

6. FINANCE COSTS

(HK\$m)	2000	1999
Interest on		
– bank and other borrowings wholly repayable within five years	73.0	73.5
– bank and other borrowings not wholly repayable within five years	6.8	2.9
Total borrowing costs	79.8	76.4
Less: interest capitalised (<i>note 12</i>)	(15.5)	(11.9)
	64.3	64.5

7. DIRECTORS' AND EMPLOYEES' REMUNERATION

DIRECTORS' REMUNERATION

(HK\$m)	2000	1999
Directors' fees	0.5	0.5
Other directors' emoluments		
– Salaries and other benefits	5.3	5.4
– Bonus	1.6	1.3
– Retirement benefits costs	0.2	0.2
	7.6	7.4
The emoluments of the directors were within the following bands:		
(Number of Directors)		
Up to HK\$1,000,000	8	8
HK\$2,500,001 to HK\$3,000,000	1	1
HK\$4,000,001 to HK\$4,500,000	1	1

Total directors' fees paid to the Company's independent non-executive directors amounted to approximately HK\$0.3 million (1999: HK\$0.3 million). No other remuneration was paid to the independent non-executive directors.

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

EMPLOYEES' EMOLUMENTS

The aggregate emoluments of the five highest paid individuals of the Group in 1999 and 2000 included two executive directors of the Company whose emoluments are included above. The aggregate emoluments of the remaining three highest paid individuals are as follows:

(HK\$m)	2000	1999
Salaries and other benefits	4.6	4.4
Bonus	2.5	1.5
Retirement benefits costs	0.6	0.1
	7.7	6.0
Their emoluments were within the following bands:		
(Number of Employees)		
HK\$1,500,001 to HK\$2,000,000	1	2
HK\$2,000,001 to HK\$2,500,000	1	1
HK\$3,500,001 to HK\$4,000,000	1	–

8. TAXATION

(HK\$m)	2000	1999
Taxation of the Company and its subsidiaries		
– Hong Kong Profits Tax	10.7	5.1
– Taxation in other jurisdictions	0.5	4.7
	11.2	9.8
Share of overseas taxation of associates	1.6	3.4
	12.8	13.2

Hong Kong Profits Tax is calculated at 16% on the estimated assessable profits for the year. Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Details of deferred taxation are set out in note 27.

9. (LOSS) PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Of the Group's (loss) profit attributable to shareholders, a loss of HK\$68.9 million, (1999: loss of HK\$45.7 million) has been dealt with in the financial statements of the Company.

10. (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share is based on the loss for the year of HK\$68.9 million (1999: profit of HK\$18.1 million) and the 517,625,339 shares (1999: 517,625,339 shares) in issue throughout the year.

No diluted loss per share is presented in 2000 as the exercise of the share options, which were issued under the Company's share option scheme and outstanding during the year, would not be dilutive.

The diluted earnings per share in 1999 is calculated as follows:

Earnings for the purposes of calculating diluted earnings per share	HK\$18.1 million
(Number of Shares)	
Number of ordinary shares for the purpose of calculating basic earnings per share	517,625,339
Dilutive potential ordinary shares issuable under the Company's share option scheme	538,804
Number of ordinary shares for the purpose of calculating diluted earnings per share	518,164,143
Diluted earnings per share	HK cents 3.5

11. INVESTMENT PROPERTIES

(HK\$'m)	The Group	
	2000	1999
Valuation		
At 1st January	538.3	625.0
Currency realignment	(0.9)	(1.7)
Transferred from (to) properties for own use	44.0	(21.3)
Disposals	–	(11.0)
Surplus (deficit) arising on revaluation	19.2	(52.7)
At 31st December	600.6	538.3
Investment properties comprise:		
Properties held under medium-term leases		
– in Hong Kong	565.2	502.9
– outside Hong Kong	23.9	23.2
Freehold properties outside Hong Kong	11.5	12.2
	600.6	538.3

The Group's investment properties were valued as at 31st December, 2000 on an open market value basis by the following firms of independent professional property valuers:

Name of valuer	Location of investment properties
Chung, Chan & Associates	The People's Republic of China, including Hong Kong
INTA Inspectie-, Taxatie-en Expertisebureau B.V.	The Netherlands

The valuation of the Group's investment properties has been adopted by the directors and reflected in the financial statements. The surplus (deficit) arising on the revaluation is credited (charged) to the investment property revaluation reserve (note 24).

12. PROPERTIES UNDER DEVELOPMENT

(HK\$m)	The Group	
	2000	1999
Cost		
At 1st January	226.4	194.1
Development costs incurred	14.4	20.4
Interest capitalised during the year (<i>note 6</i>)	15.5	11.9
At 31st December	256.3	226.4
Provision for impairment in value		
At 1st January and 31st December	(75.6)	(75.6)
Net book value	180.7	150.8

The properties under development are situated in Hong Kong on land held under medium-term leases. At 31st December, 2000, total interest capitalised amounted to HK\$30.0 million (1999: HK\$14.5 million).

13. OTHER PROPERTIES, PLANT AND EQUIPMENT

(HK\$'m)	Properties for own use	Furniture, fixtures and equipment	Motor vehicles	Plant and machinery	Total
The Group					
Cost or valuation					
At 1st January, 2000	242.5	122.4	10.0	65.2	440.1
Currency realignment	(6.3)	(4.2)	–	0.5	(10.0)
Additions	3.8	16.1	1.0	3.7	24.6
Disposals	–	(3.1)	(1.2)	(2.0)	(6.3)
Transferred to investment properties	(50.3)	–	–	–	(50.3)
At 31st December, 2000	189.7	131.2	9.8	67.4	398.1
Comprising:					
At cost	98.3	131.2	9.8	67.4	306.7
At valuation – 1994	91.4	–	–	–	91.4
	189.7	131.2	9.8	67.4	398.1
Depreciation and amortisation					
At 1st January, 2000	24.2	92.5	7.4	44.1	168.2
Currency realignment	(0.7)	(3.2)	–	–	(3.9)
Provided for the year	5.8	14.1	1.0	7.2	28.1
Eliminated on disposals	–	(3.0)	(1.1)	(1.9)	(6.0)
Eliminated on transfer to investment properties	(6.3)	–	–	–	(6.3)
At 31st December, 2000	23.0	100.4	7.3	49.4	180.1
Net book values					
At 31st December, 2000	166.7	30.8	2.5	18.0	218.0
At 31st December, 1999	218.3	29.9	2.6	21.1	271.9