

# Notes to the Financial Statements

## Note 21 Consolidated Cash Flow Statement (Continued)

### (e) Analysis of cash and cash equivalents

(HK\$'000)	2000	1999
Time deposits	758,626	573,076
Cash and bank balances	113,967	39,288
	<b>872,593</b>	<b>612,364</b>

### (f) Major non-cash transactions

A portion of the last year's final dividend which amounted to HK\$17,613,000 (1999: HK\$10,807,000) was settled in scrip form.

Part of the consideration for the acquisition of certain subsidiaries which took place during the year was settled by the way of set off against the amount due by the vendor.

## Note 22 Provident Fund Scheme

Pursuant to the Mandatory Provident Fund Schemes Ordinance, the Group has established a mandatory provident fund (MPF) scheme in December 2000. Since the Group has obtained exemption for its existing provident fund schemes, all staff were offered the choice of switching to the MPF scheme or staying in existing schemes. Where staff elected to join the MPF scheme, both the Group and staff are required to contribute 5% of the employees' relevant income (capped at HK\$20,000). Staff may elect to contribute more than the minimum as a voluntary contribution.

Apart from the MPF scheme, the Group has two defined contribution fund schemes covering all qualified staff who joined the Group before 2nd August, 2000 and elected not to switch to the MPF scheme. The Group and its employees are each required to make contributions to the schemes calculated at 5% of the employees' basic salaries on a monthly basis.

The assets held under the MPF scheme and other defined contribution fund schemes are managed by independent trustees. The Group's contributions charged to the profit and loss account for the year ended 31st December, 2000 were HK\$17,872,000 (1999: HK\$16,083,000). Under the defined contribution fund schemes, forfeitures of employer's contributions of HK\$902,000 (1999: HK\$199,000) resulting from leaving scheme members were applied to reduce the Group's contribution for the year. At the balance sheet date, forfeited contributions of HK\$17,584,000 (1999: HK\$17,633,000) were available to the Group to reduce the contributions to the scheme in future.

## Note 23 Jointly Controlled Assets

At the balance sheet date, the aggregate amounts of assets and liabilities recognised in the financial statements relating to the Group's interests in jointly controlled assets are as follows:

(HK\$'000)	Group	
	2000	1999
<b>Assets</b>		
Properties under development	1,458,566	1,235,548
Debtors and deposits	3,784	459
Cash and bank balances	10,978	535
	<b>1,473,328</b>	<b>1,236,542</b>
<b>Liabilities</b>		
Loan from joint venture partner	251,388	233,955
Creditors and accrued charges	26,717	1,746
Bank loan	545,505	–
	<b>823,610</b>	<b>235,701</b>

## Note 24 Commitments

### (a) Capital commitments

(HK\$'000)	Group		Company	
	2000	1999	2000	1999
<b>Contracted but not provided for</b>				
Capital expenditure	2,271	3,814	–	–
Investment in associates	64,052	87,737	–	–
	<b>66,323</b>	<b>91,551</b>	<b>–</b>	<b>–</b>
<b>Authorised but not contracted for</b>				
Capital expenditure	3,159	4,221	–	–
Investment in associates	44,584	–	–	–
	<b>47,743</b>	<b>4,221</b>	<b>–</b>	<b>–</b>

In addition to the above, the Group's and the Company's share of capital commitments of the joint ventures themselves are as follows:

(HK\$'000)	Group		Company	
	2000	1999	2000	1999
Contracted but not provided for	30,761	48,568	–	–
Authorised but not contracted for	3,500	40,456	–	–
	<b>34,261</b>	<b>89,024</b>	<b>–</b>	<b>–</b>

# Notes to the Financial Statements

## Note 24 Commitments (Continued)

### (b) Lease commitments

At 31st December, 2000, amounts payable in the following year in respect of leases of office, staff quarters, piers and club premises were as follows:

(HK\$'000)	Group		Company	
	2000	1999	2000	1999
<b>Leases which expire:</b>				
within one year	4,459	2,970	–	–
in the second to fifth years inclusive	8,043	3,382	–	–
	<b>12,502</b>	<b>6,352</b>	<b>–</b>	<b>–</b>

(c) At the balance sheet date, the Group had commitments under various contracts, entered into in the normal course of business, to complete property development projects to a total value of approximately HK\$519,073,000 (1999: HK\$1,119,383,000) out of which approximately HK\$65,827,000 (1999: HK\$27,528,000) was related to the jointly controlled assets.

