	4,113	104,401

The loan to an associate is interest-free and has no fixed terms of repayment.

Summary particulars of the principal associates are set out in note 37 to the financial statements.

21. INVENTORIES

	Group	
	2002	**2001**
	HK$'000	**HK$'000**
Raw materials	**289,384**	467,333
Work in progress	**40,237**	56,025
Finished goods	**116,667**	239,283
	446,288	762,641

The carrying amount of inventories carried at net realisable value included in the above is HK$92,335,000 (2001: HK$76,475,000).

22. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally not more than four months.

	Group	
	2002	**2001**
	HK$'000	**HK$'000**
Trade receivables	**48,968**	77,529
Bills receivable	**49,914**	59,732
	98,882	137,261

The aged analysis of the trade and bills receivables as at the balance sheet date is as follows:

	2002	**2001**
	HK$'000	**HK$'000**
Aged:		
Within 30 days	**56,480**	101,193
Between 31 days and 60 days	**2,167**	5,989
Between 61 days and 90 days	**3,526**	5,421
Between 91 days and 120 days	**1,395**	10,292
Over 120 days	**35,314**	14,366
	98,882	137,261

23. TRADE RECEIVABLES FROM AND PAYABLES TO ASSOCIATES

The aged analysis of the trade receivables from associates (net of provision) as at the balance sheet date is as follows:

	2002 HK$'000	2001 HK$'000
Aged:		
Within 30 days	**790**	103,097
Between 31 days and 60 days	**1,430**	96,086
Between 61 days and 90 days	**8,182**	73,907
Between 91 days and 120 days	**4,975**	136,234
Over 120 days	**334,130**	304,412
	349,507	713,736

The trade receivables from associates are unsecured, interest-free and repayable within three months.

The aged analysis of the trade payables to associates as at the balance sheet date is as follows:

	2002 HK$'000	2001 HK$'000
Aged:		
Within 30 days	**678**	4,702
Between 31 days and 60 days	**—**	2,666
Between 61 days and 90 days	**—**	4,618
Between 91 days and 120 days	**—**	2,652
Over 120 days	**—**	133
	678	14,771

24. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	Group		Company	
	2002	2001	2002	2001
	HK$'000	HK$'000	HK$'000	HK$'000
Cash and bank balances	**86,748**	124,681	**243**	287
Bank deposits	**271,857**	188,743	**—**	—
	358,605	313,424	**243**	287
Less: Pledged bank deposits				
Pledged for endorsable bills facilities	**(75,164)**	(125,732)	**—**	—
Pledged for short term bank loans	**(186,047)**	—	**—**	—
Cash and cash equivalents	**97,394**	187,692	**243**	287

25. TRADE AND BILLS PAYABLES

	Group	
	2002	2001
	HK$'000	HK$'000
Trade payables	**266,161**	216,928
Bills payables	**244,327**	331,733
	510,488	548,661

The aged analysis of the trade and bills payables as at the balance sheet date is as follows:

	Group	
	2002	2001
	HK$'000	HK$'000
Aged:		
Within 30 days	**113,069**	232,388
Between 31 days and 60 days	**51,419**	72,517
Between 61 days and 90 days	**95,838**	42,896
Between 91 days and 120 days	**85,722**	87,800
Over 120 days	**164,440**	113,060
	510,488	548,661

26. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2002	2001	2002	2001
	HK$'000	HK$'000	HK$'000	HK$'000
Accrued liabilities	**238,000**	188,424	**2,250**	1,325
Other payables	**106,093**	93,023	**—**	—
	344,093	281,447	**2,250**	1,325

Included in accrued liabilities is a provision of approximately HK$4,000,000 (2001: HK$11,000,000) for certain customs claims in respect of an overseas subsidiary. The final assessment in respect thereof has not been obtained as at the date of approval of these financial statements (note 34(c)).

The other payables represent amounts paid by independent third parties for capital contribution to a subsidiary of the Group. At the balance sheet date, the capital verification has not yet been carried out.

