

Notes to the Financial Statements

For the year ended 31 March 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

These financial statements are prepared under historical cost convention as modified by the revaluation of investment properties and the valuation to fair value of other investments, and in accordance with accounting principles generally accepted in Hong Kong including Statements of Standard Accounting Practice (“SSAP”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, and with the disclosure requirements of the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited and of the Hong Kong Companies Ordinance.

(b) Impact of Recently Issued Hong Kong Financial Reporting Standards (“HKFRSs”)

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (“HKAS”), herein collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 March 2005. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether and to what extent these new HKFRSs would have an impact on its results of operations and financial position.

(c) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year together with the Group’s share of the net assets and post-acquisition results of the associated companies using the equity method of accounting.

(d) Goodwill

Goodwill on acquisition of subsidiaries and associated companies represents the excess of the purchase consideration paid for such companies over the fair values ascribed to the net underlying assets and liabilities at the date of acquisition. Goodwill is recognized as an asset, and amortized on a straight line basis over its estimated useful life.

(e) Subsidiaries

A subsidiary is an entity over which the Company has direct or indirect control. In the case of limited companies, control means the continuing ability to exercise more than half of the voting rights or to appoint a majority of the directors. In the case of partnerships, control means the continuing ability to exercise more than half of the voting rights or to appoint the general partner.

The Company’s interests in subsidiaries are stated at cost less provision for impairment losses.

Notes to the Financial Statements

For the year ended 31 March 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Associates

An associate is an entity, other than a subsidiary, over which the Group has the ability to exercise significant influence, including participation in financial and operating policy decisions.

Investments in associates are stated in the consolidated balance sheet at the Group's share of net assets other than goodwill less provision and in the balance sheet of the Company at cost less provision for impairment losses.

Provision is made when the directors consider that there is a diminution in the underlying value which is other than temporary. Any such provision is recognized as an expense in the profit and loss account.

(g) Fixed Assets and Depreciation

(1) Investment Properties

Properties which are intended to be held for long-term rental income purposes are classified as investment properties. Investment properties are valued annually by independent professional valuers on an open market value basis. Changes in the value of investment properties are dealt with in the investment properties valuation reserve. If the total of this reserve is insufficient to cover a deficit on a portfolio basis, the excess of the deficit is charged to the profit and loss account. On disposal of a revalued investment property, the relevant revaluation surplus or deficit is transferred to the profit and loss account.

(2) Depreciation

Depreciation is calculated to write off the cost or valuation of assets over their estimated useful lives on the following bases:

Investment properties	Nil
Other assets	10-30% p.a. reducing balance method

(h) Investment Securities

Investment securities are securities which are intended to be held on a continuous basis, for example for strategic reasons or to cement commercial relationships. Investment securities are stated at cost less provision for impairment losses.

Notes to the Financial Statements

For the year ended 31 March 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Other Investments

Other investments are securities, other than investments in subsidiaries, associates and investment securities, the accounting policies for which are disclosed above. Other investments intended by the directors to be held for more than one year are classified as non-current assets and other investments intended by the directors to be held less than one year are classified as current assets. Other investments are stated at fair value as at the balance sheet date, and those unlisted being stated at fair value as estimated by the directors. Changes in fair value are recognized in the profit and loss account as they arise.

(j) Impairment of Assets

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. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment reversal is treated as a revaluation increase.

(k) Operating Leases

Leases whereby substantially all the rewards and risks of ownership of assets remain with the leasing company are considered as operating leases. Rental payable and receivable under operating leases are accounted for on a straight line basis over the respective periods of the leases.

(l) Foreign Currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the profit and loss accounts of overseas subsidiaries and associates are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange reserve.

Notes to the Financial Statements

For the year ended 31 March 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Deferred Taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(n) Revenue Recognition

(1) Rental Income

Rental income is recognised on a straight line basis over the periods of the leases.

(2) Rendering of Services

Services income is recognised when the services are rendered and billed to clients.

(3) Dividend Income

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend. Dividend income from unlisted investments is recognized when the Group's right to receive payment is established.

(4) Interest Income

Interest income is recognized on a time proportion basis.

(5) Sales of Investments

Profits and losses on sales of investments are recognised when the transaction is completed and represent the difference between the estimated net proceeds and the carrying amount of the investments.

(o) Employee Benefits

(1) Retirement Scheme

The Group participates in a defined contribution mandatory provident fund retirement benefits scheme in compliance with the Mandatory Provident Fund Schemes Ordinance. The assets of this scheme are held separately from those of the Group and administered independently. The Group's contributions are recognized in the profit and loss account when incurred.

Notes to the Financial Statements

For the year ended 31 March 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) Employee Benefits *(continued)*

(2) Long Service Payments

Certain of the Group's employees have completed the required number of years of service in order to be eligible for long service payments under the Employment Ordinance in the event of termination of their employment, including retirement. The Group has had and continues to maintain a provision in respect of probable future long service payments expected to be made. The provision is based on an estimate of future payments which have been earned by the employees, including executive directors, from their service to the Group, net of the Group's employer contributions to the mandatory provident fund scheme.

(3) Share Option Scheme

The Group operated a share option scheme, details of such which are provided in note 26. Upon the exercise of share options, no charge is recorded in the profit and loss account. The resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

2. SEGMENT INFORMATION

Segment information is presented in respect of the Group primary business segment and secondary geographical segment.

Segment revenue, expenses and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Unallocated items mainly comprise corporate, financing expenses and non-operating items shown below.

Turnover from external customers is after elimination of inter-segment turnover. The amount eliminated attributable to Property and Hotels is HK\$47,000 (2004: HK\$32,000). The amount eliminated attributable to Investments and Others is HK\$957,000 (2004: HK\$330,000).

In determining the Group's geographical segments, revenues are attributed based on the geographical location of customers.

