1. ORGANIZATION AND OPERATIONS

Berjaya Holdings (HK) Limited (the "Company") is incorporated in Hong Kong with its shares listed on The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company and is principally engaged in property investment for rental income and development purposes.

The principal activities of the Company's subsidiaries and associate are set out in Notes 6, 7 and 8.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of presentation

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties, land and building under fixed assets and certain investments in securities. They have been prepared in accordance with Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong, and the disclosure requirements of Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

b. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its consolidated subsidiaries (the "Group"). The results of any consolidated subsidiaries acquired or disposed of during the year are included in the consolidated income statement from or up to their effective dates of acquisition or disposal respectively. All significant intra-group transactions and balances have been eliminated on consolidation.

In prior years, the results of operation and net assets of Wing Hung Kee Commodities Limited ("WHK Commodities"), which operated as a commodities dealer in 1987 but has subsequently ceased trading, were not consolidated because the directors considered that it would be of no real value to consolidate the results of an inactive subsidiary with dissimilar activity with the other group companies. Because of the early adoption of Statement of Standard Accounting Practice Number 32 "Consolidated financial statements and accounting for investments in subsidiaries" issued by the Hong Kong Society of Accountants, WHK Commodities should not be excluded from consolidation on the basis of dissimilar activities. Accordingly, the financial statements of WHK Commodities are consolidated in the Group's financial statements in the current year.

This change in accounting policy has been applied retrospectively. However, there are no material adjustments to the individual line items of the consolidated financial statements including the opening deficits of the Group as of and for each of the years ended April 30, 2000 and 2001 as the financial statements of WHK Commodities do not contain any material balances and the company has been inactive for a number of years.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

b. Basis of consolidation (cont'd)

The results of operation and net assets of a subsidiary, Zhong Freight Limited ("Zhong Freight"), have not been consolidated because the directors are of the opinion that to include the financial statements of Zhong Freight in the consolidated financial statements would, for the reasons set out in Note 6 to the financial statements, be of no real value to the members and be misleading. Investment in unconsolidated subsidiaries is stated at cost less provision for any impairment in value. Income from the unconsolidated subsidiaries is accounted for to the extent of dividends declared.

c. Turnover

Turnover represents rental income from property letting.

d. Revenue recognition

Provided it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue and costs, if applicable, can be measured reliably, turnover and other revenue are recognized on the following bases:

(i) Rental income

Rental income is recognized based on a straight-line basis over the terms of the rental contracts.

(ii) Interest income

Interest income from bank deposits and loans receivable, are recognized on a time proportion basis on the principal outstanding and at the rate applicable.

(iii) Dividend income

Dividend income from other investments is recognized when the right to receive payment is established.

e. Fixed assets and depreciation

Fixed assets, other than investment properties and leasehold land and building, are stated at cost less accumulated depreciation. Investment properties are interests in land and buildings which are held for their investment potential and are dealt with in Note 2(f) below.

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 the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated income statement 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 assets, the expenditure is capitalized as an additional cost of the fixed assets.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

e. Fixed assets and depreciation (cont'd)

Leasehold land and building is stated at valuation. An independent valuation is performed annually with the last valuation performed on April 30, 2001. Any increase in the leasehold land and building valuation is credited to the property revaluation reserve; any decrease is first offset against an increase on earlier valuation in respect of the same property and is thereafter charged against operating profit.

Depreciation is calculated on the reducing balance basis at annual rates estimated to write off the cost or valuation of each asset over its expected useful life. Leasehold land and building is depreciated on the straight-line method over the remaining period of the lease to write off the revalued amount of the asset. The annual rates of depreciation on other assets are as follows:

Furniture and fixtures	10%
Office equipment	20%
Motor vehicle	30%

A write down will be made if the recoverable amount of fixed assets is below the carrying amount. The write down will be charged to the consolidated income statement as expense unless it reverses a previous revaluation increase, in which case, it is charged directly against any related revaluation reserve to the extent that the reduction does not exceed the amount held in the revaluation reserve in respect of the same item. A subsequent increase in the recoverable amount of an asset carried at depreciated cost is written back when the circumstances that led to the write down cease to exist. The amount written back is reduced by the amount that would have been recognized as depreciation had the write down not occurred. When assets are sold or retired, their cost or valuation and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated income statement.

f. Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential and for the long-term.

