

5 TAXATION

(a) Taxation in the consolidated profit and loss account represents:

	2001 \$'000	2000 \$'000
Provision for Hong Kong Profits Tax for the year	28,995	22,727
(Overprovision)/underprovision in respect of prior years	(556)	220
	<u>28,439</u>	<u>22,947</u>
Overseas taxation	5,330	4,672
Deferred taxation (note 24(a))	(3,000)	(3,000)
	<u>30,769</u>	<u>24,619</u>
Share of associates' taxation		
– Hong Kong Profits Tax	306	284
– Overseas taxation	451	321
	<u>31,526</u>	<u>25,224</u>

The provision for Hong Kong Profits Tax is calculated at 16% (2000: 16%) of the estimated assessable profits for the year ended 31 March 2001. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

(b) Taxation in the balance sheets represents:

	The Group		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Provision for Hong Kong Profits Tax for the year	28,995	22,727	6,005	3,289
Provisional Profits Tax paid	(18,691)	(23,899)	(3,877)	(10,142)
Overseas tax payable	5,852	2,188	–	–
	<u>16,156</u>	<u>1,016</u>	<u>2,128</u>	<u>(6,853)</u>

None of the tax payable in the balance sheet is expected to be settled after more than one year.

6 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	2001 \$'000	2000 \$'000
Fees	500	474
Salaries and other emoluments	3,650	3,650
Retirement scheme contributions	179	168
	<u>4,329</u>	<u>4,292</u>

Included in the directors' remuneration were fees of \$65,000 (2000: \$65,000) payable to the independent non-executive directors of the Company during the year.

The remuneration of the directors is within the following bands:

	2001 Number of directors	2000 Number of directors
\$Nil - \$1,000,000	15	16
\$3,500,001 - \$4,000,000	1	1
	<u>16</u>	<u>17</u>

7 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2000: one) is a director whose emolument is disclosed in note 6. The aggregate of the emoluments in respect of the other four (2000: four) individuals is as follows:

	2001 \$'000	2000 \$'000
Salaries and other emoluments	4,739	4,729
Discretionary bonuses	100	400
Retirement scheme contributions	138	113
	<u>4,977</u>	<u>5,242</u>

7 INDIVIDUALS WITH HIGHEST EMOLUMENTS (Cont'd)

The emoluments of the four (2000: four) individuals with the highest emoluments are within the following bands:

	2001 Number of individuals	2000 Number of individuals
\$1,000,001 - \$1,500,000	4	3
\$1,500,001 - \$2,000,000	--	1
	<u>4</u>	<u>4</u>
	<u><u>4</u></u>	<u><u>4</u></u>

8 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders includes a profit of \$187,565,000 (2000: \$157,377,000) which has been dealt with in the accounts of the Company.

9 DIVIDENDS

	2001 \$'000	2000 \$'000
Interim dividend paid of 13 cents per share (2000: 12 cents per share)	75,040	69,268
Final dividend proposed of 19 cents per share (2000: 16 cents per share)	<u>109,674</u>	<u>92,357</u>
	<u><u>184,714</u></u>	<u><u>161,625</u></u>

10 BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to ordinary shareholders of \$185,344,000 (2000: \$162,203,000) and 577,231,252 shares (2000: 577,231,252 shares) in issue during the year.

11 FIXED ASSETS

(a) The Group

	Other properties, furniture, fixtures and equipment						
	Investment properties \$'000	Hotel \$'000	Golf course and club house \$'000	Leasehold land and buildings held for own use \$'000	* Others \$'000	Sub-total \$'000	Total \$'000
Cost or valuation:							
At 1 April 2000	6,169,880	1,903,691	124,573	18,465	815,631	2,862,360	9,032,240
Exchange and other adjustments	(825)	–	–	–	1,443	1,443	618
Additions	1,511	–	76	1	22,256	22,333	23,844
Disposals	–	–	–	–	(8,023)	(8,023)	(8,023)
Surplus on revaluation	33,418	215,799	–	–	–	215,799	249,217
At 31 March 2001	6,203,984	2,119,490	124,649	18,466	831,307	3,093,912	9,297,896
Representing:							
Cost	–	–	124,649	18,466	831,307	974,422	974,422
Valuation - 2001	6,203,984	2,119,490	–	–	–	2,119,490	8,323,474
	<u>6,203,984</u>	<u>2,119,490</u>	<u>124,649</u>	<u>18,466</u>	<u>831,307</u>	<u>3,093,912</u>	<u>9,297,896</u>
Aggregate depreciation:							
At 1 April 2000	–	–	7,895	5,837	523,344	537,076	537,076
Exchange adjustments	–	–	–	–	745	745	745
Charge for the year	–	–	1,793	532	54,155	56,480	56,480
Written back on disposal	–	–	–	–	(5,923)	(5,923)	(5,923)
At 31 March 2001	–	–	9,688	6,369	572,321	588,378	588,378
Net book value:							
At 31 March 2001	<u>6,203,984</u>	<u>2,119,490</u>	<u>114,961</u>	<u>12,097</u>	<u>258,986</u>	<u>2,505,534</u>	<u>8,709,518</u>
At 31 March 2000	<u>6,169,880</u>	<u>1,903,691</u>	<u>116,678</u>	<u>12,628</u>	<u>292,287</u>	<u>2,325,284</u>	<u>8,495,164</u>

* Other fixed assets comprise machinery, furniture, fixtures and equipment.

