

1 Principal Accounting Policies

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) BASIS OF PREPARATION

The accounts have been prepared under the historical cost convention as modified by the revaluation of investment properties, hotel properties and investment securities, and in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA").

Pursuant to the revised Statement of Standard Accounting Practice ("SSAP") No.2.114, "Leases", which was issued by the HKSA and became effective for accounting periods beginning on or after 1 July 2000, certain comparative figures have been restated.

(b) BASIS OF CONSOLIDATION

The Group accounts incorporate the accounts of the Company and all its subsidiary companies made up to 30 June and include the Group's share of the results for the year and undistributed post-acquisition reserves of associated companies and jointly controlled entities. The results of subsidiary companies acquired or disposed of during the year are dealt with in the consolidated profit and loss account from the effective dates of acquisition or to the effective dates of disposal respectively.

All material intra-group transactions, including unrealised profits arising from intra-group construction contracts, sales of properties and interest income on loans and advances, have been eliminated on consolidation.

The gain or loss on the disposal of a subsidiary company represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or capital reserve which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiary companies.

(c) GOODWILL AND CAPITAL RESERVE

Goodwill represents the excess of purchase consideration over fair values ascribed to the net assets of subsidiary companies, associated companies and jointly controlled entities acquired and is taken directly to reserves in the year of acquisition. Where the fair values ascribed to net assets of subsidiary companies, associated companies and jointly controlled entities acquired exceed the purchase consideration, such differences are taken to reserves in the year of acquisition.

1 Principal Accounting Policies (continued)

(d) SUBSIDIARY COMPANIES

A company is a subsidiary company if more than 50.0% of the voting capital is held for the long term or if the composition of the board of directors is controlled by the Group.

The Company's investments in subsidiary companies are carried at cost or at Directors' valuation less provision for any diminution in value other than temporary in nature. The results of subsidiary companies are accounted for by the Company on the basis of dividends received and receivable.

(e) ASSOCIATED COMPANIES

An associated company is a company other than a subsidiary company and a jointly controlled entity, in which the Group's interest is held for the long term and substantial and significant influence is exercised through representatives on the board of directors.

The Group's investments in associated companies are stated at the Group's share of net assets. The Company's investments in associated companies are carried at cost less provision for any diminution in value other than temporary in nature. Results of associated companies are accounted for by the Company only to the extent of dividends received and receivable.

(f) JOINTLY CONTROLLED ENTITIES

A jointly controlled entity is a joint venture established as a corporation, partnership or other entity in which the venturers have their respective interests and establish a contractual arrangement among them to define their joint control over the economic activity of the entity.

The Company's interests in jointly controlled entities are classified as long term investments and are stated at cost less provision for any diminution in value other than temporary in nature.

The Group's interests in jointly controlled entities are stated at cost plus the Group's share of their post-acquisition results and reserves, less provision for any diminution in value other than temporary in nature. The share of post-acquisition results and reserves is based on the relevant profit sharing ratios which vary according to the nature of the jointly controlled entities explained as follows:

(i) Equity joint ventures

Equity joint ventures are joint ventures in respect of which the venturers' capital contribution ratios are defined in the joint venture contracts and the venturers' profit sharing ratios are in proportion to the capital contribution ratios.

(ii) Co-operative joint ventures

Co-operative joint ventures are joint ventures in respect of which the venturers' profit sharing ratios and share of net assets upon the expiration of the joint venture periods are not in proportion to their capital contribution ratios but are as defined in the joint venture contracts. Where the Group is not entitled to share the net assets of a co-operative joint venture at the end of the joint venture period, the cost of investment in such co-operative joint venture is amortised over the joint venture period.

(iii) Companies limited by shares

Companies limited by shares are limited liability companies in respect of which each shareholder's beneficial interests therein is in accordance with the amount of the voting share capital held thereby.

1 Principal Accounting Policies (continued)

(g) JOINT VENTURES IN THE PEOPLE'S REPUBLIC OF CHINA

(i) Equity joint ventures

The Group's investments in these Sino-foreign joint ventures are accounted for as subsidiary companies (where the Group controls either the voting power or the composition of the board of directors) or as jointly controlled entities (where the Group and the other venturers of the equity joint ventures established joint control over the economic activity thereof).

(ii) Co-operative joint ventures

The Group's investments in these Sino-foreign joint ventures are accounted for as subsidiary companies (where the Group controls either the voting power or the composition of the board of directors) or as jointly controlled entities (where the Group and the other venturers of the co-operative joint ventures established joint control over the economic activity thereof).

(h) TURNOVER

Group turnover represents all revenues from rental, property sales, construction and engineering, hotel and restaurant operations, infrastructure operations, telecommunication services, department store operations, financial services, property management, security service, transportation and other services.

(i) REVENUE RECOGNITION

Revenue is recognised when it is probable that future economic benefits will accrue to the Group and these benefits can be measured reliably on the following bases:

(i) Rental income

Rental income is recognised on a straight line accrual basis over the terms of lease agreements.

(ii) Property sales

Revenue from sale of properties is recognised either when the sale agreement is completed or when the development is completed which is determined by the issuance of the relevant occupation permit, whichever is the later. Deposits and instalments received on properties sold prior to their completion are included in current liabilities.

(iii) Joint property development projects

Revenue from joint property development projects is recognised either when the sale agreement is completed or when the relevant project is completed which is determined by the issuance of occupation permit, whichever is the later and in the case of multi-phase development projects, on completion of a distinct phase.

(iv) Construction and engineering

Revenue from construction and engineering service contracts is recognised using the percentage of completion method when the contracts have progressed to a stage where a profitable outcome can be prudently foreseen and is measured by reference to the proportion of costs incurred for work performed to the balance sheet date as compared to the estimated total costs to completion. Anticipated losses on contracts are fully provided when identified.

1 Principal Accounting Policies (continued)

(i) REVENUE RECOGNITION (continued)

(v) Hotel and restaurant operations

Revenue from hotel and restaurant operations is recognised upon provision of the services.

(vi) Infrastructure operations

Toll revenue from road and bridge operations, income from cargo, container handling and storage are recognised when services are rendered.

(vii) Telecommunication services

Subscription fee and services income from provision of telecommunication services is recognised when services are rendered and based on the usage of the digital mobile radio telephone network and facilities. Revenue from sale of telecommunication equipment and accessories is recognised when goods are delivered and title has passed. Telecommunication revenue in respect of standard service plans billed in advance at year end is deferred and recognised on a straight line basis over the relevant service agreement period.

(viii) Service fee income

Property management service fee, property letting agency fee, transportation service fees and security service fee are recognised when services are rendered.

(ix) Sale of goods

Income from sale of goods in the department store operations is recognised upon delivery of goods.

(x) Interest income

Interest income is recognised on a time proportion basis. Interest received and receivable in respect of loan financing provided to associated companies, equity and co-operative joint ventures (where they are not accounted for as subsidiary companies) during their pre-operational period are deferred and amortised over the repayment periods.

(xi) Income from investments in fixed return joint ventures

Income from investments in and loans to fixed return joint ventures is recognised on an accrual basis so as to provide a constant return on the investment and loan balance (net of capital repayments) on a combined basis, over the joint venture periods.

(xii) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

1 Principal Accounting Policies (continued)

(j) ASSETS UNDER LEASES

(i) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in long term liabilities. The finance charges are charged to the profit and loss account over the lease periods.

Assets held under finance leases are depreciated on the basis described in Note 1(k)(iv).

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight line basis over the lease periods.

(k) FIXED ASSETS

(i) Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and are held for their investment potential. Investment properties are stated at their open market value based on an annual professional valuation at the balance sheet date. Increases in valuation are credited to the investment property revaluation reserve; decreases are first set off against earlier revaluation surpluses on a portfolio basis and thereafter charged to the profit and loss account. Upon sale of an investment property, the revaluation surplus realised is transferred to operating profit. No depreciation is provided on investment properties held on leases of more than twenty years.

(ii) Hotel properties

Hotel properties are interests in land and buildings and their integral fixed plant which are collectively used in the operation of hotel. They are stated in the balance sheet at their open market value on the basis of an annual professional valuation. No depreciation is provided on hotel properties held on leases of more than twenty years. It is the Group's practice to maintain the buildings in a continual state of sound repairs and to make improvements thereto from time to time and accordingly, the Directors consider that given the estimated lives of the hotel properties, any depreciation would be insignificant due to their high residual value. Such expenditure on repairs and improvements is charged to profit and loss account in the year in which they are incurred.

(iii) Assets under construction

All direct and indirect costs relating to the construction of fixed assets including financing costs and foreign exchange differences on the related borrowed funds during the construction period are capitalised as the costs of the fixed assets.

1 Principal Accounting Policies (continued)

(k) FIXED ASSETS (continued)

(iv) Depreciation

No depreciation is provided on assets under construction.

Depreciation of toll roads and toll bridges is provided for on sinking fund method or straight line method. For the sinking fund method, annual depreciation amounts compounded at rates ranging from 2% to 9% per annum will equal the costs of the relevant toll roads and toll bridges at the expiry of the relevant joint venture periods. Certain toll roads and toll bridges are depreciated at rates sufficient to write off their costs on a straight line basis over their toll collection periods ranging from 22 to 29 years.

Other fixed assets are stated at cost or carrying value. Depreciation of other fixed assets is calculated to write off their cost or carrying value over their estimated useful lives or, if shorter, the relevant finance lease periods, using the straight line method. Estimated useful lives are summarised as follows:

Land held on long lease	Unexpired period of the lease
Buildings held on long lease land	40 years
Land and buildings held on medium term lease	Unexpired period of the lease
Port facilities	7 to 44 years
Other assets	3 to 14 years

(v) Gain or loss on disposal of fixed assets

The gain or loss on disposal of a fixed asset other than investment properties and hotel properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. The relevant revaluation reserve balance is transferred to retained earnings and is shown as a movement in reserves.

(vi) Maintenance of carrying values of fixed assets

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group. The carrying amounts of fixed assets are reviewed regularly to assess whether their recoverable amounts have declined below their carrying amounts. Expected future cash flows have not been discounted in determining the recoverable amount.

1 Principal Accounting Policies (continued)

(l) OTHER INVESTMENTS

Other investments are long term investments other than subsidiary companies, associated companies and jointly controlled entities.

(i) Investment securities

Investment securities are held for non-trading purpose and are stated at fair value at the balance sheet date using the alternative method under the provisions of SSAP No. 2.124 issued by the HKSA. Fair value is estimated by the Directors by reference to market price or, in case of unquoted investments, net asset value of the respective investment. Changes in fair value of individual securities are credited or debited to the asset revaluation reserve until the security is sold. Where the Directors determine that there is an impairment loss, it is removed from the asset revaluation reserve and recognised in the profit and loss account.

Upon disposal, the gain or loss representing the difference between net sales proceeds and the carrying amount of the relevant security, together with any surplus/deficit transferred from the asset revaluation reserve, is dealt with in the profit and loss account. Impairment loss previously transferred from the asset revaluation reserve to the profit and loss account are written back in the profit and loss account when the circumstances and events leading to the impairment cease to exist.

(ii) Investments in joint development projects

Investments in joint development projects are stated at cost less accumulated amortisation and provision for any diminution in value other than temporary in nature. Cost includes development costs and other charges capitalised during the course of development. Amortisation is provided on a straight line basis over the terms of the respective projects.

(iii) Fixed return joint ventures

Where investment income derived from investments in and loans to joint ventures is predetermined in accordance with the provisions of the joint venture contracts for a substantial portion of the joint venture period, these co-operative joint ventures are accounted for as fixed return joint ventures. Fixed return joint ventures are carried at cost less capital repayments received.

(m) PROPERTIES HELD FOR SALE, STOCKS AND CONTRACTS IN PROGRESS

Properties held for sale are valued at cost comprising land cost, development expenditure, professional fees and interest capitalised less any provision for possible loss.

Stocks are valued at the lower of cost and net realisable value. Cost is calculated on the weighted average basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

Contracts in progress is stated at cost plus attributable profits recognised on the basis set out in Note 1 (i)(iv) above, less provision for anticipated losses and progress payments received and receivable.

1 Principal Accounting Policies (continued)

(n) DEFERRED TAXATION

Deferred taxation is accounted for at current tax rates in respect of timing differences between profits as computed for taxation purposes and profits as stated in the accounts to the extent that a liability or asset is expected to be payable or recoverable in the foreseeable future.

(o) CAPITALISATION OF INTEREST AND FINANCE CHARGES

Interest and finance charges on borrowings relating to construction in progress and properties under development, after elimination of intra-group interest charges, are included in the project cost and cost of development during the relevant period of construction and development respectively.

Borrowing costs and foreign exchange differences which are deemed borrowing costs incurred by the Group on the related borrowed funds which have been used to finance the construction of fixed assets by the associated companies and jointly controlled entities, are capitalised as the carrying value of these associated companies and jointly controlled entities.

(p) PENSIONS AND RETIREMENT BENEFITS

(i) Defined contribution schemes

The Group's contributions to these schemes are expensed as incurred.

