



Notes to the Financial Statements

For the year ended 31st March, 2003

1. General

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in note 19 and note 20 respectively.

2. Adoption of new and revised statements of standard accounting practice

During the year, the Group has adopted, for the first time, a number of new and revised Statements of Standard Accounting Practice (“SSAPs”) issued by the Hong Kong Society of Accountants, which has resulted in the adoption of the following new and revised accounting policies. The adoption of these SSAPs has resulted in a change in the format of presentation of the cash flow statement and the statement of changes in equity but has had no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

Foreign Currencies

The revisions to SSAP 11 “Foreign Currency Translation” have eliminated the choice of translating the income statements of overseas subsidiaries/associates at the closing rate for the year, the policy previously followed by the Group. They are now required to be translated at an average rate. This change in accounting policy has not had any material effect on the results for the current or prior accounting periods.

Discontinuing Operations

SSAP 33 “Discontinuing Operations” is concerned with the presentation of financial information regarding discontinuing operations and replaces the requirements previously included in SSAP 2 “Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies”. Under SSAP 33, financial information relating to the discontinuing operation are disclosed separately from the point at which either a binding sale agreement is entered into or a detailed plan for the discontinuance is announced. The adoption of SSAP 33 has resulted in the identification of the Group’s segment of computer and related products and online and offline advertising services as discontinuing operations in the prior year, details of which are disclosed in note 5.

Employee Benefits

In the current year, the Group has adopted SSAP 34 “Employee Benefits”, which introduces measurement rules for employee benefits, including retirement benefit plans. Because the Group participates only in defined contribution retirement benefit schemes, the adoption of SSAP 34 has not had any material impact on the financial statements.



Notes to the Financial Statements

For the year ended 31st March, 2003

3. Significant accounting policies

The financial statements have been prepared under the historical cost convention as modified for the valuation of investment properties and certain of its investments in securities.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st March each year.

The results of subsidiaries and associates which were acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intra-group transactions and balances have been eliminated on consolidation.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate at the date of acquisition.

Goodwill arising on acquisition prior to 1st April, 2001 continues to be held in reserves, and will be charged to the income statement at the time of disposal of the relevant subsidiary, or at such time as the goodwill is determined to be impaired.

Goodwill arising on acquisition after 1st April, 2001 is capitalised and amortised on a straight-line basis over its useful economic life and is presented separately in the balance sheet.

On disposal of investments in subsidiaries or associates, the attributable amount of unamortised goodwill/goodwill previously eliminated against reserve is included in the determination of the gain or loss on disposal.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.



Notes to the Financial Statements

For the year ended 31st March, 2003

3. Significant accounting policies *(continued)*

Investments in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interest in associates is stated at the Group's share of the net assets of the associates less any identified impairment loss.

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed to the customers.

Sales of investments in securities are recognised when the sale contracts become unconditional.

Revenue from estate agency work services is recognised when the services are rendered.

Dividend income from investments in securities is recognised when the shareholders' rights to receive payment have been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Rental income, including rental invoiced in advance from properties under operating leases, is recognised on a straight line basis over the period of the respective leases.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as expenses immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.



Notes to the Financial Statements

For the year ended 31st March, 2003

3. Significant accounting policies *(continued)*

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at open market value based on professional valuation at the balance sheet date. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve is charged to the income statement. Where a revaluation decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged.

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to the disposed property is transferred to the income statement.

No depreciation or amortisation is provided on investment properties except where the unexpired term, including the renewal period, of the relevant lease is twenty years or less.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and accumulated impairment loss.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight line method, at the following rate per annum:

Furniture, fixtures and office equipment	20%
Motor vehicles	20%
Vessel	20%



Notes to the Financial Statements

For the year ended 31st March, 2003

3. Significant accounting policies *(continued)*

Properties held for development

Properties held for development where no decision has yet been taken to re-sell or hold for long term purposes are stated at cost less accumulated impairment losses until the construction is completed and the properties are ready for their intended use. No depreciation and amortisation is provided on properties held for development.

Investments in securities

Investments in securities are recognised on a trade date basis and are initially measured at cost.

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investment securities, which are securities held for an identified long-term strategic purpose, are measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in net profit or loss for the period.

Operating leases

Rentals payable in respect of operating leases are charged to the income statement on a straight line basis over the relevant lease term.

Retirement benefit scheme

Payments to Mandatory Provident Fund Scheme are charged as an expense as they fall due.

Notes to the Financial Statements

For the year ended 31st March, 2003

3. Significant accounting policies (continued)

Foreign currencies

Transactions in currencies other than Hong Kong dollars are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the period.

On consolidation, the assets and liabilities of the Group's overseas operations which are denominated in currencies other than the Hong Kong dollars are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Taxation

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, computed using the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

4. Turnover

	2003 HK\$'000	2002 HK\$'000
Provision of estate agency services	1,227	216
Provision of online and offline advertising services	—	247
Rental income	2,740	297
Sales of goods, net of returns	—	20,523
Sales of securities	668,227	276,654
	<u>672,194</u>	<u>297,937</u>

An analysis of the Group's turnover and contribution to results from operations by principal business segment and geographical segment are set out in note 5.

Notes to the Financial Statements

For the year ended 31st March, 2003

5. Segmental information

Business segments

For management purposes, the Group is currently organised into three major operating divisions – estate agency, property investment and securities investments.