Notes to the Financial Statements

For the year ended 31 March 2005

2. SEGMENT INFORMATION (continued)

Business Segment

	Property and hotels		Investments and others		Consolidated	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Segment turnover	22,472	24,299	9,576	11,219	32,048	35,518
Segment result	7,367	8,896	8,061	6,284	15,428	15,180
Unallocated corporate expenses					(657)	(1,587)
Operating profit					14,771	13,593
Finance costs					(1,440)	(2,336)
Net profit on disposal of assets less impairment provisions					21,411	3,393
Share of profits and (losses) of associates						
– Listed	–	–	(275)	7,017	(275)	7,017
– Unlisted	11,820	5,062	–	–	11,820	5,062
Taxation					(650)	(3,645)
Minority interests					(35)	(1,218)
					45,602	21,866

Notes to the Financial Statements

For the year ended 31 March 2005

2. SEGMENT INFORMATION (continued)

Business Segment (continued)

	Property and hotels		Investments and others		Consolidated	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Segment assets and liabilities						
Segment assets	367,830	194,509	195,220	176,241	563,050	370,750
Investment in associates:						
– Listed	–	–	54,938	55,032	54,938	55,032
– Unlisted	232,494	204,229	–	–	232,494	204,229
Consolidated total assets					850,482	630,011
Segment liabilities	(178,058)	(52,282)	(1,896)	(11,483)	(179,954)	(63,765)
Unallocated corporate liabilities					(3,819)	(5,529)
Consolidated total liabilities					(183,773)	(69,294)
Other information						
Capital expenditure	38,222	1,130	–	20	38,222	1,150
Depreciation	562	672	13	150	575	822

Geographical Segment

	Turnover		Segment assets	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Hong Kong	30,044	33,120	464,724	343,726
Overseas	2,004	2,398	98,326	27,024
	32,048	35,518	563,050	370,750

Notes to the Financial Statements

For the year ended 31 March 2005

3. PROFIT BEFORE TAXATION

	2005 HK\$'000	2004 HK\$'000
(a) Charging		
Borrowing costs for interest expenses on bank loans & overdraft	1,346	2,336
Loan interest to an unlisted associate	94	–
Auditors' remuneration	261	279
Depreciation & amortisation	575	822
Provision for long service payments to employees	33	339
Contributions to mandatory provident fund	98	131
Rental payment under non-cancellable leases	1,810	1,965
(b) Crediting		
Share of results of listed associate	(275)	7,017
Share of results of unlisted associates	11,820	5,062
	11,545	12,079
Rental income from investment properties less direct outgoings	15,226	18,205
Listed investment income	4,576	2,021
Unlisted investment income	1,289	858
Interest income	3,470	3,231
Exchange gain	7	167

Notes to the Financial Statements

For the year ended 31 March 2005

3. PROFIT BEFORE TAXATION *(continued)*

(c) Net profit on disposal of assets less impairment provisions

	2005 HK\$'000	2004 HK\$'000
Net profit on disposal of other investments	3,590	331
Profit on sale of investment properties and other fixed assets	13,958	6,433
Gain on winding up of former subsidiary	–	2,814
Unrealised increase/(decrease) in fair value of other investments		
– listed	3,273	1,911
– unlisted	–	(666)
Unrealised holding gain/(loss) on foreign exchange contract	37	(585)
Provision for impairment losses on investments	(2,076)	(6,785)
Recovery of (provision for) receivables, debtors and advances	2,629	(60)
	21,411	3,393

Notes to the Financial Statements

For the year ended 31 March 2005

4. TAXATION

(a) Taxation

	2005			2004		
	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000	Current taxation HK\$'000	Deferred taxation HK\$'000	Total HK\$'000
The Company and its subsidiaries						
Hong Kong	761	(45)	716	1,419	(62)	1,357
– (Over)/under provision in prior year	(65)	–	(65)	292	–	292
Overseas	19	–	19	6	–	6
	715	(45)	670	1,717	(62)	1,655
Associates – overseas						
Listed	(225)	(60)	(285)	1,311	277	1,588
Unlisted	120	145	265	326	76	402
	610	40	650	3,354	291	3,645

Hong Kong profits tax has been provided at the rate of 17.50% (2004: 17.50%) on the estimated Hong Kong source assessable profits for the year. Overseas tax has been provided at the applicable rates in the countries in which the tax is levied.

Notes to the Financial Statements

For the year ended 31 March 2005

4. TAXATION (continued)

(b) Reconciliation between accounting profits and the tax charge

	2005 HK\$'000	2004 HK\$'000
Profit before taxation	46,287	26,729
Less: Share of (profits) and losses of associates		
– listed	275	(7,017)
– unlisted	(11,820)	(5,062)
Profit before taxation attributable to the Company and its subsidiaries	34,742	14,650
Tax on profit before taxation, calculated at the applicable tax rate of 17.5% (2004: 17.5%)	6,080	2,564
Tax effect of the following:		
– non-deductible expenses in determining taxable profit	513	1,359
– non-taxable revenue in determining taxable profit	(4,974)	(2,435)
– current year's tax losses not recognised	13	69
– prior year's unrecognised tax losses utilised this year	(897)	(347)
Increase in opening deferred tax liabilities resulting from an increase in the tax rate	–	153
(Over)/under provision in respect of prior years	(65)	292
Taxation attributable to the Company and its subsidiaries for the year	670	1,655

5. PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

The profit of the Company is HK\$7,181,000 (2004: Loss of HK\$1,289,000) and is included in determining the net profit attributable to shareholders in the consolidated profit and loss account.

