

8. TAXATION

	Year ended 31st December 2000 HK\$'000	Nine months ended 31st December 1999 HK\$'000
Company and subsidiaries :		
Hong Kong profits tax	22,094	16,034
(Over)/under-provision in prior years	(1,164)	1,005
Overseas taxation	3,838	279
Deferred taxation (note 28)	1,540	(630)
	<u>26,308</u>	<u>16,688</u>
Jointly controlled entities		
Overseas taxation	167	117
Associated companies		
Hong Kong profits tax charge/(write-back)	506	(730)
	<u>26,981</u>	<u>16,075</u>

Hong Kong profits tax has been provided at the rate of 16% (1999: 16%) on the estimated assessable profits for the year after setting off available tax losses brought forward.

Taxation assessable on profits generated overseas has been provided at the rates of taxation prevailing in the countries in which the Group operates.

There was no material unprovided deferred taxation for the year.

9. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Of the profit attributable to shareholders, a profit of HK\$87,384,000 (1999: HK\$40,097,000) is dealt with in the financial statements of the Company.

Notes to the Financial Statements

10. DIVIDENDS

	Year ended 31st December 2000 <i>HK\$'000</i>	Nine months ended 31st December 1999 <i>HK\$'000</i>
Interim paid, 1 cent per share (1999 : nil)	17,273	–
Final proposed, 2 cents per share (1999 : 2 cents)	35,312	33,146
	<u>52,585</u>	<u>33,146</u>
The dividends have been partially settled by scrip, details of which are as follows :		
Interim	12,253	–
Final	–	23,489
	<u>12,253</u>	<u>23,489</u>

11. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$82,075,000 (1999: HK\$50,093,000) and the weighted average number of shares in issue during the year of 1,689,623,000 (1999: 1,106,858,000 shares).

The diluted earnings per share is not presented as the share options and warrants outstanding as at 31st December 2000 have no dilutive potential shares.

12 FIXED ASSETS

Group

	Leasehold land and buildings <i>HK\$'000</i>	Investment properties <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Other fixed assets <i>HK\$'000</i>	Total <i>HK\$'000</i>
COST OR VALUATION					
At 1st January 2000	441,575	455,555	587,914	222,734	1,707,778
Additions	205	358	18,604	16,288	35,455
Disposals	(98)	–	(3,604)	(11,650)	(15,352)
Reclassification	(24,000)	24,000	–	–	–
Revaluation surplus (net)	–	12,988	–	–	12,988
At 31st December 2000	417,682	492,901	602,914	227,372	1,740,869
ACCUMULATED DEPRECIATION					
At 1st January 2000	34,050	–	242,813	143,115	419,978
Charge for the year	7,805	–	51,500	22,077	81,382
Additional provision	–	–	18,840	–	18,840
Disposals	(20)	–	(3,110)	(8,444)	(11,574)
Reclassification	(2,622)	2,622	–	–	–
Revaluation	–	(2,622)	–	–	(2,622)
At 31st December 2000	39,213	–	310,043	156,748	506,004
NET BOOK VALUE					
At 31st December 2000	378,469	492,901	292,871	70,624	1,234,865
At 31st December 1999	407,525	455,555	345,101	79,619	1,287,800

- (a) Leasehold land and buildings are stated at cost or valuation less depreciation as detailed in note 13. Investment properties held under long-term lease outside Hong Kong amounting to HK\$309,901,000 were valued at 31st December 2000 on an open market value basis by CB Richard Ellis (Pte) Ltd. and Knight Frank, independent professional valuers. Investment properties held under long-term lease in Hong Kong amounting to HK\$139,000,000 were valued at 31st December 2000 on an open market value basis by FPD Savills, independent professional valuers. Investment properties held under medium-term lease in Hong Kong amounting to HK\$44,000,000 were valued at 31st December 2000 on an open market value basis by CB Richard Ellis Ltd., independent professional valuers.
- (b) Investment properties, land and buildings and plant and machinery with carrying values of HK\$448,901,000 (1999: HK\$455,555,000), HK\$307,547,000 (1999: HK\$313,450,000) and HK\$124,998,000 (1999: HK\$137,405,000) respectively were pledged to banks to secure the Group's borrowing facilities.
- (c) Other fixed assets comprise barges, furniture and equipment, leasehold improvements and motor vehicles.
- (d) The aggregate net book value of assets held under finance leases at 31st December 2000 were HK\$359,000 (1999: HK\$666,000).
- (e) Apart from the properties mentioned in (a) above, all other assets are carried at cost.