(ii) Defined benefit schemes

Retirement benefit expenses are charged to the profit and loss account as incurred and are determined based on the value of the retirement scheme assets and the actuarial valuation of accrued pension obligations. The Group has an obligation to ensure that there are sufficient funds in these plans to pay the benefits earned. The annual contributions are determined by a qualified actuary using the projected unit credit method.

(q) FOREIGN CURRENCIES

Foreign currency transactions during the year are converted at exchange rates ruling at the transaction dates. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies and the accounts of overseas subsidiary companies, associated companies and jointly controlled entities are translated into Hong Kong dollars at exchange rates ruling at that date. Exchange differences arising from the translation of the accounts of overseas subsidiary companies, associated companies and jointly controlled entities are dealt with through reserves. All other exchange differences are included in the determination of operating profit, other than those dealt with in Note 1 (k)(iii) and (o).

2 Turnover and Operating Profit before Financing Costs and Income

	Turnover		Operating profit before financing costs and income	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Rental income	1,716.0	1,838.3	868.7	1,097.7
Property sales	4,898.4	2,675.1	183.3	(1,237.9)
Construction and engineering	8,516.8	8,949.4	333.1	462.5
Hotel and restaurant operations	2,571.8	2,360.9	811.8	435.7
Infrastructure operations	788.1	719.4	(239.6)	798.2
Telecommunication services	2,929.7	2,890.2	(97.0)	(41.6)
Others	4,624.7	3,800.2	172.9	1,124.0
	26,045.5	23,233.5	2,033.2	2,638.6
Intra-group transactions				
Rental income	(208.4)	(201.8)	–	–
Property sales	–	(852.1)	–	–
Construction and engineering	(1,318.8)	(1,529.1)	–	–
Telecommunication services	(6.9)	(11.2)	–	–
Others	(129.0)	(104.1)	–	–
	24,382.4	20,535.2	2,033.2	2,638.6
Principal markets				
Hong Kong and Southeast Asia	19,532.7	16,974.3	1,169.6	2,594.2
Mainland China	4,849.7	3,560.9	890.2	(665.8)
Overseas	–	–	(26.6)	710.2
	24,382.4	20,535.2	2,033.2	2,638.6

The turnover derived from the Group's overseas activities comprised less than 10% of the Group's turnover.

The turnover and operating profit before financing costs and income derived from the Group's activities in Southeast Asia comprised less than 10% of the Group's turnover and operating profit before financing costs and income.

3 Other Revenues

	2001	2000
	HK\$m	HK\$m
Dividend income from investments in		
Listed shares	30.9	31.8
Unlisted shares	3.6	373.7
	34.5	405.5

4 Other (Charge)/Income

	2001	2000
	HK\$m	HK\$m
Forfeiture of deposits for sale of investments	–	322.4
Loss on dilution of interests in a subsidiary company	(22.9)	(1,642.6)
Loss on disposal of		
Associated companies	(426.1)	–
Jointly controlled entities	(5.5)	(20.2)
Other investments	(194.2)	–
Subsidiary companies	(8.4)	(12.5)
Profit on disposal of		
An associated company	121.2	–
A jointly controlled entity	99.4	–
Other investments	182.4	1,296.8
Subsidiary companies	65.3	387.5
Profit on repurchase of convertible bonds	1.8	25.5
Surplus on liquidation of subsidiary companies	7.7	–
Surplus on liquidation of an associated company	1.8	–
Provision for advances to joint ventures	(312.6)	(65.4)
Provision for diminution in value of properties held for sale	(221.7)	–
Provision for investment in		
A jointly controlled entity	–	(18.0)
A joint development project	(40.0)	–
Listed shares	(109.7)	(65.4)
Unlisted shares	(203.9)	(185.2)
Write back of provision for		
Advance to an associated company	5.0	–
Diminution in value of properties held for sale	231.0	–
Unlisted investment	12.5	–
	(816.9)	22.9

5 Financing Costs

	2001	2000
	HK\$m	HK\$m
Interest on bank loans and overdrafts	2,100.6	2,041.8
Interest on other loans wholly payable within five years	17.1	19.5
Interest on finance leases	4.1	5.3
Interest on convertible bonds	209.7	216.2
Provision for premium on redemption of convertible bonds	188.0	148.8
Interest on loans from minority shareholders	106.9	112.9
Total borrowing costs incurred	2,626.4	2,544.5
Interest capitalised as cost of		
Fixed assets	(65.3)	(91.6)
Jointly controlled entities	(10.0)	(10.1)
Properties under development	(99.9)	(140.2)
	2,451.2	2,302.6

6 Operating Profit

Operating profit of the Group is arrived at after crediting and charging the following:

	2001	2000
	HK\$m	HK\$m
Crediting		
Gross rental income from investment properties	1,675.2	1,805.4
Outgoings	(211.0)	(206.4)
	1,464.2	1,599.0
Charging		
Auditors' remuneration	31.7	30.2
Cost of inventories sold	5,894.0	3,190.3
Depreciation		
Leased fixed assets	6.7	6.9
Owned fixed assets	1,041.3	873.0
Loss on disposal of fixed assets	10.7	56.9
Operating lease rental expense		
Land and buildings	386.9	315.3
Other equipment	31.1	33.1
Retirement benefit costs	118.7	93.0
Staff costs	3,914.6	3,631.4

7 Taxation

	2001	2000
	HK\$m	HK\$m
Company and subsidiary companies		
Hong Kong profits tax	249.8	329.7
Overseas taxation	38.7	44.6
Deferred taxation	6.5	(4.8)
	295.0	369.5
Associated companies		
Hong Kong profits tax	71.1	61.3
Overseas taxation	42.1	58.5
	113.2	119.8
Jointly controlled entities		
Hong Kong profits tax	29.5	22.3
Overseas taxation	57.2	55.6
	86.7	77.9
	494.9	567.2

Hong Kong profits tax is provided at the rate of 16% (2000:16%) on the estimated assessable profits for the year. Tax on overseas profits has been calculated on the estimated taxable profits for the year at the rate of taxation prevailing in the countries in which the Group operates.

8 Profit Attributable to Shareholders

Profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$773.6 million (2000: HK\$199.9 million).

9 Dividends

	2001	2000
	HK\$m	HK\$m
Interim dividend paid of HK\$0.10 (2000: HK\$0.10) per share	212.3	213.1
Proposed final dividend of HK\$0.10 (2000: HK\$0.10) per share	213.4	211.4
	425.7	424.5
Of which the following were settled by the issue of scrip:		
Interim dividend	108.2	103.1
Final dividend	*	96.3

* Full provision has been made for the 2001 final dividend on the basis that all shareholders will elect to receive cash, being the alternative to their entitlements to the scrip dividend.

10 Earnings Per Share

The calculation of basic earnings per share is based on profit of HK\$220.5 million (2000: HK\$215.0 million) and the weighted average of 2,119.0 million (2000: 2,125.5 million) shares in issue during the year.

No dilution was resulted on the earnings per share for the current year and the previous year after taking into account the potential dilutive effect of the conversion of the outstanding convertible bonds.

11 Emoluments of Directors and Senior Management

Details of the emoluments paid to the Directors are as follows:

	2001	2000
	HK\$m	HK\$m
Fees	1.5	1.5
Salaries and other emoluments	25.7	24.4
Contributions to retirement benefits	1.2	0.7
	28.4	26.6

11 Emoluments of Directors and Senior Management (continued)

The emoluments of the Directors fell within the following bands:

Emolument band (HK\$)	Number of directors	
	2001	2000
0 – 1,000,000	9	9
2,500,001 – 3,000,000	–	1
3,000,001 – 3,500,000	2	1
3,500,001 – 4,000,000	1	2
4,000,001 – 4,500,000	1	–
13,000,001 – 13,500,000	1	1
	14	14

Fees disclosed above include HK\$0.3 million (2000: HK\$0.3 million) paid to independent non-executive directors. There were no other emoluments paid to independent non-executive directors. None of the directors has waived the right to receive his emoluments.

The five individuals whose emoluments were the highest in the Group for the year include three directors (2000: three directors) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2000: two) individuals during the year are as follows:

	2001	2000
	HK\$m	HK\$m
Salaries and other emoluments	7.1	7.4
Contributions to retirement benefits	0.6	0.1
	7.7	7.5

The emoluments fell within the following bands:

Emolument band (HK\$)	Number of individuals	
	2001	2000
3,500,001 – 4,000,000	1	2
4,000,001 – 4,500,000	1	–
	2	2

12 Fixed Assets

	Group						Total HK\$m
	Investment properties HK\$m	Hotel properties HK\$m	Land and buildings HK\$m	Toll roads, bridges and port facilities HK\$m	Other assets HK\$m	Assets under construction HK\$m	
Cost or valuation							
At 1.7.2000	17,321.6	9,415.0	3,118.3	6,112.3	6,665.6	4,954.7	47,587.5
Translation difference	–	–	(53.8)	–	(17.4)	–	(71.2)
Acquisition of subsidiary companies	–	–	46.0	–	22.2	9.2	77.4
Disposal of subsidiary companies	–	–	(91.3)	(180.0)	(196.9)	(37.7)	(505.9)
Additions	99.7	–	125.9	3.1	929.1	1,685.2	2,843.0
Reclassification	(159.0)	–	454.1	722.3	311.7	(1,329.1)	–
Disposals	–	–	(12.8)	(0.3)	(105.2)	–	(118.3)
Revaluation (deficit)/surplus	(335.0)	539.0	–	–	–	–	204.0
At 30.6.2001	16,927.3	9,954.0	3,586.4	6,657.4	7,609.1	5,282.3	50,016.5
Accumulated depreciation							
At 1.7.2000	–	–	251.1	496.8	2,283.3	–	3,031.2
Translation difference	–	–	(7.6)	–	(9.0)	–	(16.6)
Acquisition of subsidiary companies	–	–	9.7	–	8.6	–	18.3
Disposal of subsidiary companies	–	–	(8.5)	(5.4)	(48.8)	–	(62.7)
Charge for the year	–	–	94.7	191.6	761.7	–	1,048.0
Written back on disposals	–	–	(0.9)	–	(83.7)	–	(84.6)
At 30.6.2001	–	–	338.5	683.0	2,912.1	–	3,933.6
Net book value							
At 30.6.2001	16,927.3	9,954.0	3,247.9	5,974.4	4,697.0	5,282.3	46,082.9
At 30.6.2000	17,321.6	9,415.0	2,867.2	5,615.5	4,382.3	4,954.7	44,556.3

12 Fixed Assets (continued)

	Company			Total HK\$m
	Investment properties HK\$m	Land and buildings HK\$m	Other assets HK\$m	
Cost or valuation				
At 1.7.2000	30.2	3.9	3.3	37.4
Disposals	–	(0.9)	–	(0.9)
Revaluation surplus	0.4	–	–	0.4
At 30.6.2001	30.6	3.0	3.3	36.9
Accumulated depreciation				
At 1.7.2000	–	0.8	1.3	2.1
Charge for the year	–	0.1	0.7	0.8
Written back on disposals	–	(0.2)	–	(0.2)
At 30.6.2001	–	0.7	2.0	2.7
Net book value				
At 30.6.2001	30.6	2.3	1.3	34.2
At 30.6.2000	30.2	3.1	2.0	35.3

12 Fixed Assets (continued)

Cost or valuation of properties at 30 June 2001 was made up as follows:

	Group				Company			
	2001		2000		2001		2000	
	At cost/ carrying value HK\$m	At 2001 professional valuation HK\$m	At cost/ carrying value HK\$m	At 2000 professional valuation HK\$m	At cost/ carrying value HK\$m	At 2001 professional valuation HK\$m	At cost/ carrying value HK\$m	At 2000 professional valuation HK\$m
Investment properties								
Hong Kong long lease	-	14,811.9	-	15,094.5	-	30.6	-	30.2
Hong Kong medium lease	-	902.6	-	944.9	-	-	-	-
Overseas long lease	-	84.1	-	82.2	-	-	-	-
Overseas medium lease	-	1,128.7	-	1,200.0	-	-	-	-
	-	16,927.3	-	17,321.6	-	30.6	-	30.2
Hotel properties								
Hong Kong long lease	-	9,954.0	-	9,415.0	-	-	-	-
Land and buildings								
Hong Kong long lease (Note a)	938.1	-	938.1	-	0.7	-	0.7	-
Hong Kong medium lease	874.1	-	886.6	-	2.3	-	3.2	-
Hong Kong short lease	33.1	-	33.1	-	-	-	-	-
Overseas long lease	28.5	-	309.3	-	-	-	-	-
Overseas medium lease (Note a)	1,707.1	-	945.7	-	-	-	-	-
Overseas freehold	5.5	-	5.5	-	-	-	-	-
	3,586.4	-	3,118.3	-	3.0	-	3.9	-
	3,586.4	26,881.3	3,118.3	26,736.6	3.0	30.6	3.9	30.2

(a) Included in the Group's land and buildings are properties transferred from investment properties at carrying value of HK\$985.0 million (2000: HK\$826.0 million) at professional valuations at dates of transfer.