Notes to the Financial Statements

For the year ended 31 March 2005

6. DIVIDENDS

	2005 HK\$'000	2004 HK\$'000
Interim dividend of HK0.50 cent (2004: Nil) per ordinary share	3,847	–
Proposed final cash dividend of HK1.00 cent (2004: scrip dividend with a cash option of HK1.00 cent) per ordinary share	7,694	7,490
	11,541	7,490
The dividends which have been partially paid during the year by cash are as follows:		
Interim for the year ended 31 March 2005	3,847	–
Final for the year ended 31 March 2004	2,489	–
	6,336	–

The 2005 final cash dividend of HK1.00 cent (2004: scrip dividend with a cash option of HK1.00 cent) per ordinary share has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

7. EARNINGS PER SHARE

Earnings per share is calculated on profit attributable to shareholders amounting to HK\$45,602,000 (2004: HK\$21,866,000) and on weighted average number of 758,295,989 shares in issue during the year (2004: 748,984,917 shares in issue during the year).

No diluted earnings per share have been presented for the years ended 31 March 2005 and 31 March 2004 as the exercise prices of the share options granted by the Company were higher than the fair value per share at the balance sheet date.

Notes to the Financial Statements

For the year ended 31 March 2005

8. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' Emoluments

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

	2005 HK\$'000	2004 HK\$'000
Fees	210	210
Basic salaries, housing, other allowances and benefits in kind	5,911	5,841
Bonuses	250	160
Contributions to mandatory provident fund	31	31
	6,402	6,242

The number of directors fell within emoluments bands are as follows:

HK\$	2005	2004
Nil – 1,000,000	5	5
2,000,001 – 2,500,000	1	1
2,500,001 – 3,000,000	0	1
3,000,001 – 3,500,000	1	–
	7	7

- (2) Share Options to Executive Directors

The Company granted share options to executive directors, details of which are provided in note 26.

Notes to the Financial Statements

For the year ended 31 March 2005

8. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Other Senior Management's Emoluments

- (1) During the year, the five highest paid individuals included four directors (2004: four directors), details of whose emoluments are included above. The details of the remuneration of the remaining one (2004: one) highest paid individual are set out below:

	2005 HK\$'000	2004 HK\$'000
Salaries, allowances and benefits in kind	925	928
Bonuses	70	70
Contributions to mandatory provident fund	12	12
	1,007	1,010

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

- (2) Share Options to employees

The Company granted share options to employees, details of which are provided in note 26.

Notes to the Financial Statements

For the year ended 31 March 2005

9. FIXED ASSETS

	Notes	Investment properties HK\$'000	Other assets HK\$'000	Total HK\$'000
At valuation		180,203	–	180,203
At cost		9,537	10,357	19,894
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At 31 March 2004		189,740	10,357	200,097
Additions		37,716	506	38,222
Disposals		(19,645)	(1,690)	(21,335)
Exchange adjustment		(58)	(5)	(63)
Reclassified to other investments	25(c)	–	(152)	(152)
Revaluation		28,884	–	28,884
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At 31 March 2005		236,637	9,016	245,653
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Accumulated depreciation				
At 31 March 2004		–	7,660	7,660
Charge for the year		–	575	575
Disposals		–	(1,348)	(1,348)
Exchange adjustment		–	(4)	(4)
Reclassified to other investments	25(c)	–	(86)	(86)
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At 31 March 2005		–	6,797	6,797
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Net book value				
At 31 March 2005		236,637	2,219	238,856
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At 31 March 2004		189,740	2,697	192,437
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Notes to the Financial Statements

For the year ended 31 March 2005

9. FIXED ASSETS (continued)

Investment properties comprises the following:

	2005	2004
	HK\$'000	HK\$'000
At valuation:		
Leasehold properties in Hong Kong – long term	48,100	21,500
Leasehold properties in Hong Kong – medium term	179,000	152,000
Freehold properties in Thailand	–	6,703
	227,100	180,203
At cost:		
Long term leasehold properties in Mainland China	7,947	7,947
Freehold property in Myanmar	1,590	1,590
	9,537	9,537
	236,637	189,740

Investment properties have been valued as follows:

- (a) Properties in Hong Kong as at 31 March 2005 by AA Property Services Limited and Knight Frank Hong Kong Limited, professional valuers, on an open market value basis.
- (b) The other properties which are stated at cost, have not been valued as the directors consider that any revaluation difference would not be significant to these financial statements.

Other assets comprised of furniture and fixtures and motor vehicles.

Notes to the Financial Statements

For the year ended 31 March 2005

10. LISTED ASSOCIATE

	2005 HK\$'000	2004 HK\$'000
At cost	38,471	38,471
Attributable post acquisition reserves	7,678	8,626
Exchange reserves	6,799	6,443
Increase in fair value	1,990	1,492
Share of net assets	54,938	55,032
Market value	38,377	47,322

Particulars of the listed associate are as follows:

	Main activity	Country of incorporation	Class of shares held
Siam Food Products Public Company Limited	Canned fruits for exports	Thailand	Ordinary

The Group holds 14.31% (2004: 14.31%) of the ordinary share capital of Siam Food Products Public Company Limited ("Siam Food") which is listed on the Stock Exchange of Thailand, and it accounts for this investment as an associate on the ground that the Group exercises significant influence.

In the opinion of the directors the Group exercises significant influence over Siam Food following the appointment of Mr. Kenneth Gaw, the Group's managing director, as a director of Siam Food and his continuing activity in that appointment. Furthermore the Group is the largest single shareholder in Siam Food. Significant influence is considered to have commenced for financial statements purposes on 1 April 2001.

