Notes to the Financial Statements (Expressed in Hong Kong dollars unless otherwise stated)

1. ORGANIZATION AND OPERATIONS

Berjaya Holdings (HK) Limited (the "Company") is incorporated in Hong Kong. The Company is an investment holding company and is principally engaged in property investment for rental income and development purposes. The principal activities of its subsidiaries are set out in Notes 7 and 8 to the financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements are prepared in accordance with Statements of Standard Accounting Practice ("SSAP") issued by the Hong Kong Society of Accountants ("HKSA"), accounting principles generally accepted in Hong Kong, and the disclosure requirements of Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "SEHK").

a. Basis of measurement

The financial statements are prepared under the historical cost convention as modified by the valuation of investment properties, leasehold land and building and certain investments in securities.

b. New adoption of Statements of Standard Accounting Practice

In the current year, the Group has adopted, for the first time, the following SSAPs issued by the HKSA:

SSAP 9 (revised)	Events after the balance sheet date
SSAP 26	Segment reporting
SSAP 28	Provisions, contingent liabilities and contingent assets
SSAP 30	Business combinations
SSAP 31	Impairment of assets

Except for the adoption of SSAP 26 "Segment reporting", which requires comprehensive disclosure of financial information by segments (both business and geographical segments) of the Group as summarized in Note 3, the adoption of SSAP 9 (revised) "Events after the balance sheet date", SSAP 28 "Provisions, contingent liabilities and contingent assets", SSAP 30 "Business combinations" and SSAP 31 "Impairment of assets" has no material impact on the reported financial position or results of the Group.

In addition to the adoption of the above standards, the Group has adopted the consequential changes made to SSAP 10 "Accounting for investments in associates", SSAP 17 "Property, plant and equipment", and SSAP 18 "Revenue". Other than those disclosed in the respective notes to the financial statements, the Group considers that the consequential changes made to the above SSAPs do not have any material impact on the financial statements of the Group.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

b. New adoption of Statements of Standard Accounting Practice (cont'd)

Unless otherwise stated, the 2001 comparative figures presented herein have incorporated the effect of adjustments, where applicable, resulting from the adoption of the new accounting standards above.

c. Basis of consolidation

The consolidated financial statements of the Group include the financial statements of the Company and the enterprises that it controls. This control is normally evidenced when the Group has the power to govern the financial and operating policies of an enterprise so as to benefit from its activities, and it holds, either directly or indirectly, more than 50% of the issued capital or controls more than half of the voting power or the composition of the board of directors of the subsidiaries. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal. The equity and net income attributable to minority shareholders' interests are shown separately in the Group's balance sheets and income statements, respectively.

Intragroup balances and transactions and resulting unrealized profits are eliminated in full. Unrealized losses resulting from intragroup transactions are eliminated unless cost cannot be recovered. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The results of operation and net assets of a subsidiary, Zhong Freight Limited ("Zhong Freight"), have not been consolidated because the directors are of the opinion that the Company has no control over Zhong Freight as Zhong Freight was under liquidation. Investment in unconsolidated subsidiaries is stated at cost less provision for any impairment in value. Income from the unconsolidated subsidiaries is accounted for to the extent of dividends declared.

d. Fixed assets and depreciation

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

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed assets beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of the fixed assets.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

d. Fixed assets and depreciation (cont'd)

Leasehold land and building is carried at revalued amounts. Professional valuation is performed annually with the last valuation performed on April 30, 2002.

Any increase in the valuation of leasehold land and building is credited to the property revaluation reserve; any decrease is first offset against increases on earlier valuations in respect of the same property and is thereafter charged to the income statement.

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

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

The useful lives of assets and depreciation method are reviewed periodically.

When assets are sold or retired, their cost or valuation and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated income statement.

e. Investment properties

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

Investment properties are stated at open market value determined annually by independent valuers.

Increases in the carrying amount of investment properties are credited to the property revaluation reserve in shareholders' equity. Decreases are first offset against increases on earlier valuations in the property revaluation reserve in respect of investment properties, unless the total of this reserve is insufficient to cover a deficit on a portfolio basis, in which case the amount by which the deficit exceeds the total amount in the property revaluation reserve should be charged to the income statement. Where a deficit has previously been charged to the income statement and a revaluation surplus subsequently arises, this surplus should be credited to the income statement to the extent of the deficit previously charged.