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

		Group	
		2002	2001
	Notes	HK$'000	HK$'000
Bank overdrafts	*28*	**105**	294
Trust receipt loans	*28*	**97,698**	138,728
Current portion of bank loans	*28*	**635,100**	531,502
Current portion of finance lease payables	*29*	**10,232**	10,122
		743,135	680,646

28. INTEREST-BEARING BANK LOANS AND OVERDRAFTS AND OTHER LOANS

	Group	
	2002	**2001**
	HK$'000	**HK$'000**
Bank overdrafts	**105**	294
Trust receipt and bank loans:		
Secured	**321,860**	352,090
Unsecured	**410,938**	331,163
	732,903	683,547
Bank overdrafts repayable on demand	**105**	294
Trust receipt and bank loans repayable:		
Within one year or on demand	**732,798**	670,230
In the second year	**—**	13,023
	732,903	683,547
Portion classified as current *(note 27)*	**(732,903)**	(670,524)
Long term portion	**—**	13,023

Included in the trust receipt loans was an amount of HK$64,449,000 which was due but remained unpaid as at 31 March 2002.

Certain of the Group's bank loans are secured by (i) mortgages over certain of the Group's land and buildings and (ii) pledges of certain of the Group's bank deposits.

Pursuant to certain banking facilities agreements, the Group has to comply with certain financial covenants. As of the date of the directors' report, the Group had breached the financial covenants applicable to certain banking facilities and, therefore, the above trust receipt and bank loans are technically repayable on demand.

29. FINANCE LEASE PAYABLES

At 31 March 2002, the total future minimum lease payments under non-cancellable finance leases and their present values, were as follows:

Group

	Minimum lease payments 2002 HK$'000	Minimum lease payments 2001 HK$'000	Present value of minimum lease payments 2002 HK$'000	Present value of minimum lease payments 2001 HK$'000
Amount payable:				
Within one year	**10,663**	12,224	**10,232**	10,122
In the second year	**4,115**	8,569	**3,999**	6,625
In the third to fifth years, inclusive	**12,441**	10,735	**12,423**	9,107
After five years	**—**	5,406	**—**	4,701
Total minimum finance lease payments	**27,219**	36,934	**26,654**	30,555
Future finance charges	**(565)**	(6,379)		
Total net finance lease payables	**26,654**	30,555		
Portion classified as current liabilities	**(10,232)**	(10,122)		
Long term portion	**16,422**	20,433		

SSAP 14 was revised and implemented during the year, as explained in note 3 to the financial statements. Certain new disclosures are required and have been included above. The prior year comparative amounts for the new disclosures have also been included where appropriate.

30. DEFERRED TAX

	Group 2002 HK$'000	Group 2001 HK$'000
Balance at beginning of year	**8,017**	8,017
Credit for the year *(note 12)*	**(7,610)**	—
At 31 March	**407**	8,017

The revaluation of the Group's land and buildings does not constitute a timing difference and, therefore, there is no deferred tax liability thereon.

31. SHARE CAPITAL

Shares

	Company 2002 HK$'000	Company 2001 HK$'000
Authorised:		
25,000,000,000 ordinary shares of HK$0.01 each (2001: 2,500,000,000 ordinary shares of HK$0.10 each)	**250,000**	250,000
Issued and fully paid:		
8,076,257,020 ordinary shares of HK$0.01 each (2001: 1,619,097,404 ordinary shares of HK$0.10 each)	**80,763**	161,910

31. SHARE CAPITAL *(Continued)*

A summary of the movements in the share capital of the Company is as follows:

	Notes	Number of ordinary shares of HK$0.10 each '000	Number of ordinary shares of HK$0.01 each '000	Amount HK$'000
Authorised:				
At 1 April 2000 and as at 31 March 2001		2,500,000	—	250,000
Reduction of nominal value from HK$0.10 each to HK$0.01 each and then creation of 22,500,000,000 new shares of par value of HK$0.01 each	*(b)*	(2,500,000)	25,000,000	—
At 31 March 2002		**—**	**25,000,000**	**250,000**
Issued and fully paid:				
At 1 April 2000		1,632,877	—	163,288
Shares repurchased and cancelled		(13,780)	—	(1,378)
At 31 March 2001 and 1 April 2001		1,619,097	—	161,910
Shares repurchased and cancelled	*(a)*	(3,846)	—	(385)
Capital reduction	*(b)*	(1,615,251)	1,615,251	(145,372)
Open offer of shares	*(c)*	—	6,461,006	64,610
At 31 March 2002		**—**	**8,076,257**	**80,763**