(b) The investment properties and hotel properties were revalued on 30 June 2001 on an open market value basis by Chesterton Petty Limited and Vigers Hong Kong Limited, independent professional property valuers.

Toll roads, bridges and port facilities, assets under construction and other assets comprising plant, machinery, equipment, telecommunication network and equipment, port facilities and terminal equipment, furniture, fixtures, buses and coaches and motor vehicles, are stated at cost.

(c) The aggregate net book value of assets pledged as securities for loans amounts to HK\$11,687.6 million (2000: HK\$6,126.5 million).

(d) The net book value of fixed assets includes other assets held under finance leases amounting to HK\$42.5 million (2000: HK\$60.5 million).

13 Subsidiary Companies

	2001	2000
	HK\$m	HK\$m
Unlisted shares, at cost	5,603.8	3,712.9
Provision for diminution in value other than temporary in nature	(605.1)	(605.1)
	4,998.7	3,107.8
Listed shares in Hong Kong, at cost	12,087.3	12,081.0
At Directors' valuation in 1972	72.0	72.0
	17,158.0	15,260.8
Amounts due by subsidiary companies less provision	37,693.9	39,330.9
	54,851.9	54,591.7
Amounts due to subsidiary companies	(24,702.8)	(24,945.3)
	30,149.1	29,646.4
Market value of listed shares	3,844.5	2,321.0

Details of principal subsidiary companies are given in Note 36.

14 Associated Companies

	Group		Company	
	2001	2000	2001	2000
	HK\$m	HK\$m	HK\$m	HK\$m
Group's share of net assets				
Listed shares in Hong Kong	657.5	1,485.1	–	–
Unlisted shares	2,797.1	2,461.7	35.2	35.8
	3,454.6	3,946.8	35.2	35.8
Amounts due by associated companies (Note a)	3,718.8	3,728.5	317.2	236.1
Amounts due to associated companies (Note b)	(87.1)	(73.2)	(20.9)	(22.4)
	3,631.7	3,655.3	296.3	213.7
	7,086.3	7,602.1	331.5	249.5
Market value of listed shares	1,418.5	996.4	–	–

14 Associated Companies (continued)

(a) Amounts due by associated companies are analysed as follows:

	Group	
	2001 HK\$m	2000 HK\$m
Interest bearing		
Fixed rates (Note (i))	50.7	5.5
Variable rates (Note (ii))	1,140.9	649.6
Non-interest bearing (Note (iii))	2,527.2	3,073.4
	3,718.8	3,728.5

(i) Fixed rates represent interest rates ranging from 8% to 8.5% per annum.

(ii) Variable rates represent interest rates ranging from 1.25% above Hong Kong Interbank Offered Rate to 2% above Hong Kong prime rate.

(iii) The balance included amounts totalling HK\$317.2 million (2000: HK\$236.1 million) due to the Company.

The amounts are unsecured and have no fixed terms of repayment.

(b) The amounts due to associated companies are unsecured, interest free and repayable on demand.

(c) Dividends received and receivable by the Group from associated companies were HK\$298.9 million (2000: HK\$623.2 million).

(d) Details of principal associated companies are given in Note 37.

15 Jointly Controlled Entities

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Equity joint ventures				
Group's share of net assets	758.9	585.4	65.9	197.1
Amounts due by joint ventures				
less provision (Note b)	708.1	821.5	–	–
Amounts due to joint ventures				
(Note c)	(52.4)	(14.0)	–	–
	1,414.6	1,392.9	65.9	197.1
Co-operative joint ventures (Note a)				
Cost of investment less provision	5,443.1	6,082.0	13.0	167.0
Share of undistributed				
post-acquisition results	155.6	87.8	–	–
Amounts due by joint ventures				
less provision (Note b)	7,721.2	9,574.7	–	–
Amounts due to joint ventures				
(Note c)	(23.5)	(35.3)	–	–
	13,296.4	15,709.2	13.0	167.0
Companies limited by shares				
Group's share of net assets (Note a)	2,998.0	2,587.4	–	–
Subordinated loans (Note b)	373.0	363.3	–	–
Amounts due by investee				
companies (Note b)	7,239.1	6,899.3	1,561.6	1,490.4
Amounts due to investee				
companies (Note c)	(885.6)	(551.5)	–	–
	9,724.5	9,298.5	1,561.6	1,490.4
Deposits paid for joint ventures (Note d)	1,089.4	1,334.8	13.7	13.7
	25,524.9	27,735.4	1,654.2	1,868.2

(a) The Group's interests in certain co-operative joint ventures and a subsidiary company in the PRC have been pledged as securities for bank loan facilities granted to the Group. As at the balance sheet date, the outstanding amount under the bank loan facilities was approximately HK\$869.6 million (2000: HK\$601.0 million).

The shares in a jointly controlled entity are pledged as part of the security for credit facilities of HK\$1,750.0 million (2000: HK\$1,750.0 million) granted to a jointly controlled entity of which HK\$498.0 million (2000: HK\$757.0 million) had been utilised as at the balance sheet date.

15 Jointly Controlled Entities (continued)

(b) Subordinated loans and amounts due by jointly controlled entities are analysed as follows:

	Subordinated loans		Amounts due by jointly controlled entities	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Interest bearing				
Fixed rates (Note (i))	19.0	19.0	4,945.6	7,606.3
Variable rates (Note (ii))	–	–	2,646.3	1,531.0
Non-interest bearing (Note (iii))	354.0	344.3	8,076.5	8,158.2
	373.0	363.3	15,668.4	17,295.5

- (i) Fixed rates represent interest rates ranging from 4% to 15% per annum.
- (ii) Variable rates represent interest rates ranging from Hong Kong prime rate to 1.5% above the Hong Kong prime rate.
- (iii) The balance included an amount of HK\$1,561.6 million (2000: HK\$1,490.4 million) due by a jointly controlled entity to the Company.

The repayment terms of the amounts due by jointly controlled entities are specified in the relevant joint venture agreements.

- (c) The amounts due to jointly controlled entities are unsecured, interest free and repayable on demand.
- (d) The balances represent advances paid in respect of proposed joint ventures for which the jointly controlled entities have not yet been established as at the year end date and only preliminary agreements have been signed. Upon the completion of the relevant joint venture contracts and the establishment of the respective jointly controlled entities, the relevant amounts will be reclassified to joint venture balances.
- (e) Dividends received and receivable from jointly controlled entities were HK\$678.1 million (2000: HK\$431.0 million).
- (f) Particulars of principal jointly controlled entities are given in Note 38.

16 Other Investments

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Unlisted shares, at fair value	1,685.0	1,711.2	387.6	399.8
Listed shares, at market value				
Hong Kong	434.3	1,117.1	–	46.0
Overseas	760.4	2,269.6	–	–
	1,194.7	3,386.7	–	46.0
Investment in joint development projects				
At cost less provision and amortisation	1,297.2	1,372.4	–	–
Fixed return joint ventures				
Cost of investment	1,232.7	1,229.1	–	–
Amounts due by joint ventures	2,386.0	2,245.9	–	–
	3,618.7	3,475.0	–	–
	7,795.6	9,945.3	387.6	445.8

Amounts due by joint ventures totalling HK\$2,084.6 million (2000: HK\$2,056.4 million) carry interest at 10% per annum. The remaining balance is non-interest bearing. All balances are unsecured, and have repayment terms as specified in the relevant joint venture agreements.

17 Long Term Receivables

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Accounts receivable	820.3	272.5	–	–
Other loans	186.6	239.8	–	–
	1,006.9	512.3	–	–
Amounts receivable within one year included in current assets	(467.5)	(38.4)	–	–
	539.4	473.9	–	–

18 Properties Held for Sale

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Properties under development, at cost less provision	13,886.4	14,720.3	–	–
Completed properties, at cost less provision	1,442.3	379.4	–	–
Joint development projects, at cost less provision	7,080.3	8,588.6	843.5	381.5
	22,409.0	23,688.3	843.5	381.5

The aggregate carrying value of properties under development and completed properties pledged as securities for loans and banking facilities amounted to HK\$461.1 million and 487.5 million respectively (2000: HK\$218.2 million and Nil).

19 Stocks

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Raw materials	605.2	40.4	–	–
Work-in-progress	14.7	11.9	–	–
Finished goods	55.5	122.0	–	–
Merchandise	120.4	173.9	–	–
	795.8	348.2	–	–

At 30 June 2001, the amount of stocks carried at net realisable value amounted to HK\$31.0 million (2000: HK\$15.0 million).

20 Debtors and Prepayments

- (a) At 30 June 2001, the retention receivable for contracts in progress amounting to HK\$627.4 million (2000: HK\$562.7 million) has been included in debtors and prepayments.
- (b) Debtors and prepayments include trade debtors, amounts advanced to investee companies, deposits and prepayments. The Group has various credit policies for different business operations depending on the requirements of the markets and businesses in which the subsidiary companies operate. Sales proceeds receivable from sale of properties and retention money receivables in respect of construction and engineering services are settled in accordance with the terms of respective contracts. Ageing analysis of trade debtors is as follows:

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Current to 30 days	2,296.6	2,125.8	–	–
31 to 60 days	354.4	338.5	–	–
Over 60 days	2,214.5	2,192.1	–	–
	4,865.5	4,656.4	–	–

21 Cash and Bank Balances

Restricted bank balances are funds which are pledged to secure for certain short term loans and long term loans in Note 27.

22 Creditors and Accrued Charges

- (a) At 30 June 2001, advances received from customers for contracts in progress amounting to HK\$71.9 million (2000: HK\$24.8 million) has been included in creditors and accrued charges.

22 Creditors and Accrued Charges (continued)

(b) Included in creditors and accrued charges are trade creditors with their ageing analysis as follows:

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Current to 30 days	3,335.1	2,925.7	–	–
31 to 60 days	483.8	466.4	–	–
Over 60 days	2,085.2	2,206.1	–	–
	5,904.1	5,598.2	–	–

23 Contracts in Progress

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Contract costs incurred plus attributable profits less foreseeable losses to date	15,187.1	15,917.8	–	–
Progress payments received and receivable	(16,069.9)	(16,836.2)	–	–
	(882.8)	(918.4)	–	–
Representing:				
Gross amount due from customers for contract work	234.4	382.1	–	–
Gross amount due to customers for contract work	(1,117.2)	(1,300.5)	–	–
	(882.8)	(918.4)	–	–

24 Share Capital

	2001	2001	2000	2000
	No. of shares	HK\$m	No. of shares	HK\$m
	(million)		(million)	
Authorised:				
Shares of HK\$1.00 each				
Balance at 30 June	2,500.0	2,500.0	2,500.0	2,500.0
Issued and fully paid:				
Shares of HK\$1.00 each				
Balance at 1 July	2,114.1	2,114.1	2,127.8	2,127.8
Repurchase of shares	–	–	(37.7)	(37.7)
Issued as scrip dividends (Note a)	19.8	19.8	24.0	24.0
Conversion of bonds (Note b)	0.1	0.1	–	–
Balance at 30 June	2,134.0	2,134.0	2,114.1	2,114.1

(a) During the year, 8,703,824 and 11,136,813 new shares were issued at HK\$11.0677 and HK\$9.7194 per share for the settlement of 2000 final scrip dividend and 2001 interim scrip dividend respectively.

In 2000, 10,238,119 and 13,684,959 new shares were issued at HK\$14.55 and HK\$7.5272 per share for the settlement of 1999 final scrip dividend and 2000 interim scrip dividend respectively.

(b) During the year, 65,923 new shares were issued upon conversion of bonds issued by a subsidiary company at the conversion price of HK\$35.15 per share.