Upon the disposal of an investment property, the realized portion of the property revaluation reserve is credited to the income statement as part of the profit and loss on disposal of the investment property.

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

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

f. Land pending development

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

g. Subsidiaries

A subsidiary is a company which the Company controls. Control is normally evidenced when the Company has the power to govern the financial and operating policies of the subsidiary so as to benefit from its activities, and it holds, either directly or indirectly, more than 50% of the issued capital or controls more than half of the voting power or the composition of the board of directors of the subsidiaries. In the financial statements of the Company, investment in subsidiaries is carried at cost less provision for impairment in value where considered necessary by the directors. The results of the subsidiaries are included in the income statement to the extent of dividends received and receivable.

h. Investment in an associate

Investment in an associate where significant influence is exercised by the Group is accounted for using the equity method in the consolidated financial statements, whereby the investment is initially recorded at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the associate, distributions received from the associate and other necessary alterations in the Group's proportionate interest in the associate arising from changes in the equity of the associate that have not been included in the income statement and less any accumulated impairment losses. The Group's share of post-acquisition results of the associate is included in the consolidated income statement.

In the Company's financial statements, investment in an associate is carried at cost less any accumulated impairment losses. The results of the associate are included in the income statement to the extent of dividends received and receivable.

i. Investments in securities

Investment securities

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

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

i. Investments in securities (cont'd)

Investment securities (cont'd)

The carrying amounts of investment securities are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amount. When such a decline has occurred, the carrying amounts are reduced and the reduction is recognized as an expense in the consolidated income statement unless there is evidence that the decline is temporary. Provisions against the carrying value of investment securities are reversed to the consolidated income statement when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

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

Other investments

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

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

j. Operating leases

The Group presents assets subject to operating leases in the balance sheets according to the nature of the assets. Lease income from operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred specifically to earn revenues from an operating lease are recognized as an expense in the income statement in the period in which they are incurred.

k. Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement for items of fixed assets and investment in an associate and subsidiaries that are carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

k. Impairment of assets (cont'd)

Reversal of impairment losses recognized in prior years is recorded when the impairment losses recognized for the asset no longer exist or has decreased. The reversal is recorded as income.

l. Turnover

Turnover represents rental income from property letting.

m. Revenue recognition

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

(i) Rental income

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

(ii) Interest income

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

(iii) Dividend income

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

n. Deferred taxation

Deferred taxation is provided under the liability method in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements to the extent that it is probable that a liability or an asset will crystallize.

o. Foreign currencies

The Company and certain of its subsidiaries maintain their books and records in Hong Kong dollars. Transactions in other currencies are translated into the reporting currency at exchange rates prevailing at the time of the transactions. Monetary assets and liabilities denominated in other currencies at the balance sheet date are re-translated at exchange rates prevailing at that date. All exchange differences are recognized in the income statement in the period in which they arise.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

p. Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

q. Subsequent events

Post-year-end events that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate (adjusting events), are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

r. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in Hong Kong requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. SEGMENT INFORMATION

a. Business segments

The Group conducts the majority of its business activities in two segments, namely property letting and investment holding. An analysis of the Group's performance by business segment is as follows:

	Property letting		Investment holding		Consolidated total	
	2002	2001	**2002**	2001	**2002**	2001
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
REVENUE						
External revenue	**2,315**	1,792	**–**	–	**2,315**	1,792
Total revenue	**2,315**	1,792	**–**	–	**2,315**	1,792
RESULTS						
Segment results	**(9,002)**	(5,673)	**(13,730)**	(5,782)	**(22,732)**	(11,455)
Finance costs, net					**(3,811)**	(1,223)
Share of profit of an associate					**203**	156
Taxation					**3**	74
Minority interests					**3**	3
Net loss attributable to shareholders					**(26,334)**	(12,445)
ASSETS						
Segment assets	**42,304**	46,718	**67,803**	80,209	**110,107**	126,927
Investment in an associate	**–**	–	**11,845**	11,639	**11,845**	11,639
Unallocated corporate assets					**8,073**	11,575
Consolidated total assets					**130,025**	150,141
LIABILITIES						
Segment liabilities	**571**	659	**–**	–	**571**	659
Unallocated corporate liabilities					**62,598**	55,674
Consolidated total liabilities					**63,169**	56,333
OTHER INFORMATION						
Capital expenditures (including land refurbishment charges)					**1,332**	1,054
Depreciation of unallocated corporate assets					**251**	297
Net non-cash expenses other than depreciation	**4,363**	–	**13,730**	5,782	**18,093**	5,782