Notes:

(a) During the year, the Company repurchased 3,846,000 ordinary shares of HK$0.10 each through the Stock Exchange as follows:

Month	Number of shares repurchased	Lowest price paid HK$	Highest price paid HK$	Total cash paid (before expenses) HK$'000
April 2001	3,846,000	0.102	0.122	431

The repurchased shares were cancelled and an amount equivalent to the nominal value of these shares was transferred from retained profits to capital redemption reserve (note 32).

The directors considered that the repurchases could lead to an enhancement of net tangible asset value per share and/or the earning per share of the Company.

31. SHARE CAPITAL *(Continued)*

Notes: (Continued)

(b) On 9 January 2002, the shareholders of the Company approved a special resolution in relation to a proposed capital reduction which was effected in the following manner:

i. The authorised share capital of the Company was reduced by HK$225,000,000 from HK$250,000,000 to HK$25,000,000 by cancelling HK$0.09 of the nominal value of HK$0.10 of each authorised ordinary share. Accordingly, the issued share capital of the Company was reduced by HK$145,372,626 from HK$161,525,140 to HK$16,152,514. The nominal value of each such ordinary share was therefore reduced to HK$0.01.

ii. Upon the completion of the capital reduction set out in (i) above, the authorised share capital of the Company was increased by HK$225,000,000 from HK$25,000,000 to HK$250,000,000 by the creation of 22,500,000,000 additional shares of HK$0.01 each, ranking pari passu in all respects with the existing shares of the Company. The authorised share capital of the Company remained as HK$250,000,000, as it was before the capital reduction, but now consists of 25,000,000,000 shares of HK$0.01 each; and

iii. The credit arising from the capital reduction pursuant to (i) above, in the amount of HK$145,372,000 was applied to the contributed surplus account of the Company.

(c) During the year, the Company raised approximately HK$64,610,000, before expenses, by way of an open offer to allot and issue 6,461,005,616 offer shares of HK$0.01 each at a subscription price of HK$0.01 per offer share, on the basis of four offer shares for every existing share held by shareholders whose names appeared on the register of members on 31 January 2002. The net proceeds of the open offer were raised for the purpose of providing additional working capital to the Group.

Share options

Subsequent to 31 March 2002, on 15 April 2002, the Company terminated the share option schemes adopted on 20 March 1991 and 30 January 1997 and adopted a new share option scheme, further details of which are set out under the heading "Share option schemes" in the Report of the Directors.

As at 31 March 2002, the Company had 14,800,000 options outstanding which entitled the holder to subscribe for shares of the Company from 7 March 2000 to 6 March 2003. The exercise in full of the remaining outstanding options would, under the present capital structure of the Company, result in issue of 14,800,000 additional shares at an adjusted exercise price of HK$0.18 each. No share option has been granted or exercised during the year.