25 Reserves

	Group						
	Capital redemption reserve	Share premium	Asset revaluation reserve (Note a)	Capital reserve	General reserve	Retained profits	Total
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Balance as at 1.7.1999	–	18,632.8	19,339.8	–	197.1	16,193.1	54,362.8
Scrip dividends	–	228.1	–	–	–	–	228.1
Share issue expenses	–	(0.3)	–	–	–	–	(0.3)
Repurchase of own shares	37.7	–	–	–	–	(365.0)	(327.3)
Investment and hotel properties revaluation surplus for the year 2000	–	–	949.9	–	–	–	949.9
Share of revaluation surplus/(deficit) of associated companies	–	–	91.1	–	–	–	91.1
jointly controlled entities	–	–	(102.4)	–	–	–	(102.4)
Capital reserve on acquisition of additional interests in subsidiary companies	–	–	–	545.0	–	–	545.0
Capital reserve released upon disposal of subsidiary companies	–	–	–	(2.9)	–	–	(2.9)
Reserves arising from reorganisation (Note c)	–	–	–	334.4	–	–	334.4
Goodwill on acquisition of subsidiary companies	–	–	–	(36.0)	–	–	(36.0)
additional interests in subsidiary companies	–	–	–	(107.6)	–	–	(107.6)
associated companies	–	–	–	(89.7)	–	–	(89.7)
additional interests in associated companies	–	–	–	(37.4)	–	–	(37.4)
Release of goodwill upon disposal of subsidiary companies	–	–	–	1.7	–	–	1.7
dilution of interests in subsidiary companies	–	–	–	42.7	–	–	42.7
Investment revaluation surplus for the year 2000	–	–	765.1	–	–	–	765.1
Investment revaluation surplus written back on disposal	–	–	(678.2)	–	–	–	(678.2)
Investment impairment loss charged to profit and loss account	–	–	150.7	–	–	–	150.7
Share of capital reserve/(goodwill) of associated companies	–	–	–	304.5	–	–	304.5
a jointly controlled entity	–	–	–	(108.0)	–	–	(108.0)
Transfer from retained profits for (capital reserve)/goodwill previously written off thereto	–	–	–	(31.8)	–	31.8	–
Profit for the year 2000	–	–	–	–	–	215.0	215.0
Transfer to general reserve	–	–	–	–	8.9	(8.9)	–
Translation difference	–	–	–	–	–	17.3	17.3
Dividends	–	–	–	–	–	(424.5)	(424.5)
Balance as at 30.6.2000	37.7	18,860.6	20,516.0	814.9	206.0	15,658.8	56,094.0
Retained by:							
Company and subsidiary companies	37.7	18,860.6	19,975.1	618.4	206.0	16,483.4	56,181.2
Associated companies	–	–	409.1	304.5	–	(699.3)	14.3
Jointly controlled entities	–	–	131.8	(108.0)	–	(125.3)	(101.5)
	37.7	18,860.6	20,516.0	814.9	206.0	15,658.8	56,094.0

25 Reserves (continued)

	Group						
	Capital redemption reserve	Share premium	Asset revaluation reserve (Note a)	Capital reserve	General reserve	Retained profits	Total
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Balance as at 1.7.2000	37.7	18,860.6	20,516.0	814.9	206.0	15,658.8	56,094.0
Scrip dividends	-	184.7	-	-	-	-	184.7
Conversion of bonds	-	2.3	-	-	-	-	2.3
Share issue expenses	-	(0.2)	-	-	-	-	(0.2)
Investment and hotel properties revaluation surplus for the year	-	-	98.8	-	-	-	98.8
Share of revaluation (deficit)/surplus of associated companies	-	-	(85.8)	-	-	-	(85.8)
jointly controlled entities	-	-	114.0	-	-	-	114.0
Goodwill on acquisition of subsidiary companies	-	-	-	(87.4)	-	-	(87.4)
additional interests in jointly controlled entities	-	-	-	(11.9)	-	-	(11.9)
additional interests in subsidiary companies an associated company	-	-	-	(591.5)	-	-	(591.5)
additional interests in associated companies	-	-	-	(37.0)	-	-	(37.0)
additional interests in associated companies	-	-	-	(16.7)	-	-	(16.7)
Capital reserve on acquisition of additional interests in subsidiary companies	-	-	-	120.1	-	-	120.1
additional interests in jointly controlled entities associated companies	-	-	-	4.7	-	-	4.7
associated companies	-	-	-	83.9	-	-	83.9
Release of capital reserve upon partial disposal of subsidiary companies	-	-	-	(20.6)	-	-	(20.6)
partial disposal of an associated company	-	-	-	(146.1)	-	-	(146.1)
liquidation of subsidiary companies	-	-	-	(5.0)	-	-	(5.0)
Release of goodwill upon disposal of subsidiary companies	-	-	-	11.7	-	-	11.7
disposal of associated companies	-	-	-	240.5	-	-	240.5
partial disposal of subsidiary companies	-	-	-	8.1	-	-	8.1
Share of capital reserve of associated companies	-	-	-	108.0	-	-	108.0
Investment revaluation deficit for the year	-	-	(1,139.4)	-	-	-	(1,139.4)
Investment revaluation deficit written back on disposal	-	-	376.6	-	-	-	376.6
Investment impairment loss charged to profit and loss account	-	-	208.4	-	-	-	208.4
Profit for the year	-	-	-	-	-	220.5	220.5
Transfer to general reserve	-	-	-	-	332.5	(332.5)	-
Translation difference	-	-	-	-	-	(8.4)	(8.4)
Dividends	-	-	-	-	-	(425.7)	(425.7)
Balance as at 30.6.2001	37.7	19,047.4	20,088.6	475.7	538.5	15,112.7	55,300.6
Retained by:							
Company and subsidiary companies	37.7	19,047.4	19,519.5	583.2	538.5	16,599.1	56,325.4
Associated companies	-	-	323.3	0.5	-	(951.6)	(627.8)
Jointly controlled entities	-	-	245.8	(108.0)	-	(534.8)	(397.0)
	37.7	19,047.4	20,088.6	475.7	538.5	15,112.7	55,300.6

25 Reserves (continued)

	Company				
	Capital redemption reserve	Share premium	Asset revaluation reserve (Note a)	Retained profits	Total
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Balance as at 1.7.1999	–	18,632.8	709.2	11,701.7	31,043.7
Scrip dividends	–	228.1	–	–	228.1
Repurchase of own shares	37.7	–	–	(365.0)	(327.3)
Share issue expenses	–	(0.3)	–	–	(0.3)
Investment properties revaluation surplus for the year 2000	–	–	0.2	–	0.2
Realised on disposal of other investments	–	–	(195.4)	–	(195.4)
Investment revaluation deficit for the year 2000	–	–	(186.0)	–	(186.0)
Profit for the year 2000	–	–	–	199.9	199.9
Dividends	–	–	–	(424.5)	(424.5)
Balance as at 30.6.2000	37.7	18,860.6	328.0	11,112.1	30,338.4
Scrip dividends	–	184.7	–	–	184.7
Conversion of bonds	–	2.3	–	–	2.3
Share issue expenses	–	(0.2)	–	–	(0.2)
Investment properties revaluation surplus for the year	–	–	0.4	–	0.4
Realised on disposal of other investments	–	–	42.5	–	42.5
Investment revaluation deficit for the year	–	–	(12.1)	–	(12.1)
Profit for the year	–	–	–	773.6	773.6
Dividends	–	–	–	(425.7)	(425.7)
Balance as at 30.6.2001	37.7	19,047.4	358.8	11,460.0	30,903.9

25 Reserves (continued)

(a) Analysis of asset revaluation reserve

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Hotel properties	6,195.7	5,738.8	–	–
Investment properties	13,150.1	13,480.0	29.1	28.7
Investments	742.8	1,297.2	329.7	299.3
	20,088.6	20,516.0	358.8	328.0

(b) Distributable reserves of the Company at 30 June 2001 amounted to HK\$11,460.0 million (2000: HK\$11,112.1 million).

(c) In March 2000, a reorganisation of the port and port-related businesses was undertaken by New World Infrastructure Limited (“NWI”) whereby NWI disposed of its port and port-related investments to an associated company, Pacific Ports Company Limited (“PPC”) (“PPC Reorganisation”), a company listed in Hong Kong, for a total consideration of HK\$4,647.0 million which was paid through the issue of ordinary shares and preference shares by PPC. Following the PPC Reorganisation, NWI’s interest in ordinary shares of PPC was increased from 37.2% to 75.0% and also owned 100% interest in preference shares of PPC. Since the above-mentioned issue of shares was based on the valuation of the port and port-related businesses disposed of to PPC, the consolidation of the enlarged PPC and its subsidiary companies under the historical cost convention had given rise to a total surplus of approximately HK\$570.0 million, of which HK\$334.4 million was shared by the Group, which was directly taken to reserves.

26 Mandatorily Convertible Bonds

In April 1999, NWI issued US\$150.0 million mandatorily convertible bonds. The holder of the bonds has the option to convert the bonds into shares of HK\$1.00 each of NWI at a conversion price of HK\$12.00 per share, subject to adjustment, at any time on or before 30 April 2002. The bonds bear interest at the higher of 5% per annum and a percentage rate equivalent to the dividends declared or paid by NWI during the relevant interest payment period divided by the conversion price payable semi-annually in arrears. Unless previously converted, the bonds will be mandatorily and automatically converted into the shares of NWI on 30 April 2002.

27 Long Term Liabilities

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Bank loans				
Secured	8,595.4	7,176.3	–	–
Unsecured	19,766.7	18,556.2	–	–
Other secured loans wholly payable within five years	250.0	250.0	–	–
Other unsecured loans wholly payable within five years	619.5	854.5	–	–
Obligations under finance leases wholly payable within five years (Note a)	37.4	42.7	–	–
	29,269.0	26,879.7	–	–
Convertible bonds (Note b)	5,026.3	5,519.8	–	–
Debentures (Note c)	337.1	334.4	–	–
Loans from minority shareholders (Note d)	2,881.5	3,040.2	–	–
Deferred income	643.9	775.1	–	–
Long term accounts payable	842.7	349.1	344.0	–
	39,000.5	36,898.3	344.0	–
Amounts repayable within one year included in current liabilities	(9,029.6)	(3,286.4)	(86.0)	–
	29,970.9	33,611.9	258.0	–

27 Long Term Liabilities (continued)

	Group					Total HK\$m
	Secured bank loans HK\$m	Unsecured bank loans HK\$m	Other secured loans HK\$m	Other unsecured loans HK\$m	Obligations under finance leases HK\$m	
The maturity of long term borrowings for 2001 is as follows:						
Of less than one year	2,045.5	5,947.1	–	6.4	13.0	8,012.0
Of more than one year, but not exceeding two years	917.1	7,843.3	250.0	354.5	13.7	9,378.6
Of more than two years, but not exceeding five years	5,426.3	5,965.8	–	201.3	10.7	11,604.1
Of more than five years	206.5	10.5	–	57.3	–	274.3
	8,595.4	19,766.7	250.0	619.5	37.4	29,269.0
The maturity of long term borrowings for 2000 is as follows:						
Of less than one year	579.0	1,723.6	250.0	302.9	11.5	2,867.0
Of more than one year, but not exceeding two years	3,711.2	5,602.8	–	0.6	26.2	9,340.8
Of more than two years, but not exceeding five years	1,913.4	11,153.2	–	551.0	5.0	13,622.6
Of more than five years	972.7	76.6	–	–	–	1,049.3
	7,176.3	18,556.2	250.0	854.5	42.7	26,879.7

27 Long Term Liabilities (continued)

(a) Finance lease liabilities – minimum lease payments

	Group	
	2001 HK\$m	2000 HK\$m
Within one year	15.4	15.0
In the second year	15.0	28.6
In the third to fifth year	10.9	6.5
	41.3	50.1
Future finance charges on finance leases	(3.9)	(7.4)
Present value of finance lease liabilities	37.4	42.7

(b) Convertible bonds

	Group	
	2001 HK\$m	2000 HK\$m
Bonds to be converted into shares of:		
The Company (Notes (i) and (ii))	2,713.0	3,132.3
Subsidiary companies (Notes (iii) and (iv))	2,313.3	2,387.5
	5,026.3	5,519.8

- (i) A subsidiary company had issued US\$300.0 million convertible bonds which carried interest at 4.375% per annum payable in arrears and were repayable on 4 December 2000. Up to the date of redemption, US\$246.6 million of the said bonds had been converted whilst the remaining bonds of US\$53.4 million were redeemed.
- (ii) In June 1999, a subsidiary company has issued US\$300.0 million convertible guaranteed bonds which carry interest at 3% per annum payable semi-annually in arrears. The bonds are guaranteed by the Company and listed on the Luxembourg Stock Exchange. Each holder of the bonds has the option to convert the bonds into shares of HK\$1.00 each of the Company at a conversion price of HK\$24.60 per share, subject to adjustment, at any time between 9 August 1999 and 9 May 2004. A further US\$50.0 million convertible bonds was issued in July 1999 at the same terms and conditions. Unless previously converted, redeemed or cancelled, the bonds will be redeemed at 123.104% of their principal amount together with accrued interest on 9 June 2004. Provision for the premium payable has been made in the accounts so as to provide a constant periodic rate of charge to the profit and loss account over the term of the bonds.

27 Long Term Liabilities (continued)

- (iii) NWI has issued US\$250.0 million convertible bonds which carry interest at 5% per annum payable in arrears. The bonds are listed on the Luxembourg Stock Exchange. Each holder of the bonds has the option to convert the bond into shares of HK\$1.00 each of NWI at the conversion price of HK\$19.61 per share, subject to adjustment, at any time until 2 July 2001. Subsequent to the year end, bonds with principal amount of US\$15,000 were converted into shares of HK\$1.00 each of NWI, the remaining balance of the bonds were redeemed at par by NWI on 15 July 2001.

During the year, NWI repurchased bonds with an aggregate principal amount of US\$9.5 million (2000: US\$58.2 million) for a total consideration of HK\$72.4 million (2000: HK\$427.1 million) and these bonds were then cancelled. The surplus arising from the repurchase and the subsequent cancellation of the bonds has been accounted for as other income (Note 4) in the profit and loss account. As at the balance sheet date, US\$130.6 million (2000: US\$121.1 million) of the said bonds had been repurchased and cancelled and the outstanding amount was US\$119.4 million (2000: US\$129.0 million).