These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Estate agency	—	provision of estate agency services
Property investment	—	leasing of properties
Securities investment	—	Sale of investments in securities

An analysis of the Group's turnover and contribution to operating results and segmental assets and liabilities by business segments is as follows:

	Estate agency HK\$'000	Property investment HK\$'000	Securities investment HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
<i>For the year ended 31st March, 2003</i>					
TURNOVER					
External sales	<u>1,227</u>	<u>2,740</u>	<u>668,227</u>	<u>—</u>	<u>672,194</u>
RESULT					
Segment result	<u>(245)</u>	<u>(1,192)</u>	<u>49,406</u>		47,969
Unallocated corporate expenses					(38,965)
Interest income					7,264
Dividend income					496
Profit from operations					16,764
Finance costs					(718)
Amortisation of goodwill of interest in associates					(2,718)
Share of results of associates					(677)
Net gain on disposal of interest in subsidiaries					2,490
Net loss on dilution of associates					(4,809)
Profit before taxation					10,332
Taxation					(204)
Profit before minority interests					10,128
Minority interests					(25)
Net profit for the year					<u>10,103</u>

Notes to the Financial Statements

For the year ended 31st March, 2003

5. Segmental information (continued)

	Estate agency HK\$'000	Property investment HK\$'000	Securities investment HK\$'000	Others HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
<i>Assets and liabilities as at 31st March, 2003</i>						
ASSETS						
Segment assets	3,616	65,040	345,280	2,011	—	415,947
Interest in associates	—	—	—	—	—	86,378
Unallocated total assets						9
Consolidated total assets						<u>502,334</u>
LIABILITIES						
Segment liabilities	2,937	719	1,167	15	—	4,838
Unallocated corporate liabilities						31,367
Consolidated total liabilities						<u>36,205</u>
<i>Other information for the year ended 31st March, 2003</i>						
Capital expenditure						
— Property, plant and equipment	—	—	—	6,654	—	6,654
— Deposits on acquisition of investment properties	—	5,000	—	—	—	5,000
Depreciation and amortisation	343	—	408	562	—	1,313
Amortisation of goodwill of associate	—	—	—	2,718	—	2,718
Impairment loss in respect of goodwill arising on acquisition of subsidiaries	8,491	—	—	—	—	8,491
Other non-cash expenses	—	—	1,365	—	—	<u>1,365</u>

Notes to the Financial Statements

For the year ended 31st March, 2003

5. Segmental information (continued)

	Continuing operations				Discontinuing operations		Elimination HK\$'000	Consolidated HK\$'000
	Estate agency HK\$'000	Property investment HK\$'000	Securities investment HK\$'000	Others HK\$'000	Computer and related products HK\$'000 (Note 1)	Online and offline advertising services HK\$'000 (Note 2)		
<i>For the year ended 31st March, 2002</i>								
TURNOVER								
External sales	216	297	276,654	—	20,523	247	—	297,937
Inter-segment sales	150	—	—	—	—	—	(150)	—
Total turnover	<u>366</u>	<u>297</u>	<u>276,654</u>	<u>—</u>	<u>20,523</u>	<u>247</u>	<u>(150)</u>	<u>297,937</u>
RESULT								
Segment result	<u>(684)</u>	<u>(2,384)</u>	<u>(11,559)</u>	<u>(1,448)</u>	<u>698</u>	<u>(3,839)</u>		(19,216)
Unallocated corporate expenses								(12,128)
Interest income								7,608
Dividend income								193
Loss from operations								(23,543)
Finance costs								(423)
Share of results of associates								(9,738)
Net gain on disposal of interest in subsidiaries	—	38,381	7,479	—	—	—	—	45,860
Net gain on disposal/dilution of associates								1,582
Profit before taxation								13,738
Taxation								(376)
Profit before minority interests								13,362
Minority interests								558
Net profit for the year								<u>13,920</u>
<i>Assets and liabilities as at 31st March, 2002</i>								
ASSETS								
Segment assets	3,196	69,936	304,366	538	44	—		378,080
Unallocated total assets								85,988
Consolidated total assets								<u>464,068</u>
LIABILITIES								
Segment liabilities	2,891	—	98	—	—	—		2,989
Unallocated corporate liabilities								30,803
Consolidated total liabilities								<u>33,792</u>
<i>Other information for the year ended 31st March, 2002</i>								
Capital expenditure								
— Property, plant and equipment	300	—	—	24	—	—		324
— Investment properties	—	58,500	—	—	—	—		58,500
Depreciation and amortisation	139	—	664	425	235	49		1,512
Impairment loss	—	—	—	169	—	—		169
Other non-cash expenses	—	—	5,593	—	113	—		5,706

Inter-segment sales are charged at rates determined and agreed between the relevant parties.

Notes to the Financial Statements

For the year ended 31st March, 2003

5. Segmental information (continued)

Notes:

- (1) In July 2001, the Group disposed of its entire interest in Denco International Limited, Ocean Office Automation Limited and other subsidiaries, which were mainly engaged in the manufacturing and marketing of computer and related products. Upon the completion of the disposal, the business segment of manufacturing and marketing of computer and related products was regarded as discontinuing operation in 2002.
- (2) In October, 2001, the Group disposed of its entire interest in Admomentum Limited, which was mainly engaged in the provision of online and offline advertising services. Upon the completion of the disposal, the business segment of provision of online and offline advertising services was regarded as discontinuing operation in 2002.