32. RESERVES

Group	Share premium account HK$'000	Goodwill reserve HK$'000	Capital redemption reserve HK$'000	Contributed surplus account HK$'000	Revaluation reserve HK$'000	Exchange fluctuation reserve HK$'000	Retained profits/ (accumulated losses) HK$'000	Total HK$'000
At 31 March 2000:								
As previously reported	796,523	(104,512)	8,161	—	46,564	(7,228)	646,203	1,385,711
Prior year adjustment arising from first year adoption of SSAP 30 and Interpretation 13 *(notes 3 and 5)*:								
Impairment of goodwill	—	104,512	—	—	—	—	(104,512)	—
As restated	796,523	—	8,161	—	46,564	(7,228)	541,691	1,385,711
Transfer of nominal value of shares repurchased	—	—	1,378	—	—	—	(1,378)	—
Premium paid in respect of shares repurchased	(990)	—	—	—	—	—	—	(990)
Goodwill arising on acquisition of additional interests in associates	—	(5,385)	—	—	—	—	—	(5,385)
Goodwill arising on acquisition of additional interests in jointly-controlled entities	—	(2,213)	—	—	—	—	—	(2,213)
Exchange realignment	—	—	—	—	—	(3,510)	—	(3,510)
Net loss for the year	—	—	—	—	—	—	(171,091)	(171,091)
Interim dividend	—	—	—	—	—	—	(8,159)	(8,159)
At 31 March 2001	795,533	(7,598)	9,539	—	46,564	(10,738)	361,063	1,194,363
At 1 April 2001	795,533	(7,598)	9,539	—	46,564	(10,738)	361,063	1,194,363
Reduction in nominal value of shares	—	—	—	145,372	—	—	—	145,372
Transfer of nominal value of shares repurchased	—	—	385	—	—	—	(385)	—
Premium paid in respect of shares repurchased	(46)	—	—	—	—	—	—	(46)
Share issue expenses	(3,476)	—	—	—	—	—	—	(3,476)
Exchange realignment	—	—	—	—	—	(911)	—	(911)
Impairment of goodwill	—	7,598	—	—	—	—	—	7,598
Net loss for the year	—	—	—	—	—	—	(959,225)	(959,225)
At 31 March 2002	**792,011**	**—**	**9,924**	**145,372**	**46,564**	**(11,649)**	**(598,547)**	**383,675**

32. RESERVES *(Continued)*

Group	Share premium account HK$'000	Goodwill reserve HK$'000	Capital redemption reserve HK$'000	Contributed surplus account HK$'000	Revaluation reserve HK$'000	Exchange fluctuation reserve HK$'000	Retained profits/ (accumulated losses) HK$'000	Total HK$'000
Reserves retained by:								
Company and subsidiaries	792,011	—	9,924	145,372	46,564	(11,649)	(538,454)	443,768
Associates	—	—	—	—	—	—	(22,548)	(22,548)
Jointly-controlled entities	—	—	—	—	—	—	(37,545)	(37,545)
At 31 March 2002	**792,011**	**—**	**9,924**	**145,372**	**46,564**	**(11,649)**	**(598,547)**	**383,675**
Company and subsidiaries	795,533	—	9,539	—	46,564	(10,738)	379,351	1,220,249
Associates	—	(5,385)	—	—	—	—	(14,639)	(20,024)
Jointly-controlled entities	—	(2,213)	—	—	—	—	(3,649)	(5,862)
At 31 March 2001	795,533	(7,598)	9,539	—	46,564	(10,738)	361,063	1,194,363

32. RESERVES *(Continued)*

Company	Share premium account HK$'000	Capital redemption reserve HK$'000	Contributed surplus account HK$'000 (Note)	Capital reserve HK$'000	Retained profits/ (accumulated losses) HK$'000 (Restated)	Total HK$'000
At 1 April 2000	796,523	8,161	—	71,382	178,252	1,054,318
Prior year adjustment:						
SSAP 18 (Revised) -						
net year-on-year effect of dividends from subsidiaries no longer recognised as income for the year (notes 3 and 5)	—	—	—	—	(20,114)	(20,114)
As restated	796,523	8,161	—	71,382	158,138	1,034,204
Transfer of nominal value of shares repurchased	—	1,378	—	—	(1,378)	—
Premium paid in respect of shares repurchased	(990)	—	—	—	—	(990)
Net loss attributable to shareholders (as restated)	—	—	—	—	(68,229)	(68,229)
Interim dividend	—	—	—	—	(8,159)	(8,159)
At 31 March 2001	795,533	9,539	—	71,382	80,372	956,826
At 1 April 2001:						
As previously reported	795,533	9,539	—	71,382	170,372	1,046,826
Prior year adjustment:						
SSAP 18 (Revised) -						
net year-on-year effect of dividends from subsidiaries no longer recognised as income for the year (notes 3 and 5)	—	—	—	—	(90,000)	(90,000)
As restated	795,533	9,539	—	71,382	80,372	956,826
Reduction in nominal value of shares	—	—	145,372	—	—	145,372
Transfer of nominal value of shares repurchased	—	385	—	—	(385)	—
Premium paid in respect of shares repurchased	(46)	—	—	—	—	(46)
Share issue expenses	(3,476)	—	—	—	—	(3,476)
Net loss attributable to shareholders	—	—	—	—	(912,022)	(912,022)
At 31 March 2002	792,011	9,924	145,372	71,382	(832,035)	186,654