- (iv) In March 1998, NWI issued US\$250.0 million convertible bonds which bear interest at 1% per annum payable semi-annually in arrears. The bonds are listed on the Luxembourg Stock Exchange. Each holder of the bonds has the option to convert the bonds into shares of HK\$1.00 each of NWI at the conversion price of HK\$23.05 per share, subject to adjustment, at any time until 1 April 2003. Subject to certain conditions being met, the bonds are redeemable at the option of NWI at any time on or after 15 April 2001, in whole or in part, in cash and/or for NWI shares. Unless previously converted, redeemed or repurchased the bonds will be redeemed at 143.4% of their principal amount together with accrued interest on 15 April 2003. Provision for the premium payable has been made in the accounts so as to provide a constant periodic rate of charge to the profit and loss account over the term of the bonds.

No bonds were repurchased during the year. In 2000, NWI repurchased bonds with an aggregate principal amount of US\$8.8 million for a total consideration of HK\$67.4 million and these bonds were then cancelled. The surplus arising from the repurchase and the subsequent cancellation of the bonds had been accounted for as other income (Note 4) in the profit and loss account. As at the balance sheet date, US\$72.9 million (2000: US\$72.9 million) of the said bonds had been repurchased and cancelled and the outstanding amount was US\$177.1 million (2000: US\$177.1 million).

(c) Debentures

The debentures have been issued by a subsidiary company which operates a proprietary club. The debentures are unsecured, interest free, transferrable at the subsidiary company's consent and redeemable at par upon the expiry of fifty years from the dates of issue or at any earlier time at the subsidiary company's discretion.

(d) Loans from minority shareholders

The loans from minority shareholders include loans of HK\$1,039.6 million (2000: HK\$1,305.3 million) to certain joint ventures, which are unsecured, carry interest at fixed rates ranging from 10% to 15% (2000: 8% to 15%) per annum and have repayment terms specified in the relevant joint venture agreements. The remaining balance is unsecured, interest free and has no specific repayment terms.

28 Deferred Taxation

	Group	
	2001 HK\$m	2000 HK\$m
Balance at 1 July	18.6	23.8
Transfer from/(to) profit and loss account	6.5	(4.8)
Disposal of subsidiary companies	(0.3)	(0.4)
Balance at 30 June	24.8	18.6
The amount provided is in respect of:		
Accelerated depreciation allowances	20.2	16.7
Other timing differences	4.6	1.9
	24.8	18.6

No provision has been made in respect of the revaluation surplus arising from the revaluation of the Group's and/or the Company's investment properties and hotel properties other than in PRC as they do not constitute timing differences. Realisation of the surplus on revaluation of the Group's investment and hotel properties in PRC would give rise to a taxation liability in the PRC. No provision has been made in the accounts for this liability as these properties are held for the long term and management has no intention to dispose of these properties in the foreseeable future. There are no material unprovided timing differences at the balance sheet date.

29 Pensions and Retirement Benefits

During the year, the Group operates a number of pension and retirement schemes (the Occupational Retirement Scheme ("ORSO Scheme") and the Mandatory Provident Fund Scheme ("MPF Scheme")). The majority of the schemes are defined contribution schemes which are mainly operated in Hong Kong and cover approximately 90% of the Group's employees who are entitled to join such schemes. The remaining are a few defined benefit schemes mainly for executive officers. The total amount charged to the profit and loss account in respect of all the Group's pension and retirement schemes was HK\$118.7 million (2000: HK\$93.0 million).

Contributions to the defined contribution schemes either by the Group or by the employees are based on a percentage of employees' salaries ranging from 5% to 21%, depending upon the length of service of the employees. MPF Schemes have been established under the Mandatory Provident Fund Schemes Ordinance in December 2000. Commencing on 1 December 2000, newly-joined employees are compulsorily required to join the MPF Schemes. Employees under the ORSO Schemes were offered an option to elect between the ORSO Scheme and the MPF Scheme. The Group's contributions to the MPF Schemes are ranging from 5% to 15% of employee's salaries depending on length of service and are expensed as incurred. The amount charged to the profit and loss account in respect of these schemes was HK\$117.2 million (2000: HK\$88.9 million) after netting off forfeited contribution of HK\$8.9 million (2000: HK\$14.0 million).

30 Commitments

(a) Capital commitments

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Contracted but not provided for				
Fixed assets	472.5	1,460.9	–	–
Subsidiary companies	–	–	55.0	61.1
Jointly controlled entities	675.9	971.6	121.0	532.6
Other investments	15.6	76.2	–	–
	1,164.0	2,508.7	176.0	593.7
Authorised but not contracted for				
Fixed assets	440.1	1,106.3	–	–
Jointly controlled entities	1,615.7	–	–	–
	2,055.8	1,106.3	–	–

The Company has given an undertaking (“Buy-back Undertaking”) to New World China Land Limited (“NWCL”) in a spin-off agreement in preparation for the listing of NWCL’s shares on the Stock Exchange of Hong Kong. Pursuant to the Buy-back Undertaking, within two years from 16 July 1999, if NWCL is unable to obtain a land use right certificate for those properties of which the land use rights certificates are either subject to transfer restrictions or have not been obtained, the Company will, at the request of NWCL, repurchase those properties from NWCL. NWCL is required to exercise the Buy-back Undertaking on or before the date falling six months after the two year period. The amount to be paid by the Company equal to the net asset value of these properties as at 31 March 1999, totalling HK\$1,270.0 million plus the amount of any additional investment made by NWCL subsequent to the date thereof but discounted to the same extent as the discount to net tangible asset value in the spin-off arrangement.

	Group	
	2001 HK\$m	2000 HK\$m
The Group’s share of capital commitments committed by the jointly controlled entities not included above are as follows:		
Contracted but not provided for	509.0	937.9
Authorised but not contracted for	130.0	620.1
	639.0	1,558.0

30 Commitments (continued)

(b) Commitments under operating leases

The future aggregate lease payments under non-cancellable operating leases are as follows:

	Group	
	2001 HK\$m	2000 HK\$m
Land and buildings		
In the first year	281.3	309.7
In the second to fifth years inclusive	441.6	386.2
After the fifth year	342.4	434.2
	1,065.3	1,130.1
Other equipment		
In the first year	20.0	21.5
In the second to fifth year inclusive	39.6	19.7
After the fifth year	–	39.3
	1,124.9	1,210.6

(c) At 30 June 2001, the Group had issued performance guarantees amounting to approximately HK\$166.2 million (2000: HK\$107.1 million), in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of property projects developed by a subsidiary and certain jointly controlled entities of the Group. Pursuant to the terms of the performance guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.

(d) Certain subsidiary companies and jointly controlled entities are parties to agreements with third parties pursuant to the joint development of Container Terminal 9 in Hong Kong, the related berth swap arrangement and the funding thereof. The Group's attributable share of capital commitments as at 30 June 2001 has been disclosed in Note (a) above.

One of the jointly controlled entities has obtained banking facilities to finance its share of development costs at Container Terminal 9. The Group has given guarantee in respect of the banking facilities and is included in Note 31.

In the event of default of any of the other shareholders of the jointly controlled entities, independent third parties, the relevant subsidiary companies and jointly controlled entities will be required to provide additional funds for the project. The Group has given guarantees in respect of the obligations of the relevant subsidiary companies and jointly controlled entities to provide additional funds. If the Group is required to fulfil its obligations under the guarantees, the maximum amount of the additional commitments assumed, in addition to the Group's share of the capital commitments as disclosed above, will be HK\$1,482.0 million (2000: HK\$1,482.0 million).

30 Commitments (continued)

(e) Future minimum rental payments receivable

The future minimum rental payments receivable under non-cancellable leases are as follows:

	Group	
	2001 HK\$m	2000 HK\$m
In the first year	483.9	533.7
In the second to fifth years inclusive	473.6	621.8
After the fifth year	78.6	80.3
	1,036.1	1,235.8

The Group's operating leases are for terms ranging from one to six years.

31 Contingent Liabilities

	Group		Company	
	2001 HK\$m	2000 HK\$m	2001 HK\$m	2000 HK\$m
Guarantees for				
Performance bonds in respect of construction contracts undertaken by the Group	1,557.7	1,683.2	10.5	10.5
Other performance bonds	344.7	260.3	327.3	253.3
Guarantees for credit facilities granted to				
Subsidiary companies	–	–	28,913.4	29,202.6
Associated companies	686.1	1,347.7	632.6	1,282.5
Investee companies included under other investments	9.4	157.5	5.5	5.5
Jointly controlled entities	4,202.9	4,612.3	1,924.7	2,190.7
Indemnity to non-wholly owned subsidiary companies for PRC tax liabilities	2,305.3	2,340.0	7,783.0	7,800.0
	9,106.1	10,401.0	39,597.0	40,745.1

32 Notes to Consolidated Cash Flow Statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 30 June	
	2001 HK\$m	2000 HK\$m
Operating profit	494.7	1,153.5
Depreciation	1,048.0	879.9
Provision for investments in		
A joint development project	40.0	–
A jointly controlled entity	–	18.0
Listed and unlisted shares	313.6	250.6
Provision for advances to joint ventures	312.6	65.4
Provision for diminution in value of properties held for sale	221.7	–
Profit on repurchase of convertible bonds	(1.8)	(25.5)
Net loss/(profit) on disposal of		
Fixed assets, including investment properties	10.7	56.9
Associated companies	304.9	–
Jointly controlled entities	(93.9)	20.2
Other investments	11.8	(1,296.8)
Subsidiary companies	(56.9)	(375.0)
Loss on dilution of interests in a subsidiary company	22.9	1,642.6
Surplus on liquidation of subsidiary companies	(7.7)	–
Surplus on liquidation of an associated company	(1.8)	–
Write back of provision for unlisted investment	(12.5)	–
Write back of provision for diminution in value of properties held for sale	(231.0)	–
Write back of provision for advance to an associated company	(5.0)	–
Exchange (gain)/loss	(15.3)	75.2
Increase in stocks	(469.9)	(52.5)
Decrease/(increase) in properties held for sale	2,735.6	(956.2)
Increase in debtors and prepayments	(2,834.4)	(913.3)
(Increase)/decrease in other loans receivable	(163.4)	0.7
Decrease in creditors and accrued charges	(354.1)	(247.1)
(Decrease)/increase in contracts in progress	(35.6)	420.0
Increase in deposits received on sale of properties	300.5	219.2
Net interest expenses and dividend income	1,504.0	1,079.6
Net cash inflow from operating activities	3,037.7	2,015.4

32 Notes to Consolidated Cash Flow Statement (continued)

	2001	2000
	HK\$m	HK\$m
(b) Acquisition of subsidiary companies		
Net assets acquired		
Fixed assets	59.1	1,091.7
Associated companies	–	1,081.8
Stocks	31.3	1,216.4
Properties held for sale	1,003.1	691.0
Other investments	9.9	14.6
Debtors and prepayments	145.6	89.4
Tax recoverable	2.7	–
Cash and bank balances	151.2	107.7
Creditors and accrued charges	(233.1)	(69.4)
Short term bank loans	(72.1)	–
Long term liabilities	(7.0)	(120.2)
Minority interests	24.6	(345.2)
	1,115.3	3,757.8
Less: Interests originally held by the Group		
Associated companies	(17.2)	(340.7)
Jointly controlled entities	(984.3)	–
	113.8	3,417.1
Capital reserve on acquisition	–	(334.4)
Goodwill on acquisition	87.4	36.0
	201.2	3,118.7
Represented by:		
Non-cash		
Disposal of port and port-related investments to PPC (Note 25(c))	–	2,329.4
Cash	201.2	789.3
	201.2	3,118.7
(c) Analysis of net outflow of cash and cash equivalents		
in respect of the acquisition of subsidiary companies		
Cash consideration	(201.2)	(789.3)
Cash and bank balances acquired	151.2	107.7
	(50.0)	(681.6)

The subsidiary companies acquired during the year contributed HK\$105.9 million (2000: HK\$19.3 million) of the Group's net operating cash flows, utilised HK\$152.9 million (2000: HK\$57.3 million) for investing activities, and received HK\$73.5 million (2000: nil) for financing activities. The subsidiary companies did not pay nor receive any amount in respect of returns on investments and servicing of finance (2000: HK\$64.8 million).