Notes to the Financial Statements

For the year ended 31 March 2005

10. LISTED ASSOCIATE (continued)

Siam Food draws up its audited financial statements to 31 December of each year and it publishes unaudited financial information quarterly. The currency of its financial statements is the Thai Baht. Financial information summarized from published sources is as follows:

	2005 Baht '000	2004 <i>Baht '000</i>
Result for the year ended 31 March 2005:		
Turnover	2,117,757	2,540,360
(Loss)/profit before the following items	(101,126)	148,583
Prior period adjustments	–	703
Share of result of associated company and a joint venture	74,065	88,014
(Loss)/profit before taxation	(27,061)	237,300
Taxation	9,422	(38,011)
Net (loss)/profit for the year	(17,639)	199,289
Balance sheet as at 31 March 2005:		
Property, plant and equipment and plantation	1,579,722	1,033,063
Associated company and joint venture	573,955	585,490
Other non-current assets	68,718	106,825
	2,222,395	1,725,378
Inventories	458,386	552,712
Other current assets	446,592	473,246
Current liabilities	(768,533)	(670,553)
Non-current liabilities	(302,242)	–
Minority interests	(21,463)	(12,577)
	2,035,135	2,068,206
Represented by:		
Issued share capital, share premium and other reserves	600,767	600,448
Retained earnings	1,434,368	1,467,758
Shareholders' funds at 31 March 2005	2,035,135	2,068,206

Notes to the Financial Statements

For the year ended 31 March 2005

10. LISTED ASSOCIATE (continued)

Equity accounting requires, inter alia, that as at the date of acquisition the cost of the investment is compared with the fair values of the underlying net assets; in this case it was determined that the excess of the Group's share of the book value of Siam Food's net assets over the cost of the investment was represented by a fair value difference ascribed collectively to Siam Food's property, plant, equipment and capitalized plantation cost.

The fair value difference at the date Siam Food became an associate was HK\$4,974,000.

The directors consider it reasonable to amortise the fair value difference of HK\$4,974,000 over a 10 year period effective 1 April 2001 so that each year HK\$497,400 is included in the Group's share of Siam Food's net profit. However, the Group's accounting policy on impairment of assets will be applied to this amount in accordance with SSAPs issued by the Hong Kong Institute of Certified Public Accountants.

A reconciliation from Siam Food's profit to the Group's attributable share of profit for year ended 31 March 2005 is as follows:

	2005 Baht '000	2004 <i>Baht '000</i>
Siam Food's (loss)/profit before taxation as above	(27,061)	237,300

	2005 HK\$'000	2004 <i>HK\$'000</i>
Group's share before adjustment, translated into HK\$ at 0.1995 in 2005 (2004: 0.192)	(773)	6,519
Add: Fair value increment for the year	498	498
Group's share of (loss)/profit	(275)	7,017

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For the year ended 31 March 2005

11. UNLISTED ASSOCIATES

	2005 HK\$'000	2004 HK\$'000
At cost	122,805	130,580
Goodwill written off	(3,029)	(5,188)
Impairment loss	(11,497)	(11,497)
Exchange reserves	46	46
Attributable post acquisition losses	(30,678)	(44,604)
Attributable investment properties revaluation reserves	41,926	–
Share of net assets	119,573	69,337
Amount due from associates	132,921	134,892
Amount due to an associate	(20,000)	–
	232,494	204,229

Particulars of unlisted associates are as follows:

(a) Associates held by the Group

Name of company	Main activity	Country of incorporation	Percentage of ordinary shares held	Effective Group percentage
Global Gateway, L.P.	Telecom Infrastructure	United States	20	20
Grandsworth Pte. Ltd.	Investment	Singapore	50	50
Keencity Properties Limited (operates in Thailand)	Investment	British Virgin Islands	49.5	49.5
PGG Siam Property Fund	Real Estate	Thailand	49.5	49.5

Notes to the Financial Statements

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11. UNLISTED ASSOCIATES (continued)

(a) Associates held by the Group (continued)

Name of company	Main activity	Country of incorporation	Percentage of ordinary shares held	Effective Group percentage
Pioneer iNetwork Limited	Investment	Hong Kong	50	50
Strand Hotels International Limited (the hotels operate in Myanmar)	Hotels	British Virgin Islands	28	28
Winman Investment Limited	Real Estate	Hong Kong	35	35

(b) Associates held by the Company

	2005 HK\$'000	2004 HK\$'000
Unlisted shares, at cost	516	516
Amount due by associates	39,932	38,462
	40,448	38,978

Name of company	Main activity	Country of incorporation	Percentage of ordinary shares held	Effective Group percentage
Pioneer Hospitality Siam (GBR) Limited	Hotel operator	Thailand	49.5	49.5
Tidefull Investment Limited*	Investment	Liberia	50	50

Except as indicated, the principal countries of operation of the associates are the same as that of their incorporation.

* operates in Hong Kong

Notes to the Financial Statements

For the year ended 31 March 2005

11. UNLISTED ASSOCIATES *(continued)*

(b) Associates held by the Company *(continued)*

The share of turnover, results and net assets of unlisted associates are based on management accounts, as except for Grandsworth Pte Ltd., Pioneer iNetwork Limited and Pioneer Hospitality Siam (GBR) Limited, none of their financial statements are audited as at or within 6 months prior to 31 March 2005.

The above list includes the associates which in the opinion of the directors principally affect the results of the year or form a material portion of the net assets of the Group. To give details of other associates would in the opinion of the directors result in particulars of excessive length.

(c) Additional information in respect of two major associates held by the Group as at 31 March 2005 is provided as follows:

(i) Global Gateway, L.P. (“Global Gateway”)

The Group holds 20% equity interest of Global Gateway, L.P.. The principal activities of Global Gateway, L.P. are telecom infrastructure and related service.

(ii) Keencity Properties Limited (“Keencity”)

The Group holds 49.5% equity interest of Keencity. The principal activity of Keencity is its investment holding of 100% of PGG Siam Property Fund in Thailand. PGG Siam Property Fund owns the 382-rooms Aisawan Resort & Spa (formerly known as Garden Beach Resort) in Pattaya, Thailand.

As at 31 March 2005, the Group’s shares in respect of the investment in Keencity were pledged to a bank for banking facilities granted for its investment in Aisawan Resort & Spa.