Note:

As detailed in note 31(b) to the financial statements, the issued share capital of the Company was reduced by HK$145,372,626 from HK$161,525,140 to HK$16,152,514 on 9 January 2002. The contributed surplus account of the Company and the Group represents the credit arising from the above capital reduction.

33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

	Group	
	2002	**2001**
	HK$'000	**HK$'000**
Loss from operating activities	**(917,918)**	(92,555)
Interest income	**(3,311)**	(6,814)
Depreciation	**66,564**	71,203
Amortisation of intangible assets	**1,755**	1,714
Amortisation of goodwill	**227**	—
Provision against interest in an associate	**127,917**	—
Provision against trade receivables from jointly-controlled entities and associates	**353,782**	73,000
Impairment of fixed assets	**36,964**	—
Impairment of goodwill	**9,638**	—
Negative goodwill recognised as income	**(48)**	—
Provision for interest in a property development project	**9,000**	7,642
Loss/(gain) on disposal of fixed assets, net	**2,027**	(101)
Gain on disposal of subsidiaries, net	**(2,891)**	—
Loss on disposal of interest in a property development project	**12,543**	—
Increase in an amount due to a jointly-controlled entity	**1,046**	—
Decrease/(increase) in balances with associates	**95,688**	(417,311)
Decrease in inventories	**157,890**	100,626
Decrease/(increase) in trade and bills receivables, prepayments, deposits and other receivables	**74,152**	(15,319)
Increase/(decrease) in trade and bills payables, trust receipt loans, other payables and accruals	**(95,725)**	339,600
Net cash inflow/(outflow) from operating activities	**(70,700)**	61,685

33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
(Continued)

(b) Analysis of changes in financing during the year

	Share capital (including share premium) HK$'000	Contributed surplus account HK$'000	Loans and finance lease obligations HK$'000	Minority interests HK$'000
At 1 April 2000	959,811	—	371,224	47,120
Cash inflow/(outflow) from financing activities, net	(2,368)	—	67,937	815
Share of net profit of subsidiaries	—	—	—	1,478
At 31 March 2001 and beginning of year	957,443	—	439,161	49,413
Cash inflow from financing activities, net	60,703	—	228,591	11,815
Inception of a finance lease contract	—	—	10,002	—
Share of net loss of subsidiaries	—	—	—	(50,322)
Subsidiaries acquired during the year	—	—	—	1,344
Deemed disposal of interest in a subsidiary	—	—	(16,000)	(2,510)
Reduction in nominal value of issued share capital	(145,372)	145,372	—	—
At 31 March 2002	**872,774**	**145,372**	**661,754**	**9,740**

(c) Major non-cash transaction

During the year, the Group entered into a finance lease arrangement in respect of fixed assets with a capital value at the inception of the lease of HK$10,002,000 (2001: Nil).

