

Notes to the Financial Statements

For the Year ended 31st March, 2001

9. DIRECTORS' AND EMPLOYEES' REMUNERATION - continued

(b) Employees' emoluments

The aggregate emoluments of the five highest paid individuals of the Group for the year included three directors (2000: three directors) of the Company, whose emoluments are included in note 9(a) above. The aggregate emoluments of the remaining two (2000: two) highest paid individuals are as follows:

	2001 HK\$'000	2000 HK\$'000
Salaries and other benefits	1,510	1,521
Retirement benefits scheme and MPF contributions	79	78
	<u>1,589</u>	<u>1,599</u>

The emoluments of the above employees are within the following bands:

	Number of employees	
	2001	2000
Nil to HK\$1,000,000	1	2
HK\$1,000,001 to HK\$1,500,000	1	—
	<u>1</u>	<u>—</u>

Save as disclosed above, during the years ended 31st March, 2001 and 2000, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office.

In addition, during the years ended 31st March, 2001 and 2000, no directors waived any emoluments.

Notes to the Financial Statements

For the Year ended 31st March, 2001

10. FINANCE COSTS

	2001 HK\$'000	2000 HK\$'000
Interest payable on:		
Bank and other borrowings wholly repayable within five years	1,320	6,767
Bank and other borrowings not wholly repayable within five years	928	877
Convertible notes	1,299	2,095
Obligations under finance leases	26	26
	<u>3,573</u>	<u>9,765</u>
Total borrowing costs	3,573	9,765
Less: Amount capitalised in respect of properties under development	(637)	(3,920)
	<u>2,936</u>	<u>5,845</u>

11. INVESTMENT INCOME

	2001 HK\$'000	2000 HK\$'000
Dividend income from listed investments	76	23
Interest income from:		
Banks	4,197	2,755
Notes receivable	905	1,777
Convertible notes receivable	1,763	—
Others	3,910	3
	<u>10,851</u>	<u>4,558</u>

Notes to the Financial Statements

For the Year ended 31st March, 2001

12. TAXATION

	2001	2000
	HK\$'000	HK\$'000
The income tax expense comprises:		
Taxation of the Company and its subsidiaries		
Hong Kong Profits Tax		
- Current year	27	—
- Underprovision in a prior year	—	687
Underprovision of overseas taxation in a prior year	—	948
	<u>27</u>	<u>1,635</u>
Deferred taxation	<u>20</u>	<u>—</u>
	<u>47</u>	<u>1,635</u>

Hong Kong Profits Tax is calculated at the rate of 16% on the estimated assessable profit for the years.

No provision for Hong Kong Profits Tax has been made for the year ended 31st March, 2000 as the Company and its subsidiaries had no assessable profit for that year.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

Details of deferred taxation are set out in note 37.

13. NET LOSS FOR THE YEAR

Of the Group's net loss for the year of HK\$35,473,000 (2000: HK\$189,188,000), a net loss of HK\$39,177,000 (2000: HK\$147,889,000) has been dealt with in the financial statements of the Company.

14. LOSS PER SHARE

The calculation of the basic loss per share for the year is based on the net loss for the year of HK\$35,473,000 (2000: HK\$189,188,000) and on the weighted average number of 748,996,966 (2000: 468,949,663) ordinary shares in issue during the year.

No diluted loss per share has been calculated for the years ended 31st March, 2001 and 2000 as the exercise and conversion of the share options, warrants and convertible notes would result in a decrease in the loss per share for both years.

Notes to the Financial Statements

For the Year ended 31st March, 2001

15. INVESTMENT PROPERTIES

	THE GROUP HK\$'000
VALUATION	
At 1st April, 2000	38,360
Disposals	(20,000)
Transfer to properties held for resale	(10,500)
Deficit arising on valuation of investment properties	(180)
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At 31st March, 2001	<u>7,680</u>

The Group's investment properties, which are rented out or to be rented out under operating leases, were revalued at 31st March, 2001 by RHL Appraisal Ltd., an independent firm of professional property valuer, on an open market value basis at HK\$7,680,000. The deficit arising on revaluation of HK\$180,000 (2000: HK\$20,695,000) has been charged to the consolidated income statement.

	THE GROUP	
	2001	2000
	HK\$'000	HK\$'000
The Group's investment properties are held under the following lease terms:		
Long-term land use rights in the PRC	7,680	7,860
Long leases in Hong Kong	—	30,500
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	<u>7,680</u>	<u>38,360</u>

Notes to the Financial Statements

For the Year ended 31st March, 2001

16. PROPERTIES UNDER DEVELOPMENT

	THE GROUP	
	2001	2000
	HK\$'000	HK\$'000
The Group's properties under development are held under the following lease terms:		
Long leases in Hong Kong	—	68,804
Long-term land use rights in the PRC	—	60,096
	<u>—</u>	<u>128,900</u>
Less: Impairment losses recognised	—	(34,096)
	<u>—</u>	<u>94,804</u>

The Group disposed of all its properties under development during the year.

Included in the Group's properties under development at 31st March, 2000 was interest capitalised amounting to HK\$3,920,000.