The aggregate carrying amounts of the assets and liabilities of the discontinuing operations at the date of discontinuance during the year ended March 31, 2002 are as follows:

	Online and offline advertising services HK\$'000	Computer and related products HK\$'000	Total HK\$'000
Total assets	<u>214</u>	<u>89,997</u>	<u>90,211</u>
Total liabilities	<u>4,046</u>	<u>53,329</u>	<u>57,375</u>
Operating cash in (out)flow	<u>389</u>	<u>(24,877)</u>	<u>(24,488)</u>
Cash in (out)flow in respect of investing activities	<u>—</u>	<u>—</u>	<u>—</u>
Cash in (out)flow in respect of financing activities	<u>—</u>	<u>—</u>	<u>—</u>
Net operating cash in (out)flow	<u>389</u>	<u>(24,877)</u>	<u>(24,488)</u>

Notes to the Financial Statements

For the year ended 31st March, 2003

5. Segmental information (continued)

Geographical segments

The following provides an analysis of the Group's turnover by geographic market, irrespective of the origin of the goods/services:

	Turnover	
	2003 HK\$'000	2002 HK\$'000
Hong Kong	672,194	169,409
United States of America	—	102,690
Other Asian countries	—	23,283
Australia	—	2,555
	672,194	297,937

The following is an analysis of the carrying amount of segment assets, and capital additions analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Capital additions	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Hong Kong	498,334	460,068	11,654	58,824
PRC	4,000	4,000	—	—
	502,334	464,068	11,654	58,824

Notes to the Financial Statements

For the year ended 31st March, 2003

6. Other operating income

	2003 HK\$'000	2002 HK\$'000
Interest income	7,264	7,608
Dividend income from investments in listed securities	496	193
Net exchange gain	—	49
Revaluation increase of investment properties	—	50
Gain on disposal of property, plant and equipment	10	—
Others	1,376	4,066
	<u>9,146</u>	<u>11,966</u>

7. Other expenses

	2003 HK\$'000	2002 HK\$'000
Loss on disposal of property, plant and equipment	—	560
Amortisation of goodwill arising from acquisition of subsidiaries	187	468
Impairment loss of goodwill arising from acquisition of subsidiaries	8,491	—
Impairment loss on investment in securities	1,365	—
Allowance for bad and doubtful debts	736	113
Revaluation decrease of investment properties	2,300	—
	<u>13,079</u>	<u>1,141</u>

Notes to the Financial Statements

For the year ended 31st March, 2003

8. Profit (loss) from operations

	2003 HK\$'000	2002 HK\$'000
Profit (loss) from operations has been arrived at after charging:		
Directors' remuneration:		
Fees	350	400
Other emoluments (note 9(a))	11,192	6,478
Other staff costs (note 9(b))	6,260	2,961
Retirement benefit scheme contributions	316	626
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Total staff costs	18,118	10,465
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Auditors' remuneration		
Current year	586	850
Overprovision in prior years	(10)	(100)
Depreciation of property, plant and equipment	1,126	1,213
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and after crediting:		
Net rental income in respect of premises after outgoings of HK\$192,000 (2002: HK\$11,000)	2,548	286
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Notes to the Financial Statements

For the year ended 31st March, 2003

9. Directors' and employees' remuneration

(a) Directors' remuneration

	2003 HK\$'000	2002 HK\$'000
Fees		
— Executive directors	—	—
— Non-executive directors	50	100
— Independent non-executive directors	300	300
	350	400
Other emoluments		
— Executive directors		
Salaries and other benefits	5,400	6,170
Bonus	5,500	—
Retirement benefit scheme contributions	292	308
— Non-executive directors	—	—
— Independent non-executive directors	—	—
	11,192	6,478
	11,542	6,878

The number of directors whose remuneration falls within the bands set out below is as follows:

HK\$	2003 Number of directors	2002 Number of directors
Nil to 1,000,000	5	4
1,000,001 to 2,000,000	1	2
2,000,001 to 3,000,000	—	—
3,000,001 to 4,000,000	1	1
Over 4,000,000	1	—
	8	7

During the year, no emoluments were paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes to the Financial Statements

For the year ended 31st March, 2003

9. Directors' and employees' remuneration (continued)

(b) Employees' remuneration

The five highest paid individuals in the Group included three directors (2002: three directors) of the Company, details of whose remuneration are set out above. The aggregate remuneration of the remaining highest paid individuals, who are employees of the Group, is as follows:

	2003 HK\$'000	2002 HK\$'000
Salaries and other benefits	2,662	1,014
Retirement benefit scheme contributions	66	51
	<u>2,728</u>	<u>1,065</u>

	2003 Number of employees	2002 Number of employees
HK\$		
Nil to 1,000,000	1	2
2,000,000 to 3,000,000	1	—
	<u>1</u>	<u>—</u>

10. Finance costs

	2003 HK\$'000	2002 HK\$'000
Interest on:		
Bank borrowings wholly repayable within five years	41	254
Bank borrowings with instalments repayable over five years	677	169
	<u>718</u>	<u>423</u>

Notes to the Financial Statements

For the year ended 31st March, 2003

11. Net gain on disposal of interest in subsidiaries

Particulars of calculations of the net gain on disposal of interests in subsidiaries are set out in note 30.

12. Net (loss) gain on dilution/disposal of interest in associates

	2003 HK\$'000	2002 HK\$'000
Net gain on disposal of associates	—	1,993
Loss on dilution of interest in an associate	(4,809)	(411)
	<u>(4,809)</u>	<u>(411)</u>
	<u>(4,809)</u>	<u>1,582</u>

13. Taxation

	2003 HK\$'000	2002 HK\$'000
The charge comprises:		
Hong Kong Profits Tax		
Current year	190	15
Underprovision in prior years	14	361
	<u>204</u>	<u>376</u>
Taxation attributable to the Company and its subsidiaries	<u>204</u>	<u>376</u>

Hong Kong Profits Tax was calculated at 16% (2002: 16%) on the estimated assessable profit for the year.

Details of deferred taxation are set out in note 29.