Notes to the Financial Statements

For the year ended 31 March 2005

11. UNLISTED ASSOCIATES (continued)**(c) Additional information in respect of two major associates held by the Group as at 31 March 2005 is provided as follows:** (continued)

The extracts of the financial information of the above two associates based on their unaudited consolidated financial statements as at 31 March 2005 are set out below:

	Global Gateway		Keency	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Result for the year				
Turnover	45,483	38,914	17,943	12,243
Net profit/(loss)	28,368	(9,018)	14,565	10,040
Summarised balance sheet				
Total assets	741,721	499,449	184,113	184,663
Total liabilities	(279,750)	(251,121)	(63,991)	(79,005)
	461,971	248,328	120,122	105,658
Equity				
Partners' equity/ Share capital				
– Ordinary	465,066	489,419	77,524	77,524
– Preference	–	–	18,330	18,330
Property revaluation reserve	209,628	–	–	–
Other reserves	(212,723)	(241,091)	24,268	9,804
	461,971	248,328	120,122	105,658
Group's share of profit/(loss)	5,673	(1,804)	7,210	4,813
Group's share of net assets and advances	92,365	49,716	50,387	43,227

Notes to the Financial Statements

For the year ended 31 March 2005

12. INVESTMENT SECURITIES

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Listed shares in Hong Kong	108,456	108,456
Unlisted shares and loans	40,022	–
	148,478	108,456
Market value of listed shares in Hong Kong	95,398	84,557

Details of the listed investment securities are as follows:

Name	Country of incorporation	Listed in	Cost <i>HK\$'000</i>
Asia Financial Holdings Limited	Bermuda	Hong Kong	108,456 (2004: HK\$108,456,000)

As at 31 March 2005, the investment in Asia Financial Holdings Limited ("AFH") represented 4.1% (2004: 4.1%) interest in the ordinary share capital of AFH.

13. OTHER INVESTMENTS

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Non-current		
Unlisted shares and debentures	9,471	5,930
Loans and other assets	1,453	1,453
	10,924	7,383
Current		
Listed shares and bonds, at market value		
In Hong Kong	10,095	10,542
Outside Hong Kong	15,937	21,093
	26,032	31,635
Unlisted shares/equity linked notes outside Hong Kong	4,261	6,968
	30,293	38,603

Notes to the Financial Statements

For the year ended 31 March 2005

14. DEPOSITS & ADVANCES

	2005 HK\$'000	2004 HK\$'000
Non-current		
Deposits	14,127	–
Advance	45,000	–
	59,127	–

Deposits amounting to HK\$14,127,000 represent the down payments made for acquisition of investment properties. Detail is referred to Note 27(1).

Advance represents the loan made to a company for a joint venture entered into by the Group. Detail is referred to Note 27(2).

15. SUBSIDIARIES

	2005 HK\$'000	2004 HK\$'000
Unlisted shares, at cost	424,433	424,433
Amount due by subsidiaries	362,797	315,269
Provision for subsidiaries	(295,666)	(295,666)
	491,564	444,036

Notes to the Financial Statements

For the year ended 31 March 2005

15. SUBSIDIARIES (continued)

Particulars of subsidiary companies are as follows:

(a) Subsidiaries held by the Company

Name of company	Main activity	Country of incorporation	No. of issued shares	Par value	Percentage of equity held
Asian Champion Limited (operates in Hong Kong)	Investment	Liberia	2	US\$1,000	100
Brilliant Valley Investment Limited (operates in Hong Kong)	Investment	Liberia	1	Nil	100
Eternal Champion Limited	Investment	Hong Kong	1	HK\$1	100
Fortune Far East Limited (operates in U.S.A.)	Investment	Liberia	1	US\$1,000	100
Future Star Company Limited*	Investment	British Virgin Islands	1	US\$1	100
Glory East Limited (operates in Mainland China and in Myanmar)	Real Estate	Liberia	1	Nil	100
Golden Mile Limited (operates in Mainland China)	Real Estate	Liberia	1	Nil	100
Green Harmony Global Co., Ltd (operates in Thailand)	Investment	British Virgin Islands	1	US\$1	100
Pearl River Investment Limited*	Investment	Liberia	1	Nil	100
Pine International Limited*	Investment	British Virgin Islands	1	HK\$1	100
Pioneer Global Communications Limited*	Investment	British Virgin Islands	1	US\$1	100
Pioneer (USA) Holdings, Inc.	Investment	United States	1	Nil	100
Shining Galaxy Limited*	Investment	Liberia	1	Nil	100
Wealth Instrument Inc.*	Investment	British Virgin Islands	1	US\$1	100

Notes to the Financial Statements

For the year ended 31 March 2005

15. SUBSIDIARIES (continued)**(b) Subsidiaries held by the Group**

Name of company	Main activity	Country of incorporation	No. of issued shares	Par value	Percentage of equity held
Anpona Investments Limited	Real Estate	Hong Kong	1,000	HK\$10	100
Bestcom Holdings Limited*	Investment	British Virgin Islands	1	US\$1	100
Bloomcom Investments Limited*	Investment	British Virgin Islands	1	US\$1	100
Bright Orient Holdings Limited	Investment	Hong Kong	2	HK\$1	100
Dearwood Estates Limited	Investment	Hong Kong	2	HK\$10	100
Dragon Phoenix Land Investment Limited	Real Estate	Hong Kong	1,000	HK\$10	100
Fomax Limited	Computer Consultancy Services	Hong Kong	10,000	HK\$1	55
Forerunner Investments Limited	Investment	Hong Kong	3,000,000	HK\$1	60
Gamolon Investments Limited	Real Estate	Hong Kong	100	HK\$10	100
Golden Joy Technology Limited	Computer Consultancy Services	Hong Kong	5,000	HK\$1	55
Grand Prospect Enterprises Limited	Inactive	Hong Kong	1,000	HK\$1	100
Internet Group Technology Company Limited (operates in Hong Kong)	Investment	British Virgin Islands	1	US\$1	55