3. SEGMENT INFORMATION (CONT'D)

b. Geographical segments

The Group's revenue is mainly derived from customers located in Hong Kong and Malaysia, while the Group's business assets are located predominantly in Hong Kong, the People's Republic of China (the "PRC") and Singapore. An analysis of the Group's external revenue by location of customers and an analysis of the Group's assets by location of assets are as follows:

	Hong Kong		Malaysia		Total	
	2002	2001	**2002**	2001	**2002**	2001
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
External revenue	**1,835**	1,771	**480**	21	**2,315**	1,792

	Hong Kong		The PRC		Singapore		Other places		Total	
	2002	2001	**2002**	2001	**2002**	2001	**2002**	2001	**2002**	2001
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets	**43,317**	48,723	**66,654**	71,445	**11,845**	11,639	**8,209**	18,334	**130,025**	150,141
Capital expenditures (including land refurbishment charges)	**7**	1,054	**1,325**	–	**–**	–	**–**	–	**1,332**	1,054

4. DEBTORS, PREPAYMENTS AND DEPOSITS

Debtors, prepayments and deposits comprise:

	The Group		The Company	
	2002	2001	**2002**	2001
	$'000	*$'000*	***$'000***	*$'000*
Trade debtors	**58**	24	**58**	24
Other debtors	**561**	557	**561**	557
Prepayments and deposits	**502**	541	**412**	449
	1,121	1,122	**1,031**	1,030

4. DEBTORS, PREPAYMENTS AND DEPOSITS (CONT'D)

Analysis of aging of trade debtors is as follows:

	The Group		The Company	
	2002	2001	**2002**	2001
	$'000	*$'000*	***$'000***	*$'000*
Not over 3 months	**52**	24	**52**	24
Over 3 months but within 1 year	**6**	–	**6**	–
	58	24	**58**	24

The Group and the Company grant credit period of 15 days to the trade debtors.

5. OTHER INVESTMENTS

Analysis of other investments of the Group and of the Company is as follows:

	2002	2001
	$'000	*$'000*
Unlisted overseas	**11,204**	11,204
Less: Write-down in value of unlisted overseas investment	**(11,204)**	–
	–	11,204
Listed overseas, at market value	**2,804**	1,725
	2,804	12,929
Quoted market value of listed overseas investments	**2,804**	1,725

Unlisted overseas investment represents the Company's 8.2% equity investment in a private limited company. As the investee company is a private company, no quoted market value is available. As of April 30, 2002, the commitment to purchase such investment by an independent third party at the Group's carrying value did not materialize. Although there continues to be a commitment by the third party to purchase the investment from the Group, the Directors are of the opinion that the transaction may never materialize. In addition, this investment has not generated any returns to the Group and to the best of the knowledge of the directors, the investee company has not generated any substantive revenue and has an accumulated loss. On the basis of the above, the Directors are of the view that it would be unlikely that the Group would be able to generate any meaningful cashflow from this investment and has therefore, written off the carrying value of the investment.

6. INVESTMENT SECURITIES

	2002	2001
	$'000	*$'000*
Club debenture, at cost	**295**	295

The directors are of the opinion that the underlying value of the investment securities was not less than its carrying value as of April 30, 2002.

7. INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES

	2002	2001
	$'000	*$'000*
Unlisted shares, at cost	**22,792**	22,792
Less: Impairment losses	**(22,792)**	(22,792)
	–	–

As of April 30, 2002, particulars of the non-consolidated subsidiaries of the Group are as follows:

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

* 50% directly held by Zhong Freight Limited.