## Note 25 Contingent Liabilities

(HK\$'000)	Group		Company	
	2000	1999	2000	1999
Guarantees issued by the Company for credit facilities granted by third parties to subsidiaries	–	–	3,757,800	3,308,000
Guarantees issued by the Company for convertible guaranteed bonds issued by a subsidiary	–	–	543,200	543,200
Letters of credit outstanding	799	770	–	–
Deferred tax liabilities not provided for	6,773	3,092	–	–

## Note 26 Related Party Transactions

- i) Details of significant related party transactions which were carried out on normal commercial terms and in the ordinary course of the Group's business are as follows:

(HK\$'000)	Notes	2000	1999
Significant transactions with STD M	(a)		
Dividend received from STD M		14,322	7,596
Subsidies received from STD M		24,708	7,121
Ship tickets sold to STD M		334,260	289,667
Discount and commission paid to STD M for sale of ship tickets		57,503	22,794
Management and incentive fees received from STD M for hotel management		17,804	14,423
Fuel purchased from STD M in Macau for shipping operations		83,933	44,687
Income collected by STD M for sale of ship tickets and related services in Macau		337,385	317,541
Amount reimbursed to STD M for expenses incurred in respect of TuroJET operations in Macau		150,641	158,199
Deposits placed with Seng Heng Bank Ltd., a subsidiary to STD M		150,000	135,000
Charter hire received from STD M		45,672	–
Significant transactions with China Travel Services (Hong Kong) Ltd. (CTSHK)	(b)		
Commission paid to CTSHK for sale of ship tickets		25,736	14,565
Income collected by CTSHK for sale of ship tickets and related services		226,121	96,425
Amount reimbursed to CTSHK for expenses incurred in respect of shipping operations		16,923	3,173
Amount reimbursed by Shun Tak Shipping Co., Ltd. and its associates (STS) for expenses and resources shared by STS	(a)	36,887	25,376
Rental and related service fees for lease of land and buildings received from an associate		4,915	4,740
Rental and related service fees for lease of land and buildings paid to Shun Tak Centre Ltd. (STC)	(c)	8,645	10,263
Interest income received from associates		29,682	29,210
Interest expenses paid to minority shareholders of a subsidiary		207,732	188,187
Interest expenses paid to a joint venture partner		17,432	6,682
Sales commission paid to a minority shareholder of a subsidiary		2,946	16,300
Insurance premium paid to an associate		15,976	16,444
Fuel sold to associates		–	23,528

# Notes to the Financial Statements

## Note 26 Related Party Transactions (Continued)

Notes:

(a) *Dr. Stanley Ho, Dr. Cheng Yu Tung and Madam Winnie Ho Yuen Ki, directors of the Company, are also directors and have direct and/or indirect beneficial interests in STDM and STS. Mrs. Mok Ho Yuen Wing, Louise, director of the Company, has beneficial interests in STS. STS is a substantial shareholder of the Company.*

(b) *CTSHK is a fellow subsidiary of China Travel International Investment Hong Kong Limited which is a minority shareholder of a subsidiary.*

(c) *STC is beneficially owned by Dr. Stanley Ho, STDM and New World Development Company Limited (NWD). Dr. Cheng Yu Tung is the Chairman and a principal shareholder of NWD.*

ii) Certain related party transactions are also disclosed under "Connected Transactions" in the Report of Directors on pages 37 to 41.

iii) Amounts due to/by subsidiaries, associates, joint ventures, minority shareholders and joint venture partner are disclosed in notes 10 to 12, 20 and 23 to the financial statements.

## Note 27 Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

## Note 28 Approval of Financial Statements

The financial statements were approved by the Board of Directors on 11th April, 2001.