Notes to the Financial Statements

For the year ended 31 March 2005

15. SUBSIDIARIES (continued)**(b) Subsidiaries held by the Group** (continued)

Name of company	Main activity	Country of incorporation	No. of issued shares	Par value	Percentage of equity held
Long Growth Investments Limited (operates in Hong Kong)	Real Estate	British Virgin Islands	1	US\$1	100
Nice Fortune Limited	Real Estate	Hong Kong	1	HK\$1	100
PGG Development Company Limited	Real Estate	Hong Kong	70,000	HK\$10	100
Pioneer Estates Limited	Real Estate	Hong Kong	100	HK\$10	100
Pioneer Global Gateway Asia Limited*	Investment	British Virgin Islands	1	US\$1	100
Pioneer Global Gateway LLC*	Investment	United States	1	Nil	100
Pioneer Global Gateway USA Limited*	Investment	British Virgin Islands	1	US\$1	100
Pioneer iConcepts Limited	Computer Consultancy Services	Hong Kong	36,363,636	HK\$1	55
Pioneer Industries (Holdings) Limited	Investment and Group Administration	Hong Kong	150,794,424	HK\$0.50	100
Supreme Success Limited	Real Estate	Hong Kong	1	HK\$1	100

Except as indicated, the companies' principal countries of operation are the same as that of their incorporation.

* No definite country of operation

Notes to the Financial Statements

For the year ended 31 March 2005

16. DEBTORS, ADVANCES & PREPAYMENTS

Debtors, advances & prepayments comprised the following:

	2005 HK\$'000	2004 HK\$'000
Trade and rental debtors	73	332
Advances & prepayments	29,041	4,625
	29,114	4,957

The Group does not allow credit period to its tenants and allows an average credit period of 30 days to its trade customers.

	2005 HK\$'000	2004 HK\$'000
Aged analysis		
0 – 30 days	73	183
31 – 60 days	–	73
61 – 90 days	–	76
> 90 days	–	–
	73	332

Notes to the Financial Statements

For the year ended 31 March 2005

17. CREDITORS & ACCRUALS

Creditors & accruals comprised the following:

	2005 HK\$'000	2004 <i>HK\$'000</i>
Trade creditors	41	246
Provision for long service payments	1,769	1,860
Accruals & other creditors	13,776	10,943
	15,586	13,049

	2005 HK\$'000	2004 <i>HK\$'000</i>
Aged analysis		
0 – 30 days	–	50
31 – 60 days	–	16
61 – 90 days	–	16
> 90 days	41	164
	41	246

18. SECURED BANK LOANS

	2005 HK\$'000	2004 <i>HK\$'000</i>
Current		
Secured bank loans, repayable within one year	143,700	51,729
	143,700	51,729
Non-current		
Secured bank loan, repayable more than two years but not exceeding five years	21,450	–
	21,450	–

Notes to the Financial Statements

For the year ended 31 March 2005

19. DEFERRED TAXATION

The components of deferred tax liabilities recognised in the consolidated balance sheet and movements thereon during the current and prior years:

	Accelerated tax depreciation <i>HK\$'000</i>	Unremitted profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 March 2004	1,568	986	2,554
(Credit) to profit and loss account			
– company and its subsidiaries	(45)	–	(45)
– listed associate	–	(60)	(60)
– unlisted associates	–	(76)	(76)
At 31 March 2005	1,523	850	2,373

	Accelerated tax depreciation <i>HK\$'000</i>	Unremitted profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 March 2003	1,630	581	2,211
(Credit)/charge to profit and loss account	(215)	352	137
Effect of change in tax rate			
– charge to profit and loss account	153	–	153
Exchange differences charged to exchange reserve	–	53	53
At 31 March 2004	1,568	986	2,554

The Group has tax losses of HK\$38,700,000 (2004: HK\$9,552,000) to offset against future taxable profits for which no deferred tax assets have been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

Notes to the Financial Statements

For the year ended 31 March 2005

20. SHARE CAPITAL

	No. of Shares of HK\$0.10 each	<i>HK\$'000</i>
<hr/>		
Authorised		
At 31 March 2005 and 31 March 2004	2,000,000,000	200,000
<hr/>		
Issued and fully paid		
At 31 March 2004	748,984,917	74,898
Shares repurchased	(28,000)	(3)
Shares issued as scrip dividend	20,402,187	2,040
<hr/>		
At 31 March 2005	769,359,104	76,935
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Notes to the Financial Statements

For the year ended 31 March 2005

21. RESERVES**Group**

	Share premium HK\$'000	Capital reserve & contributed surplus HK\$'000	Exchange reserve HK\$'000	Investment properties revaluation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 31 March 2005						
At 31 March 2004	304,729	64,120	5,283	146,822	(37,269)	483,685
Shares repurchased	(3)	-	-	-	-	(3)
Exchange on translation of						
- subsidiaries	-	-	374	-	-	374
- listed associate	-	-	355	-	-	355
Revaluation on investment properties						
- subsidiaries	-	-	-	28,884	-	28,884
- unlisted associate	-	-	-	41,926	-	41,926
Disposal of investment properties	-	-	3,550	(7,704)	-	(4,154)
Profit for the year	-	-	-	-	45,602	45,602
Shares issued as scrip dividend	2,961	-	-	-	-	2,961
Final dividend paid for the year ended 31 March 2004	-	(7,490)	-	-	-	(7,490)
Interim dividend paid for the year ended 31 March 2005	-	(3,847)	-	-	-	(3,847)
At 31 March 2005	307,687	52,783	9,562	209,928	8,333	588,293
Dealt with by:						
Company and subsidiaries	307,687	52,783	2,717	168,002	31,333	562,522
Listed associate	-	-	6,799	-	7,678	14,477
Unlisted associates	-	-	46	41,926	(30,678)	11,294
At 31 March 2005	307,687	52,783	9,562	209,928	8,333	588,293
At 31 March 2004						
At 31 March 2003	304,729	64,120	6	147,320	(59,135)	457,040
Exchange on translation of						
- subsidiaries	-	-	378	-	-	378
- associate	-	-	4,602	-	-	4,602
Revaluation on investment properties – subsidiaries	-	-	-	1,000	-	1,000
Disposal of investment properties	-	-	297	(1,498)	-	(1,201)
Profit for the year	-	-	-	-	21,866	21,866
At 31 March 2004	304,729	64,120	5,283	146,822	(37,269)	483,685
Dealt with by:						
Company and subsidiaries	304,729	64,120	(1,206)	146,822	(1,291)	513,174
Listed associate	-	-	6,443	-	8,626	15,069
Unlisted associates	-	-	46	-	(44,604)	(44,558)
At 31 March 2004	304,729	64,120	5,283	146,822	(37,269)	483,685