In June 1995, the Company commenced a creditors' voluntary liquidation of its 55% owned subsidiary, Zhong Freight, a company incorporated in Hong Kong. The directors are of the opinion that the Company has no control over Zhong Freight (including its 50% owned subsidiary, C & C Freight) and accordingly the financial statements of Zhong Freight have not been consolidated as of April 30, 2002.

8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries in the Company's balance sheet comprise:

	2002 $'000	2001 $'000
Unlisted shares, at cost	**2,105**	2,105
Amounts due from subsidiaries	**79,791**	79,789
Amounts due to subsidiaries	**(1,692)**	(1,703)
	80,204	80,191
Less: Accumulated impairment losses	**(17,000)**	(2,000)
	63,204	78,191

Amounts due from/to subsidiaries are unsecured, non-interest bearing and have no fixed repayment terms. The Company's directors are of the opinion that the underlying value of the subsidiaries was not less than the Company's carrying value of the subsidiaries as of April 30, 2002.

As of April 30, 2002, particulars of the subsidiaries of the Group are as follows:

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

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

** Non-consolidated subsidiaries *(Note 7)*.

9. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2002	2001	**2002**	2001
	$'000	*$'000*	***$'000***	*$'000*
Unlisted investment, at cost	**8,200**	8,200	**8,200**	8,200
Accumulated share of net profits less distribution	**8,725**	8,519	**–**	–
Other accumulated adjustments to share of net assets	**(5,080)**	(5,080)	**–**	–
	11,845	11,639	**8,200**	8,200
Less: Accumulated impairment losses	**–**	–	**(3,000)**	(3,000)
	11,845	11,639	**5,200**	5,200

a. The Company's directors are of the opinion that the share of underlying value of the associate was not less than the Group's and the Company's carrying value of the associate as of April 30, 2002.

b. As of April 30, 2002, particulars of the associate are as follows:

Name of associate	Form of business structure	Country of incorporation and operation	Particulars of issued and paid up capital	Percentage of ownership interest directly held	Principal activity
Greenland Timber Industries (Pte.) Ltd.	Limited company	Singapore	S$8,500,000	20%	Investment holding

c. The financial period end date of the associate is December 31 of each year which is not coterminous with that of the Group. Adjustments have been made to incorporate the financial results of the associate between the financial period end date of the associate and the Group.

10. RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common significant influence. Related parties may be individuals or entities.

a. During the year, the Company shared the office space of its registered office with a related company. The Company received no rental income but received approximately $88,000 (2001 – $88,000) as reimbursement of operating expenses.

b. The amounts due from related companies and shareholders are unsecured, non-interest bearing and are not repayable within the next twelve months.

c. The amount due to a related company is unsecured, non-interest bearing and has no fixed repayment terms.

d. On May 1, 2001, the Company entered into a loan agreement with its major shareholder, Berjaya Group (Cayman) Limited ("Berjaya Cayman"). The agreement provides that Berjaya Cayman will continue to provide loans and/or other financial support to the Company (so long as Berjaya Cayman remains as the controlling shareholder of the Company as defined in the Listing Rules of the SEHK) for its operations through advancing loans from its related and affiliated companies to the Company (under the same terms and conditions as the existing loans and advances). In addition, pursuant to the loan agreement, commencing on May 1, 2001, the Company's outstanding loans from related companies and shareholders bear interest at Hong Kong Dollar prime lending rate of The Hongkong and Shanghai Banking Corporation Limited plus 3% (2001 – nil). The loans are not secured and Berjaya Cayman, its related and affiliated companies, will not recall the loans within the next twelve months.

   During the year, interest expense on the loans from related companies and shareholders of the Group amounted to approximately $210,000 (2001 – nil) and $2,196,000 (2001 – nil) respectively (Note 20).

e. During the year ended April 30, 2001, a related company transferred the ownership of certain properties with a value of approximately $905,000 to the Company as repayment of an amount due from the related company (Note 18).