Investment properties are included in the balance sheet at their open market value, on the basis of an annual valuation by independent valuers. Changes in the value of investment properties are dealt with as movements in the property revaluation reserve. If the total of this reserve is insufficient to cover a reduction in the open market value on a portfolio basis, the excess is charged to the consolidated income statement.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

f. Investment properties (cont'd)

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realized in respect of previous valuations is released from the property revaluation reserve to the consolidated income statement as part of the profit or loss on disposal of the investment property.

No depreciation is provided on investment properties unless the unexpired lease term is 20 years or less, in which case depreciation is provided on their carrying value over the unexpired lease term.

g. Development property

Development property is an investment in land for future development purposes. The investment is carried at cost, which includes development and construction expenditures incurred and interest and other direct costs attributable to the development, less provision for impairment in value, other than temporary, where considered necessary by the directors.

h. Subsidiaries

A company is a subsidiary company if more than 50% of the issued voting capital is held long-term, directly or indirectly. In the Company's financial statements, investment in subsidiaries is carried at cost less provision for impairment in value where considered necessary by the directors. The results of the subsidiaries are included in the income statement to the extent of dividends declared by the subsidiaries.

i. Associate

An associate is an enterprise in which the Company has significant influence, but not control or joint control, and thereby has the ability to participate in its financial and operating policy decisions.

In the Company's financial statements, investment in associate is carried at cost less provision for impairment in value, other than temporary, where considered necessary by the directors. The result of the associate is included in the income statement to the extent of dividends declared.

In the consolidated financial statements, investment in associate is accounted for under the equity method of accounting, whereby the investment is initially recorded at cost and the carrying amount is adjusted to recognize the Group's share of the post-acquisition profits or losses of the associate, distributions received from the associate and other necessary alterations in the Group's proportionate interest in the associate arising from changes in the equity of the associate that have not been included in the income statement.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

j. Investments in securities

Investment securities

Securities, which include club debenture, intended to be held on a continuing basis, are classified as investment securities and are included in the balance sheet at cost less any provision for impairment in value.

The carrying amount of investment securities is reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amount. When such a decline has occurred, the carrying amount is reduced and the reduction is recognized as an expense in the consolidated income statement unless there is evidence that the decline is temporary.

Provisions against the carrying value of investment securities are reversed to the consolidated income statement when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

Upon disposal or transfer of the investment securities, any profit or loss thereon is accounted for in the consolidated income statement.

Other investments

Securities other than investment securities are classified as other investments and are carried at fair value in the balance sheet. Any unrealized holding gain or loss for other investments is recognized in the consolidated income statement in the period when it arises.

Upon disposal or transfer of other investments, any profit or loss thereon is accounted for in the consolidated income statement.

k. Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payments under operating leases are charged to the consolidated income statement on a straight-line basis over the period of the relevant leases.

l. Deferred taxation

Deferred taxation is provided under the liability method, at the current tax rate, in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements, except where it is considered that no liability will arise in the foreseeable future.

A deferred tax asset is not recognized unless the related benefits are expected to crystallize in the foreseeable future.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

m. Foreign currencies

Individual companies within the Group maintain their books and records in the primary currencies of their respective operations ("functional currencies"). In the accounts of the individual companies, transactions in other currencies during the year are translated into the respective functional currencies at exchange rates in effect at the time of the transactions. Monetary assets and liabilities denominated in other currencies at the balance sheet date are translated into the respective functional currencies at the rates of exchange in effect at the balance sheet date. Exchange differences are dealt with in the income statement of the individual companies.