33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(Continued)

(d) Acquisition of subsidiaries

	2002 HK$'000	2001 HK$'000
Net assets acquired:		
Cash and bank balances	1,741	—
Trade receivables, prepayments, deposits and other receivables	938	—
Trade payables and other accrued liabilities	(8)	—
Minority interests	(1,344)	—
	1,327	—
Satisfied by:		
Cash	150	—
Reclassification to interests in subsidiaries from interests in associates	1,177	—
	1,327	—

An analysis of the net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries is as follows:

	2002 HK$'000	2001 HK$'000
Cash consideration	(150)	—
Cash and bank balances acquired	1,741	—
Net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries	1,591	—

33. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
(Continued)

(e) Disposal of interest in a subsidiary

	2002 HK$'000	2001 HK$'000
Net assets disposed of:		
Trade receivables, prepayments, deposits and other receivables	**1,500**	—
Trade payables and other accrued liabilities	**(44)**	—
	1,456	—
Loss on disposal of a subsidiary	**(406)**	—
	1,050	—
Satisfied by:		
Cash	**1,050**	—

There is a net inflow of cash and cash equivalents in respect of the disposal of a subsidiary of HK$1,050,000.

(f) Deemed disposal of interest in a subsidiary

	2002 HK$'000	2001 HK$'000
Net assets disposed of:		
Fixed assets	**596**	—
Inventories	**158,463**	
Cash and bank balances	**2,406**	—
Trade receivables, prepayments, deposits and other receivables	**748**	—
Trade payables to associates	**(110,771)**	—
Trade payables and other accrued liabilities	**(12,620)**	—
Bank loans	**(16,000)**	—
Minority interests	**(2,510)**	—
	20,312	—
Gain on deemed disposal of a subsidiary	**3,297**	—
	23,609	—
Satisfied by:		
Reclassification to interest in an associate from interest in a subsidiary	**23,609**	—

34. CONTINGENT LIABILITIES

(a) At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

	Group		Company	
	2002	2001	2002	2001
	HK$'000	HK$'000	HK$'000	HK$'000
Guarantees given to banks in respect of credit facilities granted to:				
Subsidiaries	**—**	—	**407,295**	756,992
Associates	**214,706**	211,342	**52,848**	35,714
A jointly-controlled entity	**169,302**	114,419	**77,209**	77,209
Bills discounted with recourse	**11,576**	82,871	**—**	—
	395,584	408,632	**537,352**	869,915

As at 31 March 2002, the guarantees given to banks in connection with facilities granted to subsidiaries by the Company were utilised to the extent of approximately HK$195,876,000 (2001: HK$560,094,000) and, in connection with the facilities granted by the Group to associates and jointly-controlled entity, were utilised to the extent of approximately HK$179,701,000 (2001: HK$154,613,000) and HK$137,637,000 (2001: HK$13,953,000), respectively.

(b) An associate of the Group (which was formerly a subsidiary) is currently a defendant in a lawsuit brought by a customer alleging that certain goods of approximately US$300,000 (approximately HK$2,340,000) delivered were defective and that the Group had breached the sales agreement which prohibited the Group from selling the goods to the customers' competitor. Having considered advice from the Group's legal counsel, the directors believe that they have valid defences for the litigation and adequate provision for any liabilities to the Group resulting from this contingency has been made and, therefore, any potential unprovided liability that could arise will not have a material adverse effect on the financial position of the Group.

(c) In 1995, a customs review was performed on an overseas subsidiary of the Group (which was formerly an associate) and certain customs claims of approximately HK$24,500,000 subsequently emerged. During the year, the Customs Services reduced the duty rate applied to the claims, as such, such customs claims amount had been reduced to approximately HK$4,800,000. Negotiations with the Custom Services are still in progress. Having taken legal advice, the directors believe that they have valid defences for the claims and that adequate provisions have been made for any liabilities to the Group resulting from the contingencies *(note 26)*.

35. OPERATING LEASE ARRANGEMENTS

As lessee

At 31 March 2002, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2002	**2001**
	HK$'000	**HK$'000**
		(Restated)
Within one year	**691**	1,136
In the second to fifth years, inclusive	**168**	57
	859	1,193

The Company had no commitments at the balance sheet date (2001: Nil).

SSAP 14 (Revised) requires lessees under operating leases to disclose the total future minimum operating lease payments, rather than only the payments to be made during the next year as was previously required. Accordingly, the prior year comparative amounts have been restated to accord with the current year's presentation.