Notes to the Financial Statements

13. LEASEHOLD LAND AND BUILDINGS

Group

	In Hong Kong <i>HK\$'000</i>	2000 Outside Hong Kong <i>HK\$'000</i>	Total <i>HK\$'000</i>	1999 Total <i>HK\$'000</i>
Long-term lease				
At cost	113,740	13,321	127,061	127,159
Medium-term lease				
At cost	28,935	11,564	40,499	40,294
At professional valuation 1990	250,122	–	250,122	274,122
	<u>392,797</u>	<u>24,885</u>	<u>417,682</u>	<u>441,575</u>

Medium-term leasehold land and buildings in Hong Kong were revalued as at 31st March 1990 on an open market basis by Jones Lang LaSalle, independent professional valuers. Subsequent revaluations of these properties are not required to be made in accordance with paragraph 72 of Hong Kong Statement of Standard Accounting Practice 17 – Property, Plant and Equipment. Had these properties been carried at cost, their carrying values would have been HK\$201,565,000 (1999: HK\$217,909,000).

14. SUBSIDIARIES

Company

	2000 <i>HK\$'000</i>	1999 <i>HK\$'000</i>
Unlisted shares, at cost	259,561	259,561
Amounts due from subsidiaries (note a)	1,495,562	1,457,643
Amounts due to subsidiaries (note a)	–	(107,539)
	<u>1,755,123</u>	1,609,665
Loan to a subsidiary (note b)	150,000	150,000
	<u>1,905,123</u>	<u>1,759,665</u>

Note:

- (a) The amounts due from/ (to) subsidiaries are unsecured, interest-free and have no fixed terms of repayment.
- (b) Loan to a subsidiary is unsecured, carries interest at prevailing market rate and has no fixed terms of repayment.

Details of subsidiaries which, in the opinion of the directors, materially affect the results or net assets of the Group are given in note 34(a).

15. JOINTLY CONTROLLED ENTITIES

Group

	2000	1999
	HK\$'000	HK\$'000
Share of net assets	94,176	94,909
Amounts due from jointly controlled entities (note a)	85,712	85,715
Loans to jointly controlled entities (note b)	272,927	–
	452,815	180,624

Note:

- (a) The amounts due from jointly controlled entities are unsecured, interest-free and have no fixed terms of repayment.
- (b) Loans to jointly controlled entities are unsecured, carry interest at prevailing market rate and have no fixed terms of repayment.

Details of jointly controlled entities which, in the opinion of the directors, materially affect the results or net assets of the Group are given in note 34(b).

16. ASSOCIATED COMPANIES

Group

	2000	1999
	HK\$'000	HK\$'000
Share of net assets	71,012	106,386
Amounts due from associated companies	9,858	–
	80,870	106,386

The amounts due from associated companies are unsecured, interest free and have no fixed terms of repayment.

Details of associated companies which, in the opinion of the directors, materially affect the results or net assets of the Group are given in note 34(c).