The Group prepares consolidated financial statements in Hong Kong dollars. For the purpose of consolidation, the financial statements of subsidiaries with functional currencies other than Hong Kong dollars are translated into Hong Kong dollars using the closing rate method, whereby all assets, liabilities, income and expenses are translated at the rates of exchange in effect at the balance sheet date. Translation differences arising thereon are dealt with as movements in the exchange translation reserve.

3. DEBTORS, PREPAYMENTS AND DEPOSITS

Debtors, prepayments and deposits comprise:

	The Group		The Company	
	2001	2000	**2001**	2000
	$'000	$'000	**$'000**	$'000
Trade debtors	**24**	61	**24**	61
Other debtors	**557**	563	**557**	563
Prepayments and deposits	**541**	510	**449**	383
	1,122	1,134	**1,030**	1,007

Analysis of aging of trade debtors is as follows:

	The Group		The Company	
	2001	2000	**2001**	2000
	$'000	$'000	**$'000**	$'000
Not over 3 months	**24**	54	**24**	54
Over 1 year	**–**	7	**–**	7
	24	61	**24**	61

The Group and the Company grant credit period of 15 days to the trade debtors. The balances with trade debtors and other debtors are not secured, interest-free and have no fixed repayment terms.

4. OTHER INVESTMENTS

Other investments are analyzed as follows:

	2001	2000
	$'000	$'000
Unlisted overseas, at cost	13,104	13,104
Less: Provision for impairment in value	(1,900)	(1,900)
	11,204	11,204
Listed overseas, at carrying value	1,725	4,507
	12,929	15,711
Quoted market value of listed overseas investments	1,725	4,507

Unlisted overseas investment represents the Company's 8.2% equity investment in a private limited company. The directors have expressed their intention to sell and had previously obtained a confirmation from a third party to purchase these unlisted shares on or before April 30, 2001, at or above the carrying cost of the Company. The Company has, however, granted an extension to the third party to purchase the Company's 8.2% equity unlisted overseas investment on or before April 30, 2002. A new confirmation from the third party to purchase these unlisted shares at or above the carrying cost of the Company on a best effort basis has been obtained by the Company. As a result, the directors consider that the carrying value of the unlisted overseas investment as of April 30, 2001 approximates its market value.

5. INVESTMENT SECURITIES

	2001	2000
	$'000	$'000
Unlisted, at cost	295	295

The directors are of the opinion that the underlying value of the investment securities was not less than the Group's and the Company's carrying value as of April 30, 2001.

6. INVESTMENT IN NON-CONSOLIDATED SUBSIDIARIES

Investment in non-consolidated subsidiaries comprises:

	2001 $'000	2000 $'000 (Note 28)
Unlisted shares, at cost	**22,792**	22,792
Less: Provision for impairment in value	**(22,792)**	(22,792)
	–	–

The particulars of the non-consolidated subsidiaries are as follows:

Name	Principal place of incorporation/ operations	Paid up issued ordinary share capital	Percentage of issued ordinary share capital held Directly	Indirectly	Principal activities
Zhong Freight Limited ("Zhong Freight")	Hong Kong	$1,000,000	55%	–	Dormant
C & C Freight International (Beijing) Limited ("C & C Freight")	Peoples' Republic of China	RMB3,750,000	–	27.5% *	Dormant

* 50% held by Zhong Freight Limited.

In June 1995, the Company commenced a creditors voluntary liquidation of its 55% subsidiary, Zhong Freight, a company incorporated in Hong Kong. C & C Freight, a company incorporated in the PRC, is a 50% subsidiary of Zhong Freight. The control over Zhong Freight and C & C Freight is considered by the directors as temporary and accordingly the financial statements of Zhong Freight have not been consolidated as of April 30, 2001.

7. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries in the Company's balance sheet comprises:

	2001 **$'000**	2000 $'000 (Note 28)
Unlisted shares, at cost	**2,105**	2,105
Amounts due from subsidiaries	**79,789**	79,653
Amounts due to subsidiaries	**(1,703)**	(1,714)
	80,191	80,044
Less: Provision for impairment in value	**(2,000)**	(2,000)
	78,191	78,044

Amounts due from/to subsidiaries are unsecured, non-interest bearing and have no fixed repayment terms. The Company's directors are of the opinion that the underlying value of the subsidiaries was not less than the Company's carrying value of the subsidiaries as of year end.

