

Notes to the Financial Statements

For the year ended 31st March 2001

4. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' Emoluments

- (1) Details of Directors' remuneration charged to the Group's profit and loss account are set out below:

	2001 HK\$'000	2000 <i>HK\$'000</i>
Fees	270	295
Basic salaries, housing and other allowances and benefits in kind	8,609	13,763
Contributions to mandatory provident fund	12	—
	8,891	14,058

The number of directors falls within emoluments bands as follows:

HK\$	2001	2000
Nil-1,000,000	4	4
1,000,001-1,500,000	2	1
2,500,001-3,000,000	—	1
3,000,001-3,500,000	2	1
5,500,001-6,000,000	—	1
	8	8

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For the year ended 31st March 2001

4. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' Emoluments (Continued)

(2) Share Options

Details of the share options granted by the Company to executive Directors are as follows:

	Granted on 24th October 1996 at an adjusted price of HK\$1.932 per share	Granted on 6th March 1997 at an adjusted price of HK\$1.575 per share	Total
At 31st March 2000	15,353,753	16,180,065	31,533,818
Reallocation	(874,717)	874,717	—
Adjustments	7,239,518	8,527,390	15,766,908
At 31st March 2001	21,718,554	25,582,172	47,300,726

The adjustments during the year represent amendments made in accordance with the Share Option Scheme to both the exercise prices and the number of options issued consequent on changes in shares issued during the year. No options were granted or exercised during the year.

(b) Other Senior Management's Emoluments

During the year, the five highest paid individuals included three directors (2000: four directors), details of whose emoluments are included above. The details of the remuneration of the remaining two (2000: one) highest paid individuals are set out below:

	2001 HK\$'000	2000 HK\$'000
Salaries, allowances and benefits in kind	2,623	427
Contributions to mandatory provident fund	8	—
	2,631	427

The remuneration of two highest paid individuals fell within the band of HK\$1,000,001 - HK\$1,500,000.

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5. TAXATION

	2001 HK\$'000	2000 <i>HK\$'000</i>
Group		
Hong Kong - profits tax provided for the year	76	—
- overprovision in prior years	—	(13)
Overseas - tax provided for the year	—	11,283
- under/(over) provision in prior years	1,134	(14,290)
	1,210	(3,020)
Listed associated company	—	670
Tax charge/(credit) for the year	1,210	(2,350)

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated Hong Kong source assessable profits for the year.

Group overseas tax has been provided at the applicable rates in the countries in which the Group operates.

Overseas dividends and certain rental and interest income are stated in these financial statements after deduction of applicable withholding taxes.

In respect of deferred taxation, the Group has not made provision for potential liabilities representing taxation in the event of future disposal of certain properties amounting to HK\$1,360,000 (2000: HK\$1,300,000).

6. PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to the shareholders is dealt with in the financial statements of the holding company to extent of a profit of HK\$6,259,000 (2000: Loss of HK\$310,877,000).

7. EARNINGS/(LOSS) PER SHARE

Earnings per share is calculated on profit attributable to shareholders amounting to HK\$195,000 (2000: Loss of HK\$90,672,000) and on the weighted average number of 611,761,549 shares in issue during the year (2000: 501,781,945 shares in issue during the year). There was no bonus element in the Open Offer in October 2000.

No diluted earnings per share have been presented for the years ended 31st March 2001 and 2000 as the exercise prices of the share options granted by the Company were higher than the fair value per share.