36. COMMITMENTS

In addition to the operating lease commitments detailed in note 35 above, the Group had the following commitments at the balance sheet date:

	Group	
	2002	**2001**
	HK$'000	**HK$'000**
Capital commitments in respect of fixed assets, contracted for	**40,237**	42,586

The Company had no commitments at the balance sheet date (2001: Nil).

37. SUBSIDIARIES, ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES

Summary particulars of the Group's principal subsidiaries, associates and jointly-controlled entities at 31 March 2002, which are private companies incorporated and operating in Hong Kong, except as otherwise noted, were as follows:

Name	Nominal value of issued and fully paid ordinary share capital/ registered capital	Attributable equity interest of the Company Direct	Attributable equity interest of the Company Indirect	Principal activities
Subsidiaries				
Art-Tech Electronics (Huizhou) Limited *	HK$6,500,000	—	100%	Manufacture and sale of transformers and moulds
Art-Tech Speakers Manufacturing (Huizhou City) Limited +	US$725,000	—	67%	Manufacture and sale of speakers
Brilliant Plastic and Mould Manufacturing (Huizhou) Limited +	US$8,000,000	—	90%	Manufacture and sale of plastic products and moulds
Brilliant Plastic Industrial (Huizhou) Limited *	HK$25,000,000	—	100%	Manufacture and sale of plastic products
Brilliant Plastic Manufacturing Limited	HK$100 HK$1,200,000 ++	—	100%	Manufacture and sale of plastic products
Great Wall Capital Management Limited	HK$10,000	—	100%	Investment holding
Great Wall Electronics Holding Limited	HK$5,000,000	100%	—	Investment holding
Great Wall France SA @ ##	Euro6,171,525	—	100%	Manufacture and sale of television products
Great Wall Industries Company Limited +	US$10,000,000	—	90%	Property holding and manufacture and sale of audio visual products
Great Wall Strategic Holdings (BVI) Limited #	US$50,000	—	100%	Investment holding

37. SUBSIDIARIES, ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES *(Continued)*

Name	Nominal value of issued and fully paid ordinary share capital/ registered capital	Attributable equity interest of the Company Direct	Attributable equity interest of the Company Indirect	Principal activities
Subsidiaries *(Continued)*				
Guangzhou Rowa Electronics Company Limited +	RMB110,000,000	—	60%	Manufacture and sale of television products
Huizhou City Caixing Electrical Appliance Limited +	US$1,230,000	—	75%	Trading of television products
Huizhou City Hang Tung Paper Products Printing Limited +	HK$1,200,000	—	70%	Manufacture and sale of paper printing products
Huizhou City Hua Xing Packing Material Company Limited +	HK$3,500,000	—	88%	Manufacture and sale of polyfoam products
Shenzhen Rowa Digital Network Technology Limited +	RMB5,000,000	—	90%	Provision of Internet services
Star Source Industries Limited	HK$1,000,000	—	100%	Property holding
Video Epoch Electronic (Huizhou) Limited *	HK$28,000,000	—	100%	Manufacture and sale of television products
Video Epoch Limited	HK$1,000,000	—	100%	Manufacture and sale of television products
Well Concur Limited	HK$10,000	—	100%	Property development

37. SUBSIDIARIES, ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES *(Continued)*

Name	Nominal value of issued and fully paid ordinary share capital/ registered capital	Attributable equity interest of the Company Direct	Attributable equity interest of the Company Indirect	Principal activities
Associates				
Eltic Electronics Company Limited	HK$5,000,000	—	50%	Manufacture and sale of audio visual products
Eltic Electronics (Huizhou) Limited *	HK$7,000,000	—	50%	Manufacture and sale of audio visual products
Great Wall Electronics Limited	HK$1,000 HK$4,000,000 ++	—	50%	Manufacture and sale of audio products
Qingyuan Rowa Electronics Company Limited +	US$40,000,000	—	50%	Manufacture and sale of television products
Rowa Electronics (Hong Kong) Company Limited	HK$1,000,000	—	50%	Trading of air-conditioning products
Taiyuan Caixing Electronic Equipment Company Limited +	RMB50,000,000	—	37.5%	Manufacture and sale of television products
Welsona Polyfoam Limited ##	HK$2,500,000	—	40%	Manufacture and sale of polyfoam products