Notes to the Financial Statements

For the year ended 31 March 2005

21. RESERVES (continued)

At 31 March 2005

Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 31 March 2004	304,729	403,929	(261,175)	447,483
Shares repurchased	(3)	–	–	(3)
Shares issued as scrip dividend	2,961	–	–	2,961
Profit for the year	–	–	7,181	7,181
Final dividend paid for the year ended 31 March 2004	–	(7,490)	–	(7,490)
Interim dividend paid for the year ended 31 March 2005	–	(3,847)	–	(3,847)
At 31 March 2005	307,687	392,592	(253,994)	446,285

The contributed surplus arose in 1989 as a result of the Group reorganisation and represented the difference between the nominal value of the Company's shares allotted under the reorganisation scheme and the consolidated shareholders' funds of the acquired subsidiary company. The contributed surplus is distributable as dividend under Bermudian Law and the Bye-Laws of the Company.

The reserves of the Company available for distribution to shareholders as at the balance sheet date, calculated in accordance with the Bermuda Companies Act, amount to HK\$138,598,000 (2004: HK\$142,754,000).

At 31 March 2004

Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 31 March 2003	304,729	403,929	(259,886)	448,772
Loss for the year	–	–	(1,289)	(1,289)
At 31 March 2004	304,729	403,929	(261,175)	447,483

Notes to the Financial Statements

For the year ended 31 March 2005

22. CONTINGENT LIABILITIES & COMMITMENTS

	Notes	Group		Company	
		2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Guarantees					
– for banking facilities granted to subsidiaries		–	–	142,070	98,260
– to bankers in lieu of utility deposits		224	224	–	–
– for payment of banking facilities to an associate		30	196	–	–
Commitments					
– to purchase foreign currency (US\$10,000,000)		78,488	78,488	78,488	78,488
– to sell Hong Kong Dollars		78,488	78,488	78,488	78,488
– to purchase investment properties	27(1)	93,509	–	–	–
– for further investment in other investments		682	819	–	–
– for credit facilities made to an associate		–	1,479	–	1,479
– for total future minimum lease payments					
– not later than one year		1,423	1,886	–	–
– later than one year and not later than five years		240	909	–	–

Notes to the Financial Statements

For the year ended 31 March 2005

23. OPERATING LEASE RECEIVABLE

At the balance sheet date, the Group's total future minimum lease payments to be received under non-cancellable rental leases in respect of investment properties are as follows:

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Not later than one year	16,879	15,645
Later than one year but not later than five years	18,288	20,545
	35,167	36,190

24. PLEDGE OF ASSETS

At the balance sheet date, properties, investments and bank balances of the Group with an aggregate book value of approximately HK\$366 million (2004: HK\$241 million) were pledged to secure banking and other loan facilities to the extent of HK\$198 million (2004: HK\$153 million) of which HK\$165 million (2004: HK\$52 million) was utilised at that date.

25. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of bank loans

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Bank loans repayable up to three months, included in cash and cash equivalents	143,700	51,729
As shown in the consolidated balance sheet	143,700	51,729

Notes to the Financial Statements

For the year ended 31 March 2005

25. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)**(b) Analysis of changes in financing during the year**

	Share capital and share premium HK\$'000	Bank loan under non-current liabilities HK\$'000	Bank loans repayable beyond three months and included in current liabilities HK\$'000	Minority interest HK\$'000
At 31 March 2004	379,627	–	–	2,134
Shares issued as scrip dividend	2,040	–	–	–
Premium on shares issued as scrip dividend	2,961	–	–	–
Share of profits	–	–	–	35
Shares repurchased	(6)	–	–	–
Distribution to minority shareholders	–	–	–	(504)
Reclassification (Note 25(c))	–	–	–	(184)
Net cash inflow from financing	–	21,450	–	–
At 31 March 2005	384,622	21,450	–	1,481

	Share capital and share premium HK\$'000	Bank loan under non-current liabilities HK\$'000	Bank loans repayable beyond three months and included in current liabilities HK\$'000	Minority interest HK\$'000
At 31 March 2003	379,627	21,600	1,200	1,241
Share of profits	–	–	–	1,218
Distribution to minority shareholders	–	–	–	(325)
Bank loans repaid	–	(21,600)	(1,200)	–
At 31 March 2004	379,627	–	–	2,134

Notes to the Financial Statements

For the year ended 31 March 2005

25. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)**(c) Reclassification of Investments**

The following investments have been reclassified as other investments, unlisted shares held under non-current assets, during the year.

- (i) A subsidiary, Wuhan Huazhong Science Union Software Development Co. Ltd. ("Wuhan") was reclassified as other investment effective 1 April 2004 on the ground that the Group no longer has control nor influence over this company.