32 Notes to Consolidated Cash Flow Statement (continued)

	2001 HK\$m	2000 HK\$m
(d) Disposal of subsidiary companies		
Net assets disposed		
Fixed assets	443.2	21.0
Stocks	53.6	37.3
Other loans receivable	2.4	–
Debtors and prepayments	67.1	130.9
Cash and bank balances – unrestricted	49.6	6.2
Cash and bank balances – restricted	82.7	–
Creditors and accrued charges	(146.0)	(95.1)
Bank loans and overdrafts	(53.6)	(15.3)
Other loans	–	(1.6)
Taxation	(6.2)	–
Long term liabilities	(138.7)	(14.4)
Deferred taxation	(0.3)	(0.4)
Minority interests	(98.1)	6.8
	255.7	75.4
Goodwill	11.7	1.7
Capital reserve	(5.0)	(2.9)
Profit on disposal and surplus on liquidation of subsidiary companies (exclusive of profit on disposal of subsidiary companies shown under major non-cash transactions in Note 32(g))	64.6	300.2
	327.0	374.4
Represented by:		
Cash	284.7	374.4
Accounts receivable	69.3	–
Other investments	30.7	–
Jointly controlled entities	(57.7)	–
	327.0	374.4
(e) Analysis of net inflow of cash and cash equivalents in respect of the disposal of subsidiary companies		
Cash consideration	284.7	374.4
Cash and bank balances disposed	(49.6)	(6.2)
Bank overdrafts discharged	–	15.3
	235.1	383.5

32 Notes to Consolidated Cash Flow Statement (continued)

(f) Analysis of changes in financing

	Share capital (including share premium)	Long term liabilities	Mandatorily convertible bonds	Short term bank and other loans	Restricted cash and bank balances	Minority interests	Total
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Balance at 1.7.1999	20,760.6	30,987.3	3,864.6	1,352.9	(18.6)	9,805.8	66,752.6
Net cash (outflow)/inflow from financing	(365.3)	5,693.6	-	(254.8)	(539.5)	2,274.7	6,808.7
Scrip dividends issued	252.1	-	-	-	-	-	252.1
Profit on repurchase of convertible bonds	-	(25.5)	-	-	-	-	(25.5)
Acquisition of additional interests in subsidiary companies	-	-	-	-	-	(472.7)	(472.7)
Disposal of subsidiary companies	-	(14.4)	-	(1.6)	-	6.8	(9.2)
Repurchase of own shares	327.3	-	-	-	-	-	327.3
Increase in deferred interest income	-	123.8	-	-	-	-	123.8
Acquisition of subsidiary companies	-	120.2	-	-	-	345.2	465.4
Increase in minority interests from dilution of interests in a subsidiary company	-	-	-	-	-	1,715.5	1,715.5
Minority interests' share of net profit and other reserves	-	-	-	-	-	1,129.7	1,129.7
Dividends to minority shareholders	-	-	-	-	-	(212.4)	(212.4)
Capitalisation of convertible bonds into shares of a subsidiary company	-	-	(2,700.9)	-	-	2,700.9	-
Translation difference	-	13.3	(1.5)	-	-	5.2	17.0
Balance at 30.6.2000	20,974.7	36,898.3	1,162.2	1,096.5	(558.1)	17,298.7	76,872.3
Net cash (outflow)/inflow from financing	(0.2)	2,381.0	-	449.8	(1,271.6)	131.0	1,690.0
Scrip dividends issued	204.5	-	-	-	-	-	204.5
Profit on repurchase of convertible bonds	-	(1.8)	-	-	-	-	(1.8)
Partial disposal of interest in subsidiary companies	-	-	-	-	-	40.4	40.4
Acquisition of additional interests in subsidiary companies	-	(460.8)	-	-	-	209.9	(250.9)
Disposal of subsidiary companies	-	(138.7)	-	(53.6)	82.7	(98.1)	(207.7)
Conversion of bonds	2.4	(2.4)	-	-	-	-	-
Decrease in deferred interest income	-	(292.9)	-	-	-	-	(292.9)
Increase in long term accounts payable	-	532.0	-	-	-	-	532.0
Acquisition of subsidiary companies	-	7.0	-	72.1	-	(24.6)	54.5
Increase in minority interests from dilution of interests in a subsidiary company	-	-	-	-	-	22.9	22.9
Minority interests' share of net profit and other reserves	-	-	-	-	-	161.8	161.8
Dividends to minority shareholders	-	-	-	-	-	(318.1)	(318.1)
Inception of finance leases	-	6.5	-	-	-	-	6.5
Land use right contributed by a minority shareholder	-	72.3	-	-	-	-	72.3
Translation difference	-	-	-	-	-	(16.2)	(16.2)
Balance at 30.6.2001	21,181.4	39,000.5	1,162.2	1,564.8	(1,747.0)	17,407.7	78,569.6

32 Notes to Consolidated Cash Flow Statement (continued)

(g) Non-cash transactions

During the year, the Group acquired the development right of a joint development project for a consideration of HK\$430.0 million, of which HK\$86.0 million was paid as at the balance sheet date. The remaining balance payable was included in long term accounts payable.

In addition, NWCL acquired 49.0% interest in New World Anderson Development Company Limited, being a 51.0% subsidiary company of NWCL before the acquisition, from Anderson International Investment Limited (“Anderson International”) at a consideration of HK\$406.6 million. The consideration was satisfied by HK\$90.0 million in cash and the remaining balance was set-off against an outstanding amount of HK\$316.6 million due and payable by Anderson International to the Group.

In 2000, the Group disposed of a subsidiary, which owned the fixed assets of HK\$171.5 million in respect of the Interactive Multimedia Communication Operation, to New World CyberBase Limited (“NWCB”), an associated company of the Group, at a consideration of HK\$300.0 million. The consideration was satisfied by the issue of 100,000,000 shares of HK\$1.00 each and HK\$200.0 million new Convertible Note by NWCB which resulted in a profit on disposal of HK\$74.8 million.

(h) Analysis of cash and cash equivalents

	2001 HK\$m	2000 HK\$m
Cash and bank balances	9,809.6	6,369.1
Bank loans and overdrafts	(2,460.3)	(1,136.0)
Bills payable	–	(0.5)
	7,349.3	5,232.6
Add: Bank loans maturing more than three months from the date of drawdown	1,515.8	797.0
Less: Bank deposits maturing more than three months from the date of placement	(131.3)	–
Less: Restricted cash and bank balances	(1,747.0)	(558.1)
	6,986.8	5,471.5

33 Related Party Transactions

The following is a summary of significant related party transactions during the year carried out in the normal course of the Group's business:

	2001	2000
	HK\$m	HK\$m
Transaction with affiliated companies (Note a)		
Provision of contracting work service (Note b)	246.8	937.6
Interest income (Note c)	164.9	367.2
Management fee income (Note d)	11.0	43.3
Purchase of raw materials (Note e)	500.2	–
Transaction/balance with other related parties		
Rental income (Note f)	15.4	25.8
Purchases of fixed assets (Note g)	6.8	58.1
Purchases of mobile phones and accessories (Note g)	–	24.2
Account payable (Note h)	605.7	96.2

Notes:

- (a) Affiliated companies include associated companies and jointly controlled entities.
- (b) Revenue from provision of contracting work are principally charged at terms no less favourable than those charged to third party customers of the Group.
- (c) Interest income are charged at interest rates as specified in Notes 14 and 15 on the outstanding balances due by the affiliated companies.
- (d) Management fee income are charged at a fixed rate in accordance with relevant contracts.
- (e) Raw materials were purchased from an affiliated company at its original purchase costs from third party suppliers. The Group also paid approximately HK\$698.0 million (2000: nil) to the affiliated company as trade deposits for the further purchase of raw materials.
- (f) Rental income is charged at fixed monthly rate in accordance with tenancy agreements.
- (g) Certain transactions had been entered into between subsidiary companies of the Group and Infa Telecom Asia Limited, for the purchase of fixed assets, mobile phones and accessories.
- (h) The amount payable is unsecured, bears interest at Hong Kong prime rate per annum and is repayable on demand.

34 Post Balance Sheet Event

On 21 May 2001, the Group entered into a sale and purchase agreement with Asia Pacific Holdings Limited to dispose of the Regent hotel at a consideration of US\$345.8 million. The transaction was completed on 29 August 2001.

35 Approval of Accounts

The accounts were approved by the Board of Directors on 10 October 2001.

36 Principal Subsidiary Companies

As at 30 June 2001

	Share capital issued [#]		Percentage of equity shares held		Principal activities
	Number	Par value per share HK\$	By the Company	By the Group	
Incorporated and operated in Hong Kong					
Addlight Investments Limited	9,998	1	–	56	
	2*	1	–	–	Property Investment
Advance Planner Limited	100	1	40	49	Property Investment
Arlaken Development Limited	40	100	100	100	Investment Holding
Atlantic Land Properties Limited	2	1	100	100	Investment Holding
Billionoble Investment Limited	4,998	1	–	60	
	2*	1	–	–	Investment Holding
Billion Huge (International) Limited	950,001	1	–	70	Investment Holding
Billion Town Company Limited	200	10	100	100	Property Trading
Birkenshaw Limited	10,000	1	–	100	Property Investment
Blanca Limited	10,000	1	–	100	Investment Holding
Bright Moon Company Limited	200	10	75	75	Property Trading
Broadway-Nassau Investments Limited	2	10,000	–	51	
	3,000*	10,000	–	–	Property Investment
Calpella Limited	2	10	–	100	Property Investment
Care & Services Company Limited	15,000,000	1	–	51	Elderly Care Services
Cheer Best Enterprises Limited	2	1	100	100	Property Investment
Cheong Sing Company Limited	10,000	1	100	100	Property Investment
City Team Development Limited	1,000,000	1	–	81	Property Investment
Convention Plaza Apartments Limited	2	10	–	100	Apartment Services
Crown Field Properties Limited	10	1	–	70	Property Investment
Dragon Crest Limited	2	1	–	100	Property Investment
Eurasia Hotel Limited	80,000,000	1	–	75	Hotel Operation
Eternal Venture Investments Limited	10	1	–	70	Property Investment
Extensive Trading Company Limited	600,002	1	–	51	Trading of
	1,500,000*	1	–	–	Building Materials
Far East Engineering Services Limited	766,714	10	–	51	Engineering Services and
	233,288*	10	–	–	Trading
Fook Hong Enterprises Company Limited	10,000	100	100	100	Property Investment
General Security (H.K.) Limited	8,402	100	–	51	
	11,600*	100	–	–	Security Services
Gold Queen Limited	5,000	1	100	100	Property Trading

36 Principal Subsidiary Companies (continued)

As at 30 June 2001

	Share capital issued [#]		Percentage of equity shares held		Principal activities
	Number	Par value	By the Company	By the Group	
		per share HK\$			
Incorporated and operated in Hong Kong (continued)					
Gradex Limited	2	1	–	100	Property Investment
Grand Hyatt Hong Kong Company Limited	1,000	1	–	64	Hotel Operation
Hang Bong Company Limited	225,000	1	100	100	Property Trading
Happy Champion Limited	2	1	100	100	Investment Holding
Head Step Limited	2	1	100	100	Property Investment
Hip Hing Construction Company Limited	400,000	100	–	51	Construction and Civil Engineering
	600,000*	100	–	–	
Hong Kong Convention and Exhibition Centre (Management) Limited	3 1*	1 1	–	51 –	Management of HKCEC
Hong Kong Island Development Limited	33,400,000	5	6	100	Property Investment
Hong Kong Island Landscape Company Limited	580,000 20,000*	10 10	–	51 –	Landscaping and Project Contracting
Hong Kong New World Department Store Company Limited	968,153,000	1	100	100	Department Stores Operation
Honour Shares Limited	100	1	–	100	Investment Holding
International Property Management Limited	450,000	10	–	51	
	95,500*	10	–	–	Property Management
Island Sauna Company Limited	10,000	1	–	100	Sauna and Fitness Centre
Joint Profit Limited	2	1	100	100	Property Investment
Keen Sales Limited	2	1	–	45	
	2*	1	–	–	Investment Holding
Kin Kiu Enterprises Limited	10,000	1,000	100	100	Investment Holding
King Lee Investment Company Limited	300	1,000	100	100	Investment Holding
Kiu Lok Service Management Company Limited	2 1,002*	100 100	–	51 –	Property Management
Kiwi Kleeners Limited	1,000	100	–	51	Trading of linen
Kleaners Limited	5,000,000	1	–	51	Laundry Services
Loyalton Limited	2	10	–	100	Property Investment
Lucking (Asia) Engineering Company Limited	10,000,000	1	–	45	Supply and Installation of Aluminium Windows and Curtain Wall
Macdonnell Hostel Company Limited	2	1	100	100	Hostel Management and Operation