Notes to the Financial Statements

For the year ended 31st March, 2003

14. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2003 HK\$'000	2002 HK\$'000
Earnings for the purpose of calculating basic and diluted earnings per share:		
Net profit for the year	<u>10,103</u>	<u>13,920</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	1,329,682	1,046,485
Effect of dilutive potential ordinary shares (in thousands):		
Share options	<u>—</u>	<u>15,021</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (in thousands)	<u>1,329,682</u>	<u>1,061,506</u>

The computation of diluted earnings per share for the year ended 31st March, 2003 does not assume the exercise of the share options as the exercise price of the share options was greater than the average market price of the Company's shares.

Notes to the Financial Statements

For the year ended 31st March, 2003

15. Investment properties

	THE GROUP
	2003
	HK\$'000
VALUATION	
At 1st April, 2002	65,550
Disposal of subsidiaries	(2,850)
Decrease on revaluation	(2,300)
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At 31st March, 2003	60,400
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The Group's investment properties were revalued at its open market value at 31st March, 2003 by Skyland Surveyors Co., an independent firm of professional property valuers, on an open market value basis. This valuation gave rise to a revaluation decrease of HK\$2,300,000 which has been charged to the consolidated income statement.

The Group's investment properties are held for rental purpose under operating leases.

The Group's investment properties amounting to HK\$56,500,000 (2002: HK\$58,500,000) have been pledged to secure general banking facilities granted to the Group.

The carrying value of the investment properties comprises:

	THE GROUP	
	2003	2002
	HK\$'000	HK\$'000
Properties held under long-term leases in Hong Kong	27,500	28,500
Properties held under medium-term leases in Hong Kong	32,900	34,200
Properties held under long-term land use rights in the People's of Republic of China ("PRC")	—	2,850
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	60,400	65,550
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Notes to the Financial Statements

For the year ended 31st March, 2003

16. Property, plant and equipment

	Furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Vessel HK\$'000	Total HK\$'000
THE GROUP				
COST				
At 1st April, 2002	1,696	2,244	—	3,940
Additions	654	—	6,000	6,654
Disposals	(437)	(560)	—	(997)
Disposal of subsidiaries	(100)	(30)	—	(130)
At 31st March, 2003	<u>1,813</u>	<u>1,654</u>	<u>6,000</u>	<u>9,467</u>
DEPRECIATION				
At 1st April, 2002	466	1,104	—	1,570
Provided for the year	465	561	100	1,126
Eliminated on disposals	(265)	(535)	—	(800)
Eliminated on disposal of subsidiaries	(100)	(5)	—	(105)
At 31st March, 2003	<u>566</u>	<u>1,125</u>	<u>100</u>	<u>1,791</u>
NET BOOK VALUES				
At 31st March, 2003	<u>1,247</u>	<u>529</u>	<u>5,900</u>	<u>7,676</u>
At 31st March, 2002	<u>1,230</u>	<u>1,140</u>	<u>—</u>	<u>2,370</u>

Notes to the Financial Statements

For the year ended 31st March, 2003

16. Property, plant and equipment (continued)

	Furniture, fixtures and office equipment HK\$'000
THE COMPANY	
COST	
At 1st April, 2002	1,272
Additions	<u>593</u>
At 31st March, 2003	<u>1,865</u>
DEPRECIATION	
At 1st April, 2002	177
Provided for the year	<u>308</u>
At 31st March, 2003	<u>485</u>
NET BOOK VALUES	
At 31st March, 2003	<u><u>1,380</u></u>
At 31st March, 2002	<u><u>1,095</u></u>

17. Property held for development

The property held for development is situated in the PRC under medium-term land use rights.

Subsequent to balance sheet date, the Group entered into agreement to dispose of the property held for development for a consideration of RMB5,000,000 (equivalent to approximately HK\$4,716,000).

Notes to the Financial Statements

For the year ended 31st March, 2003

18. Goodwill

	THE GROUP HK\$'000
COST	
At 1st April, 2002 and at 31st March, 2003	8,977
AMORTISATION AND IMPAIRMENT	
At 1st April, 2002	299
Impairment loss recognised	8,491
Provided for the year	187
At 31st March, 2003	8,977
NET BOOK VALUES	
At 31st March, 2003	—
At 31st March, 2002	8,678

During the year ended 31st March, 2003, the directors reviewed the carrying amount of goodwill with reference to the business operated by subsidiaries. These subsidiaries are mainly engaged in provision of estate agency services and in view of the current market condition in these operations, impairment loss of approximately HK\$8,491,000, being the entire goodwill relating to these subsidiaries, has been identified and recognised in the consolidated income statement.

19. Interests in subsidiaries

	2003 HK\$'000	2002 HK\$'000
Investments in subsidiaries		
Unlisted shares, at cost	82,252	82,252
Receivables due from subsidiaries		
Amounts due from subsidiaries	890,610	617,208
Less: Allowance	(322,851)	(402,851)
	567,759	214,357
Payables due to subsidiaries		
Amounts due to subsidiaries	212,663	22,604

The amounts due from/to subsidiaries are unsecured, non-interest bearing and are repayable on demand.