	Note	HK\$'000
Fixed assets at cost	9	152
Accumulated depreciation	9	(86)
Net book value		66
Minority interest in Wuhan	25(b)	(184)
Exchange reserves		(3)
Debtors, advances and prepayments		53
Creditors		(278)
Cash and bank balances		830
Carrying value at 1 April 2004		484

Full provision for impairment of HK\$484,000 has been made against the carrying value as at 31 March 2005. The cash and bank balances of HK\$830,000 are shown as a Cash Outflow under investing activities in the Cash Flow Statement.

- (ii) An associate, Easy Group (BVI) Holdings Limited, was reclassified as other investment effective 31 March 2005 on the ground that the Group no longer exercises influence over this company.

	HK\$'000
Cost brought forward	2,902
Goodwill brought forward written off	(2,159)
Attributable post-acquisition losses brought forward	(2,770)
Advances made brought forward	2,027
Advances made during the year	447
Impairment loss for the year	(447)
	-

The advances made during the year of HK\$447,000 are shown as a Cash Outflow under investing activities in the Cash Flow Statement.

Notes to the Financial Statements

For the year ended 31 March 2005

26. SHARE OPTION SCHEME

On 3 September 1996, a Share Option Scheme (the "Scheme") was approved by the shareholders, under which the directors of the Company may, at its discretion, offer any employee (including any executive director) options to subscribe for shares in the Company subject to the terms and conditions stipulated in the Scheme.

Summary of the Scheme

(a) Purpose of the Scheme

To provide the participants to subscribe for ordinary shares in the Company with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its shareholders as a whole.

(b) Participants of the Scheme

The Board may at its discretion, grant to any employee (including any executive director) options to subscribe for the Company's shares.

(c) Maximum number of shares available for issue under the Scheme

The maximum number of the shares in respect of which options may be granted under the Scheme will be such number of shares, when aggregated with shares already subject to any share option schemes of the Company, shall not exceed 10% of the issued share capital of the Company.

(d) Maximum entitlement to any one participant

Under the Scheme, no options may be granted to any one employee which if exercised in full would result in the total number of the Company's shares already issued and issuable to him under all the options granted to him exceeding 25% of the aggregate number of shares of the Company for the time being issued and issuable under the Scheme.

(e) Period and payment on acceptance of options

Under the Scheme, the offer of an option to acquire shares must be accepted in writing in such manner as the Board of Directors may prescribe within 2 days from the date of grant and upon payment of a nominal consideration of HK\$1 in total by the participant to the Company.

(f) Period within which the shares must be taken up under an option

Within ten years from the date of grant or such shorter period as the Board of Directors will specify at the time of grant.

(g) The basis of determining the exercise price

The exercise price of the options is determined by the Board of Directors and will not be less than the greater of (i) an amount equal to 80% of the average closing price of the Company's share as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the date of grant and (ii) the nominal amount of the Company's share.

Notes to the Financial Statements

For the year ended 31 March 2005

26. SHARE OPTION SCHEME (continued)**(h) Life of the Scheme**

The Scheme expired on 2 September 2001 but without prejudice to the rights attached to outstanding options granted prior to expiry.

As at 31 March 2005, the Company had outstanding options to subscribe for an aggregate of 50,052,962 (2004: 48,893,641) shares in the Company. Summary of the outstanding options is as follows:

Number of options				At 31 March 2005	Exercise Price*	Date of grant	Exercise period
At 1 April 2004	Adjustments*	Lapsed during the year**					
<i>To executive directors</i>							
21,612,137	587,902	-	22,200,039	HK\$1.8897	24 October 1996	24 October 1996 to 23 October 2006	
25,456,823	692,486	-	26,149,309	HK\$1.5405	6 March 1997	6 March 1997 to 5 March 2007	
47,068,960	1,280,388	-	48,349,348				
<i>To employees</i>							
1,658,499	45,115	-	1,703,614	HK\$0.6359	30 August 2001	30 August 2001 to 29 August 2006	
166,182	(6)	(166,176)	-	HK\$0.6532	30 August 2001	30 August 2001 to 29 August 2004	
1,824,681	45,109	(166,176)	1,703,614				
48,893,641	1,325,497	(166,176)	50,052,962				

* Adjustment were made during the year in accordance with the Share Option Scheme to both the exercise prices and the number of options consequent on shares repurchased and scrip dividend issued during the year. No options were exercised during the year. The names of the executive directors and their individual entitlements to share options are set out in the Directors Report.

** The share option were granted during the period 30 August 2001 to 29 August 2004, 166,176 (2004: Nil) share options were lapsed during the year.

Notes to the Financial Statements

For the year ended 31 March 2005

27. SUBSEQUENT EVENTS

- (1) In April 2005, the Group completed the closing of the following properties in Hong Kong:
- (a) Units 1 & 87 on the first floor, units 1 & 2 on the ground floor and units 9 & 10 on the basement floor of the podium of blocks 1, 2 & 3, City Garden, No. 233 Electric Road, Hong Kong for HK\$50.0 million.
 - (b) Units 47 & 59 on the first floor of the podium of blocks 1, 2 & 3, City Garden, No. 233 Electric Road, Hong Kong for HK\$23.6 million.
 - (c) Units 8-11 on the 18th floor of Great Eagle Centre, No. 23 Harbour Road, Wanchai, Hong Kong for HK\$34.0 million.

Details of transaction were provided in a circular to shareholders dated 6 June 2005.

- (2) In April 2005, the Group entered into a joint venture with Morgan Stanley Real Estate Funds and Wachovia Development Corporation. The joint venture subsequently acquired a 22 storey commercial building on 251A-301 Avenida commercial de Macau in Macau for HK\$600 million. The Group's investment was HK\$80 million. Details of transaction were provided in circulars to shareholders dated 3 May 2005 and 15 July 2005.

28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 16 to 62 have been approved by the Board of Directors on 18 July 2005.