36 Principal Subsidiary Companies (continued)

As at 30 June 2001

	Share capital issued [#]		Percentage of equity shares held		Principal activities
	Number	Par value	By the Company	By the Group	
		per share HK\$			
Incorporated and operated in Hong Kong (continued)					
Mega Choice Holdings Limited	100	1	80	80	Property Investment
Mega Fountain Limited	2	1	100	100	Property Trading
New China Steam Laundry Company Limited	40,000,002	1	–	51	Laundry Services
	704,000*	1	–	–	
New World Department Stores Limited	2	1	–	100	Management Services to Department Stores
New World Development (China) Limited	2	1	–	70	Investment Holding
	2*	1	–	–	
New World Finance Company Limited	200,000	100	100	100	Financial Services
New World Harbourview Hotel Company Limited	1,000	1	–	64	Hotel Operation
New World Hotel Company Limited	40,000,000	1	–	64	Hotel Operation
New World Insurance Services Limited	1,000,000	1	–	51	Insurance Brokerage Service
NWD (Hotels Investments) Limited	576,000,000	0.25	–	64	Investment Holding
New World Investments Limited	2	1	100	100	Property Investment
New World Nominee Limited	2	100	100	100	Nominee Services
New World PCS Limited	1,000,000	1	–	95	Mobile Telecommunication Services
New World Real Estate Agency Limited	2	1	100	100	Estate Agency
New World Tacko (Xian) Limited	10,000	1	–	45	Investment Holding
New World Telephone Holdings Limited	200	1	95	95	Investment Holding
New World Telephone Limited	2	1	–	95	Telecommunication Services
New World Tower Company Limited	2	10	–	100	Property Investment
Paterson Plaza Properties Limited	10,000	1	–	100	Property Investment
Peterson Investment Company Limited	10,000	1	100	100	Property Investment
Pollution & Protection Consultant Limited	2	100	–	51	Cleaning Services
	14,420*	100	–	–	
Pollution & Protection Services Limited	8,057,780	1	–	51	Cleaning Services
	500,020*	1	–	–	
Polytown Company Limited	2	10	–	51	Property Investment
	100,000*	10	–	–	

36 Principal Subsidiary Companies (continued)

As at 30 June 2001

	Share capital issued [#]		Percentage of equity shares held		Principal activities
	Number	Par value	By the Company	By the Group	
		per share HK\$			
Incorporated and operated in Hong Kong (continued)					
Pontiff Company Limited	10,000,000	1	–	100	Property Investment
Pridemax Limited	2	1	–	100	Property Investment
Ready City Limited	200	1	–	45	Investment Holding
Spotview Development Limited	10,000	1	–	100	Property Investment
Tai Yieh Construction & Engineering Company Limited	40,000 10,000*	1,000 1,000	–	51 –	Construction and Civil Engineering
Tao Yun Company Limited	2	10	–	100	Property Trading
Team Deco International Limited	2	1	–	51	Interior Design
The Dynasty Club Limited	2	1	100	100	Proprietary Club Operation
Thyme Company Limited	500	10	70	89	Property Investment
Trend Island Limited	2	1	–	70	Investment Holding
True Hope Investment Limited	4,998	1	–	60	
	2*	1	–	–	Investment Holding
Tridant Engineering Company Limited	34,400,000	1	–	51	Electrical Contracting/ Instrument Sales
	15,600,000*	1	–	–	
Try Force Limited	4,998	1	–	60	
	2*	1	–	–	Investment Holding
Tsuen Wan Properties Limited	200	100	–	100	Property Investment
Uniformity Security Company Limited	2	100	–	51	
	2,500*	100	–	–	Security Services
Urban Parking Limited	5,000,000	1	–	51	Carpark Management
Urban Property Management Limited	49,995,498	1	–	51	
	4,502*	1	–	–	Property Management
Vibro (HK) Limited	10,000,002	3	–	50	Piling and caisson
Wai Hong Cleaning & Pest Control Company Limited	200,000	100	–	51	Cleaning & Pest Control Services
Waking Builders Limited	20,000	1,000	–	51	Construction
Waygent Investment Limited	2	1	100	100	Property Investment
World Empire Property Limited	2	1	100	100	Property Investment
Young's Engineering Company Limited	4,000,000	10	–	51	Electrical and Mechanical Engineering

36 Principal Subsidiary Companies (continued)

As at 30 June 2001

	Share capital issued [#]	Par value per share	Percentage of equity shares held		Principal activities
			By the Company	By the Group	
Incorporated in Cayman Islands and operated in Hong Kong					
New World China Land Limited	1,463,772,938	HK\$0.10	69	70	Investment Holding
NW China Homeowner Development Limited	5,363,925	US\$0.01	–	70	Investment Holding
New World Infrastructure Limited	861,914,940	HK\$1	–	60	Investment Holding
New World Services Limited	1,083,333,333	HK\$0.10	–	51	Investment Holding
Incorporated and operated in the Philippines					
New World International Development Philippines, Inc.					
	6,988,016	Peso100	–	26	Hotel Operation

Represented ordinary share capital, unless otherwise stated

* Non-voting deferred shares

As at 30 June 2001

	Registered capital	Attributable interest (Note a)		Principal activities
		To the Company	To the Group	
Incorporated and operated in the People's Republic of China				
Dalian New World Plaza International Co., Ltd.	Rmb58,000,000	–	62	Property Investment
Fung Seng Real Estate Development (Shanghai) Co., Ltd.	US\$10,000,000	–	56	Property Investment
Gaoming Xinming Bridge Ltd.	Rmb60,000,000	–	48	Operation of Toll Bridge
Guangdong Xinzhao Gao Highways Co., Ltd.	Rmb80,000,000	–	42	Operation of Toll Road
Guangxi Beiliu Xinbei Highways Limited	Rmb99,200,000	–	36	Operation of Toll Road
Guangxi Cangwu Xincang Highways Limited	Rmb64,000,000	–	42	Operation of Toll Road
Guangxi Rongxian Xinrong Highways Limited	Rmb82,400,000	–	42	Operation of Toll Road
Guangxi Yulin Xintong Highways Limited	Rmb64,000,000	–	36	Operation of Toll Road
Guangxi Yulin Xinye Highways Limited	Rmb63,800,000	–	36	Operation of Toll Road
Guangxi Yulin Xinyu Highways Limited	Rmb96,000,000	–	36	Operation of Toll Road

36 Principal Subsidiary Companies (continued)

As at 30 June 2001

	Registered capital	Attributable interest (Note a)		Principal activities
		To the Company	To the Group	
Incorporated and operated in the People's Republic of China (continued)				
Guangzhou Metropolitan Properties Co., Ltd.	HK\$140,000,000	100	100	Property Investment
Guangzhou New World Properties Development Co., Ltd.	HK\$170,000,000	100	100	Property Investment
Guangzhou Xinhua Chen Estate Co., Ltd.	Rmb200,000,000	–	70	Property Investment
Guangzhou Xin Hua Jian Property Development Co., Limited	Rmb244,000,000	–	70	Property Investment
Guangzhou Xin Yi Development Limited	HK\$286,000,000	–	64	Property Investment
Heyuan Xinlian Highway Company Limited	Rmb62,200,000	–	31	Operation of Toll Road
Nanjing Huawei Real Estate Development Co., Ltd.	US\$12,000,000	–	65	Property Investment
New World Anderson (Tianjin) Development Co., Ltd.	US\$10,000,000	–	70	Property Investment
New World (Shenyang) Property Development Limited	Rmb97,720,000	–	63	Property Investment
New World (Tianjin) Development Co., Limited	US\$5,000,000	100	100	Property Investment
Ningbo New World Department Store Limited	Rmb40,000,000	–	98	Department Store Operation
Ningbo Firm Success Consulting Development Company Limited	US\$5,000,000	–	100	Investment Holding
Shanghai Heyu Properties Co., Ltd.	US\$12,000,000	–	45	Property Investment

36 Principal Subsidiary Companies (continued)

As at 30 June 2001

	Registered capital/ issued share capital		Attributable interest (Note a)		Principal activities
	Amount/ Number	Par value per share	To the Company	To the Group	
Incorporated and operated in the People's Republic of China (continued)					
Shanghai Juyi Real Estate Development Co., Ltd.					
	Rmb128,000,000	–	–	56	Property Investment
Shanghai Ramada Plaza Ltd					
	US\$34,000,000	–	–	40	Property Investment
Shenyang New World Department Store Limited					
	Rmb30,000,000	–	–	100	Department Store Operation
Shenzhen Top One Real Estate Development Co., Ltd.					
	HK\$60,000,000	–	–	49	Property Investment
Sichuan New World Danshen Base Industrial Co., Ltd.					
	Rmb30,000,000	–	–	100	Chinese Herbal Cultivation
Tianjin New World Department Store Limited					
	US\$5,000,000	–	–	100	Department Store Operation
Wuhan Bridge Construction Co., Limited					
	502,850,000	Rmb1	–	29	Operation of Toll Bridges
Wuhan New Eagle Development Co., Limited					
	US\$10,000,000	–	–	95	Property Investment
Wuxi New World Department Store Limited					
	US\$5,000,000	–	–	100	Department Store Operation
Wuzhou Xinwu Highways Co., Limited					
	Rmb72,000,000	–	–	27	Operation of Toll Road
Yunfu Xinxing Highways Limited					
	Rmb30,000,000	–	–	33	Operation of Toll Road
Zhaoqing Xinde Highways Co., Ltd.					
	Rmb165,867,000	–	–	27	Operation of Toll Road
Zhaoqing Xinfeng Highways Co., Ltd.					
	Rmb94,000,000	–	–	27	Operation of Toll Road
Zhaoqing Xingao Highways Co., Ltd.					
	Rmb54,000,000	–	–	24	Operation of Toll Road
Zhaoqing Xinhui Highways Co., Ltd.					
	Rmb103,500,000	–	–	30	Operation of Toll Road
Zhaoqing Xinning Highways Co., Ltd.					
	Rmb90,000,000	–	–	33	Operation of Toll Road

Note:

(a) percentage of equity interest, in the case of equity joint ventures or joint stock limited company or profit sharing percentage, in the case of co-operative joint ventures.

36 Principal Subsidiary Companies (continued)

As at 30 June 2001

	Ordinary share capital issued		Percentage of equity shares held		Principal activities
	Number	Par value per share	By the Company	By the Group	
Incorporated in Bermuda and operated in Hong Kong					
Pacific Ports Company Limited	2,059,968,000	HK\$0.10	–	45	
	3,193,654,306 [^]	HK\$0.10	–	60	Investment Holding
Incorporated in British Virgin Islands					
Eddington Holdings Limited	100	US\$1	–	82	Investment Holding
Ever Brisk Limited	1	US\$1	–	70	Investment Holding
Hinto Developments Limited	1	US\$1	–	70	Investment Holding
Kiwi Profits Limited	10	US\$1	–	70	Investment Holding
Lotsgain Limited	100	US\$1	–	60	Investment Holding
Magic Chance Limited	1	US\$1	–	70	Investment Holding
Master Services Limited	1,000,000	US\$0.01	–	33	Investment Holding
New Dragon Asia Food Limited	1	US\$1	–	33	Investment Holding
New World BioSciences Holdings Limited	1	US\$1	–	100	Investment Holding
New World Capital Finance Limited	1	US\$1	100	100	Financial Services
New World Development (BVI) Limited	1	US\$1	100	100	Financial Services
New World Enterprise Holdings Limited	1	US\$1	100	100	Investment Holding
New World First Bus Services Limited	10,000,000	HK\$1	–	51	Bus Services
New World First Ferry Services Limited	1	US\$1	–	51	Ferry Services
New World First Ferry Services (Macau) Limited	1	US\$1	–	51	Ferry Services
New World First Holdings Limited	10,000,000	HK\$1	–	51	Investment Holding
New World Hotels (Corporation) Limited	1	US\$1	–	64	Investment Holding
New World Industrial Holdings Limited	1	US\$1	–	100	Investment Holding
New World LifeTech Limited	100	US\$1	–	80	Investment Holding
New World Venture Holdings Limited	1	US\$1	–	100	Investment Holding
NWD Finance (BVI) Limited	1	US\$1	100	100	Financial Services
Park New Astor Hotel Limited	101	US\$1	–	100	Property Investment
Radiant Glow Limited	1	US\$1	–	70	Investment Holding
Sea Walker Limited	1	US\$1	100	100	Investment Holding
Sparkling Rainbow Limited	1	US\$1	–	70	Investment Holding
Steady Profits Limited	1	US\$1	–	70	Investment Holding
Sweet Prospects Enterprises Limited	1	US\$1	–	70	Investment Holding
True Blue Developments Limited	1	US\$1	–	70	Investment Holding
Twin Glory Investments Limited	1	US\$1	–	70	Investment Holding

[^] Cumulative convertible redeemable preference shares.