Notes to the Financial Statements

For the year ended 31st March, 2003

19. Interests in subsidiaries (continued)

Particulars of the principal subsidiaries at 31st March, 2003 are as follows:

Name of subsidiary	Place of incorporation/ registration and operation	Issued and fully paid ordinary share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
			Directly	Indirectly	
			%	%	
Ascot Limited	Hong Kong	HK\$2	—	100	Property holding
Bless Top Holdings Limited	British Virgin Islands/ Hong Kong	US\$1	100	—	Investment holding
Bowick International Limited	Hong Kong/PRC	HK\$2	—	100	Property holding
Century 21 Hong Kong Limited	Hong Kong	HK\$3,880,000	—	82.5	Provision of estate agency services
Consecutive Profits Limited	British Virgin Islands/ Hong Kong	US\$10	—	80	Investment holding
Gain Master Assets Limited	British Virgin Islands/ Hong Kong	US\$1	—	100	Investment holding
Infast Limited	Hong Kong	HK\$2	—	100	Property holding
Island Town Limited	Hong Kong	HK\$2	—	100	Property holding
Mark Well Investment Limited	Hong Kong	HK\$100	—	100	Sale of securities and investment holding

Notes to the Financial Statements

For the year ended 31st March, 2003

19. Interests in subsidiaries (continued)

Name of subsidiary	Place of incorporation/ registration and operation	Issued and fully paid ordinary share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
			Directly %	Indirectly %	
Capital Strategic Investment (B.V.I.) Limited (formerly known as Ocean Information Information (B.V.I.) Limited)	British Virgin Islands/ Hong Kong	US\$40,000	100	—	Investment holding and vessel holding
Ocean Information System (China) Limited	Hong Kong	HK\$2	—	100	Investment holding
Ocean Manufacturing Limited	Hong Kong	HK\$10,000	—	100	Investment holding
Ocean Overseas Limited	British Virgin Islands/ Hong Kong	US\$1	100	—	Investment holding
Return On Profits Limited	British Virgin Islands/ Hong Kong	US\$1	100	—	Investment holding
Topsmart Investment Limited	Hong Kong	HK\$100	—	100	Trading of securities and investment holding

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes to the Financial Statements

For the year ended 31st March, 2003

20. Interests in associates

	THE GROUP	
	2003 HK\$'000	2002 HK\$'000
Interests in associates		
Share of net assets	33,029	—
Goodwill	56,067	—
Less: Amortisation of goodwill	(2,718)	—
	<u>86,378</u>	<u>—</u>
Market value of listed shares of associates	<u>23,860</u>	<u>—</u>

During the year, the Group acquired approximately 24.71% interest in Capital Estate Limited ("Capital Estate", formerly known as Yoshiya International Corporation, Limited), a company listed on the Hong Kong Stock Exchange, for a cash consideration of approximately HK\$34,582,000. The Group's interest in Capital Estate was reduced to 20.61% following a placement of shares by Capital Estate.

The Group through its wholly-owned subsidiary, Capital Strategic Investment (B.V.I.) Limited, entered into agreements to acquire approximately 28.08% interest in Capital Prosper Limited (formerly known as Rockapetta Holdings Limited), a company listed on the Hong Kong Stock Exchange for a cash consideration of approximately HK\$60,000,000.

Notes to the Financial Statements

For the year ended 31st March, 2003

20. Interests in associates (continued)

Particulars of the principal associates at 31st March, 2003 are as follows:

Name of associate	Place of incorporation/ registration	Place of operation	Proportion of nominal value of issued share capital/ registered capital held indirectly by the Company	Principal activities
Capital Prosper Limited* (formerly known as Rockapetta Holdings Limited)	Bermuda	Hong Kong and Singapore	28.08%	Securities trading, distribution of consumer products and operations of restaurants
Capital Estate Limited* (formerly known as Yoshiya International Corporation, Limited)	Hong Kong	Hong Kong	20.61%	Property development, securities trading and tourism and sale of silk products

* The shares of the associates are listed on the Hong Kong Stock Exchange.

Notes to the Financial Statements

For the year ended 31st March, 2003

21. Investments in securities

	THE GROUP		THE COMPANY	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Other investments				
Equity securities:				
Listed	35,447	10,587	—	—
Unlisted	5,005	1,221	—	—
	40,452	11,808	—	—
Debt securities				
Listed	173,800	172,975	—	—
Unlisted	75,486	35,717	4,026	—
	249,286	208,692	4,026	—
Club debenture	1,450	1,850	—	—
Total and reported as:				
Listed				
Hong Kong	25,679	739	—	—
Elsewhere	183,568	182,823	—	—
Unlisted	81,941	38,788	4,026	—
	291,188	222,350	4,026	—
Classified under				
Current	268,738	220,500	4,026	—
Non-current	22,450	1,850	—	—
	291,188	222,350	4,026	—
Market value of listed securities	209,247	183,562	—	—

Notes to the Financial Statements

For the year ended 31st March, 2003

22. Deposits paid on acquisition of investment properties

During the year, the Company placed a deposit with a stakeholder for acquisition of investment properties. The transaction was completed after year end as detailed in note 38.

23. Trade and other receivables

The Group allows its trade customers with credit period normally ranging from 30 days to 90 days. The aged analysis of the trade receivables at 31st March, 2003 is as follows:

	2003	2002
	HK\$'000	HK\$'000
0 - 30 days	2,086	981
31 - 60 days	194	475
61 - 90 days	276	39
Over 90 days	713	696
	3,269	2,191
Other receivables	2,402	1,628
	5,671	3,819

24. Trade and other payables

Included in trade and other payable are trade payables with the following aged analysis:

	2003	2002
	HK\$'000	HK\$'000
0 - 30 days	1,214	893
31 - 60 days	223	400
61 - 90 days	244	149
Over 90 days	856	60
	2,537	1,502
Other payables	2,361	2,670
	4,898	4,172

Notes to the Financial Statements

For the year ended 31st March, 2003

25. Bank borrowings

	THE GROUP	
	2003	2002
	HK\$'000	HK\$'000
Bank loans	27,430	28,990
Bank overdrafts	3,690	630
	<u>31,120</u>	<u>29,620</u>
Repayable as follows:		
Within one year	5,250	2,190
Between one to two years	1,704	1,560
Between two to five years	7,312	6,552
Over five years	16,854	19,318
	<u>31,120</u>	<u>29,620</u>
Less: Amount due within one year included under current liabilities	(5,250)	(2,190)
Amount due after one year	<u>25,870</u>	<u>27,430</u>

Of the bank borrowings of the Group, HK\$27,430,000 (2002: HK\$28,990,000) are secured by investment properties of HK\$56,500,000 (2002: HK\$58,500,000) and bank deposits of HK\$5,178,000 (2002: HK\$5,000,000).