11 FIXED ASSETS (Cont'd)

(b) The Company

	Other properties, furniture, fixtures and equipment				Total \$'000
	Investment properties \$'000	Leasehold land and buildings held for own use \$'000	* Others \$'000	Sub-total \$'000	
Cost or valuation:					
At 1 April 2000	101,586	260	124,802	125,062	226,648
Exchange and other adjustments	(46)	-	-	-	(46)
Additions	-	-	2,517	2,517	2,517
Disposals	-	-	(160)	(160)	(160)
Deficit on revaluation	(534)	-	-	-	(534)
At 31 March 2001	101,006	260	127,159	127,419	228,425
Representing:					
Cost	-	260	127,159	127,419	127,419
Valuation - 2001	101,006	-	-	-	101,006
	<u>101,006</u>	<u>260</u>	<u>127,159</u>	<u>127,419</u>	<u>228,425</u>
Aggregate depreciation:					
At 1 April 2000	-	185	98,555	98,740	98,740
Charge for the year	-	3	4,802	4,805	4,805
Written back on disposal	-	-	(99)	(99)	(99)
At 31 March 2001	-	188	103,258	103,446	103,446
Net book value:					
At 31 March 2001	<u>101,006</u>	<u>72</u>	<u>23,901</u>	<u>23,973</u>	<u>124,979</u>
At 31 March 2000	<u>101,586</u>	<u>75</u>	<u>26,247</u>	<u>26,322</u>	<u>127,908</u>

* Other fixed assets comprise machinery, furniture, fixtures and equipment.

11 FIXED ASSETS (Cont'd)

(c) The analysis of cost or valuation of properties is as follows:

	The Group		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Land and buildings in Hong Kong:				
– long term leases	99,511	93,709	145	145
– medium term leases	7,810,905	7,568,903	101,121	101,701
Land and buildings outside Hong Kong:				
– freehold	124,649	124,573	--	--
– long term leases	378,109	376,009	--	--
– medium term leases	50,221	50,221	--	--
– short term leases	3,194	3,194	--	--
	<u>8,466,589</u>	<u>8,216,609</u>	<u>101,266</u>	<u>101,846</u>

- (d) Investment properties of the Group and the Company were revalued at 31 March 2001 by an independent firm of surveyors, Knight Frank who have among their staff Fellows of the Hong Kong Institute of Surveyors, on an open market value basis calculated on net rental income allowing for revisionary potential. The revaluation surplus of \$33.4 million (2000: deficit of \$50.3 million) of the Group, excluding the portion relating to the minority shareholders, and revaluation deficit of \$0.5 million (2000: deficit of \$75.7 million) of the Company, has been transferred to the investment properties revaluation reserve (note 28(a) and (b)).
- (e) Hotel property of the Group was revalued at 31 March 2001 by an independent firm of surveyors, Knight Frank who have among their staff Fellows of the Hong Kong Institute of Surveyors, on an open market value basis. The revaluation surplus of \$215.8 million (2000: surplus of \$56.9 million) has been transferred to the capital reserve (note 28(a)).

The carrying amount of the hotel property at 31 March 2001 would have been \$131 million (2000: \$131 million) had it been stated at cost.

12 PROPERTIES UNDER DEVELOPMENT

The Group

Outside Hong Kong
on freehold land
\$'000

Cost:

At 1 April 2000 324,047

Movements during the year:

Development expenditure:

– interest expenses capitalised (note 4) 4,225

– other expenses 103,110

Disposals (37,288)

70,047

Cost:

At 31 March 2001 394,094

13 INTEREST IN SUBSIDIARIES

2001
\$'000

2000
\$'000

Unlisted shares, at cost 87,700 87,700

Amounts due from subsidiaries 4,315,679 4,217,850

Amounts due to subsidiaries (1,607,309) (1,202,025)

2,796,070 3,103,525

Less: Provision (434,000) (434,000)

2,362,070 2,669,525

13 INTEREST IN SUBSIDIARIES (Cont'd)

The following list contains only the particulars of subsidiaries which principally affected the results or assets of the Group:

Name of company	Place of incorporation	Place of operation	Particulars of issued and paid up ordinary share capital	Percentage of equity			Principal activity
				Group's effective holding	held by the Company	held by subsidiary	
All Best Resources Limited	Hong Kong	The People's Republic of China	HK\$100	100	–	100	Property rental
Contender Limited	Hong Kong	Hong Kong	HK\$200,000	100	100	–	Hotel and property rental
East Dragon Resources Limited	Hong Kong	The People's Republic of China	HK\$100	100	–	100	Property rental
Globe Century Development Limited	Hong Kong	Hong Kong	HK\$10,000	100	100	–	Property rental
Grand City Resources Limited	Hong Kong	The People's Republic of China	HK\$100	100	–	100	Property rental
Gourmet Enterprises Limited	Hong Kong	Hong Kong	HK\$180,000	94.4	94.4	–	Property rental
How Good Investments Limited	Hong Kong	Hong Kong	HK\$2	100	50	50	Property rental
How Light Investments Limited	Hong Kong	The People's Republic of China	HK\$100,000	100	–	100	Property investment
Korngold Limited	Hong Kong	Hong Kong	HK\$2	100	100	–	Property rental

13 INTEREST IN SUBSIDIARIES (Cont'd)

Name of company	Place of incorporation	Place of operation	Particulars of issued and paid up ordinary share capital	Percentage of equity			Principal activity
				Group's effective holding	held by the Company	held by subsidiary	
Miramar Finance Limited	Hong Kong	Hong Kong	HK\$100,000	100	100	–	Finance
Miramar Group (Corporate Funding) Company Limited	Hong Kong	Hong Kong	HK\$1,000	100	99	1	Finance
Miramar Hotel and Investment (Express) Limited	Hong Kong	Hong Kong	HK\$10,000,000	100	100	–	Travel agency
The Pinesprop Limited	Hong Kong	Hong Kong	HK\$1,000	100	100	–	Property investment
Prosperwell Properties Limited	Hong Kong	Hong Kong	HK\$10,000	100	93	7	Property rental
Randall Resources Limited	Hong Kong	The People's Republic of China	HK\$100	100	–	100	Property rental
Shahdan Limited	Hong Kong	Hong Kong	HK\$200,000	100	100	–	Property rental
Strong Profit Resources Limited	Hong Kong	Hong Kong	HK\$10,000	70	–	100	Property rental
Tsui Hang Village Restaurant Limited	Hong Kong	Hong Kong	HK\$500,000	100	100	–	Restaurant
Warsaw Investments Limited	Hong Kong	Hong Kong	HK\$10,000	100	100	–	Property rental
Wide Trade Investments Limited	Hong Kong	Hong Kong	HK\$10,000	100	100	–	Property investment
Zailton Investments Limited	Hong Kong	Hong Kong	HK\$1,000	100	100	–	Finance
*Grand Mira Property Management (Shanghai) Company Limited	The People's Republic of China	The People's Republic of China	US\$5,000,000	100	–	100	Property investment and management

13 INTEREST IN SUBSIDIARIES (Cont'd)

Name of company	Place of incorporation	Place of operation	Particulars of issued and paid up ordinary share capital	Percentage of equity			Principal activity
				Group's effective holding	held by the Company	held by subsidiary	
*Placer Holdings, Inc.	The United States of America	The United States of America	US\$400,000	88	–	88	Property development
*Shanghai Henderson - Miramar Hotels Management Co. Ltd.	The People's Republic of China	The People's Republic of China	US\$200,000	90	–	90	Hotel management
*Shanghai Shangmei Property Company Limited	The People's Republic of China	The People's Republic of China	US\$13,000,000	51.4	–	68.6	Property development

(* Companies not audited by KPMG)

The accounts of the subsidiaries not audited by KPMG reflect total net assets and total turnover constituting approximately 9% (2000: 9%) and 9% (2000: 6%) respectively of the related consolidated totals.

14 INTEREST IN ASSOCIATES

	The Group		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Unlisted shares, at cost	–	–	250	400
Share of net liabilities	(3,302)	(5,823)	–	–
Amounts due from associates	30,431	31,069	21,622	22,763
Loans to associates	187,949	188,734	–	–
	<u>215,078</u>	<u>213,980</u>	<u>21,872</u>	<u>23,163</u>
Less: Provision	(70,318)	(52,518)	(16,150)	(17,870)
	<u>144,760</u>	<u>161,462</u>	<u>5,722</u>	<u>5,293</u>

Included in the balance sheet of an associate is an amount of \$301,283,000 (2000: \$300,474,000) in respect of properties situated in the People's Republic of China. The associate is in the process of completing the necessary legal formalities in order to obtain the legal title. This associate is 49% held by the Group (2000: 49%).