The particulars of the subsidiaries are as follows:

Name	Principal place of incorporation/ operations	Paid up issued ordinary share capital	Percentage of issued ordinary share capital held Directly	Indirectly	Principal activities
Hopemore Development Limited	Hong Kong	$100	100%	–	Property holding and management
Panluck Limited	Hong Kong	$100,000	100%	–	Investments holding
Mallia Limited	Hong Kong	$2	100%	–	Dormant
Berjaya U-Luck Investments Limited	Hong Kong	$10,000	51%	–	Inactive
Shanghai Berjaya-Huitong Real Estate Development Co. Ltd.	Peoples' Republic of China	US$8,407,432	–	82% *	Property holding
Wing Hung Kee Commodities Limited	Hong Kong	$2,000,000	100%	–	Dormant
Zhong Freight Limited **	Hong Kong	$1,000,000	55%	–	Dormant
C & C Freight International (Beijing) Limited **	Peoples' Republic of China	RMB3,750,000	–	27.5%	Dormant

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

* Shanghai Berjaya-Huitong Real Estate Development Co. Ltd. ("Berjaya-Huitong") is a contractual joint venture established in the PRC. Under the joint venture agreement, the Group is required to contribute 100% of the registered capital of Berjaya-Huitong but would be entitled to only 82% of the profit of Berjaya-Huitong. In view of the profit sharing arrangement, Berjaya-Huitong is regarded as 82% owned by the Group. Berjaya-Huitong has not had any material operations since May 12, 1995 (date of incorporation) other than the acquisition of a land use right in the PRC (Note 11).

** Non-consolidated subsidiaries (Note 6).

8. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2001	2000	**2001**	2000
	$'000	$'000	**$'000**	$'000
Unlisted overseas shares, at cost	**–**	–	**8,200**	8,200
Share of net assets of an associate	**14,639**	14,409	**–**	–
	14,639	14,409	**8,200**	8,200
Less: Provision for impairment in value	**(3,000)**	–	**(3,000)**	–
	11,639	14,409	**5,200**	8,200

The Company's directors are of the opinion that the underlying value of the associate was not less than the Group's and the Company's carrying value of the associate as of year end.

The associate was incorporated and has its principal place of operation in Singapore and is being held directly by the Company. Other particulars of the associate are as follows:

Name	**Paid up issued ordinary share capital**	**Percentage of issued ordinary share capital held**	**Principal activity**
Greenland Timber Industries (Pte.) Ltd.	S$ 8,500,000	20%	Investment holding

The associate ceased its warehousing operation during the year and changed its principal activity to investment holding.

9. RELATED PARTY TRANSACTIONS

Parties are considered to be related if a party has the ability to control, directly or indirectly, 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.

a. During the year, the Company shared the office space of its registered office with a related company. The Company received no rental income but received approximately $88,000 (2000 – $44,000) as reimbursement of office expenses.

b. Amounts due from related companies and a shareholder are unsecured, non-interest bearing and are not repayable within the next twelve months except that, during the year, a related company agreed to pay interest on a balance payable to the Company at one percent per month from August 1996 to June 2000. The interest income accrued for the period was approximately $993,000 and was recorded as other revenue in the consolidated income statement.

c. Loans from related companies and shareholders are unsecured, non-interest bearing and are not repayable within the next twelve months.

d. During the year, a related company transferred the ownership of certain investment properties with a value of approximately $905,000 to the Company as repayment of an amount due from the related company (Note 10).