Notes to the Financial Statements

For the year ended 31st March, 2003

26. Share capital

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.10 each at 1st April, 2001 and 1st April, 2002	1,800,000,000	180,000
Adjustment of nominal value (note a)	—	(162,000)
	<hr/>	<hr/>
Ordinary shares of HK\$0.01 each	1,800,000,000	18,000
Increase (note a)	16,200,000,000	162,000
	<hr/>	<hr/>
Ordinary shares of HK\$0.01 each 31st March, 2003	<u>18,000,000,000</u>	<u>180,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.10 each at 1st April, 2001	810,861,200	81,086
Issue of shares	31,000,000	3,100
Rights issue of shares	420,930,600	42,093
Exercise of share options	21,000,000	2,100
	<hr/>	<hr/>
Ordinary shares of HK\$0.10 each at 31st March, 2002	1,283,791,800	128,379
Adjustment of nominal value (note a)	—	(115,541)
Issue of shares (note b)	250,000,000	2,500
	<hr/>	<hr/>
Ordinary shares of HK\$0.01 each at 31st March, 2003	<u>1,533,791,800</u>	<u>15,338</u>



Notes to the Financial Statements

For the year ended 31st March, 2003

26. Share capital (continued)

During the year ended 31st March, 2003, the movements in the share capital are as follows:

- (a) Pursuant to resolutions passed by the shareholders of the Company in a special general meeting held on 26th August, 2002, the Company carried out the following capital reorganisation (“Capital Reorganisation”):
- Nominal value of every issued and unissued share was reduced from HK\$0.1 to HK\$0.01 (“Capital Reduction”);
 - The authorised capital of the Company was increased from HK\$18,000,000 to HK\$180,000,000 by the creation of an additional 16,200,000,000 ordinary shares of HK\$0.01 each;
 - The entire amount in the share premium account of the Company at 31st March, 2002 was cancelled (“Share Premium Reduction”);
 - The credit arising from the Capital Reduction and Share Premium Reduction was transferred to the contributed surplus account of the Company and HK\$304,306,000 in the contributed surplus account was applied against the accumulated losses of the Company.

Details of the Capital Reorganisation were set out in the circular to the Company’s shareholders dated 9th August, 2002.

- (b) The Company issued and allotted 250,000,000 ordinary shares of HK\$0.01 each to independent investors for cash at HK\$0.105 per share. The net proceeds of approximately HK\$25,800,000 were used as the Company’s general working capital for daily operation. These shares were issued under the general mandate granted to the Directors at the special general meeting held on 26th August, 2002. The placing price of HK\$0.105 represents (i) a discount of about 8.7% to the closing price of HK\$0.115 per share as quoted on the Hong Kong Stock Exchange on 30th December, 2002, being the date of placing agreement; and (ii) a discount of about 11.0% to the average of closing price per share of HK\$0.118 as quoted on the Hong Kong Stock Exchange for the ten trading days ended 30th December, 2002.

All of the shares issued rank *pari passu* with the existing shares in issue in all respects.



Notes to the Financial Statements

For the year ended 31st March, 2003

27. Share options

1992 Scheme

The Company's share option scheme ("1992 Scheme"), was adopted pursuant to a resolution passed on 23rd March 1992 for the primary purpose of providing incentives to directors and eligible employees, and was terminated on 13th June, 2001. Under the 1992 Scheme, the board of directors of the Company may grant options to eligible employees, including an executive director of the Company or any subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the 1992 Scheme is not permitted to exceed 10% of the issued share capital of the Company excluding any shares issued pursuant to the 1992 Scheme. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 25% of the number of shares issued and issuable under the 1992 Scheme.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per grant. Options may be exercised within one year on the expiry of 6 months after the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of the 80% of average closing price of the Company's shares for the five business days immediately preceding the date of grant, and the nominal value of the Company's shares.

The 1992 Scheme was terminated on 13th June, 2001.



Notes to the Financial Statements

For the year ended 31st March, 2003

27. Share options (continued)

2001 Scheme

On 13th June, 2001, the Company adopted a new share option scheme ("2001 Scheme"), for the primary purpose of providing incentives to directors and eligible employees. The 2001 Scheme will expire on 12th June, 2011. Under the 2001 Scheme, the board of directors of the Company may grant options to eligible employees, including executive directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the 2001 Scheme is not permitted to exceed the higher of 10% of the shares of the Company in issue at any point in time excluding any shares issued pursuant to the 2001 Scheme or such other limit as may be permitted under the Listing Rules. The number of shares in respect of which options may be granted to any individual is not permitted to exceed the higher of 25% of the number of shares issued and issuable under the 2001 Scheme or any other limit as may be permitted under the Listing Rules.

Options granted must be taken up within 60 days of the date of grant, upon payment of HK\$1 per grant. Options may be exercised at any time from the date of grant to the 10th anniversary of the date of grant. In each grant of options, the board of directors may at their discretion determine the specific exercise period. The exercise price is determined by the directors of the Company, and will not be less than the higher of the 80% of average closing price of the Company's shares for the five business days immediately preceding the date of grant, and the nominal value of the Company's shares.

The 2001 Scheme was terminated on 26th August, 2002.