37. SUBSIDIARIES, ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES *(Continued)*

Name	Nominal value of issued and fully paid ordinary share capital/ registered capital	Attributable equity interest of the Company Direct	Attributable equity interest of the Company Indirect	Principal activities
Jointly-controlled entities				
Guangdong Rowa Air-Conditioner Limited +	RMB68,000,000	—	40.1%	Manufacture and sale of air-conditioning products
Wuhan Hualong Bio-Chemical Pharmaceutical Company Limited +	RMB40,000,000	—	42.5%	Manufacture of bio-chemical and pharmaceutical products

\# Incorporated in the British Virgin Islands.

@ Incorporated and operating in France.

* Registered and operating in the PRC as a wholly foreign owned enterprise.

\+ Registered and operating in the PRC as a sino-foreign equity joint venture.

++ Non-voting deferred shares.

\## Not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

The above table lists the subsidiaries, associates and jointly-controlled entities of the Group as at 31 March 2002 which, in the opinion of the directors, either principally affected the results for the year, or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries, associates and jointly-controlled entities would, in the opinion of the directors, result in particulars of excessive length.

38. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the year:

		Group	
		2002	2001
	Notes	HK$'000	HK$'000
Sales to:			
Associates	*(i)*	561,344	259,014
A jointly-controlled entity	*(i)*	6,994	—
Purchases from associates	*(ii)*	(225,719)	(103,249)
Management fees paid to an associate	*(iii)*	—	(360)
Management fees received from associates	*(iv)*	—	2,816
Recharges of utility expenses from associates	*(v)*	1,200	1,200
Purchases of land and buildings from minority shareholders	*(vi)*	—	(61,778)

Notes:

(i) The sales of raw materials and finished goods to associates and jointly-controlled entity were based on mutually agreed terms with reference to those offered to other customers in the ordinary course of business.

(ii) The purchases of raw materials and finished goods from associates were based on mutually agreed terms with reference to those offered to other suppliers in the ordinary course of business.

(iii) The management fees paid to an associate during the year ended 31 March 2001 for the provision of accounting and secretarial services to the Group were charged based on mutually agreed terms with reference to actual time and staff costs incurred.

(iv) The management fees received from associates during the year ended 31 March 2001 for the provision of accounting and secretarial services provided to associates were charged based on mutually agreed terms with reference to actual time and staff costs incurred.

(v) The Group recharged associates utility expenses incurred on behalf these associates, based on mutually agreed terms with reference to actual usage.

(vi) Land and buildings were purchased during the year ended 31 March 2001 based on mutually agreed terms with reference to the open market value.

(b) As at 31 March 2001, the Group and certain associates provided cross-guarantees to banks for banking facilities granted to subsidiaries and associates totalling HK$212,000,000.

39. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, on 3 September 2002, the Group entered into a joint venture agreement (the "Agreement") with TCL International Holdings Limited ("TCL"), an independent third party listed on the Stock Exchange. Under the Agreement, a joint venture company ("JVC") has been formed to carry on the overseas sale of television and other audio-visual products. TCL and the Group own 70% and 30% equity interests in JVC, respectively. The Group's entering into the Agreement has a restrictive impact on its scope of business. Under the Agreement, all overseas sales businesses of the Group have been transferred to JVC, except that Great Wall France is allowed to carry on its business in Europe as before. The Group's entering into the Agreement does not affect: (i) its operations (including manufacture, sale and distribution) in the PRC; (ii) operations in relation to products other than the television and other audio-visual products; and (iii) all other operations of the Group. Further details of this JVC arrangement are set out in a Company announcement dated 5 September 2002.

40. COMPARATIVE AMOUNTS

As further explained in note 3 to the financial statements, due to the adoption of certain new and revised SSAPs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made and certain comparative amounts have been reclassified to conform with the current year's presentation.

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 15 October 2002.