Notes to the Financial Statements

17. OTHER NON-CURRENT ASSETS

Group

	2000 <i>HK\$'000</i>	1999 <i>HK\$'000</i>
Deferred expenditure		
Overburden removal costs	69,341	38,811
Quarry site development	7,420	11,852
Pre-operating costs and others	–	16,287
	<u>76,761</u>	<u>66,950</u>
Deferred receivable (note a)	12,351	7,751
Long-term investments, unlisted and at cost (note b)	9,672	–
	<u>98,784</u>	<u>74,701</u>

Note:

- (a) Deferred receivable represents advances made to various contractors for the delivery of concrete to customers. The advances are secured by the vehicles operated by the contractors, carry interest at prevailing market rate and are repayable by monthly instalments up to 2006. The current portion of the receivable is included under other receivable.
- (b) Unlisted investments include advances to the investee companies under the various shareholders' agreements amounting to HK\$6,200,000 (1999: nil). The directors consider that the fair values of these investments approximate to their aggregate costs as at the balance sheet date.

18. DEVELOPMENT PROPERTIES

Group

	Completed <i>HK\$'000</i>	Under development <i>HK\$'000</i>	Total <i>HK\$'000</i>
At cost, less provision	254,751	2,473,222	2,727,973
At professional valuation 1990	10,254	–	10,254
At 31st December 2000	<u>265,005</u>	<u>2,473,222</u>	<u>2,738,227</u>
At 31st December 1999	<u>369,284</u>	<u>2,563,333</u>	<u>2,932,617</u>

Medium-term leasehold land and buildings in Hong Kong were revalued as at 31st March 1990 on an open market basis by Jones Lang LaSalle, independent professional valuers.

19. INVENTORIES

Group

	2000	1999
	HK\$'000	<i>HK\$'000</i>
Aggregates and sand	12,964	12,089
Concrete pipes and blocks	6,704	9,372
Cement	8,159	6,106
Spare parts	24,380	22,927
Consumables	3,365	2,955
	55,572	53,449
	55,572	53,449

At 31st December 2000, the carrying amount of inventories stated at net realisable value amounted to HK\$1,880,000 (1999: HK\$2,444,000).

20. TRADE DEBTORS, OTHER RECEIVABLE AND PREPAYMENTS

	Group		Company	
	2000	1999	2000	1999
	HK\$'000	<i>HK\$'000</i>	HK\$'000	<i>HK\$'000</i>
Trade debtors	315,580	323,663	–	–
Other receivable	181,229	72,576	303	–
Prepayments	61,253	46,178	275	305
	558,062	442,417	578	305
	558,062	442,417	578	305

The Group has established credit policies which follow local industry standard. The average normal credit period offered ranges from 30 to 60 days for customers in Hong Kong and 120 to 180 days for customers in Mainland China. These are subject to periodic review by management.

The aging analysis of the Group's trade debtors based on the date of invoices and net of provision for bad and doubtful debts is as follows:

Group

	2000	1999
	HK\$'000	<i>HK\$'000</i>
Trade debtors:		
Within one month	158,103	166,224
Two to three months	97,985	71,730
Four to six months	23,903	20,436
Over six months	35,589	65,273
	315,580	323,663
	315,580	323,663

21. OTHER INVESTMENTS

Group

	2000	1999
	HK\$'000	HK\$'000
Listed, at market value		
– Hong Kong	6,050	9,250
– Overseas	–	10,175
Unlisted, at cost	–	22,783
	<u>6,050</u>	<u>42,208</u>

22. CASH AND BANK BALANCES

The cash and bank balances include an amount of HK\$92,052,000 which can only be used for the construction costs of the certain development properties.

23. CREDITORS AND ACCRUALS

	Group		Company	
	2000	1999	2000	1999
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade creditors	211,676	252,837	–	–
Other creditors	124,126	102,925	1,738	4,085
Accrued operating expenses	142,240	141,701	134	108
Deposits received	16,016	16,588	–	–
	<u>494,058</u>	<u>514,051</u>	<u>1,872</u>	<u>4,193</u>

The aging analysis of the Group's trade creditors based on the dates of the invoices is as follows:

Group

	2000	1999
	HK\$'000	HK\$'000
Trade creditors:		
Within one month	90,349	113,956
Two to three months	28,979	31,337
Four to six months	14,800	13,737
Over six months	77,548	93,807
	<u>211,676</u>	<u>252,837</u>