Notes to the Financial Statements

For the year ended 31st March, 2003

27. Share options (continued)

2002 Scheme

On 26th August, 2002 (the “Adoption Date”), the Company adopted a new share option scheme (“2002 Scheme”), for the primary purpose of providing incentives to directors and eligible employees. The 2002 Scheme will expire on 25th August, 2012. Under the 2002 Scheme, the board of directors of the Company may grant options to eligible employees, including executive directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme (excluding those options that have already been granted by the Company prior to the date of approval of the 2002 Scheme) must not in aggregate exceed 10% of the shares in issue at the Adoption Date unless the Company obtains a fresh approval from its shareholders.

Options granted must be taken up within 60 days of the date of grant, upon payment of HK\$1 per grant. Options may be exercised at any time from the date of grant to the 10th anniversary of the date of grant. In each grant of options, the board of directors may at their discretion determine the specific exercise period. The exercise price is determined by the directors of the Company, and will not be less than the higher (i) the closing price, (ii) the average closing price of the Company’s shares of the five business days immediately preceding the date of grant, and (iii) the nominal value of the Company’s shares.

At 31st March, 2003, the number of shares in respect of which options had been granted and remained outstanding under the, 2001 Scheme and 2002 Scheme were 105,150,000 and 86,000,000, representing 6.8% and 5.6% of the issued share capital of the Company at that date respectively.

Notes to the Financial Statements

For the year ended 31st March, 2003

27. Share options (continued)

The following table discloses movements in the Company's share options during the year:

	Option scheme type	Exercise price HK\$	Outstanding at 1.4.2002	Granted during year	Exercised during year	Surrendered/ lapsed during year	Outstanding at 31.3.2003
Director/ex-director*							
Ma Wai Man, Catherine	1992	0.2267	15,000,000	—	—	(15,000,000)	—
	1992	0.2533	3,000,000	—	—	(3,000,000)	—
	2001 (Note 1)	0.1680	31,500,000	—	—	—	31,500,000
	2002 (Note 2)	0.1400	—	12,500,000	—	—	12,500,000
Kan Sze Man *	1992	0.2267	10,500,000	—	—	(10,500,000)	—
	1992	0.2533	4,500,000	—	—	(4,500,000)	—
	2001 (Note 1)	0.1680	31,500,000	—	—	—	31,500,000
	2002 (Note 2)	0.1400	—	12,500,000	—	—	12,500,000
Total for director/ ex-director			<u>96,000,000</u>	<u>25,000,000</u>	<u>—</u>	<u>(33,000,000)</u>	<u>88,000,000</u>
Employees and consultants							
	1992	0.2267	8,025,000	—	—	(8,025,000)	—
	2001 (Note 1)	0.1680	42,150,000	—	—	—	42,150,000
	2002 (Note 2)	0.1400	—	73,500,000	—	(12,500,000)	61,000,000
Total for employees and consultants			<u>50,175,000</u>	<u>73,500,000</u>	<u>—</u>	<u>(20,525,000)</u>	<u>103,150,000</u>
Grand Total			<u>146,175,000</u>	<u>98,500,000</u>	<u>—</u>	<u>(53,525,000)</u>	<u>191,150,000</u>

Notes to the Financial Statements

For the year ended 31st March, 2003

27. Share options (continued)

Notes:—

1. There is a limit on the number of Share Options under the 2001 Share Option Scheme that may be exercised by each grantee during each period of 12 months commencing from 30th August, 2001 (until 29th August, 2005), namely, the aggregate of (a) 20% of the total number of such Share Options granted and (b) any unused limits accumulated during previous period(s), subject to the written consent of the executive chairman of the Company to the exercise of Share Options exceeding such limit.
2. There is a limit on the number of Share Options under the 2002 Share Option Scheme that may be exercised by each grantee during each period of 12 months commencing from 23rd September, 2002 (until 22nd September, 2006), namely, the aggregate of (a) 20% of the total number of such Share Options granted and (b) any unused limits accumulated during previous period(s), subject to the written consent of the executive chairman of the Company to the exercise of Share Options exceeding such limit.

28. Reserves

	Share premium HK\$'000	Contributed surplus HK\$'000	Accumulated profits (losses) HK\$'000	Total HK\$'000
THE COMPANY				
At 1st April, 2001	439,801	62,352	(237,829)	264,324
Net premium on issue of shares (note 26)	25,022	—	—	25,022
Loss for the year	—	—	(66,477)	(66,477)
At 31st March, 2002	464,823	62,352	(304,306)	222,869
Reduction of share capital and share premium (note 26)	(464,823)	580,364	—	115,541
Transfer to accumulated losses (note 26)	—	(304,306)	304,306	—
Net premium on issue of shares	23,225	—	—	23,225
Profit for the year	—	—	83,116	83,116
At 31st March, 2003	<u>23,225</u>	<u>338,410</u>	<u>83,116</u>	<u>444,751</u>

At 31st March, 2003, the reserves of the Company available for distribution to shareholders amounted to approximately HK\$421,526,000 (2002: Nil).

Notes to the Financial Statements

For the year ended 31st March, 2003

28. Reserves (continued)

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (i) it is, or would the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

29. Deferred taxation

THE GROUP

At the balance sheet date, the major components of the deferred taxation assets (liabilities) unprovided in the financial statements are as follows:

	Unprovided	
	2003	2002
	HK\$'000	HK\$'000
Tax effect of timing differences attributable to:		
Difference between depreciation allowances claimed for tax purposes and depreciation charged in the financial statements	2	6
Unutilised tax losses	860	1,259
	862	1,265

The unprovided deferred taxation asset is not recognised because it is uncertain whether the tax benefit will be realised in the foreseeable future.