10. FIXED ASSETS

	2001				2000
	Investment properties $'000	Leasehold land and building $'000	Others* $'000	Total $'000	Total $'000
THE GROUP					
COST OR VALUATION					
Beginning of year	43,410	7,500	2,990	53,900	55,270
Additions (Note 9)	905	–	149	1,054	1,207
Disposals	–	–	(35)	(35)	(8)
Adjustment arising from revaluation	(93)	–	–	(93)	(2,569)
End of year	44,222	7,500	3,104	54,826	53,900
Representing:					
At cost	–	–	3,104	3,104	2,990
At valuation	44,222	7,500	–	51,722	50,910
	44,222	7,500	3,104	54,826	53,900
ACCUMULATED DEPRECIATION					
Beginning of year	–	–	2,170	2,170	2,007
Provision for the year	–	150	147	297	350
Written-back on disposals	–	–	(32)	(32)	(3)
Written-back on revaluation	–	(150)	–	(150)	(184)
End of year	–	–	2,285	2,285	2,170
NET BOOK VALUE					
End of year	44,222	7,500	819	52,541	51,730
Beginning of year	43,410	7,500	820	51,730	53,263

* Others include furniture and fixtures, office equipment and motor vehicle.

10. FIXED ASSETS (CONT'D)

	2001			2000
	Investment properties	**Others***	**Total**	Total
	$'000	**$'000**	**$'000**	$'000
THE COMPANY				
COST OR VALUATION				
Beginning of year	**43,410**	**2,788**	**46,198**	45,941
Additions	**905**	**16**	**921**	1,134
Disposals	**–**	**–**	**–**	(8)
Adjustment arising from revaluation	**(93)**	**–**	**(93)**	(869)
End of year	**44,222**	**2,804**	**47,026**	46,198
Representing:				
At cost	**–**	**2,804**	**2,804**	2,788
At valuation	**44,222**	**–**	**44,222**	43,410
	44,222	**2,804**	**47,026**	46,198
ACCUMULATED DEPRECIATION				
Beginning of year	**–**	**2,082**	**2,082**	1,938
Provision for the year	**–**	**115**	**115**	147
Written-back on disposals	**–**	**–**	**–**	(3)
End of year	**–**	**2,197**	**2,197**	2,082
NET BOOK VALUE				
End of year	**44,222**	**607**	**44,829**	44,116
Beginning of year	**43,410**	**706**	**44,116**	44,003

* Others include furniture and fixtures, office equipment and motor vehicle.

10. FIXED ASSETS (CONT'D)

The carrying amount of investment properties and leasehold land and building is analyzed as follows:

	Investment properties		Leasehold land and building	
	2001	2000	**2001**	2000
	$'000	$'000	**$'000**	$'000
Located in Hong Kong				
– long-term leases	**37,198**	37,148	**7,500**	7,500
Located outside Hong Kong				
– long-term leases	**1,618**	550	**–**	–
– freehold land	**5,406**	5,712	**–**	–
	44,222	43,410	**7,500**	7,500

The investment properties and the leasehold land and building were revalued on April 30, 2001 on an open market basis by Chesterton Petty Limited, Chartered Surveyors, and Jones Lang Wootton, Registered Valuer respectively, and the adjustments arising therefrom were recorded in the property revaluation reserves. The investment properties of the Group and the Company are held for rental purposes under operating leases.

Had the leasehold land and building of the Group been carried at cost less accumulated depreciation, the net book value of the leasehold land and building as of April 30, 2001 would have been approximately $8,400,000 (2000 – $8,600,000).

As of April 30, 2001, certain investment properties and leasehold land and building with a net book value of approximately $43,548,000 (2000 – $43,548,000) were mortgaged as securities for the Group's banking facilities (Notes 12 and 25).

11. DEVELOPMENT PROPERTY

Development property represents the cost of a land use right purchased in 1996 for a piece of land located in the Pudong area in Shanghai, the People's Republic of China (the "PRC"). The land use right has a term of 50 years expiring in 2045. The directors have indicated their intention to hold the land use right for future property development purposes.