11. FIXED ASSETS

Movements in fixed assets of the Group during the year are as follows:

	2002				2001
	Investment properties $'000	Leasehold land and building $'000	Others* $'000	Total $'000	Total $'000
Cost or valuation					
Beginning of year	44,222	7,500	3,104	54,826	53,900
Additions	–	–	7	7	1,054
Disposal	–	–	(1,524)	(1,524)	(35)
Adjustment arising from revaluation	(4,231)	(900)	–	(5,131)	(93)
End of year	39,991	6,600	1,587	48,178	54,826
Representing:					
At cost	–	–	1,587	1,587	3,104
At valuation	39,991	6,600	–	46,591	51,722
	39,991	6,600	1,587	48,178	54,826
Accumulated depreciation					
Beginning of year	–	–	2,285	2,285	2,170
Charge for the year	–	150	101	251	297
Disposal	–	–	(1,421)	(1,421)	(32)
Adjustment arising from revaluation	–	(150)	–	(150)	(150)
End of year	–	–	965	965	2,285
Net book value					
End of year	39,991	6,600	622	47,213	52,541
Beginning of year	44,222	7,500	819	52,541	51,730

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

11. FIXED ASSETS (CONT'D)

Movements in fixed assets of the Company during the year are as follows:

	2002			2001
	Investment properties $'000	Others* $'000	Total $'000	Total $'000
Cost or valuation				
Beginning of year	44,222	2,804	47,026	46,198
Additions	–	7	7	921
Disposal	–	(1,524)	(1,524)	–
Adjustment arising from revaluation	(4,231)	–	(4,231)	(93)
End of year	39,991	1,287	41,278	47,026
Representing:				
At cost	–	1,287	1,287	2,804
At valuation	39,991	–	39,991	44,222
	39,991	1,287	41,278	47,026
Accumulated depreciation				
Beginning of year	–	2,197	2,197	2,082
Charge for the year	–	79	79	115
Disposal	–	(1,421)	(1,421)	–
End of year	–	855	855	2,197
Net book value				
End of year	39,991	432	40,423	44,829
Beginning of year	44,222	607	44,829	44,116

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

11. FIXED ASSETS (CONT'D)

The carrying amounts of investment properties of the Group and of the Company and the leasehold land and building of the Group are analyzed as follows:

	Investment properties		Leasehold land and building	
	2002	2001	**2002**	2001
	$'000	*$'000*	***$'000***	*$'000*
In Hong Kong				
– long-term leases	**32,938**	37,198	**6,600**	7,500
Outside Hong Kong				
– long-term leases	**1,647**	1,618	**–**	–
– freehold land	**5,406**	5,406	**–**	–
	39,991	44,222	**6,600**	7,500

The investment properties of the Group and of the Company and the leasehold land and building of the Group as of April 30, 2002 were appraised by Chesterton Petty Limited and Jones Lang Wootton, independent registered valuers on April 30, 2002. These properties were appraised on an open market basis and are carried in the balance sheet at market value.

As a result of the appraisals,

(a) the revaluation decrease of approximately $4,231,000 for the investment properties of the Group and of the Company was first charged against the property revaluation reserve for investment properties of approximately $29,000 and the excess of the revaluation decrease of approximately $4,202,000 was charged to the consolidated income statement.

(b) the revaluation decrease of $750,000 for the leasehold land and building of the Group was first charged against the property revaluation reserve for leasehold land and building of approximately $589,000 and the excess of the revaluation decrease of approximately $161,000 was charged to the consolidated income statement.

Had the leasehold land and building of the Group been carried at cost less accumulated depreciation, the net book value of the leasehold land and building as of April 30, 2002 would have been approximately $8,200,000 (2001 – $8,400,000).

As of April 30, 2002, certain investment properties and leasehold land and building with a net book value of approximately $38,638,000 (2001 – $43,548,000) were mortgaged as securities for the Group's banking facilities (Notes 13 and 26).

12. LAND PENDING DEVELOPMENT

Land pending development represents the cost of a land use right purchased in 1996 for a piece of land located in the Pudong area in Shanghai, the PRC. The land use right has a term of 50 years expiring in 2045. The directors intend to hold the land use right for future property development purposes.

	2002	2001
	$'000	*$'000*
Beginning of year	**67,280**	67,280
Add: Land refurbishment charges	**1,325**	–
	68,605	67,280
Less: Impairment loss	**(3,605)**	–
End of year	**65,000**	67,280

Given that the Group has not commenced development activities on this piece of land and will not do so until it is of the opinion that the market conditions are appropriate to commence such activities, it has engaged Chesterton Petty Limited, independent registered valuers, to undertake a valuation, on an open market basis, on this land pending development to determine the best estimate of the recoverable amount of this property under the present condition. Based on the report prepared by Chesterton Petty Limited, the estimated market value of this land pending development on April 30, 2002 was $65,000,000. As a result of the adoption of SSAP 31 "Impairment of assets", which requires an impairment loss be recognized whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss on land pending development of approximately $3,605,000 is recognized in the current year.