37 Principal Associated Companies

As at 30 June 2001

	Share capital issued [#]		Percentage of equity shares held		Principal activities
	Number	Par value	By the Company	By the Group	
		per share HK\$			
Incorporated and operated in Hong Kong					
Birkenhead Property & Investment Limited	1,200,000	1	–	50	Property Investment
CSX World Terminals Hong Kong Limited (formerly Sea-Land Orient Terminals Limited)	55,000 'A'	1	–	–	Operation of Container Terminal
	5,000 'B'	1	–	15	
Estoree Limited	500 'A'	10	–	–	
	500 'B'	10	–	50	
	9,000 'C' **	10	–	–	Property Investment
Ever Light Limited	1,000	1	40	40	Property Investment
Fook Hang Trading Company Limited	100	100	50	50	Property Trading
Global Perfect Development Limited	1,000,000	1	–	35	Investment Holding
Global Winner Limited	2	1	–	50	Property Investment
Kentfull Contracting Limited	5,000,000	1	–	33	Interior Decoration Contracting
New Waly Interior Products Limited	1,000,000	1	–	31	Trading of Interior Products
New World-Guangdong Highway Investments Co. Limited	100 100 *	100 100	– –	30 –	Investment Holding
Niceline Company Limited	1,000	1	–	25	Investment Holding
Pure Jade Limited	1,000	1	–	20	Property Investment
Quon Hing Concrete Company Limited	200,000	100	–	26	Production of Concrete
Ranex Investment Limited	100	1	–	10	Property Trading
Shun Tak Centre Limited	1,000	100	–	29	Property Investment
Silverland Limited	4	1	50	50	Property Investment
Sun City Holdings Limited	8,000,000	1	–	22	Investment Holding
Supertime Holdings Limited	100	1	–	25	Property Investment
Yargoan Company Limited	150,000	100	–	16	Stone Quarrying
Incorporated and operated in the United States of America					
CyberLancet Corporation	49,000,000 β	–	–	–	Development of Internet Technology
	21,000,000 +	–	–	100	
CyberNova Corporation	30,000,000 β	–	–	–	Development of Cable Modem
	20,000,000 +	–	–	100	
Prediwave Corporation	35,000,000 β	–	–	–	Development of Video-on-demand Technology
	15,000,000 +	–	–	100	
TechStock, Inc.	30,000,000 β	–	–	–	Investment Holding
	20,000,000 +	–	–	100	

Represented ordinary shares, unless otherwise stated.

* Non-voting deferred ordinary shares.

** Non-cumulative non-voting redeemable preference shares.

β Common stocks.

+ Series A preferred stocks

37 Principal Associated Companies (continued)

As at 30 June 2001

	Registered capital/ issued share capital		Percentage of equity shares held		Principal activities
	Amount/ Number	Par value per share	By the Company	By the Group	
Incorporated and operated in Thailand					
Ploenchit Arcade Company Limited	20,000	Baht10,000	–	13	Hotel Investment
Incorporated in British Virgin Islands					
Fortune Star Worldwide Limited	100	US\$1	–	28	Investment Holding
Grand Make International Limited	100	US\$1	–	32	Investment Holding
New QU Energy Limited	65,000,000 β	–	–	–	Development and Production of Heat Transfer Devices
	35,000,000 +	–	–	64	
Newton Asia Limited	2	US\$1	–	50	Property Investment
Right Choice International Limited	200	US\$1	–	18	Property Investment
Sinclair Profits Limited	10	US\$1	–	35	Investment Holding
Incorporated and operated in the People's Republic of China					
Beijing Chang Le Real Estates Development Co., Ltd.	US\$12,000,000	–	–	25	Property Investment
Beijing Fu Wah Real Estates Development Co., Ltd.	US\$8,000,000	–	–	25	Property Investment
Beijing Niceline Real Estates Development Co., Ltd.	US\$8,000,000	–	–	25	Property Investment
Beijing Po Garden Real Estates Development Co., Ltd.	US\$12,000,000	–	–	25	Property Investment
Kunming Fulintang Pharmaceutical Co., Ltd.	Rmb50,000,000	–	–	65	Pharmaceutical Chain Store
Shangdong Unison Bioengineering Co., Ltd.	Rmb5,000,000	–	–	35	Chinese Herbal
Shanghai New World Huai Hai Property Development Co., Ltd.	US\$70,000,000	–	–	31	Property Investment
Incorporated in Bermuda and operated in Hong Kong					
Kwoon Chung Bus Holdings Limited	393,906,000	HK\$0.10	–	12	Bus Services
Tai Fook Securities Group Limited	488,409,699	HK\$0.10	–	10	Financial Services
Wai Kee Holdings Limited	773,994,000	HK\$0.10	–	8	Construction and Civil Engineering

β Common stocks.

+ Series A preferred stocks.

38 Principal Jointly Controlled Entities

As at 30 June 2001

	Registered capital	Attributable interest Ω		Principal activities
		To the Company	To the Group	
Incorporated and operated in the People's Republic of China				
<i>Equity Joint Ventures</i>				
Beijing Autotech Service Co., Ltd.	US\$2,550,000	–	33	Auto Repair Centre
Beijing Orient Mosler Security Technology Co., Ltd.	US\$2,000,000	–	35	Security System
Guangzhou Oriental Power Co., Limited	Rmb990,000,000	–	15	Generation and Supply of Electricity
Guangzhou Pearl River Power Co., Limited	Rmb420,000,000	–	30	Generation and Supply of Electricity
Hong Kong Jing-Guang Development Ltd	HK\$1,000,000	–	20	Hotel Operation
Sea-Land Orient (Tianjin) Container Terminals Co., Limited	US\$29,200,000	–	11	Operation of Container Terminal
Shanghai Jianmei Property Development Co., Ltd	US\$10,000,000	–	21	Property Investment
Shenyang New World Lumingchun Building Co., Limited	Rmb68,000,000	–	49	Hotel Operation
Wuhan New World Refrigeration Industrial Corporation Limited	Rmb60,000,000	–	50	Refrigeration Equipment Manufacturing
Yixing United Ceramics Company Ltd.	US\$16,360,000	–	48	Ceramics Tiles Manufacturing
<i>Co-operative Joint Ventures</i>				
Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) Co., Limited	Rmb580,000,000	–	15	Operation of Toll Road
Beijing Chong Wen-New World Properties Development Co., Limited	US\$104,100,000	–	41-49	Property Investment
Beijing Chong Yu Real Estate Development Co., Limited	US\$81,840,000	–	49	Property Investment
Beijing Xin Kang Real Estate Development Co., Ltd.	US\$12,000,000	–	49	Property Investment
Beijing Xin Lian Hotel Co., Ltd.	US\$12,000,000	–	42	Hotel Operation
China New World Electronics Limited	US\$20,000,000	–	49	Property Investment
Dongguan New World Garden Trade Construction Co., Limited	US\$12,000,000	–	27	Property Investment
Dongguan New World Square Trade Construction Co., Limited	US\$12,000,000	–	27	Property Investment
Grand New World Hotel Company Limited	US\$10,800,000	–	64	Hotel Operation

38 Principal Jointly Controlled Entities (continued)

As at 30 June 2001

	Registered capital	Attributable interest Ω		Principal activities
		To the Company	To the Group	
Incorporated and operated in the People's Republic of China (continued)				
<i>Co-operative Joint Ventures (continued)</i>				
Guangzhou Cosmart Estate Development Limited	HK\$48,000,000	–	42	Property Investment
Guangzhou Fong-Chuen New World Property Development Co., Limited	Rmb330,000,000	–	42	Property Investment
Guangzhou Fucheng Property Development Co., Limited	HK\$80,000,000	–	42	Property Investment
Guangzhou Northring Freeway Company Limited	US\$19,255,000	–	39	Operation of Toll Road
Huishen (Yantian) Expressway Huizhou Co., Ltd	Rmb39,000,000	–	20	Operation of Toll Road
Huizhou City Hui-Ao Roadway Co., Ltd	Rmb75,000,000	–	30	Operation of Toll Road
Huizhou City Huixin Expressway Co., Ltd	Rmb34,400,000	–	30	Operation of Toll Road
Shanghai Trio Property Development Co., Limited	US\$75,000,000	–	24	Property Redevelopment
Shenzhen Topping Real Estate Development Co., Ltd.	HK\$182,000,000	–	49	Property Investment
Tianjin New World Properties Development Co., Limited	US\$12,000,000	–	49	Land Development
Tianjin Expressway (Tianjin North Section)				
Tianjin Xinlu Expressway Co., Limited	Rmb99,092,000	–	54 @	Operation of Toll Road
Tianjin Xindi Expressway Co., Limited	Rmb93,688,000	–	54 @	Operation of Toll Road
Tianjin Xinlong Expressway Co., Limited	Rmb99,400,000	–	54 @	Operation of Toll Road
Tianjin Xinming Expressway Co., Limited	Rmb85,468,000	–	54 @	Operation of Toll Road
Tianjin Xinqing Expressway Co., Limited	Rmb99,368,000	–	54 @	Operation of Toll Road
Tianjin Xinquan Expressway Co., Limited	Rmb92,016,000	–	54 @	Operation of Toll Road
Tianjin Xinsen Expressway Co., Limited	Rmb87,300,000	–	54 @	Operation of Toll Road
Tianjin Xinshi Expressway Co., Limited	Rmb99,388,000	–	54 @	Operation of Toll Road
Tianjin Xinsi Expressway Co., Limited	Rmb96,624,000	–	54 @	Operation of Toll Road
Tianjin Xintong Expressway Co., Limited	Rmb99,448,000	–	54 @	Operation of Toll Road
Tianjin Xintuo Expressway Co., Limited	Rmb99,316,000	–	54 @	Operation of Toll Road
Tianjin Xinxiang Expressway Co., Limited	Rmb90,472,000	–	54 @	Operation of Toll Road
Tianjin Xinyan Expressway Co., Limited	Rmb89,028,000	–	54 @	Operation of Toll Road
Tianjin Xinzhan Expressway Co., Limited	Rmb89,392,000	–	54 @	Operation of Toll Road

38 Principal Jointly Controlled Entities (continued)

As at 30 June 2001

	Registered capital	Attributable interest Ω		Principal activities
		To the Company	To the Group	
Incorporated and operated in the People's Republic of China (continued)				
<i>Co-operative Joint Ventures (continued)</i>				
Wuhan Airport Road Development Limited	Rmb60,000,000	–	24	Operation of Toll Road
Wuhan Taibei & New World Hotel Co., Ltd.	US\$14,160,000	–	35	Hotel Operation
Wuhan Xinhan Development Co., Limited	Rmb30,000,000	–	35	Property Investment
Wuxi New City Development Co., Limited	US\$10,040,000	–	26	Hotel Operation

Ω percentage of equity interest, in the case of equity joint ventures or joint stock limited company or profit sharing percentage, in the case of co-operative joint ventures.

@ Represented cash sharing ratio for the first 15 years of the joint venture period, thereafter the ratio will change to 60%.

	Share capital issued [#]		Percentage of equity shares held		Principal activities
	Number	Par value per share HK\$	By the Company	By the Group	
Incorporated and operated in Hong Kong					
<i>Company Limited By Shares</i>					
Asia Container Terminal Limited	1,000	1	–	16	Development and Operation of Container Terminal
ATL Logistics Centre Hong Kong Limited (formerly Asia Terminals Limited)	100,000	1	–	25	Operation of Cargo Handling and Storage Facilities
	20,000 **	1	–	36	
	39,000 *	1	–	–	
	15,918 ***	1	–	–	
Direct Profit Development Limited	200,000	0.05	–	15	Property Investment
Ever Sure Investments Limited	2	1	–	50	Property Investment
Far East Landfill Technologies Limited	1,000,000	1	–	24	Landfill
Gloryland Limited	900	1	–	33	Property Trading
Istaron Limited	4	1	–	32	Investment Holding
Newfoundworld Limited	200,000	10	–	20	Property Trading
Ocean Champion Development Limited	10,000	1	–	50	Property Investment
Sheeniy Enterprises Limited	10,000	1	–	50	Property Investment

38 Principal Jointly Controlled Entities (continued)

As at 30 June 2001

	Share capital issued [#]		Percentage of equity shares held		Principal activities
	Number	Par value	By the Company	By the Group	
		per share HK\$			
Incorporated and operated in Hong Kong (continued)					
<i>Company Limited By Shares (continued)</i>					
Sky Connection Limited	100	1	–	50	Duty-Free, Liquor and Tobacco Sales
Super Lion Enterprises Limited	2	1	50	50	Property Investment
Tate's Cairn Tunnel Company Limited	1,100,000	0.01	–	17	
	600,000,000 *	1	–	–	Operation of Toll Tunnel
Incorporated in British Virgin Islands and operated in the People's Republic of China					
Holicon Holdings Limited	2	US\$1	–	50	Property Development
Orwin Enterprises Limited	2	US\$1	–	50	Property Development
Cyber China Inc.	100	US\$1	–	35	Investment Holding
Incorporated in British Virgin Islands					
Quick Wealth Investment Limited	100	US\$1	–	32	Investment Holding
Incorporated and operated in Malaysia					
Great Union Properties Sdn. Bhd.	100,000,000	M\$1	–	38	
	10,000,000 ^	M\$0.10	–	38	Property Investment
T & T Properties Sdn. Bhd.	9,500,000	M\$1	–	33	Property Investment
Incorporated in Hong Kong and operated in Macau and the People's Republic of China					
Sino-French Holdings (Hong Kong) Limited	1,086,280 'A'	HK\$100	–	–	
	2,089,000 'B'	HK\$100	–	30	Operation of Water and
	1,002,720 'C'	HK\$100	–	–	Electricity Plants

Represented ordinary shares, unless otherwise stated.

* Non-voting deferred ordinary shares.

** Non-voting preference shares.

*** Non-voting deferred preference shares.

^ Redeemable cumulative preference share.