	2001	2000
	$'000	$'000
Beginning of year	**67,280**	66,998
Exchange differences	**–**	282
End of year	**67,280**	67,280

For the purpose of understanding the current market value of the development property on an open market value basis, the Company engaged Chesterton Petty Limited, Chartered Surveyors, to undertake a valuation, on an open market basis, on this development property. Based on the report prepared by Chesterton Petty Limited, the estimated market value of this development property on April 30, 2001 was $60,000,000 (2000 – $58,700,000). Since the property is being held for development purposes and that the decline in the market value is expected to be temporary, no adjustment has been made to reduce the carrying cost of the property to the estimated market value.

12. LONG-TERM BANK LOAN

The secured long-term bank loan of the Group and the Company is repayable as follows:

	2001	2000
	$'000	$'000
Bank loan repayable		
– within one year	**1,438**	1,198
– within the second to fifth years	**7,410**	6,435
– beyond five years	**9,405**	11,801
	18,253	19,434
Less: Amounts due within one year	**(1,438)**	(1,198)
	16,815	18,236

Long-term bank loan is secured by certain of the investment properties and leasehold land and building of the Group located in Hong Kong (Notes 10 and 25).

13. CREDITORS AND ACCRUED LIABILITIES

Creditors and accrued liabilities comprise:

	The Group		The Company	
	2001	2000	**2001**	2000
	$'000	$'000	**$'000**	$'000
Trade creditors	**–**	–	**–**	–
Other creditors	**7,436**	7,414	**47**	13
Accrued liabilities	**1,035**	691	**970**	691
	8,471	8,105	**1,017**	704

No aging analysis of trade creditors is presented as there was no balance as at April 30, 2001.

The balances with other creditors are not secured, interest-free and have no fixed repayment terms.

14. ADDITIONAL FINANCIAL INFORMATION ON BALANCE SHEET

As at April 30, 2001, the net current assets of the Group amounted to approximately $4,856,000 (2000 – $9,254,000). On the same date, the total assets less current liabilities was approximately $139,573,000 (2000 – $147,983,000).

15. ADVANCES FROM MINORITY SHAREHOLDERS OF A SUBSIDIARY

	2001	2000
	$'000	$'000
Balance, beginning of year	**2,185**	2,351
Loss attributable to minority shareholders for the year	**(3)**	(166)
Balance, end of year	**2,182**	2,185

Advances from minority shareholders are unsecured, non-interest bearing and are not repayable within the next twelve months.

16. SHARE CAPITAL

	2001	2000
	$'000	$'000
Authorized:		
1,250,000,000 (2000 – 1,250,000,000) ordinary shares of $0.2 (2000 – $0.2) each	**250,000**	250,000
Issued and fully paid:		
591,047,975 (2000 – 591,047,975) ordinary shares of $0.2 (2000 – $0.2) each	**118,210**	118,210

17. RESERVES

	2001						2000
	Share premium	Property revaluation reserves		Exchange translation reserve	Deficit	Total	Total
		Investment properties	Leasehold land and building				
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
THE GROUP							
Beginning of year	12,282	122	439	756	(25,613)	(12,014)	(5,828)
Loss for the year	–	–	–	–	(12,445)	(12,445)	(4,076)
Adjustments arising from revaluation	–	(93)	150	–	–	57	(2,385)
Translation adjustment	–	–	–	–	–	–	275
End of year	12,282	29	589	756	(38,058)	(24,402)	(12,014)
THE COMPANY							
Beginning of year	12,282	122	–	–	(18,727)	(6,323)	(2,728)
Loss for the year	–	–	–	–	(12,396)	(12,396)	(2,726)
Adjustments arising from revaluation	–	(93)	–	–	–	(93)	(869)
End of year	12,282	29	–	–	(31,123)	(18,812)	(6,323)

As of April 30, 2001, the Company had no reserve available for distribution.