13. LONG-TERM BANK LOAN – SECURED

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

	2002	2001
	$'000	*$'000*
Within one year	**1,718**	1,438
More than one year but not exceeding two years	**1,854**	1,585
More than two years but not exceeding five years	**6,487**	5,825
Total within five years	**10,059**	8,848
More than five years	**6,658**	9,405
	16,717	18,253
Less: Amounts due within one year shown under current liabilities	**(1,718)**	(1,438)
	14,999	16,815

13. LONG-TERM BANK LOAN – SECURED (CONT'D)

As of April 30, 2002, the long-term bank loan is secured by certain of the investment properties and leasehold land and building of the Group located in Hong Kong (Notes 11 and 26).

14. CREDITORS AND ACCRUED LIABILITIES

	The Group		The Company	
	2002	2001	**2002**	2001
	$'000	*$'000*	***$'000***	*$'000*
Trade creditors	**–**	–	**–**	–
Other creditors	**7,413**	7,436	**24**	47
Accrued liabilities	**452**	1,035	**387**	970
	7,865	8,471	**411**	1,017

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

15. ADVANCES FROM MINORITY SHAREHOLDERS OF A SUBSIDIARY, NET

	2002	2001
	$'000	*$'000*
Advances from minority shareholders	**11,000**	11,000
Less: Accumulated losses attributable to minority shareholders	**(8,821)**	(8,818)
Balance, end of year	**2,179**	2,182

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

16. SHARE CAPITAL

	2002	2001
	$'000	*$'000*
Authorized:		
1,250,000,000 (2001 – 1,250,000,000) ordinary shares of $0.2 (2001 – $0.2) each	**250,000**	250,000
Issued and fully paid:		
591,047,975 (2001 – 591,047,975) ordinary shares of $0.2 (2001 – $0.2) each	**118,210**	118,210

17. RESERVES

	2002						2001
		Property revaluation reserves					
	Share premium	Investment properties	Leasehold land and building	Exchange translation reserve	Deficit	Total	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
THE GROUP							
Beginning of year	12,282	29	589	756	(38,058)	(24,402)	(12,014)
Loss for the year	–	–	–	–	(26,334)	(26,334)	(12,445)
Adjustments arising from revaluation	–	(29)	(589)	–	–	(618)	57
End of year	12,282	–	–	756	(64,392)	(51,354)	(24,402)
THE COMPANY							
Beginning of year	12,282	29	–	–	(31,123)	(18,812)	(6,323)
Loss for the year	–	–	–	–	(34,671)	(34,671)	(12,396)
Adjustments arising from revaluation	–	(29)	–	–	–	(29)	(93)
End of year	12,282	–	–	–	(65,794)	(53,512)	(18,812)

(a) As of April 30, 2002, the Company had no reserve available for distribution.

(b) Included in deficit is an amount of $3,645,000 (2001: $3,439,000), being retained profits attributable to the associate.

(c) The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

(d) The property revaluation reserves and exchange translation reserve have been established and will be dealt with in accordance with the accounting policies adopted for the revaluation of investment properties and leasehold land and building held for own use and foreign currency translation.

18. LOSS BEFORE TAX AND MINORITY INTERESTS

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

	2002 *$'000*	2001 *$'000*
Crediting:		
Rental income, net of outgoings, from investment properties under operating leases	**2,315**	1,792
Interest income received from a related company *(Note 10)*	**–**	905
Interest income in respect of:		
– bank deposits	**19**	158
– others	**47**	65
Exchange gain, net	**–**	48
Dividend income from other investments	**28**	14
Charging:		
Auditors' remuneration	**290**	320
Write-off of amount due from related companies	**2,547**	1,917
Depreciation of fixed assets	**251**	297
Staff (including directors) costs		
– salaries and other allowances	**1,287**	1,605
– pension scheme contributions (net of forfeited contribution)	**46**	48
Rental expense under operating leases	**–**	37
Loss on disposal of fixed assets	**25**	3
Interest expense *(Note 20)*	**3,877**	2,351
Exchange loss, net	**8**	–

19. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

a. Directors' emoluments

Directors' emoluments, disclosed pursuant to Section 161(1) of the Companies Ordinance and the Listing Rules of the SEHK, are as follows:

	Group	
	2002	2001
	$'000	*$'000*
Executive directors		
– Fees	**24**	24
– Salaries and allowances	**569**	764
– Bonus	**27**	65
– Pension scheme contributions	**46**	29
Total	**666**	882

During the year, all (2001 – all) of the directors received emoluments within the range of $0 to $1,000,000.

No directors waived the right to receive emoluments during the year.

b. Five highest paid individuals' emoluments

Of the five highest paid individuals in the Group, one (2001 – one) is a director of the Group whose emoluments are shown in (a) above. The emoluments of the remaining four (2001: four) individuals, disclosed pursuant to the Listing Rules of the SEHK, are as follows:

	2002	2001
	$'000	*$'000*
Salaries and allowances	**492**	752
Pension scheme contributions	**29**	19
	521	771

During the year, four (2001 – four) of the five highest paid individuals (excluding the director of the Group) received emoluments within the range of $0 to $1,000,000.

During the year, no emoluments were paid to the five highest paid individuals (including directors, members and employees) as an inducement to join the Group. Approximately $176,000 (2001 – nil) was paid as compensation for loss of office.

20. FINANCE COSTS

Analysis of finance costs of the Group is as follows:

	2002 $'000	2001 $'000
Interest expense on:		
– Bank loans repayable within five years	885	1,140
– Bank loans repayable after five years	586	1,211
– Loans from related companies *(Note 10)*	210	–
– Loans from shareholders *(Note 10)*	2,196	–
	3,877	2,351

21. TAXATION

	2002 $'000	2001 $'000
Hong Kong profits tax	–	–
Overseas taxation	–	–
Share of associate's taxation	(3)	(74)
	(3)	(74)

As of April 30, 2002, the Group had an estimated cumulative tax loss of approximately $34,044,000 (2001 – $28,365,000). This estimated tax loss may be carried forward indefinitely to be offset against future taxable Hong Kong profits, subject to the agreement by the Inland Revenue Department.

The potential net deferred tax asset which has not been recognized in the consolidated financial statements is analyzed as follows:

	2002 $'000	2001 $'000
Accelerated depreciation allowances	63	90
Estimated cumulative tax losses	(5,447)	(4,538)
	(5,384)	(4,448)

22. NET LOSS ATTRIBUTABLE TO SHAREHOLDERS

The consolidated net loss attributable to shareholders includes a loss of approximately $19,671,000 (2001 – $12,396,000) dealt with in the financial statements of the Company.

23. LOSS PER SHARE

The calculation of loss per share is based on the consolidated net loss attributable to shareholders for the year of approximately $26,334,000 (2001 – $12,445,000) and the weighted average of 591,047,975 (2001 – 591,047,975) ordinary shares in issue throughout the year ended April 30, 2002.

As of April 30, 2002 and 2001, there were no dilutive financial instruments outstanding and therefore, the diluted loss per share for both years is the same as the basic loss per share.

24. ADDITIONAL FINANCIAL INFORMATION ON BALANCE SHEET

As of April 30, 2002, the net current liabilities of the Group amounted to approximately $8,733,000 (2001 – net current assets of $4,856,000). On the same date, the total assets less current liabilities of the Group was approximately $116,177,000 (2001 – $139,573,000).

25. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

a. Reconciliation of loss before tax and minority interests to net cash outflow from operating activities:

	2002	2001
	$'000	*$'000*
Loss before tax and minority interests	**(26,340)**	(12,522)
Share of profit of an associate	**(203)**	(156)
Write-down in value of other unlisted investments	**11,204**	–
(Gain) Loss on other listed investments	**(1,079)**	2,782
Revaluation deficit on investment properties and leasehold land and building	**4,363**	–
Impairment loss on land pending development	**3,605**	–
Impairment loss on investment in an associate	**–**	3,000
Write-off of amount due from related companies	**2,547**	1,917
Interest income received from a related company	**–**	(993)
Loss on disposal of fixed assets	**25**	3
Dividend income from other investments	**(28)**	(14)
Depreciation of fixed assets	**251**	297
Interest expense on bank loans	**1,471**	2,351
Interest expense on loans from related companies	**210**	–
Interest expense on loans from shareholders	**2,196**	–
Interest income	**(66)**	(223)
Decrease in debtors, prepayments and deposits	**1**	12
Increase in amounts due from related companies	**(2)**	(721)
Increase in amount due from a shareholder	**(140)**	(48)
(Decrease) Increase in creditors and accrued liabilities	**(606)**	366
Increase in amount due to a related company	**1,288**	–
(Decrease) Increase in rental deposits received	**(88)**	55
Net cash outflow from operating activities	**(1,391)**	(3,894)

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

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

	Bank loan	Loans from related companies (Note c)	Loans from shareholders (Note c)	Total	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Beginning of year	18,253	12,587	14,181	45,021	40,800
Repayment of bank loan	(1,536)	–	–	(1,536)	(1,181)
Increase in loans from related companies	–	7,000	–	7,000	2,800
(Repayment of) Increase in loans from shareholders	–	–	(1,625)	(1,625)	2,602
End of year	16,717	19,587	12,556	48,860	45,021

c. Major non-cash transaction

During the year, a related company assigned its loan due from the Group of approximately $17,001,000 to a shareholder of the Company.

26. BANKING FACILITIES AND PLEDGE OF ASSETS

As of April 30, 2002, the Group and the Company had available banking facilities of approximately $16,717,000 (2001 – $18,253,000), secured by certain of the investment properties and leasehold land and building of the Group located in Hong Kong with a net book value of approximately $38,638,000 (2001 – $43,548,000) (Note 11). Banking facilities were fully utilized as of April 30, 2002 and April 30, 2001.

27. COMMITMENTS

a. Capital commitment

Pursuant to the contractual joint venture agreement dated April 19, 1995 for the organization of Berjaya-Huitong, the Group agreed to contribute capital of US$10,000,000 (equivalent to approximately $77,300,000) in total to the said contractual joint venture on or before May 12, 1997. Although the Group has yet to make the remaining capital contribution of US$1,592,568 (equivalent to approximately $12,300,000) (2001 – $12,300,000) as of April 30, 2002 to fulfill its commitment under the contractual joint venture agreement, in the opinion of the directors, no consequential exposures or liabilities are envisaged.

27. COMMITMENTS (CONT'D)

b. Contract commitments

(i) Berjaya-Huitong has contracted a builder to draft an industrial and commercial complex plan on its leasehold land in Pudong area of Shanghai. The contracted commitment not provided for in the financial statements as of April 30, 2002 is approximately $3,950,000 (2001 – $3,950,000).

(ii) Berjaya-Huitong has contracted a company to provide land refurbishment services on its leasehold land in Pudong area of Shanghai. The contracted commitment not provided for in the financial statements as of April 30, 2002 is approximately $202,000 (2001 – $1,527,000).

28. PENSION SCHEME ARRANGEMENT

Since December 1, 2000, the Group has arranged for its employees in Hong Kong to join the Mandatory Provident Fund Scheme (the "MPF Scheme"). The MPF Scheme was introduced pursuant to the Mandatory Provident Fund legislation introduced during the year 2001. Under the MPF Scheme, the Group and each of the employees make monthly contributions to the scheme at 5% to 7.5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the employer's and the employees' contribution are subject to a cap of monthly earnings of $20,000 per employee. For those employees with monthly earnings less than $4,000, the employees' contributions are voluntary.

The forfeited contributions made by the Group and the related accrued interest are used to reduce the employer's contribution. During the year, the aggregate amount of employer's contribution made by the Group to the MPF Scheme was approximately $75,000 (2001 – $48,000), after deduction of forfeited contributions of approximately $29,000 (2001 – nil).

29. COMPARATIVE FIGURES

Certain of the prior year comparative figures have been reclassified to conform to current year presentation.

30. APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 14 to 47 of this annual report were approved and authorized for issue by the Board of Directors on June 7, 2002.