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For the year ended 31st March 2001

8. FIXED ASSETS

Group

	Investment Properties	Other Properties	Other Assets	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At Valuation	201,340	—	—	201,340
At Cost	9,540	3,775	13,806	27,121
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At 31st March 2000	210,880	3,775	13,806	228,461
Reclassification	3,775	(3,775)	—	—
Exchange Adjustment	(1,294)	—	(85)	(1,379)
Revaluation	6,525	—	—	6,525
Additions	—	—	916	916
Disposals	—	—	(1,534)	(1,534)
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At 31st March 2001	219,886	—	13,103	232,989
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Accumulated Depreciation				
At 31st March 2000	—	1,898	9,761	11,659
Reclassification	1,900	(1,900)	—	—
Exchange Adjustment	—	—	(64)	(64)
Charge for the year	—	2	1,119	1,121
Disposals	—	—	(1,363)	(1,363)
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At 31st March 2001	1,900	—	9,453	11,353
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Net Book Value				
At 31st March 2001	217,986	—	3,650	221,636
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At 31st March 2000	210,880	1,877	4,045	216,802
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Notes to the Financial Statements

For the year ended 31st March 2001

8. FIXED ASSETS (Continued)

Investment properties comprise the following:–

	2001 HK\$'000	2000 HK\$'000
At valuation:		
Leasehold properties in Hong Kong – long term	35,600	25,700
Leasehold properties in Hong Kong – medium term	166,000	167,500
Freehold properties in Thailand	6,846	8,140
	208,446	201,340
At cost:		
Long term leasehold properties in Mainland China	7,950	7,950
Freehold property in Myanmar	1,590	1,590
	9,540	9,540
	217,986	210,880

Investment properties have been valued as follows:

- a) Properties in Hong Kong as at 31st March 2001 by AA Property Services Limited, professional valuers, on an open market value basis.
- b) Properties in Thailand as at 21st May 1999 by Cushman & Wakefield (Thailand) Limited, professional valuers, on an open market value basis.
- c) The other properties which are stated at cost, have not been valued as the directors consider that any revaluation difference would not be significant to these financial statements.

Certain properties outside Hong Kong are registered in the names of nominees.

Other assets comprise furniture and fixtures and motor vehicles.

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For the year ended 31st March 2001

9. ASSOCIATES

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Group		
Unlisted associates, at cost	92,038	33,109
Goodwill written off to reserves	(5,188)	(5,188)
Attributable post acquisition reserves	(17,563)	11,478
Share of net assets	69,287	39,399
Amount due by associates	52,501	50,690
Amount due to associates	—	(5,858)
	121,788	84,231
Company		
Unlisted shares, at cost	—	2,902

Particulars of unlisted associates are as follows:

(a) Associates held by Group

Name of company	Main Activity	Country of incorporation/ registration	Percentage of ordinary shares held	Effective Group percentage
Bonalink Company Limited	Inactive	Hong Kong	33	33
Bonaview Company Limited	Inactive	Hong Kong	20	20
Easy Group (BVI) Holdings Ltd.	Investment	British Virgin Islands	28	28
Edin Development Limited	Inactive	Hong Kong	33	19
Global Gateway, L.P.	Telecom Infrastructure	United States	20	20
iShipExchange Corporation	e-procurement solutions providers	Cayman Islands	35	19
iShipExchange Limited	e-procurement platform services agent	Hong Kong	35	19
Strand Hotels International Limited	Hotel	British Virgin Islands	28	28
Winman Investment Limited	Real Estate	Hong Kong	35	35

(b) Associate held by the Company

Tidefull Investment Limited	Investment	Liberia	50	50
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Notes to the Financial Statements

For the year ended 31st March 2001

9. ASSOCIATES (Continued)

- (b) The Group owned 20% equity interest of Global Gateway, L.P., which was incorporated on 18th May 2000 and the principal activities of Global Gateway, L.P. are telecom infrastructure and related services.

The extracts of the financial information of Global Gateway, L.P., based on its unaudited consolidated financial statements for the period ended 31st March 2001, are set out below:

- (1) Results for the period ended 31st March 2001

	<i>US\$'000</i>
Turnover	1,566
Net loss	(4,853)

- (2) Summarised balance sheet at 31st March 2001

	<i>US\$'000</i>
Total assets	90,277
Total liabilities	(56,103)
Minority interest	(345)
	<hr/> 33,829
Partners' Equity	
Equity	38,715
Reserves	(4,886)
	<hr/> 33,829