

Notes to the condensed financial statements:–

1 Significant Accounting Policies

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and investments in securities.

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice No. 25 “Interim financial reporting” issued by the Hong Kong Society of Accountants (“SSAP 25”), except that comparative figures are not presented for the condensed consolidated statement of recognised gains and losses and the cash flow statement, being the first condensed consolidated cash flow statement included in the interim financial report relating to accounting period ended on or after 1 July 2000. Such departure from SSAP 25 is permitted under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The interim financial report has been prepared in accordance with the accounting policies consistent with those adopted by the Group in its financial statements for the year ended 31 March 2000.

2 Segment Information

Analysis of the Group’s turnover and operating profit by principal activities for the six months ended 30 September is as follows:–

	Revenue		Segment results	
	2000	1999	2000	1999
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
By Business Segments				
Godown operation	29,534	27,737	12,979	7,989
Rental income	20,201	21,653	13,054	11,668
	<u>49,735</u>	<u>49,390</u>	26,033	19,657
Interest income			1,270	1,906
Finance costs			(5,457)	(5,439)
Investment income			971	1,705
Profit before taxation			<u>22,817</u>	<u>17,829</u>

More than 90% of the Group’s turnover and profit from operations are derived from Hong Kong.

3 Other revenue

Included in other revenue is bank interest income amounting to approximately HK\$1,270,000 (six months ended 30 September 1999: HK\$1,906,000).

4 Taxation

	Six months ended	
	30.9.2000	30.9.1999
	<i>HK\$’000</i>	<i>HK\$’000</i>
The Company and subsidiaries		
Hong Kong Profits Tax	4,046	3,198
Deferred taxation written back	(123)	–
	<u>3,923</u>	<u>3,198</u>

Hong Kong Profits Tax is calculated at the rate of 16% (1999: 16%) on the estimated assessable profits for the period.

5 Earnings per share

The calculation of earnings per share is based on the net profit for the period of approximately HK\$18,894,000 (1999: HK\$13,917,000) and on 135,000,000 shares (1999: 135,000,000 shares) in issue during the half year ended 30 September 2000.

Safety Godown Company

6 Additions to investment properties and property, plant and equipment

During the period, the Group spent approximately HK\$441,000 (six months ended 30 September 1999: HK\$2,333,000) and HK\$86,000 (six months ended 30 September 1999: HK\$674,000) on its investment properties and property, plant and equipment respectively.

7 Trade and other receivables

The Group allows an average credit period of 60 days to its trade customers.

The following is an ageing analysis of trade receivables at the reporting date:

	30.9.2000 <i>HK\$'000</i>	31.3.2000 <i>HK\$'000</i>
Trade receivables		
0 - 60 days	7,403	5,615
61 - 90 days	1,578	195
Above 90 days	540	—
	<hr/>	<hr/>
	9,521	5,810
Other receivables	5,228	4,666
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	<u>14,749</u>	<u>10,476</u>

8 Share capital

There were no movements in the share capital of the Company in either the current or the prior interim reporting period.

9 Comparative figures

Certain comparative figures have been reclassified to conform with the presentation of the audited financial statements as at 31 March 2000 and the six months result ended 30 September 2000.