24. SHARE CAPITAL

Company

	2000		1999	
	Ordinary Shares of HK\$0.10 each	HK\$'000	Ordinary Shares of HK\$0.10 each	HK\$'000
Authorised				
At beginning of year	2,888,000,000	288,800	1,888,000,000	188,800
Increase in authorised ordinary share capital	–	–	1,000,000,000	100,000
At end of year	<u>2,888,000,000</u>	<u>288,800</u>	<u>2,888,000,000</u>	<u>288,800</u>
Issued and fully paid				
At beginning of year	1,657,277,886	165,728	1,104,849,075	110,485
Rights issue of shares	–	–	552,424,892	55,242
Warrants exercised	3,867	1	3,919	1
Issued as scrip dividends	107,969,289	10,796	–	–
At end of year	<u>1,765,251,042</u>	<u>176,525</u>	<u>1,657,277,886</u>	<u>165,728</u>

At 31st December 2000, the Company had warrants outstanding with subscription rights to subscribe up to HK\$63,122,874 in aggregate for a total of 95,164,892 shares at a subscription price of HK\$0.6633 per share exercisable at any time until 30th September 2001.

25. SHARE OPTION SCHEME

The Company operates a share option scheme under which options to subscribe for ordinary shares in the Company are granted to selected executives. During the year, no new options were granted (1999: 23,038,000 options) and no options were exercised (1999: nil). At 31st December 2000, outstanding options granted under the scheme are as follows:

Exercisable period	Option price per share HK\$	Number of shares
20th May 1999 to 19th May 2008	0.5586	9,352,000
30th December 2000 to 29th December 2009	0.3600	13,686,000
		<u>23,038,000</u>

26. RESERVES

(a) Group

	Capital reserve	Share premium	Contributed surplus	Capital redemption reserve	Property revaluation reserve	Revenue reserves	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January 2000	31,004	838,064	44,945	13	80,853	1,044,152	2,039,031
Changes in exchange rates	-	-	-	-	-	2,253	2,253
Premium on shares issued	-	2	-	-	-	-	2
Shares issued as scrip dividends	-	(10,796)	-	-	-	-	(10,796)
Reserve arising on scrip dividends	-	-	-	-	-	35,742	35,742
Reserve on consolidation	3,184	-	-	-	-	-	3,184
Realisation upon disposal	-	-	-	-	(2,924)	-	(2,924)
Transfer to profit and loss statement for previous write-off	-	-	-	-	(9,892)	-	(9,892)
Profit for the year	-	-	-	-	-	82,075	82,075
Dividends	-	-	-	-	-	(52,585)	(52,585)
At 31st December 2000	34,188	827,270	44,945	13	68,037	1,111,637	2,086,090
Company and subsidiaries	34,188	827,270	44,945	13	68,037	1,139,990	2,114,443
Jointly controlled entities	-	-	-	-	-	(38,211)	(38,211)
Associated companies	-	-	-	-	-	9,858	9,858
At 31st December 2000	34,188	827,270	44,945	13	68,037	1,111,637	2,086,090
At 1st April 1999	31,004	664,486	44,945	13	80,853	1,026,498	1,847,799
Changes in exchange rates	-	-	-	-	-	1,003	1,003
Premium on shares issued	-	2	-	-	-	-	2
Premium on rights issue	-	176,776	-	-	-	-	176,776
Rights issue expenses	-	(3,200)	-	-	-	-	(3,200)
Goodwill on consolidation	-	-	-	-	-	(296)	(296)
Profit for the period	-	-	-	-	-	50,093	50,093
Dividends	-	-	-	-	-	(33,146)	(33,146)
At 31st December 1999	31,004	838,064	44,945	13	80,853	1,044,152	2,039,031
Company and subsidiaries	31,004	838,064	44,945	13	80,853	1,065,335	2,060,214
Jointly controlled entities	-	-	-	-	-	(33,893)	(33,893)
Associated companies	-	-	-	-	-	12,710	12,710
At 31st December 1999	31,004	838,064	44,945	13	80,853	1,044,152	2,039,031