18. LOSS BEFORE TAX

Loss before tax is determined after crediting and charging the following:

	2001 $'000	2000 $'000
Crediting:		
Rental income, net of outgoings, from investment properties under operating leases	**1,792**	1,948
Interest income received from a related company (Note 9)	**993**	–
Interest income from:		
– bank deposits	**158**	100
– others	**65**	60
Gain on disposal of convertible securities received as dividends from other investments	**–**	345
Unrealized gain on other investments	**–**	855
Exchange gain, net	**48**	77
Dividend income from other investments	**14**	–
Charging:		
Auditors' remuneration	**320**	550
Unrealized loss on other investments	**2,782**	–
Provision for impairment in value of an associate	**3,000**	–
Write-off of amount due from a related company	**1,917**	–
Depreciation of fixed assets	**297**	350
Staff (including directors) costs	**1,729**	1,490
Operating lease rental	**37**	144
Loss on disposal of fixed assets	**3**	3
Interest expenses on:		
– bank loan	**2,351**	856
– bank overdrafts	**–**	1,398

19. DIRECTORS' EMOLUMENTS

	2001	2000
	$'000	$'000
For executive directors		
– directors' fees	**24**	24
– salaries and allowances	**829**	740
– pensions	**29**	–
For independent non-executive directors	**–**	–
	882	764

The directors' emoluments are analyzed as follows:

	Number of directors	
	2001	2000
Nil – $1,000,000	**7**	7

None of the directors waived any emoluments during the year.

20. MANAGEMENT EMOLUMENTS

One (2000 – One) of the five highest individuals' emoluments are shown in Note 19. The aggregate amount of the five highest individuals' emoluments (including directors and employees) is as follows:

	2001	2000
	$'000	$'000
Salaries and allowances	**1,515**	1,366
Pensions	**47**	–
	1,562	1,366

The above emoluments are analyzed as follows:

	Number of executives	
	2001	2000
Nil – $1,000,000	**5**	5

21. TAXATION

No Hong Kong profits tax has been provided as there is no estimated assessable profit for the year. Overseas taxation has been calculated on the estimated assessable profit for the year at the rates prevailing in the respective jurisdictions.

	2001 $'000	2000 $'000
Hong Kong profits tax	–	–
Overseas taxation	–	508
	–	508
Overseas deferred tax credit	(74)	–
	(74)	508

As of April 30, 2001, the Group had an estimated cumulative tax losses of approximately $28,365,000 (2000 – $22,885,000). This estimated tax loss may be carried forward indefinitely to offset against future taxable Hong Kong profits, subject to the agreement by the Inland Revenue Department.

No deferred taxation has been provided for the property revaluation surplus because such surplus does not constitute timing differences for taxation purposes. The potential deferred tax asset which has not been recognized in the consolidated financial statements amounts to:

	2001 $'000	2000 $'000
Accelerated depreciation allowances	90	103
Estimated cumulative tax losses	(4,538)	(3,662)
	(4,448)	(3,559)

22. LOSS ATTRIBUTABLE TO SHAREHODLERS

The consolidated loss attributable to shareholders includes a loss of approximately $12,396,000 (2000 – $2,726,000) dealt with in the financial statements of the Company.

23. LOSS PER SHARE

Loss per share is calculated based on the consolidated loss attributable to shareholders for the year of approximately $12,445,000 (2000 – $4,076,000) and the weighted average of 591,047,975 (2000 – 591,047,975) ordinary shares in issue throughout the year ended April 30, 2001.

As of April 30, 2001 and 2000, there were no dilutive financial instruments outstanding and therefore, the diluted loss per share for both years is the same as the basic loss per share.

24. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

a. Reconciliation of consolidated loss before tax to net cash (outflow) inflow from operating activities:

	2001	2000
	$'000	$'000
Loss before tax	**(12,522)**	(3,734)
Share of results of an associate	**(156)**	(259)
Provision for impairment of an associate	**3,000**	–
Write-off of amount due from a related company	**1,917**	–
Interest income received from a related company	**(993)**	–
Loss on disposal of fixed assets	**3**	3
Unrealized loss (gain) on other investments	**2,782**	(855)
Dividend income from other investments	**(14)**	–
Depreciation	**297**	350
Interest expenses	**2,351**	2,254
Interest income	**(223)**	(160)
Decrease in debtors, prepayments and deposits	**12**	606
Increase in amounts due from related companies	**(721)**	(1,365)
Increase in amount due from shareholder	**(48)**	(60)
Increase in creditors and accrued liabilities	**366**	7,499
Increase (Decrease) in rental deposits received	**55**	(343)
Decrease in amount due to non-consolidated subsidiary	**–**	(12)
Net cash (outflow) inflow from operating activities	**(3,894)**	3,924

24. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

b. Analysis of changes in financing during the year was as follows:

	2001					2000
	Current portion of long-term bank loan	Long-term bank loan	Loans from related companies	Loans from shareholders	Total	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Beginning of year	1,198	18,236	9,787	11,579	40,800	22,879
Net cash inflow (outflow) from bank loan	240	(1,421)	–	–	(1,181)	11,712
Loan proceeds from related companies	–	–	2,800	–	2,800	2,083
Loan proceeds from shareholders	–	–	–	2,602	2,602	4,126
End of year	1,438	16,815	12,587	14,181	45,021	40,800

c. During the year, a related company transferred the ownership of certain investment properties with a value of approximately $905,000 to the Company as repayment of an amount due from the related company (Note 9).

25. BANKING FACILITIES AND PLEDGE OF ASSETS

As of April 30, 2001, the Group and the Company had available banking facilities of approximately $18,253,000 (2000 – $19,434,000), secured by certain of the investment properties and leasehold land and building of the Group located in Hong Kong with a net book value of approximately $43,548,000 (2000 – $43,548,000). Banking facilities were fully utilized as of April 30, 2001 and April 30, 2000.

26. CAPITAL COMMITMENTS

Pursuant to the contractual joint venture agreement dated April 19, 1995 for the organization of Berjaya-Huitong, the Group agreed to contribute capital of US$10,000,000 (equivalent to approximately $77,300,000) in total to the said contractual joint venture on or before May 12, 1997. Although the Group has yet to make the remaining capital contribution of US$1,592,568 (equivalent to approximately $12,300,000) as of April 30, 2001 (2000 – $12,300,000) to fulfill its commitment under the contractual joint venture agreement, in the opinion of the directors, no consequential exposures or liabilities are envisaged.

Berjaya-Huitong has contracted a builder to draft an industrial and commercial complex plan on its leasehold land in Pudong area of Shanghai. The contracted commitment not provided for in the financial statements as of April 30, 2001 was approximately $3,950,000 (2000 – $3,950,000).

27. PENSION SCHEME ARRANGEMENT

Since December 1, 2000, the Group has arranged for its employees in Hong Kong to join the Mandatory Provident Fund Scheme (the "MPF Scheme"). The MPF Scheme was introduced pursuant to the Mandatory Provident Fund legislation introduced during the year. Under the MPF Scheme, the Group and each of the employees make monthly contribution to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the employer's and the employees' contribution are subject to a cap of monthly earnings of $20,000. For those employees with monthly earnings less than $4,000, the employees' contributions are voluntary.

During the year, the aggregate amount of employer's contribution made by the Group to the MPF Scheme was approximately $48,000.

28. COMPARATIVE FIGURES

Certain of the 2000 comparative figures have been reclassified to conform to the current year's presentation.

In prior years, the results of operation and net assets of WHK Commodities, which operated as a commodities dealer in 1987 but has subsequently ceased trading, were not consolidated because the directors considered that it would be of no real value to consolidate the results of an inactive subsidiary with dissimilar activity with the other group companies. Because of the early adoption of Statement of Standard Accounting Practice Number 32 "Consolidated financial statements and accounting for investments in subsidiaries" issued by the Hong Kong Society of Accountants, WHK Commodities should not be excluded from consolidation on the basis of dissimilar activities. Accordingly, the financial statements of WHK Commodities are consolidated in the Group's financial statements in the current year.

This change in accounting policy has been applied retrospectively. However, there are no material adjustments to the individual line items of the consolidated financial statements including the opening deficits of the Group as of and for each of the years ended April 30, 2000 and 2001 as the financial statements of WHK Commodities do not contain any material balances and the company has been inactive for a number of years.