The components of unprovided deferred tax charge (credit) of the Group for the year are as follows:

	2003	2002
	HK\$'000	HK\$'000
Tax effect of timing differences attributable to:		
Difference between depreciation allowances claimed for tax purposes and depreciation charged in the financial statements	4	(338)
Tax loss utilised	399	455
	403	117

The Company had no significant unprovided deferred taxation for the year or at the balance sheet date.

Notes to the Financial Statements

For the year ended 31st March, 2003

30. Disposal of subsidiaries

	2003 HK\$'000	2002 HK\$'000
Net assets disposed of:		
Investment properties	2,850	—
Property, plant and equipment	25	27,809
Investments in securities	—	1,288
Inventories	—	12,938
Trade and other receivables	30	35,380
Taxation recoverable	—	247
Bank balances and cash	—	12,531
Trade and other payables	(45)	(53,611)
Deferred taxation	—	(2,500)
Minority interest	—	(1,265)
	2,860	32,817
Exchange reserve realised	—	80
Goodwill previously credited to reserves	—	(1,195)
	2,860	31,702
Gain on disposal of subsidiaries	2,490	45,860
	5,350	77,562
Satisfied by:		
Cash	5,350	77,562
Analysis of the net inflow of cash and cash equivalents in connection with the disposal of subsidiaries:		
Cash consideration received	5,350	77,562
Bank balances and cash disposed of	—	(12,531)
Net inflow of cash and cash equivalents	5,350	65,031

The subsidiaries disposed of did not make any significant contribution to the results of the Group during the year.

Notes to the Financial Statements

For the year ended 31st March, 2003

31. Purchase of subsidiaries

	2003 HK\$'000	2002 HK\$'000
Net assets acquired:		
Property, plant and equipment	—	300
Investments in securities	—	1,200
Trade and other receivables	—	3,806
Taxation recoverable	—	229
Bank balances and cash	—	174
Trade and other payables	—	(2,631)
Minority interests	—	(662)
	—	2,416
Goodwill arising on acquisition	—	9,146
	—	11,562
Satisfied by:		
Issue of shares	—	7,750
Cash	—	3,812
	—	11,562
Analysis of the net outflow of cash and cash equivalents in connection with the purchase of subsidiaries:		
Cash consideration paid	—	3,812
Bank balances and cash acquired	—	(174)
Net outflow of cash and cash equivalents in connection with the purchase of subsidiaries	—	3,638

The subsidiaries acquired during the year ended 31st March, 2002 contributed approximately HK\$216,000 to the Group's turnover and approximately HK\$684,000 to the Group's loss from operations for the period between the date of acquisition and the balance sheet date.

Notes to the Financial Statements

For the year ended 31st March, 2003

32. Major non-cash transactions

During the year ended 31st March, 2002, the major non-cash transaction was the purchase of a subsidiary of HK\$7,750,000 satisfied by the issue of shares as part of the consideration.

33. Operating lease commitments

The Group has made approximately HK\$2,380,571 (2002: HK\$1,607,000) minimum lease payments under operating leases during the year in respect of office premises and vessels.

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

	THE GROUP	
	2003 HK\$'000	2002 HK\$'000
Within one year	1,620	1,414
In the second to fifth years inclusive	1,211	—
	<u>2,831</u>	<u>1,414</u>

Lease are negotiated for an average term of two to three years and rentals are fixed for an average of two to three years.

The Company had no operating lease commitments at the balance sheet date.

Notes to the Financial Statements

For the year ended 31st March, 2003

33. Operating lease commitments (continued)

The Group as lessor

Property rental income earned during the year was HK\$2,740,000 (2002: HK\$297,000). Certain of the properties have committed tenants for next two years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	THE GROUP	
	2003 HK\$'000	2002 HK\$'000
Within one year	2,610	2,610
In the second to fifth years inclusive	1,380	3,990
	<u>3,990</u>	<u>6,600</u>

The Company did not have any lease contract.

34. Contingent liabilities

	THE GROUP		THE COMPANY	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Corporate guarantee given by the Company for banking facilities granted to subsidiaries	—	—	29,625	29,625
Other guarantees issued to associates	—	41,850	—	—
	<u>—</u>	<u>41,850</u>	<u>29,625</u>	<u>29,625</u>



Notes to the Financial Statements

For the year ended 31st March, 2003

35. Pledge of assets

At 31st March, 2003, the following assets were pledged to secure general banking facilities granted to the Group:

- (a) Investment properties with a carrying value of HK\$56,500,000 (2002: HK\$58,500,000).
- (b) Bank deposit of HK\$5,178,000 (2002: HK\$5,000,000).

36. Retirement benefit scheme

With effect from 1st December, 2000, the Group has joined a mandatory provident fund scheme ("MPF Scheme"). The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contributions are available to reduce the contributions payables in the future years.

The retirement benefit scheme contributions relating to the MPF Scheme charged to the income statement represent contributions payable to the scheme by the Group at rates specified in the rules of the schemes.

37. Related party transactions

During the year ended 31st March, 2002, the Group received management fee income of HK\$950,000 and HK\$900,000 from Raffles Town & Country Club Limited and Premium Land (Hong Kong) Limited, both are wholly-owned subsidiaries of a former associate of the Group.

The transactions were carried out at terms determined and agreed between the relevant parties.

38. Post balance sheet events

- (1) CSI Investment Limited, a wholly-owned subsidiary of the Company, entered into agreement to acquire certain properties located in Hong Kong for a consideration of approximately HK\$196,000,000. Details of these are set out in the circular issued by the Company dated 27th May, 2003.
- (2) The Group entered into agreement to dispose of the property held for development for a consideration of RMB5,000,000 (equivalent to approximately HK\$4,716,000).